

Companhia Vale do Rio Doce  
Form 6-K  
November 04, 2008

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**United States  
Securities and Exchange Commission  
Washington, D.C. 20549  
FORM 6-K  
Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16  
of the  
Securities Exchange Act of 1934  
For the month of  
November 2008  
Companhia Vale do Rio Doce  
Avenida Graça Aranha, No. 26  
20030-900 Rio de Janeiro, RJ, Brazil  
(Address of principal executive office)**

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F  Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes  No

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7))

(Check One) Yes  No

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes  No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-\_\_\_\_.)

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Filed at CVM and SEC on 10/23/2008

We are re-filing the English version of the BRGAAP filed with the SEC on 10/23/2008, due to some amendments on the free-translation translation of the original in Portuguese relating to the Quarterly Information prepared in thousands accordance with the requirements of Accounting Practices Generally Accepted in Brazil.

**Gerência Geral de Controladoria GECOL**

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(A free translation of the original in Portuguese relating to the Quarterly Information prepared in thousands accordance

with the requirements of Accounting Practices Generally Accepted in Brazil)

**1- Balance Sheet**

|   | Notes | In thousands of reais |                    |                    |                    |
|---|-------|-----------------------|--------------------|--------------------|--------------------|
|   |       | Balance in            | Consolidated       | Parent Company     |                    |
|   |       | 09/30/08              | 06/30/08           | 09/30/08           | 06/30/08           |
| <b>Assets</b>                               |       |                       |                    |                    |                    |
| <b>Current assets</b>                       |       |                       |                    |                    |                    |
| Cash and cash equivalents                   | 5.6   | 28,384,635            | 3,746,385          | 19,160,054         | 295,703            |
| Short term investments                      |       | 1,213,430             |                    | 1,213,430          |                    |
| Accounts receivable from customers          |       | 11,187,568            | 8,106,302          | 6,230,109          | 2,947,123          |
| Related parties                             |       | 179,057               | 56,741             | 1,232,842          | 1,436,829          |
| Inventories                                 | 5.7   | 8,458,648             | 7,304,550          | 2,269,560          | 2,218,292          |
| Taxes to recover or offset                  | 5.8   | 2,902,071             | 2,093,228          | 1,541,052          | 965,368            |
| Deferred income tax and social contribution |       | 1,646,054             | 708,765            | 1,556,327          | 408,021            |
| Others                                      |       | 1,474,043             | 1,133,579          | 693,301            | 500,928            |
|   |       | <b>55,445,506</b>     | <b>23,149,550</b>  | <b>33,896,675</b>  | <b>8,772,264</b>   |
| <b>Non-current assets</b>                   |       |                       |                    |                    |                    |
| <b>Long-term receivables</b>                |       |                       |                    |                    |                    |
| Related parties                             |       | 152                   | 148                | 3,382,922          | 3,389,169          |
| Loans and financing                         |       | 169,660               | 163,302            | 125,520            | 122,112            |
| Deferred income tax and social contribution |       | 233,070               |                    | 57,726             |                    |
| Judicial deposits                           |       | 1,691,637             | 1,598,258          | 1,127,399          | 1,066,029          |
| Taxes to recover or offset                  | 5.8   | 461,353               | 532,117            | 163,779            | 179,194            |
| Advances to energy suppliers                |       | 968,622               | 984,502            |                    |                    |
| Provisions for derivatives                  | 5.23  | 393,153               | 1,969,432          | 375,172            | 1,779,452          |
| Prepaid expenses                            |       | 549,488               | 412,869            |                    |                    |
| Others                                      |       | 432,139               | 359,787            | 207,170            | 209,128            |
|   |       | <b>4,899,274</b>      | <b>6,020,415</b>   | <b>5,439,688</b>   | <b>6,745,084</b>   |
| Investments                                 | 5.10  | <b>2,222,574</b>      | <b>2,366,521</b>   | <b>78,176,734</b>  | <b>65,624,124</b>  |
| Intangibles                                 | 5.11  | <b>11,177,271</b>     | <b>11,170,069</b>  | <b>10,428,215</b>  | <b>10,498,516</b>  |
| Property, plant and equipment               | 5.12  | <b>100,406,663</b>    | <b>91,089,527</b>  | <b>30,988,396</b>  | <b>29,899,395</b>  |
| Deferred charges                            |       | <b>89,149</b>         | <b>105,401</b>     |                    |                    |
|   |       | <b>113,895,657</b>    | <b>104,731,518</b> | <b>119,593,345</b> | <b>106,022,035</b> |
|   |       | <b>174,240,437</b>    | <b>133,901,483</b> | <b>158,929,708</b> | <b>121,539,383</b> |

**Liabilities, and stockholders equity****Current liabilities**

|  |      |                   |                   |                   |                   |
|--|------|-------------------|-------------------|-------------------|-------------------|
| Short-term debt  | 5.13 | 1,305,374         | 1,202,225         |                   |                   |
| Current portion of long-term debt                      | 5.13 | 1,491,610         | 1,171,618         | 783,282           | 550,930           |
| Payable to suppliers and contractors                   |      | 5,679,069         | 4,296,165         | 2,674,342         | 2,046,481         |
| Related parties  |      | 22,054            | 30,098            | 7,858,277         | 7,815,180         |
| Payroll and related charges                            |      | 1,408,477         | 1,165,797         | 886,396           | 662,305           |
| Pension Plan   | 5.16 | 262,198           | 240,370           | 95,536            | 101,776           |
| Provision for asset retirement obligations             |      | 115,228           | 108,977           | 45,568            | 45,896            |
| Proposed dividends and interest on stockholders equity |      | 2,646,165         | 2,646,165         | 2,646,165         | 2,646,165         |
| Provision for income tax                               |      | 1,396,487         | 1,740,225         |                   | 638,556           |
| Taxes, contributions and royalties                     |      | 489,697           | 581,154           | 114,616           | 32,264            |
| Provisions for derivatives                             | 5.23 | 185,729           | 631,058           | 13,122            | 45,453            |
| Ferrovias Norte Sul subconcession                      |      | 443,958           | 420,385           |                   |                   |
| Others   |      | 1,699,050         | 1,210,394         | 305,356           | 387,505           |
|  |      | <b>17,145,096</b> | <b>15,444,631</b> | <b>15,422,660</b> | <b>14,972,511</b> |

**Non-current liabilities**

|   |      |                   |                   |                   |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
| Long-term debt                              | 5.13 | 36,670,758        | 32,362,210        | 10,715,279        | 10,707,375        |
| Related parties                             |      | 63                |                   | 31,958,253        | 26,629,721        |
| Provisions for contingencies                | 5.14 | 2,773,853         | 2,602,328         | 1,558,451         | 1,462,515         |
| Deferred income tax and social contribution |      | 7,677,883         | 7,079,124         | 497,057           | 373,188           |
| Pension Plan                                | 5.16 | 3,672,825         | 3,131,567         | 530,102           | 536,268           |
| Provision for asset retirement obligations  | 5.15 | 1,798,122         | 1,645,023         | 869,427           | 841,868           |
| Ferrovias Norte Sul subconcession           |      | 443,958           | 420,385           |                   |                   |
| Others                                      |      | 2,891,458         | 2,114,051         | 1,826,960         | 1,827,934         |
|   |      | <b>55,928,920</b> | <b>49,354,688</b> | <b>47,955,529</b> | <b>42,378,869</b> |

**Deferred income****93,628**      **44,286****Minority interest****5,521,274**      **4,869,875****Stockholders equity**

|   |      |            |            |            |            |
|---|------|------------|------------|------------|------------|
| Paid-up capital   | 5.17 | 47,434,193 | 28,000,000 | 47,434,193 | 28,000,000 |
| Transaction cost of capital increase                          |      | (160,771)  |            | (160,771)  |            |
| Resources linked to the future mandatory conversion in shares | 5.18 | 3,063,833  | 3,063,833  | 3,063,833  | 3,063,833  |



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|                          |                    |                    |                    |                    |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| Equity assessment adjust | (10,643)           | 332,654            | (10,643)           | 332,654            |
| Revenue reserves         | 45,224,907         | 32,791,516         | 45,224,907         | 32,791,516         |
|                          | <b>95,551,519</b>  | <b>64,188,003</b>  | <b>95,551,519</b>  | <b>64,188,003</b>  |
|                          | <b>174,240,437</b> | <b>133,901,483</b> | <b>158,929,708</b> | <b>121,539,383</b> |

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

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

**2- Statement of Income**

| Presented in              |               | In thousands of Brazilian Reals |                    |                    |                     |                                   |                                     |                                     |
|---------------------------|---------------|---------------------------------|--------------------|--------------------|---------------------|-----------------------------------|-------------------------------------|-------------------------------------|
|                           | Notes         | 3Q/08                           | 2Q/08              | 3Q/07              | 09/30/08            | Consolidated Accumulated 09/30/07 | Parent Company Accumulated 09/30/08 | Parent Company Accumulated 09/30/07 |
| <b>Operating Income</b>   |               |                                 |                    |                    |                     |                                   |                                     |                                     |
| Metals                    | 9.1.1 e 9.2.1 | 17,875,129                      | 15,876,401         | 13,231,562         | 45,698,681          | 42,397,206                        | 22,750,229                          | 14,900,000                          |
| Services                  |               | 1,033,619                       | 932,014            | 893,945            | 2,752,479           | 2,653,356                         | 1,561,782                           | 1,400,000                           |
| Company-related           |               | 1,545,540                       | 1,300,993          | 1,357,642          | 4,018,390           | 4,281,992                         | 250,471                             | 1,000,000                           |
| Steel                     |               | 366,950                         | 357,209            | 317,646            | 1,044,348           | 982,716                           |                                     |                                     |
| Products                  |               | 565,442                         | 417,844            | 236,403            | 1,306,301           | 547,869                           | 316,326                             |                                     |
|                           |               | <b>21,386,680</b>               | <b>18,884,461</b>  | <b>16,037,198</b>  | <b>54,820,199</b>   | <b>50,863,139</b>                 | <b>24,878,808</b>                   | <b>16,600,000</b>                   |
| Adjusted                  |               | (688,679)                       | (549,165)          | (416,598)          | (1,662,162)         | (1,184,567)                       | (1,217,996)                         | (800,000)                           |
| <b>Operating Income</b>   |               | <b>20,698,001</b>               | <b>18,335,296</b>  | <b>15,620,600</b>  | <b>53,158,037</b>   | <b>49,678,572</b>                 | <b>23,660,812</b>                   | <b>15,800,000</b>                   |
| <b>Operating Expenses</b> |               |                                 |                    |                    |                     |                                   |                                     |                                     |
| Products                  | 9.1.2 e 9.2.2 | (6,388,389)                     | (5,858,827)        | (5,409,179)        | (17,913,686)        | (16,543,333)                      | (10,856,551)                        | (8,500,000)                         |
| Services                  |               | (594,390)                       | (560,210)          | (519,736)          | (1,646,930)         | (1,608,032)                       | (703,096)                           | (500,000)                           |
| Company-related           |               | (1,050,151)                     | (918,014)          | (785,512)          | (2,773,997)         | (2,392,638)                       | (278,141)                           | (1,000,000)                         |
| Products                  |               | (309,231)                       | (291,826)          | (309,827)          | (898,825)           | (921,503)                         |                                     |                                     |
| Products                  |               | (299,622)                       | (262,560)          | (243,034)          | (811,305)           | (458,085)                         | (129,456)                           | (1,000,000)                         |
|                           |               | <b>(8,641,783)</b>              | <b>(7,891,437)</b> | <b>(7,267,288)</b> | <b>(24,044,743)</b> | <b>(21,923,591)</b>               | <b>(11,967,244)</b>                 | <b>(9,200,000)</b>                  |
| <b>Operating Profit</b>   |               | <b>12,056,218</b>               | <b>10,443,859</b>  | <b>8,353,312</b>   | <b>29,113,294</b>   | <b>27,754,981</b>                 | <b>11,693,568</b>                   | <b>6,600,000</b>                    |
| <b>Operating Margin</b>   |               | <b>58.2%</b>                    | <b>57.0%</b>       | <b>53.5%</b>       | <b>54.8%</b>        | <b>55.9%</b>                      | <b>49.4%</b>                        |                                     |

|   |                     |                    |                    |                    |                    |                    |                    |                    |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| and<br>ative<br>and<br>ent<br>erating                   | 9.1.3, 9.2.5 e 5.24 | (670,546)          | (631,544)          | (581,362)          | (1,901,939)        | (1,750,188)        | (942,892)          | (7,911,806)        |
|   | 9.1.4 e 9.2.6       | (559,096)          | (462,937)          | (390,859)          | (1,353,039)        | (935,305)          | (753,146)          | (4,911,806)        |
|   | 9.1.5, 9.2.7 e 5.24 | (716,657)          | (149,365)          | (396,046)          | (1,223,485)        | (810,064)          | (327,013)          | (1,911,806)        |
|   |                     | <b>(1,946,299)</b> | <b>(1,243,846)</b> | <b>(1,368,267)</b> | <b>(4,478,463)</b> | <b>(3,495,557)</b> | <b>(2,023,051)</b> | <b>(1,361,806)</b> |
| <b>g profit<br/>nancial<br/>nd<br/>f equity<br/>nts</b> |                     | <b>10,109,919</b>  | <b>9,200,013</b>   | <b>6,985,045</b>   | <b>24,634,831</b>  | <b>24,259,424</b>  | <b>9,670,517</b>   | <b>5,111,806</b>   |
| <b>f equity<br/>nts</b>                                 | 9.2.4               |                    |                    |                    |                    |                    |                    |                    |
| nts<br>d for by<br>y method<br>for                      | 5.10                | 48,682             | 69,448             | 44,230             | 163,171            | 97,391             | 9,911,806          | 17,211,806         |
|   |                     |                    |                    |                    |                    |                    | 38,288             | 4,911,806          |
| e<br>in<br>lers<br>d<br>of<br>es abroad<br>tion of      |                     | 1,341,430          | (676,644)          | (343,329)          | 559,715            | (956,853)          | 4,740,404          | (7,911,806)        |
|   | 5.11                | (352,684)          | (336,215)          | (344,579)          | (1,078,049)        | (971,744)          | (1,078,048)        | (9,911,806)        |
|   |                     | <b>1,037,428</b>   | <b>(943,411)</b>   | <b>(643,678)</b>   | <b>(355,163)</b>   | <b>(1,831,206)</b> | <b>13,612,450</b>  | <b>8,411,806</b>   |
| <b>l results,<br/>rating</b>                            | 9.1.6, 9.2.8 e 5.22 | <b>1,312,234</b>   | <b>(889,857)</b>   | <b>137,949</b>     | <b>(1,633,790)</b> | <b>(117,407)</b>   | <b>(3,384,194)</b> | <b>2,811,806</b>   |
|   | 5.24                |                    |                    | <b>196,870</b>     | <b>138,879</b>     | <b>1,457,636</b>   |                    | <b>1,311,806</b>   |
| <b>before<br/>ax and</b>                                |                     | <b>12,459,581</b>  | <b>7,366,745</b>   | <b>6,676,186</b>   | <b>22,784,757</b>  | <b>23,768,447</b>  | <b>19,898,773</b>  | <b>17,711,806</b>  |
| <b>tion<br/>ax and</b>                                  | 9.1.7, 9.2.9 e 5.9  | <b>111,364</b>     | <b>(2,571,182)</b> | <b>(1,632,336)</b> | <b>(3,129,701)</b> | <b>(6,902,695)</b> | <b>(639,505)</b>   | <b>(2,111,806)</b> |
| <b>before</b>   |                     | <b>12,570,945</b>  | <b>4,795,563</b>   | <b>5,043,850</b>   | <b>19,655,056</b>  | <b>16,865,752</b>  | <b>19,259,268</b>  | <b>15,511,806</b>  |

|                                 |            |           |           |            |             |            |      |
|---------------------------------|------------|-----------|-----------|------------|-------------|------------|------|
| interest                        | (137,558)  | (222,577) | (385,119) | (395,788)  | (1,269,858) |            |      |
| me for<br>d                     | 12,433,387 | 4,572,986 | 4,658,731 | 19,259,268 | 15,595,894  | 19,259,268 | 15,5 |
| of                              |            |           |           |            |             |            |      |
| ing at<br>of the<br>n<br>s) (a) | 5,278,381  | 4,832,391 | 4,832,391 | 5,278,381  | 4,832,391   | 5,278,381  | 4,8  |
| ings per                        |            |           |           |            |             |            |      |
| ing at<br>of the<br>R\$)        | 2.36       | 0.94      | 0.96      | 3.65       | 3.23        | 3.65       |      |

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

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

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

**3- Statement of Changes in Stockholders' Equity**

| Balance<br>in | In thousands of reais |                                       |  |                                |                           |                   |                      |                                      |                      |                      |
|---------------|-----------------------|---------------------------------------|--|--------------------------------|---------------------------|-------------------|----------------------|--------------------------------------|----------------------|----------------------|
|               | Paid-up<br>capital    | Transaction<br>of capital<br>increase | Resources<br>linked<br>to<br>cost mandatory<br>conversion<br>in shares | Equity<br>assessment<br>adjust | Expansion/<br>Investments | Treasury<br>stock | Unrealized<br>income | Revenue reserves<br>Legal incentives | Fiscal<br>incentives | Retained<br>earnings |
| 31,           | 19,492,401            |                                       |  |                                | 18,108,363                | (790,308)         | 122,500              | 2,070,962                            | 92,840               | 35                   |
| e for         |                       |                                       |  |                                |                           |                   |                      |                                      |                      | 20,005,562           |
| tion          | 8,507,599             |                                       |  |                                | (7,672,690)               |                   |                      | (751,545)                            | (83,364)             | 20                   |
| n of          |                       |                                       |  |                                |                           |                   | (61,617)             |                                      |                      | 61,617               |
| ares          |                       |                                       |  |                                |                           |                   |                      |                                      |                      |                      |
| ed            |                       |                                       |  |                                |                           | 84                |                      |                                      |                      |                      |
|               |                       |                                       |  |                                | (370,050)                 |                   |                      |                                      |                      | (14,402)             |
| er s          |                       |                                       |  |                                |                           |                   |                      |                                      |                      | (4,752,323)          |
| ion           |                       |                                       |  |                                |                           |                   |                      |                                      |                      |                      |
|               |                       |                                       | 3,063,833  |                                |                           |                   |                      |                                      |                      | 3                    |
| n in          |                       |                                       |  |                                | 14,219,808                |                   |                      | 1,000,278                            | 80,368               | (15,300,454)         |
| tion          |                       |                                       |  |                                |                           |                   |                      |                                      |                      |                      |
| 31,           | 28,000,000            |                                       | 3,063,833  |                                | 24,285,431                | (790,224)         | 60,883               | 2,319,695                            | 89,844               | 57                   |
| e for         |                       |                                       |  |                                |                           |                   |                      |                                      |                      | 2,252,895            |

|              |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
|--------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| ares         |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
| ed           |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
|              | <b>28,000,000</b> | <b>3,063,833</b> |                  | <b>24,285,431</b> | <b>(790,218)</b>  | <b>60,883</b>    | <b>2,319,695</b> | <b>89,844</b>    | <b>2,252,895</b> | <b>59,844</b>     |
| e for        |                   |                  |                  |                   |                   |                  |                  |                  | 4,572,986        | 4,572,986         |
|              |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
| for          |                   |                  | 332,654          |                   |                   |                  |                  |                  |                  |                   |
| ties         |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
| <b>008</b>   | <b>28,000,000</b> | <b>3,063,833</b> | <b>332,654</b>   | <b>24,285,431</b> | <b>(790,218)</b>  | <b>60,883</b>    | <b>2,319,695</b> | <b>89,844</b>    | <b>6,825,881</b> | <b>6,825,881</b>  |
| e for        |                   |                  |                  |                   |                   |                  |                  |                  | 12,433,387       | 12,433,387        |
| ares         |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
| ed           |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
| n            |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
| ital         |                   | (160,771)        |                  |                   |                   |                  |                  |                  |                  |                   |
|              |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
| for          |                   |                  |                  |                   |                   |                  |                  |                  |                  |                   |
| ties         |                   |                  | (343,297)        |                   |                   |                  |                  |                  |                  |                   |
|              | 19,434,193        |                  |                  |                   |                   |                  |                  |                  |                  | 19,434,193        |
| <b>r 30,</b> | <b>47,434,193</b> | <b>(160,771)</b> | <b>3,063,833</b> | <b>(10,643)</b>   | <b>24,285,431</b> | <b>(790,214)</b> | <b>60,883</b>    | <b>2,319,695</b> | <b>89,844</b>    | <b>19,259,268</b> |

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

**4- Statement of Cash Flows**

| Periods ended in   | In millions of reais |                  |                  |                   |   |                   |   |
|--|----------------------|------------------|------------------|-------------------|---|-------------------|---|
|  | 3Q/08                | 2Q/08            | 3Q/07            | 09/30/08          | Consolidated<br>Accumulated<br>09/30/07 | 09/30/08          | Parent Company<br>Accumulated<br>09/30/07 |
| <b>Cash flows from operating activities:</b>   |                      |                  |                  |                   |   |                   |   |
| Net income for the period  | 12,433,387           | 4,572,986        | 4,658,731        | 19,259,268        | 15,595,894                              | 19,259,268        | 15,595,894                                |
| Adjustments to reconcile net income for the period with cash provided by operating activities: |                      |                  |                  |                   |   |                   |   |
| Results of equity investments  | (1,037,428)          | 943,411          | 643,678          | 355,163           | 1,831,206                               | (13,612,450)      | (8,402,127)                               |
| Sale of assets   |                      |                  | (196,870)        | (138,879)         | (1,457,636)                             |                   | (1,300,726)                               |
| Depreciation, amortization and depletion   | 1,226,887            | 1,250,502        | 998,881          | 3,790,317         | 2,819,102                               | 1,275,893         | 1,036,092                                 |
| Deferred income tax and social contribution  | (945,146)            | 528,310          | (492,539)        | (954,682)         | (1,325,921)                             | (758,742)         | (379,998)                                 |
| Financial expenses and monetary and exchange rate variations on assets and liabilities net     | (688,526)            | (165,028)        | (1,773,001)      | (931,509)         | (3,144,942)                             | 2,560,538         | (5,209,484)                               |
| Minority interest  | 137,558              | 222,577          | 385,119          | 395,788           | 1,269,858                               |                   |   |
| Disposal of property, plant and equipment  | 462,577              | 121,400          | 21,800           | 711,797           | 538,081                                 | 502,445           | 430,846                                   |
| Amortization of goodwill in the cost of products sold  |                      |                  |                  |                   | 51,416                                  |                   | 51,366                                    |
| Net unrealized losses (gains) on derivatives   | 1,402,071            | (1,198,987)      | (644,342)        | 750,755           | (1,109,057)                             | 394,476           | (1,261,507)                               |
| Dividends/interest on stockholders equity received   | 15,228               | 22,866           | 13,084           | 38,094            | 58,553                                  | 723,621           | 1,761,865                                 |
| Others   | 143,817              | (55,419)         | 103,485          | 175,450           | 278,570                                 | 82,758            | 433,399                                   |
|  | <b>13,150,425</b>    | <b>6,242,618</b> | <b>3,718,026</b> | <b>23,451,562</b> | <b>15,405,124</b>                       | <b>10,427,807</b> | <b>2,755,620</b>                          |
| <b>Decrease (increase) in assets:</b>  |                      |                  |                  |                   |   |                   |   |

