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CVRD announces proposal in 2007 dividend: US\$ 1.65 billion

Companhia Vale do Rio Doce (CVRD) hereby announces that its Senior Management has approved and will submit to the Board of Directors a proposal for dividend payment of US\$ 1.65 billion to shareholders in 2007. The payment will be made in two equal installments, on April 30 and October 31, 2007, and corresponds to US\$ 0.68289232 per outstanding common and preferred shares.

Payments will be made in Brazilian reais, converted to the US dollar according to the Brazilian real/US dollar exchange rate (Ptax-Option 5) published by the Central Bank of Brazil on the business day prior to the Board of Directors meeting that approves the dividend proposal.

The dividend proposed for 2007, of US\$ 1.65 billion, represents an increase of 27% over the total dividend paid in 2006, US\$ 1.3 billion, and a raise of 77.6% over the average annual dividend for the last five years. At the same time, it is consistent with CVRD's financial policy guidelines, which aim to preserve a healthy balance sheet and, more specifically, a level of leverage indicative of a low-risk debt profile.

From 2001 to 2006, total return to CVRD's shareholders was 42.7% per year, reflecting the value creation process embedded into the execution of the Company's long-term strategy. Despite the significant increase in our share prices, the return of capital to shareholders through dividends resulted in an average dividend yield of 4.7% p.a. over this period.

More information



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