Companhia Vale do Rio Doce
Form 6-K
October 24, 2008

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

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

(Check One) Form 20-F þ Form 40-F o

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

(Check One) Yes o No þ

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

(Check One) Yes o No þ

(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-___.)

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Filed at CVM and SEC on 10/23/2008

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INDEX TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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Report of Independent Registered Public Accounting Firm

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

We have reviewed the accompanying condensed consolidated balance sheet of Companhia Vale do Rio Doce and its subsidiaries as of September 30, 2008, and the related condensed consolidated statements of income, of cash flows and of stockholders equity for each of the three-month periods ended September 30, 2008, and June 30, 2008 and September 30, 2007 and for the nine-month periods ended September 30, 2008 and September 30, 2007. This interim financial information is the responsibility of the Company s management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2007, and the related consolidated statements of income, of cash flows and of stockholders equity for the year then ended (not presented herein), and in our report dated February 28, 2008, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2007, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers	Rio de Janeiro, Brazil
Auditores Independentes	October 23, 2008

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Condensed Consolidated Balance Sheets
Expressed in millions of United States Dollars

	September 30, 2008 (Unaudited)	December 31, 2007
Assets		
Current assets		
Cash and cash equivalents	14,626	1,046
Short term investments	634	
Accounts receivable		
Related parties	253	281
Unrelated parties	5,318	3,671
Loans and advances to related parties	149	64
Inventories	4,102	3,859
Deferred income tax	853	603
Recoverable taxes	1,369	1,159
Others	704	697
	28,008	**11,380**
Property, plant and equipment, net, and intangible assets	**54,462**	**54,625**
Investments in affiliated companies, joint ventures and other investments	**2,673**	**2,922**
Other assets		
Goodwill on acquisition of subsidiaries	3,479	3,791
Loans and advances		
Related parties		3
Unrelated parties	89	127
Prepaid pension cost	923	1,009
Prepaid expenses	128	200
Judicial deposits	1,182	1,124
Advances to suppliers energy	506	574
Recoverable taxes	160	199
Unrealized gains on derivative instruments	206	673
Others	309	90
	6,982	**7,790**
TOTAL	**92,125**	**76,717**

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

(Continued)

	September 30, 2008 (Unaudited)	**December 31, 2007**
Liabilities and stockholders equity		
Current liabilities		
Suppliers	2,966	2,430
Payroll and related charges	710	734
Minimum annual dividends attributed to stockholders	1,340	2,683
Current portion of long-term debt unrelated parties	733	1,249
Short-term debt	46	167
Loans from related parties	16	6
Provision for income taxes	637	1,198
Taxes payable and royalties	209	322
Employees post retirement benefits	137	131
Sub-concession	232	210
Unrealized losses on derivative instruments	98	346
Provisions for asset retirement obligations	61	64
Others	552	543
	7,737	**10,083**
Long-term liabilities		
Employees post retirement benefits	2,270	2,204
Long-term debt unrelated parties	18,393	17,608
Provisions for contingencies (Note 16 (b))	1,794	2,453
Deferred income tax	5,150	5,725
Provisions for asset retirement obligations	939	911
Sub-concession	232	210
Others	1,661	1,692
	30,439	**30,803**
Minority interests	**2,731**	**2,555**
Commitments and contingencies (Note 16)		
Stockholders equity (Note 12)		
Preferred class A stock 7,200,000,000 no-par-value shares authorized and 2,108,579,618 issued	9,727	4,953
Common stock 3,600,000,000 no-par-value shares authorized and 3,256,724,482 issued	15,262	7,742

Treasury stock 30,340,904 preferred and 56,582,040 common shares	(389)	(389)
Additional paid-in capital	393	498
Mandatory convertible notes in common shares	1,288	1,288
Mandatory convertible notes in preferred shares	581	581
Other cumulative comprehensive income (loss)	(4,348)	1,655
Undistributed retained earnings	14,183	15,317
Unappropriated retained earnings	14,521	1,631
	51,218	**33,276**
TOTAL	**92,125**	**76,717**

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

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Condensed Consolidated Statements of Income
Expressed in millions of United States Dollars
(Except per share amounts)

