
Vale fails to win Paranapanema control in auction

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It is reported that Vale failed to win a controlling stake in junior Brazilian miner Paranapanema after raising its bid for a majority stake in the company several times in a share tender recently.

Vale said “The number of Paranapanema shares tendered did not reach the minimum threshold to which the tender offer was conditioned. As a consequence, no Paranapanema shares were acquired by Vale in the auction.”

Vale had hoped to carry off Paranapanema, Brazil's sole copper smelter, for about USD 1.13 billion to provide cost savings in its growing copper business.

Vale, which first stalked Paranapanema in early 2008, had said July 29 that it would offer BRR 6.30 per Paranapanema share in a bid to acquire up to 100% of the company. Vale wished to acquire at least 50% of the shares.

The planned acquisition would have given Vale smelting facilities for the copper mines it is developing in Brazil, and a 34% share in the Brazilian market for processed copper products.

(Sourced from dowjones.com)

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