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## CVRD pays US\$ 13.3 billion for the acquisition of Inco

Companhia Vale do Rio Doce (CVRD) made today the payment of US\$ 13.3 billion to the depositary agent, Computershare Investor Services Inc., for the acquisition of 174,623,019 shares of Inco Limited (Inco), representing 75.66% of its outstanding shares on a fully-diluted basis.

In accordance with its stated purpose of acquiring 100% of the outstanding shares of Inco, CVRD will take the steps to acquire the remaining 56,189,554 Inco shares.

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.

CVRD financial disbursement with the acquisition of 100% of Inco shares is estimated to reach US\$ 17.6 billion. The Company will use US\$ 2.0 billion out of its own cash holdings and will finance the remaining US\$ 15.5 billion with the bridge loan supplied by a syndicate of 37 banks based in North America, Brazil, Europe, Asia and Australia. The bridge loan has a two-year tenor, with an interest rate of Libor plus 40 basis points during the first year and Libor plus 60 basis points during the second year.

Therefore, to finance the acquisition, the Company will use much less than half of the value originally offered by the bank syndicate, which amounted to US\$ 34 billion.

CVRD expects to conclude several transactions to take out the bridge loan aiming to preserve its average debt maturity close to the pre-acquisition level, longer than seven years, to keep a low risk debt profile and to minimize its weighted average cost of capital in order to consolidate its excellent reputation in global financial markets.

### More information



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