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Vale plans to offer two series of mandatorily convertible notes

Companhia Vale do Rio Doce (Vale) announces that it plans to offer two series (Series RIO and Series RIO P) of mandatory convertible notes, due 2010, through its wholly-owned indirect subsidiary Vale Capital Limited (Vale Capital). At their maturity and upon certain events, the Series RIO Notes will be converted to American Depositary Shares (ADR), each representing one common share of Vale stock. The Series RIO P Notes will be converted to American Depositary Shares, each representing one preferred class A share of Vale. Together, the American Depositary Shares will represent an aggregate of 28,291,020 common shares and 15,147,728 preferred class A shares of Vale, which is currently held by Vale as treasury stock.

The use of treasury stock was authorized by the Brazilian Securities Commission (CVM) on June 14, 2007 and will comply with CVM Instruction nº 10/80, as amended, except as expressly authorized by CVM, pursuant to a share purchase agreement between Vale and Vale Capital.

Vale will use the net proceeds of this offering for general corporate purposes.

The notes will be unsecured and unsubordinated obligations of Vale Capital and will be fully and unconditionally guaranteed by Vale. The guarantee will be an unsecured and unsubordinated obligation of Vale.

Citigroup Global Markets, Inc. (Citi) and J.P. Morgan Securities Inc. (JPMorgan) are acting as underwriters of these notes.

The offering will be made pursuant to an effective shelf registration statement. A preliminary prospectus supplement with further information about the proposed offering will be filed with the SEC. Before you invest, you should read the preliminary prospectus supplement and other documents that Vale and Vale Capital have filed with the SEC for more complete information about Vale and Vale Capital and the offering. When available, you may get these documents free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, Citigroup and J.P. Morgan will arrange to send you the prospectus upon request by calling toll-free +1-800-831-9146 (in the United States), by calling +1-718-765-6732 (outside the United States), or by contacting them at: Citigroup Global Markets, Inc., Brooklyn Army Terminal, 140 58th St., 8th Floor, Brooklyn, New York 11220.

More information



Mônica Ferreira

monica.ferreira@vale.com

Rio de Janeiro

+55 (21) 3845-3636

Fatima Cristina

fatima.cristina@vale.com

Rio de Janeiro

+55 (21) 3485-3621

