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Vale announces proposal for 2008 minimum dividend: US\$ 2.5 billion

Rio de Janeiro, January 21, 2008 - Companhia Vale do Rio Doce (Vale) announces that its senior management has approved and will submit to the Board of Directors a proposal for the distribution of a minimum dividend of US\$ 2.5 billion in 2008. The dividend per share will be US\$ 0.517342250, for both common and preferred shares. The payment will be made in two installments, on April 30 and October 31, 2008.

The Board of Directors will evaluate the proposal submitted by senior management, regarding each installment, in the meetings scheduled for April 10 and October 16, 2008.

Payments will be made in Brazilian Reais, calculated on the basis of the Brazilian Real/US dollar exchange rate (Ptax-Option 5) published by the Central Bank of Brazil on the business day prior to the Board of Directors meeting that approves the minimum dividend proposal.

The minimum dividend proposed for 2008, of US\$ 2.5 billion, represents an increase of 33.3% over the total dividend paid in 2007, US\$ 1.875 billion, and a 110.5% rise over the average annual dividend for the last five years, of US\$1.187 billion. At the same time, it is consistent with Vale's policy of financing growth opportunities while preserving a healthy balance sheet.

From 2003 to 2007, total return to Vale's shareholders was 73.7% per year, reflecting the value-creation process embedded into the execution of the Company's long-term strategy. Despite the significant increase in our share prices, the return to capital to shareholders through dividend distribution produced in an average dividend yield of 2.5% over this period.

More information



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