

Companhia Vale do Rio Doce
Form 6-K
August 08, 2007

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 Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil
(Address of principal executive office)

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

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

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

(Check One) Yes No

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

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A-Quarterly information

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

1- Balance Sheet**Balances in****In thousands of reais**

| | Notes | 06/30/07 | Consolidated 03/31/07 | Parent Company 06/30/07 | Parent Company 03/31/07 |
|---|-------|--------------------|--------------------------|----------------------------|----------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 3,652,203 | 8,326,983 | 159,915 | 192,617 |
| Accounts receivable from customers | | 8,103,943 | 8,123,929 | 1,984,284 | 6,019,501 |
| Related parties | | 42,633 | 63,068 | 491,444 | 1,693,752 |
| Inventories | 5.6 | 6,812,292 | 6,838,024 | 1,277,158 | 1,228,229 |
| Taxes to recover or offset | 5.7 | 1,047,236 | 1,037,704 | 445,463 | 526,713 |
| Deferred income tax and social contribution | | 1,134,512 | 903,650 | 748,164 | 654,902 |
| Other | | 948,187 | 1,046,412 | 263,380 | 211,673 |
| | | 21,741,006 | 26,339,770 | 5,369,808 | 10,527,387 |
| Non-current assets | | | | | |
| Long-term receivables | | | | | |
| Related parties | | 2,112 | 343 | 3,411,061 | 354,680 |
| Loans and financing | | 241,362 | 240,585 | 112,611 | 110,940 |
| Deferred income tax and social contribution | | 672,420 | 1,613,155 | 210,963 | 286,101 |
| Judicial deposits | | 1,067,339 | 958,198 | 663,351 | 636,080 |
| Taxes to recover or offset | 5.7 | 564,950 | 636,440 | 219,976 | 222,954 |
| Advances to energy suppliers | | 1,078,036 | 1,011,455 | | |
| Provisions for derivatives | 5.20 | 753,863 | 322,226 | 637,908 | 313,389 |
| Prepaid expenses | | 562,929 | 603,540 | 901 | 15,735 |
| Outros | | 299,084 | 243,490 | 97,001 | 84,060 |
| | | 5,242,095 | 5,629,432 | 5,353,772 | 2,023,939 |
| Investments | 5.9 | 1,565,287 | 1,942,366 | 57,110,000 | 55,065,376 |
| Intangibles | 5.10 | 12,728,559 | 11,514,663 | 12,301,305 | 11,499,478 |
| Property, plant and equipment | 5.11 | 86,665,943 | 79,832,426 | 26,050,475 | 25,974,479 |
| Deferred charges | | 128,809 | 145,951 | | |
| | | 101,088,598 | 93,435,406 | 95,461,780 | 92,539,333 |
| | | 128,071,699 | 125,404,608 | 106,185,360 | 105,090,659 |
| Liabilities, and stockholders equity | | | | | |

Current liabilities

| | | | | | |
|---|------|-------------------|-------------------|------------------|-------------------|
| Short-term debt | 5.12 | 561,151 | 2,503,185 | | 2,085,499 |
| Current portion of long-term debt | 5.12 | 1,581,371 | 1,651,271 | 517,243 | 611,979 |
| Payable to suppliers and contractors | | 3,983,169 | 5,096,952 | 1,461,824 | 1,294,361 |
| Related parties | | 52,735 | 44,488 | 4,205,078 | 2,989,046 |
| Payroll and related charges | | 933,990 | 749,102 | 407,075 | 262,652 |
| Pension Plan | | 223,546 | 221,854 | 86,784 | 76,274 |
| Dividends and interest on stockholders equity | | 1,642,379 | 3,189,095 | 1,549,691 | 3,189,095 |
| Taxes and contributions | | 2,716,930 | 1,777,952 | 116,503 | 75,856 |
| Other | | 1,422,612 | 1,157,343 | 370,339 | 465,698 |
| | | 13,117,883 | 16,391,242 | 8,714,537 | 11,050,460 |

Non-current liabilities**Long-term liabilities**

| | | | | | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| Long-term debt | 5.12 | 36,272,832 | 45,585,892 | 9,015,804 | 13,882,448 |
| Related parties | | 664 | 676 | 31,017,190 | 31,958,659 |
| Provisions for contingencies | 5.13 | 2,541,840 | 2,420,727 | 1,579,315 | 1,511,962 |
| Deferred income tax and social contribution | | 9,010,261 | 3,449,256 | | |
| Pension Plan | | 3,890,810 | 4,054,194 | 538,420 | 560,170 |
| Provision for asset retirement obligations | 5.14 | 1,431,999 | 1,374,165 | 643,628 | 626,589 |
| Provisions for derivatives | 5.20 | 1,362,727 | 1,415,710 | 68,452 | 67,546 |
| Other | | 2,377,782 | 1,781,918 | 1,510,177 | 1,240,661 |
| | | 56,888,915 | 60,082,538 | 44,372,986 | 49,848,035 |

Deferred income**46,746** **1,848****Minority interest****4,920,318** **4,736,816****Stockholders equity**

| | | | | | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| Paid-up capital | 5.15 | 28,000,000 | 19,492,401 | 28,000,000 | 19,492,401 |
| Revenue reserves | | 22,034,004 | 24,699,763 | 22,034,004 | 24,699,763 |
| Resources linked to the future mandatory conversion in shares | 5.16 | 3,063,833 | | 3,063,833 | |
| | | 53,097,837 | 44,192,164 | 53,097,837 | 44,192,164 |
| | | 128,071,699 | 125,404,608 | 106,185,360 | 105,090,659 |

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

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

2- Statement of Income

Periods ended

In thousands of reais

| | Notes | 2Q/07 | 1Q/07 | Quarter 2Q/06 | 06/30/07 | Consolidated Accumulated 06/30/06 | Parent Company Accumulated 06/30/07 | Parent Company Accumulated 06/30/06 |
|--------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|---|---|---|
| Operating revenues | 9.1e2 | | | | | | | |
| Sales of iron and metals | | 15,245,460 | 13,920,184 | 7,251,574 | 29,165,644 | 13,403,378 | 9,294,055 | 7,791,323 |
| Transport services | | 952,034 | 807,377 | 895,968 | 1,759,411 | 1,599,612 | 952,478 | 902,429 |
| Sales of aluminum-related products | | 1,492,048 | 1,432,302 | 1,544,296 | 2,924,350 | 2,596,848 | 91,651 | 20,889 |
| Sales of steel products | | 333,445 | 331,625 | 381,832 | 665,070 | 730,741 | | |
| Other products and services | | 174,044 | 137,422 | 56,995 | 311,466 | 81,210 | 59,606 | 38,215 |
| | | 18,197,031 | 16,628,910 | 10,130,665 | 34,825,941 | 18,411,789 | 10,397,790 | 8,752,856 |
| Value Added taxes | | (388,422) | (379,547) | (350,794) | (767,969) | (666,646) | (556,423) | (479,643) |
| Net operating revenues | | 17,808,609 | 16,249,363 | 9,779,871 | 34,057,972 | 17,745,143 | 9,841,367 | 8,273,213 |
| Cost of products and services | 9.1e2 | | | | | | | |
| Sales of iron and metals | | (5,548,458) | (5,585,696) | (2,815,494) | (11,134,154) | (5,413,640) | (5,262,072) | (4,435,139) |
| Transport services | | (576,223) | (512,073) | (426,850) | (1,088,296) | (879,814) | (368,108) | (342,789) |
| Aluminum-related products | | (833,872) | (773,254) | (761,378) | (1,607,126) | (1,362,055) | (52,157) | (89,553) |
| Steel products | | (300,981) | (310,695) | (308,211) | (611,676) | (587,117) | | |
| Other products and services | | (149,942) | (65,109) | (38,789) | (215,051) | (52,806) | (19,800) | (15,403) |
| | | (7,409,476) | (7,246,827) | (4,350,722) | (14,656,303) | (8,295,432) | (5,702,137) | (4,882,884) |
| Gross profit | | 10,399,133 | 9,002,536 | 5,429,149 | 19,401,669 | 9,449,711 | 4,139,230 | 3,390,329 |
| Gross margin | | 58.4% | 55.4% | 55.5% | 57.0% | 53.3% | 42.1% | 41.0% |
| Operating expenses | 5.21 | (566,962) | (601,864) | (511,794) | (1,168,826) | (947,587) | (444,183) | (414,099) |

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| | | | | | | | | |
|--|------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| Selling and administrative research and development | | (305,396) | (239,050) | (222,030) | (544,446) | (378,088) | (249,706) | (235,122) |
| Other operating expenses | 5.21 | (332,394) | (81,624) | (175,902) | (414,018) | (364,727) | 39,379 | (244,775) |
| | | (1,204,752) | (922,538) | (909,726) | (2,127,290) | (1,690,402) | (654,510) | (893,996) |
| Operating profit before financial results and results of equity investments | | 9,194,381 | 8,079,998 | 4,519,423 | 17,274,379 | 7,759,309 | 3,484,720 | 2,496,333 |
| Results of equity investments | | | | | | | | |
| Gain on investments accounted for by the equity method | 5.9 | 18,535 | 34,626 | 75,422 | 53,161 | 152,196 | 12,101,854 | 4,950,619 |
| Provision for losses | | | | | | | 16,618 | (58,095) |
| Exchange variation in stockholders equity and goodwill of companies abroad | | (588,982) | (24,542) | (446) | (613,524) | (22,869) | (5,521,606) | (611,129) |
| | | (570,447) | 10,084 | 74,976 | (560,363) | 129,327 | 6,596,866 | 4,281,395 |
| Amortization of goodwill | 5.10 | (364,511) | (262,654) | (132,256) | (627,165) | (170,197) | (622,740) | (170,197) |
| | | (934,958) | (252,570) | (57,280) | (1,187,528) | (40,870) | 5,974,126 | 4,111,198 |
| Financial results, net | 5.19 | (47,014) | (208,342) | (466,405) | (255,356) | (725,459) | 1,773,843 | (33,925) |
| Non-operating income | 5.21 | 1,260,766 | | 736,866 | 1,260,766 | 756,192 | 1,256,941 | 19,326 |
| Income before income tax and social contribution | | 9,473,175 | 7,619,086 | 4,732,604 | 17,092,261 | 7,749,172 | 12,489,630 | 6,592,932 |
| Income tax and social | 5.8 | (3,195,630) | (2,074,729) | (593,102) | (5,270,359) | (1,178,436) | (1,552,467) | (503,273) |

| | | | | | | | |
|---|------------------|------------------|------------------|-------------------|------------------|-------------------|------------------|
| Contribution | | | | | | | |
| Income before minority interests | 6,277,545 | 5,544,357 | 4,139,502 | 11,821,902 | 6,570,736 | 10,937,163 | 6,089,659 |
| Minority interests | (435,705) | (449,034) | (234,405) | (884,739) | (481,077) | | |
| Net income for the period | 5,841,840 | 5,095,323 | 3,905,097 | 10,937,163 | 6,089,659 | 10,937,163 | 6,089,659 |
| Number of shares outstanding at the end of the period (in thousands) | 2,416,195 | 2,416,195 | 2,430,062 | 2,416,195 | 2,430,062 | 2,416,195 | 2,430,062 |
| Net earnings per share outstanding at the end of the period (R\$) | 2.42 | 2.11 | 1.61 | 4.53 | 2.51 | 4.53 | 2.51 |

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

(a) Includes 15,147,728 and 28,291,020 preferred and common shares, respectively, linked to issue of Notes, mandatory convertible (vide note 5.16).

