Governance *in Brief*

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Petrobras to pay massive third quarter dividend

Petrobras has approved the payment of around BRL 43.68 billion (USD 8.4 billion) in Q3 dividends. Of the total dividend, around BRL 20 billion (USD 3.9 billion) will go to the Brazilian federal government, Petrobras' controlling shareholder. Oil workers' union FUP and minority shareholders' association Anapetro had warned that they would sue the company's management and directors if the dividend were approved by the board, arguing that dividends significantly exceed investments. Specifically, the dividends paid by Petrobras for the first half of the year totalled BRL 130 billion (USD 25.2 billion), while investments amounted to only BRL 17 billion (USD 3.3 billion). Prosecutors had requested the suspension of the Q3 dividend, alleging it can "compromise the financial sustainability of the company in the short, medium and long term." Petrobras contends that the dividend is in line with its payout policy, which allows the distribution of 60% of the difference between operating cash flow and acquisitions of fixed and intangible assets.

Petrobras (1) | Petrobras (2) | FUP | Yahoo | Nasdaq |

PMI to push ahead with Swedish Match acquisition

Philip Morris International ("PMI") has decided to move ahead with its USD 16 billion acquisition of Swedish Match, despite failing to reach the planned 90% shareholder acceptance level. Shareholders representing circa 82.6% of capital have tendered their shares. However, PMI has extended the offer period for the shareholders until November 25, planning to take the company private once it reaches an ownership level of more than 90%. In October, PMI increased its offer for Swedish Match by nearly 10%, after several shareholders had opposed the transaction.

Euronews | Yahoo | WSJ (1) | WSJ (2) | Morningstar |

North Sea oil & gas producer Ithaca Energy IPOs on LSE

The IPO of North Sea oil and gas producer Ithaca Energy on the London Stock Exchange was priced at GBP 2.50 per share, at the bottom end of the expected range. The offering values the company at GBP 2.5 billion, making the listing London's biggest this year. Ithaca's free float will amount to nearly 12% of the capital. The company, owned by Delek Group, is thus taking advantage of the latest changes in London listing rules aimed at boosting the attractiveness of the market, which include a reduction in the number of shares that need to be in public hands from 25% to 10%.

Yahoo (1) | Yahoo (2) | Financial Post | LSE | Reuters |

Credit Suisse plans CHF 4 billion capital increase

Swiss banking giant Credit Suisse plans to raise CHF 4 billion (USD 4.1 billion) through the issuance of new shares as part of a "radical" restructuring plan, which also includes cost cutting and workforce reduction. Saudi National Bank has already committed to invest up to CHF 1.5 billion (USD 1.5 billion), which will give it a shareholding of 9.9% in Credit Suisse. However, the Saudi lender will not seek a seat on Credit Suisse's board. Credit Suisse has reportedly invited at least 20 banks to join the syndicate for its capital increase, which it has dubbed "Project Ghana."

Yahoo (1) | Yahoo (2) | Yahoo (3) | Reuters | Swissinfo | Euronews |