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## CVRD proposes additional dividend of US\$ 300 million for 2005

Companhia Vale do Rio Doce (CVRD) informs that on October 14, 2005 its Executive Committee will submit a proposal to the Company's Board of Directors to distribute the second tranche - US\$ 500 million, equal to US\$ 0.434 per common or preferred share - of the US\$ 1 billion minimum dividend to shareholders for 2005 announced on January 31, 2005. In addition to the minimum dividend, it will be proposed the distribution to shareholders of US\$ 300 million, equivalent to US\$ 0.261 per common or preferred share, as part of the total dividend for 2005.

If the proposals are approved by the Board of Directors, a US\$ 800 million - US\$ 0.695 per share - payment will be made to shareholders on October 31.

The amount of US\$ 0.695 per share will be converted to Brazilian reais (BRL) in accordance to the BRL/USD exchange rate for the sale of USD (Ptax - option 5 code) to be informed by the Central Bank of Brazil on October 13, 2005.

The proposed additional dividend of US\$ 300 million is derived from the Company's cash flow performance during 2005. It is consistent with the maintenance of prudent levels of financial leverage and the optimization of CVRD's financial management.

The proposed total dividend distribution, of US\$ 1.3 billion, will represent an increase of 65% over the distribution made in 2004 and implies an annual average growth rate of 39% since 2002.

### More information



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