

Companhia Vale do Rio Doce  
Form 6-K  
August 07, 2007

**Table of Contents**

**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  
August 2007**

**Companhia Vale do Rio Doce**  
Avenida Graca 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 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- \_\_\_\_\_.)

**COMPANHIA VALE DO RIO DOCE**  
**INDEX TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

|                                                                                                                                                                                                                          |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <u>Report of Independent Registered Public Accounting Firm</u>                                                                                                                                                           | Page<br>F-2 |
| <u>Condensed Consolidated Balance Sheets as of June 30, 2007 and December 31, 2006</u>                                                                                                                                   | F-3         |
| <u>Condensed Consolidated Statements of Income for the three-month periods ended June 30, 2007, March 31, 2007 and June 30, 2006 and for the six-month periods ended June 30, 2007 and 2006</u>                          | F-5         |
| <u>Condensed Consolidated Statements of Cash Flows for the three-month periods ended June 30, 2007, March 31, 2007 and June 30, 2006 and for the six-month periods ended June 30, 2007 and 2006</u>                      | F-6         |
| <u>Condensed Consolidated Statements of Changes in Stockholders' Equity for the three-month periods ended June 30, 2007, March 31, 2007 and June 30, 2006 and for the six-month periods ended June 30, 2007 and 2006</u> | F-7         |
| <u>Notes to the Condensed Consolidated Interim Financial Information</u>                                                                                                                                                 | F-8         |
| <u>Supplemental Financial Information</u>                                                                                                                                                                                | S-1         |

**Table of Contents**

**PricewaterhouseCoopers**

Rua da Candelaria, 65 11° 15°  
20091 -020 Rio de Janeiro, RJ Brasil  
Caixa Postal 949  
Telephone (21) 3232-6112  
Fax (21) 2516-6319  
[www.pwc.com/br](http://www.pwc.com/br)

**Report of Independent Registered  
Public Accounting Firm**

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

We have reviewed the accompanying condensed consolidated balance sheet of Companhia Vale do Rio Doce and its subsidiaries as of June 30, 2007, and the related condensed consolidated statements of income, of cash flows and of changes in stockholder's equity for each of the three-month periods ended June 30, 2007, March 31, 2007 and June 30, 2006 and for the six-month periods ended June 30, 2007 and June 30, 2006. This interim financial information is the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole.

Accordingly, we do not express such an opinion.

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

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

PricewaterhouseCoopers  
Auditores Independentes  
Rio de Janeiro, RJ  
July 31, 2007

**Table of Contents****Condensed Consolidated Balance Sheets**  
**Expressed in millions of United States dollars**

|                                                                           | <b>June 30, 2007</b><br><b>(Unaudited)</b> | <b>December</b><br><b>31, 2006</b> |
|---------------------------------------------------------------------------|--------------------------------------------|------------------------------------|
| Assets                                                                    |                                            |                                    |
| Current assets                                                            |                                            |                                    |
| Cash and cash equivalents                                                 | 1,774                                      | 4,448                              |
| Accounts receivable                                                       |                                            |                                    |
| Related parties                                                           | 449                                        | 675                                |
| Unrelated parties                                                         | 3,642                                      | 2,929                              |
| Loans and advances to related parties                                     | 110                                        | 40                                 |
| Inventories                                                               | 3,327                                      | 3,493                              |
| Deferred income tax                                                       | 588                                        | 410                                |
| Recoverable taxes                                                         | 469                                        | 414                                |
| Others                                                                    | 442                                        | 531                                |
|                                                                           | <b>10,801</b>                              | <b>12,940</b>                      |
| Property, plant and equipment, net, and intangible assets                 | <b>47,698</b>                              | <b>38,007</b>                      |
| Investments in affiliated companies, joint ventures and other investments | <b>2,446</b>                               | <b>2,353</b>                       |
| Other assets                                                              |                                            |                                    |
| Goodwill on acquisition of subsidiaries                                   | 3,304                                      | 4,484                              |
| Loans and advances                                                        |                                            |                                    |
| Related parties                                                           | 1                                          | 5                                  |
| Unrelated parties                                                         | 125                                        | 109                                |
| Prepaid pension cost                                                      | 1,329                                      | 977                                |
| Prepaid expenses                                                          | 237                                        | 360                                |
| Judicial deposits                                                         | 998                                        | 852                                |
| Advances to suppliers – energy                                            | 560                                        | 443                                |
| Recoverable taxes                                                         | 282                                        | 305                                |
| Unrealized gains on derivative instruments                                | 391                                        | 22                                 |
| Others                                                                    | 143                                        | 69                                 |
|                                                                           | <b>7,370</b>                               | <b>7,626</b>                       |
| <b>TOTAL</b>                                                              | <b>68,315</b>                              | <b>60,926</b>                      |

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

**Table of Contents**

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

**(Continued)**

|                                                                                               | <b>June 30,<br/>2007<br/>(Unaudited)</b> | <b>December<br/>31, 2006</b> |
|-----------------------------------------------------------------------------------------------|------------------------------------------|------------------------------|
| Liabilities and stockholders' equity                                                          |                                          |                              |
| Current liabilities                                                                           |                                          |                              |
| Suppliers                                                                                     | 2,047                                    | 2,382                        |
| Payroll and related charges                                                                   | 468                                      | 451                          |
| Minimum annual dividends attributed to stockholders                                           | 856                                      | 1,494                        |
| Current portion of long-term debt - unrelated parties                                         | 755                                      | 711                          |
| Short-term debt                                                                               |                                          | 723                          |
| Loans from related parties                                                                    | 35                                       | 25                           |
| Provision for income taxes                                                                    | 1,245                                    | 817                          |
| Taxes payable                                                                                 | 94                                       | 119                          |
| Employees post-retirement benefits                                                            | 116                                      | 107                          |
| Others                                                                                        | 574                                      | 483                          |
|                                                                                               | <b>6,190</b>                             | <b>7,312</b>                 |
| Long-term liabilities                                                                         |                                          |                              |
| Employees post-retirement benefits                                                            | 1,932                                    | 1,841                        |
| Long-term debt - unrelated parties                                                            | 18,284                                   | 21,122                       |
| Provisions for contingencies (Note 14 (c))                                                    | 1,800                                    | 1,641                        |
| Unrealized loss on derivative instruments                                                     | 708                                      | 705                          |
| Deferred income tax                                                                           | 5,733                                    | 4,527                        |
| Provisions for asset retirement obligations                                                   | 734                                      | 676                          |
| Others                                                                                        | 1,491                                    | 618                          |
|                                                                                               | <b>30,682</b>                            | <b>31,130</b>                |
| Minority interests                                                                            | <b>2,358</b>                             | <b>2,811</b>                 |
| Commitments and contingencies (Note 14)                                                       |                                          |                              |
| Stockholders' equity (Note 11)                                                                |                                          |                              |
| Preferred class A stock - 3,600,000,000 no-par-value shares authorized and 959,758,200 issued | 4,919                                    | 4,702                        |
| Common stock - 1,800,000,000 no-par-value shares authorized and 1,499,898,858 issued          | 7,776                                    | 3,806                        |
| Treasury stock - 15,170,644 preferred and 28,291,020 common shares                            | (389)                                    | (389)                        |
| Additional paid-in capital                                                                    | 498                                      | 498                          |

Edgar Filing: Companhia Vale do Rio Doce - Form 6-K

|                                                 |               |               |
|-------------------------------------------------|---------------|---------------|
| Mandatory convertible notes in common shares    | 1,288         |               |
| Mandatory convertible notes in preferred shares | 581           |               |
| Other cumulative comprehensive income (deficit) | 227           | (1,004)       |
| Undistributed retained earnings                 | 6,233         | 9,555         |
| Unappropriated retained earnings                | 7,952         | 2,505         |
|                                                 | <b>29,085</b> | <b>19,673</b> |
| <b>TOTAL</b>                                    | <b>68,315</b> | <b>60,926</b> |

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

F - 4

---

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

|                                                              | <b>Three-month periods ended</b> |                       |                      | <b>Six-month periods ended</b> |                      |
|--------------------------------------------------------------|----------------------------------|-----------------------|----------------------|--------------------------------|----------------------|
|                                                              | <b>June 30, 2007</b>             | <b>March 31, 2007</b> | <b>June 30, 2006</b> | <b>2007</b>                    | <b>June 30, 2006</b> |
| Operating revenues, net of discounts, returns and allowances |                                  |                       |                      |                                |                      |
| Sales of ores and metals                                     | 7,667                            | 6,634                 | 3,286                | 14,301                         | 6,046                |
| Revenues from logistic services                              | 414                              | 331                   | 362                  | 745                            | 651                  |
| Aluminum products                                            | 724                              | 649                   | 640                  | 1,373                          | 1,069                |
| Other products and services                                  | 94                               | 66                    | 25                   | 160                            | 37                   |
|                                                              | <b>8,899</b>                     | <b>7,680</b>          | <b>4,313</b>         | <b>16,579</b>                  | <b>7,803</b>         |
| Taxes on revenues                                            | (207)                            | (191)                 | (167)                | (398)                          | (317)                |
| Net operating revenues                                       | <b>8,692</b>                     | <b>7,489</b>          | <b>4,146</b>         | <b>16,181</b>                  | <b>7,486</b>         |
| Operating costs and expenses                                 |                                  |                       |                      |                                |                      |
| Cost of ores and metals sold                                 | (3,075)                          | (3,813)               | (1,350)              | (6,888)                        | (2,606)              |
| Cost of logistic services                                    | (227)                            | (188)                 | (196)                | (415)                          | (370)                |
| Cost of aluminum products                                    | (431)                            | (369)                 | (324)                | (800)                          | (581)                |
| Others                                                       | (51)                             | (20)                  | (14)                 | (71)                           | (22)                 |
|                                                              | <b>(3,784)</b>                   | <b>(4,390)</b>        | <b>(1,884)</b>       | <b>(8,174)</b>                 | <b>(3,579)</b>       |
| Selling, general and administrative expenses                 | (266)                            | (268)                 | (212)                | (534)                          | (380)                |
| Research and development                                     | (152)                            | (113)                 | (101)                | (265)                          | (172)                |
| Others                                                       | (111)                            | (16)                  | (76)                 | (127)                          | (146)                |
|                                                              | <b>(4,313)</b>                   | <b>(4,787)</b>        | <b>(2,273)</b>       | <b>(9,100)</b>                 | <b>(4,277)</b>       |
| Operating income                                             | <b>4,379</b>                     | <b>2,702</b>          | <b>1,873</b>         | <b>7,081</b>                   | <b>3,209</b>         |
| Non-operating income (expenses)                              |                                  |                       |                      |                                |                      |
| Financial income                                             | 77                               | 121                   | 45                   | 198                            | 87                   |
| Financial expenses                                           | (508)                            | (659)                 | (245)                | (1,167)                        | (458)                |
| Foreign exchange and monetary gains, net                     | 932                              | 770                   | 28                   | 1,702                          | 287                  |
| Gain on sale of investments                                  | 674                              |                       | 338                  | 674                            | 347                  |
|                                                              | <b>1,175</b>                     | <b>232</b>            | <b>166</b>           | <b>1,407</b>                   | <b>263</b>           |

|                                                                          |                |              |              |                |              |
|--------------------------------------------------------------------------|----------------|--------------|--------------|----------------|--------------|
| Income before income taxes, equity results and minority interests        | <b>5,554</b>   | <b>2,934</b> | <b>2,039</b> | <b>8,488</b>   | <b>3,472</b> |
| Income taxes                                                             |                |              |              |                |              |
| Current                                                                  | (1,483)        | (833)        | (158)        | (2,316)        | (400)        |
| Deferred                                                                 | 87             | 191          | (80)         | 278            | (133)        |
|                                                                          | <b>(1,396)</b> | <b>(642)</b> | <b>(238)</b> | <b>(2,038)</b> | <b>(533)</b> |
| Equity in results of affiliates and joint ventures and other investments | 156            | 138          | 184          | 294            | 340          |
| Minority interests                                                       | (219)          | (213)        | (105)        | (432)          | (228)        |
| Net income                                                               | <b>4,095</b>   | <b>2,217</b> | <b>1,880</b> | <b>6,312</b>   | <b>3,051</b> |

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

F - 5

**Table of Contents****Condensed Consolidated Statements of Cash Flows**  
**Expressed in millions of United States dollars (unaudited)**

|                                                                               | <b>Three-month periods ended</b> |              |                 | <b>Six-month periods ended</b> |              |
|-------------------------------------------------------------------------------|----------------------------------|--------------|-----------------|--------------------------------|--------------|
|                                                                               | <b>March</b>                     |              |                 | <b>June 30,</b>                |              |
|                                                                               | <b>June</b>                      |              | <b>June 30,</b> | <b>2007</b>                    | <b>2006</b>  |
|                                                                               | <b>30,</b>                       | <b>2007</b>  | <b>2006</b>     |                                |              |
|                                                                               | <b>2007</b>                      |              |                 |                                |              |
| Cash flows from operating activities:                                         |                                  |              |                 |                                |              |
| Net income                                                                    | 4,095                            | 2,217        | 1,880           | 6,312                          | 3,051        |
| Adjustments to reconcile net income to cash provided by operating activities: |                                  |              |                 |                                |              |
| Depreciation, depletion and amortization                                      | 525                              | 392          | 205             | 917                            | 386          |
| Dividends received                                                            | 153                              | 90           | 98              | 243                            | 210          |
| Equity in results of affiliates and joint ventures                            | (156)                            | (138)        | (184)           | (294)                          | (340)        |
| Deferred income taxes                                                         | (87)                             | (191)        | 80              | (278)                          | 133          |
| Gain on sale of investments                                                   | (674)                            |              | (338)           | (674)                          | (347)        |
| Foreign exchange and monetary losses (gains), net                             | (1,224)                          | (772)        | (75)            | (1,996)                        | (366)        |
| Unrealized derivative losses (gains), net                                     | (168)                            | (85)         | 51              | (253)                          | 95           |
| Minority interests                                                            | 219                              | 213          | 105             | 432                            | 228          |
| Interest payable (receivable), net                                            | (57)                             | 173          | 40              | 116                            | 12           |
| Others                                                                        | (25)                             | 23           | (2)             | (2)                            | 57           |
| Decrease (increase) in assets:                                                |                                  |              |                 |                                |              |
| Accounts receivable                                                           | (492)                            | 103          | (346)           | (389)                          | (184)        |
| Inventories                                                                   | (264)                            | 673          | (23)            | 409                            | (40)         |
| Others                                                                        | 499                              | (404)        | (38)            | 95                             | (146)        |
| Increase (decrease) in liabilities:                                           |                                  |              |                 |                                |              |
| Suppliers                                                                     | 428                              | 46           | 103             | 474                            | (264)        |
| Payroll and related charges                                                   | 104                              | (161)        | 47              | (57)                           | (61)         |
| Income taxes                                                                  | 503                              | (54)         | 175             | 449                            | (3)          |
| Others                                                                        | 251                              | 157          | (34)            | 408                            | (206)        |
| Net cash provided by operating activities                                     | <b>3,630</b>                     | <b>2,282</b> | <b>1,744</b>    | <b>5,912</b>                   | <b>2,215</b> |
| Cash flows from investing activities:                                         |                                  |              |                 |                                |              |
| Loans and advances receivable                                                 |                                  |              |                 |                                |              |
| Related parties                                                               |                                  |              |                 |                                |              |
| Additions                                                                     | (1)                              |              | 1               | (1)                            | (6)          |
| Repayments                                                                    |                                  | 10           |                 | 10                             | 3            |
| Others                                                                        | (1)                              |              | (35)            | (1)                            | 13           |

