

ESTABLISHMENT AND PRIVATISATION

Establishment

We were established by the Brazilian Government on 1 June 1942 under the name “Companhia Vale do Rio Doce” by Decree-Law No. 4,352 and duly incorporated on 11 January 1943 in the form of a mixed economy company, with objects to mine, trade, transport and export iron ore from the Itabira mines, and run the Vitória-Minas railroad, which carried iron ore and agricultural products from Vale do Rio Doce, in southeastern Brazil, to the port of Vitória, located in Espírito Santo.

Our Company was incorporated with both Common Shares and Class A Preferred Shares. Our securities were first listed on the Rio de Janeiro Stock Market (BVRJ) in October 1943. Our securities first became part of the IBOVSPA index in 1968. In March 1994, we issued ADRs negotiable on the over-the-counter market in the United States.

Privatisation

In June 1995, the Brazilian Government announced its intention to sell its Common Shares and Class A Preferred Shares as part of the ongoing Brazilian privatisation programme.

The privatisation process was initiated in 1997. Pursuant to Privatisation Decree PND-A-01/97/VALE and the Resolution of the Brazilian National Privatisation Council — CND paragraph 2, of 5 March 1997, an extraordinary general meeting of our Company approved the issue of 388,559,056 shareholders’ debentures of our Company on 18 April 1997, for the purpose of guaranteeing its pre-privatisation shareholders, including the Brazilian Government, the right to participate in revenues from certain mineral deposits of the Group after privatisation that were not taken into account in determining the price of shares in the privatisation.

In the first step of the privatisation process, on 6 May 1997, the Brazilian Government sold 104,318,070 Common Shares, representing approximately 41.73% of our then issued voting capital to Valepar, which was formed for the special purpose of holding a controlling interest in our outstanding Common Shares. The initial principal investors in Valepar were a subsidiary of Companhia Siderúrgica Nacional (CSN) (which is a Brazilian steelmaker), various Brazilian pension funds, an affiliate of Bank of America, a U.S. bank, and certain foreign investment funds.

In the second step of the privatisation process, on 20 May 1997, the Brazilian Government sold 11,120,919 Common Shares, representing approximately 4.5% of our then issued Common Shares, and 8,744,308 Class A Preferred Shares, representing approximately 6.3% of our then issued Class A Preferred Shares, in an offering restricted to our then current and retired employees. Substantially all of the shares sold in this step of the privatisation were purchased through Clube de Investimento dos Empregados da Vale-INVESTVALE, an association organised for the benefit of our then current and retired employees. Employees were also granted the option, exercisable through Investvale, to obtain an interest in the controlling block held by Valepar by exchanging the Common Shares held by them through Investvale for equity in Valepar.

In accordance with our privatisation deed, the Shareholders’ meeting held after the privatisation approved the introduction of the Golden Share to be exclusively owned by the Brazilian Government which carried special veto rights over certain matters specified in the By-laws. For more information on the rights attached to the Golden Shares, please refer to the section in this Listing Document headed “Share capital — Voting rights”. After the share splits described below, there are now 12 Golden Shares in issue. All of the Golden Shares are owned by the Brazilian Government.

In the third step of the privatisation process on 20 March 2002, the Brazilian Government and BNDES each sold 34,255,582 Common Shares in a secondary public offering, in the form of Common Shares and ADSs, which together represented 27.9% of then issued Common Shares.

Subsequent listing and trading

On 20 June 2000, ADRs evidencing ADSs representing our Class A Preferred Shares were listed on NYSE.

On 15 March 2002, ADRs evidencing ADSs representing our Common Shares were listed on NYSE.

Our Common Shares began trading on LATIBEX of the Madrid Stock Exchange in 2002.

For details of the commencement of listing of ADRs evidencing ADSs representing our Common Shares and Class A Preferred Shares on NYSE Euronext Paris, see "Global offering" below.

Share splits

Since the completion of the final phase of the privatisation process, our share prices have appreciated substantially. We therefore undertook three share-splits to reposition the price per Share of our Shares to make it easier for retail shareholders to buy and sell the Common Shares and Class A Preferred Shares.

The first share-split was undertaken pursuant to a general meeting in August 2004 and each Share was split into three Shares. A second share-split was undertaken pursuant to a general meeting in April 2006 whereby each Share was further split into two Shares. A third share-split was undertaken pursuant to a general meeting on 30 August 2007 whereby each Share was further split into two Shares.

Global offering

In July 2008, we conducted a global offering of 256,926,766 Common Shares and 189,063,218 Class A Preferred Shares (including Common Shares and Class A Preferred Shares in the form of ADSs evidenced by ADRs). At the same time we placed 63,506,751 Class A Preferred Shares and 80,079,223 Common Shares in the form of ADSs evidenced by ADRs. The offer also included 24,660,419 Class A Preferred Shares issued by way of over-allotment option. The offer raised approximately US\$12.2 billion. We used these funds for general corporate purposes, including our investment plan to finance organic growth.

In connection with the global offering, on 21 July 2008, ADRs evidencing ADSs representing both Common Shares and Class A Preferred Shares were admitted to listing on NYSE Euronext Paris, trading in Euro denominations.

Name change

On 22 May 2009, we changed our name from Companhia Vale do Rio Doce to Vale S.A.