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Vale has its BBB rating affirmed

Companhia Vale do Rio Doce (Vale) announces that Standard & Poor's Ratings Services (S&P) affirmed its BBB corporate credit rating and removed the Company from CreditWatch, where it was placed on October 14, 2006.

Simultaneously, S&P said that the issuance of a hybrid debt instrument, with a significant equity component, is no longer a requirement to maintain Vale's BBB rating level.

The rating reconfirmation is associated with the refinancing, under favorable conditions, of a substantial part (84%) of the bridge loan used to finance the acquisition of Inco Ltd. It reconfirms Vale's leading position in the global iron ore and nickel markets and the company's strong fundamentals. S&P believes that Vale will be able to use its strong free cash flow to reduce debt throughout 2007 and 2008.

The S&P announcement is consistent with the Company's confidence in its future operational and financial performance, underlying the decision of our Board of Directors to approve a CAPEX program of US\$ 6.3 billion and a dividend distribution of US\$ 1.65 billion for 2007.

More information



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