Edgar Filing: Companhia Vale do Rio Doce - Form 6-K

|                                                              |                |                |              |                |                |
|--------------------------------------------------------------|----------------|----------------|--------------|----------------|----------------|
| Judicial deposits                                            | (31)           | (32)           | (12)         | (63)           | (35)           |
| Additions to investments                                     | (42)           | (52)           | (2)          | (94)           | (4)            |
| Additions to property, plant and equipment                   | (1,633)        | (1,106)        | (961)        | (2,739)        | (1,816)        |
| Proceeds from disposal of investments                        | 908            |                | 418          | 908            | 432            |
| Proceeds from disposals of property, plant and equipment     |                |                | 29           |                | 38             |
| Cash used to acquire subsidiaries, net of cash acquired      | (903)          | (2,023)        |              | (2,926)        |                |
| <b>Net cash used in investing activities</b>                 | <b>(1,703)</b> | <b>(3,203)</b> | <b>(562)</b> | <b>(4,906)</b> | <b>(1,375)</b> |
| Cash flows from financing activities:                        |                |                |              |                |                |
| Short-term debt, additions                                   | 1,493          | 497            | 1,772        | 1,990          | 2,394          |
| Short-term debt, repayments                                  | (2,485)        | (206)          | (1,837)      | (2,691)        | (2,409)        |
| Loans                                                        |                |                |              |                |                |
| Related parties                                              |                |                |              |                |                |
| Additions                                                    | 136            | 117            | 1            | 253            | 11             |
| Repayments                                                   | (121)          | (113)          | 29           | (234)          | (11)           |
| Issuances of long-term debt                                  |                |                |              |                |                |
| Others                                                       | 49             | 6,463          | 4            | 6,512          | 1,351          |
| Repayments of long-term debt                                 |                |                |              |                |                |
| Others                                                       | (3,940)        | (6,205)        | (200)        | (10,145)       | (521)          |
| Treasury stock                                               |                |                | (25)         |                | (25)           |
| Mandatorily convertible notes                                | 1,869          |                |              | 1,869          |                |
| Interest attributed to stockholders                          | (825)          |                | (669)        | (825)          | (669)          |
| Dividends to minority interest                               | (224)          | (61)           |              | (285)          |                |
| <b>Net cash provided by (used in) financing activities</b>   | <b>(4,048)</b> | <b>492</b>     | <b>(925)</b> | <b>(3,556)</b> | <b>121</b>     |
| Increase (decrease) in cash and cash equivalents             | (2,121)        | (429)          | 257          | (2,550)        | 961            |
| Effect of exchange rate changes on cash and cash equivalents | (59)           | (65)           | (7)          | (124)          | (108)          |
| Cash and cash equivalents, beginning of period               | 3,954          | 4,448          | 1,644        | 4,448          | 1,041          |
| <b>Cash and cash equivalents, end of period</b>              | <b>1,774</b>   | <b>3,954</b>   | <b>1,894</b> | <b>1,774</b>   | <b>1,894</b>   |
| Cash paid during the period for:                             |                |                |              |                |                |
| Interest on short-term debt                                  | (39)           | (1)            | (5)          | (40)           | (6)            |
| Interest on long-term debt                                   | (399)          | (205)          | (73)         | (604)          | (167)          |
| Income tax                                                   | (1,255)        | (606)          | (31)         | (1,861)        | (218)          |
| Non-cash transactions                                        |                |                |              |                |                |
| Income tax paid with credits                                 | (193)          | (119)          | (40)         | (312)          | (70)           |
| Interest capitalized                                         | (21)           | (22)           | (31)         | (43)           | (62)           |

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



**Table of Contents**

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

|                                                           |                      | <b>Three-month periods ended</b> |                      | <b>Six-month periods ended June 30,</b> |              |
|-----------------------------------------------------------|----------------------|----------------------------------|----------------------|-----------------------------------------|--------------|
|                                                           | <b>June 30, 2007</b> | <b>March 31, 2007</b>            | <b>June 30, 2006</b> | <b>2007</b>                             | <b>2006</b>  |
| Preferred class A stock<br>(including six special shares) |                      |                                  |                      |                                         |              |
| Beginning of the period                                   | 4,702                | 4,702                            | 4,702                | 4,702                                   | 2,150        |
| Capital increase                                          |                      |                                  |                      |                                         | 2,552        |
| Transfer from undistributed retained earnings             | 217                  |                                  |                      | 217                                     |              |
| End of the period                                         | <b>4,919</b>         | <b>4,702</b>                     | <b>4,702</b>         | <b>4,919</b>                            | <b>4,702</b> |
| Common stock                                              |                      |                                  |                      |                                         |              |
| Beginning of the period                                   | 3,806                | 3,806                            | 3,806                | 3,806                                   | 3,806        |
| Transfer from undistributed retained earnings             | 3,970                |                                  |                      | 3,970                                   |              |
| End of the period                                         | <b>7,776</b>         | <b>3,806</b>                     | <b>3,806</b>         | <b>7,776</b>                            | <b>3,806</b> |
| Treasury stock                                            |                      |                                  |                      |                                         |              |
| Beginning of the period                                   | (389)                | (389)                            | (88)                 | (389)                                   | (88)         |
| Acquisitions                                              |                      |                                  | (25)                 |                                         | (25)         |
| End of the period                                         | <b>(389)</b>         | <b>(389)</b>                     | <b>(113)</b>         | <b>(389)</b>                            | <b>(113)</b> |
| Additional paid-in capital                                |                      |                                  |                      |                                         |              |
| Beginning of the period                                   | <b>498</b>           | <b>498</b>                       | <b>498</b>           | <b>498</b>                              | <b>498</b>   |
| Mandatory convertible notes in common shares              |                      |                                  |                      |                                         |              |
| Change in the period and end of the period                | <b>1,288</b>         |                                  |                      | <b>1,288</b>                            |              |
| Mandatory convertible notes in preferred shares           |                      |                                  |                      |                                         |              |
| Change in the period and end of the period                | <b>581</b>           |                                  |                      | <b>581</b>                              |              |
| Other cumulative comprehensive income (deficit)           |                      |                                  |                      |                                         |              |

|                                                                           |              |                |                |              |                |
|---------------------------------------------------------------------------|--------------|----------------|----------------|--------------|----------------|
| Cumulative translation adjustments                                        |              |                |                |              |                |
| Beginning of the period                                                   | (1,672)      | (1,628)        | (2,006)        | (1,628)      | (2,856)        |
| Change in the period                                                      | 1,208        | (44)           | 118            | 1,164        | 968            |
| End of the period                                                         | <b>(464)</b> | <b>(1,672)</b> | <b>(1,888)</b> | <b>(464)</b> | <b>(1,888)</b> |
| Unrealized gain on available-for-sale securities                          |              |                |                |              |                |
| Beginning of the period                                                   | 586          | 271            | 132            | 271          | 127            |
| Change in the period                                                      | (381)        | 315            | (20)           | (66)         | (15)           |
| End of the period                                                         | <b>205</b>   | <b>586</b>     | <b>112</b>     | <b>205</b>   | <b>112</b>     |
| Surplus (deficit) accrued pension plan                                    |              |                |                |              |                |
| Beginning of the period                                                   | 344          | 353            |                | 353          |                |
| Change in the period                                                      | 128          | (9)            |                | 119          |                |
| End of the period                                                         | <b>472</b>   | <b>344</b>     |                | <b>472</b>   |                |
| Cash flow hedge                                                           |              |                |                |              |                |
| Beginning of the period                                                   | (10)         |                |                |              |                |
| Change in the period                                                      | 24           | (10)           |                | 14           |                |
| End of the period                                                         | <b>14</b>    | <b>(10)</b>    |                | <b>14</b>    |                |
| Total other cumulative comprehensive income (deficit)                     | <b>227</b>   | <b>(752)</b>   | <b>(1,776)</b> | <b>227</b>   | <b>(1,776)</b> |
| Undistributed retained earnings                                           |              |                |                |              |                |
| Beginning of the period                                                   | 9,992        | 9,555          | 4,687          | 9,555        | 4,357          |
| Transfer from unappropriated retained earnings                            | 428          | 437            | 18             | 865          | 348            |
| Transfer to capital stock                                                 | (4,187)      |                |                | (4,187)      |                |
| End of the period                                                         | <b>6,233</b> | <b>9,992</b>   | <b>4,705</b>   | <b>6,233</b> | <b>4,705</b>   |
| Unappropriated retained earnings                                          |              |                |                |              |                |
| Beginning of the period                                                   | 4,285        | 2,505          | 4,824          | 2,505        | 3,983          |
| Net income                                                                | 4,095        | 2,217          | 1,880          | 6,312        | 3,051          |
| Dividends and interest attributed to stockholders Preferred class A stock |              |                | (513)          |              | (513)          |
| Common stock                                                              | (428)        | (437)          | (787)          | (865)        | (787)          |
|                                                                           |              |                | (18)           |              | (348)          |

Appropriation to  
reserves

|                   |              |              |              |              |              |
|-------------------|--------------|--------------|--------------|--------------|--------------|
| End of the period | <b>7,952</b> | <b>4,285</b> | <b>5,386</b> | <b>7,952</b> | <b>5,386</b> |
|-------------------|--------------|--------------|--------------|--------------|--------------|

|                              |               |               |               |               |               |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total stockholders<br>equity | <b>29,085</b> | <b>22,142</b> | <b>17,208</b> | <b>29,085</b> | <b>17,208</b> |
|------------------------------|---------------|---------------|---------------|---------------|---------------|

|                                                              |                      |                      |                      |                      |                      |
|--------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Preferred class A stock<br>(including six special<br>shares) | 959,758,200          | 959,758,200          | 959,758,200          | 959,758,200          | 959,758,200          |
| Common stock                                                 | 1,499,898,858        | 1,499,898,858        | 1,499,898,858        | 1,499,898,858        | 1,499,898,858        |
| Treasury stock                                               |                      |                      |                      |                      |                      |
| Beginning of the period                                      | (43,461,664)         | (43,463,536)         | (28,313,936)         | (43,463,536)         | (28,313,936)         |
| Sales                                                        |                      | 1,872                | (1,281,100)          | 1,872                | (1,281,100)          |
| End of the period                                            | <b>(43,461,664)</b>  | <b>(43,461,664)</b>  | <b>(29,595,036)</b>  | <b>(43,461,664)</b>  | <b>(29,595,036)</b>  |
|                                                              | <b>2,416,195,394</b> | <b>2,416,195,394</b> | <b>2,430,062,022</b> | <b>2,416,195,394</b> | <b>2,430,062,022</b> |

Dividends and interest  
attributed to  
stockholders (per share):

|                                                              |      |      |
|--------------------------------------------------------------|------|------|
| Preferred class A stock<br>(including six special<br>shares) | 0.54 | 0.54 |
| Common stock                                                 | 0.54 | 0.54 |

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

**Table of Contents****Notes to the Unaudited Condensed Consolidated Interim Financial Information**  
**Expressed in millions of United States dollars, unless otherwise stated****1 The Company and its operation**

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

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

|                                                       |                   | %<br>ownership | %<br>voting<br>capital | Head office<br>location | Principal activity |
|-------------------------------------------------------|-------------------|----------------|------------------------|-------------------------|--------------------|
| Alumina do Norte do Brasil S.A.                       | Alunorte          |                |                        | Brazil                  | Alumina            |
| ( Alunorte )                                          |                   | 57.03          | 61.74                  |                         |                    |
| Alumínio Brasileiro S.A.                              | Albras ( Albras ) | 51.00          | 51.00                  | Brazil                  | Aluminum           |
| CADAM S.A (CADAM)                                     |                   | 61.48          | 100.00                 | Brazil                  | Kaolin             |
| CVRD International S.A.                               |                   | 100.00         | 100.00                 | Switzerland<br>Cayman   | Trading            |
| CVRD Overseas Ltd.                                    |                   | 100.00         | 100.00                 | Islands                 | Trading            |
| CVRD Inco (2)                                         |                   | 100.00         | 100.00                 | Canada                  | Nickel             |
| Ferrovia Centro-Atlântica S. A.                       |                   | 100.00         | 100.00                 | Brazil                  | Logistics          |
| Minerações Brasileiras Reunidas S.A.                  | MBR               | 92.99          | 92.99                  | Brazil                  | Iron ore           |
| Mineração Onça Puma Ltda                              |                   | 100.00         | 100.00                 | Brazil                  | Nickel             |
| Pará Pigmentos S.A. ( PPSA )                          |                   | 86.17          | 85.57                  | Brazil                  | Kaolin             |
| PT International Nickel Indonesia Tbk ( PT Inco ) (3) |                   | 61.16          | 61.16                  | Indonesia               | Nickel             |
| Valesul Alumínio S.A. (1)                             |                   | 100.00         | 100.00                 | Brazil                  | Aluminum           |
| CVRD Australia Pty Ltd.                               |                   | 100.00         | 100.00                 | Australia               | Coal               |

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

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

(3) Through Inco Limited; and

(4) See note 5.

**2 Basis of consolidation**

All majority-owned subsidiaries in which we have both share and management control are consolidated. All significant intercompany accounts and transactions are eliminated. Our variable interest entities in which we are the primary beneficiaries are consolidated. Investments in unconsolidated affiliates and joint ventures are accounted for under the equity method. Included in this category are certain joint ventures in which we have majority ownership but, by force of shareholders' agreements, do not have effective management control.

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

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

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

F - 8

---

**Table of Contents**

**3 Summary of significant accounting policies**

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

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

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

We have remeasured all assets and liabilities into U.S. dollars at the current exchange rate at each balance sheet date (R\$1.9176 and R\$2.1342 at June 30, 2007 and December 31, 2006, respectively to US\$1.00 or the first available exchange rate if exchange on the last day of the period, was not available), and all accounts in the statements of income (including amounts relative to local currency indexation and exchange variances on assets and liabilities denominated in foreign currency) at the average rates prevailing during the period. The translation gain or loss resulting from this remeasurement process is included in the cumulative translation adjustments account in stockholders' equity.

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

**4 Recently-issued accounting pronouncements**

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

**5 Major acquisitions, disposals and restructuring**

## Edgar Filing: Companhia Vale do Rio Doce - Form 6-K

In June 2007, we sold through a primary and secondary public offering 25,213,664 common shares, representing 57.84% of total capital, of our subsidiary Log-In Logística Intermodal S.A. for US\$179, with a gain of US\$155 and a capital gain of US\$62. Now we hold 36.37% of the voting and total capital of this entity, which is recognized as an equity investee.

F - 9

---

**Table of Contents**

In May 2007, we sold in a public offering Usiminas shares, an available for sale investee, and received total proceeds of US\$728 with a gain of US\$456.

