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Vale makes payment to holders of mandatorily convertible notes

Companhia Vale do Rio Doce (Vale) will pay additional interest to holders of mandatory convertible notes (notes) due June 15, 2010, issued by its wholly-owned subsidiary, Vale Capital Ltd., in two series, RIO and RIO P.

Per the agreement governing the notes, additional interest due to each noteholder is an amount in U.S. dollars equal to any cash distribution net of any applicable withholding tax and fees paid by the Depository of our ADSs - each representing one common/preferred CVRD share, RIO/RIOPR - to the holder of one ADS, multiplied by the number of ADSs that would be received by the noteholder upon conversion of the notes at the conversion rate specified in the applicable indenture (as adjusted for the forward-stock split approved in August 2007). Therefore, today's approval by Vale's Board of Directors of a dividend distribution to shareholder triggered the payment of additional interest to noteholders.

The additional interest paid on the RIO note series and the RIO P note series will be equal to an amount in U.S. dollars equivalent to R\$ 0.659381778 and R\$ 0.782596840, respectively, converted to the Brazilian real/US dollar exchange rate on October 31, 2007.

The additional interest will be paid to listed noteholders as of October 23, 2007 (regular record date). The Bank of New York, as the trustee, will pay the noteholders on November 7, 2007.

More information



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