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## Performance of Vale in 1Q09

Vale reports a solid financial performance in 1Q09 in face of the most severe global economic downturn in the post-World War period.

To weather the recessionary environment we have been focusing on financial and operational flexibility, seeking to maximizing efficiency, minimizing costs and contributing to rebalance the markets where we operate.

Our endowment of world-class, low-cost assets, financial strength and the rapid response to the dynamics of the recession, have enabled us to continue to generate value across the cycle.

The main highlights of Vale's performance in 1Q09 were:

- . Gross revenue of US\$ 5.4 billion, 27.2% less than the US\$ 7.4 billion in 4Q08.
- . Operational profit, as measured by adjusted EBIT(a) (earnings before interest and taxes), of US\$ 1.7 billion, 16.3% below 4Q08.
- . Operational margin, as measured by adjusted EBIT margin, of 31.6%, against 27.7% in 4Q08.
- . Cash generation, as measured by adjusted EBITDA(b) (earnings before interest, taxes, depreciation and amortization), of US\$ 2.3 billion in 1Q09, compared to US\$ 2.7 billion in 4Q08.
- . Net earnings of US\$ 1.4 billion, equal to US\$ 0.26 per share on a fully diluted basis, the same level as reached in 4Q08.
- . Investment - excluding acquisitions - of US\$ 1.7 billion against US\$ 3.5 billion in the previous quarter.
- . Dividend distribution of US\$ 1.25 billion - US\$ 0.24 per common or preferred share - paid on April 30, 2009, corresponding to the first installment of the minimum dividend for 2009.
- . Strong financial position, supported by large cash holdings of US\$ 12.2 billion, availability of significant medium and long-term credit lines and a low-risk debt portfolio.

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More information



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