	Three-month period ended (unaudited)			**Nine-month period ended (unaudited)**	
	September 30, 2008	**June 30, 2008**	**September 30, 2007**	**September 30, 2008**	**September 30, 2007**
Operating revenues, net of discounts, returns and allowances					
Sales of ores and metals	10,425	9,445	6,927	26,727	21,228
Revenues from logistic services	473	462	391	1,297	1,136
Aluminum products	889	728	677	2,263	2,050
Other products and services	335	262	129	780	289
	12,122	**10,897**	**8,124**	**31,067**	**24,703**
Taxes on revenues	(383)	(297)	(226)	(896)	(624)
Net operating revenues	**11,739**	**10,600**	**7,898**	**30,171**	**24,079**
Operating costs and expenses					
Cost of ores and metals sold	(4,051)	(3,834)	(3,053)	(11,325)	(9,941)
Cost of logistic services	(272)	(256)	(207)	(740)	(622)
Cost of aluminum products	(684)	(561)	(419)	(1,738)	(1,219)
Others	(109)	(112)	(106)	(318)	(177)
	(5,116)	**(4,763)**	**(3,785)**	**(14,121)**	**(11,959)**
Selling, general and administrative expenses	(374)	(344)	(287)	(1,040)	(821)
Research and development	(331)	(269)	(206)	(790)	(471)
Others	(383)	11	(190)	(535)	(317)
	(6,204)	**(5,365)**	**(4,468)**	**(16,486)**	**(13,568)**
Operating income	**5,535**	**5,235**	**3,430**	**13,685**	**10,511**
Non-operating income (expenses)					
Financial income	277	23	39	355	237
Financial expenses	(457)	(349)	(593)	(1,366)	(1,963)
Gains (losses) on derivatives, net	(587)	655	384	(226)	581
Foreign exchange and monetary gains (losses), net	(321)	838	564	605	2,272
Gain on sale of investments			103	80	777

	(1,088)	**1,167**	**497**	**(552)**	**1,904**
Income before income taxes, equity results and minority interests	**4,447**	**6,402**	**3,927**	**13,133**	**12,415**
Income taxes					
Current	(477)	(1,173)	(975)	(2,304)	(3,291)
Deferred	621	(333)	28	584	306
	144	**(1,506)**	**(947)**	**(1,720)**	**(2,985)**
Equity in results of affiliates, joint ventures and other investments	290	260	165	669	459
Minority interests	(60)	(147)	(205)	(231)	(637)
Net income	**4,821**	**5,009**	**2,940**	**11,851**	**9,252**
Basic and diluted earnings per share					
Earnings per preferred share	0.94	1.01	0.59	2.34	1.90
Earnings per common share	0.94	1.01	0.59	2.34	1.90
Earnings per convertible notes linked to preferred share (*)	1.19	1.52	0.86	3.37	2.66
Earnings per convertible notes linked to common share (*)	1.25	1.54	0.94	3.53	2.85

(*) Basic earnings per share only as dilution assumes conversion.

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

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Condensed Consolidated Statements of Cash Flows
Expressed in millions of United States Dollars

	Three-month period ended (unaudited)			Nine-month period ended (unaudited)	
	September 30, 2008	June 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
Cash flows from operating activities:					
Net income	4,821	5,009	2,940	11,851	9,252
Adjustments to reconcile net income to cash provided by operating activities:					
Depreciation, depletion and amortization	713	760	532	2,239	1,449
Dividends received	126	223	39	397	282
Equity in results of affiliates, joint ventures and other investments	(290)	(260)	(165)	(669)	(459)
Deferred income taxes	(621)	333	(28)	(584)	(306)
Loss on disposal of property, plant and equipment	243	86	3	366	
Gain on sale of investments			(103)	(80)	(777)
Foreign exchange and monetary losses (gains), net	1,133	(1,300)	(519)	(289)	(2,571)
Unrealized derivative losses (gains), net	587	(655)	(384)	226	(581)
Minority interests	60	147	205	231	637
Unrealized interest (income) expense, net	83	(45)	9	119	125
Others	1	(3)	68	(20)	69
Decrease (increase) in assets:					
Accounts receivable	(1,481)	(802)	489	(2,081)	100
Inventories	(77)	(283)	(194)	(424)	215
Others	5	79	(467)	(71)	(372)
Increase (decrease) in liabilities:					
Suppliers	237	320	95	503	569
Payroll and related charges	97	177	121	26	64
Income taxes	(291)	750	526	(259)	975
Others	(14)	(455)	(327)	(660)	81
Net cash provided by operating activities	**5,332**	**4,081**	**2,840**	**10,821**	**8,752**
Cash flows from investing activities:					

