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CVRD announces results of its tender offer

Companhia Vale do Rio Doce (CVRD) reports that its wholly owned subsidiary Vale Overseas Limited (Vale Overseas) announced the results of its cash tender offer for any and all of its US$ 300 million aggregate principal amount outstanding 9.000% Guaranteed Notes due 2013 (CUSIP numbers: 91911TAD5, 91911TAC7 and G9317UAB1). The offer expired at 5:00 p.m., New York City time, on January 10, 2006.

Vale Overseas has been advised by the depositary that, as of the expiration date of the offer, of the US$ 300 million in aggregate principal amount of notes outstanding, approximately US$ 176 million had been validly tendered and not validly withdrawn pursuant to the offer.

Vale Overseas has accepted for purchase, at a price of US$ 1,185.21 per US$ 1,000 principal amount, all notes validly tendered and not validly withdrawn pursuant to the offer in the manner described in the offer to purchase. The total cash payment to purchase the notes, excluding accrued interest, is approximately US$ 208 million.

Payment of the purchase price and accrued and unpaid interest to, but excluding, the settlement date for the notes accepted pursuant to the offer will occur on January 13, 2006.

Vale Overseas retained J.P. Morgan Securities Inc. to serve as dealer manager for the offer, JPMorgan Chase Bank, N.A. to serve as the depositary for the offer, J.P. Morgan Bank Luxembourg S.A. to serve as Luxembourg agent for the offer and D.F. King & Co., Inc. to serve as information agent for the offer.

This announcement does not constitute an offer to purchase or a solicitation of an offer to sell securities. The offer is being made solely by the offer to purchase.

This transaction reflects the CVRD´s financial policy to reduce its cost of capital by means of active liability management and the development of liquid market for its bonds. The acquisition of the 2013 note and the issuance of 6.25% Guaranteed Notes due 2016, publicly announced on January 5, 2006, contribute to lowering the average coupon on the Company's bonds and lengthening the average maturity of its debt.

More information

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