



**Financial Statements - 03/31/2008**

**BR GAAP**

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**Gerência Geral de Controladoria - GECOL**

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## A- QUARTERLY INFORMATION

(A free translation of the original in Portuguese relating to the Quarterly Information prepared in thousands accordance with the requirements of Accounting Practices Generally Accepted in Brazil)

### 1- BALANCE SHEET

Balance in

In thousands of reais

|   | Notes | Consolidated       |                    | Parent Company     |                    |
|---|-------|--------------------|--------------------|--------------------|--------------------|
|   |       | 03/31/08           | 12/31/07           | 03/31/08           | 12/31/07           |
| <b>Assets</b>   |       |                    |                    |                    |                    |
| <b>Current assets</b>   |       |                    |                    |                    |                    |
| Cash and cash equivalents                                     |       | 4.274.642          | 2.127.909          | 213.690            | 120.189            |
| Accounts receivable from customers                            |       | 6.857.274          | 7.136.189          | 2.621.654          | 2.378.892          |
| Related parties   |       | 27.842             | 35.854             | 1.709.468          | 1.580.217          |
| Inventories   | 5.7   | 7.144.282          | 7.257.665          | 1.892.280          | 1.931.626          |
| Taxes to recover or offset                                    | 5.8   | 2.469.385          | 2.230.144          | 1.160.629          | 792.033            |
| Deferred income tax and social contribution                   | 5.9   | 1.445.428          | 1.083.642          | 976.397            | 611.306            |
| Others  |       | 1.140.283          | 1.280.602          | 486.177            | 478.704            |
|   |       | <b>23.359.136</b>  | <b>21.152.005</b>  | <b>9.060.295</b>   | <b>7.892.967</b>   |
| <b>Non-current assets</b>                                     |       |                    |                    |                    |                    |
| <b>Long-term receivables</b>                                  |       |                    |                    |                    |                    |
| Related parties   |       | 5.316              | 5.320              | 3.395.457          | 3.413.194          |
| Loans and financing   |       | 243.773            | 225.774            | 118.141            | 115.341            |
| Deferred income tax and social contribution                   |       | 455.487            | 481.779            | 224.076            | 236.845            |
| Judicial deposits   |       | 1.310.803          | 863.910            | 804.102            | 775.780            |
| Taxes to recover or offset                                    |       | 532.904            | 499.736            | 181.238            | 192.526            |
| Advances to energy suppliers                                  |       | 1.000.381          | 1.016.260          | -                  | -                  |
| Provisions for derivatives                                    |       | 1.058.937          | 1.191.455          | 1.004.257          | 1.064.545          |
| Prepaid expenses  |       | 452.005            | 458.503            | -                  | -                  |
| Others  |       | 397.137            | 219.415            | 220.094            | 106.488            |
|   |       | <b>5.456.743</b>   | <b>4.962.152</b>   | <b>5.947.365</b>   | <b>5.904.719</b>   |
| <b>Investments</b>  | 5.10  | <b>1.842.596</b>   | <b>1.869.910</b>   | <b>64.630.917</b>  | <b>62.739.954</b>  |
| <b>Intangibles</b>  | 5.11  | <b>12.174.570</b>  | <b>12.832.213</b>  | <b>11.458.948</b>  | <b>12.141.541</b>  |
| <b>Property, plant and equipment</b>                          | 5.12  | <b>92.213.426</b>  | <b>91.958.526</b>  | <b>28.693.638</b>  | <b>28.096.710</b>  |
| <b>Deferred charges</b>                                       |       | <b>70.644</b>      | <b>123.265</b>     | -                  | -                  |
|   |       | <b>106.301.236</b> | <b>106.783.914</b> | <b>104.783.503</b> | <b>102.978.205</b> |
|   |       | <b>135.117.115</b> | <b>132.898.071</b> | <b>119.791.163</b> | <b>116.775.891</b> |
| <b>Liabilities, and stockholders' equity</b>                  |       |                    |                    |                    |                    |
| <b>Current liabilities</b>                                    |       |                    |                    |                    |                    |
| Short-term debt   | 5,13  | 1.241.127          | 1.007.063          | 352.577            | 296.574            |
| Current portion of long-term debt                             | 5,13  | 2.426.073          | 2.354.345          | 1.696.473          | 1.482.751          |
| Payable to suppliers and contractors                          |       | 4.367.240          | 4.293.809          | 1.760.496          | 1.927.452          |
| Related parties   |       | 21.343             | 14.755             | 5.812.065          | 6.702.411          |
| Payroll and related charges                                   |       | 978.903            | 1.343.872          | 493.902            | 775.578            |
| Pension Plan  | 5.16  | 231.087            | 232.381            | 78.807             | 78.168             |
| Proposed dividends and interest on stockholders' equity       |       | 4.752.110          | 4.752.323          | 4.752.110          | 4.752.323          |
| Provision for income tax                                      |       | 1.016.594          | 2.221.745          | 46.667             | -                  |
| Taxes, contributions and royalties                            |       | 596.946            | 586.156            | 39.039             | 50.156             |
| Provisions for derivatives                                    | 5.22  | 973.094            | 612.622            | 78.567             | 47.179             |
| Ferrovias Norte Sul subconcession                             |       | 393.548            | 372.265            | -                  | -                  |
| Others  |       | 1.354.607          | 1.554.339          | 398.787            | 500.098            |
|   |       | <b>18.352.672</b>  | <b>19.345.675</b>  | <b>15.509.490</b>  | <b>16.612.690</b>  |
| <b>Non-current liabilities</b>                                |       |                    |                    |                    |                    |
| Long-term debt  | 5,13  | 34.410.111         | 32.444.675         | 10.566.821         | 8.642.864          |
| Related parties   |       | -                  | 62                 | 29.309.590         | 29.465.682         |
| Provisions for contingencies                                  | 5.14  | 3.088.283          | 3.188.888          | 1.936.847          | 1.978.529          |
| Deferred income tax and social contribution                   | 5.9   | 7.663.465          | 8.072.677          | -                  | -                  |
| Pension Plan  | 5.16  | 3.502.754          | 3.807.590          | 576.248            | 590.376            |
| Provision for asset retirement obligations                    | 5.15  | 1.630.084          | 1.649.453          | 793.352            | 742.952            |
| Provisions for derivatives                                    | 5.22  | -                  | 8.658              | -                  | -                  |
| Ferrovias Norte Sul subconcession                             |       | 393.548            | 372.265            | -                  | -                  |
| Others  |       | 2.121.146          | 2.202.257          | 1.816.452          | 1.713.336          |
|   |       | <b>52.809.391</b>  | <b>51.746.525</b>  | <b>44.999.310</b>  | <b>43.133.739</b>  |
| <b>Deferred income</b>  |       | <b>8.042</b>       | <b>93.036</b>      | -                  | -                  |
| <b>Minority interest</b>                                      |       | <b>4.664.647</b>   | <b>4.683.373</b>   | -                  | -                  |
| <b>Stockholders' equity</b>                                   |       |                    |                    |                    |                    |
| Paid-up capital   | 5.17  | 28.000.000         | 28.000.000         | 28.000.000         | 28.000.000         |
| Revenue reserves  |       | 28.218.530         | 25.965.629         | 28.218.530         | 25.965.629         |
| Resources linked to the future mandatory conversion in shares | 5.18  | 3.063.833          | 3.063.833          | 3.063.833          | 3.063.833          |
|   |       | <b>59.282.363</b>  | <b>57.029.462</b>  | <b>59.282.363</b>  | <b>57.029.462</b>  |
|   |       | <b>135.117.115</b> | <b>132.898.071</b> | <b>119.791.163</b> | <b>116.775.891</b> |

The additional information, notes and attachment I are an integral part of the quarterly information



(A free translation of the original in Portuguese relating to the Quarterly Information prepared in thousands accordance with the requirements of Accounting Practices Generally Accepted in Brazil)

## 2- STATEMENT OF INCOME

Periods ended in

In thousands of reais

|  | Notes         | Consolidated       |                    |                    | Parent Company     |                    |
|--|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  |               | 1Q/08              | 4Q/07              | 1Q/07              | 1Q/08              | 1Q/07              |
| <b>Operating revenues</b>  |               |                    |                    |                    |                    |                    |
| <b>Ore and metals</b>  | 9.1.1 e 9.2.1 | <b>11.947.151</b>  | <b>12.935.343</b>  | <b>13.920.184</b>  | <b>5.261.508</b>   | <b>4.517.405</b>   |
| Transport services   |               | 786.846            | 843.341            | 807.377            | 479.940            | 443.984            |
| Sales of aluminum-related products   |               | 1.171.857          | 1.246.540          | 1.432.302          | 72.406             | 31.817             |
| Sales of steel products  |               | 320.189            | 265.173            | 331.625            | -                  | -                  |
| Other products and services  |               | 323.015            | 230.889            | 137.422            | 58.230             | 24.030             |
|  |               | <b>14.549.058</b>  | <b>15.521.286</b>  | <b>16.628.910</b>  | <b>5.872.084</b>   | <b>5.017.236</b>   |
| Value Added taxes  |               | (424.318)          | (436.392)          | (379.547)          | (316.983)          | (260.206)          |
| <b>Net operating revenues</b>  |               | <b>14.124.740</b>  | <b>15.084.894</b>  | <b>16.249.363</b>  | <b>5.555.101</b>   | <b>4.757.030</b>   |
| <b>Cost of products and services</b>   |               |                    |                    |                    |                    |                    |
| Ores and metals  | 9.12 e 9.2.2  | (5.666.470)        | (6.270.379)        | (5.585.696)        | (3.239.333)        | (2.573.349)        |
| Transport services   |               | (492.330)          | (538.295)          | (512.073)          | (209.072)          | (175.773)          |
| Aluminum-related products  |               | (805.832)          | (853.533)          | (773.254)          | (71.765)           | (18.174)           |
| Steel products   |               | (297.768)          | (277.203)          | (310.695)          | -                  | -                  |
| Other products and services  |               | (249.123)          | (220.749)          | (65.109)           | (10.246)           | (9.071)            |
|  |               | <b>(7.511.523)</b> | <b>(8.160.159)</b> | <b>(7.246.827)</b> | <b>(3.530.416)</b> | <b>(2.776.367)</b> |
| <b>Gross profit</b>  |               | <b>6.613.217</b>   | <b>6.924.735</b>   | <b>9.002.536</b>   | <b>2.024.685</b>   | <b>1.980.663</b>   |
| <b>Gross margin</b>  |               | <b>46,8%</b>       | <b>45,9%</b>       | <b>55,4%</b>       | <b>36,4%</b>       | <b>41,6%</b>       |
| <b>Operating expenses</b>  |               |                    |                    |                    |                    |                    |
| Selling and Administrative   | 5.23          | (599.849)          | (799.437)          | (601.864)          | (293.179)          | (217.054)          |
| Research and development   |               | (331.006)          | (462.219)          | (239.050)          | (185.447)          | (116.184)          |
| Other operating expenses   | 5.23          | (357.463)          | (607.753)          | (81.624)           | (88.678)           | 206.260            |
|  |               | <b>(1.288.318)</b> | <b>(1.869.409)</b> | <b>(922.538)</b>   | <b>(567.304)</b>   | <b>(126.978)</b>   |
| <b>Operating profit before financial results and results of equity investments</b> |               | <b>5.324.899</b>   | <b>5.055.326</b>   | <b>8.079.998</b>   | <b>1.457.381</b>   | <b>1.853.685</b>   |
| <b>Results of equity investments</b>   |               |                    |                    |                    |                    |                    |
| Gain on investments accounted for by the equity method                             | 5.10          | 45.041             | 46.097             | 34.626             | 2.615.712          | 5.509.876          |
| Provision for losses   |               | -                  | -                  | -                  | 3.014              | -                  |
| Exchange variation in stockholders' equity and goodwill of companies abroad        |               | (105.071)          | (287.102)          | (24.542)           | (829.035)          | (1.915.233)        |
| Amortization of goodwill   | 5.11          | (389.150)          | (332.583)          | (262.654)          | (389.150)          | (260.842)          |
|  |               | <b>(449.180)</b>   | <b>(573.588)</b>   | <b>(252.570)</b>   | <b>1.400.541</b>   | <b>3.333.801</b>   |
| <b>Financial results, net</b>  | 5.21          | <b>(2.056.167)</b> | <b>394.886</b>     | <b>(208.342)</b>   | <b>(678.918)</b>   | <b>386.133</b>     |
| <b>Non-operating income</b>  | 5.23          | <b>138.879</b>     | -                  | -                  | -                  | -                  |
| <b>Income before income tax and social contribution</b>                            |               | <b>2.958.431</b>   | <b>4.876.624</b>   | <b>7.619.086</b>   | <b>2.179.004</b>   | <b>5.573.619</b>   |
| <b>Income tax and social contribution</b>  | 5.9           | <b>(669.883)</b>   | <b>(182.878)</b>   | <b>(2.074.729)</b> | <b>73.891</b>      | <b>(478.296)</b>   |
| <b>Income before minority interests</b>  |               | <b>2.288.548</b>   | <b>4.693.746</b>   | <b>5.544.357</b>   | <b>2.252.895</b>   | <b>5.095.323</b>   |
| <b>Minority interest</b>   |               | <b>(35.653)</b>    | <b>(284.078)</b>   | <b>(449.034)</b>   | -                  | -                  |
| <b>Net income for the period</b>   |               | <b>2.252.895</b>   | <b>4.409.668</b>   | <b>5.095.323</b>   | <b>2.252.895</b>   | <b>5.095.323</b>   |
| <b>Number of shares outstanding at the end of the period (in thousands)</b>        |               | <b>4.832.391</b>   | <b>4.832.391</b>   | <b>4.832.390</b>   | <b>4.832.391</b>   | <b>4.832.390</b>   |
| <b>Net earnings per share outstanding at the end of the period (R\$)</b>           |               | <b>0,47</b>        | <b>0,91</b>        | <b>1,05</b>        | <b>0,47</b>        | <b>1,05</b>        |

The additional information, notes and attachment I are an integral part of the quarterly information

(a) Includes 30,341,144 and 56,582,040 preferred and common shares, respectively, linked to issue of mandatory convertible notes, (see note 5.18).



(A free translation of the original in Portuguese relating to the Quarterly Information prepared in thousands accordance with the requirements of Accounting Practices Generally Accepted in Brazil)

### 3- STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Balance in

In thousands of reais

|   | Revenue reserves  |                        |                  |                   |                  |                   |                   | Resources linked to mandatory conversion in shares | Total             |
|---|-------------------|------------------------|------------------|-------------------|------------------|-------------------|-------------------|--|-------------------|
|   | Paid-up capital   | Expansion/ Investments | Treasury stock   | Unrealized income | Legal            | Fiscal incentives | Retained earnings |  |                   |
| <b>December 31, 2006</b>                            | <b>19.492.401</b> | <b>18.108.363</b>      | <b>(790.308)</b> | <b>122.500</b>    | <b>2.070.962</b> | <b>92.840</b>     | -                 | -  | <b>39.096.758</b> |
| Net income for the period                           | -                 | -                      | -                | -                 | -                | -                 | 20.005.562        | -  | 20.005.562        |
| Capitalization of reserves                          | 8.507.599         | (7.672.690)            | -                | -                 | (751.545)        | (83.364)          | -                 | -  | -                 |
| Realization of reserves                             | -                 | -                      | -                | (61.617)          | -                | -                 | 61.617            | -  | -                 |
| Exchange - Samitri shares of incorporated companies | -                 | -                      | 84               | -                 | -                | -                 | -                 | -  | 84                |
| Interim dividends                                   | -                 | (370.050)              | -                | -                 | -                | -                 | (14.402)          | -  | (384.452)         |
| Stockholder's remuneration proposed                 | -                 | -                      | -                | -                 | -                | -                 | (4.752.323)       | -  | (4.752.323)       |
| Resources linked to mandatory conversion in shares  | -                 | -                      | -                | -                 | -                | -                 | -                 | 3.063.833  | 3.063.833         |
| Appropriation to revenue reserves                   | -                 | 14.219.808             | -                | -                 | 1.000.278        | 80.368            | (15.300.454)      | -  | -                 |
| <b>December 31, 2007</b>                            | <b>28.000.000</b> | <b>24.285.431</b>      | <b>(790.224)</b> | <b>60.883</b>     | <b>2.319.695</b> | <b>89.844</b>     | -                 | <b>3.063.833</b>                                   | <b>57.029.462</b> |
| Net income for the period                           | -                 | -                      | -                | -                 | -                | -                 | 2.252.895         | -  | 2.252.895         |
| Exchange - Samitri shares of incorporated companies | -                 | -                      | 6                | -                 | -                | -                 | -                 | -  | 6                 |
| <b>March 31, 2008</b>                               | <b>28.000.000</b> | <b>24.285.431</b>      | <b>(790.218)</b> | <b>60.883</b>     | <b>2.319.695</b> | <b>89.844</b>     | <b>2.252.895</b>  | <b>3.063.833</b>                                   | <b>59.282.363</b> |

The additional information, notes and attachment I are an integral part of the quarterly information



(A free translation of the original in Portuguese relating to the Quarterly Information prepared in thousands accordance with the requirements of Accounting Practices Generally Accepted in Brazil)

