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Vale announces proposal for a share buy-back program

Vale announces that the shareholders of Valepar S.A. (Valepar), Vale's controlling shareholder, approved a proposal from Vale's Executive Directors to establish a share buy-back program to be executed over the next 360 days. The share buy-back program considers the acquisition of up to 69,944,380 common shares and up to 169,210,249 preferred shares, corresponding respectively to 5.5% and 8.5% of the free floating shares of each class, respectively, as of September 30, 2008.

This proposal will be submitted to the approval of Vale's Board of Directors at a meeting to be held on October 16, 2008. If approved, the buy-back program could only commence on October 27, 2008, following the end of the blackout period, pursuant to Vale's Securities Trading Policy and Brazilian capital markets regulations.

The program is in accordance with capital markets laws and regulations of Brazil, the United States and France, and the buy-back will be performed through the following financial institutions:

- Bradesco S.A. CTVM - Av Ipiranga 282 - São Paulo (SP)
- Itaú CV - Av. Doutor Hugo Beolchi 900, 15º andar - São Paulo (SP)
- Agora-Senior CTVM S.A. - Praia de Botafogo 300, 6º andar - Rio de Janeiro (RJ)
- Fator S.A. CV - R. Doutor Renato Paes de Barros 1.017 - 11º e 12º andares - São Paulo (SP)
- Credit Suisse Hedging-Griffo CV S.A. - Av. Presidente Juscelino Kubitschek 1.830, 6º e 7º andares - São Paulo (SP)
- Magliano S.A. CCVM - R. Bela Cintra 986, 2º andar - São Paulo (SP)

The main purpose of the share buy-back program is to employ Vale's cash, given the recent market multiples observed, to maximize shareholder value.

More information



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