

(A free translation of the original in Portuguese)

Magnesita Refratários S.A.
Review Report of Independent Accountants
on Quarterly Information (ITR)
September 30, 2008

(A free translation of the original in Portuguese)

Review Report of Independent Accountants

To the Board of Directors and Stockholders
Magnesita Refratários S.A.

- 1 We have reviewed the accounting information included in the Quarterly Information (ITR) (parent company and consolidated) of Magnesita Refratários S.A. (formerly RPAR Holding S.A.) for the quarter ended September 30, 2008, comprising the balance sheet, the statements of income and of cash flows, the performance report and the explanatory notes. This Quarterly Information is the responsibility of the Company's management.
- 2 Our review was carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON) in conjunction with the Federal Accounting Council (CFC) and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the Quarterly Information and (b) a review of the significant information and of the subsequent events which have, or could have, significant effects on the financial position and operations of the Company.
- 3 Based on our review, we are not aware of any material modifications that should be made to the quarterly information referred to above in order that it be stated in accordance with the rules issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information, including the CVM Instruction No. 469/08.
- 4 As mentioned in Note 2(b), Law No. 11638 was enacted on December 28, 2007 and is effective as from January 1, 2008. This law amended, revoked and introduced new provisions to Law No. 6404/76 (Brazilian Corporation Law) and changed the accounting practices adopted in Brazil. Although this law is already effective, the main changes introduced by it depend on regulations to be issued by the regulatory agencies for them to be implemented by the companies. Accordingly, during this phase of transition, the CVM, through its Instruction 469/08, did not require the implementation of all the provisions of Law 11638/07 in the

Magnesita Refratários S.A.

preparation of the Quarterly Information (ITR). As a result, the accounting information included in the Quarterly Information for the quarter ended September 30, 2008 was prepared in accordance with specific CVM instructions and does not contemplate all the changes in accounting practices introduced by Law 11638/07.

- 5 The Quarterly Information (ITR) also includes comparative accounting information on the results for the quarter ended September 30, 2007, obtained from the corresponding Quarterly Information (ITR). The Quarterly Information for the quarter ended September 30, 2007 was not reviewed by independent accountants. Our report does not cover the accounting information for that quarter.
- 6 The Quarterly Information (ITR) mentioned in the first paragraph also includes certain accounting information of Magnesita S.A., which was merged into the Company in the first quarter of 2008 (as mentioned in Note 1), for the quarter and the nine-month period ended September 30, 2007, comprising the consolidated statements of income and of cash flows and the performance report. The Quarterly Information (ITR) for the quarter ended September 30, 2007 of Magnesita S.A. (parent company and consolidated) did not include the consolidated statement of cash flows for that period and, therefore, this statement was not reviewed by independent accountants.
- 7 In April 2008, the proposal for the Company to be listed on the Bolsa de Valores de São Paulo S.A. - BOVESPA, as well as its listing on the New Market was approved. As described in Note 2.1, the accounting information included in the Quarterly Information - ITR of the Company (parent company and consolidated) for the quarter and nine-month period ended September 30, 2008, originally disclosed on November 12, 2008, has been restated to include the statement of cash flows of the Company (parent company) for the quarter and nine-month period ended September 30, 2008 (Note 16), as required by the New Market Listing Regulation.

Belo Horizonte, December 12, 2008

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" MG

Aníbal Manoel Gonçalves de Oliveira
Contador CRC 1RJ056588/O "S" MG

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FEDERAL GOVERNMENT SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
QUARTERLY INFORMATION (ITR)
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Unaudited
 Corporate Legislation
 September 30, 2008

REGISTRATION WITH THE CVM DOES NOT IMPLY ANY ANALYSIS OF THE COMPANY. COMPANY MANAGEMENT IS RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED.

01.01 - IDENTIFICATION

1 - CVM CODE 02084-2	2 - COMPANY NAME MAGNESITA REFRATÁRIOS S.A.	3 - National Corporate Taxpayers' Registration Number - CNPJ 08.684.547/0001-65
4 - State Registration Number - NIRE 35300337875		

01.02 - HEAD OFFICE

1 - ADDRESS Praça Louis Ensck, 240				2 - SUBURB OR DISTRICT Cid. Industrial	
3 - POSTAL CODE 32210-902		4 - MUNICIPALITY Contagem			5 - STATE MG
6 - AREA CODE 31	7 - TELEPHONE 3348-8598	8 - TELEPHONE 3348-8419	9 - TELEPHONE -		10 - TELEX
11 - AREA CODE 31	12 - FAX 3348-8630	13 - FAX -	14 - FAX -		
15 - E-MAIL adriana.lana@magnesita.com.br					

01.03 - INVESTOR RELATIONS OFFICER (Company Mail Address)

1 - NAME Maurício Lustosa de Castro					
2 - ADDRESS Praça Louis Ensck, 240				3 - SUBURB OR DISTRICT Cid. Industrial	
4 - POSTAL CODE 32210-902		5 - MUNICIPALITY Contagem			6 - STATE MG
7 - AREA CODE 31	8 - TELEPHONE 3348-8401	9 - TELEPHONE 3348-8403	10 - TELEPHONE 3348-8419		11 - TELEX
12 - AREA CODE	13 - FAX -	14 - FAX -	15 - FAX -		
16 - E-MAIL mauricio.castro@magnesita.com.br					

01.04 - GENERAL INFORMATION/INDEPENDENT ACCOUNTANT

CURRENT YEAR		CURRENT QUARTER			PRIOR QUARTER		
1-BEGINNING	2-END	3-QUARTER	4-BEGINNING	5-END	6-QUARTER	7-BEGINNING	8-END
1/1/2008	12/31/2008	3	7/1/2008	9/30/2008	2	4/1/2008	6/30/2008
9 - INDEPENDENT ACCOUNTANT PricewaterhouseCoopers Auditores Independentes						10 - CVM CODE 00287-9	
11 - PARTNER RESPONSIBLE Anibal Manoel Gonçalves de Oliveira					12 - INDIVIDUAL TAXPAYERS' REGISTRATION NUMBER OF THE PARTNER RESPONSIBLE 851.939.507-44		

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01.05 - CAPITAL COMPOSITION

Number of shares (Units)	Current Quarter 9/30/2008	Prior quarter 6/30/2008	Same quarter in prior year 9/30/2007
Paid-up capital			
1 - Common	190,415,670	181,595,496	719,000,000
2 - Preferred	0	0	
3 - Total	190,415,670	181,595,496	719,000,000
Treasury Stock			
4 - Common	0	822,747	0
5 - Preferred	0	0	0
6 - Total	0	822,747	0

01.06 - CHARACTERISTICS OF THE COMPANY

1 - TYPE OF COMPANY Commercial, Industrial and Other
2 - SITUATION Operating
3 - NATURE OF OWNERSHIP Local Private
4 - ACTIVITY CODE 1030 - Mineral Extraction
5 - MAIN ACTIVITY Mining, manufacture, sale, export of refractories
6 - TYPE OF CONSOLIDATION Full
7 - TYPE OF REPORT OF THE INDEPENDENT ACCOUNTANT Without exceptions

01.07- COMPANIES EXCLUDED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ	3 - NAME
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01.08 - DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - DATE APPROVED	4 - AMOUNT	5 - DATE OF PAYMENT	6 - TYPE OF SHARE	7 - AMOUNT PER SHARE
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01.09 - SUBSCRIBED CAPITAL AND ALTERATIONS IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF ALTERATION	3 - CAPITAL (IN THOUSANDS OF REAIS)	4 - AMOUNT OF THE ALTERATION (IN THOUSANDS OF REAIS)	5 - NATURE OF ALTERATION	7 - NUMBER OF SHARES ISSUED (UNITS)	8 - SHARE PRICE ON ISSUE DATE (IN REAIS)
01	1/18/2008	913,304	44,304	Private subscription in cash	44,303,797,470	1,000.0000000000
02	1/23/2008	1,006,975	93,671	Private subscription in cash	93,670,886,080	1,000.0000000000
03	1/31/2008	1,080,975	74,000	Private subscription in cash	74,000,000,000	1,000.0000000000
04	2/21/2008	1,369,150	288,175	Companies' merger	734,980,252,288	0.0000000000
05	7/24/2008	1,362,674	6,476	Cancellation of Treasury Stock	822,747	0.0000000000
06	7/24/2008	1,548,440	185,766	Private subscription in cash	9,642,921	19.2645000000

01.10 - INVESTOR RELATIONS OFFICER

1 - DATE 11/11/2008	2 - SIGNATURE
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02084-2	MAGNESITA REFRATÁRIOS S.A.	08.684.547/0001-65

02.01 - Balance Sheet - Assets (R\$ thousand)

1 - Code	2 - Description	3 - 9/30/2008	4 - 6/30/2008
1	Total assets	3,008,406	2,773,002
1.01	Current assets	1,288,027	1,030,665
1.01.01	Cash and cash equivalents	636,596	450,722
1.01.01.01	Cash and banks	728	955
1.01.01.02	Marketable securities	635,868	449,767
1.01.02	Credits	293,421	248,914
1.01.02.01	Customers	293,421	248,914
1.01.02.01.01	Trade accounts receivable - domestic market	202,988	176,684
1.01.02.01.02	Trade accounts receivable - foreign market	91,438	73,066
1.01.02.01.03	Allowance for doubtful accounts	(1,005)	(836)
1.01.02.02	Sundry credits	0	0
1.01.03	Inventories	251,772	258,780
1.01.03.01	Finished products	86,215	88,647
1.01.03.02	Work in process	56,321	63,514
1.01.03.03	Raw materials	77,802	79,585
1.01.03.04	Warehouse (replacement materials and other)	33,871	34,186
1.01.03.05	Provision for losses	(2,437)	(7,152)
1.01.04	Other	106,238	72,249
1.01.04.01	Other credits	12,626	6,187
1.01.04.02	Taxes recoverable	47,774	38,549
1.01.04.03	Receivables from sale of properties	45,838	27,513
1.02	Non-current assets	1,720,379	1,742,337
1.02.01	Long-term receivables	80,396	104,299
1.02.01.01	Sundry credits	0	0
1.02.01.02	Receivables from related companies	0	40,917
1.02.01.02.01	Associated and similar companies	0	0
1.02.01.02.02	Subsidiaries	0	40,917
1.02.01.02.03	Other related companies	0	0
1.02.01.03	Other	80,396	63,382
1.02.01.03.01	Special and escrow deposits	10,050	3,132
1.02.01.03.02	Tax credits	34,687	37,265
1.02.01.03.03	Taxes on purchases of property, plant and equipment	1,176	1,289
1.02.01.03.04	Receivables from sale of properties	34,483	21,696
1.02.02	Permanent assets	1,639,983	1,638,038
1.02.02.01	Investments	124,852	71,291
1.02.02.01.01	Investments in associated and similar companies	0	0
1.02.02.01.02	Investments in associated and similar companies - goodwill	0	0
1.02.02.01.03	Investments in subsidiaries	123,217	68,646
1.02.02.01.04	Investments in subsidiaries - goodwill	0	0
1.02.02.01.05	Other investments	1,635	2,645
1.02.02.02	Property, plant and equipment	396,638	381,945
1.02.02.02.01	Land	19,641	19,686
1.02.02.02.02	Buildings, improvements and mineral deposits	149,676	149,423
1.02.02.02.03	Machinery, facilities and equipment	582,002	572,566
1.02.02.02.04	Transportation equipment	13,507	13,681
1.02.02.02.05	Furniture and fixtures and other	10,934	10,821
1.02.02.02.06	Construction in progress	72,199	55,310
1.02.02.02.07	Accumulated depreciation	(451,321)	(439,542)
1.02.02.03	Intangible assets	1,118,358	1,184,650
1.02.02.04	Deferred charges	135	152

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02.02 - Balance Sheet - Liabilities and Stockholders' Equity (R\$ thousand)

1 - Code	2 - Description	3 - 9/30/2008	4 - 6/30/2008
2	Total liabilities	3,008,406	2,773,002
2.01	Current liabilities	332,890	253,729
2.01.01	Loans and financing	163,244	114,653
2.01.02	Debentures	0	0
2.01.03	Suppliers	46,241	36,223
2.01.04	Taxes, fees and contributions	23,222	18,912
2.01.04.01	Other taxes	23,222	18,912
2.01.05	Dividends payable	1,128	1,136
2.01.06	Provisions	87,603	70,748
2.01.06.01	Salaries and social security charges	57,275	46,158
2.01.06.02	Advances from customers	12,539	5,548
2.01.06.03	Management profit sharing	0	0
2.01.06.04	Agent commissions abroad	3,122	3,575
2.01.06.05	Liabilities on the transfer of rights	14,667	15,467
2.01.07	Payables to related companies	0	0
2.01.08	Other	11,452	12,057
2.02	Non-current liabilities	1,100,382	1,078,628
2.02.01	Long-term liabilities	1,081,126	1,059,372
2.02.01.01	Loans and financing	947,884	949,004
2.02.01.02	Debentures	0	0
2.02.01.03	Provisions	129,432	110,368
2.02.01.03.01	Contingencies	90,151	94,842
2.02.01.03.02	Post-employment obligations	16,513	15,526
2.02.01.03.03	Deferred income tax and social contribution	22,768	0
2.02.01.04	Payables to related companies	3,810	0
2.02.01.05	Advance for future capital increase	0	0
2.02.01.06	Other	0	0
2.02.02	Deferred income	19,256	19,256
2.02.02.01	Negative goodwill - merger of subsidiary	19,256	19,256
2.04	Stockholders' equity	1,575,134	1,440,645
2.04.01	Paid-up capital	1,548,440	1,473,714
2.04.01.01	Capital	1,548,440	1,369,150
2.04.01.02	Subscriptions to capitalize	0	111,040
2.04.01.03	Treasury stock	0	(6,476)
2.04.02	Capital reserves	5,974	5,974
2.04.02.01	Tax incentive reserve	0	0
2.04.02.02	Special reserve Law 8200	5,974	5,974
2.04.03	Revaluation reserves	0	0
2.04.03.01	Own assets	0	0
2.04.03.02	Subsidiaries/Associated and similar companies	0	0
2.04.04	Revenue reserves	2,894	2,894
2.04.04.01	Legal	0	0
2.04.04.02	Statutory	0	0
2.04.04.03	Contingencies	0	0
2.04.04.04	Unrealized profits	0	0
2.04.04.05	Retained profits	2,894	2,894
2.04.04.06	Special for undistributed dividends	0	0
2.04.04.07	Other revenue reserves	0	0
2.04.05	Retained earnings/accumulated deficit	17,826	(41,937)
2.04.06	Advance for future capital increase	0	0

