
Anglos Brazilian iron ore deal ill timed - Former CEO

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Bloomberg cited Mr Tony Trahar former CEO Anglo American Plc of as saying that his company's USD 5.5 billion acquisition of Brazilian iron ore mines last year was ill timed" because commodity prices were expected to fall from their peak.

Mr Trahar said that "We knew the cycle would turn. People said it was a super cycle. Now it's a super cycle downward. The acquisition of the iron ore assets was at the peak of the cycle and that was an ill-timed acquisition."

Mr Trahar said that "Anglo's approach has always been to be cautious and that has worked through thick and thin."

Anglo bought the mines last year from Brazilian billionaire Eike Batista. The deal was the biggest overseen by Ms Cynthia Carroll, Trahar's successor. Anglo gained full control of the project, which will cost USD 3.6 billion to develop, as part of its deal with Mr Batista. Now there are media reports that Anglo may seek a partner to invest in its Minas-Rio project.

(Sourced from Bloomberg)

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