In May 2007, we acquired a further 6.25% of the total share capital from Empreendimentos Brasileiros de Mineração S.A. (EBM), which main asset is its interest in MBR, for US\$231 and as a result, our stake in MBR is equivalent to direct and indirect 92.99% of total and voting capital. We simultaneously entered into an agreement with minority shareholders that gives us the right to use and profit from others' property including receipt of dividends with respect to EBM shares and full shareholder rights in relation to the remaining shares during the next 30 years for which we will make an initial payment of US\$61 plus an annual fee of US\$48 for the next 29 years under this agreement. The present value of the future obligation is recorded as a liability with an equivalent debit entry to minority interests. We are pursuing various opportunities to become a large global player in coal businesses and in April 2007, we concluded the acquisition of 100% of CVRD Australia (former AMCI Holdings Australia Pty - AMCI HA), a private company held in Australia, which owns and operates coal mines in Australia for US\$656. The purchase price allocations based on the fair values of acquired assets and liabilities was based on management's preliminary internal valuation estimates. Such allocations will be finalized based on valuation and other studies which are in course, performed by us with the assistance of outside valuation specialists. Accordingly, the purchase price allocation adjustments set forth below are preliminary and are subject to revision, which may be material.

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

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

**6 Acquisition of Inco**

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

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

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

The purchase price allocation based on the fair values of acquired assets and liabilities was at first based on management's preliminary internal valuation estimates. During the second quarter of 2007, we finalized such allocation based on complementary studies, performed by us with the assistance of external valuation specialists. Accordingly, the purchase price allocation adjustments in relation to the fair value of assets and liabilities acquired

set forth below are finalized and the main difference in relation to our preliminary allocation refer to intangibles identified after the complementary studies. The revisions the allocation have no material effects on the results of the three months period ended March 31, 2007, previously reported.

F - 10

---

**Table of Contents**

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

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

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

The main difference between the preliminary and final valuation is the increase in fair value of the nickel mines and the related deferred tax by which goodwill was reduced.

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

|                                                                   | <b>Three-month periods ended</b> |             |              | <b>Six-month periods ended June 30,</b> |             |              |
|-------------------------------------------------------------------|----------------------------------|-------------|--------------|-----------------------------------------|-------------|--------------|
|                                                                   | <b>(unaudited)</b>               |             |              | <b>(Unaudited)</b>                      |             |              |
|                                                                   | <b>June 30, 2006</b>             |             |              | <b>2006</b>                             |             |              |
|                                                                   | <b>CVRD</b>                      |             |              | <b>CVRD</b>                             |             |              |
|                                                                   | <b>Consolidated</b>              | <b>Inco</b> | <b>Pro</b>   | <b>Consolidated</b>                     | <b>Inco</b> | <b>Pro</b>   |
| Net operating revenues                                            | 4,146                            | 1,814       | 5,960        | 7,486                                   | 3,025       | 10,511       |
| Operating costs and expenses                                      | (2,273)                          | (1,219)     | (3,492)      | (4,277)                                 | (2,142)     | (6,419)      |
| <b>Operating income</b>                                           | <b>1,873</b>                     | <b>595</b>  | <b>2,468</b> | <b>3,209</b>                            | <b>883</b>  | <b>4,092</b> |
| Non-operating income                                              | 166                              | (272)       | (106)        | 263                                     | (522)       | (259)        |
| Income before income taxes, equity results and minority interests | <b>2,039</b>                     | <b>323</b>  | <b>2,362</b> | <b>3,472</b>                            | <b>361</b>  | <b>3,833</b> |
| Income taxes                                                      | (238)                            | (101)       | (339)        | (533)                                   | (106)       | (639)        |
| Equity in results of affiliates and joint ventures                | 184                              |             | 184          | 340                                     |             | 340          |
| Minority interests                                                | (105)                            | (24)        | (129)        | (228)                                   | (42)        | (270)        |
| <b>Net income</b>                                                 | <b>1,880</b>                     | <b>198</b>  | <b>2,078</b> | <b>3,051</b>                            | <b>213</b>  | <b>3,264</b> |

**7 Income taxes**

## Edgar Filing: Companhia Vale do Rio Doce - Form 6-K

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

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

F - 11

---

**Table of Contents**

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

|                                                                                         | <b>June 30, 2007</b> |                |                | <b>Three-month periods ended (unaudited)<br/>March 31, 2007</b> |                |              | <b>June 30,<br/>2006</b> |
|-----------------------------------------------------------------------------------------|----------------------|----------------|----------------|-----------------------------------------------------------------|----------------|--------------|--------------------------|
|                                                                                         | <b>Brazil</b>        | <b>Foreign</b> | <b>Total</b>   | <b>Brazil</b>                                                   | <b>Foreign</b> | <b>Total</b> |                          |
| Income before income taxes, equity results and minority interests                       | <b>2,807</b>         | <b>2,747</b>   | <b>5,554</b>   | <b>1,601</b>                                                    | <b>1,333</b>   | <b>2,934</b> | <b>2,039</b>             |
| Federal income tax and social contribution expense at statutory enacted rates           | (954)                | (934)          | (1,888)        | (544)                                                           | (454)          | (998)        | (693)                    |
| Adjustments to derive effective tax rate:                                               |                      |                |                |                                                                 |                |              |                          |
| Tax benefit on interest attributed to stockholders                                      | 118                  |                | 118            | 103                                                             |                | 103          | 85                       |
| Difference on tax rates of foreign income                                               |                      | 198            | 198            |                                                                 | 193            | 193          | 348                      |
| Difference on tax basis of equity investees                                             | 71                   | 12             | 83             | (64)                                                            | 32             | (32)         | (18)                     |
| Tax incentives                                                                          | 65                   |                | 65             | 52                                                              |                | 52           | 44                       |
| Other non-taxable gains (losses)                                                        | 39                   | (11)           | 28             | 45                                                              | (5)            | 40           | (4)                      |
| Federal income tax and social contribution expense in consolidated statements of income | <b>(661)</b>         | <b>(735)</b>   | <b>(1,396)</b> | <b>(408)</b>                                                    | <b>(234)</b>   | <b>(642)</b> | <b>(238)</b>             |

|                                                                                         | <b>Six-month periods ended June 30, (Unaudited)<br/>2007</b> |                |                | <b>2006</b>  |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------|----------------|--------------|
|                                                                                         | <b>Brazil</b>                                                | <b>Foreign</b> | <b>Total</b>   |              |
| Income before income taxes, equity results and minority interests                       | <b>4,408</b>                                                 | <b>4,080</b>   | <b>8,488</b>   | <b>3,472</b> |
| Federal income tax and social contribution expense at statutory enacted rates           | (1,499)                                                      | (1,387)        | (2,886)        | (1,180)      |
| Adjustments to derive effective tax rate:                                               |                                                              |                |                |              |
| Tax benefit on interest attributed to stockholders                                      | 221                                                          |                | 221            | 176          |
| Difference on tax rates of foreign income                                               |                                                              | 391            | 391            | 462          |
| Difference on tax basis of equity investees                                             | 7                                                            | 44             | 51             | (84)         |
| Tax incentives                                                                          | 117                                                          |                | 117            | 76           |
| Other non-taxable gains (losses)                                                        | 84                                                           | (16)           | 68             | 17           |
| Federal income tax and social contribution expense in consolidated statements of income | <b>(1,070)</b>                                               | <b>(968)</b>   | <b>(2,038)</b> | <b>(533)</b> |

We have certain income tax incentives relating to our manganese operations in Carajás, our potash operations in Rosario do Catete, our alumina and aluminum operations in Barcarena and our kaolin operations in Ipixuna and Mazagão. The incentives relative to manganese comprise partial exemption up to 2013. The incentive relating to alumina and potash comprise full income tax exemption on defined production levels, which expires in 2009 and 2013, respectively, while the partial exemption incentives relative to aluminum and kaolin expire in 2013. An amount equal to the tax saving must be appropriated to a reserve account within stockholders' equity and may not be distributed in the form of cash dividends. Brazilian tax loss carry forwards have no expiration date.

We have also taxes incentives related to Goro Project in New Caledonia. These incentives include an income tax holiday during the construction phase of the project and throughout a 15-year period commencing in the first year in which commercial production, as defined by the applicable legislation, is achieved followed by a five-year, 50 per cent income tax holiday. In addition, Goro qualifies for certain exemptions from indirect taxes such as import duties during the construction phase and throughout the commercial life of the project. Certain of these tax benefits, including the income tax holiday, are subject to an earlier phase out should the project achieve a specified cumulative rate of return. We are subject to a branch profit tax commencing in the first year in which commercial production is achieved, as defined by the applicable legislation. To date, we have not realized any net income for New Caledonia tax purposes. The benefits of this legislation are expected to apply with respect to any taxes otherwise payable once the Goro project is in operation.

Effective January 1, 2007 for U.S. GAAP purposes, we adopted Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes". This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods disclosure and transition. The effect of first applying the provision of this interpretation was not material.

F - 12

---

**Table of Contents**

We are subject to examination by fiscal authorities up to 5 years concerning to operations in Brazil, 10 years concerning to Indonesia, and 5 and 6 years concerning to Canada except for Newfoundland that has no limit.

**8 Inventories**

|                                      | <b>June 30,<br/>2007<br/>(Unaudited)</b> | <b>December<br/>31,<br/>2006</b> |
|--------------------------------------|------------------------------------------|----------------------------------|
| <b>Finished products</b>             |                                          |                                  |
| Iron ore and pellets                 | 435                                      | 325                              |
| Manganese and ferroalloys            | 113                                      | 94                               |
| Alumina                              | 37                                       | 33                               |
| Aluminum                             | 82                                       | 110                              |
| Kaolin                               | 34                                       | 23                               |
| Copper concentrate                   | 9                                        | 5                                |
| Nickel (co-products and by-products) | 1,632                                    | 2,046                            |
| Coal                                 | 34                                       |                                  |
| Others                               | 26                                       | 40                               |
| Spare parts and maintenance supplies | 925                                      | 817                              |
|                                      | <b>3,327</b>                             | <b>3,493</b>                     |

**Table of Contents****9 Investments in affiliated companies and joint ventures and other investments**

|                                             | June 30, 2007  |       | Investments       |     | Equity Adjustments |     |                           |    |                         |     | Dividends received        |    |                         |           |
|---------------------------------------------|----------------|-------|-------------------|-----|--------------------|-----|---------------------------|----|-------------------------|-----|---------------------------|----|-------------------------|-----------|
|                                             |                |       |                   |     |                    |     | Three-month periods ended |    | Six-month periods ended |     | Three-month periods ended |    | Six-month periods ended |           |
|                                             |                |       |                   |     |                    |     | (unaudited)               |    | (Unaudited)             |     | (unaudited)               |    | (Unaudited)             |           |
|                                             |                |       | Net income (loss) |     | December 31,       |     | March 31,                 |    |                         |     | March 31,                 |    |                         |           |
|                                             |                |       | Net               |     | June 30,           |     | June 30,                  |    | June 30,                |     | June 30,                  |    | June 30,                |           |
|                                             | Participation  |       | equity            |     | 2007               |     | 2007                      |    | 2006                    |     | 2007                      |    | 2006                    |           |
|                                             | in capital (%) |       | period            |     | (Unaudited)        |     |                           |    |                         |     |                           |    |                         |           |
|                                             | voting total   |       | (Unaudited)       |     |                    |     |                           |    |                         |     |                           |    |                         |           |
| Ferrous                                     |                |       |                   |     |                    |     |                           |    |                         |     |                           |    |                         |           |
| Companhia Nipo-Brasileira de Pelotização    |                |       |                   |     |                    |     |                           |    |                         |     |                           |    |                         |           |
| NIBRASCO (1)                                | 51.11          | 51.00 | 98                | 11  | 50                 | 40  | (1)                       | 6  | 7                       | 5   | 16                        |    |                         | 22        |
| Companhia Hispano-Brasileira de Pelotização |                |       |                   |     |                    |     |                           |    |                         |     |                           |    |                         |           |
| HISPANOBRÁS (1)                             | 51.00          | 50.89 | 78                | 18  | 40                 | 42  | 4                         | 6  | 2                       | 10  | 7                         | 16 |                         | 16 13     |
| Companhia Coreano-Brasileira de Pelotização |                |       |                   |     |                    |     |                           |    |                         |     |                           |    |                         |           |
| KOBRASCO                                    | 50.00          | 50.00 | 70                | 20  | 35                 | 40  | 5                         | 5  | 5                       | 10  | 14                        |    | 11                      | 11        |
| Companhia Italo-Brasileira de Pelotização   |                |       |                   |     |                    |     |                           |    |                         |     |                           |    |                         |           |
| ITABRASCO (1)                               | 51.00          | 50.90 | 61                | 14  | 31                 | 37  | 3                         | 4  | 2                       | 7   | 6                         | 8  |                         | 8 12      |
| SAMARCO Mineração S.A.                      |                |       |                   |     |                    |     |                           |    |                         |     |                           |    |                         |           |
| SAMARCO (2)                                 | 50.00          | 50.00 | 759               | 238 | 435                | 370 | 59                        | 60 | 67                      | 119 | 106                       | 50 | 50                      | 100 25    |
| Minas da Serra Geral S.A. MSG               | 50.00          | 50.00 | 52                | 3   | 26                 | 25  | 1                         | 1  | 1                       | 2   | 1                         |    | 1                       | 1         |
| Gulf Industrial Investment Company          |                |       |                   |     |                    |     |                           |    |                         |     |                           |    |                         |           |
| GIIC (4)                                    |                |       |                   |     |                    |     |                           |    | 4                       |     | 18                        |    |                         |           |
| Others                                      |                |       |                   |     | 23                 | 23  | (1)                       | 1  |                         | (2) |                           |    | 1                       | 1         |
|                                             |                |       |                   |     | 640                | 577 | 70                        | 83 | 88                      | 153 | 166                       | 74 | 50                      | 13 124 85 |