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

3- Statement of Changes in Stockholders Equity

Balances in

In thousands of reais

| | Paid-up capital | Expansion/ Investments | Treasury Stock Deposits | Unrealized income | Retained earnings Legal incentives | Proceeds related to invoice mandatorilly convertible in shares | Retained earnings | Total |
|---|--------------------|---------------------------|-------------------------------|----------------------|---------------------------------------|---|----------------------|-------------------|
| December 31, 2005 | 14,000,000 | 8,462,996 | (131,300) | 236,167 | 1,399,413 | 83,365 | | 24,050,641 |
| Capital Increase | 5,492,401 | | | | | | | 5,492,401 |
| Net income For the year | | | | | | | 13,431,005 | 13,431,005 |
| Realization of reserves | | | | (113,667) | | | 113,667 | |
| Treasury stock | | | (659,007) | | | | | (659,007) |
| Interim dividends | | | | | | | (29,185) | (29,185) |
| Stockholder s remuneration proposed | | | | | | | (3,189,095) | (3,189,095) |
| Appropriation to revenue reserves | | 9,645,367 | | | 671,550 | 9,475 | (10,326,392) | |
| December 31, 2006 | 19,492,401 | 18,108,363 | (790,307) | 122,500 | 2,070,963 | 92,840 | | 39,096,760 |
| Treasury stock | | | 81 | | | | | 81 |
| Net income For the period | | | | | | | 5,095,323 | 5,095,323 |
| March 31, 2007 | 19,492,401 | 18,108,363 | (790,226) | 122,500 | 2,070,963 | 92,840 | 5,095,323 | 44,192,164 |
| Treasury stock | | | | | | | | |
| Net income For the period | | | | | | | 5,841,840 | 5,841,840 |
| Capitalization of reserves | 8,507,599 | (7,672,690) | | | (751,545) | (83,364) | | |
| | | | | | | | 3,063,833 | 3,063,833 |

Proceeds
related to
invoice
mandatorilly
convertible in
shares

| | | | | | | | | | |
|----------------------|-------------------|-------------------|------------------|----------------|------------------|--------------|------------------|-------------------|-------------------|
| June 30, 2007 | 28,000,000 | 10,435,673 | (790,226) | 122,500 | 1,319,418 | 9,476 | 3,063,833 | 10,937,163 | 53,097,837 |
|----------------------|-------------------|-------------------|------------------|----------------|------------------|--------------|------------------|-------------------|-------------------|

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

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

4- Statement of Cash Flows

| Periods ended | In thousands of reais | | | | | | |
|--|-----------------------|------------------|------------------|---|---|---|---|
| | 2Q/07 | 1Q/07 | Quarter 2Q/06 | Consolidated Accumulated 06/30/07 | Consolidated Accumulated 06/30/06 | Parent Company Accumulated 06/30/07 | Parent Company Accumulated 06/30/06 |
| Cash flows from operating activities: | | | | | | | |
| Net income for the period | 5,841,840 | 5,095,323 | 3,905,097 | 10,937,163 | 6,089,659 | 10,937,163 | 6,089,659 |
| Adjustments to reconcile net income for the period with cash provided by operating activities: | | | | | | | |
| Results of equity investments | 934,958 | 252,570 | 57,280 | 1,187,528 | 40,870 | (5,974,126) | (4,111,198) |
| Sale of assets | (1,260,766) | | (736,866) | (1,260,766) | (756,192) | (1,256,941) | (19,326) |
| Depreciation, amortization and depletion | 1,015,200 | 805,021 | 445,923 | 1,820,221 | 866,252 | 671,262 | 465,626 |
| Deferred income tax and social contribution | (505,096) | (328,286) | 95,560 | (833,382) | 19,010 | (74,010) | (67,953) |
| Financial expenses and monetary and exchange rate variations on assets and liabilities, net | (1,600,034) | 228,093 | 64,191 | (1,371,941) | (589,677) | (3,787,263) | (452,305) |
| Minority interest | 435,705 | 449,034 | 234,405 | 884,739 | 481,077 | | |
| Disposal of property, plant and equipment | 435,063 | 81,218 | 60,059 | 516,281 | 78,712 | 420,463 | 33,464 |
| Amortization of goodwill in the cost of products sold | | 51,416 | 94,090 | 51,416 | 186,077 | 51,366 | 183,974 |
| Net losses (gains) on derivatives | (297,869) | (166,846) | 107,435 | (464,715) | 265,116 | (803,650) | 25,707 |
| Dividends/interest on stockholders equity received | 45,469 | | 93,786 | 45,469 | 95,113 | 1,596,961 | 826,113 |
| Other | (167,457) | 342,542 | (24,506) | 175,085 | (2,488) | 306,274 | 62,886 |
| | 4,877,013 | 6,810,085 | 4,396,454 | 11,687,098 | 6,773,529 | 2,087,499 | 3,036,647 |
| Decrease (increase) in assets: | | | | | | | |
| Accounts receivable | (617,857) | 360,078 | (895,971) | (257,779) | (403,515) | (105,113) | (205,264) |
| Inventories | (139,301) | (181,494) | 89,591 | (320,795) | (98,766) | (100,755) | (109,505) |

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| | | | | | | | |
|--|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| Advances to energy suppliers | (66,581) | (66,942) | (66,786) | (133,523) | (134,348) | | |
| Other | 318,355 | (775,705) | 210,128 | (457,350) | (193,942) | 354,922 | 163,256 |
| | (505,384) | (664,063) | (663,038) | (1,169,447) | (830,571) | 149,054 | (151,513) |
| Increase (decrease) in liabilities: | | | | | | | |
| Suppliers and contractors | 1,449,432 | (844,892) | 242,012 | 604,540 | (599,956) | (227,949) | (368,940) |
| Payroll and related charges and Other | 193,620 | (362,015) | 109,629 | (168,395) | (132,081) | (87,185) | (138,242) |
| Taxes and contributions | 294,370 | (68,022) | 267,800 | 226,348 | (61,616) | 37,372 | 479 |
| Other | 1,067,176 | (760,551) | (147,612) | 306,625 | (433,122) | 708,348 | (376,093) |
| | 3,004,598 | (2,035,480) | 471,829 | 969,118 | (1,226,775) | 430,586 | (882,796) |
| Net cash provided by operating activities | 7,376,227 | 4,110,542 | 4,205,245 | 11,486,769 | 4,716,183 | 2,667,139 | 2,002,338 |
| Cash flows from investing activities: | | | | | | | |
| Loans and advances receivable | 51,768 | 13,000 | (180,756) | 64,768 | (154,985) | 353,882 | 83,684 |
| Guarantees and deposits | (65,772) | (73,143) | (28,305) | (138,915) | (80,069) | (115,573) | (59,413) |
| Additions to investments | (65,675) | (31,570) | | (97,245) | (112,081) | (1,494,443) | (3,140,402) |
| Additions to property, plant and equipment | (3,381,047) | (2,439,298) | (2,434,198) | (5,820,345) | (4,133,333) | (1,763,210) | (2,926,093) |
| Proceeds from disposal of property, plant and equipment/investments | 1,302,233 | | 970,440 | 1,302,233 | 1,018,793 | 1,944,595 | 63,702 |
| Net cash used in acquisitions and increase of funds to subsidiaries, net of the cash to subsidiary | (2,077,016) | (4,327,053) | | (6,404,069) | | | |
| Net cash used in investing activities | (4,235,509) | (6,858,064) | (1,672,819) | (11,093,573) | (3,461,675) | (1,074,749) | (5,978,522) |
| Cash flows from financing activities: | | | | | | | |
| Short-term debt additions | 3,614,521 | 1,301,038 | 4,033,271 | 4,915,559 | 5,646,259 | 1,926,762 | 3,079,366 |
| Short-term debt repayments | (5,264,614) | (744,480) | (4,087,908) | (6,009,094) | (5,545,716) | (599,119) | (3,176,972) |
| Long-term debt | 180,363 | 14,132,541 | 27,965 | 14,312,904 | 3,118,664 | 16,259,207 | 5,923,127 |

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| | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------------|
| Issue of notes convertible, in shares common | 2,481,454 | | | 2,481,454 | | | |
| Issue of notes convertible, in shares preferred | 1,119,448 | | | 1,119,448 | | | |
| Repayments: | | | | | | | |
| Related parties | | | | | | (47,529) | |
| Financial institutions | (7,850,098) | (13,271,198) | (449,775) | (21,121,296) | (1,188,871) | (17,505,910) | (418,608) |
| Interest on stockholders equity paid to stockholders | (2,096,572) | (121,452) | (1,377,591) | (2,218,024) | (1,432,346) | (1,669,057) | (1,392,300) |
| Treasure stock | | 81 | (53,797) | 81 | (53,797) | 81 | (53,797) |
| Net cash provided by (used in) financing activities | (7,815,498) | 1,296,530 | (1,907,835) | (6,518,968) | 544,193 | (1,635,565) | 3,960,816 |
| Increase (decrease) in cash and cash equivalents | (4,674,780) | (1,450,992) | 624,591 | (6,125,772) | 1,798,701 | (43,175) | (15,368) |
| Cash and cash equivalents, beginning of the period | 8,326,983 | 9,777,975 | 3,877,362 | 9,777,975 | 2,703,252 | 203,090 | 131,467 |
| Cash and cash equivalents, end of the period | 3,652,203 | 8,326,983 | 4,501,953 | 3,652,203 | 4,501,953 | 159,915 | 116,099 |
| Cash paid during the period for: | | | | | | | |
| Short-term interest | (83,337) | (18,153) | (8,170) | (101,490) | (16,045) | (76,521) | (9,488) |
| Long-term interest | (788,129) | (444,827) | (164,077) | (1,232,956) | (383,220) | (1,375,910) | (194,715) |
| Income tax and social contribution | (2,981,336) | (890,400) | (101,492) | (3,871,736) | (533,428) | (963,739) | (386,892) |
| Non-cash transactions: | | | | | | | |
| Additions to property, plant and equipment | | | | | | | |
| interest capitalization | (187,307) | (78,223) | 88,562 | (265,530) | (131,606) | (215,878) | (139,156) |
| Transfer of advance for future capital increase to investments | | | | | | (13,560) | (253,720) |
| Compensated income tax and social contribution | (611,795) | (262,172) | (77,646) | (873,967) | (159,724) | (670,242) | (51,509) |

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

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

5- Notes to the Quarterly information at June 30, 2007 and 2006

Expressed in thousands of *reais*

5.1- Operations

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

5.2- Presentation of Quarterly information

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

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

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

5.3- Principles and Practices of Consolidation

The consolidated quarterly information shows the balances of assets and liabilities on 06/30/07 and 03/31/07 and the operations of the Parent Company, its direct and indirect subsidiaries and its jointly-controlled companies of the periods ended 03/30/07 and 03/31/07 and 06/30/06. The principal figures of the subsidiaries and jointly-controlled companies included in the consolidation are presented in Attachment I. Since December 31, 2006 there have been no changes in the consolidation practices followed by CVRD.

5.4- Significant Accounting Policies

- (a) The financial statements that are being presented have been prepared following the principles, methods and criteria on a consistent basis in relation to those adopted in the closing of the year ended 31/12/2006; and
- (b) In preparing the condensed consolidated financial statements, the Company is required to use estimates to account for certain assets, liabilities, and transactions. Therefore the consolidated financial statements include various estimates concerning the selection of useful lives of property, plant and equipment, provisions for losses on assets, contingent liabilities, operational provisions and other similar evaluations. Actual results may vary from the estimates.

5.5- Acquisitions and disposals

- (a) In June 2007, the company sold through a primary and secondary public offering 25,213,664 common shares, representing 57.84% of total capital, from Log-In Logística Intermodal S.A. for R\$347,478 thousand and a gain on sale of R\$300,924 and gain on capital of R\$115,607. The Company now holds 36.37% of total capital and total capital of this entity, which is recognized as an equity investee.
- (b) In May 2007, the company sold in a public offering 13,802,499 Usiminas shares not subject to the shareholders agreement and received total proceeds of R\$1,475,484 generating a gain of R\$839,428. The company remained with 6,608,608 shares bound by the current shareholders agreement of Usiminas.
- (c) In May 2007, the company acquired 6.25% of EBM for R\$466,781 under an agreement that grants us control of EBM during the next 30 years, including the right to dividends. In exchange, CVRD will pay a total of US\$ 61 million (equivalent to R\$116,444 in June 30, 2007) in 2007 and 29 annual portions of US\$ 48 million (equivalent to R\$92,640 in June 30, 2007).

