

VALLEY OF THE RIO DOCE CO

Form 6-K

May 17, 2004

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United States  
Securities and Exchange Commission

Washington, D.C. 20549

**FORM 6-K**

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

For the month of

May 2004

**Valley of the Rio Doce Company**

(Translation of Registrant's name into English)

Avenida Graça Aranha, No. 26  
20005-900 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 if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes  No

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

(Check One) Yes  No

(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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**BOVESPA: VALE3, VALE5  
NYSE: RIO, RIOPR  
LATIBEX: XVALO, XVALP**

**PERFORMANCE OF COMPANHIA VALE DO RIO DOCE IN THE FIRST QUARTER OF 2004**

*Except where otherwise indicated, the operational and financial information in this press release is for the Parent Company and calculated in accordance with generally accepted accounting principles in Brazil (Brazilian GAAP). With the exception of information relating to investments and the behavior of markets, it is based on quarterly financial statements reviewed by the company's external auditors.*

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Rio de Janeiro, May 12, 2004 Companhia Vale do Rio Doce (CVRD) reported net earnings of R\$ 954 million in the first quarter of 2004 (1Q04), corresponding to R\$ 2.48 per share 20.5% higher than in the previous quarter, and 18.0% less than in 1Q03.

Gross operating revenues was R\$ 2.731 billion, 8.5% more than in the first quarter of 2003 and 5.0% less than in 4Q03. Consolidated exports were US\$ 1.012 billion, 26.7% higher than in 1Q03. Net exports (exports less imports) were US\$ 864 million, or 14% of Brazil's total trade surplus for the first three months of the year.

EBITDA recorded in the first quarter was R\$ 1.342 billion, the third-highest quarterly EBITDA in CVRD's history, and EBITDA margin (EBITDA as a percentage of net revenues) was 51.5%, higher than the full year 2003 (48.7%), 2002 (48.3%), 2001 (51.0%) and 2000 (48.3%).

Sales of iron ore and pellets were 43.256 million tons, 18.9% more than in 1Q03. The volume of general cargo (other than iron ore and pellets) transported for clients on CVRD's railroads (the Vitória-Minas railroad and the Carajás railroad) totaled 4.0 net ton-kilometers (ntk), 16.8% more than in 1Q03.

**SELECTED FINANCIAL INDICATORS**

|      |      |      | R\$ million |
|------|------|------|-------------|
| 1Q03 | 4Q03 | 1Q04 |             |
|      |      |      |             |

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|                          |       |       |       |
|--------------------------|-------|-------|-------|
| Gross Operating Revenues | 2,518 | 2,877 | 2,731 |
| Gross Margin (%)         | 48.4  | 44.7  | 43.4  |
| EBITDA                   | 1,148 | 1,239 | 1,342 |
| EBITDA Margin (%)        | 47.5  | 44.3  | 51.5  |

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|                              | <b>R\$ million</b> |             |             |
|------------------------------|--------------------|-------------|-------------|
|                              | <b>1Q03</b>        | <b>4Q03</b> | <b>1Q04</b> |
| Net Earnings                 | 1,164              | 792         | 954         |
| ROE (annualized) (%)         | 19.4               | 30.2        | 27.9        |
| Investments (US\$ million) * | 197.9              | 400.6       | 306.0       |

\*including acquisitions

ROE = return on equity = LTM net earnings / equity

**EARNINGS GUIDANCE**

CVRD does not provide guidance in the form of quantitative forecasts about future financial performance. The Company aims to release the maximum amount of information about its vision for the various markets in which it operates, explaining its strategic directives and execution; thereby, providing capital market participants with sufficient information to form their own expectations with regard to medium and long-term performance.

**BUSINESS OUTLOOK**

The global economy has continued to experience a synchronized recovery, which began in the third quarter of 2003. The fastest growth is observed in China, the other emerging markets in Asia and in the United States and slower growth rates are observed in the Euro Zone, where consumption remains subdued. In Japan, economic growth, stimulated by exports and investment, continues to exceed expectations, and in Latin America, particularly in Brazil, there are signs that recovery is underway.

According to data from the International Iron and Steel Institute (IISI), global steel production increased 8.7% in 1Q04, compared to 1Q03. Excluding China, production increased 3.9%, which is much higher than the average growth rate observed in the period 1993/2003 of 1.5%. Chinese steel production grew 26.5% in 1Q04, compared to 1Q03, representing a significant increase in that country's steel production rate vis-à-vis the growth rate observed at the end of last year, which amounted to 21.2%.

Chinese iron ore imports in 1Q04 reached a record 50.7 million tons, 48.2% higher than the volume recorded in 1Q03, bringing the total quantity imported in the 12 months to April, to 164.6 million tons. Japan imported 34.7 million tons in the quarter, an increase of 4.1% compared to 1Q03.

The global macroeconomic scenario remains favorable for continued expansion in the demand for ores and metals, which benefits the Company's performance.

The measures taken by the Chinese economic authorities to reduce growth rates – restricting both the supply of and demand for credit – are extremely healthy, because the sooner China seeks to correct its excess demand situation, the lower is the probability of a crisis in the future, which would have an adverse effect on global demand for mineral products.

These measures discourage investments with a low expected rate of return. Such unproductive investments would contribute to lower China's capacity for future economic growth, jeopardizing the buoyancy of demand for ores and metals. According to IMF estimates, one third of the GDP growth in China since 1978, when reforms were first introduced, is explained by productivity gains. Therefore, in preventing the waste of resources, the Chinese government is focused on the

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preservation of the economy's growth dynamics, and consequently the vigor of the demand for mineral products.

CVRD's commercial relationship with China with respect to the sale of iron ore is conducted via long-term contracts with the largest and most modern steel producers in that country. Long-term contracts help to minimize fluctuations in sales during down-cycles and allow customized solutions to be developed that generate value to the Company's clients.

According to the long-term contracts in force, CVRD's iron ore sales, excluding those of Caemi, to the Chinese market should increase from the level of 25.7 million tons in 2003, to approximately 55 million tons in 2008, implying an estimated average annual growth rate of 16.4% during the period 2003-2008.

The Sossego mine, in Carajás, is undergoing its copper concentrate production ramp-up phase, with the first shipment expected between the end of June and the beginning of July 2004. Sossego has a nominal production capacity of 140,000 tons a year, on average, of copper in concentrate equivalent.

The startup of the Sossego operation, CVRD's first copper project and the only greenfield copper project to be completed in 2004 in the world, constitutes an important milestone in the development of CVRD's non-ferrous mineral businesses and creates a new platform for the creation of shareholder value.

**RECENT RELEVANT EVENTS**

In April, CVRD entered into new long-term contracts with clients, distributed dividends to its shareholders and was successful in its initiative to purchase electricity via auction. Both Alunorte and GIIC obtained various international certifications, which is consistent with the Company's focus on corporate social responsibility.

**Long-term contracts for the supply of iron ore and pellets**

CVRD and China Steel Corporation (CSC), one of the largest steel producers in Asia, have signed a contract for the supply of 600 thousand tons of pellets a year from 2005 to 2011. CSC has been a client of CVRD since 1979 and in addition to buying pellets, currently purchases some 2.4 million tons a year of iron ore, also under a long-term contract.

CVRD also signed a contract with Usiminas, one of the largest steelmakers in Latin America, for the supply of five million tons a year of iron ore for five years. The volume covered by this contract represents approximately 90% of Usiminas' current iron ore consumption.

In 2003 and in the beginning of 2004, CVRD entered into several long-term contracts with important steelmakers, such as Arcelor, Baosteel and Corus. These contracts minimize future iron ore sales volatility and allow for the development of customized solutions that create value for our clients.

**Dividends and debenture remuneration**

On April 30, the first minimum dividend installment was paid to CVRD's shareholders, in the amount of R\$ 2.06 (US\$ 0.70 as of April 30) per share, in accordance with the minimum dividend payment proposal for 2004, as announced to the market. The total disbursement by CVRD amounted to US\$ 268.3 million.

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On April 1, CVRD paid its first remuneration payment on debentures issued by the Company and distributed to shareholders before its privatization in 1997, of R\$ 0.0120628 per debenture, amounting to a total disbursement by the Company of US\$ 1.6 million.

**Electricity auction**

Albras was successful in its initiative to purchase electricity via an auction for a period of 20 years. The electricity bought will supply its needs starting in June 2004. The base purchase price is R\$ 53.00 per MWh, indexed to the IGPM, which is the general price index published by Fundação Getulio Vargas. In addition to the base price, the electricity supplier will have a stake on the portion of the primary aluminum price, at the London Metal Exchange (LME), which exceeds US\$ 1,450 per ton. According to the structure of the operation, Albras will make a prepayment for the purchase of this electricity of R\$ 1.2 billion.

The terms obtained will preserve Albras' highly competitive position in the global aluminum industry.

**Corporate social responsibility**

GIIC, a joint venture between CVRD and The Gulf Investment Corporation, has received the ISO 9000 certification for the quality of its pellets and the ISO 14001 certification for excellence in environmental protection.

Alunorte, the alumina refinery controlled by CVRD, received three international certifications: the ISO 9001, for quality in alumina production, the ISO 14001, for excellence in environmental protection, and the OHSAS 18001, for health and safety in the workplace.

All of CVRD's iron ore and manganese mines, its maritime terminals; Tubarão's pelletizing plants, RDME, Albras and now Alunorte and GIIC have the ISO 14001 for excellence in environmental protection. Moreover, Albras has additional certifications for corporate social responsibility, quality, health and safety in the workplace.

Social responsibility, including environmental protection, social initiatives, the health and safety of its employees, is a priority for CVRD, which considers such responsibility a crucial factor to maintain its long-term competitiveness.

**SALES REVENUES AND VOLUMES**

Sales volumes of iron ore and pellets in 1Q04, 43.256 million tons, was 18.9% higher than in 1Q03, and 3.4% lower than in 4Q03. The year-on-year increase was due to the consolidation of Ferteco, which mines contributed 4.854 million tons, and to the strong demand for these products. At the same time, there was a fall in sales volumes from 4Q03 to 1Q04 due to seasonal factors.

Mining production tends to be lower in the first quarter of each year, due to the rainy season, reducing the total of shipments. The rains also increase the risk of accidents on the railroads, although Vitoria a Minas railroad and Carajás railroad have accident rates among the lowest in the world. Certainly there is a production and sales growth trend along the year.

CVRD's iron ore production was 2.6 million tons lower in 1Q04 than in 4Q03. There were accidents on the Carajás and MRS Logística railroads, and delays by



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suppliers in delivery of railcars for transport of iron ore both contributing to difficulties in shipments.

Iron ore fines volume was 75.4% of all shipments; lumps were 9.9%, and pellets 14.7%.

About 74% of CVRD's shipments of iron ore and pellets in 1Q04 went directly to exports. China continued to be the main consumer market, buying 5.8 million tons, or 18.1% of the total volume exported by CVRD. The second-largest destination country was Germany, with 4.6 million tons, followed by Japan with 4.0 million tons, France with 2.3 million tons and South Korea with 1.7 million tons. Of the 11.2 million tons sold in the domestic market, 4.9 million tons went to the palletizing joint ventures for processing into pellets, almost all of the production of which goes to the export market.

Sales of potash were 138 thousand tons, 12.7% less than in the first quarter of 2003, and 18.3% less than in the last quarter of 2003, in spite of high demand. Lower sales reflected lower production in this quarter due to works on expansion which should increase the mine's nominal capacity from 600,000 tons/year to 850,000 tons/year in 2005.

**SALES VOLUME**

|                      | <b>thousand tons</b> |             |             |
|----------------------|----------------------|-------------|-------------|
|                      | <b>1Q03</b>          | <b>4Q03</b> | <b>1Q04</b> |
| Iron Ore and Pellets | 36,391               | 44,797      | 43,256      |
| Iron Ore             | 31,307               | 38,134      | 36,901      |
| Fines                | 28,157               | 33,263      | 32,610      |
| Lumps                | 3,150                | 4,871       | 4,291       |
| Pellets              | 5,084                | 6,663       | 6,355       |
| Potash               | 158                  | 169         | 138         |
| Port Services        | 5,624                | 5,761       | 5,635       |

**IRON ORE AND PELLET SALES BY DESTINATION**

|                       | <b>million tons</b> |             |             |
|-----------------------|---------------------|-------------|-------------|
| <b>FOREIGN MARKET</b> | <b>1Q03</b>         | <b>4Q03</b> | <b>1Q04</b> |
| <b>ASIA</b>           |                     |             |             |
| China                 | 5.4                 | 6.4         | 5.8         |
| South Korea           | 1.6                 | 2.0         | 1.7         |
| Philippines           | 0.4                 | 0.7         | 0.8         |
| Japan                 | 3.9                 | 4.0         | 4.0         |
| Taiwan                | 0.4                 | 0.5         | 0.7         |
| Others                | —                   | —           | 0.4         |
| <b>Total</b>          | <b>11.7</b>         | <b>13.6</b> | <b>13.4</b> |

|                     |             |             |             |
|---------------------|-------------|-------------|-------------|
|                     | —           | —           | —           |
| <b>EUROPE</b>       |             |             |             |
| Germany             | 3.5         | 5.2         | 4.6         |
| Spain               | 0.8         | 1.0         | 0.9         |
| France              | 1.4         | 2.3         | 2.3         |
| Italy               | 1.2         | 1.3         | 1.5         |
| United Kingdom      | 0.5         | 0.9         | 0.5         |
| Others              | 3.0         | 4.7         | 3.5         |
|                     | —           | —           | —           |
| <b>Total</b>        | <b>10.4</b> | <b>15.4</b> | <b>13.3</b> |
|                     | —           | —           | —           |
| <b>THE AMERICAS</b> |             |             |             |
| Argentina           | 0.8         | 0.9         | 0.9         |
| United States       | 1.0         | 0.7         | 1.0         |
| Other               | 0.8         | 0.9         | 1.3         |
|                     | —           | —           | —           |
| <b>Total</b>        | <b>2.6</b>  | <b>2.5</b>  | <b>3.2</b>  |
|                     | —           | —           | —           |

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|                            | million tons |             |             |
|----------------------------|--------------|-------------|-------------|
| FOREIGN MARKET             | 1Q03         | 4Q03        | 1Q04        |
| <b>Others</b>              |              |             |             |
| Bahrain                    | 0.5          | 0.8         | 1.0         |
| Others                     | 1.0          | 1.5         | 1.2         |
| <b>Total</b>               | <b>1.5</b>   | <b>2.3</b>  | <b>2.2</b>  |
| <b>TOTAL</b>               | <b>26.2</b>  | <b>33.8</b> | <b>32.1</b> |
| <br>                       |              |             |             |
| DOMESTIC MARKET            | 1Q03         | 4Q03        | 1Q04        |
| Steel Mills                | 5.1          | 6.4         | 6.3         |
| Pelletizing Joint Ventures | 5.0          | 4.6         | 4.9         |
| <b>Total</b>               | <b>10.1</b>  | <b>11.0</b> | <b>11.2</b> |
| <b>TOTAL</b>               | <b>36.3</b>  | <b>44.8</b> | <b>43.3</b> |

The volume of general cargo (cargo other than iron ore and pellets) carried by our railroads (the Vitória a Minas railroad and the Carajás railroad) totaled 4.0 billion ntk, in line with 4Q03, and 16.8% more than in 1Q03. This reflects the increase in our fleet of locomotives and railcars, and the fact that there is pent-up demand for this type of service. Steel products were 52% of the cargo we transported for clients in the quarter, agricultural products 27%, fuel 10%, containers 2% and other products 9%.

**RAILROAD TRANSPORTATION OF GENERAL CARGO**

|                          | ntk million  |              |              |
|--------------------------|--------------|--------------|--------------|
|                          | 1Q03         | 4Q03         | 1Q04         |
| Vitória a Minas Railroad | 2,727        | 3,233        | 3,062        |
| Carajás Railroad         | 662          | 808          | 897          |
| <b>Total</b>             | <b>3,389</b> | <b>4,041</b> | <b>3,959</b> |

Gross operational revenue was R\$ 2.731 billion, 8.5% more than in the first quarter of 2003, and 5.0% less than in 4Q03. 83% of the revenue was denominated or indexed to the US dollar.

Revenue from sales of iron ore was R\$ 1.697 billion, 62.1% of total revenue. This was 9.3% more than in 1Q03, and 6.2% less than in 4Q03. Revenue from sales of pellets was R\$ 595 million, 21.8% of total revenue: 20.0% higher than in the first quarter of 2003, and 4.5% less than in 4Q03.

Revenue from logistics services, at R\$ 332 million, was similar to its levels in 1Q03 and 4Q03, and provided 12.2% of the Company's total revenues. Revenue from rail transport was R\$ 261 million, and revenue from port services was R\$ 71 million.

**GROSS REVENUES BY PRODUCT**

|  | <b>R\$ million</b> |              |              |              |              |              |
|--|--------------------|--------------|--------------|--------------|--------------|--------------|
|  | <b>1Q03</b>        | <b>%</b>     | <b>4Q03</b>  | <b>%</b>     | <b>1Q04</b>  | <b>%</b>     |
| <b>Iron Ore</b>                              | <b>1,553</b>       | <b>61.7</b>  | <b>1,808</b> | <b>62.9</b>  | <b>1,697</b> | <b>62.1</b>  |
| Domestic Market                              | 411                | 16.3         | 374          | 13.0         | 428          | 15.7         |
| Export Market                                | 1,142              | 45.3         | 1,434        | 49.9         | 1,269        | 46.5         |
| <b>Pellets</b>                               | <b>496</b>         | <b>19.7</b>  | <b>623</b>   | <b>21.7</b>  | <b>595</b>   | <b>21.8</b>  |
| Domestic Market                              | 90                 | 3.6          | 120          | 4.2          | 115          | 4.2          |
| Export Market                                | 406                | 16.1         | 503          | 17.5         | 480          | 17.6         |
| <b>Pelletizing Plants Operation Services</b> | <b>29</b>          | <b>1.1</b>   | <b>41</b>    | <b>1.4</b>   | <b>36</b>    | <b>1.3</b>   |
| <b>Railroad Transport</b>                    | <b>259</b>         | <b>10.3</b>  | <b>249</b>   | <b>8.7</b>   | <b>261</b>   | <b>9.6</b>   |
| <b>Port Services</b>                         | <b>68</b>          | <b>2.7</b>   | <b>77</b>    | <b>2.7</b>   | <b>71</b>    | <b>2.6</b>   |
| <b>Potash</b>                                | <b>73</b>          | <b>2.9</b>   | <b>72</b>    | <b>2.5</b>   | <b>65</b>    | <b>2.4</b>   |
| <b>Others</b>                                | <b>40</b>          | <b>1.6</b>   | <b>7</b>     | <b>0.2</b>   | <b>6</b>     | <b>0.2</b>   |
| <b>Total</b>                                 | <b>2,518</b>       | <b>100.0</b> | <b>2,877</b> | <b>100.0</b> | <b>2,731</b> | <b>100.0</b> |

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CVRD's net earnings in 1Q04 was R\$ 954 million, 20.5% more than in the previous quarter, and 18.1% less than in 1Q03.