#### 4- STATEMENT OF CASH FLOWS

Periods ended in

In millions of reais

|  | Consolidated       |                    |                    | Parent Company     |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 1Q/08              | 4Q/07              | 1Q/07              | 1Q/08              | 1Q/07              |
| <b>Cash flows from operating activities:</b>   |                    |                    |                    |                    |                    |
| Net income for the period  | 2.252.895          | 4.409.668          | 5.095.323          | 2.252.895          | 5.095.323          |
| Adjustments to reconcile net income for the period with cash provided by operating activities:     |                    |                    |                    |                    |                    |
| Results of equity investments  | 449.180            | 573.588            | 252.570            | (1.400.541)        | (3.333.801)        |
| Sale of assets   | (138.879)          | -                  | -                  | -                  | -                  |
| Depreciation, amortization and depletion   | 1.312.885          | 1.299.929          | 805.022            | 425.287            | 322.938            |
| Deferred income tax and social contribution  | (537.846)          | (505.346)          | (328.286)          | (352.321)          | (55.886)           |
| Financial expenses and monetary and exchange rate variations on assets and liabilities, net        | (77.954)           | (2.007.868)        | 228.093            | (461.940)          | (1.612.219)        |
| Minority interest  | 35.653             | 284.078            | 449.034            | -                  | -                  |
| Disposal of property, plant and equipment  | 127.820            | 203.122            | 81.218             | 29.986             | 12.273             |
| Amortization of goodwill in the cost of products sold  | 43                 | 22                 | 51.416             | -                  | 51.366             |
| Net unrealized losses (gains) on derivatives   | 547.671            | (606.306)          | (166.846)          | 67.449             | (327.289)          |
| Dividends/interest on stockholders' equity received  | -                  | 75.018             | -                  | 106.292            | 376.095            |
| Others   | 87.051             | (48.755)           | 342.541            | (22.860)           | 335.435            |
|  | <b>4.058.519</b>   | <b>3.677.150</b>   | <b>6.810.085</b>   | <b>644.247</b>     | <b>864.235</b>     |
| <b>Decrease (increase) in assets:</b>  |                    |                    |                    |                    |                    |
| Accounts receivable  | 377.318            | 348.529            | 360.078            | (242.762)          | (1.100.588)        |
| Inventories  | 148.070            | (474.528)          | (181.494)          | 60.284             | (81.097)           |
| Advances to energy suppliers   | 60.915             | 45.036             | (66.942)           | -                  | -                  |
| Others   | (389.280)          | 513.830            | (775.705)          | (409.750)          | 70.968             |
|  | <b>197.023</b>     | <b>432.867</b>     | <b>(664.063)</b>   | <b>(592.228)</b>   | <b>(1.110.717)</b> |
| <b>Increase (decrease) in liabilities:</b>   |                    |                    |                    |                    |                    |
| Suppliers and contractors  | (13.259)           | 559.046            | (844.892)          | (166.956)          | (395.412)          |
| Payroll and related charges  | (448.597)          | 165.339            | (362.015)          | (281.675)          | (231.608)          |
| Taxes and contributions  | (1.393.645)        | (1.084.398)        | (68.022)           | 35.550             | (3.274)            |
| Others   | (50.039)           | (49.994)           | (760.551)          | (109.075)          | 550.621            |
|  | <b>(1.905.540)</b> | <b>(410.007)</b>   | <b>(2.035.480)</b> | <b>(522.156)</b>   | <b>(79.673)</b>    |
| <b>Net cash provided by operating activities</b>   | <b>2.350.002</b>   | <b>3.700.010</b>   | <b>4.110.542</b>   | <b>(470.137)</b>   | <b>(326.155)</b>   |
| <b>Cash flows from investing activities:</b>   |                    |                    |                    |                    |                    |
| Loans and advances receivable  | 36.486             | (39.358)           | 13.000             | 41.609             | 239.711            |
| Guarantees and deposits  | (61.215)           | (87.246)           | (73.143)           | (47.231)           | (57.959)           |
| Additions to investments   | (18.580)           | (362.197)          | (31.570)           | (69.299)           | (470.472)          |
| Additions to property, plant and equipment   | (3.107.620)        | (4.681.207)        | (2.439.298)        | (1.051.181)        | (763.772)          |
| Proceeds from disposal of property, plant and equipment/investments                                | 370.501            | -                  | -                  | -                  | -                  |
| Net cash used in acquisitions and increase of funds to subsidiaries, net of the cash of subsidiary | -                  | -                  | (4.327.053)        | -                  | -                  |
| <b>Net cash used in investing activities</b>   | <b>(2.780.428)</b> | <b>(5.170.008)</b> | <b>(6.858.064)</b> | <b>(1.126.102)</b> | <b>(1.052.492)</b> |
| <b>Cash flows from (used in) financing activities:</b>   |                    |                    |                    |                    |                    |
| Short-term debt additions  | 1.628.814          | 3.973.382          | 1.301.038          | 389.902            | 670.579            |
| Short-term debt repayments   | (1.300.570)        | (3.548.783)        | (744.480)          | (1.129.163)        | (1.654.366)        |
| Long-term debt   | 2.462.884          | 1.209.711          | 14.132.541         | 2.581.278          | 15.284.952         |
| Repayments:  |                    |                    |                    |                    |                    |
| Related parties  | -                  | -                  | -                  | (5.059)            | (19.661)           |
| Financial institutions   | (213.975)          | (250.080)          | (13.271.198)       | (147.223)          | (12.913.411)       |
| Interest on stockholders' equity paid to stockholders and dividends                                | -                  | (2.664.378)        | (121.452)          | -                  | -                  |
| Treasury stock   | 6                  | -                  | 81                 | 6                  | 81                 |
| <b>Net cash provided by (used in) financing activities</b>   | <b>2.577.159</b>   | <b>(1.280.148)</b> | <b>1.296.530</b>   | <b>1.689.741</b>   | <b>1.368.174</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>  | <b>2.146.733</b>   | <b>(2.750.146)</b> | <b>(1.450.992)</b> | <b>93.502</b>      | <b>(10.473)</b>    |
| Cash and cash equivalents, beginning of the period   | 2.127.909          | 4.878.055          | 9.777.975          | 120.188            | 203.090            |
| <b>Cash and cash equivalents, end of the period</b>  | <b>4.274.642</b>   | <b>2.127.909</b>   | <b>8.326.983</b>   | <b>213.690</b>     | <b>192.617</b>     |
| Cash paid during the period for:   |                    |                    |                    |                    |                    |
| Short-term interest  | (33.569)           | (18.132)           | (18.153)           | (27.211)           | (80)               |
| Long-term interest   | (494.244)          | (649.135)          | (444.827)          | (758.458)          | (545.981)          |
| Income tax and social contribution   | (2.930.050)        | (867.009)          | (890.400)          | (564.914)          | (21.277)           |
| <b>Non-cash transactions:</b>  |                    |                    |                    |                    |                    |
| Additions to property, plant and equipment - interest capitalization                               | (11.532)           | 144.764            | (78.223)           | (21.960)           | (78.223)           |
| Transfer of advance for future capital increase to investments                                     | -                  | -                  | -                  | (24.800)           | (8.210)            |

The additional information, notes and attachment I are an integral part of the quarterly information



(A free translation of the original in Portuguese relating to the Quarterly Information prepared in thousands accordance with the requirements of Accounting Practices Generally Accepted in Brazil)

## **5- NOTES TO THE QUARTERLY INFORMATION AT MARCH 31, 2008 AND 2007**

Expressed In thousands of *reais*

### **5.1- Operations**

Companhia Vale do Rio Doce (Vale) is a publicly limited liability company whose predominant activities are mining, processing and sale of iron ore, pellets, copper concentrate and potash, as well as logistic services, power generation and mineral research and development. In addition, through its direct and indirect subsidiaries and jointly controlled companies, operates in iron ore and pellets, nickel, copper, precious metals, cobalt (by product), manganese and ferroalloys, kaolin, coal, steel, aluminum-related products and logistics.

### **5.2- Presentation of Quarterly information**

The quarterly information has been prepared in conformity with accounting practices followed in Brazil, based on corporate legislation, as well as the rules and guidelines issued by the Comissão de Valores Mobiliários - CVM (Brazilian Securities Commission).

As part of the quarterly information, the Company presents as complementary information the calculation of the earnings before financing results, equity results, income tax and social contribution, depreciation and amortization – LAJIDA (EBITDA)

Although the EBITDA, as defined before, does not provide valuation for operational cash flow for Brazilian accounting principles, it is often used by financial analysts on valuation of business and The Company Management uses this indicator to measure operational performance.

### **5.3- Accounting Pronouncements Recently-issued by Comissão de Valores Mobiliários**

On December 28, 2007, Law 11.638 was enacted, altering, revoking and adding new provisions to the Brazilian Corporate Law, especially with respect to chapter XV, Fiscal Year and Financial Statements. This Law is effective for fiscal years beginning on or after January 1, 2008 and was designed primarily to update the Brazilian Corporate Law, so as to enable the convergence of Brazilian accounting practices with International Accounting Standards (IFRS) and allow the Brazilian Securities Commission (CVM) to issue new accounting standards and procedures, in conformity with such international accounting standards.

The full convergence with international accounting standards is still subject to regulation by the CVM. In line with this regulation process, on January 29, 2008 THE CVM issued Resolution No 534, approving technical pronouncement CPC 02 (Committee of Pronouncements Accounting), which addresses the effects of changes in exchange rates and conversion of Financial Statements.

Considering that the regulation process will require the issue of several new pronouncements, the Company's management opted to apply the provisions of Law No. 11.638/07 only to the financial statements for the year ending December 31, 2008. Accordingly, the Financial Statements for the first quarter have been prepared without contemplating the changes to accounting practices introduced Law No 11.638/07, as permitted by the rules of the CVM.

The main change already regulated that will impact the income for the year is the treatment of the net exchange variation on investments abroad (expenses of R\$829,035 in 1Q08), which will be recognized directly in shareholders' equity, being the net income affected in the same amount.

With respect to ongoing process of convergence with international accounting standards, the Company believes that the income will not be affected by the treatment of goodwill amortization of goodwill on acquired companies (expenses of R\$389,150 in 1Q08), as well as the tax effect.

### **5.4- Principles and Practices of Consolidation**

The consolidated quarterly information shows the balances of assets and liabilities on 03/31/2008 and 12/31/2007, and of the quarterly periods ended on 03/31/2008, 12/31/2007 and 03/31/2007, of Parent Company operations, its direct and indirect subsidiaries and its jointly-controlled companies. The principal figures of the subsidiaries and jointly-controlled companies included in the consolidation are presented in Attachment I.

The Company Investments in hydroelectric projects are recorded in the accounting proportion to participate in the Company's liabilities and expenses, which is based on proportional participation by the quota holding on power output. The Company does not have joint responsibility for any obligation and all costs, revenues, assets and liabilities recorded refer to the entities of the group. Since there is no separated legal entity for the project, there are no separated financial statements, income tax return, net income or shareholders' equity. The Brazilian legislation clearly states that there is no separate entity under the terms of consortium contract and the Company external legal counsel confirmed that conclusion. Thus the Company recognizes the proportional share of costs and its undivided interests in assets related to hydroelectric projects.





There were no changes in the practices of consolidation of the Company since 12/31/2007.

## 5.5- Summary of significant Accounting Policies

- (a) The quarterly information has been prepared with the same principles, methods and criteria consistent with the ones adopted in the period ended 12/31/2007; and
- (b) In preparing the condensed consolidated financial statements, the company is required to use estimates to account for certain assets, liabilities, and transactions. Therefore the consolidated financial statements include various estimates concerning the selection of useful lives of property, plant and equipment, provisions for losses on assets, contingent liabilities, operational provisions and other similar evaluations. Actual results may vary from the estimates.

## 5.6- Acquisitions and disinvestments

- (a) In March 2008, the Board of Directors approved the proposal for merging its whole-owned subsidiary Ferro Gusa Carajás S.A. (FGC). Therefore, the proposal will be submitted to Vale's shareholders at a meeting to be convened in April 2008.
- (b) In February 2008, the Company sold its 4.83% common stock interest in Jubilee Mines N.L.(held by Vale Inco), for R\$231,788 with a gain of R\$138,979.
- (c) In October 2007 the Company won the auction for commercial exploitation of a 720 km stretch of the North-South railroad (FNS), during 30 years, running from Açailândia, state of Maranhão, to Palmas, state of Tocantins in the amount of R\$1,478. The amount of R\$ 739 was already paid, which represents 50% of the sub concession. The second installment, equal to 25% of the amount is scheduled to be paid in December 2008, while the last installment shall be paid at the time of the completion of the last part of the railroad, increased by IGP-DI until the payment date;

## 5.7- Inventories

|   | Consolidated     |                  | Parent Company   |                  |
|---|------------------|------------------|------------------|------------------|
|   | 03/31/08         | 12/31/07         | 03/31/08         | 12/31/07         |
| <b>Finished products</b>                    |                  |                  |                  |                  |
| . Nickel, co-products and sub products Inco | 3.048.381        | 3.209.202        | -                | -                |
| . Iron ore and pellets                      | 1.087.295        | 1.109.947        | 899.498          | 966.690          |
| . Manganese and ferroalloys                 | 211.157          | 186.261          | -                | -                |
| . Aluminum products                         | 282.181          | 326.803          | 20.816           | 59.750           |
| . Copper                                    | 56.967           | 27.208           | 56.967           | 27.208           |
| . Steel products                            | 71.360           | 59.138           | -                | -                |
| . Other                                     | 165.584          | 205.326          | 7.165            | 5.643            |
|   | <b>4.922.925</b> | <b>5.123.885</b> | <b>984.446</b>   | <b>1.059.291</b> |
| <b>Spare parts and maintenance supplies</b> | <b>2.221.357</b> | <b>2.133.780</b> | <b>907.834</b>   | <b>872.335</b>   |
|   | <b>7.144.282</b> | <b>7.257.665</b> | <b>1.892.280</b> | <b>1.931.626</b> |

## 5.8- Taxes to recover or offset

|                           | Consolidated     |                  | Parent Company   |                |
|---------------------------|------------------|------------------|------------------|----------------|
|                           | 03/31/08         | 12/31/07         | 03/31/08         | 12/31/07       |
| Income tax                | 1.421.547        | 1.292.565        | 713.936          | 377.934        |
| ICMS ("Valued-added tax") | 649.835          | 590.873          | 412.268          | 431.577        |
| PIS and COFINS            | 782.535          | 711.533          | 147.494          | 114.809        |
| INSS                      | 35.447           | 32.230           | 34.208           | 31.387         |
| Others                    | 112.925          | 102.679          | 33.961           | 28.852         |
| <b>Total</b>              | <b>3.002.289</b> | <b>2.729.880</b> | <b>1.341.867</b> | <b>984.559</b> |
| Current                   | 2.469.385        | 2.230.144        | 1.160.629        | 792.033        |
| Non-current               | 532.904          | 499.736          | 181.238          | 192.526        |
|                           | <b>3.002.289</b> | <b>2.729.880</b> | <b>1.341.867</b> | <b>984.559</b> |

## 5.9- Income Tax and Social Contribution

The amounts reported as income tax and social contribution, which affected the results for the period, are as follows:

|  | Consolidated       |                    |                    | Parent Company   |                  |
|--|--------------------|--------------------|--------------------|------------------|------------------|
|  | 1Q/08              | 4Q/07              | 1Q/07              | 1Q/08            | 1Q/07            |
| Income before income tax and social contribution   | 2.958.431          | 4.876.624          | 7.619.086          | 2.179.004        | 5.573.619        |
| Results of equity investment   | 449.180            | 573.588            | 252.570            | (1.400.541)      | (3.333.801)      |
|  | <b>3.407.611</b>   | <b>5.450.212</b>   | <b>7.871.656</b>   | <b>778.463</b>   | <b>2.239.818</b> |
| Income tax and social contribution at combined tax rates   | 34%                | 34%                | 34%                | 34%              | 34%              |
| <b>Federal income tax and social contribution at statutory rates</b>                               | <b>(1.158.588)</b> | <b>(1.853.072)</b> | <b>(2.676.363)</b> | <b>(264.677)</b> | <b>(761.538)</b> |
| Adjustments that affects the basis of taxes:   |                    |                    |                    |                  |                  |
| Income tax benefit from interest on stockholders' equity   | 295.611            | 203.761            | 211.239            | 295.611          | 211.239          |
| Fiscal incentives  | 26.482             | 62.690             | 106.869            | 11.033           | 12.039           |
| Results of foreign companies taxed by different rates wich difference than the parent company rate | 450.904            | 1.405.457          | 395.727            | -                | -                |
| Reduced incentive rate   | 16.837             | 17.450             | 19.144             | -                | -                |
| Others   | (301.129)          | (19.164)           | (131.345)          | 31.924           | 59.964           |
| <b>Income tax and social contribution</b>  | <b>(669.883)</b>   | <b>(182.878)</b>   | <b>(2.074.729)</b> | <b>73.891</b>    | <b>(478.296)</b> |

The deferred assets and liabilities related to income tax and social contribution arising from tax losses, negative social contribution bases and temporary differences are recognized from an accounting standpoint considering an analysis of likely future results, based on economic and financial projections prepared based on internal assumptions and macroeconomic, commercial and fiscal scenarios which could change in the future.

Vale has certain tax incentives of reduction and exemption of income taxes. The incentives are calculated based on exploitation profit and are based on the production levels recognized and incentive to the defined periods of each product and expire from 2008 to 2013. An amount equal to the tax saving must be appropriated to a reserve account within stockholders' equity and may not be distributed in the form of cash dividends.

Vale also has also tax incentives related to Goro Project in New Caledonia. These incentives include an income tax holiday during the construction phase of the project and throughout a 15-year period commencing in the first year in which commercial production, as defined by the applicable legislation, is achieved followed by a five-year, 50 per cent income tax holiday.

In addition, Goro qualifies for certain exemptions from indirect taxes such as import duties during the construction phase and throughout the commercial life of the project. Certain of these tax benefits, including the income tax holiday, are subject to an earlier phase out should the project achieve a specified cumulative rate of return. Vale is subject to a branch profit tax commencing in the first year in which commercial production is achieved, as defined by the applicable legislation. To date, there has been no net income for New Caledonia tax purposes. The benefits of this legislation are expected to apply with respect to any taxes otherwise payable once the Goro project is in operation.

## 5.10- Investments

|  | CONSOLIDATED     |                  |                |               |               |
|--|------------------|------------------|----------------|---------------|---------------|
|  | Investments      |                  | Equity Results |               |               |
|  | 03/31/08         | 12/31/07         | 1Q/08          | 4Q/07         | 1Q/07         |
| Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS (a, b) | 306.961          | 306.961          | -              | -             | -             |
| Shandong Yankuang International Company Ltd.               | 40.680           | 41.119           | 76             | 3.996         | 7             |
| Henan Longyu Resources Co. Ltd.                            | 239.434          | 204.084          | 37.666         | 21.978        | 19.904        |
| Logística intermodal S/A                                   | 193.199          | 189.209          | 9.214          | 12.377        | -             |
| ThyssenKrupp CSA - Cia Siderúrgica (b)                     | 686.365          | 686.365          | -              | -             | -             |
| Jubilee Mines N.L ( b )                                    | -                | 90.232           | -              | -             | -             |
| Mirabela Nickel Ltd ( b )                                  | 49.332           | 51.444           | -              | -             | -             |
| Skye Resources Inc ( b )                                   | 134.912          | 138.781          | -              | -             | -             |
| Heron Resources Inc ( b )                                  | 41.940           | 42.472           | -              | -             | -             |
| Other  | 127.038          | 119.243          | (1.915)        | 7.746         | 14.715        |
|  | <b>1.819.861</b> | <b>1.869.910</b> | <b>45.041</b>  | <b>46.097</b> | <b>34.626</b> |

(a) This participation valued at market price on the balance sheet date is R\$ 1.019.147; and

(b) Investments at cost.

## 5.11- Intangible

These assets refer basically to goodwill based on future results expectative.

|   | Intangible        |                   | Goodwill amortization |                  |                  |
|---|-------------------|-------------------|-----------------------|------------------|------------------|
|   | 03/31/08          | 12/31/07          | 1Q/08                 | 4Q/07            | 1Q/07            |
| <b>Intangible by segment</b>  |                   |                   |                       |                  |                  |
| <b>Iron ore and pellets (b)</b>   |                   |                   |                       |                  |                  |
| Goodwill of Minerações Brasileiras Reunidas - MBR (Includes goodwill Caemi) (b) | 4.476.251         | 4.614.863         | (138.612)             | (138.612)        | (129.894)        |
| Goodwill of Sociedade de Mineração Estrela do Apolo                             | 25.684            | 25.684            | -                     | -                | -                |
| Other companies (b)   | 6.320             | 6.368             | (1.018)               | (2.158)          | (1.812)          |
|   | <b>4.508.255</b>  | <b>4.646.915</b>  | <b>(139.630)</b>      | <b>(140.770)</b> | <b>(131.706)</b> |
| <b>Nickel</b>   |                   |                   |                       |                  |                  |
| Goodwill of Inco Limited (b)  | 6.886.185         | 7.365.519         | (247.784)             | (188.709)        | (130.948)        |
| Other rights Vale Inco  | 715.622           | 690.672           | -                     | -                | -                |
|   | <b>7.601.807</b>  | <b>8.056.191</b>  | <b>(247.784)</b>      | <b>(188.709)</b> | <b>(130.948)</b> |
| <b>Coal</b>   |                   |                   |                       |                  |                  |
| Goodwill of Vale Australia (b)  | 64.508            | 129.107           | (1.736)               | (3.104)          | -                |
|   | <b>12.174.570</b> | <b>12.832.213</b> | <b>(389.150)</b>      | <b>(332.583)</b> | <b>(262.654)</b> |
| Intangible not recorded at the parent company                                   | (715.622)         | (690.672)         | -                     | -                | -                |
| <b>Total parent company</b>   | <b>11.458.948</b> | <b>12.141.541</b> | <b>(389.150)</b>      | <b>(332.583)</b> | <b>(262.654)</b> |

(a) Goodwill not recorded in the parent company; and

(b) Goodwill based on future results expectation (stated period of amortization of 10 years).

