

VALLEY OF THE RIO DOCE CO

Form 6-K

November 14, 2003

United States  
Securities and Exchange Commission

Washington, D.C. 20549

**FORM 6-K**

Report of Foreign Private Issuer  
Pursuant To Rule 13a-16 or 15d-16  
of the  
Securities Exchange Act of 1934

For the month of

November 2003

**Valley of the Rio Doce Company**

(Translation of Registrant's name into English)

Avenida Graca Aranha, No. 26  
20030-900 Rio de Janeiro, RJ, Brazil  
(Address of principal executive office)

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

(Check One) Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes  No

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

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Companhia Vale of the Rio Doce

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**BR GAAP**

**BOVESPA: VALE3, VALES  
NYSE: RIO, RIOPR  
LATIBEX: XVALO, XVALP**

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#### **PERFORMANCE OF COMPANHIA VALE DO RIO DOCE IN THE THIRD QUARTER OF 2003**

*The financial and operational information contained in this press release, except otherwise indicated, refers to the Parent Company and was calculated in accordance with generally accepted Brazilian accounting principles (Brazilian GAAP). This information, with the exception of that referring to investment and market behaviour, is based on the quarterly financial statements, which have been reviewed by independent auditors.*

Rio de Janeiro, November 12, 2003 – Companhia Vale do Rio Doce (CVRD) has reported net earnings of R\$ 1.279 billion, for the third quarter of 2003 (3Q03), corresponding to R\$ 3.33 per share, the second highest quarterly profit in the Company's history. This result was slightly higher than that for the previous quarter (2Q03) of R\$ 1.275 billion, and contrasts with the loss of R\$ 216 million in 3Q02, which at that time was caused by the effect of the depreciation of the Real on the Company's foreign currency-denominated debt.

Return on shareholders' equity (ROE) annualized in the quarter amounted to 35.2%.

Net earnings for the first nine months of 2003 (9M03) amounted to R\$ 3.717 billion, compared to R\$ 502 million in the same period a year earlier.

The good results obtained by CVRD were due to the favorable conditions in the markets in which it operates, and particularly the quality of business strategy execution, consistent with the aim of maximizing value over the long term.

#### **Revenues**

The gross operating revenue, of R\$ 2.767 billion reported in 3Q03, was 25.4% higher than the figure reported in 2Q03 and 18.2% higher than in 3Q02. In the first nine months of 2003, accumulated revenues amounted to R\$ 7.491 billion compared to R\$ 5.784 billion in the same period a year earlier, showing an increase of 29.5%.

#### **Exports**

CVRD's consolidated export revenues, in accordance with BR GAAP, amounted to US\$ 994 million in 3Q03, an increase of 5.0% on the previous quarter figure (2Q03) of US\$ 947 million, and 27.4% higher than that reported in 3Q02, of US\$ 780 million. Export revenues accumulated to the end of September 2003 amounted to US\$ 2.741 billion, compared with US\$ 2.370 billion in the same period a year earlier.

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CVRD's net consolidated exports (exports minus imports) amounted to US\$ 2.373 billion in the period January/September 2003, representing 13.4% of Brazil's trade surplus of US\$ 17.797 billion during the period.

### **Record cash generation**

Cash generation, as measured by EBITDA (earnings before interest, tax, depreciation and amortization) amounted to R\$ 1.506 billion, an increase of 53.2% on 2Q03 and 34.0% higher than in 3Q02. The quarterly EBITDA registered in 3Q03 is the highest in the Company's history. In the first nine months of 2003, accumulated EBITDA amounted to R\$ 3.637 billion, compared to R\$ 2.615 billion in the same period a year earlier.

EBITDA margin (EBITDA/net revenues) in 3Q03 also set a new record, amounting to 56.2%, compared to 46.4% in 2Q03 and 49.8% in 3Q02, surpassing the previous record of 55.5% achieved in 3Q01.

### **Sales**

Shipments of iron ore and pellets amounted to 40.297 million tons in the quarter, 10.6% higher than the amount shipped in 2Q03 and 9.1% more than in 3Q02. Accumulated sales in the first nine months of 2003 amounted to 113.1 million tons, an increase of 5.8% compared to the same period in 2002.

General cargo transported (cargo other than iron ore and pellets) for customers on the Vitória a Minas (EFVM) and Carajás (EFC) railroads set a new quarterly record, with 4.574 billion net ton kilometres (ntk). The third quarter saw 6.4% more general cargo transported by railroad than in 2Q03, which was also an improvement of 17.6% on 3Q02.

### **Investments**

During 3Q03, CVRD's capital expenditures amounted to US\$ 831 million, of which US\$ 426.4 million was spent on the acquisition of Caemi. Up to the end of September, the Company had invested a total of US\$ 1.419 billion, of which US\$ 502 million was spent on acquisitions.

### **Dividends**

On October 31, the Company distributed two tranches of dividends to its shareholders.

The first tranche, of R\$ 1.48 per share, corresponds to the second instalment of the minimum dividend announced on January 30 this year. The second tranche, of R\$ 1.94 per share, refers to the additional dividend approved by CVRD's Board of Directors on August 27.

In 2003, the first year in which the new Dividend Policy, approved on 30 November 2002, was implemented, the Company has paid interest on shareholder's equity of R\$ 5.04 per share, amounting to a total of R\$ 1.935 billion.

In the 12 months to the end of October, the dividend yield in US dollars is estimated to be 5.4% for common shareholders and 6.1% for preferred shareholders.

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**BR GAAP****SELECTED FINANCIAL INDICATORS**

|                              | R\$ million |       |       |
|------------------------------|-------------|-------|-------|
|                              | 3Q02        | 2Q03  | 3Q03  |
| Gross Operating Revenues     | 2,340       | 2,206 | 2,767 |
| Gross Margin (%)             | 54.5        | 42.9  | 49.6  |
| EBITDA                       | 1,124       | 983   | 1,506 |
| EBITDA Margin (%)            | 49.8        | 46.4  | 56.2  |
| Net Earnings                 | (216)       | 1,275 | 1,279 |
| ROE (annualized) (%)         | (7.7)       | 35.9  | 35.2  |
| Investments (US\$ million) * | 155.5       | 389.7 | 831.0 |

\*including acquisitions

ROE= return on shareholders equity = annualized net earnings in the quarter /shareholders equity

**RELEVANT EVENTS**

In recent months, a number of initiatives have been concluded whose principal aim is to adhere to the strategic focus of the Company and to help increase transparency.

**Acquisitions**

On September 2, the Company completed the purchase of 50% of the common shares and 40% of the preferred shares of Caemi Mineração e Metalurgia S.A. (Caemi) for US\$ 426.4 million, now having 60.2% of the total capital of this company and all the common shares.

**Restructuring of logistics assets**

With the authorization granted by the Brazilian Regulatory Agency for the Transportation Sector (ANTT), a capital increase of Ferrovia Centro Atlântica (FCA) was carried out. CVRD fully subscribed for the capital increase, for a total of R\$ 1.003 billion, of which R\$ 798.3 million corresponded to the conversion of advance payments for future capital increases already made, and the remaining R\$ 204.9 million to be paid in 4 cash instalments, of which three have already been made. The last installment, for R\$ 61.5 million, will be paid in December 2003. As a consequence, CVRD became the controlling shareholder of this railroad company, with 99.99% of its common shares and 99.99% of its total capital. FCA will now be fully integrated into CVRD's logistics strategy, thereby making investment in the railroad possible, in order to enlarge and improve its general cargo transportation capacity for the Company's clients.

On November 7, 2003, authorized by ANTT, CVRD divested its stakes in Companhia Ferroviária do Nordeste (CFN) and Sepetiba Tecon S.A.

**Simplification of operational structure**

CVRD has consolidated Ferteco Mineração S.A. into the Parent Company, taking over the management of Córrego do Feijão and Fábrica iron ore mines, as well as the Fábrica pelletizing plant, located in the Iron Quadrangle, in the state of Minas Gerais. Therefore, starting in September 2003, the results of CVRD Parent Company will directly include - rather than via the equity income result, as previously done - the operational and financial performance of the assets formerly held by Ferteco.

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CVRD has also consolidated Celmar S.A. which assets were transferred to Ferro Gusa Carajás S.A., a joint venture created with Nucor Corporation for the production of pig iron in the north of Brazil.

Starting in January 2004, CVRD's manganese and ferro-alloys operations will be conducted through four wholly owned subsidiaries: Rio Doce Manganês (Sibra's new name starting on October 15, 2003), Urucum Mineração S.A., Rio Doce Manganese Norway (RDMN) and Rio Doce Manganèse Europe (RDME).

## Divestitures

On August 15, CVRD finalized the sale of the Fazenda Brasileiro gold mine assets. The accounting gain from this sale, which amounted to R\$ 63.0 million, were accounted for in this quarter under the item other operational revenues/expenses.

On October 24, the Company sold its 11.1% stake in Fertilizantes Fosfatados S.A. Fosfértil for R\$ 240 million. The accounting gain from this transaction, of R\$ 115 million, will be added to the result in 4Q03.

## BUSINESS OUTLOOK

Global production of crude steel, according to the International Iron and Steel Institute (IISI), grew 7.1% in the first nine months of 2003, compared to the same period last year, hence registering a slowdown in relation to the first six months of 2003, when production expanded by 8.2%. This was due to production cutbacks in 3Q03 in the European Union, particularly in Germany, France and Spain, as well as in the US, in reaction to the lacklustre macroeconomic performance in the first half of the year.

The driving force behind the global expansion of crude steel production, which according to our estimates is likely to reach 960 million tons this year, compared to 903 million tons in 2002, is China, whose steel production has increased 21.6% this year to the end of September. In the last 60 months up to the end of September 2003, Chinese production of steel has grown at an average annual rate of 15%, while in the rest of the world steel production has expanded at an annual rate of 2.6%.

Consistent with its current stage of economic development, steel consumption in China is growing even more rapidly and CRU expects China's imports to exceed 40 million tons in 2003, compared to 29 million last year. The increase in China's overseas purchases of steel influences rising production in certain Asian countries, Japan in particular, whose steel industry is growing at a 3.5% rate this year.

The IISI's most conservative scenario for the medium term indicates Chinese steel consumption should reach 330 million tons for 2007, with an annual average growth of 9.3% between 2002 and 2007, compared to 15.3% between 1997 and 2002. According to the same source, global consumption will grow until 2007 at an average annual rate of 3.6%, the same rate as that registered in the period 1997/2002.

The strong Chinese demand is having a positive impact on steel prices, with the *CRU Steel Price Index* (CRUspi) returning to its upward cycle since June. Between December 2001 and October 2003, CRUspi increased by 45.4%.

Another important implication is the substantial increase in demand for iron ore, with Chinese imports during the period January-September 2003 totaling 110

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million tons, almost the same volume imported during the whole of last year, which amounted to 111.7 million tons. Compared with the same period in 2002, Chinese imports of iron ore were up 33.1%.

It is estimated that Chinese imports of iron ore will increase by approximately 35 million tons in 2003, with total imports into Asia rising by 40 million tons.

Japan imported 98.8 million tons of iron ore in the first nine months of 2003, 3.2% more than in the same period last year.

It is likely that the global economy in 3Q03 registered its highest rate of growth since the stock market bubble burst in the US, in 1Q00. The USA, whose GDP grew by an annualized rate of 7.2% in 3Q03, extraordinarily high for a developed economy, and Asia where China's GDP grew by an annualized 9.1% in 3Q03, led the acceleration in global growth.

At the same time, leading indicators are signalling the start of a synchronized recovery in the global economy. In fact, the strongest signals for future growth are coming not only from the US, but also Japan, Southeast Asia, Latin America and even the European Union, where GDP growth this year is likely to be very modest, below 1%. After almost three years of below trend growth, the global economy seems likely to resume its normal expansion rate.

The change in the global economic cycle has been adding more consistency to the demand for ores and metals, whose pattern, although favorable, has been relying almost exclusively on the extraordinary expansion in China. Metal prices, already influenced by the weakness in the US dollar, reacted positively to the change in expectations for global GDP growth. The price of copper, for example, is now fluctuating in the range of US\$ 0.90c a pound, having reached at the end of October 2003 its highest level since October 1997, while the prices of primary aluminum, of approximately US\$ 1,500 per ton, even in the face of relatively high stock levels in the industry, are among its highest since May 2001.

The combination of dramatic growth in Chinese demand, now leveraged by prospect of a synchronized recovery in the global economy, and the restricted growth in the supply of ores and metals in the last few years - the mining and metals industry reacted to the financial crisis in Southeast Asia in 1997 by reducing the level of investment in expansion of production capacity - have created imbalances in the markets of certain products, which, despite the expansion projects currently under development, are likely to persist for at least another two years.

CVRD estimates that seaborne trade of iron ore will amount to 545 million tons in 2004, compared to 515 million tons this year, with more than 80% of this growth due to the increasing amount of Chinese purchases overseas. With the extra capacity at Carajás set to come on stream in 2004, pushing production up to 70 million tons a year, the enlargement of the Maritime Terminal at Ponta da Madeira to a capacity of 74 million tons a year and the small increase in capacity in the Southern System (3 million tons), the Company should benefit to a greater extent from the pick-up in demand.

The dynamics of price elasticity is likely to gradually correct the excessive increase in freight rates, which has been caused by the considerable expansion in seaborne iron ore trade - evaluated at approximately 65 million tons in 2002/2003. China has doubled its average monthly imports from 6 million tons in 2001 to 12 million tons in 2003, while at the same time, investment in the construction of new Capesize vessels has not kept pace with this trade expansion.

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The enlargement of port capacity in Brazil, Australia and China, to reduce ship-waiting time, should in the short-term help to increase the effective supply of maritime transportation. Furthermore, according to *Clarkson Research Studies*, in 2004 shipyards will place an extra 5.6 million deadweight tons of shipping in the marketplace, the equivalent of 35 Capesize vessels, representing an increase of approximately 6% in the global fleet, which will also help to ease the current imbalance between supply and demand for transoceanic transportation. The reaction to the increased shipping supply will be more significant in 2006 and 2007, bearing in mind the length of time between orders being placed and deliveries being met.

Notwithstanding the sharp rise in freight prices on the spot market, with a widening of the spread between Brasil/Asia Australia/Asia rates, and the probable slowdown in Chinese GDP growth to around 7% in the next few quarters, demand for CVRD's iron ore might continue to be very strong. This is because of the expansion plans for the Chinese steel industry – the *Chinese Iron and Steel Association* recently estimated that Chinese production capacity will expand by 120 million tons between the end of 2003 and 2005 – and also because of the Company's position as a supplier of high content ore with low levels of impurities, important factors for increasing productivity and improving the quality of steel products. Furthermore, the long-term contracts with its Chinese clients permit CVRD to make an effective contribution in optimizing the value chain for steel production.

In the case of alumina, spot prices have remained at around US\$ 300 per ton FOB, approximately 20% of the current primary aluminum price on the LME, reflecting the strong demand pressure from China. In the first nine months of this year, Chinese imports amounted to 4.24 million tons, an increase of 32.3% in relation to the same period in 2002.

We expect that the market shortages will continue during 2004 and 2005, which will mean that prices will remain high for many months, in contrast to what occurred in 1995 and 1999/2000, when the high prices seen in alumina saw a rapid reversal.

Spot market prices are influencing prices in short and long-term contracts. This benefits Alunorte, a subsidiary of CVRD, which is signing contracts to absorb its additional production capacity of 1.8 million tons a year, from the construction of stages 4 and 5, which are due to come into service in 2006.

The recent increase in the price of primary aluminum on the LME has had a positive effect on CVRD's alumina revenues, whose contracts are indexed to metal prices. This situation benefits the sales of Albras, whose production, due to the debottleneckings, will amount to 430,000 tons in 2003, rising to 450,000 tons in 2004. However, depending on the recovery in the global economy, it is estimated that in 2004 there will be an excess supply situation in the aluminum market, in relation to global consumption, which will tend to limit the trend of recent price increases.

Stocks of copper have been falling, due to the slow expansion in the supply of copper concentrate and the sharp increase in Chinese consumption. Moreover, it has been estimated that this shortage will continue next year as a result of expected growth in demand. Despite the fact that the increase in the metal price tends to stimulate expansion in the supply of copper concentrate, no downward pressure is expected on prices for this product, given the continued level of excess demand. This scenario is therefore positive for the sales outlook of Sossego, which will be running at full production capacity in the middle of 2004, at an annual production rate of 470,000 tons of concentrate.

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**SALES VOLUME AND REVENUES**

Iron ore and pellet shipments amounted to 40.297 million tons, up 9.1% in relation to the volume sold in 3Q02, of 36.925 million tons, and an increase of 10.6% on that sold in 2Q03, of 36.428 million. However, it is important to note that from September, with the consolidation of Ferteco into the Parent Company, shipments of iron ore produced by the Córrego do Feijão and Fábrica mines and the Fábrica pelletizing plant were included in the figures for CVRD Parent Company, representing an additional 1.601 million tons. Disregarding this added amount, the volume sold of 38.696 million tons showed an increase of 4.8% in relation to 3Q02 and a rise of 6.2% compared to the previous quarter.

Sales accumulated in the first nine months of the year amounted to 113.116 million tons, compared to 106.918 million tons in the same period in 2002, an increase of 5.8%.

Ore fines accounted for 78.4% of shipments in 3Q03, lumps, 9.5% and pellets 12.1%. Iron ore sales amounted to 35.430 million tons and pellet sales, 4.867 million tons. Since 3Q03, the São Luis pelletizing plant has been operating at full capacity 6 million tons per year, all of its production being sold to the export market. Therefore, in addition to a higher production capacity, CVRD now has more flexibility in the supply of pellets for its clients, via the Tubarão complex in the Southeast of the country, via São Luís in the state of Maranhão, at Ponta da Madeira, and via the Fábrica plant in the state of Minas Gerais (this last one is more focused to the domestic market).

China continued to be the main source of sales expansion for CVRD's iron ore and pellets. Shipments to Chinese clients in 3Q03, of 7.1 million tons, rose 69.0% in relation to the same period a year earlier, 4.2 million tons, and were up 47.9% in relation to 2Q03's figure of 4.8 million tons. In the first nine months of 2003, China purchased 17.3 million tons of iron ore and pellets from CVRD, which in annualized terms represents an increase of 31.8% compared to the volume purchased in 2002, showing that despite current capacity constraints, CVRD is being able to take advantage of the opportunities offered by the most dynamic market in the world. CVRD's market share of Chinese imports remained close to 16%.

Approximately 74% of iron ore and pellet shipments in 3Q03 were sold to the export market, 12% to the pelletizing joint ventures, and 14% to domestic clients. Approximately 24% of export volume was shipped to China, which continues to be CVRD's main client. Germany accounted for 14.8% of exports, with 4.4 million tons, and Japan accounted for 13.8%, with 4.1 million tons. Asia accounted for 47.0% of exports, and Europe, 39.9%.

Sales of potash amounted to 198,000 tons, an increase of 32.9% in relation to the previous quarter and a drop of 11.2% compared to 3Q02. The drop in the level of shipments in comparison to the same quarter in 2002 is explained by the drawdown of existing stock at that time, which boosted sales to 731,000 tons in 2002. At the moment, the Taquari-Vassouras mine is operating at production levels of 650,000 tons a year, above its nominal capacity of 600,000 tons, with stock levels being practically non-existent.

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## SALES VOLUME

|                      | 000 tons |        |        |
|----------------------|----------|--------|--------|
|                      | 3Q02     | 2Q03   | 3Q03   |
| Iron Ore and Pellets | 36,925   | 36,428 | 40,297 |
| Iron Ore             | 32,668   | 32,102 | 35,430 |
| Fines                | 28,688   | 29,001 | 31,597 |
| Lumps                | 3,980    | 3,101  | 3,833  |
| Pellets              | 4,257    | 4,326  | 4,867  |
| Gold (troy ounce)    | 63,531   | 19,773 | 14,211 |
| Potash               | 223      | 149    | 198    |
| Port Services        | 7,007    | 7,411  | 6,515  |

## SALES OF IRON ORE AND PELLETS

| DESTINATION         | million tons |             |             |
|---------------------|--------------|-------------|-------------|
|                     | 3Q02         | 2Q03        | 3Q03        |
| <b>ASIA</b>         |              |             |             |
| China               | 4.2          | 4.8         | 7.1         |
| South Korea         | 2.0          | 1.7         | 1.7         |
| Philippines         | 0.7          | 0.6         | 0.6         |
| Japan               | 4.0          | 4.1         | 4.1         |
| Taiwan              | 0.5          | 0.5         | 0.5         |
| <b>Total</b>        | <b>11.4</b>  | <b>11.7</b> | <b>14.0</b> |
| <b>EUROPE</b>       |              |             |             |
| Germany             | 3.6          | 2.8         | 4.4         |
| Spain               | 0.7          | 0.9         | 0.4         |
| France              | 1.4          | 2.3         | 1.7         |
| Italy               | 0.8          | 1.2         | 1.2         |
| United Kingdom      | 0.8          | 0.6         | 0.6         |
| Others              | 3.6          | 2.8         | 3.6         |
| <b>Total</b>        | <b>10.9</b>  | <b>10.6</b> | <b>11.9</b> |
| <b>THE AMERICAS</b> |              |             |             |
| Argentina           | 0.6          | 0.8         | 0.7         |
| United States       | 1.2          | 0.8         | 1.0         |
| Other               | 0.7          | 0.6         | 0.7         |
| <b>Total</b>        | <b>2.5</b>   | <b>2.2</b>  | <b>2.4</b>  |
| <b>Others</b>       |              |             |             |
| Bahrein             | 0.6          | 0.4         | 1.0         |
| Others              | 1.2          | 2.0         | 0.5         |
| <b>Total</b>        | <b>1.8</b>   | <b>2.4</b>  | <b>1.5</b>  |
| <b>TOTAL</b>        | <b>26.6</b>  | <b>26.9</b> | <b>29.8</b> |

| DOMESTIC MARKET            | 3Q02        | 2Q03       | 3Q03        |
|----------------------------|-------------|------------|-------------|
| Steel Mills                | 5.4         | 4.6        | 5.7         |
| Pelletizing Joint Ventures | 4.9         | 4.9        | 4.7         |
| <b>Total</b>               | <b>10.3</b> | <b>9.5</b> | <b>10.4</b> |

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|              |             |             |             |
|--------------|-------------|-------------|-------------|
| <b>TOTAL</b> | <b>36.9</b> | <b>36.4</b> | <b>40.2</b> |
|--------------|-------------|-------------|-------------|

General cargo volume transported by EFVM and EFC also represented a new record amounting to 4.574 billion ntk, an increase of 17.6% in relation to 3Q02, and up 6.4% compared to 2Q03. In the first nine months of 2003, these railroads transported 12.261 billion ntk of general cargo, compared to 10.946 billion in the same period last year, an increase of 12.0%.

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The improvement in productivity indicators for these railroads has also been extremely satisfactory. Average revenue per wagon, generated by EFVM, increased by 35.4% from 3Q02 to 3Q03. Ntk's transported per locomotive in service, per day on EFC increased by 19.2% in the same period.

The integration of CVRD's assets, the clear definition of a marketing policy, the launching of new services and the carrying out of investment, are all enabling the Company's logistics services to expand at much faster rates than Brazilian GDP growth.

Cargo handling for clients in CVRD's ports and maritime terminals amounted to 6.515 million tons, down 7.0% in relation to 3Q02 and down 12.1% in relation to 2Q03. The reduction in the volume of cargo handled for clients is basically due to the absorption of Ferteco into the Parent Company.

**GENERAL CARGO TRANSPORTED BY RAILROAD**

|                          | million ntk  |              |              |
|--------------------------|--------------|--------------|--------------|
|                          | 3Q02         | 2Q03         | 3Q03         |
| Vitória a Minas Railroad | 3,049        | 3,311        | 3,497        |
| Carajás Railroad         | 841          | 987          | 1,077        |
| <b>Total</b>             | <b>3,890</b> | <b>4,298</b> | <b>4,574</b> |

The Company's gross operating revenues amounted to R\$ 2.767 billion in 3Q03, 18.2% higher than in 3Q02 and an increase of 25.4% on the previous quarter (2Q03). Comparing the total revenues obtained in 2Q03, of R\$ 2.206 billion, with those reported in 3Q03, an increase of R\$ 561 million can be seen, of which R\$ 367 million can be explained by price increases and R\$ 219 million by growth in sales volume. The average depreciation of the Real of 10.4% in 3Q03, in relation to 2Q03, alone contributed to a reduction in revenues of R\$ 25 million, given that 83% of quarterly sales were either denominated in, or indexed to, the US dollar.

The revenue obtained from the sales of iron ore amounted to R\$ 1.777 billion - 64.2% of the total - constituting another record. Revenue growth amounted to 22.4% in comparison to 3Q02, and 31.1% compared to 2Q03. Pellet sales generated revenues of R\$ 488 million in 3Q03 - 17.6% of total revenues - an increase of 24.2% in relation to 3Q02 and up 30.1% on 2Q03. As a result of the price increase negotiated with clients, R\$ 170 million correspondent to adjustment of shipments made in 1H03 were booked in 3Q03 revenues, leaving another R\$ 6 million to be booked in the fourth quarter of 2003.

Revenue generated from the operation of the five joint ventures pelletizing plants in Tubarão, amounted to R\$ 36 million, compared to R\$ 29 million in 3Q02 and R\$ 32 million in 2Q03.

Logistics services generated gross revenues of R\$ 359 million correspondent to 13% of total revenues. Railroad transportation generated R\$ 281 million in revenues this quarter, registering an increase of 17.1% in relation to 3Q02, which generated revenue of R\$ 240 million, and was up 4.1% compared to 2Q03's (R\$ 270 million). The main elements behind this increase were services provided to the steel industry, which accounted for 38.0% of the total, services to the agro-industry, which accounted for 31.9% of revenues (with particular emphasis on soy beans, sugar and alcohol), and inter-modal transportation, with 3.1%. Despite the small proportion of logistics revenues represented by inter-modal transport, which basically involves the transport of products from factories to large distribution centres, the growth rate in this segment has been extremely high.

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Due to the closure of the Igarapé Bahia mine and the sale of the Fazenda Brasileiro mine, gold sales have dropped from R\$ 63 million in 3Q02 to R\$ 20 million in 2Q03 and R\$ 16 million in 3Q03. Potash sales have remained stable at R\$ 81 million in relation to 3Q02, thanks to higher prices, and were up 28.6% in relation to 2Q03, mainly due to an increase in the volume sold.

**REVENUE BREAKDOWN BY PRODUCT**

|                           | R\$ million  |              |              |              |              |              |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                           | 3Q02         | %            | 2Q03         | %            | 3Q03         | %            |
| <b>Iron Ore</b>           | <b>1,452</b> | <b>62.1</b>  | <b>1,355</b> | <b>61.4</b>  | <b>1,777</b> | <b>64.2</b>  |
| Domestic Market           | 395          | 16.9         | 364          | 16.5         | 410          | 23.1         |
| Export Market             | 1,057        | 45.2         | 991          | 44.9         | 1,367        | 76.9         |
| <b>Pellets</b>            | <b>393</b>   | <b>16.8</b>  | <b>375</b>   | <b>17.0</b>  | <b>488</b>   | <b>17.6</b>  |
| Domestic Market           | 56           | 2.4          | 64           | 2.9          | 88           | 18.0         |
| Export Market             | 337          | 14.4         | 311          | 14.1         | 400          | 82.0         |
| <b>Railroad Transport</b> | <b>240</b>   | <b>10.3</b>  | <b>270</b>   | <b>12.2</b>  | <b>281</b>   | <b>10.2</b>  |
| <b>Port Services</b>      | <b>73</b>    | <b>3.1</b>   | <b>84</b>    | <b>3.8</b>   | <b>78</b>    | <b>2.8</b>   |
| <b>Potash</b>             | <b>81</b>    | <b>3.5</b>   | <b>63</b>    | <b>2.9</b>   | <b>81</b>    | <b>2.9</b>   |
| <b>Gold</b>               | <b>63</b>    | <b>2.7</b>   | <b>20</b>    | <b>0.9</b>   | <b>16</b>    | <b>0.6</b>   |
| <b>Pelletizing Plants</b> |              |              |              |              |              |              |
| <b>Operation Services</b> | <b>29</b>    | <b>1.2</b>   | <b>32</b>    | <b>1.4</b>   | <b>36</b>    | <b>1.3</b>   |
| <b>Others</b>             | <b>9</b>     | <b>0.4</b>   | <b>8</b>     | <b>0.3</b>   | <b>10</b>    | <b>0.4</b>   |
| <b>Total</b>              | <b>2,340</b> | <b>100.0</b> | <b>2,206</b> | <b>100.0</b> | <b>2,767</b> | <b>100.0</b> |

**NET EARNINGS OF R\$ 1.279 BILLION**

Net earnings in 3Q03 were the second highest in CVRD's history, of R\$ 1.279 billion, higher than the figure reported in 2Q03 of R\$ 1.275 billion and the loss of R\$ 216 million reported in 3Q02. Earnings accumulated in the first nine months of 2003 amounted to R\$ 3.717 billion, 81.9% higher than net earnings for the whole year 2002, which amounted to R\$ 2.043 billion.

Annualized ROE for 3Q03 amounted to 35.2%, showing the same level seen in the two previous quarters.

**Factors behind the increase in earnings in relation to 3Q02**

The net revenue increase of R\$ 421 million in the 3Q03 vis-à-vis the 3Q02 had a major influence on the very good performance of the Company.

The negative impact of the monetary variation in the 3Q03 amounted to R\$ 188 million, a substantially smaller amount when compared to the R\$ 2.103 billion registered in the 3Q02, which was caused by the strong depreciation of the Real in that quarter. In the 3Q02, the net financial result was negative in the amount of R\$ 510.1 million, being impacted by a provision of R\$ 139 million. In the 3Q03, the negative net financial result was reduced to R\$ 85.1 million.

The COGS increase in 3Q03 amounted to R\$ 323 million vis-à-vis 3Q02. This change was the result of: an increase of R\$ 79 million in cost of materials, principally due to provisions made for renovations, an increase of R\$ 51 million in fuel oil and gas purchases, R\$ 36 million from the acquisition of iron ore and pellets, R\$ 20 million referring to the transport of iron ore and pellets from Ferteco to the Sepetiba port (referring to September, when it was consolidated into the parent company), R\$ 14 million in *demurrage* costs, R\$ 11 million with energy due to increase in consumption and prices and R\$ 6 million in taxes, as a result of the increase in sales.

**3Q 03**

## BR GAAP

## COGS BREAKDOWN

|                             | R\$ million  |              |              |              |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | 3Q02         | %            | 2Q03         | %            | 3Q03         | %            |
| Personnel                   | 137          | 13.3         | 124          | 10.2         | 144          | 10.6         |
| Material                    | 135          | 13.1         | 206          | 17.0         | 214          | 15.9         |
| Fuel Oil and Gases          | 111          | 10.8         | 156          | 12.9         | 162          | 12.0         |
| Contracted Services         | 146          | 14.2         | 180          | 14.9         | 229          | 17.0         |
| Energy                      | 32           | 3.1          | 33           | 2.7          | 43           | 3.2          |
| Acquisition of Products     | 258          | 25.1         | 263          | 21.7         | 294          | 21.7         |
| Depreciation and Exhaustion | 168          | 16.3         | 155          | 12.8         | 185          | 13.7         |
| Others                      | 41           | 4.0          | 95           | 7.8          | 81           | 6.0          |
| <b>Total</b>                | <b>1,028</b> | <b>100.0</b> | <b>1,211</b> | <b>100.0</b> | <b>1,351</b> | <b>100.0</b> |

With regard to asset sales, there was a year-on-year negative variation of R\$ 48 million, seeing that in 3Q02, R\$ 111 million in revenues was recorded from the sale of the assets of Florestas Rio Doce and in 3Q03, there were R\$ 63 million in revenues from the sale of the Fazenda Brasileiro mine. This item is accounted for at the Other Operational Revenues/Expenses line in 3Q03.

The result from shareholdings saw little change, increasing from R\$ 482 million in 3Q02 to R\$ 487 million in 3Q03. The main contribution in this quarter came from iron ore and pellet companies, totalling R\$ 159 million, followed by steel companies with R\$ 136 million and aluminum with R\$ 130 million.

In the iron ore and pellets business area, we can highlight Samarco, which not only paid R\$ 44 million in dividends to CVRD, but also generated a quarterly equity income result of R\$ 52 million. Samarco sales increased by 14,9% in the first nine months of the year vis-à-vis the same period of 2002, becoming the largest pellet supplier of China. Year September, Samarco net income totaled R\$ 386.5 million.

GIIC, a pelletizing plant located in Bahrain, also presented a good performance. Sales in the first nine months of 2003, of 2.850 million tons, increased 33.1% yoy. In the same period, net income amounted to R\$ 52.9 million and contributed with R\$ 10 million to CVRD net income.

Ferteco generated in July and August (the two months before its consolidation into CVRD) results from shareholdings of R\$ 7 million. This includes a goodwill amortization of R\$ 26 million.

As a consequence of the growth in demand derived from the world steel production and of the restructuring of the manganese and ferro alloys companies, this business area has shown good performance. Sibra contributed with R\$ 10 million for CVRD's quarterly net income, RDME with R\$ 9 million, RDMN with R\$ 6 million and Urucum, R\$ 5 million.

In logistics, MRS generated a positive result of R\$ 23 million due to an increase in volume transported and Docenave, R\$ 14 million, partly offset by a loss of R\$ 30 million from FCA.

Given the capacity expansions that took place in MRN, Alunorte and Albras, the increase in alumina prices and the recent recovery in aluminum prices, the operational performance of those companies improved substantially in 2003. However, losses realized with aluminum price hedging, through the use of derivatives, caused a drop in the results from shareholdings from R\$ 267 million in 2Q03 to R\$ 130 million in 3Q03. Anyway the aluminum business area contributed with R\$ 618 million for the Company net earnings during 2003, 16.6% of the total amount.

## 3Q 03



**BR GAAP**

The interest of CVRD in steel companies generated R\$ 136 million in 3Q03, due to the good performance of this industry. CST contributed with R\$ 83 million, Usiminas with R\$ 47 million and CSI with R\$ 5 million.

**RESULT FROM SHAREHOLDINGS BY BUSINESS AREA**

| Business Area               | R\$ million  |              |             |
|-----------------------------|--------------|--------------|-------------|
|                             | 3Q02         | 2Q03         | 3Q03        |
| <b>Ferrous Minerals</b>     | <b>868</b>   | <b>7</b>     | <b>202</b>  |
| Iron Ore and Pellets        | 791          | (3)          | 159         |
| Manganese and Ferro Alloys  | 77           | 10           | 43          |
| <b>Non-Ferrous Minerals</b> | <b>(52)</b>  | <b>27</b>    | <b>(26)</b> |
| <b>Logistics</b>            | <b>(153)</b> | <b>(178)</b> | <b>8</b>    |
| <b>Steel</b>                | <b>133</b>   | <b>15</b>    | <b>136</b>  |
| <b>Aluminum</b>             | <b>(321)</b> | <b>267</b>   | <b>130</b>  |
| <b>Others</b>               | <b>7</b>     | <b>12</b>    | <b>37</b>   |
| <b>Total</b>                | <b>482</b>   | <b>151</b>   | <b>487</b>  |

In this quarter, the Company generated record EBITDA, of R\$ 1,506 million, an increase of 34.0% in relation to 3Q02 (R\$ 1,124 million) and 53.2% higher than in 2Q03 (R\$ 983 million). EBITDA margin also constituted a record, 56.2%, higher than that in 3Q02 (49.8%) and that in 2Q03 (46.4%).

**EBITDA growth in relation to 3Q02**

The main factor behind the increase in EBITDA in 3Q03, compared to 3Q02 was the growth in net operating revenue of R\$ 421 million.

Furthermore, a number of other factors combined to contribute to this increase: (i) an increase in the amount of dividends received from subsidiaries and affiliates of around R\$ 182 million; (ii) gain of R\$ 63 million from the sale proceeds of the Fazenda Brasileiro mine, booked at the other operating expenses/revenues line; (iii) a reduction of R\$ 18 million in depreciation.

In 3Q03, CVRD Parent Company received dividends of R\$ 212 million, from which R\$ 87.8 million were paid by CST, R\$60.6 million by Docenave, R\$ 43.7 million by Samarco, R\$ 9.6 million by Usiminas, and R\$ 6.1 million by Fosfertil, with R\$ 4.2 million being received in dividends from other companies.

The increase of R\$ 324 million in COGS, of R\$ 17 million in Research and Development expenses, and the increase of R\$ 18 million in Sales and Administrative expenses, all contributed to limit EBITDA growth. The major item that contributed for the increase in these expenses was sales commissions generated by the increase in revenues.

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## BR GAAP

## EBITDA CALCULATION

|  | R\$ million  |            |              |
|--|--------------|------------|--------------|
|  | 3Q02         | 2Q03       | 3Q03         |
| Net Operating Revenues                                 | 2,259        | 2,119      | 2,680        |
| COGS   | (1,027)      | (1,211)    | (1,351)      |
| Sales Expenses   | (44)         | (45)       | (56)         |
| Administrative Expenses                                | (91)         | (97)       | (97)         |
| Research & Development                                 | (47)         | (36)       | (64)         |
| Other Operational Expenses                             | (130)        | (131)      | (9)          |
| <b>EBIT</b>  | <b>920</b>   | <b>600</b> | <b>1,102</b> |
| Depreciation and Amortization                          | 174          | 163        | 192          |
| Dividends Received                                     | 30           | 185        | 212          |
| Adjustments for Non-Recurring Items (asset write- off) |              | 36         |              |
| <b>EBITDA</b>  | <b>1,124</b> | <b>983</b> | <b>1,506</b> |

## FINANCIAL STATEMENTS

|                                     | R\$ million    |              |              |
|-------------------------------------|----------------|--------------|--------------|
|                                     | 3Q02           | 2Q03         | 3Q03         |
| Gross Operating Revenues            | 2,340          | 2,206        | 2,767        |
| Taxes                               | (81)           | (87)         | (87)         |
| <b>Net Operating Revenues</b>       | <b>2,259</b>   | <b>2,119</b> | <b>2,679</b> |
| Cost of Goods Sold                  | (1,028)        | (1,211)      | (1,351)      |
| <b>Gross Earnings</b>               | <b>1,232</b>   | <b>908</b>   | <b>1,328</b> |
| Gross Margin (%)                    | 54.5           | 42.9         | 49.6         |
| <b>Result from Shareholdings</b>    | <b>482</b>     | <b>151</b>   | <b>487</b>   |
| Equity Income                       | 967            | 370          | 246          |
| Goodwill Amortization               | (109)          | (185)        | (113)        |
| Provision for Losses                | (377)          | (35)         | 354          |
| Others                              |                |              |              |
| <b>Operational Expenses</b>         | <b>(313)</b>   | <b>(308)</b> | <b>(226)</b> |
| Sales                               | (44)           | (45)         | (56)         |
| Administrative                      | (91)           | (97)         | (97)         |
| Research and Development            | (47)           | (36)         | (64)         |
| Other Operational Expenses          | (130)          | (131)        | (9)          |
| <b>Financial Result</b>             | <b>(2,613)</b> | <b>783</b>   | <b>(273)</b> |
| Financial Expenses                  | (542)          | (164)        | (145)        |
| Financial Revenues                  | 32             | 61           | 60           |
| Monetary Variation                  | (2,103)        | 885          | (188)        |
| <b>Operating Profit</b>             | <b>(1,212)</b> | <b>1,534</b> | <b>1,317</b> |
| Result from Discontinued Operations | 111            |              |              |
| Income Tax and Social Contribution  | 885            | (259)        | (38)         |
| <b>Net Earnings</b>                 | <b>(216)</b>   | <b>1,275</b> | <b>1,279</b> |
| <b>Earnings per share (R\$)</b>     | <b>(0.56)</b>  | <b>3.32</b>  | <b>3.33</b>  |

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## BR GAAP

## BALANCE SHEET

|                      | R\$ million   |               |               |
|----------------------|---------------|---------------|---------------|
|                      | 09/30/02      | 06/30/03      | 09/30/03      |
| <b>Asset</b>         |               |               |               |
| Current              | 6,412         | 4,127         | 5,617         |
| Long Term            | 3,425         | 2,894         | 2,646         |
| Fixed                | 17,997        | 20,774        | 22,177        |
| <b>Total</b>         | <b>27,834</b> | <b>27,796</b> | <b>30,440</b> |
| <b>Liabilities</b>   |               |               |               |
| Current              | 5,199         | 5,297         | 6,392         |
| Term                 | 11,396        | 8,310         | 9,515         |
| Shareholders' Equity | 11,239        | 14,188        | 14,533        |
| Paid-up Capital      | 5,000         | 6,300         | 6,300         |
| Reserves             | 6,240         | 7,888         | 8,233         |
| <b>Total</b>         | <b>27,834</b> | <b>27,796</b> | <b>30,440</b> |

## INVESTMENTS

During 3Q03, CVRD's capital expenditure amounted to US\$ 831 million, of which US\$ 426.4 million was spent on the purchase of Caemi. In the first nine months of the year, the Company invested a total of US\$ 1,418.7 million, US\$ 502 million of which referred to acquisitions.

In this quarter, US\$ 210.9 million was invested in projects. The largest portion of this being spent on the Sossego project, with an investment of US\$ 106.3 million; US\$ 8.6 million being spent on the expansion of the Taquari-Vassouras potash mine and US\$ 28.6 million being spent on the purchase of locomotives and railcars. In addition to this, US\$ 32.8 million was invested in enlarging iron ore production and logistics capacity in the Northern System and US\$ 13.6 million in the Southern System.