An extraordinary item amortization of goodwill of Samitri was recorded in this quarter, in a non-recurrent and non-cash amount of R\$ 183 million, related to the period October 2001 - December 2003. This investment was previously being amortized under a linear 10 year period, based on the projections of future profitability assumed at the time. After revising the projections, we decided to adopt the new five year amortization period to reflect correctly the situation of the investment. Going forward during the next 30 months we will be posting amortization of around R\$ 40 million per quarter on this investment, instead of the R\$ 20 million that we were posting previously.

There was an increase of R\$ 228 million in cost of goods sold (COGS), which can be partially explained by the consolidation of Ferteco, starting in September 2003, which contributed R\$ 209 million to COGS, and by the intensification of operations in the São Luis palletizing plant, adding R\$ 48 million to COGS.

Expenses with outsourced services grew by 120% or R\$ 156 million yoy. From this total, R\$ 83 million are explained by the consolidation of Ferteco that registers in this line the freight paid to MRS Logística to transport part of its iron ore production. Besides that, we saw higher production input prices and higher maintenance and equipment renewal at the mines and plants in order to increase productivity.

Electricity costs and expenses with personnel also showed growth due to tariffs readjustments and to a 17% raise in salaries since July 2003, respectively.

**COGS BREAKDOWN**

|                               | <b>R\$ million</b> |              |              |              |              |              |
|-------------------------------|--------------------|--------------|--------------|--------------|--------------|--------------|
|                               | <b>1Q03</b>        | <b>%</b>     | <b>4Q03</b>  | <b>%</b>     | <b>1Q04</b>  | <b>%</b>     |
| Personnel                     | 120                | 9.6          | 185          | 12.0         | 150          | 10.2         |
| Material                      | 211                | 16.9         | 243          | 15.7         | 231          | 15.6         |
| Fuel Oil and Gases            | 139                | 11.1         | 180          | 11.6         | 160          | 10.8         |
| Contracted Services           | 130                | 10.4         | 300          | 19.4         | 288          | 19.5         |
| Energy                        | 24                 | 1.9          | 51           | 3.3          | 44           | 3.0          |
| Acquisition of products       | 386                | 31.0         | 249          | 16.1         | 283          | 19.2         |
| Depreciation and Amortization | 150                | 12.0         | 230          | 14.9         | 245          | 16.6         |
| Others                        | 87                 | 7.0          | 110          | 7.1          | 75           | 5.1          |
| <b>Total</b>                  | <b>1,248</b>       | <b>100.0</b> | <b>1,548</b> | <b>100.0</b> | <b>1,476</b> | <b>100.0</b> |

Other factors contributing to lower profit in 1Q04 than in 1Q03 were:

- (i) Monetary variation recorded in 1Q03 was a positive R\$ 279 million since we saw an appreciation of 5.37% of the real against the US dollar between December 31, 2002 and March 31, 2003, against a negative R\$ 69 million recorded in 1Q04, due to a depreciation of 0.67% of the real against the US dollar between December 31, 2003 and March 31, 2004.

- (ii) An increase of R\$ 25 million in expenditure on research and development, as the volume of mineral exploration increased, specially for copper and manganese ore; and

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(iii) An increase of R\$ 15 million in administrative expenses.

On the other hand, we saw the following positive contributions to net earnings:

- (i) An increase of R\$ 191 million in net operating revenue;
- (ii) A reduction of R\$ 157 million in provisions for income tax;
- (iii) An increase of R\$ 175 million in income from equity from the results of affiliates and joint ventures. The main elements in the improvement in equity from the results of affiliates and joint ventures were: (a) the impact of the depreciation of the real against the US dollar in 1Q04 on the stockholders' equity of Docenave, CSI and Itaco, and an increase in the volume of iron ore and pellets sold by Itaco; (b) the increase since September 2003 in our percentage holding in Caemi which also increased its volumes of iron ore sold; and (c) increases in prices and volumes of manganese and ferro-alloys sold by RDM.
- (iv) A reduction of R\$ 47 million in selling expenses explained by the end of commissions on export sales; and
- (v) A reduction of R\$ 21 million in other operational expenses, influenced by the register of R\$ 28 million in provisions for losses of ICMS credit in 1Q03, which was not verified in 1Q04.

**RESULT FROM SHAREHOLDINGS BY BUSINESS AREA**

| Business Area               | R\$ million |              |            |
|-----------------------------|-------------|--------------|------------|
|                             | 1Q03        | 4Q03         | 1Q04       |
| <b>Ferrous Minerals</b>     | <b>51</b>   | <b>204</b>   | <b>275</b> |
| Iron Ore and Pellets        | 34          | 4            | 217        |
| Manganese and Ferro-Alloys  | 16          | 200          | 58         |
| <b>Non-Ferrous Minerals</b> | <b>24</b>   | <b>(49)</b>  | <b>6</b>   |
| <b>Logistics</b>            | <b>(40)</b> | <b>(146)</b> | <b>20</b>  |
| <b>Steel</b>                | <b>65</b>   | <b>85</b>    | <b>118</b> |
| <b>Aluminum</b>             | <b>221</b>  | <b>96</b>    | <b>90</b>  |
| <b>Others</b>               | <b>15</b>   | <b>(41)</b>  | <b>2</b>   |
| <b>Total</b>                | <b>335</b>  | <b>148</b>   | <b>510</b> |

**EBITDA: R\$ 1.342 BILLION**

CVRD's cash flow in 1Q04 as measured by EBITDA was R\$ 1.342 billion, 16.9% more than in 1Q03, and 8.3% more than in the fourth quarter of 2003. EBITDA margin was 51.5%, a considerable increase on the EBITDA margins of 47.5% in 1Q03 and 44.3% in 4Q03.

The main factors that resulted in 1Q04 EBITDA being R\$ 194 million higher than 1Q03 are:

- (i) Increase of R\$ 191 million in net sales revenue;
- (ii) Increase of R\$ 109 million in dividends received with increases principally in the payments received from MRN, CST and Usiminas, which paid R\$ 62 million, R\$ 46 million and R\$ 36 million, respectively;

- (iii) Increase of R\$ 95 million in depreciation and amortization, influenced by the consolidation of Ferteco and by the change in the method of accounting for goodwill amortization in Samitri;

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(iv) Reduction of selling expenses by R\$ 47 million; and

(v) Reduction of other operational expenses by R\$ 21 million.

On the other hand, there were: increases of R\$ 228 million in cost of goods sold, of R\$ 25 million in research and development expenses, and of R\$ 15 million in administrative expenses.

**EBITDA CALCULATION**

|                               | <b>R\$ million</b> |              |              |
|-------------------------------|--------------------|--------------|--------------|
|                               | <b>1Q03</b>        | <b>4Q03</b>  | <b>1Q04</b>  |
| Net Operating Revenues        | 2,417              | 2,798        | 2,608        |
| COGS                          | (1,248)            | (1,548)      | (1,476)      |
| Sales Expenses                | (51)               | (64)         | (5)          |
| Administrative Expenses       | (89)               | (124)        | (104)        |
| Research & Development        | (38)               | (95)         | (63)         |
| Other Operational Expenses    | (106)              | (74)         | (85)         |
| <b>EBIT</b>                   | <b>885</b>         | <b>893</b>   | <b>876</b>   |
| Depreciation and Amortization | 161                | 244          | 256          |
| Dividends Received            | 102                | 102          | 211          |
| <b>EBITDA</b>                 | <b>1,148</b>       | <b>1,239</b> | <b>1,342</b> |

**DEBT COMMITTED CREDIT LINES**

CVRD is to use committed credit line instruments with the aim of improving the efficiency of its cash management and alleviating debt-refinancing risks during moments of instability in financial markets. To this end, US\$500 million in global committed credit line facilities have been established with the main commercial banks, US\$ 400 million of which can be used over a period of up to one year after the date of disbursement, with a repayment period of up to one year, and US\$ 100 million, which can be used for a period of up to 24 months, with a repayment period of 36 months after the contract is signed. These credit lines will be made available to CVRD although the Company does not intend to use them unless liquidity becomes excessively tight.

The establishment of committed credit line facilities is consistent with the best financial management practices and contributes to achieve a decoupling from the sovereign risk.

The Company redeemed the CVRD 2004 bond at the beginning of April, which had a face value of US\$ 300 million and a coupon of 10% *per annum*. At the same time, it obtained a syndicated loan of US\$ 300 million, with a tenor of seven years and an average term of 4.25 years, at the cost of the six-month Libor rate plus 0.7% a year.

Our discussion of debt is in accordance with generally accepted accounting principles in the United States of America (US GAAP).

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CVRD's total debt at 31 March 2004 amounted to US\$ 4.244 billion, an increase on the position reported at the end of 2003, of US\$ 4.028 billion. This increase was the result of raising funds ahead of schedule, for 2004, to take advantage of the favorable conditions in financial markets at the beginning this year. For example, in January, the Company issued a 30-year bond, with a coupon of 8.25% a year, and a yield to maturity of 8.35% a year, with a face value of US\$ 500 million.

Short-term debt registered a decrease of US\$ 304 million in relation to the position at the end of December 2003, while long-term debt increased US\$ 520 million. The average term of the Company's debt at the end of 1Q04 was 6.32 years, more than double of that registered at the end of 2002, without any significant increase in average debt cost, which remains below 7% a year.

Net debt decreased US\$ 200 million, from US\$ 3.443 billion at the end of December 2003 to US\$ 3.243 billion at the end of March 2004.

Guarantees provided to affiliates and non-consolidated joint ventures amounted to US\$ 260 million, a reduction on the figure registered at the end of December last year, of US\$ 283 million.

Due to the strong expansion in adjusted accumulated EBITDA in the last 12 months, which reached US\$ 2.373 billion, the debt leverage indicator, Total Debt/adjusted EBITDA, fell for the second quarter running to 1.79x. The ratio of Total Debt /Enterprise Value at the end of 1Q04 was 18.1%.

There was an improvement in interest coverage, as measured by the ratio LTM adjusted EBITDA /LTM interest paid. This metric increased from 11.51x at the end of 2003, to 11.69x in 1Q04.

All the Company's debt indicators—leverage, interest coverage and average maturity profile—reveals the financial strength of the balance sheet, with the availability of committed credit lines, if needed, providing an additional guarantee to its creditors.

**DEBT INDICATORS US GAAP**

|   | US\$ million |       |       |
|---|--------------|-------|-------|
|   | 1Q03         | 4Q03  | 1Q04  |
| Gross Debt                                      | 3,314        | 4,028 | 4,244 |
| Net Debt  | 2,030        | 3,443 | 3,243 |
| Gross Debt / LTM Adjusted EBITDA (x)            | 1.82         | 1.89  | 1.79  |
| LTM Adjusted EBITDA / LTM Interest Expenses (x) | 8.45         | 11.51 | 11.69 |
| Gross Debt / EV <sup>(6)</sup> (x)              | 0.27         | 0.16  | 0.18  |

*Enterprise Value = market capitalization + Net Debt*

**CAPITAL EXPENDITURE**

In the first quarter of 2004 CVRD's capital expenditure was of the order of US\$ 306 million, or 20% of the US\$ 1.536 billion budgeted for the whole of 2004.

Our investment in organic growth (growth capex) was US\$ 237 million, and our expenditure on maintenance of existing operations (stay-in-business capex) was US\$ 69 million.

Of the growth capex, US\$ 11 million was spent on mining exploration, 91% in Brazil and 9% outside Brazil (the latter mainly in Chile, Peru, Gabon, Angola and Mongolia). Our prospecting is for copper, nickel, gold, kaolin, bauxite, manganese and metals of the platinum group.

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The following figures show details of CVRD's principal current projects:

| Area                 | Project   | Budget<br>US\$ million |      | Status  |
|----------------------|---|------------------------|------|---|
|                      |   | 1Q04                   | 2004 |   |
| Ferrous Minerals     | Expansion of Carajás iron ore mines to 70 Mt pa - Northern System | 24                     | 76.4 | Carajás already set to produce 70 million tons in 2004.   |
|                      | Expansion of Carajás iron ore mines to 85 Mt pa - Northern System | 2                      | 28.8 | This project will add 15 million tons a year to CVRD's production capacity, and is scheduled for completion in 2006. Completion of the Phase II of the Pier III at the Marine Terminal of Ponta da Madeira is scheduled for completion in July 2005.  |
|                      | Expansion of iron ore mine at Brucutu Phase I -Southern System    | 2                      | 37.3 | Brucutu is not a modular project and should produce 4 million tons this year. Phase I of the project will be completed in 2006, when nominal production capacity might reach 12 million tons a year.  |
|                      | Expansion of iron ore mine at Fábrica Nova - Southern System      | 3                      | 31.1 | First phase scheduled for completion in 2005, when the mine will have a nominal production capacity of 10 million tons a year. Start-up for the second phase is scheduled for 2007, when the mine is expected to reach production of 15 million tons a year.  |
|                      | Expansion of iron ore mines at Itabira -Southern System           | 4                      | 13.2 | Expansion of production capacity and modernization of operations at the Itabira mines in order to increase production capacity by 3 million tons a year, increasing nominal production capacity to 46 million tons a year. Completion is expected for 2006.   |
| Non-ferrous Minerals | Expansion of potash mine at Taquari-Vassouras                     | 16                     | 21.2 | Approximately 65% of the work related to capacity expansion has already been carried out. During March, mining activities were shut down in order to increase the capacity of the shaft through which production is moved out of the underground mine (allowing the extra potash production to be moved, with the |

capacity expansion scheduled for completion in 3Q05).

|                  |  |    |       |  |
|------------------|--|----|-------|--|
| Aluminum         | Paragominas I                                  | 2  | 83.2  | Environmental licenses were obtained for the mine's development and for the construction of a 230 kilometer mineral pipeline which will transport the bauxite to Alunorte's refinery. Start-up of operations is scheduled for the beginning of 2006, with production capacity of 4.5 million tons of bauxite a year. |
| Logistics        | Purchases of locomotives and railcars-EFVM/EFC | 75 | 182.0 | In 1Q04, the Company received delivery of 1,133 railcars - 735 for the transportation of iron ore and 398 for general cargo, as well as 8 locomotives. Total deliveries programmed for 2004 amount to 2,011 railcars and 18 locomotives.   |
| Power Generation | Aimorés hydroelectric plant                    | 11 | 19.0  | The plant is located on the Rio Doce, in the state of Minas Gerais, and will have a generation capacity of 330MW, with start-up scheduled for July 2005.   |
|                  | Candongá hydroelectric plant                   | 2  | 3.5   | The work on the plant has already been completed. The reservoir is being filled which will be completed by May and commercial operations will begin in June. By August, all the turbines will be generating electricity. The plant will have a generating capacity of 140MW.   |

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| Area | Project                                  | Budget<br>US\$ million |      | Status  |
|------|--|------------------------|------|---|
|      |  | 1Q04                   | 2004 |   |
|      | Capim Branco I & II hydroelectric plants | 6                      | 33.6 | Both plants are located on the Araguari river, in the state of Minas Gerais and will have a capacity of 240MW and 210MW, respectively. The start-up of both plants is scheduled for 2006. |

**SELECTED FINANCIAL INDICATORS MAIN SUBSIDIARIES AND AFFILIATES OF CVRD**

Selected financial indicators for the main subsidiaries and affiliates are available on CVRD Quarterly Financial Statements, on the Company's website, [www.cvr.com.br](http://www.cvr.com.br), under Investor Relations .

**CONFERENCE CALL/WEBCAST**

On 14 May, Friday, a conference call/ webcast will be held at 12:00 pm, local time (Rio de Janeiro), 11:00 am Eastern Standard Time, USA and 4:00 pm British Standard Time. Instructions to participate in this event are available on CVRD's website, [www.cvr.com.br](http://www.cvr.com.br), under Investor Relations . A recording of the conference call/webcast will be available on the site for the 90 days following the conference call on 14 May 2004.

**FINANCIAL STATEMENTS**

|   | R\$ million  |              |              |
|---|--------------|--------------|--------------|
|   | 1Q03         | 4Q03         | 1Q04         |
| Gross Operating Revenues                        | 2,518        | 2,877        | 2,731        |
| Taxes   | (101)        | (79)         | (123)        |
| <b>Net Operating Revenues</b>                   | <b>2,417</b> | <b>2,798</b> | <b>2,608</b> |
| Cost of Goods Sold                              | (1,248)      | (1,548)      | (1,476)      |
| <b>Gross Earnings</b>                           | <b>1,169</b> | <b>1,250</b> | <b>1,132</b> |
| Gross Margin (%)                                | 48.4         | 44.7         | 43.4         |
| <b>Result from Shareholdings</b>                | <b>335</b>   | <b>148</b>   | <b>510</b>   |
| Equity Income                                   | 418          | 415          | 595          |
| Goodwill Amortization                           | (93)         | (113)        | (57)         |
| Provision for Losses                            | 10           | (154)        | (28)         |
| <b>Operational Expenses</b>                     | <b>(285)</b> | <b>(357)</b> | <b>(440)</b> |
| Sales   | (51)         | (64)         | (5)          |
| Administrative                                  | (89)         | (124)        | (104)        |
| Research and Development                        | (38)         | (95)         | (63)         |
| Other Operational Expenses                      | (106)        | (74)         | (85)         |
| Non-Cash Item - Samitri's Goodwill Amortization |              |              | (183)        |
| <b>Financial Result</b>                         | <b>145</b>   | <b>(261)</b> | <b>(205)</b> |

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|                                    |              |             |             |
|------------------------------------|--------------|-------------|-------------|
| Financial Expenses                 | (184)        | (240)       | (165)       |
| Financial Revenues                 | 50           | 51          | 29          |
| Monetary Variation                 | 279          | (72)        | (69)        |
| <b>Operating Profit</b>            | <b>1,364</b> | <b>781</b>  | <b>997</b>  |
| Income Tax and Social Contribution | (200)        | 11          | (43)        |
| <b>Net Earnings</b>                | <b>1,164</b> | <b>792</b>  | <b>954</b>  |
| <b>Earnings per share (R\$)</b>    | <b>3.03</b>  | <b>2.06</b> | <b>2.48</b> |

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**Table of Contents****BR GAAP****BALANCE SHEET**

|                      | <b>R\$ million</b> |                 |                 |
|----------------------|--------------------|-----------------|-----------------|
|                      | <b>03/31/03</b>    | <b>12/31/03</b> | <b>03/31/04</b> |
| <b>Asset</b>         |                    |                 |                 |
| Current              | 4,788              | 3,949           | 3,827           |
| Long Term            | 3,045              | 2,689           | 2,679           |
| Fixed                | 20,080             | 23,604          | 24,495          |
| <b>Total</b>         | <b>27,913</b>      | <b>30,242</b>   | <b>31,001</b>   |
| <b>Liabilities</b>   |                    |                 |                 |
| Current              | 4,629              | 5,191           | 5,036           |
| Long Term            | 9,991              | 10,111          | 10,543          |
| Shareholders' Equity | 13,293             | 14,940          | 15,422          |
| Paid-up Capital      | 5,000              | 6,300           | 6,300           |
| Reserves             | 8,293              | 8,640           | 9,122           |
| <b>Total</b>         | <b>27,913</b>      | <b>30,242</b>   | <b>31,001</b>   |

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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Expressed In thousands of reais

**1- Management's Discussion and Analysis of the Operating Results for the First Quarter of 2004 Compared with the First Quarter of 2003****1.1- General Aspects****(a) Companhia Vale do Rio Doce's segments of business are mining, logistics and energy, as follows:**

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

Non-ferrous minerals: potash, kaolin and copper;

Logistics: railroads, ports and maritime terminals and shipping;

Energy: electric power generation; and

Holdings: equity holdings in producers of aluminum and steel.

