Companhia Vale do Rio Doce
Form 6-K
March 05, 2008

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
March 2008

Companhia Vale do Rio Doce

Avenida Graça Aranha, No. 26
20005-900 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 þ Form 40-F o

(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 o No þ

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

Contents

A- Financial Statements

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

1- Balance Sheet

Years ended December, 31 **In millions of reais**

		Consolidated		Parent Company	
	Notes	**2007**	**2006**	**2007**	**2006**
Assets					
Current assets					
Cash and cash equivalents	7.8	2,128	9,778	120	203
Accounts receivable from customers	7.9	7,136	7,892	2,379	4,912
Related parties	7.10	36	61	1,580	1,056
Inventories	7.11	7,258	6,369	1,932	1,105
Taxes to recover or offset	7.12	2,230	1,003	792	463
Deferred income tax and social contribution	7.13	1,084	885	611	404
Others		1,281	1,181	479	379
		21,153	**27,169**	**7,893**	**8,522**
Non-current assets					
Long-term receivables					
Related parties	7.10	5	11	3,413	381
Loans and financing	7.17	226	234	115	110
Deferred income tax and social contribution	7.13	482	2,759	237	481
Judicial deposits	7.18	864	841	776	506
Taxes to recover or offset	7.12	500	809	193	220
Advances to energy suppliers		1,016	945		
Provisions for derivatives	7.27	1,191	106	1,064	51
Prepaid expenses		459	811		116
Others		219	175	107	21
		4,962	**6,691**	**5,905**	**1,886**
Investments	7.14	**1,869**	**1,856**	**62,738**	**54,572**
Intangibles	7.15	**12,834**	**9,532**	**12,143**	**9,507**
Property, plant and equipment	7.16	**91,959**	**77,611**	**28,097**	**25,665**
Deferred charges		**122**	**150**		
		106,784	**89,149**	**102,978**	**89,744**
		132,899	**123,009**	**116,776**	**100,152**

Years ended December 31					In millions of reais
			Consolidated		Parent Company
	Notes	2007	2006	2007	2006
Liabilities, and stockholders equity					
Current liabilities					
Short-term debt	7.17	1,007	2,035	297	1,511
Current portion of long-term debt	7.17	2,354	1,626	1,483	515
Payable to suppliers and contractors		4,294	5,164	1,927	1,690
Related parties	7.10	15	30	6,702	4,502
Payroll and related charges		1,344	1,001	776	494
Pension Plan	7.20	232	230	78	78
Proposed dividends and interest on stockholders equity		4,752	3,189	4,752	3,189
Provision for income tax		2,222	1,946		
Taxes, contributions and royalties		586	285	50	79
Provisions for derivatives	7.27	613		47	
Ferrovia Norte Sul subconcession		372			
Others		1,556	1,138	500	426
		19,347	**16,644**	**16,612**	**12,484**
Non-current liabilities					
Long-term debt	7.17	32,445	46,004	8,643	26,013
Related parties	7.10		1	29,466	18,956
Provisions for contingencies	7.18	3,189	2,363	1,979	1,508
Deferred income tax and social contribution	7.13	8,073	4,319		
Pension Plan	7.20	3,808	4,118	590	569
Provision for asset retirement obligations	7.19	1,649	1,476	743	619
Provisions for derivatives	7.27	9	1,566		69
Ferrovia Norte Sul subconcession		372			
Others		2,201	1,412	1,713	836
		51,746	**61,259**	**43,134**	**48,570**
Deferred income		**93**	**7**		
Minority interest		**4,683**	**6,001**		
Stockholders equity					
Paid-up capital	7.21	28,000	19,492	28,000	19,492
Revenue reserves		25,966	19,606	25,966	19,606
Resources linked to the future mandatory conversion in shares	7.22	3,064		3,064	
		57,030	**39,098**	**57,030**	**39,098**

	132,899	**123,009**	**116,776**	**100,152**

The notes and attachment I are an integral part of the financial statements

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

2- Statement of Income

Years ended December 31								**In millions of reais**
					Consolidated		**Parent Company**	
		Quarter (Unaudited)			**Accumulated**		**Accumulated**	
	Notes	**4Q/07**	**3Q/07**	**4Q/06**	**2007**	**2006**	**2007**	**2006**
Operating revenues								
Ore and metals		**12,935**	**13,231**	**13,961**	**55,332**	**36,135**	**20,698**	**17,817**
Transport services		843	894	849	3,497	3,405	1,939	1,864
Sales of aluminum-related products		1,247	1,358	1,496	5,529	5,533	278	102
Sales of steel products		265	318	333	1,248	1,478		
Other products and services		231	236	53	779	195	114	91
		15,521	**16,037**	**16,692**	**66,385**	**46,746**	**23,029**	**19,874**
Value Added taxes		(436)	(417)	(370)	(1,621)	(1,454)	(1,213)	(1,051)
Net operating revenues		**15,085**	**15,620**	**16,322**	**64,764**	**45,292**	**21,816**	**18,823**
Cost of products and services								
Ores and metals		(6,271)	(5,409)	(5,872)	(22,814)	(14,578)	(11,944)	(9,776)
Transport services		(538)	(520)	(441)	(2,146)	(1,770)	(769)	(718)
Aluminum-related products		(853)	(785)	(829)	(3,246)	(3,013)	(192)	(75)
Steel products		(277)	(310)	(310)	(1,199)	(1,231)		
Other products and services		(221)	(243)	(72)	(679)	(164)	(41)	(62)
		(8,160)	**(7,267)**	**(7,524)**	**(30,084)**	**(20,756)**	**(12,946)**	**(10,631)**
Gross profit		**6,925**	**8,353**	**8,798**	**34,680**	**24,536**	**8,870**	**8,192**
Gross margin		**45.9%**	**53.5%**	**53.9%**	**53.5%**	**54.2%**	**40.7%**	**43.5%**
Operating expenses								
Selling and Administrative	7.28	(799)	(581)	(602)	(2,550)	(1,952)	(1,159)	(881)
Research and development		(462)	(391)	(375)	(1,397)	(1,042)	(767)	(590)
Other operating expenses	7.28	(608)	(396)	(741)	(1,418)	(1,453)	(493)	(856)
		(1,869)	**(1,368)**	**(1,718)**	**(5,365)**	**(4,447)**	**(2,419)**	**(2,327)**
Operating profit before financial results and results of equity investments		**5,056**	**6,985**	**7,080**	**29,315**	**20,089**	**6,451**	**5,865**

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Years ended December 31							In millions of reais	
					Consolidated		Parent Company	
			Quarter (Unaudited)		Accumulated		Accumulated	
	Notes	4Q/07	3Q/07	4Q/06	2007	2006	2007	2006
Results of equity investments								
Gain on investments accounted for by the equity method	7.14	46	44	118	143	389	22,483	10,708
Provision for losses							25	(60)
Exchange variation in stockholders ´equity and goodwill of companies abroad		(22)	(17)		(112)	(25)	(8,625)	(760)
		24	**27**	**118**	**31**	**364**	**13,883**	**9,888**
Amortization of goodwill	7.14	(333)	(344)	(262)	(1,304)	(563)	(1,304)	(563)
Exchange variation in goodwill of companies abroad		(265)	(326)		(1,132)		(1,132)	
		(574)	**(643)**	**(144)**	**(2,405)**	**(199)**	**11,447**	**9,325**
Financial results, net	7.26	**395**	**138**	**(771)**	**277**	**(1,745)**	**3,320**	**(1,065)**
Non-operating income	7.28		**197**	**(1,006)**	**1,458**	**(215)**	**1,300**	**278**
Income before income tax and social contribution		**4,877**	**6,677**	**5,159**	**28,645**	**17,930**	**22,518**	**14,403**
Income tax and social contribution	7.13	**(183)**	**(1,633)**	**(1,420)**	**(7,085)**	**(3,390)**	**(2,512)**	**(972)**
Income before minority interests		**4,694**	**5,044**	**3,739**	**21,560**	**14,540**	**20,006**	**13,431**
Minority interest		**(284)**	**(385)**	**(371)**	**(1,554)**	**(1,109)**		
Net income for the period		**4,410**	**4,659**	**3,368**	**20,006**	**13,431**	**20,006**	**13,431**
Number of shares outstanding at the end of the period (in thousands)		**4,832,391**	**4,832,391**	**4,832,388**	**4,832,391**	**4,832,388**	**4,832,391**	**4,832,388**

Net earnings per share outstanding at the end of the period (R$)	**0.91**	**0.96**	**0.70**	**4.14**	**2.78**	**4.14**	**2.78**

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3- Statement of Changes in Stockholders Equity

Years ended December 31 — **In millions of reais**

				Revenue reserves					
	Paid-up capital	**Expansion/ Investments**	**Treasury stock**	**Unrealized income**	**Legal**	**Fiscal incentives**	**Retained earnings**	**Resources linked to mandatory conversion in shares**	**Total**
December 31, 2005	**14,000**	**8,463**	**(131)**	**237**	**1,400**	**83**			**24,052**
Capital Increase	5,492								5,492
Net income for the year							13,431		13,431
Realization of reserves				(114)			114		
Treasury stock			(659)						(659)
Interim dividends							(29)		(29)
Stockholder s remuneration payed							(3,189)		(3,189)
Appropriation to revenue reserves		9,645			672	10	(10,327)		
December 31, 2006	**19,492**	**18,108**	**(790)**	**123**	**2,072**	**93**			**39,098**
Net income for the period							20,006		20,006
Capitalization of reserves	8,508	(7,673)			(752)	(83)			
Resources linked to mandatory								3,064	3,064

conversion in shares									
Interim dividends		(371)					(15)		(386)
Stockholder s remuneration proposed							(4,752)		(4,752)
Appropriation to revenue reserves		14,220		(62)	1,000	81	(15,239)		
December 31, 2007	**28,000**	**24,284**	**(790)**	**61**	**2,320**	**91**		**3,064**	**57,030**

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4- Statement of Changes in Financial Position

Years ended December 31				**In millions of *reais***
	Consolidated		**Parent Company**	
	2007	**2006**	**2007**	**2006**
Funds were provided by:				
Net income for the year	20,006	13,431	20,006	13,431
Amounts that do not affect working capital:				
Results of equity investments	2,405	199	(11,447)	(9,325)
Dividends/interest on stockholders equity	134	140	2,775	2,454
Depreciation, amortization and depletion	4,119	2,203	1,432	1,080
Long term deferred income tax and social contribution	7,303	61	244	(69)
Investments sales	1,500	1,489	1,432	770
Results on sale of assets	(1,458)	(1,212)	(1,300)	(278)
Net monetary and exchange rate variations on long-term assets and liabilities	(6,468)	(484)	(5,625)	(565)
Disposal of property, plant and equipment	349	284	536	118
Amortization of goodwill in the cost of products sold	51	327	51	327
Net unrealized derivative losses	(1,715)	316	(1,551)	(13)
Minority interest	1,554	1,109		
Others	240	13	324	(348)
Total funds from operations	**28,020**	**17,876**	**6,877**	**7,582**
Loans to related parties, transferred to current assets	20	12	46	45
Loans and financing obtained	19,281	49,388	1,983	38,035
Loans from related parties		31	16,534	14,840
Others	1,570	673	1,646	511
Total funds provided	**48,891**	**67,980**	**27,086**	**61,013**
Funds were used for:				
Long-term debt transferred to current liabilities	24,802	15,860	19,495	15,025
Related parties	6	382	82	92
Additions to property, plant and equipment	25,429	9,433	4,526	6,099
Additions to Investments	492	315	2,314	34,647
Dividends/interest on stockholders equity	5,138	3,218	5,138	3,218
Guarantees and deposits	254	190	202	129
Advances to energy suppliers	71	217		
Others	1,340	507	86	910
Total funds used	**57,532**	**30,122**	**31,843**	**60,120**

Increase (decrease) in working capital	**(8,641)**	**37,858**	**(4,757)**	**893**

Changes in working capital are as follows:

Initial working capital of new consolidated investments	78	28,237		
Current assets:				
At the end of the year	21,153	27,169	7,893	8,522
At the beginning of the year	27,169	12,571	8,522	5,206
	(6,016)	**14,598**	**(629)**	**3,316**
Current liabilities:				
At the end of the year	19,347	16,644	16,612	12,484
At the beginning of the year	16,644	11,667	12,484	10,061
	2,703	**4,977**	**4,128**	**2,423**
Increase (decrease) in working capital	**(8,641)**	**37,858**	**(4,757)**	**893**

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5- Statement of Cash Flows

Years ended December 31							**In millions of reais**
				Consolidated		**Parent Company**	
	Quarter (Unaudited)			**Accumulated**		**Accumulated**	
	4Q/07	**3Q/07**	**4Q/06**	**2007**	**2006**	**2007**	**2006**
Cash flows from operating activities:							
Net income for the period	4,410	4,659	3,368	20,006	13,431	20,006	13,431
Adjustments to reconcile net income for the period with cash provided by operating activities:							
Results of equity investments	574	644	144	2,405	199	(11,447)	(9,325)
Sale of assets		(197)	(421)	(1,458)	(1,212)	(1,300)	(278)
Depreciation, amortization and depletion	1,300	999	827	4,119	2,203	1,432	1,080
Deferred income tax and social contribution	(505)	(493)	81	(1,831)	(158)	37	(139)
Financial expenses and monetary and exchange rate variations on assets and liabilities, net	(2,008)	(1,773)	80	(5,153)	(193)	(6,330)	(385)
Minority interest	284	385	371	1,554	1,109		
Disposal of property, plant and equipment	203	22	162	349	284	536	118
Amortization of goodwill in the cost of products sold			47	51	327	51	327
Net unrealized losses (gains) on derivatives	(606)	(643)	214	(1,715)	315	(1,551)	(13)
Dividends/interest on stockholders equity received	75	13	4	134	140	1,962	2,134
Others	(50)	102	80	229	(57)	643	38
	3,677	**3,718**	**4,957**	**18,690**	**16,388**	**4,039**	**6,988**
Decrease (increase) in assets:							
Accounts receivable	349	1,268	264	1,359	(821)	(500)	(2,877)
Inventories	(475)	(602)	(1)	(1,397)	(470)	(690)	159
Advances to energy suppliers	46	17	(17)	(71)	(217)		
Others	513	292	(441)	348	(868)	53	(346)
	433	**975**	**(195)**	**239**	**(2,376)**	**(1,137)**	**(3,064)**

