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## CVRD announces a joint venture in China

Companhia Vale do Rio Doce (CVRD) announces that it has signed a partnership to build a new pelletizing plant in China, being the Company's first investment in iron ore business in China.

CVRD, through its subsidiary Minerações Brasileiras Reunidas S.A. (MBR), will have a 25% stake in the joint venture Zhuhai YPM (ZYPM), owner of a new pelletizing plant in Zhuhai, Guandong, China, with nominal capacity of 1.2 million tons per year and expected start-up in 2008. The other partners in this joint venture are Zhuhai Yueyufeng Iron and Steel Co Ltd. (YYF) with 40% and Pioneer Iron & Steel Group Co. Ltd. (PSG) with 35%.

CVRD's investment in this project will be four million US dollars and the Company will supply at least 70% of the iron ore used to feed the pelletizing plant, through a 30-year contract.

The above initiative illustrates CVRD's strategy to support the development of the steel industry in China, especially in the field of pelletizing in which CVRD is already a global market leader.

The pellet feed produced by CVRD and its subsidiary MBR has extremely good fit with local iron ore produced in China. The several pelletizing plants being built in China to support their extraordinary growth in steel production are bringing additional source of demand for CVRD's iron ore.

### More information



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