**(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:**

| Period<br>Currencies / Indices | $\Delta\%$     |       |       |       |      | Parity     |            |
|--------------------------------|----------------|-------|-------|-------|------|------------|------------|
|                                | U.S.<br>DOLLAR | YEN   | GOLD  | IGP-M | TJLP | US\$ x R\$ | US\$ x Yen |
| 1Q/04                          | 0.7            | 3.3   | 1.8   | 2.7   | 2.4  | 2.9086     | 104.48     |
| Year ended 2003                | (18.2)         | (9.3) | 19.9  | 8.7   | 11.5 | 2.8892     | 107.17     |
| 4Q/03                          | (1.2)          | 3.0   | 7.3   | 1.5   | 2.6  | 2.8892     | 107.17     |
| 1Q/03                          | (5.1)          | (4.6) | (3.6) | 6.3   | 2.6  | 3.3531     | 118.20     |
| Year ended 2002                | 52.3           | 68.2  | 25.0  | 25.3  | 9.9  | 3.5333     | 118.87     |

About 64% of the Company's gross revenue for three months ended March 31, 2004 is derived from exports and part of domestic sales are linked to the U.S. dollar.

About 28% of total costs are linked to the U.S. dollar.

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 03/31/04 are denominated in U.S. dollars. As a result, exchange rate fluctuations have a significant impact on the financial expenses (Note 6.15).

- (c) **On the first quarter of 2004, the consolidated trade balance of US\$ 864 million was generated as follows:**

|         | <b>Consolidated (in US\$ million)</b> |              |              |
|---------|---------------------------------------|--------------|--------------|
|         | <b>1Q/04</b>                          | <b>4Q/03</b> | <b>1Q/03</b> |
| Exports | 1,012                                 | 1,211        | 800          |
| Imports | 148                                   | (162)        | (116)        |
|         | <b>864</b>                            | <b>1,049</b> | <b>684</b>   |

**Consolidated Trade Balance - US\$ Million**

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**Table of Contents****1.2- Comments on the Company Results**

The net income of the Company for the three months ended March 31, 2004 was R\$ 953,714 compared with net income of R\$ 1,163,828 in the three months ended March 31, 2003 (the earnings per share corresponds to R\$ 2.48 in the three months ended March 31, 2004 versus R\$ 3.03 in the three months ended March 31, 2003).

**1.2.1- Gross Revenue**

The 8% increase in gross revenue (R\$ 2,731,147 on 03/31/04 against R\$ 2,517,618 on 03/31/03) is a result of higher volumes sold of iron ore and pellets, mainly due to the merger of Ferteco in September 2003 and for the operation at full capacity of the palletizing plant of São Luis on the second semester of 2003, as shown in the table below compensated in part of the average evaluation of the real against the United States Dollar by 17.2%, incident on 83% of the revenue of the Company. The increase in iron ore and pellets sales was due to growth in the European and Asiatic markets of 27.9%, 14.5%, respectively.

|                            | In thousands of metric tons (except gold) |               |    |               |      | In thousands of reais |                  |     |                  |      |
|----------------------------|---|---------------|----|---------------|------|-----------------------|------------------|-----|------------------|------|
|                            | 1Q/04                                     | 1Q/03         | Δ% | 4Q/03         | Δ%   | 1Q/04                 | 1Q/03            | Δ%  | 4Q/03            | Δ%   |
| External market            |   |               |    |               |      |                       |                  |     |                  |      |
| Iron ore - fines           | 24,757                                    | 20,548        | 20 | 25,769        | (4)  | 1,159,327             | 1,053,902        | 10  | 1,295,182        | (10) |
| Iron ore - lump ore        | 2,087                                     | 1,604         | 30 | 2,611         | (20) | 109,027               | 87,803           | 24  | 139,217          | (22) |
| Pellets                    | 5,214                                     | 4,171         | 25 | 5,416         | (4)  | 479,596               | 406,061          | 18  | 503,196          | (5)  |
|                            | <b>32,058</b>                             | <b>26,323</b> | 22 | <b>33,796</b> | (5)  | <b>1,747,950</b>      | <b>1,547,766</b> | 13  | <b>1,937,595</b> | (10) |
| Internal market            |   |               |    |               |      |                       |                  |     |                  |      |
| Iron ore - fines           | 7,853                                     | 7,609         | 3  | 7,494         | 5    | 331,256               | 357,669          | (7) | 301,692          | 10   |
| Iron ore - lump ore        | 2,204                                     | 1,546         | 43 | 2,260         | (2)  | 97,225                | 53,728           | 81  | 71,895           | 35   |
| Pellets (*)                | 1,141                                     | 913           | 25 | 1,247         | (9)  | 151,278               | 118,629          | 28  | 160,691          | (6)  |
|                            | <b>11,198</b>                             | <b>10,068</b> | 11 | <b>11,001</b> | 2    | <b>579,759</b>        | <b>530,026</b>   | 9   | <b>534,278</b>   | 9    |
| <b>Total</b>               |   |               |    |               |      |                       |                  |     |                  |      |
| <b>Iron ore - fines</b>    | <b>32,610</b>                             | <b>28,157</b> | 16 | <b>33,263</b> | (2)  | <b>1,490,583</b>      | <b>1,411,571</b> | 6   | <b>1,596,874</b> | (7)  |
| <b>Iron ore - lump ore</b> | <b>4,291</b>                              | <b>3,150</b>  | 36 | <b>4,871</b>  | (12) | <b>206,252</b>        | <b>141,531</b>   | 46  | <b>211,112</b>   | (2)  |
| <b>Pellets</b>             | <b>6,355</b>                              | <b>5,084</b>  | 25 | <b>6,663</b>  | (5)  | <b>630,874</b>        | <b>524,690</b>   | 20  | <b>663,887</b>   | (5)  |

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|                                    |               |               |      |               |      |                  |                  |       |                  |       |
|------------------------------------|---------------|---------------|------|---------------|------|------------------|------------------|-------|------------------|-------|
|                                    | <u>43,256</u> | <u>36,391</u> | 19   | <u>44,797</u> | (3)  | <u>2,327,709</u> | <u>2,077,792</u> | 12    | <u>2,471,873</u> | (6)   |
| <b>Railroad transportation</b>     | 12,165        | 12,152        |      | 12,095        | 1    | 261,142          | 258,866          | 1     | 248,724          | 5     |
| <b>Port services</b>               | 5,635         | 5,624         |      | 5,761         | (2)  | 71,485           | 68,298           | 5     | 77,358           | (8)   |
| <b>Gold (kg)</b>                   |               | 801           |      | 63            |      |                  | 32,298           | (100) | 2,423            | (100) |
| <b>Potash</b>                      | 138           | 158           | (13) | 169           | (18) | 65,272           | 72,530           | (10)  | 71,434           | (9)   |
| <b>Other products and services</b> |               |               |      |               |      | 5,539            | 7,834            | (29)  | 4,574            | 21    |
|                                    |               |               |      |               |      | <u>2,731,147</u> | <u>2,517,618</u> | 8     | <u>2,876,386</u> | (5)   |

(\*) Includes revenues derived from services provided to pelletizing joint ventures in the amount of R\$ 35,777, R\$ 28,762 and R\$ 41,232 in 1Q/04, 1Q/03 and 4Q/03, respectively.

Summary of volumes sold of iron ore and pellets by geographical area, details see 7.1 item.

|                                | (Million of tons) |              |              |
|--------------------------------|-------------------|--------------|--------------|
|                                | <u>1Q/04</u>      | <u>1Q/03</u> | <u>4Q/03</u> |
| <b>Foreign Market</b>          |                   |              |              |
| Asia                           | 13.4              | 11.7         | 13.6         |
| Europe                         | 13.3              | 10.4         | 15.4         |
| Americas                       | 3.2               | 2.6          | 2.5          |
| Africa / Mid. East / Australia | 2.2               | 1.5          | 2.3          |
|                                | <u>32.1</u>       | <u>26.2</u>  | <u>33.8</u>  |
| <b>Domestic Market</b>         | <u>11.2</u>       | <u>10.1</u>  | <u>11.0</u>  |
| <b>Total</b>                   | <u>43.3</u>       | <u>36.3</u>  | <u>44.8</u>  |

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**1.2.2- Cost of Products and Services**

The increase of 18% (R\$ 228,046) in the cost of products and services (R\$ 1,475,929 as of March 31, 2004 compared to R\$ 1,247,883 as of March 31, 2003) is mainly due to the following major factors:

Ferteco's merger in September 2003, adding costs of R\$ 208,969 from sales of 4,854 thousand tons of iron ore and pellets;

Speeding of goodwill amortization period of Samitri as a result of the revision of its projection of rentability, increasing costs in this quarter in R\$ 20,312;

Start up operations of the São Luís Pellets Plant (UPSL), adding costs of R\$ 32,139 from sales of 1,321 thousand tons in 2004 as compared to 339 thousand tons in the same period of the prior year.

Utilization of PIS and COFINS tax credits decurrent of the change in the COFINS Law, reducing R\$ 83,842 the quarterly costs.

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**Table of Contents****By Nature**

|                                     | Denominated      |                | 1Q/04            | %          | 1Q/03            | %          | Δ%        | 4Q/03            | %          | Δ%         |
|-------------------------------------|------------------|----------------|------------------|------------|------------------|------------|-----------|------------------|------------|------------|
|                                     | R\$              | US\$           |                  |            |                  |            |           |                  |            |            |
| Personnel                           | 149,942          |                | 149,942          | 10         | 120,262          | 10         | 25        | 184,091          | 12         | (19)       |
| Material                            | 160,015          | 70,887         | 230,902          | 16         | 211,103          | 17         | 9         | 243,004          | 16         | (5)        |
| Oil and gas                         | 160,025          |                | 160,025          | 11         | 139,176          | 11         | 15        | 179,329          | 12         | (11)       |
| Outsourced services                 | 286,760          | 1,731          | 288,491          | 19         | 129,735          | 10         | 122       | 300,636          | 19         | (4)        |
| Energy                              | 43,871           |                | 43,871           | 3          | 24,167           | 2          | 82        | 51,388           | 3          | (15)       |
| Acquisition of iron ore and pellets |                  | 283,213        | 283,213          | 19         | 386,468          | 31         | (27)      | 248,786          | 16         | 14         |
| Depreciation and depletion          | 148,533          |                | 148,533          | 10         | 125,548          | 10         | 18        | 154,545          | 10         | (4)        |
| Amortization of goodwill            | 96,096           |                | 96,096           | 7          | 24,419           | 2          | 294       | 75,784           | 5          | 27         |
| Others                              | 16,674           | 58,182         | 74,856           | 5          | 87,005           | 7          | (14)      | 108,997          | 7          | (31)       |
| <b>Total</b>                        | <b>1,061,916</b> | <b>414,013</b> | <b>1,475,929</b> | <b>100</b> | <b>1,247,883</b> | <b>100</b> | <b>18</b> | <b>1,546,560</b> | <b>100</b> | <b>(5)</b> |
|                                     | <b>72%</b>       | <b>28%</b>     |                  |            |                  |            |           |                  |            |            |

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

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

| Business Area               | 1Q/04   | 1Q/03    | %    | 4Q/03     | %     |
|-----------------------------|---------|----------|------|-----------|-------|
| <b>Ferrous Minerals</b>     |         |          |      |           |       |
| . Iron ore and pellets      | 216,595 | 34,381   | 530  | 3,963     | 5,365 |
| . Manganese and ferroalloys | 58,390  | 16,450   | 255  | 199,569   | (71)  |
| <b>Non-Ferrous Minerals</b> | 5,635   | 23,976   | (76) | (49,350)  | 111   |
| <b>Logistics</b>            | 19,631  | (40,490) | 148  | (145,909) | 113   |
| <b>Holdings</b>             |         |          |      |           |       |
| . Steel                     | 117,591 | 64,886   | 81   | 85,087    | 38    |
| . Aluminum                  | 89,613  | 220,984  | (59) | 95,685    | (6)   |
| <b>Others</b>               | 2,104   | 14,893   | (86) | (41,004)  | 105   |

|                          |                |                |       |                |     |
|--------------------------|----------------|----------------|-------|----------------|-----|
|                          | <b>509,559</b> | <b>335,080</b> | 52    | <b>148,041</b> | 244 |
|                          | <hr/>          | <hr/>          |       | <hr/>          |     |
| Equity                   | 595,231        | 418,620        | 42    | 414,771        | 44  |
| Provision for losses     | (28,402)       | 9,632          | (395) | (153,893)      | 82  |
| Amortization of goodwill | (57,270)       | (93,172)       | 39    | (112,837)      | 49  |
|                          | <hr/>          | <hr/>          |       | <hr/>          |     |
|                          | <b>509,559</b> | <b>335,080</b> | 52    | <b>148,041</b> | 244 |
|                          | <hr/>          | <hr/>          |       | <hr/>          |     |

## Ferrous Minerals

### (a) Iron ore and pellets

- Caemi improvement in the equity results of R\$ 35,515 (gain of R\$ 32,068 for March 31, 2004 as compared to a loss of R\$ 3,447 for March 31, 2003) due to the change of participation in September 2003 from 16.86% to 60.23%. There was an increase in the volume sold of 25.6% (9,796 thousand tons for March 31, 2004 as compared to 7,801 thousand tons for March 31, 2003) and increase in the average selling price of 22.4% (US\$ 18.00 per ton for March 31, 2004 as compared to US\$ 14.71 per ton for March 31, 2003).
- Itaco/RDE improvement in the equity results of R\$ 175,494 (gain of R\$ 65,144 for March 31, 2004 as compared to a loss of R\$ 110,350 for March 31, 2003) basically due to the impact of the Real devaluation against the US Dollar in the quarter (positive exchange rate variation of R\$ 23,141 for March 31, 2004 as compared to a negative exchange rate variation of R\$ 196,934 for March 31, 2003). There was an increase in the volume of iron ore sold of 25.6% (26,536 thousand tons for March 31, 2004 as compared to 21,124 thousand tons for March 31, 2003) and of pellets of 24.5% (4,703 thousand tons for March 31, 2004 as compared to 3,778 thousand tons for March 31, 2003).
- Kobrasco reduction in the equity results of R\$ 4,817 (gain of R\$ 4,278 for March 31, 2004 as compared to a gain of R\$ 9,095 for March 31, 2003), mainly due to the adverse foreign exchange effects on the debt on March 31, 2003. There was an increase in the volume sold of 9.4% (1,240 thousand tons for March 31, 2004 as compared to 1,134 thousand tons for March 31, 2003) and an increase in the average selling price of 11.1% (US\$ 33.76 per ton for March 31, 2004 as compared to US\$ 30.39 per ton for March 31, 2003).

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- . Nibrasco improvement in the equity results of R\$5,877 (gain of R\$7,492 for March 31, 2004 as compared to a gain of R\$1,615 for March 31, 2003), due to the increase in the volume sold of 6.8% (1,923 thousand tons for March 31, 2004 as compared to 1,800 thousand tons for March 31, 2003) and an increase in the average selling price of 13.4% (US\$ 31.49 per ton for March 31, 2004 as compared to US\$ 27.75 per ton for March 31, 2003).
- . Samarco improvement in the equity results of R\$ 6,455 (gain of R\$ 76,182 for March 31, 2004 as compared to a gain of R\$ 69,727 for March 31, 2003), due to the increase in the average selling price partially offset by the decrease in the volume sold of 0.7% (3,959 thousand tons for March 31, 2004 as compared to 3,988 thousand tons for March 31, 2003) and by the adverse foreign exchange effects.

(b) Manganese and ferroalloys

- . RDM improvement in the equity results of R\$21,707 (gain of R\$19,447 for March 31, 2004 as compared to a loss of R\$2,260 for March 31, 2003), due to the increase in the volume of ferroalloys sold of 22.4% (82 thousand tons for March 31, 2004 as compared to 67 thousand tons for March 31, 2003), an increase in the volume of manganese sold of 18.3% (285 thousand tons for March 31, 2004 as compared to 241 thousand tons for March 31, 2003), an increase in the average selling price of ferroalloys of 31.6% (US\$706.34 per ton for March 31, 2004 as compared to US\$536.68 per ton for March 31, 2003) and an increase in the average selling price of manganese of 5.6% (US\$45.02 per ton for March 31, 2004 as compared to US\$42.65 per ton for March 31, 2003).

**Non-ferrous Minerals**

- . Pará Pigmentos reduction in the equity results of R\$18,281 (gain of R\$5,699 for March 31, 2004 as compared to a gain of R\$23,980 for March 31, 2003), due to the adverse foreign exchange effects on the debt. There was a decrease in the volume sold of 9.3% (98 thousand tons for March 31, 2004 as compared to 108 thousand tons for March 31, 2003) and an increase in the average selling price of 1.3% (US\$153.94 per ton for March 31, 2004 as compared to US\$152.00 per ton for March 31, 2003).

**Logistics**

- . Docenave improvement in the equity results of R\$21,388 (gain of R\$19,667 for March 31, 2004 as compared to a loss of R\$1,721 for March 31, 2003), due to the US Dollar valuation against the Real on the US dollar denominated assets and cost reduction from the decrease in operating ships. There was a reduction of the volume of bulk transportation of 48.2% (1,555 thousand tons for March 31, 2004 as compared to 3,000 thousand tons for March 31, 2003), as well as in the volume of tugboats maneuvers of 7.8% (1,610 maneuvers for March 31, 2004 as compared to 1,746 maneuvers for March 31, 2003), and a significant increase in the operations with containers of 82.5% (21,976 TEUs moved for March 31, 2004 as compared to 12,042 TEUs moved for March 31, 2003) and, in relation to average price, there was an increase of 47.7% in the bulk transportation (US\$10.25 per ton for March 31, 2004 as compared to US\$6.94 per ton for March 31, 2003), an increase of 22.8% in tugboat services (US\$3,004.35 per maneuver for March 31, 2004 as compared to US\$2,447.31 per maneuver for March 31, 2003) and a decrease of 16.4% in container shippings (US\$586.28 per container for March 31, 2004 as compared to US\$701.21 per container for March 31, 2003).
- . FCA recognition for March 31, 2004 of R\$25,871 of equity loss as compared to a loss of R\$42,494 for March 31, 2003 it was a result of a good operational performance and the reverse of ICMS provisional for loss.
- . MRS improvement in the equity results of R\$5,953 (gain of R\$12,025 for March 31, 2004 as compared to a gain of R\$6,072 for March 31, 2003), due to a favorable operating performance.

**Holdings**

(a) Steel

- . CSI improvement in the equity results of R\$31,090 (gain of R\$2,441 for March 31, 2004 as compared to a loss of R\$28,649 for March 31, 2003) basically due to the Real devaluation against the US Dollar (positive exchange rate variation of R\$4,160 for March 31, 2004 as compared to a negative exchange rate variation of R\$37,708 for March 31, 2003). There was a decrease in the volume of 28.1% (566 thousand tons for March 31, 2004 as compared to 442 thousand tons for March 31, 2003).
- . CST improvement in the equity results of R\$5,509 (gain of R\$70,150 for March 31, 2004 as compared to a gain of R\$64,641 for March 31, 2003) basically due to the change of participation (22.85% to 28.02%). There was an increase in the average selling price of approximately 19.7% (US\$274.92 per ton for March 31, 2004 as compared to US\$229.76 per ton for March 31, 2003) and an increase in the volume sold of 13.2% (1,149 thousand tons for March 31, 2004 as compared to 1,015 thousand tons for March 31, 2003).
- . Usiminas the higher the net income of R\$8,000 (R\$45,000 for March 31, 2004 against R\$37,000 for March 31, 2003) was a result of the increase of the average price and increase of 4.4% of volume sold (1,910 tons for March 31, 2004 against 1,830 tons for March 31, 2003), that was partially compensated by the negative effect of the exchange variation on the debt of March 31, 2003.