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|  |                    |                    |                    |                     |                     |                    |                    |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------|
| Accounts receivable  | (2,924,362)        | (1,335,306)        | 1,267,804          | (3,882,350)         | 1,010,025           | (3,851,208)        | (574,156)          |
| Inventories  | (1,195,184)        | (253,545)          | (601,873)          | (1,300,659)         | (922,668)           | (157,644)          | (451,840)          |
| Advances to energy suppliers   | 15,880             | (29,157)           | 16,740             | 47,638              | (116,783)           |                    |                    |
| Others   | (1,461)            | 236,841            | 292,224            | (153,900)           | (165,126)           | (413,267)          | 423,634            |
|  | <b>(4,105,127)</b> | <b>(1,381,167)</b> | <b>974,895</b>     | <b>(5,289,271)</b>  | <b>(194,552)</b>    | <b>(4,422,119)</b> | <b>(602,362)</b>   |
| <b>Increase (decrease) in liabilities:</b>   |                    |                    |                    |                     |                     |                    |                    |
| Suppliers and contractors  | 591,468            | 171,349            | 194,026            | 749,559             | 798,566             | 664,500            | 409,537            |
| Payroll and related charges  | 230,069            | 268,704            | 225,714            | 50,176              | 57,319              | 109,070            | 102,807            |
| Taxes and contributions  | 9,051              | 1,556,723          | 1,100,160          | 172,128             | 1,326,508           | 148,891            | 424,769            |
| Others   | (6,859)            | (735,667)          | (661,163)          | (792,565)           | (354,538)           | (376,480)          | 743,567            |
|  | <b>823,729</b>     | <b>1,261,109</b>   | <b>858,737</b>     | <b>179,298</b>      | <b>1,827,855</b>    | <b>545,981</b>     | <b>1,680,680</b>   |
| <b>Net cash provided by operating activities</b>   | <b>9,869,027</b>   | <b>6,122,560</b>   | <b>5,551,658</b>   | <b>18,341,589</b>   | <b>17,038,427</b>   | <b>6,551,669</b>   | <b>3,833,938</b>   |
| <b>Cash flows from investing activities:</b>   |                    |                    |                    |                     |                     |                    |                    |
| Marketable securities  | (1,213,430)        |                    |                    | (1,213,430)         |                     | (1,213,430)        |                    |
| Loans and advances receivable  | (33,780)           | (26,640)           | 6,344              | (23,934)            | 71,112              | (249,260)          | 365,560            |
| Guarantees and deposits  | (50,098)           | (17,282)           | (27,562)           | (128,595)           | (166,477)           | (99,819)           | (126,147)          |
| Additions to investments   | (146,660)          | (13,744)           | (32,267)           | (178,984)           | (129,512)           | (749,067)          | (1,529,298)        |
| Additions to property, plant and equipment   | (2,965,066)        | (3,619,924)        | (3,049,912)        | (9,692,610)         | (8,870,257)         | (4,279,644)        | (2,719,178)        |
| Proceeds from disposal of property, plant and equipment/investments                                |                    |                    | 198,107            | 370,501             | 1,500,340           |                    | 1,855,625          |
| Net cash used in acquisitions and increase of funds to subsidiaries, net of the cash of subsidiary |                    |                    |                    |                     | (6,404,069)         |                    |                    |
| <b>Net cash used in investing activities</b>   | <b>(4,409,034)</b> | <b>(3,677,590)</b> | <b>(2,905,290)</b> | <b>(10,867,052)</b> | <b>(13,998,863)</b> | <b>(6,591,220)</b> | <b>(2,153,438)</b> |



**Cash flows from (used in) financing activities:**

|  |            |             |             |             |              |             |              |
|--|------------|-------------|-------------|-------------|--------------|-------------|--------------|
| Short-term debt additions  | 205,334    | 705,367     | 1,069,785   | 2,539,515   | 5,985,344    | 3,153,575   | 2,696,053    |
| Short-term debt repayments   | (187,299)  | (869,076)   | (974,580)   | (2,356,945) | (6,983,674)  | (3,363,833) | (1,557,125)  |
| Long-term debt   | 147,536    | 507,102     | 159,074     | 3,117,522   | 14,471,978   | 3,422,255   | 16,551,867   |
| Issue of convertible notes, in common share s                      |            |             |             |             | 2,481,454    |             |              |
| Issue of convertible notes, in preferred share s                   |            |             |             |             | 1,119,448    |             |              |
| Repayments:  |            |             |             |             |              |             |              |
| Related parties  |            |             |             |             |              |             | (67,166)     |
| Financial institutions   | (260,740)  | (1,068,375) | (1,674,798) | (1,543,090) | (22,796,094) | (1,323,825) | (17,663,923) |
| Interest on stockholders equity paid to stockholders and dividends |            | (2,248,245) |             | (2,248,245) | (2,218,024)  | (2,109,750) | (1,669,057)  |
| Capital increase   | 19,273,422 |             |             | 19,273,422  |              | 19,273,422  |              |
| Treasury stock   | 4          |             | 3           | 10          | 84           | 10          | 84           |

**Net cash provided by (used in) financing activities**

|                   |                    |                    |                   |                    |                   |                    |
|-------------------|--------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| <b>19,178,257</b> | <b>(2,973,227)</b> | <b>(1,420,516)</b> | <b>18,782,189</b> | <b>(7,939,484)</b> | <b>19,051,854</b> | <b>(1,709,267)</b> |
|-------------------|--------------------|--------------------|-------------------|--------------------|-------------------|--------------------|

**Increase (decrease) in cash and cash equivalents**

|                   |                  |                  |                   |                    |                   |                 |
|-------------------|------------------|------------------|-------------------|--------------------|-------------------|-----------------|
| <b>24,638,250</b> | <b>(528,257)</b> | <b>1,225,852</b> | <b>26,256,726</b> | <b>(4,899,920)</b> | <b>19,012,303</b> | <b>(28,767)</b> |
|-------------------|------------------|------------------|-------------------|--------------------|-------------------|-----------------|

|  |           |           |           |           |           |         |         |
|--|-----------|-----------|-----------|-----------|-----------|---------|---------|
| Cash and cash equivalents, beginning of the period | 3,746,385 | 4,274,642 | 3,652,203 | 2,127,909 | 9,777,975 | 120,188 | 203,090 |
| Initial cash in new consolidated subsidiary        |           |           |           |           |           | 27,563  |         |

**Cash and cash equivalents, end of the period**

|                   |                  |                  |                   |                  |                   |                |
|-------------------|------------------|------------------|-------------------|------------------|-------------------|----------------|
| <b>28,384,635</b> | <b>3,746,385</b> | <b>4,878,055</b> | <b>28,384,635</b> | <b>4,878,055</b> | <b>19,160,054</b> | <b>174,323</b> |
|-------------------|------------------|------------------|-------------------|------------------|-------------------|----------------|

## Cash paid during the period for:

|                                    |             |           |           |             |             |             |             |
|------------------------------------|-------------|-----------|-----------|-------------|-------------|-------------|-------------|
| Short-term interest                | (6,886)     | (25,556)  | (23,492)  | (66,011)    | (124,982)   | (93,620)    | (87,588)    |
| Long-term interest                 | (498,135)   | (584,351) | (622,818) | (1,576,730) | (1,855,774) | (1,906,367) | (1,934,331) |
| Income tax and social contribution | (2,124,844) | (351,924) | (986,218) | (5,406,818) | (4,857,954) | (1,707,112) | (1,504,897) |

**Non-cash  
transactions:**

|  |           |          |           |           |             |           |             |
|--|-----------|----------|-----------|-----------|-------------|-----------|-------------|
| Additions to property,<br>plant and equipment                        | (235,411) | (28,633) | 7,285     | (275,576) | (258,245)   | (175,787) | (178,756)   |
| interest capitalization  |           |          |           |           |             |           |             |
| Transfer of advance for<br>future capital increase<br>to investments |           |          |           |           |             | (271,173) | (24,760)    |
| Compensated income<br>tax and social<br>contribution                 | (229,177) |          | (516,382) | (375,303) | (1,390,349) |           | (1,045,539) |
|  |           |          | 6         |           |             |           |             |

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

**5- Notes to the Quarterly information at September 30, 2008 and 2007**

Expressed In thousands of *reais*

**5.1- Operations**

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

**5.2- Presentation of Quarterly information**

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

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

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

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

On December 28, 2007, Law 11638 was enacted, altering, revoking and adding new provisions to the Brazilian Corporate Law, especially with respect to chapter XV, Fiscal Year and Financial Statements, effective for fiscal years beginning on or after January 1, 2008. Said Law was designed primarily to update accounting practices as contemplated by Brazilian Corporate Law, so as to enable the convergence of Brazilian accounting practices with International Financial Reporting Standards (IFRS).

The full convergence with international accounting standards is still subject to regulation by CVM.

In line with this regulation process, on January 29, 2008, CVM issued Resolution No. 534, approving technical pronouncement CPC 02 (by the Accounting Pronouncements Committee), which addresses the effects of changes in exchange rates and remeasurement of financial statements. Accordingly, the effects of exchange variation on investments abroad will be recognized directly in shareholders' equity as from the annual report for the year ending December 31, 2008, so if this pronouncement will be maintained the net income will be adjusted by this amounts. Had the Company already adopted this Resolution, the statement of income for the reporting periods would be affected as follows:

|                                   | 3Q/08         | 2Q/08        | 2008<br>09/30/08 |
|-----------------------------------|---------------|--------------|------------------|
| <b>Net income</b>                 | <b>12,433</b> | <b>4,573</b> | <b>19,259</b>    |
| Variação cambial de investimentos | (5,933)       | 4,655        | (449)            |
| <b>Net income</b>                 | <b>6,500</b>  | <b>9,228</b> | <b>18,810</b>    |

With respect to ongoing process of convergence, it is expected that as from of 2009, the income of statement will not be affected by the treatment of goodwill amortization generated in the process of acquiring companies, which in 2008 represented an expense of R\$1,078,048 (R\$352,684 in 3Q08).

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On May 02, 2008, CVM issued the Instruction No 469/08 in dealing with the implementation of Law 11.638, setting the mandatory application on quarterly information of the changes made directly by the Law. The accounting practices already introduced by the Law had no impact on the quarterly information submitted, however according to their regulations by CVM the accounting information may require adjustments.

**Table of Contents****5.4- Principles and Practices of Consolidation**

The consolidated quarterly information shows the balances of assets and liabilities on 09/30/2008 and 06/30/2008, and of the quarterly periods ended on 09/30/2008, 06/30/2008 and 09/30/2007, of Parent Company operations, its direct and indirect subsidiaries and its jointly-controlled companies. The principal figures of the subsidiaries and jointly-controlled companies individual quarterly information included in the consolidation are presented in Attachment I.

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

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

**5.5- Summary of significant Accounting Policies**

- (a) The Statements has been prepared with the same principles, methods and criteria consistent of the ones adopted in the period ended 12/31/07, except in the cases especificed in the notes;
- (b) In preparing the condensed consolidated financial statements, the company is required to use estimates to account for certain assets, liabilities, and transactions. Therefore the consolidated financial statements include various estimates concerning the selection of useful lives of property, plant and equipment, provisions for losses on assets, contingent liabilities, operational provisions and other similar evaluations. Actual results may vary from the estimates; and
- (c) The rights and obligations in foreign currencies are demonstrated to the effective exchange rates of the Financial Statements R\$1,9143 to US\$1,00 on 09/30/08 (R\$1,8389 to US\$1,00 on 09/30/07) and in national currency, when applicase, are actualized monetarily according the contractual bases. On 10/20/03 the exchange rate was R\$2,118 to US\$1,00 representing a Real depreciation of approximately 10,64% in relation the 09/30/08. The quarterly information hold been prepared in accordance the account policies therefore do not show the changes effect in the exchange rates after the balance sheet date.

**5.6- Cash and Cash Equivalents**

|  | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|--|---------------------|-------------------|-----------------------|-------------------|
|  | <b>30/09/2008</b>   | <b>30/06/2008</b> | <b>30/09/2008</b>     | <b>30/06/2008</b> |
| Cash and bank accounts   | 1,152,556           | 1,095,644         | 65,208                | 55,209            |
| Marketable securities linked to the interbank deposit certificate rate | 12,682,741          | 998,060           | 11,705,243            | 240,494           |
| Time deposits / Overnight  | 9,482,960           | 1,115,253         | 7,389,603             |                   |
| Fixed-yield bond investments (funds)                                   | 4,998,982           | 497,447           |                       |                   |
| Others   | 67,396              | 39,981            |                       |                   |
|  | <b>28,384,635</b>   | <b>3,746,385</b>  | <b>19,160,054</b>     | <b>295,703</b>    |

The increase primarily relates to the application of financial resources obtained through the global offering occurred in August 2008 (note 5.17)

**5.7- Inventories**

|  | <b>Consolidated</b> |                 | <b>Parent Company</b> |                 |
|--|---------------------|-----------------|-----------------------|-----------------|
|  | <b>09/30/08</b>     | <b>06/30/08</b> | <b>09/30/08</b>       | <b>06/30/08</b> |

**Finished products**

|   |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
| Nickel, co-products and sub products Inco   | 3,567,664        | 2,939,393        |                  |                  |
| Iron ore and pellets                        | 1,278,844        | 1,291,685        | 1,101,113        | 1,095,671        |
| Manganese and ferroalloys                   | 237,877          | 262,958          |                  |                  |
| Aluminum products                           | 343,311          | 313,274          | 25,562           | 25,926           |
| Copper                                      | 46,282           | 49,532           | 46,282           | 49,532           |
| Steel products                              | 81,475           | 53,331           |                  |                  |
| Other                                       | 175,088          | 155,922          | 78,958           | 62,622           |
|   | <b>5,730,541</b> | <b>5,066,095</b> | <b>1,251,915</b> | <b>1,233,751</b> |
| <b>Spare parts and maintenance supplies</b> | 2,728,107        | 2,238,455        | 1,017,645        | 984,541          |
|   | <b>8,458,648</b> | <b>7,304,550</b> | <b>2,269,560</b> | <b>2,218,292</b> |

**Table of Contents****5.8- Taxes to recover or offset**

|                      |                  | <b>Consolidated</b> |                  | <b>Parent Company</b> |  |
|----------------------|------------------|---------------------|------------------|-----------------------|--|
|                      | <b>09/30/08</b>  | <b>06/30/08</b>     | <b>09/30/08</b>  | <b>06/30/08</b>       |  |
| Income tax           | 1,590,574        | 680,965             | 1,024,061        | 424,521               |  |
| Value-added tax ICMS | 728,810          | 659,541             | 446,791          | 464,020               |  |
| PIS and COFINS       | 952,448          | 898,531             | 180,116          | 200,003               |  |
| INSS                 | 39,755           | 25,067              | 22,031           | 24,708                |  |
| Others               | 51,837           | 361,241             | 31,832           | 31,310                |  |
| <b>Total</b>         | <b>3,363,424</b> | <b>2,625,345</b>    | <b>1,704,831</b> | <b>1,144,562</b>      |  |
| Current              | 2,902,071        | 2,093,228           | 1,541,052        | 965,368               |  |
| Non-current          | 461,353          | 532,117             | 163,779          | 179,194               |  |
|                      | <b>3,363,424</b> | <b>2,625,345</b>    | <b>1,704,831</b> | <b>1,144,562</b>      |  |

**5.9- Income Tax and Social Contribution**

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

|  | <b>3Q/08</b>       | <b>Quarter (Unaudited)</b> |                    | <b>09/30/08</b>    | <b>Consolidated Accumulated 09/30/07</b> | <b>09/30/08</b>    | <b>Parent Company Accumulated 09/30/07</b> |
|--|--------------------|----------------------------|--------------------|--------------------|--|--------------------|--|
|  |                    | <b>2Q/08</b>               | <b>3Q/07</b>       |                    |  |                    |  |
| Income before income tax and social contribution                     | 12,459,581         | 7,366,745                  | 6,676,186          | 22,784,757         | 23,768,447                               | 19,898,773         | 17,764,908                                 |
| Results of equity investment   | (1,037,428)        | 943,411                    | 643,678            | 355,163            | 1,831,206                                | (13,612,450)       | (8,402,127)                                |
|  | <b>11,422,153</b>  | <b>8,310,156</b>           | <b>7,319,864</b>   | <b>23,139,920</b>  | <b>25,599,653</b>                        | <b>6,286,323</b>   | <b>9,362,781</b>                           |
| Income tax and social contribution at combined tax rates             | 34%                | 34%                        | 34%                | 34%                | 34%                                      | 34%                | 34%  |
| <b>Federal income tax and social contribution at statutory rates</b> | <b>(3,883,532)</b> | <b>(2,825,453)</b>         | <b>(2,488,754)</b> | <b>(7,867,573)</b> | <b>(8,703,882)</b>                       | <b>(2,137,350)</b> | <b>(3,183,346)</b>                         |
| Adjustments that affects   |                    |                            |                    |                    |  |                    |  |

the basis of  
taxes:

|   |                |                    |                    |                    |                    |                  |                    |
|---|----------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|
| Income tax benefit from interest on stockholders equity   | 286,675        | 286,674            | 209,497            | 868,960            | 635,019            | 868,960          | 635,019            |
| Fiscal incentives Results of overseas companies taxed by different rates with difference than the parent company rate | (29,057)       | 118,398            | 81,478             | 69,598             | 243,507            | 90,516           | 110,814            |
| Reduced incentive rate  | 3,916,757      | (58,266)           | 420,568            | 4,584,549          | 790,336            |                  |                    |
| Others  | 29,105         | 44,964             | 17,978             | 90,906             | 62,625             |                  |                    |
|   | 247,502        | (367,558)          | 10,165             | (685,838)          | (255,630)          | 2,150,106        | (2,420,279)        |
| <b>Income tax and social contribution</b>   | <b>111,364</b> | <b>(2,571,182)</b> | <b>(1,632,336)</b> | <b>(3,129,701)</b> | <b>(6,902,695)</b> | <b>(639,505)</b> | <b>(2,169,014)</b> |

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

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

Vale also has also tax incentives related to Goro Project in New Caledonia. These incentives include an income previsions tax exemption 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 exemption.

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



**Table of Contents****5.10- Investments**

|  | <b>Consolidated</b> |                  |               |                            |               |                                   |                 |
|--|---------------------|------------------|---------------|----------------------------|---------------|-----------------------------------|-----------------|
|  | <b>Investments</b>  |                  |               |                            |               | <b>Equity Results Accumulated</b> |                 |
|  | <b>09/30/08</b>     | <b>06/30/08</b>  | <b>3Q/08</b>  | <b>Quarter (Unaudited)</b> |               | <b>09/30/08</b>                   | <b>09/30/07</b> |
|  |                     |                  |               | <b>2Q/08</b>               | <b>3Q/07</b>  |                                   |                 |
| <b>Investments at market value or equivalent</b>                       |                     |                  |               |                            |               |                                   |                 |
| Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS (b) ThyssenKrupp CSA | 380.160             | 750.408          | 15.168        | 17.525                     | 13.084        | 32.693                            | 24.255          |
| Cia Siderúrgica Mirabela Nickel Ltd                                    | 848.979             | 737.548          |               |                            |               |                                   |                 |
| Hudbay Minerals Inc.   | 81.375              | 112.038          |               |                            |               |                                   |                 |
| Heron Resources Inc  | 43.179              | 75.397           |               |                            |               |                                   |                 |
|  | 13.846              | 18.896           |               |                            |               |                                   |                 |
|  | <b>1.367.539</b>    | <b>1.694.287</b> | <b>15.168</b> | <b>17.525</b>              | <b>13.084</b> | <b>32.693</b>                     | <b>24.255</b>   |
| <b>Investment accounted for based on the equity method</b>             |                     |                  |               |                            |               |                                   |                 |
| Log-In Logística Intermodal S/A.                                       | 208.362             | 201.445          | 470           | 8.423                      | 7.009         | 18.107                            | 2.670           |
| Shandong Yankuang International Company Ltd.                           | 47.393              | 39.805           | (3.338)       | 2.962                      | 421           | (302)                             | (3.355)         |
| Henan Longyu Resources Co. Ltd.  | 360.117             | 253.330          | 35.778        | 36.850                     | 19.441        | 110.294                           | 67.006          |
|  | <b>615.872</b>      | <b>494.580</b>   | <b>32.910</b> | <b>48.235</b>              | <b>26.871</b> | <b>128.099</b>                    | <b>66.321</b>   |
| <b>Other</b>   | <b>239.163</b>      | <b>177.654</b>   | <b>604</b>    | <b>3.688</b>               | <b>4.275</b>  | <b>2.379</b>                      | <b>6.815</b>    |
|  | <b>2.222.574</b>    | <b>2.366.521</b> | <b>48.682</b> | <b>69.448</b>              | <b>44.230</b> | <b>163.171</b>                    | <b>97.391</b>   |

(a) Investments valued at market, or equivalent, as from of June 2008, with the reflection in the group of adjustments asset evaluation

in shareholders equity.

- (b) The figures recorded as equity method relate to dividends received.

