



Companhia Vale do Rio Doce
Diretoria de Controle - DICT



Financial Statements 09/30/2007

US GAAP

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Gerência Geral de Controladoria - GECOL



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Vale do Rio Doce



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Report of Independent Registered Public Accounting Firm

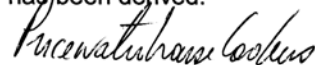
To the Board of Directors and Stockholders
Companhia Vale do Rio Doce

We have reviewed the accompanying unaudited condensed consolidated balance sheet of Companhia Vale do Rio Doce and its subsidiaries as of September 30, 2007, and the unaudited condensed consolidated statements of income, of cash flows and of changes in stockholder's equity for the three-month periods ended September 30, 2007 and June 30, 2007 and September 30, 2006 and for the nine-month periods ended September 30, 2007 and September 30, 2006. This interim financial information is the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2006, and the related consolidated statements of income, of cash flows and of changes in stockholders' equity for the year then ended, management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2006 and the effectiveness of the Company's internal control over financial reporting as of December 31, 2006; and in our report dated March 7, 2007, we expressed unqualified opinions thereon. The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting referred to above are not presented herein. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2006, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.


PricewaterhouseCoopers
Auditores Independentes

Rio de Janeiro
October 25, 2007



Condensed Consolidated Balance Sheets
Expressed in millions of United States dollars

	September 30, 2007	December 31, 2006
Assets	(Unaudited)	
Current assets		
Cash and cash equivalents.....	2,508	4,448
Accounts receivable		
Related parties.....	477	675
Unrelated parties.....	3,605	2,929
Loans and advances to related parties.....	106	40
Inventories.....	3,550	3,493
Deferred income tax	827	410
Recoverable taxes	518	414
Others.....	556	531
	12,147	12,940
Property, plant and equipment, net, and intangible assets.....	50,806	38,007
Investments in affiliated companies, joint ventures and other investments.....	2,595	2,353
Other assets		
Goodwill on acquisition of subsidiaries.....	3,314	4,484
Loans and advances		
Related parties.....	3	5
Unrelated parties.....	133	109
Prepaid pension cost.....	1,534	977
Prepaid expenses.....	230	360
Judicial deposits.....	1,053	852
Advances to suppliers - energy.....	577	443
Recoverable taxes	240	305
Unrealized gains on derivative instruments.....	654	22
Others.....	125	69
	7,863	7,626
TOTAL.....	73,411	60,926

The accompanying notes are an integral part of this condensed consolidated financial information.



Condensed Consolidated Balance Sheets
Expressed in millions of United States dollars
(Except number of shares)

(Continued)

	September 30, 2007	December 31, 2006
	(Unaudited)	
Liabilities and stockholders' equity		
Current liabilities		
Suppliers.....	2,200	2,382
Payroll and related charges.....	583	451
Minimum annual dividends attributed to stockholders.....	908	1,494
Current portion of long-term debt - unrelated parties.....	702	711
Short-term debt.....	2	723
Loans from related parties.....	42	25
Provision for income taxes.....	1,357	817
Taxes payable.....	100	119
Employees post-retirement benefits.....	129	107
Others.....	491	483
	6,514	7,312
Long-term liabilities		
Employees post-retirement benefits.....	1,999	1,841
Long-term debt - unrelated parties.....	17,522	21,122
Provisions for contingencies (Note 14 (c)).....	2,038	1,641
Unrealized losses on derivative instruments.....	598	705
Deferred income tax.....	6,168	4,527
Provisions for asset retirement obligations.....	824	676
Others.....	1,124	618
	30,273	31,130
Minority interests.....	3,072	2,811
Commitments and contingencies (Note 14)		
Stockholders' equity (Note 11)		
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 1,919,516,400 issued.....	4,953	4,702
Common stock - 3,600,000,000 no-par-value shares authorized and 2,999,791,716 issued.....	7,742	3,806
Treasury stock - 30,341,144 preferred and 56,582,040 common shares.....	(389)	(389)
Additional paid-in capital.....	498	498
Mandatory convertible notes in common shares.....	1,288	-
Mandatory convertible notes in preferred shares.....	581	-
Other cumulative comprehensive income (deficit).....	1,795	(1,004)
Undistributed retained earnings.....	6,560	9,555
Unappropriated retained earnings.....	10,524	2,505
	33,552	19,673
TOTAL.....	73,411	60,926

The accompanying notes are an integral part of this condensed consolidated financial information.



Condensed Consolidated Statements of Income
Expressed in millions of United States dollars (unaudited)

	Three-month period ended			Nine-month period ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Operating revenues, net of discounts, returns and allowances					
Sales of ores and metals.....	6,927	7,667	4,014	21,228	10,060
Revenues from logistic services.....	391	414	383	1,136	1,034
Aluminum products.....	677	724	638	2,050	1,707
Other products and services.....	129	94	31	289	68
	8,124	8,899	5,066	24,703	12,869
Taxes on revenues.....	(226)	(207)	(214)	(624)	(531)
Net operating revenues.....	7,898	8,692	4,852	24,079	12,338
Operating costs and expenses					
Cost of ores and metals sold.....	(3,053)	(3,075)	(1,580)	(9,941)	(4,186)
Cost of logistic services.....	(207)	(227)	(203)	(622)	(573)
Cost of aluminum products.....	(419)	(431)	(382)	(1,219)	(963)
Others.....	(106)	(51)	(16)	(177)	(38)
	(3,785)	(3,784)	(2,181)	(11,959)	(5,760)
Selling, general and administrative expenses.....	(287)	(266)	(167)	(821)	(547)
Research and development.....	(206)	(152)	(134)	(471)	(306)
Others.....	(190)	(111)	(122)	(317)	(268)
	(4,468)	(4,313)	(2,604)	(13,568)	(6,881)
Operating income.....	3,430	4,379	2,248	10,511	5,457
Non-operating income (expenses)					
Financial income.....	39	77	59	237	146
Financial expenses.....	(198)	(508)	(172)	(1,365)	(630)
Foreign exchange and monetary gains, net.....	553	932	38	2,255	325
Gain on sale of investments.....	103	674	16	777	363
	497	1,175	(59)	1,904	204
Income before income taxes, equity results and minority interests.....	3,927	5,554	2,189	12,415	5,661
Income taxes					
Current.....	(975)	(1,483)	(419)	(3,291)	(819)
Deferred.....	28	87	71	306	(62)
	(947)	(1,396)	(348)	(2,985)	(881)
Equity in results of affiliates and joint ventures and other investments.....	165	156	187	459	527
Minority interests.....	(205)	(219)	(124)	(637)	(352)
Net income.....	2,940	4,095	1,904	9,252	4,955

The accompanying notes are an integral part of this condensed consolidated financial information.



Condensed Consolidated Statements of Cash Flows

Expressed in millions of United States dollars (unaudited)

	Three-month period ended			Nine-month period ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Cash flows from operating activities:					
Net income	2,940	4,095	1,904	9,252	4,955
Adjustments to reconcile net income to cash provided by operating activities:					
Depreciation, depletion and amortization.....	532	525	232	1,449	618
Dividends received.....	39	153	242	282	452
Equity in results of affiliates and joint ventures.....	(165)	(156)	(187)	(459)	(527)
Deferred income taxes.....	(28)	(87)	(71)	(306)	62
Gain on sale of investments.....	(103)	(674)	(16)	(777)	(363)
Foreign exchange and monetary losses (gains), net.....	(565)	(1,224)	25	(2,561)	(341)
Unrealized derivative losses (gains), net	(338)	(168)	(75)	(591)	20
Minority interests.....	205	219	124	637	352
Interest payable (receivable), net.....	9	(57)	(55)	125	(43)
Others.....	71	(25)	1	69	24
Decrease (increase) in assets:					
Accounts receivable.....	489	(492)	(291)	100	(475)
Inventories.....	(194)	(264)	34	215	(6)
Others.....	(467)	499	10	(372)	(136)
Increase (decrease) in liabilities:					
Suppliers.....	95	428	28	569	(236)
Payroll and related charges.....	121	104	47	64	(14)
Income taxes.....	526	503	112	975	109
Others.....	(327)	251	111	81	(62)
Net cash provided by operating activities.....	2,840	3,630	2,175	8,752	4,389
Cash flows from investing activities:					
Loans and advances receivable					
Related parties					
Additions.....	-	(1)	(2)	(1)	(8)
Repayments.....	-	-	8	10	11
Others.....	3	(1)	20	2	33
Judicial deposits.....	(12)	(31)	(26)	(75)	(61)
Additions to investments.....	-	(42)	(57)	(94)	(61)
Additions to property, plant and equipment.....	(1,367)	(1,633)	(834)	(4,106)	(2,650)
Proceeds from disposal of investments.....	134	908	-	1,042	432
Proceeds from disposals of property, plant and equipment.....	-	-	11	-	49
Cash used to acquire subsidiaries, net of cash acquired.....					
	-	(903)	(6)	(2,926)	(6)
Net cash used in investing activities.....	(1,242)	(1,703)	(886)	(6,148)	(2,261)
Cash flows from financing activities:					
Short-term debt, additions.....	472	1,493	1,378	2,462	3,761
Short-term debt, repayments.....	(472)	(2,485)	(1,165)	(3,163)	(3,563)
Loans					
Related parties					
Additions.....	5	136	(1)	258	10
Repayments.....	-	(121)	(17)	(234)	(28)
Issuances of long-term debt					
Others.....	54	49	12	6,566	1,363
Repayments of long-term debt					
Others.....	(871)	(3,940)	(206)	(11,016)	(727)
Treasury stock	-	-	(276)	-	(301)
Mandatorily convertible notes.....	-	1,869	-	1,869	-
Interest attributed to stockholders.....	-	(825)	-	(825)	(650)
Dividends to minority interest.....	-	(224)	(37)	(285)	(56)
Net cash used in financing activities.....	(812)	(4,048)	(312)	(4,368)	(191)
Increase (decrease) in cash and cash equivalents.....	786	(2,121)	977	(1,764)	1,937
Effect of exchange rate changes on cash and cash equivalents.....	(52)	(59)	20	(176)	(87)
Cash and cash equivalents, beginning of period.....	1,774	3,954	1,894	4,448	1,041
Cash and cash equivalents, end of period.....	2,508	1,774	2,891	2,508	2,891
Cash paid during the period for:					
Interest on short-term debt	(1)	(39)	(2)	(41)	(8)
Interest on long-term debt.....	(324)	(399)	(146)	(928)	(313)
Income tax	(691)	(1,255)	(247)	(2,552)	(465)
Non-cash transactions					
Income tax paid with credits.....	(242)	(193)	(56)	(554)	(126)
Interest capitalized	(20)	(21)	(34)	(63)	(96)
Issuance of preferred stock for the acquisition of Caemi, net of cash acquired.....	-	-	-	-	(2,182)

The accompanying notes are an integral part of this condensed consolidated financial information.



Condensed Consolidated Statements of Changes in Stockholders' Equity
Expressed in millions of United States dollars (unaudited)
(except number of shares and per-share amounts)

	Three-month period ended			Nine-month period ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Preferred class A stock (including twelve special shares)					
Beginning of the period.....	4,953	4,702	4,702	4,702	2,150
Capital increase.....	-	-	-	-	2,552
Transfer from undistributed retained earnings.....	-	251	-	251	-
End of the period.....	4,953	4,953	4,702	4,953	4,702
Common stock					
Beginning of the period.....	7,742	3,806	3,806	3,806	3,806
Transfer from undistributed retained earnings.....	-	3,936	-	3,936	-
End of the period.....	7,742	7,742	3,806	7,742	3,806
Treasury stock					
Beginning of the period.....	(389)	(389)	(113)	(389)	(88)
Acquisitions.....	-	-	(276)	-	(301)
End of the period.....	(389)	(389)	(389)	(389)	(389)
Additional paid-in capital					
Beginning and end of the period.....	498	498	498	498	498
Mandatory convertible notes in common shares					
Beginning and end of the period.....	1,288	1,288	-	1,288	-
Mandatory convertible notes in preferred shares					
Beginning and end of the period.....	581	581	-	581	-
Other cumulative comprehensive income (deficit)					
Cumulative translation adjustments					
Beginning and end of the period.....	(464)	(1,672)	(1,888)	(1,628)	(2,856)
Change in the period.....	1,467	1,208	26	2,631	994
End of the period.....	1,003	(464)	(1,862)	1,003	(1,862)
Unrealized gain on available-for-sale securities					
Beginning of the period.....	205	586	112	271	127
Change in the period.....	24	(381)	18	(42)	3
End of the period.....	229	205	130	229	130
Superavit (deficit) accrued pension plan					
Beginning of the period.....	472	344	-	353	-
Change in the period.....	68	128	-	187	-
End of the period.....	540	472	-	540	-
Cash flow hedge					
Beginning of the period.....	14	(10)	-	-	-
Change in the period.....	9	24	-	23	-
End of the period.....	23	14	-	23	-
Total other cumulative comprehensive income (deficit).....	1,795	227	(1,732)	1,795	(1,732)
Undistributed retained earnings					
Beginning of the period.....	6,233	9,992	4,705	9,555	4,357
Transfer from unappropriated retained earnings.....	327	428	(59)	1,192	289
Transfer to capital stock.....	-	(4,187)	-	(4,187)	-
End of the period.....	6,560	6,233	4,646	6,560	4,646
Unappropriated retained earnings					
Beginning of the period.....	7,952	4,285	5,386	2,505	3,983
Net income.....	2,940	4,095	1,904	9,252	4,955
Interest attributed to mandatory convertible debt					
Preferred class A stock.....	(14)	-	-	(14)	-
Common stock.....	(27)	-	-	(27)	-
Dividends and interest attributed to stockholders					
Preferred class A stock.....	-	-	-	-	(513)
Common stock.....	-	-	-	-	(787)
Appropriation to reserves.....	(327)	(428)	59	(1,192)	(289)
End of the period.....	10,524	7,952	7,349	10,524	7,349
Total stockholders' equity.....	33,552	29,085	18,880	33,552	18,880
Preferred class A stock (including twelve special shares).....	1,919,516,400	1,919,516,400	1,919,516,400	1,919,516,400	1,919,516,400
Common stock.....	2,999,797,716	2,999,797,716	2,999,797,716	2,999,797,716	2,999,797,716
Treasury stock					
Beginning of the period.....	(86,923,328)	(86,923,328)	(59,190,072)	(86,927,072)	(56,627,872)
Acquisitions.....	-	-	(27,737,000)	-	(30,299,200)
Sales.....	144	-	-	3,888	-
End of the period.....	(86,923,184)	(86,923,328)	(59,190,072)	(86,923,184)	(56,627,872)
	4,832,390,932	4,832,390,788	4,860,124,044	4,832,390,932	4,862,686,244
Dividends and interest attributed to stockholders (per share):					
Preferred class A stock (including twelve special shares).....	-	-	-	-	0.27
Common stock.....	-	-	-	-	0.27

The accompanying notes are an integral part of this condensed consolidated interim financial information.



**Notes to the Unaudited Condensed Consolidated Interim Financial Information
Expressed in millions of United States dollars, unless otherwise stated**

1 The Company and its operation

Companhia Vale do Rio Doce (CVRD) is a limited liability company, duly organized and existing under the laws of the Federative Republic of Brazil. Our operations are carried out through CVRD and its subsidiary companies, joint ventures and affiliates, and mainly consist of mining, non-ferrous metal production and logistics, as well as energy, aluminum and steel activities. Further details of our joint ventures and affiliates are described in Note 9.