| Edgar Filing: Companhia Vale do Rio Doce - Form 6-K            |        |        |        |     |     |       |     |    |    |     |    |    |    |    |    |    |  |
|----------------------------------------------------------------|--------|--------|--------|-----|-----|-------|-----|----|----|-----|----|----|----|----|----|----|--|
| MRS Logística S.A                                              | 37.86  | 41.50  | 612    | 128 | 254 | 222   | 29  | 23 | 24 | 52  | 38 | 27 |    | 20 | 27 | 20 |  |
| LOG-IN Logística Intermodal S.A. (7)                           | 36.37  | 36.37  | 253    | 23  | 92  |       | (2) |    |    | (2) |    |    |    |    |    |    |  |
|                                                                |        |        |        |     | 346 | 222   | 27  | 23 | 24 | 50  | 38 | 27 |    | 20 | 27 | 20 |  |
| <b>Holdings</b>                                                |        |        |        |     |     |       |     |    |    |     |    |    |    |    |    |    |  |
| <b>Steel</b>                                                   |        |        |        |     |     |       |     |    |    |     |    |    |    |    |    |    |  |
| Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS (cost \$131) |        |        | 14,999 |     | 442 | 744   |     |    | 28 |     | 54 | 24 |    | 28 | 24 | 28 |  |
| California Steel Industries Inc. CSI                           | 50.00  | 50.00  | 340    | 9   | 170 | 175   | 4   | 1  | 18 | 5   | 33 |    | 11 |    | 11 | 3  |  |
| THYSSENKRUPP CSA Companhia Siderúrgica (8)                     | 12.94  | 12.94  |        |     | 144 | 91    |     |    |    |     |    |    |    |    |    |    |  |
|                                                                |        |        |        |     | 756 | 1,010 | 4   | 1  | 46 | 5   | 87 | 24 | 11 | 28 | 35 | 31 |  |
| <b>Aluminum and bauxite</b>                                    |        |        |        |     |     |       |     |    |    |     |    |    |    |    |    |    |  |
| Mineração Rio do Norte S.A. MRN                                | 40.00  | 40.00  | 356    | 105 | 142 | 164   | 20  | 22 | 14 | 42  | 26 | 28 | 29 | 22 | 57 | 59 |  |
| Valesul Alumínio S.A. VALESUL (5)                              | 100.00 | 100.00 |        |     |     |       |     |    | 8  |     | 12 |    |    |    |    |    |  |
|                                                                |        |        |        |     | 142 | 164   | 20  | 22 | 22 | 42  | 38 | 28 | 29 | 22 | 57 | 59 |  |
| <b>Coal</b>                                                    |        |        |        |     |     |       |     |    |    |     |    |    |    |    |    |    |  |
| Henan Longyu Resources Co. Ltd                                 | 25.00  | 25.00  | 538    | 88  | 135 | 112   | 13  | 9  | 4  | 22  | 11 |    |    | 15 |    | 15 |  |
| Shandong Yankuang International Company Ltd                    | 25.00  | 25.00  | 86     | (7) | 21  | 23    | (2) |    |    | (2) |    |    |    |    |    |    |  |
|                                                                |        |        |        |     | 156 | 135   | 11  | 9  | 4  | 20  | 11 |    |    | 15 |    | 15 |  |
| <b>Nickel</b>                                                  |        |        |        |     |     |       |     |    |    |     |    |    |    |    |    |    |  |
| <b>available-for-sale investments (6)</b>                      |        |        |        |     |     |       |     |    |    |     |    |    |    |    |    |    |  |
| Jubilee Mines N.L (cost \$30)                                  | 4.87   | 4.87   |        |     | 86  | 79    |     |    |    |     |    |    |    |    |    |    |  |
| Lion Ore Mining International Ltd (cost \$21)                  | 1.80   | 1.80   |        |     | 105 | 45    |     |    |    |     |    |    |    |    |    |    |  |
| Mirabela Nickel Ltd (cost \$12)                                | 9.30   | 9.30   |        |     | 52  | 21    |     |    |    |     |    |    |    |    |    |    |  |
| Table of Contents                                              |        |        |        |     |     |       |     |    |    |     |    |    |    | 28 |    |    |  |

Skye Resources Inc  
(cost \$-18)  
Heron Resources  
Inc (cost \$3)  
Others

13.70 13.70  
9.80 9.80

82 36  
16 12  
31 29

**372 222**

**Other affiliates  
and joint ventures**  
Others

**34 23**

**34 23**

**1,460 1,554 35 32 72 67 136 52 40 65 92 105**

**Total**

**2,446 2,353 132 138 184 270 340 153 90 98 243 210**

- (1) CVRD held a majority of the voting interest of several entities that were accounted for under the equity method, in accordance with EITF 96-16, due to veto rights held by minority shareholders under shareholders agreements;
- (2) Investment includes goodwill of US\$56 and US\$ 50 in 2007 and 2006, respectively;
- (3) Equity method used through November 2006, and available-for-sale subsequently. Dividends received included

in equity  
adjustment;

(4) Sold for US\$ 418  
in May, 2006;

(5) Subsidiary  
consolidated as  
from July, 2006;

(6) Investment held  
through Inco  
Limited;

(7) Consolidated  
until May, 2007;  
and

(8) Preoperating  
company.

F -14

---

**Table of Contents****10 Long-term debt**

|                                                              | <b>Current liabilities</b> |                 | <b>Long-Term liabilities</b> |                 |
|--------------------------------------------------------------|----------------------------|-----------------|------------------------------|-----------------|
|                                                              | <b>December</b>            |                 | <b>December</b>              |                 |
|                                                              | <b>June</b>                |                 | <b>June</b>                  |                 |
|                                                              | <b>30,</b>                 |                 | <b>30,</b>                   |                 |
|                                                              | <b>2007</b>                | <b>31, 2006</b> | <b>2007</b>                  | <b>31, 2006</b> |
|                                                              | <b>(Unaudited)</b>         |                 | <b>(Unaudited)</b>           |                 |
| Foreign debt                                                 |                            |                 |                              |                 |
| Loans and financing denominated in the following currencies: |                            |                 |                              |                 |
| United States dollars                                        | 209                        | 192             | 6,623                        | 10,483          |
| Others                                                       | 18                         | 4               | 302                          | 152             |
| Fixed Rate Notes US\$ denominated                            |                            | 112             | 6,800                        | 6,785           |
| Debt securities export sales (*) US\$ denominated            | 70                         | 86              | 233                          | 259             |
| Perpetual notes                                              |                            |                 | 86                           | 86              |
| Accrued charges                                              | 306                        | 139             |                              |                 |
|                                                              | <b>603</b>                 | <b>533</b>      | <b>14,044</b>                | <b>17,765</b>   |
| Local debt                                                   |                            |                 |                              |                 |
| Denominated in Long-Term Interest Rate TJLP/CDI              | 18                         | 16              | 1,113                        | 511             |
| Denominated in General Price Index-Market (IGPM)             | 20                         | 20              | 1                            | 1               |
| Basket of currencies                                         | 2                          | 2               | 7                            | 7               |
| Non-convertible debentures                                   |                            |                 | 3,066                        | 2,774           |
| Denominated by U.S. dollars                                  | 43                         | 107             | 53                           | 64              |
| Accrued charges                                              | 69                         | 33              |                              |                 |
|                                                              | <b>152</b>                 | <b>178</b>      | <b>4,240</b>                 | <b>3,357</b>    |
| Total                                                        | <b>755</b>                 | <b>711</b>      | <b>18,284</b>                | <b>21,122</b>   |

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

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

|                                                              |        |
|--------------------------------------------------------------|--------|
| 2008                                                         | 689    |
| 2009                                                         | 398    |
| 2010                                                         | 2,435  |
| 2011                                                         | 3,239  |
| 2012 thereafter                                              | 11,238 |
| No due date (Perpetual notes and non-convertible debentures) | 285    |

**18,284**

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

|                            |       |
|----------------------------|-------|
| 3.1% to 5%                 | 9,921 |
| 5.1% to 7%                 | 2,305 |
| 7.1% to 9%                 | 2,399 |
| 9.1% to 11%                | 320   |
| Over 11%                   | 3,998 |
| Variable (Perpetual notes) | 96    |

**19,039**

F -15

---

**Table of Contents**

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

|                                                  | June<br>30,<br>2007 | %<br>December<br>31,<br>2006 |
|--------------------------------------------------|---------------------|------------------------------|
| TJLP Long-Term Interest Rate (effective rate)    | 3.2                 | 7.9                          |
| IGP-M General Price Index Market                 | 1.5                 | 3.8                          |
| Devaluation of United States Dollar against Real | (9.9)               | (8.7)                        |

Pursuant to the acquisition of Inco we executed various financial operations through December, 2006. After the execution of transactions, we completed the take out of the initial US\$ 14.6 billion bridge loan, used to finance the Inco acquisition.

One of these transactions, on November 16, 2006, we issued a US\$ 3.75 billion 10-year and 30-year notes. The US\$ 1.25 billion notes due in January 2017 bear a coupon rate of 6.25% per year, payable semi-annually. The US\$ 2.50 billion notes due in November 2036 bear a coupon rate of 6.875% per year, payable semi-annually, and were priced with a yield to maturity of 6.997% per year.

The other transaction involved the issue on December 20, 2006 in the Brazilian market of non-convertible debentures (debentures) in the amount of US\$ 2.5 billion, in two series, with four and seven-year maturities. The first series, due on November 20, 2010, US\$700, will be remunerated at 101.75% of the accumulated variation of the Brazilian CDI (interbank certificate of deposit) interest rate, payable semi-annually. The second series, due on November 20, 2013, US\$ 1.8 billion, will be remunerated at the Brazilian CDI interest rate plus 0.25% per year, also payable semi-annually. These debentures can be traded in the secondary market, through the Sistema Nacional de Debêntures (SND).

The other transaction, which closed on December 21, 2006, was a pre-export finance transaction of US\$6.0 billion, defining the final allocation among the members of a bank syndicate. The transaction includes a US\$5.0 billion tranche, five-year maturity, at Libor plus 0.625% per year, and a US\$1.0 billion tranche, seven-year maturity, at Libor plus 0.75% per year. The last transaction involved the settlement of the bridge loan with cash and advance on export contracts, totaling US\$2.25 billion occurred in April 2007.

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

**11 Stockholders equity**

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

On July 26, 2007 our Board of Directors approved a forward-stock split proposal which involves the exchange of each share, common or preferred class A, by two post-split shares. The split also involves the maintenance of the current American Depositary Receipt ratio at 1/1. The split has to be approved by an Extraordinary General Shareholders Meeting to be called soon.

In June 2007, we issued a US\$ 1,880 million Mandatorily Convertible Notes due 2010. The notes will bear interest at 5.50% per year payable quarterly and an additional interest which will be payable based on the net amount of cash distribution paid to ADS holders. The US\$ 1,296 million notes are mandatorily convertible into an aggregate maximum 28,291,020 common shares and the US\$ 584 million notes are mandatorily convertible into an aggregate maximum 15,147,728 preferred class A shares. We currently hold the shares to be issued on conversion in treasury stock. The notes are not repayable in cash. We determined, using a statistical model, that the



**Table of Contents**

potential variability in the number of shares to be converted is not a predominant feature of this hybrid financial instrument and thus classified it as an equity instrument within our stockholders equity.

On May 22, 2006 a stock split was effected which had been approved by the Extraordinary General Shareholders Meeting on April 27, 2006. Each existing, common and preferred, share was split into two shares. After the split our capital comprises 2,459,657,058 shares, of which 959,758,200 class A preferred shares and 1,499,898,858 common shares, including six special class shares without par value ( Golden Share ). The share/ADR proportion was maintained at 1/1; therefore, each common and preferred share, continued to be represented by one ADR supported by one common share (NYSE: RIO) or by one ADR supported by one class A preferred share (NYSE: RIOPR) respectively. All numbers of share and per share amounts included herein reflect retroactive application of the stock split.

On June 21, 2006 the Board of Directors approved a buy-back program of our preferred shares, executed during 180 days. As of December 31, 2006, when the program came to an end, we had acquired 15,149,600 shares held in treasury for subsequent disposal or cancellation at an average weighted unit cost of US\$19.98 (minimum cost of US\$18.89 and maximum of US\$ 20.74).

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

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

In April 2007, through an Extraordinary Shareholders meeting the paid-in capital increased by US\$4,187 million through reserves, without issue of shares. From that day the total paid-in capital is US\$12,695 million.

**Basic and diluted earnings per share**

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

|                                                                               | <b>June 30,</b> | <b>Three-month periods ended</b> |                 | <b>Six-month periods ended</b> |                 |
|-------------------------------------------------------------------------------|-----------------|----------------------------------|-----------------|--------------------------------|-----------------|
|                                                                               | <b>2007</b>     | <b>March 31,</b>                 | <b>June 30,</b> | <b>June 30,</b>                | <b>June 30,</b> |
|                                                                               | <b>2007</b>     | <b>2007</b>                      | <b>2006</b>     | <b>2007</b>                    | <b>2006</b>     |
| Net income for the period                                                     | <b>4,095</b>    | <b>2,217</b>                     | <b>1,880</b>    | <b>6,312</b>                   | <b>3,051</b>    |
| Income available to preferred stockholders basic                              | 2,494           | 1,350                            | 1,145           | 3,844                          | 1,858           |
| Income available to preferred stockholders diluted                            | 2,492           | 1,350                            | 1,145           | 3,843                          | 1,858           |
| Income available to common stockholders basic                                 | 1,601           | 867                              | 735             | 2,468                          | 1,193           |
| Income available to common stockholders diluted                               | 1,603           | 867                              | 735             | 2,469                          | 1,193           |
| Weighted average number of shares outstanding (thousands of shares) common    |                 |                                  |                 |                                |                 |
| shares basic                                                                  | 944,588         | 944,588                          | 944,588         | 944,586                        | 944,588         |
| Weighted average number of shares outstanding (thousands of shares) common    |                 |                                  |                 |                                |                 |
| shares diluted (*)                                                            | 947,697         | 944,588                          | 944,588         | 946,149                        | 944,588         |
| Weighted average number of shares outstanding (thousands of shares) preferred | 1,471,608       | 1,471,608                        | 1,471,608       | 1,471,608                      | 1,471,608       |

|                                                 |           |           |           |           |           |
|-------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| shares basic                                    |           |           |           |           |           |
| Weighted average number of                      |           |           |           |           |           |
| shares outstanding                              |           |           |           |           |           |
| (thousands of shares) preferred                 |           |           |           |           |           |
| shares diluted (*)                              | 1,473,273 | 1,471,608 | 1,471,608 | 1,472,445 | 1,471,608 |
| Basic earnings per Preferred                    |           |           |           |           |           |
| Class A Share                                   | 1.69      | 0.92      | 0.77      | 2.61      | 1.25      |
| Diluted earnings per Preferred                  |           |           |           |           |           |
| Class A Share                                   | 1.69      | 0.92      | 0.77      | 2.61      | 1.25      |
| Basic earnings per Common                       |           |           |           |           |           |
| Share                                           | 1.69      | 0.92      | 0.77      | 2.61      | 1.25      |
| Diluted earnings per Common                     |           |           |           |           |           |
| Share                                           | 1.69      | 0.92      | 0.77      | 2.61      | 1.25      |
| See terms of convertible notes described above. |           |           |           |           |           |

(\*) As if the  
mandatorily  
convertible  
notes had been  
exercised at the  
date of its  
issuance.

