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## CVRD sells its stake in NES

Companhia Vale do Rio Doce (CVRD) informs that it entered into a stock sale and purchase agreement with JFE Steel Corporation (JFE), from Japan, to sell its 49% stake in Nova Era Silicon (NES), a ferrosilicon producer with operations in the state of Minas Gerais, Brazil, for US\$ 14 million.

The closing of this transaction is subject to the satisfaction of several precedent conditions.

In the first nine months of 2005, NES sold 25,261 tons of ferrosilicon, generating net revenues of R\$ 68 million. The cash generation measured by EBITDA (earnings before interest, tax, depreciation and amortization), computed according to the general accepted accounting principles in Brazil (BR GAAP), reached R\$ 4 million in the same period. As of September 30, 2006, NES net debt amounted to R\$ 22 million.

The divestiture of NES is aligned with the policy of CVRD for the manganese business of focusing on manganese ore and manganese alloys production through wholly owned subsidiaries.

CVRD has a long-term partnership with JFE, involving commercial transactions and joint investments, and it will continue to supply iron ore and logistics services to NES.

### More information



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