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COMP/M.4374 – CVRD/ INCO

SECTION 1.2

Description of the concentration

Companhia Vale do Rio Doce (“CVRD”) intends to acquire sole control of the entire issued share capital of Inco Limited (“Inco”) by way of a public offer by its wholly owned indirect subsidiary CVRD Canada Inc. This acquisition constitutes a concentration in accordance with Article 3(1)(b) of the EC Merger Regulation.

CVRD is a diversified mining company with four main lines of business:

- ferrous minerals (production of iron ore, pellets, manganese ore and ferroalloys);
- non-ferrous mineral production (kaolin, potash and copper);
- aluminium-related operations (bauxite mining, alumina refining and aluminium smelting); and
- logistics services in Brazil (railroad, coastal shipping and port handling operations).

Inco is a mining and metal company principally known as a nickel producer. It also produces copper, cobalt, platinum, palladium and rhodium, gold and silver (on an incidental basis), value-added speciality nickel products, sulphuric acid and liquid sulphur dioxide.

The only current overlap between CVRD and Inco arises in relation to copper.

CVRD and Inco operate complementary businesses. The proposed transaction will bring a better diversification to CVRD’s activities by products, markets and geographic asset base, reducing its business and financial risks.