

**International Conference Call
Companhia Vale do Rio Doce
3rd Quarter 2007 Earnings Release
October 26th, 2007**

Operator: Good morning ladies and gentlemen, thank you for standing by and welcome to CVRD's conference call to discuss third quarter 2007 earnings results. If you do not have a copy of the relevant press release, it is available at the company's website at: www.cvrd.com.br at the Investors link.

At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session and instructions will be given at that time. If you should require assistance during the call, please press the star followed by zero. As a reminder, this conference is being recorded. The replay will be available until November 6, 2007. To access the replay, please dial (55 11) 4688-6312 (access code: 687). The file will also be available at the Company's website at www.cvrd.com.br, at the Investor Relations section. This conference call and the slide presentation are being transmitted via internet as well. You can access the webcast by logging on to the Company's website, www.cvrd.com.br, Investor Relations section or at www.prnewswire.com.br.

Before proceeding, let me mention that forward-looking statements are being made under the safe harbor of the Securities Litigation Reform Act of 1996. Actual performance could differ materially from that anticipated in any forward-looking comments as a result of macroeconomic conditions, market risks and other factors.

With us today in Rio de Janeiro is Mr. Fabio Barbosa, CVRD's Chief Financial Officer. First, Mr. Barbosa will proceed to the presentation and after that we will open for Questions and Answers. It is now my pleasure to turn the call over to Mr. Barbosa. Sir, you may now begin.

Mr. Fabio Barbosa: Thank you very much. Good afternoon ladies and gentlemen, thank you all for attending this conference call today. We are going to discuss first very briefly our quarterly results that we released yesterday and then we will share with you our view about the long-term fundamentals of our market. Starting with this quarter we did have a very good performance. Despite a challenging environment, we delivered very sound results with records in iron ore and pellets production with 78.3 million tons and 4.4 million tons respectively; bauxite record US\$ 2.6 million, meaning that our Paragominas investment is starting to actually produce in the trend of the expected; record iron ore and pellets shipment, 78.5 million; and this third quarter 07 was the best ever third quarter of our history with several records in revenues, net earnings and adjusted Ebitda reaching US\$ 4 billion.

At the same time as you can see in the next chart we have been able to again deliver cost reduction on the bases of adjusted Cogs volumes and exchange variation. If you recall, when we started to discuss this issue of costs more on a sustained basis we

refused to indicate a single figure to our target cost reduction for the future and I am happy to tell you that after 12 months we achieved US\$ 276 million - without any announcement we actually delivered the results that we were pursuing, so if you consider the environment that we are going through right now with the very strong demand for everything from labor to equipment and materials, not to mention oil prices you see that there is a major effort in place to contain costs so we are very happy to deliver, to actually deliver these results.

At the same time our Ebitda continues to grow in the third quarter 07 on a 12-months basis reaching US\$ 16.9 billion and a nice split between ferrous and non ferrous minerals in our nine-months composition, so almost in balance those areas showing a much more diversified profile that we have been aiming at for some time.

In terms of the ferrous division the increase in shipments was the major driver for the good results achieved and of course cost-reduction was present with US\$ 80 million and a residual price adjustment of US\$ 52 million and they enabled us to deliver US\$ 2.2 billion in Ebitda for the ferrous division this year.

For the non ferrous I think the picture is clear showing the effect of the price reduction of nickel compared to the previous quarter, when nickel prices reached record levels. It shows you the nice aspect of the more diversified profile. We did have a very strong performance associated with nickel; now with nickel prices being at a lower level we were able at the same time to deliver a very strong volume performance in our iron ore ferrous division, in a way mitigating the risk related to our Ebitda in the long term, as we expected.

Finally I would like to mention again and consistently the message we have been conveying: our leverage was used and our total debt/Ebitda reached the level of 1.2x in the third quarter ended in September, so it is extremely consistent with what we have been telling the market and besides the major effort that we have been making investments and also in dividend payment.

Turning now to our views on the long-term fundamentals of our market, first this first chart - almost every quarter we show it - and again now we expanded, stretched the forecast to a longer period in order also to be consistent with our own strategic plan that we just announced.