Expenditure on maintenance and environmental protection in 3Q03 amounted to US\$ 107.9 million, representing 13.0% of total capital expenditure.

Capital injections totalling US\$ 61 million - 7.3% of total capital expenditure, were distributed between FCA, PPSA and companies dedicated to mineral exploration in Peru and Gabon.

Expenditure on mineral exploration and technological research amounted to US\$ 18.9 million. US\$ 9.1 million was spent on information technology, US\$ 4.8 million of which was spent on the implementation of the ERP system.

Of the total amount invested in 3Q03, the ferrous mineral business accounted for 69.0%, the non-ferrous business, 20.2% and logistics, 7.5%.

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**BR GAAP**

Main projects:

| Area        | Project  | Investment realized<br>US\$ million |       |       |       | Status  |
|-------------|--|-------------------------------------|-------|-------|-------|---|
|             |  | 1Q03                                | 2Q03  | 3Q03  | 9M03  |   |
|             | Expansion of iron ore production capacity in the Northern System | 6.1                                 | 7.7   | 14.2  | 28.0  | It is expected that the Northern System will be operating at a rate of 70 million tons per year in 1Q04, consequently being some 12 months ahead of schedule.   |
|             | Pier III at the Maritime Terminal of Ponta da Madeira            | 2.1                                 | 2.8   | 4.7   | 9.6   | Completion scheduled for February 2004 . The implementation of this project is proceeding on schedule with capex estimated at US\$ 33.3 million. Pier III will have a shipment loading capacity of 18 million tons a year, increasing the capacity of TPM to 74 million tons a year.  |
| Ferrous     | (TPM) Brucutu iron ore mine Southern System                      | 0.146                               | 0.296 | 1.1   | 1.5   | Completion of first phase scheduled for 2006, when the mine will have a production capacity of 12 million tons per year. The work is proceeding according to schedule. Total investment is budgeted at US\$ 219.9 million.  |
|             | Fábrica Nova iron ore mine Southern System                       | 0.637                               | 2.5   | 5.9   | 9.0   | 11% of the investment has already been realised and work is proceeding according to schedule. Fábrica Nova should reach nominal production capacity of 10 million tons a year in 2005, reaching 15 million tons in 2009. Total capex is estimated at US\$ 84.4 million, with investment in 2003 budgeted at US\$ 39.6 million . The project is on schedule and within budget. |
|             | Sossego Copper Mine  | 40.5                                | 87.5  | 106.3 | 234.3 | 83% of the total investment for the project has already been carried out, which represents completion of around 90% of the work. Commissioning is scheduled for 1Q04, production ramp up for 2Q04 and start up commercial production for July 04.   |
| Non Ferrous | Expansion of the Taquari-Vassouras Potash Mine                   | 4.0                                 | 6.9   | 8.6   | 19.5  | Completion scheduled for 1H05. 38% of the total investment in the project has already been realised. 42% of the work has already been completed. After the expansion, the mine will have a production capacity of 850,000 tons a year.  |
|             | Purchase of Locomotives and Railcars                             | 18.9                                | 35.3  | 28.6  | 82.8  | Of the 2,010 railcars and 77 locomotives, which will be purchased by the end of 2003 , the Company has already received 1,356 railcars and 66 locomotives. Part of this equipment will be allocated to the transport of general cargo and part for the transport of iron ore. 51% of the total investment, estimated at US\$ 162.9 million has already been carried out.      |
| Logistics   |  | 0.707                               | 1.5   | 3.0   | 5.2   |   |

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|                     |   |     |     |     |      |  |
|---------------------|---|-----|-----|-----|------|--|
|                     | Praia Mole<br>Maritime<br>Terminal<br>(phases I & II) |     |     |     |      | Phase I was concluded in April 2003. After the completion of Phase II, scheduled for 2Q04, the shipment capacity of the Terminal will be 14.5 million tons a year. Total investment is budgeted at US\$ 20.9 million.  |
|                     | Aimorés<br>Hydroelectric<br>Plant                     | 6.4 | 7.6 | 2.9 | 16.9 | Full operation has been postponed to October 2004, due to delays in the relocation of a town due to legal issues. The construction of the plant is proceeding according to schedule. The plant will be ready within the initial period envisaged, but will not be able to generate electricity because the water reservoir will not be full. |
| Power<br>Generation | Candongá<br>Hydroelectric<br>Plant                    | 6.7 | 5.4 | 3.6 | 15.7 | Completion scheduled for December 2003. Almost 100% of the total investment in the project, estimated at US\$ 40.1 million, has been completed.  |

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## BR GAAP

## INVESTMENTS - 3Q03

| By Business Area     | US\$ million | %             |
|----------------------|--------------|---------------|
| Ferrous Minerals     | 573.6        | 69.0%         |
| Logistics            | 62.3         | 7.5%          |
| Non-ferrous Minerals | 167.8        | 20.2%         |
| Power Generation     | 12.8         | 1.5%          |
| Others               | 14.5         | 1.7%          |
| <b>Total</b>         | <b>831.0</b> | <b>100.0%</b> |

| By Category                                  | US\$ million | %             |
|--|--------------|---------------|
| Capital infusions                            | 57.8         | 7.0%          |
| Maintenance & Environmental Protection       | 107.9        | 13.0%         |
| Projects                                     | 210.9        | 25.4%         |
| Mineral Exploration & Technological Research | 18.9         | 2.2%          |
| Information Technology                       | 9.1          | 1.1%          |
| Acquisitions                                 | 426.4        | 51.3%         |
| <b>Total</b>                                 | <b>831.0</b> | <b>100.0%</b> |

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## BR GAAP

## IRON ORE AND PELLET COMPANIES -FINANCIAL INDICATORS

| HISPANOBRAS               | R\$ million |             |             |
|---------------------------|-------------|-------------|-------------|
|                           | 3Q02        | 2Q03        | 3Q03        |
| Quantity Sold ( 000 tons) | 685         | 890         | 824         |
| Export Markets            | 165         | 625         | 94          |
| Domestic Market           | 520         | 265         | 730         |
| Average Price (US\$/ton)  | 32.07       | 36.33       | 32.59       |
| Net Revenues              | 67          | 93          | 79          |
| Cost of Goods Sold        | (57)        | (85)        | (64)        |
| Net Financial Result      | 8           | (7)         | 0           |
| Net Earnings              | 10          | 8           | 4           |
| Gross Margin (%)          | 15.5        | 8.6         | 19.5        |
| EBITDA                    | 9           | 17          | 7           |
| EBITDA Margin (%)         | 13.9        | 18.2        | 9.2         |
| <b>NIBRASCO</b>           | <b>3Q02</b> | <b>2Q03</b> | <b>3Q03</b> |
| Quantity Sold ( 000 tons) | 1,842       | 1,719       | 1,626       |
| Export Markets            | 290         | 513         | 509         |
| Domestic Market           | 1,552       | 1,206       | 1,117       |
| Average Price (US\$/ton)  | 25.96       | 27.03       | 33.79       |
| Net Revenues              | 162         | 147         | 174         |
| Cost of Goods Sold        | (148)       | (153)       | (156)       |
| Net Financial Result      | (2)         | 2           | (5)         |
| Net Earnings              | 4           | (5)         | 17          |
| Gross Margin (%)          | 8.7         | (3.8)       | 10.4        |
| EBITDA                    | 14          | (3)         | 20          |
| EBITDA Margin (%)         | 8.7         | (2.1)       | 11.6        |
| Gross Debt (US\$ million) | 5           | 2           | 2           |
| - Short Term              | 2           | 2           | 2           |
| - Long Term               | 2           |             |             |
| <b>ITABRASCO</b>          | <b>3Q02</b> | <b>2Q03</b> | <b>3Q03</b> |
| Quantity Sold ( 000 tons) | 815         | 843         | 838         |
| Export Markets            | 572         | 778         | 838         |
| Domestic Market           | 243         | 65          |             |
| Average Price (US\$/ton)  | 30.06       | 35.25       | 32.96       |
| Net Revenues              | 80          | 91          | 80          |
| Cost of Goods Sold        | (67)        | (76)        | (73)        |
| Net Financial Result      | 13          | (5)         | 2           |
| Net Earnings              | 13          | 6           | 4           |
| Gross Margin (%)          | 16.7        | 16.6        | 8.4         |
| EBITDA                    | 8           | 14          | 4           |
| EBITDA Margin (%)         | 9.6         | 15.0        | 5.0         |
| Gross Debt (US\$ million) | 16          | 0           | 0           |

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|              |    |   |   |
|--------------|----|---|---|
| - Short Term | 16 | 0 | 0 |
| - Long Term  |    |   |   |

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## BR GAAP

## IRON ORE AND PELLET COMPANIES - FINANCIAL INDICATORS

|   | R\$ million |       |       |
|---|-------------|-------|-------|
|   | 3Q02        | 2Q03  | 3Q03  |
| <b>KOBRASCO</b>                           |             |       |       |
| Quantity Sold ( 000 tons)                 | 850         | 1,128 | 1,134 |
| Export Markets                            | 850         | 667   | 453   |
| Domestic Market                           |             | 461   | 681   |
| Average Price (US\$/ton)                  | 29.47       | 30.35 | 34.59 |
| Net Revenues                              | 74          | 102   | 102   |
| Cost of Goods Sold                        | (60)        | (89)  | (82)  |
| Net Financial Result                      | (147)       | 50    | (8)   |
| Net Earnings                              | (92)        | 35    | 5     |
| Gross Margin (%)                          | 18.9        | 12.2  | 19.1  |
| EBITDA                                    | 9           | 9     | 18    |
| EBITDA Margin (%)                         | 11.9        | 8.4   | 18.2  |
| Gross Debt (US\$ million)                 | 147         | 102   | 102   |
| - Short Term                              |             |       |       |
| - Long Term                               | 147         | 102   | 102   |
| <b>SAMARCO</b>                            |             |       |       |
| Quantity Sold - Export Market ( 000 tons) | 3,871       | 4,277 | 3,928 |
| Pellets                                   | 3,275       | 3,339 | 3,359 |
| Iron ore                                  | 596         | 938   | 569   |
| Average Price (US\$/ton)                  |             |       |       |
| Pellets                                   | 30,13       | 35,03 | 35,47 |
| Iron ore                                  | 15,81       | 16,57 | 17,56 |
| Net Revenues                              | 311         | 371   | 348   |
| Cost of Goods Sold                        | (138)       | (166) | (163) |
| Net Financial Result                      | (163)       | 25    | (14)  |
| Net Earnings                              | (73)        | 142   | 105   |
| Gross Margin (%)                          | 56          | 55    | 53    |
| EBITDA                                    | 137         | 168   | 163   |
| EBITDA Margin (%)                         | 44,1        | 167,9 | 162,6 |
| Gross Debt (US\$ million)                 | 322         | 138   | 136   |
| - Short Term                              | 76          |       |       |
| - Long Term                               | 246         | 138   | 136   |
| <b>GIIC*</b>                              |             |       |       |
| Quantity Sold ( 000 tons)                 | 643         | 1.178 | 900   |
| Export Market                             | 643         | 1.178 | 900   |
| Average Price (US\$/ton)                  | 41,55       | 43,30 | 41,18 |
| Net Revenues                              | 104         | 140   | 120   |
| Cost of Goods Sold                        | (97)        | (106) | (88)  |
| Net Financial Result                      | (1)         | (1)   | (1)   |

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|                           |      |      |      |
|---------------------------|------|------|------|
| Net Earnings              | 8    | 21   | 20   |
| Gross Margin (%)          | 6,7  | 23,8 | 26,3 |
| EBITDA                    | 14   | 24   | 23   |
| EBITDA Margin (%)         | 13,0 | 16,9 | 18,9 |
| Gross Debt (US\$ million) | 40   | 35   | 30   |
| - Short Term              |      |      |      |
| - Long Term               | 40   | 35   | 30   |

\*Financial indicators calculated according to IASC norms (International Accounting Standards Committee)

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## BR GAAP

## MANGANESE AND FERRO-ALLOY COMPANIES -FINANCIAL INDICATORS

| SIBRA (Consolidated)                     | R\$ million |             |             |
|--|-------------|-------------|-------------|
|  | 3Q02        | 2Q03        | 3Q03        |
| Quantity Sold - Ferro Alloys ( 000 tons) | 104         | 78          | 90          |
| Export Market                            | 63          | 40          | 47          |
| Domestic Market                          | 41          | 38          | 43          |
| Average Price (US\$/ton)                 | 442.63      | 606.47      | 569.57      |
| Quantity Sold - Manganese ( 000 tons)    | 239         | 382         | 344         |
| Export Market                            | 181         | 306         | 261         |
| Domestic Market                          | 58          | 76          | 83          |
| Average Price (US\$/ton)                 | 46.38       | 42.93       | 45.52       |
| Net Revenues                             | 168         | 171         | 177         |
| Cost of Goods Sold                       | (101)       | (93)        | (112)       |
| Net Financial Result                     | 13          | (19)        | (6)         |
| Net Earnings                             | 46          | 25          | 29          |
| Gross Margin (%)                         | 39.7        | 45.6        | 36.8        |
| EBITDA                                   | 53          | 57          | 43          |
| EBITDA Margin (%)                        | 31.7        | 33.3        | 24.2        |
| Gross Debt (US\$ million)                | 45          | 64          | 58          |
| - Short Term                             | 25          | 25          | 18          |
| - Long Term                              | 20          | 39          | 40          |
| <b>URUCUM</b>                            | <b>3Q02</b> | <b>2Q03</b> | <b>3Q03</b> |
| Quantity Sold - Iron ore ( 000 tons)     | 198         | 174         | 217         |
| Export Market                            | 197         | 174         | 214         |
| Domestic Market                          | 1           |             | 3           |
| Average Price (US\$/ton)                 | 14.31       | 15.03       | 15.67       |
| Quantity Sold - Manganese ( 000 tons)    | 78          | 109         | 107         |
| Export Market                            | 25          | 43          | 52          |
| Domestic Market                          | 53          | 66          | 55          |
| Average Price (US\$/ton)                 | 40.76       | 37.18       | 40.66       |
| Quantity Sold - Ferro Alloys ( 000 tons) | 3           | 3           | 8           |
| Export Market                            | 3           | 3           | 8           |
| Domestic Market                          |             |             |             |
| Average Price (US\$/ton)                 | 452.09      | 503.55      | 483.38      |
| Net Revenues                             | 21          | 23          | 31          |
| Cost of Goods Sold                       | (9)         | (10)        | (18)        |
| Net Financial Result                     | 5           | (7)         | 0           |
| Net Earnings                             | 5           | 7           | 5           |
| Gross Margin (%)                         | 57.8        | 57.2        | 43.8        |
| EBITDA                                   | 12          | 15          | 10          |
| EBITDA Margin (%)                        | 55.7        | 65.7        | 31.2        |
| Gross Debt (US\$ million)                |             | 5           | 5           |
| - Short Term                             |             | 5           | 5           |
| - Long Term                              |             |             |             |

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## BR GAAP

## ALUMINUM COMPANIES FINANCIAL INDICATORS

| ALUNORTE                  | 3Q02   | 2Q03   | 3Q03   |
|---------------------------|--------|--------|--------|
| Quantity Sold ( 000 tons) | 348    | 537    | 631    |
| Export Market             | 115    | 303    | 395    |
| Domestic Market           | 233    | 234    | 236    |
| Average Price (US\$/ton)  | 170.13 | 173.68 | 185.78 |
| Net Revenues              | 196    | 273    | 340    |
| Cost of Goods Sold        | (131)  | (218)  | (235)  |
| Net Financial Result      | (374)  | 137    | (62)   |
| Net Earnings              | (307)  | 151    | 23     |
| Gross Margin (%)          | 33.1   | 20.2   | 30.9   |
| EBITDA                    | 74     | 68     | 109    |
| EBITDA Margin (%)         | 37.5   | 25.1   | 32.2   |
| Gross Debt (US\$ million) | 473    | 498    | 487    |
| - Short Term              |        | 4      | 8      |
| - Long Term               | 473    | 494    | 479    |

| ALBRAS                    | 3Q02     | 2Q03     | 3Q03     |
|---------------------------|----------|----------|----------|
| Quantity Sold ( 000 tons) | 104      | 106      | 111      |
| Export Market             | 101      | 102      | 107      |
| Domestic Market           | 3        | 4        | 4        |
| Average Price (US\$/ton)  | 1,289.68 | 1,326.07 | 1,366.25 |
| Net Revenues              | 414      | 424      | 446      |
| Cost of Goods Sold        | (249)    | (271)    | (274)    |
| Net Financial Result      | (505)    | 176      | (76)     |
| Net Earnings              | (322)    | 247      | 71       |
| Gross Margin (%)          | 39.9     | 35.9     | 38.5     |
| EBITDA                    | 161      | 157      | 170      |
| EBITDA Margin (%)         | 38.8     | 37.1     | 38.1     |
| Gross Debt (US\$ million) | 519      | 400      | 387      |
| - Short Term              | 20       |          |          |
| - Long Term               | 499      | 400      | 387      |

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## BR GAAP

## ALUMINUM COMPANIES FINANCIAL INDICATORS

| VALESUL                   | R\$million |          |          |
|---------------------------|------------|----------|----------|
|                           | 3Q02       | 2Q03     | 3Q03     |
| Quantity Sold ( 000 tons) | 18         | 24       | 26       |
| Export Market             | 8          | 15       | 17       |
| Domestic Market           | 10         | 9        | 9        |
| Average Price (US\$/ton)  | 1,654.96   | 1,685.83 | 1,668.32 |
| Net Revenues              | 94         | 112      | 121      |
| Cost of Goods Sold        | (62)       | (89)     | (99)     |
| Net Financial Result      | (1)        |          | 1        |
| Net Earnings              | 20         | 3        | 13       |
| Gross Margin (%)          | 34.1       | 21.1     | 18.3     |
| EBITDA                    | 28         | 14       | 22       |
| EBITDA Margin (%)         | 30.1       | 12.8     | 18.0     |
| Gross Debt (US\$ million) | 1          | 2        | 2        |
| - Short Term              | 0          | 1        | 1        |
| - Long Term               | 1          | 1        | 1        |

## STEEL COMPANIES FINANCIAL INDICATORS

| CSI                       | R\$ million |        |        |
|---------------------------|-------------|--------|--------|
|                           | 3Q02        | 2Q03   | 3Q03   |
| Quantity Sold ( 000 tons) | 508         | 447    | 507    |
| Export Markets            | 508         | 447    | 507    |
| Average Price (US\$/ton)  | 382.38      | 401.96 | 374.08 |
| Net Revenues              | 763         | 521    | 559    |
| Cost of Goods Sold        | (650)       | (515)  | (571)  |
| Net Financial Result      | (36)        | (9)    | (9)    |
| Net Earnings              | 60          | (3)    | (11)   |
| Gross Margin (%)          | 14.8        | 1.3    | (2.2)  |
| EBITDA                    | 141         | 30     | 9      |
| EBITDA Margin (%)         | 18.5        | 5.7    | 1.5    |

This communication may include declarations which represent the expectations of the Company's Management about future results or events. All such declarations, when based on future expectations and not on historical facts, involve various risks and uncertainties. The Company cannot guarantee that such declarations turn out to be correct. Such risks and uncertainties include factors relative to the Brazilian economy and capital markets, which are volatile and may be affected by developments in other countries; factors relative to the iron ore business and its dependence on the steel industry, which is cyclical in nature; and factors relative to the high degree of competitiveness in industries in which CVRD operates. To obtain additional information on factors which could cause results to be different from those estimated by the Company, please consult the reports filed with the Comissão de Valores Mobiliários (CVM - Brazilian stock exchange regulatory authority) and the U.S. Securities and Exchange Commission - SEC, including the most recent Annual Report - CVRD Form 20F.

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## PART I

Expressed in thousands of *reais***1- MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 COMPARED WITH THE NINE MONTHS ENDED SEPTEMBER 30, 2002****1.1- General Aspects**

- (a) **The Companhia Vale do Rio Doce's segments of business are mining, logistics and energy, directly or through its interests, as follows:**

ferrous minerals: iron ore and pellets as well as manganese and ferroalloys;

non-ferrous minerals: gold, potash, kaolin and copper;

logistics: railroads, ports and maritime terminals and shipping;

energy: electric power generation; and

shareholdings: equity holdings in producers of aluminum, steel and fertilizers.

- (b) **The variations of the main currencies and indices in terms of percentages in relation to the *real*, which impacted the results of the Company and its subsidiaries, jointly controlled companies and affiliates, were as follows:**

| Currencies / Indice<br>Period | $\Delta\%$     |        |      |       |      | Parity     |            |
|-------------------------------|----------------|--------|------|-------|------|------------|------------|
|                               | U.S.<br>DOLLAR | YEN    | GOLD | IGP-M | TJLP | US\$ x R\$ | US\$ x Yen |
| Until 09/30/03                | (17.3)         | (11.9) | 11.8 | 7.1   | 8.6  | 2.9234     | 111.65     |
| 3Q/03                         | 2.1            | 9.4    | 12.1 | 1.1   | 2.9  | 2.9234     | 111.65     |
| 2Q/03                         | (14.3)         | (15.6) | 3.3  | (0.4) | 2.9  | 2.8720     | 119.94     |
| Until 12/31/02                | 52.3           | 68.2   | 25.0 | 25.3  | 9.9  | 3.5333     | 118.87     |
| Until 09/30/02                | 67.9           | 80.8   | 16.6 | 10.5  | 7.3  | 3.8949     | 121.87     |
| 3Q/02                         | 37.0           | 45.7   | 17.1 | 4.3   | 2.8  | 3.8949     | 121.87     |

About 63% of the Company's gross revenue for nine months ended September 30, 2003 is derived from exports and part of domestic sales is linked to U.S. dollars, as well as 35% of total costs. Consequently, fluctuations in the exchange rate between the two currencies have a significant impact on the operating cash flows.

Approximately 95% of the short-term and long-term loans of the Company at 09/30/03 are denominated in U.S. dollars. As a result, exchange rate fluctuations have a significant impact on the financial expenses (Notes 6.10 and 6.15).

- (c) **For the first nine months of 2003, the consolidated trade balance of US\$ 2,373 million was generated:**

|         | Consolidated (in US\$ millions) |            |            |              |              |
|---------|---------------------------------|------------|------------|--------------|--------------|
|         | Quarter                         |            |            | Accumulated  |              |
|         | 3Q/03                           | 2Q/03      | 3Q02       | 09/30/03     | 09/30/02     |
| Exports | 994                             | 947        | 780        | 2,741        | 2,370        |
| Imports | (172)                           | (80)       | (180)      | (368)        | (439)        |
|         | <b>822</b>                      | <b>867</b> | <b>600</b> | <b>2,373</b> | <b>1,931</b> |





**1.2- Comments on the Company Results**

The net income of the Company for the nine months ended September 30, 2003 was R\$ 3,717,323 (net income of R\$ 2,438,555 in the first six months and net income of R\$ 1,278,768 in the third quarter), compared with net income of R\$ 502,212 in the nine months ended September 30, 2002 (the earnings per share corresponds to R\$ 9.68 in the nine months ended September 30, 2003 versus R\$ 1.31 in the nine months ended September 30, 2002).

**1.2.1- Gross Revenues**

The 29.5% increase in gross revenue (R\$ 7,490,599 on 09/30/03 against R\$ 5,784,506 on 09/30/02) is a result of the devaluation of the *real* against the United States dollar, affecting 83% of the Company's revenue, and the higher volumes sold of iron ore and pellets, as shown in the table below. The increase in pellets sales was due to growth in the Chinese, North American and European markets.

| In thousands of metric tons (except gold) |               |               |               |                |                |          |
|---|---------------|---------------|---------------|----------------|----------------|----------|
|   | Quarter       |               |               | Accumulated    |                |          |
|   | 3Q/03         | 2Q/03         | 3Q/02         | 09/30/03       | 09/30/02       | Δ%       |
| <b>External market</b>                    |               |               |               |                |                |          |
| Iron ore - fines                          | 23,734        | 21,761        | 20,937        | 66,043         | 63,833         | 3        |
| Iron ore - lump ore                       | 2,052         | 1,599         | 2,013         | 5,255          | 3,679          | 43       |
| Pellets                                   | 4,026         | 3,618         | 3,646         | 11,815         | 9,553          | 24       |
|   | <u>29,812</u> | <u>26,978</u> | <u>26,596</u> | <u>83,113</u>  | <u>77,065</u>  | <u>8</u> |
| <b>Internal market</b>                    |               |               |               |                |                |          |
| Iron ore - fines                          | 7,863         | 7,240         | 7,751         | 22,712         | 24,499         | (7)      |
| Iron ore - lump ore                       | 1,781         | 1,502         | 1,967         | 4,829          | 3,325          | 45       |
| Pellets (*)                               | 841           | 708           | 611           | 2,462          | 2,029          | 21       |
|   | <u>10,485</u> | <u>9,450</u>  | <u>10,329</u> | <u>30,003</u>  | <u>29,853</u>  | <u>1</u> |
| <b>Total</b>                              |               |               |               |                |                |          |
| Iron ore - fines                          | 31,597        | 29,001        | 28,688        | 88,755         | 88,332         |          |
| Iron ore - lump ore                       | 3,833         | 3,101         | 3,980         | 10,084         | 7,004          | 44       |
| Pellets                                   | 4,867         | 4,326         | 4,257         | 14,277         | 11,582         | 23       |
|   | <u>40,297</u> | <u>36,428</u> | <u>36,925</u> | <u>113,116</u> | <u>106,918</u> | <u>6</u> |
| Railroad transportation                   | 13,675        | 13,564        | 14,755        | 39,391         | 42,925         | (8)      |
| Port services                             | 6,515         | 7,411         | 7,007         | 19,550         | 19,531         |          |
| Gold (kg)                                 | 442           | 615           | 1,976         | 1,858          | 9,046          | (79)     |
| Potash                                    | 198           | 149           | 223           | 505            | 528            | (4)      |
| Other products and services               |               |               |               |                |                |          |

[Additional columns below]

[Continued from above table, first column(s) repeated]

In thousands of reais

|                                    | Quarter          |                  |                  | Accumulated      |                  | Δ%   |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------|
|                                    | 3Q/03            | 2Q/03            | 3Q/02            | 09/30/03         | 09/30/02         |      |
| <b>External market</b>             |                  |                  |                  |                  |                  |      |
| Iron ore - fines                   | 1,244,758        | 918,841          | 955,873          | 3,217,501        | 2,390,728        | 35   |
| Iron ore - lump ore                | 122,241          | 72,067           | 100,243          | 282,111          | 240,291          | 17   |
| Pellets                            | 400,154          | 311,402          | 336,931          | 1,117,617        | 731,335          | 53   |
|                                    | <u>1,767,153</u> | <u>1,302,310</u> | <u>1,393,047</u> | <u>4,617,229</u> | <u>3,362,354</u> | 37   |
| <b>Internal market</b>             |                  |                  |                  |                  |                  |      |
| Iron ore - fines                   | 345,520          | 308,698          | 345,827          | 1,011,887        | 811,179          | 25   |
| Iron ore - lump ore                | 64,156           | 55,104           | 49,410           | 172,988          | 116,006          | 49   |
| Pellets (*)                        | 123,175          | 95,683           | 84,728           | 337,487          | 226,657          | 49   |
|                                    | <u>532,851</u>   | <u>459,485</u>   | <u>479,965</u>   | <u>1,522,362</u> | <u>1,153,842</u> | 32   |
| <b>Total</b>                       |                  |                  |                  |                  |                  |      |
| Iron ore - fines                   | 1,590,278        | 1,227,539        | 1,301,700        | 4,229,388        | 3,201,907        | 32   |
| Iron ore - lump ore                | 186,397          | 127,171          | 149,653          | 455,099          | 356,297          | 28   |
| Pellets                            | 523,329          | 407,085          | 421,659          | 1,455,104        | 957,992          | 52   |
|                                    | <u>2,300,004</u> | <u>1,761,795</u> | <u>1,873,012</u> | <u>6,139,591</u> | <u>4,516,196</u> | 36   |
| <b>Railroad transportation</b>     | 281,231          | 270,018          | 239,998          | 810,115          | 632,132          | 28   |
| <b>Port services</b>               | 77,898           | 83,519           | 72,509           | 229,715          | 182,443          | 26   |
| <b>Gold (kg)</b>                   | 16,229           | 20,085           | 63,465           | 68,612           | 232,030          | (70) |
| <b>Potash</b>                      | 81,455           | 63,343           | 81,783           | 217,328          | 181,468          | 20   |
| <b>Other products and services</b> | 9,751            | 7,653            | 9,546            | 25,238           | 40,237           | (37) |
|                                    | <u>2,766,568</u> | <u>2,206,413</u> | <u>2,340,313</u> | <u>7,490,599</u> | <u>5,784,506</u> | 29   |

(\*) Includes revenues derived from services with joint ventures of pelletizing in the amount of R\$ 35,616, R\$ 31,748, R\$ 28,833, R\$ 96,126 and R\$ 72,988 on 3Q/03, 2Q/03, 3Q/02, 09/30/03 and 09/30/02, respectively.

**1.2.2- Cost of Products and Services**

The 33.6% increase in the cost of products and services (R\$ 3,809,974 on 09/30/03 against R\$ 2,852,228 on 09/30/02) results mainly from the rise in sales of purchased pellets, the increase in expenses for maintenance of goods and equipment, higher prices for petroleum derivatives and the effect of exchange rate variation on the portion of costs denominated in U.S. dollars (35%).

**By Nature**

|                                     | 09/30/03         |                  | Quarter          |            |                  |            |                  |            |
|-------------------------------------|------------------|------------------|------------------|------------|------------------|------------|------------------|------------|
|                                     | Denominated      |                  | 3Q/03            |            | 2Q/03            |            | 3Q/02            |            |
|                                     | R\$              | US\$             |                  | %          |                  | %          |                  | %          |
| Personnel                           | 387,421          |                  | 143,550          | 11         | 123,609          | 10         | 137,121          | 13         |
| Material                            | 411,587          | 219,681          | 214,149          | 16         | 206,016          | 17         | 134,898          | 13         |
| Oil and gas                         | 456,362          |                  | 161,544          | 12         | 155,642          | 13         | 110,636          | 11         |
| Outsourced services                 | 483,453          | 55,246           | 229,259          | 17         | 179,705          | 15         | 145,693          | 14         |
| Energy                              | 99,980           |                  | 43,021           | 3          | 32,792           | 3          | 32,500           | 3          |
| Acquisition of iron ore and pellets |                  | 942,989          | 293,683          | 22         | 262,838          | 22         | 258,190          | 25         |
| Depreciation and depletion          | 399,421          |                  | 143,291          | 11         | 130,582          | 11         | 143,621          | 14         |
| Amortization of goodwill            | 90,379           |                  | 41,541           | 3          | 24,419           | 2          | 24,419           | 2          |
| Others                              | 132,972          | 130,483          | 81,204           | 5          | 95,246           | 7          | 40,613           | 5          |
| <b>Total</b>                        | <b>2,461,575</b> | <b>1,348,399</b> | <b>1,351,242</b> | <b>100</b> | <b>1,210,849</b> | <b>100</b> | <b>1,027,691</b> | <b>100</b> |
|                                     | <b>65%</b>       | <b>35%</b>       |                  |            |                  |            |                  |            |

[Additional columns below]

[Continued from above table, first column(s) repeated]

|                                     | Accumulated |    |          |    |     |
|-------------------------------------|-------------|----|----------|----|-----|
|                                     | 09/30/03    | %  | 09/30/02 | %  | Δ%  |
| Personnel                           | 387,421     | 10 | 389,575  | 14 | (1) |
| Material                            | 631,268     | 17 | 364,005  | 13 | 73  |
| Oil and gas                         | 456,362     | 12 | 280,599  | 10 | 63  |
| Outsourced services                 | 538,699     | 14 | 410,036  | 14 | 31  |
| Energy                              | 99,980      | 3  | 89,529   | 3  | 12  |
| Acquisition of iron ore and pellets | 942,989     | 25 | 651,506  | 23 | 45  |
| Depreciation and depletion          | 399,421     | 10 | 418,765  | 15 | (5) |
| Amortization of goodwill            | 90,379      | 2  | 73,257   | 2  | 23  |
| Others                              | 263,455     | 7  | 174,956  | 6  | 51  |

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|              |                         |                   |                         |                   |           |
|--------------|-------------------------|-------------------|-------------------------|-------------------|-----------|
| <b>Total</b> | <b><u>3,809,974</u></b> | <b><u>100</u></b> | <b><u>2,852,228</u></b> | <b><u>100</u></b> | <b>34</b> |
|--------------|-------------------------|-------------------|-------------------------|-------------------|-----------|

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**1.2.3- Result of Shareholdings by Business Area**

The numbers reported per area do not necessarily reflect the individual results of each company, but rather the amounts effectively applicable to the business area.

| Business Area               | Quarter        |                |       | Accumulated    |                |                  |       |
|-----------------------------|----------------|----------------|-------|----------------|----------------|------------------|-------|
|                             | 3Q/03          | 1Q/03          | %     | 3Q/02          | 09/30/03       | 09/30/02         | %     |
| <b>Ferrous Minerals</b>     |                |                |       |                |                |                  |       |
| Iron ore and pellets        | 158,691        | (3,364)        | 4,817 | 791,370        | 189,708        | 1,474,291        | (87)  |
| Manganese and ferroalloys   | 43,369         | 10,282         | 322   | 77,465         | 70,101         | 139,137          | (50)  |
| <b>Non-Ferrous Minerals</b> | (26,058)       | 27,192         | (196) | (52,606)       | 25,110         | (88,212)         | 128   |
| <b>Logistics</b>            | 8,408          | (177,543)      | 105   | (152,770)      | (209,625)      | (286,205)        | 27    |
| <b>Investments</b>          |                |                |       |                |                |                  |       |
| Steel                       | 135,579        | 15,231         | 790   | 133,395        | 215,696        | 181,907          | 19    |
| Aluminum                    | 130,068        | 266,945        | (51)  | (321,132)      | 617,997        | (382,726)        | 261   |
| <b>Others</b>               | 37,427         | 12,249         | 206   | 6,397          | 64,569         | 2,514            | 2,468 |
|                             | <b>487,484</b> | <b>150,992</b> | 223   | <b>482,119</b> | <b>973,556</b> | <b>1,040,706</b> | (6)   |

**Ferrous Minerals**

## (a) Iron ore and pellets

**Ferteco** An increase in the equity result of R\$ 128,749 (a gain of R\$ 221,144 on 09/30/03 against a gain of R\$ 92,395 on 09/30/02) due to a 16.4% increase in volume of iron ore sold (12.155 thousand tons on 09/30/03 against 10,440 thousand tons on 09/30/02), offset partly by a 13.3% reduction in pellets sold (2,788 thousand tons on 09/30/03 versus 3,216 thousand tons on 09/30/02). Average pellet prices rose by 19.9% (US\$ 31.31 per ton on 09/30/03 against US\$ 26.11 per ton on 09/30/02), while iron ore prices remained stable (US\$ 13.74 per ton on 09/30/03 compared with US\$ 13.82 per ton on 09/30/02). On 09/30/03, amortization of goodwill of R\$ 95,587 was booked. Ferteco was incorporated on 08/29/2003.

**Caemi** An increase in the equity result of R\$ 18,771 (a gain of R\$ 38,284 on 09/30/03 against a gain of R\$ 19,513 on 09/30/02) due to a 13.2% rise in sales volume (28,138 thousand tons on 09/30/03 against 24,867 thousand tons on 09/30/02) and the positive effects of exchange rate variation on debt.

**Itaco/RDE** A reduction in the equity result of R\$ 1,640,200 (loss of R\$ 216,983 on 09/30/03 against a gain of R\$ 1,423,217 on 09/30/02), due basically to the effect of the depreciation of the dollar against the *real* on net equity in the year to date (negative exchange rate variation of R\$ 666,537 on 09/30/03 against positive exchange rate variation of R\$ 1,614,747 on 09/30/02). In operational terms, iron ore sales increased by 7.6% (68,621 thousand tons on 09/30/03 against 63,791 thousand tons on 09/30/02) and pellet sales went up by 25.4% (9,835 thousand tons on 09/30/03 against 7,841 thousand tons on 09/30/02), including sales of its subsidiary CVRD Overseas.

**Kobrasco** An increase in the shareholding result, due to reversion of part of the provision for losses, in the amount of R\$ 98,416 (a gain of R\$ 29,140 on 09/30/03 versus a loss of R\$ 69,276 on 09/30/02), and also due to the positive effects of exchange rate variation on debt. In operational terms, sales increased by 20.0% (3,262 thousand tons on 09/30/03 against 2,718 thousand tons on 09/30/02) and the average price went up by 5.2% (US\$ 31.66 per ton on 09/30/03 compared with US\$ 30.09 per ton on 09/30/02).

**Nibrasco** An increase in the equity result of R\$ 4,888 (a gain of R\$ 7,486 on 09/30/03 against a gain of R\$ 2,598 on 09/30/02), caused by 0.9% higher sales volume (5,145 thousand tons on 09/30/03 against 5,099 thousand tons on 09/30/02), along with a 3.7% rise in the average price (US\$ 29.76 per ton on 09/30/03 against US\$ 28.69 per ton on 09/30/02).

**Samarco** An increase in the equity result of R\$ 210,575 (a gain of R\$ 193,256 on 09/30/03 against a loss of R\$ 17,319 on 09/30/02), caused by the positive effects of exchange rate variation on debt. In operational terms, sales volume rose by 14.9% (12,193 thousand tons on 09/30/03 versus 10,608 thousand tons on 09/30/02) and the average price went up by 7.4% (US\$ 30.48 per ton on 09/30/03 against US\$

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28.38 per ton on 09/30/02).

(b) Manganese and ferroalloys

Sibra A reduction in the equity result of R\$ 29,165 (a gain of R\$ 74,097 on 09/30/03 against a gain of R\$ 103,262 on 09/30/02), due to the negative effects of exchange rate variation on accounts receivable in the 3rd quarter 2003, offset partly by the positive effects of exchange rate variation on export revenues. In operational terms, sales of ferroalloys fell by 2.9% (235 thousand tons on 09/30/03 against 242 thousand tons on 09/30/02), sales of manganese went up by 30.0% (967 thousand tons on 09/30/03 against 744 thousand tons on

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09/30/02), the average price of ferroalloys increased by 23.6% (US\$ 572.44 per ton on 09/30/03 versus US\$ 463.16 per ton on 09/30/02) and the average manganese price decreased by 10.3% (US\$ 43.78 per ton on 09/30/03 against US\$ 48.80 per ton on 09/30/02).

### Non-ferrous Minerals

**Pará Pigmentos** An increase in the shareholding result of R\$ 113,203 (a gain of R\$ 25,145 on 09/30/03 against a loss of R\$ 88,058 on 09/30/02), caused by the positive effects of in the 3rd quarter 2003 of exchange rate variation on debt. In operational terms, sales volume increased by 30.2% (306 thousand tons on 09/30/03 versus 235 thousand tons on 09/30/02) and the average price decreased by 3.0% (US\$ 151.72 per ton on 09/30/03 against US\$ 156.35 per ton on 09/30/02).

### Logistics

**Docenave** A fall in the equity result of R\$ 73,176 (a gain of R\$ 33,838 on 09/30/03 against a gain of R\$ 107,014 on 09/30/02), due to the effect of the fall of the dollar against the *real* in the 3rd quarter 2003 on dollarized assets. In operational terms, bulk cargo transported rose by 23.3% (7,201 thousand tons on 09/30/03 versus 5,839 tons on 09/30/02), and the number of tugboat operations also increased by 14.1% (5,669 maneuvers on 09/30/03 against 4,968 maneuvers on 09/30/02), offset partly by the 16.5% reduction in container movement (42,919 TEUs on 09/30/03 against 51,407 TEUs on 09/30/02). The 51.3% jump in the average freight rate (US\$ 7.26 per ton on 09/30/03 against US\$ 4.80 per ton on 09/30/02) was basically neutralized by the rise of 90% in vessel charter costs, caused mainly by higher demand in the Asian market for charter of Panamax/Cape Size vessels in 2003.

**Docepar** In the first quarter of 2002, a provision for losses of R\$ 50.735 was booked on fiscal assets without perspective for short-term realization.

**FCA** On 09/30/03, a negative shareholding result of R\$ 283,688 was registered (R\$ 127,370 of provision for losses and R\$ 156,318 of amortization of goodwill) against R\$ 217,287 on 09/30/02 (R\$ 131,115 of provision for losses and R\$ 86,172 of amortization of goodwill), basically caused by recognition of lease and concession costs, in the amount of R\$ 238,051 in the second quarter 2003. CVRD's interest in this investment is held through its subsidiary Mineração Tacumã.

**MRS** An increase in the equity result of R\$ 124,918 (a gain of R\$ 42,494 on 09/30/03 compared with a loss of R\$ 82,424 on 09/30/02), basically due to the positive effects of exchange rate variation on debt.

### Shareholdings

#### (a) Steel

**CSI** A reduction in the equity result of R\$ 477,697 (a loss of R\$ 125,536 on 09/30/03 against a gain of R\$ 352,161 on 09/30/02), mainly caused by the fall in the value of the dollar against the *real* (negative exchange rate variation of R\$ 127,626 on 09/30/03 positive against exchange rate variation of R\$ 303,682 on 09/30/02). In operational terms, there was an 8.1% decrease in the volume of steel products sold (1,397 thousand tons on 09/30/03 versus 1,520 thousand tons on 09/30/02).