### 5.11- Intangible

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

|  | 09/30/08             | Intangible<br>06/30/08 | 3Q/08              | Quarter (Unaudited) |                      |                      | Goodwill amortization<br>Accumulated |  |
|--|----------------------|------------------------|--------------------|---------------------|----------------------|----------------------|--------------------------------------|--|
|  |                      |                        |                    | 2Q/08               | 3Q/07                | 09/30/08             | 09/30/07                             |  |
| <b>Intangible by segment</b>   |                      |                        |                    |                     |                      |                      |                                      |  |
| <b>Iron ore and pellets</b>  |                      |                        |                    |                     |                      |                      |                                      |  |
| Goodwill of Minerações<br>Brasileiras Reunidas MBR<br>(Includes goodwill Caem<br>Other companies (a, b)) | 4,199,027<br>5,749   | 4,337,639<br>5,672     | (138,612)<br>(829) | (138,612)<br>(677)  | (138,612)<br>(2,479) | (415,836)<br>(2,524) | (401,305)<br>(6,905)                 |  |
|  | <b>4,204,776</b>     | <b>4,343,311</b>       | <b>(139,441)</b>   | <b>(139,289)</b>    | <b>(141,091)</b>     | <b>(418,360)</b>     | <b>(408,210)</b>                     |  |
| <b>Nickel</b>  |                      |                        |                    |                     |                      |                      |                                      |  |
| Goodwill of Inco Limited (a, b)<br>Other rights Vale Inco  | 6,056,935<br>749,056 | 6,063,399<br>671,553   | (212,143)          | (195,230)           | (203,488)            | (655,157)            | (563,534)                            |  |
|  | <b>6,805,991</b>     | <b>6,734,952</b>       | <b>(212,143)</b>   | <b>(195,230)</b>    | <b>(203,488)</b>     | <b>(655,157)</b>     | <b>(563,534)</b>                     |  |
| <b>Coal</b>  |                      |                        |                    |                     |                      |                      |                                      |  |
| Goodwill of Vale Australia (a,<br>b)   | 166,504              | 91,806                 | (1,100)            | (1,696)             |                      | (4,532)              |                                      |  |
| <b>Total consolidated</b>  | <b>11,177,271</b>    | <b>11,170,069</b>      | <b>(352,684)</b>   | <b>(336,215)</b>    | <b>(344,579)</b>     | <b>(1,078,049)</b>   | <b>(971,744)</b>                     |  |
| Intangible not recorded at the<br>parent company   | (749,056)            | (671,553)              |                    |                     |                      |                      | 6,905                                |  |
| <b>Total parent company</b>  | <b>10,428,215</b>    | <b>10,498,516</b>      | <b>(352,684)</b>   | <b>(336,215)</b>    | <b>(344,579)</b>     | <b>(1,078,049)</b>   | <b>(964,839)</b>                     |  |

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

- (b)

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

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**Table of Contents****5.12- Property, Plant and Equipment**

By business area:

| Property,<br>Plan<br>and<br>Equipment<br>By<br>Business<br>Area | Consolidated |                    |                     |                    | Parent Company    |                   |                     |                   |                  |
|---|--------------|--------------------|---------------------|--------------------|-------------------|-------------------|---------------------|-------------------|------------------|
|   | 09/30/08     |                    | 06/30/08            |                    | 09/30/08          |                   | 06/30/08            |                   |                  |
|   | Cost         | depreciation       | Net                 | Net                | Cost              | depreciation      | Net                 | Net               |                  |
| lands   | 0,00%        | 292.151            |                     | 292.151            | 230.654           | 148.731           |                     | 148.731           | 133.94           |
| buildings   | 3,65%        | 8.142.628          | (2.055.729)         | 6.086.899          | 5.486.297         | 3.183.431         | (904.216)           | 2.279.215         | 2.166.95         |
| installations   | 3,78%        | 25.784.711         | (9.029.633)         | 16.755.078         | 16.351.846        | 12.936.970        | (3.902.679)         | 9.034.291         | 8.937.39         |
| equipment   | 7,36%        | 11.779.889         | (3.766.195)         | 8.013.694          | 7.296.231         | 4.419.852         | (1.564.557)         | 2.855.295         | 2.762.84         |
| Information<br>technology<br>equipment                          | 20,00%       | 1.925.513          | (1.031.281)         | 894.232            | 929.569           | 1.522.036         | (869.196)           | 652.840           | 834.91           |
| railroads   | 3,03%        | 13.166.003         | (4.219.889)         | 8.946.114          | 8.621.685         | 9.974.408         | (3.804.579)         | 6.169.829         | 5.899.80         |
| mineral<br>rights   | 3,25%        | 26.855.125         | (2.628.695)         | 24.226.430         | 21.011.701        | 1.645.812         | (368.139)           | 1.277.673         | 1.252.80         |
| Others  | 7,30%        | 11.055.660         | (3.511.137)         | 7.544.523          | 7.418.551         | 2.896.375         | (1.365.041)         | 1.531.334         | 1.567.49         |
|   |              | <b>99.001.680</b>  | <b>(26.242.559)</b> | <b>72.759.121</b>  | <b>67.346.534</b> | <b>36.727.615</b> | <b>(12.778.407)</b> | <b>23.949.208</b> | <b>23.556.16</b> |
| Construction<br>in progress                                     |              | 27.647.542         |                     | 27.647.542         | 23.742.993        | 7.039.188         |                     | 7.039.188         | 6.343.23         |
| <b>Total</b>  |              | <b>126.649.222</b> | <b>(26.242.559)</b> | <b>100.406.663</b> | <b>91.089.527</b> | <b>43.766.803</b> | <b>(12.778.407)</b> | <b>30.988.396</b> | <b>29.899.39</b> |

**5.13- Loans and Financing**

Current

|                 | Consolidated     |                  | Parent Company |          |
|-----------------|------------------|------------------|----------------|----------|
|                 | 09/30/08         | 06/30/08         | 09/30/08       | 06/30/08 |
| Trade finance   | 1,204,787        | 1,202,225        |                |          |
| Working capital | 100,587          |                  |                |          |
|                 | <b>1,305,374</b> | <b>1,202,225</b> |                |          |

Non-current

|                     |          | Consolidated          |          | Parent Company      |          |                       |          |
|---------------------|----------|-----------------------|----------|---------------------|----------|-----------------------|----------|
| Current liabilities |          | Long-term liabilities |          | Current liabilities |          | Long-term liabilities |          |
| 09/30/08            | 06/30/08 | 09/30/08              | 06/30/08 | 09/30/08            | 06/30/08 | 09/30/08              | 06/30/08 |

**Foreign operations**

## Loans and financing in:

|                           |                  |                |                   |                   |                |                |                |                |
|---------------------------|------------------|----------------|-------------------|-------------------|----------------|----------------|----------------|----------------|
| U.S. dollars              | 430,339          | 375,657        | 12,585,976        | 10,495,844        | 323,960        | 272,831        | 862,406        | 839,944        |
| Other currencies          | 47,666           | 67,902         | 396,311           | 335,390           | 6,440          | 6,471          | 16,064         | 14,949         |
| Notes in U.S. dollars     |                  | 228            | 12,700,106        | 10,623,296        |                |                |                |                |
| Export securitization (*) | 104,565          | 86,098         | 313,943           | 283,134           |                |                |                |                |
| Perpetual notes           |                  | 59             | 158,264           | 131,610           |                |                |                |                |
| Accrued charges           | 425,052          | 386,473        |                   |                   | 7,661          | 18,338         |                |                |
|                           | <b>1,007,622</b> | <b>916,417</b> | <b>26,154,600</b> | <b>21,869,274</b> | <b>338,061</b> | <b>297,640</b> | <b>878,470</b> | <b>854,893</b> |

**Local operations**

## Indexed by TJLP, TR,

|                            |                  |                  |                   |                   |                |                |                   |                   |
|----------------------------|------------------|------------------|-------------------|-------------------|----------------|----------------|-------------------|-------------------|
| IGP-M and CDI              | 115,295          | 67,966           | 4,536,522         | 4,523,279         | 76,568         | 66,129         | 4,327,830         | 4,344,456         |
| Basket of currencies       | 2,750            | 2,367            | 8,978             | 8,026             | 2,710          | 2,292          | 8,979             | 8,026             |
| Non-convertible debentures |                  |                  | 5,970,658         | 5,961,631         |                |                | 5,500,000         | 5,500,000         |
| Accrued charges            | 365,943          | 184,868          |                   |                   | 365,943        | 184,869        |                   |                   |
|                            | <b>483,988</b>   | <b>255,201</b>   | <b>10,516,158</b> | <b>10,492,936</b> | <b>445,221</b> | <b>253,290</b> | <b>9,836,809</b>  | <b>9,852,482</b>  |
|                            | <b>1,491,610</b> | <b>1,171,618</b> | <b>36,670,758</b> | <b>32,362,210</b> | <b>783,282</b> | <b>550,930</b> | <b>10,715,279</b> | <b>10,707,375</b> |

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

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The long-term portion as of September 30, 2008 matures as follows:

|  | <b>Consolidated</b> |             | <b>Parent Company</b> |             |
|--|---------------------|-------------|-----------------------|-------------|
| 2009   | 204,058             | 1%          | 28,378                | 0%          |
| 2010   | 4,914,853           | 13%         | 1,902,745             | 18%         |
| 2011   | 4,902,598           | 13%         | 296,152               | 3%          |
| 2012   | 1,586,411           | 4%          | 189,214               | 2%          |
| 2013 onwards   | 24,433,915          | 67%         | 8,298,790             | 77%         |
| No due date (Perpetual notes and non-convertible debentures) | 628,923             | 2%          |                       | 0%          |
|  | <b>36,670,758</b>   | <b>100%</b> | <b>10,715,279</b>     | <b>100%</b> |

As of September 30, 2008, annual interest rates on long-term debt were as follows:

|                            | <b>Consolidated</b> | <b>Parent Company</b> |
|----------------------------|---------------------|-----------------------|
| Up to 3%                   | 220,796             | 40,922                |
| 3.1% to 5%                 | 11,196,642          | 1,102,987             |
| 5.1% to 7%                 | 11,345,561          | 769,634               |
| 7.1% to 9%                 | 5,761,588           | 722,353               |
| 9.1% to 11%                | 218,805             | 12,432                |
| Over 11% (*)               | 8,850,233           | 8,850,233             |
| Variable (Perpetual notes) | 568,743             |                       |
|                            | <b>38,162,368</b>   | <b>11,498,561</b>     |

(\*) Includes non-convertible debentures and other Brazilian-reais denominated loans that the interest is the at CDI and TJLP (Brazilian interbank certificate of deposit) rate accumulated variation plus spread. For these operations the Company have entered into derivative transactions to

hedge the Company exposure on the floating rate debt denominated in reais contracted total. The average cost of these operations is R\$9,878 while the average cost of such debt after hedge transactions is 5.18%.

The indexes applied to the Company debt and respective percentage variations in each quarter were as follows:

|  | <b>09/30/08</b> | <b>06/30/08</b> | <b>12/31/07</b> |
|--|-----------------|-----------------|-----------------|
| TJLP Long-Term Interest Rate (effective rate)    | 1.5             | 1.5             | 1.5             |
| IGP-M General Price Index Market                 | 1.6             | 4.3             | 2.4             |
| Devaluation of United States Dollar against Real | 20.0            | (9.0)           | (1.3)           |

On January 28, 2008 the Company entered into a trade finance agreement on working capital in the amount of R\$2 billion with final maturity in 2018.

In April 2008, Vale entered into agreements with Banco Nacional de Desenvolvimento Econômico e Social (BNDES), the Brazilian National Development Bank and with long-term Japanese financing agencies, Japan Bank for International Cooperation (JBIC) and Nippon Export and Investment Insurance (NEXI) for the financing of the mining, logistics and power generation projects to be developed under Vale's investment program for 2008-2012. Those agreements comprises a financial package of almost US\$10 billion to support investments related to Vale's growth initiatives.

The Vale have total revolving credit lines with bank syndicates, which work as a short term liquidity buffer that allow a more efficient cash management. Under revolving credit facilities, amounts drawn and repaid can be disbursed again at the option of the Borrower. At September 30, 2008, the total amount available under revolving credit lines was of US\$1,9 billion, being US\$1.150 billion granted to Vale International and the balance to Vale Inco. As of September 30, 2008, neither Vale International nor Vale Inco had drawn any advance amount under these facilities and Vale Inco has drawn US\$113,2 million by way of letters of credit.

Some of Vale long-term debt instruments has financial cover. The principal financial cover requires to keep requiring that certain ratios, such as debt to EBITDA and interest coverage. The Company is in full compliance with financial covenants as of September 30, 2008.

As of September 30, 2008, the US-dollar denominated fixed interest notes of R\$12,700,106 (June 30, 2008 R\$10,623,296) and other debt of R\$24,391,888 (June 30, 2008 R\$22,002,294) are not securitized. The export securitization of R\$418,508 (June 30, 2008 R\$369,232) is collateralized by future receivables from certain export sales by the subsidiary CVRD Overseas Ltd. Loans from international lenders in the amount of R\$109,559 (June 30, 2008 R\$110,785) are guaranteed by Brazilian Federal Government, to which The Company has provided guarantees in

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the same amount. The remaining long-term debt of R\$542,307 (June 30, 2008) R\$507,061 is collateralized mainly by receivables from the subsidiaries.

**5.14- Contingent Liabilities**

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

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

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

|   | <b>09/30/08</b>  | <b>Consolidated<br/>06/30/08</b> | <b>Parent Company<br/>09/30/08</b> | <b>06/30/08</b>  |
|---|------------------|----------------------------------|------------------------------------|------------------|
| I) Tax contingencies                          | 2,254,933        | 2,237,539                        | 1,248,980                          | 1,293,708        |
| (-) Judicial deposits                         | (982,308)        | (958,069)                        | (847,155)                          | (830,429)        |
|   | <b>1,272,625</b> | <b>1,279,470</b>                 | <b>401,825</b>                     | <b>463,279</b>   |
| II) Civil contingencies                       | 433,013          | 397,914                          | 258,275                            | 211,216          |
| (-) Judicial deposits                         | (40,379)         | (72,003)                         |                                    |                  |
|   | <b>392,634</b>   | <b>325,911</b>                   | <b>258,275</b>                     | <b>211,216</b>   |
| III) Labor contingencies                      | 1,075,680        | 969,650                          | 889,822                            | 784,685          |
| IV) Environmental contingencies               | 32,914           | 27,297                           | 8,529                              | 3,335            |
| <b>Total accrued liabilities</b>              | <b>2,773,853</b> | <b>2,602,328</b>                 | <b>1,558,451</b>                   | <b>1,462,515</b> |
|   |                  | <b>09/30/08</b>                  |                                    | <b>09/30/08</b>  |
| <b>Balance at the beginning of the period</b> |                  | 2,602,328                        |                                    | 1,462,515        |
| Provisions, net of reversals                  |                  | (190,857)                        |                                    | (181,586)        |
| Payment                                       |                  | (9,879)                          |                                    | (9,652)          |
| Monetary update                               |                  | 364,875                          |                                    | 303,900          |
| Judicial deposits                             |                  | 7,386                            |                                    | (16,726)         |
| <b>Balance at the end of period</b>           |                  | <b>2,773,853</b>                 |                                    | <b>1,558,451</b> |

**1) Tax Contingencies:**

The major suits are:

Value-Added Tax on Sales and Services (ICMS) The contingent figure refers to the credit right of differential rates regarding the transfer of assets between company branches;

Services Tax (ISS) The major claims are regarding local tax collecting disputes;

Tax for Social Security Financing (COFINS) The major contingencies, related to merged companies refer to the increase of the rate from 2% to 3% between 1999 and 2000;



Import Duty (II) The provision made is related to the Fiscal classification of equipment importation by merged companies;

Additional Compensation to harbour workers (AITP) Amounts regarding the collection of compensation amounts for public harbour workers equalized to Private Harbour;

Income Tax and Social Contribution Essentially regarding a fiscal loss compensation and negative bases of social contribution disputing the limit of 30% of taxable earnings and monetary variations of asset from merged companies; and

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Others Regarding dispute of tax credit compensations and basis of calculation of Finance Compensation by Exploration of Mineral Resources CFEM.

**2) Civil Contingencies:**

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

**3) Labor Contingencies:**

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

In addition to the contingencies, there are other contingent provisions, which there are possible losses totaling R\$6,254,987 (R\$3,081,664, parent company) based on the advice of legal counsel, it was not necessary to constitute any provision.

(b) In connection with the Girardin Financing, the Company provides certain guarantees on behalf of Goro pursuant to which we guaranteed payments due from Goro of up to a maximum amount of US\$100 millions ( Maximum Amount ) in connection with an indemnity. We also provided an additional guarantee covering the payments due from Goro of: (a) amounts exceeding the Maximum Amount in connection with the indemnity and (b) certain other amounts payable by Goro under a lease agreement covering certain assets.

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

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

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

A total of 388,559,056 Debentures were issued at a par value of R\$0.01 (one cent), whose value is to be restated in accordance with the variation in the General Market Price Index (IGP-M), as set forth in the Issue Deed. The debenture holders are entitled to receive semi-annual payments (in may and September) equivalent to a percentage of the net revenue deriving from certain mineral resources owned in May 1997 and included in the Issue Deed.

According to the Debenture Issue Deed, the amount of the premium must include interest up to the month prior to that of effective payment, plus 1% in the month in which the funds are made available to the debenture holder. The accumulated sales of iron ore of the mines covered by the debentures, in the period between May 1997 and September 30, 2008, were 596 million metric tons in the Southeast System and 671 million metric tons in the North System, Carajas. In the event of the annual sales of iron ore remain equal to the level achieved in the last twelve months, the levels mentioned in the Issue Deed to start payment of premium of 1.7 billion metric tons for the Southeast System and 1,2 billion metric tons to the North System, would be achieved in 2018 and 2013, respectively. However, this prediction could not be confirmed and may the dates mentioned to achieve the levels of production of 1.7 billion tons (Southeast System) and 1.2 billion tons (System North) are anticipated or neglected.

In September 2008, the Company paid interest on debentures in the amount of R\$11,121 (R\$21,928 in 2007).

**5.15- Provision for asset retirement obligations**

On 09/30/08, the consolidated provision for asset retirement obligations amounted to R\$1,798,122 (R\$869,427 in the parent company), which was accounted for in Provision for asset retirement obligations in non-current liabilities and

R\$115,228 (R\$45,568 in the parent company) classified in Other in current liabilities.

**Table of Contents****5.16- Pension Plan**

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

## a) Pension Plan

The results of the actuarial valuation were as follows:

|   | 09/30/08                              |                                 |                                  | Consolidated<br>06/30/08              |                                 |                                  |
|---|---------------------------------------|---------------------------------|----------------------------------|---------------------------------------|---------------------------------|----------------------------------|
|   | (*)<br>Overfunded<br>pension<br>plans | Underfunded<br>pension<br>plans | Underfunded<br>other<br>benefits | (*)<br>Overfunded<br>pension<br>plans | Underfunded<br>pension<br>plans | Underfunded<br>other<br>benefits |
| Fair value of plan assets<br>at the end of the year                           | (5,702,768)                           | (7,628,866)                     | (2,621,039)                      | (5,683,264)                           | (6,341,242)                     | (2,164,272)                      |
| Fair value of assets at<br>the end of the year                                | 7,468,808                             | 6,922,151                       | 18,369                           | 8,002,692                             | 5,756,345                       | 15,276                           |
| <b>Total</b>  | <b>1,766,040</b>                      | <b>(706,715)</b>                | <b>(2,602,670)</b>               | <b>2,319,428</b>                      | <b>(584,897)</b>                | <b>(2,148,996)</b>               |
| Actuarial assets /<br>(liabilities) recorded in<br>the balance sheet:         |                                       |                                 |                                  |                                       |                                 |                                  |
| Short-term  |                                       | (40,404)                        | (126,258)                        |                                       | (33,597)                        | (104,997)                        |
| Long-term   |                                       | (666,311)                       | (2,476,412)                      |                                       | (551,300)                       | (2,043,999)                      |
| <b>Actuarial assets /<br/>(liabilities) recorded in<br/>the balance sheet</b> |                                       | <b>(706,715)</b>                | <b>(2,602,670)</b>               |                                       | <b>(584,897)</b>                | <b>(2,148,996)</b>               |
|   | 09/30/08                              |                                 |                                  | Parent Company<br>06/30/08            |                                 |                                  |
|   | (*)<br>Overfunded<br>pension<br>plans | Underfunded<br>pension<br>plans | Underfunded<br>other<br>benefits | (*)<br>Overfunded<br>pension<br>plans | Underfunded<br>pension<br>plans | Underfunded<br>other<br>benefits |
| Fair value of assets at the<br>end of the year                                | 7,468,808                             |                                 |                                  | 8,002,692                             |                                 |                                  |
| Fair value of plan assets at<br>the end of the year                           | (5,702,768)                           |                                 |                                  | (5,683,264)                           |                                 |                                  |
| <b>Actuarial assets /<br/>(liabilities) recorded in the<br/>balance s</b>     | <b>1,766,040</b>                      |                                 |                                  | <b>2,319,428</b>                      |                                 |                                  |

(\*) The Company  
has not recorded

the actuarial asset on its balance sheet, since there is no clear evidence to its realization, as established by item 49 of NPC 26.

b) Actuarial liability

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

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

|  | <b>Parent Company / Consolidated</b> |                       |                    |                       |
|--|--------------------------------------|-----------------------|--------------------|-----------------------|
|  | <b>09/30/08</b>                      |                       | <b>06/30/08</b>    |                       |
|  | <b>Abono</b>                         |                       | <b>Abono</b>       |                       |
|  | <b>Health care</b>                   | <b>Complementação</b> | <b>Health care</b> | <b>Complementação</b> |
| Fair value of assets at the end of the year          |                                      | 326,980               |                    | 303,895               |
| Fair value of plan assets at end of year             | (269,987)                            | (682,631)             | (267,633)          | (674,306)             |
| Actuarial liabilities recorded in the balance sheet: |                                      |                       |                    |                       |
| Short-term   | (26,650)                             | (68,886)              | (22,290)           | (79,486)              |
| Long-term  | (243,337)                            | (286,765)             | (245,343)          | (290,925)             |
|  | <b>(269,987)</b>                     | <b>(355,651)</b>      | <b>(267,633)</b>   | <b>(370,411)</b>      |

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

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## c) Sponsor contributions

The contributions are as follows:

|  | <b>09/30/08</b>  | <b>Consolidated<br/>06/30/08</b> |
|--|------------------|----------------------------------|
| Overfunded pension plans                       | (48,365)         | (29,960)                         |
| Underfunded pension plans                      | (302,327)        | (197,317)                        |
| Underfunded other benefits                     | (68,384)         | (42,898)                         |
| Complementary value (*)                        | (66,089)         | (49,777)                         |
| Health insurance plan for retired employee (*) | (22,325)         | (16,686)                         |
| <b>Total contributions</b>                     | <b>(507,490)</b> | <b>(336,638)</b>                 |

(\*) Refers to  
actuarial  
liabilities

**5.17- Paid-up Capital**

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

At the Extraordinary Shareholders Meeting held on April 27, 2007 the capital stock was increased to R\$28,000,000. The capital increase is due through capitalization of the expansion/ investment reserve in the amount of R\$7,672,690 capitalization of the legal reserve in the amount of R\$751,545, and capitalization of the fiscal incentives reserve in the amount of R\$83,364 without new stock issue.

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

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

In July 2008, the Company issued 256,926,766 common shares and 164,402,799 preferred shares through a global offering, which consisted of a registered offering in Brazil and an international offering, which included a registered offering in the United States of America. As a result, the Company raised R\$18,450 million and increased capital by the same amount. Accordingly, capital is now composed by 3,256,726,482 common shares and 2,108,579,618 preferred shares, totaling R\$47,434 million. On August 2008, through additional offering, the Company issued 24,660,419 preferred shares, raising R\$984 million. After the closing of the operation, Vale's capital stock increased by R\$19,434 million and corresponding transaction cost of R\$161 were recorded as a reduction of the additional paid-in capital account.

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

The members of the Board of Directors and Executive Board together own 166,915 common shares and 715,112 preferred shares.

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

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

In alignment with the international practices and after analysis, was concluded that the Mandatory convertible notes are similar to equity notes and for this reason are recognized as a specific part of the equity, net of financial changes. The resources linked to future mandatory conversion, net of interest, are represented by a maximum of 56,582,040 common shares are equivalent to R\$2,111 and the ones represented by a maximum of 30,295,456 preferred shares are equivalent to R\$926 millions. All the shares are currently in treasury stock (see note 5.20).

On October 16, 2008, Vale announced it will pay additional interest to holders of mandatory convertible notes, the series RIO and RIO P, in the amount of R\$1.187165 and R\$1.409004, respectively, converted into U.S. dollars in accordance with a real exchange rate / U.S. dollar prevailing on 10/31/08.