F -17

**Table of Contents****12 Other Cumulative Comprehensive Income (deficit) (unaudited)**

|                                                                                  | Three-month periods ended |                |               | Six-month periods ended |               |
|----------------------------------------------------------------------------------|---------------------------|----------------|---------------|-------------------------|---------------|
|                                                                                  | June 30, 2007             | March 31, 2007 | June 30, 2006 | 2007                    | June 30, 2006 |
| Comprehensive income is comprised as follows:                                    |                           |                |               |                         |               |
| Net income                                                                       | 4,095                     | 2,217          | 1,880         | 6,312                   | 3,051         |
| Cumulative translation adjustments                                               | 1,208                     | (44)           | 118           | 1,164                   | 968           |
| Unrealized gain (loss) on available-for-sale securities                          | (381)                     | 315            | (20)          | (66)                    | (15)          |
| Superavit (deficit) accrued pension plan                                         | 128                       | (9)            |               | 119                     |               |
| Cash flow hedge                                                                  | 24                        | (10)           |               | 14                      |               |
| Total comprehensive income                                                       | <b>5,074</b>              | <b>2,469</b>   | <b>1,978</b>  | <b>7,543</b>            | <b>4,004</b>  |
| Taxes effect on other comprehensive income (expense) allocated to each component |                           |                |               |                         |               |
| Unrealized gain on investments available-for-sales                               |                           |                |               |                         |               |
| Gross balance as of the period ended                                             | 314                       | 892            | 112           | 314                     | 112           |
| Tax (expense) benefit                                                            | (109)                     | (306)          |               | (109)                   |               |
| Net balance as of the period ended                                               | 205                       | 586            | 112           | 205                     | 112           |
| Superavit Surplus (deficit) accrued pension plan                                 |                           |                |               |                         |               |
| Gross balance as of the period ended                                             | 716                       | 528            |               | 716                     |               |
| Tax (expense) benefit                                                            | (244)                     | (184)          |               | (244)                   |               |
| Net balance as of the period ended                                               | 472                       | 344            |               | 472                     |               |

**13 Pension costs (unaudited)**

|                                               | June 30, 2007             |          |                             |          | Three-month periods ended |          |                             |          |
|-----------------------------------------------|---------------------------|----------|-----------------------------|----------|---------------------------|----------|-----------------------------|----------|
|                                               | Underfunded pension plans |          | Overfunded pension benefits |          | Underfunded pension plans |          | Overfunded pension benefits |          |
|                                               | plans                     | benefits | plans                       | benefits | plans                     | benefits | plans                       | benefits |
| Service cost                                  |                           |          |                             |          |                           |          |                             |          |
| benefits earned during the period             | 3                         | 15       | 5                           | 1        | 14                        | 4        | 1                           |          |
| Interest cost on projected benefit obligation | 73                        | 52       | 18                          | 46       | 48                        | 16       | 62                          | 3        |
| Expected return on assets                     | (135)                     | (60)     |                             | (86)     | (55)                      |          | (98)                        | (2)      |
| Amortization of initial transitory obligation | 3                         |          |                             | 2        |                           |          | 3                           |          |
| Net deferral                                  | (5)                       |          |                             | (2)      |                           |          | (8)                         |          |

|                                  |             |          |           |             |          |           |             |          |          |
|----------------------------------|-------------|----------|-----------|-------------|----------|-----------|-------------|----------|----------|
| <b>Net periodic pension cost</b> | <b>(61)</b> | <b>7</b> | <b>23</b> | <b>(39)</b> | <b>7</b> | <b>20</b> | <b>(40)</b> | <b>6</b> | <b>3</b> |
|----------------------------------|-------------|----------|-----------|-------------|----------|-----------|-------------|----------|----------|

|                                                  | Six-month periods ended June 30, |                           |                            |                          |                           |                            |
|--------------------------------------------------|----------------------------------|---------------------------|----------------------------|--------------------------|---------------------------|----------------------------|
|                                                  | 2007                             |                           |                            | 2006                     |                           |                            |
|                                                  | Overfunded pension plans         | Underfunded pension plans | Underfunded other benefits | Overfunded pension plans | Underfunded pension plans | Underfunded other benefits |
| Service cost – benefits earned during the period | 4                                | 29                        | 9                          | 2                        |                           |                            |
| Interest cost on projected benefit obligation    | 119                              | 100                       | 34                         | 102                      | 14                        | 5                          |
| Expected return on assets                        | (221)                            | (115)                     |                            | (162)                    | (4)                       |                            |
| Amortization of initial transitory obligation    | 5                                |                           |                            | 5                        |                           |                            |
| Net deferral                                     | (7)                              |                           |                            | (12)                     |                           |                            |
| <b>Net periodic pension cost</b>                 | <b>(100)</b>                     | <b>14</b>                 | <b>43</b>                  | <b>(65)</b>              | <b>10</b>                 | <b>5</b>                   |

We previously disclosed in our consolidated financial statements for the year ended December 31, 2006, that we expected to contribute US\$ 238 to our defined benefit pension plan in 2007. As of June 30, 2007, contribution of US\$ 153 had been made. We do not expect any significant change in our previous estimate.

#### 14 Commitments and contingencies

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

| <b>Affiliate</b> | <b>Amount of guarantee</b> | <b>Denominated currency</b> | <b>Purpose</b><br>Debt | <b>Final maturity</b> | <b>Counter guarantees</b> |
|------------------|----------------------------|-----------------------------|------------------------|-----------------------|---------------------------|
| SAMARCO          | 2                          | US\$                        | guarantee              | 2008                  | None                      |

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

F - 18

**Table of Contents**

extending these guarantees.

- (b) We provided a guarantee covering certain termination payments to the supplier under an electricity supply agreement ( ESA ) entered into in October 2004 for our Goro nickel-cobalt development project in New Caledonia. The amount of the termination payments guaranteed depends upon a number of factors. If Goro defaults under the ESA, the termination payment could reach up to an amount of 135 million euros as at June 30, 2007. Once the supply of electricity under the ESA to the project begins, the guaranteed amounts will decrease over the life of the ESA.

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

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

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

|                                  | <b>June 30, 2007</b>                       |                              | <b>December 31, 2006</b>                   |                              |
|----------------------------------|--------------------------------------------|------------------------------|--------------------------------------------|------------------------------|
|                                  | <b>(Unaudited)</b>                         |                              |                                            |                              |
|                                  | <b>Provision<br/>for<br/>contingencies</b> | <b>Judicial<br/>deposits</b> | <b>Provision<br/>for<br/>contingencies</b> | <b>Judicial<br/>deposits</b> |
| Labor and social security claims | 431                                        | 312                          | 378                                        | 234                          |
| Civil claims                     | 299                                        | 136                          | 260                                        | 117                          |
| Tax related actions              | 1,045                                      | 548                          | 972                                        | 500                          |
| Others                           | 25                                         | 2                            | 31                                         | 1                            |
|                                  | <b>1,800</b>                               | <b>998</b>                   | <b>1,641</b>                               | <b>852</b>                   |

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

Civil actions principally related to claims made against us by contractors in connection with losses alleged to have been incurred by them as a result of various past government economic plans during which full indexation of contracts for inflation was not permitted and accidents and return of land.

Tax tax-related actions principally comprise our challenges of certain revenue taxes, value added taxes and uncertain tax positions FIN 48. The initial adoption of FIN 48 had an impact of US\$7 million on our financial statements at March 31, 2007, which relates to interests and penalties. Uncertain tax positions represented provisions for US\$824 and US\$808 at June 30, 2007 and March 31, 2007.

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

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

prevailing party.

Contingencies settled in the three-month periods ended June 30, 2007, March 31, 2007 and June 30, 2006 aggregated US\$114, US\$48 and US\$781, respectively, and additional provisions aggregated US\$133, US\$45 and US\$601, respectively, classified in other operating expenses.

In addition to the contingencies for which we have made provisions we are defending claims which in our opinion, and based on the advice of our legal counsel, the likelihood of loss is possible losses, which total US\$1,738 at June 30, 2007, for which no provision has been made.

F - 19

---

**Table of Contents**

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

In April 2007 we paid as remuneration to these debentures holders the amounts of \$6. During the whole year of 2006 we paid US\$6.

- (e) We use various judgments and assumptions when measuring our environmental liabilities and asset retirement obligations. Changes in circumstances, law or technology may affect our estimates and we periodically review the amounts accrued and adjust them as necessary. Our accruals do not reflect unasserted claims because we are currently not aware of any such issues. Also the amounts provided are not reduced by any potential recoveries under cost sharing, insurance or indemnification arrangements because such recoveries are considered uncertain. On June 30, 2007, US\$26 of environmental liabilities and asset retirement obligations was classified in current liabilities (Others).

The changes are demonstrated as follows:

|                                                                            | Three-month periods ended<br>(unaudited) |                      |                  | Six-month periods<br>ended June 30,<br>(Unaudited) |                |
|----------------------------------------------------------------------------|------------------------------------------|----------------------|------------------|----------------------------------------------------|----------------|
|                                                                            | June<br>30,<br>2007                      | March<br>31,<br>2007 | June 30,<br>2006 | 2007                                               | 2006           |
| <b>Provisions for asset retirement obligations<br/>beginning of period</b> | <b>699</b>                               | <b>676</b>           | <b>248</b>       | <b>676</b>                                         | <b>225</b>     |
| Accretion expense                                                          | 7                                        | 12                   | 6                | 19                                                 | 12             |
| Liabilities settled in the current period                                  | (2)                                      | (3)                  | (3)              | (5)                                                | (3)            |
| Cumulative translation adjustment                                          | 56                                       | 14                   | 1                | 70                                                 | 18             |
| <br><b>Provisions for asset retirement obligations<br/>end of period</b>   | <br><b>760</b>                           | <br><b>699</b>       | <br><b>252</b>   | <br><b>760</b>                                     | <br><b>252</b> |

**Table of Contents**

**15 Segment and geographical information**

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

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

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

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

Holdings divided into the following sub-groups:

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

Others comprises our investments in joint ventures and affiliates engaged in other businesses.

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

F - 21

---

**Table of Contents**

Consolidated net income and principal assets are reconciled as follows:

**Results by segment before eliminations (Aggregated)**

| June 30, 2007 |            |            |             |              |              |              |            | As of and for the three-month period ended March 31, 2007 |            |             |              |              |              |            |            |
|---------------|------------|------------|-------------|--------------|--------------|--------------|------------|-----------------------------------------------------------|------------|-------------|--------------|--------------|--------------|------------|------------|
| Holdings      |            |            |             | Non-Holdings |              |              |            | Holdings                                                  |            |             |              | Non-Holdings |              |            |            |
| Ferrous       | Isoglass   | Aluminum   | Other       | Eliminations | Consolidated | Ferrous      | ferrous    | Isoglass                                                  | Aluminum   | Other       | Eliminations | Consolidated | Ferrous      | ferrous    | Isoglass   |
| 3,976         | 14         | 975        | 48          | (2,622)      | 7,549        | 4,415        | 3,482      | 14                                                        | 813        | 22          | (2,204)      | 6,542        | 3,649        | 378        | 15         |
| 159           | 405        | 164        |             | (237)        | 1,350        | 770          | 109        | 331                                                       | 159        |             | (231)        | 1,138        | 697          | 27         | 364        |
| (1,507)       | (253)      | (866)      | (66)        | 2,859        | (3,843)      | (3,407)      | (2,564)    | (220)                                                     | (697)      | (20)        | 2,435        | (4,473)      | (2,770)      | (230)      | (264)      |
| (80)          | (3)        |            | (38)        |              | (152)        | (16)         | (59)       | (2)                                                       |            | (36)        |              | (113)        | (31)         | (18)       | (2)        |
| (248)         | (24)       | (28)       | (3)         |              | (525)        | (197)        | (149)      | (25)                                                      | (20)       | (1)         |              | (392)        | (151)        | (23)       | (15)       |
| <b>2,300</b>  | <b>139</b> | <b>245</b> | <b>(59)</b> |              | <b>4,379</b> | <b>1,565</b> | <b>819</b> | <b>98</b>                                                 | <b>255</b> | <b>(35)</b> |              | <b>2,702</b> | <b>1,394</b> | <b>134</b> | <b>98</b>  |
| 209           | 3          | 4          |             | (807)        | 77           | 528          | 83         | 2                                                         | 4          | 25          | (521)        | 121          | 173          | 2          | 4          |
| (366)         | (1)        | (89)       | (2)         | 807          | (508)        | (1,003)      | (160)      | (2)                                                       | (14)       | (1)         | 521          | (659)        | (302)        | (2)        | (1)        |
| (13)          | (5)        | 61         | 1           |              | 932          | 735          | (8)        | (3)                                                       | 45         | 1           |              | 770          | 64           | (53)       | 4          |
|               | 217        |            | 457         |              | 674          |              |            |                                                           |            |             |              |              | 338          |            |            |
|               |            |            |             |              |              |              |            |                                                           |            |             |              |              |              |            |            |
|               | 27         | 20         | 39          |              | 156          | 83           |            | 23                                                        | 22         | 10          |              | 138          | 88           |            | 24         |
| (661)         | (7)        | (73)       |             |              | (1,396)      | (394)        | (200)      | (3)                                                       | (45)       |             |              | (642)        | (197)        |            | (4)        |
| (150)         | 1          | (56)       |             |              | (219)        | (21)         | (88)       | (2)                                                       | (102)      |             |              | (213)        | (30)         |            |            |
| <b>1,319</b>  | <b>374</b> | <b>112</b> | <b>436</b>  |              | <b>4,095</b> | <b>1,493</b> | <b>446</b> | <b>113</b>                                                | <b>165</b> |             |              | <b>2,217</b> | <b>1,528</b> | <b>81</b>  | <b>125</b> |
|               |            |            |             |              |              |              |            |                                                           |            |             |              |              |              |            |            |
| 342           | 14         | 281        |             | (297)        | 703          | 300          | 376        | 6                                                         | 203        |             | (217)        | 668          | 276          |            | 7          |
| 731           |            | 42         | 18          | (66)         | 845          | 95           | 650        |                                                           | 69         | 22          | (79)         | 757          | 156          | 2          |            |
| 687           |            | 482        |             | (958)        | 1,878        | 1,373        | 551        | 3                                                         | 348        |             | (734)        | 1,541        | 1,257        | 169        | 2          |

Edgar Filing: Companhia Vale do Rio Doce - Form 6-K

|       |     |       |       |         |       |       |       |       |       |       |         |       |       |     |     |
|-------|-----|-------|-------|---------|-------|-------|-------|-------|-------|-------|---------|-------|-------|-----|-----|
| 66    | 15  | 30    | (89)  | 257     | 194   | 111   | 44    | (103) | 246   | 193   | 112     |       |       |     |     |
| 651   | 155 |       | (212) | 1,111   | 425   | 526   | 149   | (214) | 886   | 366   | 8       |       |       |     |     |
| 503   |     |       | (796) | 1,596   | 1,662 | 268   | 4     | (695) | 1,239 | 1,131 | 6       | 5     |       |     |     |
| 996   |     |       | (204) | 1,159   | 366   | 1,000 | 1     | (162) | 1,205 | 270   | 81      | 1     |       |     |     |
| 3,976 | 14  | 975   | 48    | (2,622) | 7,549 | 4,415 | 3,482 | 14    | 813   | 22    | (2,204) | 6,542 | 3,649 | 378 | 15  |
| 159   | 405 | 164   |       | (237)   | 1,350 | 770   | 109   | 331   | 159   |       | (231)   | 1,138 | 697   | 27  | 364 |
| 4,135 | 419 | 1,139 | 48    | (2,859) | 8,899 | 5,185 | 3,591 | 345   | 972   | 22    | (2,435) | 7,680 | 4,346 | 405 | 379 |

F - 22

Table of Contents**Operating segment after eliminations (Disaggregated)**

As of and for the three-month periods ended (unaudited)  
June 30, 2007

|  |  |  |  |  |  |  |  |  |  |  | Addition to                   |  |
|--|--|--|--|--|--|--|--|--|--|--|-------------------------------|--|
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  | Property, Plant and Equipment |  |
|  |  |  |  |  |  |  |  |  |  |  |                               |  |