## 5.12- Property, Plant and Equipment

### Average quoted market price

|                                  | Average | Consolidated       |                     |                   |                   | Parent Company    |                     |                   |                   |
|----------------------------------|---------|--------------------|---------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
|                                  |         | 03/31/08           |                     | 12/31/07          |                   | 03/31/08          |                     | 12/31/07          |                   |
|                                  |         | Low                | High                | Preferred         | Preferred         | Low               | High                | Preferred         | Preferred         |
| Lands                            | -       | 196.580            | -                   | 196.580           | 195.936           | 99.873            | -                   | 99.873            | 99.229            |
| Buildings                        | 3,65%   | 7.441.958          | (1.830.224)         | 5.611.734         | 5.917.529         | 2.903.067         | (860.803)           | 2.042.264         | 2.010.134         |
| Installations                    | 3,78%   | 24.578.491         | (8.164.076)         | 16.414.415        | 15.564.941        | 12.346.917        | (3.680.674)         | 8.666.243         | 8.147.394         |
| Equipment                        | 7,36%   | 11.185.491         | (3.648.244)         | 7.537.247         | 7.503.113         | 4.074.854         | (1.403.195)         | 2.671.659         | 2.622.985         |
| Information technology equipment | 20,00%  | 1.759.568          | (838.428)           | 921.140           | 811.736           | 1.553.459         | (729.206)           | 824.253           | 791.847           |
| Railroads                        | 3,03%   | 12.356.800         | (4.052.541)         | 8.304.259         | 7.995.631         | 9.477.770         | (3.681.574)         | 5.796.196         | 5.549.021         |
| Mineral rights (note 7.4 (n))    | 3,25%   | 25.328.603         | (2.098.774)         | 23.229.829        | 24.128.378        | 1.539.191         | (302.997)           | 1.236.194         | 1.255.003         |
| Others                           | 7,30%   | 10.029.277         | (2.342.410)         | 7.686.867         | 8.322.037         | 2.753.769         | (1.216.070)         | 1.537.699         | 1.549.611         |
|                                  |         | <b>92.876.768</b>  | <b>(22.974.697)</b> | <b>69.902.071</b> | <b>70.439.301</b> | <b>34.748.900</b> | <b>(11.874.519)</b> | <b>22.874.381</b> | <b>22.025.224</b> |
| Construction in progress         |         | 22.311.355         | -                   | 22.311.355        | 21.519.225        | 5.819.257         | -                   | 5.819.257         | 6.071.486         |
| <b>Total</b>                     |         | <b>115.188.123</b> | <b>(22.974.697)</b> | <b>92.213.426</b> | <b>91.958.526</b> | <b>40.568.157</b> | <b>(11.874.519)</b> | <b>28.693.638</b> | <b>28.096.710</b> |

## 5.13- Loans and Financing

### Current

|  | Consolidated     |                  | Parent Company |                |
|--|------------------|------------------|----------------|----------------|
|  | 03/31/08         | 12/31/07         | 03/31/08       | 12/31/07       |
|  | Trade finance    | 1.241.127        | 1.007.063      | 352.577        |
|  | <b>1.241.127</b> | <b>1.007.063</b> | <b>352.577</b> | <b>296.574</b> |

### Non-current

|                                    | Consolidated        |                  |                       |                   | Parent Company      |                  |                       |                  |
|------------------------------------|---------------------|------------------|-----------------------|-------------------|---------------------|------------------|-----------------------|------------------|
|                                    | Current liabilities |                  | Long-term liabilities |                   | Current liabilities |                  | Long-term liabilities |                  |
|                                    | 03/31/08            | 12/31/07         | 03/31/08              | 12/31/07          | 03/31/08            | 12/31/07         | 03/31/08              | 12/31/07         |
| <b>Foreign operations</b>          |                     |                  |                       |                   |                     |                  |                       |                  |
| Loans and financing in:            |                     |                  |                       |                   |                     |                  |                       |                  |
| U.S. dollars                       | 1) 421.403          | 411.240          | 11.594.198            | 11.471.874        | 301.990             | 312.040          | 937.373               | 1.081.135        |
| Other currencies                   | 92.493              | 114.097          | 373.994               | 378.510           | 7.162               | 9.908            | 19.767                | 18.374           |
| Notes in U.S. dollars              | 2) -                | -                | 11.682.322            | 11.841.278        | -                   | -                | -                     | -                |
| Export securitization              | 93.682              | 93.959           | 335.096               | 363.414           | -                   | -                | -                     | -                |
| Perpetual notes                    | -                   | -                | 151.789               | 154.975           | -                   | -                | -                     | -                |
| Accrued charges                    | 341.514             | 499.129          | -                     | -                 | 8.129               | 33.182           | -                     | -                |
|                                    | <b>949.092</b>      | <b>1.118.425</b> | <b>24.137.399</b>     | <b>24.210.051</b> | <b>317.281</b>      | <b>355.130</b>   | <b>957.140</b>        | <b>1.099.509</b> |
| <b>Local operations</b>            |                     |                  |                       |                   |                     |                  |                       |                  |
| Indexed by TJLP, TR, IGP-M and CDI | 1.142.119           | 1.146.208        | 4.331.720             | 2.242.433         | 1.044.440           | 1.039.610        | 4.100.247             | 2.033.178        |
| Basket of currencies               | 2.571               | 2.835            | 9.434                 | 10.166            | 2.461               | 2.689            | 9.434                 | 10.166           |
| Loans in U.S. dollars              | -                   | -                | -                     | 66.083            | -                   | -                | -                     | -                |
| Non-convertible debentures         | 3) -                | -                | 5.931.558             | 5.915.942         | -                   | -                | 5.500.000             | 5.500.011        |
| Accrued charges                    | 332.291             | 86.877           | -                     | -                 | 332.291             | 85.322           | -                     | -                |
|                                    | <b>1.476.981</b>    | <b>1.235.920</b> | <b>10.272.712</b>     | <b>8.234.624</b>  | <b>1.379.192</b>    | <b>1.127.621</b> | <b>9.609.681</b>      | <b>7.543.355</b> |
|                                    | <b>2.426.073</b>    | <b>2.354.345</b> | <b>34.410.111</b>     | <b>32.444.675</b> | <b>1.696.473</b>    | <b>1.482.751</b> | <b>10.566.821</b>     | <b>8.642.864</b> |

Pursuant to the acquisition of Vale Inco we carried out various financial operations to repay the initial US\$ 14.6 billion bridge loan, used to finance the acquisition, as follows:

- 1) In December 2006, an agreement was celebrated with a bank syndicate to enter in a pre-export finance transaction of US\$6.0 billion. The transaction includes a US\$5.0 billion tranche, five-year maturity, at Libor plus 0.625% per year, and a US\$1.0 billion tranche, seven-year maturity, at Libor plus 0.75% per year.

- 2) In November 2006, the Company issued US\$3.75 billion with maturity of 10 and 30 years. The US\$1.25 billion notes due in 2017 bear a coupon rate of 6.25% per year, payable semi-annually, and were priced with a yield to maturity of 6.346% per year. The US\$ 2.50 billion notes due in 2036 bear a coupon rate of 6.875% per year, payable semi-annually, and were priced with a yield to maturity of 6.997% per year.
- 3) In December 2006, the Company issued in the Brazilian market non-convertible debentures in an amount of R\$5.5 billion, in two series. The first series, due on November 20, 2010, R\$1.5 billion, will be remunerated at 101.75% of the accumulated variation of the Brazilian CDI (interbank certificate of deposit) interest rate, payable semi-annually. The second series, due on November 20, 2013, R\$4.0 billion, will be remunerated at the Brazilian CDI interest rate plus 0.25% per year, also payable semi-annually. These debentures can be traded in the secondary market, through the Sistema Nacional de Debêntures (SND).

In 2007, the company settled the balance of the bridge in the amount of US\$ 2.25 billion, US\$2.1billion of pre-export finance with the bank syndicate with cash availability. Additionally, the Company liquidated US\$380 of its debt.

(a) On March 31, 2008, the consolidated debt was secured as follows:

- Loans guaranteed by the Federal Government with a value of R\$120,715 for which we offered counter-guarantees;
- Securitization program of R\$434,361 (including interest of R\$5,583); and
- Receivables in an amount of R\$576,236.

(b) Amortization of principal and financing charges incurred on long-term loans and financing obtained abroad and domestically maturing as follows, as of March 31, 2008:

|  | <b>Consolidated</b> |             | <b>Parent Company</b> |             |
|--|---------------------|-------------|-----------------------|-------------|
| 2009   | 774.027             | 2%          | 221.786               | 2%          |
| 2010   | 4.778.246           | 14%         | 1.863.941             | 18%         |
| 2011   | 4.827.990           | 14%         | 294.919               | 3%          |
| 2012   | 2.152.300           | 6%          | 155.869               | 1%          |
| 2013 onwards                                 | 21.294.200          | 62%         | 8.030.306             | 76%         |
| No due date (perpetual notes and debentures) | 583.348             | 2%          | -                     | 0%          |
|  | <b>34.410.111</b>   | <b>100%</b> | <b>10.566.821</b>     | <b>100%</b> |

(c) Some of our long-term debt instruments contain financial covenants. Our principal covenants require us to maintain certain ratios, such as debt to EBITDA and interest coverage. The Company is full compliance with our financial covenants as of March 31, 2008.

## 5.14- Contingent Liabilities

The Company and its subsidiaries are party to labor, civil, tax and other suits and have been contesting these matters both administratively and in court. When applicable, these are backed by judicial deposits. Provisions for losses are estimated and restated monetarily and backed by management opinions and of the Legal Department and outside counsel.

At the Financial Statements dates the contingent liabilities of the Company were:

- (a) Provisions for contingencies net from judicial deposits, considered by management and its legal counsel as sufficient to cover losses from any type of lawsuit, as follows:

|   | <b>Consolidated</b> |                  | <b>Parent Company</b> |                  |
|---|---------------------|------------------|-----------------------|------------------|
|   | <b>03/31/08</b>     | <b>12/31/07</b>  | <b>03/31/08</b>       | <b>12/31/07</b>  |
| a) Tax contingencies                          | 2.730.475           | 3.268.740        | 1.738.293             | 1.804.312        |
| (-) Judicial deposits                         | (953.632)           | (1.345.782)      | (816.398)             | (802.707)        |
|   | <b>1.776.843</b>    | <b>1.922.958</b> | <b>921.895</b>        | <b>1.001.605</b> |
| b) Civil contingencies                        | 612.983             | 575.471          | 438.921               | 419.069          |
| (-) Judicial deposits                         | (284.814)           | (277.094)        | (207.705)             | (202.486)        |
|   | <b>328.169</b>      | <b>298.377</b>   | <b>231.216</b>        | <b>216.583</b>   |
| c) Labor contingencies                        | 956.671             | 936.724          | 780.686               | 757.300          |
| d) Environmental contingencies                | 26.600              | 30.829           | 3.050                 | 3.041            |
| <b>Total accrued liabilities</b>              | <b>3.088.283</b>    | <b>3.188.888</b> | <b>1.936.847</b>      | <b>1.978.529</b> |
|   |                     | <b>03/31/08</b>  |                       | <b>03/31/08</b>  |
| <b>Balance at the beginning of the period</b> |                     | 3.188.888        |                       | 1.978.529        |
| Provisions, net of reversals                  |                     | (584.360)        |                       | (126.039)        |
| Payment                                       |                     | (8.330)          |                       | (7.289)          |
| Monetary update                               |                     | 107.655          |                       | 110.556          |
| Judicial deposits                             |                     | 384.430          |                       | (18.910)         |
| <b>Balance at the end of period</b>           |                     | <b>3.088.283</b> |                       | <b>1.936.847</b> |

### a) Tax Contingencies:

The major suits are:

- Value-Added Tax on Sales and Services (ICMS) – The contingent figure refers to the credit right of differential rates regarding the transfer of assets between company branches;
- Services Tax (ISS) – The major claims are regarding local tax collecting disputes;
- Tax for Social Security Financing (COFINS) – The major contingencies, related to merged companies refer to the increase of the rate from 2% to 3% between 1999 and 2000;
- Import Duty (II) – The provision made is related to the Fiscal classification of equipment importation by merged companies;
- Additional Compensation to harbour workers (AITP) – Amounts regarding the collection of compensation amounts for public harbour workers equalized to Private Harbour;
- Income Tax and Social Contribution – Essentially regarding a fiscal loss compensation and negative bases of social contribution disputing the limit of 30% of taxable earnings and monetary variations of asset from merged companies; and
- Others – Regarding dispute of tax credit compensations and basis of calculation of Finance Compensation by Exploration of Mineral Resources - CFEM.

**b) Civil Contingencies:**

The civil actions are principally related to claims made against us by contractors in connection with losses alleged to have been incurred by them as a result of various past government economic plans, accidents and return of land.

**c) Labor Contingencies:**

Labor and social security - related actions principally comprise claims for (a) payment of time spent traveling from their residences to the work-place, (b) additional health and safety related payments and (c) disputes about the amount of indemnities paid upon dismissal and the one-third extra holiday pay.

In addition to the contingencies, there are other contingent provisions, which there are possible losses totaling R\$4,365 (R\$2,600 parent company) based on the advice of legal counsel, it was not necessary to constitute any provision.

- (b) The Company gave to its jointly controlled company Samarco a guarantee in the amount of R\$1 (R\$6 in 2006) related to debt guarantee to IFC, with maturity in 2008 in US dollar, for which there are no counter-guarantees.
- (c) In connection with the Girardin Financing, the Company provides certain guarantees on behalf of Goro pursuant to which we guaranteed payments due from Goro of up to a maximum amount of US\$100 millions ("Maximum Amount") in connection with an indemnity. We also provided an additional guarantee covering the payments due from Goro of (a) amounts exceeding the Maximum Amount in connection with the indemnity and (b) certain other amounts payable by Goro under a lease agreement covering certain assets.

The Company provides a guarantee covering certain termination payments due from Goro to the supplier under an electricity supply agreement ("ESA") entered into in October 2004 for the Goro nickel-cobalt project. The amount of the termination payments guaranteed depends upon a number of factors, including whether any termination of the ESA is as a result of a default by Goro and the date on which an early termination of the ESA were to occur. If Goro defaults under the ESA prior to the anticipated start date for supply of electricity to the project, the termination payment, which currently is at its maximum, would be 145 millions euros. Once the supply of electricity under the ESA to the project begins, the guaranteed amounts will decrease over the life of the ESA.

The Company expects such guarantees to be not executed and therefore no provisions for losses have been made.

- (d) At the time of our privatization in 1997, the Company issued debentures to its then-existing shareholders, including the Brazilian Government. The terms of the debentures, were set to ensure that the pre-privatization shareholders, including the Brazilian Government would participate in possible future financial benefits that could be obtained from exploiting certain mineral resources.

A total of 388,559,056 Debentures were issued at a par value of R\$0.01 (one cent), whose value is to be restated in accordance with the variation in the General Market Price Index (IGP-M), as set forth in the Issue Deed.

The debenture holders are entitled to receive semi-annual payments equivalent to a percentage of the net revenue deriving from certain mineral resources owned in May 1997 and included in the Issue Deed.

According to the Debenture Issue Deed, the amount of the premium must include interest up to the month prior to that of effective payment, plus 1% in the month in which the funds are made available to the debenture holder.

The accumulated sales of iron ore of the mines covered by the debentures, in the period between May 1997 and June 30, 2007, were 500 million metric tons in the Southeast System and 579 million metric tons in the North System, Carajas. In the event of the annual sales of iron ore remain equal to the level achieved in the last twelve months, the levels mentioned in the Issue Deed to start payment of premium of 1.7 billion metric tons for the Southeast and System 1, 2 billion metric tons to the North System, would be achieved in 2027 and 2015, respectively. However, this prediction could not be confirmed and may the dates mentioned to achieve the levels of production of 1.7 billion tons (Southeast System) and 1.2 billion tons (System North) are anticipated or neglected.

The Company made available payment related to debentures in the amount of R\$8,640 in 2008 and R\$21,970 in 2007.

## 5.15- Provision for asset retirement obligations

On 03/31/08, the consolidated provision for asset retirement obligations amounted to R\$108,438 (R\$45.780 in the parent company), which was accounted for in "Provision for asset retirement obligations" in non-current liabilities and R\$1,630,084 (R\$ 793,252 in the parent company) classified in "Other" in current liabilities.

## 5.16- Pension Plan

The following information shows the details the status of the defined benefit elements of the Company plans, of the valuation of actuarial obligations and of the sponsor contribution to the plans.

### a) Pension Plan

The results of the actuarial valuation were as follows:

|   | 03/31/08                     |                           |                            | Consolidated<br>12/31/07     |                           |                            |
|---|------------------------------|---------------------------|----------------------------|------------------------------|---------------------------|----------------------------|
|   | (*) Overfunded pension plans | Underfunded pension plans | Underfunded other benefits | (*) Overfunded pension plans | Underfunded pension plans | Underfunded other benefits |
| Fair value of plan assets at the end of the year                      | (5.663.007)                  | (6.983.354)               | (2.437.000)                | (5.629.443)                  | (7.125.851)               | (2.667.653)                |
| Fair value of assets at the end of the year                           | 7.483.101                    | 6.324.784                 | 16.784                     | 7.417.297                    | 6.405.060                 | 16.997                     |
| Net gains not recognized on the balance sheet                         | -                            | -                         | -                          | -                            | -                         | -                          |
| Actuarial assets / (liabilities) recorded in the balance sheet:       |                              |                           |                            |                              |                           |                            |
| Short-term  | -                            | (36.915)                  | (115.365)                  | -                            | (37.383)                  | (116.826)                  |
| Long-term   | -                            | (621.655)                 | (2.304.851)                | -                            | (683.408)                 | (2.533.830)                |
| <b>Actuarial assets / (liabilities) recorded in the balance sheet</b> | <b>1.820.094</b>             | <b>(1.317.140)</b>        | <b>(4.840.432)</b>         | <b>1.787.854</b>             | <b>(1.441.582)</b>        | <b>(5.301.312)</b>         |

|   | 03/31/08                     |                           |                            | Parent Company<br>12/31/07   |                           |                            |
|---|------------------------------|---------------------------|----------------------------|------------------------------|---------------------------|----------------------------|
|   | (*) Overfunded pension plans | Underfunded pension plans | Underfunded other benefits | (*) Overfunded pension plans | Underfunded pension plans | Underfunded other benefits |
| Fair value of assets at the end of the year                           | 7.483.101                    | -                         | -                          | 7.417.297                    | -                         | -                          |
| Fair value of plan assets at the end of the year                      | (5.663.007)                  | -                         | -                          | (5.629.443)                  | -                         | -                          |
| <b>Actuarial assets / (liabilities) recorded in the balance sheet</b> | <b>1.820.094</b>             | <b>-</b>                  | <b>-</b>                   | <b>1.787.854</b>             | <b>-</b>                  | <b>-</b>                   |

(\*) The Company has not recorded the actuarial asset on its balance sheet, since there is no clear evidence to its realization, as established by item 49 of NPC 26.

### b) Actuarial liability

Refers to the responsibility of the Company to complement the retirements, pensions and health assistance related to the incentive to the disconnecting of some employees occurred between 1987 and 1989.

The results of the actuarial evaluation of this liability are as follows:



|  | 03/31/08         |                           | Consolidated (*)<br>12/31/07 |                           |
|--|------------------|---------------------------|------------------------------|---------------------------|
|  | Health care      | “Abono<br>Complementação” | Health care                  | “Abono<br>Complementação” |
| Fair value of assets at the end of the year          | -                | 282.348                   | -                            | 258.703                   |
| Fair value of plan assets at end of year             | (268.663)        | (668.740)                 | (268.330)                    | (658.917)                 |
| Actuarial liabilities recorded in the balance sheet: |                  |                           |                              |                           |
| Short-term   | (16.227)         | (62.580)                  | (20.052)                     | (58.116)                  |
| Long-term  | (252.436)        | (323.812)                 | (248.278)                    | (342.098)                 |
|  | <b>(268.663)</b> | <b>(386.392)</b>          | <b>(268.330)</b>             | <b>(400.214)</b>          |

(\*) The values of the Consolidated are the same of the Parent Company.

c) Sponsor contributions

The contributions are as follows:

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 03/31/08         | 12/31/07         |
| Overfunded pension plans                       | (11.419)         | (103.201)        |
| Underfunded pension plans                      | (100.517)        | (630.779)        |
| Underfunded other benefits                     | (22.012)         | (109.339)        |
| Complementary value (*)                        | (23.808)         | (92.677)         |
| Health insurance plan for retired employee (*) | (7.662)          | (20.822)         |
| <b>Total contributions</b>                     | <b>(165.418)</b> | <b>(956.818)</b> |

(\*) Refers to actuarial liabilities

## 5.17- Paid-up Capital

Preferred shares have the same rights as common shares, except for the right to elect the members of the Board of Directors. They have priority to a minimum annual dividend of 6% on the portion of capital represented by this class of share or 3% of the book net equity value of the share, whichever is greater.

