



Type what you want to search

Search

07/07/2009



## Vale prices US\$ 942 million mandatorily convertible notes due 2012

Vale hereby announces the pricing of a US\$ 941,658,400 offering of mandatorily convertible notes due 2012 through its wholly-owned subsidiary Vale Capital II.

The US\$ 292,445,150 Guaranteed Notes due 2012, Series VALE-2012 (the "Series VALE-2012 Notes") will bear interest at 6.75% per year, payable quarterly. At their maturity on June 15, 2012, or upon certain events earlier, the Series VALE-2012 Notes will be mandatorily converted to American Depositary Shares (ADSs), each representing one common share of Vale. Additional remuneration will be payable based on the net amount of cash distributions paid to ADS holders.

The US\$ 649,213,250 Guaranteed Notes due 2012, Series VALE.P-2012 (the "Series VALE.P-2012 Notes") will bear interest at 6.75% per year, payable quarterly. At their maturity on June 15, 2012, or upon certain events earlier, the Series VALE.P-2012 Notes will be mandatorily converted to ADSs, each representing one preferred class A share of Vale. Additional remuneration will be payable based on the net amount of cash distributions paid to ADS holders.

The American Depositary Shares into which the Series VALE-2012 Notes and the Series VALE.P-2012 Notes are convertible will represent up to an aggregate of 18,415,859 common shares and 47,284,800 preferred class A shares of Vale, all of which Vale currently holds in treasury.

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

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

Citi and J.P. Morgan acted as book-running underwriters.

Vale and Vale Capital II have filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (SEC) for the offering of the notes. Before you invest, you should read the prospectus in that registration statement and other documents Vale and Vale Capital II have filed with the SEC for more complete information about the companies and the offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, you may obtain a prospectus upon request by contacting Citi at Brooklyn Army Terminal, 140 58th St., 8th Floor, Brooklyn, New York 11220 (tel: 1-800-831-9146) or J.P. Morgan at Prospectus Library, 4 Metrotech Center, CS Level, Brooklyn, New York 11224 (collect call 718-242-8002).

This press release is not an offer to sell, nor a solicitation of an offer to buy the notes, nor shall there be any sale of the notes in any state or jurisdiction in which the offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction.

[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

---