**CST** An increase in the equity result of R\$ 230,384 (a gain of R\$ 187,477 on 09/30/03 against a loss of R\$ 42,907 on 09/30/02), caused basically by the positive effects of exchange rate variation on debt. Operationally, the average price went up 33.4%, offset in part by a 19.1% fall in sales volume (2,871 thousand tons on 09/30/03 against 3,547 thousand tons on 09/30/02).

**Usiminas** - An increase in the equity result of R\$ 228,814 (a gain of R\$ 121,361 on 09/30/03 compared with a loss of R\$ 107,453 on 09/30/02), caused mainly by a reduction in the negative effects of exchange rate variation on debt.

#### (b) Aluminum

**Albras** - An increase in the equity result of R\$ 496,372 (a gain of R\$ 275,897 on 09/30/03 against a loss of R\$ 220,475 on 09/30/02), due mainly to the positive effects of exchange rate variation on debt. Operationally, aluminum sales volume went up by 6.0% (320 thousand tons on 09/30/03 against 302 thousand tons on 09/30/02) and the average price rose by 2.3% (US\$ 1,343.84 per ton on 09/30/03 against US\$ 1,313.92 per ton on 09/30/02).

**Alunorte** - An increase in the equity result of R\$ 371,601 (a gain of R\$ 157,819 on 09/30/03 versus a loss of R\$ 213,782 on 09/30/02), due principally to the positive effects of exchange rate variation on debt. In operational terms, the amount of alumina sold went up by 39.9% (1,658 thousand tons on 09/30/03 against 1,185 thousand tons on 09/30/02), caused by the start-up of the 3rd production line in March 2003, along with a 7.4% increase in the average alumina sales price (US\$ 177.80 per ton on 09/30/03 against US\$ 165.51 per ton on 09/30/02). On 09/30/03, R\$ 4,989 of amortization of goodwill was booked.



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MRN - An increase in the equity result of R\$ 82,368 (a gain of R\$ 92,624 on 09/30/03 against a gain of R\$ 10,256 on 09/30/02), caused by a 40.5% increase in sales volume (9,757 thousand tons on 09/30/03 against 6,946 thousand tons on 09/30/02), in turn due to the

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conclusion of expansion of capacity begun in April 2000, along with a 2.0% increase in the average bauxite price (US\$ 19.13 per ton on 09/30/03 versus US\$ 18.75 per ton on 09/30/02).

Valesul - An increase in the equity result of R\$ 1,308 (a gain of R\$ 23,751 on 09/30/03 against a gain of R\$ 22,443 on 09/30/02), due to a 9.5% rise in sales volume (69 thousand tons on 09/30/03 against 63 thousand tons on 09/30/02) and a 0.7% increase in the average price of aluminum (US\$ 1,691.54 per ton on 09/30/03 against US\$ 1,679.61 per ton on 09/30/02).

Aluvale - An increase in the equity result (own operations) of R\$ 2,569 (a gain of R\$ 25,012 on 09/30/03 against a gain of R\$ 22,443 on 09/30/02), basically caused by the fiscal benefits of paying interest on stockholders' equity.

Itaco - An increase in the equity result of R\$ 52,093 (a gain of R\$ 47,883 on 09/30/03 against a loss of R\$ 4,210 on 09/30/02), due to a 25.4% rise in the average price of alumina, 13.5% for bauxite and 0.6% for aluminum, while the sales volume of aluminum, alumina and bauxite rose by 6.2%, 288.5% and 1.7%, respectively.

### 1.2.4- Operating Expenses

The operating expenses increased R\$ 91,777 (R\$ 819,118 on 09/30/03 compared to R\$ 727,341 on 09/30/02), due to:

selling expenses: due to an increase in commissions (in turn caused by higher export sales); and

expenses for research and studies (mainly on copper and nickel projects).

### 1.2.5- Net Financial Result

The net financial result increased R\$ 4,478,717 (revenue of R\$ 655,014 on 09/30/03 compared to expense of R\$ 3,823,703 on 09/30/02), mainly due to the positive effect of exchange rate variation on the Company's net debt on 09/30/03 (Note 6.15).

### 1.2.6- Cash Flow

The operating cash flow measured by EBITDA (earnings before interest, income tax and depreciation, amortization and depletion) was R\$ 3,637,366 on 09/30/03, against R\$ 2,614,971 on 09/30/02, an increase of 39.1%.

|   | Quarter          |                |                  | Accumulated      |                  |
|---|------------------|----------------|------------------|------------------|------------------|
|   | 3Q/03            | 2Q/03          | 3Q/02            | 09/30/03         | 09/30/02         |
| Net operating revenue                   | 2,679,622        | 2,119,013      | 2,259,457        | 7,215,406        | 5,565,489        |
| Cost of products                        | (1,351,242)      | (1,210,849)    | (1,027,691)      | (3,809,974)      | (2,852,228)      |
| Operating expenses                      | (226,070)        | (308,491)      | (312,634)        | (819,118)        | (727,341)        |
| <b>Operating profit</b>                 | <b>1,102,310</b> | <b>599,673</b> | <b>919,132</b>   | <b>2,586,314</b> | <b>1,985,920</b> |
| Depreciation / amortization of goodwill | 191,629          | 162,565        | 174,132          | 515,590          | 508,944          |
|   | <b>1,293,939</b> | <b>762,238</b> | <b>1,093,264</b> | <b>3,101,904</b> | <b>2,494,864</b> |
| Dividends received                      | 212,218          | 185,260        | 30,465           | 499,865          | 120,107          |
| Write-off                               |                  | 35,597(*)      |                  | 35,597           |                  |
| <b>EBITDA R\$</b>                       | <b>1,506,157</b> | <b>983,095</b> | <b>1,123,729</b> | <b>3,637,366</b> | <b>2,614,971</b> |
| US\$ average                            | 2.9332           | 2.9854         | 3.1227           | 3.1311           | 2.6789           |
| <b>EBITDA US\$</b>                      | <b>513,486</b>   | <b>329,301</b> | <b>359,855</b>   | <b>1,161,690</b> | <b>976,136</b>   |

(\*) See Note 6.18.



**1.2.7- Income Tax and Social Contribution**

Income tax and social contribution were an expense of R\$ 497,561 compared with a credit of R\$ 1,188,596 on 09/30/02, mainly caused by the increase in the tax basis (income before income tax and social contribution less the equity method result, goodwill and provisions for nondeductible losses) from negative R\$ 3,364,551 on 09/30/03 to positive R\$ 2,244,190 on 09/30/02, partly reduced by the tax benefit of R\$ 657,713 on 09/30/03 provided by paying interest on stockholders' equity (R\$ 349,753 on 09/30/02) (Note 6.7).

**1.2.8- Interest on Stockholders' Equity**

During 2003, CVRD deliberated a total of R\$ 1,934,552 (Note 6.19) as interest on stockholders' equity, in the following tranches:

| Payment date | Value            | US\$ million                    |                            |
|--------------|------------------|---------------------------------|----------------------------|
|              |                  | Amount at the deliberation date | Amount at the payment date |
| 04/30/03     | 621,820          | 200                             | 215                        |
| 10/31/03     | 744,649          | 250                             | 261                        |
| 10/31/03     | 568,083          | 200                             | 199                        |
|              | <b>1,934,552</b> | <b>650</b>                      | <b>675</b>                 |

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## PART II

## QUARTERLY INFORMATION AND NOTES TO THE QUARTERLY INFORMATION

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

## 2- BALANCE SHEET

In thousands of *reais*

|   | Notes | 09/30/03          | 06/30/03          |
|---|-------|-------------------|-------------------|
| <b>Assets</b>                               |       |                   |                   |
| <b>Current assets</b>                       |       |                   |                   |
| Cash and cash equivalents                   | 6.4   | 964,793           | 263,946           |
| Accounts receivable from customers          |       | 1,469,650         | 1,080,445         |
| Related parties                             | 6.5   | 1,426,137         | 1,053,193         |
| Inventories                                 | 6.6   | 550,060           | 443,428           |
| Taxes to recover or offset                  |       | 476,758           | 392,613           |
| Deferred income tax and social contribution | 6.7   | 459,286           | 631,466           |
| Others                                      |       | 269,954           | 262,079           |
|   |       | <b>5,616,638</b>  | <b>4,127,170</b>  |
| <b>Long-term receivables</b>                |       |                   |                   |
| Related parties                             | 6.5   | 757,337           | 776,542           |
| Loans and financing                         |       | 148,095           | 188,693           |
| Deferred income tax and social contribution | 6.7   | 777,046           | 668,092           |
| Judicial deposits                           | 6.11  | 941,570           | 1,172,822         |
| Others                                      |       | 22,295            | 87,868            |
|   |       | <b>2,646,343</b>  | <b>2,894,017</b>  |
| <b>Permanent assets</b>                     |       |                   |                   |
| Investments                                 | 6.8   | 12,134,149        | 11,557,530        |
| Property, plant and equipment               | 6.9   | 10,042,656        | 9,216,859         |
|   |       | <b>22,176,805</b> | <b>20,774,389</b> |
|   |       | <b>30,439,786</b> | <b>27,795,576</b> |
| <b>Liabilities and stockholders equity</b>  |       |                   |                   |
| <b>Current liabilities</b>                  |       |                   |                   |
| Short-term debt                             | 6.10  | 105,807           | 102,920           |
| Current portion of long-term debt           | 6.10  | 2,559,681         | 2,394,227         |
| Payable to suppliers and contractors        |       | 915,439           | 804,520           |
| Related parties                             | 6.5   | 1,011,631         | 1,085,334         |
| Interest on stockholders equity             |       | 1,215,625         | 379,286           |
| Payroll and related charges                 |       | 213,223           | 176,198           |
| Pension Plan - Valia                        |       | 81,211            | 83,896            |
| Others                                      |       | 288,737           | 270,738           |
|   |       | <b>6,391,354</b>  | <b>5,297,119</b>  |

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**Long-term liabilities**

|   |      |                   |                   |
|---|------|-------------------|-------------------|
| Long-term debt                              | 6.10 | 3,006,897         | 2,563,575         |
| Related parties                             | 6.5  | 3,976,621         | 2,982,995         |
| Deferred income tax and social contribution | 6.7  | 83,975            | 84,035            |
| Provisions for contingencies                | 6.11 | 1,296,586         | 1,441,780         |
| Pension Plan - Valia                        |      | 501,590           | 518,085           |
| Others                                      |      | 649,457           | 720,005           |
|   |      | <u>9,515,126</u>  | <u>8,310,475</u>  |
| <b>Stockholders equity</b>                  |      |                   |                   |
| Paid-up capital                             | 6.13 | 6,300,000         | 6,300,000         |
| Revenue reserves                            |      | 8,233,306         | 7,887,982         |
|   |      | <u>14,533,306</u> | <u>14,187,982</u> |
|   |      | <u>30,439,786</u> | <u>27,795,576</u> |

The additional information, notes and attachment I are an integral part of these statements.

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

3- STATEMENT OF INCOME

In thousands of reais

|  | Notes | Quarter            |                    |                    | Accumulated        |                    |
|--|-------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  |       | 3Q/03              | 2Q/03              | 3Q/02              | 09/30/03           | 09/30/02           |
| <b>Operating revenues</b>  |       |                    |                    |                    |                    |                    |
| <b>Sales of ore and metals</b>   |       |                    |                    |                    |                    |                    |
| Iron ore and pellets   | 1.2.1 | 2,300,004          | 1,761,795          | 1,873,012          | 6,139,591          | 4,516,196          |
| Gold   | 1.2.1 | 16,229             | 20,085             | 63,465             | 68,612             | 232,030            |
| Potash   | 1.2.1 | 81,455             | 63,343             | 81,783             | 217,328            | 181,468            |
|  |       | <u>2,397,688</u>   | <u>1,845,223</u>   | <u>2,018,260</u>   | <u>6,425,531</u>   | <u>4,929,694</u>   |
| Railroad and port services   | 1.2.1 | 359,129            | 353,537            | 312,507            | 1,039,830          | 814,575            |
| Others   | 1.2.1 | 9,751              | 7,653              | 9,546              | 25,238             | 40,237             |
|  |       | <u>2,766,568</u>   | <u>2,206,413</u>   | <u>2,340,313</u>   | <u>7,490,599</u>   | <u>5,784,506</u>   |
| Value Added taxes  |       | (86,946)           | (87,400)           | (80,856)           | (275,193)          | (219,017)          |
| <b>Net operating revenues</b>  |       | <u>2,679,622</u>   | <u>2,119,013</u>   | <u>2,259,457</u>   | <u>7,215,406</u>   | <u>5,565,489</u>   |
| <b>Cost of products and services</b>   |       |                    |                    |                    |                    |                    |
| Ores and metals  |       | (1,236,927)        | (1,088,605)        | (909,677)          | (3,468,419)        | (2,537,913)        |
| Railroad and port services   |       | (109,223)          | (117,544)          | (107,318)          | (328,281)          | (286,487)          |
| Others   |       | (5,092)            | (4,700)            | (10,696)           | (13,274)           | (27,828)           |
|  | 1.2.2 | <u>(1,351,242)</u> | <u>(1,210,849)</u> | <u>(1,027,691)</u> | <u>(3,809,974)</u> | <u>(2,852,228)</u> |
| <b>Gross profit</b>  |       | <u>1,328,380</u>   | <u>908,164</u>     | <u>1,231,766</u>   | <u>3,405,432</u>   | <u>2,713,261</u>   |
| <b>Gross margin</b>  |       | <u>49.6%</u>       | <u>42.9%</u>       | <u>54.5%</u>       | <u>47.2%</u>       | <u>48.8%</u>       |
| <b>Operating expenses</b>  |       |                    |                    |                    |                    |                    |
| Selling  |       | (55,927)           | (45,319)           | (43,851)           | (152,926)          | (107,277)          |
| Administrative   | 6.18  | (97,097)           | (96,577)           | (91,166)           | (282,432)          | (276,198)          |
| Research and development   |       | (64,412)           | (35,890)           | (47,434)           | (138,557)          | (99,501)           |
| Other operating expenses   | 6.18  | (8,634)            | (130,705)          | (130,183)          | (245,203)          | (244,365)          |
|  |       | <u>(226,070)</u>   | <u>(308,491)</u>   | <u>(312,634)</u>   | <u>(819,118)</u>   | <u>(727,341)</u>   |
| <b>Operating profit before financial result and result of equity investments</b> |       | <u>1,102,310</u>   | <u>599,673</u>     | <u>919,132</u>     | <u>2,586,314</u>   | <u>1,985,920</u>   |
| <b>Result of equity investments</b>  |       |                    |                    |                    |                    |                    |
| Gain on investments accounted for by the equity method                           | 6.8   | 246,390            | 370,497            | 967,474            | 1,035,507          | 1,877,903          |
| Amortization of goodwill   | 6.8   | (113,258)          | (184,639)          | (108,822)          | (391,069)          | (278,536)          |
| Provision for losses   | 6.8   | 354,352            | (34,866)           | (376,533)          | 329,118            | (558,661)          |
|  |       | <u>487,484</u>     | <u>150,992</u>     | <u>482,119</u>     | <u>973,556</u>     | <u>1,040,706</u>   |
| <b>Financial result</b>  |       |                    |                    |                    |                    |                    |
| Financial expenses, net  | 6.15  | (85,133)           | (102,333)          | (510,142)          | (322,495)          | (727,971)          |
| Monetary and exchange rate variation, net  | 6.15  | (187,892)          | 885,477            | (2,102,715)        | 977,509            | (3,095,732)        |
|  |       | <u>(273,025)</u>   | <u>783,144</u>     | <u>(2,612,857)</u> | <u>655,014</u>     | <u>(3,823,703)</u> |
| <b>Operating profit</b>  |       | <u>1,316,769</u>   | <u>1,533,809</u>   | <u>(1,211,606)</u> | <u>4,214,884</u>   | <u>(797,077)</u>   |

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|   |     |                  |                  |                    |                  |
|---|-----|------------------|------------------|--------------------|------------------|
| Discontinued operations   |     |                  | 110,693          |                    | 110,693          |
| <b>Income before income tax and social contribution</b>                     |     | <b>1,316,769</b> | <b>1,533,809</b> | <b>(1,100,913)</b> | <b>4,214,884</b> |
| Income tax and social contribution  | 6.7 | (38,001)         | (259,082)        | 884,737            | (497,561)        |
| <b>Net income for the period</b>  |     | <b>1,278,768</b> | <b>1,274,727</b> | <b>(216,176)</b>   | <b>3,717,323</b> |
| <b>Number of shares outstanding at the end of the period (in thousands)</b> |     | <b>383,840</b>   | <b>383,840</b>   | <b>383,839</b>     | <b>383,840</b>   |
| <b>Net earnings per share outstanding at the end of the period (R\$)</b>    |     | <b>3.33</b>      | <b>3.32</b>      | <b>(0.56)</b>      | <b>9.68</b>      |
|   |     |                  |                  |                    | <b>1.31</b>      |

The additional information, notes and attachment I are an integral part of these statements.

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4- STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

In thousands of reais

|  | Capital reserves |                          |                                      | Revenue reserves |                  |                   |                |                   |                  |
|--|------------------|--------------------------|--------------------------------------|------------------|------------------|-------------------|----------------|-------------------|------------------|
|  | Paid-up capital  | Result of share exchange | Price-level restatement Law 8,200/91 | Expansion        | Depletion        | Unrealized income | Legal          | Fiscal incentives | Treasury stock   |
| <b>On December 31, 2001</b>            | <b>4,000,000</b> | <b>3,426</b>             | <b>440,258</b>                       | <b>3,869,083</b> | <b>1,506,513</b> | <b>1,271,884</b>  | <b>752,535</b> | <b>53,969</b>     | <b>(131,105)</b> |
| Capitalization of reserves             | 1,000,000        | (3,426)                  | (440,258)                            |                  | (502,347)        |                   |                | (53,969)          |                  |
| Realization of revenue reserves        |                  |                          |                                      |                  |                  | (526,477)         |                |                   |                  |
| Provision for pension plan liabilities |                  |                          |                                      |                  |                  |                   |                |                   |                  |
| Treasury shares                        |                  |                          |                                      |                  |                  |                   |                |                   | (228)            |
| Net income for the year                |                  |                          |                                      |                  |                  |                   |                |                   |                  |
| Proposed appropriations:               |                  |                          |                                      |                  |                  |                   |                |                   |                  |
| Interest on stockholders equity        |                  |                          |                                      |                  |                  |                   |                |                   |                  |
| Appropriation to revenue reserves      |                  |                          |                                      | 1,408,499        |                  |                   | 102,163        |                   |                  |
| <b>On December 31, 2002</b>            | <b>5,000,000</b> |                          |                                      | <b>5,277,582</b> | <b>1,004,166</b> | <b>745,407</b>    | <b>854,698</b> |                   | <b>(131,333)</b> |
| Capitalization of reserves             | 1,300,000        |                          |                                      | (1,300,000)      |                  |                   |                |                   |                  |
| Treasury shares                        |                  |                          |                                      |                  |                  |                   |                |                   | 15               |
| Net income for the period              |                  |                          |                                      |                  |                  |                   |                |                   |                  |
| Stockholders equity                    |                  |                          |                                      |                  |                  |                   |                |                   |                  |
| <b>On September 30, 2003</b>           | <b>6,300,000</b> |                          |                                      | <b>3,977,582</b> | <b>1,004,166</b> | <b>745,407</b>    | <b>854,698</b> |                   | <b>(131,318)</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

|  | Retained earnings | Total             |
|--|-------------------|-------------------|
| <b>On December 31, 2001</b>            |                   | <b>11,766,563</b> |
| Capitalization of reserves             |                   |                   |
| Realization of revenue reserves        | 526,477           |                   |
| Provision for pension plan liabilities | (30,381)          | (30,381)          |
| Treasury shares                        |                   | (228)             |
| Net income for the year                | 2,043,254         | 2,043,254         |
| Proposed appropriations:               |                   |                   |
| Interest on stockholders equity        | (1,028,688)       | (1,028,688)       |
| Appropriation to revenue reserves      | (1,510,662)       |                   |

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|                              |                             |                    |
|------------------------------|-----------------------------|--------------------|
| <b>On December 31, 2002</b>  | <u>                    </u> | <u>12,750,520</u>  |
| Capitalization of reserves   |                             |                    |
| Treasury shares              |                             | 15                 |
| Net income for the period    | 3,717,323                   | 3,717,323          |
| Stockholders' equity         | <u>(1,934,552)</u>          | <u>(1,934,552)</u> |
| <b>On September 30, 2003</b> | <u>1,782,771</u>            | <u>14,533,306</u>  |

The additional information, notes and attachment I are an integral part of these statements.

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(A free translation of the original in Portuguese)

5- STATEMENT OF CASH FLOWS (ADDITIONAL INFORMATION)

In thousands of reais

|  | Quarter            |                    |                  | Accumulated        |                    |
|--|--------------------|--------------------|------------------|--------------------|--------------------|
|  | 3Q/03              | 2Q/03              | 3Q/02            | 09/30/03           | 09/30/02           |
| <b>Cash flows from operating activities:</b>   |                    |                    |                  |                    |                    |
| Net income for the period  | 1,278,768          | 1,274,727          | (216,176)        | 3,717,323          | 502,212            |
| Adjustments to reconcile net income for the period with cash provided by operating activities: |                    |                    |                  |                    |                    |
| Result of equity investments   | (487,484)          | (150,992)          | (482,119)        | (973,556)          | (1,040,706)        |
| Depreciation, amortization and depletion   | 143,900            | 140,447            | 131,566          | 419,023            | 417,540            |
| Deferred income tax and social contribution  | 73,717             | 102,078            | (884,733)        | 376,273            | (1,192,561)        |
| Discontinued operations  |                    |                    | (110,693)        |                    | (110,693)          |
| Financial expenses and monetary and exchange rate variations on assets and liabilities, net    | 178,335            | (994,774)          | 2,585,323        | (1,129,089)        | 3,865,747          |
| Loss on disposal of property, plant and equipment  | (16,979)           | 8,775              | 4,996            | 5,436              | 23,136             |
| Amortization of goodwill in the cost of products sold  | 41,541             | 24,419             | 24,419           | 90,379             | 73,257             |
| Net losses on derivatives  | (36,340)           | (6,875)            | 131,016          | (31,650)           | 130,062            |
| Dividends/interest on stockholders' equity received  | 212,218            | 185,260            | 30,465           | 499,865            | 120,107            |
| Others   | (19,895)           | 12,871             | 202,018          | (7,221)            | 292,504            |
|  | <b>1,367,781</b>   | <b>595,936</b>     | <b>1,416,082</b> | <b>2,966,783</b>   | <b>3,080,605</b>   |
| <b>Decrease (increase) in assets:</b>  |                    |                    |                  |                    |                    |
| Accounts receivable  | (58,130)           | 248,170            | (422,155)        | 282,343            | (515,205)          |
| Inventories  | (32,741)           | (29,571)           | 17,710           | (62,809)           | 61,994             |
| Others   | 137,849            | (70,777)           | 2,422            | 73,695             | (30,908)           |
|  | <b>46,978</b>      | <b>147,822</b>     | <b>(402,023)</b> | <b>293,229</b>     | <b>(484,119)</b>   |
| <b>Increase (decrease) in liabilities:</b>   |                    |                    |                  |                    |                    |
| Suppliers and contractors  | (103,185)          | 142,660            | 79,102           | 17,474             | 74,871             |
| Payroll and related charges and others   | 22,507             | 34,918             | 58,488           | 30,591             | 37,190             |
| Others   | (237,690)          | 92,765             | 77,193           | (84,365)           | 106,695            |
|  | <b>(318,368)</b>   | <b>270,343</b>     | <b>214,783</b>   | <b>(36,300)</b>    | <b>218,756</b>     |
| <b>Net cash provided by operating activities</b>   | <b>1,096,391</b>   | <b>1,014,101</b>   | <b>1,228,842</b> | <b>3,223,712</b>   | <b>2,815,242</b>   |
| Cash flows from investing activities:  |                    |                    |                  |                    |                    |
| Loans and advances receivable  | (1,028,846)        | 153,830            | 302,988          | (1,062,723)        | (571,757)          |
| Guarantees and deposits  | 205,077            | (400,912)          | (96,887)         | (230,530)          | (138,337)          |
| Additions to investments   | 69,688             | (315,618)          | (2,655)          | (246,402)          | (4,852)            |
| Additions to property, plant and equipment   | (772,271)          | (574,115)          | (332,281)        | (1,731,799)        | (1,039,157)        |
| Proceeds from disposal of property, plant and equipment/investments                            | 62,993             | 105,337            | 1,884            | 168,767            | 3,947              |
| <b>Net cash used in investing activities</b>   | <b>(1,463,359)</b> | <b>(1,031,478)</b> | <b>(126,951)</b> | <b>(3,102,687)</b> | <b>(1,750,156)</b> |
| Cash flows from financing activities:  |                    |                    |                  |                    |                    |
| Short-term debt  | (249,558)          | (29,017)           | (681,369)        | (610,826)          | (250,883)          |

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|  |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Long-term debt   | 1,599,244         | 330,249           | 368,394           | 2,506,690         | 908,180           |
| Repayments:  |                   |                   |                   |                   |                   |
| Related parties  |                   |                   |                   |                   | (89,764)          |
| Financial institutions   | (275,696)         | (264,950)         | (100,081)         | (685,101)         | (289,794)         |
| Interest on stockholders' equity paid                                      | (98,123)          | (619,921)         | (225)             | (718,248)         | (777,483)         |
| Treasury stocks  | 2                 | 13                |                   | 15                | (243)             |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Net cash used in financing activities</b>                               | <b>975,869</b>    | <b>(583,626)</b>  | <b>(413,281)</b>  | <b>492,530</b>    | <b>(499,987)</b>  |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Increase (decrease) in cash and cash equivalents</b>                    | <b>608,901</b>    | <b>(601,003)</b>  | <b>688,610</b>    | <b>613,555</b>    | <b>565,099</b>    |
| Cash and cash equivalents, beginning of the period                         | 263,946           | 864,949           | 521,835           | 259,292           | 645,346           |
| Cash of incorporated companies   | 91,946            |                   |                   | 91,946            |                   |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Cash and cash equivalents, end of the period</b>                        | <b>964,793</b>    | <b>263,946</b>    | <b>1,210,445</b>  | <b>964,793</b>    | <b>1,210,445</b>  |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Cash paid during the period for:</b>                                    |                   |                   |                   |                   |                   |
| Short-term interest  |                   |                   | (13,011)          | (16,428)          | (33,420)          |
| Long-term interest net of capitalization                                   | (83,313)          | (64,772)          | (86,300)          | (231,692)         | (191,221)         |
| Income tax and social contribution paid                                    |                   | (46,704)          |                   | (46,704)          | (3,967)           |
| <b>Non-cash transactions:</b>  |                   |                   |                   |                   |                   |
| Transfer of advance for future capital increase into investments           | 465,354           | 1,297,910         | 72,268            | 1,795,758         | 165,174           |
| Loans/advances transferred to equity investment                            | 233,369           |                   |                   | 233,369           |                   |
| Additions to property, plant and equipment with capitalization of interest | 22,330            | (91,605)          | 77,041            | (94,374)          | 222,212           |

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

### 6- NOTES TO THE QUARTERLY INFORMATION AT SEPTEMBER 30, 2003 AND 2002

Expressed in thousands of *reais*

#### 6.1- Operations

Companhia Vale do Rio Doce is a publicly traded corporation whose predominant activities are mining, processing and sale of iron ore, pellets, gold and potash, as well as port and railroad transportation services and power generation. In addition, through its direct and indirect subsidiaries and jointly controlled companies, CVRD operates in manganese and ferroalloys, steel, aluminum, kaolin, logistics and geological studies and technological research services.

#### 6.2- Presentation of Quarterly information

The quarterly information has been prepared according to the accounting principles provided for in Brazilian corporate legislation as well as the rules and guidelines issued by the Comissão de Valores Mobiliários - CVM (Brazilian Securities Commission) and IBRACON - Instituto dos Auditores Independentes do Brasil (Brazilian Independent Auditors Institute).

In order to provide better information to the market, the Company is presenting the Statement of Cash Flow. The disclosure of this statement is encouraged by the CVM according to the Official Instruction 01/00 of 01/31/00.

#### 6.3- Significant Accounting Policies

- (a) The Company adopts the accrual basis of accounting;
- (b) Assets and liabilities that are realizable or due more than twelve months after the quarterly information date are classified as long-term;
- (c) Marketable securities, classified as cash and cash equivalents, are stated at cost plus accrued income earned to the quarterly information date;
- (d) Inventories are stated at average purchase or production cost, and imports in transit at the cost of each item, not exceeding market or realizable value;
- (e) Assets and liabilities in foreign currencies are translated at exchange rates in effect at the quarterly information date, and those in local currency, when applicable, are restated based on contractual indices;
- (f) Investments in subsidiaries, jointly controlled companies and affiliated companies are accounted for by the equity method, based on the stockholders' equity of the investees, and when applicable increased/decreased by goodwill and negative goodwill to be amortized and provision for losses. Other investments are recorded at cost, less provision for unrealized losses when applicable; and
- (g) Property, plant and equipment, including interest incurred during the construction period of large-scale projects, are recorded at historic cost (increased by monetary restatement up to 1995) and depreciated by the straight-line method, at rates that take into consideration the useful lives of the assets. Depletion of mineral reserves is based on the ratio between production and estimated capacity.

#### 6.4- Cash and Cash Equivalents

|   | 09/30/03       | 06/30/03       |
|---|----------------|----------------|
| Marketable securities related to CDI (*)  | 906,871        | 218,042        |
| Fixed-yield bond investments (funds)      | 48,311         | 26,485         |
| Government securities (NBC-E, NTN-D, LFT) | 6,330          | 15,540         |
| Others                                    | 3,281          | 3,879          |
|   | <b>964,793</b> | <b>263,946</b> |

(\*) For part of these investments the Company contracted swap operations with financial institutions related to interest rate and/or currency variations.

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**6.5- Transactions with Related Parties**

Derived from sales and purchases of products and services or from loans under normal market conditions, with maturities up to the year 2013, as follows:

|  | Assets           |                  | Liabilities      |                  |
|--|------------------|------------------|------------------|------------------|
|  | 09/30/03         | 06/30/03         | 09/30/03         | 06/30/03         |
| <b>Subsidiaries</b>  |                  |                  |                  |                  |
| ALUNORTE - Alumina do Norte do Brasil S.A.                               | 802,603          | 828,161          | 33,560           | 10,669           |
| CVRD Overseas Ltd.   | 39,980           | 84,149           | 1,723,550        | 1,182,540        |
| Itabira Rio Doce Company Limited - ITACO                                 | 622,343          | 540,677          | 1,115,939        | 646,792          |
| Ferteco Internacional  | 279,005          |                  | 12,954           |                  |
| Mineração Andirá Ltda. (participates in Mineração Serra do Sossego S.A.) | 324              | 78,100           | 1,901            |                  |
| Rio Doce International Finance Ltd.                                      | 815,368          | 166,320          | 1,720,025        | 1,898,902        |
| Salobo Metais S.A.   | 221,793          | 222,249          |                  |                  |
| SIBRA Eletrosiderúrgica Brasileira S.A.                                  | 9,687            | 26,886           | 5,063            | 4,986            |
| Others   | 133,442          | 212,091          | 252,190          | 297,823          |
|  | <b>2,924,545</b> | <b>2,158,633</b> | <b>4,865,182</b> | <b>4,041,712</b> |
| <b>Jointly controlled companies</b>                                      |                  |                  |                  |                  |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO                   | 160,460          | 159,751          | 113,367          | 13,271           |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS                | 65,574           | 54,031           | 97,625           | 62,190           |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO                      | 89,624           | 92,859           | 66,831           | 92,389           |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO                    | 50,531           | 46,029           | 35,990           | 37,665           |
| Others   | 120,145          | 193,685          | 281,399          | 181,475          |
|  | <b>486,334</b>   | <b>546,355</b>   | <b>595,212</b>   | <b>386,990</b>   |
| <b>Affiliates</b>  |                  |                  |                  |                  |
|  | 34,897           | 29,331           | 676              | 565              |
|  | <b>3,445,776</b> | <b>2,734,319</b> | <b>5,461,070</b> | <b>4,429,267</b> |
| Represented by:  |                  |                  |                  |                  |
| Trade balances (sales and purchases of products and services) (*)        | 1,262,302        | 904,584          | 472,818          | 360,938          |
| Short-term financial balances  | 1,426,137        | 1,053,193        | 1,011,631        | 1,085,334        |
| Long-term financial balances   | 757,337          | 776,542          | 3,976,621        | 2,982,995        |
|  | <b>3,445,776</b> | <b>2,734,319</b> | <b>5,461,070</b> | <b>4,429,267</b> |

(\*) Included in Accounts receivable from customers and Payable to suppliers and contractors .

**6.6- Inventories**

|                          | 09/30/03 | 06/30/03 |
|--------------------------|----------|----------|
| <b>Finished products</b> |          |          |
| .Iron ore and pellets    | 235,870  | 174,516  |
| .Others                  | 4,033    | 13,726   |

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|                                      |                |                |
|--------------------------------------|----------------|----------------|
|                                      | <u>239,903</u> | <u>188,242</u> |
| Spare parts and maintenance supplies | 310,157        | 255,186        |
|                                      | <u>550,060</u> | <u>443,428</u> |

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### 6.7- Deferred Income Tax and Social Contribution

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

|  | Deferred assets  |                  | Deferred liabilities |               |
|--|------------------|------------------|----------------------|---------------|
|  | 09/30/03         | 06/30/03         | 09/30/03             | 06/30/03      |
| Tax loss carryforward                                      | 125,083          | 76,314           |                      |               |
| Temporary differences:                                     |                  |                  |                      |               |
| . Pension Plan   | 210,542          | 215,704          |                      |               |
| . Contingent liabilities                                   | 369,027          | 384,787          |                      |               |
| . Provision for losses on assets                           | 369,524          | 500,741          |                      |               |
| . Provision for losses on derivative financial instruments | 96,226           | 75,155           |                      |               |
| . Others   | 65,930           | 46,857           |                      |               |
|  | 1,111,249        | 1,223,244        |                      |               |
| Accelerated depreciation                                   |                  |                  | 9,020                | 9,239         |
| Long-term sales  |                  |                  | 69,433               | 69,338        |
| Others   |                  |                  | 6,140                | 6,076         |
| <b>Total</b>   | <b>1,236,332</b> | <b>1,299,558</b> | <b>84,593</b>        | <b>84,653</b> |
| Short-term - liabilities registered in others              | 459,286          | 631,466          | 618                  | 618           |
| Long-term  | 777,046          | 668,092          | 83,975               | 84,035        |
|  | <b>1,236,332</b> | <b>1,299,558</b> | <b>84,593</b>        | <b>84,653</b> |

The deferred assets and liabilities regarding income tax and social contribution arising from tax losses, negative social contribution bases and temporary differences are recognized from an accounting standpoint considering an analysis of likely future results, based on economic and financial projections prepared in light of internal assumptions and macroeconomic, commercial and fiscal scenarios. These projections can change in the future. The maturities of the credits realization didn't have relevant changes in comparison to the maturities disclosed on December/2002.

In addition to the credits recorded, the Company has a lawsuit pending claiming an additional 51.8% monetary restatement for tax purposes applied to the months of January and February 1989 ( Plano Verão monetary plan). A favorable ruling has already been obtained for compensation of credits corresponding to 42.7% instead of the 51.8% requested. The amount of these credits covered by the ruling totals approximately R\$ 309,225 and the accounting effects have not yet been recognized in the quarterly information.