- (d) On January 3, 2007, the company finalized the process of acquisition of Inco with the acquisition of the additional participation of 12.27% for R\$4 billion. The total acquisition reached the amount of R\$36 billion. The special meeting of shareholders of Inco, was approved the amalgamation of Inco with Itabira Canada Inc. (Itabira Canada), a wholly owned indirect subsidiary of CVRD. Pursuant to the amalgamation, Inco will become a wholly owned subsidiary of CVRD and change its name to CVRD Inco Limited (CVRD Inco).

To improve comparability presents, the consolidated statement of income if the acquisition had been made on the second semester of 2006.

Summarized Consolidated Statement of Income of CVRD and CVRD Inco (unaudited)

| | Quarter 2Q/06 | | | Accumulated 06/30/06 | | |
|--|------------------|------------------|-------------------|-------------------------|------------------|-------------------|
| | CVRD | CVRD INCO | Total | CVRD | CVRD INCO | Total |
| Net operating revenues | 9,779,871 | 3,968,780 | 13,748,651 | 17,745,143 | 6,629,803 | 24,374,946 |
| Cost of products and services | (4,350,722) | (2,380,393) | (6,731,115) | (8,295,432) | (4,166,860) | (12,462,292) |
| Gross profit | 5,429,149 | 1,588,387 | 7,017,536 | 9,449,711 | 2,462,943 | 11,912,654 |
| Operating expenses | (909,726) | (286,610) | (1,196,336) | (1,690,402) | (479,979) | (2,170,381) |
| Operating profit before financial results and results of equity investments | 4,519,423 | 1,301,777 | 5,821,200 | 7,759,309 | 1,982,964 | 9,742,273 |
| Results of equity investments | (57,280) | | (57,280) | (40,870) | | (40,870) |
| Financial results, net | (466,405) | (595,098) | (1,061,503) | (725,459) | (581,914) | (1,307,373) |
| Non-operating income | 736,866 | | 736,866 | 756,192 | | 756,192 |
| Income before income tax and social contribution | 4,732,604 | 706,679 | 5,439,283 | 7,749,172 | 1,401,050 | 9,150,222 |
| Income tax and social contribution | (593,102) | (220,974) | (814,076) | (1,178,436) | (458,291) | (1,636,727) |
| Income before minority interests | 4,139,502 | 485,705 | 4,625,207 | 6,570,736 | 942,759 | 7,513,495 |
| Minority interests | (234,405) | (52,509) | (286,914) | (481,077) | (92,061) | (573,138) |
| Net income for the period | 3,905,097 | 433,196 | 4,338,293 | 6,089,659 | 850,698 | 6,940,357 |

(e) In April 2007, Vale acquired 100% of AMCI Holdings Australia Pty – AMCI HÁ, a private company held in Australia, which operates and controls coal assets through joint ventures, for R\$1,328,268.

(f) In March 2007, Vale acquired the remaining 18% interest in Ferro Gusa held by Nucor do Brasil S.A. for R\$40,584. As a result CVRD now owns 100% of Ferro Gusa's shares

5.6- Inventories

| | Consolidated | | Parent Company | |
|--------------------------|--------------|----------|----------------|----------|
| | 06/30/07 | 03/31/07 | 06/30/07 | 03/31/07 |
| Finished products | | | | |

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| | | | | |
|---|------------------|------------------|------------------|------------------|
| Iron ore and pellets | 892,339 | 844,938 | 536,376 | 461,304 |
| Manganese and ferroalloys | 215,315 | 214,340 | | |
| Aluminum products | 239,276 | 324,412 | | |
| Copper | 16,960 | 34,363 | 16,960 | 34,363 |
| Nickel, co-products and sub products Inco | 3,144,044 | 3,143,296 | | |
| Steel products | 81,369 | 89,704 | | |
| Other | 180,717 | 146,283 | 4,601 | 4,491 |
| | 4,770,020 | 4,797,336 | 557,937 | 500,158 |
| Spare parts and maintenance supplies | 2,042,272 | 2,040,688 | 719,221 | 728,071 |
| | 6,812,292 | 6,838,024 | 1,277,158 | 1,228,229 |

5.7- Taxes to recover or offset

| | | Consolidated | Parent Company | |
|----------------------|------------------|---------------------|-----------------------|-----------------|
| | 06/30/07 | 03/31/07 | 06/30/07 | 03/31/07 |
| Income tax | 216,049 | 162,027 | 5,529 | 13,447 |
| Value-added tax ICMS | 623,179 | 630,702 | 476,786 | 473,729 |
| PIS and COFINS | 655,767 | 639,505 | 125,913 | 126,231 |
| INSS | 30,353 | 28,682 | 27,949 | 25,972 |
| Others | 86,838 | 213,228 | 29,262 | 110,288 |
| Total | 1,612,186 | 1,674,144 | 665,439 | 749,667 |
| Current | 1,047,236 | 1,037,704 | 445,463 | 526,713 |
| Non-current | 564,950 | 636,440 | 219,976 | 222,954 |
| | 1,612,186 | 1,674,144 | 665,439 | 749,667 |

5.8- Income Tax and Social Contribution

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

| | 2Q/07 | 1Q/07 | Quarter 2Q/06 | 06/30/07 | Consolidated Accumulated 06/30/06 | Parent Company Accumulated 06/30/07 | 06/30/06 |
|--|--------------------|--------------------|--------------------------|--------------------|--|--|------------------|
| Income before income tax and social contribution | 9,473,175 | 7,619,086 | 4,732,604 | 17,092,261 | 7,749,172 | 12,489,630 | 6,592,932 |
| Results of equity investment | 934,958 | 252,570 | 57,280 | 1,187,528 | 40,870 | (5,974,126) | (4,111,198) |
| Results on sale of assets to be not subject taxation | | | (736,866) | | (756,192) | | (19,326) |
| | 10,408,133 | 7,871,656 | 4,053,018 | 18,279,789 | 7,033,850 | 6,515,504 | 2,462,408 |
| Income tax and social contribution at combined tax rates | 34% | 34% | 34% | 34% | 34% | 34% | 34% |
| Federal income tax and social contribution at statutory rates | (3,538,765) | (2,676,363) | (1,378,026) | (6,215,128) | (2,391,509) | (2,215,271) | (837,219) |
| Adjustments to net income which modify the effect on the results for the period: | | | | | | | |
| Income tax benefit from interest on stockholders equity | 214,283 | 211,239 | 184,154 | 425,522 | 382,618 | 425,522 | 382,618 |
| | 73,138 | 106,869 | 97,977 | 180,007 | 167,405 | 83,931 | 4,780 |

| | | | | | | | |
|---|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| Fiscal incentives | | | | | | | |
| Results of overseas companies taxed by aliquot less than the parent company | 164,661 | 395,727 | 467,349 | 560,388 | 714,759 | | |
| Reduced incentive aliquot | 25,503 | 19,144 | 26,705 | 44,647 | 44,648 | | |
| Other | (134,450) | (131,345) | 8,739 | (265,795) | (96,357) | 153,351 | (53,452) |
| Income tax and social contribution on the result of the period | (3,195,630) | (2,074,729) | (593,102) | (5,270,359) | (1,178,436) | (1,552,467) | (503,273) |

The Company has certain tax incentives relative to the manganese operations in Carajás, bauxite in Oriximiná, potash operations in Rosario do Catete, alumina and aluminum operations in Barcarena and 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 expire in 2009 and 2013, respectively, while the partial exemption incentives relative to aluminum and kaolin expire in 2013 and Bauxite in 2008. 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.

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

In addition, Goro qualifies for certain exemptions from indirect taxes such as import duties during the construction phase and throughout the commercial life of the project. Certain of these tax benefits, including the income tax holiday, are subject to an earlier phase out should the project achieve a specified cumulative rate of return. The Company is subject to a branch profit tax commencing in the first year in which commercial production is achieved, as defined by the applicable legislation. To date, there is not 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.

5.9- Investments Consolidated

| | | Investments | | | Quarter | Equity Results Accumulated | |
|--|------------------|--------------------|---------------|---------------|----------------|-----------------------------------|-----------------|
| | 06/30/07 | 03/31/07 | 2Q/07 | 1Q/07 | 2Q/06 | 06/30/07 | 06/30/06 |
| Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS (a) | 308,661 | 949,761 | | | 59,473 | | 115,795 |
| Log-In Logística Intermodal S/A Shandong Yankuang International Company Ltd. | 176,687 | | (4,339) | | | (4,339) | |
| Henan Longyu Resources Co. Ltd. | 41,095 | 47,240 | (3,783) | 7 | | (3,776) | |
| ThyssenKrupp CSA Cia Siderúrgica (b) | 257,461 | 247,369 | 27,661 | 19,904 | 9,931 | 47,565 | 24,308 |
| Quadrem International Holdings Ltd. (b) | 277,088 | 225,898 | | | | | |
| Jubilee Mines N.L (b) | 8,984 | 9,563 | | | | | |
| Lion Ore Mining International Ltd (b) | 96,973 | 101,962 | | | | | |
| Mirabela Nickel Ltd (b) | 58,697 | 59,086 | | | | | |
| Skye Resources Inc (b) | 52,682 | 19,991 | | | | | |
| Heron Resources Inc (b) | 146,183 | 150,413 | | | | | |
| Other | 16,442 | 17,502 | | | | | |
| | 124,334 | 113,581 | (1,004) | 14,715 | 6,018 | 13,711 | 12,093 |
| | 1,565,287 | 1,942,366 | 18,535 | 34,626 | 75,422 | 53,161 | 152,196 |

(a) Investment accounted for the equity method until 2006, and at cost after it, this participation at market price on the balance sheet date is R\$847,276; and

(b) Investments at cost.

5.10- Intangible Consolidated

| Intangible by segment | 06/30/07 | Intangible 03/31/07 | 2Q/07 | 1Q/07 | Quarter 2Q/06 | Goodwill amortization | |
|---|-------------------|------------------------|------------------|------------------|------------------|-----------------------|------------------|
| | | | | | | 06/30/07 | 06/30/06 |
| Minério de ferro e pelotas (c) | | | | | | | |
| Goodwill incorporated companies | 4,546,311 | 4,676,205 | (129,894) | (129,894) | (129,894) | (259,788) | (165,475) |
| Goodwill of Minerações Brasileiras Reunidas MBR | 345,774 | | (2,906) | | | (2,906) | |
| Goodwill of Sociedade de Mineração Estrela do Apolo | 25,684 | 25,684 | | | | | |
| Other companies (b) | 12,161 | 15,187 | (2,613) | (1,812) | (2,362) | (4,425) | (4,722) |
| | 4,929,930 | 4,717,076 | (135,413) | (131,706) | (132,256) | (267,119) | (170,197) |
| Níquel | | | | | | | |
| Goodwill of Inco Limited (c) | 7,383,533 | 6,797,587 | (229,098) | (130,948) | | (360,046) | |
| Other rights | 415,096 | | | | | | |
| | 7,798,629 | 6,797,587 | (229,098) | (130,948) | | (360,046) | - |
| Total | 12,728,559 | 11,514,663 | (364,511) | (262,654) | (132,256) | (627,165) | (170,197) |

(a) Merged companies (Caemi and Ferteco) amortization of goodwill of incorporated operating companies is recorded in the cost of products sold of the Parent Company;

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

(c)