**Table of Contents****5.19- Incentives of long stated period**

In 2008, with the purpose of introducing a shareholders vision to certain of the Company executives, as well as improving retention and reinforcing the culture of sustainable performance, the Board of Directors approved a long-term incentive compensation plan, which was implemented in April 2008, in respect with a three-year cycle (2008 to 2010).

Under the terms of the plan, the participants, restricted to certain executives, may elect to allocate part of their annual bonuses to the plan. That portion of the bonus allocated to the plan is in fact used by the executive to purchase preferred shares of Vale, through a defined financial institution), at market conditions and with no benefit provided by Vale.

The shares purchased by each executive have no restrictions and may, at the participant's discretion, be sold at any time. However, in order to be entitled to the long-term incentive compensation plan to be provided by Vale, the amount of shares initially purchased by the executives on the plan's adoption, must be held for a three-year period, and, the executive must retain its employment relationship with Vale during that period.

Upon meeting these two conditions described above (keeping the number of shares purchased, and, remaining Vale's employees, over three years), the participant become entitled to receive from Vale, a cash payment equivalent to the total amount of shares held, based on market rates.

The Company account for the compensation cost provided to executives under this long-term incentive compensation plan, following the requirements of IFRS (International Financial Reporting 2 Share Based Payment). Liabilities are measured at each reporting date at fair value, based on market rates. Compensation costs incurred are recognized, over the defined three-year vesting period. At September 30, 2008, the Company have recognized a long-term liability of R\$6,689, relating to 714,081 shares.

**5.20- Treasury Stock**

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

On 09/30/08, the Company had 56,582,040 common shares and 30,340,904 preferred shares, which are held in treasury in the amount of R\$790,214.

On October 16, 2008, The Board of Directors approved a program to repurchase up to 69,944,380 shares involving up to 169,210,249 common shares and preferred shares, amounting respectively to 5.5% and 8.5% of the total number of shares of each class in movement (free float) based on the equity position of 09/30/08.

| Class     | Shares            |                   |                       |       |       |          | Average quoted market price |  |
|-----------|-------------------|-------------------|-----------------------|-------|-------|----------|-----------------------------|--|
|           | Quantity          |                   | Unit acquisition cost |       |       | 09/30/08 | 06/30/08                    |  |
|           | 09/30/08          | 06/30/08          | Average               | Low   | High  |          |                             |  |
| Preferred | 30,340,904        | 30,341,012        | 43.45                 | 41.13 | 45.15 | 45.66    | 49.47                       |  |
| Common    | 56,582,040        | 56,582,040        | 4.63                  | 3.34  | 8.68  | 53.87    | 58.90                       |  |
|           | <b>86,922,944</b> | <b>86,923,052</b> |                       |       |       |          |                             |  |

**5.21- Remuneration of Stockholders**

On April 30, 2008, the Company paid R\$2,109,750 to shareholders, of which R\$1,150,495 as interest on capital and R\$959,255 as dividends.

On October 10, 2008 the Board of Directors approved the payment of the second tranche of compensation to shareholders in 2008, amounting to R\$3,448,160, the amount of R\$2,717,000 in the form of interest on capital and R\$731,160 in the form of dividends.



**Table of Contents****5.22- Financial Results**

|  | <b>Consolidated</b> |                     | <b>Parent Company</b>    |                                       |
|--|---------------------|---------------------|--------------------------|---------------------------------------|
|  | <b>3Q/08</b>        | <b>2Q/08</b>        | <b>Quarter<br/>3Q/07</b> |                                       |
| <b>Financial expenses</b>                              |                     |                     |                          |                                       |
| Interest   | (509,184)           | (445,648)           | (599,771)                |                                       |
| Labor, tax and civil contingencies                     | (40,093)            | (14,872)            | (36,897)                 |                                       |
| CPMF   |                     |                     | (41,516)                 |                                       |
| Others   | (197,042)           | (253,163)           | (418,281)                |                                       |
|  | <b>(746,319)</b>    | <b>(713,683)</b>    | <b>(1,096,465)</b>       |                                       |
| <b>Financial income</b>                                |                     |                     |                          |                                       |
| Related parties  | 1,041               | 3,068               | 2,548                    |                                       |
| Marketable securities                                  | 431,063             | 42,671              | 35,708                   |                                       |
| Others   | 34,641              | 4,472               | 25,313                   |                                       |
|  | <b>466,745</b>      | <b>50,211</b>       | <b>63,569</b>            |                                       |
| Derivatives  | <b>(1,111,776)</b>  | <b>1,240,512</b>    | <b>665,536</b>           |                                       |
| <b>Monetary and exchange rate variation on assets:</b> |                     |                     |                          |                                       |
| Cash and cash equivalents                              | 2,356,970           | (273,606)           | (227,613)                |                                       |
| Accounts receivable                                    | 1,812,034           | (650,794)           | (495,841)                |                                       |
| Loans  | (4,768,344)         | 2,380,257           | 2,355,052                |                                       |
| Others   | 3,302,924           | (2,922,754)         | (1,126,289)              |                                       |
| <b>Net</b>   | <b>2,703,584</b>    | <b>(1,466,897)</b>  | <b>505,309</b>           |                                       |
| <b>Financial income (expenses), net</b>                | <b>1,312,234</b>    | <b>(889,857)</b>    | <b>137,949</b>           |                                       |
|  |                     | <b>Consolidated</b> |                          | <b>Parent Company</b>                 |
|  |                     | <b>Consolidated</b> |                          | <b>Accumulated<br/>Parent Company</b> |
|  | <b>09/30/08</b>     | <b>09/30/07</b>     | <b>09/30/08</b>          | <b>09/30/07</b>                       |
| <b>Financial expenses</b>                              |                     |                     |                          |                                       |
| Interest   | (1,509,991)         | (2,110,340)         | (2,048,766)              | (2,430,992)                           |
| Labor, tax and civil contingencies                     | (131,795)           | (118,218)           | (121,840)                | (110,749)                             |

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|  |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| CPMF   |                    | (222,996)          |                    | (167,534)          |
| Others   | (822,510)          | (1,480,063)        | (305,590)          | (1,016,201)        |
|  | <b>(2,464,296)</b> | <b>(3,931,617)</b> | <b>(2,476,196)</b> | <b>(3,725,476)</b> |
| <b>Financial income</b>                                |                    |                    |                    |                    |
| Related parties  | 6,492              | 5,255              | 26,102             | 20,343             |
| Marketable securities                                  | 527,453            | 161,777            | 397,489            | 40,257             |
| Others   | 100,708            | 367,613            | 10,218             | 9,499              |
|  | <b>634,653</b>     | <b>534,645</b>     | <b>433,809</b>     | <b>70,099</b>      |
| Derivatives  | <b>(490,204)</b>   | <b>1,263,322</b>   | <b>(162,174)</b>   | <b>1,230,409</b>   |
| <b>Monetary and exchange rate variation on assets:</b> |                    |                    |                    |                    |
| Cash and cash equivalents                              | 2,045,925          | (656,984)          | 1,271,686          | 22,411             |
| Accounts receivable                                    | 1,016,464          | (1,259,142)        | 72,887             | 72,887             |
| Loans  | (2,037,323)        | 5,408,389          | (898)              | 934,641            |
| Others   | (339,104)          | (1,481,631)        | (273,475)          | (5,120)            |
| Related parties  | 95                 | 5,611              | (2,249,833)        | 4,282,321          |
| <b>Net</b>   | <b>686,057</b>     | <b>2,016,243</b>   | <b>(1,179,633)</b> | <b>5,307,140</b>   |
| <b>Financial income (expenses), net</b>                | <b>(1,633,790)</b> | <b>(117,407)</b>   | <b>(3,384,194)</b> | <b>2,882,172</b>   |

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**5.23- Financial Instruments Derivatives**

**Risk Policy**

Vale considers 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 risk management policy and a risk management committee.

The risk management policy determines that Vale must evaluate the cash flow risk regularly with the purpose of risk mitigation, when necessary, reducing the volatility in cash flow. The risk management activities are conducted in accordance with the risk management policy, which prohibits speculative transactions and requires diversification of transactions and counterparties.

The company regularly monitors and evaluates the consolidated position in order to follow the financial results and assess the impact on Vale's cash flow, to ensure that the targets originally outlined will be met. The risk management committee assists our executive officers in managing and reviewing information related to the activities of managing risk, associated with market risks, credit or operational, including relevant policies, procedures and practices used in the administration of risk.

Considering the nature of business and operations of Vale, the main market risk factors to which we are exposed are as follows:

Interest rates,

Exchange rates, and

Product Price

Vale uses major financial institutions for its hedge practices, and periodically reviews the credit limits and creditworthiness of the hedging counterparties.

**Methodology of calculating fair value of the positions**

The company evaluates the present value of financial instruments through the use of market curves that impact the market instrument on the dates of verification.

In the case of options, the pricing is done using the Black & Scholes model, a model widely used for evaluation of options, which basically uses the volatility and price of the underlying asset, the strike price of active-object, the exercise price of the option, the interest rate and the tenor to maturity.

In the case of swaps, both assets and liabilities are estimated independently and brought to present value, where the difference between the swap legs of the result creates the market value of the swap.

**Contracts subject to margin call**

Vale has contracts, with margin calls; only on derivative transactions of copper and nickel hired by Vale Inco. The total value of margin posted in cash on September is R\$31,8 million in cash. Of this amount, R\$23,4 million refers to positions that mature in 2008; and R\$8,4 million in 2009.

**Exchange rate and interest rate risk**

The company cash flow is subjected to volatility of several currencies against the dollar. Prices of most of our products are indexed to the U.S.dollar and represent about 94% of total revenue, whilst the majority of the costs, expenses and investments are indexed to currencies other than U.S. dollars, mainly Brazilian reais and Canadian dollars.

Thus, the reference currency for the company's basic obligations is the U.S. dollar and the potential volatility risk of the company's cash flow would be from the neglect of the indebtedness floating in Reais with the revenues, almost entirely denominated in dollars. To that end, the Company use derivative instruments, whose portfolio consists primarily of interest rate swaps to convert the cash flows from floating into cash flows in U.S. dollars at rates fixed and floating with no leverage.

Moreover, the company is exposed to interest rate risks on loans and financing. The floating rate debt in U.S. dollars includes pre-payment of exports, loans at commercial banks and multilateral organizations. In general, the floating rate debt in dollars are indexed to U.S. LIBOR (London Interbank Offered Rate). The Company considers the natural hedge between dollar and metal prices to mitigate the effects of the volatility of interest rates in our cash flow. When

there is no natural hedge, the company can choose to obtain the same effect through the use of financial instruments.

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The debts exposed to Brazilian floating interest rates are loans such as bonds BNDES loans and financing for the purchase of goods and services made in the Brazilian market. These debts linked to Brazilian reais are mainly indexed to CDI and TJLP.

The nominal and fair values of each instrument are shown below. In the gray area, we present the annual cash disbursements related to each position considering an hypothetical event in which the variables remain exactly as observed on 30/09/2008.

| thousands R\$                      | Fair Value        |            |           | Actual Fair Value |          |          |          |
|------------------------------------|-------------------|------------|-----------|-------------------|----------|----------|----------|
|                                    | 30/06/2008        | 30/09/2008 | 4Q2008    | 2009              | 2010     | 2011     | 2012     |
| <b>Debentures</b>                  | 1,297,305         | 553,168    | 237,707   | 397,155           | (81,694) |          |          |
| <b>Purchase money</b>              | 235,329           | 136,965    | 46,721    | 127,612           | (37,368) |          |          |
| <b>NCE</b>                         | 193,906           | (190,182)  | 0         | 54,957            | 56,887   | 66,446   | (150)    |
| <b>TJLP</b>                        | (24,634)          | (200,657)  | 2,617     | 6,400             | (752)    | (5,856)  | 46,344   |
| <b>PayRoll</b>                     | 193,797           | 0          |           |                   |          |          |          |
| <b>Platinum</b>                    | (34,467)          | (3,479)    | (3,479)   |                   |          |          |          |
| <b>Natural Gas</b>                 | 18,647            | (3,342)    | (1,597)   | (1,744)           |          |          |          |
| <b>Interest rate</b>               | (8,410)           | (10,542)   | (227)     | (4,739)           | (3,717)  | (1,860)  |          |
| <b>Copper</b>                      | (261,971)         | (77,419)   | (77,419)  |                   |          |          |          |
| <b>Nickel</b>                      | (57,364)          | (118,503)  | (39,523)  | (70,904)          | (8,076)  |          |          |
| <b>Gold</b>                        | (34,010)          | (18,637)   | (18,637)  |                   |          |          |          |
| <b>Aluminum</b>                    | (247,936)         | (39,370)   | (39,370)  |                   |          |          |          |
| <b>KFW</b>                         | 6,071             | 4,900      | 4,900     |                   |          |          |          |
| <b>Cash Flow</b>                   |                   | 29,408     | 29,408    |                   |          |          |          |
| <b>Total Amount</b>                | 1,276,262         | 62,310     | 141,102   | 508,738           | -74,720  | 58,730   | 46,194   |
| <b>% Revenue in last 12 months</b> |                   | 0.09%      | 0.20%     | 0.72%             | -0.11%   | 0.08%    | 0.07%    |
| thousands R\$                      | Actual Fair Value |            |           |                   |          |          |          |
|                                    | 2013              | 2014       | 2015      | 2016              | 2017     | 2018     | 2019     |
| <b>Debentures</b>                  |                   |            |           |                   |          |          |          |
| <b>Purchase money</b>              |                   |            |           |                   |          |          |          |
| <b>NCE</b>                         | 41,742            | 34,542     | (444,607) |                   |          |          |          |
| <b>TJLP</b>                        | 1,971             | (114,820)  | (18,295)  | (18,444)          | (18,495) | (18,514) | (62,814) |
| <b>PayRoll</b>                     |                   |            |           |                   |          |          |          |
| <b>Platinum</b>                    |                   |            |           |                   |          |          |          |
| <b>Natural Gas</b>                 |                   |            |           |                   |          |          |          |
| <b>Interest rate</b>               |                   |            |           |                   |          |          |          |
| <b>Copper</b>                      |                   |            |           |                   |          |          |          |
| <b>Nickel</b>                      |                   |            |           |                   |          |          |          |
| <b>Gold</b>                        |                   |            |           |                   |          |          |          |
| <b>Aluminum</b>                    |                   |            |           |                   |          |          |          |
| <b>KFW</b>                         |                   |            |           |                   |          |          |          |
| <b>Cash Flow</b>                   |                   |            |           |                   |          |          |          |
| <b>Total Amount</b>                | 43,713            | -80,278    | -462,902  | -18,444           | -18,495  | -18,514  | -62,814  |

|  |            |        |        |        |        |        |        |
|--|------------|--------|--------|--------|--------|--------|--------|
| <b>% Revenue in last<br/>12 months</b> | 0.06%      | -0.11% | -0.66% | -0.03% | -0.03% | -0.03% | -0.09% |
| <b>Revenue in last<br/>12 months</b>   | 70,341,000 |        | 20     |        |        |        |        |

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|  | <b>Notional Value</b> | <b>Notional Value</b> | <b>Fair Value</b> | <b>Fair Value</b> | <b>Receipt (Payment) Accumulated until</b> |                 | <b>Fair Value by due date</b> |             |             | <b>2011 onward</b> |
|--|-----------------------|-----------------------|-------------------|-------------------|--|-----------------|-------------------------------|-------------|-------------|--------------------|
|  | <b>09/30/08</b>       | <b>06/30/2008</b>     | <b>09/30/2008</b> | <b>06/30/2008</b> | <b>09/30/2008</b>                          | <b>06/30/08</b> | <b>2008</b>                   | <b>2009</b> | <b>2010</b> | <b>(a)</b>         |
| <b>Debtenture</b>                                      |                       |                       |                   |                   |  |                 |                               |             |             |                    |
| Swap Asset   | 5,430,891             | 5,430,891             | 6,105,874         | 5,828,990         |  |                 |                               |             |             |                    |
| Liability  | US\$ 2.589.800        | US\$ 2.589.800        | (5,552,705)       | (4,531,685)       | 156,521                                    | 121,671         | 237,707                       | 397,155     | (81,694)    |                    |
|  |                       |                       | <b>553,169</b>    | <b>1,297,305</b>  |  |                 |                               |             |             |                    |
| <b>Financiamento para aquisição de bens e serviços</b> |                       |                       |                   |                   |  |                 |                               |             |             |                    |
| Swap Asset   | 984,738               | 984,738               | 1,283,733         | 1,204,745         |  |                 |                               |             |             |                    |
| Liability  | US\$ 484.000          | US\$ 484.000          | (1,146,768)       | (969,417)         | 42,369                                     | 42,369          | 46,721                        | 127,612     | (37,368)    |                    |
|  |                       |                       | <b>136,965</b>    | <b>235,328</b>    |  |                 |                               |             |             |                    |
| <b>NCE</b>   |                       |                       |                   |                   |  |                 |                               |             |             |                    |
| Swap Asset   | 1,479,695             | 1,580,955             | 1,560,276         | 1,549,917         |  |                 |                               |             |             |                    |
| Liability  | US\$ 850.000          | US\$ 900.000          | (1,750,458)       | (1,356,011)       | 28,836                                     |                 |                               | 54,957      | 56,887      | 66,446             |
|  |                       |                       | <b>(190,182)</b>  | <b>193,906</b>    |  |                 |                               |             |             |                    |
| <b>TJLP</b>  |                       |                       |                   |                   |  |                 |                               |             |             |                    |
| Swap Asset   | 1,171,164             | 1,171,164             | 907,457           | 899,014           |  |                 |                               |             |             |                    |
| Liability  | US\$ 685.444          | US\$ 685.444          | (1,108,114)       | (923,648)         | 11,027                                     | 6,065           | 2,617                         | 6,400       | (752)       | (5,856)            |
|  |                       |                       | <b>(200,657)</b>  | <b>(24,634)</b>   |  |                 |                               |             |             |                    |

**(a) Fair Value by due date****Details from 2011 onward**

|             | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>NCE</b>  | 66,446      | (150)       | 41,742      | 34,542      | (444,607)   |             |             |             |             |
| <b>TJLP</b> | (5,856)     | 46,344      | 1,971       | (114,820)   | (18,295)    | (18,444)    | (18,495)    | (18,514)    | (62,814)    |

In order to reduce the volatility in cash flow associated with a funding of KFW indexed to EURIBOR, the company decided to enter into a swap transaction where the flows in Euros are converted into dollars.

| <b>Notional Value</b> | <b>Notional Value</b> | <b>Valor Justo</b> | <b>Valor Justo</b> | <b>Receipt (Payment) Accumulated until</b> | <b>Valor Justo por vencimento</b> |
|-----------------------|-----------------------|--------------------|--------------------|--|-----------------------------------|
|-----------------------|-----------------------|--------------------|--------------------|--|-----------------------------------|

|                   | 09/30/2008 | 06/30/08   | 09/30/2008 | 06/30/08 | 09/30/2008 | 06/30/08 | 2008  | 2009 | 2010 | 2011 |
|-------------------|------------|------------|------------|----------|------------|----------|-------|------|------|------|
| <b>KFW</b>        |            |            |            |          |            |          |       |      |      |      |
| Asset portion     | EUR 8.400  | EUR 9.600  | 4,900      | 6,071    | 604        | 604      | 4,900 |      |      |      |
| Liability portion | US\$9.400  | US\$10.800 |            |          |            |          |       |      |      |      |

In order to reduce the volatility in cash flow regarding a floating rate debt, Vale Inco made a swap to exchange floating rate flows to fixed rate flows in Dollars.

|                                    | Notional Value | Notional Value | Fair Value | Fair Value | Receipt (Payment) Accumulated until | Fair value by due date | 2008  | 2009    | 2010    | 2011    |
|------------------------------------|----------------|----------------|------------|------------|-------------------------------------|------------------------|-------|---------|---------|---------|
|                                    | 09/30/2008     | 06/30/08       | 09/30/2008 | 06/30/08   | 09/30/2008                          | 06/30/08               | 2008  | 2009    | 2010    | 2011    |
| <b>Taxa de Juros (Not revised)</b> | US\$mil        | US\$mil        |            |            |                                     |                        |       |         |         |         |
| Swap                               | 200,000        | 200,000        | (10,542)   | (8,410)    | (3,522)                             | (1,688)                | (227) | (4,739) | (3,717) | (1,860) |

In projects developed outside Brazil and Canada, we also have exposure to other currencies. We use derivative instruments to reduce the volatility in cash flow due to the currency mismatch of our revenues, costs and investments

|                       | Notional Value | Notional Value | Valor Justo | Valor Justo | Receipt (Payment) Accumulated until | Valor Justo por vencimento | 2008   | 2009 | 2010 | 2011 |
|-----------------------|----------------|----------------|-------------|-------------|-------------------------------------|----------------------------|--------|------|------|------|
|                       | 09/30/2008     | 06/30/08       | 09/30/2008  | 06/30/08    | 09/30/2008                          | 06/30/08                   | 2008   | 2009 | 2010 | 2011 |
| <b>Fluxo de caixa</b> |                |                |             |             |                                     |                            |        |      |      |      |
| Asset portion         | 100,000        | 100,000        | 192,113     |             |                                     |                            | 29,408 |      |      |      |
| Liability portion     | 158,620        | 158,620        | -162,705    | 29,408      |                                     |                            |        |      |      |      |



**Table of Contents****Prices risk of Products**

Vale is exposed to several market risks related to the volatility of world market prices in its products. Currently, our derivatives transactions involving derivatives associated to the price of our products/inputs, including nickel, copper, gold, platinum and natural gas, all of them with the aim to reduce the impact of the volatility of the company cash flow.

**Nickel** The company has some future contracts on the London Metal Exchange (LME), with the aim to keep its exposure to the fluctuations of nickel prices, as our product in some cases is sold in fixed prices. The fixed part of this contracts is recorded as an embedded derivative and its market value on September 30 was R\$132,6 million. Vale also participates in future LME contracts to reduce the risk of price mismatch between cost of intermediate products and price of finished products.

|                             | Notional Value<br>09/30/2008 | Notional Value<br>06/30/08 | Fair Value<br>09/30/2008 | Fair Value<br>06/30/08 | Receipt (Payment)<br>Accumulated until<br>2008 | Fair Value<br>by due date<br>2008 | 2009     | 2010    | 2011 |
|-----------------------------|------------------------------|----------------------------|--------------------------|------------------------|--|-----------------------------------|----------|---------|------|
| <b>Nickel (Not revised)</b> | Ton                          | Ton                        |                          |                        |  |                                   |          |         |      |
| Futures                     | 6,900                        | 6,702                      | (118,503)                | (57,364)               | (13,724)                                       | (43,264)                          | (67,199) | (8,040) |      |

Besides the contracts above, we have purchase contracts of intermediate products of nickel and copper that has a pricing settlement based on commodity index, leading this contracts to be treated as embedded derivatives. The market value of this position on September 30 was R\$ 59,34 million.