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03.01 - Statement of income (R\$ thousand)

1 - Code	2 - Description	1 - 7/1/2008 to 9/30/2008	2 - 1/1/2008 to 9/30/2008	3 - 7/1/2007 to 9/30/2007	4 - 1/1/2007 to 9/30/2007
3.01	Gross sales and/or service revenues	436,702	1,177,806	0	0
3.02	Deductions from gross sales revenues	(93,459)	(264,875)	0	0
3.03	Net sales and/or service revenues	343,243	912,931	0	0
3.04	Cost of products and/or services sold	(206,346)	(548,028)	0	0
3.05	Gross profit	136,897	364,903	0	0
3.06	Operating expenses/income	(99,773)	(348,190)	(11,229)	(11,229)
3.06.01	Selling	(27,261)	(73,426)	0	0
3.06.02	General and administrative	(34,148)	(88,366)	(10,356)	(10,356)
3.06.03	Financial	3,012	(47,605)	(950)	(950)
3.06.03.01	Financial income	61,792	68,897	0	0
3.06.03.01.01	Financial income	18,234	31,288	0	0
3.06.03.01.02	Exchange/Monetary variation gains	43,558	37,609	0	0
3.06.03.02	Financial expenses	(58,780)	(116,502)	(950)	(950)
3.06.03.02.01	Financial expenses	(44,409)	(109,711)	(950)	(950)
3.06.03.02.02	Exchange/Monetary variation losses	(14,371)	(6,791)	0	0
3.06.04	Other operating income	14,052	32,249	0	0
3.06.05	Other operating expenses	(68,639)	(201,536)	0	0
3.06.05.01	Amortization of goodwill	(65,835)	(183,783)	0	0
3.06.05.02	Other operating expenses	(2,804)	(17,753)	0	0
3.06.06	Equity in the earnings of subsidiaries	13,211	30,494	77	77
3.07	Operating profit (loss)	37,124	16,713	(11,229)	(11,229)
3.08	Non-operating income	40,239	92,195	0	0
3.08.01	Income	98,346	160,272	0	0
3.08.02	Expenses	(58,107)	(68,077)	0	0
3.09	Profit (loss) before taxation and profit sharing	77,363	108,908	(11,229)	(11,229)
3.10	Provision for income tax and social contribution on net income	7,746	(5,536)	0	0
3.11	Deferred income tax	(25,346)	(20,668)	0	0
3.12	Statutory profit sharing/contributions	0	0	0	0
3.12.01	Profit sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of interest on stockholders' equity	0	0	0	0
3.15	Net income (loss) for the period	59,763	82,704	(11,229)	(11,229)
	Number of shares (units), excluding treasury stock	190,415,670	190,415,670	719,000,000	719,000,000
	Net income per share - R\$	0.31386	0.43433		
	Loss per share - R\$			(0.01562)	(0.01562)

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04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

1 Operations

Magnesita Refratários S.A. ("Company" or "Magnesita") was formed on December 11, 2006, and its objective is to invest in other companies. At the Extraordinary General Meeting of stockholders held on August 6, 2007, its name was changed from Sibaúma Participações S.A. to RPAR Holding S.A., and at the Extraordinary General Meeting held on March 17, 2008 from RPAR Holding S.A. to Magnesita Refratários S.A.

From December 11, 2006 to September 26, 2007, the Company had no results from its activities.

On September 27, 2007, the Company concluded the acquisition of stock representing, directly and indirectly, 70.7% of the voting capital of Magnesita S.A. (common shares) and 3.1% of its preferred non-voting shares, totaling 38.6% of the total capital of that company.

On December 11, 2007, the Company acquired through the Stock Exchange new preferred class A and class C shares of Magnesita S.A., representing 16.83% of the outstanding preferred shares, by means of a Voluntary Public Share Offering.

Also in December 2007, the Company made a Public Offer for the Acquisition of common shares of Magnesita S.A., representing 29.27% of its voting capital and 15.39% of its total capital. The price was R\$ 61.60 per thousand common shares, which is equivalent to 80% of the amount paid by the Company to the majority stockholders.

Between January 3 and 31, 2008, the Company acquired in the open market of the São Paulo Stock Exchange - BOVESPA, 955,392,390 common shares and 2,951,731,751 preferred class A shares issued by Magnesita S.A. for R\$ 192,004.

On January 31, 2008, the Company held an auction at BOVESPA for the Public Offer for the Acquisition of common shares of Magnesita S.A. (as established in art. 254. A of Law 6404/76), acquiring 4,512,220,813 common shares of Magnesita S.A. for R\$ 287,601.

On February 2, 2008, the Company presented a proposal for the merger of the subsidiaries Magnesita S.A. and Partimag S.A., which took place on February 21, 2008.

The base date of the merger was December 31, 2007. The stockholders of Magnesita S.A. received shares from Magnesita Refratários S.A. (formerly RPAR Holding S.A.). In the particular case of Partimag S.A., a wholly-owned subsidiary of Magnesita Refratários S.A., whose main asset was its investment in Magnesita S.A., the merger did not generate any issue of shares.

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04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)

On April 30, 2008, the Extraordinary General Meeting of the Company's stockholders approved the merger of the following subsidiaries:

- Magnesita Service Ltda.;
- Risa Refratários e Isolantes Ltda.;
- Risa Materiais Cerâmicos Ltda.;
- Refratec Produtos Eletrofundidos Ltda.;
- Ikera Indústria e Comércio Ltda.;
- Refratec Participações Ltda.; and
- São José Administração de Matérias Primas Ltda.

This merger transaction did not imply a capital increase in the parent company since the Company held 100% of the capital quotas of the merged companies.

Accordingly, there was no change in the Company's consolidated financial position arising from the merger carried out.

2 Presentation of the Financial Statements and Significant Accounting Practices

- a) Considering that the Company started its operations in the 3rd quarter of 2007, specifically on September 27, 2007, the statement of income for the 3rd quarter of 2007, presented for comparative purposes, includes just holding company transactions, the only activity of the Company in 2007.

The quarterly information was prepared and is presented in accordance with specific instructions of the Brazilian Securities Commission (CVM). The accounting practices adopted in this quarterly information are consistent with those adopted to prepare the December 31, 2007 financial statements of the Company.

The accounting estimates adopted to prepare the quarterly information were based on objective factors and on management judgment to determine the appropriate amount to be recorded in the quarterly information, in conformity with current accounting practices. Significant items subject to these estimates and assumptions include estimates relating to the selection of the useful lives of property, plant and equipment, provisions for contingent liabilities, income taxes and other similar liabilities. The actual results may differ from those estimates.

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**04.01 - Notes to the Quarterly Information
(All amounts in thousands of reais unless otherwise indicated)**

- b) On December 28, 2007, Law 11638/07 was enacted introducing significant alterations to the Corporation Law as regards the accounting practices adopted in Brazil and became effective as from the year beginning January 1, 2008. The main purpose of the law was to amend Brazilian corporate legislation to allow the process of convergence of the accounting practices adopted in Brazil with the international accounting standards issued by the International Accounting Standards Board-IASB, permitting new accounting standards and regulations to be issued by the CVM in conformity with such international standards.

The new Law must be complied with in the preparation of the annual financial statements for fiscal years beginning on or after January 1, 2008; however, the main changes introduced by it still depend on regulations by applicable authorities in order to be fully implemented by companies.

CVM Instruction No. 469/08 issued on May 2, 2008, which addresses the recording and disclosure of accounting information, permits companies to adopt one of the following alternatives in the preparation of their quarterly information:

- (i) Immediate and full application of Law No. 11638/07; or
- (ii) Follow the practices existing before the new law, but complying with the requirements established in articles 3 through 15 of the Instruction (i.e. partial application of Law No. 11638/07).

The Company adopted partially the provisions of Law No. 11638/07, as described in item (ii) above, and possible effects of the changes will be recorded in the financial statements for the year ending December 31, 2008.

Regardless of the option chosen, the following procedures are mandatory in the preparation of the quarterly information as from the first quarter of 2008:

- (a) Transitory accounting record of premiums received on the issuance of debentures and of donations and subsidies for investments received, arising from transactions and events of 2008, as well as the corresponding capital reserve balances existing at the beginning of FY 2008.
- (b) Until specific regulations on the accounting for stock-based compensation are issued, this should be disclosed in an explanatory note to the financial statements and quarterly information.
- (c) Long-term transactions, or significant short-term ones, should be adjusted to present value based on discount rates that reflect the specific risks of the assets and liabilities.

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- (d) The presentation of the reconciliation of the stockholders' equity and net income is no longer required for foreign companies which raise funds in Brazilian capital markets through BDRs and adopt international accounting standards.
- (e) Change in the criteria for application of the equity method of accounting for subsidiary and associated companies.

Items (a), (d) and (e) are not applicable to the Company and its subsidiaries.

After analyzing the adjustments to present value of assets and liabilities arising from long and short-term transactions (item (c) above), management has concluded that they are not material enough to be included in the quarterly information.

In respect of stock-based compensation (item (b) above), the Extraordinary General Meeting of stockholders held on March 24, 2008 approved a Stock Option Plan to offer to Company's management, employees and service providers the opportunity to become stockholders of Magnesita Refratários S.A. through programs which will be periodically created, as explained in Note 17. The first Stock Option Plan was launched by the Board of Directors on July 24, 2008, and the exercise of purchase of shares was granted under the Program provisions, in the amount of R\$ 780 equivalent to 78 thousand common shares, fully subscribed and paid-up.

Based on the currently available information, management does not expect significant impacts on the financial statements of the Company for the year ending December 31, 2008, as a result of the changes introduced by Law No. 11638/07. However, with regard to the goodwill paid on the purchase of shares of Magnesita S.A., merged during the first quarter of 2008 into the Company (Note 1), management is waiting for the issue of specific regulations by the CVM to confirm the criterion adopted in its evaluation and quantify possible impacts on the financial statements for 2008. Meanwhile, management will continue evaluating the impacts of these changes on the Company, and at the same time will follow the discussions and debates in the market, especially in the accounting profession and trade associations together with the regulatory entities, which should issue guidelines about specific aspects for the application of the Law.

Therefore, until the changes introduced by Law No. 11638/07 are regulated in detail and in final form, it is possible that the estimates and comments above vary in relation to the effects based on the definitive accounting regulations.

- c) For the purposes of presentation of the consolidated financial statements, the balances of the subsidiaries listed below are considered:

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Subsidiaries	Holding - %
Cerâmica São Caetano Ltda.	100%
MSA Service Ltda.	100%
RASA - Refractorios Argentinos SAICyM. and subsidiaries	100%
MSA Agropecuária Ltda.	100%
Iliama Participações SL and subsidiary	100%
MagSé Participações Ltda. and subsidiary	100%
MinerCo Mineração S.A.	100%
Refractorios Magnesita Uruguay S.A.	100%
Refractorios Magnesita Colombia S.A.	100%
Refractorios Magnesita Peru S.A.C.	100%

Considering that the Company acquired the share control of Magnesita S.A. and its subsidiaries on September 27, 2007, consolidated statements of income for the period ended September 30, 2007 have not been presented.

The reconciliation of Stockholders' Equity and Net Income between consolidated and parent company is as follows:

	<u>Stockholders' equity</u>		<u>Net income</u>
	<u>09.30.08</u>	<u>06.30.08</u>	<u>Sep/08</u>
Consolidated	1,573,972	1,439,934	82,321
Unrealized profits in inventories	1,162	711	383
Parent company	<u>1,575,134</u>	<u>1,440,645</u>	<u>82,704</u>

2.1. Restatement of Quarterly Information – ITR

The accounting information included in the Quarterly Information (ITR) of the Company (parent company and consolidated) for the quarter ended September 30, 2008, originally disclosed on November 12, 2008, did not include the statement of cash flows of the Company provided for in subparagraph (v) of item 6.4 of the New Market Listing Regulation ("Regulation") and, therefore, the consolidated statement of cash flows only was disclosed.

Afterwards, management prepared the statement of cash flows of the parent company for the quarter and nine-month period ended September 30, 2008. Therefore, the accounting information included in the restated Quarterly Information (ITR), differ from that previously made available to the stockholders because it includes the statement of cash flows of the parent company (Note 16).