On September 30, 2007, the main operating subsidiaries we consolidate are as follows:

Subsidiary	% ownership	% voting capital	Head office location	Principal activity
Alumina do Norte do Brasil S.A. - Alunorte ("Alunorte")	57,03	61,74	Brazil	Alumina
Alumínio Brasileiro S.A. - Albras ("Albras")	51,00	51,00	Brazil	Aluminum
CADAM S.A (CADAM)	61,48	100,00	Brazil	Kaolin
CVRD International S.A.	100,00	100,00	Swiss	Trading
CVRD Overseas Ltd.	100,00	100,00	Cayman Islands	Trading
CVRD Inco (2)	100,00	100,00	Canada	Nickel
Ferrovia Centro-Atlântica S. A.	100,00	100,00	Brazil	Logistics
Minerações Brasileiras Reunidas S.A. - MBR	92,99	92,99	Brazil	Iron ore
Mineração Onça Puma Ltda	100,00	100,00	Brazil	Nickel
Pará Pigmentos S.A. ("PPSA")	86,17	85,57	Brazil	Kaolin
PT International Nickel Indonesia Tbk ("PT Inco") (3)	61,16	61,16	Indonesia	Nickel
Valesul Alumínio S.A. (1)	100,00	100,00	Brazil	Aluminum
CVRD Australia Pty Ltd. (4)	100,00	100,00	Australia	Coal

(1) Subsidiary consolidated as from July 2006 (Note 9);

(2) Subsidiary consolidated as from October 2006 (Note 9);

(3) Through Inco Limited; and

(4) See note 5.

2 Basis of consolidation

All majority-owned subsidiaries in which we have both share and management control are consolidated. All significant intercompany accounts and transactions are eliminated. Our variable interest entities in which we are the primary beneficiaries are consolidated. Investments in unconsolidated affiliates and joint ventures are accounted for under the equity method.

We evaluate the carrying value of our listed investments relative to publicly available quoted market prices. If the quoted market price is below book value, and such decline is considered other than temporary, we write-down our equity investments to quoted market value.

We define joint ventures as businesses in which we and a small group of other partners each participate actively in the overall entity management, based on shareholders agreements. We define affiliates as businesses in which we participate as a minority stockholder but with significant influence over the operating and financial policies of the investee.

Our investments in hydroelectric projects are made via consortium contracts under which we have an undivided interest in assets and are liable for our proportionate share of liabilities and expenses, which are based on our proportionate share of power output. We do not have joint liability for any obligations, and all our recorded costs, income, assets and liabilities relate to the entities within our group. Since there is no separate legal entity for the project, there are no separate financial statements, income tax return, net income or shareholders' equity. Brazilian corporate law explicitly provides that no separate legal entity exists as a result of a consortium contract, and our external legal counsel has confirmed this conclusion. So, we recognize our proportionate share of costs and our undivided interest in assets relating to hydroelectric projects.



3 Summary of significant accounting policies

The 2006 year end condensed Balance Sheet data was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America.

Our condensed consolidated interim financial information for the three-month period ended September 30, 2007, June 30, 2007, and September 30, 2006 and for the nine-month periods ended September 30, 2007 and September 30, 2006 is unaudited. However, in our opinion, such condensed consolidated financial information includes all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results for interim periods. The results of operations for the three-month and the nine-month periods ended September 30, 2007 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2007.

In preparing the condensed consolidated financial information, we are required to use estimates to account for certain assets, liabilities, revenues and expenses. Our condensed consolidated financial information therefore includes various estimates concerning the selection of useful lives of property, plant and equipment, provisions necessary for contingent liabilities, fair values assigned to assets and liabilities acquired in business combinations, income tax valuation allowances, employee post-retirement benefits and other similar evaluations. Actual results may vary from our estimates.

We have remeasured all assets and liabilities into U.S. dollars at the current exchange rate at each balance sheet date (R\$1.8225 and R\$2.1342 at September 30, 2007 and December 31, 2006, respectively to US\$1.00 or the first available exchange rate if exchange on the last day of the period, was not available), and all accounts in the statements of income (including amounts relative to local currency indexation and exchange variances on assets and liabilities denominated in foreign currency) at the average rates prevailing during the period. The translation gain or loss resulting from this remeasurement process is included in the cumulative translation adjustments account in stockholders' equity.

Effective January 1, 2007, we adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes. FIN 48 prescribes a comprehensive model for how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return (including a decision whether to file or not to file a return in a particular jurisdiction). Under the Interpretation, the financial statements reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts, but without considering time values. We classify interest and penalties as financial expenses in our Statement of Income.

4 Recently-issued accounting pronouncements

In February 2007, the Financial Accounting Standards Board issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities". SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. The fair value option established by this Statement permits all entities to choose to measure eligible items at fair value at specified election dates. This standard is effective for fiscal years ending on or after November 15, 2007. We are currently studying the impact of this standard.

5 Major acquisitions and disposals

In July 2007, we sold our total interest in Lion Ore Mining International Ltd.(held by our subsidiary CVRD Inco), corresponding to 1.8% of total common shares for US\$105 generating a gain of US\$80.



In June 2007, we sold through a primary and secondary public offering 25,213,664 common shares, representing 57.84% of total capital, of our subsidiary Log-In Logística Intermodal S.A. for US\$179, with a gain of US\$155. In July 2007, we sold 5.1% additional stake for US\$24 with a gain of US\$21. We now hold 31.27% of the voting and total capital of this entity, which is recognized as an equity investee.

In May 2007, we sold in a public offering Usiminas shares, an available-for-sale investee, and received total proceeds of US\$728 recording a gain of US\$456. We remain with the minimum number of shares required to be part of to the current shareholders agreement of Usiminas.

In May 2007, we acquired a further 6.25% of the total share capital of Empreendimentos Brasileiros de Mineração S.A. (EBM), which main asset is its interest in MBR, for US\$231 and as a result, our stake in MBR is equivalent to, direct and indirectly, 92.99% of total and voting capital. We simultaneously entered into an usufruct agreement with minority shareholders that transfers to us all rights and obligations with respect to EBM shares, including receipt of dividends, during the next 30 years for which we will make an initial payment of US\$61 plus an annual fee of US\$48 for the next 29 years. The present value of the future obligation is recorded as a liability with charge to minority interests.

In April 2007, we concluded the acquisition of 100% of CVRD Australia (former AMCI Holdings Australia Pty – AMCI HA), a private company established in Australia, which owns and operates coal mines in that country for US\$656.

The purchase price allocations based on the fair values of acquired assets and liabilities was based on management's preliminary internal valuation estimates. Such allocations will be finalized based on valuation and other studies which are in course, performed by us with the assistance of outside valuation specialists. Accordingly, the purchase price allocation adjustments set forth below are preliminary and are subject to revision.

	Preliminary Valuation (Unaudited)
Purchase price	656
Book value of assets acquired and liabilities assumed, net	(213)
Adjustment to fair value of property, plant and equipment	(463)
Deferred taxes on the above adjustments	52
Goodwill	32

In March 2007, we acquired the remaining 18% minority interest in Ferro-Gusa Carajás held by Nucor do Brasil S.A. for US\$20, which then became a wholly-owned subsidiary.

6 Acquisition of Inco

In October, 2006 we acquired Inco Limited (Inco), a Canadian-based nickel company, and the world's largest nickel processing capacity and reserve base, for US\$13 billion, corresponding to 174,623,019 common shares, representing 75.66% of its outstanding shares. By November 3, 2006 we had already acquired a total of 196,078,276 shares for approximately US\$15 billion, representing 86.57% of Inco's capital. On December 31, 2006 we had 87.73% of the outstanding shares. On January 3, 2007 the special meeting of shareholders of Inco, approved the amalgamation of Inco with Itabira Canada Inc. (Itabira Canada), our wholly-owned indirect subsidiary.

Pursuant to the amalgamation, Inco changed its name to "CVRD Inco Limited" (CVRD Inco) and we now own 100.00% of share capital for which we paid an additional US\$2 billion.



In December 2006 we concluded several transactions to take out the bridge loan aiming to extend our average debt maturity close to the pre-acquisition level, as described in Note 10.

The purchase price allocation based on the fair values of acquired assets and liabilities was at first based on management's preliminary internal valuation estimates. During the second quarter of 2007, we finalized such allocation based on complementary studies, performed by us with the assistance of external valuation specialists. Accordingly, the purchase price allocation adjustments in relation to the fair value of assets and liabilities acquired set forth below are finalized and the main difference in relation to our preliminary allocation refers to rights identified after the complementary studies. The revisions to the allocation have no material effects on the results of the three-month period ended March 31, 2007, previously reported.

Fair values used herein were calculated using current pension and post-retirement benefits obligation funded status, current interest rates and sales prices for finished goods, estimated future production, investment, costs, commodity prices and cash flows.

On the preparation of this information our acquisition is 100.00% of Inco's shares.

	(Unaudited)
Total disbursements	17,023
Transaction costs	38
Purchase price	17,061
Book value of assets acquired and liabilities assumed, net	(4,657)
Adjustment to fair value of inventory	(2,008)
Adjustment to fair value of property, plant and equipment and intangible assets	(12,723)
Change of control obligations	949
Adjustment to fair value of other liabilities assumed	795
Deferred taxes on the above adjustments	3,188
Goodwill	2,605

The main reclassification between the preliminary and final valuation (US\$2,135) is the increase in fair value of the nickel mines and the related deferred tax, reducing goodwill.

Pro forma information considers our acquisition of 100.00% of Inco as though completed on January 1, 2006.

	Three-month period ended (unaudited)			Nine-month period ended (Unaudited)		
	September 30, 2006			September 30, 2006		
	CVRD Consolidated	Inco	Pro forma	CVRD Consolidated	Inco	Pro forma
Net operating revenues.....	4,852	2,326	7,178	12,338	5,351	17,689
Operating costs and expenses.....	(2,604)	(1,392)	(3,996)	(6,881)	(3,534)	(10,415)
Operating income.....	2,248	934	3,182	5,457	1,817	7,274
Non-operating income (expenses).....	(59)	(50)	(109)	204	(572)	(368)
Income before income taxes, equity results and minority interests.....	2,189	884	3,073	5,661	1,245	6,906
Income taxes.....	(348)	(367)	(715)	(881)	(473)	(1,354)
Equity in results of affiliates and joint ventures	187	-	187	527	-	527
Minority interests.....	(124)	(40)	(164)	(352)	(82)	(434)
Net income.....	1,904	477	2,381	4,955	690	5,645

7 Income taxes

Income taxes in Brazil comprise federal income tax and social contribution, which is an additional federal tax. The statutory composite enacted tax rate applicable in the periods presented is 34% represented by a 25% federal income tax rate plus a 9% social contribution rate.



In other countries where we have operations the applicable tax rate varied from 3.29% to 43.15%.

The amount reported as income tax expense in our consolidated interim financial information is reconciled to the statutory rates as follows:

	September 30, 2007			Three-month period ended (unaudited) June 30, 2007			September 30, 2006
	Brazil	Foreign	Total	Brazil	Foreign	Total	
	Income before income taxes, equity results and minority interests.....	2,062	1,865	3,927	2,807	2,747	
Federal income tax and social contribution expense at statutory enacted rates.....	(701)	(634)	(1,335)	(954)	(934)	(1,888)	(744)
Adjustments to derive effective tax rate:							
Tax benefit on interest attributed to stockholders.....	124	-	124	118	-	118	80
Difference on tax rates of foreign income	-	215	215	-	198	198	301
Difference on tax basis of equity investees.....	-	(6)	(6)	71	12	83	(23)
Tax incentives.....	50	-	50	65	-	65	71
Other non-taxable gains (losses).....	-	5	5	39	(11)	28	(33)
Federal income tax and social contribution expense in consolidated statements of income.....	(527)	(420)	(947)	(661)	(735)	(1,396)	(348)

	September 30, 2007			September 30, 2006
	Nine-month period ended (Unaudited)			
	Brazil	Foreign	Total	
Income before income taxes, equity results and minority interests.....	6,470	5,945	12,415	5,661
Federal income tax and social contribution expense at statutory enacted rates.....	(2,200)	(2,021)	(4,221)	(1,925)
Adjustments to derive effective tax rate:				
Tax benefit on interest attributed to stockholders.....	345	-	345	256
Difference on tax rates of foreign income	-	606	606	763
Difference on tax basis of equity investees.....	7	38	45	(107)
Tax incentives.....	167	-	167	147
Other non-taxable gains (losses).....	84	(11)	73	(15)
Federal income tax and social contribution expense in consolidated statements of income.....	(1,597)	(1,388)	(2,985)	(881)

We have certain income tax incentives relating to our manganese operations in Carajás, our potash operations in Rosario do Catete, our alumina and aluminum operations in Barcarena and our kaolin operations in Ipixuna and Mazagão. The incentives relative to manganese comprise partial exemption up to 2013. The incentive relating to alumina and potash comprise full income tax exemption on defined production levels, which expires in 2009 and 2013, respectively, while the partial exemption incentives relative to aluminum and kaolin expire in 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.

We have also tax incentives related to the 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. We are 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, we have not realized any 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.

Effective January 1, 2007 for U.S. GAAP purposes, we adopted Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes". This interpretation prescribes a recognition threshold and measurement attribute for the financial statement



recognition and measurement of a tax position taken, or expected to be taken, in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The effect of first applying the provisions of this interpretation was not material.

We are subject to examination by the tax authorities for up to five years regarding our operations in Brazil, ten years for Indonesia, and five and six years for Canada, except for Newfoundland which has no limit.

Brazilian tax loss carryforwards have no expiration date.