**Aluminum** In order to reduce the volatility of cash flow after Inco's acquisition, as a result of the additional debt incurred, Vale made hedging operations of copper and aluminum. In the case of aluminum, the operations as presented below:

|                               | Notional Value<br>09/30/2008 | Notional Value<br>06/30/08 | Fair Value<br>09/30/2008 | Fair Value<br>06/30/08 | Receipt (Payment)<br>09/30/2008 | Accumulated until<br>06/30/08 | Fair value<br>by due date<br>2008 | 2009 | 2010 |
|-------------------------------|------------------------------|----------------------------|--------------------------|------------------------|---------------------------------|-------------------------------|-----------------------------------|------|------|
| <b>Aluminum (Not revised)</b> | Ton                          | Ton                        |                          |                        |                                 |                               |                                   |      |      |
| Forward                       | 12,000                       | 177,000                    | (2,113)                  | 283                    |                                 |                               | (2,113)                           |      |      |
| Put                           | 88,500                       | 177,000                    | 1,266                    | (141,119)              | (239,458)                       | (146,222)                     | 1,266                             |      |      |
| Call                          | 88,500                       | 24,000                     | (8,079)                  | (27,720)               |                                 |                               | (8,079)                           |      |      |
| Other instruments             | 16,500                       | 33,000                     | (30,443)                 | (79,379)               |                                 |                               | (30,444)                          |      |      |
|                               |                              |                            | (39,369)                 | (247,935)              |                                 |                               |                                   |      |      |

Additionally, there is a embedded derivative on the purchase contract of energy of Albras with Eletronorte, for which the company has a negative fair value of R\$ 46,8 millions in September 30, 2008.

**Copper** As mentioned, Vale made in 2006 copper hedging operations to reduce the volatility of the cash flow after Inco's acquisition. In the other side, a part of the total position was originally made by Inco, before the acquisition by Vale.

**Vale**

Notional Notional Accumulated

|               | <b>Value</b>      | <b>Value</b>    | <b>Fair</b>       | <b>Fair</b>     | <b>Receipt</b>    | <b>until</b>    | <b>Fair</b>   |             |             |
|---------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|---------------|-------------|-------------|
|               | <b>09/30/2008</b> | <b>06/30/08</b> | <b>Value</b>      | <b>Value</b>    | <b>(Payment)</b>  | <b>06/30/08</b> | <b>value</b>  | <b>2009</b> | <b>2010</b> |
| <b>Copper</b> | <b>Ton</b>        | <b>Ton</b>      | <b>09/30/2008</b> | <b>06/30/08</b> | <b>09/30/2008</b> | <b>06/30/08</b> | <b>by due</b> |             |             |
|               |                   |                 |                   |                 |                   |                 | <b>date</b>   |             |             |
|               |                   |                 |                   |                 |                   |                 | <b>2008</b>   |             |             |
| Put           | 19,500            | 39,000          | 6,591             | 465             |                   |                 | 6,591         |             |             |
| Call          | 19,500            | 39,000          | (1,179)           | (42,989)        | (18,075)          | (12,984)        | (1,179)       |             |             |
|               |                   |                 | 5,412             | (42,524)        |                   |                 |               |             |             |
|               |                   |                 |                   | 22              |                   |                 |               |             |             |

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**Table of Contents****Vale INCO**

|                      | Notional   | Notional   | Fair       |            | Receipt (payment) |            | Fair     |      |      |      |      |
|----------------------|------------|------------|------------|------------|-------------------|------------|----------|------|------|------|------|
|                      | Value      | Value      | Value      | Value      | Accumulated       | unit       | value    |      |      |      |      |
|                      | 09/30/2008 | 06/30/2008 | 09/30/2008 | 06/30/2008 | 09/30/2008        | 06/30/2008 | by due   | 2008 | 2009 | 2010 | 2011 |
| <b>Copper</b>        | Ton        | Ton        |            |            |                   |            |          |      |      |      |      |
| <b>(Not revised)</b> |            |            |            |            |                   |            |          |      |      |      |      |
| Term                 | (170)      | (159)      | 294        | (24)       | (96)              | (96)       | 294      |      |      |      |      |
| Options              |            |            |            |            |                   |            |          |      |      |      |      |
| Put purchase         | 2,499      | 4,998      |            |            |                   |            |          |      |      |      |      |
| Collar               | 6,048      | 24,192     | (83,125)   | (219,423)  | (321,514)         | (214,937)  | (83,125) |      |      |      |      |
|                      |            |            | (82,831)   | (219,447)  | (321,610)         | (215,033)  |          |      |      |      |      |

**PGMs and others precious metals** Currently Vale holds a small position on derivatives instruments in gold and platinum. As others basic metals, these operations was structured in order to reduce the volatility of cash flow.

|             | Notional   | Notional | Fair       |          | Receipt    | Accumulated | Fair value |      |      |      |      |
|-------------|------------|----------|------------|----------|------------|-------------|------------|------|------|------|------|
|             | Value      | Value    | Value      | Value    | (Payment)  | until       | by due     |      |      |      |      |
|             | 09/30/2008 | 06/30/08 | 09/30/2008 | 06/30/08 | 09/30/2008 | 06/30/08    | date       | 2008 | 2009 | 2010 | 2010 |
| <b>Gold</b> | Oz         | Oz       |            |          |            |             |            |      |      |      |      |
| Put         | 20,685     | 41,370   |            |          |            |             |            |      |      |      |      |
| Call        | 19,425     | 41,370   | (18,637)   | (34,010) | (54,383)   | (37,432)    | (18,637)   |      |      |      |      |

|                      | Notional   | Notional | Fair       |          | Receipt    | Accumulated | Fair value |      |      |      |      |
|----------------------|------------|----------|------------|----------|------------|-------------|------------|------|------|------|------|
|                      | Value      | Value    | Value      | Value    | (Payment)  | until       | by due     |      |      |      |      |
|                      | 09/30/2008 | 06/30/08 | 09/30/2008 | 06/30/08 | 09/30/2008 | 06/30/08    | date       | 2008 | 2009 | 2010 | 2011 |
| <b>Platina</b>       | Oz         | Oz       |            |          |            |             |            |      |      |      |      |
| <b>(Not revised)</b> |            |          |            |          |            |             |            |      |      |      |      |
| Options              |            |          |            |          |            |             |            |      |      |      |      |
| Collar               | 8,662      | 17,322   | (3,478)    | (34,467) | (44,315)   | (32,920)    | (3,479)    |      |      |      |      |

**Natural gas** - Vale uses swap contracts in order to minimize the impact of the natural gas prices fluctuation in the company's cash flow.

|                      | Notional   | Nominal    | Valor      |            | Receipt    | Accumulated | Fair    |         |      |      |      |
|----------------------|------------|------------|------------|------------|------------|-------------|---------|---------|------|------|------|
|                      | Value      | Value      | Justo      | Justo      | (payment)  | unit        | value   |         |      |      |      |
|                      | 09/30/2008 | 06/30/2008 | 09/30/2008 | 06/30/2008 | 09/30/2008 | 06/30/2008  | by due  | 2008    | 2009 | 2010 | 2011 |
| <b>Natural Gas</b>   | GJ         | GJ         |            |            |            |             |         |         |      |      |      |
| <b>(Not revised)</b> |            |            |            |            |            |             |         |         |      |      |      |
| Options              |            |            |            |            |            |             |         |         |      |      |      |
| Term                 | 2.601.000  | 3.429.000  | (3.342)    | 18.647     | 1.045      | 1.627       | (1.597) | (1.744) |      |      |      |

PS: Original amounts in CAD converted by the exchange rate of 09/30/08 and 06/30/08 to fair value and 09/30/08 to accumulated.

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

|  | Currencies\<br>Interest<br>rates<br>(libor) | Products<br>by  |                  |                  |               |                 | Consolidated<br>Quarter<br>3Q/07 |
|--|---|-----------------|------------------|------------------|---------------|-----------------|----------------------------------|
|  |   | Gold            | aluminum<br>area | Copper           | Nickel        | Platinum        | Total                            |
| Gains /<br>(losses) unrealized on<br>06/30/08          | 1,912,013                                   | (34,010)        | (300,610)        | (261,971)        | 57,419        | (34,467)        | 1,338,374                        |
| Payments<br>(receipt) financial                        | (289,131)                                   | 16,952          | 93,235           | 111,669          | 36,706        | 11,395          | (19,174)                         |
| Financial expenses,<br>net                             | (1,578,417)                                 | 2,201           | 137,999          | 107,585          | (32,582)      | 24,298          | (1,338,916)                      |
| Monetary variations,<br>net                            | 275,253                                     | (3,780)         | (16,818)         | (34,702)         | 11,892        | (4,705)         | 227,140                          |
| <b>Gains /<br/>(losses) unrealized on<br/>09/30/08</b> | <b>319,718</b>                              | <b>(18,637)</b> | <b>(86,194)</b>  | <b>(77,419)</b>  | <b>73,435</b> | <b>(3,479)</b>  | <b>207,424</b>                   |
|  |   |                 |                  |                  |               |                 | <b>2Q/08</b>                     |
|  | Currencies\<br>Interest<br>rates<br>(libor) | Gold            | aluminum<br>area | Copper           | Nickel        | Platinum        | Total                            |
| Gains /<br>(losses) unrealized on<br>03/31/08          | 1,048,035                                   | (57,777)        | (434,408)        | (426,814)        | 10,902        | (54,095)        | 85,843                           |
| Payments<br>(receipt) financial                        | (226,227)                                   | 17,344          | 103,890          | 123,673          | (23,759)      | 17,098          | 12,019                           |
| Financial expenses,<br>net                             | 1,139,831                                   | 2,013           | 2,119            | 6,002            | 72,059        | (2,082)         | 1,219,942                        |
| Monetary variations,<br>net                            | (49,626)                                    | 4,410           | 27,789           | 35,168           | (1,783)       | 4,612           | 20,570                           |
| <b>Gains /<br/>(losses) unrealized on<br/>06/30/08</b> | <b>1,912,013</b>                            | <b>(34,010)</b> | <b>(300,610)</b> | <b>(261,971)</b> | <b>57,419</b> | <b>(34,467)</b> | <b>1,338,374</b>                 |
|  |   |                 |                  |                  |               |                 | <b>3Q/07</b>                     |
|  | Currencies\<br>Interest<br>rates<br>(libor) |                 |                  |                  |               |                 |                                  |

|  | Interest<br>rates<br>(libor) | Products<br>by  |                  |                  |              |                 | Total          |
|--|------------------------------|-----------------|------------------|------------------|--------------|-----------------|----------------|
|  |                              | Gold            | aluminum<br>area | Copper           | Nickel       | Platinum        |                |
| Gains /<br>(losses) unrealized on<br>06/30/07          | 699,756                      | (70,802)        | (563,305)        | (682,294)        | 54,107       | (46,326)        | (608,864)      |
| Payments<br>(receipt) financial                        | (16,972)                     | 13,257          | 55,443           | 132,650          | (143,280)    | 7,179           | 48,277         |
| Financial expenses,<br>net                             | 532,902                      | (18,569)        | 175,242          | (131,518)        | 96,009       | (9,724)         | 644,342        |
| Monetary variations,<br>net                            | (24,548)                     | 3,136           | 12,893           | 28,475           | (941)        | 2,179           | 21,194         |
| <b>Gains /<br/>(losses) unrealized on<br/>09/30/07</b> | <b>1,191,138</b>             | <b>(72,978)</b> | <b>(319,727)</b> | <b>(652,687)</b> | <b>5,895</b> | <b>(46,692)</b> | <b>104,949</b> |

|  | Currencies\<br>Interest<br>rates<br>(libor) | Products<br>by  |                  |                 |               |                | Total          | Accumulated<br>09/30/08 |
|--|---|-----------------|------------------|-----------------|---------------|----------------|----------------|-------------------------|
|  |   | Gold            | aluminum<br>area | Copper          | Nickel        | Platinum       |                |                         |
| Gains /<br>(losses) unrealized on<br>12/31/07          | 1,107,744                                   | (64,608)        | (172,569)        | (332,222)       | 73,557        | (42,722)       | 569,180        |                         |
| Payments<br>(receipt) financial                        | (563,117)                                   | 54,383          | 239,458          | 339,685         | 13,724        | 44,315         | 128,448        |                         |
| Financial expenses, net                                | (458,876)                                   | (9,768)         | (165,858)        | (88,649)        | (21,567)      | (5,232)        | (749,950)      |                         |
| Monetary variations,<br>net                            | 233,967                                     | 1,356           | 12,775           | 3,767           | 7,721         | 160            | 259,746        |                         |
| <b>Gains /<br/>(losses) unrealized on<br/>09/30/08</b> | <b>319,718</b>                              | <b>(18,637)</b> | <b>(86,194)</b>  | <b>(77,419)</b> | <b>73,435</b> | <b>(3,479)</b> | <b>207,424</b> |                         |

|   | Currencies\<br>Interest<br>rates<br>(libor) | Products<br>by |                  |           |           |          | Total       | 09/30/07 |
|---|---|----------------|------------------|-----------|-----------|----------|-------------|----------|
|   |   | Gold           | aluminum<br>area | Copper    | Nickel    | Platinum |             |          |
| Gains /<br>(losses) unrealized on<br>12/31/07 | (20,162)                                    | (115,138)      | (679,454)        | (638,410) | 34,593    | (41,922) | (1,460,493) |          |
|   | (176,367)                                   | 47,054         | 192,840          | 346,418   | (122,255) | 14,430   | 302,120     |          |

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|  |                  |                 |                  |                  |              |                 |                |
|--|------------------|-----------------|------------------|------------------|--------------|-----------------|----------------|
| Payments<br>(receipt) financial                        |                  |                 |                  |                  |              |                 |                |
| Financial expenses,<br>net                             | 1,432,752        | (18,040)        | 84,785           | (456,088)        | 92,248       | (26,600)        | 1,109,057      |
| Monetary variations,<br>net                            | (45,085)         | 13,146          | 82,102           | 95,393           | 1,309        | 7,400           | 154,265        |
| <b>Gains /<br/>(losses) unrealized<br/>on 09/30/07</b> | <b>1,191,138</b> | <b>(72,978)</b> | <b>(319,727)</b> | <b>(652,687)</b> | <b>5,895</b> | <b>(46,692)</b> | <b>104,949</b> |

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|  | <b>Parent Company<br/>09/30/08</b>                    |                 |               |                |
|--|---|-----------------|---------------|----------------|
|  | <b>Currencies\<br/>Interest<br/>rates<br/>(libor)</b> | <b>Gold</b>     | <b>Copper</b> | <b>Total</b>   |
| Gains / (losses) unrealized on 12/31/07        | 1,064,545   | (45,256)        | (1,923)       | 1,017,366      |
| Payments (receipt) financial                   | (540,167)   | 38,705          | 10,685        | (490,777)      |
| Financial expenses, net                        | (379,763)   | (7,262)         | (7,451)       | (394,476)      |
| Monetary variations, net                       | 230,557   | 694             | 1,051         | 232,302        |
| <b>Gains / (losses) unrealized on 09/30/08</b> | <b>375,172</b>  | <b>(13,119)</b> | <b>2,362</b>  | <b>364,415</b> |

|  | <b>09/30/07</b>                                       |                 |                 |                  |
|--|---|-----------------|-----------------|------------------|
|  | <b>Currencies\<br/>Interest<br/>rates<br/>(libor)</b> | <b>Gold</b>     | <b>Copper</b>   | <b>Total</b>     |
| Gains / (losses) unrealized on 12/31/06        | 5,064   | (68,941)        | 46,227          | (17,650)         |
| Payments (receipt) financial                   | (215,026)   | 24,580          | (2,748)         | (193,194)        |
| Financial expenses, net                        | 1,360,270   | (16,703)        | (82,060)        | 1,261,507        |
| Monetary variations, net                       | (38,724)  | 9,199           | (1,573)         | (31,098)         |
| <b>Gains / (losses) unrealized on 09/30/07</b> | <b>1,111,584</b>                                      | <b>(51,865)</b> | <b>(40,154)</b> | <b>1,019,565</b> |

Final maturity dates for the above instruments are as follows:

|                                    |                  |
|------------------------------------|------------------|
| Gold                               | December<br>2008 |
| Interest rates (LIBOR)\ Currencies | December<br>2019 |
| Aluminum products                  | December<br>2008 |
| Copper                             | January 2009     |
| Nickel                             | August 2010      |
| Platinum                           | December<br>2008 |

**5.24- Selling, Administrative, Other Operating Expenses and Non Operating Income**

|  | <b>3Q/08</b> | <b>2Q/08</b> | <b>Quarter<br/>3Q/07</b> | <b>09/30/08</b> | <b>Consolidated<br/>Accumulated<br/>09/30/07</b> | <b>Parent Company<br/>Accumulated<br/>09/30/08</b> | <b>09/30/07</b> |
|--|--------------|--------------|--------------------------|-----------------|--|--|-----------------|
| <b>Administrative</b>                                  |              |              |                          |                 |  |  |                 |
| Personnel  | 192,082      | 176,337      | 154,220                  | 539,626         | 524,131  | 307,710  | 228,479         |
| Services (consulting,<br>infrastructure and<br>others) | 119,663      | 94,174       | 115,842                  | 298,804         | 315,800  | 142,150  | 110,694         |



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|                           |                |                |                |                  |                  |                |                |
|---------------------------|----------------|----------------|----------------|------------------|------------------|----------------|----------------|
| Advertising and publicity | 58,748         | 65,760         | 59,080         | 158,856          | 131,499          | 149,586        | 125,456        |
| Depreciation              | 70,808         | 68,881         | 71,116         | 219,507          | 212,202          | 171,113        | 158,396        |
| Travel expenses           | 28,196         | 16,869         | 13,174         | 55,906           | 31,783           | 29,799         | 19,612         |
| Rents and taxes           | 29,489         | 13,161         | 31,680         | 52,042           | 111,463          | 23,545         | 19,748         |
| Community aborigine       | 3,221          | 6,256          | 4,140          | 15,303           | 12,619           | 12,389         | 12,619         |
| Others                    | 43,382         | 85,828         | 29,927         | 189,504          | 150,093          | 83,499         | 40,409         |
| <b>Sales (*)</b>          | <b>124,957</b> | <b>104,278</b> | <b>102,183</b> | <b>372,391</b>   | <b>260,598</b>   | <b>23,101</b>  | <b>10,804</b>  |
| <b>Total</b>              | <b>670,546</b> | <b>631,544</b> | <b>581,362</b> | <b>1,901,939</b> | <b>1,750,188</b> | <b>942,892</b> | <b>726,217</b> |

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

|   | <b>3Q/08</b>   | <b>2Q/08</b>   | <b>Quarter<br/>3Q/07</b> | <b>Consolidated<br/>Accumulated<br/>09/30/08</b> | <b>Consolidated<br/>Accumulated<br/>09/30/07</b> | <b>Parent Company<br/>Accumulated<br/>09/30/08</b> | <b>Parent Company<br/>Accumulated<br/>09/30/07</b> |
|---|----------------|----------------|--------------------------|--|--|--|--|
| <b>Other operating expenses (income), net</b> |                |                |                          |  |  |  |  |
| Provisions for contingencies                  | 25,895         | (231,952)      | 38,305                   | (214,754)  | 159,691  | (202,730)  | 66,221   |
| Provision for loss on ICMS credits            | 80,804         | 192,830        | 33,541                   | 322,758  | 50,063   | 121,855  | 28,488   |
| Provision for profit sharing                  | 78,186         | 79,568         | 70,545                   | 205,421  | 379,099  | 95,596   | 234,672  |
| Fundação Vale do Rio Doce FVRD                | 23,616         | 18,094         | 24,018                   | 54,905   | 50,336   | 54,905   | 50,334   |
| Recoverable taxes PIS and COFINS              |                | (50,978)       |                          | (114,857)  |  | (114,857)  |  |
| Others  | 508,156        | 141,803        | 229,637                  | 970,012  | 170,875  | 372,244  | (218,796)  |
| <b>Total</b>                                  | <b>716,657</b> | <b>149,365</b> | <b>396,046</b>           | <b>1,223,485</b>                                 | <b>810,064</b>                                   | <b>327,013</b>                                     | <b>160,919</b>                                     |

**Table of Contents**

|   | 3Q/08 | 2Q/08 | Quarter<br>3Q/07 | 09/30/08       | Consolidated<br>Accumulated<br>09/30/07 | Parent Company<br>Accumulated<br>09/30/08 | 09/30/07         |
|---|-------|-------|------------------|----------------|---|---|------------------|
| <b>Non operating results<br/>gain on sale of assets</b> |       |       |                  |                |   |   |                  |
| Usiminas  |       |       | 6,263            |                | 845,691                                 |   | 845,691          |
| Log-In  |       |       | 37,522           |                | 454,053                                 |   | 454,053          |
| Jubilee Mines N.L.                                      |       |       |                  | 138,879        |   |   |                  |
| Lion Ore  |       |       | 153,085          |                | 153,085                                 |   |                  |
| Others  |       |       |                  |                | 4,807                                   |   | 982              |
| <b>Total</b>  |       |       | <b>196,870</b>   | <b>138,879</b> | <b>1,457,636</b>                        |   | <b>1,300,726</b> |