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3 Cash and Cash Equivalents

Cash and cash equivalents are as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>09.30.08</u>	<u>06.30.08</u>	<u>09.30.08</u>	<u>06.30.08</u>
Cash and banks	728	955	7,634	5,372
Marketable securities	<u>635,868</u>	<u>449,767</u>	<u>719,995</u>	<u>536,221</u>
Total	<u><u>636,596</u></u>	<u><u>450,722</u></u>	<u><u>727,629</u></u>	<u><u>541,593</u></u>

At September 30, 2008, the consolidated "Cash and banks" account presents a balance of R\$ 1,134 in local currency (R\$ 1,060 at June 30, 2008) and R\$ 6,500 in foreign currency (R\$ 4,312 at June 30, 2008).

Of total consolidated marketable securities at September 30, 2008, fixed income transactions in Brazil total R\$ 231,283 (R\$ 526,014 at June 30, 2008), with average earnings of 102.58% of the variation of Interbank Deposit Certificates (CDI).

Transactions abroad amount to R\$ 488,712 at September 30, 2008 (R\$ 10,207 at June 30, 2008), substantially pegged to the Euro, with average earnings of 4.34% p.a., as described in Note 14.

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4 Long-term Receivables

Tax credits (consolidated) refer to income tax and social contribution on net income credits on temporary additions whose realization does not exceed expected future taxable profit. The tax credits of the parent company were recorded at the effective rate of income tax of 23.9% (net of the tax benefit relating to the tax-incentive area) and social contribution of 9%, and are as follows:

Tax credits on	09.30.08	06.30.08
Provision for losses - inventories	802	2,353
Provision for losses - property, plant and equipment	353	353
Allowance for doubtful accounts	343	287
Provision for additional depreciation	1,771	1,764
Provision for contingencies	17,998	22,401
Provision for freight and insurance - exports	592	855
Provision for post-employment obligations	5,446	5,108
Provision for bonuses	7,383	4,144
Total Parent company	<u>34,688</u>	<u>37,265</u>
Provisions - Subsidiaries	<u>1,077</u>	<u>1,507</u>
Total Consolidated	<u><u>35,765</u></u>	<u><u>38,772</u></u>

The realization of deferred income tax and social contribution credits is subject to future events that will make the underlying provisions deductible, under the terms of the current tax legislation.

Management estimates indicate that the provisions for impairments of assets and payments to third parties should be utilized over the next two years. The provisions for contingencies should be realized in the next seven years, in accordance with the nature of the lawsuits in progress. The provision for post-employment obligations will be realized as the benefits are paid from the Retirement and Pension Fund. The estimates of future results, combined with the history of operations, indicate that the Company and its subsidiaries will generate future taxable profit at amounts sufficient to absorb the tax credits.

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The reconciliation of the standard and the effective income tax and social contribution expenses, including current and deferred effects, is as follows:

	<u>Nine-month period of 2008</u>	
	<u>Parent company</u>	<u>Consolidated</u>
Profit before taxation, net of management profit sharing	108,908	124,691
Standard rate	34%	34%
	(37,029)	(42,395)
Income tax and social contribution on:		
Permanent differences	2,672	2,545
Gains on assumed profit	-	(443)
Equity in the earnings of subsidiaries	10,368	-
Provision for contingencies	(2,215)	(1,056)
Unrecognized tax credits on tax losses	-	(1,022)
	<u>(26,204)</u>	<u>(42,371)</u>

The Company has tax losses and credits in part "B" of the Taxable Income Control Register (LALUR) arising from the amortization of goodwill prior to the merger of Magnesita S.A., which would result in tax credits of R\$ 19,192, not recorded due to the non-adoption of the provision in article 4 of CVM Instruction 371/02; i.e., the Company did not submit the technical feasibility study for approval of the Company's administrative bodies and statutory audit committee.

5 Permanent Assets

Investments in the Parent company basically refer to investments in subsidiaries accounted for on the equity method, eliminated in the consolidated quarterly information.

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Changes in the investments account in the third quarter of 2008 were as follows:

	<u>Parent company</u>	
	<u>3rd Quarter/08</u>	<u>Nine-month period of 2008</u>
Opening balance	71,291	1,357,591
Additional purchase of shares of Magnesita S.A.	-	168,074
Additional goodwill on the purchase of shares	-	311,531
Merger of Partimag and Magnesita S.A.	-	(282,840)
Dividends received - Risa Refratários e Isolantes Ltda. and MSA Infor Sistemas e Automação Ltda.	(735)	(37,835)
Equity in earnings of subsidiaries	13,211	30,494
Transfer of investment to current liabilities	-	6,206
Transfer of goodwill to intangible assets	-	(1,289,559)
Merger of subsidiaries	-	(185,220)
Capital increase in subsidiary	43,837	92,837
Reversal of capital deficiency in subsidiary	-	(42,726)
Sale of investment in subsidiary	(2,949)	(2,949)
Investment in subsidiary	197	197
Other additions	-	50
Other disposals	-	(999)
Closing balance	<u>124,852</u>	<u>124,852</u>

The goodwill determined on the acquisition of the investment in Magnesita S.A. represents the excess of the cost of acquisition of the investment over the net assets, based on the interest held in the net equity of the subsidiary. The goodwill is based on expected future profits and is being amortized on the straight-line method over five years.

The main changes in property, plant and equipment and intangible assets in 2008 are as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3rd Quarter/08</u>	<u>Nine-month period of 2008</u>	<u>3rd Quarter/08</u>	<u>Nine-month period of 2008</u>
Additions - property, plant and equipment - Merger of RPAR	-	328,650	-	-
Additions - property, plant and equipment	27,285	57,748	28,872	57,737
Addition - Goodwill	-	3,726	-	3,726
Addition - Intangible assets	-	-	722	722
Transfer of investment to goodwill	-	1,289,559	-	1,289,559
Disposal of property, plant and equipment - Net	(316)	(6,561)	(1,694)	(8,507)
Depreciation	(12,750)	(36,175)	(13,233)	(39,226)
Amortization of goodwill	(65,835)	(183,783)	(65,835)	(183,783)
Additions - property, plant and equipment - Merger of subsidiaries	-	61,795	-	-

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There are no indications of significant unaccrued losses in the permanent assets of the Company and its subsidiaries at September 30, 2008.

6 Transactions with Related Parties (parent company)

Transactions with related parties to September 2008 are as follows:

Subsidiaries	Transactions		
	Sales	Purchases	Dividends received
Cerâmica São Caetano Ltda.	1,211	1,419	-
RASA - Refractorios Argentinos SAICyM.	6,171	931	-
Iliama Participações SL	17,112	-	-
Refractorios Magnesita Uruguay S.A.	523	-	-
Refractorios Magnesita Chile S.A.	193	-	-
Refractorios Magnesita Colombia	11,615	-	-
Refractorios Magnesita Peru S.A.C.	2,218	-	-
RISA - Refratários e Isolantes Ltda. (merged)	-	-	30,000
MSA Infor Sistemas e Automação Ltda.	-	-	7,835
Transactions between subsidiaries	834	834	-
Total at September 30, 2008	39,877	3,184	37,835

Subsidiaries	Balances	
	Receivables	Payables (*)
Cerâmica São Caetano Ltda.	757	1,271
RASA - Refractorios Argentinos SAICyM.	13,275	-
Iliama Participações SL	20,272	-
Refractorios Magnesita Uruguay S.A.	197	-
Refractorios Magnesita Chile S.A.	301	-
Refractorios Magnesita Colombia	-	-
Refractorios Magnesita Peru S.A.C.	-	-
MSA Agropecuária Ltda.	-	2,557
MagSé Participações Ltda. (**)	-	856
MinerCo Mineração S.A.	28	-
MSA Service Ltda.	34	-
Total at September 30, 2008	34,864	4,684

(*) These include credits with related companies, classified in Long-term receivables and accounts payable in connection with business transactions between the companies.

(**) New name of Frutimag Ltda. as from the 2nd quarter of 2008.

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7 Loans and Financing

	Currency	Average annual interest rate	Parent company and consolidated	
			09.30.08	06.30.08
Export credit notes	R\$	CDI + 1.385%	1,032,925	997,270
Import financing:				
Foreign currency	US\$	Libor + 4.53%	11,815	12,390
Advances on export invoices:				
Foreign currency	US\$	Libor + 1.25%	57,826	53,997
Foreign currency	US\$	Libor + 6.85%	7,179	-
Property, plant and equipment financing	R\$		1,383	-
		Total	1,111,128	1,063,657
		Current	163,244	114,653
		Long-term	947,884	949,004

The Company has engaged in export credit note transactions with the following characteristics:

Term: 5 years

Grace period: 2 years

Annual interest: Interbank Deposit Certificates (CDI) + 1.385%

Annual financial "covenants":

	2008	As from 2009
Net debt/EBITDA	Maximum of 4	Maximum of 3.5
EBITDA/net financial expense	Minimum of 2	Minimum of 2

Advances on export invoices refer to transactions to be carried out by the Company, obtained from financial institutions. There are no foreign trade notes given yet as guarantee for these transactions in the consolidated or parent company statements at September 30, 2008 (similarly to June 30, 2008).

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Long-term debts at September 30, 2008 fall due as follows:

	Parent company and Consolidated
2010	41,327
2011	304,448
2012	302,056
As from 2013	300,053
	947,884

8 Provision for Contingencies

The Company and its subsidiaries are parties to lawsuits and administrative proceedings in various courts and government entities, resulting from the normal course of their operations, involving mainly tax matters, in addition to labor and social security aspects. The provisions for contingencies are determined based on the analysis of pending lawsuits, tax demands and evaluations of risk. The composition is as follows:

	Parent company		Consolidated	
	09.30.08	06.30.08	09.30.08	06.30.08
Tax - Provision	80,657	75,556	80,054	74,953
Tax - Judicial deposit	(3,609)	(3,572)	(4,282)	(4,314)
Labor - Provision	11,828	12,028	15,090	15,380
Labor - Judicial deposit	(321)	(321)	(321)	(321)
Social security - Provision	1,596	17,970	1,596	17,970
Social security - Judicial deposit	-	(6,819)	-	(6,819)
	90,151	94,842	92,137	96,849
Current - Provision	861	827	861	827
Current - Judicial deposit	(861)	(827)	(861)	(827)
Long-term - Provision	93,220	104,727	95,879	107,476
Long-term - Judicial deposit	(3,069)	(9,885)	(3,742)	(10,627)
	90,151	94,842	92,137	96,849

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The Company's management, based on information provided by its legal advisors, recorded provisions at amounts considered sufficient to cover probable losses for the lawsuits in progress, classified between current and non-current, in accordance with the expectation of their outcome, as detailed above.

At September 30, 2008, the Company and its subsidiaries are not involved in significant tax and social security lawsuits with risks of unfavorable outcomes classified by management as possible (for which no provision is recorded), based on the assessment of its legal advisors.

Magnesita S.A., merged into the Company, received tax assessment notices from the social security authorities - INSS, in the restated amount of R\$ 26,677 (at June 30, 2008), related to issues considered by management as requiring the recording of provisions, restated to June 30, 2008, in the amount of R\$ 17,970. Such notices were issued without respecting the five-year statute of limitations. On June 12, 2008, the Binding Precedent No. 8 was issued, in which the Federal Supreme Court (STF) confirmed the five-year statute of limitations period, declaring articles 45 and 46 of Law No. 8212/91 as unconstitutional. Considering this fact, and the assessment of the legal advisors in charge of the defense filed by the Company, the latter reversed the provisions corresponding to periods in which the statute of limitations for supposed infraction was proved to have expired.

In the third quarter of 2006, a final and irrevocable decision favorable to the Company was handed down on the lawsuit in which Magnesita S.A. was claiming its right to the full inflation indexation of the Eletrobrás compulsory loans. No appeal can be made regarding its merit. The lawsuit is in the phase of judicial calculation of the amounts of the inflation indexation and interest. The Company estimates, based on report prepared by an expert and filed in the lawsuit, that the gross amount may reach R\$ 37,420 (unaudited), or approximately R\$ 20,000 (unaudited) net of legal fees and taxes (Income Tax/Social Contribution on Net Income). Additionally, and resulting from the same legal decision, Eletrobrás was sentenced to deliver its shares to Magnesita S.A., stipulated in the said expert's report to be 167,212,493 preferred shares. The amounts of the settlement are subject to challenge by Eletrobrás. There is no estimate for the conclusion of the lawsuit as regards the determination of values, and for this reason the Company has not recorded the asset.

During the process, Eletrobrás recognized and deposited in court R\$ 8,101, which was released to the Company on July 30, 2007 (R\$ 4,705, net of legal fees and IR/CSLL) and recorded as income in said month. The collection of the amount over that deposited by Eletrobrás is in course.

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For the labor and civil lawsuits, management adopts the criterion of recording provisions for all ongoing lawsuits at amounts estimated as probable losses, based on average losses for the last three years.

9 Post-employment Obligations

Magnesita Refratários S.A. and its subsidiary Cerâmica São Caetano Ltda. are sponsors of Magnus Sociedade Previdenciária, a not-for-profit civil entity, established for the purpose of partially complementing retirement and pension benefits granted by the National Institute of Social Security (INSS).

Magnus adopts the defined benefit plan and the "Financial System of Capitalization" for retirement benefits. The costs of the plan, defined on an actuarial basis, are exclusively met by contributions of the sponsors.