But you can see there, you can see that if you take 2002 as the reference year and if our forecasts are correct it means that the world economy will grow by almost 10 years in a row long-term trend. This is something that has happened, the last time it happened was in the '60s - the golden years, the golden '60s - so what we are actually living and we have also been stressing in several opportunities is that this is a very long-term phenomenon, is a structural change that is taking place and growth in our view will continue to be there - although it may be a little bit more moderate in the following years - but still well above the long-term trend that we have been used to observing in the last four years. So this is great news for our market.

The next chart is also an interesting aspect of the current global GDP growth, which is the lower volatility that is embedded in the characteristics of the growth so far. It means that for companies highly capital-intensive like CVRD and others in the mining sector it is natural, or is logical to expect some re-rating of these multiples associated with the lower implied risk level associated with our business, so given that short-term fluctuations of demand - aggregate demand - in the economy, the global economy, are less likely or should be less intense. So it means that is less riskier market ahead of us according to this chart as we just commented.

And in the same note I would also point out the increased share of the emerging market economies in global GDP, from 39% or so into 1980 now to almost 50%, 48% in 2006 and should be around 50% this year. So what it means is that growth is more concentrated in emerging market economies and the major growth rate that we see in the next page shows you precisely that about three quarters of the GDP growth rate is today associated with the emerging market economies, out of which China responds for 33% of the total GDP growth. It means that if we consider that the developing economies are the major drivers for the world GDP growth, it means that those countries by definition they are in the development stage that is different from the developed countries by definition, so they need things that developed companies no longer need in the same intensity that economies like China, India do.

So associated with this growth - and this is a major characteristic of this long cycle that we are living through right now - is the fact that there is a major urbanization in the industrialization process taking place and the logical result of it is a major demand for minerals and metals also in place. It means that if we do believe that the structural change is to continue and if the cycle will be actually as long as it indicates, it means that there is much more to come in our market and it is not clear what would be the equilibrium point in the long term, so in other words it is hard to say when this cycle will peak right now. So in our view - again stressing this point - this process could take many more years than the ones that we are indicating and particularly if, as we indicated in previous conferences, if countries like India with its size and population at a development stage enter in the process in a more effective way in terms of the minerals and metals market as we do expect.

Chinese economy in 2007 - you just saw yesterday the release of the figures - GDP growth of 11.5% the same for the whole year, so it is a dynamic economy and it is well above our expectation, we expected GDP growth, Chinese GDP growth in the beginning of the year to be around 10%, now it is well above it at this rate, and we do not see any sign of deceleration and with that we again, we expect the importance, the relative importance of China in the global demand for minerals and metals to increase further. They already represented 45% of the seaborne trade in 2006 and in 2011 our expectation is that this share would be 54%; nickel 31% - from 4.9% in 2000, just 4.9% in 2000; aluminum 41%; and copper 30%.

So again if one believes that China will continue to grow one must associate this growth with the increase in demand for minerals and metals and again you should be aware

that there is an upside risk associated with the Indian demand that is not yet reflected in prices or in the conditions of market in minerals and metals.

As for the short term spot prices in iron ore surged reaching almost US\$ 180 per ton for the Indian ore and Chinese spot is around that figure with 172, and even with the much higher cost of freight (inaudible 14.44) 136. What it means more than the figures itself is that the market is not balanced, the market is not cleared and if you consider the average price we realize in our FOB basis, US\$ 46 per ton, you see that a major imbalance is taking place as the best quality iron ore even when adjusted for the freight cost is around 20% or 25% less than the prices that are being paid for Indian and Chinese ore, both of lower quality than ours.

We do believe that the benchmark pricing system is the one that provides the most accurate signs to the market in general, in terms of mining companies and steel companies and in a way allow us to invest massively as we do, as we just announced our investment program involving US\$ 59 billion over the next five years, again iron ore being expanded to 450 million tons from 300 million tons this year. So it is our view that the market will continue to perform very strongly and we have to catch up and to discuss with our clients the best way to find a mutually satisfactory agreement in this area over the next few years.