**7,549   1,350   8,899   (207)   8,692   (3,788)   4,904   (525)   4,379   47,698   1,633   2,446**

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

F - 23

---

Table of Contents**Operating segment after eliminations (Disaggregated)**

As of and for the three-month periods ended (unaudited)  
March 31, 2007

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

F - 24

---

Table of Contents**Operating segment after eliminations (Disaggregated)**

As of and for the three-month periods ended (unaudited)  
June 30, 2006

|                    | Revenues     |              |              |                   |              |                   | Depreciation, depletion and amortization |              | Operating income |               | Addition to Property, Plant and Equipment, and Investments |              |
|--------------------|--------------|--------------|--------------|-------------------|--------------|-------------------|------------------------------------------|--------------|------------------|---------------|------------------------------------------------------------|--------------|
|                    | Abroad       | Domestic     | Total        | Value added taxes | Net revenues | Cost and expenses | and amortization                         |              |                  |               | Net                                                        | Investments  |
| <b>Ferrous</b>     |              |              |              |                   |              |                   |                                          |              |                  |               |                                                            |              |
| Iron ore           | 1,986        | 485          | 2,471        | (73)              | 2,398        | (959)             | 1,439                                    | (122)        | 1,317            | 11,991        | 675                                                        | 42           |
| Pellets            | 313          | 90           | 403          | (21)              | 382          | (270)             | 112                                      | (10)         | 102              | 523           | 30                                                         | 580          |
| Manganese          | 8            | 4            | 12           | (1)               | 11           | (17)              | (6)                                      | (1)          | (7)              | 60            | 3                                                          |              |
| Ferroalloys        | 87           | 38           | 125          | (10)              | 115          | (117)             | (2)                                      | (4)          | (6)              | 208           | 15                                                         |              |
|                    | <b>2,394</b> | <b>617</b>   | <b>3,011</b> | <b>(105)</b>      | <b>2,906</b> | <b>(1,363)</b>    | <b>1,543</b>                             | <b>(137)</b> | <b>1,406</b>     | <b>12,782</b> | <b>723</b>                                                 | <b>622</b>   |
| <b>Non ferrous</b> |              |              |              |                   |              |                   |                                          |              |                  |               |                                                            |              |
| Potash             |              | 23           | 23           | (2)               | 21           | (11)              | 10                                       | (7)          | 3                | 177           | 1                                                          |              |
| Kaolin             | 40           | 7            | 47           |                   | 47           | (34)              | 13                                       | (7)          | 6                | 239           |                                                            |              |
| Copper concentrate | 201          | 4            | 205          |                   | 205          | (55)              | 150                                      | (12)         | 138              | 1,297         | 18                                                         |              |
|                    | <b>241</b>   | <b>34</b>    | <b>275</b>   | <b>(2)</b>        | <b>273</b>   | <b>(100)</b>      | <b>173</b>                               | <b>(26)</b>  | <b>147</b>       | <b>1,713</b>  | <b>19</b>                                                  |              |
| <b>Aluminum</b>    |              |              |              |                   |              |                   |                                          |              |                  |               |                                                            |              |
| Alumina            | 339          |              | 339          |                   | 339          | (204)             | 135                                      | (8)          | 127              | 1,519         | 88                                                         |              |
| Aluminum           | 279          | 14           | 293          | (1)               | 292          | (111)             | 181                                      | (6)          | 175              | 384           | 6                                                          | 72           |
| Bauxite            | 8            |              | 8            |                   | 8            | (7)               | 1                                        |              | 1                | 420           | 56                                                         | 126          |
|                    | <b>626</b>   | <b>14</b>    | <b>640</b>   | <b>(1)</b>        | <b>639</b>   | <b>(322)</b>      | <b>317</b>                               | <b>(14)</b>  | <b>303</b>       | <b>2,323</b>  | <b>150</b>                                                 | <b>198</b>   |
| <b>Logistics</b>   |              |              |              |                   |              |                   |                                          |              |                  |               |                                                            |              |
| Railroads          |              | 272          | 272          | (46)              | 226          | (133)             | 93                                       | (19)         | 74               | 693           | 26                                                         | 167          |
| Ports              |              | 64           | 64           | (11)              | 53           | (30)              | 23                                       | (5)          | 18               | 226           | 1                                                          |              |
| Ships              | 15           | 11           | 26           | (2)               | 24           | (28)              | (4)                                      | (1)          | (5)              | 3             |                                                            |              |
|                    | <b>15</b>    | <b>347</b>   | <b>362</b>   | <b>(59)</b>       | <b>303</b>   | <b>(191)</b>      | <b>112</b>                               | <b>(25)</b>  | <b>87</b>        | <b>922</b>    | <b>27</b>                                                  | <b>167</b>   |
| Others             | 19           | 6            | 25           |                   | 25           | (92)              | (67)                                     | (3)          | (70)             | 1,046         | 42                                                         | 777          |
|                    | <b>3,295</b> | <b>1,018</b> | <b>4,313</b> | <b>(167)</b>      | <b>4,146</b> | <b>(2,068)</b>    | <b>2,078</b>                             | <b>(205)</b> | <b>1,873</b>     | <b>18,786</b> | <b>961</b>                                                 | <b>1,764</b> |

**Table of Contents****Results by segment before eliminations (Aggregated) (Unaudited)**

|                                                                                              | 2007         |              |            |            |             |              |              | Six-month periods ended June 30, (Unaudited) |             |            |            |             |              |              |
|----------------------------------------------------------------------------------------------|--------------|--------------|------------|------------|-------------|--------------|--------------|----------------------------------------------|-------------|------------|------------|-------------|--------------|--------------|
|                                                                                              | 2007         |              |            |            |             |              |              | 2007                                         |             |            |            |             |              |              |
|                                                                                              | Holdings     |              |            |            |             |              |              | Holdings                                     |             |            |            |             |              |              |
|                                                                                              | Ferrous      | Non ferrous  | Logistics  | Aluminum   | Other       | Eliminations | Consolidated | Ferrous                                      | Non ferrous | Logistics  | Aluminum   | Other       | Eliminations | Consolidated |
| <b>RESULTS</b>                                                                               |              |              |            |            |             |              |              |                                              |             |            |            |             |              |              |
| Less revenues                                                                                |              |              |            |            |             |              |              |                                              |             |            |            |             |              |              |
| Port                                                                                         | 9,573        | 7,458        | 28         | 1,788      | 70          | (4,826)      | 14,091       | 6,952                                        | 558         | 31         | 1,467      | 19          | (3,092)      | 5,908        |
| Less revenues                                                                                |              |              |            |            |             |              |              |                                              |             |            |            |             |              |              |
| Domestic                                                                                     | 1,629        | 268          | 736        | 323        |             | (468)        | 2,488        | 1,233                                        | 82          | 658        | 171        | 7           | (283)        | 1,868        |
| Cost and expenses                                                                            | (7,417)      | (4,071)      | (473)      | (1,563)    | (86)        | 5,294        | (8,316)      | (5,347)                                      | (391)       | (494)      | (1,153)    | (26)        | 3,375        | (4,002)      |
| Research and development                                                                     | (47)         | (139)        | (5)        |            | (74)        |              | (265)        | (53)                                         | (43)        | (3)        |            | (73)        |              | (178)        |
| Depreciation, depletion and amortization                                                     | (419)        | (397)        | (49)       | (48)       | (4)         |              | (917)        | (285)                                        | (42)        | (29)       | (28)       | (2)         |              | (386)        |
| <b>Operating income</b>                                                                      | <b>3,319</b> | <b>3,119</b> | <b>237</b> | <b>500</b> | <b>(94)</b> |              | <b>7,081</b> | <b>2,500</b>                                 | <b>164</b>  | <b>163</b> | <b>457</b> | <b>(75)</b> |              | <b>3,249</b> |
| Financial income                                                                             | 1,196        | 292          | 5          | 8          | 25          | (1,328)      | 198          | 334                                          | 2           | 12         | 8          | (3)         | (266)        | 278          |
| Financial expenses                                                                           | (1,860)      | (526)        | (3)        | (103)      | (3)         | 1,328        | (1,167)      | (578)                                        | (4)         | (3)        | (134)      | (5)         | 266          | (408)        |
| Foreign exchange                                                                             |              |              |            |            |             |              |              |                                              |             |            |            |             |              |              |
| monetary gains (losses), net                                                                 | 1,623        | (21)         | (8)        | 106        | 2           |              | 1,702        | 190                                          | 5           | (7)        | 98         | 1           |              | 289          |
| Gain on sale of investments                                                                  |              |              | 217        |            | 457         |              | 674          | 347                                          |             |            |            |             |              | 1,021        |
| Minority interest in results of operations                                                   |              |              |            |            |             |              |              |                                              |             |            |            |             |              |              |
| Minority interest in subsidiaries and joint ventures and change in provision for investments |              |              |            |            |             |              |              |                                              |             |            |            |             |              |              |
| Minority interest in equity investments                                                      | 153          |              | 50         | 42         | 49          |              | 294          | 166                                          |             | 38         | 38         | 98          |              | 339          |
| Income taxes                                                                                 | (1,049)      | (861)        | (10)       | (118)      |             |              | (2,038)      | (443)                                        |             | (7)        | (82)       | (1)         |              | (533)        |
| Minority interests                                                                           | (35)         | (238)        | (1)        | (158)      |             |              | (432)        | (97)                                         |             |            | (131)      |             |              | (266)        |
| <b>Income</b>                                                                                | <b>3,347</b> | <b>1,765</b> | <b>487</b> | <b>277</b> | <b>436</b>  |              | <b>6,312</b> | <b>2,419</b>                                 | <b>167</b>  | <b>196</b> | <b>254</b> | <b>15</b>   |              | <b>3,071</b> |
| <b>Results classified by geographic location:</b>                                            |              |              |            |            |             |              |              |                                              |             |            |            |             |              |              |
| South America, except United States                                                          | 663          | 718          | 20         | 484        |             | (514)        | 1,371        | 547                                          | 1           | 13         | 288        |             | (325)        | 591          |
| United States                                                                                | 215          | 1,381        |            | 111        | 40          | (145)        | 1,602        | 260                                          | 5           |            | 6          | 19          | (122)        | 1,766        |
| Europe                                                                                       | 3,040        | 1,238        | 3          | 830        |             | (1,692)      | 3,419        | 2,407                                        | 264         | 8          | 668        |             | (1,205)      | 2,194        |

|                  |               |              |            |              |           |                |               |              |            |            |              |           |                |            |
|------------------|---------------|--------------|------------|--------------|-----------|----------------|---------------|--------------|------------|------------|--------------|-----------|----------------|------------|
| ldle             |               |              |            |              |           |                |               |              |            |            |              |           |                |            |
| t/Africa/Oceania | 429           | 177          |            | 59           | 30        | (192)          | 503           | 376          | 116        |            | 138          |           | (137)          | 4          |
| an               | 942           | 1,177        |            | 304          |           | (426)          | 1,997         | 728          | 37         |            | 268          |           | (272)          | 7          |
| na               | 3,551         | 771          | 4          |              |           | (1,491)        | 2,835         | 2,087        | 16         | 8          | 89           |           | (733)          | 1,4        |
| a; other than    |               |              |            |              |           |                |               |              |            |            |              |           |                |            |
| an and China     | 733           | 1,996        | 1          |              |           | (366)          | 2,364         | 547          | 119        | 2          | 10           |           | (298)          | 3          |
|                  | <b>9,573</b>  | <b>7,458</b> | <b>28</b>  | <b>1,788</b> | <b>70</b> | <b>(4,826)</b> | <b>14,091</b> | <b>6,952</b> | <b>558</b> | <b>31</b>  | <b>1,467</b> | <b>19</b> | <b>(3,092)</b> | <b>5,9</b> |
| domestic market  | 1,629         | 268          | 736        | 323          |           | (468)          | 2,488         | 1,233        | 82         | 658        | 171          | 7         | (283)          | 1,8        |
|                  | <b>11,202</b> | <b>7,726</b> | <b>764</b> | <b>2,111</b> | <b>70</b> | <b>(5,294)</b> | <b>16,579</b> | <b>8,185</b> | <b>640</b> | <b>689</b> | <b>1,638</b> | <b>26</b> | <b>(3,375)</b> | <b>7,8</b> |

F - 26

**Table of Contents****Results by segment before eliminations (Disaggregated) (Unaudited)**

**Six-month periods ended June 30, (unaudited)  
2007**

|                               | <b>Revenues</b> |                 |              |                                 | <b>Cost and</b>     |                 | <b>Depreciation, depletion and amortization</b> |              | <b>Operating income</b> |               | <b>Addition to Property, Plant and Equipment, and Investments</b> |                    |
|-------------------------------|-----------------|-----------------|--------------|---------------------------------|---------------------|-----------------|-------------------------------------------------|--------------|-------------------------|---------------|-------------------------------------------------------------------|--------------------|
|                               | <b>Abroad</b>   | <b>Domestic</b> | <b>Total</b> | <b>Value added tax revenues</b> | <b>Net revenues</b> | <b>expenses</b> | <b>and</b>                                      | <b>Net</b>   | <b>income</b>           | <b>income</b> | <b>Equipment</b>                                                  | <b>Investments</b> |
| <b>Ferrous</b>                |                 |                 |              |                                 |                     |                 |                                                 |              |                         |               |                                                                   |                    |
| Iron ore                      | 4,359           | 990             | 5,349        | (136)                           | 5,213               | (1,852)         | 3,361                                           | (359)        | 3,002                   | 14,691        | 979                                                               | 49                 |
| Pellets                       | 1,071           | 224             | 1,295        | (49)                            | 1,246               | (859)           | 387                                             | (38)         | 349                     | 778           | 54                                                                | 591                |
| Manganese                     | 19              | 8               | 27           | (2)                             | 25                  | (26)            | (1)                                             | (3)          | (4)                     | 72            | 1                                                                 |                    |
| Ferroalloys                   | 174             | 96              | 270          | (24)                            | 246                 | (209)           | 37                                              | (11)         | 26                      | 191           | 7                                                                 |                    |
|                               | <b>5,623</b>    | <b>1,318</b>    | <b>6,941</b> | <b>(211)</b>                    | <b>6,730</b>        | <b>(2,946)</b>  | <b>3,784</b>                                    | <b>(411)</b> | <b>3,373</b>            | <b>15,732</b> | <b>1,041</b>                                                      | <b>640</b>         |
| <b>Non ferrous</b>            |                 |                 |              |                                 |                     |                 |                                                 |              |                         |               |                                                                   |                    |
| Nickel and other products (*) | 6,670           | 101             | 6,771        |                                 | 6,771               | (3,536)         | 3,235                                           | (346)        | 2,889                   | 22,070        | 873                                                               | 372                |
| Potash                        |                 | 71              | 71           | (5)                             | 66                  | (45)            | 21                                              | (11)         | 10                      | 197           | 9                                                                 |                    |
| Kaolin                        | 89              | 16              | 105          | (4)                             | 101                 | (112)           | (11)                                            | (14)         | (25)                    | 292           | 32                                                                |                    |
| Copper concentrate            | 338             | 75              | 413          | (16)                            | 397                 | (193)           | 204                                             | (30)         | 174                     | 1,612         | 81                                                                |                    |
|                               | <b>7,097</b>    | <b>263</b>      | <b>7,360</b> | <b>(25)</b>                     | <b>7,335</b>        | <b>(3,886)</b>  | <b>3,449</b>                                    | <b>(401)</b> | <b>3,048</b>            | <b>24,171</b> | <b>995</b>                                                        | <b>372</b>         |
| <b>Aluminum</b>               |                 |                 |              |                                 |                     |                 |                                                 |              |                         |               |                                                                   |                    |
| Alumina                       | 509             |                 | 509          | (7)                             | 502                 | (374)           | 128                                             | (26)         | 102                     | 2,220         | 226                                                               |                    |
| Aluminum                      | 695             | 144             | 839          | (29)                            | 810                 | (400)           | 410                                             | (18)         | 392                     | 687           | 246                                                               |                    |
| Bauxite                       | 25              |                 | 25           |                                 | 25                  | (28)            | (3)                                             | (2)          | (5)                     | 795           | 98                                                                | 142                |
|                               | <b>1,229</b>    | <b>144</b>      | <b>1,373</b> | <b>(36)</b>                     | <b>1,337</b>        | <b>(802)</b>    | <b>535</b>                                      | <b>(46)</b>  | <b>489</b>              | <b>3,702</b>  | <b>570</b>                                                        | <b>142</b>         |
| <b>Logistics</b>              |                 |                 |              |                                 |                     |                 |                                                 |              |                         |               |                                                                   |                    |
| Railroads                     |                 | 575             | 575          | (93)                            | 482                 | (276)           | 206                                             | (42)         | 164                     | 793           | 13                                                                | 346                |
| Ports                         | 3               | 129             | 132          | (24)                            | 108                 | (83)            | 25                                              | (10)         | 15                      | 1,061         | 20                                                                |                    |
| Ships                         | 16              | 22              | 38           | (3)                             | 35                  | (38)            | (3)                                             | (2)          | (5)                     | 39            | 12                                                                |                    |
|                               | <b>19</b>       | <b>726</b>      | <b>745</b>   | <b>(120)</b>                    | <b>625</b>          | <b>(397)</b>    | <b>228</b>                                      | <b>(54)</b>  | <b>174</b>              | <b>1,893</b>  | <b>45</b>                                                         | <b>346</b>         |
| Others                        | 123             | 37              | 160          | (6)                             | 154                 | (152)           | 2                                               | (5)          | (3)                     | 2,200         | 88                                                                | 946                |