At the Extraordinary Shareholders' Meeting held on April 27, 2007 the capital stock was increased to R\$28,000. The capital increase is due through capitalization of the expansion/ investment reserve in the amount of R\$7,673 capitalization of the legal reserve in the amount of R\$752, and capitalization of the fiscal incentives reserve in the amount of R\$83 without new stock issue.

On August 30, 2007 the Extraordinary General Shareholders' Meeting approved the forward-stock split. Since September 2007, each existing share, both common and preferred, became two shares.

For comparative purposes, the effects of the split were considered retroactively in the calculation of net income per share presented in the statement of income.

On December 31, 2007 the total capital reaches R\$28,000, corresponding of 4,919,314,116 shares, being R\$17,074 divided in 2,999,797,716 common shares and R\$10,926 divided in 1,919,516,400 class “A” preferred shares, including twelve special class shares without par value.

The Board of Directors has the power, without the necessity of a statutory change, to deliberate the issue of new shares (authorized capital) including the capitalization of revenue and reserves until the authorized limit of 3,600,000,000 common shares and 7,200,000,000 preferred shares without par value.

The members of the Board of Directors and Executive Board together own 127,924 common shares and 596,705 preferred shares.

### 5.18- Resources linked to future mandatory conversion in shares

In June, 2007, the Company issued mandatory convertible notes in the amount of R\$3,601, net of interest R\$3,064, with maturity in 2010. The notes, pay a coupon of 5.50% a.a quarterly and the right to receive the participation of the additional equivalent for the distribution in cash paid to the ADS's holders. These notes were classified as a capital instrument, mainly because of the fact that there is no option, from the part of the Company or from the part of the holders to liquidate, totally or in part this operation with financial resources, being the conversion mandatory.

In alignment with the international practices and after analysis, was concluded that the Mandatory convertible notes are similar to equity notes and for this reason are recognized as a specific part of the equity, net of financial changes.

The resources linked to future mandatory conversion, net of interest, are represented by a maximum of 56,582,040 common shares are equivalent to R\$2,111 and the ones represented by a maximum of 30,295,456 preferred shares are equivalent to R\$926. All the shares are currently in treasury stock (see note 7.24).

### 5.19- Treasury Stock

On 06/21/06 the Board of Directors approved a buy-back program of its preferred shares, during a maximum term of 180 days. By the end of the program, 30,299,200 preferred shares have been acquired.

On 03/31/08, the Company had 56,582,040 common shares and 30,341,012 preferred shares, which are held in treasury in the amount of R\$790,218.

| Class     | Shares            |                   | Unit acquisition cost |       |       | Average quoted market price |          |
|-----------|-------------------|-------------------|-----------------------|-------|-------|-----------------------------|----------|
|           | Quantity          |                   | Average               | Low   | High  | 03/31/08                    | 12/31/07 |
|           | 03/31/08          | 12/31/07          |                       |       |       |                             |          |
| Preferred | 30.341.012        | 30.341.144        | 43,45                 | 41,13 | 45,15 | 47,66                       | 39,46    |
| Common    | 56.582.040        | 56.582.040        | 4,63                  | 3,34  | 8,68  | 55,81                       | 46,73    |
|           | <b>86.923.052</b> | <b>86.923.184</b> |                       |       |       |                             |          |

### 5.20- Remuneration of Stockholders

On 04/30/2008, the Company will pay R\$2,109,750 to stockholders. It will be pay R\$1,150,495 as interest on stockholders' equity and R\$959,255 as dividends.

### 5.21- Financial Results

Consolidated

|  | 1Q08               |   |                    | 4Q07               |   |                    | Quarter 1Q07       |   |                  |
|--|--------------------|---|--------------------|--------------------|---|--------------------|--------------------|---|------------------|
|  | Financial expenses | Monetary and exchange rate variation on liabilities | Total              | Financial expenses | Monetary and exchange rate variation on liabilities | Total              | Financial expenses | Monetary and exchange rate variation on liabilities | Total            |
| Foreign debt   | (276.483)          | 29.956  | (246.527)          | (326.852)          | 207.586   | (119.266)          | (512.462)          | 435.973   | (76.489)         |
| Local debt   | (277.524)          | 42.022  | (235.502)          | (243.252)          | (11.666)  | (254.918)          | (265.932)          | 106.603   | (159.329)        |
| Related parties  | (1.152)            | (2.902)   | (4.054)            | 18.090             | (6.010)   | 12.080             | (3.676)            | (69)  | (3.745)          |
|  | <b>(555.159)</b>   | <b>69.076</b>                                       | <b>(486.083)</b>   | <b>(552.014)</b>   | <b>189.910</b>                                      | <b>(362.104)</b>   | <b>(782.070)</b>   | <b>542.507</b>                                      | <b>(239.563)</b> |
| Labor, tax and civil contingencies   | (76.830)           | (49.613)  | (126.443)          | (70.144)           | (189.089)   | (259.233)          | (32.155)           | (9.082)   | (41.237)         |
| Derivatives, net of gain/losses (interest and currencies)                              | (37.263)           | 7.771   | (29.492)           | 307.893            | (36.671)  | 271.222            | 341.484            | (5.635)   | 335.849          |
| Derivatives, net of gain/losses (gold, aluminum, alumina, copper, nickel and platinum) | (510.408)          | 5.875   | (504.533)          | 280.726            | 35.685  | 316.411            | (174.638)          | 57.590  | (117.048)        |
| CPMF   | (7.958)            | -   | (7.958)            | (51.943)           | -   | (51.943)           | (113.858)          | -   | (113.858)        |
| Others   | (364.347)          | (259.286)   | (623.633)          | (521.357)          | (644.758)   | (1.166.115)        | (643.060)          | 104.587   | (538.473)        |
|  | <b>(1.551.965)</b> | <b>(226.177)</b>                                    | <b>(1.778.142)</b> | <b>(606.839)</b>   | <b>(644.923)</b>                                    | <b>(1.251.762)</b> | <b>(1.404.297)</b> | <b>689.967</b>                                      | <b>(714.330)</b> |
|  | Financial income   | Monetary and exchange rate variation on assets      | Total              | Financial income   | Monetary and exchange rate variation on assets      | Total              | Financial income   | Monetary and exchange rate variation on assets      | Total            |
| Related parties  | 1.344              | 865   | 2.209              | 4.058              | (5.611)   | (1.553)            | (3.294)            | 5.610   | 2.316            |
| Marketable securities  | 53.719             | 3.437   | 57.156             | 63.000             | 26  | 63.026             | 55.245             | 23  | 55.268           |
| Others   | 62.634             | (400.024)   | (337.390)          | 194.698            | 1.390.477   | 1.585.175          | 238.604            | 209.800   | 448.404          |
|  | <b>117.697</b>     | <b>(395.722)</b>                                    | <b>(278.025)</b>   | <b>261.756</b>     | <b>1.384.892</b>                                    | <b>1.646.648</b>   | <b>290.555</b>     | <b>215.433</b>                                      | <b>505.988</b>   |
| Financial income (expenses), net   | <b>(1.434.268)</b> | <b>(621.899)</b>                                    | <b>(2.056.167)</b> | <b>(345.083)</b>   | <b>739.969</b>                                      | <b>394.886</b>     | <b>(1.113.742)</b> | <b>905.400</b>                                      | <b>(208.342)</b> |

|   | <b>03/31/08</b>               |  |                  | <b>Accumulated<br/>03/31/07</b> |  |                |
|---|-------------------------------|--|------------------|---------------------------------|--|----------------|
|   | <b>Financial<br/>expenses</b> | <b>Monetary and<br/>exchange<br/>rate variation<br/>on liabilities</b> | <b>Total</b>     | <b>Financial<br/>expenses</b>   | <b>Monetary and<br/>exchange<br/>rate variation<br/>on liabilities</b> | <b>Total</b>   |
| Foreign debt  | (19.527)                      | 17.485   | (2.042)          | (175.169)                       | 336.803  | 161.634        |
| Local debt  | (256.691)                     | 33.233   | (223.458)        | (237.012)                       | 73.871   | (163.141)      |
| Related parties   | (457.368)                     | 412.076  | (45.292)         | (476.208)                       | 1.290.356  | 814.148        |
|   | <b>(733.586)</b>              | <b>462.794</b>   | <b>(270.792)</b> | <b>(888.389)</b>                | <b>1.701.030</b>   | <b>812.641</b> |
| Labor, tax and civil contingencies                        | (68.657)                      | (41.900)   | (110.557)        | (31.342)                        | (7.486)  | (38.828)       |
| Derivatives, net of gain/losses (interest and currencies) | (22.342)                      | 10.636   | (11.706)         | 348.498                         | (4.170)  | 344.328        |
| Derivatives, net of gain/losses (gold)                    | (45.107)                      | (557)  | (45.664)         | (21.209)                        | (127)  | (21.336)       |
| CPMF  | (3.891)                       | -  | (3.891)          | (96.020)                        | -  | (96.020)       |
| Others  | (221.188)                     | (66.603)   | (287.791)        | (682.455)                       | (19.256)   | (701.711)      |
|   | <b>(1.094.771)</b>            | <b>364.370</b>   | <b>(730.401)</b> | <b>(1.370.917)</b>              | <b>1.669.991</b>   | <b>299.074</b> |
|   | <b>Financial<br/>income</b>   | <b>Monetary<br/>and exchange<br/>rate variation<br/>on assets</b>      | <b>Total</b>     | <b>Financial<br/>income</b>     | <b>Monetary<br/>and exchange<br/>rate variation<br/>on assets</b>      | <b>Total</b>   |
| Related parties   | 7.028                         | (32.005)   | (24.977)         | 7.255                           | (217.703)  | (210.448)      |
| Marketable securities                                     | 20.126                        | 3.437  | 23.563           | 10.062                          | 23   | 10.085         |
| Others  | 9.073                         | 43.824   | 52.897           | 1.140                           | 286.282  | 287.422        |
|   | <b>36.227</b>                 | <b>15.256</b>  | <b>51.483</b>    | <b>18.457</b>                   | <b>68.602</b>  | <b>87.059</b>  |
| <b>Financial income (expenses), net</b>                   | <b>(1.058.544)</b>            | <b>379.626</b>   | <b>(678.918)</b> | <b>(1.352.460)</b>              | <b>1.738.593</b>   | <b>386.133</b> |

## 5.22- Financial Instruments - Derivatives

Volatility of interest rates, exchange rates and commodity prices are the main market risks to which the company is exposed - all three are managed through derivative operations. These have the exclusive with aim of reducing exposure to risk. The company does not contract derivatives for speculative purposes.

The company monitor and evaluate the derivative positions on a regular basis and adjust its strategy in response to market conditions. Periodically the credit limits and credit worthiness of our counter-parties in these transactions are reviewed. In view of the policies and practices established for operations with derivatives, management considers the occurrence of non-measurable risk situations as unlikely.

The asset (liability) balances and the change in fair value of derivative financial instruments are as follows (unaudited):

|  | <b>Consolidated</b>                           |                 |  |                  |               |                 |               |
|--|---|-----------------|--|------------------|---------------|-----------------|---------------|
|  | <b>Quarter</b>                                |                 |  |                  |               |                 |               |
|  | <b>1Q/08</b>                                  |                 |  |                  |               |                 |               |
|  | <b>Interest rates<br/>(libor)/ Currencies</b> | <b>Gold</b>     | <b>Products by<br/>aluminum<br/>area</b> | <b>Copper</b>    | <b>Nickel</b> | <b>Platinum</b> | <b>Total</b>  |
| Gains / (losses) unrealized on 12/31/07        | 1.107.744                                     | (64.608)        | (172.569)                                | (332.222)        | 73.557        | (42.722)        | 569.180       |
| Financial settlement                           | (47.759)                                      | 20.087          | 42.333                                   | 104.343          | 777           | 15.822          | 135.603       |
| Financial expenses, net                        | (20.290)                                      | (13.982)        | (305.976)                                | (202.236)        | (61.044)      | (27.448)        | (630.976)     |
| Monetary variations, net                       | 8.340   | 726             | 1.804                                    | 3.301            | (2.388)       | 253             | 12.036        |
| <b>Gains / (losses) unrealized on 03/31/08</b> | <b>1.048.035</b>                              | <b>(57.777)</b> | <b>(434.408)</b>                         | <b>(426.814)</b> | <b>10.902</b> | <b>(54.095)</b> | <b>85.843</b> |

|  | <b>4Q/07</b>                                  |                 |  |                  |               |                 |                |
|--|---|-----------------|--|------------------|---------------|-----------------|----------------|
|  | <b>Interest rates<br/>(libor)/ Currencies</b> | <b>Gold</b>     | <b>Products by<br/>aluminum<br/>area</b> | <b>Copper</b>    | <b>Nickel</b> | <b>Platinum</b> | <b>Total</b>   |
| Gains / (losses) unrealized on 09/30/07        | 1.191.138                                     | (72.978)        | (319.727)                                | (652.687)        | 5.895         | (46.692)        | 104.949        |
| Financial settlement                           | (354.995)                                     | 17.580          | 29.273                                   | 111.782          | 45.609        | 8.999           | (141.752)      |
| Financial expenses, net                        | 308.272                                       | (11.811)        | 107.009                                  | 186.708          | 22.832        | (6.727)         | 606.283        |
| Monetary variations, net                       | (36.671)                                      | 2.601           | 10.876                                   | 21.975           | (779)         | 1.698           | (300)          |
| <b>Gains / (losses) unrealized on 12/31/07</b> | <b>1.107.744</b>                              | <b>(64.608)</b> | <b>(172.569)</b>                         | <b>(332.222)</b> | <b>73.557</b> | <b>(42.722)</b> | <b>569.180</b> |

|  | <b>1Q/07</b>                                  |                 |  |                  |                 |                 |                    |
|--|---|-----------------|--|------------------|-----------------|-----------------|--------------------|
|  | <b>Interest rates<br/>(libor)/ Currencies</b> | <b>Gold</b>     | <b>Products by<br/>aluminum<br/>area</b> | <b>Copper</b>    | <b>Nickel</b>   | <b>Platinum</b> | <b>Total</b>       |
| Gains / (losses) unrealized on 12/31/06                | (20.162)                                      | (115.138)       | (679.454)                                | (638.410)        | 34.593          | (41.922)        | (1.460.493)        |
| Gains / (Losses) recognized upon consolidation of Inco | -   | -               | -  | -                | -               | -               | -                  |
| Financial settlement                                   | 6.539   | 26.236          | 61.416                                   | 80.140           | (26.123)        | -               | 148.208            |
| Financial expenses, net                                | 341.484                                       | (9.972)         | (9.079)                                  | (91.312)         | (50.406)        | (13.869)        | 166.846            |
| Monetary variations, net                               | (5.635)                                       | 4.440           | 28.075                                   | 23.118           | (15)            | 1.972           | 51.955             |
| <b>Gains / (losses) unrealized on 03/31/07</b>         | <b>322.226</b>                                | <b>(94.434)</b> | <b>(599.042)</b>                         | <b>(626.464)</b> | <b>(41.951)</b> | <b>(53.819)</b> | <b>(1.093.484)</b> |

|  | <b>Parent Company</b>                         |                 |                 |                |
|--|---|-----------------|-----------------|----------------|
|  | <b>03/31/08</b>                               |                 |                 |                |
|  | <b>Interest rates (libor)/<br/>Currencies</b> | <b>Gold</b>     | <b>Copper</b>   | <b>Total</b>   |
| Gains / (losses) unrealized on 12/31/07        | 1.064.547                                     | (45.256)        | (1.923)         | 1.017.368      |
| Financial settlement                           | (48.584)                                      | 13.962          | 314             | (34.308)       |
| Financial expenses, net                        | (22.342)                                      | (9.861)         | (35.246)        | (67.449)       |
| Monetary variations, net                       | 10.636  | 464             | (1.021)         | 10.079         |
| <b>Gains / (losses) unrealized on 03/31/08</b> | <b>1.004.257</b>                              | <b>(40.691)</b> | <b>(37.876)</b> | <b>925.690</b> |

|  | <b>Interest rates (libor)/<br/>Currencies</b> | <b>Gold</b>     | <b>Copper</b> | <b>Total</b>   |
|--|---|-----------------|---------------|----------------|
| Gains / (losses) unrealized on 12/31/06        | 5.064   | (68.941)        | 46.227        | (17.650)       |
| Financial settlement                           | (60.514)                                      | 4.512           | (3.497)       | (59.499)       |
| Financial expenses, net                        | 348.498                                       | (6.138)         | (15.071)      | 327.289        |
| Monetary variations, net                       | (4.170)                                       | 3.021           | (3.148)       | (4.297)        |
| <b>Gains / (losses) unrealized on 03/31/07</b> | <b>288.878</b>                                | <b>(67.546)</b> | <b>24.511</b> | <b>245.843</b> |

Final maturity dates for the above instruments are as follows:

|                        |                  |
|------------------------|------------------|
| Gold                   | Dezembro de 2008 |
| Interest rates (LIBOR) | Setembro de 2019 |
| Aluminum products      | Dezembro de 2008 |
| Copper                 | Dezembro de 2008 |
| Nickel                 | Dezembro de 2009 |
| Platinum               | Dezembro de 2008 |

### 5.23- Selling, Administrative, Other Operating Expenses and Non Operating Income

|  | Consolidated   |                |                | Parent Company |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 1Q/08          | 4Q/07          | 1Q/07          | 1Q/08          | 1Q/07          |
| <b>Administrative</b>                            |                |                |                |                |                |
| Personnel  | 179.068        | 196.993        | 206.128        | 96.584         | 69.567         |
| Services (consulting, infrastructure and others) | 113.228        | 132.361        | 69.008         | 37.371         | 23.122         |
| Advertising and publicity                        | 33.325         | 143.880        | 31.827         | 32.646         | 27.554         |
| Depreciation                                     | 79.818         | 76.043         | 69.101         | 59.738         | 49.779         |
| Travel expenses                                  | 11.925         | 11.851         | 9.408          | 7.327          | 5.784          |
| Rents and taxes                                  | 10.192         | 20.754         | 41.870         | 7.252          | 7.790          |
| Community aborigine                              | 5.826          | 6.706          | 5.826          | 4.968          | 5.826          |
| Others   | 23.311         | 31.489         | 112.136        | 29.507         | 16.924         |
| <b>Sales (*)</b>                                 | 143.156        | 179.360        | 56.560         | 17.786         | 10.708         |
| <b>Total</b>                                     | <b>599.849</b> | <b>799.437</b> | <b>601.864</b> | <b>293.179</b> | <b>217.054</b> |

(\*) Expenses with offices abroad and allowance for doubtful accounts.

|   | Consolidated   |                |               | Parent Company |                  |
|---|----------------|----------------|---------------|----------------|------------------|
|   | 1Q/08          | 4Q/07          | 1Q/07         | 1Q/08          | 1Q/07            |
| <b>Other operating expenses (income), net</b> |                |                |               |                |                  |
| Provisions for contingencies                  | (8.697)        | 88.836         | 19.919        | -              | -                |
| Provision for loss on ICMS credits            | 49.124         | 42.031         | 12.949        | 34.411         | (5.474)          |
| Provision for profit sharing                  | 47.667         | 157.785        | 223.475       | 26.010         | 99.696           |
| Fundação Vale do Rio Doce - FVRD              | 13.195         | 11.032         | 12.047        | 13.195         | 12.047           |
| Recoverable taxes - PIS and COFINS            | (63.879)       | (19.314)       | (317.221)     | (63.879)       | (317.221)        |
| Others  | 320.053        | 327.383        | 130.455       | 78.941         | 4.692            |
| <b>Total</b>                                  | <b>357.463</b> | <b>607.753</b> | <b>81.624</b> | <b>88.678</b>  | <b>(206.260)</b> |

|   | Consolidated   |          |          | Parent Company |          |
|---|----------------|----------|----------|----------------|----------|
|   | 1Q/08          | 4Q/07    | 1Q/07    | 1Q/08          | 1Q/07    |
| <b>Non operating results - gain on sale of assets</b> |                |          |          |                |          |
| Jubilee Mines N.L.                                    | 138.879        | -        | -        | -              | -        |
| <b>Total</b>  | <b>138.879</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b> |

### Subsequent Events

In April 2008, the Company closed a contract with Banco Nacional do Desenvolvimento Econômico e Social (BNDES), The Brazilian National Development Bank, for a committed credit facility totaling R\$ 7,3 billions, available for the next 60 months and with a 10-year tenor, with a view to financing part of investment plan for 2008-2012, in the amount of US\$ 59 billions.



