

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Listings/Market Watch

Date: January 12, 2007

Subject: Inco Limited (INCLF) Merger With Companhia Vale do Rio Doce ("CVRD")

On January 3, 2007, the shareholders of Inco Limited (INCLF) voted regarding the proposed merger with Companhia Vale do Rio Doce. **The merger was approved and became effective on January 5, 2007, however, settlement was delayed pending determination of the exact deliverable amount.** Pursuant to the merger terms each INCLF Common Share will be converted into one Class A redeemable preferred share of CVRD Inco. Each CVRD Inco Class A redeemable preferred share will be converted into the right to receive **\$86.00 Canadian (\$72.91299852 U.S. Dollar).**

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding N options will be adjusted as follows:

EFFECTIVE DATE: Monday, January 8, 2007
NEW DELIVERABLE: \$7,291.30 Cash (\$72.91299 x 100)

Existing open interest in all N options will remain until options are either exercised or expire. Since they are American style options, they are exercisable at the option of the holder.

Questions regarding this release may be directed to Listings/Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.