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## (b) Aluminum

- . Albras reduction of the equity results of R\$ 116,457 (loss of R\$ 2,637 for March 31, 2004 as compared to a gain of R\$ 113,820 for March 31, 2003), mainly due to the derivatives losses. There was a decrease in the volume of aluminum sold of 5.8% (97 thousand tons for March 31, 2004 as compared to 103 thousand tons for March 31, 2003) offset by an increase in the average selling price of 17.1% (US\$ 1,567.28 per ton for March 31, 2004 as compared to US\$ 1,337.98 per ton for March 31, 2003).
  
- . Alunorte reduction in the equity results of R\$ 37,012 (gain of R\$ 21,126 for March 31, 2004 as compared to a gain of R\$ 58,138 for March 31, 2003), due to the adverse foreign exchange effects on the debt of March 31, 2003. There was an increase in the volume of alumina sold of 36.7% (670 thousand tons for March 31, 2004 as compared to 490 thousand tons for March 31, 2003) due to the start up activity of the 3<sup>rd</sup> line production in March 2003, as well as an increase in the average selling price of 19.3% (US\$ 205.30 per ton for March 31, 2004 as compared to US\$ 172.03 per ton for March 31, 2003), offset by with derivatives losses.
  
- . MRN improvement in the equity results of R\$ 9,712 (gain of R\$ 33,511 for March 31, 2004 as compared to a gain of R\$ 23,799 for March 31, 2003), due to the increase in the volume sold of 50.5% (3,304 thousand tons for March 31, 2004 as compared to



2,196 thousand tons for March 31, 2003) originated by the conclusion of the production capacity extension, in addition to an increase in the average selling price of bauxite of 3.5% (US\$ 19.90 per ton for March 31, 2004 as compared to US\$ 19.23 per ton for March 31, 2003).

. Valesul reduction of the equity results of R\$ 5,308 (gain of R\$ 9,498 for March 31, 2004 as compared to a gain of R\$ 14,806 for March 31, 2003), due to the increase in the electrical energy costs despite the increase in the volume sold of 31.6% (25 thousand tons for March 31, 2004 as compared to 19 thousand tons for March 31, 2003) and an increase in the average selling price of aluminum of 10.0% (US\$ 1,903.80 per ton for March 31, 2004 as compared to US\$ 1,730.60 per ton for March 31, 2003).

. Itaco improvement in the equity results of R\$ 34,133 (gain of R\$ 28,115 for March 31, 2004 as compared to a loss of R\$ 6,018 for March 31, 2003), due to the increase in the average selling price of alumina of 19.0%, 17.1% of aluminum and an increase of 41.4% of alumina volume sold offset by an increase in the volume of bauxite sold of 117.9%, a decrease in the average selling price of bauxite of 0.8% and a decrease in the volume of aluminum sold of 14.3%.

#### **1.2.4- Operating Expenses**

The operating expenses increased R\$ 155,422 (R\$ 439,979 on 03/31/04 compared to R\$ 284,557 on 03/31/03), basically because of non recurring-goodwill amortization of Samitri (note 1.2.10).

#### **1.2.5- Net Financial Result**

The net financial result on 1Q04 had a negative impact of R\$ 349,806 (expense of R\$ 204,911 on 03/31/04 compared to revenue of R\$ 144,895 on 03/31/03), mainly due to exchange rate effects decored from the evaluation of the dollar against real 0.7% on March 2004 and devaluation of the dollar against the real 5.1% on March, 2003.

#### **1.2.6- Income Tax and Social Contribution**

Income tax and social contribution reflect an expense of R\$ 43,224 on 03/31/04 compared with a expense of R\$ 200,478 on 03/31/03, mainly caused by the decrease in the tax basis (income before income tax and social contribution less the equity method result, goodwill and provisions for non-deductible losses) from negative R\$ 1,017,319 on 03/31/03 to R\$ 456,616 on 03/31/04, partially reduced by the benefit of interest on stockholders equity of R\$ 160,841 on 03/31/04 (R\$ 211,418 on 03/31/03) (Note 6.7).

#### **1.2.7- Cash Generation**

The operating cash generation measured by EBITDA (earnings before interest, income tax and depreciation, amortization and depletion) was R\$ 1,341,900 on 03/31/04, against R\$ 1,148,114 on 03/31/03, an increase of 16.9%.

**Table of Contents****EBITDA**

|   | <b>1Q/04</b>     | <b>1Q/03</b>     | <b>4Q/03</b>     |
|---|------------------|------------------|------------------|
| Net operating revenue                   | 2,608,198        | 2,416,771        | 2,797,178        |
| Cost of products and services           | (1,475,929)      | (1,247,883)      | (1,546,560)      |
| Operating expenses                      | (439,979)        | (284,557)        | (356,953)        |
| <b>Operating profit</b>                 | <b>692,290</b>   | <b>884,331</b>   | <b>893,665</b>   |
| Depreciation / amortization of goodwill | 256,023          | 161,396          | 243,205          |
| <b>Dividends received</b>               | <b>948,313</b>   | <b>1,045,727</b> | <b>1,136,870</b> |
| Extraordinary items - goodwill Samitri  | 182,796          | 102,387          | 102,190          |
| <b>EBITDA R\$</b>                       | <b>1,341,900</b> | <b>1,148,114</b> | <b>1,239,060</b> |
| US\$ average                            | 2.8945           | 3.4909           | 2.8993           |
| <b>EBITDA US\$</b>                      | <b>463,603</b>   | <b>328,888</b>   | <b>427,365</b>   |

**1.2.8- Interest on Stockholders Equity**

During 2003, CVRD declared total remuneration of R\$ 2,254 as interest on stockholders equity, as follows:

| <b>Payment date</b>               | <b>R\$<br/>million</b> | <b>US\$ million</b>                               |   |
|-----------------------------------|------------------------|---|---|
|                                   | <b>Amount</b>          | <b>Amount<br/>at the<br/>declaration<br/>date</b> | <b>Amount at<br/>the<br/>payment<br/>date</b> |
| 04/30/03                          | 622                    | 200   | 215   |
| 10/31/03                          | 745                    | 250   | 261   |
| 10/31/03                          | 568                    | 200   | 199   |
| From 04/30/04 (referring to 2003) | 319                    | 111   | 108   |

|              |            |            |
|--------------|------------|------------|
| —            | —          | —          |
| <b>2.254</b> | <b>761</b> | <b>783</b> |
| —            | —          | —          |

Interest on stockholders' equity paid at 2003 totaled R\$ 1,935 (US\$ 675 million) and payable in 2004 due to 2003 totaled R\$ 319 (US\$ 108 million).

#### **1.2.9- Shareholder Remuneration Policy for 2004**

On 01/28/04, CVRD announced that its Executive Board had submitted to the approval of the Board of Directors a proposal to pay minimum shareholder remuneration for 2004 of US\$ 1.43 per common or preferred share totaling US\$ 550 million, in two equal installments, on April 30 and October 29.

The Board of Directors will discuss the proposal of the Executive Board at meetings scheduled for April 14 and October 13. The amount announced will be paid in Brazilian currency, calculated based on the *real*/dollar exchange rate (Ptax - option 5) disclosed by the Central Bank of Brazil on the business day immediately prior to the meeting of the Board of Directors that approves the distribution and respective payment of shareholder remuneration.

On March 31, 2004, CVRD proposed interest on stockholders' equity in the amount of R\$ 790,710 equivalent to R\$ 2.06 per share.

#### **1.2.10- Non recurring Item - Samitri's goodwill amortization**

According to instruction CVM 247, we reviewed the terms of goodwill originated from Samitri acquisition. After reviewing the projections of future results we adopted 5 years of amortization, mainly due to the increase of dividends received from Samarco. Consequently we recorded an expense of R\$ 182.796.

**Table of Contents****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**

|   |              | <b>In thousands of reais</b> |                   |
|---|--------------|------------------------------|-------------------|
|   | <b>Notes</b> | <b>03/31/04</b>              | <b>12/31/03</b>   |
| <b>Assets</b>                               |              |                              |                   |
| <b>Current assets</b>                       |              |                              |                   |
| Cash and cash equivalents                   | 6.4          | 381,834                      | 342,008           |
| Accounts receivable from customers          |              | 1,099,867                    | 1,186,870         |
| Related parties                             | 6.5          | 317,190                      | 668,449           |
| Inventories                                 | 6.6          | 596,719                      | 553,428           |
| Taxes to recover or offset                  | 6.8          | 536,825                      | 478,014           |
| Deferred income tax and social contribution | 6.7          | 603,044                      | 397,883           |
| Others                                      |              | 291,712                      | 321,853           |
|   |              | <u>3,827,191</u>             | <u>3,948,505</u>  |
| <b>Long-term receivables</b>                |              |                              |                   |
| Related parties                             | 6.5          | 688,883                      | 708,096           |
| Loans and financing                         |              | 144,035                      | 143,200           |
| Deferred income tax and social contribution | 6.7          | 784,563                      | 826,205           |
| Judicial deposits                           | 6.12         | 1,033,064                    | 984,607           |
| Others                                      |              | 28,476                       | 27,276            |
|   |              | <u>2,679,021</u>             | <u>2,689,384</u>  |
| <b>Permanent assets</b>                     |              |                              |                   |
| Investments                                 | 6.9          | 11,402,819                   | 11,241,273        |
| Property, plant and equipment               | 6.10         | 13,092,074                   | 12,362,353        |
|   |              | <u>24,494,893</u>            | <u>23,603,626</u> |

|   |      |                          |                          |
|---|------|--------------------------|--------------------------|
|   |      | <b>31,001,105</b>        | <b>30,241,515</b>        |
|   |      | <b><u>31,001,105</u></b> | <b><u>30,241,515</u></b> |
| <b>Liabilities and stockholders equity</b>  |      |                          |                          |
| <b>Current liabilities</b>                  |      |                          |                          |
| Short-term debt                             | 6.11 |                          | 105,603                  |
| Current portion of long-term debt           | 6.11 | 959,781                  | 1,896,701                |
| Payable to suppliers and contractors        |      | 1,022,863                | 959,453                  |
| Related parties                             | 6.5  | 1,483,965                | 1,365,472                |
| Payroll and related charges                 |      | 200,658                  | 168,965                  |
| Pension Plan - Valia                        |      | 93,110                   | 92,323                   |
| Proposed interest on stockholders equity    |      | 790,710                  | 319,873                  |
| Others                                      |      | 484,287                  | 282,172                  |
|   |      | <b><u>5,035,374</u></b>  | <b><u>5,190,562</u></b>  |
| <b>Long-term liabilities</b>                |      |                          |                          |
| Long-term debt                              | 6.11 | 3,002,365                | 2,770,571                |
| Related parties                             | 6.5  | 4,484,432                | 4,395,082                |
| Deferred income tax and social contribution | 6.7  | 99,451                   | 85,146                   |
| Provisions for contingencies                | 6.12 | 1,493,551                | 1,482,536                |
| Pension Plan - Valia                        |      | 574,685                  | 569,849                  |
| Others                                      |      | 888,796                  | 808,195                  |
|   |      | <b><u>10,543,280</u></b> | <b><u>10,111,379</u></b> |
| <b>Stockholders equity</b>                  |      |                          |                          |
| Paid-up capital                             | 6.14 | 6,300,000                | 6,300,000                |
| Revenue reserves                            |      | 9,122,451                | 8,639,574                |
|   |      | <b><u>15,422,451</u></b> | <b><u>14,939,574</u></b> |
|   |      | <b><u>31,001,105</u></b> | <b><u>30,241,515</u></b> |

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**

| <b>In thousands of reais</b>         |                    |                    |                    |
|--------------------------------------|--------------------|--------------------|--------------------|
| <b>Notes</b>                         | <b>1Q/04</b>       | <b>1Q/03</b>       | <b>4Q/03</b>       |
| <b>Operating revenues</b>            |                    |                    |                    |
| <b>Sales of ore and metals</b>       | 1.2.1              |                    |                    |
| Iron ore and pellets                 | 2,327,709          | 2,077,792          | 2,471,873          |
| Gold                                 |                    | 32,298             | 2,423              |
| Potash                               | 65,272             | 72,530             | 71,434             |
|                                      | <u>2,392,981</u>   | <u>2,182,620</u>   | <u>2,545,730</u>   |
| Railroad and port services           | 332,627            | 327,164            | 326,082            |
| Others                               | 5,539              | 7,834              | 4,574              |
|                                      | <u>2,731,147</u>   | <u>2,517,618</u>   | <u>2,876,386</u>   |
| Value Added taxes                    | (122,949)          | (100,847)          | (79,208)           |
| <b>Net operating revenues</b>        | <u>2,608,198</u>   | <u>2,416,771</u>   | <u>2,797,178</u>   |
| <b>Cost of products and services</b> | 1.2.2              |                    |                    |
| Ores and metals                      | (1,374,289)        | (1,142,887)        | (1,419,714)        |
| Railroad and port services           | (98,616)           | (101,514)          | (120,770)          |
| Others                               | (3,024)            | (3,482)            | (6,076)            |
|                                      | <u>(1,475,929)</u> | <u>(1,247,883)</u> | <u>(1,546,560)</u> |
| <b>Gross profit</b>                  | <b>1,132,269</b>   | <b>1,168,888</b>   | <b>1,250,618</b>   |
| <b>Gross margin</b>                  | <b>43.4%</b>       | <b>48.4%</b>       | <b>44.7%</b>       |
| <b>Operating expenses</b>            |                    |                    |                    |
| Selling                              | (4,655)            | (51,680)           | (63,569)           |
| Administrative                       | 6.19               | (104,589)          | (88,758)           |
| Research and development             |                    | (63,339)           | (38,255)           |
| Other operating expenses             | 6.19               | (84,600)           | (105,864)          |
| Non recurring item - goodwill        | 1.2.10             | (182,796)          | (75,264)           |

Samitri

|  |      |                  |                  |                  |
|--|------|------------------|------------------|------------------|
|  |      | <u>(439,979)</u> | <u>(284,557)</u> | <u>(356,953)</u> |
| <b>Operating profit before financial result and result of equity investments</b> |      | <b>692,290</b>   | <b>884,331</b>   | <b>893,665</b>   |
| <b>Operating margin</b>  |      | <b>26.5%</b>     | <b>36.6%</b>     | <b>31.9%</b>     |
| <b>Result of equity investments</b>  |      |                  |                  |                  |
| Gain on investments accounted for by the equity method                           | 6.9  | 595,231          | 418,620          | 414,771          |
| Amortization of goodwill   | 6.9  | (57,270)         | (93,172)         | (112,837)        |
| Provision for losses   | 6.9  | (28,402)         | 9,632            | (153,893)        |
|  |      | <u>509,559</u>   | <u>335,080</u>   | <u>148,041</u>   |
| <b>Financial result</b>  |      |                  |                  |                  |
| Financial expenses, net  | 6.16 | (135,291)        | (135,029)        | (188,443)        |
| Monetary and exchange rate variation, net  | 6.16 | (69,620)         | 279,924          | (72,346)         |
|  |      | <u>(204,911)</u> | <u>144,895</u>   | <u>(260,789)</u> |
| <b>Income before income tax and social contribution</b>                          |      | <b>996,938</b>   | <b>1,364,306</b> | <b>780,917</b>   |
| Income tax and social contribution   | 6.7  | (43,224)         | (200,478)        | 10,612           |
| <b>Net income for the period</b>   |      | <b>953,714</b>   | <b>1,163,828</b> | <b>791,529</b>   |
| <b>Number of shares outstanding at the end of the period (in thousands)</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>2.48</b>      | <b>3.03</b>      | <b>2.06</b>      |
| <b>EBITDA</b>  |      | <b>1,341,900</b> | <b>1,148,114</b> | <b>1,239,060</b> |
| <b>EBITDA margin</b>   |      | <b>51.4%</b>     | <b>47.5%</b>     | <b>44.3%</b>     |

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)

**4- Statement of Changes in Stockholders Equity**

In thousands of reais

|   | Revenue reserves |                        |                  |                   |                  |                   |                  | Retained earnings | Total             |
|---|------------------|------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|-------------------|
|   | Paid-up capital  | Expansion/ Investments | Depletion        | Unrealized income | Legal            | Fiscal incentives | Treasury stock   |                   |                   |
| <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>(131,334)</b> |                   | <b>12,750,519</b> |
| Change in accounting practice - environmental provision |                  |                        |                  |                   |                  |                   |                  | (65,386)          | (65,386)          |
| Capitalization of reserves                              | 1,300,000        | (1,300,000)            |                  |                   |                  |                   |                  |                   |                   |
| Realization of revenue reserve                          |                  |                        |                  | (188,141)         |                  |                   |                  | 188,141           |                   |
| Treasury stock  |                  |                        |                  |                   |                  |                   | 16               |                   | 16                |
| Net income for the year                                 |                  |                        |                  |                   |                  |                   |                  | 4,508,850         | 4,508,850         |
| Proposed appropriations:                                |                  |                        |                  |                   |                  |                   |                  |                   |                   |
| Interest on stockholders equity                         |                  |                        |                  |                   |                  |                   |                  | (2,254,425)       | (2,254,425)       |
| Appropriation to revenue reserves                       |                  | 2,061,744              |                  |                   | 225,443          | 89,993            |                  | (2,377,180)       |                   |
| <b>On December 31, 2003</b>                             | <b>6,300,000</b> | <b>6,039,326</b>       | <b>1,004,166</b> | <b>557,266</b>    | <b>1,080,141</b> | <b>89,993</b>     | <b>(131,318)</b> |                   | <b>14,939,574</b> |
| Net income for the year                                 |                  |                        |                  |                   |                  |                   |                  | 953,714           | 953,714           |
| Proposed  |                  |                        |                  |                   |                  |                   |                  | (470,837)         | (470,837)         |

interest on  
stockholders  
equity

**On March 31,  
2004**

|                  |                  |                  |                |                  |               |                  |                |                   |  |
|------------------|------------------|------------------|----------------|------------------|---------------|------------------|----------------|-------------------|--|
|                  |                  |                  |                |                  |               |                  |                |                   |  |
| <b>6,300,000</b> | <b>6,039,326</b> | <b>1,004,166</b> | <b>557,266</b> | <b>1,080,141</b> | <b>89,993</b> | <b>(131,318)</b> | <b>482,877</b> | <b>15,422,451</b> |  |

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

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**CVRD**

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(A free translation of the original in Portuguese)