Turning now to the stainless steel, after a sharp reduction in the third quarter of 07 as we see and it is a little bit, it is a sort of seasonal reduction - although this year it is more intense, it has been more intense than the previous years - but the fact that it is seasonally due to the summer season in the north hemisphere there is a reduction in production there, there has been a reduction in production and now our view is that the stainless steel production is starting to recover and so nickel prices are also bouncing back reflecting the healthy fundamentals as we see here. So the growth is there, the world growth is there, Asia is growing and again demand would, it is a matter of time that demand will reflect this situation in the nickel market.

Overall we have a very strong confidence in the long-term global fundamentals and that is why we put together this US\$ 59 billion program as I mentioned before - the investment program for the next five years - the largest investment program of a mining company ever announced. We are definitely focused on organic growth, with project development and mineral exploration and we have to explore and enjoy the fact that the competitive advantage of having the best and largest reserves of several materials, particularly iron ore, nickel and bauxite.

We are also working hard to enhance our infrastructure - logistics and power generation - and in this connection this explains a good part of the increase in our Capex that we announced last week. Of course what we are talking about now are investments that are in a way transforming our production capability over the long term and thus more infrastructure, more logistics of course are required in order to ship all the materials that we are going to bring over the next few years.

And the next chart is our pipeline of projects that – I will not discuss all of them – but it shows the powerful growth capacity that we do have, 32 large projects; they are not all of them listed here, but the most important ones and it is a clear sign of our confidence in the future of our industry and our company in particular. We do have options to grow - those are not simply plans, they are projects that are being implemented or elaborated that will be submitted to our board but the fact as we put there we do have real options to grow over the long term.

And finally a brief reminder of how effective we have been in delivering good return on capital invested. In the last 12 months ended in the third quarter of 07 our return on capital invested was 52.1%. So we are very happy to deliver these results despite the difficulties in some areas with ports and difficulties in production in some business areas but we do believe that those results are very satisfactory, very positive and indicative of the strength of our company. I will be available for questions you may have. Thank you very much.

Q&A Session

Operator: Thank you sir. Ladies and gentlemen, we will now begin the Question and Answer session. If you have a question, please press the star (*) key, followed by the one (1) key on your touch-tone phone now. If at any time you would like to remove yourself from the questioning queue, press star (*) then two (2). Please restrict your questions to two at a time.

Our first question comes from Felipe Hirai with Merrill Lynch. Please go ahead.

Mr. Felipe Hirai: Thank you, good morning everyone, good morning Fabio. I have a question regarding your nickel business. We saw a decline in production in the third quarter, but you changed your guidance for the remainder of the year and also during the calculations here it seems that you expect the production for the fourth quarter to increase by 22%. Could you comment if that is feasible or not and what - given this decline in production - what could be the trigger for the increase in production in the fourth quarter?

Mr. Barbosa: Thank you Felipe. The trigger is that we are overcoming the problems that we had particularly in our Canadian operation and we do believe that we will be able to deliver this figure. We revised downwards our annual estimate but implying a more aggressive number for the fourth quarter of 07; but it is perfectly feasible in our view.

Mr. Hirai: Ok and I have a second question regarding logistics. You announced a major Capex for your logistics infrastructure. Could you comment if this - for the next few years before all this investment in logistics ramp up - if this could be a potential bottleneck for your current production?

Mr. Barbosa: No, we are moving ahead, in some cases we are moving ahead and we grew up capacity, grow our capacity ahead of the production of our mines. In terms of for instance in iron ore we are increasing our Carajás railroad to 225 million tons by 2011 if I am not mistaken ... and 12 and at the same time we are building a new pier with new loaders in the Northern port.

Today currently for instance we have idle capacity ... not idle, but available capacity in our ports in the Northern system; so it is a combination, we are working hard, this year has been a very tight year, you remember that in the first two quarters we lost shipments and most likely we will not be able to recover all the shipments that we lost. We are operating more efficiently in the third quarter to solve it right now but I would say that today we are operating in a tighter condition that will be in the next few years as we are bringing more capacity to the railroads and ports altogether.

Operator: Thank you Mr. Hirai for your question. The next question comes from Jorge Beristain with Deutsche Bank. Please go ahead.

