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CVRD issues US\$ 300 million notes due 2034

Companhia Vale do Rio Doce (CVRD) informs that it issued today US\$ 300 million notes due 2034.

The notes issuance was oversubscribed by more than twice its value. The notes were priced with a yield to maturity (YTM) of 7.65% per year, resulting in a spread over US-Treasury bonds with the same duration of 286 basis points (bps), 50 bps lower than the US\$ 500 million tranche issued in January 2005. The YTM is 70 bps lower than the one offered in the former transaction.

The notes form a single series with the US\$500,000,000 principal amount of Vale Overseas' 8.25% Guaranteed Notes due 2034 (CVRD 2034) that were issued on January 15, 2004. The notes are unsecured and unsubordinated obligations of Vale Overseas Limited, a wholly owned subsidiary of CVRD, and are fully and unconditionally guaranteed by CVRD. The guarantee ranks pari passu with all of CVRD's other unsecured and unsubordinated debt obligations. The net proceeds of the offer will be used for CVRD's general corporate purposes.

This issuance contributes both to enhance market liquidity of the CVRD 2034 and to lengthen the average debt maturity of CVRD, in line with the Company's strategic target of minimizing the risk of its debt portfolio, while reinforcing the positive perception of CVRD credit risk by the global capital markets.

More information



Mônica Ferreira

monica.ferreira@vale.com

Rio de Janeiro

+55 (21) 3845-3636

Fatima Cristina

fatima.cristina@vale.com

Rio de Janeiro

+55 (21) 3485-3621