8 Inventories

	September 30, 2007	December 31, 2006
	(Unaudited)	
Finished products		
Nickel (co-products and by-products).....	1,637	2,046
Iron ore and pellets.....	538	325
Manganese and ferroalloys	117	94
Alumina.....	57	33
Aluminum.....	87	110
Kaolin.....	42	23
Copper concentrate.....	26	5
Coal.....	34	-
Others.....	25	40
Spare parts and maintenance supplies.....	987	817
	3,550	3,493



9 Investments in affiliated companies and joint ventures and other investments

	September 30, 2007				Investments					Equity Adjustments				Dividends received	
	Participation in capital (%)		Net equity	Net income (loss) for the period	September 30, 2007	December 31, 2006	Three-month period ended (unaudited)			Nine-month period ended (Unaudited)		Three-month period ended (unaudited)		Nine-month period ended (Unaudited)	
	voting	total					September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
					(Unaudited)										
Ferrous															
Companhia Nipo-Brasileira de Pelotização - NIBRASCO (1).....	51.11	51.00	113	20	58	40	5	(1)	(1)	10	16	-	-	-	22
Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (1).....	51.00	50.89	87	24	44	42	3	4	4	12	11	-	16	-	13
Companhia Coreano-Brasileira de Pelotização - KOBRASCO.....	50.00	50.00	84	31	42	40	5	5	2	15	16	-	-	-	11
Companhia Italo-Brasileira de Pelotização - ITABRASCO (1).....	51.00	50.90	70	19	36	37	2	3	3	10	10	-	8	-	12
SAMARCO Mineração S.A. - SAMARCO (2).....	50.00	50.00	886	373	501	370	67	59	57	186	163	25	50	175	200
Minas da Serra Geral S.A. - MSG.....	50.00	50.00	56	4	28	25	1	1	1	2	1	-	-	-	1
Gulf Industrial Investment Company - GIC (4).....	-	-	-	-	-	-	-	-	-	-	18	-	-	-	-
Others.....	-	-	-	-	25	23	2	(1)	1	3	-	-	-	-	1
					734	577	85	70	67	238	235	25	74	175	260
Logistics															
MFS Logística S.A.....	37.86	41.50	722	204	300	222	31	29	32	84	69	-	27	-	20
LOG-IN Logística Intermodal S.A. (7).....	31.27	31.27	311	7	97	-	4	(2)	-	2	-	-	-	-	-
					397	222	35	27	32	86	69	-	27	-	20
Holdings															
Steel															
Usinas Siderúrgicas de Minas Cerais S.A. - USIMINAS (cost \$130) (3).....	-	-	17,759	-	520	744	7	24	43	31	96	7	24	12	40
California Steel Industries Inc. - CSI.....	50.00	50.00	339	11	170	175	1	4	17	5	50	-	-	37	40
THYSSENKRUPP CSA Companhia Siderúrgica (8).....	12.94	12.94	-	-	178	91	-	-	-	-	-	-	-	-	-
					868	1,010	8	28	60	36	146	7	24	49	80
Aluminum and bauxite															
Mineração Rio do Norte S.A. - MRN.....	40.00	40.00	407	158	163	164	21	20	18	63	44	7	28	18	77
Valesul Alumínio S.A. - VALESUL (5).....	100.00	100.00	-	-	-	-	-	-	-	-	12	-	-	-	-
					163	164	21	20	18	63	56	7	28	18	77
Coal															
Henan Longyu Resources Co. Ltd.....	25.00	25.00	412	134	103	112	12	13	10	34	21	-	-	-	15
Shandong Yankuang International Company Ltd.....	25.00	25.00	85	(7)	21	23	-	(2)	-	(2)	-	-	-	-	-
					124	135	12	11	10	32	21	-	-	-	15
Nickel (6)															
Jubilee Mines NL (cost \$30) - available-for-sale investments.....	-	-	-	-	97	79	-	-	-	-	-	-	-	-	-
Lion Ore Mining International Ltd (cost \$21) - available-for-sale investments (9).....	-	-	-	-	-	45	-	-	-	-	-	-	-	-	-
Mirabela Nickel Ltd (cost \$12) - available-for-sale investments.....	-	-	-	-	60	21	-	-	-	-	-	-	-	-	-
Skye Resources Inc (cost \$-18) - available-for-sale investments.....	-	-	-	-	65	36	-	-	-	-	-	-	-	-	-
Heron Resources Inc (cost \$3) - available-for-sale investments.....	-	-	-	-	17	12	-	-	-	-	-	-	-	-	-
Others.....	-	-	-	-	30	29	4	-	-	4	-	-	-	-	-
					269	222	4	-	-	4	-	-	-	-	-
Other affiliates and joint ventures															
Others.....	-	-	-	-	40	23	-	-	-	-	-	-	-	-	-
					40	23	-	-	-	-	-	-	-	-	-
					1,464	1,554	45	59	88	135	223	14	52	67	106
Total.....					2,595	2,353	165	156	187	469	527	39	153	242	452

- (1) CVRD held a majority of the voting interest of several entities that were accounted for under the equity method, in accordance with EITF 96-16, due to veto rights held by minority shareholders under shareholders agreements;
- (2) Investment includes goodwill of US\$58 and US\$ 50 in 2007 and 2006, respectively;
- (3) Equity method used through November 2006, and available-for-sale subsequently. Dividends received included in equity adjustment since June 30, 2007;
- (4) Sold for US\$ 418 in May, 2006;
- (5) Subsidiary consolidated as from July, 2006;
- (6) Investment held through Inco Limited;
- (7) Consolidated until May, 2007;
- (8) Preoperating company; and
- (9) Sold in July, 2007 (see note 5).



10 Long-term debt

	Current liabilities		Long-term liabilities	
	September 30, 2007 (Unaudited)	December 31, 2006	September 30, 2007 (Unaudited)	December 31, 2006
Foreign debt				
Loans and financing denominated in the following currencies:				
United States dollars.....	200	192	5,846	10,483
Others.....	27	4	250	152
Fixed Rate Notes - US\$ denominated.....	-	112	6,664	6,785
Debt securities - export sales (*) - US\$ denominated.....	61	86	219	259
Perpetual notes	-	-	86	86
Accrued charges.....	200	139	-	-
	488	533	13,065	17,765
Local debt				
Denominated in Long-Term Interest Rate - TJLP/CDI.....	18	16	1,167	511
Denominated in General Price Index-Market (IGPM)	1	20	1	1
Basket of currencies.....	2	2	6	7
Non-convertible debentures.....	-	-	3,237	2,774
Indexed by U.S. dollars.....	24	107	46	64
Accrued charges.....	169	33	-	-
	214	178	4,457	3,357
Total.....	702	711	17,522	21,122

(*) Debt securities secured by future receivables arising from certain export sales.

The long-term portion as of September 30, 2007 falls due in the following years (unaudited):

2008.....	610
2009	396
2010.....	2,462
2011	3,232
2012 and thereafter.....	10,517
No due date (Perpetual notes and non-convertible debentures).....	305
	17,522

As of September 30, 2007 annual interest rates on long-term debt were as follows (unaudited):

3.1% to 5%.....	9,055
5.1% to 7%.....	2,283
7.1% to 9%.....	2,331
9.1% to 11%.....	164
Over 11%	4,305
Variable (Perpetual notes).....	86
	18,224

The indices applied to debt and respective percentage for the nine-month period ended September 30, 2007 and for the year ended December 31, 2006, were as follows (unaudited):

	%	
	September 30, 2007	December 31, 2006
TJLP - Long-Term Interest Rate (effective rate).....	4.8	7.9
IGP-M - General Price Index - Market.....	4.1	3.8
Devaluation of United States Dollar against Real.....	(14.0)	(8.7)



Pursuant to the acquisition of Inco we executed various financial operations through December 2006, to repay the initial US\$ 14.6 billion bridge loan, used to finance the Inco acquisition, as follows:

- On November 16, 2006, we issued US\$3.75 billion 10-year and 30-year notes. The US\$1.25 billion notes due in January 2017 bear a coupon rate of 6.25% per year, payable semi-annually. The US\$ 2.50 billion notes due in November 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.
- We issued on December 20, 2006 in the Brazilian market of non-convertible debentures (debentures) in the amount of US\$2.5 billion, in two series, with four and seven-year maturities. The first series, due on November 20, 2010, US\$700, 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, US\$ 1.8 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).
- On December 21, 2006, we entered into a pre-export finance transaction of US\$6.0 billion, defining the final allocation among the members of a bank syndicate. 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.
- The settlement of the balance of the bridge loan with cash and advance on export contracts, totaling US\$2.25 billion in April 2007.

Some of our long-term debt instruments contain financial covenants. Our principal covenants require us to maintain certain ratios, such as debt to equity and interest coverage. We were in full compliance with our financial covenants as of September 30, 2007.

11 Stockholders' equity

Each holder of common and preferred class A stock is entitled to one vote for each share on all matters that come before a stockholders' meeting, except for the election of the Board of Directors, which is restricted to the holders of common stock. The Brazilian Government holds twelve preferred special shares which confers to it permanent veto rights over certain matters.

In September 2007, a stock split was effected and each existing, common and preferred, share was split into two shares. After the split our capital comprises 4,919,314,116 shares, of which 1,919,516,400 are class "A" preferred shares and 2,999,797,716 are common shares, including twelve special class shares without par value ("Golden Shares"). The share/ADR proportion was maintained at 1/1; therefore, each common and preferred share, continued to be represented by one ADR supported by one common share (NYSE: RIO) or by one ADR supported by one class "A" preferred share (NYSE: RIOPR) respectively. All numbers of share and per share amounts included herein reflect retroactive application of the stock split. The Notes due 2010, series RIO and RIO P, mandatorily convertible into CVRD ADRs will have their conversion rates adjusted to reflect the share split.

In June 2007, we issued US\$1,880 Mandatorily Convertible Notes due 2010 for total proceeds of US\$1,869 net of commission. The Notes bear interest at 5.50% per year payable quarterly and an additional interest which will be payable based on the net amount of cash distribution paid to ADS holders. The US\$1,296 Notes are mandatorily convertible into an aggregate maximum of 56,582,040 common shares and the US\$584 Notes are mandatorily convertible into an aggregate maximum of 30,295,456 preferred class A shares. We currently hold the shares to be issued on conversion in treasury stock. The Notes are not repayable in cash. We determined, using a statistical model, that the potential variability in the number of shares to be converted is not a predominant feature of this hybrid financial instrument and thus classified it as an equity instrument within our stockholders equity.

On June 21, 2006 the Board of Directors approved a buy-back program of our preferred shares, in effect during 180 days. As of December 31, 2006, when the program came to an end, we had acquired 30,299,200 shares held in treasury for subsequent disposal or cancellation at an average



weighted unit cost of US\$9.94 (minimum cost of US\$9.45 and maximum of US\$ 10.37).

Both common and preferred stockholders are entitled to receive a dividend of at least 25% of annual adjusted net income based on the statutory accounting records, upon approval at the annual stockholders' meeting. In the case of preferred stockholders, this dividend cannot be less than 6% of the preferred capital as stated in the statutory accounting records or, if greater, 3% of the statutory book equity value per share.

In April 2007, we paid US\$825 to stockholders. The distribution was made in the form of interest on stockholders' equity and dividends.

In April 2007, at an Extraordinary Shareholders' meeting the paid-up capital was increased by US\$4,187 through transfer of reserves, without issuance of shares, to US\$12,695.

Basic and diluted earnings per share

Basic and diluted earnings per share amounts have been calculated as follows:

	Three-month period ended			Nine-month period ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Net income for the period	2,940	4,095	1,904	9,252	4,955
Interest attributed to preferred convertible notes.....	(8)	-	-	(8)	-
Interest attributed to common of convertible notes.....	(19)	-	-	(19)	-
Net income for the period adjusted	2,913	4,095	1,904	9,225	4,955
Basic and diluted earnings per Share					
Income available to preferred stockholders.....	1,119	1,601	750	3,583	1,951
Income available to common stockholders.....	1,742	2,494	1,154	5,582	3,004
Income available to convertible notes linked to preferred shares.....	18	-	-	21	-
Income available to convertible notes linked to common shares.....	34	-	-	39	-
Weighted average number of shares outstanding (thousands of shares) - preferred shares.....	1,889,175	1,889,176	1,904,693	1,889,171	1,911,745
Weighted average number of shares outstanding (thousands of shares) - common shares.....	2,943,216	2,943,216	2,943,216	2,943,216	2,943,216
Treasury preferred shares linked to mandatorily convertible debt....	30,295	3,330	-	10,904	-
Treasury common shares linked to mandatorily convertible debt....	56,582	6,218	-	20,364	-
Total	4,919,268	4,841,940	4,847,909	4,863,655	4,854,961
Earnings per preferred share.....	0.59	0.85	0.39	1.90	1.02
Earnings per common share.....	0.59	0.85	0.39	1.90	1.02
Earnings per convertible notes linked to preferred share (*).....	0.86	-	-	2.66	-
Earnings per convertible notes linked to common share (*).....	0.94	-	-	2.85	-

(*) Basic earnings per share only as dilution assumes conversion.

Where the conversion of the convertible notes to be considered in the calculation of diluted earnings per share they would generate a minor antidilutive effect in the third quarter as shown below:

	Three-month period ended			Nine-month period ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Income available to preferred stockholders.....	1,145	1,603	-	3,612	-
Income available to common stockholders.....	1,795	2,492	-	5,640	-
Weighted average number of shares outstanding (thousands of shares) - preferred shares.....	1,919,470	1,892,506	-	1,900,075	-
Weighted average number of shares outstanding (thousands of shares) - common shares.....	2,999,798	2,949,434	-	2,963,580	-
Earnings per preferred share.....	0.60	0.85	-	1.90	-
Earnings per common share.....	0.60	0.85	-	1.90	-



12 Other Cumulative Comprehensive Income (deficit) (unaudited)

	Three-month period ended			Nine-month period ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Comprehensive income is comprised as follows:					
Net income.....	2,940	4,095	1,904	9,252	4,955
Cumulative translation adjustments.....	1,467	1,208	26	2,631	994
Unrealized gain (loss) on available-for-sale securities.....	24	(381)	18	(42)	3
Superavit (deficit) accrued pension plan.....	68	128	-	187	-
Cash flow hedge.....	9	24	-	23	-
Total comprehensive income.....	4,508	5,074	1,948	12,051	5,952
Tax effect on other comprehensive income (expense) allocated to each component					
Unrealized gain on available-for-sale securities					
Gross balance as of the period end.....	326	314	130	326	130
Tax (expense) benefit.....	(97)	(109)	-	(97)	-
Net balance as of the period end.....	229	205	130	229	130
Superavit (deficit) accrued pension plan					
Gross balance as of the period end.....	817	716	-	817	-
Tax (expense) benefit.....	(277)	(244)	-	(277)	-
Net balance as of the period end.....	540	472	-	540	-

13 Pension costs (unaudited)

	September 30, 2007			June 30, 2007			Three-month period ended September 30, 2006		
	Overfunded pension plans	Underfunded pension plans	Underfunded other benefits	Overfunded pension plans	Underfunded pension plans	Underfunded other benefits	Overfunded pension plans	Underfunded pension plans	Underfunded other benefits
Service cost - benefits earned during the period.....	2	14	5	3	15	5	2	-	-
Interest cost on projected benefit obligation.....	77	53	18	73	52	18	61	9	3
Expected return on assets.....	(144)	(59)	-	(135)	(60)	-	(97)	(3)	-
Amortization of initial transitory obligation.....	4	-	-	3	-	-	3	-	-
Net deferral.....	(4)	-	-	(5)	-	-	(7)	-	-
Net periodic pension cost.....	(65)	8	23	(61)	7	23	(38)	6	3

	September 30, 2007			September 30, 2006		
	Overfunded pension plans	Underfunded pension plans	Underfunded other benefits	Overfunded pension plans	Underfunded pension plans	Underfunded other benefits
Service cost - benefits earned during the period.....	6	43	14	4	-	-
Interest cost on projected benefit obligation.....	196	153	52	163	23	8
Expected return on assets.....	(365)	(174)	-	(259)	(7)	-
Amortization of initial transitory obligation.....	9	-	-	8	-	-
Net deferral.....	(11)	-	-	(19)	-	-
Net periodic pension cost.....	(165)	22	66	(103)	16	8

We previously disclosed in our consolidated financial statements for the year ended December 31, 2006, that we expected to contribute US\$ 238 to our defined benefit pension plan in 2007. As of September 30, 2007, contributions of US\$259 have been made.