Short term investments	(634)			(634)	
Loans and advances receivable					
Related parties					
Additions		(34)		(34)	(1)
Repayments	15			40	10
Others	(40)	1	3	(39)	2
Judicial deposits	(26)	(2)		(62)	(75)
Additions to investments	(85)	(11)	(12)	(109)	(94)
Additions to property, plant and equipment	(1,553)	(2,105)	(1,367)	(5,283)	(4,106)
Proceeds from disposal of investments			134	134	1,042
Cash used to acquire subsidiaries, net of cash acquired					(2,926)
Net cash used in investing activities	**(2,323)**	**(2,151)**	**(1,242)**	**(5,987)**	**(6,148)**
Cash flows from financing activities:					
Short-term debt, additions	65	209	472	1,075	2,462
Short-term debt, repayments	(65)	(449)	(472)	(1,186)	(3,163)
Loans					
Related parties					
Additions		3	5	21	258
Repayments	(16)	(2)		(20)	(234)
Issuances of long-term debt					
Others	71	236	54	1,637	6,566
Repayments of long-term debt					
Others	(313)	(647)	(871)	(1,065)	(11,016)
Mandatorily proceeds convertible notes					1,869
Capital increase	12,190			12,190	
Interest attributed to stockholders		(1,250)		(1,250)	(825)
Dividends to minority interest		(87)		(87)	(285)
Net cash provided by (used in) financing activities	**11,932**	**(1,987)**	**(812)**	**11,315**	**(4,368)**
Increase (decrease) in cash and cash equivalents	14,941	(57)	786	16,149	(1,764)
Effect of exchange rate changes on cash and cash equivalents	(2,469)	(53)	(52)	(2,569)	(176)
Cash and cash equivalents, beginning of period	2,154	2,264	1,774	1,046	4,448

Cash and cash equivalents, end of period	**14,626**	**2,154**	**2,508**	**14,626**	**2,508**
Cash paid during the period for:					
Interest on short-term debt	(1)	(5)	(1)	(11)	(41)
Interest on long-term debt	(305)	(357)	(324)	(941)	(928)
Income tax	(726)	(320)	(691)	(2,718)	(2,552)
Non-cash transactions					
Interest capitalized	(14)	(14)	(20)	(45)	(63)

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

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

	Three-month period ended (unaudited)			Nine-month period ended (unaudited)	
	September 30, 2008	**June 30, 2008**	**September 30, 2007**	**September 30, 2008**	**September 30, 2007**
Preferred class A stock (including twelve special shares)					
Beginning of the period	4,953	4,953	4,953	4,953	4,702
Capital increase	4,774			4,774	
Transfer from undistributed retained earnings					251
End of the period	**9,727**	**4,953**	**4,953**	**9,727**	**4,953**
Common stock					
Beginning of the period	7,742	7,742	7,742	7,742	3,806
Capital increase	7,520			7,520	
Transfer from undistributed retained earnings					3,936
End of the period	**15,262**	**7,742**	**7,742**	**15,262**	**7,742**
Treasury stock					
Beginning and end of the period	**(389)**	**(389)**	**(389)**	**(389)**	**(389)**
Additional paid-in capital					
Beginning of the period	498	498	498	498	498
Change in the period	(105)			(105)	
End of the period	**393**	**498**	**498**	**393**	**498**
Mandatory convertible notes in common shares					
Beginning of the period	**1,288**	**1,288**	**1,288**	**1,288**	**1,288**
Mandatory convertible notes in preferred shares					
Beginning of the period	**581**	**581**	**581**	**581**	**581**