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

|  | Quarter          |                  |                    | Accumulated      |                    |
|--|------------------|------------------|--------------------|------------------|--------------------|
|  | 3Q/03            | 2Q/03            | 3Q/02              | 09/30/03         | 09/30/02           |
| Income before income tax and social contribution               | 1,316,769        | 1,533,809        | (1,100,913)        | 4,214,884        | (686,384)          |
| (-) Equity in results of subsidiaries and affiliated companies | (246,390)        | (370,497)        | (967,474)          | (1,035,507)      | (1,877,903)        |
| (+) Non-deductible goodwill and provisions for losses          | 60,621           | 52,920           | 243,049            | 185,174          | 320,097            |
|  | <b>1,131,000</b> | <b>1,216,232</b> | <b>(1,825,338)</b> | <b>3,364,551</b> | <b>(2,244,190)</b> |

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| Income tax and social contribution at combined tax rates                        | 34%              | 34%              | 34%            | 34%                | 34%              |
|---|------------------|------------------|----------------|--------------------|------------------|
| <b>Federal income tax and social contribution at statutory rates</b>            | <b>(384,539)</b> | <b>(413,519)</b> | <b>620,615</b> | <b>(1,143,947)</b> | <b>763,025</b>   |
| Adjustments to net income which modify the effect on the result for the period: |                  |                  |                |                    |                  |
| . Income tax benefit from interest on stockholders' equity                      | 317,337          | 128,958          | 227,627        | 657,713            | 349,753          |
| . Fiscal incentives   | 18,502           | 52,150           |                | 70,652             |                  |
| . Others  | 10,699           | (26,671)         | 36,495         | (81,979)           | 75,818           |
| <b>Income tax and social contribution</b>                                       | <b>(38,001)</b>  | <b>(259,082)</b> | <b>884,737</b> | <b>(497,561)</b>   | <b>1,188,596</b> |

16

CVRD

## 6.8- Investments

|   | Partici-<br>pation<br>% | Adjusted<br>stockholders<br>equity | Adjusted<br>net income<br>(loss) for<br>the period | Investment participations |                  |
|---|-------------------------|------------------------------------|--|---------------------------|------------------|
|   |                         |                                    |  | Investments               |                  |
|   |                         |                                    |  | 09/30/03                  | 06/30/03         |
| <b>Iron ore and pellets</b>                   |                         |                                    |  |                           |                  |
| Caemi Mineração e Metalurgia S.A. (f, g, j)   | 60.23                   | 868,499                            | 294,858  | 514,931                   | 140,592          |
| KOBRASCO (b)                                  | 50.00                   | (49,072)                           | 58,278   | (24,535)                  | (26,909)         |
| HISPANOBRÁS (b)                               | 50.89                   | 97,800                             | 16,096   | 49,771                    | 49,175           |
| ITABRASCO (b)                                 | 50.90                   | 68,819                             | 13,015   | 35,029                    | 33,117           |
| NIBRASCO (b)                                  | 51.00                   | 98,875                             | 14,681   | 50,427                    | 41,997           |
| CVRD Overseas Ltd. (a, b)                     | 100.00                  | 418,367                            | 81,552   | 418,367                   | 397,356          |
| Ferteco Mineração S.A. (b, i)                 | 100.00                  |                                    | 243,379  |                           | 559,686          |
| Gulf Industrial Investment Co. - GIIC (a, b)  | 50.00                   | 218,186                            | 52,944   | 109,093                   | 107,738          |
| ITACO/ RDE (a, b)                             | 100.00                  | 1,023,886                          | (298,535)  | 1,023,886                 | 2,182,270        |
| Minas da Serra Geral S.A. - MSG (b)           | 50.00                   | 98,252                             | 17,833   | 49,127                    | 37,425           |
| Samarco Mineração S.A. (g)                    | 50.00                   | 658,437                            | 386,512  | 329,219                   | 320,560          |
| Incorporated companies (d)                    |                         |                                    |  |                           |                  |
| Others (b)                                    |                         |                                    |  | 234,531                   | 167,255          |
|   |                         |                                    |  | <b>2,789,846</b>          | <b>4,010,262</b> |
| <b>Manganese and ferroalloys</b>              |                         |                                    |  |                           |                  |
| Rio Doce Manganês Europe - RDME (a, b)        | 100.00                  | 169,435                            | (20,083)   | 169,435                   | 158,338          |
| SIBRA Eletrosiderúrgica Brasileira S.A. (b)   | 99.31                   | 365,275                            | 72,159   | 362,755                   | 333,703          |
| Urucum Mineração S.A. (b)                     | 100.00                  | 52,545                             | 18,738   | 52,545                    | 47,459           |
| Others (b)                                    |                         |                                    |  | 43,968                    | 37,554           |
|   |                         |                                    |  | <b>628,703</b>            | <b>577,054</b>   |
| <b>Non-ferrous</b>                            |                         |                                    |  |                           |                  |
| Mineração Serra do Sossego (b, h)             | 100.00                  | 519,524                            |  | 519,524                   | 519,537          |
| Pará Pigmentos S.A. (b)                       | 82.04                   | 82,088                             | 60,160   | 67,345                    | (11,197)         |
| Ferro-Gusa Carajás (b)                        | 100.00                  | 106,794                            |  | 106,794                   |                  |
| Salobo Metais S.A. (b, h)                     | 100.00                  | 209,751                            |  | 209,751                   | 106,437          |
| Others (b)                                    |                         |                                    |  | 15,671                    | 15,177           |
|   |                         |                                    |  | <b>919,085</b>            | <b>629,954</b>   |
| <b>Logistics</b>                              |                         |                                    |  |                           |                  |
| Companhia Ferroviária do Nordeste (b)         | 32.40                   | (142,216)                          | (26,135)   | (46,078)                  | (42,612)         |
| DOCEPAR S.A. (b)                              | 100.00                  | 25,325                             | 11,169   |                           |                  |
| Ferrovia Centro-Atlântica S.A. (g)            | 99.92                   | 111,708                            | (283,688)  | 111,619                   | (608,687)        |
| MRS Logística S.A. (c, g)                     | 29.35                   | 47,908                             | 179,203  | 14,061                    | (10,960)         |
| DOCENAVE (b)                                  | 100.00                  | 255,440                            | 27,522   | 255,439                   | 301,613          |
| Sepetiba Tecon S.A. (b)                       | 50.00                   | (33,118)                           | (1,432)  | (16,559)                  | (13,253)         |
| TVV - Terminal de Vila Velha S.A. (b)         | 99.89                   | 58,615                             | 6,922  | 58,550                    | 58,755           |
| Companhia Portuária da Baía de Sepetiba (b)   | 100.00                  | 155,976                            |  | 155,976                   |                  |
| Others (b)                                    |                         |                                    |  | (10,222)                  | 2,859            |
|   |                         |                                    |  | <b>522,786</b>            | <b>(312,285)</b> |
| <b>Steel</b>                                  |                         |                                    |  |                           |                  |
| California Steel Industries, Inc - CSI (a, b) | 50.00                   | 626,854                            | (203,998)  | 313,427                   | 320,601          |
| CST (c, e, f, g)                              | 28.02                   | 3,416,321                          | 812,084  | 957,253                   | 871,387          |
| DOCEPAR S.A. (b)                              | 100.00                  | 25,325                             | 11,169   |                           |                  |
| Rio Doce Limited (a, b)                       | 100.00                  | 305,827                            |  | 305,827                   | 290,463          |
| USIMINAS (b, c, f)                            | 11.46                   | 4,166,252                          | 1,058,995  | 477,453                   | 439,719          |
| Others (b)                                    |                         |                                    |  | (400)                     | (400)            |
|   |                         |                                    |  | <b>2,053,560</b>          | <b>1,921,770</b> |
| <b>Aluminum</b>                               |                         |                                    |  |                           |                  |
| ALBRAS - Alumínio Brasileiro S.A. (b)         | 51.00                   | 797,715                            | 540,976  | 406,835                   | 370,576          |

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|                                 |        |         |         |                  |                  |
|---------------------------------|--------|---------|---------|------------------|------------------|
| ALUNORTE (b)                    | 57.03  | 788,738 | 276,729 | 449,817          | 395,508          |
| Itabira Rio Doce (ITACO) (b)    |        |         |         |                  |                  |
| Mineração Rio do Norte S.A. (b) | 40.00  | 825,693 | 231,558 | 330,278          | 322,820          |
| Mineração Vera Cruz S.A. (b)    | 100.00 | 39,518  |         | 39,518           | 39,518           |
| ALUVALE - own operations (b)    | 100.00 | 60,629  | 25,012  | 60,629           | 64,793           |
| Valesul Alumínio S.A. (b)       | 54.51  | 286,057 | 43,566  | 155,929          | 148,614          |
|                                 |        |         |         | <b>1,443,006</b> | <b>1,341,829</b> |
| <b>Others</b>                   |        |         |         |                  |                  |
| CELMAR (b, i)                   | 100.00 |         | 18,233  |                  | (144,807)        |
| DOCEPAR S.A. (b)                | 100.00 | 25,325  | 11,169  | 25,325           | 30,436           |
| FOSFERTIL (f, g)                | 11.12  | 595,860 | 193,389 | 66,260           | 68,436           |
| Florestas Rio Doce S.A. (b)     | 99.85  | 181,560 | 14,279  | 181,288          | 160,289          |
| Others (b)                      |        |         |         | 16,150           | 14,211           |
|                                 |        |         |         | <b>289,023</b>   | <b>128,565</b>   |
|                                 |        |         |         | <b>8,646,009</b> | <b>8,297,149</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

|  | Investment participations           |            |                                |                  |
|--|-------------------------------------|------------|--------------------------------|------------------|
|  | Advance for future capital increase |            | Goodwill and negative goodwill |                  |
|  | 09/30/03                            | 06/30/03   | 09/30/03                       | 06/30/03         |
| <b>Iron ore and pellets</b>                  |                                     |            |                                |                  |
| Caemi Mineração e Metalurgia S.A. (f, g, j)  |                                     |            | 1,325,096                      | 439,543          |
| KOBRASCO (b)                                 |                                     |            |                                |                  |
| HISPANOBRÁS (b)                              |                                     |            |                                |                  |
| ITABRASCO (b)                                |                                     |            |                                |                  |
| NIBRASCO (b)                                 |                                     |            |                                |                  |
| CVRD Overseas Ltd. (a, b)                    |                                     |            |                                |                  |
| Ferteco Mineração S.A. (b, i)                |                                     |            | 719,119                        | 774,100          |
| Gulf Industrial Investment Co. - GIIC (a, b) |                                     |            |                                |                  |
| ITACO/ RDE (a, b)                            |                                     |            |                                |                  |
| Minas da Serra Geral S.A. - MSG (b)          |                                     |            |                                |                  |
| Samarco Mineração S.A. (g)                   |                                     |            | 681,438                        | 705,857          |
| Incorporated companies (d)                   |                                     |            | 30,689                         | 33,050           |
| Others (b)                                   |                                     |            |                                |                  |
|  |                                     |            | <b>2,756,342</b>               | <b>1,952,550</b> |
| <b>Manganese and ferroalloys</b>             |                                     |            |                                |                  |
| Rio Doce Manganèse Europe - RDME (a, b)      |                                     |            |                                |                  |
| SIBRA Eletrosiderúrgica Brasileira S.A. (b)  | 612                                 | 612        | 167,764                        | 187,094          |
| Urucum Mineração S.A. (b)                    |                                     |            |                                |                  |
| Others (b)                                   |                                     |            |                                |                  |
|  | <b>612</b>                          | <b>612</b> | <b>167,764</b>                 | <b>187,094</b>   |
| <b>Non-ferrous</b>                           |                                     |            |                                |                  |
| Mineração Serra do Sossego (b, h)            | 486,701                             |            | 57,269                         | 57,269           |
| Pará Pigmentos S.A. (b)                      |                                     |            |                                |                  |
| Ferro-Gusa Carajás (b)                       |                                     |            |                                |                  |
| Salobo Metais S.A. (b, h)                    | 8,163                               | 15,974     |                                | 88,473           |
| Others (b)                                   | 51,200                              | 140,032    |                                |                  |

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|   |                |                  |                  |                  |
|---|----------------|------------------|------------------|------------------|
|   | 546,064        | 156,006          | 57,269           | 145,742          |
| <b>Logistics</b>                              |                |                  |                  |                  |
| Companhia Ferroviária do Nordeste (b)         | 49,245         | 45,545           |                  |                  |
| DOCEPAR S.A. (b)                              |                |                  |                  |                  |
| Ferrovia Centro-Atlântica S.A. (g)            |                | 652,526          |                  |                  |
| MRS Logística S.A. (c, g)                     |                |                  |                  |                  |
| DOCENAVE (b)                                  |                |                  |                  |                  |
| Sepetiba Tecon S.A. (b)                       |                |                  |                  |                  |
| TVV - Terminal de Vila Velha S.A. (b)         |                |                  |                  |                  |
| Companhia Portuária da Baía de Sepetiba (b)   |                |                  |                  |                  |
| Others (b)                                    |                |                  |                  |                  |
|   | <u>49,245</u>  | <u>698,071</u>   |                  |                  |
| <b>Steel</b>                                  |                |                  |                  |                  |
| California Steel Industries, Inc - CSI (a, b) |                |                  |                  |                  |
| CST (c, e, f, g)                              |                |                  | (128,694)        | (134,195)        |
| DOCEPAR S.A. (b)                              |                |                  |                  |                  |
| Rio Doce Limited (a, b)                       |                |                  |                  |                  |
| USIMINAS (b, c, f)                            |                |                  |                  |                  |
| Others (b)                                    |                |                  |                  |                  |
|   |                |                  | <u>(128,694)</u> | <u>(134,195)</u> |
| <b>Aluminum</b>                               |                |                  |                  |                  |
| ALBRAS - Alumínio Brasileiro S.A. (b)         |                |                  |                  |                  |
| ALUNORTE (b)                                  |                |                  | 44,907           | 49,896           |
| Itabira Rio Doce (ITACO) (b)                  |                |                  |                  |                  |
| Mineração Rio do Norte S.A. (b)               |                |                  |                  |                  |
| Mineração Vera Cruz S.A. (b)                  | 12,346         |                  | (29,512)         | (29,512)         |
| ALUVALE - own operations (b)                  |                |                  |                  |                  |
| Valesul Alumínio S.A. (b)                     |                |                  |                  |                  |
|   | <u>12,346</u>  |                  | <u>15,395</u>    | <u>20,384</u>    |
| <b>Others</b>                                 |                |                  |                  |                  |
| CELMAR (b, i)                                 |                | 223,735          |                  |                  |
| DOCEPAR S.A. (b)                              |                |                  |                  |                  |
| FOSFERTIL (f, g)                              |                |                  |                  |                  |
| Florestas Rio Doce S.A. (b)                   |                |                  |                  |                  |
| Others (b)                                    | 11,797         | 10,382           |                  |                  |
|   | <u>11,797</u>  | <u>234,117</u>   |                  |                  |
|   | <u>620,064</u> | <u>1,088,806</u> | <u>2,868,076</u> | <u>2,171,575</u> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

Result of investment participations

|   | Equity / Others |         |        | Provision for losses |        |          |
|---|-----------------|---------|--------|----------------------|--------|----------|
|   | 3Q/03           | 2Q/03   | 3Q/02  | 3Q/03                | 2Q/03  | 3Q/02    |
|   |                 |         |        |                      |        |          |
| <b>Iron ore and pellets</b>                 |                 |         |        |                      |        |          |
| Caemi Mineração e Metalurgia S.A. (f, g, j) | 11,275          | 17,526  | 8,367  |                      |        |          |
| KOBRASCO (b)                                |                 |         |        | 2,374                | 17,671 | (46,150) |
| HISPANOBRÁS (b)                             | 1,836           | 4,071   | 4,865  |                      |        |          |
| ITABRASCO (b)                               | 1,912           | 2,922   | 6,482  |                      |        |          |
| NIBRASCO (b)                                | 8,430           | (2,559) | 1,927  |                      |        |          |
| CVRD Overseas Ltd. (a, b)                   | 15,089          | 37,009  | 67,638 |                      |        |          |

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|   |                  |                |                  |                |                 |                  |
|---|------------------|----------------|------------------|----------------|-----------------|------------------|
| Ferteco Mineração S.A. (b, i)                 | 33,359           | 102,738        | 44,686           |                |                 |                  |
| Gulf Industrial Investment Co. - GIIC (a, b)  | 9,957            | 10,259         | 3,982            |                |                 |                  |
| ITACO/ RDE (a, b)                             | 59,319           | (218,050)      | 738,420          |                |                 |                  |
| Minas da Serra Geral S.A. - MSG (b)           | 2,120            | 2,910          | 2,158            |                |                 |                  |
| Samarco Mineração S.A. (g)                    | 52,412           | 71,117         | (36,783)         |                |                 |                  |
| Incorporated companies (d)                    |                  |                |                  |                |                 |                  |
| Others (b)                                    | 9,724            | 969            | 44,990           |                |                 |                  |
|   | <u>205,433</u>   | <u>28,912</u>  | <u>886,732</u>   | <u>2,374</u>   | <u>17,671</u>   | <u>(46,150)</u>  |
| <b>Manganese and ferroalloys</b>              |                  |                |                  |                |                 |                  |
| Rio Doce Manganèse Europe - RDME (a, b)       | 8,965            | (37,055)       | 47,671           |                |                 |                  |
| SIBRA Eletrosiderúrgica Brasileira S.A. (b)   | 29,851           | 26,375         | 46,599           |                |                 |                  |
| Urucum Mineração S.A. (b)                     | 5,086            | 6,759          | 2,753            |                |                 |                  |
| Others (b)                                    | 19,745           | 36,928         | 570              | (149)          | (2,596)         |                  |
|   | <u>63,647</u>    | <u>33,007</u>  | <u>97,593</u>    | <u>(149)</u>   | <u>(2,596)</u>  |                  |
| <b>Non-ferrous</b>                            |                  |                |                  |                |                 |                  |
| Mineração Serra do Sossego (b, h)             |                  |                |                  |                |                 |                  |
| Pará Pigmentos S.A. (b)                       | (16,960)         |                |                  | 11,197         | 27,292          | (52,832)         |
| Ferro-Gusa Carajás (b)                        |                  |                |                  |                |                 |                  |
| Salobo Metais S.A. (b, h)                     |                  |                |                  |                |                 |                  |
| Others (b)                                    | 69               | (100)          | 226              |                |                 |                  |
|   | <u>(16,891)</u>  | <u>(100)</u>   | <u>226</u>       | <u>11,197</u>  | <u>27,292</u>   | <u>(52,832)</u>  |
| <b>Logistics</b>                              |                  |                |                  |                |                 |                  |
| Companhia Ferroviária do Nordeste (b)         |                  |                |                  | (3,527)        | (3,012)         | (2,609)          |
| DOCEPAR S.A. (b)                              |                  |                |                  |                |                 |                  |
| Ferrovia Centro-Atlântica S.A. (g)            | (200,902)        |                |                  | 189,156        | (96,225)        | (105,382)        |
| MRS Logística S.A. (c, g)                     |                  |                |                  | 22,524         | 13,898          | (33,028)         |
| DOCENAVE (b)                                  | 14,376           | 21,183         | 55,473           |                |                 |                  |
| Setetiba Tecon S.A. (b)                       | 2,655            | (937)          | (17,383)         |                |                 | (20,647)         |
| TVV - Terminal de Vila Velha S.A. (b)         | 2,786            | 2,113          | 3,226            |                |                 |                  |
| Companhia Portuária da Baía de Setetiba (b)   |                  |                |                  |                |                 |                  |
| Others (b)                                    |                  |                | 7,062            |                |                 |                  |
|   | <u>(181,085)</u> | <u>22,359</u>  | <u>48,378</u>    | <u>208,153</u> | <u>(85,339)</u> | <u>(161,666)</u> |
| <b>Steel</b>                                  |                  |                |                  |                |                 |                  |
| California Steel Industries, Inc - CSI (a, b) | 5,112            | (101,999)      | 232,782          |                |                 |                  |
| CST (c, e, f, g)                              | 83,106           | 72,124         | (10,555)         |                |                 |                  |
| DOCEPAR S.A. (b)                              |                  |                |                  |                | 8,106           | (6,532)          |
| Rio Doce Limited (a, b)                       |                  |                |                  |                |                 |                  |
| USIMINAS (b, c, f)                            | 47,361           | 37,000         | (81,900)         |                |                 |                  |
| Others (b)                                    |                  |                | (400)            |                |                 |                  |
|   | <u>135,579</u>   | <u>7,125</u>   | <u>139,927</u>   |                | <u>8,106</u>    | <u>(6,532)</u>   |
| <b>Aluminum</b>                               |                  |                |                  |                |                 |                  |
| ALBRAS - Alumínio Brasileiro S.A. (b)         | 36,259           | 125,818        | (57,713)         |                |                 | (106,614)        |
| ALUNORTE (b)                                  | 15,810           | 83,871         | (154,384)        |                |                 |                  |
| Itabira Rio Doce (ITACO) (b)                  | 33,318           | 20,583         | (17,626)         |                |                 |                  |
| Mineração Rio do Norte S.A. (b)               | 38,733           | 30,092         | (2,637)          |                |                 |                  |
| Mineração Vera Cruz S.A. (b)                  |                  |                |                  |                |                 |                  |
| ALUVALE - own operations (b)                  | 3,622            | 4,951          | 6,917            |                |                 |                  |
| Valesul Alumínio S.A. (b)                     | 7,315            | 1,630          | 10,925           |                |                 |                  |
|   | <u>135,057</u>   | <u>266,945</u> | <u>(214,518)</u> |                |                 | <u>(106,614)</u> |
| <b>Others</b>                                 |                  |                |                  |                |                 |                  |
| CELMAR (b, i)                                 |                  |                |                  | 18,233         |                 |                  |
| DOCEPAR S.A. (b)                              | (119,655)        | 16,280         |                  | 114,544        |                 |                  |
| FOSFERTIL (f, g)                              | 3,936            | 6,598          | 9,696            |                |                 |                  |
| Florestas Rio Doce S.A. (b)                   | 20,999           | (10,977)       | 2,475            |                |                 |                  |
| Others (b)                                    | (630)            | 348            | (3,035)          |                |                 | (2,739)          |
|   | <u>(95,350)</u>  | <u>12,249</u>  | <u>9,136</u>     | <u>132,777</u> |                 | <u>(2,739)</u>   |
|   | <u>246,390</u>   | <u>370,497</u> | <u>967,474</u>   | <u>354,352</u> | <u>(34,866)</u> | <u>(376,533)</u> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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|   | <b>Result of investment participations</b> |                  |                 |
|---|--|------------------|-----------------|
|   | <b>Amortization of goodwill</b>            |                  |                 |
|   | <b>3Q/03</b>                               | <b>2Q/03</b>     | <b>3Q/02</b>    |
| <b>Iron ore and pellets</b>                   |  |                  |                 |
| Caemi Mineração e Metalurgia S.A. (f, g, j)   | (20,480)                                   | (12,930)         | (12,195)        |
| KOBRASCO (b)                                  |  |                  |                 |
| HISPANOBRÁS (b)                               |  |                  |                 |
| ITABRASCO (b)                                 |  |                  |                 |
| NIBRASCO (b)                                  |  |                  |                 |
| CVRD Overseas Ltd. (a, b)                     |  |                  |                 |
| Ferteco Mineração S.A. (b, i)                 | (26,275)                                   | (34,656)         | (34,656)        |
| Gulf Industrial Investment Co. - GIIC (a, b)  |  |                  |                 |
| ITACO/ RDE (a, b)                             |  |                  |                 |
| Minas da Serra Geral S.A. - MSG (b)           |  |                  |                 |
| Samarco Mineração S.A. (g)                    |  |                  |                 |
| Incorporated companies (d)                    |  |                  |                 |
| Others (b)                                    | (2,361)                                    | (2,361)          | (2,361)         |
|   | <u>(49,116)</u>                            | <u>(49,947)</u>  | <u>(49,212)</u> |
| <b>Manganese and ferroalloys</b>              |  |                  |                 |
| Rio Doce Manganês Europe - RDME (a, b)        |  |                  |                 |
| SIBRA Eletrosiderúrgica Brasileira S.A. (b)   | (20,129)                                   | (20,129)         | (20,128)        |
| Urucum Mineração S.A. (b)                     |  |                  |                 |
| Others (b)                                    |  |                  |                 |
|   | <u>(20,129)</u>                            | <u>(20,129)</u>  | <u>(20,128)</u> |
| <b>Non-ferrous</b>                            |  |                  |                 |
| Mineração Serra do Sossego (b, h)             |  |                  |                 |
| Pará Pigmentos S.A. (b)                       | (20,364)                                   |                  |                 |
| Ferro-Gusa Carajás (b)                        |  |                  |                 |
| Salobo Metais S.A. (b, h)                     |  |                  |                 |
| Others (b)                                    |  |                  |                 |
|   | <u>(20,364)</u>                            |                  |                 |
| <b>Logistics</b>                              |  |                  |                 |
| Companhia Ferroviária do Nordeste (b)         |  |                  |                 |
| DOCEPAR S.A. (b)                              |  |                  |                 |
| Ferrovia Centro-Atlântica S.A. (g)            | (18,660)                                   | (114,563)        | (36,887)        |
| MRS Logística S.A. (c, g)                     |  |                  | (2,595)         |
| DOCENAVE (b)                                  |  |                  |                 |
| Sepetiba Tecon S.A. (b)                       |  |                  |                 |
| TVV - Terminal de Vila Velha S.A. (b)         |  |                  |                 |
| Companhia Portuária da Baía de Sepetiba (b)   |  |                  |                 |
| Others (b)                                    |  |                  |                 |
|   | <u>(18,660)</u>                            | <u>(114,563)</u> | <u>(39,482)</u> |
| <b>Steel</b>                                  |  |                  |                 |
| California Steel Industries, Inc - CSI (a, b) |  |                  |                 |
| CST (c, e, f, g)                              |  |                  |                 |
| DOCEPAR S.A. (b)                              |  |                  |                 |
| Rio Doce Limited (a, b)                       |  |                  |                 |
| USIMINAS (b, c, f)                            |  |                  |                 |
| Others (b)                                    |  |                  |                 |
|   | <u></u>                                    | <u></u>          | <u></u>         |
| <b>Aluminum</b>                               |  |                  |                 |
| ALBRAS - Alumínio Brasileiro S.A. (b)         |  |                  |                 |
| ALUNORTE (b)                                  | (4,989)                                    |                  |                 |
| Itabira Rio Doce (ITACO) (b)                  |  |                  |                 |



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Mineração Rio do Norte S.A. (b)  
 Mineração Vera Cruz S.A. (b)  
 ALUVALE - own operations (b)  
 Valesul Alumínio S.A. (b)

(4,989)

**Others**

CELMAR (b, i)  
 DOCEPAR S.A. (b)  
 FOSFERTIL (f, g)  
 Florestas Rio Doce S.A. (b)  
 Others (b)

(113,258)

(184,639)

(108,822)

[Additional columns below]

[Continued from above table, first column(s) repeated]

**Result of investment participations**

|  | Total           |                |                 |                |                  |
|--|-----------------|----------------|-----------------|----------------|------------------|
|  | 3Q/03           | 2Q/03          | 3Q/02           | 09/30/03       | 09/30/02         |
| <b>Iron ore and pellets</b>                  |                 |                |                 |                |                  |
| Caemi Mineração e Metalurgia S.A. (f, g, j)  | (9,205)         | 4,596          | (3,828)         | (8,056)        | (19,187)         |
| KOBRASCO (b)                                 | 2,374           | 17,671         | (46,150)        | 29,140         | (69,276)         |
| HISPANOBRÁS (b)                              | 1,836           | 4,071          | 4,865           | 8,192          | 8,529            |
| ITABRASCO (b)                                | 1,912           | 2,922          | 6,482           | 6,571          | 10,529           |
| NIBRASCO (b)                                 | 8,430           | (2,559)        | 1,927           | 7,486          | 2,598            |
| CVRD Overseas Ltd. (a, b)                    | 15,089          | 37,009         | 67,638          | 81,552         | 153,712          |
| Ferteco Mineração S.A. (b, i)                | 7,084           | 68,082         | 10,030          | 125,557        | 23,083           |
| Gulf Industrial Investment Co. - GIIC (a, b) | 9,957           | 10,259         | 3,982           | 26,472         | 11,559           |
| ITACO/ RDE (a, b)                            | 59,319          | (218,050)      | 738,420         | (298,535)      | 1,269,505        |
| Minas da Serra Geral S.A. - MSG (b)          | 2,120           | 2,910          | 2,158           | 8,826          | 5,691            |
| Samarco Mineração S.A. (g)                   | 52,412          | 71,117         | (36,783)        | 193,256        | (17,319)         |
| Incorporated companies (d)                   |                 |                |                 |                |                  |
| Others (b)                                   | 7,363           | (1,392)        | 42,629          | 9,247          | 94,867           |
|  | <b>158,691</b>  | <b>(3,364)</b> | <b>791,370</b>  | <b>189,708</b> | <b>1,474,291</b> |
| <b>Manganese and ferroalloys</b>             |                 |                |                 |                |                  |
| Rio Doce Manganèse Europe - RDME (a, b)      | 8,965           | (37,055)       | 47,671          | (20,083)       | 93,068           |
| SIBRA Eletrosiderúrgica Brasileira S.A. (b)  | 9,722           | 6,246          | 26,471          | 13,708         | 42,873           |
| Urucum Mineração S.A. (b)                    | 5,086           | 6,759          | 2,753           | 18,738         | 14,006           |
| Others (b)                                   | 19,596          | 34,332         | 570             | 57,738         | (10,810)         |
|  | <b>43,369</b>   | <b>10,282</b>  | <b>77,465</b>   | <b>70,101</b>  | <b>139,137</b>   |
| <b>Non-ferrous</b>                           |                 |                |                 |                |                  |
| Mineração Serra do Sossego (b, h)            |                 |                |                 |                |                  |
| Pará Pigmentos S.A. (b)                      | (26,127)        | 27,292         | (52,832)        | 25,145         | (88,058)         |
| Ferro-Gusa Carajás (b)                       |                 |                |                 |                |                  |
| Salobo Metais S.A. (b, h)                    |                 |                |                 |                |                  |
| Others (b)                                   | 69              | (100)          | 226             | (35)           | (154)            |
|  | <b>(26,058)</b> | <b>27,192</b>  | <b>(52,606)</b> | <b>25,110</b>  | <b>(88,212)</b>  |
| <b>Logistics</b>                             |                 |                |                 |                |                  |
| Companhia Ferroviária do Nordeste (b)        | (3,527)         | (3,012)        | (2,609)         | (8,468)        | (7,002)          |

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|   |                |                  |                  |                  |                  |
|---|----------------|------------------|------------------|------------------|------------------|
| DOCEPAR S.A. (b)                              |                |                  |                  |                  | (50,735)         |
| Ferrovia Centro-Atlântica S.A. (g)            | (30,406)       | (210,788)        | (142,269)        | (283,688)        | (217,287)        |
| MRS Logística S.A. (c, g)                     | 22,524         | 13,898           | (35,623)         | 42,494           | (82,424)         |
| DOCENAVE (b)                                  | 14,376         | 21,183           | 55,473           | 33,838           | 107,014          |
| Sepetiba Tecon S.A. (b)                       | 2,655          | (937)            | (38,030)         | (716)            | (38,030)         |
| TVV - Terminal de Vila Velha S.A. (b)         | 2,786          | 2,113            | 3,226            | 6,915            | 3,294            |
| Companhia Portuária da Baía de Sepetiba (b)   |                |                  |                  |                  |                  |
| Others (b)                                    |                |                  | 7,062            |                  | (1,035)          |
|   | <b>8,408</b>   | <b>(177,543)</b> | <b>(152,770)</b> | <b>(209,625)</b> | <b>(286,205)</b> |
| <b>Steel</b>                                  |                |                  |                  |                  |                  |
| California Steel Industries, Inc - CSI (a, b) | 5,112          | (101,999)        | 232,782          | (125,536)        | 352,161          |
| CST (c, e, f, g)                              | 83,106         | 72,124           | (10,555)         | 219,871          | (42,907)         |
| DOCEPAR S.A. (b)                              |                | 8,106            | (6,532)          |                  | (19,494)         |
| Rio Doce Limited (a, b)                       |                |                  |                  |                  |                  |
| USIMINAS (b, c, f)                            | 47,361         | 37,000           | (81,900)         | 121,361          | (107,453)        |
| Others (b)                                    |                |                  | (400)            |                  | (400)            |
|   | <b>135,579</b> | <b>15,231</b>    | <b>133,395</b>   | <b>215,696</b>   | <b>181,907</b>   |
| <b>Aluminum</b>                               |                |                  |                  |                  |                  |
| ALBRAS - Alumínio Brasileiro S.A. (b)         | 36,259         | 125,818          | (164,327)        | 275,897          | (220,475)        |
| ALUNORTE (b)                                  | 10,821         | 83,871           | (154,384)        | 152,830          | (213,782)        |
| Itabira Rio Doce (ITACO) (b)                  | 33,318         | 20,583           | (17,626)         | 47,883           | (4,210)          |
| Mineração Rio do Norte S.A. (b)               | 38,733         | 30,092           | (2,637)          | 92,624           | 10,256           |
| Mineração Vera Cruz S.A. (b)                  |                |                  |                  |                  |                  |
| ALUVALE - own operations (b)                  | 3,622          | 4,951            | 6,917            | 25,012           | 23,042           |
| Valesul Alumínio S.A. (b)                     | 7,315          | 1,630            | 10,925           | 23,751           | 22,443           |
|   | <b>130,068</b> | <b>266,945</b>   | <b>(321,132)</b> | <b>617,997</b>   | <b>(382,726)</b> |
| <b>Others</b>                                 |                |                  |                  |                  |                  |
| CELMAR (b, i)                                 | 18,233         |                  |                  | 18,233           |                  |
| DOCEPAR S.A. (b)                              | (5,111)        | 16,280           |                  | 11,169           |                  |
| FOSFERTIL (f, g)                              | 3,936          | 6,598            | 9,696            | 21,505           | 15,025           |
| Florestas Rio Doce S.A. (b)                   | 20,999         | (10,977)         | 2,475            | 14,258           | 7,258            |
| Others (b)                                    | (630)          | 348              | (5,774)          | (596)            | (19,769)         |
|   | <b>37,427</b>  | <b>12,249</b>    | <b>6,397</b>     | <b>64,569</b>    | <b>2,514</b>     |
|   | <b>487,484</b> | <b>150,992</b>   | <b>482,119</b>   | <b>973,556</b>   | <b>1,040,706</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

|  | Dividends received |        |        | Market Value |
|--|--------------------|--------|--------|--------------|
|  | 3Q/03              | 2Q/03  | 3Q/02  | 09/30/03     |
| <b>Iron ore and pellets</b>                  |                    |        |        |              |
| Caemi Mineração e Metalurgia S.A. (f, g, j)  |                    |        |        | 1,905,105    |
| KOBRASCO (b)                                 |                    |        |        |              |
| HISPANOBRÁS (b)                              |                    | 1,240  | 1,140  | 906          |
| ITABRASCO (b)                                |                    |        | 2,815  |              |
| NIBRASCO (b)                                 |                    |        |        |              |
| CVRD Overseas Ltd. (a, b)                    |                    |        |        |              |
| Ferteco Mineração S.A. (b, i)                |                    |        |        |              |
| Gulf Industrial Investment Co. - GIIC (a, b) |                    |        |        |              |
| ITACO/ RDE (a, b)                            |                    |        |        |              |
| Minas da Serra Geral S.A. - MSG (b)          |                    |        | 2,868  | 2,454        |
| Samarco Mineração S.A. (g)                   |                    | 43,753 | 64,166 |              |

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|   |                |                |               |         |
|---|----------------|----------------|---------------|---------|
| Incorporated companies (d)                    |                |                |               |         |
| Others (b)                                    | 305            | 1,603          |               |         |
|   | <u>45,298</u>  | <u>72,592</u>  | <u>3,360</u>  |         |
| <b>Manganese and ferroalloys</b>              |                |                |               |         |
| Rio Doce Manganèse Europe - RDME (a, b)       |                |                |               |         |
| SIBRA Eletrosiderúrgica Brasileira S.A. (b)   |                |                |               |         |
| Urucum Mineração S.A. (b)                     |                | 14,493         |               |         |
| Others (b)                                    |                | 1,543          |               |         |
|   |                | <u>16,036</u>  |               |         |
| <b>Non-ferrous</b>                            |                |                |               |         |
| Mineração Serra do Sossego (b, h)             |                |                |               |         |
| Pará Pigmentos S.A. (b)                       |                |                |               |         |
| Ferro-Gusa Carajás (b)                        |                |                |               |         |
| Salobo Metais S.A. (b, h)                     |                |                |               |         |
| Others (b)                                    |                |                |               |         |
|   |                |                |               |         |
| <b>Logistics</b>                              |                |                |               |         |
| Companhia Ferroviária do Nordeste (b)         |                |                |               |         |
| DOCEPAR S.A. (b)                              |                |                |               |         |
| Ferrovía Centro-Atlântica S.A. (g)            |                |                |               |         |
| MRS Logística S.A. (c, g)                     |                |                |               |         |
| DOCENAVE (b)                                  | 60,550         | 26,420         |               |         |
| Sepetiba Tecon S.A. (b)                       |                |                |               |         |
| TVV - Terminal de Vila Velha S.A. (b)         | 2,838          |                |               |         |
| Companhia Portuária da Baía de Sepetiba (b)   |                |                |               |         |
| Others (b)                                    |                |                |               |         |
|   | <u>63,388</u>  | <u>26,420</u>  |               |         |
| <b>Steel</b>                                  |                |                |               |         |
| California Steel Industries, Inc - CSI (a, b) |                |                |               |         |
| CST (c, e, f, g)                              | 87,793         |                |               | 863,412 |
| DOCEPAR S.A. (b)                              |                |                |               |         |
| Rio Doce Limited (a, b)                       |                |                |               |         |
| USIMINAS (b, c, f)                            | 9,627          |                |               | 374,256 |
| Others (b)                                    |                |                |               |         |
|   | <u>97,420</u>  |                |               |         |
| <b>Aluminum</b>                               |                |                |               |         |
| ALBRAS - Alumínio Brasileiro S.A. (b)         |                |                |               |         |
| ALUNORTE (b)                                  |                |                |               |         |
| Itabira Rio Doce (ITACO) (b)                  |                |                |               |         |
| Mineração Rio do Norte S.A. (b)               |                |                |               |         |
| Mineração Vera Cruz S.A. (b)                  |                |                |               |         |
| ALUVALE - own operations (b)                  |                | 26,327         | 22,042        |         |
| Valesul Alumínio S.A. (b)                     |                |                |               |         |
|   |                | <u>26,327</u>  | <u>22,042</u> |         |
| <b>Others</b>                                 |                |                |               |         |
| CELMAR (b, i)                                 |                |                |               |         |
| DOCEPAR S.A. (b)                              |                |                |               |         |
| FOSFERTIL (f, g)                              | 6,112          | 5,644          | 5,063         | 205,161 |
| Florestas Rio Doce S.A. (b)                   |                | 38,241         |               |         |
| Others (b)                                    |                |                |               |         |
|   | <u>6,112</u>   | <u>43,885</u>  | <u>5,063</u>  |         |
|   | <u>212,218</u> | <u>185,260</u> | <u>30,465</u> |         |

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

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- (b) Companies whose quarterly information were not reviewed by independent accountants;
- (c) CVRD's interest in MRS Logística S.A. is held through Caemi Mineração e Metalurgia S.A.;
- (d) Incorporated companies (Socoimex and Samitri) - amortization of goodwill recorded on the cost of products sold of the Parent Company;
- (e) On 04/24/03, CVRD acquired from Acesita S.A. 1,765,470 preferred shares and 869,046 common shares of Companhia Siderúrgica de Tubarão (CST), representing 5.17% of the total capital. After conclusion of the transaction, CVRD holds 24.93% of the common shares and 29.96% of the preferred shares of CST, totaling 28.02% of its total capital;
- (f) Investments in companies that were listed on stock exchanges as of 09/30/03. The market value of these investments does not necessarily reflect the value that could be realized from selling a representative group of shares;
- (g) Companies whose quarterly information were reviewed by independent accountants;
- (h) Companies in pre-operating phase;
- (i) Companies incorporated on 08/29/03; and
- (j) Acquisition on 09/02/03 from Mitsui & Co., Ltd. of 659,375,000 common shares and 1,040,671,032 preferred shares (43.37% of the total capital of Caemi), totaling 100% of the common shares and 40.06% of the preferred shares of Caemi (60.23% of the total capital).

**CVRD**

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**Incorporation of Ferteco**

At the Extraordinary General Meeting held on 08/29/03, incorporation of Ferteco Mineração S.A. (Ferteco) was approved.

Incorporation of the assets of Ferteco, involving two iron ore mines (Córrego do Feijão and Fábrica) and a pelletizing plant (Fábrica) located in the Iron Ore Quadrangle in the state of Minas Gerais, added R\$ 1,336,503 (one billion, three hundred thirty-six million, five hundred and three thousand *reais*) in assets to the Company. The operation of these mines and pelletizing plant will boost the installed capacity of the Company by about 11 million tons/year of iron ore and 4 million tons/year of pellets.

**Balance Sheet - 09/30/03**

|  | <b>CVRD 09/30/03<br/>without Ferteco</b> | <b>08/31/03 Ferteco</b> | <b>Combinated</b> | <b>Eliminations</b> | <b>CVRD after<br/>incorporation</b> |
|--|--|-------------------------|-------------------|---------------------|-------------------------------------|
| <b>Assets</b>                              |  |                         |                   |                     |                                     |
| <b>Current assets</b>                      |  |                         |                   |                     |                                     |
| Cash and cash equivalents                  | 872,847                                  | 91,946                  | 964,793           |                     | 964,793                             |
| Accounts receivable from customers         | 2,554,091                                | 382,219                 | 2,936,310         | 40,523              | 2,895,787                           |
| Inventories                                | 473,881                                  | 76,179                  | 550,060           |                     | 550,060                             |
| Others                                     | 1,142,642                                | 131,159                 | 1,273,801         | 67,803              | 1,205,998                           |
|  | <b>5,043,461</b>                         | <b>681,503</b>          | <b>5,724,964</b>  | <b>108,326</b>      | <b>5,616,638</b>                    |
| <b>Long-term receivables</b>               | <b>2,608,359</b>                         | <b>213,141</b>          | <b>2,821,500</b>  | <b>175,157</b>      | <b>2,646,343</b>                    |
| <b>Permanent assets</b>                    |  |                         |                   |                     |                                     |
| Investments                                |  |                         |                   |                     |                                     |
| Ferteco - investment                       | 850,309                                  |                         | 850,309           | 850,309             |                                     |
| Ferteco - goodwill                         | 476,159                                  |                         | 476,159           | (242,960)           | 719,119                             |
| Others                                     | 11,193,015                               | 222,015                 | 11,415,030        |                     | 11,415,030                          |
|  | <b>12,519,483</b>                        | <b>222,015</b>          | <b>12,741,498</b> | <b>607,349</b>      | <b>12,134,149</b>                   |
| Property, plant and equipment              | 9,822,812                                | 219,844                 | 10,042,656        |                     | 10,042,656                          |
|  | <b>22,342,295</b>                        | <b>441,859</b>          | <b>22,784,154</b> | <b>607,349</b>      | <b>22,176,805</b>                   |
|  | <b>29,994,115</b>                        | <b>1,336,503</b>        | <b>31,330,618</b> | <b>890,832</b>      | <b>30,439,786</b>                   |
| <b>Liabilities and stockholders equity</b> |  |                         |                   |                     |                                     |
| <b>Current liabilities</b>                 |  |                         |                   |                     |                                     |
| Short-term debt                            | 2,617,045                                | 48,443                  | 2,665,488         |                     | 2,665,488                           |
| Payable to suppliers and contractors       | 3,263,510                                | 214,142                 | 3,477,652         | 40,523              | 3,437,129                           |
| Others                                     | 287,935                                  | 802                     | 288,737           |                     | 288,737                             |
|  | <b>6,168,490</b>                         | <b>263,387</b>          | <b>6,431,877</b>  | <b>40,523</b>       | <b>6,391,354</b>                    |
| <b>Long-term liabilities</b>               | <b>9,292,319</b>                         | <b>222,807</b>          | <b>9,515,126</b>  |                     | <b>9,515,126</b>                    |
| <b>Stockholders equity</b>                 | <b>14,533,306</b>                        | <b>850,309</b>          | <b>15,383,615</b> | <b>850,309</b>      | <b>14,533,306</b>                   |
|  | <b>29,994,115</b>                        | <b>1,336,503</b>        | <b>31,330,618</b> | <b>890,832</b>      | <b>30,439,786</b>                   |

## Statement of Income - 09/30/03

|  | CVRD 09/30/03<br>without Ferteco | 08/31/03<br>Ferteco | Combinated       | Eliminations     | CVRD after<br>incorporation |
|--|----------------------------------|---------------------|------------------|------------------|-----------------------------|
| Net operating revenues   | 7,215,406                        | 710,166             | 7,925,572        | (140,098)        | 7,785,474                   |
| Cost of products and services  | (3,809,974)                      | (433,903)           | (4,243,877)      | 140,098          | (4,103,779)                 |
| <b>Gross profit</b>  | <b>3,405,432</b>                 | <b>276,263</b>      | <b>3,681,695</b> |                  | <b>3,681,695</b>            |
| <b>Gross margin</b>  | <b>47.2%</b>                     | <b>38.9%</b>        | <b>46.5%</b>     | <b>0.0%</b>      | <b>47.3%</b>                |
| Operating expenses   | (819,118)                        | (58,011)            | (877,129)        |                  | (877,129)                   |
| <b>Operating profit before financial<br/>result and result of equity investments</b> | <b>2,586,314</b>                 | <b>218,252</b>      | <b>2,804,566</b> |                  | <b>2,804,566</b>            |
| Result of equity investments   | 973,556                          | 79,458              | 1,053,014        | (243,663)        | 809,351                     |
| Financial result   | 655,014                          | 7,638               | 662,652          |                  | 662,652                     |
| <b>Income before income tax and social<br/>contribution</b>                          | <b>4,214,884</b>                 | <b>305,348</b>      | <b>4,520,232</b> | <b>(243,663)</b> | <b>4,276,569</b>            |
| Income tax and social contribution   | (497,561)                        | (61,685)            | (559,246)        |                  | (559,246)                   |
| <b>Net income for the period</b>   | <b>3,717,323</b>                 | <b>243,663</b>      | <b>3,960,986</b> | <b>(243,663)</b> | <b>3,717,323</b>            |

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6.9- Property, Plant and Equipment

(a) By business area:

|                                  | 09/30/03         |                          |                  | 06/30/03         |                          |                  |
|----------------------------------|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
|                                  | Cost             | Accumulated depreciation | Net              | Cost             | Accumulated depreciation | Net              |
| <b>Ferrous - Northern System</b> |                  |                          |                  |                  |                          |                  |
| Mining                           | 1,872,419        | (793,779)                | 1,078,640        | 1,840,748        | (785,256)                | 1,055,492        |
| Railroads                        | 2,772,881        | (1,104,191)              | 1,668,690        | 2,740,011        | (1,085,091)              | 1,654,920        |
| Ports                            | 578,135          | (253,933)                | 324,202          | 575,295          | (250,476)                | 324,819          |
| Construction in progress         | 672,306          |                          | 672,306          | 527,591          |                          | 527,591          |
|                                  | <u>5,895,741</u> | <u>(2,151,903)</u>       | <u>3,743,838</u> | <u>5,683,645</u> | <u>(2,120,823)</u>       | <u>3,562,822</u> |
| <b>Ferrous - Southern System</b> |                  |                          |                  |                  |                          |                  |
| Mining                           | 3,032,172        | (1,680,903)              | 1,351,269        | 2,562,557        | (1,490,947)              | 1,071,610        |
| Railroads                        | 3,239,068        | (1,825,930)              | 1,413,138        | 3,127,499        | (1,805,504)              | 1,321,995        |
| Ports                            | 586,283          | (440,674)                | 145,609          | 587,251          | (439,127)                | 148,124          |
| Construction in progress         | 651,240          |                          | 651,240          | 540,840          |                          | 540,840          |
|                                  | <u>7,508,763</u> | <u>(3,947,507)</u>       | <u>3,561,256</u> | <u>6,818,147</u> | <u>(3,735,578)</u>       | <u>3,082,569</u> |
| <b>Pelletizing</b>               |                  |                          |                  |                  |                          |                  |
| Southern System                  | 740,996          | (541,636)                | 199,360          | 621,970          | (451,184)                | 170,786          |
| Northern System                  | 521,025          | (17,355)                 | 503,670          | 517,236          | (13,211)                 | 504,025          |
| Construction in progress         | 144,006          |                          | 144,006          | 156,174          |                          | 156,174          |
|                                  | <u>1,406,027</u> | <u>(558,991)</u>         | <u>847,036</u>   | <u>1,295,380</u> | <u>(464,395)</u>         | <u>830,985</u>   |
| <b>Non-Ferrous</b>               |                  |                          |                  |                  |                          |                  |
| Potash                           | 142,474          | (55,318)                 | 87,156           | 132,802          | (52,444)                 | 80,358           |
| Gold                             | 75,617           | (72,034)                 | 3,583            | 426,246          | (395,023)                | 31,223           |
| Research and projects            | 221,764          | (182,001)                | 39,763           | 214,303          | (179,416)                | 34,887           |
| Construction in progress         | 183,179          |                          | 183,179          | 134,209          |                          | 134,209          |
|                                  | <u>623,034</u>   | <u>(309,353)</u>         | <u>313,681</u>   | <u>907,560</u>   | <u>(626,883)</u>         | <u>280,677</u>   |
| <b>Logistics</b>                 |                  |                          |                  |                  |                          |                  |
| Construction in progress         | 37,572           |                          | 37,572           | 32,750           |                          | 32,750           |
|                                  | <u>1,216,179</u> | <u>(563,623)</u>         | <u>652,556</u>   | <u>1,154,405</u> | <u>(556,679)</u>         | <u>597,726</u>   |
| <b>Energy</b>                    |                  |                          |                  |                  |                          |                  |
|                                  | 370,276          | (28,668)                 | 341,608          | 370,226          | (25,618)                 | 344,608          |
|                                  | 413,867          |                          | 413,867          | 369,360          |                          | 369,360          |

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|                          |                   |                    |                   |                   |                    |                  |
|--------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|------------------|
| Construction in progress |                   |                    |                   |                   |                    |                  |
|                          | <b>784,143</b>    | <b>(28,668)</b>    | <b>755,475</b>    | <b>739,586</b>    | <b>(25,618)</b>    | <b>713,968</b>   |
| <b>Corporate</b>         | 166,010           | (71,990)           | 94,020            | 155,169           | (59,038)           | 96,131           |
| Construction in progress | 74,794            |                    | 74,794            | 51,981            |                    | 51,981           |
|                          | <b>240,804</b>    | <b>(71,990)</b>    | <b>168,814</b>    | <b>207,150</b>    | <b>(59,038)</b>    | <b>148,112</b>   |
| <b>Total</b>             | <b>17,674,691</b> | <b>(7,632,035)</b> | <b>10,042,656</b> | <b>16,805,873</b> | <b>(7,589,014)</b> | <b>9,216,859</b> |

(b) By classification of asset:

|                          | Average depreciation rates | 09/30/03          |                          |                   | 06/30/03          |                          |                  |
|--------------------------|----------------------------|-------------------|--------------------------|-------------------|-------------------|--------------------------|------------------|
|                          |                            | Cost              | Accumulated depreciation | Net               | Cost              | Accumulated depreciation | Net              |
| Buildings                | 3%                         | 1,634,785         | (713,679)                | 921,106           | 1,596,947         | (704,535)                | 892,412          |
| Installations            | 2% - 5%                    | 5,063,832         | (2,653,100)              | 2,410,732         | 5,071,956         | (2,701,523)              | 2,370,433        |
| Equipment                | 5% - 20%                   | 1,283,721         | (697,164)                | 586,557           | 1,039,340         | (586,531)                | 452,809          |
| Railroads                | 2% - 20%                   | 5,531,275         | (2,783,419)              | 2,747,856         | 5,341,142         | (2,746,940)              | 2,594,202        |
| Mineral rights           |                            | 433,909           | (181,744)                | 252,165           | 433,909           | (181,744)                | 252,165          |
| Others                   |                            | 1,550,205         | (602,929)                | 947,276           | 1,509,674         | (667,741)                | 841,933          |
|                          |                            | <b>15,497,727</b> | <b>(7,632,035)</b>       | <b>7,865,692</b>  | <b>14,992,968</b> | <b>(7,589,014)</b>       | <b>7,403,954</b> |
| Construction in progress |                            | 2,176,964         |                          | 2,176,964         | 1,812,905         |                          | 1,812,905        |
| <b>Total</b>             |                            | <b>17,674,691</b> | <b>(7,632,035)</b>       | <b>10,042,656</b> | <b>16,805,873</b> | <b>(7,589,014)</b>       | <b>9,216,859</b> |

Mineral reserve depletion is calculated as a function of the volume of ore extracted in relation to the proven and probable reserves.