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

5.11 Property, Plant and Equipment**By business area:**

| | | | 06/30/07 | Consolidated 03/31/07 |
|--------------------------|--------------------|-------------------------------------|-------------------|----------------------------------|
| | Cost | Accumulated depreciation | Net | Net |
| Ferrous | | | | |
| In operation | 27,414,862 | (10,909,656) | 16,505,206 | 16,737,928 |
| Construction in progress | 6,978,944 | | 6,978,944 | 6,134,827 |
| | 34,393,806 | (10,909,656) | 23,484,150 | 22,872,755 |
| Non-Ferrous | | | | |
| In operation | 38,960,026 | (2,571,603) | 36,388,423 | 32,266,280 |
| Construction in progress | 12,650,074 | | 12,650,074 | 11,265,288 |
| | 51,610,100 | (2,571,603) | 49,038,497 | 43,531,568 |
| Logistics | | | | |
| In operation | 7,041,503 | (2,453,967) | 4,587,536 | 4,268,130 |
| Construction in progress | 329,193 | | 329,193 | 247,027 |
| | 7,370,696 | (2,453,967) | 4,916,729 | 4,515,157 |
| Holdings | | | | |
| In operation | 8,350,333 | (3,225,271) | 5,125,062 | 4,613,039 |
| Construction in progress | 2,593,236 | | 2,593,236 | 2,813,368 |
| | 10,943,569 | (3,225,271) | 7,718,298 | 7,426,407 |
| Corporate Center | | | | |
| In operation | 1,412,072 | (523,633) | 888,439 | 825,688 |
| Construction in progress | 619,830 | | 619,830 | 660,851 |
| | 2,031,902 | (523,633) | 1,508,269 | 1,486,539 |
| Total | 106,350,073 | (19,684,130) | 86,665,943 | 79,832,426 |

5.12 Loans and Financing**Current**

| | 06/30/07 | Consolidated 03/31/07 | Parent Company 06/30/07 | Parent Company 03/31/07 |
|--|-----------------|----------------------------------|------------------------------------|------------------------------------|
|--|-----------------|----------------------------------|------------------------------------|------------------------------------|

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| | | | |
|-----------------|----------------|------------------|------------------|
| Trade finance | 388,908 | 2,335,576 | 2,085,499 |
| Working capital | 172,243 | 167,609 | |
| | 561,151 | 2,503,185 | 2,085,499 |

Non-current

| | Consolidated | | | | Parent Company | | | |
|------------------------------------|----------------------------|------------------|------------------------------|-------------------|----------------------------|-----------------|------------------------------|-------------------|
| | Current liabilities | | Long-term liabilities | | Current liabilities | | Long-term liabilities | |
| | 06/30/07 | 03/31/07 | 06/30/07 | 03/31/07 | 06/30/07 | 03/31/07 | 06/30/07 | 03/31/07 |
| Foreign operations | | | | | | | | |
| Loans and financing in: | | | | | | | | |
| U.S. dollars | 440,397 | 411,771 | 13,698,910 | 22,603,862 | 343,494 | 294,218 | 1,346,458 | 6,140,298 |
| Other currencies | 35,014 | 7,105 | 582,388 | 27,272 | 7,257 | 7,105 | 22,298 | 27,272 |
| Notes in U.S. dollars | | | 13,048,878 | 13,890,261 | | | | |
| Export securitization | 134,453 | 159,800 | 446,772 | 502,637 | | | | |
| Perpetual notes | | | 165,669 | 175,328 | | | | |
| Accrued charges | 587,532 | 419,431 | | | 38,660 | 18,407 | | |
| | 1,197,396 | 998,107 | 27,942,617 | 37,199,360 | 389,411 | 319,730 | 1,368,756 | 6,167,570 |
| Local operations | | | | | | | | |
| Indexed by TJLP, TR, IGP-M and CDI | 166,364 | 157,511 | 2,283,238 | 2,287,517 | 34,011 | 39,362 | 2,134,553 | 2,142,883 |
| Basket of currencies | 3,053 | 3,250 | 12,562 | 14,185 | 2,896 | 3,084 | 12,484 | 14,059 |
| Loans in U.S. dollars | 82,124 | 200,223 | 154,263 | 154,370 | | | | |
| Non-convertible debentures | | | 5,880,152 | 5,930,460 | | | 5,500,011 | 5,557,936 |
| Accrued charges | 132,434 | 292,180 | | | 90,925 | 249,803 | | |
| | 383,975 | 653,164 | 8,330,215 | 8,386,532 | 127,832 | 292,249 | 7,647,048 | 7,714,878 |
| | 1,581,371 | 1,651,271 | 36,272,832 | 45,585,892 | 517,243 | 611,979 | 9,015,804 | 13,882,448 |

(a) Foreign currency loans and financing were converted into *reais* at exchange rates effective on the quarterly information date, being US\$1.00 = R\$1.9262 on June 30, 2007 (R\$2.0504 on March 31, 2007).

(b) At June 30, 2007, the consolidated debt was secured as follows:

Loans guaranteed by the Federal Government of R\$24,607 to which we gave counter-guarantees;

Securitization program of R\$571,246;

Other assets R\$789,917.

- (c) Amortization of principal and financing charges incurred on long-term loans and financing obtained abroad and domestically maturing as follows, as of June 30, 2007:

| | Consolidated | | Parent Company | |
|--|---------------------|-------------|-----------------------|-------------|
| 2008 | 1,411,397 | 4% | 1,192,865 | 13% |
| 2009 | 965,440 | 3% | 351,574 | 4% |
| 2010 | 4,703,055 | 13% | 1,844,015 | 20% |
| 2011 | 6,438,835 | 17% | 264,143 | 4% |
| 2012 onward | 22,208,295 | 61% | 5,363,207 | 59% |
| No due date (perpetual notes and debentures) | 545,810 | 2% | | |
| | 36,272,832 | 100% | 9,015,804 | 100% |

- (d) In October 2006, the Company took a US\$14.6 billion bridge loan, whose original term was 2-years, used to finance the Inco acquisition. Still in December 2006, the Company concluded three transactions with total estimated value of US\$12.3 billion, completing a significant part of the take out of the initial bridge loan, as follows:

In one of these transactions, in November, 2006, the Company issued a US\$3.75 billion 10-year and 30-year notes. One of US\$1.25 billion notes due in January 2017 bears a coupon rate of 6.25% per year, payable semi-annually and other of US\$2.50 billion notes due in 2036 bear a coupon rate of 6.875% per year, payable semi-annually.

The second transaction involved the issue on December 20, 2006 of non-convertible debentures in the amount of R\$5.5 billion, in two series. The first series, due on November 20, 2010, R\$1.5 billion, will be remunerated at 101.75% of the accumulated variation of the Brazilian CDI interest rate, payable semi-annually while the second series, due on November 20, 2013, R\$4.0 billion, will be remunerated at the Brazilian CDI interest rate plus 0.25% per year, also payable semi-annually. These debentures can be traded at a secondary market, through the Sistema Nacional de Debentures (SND).

The third transaction, closed in December, 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.

In the subsequent period, in April, 27 2007 the Company liquidated in advance, the remaining balance of US\$2.25 billion of the bridge loan through cash and cash equivalents and export contracts.

5.13 Contingent Liabilities

At the Quarterly information dates the contingent liabilities of the Company were:

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

| | Consolidated | | Parent Company | |
|---|---------------------|------------------|-----------------------|------------------|
| | 06/30/07 | 03/31/07 | 06/30/07 | 03/31/07 |
| a) Tax contingencies | 2,293,250 | 2,265,957 | 1,451,206 | 1,425,052 |
| (-) Judicial deposits | (1,026,835) | (1,101,792) | (770,650) | (756,050) |
| | 1,266,415 | 1,164,165 | 680,556 | 669,002 |
| b) Civil contingencies | 608,110 | 584,863 | 409,553 | 389,292 |
| (-) Judicial deposits | (225,867) | (223,476) | (211,292) | (209,067) |
| | 382,243 | 361,387 | 198,261 | 180,225 |
| c) Labor contingencies | 845,083 | 843,669 | 681,881 | 644,881 |
| d) Environmental contingencies | 48,099 | 51,506 | 18,617 | 17,854 |
| Total accrued liabilities | 2,541,840 | 2,420,727 | 1,579,315 | 1,511,962 |
| | | 06/30/07 | | 06/30/07 |
| Balance in the beginning of the period | | 2,420,727 | | 1,511,962 |
| Provisions net from reversals | | 40,757 | | 58,635 |
| Payment | | (24,757) | | (21,478) |
| Monetary update | | 32,548 | | 47,021 |
| Increase (decrease) of judicial deposits | | 72,565 | | (16,825) |
| Balance at the end of period | | 2,541,840 | | 1,579,315 |

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

a) Tax Contingencies:

The major suits are:

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

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

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

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

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

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

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

b) Civil Contingencies:

The 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, accidents and return of land.

c) Labor Contingencies:

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) disputes about the amount of indemnities paid upon dismissal and the one-third extra holiday pay.

In addition to the contingencies for which we have made provisions we have possible losses totaling R\$3,318,315 (R\$2,236,341 parent company) based on the advice of our legal counsel, no provision is maintained.

(b) Guarantees given to jointly controlled companies are as follows:

| Affiliate | Amount of guarantee Denominated | | currency | Purpose | Counter Final maturity | guarantees |
|-----------|------------------------------------|----------|----------|--------------------------|------------------------------|------------|
| | 06/30/07 | 03/31/07 | | | | |
| SAMARCO | 3,553 | 5,770 | US\$ | Debt guarantee IFC | 2008 | None |

(c) The company provides a guarantee covering certain termination payments to the supplier under an electricity supply agreement entered in October 2004 for 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 contract, the termination payment will reach up to an amount of 135 million of euros. Once the supply of electricity under the contract to the project begins the guaranteed amounts will decrease over the life of the contract.

Additionally, in connection with a special tax-advantage lease financing related with this project the Company provides certain guarantees pursuant to which the Company guarantee in certain events of default, payments up to a maximum amount of US\$100 million.

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

(d) Upon privatization of the Company in 1997, issued a non-convertible debentures (Debentures) to the stockholders of record, including the federal government. The maturity dates of these Debentures were established to guarantee that pre-privatization stockholders, including the federal government, would share with any future benefits from the Company mineral resources.

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

In April 2007, we made available payment related to debentures in the amount of R\$12,037.

5.14 Provision for asset retirement obligations

On June 30, 2007, the consolidated provision for asset retirement obligations amounted to R\$1,431,999 (R\$643,628 in the parent company), which was accounted for in Provision for asset retirement obligations in non-current liabilities and R\$64,208 (R\$54,197 in the parent company) classified in Other in current liabilities.

5.15 Paid-up Capital

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.

At the Extraordinary Shareholders Meeting held on April 27, 2007 the Capital Stock was increased to R\$28 billion, corresponding to 2,459,657,058 shares, being R\$17,074,400 million divided into 1,499,898,858 common shares and R\$10,925,600, divided into 959,758,200 preferred Class A, including six (6) special Class shares, all without par value. The Capital increase is due through the expansion/investment reserve in amount of R\$7,672,690, capitalization in part of the Legal reserve in the amount of R\$751,545, and capitalization of the fiscal incentives reserve in the amount of R\$83,364 without new stock issue.

On May 22, 2006 the Company split the capital stock approved at the Extraordinary Shareholders Meeting held on April 27, 2006. Each existing share, both common and preferred, became two shares. After the split the capital of the Company in the amount of R\$19,5 billion, corresponds to 2,459,657,058 shares, being 1,499,898,858 common shares and 959,758,200 preferred Class A, 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 will continue to be represented by one ADR.

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

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

The members of the Board of Directors and Executive Board together own 62,463 common shares and 301,684 preferred shares.

5.16 Notes Mandatory Convertible

In June 2007, the Company issued R\$3,600,902 through mandatory convertible notes with expiration in 2010. The notes, paid coupon of 5,50% a.a quarterly and the right to receive the participation of the additional equivalent for the distribution in cash paid to the ADS holders. This notes were classified as a capital instrument, mainly because of the fact that there is no option, from the part the part of the company or from the part of the holders, to liquidate, totally or part this operation with financial resources, being the conversion mandatory.

The notes of R\$2,481,454 are represented by a maximum of 28,291,020 common shares and the notes of R\$1,119,448 by a maximum of 15,147,728 preferred shares. All the shares currently in treasury stock.

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

5.17 Treasury Stock

On June 19, 2007 CVRD finalized the issuance of convertible notes in treasury stock, as described in notes 5.16.

