
S&P raised CVRD ratings to 'BBB+' with stable outlook

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Standard & Poor's Ratings Services has raised its long term corporate credit rating on Companhia Vale do Rio Doce and its subsidiaries to 'BBB+' from 'BBB' reflecting its stronger capital structure. The rating on Vale's subsidiary, Vale Inco Limited was also raised to 'BBB+' from 'BBB'. The outlook is stable.

S&P said that the recent USD 11.45 billion global share offering adds to Vale's liquidity and improves its ability to handle its aggressive capital expenditure program.

It added that the upgrade also reflects Vale's positive cash flow fundamentals in the next 2 years, due to robust iron ore prices and increasing production, as well as favorable profitability in other metal commodities.

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