At September 30, 2008, Magnus had 6,342 active participants (3,487 at June 30, 2008) and 194 retired participants and pensioners (187 at June 30, 2008).

The Company, as determined by CVM Resolution No. 371/01, evaluated on an actuarial basis the benefit plan at the base date of September 30, 2007, updated to December 31, 2007, by an outside actuary (Watson Wyatt World Wide.), using the projected unit credit method to determine the present value of the obligations.

The effects of the plan at December 31, 2007 were as follows:

	Consolidated
Total present value of liabilities	(181,513)
Fair value of assets	171,787
Net value of unrecognized gains	(6,988)
Liability recorded	(16,714)

The sponsoring companies are jointly liable with respect to the retirement plan. Accordingly, actuarial calculations were made on a consolidated basis, and the segregation calculated by the outside actuary, by company, proportionally to payroll figures.

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The actuarial cost estimated for 2008 is as follows:

	Consolidated
Cost of current service	(5,755)
Cost of interest	(18,242)
Expected return from plan assets	19,306
Participant contributions	163
Total	(4,528)
Total parent company	(3,825)

Costs for 2008 are proportionately recorded in the first nine months, charged to income in accordance with the employees' allocation. These costs, considering procedures defined by CVM Resolution No. 371, represented R\$ 3,539 (parent company) and R\$ 3,817 (consolidated) in the nine-month period ended September 30, 2008. The costs include the costing of administrative expenses of the plan of R\$ 401 in the parent company and R\$ 422 in the consolidated. Amounts paid in the period are R\$ 3,701 in the parent company and R\$ 3,896 in the consolidated.

The contribution rate in relation to payroll is 6.00% (6.82% in 2007) as defined by the external actuary.

10 Long-term Liabilities - Deferred Income Tax and Social Contribution

These refer to Income Tax (IR) and Social Contribution on Net Income (CS) levied on the profit of the sale of properties receivable in the long term, whose taxation was deferred to the time the sale proceeds are received.

11 Capital

At September 30, 2008, the Company's capital is R\$ 1,548,440, represented by 190,415,670 common shares.

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On July 24, 2008, the Board of Directors approved the events described below, which resulted in changes in the Company's capital:

- Increase of 3% in the Company's capital in the amount of R\$ 184,986, following the completion of the process for subscription of shares of R\$ 111,039 by Krosaki Harima Corporation, after the period to exercise the right of recourse of the other stockholders had elapsed;
- Decrease in capital to R\$ 1,363,455 as a result of the compulsory cancellation of existing treasury stock in the amount of R\$ 6,476 equivalent to 822,747 common shares. This capital decrease is pending ratification by an Extraordinary General Meeting of Stockholders (AGE);
- Increase in Company's capital through the exercise of purchase of shares granted under the Stock Option Plan and its respective Program, in the amount of R\$ 780, equivalent to 78 thousand common shares, fully subscribed and paid-up.

12 Other Operating Income (Expenses)

The other operating income (expenses) for the period ended September 30, 2008 are as follows:

	Parent company		Consolidated	
	3rd Quarter/08	Nine-month period of 2008	3rd Quarter/08	Nine-month period of 2008
Severance pay	(2,150)	(11,447)	(2,156)	(11,478)
Sundry indemnities	6	(1,192)	3	(1,195)
Judicial recovery of taxes	-	16,838	632	17,470
Provision for contingencies	(727)	(4,263)	(727)	(5,086)
Reversal of provisions	13,568	13,568	14,174	14,174
Commissions received	-	-	363	2,388
Assignment of rights for Payroll processing	800	1,333	800	1,333
Amortization of goodwill	(65,835)	(183,783)	(65,835)	(183,783)
Other	(249)	(341)	273	1,088
Total	(54,587)	(169,287)	(52,473)	(165,089)

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04.01 - Notes to the Quarterly Information
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	Parent company		Consolidated	
	3rd Quarter/08	Nine-month period of 2008	3rd Quarter/08	Nine-month period of 2008
Operating income	14,052	32,249	16,162	37,293
Operating expenses	(2,804)	(17,753)	(2,800)	(18,599)
Goodwill	(65,835)	(183,783)	(65,835)	(183,783)
Total	(54,587)	(169,287)	(52,473)	(165,089)

13 Non-operating Income (Expenses)

The non-operating income (expenses) for the period ended September 30, 2008 are as follows:

	Parent company		Consolidated	
	3rd Quarter/08	Nine-month period of 2008	3rd Quarter/08	Nine-month period of 2008
Revenues from the sale of property, plant and equipment	1,847	15,539	1,458	15,539
Disposal of property, plant and equipment	(721)	(6,880)	(1,343)	(7,502)
Revenues of real estate development	36,370	84,603	36,370	84,603
Cost of real estate development	(985)	(4,143)	(985)	(4,143)
Revenue from the sale of investment in subsidiary	7,693	7,693	7,693	7,693
Cost of sale of investment in subsidiary	(3,962)	(3,962)	(3,962)	(3,962)
Other	(3)	(655)	(42)	(5,732)
Total	40,239	92,195	39,189	86,496

	Parent company		Consolidated	
	3rd Quarter/08	Nine-month period of 2008	3rd Quarter/08	Nine-month period of 2008
Non-operating income	45,910	160,272	45,521	160,894
Non-operating expenses	(5,671)	(68,077)	(6,332)	(74,398)
Total	40,239	92,195	39,189	86,496

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The Company's management has been seeking to identify and sell non-operating assets to reinvest proceeds from these sales in activities related to the Company's core business. This process aims at adapting the Company's capital structure to its operating strategy, focusing its activities and resources on manufacturing operations and services in the refractories segment.

In this regard, in 2000, the Company, which was the owner of all of the plots of land comprising the real estate development located in the City of São Caetano do Sul, State of São Paulo, named "Espaço Cerâmica", with total area of 195,938.06 m², entered into a partnership with Sobloco Construtora S.A., a well-know real estate company, to establish a joint venture in the development of the property.

The transactions below were carried out and recorded in non-operating income:

- Sale of 30,998 m2 to Gafisa, on May 29, 2008, for R\$49 million;
- Sale of 27,076 m2 to Lindencorp, on June 4, 2008, for R\$ 39.1 million;
- Sale of 57,836 m2 to Multiplan, on July 9, 2008, for R\$ 81 million.

Such proceeds, which will be equally divided with the real estate development partner - Sobloco, accrue monetary adjustment and interest, according to indices agreed on a case by case basis. It is important to note that receivables from such transaction may, at the discretion of the Company, be assigned to third parties for early receipt ("securitization").

14 Financial Instruments

The main financial instruments are recorded in balance sheet accounts and are evaluated as follows in relation to the market or realizable values:

- Marketable Securities and Loans and Financing - The rates and maturities of the operations are substantially consistent with those of the market;
- Trade accounts receivable - The amounts recorded approximate their realizable values;
- Investments - Subsidiaries do not have quotas or shares traded on the market, and their activities are substantially complementary to the parent company's business.

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As regards the risk of credit in credit sales, this is minimized by the quality of customers in the domestic market, mainly the steel and cement sector, and by the insurance and letters of credit on export.

Magnesita Refratários S.A. and its subsidiaries' net exposure to foreign exchange rate fluctuations is as follows:

	Consolidated	
	09.30.08	06.30.08
Assets and liabilities in foreign currency:		
Cash and banks of subsidiaries abroad	6,500	4,502
Marketable securities	488,712	10,207
Accounts receivable, net of allowance for doubtful accounts	79,474	66,856
Suppliers	(25,675)	(18,707)
Loans and financing	(76,820)	(66,386)
Other net monetary liabilities abroad	13,192	(2,569)
	485,383	(6,097)

As described in Note 3, of the total amount related to marketable securities at September 30, 2008, R\$ 480,467 is pegged to the Euro (at June 30, 2008 marketable securities held abroad totaling R\$ 10,207 were pegged to the U.S. dollar). Most of the other accounts at September 30, 2008 and June 30, 2008 are pegged to the U.S. dollar.

Additionally, the Company has subsidiaries abroad with non-monetary assets denominated in foreign currency, in the amount equivalent to R\$ 48,834 (R\$ 29,532 at June 30, 2008), whose future devaluation, if any, will not immediately affect cash.

Up to September 15, 2008, Company management had not contracted any derivative transactions to hedge its regular operations or any type of speculative gains.

Company management released on September 7, 2008, a Significant Event Notice communicating its acquisition of the share control of the LWB Group (see details in Note 18), to be performed as follows:

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- On the transaction closing date LWB stockholders will receive from the Company the amount of €277 million, of which €108 million in cash and €169 million through the issue of approximately 23.5 million of the Company's shares for LWB stockholders, equivalent to 10.97% of its total capital.
- The net debt of the LWB Group amounting to €380 million will be refinanced and, therefore, besides using its own funds equivalent to €50 million, the Company will use the line of credit already contracted in the amount of up to €330 million with JP Morgan.

Considering that funds to acquire the share control of the LWB Group will be made available by JP Morgan in US. dollars, the Company's management took the following steps:

- (1) On September 9, 2008, made a time deposit abroad in Euros. The balance at September 30, 2008 is R\$ 480,467.
- (2) On September 16, 2008, contracted a transaction named Window Deliverable Forward, which will allow it to acquire €200,000 for USD 285,040 as from October 22, 2008, thus fixing the USD / EUR parity at 1.4252. Such transaction has not had any effects on the quarterly information at September 30, 2008.

Lastly, considering that the funds to be released are to be fully used in the transaction related to the acquisition of the share control of the LWB Group, no effects of such transaction are expected by its maturity.

15 Orders/Contracts Signed During the Quarter
(not reviewed by independent accountants)

The refractory industry, our business sector, is characterized by a system of sale of its products, whereby the sales are made for deliveries over periods of up to one year, subject also to price renegotiations.

During the 3rd quarter of the current year, consolidated sales in the domestic market, to comply with the contracts already signed, amounted to 80,490 metric tons, which represents an increase of 2.4% in relation to sales levels achieved in the 2nd quarter of 2008 (excluding sales of talc and caustic magnesium).

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16 Cash Flow

The cash flow may be presented as follows:

Consolidated Statement of Cash Flow

	R\$ thousand	
	3rd Quarter/08	Nine-month period of 2008
Operating activities		
Adjustments to net income		
Net income for the period	59,313	82,321
Charges and monetary and foreign exchange variations, net	14,359	11,994
Depreciation	13,233	39,226
Amortization of deferred charges	65,835	183,783
Income tax and social contribution on net income	25,775	20,885
	178,515	338,209
(Increase) decrease in assets		
Trade accounts receivable	(36,259)	(57,333)
Inventories	(10,169)	(23,653)
Taxes recoverable	(23,577)	(24,051)
Judicial deposits	(6,786)	(4,337)
Receivables from sales of properties	(31,112)	(80,321)
Other	(15,408)	(5,505)
	(123,311)	(195,200)
Increase (decrease) in liabilities		
Suppliers and subcontractors	17,721	18,706
Advances from customers	7,007	12,657
Taxes payable	4,783	(8,021)
Interest on stockholders' equity	14	(31,667)
Other	20,323	39,900
	49,848	31,575
Cash flows from operating activities	105,052	174,584
Investing activities		
Disposals of property, plant and equipment and investments	2,539	15,700
Additions to intangible assets	(722)	(315,979)
Additions to property, plant and equipment and investments	(28,872)	(57,737)
Cash flows used in investing activities	(27,055)	(358,016)
Financing activities		
Inflow of loans and financing	42,611	1,322,177
Payments of loans and financing, including interest	(9,306)	(979,666)
Lapsed dividends	-	366
Capital increase	68,258	223,535
Treasury stock	6,476	-
Cash flows from financing activities	108,039	566,412
	186,036	382,980
Increase in cash and cash equivalents		
Opening balance	541,593	344,649
Closing balance	727,629	727,629
	186,036	382,980

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The statement of cash flow of the parent company may be presented as follows:

Parent Company Statement of Cash Flow

	R\$ thousand	
	3rd Quarter/08	Nine-month period of 2008
Operating activities		
Adjustments to net income		
Net income for the period	59,763	82,704
Charges and monetary and foreign exchange variations, net	14,166	11,013
Depreciation	12,750	37,921
Amortization of deferred charges	65,835	183,783
Ownership interest in subsidiaries	(13,211)	(30,494)
Income tax and social contribution on net income	16,010	20,688
	155,313	305,615
(Increase) decrease in assets		
Trade accounts receivable	(45,343)	(73,591)
Inventories	7,008	4,101
Taxes recoverable	(9,225)	(14,078)
Receivables from sales of properties	(31,112)	(80,321)
Other	(7,264)	(12,285)
	(85,936)	(176,174)
Increase (decrease) in liabilities		
Suppliers and subcontractors	10,018	11,853
Advances from customers	6,991	4,904
Taxes payable	(11,700)	(20,822)
Interest on stockholders' equity	(8)	(20,026)
Other	32,133	56,935
	37,434	32,844
Cash flows from operating activities	106,811	162,285
Investing activities		
Disposals of property, plant and equipment and investments	(158)	6,692
Additions to intangible assets	0	(315,257)
Additions to property, plant and equipment and investments	(28,810)	(72,559)
Cash flows used in investing activities	(28,968)	(381,124)
Financing activities		
Inflow of loans and financing	42,611	1,322,177
Payments of loans and financing, including interest	(9,306)	(963,991)
Lapsed dividends	-	366
Capital increase	68,250	227,000
Treasury stock	6,476	-
Cash flows from financing activities	108,031	585,552
	185,874	366,713
Increase in cash and cash equivalents		
Opening balance	450,722	85,471
Cash increase from merger with subsidiaries	0	184,412
Opening balance adjusted after mergers	450,722	269,883
Closing balance	636,596	636,596
	185,874	366,713

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17 Stock Option Plan

On March 24, 2008, the EGM approved the stock option plan of Magnesita Refratários S.A., to offer the Company's management, employees and service providers the opportunity to become its stockholders.