On June 21, 2007 The Board of Directors approved, under the terms of Subparagraph XXXII of Article 14 of the Bylaws and based on Article 30 of Law 6404/76 and CVM Instructions 10 of February 14, 1980 and 268 of November 13, 1997, a buy-back program of its preferred shares, during a maximum term of 180 days, involving the acquisition of up to 47,986,763 preferred shares, corresponding to 5% of its outstanding preferred shares on May 31, 2006.

Until December 21, 2006, due date of buy-back program 15,149,600 preferred shares have been acquired.

On June 30, 2007, the Company had 28,291,020 common shares and 15,170,644 preferred shares, which are held in treasury in the amount of R\$790,226.

| Class | Shares | | | | | Average quoted market price | |
|-----------|-------------------|-------------------|---------|-----------------------|-------|-----------------------------|----------|
| | Quantity | | Average | Unit acquisition cost | | 06/30/07 | 03/31/07 |
| | 06/30/07 | 03/31/07 | | Low | High | | |
| Preferred | 15,170,644 | 15,170,644 | 43.45 | 41.13 | 45.15 | 66.04 | 59.97 |
| Common | 28,291,020 | 28,291,020 | 4.63 | 3.34 | 8.68 | 78.30 | 70.57 |
| | 43,461,664 | 43,461,664 | | | | | |

5.18 Distribution to Stockholders

On April 30, 2007, CVRD paid R\$1,669,058 to stockholders, being in the form of interest on stockholders equity a amount of R\$621,650 and R\$1,047,408 in form of dividends.

5.19 Financial Result

| | Consolidated | | | | | | | | |
|--|--------------------|---|--------------------|--------------------|---|------------------|--------------------|---|------------------|
| | 2Q/07 | | | 1Q/07 | | | Quarter 2Q/06 | | |
| | Financial expenses | Monetary and exchange rate variation on liabilities | Total | Financial expenses | Monetary and exchange rate variation on liabilities | Total | Financial expenses | Monetary and exchange rate variation on liabilities | Total |
| Foreign debt | (437,176) | 300,876 | (136,300) | (512,462) | 435,973 | (76,489) | (123,118) | 76,420 | (46,698) |
| Local debt | (292,132) | 272,831 | (19,301) | (265,932) | 106,603 | (159,329) | (41,444) | (100,574) | (142,018) |
| Related parties | 809 | (26) | 783 | (3,676) | (69) | (3,745) | (1,911) | (7) | (1,918) |
| | (728,499) | 573,681 | (154,818) | (782,070) | 542,507 | (239,563) | (166,473) | (24,161) | (190,634) |
| Labor, tax and civil contingencies | (49,166) | (4,869) | (54,035) | (32,155) | (9,082) | (41,237) | (56,236) | (7,771) | (64,007) |
| Derivatives, net of gain/losses (interest and currencies) | 558,366 | (14,902) | 543,464 | 341,484 | (5,635) | 335,849 | 3,244 | 27 | 3,271 |
| Derivatives, net of gain/losses (gold, aluminum, alumina, copper, nickel and CPMF) | (314,476) | 42,035 | (272,441) | (174,638) | 57,590 | (117,048) | (110,679) | 1,634 | (109,045) |
| Other | (67,622) | (997,025) | (67,622) | (113,858) | 104,587 | (113,858) | (42,486) | (49,334) | (42,486) |
| | (418,722) | (997,025) | (1,415,747) | (643,060) | 104,587 | (538,473) | (184,189) | (49,334) | (233,523) |
| | (1,020,119) | (401,080) | (1,421,199) | (1,404,297) | 689,967 | (714,330) | (556,819) | (79,605) | (636,424) |
| | Financial income | Monetary and exchange rate variation on assets | Total | Financial income | Monetary and exchange rate variation on assets | Total | Financial income | Monetary and exchange rate variation on assets | Total |
| | 6,001 | 1 | 6,002 | (3,294) | 5,610 | 2,316 | 5,050 | (1,443) | 3,607 |

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| | | | | | | | | | |
|---|------------------|------------------|------------------|--------------------|----------------|------------------|------------------|-----------------|------------------|
| Related parties | | | | | | | | | |
| Marketable securities | 70,824 | 56 | 70,880 | 55,245 | 23 | 55,268 | 55,001 | (9,289) | 45,712 |
| Other | 103,696 | 1,193,607 | 1,297,303 | 238,604 | 209,800 | 448,404 | 44,713 | 75,987 | 120,700 |
| | 180,521 | 1,193,664 | 1,374,185 | 290,555 | 215,433 | 505,988 | 104,764 | 65,255 | 170,019 |
| Financial income (expenses), net | (839,598) | 792,584 | (47,014) | (1,113,742) | 905,400 | (208,342) | (452,055) | (14,350) | (466,405) |

| | 06/30/07 | | | Accumulated 06/30/06 | | |
|--|--------------------|---|--------------------|----------------------|---|------------------|
| | Financial expenses | Monetary and exchange rate variation on liabilities | Total | Financial expenses | Monetary and exchange rate variation on liabilities | Total |
| Foreign debt | (949,638) | 736,849 | (212,789) | (239,079) | 318,679 | 79,600 |
| Local debt | (558,064) | 379,434 | (178,630) | (78,577) | 54,596 | (23,981) |
| Related parties | (2,867) | (95) | (2,962) | (4,575) | (132) | (4,707) |
| | (1,510,569) | 1,116,188 | (394,381) | (322,231) | 373,143 | 50,912 |
| Labor, tax and civil contingencies | (81,321) | (13,951) | (95,272) | (113,146) | (21,516) | (134,662) |
| Derivatives, net of gain/losses (interest and currencies) | 899,850 | (20,537) | 879,313 | 4,833 | 459 | 5,292 |
| Derivatives, net of gain/losses (gold, aluminum, alumina, copper, nickel and CPMF) | (489,114) | 99,625 | (389,489) | (269,949) | 51,860 | (218,089) |
| Other | (181,480) | | (181,480) | (90,942) | | (90,942) |
| | (1,061,782) | (892,439) | (1,954,221) | (292,455) | (205,028) | (497,483) |
| | (2,424,416) | 288,886 | (2,135,530) | (1,083,890) | 198,918 | (884,972) |
| | Financial income | Monetary and exchange rate variation on assets | Total | Financial income | Monetary and exchange rate variation on assets | Total |
| Related parties | 2,707 | 5,611 | 8,318 | 5,841 | (1,439) | 4,402 |

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| | | | | | | |
|---|--------------------|------------------|------------------|------------------|-----------------|------------------|
| Marketable securities | 126,069 | 79 | 126,148 | 124,027 | (61,818) | 62,209 |
| Other | 342,300 | 1,403,408 | 1,745,708 | 83,003 | 9,899 | 92,902 |
| | 471,076 | 1,409,098 | 1,880,174 | 212,871 | (53,358) | 159,513 |
| Financial income (expenses), net | (1,953,340) | 1,697,984 | (255,356) | (871,019) | 145,560 | (725,459) |

| | | | | Parent company | | |
|---|-----------------------|---|------------------|-------------------------|---|-----------------|
| | 06/30/07 | | | Accumulated 06/30/06 | | |
| | Financial expenses | Monetary and exchange rate variation on liabilities | Total | Financial expenses | Monetary and exchange rate variation on liabilities | Total |
| Foreign debt | (225,476) | 496,915 | 271,439 | (52,927) | (47,560) | (100,487) |
| Local debt | (495,095) | 282,741 | (212,354) | (13,475) | (73,947) | (87,422) |
| Related parties | (1,031,613) | 3,258,615 | 2,227,002 | (167,961) | 511,318 | 343,357 |
| | (1,752,184) | 4,038,271 | 2,286,087 | (234,363) | 389,811 | 155,448 |
| Labor, tax and civil contingencies | (74,336) | (11,512) | (85,848) | (110,042) | (19,612) | (129,654) |
| Derivatives, net of gain/losses (interest and currencies) | 865,376 | (16,748) | 848,628 | 2,642 | (134) | 2,508 |
| Derivatives, net of gain/losses (gold) | (61,914) | 5,505 | (56,409) | (28,349) | 4,116 | (24,233) |
| CPMF | (141,597) | | (141,597) | (57,292) | | (57,292) |
| Other | (970,751) | (35,685) | (1,006,436) | (167,915) | 172,406 | 4,491 |
| | (2,135,406) | 3,979,831 | 1,844,425 | (595,319) | 546,587 | (48,732) |
| | | Monetary and exchange rate variation on assets | Total | Financial income | Monetary and exchange rate variation on assets | Total |
| Related parties | 13,630 | (440,267) | (426,637) | 37,419 | (118,016) | (80,597) |
| Marketable securities | 33,457 | 79 | 33,536 | 21,956 | 45 | 22,001 |
| Other | 2,269 | 320,250 | 322,519 | 13,778 | 59,625 | 73,403 |
| | 49,356 | (119,938) | (70,582) | 73,153 | (58,346) | 14,807 |
| Financial income (expenses), net | (2,086,050) | 3,859,893 | 1,773,843 | (522,166) | 488,241 | (33,925) |

5.20- Financial Instruments Derivatives

Volatility of interest rates, exchange rates and commodity prices are the main market risks to which the Company is exposed and all three are managed through derivative operations. These have the exclusive aim of reducing exposure to risk, not being used speculative purposes.

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

The asset (liability) balances and the change in fair value of derivative financial instruments are as follows (not reviewed by independent auditors):

| | Consolidated | | | | | | | |
|--|--------------------------|-------------------|-----------------|--|------------------|-----------------|-----------------|--------------------|
| | | | | | | | | 2Q/07 |
| | Interest | Currencies | Gold | Products by aluminum area | Copper | Nickel | Platinum | Total |
| | rates (libor) | | | | | | | |
| Gains / (losses) unrealized on 03/31/07 | 5,084 | 317,142 | (94,434) | (599,042) | (626,464) | (41,951) | (53,819) | (1,093,484) |
| Financial settlement | 4,646 | (170,580) | 7,561 | 75,981 | 133,628 | 47,148 | 7,251 | 105,635 |
| Financial expenses, net | 6,183 | 552,183 | 10,501 | (81,378) | (233,258) | 46,645 | (3,007) | 297,869 |
| Monetary variations, net | (366) | (14,536) | 5,570 | 41,134 | 43,800 | 2,265 | 3,249 | 81,116 |
| Gains / (losses) unrealized on 06/30/07 | 15,547 | 684,209 | (70,802) | (563,305) | (682,294) | 54,107 | (46,326) | (608,864) |
| | | | | | | | | 1Q/07 |
| | Interest | Currencies | Gold | Products by aluminum area | Copper | Nickel | Platinum | Total |
| | rates (libor) | | | | | | | |
| Gains / (losses) unrealized on 12/31/06 | 13,188 | (33,350) | (115,138) | (679,454) | (638,410) | 34,593 | (41,922) | (1,460,493) |
| Financial settlement | (6,588) | 13,127 | 26,236 | 61,416 | 80,140 | (26,123) | | 148,208 |
| Financial expenses, net | (1,112) | 342,596 | (9,972) | (9,079) | (91,312) | (50,406) | (13,869) | 166,846 |
| Monetary variations, net | (404) | (5,231) | 4,440 | 28,075 | 23,118 | (15) | 1,972 | 51,955 |
| Gains / (losses) unrealized on 03/31/07 | 5,084 | 317,142 | (94,434) | (599,042) | (626,464) | (41,951) | (53,819) | (1,093,484) |

| | | | | | | | | 2Q/06 |
|--|---------------------------------------|-------------------|------------------|--|---------------|---------------|-----------------|------------------|
| | Interest rates (libor) | Currencies | Gold | Products by aluminum area | Copper | Nickel | Platinum | Total |
| Gains / (losses) unrealized on 03/31/06 | (6,361) | 2,325 | (126,624) | (511,982) | | | | (642,642) |
| Financial settlement | 2,692 | | 8,253 | 61,861 | | | | 72,806 |
| Financial expenses, net | 1,358 | 1,886 | (11,688) | (98,991) | | | | (107,435) |
| Monetary variations, net | 10 | 17 | (1,235) | 2,869 | | | | 1,661 |
| Gains / (losses) unrealized on 06/30/06 | (2,301) | 4,228 | (131,294) | (546,243) | | | | (675,610) |