**5- Statement of Cash Flows (Additional Information)**

|  | <b>In thousands of reais</b> |                  |                  |
|--|------------------------------|------------------|------------------|
|  | <b>1Q/04</b>                 | <b>1Q/03</b>     | <b>4Q/03</b>     |
| <b>Cash flows from operating activities:</b>   |                              |                  |                  |
| Net income for the period  | 953,714                      | 1,163,828        | 791,529          |
| Adjustments to reconcile net income for the period with cash provided by operating activities: |                              |                  |                  |
| Result of equity investments   | (509,559)                    | (335,080)        | (148,041)        |
| Depreciation, amortization and depletion   | 164,571                      | 134,676          | 175,774          |
| Deferred income tax and social contribution  | (149,214)                    | 200,478          | 50,692           |
| Financial expenses and monetary and exchange rate variations on assets and liabilities, net    | 88,268                       | (327,516)        | 157,860          |
| Loss on disposal of property, plant and equipment  | 1,309                        | 36,000           | 30,564           |
| Amortization of goodwill in the cost of products sold  | 96,096                       | 24,419           | 75,784           |
| Non recurring item - goodwill Samitri  | 182,796                      |                  |                  |
| Net (gains) losses on derivatives  | 34,420                       | 25,967           | 24,951           |
| Dividends/interest on stockholders equity received   | 210,791                      | 102,387          | 102,190          |
| Others   | (17,925)                     | 4,583            | (40,577)         |
|  | <b>1,055,267</b>             | <b>1,029,742</b> | <b>1,220,726</b> |
| <b>Decrease (increase) in assets:</b>  |                              |                  |                  |
| Accounts receivable  | 87,003                       | 92,303           | 264,766          |
| Inventories  | (43,291)                     | (497)            | 1,998            |
| Others   | (19,103)                     | 6,623            | (267,323)        |
|  | <b>24,609</b>                | <b>98,429</b>    | <b>(559)</b>     |
| <b>Increase (decrease) in liabilities:</b>   |                              |                  |                  |
| Suppliers and contractors  | 63,410                       | (22,001)         | 130,526          |
| Payroll and related charges and others   | (21,523)                     | (26,834)         | (44,794)         |
| Income tax and social contribution to recover  | 192,438                      |                  |                  |
| Provision for mine clousure  | 9,401                        |                  | 189,650          |
| Others   | 11,358                       | 33,884           | 9,040            |
|  | <b>255,084</b>               | <b>(14,951)</b>  | <b>284,422</b>   |

|   |                  |                  |                    |
|---|------------------|------------------|--------------------|
| <b>Net cash provided by operating activities</b>                    | <b>1,334,960</b> | <b>1,113,220</b> | <b>1,504,589</b>   |
| Cash flows from investing activities:                               |                  |                  |                    |
| Loans and advances receivable                                       | 352,072          | (187,707)        | 265,000            |
| Guarantees and deposits   | (48,456)         | (34,695)         | (29,521)           |
| Additions to investments  | (73,626)         | (472)            | (45,113)           |
| Additions to property, plant and equipment                          | (873,446)        | (385,413)        | (1,079,043)        |
| Proceeds from disposal of property, plant and equipment/investments | 306              | 437              | 18,148             |
| <b>Net cash used in investing activities</b>                        | <b>(643,150)</b> | <b>(607,850)</b> | <b>(870,529)</b>   |
| <b>Cash flows from financing activities:</b>                        |                  |                  |                    |
| Short-term debt   | (471,792)        | (332,251)        | 404,373            |
| Long-term debt  | 991,498          | 577,197          | 286,635            |
| Repayments to financial institutions                                | (1,170,187)      | (144,455)        | (856,866)          |
| Interest on stockholders' equity paid                               | (1,503)          | (204)            | (1,211,959)        |
| <b>Net cash provided by (used in) financing activities</b>          | <b>(651,984)</b> | <b>100,287</b>   | <b>(1,377,817)</b> |
| <b>Increase (decrease) in cash and cash equivalents</b>             | <b>39,826</b>    | <b>605,657</b>   | <b>(743,757)</b>   |
| Cash and cash equivalents, beginning of the period                  | 342,008          | 259,292          | 964,794            |
| Cash of merged companies  |                  |                  | 120,971            |
| <b>Cash and cash equivalents, end of the period</b>                 | <b>381,834</b>   | <b>864,949</b>   | <b>342,008</b>     |
| <b>Cash paid during the period for:</b>                             |                  |                  |                    |
| Short-term interest   | (4,016)          | (16,428)         |                    |
| Long-term interest  | (105,368)        | (92,201)         | (92,010)           |
| <b>Non-cash transactions:</b>                                       |                  |                  |                    |
| Additions to property, plant and equipment - mergers                | (22,461)         | (25,099)         | (4,817)            |

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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 March 31, 2004 and March 31, 2003**

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 and potash, as well as port and railroad transportation services, power generation and mineral research and development. In addition, through its direct and indirect subsidiaries and jointly-controlled companies, CVRD operates in manganese and ferroalloys, steel, aluminum and kaolin.

**6.2- Presentation of Quarterly Information**

The quarterly information have been prepared in conformity with accounting practices adopted in Brazil, based on corporate legislation, as well as the rules and guidelines issued by the Comissão de Valores Mobiliários - CVM (Brazilian Securities Commission) and Instituto dos Auditores Independentes do Brasil - IBRACON (Brazilian Independent Auditors Institute).

In order to provide better information to the market, the Company is presenting the Statement of Cash Flow (according rule NPC 20 Ibracon).

**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;
- (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 on the straight-line method, based on 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**

|  | <u>03/31/04</u> | <u>12/31/03</u> |
|--|-----------------|-----------------|
| Marketable securities linked to the interbank deposit certificate rate (*) | 376,595         | 299,649         |
| Fixed-yield bond investments (funds)                                       |                 | 29,864          |
| Government securities (NBC-E, NTN-D, LFT)                                  | 4,949           | 4,769           |
| Others   | 290             | 7,726           |
|  | <u>381,834</u>  | <u>342,008</u>  |

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

**Table of Contents****6.5- 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      |                  |
|---|------------------|------------------|------------------|------------------|
|   | 03/31/04         | 12/31/03         | 03/31/04         | 12/31/03         |
| <b>Subsidiaries</b>                                       |                  |                  |                  |                  |
| ALUNORTE - Alumina do Norte do Brasil S.A.                | 407,692          | 804,047          | 469              | 53,570           |
| CVRD Overseas Ltd.  | 75,809           | 103,793          | 1,722,197        | 1,746,698        |
| Ferrovias Centro-Atlântica S.A.                           | 89,813           | 5,586            | 142              | 8,384            |
| Itabira Rio Doce Company Limited - ITACO                  | 569,913          | 550,466          | 1,822,332        | 1,437,353        |
| Mineração Andirá Ltda.                                    | 1,820            | 558              | 2,037            | 1,969            |
| Pará Pigmentos S.A.                                       | 23,201           |                  |                  |                  |
| Rio Doce International Finance Ltd.                       | 6,670            | 6,620            | 2,002,028        | 1,975,377        |
| Rio Doce Manganês S.A. - RDM                              | 7,388            | 7,819            | 24,108           | 9,528            |
| Salobo Metais S.A.  | 232,098          | 226,269          |                  |                  |
| Others  | 138,620          | 115,237          | 413,427          | 411,585          |
|   | <b>1,553,024</b> | <b>1,820,395</b> | <b>5,986,740</b> | <b>5,644,464</b> |
| <b>Jointly controlled companies</b>                       |                  |                  |                  |                  |
| Alumínio Brasileiro S.A. - ALBRAS                         | 2,208            | 2,547            | 107,308          | 193,239          |
| Baovale Mineração S.A.                                    | 1,370            | 1,472            | 30,836           | 27,986           |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO    | 141,698          | 145,267          | 72,980           | 39,314           |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 47,149           | 50,797           | 72,792           | 83,778           |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO     | 46,486           | 45,428           | 27,491           | 47,995           |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO       | 58,109           | 102,545          | 71,210           | 73,225           |
| Companhia Siderúrgica de Tubarão - CST                    | 59,369           | 79,426           | 4                | 38               |
| Mineração Serra Geral S. A .                              | 3,580            | 3,692            | 28,786           | 49,207           |
| Samarco Mineração S.A.                                    | 4,424            | 5,117            |                  |                  |
| Others  | 14,955           | 41,305           | 21,825           | 30,423           |
|   | <b>379,348</b>   | <b>477,596</b>   | <b>433,232</b>   | <b>545,205</b>   |



**Affiliates**

|   |                         |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Ferrobán - Ferrovias Bandeirantes S. A .              | 24,632                  | 23,499                  |                         |                         |
| Usinas Siderúrgicas de Minas Gerais S. A . - USIMINAS | 19,033                  | 19,498                  | 57                      | 170                     |
| Others  | 11                      | 5,843                   | 2,102                   | 1,692                   |
|   | <u>43,676</u>           | <u>48,840</u>           | <u>2,159</u>            | <u>1,862</u>            |
|   | <u><b>1,976,048</b></u> | <u><b>2,346,831</b></u> | <u><b>6,422,131</b></u> | <u><b>6,191,531</b></u> |

## Represented by:

|   |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
| Trade balances (sales and purchases of products and services) (*) | 969,975          | 970,286          | 453,734          | 430,977          |
| Short-term financial balances                                     | 317,190          | 668,449          | 1,483,965        | 1,365,472        |
| Long-term financial balances                                      | 688,883          | 708,096          | 4,484,432        | 4,395,082        |
|   | <u>1,976,048</u> | <u>2,346,831</u> | <u>6,422,131</u> | <u>6,191,531</u> |

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

**6.6- Inventories**

|   | <u>03/31/04</u>       | <u>12/31/03</u>       |
|---|-----------------------|-----------------------|
| <b>Finished Products</b>                    |                       |                       |
| . Iron ore                                  | 218,751               | 197,020               |
| . Pellets                                   | 29,918                | 22,251                |
| . Others                                    | 4,732                 | 2,864                 |
|   | <u>253,401</u>        | <u>222,135</u>        |
| <b>Spare parts and maintenance supplies</b> | <u>343,318</u>        | <u>331,293</u>        |
|   | <u><b>596,719</b></u> | <u><b>553,428</b></u> |

**Table of Contents****6.7- Deferred Income Tax and Social Contribution**

|  | Deferred assets         |                         | Deferred liabilities  |                      |
|--|-------------------------|-------------------------|-----------------------|----------------------|
|  | 03/31/04                | 12/31/03                | 03/31/04              | 12/31/03             |
| Tax loss carryforward                                      | 268,840                 | 126,455                 |                       |                      |
| Temporary differences:                                     |                         |                         |                       |                      |
| . Pension Plan   | 238,080                 | 236,169                 |                       |                      |
| . Contingent liabilities                                   | 384,126                 | 365,573                 |                       |                      |
| . Provision for losses on assets                           | 409,009                 | 415,017                 |                       |                      |
| . Provision for losses on derivative financial instruments | 87,552                  | 76,703                  |                       |                      |
| . Others   |                         | 4,171                   |                       |                      |
|  | <u>1,118,767</u>        | <u>1,097,633</u>        |                       |                      |
| Accelerated depreciation                                   |                         |                         | 8,699                 | 8,860                |
| Long-term sales  |                         |                         | 72,800                | 70,721               |
| Others   |                         |                         | 18,569                | 6,182                |
|  |                         |                         | <u>100,068</u>        | <u>85,763</u>        |
| <b>Total</b>   | <b><u>1,387,607</u></b> | <b><u>1,224,088</u></b> | <b><u>100,068</u></b> | <b><u>85,763</u></b> |
| Short-term   | 603,044                 | 397,883                 | 617                   | 617                  |
| Long-term  | 784,563                 | 826,205                 | 99,451                | 85,146               |
|  | <u>1,387,607</u>        | <u>1,224,088</u>        | <u>100,068</u>        | <u>85,763</u>        |

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. These temporary differences will be realized upon the occurrence of the corresponding taxable events, excepted to be as follows:

| Years | Net amount of credits |
|-------|-----------------------|
| 2005  | 602,427               |
| 2006  | 303,906               |

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|              |                  |
|--------------|------------------|
| 2007         | 146,098          |
| 2008         | 59,077           |
| 2009         | 55,388           |
| 2010         | (31,338)         |
| 2011         | 12,900           |
| 2012 to 2014 | 139,081          |
|              | <hr/>            |
|              | <b>1,287,539</b> |
|              | <hr/>            |

In addition to the credits recorded, the Company has a lawsuit 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 (however, not yet utilized due to the Company's tax situation). The amount of these credits covered by the ruling totals approximately R\$ 309,000 and the accounting effects have not yet been recognized in the quarterly information.

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

|   | <b>Quarter</b>   |                  |                  |
|---|------------------|------------------|------------------|
|   | <b>1Q/04</b>     | <b>1Q/03</b>     | <b>4Q/03</b>     |
| Income before income tax and social contribution                                | 996,938          | 1,364,306        | 780,917          |
| (-) Equity in results of subsidiaries and affiliated companies                  | (595,231)        | (418,620)        | (414,771)        |
| (+) Non-deductible goodwill and provisions for losses                           | 54,909           | 71,633           | 41,791           |
|   | <b>456,616</b>   | <b>1,017,319</b> | <b>407,937</b>   |
| Income tax and social contribution at combined tax rates                        | 34%              | 34%              | 34%              |
| <b>Federal income tax and social contribution at statutory rates</b>            | <b>(155,249)</b> | <b>(345,888)</b> | <b>(138,699)</b> |
| Adjustments to net income which modify the effect on the result for the period: |                  |                  |                  |
| . Income tax benefit from interest on stockholders equity                       | 160,841          | 211,418          | 108,000          |
| . Fiscal incentives   |                  |                  | 19,341           |
| . Others  | (48,816)         | (66,008)         | 21,970           |
| <b>Income tax and social contribution</b>                                       | <b>(43,224)</b>  | <b>(200,478)</b> | <b>10,612</b>    |

**6.8- Taxes to recover or offset**

|  | <b>03/31/04</b> | <b>12/31/03</b> |
|--|-----------------|-----------------|
| Withholding income tax on marketable securities            | 105,145         | 102,566         |
| Withholding income tax on interest on own capital received | 19,607          | 6,767           |
| Income tax of merged companies                             | 12,118          | 12,431          |
| Value-Added Tax (a)  | 330,121         | 345,897         |
| PIS/COFINS (b)   | 66,588          | 8,942           |
| IAPAS  | 2,724           | 1,411           |
| Others   | 522             |                 |
|  | <b>536,825</b>  | <b>478,014</b>  |

- (a) Net of provision for losses of R\$ 248,128 on March 31, 2004 and December 31, 2003.
- (b) Tax credit generated by the non-cumulative basis of PIS, in force since December 2002 and that was extended to COFINS since February 2004; tax credits related to PIS/COFINS/CSLL retention effected by third practices for the services rendered for CVRD since February, 2004.

**Table of Contents****6.9- Investments**

|  | Investment participations |                                    |  |                  |                  |   |          |                                   |                  |
|--|---------------------------|------------------------------------|--|------------------|------------------|---|----------|-----------------------------------|------------------|
|  | Partici-<br>pation<br>%   | Adjusted<br>stockholders<br>equity | Adjusted<br>net<br>income<br>(loss) for<br>the<br>period | Investments      |                  | Advance for<br>future<br>capital increase |          | Goodwill and negative<br>goodwill |                  |
|  |                           |                                    |  | 03/31/04         | 12/31/03         | 03/31/04                                  | 12/31/03 | 03/31/04                          | 12/31/03         |
| <b>Iron ore and pellets</b>                          |                           |                                    |  |                  |                  |   |          |                                   |                  |
| Caemi<br>Mineração e<br>Metalurgia S.A.<br>(f, g, j) | 60.23                     | 1,093,177                          | 108,587  | 608,364          | 536,922          |   |          | 1,253,936                         | 1,289,516        |
| KOBRASCO (b)<br>HISPANOBRÁS<br>(b)                   | 50.00                     | 14,633                             | 8,556  | 7,317            | 3,039            |   |          |                                   |                  |
| ITABRASCO<br>(b)                                     | 50.89                     | 94,698                             | 2,013  | 48,192           | 47,168           |   |          |                                   |                  |
| NIBRASCO (b)   | 50.90                     | 65,673                             | 1,114  | 33,428           | 32,861           |   |          |                                   |                  |
| CVRD Overseas<br>Ltd. (a, g)                         | 51.00                     | 115,823                            | 14,692   | 59,070           | 51,578           |   |          |                                   |                  |
| Ferteco<br>Mineração S.A.<br>(i)                     | 100.00                    | 462,517                            | 37,349   | 462,517          | 419,441          |   |          | 616,388                           | 667,754          |
| Gulf Industrial<br>Investment Co.<br>GIIC (a, b)     | 50.00                     | 221,358                            | 23,176   | 110,679          | 116,348          |   |          |                                   |                  |
| ITACO/ RDE (a,<br>g)                                 | 100.00                    | 1,178,393                          | 27,795   | 1,178,393        | 1,072,142        |   |          |                                   |                  |
| Minas da Serra<br>Geral S.A. MSG<br>(b)              | 50.00                     | 103,280                            | (1,346)  | 51,640           | 44,709           |   |          |                                   |                  |
| Samarco<br>Mineração S.A.<br>(g)                     | 50.00                     | 625,633                            | 152,364  | 312,817          | 291,678          |   |          |                                   |                  |
| Incorporated<br>companies (d, l)                     |                           |                                    |  |                  |                  |   |          | 429,494                           | 657,019          |
| Others (b)   |                           |                                    |  | 243,620          | 232,523          |   |          | 25,967                            | 28,328           |
|  |                           |                                    |  | <u>3,116,037</u> | <u>2,848,409</u> |   |          | <u>2,325,785</u>                  | <u>2,642,617</u> |
| <b>Manganese and ferroalloys</b>                     |                           |                                    |  |                  |                  |   |          |                                   |                  |

|   |        |         |          |                |                |               |               |                |                |
|---|--------|---------|----------|----------------|----------------|---------------|---------------|----------------|----------------|
| Rio Doce<br>Manganèse<br>Europe RDME<br>(a, b)  | 100.00 | 194,179 | 11,447   | 194,179        | 187,424        |               |               |                |                |
| Rio Doce<br>Manganês S.A.<br>(b)  | 100.00 | 657,722 | 38,776   | 657,722        | 618,945        |               |               | 129,104        | 148,434        |
| Urucum<br>Mineração S.A.<br>(b)   | 100.00 | 60,621  | 3,096    | 60,621         | 57,525         |               |               |                |                |
| Others (b)  |        |         |          | 40,115         | 52,276         |               |               |                |                |
|   |        |         |          | <u>952,637</u> | <u>916,170</u> |               |               | <u>129,104</u> | <u>148,434</u> |
| <b>Non-ferrous</b>  |        |         |          |                |                |               |               |                |                |
| Mineração Serra<br>do Sossego (i)   | 100.00 |         |          |                |                |               |               |                |                |
| Pará Pigmentos<br>S.A. (b)  | 82.04  | 97,208  | 6,947    | 79,749         | 74,050         |               |               |                |                |
| Ferro-Gusa<br>Carajás (b, h)  | 100.00 | 106,794 |          | 106,794        | 106,794        |               |               |                |                |
| Salobo Metais<br>S.A. (g, h)  | 100.00 | 209,751 |          | 209,751        | 209,751        | 23,493        | 14,663        |                |                |
| Others (b)  |        |         |          | 91,210         | 90,822         |               |               |                |                |
|   |        |         |          | <u>487,504</u> | <u>481,417</u> | <u>23,493</u> | <u>14,663</u> |                |                |
| <b>Logistics</b>  |        |         |          |                |                |               |               |                |                |
| Companhia<br>Ferroviária do<br>Nordeste (m)<br>Ferrovia<br>Centro-Atlântica<br>S.A. (b) | 100.00 | 94,961  | (25,871) | 94,961         | 120,832        |               |               |                |                |
| MRS Logística<br>S.A. (b, c)  | 29.35  | 297,229 | 40,970   | 87,236         | 75,211         |               |               |                |                |
| DOCENAVE (b)  | 100.00 | 258,815 | 19,667   | 258,815        | 242,769        |               |               |                |                |
| Sepetiba Tecon<br>S.A. (m)  | 50.00  |         |          |                |                |               |               |                |                |
| TVV Terminal<br>de Vila Velha<br>S.A. (b)   | 99.89  | 62,802  | 3,501    | 62,733         | 59,236         |               |               |                |                |
| Companhia<br>Portuária da Baía<br>de Sepetiba (b)                                       | 100.00 | 171,045 | 10,313   | 171,045        | 160,732        |               |               |                |                |
| Others (b)  |        |         |          | 2,859          | 2,859          |               |               |                |                |
|   |        |         |          | <u>677,649</u> | <u>661,639</u> |               |               |                |                |
| <b>Steel</b>  |        |         |          |                |                |               |               |                |                |
|   | 50.00  | 629,306 | 4,882    | 314,653        | 314,262        |               |               |                |                |