Options will represent at most 6% of the total share capital.

The Plan will be managed by the Board of Directors or, at its discretion, by a committee of three members elected by this Board.

The Board of Directors will periodically create Stock Option Programs ("Programs"), in which the following items will be defined: (i) beneficiaries; (ii) total number of the Company's shares to be granted; (iii) the exercise price; (iv) the initial grace period during which the option cannot be exercised and the limit dates for the total or partial exercise and for the expiration of the option rights; (v) possible restrictions to the shares received through the exercise of the option.

Each Program may also establish a percentage of increase or decrease in the base number of options granted to each beneficiary, based on the accomplishment of global and/or individual performance targets and the period for management evaluation to determine the accomplishment.

At the launching of each Program, either the Committee or the Board of Directors will determine the terms and conditions of each option in a Stock Option Contract ("Contract"), to be signed between the Company and each beneficiary. This Contract should define the number of shares that the beneficiary may purchase or subscribe through the option right, the price per share according to the Program and any other terms and conditions, provided that they are compliant with the Plan or the respective Program.

As established in this Plan, the exercise price of the options of the first Program will be R\$ 10.00 (ten reais) per share. This amount is equivalent to the price per share paid by the stockholders in capital increases of 2007 and 2008, before the recent merger of Magnesita S.A. and Partimag S.A. into the Company, but adjusted by the reverse split approved at the Annual and Extraordinary General Meeting of stockholders held on March 17, 2008.

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The first Stock Option Program was launched by the Board of Directors on July 24, 2008, through the exercise of purchase of shares granted under the Stock Option Plan and its respective Program, in the amount of R\$ 780, equivalent to 78 thousand common shares, fully subscribed and paid-up.

Unless otherwise specifically decided, the beneficiary can only sell, transfer or dispose of the Company's shares acquired under the Plan in any way whatsoever after the minimum period of unavailability established for each Program, if any, which will never exceed five years as from the date of the option exercise.

All the rules defined by the plan were disclosed by the Company through the IPE system of the CVM.

18 Significant Events

- 1) On April 25, 2008, the Company announced to the Brazilian Securities Commission (CVM), its stockholders and the market that it has entered into an agreement for the acquisition of all quotas representing the capital of Insider - Insumos Refratários para Siderurgia Ltda. ("Insider"), a company that manufactures high-technology monolithic and pre-molded refractories, with headquarters in the City of Coronel Fabriciano, State of Minas Gerais.

Founded in 1991, Insider has an industrial plant strategically located in Vale do Aço, with current annual production capacity of 8,650 metric tons (unaudited), mainly concentrated in poles, snorkels, impellers and refractory concretes, among other products, mostly used in the production process of integrated and large-sized steel mill plants. In 2007, net revenues of Insider amounted to R\$ 21.0 million (unaudited), generating an EBITDA of R\$ 6.7 million (unaudited). Insider does not have financial debt.

The transaction agreed, with acquisition price of R\$ 55.0 million, was completed on October 30, 2008 for the total restated amount of R\$ 57.4 million, according to contractual conditions established.

The acquisition of Insider confirms Magnesita's commitment to the strategic development of operations with refractories and a structured and profitable growth in the group's businesses.

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2) On September 7, 2008, the Company announced to the Brazilian Securities Commission (CVM), its stockholders and the market that on September 7, 2008, it had entered into an agreement with REARDEN L. HOLDINGS 2 S.À.R.L., a company of the Rhône Group, for the acquisition of all of the shares of the LWB Group ("LWB"), a leader in the segment of dolomite refractories, with plants in North America, Europe and Asia.

LWB stockholders will receive from the Company on the transaction closing date - and provided that certain conditions have been complied with - €277 million, divided as follows: €108 million in cash, and the remainder amount, equivalent to €169 million, by means of the delivery of 23,457,778 common shares issued by the Company, which will be equivalent to 10.97% of the Company's capital after the issue of the new shares. For calculation of the transaction value, the amount of R\$ 17.60 per share was considered.

On the transaction closing date the net debt of the LWB Group amounting to €380 million will be refinanced and, therefore, besides using its own funds equivalent to €50 million, the Company will use the line of credit already contracted in the amount of up to €330 million. Amounts reported herein are approximate figures. JP Morgan acted as financing leader and exclusive advisor of the Company in this transaction.

The delivery of the shares issued by the Company to the Rhône Group will be implemented on the transaction closing date (by means of the merger of a company of the Rhône Group into the Company). Also, an amendment to current stockholders' agreement of the Company shall be entered into to include the Rhône Group and the appointment of a member for the Board of Directors.

On October 19, 2008, the events required for the transaction related to the acquisition of the LWB share control to be closed were approved and published in a Significant Event Notice. Such transaction was completed on November 5, 2008.

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05.01 - Comments on Company Performance During the Quarter

Comments on the Company performance during the quarter are presented in Schedule 08.01 - Comments on Consolidated Performance during the Quarter.

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06.01 - Consolidated Balance Sheet - Assets (R\$ thousand)

1 - Code	2 - Description	3 - 9/30/2008	4 - 6/30/2008
1	Total assets	3,039,111	2,800,147
1.01	Current assets	1,432,967	1,158,556
1.01.01	Cash and cash equivalents	727,629	541,593
1.01.01.01	Cash and banks	7,634	5,372
1.01.01.02	Marketable securities	719,995	536,221
1.01.02	Credits	281,938	245,679
1.01.02.01	Customers	281,938	245,679
1.01.02.01.01	Trade accounts receivable - domestic market	202,463	178,823
1.01.02.01.02	Trade accounts receivable - foreign market	80,480	69,113
1.01.02.01.03	Allowance for doubtful accounts	(1,005)	(2,257)
1.01.02.02	Sundry credits	0	0
1.01.03	Inventories	294,964	284,795
1.01.03.01	Finished products	117,994	102,793
1.01.03.02	Work in process	56,321	63,624
1.01.03.03	Raw materials	88,953	91,169
1.01.03.04	Warehouse (replacement materials and other)	34,133	34,361
1.01.03.05	Provision for losses	(2,437)	(7,152)
1.01.04	Other	128,436	86,489
1.01.04.01	Receivables from sale of properties	45,838	27,513
1.01.04.02	Other credits	82,598	58,976
1.02	Non-current assets	1,606,144	1,641,591
1.02.01	Long-term receivables	80,685	64,119
1.02.01.01	Sundry credits	0	0
1.02.01.02	Receivables from related companies	0	0
1.02.01.02.01	Associated and similar companies	0	0
1.02.01.02.02	Subsidiaries	0	0
1.02.01.02.03	Other related companies	0	0
1.02.01.03	Other	80,685	64,119
1.02.01.03.01	Special and escrow deposits	9,261	2,362
1.02.01.03.02	Tax credits	35,765	38,772
1.02.01.03.03	Debentures	0	0
1.02.01.03.04	Taxes on purchases of property, plant and equipment	1,176	1,289
1.02.01.03.05	Receivables from sale of properties	34,483	21,696
1.02.02	Permanent assets	1,525,459	1,577,472
1.02.02.01	Investments	1,937	2,782
1.02.02.01.01	Investments in associated/similar companies	0	0
1.02.02.01.02	Investments in associated/similar companies - goodwill	0	0
1.02.02.01.03	Investments in subsidiaries	0	0
1.02.02.01.04	Investments in subsidiaries - goodwill	0	0
1.02.02.01.05	Other investments	1,937	2,782
1.02.02.02	Property, plant and equipment	403,974	389,874
1.02.02.02.01	Land	21,427	21,462
1.02.02.02.02	Buildings, improvements and mineral deposits	156,795	156,367
1.02.02.02.03	Machinery, facilities and equipment	584,457	582,141
1.02.02.02.04	Transportation equipment	13,508	13,682
1.02.02.02.05	Furniture and fixtures and other	11,542	11,608
1.02.02.02.06	Construction in progress	72,631	55,741
1.02.02.02.07	Accumulated depreciation	(456,386)	(451,127)
1.02.02.03	Intangible assets	1,118,691	1,184,673
1.02.02.04	Deferred charges	857	143

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06.02 - Consolidated Balance Sheet - Liabilities and Stockholders' Equity (R\$ thousand)

1 - Code	2 - Description	3 - 9/30/2008	4 - 6/30/2008
2	Total liabilities	3,039,111	2,800,147
2.01	Current liabilities	366,569	278,315
2.01.01	Loans and financing	163,244	114,653
2.01.02	Debentures	0	0
2.01.03	Suppliers	68,974	51,253
2.01.04	Taxes, fees and contributions	28,162	23,379
2.01.04.01	Other taxes	28,162	23,379
2.01.05	Dividends payable	1,150	1,136
2.01.06	Provisions	89,041	74,528
2.01.06.01	Salaries and social security charges	58,595	49,836
2.01.06.02	Advances from customers	12,657	5,650
2.01.06.03	Management profit sharing	0	0
2.01.06.04	Agent commissions abroad	3,122	3,575
2.01.06.05	Liabilities on the transfer of rights	14,667	15,467
2.01.07	Payables to related companies	0	0
2.01.08	Other	15,998	13,366
2.02	Non-current liabilities	1,098,558	1,081,895
2.02.01	Long-term liabilities	1,079,302	1,062,639
2.02.01.01	Loans and financing	947,884	949,004
2.02.01.02	Debentures	0	0
2.02.01.03	Provisions	131,418	113,635
2.02.01.03.01	Contingencies	92,137	96,849
2.02.01.03.02	Deferred income tax	0	0
2.02.01.03.03	Post-employment obligations	16,513	16,786
2.02.01.03.04	Deferred income tax and social contribution	22,768	0
2.02.01.04	Payables to related companies	0	0
2.02.01.04.01	Negative goodwill - merger of subsidiary	0	0
2.02.01.05	Advance for future capital increase	0	0
2.02.01.06	Other	0	0
2.02.02	Deferred income	19,256	19,256
2.02.02.01	Negative goodwill - merger of subsidiary	19,256	19,256
2.03	Minority interest	12	3
2.04	Stockholders' equity	1,573,972	1,439,934
2.04.01	Paid-up capital	1,548,440	1,473,714
2.04.01.01	Capital	1,548,440	1,369,150
2.04.01.02	Subscriptions to capitalize	0	111,040
2.04.01.03	Treasury stock	0	(6,476)
2.04.02	Capital reserves	5,974	5,974
2.04.02.01	Tax incentive reserve	0	0
2.04.02.02	Special reserve Law 8200	5,974	5,974
2.04.03	Revaluation reserves	0	0
2.04.03.01	Own assets	0	0
2.04.03.02	Subsidiaries/Associated and similar companies	0	0
2.04.04	Revenue reserves	2,894	2,894
2.04.04.01	Legal	0	0
2.04.04.02	Statutory	0	0
2.04.04.03	Contingencies	0	0
2.04.04.04	Unrealized profits	0	0
2.04.04.05	Retained profits	2,894	2,894
2.04.04.06	Special for undistributed dividends	0	0
2.04.04.07	Other revenue reserves	0	0
2.04.05	Retained earnings/accumulated deficit	16,664	(42,648)
2.04.06	Advance for future capital increase	0	0

(A free translation of the original in Portuguese)
FEDERAL GOVERNMENT SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
QUARTERLY INFORMATION (ITR)
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Unaudited
Corporate Legislation
September 30, 2008

01 - IDENTIFICATION		
1 - CVM CODE	2 - COMPANY NAME	3 - National Corporate Taxpayers' Registry (CNPJ)
02084-2	MAGNESITA REFRAATÓRIOS S.A.	08.684.547/0001-65

07.01 - Consolidated Statement of Income (R\$ thousand)

1 - Code	2 - Description	1 - 7/1/2008 to 9/30/2008	2 - 1/1/2008 to 9/30/2008	3 - 7/1/2007 to 9/30/2007	4 - 1/1/2007 to 9/30/2007
3.01	Gross sales and/or service revenues	465,677	1,280,254	0	0
3.02	Deductions from gross revenues	(91,481)	(265,758)	0	0
3.03	Net sales and/or services revenues	374,196	1,014,496	0	0
3.04	Cost of products and/or services sold	(226,212)	(597,073)	0	0
3.05	Gross profit	147,984	417,423	0	0
3.06	Operating expenses/income	(107,585)	(379,228)	0	0
3.06.01	Selling	(27,390)	(77,335)	0	0
3.06.02	General and administrative	(37,932)	(100,255)	0	0
3.06.03	Financial	10,210	(36,549)	0	0
3.06.03.01	Financial income	69,465	91,495	0	0
3.06.03.01.01	Financial income	18,112	35,270	0	0
3.06.03.01.02	Exchange/Monetary variation gains	51,353	56,225	0	0
3.06.03.02	Financial expenses	(59,255)	(128,044)	0	0
3.06.03.02.01	Financial expenses	(44,127)	(109,871)	0	0
3.06.03.02.02	Exchange/Monetary variation losses	(15,128)	(18,173)	0	0
3.06.04	Other operating income	16,162	37,293	0	0
3.06.05	Other operating expenses	(68,635)	(202,382)	0	0
3.06.05.01	Other operating expenses	(2,800)	(18,599)	0	0
3.06.05.02	Amortization of goodwill	(65,835)	(183,783)	0	0
3.06.06	Equity in the earnings of subsidiaries	0	0	0	0
3.07	Operating profit	40,399	38,195	0	0
3.08	Non-operating income	39,189	86,496	0	0
3.08.01	Income	97,328	160,894	0	0
3.08.02	Expenses	(58,139)	(74,398)	0	0
3.09	Profit before taxation and profit sharing	79,588	124,691	0	0
3.10	Provision for income tax and social contribution on net income	9,115	(21,486)	0	0
3.11	Deferred income tax	(29,392)	(20,885)	0	0
3.12	Statutory profit sharing/contributions	0	0	0	0
3.12.01	Profit sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of interest on stockholders' equity	0	0	0	0
3.14	Minority interest	2	1	0	0
3.15	Net income for the period	59,313	82,321	0	0
	Number of shares (units), excluding treasury stock	190,415,670	190,415,670	719,000,000	719,000,000
	Net income per share - R\$	0.31149	0.43232	0.00000	0.00000
	Loss per share - R\$				

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08.01 - Comments on Consolidated Performance During the Quarter

Considering that, as described in Note1, the Company acted as a holding up to the merger of Magnesita S.A., and that up to September 26, 2007 it had not generated any results from its operations, comments described below consider comparison with consolidated data of Magnesita S.A. for 2007 quarters.