Other cumulative comprehensive income (deficit)					
Cumulative translation adjustments					
Beginning of the period	2,842	1,135	(464)	1,340	(1,628)
Change in the period	(6,835)	1,707	1,467	(5,333)	2,631
End of the period	**(3,993)**	**2,842**	**1,003**	**(3,993)**	**1,003**
Unrealized gain (loss) on available-for-sale securities					
Beginning of the period	111	205	205	211	271
Change in the period	(190)	(94)	24	(290)	(42)
End of the period	**(79)**	**111**	**229**	**(79)**	**229**
Surplus (deficit) accrued pension plan					
Beginning of the period	164	60	472	75	353
Change in the period	(468)	104	68	(379)	187
End of the period	**(304)**	**164**	**540**	**(304)**	**540**
Cash flow hedge					
Beginning of the period	8	2	14	29	
Change in the period	20	6	9	(1)	23
End of the period	**28**	**8**	**23**	**28**	**23**
Total other cumulative comprehensive income (loss)	**(4,348)**	**3,125**	**1,795**	**(4,348)**	**1,795**
Undistributed retained earnings					
Beginning of the period	17,021	15,508	6,233	15,317	9,555
Transfer from/to unappropriated retained earnings	(2,838)	1,513	327	(1,134)	1,192
Transfer to capital stock					(4,187)
End of the period	**14,183**	**17,021**	**6,560**	**14,183**	**6,560**
Unappropriated retained earnings					
Beginning of the period	6,886	3,435	7,952	1,631	2,505

Net income	4,821	5,009	2,940	11,851	9,252
Interest attributed to mandatory covertible debt					
Preferred class A stock	(8)	(15)	(14)	(31)	(14)
Common stock	(16)	(30)	(27)	(64)	(27)
Appropriation from/to undistributed retained earnings	2,838	(1,513)	(327)	1,134	(1,192)
End of the period	**14,521**	**6,886**	**10,524**	**14,521**	**10,524**
Total stockholders equity	**51,218**	**41,705**	**33,552**	**51,218**	**33,552**
Preferred class A stock (including twelve special shares)	2,108,579,618	1,919,516,400	1,919,516,400	2,108,579,618	1,919,516,400
Common stock	3,256,724,482	2,999,797,716	2,999,797,716	3,256,724,482	2,999,797,716
Treasury stock					
Beginning of the period	(86,923,052)	(86,923,052)	(86,923,328)	(86,923,184)	(86,927,072)
Sales	108		144	240	3,888
End of the period	(86,922,944)	(86,923,052)	(86,923,184)	(86,922,944)	(86,923,184)
	5,278,381,156	4,832,391,064	4,832,390,932	5,278,381,156	4,832,390,932

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

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Notes to the Condensed Consolidated Financial Information
Expressed in millions of United States Dollars, unless otherwise stated

1 The Company and its operation

Companhia Vale do Rio Doce (Vale) is a limited liability company, duly organized under the laws of the Federative Republic of Brazil. Operations are carried out through Vale and our subsidiary companies, joint ventures and affiliates, and mainly consist of mining, non-ferrous metal production, logistics and steel activities.

On September 30, 2008, the main operating subsidiaries we consolidate are described as follows:

Subsidiary	% ownership	% voting capital	Head office location	Principal activity
Alumina do Norte do Brasil S.A. Alunorte (Alunorte)	57.03	59.02	Brazil	Alumina
Alumínio Brasileiro S.A. Albras (Albras)	51.00	51.00	Brazil	Aluminum
CADAM S.A (CADAM)	61.48	100.00	Brazil	Kaolin
CVRD Overseas Ltd.	100.00	100.00	Cayman Islands	Trading
Ferrovia Centro-Atlântica S. A.	100.00	100.00	Brazil	Logistics
Mineração Onça Puma Ltda	100.00	100.00	Brazil	Nickel
Minerações Brasileiras Reunidas S.A. MBR	92.99	92.99	Brazil	Iron ore
Pará Pigmentos S.A. (PPSA)	86.17	85.57	Brazil	Kaolin
PT International Nickel Indonesia Tbk (PT Inco)	61.16	61.16	Indonesia	Nickel
Rio Doce Manganês S.A.	100.00	100.00	Brazil	Manganese and Ferroalloys
Rio Doce Manganèse Europe RDME	100.00	100.00	France	Ferroalloys
Rio Doce Manganese Norway RDMN	100.00	100.00	Norway	Ferroalloys
Vale Australia Pty Ltd.	100.00	100.00	Australia	Coal
Vale Inco Limited	100.00	100.00	Canada	Nickel
Vale International S.A (formerly CVRD International S.A)	100.00	100.00	Swiss	Trading
Valesul Aumínio S.A.	100.00	100.00	Brazil	Aluminum

2 Basis of consolidation

All majority-owned subsidiaries in which we have both share and management control are consolidated. All significant intercompany accounts and transactions are eliminated. Our variable interest entities in which we are the primary beneficiary are consolidated. Investments in unconsolidated affiliates and joint ventures are accounted for under the equity method (Note 9).