|        |       |        |       |        |         |       |       |       |        |       |       |
|--------|-------|--------|-------|--------|---------|-------|-------|-------|--------|-------|-------|
| 14,091 | 2,488 | 16,579 | (398) | 16,181 | (8,183) | 7,998 | (917) | 7,081 | 47,698 | 2,739 | 2,446 |
|--------|-------|--------|-------|--------|---------|-------|-------|-------|--------|-------|-------|

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

F - 27

---

Table of Contents**Results by segment before eliminations (Disaggregated) (Unaudited)**

**Six-month periods ended June 30, (unaudited)  
2006**

|                        | <b>Revenues</b> |                 |              |                                  |                         |                                  | <b>Depreciation,<br/>depletion<br/>and amortization</b> |               |              | <b>Addition<br/>to<br/>Property,<br/>Plant<br/>and<br/>Equipment,<br/>Investments</b> |              |              |
|------------------------|-----------------|-----------------|--------------|----------------------------------|-------------------------|----------------------------------|---------------------------------------------------------|---------------|--------------|---------------------------------------------------------------------------------------|--------------|--------------|
|                        | <b>Abroad</b>   | <b>Domestic</b> | <b>Total</b> | <b>Value<br/>added<br/>taxes</b> | <b>Net<br/>revenues</b> | <b>Cost<br/>and<br/>expenses</b> | <b>Net</b>                                              | <b>Income</b> |              |                                                                                       |              |              |
| <b>Ferrous</b>         |                 |                 |              |                                  |                         |                                  |                                                         |               |              |                                                                                       |              |              |
| Iron ore               | 3,619           | 852             | 4,471        | (130)                            | 4,341                   | (1,819)                          | 2,522                                                   | (235)         | 2,287        | 11,991                                                                                | 1,266        | 42           |
| Pellets                | 688             | 177             | 865          | (40)                             | 825                     | (565)                            | 260                                                     | (22)          | 238          | 523                                                                                   | 37           | 580          |
| Manganese              | 16              | 7               | 23           | (2)                              | 21                      | (24)                             | (3)                                                     | (2)           | (5)          | 60                                                                                    | 11           |              |
| Ferroalloys            | 158             | 73              | 231          | (19)                             | 212                     | (201)                            | 11                                                      | (8)           | 3            | 208                                                                                   | 15           |              |
|                        | <b>4,481</b>    | <b>1,109</b>    | <b>5,590</b> | <b>(191)</b>                     | <b>5,399</b>            | <b>(2,609)</b>                   | <b>2,790</b>                                            | <b>(267)</b>  | <b>2,523</b> | <b>12,782</b>                                                                         | <b>1,329</b> | <b>622</b>   |
| <b>Non<br/>ferrous</b> |                 |                 |              |                                  |                         |                                  |                                                         |               |              |                                                                                       |              |              |
| Potash                 |                 | 45              | 45           | (3)                              | 42                      | (25)                             | 17                                                      | (9)           | 8            | 177                                                                                   | 7            |              |
| Kaolin                 | 81              | 14              | 95           | (3)                              | 92                      | (75)                             | 17                                                      | (13)          | 4            | 239                                                                                   |              |              |
| Copper<br>concentrate  | 291             | 25              | 316          | (5)                              | 311                     | (108)                            | 203                                                     | (20)          | 183          | 1,297                                                                                 | 53           |              |
|                        | <b>372</b>      | <b>84</b>       | <b>456</b>   | <b>(11)</b>                      | <b>445</b>              | <b>(208)</b>                     | <b>237</b>                                              | <b>(42)</b>   | <b>195</b>   | <b>1,713</b>                                                                          | <b>60</b>    |              |
| <b>Aluminum</b>        |                 |                 |              |                                  |                         |                                  |                                                         |               |              |                                                                                       |              |              |
| Alumina                | 489             | 10              | 499          | (2)                              | 497                     | (342)                            | 155                                                     | (16)          | 139          | 1,519                                                                                 | 149          |              |
| Aluminum               | 526             | 27              | 553          | (3)                              | 550                     | (223)                            | 327                                                     | (12)          | 315          | 384                                                                                   | 7            | 72           |
| Bauxite                | 17              |                 | 17           |                                  | 17                      | (16)                             | 1                                                       |               | 1            | 420                                                                                   | 104          | 126          |
|                        | <b>1,032</b>    | <b>37</b>       | <b>1,069</b> | <b>(5)</b>                       | <b>1,064</b>            | <b>(581)</b>                     | <b>483</b>                                              | <b>(28)</b>   | <b>455</b>   | <b>2,323</b>                                                                          | <b>260</b>   | <b>198</b>   |
| <b>Logistics</b>       |                 |                 |              |                                  |                         |                                  |                                                         |               |              |                                                                                       |              |              |
| Railroads              |                 | 486             | 486          | (85)                             | 401                     | (247)                            | 154                                                     | (35)          | 119          | 693                                                                                   | 52           | 167          |
| Ports                  |                 | 118             | 118          | (20)                             | 98                      | (61)                             | 37                                                      | (8)           | 29           | 226                                                                                   | 2            |              |
| Ships                  | 29              | 18              | 47           | (3)                              | 44                      | (53)                             | (9)                                                     | (2)           | (11)         | 3                                                                                     |              |              |
|                        | <b>29</b>       | <b>622</b>      | <b>651</b>   | <b>(108)</b>                     | <b>543</b>              | <b>(361)</b>                     | <b>182</b>                                              | <b>(45)</b>   | <b>137</b>   | <b>922</b>                                                                            | <b>54</b>    | <b>167</b>   |
| Others                 | 21              | 16              | 37           | (2)                              | 35                      | (132)                            | (97)                                                    | (4)           | (101)        | 1,046                                                                                 | 113          | 777          |
|                        | <b>5,935</b>    | <b>1,868</b>    | <b>7,803</b> | <b>(317)</b>                     | <b>7,486</b>            | <b>(3,891)</b>                   | <b>3,595</b>                                            | <b>(386)</b>  | <b>3,209</b> | <b>18,786</b>                                                                         | <b>1,816</b> | <b>1,764</b> |



**Table of Contents****16 Derivative financial instruments**

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

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

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

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

|                                                    | Interest<br>rates<br>(LIBOR) | Currencies | Gold        | Products<br>by<br>aluminum<br>area | Copper       | Nickel      | Platinum    | Total        |
|----------------------------------------------------|------------------------------|------------|-------------|------------------------------------|--------------|-------------|-------------|--------------|
| Unrealized gains (losses) at April 1, 2007         | 2                            | 153        | (46)        | (293)                              | (306)        | (20)        | (26)        | (536)        |
| Financial settlement                               | 3                            | (85)       | 4           | 39                                 | 69           | 24          | 4           | 58           |
| Unrealized gains (losses) in the period            | 3                            | 270        | 8           | (18)                               | (117)        | 24          | (2)         | 168          |
| Effect of exchange rate changes                    |                              | 17         | (3)         | (20)                               | (1)          |             |             | (7)          |
| <b>Unrealized gains (losses) at June 30, 2007</b>  | <b>8</b>                     | <b>355</b> | <b>(37)</b> | <b>(292)</b>                       | <b>(355)</b> | <b>28</b>   | <b>(24)</b> | <b>(317)</b> |
| Unrealized gains (losses) at January 1, 2007       | 6                            | (16)       | (53)        | (318)                              | (298)        | 16          | (20)        | (683)        |
| Financial settlement                               | (3)                          | 5          | 12          | 29                                 | 38           | (12)        |             | 69           |
| Unrealized gains (losses) in the period            | (1)                          | 160        | (3)         | 8                                  | (49)         | (24)        | (6)         | 85           |
| Effect of exchange rate changes                    |                              | 4          | (2)         | (12)                               | 3            |             |             | (7)          |
| <b>Unrealized gains (losses) at March 31, 2007</b> | <b>2</b>                     | <b>153</b> | <b>(46)</b> | <b>(293)</b>                       | <b>(306)</b> | <b>(20)</b> | <b>(26)</b> | <b>(536)</b> |
| Unrealized gains (losses) at April 1, 2006         | (3)                          | 1          | (58)        | (236)                              |              |             |             | (296)        |
| Financial settlement                               | 1                            |            | 4           | 28                                 |              |             |             | 33           |
| Unrealized gains (losses) in the period            | 1                            | 1          | (7)         | (46)                               |              |             |             | (51)         |

|                                                                                                                                                                                                                              |            |            |             |              |              |           |             |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|-------------|--------------|--------------|-----------|-------------|---------------|
| Effect of exchange rate changes                                                                                                                                                                                              |            |            |             | 2            |              |           |             | 2             |
| <b>Unrealized gains (losses) at<br/>June 30, 2006</b>                                                                                                                                                                        | <b>(1)</b> | <b>2</b>   | <b>(61)</b> | <b>(252)</b> |              |           |             | <b>(312)</b>  |
| Unrealized gains (losses) at<br>January 1, 2007                                                                                                                                                                              | 6          | (16)       | (53)        | (318)        | (298)        | 16        | (20)        | (683)         |
| Financial settlement                                                                                                                                                                                                         |            | (80)       | 16          | 68           | 107          | 12        | 4           | 127           |
| Unrealized gains (losses) in the<br>period                                                                                                                                                                                   | 2          | 430        | 5           | (10)         | (166)        |           | (8)         | 253           |
| Effect of exchange rate changes                                                                                                                                                                                              |            | 21         | (5)         | (32)         | 2            |           |             | (14)          |
| <b>Unrealized gains (losses) at<br/>June 30, 2007</b>                                                                                                                                                                        | <b>8</b>   | <b>355</b> | <b>(37)</b> | <b>(292)</b> | <b>(355)</b> | <b>28</b> | <b>(24)</b> | <b>(317)</b>  |
| Unrealized gains (losses) at<br>January 1, 2006                                                                                                                                                                              | (4)        | 1          | (46)        | (210)        |              |           |             | (259)         |
| Financial settlement                                                                                                                                                                                                         | 1          |            | 8           | 56           |              |           |             | 65            |
| Unrealized gains (losses) in the<br>period                                                                                                                                                                                   | 2          | 1          | (19)        | (79)         |              |           |             | (95)          |
| Effect of exchange rate changes                                                                                                                                                                                              |            |            | (4)         | (19)         |              |           |             | (23)          |
| <b>Unrealized gains (losses) at<br/>June 30, 2006</b>                                                                                                                                                                        | <b>(1)</b> | <b>2</b>   | <b>(61)</b> | <b>(252)</b> |              |           |             | <b>(312)</b>  |
| Except for the cash flow hedges described above, unrealized gains (losses) in the period are included in our income statement under the caption of financial expenses and foreign exchange and monetary gains (losses), net. |            |            |             |              |              |           |             |               |
| Final maturity dates for the above instruments are as follows:                                                                                                                                                               |            |            |             |              |              |           |             |               |
| Gold                                                                                                                                                                                                                         |            |            |             |              |              |           |             | December 2008 |
| Interest rates(LIBOR)                                                                                                                                                                                                        |            |            |             |              |              |           |             | December 2011 |
| Currencies                                                                                                                                                                                                                   |            |            |             |              |              |           |             | December 2011 |
| Products by aluminum area                                                                                                                                                                                                    |            |            |             |              |              |           |             | December 2008 |
| Copper concentrate                                                                                                                                                                                                           |            |            |             |              |              |           |             | December 2008 |
| Nickel                                                                                                                                                                                                                       |            |            |             |              |              |           |             | April 2009    |
| Platinum                                                                                                                                                                                                                     |            |            |             |              |              |           |             | December 2008 |

**Table of Contents**

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

Under United States GAAP, all derivatives, whether designated in hedging relationships or not, are required to be recorded in the balance sheet at fair value. A derivative must be designated in a hedging relationship in order to qualify for hedge accounting. These standards include a determination of what portions of hedges are deemed to be effective versus ineffective. In general, a hedging relationship is effective when a change in the fair value of the derivative is offset by an equal and opposite change in the fair value of the underlying hedged item. In accordance with these standards, effectiveness tests are performed in order to assess effectiveness and quantify ineffectiveness for all designated hedges. At June 30, 2007, we had outstanding cash flow hedges. A cash flow hedge is a hedge of the exposure in variability in expected future cash flows that is attributable to a particular risk such as a forecasted purchase or sale. If a derivative is designated as a cash flow hedge, the effective portions of the changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in earnings when the hedged item affects earnings. Ineffective portions of changes in the fair value of the derivatives designated as hedges are recognized in earnings. Under United States GAAP, if a portion of a derivative contract is excluded for purposes of effectiveness testing, such as time value, the value of such excluded portion is included in earnings. At June 30, 2007, unrealized net losses in respect of derivative instruments which were not qualified for hedge accounting under United States GAAP amounted to US\$310.