| | | | | | | | | Consolidated 06/30/07 |
|--|---------------------------------------|-------------------|-----------------|--|------------------|---------------|-----------------|----------------------------------|
| | Interest rates (libor) | Currencies | Gold | Products by aluminum area | Copper | Nickel | Platinum | Total |
| Gains / (losses) unrealized on 12/31/06 | 13,188 | (33,350) | (115,138) | (679,454) | (638,410) | 34,593 | (41,922) | (1,460,493) |
| Financial settlement | (1,942) | (157,453) | 33,797 | 137,397 | 213,768 | 21,025 | 7,251 | 253,843 |
| Financial expenses, net | 5,071 | 894,779 | 529 | (90,457) | (324,570) | (3,761) | (16,876) | 464,715 |
| Monetary variations, net | (770) | (19,767) | 10,010 | 69,209 | 66,918 | 2,250 | 5,221 | 133,071 |
| Gains / (losses) unrealized on 06/30/07 | 15,547 | 684,209 | (70,802) | (563,305) | (682,294) | 54,107 | (46,326) | (608,864) |

| | | | | | | | | 06/30/06 |
|---|---------------------------------------|-------------------|-------------|--|---------------|---------------|-----------------|-----------------|
| | Interest rates (libor) | Currencies | Gold | Products by aluminum area | Copper | Nickel | Platinum | Total |
| Gains / (losses) unrealized on 12/31/05 | (8,769) | 1,725 | (107,561) | (493,542) | | | | (608,147) |
| Financial settlement | 3,679 | | 16,817 | 124,838 | | | | 145,334 |

| | | | | | |
|--|----------------|--------------|------------------|------------------|------------------|
| Financial expenses, net | 2,196 | 2,637 | (48,026) | (221,923) | (265,116) |
| Monetary variations, net | 593 | (134) | 7,476 | 44,384 | 52,319 |
| Gains / (losses) unrealized on 06/30/06 | (2,301) | 4,228 | (131,294) | (546,243) | (675,610) |

| | Parent Company | | | | |
|--|-------------------------------|-------------------|-----------------|-----------------|----------------|
| | 06/30/07 | | | | |
| | Interest rates (libor) | Currencies | Gold | Copper | Total |
| Gains / (losses) unrealized on 12/31/06 | | 5,064 | (68,941) | 46,227 | (17,650) |
| Financial settlement | | (215,026) | 13,105 | (3,383) | (205,304) |
| Financial expenses, net | | 864,616 | (1,458) | (59,508) | 803,650 |
| Monetary variations, net | | (16,746) | 7,066 | (1,560) | (11,240) |
| Gains / (losses) unrealized on 06/30/07 | | 637,908 | (50,228) | (18,224) | 569,456 |

| | 06/30/06 | | | | |
|--|-------------------------------|-------------------|-----------------|---------------|-----------------|
| | Interest rates (libor) | Currencies | Gold | Copper | Total |
| Gains / (losses) unrealized on 12/31/05 | (5) | 1,725 | (63,408) | | (61,688) |
| Financial settlement | | | 10,074 | | 10,074 |
| Financial expenses, net | 5 | 2,637 | (28,349) | | (25,707) |
| Monetary variations, net | | (134) | 4,116 | | 3,982 |
| Gains / (losses) unrealized on 06/30/06 | | 4,228 | (77,567) | | (73,339) |

Final maturity dates for the above instruments are as follows:

| | |
|------------------------|---------------|
| Gold | December 2008 |
| Interest rates (LIBOR) | December 2011 |
| Currencies | December 2011 |
| Aluminum products | December 2008 |
| Copper concentrate | December 2008 |
| Nickel | April 2009 |
| Platinum | December 2008 |

5.21- Selling, Administrative, Other Operating Expenses and Non Operating Income

| | | | | Consolidated | | Parent Company | |
|---|------------------|----------------|------------------|------------------|----------------|------------------|----------------|
| | 2Q/07 | 1Q/07 | Quarter 2Q/06 | 06/30/07 | 06/30/06 | 06/30/07 | 06/30/06 |
| Administrative | | | | | | | |
| Personnel | 163,783 | 206,128 | 142,299 | 369,911 | 279,584 | 144,684 | 146,844 |
| Services of technical consulting | 44,161 | 69,008 | 33,179 | 101,867 | 71,615 | 49,308 | 40,937 |
| Advertising and publicity | 40,592 | 31,827 | 54,536 | 72,419 | 81,296 | 66,600 | 79,656 |
| Depreciation | 71,986 | 69,101 | 53,240 | 141,087 | 105,298 | 103,286 | 77,644 |
| Travel expenses | 9,201 | 9,408 | 13,509 | 18,609 | 24,214 | 11,504 | 20,575 |
| Rents and taxes | 37,913 | 41,870 | 15,001 | 79,783 | 25,052 | 13,622 | 11,852 |
| Community aborigine | 2,653 | 5,826 | 4,120 | 8,479 | 8,183 | 8,479 | 8,182 |
| Other | 94,818 | 112,136 | 64,750 | 218,256 | 116,299 | 35,971 | 25,221 |
| Sales | 101,855 | 56,560 | 131,160 | 158,415 | 236,046 | 10,729 | 3,188 |
| Total | 566,962 | 601,864 | 511,794 | 1,168,826 | 947,587 | 444,183 | 414,099 |
| | | | | | | | |
| | | | | Consolidated | | Parent Company | |
| | 2Q/07 | 1Q/07 | Quarter 2Q/06 | 06/30/07 | 06/30/06 | 06/30/07 | 06/30/06 |
| Other operating expenses (income), net | | | | | | | |
| Provisions for contingencies | | 101,455 | 19,919 | 44,334 | 121,374 | 75,354 | 57,186 |
| Provision for loss on ICMS credits | | 3,573 | 12,949 | 13,935 | 16,522 | 28,793 | (22,249) |
| Provision for profit sharing | | 85,079 | 223,475 | 78,441 | 308,554 | 140,890 | 199,392 |
| Fundação Vale do Rio Doce FVRD | | 14,271 | 12,047 | 2,573 | 26,318 | 5,871 | 14,268 |
| Recoverable taxes PIS na COFINS | | | (317,221) | | (317,221) | | (317,221) |
| Other | | 128,016 | 130,455 | 36,619 | 258,471 | 113,819 | 108,003 |
| Total | | 332,394 | 81,624 | 175,902 | 414,018 | 364,727 | 39,379 |
| | | | | | | | |
| | | | | Consolidated | | Parent Company | |
| | 2Q/07 | 1Q/07 | Quarter 2Q/06 | 06/30/07 | 06/30/06 | 06/30/07 | 06/30/06 |
| Non operating results | | | | | | | |
| Gain on sale of assets | | | | | | | |
| Usiminas | 839,428 | | | 839,428 | | 839,428 | |
| Gulf Investment Co. GIIC | | | 736,866 | | 736,866 | | |
| Log-In | 416,531 | | | 416,531 | | 416,531 | |
| Nova Era Silicon NES | | | | | 19,326 | | 19,326 |
| Others | 4,807 | | | 4,807 | | 982 | |
| Total | 1,260,766 | | 736,866 | 1,260,766 | 756,192 | 1,256,941 | 19,326 |

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

| Description | Assets | | | Liabilities and stockholders equity | | | Net revenues | Cost of products and services | Operating income (expenses) | Operating income |
|-------------|--------------------|------------|--|-------------------------------------|--|------------------------------|--------------|-------------------------------|-----------------------------|------------------|
| | Non-current assets | | | Non-current assets | | | | | | |
| | Current | Long-term | Investments, property plant and equipment and deferred charges | Current | Long-term, deferred income and minority interest | Adjusted stockholders equity | | | | |
| 51.00 | 494,910 | 1,497,386 | 1,062,862 | 411,772 | 981,827 | 1,661,559 | 1,355,493 | (883,440) | (37,712) | (37,712) |
| 51.74 | 805,702 | 80,182 | 4,438,474 | 399,418 | 1,158,537 | 3,766,403 | 1,340,013 | (813,609) | (26,220) | (26,220) |
| 00.00 | 3,904 | 30,567 | | 12,776 | | 21,695 | | | (952) | (952) |
| 00.00 | 69,166 | 172,386 | 1,627 | 138,677 | 98,338 | 6,164 | | | 4,937 | 4,937 |
| 00.00 | 293,362 | 6,062 | 168,915 | 164,117 | 32 | 304,190 | 181,348 | (55,748) | 1,833 | 1,833 |
| 00.00 | 9,212,851 | 396,012 | 50,531,623 | 5,328,241 | 43,017,073 | 11,795,172 | 13,875,814 | (5,289,622) | (3,495,271) | (3,495,271) |
| 00.00 | 6,554,321 | 56,206,793 | 45,790,968 | 4,876,704 | 52,082,409 | 51,592,969 | 9,474,370 | (7,078,622) | 5,402,281 | 5,402,281 |
| 00.00 | 546,246 | 446,772 | 879,549 | 1,330,966 | 38,659 | 502,942 | 1,379,077 | (988,701) | (73,538) | (73,538) |
| 00.00 | 2,204 | 307,499 | 149 | 29,521 | 263,274 | 17,057 | | | (12,473) | (12,473) |
| 00.00 | 105,740 | 1,387 | 338,975 | 52,600 | 1,145 | 392,357 | 83,255 | (75,962) | 39,226 | 39,226 |
| 00.00 | 349,835 | 115,198 | 1,494,442 | 160,409 | 1,927,793 | (128,727) | 370,168 | (320,484) | (17,102) | (17,102) |
| 00.00 | 16,645 | 27,796 | 3,695 | 14,869 | 9,069 | 24,198 | | | 668 | 668 |
| 36.37 | 562,068 | 7,946 | 93,432 | 124,633 | 53,651 | 485,162 | 159,350 | (105,727) | (35,649) | (35,649) |
| 00.00 | 133 | | 1,661,114 | 17,005 | 1,788,341 | (144,099) | | | 22,360 | 22,360 |
| 92.99 | 1,211,676 | 92,796 | 4,374,717 | 635,673 | 977,363 | 4,066,153 | 1,966,762 | (1,025,025) | 389,332 | 389,332 |

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| | | | | | | | | | | |
|-------|---------|------------|-----------|---------|------------|-----------|-----------|-------------|-----------|----|
| 00.00 | 461,721 | 95,624 | 357,940 | 248,472 | 268,848 | 397,965 | 293,439 | (241,358) | (56,069) | (1 |
| 00.00 | 202,400 | 180 | 55,640 | 69,268 | 1,932 | 187,020 | 196,120 | (164,184) | (42,858) | |
| 00.00 | 99,258 | 11,824 | 57,903 | 84,443 | 41,702 | 42,840 | 84,695 | (58,763) | (19,261) | |
| 00.00 | 2,541 | | 911,638 | 1,755 | 614,359 | 298,065 | | | | |
| 00.00 | 77,753 | 32,043 | 61,369 | 23,623 | 118,238 | 29,304 | 45,755 | (35,187) | (22,513) | (|
| 00.00 | 250,196 | 11,073,050 | | 250,196 | 11,073,050 | | | | | |
| 00.00 | 202,145 | 79,043 | 517,153 | 103,727 | 32,157 | 662,457 | 286,219 | (208,628) | (17,861) | 1 |
| 50.00 | 793,747 | 22,226 | 468,050 | 344,406 | 288,929 | 650,688 | 1,330,141 | (1,258,166) | (110,296) | |
| 50.00 | 185,145 | 30,805 | 251,699 | 245,570 | 87,338 | 134,741 | 360,827 | (299,600) | 2,843 | |
| 51.00 | 184,416 | 47,317 | 104,900 | 134,290 | 52,678 | 149,665 | 380,862 | (283,208) | (38,560) | |
| 51.00 | 195,969 | 59,526 | 109,832 | 182,582 | 64,905 | 117,840 | 337,992 | (294,354) | 3,038 | |
| 51.11 | 255,299 | 66,985 | 252,204 | 324,520 | 62,554 | 187,414 | 556,486 | (486,862) | (35,024) | |
| 50.00 | 19,215 | 26,495 | 76,187 | 2,164 | 19,889 | 99,844 | 12,588 | (5,039) | (437) | |
| 40.00 | 143,706 | 537,595 | 926,404 | 554,769 | 227,077 | 825,859 | 534,666 | (275,081) | 5,536 | (|
| 37.86 | 686,992 | 294,871 | 1,654,825 | 718,781 | 744,833 | 1,173,074 | 1,017,350 | (544,498) | (73,585) | (|
| 50.00 | 772,526 | 290,600 | 2,691,912 | 904,016 | 1,832,910 | 1,018,112 | 1,224,691 | (502,934) | (80,081) | |
| 00.00 | 85,047 | 26 | 52,587 | 49,702 | | 87,958 | (572) | (2,130) | 15,348 | |

(a) The amounts above represent the total presented in the

quarterly
informations of
this companies on
June 30, 2007,
adjusted and
unaudited.