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

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

Our participation in hydroelectric projects are made via consortium contracts under which we have an undivided interests in assets and are liable for our proportionate share of liabilities and expenses, which are based on our proportionate share of power output. We do not have joint liability for any obligations, and all our recorded costs, income, assets and liabilities relate to the entities within our group. Since there is no separate legal entity for these projects, there are no separate financial statements, income tax return, net income or shareholders equity. Brazilian corporate law explicitly states that no separate legal entity arises from consortium contract. Accordingly, we recognize our proportionate share of costs and our undivided interest in assets relating to hydroelectric projects.

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3 Basis of Presentation

Our condensed consolidated interim financial information for the three-month periods ended September 30, 2008, June 30, 2008, and September 30, 2007 and for the nine-month periods ended September 30, 2008 and 2007, prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), are unaudited. However, in our opinion, such condensed consolidated financial information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for interim periods. The results of operations for the three-month and nine-month periods ended September 30, 2008, are not necessarily indicative of the actual results expected for the full fiscal year ending December 31, 2008.

These condensed consolidated financial information should be read in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2007, prepared in accordance with US GAAP.

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

The U.S. Dollar amounts for the periods and years presented, regarding the entities that that have a functional currency different from the U.S. Dollar, which is our presentation currency, have been translated from the original functional currency amounts in accordance with the criteria set forth in Statement of Financial Accounting Standards (SFAS) 52 Foreign Currency Translation (SFAS 52).

As a result, we have translated: (a) all assets and liabilities for each balance sheet presented at the closing rate at each balance sheet date (or the first available exchange rate if exchange on the last day of the period was not available), (b) all accounts in the statement of income at average exchange rates prevailing during the period. The translation gain or loss resulting from this remeasurement process is included in the cumulative translation adjustments account in stockholders equity.

The exchange rates used to translate the assets and liabilities of the Brazilian operations at September 30, 2008 and December 31, 2007, were R$ 1.9143 and R$ 1.7713, respectively.

4 Recently-issued accounting pronouncements

In October 2008, the FASB issued FASB Staff Position No. FAS 157-3, Determining the Fair Value of a Financial Asset in a Market That Is Not Active (FSP 157-3), which clarifies the application of SFAS 157 when the market for a financial asset is inactive. Specifically, FSP 157-3 clarifies how (1) management s internal assumptions should be considered in measuring fair value when observable data are not present, (2) observable market information from an inactive market should be taken into account, and (3) the use of broker quotes or pricing services should be considered in assessing the relevance of observable and unobservable data to measure fair value. The guidance in FSP 157-3 is effective immediately.

In June 2008, the Financial Accounting Standards Board (FASB) issued FSP EITF 03-6-1, Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities . The objective of this FSP is to addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share (EPS) under the two-class method described in paragraphs 60 and 61 of FASB Statement No. 128, Earnings per

Share. It is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early application is not permitted. We are currently studying the effects of this pronouncement.

In May 2008, the Financial Accounting Standards Board (FASB) issued FSP APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) . This FASB Staff Position (FSP) clarifies that convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants. Additionally, this FSP specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity s nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008. We are currently studying the effects of this pronouncement.

In May 2008, the Financial Accounting Standards Board (FASB) issued FSP FAS 162, The Hierarchy of Generally Accepted Accounting Principles . The objective of this FSP is to identify the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). This Statement shall be effective 60 days following the SEC s approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles. There are no specific disclosure requirements with this statement.

In April 2008, the Financial Accounting Standard s Board (FASB) issued FSP FAS 142-3, Determination of the Useful Life of Intangible Assets . The objective of this FSP is to address situations of renewing or extending the useful life of a recognized intangible asset. It is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early application is not permitted. We are currently studying the effects of this pronouncement.

5 Major acquisitions and disposals

In February 2008, we sold all of our interest in Jubilee Mines N.L. (held by our subsidiary Vale Inco), corresponding to 4.83% of its common shares, for US$ 134 generating a gain of US$ 80.