MAIN INDICATORS

Indicator	Quarter			Change %		Accumulated		Chg. %
	3Q07 (*)	2Q08	3Q08	(c/b)	(c/a)	9M07 (*)	9M08	(e/d)
	(a)	(b)	(c)			(d)	(e)	
Net operating revenues (R\$ thousand)	312,078	318,138	374,196	17.6	19.9	892,574	1,014,496	13.7
Net revenues in the domestic market (%)	81.3	86.9	77.4	-	-	82.0	81.5	-
Net revenues in the foreign market (%)	18.7	13.1	22.6	-	-	18.0	18.5	-
Gross profit (R\$ thousand)	118,215	132,579	147,984	11.6	25.2	343,908	417,423	21.4
Gross margin (%)	37.9	41.7	39.5	-	-	38.5	41.1	--
Operating income - EBIT (R\$ thousand)	55,097	15,888	30,189	90.0	(45.2)	152,199	74,744	(50.9)
Cash generation - EBITDA (R\$ thousand)	67,729	94,813	109,257	15.2	61.3	190,642	297,753	56.2
EBITDA Margin (%)	21.7	29.8	29.2	-	-	21.4	29.3	-
Net income (R\$ thousand)	29,646	46,642	59,313	27.2	100.1	89,762	82,321	(8.3)
Net debt (R\$ thousand)	(106,939)	522,064	383,499	(26.5)	(458.6)	(106,939)	383,499	(458.6)
Stockholders' equity (R\$ thousand)	861,302	1,439,934	1,573,972	9.3	82.7	861,302	1,573,972	82.7
CAPEX (R\$ thousand)	22,780	13,292	28,872	117.2	26.7	52,022	57,737	11.0
Net Debt/EBITDA (x times)	-	1.3	1.0	-	-	-	1.0	-

(*) *Magnesita S.A. data, consolidated.*

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08.01 - Comments on Consolidated Performance During the Quarter

QUARTER'S HIGHLIGHTS

 **Participation of 100% in LWB**

After the transaction with LWB (former Lhoist, Wulfrather and Baker) announced on 09/07/08, Magnesita became the world's third-largest refractories producer. In fact, the Company will now begin to create a single integrated and global organization, taking advantage of the operating synergies already in place at the plants and, most of all, of the mineral resources owned by the group. Integrated operations in China, with mines, refractory plants, and sales offices, place Magnesita in a privileged position to serve different customers anywhere in the globe.

 **Net Revenues of R\$374.2 million**

The increase in sales volume, especially in the domestic market, the higher U.S. dollar exchange rate, and, to a lesser degree, the price adjustment of sales in the quarter, have raised net revenues by 19.9% over 3Q07 and by 17.6% over 2Q08. In 9M08, revenues amounted to R\$1,014.5 million, an increase of 13.7% year-on-year.

 **61.3% increase in EBITDA**

The strict control of costs and expenses and the optimized management of financial resources have already allowed for significant results. These actions, plus price alignment and volume increase, contributed to the increment in cash generation (EBITDA) to R\$109.3 million, up 61.3% from 3Q07, and up 15.2% from 2Q08. The EBITDA margin reached 29.2% in the period, an increase of 7.5 percentage points (pp) in comparison with 3Q07, and remained stable when compared with 2Q08, with a 0.6 pp drop, due mainly to the transfer of the rise in prices for sales to the fourth quarter.

OPERATING PERFORMANCE

Net revenues totaled **R\$374.2 million** in 3Q08, an increase of 19.9% year-on-year, and of 17.6% versus 2Q08. In 9M08, net revenues amounted to R\$1,014.5 million, versus R\$892.6 million in the same period in 2007, a 13.7% increase.

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08.01 - Comments on Consolidated Performance During the Quarter

This positive performance is a result of different but concurrent factors: growth in sales volume; improved sales mix; and, partially, sales price increases which will be fully reflected in 4Q08; in addition to higher exports revenues in Brazilian Reais, given the appreciation of the U.S. currency against the Brazilian Real. Average refractories and sinter prices, in Brazilian Reais, adopted in 3Q08 were 10.5% and 4.8% higher than those of 2Q08, respectively.

This year, magnesite sinter prices have shown a strong uptrend, reaching record-high levels. This movement was primarily influenced by the reduction in supply volumes in the international market, after the increased control levels set by the Chinese government, including export quotas/licenses. Despite the uncertainties regarding the global economy due to the aggravating financial crisis, the product's prices have not pulled back significantly. The new quotas and tariffs for sinter exports by China, which shall influence international quotations, will be determined between December/08 and February/09.

Sales volume

Products/Market	Quarter			Change %		Accumulated		Change %
	3Q07	2Q08	3Q08	(c/b)	(c/a)	9M07	9M08	(e/d)
	(a)	(b)	(c)			(d)	(e)	
Domestic Market	110,727	335,627	118,818	(64.6)	7.3	351,503	567,020	61.3
Refractory	76,013	76,832	78,898	2.7	3.8	222,810	234,831	5.4
Sinter	-	1,773	1,592	(10.2)	-	-	4,285	-
Others (*)	34,714	257,022	38,328	(85.1)	10.4	128,693	327,904	154.8
Foreign market	57,191	27,565	63,370	129.9	10.8	145,895	144,848	(0.7)
Refractory	27,109	24,768	28,806	16.3	6.3	74,653	78,201	4.8
Sinter	28,956	1,104	33,641	2,947.2	16.2	68,020	63,052	(7.3)
Others (*)	1,126	1,693	923	(45.5)	(18.0)	3,222	3,595	11.6
Total	167,918	363,192	182,188	(49.8)	8.5	497,398	711,868	43.1
Refractory	103,122	101,600	107,704	6.0	4.4	297,463	313,032	5.2
Sinter	28,956	2,877	35,233	1,124.6	21.7	68,020	67,337	(1.0)
Others (*)	35,840	258,715	39,251	(84.8)	9.5	131,915	331,499	151.3

(*) "Others" include, mainly, chromite, talc, magnesium oxide and a non recurrent sale of 210 thousand metric tons of magnesium silicate (R\$ 2.5 million) in 2Q08

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08.01 - Comments on Consolidated Performance During the Quarter

Domestic market

Net revenues in the domestic market amounted to **R\$289.4 million**, versus R\$253.6 million in the same period of 2007, an increase of 14.1%. In 9M08, sales in the domestic market totaled R\$826.5 million, up from R\$731.8 million in the same period in the previous year.

The key factor promoting this performance in the quarter was the rise in revenues from the sale of refractories, which amounted to **R\$229.8 million**, versus R\$195.5 million in 3Q07, an increase of R\$34.3 million or 17.6%. Sales of other minerals, such as talc, magnesium oxide, chromite, and others with diversified applications, added up to R\$18.5 million in 3Q08 versus R\$17.1 million in 3Q07, an increment of 7.9%. Other revenues, mainly from maintenance services, remained stable, recording net revenues of R\$41.2 million, versus R\$41.0 million in 3Q07.

Generally speaking, the markets where Magnesita operates have been buoyant this year, allowing for a rise in the Company's sales volumes as compared to the same period in the previous year.

Data from *Caixa Econômica Federal* (Brazilian Savings Bank) on real estate credit operations with FGTS resources (Government Severance Indemnity Fund for Employees) signal the growth of the civil construction segment. In 3Q08, real estate credit recorded a total of 52,109 operations, up from 34,341 in 3Q07 and 47,918 in 2Q08, an increase of 51.7% and 8.7%, respectively. According to the Brazilian union of cement manufacturers, which has disclosed data up to July/08 only, cement production was 16.4% higher in July 2008 versus July 2007. From January to July 2008, cement production rose 13.6%, seeking to meet the growth of 16.6% in demand in the same period.

Crude steel production in Brazil totaled 9.4 million metric tons in 3Q08, an increase of 8.1% versus 3Q07 (8.7 million metric tons), and of 6.5% versus 2Q08 (8.8 million metric tons). In 9M08, a total of 26.8 million metric tons of steel was produced, an increase of 7.3% versus the 25.0 million metric tons in 9M07.

With many customers in the steelmaking industry, the Company has maintained a differentiated business model, which values technical support and the spirit of partnership, aiming at higher customer productivity rather than simply the volume of refractories supplied.

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08.01 - Comments on Consolidated Performance During the Quarter

Foreign market

As compared to 2Q08, exports revenues rose 103.5% in 3Q08 and amounted to R\$ 84.7 million. In 9M08, exports revenues totaled **R\$188.0 million**, an increase of 16.9% (R\$27.2 million) versus 9M07. In addition to the increase in the average price mentioned above, the good performance is explained chiefly by the higher volume sold and the 20.3% appreciation of the dollar rate during the period, which allows for gains in revenues in Brazilian reais, especially for the operations carried out by units overseas, whose accounting records are based on the exchange rate on the quarter closing date. Against 3Q07, exports revenues were 45.0% higher, while exports volumes recorded an increase of 10.8%.

One of the highlights in 3Q08 were sinter sales, 74.7% higher than in 3Q07, totaling R\$20.6 million versus R\$11.8 million. It is important to mention that at the end of 2Q08 problems at the port prevented some sinter shipments, which ended up being shipped in July. In 9M08, magnesite sinter exports amounted to 63,052 metric tons, a decrease of 7.3% versus 9M07 due to the increased allocation of this product for the production of refractories by the Company. The average prices in U.S. dollars for sinter exports in 2008 were contracted by customers before the abrupt rise in sinter prices adopted in the market, and, thus, average prices of M10 and M30 sinter already ordered were lower than the spot market prices in the same period. Revenues from exports of refractories have also posted a positive result, with an increase of 50.5% and 60.1% versus 3Q07 and 2Q08, respectively, due mostly to the reasons explained in the previous paragraph.

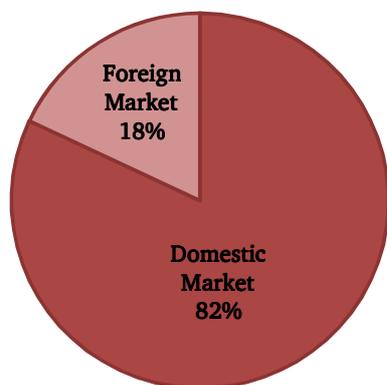
Magnesita has maintained its strategy of offering its customers unique services in different geographical locations, especially in the Americas, region where some customers in the steelmaking industry have production units. As a result of the entry of LWB in the Group, Magnesita has started exploring new markets, such as the United States, Europe, and Asia, which have so far not been very significant in the Company's operations. The privileged location of LWB's units will make it easier for Magnesita to replicate its business model to other customers in the steelmaking industry worldwide.