Increase (decrease) in liabilities:							
Suppliers and contractors	559	194	230	1,358	(130)	238	(78)
Payroll and related charges	165	226	(159)	223	(183)	281	70
Taxes and contributions	(1,084)	1,100	(212)	242	122	(29)	(11)
Others	(50)	(661)	242	(405)	108	997	(269)
	(410)	**859**	**101**	**1,418**	**(83)**	**1,487**	**(288)**
Net cash provided by operating activities	**3,700**	**5,552**	**4,863**	**20,347**	**13,929**	**4,389**	**3,636**
Cash flows from investing activities:							
Loans and advances receivable	(39)	6	(261)	32	(322)	281	155
Guarantees and deposits	(87)	(28)	87	(254)	(190)	(202)	(129)
Additions to investments	(362)	(32)	(80)	(492)	(315)	(2,314)	(34,647)
Additions to property, plant and equipment	(4,681)	(3,050)	(4,191)	(13,159)	(10,102)	(4,505)	(6,144)
Proceeds from disposal of property, plant and equipment/investments		198	608	1,500	1,670	1,432	888
Net cash used in acquisitions and increase of funds to subsidiaries, net of the cash of subsidiary			(28,211)	(6,404)	(28,237)		2
Net cash used in investing activities	**(5,169)**	**(2,906)**	**(32,048)**	**(18,777)**	**(37,496)**	**(5,308)**	**(39,875)**
Cash flows from (used in) financing activities:							
Short-term debt additions	3,973	1,070	2,767	9,959	11,475	5,305	7,053
Short-term debt repayments	(3,549)	(975)	(1,828)	(10,532)	(10,004)	(1,637)	(5,638)
Long-term debt	1,210	159	45,855	15,681	49,419	18,517	52,783
Issue of convertible notes, in common shares				2,481			
Issue of convertible notes, in preferred shares				1,119			
Repayments:							
Related parties						(82)	
Financial institutions	(250)	(1,675)	(14,949)	(23,046)	(16,615)	(17,693)	(14,449)
Interest on stockholders equity paid to stockholders	(2,664)		(1,462)	(4,882)	(2,974)	(3,574)	(2,779)

and dividends							
Treasury stock					(659)		(659)
Net cash provided by (used in) financing activities	**(1,280)**	**(1,421)**	**30,383**	**(9,220)**	**30,642**	**836**	**36,311**
Increase (decrease) in cash and cash equivalents	**(2,749)**	**1,225**	**3,198**	**(7,650)**	**7,075**	**(83)**	**72**
Cash and cash equivalents, beginning of the period	4,877	3,652	6,580	9,778	2,703	203	131
Cash and cash equivalents, end of the period	**2,128**	**4,877**	**9,778**	**2,128**	**9,778**	**120**	**203**
Cash paid during the period for:							
Short-term interest	(18)	(23)	(14)	(143)	(41)	(102)	(18)
Long-term interest	(649)	(623)	(562)	(2,505)	(1,271)	(2,490)	(903)
Income tax and social contribution	(867)	(986)	(151)	(5,724)	(1,264)	(2,219)	(912)
Non-cash transactions:							
Additions to property, plant and equipment interest capitalization	145	7	(7)	(113)	(38)	(12)	(46)
Transfer of advance for future capital increase to investments						(105)	(282)

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6- Statement of Value Added

Years ended December 31							**In millions of *reais***	
			Consolidated				**Parent Company**	
	2007	**%**	**2006**	**%**	**2007**	**%**	**2006**	**%**
Generation of Value Added								
Gross revenue	**66,385**	**100**	**46,746**	**100**	**23,029**	**100**	**19,874**	**100**
Less: Acquisition of products	(4,890)	(7)	(3,308)	(7)	(2,958)	(13)	(1,901)	(10)
Outsourced services	(5,236)	(8)	(4,556)	(10)	(3,024)	(13)	(2,925)	(15)
Materials	(4,833)	(7)	(3,524)	(8)	(2,145)	(9)	(1,945)	(10)
Fuel oil and gas	(3,115)	(5)	(2,361)	(5)	(1,183)	(5)	(951)	(5)
Research and development, selling and administrative	(2,031)	(3)	(1,642)	(4)	(850)	(4)	(669)	(3)
Other costs and expenses	(4,011)	(6)	(3,672)	(8)	(191)	(1)	(962)	(5)
Gross Value Added	**42,269**	**64**	**27,683**	**58**	**12,678**	**55**	**10,521**	**52**
Depreciation, amortization and depletion	(4,170)	(6)	(2,530)	(5)	(1,483)	(6)	(1,407)	(7)
Net Value Added	**38,099**	**58**	**25,153**	**53**	**11,195**	**49**	**9,114**	**45**
Received from third parties								
Financial revenue (a)	4,517	7	701	1	4,177	18	470	2
Equity results	(2,405)	(4)	(199)		11,447	50	9,325	47
Non operating results	**40,211**	**61**	**25,655**	**54**	**26,819**	**117**	**18,909**	**94**
Total Value Added to be distributed								
Employees	5,021	12	3,311	13	1,596	6	1,397	7
Government	9,678	24	5,693	22	4,571	17	2,799	15
Third parties capital (interest and monetary and exchange variances, net) (b)	3,952	10	2,111	8	646	2	1,282	7
Stockholders remuneration	5,138	13	3,218	13	5,138	19	3,218	17
Minority interest	1,554	4	1,109	4				
Retained earnings	14,868	37	10,213	40	14,868	56	10,213	54

Total Value added distributed	**40,211**	**100**	**25,655**	**100**	**26,819**	**100**	**18,909**	**100**

The notes and attachment I are an integral part of the financial statements

(a) Includes monetary and exchange rate variation losses from assets;

(b) Includes monetary and exchange rate variations gains from liabilities.

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7- Notes to the Financial Statements at December 31, 2007 and 2006

Expressed In million of *reais*

7.1- Operations

Companhia Vale do Rio Doce (Vale) 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, operates in iron ore and pellets, nickel, copper, precious metals, cobalt (by product), manganese and ferroalloys, kaolin, coal, steel, aluminum-related products and logistics.

7.2- Presentation of Financial Statements

The Financial Statements have been prepared in accordance 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) and also in the cases that there is no conflict according to the International Accounting Practices.

As part of the Financial statements, the Company present as additional information the calculation of the earnings before financing results, equity results, income tax and social contribution, depreciation and amortization EBITDA. Although the EBITDA, as defined before, does not offer valuation for operational cash flow for Brazilian accounting principles, is often used by financial analysts on valuation of our business and Management uses this indicator to measure our operational performance.

Some figures related to the Financial Statements as of 2006 were reclassified to improve the comparability.

7.3- Accounting Pronouncements Recently-issued by Comissão de Valores Mobiliários

On December 28, 2007 was enacted the Law 11.638/07 that changes the Corporate Law mainly related to accounting aspects, with the aim to align the Brazilian accounting rules with the international accounting rules, and also give Brazilian Securities Commission CVM the power/duty to issue rules to the public companies in accordance with international standards issued by International Accounting Standards Board.

The main changes included in the new Law from 2008 onwards were: replacement of the Statement of Changes in Financial Position (DOAR) by the Statement of Cash Flow, inclusion of the Statement of Value Added (DVA), requirement for the Company to periodically analyze the recoverability of the amounts booked at permanent, intangible and deferred assets, adjustment to market value of financial instruments and others, practices already substantially adopted by the Company.

CVM intends to conclude by the end of 2008, the entire regulatory process for items amended in the Law. The convergence of International Accounting Standards still depends of regulatory process to be develop by CVM. As a result of this regulatory process CVM issued on 01/29/08 the Deliberation CVM No 534, which approved the Technical Decision CPC 02, that settles the effects of changes in exchange rates and conversion of Financial Statements.

The company believes that the main effects of International Rules on our Financial Statements will be the accounting treatment of goodwill amortization on acquired companies (effect in 2007 of R$1,304 of expense) and the treatment of exchange rate on the investments abroad (effect in 2007 of R$2,469 of expense), as well as the tax effect.

7.4- Principles and Practices of Consolidation

(a) The consolidated Financial Statements show the balances of assets and liabilities on 12/31/07 and 12/31/06 and the operations of the Parent Company, its direct and indirect subsidiaries and its jointly-controlled companies;

(b) Intercompany balances and the Parent Company s investments in its direct and indirect subsidiaries and jointly-controlled companies were eliminated in the consolidation. Minority interest is shown separately on the balance sheet and statement of income;

(c) In the case of investments in companies in which the control is shared with other stockholders, the components of assets and liabilities and revenues and expenses are included in the consolidated financial statements in proportion to the participation of the Parent Company in the capital of each investee;

(d) The principal figures of the subsidiaries and jointly-controlled companies included in the consolidation are presented in Attachment I; and

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

7.5- Summary of significant Accounting Policies

(a) The Company adopts the accrual basis of accounting;

(b) The preparation of financial statements requires management to make estimates to record some assets, liabilities and transactions. As a result, the financial statements of the Company include some estimates for useful lives of property, plant and equipment, provisions necessary for assets, contingent liabilities, operational provisions and other similar evaluations. Actual results could differ from those estimates;

(c) The information presented to the management with the performance of each segment is usually derived on the accounting records, with some relocation between segments. We analyze the information by segment as follows:

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

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

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

Holdings divided into the following sub-groups:

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

Other comprises our investments in joint ventures and affiliates engaged in other business.

(d) Assets and liabilities that are realizable or due more than 12 months after the financial statements date are classified as non-current;

(e) Revenues are recognized in the results when all the risks and benefits of the product or service are transferred to the customer. The income is not recognized when there is significant uncertainty of its realization;

(f) The accounts receivable are recorded and stated in the balance sheet by the nominal value increased by monetary or exchange variations, when applicable, reduced by provisions to cover extraordinary loss on its realization;

The allowance for doubtful accounts is set up at in amount considered sufficient by the management to cover eventual loss on the realization of these credits. The estimated value of the allowance for doubtful accounts can be modified based on the expectation of the management about the possibility to recover the amounts or changes in the financial situation of the customers;

(g) Marketable securities, classified as cash and cash equivalents are represented by less than 90 days applications and are stated at cost plus accrued income earned to the financial statements date, limited to the market value;

(h) Inventories are stated at average purchase or production cost, and imports in transit at the cost of each item, not exceeding market or realizable value;

(i) Assets and liabilities in foreign currencies are translated at exchange rates in effect at the financial statements date, being US$1.00 equivalent to R$1.7713 at 12/31/07 (US$1.00 equivalent to R$2.1380 at 12/31/06) and those in local currency, when applicable, are restated based on contractual indices;

(j) Amounts given in advance to Centrais Elétricas do Norte do Brasil S.A. Eletronorte, due to long term contract to supply of energy, are classified as Advances to energy suppliers , in long-term receivables;

(k) Investments in subsidiaries, jointly-controlled companies and affiliated companies are accounted for by the equity method, based on the stockholders equity of the investees, and when applicable, increased/decreased by goodwill/negative goodwill to be amortized and provision for losses. Other investments are booked at acquisition costs and deducted when applicable of provisions for losses. At consolidated, the exchange rate effect over stockholders equity from investees abroad is classified as monetary and exchange rate variation included as financial results, net;

(l) Property, plant and equipment, including interest incurred during the construction period, are recorded at historical cost (the assets acquired in Brazil are also increased by monetary restatement up to 1995) and depreciated on the straight-line method, based on the estimated useful lives of the assets. Depletion of mineral reserves is based on the ratio between effective production and the total probable and proven reserves.

The company revised the accounting value of the long-term assets used in their operations at least annually or in a period shorter than this every time there is an event in the circumstances that may indicate that the value of an asset or a group of assets maybe not be recovered.

If the discounted future cash flow of an asset or a group of assets indicate that its recoverability may not be possible, the company adjusts the accounting value of this asset by recording a loss in the amount that exceed the probably recovered amount. The probably recovered amount is based on the higher value between (a) the estimated value of the assets less the estimate costs to sell it and (b) the use value based on the present value of the future cash flows on the cash generation unit in which the asset is included.

(m) Research and development costs are incurred as operational expenses until the proof of its economical feasibility to exploit commercially a mine. After this proof, the costs are capitalized cost of developing the mine;

(n) During the development of a mine, stripping costs registered are capitalized as part of developing costs. Post-production stripping costs are recorded as production costs;

(o) Intangibles are recorded at acquisition cost, deducted by accumulated amortization and provisions for losses if applicable. They refers basically to goodwill on acquisitions based on expectation of future profitability of Vale Inco, Caemi, MBR and Vale Australia;

(p) The assets and liabilities of deferred taxes are based: (a) on the temporary differences between the accounting value and the fiscal bases of our assets and liabilities; (b) the tax loss of income tax; (c) on the negative basis on the calculation of social contribution, based on the assumption of future taxable profits. If the Company generate futures loss, or if it is not able to generate future profit, or if there is a significant change in the effective tax rates or in the necessary time to these deferred taxes been deductible or taxable, the management may considered to be necessary to constitute a provison for losses of these deferred assets;

(q) The derivatives contracts used to manage the associated risks on the variation of exchange rates, interest rates and are commodities prices recorded on the accrual basis of accounting and the gain and loss are recorded in financial income or expenses and exchange variation;

(r) The Company follows the accounting practices laid down by Deliberation CVM 371/00 related to the recognition of liabilities and results from actuarial valuation of employees ´ pension plan;

(s) The expenditures of the environmental impact caused by the activities of the Company are booked as asset retirement obligations;

(t) The financial statements of the Parent Company reflect the Board of Directors proposal for appropriation of the net income for the year, on the assumption of the approval of the Annual General Meeting of Stockholders ; and

(u) The approval of the Financial Statements by the Executive Ofiicers was on 02/25/08. There were no events subsequent to the Balance Sheet date that should be reported.

7.6- Independent Auditors Policy

The Company developed and formalized internal rules and procedures of pre-approval of the services contracted with its external auditors, for the purpose avoiding the conflict of interest, loss of independence or objective of its independent external auditors.

The policy concerning independent auditors in relation to non-audit services is based on the maintenance of their independence. According to best practices of corporate governance, all services rendered by independent auditors are pre-approved by the Fiscal Council.