Mr. Jorge Beristain: Good morning Fabio, it is Jorge Beristain with Deutsche Bank here. Two questions, one is just following up on that nickel comment earlier. I was wondering in terms of the unit cash cost that we saw, we did see another up tick quarter on quarter going into the third quarter. Is that something that you view actually coming down in the fourth quarter on higher volumes because of the fixed nature of the cash cost in the nickel business? That is my first question.

Mr. Barbosa: Yes Jorge you are right. We should produce more, the fixed costs associated with the portion that you mentioned we should expect a decline in the fourth quarter, yes.

Mr. Beristain: Ok. My second question is just regarding the outlook for the nickel market in terms of prices. We saw an incredible collapse quarter over quarter in your revenue into Asia particularly in Japan and Korea on I guess lower nickel sales there. Could you comment a little bit about what you are seeing from the stainless steel producers themselves in terms of have they finished the de-stocking phase and secondly as more nickel volumes are made available by you to the market, do you believe we will see lower prices or do you think that prices are more or less stabilized in the US\$ 14 a pound range now?

Mr. Barbosa: Well Jorge, I think the demand has been picking up, it is growing after this de-stocking process, after the adjustment that took place, and clearly demand is not stronger today than it was in the previous months and this is something that is happening throughout Asia in our view, so from the demand side I would say that is natural to expect that performance as well and we hope to be able to deliver all the nickel that is demanded by our clients and the market.

As for prices we do not have a forecast - we do not give this sort of guidance in terms of prices - but what I would say is that prices, nickel prices have been showing some sort of resistance point around the current level. I am not sure if this is something more permanent or associated with the current situation of the market, but the fact is that the

prices are moving around the 30, US\$ 32,000 per ton and I would not say to you what will be, what is our forecast for the next few months but I would say that demand is stronger now than in the third quarter and we are trying to catch up with the demand of our clients.

Mr. Castello Branco: Jorge, I would like to highlight one important issue about the cost of the nickel operations. As a matter of fact, nickel cash cost increased in the third quarter, but looking to the whole cost of nickel operations you should notice, as was stressed in the press release, that we managed to reduce them by US\$ 160 million due to decreasing purchase of nickel intermediate products and finished nickel; we are replacing third party products with our production relatively to 2006. This is an important measure in order to reduce our costs.

Mr. Barbosa: Ok Jorge, thank you.

Operator: Thank you for your question Mr. Beristain. Our next question comes from Oscar Cabrera with Goldman Sachs.

Mr. Oscar Cabrera: Good morning everybody. Fabio the first question is with regards to your coal business. In your press release for the announcement of the US\$ 59 billion investment you have an estimate for coal; would you be able to give us a breakdown of the met coal and the thermal coal that you have for these numbers? They go from 2.9 to 15.2 in 2007 and 2012; a follow-up on the other one please? Hello?

Mr. Barbosa: Yes, sorry. Sorry, I got the question. For the coal what we do have is a production estimated for this year around 3 million tons, 3 million tons according to the consolidation that we did in our acquisition of AMCI, now CVRD Australia, and our goal would be 30 million tons involving basically Moatize project with 11 million tons or so; Belvedere, 8 million tons; and we also have the stake in the Chinese joint venture that would also add a few million tons, some 3 million tons to the total. Hello?

Mr. Cabrera: Yes right, but would it be possible for you guys to give us a breakdown or at least the metallurgical coal component of those?

Mr. Barbosa: 75% metallurgical coal, 75%, it is our best estimate. So in a way if we put together we would have some ... all the operations that we have in Australia right now plus the future operations we have some 19, 18 to 19 million tons of coal being produced there and 10 million tons, 11 million tons in Moatize plus 3 million tons in China and the distribution would be around the figure 80% or so metallurgical coal ok?

Mr. Cabrera: Ok thank you Fabio. The second question is with regards to the iron ore business; you have got a great cost control considering the appreciation of the reals. I am just curious; where are you seeing some of these savings coming from? Have you been able to strip your mines now and that is why your stripping ratio is lower, therefore your costs are lower? Or does it have to do with more of the supply chain and the way you are managing your operations at the moment? Thanks.

Operator: This is the conference operator, please continue to hold. We will reconnect the conductor shortly. Please be patient as we reconnect Mr. Barbosa's location. Thank you for holding.

Excuse me Mr. Barbosa, you are joined to the conference.