14 Commitments and contingencies

- (a) At September 30, 2007, we had extended guarantees for borrowings obtained by affiliates in the amount of US\$2, as follows:

Affiliate	Amount of guarantee	Denominated currency	Purpose	Final maturity	Counter guarantees
SAMARCO.....	2	US\$	Debt guarantee	2008	None

We expect no losses to arise as a result of the above guarantees. We charge commission for extending these guarantees.

- (b) We provided a guarantee covering certain termination payments to the supplier under an electricity supply agreement ("ESA") entered into in October 2004 for our Goro nickel-cobalt development



project in New Caledonia. The amount of the termination payments guaranteed depends upon a number of factors. If Goro defaults under the ESA, the termination payment could reach up to an amount of 138 million euros as at September 30, 2007. Once the supply of electricity under the ESA to the project begins, the guaranteed amounts will decrease over the life of the ESA.

Additionally, in connection with the Girardin Financing, a special tax-advantage lease financing sponsored by the French Government related with this project we provided certain guarantees pursuant to which we guaranteed, in certain events of default, payments up to a maximum amount of US\$100.

- (c) We and our subsidiaries are defendants in numerous legal actions in the normal course of business. Based on the advice of our legal counsel, management believes that the provision for contingent losses is sufficient to cover probable losses in connection with such actions.

The provision for contingencies and the related judicial deposits are composed as follows:

	September 30, 2007 (Unaudited)		December 31, 2006	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Labor and social security claims.....	485	340	378	234
Civil claims.....	312	139	260	117
Tax - related actions	1,223	571	972	500
Others.....	18	3	31	1
	2,038	1,053	1,641	852

Labor and social security - related actions principally comprise claims by employees and former employees for (i) payment of time spent traveling from their residences to the work-place, (ii) additional health and safety related payments and (iii) various other matters, often in connection with disputes about the amount of indemnities paid upon dismissal and the one-third extra holiday pay.

Civil - actions 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 during which full indexation of contracts for inflation was not permitted and accidents and return of land.

Tax – tax-related actions principally comprise our challenges of certain revenue taxes, value added taxes and uncertain tax positions – FIN 48. The initial adoption of FIN 48 had an impact of US\$7 on our financial statements at March 31, 2007, which relates to interests and penalties. Uncertain tax positions represented provisions of US\$989 at September 30, 2007.

We continue to vigorously pursue our interests in all the above actions but recognize that we probably will incur some losses in the final instance, for which we have made provisions.

Our judicial deposits are made as required by the courts for us to be able to enter or continue a legal action. When judgment is favorable to us, we receive the deposits back; when unfavorable, the deposits are delivered to the prevailing party.

Contingencies settled in the three-month periods ended September 30, 2007, June 30, 2007 and September 30, 2006 aggregated US\$180, US\$114 and US\$56, respectively, and additional provisions aggregated US\$197, US\$133 and US\$64, respectively, classified in other operating expenses.

In addition to the contingencies for which we have made provisions we are defending claims where in our opinion, and based on the advice of our legal counsel, the likelihood of loss is possible but not probable, which total US\$2,049 at September 30, 2007 and, for which no provision has been made.



- (d) At the time of our privatization in 1997, we issued stockholder revenue interests known in Brazil as "debentures" to our then-existing shareholders, including the Brazilian Government. The terms of the "debentures", were set to ensure that our pre-privatization shareholders, including the Brazilian Government, would participate alongside us in potential future financial benefits that we are able to derive from exploiting our mineral resources.

At October 1, 2007 and March 30, 2007 we paid a remuneration on these "debentures" of US\$5 and US\$6, respectively. During 2006 we paid US\$6.

- (e) We use various judgments and assumptions when measuring our environmental liabilities and asset retirement obligations. Changes in circumstances, law or technology may affect our estimates and we periodically review the amounts accrued and adjust them as necessary. Our accruals do not reflect unasserted claims because we are currently not aware of any such issues. Also the amounts provided are not reduced by any potential recoveries under cost sharing, insurance or indemnification arrangements because such recoveries are considered uncertain. On September 30, 2007, US\$35 of environmental liabilities and asset retirement obligations was classified in current liabilities (Others).

The changes in the provisions for asset retirement obligations are as follows:

	Three-month period ended (unaudited)			Nine-month period ended (Unaudited)	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Provisions for asset retirement obligations					
beginning of period.....	760	699	252	676	225
Accretion expense.....	42	7	7	61	19
Liabilities settled in the current period.....	(2)	(2)	(1)	(7)	(4)
Cumulative translation adjustment.....	59	56	-	129	18
Provisions for asset retirement obligations					
end of period.....	859	760	258	859	258



15 Segment and geographical information

The information we present about our operating segments is based on the provisions of SFAS 131 “Disclosures about Segments of an Enterprise and Related Information”. SFAS 131 introduced a “management approach” concept for reporting segment information, whereby such information is required to be reported on the basis that the chief decision-maker uses internally for evaluating segment performance and deciding how to allocate resources to segments. We analyze our segment information on aggregated and disaggregated basis as follows:

Ferrous products - comprises iron ore mining and pellet production, as well as the Northern, Southern and South transportation systems, including railroads, ports and terminals, as they pertain to our mining operations. Manganese mining and ferroalloys are also included in this segment.

Non-ferrous – comprises the production of non-ferrous minerals, including potash, kaolin, copper and nickel (co-products and by-products).

Logistics – comprises our transportation systems as they pertain to the operation of our ships, ports and railroads for third-party cargos.

Holdings – divided into the following sub-groups:

- Aluminum - comprises aluminum trading activities, alumina refining and aluminum metal smelting and investments in joint ventures and affiliates engaged in bauxite mining.
- Others - comprises our investments in joint ventures and affiliates engaged in other businesses.

Information presented to senior management with respect to the performance of each segment is generally derived directly from the accounting records maintained in accordance with accounting practices adopted in Brazil together with certain minor inter-segment allocations.

Consolidated net income and principal assets are reconciled as follows:

Results by segment - before eliminations (Aggregated)

	September 30, 2007													June 30, 2007													September 30, 2006												
	Holdings						Consolidated	Holdings						Consolidated	Holdings						Consolidated																		
	Ferrous	Non ferrous	Logistics	Aluminum	Others	Eliminations		Ferrous	Non ferrous	Logistics	Aluminum	Others	Eliminations		Ferrous	Non ferrous	Logistics	Aluminum	Others	Eliminations																			
RESULTS																																							
Gross revenues - Export.....	5,649	2,902	11	877	85	(2,748)	6,776	5,158	3,976	14	975	48	(2,622)	7,549	4,540	459	13	817	20	(1,984)	3,865																		
Gross revenues - Domestic.....	1,120	106	395	211	-	(484)	1,348	859	159	405	164	-	(237)	1,350	769	95	379	167	-	(209)	1,201																		
Cost and expenses.....	(4,570)	(1,435)	(236)	(837)	(111)	3,232	(3,956)	(4,010)	(1,507)	(253)	(866)	(66)	2,859	(3,843)	(3,317)	(319)	(250)	(735)	(24)	2,193	(2,452)																		
Research and development.....	(44)	(98)	(8)	-	(56)	-	(206)	(31)	(80)	(3)	-	(38)	-	(152)	(34)	(38)	(2)	-	(60)	-	(134)																		
Depreciation, depletion and amortization.....	(236)	(238)	(25)	(26)	(7)	-	(532)	(222)	(248)	(24)	(28)	(3)	-	(525)	(165)	(28)	(22)	(17)	-	-	(232)																		
Operating income.....	1,919	1,237	138	225	(89)	-	3,430	1,754	2,300	139	245	(59)	-	4,379	1,793	169	118	232	(64)	-	2,248																		
Financial income.....	665	59	3	4	(1)	(691)	39	668	209	3	4	-	(807)	77	190	-	8	5	5	(149)	59																		
Financial expenses.....	(537)	(364)	(4)	60	(44)	691	(198)	(857)	(366)	(1)	(89)	(2)	807	(508)	(317)	(2)	(2)	9	(9)	149	(172)																		
Foreign exchange and monetary gains (losses), net.....	433	44	(2)	37	41	-	553	888	(13)	(5)	61	1	-	932	42	-	-	(2)	(2)	-	38																		
Gain on sale of investments.....	-	81	20	-	2	-	103	-	-	217	-	457	-	674	16	-	-	-	-	-	16																		
Equity in results of affiliates and joint ventures and investments.....	86	4	36	21	18	-	165	70	-	27	20	39	-	156	69	-	31	18	69	-	187																		
Income taxes.....	(612)	(248)	(4)	(83)	-	-	(947)	(655)	(661)	(7)	(73)	-	-	(1,396)	(298)	1	(2)	(49)	-	-	(348)																		
Minority interests.....	-	(120)	-	(96)	11	-	(205)	(14)	(150)	1	(56)	-	-	(219)	(41)	-	-	(83)	-	-	(124)																		
Net income.....	1,954	693	187	168	(62)	-	2,940	1,854	1,319	374	112	436	-	4,095	1,454	168	153	130	(1)	-	1,904																		
Sales classified by geographic destination:																																							
Abroad market																																							
America, except United States.....	369	369	3	227	-	(272)	666	363	342	14	281	-	(297)	703	376	-	8	232	-	(249)	367																		
United States.....	115	564	-	52	17	(57)	691	120	731	-	42	18	(66)	845	160	5	-	23	20	(66)	142																		
Europe.....	1,834	715	8	398	-	(980)	1,975	1,667	687	-	482	-	(958)	1,878	1,483	259	5	362	-	(762)	1,347																		
Middle East/Africa/Oceania.....	194	85	-	38	68	(82)	303	235	66	-	15	30	(89)	257	193	42	-	52	-	(44)	243																		
Japan.....	638	472	-	146	-	(277)	979	517	651	-	155	-	(212)	1,111	515	13	-	137	-	(170)	495																		
China.....	2,061	286	-	-	-	(860)	1,487	1,889	503	-	-	-	(796)	1,596	1,413	37	-	11	-	(497)	964																		
Asia, other than Japan and China.....	438	411	-	16	-	(220)	645	367	996	-	-	-	(204)	1,159	400	103	-	-	-	(196)	307																		
Domestic market	5,649	2,902	11	877	85	(2,748)	6,776	5,158	3,976	14	975	48	(2,622)	7,549	4,540	459	13	817	20	(1,984)	3,865																		
	1,120	106	395	211	-	(484)	1,348	859	159	405	164	-	(237)	1,350	769	95	379	167	-	(209)	1,201																		
	6,769	3,008	406	1,088	85	(3,232)	8,124	6,017	4,135	419	1,139	48	(2,859)	8,899	5,309	554	392	984	20	(2,193)	5,066																		



Operating segment – after eliminations (Disaggregated)

	Revenues								Three-month period ended (unaudited) September 30, 2007			
	Abroad	Domestic	Total	Value added tax	Net revenues	Cost and expenses	Net	Depreciation, depletion and amortization	Operating income	Property, Plant and Equipment, Net	Addition to Property, Plant and Equipment	Investments
Ferrous												
Iron ore.....	2,696	514	3,210	(76)	3,134	(1,146)	1,988	(196)	1,792	15,071	559	53
Pellets.....	556	161	717	(37)	680	(511)	169	(23)	146	1,529	7	681
Manganese.....	8	5	13	(2)	11	(19)	(8)	(2)	(10)	72	-	-
Ferroalloys.....	90	76	166	(20)	146	(96)	50	(6)	44	178	3	-
	3,350	756	4,106	(135)	3,971	(1,772)	2,199	(227)	1,972	16,850	569	734
Non ferrous												
Nickel and other products (*).....	2,514	13	2,527	-	2,527	(1,143)	1,384	(211)	1,173	23,170	510	269
Potash.....	-	49	49	(2)	47	(28)	19	(5)	14	188	4	-
Kaolin.....	51	8	59	(3)	56	(76)	(20)	(9)	(29)	298	(1)	-
Copper concentrate.....	150	36	186	(8)	178	(117)	61	(13)	48	1,747	30	-
	2,715	106	2,821	(13)	2,808	(1,364)	1,444	(238)	1,206	25,403	543	269
Aluminum												
Alumina.....	285	-	285	7	292	(213)	79	(13)	66	2,496	163	-
Aluminum.....	307	74	381	(16)	365	(190)	175	(12)	163	717	10	-
Bauxite.....	11	-	11	3	14	(20)	(6)	(3)	(9)	873	34	163
	603	74	677	(6)	671	(423)	248	(28)	220	4,086	207	163
Logistics												
Railroads.....	-	323	323	(54)	269	(166)	103	(23)	80	840	16	397
Ports.....	-	58	58	(13)	45	(42)	3	(6)	(3)	1,148	24	-
Ships.....	-	10	10	-	10	(6)	4	(1)	3	39	-	-
	-	391	391	(67)	324	(214)	110	(30)	80	2,027	40	397
Others.....	108	21	129	(5)	124	(163)	(39)	(9)	(48)	2,440	8	1,032
	6,776	1,348	8,124	(226)	7,898	(3,936)	3,962	(532)	3,430	50,806	1,367	2,595

(*) Includes nickel co-products and by-products (copper, precious metals, cobalt and others).



Operating segment – after eliminations (Disaggregated)

	Revenues								Three-month period ended (unaudited) June 30, 2007			
	Abroad	Domestic	Total	Value added tax	Net revenues	Cost and expenses	Net	Depreciation, depletion and amortization	Operating income	Property, Plant and Equipment, Net	Addition to Property, Plant and Equipment	Investments
	Ferrous											
Iron ore.....	2,384	515	2,899	(64)	2,835	(1,052)	1,783	(186)	1,597	14,691	632	49
Pellets.....	563	118	681	(26)	655	(450)	205	(20)	185	778	44	591
Manganese.....	16	5	21	(1)	20	(17)	3	(2)	1	72	1	-
Ferroalloys.....	80	53	133	(13)	120	(102)	18	(7)	11	191	4	-
	3,043	691	3,734	(104)	3,630	(1,621)	2,009	(215)	1,794	15,732	681	640
Non ferrous												
Nickel and other products (*).....	3,514	58	3,572	-	3,572	(1,203)	2,369	(220)	2,149	22,070	439	372
Potash.....	-	39	39	(3)	36	(24)	12	(6)	6	197	3	-
Kaolin.....	47	8	55	(2)	53	(62)	(9)	(7)	(16)	292	1	-
Copper concentrate.....	217	50	267	(11)	256	(116)	140	(19)	121	1,612	41	-
	3,778	155	3,933	(16)	3,917	(1,405)	2,512	(252)	2,260	24,171	484	372
Aluminum												
Alumina.....	266	-	266	(4)	262	(199)	63	(15)	48	2,220	156	-
Aluminum.....	371	72	443	(14)	429	(221)	208	(9)	199	687	231	-
Bauxite.....	15	-	15	-	15	(18)	(3)	(2)	(5)	795	54	142
	652	72	724	(18)	706	(438)	268	(26)	242	3,702	441	142
Logistics												
Railroads.....	-	333	333	(52)	281	(165)	116	(21)	95	793	5	346
Ports.....	-	66	66	(12)	54	(45)	9	(7)	2	1,061	13	-
Ships.....	5	10	15	(1)	14	(15)	(1)	-	(1)	39	4	-
	5	409	414	(65)	349	(225)	124	(28)	96	1,893	22	346
Others.....	71	23	94	(4)	90	(99)	(9)	(4)	(13)	2,200	5	946
	7,549	1,350	8,899	(207)	8,692	(3,788)	4,904	(525)	4,379	47,698	1,633	2,446

(*) Includes nickel co-products and by-products (copper, precious metals, cobalt and others).