## 6- ATTACHMENT I - STATEMENT OF INVESTMENTS IN SUBSIDIARIES AND JOINTLY-CONTROLLED COMPANIES

Period ended march 31, 2008

In thousands of reais

|   | Participation (%) |        | Assets      |            |  |           | Liabilities and stockholders' equity             |                               |              | Accounting information        |                             |                      |                                    |                            |
|---|-------------------|--------|-------------|------------|--|-----------|--|-------------------------------|--------------|-------------------------------|-----------------------------|----------------------|------------------------------------|----------------------------|
|   |                   |        | Non-current |            | Current  |           | Non-current                                      |                               |              | Statement of income           |                             |                      |                                    |                            |
|   | Total             | Voting | Circulante  | Long-term  | Investments, property plant and equipment and deferred charges |           | Long-term, deferred income and minority interest | Adjusted stockholders' equity | Net revenues | Cost of products and services | Operating income (expenses) | Non-operating result | Income tax and Social contribution | Adjusted net income (loss) |
| <b>Jointly-controlled companies</b>                       |                   |        |             |            |  |           |  |                               |              |                               |                             |                      |                                    |                            |
| ALBRAS - Alumínio Brasileiro S.A.                         | 51,00             | 51,00  | 604.976     | 1.341.711  | 1.085.835  | 666.750   | 603.029  | 1.762.743                     | 507.262      | (389.192)                     | (149.772)                   | -                    | (14.510)                           | (46.212)                   |
| ALUNORTE - Alumina do Norte do Brasil S.A.                | 57,03             | 61,74  | 912.211     | 12.099     | 5.067.604  | 616.833   | 1.297.515  | 4.077.566                     | 574.017      | (476.079)                     | (133.300)                   | -                    | (7.679)                            | (43.041)                   |
| Brasilux S.A.   | 100,00            | 100,00 | 3.713       | 28.548     | -  | 11.777    | -  | 20.484                        | -            | -                             | 120                         | -                    | (104)                              | 16                         |
| Cadam S.A.  | 61,48             | 100,00 | 146.015     | 57.714     | 197.775  | 37.844    | 70.773   | 292.888                       | 48.209       | (46.356)                      | (18.336)                    | -                    | -                                  | (16.483)                   |
| Companhia Paulista de Ferro Ligas                         | 100,00            | 100,00 | 72.680      | 175.760    | 1.525  | 141.272   | 95.233   | 13.460                        | -            | -                             | 3.248                       | -                    | 561                                | 3.809                      |
| Companhia Portuária Baía de Sepetiba - CPBS               | 100,00            | 100,00 | 312.167     | 6.312      | 157.735  | 271.000   | 34   | 205.180                       | 66.299       | (37.597)                      | 1.938                       | -                    | (10.401)                           | 20.239                     |
| CVRD International S.A.                                   | 100,00            | 100,00 | 10.115.396  | 52.984.839 | 47.135.461   | 6.637.265 | 45.851.036                                       | 57.747.394                    | 5.619.280    | (4.164.190)                   | (149.239)                   | -                    | (15.819)                           | 1.290.032                  |
| CVRD Overseas Ltd.  | 100,00            | 100,00 | 544.537     | 311.896    | 933.689  | 1.265.058 | 35.104   | 489.961                       | 781.375      | (562.907)                     | (11.773)                    | -                    | -                                  | 206.695                    |
| Docepar S.A.  | 100,00            | 100,00 | 2.472       | 296.811    | 149  | 31.176    | 266.352  | 1.905                         | -            | -                             | (6.128)                     | -                    | -                                  | (6.128)                    |
| Ferro Gusa Carajás S.A.                                   | 100,00            | 100,00 | 156.603     | 991        | 346.926  | 119.610   | 673  | 384.237                       | 52.263       | (41.327)                      | (257)                       | -                    | (9.820)                            | 859                        |
| Ferrovial Centro - Atlântica S.A.                         | 100,00            | 100,00 | 306.366     | 108.522    | 1.568.455  | 163.042   | 1.943.742  | (123.441)                     | 169.763      | (154.125)                     | (10.973)                    | -                    | -                                  | 4.665                      |
| Ferrovial Norte Sul S.A.                                  | 100,00            | 100,00 | 500         | -          | 1.525.214  | 484.482   | 305.303  | 739.621                       | -            | -                             | -                           | -                    | -                                  | -                          |
| Florestas Rio Doce S.A.                                   | 99,90             | 100,00 | 8.378       | 25.542     | 3.694  | 5.740     | 7.766  | 24.110                        | -            | -                             | 534                         | -                    | (183)                              | 351                        |
| Mineração Tucumã Ltda.                                    | 100,00            | 100,00 | 133         | -          | 1.666.548  | 17.450    | 1.788.341  | (139.110)                     | -            | -                             | 4.665                       | -                    | -                                  | 4.665                      |
| Minerações Brasileiras Reunidas S.A. - MBR (a)            | 92,99             | 92,99  | 423.748     | 24.502     | 5.161.511  | 926.003   | 921.475  | 3.762.283                     | -            | (66.171)                      | 66.209                      | -                    | 5.716                              | 5.754                      |
| Para Pigmentos S.A.                                       | 86,17             | 85,57  | 113.557     | 16.403     | 235.343  | 153.898   | 129.903  | 81.502                        | 47.141       | (43.879)                      | (8.372)                     | -                    | -                                  | (5.110)                    |
| Rio Doce Manganês S.A.                                    | 100,00            | 100,00 | 827.776     | 108.548    | 341.586  | 349.967   | 245.521  | 682.422                       | 333.132      | (126.553)                     | (27.043)                    | -                    | (35.319)                           | 144.217                    |
| Rio Doce Manganês Europe - RDME                           | 100,00            | 100,00 | 277.881     | 45.224     | 51.168   | 102.184   | 16.155   | 255.933                       | 169.891      | (124.331)                     | 6.142                       | -                    | (13.995)                           | 37.707                     |
| Rio Doce Manganês Norway AS                               | 100,00            | 100,00 | 204.576     | -          | 56.446   | 43.261    | 91.358   | 126.403                       | 107.091      | (62.921)                      | (16.007)                    | -                    | (2.856)                            | 25.307                     |
| Salobo Metais S.A.  | 100,00            | 100,00 | 71.563      | -          | 1.030.091  | 24.310    | 779.279  | 298.065                       | -            | -                             | -                           | -                    | -                                  | -                          |
| Urucum Mineração S.A.                                     | 100,00            | 100,00 | 104.557     | 11.818     | 56.163   | 19.758    | 102.643  | 50.137                        | 43.951       | (22.564)                      | (5.768)                     | -                    | (4.799)                            | 10.820                     |
| Valesul Alumínio S.A. (a)                                 | 100,00            | 100,00 | 135.339     | 87.995     | 522.411  | 75.645    | 32.547   | 637.555                       | 100.607      | (84.081)                      | (11.646)                    | -                    | (2.814)                            | 2.066                      |
| Vale Australia Pty Ltd.                                   | 100,00            | 100,00 | 267.113     | 131.695    | 1.813.465  | 175.464   | 1.578.362  | 458.446                       | 125.722      | (125.987)                     | (44.022)                    | -                    | 23.916                             | (20.371)                   |
| Vale Inco   | 100,00            | 100,00 | 8.349.072   | 145.600    | 47.987.384   | 3.884.092 | 39.114.515                                       | 13.483.450                    | 4.189.022    | (2.212.424)                   | (910.277)                   | 138.879              | (571.098)                          | 634.102                    |
| Vale Overseas Ltd.  | 100,00            | 100,00 | 196.113     | 10.046.239 | -  | 196.113   | 10.046.239                                       | -                             | -            | -                             | -                           | -                    | -                                  | -                          |
| <b>Jointly-controlled companies</b>                       |                   |        |             |            |  |           |  |                               |              |                               |                             |                      |                                    |                            |
| Baovale Mineração S.A.                                    | 50,00             | 100,00 | 52.195      | 26         | 55.154   | 23.856    | -  | 83.519                        | 7.947        | (1.406)                       | (234)                       | -                    | (892)                              | 5.415                      |
| California Steel Industries, Inc.                         | 50,00             | 50,00  | 781.139     | -          | 427.594  | 356.869   | 262.364  | 589.499                       | 640.379      | (595.536)                     | (24.218)                    | -                    | (8.314)                            | 12.311                     |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO    | 50,00             | 50,00  | 202.455     | 26.746     | 248.283  | 181.084   | 131.029  | 165.372                       | 107.763      | (96.040)                      | (2.913)                     | -                    | (3.646)                            | 5.164                      |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 50,89             | 51,00  | 208.797     | 69.937     | 142.117  | 214.704   | 49.048   | 157.097                       | 144.995      | (129.400)                     | (3.324)                     | -                    | (5.138)                            | 7.133                      |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO     | 50,90             | 51,00  | 179.681     | 60.816     | 163.490  | 174.478   | 64.411   | 165.101                       | 136.495      | (120.715)                     | (6.400)                     | -                    | (4.665)                            | 4.715                      |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO       | 51,00             | 51,11  | 258.164     | 70.144     | 348.217  | 416.343   | 61.892   | 198.291                       | 213.860      | (219.201)                     | (9.054)                     | -                    | 1.219                              | (13.176)                   |
| Minas da Serra Geral S.A. - MSG                           | 50,00             | 50,00  | 25.777      | 24.929     | 68.656   | 2.555     | 19.794   | 97.013                        | 6.076        | (2.507)                       | (856)                       | -                    | (567)                              | 2.146                      |
| Mineração Rio do Norte S.A.                               | 40,00             | 40,00  | 273.840     | 560.903    | 905.160  | 476.750   | 628.983  | 634.170                       | 206.543      | (121.170)                     | (17.206)                    | -                    | (25.009)                           | 43.158                     |
| MRS Logística S.A. (a)                                    | 41,50             | 37,86  | 683.786     | 308.357    | 2.030.350  | 864.087   | 835.850  | 1.322.556                     | 532.344      | (301.262)                     | (39.274)                    | -                    | (70.363)                           | 121.445                    |
| Samarco Mineração S.A.                                    | 50,00             | 50,00  | 688.695     | 426.946    | 3.335.163  | 1.738.683 | 1.716.262  | 995.859                       | 576.988      | (275.764)                     | (70.939)                    | -                    | (57.342)                           | 172.943                    |

### Observances:

(a) Includes direct and indirect participation.

Additional information of the main operational investee companies are available on the Vale website [www.vale.com](http://www.vale.com), investor relations.

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

## REPORT OF THE INDEPENDENT AUDITORS ON SPECIAL REVIEW

To the Shareholders and Board of Directors of  
Companhia Vale do Rio Doce  
Rio de Janeiro – RJ

1. We have carried out a special review of the Quarterly Financial Information (ITR) of Companhia Vale do Rio Doce (“Company”), holding company and consolidated, in respect of the quarter ended March 31, 2008, prepared in accordance with the rules of Brazilian Securities Commission (CVM) and under the responsibility of the Company’s management, comprising the balance sheets, the statements of income and changes in shareholders’ equity and the comments on the Company’s performance. The Quarterly Financial Information’s reviews for the quarter ended March, 31, 2008, of certain investees which investments were accounted for by the equity method were conducted under the responsibility of other independent auditors. Accordingly, the conclusions resulting from our review, related to the investments of the holding company as of March, 31, 2008, in the amount of R\$13.483.450 thousand and the gain generated for the quarter ended on that date in the amounts of R\$634.103 thousand, and related to the total assets of R\$49.028.333 thousand equivalent to 36% of the total assets consolidated of the Company on that date and net operating revenues in the amounts of R\$ 4.189.022 thousand equivalent to 30% of the Company’s consolidated net operating revenues for the quarter ended on that date, are based exclusively on those other auditors’ reviews reports.
2. Except as mentioned in paragraph 3, our special review was carried out in accordance with the specific procedures established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council, and consisted mainly of: (a) inquiries and discussion with the officers responsible for the Company’s and its investees’ accounting, financial and operational areas about the procedures adopted for preparing the Quarterly Financial Information (ITR), and (b) review of the information and subsequent events which have, or may have, relevant effects on the Company’s and its investees’ financial positions and operations.
3. The financial statements for the quarter ended March 31, 2008, of certain investees, in which there are relevant investments accounted for by the equity method, have not been reviewed by independent auditors. Accordingly, the conclusions resulting from our review do not cover: R\$5.686.216 thousand of these investments of the holding company on March 31, 2008, and R\$651.440 thousand of the loss generated for the quarter ended; total assets of R\$3.969.756 thousand equivalent to 3% of the Company’s consolidated total assets on that date, net operating revenues in the amounts of R\$394.401 thousand equivalent to 3% of the Company’s consolidated net operating revenues for the quarter ended on that date.




4. As described in note 5.3, on December 28, 2007, Law No. 11,638/07 was enacted, altering, revoking and adding new provisions to the Brazilian Corporate Law, especially with respect to chapter XV, Fiscal Year and financial Statements. Although this Law is effective beginning January 1, 2008, certain changes introduced by the Law are subject to regulation by regulatory agencies before being applied by companies. Therefore, while specific accounting standards with respect to certain matters are not issued, CVM (Brazilian Securities Commission) allowed the non-application of the provisions of Law No. 11,638/07 to Interim Financial Statements for 2008. Accordingly, these Interim Financial Statements have been prepared without including the changes in accounting practices introduced by Law No. 11,638/07, which are still subject to regulation by regulatory agencies.
5. Based on our special review and on other auditors' reviews reports and, except for the effects of the adjustments, if any, which might have been required if the financial statements of the investees, mentioned in paragraph 3 had been reviewed by independent auditors, we are not aware of any relevant adjustment which should be made to the Quarterly Financial Information (ITR), referred to in paragraph 1, for it to be in accordance with the rules issued by the Brazilian Securities Commission (CVM) specifically applicable to the preparation of the obligatory Quarterly Financial Information (ITR).
6. We have previously audited the balance sheets, holding company and consolidated, as of December 31, 2007 and issued our unqualified opinion, dated February 28, 2008, sharing the responsibility in respect of the audits, by other independent auditors, of the financial statements of certain investees. Additionally, we reviewed the statements of income and cash flows, holding company and consolidated, in respect of the quarter ended March 31, 2007, presented for comparison purposes, and issued our report, dated May 3, 2007, including a qualification regarding the financial statements of certain investees, which have not been reviewed by independent auditors.

Rio de Janeiro, April, 24, 2008



DELOITTE TOUCHE TOHMATSU  
Auditores Independentes



Marcelo Cavalcanti Almeida  
Accountant



## B- ADDITIONAL INFORMATION

### 8- CASH GENERATION (UNAUDITED)

The consolidated operating cash generation measured by EBITDA (earnings before financial results, results of equity investments, interest, income tax and depreciation, amortization and depletion increased by dividends received) was R\$6,637,827 on 03/31/2008 against R\$8,396,435 on 03/31/2/07, a decrease of 26%.

EBITDA is not a BR GAAP measure and does not represent the expected cash flow for the periods presented and for this reason should not be considered as an alternative measure to net income (loss), as an indicator of our operating performance or as an alternative to cash flow as a source of liquidity.

Our definition of EBITDA may not be comparable with EBITDA as defined by other companies.

#### EBITDA

|  | 1T/08            | 4T/07            | 1T/07            |
|--|------------------|------------------|------------------|
| <b>Resultado operacional - EBIT</b>    | <b>5.324.899</b> | <b>5.055.326</b> | <b>8.079.998</b> |
| Depreciação/Amortização de ágio        | 1.312.928        | 1.299.951        | 856.437          |
|  | <b>6.637.827</b> | <b>6.355.277</b> | <b>8.936.435</b> |
| Dividendos recebidos                   | -                | 75.018           | -                |
| <b>EBITDA (LAJIDA)</b>                 | <b>6.637.827</b> | <b>6.430.295</b> | <b>8.936.435</b> |
| Depreciação/Amortização de ágio        | (1.312.928)      | (1.299.951)      | (856.437)        |
| Dividendos recebidos                   | -                | (75.018)         | -                |
| Resultado de participações societárias | (449.180)        | (573.588)        | (252.570)        |
| Resultado não operacional              | 138.879          | -                | -                |
| Resultado Financeiro Líquido           | (2.056.167)      | 394.886          | (208.342)        |
| Imposto de renda e contribuição social | (669.883)        | (182.878)        | (2.074.729)      |
| Participações de minoritários          | (35.653)         | (284.078)        | (449.034)        |
| <b>Lucro líquido do período</b>        | <b>2.252.895</b> | <b>4.409.668</b> | <b>5.095.323</b> |

#### Consolidated EBITDA by segment

| Segments             | EBITDA           |                  |                  |
|----------------------|------------------|------------------|------------------|
|                      | 1Q/08            | 4Q/07            | 1Q/07            |
| Ferrous minerals     | 3.400.034        | 3.740.963        | 3.906.759        |
| Non-ferrous minerals | 2.738.195        | 2.154.930        | 4.076.544        |
| Logistics            | 313.360          | 309.499          | 355.164          |
| Holdings             |                  |                  |                  |
| Aluminum             | 261.798          | 308.220          | 656.982          |
| Steel                | 21.602           | (11.843)         | 10.593           |
| Others               | (97.162)         | (71.474)         | (69.607)         |
|                      | <b>6.637.827</b> | <b>6.430.295</b> | <b>8.936.435</b> |



## 9- MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE OPERATING RESULTS IN THE PERIODS OF THREE MONTHS ENDED MARCH 31, 2008 COMPARED WITH MARCH 31, 2007

As a result of the analysis some general aspects must be considered, as follows:

On 03/31/08 about 93% of the consolidated gross revenue and 49% of consolidated total cost are linked to other currencies different from real. As a result, exchange rate fluctuations have a significant impact on the financial expenses and income.

On 03/31/08, among the consolidated short-term and long-term loans, 64% are denominated in U.S. dollars. As a result, exchange rate fluctuations have a significant impact on the financial expenses and income.

The average dollar rate fell 17,6% between periods (R\$1,7379 on 03/31/08 against R\$2,1085 on 03/31/07), partially offset by price increases, and exchange rates between the periods fell 14,7% (R\$1,7491 on 03/31/08 against R\$2,0504 on 03/31/07).