According to CVM rule 381/2003, the services contracted with the prsent auditors of the Company, Deloitte Touche Tohmatsu Auditores Independentes, during 2007 to Vale and its direct and indirect subsidiaries and its jointly-controlled companies were as follows:

	2007
Audit Fees	1.5
Audit Related Fees	0.1
Rewiew of DIPJ (Income tax return)	1.3
Other	0.2
Total Fees	**3.1**

7.7- Acquisitions and divestments

(a) In October 2007 the Company won the auction for commercial exploitation of a 720 km stretch of the North-South railroad (FNS), during 30 years, running from Açailândia, state of Maranhão, to Palmas, state of Tocantins in the amount of R$1,478. The amount of R$ 739 was already paid, which represents 50% of the sub concession. The second installment, equal to 25% of the amount is scheduled to be paid in December 2008, while the last installment shall be paid at the time of the completion of the last part of the railroad, increased by IGP-DI until the payment date;

(b) In July 2007, the Company sold its participation of 1.8% of the ordinary shares of Lion Ore Mining International Ltd. (Lion Ore), held by its subsidiary Vale Inco for R$197 with a gain of R$153;

(c) In June 2007, the Company sold through a primary and secondary public offering 25,213,664 common shares of Log-In Logística Intermodal S/A. (Log-In), representing 57.84% of total capital, for R$347 with a gain on sale of R$301 and gain on capital of R$116. In July the company sold 5.1% additional stake for R$44 with a gain of R$38. Currently the Company holds 31.27% of total capital of this entity, which is recognized as an equity investee, since June 2007.

(d) 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 generating a gain of R$839. The Company retained 6,608,608 shares which are bound by the current shareholders agreement of Usiminas.

(e) In May 2007, the Company acquired 6.25% of EBM for R$467. On this occasion an agreement was entered into that grants us, during the next 30 years, the control of MBR, including the right to dividends. In exchange, Vale will pay a total of US$ 61 for the year of 2007 and 29 annual amounts of US$ 48 from 2008 onwards.

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

(g) In March 2007, Vale acquired the remaining 18% interest in Ferro Gusa held by Nucor do Brasil S.A. for R$41. As a result Vale now owns 100% of Ferro Gusa s shares;

(h) In January 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, approved the amalgamation of Inco with Itabira Canada Inc. (Itabira Canadá), a wholly owned indirect subsidiary of the Company. Pursuant to the amalgamation, Inco became a wholly owned subsidiary and change its name to CVRD Inco Limited (actually Vale Inco).

To improve comparability the company presents, the consolidated statement of income as if the acquisition had been made at the beginning of 2006.

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

			Accumulated 2006
	VALE	**INCO**	**Total**
Net operating revenues	**45,291**	**11,694**	**56,985**
Cost of products and services	(20,756)	(7,022)	(27,778)

Gross profit	**24,535**	**4,672**	**29,207**
Operating expenses	(4,446)	(787)	(5,233)
Operating profit before financial results and results of equity investments	**20,089**	**3,885**	**23,974**
Results of equity investments	(199)	(557)	(756)
Financial results, net	(1,745)	(1,687)	(3,432)
Non-operating income	(215)	316	101
Income before income tax and social contribution	**17,930**	**1,957**	**19,887**
Income tax and social contribution	(3,390)	(725)	(4,115)
Income before minority interests	**14,540**	**1,232**	**15,772**
Minority interest	(1,109)	(35)	(1,144)
Net income for the period	**13,431**	**1,197**	**14,628**

7.8- Cash and Cash Equivalents

	Consolidated		Parent Company	
	2007	**2006**	**2007**	**2006**
Cash and bank accounts	795	3,404	71	68
Marketable securities linked to the interbank deposit certificate rate	343	645	49	135
Time deposits / Overnight	990	5,729		
	2,128	**9,778**	**120**	**203**

7.9- Accounts Receivable

	Consolidated		Parent Company	
	2007	**2006**	**2007**	**2006**
Domestic	1,162	1,793	1,166	994
Export	6,173	6,258	1,293	4,006
	7,335	**8,051**	**2,459**	**5,000**
Allowance for doubtful accounts	(181)	(123)	(64)	(55)
Allowance for ore weight credits	(18)	(36)	(16)	(33)
	7,136	**7,892**	**2,379**	**4,912**

No individual client was responsible for more than 10% of total revenues.

7.10- Related Parties

Non eliminated related parties operations, derived from sales and purchases of products and services or from loans under normal market conditions as follows:

	Assets				Liabilities			
	2007		2006		2007		2006	
	Customers	**Related party**	**Customers**	**Related party**	**Suppliers**	**Related party**	**Suppliers**	**Related party**
Companhia Nipo-Brasileira de Pelotização NIBRASCO	60	10	73	10	26		40	
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	45	6	60	1	40		51	
Companhia Ítalo-Brasileira de Pelotização ITABRASCO	46		53		43		16	3
Companhia Coreano-Brasileira de Pelotização KOBRASCO	21	1	42		12		10	3
Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS	52	9	62	52			1	
Samarco Mineração S.A.	4	5	5					

MRS Logistica S.A.	2				30		9	15
Baovale Mineração S.A.	14		1		36		25	
Mitsui & Co., Ltd					37		39	
Mineração Rio do Norte S.A.					30		27	
Minas da Serra Geral S.A.					10	3	10	5
Taiwan Nickel Refining Corporation			774					
Korea Nickel Corporation	16		120					
Others	37	10	11	9	10	12	10	5
Total	**297**	**41**	**1,201**	**72**	**274**	**15**	**238**	**31**
Registered as:								
Current	297	36	1,201	61	274	15	238	30
Non-current		5		11				1
	297	**41**	**1,201**	**72**	**274**	**15**	**238**	**31**

The principal results arising from commercial and financial transactions carried out by the Parent Company with related parties, classified in the statement of income as revenue and costs of sales and services and financial income and expenses, are as follows:

	Income		Expense / Cost	
	2007	**2006**	**2007**	**2006**
Baovale Mineração S.A.			16	15
Gulf Industrial Investment Co.-GIIC (*)		80		3
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	216	216	327	332
Companhia Ítalo-Brasileira de Pelotização ITABRASCO	203	192	292	119
Companhia Coreano-Brasileira de Pelotização KOBRASCO	197	224	331	383
Companhia Nipo-Brasileira de Pelotização NIBRASCO	334	350	540	548
Mineração Rio do Norte S.A.			271	280
MRS Logística S.A.	2	18	674	693
Samarco Mineração S.A.	112	81		
Usinas Siderúrgicas de Minas Gerais USIMINAS	886	912		
Other	15	19	34	41
	1,965	**2,092**	**2,485**	**2,414**

Additionally the Company has balances with Mitsui & Co, Bradesco, Banco Nacional de Desenvolvimento Social and, BNDES Participações in the amounts of R$23, R$5,566, R$418 and, R$666 in December 31, 2007 related to loans received at market interest conditions, with maturity at November, 2013. This amounts are booked at loans and financing, as described in note 7.17.
The Company also has cash equivalents with Bradesco in the amount of R$32 in 2007.

(*) Company sold in May 2006.

7.11- Inventories

	Consolidated		Parent Company	
	2007	**2006**	**2007**	**2006**
Finished products				
. Nickel, co-products and sub products Inco	3,209	2,793		
. Iron ore and pellets	1,110	765	967	388
. Manganese and ferroalloys	186	199		
. Aluminum products	327	321	60	
. Copper	27	10	27	10
. Steel products	59	74		
. Other	206	134	6	5
	5,124	**4,296**	**1,060**	**403**
Spare parts and maintenance supplies	**2,134**	**2,073**	**872**	**702**
	7,258	**6,369**	**1,932**	**1,105**

7.12- Taxes to recover or offset

	Consolidated		Parent Company	
	2007	**2006**	**2007**	**2006**
Income tax	1,293	517	378	131
Value-added tax ICMS	591	612	432	453
PIS and COFINS	712	618	115	53
INSS	32	24	31	22
Others	102	41	29	24
Total	**2,730**	**1,812**	**985**	**683**
Current	2,230	1,003	792	463
Non-current	500	809	193	220
	2,730	**1,812**	**985**	**683**

7.13- Deferred Income Tax and Social Contribution

Income of the company is subject to the normal tax system. The net balances of deferred assets and liabilities are presented as follows:

	Consolidated		Net Deferred Parent Company	
	12/31/07	**12/31/06**	**12/31/07**	**12/31/06**
Tax loss carryforward	832	218		
Temporary differences:				
Pension Plan	1,101	2,116	242	220
Contingent liabilities	861	895	783	648
Provision for losses on assets	323	402	295	328
Goodwill from propety, plan and equipaments acquired	(8,073)	(4,319)		
Others	(1,551)	13	(472)	(311)
	(7,339)	(893)	848	885
Total	**(6,507)**	**(675)**	**848**	**885**
Current	1,084	885	611	404
Non-current	482	2,759	237	481
ASSETS	**1,566**	**3,644**	**848**	**885**
Non-current	(8,073)	(4,319)		
LIABILITIES	**(8,073)**	**(4,319)**		

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

	Quarter (Unaudited)			Consolidated Accumulated		Parent Company Accumulated	
	4Q/07	**3Q/07**	**4Q/06**	**2007**	**2006**	**2007**	**2006**
Income before income tax and social contribution	4,877	6,676	5,159	28,645	17,930	22,519	14,403
Results of equity investment	574	643	144	2,405	199	(11,447)	(9,325)
	5,451	**7,319**	**5,303**	**31,050**	**18,129**	**11,072**	**5,078**
	34%	34%	34%	34%	34%	34%	34%

Income tax and social contribution at combined tax rates							
Federal income tax and social contribution at statutory rates	**(1,853)**	**(2,489)**	**(1,803)**	**(10,557)**	**(6,164)**	**(3,764)**	**(1,727)**
Adjustments that affects the basis of taxes:							
Income tax benefit from interest on stockholders equity	204	209	178	839	734	839	734
Fiscal incentives	63	64	75	306	318	129	33
Results of overseas companies taxed by different rates wich diference than the parent company rate	1,406	555	330	2,549	1,739		
Reduced incentive rate	18	18	18	80	96		
Others	(21)	10	(218)	(302)	(113)	284	(12)
Income tax and social contribution	**(183)**	**(1,633)**	**(1,420)**	**(7,085)**	**(3,390)**	**(2,512)**	**(972)**

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

These temporary differences will be realized upon the occurrence of the corresponding taxable events, expected to be as follows:

	Net amount of credits	
Years	Consolidated	Parent Company
2008	1,084	611
2009	(359)	144
2010	(214)	144
2011	(272)	144
2012	(478)	41
2013	(432)	45
2014	(433)	45
2015	(477)	45
2016	(441)	45
2017	(4,485)	(416)
	(6,507)	**848**

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

Vale also has also tax incentives related to Goro Project in New Caledonia. These incentives include an income 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. Vale is subject to a branch profit tax commencing in the first year in which commercial production is achieved, as defined by the applicable legislation. To date, there has been no net income for New Caledonia tax purposes. The benefits of this legislation are expected to apply with respect to any taxes otherwise payable once the Goro project is in operation.

7.14- Investments Consolidated and Parent Company

	Consolidated						
			Equity results				
	Investments		Quarter (Unaudited)			Accumulated	
	2007	2006	4Q/07	3Q/07	4Q/06	2007	2006
Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS (a)	307	949		13	108	26	317
Shandong Yankuang International Company Ltd.	41	49	4		(9)	1	(9)
Henan Longyu Resources Co. Ltd.	204	239	22	19	19	89	65
Logística intermodal S/A	189		12	7		15	
ThyssenKrupp CSA Cia Siderúrgica (b)	686	195					
Quadrem International Holdings Ltd. (b)	8	10					
Jubilee Mines N.L (b)	90	103					
Lion Ore Mining International Ltd (b)		52					

Mirabela Nickel Ltd (b)	51	21					
Skye Resources Inc (b)	139	114					
Heron Resources Inc (b)	42	18					
Other	112	106	8	5		11	16
	1,869	**1,856**	**46**	**44**	**118**	**142**	**389**

(a) Investment accounted for based on the equity method until December 2006, and at cost thereafter it, when this equity is dividends received. This participation valued at market price on the balance sheet date is R$822.772; and

(b) Investments at cost.

PARENT COMPANY

Accounted by the equity method	Participation %	Adjusted stockholders equity	Adjusted net income (loss) for the year	Investments 12/31/07	Investments 12/31/06	Results of equity investments 12/31/07	Results of equity investments 12/31/06	Dividends received 2007
ALBRAS Alumínio Brasileiro S.A.	51.00	1,775	564	906	713	288	231	94
ALUNORTE Alumina do Norte do Brasil S.A.	57.03	4,121	783	2,350	1,815	447	365	83
Belém Administrações e Participações LTDA.	100.00	229	76	229	213	76	124	60
Cadam S. A.	61.48	309	(35)	190	211	(21)		
Companhia Coreano-Brasileira de Pelotização - KOBRASCO	50.00	160	65	80	48	32	40	38
Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS	50.89	150	38	76	73	19	32	32
Companhia ítalo-Brasileira de Pelotização - ITABRASCO	50.90	160	40	82	65	20	26	16
Companhia Nipo-Brasileira de Pelotização NIBRASCO	51.00	211	44	108	85	23	42	
Companhia Portuária da Baía de Sepetiba CPBS	100.00	392	172	392	303	172	129	83
CVRD International S.A. (a), (e)	100.00	49,040	12,075	49,040	42,807	10,914	6,103	
Ferro-Gusa Carajás	100.00	383	38	383	41	55	(55)	
Ferrovia Norte Sul S.A.	100.00	739	(4)	739		(4)		
Logística Intermodal S/A (c)	31.27	605	111	189	90	37	35	7
Minas da Serra Geral S.A. MSG	50.00	105	11	53	53	1	5	
Mineração Rio do Norte S.A.	40.00	592	437	236	235	175	138	135
MineraçãoTacumã Ltda	100.00	(144)	23	(144)	(182)	23	(31)	
AFAC Mineração Tacumã Ltda				1,788	1,788			
Minerações Brasileiras Reunidas S.A. MBR (b), (e)	87.94	3,659	1,502	3,218	3,568	1,308	1,987	1,007
MRS Logística S.A. (b)	10.89	1,201	548	131	99	60	59	13
Rio Doce Manganês S.A.	100.00	538	124	538	414	124	(220)	
Salobo Metais S.A. (d)	100.00	298		298	276			
AFAC Salobo Metais S.A.				99	17			
Samarco Mineração S.A.	50.00	823	972	412	451	486	499	289
Valesul Alumínio S.A. (b)	56.44	649	56	366	134	(122)	37	20
Outras				(14)	11	(230)	25	27
Accounted by the cost of acquisition								
Thyssenkrupp CSA Companhia Siderúrgica				686	195			
				307	949		317	58

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS (c)					
	62,738	**54,472**	**13,883**	**9,888**	**1,962**

(a) The net equity of companies located abroad is converted into local currency at rates in effect on the financial statements date. The equity method comprises the difference due to the exchange rate variations as well as participation in results;

(b) This percentage refers only to the direct participation of Vale;

(c) Investment in companies that were listed on stock exchanges in 2007. The market value of these investment does not necessarily reflect the value that could be realized from selling a representative group of shares;

(f) Company in pre-operating phase; and

(e)

From the original stockholders equity the goodwill on subsidiaries was excluded and is mentioned on note 7.15.