In October, 2007 we were awarded, in a public auction, a 30-year sub-concession agreement, under which we purchased the right to use the Ferrovia Norte Sul S.A. FNS for US$ 837, payable in three installments. The first installment, equivalent to US$ 412 and corresponding to 50% was paid in December 2007. The second and third installments, each one representing 25% of the total amount, are to be paid in December 2008, and 2009, upon the completion of the railroad. The outstanding installments are indexed to the general price index (IGP-DI) and accrue interest of 12% p.a.

In July 2007, we sold our interest in Lion Ore Mining International Ltd.(held by our subsidiary Vale Inco), corresponding to 1.8% of its common shares for US$ 105, generating a gain of US$ 80.

In June 2007, we sold through primary and secondary public offerings, 25,213,664 common shares, representing 57.84% of the total capital of our subsidiary Log-In Logística Intermodal S.A. (Log-In) for US$ 179, recording a gain of US$ 155.

In July 2007, we sold an additional 5.1% stake in Log-In for US$ 24 recording a gain of US$ 21. At December 31, 2007, we held 31.33% of the voting and total capital of this entity, which is accounted for as at the equity method.

In May 2007, we sold in a public offering, part of our stockholding in Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS, an available-for-sale investee, for US$ 728, recording a gain of US$ 456. We have retained the minimum number of shares required to participate in the current shareholders agreement of the investee.

In May 2007, we acquired a further 6.25% of the total share capital of Empreendimentos Brasileiros de Mineração S.A. (EBM), which main asset is its interest in MBR, for US$ 231 and as a result, our direct and indirect stake in MBR increased to 92.99% of total and voting capital. We simultaneously entered into an usufruct agreement with minority shareholders whereby they transferred to us all rights and obligations with respect to their EBM shares, including rights to dividends for the next 30 years, for which we will make an initial payment of US$ 61 plus an annual fee of US$ 48 for each of the next 29 years. The present value of the future obligation is recorded as a liability and the corresponding charge recorded to minority interests in the balance sheet.

In April 2007, we concluded the acquisition of 100% of Vale Australia (former AMCI Holdings Australia Pty AMCI HA), a private company domiciled in Australia, which owns and operates coalmines in that country, for US$ 656.

6 Income taxes

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

In other countries where we have operations, the applicable tax rates vary from 1.67% to 40%.

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

									Three-month period ended (unaudited)
		September 30, 2008			**June 30, 2008**			**September 30, 2007**	
	Brazil	**Foreign**	**Total**	**Brazil**	**Foreign**	**Total**	**Brazil**	**Foreign**	**Total**
Income before income taxes, equity results and minority interests	**334**	**4,113**	**4,447**	**4,067**	**2,335**	**6,402**	**2,062**	**1,865**	**3,927**
Federal income tax and social contribution expense at statutory enacted rates	(114)	(1,398)	(1,512)	(1,383)	(794)	(2,177)	(701)	(634)	(1,335)
Adjustments to derive effective tax rate:									
Tax benefit on interest attributed to stockholders	278		278	7		7	124		124
Difference on tax rates of foreign income		808	808		602	602		529	529
Functional currency not		633	633		(287)	(287)		(314)	(314)

taxable									
Tax incentives	14		14	72		72	50		50
Other non-taxable gains (losses)	57	(134)	(77)	358	(81)	277		(1)	(1)
Federal income tax and social contribution expense in consolidated statements of income	**235**	**(91)**	**144**	**(946)**	**(560)**	**(1,506)**	**(527)**	**(420)**	**(947)**

	Nine-month period ended (unaudited)					
	September 30, 2008			September 30, 2007		
	Brazil	**Foreign**	**Total**	**Brazil**	**Foreign**	**Total**
Income before income taxes, equity results and minority interests	**4,923**	**8,210**	**13,133**	**6,470**	**5,945**	**12,415**
Federal income tax and social contribution expense at statutory enacted rates	(1,674)	(2,791)	(4,465)	(2,200)	(2,021)	(4,221)
Adjustments to derive effective tax rate:						
Tax benefit on interest attributed to stockholders	454		454	345		345
Difference on tax rates of foreign income		1,381	1,381		855	855
Functional currency not taxable		315	315		(250)	(250)
Tax incentives	101		101	167		167
Other non-taxable gains (losses)	356	138	494	91	28	119