The balance of Consolidated Trade Balance was of:

|         | In US\$ million |              |              |
|---------|-----------------|--------------|--------------|
|         | 1Q/08           | 4Q/07        | 1Q/07        |
| Exports | 3.014           | 3.276        | 2.441        |
| Imports | (276)           | (422)        | (177)        |
|         | <b>2.738</b>    | <b>2.854</b> | <b>2.264</b> |



## 9.1- Consolidated

### 9.1.1- Gross revenue

|  | In thousands of metric tons (except railroad transportation) |               |               | In thousands of reais |                   |                   |
|--|--|---------------|---------------|-----------------------|-------------------|-------------------|
|  | 1Q/08  | 4Q/07         | 1Q/07         | 1Q/08                 | 4Q/07             | 1Q/07             |
| Iron ore                                       | 64.789   | 66.382        | 55.792        | 5.200.468             | 5.752.799         | 4.905.667         |
| Pellets (*)                                    | 9.856  | 10.522        | 9.581         | 1.434.914             | 1.574.292         | 1.555.379         |
|  | <b>74.645</b>  | <b>76.904</b> | <b>65.373</b> | <b>6.635.382</b>      | <b>7.327.091</b>  | <b>6.461.046</b>  |
| Manganese                                      | 146  | 256           | 83            | 69.161                | 64.414            | 13.113            |
| Ferroalloys                                    | 123  | 126           | 124           | 503.757               | 491.534           | 288.144           |
|  |  |               |               | <b>572.918</b>        | <b>555.948</b>    | <b>301.257</b>    |
| Copper   | 93   | 120           | 93            | 388.341               | 364.355           | 305.476           |
| Finished copper                                | 35   | 53            | 38            | 491.050               | 594.940           | 454.955           |
| Nickel   | 66   | 68            | 71            | 3.278.585             | 3.606.934         | 5.973.019         |
| Potash   | 158  | 174           | 161           | 111.458               | 104.029           | 66.887            |
| Kaolin   | 263  | 349           | 269           | 92.710                | 131.923           | 105.327           |
| Precious metals                                | 740  | 20            | 22            | 270.225               | 180.092           | 192.551           |
| Cobalt (t)                                     | -  | 686           | 580           | 106.482               | 70.031            | 59.666            |
|  |  |               |               | <b>4.738.851</b>      | <b>5.052.304</b>  | <b>7.157.881</b>  |
| Railroad transportation (millions of TKU) (**) | 8.272  | 10.427        | 9.328         | 664.485               | 713.952           | 616.762           |
| Port services                                  | 5.880  | 6.772         | 7.046         | 94.476                | 102.647           | 127.373           |
| Boat services                                  | -  | -             | -             | 21.709                | 19.274            | 12.960            |
| Maritime transportation                        | -  | -             | -             | 6.176                 | 7.468             | 50.282            |
|  |  |               |               | <b>786.846</b>        | <b>843.341</b>    | <b>807.377</b>    |
| Aluminum                                       | 136  | 135           | 134           | 628.740               | 624.489           | 836.662           |
| Alumina  | 833  | 959           | 700           | 481.803               | 552.075           | 510.962           |
| Bauxite  | 993  | 1.110         | 1.239         | 61.314                | 69.976            | 84.678            |
|  |  |               |               | <b>1.171.857</b>      | <b>1.246.540</b>  | <b>1.432.302</b>  |
| Steel  | 233  | 207           | 216           | 320.189               | 265.173           | 331.625           |
| Pig iron                                       | 78   | 68            | 75            | 51.961                | 44.299            | 46.106            |
| Coal   | 1.005  | 628           | -             | 125.721               | 89.156            | -                 |
| Other products and services                    | -  | -             | -             | 145.333               | 97.434            | 91.316            |
|  |  |               |               | <b>643.204</b>        | <b>496.062</b>    | <b>469.047</b>    |
|  |  |               |               | <b>14.549.058</b>     | <b>15.521.286</b> | <b>16.628.910</b> |

(\*) Includes revenues of providing services to subsidiaries of control shared in the amounts of R\$20,226, R\$24,719, and R\$17,355 referring to the 1Q/08, 4Q/07, 1Q/07, respectively.

(\*\*) The Company carried through its railroad system of 5.747, 7.089 and 6.610 millions of TKUs of general cargo and 2.525, 3.338, and 2.718 millions of TKUs of iron ore for third parties in 1Q/08, 4Q/07, 1Q/07, respectively.



Sales volume and revenues by products and services:

The 13% gross revenue decrease, from R\$16,628,910 to R\$14,549,058 was due to:

- Decrease of prices on nickel sales; and
- The devaluation of the average dollar compared with the real in 17,6%.

#### Gross consolidated revenue by segment

|  | Holdings         |                        |                |                  |                | Quarter           |            |                   |            |                   |            |
|--|------------------|------------------------|----------------|------------------|----------------|-------------------|------------|-------------------|------------|-------------------|------------|
|  | Ferrous Minerals | Non - Ferrous Minerals | Logistics      | Aluminum         | Others         | 1Q/08             | %          | 4Q/07             | %          | 1Q/07             | %          |
| <b>External market</b>   |                  |                        |                |                  |                |                   |            |                   |            |                   |            |
| Latin America  | 430.866          | 2.458                  | 1.534          | 54.664           | -              | 489.522           | 3          | 522.729           | 3          | 544.646           | 3          |
| Canada   | 12.736           | 578.016                | -              | 138.101          | -              | 728.853           | 5          | 937.641           | 6          | 974.071           | 6          |
| United States (USA)  | 62.000           | 986.540                | 892            | 112.955          | 372.151        | 1.534.538         | 11         | 1.490.425         | 10         | 1.943.062         | 12         |
| Germany  | 707.240          | 232.969                | 1.031          | 2.326            | -              | 943.566           | 6          | 910.850           | 6          | 832.641           | 5          |
| Belgium  | 194.580          | 11.499                 | 407            | 105.465          | -              | 311.951           | 2          | 277.957           | 2          | 378.315           | 2          |
| France   | 218.878          | 58.613                 | 710            | -                | -              | 278.201           | 2          | 373.304           | 2          | 364.907           | 2          |
| England  | 173.933          | 326.200                | 2.625          | 7.168            | -              | 509.926           | 4          | 434.953           | 3          | 587.072           | 4          |
| Italy  | 262.454          | 53.271                 | 381            | 740              | -              | 316.846           | 2          | 359.418           | 2          | 286.763           | 2          |
| Europe, except for Germany, Belgium, France, England and Italy | 435.342          | 305.435                | 4.836          | 269.893          | 1.964          | 1.017.470         | 7          | 1.110.678         | 7          | 809.107           | 5          |
| Middle East/Africa/Oceania                                     | 259.972          | 29.733                 | 468            | 61.424           | 2.445          | 354.042           | 2          | 462.805           | 3          | 415.262           | 2          |
| China  | 1.934.614        | 481.136                | 1.828          | 16.880           | -              | 2.434.458         | 17         | 2.825.714         | 18         | 2.645.635         | 16         |
| South Korea  | 154.954          | 297.296                | 953            | -                | -              | 453.203           | 3          | 718.827           | 5          | 934.495           | 6          |
| Japan  | 635.045          | 589.103                | 2.071          | 235.544          | 66.586         | 1.528.349         | 11         | 1.535.439         | 10         | 1.879.706         | 11         |
| Taiwan   | 88.022           | 366.291                | -              | -                | -              | 454.313           | 3          | 187.480           | 1          | 1.359.700         | 8          |
| Ásia, other than China, South Korea, Japan and Taiwan          | 480.589          | 307.841                | 667            | -                | 54.727         | 843.824           | 6          | 904.439           | 6          | 440.873           | 3          |
|  | <b>6.051.225</b> | <b>4.626.401</b>       | <b>18.403</b>  | <b>1.005.160</b> | <b>497.873</b> | <b>12.199.062</b> | <b>84</b>  | <b>13.052.659</b> | <b>84</b>  | <b>14.396.255</b> | <b>87</b>  |
| <b>Brazil</b>  | 1.271.141        | 155.128                | 753.326        | 170.005          | 396            | <b>2.349.996</b>  | <b>16</b>  | <b>2.468.627</b>  | <b>16</b>  | <b>2.232.655</b>  | <b>13</b>  |
| <b>Total</b>   | <b>7.322.366</b> | <b>4.781.529</b>       | <b>771.729</b> | <b>1.175.165</b> | <b>498.269</b> | <b>14.549.058</b> | <b>100</b> | <b>15.521.286</b> | <b>100</b> | <b>16.628.910</b> | <b>100</b> |



### 9.1.2- Cost of products and services

|                            | Denominated in   |                  | 1Q/08            | 4Q/07            | 1Q/07            |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
|                            | R\$              | Other currencies |                  |                  |                  |
| Personnel                  | 494.146          | 456.972          | 951.118          | 1.020.660        | 963.910          |
| Material                   | 854.427          | 702.013          | 1.556.440        | 1.239.932        | 1.155.540        |
| Oil and gas                | 507.833          | 334.823          | 842.656          | 853.364          | 679.461          |
| Outsourced services        | 691.727          | 437.222          | 1.128.949        | 1.423.557        | 996.571          |
| Energy                     | 375.993          | 78.923           | 454.916          | 447.927          | 462.009          |
| Raw Material               | 7.287            | 636.551          | 643.838          | 882.518          | 1.482.813        |
| Depreciation and depletion | 549.432          | 682.543          | 1.231.975        | 1.222.658        | 734.600          |
| Amortization of goodwill   | -                | -                | -                | -                | 51.416           |
| Others                     | 325.119          | 376.512          | 701.631          | 1.069.543        | 720.507          |
| <b>Total</b>               | <b>3.805.964</b> | <b>3.705.559</b> | <b>7.511.523</b> | <b>8.160.159</b> | <b>7.246.827</b> |
|                            | <b>51%</b>       | <b>49%</b>       |                  |                  |                  |

The 3,7% increase in the cost of products and services (R\$7,511,523 on 03/31/08 against R\$ 7,426,827 on 03/31/07) resulting in changes in volumes sold and prices adjustments of materials, oil and gas, energy and services that comprise production cost during the period.

### 9.1.3- Selling and administrative expenses

Selling expenses increased by 153,1% from R\$56,560 on 03/31/07 to R\$143,156 on 03/31/08, while administrative expenses decreased by 16,2% from R\$545,304 on 03/31/07 to R\$456,693 on 03/31/08, basically due to decrease in personnel expenses, as well expenses with infrastructure and support.

### 9.1.4- Research and development

Research and development increased by 38,5%, from R\$239,050 on 03/31/07 to R\$331,006 on 03/31/08, reflecting CVRD expansion plan to diversify production and expansion of production to meet world demand.

### 9.1.5- Other operating expenses

Other operating expenses increased R\$275,839, from R\$81,624 on 03/31/07 to R\$357,463 on 03/31/08.

### 9.1.6- Net financial results

The net financial result had a change of R\$1,847,825 (R\$2,056,167 on 03/31/08 against R\$208,342 on 03/31/07) reflecting the effects of the exchange rate variation of the real front to the dollar on debts which was partially offset with expenditure of exchange rate on the external, with increasing loss in derivatives (especially aluminum).



### **9.1.7- Income tax and social contribution**

Income tax and social contribution reflected an expense of R\$669,883 on 03/31/08 compared with an expense of R\$ 2,074,729 on 03/31/07, mainly caused by decrease of taxable income.

## **9.2- Parent Company**

### **9.2.1- Gross revenue**

The 17,0% increase in gross revenue (R\$5,872,084 on 03/31/08 against R\$5,017,236 on 03/31/07) is the result of the 42,7% increase in sales of tons of iron ore. These positive effects on the company's revenue were partially decreased by the average valuation of 17% of the real face of the American currency, incident on revenue of the Company.

### **9.2.2- Cost of products and services**

Cost of products and services sold on 03/31/07 was R\$2,776,367, against R\$3,530,416 on 03/31/08 representing a 27,2% increase. The main factors are, higher volumes sold, contracts readjustments and the increase of assets, which results in an increase of expenses of depreciation.

### **9.2.3- Gross margin**

Gross margin decreased 5,2% (from 41,6% on 03/31/07 to 36,4% on 03/31/08), mainly caused by the devaluation of the dollar face of the real.

### **9.2.4- Equity Results**

The results of equity investments decreased by R\$1,933,260 from R\$3,333,801 on 03/31/07 to R\$1,400,541 on 03/31/08.

### **9.2.5- Selling and administrative expenses**

Selling expenses increased by R\$7,078, from R\$10,708 on 03/31/07 to R\$17,786 on 03/31/08, while administrative expenses increased 33,5% from R\$206,346 on 03/31/07 to R\$275,393 on 03/31/08, basically due to increase in personnel expenses due to collective bargaining and expenses with professional services, infrastructure and support.

### **9.2.6- Research and development**

Research and development increased by 59,6%, from R\$116,184 on 03/31/07 to R\$185,447 on 03/31/08, reflecting the CVRD expansion plan to diversify production and expansion of production to meet world demand.

### **9.2.7- Other operating expenses (income)**

Other operating expenses decreased by R\$294,938, from R\$206,260 of incomes on 03/31/07 to R\$88,678 of expenses on 03/31/08.

### **9.2.8- Net financial results**

The net financial results on 03/31/08 had a negative impact of R\$1,065,051 (expense of R\$678,918 on 03/31/08 against income of R\$386,133 on 03/31/07) basically due to the exchange rate variation effect of the Real against the dollar for the foreign debt.

### **9.2.9- Income tax and social contribution**

Income tax and social contribution had a revenue of R\$73,891 on 03/31/08 compared with an expense of R\$478,296 on 03/31/07, mainly caused by the decrease of taxable income.

## 10- BOARD OF DIRECTORS, FISCAL COUNCIL, ADVISORY COMMITTEES AND EXECUTIVE OFFICERS

### Board of Directors

Sérgio Ricardo Silva Rosa  
**Chairman**

Mário da Silveira Teixeira Júnior  
**Vice-President**

Luciano Galvão Coutinho  
Francisco Augusto da Costa e Silva  
João Batista Cavagliberi  
Jorge Luiz Pacheco  
José Ricardo Sasseron  
Oscar Augusto de Camargo Filho  
Renato da Cruz Gomes  
Sandro Kohler Marcondes

### Advisory Committees of the Board of Directors

#### Controlling Committee

Luiz Carlos de Freitas  
Paulo Roberto Ferreira de Medeiros

#### Executive Development Committee

João Moisés de Oliveira  
José Ricardo Sasseron  
Oscar Augusto de Camargo Filho

#### Strategic Committee

Roger Agnelli  
Gabriel Stoliar  
Mário da Silveira Teixeira Júnior  
Oscar Augusto de Camargo Filho  
Sérgio Ricardo Silva Rosa

#### Finance Committee

Fabio de Oliveira Barbosa  
Ivan Luiz Modesto Schara  
Luiz Maurício Leuzinger  
Wanderlei Viçoso Fagundes

#### Governance and Sustainability Committee

Jorge Luiz Pacheco  
Renato da Cruz Gomes  
Ricardo Simonsen

### Fiscal Council

Marcelo Amaral Moraes  
**Chairman**

Aníbal Moreira dos Santos  
Bernard Appy  
José Bernardo de Medeiros Neto

#### Alternate

Oswaldo Mário Pêgo de Amorim Azevedo  
Tarcísio José Massote de Godoy  
Marcos Coimbra

### Executive Officers

Roger Agnelli  
**Chief Executive Officer and Investor Relations**

Carla Grasso  
**Executive Officer for Human Resources and Corporate Services**

Eduardo de Salles Bartolomeo  
**Executive Officer for Logistics**

Fabio de Oliveira Barbosa  
**Chief Financial Officer and Investor Relations**

Gabriel Stoliar  
**Executive Officer for Planning and Business Development**

José Carlos Martins  
**Executive Officer for Ferrous Minerals**

José Lancaster  
**Executive Officer for Copper, Coal and Aluminum**

Murilo de Oliveira Ferreira  
**Executive Officer for Nickel and Basic Metals Commercialization**

Tito Botelho Martins  
**Executive Officer for Corporate Affairs and Energy**

Demian Fiocca  
**Executive Officer for Technology and Management**

Marcus Vinícius Dias Severini  
**Chief Officer of Accounting and Control Department**

Vera Lúcia de Almeida Pereira Elias  
**Chief Accountant**  
**CRC-RJ - 043059/O-8**

## EQUITY INVESTEE INFORMATION – 03/31/2008

### Aluminum Area - Albras (Adjusted and Unaudited)

| Information   |               | 2008  |         |              |             |                  | 2007                            |                  |                  |                  |                  |
|---|---------------|---|---------|--------------|-------------|------------------|---------------------------------|------------------|------------------|------------------|------------------|
|   |               | As of and for the three-month periods ended |         |              |             |                  | Período de três meses findos em |                  |                  |                  |                  |
|   |               | March 31                                    | June 30 | September 30 | December 31 | Total            | 31 de março                     | 30 de junho      | 30 de setembro   | 31 de dezembro   | Total            |
| Quantity sold - external market                         | MT (thousand) | 7   | -       | -            | -           | 7                | 108                             | 123              | 108              | 104              | 456              |
| Quantity sold - internal market                         | MT (thousand) | 109   | -       | -            | -           | 109              | 7                               | 6                | 7                | 6                | 26               |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>116</b>                                  | -       | -            | -           | <b>116</b>       | <b>115</b>                      | <b>129</b>       | <b>115</b>       | <b>110</b>       | <b>482</b>       |
| Average sales price - external market                   | US\$          | 2,486.87                                    | -       | -            | -           | 2,486.87         | 2,688.76                        | 2,727.00         | 2,631.55         | 2,405.80         | 2,611.76         |
| Average sales price - internal market                   | US\$          | 2,307.59                                    | -       | -            | -           | 2,307.59         | 2,500.55                        | 2,689.00         | 2,599.78         | 2,196.61         | 2,372.90         |
| <b>Average sales price - total</b>                      | US\$          | <b>2,476.70</b>                             | -       | -            | -           | <b>2,476.70</b>  | <b>2,677.30</b>                 | <b>2,724.78</b>  | <b>2,585.19</b>  | <b>2,393.38</b>  | <b>2,598.49</b>  |
| Long-term indebtedness, gross                           | US\$          | 283,333                                     | -       | -            | -           | 283,333          | 319,272                         | 311,912          | 305,833          | 300,718          | 300,718          |
| Short-term indebtedness, gross                          | US\$          | 111,462                                     | -       | -            | -           | 111,462          | 3,501                           | -                | 2,034            | 40,083           | 40,083           |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>394,795</b>                              | -       | -            | -           | <b>394,795</b>   | <b>322,773</b>                  | <b>311,912</b>   | <b>307,867</b>   | <b>340,801</b>   | <b>340,801</b>   |
| <b>Stockholders' equity</b>                             | R\$           | <b>1,762,743</b>                            | -       | -            | -           | <b>1,762,743</b> | <b>1,593,343</b>                | <b>1,661,559</b> | <b>1,851,784</b> | <b>1,775,488</b> | <b>1,775,488</b> |
| Net operating revenues                                  | R\$           | 507,262                                     | -       | -            | -           | 507,262          | 654,600                         | 700,893          | 577,381          | 478,152          | 2,411,026        |
| Cost of products  | R\$           | (389,192)                                   | -       | -            | -           | (389,192)        | (419,374)                       | (464,066)        | (400,422)        | (373,884)        | (1,657,746)      |
| Other expenses / revenues                               | R\$           | (33,556)                                    | -       | -            | -           | (33,556)         | (23,417)                        | (34,666)         | (29,700)         | (48,011)         | (135,794)        |
| Depreciation, amortization and depletion                | R\$           | 18,680                                      | -       | -            | -           | 18,680           | 18,427                          | 39,204           | 1,029            | 15,669           | 74,329           |
| <b>EBITDA</b>   | R\$           | <b>103,194</b>                              | -       | -            | -           | <b>103,194</b>   | <b>230,236</b>                  | <b>241,365</b>   | <b>148,288</b>   | <b>71,926</b>    | <b>691,815</b>   |
| Depreciation, amortization and depletion                | R\$           | (18,680)                                    | -       | -            | -           | (18,680)         | (18,427)                        | (39,204)         | (1,029)          | (15,669)         | (74,329)         |
| <b>EBIT</b>   | R\$           | <b>84,514</b>                               | -       | -            | -           | <b>84,514</b>    | <b>211,809</b>                  | <b>202,161</b>   | <b>147,259</b>   | <b>56,257</b>    | <b>617,486</b>   |
| Non recurrent intens (Write-down of assets)             | R\$           | (6)   | -       | -            | -           | (6)              | -                               | -                | -                | 184              | 184              |
| Net financial result                                    | R\$           | (116,210)                                   | -       | -            | -           | (116,210)        | 34,420                          | (19,200)         | 128,740          | 67,136           | 211,096          |
| Non operational results                                 | R\$           | -   | -       | -            | -           | -                | -                               | -                | (5,519)          | -                | (5,519)          |
| <b>Income before income tax and social contribution</b> | R\$           | <b>(31,702)</b>                             | -       | -            | -           | <b>(31,696)</b>  | <b>246,229</b>                  | <b>182,961</b>   | <b>270,480</b>   | <b>123,577</b>   | <b>823,247</b>   |
| Income tax and social contribution                      | R\$           | (14,510)                                    | -       | -            | -           | (14,510)         | (50,055)                        | (114,746)        | (80,256)         | (13,901)         | (258,957)        |
| <b>Net income</b>                                       | R\$           | <b>(46,212)</b>                             | -       | -            | -           | <b>(46,206)</b>  | <b>196,174</b>                  | <b>68,215</b>    | <b>190,224</b>   | <b>109,676</b>   | <b>564,290</b>   |



