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## CVRD US\$ 500 million revolving credit line

Rio de Janeiro, May 23, 2006 - Companhia Vale do Rio Doce (CVRD) announces the contract involving a US\$ 500 million revolving credit line with a five years maturity. The facility fee is 0.09% p.a. and in the case of utilization the interest rate will be equal to Libor plus 0.235% p.a.

The revolving credit line was arranged by a bank syndicate led by HSBC and Citigroup, which includes ABN Amro N.V., Bradesco, BankBoston N.A., Calyon, Deutsche Bank, Dresdner Bank, Export Development Canada-EDC, ING Bank N.V., Istituto Bancario San Paolo, JP Morgan Chase, Mizuho Bank, Santander, Standard Chartered Bank, Tokyo Mitsubishi and WestLB AG. The amount of lines offered equals to approximately two and a half the volume originally demanded by CVRD.

The transaction was structured in such a way as not to have any restriction related to sovereign risk on the disbursement of this credit line.

The revolving credit line adds to the US\$ 650 million committed bank lines obtained by the Company in 2005, representing the availability of significant liquidity, contributing to improve its risk perception.

Unlike the committed bank facility, which has a two year utilization period and a two year term for amortization, the revolving credit line can be used at any time, for a longer period, five years, and with a lower cost, conditions that are derived from a better risk assessment by the world financial markets and from the recent raising of CVRD rating by Standard & Poor's to BBB+.

The access to an inventory of credit lines - committed and revolving - of US\$ 1.15 billion enhances CVRD liquidity and allows a more efficient cash management, being consistent with its strategic focus on cost of capital reduction.

### 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