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CVRD acquires 75.66% of Inco

Rio de Janeiro, October 24, 2006 - Companhia Vale do Rio Doce (CVRD) announces that 174,623,019 common shares of Inco Limited (Inco) including shares deposited by guaranteed delivery, representing 75.66% of the Inco common shares outstanding on a fully-diluted basis, were deposited to the offer to acquire all of the outstanding common shares of Inco for C\$86.00 in cash per Inco common share as at the expiry time of the offer, midnight (Toronto time) on October 23, 2006.

All of the conditions of the offer were satisfied as at the expiry time, and CVRD has taken up all of the Inco common shares that were deposited to the offer at such time. Payment for such Inco common shares is expected to be made to the depositary, Computershare Investor Services Inc., on October 26, 2006.

CVRD now beneficially owns 174,623,019 common shares of Inco, representing 75.66% of the issued and outstanding common shares of Inco on a fully diluted basis.

In order to provide Inco security holders who have not yet accepted the offer with the opportunity to analyze and accept the offer, CVRD has extended the expiry time of the offer to midnight (Toronto time) on November 3, 2006. This extension constitutes a "subsequent offering period" under the U.S. law.

In accordance with its stated purpose of acquiring 100% of the issued and outstanding shares of Inco, CVRD intends to take steps to acquire the remaining Inco common shares.

CVRD will seek to reconstitute the Inco Board of Directors and to de-list the shares from the New York Stock Exchange as promptly and practicable, and upon meeting the relevant requirements, from the Toronto Stock Exchange. CVRD also intends to cause Inco to cease to be a reporting issuer in Canada and the U.S. once the number of Inco security holders is sufficiently reduced. In addition, CVRD will seek to have Inco begin reporting as a "foreign private issuer" under the U.S. Securities Exchange Act of 1934, as amended, effective immediately.

IMPORTANT INFORMATION

This press release may be deemed to be solicitation material in respect of CVRD's proposed tender offer for the shares of Inco. On August 14, CVRD filed a tender offer statement on Schedule TO (containing an offer to purchase and a takeover bid circular) with the United States Securities and Exchange Commission ("SEC"). CVRD, if required, will file other documents regarding the proposed tender offer with the SEC.

INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE TAKEOVER BID CIRCULAR, THE SCHEDULE TO AND ANY OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE OFFER FOR COMMON SHARES OF INCO. These documents will be available without charge on the SEC's website at www.sec.gov. Free copies of the documents can also be obtained by directing a request to Kingsdale Shareholder Services Inc., The Exchange Tower, 130 King Street West, Suite 2950, P.O.Box 361, Toronto, Ontario, M5X 1E2, by telephone to 1-866-381-4105 (North American Toll Free) or 416-867-2272 (Overseas), or by email to: contactus@kingsdaleshareholder.com.

This press release may contain statements that express management's expectations about future events or results rather than historical facts. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements, and CVRD cannot give assurance that such statements will prove correct. These risks and uncertainties include factors: relating to the Brazilian economy and securities markets, which exhibit volatility and can be adversely affected by developments in other countries; relating to the iron ore business and its dependence on the global steel industry, which is cyclical in nature; and relating to the highly competitive industries in which CVRD operates. For additional information on factors that could cause CVRD's actual results to differ from expectations reflected in forward-looking statements, please see CVRD's reports filed with the Brazilian Comissão de Valores Mobiliários and the U.S. Securities and Exchange Commission.

More information



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