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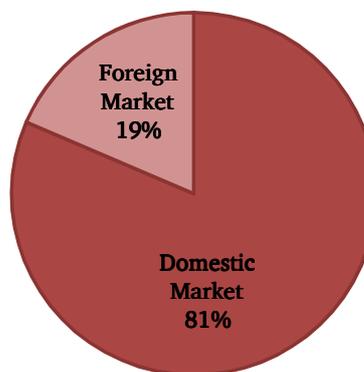
08.01 - Comments on Consolidated Performance During the Quarter

BREAKDOWN OF NET SALES REVENUES
DOMESTIC AND FOREIGN MARKET

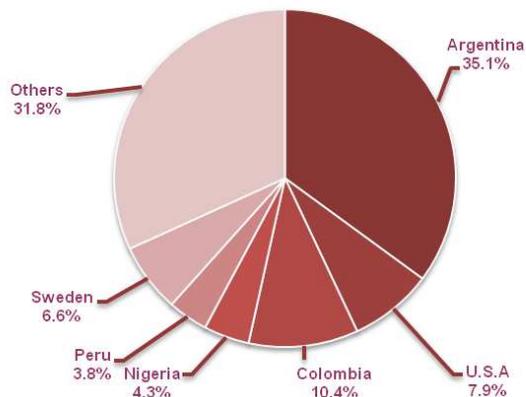
9M07



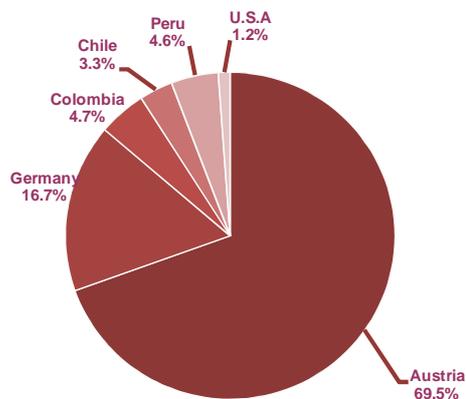
9M08



BREAKDOWN % REVENUES REFRACTORY EXPORTS - 9M08



BREAKDOWN % REVENUES SINTER EXPORTS - 9M08



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08.01 - Comments on Consolidated Performance During the Quarter

COSTS

In the third quarter, the Cost of Goods Sold (COGS) totaled R\$226.2 million, an increase of 16.7% versus 3Q07; but it was proportionally **lower** than the growth in revenues (19.9%). In 9M08, COGS rose 8.8% year-over-year, a variation which is also proportionally lower than the increase of 13.7% in revenues in the period. The Company is fully committed with both the continuous search for the reduction in costs and expenses and with the expansion of the business' profitability. The gross margin reached 39.5% in the quarter, and 41.1% in 9M08, recording increases of 1.6 and 2.6 percentage points when compared with the same period in 2007.

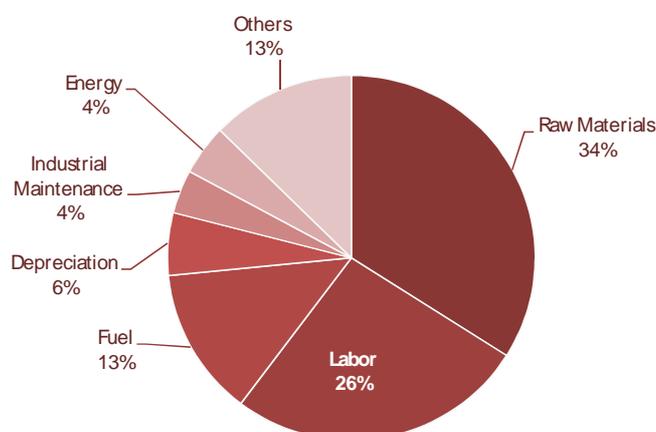
Comparing 3Q08 to 2Q08, there is an increase in costs of 21.9%, which is proportionally higher than the growth of 17.6% in revenues, leading to a reduction of 2.2 percentage points in the gross margin in 3Q08 (39.5%) when compared with the 2Q08 margin (41.7%). This was a result mainly of the price adjustments adopted by the Company in the sale of its products not being integrally reflected in the quarter as opposed to the rises in prices of some items included in the cost, such as fuel and raw materials. Also, the sales mix deteriorated, specifically in 3Q08 over 2Q08, given the transfer, to July, of sinter exports which could not take place in the previous quarter, and a higher share in sales of refractories, of peripheral segments, which use lower added value products.

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08.01 - Comments on Consolidated Performance During the Quarter

COGS BREAKDOWN

9M08



OPERATING REVENUES (EXPENSES)

3Q08 operating expenses, net of goodwill amortization, added up to R\$52.0 million, a **decrease** of 17.7% versus the same period in 2007. In 9M08, the decrease was of 17.1%, and operating expenses amounted to R\$158.9 million versus R\$191.7 million in 9M07. This result was primarily due to the change in selling expenses, which fell by 10.4%, from R\$30.6 million in 3Q07 to R\$27.4 million in 3Q08, as a result of the improved efficiency of the new model implemented for the Company's sales activities. Within the current structure, a significant portion of selling expenses is variable, and consists of freight, commissions and royalties and, thus, it follows the changes in revenues. This explains the evolution of this group of expenses in the last three months, 3Q08 versus 2Q08, when a nominal increase of 10.6% was recorded, but with a reduction of 0.5 percentage point in this group's portion within overall revenues.

Administrative expenses also fell, totaling R\$37.9 million in 3Q08, down from R\$41.3 million in 3Q07, a decrease of 8.2%. In 9M08, administrative expenses were 6.9% lower versus 9M07, adding up to R\$100.3 million versus R\$107.7 million. This result confirms the effectiveness of the

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08.01 - Comments on Consolidated Performance During the Quarter

strict expenses control adopted by the Company, especially when several extraordinary events are taken into account, such as expenses with consulting, legal publication and legal advisors, and other events related not only to the shareholding restructuring process, but also to the M&A activities carried out by the Company this year, which amounted to R\$16.9 million by 09/30/08.

EBITDA

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) totaled R\$109.3 million in the quarter, an increase of 61.3% versus 3Q07. In 9M08, EBITDA added up to R\$297.8 million, an increment of 56.2% as compared to the same period in 2007, when it totaled R\$190.6 million.

The EBITDA margin reached **29.2%** in 3Q08, an increase of 7.5 percentage points against 3Q07, and 0.6 pp lower than that in 2Q08. In 9M08, the margin rose by 7.9 percentage points compared to 9M07, reaching 29.3%.

Compared with the previous year, this increase is a result of the drop in operating expenses, combined with the lower growth in direct costs proportionally to the increase in revenues, which, in addition to a higher sales volume, also counted on a higher added-value product mix, price recovery, and positive forex effect on exports after the change in the trend of appreciation of the Brazilian currency in relation to the U.S. dollar.

FINANCIAL REVENUES (EXPENSES)

In 3Q08 the Company's net financial expenses totaled R\$26.0 million, an increase of R\$6.1 million and R\$27.6 million as compared to 2Q08 and 3Q07, respectively. The gradual evolution of this item is due to the financings contracted during the course of the last 12 months, which added up to R\$141.9 million on 09/30/07 and rose to R\$1,111.1 million at 09/30/08. Most of these agreements have long-term maturities (85.3%) and very attractive conditions and rates, in line with the Company's capital structure.

Net currency variations contributed significantly to the result of the quarter by totaling R\$36.2 million, due chiefly to the foreign exchange effect on the Company's foreign currency cash investments as part of the financial operations involved in the operation with LWB, which will be explained later.

In 9M08, the net effect of financial expenses and revenues, plus monetary variation gains and losses, represents expenses of R\$36.5 million, against revenues of R\$2.5 million in 9M07.

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NON-OPERATING INCOME (EXPENSE)

In the quarter, the non-operating income exceptionally consisted of R\$39.2 million referring primarily to the sale of real estate in the city of São Caetano, state of São Paulo. With this transaction, communicated to the market in a Significant Event Notice on 04/23/08, Magnesita completed the sale of nearly 60% of the total area of this property. In 9M08, the non-operating income reached R\$86.5 million, against a non-operating expense of R\$9.8 in 9M07.

NET INCOME

In 3Q08, Magnesita recorded net income of R\$59.3 million, including goodwill amortization in the amount of R\$65.8 million, a result 2 times higher than the one recorded in 3Q07 (R\$29.6 million). The 3Q08 income represented gains of 15.9% over the net operating revenues for the period, versus 9.5% in 3Q07.

In 9M08, the Company's net income totaled R\$82.3 million, down 8.3% from 9M07 due to the goodwill amortization, which has already reached R\$183.8 million. Goodwill amortization, whose balance on 09/30/08 was of R\$1,109.5 million according to the legislation in force, will be recognized for the next five years. On the one hand, it reduces the Company's net income, but on the other hand, it lowers the payment of taxes on income earned. However, this will not adversely affect by any means the calculation of stockholders' dividends.

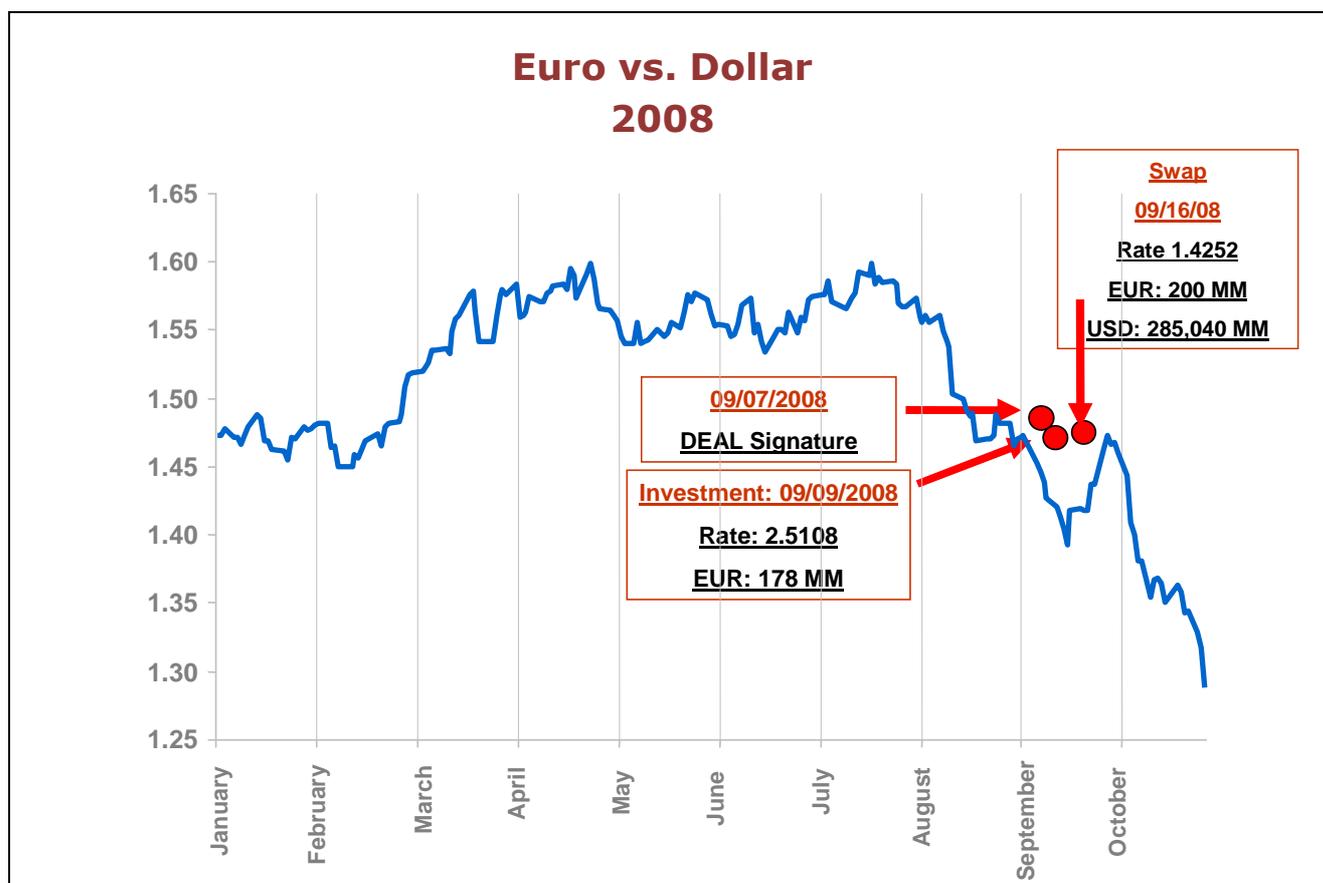
TRANSACTION WITH LWB

In line with the international expansion strategy, and with a view to becoming the worldwide leader in the refractories market, Magnesita completed, on 09/07/2008, the negotiations which resulted in the participation of 100% in the capital stock of LWB, controlled by Rhone Capital private equity fund. LWB is a leader in the market of basic refractories and high added-value dolomite products. It has a strong presence in the European, U.S., and Asian markets, with long-term relationships with the major stainless steel and long steel manufacturers, and electric and integrated steelmakers. This transaction has allowed Magnesita to expand its operation in the global market: the Company now has plants and sales offices in four continents. In addition to gains of synergies, the Company will have more international operation opportunities, with great chances of replicating to other markets the business model it uses to serve the Brazilian steelmakers, in addition to diluting fixed costs.

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08.01 - Comments on Consolidated Performance During the Quarter

To fund this operation, a long-term debt was contracted with JP Morgan in the amount of US\$475 million, released to the Company on 11/05/08. This debt, to be syndicated by JP Morgan, has a 6-year maturity, with 30 months of grace period and below 8% p.a. costs. Because part of the resources received from JP Morgan were allocated to the payment of LWB's liabilities in Euros, which occurred on 11/05/08, the Company made a hedge operation, for which the exchange rate used in the conversion of US\$285 million to €200 million was of R\$1.4252 on 09/16/08, nine days after the closing of the transaction with LWB on 09/07/08. This operation was aimed at avoiding fluctuations and exchange rate arbitrage between the date of the signature of the binding documents of the operation and the date of the actual disbursement. With the same purpose, on 09/09/08, the Company transferred part of its Brazilian reais-denominated cash availabilities to a financial investment overseas, in Euros, equivalent to €178 million, at the rate of R\$2.5108. On 09/30/08, due to the depreciation of the Brazilian real against the Euro, the balance was of R\$480.5 million, representing an accounting gain of R\$32.4 million as a monetary variation gain.