Operating segment – after eliminations (Disaggregated)

	Revenues								Three-month period ended (unaudited) September 30, 2006			
	Abroad	Domestic	Total	Value added tax	Net revenues	Cost and expenses	Net	Depreciation, depletion and amortization	Operating income	Property, Plant and Equipment, Net	Addition to Property, Plant and Equipment	Investments
Ferrous												
Iron ore.....	2,385	524	2,909	(82)	2,827	(1,058)	1,769	(141)	1,628	12,383	530	44
Pellets.....	470	100	570	(22)	548	(334)	214	(14)	200	533	12	471
Manganese.....	12	5	17	(1)	16	(17)	(1)	(1)	(2)	60	1	-
Ferroalloys.....	85	45	130	(12)	118	(122)	(4)	(6)	(10)	196	8	-
	2,952	674	3,626	(117)	3,509	(1,531)	1,978	(162)	1,816	13,172	551	515
Non ferrous												
Potash.....	-	55	55	(3)	52	(33)	19	(7)	12	174	2	-
Kaolin.....	45	8	53	(2)	51	(44)	7	(8)	(1)	233	-	-
Copper concentrate.....	247	33	280	(7)	273	(71)	202	(13)	189	1,352	56	-
	292	96	388	(12)	376	(148)	228	(28)	200	1,759	58	-
Aluminum												
Alumina.....	271	-	271	(8)	263	(187)	76	(10)	66	1,624	114	-
Aluminum.....	304	59	363	(12)	351	(192)	159	(7)	152	390	10	-
Bauxite.....	4	-	4	-	4	(5)	(1)	-	(1)	499	74	143
	579	59	638	(20)	618	(384)	234	(17)	217	2,513	198	143
Logistics												
Railroads.....	-	278	278	(47)	231	(131)	100	(20)	80	700	17	198
Ports.....	11	63	74	(12)	62	(37)	25	(4)	21	222	4	-
Ships.....	11	20	31	(4)	27	(28)	(1)	-	(1)	3	-	-
	22	361	383	(63)	320	(196)	124	(24)	100	925	21	198
Others.....	20	11	31	(2)	29	(113)	(84)	(1)	(85)	1,058	6	834
	3,865	1,201	5,066	(214)	4,852	(2,372)	2,480	(232)	2,248	19,427	834	1,690



Results by segment - before eliminations (Aggregated) - (Unaudited)

	September 30, 2007							As of and for the nine-month period ended (Unaudited) September 30, 2006						
	Holdings					Eliminations	Consolidated	Holdings					Eliminations	Consolidated
	Ferrous	Non ferrous	Logistics	Aluminum	Others			Ferrous	Non ferrous	Logistics	Aluminum	Others		
RESULTS														
Gross revenues - Export.....	15,222	10,360	39	2,665	155	(7,574)	20,867	11,492	1,017	44	2,284	39	(5,076)	9,800
Gross revenues - Domestic.....	2,749	374	1,131	534	-	(952)	3,836	2,002	177	1,037	338	7	(492)	3,069
Cost and expenses.....	(11,987)	(5,506)	(708)	(2,400)	(197)	8,526	(12,272)	(8,664)	(710)	(744)	(1,888)	(50)	5,568	(6,488)
Research and development.....	(91)	(237)	(13)	-	(130)	-	(471)	(87)	(81)	(5)	-	(133)	-	(306)
Depreciation, depletion and amortization.....	(655)	(635)	(74)	(74)	(11)	-	(1,449)	(450)	(70)	(51)	(45)	(2)	-	(618)
Operating income.....	5,238	4,356	375	725	(183)	-	10,511	4,293	333	281	689	(139)	-	5,457
Financial income.....	1,861	351	8	12	24	(2,019)	237	524	2	20	13	2	(415)	146
Financial expenses.....	(2,397)	(890)	(7)	(43)	(47)	2,019	(1,365)	(895)	(6)	(5)	(125)	(14)	415	(630)
Foreign exchange and monetary gains (losses), net.....	2,056	23	(10)	143	43	-	2,255	232	5	(7)	96	(1)	-	325
Gain on sale of investments.....	-	81	237	-	459	-	777	363	-	-	-	-	-	363
Equity in results of affiliates and joint ventures and investments.....	239	4	86	63	67	-	459	235	-	69	56	167	-	527
Income taxes.....	(1,661)	(1,109)	(14)	(201)	-	-	(2,985)	(741)	1	(9)	(131)	(1)	-	(881)
Minority interests.....	(35)	(358)	(1)	(254)	11	-	(637)	(138)	-	-	(214)	-	-	(352)
Net income.....	5,301	2,458	674	445	374	-	9,252	3,873	335	349	384	14	-	4,955
Sales classified by geographic destination:														
Abroad market														
America, except United States.....	1,032	1,087	23	711	-	(786)	2,067	923	1	21	520	-	(574)	891
United States.....	330	1,945	-	163	57	(202)	2,293	420	10	-	29	39	(188)	310
Europe.....	4,874	1,953	11	1,228	-	(2,672)	5,394	3,890	523	13	1,030	-	(1,967)	3,489
Middle East/Africa/Oceania.....	623	262	-	97	98	(274)	806	569	158	-	190	-	(181)	736
Japan.....	1,580	1,649	-	450	-	(703)	2,976	1,243	50	-	405	-	(442)	1,256
China.....	5,612	1,057	4	-	-	(2,351)	4,322	3,500	53	8	100	-	(1,230)	2,431
Asia, other than Japan and China.....	1,171	2,407	1	16	-	(586)	3,009	947	222	2	10	-	(494)	687
	15,222	10,360	39	2,665	155	(7,574)	20,867	11,492	1,017	44	2,284	39	(5,076)	9,800
Domestic market.....	2,749	374	1,131	534	-	(952)	3,836	2,002	177	1,037	338	7	(492)	3,069
	17,971	10,734	1,170	3,199	155	(8,526)	24,703	13,494	1,194	1,081	2,622	46	(5,568)	12,869



Results by segment - before eliminations (Disaggregated) - (Unaudited)

As of and for the nine-month period ended (Unaudited)
September 30, 2007

	Revenues			Value added tax	Net revenues	Cost and expenses	Net	Depreciation, depletion and amortization	Operating income	Property, Plant and Equipment, Net	Addition to Property, Plant and Equipment	Investments
	Abroad	Domestic	Total									
Ferrous												
Iron ore.....	7,055	1,504	8,559	(212)	8,347	(2,998)	5,349	(555)	4,794	15,071	1,538	53
Pellets.....	1,627	385	2,012	(86)	1,926	(1,370)	556	(61)	495	1,529	61	681
Manganese.....	27	13	40	(4)	36	(45)	(9)	(5)	(14)	72	1	-
Ferroalloys.....	264	172	436	(44)	392	(305)	87	(17)	70	178	10	-
	8,973	2,074	11,047	(346)	10,701	(4,718)	5,983	(638)	5,345	16,850	1,610	734
Non ferrous												
Nickel and other products (*).....	9,184	114	9,298	-	9,298	(4,679)	4,619	(557)	4,062	23,170	1,383	269
Potash.....	-	120	120	(7)	113	(73)	40	(16)	24	188	13	-
Kaolin.....	140	24	164	(7)	157	(188)	(31)	(23)	(54)	298	31	-
Copper concentrate.....	488	111	599	(24)	575	(310)	265	(43)	222	1,747	111	-
	9,812	369	10,181	(38)	10,143	(5,250)	4,893	(639)	4,254	25,403	1,538	269
Aluminum												
Alumina.....	794	-	794	-	794	(587)	207	(39)	168	2,496	389	-
Aluminum.....	1,002	218	1,220	(45)	1,175	(590)	585	(30)	555	717	256	-
Bauxite.....	36	-	36	3	39	(48)	(9)	(5)	(14)	873	132	163
	1,832	218	2,050	(42)	2,008	(1,225)	783	(74)	709	4,086	777	163
Logistics												
Railroads.....	-	898	898	(147)	751	(442)	309	(65)	244	840	29	397
Ports.....	3	187	190	(37)	153	(125)	28	(16)	12	1,148	44	-
Ships.....	16	32	48	(3)	45	(44)	1	(3)	(2)	39	12	-
	19	1,117	1,136	(187)	949	(611)	338	(84)	254	2,027	85	397
Others.....	231	58	289	(11)	278	(315)	(37)	(14)	(51)	2,440	96	1,032
	20,867	3,836	24,703	(624)	24,079	(12,119)	11,960	(1,449)	10,511	50,806	4,106	2,595

(*) Includes nickel co-products and by-products (copper, precious metals, cobalt and others).



Results by segment - before eliminations (Disaggregated) - (Unaudited)

									As of and for the nine-month period ended (Unaudited)			
									September 30, 2006			
	Revenues			Value added tax	Net revenues	Cost and expenses	Depreciation, depletion and amortization	Net	Operating income	Property, Plant and Equipment, Net	Addition to Property, Plant and Equipment	Investments
Abroad	Domestic	Total										
Ferrous												
Iron ore.....	6,004	1,376	7,380	(212)	7,168	(2,877)	4,291	(376)	3,915	12,383	1,796	44
Pellets.....	1,158	277	1,435	(62)	1,373	(899)	474	(36)	438	533	49	471
Manganese.....	28	12	40	(3)	37	(41)	(4)	(3)	(7)	60	12	-
Ferroalloys.....	243	118	361	(31)	330	(323)	7	(14)	(7)	196	23	-
	7,433	1,783	9,216	(308)	8,908	(4,140)	4,768	(429)	4,339	13,172	1,880	515
Non ferrous												
Potash.....	-	100	100	(6)	94	(58)	36	(16)	20	174	9	-
Kaolin.....	126	22	148	(5)	143	(119)	24	(21)	3	233	-	-
Copper concentrate.....	538	58	596	(12)	584	(179)	405	(33)	372	1,352	109	-
	664	180	844	(23)	821	(356)	465	(70)	395	1,759	118	-
Aluminum												
Alumina.....	760	10	770	(10)	760	(529)	231	(26)	205	1,624	263	-
Aluminum.....	830	86	916	(15)	901	(415)	486	(19)	467	390	17	-
Bauxite.....	21	-	21	-	21	(21)	-	-	-	499	178	143
	1,611	96	1,707	(25)	1,682	(965)	717	(45)	672	2,513	458	143
Logistics												
Railroads.....	-	764	764	(132)	632	(378)	254	(55)	199	700	69	198
Ports.....	11	181	192	(32)	160	(98)	62	(12)	50	222	6	-
Ships.....	40	38	78	(7)	71	(81)	(10)	(2)	(12)	3	-	-
	51	983	1,034	(171)	863	(557)	306	(69)	237	925	75	198
Others.....	41	27	68	(4)	64	(245)	(181)	(5)	(186)	1,058	119	834
	9,800	3,069	12,869	(531)	12,338	(6,263)	6,075	(618)	5,457	19,427	2,650	1,690



16 Derivative financial instruments

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

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

For new derivative contracts entered into since January 1, 2007, to protect commodity price volatility on 80% of aluminum product sales over the next two years we have designated such derivatives (forwards and zero-cost collars) as cash flow hedges. The effect of hedge accounting was not material to date.

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

	Interest rates		Products of aluminum area					Total
	(LIBOR)	Currencies	Gold	Copper	Nickel	Platinum		
Unrealized gains (losses) at July 1, 2007.....	8	355	(37)	(292)	(355)	28	(24)	(317)
Financial settlement.....	(4)	(6)	7	28	70	(76)	4	23
Unrealized gains (losses) in the period.....	(6)	279	(7)	96	(69)	50	(5)	338
Effect of exchange rate changes.....	-	23	(2)	(8)	(2)	1	-	12
Unrealized gains (losses) at September 30, 2007.....	(2)	651	(39)	(176)	(356)	3	(25)	56
Unrealized gains (losses) at April 1, 2007.....	2	153	(46)	(293)	(306)	(20)	(26)	(536)
Financial settlement.....	3	(85)	4	39	69	24	4	58
Unrealized gains (losses) in the period.....	3	270	8	(18)	(117)	24	(2)	168
Effect of exchange rate changes.....	-	17	(3)	(20)	(1)	-	-	(7)
Unrealized gains (losses) at June 30, 2007.....	8	355	(37)	(292)	(355)	28	(24)	(317)
Unrealized gains (losses) at July 1, 2006.....	(1)	2	(61)	(252)	-	-	-	(312)
Financial settlement.....	-	-	5	23	-	-	-	28
Unrealized gains (losses) in the period.....	-	33	5	34	3	-	-	75
Effect of exchange rate changes.....	-	-	-	-	-	-	-	-
Unrealized gains (losses) at September 30, 2006.....	(1)	35	(51)	(195)	3	-	-	(209)
Unrealized gains (losses) at January 1, 2007.....	6	(16)	(53)	(318)	(298)	16	(20)	(683)
Financial settlement.....	(4)	(86)	23	96	177	(64)	8	150
Unrealized gains (losses) in the period.....	(4)	709	(2)	86	(235)	50	(13)	591
Effect of exchange rate changes.....	-	44	(7)	(40)	-	1	-	(2)
Unrealized gains (losses) at September 30, 2007.....	(2)	651	(39)	(176)	(356)	3	(25)	56
Unrealized gains (losses) at January 1, 2006.....	(4)	1	(46)	(210)	-	-	-	(259)
Financial settlement.....	1	-	13	79	-	-	-	93
Unrealized gains (losses) in the period.....	2	34	(14)	(45)	3	-	-	(20)
Effect of exchange rate changes.....	-	-	(4)	(19)	-	-	-	(23)
Unrealized gains (losses) at September 30, 2006.....	(1)	35	(51)	(195)	3	-	-	(209)

Except for the cash flow hedges described above, unrealized gains (losses) in the period are included in our income statement under the caption of financial expenses and foreign exchange and monetary gains (losses), net.



Final maturity dates for the above instruments are as follows:

Gold.....	December 2008
Interest rates(LIBOR).....	December 2011
Currencies.....	December 2011
Products of the aluminum area.....	December 2008
Copper concentrate.....	December 2008
Nickel.....	April 2009
Platinum.....	December 2008

We consider the effective management of risk a key objective to support our growth strategy and financial flexibility. In furtherance of this objective, the Board of Directors has established an enterprise market risk management policy and a risk management committee. Under the policy, we measure, monitor, and manage risk at the portfolio level, using a single framework, and consider the natural diversification of our portfolio. We hedge our market risk only when considered necessary to support our corporate strategy or to maintain our target level of financial flexibility. The risk management committee assists our Executive Directors in overseeing and reviewing information regarding our enterprise risk management and framework, including the significant policies, procedures and practices employed to manage risk. Our enterprise risk management policy is designed to promote an effective risk management system and to ensure that enterprise-level risks are reported at least quarterly to the risk management committee.

