

Announcement: Moody's: Votorantim's Baa3 rating unaffected by bid for Milpo's shares

Global Credit Research - 01 Jul 2010

Sao Paulo, July 01, 2010 -- Moody's Investors Service commented today that Votorantim Participações S.A.'s ("Votorantim") Baa3 rating is unaffected by the announcement of the launch by its subsidiary Votorantim Metais (unrated) of a public bid for the acquisition of some 163 million voting shares representing 16.4% of the outstanding shares of the Peruvian mining company Compañía Minera Milpo S.A.A. (unrated) for PEN 7.26 per share or some USD 420 million equivalent in total. If the deal materializes, Votorantim will become the majority shareholder of Milpo with 50% plus one voting shares. In Moody's view, the deal is accretive and will not increase Votorantim's leverage or deteriorate its solid liquidity position.

For further detail please see Moody's Issuer Comment available at Moodys.com.

Milpo is a low-cost, efficient mining company focused on zinc, copper, lead, and silver, with mining and refining facilities in Peru and Chile. In 2009 Milpo reported consolidated EBITDA of USD 208 million (as reported) on net revenues of USD 402 million. Net debt as of 2009 year-end amounted to USD 84 million (as reported).

Votorantim Participações S.A. is the holding company of one of Brazil's largest conglomerates with a diverse business portfolio that includes banking, metals and mining, pulp and paper, cement, agribusiness and chemicals. Votorantim reported consolidated net revenues of USD 14.5 billion in the last twelve months ended on March 31, 2010, thereof some 73% deriving from its industrial operations and 27% from its banking business.

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