Mr. Barbosa: Yes, thank you. Oscar, could you repeat the question for clarification please?

Operator: I do apologize Mr. Barbosa, we do not have that party in the queue, they can press star then one to rejoin the queue and ask the question again. One moment. Mr. Cabrera, you may ask your second question again.

Mr. Cabrera: Yes thank you. Thanks Fabio.

Mr. Barbosa: Oscar, sorry about that, we had technical problems. Could you repeat your whole question please?

Mr. Cabrera: Yes, no problem. Now I was just saying that you guys have shown extraordinary cost control at your iron ore operations, despite high ... the appreciation of the reais and I was just wondering if you could provide a little bit more color as to the source of this cost containment; is it the fact that you guys have been able to just continue to strip your mines? I remember last call you said that there were issues with stripping, you had to go deep in the pit; or is it more on your supply chain and the fact that you have synergies there by consolidating some of these operations?

Mr. Barbosa: Well I think you got it right, I think we are doing a lot of things altogether. We actually are facing very strong cost pressures and the issue of we are increasing, we are dealing with that with an increase in automation, is something that we have been intensifying in the last few years. Also are we redesigning - and if you noticed in the press release we talk about the structuring of our shared services that some costs are assigned to the operations even ... the assignment costs are down the operational level, so we are improving the way we use to do, we use to support the operation.

Also we are at the same time exploiting the synergies that we indicated in the press with MBR, with the MBR operations in the South and the Southeastern systems. We always wanted to consolidate this company because we did see a lot of potential value to be captured in the MBR in a way collecting the results that are there to be collected, so we are delivering.

Also another aspect, we are changing the way we operate reducing outsourced services in benefit of in house services provision particularly in waste removal and this is, we have been ... in the past it was cheaper to bring outsourced services for this kind of job, but now with the strength of demand for other services it became more expensive so we decided to do it in house and we should have more results in the future.

The point that you mentioned before the call was interrupted, the strip ratio, this is not playing a role yet Oscar; we do believe that this will be more effective moving forward as we implement all the investments that we have in our pipeline. Today, given the strength of the market we are operating with mines with a very high marginal cost, costs that are in some cases the triple the cost of a mine like Brucutu. But we have to operate it because it provides the material that is required to supply our clients and we have no alternative. With the increase in our production reaching 450 million tons it is natural to have a downward trend in our operational costs as we will have a much lower strip ratio in the future given the quality of the mines that we are going to develop ok?

Operator: Thank you for your question Mr. Cabrera. Our next question comes from Carlos de Alba with Morgan Stanley. Please go ahead.

Mr. Carlos de Alba: Good morning gentlemen. A quick question on SG&A; they increased substantially year over year and in the press release you went through some of the details on what drove that increase, however they are still about 47 million of the increase, that is almost 40% of the higher expenses that were not quantified. So I wonder if you could comment on that please?

Mr. Barbosa: Ok, your question is about the SG&A and actually the total was 287 million. We have several different aspects to explain this; I would highlight what we already put in the press release concerning advertising and we spent some US\$ 19 million more in this quarter as we felt it was appropriate to show in a more effective way what the company was doing particularly here in Brazil, particularly in the social actions that we ... the corporate social responsibility actions that we have in our plants. The perception that we have is that we are not perceived as much as we would like to be in this area and this is a very important area for a company that is present in several states here in Brazil, so we felt that was necessary.

Another important point is that we now – in particular in CVRD Inco - we are trying to roll out our ERP structure that we have here in CVRD; so we are expanding more, we are trying to upgrade our IT capabilities and we have the challenge of having more companies to connect, to integrate to be part of the same system. I would say that those are the most important ones regarding this SG&A increase.

Mr. de Alba: Thanks Fabio. Is there a number that you think that would be a more sustainable SG&A going forward?

Mr. Barbosa: Carlos, you should expect for advertising this has to do with the perception about the moment of the company particularly in the Brazilian environment ok? As to IT you should expect a continuous pressure in this area as we are upgrading and improving our facilities and we have more companies, we are a bigger company and this is a mean that we identified and so we have to spend some money there. Thank you.

Operator: Thank you for your question Mr. de Alba. Our next question comes from Ved Bubby with Nomura. Please go ahead.