Under United States GAAP, all derivatives, whether designated in hedging relationships or not, are required to be recorded in the balance sheet at fair value. A derivative must be designated in a hedging relationship in order to qualify for hedge accounting. These standards include a determination of what portions of hedges are deemed to be effective versus ineffective. In general, a hedging relationship is effective when a change in the fair value of the derivative is offset by an equal and opposite change in the fair value of the underlying hedged item. In accordance with these standards, effectiveness tests are performed in order to assess effectiveness and quantify ineffectiveness for all designated hedges. At September 30, 2007, we had outstanding cash flow hedges. A cash flow hedge is a hedge of the exposure to variability in expected future cash flows that is attributable to a particular risk such as a forecasted purchase or sale. If a derivative is designated as a cash flow hedge, the effective portions of the changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in earnings when the hedged item affects earnings. Ineffective portions of changes in the fair value of the derivatives designated as hedges are recognized in earnings. Under United States GAAP, if a portion of a derivative contract is excluded for purposes of effectiveness testing, such as time value, the value of such excluded portion is included in earnings. At September 30, 2007, unrealized net gains in respect of derivative instruments which were not qualified for hedge accounting under United States GAAP amounted to US\$69.

Over-the-counter (OTC) forward and zero-cost collar aluminum contracts are used to smooth the effect of fluctuations in the price of aluminum with respect to forecasted sales of aluminum and alumina. These contracts have been designated as a hedge to our exposure to variability in future cash flows associated with our aluminum and alumina sales. There was no hedge ineffectiveness regarding these contracts since the inception of our cash flow hedge accounting program. At September 30, 2007, US\$23 of deferred net losses on derivative instruments were recorded in other comprehensive income. The maximum term over which cash flows are hedged is 24 months.



17 Subsequent Events

CVRD will operate FNS

In October, 2007 we successfully bid at the auction for the sub-concession to operate a 720 km stretch of the North-South railroad (FNS), running from Açailândia, state of Maranhão, to Palmas, state of Tocantins, in Brazil.

We will pay approximately US\$811 in three installments. The first installment, equal to 50% of the amount will be due on the day of the signing of the contract, by December, 2007. The second installment, equal to 25% of the amount is scheduled to be paid in December 2008, while the last installment will be paid at the time of the completion of the last part of the railroad.

Remuneration to shareholders

In October, 2007 the Board of Directors has approved the second installment of the remuneration to shareholders of US\$825 and an additional remuneration of US\$225, totaling US\$1,050.

* * *



Supplemental Financial Information (unaudited) Additional Information

The following unaudited information provides additional details in relation to certain financial ratios.

EBITDA – Earnings Before Financial Expenses, Minority Interests, Gain on Sale of Investments, Foreign Exchange and Monetary Gains (Losses), Equity in Results of Affiliates and Joint Ventures and Change in Provision for Losses on Equity Investments, Income Taxes, Depreciation and Amortization

- (a) EBITDA represents operating income plus depreciation, amortization and depletion plus impairment/gain on sale of property, plant and equipment plus dividends received from equity investees.
- (b) EBITDA is not a US GAAP measure and does not represent cash flow for the periods presented and should not be considered as an alternative to net income (loss), as an indicator of our operating performance or as an alternative to cash flow as a source of liquidity.
- (c) Our definition of EBITDA may not be comparable with EBITDA as defined by other companies.
- (d) Although EBITDA, as defined above, does not provide a US GAAP measure of operating cash flows, our management uses it to measure our operating performance and financial analysts in evaluating our business commonly use it.

Selected financial indicators for the main affiliates and joint ventures are available on the Company's website, www.cvrd.com.br, under "investor relations"



Indexes on CVRD's Consolidated Debt (Supplemental information - unaudited)

	Three-month period ended			Nine-month period ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Current debt					
Current portion of long-term debt - unrelated parties.....	702	755	978	702	978
Short-term debt.....	2	-	233	2	233
Loans from related parties.....	42	35	46	42	46
	746	790	1,257	746	1,257
Long-term debt					
Long-term debt - unrelated parties.....	17,522	18,284	4,612	17,522	4,612
Loans from related parties.....	-	1	1	-	1
	17,522	18,285	4,613	17,522	4,613
Gross debt (current plus long-term debt)	18,268	19,075	5,870	18,268	5,870
Interest paid over:					
Short-term debt.....	(1)	(39)	(2)	(41)	(8)
Long-term debt.....	(324)	(399)	(146)	(928)	(313)
Interest paid	(325)	(438)	(148)	(969)	(321)
EBITDA.....	4,001	5,057	2,722	12,242	6,527
Stockholders' equity.....	33,552	29,085	18,880	33,552	18,880
LTM (2) EBITDA / LTM (2) Interest paid.....	12.17	13.00	21.63	12.17	21.63
Gross Debt / LTM (2) EBITDA.....	1.23	1.40	0.71	1.23	0.71
Gross debt / Equity Capitalization (%).....	35	40	24	35	24
Financial expenses					
Third party - local debt.....	(118)	(140)	(12)	(381)	(38)
Third party - foreign debt.....	(189)	(220)	(56)	(651)	(164)
Related party debt.....	-	(1)	(1)	(3)	(5)
Gross interest.....	(307)	(361)	(69)	(1,035)	(207)
Labor and civil claims and tax-related actions.....	(19)	(25)	(29)	(59)	(81)
Tax on financial transactions - CPMF.....	(20)	(32)	(18)	(105)	(57)
Derivatives (Interest rate / Currencies).....	297	279	32	737	34
Derivatives (Gold / Alumina / Aluminum / Copper / Energy).....	98	(161)	43	(139)	(79)
Call option premium.....	-	-	(86)	-	(86)
Others.....	(247)	(208)	(45)	(764)	(154)
	(198)	(508)	(172)	(1,365)	(630)
Financial income					
Cash and cash equivalents.....	16	33	44	73	104
Others.....	23	44	15	164	42
	39	77	59	237	146
Financial expenses, net.....	(159)	(431)	(113)	(1,128)	(484)
Foreign exchange and monetary gain (losses), net (1).....	553	932	38	2,255	325
Financial result, net.....	394	501	(75)	1,127	(159)

(1) Includes foreign exchange gain(loss) on derivatives in the amount of US\$7, US\$14, US\$0, US\$31, US\$23 for the three-month period ended September 30, 2007, June 30, 2007 and September 30, 2006 and for the nine-month period ended September 30, 2007 and September 30, 2006, respectively.

(2) Last twelve months



Calculation of EBITDA (Supplemental information - Unaudited)

	Three-month period ended			Nine-month period ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Operating income.....	3,430	4,379	2,248	10,511	5,457
Depreciation.....	532	525	232	1,449	618
	3,962	4,904	2,480	11,960	6,075
Dividends received.....	39	153	242	282	452
EBITDA.....	4,001	5,057	2,722	12,242	6,527
Net operating revenues	7,898	8,692	4,852	24,079	12,338
Margin EBITDA.....	50.7%	58.2%	56.1%	50.8%	52.9%

Adjusted EBITDA x Operating Cash Flows (Supplemental information - Unaudited)

	Three-month period ended					
	September 30, 2007		June 30, 2007		September 30, 2006	
	EBITDA	Operating cash flows	EBITDA	Operating cash flows	EBITDA	Operating cash flows
Net income.....	2,940	2,940	4,095	4,095	1,904	1,904
Income tax - deferred.....	(28)	(28)	(87)	(87)	(71)	(71)
Income tax - current.....	975	-	1,483	-	419	-
Equity in results of affiliates and joint ventures and other investments.....	(165)	(165)	(156)	(156)	(187)	(187)
Foreign exchange and monetary gains, net.....	(553)	(565)	(932)	(1,224)	(38)	25
Financial expenses, net.....	159	9	431	(57)	113	(55)
Minority interests.....	205	205	219	219	124	124
Gain on sale of investments.....	(103)	(103)	(674)	(674)	(16)	(16)
Net working capital.....	-	243	-	1,029	-	51
Others.....	-	(267)	-	(193)	-	(74)
Operating income	3,430	2,269	4,379	2,952	2,248	1,701
Depreciation, depletion and amortization.....	532	532	525	525	232	232
Dividends received.....	39	39	153	153	242	242
	4,001	2,840	5,057	3,630	2,722	2,175
Operating cash flows		2,840		3,630		2,175
Income tax.....		975		1,483		419
Foreign exchange and monetary gains.....		12		292		(63)
Financial expenses.....		150		488		168
Net working capital.....		(243)		(1,029)		(51)
Others.....		267		193		74
EBITDA.....		4,001		5,057		2,722



	Nine-month period ended			
			September 30, 2006	
	EBITDA	Operating cash flows	EBITDA	Operating cash flows
Net income.....	9,252	9,252	4,955	4,955
Income tax - deferred.....	(306)	(306)	62	62
Income tax - current.....	3,291	-	819	-
Equity in results of affiliates and joint ventures and other investments.....	(459)	(459)	(527)	(527)
Foreign exchange and monetary gains, net.....	(2,255)	(2,561)	(325)	(341)
Financial expenses, net.....	1,128	125	484	(43)
Minority interests.....	637	637	352	352
Gain on sale of investments.....	(777)	(777)	(363)	(363)
Net working capital.....	-	1,632	-	(820)
Others.....	-	(522)	-	44
Operating income	10,511	7,021	5,457	3,319
Depreciation, depletion and amortization.....	1,449	1,449	618	618
Dividends received.....	282	282	452	452
	12,242	8,752	6,527	4,389
Operating cash flows		8,752		4,389
Income tax.....		3,291		819
Foreign exchange and monetary gains.....		306		16
Financial expenses.....		1,003		527
Net working capital.....		(1,632)		820
Others.....		522		(44)
EBITDA.....		12,242		6,527



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Chairman

Mário da Silveira Teixeira Júnior
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Vera Lúcia de Almeida Pereira Elias
Chief Accountant
CRC-RJ - 043059/O-8

EQUITY INVESTEE INFORMATION – 09/30/2007

Aluminum Area – Valesul (Additional information - Unaudited)

Information		2007					2006				
		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	March 31	June 30	September 30	December 31	Total
Quantity sold - external market	MT (thousand)	9	10	8		27	9	10	12	9	40
Quantity sold - internal market	MT (thousand)	10	16	15		41	13	14	13	13	53
Quantity sold - total	MT (thousand)	19	26	23		68	22	24	25	22	93
Average sales price - external market	US\$	2,828.64	2,902.69	2,750.68		2,828.64	2,545.22	2,804.50	0.00	2,919.54	2,783.12
Average sales price - internal market	US\$	4,037.71	4,068.49	4,045.36		4,037.71	2,572.31	2,816.29	2,690.63	2,812.62	2,724.72
Average sales price - total	US\$	3,512.03	3,652.13	3,696.79		3,512.03	2,561.23	2,811.38	3,059.10	2,984.18	2,848.89
Stockholders' equity	US\$	141	374	391		391	123	133	140	120	120
Net operating revenues	US\$	70	72	65		207	58	69	66	67	260
Cost of products	US\$	(48)	(55)	(52)		(155)	(46)	(48)	(54)	(53)	(201)
Other expenses / revenues	US\$	(4)	(4)	(6)		(14)	(2)	(3)	(3)	(4)	(12)
Depreciation, amortization and depletion	US\$	(2)	(2)	(4)		(8)	(2)	(1)	(1)	-	(4)
EBITDA	US\$	16	11	3		30	8	17	8	10	43
Depreciation, amortization and depletion	US\$	2	2	4		8	2	1	1	-	4
EBIT	US\$	18	13	7		38	10	18	9	10	47
Net financial result	US\$	-	-	1		1	2	(1)	1	-	2
Income before income tax and social contribution	US\$	18	12	8		39	12	17	10	10	49
Income tax and social contribution	US\$	(3)	(3)	(3)		(9)	(4)	(3)	(6)	(5)	(18)
Net income	US\$	15	9	5		30	8	14	4	4	31

Aluminum Area – MRN (Additional information - Unaudited)

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - external market	MT (thousand)	1,386	1,356	1,522		4,264	1,127	890	755	730	3,502
Quantity sold - internal market	MT (thousand)	3,350	2,969	2,939		9,258	2,428	3,503	4,187	3,466	13,584
Quantity sold - total	MT (thousand)	4,736	4,325	4,461		13,522	3,555	4,393	4,942	4,196	17,086
Average sales price - external market	US\$	33.35	32.47	33.29		33.05	26.63	27.25	27.74	32.08	28.16
Average sales price - internal market	US\$	27.04	27.04	27.69		27.25	21.93	24.09	23.89	26.02	24.13
Average sales price - total	US\$	28.89	28.74	29.60		29.08	23.42	24.73	24.48	27.07	24.96
Long-term indebtedness, gross	US\$	38,936	35,488	26,516		26,516	64	53	98	39	39
Short-term indebtedness, gross	US\$	204,362	223,553	207,048		207,048	181	198	255	189	189
Total indebtedness, gross	US\$	243,298	259,041	233,564		233,564	245	251	353	228	228
Stockholders' equity	US\$	305	354	407		407	378	315	359	409	409
Net operating revenues	US\$	132	125	128		385	83	104	119	110	416
Cost of products	US\$	(64)	(66)	(60)		(190)	(49)	(67)	(69)	(44)	(229)
Other expenses / revenues	US\$	(5)	(4)	(6)		(15)	1	6	(1)	(8)	(2)
Depreciation, amortization and depletion	US\$	13	14	13		40	13	12	9	18	52
EBITDA	US\$	76	69	75		220	48	55	58	76	237
Depreciation, amortization and depletion	US\$	(13)	(14)	(13)		(40)	(13)	(12)	(9)	(18)	(52)
EBIT	US\$	63	55	62		180	35	43	49	58	185
Net financial result	US\$	(1)	(1)	(2)		(4)	(1)	(1)	(1)	(2)	(5)
Income before income tax and social contribution	US\$	62	54	60		176	34	42	48	56	180
Income tax and social contribution	US\$	(6)	(5)	(7)		(18)	(5)	(6)	(5)	(5)	(21)
Net income	US\$	56	49	53		158	29	36	43	51	159

Aluminum Area – Albras (Additional information - Unaudited) - Consolidated Subsidiary

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - external market	MT (thousand)	108	123	108		339	106	107	111	92	416
Quantity sold - internal market	MT (thousand)	7	6	7		20	6	5	5	6	22
Quantity sold - total	MT (thousand)	115	129	115		359	112	112	116	98	438
Average sales price - external market	US\$	2,688.76	2,726.53	2,631.55		2,684.24	2,292.06	2,571.71	2,436.23	2,520.88	2,453.06
Average sales price - internal market	US\$	2,500.55	2,688.83	2,599.78		2,591.76	1,823.50	2,422.20	2,427.20	2,693.33	2,334.00
Average sales price - total	US\$	2,677.30	2,724.78	2,585.19		2,677.30	2,266.96	2,565.04	2,374.43	2,530.96	2,422.77
Long-term indebtedness, gross	US\$	319	303	306		306	396	356	341	316	316
Short-term indebtedness, gross	US\$	4	9	2		2	102	51	15	30	30
Total indebtedness, gross	US\$	323	312	308		308	498	407	356	346	346
Stockholders' equity	US\$	736	788	936		936	559	564	645	616	616
Net operating revenues	US\$	309	353	299		961	255	288	283	247	1,073
Cost of products	US\$	(197)	(232)	(206)		(635)	(164)	(172)	(185)	(158)	(679)
Other expenses / revenues	US\$	(11)	(15)	(17)		(43)	(10)	(10)	(14)	(9)	(43)
Depreciation, amortization and depletion	US\$	7	8	8		23	6	6	6	5	23
EBITDA	US\$	108	114	84		306	87	112	90	85	374
Depreciation, amortization and depletion	US\$	(7)	(8)	(8)		(23)	(6)	(6)	(6)	(5)	(23)
EBIT	US\$	101	106	76		283	81	106	84	80	351
Net financial result	US\$	16	(9)	67		74	18	(35)	22	(67)	(62)
Income (loss) before income tax and social contribution	US\$	117	97	143		357	99	71	106	13	289
Income tax and social contribution	US\$	(23)	(58)	(42)		(123)	(29)	(14)	(22)	(10)	(75)
Net income (loss)	US\$	94	39	101		234	70	57	84	3	214