7.15- Intangible

This assets refers basically to goodwill based on future results expectative.

	Intangible		Quarter (Unaudited)			Goodwill amortization Accumulated	
	2007	**2006**	**4Q/07**	**3Q/07**	**4Q/06**	**2007**	**2006**
Intangible by segment							
Iron ore and pellets (c)							
Goodwill of Caemi Mineração e Metalurgia S.A (a)	4,287	4,806	(130)		(130)	(520)	(435)
Goodwill of incorporated companies (a)		51		(130)			
Goodwill of Minerações Brasileiras Reunidas MBR	328		(9)	(9)		(20)	
Goodwill of Sociedade de Mineração Estrela do Apolo	25	25					
Other companies (b)	8	26	(3)	(2)	(13)	(9)	(9)
	4,648	**4,908**	**(142)**	**(141)**	**(143)**	**(549)**	**(444)**
Nickel							
Goodwill of Inco Limited (c)	7,366	4,624	(189)	(203)	(119)	(753)	(119)
Other rights Vale Inco	691						
	8,057	**4,624**	**(189)**	**(203)**	**(119)**	**(753)**	**(119)**
Coal							
Goodwill of Vale Australia (c)	129		(2)			(2)	
Total consolidated	**12,834**	**9,532**	**(333)**	**(344)**	**(262)**	**(1,304)**	**(563)**
Intangible not recorded at the parent company	(691)	(25)					
Total parent company	**12,143**	**9,507**	**(333)**	**(344)**	**(262)**	**(1,304)**	**(563)**

(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 expectation (stated period of amortization of 10 years).

7.16- Property, Plant and Equipment
(a) By type of asset:

				Consolidated				Parent Company	
	Average depreciation rates	Cost	Accumulated depreciation	2007 Net	2006 Net	Cost	Accumulated depreciation	2007 Net	2006 Net
Lands		195		195	195	99		99	99
Buildings	3.65%	6,274	(355)	5,919	4,263	2,853	(843)	2,010	1,479
Installations	3.78%	21,987	(6,422)	15,565	13,569	11,721	(3,574)	8,147	6,586
Equipment	7.36%	8,739	(1,234)	7,505	5,162	3,951	(1,328)	2,623	2,106
Information technology equipment	20.00%	1,578	(767)	811	813	1,457	(665)	792	723
Railroads	3.03%	11,936	(3,941)	7,995	6,222	9,166	(3,617)	5,549	5,272
Mineral rights (note 7.4 (n))	3.25%	32,723	(8,595)	24,128	19,202	1,538	(283)	1,255	1,218
Others	7.30%	8,678	(356)	8,322	3,116	2,696	(1,145)	1,551	1,411
		92,110	**(21,670)**	**70,440**	**52,542**	**33,481**	**(11,455)**	**22,026**	**18,894**
Construction in progress		21,519		21,519	25,069	6,071		6,071	6,771
Total		**113,629**	**(21,670)**	**91,959**	**77,611**	**39,552**	**(11,455)**	**28,097**	**25,665**

(b) By business area:

				Consolidated
	Cost	Accumulated depreciation	2007 Net	2006 Net
Ferrous				
In operation	29,645	(11,514)	18,131	17,660
Construction in Progress	6,914		6,914	5,939
	36,559	**(11,514)**	**25,045**	**23,599**
Non Ferrous				
In operation	43,140	(3,578)	39,562	26,518
Construction in Progress	10,241		10,241	15,544
	53,381	**(3,578)**	**49,803**	**42,062**
Logistics				
In operation	9,004	(2,598)	6,406	2,891
Construction in Progress	523		523	284
	9,527	**(2,598)**	**6,929**	**3,175**

Holdings				
In operation	8,777	(3,341)	5,436	4,649
Construction in Progress	3,072		3,072	2,616
	11,849	**(3,341)**	**8,508**	**7,265**
Corporate Center				
In operation	1,544	(639)	905	824
Construction in Progress	769		769	686
	2,313	**(639)**	**1,674**	**1,510**
Total	**113,629**	**(21,670)**	**91,959**	**77,611**

7.17- Loans and Financing
Current

	Consolidated		**Parent Company**	
	2007	**2006**	**2007**	**2006**
Trade finance	1,007	1,842	297	1,511
Working capital		193		
	1,007	**2,035**	**297**	**1,511**

Non-current

		Current liabilities		Consolidated Long-term liabilities		Current liabilities		Parent Company Long-term liabilities	
		2007	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Foreign operations									
Loans and financing in:									
U.S. dollars	1)	411	444	11,472	23,423	312	374	1,081	19,323
Other currencies		114	8	379	28	10	8	18	28
Notes in U.S. dollars	2)		238	11,841	14,484				
Export securitization		94	184	363	552				
Perpetual notes				155	183				
Accrued charges		499	298			33	64		
		1,118	**1,172**	**24,210**	**38,670**	**355**	**446**	**1,099**	**19,351**
Local operations									
Indexed by TJLP, TR, IGP-M and CDI		1,146	131	2,243	1,224	1,040	39	2,034	1,089
Basket of currencies		3	3	10	21	3	3	10	15
Loans in U.S. dollars			241	66	172				
Non-convertible debentures	3)			5,916	5,917			5,500	5,558
Accrued charges		87	79			85	27		
		1,236	**454**	**8,235**	**7,334**	**1,128**	**69**	**7,544**	**6,662**
		2,354	**1,626**	**32,445**	**46,004**	**1,483**	**515**	**8,643**	**26,013**

Pursuant to the acquisition of Vale Inco we carried out various financial operations to repay the initial US$14.6 billion bridge loan, used to finance the acquisition, as follows:

1) On December, 2006, an agreement was celebrated with a bank syndicate to enter in a a pre-export finance transaction of US$6.0 billion. 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.

2) On November, 2006, the Company issued US$3.75 billion with maturity of 10 and 30 years. The US$1.25 billion notes due in 2017 bear a coupon rate of 6.25% per year, payable semi-annually, and were priced with a yield to maturity of 6.346% per year. The US$2.50 billion notes due in 2036 bear a coupon rate of 6.875% per year, payable semi-annually, and were priced with a yield to maturity of 6.997% per year.

3)

On December, 2006 the Company issued in the Brazilian market non-convertible debentures in an 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 (interbank certificate of deposit) interest rate, payable semi-annually. 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 in the secondary market, through the Sistema Nacional de Debêntures (SND).

In 2007, the company settled the balance of the bridge in the amount of US$2.25 billion, US$2.1 of pre-export finance with the bank syndicate with cash availability.

Additionally, the Company liquidated US$380 of its debt.

(a) At December 31, 2007, the consolidated debt was secured as follows:

Loans guaranteed by the Federal Government with a value of R$146 for which we offered counter-guarantees;

Securitization program of R$463; and

Receivables in a amount of R$578.

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(b) Amortization of principal and financing charges incurred on long-term loans and financing obtained abroad and domestically maturing as follows, as of 12/31/07:

	Consolidated		Parent Company	
2009	715	2%	350	4%
2010	4,462	14%	1,843	21%
2011	4,965	15%	270	3%
2012	2,135	7%	152	2%
2013 onwards	19,597	60%	6,028	70%
No due date (perpetual notes and debentures)	571	2%		0%
	32,445	**100%**	**8,643**	**100%**

(c) Some of our long-term debt instruments contain financial covenants. Our principal covenants require us to maintain certain ratios, such as debt to EBITDA and interest coverage. The Company is in full compliance with our financial covenants as of December 31, 2007.

(d) Long-term foreign and domestic loans and financing are subject to annual interest rates (plus exchange rate and monetary variation) in 2007 as follows:

Rates	Consolidated		Parent Company	
3.1 to 5%	1,369	4%	30	0%
5.1 to 7%	20,814	60%	1,459	14%
7.1 to 9%	4,331	12%	1,053	10%
9.1 to 11%	210	1%	1	0%
Over 11%	7,583	22%	7,583	76%
Variable (perpetual notes)	492	1%		0%
	34,799	**100%**	**10,126**	**100%**

(*) Included in these amounts the convertible debentures and other loans in Reais (R$) with a remuneration equal of accumulated variation of Brazilian CDI plus spread. For these operations some derivative financial instruments were contracted in order to protect the exposure of the company to the variations of CDI to US dollars. The average cost of these operations after the contract of hedge is 5.7%.

The Company has credit lines in the amount of US$1.9 billion.

7.18- Contingent Liabilities

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

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

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

	Consolidated		**Parent Company**	
	12/31/07	**12/31/06**	**12/31/07**	**12/31/06**
a) Tax contingencies	3,269	2,218	1,805	1,404
(-) Judicial deposits	(1,346)	(1,046)	(803)	(742)
	1,923	**1,172**	**1,002**	**662**
b) Civil contingencies	575	565	419	378
(-) Judicial deposits	(277)	(265)	(202)	(201)
	298	**300**	**217**	**177**
c) Labor contingencies	937	826	757	642
d) Environmental contingencies	31	65	3	27
Total accrued liabilities	**3,189**	**2,363**	**1,979**	**1,508**

	2007	**2007**
Balance at the beginning of the period	2,363	1,508
Provisions, net of reversals	752	71
Payment	(56)	(45)
Monetary update	442	507
Judicial deposits	(312)	(62)
Balance at the end of period	**3,189**	**1,979**

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 rates regarding the transfer of assets between company branches;

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

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

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

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

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

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

b) Civil Contingencies:

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

c) Labor Contingencies:

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

In addition to the contingencies for which we have made provisions, we have possible losses totaling R$4,541 (R$2,813 parent company) based on the advice of our legal counsel, it was not necessary to constitute any provision.

(b) The company gave to its jointly controlled company Samarco a guarantee in the amount of R$1 (R$6 in 2006) related to debt guarantee to IFC, with maturity in 2008 in US$, for witch we have no counter-guarantees.

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

Sumic Nickel Netherlands B.V. (Sumic), a 21% shareholder of Goro, has a put option to sell to Vale Inco 25%, 50%, or 100% of the shares they own of Goro. The put option can be exercised if the defined cost of the initial Goro project exceeds $4.2 billion at project rates and an agreement cannot be reached on how to proceed with the project.

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

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

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

A total of 388,559,056 Debentures were issued at a par value of R$0.01 (one cent), whose value is to be restated in accordance with the variation in the General Market Price Index (IGP-M), as set forth in the Issue Deed.

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

According to the Debenture Issue Deed, the amount of the premium must include interest up to the month prior to that of effective payment, plus 1% in the month in which the funds are made available to the debenture holder.

The accumulated sales of iron ore of the mines covered by the debentures, in the period between May 1997 and June 30, 2007, were 500 million metric tons in the Southeast System and 579 million metric tons in the North System, Carajas. In the event of the annual sales of iron ore remain equal to the level achieved in the last twelve months, the levels mentioned in the Issue Deed to start payment of premium of 1.7 billion metric tons for the Southeast and System 1, 2 billion metric tons to the North System, would be achieved in 2027 and 2015 , respectively. However, this prediction could not be confirmed and may the dates mentioned to achieve the levels of production of 1.7 billion tons (Southeast System) and 1.2 billion tons (System North) are anticipated or neglected.

We made available payment related to debentures in the amount of R$22 in 2007 and R$12 and 2006.

7.19- Provision for asset retirement obligations

Expenditures relating to ongoing compliance with environmental regulations are charged to production costs or capitalized as incurred. The Company manages its relations with the environment as a strategic factor, having the assumption the full compliance with applicable government and internal rules, established by its environmental management system. The Company maintains ongoing programs to minimize the environmental impact of its mining operations as well as to reduce the costs that will be incurred upon termination of activities at each mine. On 12/31/07, the provision for asset retirement obligations correspond the amount of R$1,649 (R$743 parent company), was accounted for in Provision for asset retirement obligations in non-current liabilities and R$114 (R$47 parent company) in Other in current liabilities. The Company adopts the concepts of the Accounting for Asset Retirement Obligations, as follows:

The asset retirement obligations are recorded as part of the cost of these assets and the counter part is the provision that will suport the expenditures;

The estimated costs are accounted for at the present value of the obligations, discounted using a risk free rate; and

The estimated costs are reviewed annually and changes in the present value are adjusted in the recorded amounts of the assets and liabilities.

7.20- Pension Plan

Since 1973 Vale has sponsored a complementary pension plan that presents a defined benefit characteristics (the Old Plan) covering substantially all employees, with valuation of benefits based on years of service, age, contribution salary and social security benefits completion. This plan is administered by Fundação Vale do Rio Doce de Seguridade Social VALIA and was funded by monthly contributions made by Vale and its employees, calculated based on periodic actuarial appraisals.

In May 2000, was implemented a new complementary pension plan, with a variable contribution characteristic regarding the programmed retirement income and the risk benefits (death pension, disability retirement and health care help). At the time of launching of the New Plan (Plano de Benefícios Vale Mais), it was offered to our active employees the opportunity of transferring to it. Over 98% of our active employees opted for the transference. The Old Plan continues in existence, covering almost exclusively retired participants and their beneficiaries.

Additionally the Company provides a specific group of ex-employees, covered by Resolutions 05/87 and 07/89, with supplementary benefit payments through the Abono Complementação plus a post-retirement medical, odontological and pharmaceutical benefit for this especific group, in an equal model of those practiced to actual employees.

Upon the acquisition of Vale Inco, were assumed commitments through pension plans with deffined benefits that cover essentially all its employees and post retirement benefits other than pensions that also provide certain health care and life insurance benefits for retired employees.

The following information details the status of the defined benefit elements of the Company plans in accordance with Deliberation CVM 371/00.

