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Vale to sell minority stakes in Bayovar

Vale announces that it has reached an agreement with The Mosaic Company (Mosaic), a company listed on the New York Stock Exchange, and Mitsui & Co. Ltd. (Mitsui), a company listed on the Tokyo Stock Exchange, to sell minority stakes in the Bayovar project in Peru, through a newly-formed company that will control and operate the project.

Subject to the terms and conditions set forth in the definitive share purchase agreement, Vale has agreed to sell 35% of total capital to Mosaic for US\$ 385 million and 25% of total capital to Mitsui for US\$ 275 million. Following the consummation of these transactions, Vale will retain control of the Bayovar project, holding 51% of the voting shares and 40% of total capital of the newly-formed company.

Bayovar is a phosphate rock project located in Sechura, department of Piura, Peru, which consists of an open-pit mine that is expected to have production capacity of 3.9 million metric tons per year and a maritime terminal. Completion is expected for the second half of 2010. The sale of these minority stakes will facilitate the offtake of product from the Bayovar project.

Actual closing of the transaction remains subject to the parties' finalization of the definitive shareholders' agreement and commercial offtake agreements, certain governmental regulatory approvals and other customary closing conditions.

More information



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