Aluminum Area – Alunorte (Additional information - Unaudited) - Consolidated Subsidiary

Information		2007					2006				
		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	March 31	June 30	September 30	December 31	Total
Quantity sold - external market	MT (thousand)	699	769	828		2,296	478	783	793	928	2,982
Quantity sold - internal market	MT (thousand)	244	252	248		744	243	219	273	223	958
Quantity sold - total	MT (thousand)	943	1,021	1,076		3,040	721	1,002	1,066	1,151	3,940
Average sales price - external market	US\$	344.85	350	340.23		344.91	297.29	345.53	317.55	327.24	324.66
Average sales price - internal market	US\$	309.77	312	306.88		309.56	265.70	306.45	285.59	297.04	287.98
Average sales price - total	US\$	335.77	340	332.54		336.05	286.64	336.99	309.37	321.39	315.75
Long-term indebtedness, gross	US\$	528	557	466		466	604	575	550	480	480
Short-term indebtedness, gross	US\$	-	-	18		18	52	-	-	-	-
Total indebtedness, gross	US\$	528	557	484		484	656	575	550	480	480
Stockholders' equity	US\$	1,686	1,903	2,197		2,197	1,042	1,203	1,365	1,425	1,425
Net operating revenues	US\$	314	342	369		1,025	207	338	331	370	1,246
Cost of products	US\$	(181)	(217)	(246)		(644)	(140)	(180)	(199)	(209)	(728)
Other expenses / revenues	US\$	(2)	(15)	(7)		(24)	(5)	(6)	(5)	(8)	(24)
Depreciation, amortization and depletion	US\$	12	14	13		39	8	8	10	12	38
EBITDA	US\$	143	124	129		396	70	160	137	165	532
Depreciation, amortization and depletion	US\$	(12)	(14)	(13)		(39)	(8)	(8)	(10)	(12)	(38)
EBIT	US\$	131	110	116		357	62	152	127	153	494
Net financial result	US\$	19	(14)	34		39	7	(22)	(9)	(73)	(97)
Income (loss) before income tax and social contribution	US\$	150	96	150		396	69	130	118	80	397
Income tax and social contribution	US\$	(19)	(12)	(38)		(69)	(17)	(22)	(20)	(43)	(102)
Net income (loss)	US\$	131	84	112		327	52	108	98	37	295

Pelletizing Affiliates – Kobrasco (Additional information - Unaudited)

Information		2007					2006				
		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	March 31	June 30	September 30	December 31	Total
Quantity sold - external market	MT (thousand)	323	83	155		561	525	616	421	670	2,232
Quantity sold - internal market	MT (thousand)	895	1,120	1,050		3,065	797	510	760	516	2,583
Quantity sold - total	MT (thousand)	1,218	1,203	1,205		3,626	1,322	1,126	1,181	1,186	4,815
Average sales price - external market	US\$	70.85	70.85	70.23		70.68	73.32	71.38	71.02	70.27	71.44
Average sales price - internal market	US\$	71.75	71.75	80.03		74.59	73.75	71.27	71.85	72.17	72.39
Average sales price - total	US\$	71.51	71.51	78.77		73.92	73.58	71.33	71.55	71.10	71.95
Long-term indebtedness, gross	US\$	55	55	55		55	26	25	34	55	55
Total indebtedness, gross	US\$	55	55	55		55	26	25	34	55	55
Stockholders' equity	US\$	84	70	83		83	63	73	78	80	80
Net operating revenues	US\$	87	90	96		273	97	80	84	84	345
Cost of products	US\$	(73)	(74)	(82)		(229)	(71)	(65)	(70)	(75)	(281)
Other expenses / revenues	US\$	(1)	(2)	(1)		(4)	(1)	(1)	(5)	(5)	(12)
Depreciation, amortization and depletion	US\$	1	2	2		5	1	1	1	1	4
EBITDA	US\$	14	16	15		45	26	15	10	5	56
Depreciation, amortization and depletion	US\$	(1)	(2)	(2)		(5)	(1)	(1)	(1)	(1)	(4)
EBIT	US\$	13	14	13		40	25	14	9	4	52
Net financial result	US\$	2	3	3		8	4	-	(1)	-	3
Income (loss) before income tax and social contribution	US\$	15	17	16		48	29	14	8	4	55
Income tax and social contribution	US\$	(5)	(7)	(5)		(17)	(10)	(5)	(4)	(3)	(22)
Net income (loss)	US\$	10	10	11		31	19	9	4	1	33

Pelletizing Affiliates – Hispanobras (Additional information - Unaudited)

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - external market	MT (thousand)	565	504	527		1,596	524	623	613	439	2,199
Quantity sold - internal market	MT (thousand)	800	620	510		1,930	450	450	680	595	2,175
Quantity sold - total	MT (thousand)	1,365	1,124	1,037		3,526	974	1,073	1,293	1,034	4,374
Average sales price - external market	US\$	69.26	77.40	72.50		72.90	71.62	67.87	68.98	69.08	69.31
Average sales price - internal market	US\$	72.97	79.73	74.88		75.65	71.92	69.95	73.14	72.66	72.10
Average sales price - total	US\$	71.43	78.69	73.67		74.40	71.76	68.74	71.17	71.14	70.70
Short-term indebtedness, gross	US\$	6	9	14		14	8	20	30	-	30
Total indebtedness, gross	US\$	6	9	14		14	8	20	30	-	30
Stockholders' equity	US\$	89	78	-		78	62	65	72	82	82
Net operating revenues	US\$	97	89	76		262	70	74	91	74	309
Cost of products	US\$	(77)	(74)	(66)		(217)	(50)	(66)	(74)	(58)	(248)
Other expenses / revenues	US\$	(1)	(2)	(1)		(4)	(2)	(2)	(5)	(2)	(11)
Depreciation, amortization and depletion	US\$	1	-	-		1	(1)	(1)	(1)	(1)	(4)
EBITDA	US\$	20	13	9		42	17	5	11	13	46
Depreciation, amortization and depletion	US\$	(1)	-	-		(1)	1	1	1	1	4
EBIT	US\$	19	13	9		41	18	6	12	14	50
Net financial result	US\$	(2)	(1)	(1)		(4)	(2)	(1)	1	-	(2)
Income (loss) before income tax and social contribution	US\$	17	12	8		37	16	5	13	14	48
Income before income tax and social contribution	US\$	(6)	(5)	(2)		(13)	(6)	(2)	(6)	(5)	(19)
Net income	US\$	11	7	6		24	10	3	7	9	29

Pelletizing Affiliates – Itabasco (Additional information - Unaudited)

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - external market	MT (thousand)	589	701	282		1,572	661	820	905	822	3,208
Quantity sold - internal market	MT (thousand)	283	657	562		1,502	148	300	203	144	795
Quantity sold - total	MT (thousand)	872	1,358	844		3,074	809	1,120	1,108	966	4,003
Average sales price - external market	US\$	75.72	74.48	77.40		75.47	71.43	70.93	70.81	70.65	70.93
Average sales price - internal market	US\$	71.33	73.81	75.02		73.80	73.37	70.07	66.32	66.38	69.06
Average sales price - total	US\$	73.53	74.16	75.82		74.44	71.78	70.70	69.99	70.01	70.56
Short-term indebtedness, gross	US\$	-	23	32		32	8	6	2	-	-
Total indebtedness, gross	US\$	-	23	32		32	8	6	2	-	-
Stockholders' equity	US\$	76	61	69		69	55	59	65	71	71
Net operating revenues	US\$	65	101	59		225	58	79	79	67	283
Cost of products	US\$	(53)	(86)	(51)		(190)	(44)	(69)	(66)	(54)	(233)
Other expenses / revenues	US\$	1	(3)	-		(2)	(2)	(1)	-	(3)	(6)
Depreciation, amortization and depletion	US\$	1	1	-		2	(1)	-	-	1	-
EBITDA	US\$	14	13	8		35	11	9	13	11	44
Depreciation, amortization and depletion	US\$	(1)	(1)	-		(2)	1	-	-	(1)	-
EBIT	US\$	13	12	8		33	12	9	13	10	44
Net financial result	US\$	(1)	(1)	-		(2)	-	(2)	(1)	-	(3)
Income before income tax and social contribution	US\$	12	11	8		31	12	7	12	10	41
Income tax and social contribution	US\$	(4)	(5)	(3)		(12)	(4)	(3)	(5)	(5)	(17)
Net income	US\$	8	6	5		19	8	4	7	5	24

Pelletizing Affiliates – Nibrasco (Additional information - Unaudited)

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - external market	MT (thousand)	658	26	595		1,279	743	880	1,102	1,105	3,830
Quantity sold - internal market - CVRD	MT (thousand)	1,298	1,560	944		3,802	707	968	745	1,022	3,442
Quantity sold - internal market - Others	MT (thousand)	35	-	-		35	34	35	35	35	139
Quantity sold - total	MT (thousand)	1,991	1,586	1,539		5,116	1,484	1,883	1,882	2,162	7,411
Average sales price - external market	US\$	69.98	3,097.42	72.73		132.80	73.36	70.39	70.88	69.39	70.82
Average sales price - internal market	US\$	67.80	21.62	71.32		49.89	67.69	67.54	65.43	67.51	67.10
Average sales price - total	US\$	67.33	72.04	71.85		67.32	68.98	67.62	67.40	67.38	68.91
Long-term indebtedness, gross	US\$	3	27	2		2	4	4	3	3	3
Total indebtedness, gross	US\$	3	27	57		29	4	4	3	3	3
Stockholders' equity	US\$	93	97	112		112	101	72	71	78	78
Net operating revenues	US\$	146	130	128		404	124	138	136	151	549
Cost of products	US\$	(124)	(124)	(117)		(365)	(93)	(114)	(116)	(129)	(452)
Other expenses / revenues	US\$	(2)	(8)	2		(8)	(3)	(3)	(21)	(4)	(31)
Depreciation, amortization and depletion	US\$	1	1	2		4	1	1	1	1	4
EBITDA	US\$	21	(1)	15		35	29	22	-	19	70
Depreciation, amortization and depletion	US\$	(1)	(1)	(2)		(4)	(1)	(1)	(1)	(1)	(4)
EBIT	US\$	20	(2)	13		31	28	21	(1)	18	66
Net financial result	US\$	-	1	-		1	1	-	-	-	1
Income (loss) before income tax and social contribution	US\$	20	(1)	13		32	29	21	(1)	18	67
Income tax and social contribution	US\$	(7)	(1)	(4)		(12)	(11)	(7)	-	(13)	(31)
Net income	US\$	13	(2)	9		20	18	14	(1)	5	36

Pelletizing Affiliates – Samarco (Additional information - Unaudited)

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - Pellets	MT (thousand)	3,003	3,742	3,241		9,986	2,324	3,798	3,648	4,302	14,072
Quantity sold - Iron ore	MT (thousand)	463	638	302		1,403	509	671	169	543	1,892
Average sales price - Pellets	US\$	77.51	82.38	83.61		81.31	85.51	68.19	74.83	75.39	74.97
Average sales price - Iron ore	US\$	46.79	46.78	45.30		46.46	35.15	39.06	41.68	43.41	39.49
Long-term indebtedness, gross	US\$	738	817	808		808	38	34	435	542	542
Short-term indebtedness, gross	US\$	192	324	398		398	272	353	295	266	266
Total indebtedness, gross	US\$	930	1,141	1,206		1,206	310	387	730	808	808
Stockholders' equity	US\$	688	754	878		878	649	788	547	638	638
Net operating revenues	US\$	253	338	299		890	222	295	281	345	1,143
Cost of products	US\$	(109)	(140)	(129)		(378)	(85)	(99)	(104)	(115)	(403)
Other expenses / revenues	US\$	(32)	(63)	(32)		(127)	(52)	(24)	(26)	(67)	(169)
Depreciation, amortization and depletion	US\$	10	11	12		33	8	9	9	9	35
EBITDA	US\$	122	146	150		418	93	181	160	172	606
Depreciation, amortization and depletion	US\$	(10)	(11)	(12)		(33)	(8)	(9)	(9)	(9)	(35)
EBIT	US\$	112	135	138		385	85	172	151	163	571
Gain on investments accounted for by the equity method	US\$	2	3	7		12	4	4	-	3	11
Net financial result	US\$	35	14	25		74	7	(17)	(9)	5	(14)
Income (loss) before income tax and social contribution	US\$	149	152	170		471	96	159	142	171	568
Income tax and social contribution	US\$	(29)	(34)	(35)		(98)	(18)	(26)	(27)	(39)	(110)
Net income (loss)	US\$	120	118	135		373	78	133	115	132	458

Manganese and Ferroalloys Area – RDM (Additional information - Unaudited) - Consolidated Subsidiary

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - external market - Ferroalloys	MT (thousand)	18	23	22		63	21	47	28	41	137
Quantity sold - internal market - Ferroalloys	MT (thousand)	37	39	40		116	31	40	43	43	157
Quantity sold - total	MT (thousand)	55	62	62		179	52	87	71	84	294
Quantity sold - external market - Manganese	MT (thousand)	100	288	176		564	206	187	252	286	931
Quantity sold - internal market - Manganese	MT (thousand)	42	53	61		156	56	36	50	36	178
Quantity sold - total	MT (thousand)	142	341	237		720	262	223	302	322	1,109
Average sales price - external market - Ferroalloys	US\$	1,014.22	1,054.70	1,422.82		1,171.68	713.33	804.68	881.75	567.76	735.53
Average sales price - internal market - Ferroalloys	US\$	867.78	1,017.69	1,396.40		1,100.46	744.32	717.48	776.44	826.00	768.65
Average sales price - total	US\$	915.71	1,031.42	1,405.77		1,125.53	731.80	764.59	817.97	699.95	753.21
Average sales price - external market - Manganese	US\$	62.71	60.66	64.47		62.21	47.52	48.06	45.31	51.66	48.30
Average sales price - internal market - Manganese	US\$	69.31	64.15	73.41		69.16	70.04	74.03	73.36	83.61	74.52
Average sales price - total	US\$	64.66	61.20	66.77		63.73	52.33	52.25	49.95	55.23	52.52
Long-term indebtedness, gross	US\$	82	92	-		92	99	93	93	95	95
Total indebtedness, gross	US\$	82	92	-		92	99	93	93	95	95
Stockholders' equity	US\$	194	203	216		203	283	267	233	186	186
Net operating revenues	US\$	60	84	95		239	60	78	65	85	288
Cost of products	US\$	(49)	(70)	(69)		(188)	(51)	(70)	(67)	(68)	(256)
Other expenses / revenues	US\$	(7)	(12)	(11)		(30)	(7)	(19)	(35)	(56)	(117)
Depreciation, amortization and depletion	US\$	4	6	4		14	3	4	3	4	14
EBITDA	US\$	8	8	19		35	5	(7)	(34)	(35)	(71)
Depreciation, amortization and depletion	US\$	(4)	(6)	(4)		(14)	(3)	(4)	(3)	(4)	(14)
EBIT	US\$	4	2	15		21	2	(11)	(37)	(39)	(85)
Net financial result	US\$	(5)	(7)	(14)		(26)	(9)	(5)	(4)	(4)	(22)
Income before income tax and social contribution	US\$	(1)	(5)	1		(5)	(7)	(16)	(41)	(43)	(107)
Income tax and social contribution	US\$		-	2		2	(1)	6	3	(2)	6
Net income	US\$	(1)	(5)	3		(3)	(8)	(10)	(38)	(45)	(101)