Over-the-counter (OTC) forward and zero cost collar aluminum contracts are used to smooth the effect of fluctuations in the price of aluminum with respect to forecasted sales of aluminum and alumina. These contracts have been designated as a hedge to our exposure to variability in future cash flows associated with our aluminum and alumina sales. There was no ineffectiveness hedge regarding these contracts since the inception of our cash flow hedge accounting program. At June 30, 2007, US\$7 of deferred net losses on derivative instruments were recorded in other comprehensive income. The maximum term over which cash flows are hedged is 24 months.

\* \* \*

F - 30

**Table of Contents**

**Supplemental Financial Information (unaudited)**  
**Additional Information**

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

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

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

Selected financial indicators for the main affiliates and joint ventures are available on the Company's website, [www.cvrld.com.br](http://www.cvrld.com.br), under Investor Relations

S - 1

---

**Table of Contents****Indexes on CVRD's Consolidated Debt (Supplemental information - unaudited)**

|                                                       | Three-month periods ended |                |               | Six-month periods ended |               |
|-------------------------------------------------------|---------------------------|----------------|---------------|-------------------------|---------------|
|                                                       | June 30, 2007             | March 31, 2007 | June 30, 2006 | 2007                    | June 30, 2006 |
| <b>Current debt</b>                                   |                           |                |               |                         |               |
| Current portion of long-term debt - unrelated parties | 755                       | 746            | 1,115         | 755                     | 1,115         |
| Short-term debt                                       |                           | 1,021          | 15            |                         | 15            |
| Loans from related parties                            | 35                        | 30             | 64            | 35                      | 64            |
|                                                       | <b>790</b>                | <b>1,797</b>   | <b>1,194</b>  | <b>790</b>              | <b>1,194</b>  |
| <b>Long-term debt</b>                                 |                           |                |               |                         |               |
| Long-term debt - unrelated parties                    | 18,284                    | 21,682         | 4,688         | 18,284                  | 4,688         |
| Loans from related parties                            | 1                         | 1              | 1             | 1                       | 1             |
|                                                       | <b>18,285</b>             | <b>21,683</b>  | <b>4,689</b>  | <b>18,285</b>           | <b>4,689</b>  |
| <b>Gross debt (current plus long-term debt)</b>       | <b>19,075</b>             | <b>23,480</b>  | <b>5,883</b>  | <b>19,075</b>           | <b>5,883</b>  |
| <b>Interest paid over:</b>                            |                           |                |               |                         |               |
| Short-term debt                                       | (39)                      | (1)            | (4)           | (40)                    | (6)           |
| Long-term debt                                        | (399)                     | (205)          | (74)          | (604)                   | (167)         |
| <b>Interest paid</b>                                  | <b>(438)</b>              | <b>(206)</b>   | <b>(78)</b>   | <b>(644)</b>            | <b>(173)</b>  |
| <b>EBITDA</b>                                         | <b>5,057</b>              | <b>3,184</b>   | <b>2,176</b>  | <b>8,241</b>            | <b>3,805</b>  |
| <b>Stockholders' equity</b>                           | <b>29,085</b>             | <b>22,142</b>  | <b>17,208</b> | <b>29,085</b>           | <b>17,208</b> |
| <b>LTM (2) EBITDA / LTM (2) Interest paid</b>         | <b>13.00</b>              | <b>15.63</b>   | <b>23.76</b>  | <b>13.00</b>            | <b>23.76</b>  |
| <b>Gross Debt / LTM (2) EBITDA</b>                    | <b>1.40</b>               | <b>2.19</b>    | <b>0.80</b>   | <b>1.40</b>             | <b>0.80</b>   |
| <b>Gross debt / Equity Capitalization (%)</b>         | <b>40</b>                 | <b>51</b>      | <b>25</b>     | <b>40</b>               | <b>25</b>     |
| <b>Financial expenses</b>                             |                           |                |               |                         |               |
| Third party - local debt                              | (140)                     | (123)          | (13)          | (263)                   | (26)          |
| Third party - foreign debt                            | (220)                     | (242)          | (55)          | (462)                   | (108)         |
| Related party debt                                    | (1)                       | (2)            | (2)           | (3)                     | (4)           |
| <b>Gross interest</b>                                 | <b>(361)</b>              | <b>(367)</b>   | <b>(70)</b>   | <b>(728)</b>            | <b>(138)</b>  |
| Labor and civil claims and tax-related actions        | (25)                      | (15)           | (26)          | (40)                    | (52)          |
| Tax on financial transactions - CPMF                  | (32)                      | (53)           | (18)          | (85)                    | (39)          |
| Derivatives (Interest rate / Currencies)              | 279                       | 161            | 1             | 440                     | 2             |

|                                                                 |              |              |              |                |              |
|-----------------------------------------------------------------|--------------|--------------|--------------|----------------|--------------|
| Derivatives (Gold / Alumina /<br>Aluminium / Copper / Energy)   | (161)        | (76)         | (55)         | (237)          | (122)        |
| Others                                                          | (208)        | (309)        | (77)         | (517)          | (109)        |
|                                                                 | <b>(508)</b> | <b>(659)</b> | <b>(245)</b> | <b>(1,167)</b> | <b>(458)</b> |
| <b>Financial income</b>                                         |              |              |              |                |              |
| Cash and cash equivalents                                       | 33           | 24           | 31           | 57             | 60           |
| Others                                                          | 44           | 97           | 14           | 141            | 27           |
|                                                                 | <b>77</b>    | <b>121</b>   | <b>45</b>    | <b>198</b>     | <b>87</b>    |
| <b>Financial expenses, net</b>                                  | <b>(431)</b> | <b>(538)</b> | <b>(200)</b> | <b>(969)</b>   | <b>(371)</b> |
| <b>Foreign exchange and monetary gain<br/>(losses), net (1)</b> | <b>932</b>   | <b>770</b>   | <b>28</b>    | <b>1,702</b>   | <b>287</b>   |
| <b>Financial result, net</b>                                    | <b>501</b>   | <b>232</b>   | <b>(172)</b> | <b>733</b>     | <b>(84)</b>  |

(1) Includes foreign exchange gain (loss) on derivatives in the amount of US\$14, US\$10, US\$1, US\$24, US\$23 for the three-month periods ended June 30, 2007, March 31, 2007 and June 30, 2006 and for the six-month periods ended June 30, 2007 and June 30, 2006, respectively.

(2) Last twelve months

**Table of Contents****Calculation of EBITDA (Supplemental information Unaudited)**

|                                                                                    | <b>Three-month periods ended</b> |                       |                      | <b>Six-month periods ended</b> |              |
|------------------------------------------------------------------------------------|----------------------------------|-----------------------|----------------------|--------------------------------|--------------|
|                                                                                    | <b>June 30, 2007</b>             | <b>March 31, 2007</b> | <b>June 30, 2006</b> | <b>2007</b>                    | <b>2006</b>  |
| Operating income                                                                   | 4,379                            | 2,702                 | 1,873                | 7,081                          | 3,209        |
| Depreciation                                                                       | 525                              | 392                   | 205                  | 917                            | 386          |
|                                                                                    | <b>4,904</b>                     | <b>3,094</b>          | <b>2,078</b>         | <b>7,998</b>                   | <b>3,595</b> |
| Dividends received                                                                 | 153                              | 90                    | 98                   | 243                            | 210          |
| <b>EBITDA</b>                                                                      | <b>5,057</b>                     | <b>3,184</b>          | <b>2,176</b>         | <b>8,241</b>                   | <b>3,805</b> |
| Net operating revenues                                                             | 8,692                            | 7,489                 | 4,146                | 16,181                         | 7,486        |
| <b>Margin EBITDA</b>                                                               | <b>58.2%</b>                     | <b>42.5%</b>          | <b>52.5%</b>         | <b>50.9%</b>                   | <b>50.8%</b> |
| <b>Adjusted EBITDA x Operating Cash Flows (Supplemental information Unaudited)</b> |                                  |                       |                      |                                |              |

|                                                                          | June 30, 2007 |                      | As of and for the three-month periods ended |                      |               |                      |
|--------------------------------------------------------------------------|---------------|----------------------|---------------------------------------------|----------------------|---------------|----------------------|
|                                                                          |               |                      | March 31, 2007                              |                      | June 30, 2006 |                      |
|                                                                          | EBITDA        | Operating cash flows | EBITDA                                      | Operating cash flows | EBITDA        | Operating cash flows |
| Net income                                                               | 4,095         | 4,095                | 2,217                                       | 2,217                | 1,880         | 1,880                |
| Income tax deferred                                                      | (87)          | (87)                 | (191)                                       | (191)                | 80            | 80                   |
| Income tax current                                                       | 1,483         |                      | 833                                         |                      | 158           |                      |
| Equity in results of affiliates and joint ventures and other investments | (156)         | (156)                | (138)                                       | (138)                | (184)         | (184)                |
| Foreign exchange and monetary gains, net                                 | (932)         | (1,224)              | (770)                                       | (772)                | (28)          | (75)                 |
| Financial expenses, net                                                  | 431           | (57)                 | 538                                         | 173                  | 200           | 40                   |
| Minority interests                                                       | 219           | 219                  | 213                                         | 213                  | 105           | 105                  |
| Gain on sale of investments                                              | (674)         | (674)                |                                             |                      | (338)         | (338)                |
| Net working capital                                                      |               | 1,029                |                                             | 352                  |               | (116)                |
| Others                                                                   |               | (193)                |                                             | (54)                 |               | 49                   |
| <b>Operating income</b>                                                  | <b>4,379</b>  | <b>2,952</b>         | <b>2,702</b>                                | <b>1,800</b>         | <b>1,873</b>  | <b>1,441</b>         |
| Depreciation, depletion and amortization                                 | 525           | 525                  | 392                                         | 392                  | 205           | 205                  |
| Dividends received                                                       | 153           | 153                  | 90                                          | 90                   | 98            | 98                   |
|                                                                          | <b>5,057</b>  | <b>3,630</b>         | <b>3,184</b>                                | <b>2,282</b>         | <b>2,176</b>  | <b>1,744</b>         |

|                                        |              |              |              |
|----------------------------------------|--------------|--------------|--------------|
| <b>Operating cash flows</b>            | <b>3,630</b> | <b>2,282</b> | <b>1,744</b> |
| Income tax                             | 1,483        | 833          | 158          |
| Foreign exchange and<br>monetary gains | 292          | 2            | 47           |
| Financial expenses                     | 488          | 365          | 160          |
| Net working capital                    | (1,029)      | (352)        | 116          |
| Others                                 | 193          | 54           | (49)         |
| <b>EBITDA</b>                          | <b>5,057</b> | <b>3,184</b> | <b>2,176</b> |

S - 3

---

**Table of Contents**

|                                                                          | <b>Six-month periods ended June 30,</b> |                             |               |                             |
|--------------------------------------------------------------------------|-----------------------------------------|-----------------------------|---------------|-----------------------------|
|                                                                          |                                         | <b>2007</b>                 |               | <b>2006</b>                 |
|                                                                          |                                         | <b>Operating cash flows</b> | <b>EBITDA</b> | <b>Operating cash flows</b> |
|                                                                          | <b>EBITDA</b>                           |                             |               |                             |
| Net income                                                               | 6,312                                   | 6,312                       | 3,051         | 3,051                       |
| Income tax deferred                                                      | (278)                                   | (278)                       | 133           | 133                         |
| Income tax current                                                       | 2,316                                   |                             | 400           |                             |
| Equity in results of affiliates and joint ventures and other investments | (294)                                   | (294)                       | (340)         | (340)                       |
| Foreign exchange and monetary gains, net                                 | (1,702)                                 | (1,996)                     | (287)         | (366)                       |
| Financial expenses, net                                                  | 969                                     | 116                         | 371           | 12                          |
| Minority interests                                                       | 432                                     | 432                         | 228           | 228                         |
| Gain on sale of investments                                              | (674)                                   | (674)                       | (347)         | (347)                       |
| Net working capital                                                      |                                         | 1,389                       |               | (903)                       |
| Others                                                                   |                                         | (255)                       |               | 151                         |
| <b>Operating income</b>                                                  | <b>7,081</b>                            | <b>4,752</b>                | <b>3,209</b>  | <b>1,619</b>                |
| Depreciation, depletion and amortization                                 | 917                                     | 917                         | 386           | 386                         |
| Dividends received                                                       | 243                                     | 243                         | 210           | 210                         |
|                                                                          | <b>8,241</b>                            | <b>5,912</b>                | <b>3,805</b>  | <b>2,215</b>                |
| <b>Operating cash flows</b>                                              |                                         | <b>5,912</b>                |               | <b>2,215</b>                |
| Income tax                                                               |                                         | 2,316                       |               | 400                         |
| Foreign exchange and monetary gains                                      |                                         | 294                         |               | 79                          |
| Financial expenses                                                       |                                         | 853                         |               | 359                         |
| Net working capital                                                      |                                         | (1,389)                     |               | 903                         |
| Others                                                                   |                                         | 255                         |               | (151)                       |
| <b>EBITDA</b>                                                            |                                         | <b>8,241</b>                |               | <b>3,805</b>                |

**Table of Contents**

**Board of Directors, Fiscal Council and Executive Officers**

**Board of Directors**

Sérgio Ricardo Silva Rosa

**Chairman**

Mário da Silveira Teixeira Júnior

**Vice-President**

Caio Marcelo de Medeiros Melo

Francisco Augusto da Costa e Silva

Hiroshi Tada

João Batista Cavaglieri

Jorge Luiz Pacheco

José Ricardo Sasseron

Oscar Augusto de Camargo Filho

Renato da Cruz Gomes

Sandro Kohler Marcondes

**Advisory Committees of the Board of Directors**

**Controlling Committee**

Antonio José de Figueiredo Ferreira

Luiz Carlos de Freitas

Paulo Roberto Ferreira de Medeiros

**Executive Development Committee**

João Moisés de Oliveira

José Ricardo Sasseron

Oscar Augusto de Camargo Filho

**Strategic Committee**

Roger Agnelli

Gabriel Stoliar

Luciano Siani Pires

Mário da Silveira Teixeira Júnior

Oscar Augusto de Camargo Filho

Sérgio Ricardo Silva Rosa

**Finance Committee**

Fabio de Oliveira Barbosa

Ivan Luiz Modesto Schara

Luiz Maurício Leuzinger

Wanderlei Viçoso Fagundes

**Governance and Sustainability Committee**

Jorge Luiz Pacheco

Renato da Cruz Gomes

Ricardo Simonsen

**Fiscal Council**

Marcelo Amaral Moraes

**Chairman**

Aníbal Moreira dos Santos

Bernard Appy

José Bernardo de Medeiros Neto

**Executive Officers**

Roger Agnelli

**Chief Executive Officer**

Carla Grasso

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

Eduardo de Salles Bartolomeo

**Executive Officer for Logistics**

Fabio de Oliveira Barbosa

**Chief Financial Officer**

Gabriel Stoliar

**Executive Officer for Planning and Business Development**

José Carlos Martins

**Executive Officer for Ferrous Minerals**

José Lancaster

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

Murilo de Oliveira Ferreira

**Executive Officer for Nickel Business Marketing and Sales**

**Copper and Aluminum**

Tito Botelho Martins

**Executive Officer for Corporate Affairs 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**

S - 5

---

**Table of Contents**

**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: August 6, 2007

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