(a) Benefit plan

The results of the actuarial valuation are presented as follows:

Fair value of assets development

			2007			2006
	Overfunded pension plans	Underfunded pension plans	Underfunded other benefits	Overfunded pension plans	Underfunded pension plans	Underfunded other benefits
Fair value of assets at the begining of the year	7,483	6,386	9	6,506		
Asset recognized upon consolidation of Vale Inco					6,250	9
Actual return of assets	447	131	2	1,298	416	

Contribution from sponsor	63	631	109	55	96	
Benefits paid	(576)	(481)	(101)	(376)	(124)	
Effect of exchange rate changes		(262)	(1)		(252)	
Fair value of assets at the end of the year	**7,417**	**6,405**	**18**	**7,483**	**6,386**	**9**

Changes in present value of obligations

	2007			2006		
	Overfunded pension plans	**Underfunded pension plans**	**Underfunded other benefits**	**Overfunded pension plans**	**Underfunded pension plans**	**Underfunded other benefits**
Fair value of plan assets at beginning of year	5,402	7,293	2,523	4,174		
Liabilities recognized upon consolidation of Vale Inco		214	455		7,735	2,618
Cost of current service	17	119	39	12	30	9
Cost of interest	588	368	127	534	98	33
Benefits paid	(576)	(481)	(101)	(376)	(126)	(33)
Plan amendment		7			(165)	
Hypotheses changes				993		
Actuarial loss	198	(64)	(220)	65	(2)	
Effect of exchange rate changes		(329)	(155)		(277)	(104)
Fair value of plan assets at end of year	**5,629**	**7,127**	**2,668**	**5,402**	**7,293**	**2,523**

Reconciliation of assets and liabilities of the balance sheet

						Consolidated
	2007			**2006**		
	(*) Overfunded pension plans	**Underfunded pension plans**	**Underfunded other benefits**	**(*) Overfunded pension plans**	**Underfunded pension plans**	**Underfunded other benefits**
Fair value of plan assets at the end of the year	(5,629)	(7,127)	(2,668)	(5,402)	(7,293)	(2,523)
Fair value of assets at the end of the year	7,417	6,405	18	7,483	6,386	9
Net gains not recognized on the balance sheet					(280)	
Actuarial assets / (liabilities) recorded in the balance sheet	**1,788**	**(722)**	**(2,650)**	**2,081**	**(1,187)**	**(2,514)**

(*) The Company has not recorded the actuarial asset on its balance sheet, since there is no clear evidence to its realization, as established by item 49 of NPC 26.

Investment target and composition of plan assets

The asset fair value of these plans is R$18,840 and R$13,878 at the end of 2007 and 2006, respectively. The assets allocations for the Company pension plan at the end of 2007 and 2006 and the target allocation for 2008, by asset category are as follows:

			Brazil
Type of assets	**Target allocation for 2008 (Unaudited)**	**Percentage of plan assets 2007**	**2006**
Equity securities	27%	29%	28%
Real estate	6%	3%	4%
Loans	6%	4%	4%
Fixed income	61%	64%	64%
Total	**100%**	**100%**	**100%**

			Foreign
Type of assets	**Target allocation for 2008 (Unaudited)**	**Percentage of plan assets 2007**	**2006**
Equity securities	61%	61%	61%
Fixed income	39%	39%	39%
Total	**100%**	**100%**	**100%**

The fixed income allocation target was established in order to match the asset with the benefit payments. The proposal for 2008 is to reestablish the investments in inflation-indexed funds. The remaining investments in fixed income will be used for the payment of short-term plan benefits.

The increase of allocation target reflects the expected appreciation of the Brazilian Stock Markets (IBOVESPA) as well as the Brazilian interest rates.

(b) Actuarial liability

Abono Complementação and Health Care Plan

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

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

Change of fair value of assets (*)

	Abono Complementação	
	2007	**2006**
Fair value of assets at the begining of the year	196	146
Actual return of assets	32	23
Contribution from sponsor	93	88
Benefits paid in the period	(62)	(61)
Fair value of assets at the end of the year	**259**	**196**

(*) Does not apply to fair value of assets to health plan.

Change in the present value of obligations

	Health care		**Abono Complementação**	
	2007	**2006**	**2007**	**2006**
Fair value of plan assets at beginning of year	229	183	708	584
Cost of interest	25	24	76	74
Benefits paid in the period	(21)	(14)	(62)	(61)
Hypotheses changes		27		111
Loss (Gain) on liabilities	59	9	10	
Fair value of plan assets at end of year	**292**	**229**	**732**	**708**

Changes in assets and liabilities recognized on the balance sheet

	Health care		Abono Complementação	
	2007	**2006**	**2007**	**2006**
Present value of totally or partially covered actuarial obligations	(292)	(229)	(732)	(708)
Fair value of asets			259	196
Net (gains) loss not recognized on the balance sheet	24	23	73	71
Actuarial assets and liabilities acrrued in the balance sheet	**(268)**	**(206)**	**(400)**	**(441)**

Costs recognized in the income statement

	Health care		Abono Complementação	
	2007	**2006**	**2007**	**2006**
Cost of interest	25	24	76	74
Actual return of assets			(32)	(23)
Total of costs, net	**25**	**24**	**44**	**51**

(c) Sponsor contributions

			2007	2006
Benefit plan	VALE MAIS	income	(40)	(29)
Benefit plan	VALE MAIS	risk and proportional benefit	(63)	(55)
Pension plans in the foreign			(740)	(363)
Complementary value (*)			(93)	(88)
Health care plan for retired employee (*)			(21)	(14)
Total contributions			**(957)**	**(549)**

(*) Refers to actuarial liabilities

(d) Actuarial and economic hypotheses

All calculation includes future projections in relation to certain parameters, for example: salaries, interest, inflation, benefits from social security, mortality, invalidity and others. No actuarial results can be analyzed without knowledge of the scenarios utilized in the evaluation.

The actuarial economic hypotheses were considering the long-term for their maturity, and must be analyzed from this point of view. They not necessarily are realizable in the short-term.

The evaluation was based on the following economic hypotheses:

Economic assumptions		2007 Local pension plans	2007 Foreign pension plans	2006 Local pension plans	2006 Foreign pension plans
Discount rate		10.24% p.a.	5.21% p.a.	11.30% p.a.	5.00% p.a.
Rate expected return of assets		12.78% p.a.	7.18% p.a.	14.98% p.a.	7.50% p.a.
Rate of compensation increase	up to 47 years	7.12% p.a.	4.01% p.a.	8.15% p.a.	3.00% p.a.
Rate of compensation increase	over 47 years	4.00% p.a.	4.01% p.a.	5.00% p.a.	3.00% p.a.
Inflation		4.00% p.a.	2.00% p.a.	5.00% p.a.	1.80% p.a.
Health care cost trend rate		7.64% p.a.	6.35% p.a.	8.67% p.a.	5.05% p.a.

All assumptions were revised in 2007.

7.21- Paid-up Capital

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

At the Extraordinary Shareholders Meeting held on April 27, 2007 the capital stock was increased to R$28,000. The capital increase is due through capitalization of the expansion/ investment reserve in the amount of R$7,673 capitalization of the legal reserve in the amount of R$752, and capitalization of the fiscal incentives reserve in the amount of R$83 without new stock issue.

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

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

On December 31, 2007 the total capital reaches R$28,000, corresponding of 4,919,314,116 shares, being R$17,074 divided in 2,999,797,716 commom shares and R$10,926 divided in 1,919,516,400 class A preferred shares, including twelve special class shares without par value.

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

On 12/31/07 the Company s capital is held as follows:

					Number of shares	
Stockholders	**Common**	**%**	**Preferred**	**%**	**Total**	**%**
Valepar S.A.	1,568,588,532	52			1,568,588,532	32
Brazilian Government (National Treasury / BNDES/ INSS / FPS)	56,712		60,904,104	3	60,960,816	1
American Depositary Receipts ADRs	721,535,449	25	873,934,823	46	1,595,470,272	32
FMP FGTS	132,148,778	4			132,148,778	3
PIBB BNDES	4,423,079		3,891,711		8,314,790	
BNDESPar	201,157,719	7	1,457,339		202,615,058	4
Institutional investors in Brazilian market	69,476,186	2	296,500,708	15	365,976,894	7
Institutional investors	191,340,167	6	297,372,736	15	488,712,903	10
Retail investors in Brazilian market	54,489,054	2	355,113,835	19	409,602,889	8
Treasury stock in Brazil	56,582,040	2	30,341,144	2	86,923,184	3
Total	**2,999,797,716**	**100**	**1,919,516,400**	**100**	**4,919,314,116**	**100**

The members of the Board of Directors and Executive Board together own 127,924 common shares and 596,705 preferred shares.

On 12/31/07, the Company after the proposed appropriations of the net income for the year, the Company does not have excess profit reserves in relation to the share capital.

7.22- Resources linked to future mandatory conversion in shares

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

In alignment with the international practices and after analysis, was concluded that the Mandatory convertible notes are similar to equity notes and for this reason are recognized as a specific part of the equity, net of financial changes. The resources linked to future mandatory conversion, net of interest, are represented by a maximum of 56,582,040 common shares are equivalent to R$2,111 and the ones represented by a maximum of 30,295,456 preferred shares are equivalent to R$926. All the shares are currently in treasury stock (see note 7.24).

7.23- ADR Program American Depositary Receipts

The Company is registered with the United States Securities and Exchange Commission (SEC), that permits its preferred shares and common shares to be traded on the New York Stock Exchange (NYSE) as ADR American Depositary Receipts since June, 2000 and March, 2002, respectively. As consequence of share split, each ADR was also split, maintaining thus the proportion of 1 (one) class A preferred share or common, traded with codes RIOPR and RIO , respectively.

For maintenance of this registration the Company also discloses its financial statements according to U.S.A. Principles USGAAP showing a net income for 2007 of R$22,870 which has differences from the net income presented according to Brazilian Principles in respect of non-amortization of goodwill and the recognition of exchange variation of foreign investments with functional currency different from that of the parent company directly into shareholders equity.

7.24- Treasury Stock

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

On 12/31/07, the Company had 56,582,040 common shares and 30,341,144 preferred shares, which are held in treasury in the amount of R$790.

	Shares						
		Quantity		Unit acquisition cost			Average quoted market price
Class	**2007**	**2006**	**Average**	**Low**	**High**	**2007**	**2006**
Preferred	30,341,144	30,341,144	43.45	41.13	45.15	39.46	44.84
Common	56,582,040	56,582,040	4.63	3.34	8.68	46.73	52.21
	86,923,184	**86,923,184**					

7.25- Remuneration of Stockholders

In 10/31/07, Vale made available to its shareholders, in the form of interest on stockholders equity the amount of R$370,050, as additional remuneration for the year of 2006.

The total remuneration proposed to stockholders in 2007 was calculated as follows:

Net income for the year	20,006
Legal reserve	(1,000)
Realization of unrealized income reserve (*)	62
Adjusted net income	**19,068**
Mandatory dividend amount - 25% (R$0.99 per outstanding share)	**4,767**
Statutory dividend on preferred shares (3% of net equity, R$0.36 per outstanding share)	**688**
Statutory dividend on preferred shares (6% of paid-up capital, R$0.35 per outstanding share)	**656**
Dividends/ Interest on stockholders equity Total	**4,767**
Antecipated dividends	**(15)**
Dividends/ Interest on stockholders equity Proposed	**4,752**

(*) The realization is based on the dividends received, write-off or disposal of investments and depreciation, write-off and disposal of

property, plant
and equipment.

7.26- Financial Results

									Consolidated
									Quarter (Unaudited)
			4Q/07			**3Q/07**			**4Q/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	(327)	208	(119)	(363)	(233)	(596)	(583)	(32)	(615)
Local debt	(243)	(12)	(255)	(237)	42	(195)	(74)	19	(55)
Related parties	18	(6)	12	1		1	(1)		(1)
	(552)	**190**	**(362)**	**(599)**	**(191)**	**(790)**	**(658)**	**(13)**	**(671)**
Labor, tax and civil contingencies	(70)	(189)	(259)	(37)	(142)	(179)	(61)	(20)	(81)
Derivatives, net of gain/losses (interest and currencies)	308	(36)	272	533	(25)	508	(109)		(109)
Derivatives, net of gain/losses (gold, aluminum, alumina, copper, nickel and platinum)	281	36	317	165	100	265	(104)	11	(93)
Call option premium									
CPMF	(52)		(52)	(42)		(42)	(186)		(186)
Others	(522)	(646)	(1,168)	(418)	(187)	(605)	(308)	264	(44)
	(607)	**(645)**	**(1,252)**	**(398)**	**(445)**	**(843)**	**(1,426)**	**242**	**(1,184)**

	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**
Related parties	4	(5)	(1)	3		3	2		2
Marketable securities	63		63	36	22	58	198	(17)	181
Others	195	1,390	1,585	25	895	920	210	20	230

	262	**1,385**	**1,647**	**64**	**917**	**981**	**410**	**3**	**413**
Financial income (expenses), net	**(345)**	**740**	**395**	**(334)**	**472**	**138**	**(1,016)**	**245**	**(771)**

		2007				**Accumulated 2006**
	Financial expenses	**Monetary and exchange rate variation on liabilities**	**Total**	**Financial expenses**	**Monetary and exchange rate variation on liabilities**	**Total**
Foreign debt	(1,640)	711	(929)	(950)	265	(685)
Local debt	(1,039)	410	(629)	(191)	77	(114)
Related parties	16	(6)	10	(7)		(7)
	(2,663)	**1,115**	**(1,548)**	**(1,148)**	**342**	**(806)**
Labor, tax and civil contingencies	(188)	(345)	(533)	(236)	(163)	(399)
Derivatives, net of gain/losses (interest and currencies)	1,741	(81)	1,660	(33)	1	(32)
Derivatives, net of gain/losses (gold, aluminum, alumina, copper, nickel and platinum)	(42)	235	193	(283)	61	(222)
Call option premium				(187)		(187)
CPMF	(275)		(275)	(320)		(320)
Others	(2,002)	(1,725)	(3,727)	(702)	57	(645)
	(3,429)	**(801)**	**(4,230)**	**(2,909)**	**298**	**(2,611)**

	Financial income	**Monetary and exchange rate variation on assets**	**Total**	**Financial income**	**Monetary and exchange rate variation on assets**	**Total**
Related parties	9		9	9	(1)	8
Marketable securities	225	22	247	425	(65)	360
Others	562	3,689	4,251	327	171	498
	796	**3,711**	**4,507**	**761**	**105**	**866**

Financial income (expenses), net	**(2,633)**	**2,910**	**277**	**(2,148)**	**403**	**(1,745)**

Parent company

			2007			**Accumulated 2006**
	Financial expenses	**Monetary and exchange rate variation on liabilities**	**Total**	**Financial expenses**	**Monetary and exchange rate variation on liabilities**	**Total**
Foreign debt	(276)	651	375	(489)	(105)	(594)
Local debt	(930)	288	(642)	(68)	(57)	(125)
Related parties	(1,936)	6,182	4,246	(415)	680	265
	(3,142)	**7,121**	**3,979**	**(972)**	**518**	**(454)**
Labor, tax and civil contingencies	(171)	(336)	(507)	(225)	(158)	(383)
Derivatives, net of gain/losses (interest and currencies)	1,625	(72)	1,553	3		3
Derivatives, net of gain/losses (gold)	(74)	11	(63)	10	5	15
CPMF	(204)		(204)	(246)		(246)
Others	(1,209)	(160)	(1,369)	(311)	106	(205)
	(3,175)	**6,564**	**3,389**	**(1,741)**	**471**	**(1,270)**

	Financial income	**Monetary and exchange rate variation on assets**	**Total**	**Financial income**	**Monetary and exchange rate variation on assets**	**Total**
Related parties	27	(581)	(554)	71	(165)	(94)
Marketable securities	47	22	69	56		56
Others	30	386	416	26	217	243
	104	**(173)**	**(69)**	**153**	**52**	**205**
Financial income (expenses), net	**(3,071)**	**6,391**	**3,320**	**(1,588)**	**523**	**(1,065)**

7.27- Financial Instruments Derivatives

The main market risks the Company faces are interest rate risk, exchange rate risk and commodity price risk. These risks are managed through the use of derivative instruments. The risk management activities follow the risk management policy, which requires diversification of transactions and counter-parties. The company monitors and evaluates its overall position regularly in order to evaluate financial results and impact on the cash flow. Also periodically the credit limits are review and creditworthiness of our hedging counter-parties.