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Depreciation, amortization and depletion have been allocated as follows:

|                                 | Quarter        |                |                | Accumulated    |                |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                 | 3Q/03          | 2Q/03          | 3Q/02          | 09/30/03       | 09/30/02       |
| Cost of production and services | 143,291        | 130,582        | 143,621        | 399,421        | 418,765        |
| Administrative expenses         | 6,797          | 9,865          | 6,092          | 25,790         | 16,922         |
|                                 | <b>150,088</b> | <b>140,447</b> | <b>149,713</b> | <b>425,211</b> | <b>435,687</b> |

## 6.10- Loans and Financing

### Short-term

Refers to export financing in the amount of R\$ 105,807 on 09/30/03 and R\$ 102,920 on 06/30/03, with an average interest rate of 3.9645% p.a. on 09/30/03 and 06/30/03.

### Long-term

|                               | Current liabilities |                  | Long-term liabilities |                  |
|-------------------------------|---------------------|------------------|-----------------------|------------------|
|                               | 09/30/03            | 06/30/03         | 09/30/03              | 06/30/03         |
| <b>Foreign operations</b>     |                     |                  |                       |                  |
| Loans and financing in:       |                     |                  |                       |                  |
| U.S. dollars                  | 865,591             | 753,902          | 2,633,794             | 2,234,043        |
| Yen                           | 84,218              | 77,776           | 7,532                 | 6,887            |
| Other currencies              | 8,772               | 874              | 61,914                | 633              |
| Notes in U.S. dollars         | 1,461,700           | 1,436,000        |                       |                  |
| Accrued charges               | 42,286              | 44,375           |                       |                  |
|                               | <b>2,462,567</b>    | <b>2,312,927</b> | <b>2,703,240</b>      | <b>2,241,563</b> |
| <b>Local operations</b>       |                     |                  |                       |                  |
| Indexed by TJLP, TR and IGP-M |                     |                  |                       |                  |
| Basket of currencies          | 35,180              | 34,112           | 20,522                | 28,426           |
| Loans in U.S. dollars         | 36,127              | 23,003           | 225,360               | 234,433          |
| Non-convertible debentures    |                     |                  | 8,900                 | 8,795            |
| Accrued charges               | 8,414               | 7,025            |                       |                  |
|                               | <b>97,114</b>       | <b>81,300</b>    | <b>303,657</b>        | <b>322,012</b>   |
|                               | <b>2,559,681</b>    | <b>2,394,227</b> | <b>3,006,897</b>      | <b>2,563,575</b> |

- (a) Foreign currency loans and financing were converted into *reais* at exchange rates effective on the quarterly information date, with US\$ 1.00 = R\$ 2.9234 on 09/30/03 (R\$ 2.8720 on 06/30/03) and ¥ 1.00 = R\$ 0.026234 on 09/30/03 (R\$ 0.023989 on 06/30/03);
- (b) Of the total loans and financing, R\$ 659,638 are guaranteed by the federal government (with full counter-guarantees), and R\$ 585,497 have real guarantees;

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- (c) Amortization of principal and finance charges incurred on long-term loans and financing obtained abroad and domestically mature as follows as of 09/30/03:

|             |                  |             |
|-------------|------------------|-------------|
| 2004        | 210,288          | 7%          |
| 2005        | 590,032          | 20%         |
| 2006        | 995,078          | 33%         |
| 2007        | 308,561          | 10%         |
| 2008 onward | 902,938          | 30%         |
|             | <hr/>            | <hr/>       |
|             | <b>3,006,897</b> | <b>100%</b> |
|             | <hr/>            | <hr/>       |

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- (d) Long-term foreign and domestic loans and financing were subject to annual interest rates on 09/30/03 as follows:

|            |                  |             |
|------------|------------------|-------------|
| Up to 3%   | 2,193,914        | 39%         |
| 3.1 to 5%  | 1,165,191        | 21%         |
| 5.1 to 7%  | 321,756          | 6%          |
| 7.1 to 9%  | 312,469          | 6%          |
| 9.1 to 11% | 1,478,089        | 26%         |
| Over 11%   | 95,159           | 2%          |
|            | <b>5,566,578</b> | <b>100%</b> |

- (e) The estimated market values of long-term loans and financing calculated to present value based on available interest rates as of 09/30/03 are close to their book values.

### 6.11- Contingent Liabilities

At the quarterly information dates the contingent liabilities of the Company were:

- (a) Provisions for contingencies and judicial deposits (booked under long-term liabilities and long-term assets, respectively), considered by management and its legal counsel as sufficient to cover possible losses from any type of lawsuit, were as follows:

|                                  | Judicial deposits |                  | Provisions for contingencies |                  |
|----------------------------------|-------------------|------------------|------------------------------|------------------|
|                                  | 09/30/03          | 06/30/03         | 09/30/03                     | 06/30/03         |
| Tax contingencies                | 649,913(*)        | 903,636          | 444,821                      | 721,506          |
| Labor and social security claims | 153,299           | 137,574          | 439,899                      | 398,827          |
| Civil claims                     | 132,986           | 126,219          | 396,401                      | 317,631          |
| Others                           | 5,372             | 5,393            | 15,465                       | 3,816            |
| <b>Total</b>                     | <b>941,570</b>    | <b>1,172,822</b> | <b>1,296,586</b>             | <b>1,441,780</b> |

(\*) Refers, mainly to the judicial deposit for the legal action against the limitation to 30% of the tax losses and the broadening of the calculation base for PIS / COFINS (social contributions), consequently, the provision was extinguished in the third quarter.

The Company is party to labor, civil, tax and other suits and has been contesting these matters both administratively and in the courts. When necessary, these are backed by judicial deposits. Provisions for eventual losses are estimated and restated monetarily by management upon the advice of the legal department and outside counsel.

Tax contingencies relate principally to a suit claiming unconstitutionality of the change in the calculation basis of PIS and Cofins social contributions introduced by Law 9,718/98, and to CPMF (tax on bank transactions).

Labor-related actions principally comprise employee claims in connection with disputes about the amount of indemnities paid upon dismissal and outstanding one-third extra holiday pay.

Civil actions principally relate to claims made against the Company by contractors in connection with losses alleged to have been incurred as a result of various past government economic plans.

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- (b) Guarantees given to jointly controlled companies (normally in proportion to the Company's percentage of participation) are as follows:

|                                   | 09/30/03       | 06/30/03       |
|-----------------------------------|----------------|----------------|
| ALBRAS - Alumínio Brasileiro S.A. | 851,257        | 893,140        |
| Sepetiba Tecon S.A.               | 66,416         | 65,269         |
| Samarco Mineração S.A.            | 27,632         | 33,981         |
|                                   | <b>945,305</b> | <b>992,390</b> |

The breakdown of guarantees by currency is:

|             | 09/30/03       | 06/30/03       |
|-------------|----------------|----------------|
| U.S. Dollar | 807,072        | 850,637        |
| Real        | 138,233        | 141,753        |
|             | <b>945,305</b> | <b>992,390</b> |

| Affiliate or Joint Venture | Amount of<br>guarantee | Denominated<br>currency | Purpose        | Final<br>maturity | Counter<br>guarantees |
|----------------------------|------------------------|-------------------------|----------------|-------------------|-----------------------|
| ALBRAS                     | 727,756                | US\$                    | Debt guarantee | 2007              | None                  |
|                            | 123,501                | R\$                     | Debt guarantee | 2010              | None                  |
| SEPETIBA TECON             | 51,685                 | US\$                    | Debt guarantee | 2013              | None                  |
|                            | 14,731                 | R\$                     | Debt guarantee | 2012              | None                  |
| SAMARCO                    | 27,632                 | US\$                    | Debt guarantee | 2020              | None                  |

The Company expects no losses to arise as a result of the above guarantees. No charges were made for extending these guarantees to Sepetiba Tecon.

- (c) Upon privatization of the Company in 1997, the Brazilian government stipulated the issuance of non-convertible debentures (Debentures) to the stockholders of record, including the federal government. The maturity dates of these Debentures were established to guarantee that pre-privatization stockholders, including the federal government, would share any future benefits from mineral resources held by the Company and its subsidiary and affiliated companies that were not evaluated at the time of setting the minimum price of CVRD shares at the privatization auction.

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

On October 4, 2002, the Comissão de Valores Mobiliários - CVM (Brazilian Securities Commission) approved the Company's registration request, filed on June 28, 2002, for public Debentures trading. As of October 28, 2002, the Debentures can be traded on the secondary market.

### 6.12- Environmental and Site Reclamation and Restoration Costs

Expenditures relating to ongoing compliance with environmental regulations are charged to production costs or capitalized as incurred. The Company manages its environmental policies according to the specifications of ISO 14,001 and maintains ongoing programs to minimize the environmental impact of its mining operations as well as to reduce the costs that will be incurred upon termination of activities at each mine. On 09/30/03, the provision for environmental liabilities amounted to R\$ 45,058 (R\$ 47,837 on 06/30/03), which was accounted for in "Others" in long-term liabilities.

### 6.13- Paid-up Capital

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The Company's capital was raised to R\$ 6.3 billion through capitalization of part of the expansion reserve in the amount of R\$ 1.3 billion. This capital corresponds to 388,559,056 book entry shares, of which 249,983,143 are common shares and 138,575,913 are preferred class A shares, the latter including one special preferred share ( Golden Share ), all with no par value.

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

The special Golden Share created during the privatization in 1997 belongs to the Brazilian Government. This share gives it the right to a permanent veto of changes in the Company's name, headquarters location, nature as a mining enterprise, continuous operation of the integrated mining, transportation and loading systems and other matters determined in the Bylaws.

**6.14- Treasury Stock**

The Board of Directors, under the terms of subparagraph XV of Article 13 of the Bylaws and based on Article 30 of Law 6,404/76 and CVM Instructions 10 of 02/14/80 and 268 of 11/13/97, approved the acquisition by the Company of its own shares to be held in treasury for later sale or cancellation.

As of September 30, 2003, 4,715,170 common shares and 4,183 preferred shares were purchased, which are held in treasury in the amount of R\$ 131,318. The 4,715,170 common shares guarantees a loan given to the subsidiary Alunorte.

| Class     | Shares           |                  | Unit acquisition cost |       |       | Average quoted market price |          |
|-----------|------------------|------------------|-----------------------|-------|-------|-----------------------------|----------|
|           | Quantity         |                  | Average               | Low   | High  | 09/30/03                    | 06/30/03 |
|           | 09/30/03         | 06/30/03         |                       |       |       |                             |          |
| Preferred | 4,183            | 4,235            | 51.41                 | 14.02 | 52.40 | 105.70                      | 78.71    |
| Common    | 4,715,170        | 4,715,170        | 27.80                 | 20.07 | 52.09 | 118.23                      | 84.85    |
|           | <b>4,719,353</b> | <b>4,719,405</b> |                       |       |       |                             |          |

**6.15- Financial Result**

|   | Quarter            |   |                  |                    |   |                  |                    |   |                    |
|---|--------------------|---|------------------|--------------------|---|------------------|--------------------|---|--------------------|
|   | 3Q/03              |   |                  | 2Q/03              |   |                  | 3Q/02              |   |                    |
|   | Financial expenses | Monetary and exchange rate variation on liabilities | Total            | Financial expenses | Monetary and exchange rate variation on liabilities | Total            | Financial expenses | Monetary and exchange rate variation on liabilities | Total              |
| Foreign debt  | (54,710)           | (68,114)  | (122,824)        | (50,432)           | 677,402   | 626,970          | (61,199)           | (1,578,186)   | (1,639,385)        |
| Local debt  | (7,983)            | (9,093)   | (17,076)         | (7,793)            | 67,575  | 59,782           | (21,765)           | (537,705)   | (559,470)          |
| Related parties   | (44,721)           | (47,612)  | (92,333)         | (42,179)           | 315,643   | 273,464          | (39,641)           | (579,591)   | (619,232)          |
|   | <b>(107,414)</b>   | <b>(124,819)</b>                                    | <b>(232,233)</b> | <b>(100,404)</b>   | <b>1,060,620</b>                                    | <b>960,216</b>   | <b>(122,605)</b>   | <b>(2,695,482)</b>                                  | <b>(2,818,087)</b> |
| Labor, tax and civil contingencies                        | (28,181)           | (8,282)   | (36,463)         | (17,187)           | 483   | (16,704)         | (35,442)           | (45,059)  | (80,501)           |
| Derivatives, net of gain/losses (interest and currencies) | 52,006             | (45,874)  | 6,132            | (20,634)           | 33,204  | 12,570           | (159,648)          | (31,961)  | (191,609)          |
| CPMF / COFINS   | (16,580)           |   | (16,580)         | (16,293)           |   | (16,293)         | (60,246)           |   | (60,246)           |
| Others  | (44,909)           | (152,919)   | (197,828)        | (8,982)            | 238,354   | 229,372          | (163,940)          | (506,810)   | (670,750)          |
|   | <b>(145,078)</b>   | <b>(331,894)</b>                                    | <b>(476,972)</b> | <b>(163,500)</b>   | <b>1,332,661</b>                                    | <b>1,169,161</b> | <b>(541,881)</b>   | <b>(3,279,312)</b>                                  | <b>(3,821,193)</b> |

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|   | Financial<br>income | Monetary<br>and<br>exchange<br>rate<br>variation on<br>assets | Total            | Financial<br>income | Monetary<br>and<br>exchange<br>rate<br>variation on<br>assets | Total            | Financial<br>income | Monetary and<br>exchange rate<br>variation on<br>assets | Total              |
|---|---------------------|---|------------------|---------------------|---|------------------|---------------------|---|--------------------|
| Related parties                         | 20,056              | 37,645  | 57,701           | 28,047              | (341,816)   | (313,769)        | 27,990              | 985,150   | 1,013,140          |
| Marketable securities                   | 34,054              | 100,754   | 134,808          | 26,024              | (63,920)  | (37,896)         | 62                  | 43,400  | 43,462             |
| Others                                  | 5,834               | 5,604   | 11,438           | 7,096               | (41,448)  | (34,352)         | 3,687               | 148,047   | 151,734            |
|   | <b>59,944</b>       | <b>144,003</b>  | <b>203,947</b>   | <b>61,167</b>       | <b>(447,184)</b>  | <b>(386,017)</b> | <b>31,739</b>       | <b>1,176,597</b>  | <b>1,208,336</b>   |
| <b>Financial income (expenses), net</b> | <b>(85,134)</b>     | <b>(187,891)</b>  | <b>(273,025)</b> | <b>(102,333)</b>    | <b>885,477</b>  | <b>783,144</b>   | <b>(510,142)</b>    | <b>(2,102,715)</b>                                      | <b>(2,612,857)</b> |

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| Accumulated   |                             |   |                  |                             |   |                    |
|---|-----------------------------|---|------------------|-----------------------------|---|--------------------|
| 09/30/03  |                             |   | 09/30/02         |                             |   |                    |
|   | Financial<br>expenses       | Monetary and<br>exchange rate<br>variation on<br>liabilities      | Total            | Financial<br>expenses       | Monetary and<br>exchange rate<br>variation on<br>liabilities      | Total              |
| Foreign debt  | (168,067)                   | 856,129   | 688,062          | (152,197)                   | (2,247,244)   | (2,399,441)        |
| Local debt  | (26,796)                    | 93,640  | 66,844           | (60,970)                    | (894,767)   | (955,737)          |
| Related parties   | (130,635)                   | 393,219   | 262,584          | (111,766)                   | (845,221)   | (956,987)          |
|   | <b>(325,498)</b>            | <b>1,342,988</b>  | <b>1,017,490</b> | <b>(324,933)</b>            | <b>(3,987,232)</b>  | <b>(4,312,165)</b> |
| Labor, tax and civil contingencies                        | (66,820)                    | (52,392)  | (119,212)        | (131,621)                   | (68,738)  | (200,359)          |
| Derivatives, net of gain/losses (interest and currencies) | (10,801)                    |   | (10,801)         | (168,828)                   | (47,870)  | (216,698)          |
| CPMF / COFINS   | (45,965)                    |   | (45,965)         | (65,013)                    |   | (65,013)           |
| Others  | (44,140)                    | 118,549   | 74,409           | (196,779)                   | (771,889)   | (968,668)          |
|   | <b>(493,224)</b>            | <b>1,409,145</b>  | <b>915,921</b>   | <b>(887,174)</b>            | <b>(4,875,729)</b>  | <b>(5,762,903)</b> |
|   | <b>Financial<br/>income</b> | <b>Monetary and<br/>exchange rate<br/>variation on<br/>assets</b> | <b>Total</b>     | <b>Financial<br/>income</b> | <b>Monetary and<br/>exchange rate<br/>variation on<br/>assets</b> | <b>Total</b>       |
| Related parties   | 88,364                      | (428,523)   | (340,159)        | 71,342                      | 1,479,286   | 1,550,628          |
| Marketable securities                                     | 61,661                      | 51,114  | 112,775          | 62,841                      | 74,811  | 137,652            |
| Others  | 20,704                      | (54,227)  | (33,523)         | 25,020                      | 225,900   | 250,920            |
|   | <b>170,729</b>              | <b>(431,636)</b>  | <b>(260,907)</b> | <b>159,203</b>              | <b>1,779,997</b>  | <b>1,939,200</b>   |
| <b>Financial income (expenses), net</b>                   | <b>(322,495)</b>            | <b>977,509(*)</b>   | <b>655,014</b>   | <b>(727,971)</b>            | <b>(3,095,732)</b>  | <b>(3,823,703)</b> |

(\*) See item 1.2.5 - Net financial result.

**Debt Indices**

|   | 3Q/03            | 2Q/03            | 3Q/02            |
|---|------------------|------------------|------------------|
| <b>Current liabilities</b>                            |                  |                  |                  |
| Current portion of long-term debt - unrelated parties | 2,559,681        | 2,394,227        | 1,068,199        |
| Short-term debt                                       | 105,807          | 102,920          | 1,066,196        |
| Related parties                                       | 1,011,631        | 1,085,334        | 1,100,963        |
|   | <b>3,677,119</b> | <b>3,582,481</b> | <b>3,235,358</b> |
| <b>Long-term liabilities</b>                          |                  |                  |                  |



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|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| Long-term debt - unrelated parties      | 3,006,897         | 2,563,575         | 5,560,230         |
| Related parties                         | 3,976,621         | 2,982,995         | 3,698,208         |
|   | <u>6,983,518</u>  | <u>5,546,570</u>  | <u>9,258,438</u>  |
| <b>Gross Debt</b>                       | <b>10,660,637</b> | <b>9,129,051</b>  | <b>12,493,796</b> |
| <b>Gross interest</b>                   | <b>107,414</b>    | <b>100,404</b>    | <b>122,605</b>    |
| <b>EBITDA</b>                           | <b>1,506,157</b>  | <b>983,095</b>    | <b>1,123,729</b>  |
| <b>Stockholders equity</b>              | <b>14,533,306</b> | <b>14,187,982</b> | <b>11,239,843</b> |
| <b>EBITDA / Gross interest</b>          | <b>14.02</b>      | <b>9.79</b>       | <b>9.17</b>       |
| <b>Gross Debt / EBITDA (annualized)</b> | <b>1.77</b>       | <b>2.32</b>       | <b>2.78</b>       |
| <b>Debt / Equity capitalization</b>     | <b>42</b>         | <b>39</b>         | <b>53</b>         |

**6.16- Financial Instruments - Derivatives**

The main market risks the Company faces are related to interest rates, exchange rates and commodities prices. CVRD has a policy of managing risks through the use of derivatives instruments.

The Company's risk management follows policies and guidelines reviewed and approved by the Board of Directors and Executive Board. These policies and guidelines prohibit speculative trading and short selling and require diversification of transactions and counterparties. The policy of the Company is to settle all contracts financially without physical delivery of the products. The credit limits and creditworthiness of counterparties are also reviewed periodically and are defined according to the rules approved by Company's management. The results of hedging are recognized monthly in the CVRD result.

### Interest Rate Risk

Interest rate risk derives from floating-rate debt, mainly from trade finance operations. The portion of floating-rate debt denominated in foreign currency is mainly subject to fluctuations in the LIBOR - London Interbank Offered Rate. The portion of floating-rate debt expressed in *reais* refers basically to the Brazilian long-term interest rate (TJLP), established by the Brazilian Central Bank. Since May 1998, CVRD has been using derivatives to limit its exposure to fluctuations in the LIBOR.

The interest rate derivatives portfolio consists mainly of options trades aiming to cap exposure to interest rate fluctuations, establishing upper and lower limits. Some operations are subject to knock-out provisions which, if triggered, eliminate the protection provided by the cap.

The table below provides information regarding the interest rate derivatives portfolio for 09/30/03 and 09/30/02.

| Type         | 09/30/03                         |             |                          |                | 09/30/02                         |             |                  |
|--------------|----------------------------------|-------------|--------------------------|----------------|----------------------------------|-------------|------------------|
|              | Notional value (in US\$ million) | Rate range  | Unrealized gain          |                | Notional value (in US\$ million) | Rate range  | Unrealized gain  |
|              |                                  |             | (loss) (in R\$ thousand) | Final maturity |                                  |             |                  |
| Cap          | 500                              | 5,7 - 11,0% | 44                       | May-07         | 1,200                            | 5,7 - 11,0% | 1,737            |
| Floor        | 500                              | 5,7 - 6,0%  | (57,173)                 | Nov-06         | 850                              | 5,7 - 6,3%  | (80,656)         |
| Swap         | 459                              | 5,8 - 6,7%  | (120,635)                | Oct-07         | 475                              | 5,8 - 6,7%  | (175,851)        |
| <b>Total</b> |                                  |             | <b>(177,764)</b>         |                |                                  |             | <b>(254,770)</b> |

### Exchange Rate Risk

Exchange rate risk arises from foreign currency debts. On the other hand, a substantial part of the Company's revenues are denominated or indexed in U.S. dollars, while the majority of costs are in *reais*. This provides a natural hedge against possible devaluation of Brazilian currency. Events of this nature have an immediate negative impact on foreign currency debt, offset by the positive effect on future cash flows.

The Company adopts a strategy of monitoring market fluctuations and, if necessary, carrying out derivatives operations to cover risks related to these variations.

The portion of debt denominated in euros and Japanese yen (main components of basket of currencies) is protected by derivatives to cover risks of exchange rate movements of these currencies.

The table below shows the exchange rate derivatives portfolio for 09/30/03 and 09/30/02. These operations are forwards and range forwards which were structured to ensure the purchase price of the following currencies:

| Type            | 09/30/03                    |                      |                        |                | 09/30/02                    |                      |                                   |
|-----------------|-----------------------------|----------------------|------------------------|----------------|-----------------------------|----------------------|-----------------------------------|
|                 | Notional value (in million) | Rate range           | Unrealized gain (loss) |                | Notional value (in million) | Rate range           | Unrealized loss (in R\$ thousand) |
|                 |                             |                      | (in R\$ thousand)      | Final maturity |                             |                      |                                   |
| Yen purchased   | ¥ 3.462                     | ¥ 79 - 86 per US\$   | 5,057                  | Apr-05         | ¥ 3.470                     | ¥ 79 - 91 per US\$   | 3,963                             |
| Euros purchased | 24                          | 1,11 - 1,23 per US\$ | 996                    | Dec-11         | 6                           | 1,18 - 1,23 per US\$ | 5,465                             |

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|              |   |              |        |   |                      |              |
|--------------|---|--------------|--------|---|----------------------|--------------|
| Euros sold   | 5 | (49)         | Nov-03 | 4 | 0,98 - 0,99 per US\$ | 134          |
| <b>Total</b> |   | <b>6,004</b> |        |   |                      | <b>9,562</b> |

**Commodities Price Risk**

The prices of iron ore, the Company's main product, are set in annual negotiations between producers and consumers and are notably stable over time. The Company does not enter into derivatives operations to hedge iron ore price exposure.

The Company uses hedge instruments to manage its exposure to changes in the price of gold. These derivatives operations allow establishment of a minimum profit level for future output. The Company actively manages its open positions, with the results reported monthly to senior management to allow adjustment of targets and strategies in response to market conditions.

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The following table shows the gold derivatives portfolio of the Company on 09/30/03 and 09/30/02:

| Type               | 09/30/03      |                       |  |                | 09/30/02      |                       |  |  |
|--------------------|---------------|-----------------------|--|----------------|---------------|-----------------------|--|--|
|                    | Quantity (oz) | Price range (US\$/oz) | Unrealized gain (loss) (in R\$ thousand) | Final maturity | Quantity (oz) | Price range (US\$/oz) | Unrealized gain (loss) (in R\$ thousand) |  |
| Puts purchased     | 398,000       | 270 - 385             | 6,075                                    | Dec-07         | 471,000       | 270 - 355             | 27,534                                   |  |
| Calls sold         | 473,000       | 317 - 440             | (70,141)                                 | Dec-07         | 674,500       | 316 - 407             | (43,192)                                 |  |
| Hybrid instruments | 20,000        |                       | (2,625)                                  | Nov-06         | 20,000        |                       | 125                                      |  |
| <b>Total</b>       |               |                       | <b>(66,691)</b>                          |                |               |                       | <b>(15,533)</b>                          |  |

Net loss

3Q/03

|  | Interest rates (libor) | Currencies     | Gold          | Total           |
|--|------------------------|----------------|---------------|-----------------|
| Gains and losses unrealized on 06/30/03        | 187,216                | 2,236          | 31,594        | 221,046         |
| Financial settlement                           | (11,867)               | 307            | (13,745)      | (25,305)        |
| Financial expenses, net                        | (42,822)               | (9,184)        | 40,971        | (11,035)        |
|  | <b>(54,689)</b>        | <b>(8,877)</b> | <b>27,226</b> | <b>(36,340)</b> |
| Monetary variations, net                       | 45,237                 | 637            | 7,871         | 53,745          |
| <b>Gains and losses unrealized on 09/30/03</b> | <b>177,764</b>         | <b>(6,004)</b> | <b>66,691</b> | <b>238,451</b>  |

Net loss

2Q/03

|   | Interest rates (libor) | Currencies   | Gold          | Total          |
|---|------------------------|--------------|---------------|----------------|
| Gains and losses unrealized on 03/31/03 | 230,264                | 3,138        | 33,374        | 266,776        |
| Financial settlement                    | (30,360)               | (1,020)      | (1,641)       | (33,021)       |
| Financial expenses, net                 | 20,078                 | 556          | 5,512         | 26,146         |
|   | <b>(10,282)</b>        | <b>(464)</b> | <b>3,871</b>  | <b>(6,875)</b> |
| Monetary variations, net                | (32,766)               | (438)        | (5,651)       | (38,855)       |
| <b>Gains unrealized on 06/30/03</b>     | <b>187,216</b>         | <b>2,236</b> | <b>31,594</b> | <b>221,046</b> |

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|  | Net loss                  |                 |               |                |
|--|---------------------------|-----------------|---------------|----------------|
|  | 3Q/02                     |                 |               |                |
|  | Interest rates<br>(libor) | Currencies      | Gold          | Total          |
| Gains and losses unrealized on 06/30/02        | 79,279                    | 5,274           | 9,669         | 94,222         |
| Financial settlement                           | (30,198)                  | (756)           | 1,563         | (29,391)       |
| Financial expenses, net                        | 175,638                   | (15,990)        | 759           | 160,407        |
|  | <b>145,440</b>            | <b>(16,746)</b> | <b>2,322</b>  | <b>131,016</b> |
| Monetary variations, net                       | 30,051                    | 1,910           | 3,542         | 35,503         |
| <b>Gains and losses unrealized on 09/30/02</b> | <b>254,770</b>            | <b>(9,562)</b>  | <b>15,533</b> | <b>260,741</b> |

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**6.17- Exchange Rate Exposure**

The exchange rate exposure is predominantly in U.S. dollars, as follows:

|                                | In millions of reais |                |  |                |
|--------------------------------|----------------------|----------------|--|----------------|
|                                | Parent Company       |                | Subsidiaries and<br>Affiliated Companies (*) |                |
|                                | 09/30/03             | 06/30/03       | 09/30/03                                     | 06/30/03       |
| <b>Assets</b>                  |                      |                |  |                |
| <b>Current</b>                 |                      |                |  |                |
| Cash and cash equivalents      | 622                  | 411            | 214  | 329            |
| Others                         | 2,839                | 1,789          | 1,085  | 1,101          |
|                                | <u>3,461</u>         | <u>2,200</u>   | <u>1,299</u>                                 | <u>1,430</u>   |
| <b>Long-term receivables</b>   | <b>555</b>           | <b>614</b>     | <b>61</b>                                    | <b>45</b>      |
| <b>Investments</b>             | <b>2,766</b>         | <b>3,817</b>   | <b>16</b>                                    | <b>16</b>      |
|                                | <u>6,782</u>         | <u>6,631</u>   | <u>1,376</u>                                 | <u>1,491</u>   |
| <b>Liabilities</b>             |                      |                |  |                |
| <b>Current</b>                 |                      |                |  |                |
| Short-term loans and financing | 2,643                | 2,477          | 1,372  | 1,279          |
| Others                         | 851                  | 978            | 465  | 529            |
|                                | <u>3,494</u>         | <u>3,455</u>   | <u>1,837</u>                                 | <u>1,808</u>   |
| <b>Long-term liabilities</b>   |                      |                |  |                |
| Loans and financing            | 2,950                | 2,505          | 1,874  | 1,776          |
| Others                         | 3,697                | 2,715          | 458  | 459            |
|                                | <u>6,647</u>         | <u>5,220</u>   | <u>2,332</u>                                 | <u>2,235</u>   |
| <b>Total</b>                   | <b>10,141</b>        | <b>8,675</b>   | <b>4,169</b>                                 | <b>4,043</b>   |
| <b>Liabilities - R\$</b>       | <b>(3,359)</b>       | <b>(2,044)</b> | <b>(2,793)</b>                               | <b>(2,552)</b> |
| <b>Liabilities - US\$</b>      | <b>(1,149)</b>       | <b>(712)</b>   | <b>(955)</b>                                 | <b>(889)</b>   |

(\*) Proportional to the percentage of participation

**6.18- Administrative and Other Operating Expenses**

|                       | Quarter |        |        | Accumulated |          |
|-----------------------|---------|--------|--------|-------------|----------|
|                       | 3Q/03   | 2Q/03  | 3Q/02  | 09/30/03    | 09/30/02 |
| <b>Administrative</b> |         |        |        |             |          |
| Personnel             | 35,270  | 34,548 | 34,814 | 101,657     | 93,017   |
| Technical consulting  | 31,127  | 23,897 | 20,298 | 73,467      | 85,175   |

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|                           |               |               |               |                |                |
|---------------------------|---------------|---------------|---------------|----------------|----------------|
| Advertising and publicity | 9,376         | 7,461         | 6,872         | 25,843         | 21,987         |
| Depreciation              | 6,797         | 9,865         | 6,092         | 25,790         | 16,922         |
| Travel expenses           | 5,862         | 4,042         | 4,436         | 14,829         | 12,376         |
| Rents and taxes           | 4,935         | 6,110         | 4,978         | 17,947         | 14,509         |
| Others                    | 3,730         | 10,654        | 13,676        | 22,899         | 32,212         |
|                           | <u>97,097</u> | <u>96,577</u> | <u>91,166</u> | <u>282,432</u> | <u>276,198</u> |

|                                    | Quarter      |                |                | Accumulated    |                |
|------------------------------------|--------------|----------------|----------------|----------------|----------------|
|                                    | 3Q/03        | 2Q/03          | 3Q/02          | 09/30/03       | 09/30/02       |
| <b>Other Operating Expenses</b>    |              |                |                |                |                |
| Provisions for contingencies       | 27,130       | 47,063         | 62,077         | 101,334        | 90,242         |
| Provision for loss on ICMS credits | 56,000       |                | (2,702)        | 84,000         | 17,298         |
| Provision for profit sharing       | 5,000        | 27,000         | 48,000         | 72,000         | 58,000         |
| Operating expenses - UPSL          |              | 35,597         |                | 35,597         |                |
| Sale of Fazenda Brasileiro         | (62,993)     |                |                | (62,993)       |                |
| Others                             | (16,503)     | 21,045         | 22,808         | 15,265         | 78,825         |
|                                    | <u>8,634</u> | <u>130,705</u> | <u>130,183</u> | <u>245,203</u> | <u>244,365</u> |

## 6.19- Subsequent Events

### CVRD Dividend Payment

On 10/15/03 the Board of Directors approved the second installment of the minimum dividend payment to shareholders, as proposed by the Company's Executive Board on January 30, 2003. The proposal was based on the CVRD Dividend Policy and established the minimum amount of US\$ 1.04 per outstanding common or preferred share, to be paid to shareholders in two equal installments during the year. The first installment began to be distributed on April 30. The second installment will take place from October 31, 2003 onwards, together with the additional dividend announced on August 27, 2003.

The second installment of the minimum dividend was paid as follows:

1. Distribution of interest on stockholders' equity in the amount of R\$ 568,083, equivalent to R\$ 1.48 per outstanding preferred A share or common share. The value of R\$ 1.48 per share is equal to US\$ 0.52 per share converted into Brazilian *reals* by the 2.8425 R\$/USD offer exchange rate of USD, as divulged by the Brazilian Central Bank on October 14, 2003, according to the procedures previously announced on 01/30/03.
2. The payment will take place from October 31, 2003 onwards. The distribution of interest on stockholders' equity is subject to withholding income tax, in accordance with the Law 9,249 of December 26, 1995.

For the second installment of the minimum dividend payment to shareholders, approved on 10/15/03, the record date for CVRD shares traded on the São Paulo Stock Exchange (BOVESPA) will also be on 10/15/03. Concerning the American Depositary Receipts (ADRs) traded on the New York Stock Exchange (NYSE), the record date was October 20, 2003. All CVRD shareholders that hold the Company's shares at the record dates were entitled to receive interest on stockholders' equity. CVRD shares will be traded ex-dividend, on both stock exchanges, since October 16, 2003 onwards.

According to the press release of August 27, the additional dividend payment to CVRD shareholders is equal to R\$ 1.94 per outstanding preferred A share or common share and was paid since October 31, 2003.

Therefore, since October 31, 2003, CVRD distributed to its shareholders interest on stockholders' equity in the amount of R\$ 3.42 per outstanding preferred A share or common share.

During 2003, CVRD is paying to its shareholders the two installments of the minimum dividend – one of R\$ 1.62 per share, paid from April 30 onwards, and another one of R\$ 1.48 per share, which will be distributed from October 31 onwards – and the additional payment of R\$ 1.94 per share. These add up to a distribution to CVRD's shareholders of interest on stockholders' equity of R\$ 5.04 per outstanding preferred A share or common share, totaling R\$ 1,934,552.

### CVRD Sells Its Stake in Fosfertil

On 10/24/03 the subsidiary Companhia Paulista de Ferro Ligas (CPFL) concluded the sale of Fertilizantes Fosfatados S.A. (Fosfertil) shares to Bunge Fertilizantes S.A. for R\$ 240 million. The transaction involved 3,955,293,931 common shares and 7,910,587,866 preferred shares, totaling 11,865,881,797 shares, representing respectively 10.96% of the voting capital, 11.19% of the preferred capital and 11.12% of the total capital of Fosfertil.

This transaction is consistent with CVRD's focus in mining and logistics and with its strategy of selling portfolio investments.

### CVRD Simplifies Operational Structure

On 10/28/03 the Company informs that it took some steps to simplify the operational structure of its manganese ferroalloy business.

Since 10/15/03, CVRD's subsidiary SIBRA – Eletrosiderúrgica Brasileira S.A. (SIBRA) was redenominated Rio Doce Manganês S.A. (RDM). The operations of RDM subsidiaries, including Companhia Paulista de Ferro Ligas (CPFL), will be transferred to RDM from January 2004 onwards.

Currently, the main RDM assets are the Azul mine, located in Carajás, state of Pará, Brazil, with annual production capacity of 2 million tons of manganese ore, and a manganese ferro-alloy plant, with annual production capacity of 180,000 tons, located in Simões Filho, state of Bahia, Brazil. CPFL owns four ferro-alloy plants in the state of Minas Gerais (Barbacena, Ouro Preto, Santa Rita and São João del Rei). After the consolidation of CPFL assets and other smaller subsidiaries that produce manganese ore, located in the states of Minas Gerais and





Bahia (Minérios Metalúrgicos do Nordeste S.A., Mineração Urandi S.A. and Sociedade Mineira de Mineração Ltda.), RDM will have a total annual production capacity of 2,330,000 tons of manganese ore and 350,000 tons of manganese ferro-alloy.