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08.01 - Comments on Consolidated Performance During the Quarter

The Company has decided to fund the transaction with LWB in foreign currency because the operating cash generation of the acquired company is mostly in Euros and Dollars. Only this operation has been hedged, and with the sole purpose of protecting the Company from foreign exchange variations. The Company protects its financial position in a conservative manner, without leveraging by high risk instruments or by operations that create an arbitrage in currencies, by focusing on those operations that are actually related with its business.

CAPITAL STRUCTURE

Magnesita closed 3Q08 with a net debt of R\$383.5 million, down from R\$522.1 million in 2Q08, and stockholders' equity of R\$1,574.0 million. This reduction in net debt is due to a growth of R\$186.0 million in the cash position in the quarter, while gross debt gained R\$47.5 million in the period. In addition to the operating cash generation, the higher balance at the end of the quarter resulted from a capital increase of R\$73.9 million in July, and the payment to the Company of monthly installments from the sale of non-operating assets in the amount of R\$11.2 million in the quarter.

TAXES

The goodwill amortization deductibility is an important tax credit for the Company, benefiting all its stockholders. In 3Q08, goodwill amortization amounted to R\$65.8 million. The provision for income tax and social contribution reached R\$20.3 million, an increase of 20.3% against the R\$16.9 million recorded in 3Q07. This increase is due mainly to the deferred income tax and social contribution levied on the installment sale of fixed assets.

INVESTMENTS

The Company invested R\$28.9 million in 3Q08. In 9M08, investments totaled R\$57.7 million. Investments were mainly allocated to the implementation of SAP and improvements in the M-30 sinter extraction in Brumado and dolomite extraction in Minas Gerais, as well as improvements in refractories plants to meet the increased demand for the Company's products. The plan for 2009 is being prepared, and it should include the international expansion strategy.

CAPITAL MARKET

Stock Performance

Magnesita's common shares (MAGG3), which are listed in the Special Corporate Governance Stock Index (IGC), went down by 1.2% between 04.02.2008, when they were listed in the New Market, and 09.30.2008. In the same period, the Ibovespa (main index of the São Paulo Stock

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08.01 - Comments on Consolidated Performance During the Quarter

Exchange) dropped by 21.8%. A total of 44,136 operations were made, involving 60.8 million shares of Magnesita, and trading volume of R\$1,213.4 million. The daily average trading volume in the period was of R\$9.6 million.

Stock Market Performance	
Average Daily Trading Volume 3Q08 (R\$ million)	7.3
Average Daily Trading Volume 3Q08 (shares)	390,858
Closing Price - Sep/08	11.50
Closing Price - Jun/08	22.55
Closing Price - Sep/07	7.00
Stock Performance -3Q08 (%)	(49.0)
Stock Performance - 12 months (%)	64.3
Ibovespa Performance - 3Q08 (%)	(23.8)
Ibovespa Performance - 12 months (%)	(18.1)



SIGNIFICANT AND/OR SUBSEQUENT EVENTS

Sale of MSA Infor

On 09/19/08, the Company sold its subsidiary MSA Infor, an information technology services provider, to Dynamic Tecnologia em Sistemas de Informação Ltda. for R\$7.7 million. The accounting effect of this divestiture was a non-operating revenue of R\$3.7 million.

Market maker

Given the financial crisis and strong instability in the markets in general, on October 16, Magnesita terminated the agreement with bank UBS Pactual, which had been acting as the market maker for its shares on BM&F Bovespa.

Go Live SAP

On 11/1/2008, as planned, SAP's latest version of the ECC 6.0 integrated system went online at Magnesita. The project, considered bold in terms of scope, started in January/08 and counted on the full-time participation of 200 people, including consultants and employees of the Company. All modules/packages necessary for the corporate management of a large company were acquired, including accounting, finance, projects, investments, production planning, materials and sales.

(A free translation of the original in Portuguese)
FEDERAL GOVERNMENT SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
QUARTERLY INFORMATION (ITR)
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Unaudited
Corporate Legislation
September 30, 2008

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08.01 - Comments on Consolidated Performance During the Quarter

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16.01 - Other Information Considered Significant by the Company

1. Consolidated Statement of Income of Magnesita S.A.

In order to complement the information relating to the results of operations, the consolidated statement of income of the subsidiary Magnesita S.A., for the 3rd quarter of 2007 and for the nine-month period of 2007, is presented below:

	<u>R\$ thousand</u>	
	<u>3rd Quarter/2007</u>	<u>Nine-month period of 2007</u>
Gross sales revenues	399,512	1,141,797
Deductions from gross revenues	(87,434)	(249,223)
Net sales revenues	312,078	892,574
Cost of products and/or services sold	(193,863)	(548,666)
Gross profit	118,215	343,908
Selling expenses	(30,556)	(92,603)
General and administrative expenses	(41,337)	(107,701)
Other operating expenses	8,775	8,595
Financial result	981	2,548
Operating profit	56,078	154,747
Non-operating income (expenses), net	(10,070)	(9,816)
Profit before taxation	46,008	144,931
Income tax/Social contribution	(16,859)	(52,920)
Statutory profit sharing/contributions	(867)	(3,698)
Minority interest	1,364	1,449
Net income for the period	29,646	89,762

2. Consolidated Statement of Cash Flows of Magnesita S.A. (not reviewed by independent accountants)

For comparison purposes, the consolidated statement of cash flows for the 3rd quarter of 2007 and for the nine-month period of 2007 of Magnesita S.A., merged into Magnesita Refratários S.A. during the 1st quarter of 2008 (see Note 1) is presented below:

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16.01 - Other Information Considered Significant by the Company

	<u>R\$ thousand</u>	
	<u>3rd Quarter/2007</u>	<u>Nine-month period of 2007</u>
Operating activities		
Adjustments to net income		
Net income for the period	29,646	89,762
Charges and monetary and foreign exchange variations, net	(3,640)	(12,282)
Depreciation	12,632	38,443
Income tax and social contribution on net income	(1,841)	(5,435)
	36,797	110,488
(Increase) decrease in assets		
Trade accounts receivable	(19,592)	(11,471)
Inventories	21,353	(2,000)
Taxes recoverable	417	7,053
Judicial deposits	(50)	(399)
Other	4,082	20,355
	6,210	13,538
Increase (decrease) in liabilities		
Suppliers and subcontractors	(3,949)	(5,714)
Advances from customers	(5,364)	(8,085)
Taxes payable	9,131	7,109
Interest on shareholders' equity	(178)	(38,143)
Other	1,200	13,964
	840	(30,869)
Cash flows from operating activities	43,847	93,157
Investing activities		
Disposals of property, plant and equipment and investments	21,254	23,211
Additions to property, plant and equipment and investments	(22,780)	(52,022)
Cash flows used in investing activities	(1,526)	(28,811)
Financing activities		
Inflow of loans and financing	32,429	122,551
Payments of loans and financing, including interest	(47,930)	(140,901)
Cash flows generated by (used in) financing activities	(15,501)	(18,350)
Cash flow generated in the period	26,820	45,996
Increase in cash and cash equivalents		
Opening balance	221,989	202,813
Closing balance	248,809	248,809
	26,820	45,996

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16.01 - Other Information Considered Significant by the Company

3. Shareholding Structure - Stockholders Holding more than 5 % of the Voting Capital

SHAREHOLDINGS OF ALL THOSE WHO HOLD MORE THAN 5% OF EACH TYPE AND CLASS OF THE COMPANY'S SHARES UP TO INDIVIDUAL HOLDINGS				
Company: MAGNESITA REFRATARIOS S.A.			At 09/30/08 (In units of shares)	
Stockholder	Common Shares		Total	
	Number	%	Number	%
Alumina Holdings LLC	76,248,799	40.04	76,248,799	40.04
GIF II FDO INVEST. PARTICIP.	22,699,623	11.92	22,699,623	11.92
Others	91,467,248	48.04	91,467,248	48.04
Total	190,415,670	100	190,415,670	100

We inform that Alumina Holdings LLC, headquartered in Delaware, has a single stockholder, Grafita Holdings Inc., headquartered in Cayman Islands, whose stockholders that indirectly hold more than 5% of the capital of Magnesita Refratários S.A. ("Company") are Magma Fund LP ("Magma") and GP Capital Partners IV LP ("GPCP4") private equity funds. Magma indirectly holds 10.36% of Magnesita Refratários and GPCP4 indirectly holds 21.17% of the Company's capital.

Magma has no quotaholder that indirectly holds more than 5% of the capital of the Company. GPCP4 has as its sole quotaholder GP Investments Ltd., which indirectly holds 9.40% of the capital of Magnesita Refratários. GP Investments Ltd., a public company headquartered in Bermudas, does not have any stockholder with indirect investment exceeding 5% in the Company.

The Equity Investment Fund (FIP) GIF II has an 11.92% interest in the capital of Magnesita Refratários, and has no individual stockholder with indirect holding exceeding 5%.

4. Consolidated Shareholding Position of Controlling Stockholders and Management and Outstanding Shares in the Market

At September 30, 2008, the shareholding position of the Company's management, Board of Directors, Executive Board, Statutory Audit Committee, as well as of controlling stockholders and outstanding shares in the market is as follows:

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CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING STOCKHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES Position at 09/30/2008				
Stockholder	Number of Common Shares (In Units)	%	Total Number of Shares (In Units)	%
Controlling Stockholders	108,093,441	56.77	108,093,441	56.77
Management	106,328	0.06	106,328	0.06
Board of Directors	8,328	0.00	8,328	0.00
Executive Board	98,000	0.05	98,000	0.05
Statutory Audit Committee	64,540	0.03	64,540	0.03
Other Stockholders	82,151,361	43.14	82,151,361	43.14
Treasury Stock	0	0.00	0	0.00
Total	190,415,670	100	190,415,670	100
Outstanding Shares in the Market	82,215,901	43.18	82,215,901	43.18

5. New Market

We inform that the Company is subject to arbitration of the BOVESPA Market Arbitration Chamber under Arbitration Regulations of the Market Arbitration Chamber, according to the Commitment Clause included in its By-Laws.

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17.01 - Report on the Special Review - Without Exceptions

To the Board of Directors and Stockholders
Magnesita Refratários S.A.

- 1 We have reviewed the accounting information included in the Quarterly Information (ITR) (parent company and consolidated) of Magnesita Refratários S.A. (formerly RPAR Holding S.A.) for the quarter ended September 30, 2008, comprising the balance sheet, the statements of income and of cash flows, the performance report and the explanatory notes. This Quarterly Information is the responsibility of the Company's management.
- 2 Our review was carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON) in conjunction with the Federal Accounting Council (CFC) and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the Quarterly Information and (b) a review of the significant information and of the subsequent events which have, or could have, significant effects on the financial position and operations of the Company.
- 3 Based on our review, we are not aware of any material modifications that should be made to the quarterly information referred to above in order that it be stated in accordance with the rules issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information, including the CVM Instruction No. 469/08.
- 4 As mentioned in Note 2(b), Law No. 11638 was enacted on December 28, 2007 and is effective as from January 1, 2008. This law amended, revoked and introduced new provisions to Law No. 6404/76 (Brazilian Corporation Law) and changed the accounting practices adopted in Brazil. Although this law is already effective, the main changes introduced by it depend on regulations to be issued by the regulatory agencies for them to be implemented by the companies. Accordingly, during this phase of transition, the CVM, through its Instruction 469/08, did not require the implementation of all the provisions of Law 11638/07 in the preparation of the Quarterly Information (ITR). As a result, the accounting information included in the Quarterly Information for the quarter ended September 30, 2008 was prepared in accordance with specific CVM instructions and does not contemplate all the changes in accounting practices introduced by Law 11638/07.

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17.01 - Report on the Special Review - Without Exceptions

- 5 The Quarterly Information (ITR) also includes comparative accounting information on the results for the quarter ended September 30, 2007, obtained from the corresponding Quarterly Information (ITR). The Quarterly Information for the quarter ended September 30, 2007 was not reviewed by independent accountants. Our report does not cover the accounting information for that quarter.
- 6 The Quarterly Information (ITR) mentioned in the first paragraph also includes certain accounting information of Magnesita S.A., which was merged into the Company in the first quarter of 2008 (as mentioned in Note 1), for the quarter and the nine-month period ended September 30, 2007, comprising the consolidated statements of income and of cash flows and the performance report. The Quarterly Information (ITR) for the quarter ended September 30, 2007 of Magnesita S.A. (parent company and consolidated) did not include the consolidated statement of cash flows for that period and, therefore, this statement was not reviewed by independent accountants.
- 7 In April 2008, the proposal for the Company to be listed on the Bolsa de Valores de São Paulo S.A. - BOVESPA, as well as its listing on the New Market was approved. As described in Note 2.1, the "financial statements" accounting information included in the Quarterly Information - ITR of the Company (parent company and consolidated) for the quarter and nine-month period ended September 30, 2008, originally disclosed on November 12, 2008, "have been disclosed again" has been restated to include the statement of cash flows of the Company (parent company) for the quarter and nine-month period ended September 30, 2008 (Note 16), as required by the New Market Listing Regulation.

Belo Horizonte, November 11, 2008

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" MG

Aníbal Manoel Gonçalves de Oliveira
Contador CRC 1RJ056588/O "S" MG

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