Risk Management Policy

The Company considers the effective management of risk is a key objective to support the growth strategy and the financial flexibility. In furtherance of this objective, the Board of Directors has established an enterprise risk management policy and a Risk Management Committee. Under the policy, the Company measures, monitors, and manages risk at the portfolio level, using a single framework, and considers the natural diversification of our portfolio. The market risk is hedged only when considered necessary to support the company corporate strategy or to maintain its target level of financial flexibility.

The Risk Management Committee assists the Executive Directors of the Company in overseeing and reviewing information regarding our enterprise risk management and framework, including the significant policies, procedures and practices employed to manage risk. The enterprise risk management policy is designed to promote an effective risk management system and to ensure that enterprise-level risks are reported at least quarterly to the risk management committee.

The company addresses some of the risks through the use of derivative instruments. The risk management activities follow the risk management policy, which generally prohibits speculative trading and short selling and requires diversification of transactions and counter-parties.

The Company monitors and evaluates its overall position regularly in order to evaluate financial results and impact on its cash flow. Also, periodically the credits limits are reviewed and so the creditworthiness of the hedging counter-parties.

Interest rate risk

The Company is exposed to interest rate risk on its outstanding borrowings. The floating rate debt consists principally of U.S. Dollar borrowings related to trade finance and loans from commercial banks and multilateral organizations and Real-denominated borrowings related to the debentures and the property and services acquisition financing issued in the Brazilian market. In general, our foreign currency floating rate debt is principally subject to changes in the London Interbank Offered Rate (USD LIBOR). Consequently, fluctuations in the USD LIBOR may adversely impact our cash flows. To mitigate the effects of interest rate volatility Vale makes uses of natural hedges derived from the correlation between U.S. Dollar floating interest rates and metals prices. When natural hedges are not present, the Company may opt to realize the same effect with the aid of financial instruments. Our floating rate debt denominated in *Reais* is mainly subject to changes in the CDI and TJLP.

The interest rate derivative transactions are entered into primarily to hedge the exposure of Brazilian *Reai*s floating rate debt. The interest rate derivatives portfolio consists of interest rate swaps to convert *Reais* floating rate exposures to U.S. Dollar fixed rate exposures.

Currency risk

The Company is exposed to exchange rate risk associated with the denomination of its debt in currencies other than the Brazilian Real. On the other hand, a substantial proportion of its revenues are denominated in U.S. Dollar. This provides a natural hedge against any changes in the Brazilian Real against the U.S. Dollar. For instance, when a devaluation of the Brazilian Real occurs, the immediate negative impact on the non-Brazilian Real-denominated debt is offset over time by the positive effect of devaluation on future cash flows. In light of this framework, the Company generally does not use derivative instruments to manage the currency exposure on its long-term Dollar-denominated debt. However, derivatives may occasionally be used to minimize the effects of the volatility of the exchange rates between *Reais* and U.S. Dollars in the cash flow.

The cash flows are also exposed to the volatility of other currencies against the U.S. Dollar. While prices for most of our products are primarily in U.S. Dollars, a substantial portion of the costs, expenses and investments are in currencies other than the U.S. Dollar, in particular the Brazilian Real and the Canadian Dollar. In projects developed outside Brazil and Canada, the Company is also exposed to other currencies, such as the Euro, Australian Dollar and the Chinese Renminbi.

Vale has other exposures associated with our outstanding debt portfolio. The Euro exposure is associated with a credit line extended by KFW (*Kreditanstalt Für Wiederaufbau*). To mitigate the foreign currency risk, the company entered into currency forwards.

Product Price Risk

We are also exposed to various market risks relating to the volatility in world market prices for the following products:

- Iron ore and pellets, which represented 42.8% of the 2007 gross consolidated revenues;
- Nickel, which represented 29.7% of the 2007 gross consolidated revenues;
- Manganese ore and ferroalloys, which represented 2.3% of the 2007 gross consolidated revenues;
- Aluminum products, which represented 8.3% of the 2007 gross consolidated revenues; and
- Copper concentrate, which represented 2.3% of the 2007 gross consolidated revenues.

Other products, such as platinum-group metals, kaolin and potash, represented a minor percentage of the consolidated revenues.

The Company does not enter into derivative transactions to hedge its iron ore, pellets, and manganese ore or ferroalloys exposure. The risk management policy permits to hedge market risk only when necessary to support the corporate strategy or maintain financial flexibility. Currently, the derivatives transactions include nickel forward purchase and sale contracts, aluminum forward contracts and options, copper options, as well as positions in gold, platinum and fuel oil derivative instruments.

The Executive Board approved the hedging of a portion of our aluminum and copper production for 2007 and 2008 to reduce cash flow risk in connection with the change in the capital structure and the significant increase in the debt position after the acquisition of Vale Inco.

Nickel Generally derivative instruments are used to hedge the exposure to fluctuations in nickel prices. However, the company enters into LME forward purchase contracts, which are substantially offset by fixed-price customer contracts, in order to maintain exposure to nickel price risk. Also the company enters into LME forward sales contracts to minimize nickel price risk associated with purchased nickel inventories of intermediates and finished nickel products.

Aluminum In order to manage the risk associated with fluctuations in aluminum prices, hedging transactions are made involving put and call options, as well as forward contracts. These derivative instruments allowed to establish minimum average profits for the future aluminum production in excess of the expected production costs and therefore ensure stable cash generation. However, they also have the effect of reducing potential gains from price increases in the spot market for aluminum. The policy

has been to settle all commodity derivatives contracts in cash without physical delivery of product.
Copper The Company has outstanding put option contracts, giving us the right but not the obligation to sell copper, and sells call option contracts, giving the buyer the right but not the obligation to purchase copper for time periods extending to 2008. A major part of the copper derivative position was added to our books as a result of the acquisition Vale Inco.
PGMs and other precious metals The Company currently holds a small position in gold derivative instruments, structured to manage the risks related to gold price fluctuations, inherent from the content of gold associated with copper concentrate production. Vale enter into platinum hedging contracts in order to manage the risk associated with the volatility of platinum prices. These contracts are generally swap contracts or options and are intended to provide certain minimum price realizations for a portion of the future production of such metals. Under these swap contracts, the Company receives fixed prices for platinum and pay a floating price based on monthly average spot prices.
Fuel oil The Company uses fuel oil swap contracts to minimize the impact of fluctuations in the prices of the energy requirements. Under these contracts, we pay fixed prices for energy and receive amounts based on monthly average spot prices.
There is an embedded derivative related to energy in the subsidiary Albras on which the Company has an unrealized gain of R$30 million as of December 31, 2007 and R$163 million as of December 31, 2006.
The asset (liability) balances and the change in fair value of derivative financial instruments are as follows :

								Consolidated Quarter (Unaudited) 4Q/07
	Interest rates (libor)	**Currencies**	**Gold**	**Products by aluminum area**	**Copper**	**Nickel**	**Platinum**	**Total**
Gains / (losses) unrealized on 09/30/07	(2)	1,194	(74)	(320)	(653)	6	(47)	104
Financial settlement	(4)	(352)	18	29	112	46	9	(142)
Financial expenses, net	(3)	311	(12)	107	187	23	(7)	606
Monetary variations, net		(36)	3	11	22	(1)	2	1
Gains / (losses) unrealized on 12/31/07	**(9)**	**1,117**	**(65)**	**(173)**	**(332)**	**74**	**(43)**	**569**

								3Q/07
	Interest rates (libor)	**Currencies**	**Gold**	**Products by aluminum area**	**Copper**	**Nickel**	**Platinum**	**Total**
Gains / (losses) unrealized on 06/30/07	16	684	(71)	(563)	(682)	54	(46)	(608)
Financial settlement	(6)	(11)	13	55	133	(143)	7	48
Financial expenses, net	(12)	545	(19)	175	(132)	96	(10)	643
Monetary variations, net		(24)	3	13	28	(1)	2	21
	(2)	**1,194**	**(74)**	**(320)**	**(653)**	**6**	**(47)**	**104**

Gains / (losses) unrealized on 09/30/07

	Interest rates (libor)	Currencies	Gold	Products by aluminum area	Copper	Nickel .	Platinum .	4Q/06 Total
Gains / (losses) unrealized on 09/30/06	(3)	77	(111)	(422)	6			(453)
Gains / (Losses) recognized upon consolidation of Inco	9	20			(778)	132	(47)	(664)
Financial settlement		(14)	14	48	(1)	(188)		(141)
Financial expenses, net	7	(116)	(20)	(314)	135	90	5	(213)
Monetary variations, net			2	9				11
Gains / (losses) unrealized on 12/31/06	**13**	**(33)**	**(115)**	**(679)**	**(638)**	**34**	**(42)**	**(1,460)**

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Consolidated
2007

	Interest rates (libor)	**Currencies**	**Gold**	**Products by aluminum area**	**Copper**	**Nickel**	**Platinum**	**Total**
Gains / (losses) unrealized on 12/31/06	13	(33)	(115)	(679)	(638)	34	(42)	(1,460)
Financial settlement	(10)	(520)	65	222	458	(77)	23	161
Financial expenses, net	(10)	1,751	(30)	191	(269)	115	(33)	1,715
Monetary variations, net	(2)	(81)	15	93	117	2	9	153
Gains / (losses) unrealized on 12/31/07	**(9)**	**1,117**	**(65)**	**(173)**	**(332)**	**74**	**(43)**	**569**

2006

	Interest rates (libor)	**Currencies**	**Gold**	**Products by aluminum area**	**Copper**	**Nickel**	**Platinum**	**Total**
Gains / (losses) unrealized on 12/31/05	(9)	2	(107)	(494)				(608)
Gains / (Losses) recognized upon consolidation of Inco	9	20			(778)	132	(47)	(664)
Financial settlement	4	(14)	41	224	(1)	(188)		66
Financial expenses, net	8	(41)	(58)	(461)	141	90	5	(316)
Monetary variations, net	1		9	52				62
Gains / (losses) unrealized on 12/31/06	**13**	**(33)**	**(115)**	**(679)**	**(638)**	**34**	**(42)**	**(1,460)**

Parent Company
2007

	Interest rates (libor)	**Currencies**	**Gold**	**Copper**	**Total**
Gains / (losses) unrealized on 12/31/06		5	(69)	46	(18)
Financial settlement		(493)	41	(2)	(454)
Financial expenses, net		1,625	(28)	(46)	1,551
Monetary variations, net		(73)	11		(62)
Gains / (losses) unrealized on 12/31/07		**1,064**	**(45)**	**(2)**	**1,017**

					2006
	Interest rates (libor)	**Currencies**	**Gold**	**Copper**	**Total**
Gains / (losses) unrealized on 12/31/05		2	(63)		(61)
Financial settlement			25		25
Financial expenses, net		3	(36)	46	13
Monetary variations, net			5		5
Gains / (losses) unrealized on 12/31/06		**5**	**(69)**	**46**	**(18)**

Non-realized gains, are registered in account Others Long Assets in an amount of R$106, R$83 and R$2 in December 31, 2007, September 30, 2007 and December 31, 2006, respectively on the consolidated and in the amount of R$51 and R$2 at December 31, 2006 and December 31, 2005 respectively to the parent company.
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	December 2008
Nickel	December 2009
Platinum	December 2008

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

				Consolidated		Parent Company	
		Quarter (Unaudited)		Accumulated		Accumulated	
Administrative	**4Q/07**	**3Q/07**	**4Q/06**	**2007**	**2006**	**2007**	**2006**
Personnel	197	154	181	721	613	359	309
Services (consulting, infrastructure and others)	132	116	110	448	331	174	133
Advertising and publicity	144	59	38	275	144	266	141
Depreciation	76	71	73	288	241	218	168
Travel expenses	12	13	10	44	47	26	38
Rents and taxes	21	32	21	132	60	26	27
Community aborigine	7	4	5	19	21	19	21
Others	31	30	43	183	111	61	36
Sales (*)	179	102	121	440	384	10	8
Total	**799**	**581**	**602**	**2,550**	**1,952**	**1,159**	**881**

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

				Consolidated		Parent Company	
		Quarter (Unaudited)		Accumulated		Accumulated	
Other operating expenses (income), net	**4Q/07**	**3Q/07**	**4Q/06**	**2007**	**2006**	**2007**	**2006**
Provisions for contingencies	89	38	77	249	226	105	112
Provision for loss on ICMS credits	42	68	31	127	159	57	88
Provision for profit sharing	158	70	347	537	563	347	312
Fundação Vale do Rio Doce FVRD	11	24	26	61	47	54	38
Asset retirement obligation			264		264		178
Others	308	196	(4)	444	194	(70)	128
Total	**608**	**396**	**741**	**1,418**	**1,453**	**493**	**856**

				Consolidated		Parent Company	
		Quarter (Unaudited)		Accumulated		Accumulated	
Non operating results gain on sale of assets	**4Q/07**	**3Q/07**	**4Q/06**	**2007**	**2006**	**2007**	**2006**
Usiminas		6	135	846	135	846	135
Gulf Investment Co. GIIC					737		
Log-In		38		454		454	
Lion Ore		153		153			
Nova Era Silicon NES					20		20
Gerdau			89		123		123
Siderar			197		197		
Others				5			
		197	421	1,458	1,212	1,300	278

Non operating expenses from company acquired		(1,427)		(1,427)		
Total	**197**	**(1,006)**	**1,458**	**(215)**	**1,300**	**278**

7.29- Concessions, Subconcessions and Leases

(a) Railroad Companies

The Company and some companies of the Group entered with the Brazilian government, through the Ministry of Transportation, agreements for concession to exploitation and development of public rail cargo transport services and for lease of the assets used to provide this services.