**Aluminum Area - MRN (Adjusted and Unaudited)**

| Information   |               | 2008  |         |              |             |                | 2007                            |                |                |                |                |
|---|---------------|---|---------|--------------|-------------|----------------|---------------------------------|----------------|----------------|----------------|----------------|
|   |               | As of and for the three-month periods ended |         |              |             | Total          | Período de três meses findos em |                |                |                |                |
|   |               | March 31                                    | June 30 | September 30 | December 31 |                | 31 de março                     | 30 de junho    | 30 de setembro | 31 de dezembro | Total          |
| Quantity sold - external market                         | MT (thousand) | 1,369                                       | -       | -            | -           | 1,369          | 1,386                           | 1,356          | 1,522          | 2,993          | 7,257          |
| Quantity sold - internal market                         | MT (thousand) | 2,621                                       | -       | -            | -           | 2,621          | 3,350                           | 2,969          | 2,939          | 1,365          | 10,623         |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>3,990</b>                                | -       | -            | -           | <b>3,990</b>   | <b>4,736</b>                    | <b>4,325</b>   | <b>4,461</b>   | <b>4,358</b>   | <b>17,880</b>  |
| Average sales price - external market                   | US\$          | 61.52                                       | -       | -            | -           | 61.52          | 33.35                           | 32.47          | 33.29          | 30.68          | 29.80          |
| Average sales price - internal market                   | US\$          | 53.89                                       | -       | -            | -           | 53.89          | 27.04                           | 27.04          | 27.69          | 34.42          | 33.38          |
| <b>Average sales price - total</b>                      | US\$          | <b>56.51</b>                                | -       | -            | -           | <b>56.51</b>   | <b>28.89</b>                    | <b>28.74</b>   | <b>29.60</b>   | <b>31.85</b>   | <b>30.93</b>   |
| Long-term indebtedness, gross                           | US\$          | 46,151                                      | -       | -            | -           | 46,151         | 38,936                          | 35,488         | 26,516         | 44,715         | 44,715         |
| Short-term indebtedness, gross                          | US\$          | 245,429                                     | -       | -            | -           | 245,429        | 204,362                         | 223,553        | 207,048        | 147,619        | 147,619        |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>291,580</b>                              | -       | -            | -           | <b>291,580</b> | <b>243,298</b>                  | <b>259,041</b> | <b>233,564</b> | <b>192,334</b> | <b>192,334</b> |
| <b>Stockholders' equity</b>                             | R\$           | <b>634,170</b>                              | -       | -            | -           | <b>634,170</b> | <b>715,623</b>                  | <b>825,859</b> | <b>933,029</b> | <b>592,007</b> | <b>592,007</b> |
| Net operating revenues                                  | R\$           | 206,543                                     | -       | -            | -           | 206,543        | 284,926                         | 249,740        | 253,386        | 235,716        | 1,023,768      |
| Cost of products  | R\$           | (121,170)                                   | -       | -            | -           | (121,170)      | (142,081)                       | (133,000)      | (133,695)      | (133,914)      | (542,690)      |
| Other expenses / revenues                               | R\$           | (4,622)                                     | -       | -            | -           | (4,622)        | (5,183)                         | (5,832)        | (2,840)        | (5,273)        | (19,128)       |
| Depreciation, amortization and depletion                | R\$           | 28,386                                      | -       | -            | -           | 28,386         | 27,234                          | 27,984         | 27,491         | 28,118         | 110,827        |
| <b>EBITDA</b>   | R\$           | <b>109,137</b>                              | -       | -            | -           | <b>109,137</b> | <b>164,896</b>                  | <b>138,892</b> | <b>144,342</b> | <b>124,647</b> | <b>572,777</b> |
| Depreciation, amortization and depletion                | R\$           | (28,386)                                    | -       | -            | -           | (28,386)       | (27,234)                        | (27,984)       | (27,491)       | (28,118)       | (110,827)      |
| <b>EBIT</b>   | R\$           | <b>80,751</b>                               | -       | -            | -           | <b>80,751</b>  | <b>137,662</b>                  | <b>110,908</b> | <b>116,851</b> | <b>96,529</b>  | <b>461,950</b> |
| Net financial result                                    | R\$           | (12,584)                                    | -       | -            | -           | (12,584)       | 4,991                           | 10,310         | 2,490          | 2,730          | 20,521         |
| <b>Income before income tax and social contribution</b> | R\$           | <b>68,167</b>                               | -       | -            | -           | <b>68,167</b>  | <b>142,653</b>                  | <b>121,218</b> | <b>119,341</b> | <b>99,259</b>  | <b>482,471</b> |
| Income tax and social contribution                      | R\$           | (25,009)                                    | -       | -            | -           | (25,009)       | (12,368)                        | (10,530)       | (12,171)       | (10,128)       | (45,197)       |
| <b>Net income</b>                                       | R\$           | <b>43,158</b>                               | -       | -            | -           | <b>43,158</b>  | <b>130,285</b>                  | <b>110,688</b> | <b>107,170</b> | <b>89,131</b>  | <b>437,274</b> |

**Aluminum Area - Alunorte (Adjusted and Unaudited)**

| Information   |               | 2008  |         |              |             |                  | 2007                            |                  |                  |                  |                  |
|---|---------------|---|---------|--------------|-------------|------------------|---------------------------------|------------------|------------------|------------------|------------------|
|   |               | As of and for the three-month periods ended |         |              |             | Total            | Período de três meses findos em |                  |                  |                  | Total            |
|   |               | March 31                                    | June 30 | September 30 | December 31 |                  | 31 de março                     | 30 de junho      | 30 de setembro   | 31 de dezembro   |                  |
| Quantity sold - external market                         | MT (thousand) | 814   | -       | -            | -           | 814              | 699                             | 769              | 828              | 933              | 3,229            |
| Quantity sold - internal market                         | MT (thousand) | 235   | -       | -            | -           | 235              | 244                             | 252              | 248              | 271              | 1,015            |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>1,049</b>                                | -       | -            | -           | <b>1,049</b>     | <b>943</b>                      | <b>1,021</b>     | <b>1,076</b>     | <b>1,204</b>     | <b>4,244</b>     |
| Average sales price - external market                   | US\$          | 322.36                                      | -       | -            | -           | 322.36           | 344.85                          | 349.61           | 340.23           | 312.26           | 335.38           |
| Average sales price - internal market                   | US\$          | 287.59                                      | -       | -            | -           | 287.59           | 309.77                          | 311.69           | 306.88           | 275.46           | 300.38           |
| <b>Average sales price - total</b>                      | US\$          | <b>314.57</b>                               | -       | -            | -           | <b>314.57</b>    | <b>335.77</b>                   | <b>340.25</b>    | <b>332.54</b>    | <b>303.98</b>    | <b>327.01</b>    |
| Long-term indebtedness, gross                           | US\$          | 740,000                                     | -       | -            | -           | 740,000          | 527,944                         | 558,388          | 483,873          | 627,264          | 595,000          |
| Short-term indebtedness, gross                          | US\$          | 20,037                                      | -       | -            | -           | 20,037           | -                               | -                | -                | -                | 32,264           |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>760,037</b>                              | -       | -            | -           | <b>740,000</b>   | <b>527,944</b>                  | <b>558,388</b>   | <b>483,873</b>   | <b>627,264</b>   | <b>627,264</b>   |
| <b>Stockholders' equity</b>                             | R\$           | <b>4,077,566</b>                            | -       | -            | -           | <b>4,077,566</b> | <b>3,602,210</b>                | <b>3,766,403</b> | <b>4,119,110</b> | <b>4,136,553</b> | <b>4,120,607</b> |
| Net operating revenues                                  | R\$           | 574,017                                     | -       | -            | -           | 574,017          | 670,033                         | 669,980          | 713,458          | 655,750          | 2,709,221        |
| Cost of products  | R\$           | (476,079)                                   | -       | -            | -           | (476,079)        | (383,541)                       | (430,068)        | (479,498)        | (512,055)        | (1,805,162)      |
| Other expenses / revenues                               | R\$           | (25,223)                                    | -       | -            | -           | (25,223)         | (15,470)                        | (21,684)         | (17,934)         | (30,690)         | (85,778)         |
| Depreciation, amortization and depletion                | R\$           | 36,013                                      | -       | -            | -           | 36,013           | 27,145                          | 31,041           | 28,305           | 30,193           | 116,684          |
| <b>EBITDA</b>   | R\$           | <b>108,728</b>                              | -       | -            | -           | <b>108,728</b>   | <b>298,167</b>                  | <b>249,269</b>   | <b>244,331</b>   | <b>143,198</b>   | <b>934,965</b>   |
| Depreciation, amortization and depletion                | R\$           | (36,013)                                    | -       | -            | -           | (36,013)         | (27,145)                        | (31,041)         | (28,305)         | (30,193)         | (116,684)        |
| <b>EBIT</b>   | R\$           | <b>72,715</b>                               | -       | -            | -           | <b>72,715</b>    | <b>271,022</b>                  | <b>218,228</b>   | <b>216,026</b>   | <b>113,005</b>   | <b>818,281</b>   |
| Net financial result                                    | R\$           | (108,077)                                   | -       | -            | -           | (108,077)        | 40,691                          | (29,795)         | 57,674           | 52,961           | 121,531          |
| Non recurrent itens (Write-down of assets)              | R\$           | -   | -       | -            | -           | -                | -                               | -                | (37)             | 108              | 71               |
| <b>Income before income tax and social contribution</b> | R\$           | <b>(35,362)</b>                             | -       | -            | -           | <b>(35,362)</b>  | <b>311,713</b>                  | <b>188,433</b>   | <b>273,663</b>   | <b>166,074</b>   | <b>939,883</b>   |
| Income tax and social contribution                      | R\$           | (7,679)                                     | -       | -            | -           | (7,679)          | (37,767)                        | (24,240)         | (69,500)         | (24,958)         | (156,465)        |
| <b>Net income</b>                                       | R\$           | <b>(43,041)</b>                             | -       | -            | -           | <b>(43,041)</b>  | <b>273,946</b>                  | <b>164,193</b>   | <b>204,163</b>   | <b>141,116</b>   | <b>783,418</b>   |

**Aluminum Area - Valesul (Adjusted and Unaudited)**

| Information   |               | 2008  |          |              |             |                 | 2007                            |                 |                 |                 |                 |
|---|---------------|---|----------|--------------|-------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|
|   |               | As of and for the three-month periods ended |          |              |             | Total           | Período de três meses findos em |                 |                 |                 | Total           |
|   |               | March 31                                    | June 30  | September 30 | December 31 |                 | 31 de março                     | 30 de junho     | 30 de setembro  | 31 de dezembro  |                 |
| Quantity sold - external market                         | MT (thousand) | 4   | -        | -            | -           | 4               | 9                               | 10              | 8               | 8               | 35              |
| Quantity sold - internal market                         | MT (thousand) | 16  | -        | -            | -           | 16              | 10                              | 16              | 15              | 30              | 71              |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>20</b>                                   | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>20</b>       | <b>19</b>                       | <b>26</b>       | <b>23</b>       | <b>38</b>       | <b>106</b>      |
| Average sales price - external market                   | US\$          | 2,653.70                                    | -        | -            | -           | 2,653.70        | 2,828.64                        | 2,902.69        | 2,750.68        | 2,580.48        | 2,777.48        |
| Average sales price - internal market                   | US\$          | 3,786.95                                    | -        | -            | -           | 3,786.95        | 4,037.71                        | 4,068.49        | 4,045.36        | 3,415.84        | 3,722.07        |
| <b>Average sales price - total</b>                      | US\$          | <b>3,560.30</b>                             | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>3,560.30</b> | <b>3,512.03</b>                 | <b>3,652.13</b> | <b>3,696.79</b> | <b>3,177.17</b> | <b>3,410.18</b> |
| <b>Stockholders' equity</b>                             | R\$           | <b>637,555</b>                              | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>637,555</b>  | <b>279,134</b>                  | <b>662,457</b>  | <b>671,728</b>  | <b>649,126</b>  | <b>649,126</b>  |
| Net operating revenues                                  | R\$           | 100,607                                     | -        | -            | -           | 100,607         | 146,650                         | 139,569         | 123,409         | 120,724         | 530,352         |
| Cost of products  | R\$           | (84,081)                                    | -        | -            | -           | (84,081)        | (100,019)                       | (108,609)       | (98,114)        | (103,968)       | (410,710)       |
| Other expenses / revenues                               | R\$           | (10,741)                                    | -        | -            | -           | (10,741)        | (7,436)                         | (6,773)         | (10,399)        | (7,611)         | (32,219)        |
| Depreciation, amortization and depletion                | R\$           | 8,099                                       | -        | -            | -           | 8,099           | 3,765                           | 3,662           | 6,691           | 6,718           | 20,836          |
| <b>EBITDA</b>   | R\$           | <b>13,884</b>                               | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>13,884</b>   | <b>42,960</b>                   | <b>27,849</b>   | <b>21,587</b>   | <b>15,863</b>   | <b>108,259</b>  |
| Depreciation, amortization and depletion                | R\$           | (8,099)                                     | -        | -            | -           | (8,099)         | (3,765)                         | (3,662)         | (6,691)         | (6,718)         | (20,836)        |
| <b>EBIT</b>   | R\$           | <b>5,785</b>                                | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>5,785</b>    | <b>39,195</b>                   | <b>24,187</b>   | <b>14,896</b>   | <b>9,145</b>    | <b>87,423</b>   |
| Net financial result                                    | R\$           | (905)                                       | -        | -            | -           | (905)           | (503)                           | (392)           | (188)           | (1,021)         | (2,104)         |
| <b>Income before income tax and social contribution</b> | R\$           | <b>4,880</b>                                | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>4,880</b>    | <b>38,692</b>                   | <b>23,795</b>   | <b>14,708</b>   | <b>8,124</b>    | <b>85,319</b>   |
| Income tax and social contribution                      | R\$           | (2,814)                                     | -        | -            | -           | (2,814)         | (6,298)                         | (5,434)         | (5,437)         | (10,727)        | (27,896)        |
| <b>Net income</b>                                       | R\$           | <b>2,066</b>                                | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>2,066</b>    | <b>32,394</b>                   | <b>18,361</b>   | <b>9,271</b>    | <b>(2,603)</b>  | <b>57,423</b>   |

**Pellets Area – Hispanobras (Adjusted and Unaudited)**

| Information   |               | 2008  |         |              |             |                | 2007  |                |                |                 |                |
|---|---------------|---|---------|--------------|-------------|----------------|---|----------------|----------------|-----------------|----------------|
|   |               | As of and for the three-month periods ended |         |              |             |                | As of and for the three-month periods ended |                |                |                 |                |
|   |               | March 31                                    | June 30 | September 30 | December 31 | Total          | 31 de março                                 | 30 de junho    | 30 de setembro | 31 de dezembro  | Total          |
| Quantity sold - external market                         | MT (thousand) | 404   | -       | -            | -           | 404            | 565   | 504            | 527            | 879             | 2,475          |
| Quantity sold - internal market                         | MT (thousand) | 710   | -       | -            | -           | 710            | 800   | 620            | 510            | 60              | 1,990          |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>1,114</b>                                | -       | -            | -           | <b>1,114</b>   | <b>1,365</b>                                | <b>1,124</b>   | <b>1,037</b>   | <b>939</b>      | <b>4,465</b>   |
| Average sales price - external market                   | US\$          | 71.45                                       | -       | -            | -           | 71.45          | 69.26                                       | 77.40          | 72.50          | 73.25           | 72.97          |
| Average sales price - internal market                   | US\$          | 75.95                                       | -       | -            | -           | 75.95          | 72.97                                       | 79.73          | 74.88          | 76.94           | 75.93          |
| <b>Average sales price - total</b>                      | US\$          | <b>74.32</b>                                | -       | -            | -           | <b>74.32</b>   | <b>71.43</b>                                | <b>78.69</b>   | <b>73.67</b>   | <b>75.39</b>    | <b>74.71</b>   |
| Short-term indebtedness, gross                          | US\$          | 75,338                                      | -       | -            | -           | 75,338         | 6,213                                       | 9,338          | 14,212         | 45,583          | 45,583         |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>75,338</b>                               | -       | -            | -           | <b>75,338</b>  | <b>6,213</b>                                | <b>9,338</b>   | <b>14,212</b>  | <b>45,583</b>   | <b>45,583</b>  |
| <b>Stockholders' equity</b>                             | R\$           | <b>157,097</b>                              | -       | -            | -           | <b>157,097</b> | <b>167,293</b>                              | <b>149,665</b> | <b>159,658</b> | <b>149,964</b>  | <b>149,964</b> |
| Net operating revenues                                  | R\$           | 144,995                                     | -       | -            | -           | 144,995        | 205,706                                     | 175,156        | 146,352        | 127,964         | 655,178        |
| Cost of products  | R\$           | (129,399)                                   | -       | -            | -           | (129,399)      | (164,230)                                   | (145,097)      | (100,792)      | (138,321)       | (548,440)      |
| Other expenses / revenues                               | R\$           | (4,226)                                     | -       | -            | -           | (4,226)        | (2,313)                                     | (3,659)        | (28,043)       | (2,325)         | (36,340)       |
| Depreciation, amortization and depletion                | R\$           | 1,832                                       | -       | -            | -           | 1,832          | 2,146                                       | 1,744          | 1,624          | 2,820           | 8,334          |
| <b>EBITDA</b>   | R\$           | <b>13,202</b>                               | -       | -            | -           | <b>13,202</b>  | <b>41,309</b>                               | <b>28,144</b>  | <b>19,141</b>  | <b>(9,862)</b>  | <b>78,732</b>  |
| Depreciation, amortization and depletion                | R\$           | (1,832)                                     | -       | -            | -           | (1,832)        | (2,146)                                     | (1,744)        | (1,624)        | (2,820)         | (8,334)        |
| <b>EBIT</b>   | R\$           | <b>11,370</b>                               | -       | -            | -           | <b>11,370</b>  | <b>39,163</b>                               | <b>26,400</b>  | <b>17,517</b>  | <b>(12,682)</b> | <b>70,398</b>  |
| Net financial result                                    | R\$           | 901   | -       | -            | -           | 901            | (3,060)                                     | (3,412)        | (2,004)        | (1,425)         | (9,901)        |
| <b>Income before income tax and social contribution</b> | R\$           | <b>12,271</b>                               | -       | -            | -           | <b>12,271</b>  | <b>36,103</b>                               | <b>22,988</b>  | <b>15,513</b>  | <b>(14,107)</b> | <b>60,497</b>  |
| Income tax and social contribution                      | R\$           | (5,138)                                     | -       | -            | -           | (5,138)        | (12,506)                                    | (8,787)        | (5,521)        | 4,413           | (22,401)       |
| <b>Net income</b>                                       | R\$           | <b>7,133</b>                                | -       | -            | -           | <b>7,133</b>   | <b>23,597</b>                               | <b>14,201</b>  | <b>9,992</b>   | <b>(9,694)</b>  | <b>38,096</b>  |