CVRD manganese and ferro-alloy operations will be held through four wholly owned subsidiaries: RDM, Urucum Mineração S.A., in Corumbá, Mato Grosso do Sul state, Rio Doce Manganese Europe (RDME), in Dunkerque, France, and Rio Doce Manganese Norway (RDMN), in Mo I Rana, Norway.

CVRD is the world's second largest manganese ore producer, with total annual production capacity of 2.9 million tons.

#### **CVRD Concludes the Restructuring of Logistics Companies**

On 11/07/03 CVRD concluded the restructuring of stakes in logistics companies, as publicly announced on 04/16/03 and 09/18/03.

The conclusion of the transactions aimed at the elimination of the relationships between CVRD and Companhia Siderúrgica Nacional (CSN) in the shareholding structure of Ferrovia Centro-Atlântica S.A. (FCA), Companhia Ferroviária do Nordeste (CFN) and CSN Aceros S.A. (CSN Aceros). The following transactions were concluded:

- a) sale of all FCA shares held by CSN to Mineração Tacumã Ltda., a CVRD wholly owned subsidiary;
- b) sale of all CFN shares held by CVRD to CSN and Taquari Participações S.A.;
- c) sale of all CSN Aceros shares - which is a Sepetiba Tecon S.A. (STSA) shareholder - held by Itabira Rio Doce Company Limited, a CVRD wholly owned subsidiary, to CSN Panamá, a CSN subsidiary;
- d) transfer of all STSA convertible debentures held by CVRD to CSN; and
- e) signing of commercial contracts involving handling services of containers by STSA to CVRD, limestone transportation by FCA to CSN and limestone and bentonite transportation by CFN to CVRD.

The shares sales and purchases will imply a net expenditure of R\$ 22.7 million by CVRD at the financial settlement date, 11/14/03.

## PART III

## 7- OTHER INFORMATION THE COMPANY DEEMS RELEVANT

## 7.1- Iron Ore and Pellet Sales (Main Markets) (Not Reviewed)

|                                | (Millions of tons) |            |              |            |              |            |              |            |
|--------------------------------|--------------------|------------|--------------|------------|--------------|------------|--------------|------------|
|                                | 1999               | %          | 2000         | %          | 2001         | %          | 2002         | %          |
| <b>FOREIGN MARKET</b>          |                    |            |              |            |              |            |              |            |
| <b>ASIA</b>                    |                    |            |              |            |              |            |              |            |
| CHINA                          | 7.3                | 8          | 9.2          | 8          | 14.9         | 12         | 17.5         | 12         |
| KOREA                          | 7.9                | 8          | 7.0          | 6          | 6.0          | 5          | 7.1          | 5          |
| PHILIPPINES                    | 1.6                | 2          | 1.4          | 1          | 1.2          | 1          | 2.6          | 2          |
| JAPAN                          | 16.9               | 17         | 17.5         | 15         | 17.1         | 13         | 16.3         | 11         |
| TAIWAN                         | 1.8                | 2          | 1.6          | 2          | 2.2          | 2          | 2.1          | 1          |
| OTHERS                         | 0.6                |            | 0.4          |            | 1.1          | 1          | 0.0          |            |
|                                | <b>36.1</b>        | <b>37</b>  | <b>37.1</b>  | <b>32</b>  | <b>42.5</b>  | <b>34</b>  | <b>45.6</b>  | <b>31</b>  |
| <b>EUROPE</b>                  |                    |            |              |            |              |            |              |            |
| GERMANY                        | 8.0                | 8          | 8.2          | 7          | 10.1         | 8          | 14.7         | 10         |
| SPAIN                          | 3.6                | 4          | 2.9          | 2          | 2.9          | 2          | 2.9          | 2          |
| FRANCE                         | 2.1                | 2          | 2.9          | 2          | 3.9          | 3          | 5.8          | 4          |
| ITALY                          | 5.0                | 5          | 4.8          | 4          | 5.1          | 4          | 5.2          | 3          |
| UNITED KINGDOM                 | 1.6                | 2          | 1.5          | 2          | 1.6          | 1          | 2.3          | 2          |
| OTHERS                         | 4.7                | 5          | 8.2          | 7          | 10.8         | 8          | 13.4         | 9          |
|                                | <b>25.0</b>        | <b>26</b>  | <b>28.5</b>  | <b>24</b>  | <b>34.4</b>  | <b>26</b>  | <b>44.3</b>  | <b>30</b>  |
| <b>AMERICAS</b>                |                    |            |              |            |              |            |              |            |
| ARGENTINA                      | 1.6                | 2          | 1.4          | 1          | 1.9          | 1          | 2.3          | 2          |
| UNITED STATES                  | 3.0                | 3          | 3.5          | 3          | 2.9          | 2          | 3.8          | 2          |
| OTHERS                         | 1.8                | 2          | 2.0          | 2          | 1.5          | 1          | 2.4          | 2          |
|                                | <b>6.4</b>         | <b>7</b>   | <b>6.9</b>   | <b>6</b>   | <b>6.3</b>   | <b>4</b>   | <b>8.5</b>   | <b>6</b>   |
| <b>AFRICA/MID.EAST/OCEANIA</b> |                    |            |              |            |              |            |              |            |
| BAHRAIN                        | 1.5                | 2          | 2.0          | 2          | 1.7          | 1          | 2.4          | 2          |
| OTHERS                         | 3.6                | 4          | 5.2          | 4          | 5.1          | 4          | 4.3          | 3          |
|                                | <b>5.1</b>         | <b>6</b>   | <b>7.2</b>   | <b>6</b>   | <b>6.8</b>   | <b>5</b>   | <b>6.7</b>   | <b>5</b>   |
|                                | <b>72.6</b>        | <b>76</b>  | <b>79.7</b>  | <b>68</b>  | <b>90.0</b>  | <b>69</b>  | <b>105.1</b> | <b>72</b>  |
| <b>DOMESTIC MARKET</b>         |                    |            |              |            |              |            |              |            |
| STEEL MILLS                    | 13.6               | 14         | 15.5         | 13         | 20.2         | 16         | 22.3         | 15         |
| PELLETIZING AFFILIATES         | 10.1               | 10         | 21.6         | 19         | 19.7         | 15         | 18.9         | 13         |
|                                | <b>23.7</b>        | <b>24</b>  | <b>37.1</b>  | <b>32</b>  | <b>39.9</b>  | <b>31</b>  | <b>41.2</b>  | <b>28</b>  |
| <b>TOTAL</b>                   | <b>96.3</b>        | <b>100</b> | <b>116.8</b> | <b>100</b> | <b>129.9</b> | <b>100</b> | <b>146.3</b> | <b>100</b> |

[Additional columns below]

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|                         | (Millions of tons) |            |             |            |             |            |              |            |              |            |
|-------------------------|--------------------|------------|-------------|------------|-------------|------------|--------------|------------|--------------|------------|
|                         | Quarter            |            |             |            |             |            | Accumulated  |            |              |            |
|                         | 3Q/02              | %          | 2Q/03       | %          | 3Q/03       | %          | 09/30/02     | %          | 09/30/03     | %          |
| <b>FOREIGN MARKET</b>   |                    |            |             |            |             |            |              |            |              |            |
| ASIA                    |                    |            |             |            |             |            |              |            |              |            |
| CHINA                   | 4.2                | 11         | 4.8         | 13         | 7.1         | 19         | 13.6         | 13         | 17.3         | 16         |
| KOREA                   | 2.0                | 5          | 1.7         | 5          | 1.7         | 4          | 5.2          | 5          | 5.0          | 4          |
| PHILIPPINES             | 0.7                | 2          | 0.6         | 2          | 0.6         | 1          | 1.8          | 2          | 1.6          | 1          |
| JAPAN                   | 4.0                | 11         | 4.1         | 11         | 4.1         | 10         | 12.0         | 11         | 12.1         | 11         |
| TAIWAN                  | 0.5                | 1          | 0.5         | 1          | 0.5         | 1          | 1.3          | 1          | 1.4          | 1          |
| OTHERS                  | 0.0                |            |             |            |             |            |              |            |              |            |
|                         | <b>11.4</b>        | <b>30</b>  | <b>11.7</b> | <b>32</b>  | <b>14.0</b> | <b>35</b>  | <b>33.9</b>  | <b>32</b>  | <b>37.4</b>  | <b>33</b>  |
| EUROPE                  |                    |            |             |            |             |            |              |            |              |            |
| GERMANY                 | 3.6                | 10         | 2.8         | 8          | 4.4         | 11         | 10.4         | 10         | 10.7         | 9          |
| SPAIN                   | 0.7                | 2          | 0.9         | 3          | 0.4         | 1          | 2.2          | 2          | 2.1          | 2          |
| FRANCE                  | 1.4                | 4          | 2.3         | 6          | 1.7         | 4          | 4.2          | 4          | 5.4          | 5          |
| ITALY                   | 0.8                | 2          | 1.2         | 3          | 1.2         | 3          | 4.0          | 4          | 3.6          | 3          |
| UNITED KINGDOM          | 0.8                | 2          | 0.6         | 2          | 0.6         | 1          | 1.9          | 2          | 1.7          | 2          |
| OTHERS                  | 3.6                | 10         | 2.8         | 8          | 3.6         | 9          | 9.7          | 9          | 9.6          | 8          |
|                         | <b>10.9</b>        | <b>30</b>  | <b>10.6</b> | <b>30</b>  | <b>11.9</b> | <b>29</b>  | <b>32.4</b>  | <b>31</b>  | <b>33.1</b>  | <b>29</b>  |
| AMERICAS                |                    |            |             |            |             |            |              |            |              |            |
| ARGENTINA               | 0.6                | 2          | 0.8         | 2          | 0.7         | 2          | 1.6          | 1          | 2.3          | 2          |
| UNITED STATES           | 1.2                | 3          | 0.8         | 2          | 1.0         | 3          | 3.1          | 3          | 2.8          | 2          |
| OTHERS                  | 0.7                | 2          | 0.6         | 2          | 0.7         | 2          | 1.5          | 1          | 2.1          | 2          |
|                         | <b>2.5</b>         | <b>7</b>   | <b>2.2</b>  | <b>6</b>   | <b>2.4</b>  | <b>7</b>   | <b>6.2</b>   | <b>5</b>   | <b>7.2</b>   | <b>6</b>   |
| AFRICA/MID.EAST/OCEANIA |                    |            |             |            |             |            |              |            |              |            |
| BAHRAIN                 | 0.6                | 2          | 0.4         | 1          | 1.0         | 2          | 1.9          | 2          | 1.9          | 2          |
| OTHERS                  | 1.2                | 3          | 2.0         | 5          | 0.5         | 1          | 2.7          | 3          | 3.5          | 3          |
|                         | <b>1.8</b>         | <b>5</b>   | <b>2.4</b>  | <b>6</b>   | <b>1.5</b>  | <b>3</b>   | <b>4.6</b>   | <b>5</b>   | <b>5.4</b>   | <b>5</b>   |
|                         | <b>26.6</b>        | <b>72</b>  | <b>26.9</b> | <b>74</b>  | <b>29.8</b> | <b>74</b>  | <b>77.1</b>  | <b>73</b>  | <b>83.1</b>  | <b>73</b>  |
| <b>DOMESTIC MARKET</b>  |                    |            |             |            |             |            |              |            |              |            |
| STEEL MILLS             | 5.4                | 15         | 4.6         | 13         | 5.7         | 14         | 16.3         | 14         | 15.4         | 14         |
| PELLETIZING AFFILIATES  | 4.9                | 13         | 4.9         | 13         | 4.7         | 12         | 13.6         | 13         | 14.6         | 13         |
|                         | <b>10.3</b>        | <b>28</b>  | <b>9.5</b>  | <b>26</b>  | <b>10.4</b> | <b>26</b>  | <b>29.9</b>  | <b>27</b>  | <b>30.0</b>  | <b>27</b>  |
| <b>TOTAL</b>            | <b>36.9</b>        | <b>100</b> | <b>36.4</b> | <b>100</b> | <b>40.2</b> | <b>100</b> | <b>107.0</b> | <b>100</b> | <b>113.1</b> | <b>100</b> |

Exports by System

(Millons of tons)

|                 | 1999        | %          | 2000         | %          | 2001         | %          | 2002         | %          |
|-----------------|-------------|------------|--------------|------------|--------------|------------|--------------|------------|
| NORTHERN SYSTEM | 42.8        | 44         | 46.6         | 40         | 50.8         | 39         | 53.0         | 36         |
| SOUTHERN SYSTEM | 53.5        | 56         | 70.2         | 60         | 79.1         | 61         | 93.3         | 64         |
|                 | <b>96.3</b> | <b>100</b> | <b>116.8</b> | <b>100</b> | <b>129.9</b> | <b>100</b> | <b>146.3</b> | <b>100</b> |

[Additional columns below]

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(Millons of tons)

|                 | Quarter     |            |             |            |             |            | Accumulated  |            |              |            |
|-----------------|-------------|------------|-------------|------------|-------------|------------|--------------|------------|--------------|------------|
|                 | 3Q/02       | %          | 2Q/03       | %          | 3Q/03       | %          | 09/30/02     | %          | 09/30/03     | %          |
| NORTHERN SYSTEM | 14.1        | 38         | 13.9        | 38         | 14.0        | 35         | 38.7         | 36         | 41.3         | 37         |
| SOUTHERN SYSTEM | 22.8        | 62         | 22.5        | 62         | 26.2        | 65         | 68.3         | 64         | 71.8         | 63         |
|                 | <b>36.9</b> | <b>100</b> | <b>36.4</b> | <b>100</b> | <b>40.2</b> | <b>100</b> | <b>107.0</b> | <b>100</b> | <b>113.1</b> | <b>100</b> |

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## PART IV

## 8- ATTACHMENT I - EQUITY INVESTEE INFORMATION

## 8.1- Aluminum Area - ALBRAS (Adjusted and Not Reviewed)

| Information   |               | 2003            |                 |                 |    |                 |
|---|---------------|-----------------|-----------------|-----------------|----|-----------------|
|   |               | 1Q              | 2Q              | 3Q              | 4Q | Total           |
| Quantity sold - external market                         | MT (thousand) | 99              | 102             | 107             |    | 308             |
| Quantity sold - internal market                         | MT (thousand) | 4               | 4               | 4               |    | 12              |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>103</b>      | <b>106</b>      | <b>111</b>      |    | <b>320</b>      |
| Average sales price - external market                   | US\$          | 1,336.40        | 1,324.49        | 1,365.02        |    | 1,342.40        |
| Average sales price - internal market                   | US\$          | 1,376.14        | 1,365.10        | 1,398.92        |    | 1,380.05        |
| <b>Average sales price - total</b>                      | US\$          | <b>1,337.98</b> | <b>1,326.07</b> | <b>1,366.25</b> |    | <b>1,343.84</b> |
| Long-term indebtedness, gross                           | US\$          | 451,354         | 400,002         | 386,528         |    | 386,528         |
| Short-term indebtedness, gross                          | US\$          |                 |                 |                 |    |                 |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>451,354</b>  | <b>400,002</b>  | <b>386,528</b>  |    | <b>386,528</b>  |
| <b>Stockholders equity</b>                              | R\$           | <b>479,916</b>  | <b>726,619</b>  | <b>797,715</b>  |    | <b>797,715</b>  |
| Net operating revenues                                  | R\$           | 479,659         | 423,513         | 446,000         |    | 1,349,172       |
| Cost of products  | R\$           | (284,827)       | (271,302)       | (274,413)       |    | (830,542)       |
| Other expenses/revenues                                 | R\$           | (16,325)        | (11,421)        | (16,692)        |    | (44,438)        |
| Depreciation, amortization and depletion                | R\$           | 17,675          | 16,188          | 15,241          |    | 49,104          |
| <b>EBITDA</b>   | R\$           | <b>196,182</b>  | <b>156,978</b>  | <b>170,136</b>  |    | <b>523,296</b>  |
| Depreciation, amortization and depletion                | R\$           | (17,675)        | (16,188)        | (15,241)        |    | (49,104)        |
| <b>EBIT</b>   | R\$           | <b>178,507</b>  | <b>140,790</b>  | <b>154,895</b>  |    | <b>474,192</b>  |
| Impairment  | R\$           |                 | (11,837)        | 692             |    | (11,145)        |
| Net financial result                                    | R\$           | 63,862          | 176,318         | (76,113)        |    | 164,067         |
| <b>Income before income tax and social contribution</b> | R\$           | <b>242,369</b>  | <b>305,271</b>  | <b>79,474</b>   |    | <b>627,114</b>  |
| Income tax and social contribution                      | R\$           | (19,192)        | (58,568)        | (8,378)         |    | (86,138)        |
| <b>Net income</b>                                       | R\$           | <b>223,177</b>  | <b>246,703</b>  | <b>71,096</b>   |    | <b>540,976</b>  |

[Additional columns below]

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| Information |  | 2002 |    |    |    |       |
|-------------|--|------|----|----|----|-------|
|             |  | 1Q   | 2Q | 3Q | 4Q | Total |

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|   |               |                 |                  |                  |                 |                  |
|---|---------------|-----------------|------------------|------------------|-----------------|------------------|
| Quantity sold - external market                         | MT (thousand) | 84              | 108              | 101              | 100             | 393              |
| Quantity sold - internal market                         | MT (thousand) | 4               | 2                | 3                | 4               | 13               |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>88</b>       | <b>110</b>       | <b>104</b>       | <b>104</b>      | <b>406</b>       |
| Average sales price - external market                   | US\$          | 1,318.33        | 1,409.42         | 1,288.20         | 1,304.79        | 1,304.70         |
| Average sales price - internal market                   | US\$          | 1,352.12        | 1,330.47         | 1,335.69         | 1,356.26        | 1,355.55         |
| <b>Average sales price - total</b>                      | US\$          | <b>1,319.81</b> | <b>1,332.13</b>  | <b>1,289.68</b>  | <b>1,306.47</b> | <b>1,306.38</b>  |
| Long-term indebtedness, gross                           | US\$          | 524,095         | 506,633          | 498,857          | 465,815         | 465,815          |
| Short-term indebtedness, gross                          | US\$          | 72,938          | 48,840           | 20,156           | 20,475          | 20,475           |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>597,033</b>  | <b>555,473</b>   | <b>519,013</b>   | <b>486,290</b>  | <b>486,290</b>   |
| <b>Stockholders equity</b>                              | R\$           | <b>299,202</b>  | <b>113,162</b>   | <b>(209,047)</b> | <b>256,739</b>  | <b>256,739</b>   |
| Net operating revenues                                  | R\$           | 273,853         | 366,494          | 414,264          | 489,744         | 1,544,355        |
| Cost of products  | R\$           | (170,834)       | (223,590)        | (248,895)        | (288,173)       | (931,492)        |
| Other expenses/revenues                                 | R\$           | (13,308)        | (10,054)         | (22,210)         | (5,968)         | (51,540)         |
| Depreciation, amortization and depletion                | R\$           | 15,555          | 17,076           | 17,423           | 17,490          | 67,544           |
| <b>EBITDA</b>   | R\$           | <b>105,266</b>  | <b>149,926</b>   | <b>160,582</b>   | <b>213,093</b>  | <b>628,867</b>   |
| Depreciation, amortization and depletion                | R\$           | (15,555)        | (17,076)         | (17,423)         | (17,490)        | (67,544)         |
| <b>EBIT</b>   | R\$           | <b>89,711</b>   | <b>132,850</b>   | <b>143,159</b>   | <b>195,603</b>  | <b>561,323</b>   |
| Impairment  | R\$           |                 |                  |                  |                 |                  |
| Net financial result                                    | R\$           | (11,141)        | (332,532)        | (505,233)        | 175,923         | (672,983)        |
| <b>Income before income tax and social contribution</b> | R\$           | <b>78,570</b>   | <b>(199,682)</b> | <b>(362,074)</b> | <b>371,526</b>  | <b>(111,660)</b> |
| Income tax and social contribution                      | R\$           | (2,627)         | 13,645           | 39,863           | 88,259          | 139,140          |
| <b>Net income</b>                                       | R\$           | <b>75,943</b>   | <b>(186,037)</b> | <b>(322,211)</b> | <b>459,785</b>  | <b>27,480</b>    |

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8.2- Aluminum Area - ALUNORTE (Adjusted and Not Reviewed)

| Information   |                      | 2003           |                |                |          |                |
|---|----------------------|----------------|----------------|----------------|----------|----------------|
|   |                      | 1Q             | 2Q             | 3Q             | 4Q       | Total          |
| Quantity sold - external market                         | MT (thousand)        | 289            | 303            | 395            |          | 987            |
| Quantity sold - internal market                         | MT (thousand)        | 201            | 234            | 236            |          | 671            |
| <b>Quantity sold - total</b>                            | <b>MT (thousand)</b> | <b>490</b>     | <b>537</b>     | <b>631</b>     | <b>-</b> | <b>1,658</b>   |
| Average sales price - external market                   | US\$                 | 170.93         | 172.57         | 190.01         |          | 179.07         |
| Average sales price - internal market                   | US\$                 | 173.60         | 175.13         | 178.71         |          | 175.93         |
| <b>Average sales price - total</b>                      | <b>US\$</b>          | <b>172.03</b>  | <b>173.68</b>  | <b>185.78</b>  |          | <b>177.80</b>  |
| Long-term indebtedness, gross                           | US\$                 | 482,418        | 494,325        | 478,755        |          | 478,755        |
| Short-term indebtedness, gross                          | US\$                 |                | 3,900          | 8,355          |          | 8,355          |
| <b>Total indebtedness, gross</b>                        | <b>US\$</b>          | <b>482,418</b> | <b>498,225</b> | <b>487,110</b> | <b>-</b> | <b>487,110</b> |
| <b>Stockholders equity</b>                              | <b>R\$</b>           | <b>546,444</b> | <b>697,885</b> | <b>788,738</b> | <b>-</b> | <b>788,738</b> |
| Net operating revenues                                  | R\$                  | 291,962        | 273,014        | 339,513        |          | 904,489        |
| Cost of products  | R\$                  | (217,680)      | (217,735)      | (234,580)      |          | (669,995)      |
| Other expenses/revenues                                 | R\$                  | (6,021)        | (5,860)        | (12,986)       |          | (24,867)       |
| Depreciation, amortization and depletion                | R\$                  | 15,240         | 18,993         | 17,340         |          | 51,573         |
| <b>EBITDA</b>   | <b>R\$</b>           | <b>83,501</b>  | <b>68,412</b>  | <b>109,287</b> | <b>-</b> | <b>261,200</b> |
| Depreciation, amortization and depletion                | R\$                  | (15,240)       | (18,993)       | (17,340)       |          | (51,573)       |
| <b>EBIT</b>   | <b>R\$</b>           | <b>68,261</b>  | <b>49,419</b>  | <b>91,947</b>  | <b>-</b> | <b>209,627</b> |
| Impairment  | R\$                  |                |                |                |          |                |
| Net financial result                                    | R\$                  | 43,764         | 136,576        | (62,039)       |          | 118,301        |
| <b>Income before income tax and social contribution</b> | <b>R\$</b>           | <b>112,025</b> | <b>185,995</b> | <b>29,908</b>  | <b>-</b> | <b>327,928</b> |
| Income tax and social contribution                      | R\$                  | (10,084)       | (34,554)       | (6,561)        |          | (51,199)       |
| <b>Net income</b>                                       | <b>R\$</b>           | <b>101,941</b> | <b>151,441</b> | <b>23,347</b>  | <b>-</b> | <b>276,729</b> |

[Additional columns below]

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| Information                     |               | 2002 |     |     |     |       |
|---------------------------------|---------------|------|-----|-----|-----|-------|
|                                 |               | 1Q   | 2Q  | 3Q  | 4Q  | Total |
| Quantity sold - external market | MT (thousand) | 222  | 175 | 115 | 208 | 720   |
| Quantity sold - internal market |               | 205  | 235 | 233 | 199 | 872   |



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|   | MT<br>(thousand) |                |                  |                  |                |                  |
|---|------------------|----------------|------------------|------------------|----------------|------------------|
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>427</b>     | <b>410</b>       | <b>348</b>       | <b>407</b>     | <b>1,592</b>     |
| Average sales price - external market                   | US\$             | 148.20         | 152.79           | 162.37           | 154.43         | 153.39           |
| Average sales price - internal market                   | US\$             | 175.94         | 175.38           | 173.97           | 169.51         | 173.79           |
| <b>Average sales price - total</b>                      | US\$             | <b>161.55</b>  | <b>165.72</b>    | <b>170.13</b>    | <b>161.79</b>  | <b>164.56</b>    |
| Long-term indebtedness, gross                           | US\$             | 455,061        | 455,194          | 472,590          | 481,370        | 481,370          |
| Short-term indebtedness, gross                          | US\$             |                |                  |                  |                |                  |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>455,061</b> | <b>455,194</b>   | <b>472,590</b>   | <b>481,370</b> | <b>481,370</b>   |
| <b>Stockholders equity</b>                              | R\$              | <b>573,946</b> | <b>451,686</b>   | <b>226,155</b>   | <b>444,502</b> | <b>444,502</b>   |
| Net operating revenues                                  | R\$              | 164,875        | 173,891          | 196,154          | 250,025        | 784,945          |
| Cost of products  | R\$              | (135,765)      | (134,556)        | (131,291)        | (174,286)      | (575,898)        |
| Other expenses/revenues                                 | R\$              | (7,381)        | (3,787)          | (4,079)          | (6,946)        | (22,193)         |
| Depreciation, amortization and depletion                | R\$              | 12,802         | 13,351           | 12,853           | 12,880         | 51,886           |
| <b>EBITDA</b>   | R\$              | <b>34,531</b>  | <b>48,899</b>    | <b>73,637</b>    | <b>81,673</b>  | <b>238,740</b>   |
| Depreciation, amortization and depletion                | R\$              | (12,802)       | (13,351)         | (12,853)         | (12,880)       | (51,886)         |
| <b>EBIT</b>   | R\$              | <b>21,729</b>  | <b>35,548</b>    | <b>60,784</b>    | <b>68,793</b>  | <b>186,854</b>   |
| Impairment  | R\$              |                |                  |                  |                |                  |
| Net financial result                                    | R\$              | (10,936)       | (198,404)        | (374,193)        | 114,042        | (469,491)        |
| <b>Income before income tax and social contribution</b> | R\$              | <b>10,793</b>  | <b>(162,856)</b> | <b>(313,409)</b> | <b>182,835</b> | <b>(282,637)</b> |
| Income tax and social contribution                      | R\$              | (726)          | 20,677           | 6,396            | 73,270         | 99,617           |
| <b>Net income</b>                                       | R\$              | <b>10,067</b>  | <b>(142,179)</b> | <b>(307,013)</b> | <b>256,105</b> | <b>(183,020)</b> |

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## 8.3- Aluminum Area - ALUVALE (Adjusted and Not Reviewed)

| Information   | 2003 |                  |                  |                  |                  |
|---|------|------------------|------------------|------------------|------------------|
|   | 1Q   | 2Q               | 3Q               | 4Q               | Total            |
| <b>Stockholders equity</b>                              | R\$  | <b>1,115,779</b> | <b>1,351,652</b> | <b>1,448,395</b> | <b>1,448,395</b> |
| Net operating revenues                                  | R\$  | 7,429            | 3,538            | 5,834            | 16,801           |
| Cost of products  | R\$  |                  |                  |                  |                  |
| Other expenses/revenues                                 | R\$  | (1,218)          | (878)            | (915)            | (3,011)          |
| Dividends received                                      | R\$  | 17,166           | 5,450            | 34,000           | 56,616           |
| <b>EBITDA</b>   | R\$  | <b>23,377</b>    | <b>8,110</b>     | <b>38,919</b>    | <b>70,406</b>    |
| Dividends received                                      | R\$  | (17,166)         | (5,450)          | (34,000)         | (56,616)         |
| <b>EBIT</b>   | R\$  | <b>6,211</b>     | <b>2,660</b>     | <b>4,919</b>     | <b>13,790</b>    |
| Impairment  | R\$  |                  |                  |                  |                  |
| Result of equity investments                            | R\$  | 210,564          | 241,411          | 93,127           | 545,102          |
| Net financial result                                    | R\$  | 3,682            | 4,058            | 1,947            | 9,687            |
| <b>Income before income tax and social contribution</b> | R\$  | <b>220,457</b>   | <b>248,129</b>   | <b>99,993</b>    | <b>568,579</b>   |
| Income tax and social contribution                      | R\$  | 6,545            | (1,697)          | (3,250)          | 1,598            |
| <b>Net income</b>                                       | R\$  | <b>227,002</b>   | <b>246,432</b>   | <b>96,743</b>    | <b>570,177</b>   |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| Information                  | 2002 |                |                |                |                |
|------------------------------|------|----------------|----------------|----------------|----------------|
|                              | 1Q   | 2Q             | 3Q             | 4Q             | Total          |
| <b>Stockholders equity</b>   | R\$  | <b>891,456</b> | <b>751,522</b> | <b>447,879</b> | <b>916,533</b> |
| Net operating revenues       | R\$  | 4,059          | 3,953          | 4,888          | 19,079         |
| Cost of products             | R\$  | (22)           | (47)           | (38)           | (143)          |
| Other expenses/revenues      | R\$  | (645)          | (650)          | (730)          | (12,202)       |
| Dividends received           | R\$  | 29,430         | 28,000         | 23,200         | 103,797        |
| <b>EBITDA</b>                | R\$  | <b>32,822</b>  | <b>31,256</b>  | <b>27,320</b>  | <b>110,531</b> |
| Dividends received           | R\$  | (29,430)       | (28,000)       | (23,200)       | (103,797)      |
| <b>EBIT</b>                  | R\$  | <b>3,392</b>   | <b>3,256</b>   | <b>4,120</b>   | <b>6,734</b>   |
| Impairment                   | R\$  |                |                |                |                |
| Result of equity investments | R\$  | 59,336         | (146,796)      | (304,495)      | 77,508         |
| Net financial result         | R\$  | 4,918          | 5,469          | 900            | 13,316         |

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|   |     |               |                  |                  |                |               |
|---|-----|---------------|------------------|------------------|----------------|---------------|
| <b>Income before income tax and social contribution</b> | R\$ | <b>67,646</b> | <b>(138,071)</b> | <b>(299,475)</b> | <b>467,458</b> | <b>97,558</b> |
| Income tax and social contribution                      | R\$ | (2,723)       | (1,862)          | (1,635)          | (1,338)        | (7,558)       |
| <b>Net income</b>                                       | R\$ | <b>64,923</b> | <b>(139,933)</b> | <b>(301,110)</b> | <b>466,120</b> | <b>90,000</b> |

## 8.4- Aluminum Area - MRN (Adjusted and Not Reviewed)

| Information   |               | 2003           |                |                |    |                |
|---|---------------|----------------|----------------|----------------|----|----------------|
|   |               | 1Q             | 2Q             | 3Q             | 4Q | Total          |
| Quantity sold - external market                         | MT (thousand) | 711            | 958            | 1,324          |    | 2,993          |
| Quantity sold - internal market                         | MT (thousand) | 1,485          | 2,554          | 2,725          |    | 6,764          |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>2,196</b>   | <b>3,512</b>   | <b>4,049</b>   |    | <b>9,757</b>   |
| Average sales price - external market                   | US\$          | 21.31          | 21.20          | 21.27          |    | 21.26          |
| Average sales price - internal market                   | US\$          | 18.24          | 18.15          | 18.21          |    | 18.19          |
| <b>Average sales price - total</b>                      | US\$          | <b>19.23</b>   | <b>18.98</b>   | <b>19.21</b>   |    | <b>19.13</b>   |
| Long-term indebtedness, gross                           | US\$          | 69,222         | 65,380         | 58,041         |    | 58,041         |
| Short-term indebtedness, gross                          | US\$          | 44,004         | 134,221        | 144,883        |    | 144,883        |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>113,226</b> | <b>199,601</b> | <b>202,924</b> |    | <b>202,924</b> |
| <b>Stockholders equity</b>                              | R\$           | <b>731,822</b> | <b>807,051</b> | <b>825,693</b> |    | <b>825,693</b> |
| Net operating revenues                                  | R\$           | 139,951        | 183,786        | 211,492        |    | 535,229        |
| Cost of products  | R\$           | (69,487)       | (89,073)       | (99,781)       |    | (258,341)      |
| Other expenses/revenues                                 | R\$           | (5,305)        | (2,838)        | (5,251)        |    | (13,394)       |
| Depreciation, amortization and depletion                | R\$           | 14,854         | 17,733         | 21,391         |    | 53,978         |
| <b>EBITDA</b>   | R\$           | <b>80,013</b>  | <b>109,608</b> | <b>127,851</b> |    | <b>317,472</b> |
| Depreciation, amortization and depletion                | R\$           | (14,854)       | (17,733)       | (21,391)       |    | (53,978)       |
| <b>EBIT</b>   | R\$           | <b>65,159</b>  | <b>91,875</b>  | <b>106,460</b> |    | <b>263,494</b> |
| Result of equity investments                            | R\$           |                |                |                |    |                |
| Impairment  | R\$           |                |                |                |    |                |
| Net financial result                                    | R\$           | (239)          | (10,994)       | (2,484)        |    | (13,717)       |
| <b>Income before income tax and social contribution</b> | R\$           | <b>64,920</b>  | <b>80,881</b>  | <b>103,976</b> |    | <b>249,777</b> |
| Income tax and social contribution                      | R\$           | (5,421)        | (5,652)        | (7,146)        |    | (18,219)       |
| <b>Net income</b>                                       | R\$           | <b>59,499</b>  | <b>75,229</b>  | <b>96,830</b>  |    | <b>231,558</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| Information                     |               | 2002  |       |       |       |       |
|---------------------------------|---------------|-------|-------|-------|-------|-------|
|                                 |               | 1Q    | 2Q    | 3Q    | 4Q    | Total |
| Quantity sold - external market | MT (thousand) | 485   | 790   | 740   | 601   | 2,616 |
| Quantity sold - internal market | MT (thousand) | 1,296 | 1,821 | 1,814 | 2,381 | 7,312 |

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|   |               |                |                |                |                |                |
|---|---------------|----------------|----------------|----------------|----------------|----------------|
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>1,781</b>   | <b>2,611</b>   | <b>2,554</b>   | <b>2,982</b>   | <b>9,928</b>   |
| Average sales price - external market                   | US\$          | 20.56          | 19.09          | 19.21          | 21.42          | 19.93          |
| Average sales price - internal market                   | US\$          | 19.46          | 18.01          | 18.16          | 20.32          | 19.06          |
| <b>Average sales price - total</b>                      | US\$          | <b>19.76</b>   | <b>18.34</b>   | <b>18.46</b>   | <b>20.54</b>   | <b>18.95</b>   |
| Long-term indebtedness, gross                           | US\$          | 95,892         | 90,312         | 77,786         | 76,120         | 76,120         |
| Short-term indebtedness, gross                          | US\$          | 14,436         | 18,780         | 23,198         | 29,265         | 29,265         |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>110,328</b> | <b>109,092</b> | <b>100,984</b> | <b>105,385</b> | <b>105,385</b> |
| <b>Stockholders equity</b>                              | R\$           | <b>594,895</b> | <b>562,633</b> | <b>498,041</b> | <b>672,322</b> | <b>672,322</b> |
| Net operating revenues                                  | R\$           | 76,448         | 111,452        | 146,949        | 204,098        | 538,947        |
| Cost of products  | R\$           | (39,697)       | (60,627)       | (72,806)       | (78,149)       | (251,279)      |
| Other expenses/revenues                                 | R\$           | (582)          | (5,260)        | (1,577)        | (2,993)        | (10,412)       |
| Depreciation, amortization and depletion                | R\$           | 9,840          | 13,325         | 14,617         | 14,701         | 52,483         |
| <b>EBITDA</b>   | R\$           | <b>46,009</b>  | <b>58,890</b>  | <b>87,183</b>  | <b>137,657</b> | <b>329,739</b> |
| Depreciation, amortization and depletion                | R\$           | (9,840)        | (13,325)       | (14,617)       | (14,701)       | (52,483)       |
| <b>EBIT</b>   | R\$           | <b>36,169</b>  | <b>45,565</b>  | <b>72,566</b>  | <b>122,956</b> | <b>277,256</b> |
| Result of equity investments                            | R\$           | (3,403)        | (1,347)        |                | 2,000          | (2,750)        |
| Impairment  | R\$           |                |                |                | 17,015         | 17,015         |
| Net financial result                                    | R\$           | (1,804)        | (32,286)       | (73,730)       | 102,120        | (5,700)        |
| <b>Income before income tax and social contribution</b> | R\$           | <b>30,962</b>  | <b>11,932</b>  | <b>(1,164)</b> | <b>244,091</b> | <b>285,821</b> |
| Income tax and social contribution                      | R\$           | (6,522)        | (4,139)        | (5,429)        | (26,264)       | (42,354)       |
| <b>Net income</b>                                       | R\$           | <b>24,440</b>  | <b>7,793</b>   | <b>(6,593)</b> | <b>217,827</b> | <b>243,467</b> |

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## 8.5- Aluminum Area - VALESUL (Adjusted and Not Reviewed)

| Information   |               | 2003            |                 |                 |    |                 |
|---|---------------|-----------------|-----------------|-----------------|----|-----------------|
|   |               | 1Q              | 2Q              | 3Q              | 4Q | Total           |
| Quantity sold - external market                         | MT (thousand) | 9               | 15              | 17              |    | 41              |
| Quantity sold - internal market                         | MT (thousand) | 10              | 9               | 9               |    | 28              |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>19</b>       | <b>24</b>       | <b>26</b>       |    | <b>69</b>       |
| Average sales price - external market                   | US\$          | 1,505.49        | 1,516.01        | 1,518.30        |    | 1,514.65        |
| Average sales price - internal market                   | US\$          | 1,933.02        | 1,970.53        | 1,974.21        |    | 1,958.32        |
| <b>Average sales price - total</b>                      | US\$          | <b>1,730.60</b> | <b>1,685.83</b> | <b>1,668.32</b> |    | <b>1,691.56</b> |
| Long-term indebtedness, gross                           | US\$          | 1,048           | 1,075           | 906             |    | 906             |
| Short-term indebtedness, gross                          | US\$          | 617             | 732             | 729             |    | 729             |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>1,665</b>    | <b>1,807</b>    | <b>1,635</b>    |    | <b>1,635</b>    |
| <b>Stockholders equity</b>                              | R\$           | <b>288,362</b>  | <b>272,644</b>  | <b>286,057</b>  |    | <b>286,057</b>  |
| Net operating revenues                                  | R\$           | 108,088         | 112,328         | 121,231         |    | 341,647         |
| Cost of products  | R\$           | (68,912)        | (88,666)        | (99,075)        |    | (256,653)       |
| Other expenses/revenues                                 | R\$           | (6,613)         | (15,368)        | (4,259)         |    | (26,240)        |
| Depreciation, amortization and depletion                | R\$           | 2,816           | 6,043           | 3,900           |    | 12,759          |
| <b>EBITDA</b>   | R\$           | <b>35,379</b>   | <b>14,337</b>   | <b>21,797</b>   |    | <b>71,513</b>   |
| Depreciation, amortization and depletion                | R\$           | (2,816)         | (6,043)         | (3,900)         |    | (12,759)        |
| <b>EBIT</b>   | R\$           | <b>32,563</b>   | <b>8,294</b>    | <b>17,897</b>   |    | <b>58,754</b>   |
| Impairment  | R\$           |                 |                 |                 |    |                 |
| Net financial result                                    | R\$           | (186)           | (413)           | 1,224           |    | 625             |
| <b>Income before income tax and social contribution</b> | R\$           | <b>32,377</b>   | <b>7,881</b>    | <b>19,121</b>   |    | <b>59,379</b>   |
| Income tax and social contribution                      | R\$           | (5,214)         | (4,891)         | (5,708)         |    | (15,813)        |
| <b>Net income</b>                                       | R\$           | <b>27,163</b>   | <b>2,990</b>    | <b>13,413</b>   |    | <b>43,566</b>   |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| Information                     |               | 2002 |    |    |    |       |
|---------------------------------|---------------|------|----|----|----|-------|
|                                 |               | 1Q   | 2Q | 3Q | 4Q | Total |
| Quantity sold - external market | MT (thousand) | 9    | 12 | 8  | 13 | 42    |
| Quantity sold - internal market | MT (thousand) | 12   | 12 | 10 | 14 | 48    |