The concessions periods are, for railroad:

Railroad	End of concession period
Vitória-Minas and Carajás (direct) (*)	June 2027
Malha Centro-Leste (indirect via FCA)	August 2026
Malha Sudoeste (indirect via MRS)	December 2026
Ferrovia Norte Sul S.A. (FNS)	December 2037

(*) Concessions with no disbursement

The concessions will expire upon one of the following events: termination of the contractual term, cancellation, forfeiture, rescission, annulment and bankruptcy or extinction of the concessionaire.

Concessions, subconcessions and leasing from controlled companies are treated as operating leasing and present the following characteristics:

	FNS	FCA	MRS
1) Total installments	3	112	117
2) Frequency of payment	(*)	Quarterly	Quarterly
3) Update index	IGP-DI FGV	IGP-DI FGV	IGP-DI FGV
4) Total installment paid	1	39	41
5) Installment current value			
Concession	R$ 369	R$ 1	R$ 2
Leasing	R$ 369	R$ 24	R$ 44

(*) According to the delivery of each part of the railroad.

(b) Ports

The Company owns specialized port terminals as follow:

Terminal (*)		Localization		End of concession period
Tubarão, Praia Mole and Liquid Bulk Terminal		Vitória	ES	2020
Sundry Products Terminal		Vitória	ES	2020
Ponta da Madeira Maritime Terminal	Pier I and III	São LuÍs	MA	2018
Ponta da Madeira Maritime Terminal	Pier II	São LuÍs	MA	2010
Inácio Barbosa Maritime Terminal		Aracaju	SE	2012

(*) Concessions with no disbursement.

(c) Hydroelectric Projects

The Company develops projects of electricity generation with the aim of self-supply. The projects in which the Company has investments are:

Project	Concession beginning date	% Participation on energy generation
Engenheiro José Mendes Júnior e Eliezer Batista (formely denominated Funil and Aimorés)	2000	51.00
Risoleta Neves (formely denominated Candonga)	2000	50.00
Igarapava	1998	38.15
Porto Estrela	1997	33.33
Amador Aguiar I e II (formely denominated Capim Branco I and II)	2001	48.42
Machadinho	2000	9.98
Balambano, Larona and Karebbe (*)	1978, 2000 an 2000	60.80
Estreito	2002	30.00

(*) Participation indirect holds though Vale Inco

7.30- Effects on the Statements if Price-Level Restatement were Applied (unaudited)

The main difference between the financial statements prepared according to Corporate Legislation and those according to the price-level restatement method is due to the recognition of the net monetary restatement of permanent assets and stockholders equity.

The Balance Sheet and the Statement of Income by monetary restatement, at December 31, 2007 price levels were prepared shortly indexed by the IGP-M of FGV.:

BALANCE SHEET

Years ended December 31

	Consolidated		Parent Company	
	2007	**2006**	**2007**	**2006**
Assets				
Current assets	21,006	27,022	7,893	8,522
Non-Current				
Long Term Receivable	5,228	6,957	5,983	1,964
Investments	4,511	4,147	84,489	70,371
Intangible	16,432	12,066	16,704	12,960
Property, plant and equipment	123,690	100,951	39,796	34,587
Deferred charges	1,167	1,109		
	151,028	**125,230**	**146,972**	**119,882**
	172,034	**152,252**	**154,865**	**128,404**

Liabilities and stockholders equity				
Current assets	19,402	16,644	16,620	12,484
Non-Current				
Income tax	5,919	761	4,234	2,830
Other	50,963	64,285	43,122	48,566
Deferred income	93	7		
Minority interest	4,768	6,031		
Stockholders equity				
Paid-up capital	28,000	19,492	28,000	19,492
Capital reserves	9,408	7,019	9,408	7,019
Revenue reserves	53,481	38,013	53,481	38,013
	90,889	**64,524**	**90,889**	**64,524**
	172,034	**152,252**	**154,865**	**128,404**

STATEMENT OF INCOME

Years ended December 31

	Consolidated		Parent Company	
	2007	**2006**	**2007**	**2006**
Operating revenues	69,809	47,914	24,154	20,383
Value Added taxes	(1,701)	(1,491)	(1,273)	(1,078)
Net operating revenues	**68,108**	**46,423**	**22,881**	**19,305**
Cost of products and services	(31,581)	(21,281)	(13,572)	(10,908)
Gross profit	**36,527**	**25,142**	**9,309**	**8,397**
Gross margin	**53.6%**	**54.2%**	**40.7%**	**43.5%**
Operating expenses, net	(2,606)	(4,355)	3,892	(2,194)
Operating profit before financial results and results of equity investments	**33,921**	**20,787**	**13,201**	**6,203**
Results of equity investments	(2,173)	(202)	12,205	9,583
Operating profit	**31,748**	**20,585**	**25,406**	**15,786**
Non operating income	1,547	(218)	1,381	285
Income before income tax and social contribution	**33,295**	**20,367**	**26,787**	**16,071**
Income tax and social contribution	(8,925)	(4,237)	(4,055)	(1,076)
Income before minority interest	**24,370**	**16,130**	**22,732**	**14,995**
Minority interest	(1,638)	(1,135)		
Net income for the year	**22,732**	**14,995**	**22,732**	**14,995**

7.31- Insurance

Operational Risks

The Company has an extensive risk management program that provides coverage and protection for all its assets as well as against possible losses from production interruptions, through All Risks policy. This program includes on-site inspection and training carried out by the various risk committees constituted by the Company, its subsidiaries and associated companies. Vale tries to harmonize risks in all areas and provide single and uniform treatment, and also seeking coverage in the domestic and international markets at levels compatible with an enterprise its size.

Insurance

In order to mitigate the risks, Vale contracts many types of insurances polices, as operational risks and comprehensive general liability, risks besides a life insurance to its employees. The cover insurance of these policies are contracted in accordance with the company Risk Management Policy and are similar to the ones contracted by other mining companies. As one of the management risk instruments Vale used since 2002 a a captive reinsure that allowed us to contact insurances on competitive basis as well the direct access to the main international markets of insurance and reisuranance.

The management of insurance policies is realized in Vale with the support of the insurances committees in the operational areas of the Company that are composed by many professionals of these units.

7.32- Profit Sharing Plan

The Company s profit sharing plan for the employees consists of a portion that is subject to the financial results measured through indicators as operating cash flow and for the achievement of the performance target of the units and individuals.

7.33- Information by segment

The informations by business segment, additionally presented, were prepared according to International Accounting rules.

The financial statements by business area are structured in accordance with the following segments: Ferrous products, Non-ferrous, Logistics, Aluminum , Steel, Corporate and other participation.

Consolidated Statement of Income by segment

Years ended December 31								**In millions of reais**
						Holdings		**2007**
	Ferrous minerals	**Non-ferrous minerals**	**Logistics**	**Aluminium**	**Steel**	**Others**	**Corporate Center**	**TOTAL**
Operating revenues								
Sales of ore and metals	29,915	25,417						55,332
Transport services			3,497					3,497
Sales of aluminum-related products				5,529				5,529
Sales of steel products					1,248			1,248
Other products and services	118	182		18		461		779
	30,033	**25,599**	**3,497**	**5,547**	**1,248**	**461**		**66,385**
Vale Added taxes	(837)	(97)	(550)	(137)				(1,621)
Net operational revenues	**29,196**	**25,502**	**2,947**	**5,410**	**1,248**	**461**		**64,764**
Ores and metals	**(10,896)**	**(11,918)**						**(22,814)**
Transport services			**(2,146)**					**(2,146)**
Aluminum-related products				**(3,246)**				**(3,246)**
Steel products					**(1,199)**			**(1,199)**
Other products and services	**(189)**			**(3)**		**(487)**		**(679)**
Cost of products and services	**(11,085)**	**(11,918)**	**(2,146)**	**(3,249)**	**(1,199)**	**(487)**		**(30,084)**
Gross profit	**18,111**	**13,584**	**801**	**2,161**	**49**	**(26)**		**34,680**
Gross margin	**62.0%**	**53.3%**	**27.2%**	**39.9%**	**3.9%**	**-5.6%**		**53.5%**
Operational expenses								
Selling and admnistrative	(1,604)	(526)	(106)	(191)	(28)	(95)		(2,550)
Research and development	(332)	(635)	(71)			(359)		(1,397)
Other operating expenses	(1,154)	(164)	(36)	(63)	(1)			(1,418)
	(3,090)	**(1,325)**	**(213)**	**(254)**	**(29)**	**(454)**		**(5,365)**
Operating profit (loss) before financial results and result of equity investments	**15,021**	**12,259**	**588**	**1,907**	**20**	**(480)**		**29,315**
Results of equity investments	**(549)**	**(1,926)**	**15**		**26**	**29**		**(2,405)**

Financial result							**277**	**277**
Operating profit (loss)	**14,472**	**10,333**	**603**	**1,907**	**46**	**(451)**	**277**	**27,187**
Non operating income		**153**	**459**			**846**		**1,458**
Income (loss) before income tax and social contribution	**14,472**	**10,486**	**1,062**	**1,907**	**46**	**395**	**277**	**28,645**
Income tax and social contribution	(3,569)	(2,929)	(144)	(461)	1	17		(7,085)
Income (loss) before minority interests	**10,903**	**7,557**	**918**	**1,446**	**47**	**412**	**277**	**21,560**
Minority interest	(76)	(864)	(2)	(613)		1		(1,554)
Income (loss) for the year	**10,827**	**6,693**	**916**	**833**	**47**	**413**	**277**	**20,006**

					Holdings			2006
	Ferrous minerals	Non-ferrous minerals	Logistics	Aluminium	Steel	Others	Corporate Center	Total
Operating revenues								
Sales of ore and metals	27,635	8,500						36,135
Transport services			3,405					3,405
Sales of aluminum-related products				5,533				5,533
Sales of steel products					1,478			1,478
Other products and services	55			13		127		195
	27,690	**8,500**	**3,405**	**5,546**	**1,478**	**127**		**46,746**
Vale Added taxes	(714)	(80)	(548)	(112)				(1,454)
Net operational revenues	**26,976**	**8,420**	**2,857**	**5,434**	**1,478**	**127**		**45,292**
Ores and metals	(10,632)	(3,946)						(14,578)
Transport services			(1,770)					(1,770)
Aluminum-related products				(3,013)				(3,013)
Steel products					(1,231)			(1,231)
Other products and services	(59)					(105)		(164)
Cost of products and services	**(10,691)**	**(3,946)**	**(1,770)**	**(3,013)**	**(1,231)**	**(105)**		**(20,756)**
Gross profit	**16,285**	**4,474**	**1,087**	**2,421**	**247**	**22**		**24,536**
Gross margin	**60.4%**	**53.1%**	**38.0%**	**44.6%**	**16.7%**			**54.2%**
Operational expenses								
Selling and admnistrative	(1,424)	(244)	(92)	(160)	(15)	(17)		(1,952)
Research and development	(269)	(361)	(22)			(390)		(1,042)
Other operating expenses	(1,307)	(136)		(17)	(19)	26		(1,453)

	(3,000)	**(741)**	**(114)**	**(177)**	**(34)**	**(381)**		**(4,447)**
Operating profit (loss) before financial results and result of equity investments	**13,285**	**3,733**	**973**	**2,244**	**213**	**(359)**		**20,089**
Results of equity investments	**(435)**	**(102)**			**335**	**3**		**(199)**
Financial result							**(1,745)**	**(1,745)**
Operating profit (loss)	**12,850**	**3,631**	**973**	**2,244**	**548**	**(356)**	**(1,745)**	**18,145**
Non operating income	**954**	**(1,427)**			**135**	**123**		**(215)**
Income (loss) before income tax and social contribution	**13,804**	**2,204**	**973**	**2,244**	**683**	**(233)**	**(1,745)**	**17,930**
Income tax and social contribution	(1,931)	(805)	(144)	(427)	(79)	(4)		(3,390)
Income (loss) before minority interests	**11,873**	**1,399**	**829**	**1,817**	**604**	**(237)**	**(1,745)**	**14,540**
Minority interest	(33)	(301)	(278)	(497)				(1,109)
Income (loss) for the year	**11,840**	**1,098**	**551**	**1,320**	**604**	**(237)**	**(1,745)**	**13,431**

7.34- Social Report

The social report presents the social indicators, environmental, the functional quantitative and relevant information about the exercise of business citizenship and was prepared in accordance with the resolution of Conselho Federal de Contabilidade CFC no. 1003. The information presented was obtained from the auxiliary records and some management information of the Company, direct and indirect subsidiaries and jointly controlled companies.