|   |        |           |         |                  |                  |               |               |                  |                  |
|---|--------|-----------|---------|------------------|------------------|---------------|---------------|------------------|------------------|
| California Steel Industries, Inc<br>CSI (a, g)<br>CST (e, f, g) | 28.02  | 3,783,316 | 251,084 | 1,052,685        | 982,695          |               |               | (128,694)        | (128,694)        |
| DOCEPAR S.A.<br>(b)   | 100.00 | 26,053    |         |                  |                  |               |               |                  |                  |
| Rio Doce Limited (a, b)   | 100.00 | 313,879   |         | 313,879          | 305,263          |               |               |                  |                  |
| USIMINAS (f, g)   | 11.46  | 4,385,241 | 392,670 | 502,549          | 493,612          |               |               |                  |                  |
| Others (b)  |        |           |         | (400)            | (400)            |               |               |                  |                  |
|   |        |           |         | <u>2,183,366</u> | <u>2,095,432</u> |               |               | <u>(128,694)</u> | <u>(128,694)</u> |
| <b>Aluminum</b>   |        |           |         |                  |                  |               |               |                  |                  |
| ALBRAS Alumínio Brasileiro S.A.<br>(b)                          | 51.00  | 834,690   | (5,170) | 423,290          | 425,927          |               |               |                  |                  |
| ALUNORTE (b)<br>Itabira Rio Doce (ITACO) (a, g)                 | 57.03  | 970,319   | 37,044  | 553,373          | 474,971          |               |               |                  |                  |
| Mineração Rio do Norte S.A. (b)                                 | 40.00  | 776,584   | 83,775  | 310,634          | 318,562          |               |               |                  |                  |
| ALUVALE own operations (i)<br>Valesul Alumínio S.A.<br>(b)      | 54.51  | 272,773   | 17,424  | 148,690          | 144,735          |               |               |                  |                  |
|   |        |           |         | <u>1,435,987</u> | <u>1,364,195</u> |               |               |                  |                  |
| <b>Others</b>   |        |           |         |                  |                  |               |               |                  |                  |
| DOCEPAR S.A.<br>(b)   | 100.00 | 26,053    | 321     | 26,053           | 25,732           |               |               |                  |                  |
| FOSFERTIL (m)<br>Florestas Rio Doce S.A. (b)                    | 99.85  | 161,952   | 3,975   | 161,709          | 157,740          |               |               |                  |                  |
| Others (b)  |        |           |         | (2,701)          | (1,356)          | 14,890        | 14,875        |                  |                  |
|   |        |           |         | <u>185,061</u>   | <u>182,116</u>   | <u>14,890</u> | <u>14,875</u> |                  |                  |
|   |        |           |         | <u>9,038,241</u> | <u>8,549,378</u> | <u>38,383</u> | <u>29,538</u> | <u>2,326,195</u> | <u>2,662,357</u> |



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

**Result of investment participations**

|                                       | Equity / Others |           |          | Provision for losses |       |         | Amortization of goodwill |          |          |
|---------------------------------------|-----------------|-----------|----------|----------------------|-------|---------|--------------------------|----------|----------|
|                                       | 1Q/04           | 1Q/03     | 4Q/03    | 1Q/04                | 1Q/03 | 4Q/03   | 1Q/04                    | 1Q/03    | 4Q/03    |
| <b>Iron ore and pellets</b>           |                 |           |          |                      |       |         |                          |          |          |
| Caemi                                 |                 |           |          |                      |       |         |                          |          |          |
| Mineração e Metalurgia S.A. (f, g, j) | 67,648          | 9,483     | 19,099   |                      |       |         | (35,580)                 | (12,930) | (35,580) |
| KOBRASCO (b)                          | 4,278           |           | 3,039    |                      | 9,095 | 24,535  |                          |          |          |
| HISPANOBRÁS (b)                       | 1,024           | 2,285     | 426      |                      |       |         |                          |          |          |
| ITABRASCO (b)                         | 567             | 1,737     | 1,098    |                      |       |         |                          |          |          |
| NIBRASCO (b)                          | 7,492           | 1,615     | 1,151    |                      |       |         |                          |          |          |
| CVRD Overseas Ltd. (a, g)             | 37,349          | 29,454    | 5,014    |                      |       |         |                          |          |          |
| Ferteco                               |                 |           |          |                      |       |         |                          |          |          |
| Mineração S.A. (i)                    |                 | 85,047    | 1        |                      |       |         |                          | (34,656) |          |
| Gulf Industrial Investment Co.        |                 |           |          |                      |       |         |                          |          |          |
| GIIC (a, b)                           | 11,587          | 6,256     | 8,221    |                      |       |         |                          |          |          |
| ITACO/ RDE (a, g)                     | 27,795          | (139,804) | (58,084) |                      |       |         |                          |          |          |
| Minas da Serra Geral S.A. MSG (b)     | (673)           | 3,796     | (1,145)  |                      |       |         |                          |          |          |
| Samarco                               |                 |           |          |                      |       |         |                          |          |          |
| Mineração S.A. (g)                    | 76,182          | 69,727    | 35,922   |                      |       |         |                          |          |          |
| Incorporated companies (d, l)         |                 |           |          |                      |       |         |                          |          |          |
| Others (b)                            | 22,062          | 5,637     | 3,633    | (775)                |       | (1,006) | (2,361)                  | (2,361)  | (2,361)  |
|                                       | 255,311         | 75,233    | 18,375   | (775)                | 9,095 | 23,529  | (37,941)                 | (49,947) | (37,941) |
| <b>Manganese and ferroalloys</b>      |                 |           |          |                      |       |         |                          |          |          |
| Rio Doce                              |                 |           |          |                      |       |         |                          |          |          |
| Manganèse                             |                 |           |          |                      |       |         |                          |          |          |
| Europe RDME (a, b)                    | 11,447          | 8,007     | 5,857    |                      |       |         |                          |          |          |

|   |                 |          |          |          |          |           |          |          |          |
|---|-----------------|----------|----------|----------|----------|-----------|----------|----------|----------|
| Rio Doce<br>Manganês S.A.<br>(b)  | 38,776          | 17,870   | 175,893  |          |          |           | (19,329) | (20,130) | (20,129) |
| Urucum<br>Mineração S.A.<br>(b)   | 3,096           | 6,893    | 4,979    |          |          |           |          |          |          |
| Others (b)  | 24,477          | 3,891    | 33,257   | (77)     | (81)     | (288)     |          |          |          |
|   | 77,796          | 36,661   | 219,986  | (77)     | (81)     | (288)     | (19,329) | (20,130) | (20,129) |
| <b>Non-ferrous</b>  |                 |          |          |          |          |           |          |          |          |
| Mineração Serra<br>do Sossego (i)   |                 |          | 9,860    |          |          |           |          |          | (9,860)  |
| Pará Pigmentos<br>S.A. (b)  | 5,699           |          | 6,705    |          | 23,980   |           |          |          |          |
| Ferro-Gusa<br>Carajás (b, h)<br>Salobo Metais<br>S.A. (g, h)<br>Others (b)              | (64)            | (4)      | (56,055) |          |          |           |          |          |          |
|   | 5,635           | (4)      | (39,490) |          | 23,980   |           |          |          | (9,860)  |
| <b>Logistics</b>  |                 |          |          |          |          |           |          |          |          |
| Companhia<br>Ferroviária do<br>Nordeste (m)<br>Ferrovia<br>Centro-Atlântica<br>S.A. (b) | 169             |          |          | (25,871) | (19,399) | (80,176)  |          | (23,095) |          |
| MRS Logística<br>S.A. (b, c)  | 12,025          |          | 22,689   |          | 6,072    | 38,461    |          |          |          |
| DOCENAVE (b)  | 19,667          | (1,721)  | (12,670) |          |          |           |          |          |          |
| Sepetiba Tecon<br>S.A. (m)  |                 | (2,434)  | (78)     |          |          |           |          |          |          |
| TVV Terminal<br>de Vila Velha<br>S.A. (b)   | 3,497           | 2,016    | 686      |          |          |           |          |          |          |
| Companhia<br>Portuária da Baía<br>de Sepetiba (b)<br>Others (b)                         | 10,313<br>(169) |          | 4,756    |          |          |           |          |          |          |
|   | 45,502          | (2,139)  | 15,383   | (25,871) | (15,256) | (161,292) |          | (23,095) |          |
| <b>Steel</b>  |                 |          |          |          |          |           |          |          |          |
| California Steel<br>Industries, Inc   |                 |          |          |          |          |           |          |          |          |
| CSI (a, g)  | 2,441           | (28,649) | (2,680)  |          |          |           |          |          | -        |
| CST (e, f, g)   | 70,150          | 64,641   | 71,608   |          |          |           |          |          | -        |
|   |                 |          |          |          | (8,106)  |           |          |          | -        |

|  |                |                |                 |                 |                |                  |                 |                 |                  |
|--|----------------|----------------|-----------------|-----------------|----------------|------------------|-----------------|-----------------|------------------|
| DOCEPAR S.A.<br>(b)<br>Rio Doce<br>Limited (a, b)<br>USIMINAS (f, g)<br>Others (b) | 45,000         | 37,000         | 16,159          |                 |                |                  |                 |                 |                  |
|  | <u>117,591</u> | <u>72,992</u>  | <u>85,087</u>   |                 | <u>(8,106)</u> |                  |                 |                 |                  |
| <b>Aluminum</b><br>ALBRAS<br>Alumínio<br>Brasileiro S.A.<br>(b)                    | (2,637)        | 113,820        | 21,493          |                 |                |                  |                 |                 | -                |
| ALUNORTE (b)<br>Itabira Rio Doce<br>(ITACO) (a, g)                                 | 21,126         | 58,138         | 25,153          |                 |                |                  |                 |                 | (44,907)         |
| Minação Rio<br>do Norte S.A. (b)   | 28,115         | (6,018)        | 40,287          |                 |                |                  |                 |                 | -                |
| ALUVALE own<br>operations (i)<br>Valesul<br>Alumínio S.A.<br>(b)                   | 33,511         | 23,799         | 39,819          |                 |                |                  |                 |                 | -                |
|  | 9,498          | 16,439         | 7,339           |                 |                |                  |                 |                 | -                |
|  | <u>89,613</u>  | <u>220,984</u> | <u>140,592</u>  |                 |                |                  |                 |                 | <u>(44,907)</u>  |
| <b>Others</b><br>DOCEPAR S.A.<br>(b)   | 321            |                | 407             |                 |                |                  |                 |                 | -                |
| FOSFERTIL (m)<br>Florestas Rio<br>Doce S.A. (b)                                    |                | 10,971         |                 |                 |                |                  |                 |                 | -                |
| Others (b)   | 3,969          | 4,236          | (23,548)        |                 |                |                  |                 |                 | -                |
|  | (507)          | (314)          | (2,021)         | (1,679)         |                | (15,842)         |                 |                 | -                |
|  | <u>3,783</u>   | <u>14,893</u>  | <u>(25,162)</u> | <u>(1,679)</u>  |                | <u>(15,842)</u>  |                 |                 | <u>-</u>         |
|  | <u>595,231</u> | <u>418,620</u> | <u>414,771</u>  | <u>(28,402)</u> | <u>9,632</u>   | <u>(153,893)</u> | <u>(57,270)</u> | <u>(93,172)</u> | <u>(112,837)</u> |

[Additional columns below]

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

**Result of investment participations**

|   | <b>Total</b>   |               |                | <b>Dividends received</b> |               |               | <b>Market</b> |
|---|----------------|---------------|----------------|---------------------------|---------------|---------------|---------------|
|   | <b>1Q/04</b>   | <b>1Q/03</b>  | <b>4Q/03</b>   | <b>1Q/04</b>              | <b>1Q/03</b>  | <b>4Q/03</b>  | <b>Value</b>  |
|   |                |               |                |                           |               |               | <b>1Q/04</b>  |
| <b>Iron ore and pellets</b>                 |                |               |                |                           |               |               |               |
| Caemi Mineração e Metalurgia S.A. (f, g, j) | 32,068         | (3,447)       | (16,481)       |                           |               |               | 3,234,273     |
| KOBRASCO (b)                                | 4,278          | 9,095         | 27,574         |                           |               |               | -             |
| HISPANOBRÁS (b)                             | 1,024          | 2,285         | 426            | 1,789                     | 6,995         | 1,240         | -             |
| ITABRASCO (b)                               | 567            | 1,737         | 1,098          | 3,200                     |               |               | -             |
| NIBRASCO (b)                                | 7,492          | 1,615         | 1,151          |                           | 8,925         |               | -             |
| CVRD Overseas Ltd. (a, g)                   | 37,349         | 29,454        | 5,014          |                           |               |               | -             |
| Ferteco Mineração S.A. (i)                  |                | 50,391        | 1              |                           |               |               | -             |
| Gulf Industrial Investment Co. GIIC (a, b)  | 11,587         | 6,256         | 8,221          |                           |               |               | -             |
| ITACO/ RDE (a, g)                           | 27,795         | (139,804)     | (58,084)       |                           |               |               | -             |
| Minas da Serra Geral S.A. MSG (b)           | (673)          | 3,796         | (1,145)        |                           |               |               | -             |
| Samarco Mineração S.A. (g)                  | 76,182         | 69,727        | 35,922         | 55,043                    | 45,850        | 73,463        | -             |
| Incorporated companies (d, l)               |                |               |                |                           |               |               | -             |
| Others (b)                                  | 18,926         | 3,276         | 266            | 1,054                     |               | 574           | -             |
|   | <b>216,595</b> | <b>34,381</b> | <b>3,963</b>   | <b>61,086</b>             | <b>61,770</b> | <b>75,277</b> |               |
| <b>Manganese and ferroalloys</b>            |                |               |                |                           |               |               |               |
| Rio Doce Manganèse Europe RDME (a, b)       | 11,447         | 8,007         | 5,857          |                           |               |               | -             |
| Rio Doce Manganês S.A. (b)                  | 19,447         | (2,260)       | 155,764        |                           |               |               | -             |
| Urucum Mineração S.A. (b)                   | 3,096          | 6,893         | 4,979          |                           |               | 23,928        | -             |
| Others (b)                                  | 24,400         | 3,810         | 32,969         |                           | 1,245         |               | -             |
|   | <b>58,390</b>  | <b>16,450</b> | <b>199,569</b> |                           | <b>1,245</b>  | <b>23,928</b> |               |
| <b>Non-ferrous</b>                          |                |               |                |                           |               |               |               |
| Mineração Serra do Sossego (i)              |                |               |                |                           |               |               | -             |
| Pará Pigmentos S.A. (b)                     | 5,699          | 23,980        | 6,705          |                           |               |               | -             |
| Ferro-Gusa Carajás (b, h)                   |                |               |                |                           |               |               | -             |
| Salobo Metais S.A. (g, h)                   |                |               |                |                           |               |               | -             |

|  |                |                 |                  |               |               |              |           |
|--|----------------|-----------------|------------------|---------------|---------------|--------------|-----------|
| Others (b)                                   | (64)           | (4)             | (56,055)         |               |               |              | -         |
|  | <u>5,635</u>   | <u>23,976</u>   | <u>(49,350)</u>  |               |               |              | -         |
| <b>Logistics</b>                             |                |                 |                  |               |               |              |           |
| Companhia Ferroviária do Nordeste (m)        |                | (1,929)         | (119,577)        |               |               |              | -         |
| Ferrovias Centro-Atlântica S.A. (b)          | (25,702)       | (42,494)        | (80,176)         |               |               |              | -         |
| MRS Logística S.A. (b, c)                    | 12,025         | 6,072           | 61,150           |               |               |              | -         |
| DOCENAVE (b)                                 | 19,667         | (1,721)         | (12,670)         |               |               |              | -         |
| Setpetiba Tecon S.A. (m)                     |                | (2,434)         | (78)             |               |               |              | -         |
| TVV Terminal de Vila Velha S.A. (b)          | 3,497          | 2,016           | 686              |               |               | 2,985        | -         |
| Companhia Portuária da Baía de Sepetiba (b)  | 10,313         |                 | 4,756            |               |               |              | -         |
| Others (b)                                   | (169)          |                 |                  |               |               |              | -         |
|  | <u>19,631</u>  | <u>(40,490)</u> | <u>(145,909)</u> |               |               | <u>2,985</u> |           |
| <b>Steel</b>                                 |                |                 |                  |               |               |              |           |
| California Steel Industries, Inc. CSI (a, g) | 2,441          | (28,649)        | (2,680)          |               |               |              | -         |
| CST (e, f, g)                                | 70,150         | 64,641          | 71,608           | 46,326        | 22,475        |              | 1,407,630 |
| DOCEPAR S.A. (b)                             |                | (8,106)         |                  |               |               |              | -         |
| Rio Doce Limited (a, b)                      |                |                 |                  |               |               |              | -         |
| USIMINAS (f, g)                              | 45,000         | 37,000          | 16,159           | 36,063        |               |              | 722,442   |
| Others (b)                                   |                |                 |                  |               |               |              |           |
|  | <u>117,591</u> | <u>64,886</u>   | <u>85,087</u>    | <u>82,389</u> | <u>22,475</u> |              | -         |
| <b>Aluminum</b>                              |                |                 |                  |               |               |              |           |
| ALBRAS Alumínio Brasileiro S.A. (b)          | (2,637)        | 113,820         | 21,493           |               |               |              | -         |
| ALUNORTE (b)                                 | 21,126         | 58,138          | (19,754)         |               |               |              | -         |
| Itabira Rio Doce (ITACO) (a, g)              | 28,115         | (6,018)         | 40,287           |               |               |              | -         |
| Mineração Rio do Norte S.A. (b)              | 33,511         | 23,799          | 39,819           | 61,773        |               |              | -         |
| ALUVALE own operations (i)                   |                | 16,439          | 7,339            |               |               |              | -         |
| Valesul Alumínio S.A. (b)                    | 9,498          | 14,806          | 6,501            | 5,543         |               |              | -         |
|  | <u>89,613</u>  | <u>220,984</u>  | <u>95,685</u>    | <u>67,316</u> |               |              | -         |
| <b>Others</b>                                |                |                 |                  |               |               |              |           |
| DOCEPAR S.A. (b)                             | 321            |                 | 407              |               |               |              | -         |
| FOSFERTIL (m)                                |                | 10,971          |                  |               | 16,897        |              | -         |

|                         |                       |                       |                       |                       |                       |                       |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Florestas Rio Doce S.A. |                       |                       |                       |                       |                       |                       |
| (b)                     | <b>3,969</b>          | <b>4,236</b>          | <b>(23,548)</b>       |                       |                       | -                     |
| Others (b)              | <b>(2,186)</b>        | <b>(314)</b>          | <b>(17,863)</b>       |                       |                       | -                     |
|                         | <u>2,104</u>          | <u>14,893</u>         | <u>(41,004)</u>       |                       | <u>16,897</u>         | <u>-</u>              |
|                         | <u><b>509,559</b></u> | <u><b>335,080</b></u> | <u><b>148,041</b></u> | <u><b>210,791</b></u> | <u><b>102,387</b></u> | <u><b>102,190</b></u> |

- (a) The net equity of 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;
- (b) Companies whose quarterly information were audited by other independent accountants;
- (c) CVRD 's interest in MRS Logística S.A. is held directly and indirectly through Caemi Mineração e Metalurgia S.A.;
- (d) Merged companies (Socoimex and Samitri) amortization of goodwill recorded in 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 on 03/31/04. 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 audited by our independent accountants;
- (h) Companies in pre-operating phase;
- (i) Companies merged;
- (j) Acquisition on 09/02/03 from Mitsi & 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);
- (k) Amortization of goodwill was reduced by 10 (ten) years to 5 (five) years after the review of feature results projections (note 1.2.10); and
- (l) Companies sold.