Additional
information of
the main investee
companies are
available on the
CVRD website
www.cvrd.com.br,
investor relations.

7- Report of the Independent Accountants

Deloitte Touche Tohmatsu

Av. Pres. Wilson, 231

22°, 25° e 26° andares

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

REPORT OF THE INDEPENDENT AUDITORS ON SPECIAL REVIEW

To the Shareholders and Board of Directors of

Companhia Vale do Rio Doce

Rio de Janeiro RJ

1. We have carried out a special review of the Quarterly Financial Information (ITR) of Companhia Vale do Rio Doce (Company), holding company and consolidated, in respect of the quarter and semester ended June 30, 2007, prepared in accordance with the accounting practices followed in Brazil and under the responsibility of the Company s management, comprising the balance sheets, the statements of income and changes in shareholders equity and the comments on the Company s performance.
2. Except as mentioned in paragraph 3, our special review was carried out in accordance with the specific procedures established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council, and consisted mainly of: (a) inquiries and discussion with the officers responsible for the Company s and its investees accounting, financial and operational areas about the procedures adopted for preparing the Quarterly Financial Information (ITR), and (b) review of the information and subsequent events which have, or may have, relevant effects on the Company s and its investees financial positions and operations.
3. The financial statements for the quarter and semester ended June 30, 2007, of certain subsidiaries, jointly-owned and associated companies, in which there are relevant investments, have not been reviewed by independent auditors. Accordingly, the conclusions resulting from our review do not cover: R\$22,225,990 thousand of these investments of the holding Company on June 30, 2007, and R\$921,979 thousand and R\$2,922,221 thousand of the income generated for the quarter and semester then ended, respectively; total assets of R\$36,595,750 thousand equivalent to 29% of the Company s consolidated total assets on that date, net income in the amounts of R\$6,922,023 thousand and R\$13,313,414 thousand equivalent to 39% and 39% of the Company s consolidated sales and services net income for the quarter and semester then ended, respectively.
4. Based on our special review, except for the effects of the adjustments, if any, which might have been required if the financial statements of the subsidiaries, jointly-owned and associated companies mentioned in paragraph 3 had been reviewed by independent auditors, we are not aware of any relevant adjustment which should be made to the Quarterly Financial Information (ITR), referred to in paragraph 1, for it to be in accordance with the rules issued by the Brazilian Securities Commission (CVM) specifically applicable to the preparation of the obligatory Quarterly Financial Information (ITR).

Companhia Vale do Rio Doce

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5. Our special review was conducted for the purpose of issuing our report on the Quarterly Financial Information (ITR) referred to in paragraph 1, taken as a whole. The statement of cash flows, holding company and consolidated, are presented as additional information, and are not a required part of the Quarterly Financial Information. Such statements have been subjected to the review procedures described in paragraph 2 and we are not aware of any material adjustment that should be made to such statements for them to be adequately presented in relation to the Quarterly Financial Information.
6. We have previously reviewed the balance sheets, holding company and consolidated, as of March 31, 2007 and the income statements for the quarter and semester ended June 30, 2006 presented for comparative purposes, over which we issued special reviews reports dated May 3, 2007 and August 2, 2006, respectively, including a qualification regarding the financial statements of certain subsidiaries, jointly-owned and associated companies, which have not been reviewed by independent auditors.

Rio de Janeiro, July 31, 2007

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Marcelo Cavalcanti Almeida
Accountant

B- Additional Information**8- Cash generation (Not reviewed by independent auditors)**

The operating cash generation measured by EBITDA (earnings before financial results, results of equity investments, interest, income tax and depreciation, amortization and depletion more dividends received) was R\$19,191,485 on June 30, 2007, against R\$8,906,751 on June 30, 2006, an increase of 115%.

EBITDA is not a BR 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.

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

EBITDA

| | Quarter | | | | Accumulated |
|---|-------------------|------------------|------------------|-------------------|--------------------|
| | 2Q/07 | 1Q/07 | 2Q/06 | 06/30/07 | 06/30/06 |
| Operating profit EBIT | 9,194,381 | 8,079,998 | 4,519,423 | 17,274,379 | 7,759,309 |
| Depreciation / amortization of goodwill | 1,015,200 | 856,437 | 540,013 | 1,871,637 | 1,052,329 |
| | 10,209,581 | 8,936,435 | 5,059,436 | 19,146,016 | 8,811,638 |
| Dividends received | 45,469 | | 93,786 | 45,469 | 95,113 |
| EBITDA (LAJIDA) | 10,255,050 | 8,936,435 | 5,153,222 | 19,191,485 | 8,906,751 |
| Depreciation / amortization of goodwill | (1,015,200) | (856,437) | (540,013) | (1,871,637) | (1,052,329) |
| Dividends received | (45,469) | | (93,786) | (45,469) | (95,113) |
| Equity Results | (934,958) | (252,570) | (57,280) | (1,187,528) | (40,870) |
| Resultado não operacional | 1,260,766 | | 736,866 | 1,260,766 | 756,192 |
| Financial results, net | (47,014) | (208,342) | (466,405) | (255,356) | (725,459) |
| Income tax and social contribution | (3,195,630) | (2,074,729) | (593,102) | (5,270,359) | (1,178,436) |
| Minority interests | (435,705) | (449,034) | (234,405) | (884,739) | (481,077) |
| Net income | 5,841,840 | 5,095,323 | 3,905,097 | 10,937,163 | 6,089,659 |

Consolidated EBITDA by segment

| | Quarter | | | | EBITDA |
|----------------------|-------------------|------------------|------------------|-------------------|--------------------|
| Segments | 2Q/07 | 1Q/07 | 2Q/06 | 06/30/07 | Accumulated |
| | | | | | 06/30/06 |
| Ferrous minerals | 4,086,223 | 3,906,759 | 3,656,493 | 7,992,982 | 6,595,519 |
| Non-ferrous minerals | 5,187,757 | 4,076,544 | 339,293 | 9,264,301 | 456,182 |
| Logistics | 425,577 | 355,164 | 333,346 | 780,741 | 568,110 |
| Holdings | | | | | |
| Aluminum | 598,091 | 656,982 | 771,774 | 1,255,073 | 1,208,036 |
| Steel | 70,448 | 10,593 | 135,247 | 81,041 | 201,898 |
| Others | (113,046) | (69,607) | (82,931) | (182,653) | (122,994) |
| | 10,255,050 | 8,936,435 | 5,153,222 | 19,191,485 | 8,906,751 |

9- Management's Discussion and Analysis of the Operating Results for the Period Ended June 30, 2007

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

On June 30, 2007 about 94% of the consolidated gross revenue and 51% of consolidated total cost are linked to the U.S. dollar. Consequently, fluctuations in the exchange rate variation between the two currencies have a significant impact on the operating results.

Approximately 73% of consolidated short-term and long-term loans on June 30, 2007 are denominated in U.S. dollars.

As a result, exchange rate fluctuations have a significant impact on the financial expenses and income.

The average dollar rate fell 6.7% between periods (R\$2.0452 on June 30, 2007 against R\$2.1927 on June 30, 2006), partially offset by price increases, and exchange rate between of the periods fell 11.0% (R\$1.9262 on June 30, 2007 against R\$2.1643 on June 30, 2006).

In 2007, iron ore prices increased by 9.5% and pellets prices increased by 5.3%.

The consolidated Trade Balance was:

| | In US\$ millions | | | | |
|---------|-------------------------|--------------|--------------|--------------------|-----------------|
| | Quarter | | | Accumulated | |
| | 2Q/07 | 1Q/07 | 2Q/06 | 06/30/07 | 06/30/06 |
| Exports | 3,920 | 2,441 | 2,543 | 6,361 | 4,825 |
| Imports | (166) | (177) | (221) | (343) | (449) |
| | 3,754 | 2,264 | 2,322 | 6,018 | 4,376 |

9.1- Comments on Consolidated Operating Results for the periods ended June 30, 2007 and June 30, 2006**9.1.1- Gross revenue**

| | In thousands of metric tons (except railroad transportation) | | | | | In thousands of reais | | | | |
|--|--|---------------|---------------|----------------|----------------------|-----------------------|------------------|------------------|-------------------|----------------------|
| | 2Q/07 | 1Q/07 | Quarter 2Q/06 | 06/30/07 | Accumulated 06/30/06 | 2Q/07 | 1Q/07 | Quarter 2Q/06 | 06/30/07 | Accumulated 06/30/06 |
| Iron ore | 62,081 | 55,792 | 59,703 | 117,873 | 114,563 | 5,498,022 | 4,905,667 | 5,129,829 | 10,403,689 | 9,276,678 |
| Pellets (*) | 10,175 | 9,581 | 7,438 | 19,756 | 15,205 | 1,640,159 | 1,555,379 | 1,224,643 | 3,195,538 | 2,576,283 |
| | 72,256 | 65,373 | 67,141 | 137,629 | 129,768 | 7,138,181 | 6,461,046 | 6,354,472 | 13,599,227 | 11,852,961 |
| Manganese | 219 | 83 | 198 | 302 | 347 | 40,698 | 13,113 | 25,581 | 53,811 | 50,450 |
| Ferrous alloys | 111 | 124 | 144 | 235 | 270 | 263,850 | 288,144 | 274,665 | 551,994 | 506,158 |
| | | | | | | 304,548 | 301,257 | 300,246 | 605,805 | 556,608 |
| Copper | 119 | 93 | 105 | 212 | 175 | 525,972 | 305,476 | 447,328 | 831,448 | 689,066 |
| Finished copper | 33 | 38 | | 71 | | 473,277 | 454,955 | | 928,232 | |
| Potash | 162 | 161 | 121 | 323 | 224 | 78,482 | 66,887 | 49,377 | 145,369 | 98,265 |
| Kaolin | 325 | 269 | 305 | 594 | 626 | 109,666 | 105,327 | 100,151 | 214,993 | 206,478 |
| Nickel | 68 | 71 | | 139 | | 6,339,691 | 5,973,019 | | 12,312,710 | |
| Precious metals | 18 | 22 | | 40 | | 211,204 | 192,551 | | 403,755 | |
| Cobalt (t) | 583 | 580 | | 1,163 | | 64,439 | 59,666 | | 124,105 | |
| | | | | | | 7,802,731 | 7,157,881 | 596,856 | 14,960,612 | 993,809 |
| Railroad transportation (millions of TKU) (**) | 11,335 | 9,328 | 10,374 | 20,663 | 18,709 | 788,375 | 616,762 | 688,756 | 1,405,137 | 1,223,593 |
| Port services | 7,121 | 7,046 | 7,781 | 14,167 | 13,970 | 120,199 | 127,373 | 127,014 | 247,572 | 232,668 |
| Boat services | | | | | | 10,305 | 12,960 | 12,670 | 23,265 | 25,585 |
| Maritime transportation | | | | | | 33,155 | 50,282 | 67,528 | 83,437 | 117,766 |
| | | | | | | 952,034 | 807,377 | 895,968 | 1,759,411 | 1,599,612 |
| Aluminum | 155 | 134 | 125 | 289 | 249 | 879,645 | 836,662 | 736,242 | 1,716,307 | 1,387,339 |
| Alumina | 766 | 700 | 867 | 1,466 | 1,357 | 529,255 | 510,962 | 743,806 | 1,040,217 | 1,079,874 |
| Bauxite | 1,228 | 1,239 | 1,056 | 2,467 | 2,164 | 83,148 | 84,678 | 64,248 | 167,826 | 129,635 |
| | | | | | | 1,492,048 | 1,432,302 | 1,544,296 | 2,924,350 | 2,596,848 |
| Steel | | | | | | 333,445 | 331,625 | 381,832 | 665,070 | 730,741 |
| Pig iron | 55 | 75 | 71 | 130 | 71 | 36,459 | 46,106 | 42,769 | 82,565 | 42,769 |
| Coal | 698 | | | 698 | 46 | 81,464 | | | 81,464 | 9,054 |

| | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Other products and services | 56,121 | 91,316 | 14,226 | 147,437 | 29,387 |
| | 507,489 | 469,047 | 438,827 | 976,536 | 811,951 |
| | 18,197,031 | 16,628,910 | 10,130,665 | 34,825,941 | 18,411,789 |

(*) Includes revenues derived from services provided to pelletizing joint ventures in the amounts of R\$16,497, R\$17,355, R\$16,799, R\$33,852 and R\$34,690 referring to the 2Q/07, 1Q/07, 2Q/06, June 30, 2007 and June 30, 2006, respectively.