	Consolidated		Parent Company	
	2007	**2006**	**2007**	**2006**
Basis of calculation				
Gross revenue	66,385	46,746	23,029	19,874
Operating income before financial results and equity results	18,962	20,089	6,451	5,865
Gross payroll	3,995	2,025	1,098	868

	Amount	**Payroll**	**% of Operating income**	**Amount**	**Payroll**	**% of Operating income**	**Amount**	**Payroll**	**% of Operating income**	**Amount**	**Payroll**	**% of Operating income**
Labor indicators												
Nutrition	185	5%	1%	150	7%	1%	128	12%	2%	91	10%	2%
Compulsory payroll charges	710	18%	4%	524	26%	3%	424	39%	7%	332	38%	6%
Transportation	116	3%	1%	109	5%	1%	81	7%	1%	63	7%	1%
Pension Plan	400	10%	2%	260	13%	1%	111	10%	2%	99	11%	2%
Health	243	6%	1%	150	7%	1%	86	8%	1%	70	8%	1%
Education	68	2%	0%	112	6%	1%	81	7%	1%	69	8%	1%
Employee profit sharing plan	606	15%	3%	563	28%	3%	508	46%	8%	312	36%	5%
Others	147	4%	1%	119	6%	1%	70	6%	1%	59	7%	1%
Total Labor indicators	**2,475**	**62%**	**13%**	**1,283**	**104%**	**10%**	**1,489**	**136%**	**23%**	**1,095**	**126%**	**19%**

	Amount	**Operating income**	**% of Net operating revenue**	**Amount**	**Operating income**	**% of Net operating revenue**	**Amount**	**Operating income**	**% of Net operating revenue**	**Amount**	**Operating income**	**% of Net operating revenue**
Social Indicators												
Taxes (excluding payroll charges)	**6,127**	32%	9%	**5,980**	30%	13%	**4,265**	66%	19%	**2,566**	44%	13%

Citizenship investments	**465**	2%	1%	**341**	2%	1%	**275**	4%	1%	**285**	5%	1%
Social actions and projects	446	2%	1%	310	2%	1%	257	4%	1%	265	5%	1%
Native community	19	0%		31			18	0%	0%	20		
Environmental investments	**761**	4%	1%	**474**	2%	1%	**366**	6%	2%	**317**	5%	2%
Total - Social Indicators	**7,353**	**39%**	**11%**	**6,795**	**34%**	**15%**	**4,906**	**76%**	**21%**	**3,168**	**54%**	**16%**
Workforce Indicators												
Number of employees at the end of the period			60,405			55,819			33,392			26,006
Number of admittances during the period			6,954			8,117			3,969			5,364

Social and environmental projects developed by the company are defined by:	( ) directors	(x) directors and managers	( ) all of employees
Occupational health and safety standards were defined by:	(x) directors and managers	( ) all of employees	( ) all + CIPA
Concerning Unions and the right to negotiate collectively and have internal representation of the employees, the Company:	(x) is not involved in	( ) follows the standards of ILO	( ) encourages and follows the ILO
The pension plan system covers:	( ) directors	( ) directors and managers	(x) all of employees
Profits sharing covers:	( ) directors	( ) directors and managers	(x) all of employees
On selecting suppliers, the same ethical standards of	( ) are not considered	( ) are recommended	(x) are required

social and environmental responsibility adopted by the company:			
Concerning the participation of employees in voluntary work programs, the Company:	( ) is not involved in	( ) support	(x) organizes and encourages

Social responsibility criteria to select suppliers

Besides technical and economic aspects, the Company considers legal, environment, and health and security aspects in the selection of its suppliers. From the legal point of view, it is required a regular situation on tax aspects and labour and social social security aspects. The environment aspect is verified through docummets which confirm the regular situation for the suppliers with the governmental agencies, besides evidence of preservation and environment policies. The engagement with health and security is evaluated through questionary form which considers action of preventive policies . Also it is taken in consideration the performance of the suppliers with the local community. The Company contracts suppliers considering the criteria above, and also implemented Programa de Desenvolvimento de Fornecedores (PDF). Promoting suppliers s development, the PDF extends the benefits to the local community and the business of the region, supporting the socioeconomic development.

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

ended december 31, 2007

In millions o
Accounting infor

	Participation (%)		Assets			Liabilities and stockholders equity			Statement of i					
					Non-current		Non-current							
	Total	Voting	Circulante	Long-term	Investments, property plant and equipment and deferred charges	Current	Long-term, deferred income and minority interest	Adjusted stockholders equity	Net revenues	Cost of products and services	Operating (expenses)	Non-operating result	Income tax and Social contribution	Ad i
controlled nies														
S o ro S.A.	51.00	51.00	510	1,319	1,095	480	668	1,775	2,411	(1,658)	75	(5)	(259)	
RTE a do Norte l S.A.	57.03	61.74	801	12	4,971	483	1,181	4,121	2,709	(1,805)	36		(156)	
t S.A.	100.00	100.00	4	29		12		20			(1)		(1)	
S.A	61.48	100.00	143	45	230	30	79	309	265	(243)	(55)		(2)	
hia de Ferro	100.00	100.00	69	174	2	139	96	10			10	2	(7)	
hia a Baia de a CPBS	100.00	100.00	268	6	162	45		392	352	(105)	12		(88)	
ional S.A.	100.00	100.00	9,103	53,877	46,241	6,309	46,454	56,457	21,112	(15,600)	6,759	1	(197)	
Overseas	100.00	100.00	443	363	908	1,263	36	416	3,241	(2,280)	(139)			
r S.A.	100.00	100.00	8	297		31	266	8			(22)			
usa Carajás	100.00	100.00	147	1	347	111	1	383	161	(158)	35			
a Centro a S.A.	100.00	100.00	318	110	1,566	142	1,980	(128)	774	(667)	(63)		(20)	
a Norte Sul	100.00	100.00		2	1,482	372	372	740			(5)		2	
s Rio Doce	99.90	100.00	21	27	4	21	8	24			8		(3)	
ão Tacumã	100.00	100.00			1,662	17	1,788	(144)			23			
ões	92.99	92.99	908	31	4,922	404	934	4,522	3,124	(1,613)	501	19	(530)	
ras														

s S.A.) gmentos	86.17	85.57	115	11	265	142	162	87	209	(197)	(11)		(7)
ce ês S.A.	100.00	100.00	669	114	352	340	257	538	798	(533)	(129)	(22)	10
ce èse Europe	100.00	100.00	259	53	51	138	7	218	466	(383)	(60)	5	(11)
ce ése AS	100.00	100.00	180	12	55	71	75	101	327	(191)	(50)		(28)
Metais S.A.	100.00	100.00	57		986	3	741	298					
Mineração	100.00	100.00	95	15	58	16	108	44	102	(66)	(27)	(8)	(4)
Alumínio	100.00	100.00	129	85	526	61	30	649	530	(411)	(36)	2	(28)
stralia Pty	100.00	100.00	260	90	1,743	154	1,510	428	302	(366)	(175)	1	21
co	100.00	100.00	8,192	136	49,783	4,647	40,614	12,849	23,244	(10,599)	(5,333)	(878)	(2,921)
rerseas Ltd.	100.00	100.00	219	10,174		219	10,174						
controlled nies													
Mineração	50.00	100.00	57		56	14		99	31	(5)			(3)
ia Steel es, Inc.	50.00	50.00	651	11	438	210	313	577	2,496	(2,432)	(191)		2
hia -Brasileira ização SCO	50.00	50.00	96	48	251	155	80	160	654	(557)	6		(38)
hia -Brasileira ização NOBRÁS	50.89	51.00	196	48	135	179	50	150	655	(548)	(46)		(22)
hia asileira de ção ASCO	50.90	51.00	198	59	157	190	64	160	602	(524)	(6)		(32)
hia rasileira de ção SCO	51.00	51.11	279	69	365	440	62	211	1,075	(963)	(41)		(27)
a Serra A. MSG	50.00	50.00	28	28	71	2	20	105	25	(10)	(1)		(3)
ão Rio do A.	40.00	40.00	144	537	944	577	455	592	1,024	(543)	2	(1)	(45)
ogística	41.50	37.86	767	296	1,918	1,011	769	1,201	2,167	(1,147)	(175)	(22)	(274)
	50.00	50.00	743	392	3,173	1,751	1,735	823	2,461	(1,063)	(182)	(8)	(237)

o
ão S.A.

Observations

(a) Includes direct and indirect participation.

Additional information of the main operational investee companies are available on the Vale website www.vale.com, investor relations.

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9- Report of the Independent Accountants

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

INDEPENDENT AUDITORS REPORT

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

1. We have audited the accompanying balance sheets of Companhia Vale do Rio Doce (Company), holding company and consolidated, as of December 31, 2007 and 2006, and the related statements of income, changes in stockholders equity, and changes in financial position Tor the years then ended, prepared under the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. The audits of the financial statements for the years ended December 31, 2007 and 2006 of certain subsidiaries, which investments were accounted for by the equity method were conducted under the responsibility of other independent auditors and out opinion, in regard to these investments of the holding company as of December 31, 2007 in the amount of R$12.849 million (2006 R$22,042 million), the earnings therefrom for the year 2007 in the amount of R$3,512 million (2006 R$2,746 million) and related to the total assets of R$50,621 million as of December 31, 2007 (2006 R$47,295 million) equivalent to 38% of the total assets consolidated of the Company on that date (2006 38%) and net operating revenues for the year ended December 31, 2007 in the amount of R$23,244 million (2006 R$6,025 million) equivalent to 36% of the Company s consolidated net operating revenues for the year then ended (2006 13%), is based exclusively on those other auditors reports.

2. Our audits were conducted in accordance with auditing standards generally accepted in Brazil and included: (a) planning of the audit, considering the materiality of the amounts presented, the volume of transactions and the Company s and its investees accounting and internal control systems; (b) examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements; and (c) the evaluation of the accounting practices followed and significant estimates made by management, as well as the presentation of the financial statements taken as a whole.

3. In our opinion, based on our audits and on the reports of the other auditors, the financial statements referred to in paragraph 1 present fairly, in all material respects, the financial position of Companhia Vale do Rio Doce, holding company and consolidated, as of December 31, 2007 and 2006, the results of its operations, the changes in its stockholders, equity and the changes in its financial position for the years then ended, in conformity with accounting practices followed in Brazil.

4. Our audits were conducted for the purpose of forming an opinion on the financial statements referred to in paragraph 1, taken as a whole. The statements of cash flows (holding company and consolidated), of value added (holding company and consolidated) and of labor and social indicators (holding company and consolidated), are presented for purposes of additional information on Companhia Vale do Rio Doce and are not a required part of the basic financial statements according to the accounting practices followed in Brazil. The statements of cash flows (holding company and consolidated), of value added (holding company and consolidated) and of labor and social indicators (holding company and consolidated), have been subjected to the same audit procedures as those described in paragraph 2 and, in our opinion, based on our audits and on the reports of the other auditors, this additional information is fairly presented in all material respects in relation to the financial statements for the years ended December 31, 2007 and 2006, taken as a whole.

Rio de Janeiro, February 28, 2008

DELOITTE TOUCHE TOHMATSU	Marcelo Cavalcanti Almeida
Independent Auditors	Accountant

10- Opinion of the Fiscal Council on the Annual Report and Financial Statements at December 31, 2007

The Fiscal Council of Companhia Vale do Rio Doce, in carrying out its legal and statutory duties, after examining the Company s Annual Report, Balance Sheet, Statement of Income, Statement of Changes in Financial Position, Statement of Changes in Stockholders Equity and the respective Notes to the Financial Statements relative to the fiscal year ended December 31, 2007, and based on the opinion of the independent auditors, is of the opinion that the mentioned information, examined in accordance of applicable corporate legislation should be approved by the Annual Stockholders General Meeting.

Rio de Janeiro, February 28, 2008

Marcelo Amaral Moraes Chairman	Anibal Moreira dos Santos
Bernardo Appy	José Bernardo de Medeiros Neto

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11- Opinion of the Board of Directors on the Annual Report and Financial Statements at December 31, 2007

The Board of Directors of Companhia Vale do Rio Doce, after examined the Annual Report, Balance Sheet and other Financial Statements of the Company related to the fiscal year ended December 31, 2007, unanimously approved mentioned proposal.

In view of this, the Board is of the opinion that the above mentioned documents should be approved by the Annual Stockholders General Meeting.

Rio de Janeiro, February 28, 2008

Sérgio Ricardo Silva Rosa Chairman	Mário da Silveira Teixeira Júnior Vice President
José Ricardo Sasseron Member	Oscar Augusto de Camargo Filho Member
Sandro Kohler Marcondes Member	Luciano Galvão Coutinho Member
João Batista Cavaglieiri Member	Francisco Augusto da Costa e Silva Member
Hiroshi Tada Member	Jorge Luiz Pacheco Member
Renato da Cruz Gomes Member	

B- Additional Information

12- Cash generation (unaudited)

The consolidated operating cash generation measured by EBITDA (earnings before financial results, results of equity investments, interest, income tax and depreciation, amortization and depletion increased by dividends received) was R$33,619 in 2007 against R$22,759 in 2006, an increase of 47.7%. The effect of the consolidation of Vale Inco was of R$ 10,291 (R$ 3,183 in 2006 against R$ 13,474 in 2007).

EBITDA is not a BR GAAP measure and does not represent the expected cash flow for the periods presented and for this reason should not be considered as an alternative mesuare 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 (Unaudited)			Accumulated	
	4Q/07	**3Q/07**	**4Q/06**	**2007**	**2006**
Operating profit EBIT	**5,056**	**6,985**	**7,080**	**29,315**	**20,089**
Depreciation / amortization of goodwill	1,300	999	873	4,170	2,530
	6,356	**7,984**	**7,953**	**33,485**	**22,619**
Dividends received	75	13	4	134	140
EBITDA (LAJIDA)	**6,431**	**7,997**	**7,957**	**33,619**	**22,759**
Depreciation / amortization of goodwill	(1,300)	(999)	(873)	(4,170)	(2,530)
Dividends received	(75)	(13)	(4)	(134)	(140)
Equity results	(574)	(644)	(144)	(2,405)	(199)
Non operational results		197	(1,006)	1,458	(215)
Financial results, net	395	138	(771)	277	(1,745)
Income tax and social contribution	(183)	(1,632)	(1,420)	(7,085)	(3,390)
Minority interests	(284)	(385)	(371)	(1,554)	(1,109)
Net income	**4,410**	**4,659**	**3,368**	**20,006**	**13,431**

Consolidated EBITDA by segment

					EBITDA
	Quarter (Unaudited)			Accumulated	
Segments	**4Q/07**	**3Q/07**	**4Q/06**	**2007**	**2006**
Ferrous minerals	3,741	4,353	3,665	16,087	14,706
Non-ferrous minerals	2,155	2,822	3,347	14,241	4,231
Logistics	309	418	384	1,508	1,400
Holdings					
Aluminum	309	537	631	2,101	2,435
Steel	(12)	21	24	91	336

Others	(71)	(154)	(94)	(409)	(349)
	6,431	**7,997**	**7,957**	**33,619**	**22,759**

13- 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

Luciano Galvão Coutinho
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 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

Fiscal Council

Marcelo Amaral Moraes
Chairman

Aníbal Moreira dos Santos
Bernard Appy
José Bernardo de Medeiros Neto

Alternate
Oswaldo Mário Pêgo de Amorim Azevedo
Tarcísio José Massote de Godoy
Marcos Coimbra

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 and Investor Relations

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 and Basic Metals Comercialization

Tito Botelho Martins

Governance and Sustainability Committee
Jorge Luiz Pacheco
Renato da Cruz Gomes
Ricardo Simonsen

Executive Officer for Corporate Affairs and Energy

Demian Fiocca
Executive Officer for Technology and Management

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: March 5, 2008

By: /s/ Fabio de Oliveira Barbosa

Fabio de Oliveira Barbosa
Chief Financial Officer