Pellets Area – Itabasco (Adjusted and Unaudited)

| Information   |               | 2008  |         |              |             |                | 2007                            |                |                |                |                |
|---|---------------|---|---------|--------------|-------------|----------------|---------------------------------|----------------|----------------|----------------|----------------|
|   |               | As of and for the three-month periods ended |         |              |             | Total          | Período de três meses findos em |                |                |                | Total          |
|   |               | March 31                                    | June 30 | September 30 | December 31 |                | 31 de março                     | 30 de junho    | 30 de setembro | 31 de dezembro |                |
| Quantity sold - external market                         | MT (thousand) | 185   | -       | -            | -           | 185            | 589                             | 701            | 282            | 439            | 2,011          |
| Quantity sold - internal market                         | MT (thousand) | 843   | -       | -            | -           | 843            | 283                             | 657            | 562            | 605            | 2,107          |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>1,028</b>                                | -       | -            | -           | <b>1,028</b>   | <b>872</b>                      | <b>1,358</b>   | <b>844</b>     | <b>1,044</b>   | <b>4,118</b>   |
| Average sales price - external market                   | US\$          | 75.36                                       | -       | -            | -           | 75.36          | 75.72                           | 74.48          | 77.40          | 75.60          | 75.60          |
| Average sales price - internal market                   | US\$          | 75.11                                       | -       | -            | -           | 75.11          | 71.33                           | 73.81          | 75.02          | 74.37          | 73.64          |
| <b>Average sales price - total</b>                      | US\$          | <b>75.15</b>                                | -       | -            | -           | <b>75.15</b>   | <b>73.53</b>                    | <b>74.16</b>   | <b>75.82</b>   | <b>74.89</b>   | <b>74.60</b>   |
| Short-term indebtedness, gross                          | US\$          | 51,974                                      | -       | -            | -           | 51,974         | -                               | -              | 32,376         | 42,600         | 42,600         |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>51,974</b>                               | -       | -            | -           | <b>51,974</b>  | -                               | -              | <b>32,376</b>  | <b>42,600</b>  | <b>42,600</b>  |
| <b>Stockholders' equity</b>                             | R\$           | <b>165,101</b>                              | -       | -            | -           | <b>165,101</b> | <b>143,226</b>                  | <b>117,480</b> | <b>126,996</b> | <b>160,386</b> | <b>160,386</b> |
| Net operating revenues                                  | R\$           | 136,495                                     | -       | -            | -           | 136,495        | 136,746                         | 201,246        | 124,047        | 139,642        | 601,681        |
| Cost of products  | R\$           | (120,715)                                   | -       | -            | -           | (120,715)      | (111,373)                       | (171,403)      | (116,301)      | (124,474)      | (523,551)      |
| Other expenses / revenues                               | R\$           | (4,902)                                     | -       | -            | -           | (4,902)        | 2,557                           | (7,720)        | 9,391          | (3,852)        | 376            |
| Depreciation, amortization and depletion                | R\$           | 2,560                                       | -       | -            | -           | 2,560          | (1,325)                         | 4,645          | 1,137          | 2,160          | 6,617          |
| <b>EBITDA</b>   | R\$           | <b>13,438</b>                               | -       | -            | -           | <b>13,438</b>  | <b>26,605</b>                   | <b>26,768</b>  | <b>18,274</b>  | <b>13,476</b>  | <b>85,123</b>  |
| Depreciation, amortization and depletion                | R\$           | (2,560)                                     | -       | -            | -           | (2,560)        | 1,325                           | (4,645)        | (1,137)        | (2,160)        | (6,617)        |
| <b>EBIT</b>   | R\$           | <b>10,878</b>                               | -       | -            | -           | <b>10,878</b>  | <b>27,930</b>                   | <b>22,123</b>  | <b>17,137</b>  | <b>11,316</b>  | <b>78,506</b>  |
| Net financial result                                    | R\$           | (1,498)                                     | -       | -            | -           | (1,498)        | (2,229)                         | (1,148)        | (1,784)        | (1,216)        | (6,377)        |
| <b>Income before income tax and social contribution</b> | R\$           | <b>9,380</b>                                | -       | -            | -           | <b>9,380</b>   | <b>25,701</b>                   | <b>20,975</b>  | <b>15,353</b>  | <b>10,100</b>  | <b>72,129</b>  |
| Income tax and social contribution                      | R\$           | (4,665)                                     | -       | -            | -           | (4,665)        | (9,706)                         | (7,751)        | (6,198)        | (8,779)        | (32,434)       |
| <b>Net income</b>                                       | R\$           | <b>4,715</b>                                | -       | -            | -           | <b>-</b>       | <b>15,995</b>                   | <b>13,224</b>  | <b>9,155</b>   | <b>1,321</b>   | <b>39,695</b>  |

Pellets Area – Kobrasco (Adjusted and Unaudited)

| Information   |               | 2008  |         |              |             |                | 2007                            |                |                |                |                |
|---|---------------|---|---------|--------------|-------------|----------------|---------------------------------|----------------|----------------|----------------|----------------|
|   |               | As of and for the three-month periods ended |         |              |             | Total          | Período de três meses findos em |                |                |                | Total          |
|   |               | March 31                                    | June 30 | September 30 | December 31 |                | 31 de março                     | 30 de junho    | 30 de setembro | 31 de dezembro |                |
| Quantity sold - external market                         | MT (thousand) | 434   | -       | -            | -           | 434            | 323                             | 83             | 155            | 378            | 939            |
| Quantity sold - internal market                         | MT (thousand) | 270   | -       | -            | -           | 270            | 895                             | 1,120          | 1,050          | 243            | 3,308          |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>704</b>                                  | -       | -            | -           | <b>704</b>     | <b>1,218</b>                    | <b>1,203</b>   | <b>1,205</b>   | <b>621</b>     | <b>4,247</b>   |
| Average sales price - external market                   | US\$          | 75.23                                       | -       | -            | -           | 75.23          | 70.85                           | 71.00          | 70.23          | 75.61          | 72.68          |
| Average sales price - internal market                   | US\$          | 73.64                                       | -       | -            | -           | 73.64          | 71.75                           | 72.00          | 80.03          | 70.43          | 72.79          |
| <b>Average sales price - total</b>                      | US\$          | <b>74.62</b>                                | -       | -            | -           | <b>74.62</b>   | <b>71.51</b>                    | <b>72.00</b>   | <b>78.77</b>   | <b>73.58</b>   | <b>72.77</b>   |
| Long-term indebtedness, gross                           | US\$          | 104,946                                     | -       | -            | -           | 104,946        | 54,837                          | 54,837         | 54,845         | 53,139         | 53,139         |
| Short-term indebtedness, gross                          | US\$          | 66,424                                      | -       | -            | -           | 66,424         | -                               | -              | -              | 98,604         | 98,604         |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>171,370</b>                              | -       | -            | -           | <b>171,370</b> | <b>54,837</b>                   | <b>54,837</b>  | <b>54,845</b>  | <b>151,743</b> | <b>151,743</b> |
| <b>Stockholders' equity</b>                             | R\$           | <b>165,372</b>                              | -       | -            | -           | <b>165,372</b> | <b>115,240</b>                  | <b>134,741</b> | <b>152,850</b> | <b>160,208</b> | <b>160,208</b> |
| Net operating revenues                                  | R\$           | 107,763                                     | -       | -            | -           | 107,763        | 183,621                         | 177,206        | 181,770        | 110,990        | 653,587        |
| Cost of products  | R\$           | (96,040)                                    | -       | -            | -           | (96,040)       | (154,038)                       | (145,562)      | (156,395)      | (100,710)      | (556,705)      |
| Other expenses / revenues                               | R\$           | (3,144)                                     | -       | -            | -           | (3,144)        | (3,380)                         | (3,743)        | (3,374)        | (2,388)        | (12,885)       |
| Depreciation, amortization and depletion                | R\$           | 2,747                                       | -       | -            | -           | 2,747          | 2,760                           | 2,760          | 3,866          | 3,361          | 12,747         |
| <b>EBITDA</b>   | R\$           | <b>11,326</b>                               | -       | -            | -           | <b>11,326</b>  | <b>28,963</b>                   | <b>30,661</b>  | <b>25,867</b>  | <b>11,253</b>  | <b>96,744</b>  |
| Depreciation, amortization and depletion                | R\$           | (2,747)                                     | -       | -            | -           | (2,747)        | (2,760)                         | (2,760)        | (3,866)        | (3,361)        | (12,747)       |
| <b>EBIT</b>   | R\$           | <b>8,579</b>                                | -       | -            | -           | <b>8,579</b>   | <b>26,203</b>                   | <b>27,901</b>  | <b>22,001</b>  | <b>7,892</b>   | <b>83,997</b>  |
| Net financial result                                    | R\$           | 231   | -       | -            | -           | 231            | 4,983                           | 4,983          | 6,235          | 2,671          | 18,872         |
| <b>Income before income tax and social contribution</b> | R\$           | <b>8,810</b>                                | -       | -            | -           | <b>8,810</b>   | <b>31,186</b>                   | <b>32,884</b>  | <b>28,236</b>  | <b>10,563</b>  | <b>102,869</b> |
| Income tax and social contribution                      | R\$           | (3,646)                                     | -       | -            | -           | (3,646)        | (11,392)                        | (13,383)       | (10,127)       | (3,205)        | (38,107)       |

**Pellets Area – Nibrasco (Adjusted and Unaudited)**

| Information   |               | 2008  |          |              |             |                 | 2007  |                |                |                |                |
|---|---------------|---|----------|--------------|-------------|-----------------|---|----------------|----------------|----------------|----------------|
|   |               | As of and for the three-month periods ended |          |              |             | Total           | As of and for the three-month periods ended |                |                |                | Total          |
|   |               | March 31                                    | June 30  | September 30 | December 31 |                 | 31 de março                                 | 30 de junho    | 30 de setembro | 31 de dezembro |                |
| Quantity sold - external market                         | MT (thousand) | 584   | -        | -            | -           | 584             | 658   | 1,091          | 595            | 877            | 2,156          |
| Quantity sold - internal market - CVRD                  | MT (thousand) | 927   | -        | -            | -           | 927             | 1,298                                       | 495            | 944            | 1,085          | 4,887          |
| Quantity sold - internal market - Others                | MT (thousand) | -   | -        | -            | -           | -               | 35  | -              | -              | -              | 35             |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>1,511</b>                                | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>1,511</b>    | <b>1,991</b>                                | <b>1,586</b>   | <b>1,539</b>   | <b>1,962</b>   | <b>7,078</b>   |
| Average sales price - external market                   | US\$          | 72.93                                       | -        | -            | -           | 72.93           | 69.98                                       | 73.82          | 72.73          | 73.76          | 72.57          |
| Average sales price - internal market                   | US\$          | 70.19                                       | -        | -            | -           | 70.19           | 67.80                                       | 68.15          | 71.32          | 71.30          | 69.69          |
| <b>Average sales price - total</b>                      | US\$          | <b>71.25</b>                                | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>71.25</b>    | <b>67.33</b>                                | <b>72.05</b>   | <b>71.85</b>   | <b>72.40</b>   | <b>70.77</b>   |
| Long-term indebtedness, gross                           | US\$          | -   | -        | -            | -           | -               | 2,782                                       | -              | 2,199          | -              | -              |
| Short-term indebtedness, gross                          | US\$          | 92,376                                      | -        | -            | -           | 92,376          | -   | 26,989         | 54,875         | 96,177         | 96,177         |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>92,376</b>                               | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>92,376</b>   | <b>2,782</b>                                | <b>-</b>       | <b>57,074</b>  | <b>96,177</b>  | <b>96,177</b>  |
| <b>Stockholders' equity</b>                             | R\$           | <b>198,291</b>                              | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>198,291</b>  | <b>189,798</b>                              | <b>187,414</b> | <b>205,218</b> | <b>211,467</b> | <b>211,467</b> |
| Net operating revenues                                  | R\$           | 213,860                                     | -        | -            | -           | 213,860         | 301,046                                     | 255,440        | 247,330        | 271,665        | 1,075,481      |
| Cost of products  | R\$           | (219,200)                                   | -        | -            | -           | (219,200)       | (237,777)                                   | (249,085)      | (219,861)      | (255,887)      | (962,610)      |
| Other expenses / revenues                               | R\$           | (10,402)                                    | -        | -            | -           | (10,402)        | (27,159)                                    | (7,795)        | (3,011)        | (6,159)        | (44,124)       |
| Depreciation, amortization and depletion                | R\$           | 4,271                                       | -        | -            | -           | 4,271           | (2,917)                                     | 8,775          | 2,954          | 3,344          | 12,156         |
| <b>EBITDA</b>   | R\$           | <b>(11,471)</b>                             | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>(11,471)</b> | <b>33,193</b>                               | <b>7,335</b>   | <b>27,412</b>  | <b>12,963</b>  | <b>80,903</b>  |
| Depreciation, amortization and depletion                | R\$           | (4,271)                                     | -        | -            | -           | (4,271)         | 2,917                                       | (8,775)        | (2,954)        | (3,344)        | (12,156)       |
| <b>EBIT</b>   | R\$           | <b>(15,742)</b>                             | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>(15,742)</b> | <b>36,110</b>                               | <b>(1,440)</b> | <b>24,458</b>  | <b>9,619</b>   | <b>68,747</b>  |
| Net financial result                                    | R\$           | 1,346                                       | -        | -            | -           | 1,346           | (404)                                       | 335            | 2,815          | 245            | 2,991          |
| <b>Income before income tax and social contribution</b> | R\$           | <b>(14,396)</b>                             | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>(14,396)</b> | <b>35,706</b>                               | <b>(1,105)</b> | <b>27,273</b>  | <b>9,864</b>   | <b>71,738</b>  |
| Income tax and social contribution                      | R\$           | 1,219                                       | -        | -            | -           | 1,219           | (13,008)                                    | (1,280)        | (9,459)        | (3,625)        | (27,372)       |
| <b>Net income</b>                                       | R\$           | <b>(13,177)</b>                             | <b>-</b> | <b>-</b>     | <b>-</b>    | <b>(13,177)</b> | <b>22,698</b>                               | <b>(2,385)</b> | <b>17,814</b>  | <b>6,239</b>   | <b>44,366</b>  |

**Pellets Area – Samarco (Adjusted and Unaudited)**

| Information   |               | 2008  |         |              |             |                  | 2007                            |                  |                  |                  |                  |
|---|---------------|---|---------|--------------|-------------|------------------|---------------------------------|------------------|------------------|------------------|------------------|
|   |               | As of and for the three-month periods ended |         |              |             | Total            | Período de três meses findos em |                  |                  |                  | Total            |
|   |               | March 31                                    | June 30 | September 30 | December 31 |                  | 31 de março                     | 30 de junho      | 30 de setembro   | 31 de dezembro   |                  |
| Quantity sold - Pellets                                 | MT (thousand) | 3,010                                       | -       | -            | -           | 3,010            | 3,003                           | 3,742            | 3,241            | 4,373            | 14,359           |
| Quantity sold - Iron ore                                | MT (thousand) | 168   | -       | -            | -           | 168              | 463                             | 638              | 302              | 358              | 1,761            |
| Average sales price - Pellets                           | US\$          | 105.51                                      | -       | -            | -           | 105.51           | 77.51                           | 82.38            | 83.61            | 82.58            | 81.70            |
| Quantity sold - Iron ore                                | US\$          | 47.61                                       | -       | -            | -           | 47.61            | 46.79                           | 46.78            | 45.30            | 49.14            | 47.01            |
| Long-term indebtedness, gross                           | US\$          | 799,634                                     | -       | -            | -           | 799,634          | 737,926                         | 817,457          | 807,753          | 799,087          | 799,087          |
| Short-term indebtedness, gross                          | US\$          | 591,496                                     | -       | -            | -           | 591,496          | 192,157                         | 323,841          | 397,992          | 572,218          | 572,218          |
| <b>Total indebtedness, gross</b>                        | <b>US\$</b>   | <b>1,391,130</b>                            | -       | -            | -           | <b>1,391,130</b> | <b>930,083</b>                  | <b>1,141,298</b> | <b>1,205,745</b> | <b>1,371,305</b> | <b>1,371,305</b> |
| <b>Stockholders' equity</b>                             | <b>R\$</b>    | <b>995,859</b>                              | -       | -            | -           | <b>995,859</b>   | <b>970,015</b>                  | <b>1,018,112</b> | <b>1,175,289</b> | <b>823,011</b>   | <b>823,011</b>   |
| Net operating revenues                                  | R\$           | 576,988                                     | -       | -            | -           | 576,988          | 557,293                         | 667,398          | 551,937          | 684,666          | 2,461,294        |
| Cost of products  | R\$           | (275,764)                                   | -       | -            | -           | (275,764)        | (233,161)                       | (269,773)        | (221,186)        | (339,323)        | (1,063,443)      |
| Other expenses / revenues                               | R\$           | (76,574)                                    | -       | -            | -           | (76,574)         | (39,119)                        | (152,413)        | (62,990)         | (123,636)        | (378,158)        |
| Depreciation, amortization and depletion                | R\$           | 13,635                                      | -       | -            | -           | 13,635           | 13,884                          | 15,631           | 16,346           | 16,555           | 62,416           |
| <b>EBITDA</b>   | <b>R\$</b>    | <b>238,285</b>                              | -       | -            | -           | <b>238,285</b>   | <b>271,129</b>                  | <b>260,843</b>   | <b>284,107</b>   | <b>238,262</b>   | <b>1,082,109</b> |
| Depreciation, amortization and depletion                | R\$           | (13,635)                                    | -       | -            | -           | (13,635)         | (13,884)                        | (15,631)         | (16,346)         | (16,555)         | (62,416)         |
| <b>EBIT</b>   | <b>R\$</b>    | <b>224,650</b>                              | -       | -            | -           | <b>224,650</b>   | <b>257,245</b>                  | <b>245,212</b>   | <b>267,761</b>   | <b>221,707</b>   | <b>1,019,693</b> |
| Result of equity investments                            | R\$           | -   | -       | -            | -           | -                | 4,856                           | 6,120            | 2,532            | (13,508)         | -                |
| Net financial result                                    | R\$           | 5,635                                       | -       | -            | -           | 5,635            | 73,965                          | 26,485           | 43,064           | 45,347           | 188,861          |
| <b>Income before income tax and social contribution</b> | <b>R\$</b>    | <b>230,285</b>                              | -       | -            | -           | <b>230,285</b>   | <b>336,066</b>                  | <b>277,817</b>   | <b>313,357</b>   | <b>253,546</b>   | <b>1,208,554</b> |
| Income tax and social contribution                      | R\$           | (57,342)                                    | -       | -            | -           | (57,342)         | (65,216)                        | (66,798)         | (64,235)         | (40,322)         | (236,571)        |
| <b>Net income</b>                                       | <b>R\$</b>    | <b>172,943</b>                              | -       | -            | -           | <b>172,943</b>   | <b>270,850</b>                  | <b>211,019</b>   | <b>249,122</b>   | <b>213,224</b>   | <b>971,983</b>   |