Mr. Ved Bubey: Hi, just a small question on the nickel volumes. As I understand you said that nickel production will be higher in the fourth quarter but during the press release of 2008 Capex you have given a guidance for the nickel production for 2007 - 260,000 tons. I just wanted to understand if the nickel production is going to go up in the fourth quarter, why the nickel volumes would be so low compared to the previous guidance of 287,000 tons? Thank you.

Mr. Barbosa: Could you please repeat the question? Please.

Mr. Bubey: Yes. I said that in the press release for 2008 Capex guidance you have given a nickel production guidance of 260,000 tons but as I understand you also said the nickel volume production in the fourth quarter would be increasing so I really do want to understand if the production in the fourth quarter is increasing, then how come your revised guidance is lower than your original guidance of 287,000 tons? In short, would you have a guidance like how much production for nickel you are expecting for the whole year?

Mr. Barbosa: Due to the problems that we are now facing - the delays we informed in our press release - our own production would be around 244,000 tons ... 46 tons this year and with third parties' material would be 14,000 tons - in total 260, short of our initial idea of 287 due to the problems that we observe in several of our operations in our nickel division.

Mr. Bubey: Ok so I guess even if the volumes would be down in the fourth quarter even ... cash cost would also be high compared to this quarter, is that right?

Mr. Barbosa: We should expect some decline in the cash cost because we are going to produce more compared to the third quarter, as we are going to produce more in the fourth quarter than we produced in the third quarter ok?

Mr. Bubey: Thank you.

Operator: Thank you Mr. Bubey. Our next question comes from Sanil Deptandar with Sentinel Asset Management. Please go ahead.

Mr. Sanil Deptandar: Yes, you just mentioned in the opening commentary that growth may occur in the following years. Is it possible you can elaborate on that what you meant by this that you are looking for certain countries growth to moderate or certain growing countries to abort, what was the ... could you elaborate on this?

Mr. Barbosa: Could you repeat? The sound is not good here, could you repeat please?

Mr. Deptandar: Yes, in the opening comment you mentioned that growth may moderate in the following year but the long-term growth may be ... but maybe may abort the long-term trend of the last four years. Is it possible you can elaborate on what,

where the growth moderate is being seen by you? What areas you are seeing, or what regions do you think there might be a growth moderation? Certain commodities, certain regions or what do you see basically going forward?

Mr. Barbosa: Ok I got it, thank you. Our view is that what we will see next year will be some deceleration in the U.S. economy that should drive a reduction in the global consolidated growth rate for the world economy instead of the 5 ... that should be more or should be closer to 4.2%; but even at this level it is well above the 3.5% that we observed up to the '70s, up to very recently. So in a way if we take this average of the '70s on the long-term trend in the last decades, '70s, '80s and '90s you see that 4; 4.2; 4.5 is well above this average and the reason is precisely the dynamism of the Asian economies in particular.

China right now is growing, it continues to grow in a very fast pace and in our view it could reduce a little bit but it will continue to grow at very high rates compared to the Asian standards.

You have growing economies like Cambodia, like Vietnam that are also joining the path; you have Japan's reborn economy that is growing more than in the recent past, is another source of growth and you have the major upside represented by India in our view, because India is a very large economy, it is 1.2 billion people in a stage of development that is still lagging behind for instance what China has just achieved and they are growing nice 10% - the difference being that the impact of the Indian growth in the total GDP growth is still small, but this could change in the future and in a way we share this view that India will play a more important role in the global arena and would have a more relevant impact in metals and minerals markets.

So if we could divide the world in two parts, in two pieces, I would say roughly speaking the accelerated growth would take place in the eastern part of the globe combined with a very benign scenario but more moderate growth rates in the western part of the world - Western Europe, U.S., Americas included. So in the more long-term perspective we could have Africa also playing a role, several countries there due to this very rich environment in our industry - particularly minerals and metals - and they are wealthy in resources that they have there; it could be also - in a more long term perspective - another source of structural growth moving forward as unfortunately this development stage of this continent is still lower than the ones that are observed in some countries - in Asia in particular.