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| <b>Quantity sold - total</b>                            | MT (thousand) | <b>21</b>       | <b>24</b>       | <b>18</b>       | <b>27</b>       | <b>90</b>       |
|---|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Average sales price - external market                   | US\$          | 1,467.44        | 1,481.49        | 1,485.09        | 1,413.67        | 1,459.01        |
| Average sales price - internal market                   | US\$          | 1,906.21        | 1,865.52        | 1,779.65        | 1,801.29        | 1,837.32        |
| <b>Average sales price - total</b>                      | US\$          | <b>1,720.97</b> | <b>1,663.20</b> | <b>1,654.96</b> | <b>1,618.98</b> | <b>1,661.77</b> |
| Long-term indebtedness, gross                           | US\$          | 1,868           | 1,416           | 953             | 1,115           | 1,115           |
| Short-term indebtedness, gross                          | US\$          | 685             | 555             | 409             | 579             | 579             |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>2,553</b>    | <b>1,971</b>    | <b>1,362</b>    | <b>1,694</b>    | <b>1,694</b>    |
| <b>Stockholders equity</b>                              | R\$           | <b>231,170</b>  | <b>246,030</b>  | <b>266,074</b>  | <b>261,206</b>  | <b>261,206</b>  |
| Net operating revenues                                  | R\$           | 77,727          | 92,816          | 93,602          | 146,180         | 410,325         |
| Cost of products  | R\$           | (63,576)        | (71,701)        | (61,711)        | (86,531)        | (283,519)       |
| Other expenses/revenues                                 | R\$           | (3,168)         | (1,218)         | (6,560)         | (14,275)        | (25,221)        |
| Depreciation, amortization and depletion                | R\$           | 3,332           | 3,600           | 2,826           | 3,235           | 12,993          |
| <b>EBITDA</b>   | R\$           | <b>14,315</b>   | <b>23,497</b>   | <b>28,157</b>   | <b>48,609</b>   | <b>114,578</b>  |
| Depreciation, amortization and depletion                | R\$           | (3,332)         | (3,600)         | (2,826)         | (3,235)         | (12,993)        |
| <b>EBIT</b>   | R\$           | <b>10,983</b>   | <b>19,897</b>   | <b>25,331</b>   | <b>45,374</b>   | <b>101,585</b>  |
| Impairment  | R\$           |                 |                 |                 |                 |                 |
| Net financial result                                    | R\$           | (597)           | 621             | (945)           | (1,767)         | (2,688)         |
| <b>Income before income tax and social contribution</b> | R\$           | <b>10,386</b>   | <b>20,518</b>   | <b>24,386</b>   | <b>43,607</b>   | <b>98,897</b>   |
| Income tax and social contribution                      | R\$           | (4,122)         | (5,652)         | (4,344)         | (5,980)         | (20,098)        |
| <b>Net income</b>                                       | R\$           | <b>6,264</b>    | <b>14,866</b>   | <b>20,042</b>   | <b>37,627</b>   | <b>78,799</b>   |

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8.6- Pelletizing Area - HISPANOBRÁS (Adjusted and Not Reviewed)

| Information   |                      | 2003          |               |               |    |               |
|---|----------------------|---------------|---------------|---------------|----|---------------|
|   |                      | 1Q            | 2Q            | 3Q            | 4Q | Total         |
| Quantity sold - external market                         | MT (thousand)        | 268           | 625           | 94            |    | 987           |
| Quantity sold - internal market                         | MT (thousand)        | 637           | 265           | 730           |    | 1,632         |
| <b>Quantity sold - total</b>                            | <b>MT (thousand)</b> | <b>905</b>    | <b>890</b>    | <b>824</b>    |    | <b>2,619</b>  |
| Average sales price - external market                   | US\$                 | 29.54         | 33.75         | 32.62         |    | 32.50         |
| Average sales price - internal market                   | US\$                 | 29.95         | 38.90         | 32.56         |    | 32.57         |
| <b>Average sales price - total</b>                      | <b>US\$</b>          | <b>29.75</b>  | <b>36.33</b>  | <b>32.59</b>  |    | <b>32.88</b>  |
| <b>Stockholders equity</b>                              | <b>R\$</b>           | <b>90,872</b> | <b>96,630</b> | <b>97,800</b> |    | <b>97,800</b> |
| Net operating revenues                                  | R\$                  | 94,344        | 93,258        | 78,906        |    | 266,508       |
| Cost of products  | R\$                  | (81,263)      | (85,278)      | (63,550)      |    | (230,091)     |
| Other expenses/income                                   | R\$                  | (1,783)       | 6,561         | (10,505)      |    | (5,727)       |
| Depreciation, amortization and depletion                | R\$                  | 2,386         | 2,400         | 2,442         |    | 7,228         |
| <b>EBITDA</b>   | <b>R\$</b>           | <b>13,684</b> | <b>16,941</b> | <b>7,293</b>  |    | <b>37,918</b> |
| Depreciation, amortization and depletion                | R\$                  | (2,386)       | (2,400)       | (2,442)       |    | (7,228)       |
| <b>EBIT</b>   | <b>R\$</b>           | <b>11,298</b> | <b>14,541</b> | <b>4,851</b>  |    | <b>30,690</b> |
| Impairment  | R\$                  |               |               | 159           |    | 159           |
| Net financial result                                    | R\$                  | (3,544)       | (6,871)       | 344           |    | (10,071)      |
| <b>Income before income tax and social contribution</b> | <b>R\$</b>           | <b>7,754</b>  | <b>7,670</b>  | <b>5,354</b>  |    | <b>20,778</b> |
| Income tax and social contribution                      | R\$                  | (3,264)       | 330           | (1,748)       |    | (4,682)       |
| <b>Net income</b>                                       | <b>R\$</b>           | <b>4,490</b>  | <b>8,000</b>  | <b>3,606</b>  |    | <b>16,096</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| Information                           |                      | 2002       |            |            |              |              |
|---------------------------------------|----------------------|------------|------------|------------|--------------|--------------|
|                                       |                      | 1Q         | 2Q         | 3Q         | 4Q           | Total        |
| Quantity sold - external market       | MT (thousand)        | 487        | 356        | 165        | 313          | 1,321        |
| Quantity sold - internal market       | MT (thousand)        | 420        | 480        | 520        | 826          | 2,246        |
| <b>Quantity sold - total</b>          | <b>MT (thousand)</b> | <b>907</b> | <b>836</b> | <b>685</b> | <b>1,139</b> | <b>3,567</b> |
| Average sales price - external market | US\$                 | 31.33      | 31.49      | 31.39      | 24.28        | 29.71        |



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|   |      |               |                |               |               |               |
|---|------|---------------|----------------|---------------|---------------|---------------|
| Average sales price - internal market                   | US\$ | 31.43         | 31.63          | 32.28         | 27.31         | 30.15         |
| <b>Average sales price - total</b>                      | US\$ | <b>31.38</b>  | <b>31.56</b>   | <b>32.07</b>  | <b>25.80</b>  | <b>29.77</b>  |
| <b>Stockholders equity</b>                              | R\$  | <b>85,476</b> | <b>85,790</b>  | <b>93,568</b> | <b>86,381</b> | <b>86,381</b> |
| Net operating revenues                                  | R\$  | 67,353        | 59,359         | 67,336        | 125,613       | 319,661       |
| Cost of products  | R\$  | (57,628)      | (55,855)       | (56,920)      | (105,712)     | (276,115)     |
| Other expenses/income                                   | R\$  | (2,202)       | (5,727)        | (3,360)       | (3,373)       | (14,662)      |
| Depreciation, amortization and depletion                | R\$  | 2,458         | 2,458          | 2,322         | 2,377         | 9,615         |
| <b>EBITDA</b>   | R\$  | <b>9,981</b>  | <b>235</b>     | <b>9,378</b>  | <b>18,905</b> | <b>38,499</b> |
| Depreciation, amortization and depletion                | R\$  | (2,458)       | (2,458)        | (2,322)       | (2,377)       | (9,615)       |
| <b>EBIT</b>   | R\$  | <b>7,523</b>  | <b>(2,223)</b> | <b>7,056</b>  | <b>16,528</b> | <b>28,884</b> |
| Impairment  | R\$  |               |                |               |               |               |
| Net financial result                                    | R\$  | 854           | 5,888          | 7,899         | (3,444)       | 11,197        |
| <b>Income before income tax and social contribution</b> | R\$  | <b>8,377</b>  | <b>3,665</b>   | <b>14,955</b> | <b>13,084</b> | <b>40,081</b> |
| Income tax and social contribution                      | R\$  | (3,362)       | (1,480)        | (5,395)       | (4,656)       | (14,893)      |
| <b>Net income</b>                                       | R\$  | <b>5,015</b>  | <b>2,185</b>   | <b>9,560</b>  | <b>8,428</b>  | <b>25,188</b> |

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8.7- Pelletizing Area - ITABRASCO (Adjusted and Not Reviewed)

| Information   |                      | 2003          |               |               |    |               |
|---|----------------------|---------------|---------------|---------------|----|---------------|
|   |                      | 1Q            | 2Q            | 3Q            | 4Q | Total         |
| Quantity sold - external market                         | MT (thousand)        | 306           | 778           | 838           |    | 1,922         |
| Quantity sold - internal market                         | MT (thousand)        | 507           | 65            |               | -  | 572           |
| <b>Quantity sold - total</b>                            | <b>MT (thousand)</b> | <b>813</b>    | <b>843</b>    | <b>838</b>    |    | <b>2,494</b>  |
| Average sales price - external market                   | US\$                 | 29.97         | 33.53         | 32.96         |    | 32.71         |
| Average sales price - internal market                   | US\$                 | 29.20         | 55.87         |               |    | 32.23         |
| <b>Average sales price - total</b>                      | <b>US\$</b>          | <b>29.54</b>  | <b>35.25</b>  | <b>32.96</b>  |    | <b>32.62</b>  |
| Short-term indebtedness, gross                          | US\$                 | 4,854         | 480           | 471           |    | 471           |
| <b>Total indebtedness, gross</b>                        | <b>US\$</b>          | <b>4,854</b>  | <b>480</b>    | <b>471</b>    |    | <b>471</b>    |
| <b>Stockholders equity</b>                              | <b>R\$</b>           | <b>59,216</b> | <b>65,064</b> | <b>68,819</b> |    | <b>68,819</b> |
| Net operating revenues                                  | R\$                  | 85,607        | 91,423        | 80,037        |    | 257,067       |
| Cost of products  | R\$                  | (73,246)      | (76,224)      | (73,297)      |    | (222,767)     |
| Other expenses/revenues                                 | R\$                  | (2,200)       | (1,123)       | (2,355)       |    | (5,678)       |
| Depreciation, amortization and depletion                | R\$                  | (379)         | (381)         | (416)         |    | (1,176)       |
| <b>EBITDA</b>   | <b>R\$</b>           | <b>9,782</b>  | <b>13,695</b> | <b>3,969</b>  |    | <b>27,446</b> |
| Depreciation, amortization and depletion                | R\$                  | 379           | 381           | 416           |    | 1,176         |
| <b>EBIT</b>   | <b>R\$</b>           | <b>10,161</b> | <b>14,076</b> | <b>4,385</b>  |    | <b>28,622</b> |
| Impairment  | R\$                  |               |               |               |    |               |
| Net financial result                                    | R\$                  | (3,441)       | (4,782)       | 1,798         |    | (6,425)       |
| <b>Income before income tax and social contribution</b> | <b>R\$</b>           | <b>6,720</b>  | <b>9,294</b>  | <b>6,183</b>  |    | <b>22,197</b> |
| Income tax and social contribution                      | R\$                  | (3,308)       | (3,446)       | (2,428)       |    | (9,182)       |
| <b>Net income</b>                                       | <b>R\$</b>           | <b>3,412</b>  | <b>5,848</b>  | <b>3,755</b>  |    | <b>13,015</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| Information                     |               | 2002 |     |     |     |       |
|---------------------------------|---------------|------|-----|-----|-----|-------|
|                                 |               | 1Q   | 2Q  | 3Q  | 4Q  | Total |
| Quantity sold - external market | MT (thousand) | 644  | 533 | 572 | 431 | 2,180 |
| Quantity sold - internal market | MT (thousand) | 233  | 169 | 243 | 482 | 1,127 |

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| <b>Quantity sold - total</b>                            | MT (thousand) | <b>877</b>    | <b>702</b>    | <b>815</b>    | <b>913</b>    | <b>3,307</b>  |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Average sales price - external market                   | US\$          | 31.16         | 28.46         | 29.96         | 30.01         | 29.71         |
| Average sales price - internal market                   | US\$          | 31.90         | 27.79         | 30.33         | 30.60         | 29.13         |
| <b>Average sales price - total</b>                      | US\$          | <b>31.35</b>  | <b>28.30</b>  | <b>30.06</b>  | <b>30.18</b>  | <b>29.51</b>  |
| Short-term indebtedness, gross                          | US\$          | 18,023        | 17,133        | 15,504        |               |               |
| <b>Total indebtedness, gross</b>                        | US\$          | <b>18,023</b> | <b>17,133</b> | <b>15,504</b> |               |               |
| <b>Stockholders equity</b>                              | R\$           | <b>60,230</b> | <b>65,720</b> | <b>78,454</b> | <b>55,804</b> | <b>55,804</b> |
| Net operating revenues                                  | R\$           | 65,575        | 49,920        | 79,980        | 94,340        | 289,815       |
| Cost of products  | R\$           | (56,551)      | (47,528)      | (66,616)      | (88,703)      | (259,398)     |
| Other expenses/revenues                                 | R\$           | (3,784)       | (2,224)       | (5,969)       | 3,872         | (8,105)       |
| Depreciation, amortization and depletion                | R\$           | 327           | 331           | 321           | 412           | 1,391         |
| <b>EBITDA</b>   | R\$           | <b>5,567</b>  | <b>499</b>    | <b>7,716</b>  | <b>9,921</b>  | <b>23,703</b> |
| Depreciation, amortization and depletion                | R\$           | (327)         | (331)         | (321)         | (412)         | (1,391)       |
| <b>EBIT</b>   | R\$           | <b>5,240</b>  | <b>168</b>    | <b>7,395</b>  | <b>9,509</b>  | <b>22,312</b> |
| Impairment  | R\$           |               |               |               |               |               |
| Net financial result                                    | R\$           | (636)         | 9,277         | 13,004        | (5,099)       | 16,546        |
| <b>Income before income tax and social contribution</b> | R\$           | <b>4,604</b>  | <b>9,445</b>  | <b>20,399</b> | <b>4,410</b>  | <b>38,858</b> |
| Income tax and social contribution                      | R\$           | (2,143)       | (3,954)       | (7,666)       | 2,019         | (11,744)      |
| <b>Net income</b>                                       | R\$           | <b>2,461</b>  | <b>5,491</b>  | <b>12,733</b> | <b>6,429</b>  | <b>27,114</b> |

## 8.8- Pelletizing Area - KOBRASCO (Adjusted and Not Reviewed)

|   |                  | 2003            |                 |                 |    |                 |
|---|------------------|-----------------|-----------------|-----------------|----|-----------------|
| Information   |                  | 1Q              | 2Q              | 3Q              | 4Q | Total           |
| Quantity sold - external market                         | MT<br>(thousand) | 453             | 667             | 800             |    | 1,920           |
| Quantity sold - internal market                         | MT<br>(thousand) | 681             | 461             | 200             | -  | 1,342           |
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>1,134</b>    | <b>1,128</b>    | <b>1,000</b>    | -  | <b>3,262</b>    |
| Average sales price - external market                   | US\$             | 29.89           | 29.98           | 33.57           |    | 31.45           |
| Average sales price - internal market                   | US\$             | 30.72           | 30.90           | 38.68           |    | 31.97           |
| <b>Average sales price - total</b>                      | US\$             | <b>30.39</b>    | <b>30.35</b>    | <b>34.59</b>    |    | <b>31.66</b>    |
| Long-term indebtedness, gross                           | US\$             | 123,624         | 102,229         | 102,417         |    | 102,417         |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>123,624</b>  | <b>102,229</b>  | <b>102,417</b>  | -  | <b>102,417</b>  |
| <b>Stockholders equity</b>                              | R\$              | <b>(89,160)</b> | <b>(53,817)</b> | <b>(49,072)</b> | -  | <b>(49,072)</b> |
| Net operating revenues                                  | R\$              | 116,656         | 101,678         | 101,713         |    | 320,047         |
| Cost of products  | R\$              | (95,131)        | (89,305)        | (82,257)        |    | (266,693)       |
| Other expenses/revenues                                 | R\$              | (7,537)         | (6,124)         | (3,256)         |    | (16,917)        |
| Depreciation, amortization and depletion                | R\$              | 2,262           | 2,269           | 2,268           |    | 6,799           |
| <b>EBITDA</b>   | R\$              | <b>16,250</b>   | <b>8,518</b>    | <b>18,468</b>   |    | <b>43,236</b>   |
| Depreciation, amortization and depletion                | R\$              | (2,262)         | (2,269)         | (2,268)         |    | (6,799)         |
| <b>EBIT</b>   | R\$              | <b>13,988</b>   | <b>6,249</b>    | <b>16,200</b>   |    | <b>36,437</b>   |
| Impairment  | R\$              |                 |                 |                 |    |                 |
| Result of equity investments                            | R\$              |                 |                 |                 |    |                 |
| Net financial result                                    | R\$              | 18,296          | 49,781          | (7,653)         |    | 60,424          |
| <b>Income before income tax and social contribution</b> | R\$              | <b>32,284</b>   | <b>56,030</b>   | <b>8,547</b>    |    | <b>96,861</b>   |
| Income tax and social contribution                      | R\$              | (14,094)        | (20,687)        | (3,802)         |    | (38,583)        |
| <b>Net income</b>                                       | R\$              | <b>18,190</b>   | <b>35,343</b>   | <b>4,745</b>    |    | <b>58,278</b>   |

[Additional columns below]

[Continued from above table, first column(s) repeated]

|             |  | 2002 |    |    |    |       |
|-------------|--|------|----|----|----|-------|
| Information |  | 1Q   | 2Q | 3Q | 4Q | Total |

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|   |                  |                |                 |                  |                  |                  |
|---|------------------|----------------|-----------------|------------------|------------------|------------------|
| Quantity sold - external market                         | MT<br>(thousand) | 436            | 534             | 850              | 1,074            | 2,894            |
| Quantity sold - internal market                         | MT<br>(thousand) | 420            | 478             |                  | 242              | 1,140            |
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>856</b>     | <b>1,012</b>    | <b>850</b>       | <b>1,316</b>     | <b>4,034</b>     |
| Average sales price - external market                   | US\$             | 31.31          | 29.34           | 29.47            | 29.89            | 29.88            |
| Average sales price - internal market                   | US\$             | 32.08          | 29.24           |                  | 30.32            | 30.51            |
| <b>Average sales price - total</b>                      | US\$             | <b>31.69</b>   | <b>29.30</b>    | <b>29.47</b>     | <b>29.97</b>     | <b>30.09</b>     |
| Long-term indebtedness, gross                           | US\$             | 149,583        | 143,378         | 147,150          | 114,489          | 114,489          |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>149,583</b> | <b>143,378</b>  | <b>147,150</b>   | <b>114,489</b>   | <b>114,489</b>   |
| <b>Stockholders equity</b>                              | R\$              | <b>16,608</b>  | <b>(32,692)</b> | <b>(124,990)</b> | <b>(107,350)</b> | <b>(107,350)</b> |
| Net operating revenues                                  | R\$              | 63,984         | 72,449          | 74,427           | 143,092          | 353,952          |
| Cost of products  | R\$              | (50,027)       | (67,075)        | (60,393)         | (111,687)        | (289,182)        |
| Other expenses/revenues                                 | R\$              | (4,062)        | (2,119)         | (7,424)          | (29,062)         | (42,667)         |
| Depreciation, amortization and depletion                | R\$              | 2,248          | 2,248           | 2,250            | 2,253            | 8,999            |
| <b>EBITDA</b>   | R\$              | <b>12,143</b>  | <b>5,503</b>    | <b>8,860</b>     | <b>4,596</b>     | <b>31,102</b>    |
| Depreciation, amortization and depletion                | R\$              | (2,248)        | (2,248)         | (2,250)          | (2,253)          | (8,999)          |
| <b>EBIT</b>   | R\$              | <b>9,895</b>   | <b>3,255</b>    | <b>6,610</b>     | <b>2,343</b>     | <b>22,103</b>    |
| Impairment  | R\$              |                |                 |                  |                  |                  |
| Result of equity investments                            | R\$              | 57             | 939             | 1,766            | (3,097)          | (335)            |
| Net financial result                                    | R\$              | (3,811)        | (78,006)        | (147,117)        | 45,279           | (183,655)        |
| <b>Income before income tax and social contribution</b> | R\$              | <b>6,141</b>   | <b>(73,812)</b> | <b>(138,741)</b> | <b>44,525</b>    | <b>(161,887)</b> |
| Income tax and social contribution                      | R\$              | (3,093)        | 24,511          | 46,445           | (26,886)         | 40,977           |
| <b>Net income</b>                                       | R\$              | <b>3,048</b>   | <b>(49,301)</b> | <b>(92,296)</b>  | <b>17,639</b>    | <b>(120,910)</b> |

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## 8.9- Pelletizing Area - NIBRASCO (Adjusted and Not Reviewed)

| Information   |                  | 2003          |                |               |          |               |
|---|------------------|---------------|----------------|---------------|----------|---------------|
|   |                  | 1Q            | 2Q             | 3Q            | 4Q       | Total         |
| Quantity sold - external market                         | MT<br>(thousand) | 469           | 513            | 509           | -        | 1,491         |
| Quantity sold - internal market - CVRD                  | MT<br>(thousand) | 1,303         | 1,180          | 1,085         | -        | 3,568         |
| Quantity sold - internal market - Others                | MT<br>(thousand) | 28            | 26             | 32            | -        | 86            |
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>1,800</b>  | <b>1,719</b>   | <b>1,626</b>  | <b>-</b> | <b>5,145</b>  |
| Average sales price - external market                   | US\$             | 28.76         | 27.69          | 32.96         | -        | 29.83         |
| Average sales price - internal market                   | US\$             | 27.38         | 28.23          | 34.18         | -        | 29.73         |
| <b>Average sales price - total</b>                      | US\$             | <b>27.75</b>  | <b>28.07</b>   | <b>33.79</b>  | <b>-</b> | <b>29.76</b>  |
| Long-term indebtedness, gross                           | US\$             | 1,200         | -              | -             | -        | 1,200         |
| Short-term indebtedness, gross                          | US\$             | 2,400         | 2,400          | 2,400         | -        | 7,200         |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>3,600</b>  | <b>2,400</b>   | <b>2,400</b>  | <b>-</b> | <b>7,200</b>  |
| <b>Stockholders equity</b>                              | R\$              | <b>87,365</b> | <b>82,347</b>  | <b>98,875</b> | <b>-</b> | <b>98,875</b> |
| Net operating revenues                                  | R\$              | 174,765       | 147,060        | 173,854       | -        | 495,679       |
| Cost of products  | R\$              | (167,405)     | (152,620)      | (155,759)     | -        | (475,784)     |
| Other expenses/revenues                                 | R\$              | (1,805)       | (1,879)        | (1,261)       | -        | (4,945)       |
| Depreciation, amortization and depletion                | R\$              | 4,179         | 4,061          | 3,368         | -        | 11,608        |
| <b>EBITDA</b>   | R\$              | <b>9,734</b>  | <b>(3,378)</b> | <b>20,202</b> | <b>-</b> | <b>26,558</b> |
| Depreciation, amortization and depletion                | R\$              | (4,179)       | (4,061)        | (3,368)       | -        | (11,608)      |
| <b>EBIT</b>   | R\$              | <b>5,555</b>  | <b>(7,439)</b> | <b>16,834</b> | <b>-</b> | <b>14,950</b> |
| Impairment  | R\$              | -             | -              | 2,289         | -        | 2,289         |
| Net financial result                                    | R\$              | 1,341         | 2,359          | (4,718)       | -        | (1,018)       |
| <b>Income before income tax and social contribution</b> | R\$              | <b>6,896</b>  | <b>(5,080)</b> | <b>14,405</b> | <b>-</b> | <b>16,221</b> |
| Income tax and social contribution                      | R\$              | (3,728)       | 64             | 2,124         | -        | (1,540)       |
| <b>Net income</b>                                       | R\$              | <b>3,168</b>  | <b>(5,016)</b> | <b>16,529</b> | <b>-</b> | <b>14,681</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Information   |                  | 1Q             | 2Q            | 3Q            | 4Q             | Total          |
|---|------------------|----------------|---------------|---------------|----------------|----------------|
| Quantity sold - external market                         | MT<br>(thousand) | 407            | 686           | 290           | 783            | 2,166          |
| Quantity sold - internal market - CVRD                  | MT<br>(thousand) | 584            | 1,544         | 1,520         | 1,301          | 4,949          |
| Quantity sold - internal market - Others                | MT<br>(thousand) | 9              | 27            | 32            | 32             | 100            |
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>1,000</b>   | <b>2,257</b>  | <b>1,842</b>  | <b>2,116</b>   | <b>7,215</b>   |
| Average sales price - external market                   | US\$             | 30.25          | 30.88         | 27.39         | 28.95          | 29.60          |
| Average sales price - internal market                   | US\$             | 30.49          | 31.58         | 25.69         | 28.25          | 28.77          |
| <b>Average sales price - total</b>                      | US\$             | <b>30.39</b>   | <b>31.36</b>  | <b>25.96</b>  | <b>28.52</b>   | <b>29.01</b>   |
| Long-term indebtedness, gross                           | US\$             | 3,600          | 2,400         | 2,400         | 1,200          | 1,200          |
| Short-term indebtedness, gross                          | US\$             | 2,484          | 2,400         | 2,436         | 2,400          | 2,400          |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>6,084</b>   | <b>4,800</b>  | <b>4,836</b>  | <b>3,600</b>   | <b>3,600</b>   |
| <b>Stockholders equity</b>                              | R\$              | <b>78,682</b>  | <b>84,259</b> | <b>88,040</b> | <b>101,698</b> | <b>101,698</b> |
| Net operating revenues                                  | R\$              | 70,936         | 163,815       | 162,232       | 220,381        | 617,364        |
| Cost of products  | R\$              | (70,397)       | (144,430)     | (148,056)     | (190,547)      | (553,430)      |
| Other expenses/revenues                                 | R\$              | (2,404)        | (5,035)       | (4,201)       | (8,326)        | (19,966)       |
| Depreciation, amortization and depletion                | R\$              | 4,217          | 4,218         | 4,218         | 4,206          | 16,859         |
| <b>EBITDA</b>   | R\$              | <b>2,352</b>   | <b>18,568</b> | <b>14,193</b> | <b>25,714</b>  | <b>60,827</b>  |
| Depreciation, amortization and depletion                | R\$              | (4,217)        | (4,218)       | (4,218)       | (4,206)        | (16,859)       |
| <b>EBIT</b>   | R\$              | <b>(1,865)</b> | <b>14,350</b> | <b>9,975</b>  | <b>21,508</b>  | <b>43,968</b>  |
| Impairment  | R\$              |                |               |               |                |                |
| Net financial result                                    | R\$              | (2,463)        | (4,034)       | (2,136)       | 883            | (7,750)        |
| <b>Income before income tax and social contribution</b> | R\$              | <b>(4,328)</b> | <b>10,316</b> | <b>7,839</b>  | <b>22,391</b>  | <b>36,218</b>  |
| Income tax and social contribution                      | R\$              | 66             | (4,737)       | (4,062)       | (8,732)        | (17,465)       |
| <b>Net income</b>                                       | R\$              | <b>(4,262)</b> | <b>5,579</b>  | <b>3,777</b>  | <b>13,659</b>  | <b>18,753</b>  |

## 8.10- Pelletizing Area - SAMARCO (Adjusted and Not Reviewed)

| Information   |                  | 2003           |                |                |    |                |
|---|------------------|----------------|----------------|----------------|----|----------------|
|   |                  | 1Q             | 2Q             | 3Q             | 4Q | Total          |
| Quantity sold - external market                         | MT<br>(thousand) | 3,338          | 3,339          | 3,359          |    | 10,036         |
| Quantity sold - internal market - CVRD                  | MT<br>(thousand) | 650            | 938            | 569            | -  | 2,157          |
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>3,988</b>   | <b>4,277</b>   | <b>3,928</b>   | -  | <b>12,193</b>  |
| Average sales price - external market                   | US\$             | 29.78          | 35.03          | 35.47          |    | 33.43          |
| Average sales price - internal market                   | US\$             | 16.39          | 16.57          | 17.56          |    | 16.78          |
| <b>Average sales price - total</b>                      | US\$             | <b>27.59</b>   | <b>30.98</b>   | <b>32.88</b>   |    | <b>30.48</b>   |
| Long-term indebtedness, gross                           | US\$             | 56,240         | 50,037         | 37,633         |    | 37,633         |
| Short-term indebtedness, gross                          | US\$             | 123,271        | 137,697        | 135,558        |    | 135,558        |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>179,511</b> | <b>187,734</b> | <b>173,191</b> |    | <b>173,191</b> |
| <b>Stockholders equity</b>                              | R\$              | <b>627,216</b> | <b>641,120</b> | <b>658,437</b> |    | <b>658,437</b> |
| Net operating revenues                                  | R\$              | 360,773        | 370,862        | 348,066        |    | 1,079,701      |
| Cost of products  | R\$              | (162,899)      | (166,282)      | (163,038)      |    | (492,219)      |
| Other expenses  | R\$              | (10,940)       | (47,558)       | (33,311)       |    | (91,809)       |
| Depreciation, amortization and depletion                | R\$              | 9,955          | 10,899         | 10,867         |    | 31,721         |
| <b>EBITDA</b>   | R\$              | <b>196,889</b> | <b>167,921</b> | <b>162,584</b> |    | <b>527,394</b> |
| Depreciation, amortization and depletion                | R\$              | (9,955)        | (10,899)       | (10,867)       |    | (31,721)       |
| <b>EBIT</b>   | R\$              | <b>186,934</b> | <b>157,022</b> | <b>151,717</b> |    | <b>495,673</b> |
| Impairment  | R\$              |                | (36,639)       |                |    | (36,639)       |
| Result of equity investments                            | R\$              | (2,699)        | 17,512         | (8,392)        |    | 6,421          |
| Net financial result                                    | R\$              | (499)          | 24,817         | (14,011)       |    | 10,307         |
| <b>Income before income tax and social contribution</b> | R\$              | <b>183,736</b> | <b>162,712</b> | <b>129,314</b> |    | <b>475,762</b> |
| Income tax and social contribution                      | R\$              | (44,283)       | (20,477)       | (24,490)       |    | (89,250)       |
| <b>Net income</b>                                       | R\$              | <b>139,453</b> | <b>142,235</b> | <b>104,824</b> |    | <b>386,512</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

2002



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| Information   |                  | 1Q             | 2Q              | 3Q              | 4Q             | Total          |
|---|------------------|----------------|-----------------|-----------------|----------------|----------------|
| Quantity sold - external market                         | MT<br>(thousand) | 2,629          | 2,886           | 3,275           | 3,370          | 12,160         |
| Quantity sold - internal market - CVRD                  | MT<br>(thousand) | 672            | 550             | 596             | 464            | 2,282          |
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>3,301</b>   | <b>3,436</b>    | <b>3,871</b>    | <b>3,834</b>   | <b>14,442</b>  |
| Average sales price - external market                   | US\$             | 32.03          | 31.42           | 30.13           | 31.27          | 31.16          |
| Average sales price - internal market                   | US\$             | 14.59          | 14.95           | 15.81           | 14.30          | 14.94          |
| <b>Average sales price - total</b>                      | US\$             | <b>28.48</b>   | <b>28.78</b>    | <b>27.93</b>    | <b>29.22</b>   | <b>28.60</b>   |
| Long-term indebtedness, gross                           | US\$             | 92,788         | 86,584          | 76,181          | 66,644         | 66,644         |
| Short-term indebtedness, gross                          | US\$             | 169,170        | 180,539         | 169,538         | 141,754        | 141,754        |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>261,958</b> | <b>267,123</b>  | <b>245,719</b>  | <b>208,398</b> | <b>208,398</b> |
| <b>Stockholders equity</b>                              | R\$              | <b>510,038</b> | <b>417,935</b>  | <b>344,369</b>  | <b>493,837</b> | <b>493,837</b> |
| Net operating revenues                                  | R\$              | 212,909        | 239,124         | 310,720         | 397,853        | 1,160,606      |
| Cost of products  | R\$              | (108,837)      | (114,932)       | (138,102)       | (144,512)      | (506,383)      |
| Other expenses  | R\$              | (20,397)       | (28,730)        | (44,607)        | (21,058)       | (114,792)      |
| Depreciation, amortization and depletion                | R\$              | 7,897          | 9,358           | 9,043           | 8,835          | 35,133         |
| <b>EBITDA</b>   | R\$              | <b>91,572</b>  | <b>104,820</b>  | <b>137,054</b>  | <b>241,118</b> | <b>574,564</b> |
| Depreciation, amortization and depletion                | R\$              | (7,897)        | (9,358)         | (9,043)         | (8,835)        | (35,133)       |
| <b>EBIT</b>   | R\$              | <b>83,675</b>  | <b>95,462</b>   | <b>128,011</b>  | <b>232,283</b> | <b>539,431</b> |
| Impairment  | R\$              |                |                 |                 |                |                |
| Result of equity investments                            | R\$              | 2,155          | (11,985)        | (42,146)        | 17,045         | (34,931)       |
| Net financial result                                    | R\$              | (15,179)       | (95,410)        | (162,908)       | 27,423         | (246,074)      |
| <b>Income before income tax and social contribution</b> | R\$              | <b>70,651</b>  | <b>(11,933)</b> | <b>(77,043)</b> | <b>276,751</b> | <b>258,426</b> |
| Income tax and social contribution                      | R\$              | (12,555)       | (7,431)         | 3,671           | (41,658)       | (57,973)       |
| <b>Net income</b>                                       | R\$              | <b>58,096</b>  | <b>(19,364)</b> | <b>(73,372)</b> | <b>235,093</b> | <b>200,453</b> |

CVRD

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## 8.11- Pelletizing Area - GIIC (Adjusted and Not Reviewed)

| Information                              |           | 2003           |                |                |    |                |
|--|-----------|----------------|----------------|----------------|----|----------------|
|  |           | 1Q (*)         | 2Q             | 3Q             | 4Q | Total          |
| Quantity sold - external market          | ton (mil) | 772            | 1,178          | 900            | -  | 2,850          |
| <b>Quantity sold - total</b>             | ton (mil) | <b>772</b>     | <b>1,178</b>   | <b>900</b>     | -  | <b>2,850</b>   |
| Average sales price - external market    | US\$      | 41.00          | 43.30          | 41             | -  | 42.01          |
| <b>Average sales price - total</b>       | US\$      | <b>41.00</b>   | <b>43.30</b>   | <b>41</b>      | -  | <b>42.01</b>   |
| Long-term indebtedness, gross            | US\$      | 35,000         | 35,000         | 30,000         | -  | 30,000         |
| <b>Total indebtedness, gross</b>         | US\$      | <b>35,000</b>  | <b>35,000</b>  | <b>30,000</b>  | -  | <b>30,000</b>  |
| <b>Stockholders equity</b>               | R\$       | <b>225,520</b> | <b>242,118</b> | <b>218,186</b> | -  | <b>218,186</b> |
| Net operating revenues                   | R\$       | 100,559        | 139,660        | 120,032        | -  | 360,251        |
| Cost of products                         | R\$       | (78,057)       | (106,465)      | (88,418)       | -  | (272,940)      |
| Other expenses                           | R\$       | (9,416)        | (10,038)       | (11,702)       | -  | (31,156)       |
| Depreciation, amortization and depletion | R\$       | 3,038          | 505            | 2,804          | -  | 6,347          |
| <b>EBITDA</b>                            | R\$       | <b>16,124</b>  | <b>23,662</b>  | <b>22,716</b>  | -  | <b>62,502</b>  |
| Depreciation, amortization and depletion | R\$       | (3,038)        | (505)          | (2,804)        | -  | (6,347)        |
| <b>EBIT</b>                              | R\$       | <b>13,086</b>  | <b>23,157</b>  | <b>19,912</b>  | -  | <b>56,155</b>  |
| Impairment                               | R\$       | -              | -              | -              | -  | -              |
| Gain/loss in translation of currency     | R\$       | -              | (1,792)        | 587            | -  | (1,205)        |
| Net financial result                     | R\$       | (574)          | (847)          | (585)          | -  | (2,006)        |
| <b>Net income</b>                        | R\$       | <b>12,512</b>  | <b>20,518</b>  | <b>19,914</b>  | -  | <b>52,944</b>  |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| Information                           |           | 2002         |              |              |              |              |
|---------------------------------------|-----------|--------------|--------------|--------------|--------------|--------------|
|                                       |           | 1Q           | 2Q           | 3Q           | 4Q           | Total        |
| Quantity sold - external market       | ton (mil) | 823          | 676          | 643          | 932          | 3,074        |
| <b>Quantity sold - total</b>          | ton (mil) | <b>823</b>   | <b>676</b>   | <b>643</b>   | <b>932</b>   | <b>3,074</b> |
| Average sales price - external market | US\$      | 41.76        | 40.30        | 41.55        | 40.40        | 40.98        |
| <b>Average sales price - total</b>    | US\$      | <b>41.76</b> | <b>40.30</b> | <b>41.55</b> | <b>40.40</b> | <b>40.98</b> |

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|  |      |                |                |                |                |                |
|--|------|----------------|----------------|----------------|----------------|----------------|
| Long-term indebtedness, gross            | US\$ | 40,000         | 40,000         | 40,000         | 35,000         | 35,000         |
| <b>Total indebtedness, gross</b>         | US\$ | <b>40,000</b>  | <b>40,000</b>  | <b>40,000</b>  | <b>35,000</b>  | <b>35,000</b>  |
| <b>Stockholders equity</b>               | R\$  | <b>154,278</b> | <b>193,243</b> | <b>271,537</b> | <b>257,226</b> | <b>257,226</b> |
| Net operating revenues                   | R\$  | 79,867         | 77,447         | 104,072        | 133,025        | 394,411        |
| Cost of products                         | R\$  | (68,514)       | (67,518)       | (97,135)       | (109,373)      | (342,540)      |
| Other expenses                           | R\$  | (2,469)        | (5,654)        | 829            | (11,119)       | (18,413)       |
| Depreciation, amortization and depletion | R\$  | 3,365          | 4,167          | 5,761          | 5,268          | 18,561         |
| <b>EBITDA</b>                            | R\$  | <b>12,249</b>  | <b>8,442</b>   | <b>13,527</b>  | <b>17,801</b>  | <b>52,019</b>  |
| Depreciation, amortization and depletion | R\$  | (3,365)        | (4,167)        | (5,761)        | (5,268)        | (18,561)       |
| <b>EBIT</b>                              | R\$  | <b>8,884</b>   | <b>4,275</b>   | <b>7,766</b>   | <b>12,533</b>  | <b>33,458</b>  |
| Impairment                               | R\$  |                |                |                |                |                |
| Gain/loss in translation of currency     | R\$  |                | 1,716          | 1,044          | 2,376          | 5,136          |
| Net financial result                     | R\$  | 167            | 111            | (845)          | (1,617)        | (2,184)        |
| <b>Net income</b>                        | R\$  | <b>9,051</b>   | <b>6,102</b>   | <b>7,965</b>   | <b>13,292</b>  | <b>36,410</b>  |

(\* ) The figures refers to the statements as of february/03.