**Table of Contents****6.10- Property, Plant and Equipment****(a) By business area:**

|                                | 03/31/04         |                          |                  | 12/31/03         |                          |                  |
|--------------------------------|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
|                                | Cost             | Accumulated depreciation | Net              | Cost             | Accumulated depreciation | Net              |
| <b>Ferrous Northern System</b> |                  |                          |                  |                  |                          |                  |
| Mining                         | 2,014,180        | (827,090)                | 1,187,090        | 1,853,077        | (803,360)                | 1,049,717        |
| Railroads                      | 2,863,775        | (1,157,037)              | 1,706,738        | 2,831,822        | (1,128,048)              | 1,703,774        |
| Ports                          | 749,334          | (261,136)                | 488,198          | 619,237          | (259,099)                | 360,138          |
| Construction in progress       | 784,100          |                          | 784,100          | 858,367          |                          | 858,367          |
|                                | <b>6,411,389</b> | <b>(2,245,263)</b>       | <b>4,166,126</b> | <b>6,162,503</b> | <b>(2,190,507)</b>       | <b>3,971,996</b> |
| <b>Ferrous Southern System</b> |                  |                          |                  |                  |                          |                  |
| Mining                         | 3,231,279        | (1,747,751)              | 1,483,528        | 3,180,750        | (1,716,738)              | 1,464,012        |
| Railroads                      | 3,387,570        | (1,879,045)              | 1,508,525        | 3,333,258        | (1,855,085)              | 1,478,173        |
| Ports                          | 588,812          | (445,863)                | 142,949          | 587,129          | (442,889)                | 144,240          |
| Construction in progress       | 1,159,072        |                          | 1,159,072        | 985,208          |                          | 985,208          |
|                                | <b>8,366,733</b> | <b>(4,072,659)</b>       | <b>4,294,074</b> | <b>8,086,345</b> | <b>(4,014,712)</b>       | <b>4,071,633</b> |
| <b>Pelletizing</b>             |                  |                          |                  |                  |                          |                  |
| South                          | 747,707          | (548,540)                | 199,167          | 743,372          | (544,970)                | 198,402          |
| North                          | 522,474          | (25,964)                 | 496,510          | 522,464          | (21,790)                 | 500,674          |
| Construction in progress       | 210,038          |                          | 210,038          | 195,394          |                          | 195,394          |
|                                | <b>1,480,219</b> | <b>(574,504)</b>         | <b>905,715</b>   | <b>1,461,230</b> | <b>(566,760)</b>         | <b>894,470</b>   |
| <b>Non-Ferrous</b>             |                  |                          |                  |                  |                          |                  |
| Potash                         | 154,386          | (63,056)                 | 91,330           | 149,467          | (58,813)                 | 90,654           |
| Gold                           | 72,055           | (71,910)                 | 145              | 72,196           | (68,773)                 | 3,423            |
| Research and projects          | 257,626          | (186,686)                | 70,940           | 257,626          | (185,132)                | 72,494           |

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|                          |                   |                    |                   |                   |                    |                   |
|--------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
| Construction in progress | 1,694,273         |                    | 1,694,273         | 1,523,431         |                    | 1,523,431         |
|                          | <b>2,178,340</b>  | <b>(321,652)</b>   | <b>1,856,688</b>  | <b>2,002,720</b>  | <b>(312,718)</b>   | <b>1,690,002</b>  |
| <b>Logistics</b>         |                   |                    |                   |                   |                    |                   |
| In operation             | 1,255,908         | (579,793)          | 676,115           | 1,210,474         | (570,354)          | 640,120           |
| Construction in progress | 67,430            |                    | 67,430            | 54,675            |                    | 54,675            |
|                          | <b>1,323,338</b>  | <b>(579,793)</b>   | <b>743,545</b>    | <b>1,265,149</b>  | <b>(570,354)</b>   | <b>694,795</b>    |
| <b>Energy</b>            |                   |                    |                   |                   |                    |                   |
| In operation             | 379,741           | (34,792)           | 344,949           | 370,036           | (31,708)           | 338,328           |
| Construction in progress | 537,450           |                    | 537,450           | 451,581           |                    | 451,581           |
|                          | <b>917,191</b>    | <b>(34,792)</b>    | <b>882,399</b>    | <b>821,617</b>    | <b>(31,708)</b>    | <b>789,909</b>    |
| <b>Corporate</b>         |                   |                    |                   |                   |                    |                   |
| In operation             | 189,917           | (86,957)           | 102,960           | 182,872           | (79,253)           | 103,619           |
| Construction in progress | 140,567           |                    | 140,567           | 145,929           |                    | 145,929           |
|                          | <b>330,484</b>    | <b>(86,957)</b>    | <b>243,527</b>    | <b>328,801</b>    | <b>(79,253)</b>    | <b>249,548</b>    |
| <b>Total</b>             | <b>21,007,694</b> | <b>(7,915,620)</b> | <b>13,092,074</b> | <b>20,128,365</b> | <b>(7,766,012)</b> | <b>12,362,353</b> |

(b) By type of asset:

|               | Average depreciation rates | 03/31/04  |              |           | 12/31/03  |              |           |
|---------------|----------------------------|-----------|--------------|-----------|-----------|--------------|-----------|
|               |                            | Cost      | Accumulated  |           | Cost      | Accumulated  |           |
|               |                            |           | depreciation | Net       |           | depreciation | Net       |
| Buildings     | 3.00%                      | 1,704,532 | (730,070)    | 974,462   | 1,663,009 | (721,444)    | 941,565   |
| Installations | 3.42%                      | 5,375,362 | (2,717,716)  | 2,657,646 | 5,107,784 | (2,682,406)  | 2,425,378 |
| Equipment     | 9.32%                      | 1,436,369 | (741,247)    | 695,122   | 1,330,381 | (706,605)    | 623,776   |



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|                             |       |                          |                             |                          |                          |                             |                          |
|-----------------------------|-------|--------------------------|-----------------------------|--------------------------|--------------------------|-----------------------------|--------------------------|
| Railroads                   | 3.85% | 5,794,435                | (2,870,485)                 | 2,923,950                | 5,690,087                | (2,826,203)                 | 2,863,884                |
| Mineral rights<br>(* )      | 1.87% | 474,874                  | (102,307)                   | 372,567                  | 466,820                  | (94,776)                    | 372,044                  |
| Others                      | 8.85% | 1,629,192                | (753,795)                   | 875,397                  | 1,655,699                | (734,578)                   | 921,121                  |
|                             |       | <u>16,414,764</u>        | <u>(7,915,620)</u>          | <u>8,499,144</u>         | <u>15,913,780</u>        | <u>(7,766,012)</u>          | <u>8,147,768</u>         |
| Construction<br>in progress |       | <u>4,592,930</u>         | <u>                    </u> | <u>4,592,930</u>         | <u>4,214,585</u>         | <u>                    </u> | <u>4,214,585</u>         |
| <b>Total</b>                |       | <b><u>21,007,694</u></b> | <b><u>(7,915,620)</u></b>   | <b><u>13,092,074</u></b> | <b><u>20,128,365</u></b> | <b><u>(7,766,012)</u></b>   | <b><u>12,362,353</u></b> |

(\* ) Calculated as a function of the volume of ore extracted in relation to the proven and probable reserves.

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**Table of Contents****Summary of Property, Plant and Equipment movements:**

|                                     |                   |
|-------------------------------------|-------------------|
| Balance as of December 31, 2003     | 12,362,353        |
| Additions / Disposals               | 871,831           |
| Interest capitalization             | 22,461            |
| Depreciation                        | (164,571)         |
|                                     | <hr/>             |
| <b>Balance as of March 31, 2004</b> | <b>13,092,074</b> |
|                                     | <hr/>             |

Depreciation, amortization and depletion have been allocated as follows:

|                               | <u>1Q/04</u>   | <u>1Q/03</u>   | <u>4Q/03</u>   |
|-------------------------------|----------------|----------------|----------------|
| Depreciation and amortization | 148,533        | 127,851        | 154,545        |
| Administrative expenses       | 10,580         | 9,126          | 9,350          |
| Research and development      | 814            |                | 3,526          |
|                               | <hr/>          | <hr/>          | <hr/>          |
| <b>Effect in result</b>       | <b>159,927</b> | <b>136,977</b> | <b>167,421</b> |
| Allocated to projects         | 982            |                | 8,353          |
| Inventories of products       | 3,662          | (2,301)        |                |
|                               | <hr/>          | <hr/>          | <hr/>          |
|                               | <b>164,571</b> | <b>134,676</b> | <b>175,774</b> |
|                               | <hr/>          | <hr/>          | <hr/>          |

**6.11- Loans and Financing****Short-term**

|               | <u>03/31/04</u> | <u>12/31/03</u> |
|---------------|-----------------|-----------------|
| Trade finance | -               | <b>105,603</b>  |
|               | <hr/>           | <hr/>           |

**Long-term**

**Current liabilities**

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**Long-term liabilities**

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|                               | <u>03/31/04</u> | <u>12/31/03</u>  | <u>03/31/04</u>  | <u>12/31/03</u>  |
|-------------------------------|-----------------|------------------|------------------|------------------|
| <b>Foreign operations</b>     |                 |                  |                  |                  |
| Loans and financing in:       |                 |                  |                  |                  |
| U.S. dollars                  | 814,998         | 781,090          | 2,690,649        | 2,437,216        |
| Yen                           | 1,780           | 87,574           | 6,229            | 6,893            |
| Other currencies              | 9,241           | 9,591            | 60,200           | 61,380           |
| Notes in U.S. dollars         |                 | 866,760          |                  |                  |
| Accrued charges               | 25,697          | 47,108           |                  |                  |
|                               | <u>851,716</u>  | <u>1,792,123</u> | <u>2,757,078</u> | <u>2,505,489</u> |
| <b>Local operations</b>       |                 |                  |                  |                  |
| Indexed by TJLP, TR and IGP-M | 17,973          | 17,636           | 43,296           | 42,859           |
| Basket of currencies          | 35,587          | 35,210           | 3,293            | 11,737           |
| Loans in U.S. dollars         | 52,808          | 48,268           | 197,814          | 209,608          |
| Non-convertible debentures    |                 |                  | 884              | 878              |
| Accrued charges               | 1,697           | 3,464            |                  |                  |
|                               | <u>108,065</u>  | <u>104,578</u>   | <u>245,287</u>   | <u>265,082</u>   |
|                               | <u>959,781</u>  | <u>1,896,701</u> | <u>3,002,365</u> | <u>2,770,571</u> |

(a) Foreign currency loans and financing were converted into *reais* at exchange rates effective on the quarterly information date, being US\$ 1.00 = R\$ 2.9086 on 03/31/04 (R\$ 2.8892 on 12/31/03) and ¥ 1.00 = R\$ 0.027893 on 03/31/04 (R\$ 0.027011 on 12/31/03);

(b) On March 31, 2004 our loans and financing were supported by the following guarantees:

Guarantees received from the federal government of R\$ 516,419, to which we gave as counter-guarantees shares and operational revenues;

Property, plant and equipment of R\$ 169,659;

Future operational revenues of R\$ 211,990.

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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 03/31/04:

|             |                  |             |
|-------------|------------------|-------------|
| 2005        | 432,985          | 14%         |
| 2006        | 1,067,923        | 36%         |
| 2007        | 393,213          | 13%         |
| 2008        | 339,134          | 11%         |
| 2009 onward | 769,110          | 26%         |
|             | <b>3,002,365</b> | <b>100%</b> |

(d) Long-term foreign and domestic loans and financing are subject to annual interest rates (plus exchange rate and monetary variation) on 03/31/04 as follows:

|            |                  |             |
|------------|------------------|-------------|
| Up to 3%   | 2,306,225        | 58%         |
| 3.1 to 5%  | 1,184,430        | 30%         |
| 5.1 to 7%  | 110,040          | 3%          |
| 7.1 to 9%  | 285,530          | 7%          |
| 9.1 to 11% | 75,921           | 2%          |
|            | <b>3,962,146</b> | <b>100%</b> |

(e) The estimated market values of loans and financing approximate their book values.

(f) Composition of loans and financing by currency/indices:

**R\$ 3,962,146**

**6.12- 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 external legal counsel as sufficient to cover losses from any type of lawsuit, were as follows:

|                                  | Judicial deposits |          | Provisions for contingencies |          |
|----------------------------------|-------------------|----------|------------------------------|----------|
|                                  | 03/31/04          | 12/31/03 | 03/31/04                     | 12/31/03 |
| Tax contingencies                | 697,394           | 680,397  | 701,331                      | 603,719  |
| Labor and social security claims | 178,727           | 155,444  | 443,929                      | 443,790  |

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|              |                         |                       |                         |                         |
|--------------|-------------------------|-----------------------|-------------------------|-------------------------|
| Civil claims | 140,779                 | 135,171               | 334,277                 | 418,763                 |
| Others       | 16,164                  | 13,595                | 14,014                  | 16,264                  |
|              | <u>          </u>       | <u>          </u>     | <u>          </u>       | <u>          </u>       |
| <b>Total</b> | <b><u>1,033,064</u></b> | <b><u>984,607</u></b> | <b><u>1,493,551</u></b> | <b><u>1,482,536</u></b> |

Tax contingencies relate principally to a legal action claiming unconstitutionality of CPMF (tax on bank transactions) and others relating to value-added tax (ICMS).

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Labor-related actions principally comprise employee claims in connection with disputes about the amount of indemnities paid upon dismissal and the 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.

(b) Guarantees given to jointly-controlled companies are as follows:

|                                 | <u>03/31/04</u> | <u>12/31/03</u> |
|---------------------------------|-----------------|-----------------|
| ALBRAS Alumínio Brasileiro S.A. | 731,369         | 783,958         |
| Samarco Mineração S.A.          | 20,987          | 27,642          |
| Valesul Alumínio S.A.           | 1,306           | 1,402           |
|                                 | <u>753,662</u>  | <u>813,002</u>  |

The breakdown of guarantees by currency is:

|             | <u>03/31/04</u> | <u>12/31/03</u> |
|-------------|-----------------|-----------------|
| U.S. Dollar | 642,809         | 696,912         |
| Real        | 110,853         | 116,090         |
|             | <u>753,662</u>  | <u>813,002</u>  |

| <u>Affiliate or Joint Venture</u> | <u>Amount of<br/>guarantee R\$</u> | <u>Denominated<br/>currency</u> | <u>Purpose</u>       | <u>Final<br/>maturity</u> | <u>Counter<br/>guarantees</u> |
|-----------------------------------|------------------------------------|---------------------------------|----------------------|---------------------------|-------------------------------|
| ALBRAS                            | 620,516                            | US\$                            | Debt guarantee BNDES | 2007                      | None                          |
|                                   | 110,853                            | R\$                             | Debt guarantee BNDES | 2010                      | None                          |
| SAMARCO                           | 20,987                             | US\$                            | Debt guarantee IFC   | 2008                      | None                          |
| VALESUL                           | 1,306                              | US\$                            | Debt guarantee BNDES | 2007                      | None                          |

The Company does not expect such guarantees to be executed and therefore no provisions for losses have been made. Excepted for Valesul, CVRD charges for granting these guarantees.

(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 trading of the Debentures. As of October 28, 2002, the Debentures can be traded on the secondary market.

### **6.13- 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 03/31/03, the provision for environmental liabilities amounted to R\$ 238,381 (R\$ 231,767 on 12/31/03), which was accounted for in Others in long-term liabilities.

The Company adopted the concepts of the Accounting for Asset Retirement Obligations, as follows:

Costs for mine closure are recorded as part of the cost of these assets and a corresponding provision is made for such future expenditure.

The estimated costs are accounted for at the present value of the obligations, discounted using a risk free rate; and

The estimated costs are reviewed annually and changes in the present value are adjusted in the recorded values of the assets and liabilities.

**Table of Contents****6.14- Paid-up Capital**

As of the Ordinary General Meeting of 04/16/03, the Company's capital increased to R\$ 6.3 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 net equity value of the share, whichever is 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 shipping systems and other matters determined in the Bylaws.

**6.15- 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 6404/76 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.