Manganese and Ferroalloys Area – Urucum (Additional information - Unaudited) - Consolidated Subsidiary

Information		2007					2006				
		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	March 31	June 30	September 30	December 31	Total
Quantity sold - external market - Iron ore	MT (thousand)	262	-	74		336	262	249	226	331	1,068
Quantity sold - internal market - Iron ore	MT (thousand)	17	24	24		65	21	22	20	14	77
Quantity sold - total	MT (thousand)	279	24	98		401	283	271	246	345	1,145
Quantity sold - external market - Manganese	MT (thousand)	9	7	14		30	3	42	28	11	84
Quantity sold - internal market - Manganese	MT (thousand)	52	69	60		181	28	16	21	30	95
Quantity sold - total	MT (thousand)	61	76	74		211	31	58	49	41	179
Quantity sold - external market - Ferroalloys	MT (thousand)	3	7	4		14	3	1	9	6	19
Quantity sold - internal market - Ferroalloys	MT (thousand)	-		1		1	4	-	-	1	5
Quantity sold - total	MT (thousand)	3	7	5		15	7	1	9	7	24
Average sales price - external market - Iron ore	US\$	33.85	-	34.23		33.93	32.66	35.50	35.42	35.77	34.87
Average sales price - internal market - Iron ore	US\$	25.35	23.63	22.71		23.74	26.19	29.91	27.95	26.71	27.80
Average sales price - total	US\$	32.49	23.63	32.90		32.06	32.18	35.05	34.81	35.40	34.39
Average sales price - external market - Manganese	US\$	82.67	75.86	77.00		78.44	131.67	42.90	98.79	64.36	67.51
Average sales price - internal market - Manganese	US\$	88.60	69.23	19.07		58.17	104.39	81.94	65.48	86.80	86.45
Average sales price - total	US\$	87.73	69.84	30.03		61.05	107.03	53.67	84.51	80.78	77.56
Average sales price - external market - Ferroalloys	US\$	1,061.33	853.71	1,757.75		1,156.50	785.33	872.00	695.89	950.50	799.68
Average sales price - internal market - Ferroalloys	US\$	-	-	50.63		-	527.00	-	-	2,160.43	853.69
Average sales price - total	US\$	1,061.33	853.71	1,416.33		1,082.77	637.71	872.00	695.89	1,123.35	810.93
Long-term indebtedness, gross	US\$	37	41	45		123	28	31	35	35	35
Total indebtedness, gross	US\$	37	41	45		123	28	31	35	35	35
Stockholders' equity	US\$	17	8	14		14	19	18	19	21	21
Net operating revenues	US\$	12	10	20		42	16	14	19	21	70
Cost of products	US\$	(7)	(10)	(10)		(27)	(9)	(7)	(12)	(13)	(41)
Other expenses / revenues	US\$	(7)	(2)	(5)		(14)	(3)	(1)	(3)	(6)	(13)
Depreciation, amortization and depletion	US\$	1	-	3		4	1	-	-	2	3
EBITDA	US\$	(1)	(2)	8		5	5	6	4	4	19
Depreciation, amortization and depletion	US\$	(1)	-	(3)		(4)	(1)	-	-	(2)	(3)
EBIT	US\$	(2)	(2)	5		1	4	6	4	2	16
Net financial result	US\$	(2)	(2)	(2)		(6)	(3)	(2)	-	(3)	(8)
Income before income tax and social contribution	US\$	(4)	(4)	3		(5)	1	4	4	(1)	8
Income tax and social contribution	US\$	-	0	1		1	-	(2)	(1)	-	(3)
Net income	US\$	(4)	(4)	4		(4)	1	2	3	(1)	5

Manganese and Ferroalloys Area – RDME (Additional information - Unaudited) - Consolidated Subsidiary

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - external market - Sinter	MT (thousand)	-	-			-	40	29	-	-	69
Quantity sold - external market - Manganese	MT (thousand)	43	55	32		130	132	143	200	302	777
Quantity sold - external market - Ferroalloys	MT (thousand)	45	36	31		112	51	42	34	36	163
Average sales price - external market - Sinter	US\$	-	-	-		-	111.02	116.69	-	-	113.40
Average sales price - external market - Manganese	US\$	76.51	104.96	112.50		97.41	81.70	73.47	77.96	20.24	77.65
Average sales price - external market - Ferroalloys	US\$	749.38	790.86	1,222.68		893.72	625.41	676.90	701.15	893.83	713.76
Short-term indebtedness, gross	US\$	-	-	-		-	4	-	-	-	-
Total indebtedness, gross	US\$	-	-	-		-	4	-	-	-	-
Stockholders' equity	US\$	94	98	107		107	85	87	86	94	94
Net operating revenues	US\$	48	47	58		153	55	48	50	51	204
Cost of products	US\$	(38)	(42)	(40)		(120)	(57)	(47)	(46)	(46)	(196)
Other expenses / revenues	US\$	(12)	-	(14)		(26)	(2)	(4)	(4)	(1)	(11)
Depreciation, amortization and depletion	US\$	2	1	1		4	1	-	1	2	4
EBITDA	US\$	-	6	5		11	(3)	(3)	1	6	1
Depreciation, amortization and depletion	US\$	(2)	(1)	(1)		(4)	(1)	-	(1)	(2)	(4)
EBIT	US\$	(2)	5	4		7	(4)	(3)	-	4	(3)
Net financial result	US\$	-		1		1	-	-	-	-	-
Income before income tax and social contribution	US\$	(2)	5	5		8	(4)	(3)	-	4	(3)
Income tax and social contribution	US\$	-	(2)	(1)		(3)	-	-	-	-	-
Net income	US\$	(2)	3	4		5	(4)	(3)	-	4	(3)

Steel Area – CSI (Additional information - Unaudited)

Information		2007					2006				
		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		March 31	June 30	September 30	December 31	
Quantity sold - external market	MT (thousand)	432	444	752		1,628	490	526	505	409	1,930
Average sales price - external market	US\$	728.68	755.59	766.32		728.68	648.47	664.44	757.55	757.21	657.38
Stockholders' equity	US\$	330	338	339		339	344	380	341	350	350
Net operating revenues	US\$	315	336	335		986	318	349	382	309	1,358
Cost of products	US\$	(304)	(311)	(327)		(942)	(257)	(279)	(315)	(291)	(1,142)
Other expenses / revenues	US\$	(8)	(8)	(7)		(23)	(8)	(7)	(8)	(7)	(30)
Depreciation, amortization and depletion	US\$	7	7	8		22	7	8	7	6	28
EBITDA	US\$	10	24	9		43	60	71	66	17	214
Depreciation, amortization and depletion	US\$	(7)	(7)	(8)		(22)	(7)	(8)	(7)	(7)	(28)
EBIT	US\$	3	17	1		21	53	63	59	10	186
Net financial result	US\$	(1)	(3)	2		(2)	(2)	(2)	(4)	3	(5)
Income (loss) before income tax and social contribution	US\$	2	14	3		19	51	61	55	13	181
Income tax and social contribution	US\$	(1)	(6)	(1)		(8)	(21)	(25)	(20)	(6)	(72)
Net income (loss)	US\$	1	8	2		11	30	36	35	7	109

Nickels Area – INCO (Adjusted and Unaudited)

Information		2007					2006				
		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	March 31	June 30	September 30	December 31	Total
Quantity sold - external market - Precious Metals	(Kg (thousand))	22	18	29		69	-	-	-	24	24
Average sales price - external market - Precious Metals	US\$	4,190.36	5,922	4,384		4,903.30	-	-	-	4,367	4,367
Quantity sold - internal market - Nickel	MT (thousand)	1	1	1		1					
Quantity sold - external market - Nickel	MT (thousand)	70	67	61		65	-	-	-	73	73
Quantity sold - total	MT (thousand)	71	68	62		71				73	73
Average sales price - internal market - Nickel	US\$	42,664.00	57,753.00	12,988.00		57,753.00					
Average sales price - external market - Nickel	US\$	40,243.57	46,843.00	32,077.00		46,843.00	-	-	-	32,105	32,105
Average sales price - total	US\$	82,907.57	104,596.00	45,065.00		78,572.27					
Quantity sold - external market - Cobalt	MT (thousand)	1	-	1		1	-	-	-	1	1
Average sales price - external market - Cobalt	US\$	49,251.72	56,067	55,944.44		55,944.44	-	-	-	32,804	32,804
Quantity sold - external market - Finished Copper	MT (thousand)	38	33	50		71	-	-	-	41	41
Average sales price - external market - Finished Copper	US\$	5,732.11	13,799	17,002.24		17,002.24	-	-	-	7,318	7,318
Long-term indebtedness, gross	US\$	1,668	1,783	1,818		1,818	-	-	-	1,645	1,645
Stockholders' equity	US\$	6,001	5,169	5,081		5,169	-	-	-	11,976	11,976
Net operating revenues	US\$	3,228	3,594	2,546		9,368	-	-	-	2,802	2,802
Cost of products	US\$	(2,311)	(1,344)	(1,245)		(4,900)	-	-	-	(2,230)	(2,230)
Other expenses / revenues	US\$	(149)	(79)	(107)		(335)	-	-	-	(162)	(162)
Depreciation, amortization and depletion	US\$	126	219	212		557	-	-	-	124	124
EBITDA	US\$	894	2,390	1,406		4,690	-	-	-	534	534
Depreciation, amortization and depletion	US\$	(126)	(219)	(212)		(557)	-	-	-	(124)	(124)
EBIT	US\$	768	2,171	1,194		4,133	-	-	-	410	410
Gain on investments accounted for by the equity method	US\$	-	-	4		4	-	-	-	-	-
Sale of assets	US\$	-	-	81		81	-	-	-	-	-
Net financial result	US\$	(86)	(177)	(247)		(510)	-	-	-	226	226
Income before income tax and social contribution	US\$	682	1,994	1,032		3,708	-	-	-	636	636
Income tax and social contribution	US\$	(200)	(657)	(248)		(1,105)	-	-	-	(247)	(247)
Minority interest	US\$	(89)	(152)	(123)		(364)	-	-	-	(76)	(76)
Net income	US\$	393	1,185	661		2,239	-	-	-	313	313

Logistics Area – FCA (Additional information - Unaudited) - Consolidated Subsidiary

Information		2007					2006				
		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	March 31	June 30	September 30	December 31	Total
Quantity sold - internal market - Railroad Service	MT (thousand)	6,322	7,573	6,191		20,086	6,280	6,990	7,330	6,864	27,464
Average sales price - internal market - Railroad Service	US\$	12.13	13.96	17.71		14.54	10.82	17.20	12.24	14.30	13.69
Stockholders' equity	US\$	(80)	(72)	(62)		(62)	(78)	(84)	30	75	75
Net operating revenues	US\$	77	105	110		292	68	88	90	81	327
Cost of products	US\$	(75)	(82)	(87)		(244)	(76)	(83)	(79)	(84)	(322)
Other expenses / revenues	US\$	(3)	(7)	(6)		(16)	(8)	(13)	(9)	10	(20)
Depreciation, amortization and depletion	US\$	11	10	10		31	9	10	10	11	40
EBITDA	US\$	10	26	27		63	(7)	2	12	18	25
Depreciation, amortization and depletion	US\$	(11)	(10)	(10)		(31)	(9)	(10)	(10)	(11)	(40)
EBIT	US\$	(1)	16	17		32	(16)	(8)	2	7	(15)
Net financial result	US\$	-	2	(2)		-	(2)	2	-	1	1
Income (loss) before income tax and social contribution	US\$	(1)	18	15		32	(18)	(6)	2	8	(14)
Income tax and social contribution	US\$	-	(5)	(3)		(8)	-	-	-	-	-
Net income (loss)	US\$	(1)	13	12		24	(18)	(6)	2	8	(14)

Ferrous Area – Minerações Brasileiras Reunidas - MBR (Additional information - Unaudited) - Consolidated Subsidiary

Information		2007					2006				
		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	March 31	June 30	September 30	December 31	Total
Quantity sold - external market - Iron ore	MT (thousand)	10,510	11,866	4,979		27,355	10,338	12,504	12,412	12,028	47,282
Quantity sold - internal market - Iron ore	MT (thousand)	3,756	4,962	9,641		18,359	2,245	3,426	4,340	3,679	13,690
Quantity sold - total	MT (thousand)	14,266	16,828	14,620		45,714	12,583	15,930	16,752	15,707	60,972
Average sales price - external market - Iron ore	US\$	48.46	49.10	48.59		48.76	37.81	40.93	48.62	47.37	43.90
Average sales price - internal market - Iron ore	US\$	30.02	33.02	28.60		30.09	26.34	28.97	28.79	29.09	28.51
Average sales price - total	US\$	43.61	45.54	35.41		41.70	35.76	38.36	43.48	43.09	40.45
Long-term indebtedness, gross	US\$	-	-			-	124	122	101	64	64
Short-term indebtedness, gross	US\$	44	7	7		7	-	-	-	-	-
Total indebtedness, gross	US\$	44	7	7		7	124	122	101	64	64
Stockholders' equity	US\$	4,619	5,300	5,743		5,743	2,019	4,274	4,600	4,806	4,806
Net operating revenues	US\$	574	393	426		1,393	435	590	697	661	2,383
Cost of products	US\$	(272)	(306)	(235)		(813)	(204)	(250)	(268)	(283)	(1,005)
Other expenses / revenues	US\$	(50)	5	3		(42)	(41)	(47)	(51)	(39)	(178)
Depreciation, amortization and depletion	US\$	65	73	70		208	45	62	64	70	241
EBITDA	US\$	317	165	264		746	235	355	442	409	1,441
Depreciation, amortization and depletion	US\$	(65)	(73)	(70)		(208)	(45)	(62)	(64)	(70)	(241)
EBIT	US\$	252	92	194		538	190	293	378	339	1,200
Sale of assets	US\$	-				-	-	2	-	1	3
Gain on investments accounted for by the equity method	US\$	19	208	40		267	14	17	21	33	85
Net financial result	US\$	(35)	28	5		(2)	(26)	2	12	(10)	(22)
Income before income tax and social contribution	US\$	236	328	239		803	178	314	411	363	1,266
Income tax and social contribution	US\$	(53)	(63)	(64)		(180)	(33)	(58)	(66)	(53)	(210)
Net income	US\$	183	265	175		623	145	256	345	310	1,056