## 8.12- Iron Ore Area - FERTECO (Adjusted and Not Reviewed)

| Information   |                  | 2003           |                |                |          |                |
|---|------------------|----------------|----------------|----------------|----------|----------------|
|   |                  | 1Q             | 2Q             | 3Q             | 4Q       | Total          |
| Quantity sold - external market - iron ore              | MT<br>(thousand) | 3,503          | 2,917          | 1,417          |          | 7,837          |
| Quantity sold - internal market - iron ore              | MT<br>(thousand) | 1,376          | 1,509          | 1,433          | -        | 4,318          |
| <b>Quantity sold - total - iron ore</b>                 | MT<br>(thousand) | <b>4,879</b>   | <b>4,426</b>   | <b>2,850</b>   | <b>-</b> | <b>12,155</b>  |
| Quantity sold - external market - pellets               | MT<br>(thousand) | 358            | 514            | 393            |          | 1,265          |
| Quantity sold - internal market - pellets               | MT<br>(thousand) | 498            | 661            | 364            | -        | 1,523          |
| <b>Quantity sold - total - pellets</b>                  | MT<br>(thousand) | <b>856</b>     | <b>1,175</b>   | <b>757</b>     | <b>-</b> | <b>2,788</b>   |
| Average sales price - external market - iron ore        | US\$             | 16.29          | 18.82          | 19.38          |          | 17.79          |
| Average sales price - internal market - iron ore        | US\$             | 7.73           | 8.69           | 7.96           |          | 8.14           |
| <b>Average sales price - total - iron ore</b>           | US\$             | <b>13.87</b>   | <b>13.67</b>   | <b>13.64</b>   |          | <b>13.74</b>   |
| Average sales price - external market - pellets         | US\$             | 28.51          | 31.05          | 31.85          |          | 30.58          |
| Average sales price - internal market - pellets         | US\$             | 30.40          | 32.42          | 33.05          |          | 31.91          |
| <b>Average sales price - total - pellets</b>            | US\$             | <b>29.62</b>   | <b>31.82</b>   | <b>32.42</b>   |          | <b>31.31</b>   |
| Long-term indebtedness, gross                           | US\$             | 82,374         | 77,551         | 78,482         |          | 78,482         |
| Short-term indebtedness, gross                          | US\$             | 9,567          |                |                | -        |                |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>91,941</b>  | <b>77,551</b>  | <b>78,482</b>  | <b>-</b> | <b>78,482</b>  |
| <b>Stockholders equity</b>                              | R\$              | <b>707,540</b> | <b>807,031</b> | <b>850,024</b> | <b>-</b> | <b>850,024</b> |
| Net operating revenues                                  | R\$              | 310,773        | 299,390        | 185,313        |          | 795,476        |
| Cost of products  | R\$              | (181,193)      | (149,742)      | (110,647)      |          | (441,582)      |
| Other expenses  | R\$              | (23,126)       | (25,051)       | (26,023)       |          | (74,200)       |
| Depreciation, amortization and depletion                | R\$              | 24,643         | 25,542         | 17,353         |          | 67,538         |
| <b>EBITDA</b>   | R\$              | <b>131,097</b> | <b>150,139</b> | <b>65,996</b>  |          | <b>347,232</b> |
| Depreciation, amortization and depletion                | R\$              | (24,643)       | (25,542)       | (17,353)       |          | (67,538)       |
| <b>EBIT</b>   | R\$              | <b>106,454</b> | <b>124,597</b> | <b>48,643</b>  |          | <b>279,694</b> |
| Impairment  | R\$              |                |                | 792            |          | 792            |
| Result of equity investments                            | R\$              | 3,830          | 8,770          | 12,132         |          | 24,732         |
| Net financial result                                    | R\$              | (8,537)        | 6,786          | 4,942          |          | 3,191          |
| <b>Income before income tax and social contribution</b> | R\$              | <b>101,747</b> | <b>140,153</b> | <b>66,509</b>  | <b>-</b> | <b>308,409</b> |

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|                                    |     |               |                |               |   |                |
|------------------------------------|-----|---------------|----------------|---------------|---|----------------|
| Income tax and social contribution | R\$ | (12,869)      | (28,646)       | (23,515)      | - | (65,030)       |
| <b>Net income</b>                  | R\$ | <b>88,878</b> | <b>111,507</b> | <b>42,994</b> | - | <b>243,379</b> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

|  |                  | 2002           |                |                |                |                |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| Information                                      |                  | 1Q             | 2Q             | 3Q             | 4Q             | Total          |
| Quantity sold - external market - iron ore       | MT<br>(thousand) | 2,020          | 2,713          | 2,769          | 2,142          | 9,644          |
| Quantity sold - internal market - iron ore       | MT<br>(thousand) | 512            | 832            | 1,594          | 1,146          | 4,084          |
| <b>Quantity sold - total - iron ore</b>          | MT<br>(thousand) | <b>2,532</b>   | <b>3,545</b>   | <b>4,363</b>   | <b>3,288</b>   | <b>13,728</b>  |
| Quantity sold - external market - pellets        | MT<br>(thousand) | 448            | 736            | 554            | 645            | 2,383          |
| Quantity sold - internal market - pellets        | MT<br>(thousand) | 277            | 498            | 703            | 697            | 2,175          |
| <b>Quantity sold - total - pellets</b>           | MT<br>(thousand) | <b>725</b>     | <b>1,234</b>   | <b>1,257</b>   | <b>1,342</b>   | <b>4,558</b>   |
| Average sales price - external market - iron ore | US\$             | 16.53          | 17.32          | 16.38          | 16.56          | 16.76          |
| Average sales price - internal market - iron ore | US\$             | 3.71           | 6.20           | 6.47           | 5.42           | 6.02           |
| <b>Average sales price - total - iron ore</b>    | US\$             | <b>14.59</b>   | <b>14.70</b>   | <b>12.66</b>   | <b>12.68</b>   | <b>13.46</b>   |
| Average sales price - external market - pellets  | US\$             | 28.08          | 29.68          | 26.78          | 28.73          | 28.45          |
| Average sales price - internal market - pellets  | US\$             | 19.02          | 23.15          | 23.38          | 19.73          | 21.60          |
| <b>Average sales price - total - pellets</b>     | US\$             | <b>26.63</b>   | <b>27.05</b>   | <b>24.88</b>   | <b>24.06</b>   | <b>25.18</b>   |
| Long-term indebtedness, gross                    | US\$             | 94,359         | 88,367         | 74,490         | 82,375         | 82,375         |
| Short-term indebtedness, gross                   | US\$             | 55,244         | 58,473         | 51,922         | 22,815         | 22,815         |
| <b>Total indebtedness, gross</b>                 | US\$             | <b>149,603</b> | <b>146,840</b> | <b>126,412</b> | <b>105,190</b> | <b>105,190</b> |
| <b>Stockholders equity</b>                       | R\$              | <b>215,058</b> | <b>544,020</b> | <b>568,381</b> | <b>618,663</b> | <b>618,663</b> |
| Net operating revenues                           | R\$              | 126,852        | 195,290        | 302,477        | 293,099        | 917,718        |
| Cost of products                                 | R\$              | (70,019)       | (127,765)      | (186,549)      | (140,851)      | (525,184)      |
| Other expenses                                   | R\$              | (12,697)       | (28,951)       | (14,889)       | (99,739)       | (156,276)      |
| Depreciation, amortization and depletion         | R\$              | 7,273          | 24,542         | 23,173         | 23,896         | 78,884         |
| <b>EBITDA</b>                                    | R\$              | <b>51,409</b>  | <b>63,116</b>  | <b>124,212</b> | <b>76,405</b>  | <b>315,142</b> |
| Depreciation, amortization and depletion         | R\$              | (7,273)        | (24,542)       | (23,173)       | (23,896)       | (78,884)       |

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|   |     |                   |                   |                   |                   |                   |
|---|-----|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>EBIT</b>   | R\$ | <b>44,136</b>     | <b>38,574</b>     | <b>101,039</b>    | <b>52,509</b>     | <b>236,258</b>    |
| Impairment  | R\$ |                   |                   |                   |                   |                   |
| Result of equity investments                            | R\$ | 9                 | (28,710)          | (20,327)          | 21,852            | (27,176)          |
| Net financial result                                    | R\$ | (4,575)           | (44,260)          | (59,169)          | 6,631             | (101,373)         |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Income before income tax and social contribution</b> | R\$ | <b>39,570</b>     | <b>(34,396)</b>   | <b>21,543</b>     | <b>80,992</b>     | <b>107,709</b>    |
| Income tax and social contribution                      | R\$ | (10,519)          | 24,344            | 2,818             | (30,710)          | (14,067)          |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Net income</b>                                       | R\$ | <b>29,051</b>     | <b>(10,052)</b>   | <b>24,361</b>     | <b>50,282</b>     | <b>93,642</b>     |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

The Company was incorporated on 08/29/03.

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## 8.13- Manganese and Ferroalloys Area - SIBRA (Adjusted and Not Reviewed)

| Information   |                  | 2003           |                |                |          |                |
|---|------------------|----------------|----------------|----------------|----------|----------------|
|   |                  | 1Q             | 2Q             | 3Q             | 4Q       | Total          |
| Quantity sold - external market - ferroalloys           | MT<br>(thousand) | 30             | 40             | 47             |          | 117            |
| Quantity sold - internal market - ferroalloys           | MT<br>(thousand) | 37             | 38             | 43             | -        | 118            |
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>67</b>      | <b>78</b>      | <b>90</b>      | <b>-</b> | <b>235</b>     |
| Quantity sold - external market - manganese             | MT<br>(thousand) | 147            | 306            | 261            |          | 714            |
| Quantity sold - internal market - manganese             | MT<br>(thousand) | 94             | 76             | 83             | -        | 253            |
| <b>Quantity sold - total</b>                            | MT<br>(thousand) | <b>241</b>     | <b>382</b>     | <b>344</b>     | <b>-</b> | <b>967</b>     |
| Average sales price - external market - ferroalloys     | US\$             | 573.88         | 549.79         | 534.97         |          | 550.01         |
| Average sales price - internal market - ferroalloys     | US\$             | 505.02         | 664.75         | 607.37         |          | 593.76         |
| <b>Average sales price - total</b>                      | US\$             | <b>536.68</b>  | <b>606.47</b>  | <b>569.57</b>  |          | <b>572.44</b>  |
| Average sales price - external market - manganese       | US\$             | 46.71          | 42.17          | 43.96          |          | 43.76          |
| Average sales price - internal market - manganese       | US\$             | 36.35          | 46.00          | 50.48          |          | 43.88          |
| <b>Average sales price - total</b>                      | US\$             | <b>42.65</b>   | <b>42.93</b>   | <b>45.52</b>   |          | <b>43.78</b>   |
| Long-term indebtedness, gross                           | US\$             | 19,812         | 38,962         | 39,371         |          | 39,371         |
| Short-term indebtedness, gross                          | US\$             | 36,783         | 24,688         | 18,237         |          | 18,237         |
| <b>Total indebtedness, gross</b>                        | US\$             | <b>56,595</b>  | <b>63,650</b>  | <b>57,608</b>  | <b>-</b> | <b>57,608</b>  |
| <b>Stockholders equity</b>                              | R\$              | <b>310,314</b> | <b>336,058</b> | <b>365,275</b> | <b>-</b> | <b>365,275</b> |
| Net operating revenues                                  | R\$              | 142,185        | 171,284        | 177,162        |          | 490,631        |
| Cost of products  | R\$              | (83,873)       | (93,166)       | (111,927)      |          | (288,966)      |
| Other expenses/revenues                                 | R\$              | (22,569)       | (27,377)       | (28,233)       |          | (78,179)       |
| Depreciation, amortization and depletion                | R\$              | 5,456          | 6,238          | 5,852          |          | 17,546         |
| <b>EBITDA</b>   | R\$              | <b>41,199</b>  | <b>56,979</b>  | <b>42,854</b>  | <b>-</b> | <b>141,032</b> |
| Depreciation, amortization and depletion                | R\$              | (5,456)        | (6,238)        | (5,852)        |          | (17,546)       |
| <b>EBIT</b>   | R\$              | <b>35,743</b>  | <b>50,741</b>  | <b>37,002</b>  | <b>-</b> | <b>123,486</b> |
| Impairment  | R\$              |                |                | 366            |          | 366            |
| Net financial result                                    | R\$              | (11,168)       | (18,623)       | (6,388)        |          | (36,179)       |
| <b>Income before income tax and social contribution</b> | R\$              | <b>24,575</b>  | <b>32,118</b>  | <b>30,980</b>  | <b>-</b> | <b>87,673</b>  |
| Income tax and social contribution                      | R\$              | (6,255)        | (7,496)        | (1,763)        |          | (15,514)       |

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|                   |     |               |               |               |   |               |
|-------------------|-----|---------------|---------------|---------------|---|---------------|
| <b>Net income</b> | R\$ | <u>18,320</u> | <u>24,622</u> | <u>29,217</u> | - | <u>72,159</u> |
|-------------------|-----|---------------|---------------|---------------|---|---------------|

[Additional columns below]

[Continued from above table, first column(s) repeated]

|   |                  | 2002           |                |                |                |                |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Information</b>                                  |                  | <b>1Q</b>      | <b>2Q</b>      | <b>3Q</b>      | <b>4Q</b>      | <b>Total</b>   |
| Quantity sold - external market - ferroalloys       | MT<br>(thousand) | 23             | 39             | 63             | 35             | 160            |
| Quantity sold - internal market - ferroalloys       | MT<br>(thousand) | 37             | 39             | 41             | 50             | 167            |
| <b>Quantity sold - total</b>                        | MT<br>(thousand) | <b>60</b>      | <b>78</b>      | <b>104</b>     | <b>85</b>      | <b>327</b>     |
| Quantity sold - external market - manganese         | MT<br>(thousand) | 243            | 212            | 181            | 192            | 828            |
| Quantity sold - internal market - manganese         | MT<br>(thousand) | 15             | 35             | 58             | 90             | 198            |
| <b>Quantity sold - total</b>                        | MT<br>(thousand) | <b>258</b>     | <b>247</b>     | <b>239</b>     | <b>282</b>     | <b>1,026</b>   |
| Average sales price - external market - ferroalloys | US\$             | 525.00         | 384.64         | 483.67         | 548.54         | 479.65         |
| Average sales price - internal market - ferroalloys | US\$             | 519.19         | 506.79         | 379.56         | 339.76         | 428.31         |
| <b>Average sales price - total</b>                  | US\$             | <b>521.43</b>  | <b>445.72</b>  | <b>442.63</b>  | <b>425.73</b>  | <b>453.43</b>  |
| Average sales price - external market - manganese   | US\$             | 52.49          | 44.38          | 44.91          | 46.96          | 46.96          |
| Average sales price - internal market - manganese   | US\$             | 68.27          | 58.11          | 50.97          | 46.47          | 46.47          |
| <b>Average sales price - total</b>                  | US\$             | <b>53.40</b>   | <b>46.32</b>   | <b>46.38</b>   | <b>45.86</b>   | <b>46.86</b>   |
| Long-term indebtedness, gross                       | US\$             | 21,121         | 17,749         | 19,990         | 22,055         | 22,055         |
| Short-term indebtedness, gross                      | US\$             | 29,918         | 28,084         | 25,351         | 35,605         | 35,605         |
| <b>Total indebtedness, gross</b>                    | US\$             | <b>51,039</b>  | <b>45,833</b>  | <b>45,341</b>  | <b>57,660</b>  | <b>57,660</b>  |
| <b>Stockholders equity</b>                          | R\$              | <b>245,150</b> | <b>261,854</b> | <b>306,541</b> | <b>293,116</b> | <b>293,116</b> |
| Net operating revenues                              | R\$              | 95,931         | 105,626        | 168,108        | 152,924        | 522,589        |
| Cost of products                                    | R\$              | (50,659)       | (69,335)       | (101,297)      | (85,843)       | (307,134)      |
| Other expenses/revenues                             | R\$              | (8,814)        | (5,900)        | (17,956)       | (56,322)       | (88,992)       |
| Depreciation, amortization and depletion            | R\$              | 3,297          | 3,434          | 4,503          | 3,712          | 14,946         |
| <b>EBITDA</b>                                       | R\$              | <b>39,755</b>  | <b>33,825</b>  | <b>53,358</b>  | <b>14,471</b>  | <b>141,409</b> |
| Depreciation, amortization and depletion            | R\$              | (3,297)        | (3,434)        | (4,503)        | (3,712)        | (14,946)       |
| <b>EBIT</b>   | R\$              | <b>36,458</b>  | <b>30,391</b>  | <b>48,855</b>  | <b>10,759</b>  | <b>126,463</b> |



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|   |     |                   |                   |                   |                   |                   |
|---|-----|-------------------|-------------------|-------------------|-------------------|-------------------|
| Impairment  | R\$ |                   |                   |                   |                   |                   |
| Net financial result                                    | R\$ | (720)             | (4,131)           | 13,412            | (34,107)          | (25,546)          |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Income before income tax and social contribution</b> | R\$ | <b>35,738</b>     | <b>26,260</b>     | <b>62,267</b>     | <b>(23,348)</b>   | <b>100,917</b>    |
| Income tax and social contribution                      | R\$ | (2,177)           | (4,332)           | (16,111)          | 3,265             | (19,355)          |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Net income</b>                                       | R\$ | <b>33,561</b>     | <b>21,928</b>     | <b>46,156</b>     | <b>(20,083)</b>   | <b>81,562</b>     |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

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## 8.14- Manganese and Ferroalloys Area - URUCUM (Adjusted and Not Reviewed)

| Information   |               | 2003          |               |               |    |               |
|---|---------------|---------------|---------------|---------------|----|---------------|
|   |               | 1Q            | 2Q            | 3Q            | 4Q | Total         |
| Quantity sold - external market - iron ore              | MT (thousand) | 238           | 174           | 214           |    | 626           |
| Quantity sold - internal market - iron ore              | MT (thousand) | 7             |               | 3             |    | 10            |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>245</b>    | <b>174</b>    | <b>217</b>    |    | <b>636</b>    |
| Quantity sold - external market - manganese             | MT (thousand) | 18            | 43            | 52            |    | 113           |
| Quantity sold - internal market - manganese             | MT (thousand) | 46            | 66            | 55            |    | 167           |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>64</b>     | <b>109</b>    | <b>107</b>    |    | <b>280</b>    |
| Quantity sold - external market - ferroalloys           | MT (thousand) | 5             | 3             | 8             |    | 16            |
| Quantity sold - internal market - ferroalloys           | MT (thousand) |               |               |               |    |               |
| <b>Quantity sold - total</b>                            | MT (thousand) | <b>5</b>      | <b>3</b>      | <b>8</b>      |    | <b>16</b>     |
| Average sales price - external market - iron ore        | US\$          | 13.70         | 15.03         | 15.86         |    | 14.81         |
| Average sales price - internal market - iron ore        | US\$          | 3.26          |               | 2.21          |    | 2.95          |
| <b>Average sales price - total</b>                      | US\$          | <b>13.43</b>  | <b>15.03</b>  | <b>15.67</b>  |    | <b>14.63</b>  |
| Average sales price - external market - manganese       | US\$          | 36.35         | 35.81         | 38.95         |    | 37.34         |
| Average sales price - internal market - manganese       | US\$          | 32.91         | 38.10         | 42.22         |    | 38.03         |
| <b>Average sales price - total</b>                      | US\$          | <b>33.87</b>  | <b>37.18</b>  | <b>40.66</b>  |    | <b>37.75</b>  |
| Average sales price - external market - ferroalloys     | US\$          | 509.35        | 503.55        | 483.38        |    | 495.28        |
| Average sales price - internal market - ferroalloys     | US\$          |               |               |               |    |               |
| <b>Average sales price - total</b>                      | US\$          | <b>509.35</b> | <b>503.55</b> | <b>483.38</b> |    | <b>495.28</b> |
| Long-term indebtedness, gross                           | US\$          |               |               |               |    |               |
| Short-term indebtedness, gross                          | US\$          |               | 5             | 5             |    | 5             |
| <b>Total indebtedness, gross</b>                        | US\$          |               | <b>5</b>      | <b>5</b>      |    | <b>5</b>      |
| <b>Stockholders equity</b>                              | R\$           | <b>75,737</b> | <b>47,460</b> | <b>52,546</b> |    | <b>52,546</b> |
| Net operating revenues                                  | R\$           | 26,947        | 23,028        | 31,498        |    | 81,473        |
| Cost of products  | R\$           | (11,440)      | (9,866)       | (17,699)      |    | (39,005)      |
| Other expenses/revenues                                 | R\$           | (4,761)       | 1,341         | (4,595)       |    | (8,015)       |
| Depreciation, amortization and depletion                | R\$           | 589           | 615           | 608           |    | 1,812         |
| <b>EBITDA</b>   | R\$           | <b>11,335</b> | <b>15,118</b> | <b>9,812</b>  |    | <b>36,265</b> |
| Depreciation, amortization and depletion                | R\$           | (589)         | (615)         | (608)         |    | (1,812)       |
| <b>EBIT</b>   | R\$           | <b>10,746</b> | <b>14,503</b> | <b>9,204</b>  |    | <b>34,453</b> |
| Impairment  | R\$           | 9             |               |               |    | 9             |
| Result of equity investments                            | R\$           |               |               |               |    |               |
| Net financial result                                    | R\$           | (1,000)       | (7,349)       | 310           |    | (8,039)       |
| <b>Income before income tax and social contribution</b> | R\$           | <b>9,755</b>  | <b>7,154</b>  | <b>9,514</b>  |    | <b>26,423</b> |
| Income tax and social contribution                      | R\$           | (2,862)       | (395)         | (4,428)       |    | (7,685)       |

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|                   |     |              |              |              |          |               |
|-------------------|-----|--------------|--------------|--------------|----------|---------------|
| <b>Net income</b> | R\$ | <b>6,893</b> | <b>6,759</b> | <b>5,086</b> | <b>-</b> | <b>18,738</b> |
|-------------------|-----|--------------|--------------|--------------|----------|---------------|

[Additional columns below]

[Continued from above table, first column(s) repeated]

| Information   |                  | 2002          |               |               |               | Total         |
|---|------------------|---------------|---------------|---------------|---------------|---------------|
|   |                  | 1Q            | 2Q            | 3Q            | 4Q            |               |
| Quantity sold - external market - iron ore          | MT<br>(thousand) | 220           | 226           | 197           | 118           | 761           |
| Quantity sold - internal market - iron ore          | MT<br>(thousand) | 13            | 5             | 1             | 2             | 21            |
| <b>Quantity sold - total</b>                        | MT<br>(thousand) | <b>233</b>    | <b>231</b>    | <b>198</b>    | <b>120</b>    | <b>782</b>    |
| Quantity sold - external market - manganese         | MT<br>(thousand) | 4             | 37            | 25            | 25            | 91            |
| Quantity sold - internal market - manganese         | MT<br>(thousand) | 87            | 45            | 53            | 74            | 259           |
| <b>Quantity sold - total</b>                        | MT<br>(thousand) | <b>91</b>     | <b>82</b>     | <b>78</b>     | <b>99</b>     | <b>350</b>    |
| Quantity sold - external market - ferroalloys       | MT<br>(thousand) | 3             | 6             | 3             | 4             | 16            |
| Quantity sold - internal market - ferroalloys       | MT<br>(thousand) |               | 1             |               |               | 1             |
| <b>Quantity sold - total</b>                        | MT<br>(thousand) | <b>3</b>      | <b>7</b>      | <b>3</b>      | <b>4</b>      | <b>17</b>     |
| Average sales price - external market - iron ore    | US\$             | 13.92         | 15.11         | 14.36         | 13.77         | 14.36         |
| Average sales price - internal market - iron ore    | US\$             | 4.26          | 4.21          | 4.13          | 3.10          | 4.11          |
| <b>Average sales price - total</b>                  | US\$             | <b>13.38</b>  | <b>14.88</b>  | <b>14.31</b>  | <b>13.56</b>  | <b>14.09</b>  |
| Average sales price - external market - manganese   | US\$             | 41.06         | 36.58         | 46.16         | 46.54         | 42.13         |
| Average sales price - internal market - manganese   | US\$             | 47.20         | 47.42         | 38.15         | 32.36         | 41.19         |
| <b>Average sales price - total</b>                  | US\$             | <b>47.00</b>  | <b>42.52</b>  | <b>40.76</b>  | <b>35.89</b>  | <b>41.43</b>  |
| Average sales price - external market - ferroalloys | US\$             | 456.32        | 457.11        | 452.09        | 485.44        | 462.15        |
| Average sales price - internal market - ferroalloys | US\$             |               | 232.48        |               |               | 232.48        |
| <b>Average sales price - total</b>                  | US\$             | <b>456.32</b> | <b>445.98</b> | <b>452.09</b> | <b>485.44</b> | <b>457.60</b> |
| Long-term indebtedness, gross                       | US\$             |               |               |               |               |               |
| Short-term indebtedness, gross                      | US\$             |               |               |               |               |               |
| <b>Total indebtedness, gross</b>                    | US\$             |               |               |               |               |               |
| <b>Stockholders equity</b>                          | R\$              | <b>52,820</b> | <b>65,090</b> | <b>70,302</b> | <b>68,844</b> | <b>68,844</b> |

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|   |     |               |               |               |                |               |
|---|-----|---------------|---------------|---------------|----------------|---------------|
| Net operating revenues                                  | R\$ | 18,714        | 24,363        | 21,207        | 23,643         | 87,927        |
| Cost of products  | R\$ | (9,226)       | (9,529)       | (8,942)       | (9,463)        | (37,160)      |
| Other expenses/revenues                                 | R\$ | 2             | (3,453)       | (1,340)       | (8,301)        | (13,092)      |
| Depreciation, amortization and depletion                | R\$ | 874           | 928           | 885           | 477            | 3,164         |
| <b>EBITDA</b>   | R\$ | <b>10,364</b> | <b>12,309</b> | <b>11,810</b> | <b>6,356</b>   | <b>40,839</b> |
| Depreciation, amortization and depletion                | R\$ | (874)         | (928)         | (885)         | (477)          | (3,164)       |
| <b>EBIT</b>   | R\$ | <b>9,490</b>  | <b>11,381</b> | <b>10,925</b> | <b>5,879</b>   | <b>37,675</b> |
| Impairment  | R\$ |               |               |               | (5,128)        | (5,128)       |
| Result of equity investments                            | R\$ |               |               |               | 1              | 1             |
| Net financial result                                    | R\$ | (190)         | 2,465         | 4,547         | (3,809)        | 3,013         |
| <b>Income before income tax and social contribution</b> | R\$ | <b>9,300</b>  | <b>13,846</b> | <b>15,472</b> | <b>(3,057)</b> | <b>35,561</b> |
| Income tax and social contribution                      | R\$ | (615)         | (1,576)       | (10,260)      | (48)           | (12,499)      |
| <b>Net income</b>                                       | R\$ | <b>8,685</b>  | <b>12,270</b> | <b>5,212</b>  | <b>(3,105)</b> | <b>23,062</b> |

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8.15- Steel Area - CST (Adjusted and Not Reviewed)

|   |           | 2003             |                  |                  |    |                  |
|---|-----------|------------------|------------------|------------------|----|------------------|
| Information   |           | 1Q               | 2Q               | 3Q               | 4Q | Total            |
| Quantity sold - external market                         | ton (mil) | 1,013            | 964              | 902              |    | 2,879            |
| Quantity sold - internal market                         | ton (mil) | 2                | 1                | 2                |    | 5                |
| <b>Quantity sold - total</b>                            | ton (mil) | <b>1,015</b>     | <b>965</b>       | <b>904</b>       |    | <b>2,884</b>     |
| Average sales price - external market                   | US\$      | 229.78           | 238.69           | 244.16           |    | 237.27           |
| Average sales price - internal market                   | US\$      | 219.12           | 255.89           | 253.93           |    | 240.40           |
| <b>Average sales price - total</b>                      | US\$      | <b>229.76</b>    | <b>238.71</b>    | <b>244.18</b>    |    | <b>237.27</b>    |
| Long-term indebtedness, gross                           | US\$      | 640,534          | 652,708          | 634,857          |    | 634,857          |
| Short-term indebtedness, gross                          | US\$      | 157,495          | 137,815          | 159,870          |    | 159,870          |
| <b>Total indebtedness, gross</b>                        | US\$      | <b>798,029</b>   | <b>790,523</b>   | <b>794,727</b>   |    | <b>794,727</b>   |
| <b>Stockholders equity</b>                              | R\$       | <b>3,200,123</b> | <b>3,223,207</b> | <b>3,416,321</b> |    | <b>3,416,321</b> |
| Net operating revenues                                  | R\$       | 993,201          | 921,094          | 951,473          |    | 2,865,768        |
| Cost of products  | R\$       | (601,278)        | (605,411)        | (573,126)        |    | (1,779,815)      |
| Other expenses/revenues                                 | R\$       | (47,909)         | (57,680)         | (62,704)         |    | (168,293)        |
| Depreciation, amortization and depletion                | R\$       | 65,293           | 81,454           | 71,327           |    | 218,074          |
| <b>EBITDA (*)</b>                                       | R\$       | <b>409,307</b>   | <b>339,457</b>   | <b>386,970</b>   |    | <b>1,135,734</b> |
| Depreciation, amortization and depletion                | R\$       | (65,293)         | (81,454)         | (71,327)         |    | (218,074)        |
| <b>EBIT</b>   | R\$       | <b>344,014</b>   | <b>258,003</b>   | <b>315,643</b>   |    | <b>917,660</b>   |
| Result participations                                   | R\$       | (3,209)          | (22,617)         | (3,908)          |    | (29,734)         |
| Non operating revenues/expenses (*)                     | R\$       | 26               | (30)             | 12               |    | 8                |
| Net financial result                                    | R\$       | 52,996           | 163,983          | (59,830)         |    | 157,149          |
| <b>Income before income tax and social contribution</b> | R\$       | <b>393,827</b>   | <b>399,339</b>   | <b>251,917</b>   |    | <b>1,045,083</b> |
| Income tax and social contribution                      | R\$       | (107,450)        | (66,745)         | (58,804)         |    | (232,999)        |
| <b>Net income</b>                                       | R\$       | <b>286,377</b>   | <b>332,594</b>   | <b>193,113</b>   |    | <b>812,084</b>   |

[Additional columns below]

[Continued from above table, first column(s) repeated]

|                                 |           | 2002  |       |       |       |       |
|---------------------------------|-----------|-------|-------|-------|-------|-------|
| Information                     |           | 1Q    | 2Q    | 3Q    | 4Q    | Total |
| Quantity sold - external market | ton (mil) | 1,127 | 1,309 | 1,098 | 1,102 | 4,636 |

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|   |              |                  |                  |                  |                  |                  |
|---|--------------|------------------|------------------|------------------|------------------|------------------|
| Quantity sold - internal market                         | ton<br>(mil) | 9                | 2                | 2                | 2                | 15               |
| <b>Quantity sold - total</b>                            | ton<br>(mil) | <b>1,136</b>     | <b>1,311</b>     | <b>1,100</b>     | <b>1,104</b>     | <b>4,651</b>     |
| Average sales price - external market                   | US\$         | 154.22           | 169.23           | 216.45           | 233.71           | 192.09           |
| Average sales price - internal market                   | US\$         | 154.76           | 149.24           | 155.97           | 152.51           | 153.89           |
| <b>Average sales price - total</b>                      | US\$         | <b>154.22</b>    | <b>169.20</b>    | <b>216.34</b>    | <b>233.56</b>    | <b>191.97</b>    |
| Long-term indebtedness, gross                           | US\$         | 494,013          | 671,740          | 617,171          | 615,992          | 615,992          |
| Short-term indebtedness, gross                          | US\$         | 284,366          | 262,107          | 220,422          | 244,832          | 244,832          |
| <b>Total indebtedness, gross</b>                        | US\$         | <b>778,379</b>   | <b>933,847</b>   | <b>837,593</b>   | <b>860,824</b>   | <b>860,824</b>   |
| <b>Stockholders equity</b>                              | R\$          | <b>2,845,130</b> | <b>2,715,085</b> | <b>2,619,718</b> | <b>2,914,037</b> | <b>2,914,037</b> |
| Net operating revenues                                  | R\$          | 439,728          | 582,168          | 801,704          | 1,017,330        | 2,840,930        |
| Cost of products  | R\$          | (411,413)        | (485,968)        | (451,859)        | (547,531)        | (1,896,771)      |
| Other expenses/revenues                                 | R\$          | (32,925)         | (43,876)         | (41,790)         | (38,707)         | (157,298)        |
| Depreciation, amortization and depletion                | R\$          | 68,063           | 83,829           | 61,305           | 64,336           | 277,533          |
| <b>EBITDA (*)</b>                                       | R\$          | <b>63,453</b>    | <b>136,153</b>   | <b>369,360</b>   | <b>495,428</b>   | <b>1,064,394</b> |
| Depreciation, amortization and depletion                | R\$          | (68,063)         | (83,829)         | (61,305)         | (64,336)         | (277,533)        |
| <b>EBIT</b>   | R\$          | <b>(4,610)</b>   | <b>52,324</b>    | <b>308,055</b>   | <b>431,092</b>   | <b>786,861</b>   |
| Result participations                                   | R\$          |                  | (6,212)          | (2,857)          | (29,654)         | (38,723)         |
| Non operating revenues/expenses (*)                     | R\$          | (497)            | 376              | (118)            | 1,845            | 1,606            |
| Net financial result                                    | R\$          | (16,691)         | (248,289)        | (447,699)        | 127,140          | (585,539)        |
| <b>Income before income tax and social contribution</b> | R\$          | <b>(21,798)</b>  | <b>(201,801)</b> | <b>(142,619)</b> | <b>530,423</b>   | <b>164,205</b>   |
| Income tax and social contribution                      | R\$          | 10,556           | 72,358           | 95,956           | (139,541)        | 39,329           |
| <b>Net income</b>                                       | R\$          | <b>(11,242)</b>  | <b>(129,443)</b> | <b>(46,663)</b>  | <b>390,882</b>   | <b>203,534</b>   |

(\*) Refers basically to asset retirement

## 8.16- Steel Area - CSI (Adjusted and Not Reviewed)

| Information   |           | 2003           |                |                 |    |                |
|---|-----------|----------------|----------------|-----------------|----|----------------|
|   |           | 1Q             | 2Q             | 3Q              | 4Q | Total          |
| Quantity sold - external market                         | ton (mil) | 442            | 447            | 507             |    | 1,396          |
| <b>Quantity sold - total</b>                            | ton (mil) | <b>442</b>     | <b>447</b>     | <b>507</b>      |    | <b>1,396</b>   |
| Average sales price - external market                   | US\$      | 445.80         | 401.96         | 374.08          |    | 405.72         |
| <b>Average sales price - total</b>                      | US\$      | <b>445.80</b>  | <b>401.96</b>  | <b>374.08</b>   |    | <b>405.72</b>  |
| <b>Stockholders equity</b>                              | R\$       | <b>826,600</b> | <b>708,060</b> | <b>694,907</b>  |    | <b>694,907</b> |
| Net operating revenues                                  | R\$       | 666,694        | 521,481        | 558,998         |    | 1,747,173      |
| Cost of products  | R\$       | (626,550)      | (514,579)      | (571,115)       |    | (1,712,244)    |
| Other expenses/revenues                                 | R\$       |                | 833            | 56              |    | 889            |
| Depreciation, amortization and depletion                | R\$       | 23,582         | 21,974         | 20,604          |    | 66,160         |
| <b>EBITDA</b>   | R\$       | <b>63,726</b>  | <b>29,709</b>  | <b>8,543</b>    |    | <b>101,978</b> |
| Depreciation, amortization and depletion                | R\$       | (23,582)       | (21,974)       | (20,604)        |    | (66,160)       |
| <b>EBIT</b>   | R\$       | <b>40,144</b>  | <b>7,735</b>   | <b>(12,061)</b> |    | <b>35,818</b>  |
| Result of equity investments                            | R\$       | 1,113          | 1,218          | 1,260           |    | 3,591          |
| Non operating resulting                                 | R\$       |                |                |                 |    |                |
| Gain/loss in translation currency                       | R\$       |                | (2,581)        | 277             |    | (2,304)        |
| Net financial result                                    | R\$       | (11,424)       | (9,452)        | (9,402)         |    | (30,278)       |
| <b>Income before income tax and social contribution</b> | R\$       | <b>29,833</b>  | <b>(3,080)</b> | <b>(19,926)</b> |    | <b>6,827</b>   |
| Income tax and social contribution                      | R\$       | (11,843)       | 549            | 8,642           |    | (2,652)        |
| <b>Net income</b>                                       | R\$       | <b>17,990</b>  | <b>(2,531)</b> | <b>(11,284)</b> |    | <b>4,175</b>   |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| Information                           |           | 2002          |               |               |               |               |
|---------------------------------------|-----------|---------------|---------------|---------------|---------------|---------------|
|                                       |           | 1Q            | 2Q            | 3Q            | 4Q            | Total         |
| Quantity sold - external market       | ton (mil) | 475           | 537           | 508           | 932           | 2,452         |
| <b>Quantity sold - total</b>          | ton (mil) | <b>475</b>    | <b>537</b>    | <b>508</b>    | <b>932</b>    | <b>2,452</b>  |
| Average sales price - external market | US\$      | 328.65        | 384.64        | 382.38        | 428.79        | 390.11        |
| <b>Average sales price - total</b>    | US\$      | <b>328.65</b> | <b>384.64</b> | <b>382.38</b> | <b>428.79</b> | <b>390.11</b> |

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|   |     |                |                |                |                |                |
|---|-----|----------------|----------------|----------------|----------------|----------------|
| <b>Stockholders equity</b>                              | R\$ | <b>539,122</b> | <b>659,955</b> | <b>924,159</b> | <b>873,247</b> | <b>873,247</b> |
| Net operating revenues                                  | R\$ | 365,995        | 536,323        | 762,668        | 750,745        | 2,415,731      |
| Cost of products  | R\$ | (351,219)      | (470,600)      | (649,603)      | (654,130)      | (2,125,552)    |
| Other expenses/revenues                                 | R\$ | 936            | 119            | 58             | 314            | 1,427          |
| Depreciation, amortization and depletion                | R\$ | 17,118         | 20,858         | 28,035         | 24,479         | 90,490         |
| <b>EBITDA</b>   | R\$ | <b>32,830</b>  | <b>86,700</b>  | <b>141,158</b> | <b>121,408</b> | <b>382,096</b> |
| Depreciation, amortization and depletion                | R\$ | (17,118)       | (20,858)       | (28,035)       | (24,479)       | (90,490)       |
| <b>EBIT</b>   | R\$ | <b>15,712</b>  | <b>65,842</b>  | <b>113,123</b> | <b>96,929</b>  | <b>291,606</b> |
| Result of equity investments                            | R\$ | (1,118)        | (1,320)        | 495            | 2,777          | 834            |
| Non operating resulting                                 | R\$ | (1)            |                |                |                | (1)            |
| Gain/loss in translation currency                       | R\$ |                | 949            | 13,913         | (9,084)        | 5,778          |
| Net financial result                                    | R\$ | (8,212)        | (10,248)       | (36,297)       | (41,552)       | (96,309)       |
| <b>Income before income tax and social contribution</b> | R\$ | <b>6,381</b>   | <b>55,223</b>  | <b>91,234</b>  | <b>49,070</b>  | <b>201,908</b> |
| Income tax and social contribution                      | R\$ | (2,149)        | (21,785)       | (31,062)       | (23,256)       | (78,252)       |
| <b>Net income</b>                                       | R\$ | <b>4,232</b>   | <b>33,438</b>  | <b>60,172</b>  | <b>25,814</b>  | <b>123,656</b> |

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### 9- REPORT OF THE INDEPENDENT ACCOUNTANTS

(A free translation of the original opinion in Portuguese expressed on quarterly information prepared in accordance with the accounting principles prescribed by Brazilian Corporate Law)

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

- 1 We have carried out limited reviews of the Quarterly Information (ITR) of Companhia Vale do Rio Doce for the quarters and nine-month periods ended September 30 and June 30, 2003 and September 30, 2002. This information is the responsibility of Company management.
- 2 Except as mentioned in paragraph three, our reviews were carried out in conformity 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 preparation of the Quarterly Information (ITR) and (b) a review of the significant information and of the subsequent events which have, or could have, significant effects on the Company's financial position and operations.
- 3 The financial statements at September 30, 2003 and 2002, of some subsidiary, jointly-owned and associated companies, in which there are relevant investments, have not been reviewed by independent accountants. Accordingly, the conclusions resulting from our reviews do not cover the amounts of R\$ 5,589,052 thousand (2002 - R\$ 7,177,881 thousand) of these investments and R\$ 727,855 thousand (2002 - R\$ 1.911,515 thousand) of the income produced by them for the quarters then ended.
- 4 Based on our limited reviews, except for the effects of any adjustments which might have been required if the financial statements of the subsidiary, jointly-owned and associated companies mentioned in paragraph 3 had been reviewed by independent accountants, we are not aware of any material modifications that should be made to the Quarterly Information (ITR) referred to above in order that such information be stated in conformity with the accounting practices adopted in Brazil applicable to the preparation of Quarterly Information (ITR), consistent with the Brazilian Securities Commission (CVM) regulations.
- 5 Our limited reviews were conducted for the purpose of issuing our report on the Quarterly Information (ITR) referred to in paragraph 1, taken as a whole. The statement of cash flow is presented as additional information, and is not a required part of the quarterly report. Such information has been subjected to the auditing procedures described in paragraph 2 and we are not aware of any material adjustments that should be made to this statement for it to be adequately presented in relation to the Quarterly Information (ITR).

Rio de Janeiro, November 7, 2003

PricewaterhouseCoopers  
Auditores Independentes  
CRC-SP-000160/O-5 F RJ

Otavio Cassou Maia  
Partner  
Accountant CRC-SP-158.611/O-8-S-RJ

Ronaldo Matos Valiño  
Director  
Accountant CRC-RJ-069.958/O

**10- BOARD OF DIRECTORS, FISCAL COUNCIL, ADVISORY COMMITTEES AND EXECUTIVE OFFICERS**

**BOARD OF DIRECTORS**

Sérgio Ricardo Silva Rosa  
Chairman

Mário da SilveiraTeixeira Júnior

Arlindo Magno de Oliveira

Cláudio Bernardo Guimarães de Moraes

Erik Persson

Francisco Valadares Póvoa

Katsuto Momii

Luiz Alexandre Bandeira de Mello

Oscar Augusto de Camargo Filho

Renato da Cruz Gomes

Ricardo Carvalho Giambromi

**ADVISORY COMMITTEES OF THE BOARD OF DIRECTORS**

**Auditing Committee**

Antonio José de Figueiredo Ferreira  
Marcos Fábio Coutinho  
Ricardo Wiering de Barros

**Executive Development Committee**

Arlindo Magno de Oliveira  
Francisco Valadares Póvoa  
João Moisés de Oliveira  
Olga Loffredi

**Strategic Committee**

Roger Agnelli  
Gabriel Stoliar  
César Manoel de Medeiros  
José Roberto Mendonça de Barros  
Samir Zraick

**Finance Committee**

Roger Agnelli  
Fábio de Oliveira Barbosa  
Luiz Carlos Siqueira Aguiar  
Rômulo de Mello Dias

**Governance and Ethics Committee**

Renato da Cruz Gomes  
Ricardo Simonsen

Ricardo Carvalho Giambroni

**FISCAL COUNCIL**

Joaquim Vieira Ferreira Levy

Luiz Octávio Nunes West

Pedro Carlos de Mello

Vicente Barcelos

Wilson Risolia Rodrigues

**EXECUTIVE OFFICERS**

Roger Agnelli  
**Chief Executive Officer**

Antonio Miguel Marques  
**Executive Officer for Equity Holdings and Business Development**

Armando de Oliveira Santos Neto  
**Executive Officer for Ferrous Minerals**

Carla Grasso  
**Executive Officer for Human Resources and Corporate Services**

Diego Cristobal Hernández Cabrera  
**Executive Officer for Non-Ferrous Minerals**

Fábio de Oliveira Barbosa  
**Chief Financial Officer**

Gabriel Stoliar  
**Executive Officer for Planning**

Guilherme Rodolfo Laager  
**Executive Officer for Logistics**

Eduardo de Carvalho Duarte  
Chief Accountant  
CRC-RJ 57439

Otto de Souza Marques Junior  
Head of Control Department

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 14, 2003

COMPANHIA VALE DO RIO DOCE  
(Registrant)

By: /s/ Fabio de Oliveira Barbosa

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Fabio de Oliveira Barbosa  
Chief Financial Officer