**Table of Contents****6- Attachment I Statement of Investments in Subsidiaries and Jointly-Controlled Companies**

| Participation<br>(%) |        |             |            | Assets   | Liabilities and stockholders' equity |   |                    |                 |  |                           |
|----------------------|--------|-------------|------------|--|--------------------------------------|---|--------------------|-----------------|--|---------------------------|
|                      | Voting | Circulating | Long-term  | Non-current<br>Investments,<br>property<br>plant<br>and<br>equipment<br>and<br>deferred<br>charges | Current                              | Long-term,<br>deferred<br>income<br>and<br>minority stockholders'<br>interest | Adjusted<br>equity | Net<br>revenues | Cost of<br>products<br>and<br>services | Operat<br>incd<br>(expens |
| 100                  | 51.00  | 778,668     | 1,245,506  | 1,091,836  | 641,392                              | 566,576   | 1,908,042          | 1,604,440       | (1,191,618)                            | (223,500)                 |
| 103                  | 61.74  | 1,126,254   | 12,883     | 5,351,109  | 451,640                              | 1,692,649   | 4,345,957          | 2,023,927       | (1,541,971)                            | (206,800)                 |
| 100                  | 100.00 | 4,030       | 31,830     |  | 5,029                                |   | 30,831             |                 |  | 13,000                    |
| 108                  | 100.00 | 159,062     | 58,468     | 192,065  | 44,543                               | 103,161   | 261,891            | 154,632         | (156,505)                              | (44,400)                  |
| 100                  | 100.00 | 160,074     | 97,499     | 1,472  | 150,340                              | 100,511   | 8,194              |                 |  | 1,000                     |
| 100                  | 100.00 | 293,875     | 6,468      | 190,527  | 192,896                              | 421   | 297,553            | 261,937         | (96,457)                               | 6,000                     |
| 100                  | 100.00 | 843,023     | 313,689    | 1,201,447  | 1,023,637                            | 38,420  | 1,296,102          | 3,551,338       | (2,519,834)                            | 133,500                   |
| 100                  | 100.00 | 2,710       | 305,929    | 149  | 33,425                               | 275,783   | (420)              |                 |  | (8,400)                   |
| 100                  | 100.00 | 366,556     | 106,637    | 1,600,850  | 175,909                              | 1,983,564   | (85,430)           | 575,098         | (509,746)                              | (17,400)                  |
| 100                  | 100.00 | 35,733      | 1,890      | 1,694,764  | 526,002                              | 443,957   | 762,428            | 45,183          | (18,429)                               | (1,400)                   |
| 100                  | 100.00 | 10,823      | 24,952     | 3,721  | 6,687                                | 7,766   | 25,043             |                 |  | 1,900                     |
| 100                  | 100.00 | 133         |            | 1,704,412  | 17,801                               | 1,788,341   | (101,597)          |                 |  | 42,000                    |
| 109                  | 92.99  | 216,273     | 24,502     | 5,820,699  | 716,784                              | 986,677   | 4,358,013          |                 | (165,803)                              | 360,000                   |
| 107                  | 85.57  | 128,453     | 12,707     | 224,646  | 205,610                              | 123,937   | 36,259             | 132,414         | (135,714)                              | (47,400)                  |
| 100                  | 100.00 | 1,344,421   | 72,818     | 340,491  | 573,084                              | 172,483   | 1,012,163          | 1,170,389       | (397,218)                              | (39,200)                  |
| 100                  | 100.00 | 456,281     | 172        | 41,153   | 217,430                              | 22,188  | 257,988            | 616,254         | (436,144)                              | (16,400)                  |
| 100                  | 100.00 | 299,309     |            | 54,168   | 109,645                              | 16,892  | 226,940            | 415,005         | (223,495)                              | (29,000)                  |
| 100                  | 100.00 | 241,202     |            | 1,180,838  | 50,657                               | 954,230   | 417,153            |                 |  |                           |
| 100                  | 100.00 | 271,986     | 12,925     | 55,413   | 76,569                               | 109,659   | 154,096            | 261,707         | (87,495)                               | (5,300)                   |
| 100                  | 100.00 | 567,924     | 171,362    | 1,777,275  | 276,080                              | 1,497,238   | 743,243            | 635,960         | (389,508)                              | (187,500)                 |
| 100                  | 100.00 | 8,638,334   | 542,783    | 50,879,412   | 4,917,645                            | 41,330,147  | 13,812,737         | 11,476,275      | (6,439,131)                            | (2,305,000)               |
| 100                  | 100.00 | 19,396,721  | 56,883,400 | 52,360,868   | 10,656,515                           | 50,290,032  | 67,694,442         | 24,365,010      | (17,814,112)                           | 5,319,400                 |
| 100                  | 100.00 | 208,225     | 11,049,121 |  | 208,227                              | 11,049,119  |                    |                 |  |                           |
| 100                  | 100.00 | 212,129     | 83,400     | 521,323  | 129,247                              | 36,795  | 650,810            | 350,547         | (298,017)                              | (21,800)                  |
| 100                  | 100.00 | 42,386      | 26         | 55,455   | 2,976                                |   | 94,891             | 23,840          | (4,259)                                | (4,000)                   |
| 100                  | 50.00  | 1,141,813   |            | 471,957  | 402,351                              | 464,882   | 746,537            | 2,088,697       | (1,797,650)                            | 13,500                    |

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|    |       |           |         |           |           |           |           |           |             |       |
|----|-------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-------------|-------|
| 00 | 50.00 | 221,244   | 49,233  | 243,101   | 83,487    | 145,233   | 284,858   | 304,770   | (231,081)   | 114,5 |
| 39 | 51.00 | 341,291   | 70,106  | 146,580   | 210,747   | 45,979    | 301,251   | 828,773   | (563,594)   | (3,   |
| 00 | 51.00 | 388,256   | 61,987  | 186,938   | 311,082   | 95,345    | 230,754   | 569,156   | (436,866)   | (18,  |
| 00 | 51.11 | 512,593   | 66,352  | 364,120   | 457,483   | 61,892    | 423,690   | 358,356   | (340,505)   | 306,  |
| 00 | 50.00 | 31,655    | 25,391  | 63,652    | 468       | 19,794    | 100,436   | 16,833    | (7,505)     | (2,   |
| 00 | 40.00 | 282,127   | 611,614 | 881,259   | 638,121   | 419,346   | 717,533   | 670,086   | (417,058)   | (63,9 |
| 50 | 37.86 | 704,051   | 344,611 | 2,648,542 | 795,544   | 1,571,498 | 1,330,162 | 1,847,907 | (982,992)   | (645, |
| 00 | 50.00 | 1,461,819 | 418,262 | 3,476,349 | 2,130,645 | 1,848,761 | 1,377,024 | 2,997,353 | (1,246,769) | (610, |

**Observances:**

(a) Includes direct and indirect participation.

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

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**7- Report of the Independent Accountants**

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

**INDEPENDENT ACCOUNTANTS REVIEW REPORT**

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

1. We have reviewed the accounting information included in the accompanying interim financial statements of Companhia Vale do Rio Doce (the Company) and subsidiaries, for the quarter ended September 30, 2008, consisting of the individual (Company) and consolidated balance sheets, the related statements of operations, changes in shareholders' equity and cash flows, the performance report and the related notes, prepared under the responsibility of the Company's management. The interim financial statements' reviews for the quarter ended September 30, 2008, of certain investees which investments were accounted for by the equity method were conducted under the responsibility of other independent auditors. Accordingly, the conclusions resulting from our review, related to the investments of the holding company as of September 30, 2008, in the amount of R\$8,145,491 thousand (R\$6,567,883 thousand, as of June 30, 2008), and the loss generated for the quarter and the gain generated for the period of nine months ended on that date in the amounts of R\$713,089 thousand and R\$467.830 thousand, respectively; and related to the consolidated total assets of R\$54,003,594 thousand as of September 30, 2008 (R\$45,511,942 thousand, as of June 30, 2008); and consolidated net operating revenues for the quarter and period of nine months ended on that date, in the amounts of R\$3,266,096 thousand and R\$11,476,275 thousand, respectively; are based exclusively on those other auditors' reviews report.
2. Except as mentioned in paragraph 3, our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that have, or might have had, material effects on the financial position and results of operations of the Company and its subsidiaries.

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3. The financial statements for the quarter ended September 30, 2008, of certain investees, in which there are relevant investments accounted for by the equity method, have not been reviewed by independent auditors. Accordingly, the conclusions resulting from our review do not cover: R\$24,120,628 thousand of these investments of the holding company as of September 30, 2008 (R\$16,980,219 thousand, as of June 30, 2008); R\$331,137 thousand of the losses for the quarter ended September 30, 2008 (gains generated in 2007, amounting to R\$409,299 thousand) and R\$410,436 thousand of the gains generated for period of nine months ended on that date (R\$624,989 thousand, in 2007); consolidated total assets of R\$9,100,439 thousand as of September 30, 2008 (R\$5,345,399 thousand, as of June 30, 2008); and consolidated net operating revenues for the quarter ended September 30, 2008 in the amount of R\$1,748,273 thousand (R\$936,455 thousand, in 2007) and R\$3.467,284 thousand for the period of nine months ended on that date (R\$2,769,802 thousand, in 2007).
4. Based on our review and on other auditors' reviews reports and, except for the effects of the adjustments, if any, which might have been required if the financial statements of the investees, mentioned in paragraph 3 had been reviewed by independent auditors, we are not aware of any material modifications that should be made to the accounting information included in the interim financial statements referred to in paragraph 1 for them to be in conformity with standards established by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of the interim financial statements, including CVM Instruction No. 469, of May 2, 2008.
5. As mentioned in note 5.3, on December 28, 2007, Law No. 11,638/07 was enacted, altering, revoking and adding new provisions to Law No. 6,404/76 (Brazilian Corporate Law). This Law is effective for fiscal years beginning on or after January 1, 2008 and introduced changes in Brazilian accounting practices. Although this Law has already become effective, certain changes introduced by it are subject to regulation by regulatory agencies before being fully applied by companies. Accordingly, during this transition phase, CVM, through the Instruction No. 469/08, has permitted companies not to apply all the provisions of Law No. 11,638/07 in the preparation of the interim financial statements. Thus, the accounting information contained in the interim Financial statements for the quarter ended September 30, 2008 have been prepared in conformity with specific instructions of the CVM and do not include all the changes in accounting practices introduced by Law No. 11,638/07.
6. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, October 23, 2008

/s/ DELOITTE TOUCHE TOHMATSU

/s/ Marcelo Cavalcanti Almeida

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Marcelo Cavalcanti Almeida  
Engagement Partner

**Table of Contents****B- Additional Information****8- Cash generation (unaudited)**

Consolidated operating cash generation measured by EBITDA (earnings before financial results, equity in subsidiaries, interest, taxes, depreciation, amortization and depletion, increased by dividends received) was R\$ 28,463,242 as of September 30, 2008 against R\$ 27,188,495 as of September 30, 2007, a decrease of 4.7%.

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

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

**EBITDA**

|   | <b>3Q/08</b>      | <b>2Q/08</b>      | <b>Quarter<br/>3Q/07</b> | <b>09/30/08</b>   | <b>Accumulated<br/>09/30/07</b> |
|---|-------------------|-------------------|--------------------------|-------------------|---------------------------------|
| <b>Operating profit EBIT</b>            | <b>10,109,919</b> | <b>9,200,013</b>  | <b>6,985,045</b>         | <b>24,634,831</b> | <b>24,259,424</b>               |
| Depreciation / amortization of goodwill | 1,226,887         | 1,250,502         | 998,881                  | 3,790,317         | 2,870,518                       |
|   | <b>11,336,806</b> | <b>10,450,515</b> | <b>7,983,926</b>         | <b>28,425,148</b> | <b>27,129,942</b>               |
| Dividends received                      | 15,228            | 22,866            | 13,084                   | 38,094            | 58,553                          |
| <b>EBITDA (LAJIDA)</b>                  | <b>11,352,034</b> | <b>10,473,381</b> | <b>7,997,010</b>         | <b>28,463,242</b> | <b>27,188,495</b>               |
| Depreciation / amortization of goodwill | (1,226,887)       | (1,250,502)       | (998,881)                | (3,790,317)       | (2,870,518)                     |
| Dividends received                      | (15,228)          | (22,866)          | (13,084)                 | (38,094)          | (58,553)                        |
| Equity Results                          | 1,037,428         | (943,411)         | (643,678)                | (355,163)         | (1,831,206)                     |
| Non operational results                 |                   |                   | 196,870                  | 138,879           | 1,457,636                       |
| Financial results, net                  | 1,312,234         | (889,857)         | 137,949                  | (1,633,790)       | (117,407)                       |
| Income tax and social contribution      | 111,364           | (2,571,182)       | (1,632,336)              | (3,129,701)       | (6,902,695)                     |
| Minority interests                      | (137,558)         | (222,577)         | (385,119)                | (395,788)         | (1,269,858)                     |
| <b>Net income</b>                       | <b>12,433,387</b> | <b>4,572,986</b>  | <b>4,658,731</b>         | <b>19,259,268</b> | <b>15,595,894</b>               |

**Consolidated EBITDA by segment**

|                      | <b>3Q/08</b>      | <b>2Q/08</b>      | <b>Quarter<br/>3Q/07</b> | <b>09/30/08</b>   | <b>EBITDA<br/>Accumulated<br/>09/30/07</b> |
|----------------------|-------------------|-------------------|--------------------------|-------------------|--|
| <b>Segments</b>      |                   |                   |                          |                   |  |
| Ferrous minerals     | 8,780,635         | 7,173,376         | 4,353,412                | 19,354,045        | 12,346,394                                 |
| Non-ferrous minerals | 1,663,683         | 2,668,125         | 2,821,983                | 7,070,003         | 12,086,284                                 |
| Logistics            | 397,194           | 251,213           | 417,679                  | 961,767           | 1,198,420                                  |
| Aluminum             | 440,912           | 371,819           | 537,428                  | 1,074,529         | 1,792,501                                  |
| Steel                | 71,054            | 82,364            | 21,388                   | 175,020           | 102,429                                    |
| Others               | (1,444)           | (73,516)          | (154,880)                | (172,122)         | (337,533)                                  |
|                      | <b>11,352,034</b> | <b>10,473,381</b> | <b>7,997,010</b>         | <b>28,463,242</b> | <b>27,188,495</b>                          |





**Table of Contents****9- Management's Discussion and Analysis of the Operating Results in September 30, 2008**

In analyzing this information, some general aspects should be considered, as follows:

On September 30, 2008, about 94% of consolidated gross revenue and 42% of consolidated total costs are linked to currencies other than Brazilian reais. As a result, exchange rate fluctuations have a significant impact on financial income (expenses).

The average dollar rate fell 15.8% between periods (R\$ 1.6864 as of September 30, 2008 against R\$ 2.0018 as of September 30, 2007), partially offset by increases in prices, whereas exchange rates between the periods fell 4.1% (R\$ 1.9143 as of September 30, 2008 against R\$ 1.8389 as of September 30, 2007).

The Consolidated Trade Balance performance was as follows:

|         | <b>In US\$ million</b> |              |              |                    |                 |
|---------|------------------------|--------------|--------------|--------------------|-----------------|
|         | <b>Quarter</b>         |              |              | <b>Accumulated</b> |                 |
|         | <b>3Q/08</b>           | <b>2Q/08</b> | <b>3Q/07</b> | <b>09/30/08</b>    | <b>09/30/07</b> |
| Exports | 6,319                  | 3,886        | 2,855        | 13,219             | 9,216           |
| Imports | (494)                  | (297)        | (194)        | (1,067)            | (537)           |
|         | <b>5,825</b>           | <b>3,589</b> | <b>2,661</b> | <b>12,152</b>      | <b>8,679</b>    |

**Table of Contents****9.1- Consolidated****9.1.1- Gross revenue**

|  | In thousands of metric tons (except railroad transportation) |               |                  |                         |                         | In thousands of reais - Não Revisados |                   |                  |                         |                         |
|--|--|---------------|------------------|-------------------------|-------------------------|---------------------------------------|-------------------|------------------|-------------------------|-------------------------|
|  | 3Q/08  | 2Q/08         | Quarter<br>3Q/07 | Accumulated<br>09/30/08 | Accumulated<br>09/30/07 | 3Q/08                                 | 2Q/08             | Quarter<br>3Q/07 | Accumulated<br>09/30/08 | Accumulated<br>09/30/07 |
| Iron ore                                       | 74,645   | 67,684        | 66,418           | 207,118                 | 184,291                 | 10,050,183                            | 7,925,990         | 5,908,410        | 23,176,641              | 16,312,099              |
| Pellets (*)                                    | 11,959   | 10,981        | 10,540           | 32,796                  | 30,296                  | 3,107,230                             | 2,453,663         | 1,576,266        | 6,995,807               | 4,771,804               |
|  | <b>86,604</b>  | <b>78,665</b> | <b>76,958</b>    | <b>239,914</b>          | <b>214,587</b>          | <b>13,157,413</b>                     | <b>10,379,653</b> | <b>7,484,676</b> | <b>30,172,448</b>       | <b>21,083,903</b>       |
| Manganese                                      | 251  | 301           | 150              | 698                     | 452                     | 196,135                               | 135,564           | 26,525           | 400,860                 | 80,336                  |
| Ferrous alloys                                 | 95   | 125           | 127              | 343                     | 362                     | 608,858                               | 631,709           | 316,334          | 1,744,324               | 868,328                 |
|  |  |               |                  |                         |                         | <b>804,993</b>                        | <b>767,273</b>    | <b>342,859</b>   | <b>2,145,184</b>        | <b>948,664</b>          |
| Copper   | 124  | 124           | 88               | 341                     | 300                     | 414,668                               | 525,303           | 358,166          | 1,328,312               | 1,189,614               |
| Finished copper                                | 58   | 36            | 50               | 129                     | 121                     | 623,818                               | 502,517           | 756,337          | 1,617,385               | 1,684,569               |
| Nickel   | 69   | 69            | 272              | 204                     | 500                     | 2,262,081                             | 3,105,285         | 93,307           | 8,645,951               | 238,676                 |
| Potash   | 126  | 181           | 177              | 465                     | 866                     | 169,816                               | 173,588           | 111,296          | 454,862                 | 326,289                 |
| Kaolin   | 287  | 337           | 61               | 887                     | 200                     | 95,657                                | 88,543            | 3,772,241        | 276,910                 | 16,084,951              |
| Precious metals                                | 24   | 21            | 29               | 64                      | 69                      | 252,444                               | 239,380           | 245,065          | 762,049                 | 648,820                 |
| Cobalt (t)                                     | 819  | 665           | 645              | 2,224                   | 1,808                   | 94,241                                | 94,859            | 67,615           | 295,582                 | 191,720                 |
|  |  |               |                  |                         |                         | <b>3,912,725</b>                      | <b>4,729,475</b>  | <b>5,404,027</b> | <b>13,381,051</b>       | <b>20,364,639</b>       |
| Railroad transportation (millions of TKU) (**) | 9,960  | 9,817         | 11,227           | 28,049                  | 31,890                  | 873,709                               | 788,824           | 759,510          | 2,327,018               | 2,164,647               |
| Port services                                  | 6,966  | 6,598         | 7,325            | 19,444                  | 21,492                  | 121,744                               | 111,083           | 110,462          | 327,303                 | 358,034                 |
| Boat services                                  |  |               |                  |                         |                         | 23,202                                | 22,505            | 18,969           | 67,416                  | 42,234                  |
| Maritime transportation                        |  |               |                  |                         |                         | 14,961                                | 9,602             | 5,004            | 30,739                  | 88,441                  |
|  |  |               |                  |                         |                         | <b>1,033,616</b>                      | <b>932,014</b>    | <b>893,945</b>   | <b>2,752,476</b>        | <b>2,653,356</b>        |
| Aluminum                                       | 150  | 126           | 138              | 412                     | 427                     | 767,133                               | 654,997           | 735,399          | 2,050,870               | 2,451,706               |
| Alumina  | 1,163  | 861           | 828              | 2,857                   | 2,294                   | 709,860                               | 582,668           | 543,319          | 1,774,331               | 1,583,536               |
| Bauxite  | 1,127  | 1,092         | 1,207            | 3,212                   | 3,674                   | 68,547                                | 63,328            | 78,924           | 193,189                 | 246,750                 |
|  |  |               |                  |                         |                         | <b>1,545,540</b>                      | <b>1,300,993</b>  | <b>1,357,642</b> | <b>4,018,390</b>        | <b>4,281,992</b>        |
| Steel  | 122  | 216           | 219              | 571                     | 657                     | 366,950                               | 357,209           | 317,646          | 1,044,348               | 982,716                 |
| Pig iron                                       | 69   | 118           | 46               | 265                     | 176                     | 108,646                               | 93,102            | 31,112           | 253,709                 | 113,677                 |
| Coal   | 1,140  | 910           | 1,171            | 3,055                   | 1,869                   | 339,898                               | 170,341           | 131,536          | 635,960                 | 213,000                 |

|                             |                   |                   |                   |                   |                   |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Other products and services | 116,899           | 154,401           | 73,755            | 416,633           | 221,192           |
|                             | <b>932,393</b>    | <b>775,053</b>    | <b>554,049</b>    | <b>2,350,650</b>  | <b>1,530,585</b>  |
|                             | <b>21,386,680</b> | <b>18,884,461</b> | <b>16,037,198</b> | <b>54,820,199</b> | <b>50,863,139</b> |

(\*) Includes revenues of providing services to subsidiaries of control shared in the amounts of R\$ 10,439, R\$ 11,974, R\$ 19,536, R\$ 43,039, and R\$ 53,388 referring to the 3Q/08, 2Q/08, and 3Q/07, 09/30/08 and 09/30/07 respectively.

(\*\*) The Company carried through its railroad system of 7.198, 7.247, 8.064, 20.192 and 22.943 millions of TKUs of general cargo and 2.762, 2.570, 3.163, 7.857 and 8.947 millions of TKUs of iron ore for third parties in 3Q/08, 2Q/08, 3Q/07, 09/30/08 and 09/30/07, respectively.

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Sales volume and revenues by products and services:

The 7.8% gross revenue decrease, from R\$50,863,139 on September 30, 2007 to R\$54,820,199 as of September 30, 2008 was due to:

A decrease in prices charged for nickel sales; and

A real valuation comparing to dollar of 4.1%.

