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06/01/2005



CVRD clarifies press reports about MRS

Concerning remarks published today (June 1) in the Brazilian press allegedly attributed to the director-general at ANTT terrestrial transportation agency, CVRD clarifies that:

1. CVRD does not control and has never owned control of MRS railroad company. CVRD does not have a majority stake in MRS controlling group, formed by CVRD, Usiminas, CSN and Gerdau, all of them major users of the railway services.
2. MRS executive management is formed by professionals and it does not include and has never included any representative linked to CVRD.
3. CVRD reiterates that its direct and indirect participation in MRS does not give it powers to set the railroad company's commercial and investment policy.
4. CVRD's stake in MRS results from its acquisitions of shares in Ferteco and CAEMI which occurred in 2001. CAEMI is a MBR shareholder, which is in turn a shareholder of MRS.
5. According to MRS privatization rules, holdings above 20 percent of the company's capital would depend on prior approval by the Brazilian authorities. ANTT itself has already authorized shareholders to own participations in other railroad companies above those set in their previous tender documents.
6. Negotiations between shareholders to change the current shareholder agreement are underway. The process has not been concluded yet.
7. As a main user of MRS' services (64% of production in TKUs), it is at CVRD's main interest that MRS continues to be a well run railway company with increased levels of investment.

More information



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