Mr. Deptandar: So given the strong growth in those regions probably the U.S. may not be affecting your shipments in that case, which tells me that going forward your shipments for next three years will continue to increase from the present levels. Is that what one should make as an assumption? Is that the correct way to think about it?

Mr. Barbosa: Yes, that is precisely the way that you should think about it, our shipments will increase and the driver will be Asia. Our expectation about Europe and U.S., where we have a very small presence, is that growth will be there but the demand will not be a major driver of additional demand. What we see is for instance in India steel production around 50 million tons per year and with a very ambitious target to

reach a triple of this capacity in 10 years or so, so is something that we do not see in the U.S. economy for instance. So we do not expect it to happen there where the production is around 110 million tons per year; but in India it could be tripling the production over the next 10 years or so as indicated by the government plans and China will continue to grow as per capita consumption is still lower than what was observed in the Western countries that we indicated. So dynamism will continue to be more evident in the eastern part of the world, so our shipments to that region should increase over the next few years.

Operator: Thank you for your question Mr. Deptandar. Our next question comes from John Tumazos of John Tumazos Very Independent Research. Please go ahead.

Mr. John Tumazos: Congratulations on all of your progress. Could you update us on the plan to move from 300 to 450 million metric tons of iron ore and specifically the issues of rail delivery de-bottleneck and where you might be moving to double track from single track and building bridges and civil engineering issues?

Mr. Barbosa: Thank you very much. Well, our production capacity will be operating at 450 million tons capacity by the end of 2012, so our view is that the market will be demanding even more than that, but that is what we can do to please our customers. We are investing heavily as you commented in the new projects that again have a different characteristic, therefore implying the revigoration of our infrastructure building new logistics and this is more expensive than an ordinary brownfield expansion. In the case of the double track that you mentioned we are double tracking almost 500 km of our Carajás railroad and building several yards to accommodate longer trains that we are using in our operations; in the Northern port we are building a new pier and we are adding 2 new ship loaders in order to again make Carajás able of delivering 220 million tons in the next five years, after five years; we are buying a car dumpers; we are enhancing the capacity of our Southern system Tubarão port; we are building the Litorânea Sul - it is a railroad and is a new branch that will be connected to Tubarão port and will connect Tubarão port to the new Ubu port where the new steel plant that we are doing with Baosteel will be located and that port will be also an important alternative logistic facility that we are building. So it is a major, major effort in place and that explains the new configuration of our Capex per ton compared to what we used to do in the past.

Mr. John Tumazos: Thank you very much.

Mr. Barbosa: Thank you.

Operator: Our next question comes from Juliana Chu with Banif Investment Bank.

Ms. Juliana Chu: Actually is Juliana Chu from BES Securities. Good morning gentlemen, just in line with the previous question I believe that you are quite confident of delivering the 450 million tons of iron ore in 2011. I want to know what kind of risk we should monitor for a possible delay in this schedule?

Mr. Barbosa: Thank you Juliana. Well, I think the risks are associated with the environmental permits, the permits to implement the project; also the availability of contractors; and finally equipment - we are trying to speed up our orders, we are increasing the anticipation of down payments of several projects in order to ensure the supply of the required equipment on a timely fashion; but I would say that those are the risks involved: permits, contractors and equipment.

Ms. Juliana: So I could consider that low risk at the moment?

Mr. Barbosa: We will be able ... so far we have been progressing in schedule and we believe that on the supply side we will be able to deliver what we planned and on the demand side, as we commented before, it is very strong and actually we should move ahead of our capacity to deliver all the orders that have been requested by our clients.

Ms. Juliana: Ok thank you very much.

Mr. Barbosa: Thank you Juliana.

Operator: Thank you Ms. Chu for your question. This concludes today's question and answer session. Mr. Barbosa, at this time you may proceed with your closing statements, sir.

Mr. Barbosa: Thank you very much, I am very happy to be here today on the 25th of October. This is also a breakthrough for us that we are able to deliver our quarterly results thanks to our team in the accounting and the investor relations we are able to deliver these results earlier for you. If you have any further questions please let us know and we will be happy to answer them. Thank you very much.

Operator: Thank you again. That does conclude our CVRD third quarter 2007 earnings conference for today. Thank you very much for your participation, you may now disconnect.