**Consolidated gross revenue by segment**

| Business Units | Non Ferrous Minerals | Logistics | Aluminum         | Holdings       |  | 3Q/08             | %         | 2Q/08             | %         | Quarter           |           | 09/30/08          | %         |
|----------------|----------------------|-----------|------------------|----------------|--|-------------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|-----------|
|                |                      |           |                  | Others         |  |                   |           |                   |           | 3Q/07             | %         |                   |           |
| 090            | 2,842                |           | 110,816          |                |  | 716,648           | 3         | 761,103           | 4         | 545,660           | 3         | 1,967,273         | 4         |
| 284            | 324,992              |           | 209,563          |                |  | 551,839           | 3         | 850,496           | 5         | 867,558           | 5         | 2,131,188         | 4         |
| 351            | 650,751              |           | 130,474          | 475,713        |  | 1,485,289         | 7         | 1,644,315         | 9         | 1,672,423         | 10        | 4,664,142         | 9         |
| 441            | 289,504              |           |                  |                |  | 1,490,945         | 7         | 985,683           | 5         | 1,006,418         | 6         | 3,420,194         | 6         |
| 086            | 7,377                |           | 182,670          |                |  | 532,033           | 2         | 399,744           | 2         | 347,547           | 2         | 1,243,728         | 2         |
| 423            | 31,013               |           |                  |                |  | 574,436           | 3         | 409,672           | 2         | 288,994           | 2         | 1,262,309         | 2         |
| 728            | 279,014              |           | 12,585           |                |  | 592,327           | 3         | 758,355           | 4         | 541,520           | 3         | 1,860,608         | 3         |
| 562            | 25,089               |           |                  |                |  | 315,651           | 1         | 413,297           | 2         | 299,266           | 2         | 1,045,794         | 2         |
| 079            | 404,366              |           | 307,199          | 14,208         |  | 1,745,852         | 8         | 1,573,679         | 8         | 1,292,818         | 8         | 4,337,001         | 8         |
| 329            | 22,200               |           | 82,492           | 82,776         |  | 875,297           | 4         | 796,703           | 4         | 569,774           | 4         | 2,026,042         | 4         |
| 211            | 339,428              |           | 21,012           | 7,727          |  | 4,306,378         | 20        | 3,201,977         | 17        | 2,893,931         | 18        | 9,942,813         | 18        |
| 074            | 223,071              |           |                  |                |  | 648,145           | 3         | 604,292           | 3         | 375,138           | 2         | 1,705,640         | 3         |
| 157            | 507,040              |           | 262,311          | 177,386        |  | 2,238,894         | 10        | 2,007,601         | 11        | 1,883,469         | 12        | 5,774,844         | 10        |
| 342            | 331,301              |           |                  |                |  | 480,143           | 2         | 512,536           | 3         | 534,800           | 3         | 1,446,992         | 3         |
| 568            | 289,156              |           |                  | 57,686         |  | 1,018,510         | 6         | 942,442           | 5         | 472,836           | 3         | 2,804,776         | 5         |
| 525            | <b>3,727,144</b>     |           | <b>1,319,122</b> | <b>815,496</b> |  | <b>17,572,387</b> | <b>82</b> | <b>15,861,895</b> | <b>84</b> | <b>13,592,152</b> | <b>83</b> | <b>45,633,344</b> | <b>83</b> |

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|     |                  |                  |                  |                |                   |            |                   |            |                   |            |                   |            |
|-----|------------------|------------------|------------------|----------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|
| 542 | 219,093          | 1,002,787        | 229,787          | 84             | <b>3,814,293</b>  | <b>18</b>  | <b>3,022,566</b>  | <b>16</b>  | <b>2,445,046</b>  | <b>17</b>  | <b>9,186,855</b>  | <b>17</b>  |
| 167 | <b>3,946,237</b> | <b>1,002,787</b> | <b>1,548,909</b> | <b>815,580</b> | <b>21,386,680</b> | <b>100</b> | <b>18,884,461</b> | <b>100</b> | <b>16,037,198</b> | <b>100</b> | <b>54,820,199</b> | <b>100</b> |

**Table of Contents****9.1.2- Cost of products and services**

|                            | Denominated in   |                  | Quarter          |                  |                  | Accumulated       |                   |
|----------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
|                            | R\$              | Other currencies | 3Q/08            | 2Q/08            | 3Q/07            | 09/30/08          | 09/30/07          |
| Personnel                  | 573,102          | 460,842          | 1,033,944        | 1,009,063        | 912,519          | 2,994,125         | 2,777,939         |
| Material                   | 893,037          | 774,434          | 1,667,471        | 1,677,292        | 1,201,501        | 4,901,202         | 3,569,727         |
| Oil and gas                | 815,597          | 277,637          | 1,093,234        | 885,652          | 798,903          | 2,821,543         | 2,262,107         |
| Outsourced services        | 971,411          | 363,891          | 1,335,302        | 1,212,738        | 1,167,492        | 3,676,989         | 3,317,653         |
| Energy                     | 327,956          | 234,155          | 562,111          | 487,423          | 420,938          | 1,504,449         | 1,364,084         |
| Raw Material               | 132,103          | 613,000          | 745,103          | 753,040          | 1,175,047        | 2,141,980         | 4,008,721         |
| Depreciation and depletion | 557,817          | 595,060          | 1,152,877        | 1,180,417        | 883,532          | 3,565,269         | 2,603,553         |
| Amortization of goodwill   |                  |                  |                  |                  |                  |                   | 51,449            |
| Others                     | 777,162          | 274,579          | 1,051,741        | 685,812          | 707,356          | 2,439,186         | 1,968,358         |
| <b>Total</b>               | <b>5,048,185</b> | <b>3,593,598</b> | <b>8,641,783</b> | <b>7,891,437</b> | <b>7,267,288</b> | <b>24,044,743</b> | <b>21,923,591</b> |
|                            | <b>58%</b>       | <b>42%</b>       |                  |                  |                  |                   |                   |

The 9.7% increase in cost of products and services (R\$21,923,591 as of September 30, 2007 against R\$24,044,743 on September 30, 2008) was due to variations in volumes sold and adjustments to prices of materials, oil and gas, electricity and services that comprise production costs during the period.

**9.1.3- Selling and administrative expenses**

The costs of sales increased 42.9%, of R\$260,598 on September 30, 2007 to R\$372,391 on September 30, 2008, due primarily to Vale Australia Royalties and demurrage payments, while administrative expenses increased 2.7%, from R\$1,489,590 at September 30, 2007 as of R\$1,529,548 on September 30, 2008.

**9.1.4- Research and development**

Research and development expenses increased by 44.7%, from R\$935,035 as of September 30, 2007 to R\$1,353,039 as of September 30, 2008, reflecting Vale's plan to diversify production and expand production to meet global demand.

**9.1.5- Other operating expenses**

Other operating expenses increased R\$413,417, from R\$810,064 as September 30, 2007 to R\$1,223,481 on September 30, 2008, basically due to provision for inventory of the Vale and performance bonus of Vale International.

**9.1.6- Net financial results**

Net financial results varied R\$1,516,383 (R\$1,633,790 as of September 30, 2008 against R\$117,407 as of September 30, 2007), reflecting the effects of exchange rate variation of Brazilian real against US dollar on the debt.

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**9.1.7- Income tax and social contribution**

Income and social contribution tax expenses totaled R\$3,431,737 as of September 30, 2008 compared to R\$6,902,695 as of September 30, 2007, mainly due to a decrease in taxable income.

**9.2- Parent Company**

**9.2.1- Gross revenue**

The 49.1% increase in gross revenue (R\$24,878,808 as of September 30, 2008 against R\$16,689,166 as of September 30, 2007) is a result of a 25.7% increase in volume of iron ore sold. These positive effects on the Company's revenue were partially decreased by the average valuation of 4.1% of Brazilian real against US dollar on the Company's revenue.

**9.2.2- Cost of products and services**

Cost of products and services sold as of September 30, 2008 was R\$11,967,244, against R\$9,266,379 as of September 30, 2007, representing a 29.1% increase. The main factors for such increase include higher volumes sold, contracts adjustments and increase in base of assets, which ultimately resulted in an increase in depreciation expenses.

**9.2.3- Gross margin**

Gross margin decreased 1.1% (from 55.9% as of September 30, 2007 to 54.8% as of September 30, 2008) mainly due to dollar devaluation against Brazilian real.

**9.2.4- Equity Results**

Equity in subsidiaries increased by R\$5,210,323 from R\$8,402,127 as of September 30, 2007 to R\$13,612,450 as of September 30, 2008 mainly due to dollar devaluation in the period.

**9.2.5- Selling and administrative expenses**

Selling expenses increased by R\$12,297, from R\$10,804 as of September 30, 2007 to R\$23,101 as of September 30, 2008, while administrative expenses increased 28.6% from R\$715,413 as of September 30, 2007 to R\$919,791 as of September 30, 2008, basically due to an increase in personnel expenses due to collective bargaining, professional service fees and infrastructure and support expenses, and .

**9.2.6- Research and development**

Research and development increased by 59%, from R\$473,635 as of September 30, 2007 to R\$753,146 as of September 30, 2008, reflecting Vale's plan to diversify production and expand production to meet global demand.

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

Other operating expenses increased by R\$166,093, from income of R\$160,919 as of September 30, 2007 to income of R\$327,012 as of September 30, 2008.

**9.2.8- Net financial results**

Net financial results as of September 30, 2008 had a negative impact of R\$6,266,357 (income of R\$3,384,185 as of September 30, 2008 against R\$2,882,172 as of September 30, 2007) basically due to the exchange rate variation effect of Brazilian Real against dollar for the foreign debt.

**9.2.9- Income tax and social contribution**

Income tax and social contribution revenue totaled R\$639,505 as of September 30, 2008 compared to R\$2,169,014 as of September 30, 2007, mainly due to a decrease in taxable income.

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**10- Board of Directors, Fiscal Council, Advisory Committees and Executive Officers**

**Board of Directors**

Sérgio Ricardo Silva Rosa

**Chairman**

Mário da Silveira Teixeira Júnior

**Vice-President**

Francisco Augusto da Costa e Silva

João Batista Cavagliberi

Jorge Luiz Pacheco

José Ricardo Sasseron

Luciano Galvão Coutinho

Masami Iijima

Oscar Augusto de Camargo Filho

Renato da Cruz Gomes

Sandro Kohler Marcondes

**Advisory Committees of the Board of Directors**

**Controlling Committee**

Luiz Carlos de Freitas

Paulo Ricardo Ultra Soares

Paulo Roberto Ferreira de Medeiros

**Executive Development Committee**

João Moisés de Oliveira

José Ricardo Sasseron

Oscar Augusto de Camargo Filho

**Strategic Committee**

Roger Agnelli

Mário da Silveira Teixeira Júnior

Oscar Augusto de Camargo Filho

Sérgio Ricardo Silva Rosa

**Finance Committee**

Fabio de Oliveira Barbosa

Ivan Luiz Modesto Schara

Luiz Maurício Leuzinger

Wanderlei Viçoso Fagundes

**Governance and Sustainability Committee**

Jorge Luiz Pacheco

Renato da Cruz Gomes

Ricardo Simonsen

**Fiscal Council**

Marcelo Amaral Moraes

**Chairman**

Aníbal Moreira dos Santos

Antônio José de Figueiredo Ferreira

Bernard Appy

**Alternate**

Marcos Coimbra

Marcus Pereira Aucélio

Oswaldo Mário Pêgo de Amorim Azevedo

**Executive Officers**



Roger Agnelli

**Chief Executive Officer and Investor Relations**

Carla Grasso

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

Demian Fiocca

**Executive Officer for Management and Sustainability**

Eduardo de Salles Bartolomeo

**Executive Officer for Logistics**

Fabio de Oliveira Barbosa

**Chief Financial Officer and Investor Relations**

José Carlos Martins

**Executive Officer for Ferrous Minerals**

Murilo de Oliveira Ferreira

**Executive Officer for Nickel and Basic Metals Commercialization**

Tito Botelho Martins

**Executive Officer for Non Ferrous and Energy**

Marcus Vinícius Dias Severini

**Chief Officer of Accounting and Control Department**

Vera Lúcia de Almeida Pereira Elias

**Chief Accountant**

**CRC-RJ 043059/O-8**

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**Equity Investee Information 09/30/2008**  
**Aluminum Area Albras (Adjusted and Unaudited)**

| Information                                 | As of and for the three-month periods ended |                 |                 |            | 2008  |                 |                 |                 |                 | Total           |
|---|---|-----------------|-----------------|------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | As of and for the three-month periods ended |                 |                 |            | As of and for the three-month periods ended |                 |                 |                 |                 |                 |
|   | March 31                                    | June 30         | September 30    | October 31 | Total                                       | March 31        | June 30         | September 30    | December 31     |                 |
| Quantity sold external market (thousand) MT | 109   | 99              | 117             |            | 325   | 108             | 123             | 108             | 104             | 443             |
| Quantity sold external market (thousand) MT | 7   | 6               | 7               |            | 20  | 7               | 6               | 7               | 6               | 26              |
| <b>Quantity sold total (thousand) MT</b>    | <b>116</b>                                  | <b>105</b>      | <b>124</b>      |            | <b>345</b>                                  | <b>115</b>      | <b>129</b>      | <b>115</b>      | <b>110</b>      | <b>469</b>      |
| Average sales price external market US\$    | 2,486.87                                    | 2,939.31        | 2,888.76        |            | 2,696.61                                    | 2,688.76        | 2,727.00        | 2,631.55        | 2,405.80        | 2,611.70        |
| Average sales price internal market US\$    | 2,307.59                                    | 2,640.89        | 2,625.72        |            | 2,444.25                                    | 2,500.55        | 2,689.00        | 2,599.78        | 2,196.61        | 2,372.90        |
| <b>Average sales price total US\$</b>       | <b>2,476.70</b>                             | <b>2,920.77</b> | <b>2,874.64</b> |            | <b>2,682.19</b>                             | <b>2,677.30</b> | <b>2,724.78</b> | <b>2,585.19</b> | <b>2,393.38</b> | <b>2,598.40</b> |
| Long-term debt, loss US\$                   | 283,333                                     | 300,521         | 266,666         |            | 266,666                                     | 319,272         | 311,912         | 305,833         | 300,718         | 300,718         |
| Short-term debt, loss US\$                  | 111,462                                     | 90,031          | 127,730         |            | 127,730                                     | 3,501           |                 | 2,034           | 40,083          | 40,083          |
| <b>Total debt, loss US\$</b>                | <b>394,795</b>                              | <b>390,552</b>  | <b>394,396</b>  |            | <b>394,396</b>                              | <b>322,773</b>  | <b>311,912</b>  | <b>307,867</b>  | <b>340,801</b>  | <b>340,801</b>  |
| Stockholders equity R\$                     | 1,762,743                                   | 1,871,810       | 1,908,042       |            | 1,908,042                                   | 1,593,343       | 1,661,559       | 1,851,784       | 1,775,488       | 1,775,488       |
| Net operating revenues R\$                  | 507,262                                     | 513,302         | 583,876         |            | 1,604,440                                   | 654,600         | 700,893         | 577,381         | 478,152         | 2,411,026       |
|   | (389,192)                                   | (370,909)       | (431,517)       |            | (1,191,618)                                 | (419,374)       | (464,066)       | (400,422)       | (373,884)       | (1,657,744)     |

|   |     |                 |                |                |                |                |                |                |                |                |
|---|-----|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cost of products  |     |                 |                |                |                |                |                |                |                |                |
| Other expenses /  |     |                 |                |                |                |                |                |                |                |                |
| Revenues  | R\$ | (33,556)        | (34,060)       | (30,811)       | (98,427)       | (23,417)       | (34,666)       | (29,700)       | (48,011)       | (135,790)      |
| Depreciation, amortization and depletion                | R\$ | 18,680          | 17,539         | 18,851         | 55,070         | 18,427         | 39,204         | 1,029          | 15,669         | 74,320         |
| <b>EBITDA</b>   | R\$ | <b>103,194</b>  | <b>125,872</b> | <b>140,399</b> | <b>369,465</b> | <b>230,236</b> | <b>241,365</b> | <b>148,288</b> | <b>71,926</b>  | <b>691,810</b> |
| Depreciation, amortization and depletion                | R\$ | (18,680)        | (17,539)       | (18,851)       | (55,070)       | (18,427)       | (39,204)       | (1,029)        | (15,669)       | (74,320)       |
| <b>EBIT</b>   | R\$ | <b>84,514</b>   | <b>108,333</b> | <b>121,548</b> | <b>314,395</b> | <b>211,809</b> | <b>202,161</b> | <b>147,259</b> | <b>56,257</b>  | <b>617,490</b> |
| Non recurrent items                                     |     |                 |                |                |                |                |                |                |                |                |
| Write-down (assets)                                     | R\$ | (6)             |                |                | (6)            |                |                |                | 184            | 184            |
| Net financial result                                    | R\$ | (116,210)       | 63,342         | (72,234)       | (125,102)      | 34,420         | (19,200)       | 128,740        | 67,136         | 211,090        |
| Non operational results                                 | R\$ |                 |                |                |                |                |                | (5,519)        |                | (5,519)        |
| <b>Income before income tax and social contribution</b> | R\$ | <b>(31,702)</b> | <b>171,675</b> | <b>49,314</b>  | <b>189,287</b> | <b>246,229</b> | <b>182,961</b> | <b>270,480</b> | <b>123,577</b> | <b>823,240</b> |
| Income tax and social contribution                      | R\$ | (14,510)        | (62,608)       | (13,082)       | (90,200)       | (50,055)       | (114,746)      | (80,256)       | (13,901)       | (258,950)      |
| <b>Net income</b>                                       | R\$ | <b>(46,212)</b> | <b>109,067</b> | <b>36,232</b>  | <b>99,087</b>  | <b>196,174</b> | <b>68,215</b>  | <b>190,224</b> | <b>109,676</b> | <b>564,290</b> |

**Table of Contents****Aluminum Area MRN (Adjusted and Unaudited)**

| Information                         | As of and for the three-month periods ended |                |                |                | 2008           | As of and for the three-month periods ended |                |                |                | 2007           |
|-------------------------------------|---|----------------|----------------|----------------|----------------|---|----------------|----------------|----------------|----------------|
|                                     | March 31                                    | June 30        | September 30   | December 31    | Total          | March 31                                    | June 30        | September 30   | December 31    | Total          |
| Quantity sold external market       | MT (thousand)                               | 1,369          | 1,573          | 1,496          | 4,438          | 1,386                                       | 1,356          | 1,522          | 1,365          | 5,629          |
| Quantity sold internal market       | MT (thousand)                               | 2,621          | 2,949          | 3,268          | 8,838          | 3,350                                       | 2,969          | 2,939          | 2,993          | 12,251         |
| <b>Quantity sold total</b>          | <b>MT (thousand)</b>                        | <b>3,990</b>   | <b>4,522</b>   | <b>4,764</b>   | <b>13,276</b>  | <b>4,736</b>                                | <b>4,325</b>   | <b>4,461</b>   | <b>4,358</b>   | <b>17,880</b>  |
| Average sales price external market | US\$  | 61.52          | 34.93          | 34.71          | 34.96          | 33.35                                       | 32.47          | 33.29          | 34.42          | 33.38          |
| Average sales price internal market | US\$  | 53.89          | 31.24          | 31.96          | 31.61          | 27.04                                       | 27.04          | 27.69          | 28.38          | 27.52          |
| <b>Average sales price total</b>    | <b>US\$</b>                                 | <b>56.51</b>   | <b>32.52</b>   | <b>32.83</b>   | <b>32.73</b>   | <b>28.89</b>                                | <b>28.74</b>   | <b>29.60</b>   | <b>30.27</b>   | <b>29.37</b>   |
| Long-term indebtedness, gross       | US\$  | 46,151         | 115,231        | 96,970         | 96,970         | 38,936                                      | 35,488         | 26,516         | 44,715         | 44,715         |
| Short-term indebtedness, gross      | US\$  | 245,429        | 221,143        | 225,894        | 225,894        | 204,362                                     | 223,553        | 207,048        | 147,619        | 147,619        |
| <b>Total indebtedness, gross</b>    | <b>US\$</b>                                 | <b>291,580</b> | <b>336,374</b> | <b>322,864</b> | <b>322,864</b> | <b>243,298</b>                              | <b>259,041</b> | <b>233,564</b> | <b>192,334</b> | <b>192,334</b> |
| <b>Stockholders equity</b>          | <b>R\$</b>                                  | <b>634,170</b> | <b>687,360</b> | <b>717,533</b> | <b>717,533</b> | <b>715,623</b>                              | <b>825,859</b> | <b>933,029</b> | <b>592,007</b> | <b>592,007</b> |
| Net operating revenues              | R\$   | 206,543        | 220,647        | 242,896        | 670,086        | 284,926                                     | 249,740        | 253,386        | 235,716        | 1,023,768      |
|                                     | R\$   | (121,170)      | (150,287)      | (145,601)      | (417,058)      | (142,081)                                   | (133,000)      | (133,695)      | (133,914)      | (542,690)      |

|   |     |                |               |                |                |                |                |                |                |                |
|---|-----|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cost of products  |     |                |               |                |                |                |                |                |                |                |
| Other expenses / revenues                               | R\$ | (4,622)        | (5,480)       | (5,586)        | (15,688)       | (5,183)        | (5,832)        | (2,840)        | (5,273)        | (19,128)       |
| Depreciation, amortization and depletion                | R\$ | 28,386         | 28,305        | 28,322         | 85,013         | 27,234         | 27,984         | 27,491         | 28,118         | 110,827        |
| <b>EBITDA</b>   | R\$ | <b>109,137</b> | <b>93,185</b> | <b>120,031</b> | <b>322,353</b> | <b>164,896</b> | <b>138,892</b> | <b>144,342</b> | <b>124,647</b> | <b>572,777</b> |
| Depreciation, amortization and depletion                | R\$ | (28,386)       | (28,305)      | (28,322)       | (85,013)       | (27,234)       | (27,984)       | (27,491)       | (28,118)       | (110,827)      |
| <b>EBIT</b>   | R\$ | <b>80,751</b>  | <b>64,880</b> | <b>91,709</b>  | <b>237,340</b> | <b>137,662</b> | <b>110,908</b> | <b>116,851</b> | <b>96,529</b>  | <b>461,950</b> |
| Net financial result                                    | R\$ | (12,584)       | 18,096        | (53,799)       | (48,287)       | 4,991          | 10,310         | 2,490          | 2,730          | 20,521         |
| <b>Income before income tax and social contribution</b> | R\$ | <b>68,167</b>  | <b>82,976</b> | <b>37,910</b>  | <b>189,053</b> | <b>142,653</b> | <b>121,218</b> | <b>119,341</b> | <b>99,259</b>  | <b>482,471</b> |
| Income tax and social contribution                      | R\$ | (25,009)       | (29,786)      | (7,737)        | (62,532)       | (12,368)       | (10,530)       | (12,171)       | (10,128)       | (45,197)       |
| <b>Net income</b>                                       | R\$ | <b>43,158</b>  | <b>53,190</b> | <b>30,173</b>  | <b>126,521</b> | <b>130,285</b> | <b>110,688</b> | <b>107,170</b> | <b>89,131</b>  | <b>437,274</b> |

