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Vale assures dividend payment

Companhia Vale do Rio Doce (Vale) announces that the dividend distribution declared on October 18, 2007 will take place as planned, without any changes, despite recent news regarding a judicial decision involving the Company.

Vale suffered three judicial charges, for a total value of R\$ 756,883,452.01. The first two charges, determined by the Brazilian National Treasury, in 2004 and 2005, amount to R\$ 117,013,860.08, Vale had presented bank guarantees, that were deemed acceptable by the court at the time, according to Brazilian law (Law 6830/80). However, after Vale's dividend announcement, the National Treasury required that the bank guarantees should be replaced by cash. Vale is currently appealing to these decisions.

The third charge, amounting to R\$639,869,591.20, was an unprecedented event for the Company. On October 24 2007, it was required to retain the payment of dividends. If the proper court procedure pursuant to the above mentioned law had taken place, Vale would have had five days to assure the execution and defend itself before the court, as it has in prior cases.

Due to this situation, and to fulfill the commitment to our shareholders, Vale will deposit, in cash, the values required. The company will appeal this judicial decision.

More information



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