(**) The Company carried through its railroad system 8,269, 6,610, 7,962, 14,879 and 14,132 million of TKUs of general cargo and 3,066, 2,718, 2,412, 5,784 and 4,577 million of TKUs of iron ore for third parties in 2Q/07, 1Q/07, 2Q/06, June 30, 2007 and June 30, 2006, respectively.

Sales volume and revenues by products and services:

The 89.2% gross revenue increase, from R\$18,411,789 on June 30, 2006 to R\$34,825,941 on June 30, 2007 was due to:

Consolidation of INCO, started of 4Q/06; and

Increase of prices of iron ore and products in aluminum area;

The above effects were partially offset by:

The devaluation of the average dollar compared with the real by 6.7%.

Gross consolidated revenue by segment

| Business Units | Holdings | | | | | Quarter | | | | | | | |
|----------------|------------------------|-----------|----------|---------|--|-----------|----|-----------|----|-----------|----|-----------|----|
| | Non - Ferrous Minerals | Logistics | Aluminum | Other | | 2Q/07 | % | 1Q/07 | % | 2Q/06 | % | 06/30/07 | % |
| 377 | 86,707 | 10,467 | 103,390 | | | 625,941 | 3 | 544,646 | 3 | 491,198 | 5 | 1,170,587 | 3 |
| 360 | 596,077 | | 212,774 | | | 846,211 | 5 | 974,071 | 6 | 164,792 | 2 | 1,820,282 | 5 |
| 654 | 1,449,126 | | 93,229 | 345,711 | | 2,007,720 | 11 | 1,943,062 | 12 | 671,110 | 7 | 3,950,782 | 11 |
| 778 | 279,965 | | 1,222 | | | 922,965 | 5 | 832,641 | 5 | 716,065 | 7 | 1,755,606 | 5 |
| 187 | 31,287 | | 170,709 | | | 338,183 | 2 | 378,315 | 2 | 321,949 | 3 | 716,498 | 2 |
| 121 | 86,915 | | | | | 443,036 | 2 | 364,907 | 2 | 276,966 | 3 | 807,943 | 2 |
| 153 | 362,072 | | 20,252 | | | 591,477 | 3 | 587,072 | 4 | 197,582 | 2 | 1,178,549 | 3 |
| 662 | 36,783 | | 3,477 | | | 277,922 | 2 | 286,763 | 2 | 280,908 | 3 | 564,685 | 2 |
| 360 | 348,521 | | 382,056 | | | 1,193,937 | 7 | 809,107 | 5 | 899,874 | 9 | 2,003,044 | 6 |
| 396 | 47,219 | | 30,314 | 81,464 | | 497,393 | 3 | 415,262 | 2 | 606,604 | 6 | 912,655 | 3 |
| 485 | 943,087 | | | | | 3,241,572 | 18 | 2,645,635 | 16 | 1,850,157 | 18 | 5,887,207 | 17 |
| 169 | 592,183 | | | | | 850,352 | 5 | 934,495 | 6 | 172,063 | 2 | 1,784,847 | 5 |
| 744 | 1,289,288 | | 306,430 | | | 2,223,462 | 12 | 1,879,706 | 11 | 863,720 | 9 | 4,103,168 | 12 |
| 279 | 1,213,652 | | | | | 1,290,931 | 7 | 1,359,700 | 8 | 78,175 | 1 | 2,650,631 | 8 |
| 954 | 176,414 | 986 | | | | 321,354 | 2 | 440,873 | 3 | 445,081 | 4 | 762,227 | 2 |

| | | | | | | | | | | | | |
|-----|-----------|---------|-----------|---------|------------|-----|------------|-----|------------|-----|------------|-----|
| 679 | 7,539,296 | 11,453 | 1,323,853 | 427,175 | 15,672,456 | 87 | 14,396,255 | 87 | 8,036,244 | 81 | 30,068,711 | 86 |
| 533 | 307,854 | 930,958 | 171,035 | 195 | 2,524,575 | 13 | 2,232,655 | 13 | 2,094,421 | 19 | 4,757,230 | 14 |
| 212 | 7,847,150 | 942,411 | 1,494,888 | 427,370 | 18,197,031 | 100 | 16,628,910 | 100 | 10,130,665 | 100 | 34,825,941 | 100 |

9.1.2- Cost of products and services

| By nature | Denominated in | | Quarter | | | Accumulated | |
|----------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| | R\$ | US\$ | 2Q/07 | 1Q/07 | 2Q/06 | 06/30/07 | 06/30/06 |
| Personnel | 425,661 | 476,849 | 902,510 | 963,910 | 403,940 | 1,866,420 | 776,355 |
| Material | 793,824 | 418,861 | 1,212,685 | 1,155,540 | 813,058 | 2,368,225 | 1,524,832 |
| Oil and gas | 492,488 | 291,255 | 783,743 | 679,461 | 530,903 | 1,463,204 | 987,198 |
| Outsourced services | 726,033 | 427,596 | 1,153,629 | 996,571 | 930,713 | 2,150,200 | 1,795,714 |
| Energy | 402,978 | 78,159 | 481,137 | 462,009 | 338,239 | 943,146 | 642,018 |
| Raw Material | 5,550 | 1,345,719 | 1,351,269 | 1,482,813 | 553,791 | 2,834,082 | 1,077,629 |
| Depreciation and depletion | 487,683 | 454,471 | 942,154 | 734,600 | 391,861 | 1,676,754 | 759,489 |
| Amortization of goodwill | | | | 51,416 | 94,090 | 51,416 | 186,077 |
| Others | 259,742 | 322,607 | 582,349 | 720,507 | 294,127 | 1,302,856 | 546,120 |
| Total | 3,593,959 | 3,815,517 | 7,409,476 | 7,246,827 | 4,350,722 | 14,656,303 | 8,295,432 |
| | 49% | 51% | | | | | |

The 77% increase in the cost of products and services (R\$14,656,302 on June 30, 2007 against R\$8,295,432 on June 30, 2006) resulting from inclusion of CVRD Inco (R\$5,289,622 on June 30, 2007) and is due to increase in sales volumes and changes in the prices of materials, oil, energy and services which comprise production cost during the period.

9.1.3- Selling expenses and administrative expenses

Selling expenses decreased by 33%, from R\$236,048 on June 30, 2006 to R\$158,415 on June 30, 2007.

Administrative expenses increased by 42% from R\$711,540 on June 30, 2006 to R\$1,010,411 on June 30, 2007, basically due to personnel agreements and expenses with professional services, infrastructure and support.

9.1.4- Research and development

Research and development increased by 44%, from R\$378,088 on June 30, 2006 to R\$544,446 on June 30, 2007, reflecting CVRD expansion plan to diversify production and expansion of production to meet world demand.

9.1.5- Other operating expenses

Other operating expenses increased by R\$49,291, from R\$364,727 on June 30, 2006 to R\$414,018 on June 30, 2007.

9.1.6- Net financial results

The net financial result had a change of R\$470,103 (expense of R\$255,356 on June 30, 2007 compared to expense of R\$725,459 on June 30, 2006) due to exchange rate variation effect over the foreign debt, that more than offset the increase of financial expenses.

9.1.7- Income tax and social contribution

Income tax and social contribution reflect an expense of R\$5,270,359 on June 30, 2007 compared with an expense of R\$1,178,436 on June 30, 2006, mainly caused by increase of taxable income.

9.2- Comments on the Parent Company Results for the periods ended June 30, 2007 and June 30, 2006

9.2.1- Gross revenue

The 18,8% increase in gross revenue (R\$10,397,790 on June 30, 2007 against R\$8,752,856 on June 30, 2006) is the result of the 10% increase in sales of iron ore and also for the increase of prices. This effect, over the company's revenue, was compensated in part by the 6% average appreciation of the real against the U. S. dollar.

9.2.2- Cost of products and services

Cost of products and services sold to June 30, 2007 was R\$5,702,136 on 06/30/07 against R\$4,882,884 on June 30, 2006 representing a 17% increase. The main factors are, higher volumes sold of products in general, contracts readjustments and the increase of assets reflecting increase of expenses related to depreciation.

9.2.3- Gross margin

The gross margin increased by 1.1% (42.1% on June 30, 2007 against 41.0% on June 30, 2006) mainly due to increase of prices.

9.2.4- Results of shareholdings

The results of equity investments had increased R\$1,862,928 of R\$4,111,198 in June 30, 2006 against R\$5,974,126 in June 30, 2007, and are strongly impacted by the effect of the variation of the debts, that had influenced of positive form in function of the valuation of the Real, against dollar, in the six months period ended on June 30, 2007 of 10 % and 7.5 % in the six months ended on June 30, 2006. This effect is substantially compensated with the exchange loss in the investments abroad.

Operationally, volumes and average selling prices increased in iron ore, pellets and aluminum areas and nickel. This increase was partially compensated by decrease in average selling prices and volume in manganese and ferroalloys.

9.2.5- Selling expenses and administrative expenses

Selling expenses increased by R\$7,541, from R\$3,188 on June 30, 2006 to R\$10,729 on June 30, 2007, while administrative expenses increased by 5.49%, from R\$410,911 on June 30, 2006 to R\$433,454 on June 30, 2007, basically due to personnel agreement and expenses with professional services, infrastructure and support.

9.2.6- Research and development

Research and development increased by 6,20%, from R\$235,122 on June 30, 2006 to R\$249,706 on June 30, 2007, reflecting CVRD expansion plan to diversify production and expansion of production to meet world demand.

9.2.7- Other operating expenses (income)

Other operating expenses decreased by R\$284,155 from R\$244,775 expense on June 30, 2006 to R\$39,380 income on June 30, 2007.

9.2.8- Net financial results

The net financial results on June 30, 2007 had an impact of R\$1,807,768 (income of R\$1,773,843 on June 30, 2007 compared to expense of R\$33,925 on June 30, 2006) basically due to exchange rate variation effect of the Real against the dollar over the foreign debt.

9.2.9- Income tax and social contribution

Income tax and social contribution reflect an expense of R\$1,552,467 on June 30, 2007 compared with an expense of R\$503,273 on June 30, 2006, mainly caused by increase of taxable income.

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

Board of Directors

Sérgio Ricardo Silva Rosa

Chairman

Mário da Silveira Teixeira Júnior

Vice-President

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 and Investor Relations

Carla Grasso

Executive Officer for Human Resources and Corporate Services

Eduardo de Salles Bartolomeo

Executive Officer for Logistics

Fabio de Oliveira Barbosa

Chief Financial Officer

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

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 8, 2007

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