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**Table of Contents****Aluminum Area Alunorte (Adjusted and Unaudited)**

| Information                                 | As of and for the three-month periods ended |                |                |            | 2008  |                |                |                |               | Total          |
|---|---|----------------|----------------|------------|---|----------------|----------------|----------------|---------------|----------------|
|   | As of and for the three-month periods ended |                |                |            | As of and for the three-month periods ended |                |                |                |               |                |
|   | March 31                                    | June 30        | September 30   | October 31 | Total                                       | March 31       | June 30        | September 30   | December 31   |                |
| Quantity sold external market (thousand) MT | 814   | 832            | 975            |            | 2,621                                       | 699            | 769            | 828            | 933           | 3,229          |
| Quantity sold external market (thousand) MT | 235   | 258            | 301            |            | 794   | 244            | 252            | 248            | 271           | 1,015          |
| <b>Quantity sold total (thousand) MT</b>    | <b>1,049</b>                                | <b>1,090</b>   | <b>1,276</b>   |            | <b>3,415</b>                                | <b>943</b>     | <b>1,021</b>   | <b>1,076</b>   | <b>1,204</b>  | <b>4,244</b>   |
| Average sales price external market US\$    | 322.36                                      | 372.73         | 378.60         |            | 359.27                                      | 344.85         | 349.61         | 340.23         | 312.26        | 335.30         |
| Average sales price internal market US\$    | 287.59                                      | 340.49         | 342.74         |            | 325.30                                      | 309.77         | 311.69         | 306.88         | 275.46        | 300.30         |
| <b>Average sales price total US\$</b>       | <b>314.57</b>                               | <b>365.10</b>  | <b>370.14</b>  |            | <b>343.47</b>                               | <b>335.77</b>  | <b>340.25</b>  | <b>332.54</b>  | <b>303.98</b> | <b>327.00</b>  |
| Long-term debt, loss US\$                   | 740,000                                     | 828,590        | 855,397        |            | 855,397                                     | 527,944        | 558,388        | 483,873        | 627,264       | 595,000        |
| Short-term debt, loss US\$                  | 20,037                                      |                | 28,951         |            | 28,951                                      |                |                |                | #REF!         | 32,260         |
| <b>Total debt, loss US\$</b>                | <b>760,037</b>                              | <b>828,590</b> | <b>884,348</b> |            | <b>884,348</b>                              | <b>527,944</b> | <b>558,388</b> | <b>483,873</b> | <b>#REF!</b>  | <b>627,260</b> |
| Stockholders' equity R\$                    | 4,077,566                                   | 4,233,439      | 4,345,957      |            | 4,345,957                                   | 3,602,210      | 3,766,403      | 4,119,110      | 4,136,553     | 4,120,600      |
| Net operating revenues R\$                  | 574,017                                     | 660,565        | 789,345        |            | 2,023,927                                   | 670,033        | 669,980        | 713,458        | 655,750       | 2,709,222      |
|   | (476,079)                                   | (478,374)      | (587,518)      |            | (1,541,971)                                 | (383,541)      | (430,068)      | (479,498)      | (512,055)     | (1,805,160)    |

|   |     |                 |                |                |                |                |                |                |                |               |
|---|-----|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| st of<br>products<br>her<br>penses /<br>venues                      | R\$ | (25,223)        | (26,517)       | (22,959)       | (74,699)       | (15,470)       | (21,684)       | (17,934)       | (30,690)       | (85,77)       |
| preciation,<br>ortization<br>d depletion                            | R\$ | 36,013          | 30,350         | 30,294         | 96,657         | 27,145         | 31,041         | 28,305         | 30,193         | 116,68        |
| <b>BITDA</b>  | R\$ | <b>108,728</b>  | <b>186,024</b> | <b>209,162</b> | <b>503,914</b> | <b>298,167</b> | <b>249,269</b> | <b>244,331</b> | <b>143,198</b> | <b>934,96</b> |
| preciation,<br>ortization<br>d depletion                            | R\$ | (36,013)        | (30,350)       | (30,294)       | (96,657)       | (27,145)       | (31,041)       | (28,305)       | (30,193)       | (116,68       |
| <b>BIT</b>  | R\$ | <b>72,715</b>   | <b>155,674</b> | <b>178,868</b> | <b>407,257</b> | <b>271,022</b> | <b>218,228</b> | <b>216,026</b> | <b>113,005</b> | <b>818,28</b> |
| st financial<br>ult<br>on recurrent<br>ens<br>rite-down<br>(assets) | R\$ | (108,077)       | 33,026         | (57,123)       | (132,174)      | 40,691         | (29,795)       | 57,674         | 52,961         | 121,53        |
| <b>Income<br/>before income<br/>tax and social<br/>contribution</b> | R\$ | <b>(35,362)</b> | <b>188,700</b> | <b>121,745</b> | <b>275,083</b> | <b>311,713</b> | <b>188,433</b> | <b>273,663</b> | <b>166,074</b> | <b>939,88</b> |
| ome tax<br>d social<br>tribution                                    | R\$ | (7,679)         | (32,826)       | (9,227)        | (49,732)       | (37,767)       | (24,240)       | (69,500)       | (24,958)       | (156,46       |
| <b>Net income</b>   | R\$ | <b>(43,041)</b> | <b>155,874</b> | <b>112,518</b> | <b>225,351</b> | <b>273,946</b> | <b>164,193</b> | <b>204,163</b> | <b>141,116</b> | <b>783,41</b> |

**Table of Contents****Aluminum Area Valesul (Adjusted and Unaudited)**

| Information                              |                      | 2008  |                 |                 |                 | 2007  |                 |                 |                 |                 |
|--|----------------------|---|-----------------|-----------------|-----------------|---|-----------------|-----------------|-----------------|-----------------|
|  |                      | As of and for the three-month periods ended |                 |                 |                 | As of and for the three-month periods ended |                 |                 |                 |                 |
|  |                      | March 31                                    | June 30         | September 30    | December 31     | March 31                                    | June 30         | September 30    | December 31     | Total           |
| Quantity sold external market            | MT (thousand)        | 4   | 7               | 6               | 17              | 9   | 10              | 8               | 8               | 35              |
| Quantity sold internal market            | MT (thousand)        | 16  | 15              | 19              | 50              | 10  | 16              | 15              | 30              | 71              |
| <b>Quantity sold total</b>               | <b>MT (thousand)</b> | <b>20</b>                                   | <b>22</b>       | <b>25</b>       | <b>67</b>       | <b>19</b>                                   | <b>26</b>       | <b>23</b>       | <b>38</b>       | <b>106</b>      |
| Average sales price external market      | US\$                 | 2,653.70                                    | 2,846.14        | 2,679.23        | 2,735.46        | 2,828.64                                    | 2,902.69        | 2,750.68        | 2,580.48        | 2,777.48        |
| Average sales price internal market      | US\$                 | 3,786.95                                    | 4,168.23        | 3,321.93        | 3,674.75        | 4,037.71                                    | 4,068.49        | 4,045.36        | 3,415.84        | 3,722.07        |
| <b>Average sales price total</b>         | <b>US\$</b>          | <b>3,560.30</b>                             | <b>3,747.56</b> | <b>3,148.89</b> | <b>3,426.11</b> | <b>3,512.03</b>                             | <b>3,652.13</b> | <b>3,696.79</b> | <b>3,177.17</b> | <b>3,410.18</b> |
| <b>Stockholders equity</b>               | <b>R\$</b>           | <b>637,555</b>                              | <b>644,643</b>  | <b>650,810</b>  | <b>650,810</b>  | <b>279,134</b>                              | <b>662,457</b>  | <b>671,728</b>  | <b>649,126</b>  | <b>649,126</b>  |
| Net operating revenues                   | R\$                  | 100,607                                     | 115,282         | 134,658         | 350,547         | 146,650                                     | 139,569         | 123,409         | 120,724         | 530,352         |
| Cost of products                         | R\$                  | (84,081)                                    | (91,021)        | (122,915)       | (298,017)       | (100,019)                                   | (108,609)       | (98,114)        | (103,968)       | (410,710)       |
| Other expenses / revenues                | R\$                  | (10,741)                                    | (10,754)        | (9,585)         | (31,081)        | (7,436)                                     | (6,773)         | (10,399)        | (7,611)         | (32,219)        |
| Depreciation, amortization and depletion | R\$                  | 8,099                                       | 5,909           | 7,084           | 21,092          | 3,765                                       | 3,662           | 6,691           | 6,718           | 20,836          |
| <b>EBITDA</b>                            | <b>R\$</b>           | <b>13,884</b>                               | <b>19,416</b>   | <b>9,242</b>    | <b>42,541</b>   | <b>42,960</b>                               | <b>27,849</b>   | <b>21,587</b>   | <b>15,863</b>   | <b>108,259</b>  |
| Depreciation, amortization               | R\$                  | (8,099)                                     | (5,909)         | (7,084)         | (21,092)        | (3,765)                                     | (3,662)         | (6,691)         | (6,718)         | (20,836)        |



and depletion

|   |     |              |               |               |               |               |               |               |                |               |
|---|-----|--------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
| <b>EBIT</b>   | R\$ | <b>5,785</b> | <b>13,507</b> | <b>2,158</b>  | <b>21,449</b> | <b>39,195</b> | <b>24,187</b> | <b>14,896</b> | <b>9,145</b>   | <b>87,423</b> |
| Net financial result                                    | R\$ | (905)        | (372)         | 10,469        | 9,192         | (503)         | (392)         | (188)         | (1,021)        | (2,104)       |
| <b>Income before income tax and social contribution</b> | R\$ | <b>4,880</b> | <b>13,135</b> | <b>12,627</b> | <b>30,641</b> | <b>38,692</b> | <b>23,795</b> | <b>14,708</b> | <b>8,124</b>   | <b>85,319</b> |
| Income tax and social contribution                      | R\$ | (2,814)      | (6,045)       | (6,460)       | (15,319)      | (6,298)       | (5,434)       | (5,437)       | (10,727)       | (27,896)      |
| <b>Net income</b>                                       | R\$ | <b>2,066</b> | <b>7,090</b>  | <b>6,167</b>  | <b>15,322</b> | <b>32,394</b> | <b>18,361</b> | <b>9,271</b>  | <b>(2,603)</b> | <b>57,423</b> |

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**Table of Contents****Pellets Area Hispanobras (Adjusted and Unaudited)**

| Information                         | As of and for the three-month periods ended |                |                |                | 2008           | As of and for the three-month periods ended |                |                |                | 2007           |
|-------------------------------------|---|----------------|----------------|----------------|----------------|---|----------------|----------------|----------------|----------------|
|                                     | March 31                                    | June 30        | September 30   | October 31     | Total          | March 31                                    | June 30        | September 30   | December 31    | Total          |
| Quantity sold external market       | MT (thousand)                               | 404            | 400            | 618            | 1,422          | 565   | 504            | 527            | 394            | 1,990          |
| Quantity sold internal market       | MT (thousand)                               | 710            | 805            | 554            | 2,069          | 800   | 620            | 510            | 545            | 2,475          |
| <b>Quantity sold total</b>          | MT (thousand)                               | <b>1,114</b>   | <b>1,205</b>   | <b>1,172</b>   | <b>3,491</b>   | <b>1,365</b>                                | <b>1,124</b>   | <b>1,037</b>   | <b>939</b>     | <b>4,465</b>   |
| Average sales price external market | US\$  | 71.45          | 203.07         | 227            | 326.85         | 69.26                                       | 77.40          | 72.50          | 73.25          | 72.97          |
| Average sales price internal market | US\$  | 75.95          | 203.58         | 236            | 212.88         | 72.97                                       | 79.73          | 74.88          | 76.94          | 75.93          |
| <b>Average sales price total</b>    | US\$  | <b>74.32</b>   | 203.41         | 231            | 232.86         | <b>71.43</b>                                | <b>78.69</b>   | <b>73.67</b>   | 75.39          | <b>74.71</b>   |
| Short-term indebtedness, gross      | US\$  | 75,338         | 58,382         | 7,474          | 7,474          | 6,213                                       | 9,338          | 14,212         | 45,583         | 45,583         |
| <b>Total indebtedness, gross</b>    | US\$  | <b>75,338</b>  | <b>58,382</b>  | <b>7,474</b>   | <b>7,474</b>   | <b>6,213</b>                                | <b>9,338</b>   | <b>14,212</b>  | <b>45,583</b>  | <b>45,583</b>  |
| <b>Stockholders equity</b>          | R\$   | <b>157,097</b> | <b>264,714</b> | <b>301,251</b> | <b>301,251</b> | <b>167,293</b>                              | <b>149,665</b> | <b>159,658</b> | <b>149,964</b> | <b>149,964</b> |
| Net operating revenues              | R\$   | 144,995        | 409,554        | 274,225        | 828,774        | 205,706                                     | 175,156        | 146,352        | 127,964        | 655,178        |
| Cost of products                    | R\$   | (129,399)      | (237,400)      | (196,794)      | (563,593)      | (164,230)                                   | (145,097)      | (100,792)      | (138,321)      | (548,440)      |
| Other expenses / revenues           | R\$   | (4,226)        | (5,218)        | (3,828)        | (13,272)       | (2,313)                                     | (3,659)        | (28,043)       | (2,325)        | (36,340)       |

|   |     |               |                |               |                |               |               |               |                 |               |
|---|-----|---------------|----------------|---------------|----------------|---------------|---------------|---------------|-----------------|---------------|
| Depreciation, amortization and depletion                | R\$ | 1,832         | 2,106          | 2,341         | 6,279          | 2,146         | 1,744         | 1,624         | 2,820           | 8,334         |
| <b>EBITDA</b>   | R\$ | <b>13,202</b> | <b>169,042</b> | <b>75,944</b> | <b>258,188</b> | <b>41,309</b> | <b>28,144</b> | <b>19,141</b> | <b>(9,862)</b>  | <b>78,732</b> |
| Depreciation, amortization and depletion                | R\$ | (1,832)       | (2,106)        | (2,341)       | (6,279)        | (2,146)       | (1,744)       | (1,624)       | (2,820)         | (8,334)       |
| <b>EBIT</b>   | R\$ | <b>11,370</b> | <b>166,936</b> | <b>73,603</b> | <b>251,909</b> | <b>39,163</b> | <b>26,400</b> | <b>17,517</b> | <b>(12,682)</b> | <b>70,398</b> |
| Net financial result                                    | R\$ | 901           | (2,986)        | 11,974        | 9,889          | (3,060)       | (3,412)       | (2,004)       | (1,425)         | (9,901)       |
| <b>Income before income tax and social contribution</b> | R\$ | <b>12,271</b> | <b>163,950</b> | <b>85,577</b> | <b>261,798</b> | <b>36,103</b> | <b>22,988</b> | <b>15,513</b> | <b>(14,107)</b> | <b>60,497</b> |
| Income tax and social contribution                      | R\$ | (5,138)       | (56,334)       | (29,992)      | (91,464)       | (12,506)      | (8,787)       | (5,521)       | 4,413           | (22,401)      |
| <b>Net income</b>                                       | R\$ | <b>7,133</b>  | <b>107,616</b> | <b>55,585</b> | <b>170,334</b> | <b>23,597</b> | <b>14,201</b> | <b>9,992</b>  | <b>(9,694)</b>  | <b>38,096</b> |

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**Table of Contents****Pellets Area Itabrasco (Adjusted and Unaudited)**

| Information                         | As of and for the three-month periods ended |                |                |                | 2008           | As of and for the three-month periods ended |                |                |                | 2007           |
|-------------------------------------|---|----------------|----------------|----------------|----------------|---|----------------|----------------|----------------|----------------|
|                                     | March 31                                    | June 30        | September 30   | October 31     | Total          | March 31                                    | June 30        | September 30   | December 31    | Total          |
| Quantity sold external market       | MT (thousand)                               | 185            | 754            | 800            | 1,739          | 589   | 701            | 282            | 439            | 2,011          |
| Quantity sold internal market       | MT (thousand)                               | 843            | 90             | 273            | 1,206          | 283   | 657            | 562            | 605            | 2,107          |
| <b>Quantity sold total</b>          | MT (thousand)                               | <b>1,028</b>   | <b>844</b>     | <b>1,073</b>   | <b>2,945</b>   | <b>872</b>                                  | <b>1,358</b>   | <b>844</b>     | <b>1,044</b>   | <b>4,118</b>   |
| Average sales price external market | US\$  | 75.36          | 75.18          | 187.03         | 126.65         | 75.72                                       | 74.48          | 77.40          | 75.60          | 75.60          |
| Average sales price internal market | US\$  | 75.11          | 82.52          | 137.90         | 90.61          | 71.33                                       | 73.81          | 75.02          | 74.37          | 73.64          |
| <b>Average sales price total</b>    | US\$  | <b>75.15</b>   | <b>75.96</b>   | <b>174.53</b>  | 111.89         | <b>73.53</b>                                | <b>74.16</b>   | <b>75.82</b>   | <b>74.89</b>   | <b>74.60</b>   |
| Short-term indebtedness, gross      | US\$  | 51,974         | 79,909         | 61,326         | 61,326         |   |                | 32,376         | 42,600         | 42,600         |
| <b>Total indebtedness, gross</b>    | US\$  | <b>51,974</b>  | <b>79,909</b>  | <b>61,326</b>  | <b>61,326</b>  |   |                | <b>32,376</b>  | <b>42,600</b>  | <b>42,600</b>  |
| <b>Stockholders equity</b>          | R\$   | <b>165,101</b> | <b>166,240</b> | <b>230,754</b> | <b>230,754</b> | <b>143,226</b>                              | <b>117,480</b> | <b>126,996</b> | <b>160,386</b> | <b>160,386</b> |
| Net operating revenues              | R\$   | 136,495        | 106,308        | 326,353        | 569,156        | 136,746                                     | 201,246        | 124,047        | 139,642        | 601,681        |
| Cost of products                    | R\$   | (120,715)      | (102,629)      | (213,522)      | (436,866)      | (111,373)                                   | (171,403)      | (116,301)      | (124,474)      | (523,551)      |
| Other expenses / revenues           | R\$   | (4,902)        | (4,749)        | (9,099)        | (18,750)       | 2,557                                       | (7,720)        | 9,391          | (3,852)        | 376            |

|   |     |               |                |                |                |               |               |               |               |               |
|---|-----|---------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Depreciation, amortization and depletion                | R\$ | 2,560         | 2,097          | 1,961          | 6,618          | (1,325)       | 4,645         | 1,137         | 2,160         | 6,617         |
| <b>EBITDA</b>   | R\$ | <b>13,438</b> | <b>1,027</b>   | <b>105,693</b> | <b>120,158</b> | <b>26,605</b> | <b>26,768</b> | <b>18,274</b> | <b>13,476</b> | <b>85,123</b> |
| Depreciation, amortization and depletion                | R\$ | (2,560)       | (2,097)        | (1,961)        | (6,618)        | 1,325         | (4,645)       | (1,137)       | (2,160)       | (6,617)       |
| <b>EBIT</b>   | R\$ | <b>10,878</b> | <b>(1,070)</b> | <b>103,732</b> | <b>113,540</b> | <b>27,930</b> | <b>22,123</b> | <b>17,137</b> | <b>11,316</b> | <b>78,506</b> |
| Net financial result                                    | R\$ | (1,498)       | 5,330          | (3,629)        | 203            | (2,229)       | (1,148)       | (1,784)       | (1,216)       | (6,377)       |
| <b>Income before income tax and social contribution</b> | R\$ | <b>9,380</b>  | <b>4,260</b>   | <b>100,103</b> | <b>113,743</b> | <b>25,701</b> | <b>20,975</b> | <b>15,353</b> | <b>10,100</b> | <b>72,129</b> |
| Income tax and social contribution                      | R\$ | (4,665)       | (3,121)        | (35,589)       | (43,375)       | (9,706)       | (7,751)       | (6,198)       | (8,779)       | (32,434)      |
| <b>Net income</b>                                       | R\$ | <b>4,715</b>  | <b>1,139</b>   | <b>64,514</b>  | <b>70,368</b>  | <b>15,995</b> | <b>13,224</b> | <b>9,155</b>  | <b>1,321</b>  | <b>39,695</b> |

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**Table of Contents****Pellets Area Samarco (Adjusted and Unaudited)**

| Information                  |               | As of and for the three-month periods ended |                  |                  |                  | 2008           | As of and for the three-month periods ended |                  |                  |                  | 20    |
|------------------------------|---------------|---|------------------|------------------|------------------|----------------|---|------------------|------------------|------------------|-------|
|                              |               | March 31                                    | June 30          | September 30     | December 31      | Total          | March 31                                    | June 30          | September 30     | December 31      | Total |
|                              |               |   |                  |                  |                  |                |   |                  |                  |                  |       |
| Quantity sold Pellets        | MT (thousand) | 3,010                                       | 4,327            | 5,519            | 12,856           | 3,003          | 3,742                                       | 3,241            | 4,373            | 14,367           |       |
| Quantity sold Core           | MT (thousand) | 168   | 140              | 154              | 462              | 463            | 638   | 302              | 358              | 1,761            |       |
| Average sales Price Pellets  | US\$          | 105.51                                      | 142.07           | 152.30           | 105.51           | 77.51          | 82.38                                       | 83.61            | 82.58            | 81.14            |       |
| Quantity sold Core           | US\$          | 47.61                                       | 98.95            | 73.86            | 47.61            | 46.79          | 46.78                                       | 45.30            | 49.14            | 47.14            |       |
| Long-term Debt, net of cash  | US\$          | 799,634                                     | 799,597          | 799,666          | 799,666          | 737,926        | 817,457                                     | 807,753          | 799,087          | 799,087          |       |
| Short-term Debt, net of cash | US\$          | 591,496                                     | 845,623          | 987,132          | 987,132          | 192,157        | 323,841                                     | 397,992          | 572,218          | 572,218          |       |
| Total Debt, net of cash      | US\$          | <b>1,391,130</b>                            | <b>1,645,220</b> | <b>1,786,798</b> | <b>1,786,798</b> | <b>930,083</b> | <b>1,141,298</b>                            | <b>1,205,745</b> | <b>1,371,305</b> | <b>1,371,305</b> |       |
| Equity                       | R\$           | <b>995,859</b>                              | <b>1,493,766</b> | <b>1,377,023</b> | <b>1,377,023</b> | <b>970,015</b> | <b>1,018,112</b>                            | <b>1,175,289</b> | <b>823,011</b>   | <b>823,011</b>   |       |
| Operating Revenues           | R\$           | 576,988                                     | 1,033,109        | 1,387,256        | 2,997,353        | 557,293        | 667,398                                     | 551,937          | 684,666          | 2,461,294        |       |
| Cost of Sales                | R\$           | (275,764)                                   | (450,521)        | (520,484)        | (1,246,769)      | (233,161)      | (269,773)                                   | (221,186)        | (339,323)        | (1,063,444)      |       |
| Depreciation / Amortization  | R\$           | (76,574)                                    | (160,350)        | (89,263)         | (326,187)        | (39,119)       | (152,413)                                   | (62,990)         | (123,636)        | (378,119)        |       |
| Depletion                    | R\$           | 13,635                                      | 26,227           | 44,595           | 84,457           | 13,884         | 15,631                                      | 16,346           | 16,555           | 62,495           |       |
| <b>EBITDA</b>                | R\$           | <b>238,285</b>                              | <b>448,465</b>   | <b>822,104</b>   | <b>1,508,854</b> | <b>298,897</b> | <b>260,843</b>                              | <b>284,107</b>   | <b>238,262</b>   | <b>1,082,112</b> |       |
|                              | R\$           | (13,635)                                    | (26,227)         | (44,595)         | (84,457)         | (13,884)       | (15,631)                                    | (16,346)         | (16,555)         | (62,495)         |       |

|  |     |                |                |                |                  |                |                |                |                |                |
|--|-----|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|
| preciation,<br>rtization<br>depletion        |     |                |                |                |                  |                |                |                |                |                |
| <b>T</b>                                     | R\$ | <b>224,650</b> | <b>422,238</b> | <b>777,509</b> | <b>1,424,397</b> | <b>285,013</b> | <b>245,212</b> | <b>267,761</b> | <b>221,707</b> | <b>1,019,6</b> |
| ult of<br>ty<br>estiments<br>financial<br>lt | R\$ |                |                |                |                  | 4,856          | 6,120          | 2,532          | (13,508)       |                |
|  | R\$ | 5,635          | 176,662        | (466,551)      | (284,254)        | 73,965         | 26,485         | 43,064         | 45,347         | 188,8          |
| <b>ome</b>                                   |     |                |                |                |                  |                |                |                |                |                |
| <b>ore income</b>                            |     |                |                |                |                  |                |                |                |                |                |
| <b>and social</b>                            |     |                |                |                |                  |                |                |                |                |                |
| <b>tribution</b>                             | R\$ | <b>230,285</b> | <b>598,900</b> | <b>310,958</b> | <b>1,140,143</b> | <b>363,834</b> | <b>277,817</b> | <b>313,357</b> | <b>253,546</b> | <b>1,208,5</b> |
| ome tax<br>social<br>tribution               | R\$ | (57,342)       | (100,979)      | (46,457)       | (204,778)        | (65,216)       | (66,798)       | (64,235)       | (40,322)       | (236,5         |
| <b>income</b>                                | R\$ | <b>172,943</b> | <b>497,921</b> | <b>264,501</b> | <b>935,365</b>   | <b>298,618</b> | <b>211,019</b> | <b>249,122</b> | <b>213,224</b> | <b>971,9</b>   |

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**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMPANHIA VALE DO RIO DOCE  
(Registrant)

Date: November 3, 2008

By: /s/ Roberto Castello Branco  
Roberto Castello Branco  
Director of Investor Relations