Through the 03/31/04, the Company had acquired 4,715,170 common shares and 4,183 preferred shares, which are held in treasury in the amount of R\$ 131,318. The 4,715,170 common shares guarantee a loan of the subsidiary Alunorte.

| Class     | Shares           |                  | Unit acquisition cost |       |       | Average quoted market price |          |
|-----------|------------------|------------------|-----------------------|-------|-------|-----------------------------|----------|
|           | Quantity         |                  | Average               | Low   | High  | 03/31/04                    | 12/31/03 |
|           | 03/31/04         | 12/31/03         |                       |       |       |                             |          |
| Preferred | 4,183            | 4,183            | 51.36                 | 14.02 | 52.40 | 133.78                      | 97.91    |
| Common    | 4,715,170        | 4,715,170        | 27.80                 | 20.07 | 52.09 | 158.56                      | 106.34   |
|           | <b>4,719,353</b> | <b>4,719,353</b> |                       |       |       |                             |          |

**6.16- Financial Result**

|  | Quarter |       |       |
|--|---------|-------|-------|
|  | 1Q/04   | 1Q/03 | 4Q/03 |
|  |         |       |       |



|                                       | <b>Financial expenses</b> | <b>Monetary and exchange rate variation on liabilities</b> | <b>Total</b>     | <b>Financial expenses</b> | <b>Monetary and exchange rate variation on liabilities</b> | <b>Total</b>    | <b>Financial expenses</b> | <b>Monetary and exchange rate variation on liabilities</b> | <b>Total</b>     |
|---------------------------------------|---------------------------|--|------------------|---------------------------|--|-----------------|---------------------------|--|------------------|
| Foreign debt                          | (36,095)                  | (34,599)   | (70,694)         | (62,925)                  | 246,841  | 183,916         | (45,878)                  | 29,116   | (16,762)         |
| Local debt                            | (5,916)                   | (3,064)  | (8,980)          | (11,020)                  | 35,158   | 24,138          | (6,725)                   | 3,067  | (3,658)          |
| Related parties debt                  | (46,726)                  | (16,227)   | (62,953)         | (43,735)                  | 125,188  | 81,453          | (49,151)                  | 35,443   | (13,708)         |
|                                       | <b>(88,737)</b>           | <b>(53,890)</b>  | <b>(142,627)</b> | <b>(117,680)</b>          | <b>407,187</b>   | <b>289,507</b>  | <b>(101,754)</b>          | <b>67,626</b>  | <b>(34,128)</b>  |
| Labor, tax and civil contingencies    | (17,481)                  | (24,141)   | (41,622)         | (21,452)                  | (44,593)   | (66,045)        | (71,580)                  | (12,348)   | (83,928)         |
| Derivatives (interest and currencies) | (19,341)                  | (815)  | (20,156)         | (42,171)                  | 12,671   | (29,500)        | 10,676                    | 4,089  | 14,765           |
| Derivatives (gold)                    | (15,079)                  | (759)  | (15,838)         | 16,204                    | 2,220  | 18,424          | (35,627)                  | 1,944  | (33,683)         |
| CPMF                                  | (4,133)                   |  | (4,133)          | (13,092)                  |  | (13,092)        | (25,203)                  |  | (25,203)         |
| Others                                | (19,830)                  | (33,606)   | (53,436)         | (6,455)                   | 30,893   | 24,438          | (16,516)                  | (115,314)  | (131,830)        |
|                                       | <b>(164,601)</b>          | <b>(113,211)</b>   | <b>(277,812)</b> | <b>(184,646)</b>          | <b>408,378</b>   | <b>223,732</b>  | <b>(240,004)</b>          | <b>(54,003)</b>  | <b>(294,007)</b> |
|                                       | <b>Financial income</b>   | <b>Monetary and exchange rate variation on assets</b>      | <b>Total</b>     | <b>Financial income</b>   | <b>Monetary and exchange rate variation on assets</b>      | <b>Total</b>    | <b>Financial income</b>   | <b>Monetary and exchange rate variation on assets</b>      | <b>Total</b>     |
| Related parties                       | 18,883                    | 21,729   | 40,612           | 40,261                    | (124,352)  | (84,091)        | 19,372                    | (25,440)   | (6,068)          |
| Marketable securities                 | 5,347                     | 15,043   | 20,390           | 1,583                     | 14,280   | 15,863          | 26,868                    | 11,400   | 38,268           |
| Others                                | 5,080                     | 6,819  | 11,899           | 7,773                     | (18,382)   | (10,609)        | 5,321                     | (4,303)  | 1,018            |
|                                       | <b>29,310</b>             | <b>43,591</b>  | <b>72,901</b>    | <b>49,617</b>             | <b>(128,454)</b>   | <b>(78,837)</b> | <b>51,561</b>             | <b>(18,343)</b>  | <b>33,218</b>    |
|                                       | <b>(135,291)</b>          | <b>(69,620)</b>  | <b>(204,911)</b> | <b>(135,029)</b>          | <b>279,924(*)</b>  | <b>144,895</b>  | <b>(188,443)</b>          | <b>(72,346)</b>  | <b>(260,789)</b> |

**Financial  
income  
(expenses),  
net**

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(\* See item 1.2.5 - Net financial result.

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**Table of Contents****Debt Indices**

|   | <u>1Q/04</u>      | <u>1Q/03</u>      | <u>4Q/03</u>      |
|---|-------------------|-------------------|-------------------|
| <b>Current liabilities</b>                          |                   |                   |                   |
| Current portion of long-term debt unrelated parties | 959,781           | 1,889,236         | 1,896,701         |
| Short-term debt                                     |                   | 118,977           | 105,603           |
| Related parties debt                                | 1,483,965         | 1,002,996         | 1,365,472         |
|   | <u>2,443,746</u>  | <u>3,011,209</u>  | <u>3,367,776</u>  |
| <b>Long-term liabilities</b>                        |                   |                   |                   |
| Long-term debt unrelated parties                    | 3,002,365         | 4,065,741         | 2,770,571         |
| Related parties                                     | 4,484,432         | 3,221,881         | 4,395,082         |
|   | <u>7,486,797</u>  | <u>7,287,622</u>  | <u>7,165,653</u>  |
| <b>Gross Debt</b>                                   | <u>9,930,543</u>  | <u>10,298,831</u> | <u>10,533,429</u> |
| <b>Interest paid</b>                                | <b>109,384</b>    | <b>108,629</b>    | <b>92,010</b>     |
| <b>EBITDA</b>                                       | <b>1,341,900</b>  | <b>1,148,114</b>  | <b>1,239,060</b>  |
| <b>Stockholders equity</b>                          | <b>15,422,451</b> | <b>13,292,528</b> | <b>14,939,574</b> |
| <b>EBITDA / Interest paid</b>                       | <b>12.27</b>      | <b>10.57</b>      | <b>13.47</b>      |
| <b>Gross Debt / EBITDA</b>                          | <b>1.85</b>       | <b>2.24</b>       | <b>2.13</b>       |
| <b>Gross Debt / Equity capitalization</b>           | <b>39</b>         | <b>44</b>         | <b>41</b>         |

**6.17 - 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 derivative 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 the Company's management. The results of hedging are recognized monthly in the results.

**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 instruments contracted to limit exposure to interest rate fluctuations, establishing upper and lower limits. Some operations are subject to knock-out provisions which, if triggered, eliminate the protection contracted.

The table below provides information regarding the interest rate derivatives portfolio for 03/31/04 and 03/31/03.

| Type         | 03/31/04                          |             |   | 03/31/03       |                                   |             |   |
|--------------|-----------------------------------|-------------|---|----------------|-----------------------------------|-------------|---|
|              | Notional value (in US\$ millions) | Rate range  | Unrealized gain (loss) (in R\$ thousands) | Final maturity | Notional value (in US\$ millions) | Rate range  | Unrealized gain (loss) (in R\$ thousands) |
| Cap          | 500                               | 5.7 - 11.0% | 3   | May-07         | 500                               | 5.8 - 11.0% | 345                                       |
| Floor        | 500                               | 5.7 - 6.0%  | (44,660)                                  | Nov-06         | 500                               | 5.8 - 6.0%  | (68,222)                                  |
| Swap         | 248                               | 5.8 - 6.7%  | (95,318)                                  | Oct-07         | 470                               | 5.9 - 6.7%  | (162,387)                                 |
| <b>Total</b> |                                   |             | <b>(139,975)</b>                          |                |                                   |             | <b>(230,264)</b>                          |

The unrealized loss represents the present value to payable if all operations had been settled on 03/31/04.

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**Table of Contents****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 the 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 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 03/31/04 and 03/31/03. These operations are forwards and range forwards which were structured to ensure the purchase price of the following currencies:

| Type            | 03/31/04                     |                      |   |                | 03/31/03                     |                      |                                    |
|-----------------|------------------------------|----------------------|---|----------------|------------------------------|----------------------|------------------------------------|
|                 | Notional value (in millions) | Rate range           | Unrealized gain (loss) (in R\$ thousands) | Final maturity | Notional value (in millions) | Rate range           | Unrealized loss (in R\$ thousands) |
| Yen purchased   | ¥207                         | ¥79 - 83 per US\$    | (1,566)                                   | Apr-05         | ¥3.543                       | ¥79 - 89 por US\$    | (999)                              |
| Euros purchased | 23                           | 1.22 - 1.23 per US\$ | 5,323                                     | Dec-11         | 5                            | 1.19 - 1.23 por US\$ | (2,162)                            |
| Euros sold      | 5                            | 1.2 - 1.3 per US\$   | 104                                       | Apr-04         | 3                            | 1.05 - 1.10 por US\$ | 23                                 |
| <b>Total</b>    |                              |                      | <b>3,861</b>                              |                |                              |                      | <b>(3,138)</b>                     |

The unrealized gain represents the present value to receive if all operations had been settled on 03/31/04.

**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, aluminum and alumina. 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.

The following table shows the gold derivatives portfolio of the Company on 03/31/04 and 03/31/03:

| Type               | 03/31/04         |                          |   |                   | 03/31/03         |                          |   |
|--------------------|------------------|--------------------------|---|-------------------|------------------|--------------------------|---|
|                    | Quantity<br>(oz) | Price range<br>(US\$/oz) | Unrealized<br>gain<br>(loss) (in<br>R\$<br>thousands) | Final<br>maturity | Quantity<br>(oz) | Price range<br>(US\$/oz) | Unrealized<br>gain<br>(loss) (in<br>R\$<br>thousands) |
| Puts purchased     | 365,500          | 283 - 358                | 3,776   | Dec-08            | 428,000          | 270 - 385                | 16,819  |
| Calls sold         | 418,000          | 317 - 412                | (106,341)   | Dec-08            | 595,000          | 317 - 440                | (49,525)  |
| Hybrid instruments | 20,000           |                          | (4,730)   | Nov-06            | 20,000           |                          | (668)   |
| <b>Total</b>       |                  |                          | <b>(107,295)</b>                                      |                   |                  |                          | <b>(33,374)</b>                                       |

The unrealized loss represents the present value to payable if all operations had been settled on 03/31/04.

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The following table shows the movement of gains and (losses) on derivatives:

|  | <b>1Q/04</b>                      |                   |                  |                  |
|--|-----------------------------------|-------------------|------------------|------------------|
|  | <b>Interest rates<br/>(libor)</b> | <b>Currencies</b> | <b>Gold</b>      | <b>Total</b>     |
| Gains and (losses) unrealized on 12/31/03        | (135,977)                         | 15,856            | (91,980)         | (212,101)        |
| Financial settlement                             | 11,122                            | (6,959)           | 523              | 4,686            |
| Financial expenses                               | (14,202)                          | (5,139)           | (15,079)         | (34,420)         |
|  | <b>(3,080)</b>                    | <b>(12,098)</b>   | <b>(14,556)</b>  | <b>(29,734)</b>  |
| Monetary variations                              | (918)                             | 103               | (759)            | (1,574)          |
| <b>Gains and (losses) unrealized on 03/31/04</b> | <b>(139,975)</b>                  | <b>3,861</b>      | <b>(107,295)</b> | <b>(243,409)</b> |

|  | <b>1Q/03</b>                      |                   |                 |                  |
|--|-----------------------------------|-------------------|-----------------|------------------|
|  | <b>Interest rates<br/>(libor)</b> | <b>Currencies</b> | <b>Gold</b>     | <b>Total</b>     |
| (Losses) unrealized on 12/31/02        | (213,361)                         | (4,309)           | (52,432)        | (270,102)        |
| Financial settlement                   | 13,390                            | 378               | 634             | 14,402           |
| Financial expenses                     | (42,764)                          | 593               | 16,204          | (25,967)         |
|  | <b>(29,374)</b>                   | <b>971</b>        | <b>16,838</b>   | <b>(11,565)</b>  |
| Monetary variations                    | 12,471                            | 200               | 2,220           | 14,891           |
| <b>(Losses) unrealized on 03/31/03</b> | <b>(230,264)</b>                  | <b>(3,138)</b>    | <b>(33,374)</b> | <b>(266,776)</b> |

|   | <b>4Q/03</b>                      |                   |             |              |
|---|-----------------------------------|-------------------|-------------|--------------|
|   | <b>Interest rates<br/>(libor)</b> | <b>Currencies</b> | <b>Gold</b> | <b>Total</b> |
| Gains and (losses) unrealized on 09/30/03 | (177,764)                         | 6,003             | (66,691)    | (238,452)    |
| Financial settlement                      | 35,877                            | 998               | 8,394       | 45,269       |
| Financial expenses                        | 1,697                             | 8,979             | (35,627)    | (24,951)     |

|  |                                  |                               |                                 |                                  |
|--|----------------------------------|-------------------------------|---------------------------------|----------------------------------|
| Monetary variations, net               | 37,574<br>4,213<br><hr/>         | 9,977<br>(124)<br><hr/>       | (27,233)<br>1,944<br><hr/>      | 20,318<br>6,033<br><hr/>         |
| <b>(Losses) unrealized on 12/31/03</b> | <b>(135,977)</b><br><b><hr/></b> | <b>15,856</b><br><b><hr/></b> | <b>(91,980)</b><br><b><hr/></b> | <b>(212,101)</b><br><b><hr/></b> |



**Table of Contents****6.18- Exchange Rate Exposure**

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

|                                | <b>In millions of reais</b> |                 |  |                 |
|--------------------------------|-----------------------------|-----------------|--|-----------------|
|                                | <b>Parent Company</b>       |                 | <b>Subsidiaries and<br/>Affiliated Companies (*)</b> |                 |
|                                | <b>03/31/04</b>             | <b>12/31/03</b> | <b>03/31/04</b>                                      | <b>12/31/03</b> |
| <b>Assets</b>                  |                             |                 |  |                 |
| <b>Current</b>                 |                             |                 |  |                 |
| Cash and cash equivalents      | 158                         | 264             | 369  | 298             |
| Others                         | 1,272                       | 1,731           | 1,133  | 1,143           |
|                                | <u>1,430</u>                | <u>1,995</u>    | <u>1,502</u>   | <u>1,441</u>    |
| <b>Long-term receivables</b>   | 508                         | 531             | 50   | 49              |
| <b>Investments</b>             | 3,329                       | 2,854           | 16   | 16              |
|                                | <u>5,267</u>                | <u>5,380</u>    | <u>1,568</u>   | <u>1,506</u>    |
| <b>Total</b>                   |                             |                 |  |                 |
|                                | <u>5,267</u>                | <u>5,380</u>    | <u>1,568</u>   | <u>1,506</u>    |
| <b>Liabilities</b>             |                             |                 |  |                 |
| <b>Current</b>                 |                             |                 |  |                 |
| Short-term loans and financing | 941                         | 1,985           | 1,668  | 1,358           |
| Others                         | 1,539                       | 1,288           | 325  | 494             |
|                                | <u>2,480</u>                | <u>3,273</u>    | <u>1,993</u>   | <u>1,852</u>    |
| <b>Long-term liabilities</b>   |                             |                 |  |                 |
| Loans and financing            | 2,959                       | 2,728           | 1,585  | 1,683           |
| Others                         | 4,208                       | 4,118           | 416  | 428             |
|                                | <u>7,167</u>                | <u>6,846</u>    | <u>2,001</u>   | <u>2,111</u>    |
| <b>Total</b>                   |                             |                 |  |                 |
|                                | <u>9,647</u>                | <u>10,119</u>   | <u>3,994</u>   | <u>3,963</u>    |
| <b>Assets</b>                  |                             |                 |  |                 |
| <b>Liabilities</b>             |                             |                 |  |                 |
| <b>R\$</b>                     | <u>(4,380)</u>              | <u>(4,739)</u>  | <u>(2,426)</u>                                       | <u>(2,457)</u>  |
| <b>Assets</b>                  |                             |                 |  |                 |
| <b>Liabilities -US\$</b>       | <u>(1,506)</u>              | <u>(1,640)</u>  | <u>(834)</u>   | <u>(850)</u>    |

(\*) Proportional to the percentage of participation

### 6.19- Administrative and Other Operating Expenses

|   | <u>1Q/04</u>   | <u>1Q/03</u>   | <u>4Q/03</u>   |
|---|----------------|----------------|----------------|
| <b>Administrative</b>                           |                |                |                |
| Personnel                                       | 41,430         | 28,283         | 58,590         |
| Technical consulting                            | 22,468         | 18,443         | 34,451         |
| Advertising and publicity                       | 5,698          | 9,006          | 6,979          |
| Depreciation                                    | 10,580         | 9,126          | 9,350          |
| Travel expenses                                 | 4,583          | 4,925          | 4,212          |
| Rents and taxes                                 | 4,686          | 6,902          | 4,652          |
| Others  | 15,144         | 12,073         | 5,531          |
|   | <u>104,589</u> | <u>88,758</u>  | <u>123,765</u> |
|   |                | <u>1Q/04</u>   | <u>1Q/03</u>   |
| <b>Other Operating Expenses</b>                 |                |                |                |
| Provisions for contingencies                    | 27,245         | 27,141         | 27,240         |
| Itabira's Property Tax Agreement (1995/2003)    | 16,687         |                |                |
| Provision for loss on value added taxes credits |                | 28,000         |                |
| Provision for participation in the results      | 38,000         | 40,000         | 24,000         |
| Others  | 2,668          | 10,723         | 24,024         |
|   | <u>84,600</u>  | <u>105,864</u> | <u>75,264</u>  |

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**6.20- Subsequent Event**

**Payment and Remuneration of Shareholder Debentures**

Companhia Vale do Rio Doce paid on April 1st, 2004 the remuneration of the shareholder debentures in the amount of R\$ 0.01206278 per debenture, totalizing R\$ 4,687.

On March 25, 2004, the Brazilian Central Bank authorized the registration of the shareholder debentures of foreign debentureholders who were shareholders at the time such securities were issued in 1997, American Depositary Receipts (ADRs) holders or through shares acquired in the local market.

**Dividend Payment**

According the meeting realized 04/14/04, the Board of Directors of Companhia Vale do Rio Doce approved the payment of the first installment of the minimum dividend for 2004 in accordance to the Board of Directors proposal. The first installment of the minimum dividend will be paid according to the procedures as follows.

The payment of the first quote will be paid according to this terms:

- (a) Payment of shareholder s equity on the total value of R\$ 790,710, equivalent to R\$ 2.06 per outstanding preferred share or common share. These value is equal to US\$ 0.715 per share converted into Brazilian reais by the 2.8851 BRL/USD exchange rate for the sale of USD (Ptax option 5 code), as informed by the Central Bank of Brazil on April 13, 2004, according to the procedures previously announced on January 28, 2004.
- (b) The payment will take place from April 30, 2004, onwards. The distribution of interest on shareholders equity is subject to withholding income tax at a rate of 15%, in accordance to the Law 9,249 of December 26, 1995.

**Syndicated Loan**

On April 1st, 2004, Companhia Vale do Rio Doce obtained a syndicated in the amount of US\$ 300 million, with final maturity date in seven years and average period of 4.25 years. The cost is given by semi-annual LIBOR plus annual interest rate of 0.7%. This transaction is supported by a 97.5% of political risk insurance and a 95% of commercial risk insurance provided by the Japanese Agency Nippon Export and Investment Insurance (NEXI), this transaction does not have any additional guarantees by CVRD and there is no link to imports or exports receivables generated by the Company.

**Capital Increase**

On April 28, 2004, the Extraordinary Shareholders Meeting approved a proposal of the Executive Board for a capital increase without issuing new shares, with the favorable opinions by the Board of directors and Fiscal Council, through capitalization of part of the Expansion Reserve in the amount of R\$ 910,007, and capitalization of tax reserves in the amount of R\$ 89,993 increasing its share capital from R\$ 6,300 millions to R\$ 7,300 millions.

Table of Contents**Part III****7- Other Information the Company Deems Relevant****7.1- Iron Ore and Pellet Sales (Main Markets) (Not Reviewed)**

|                            | (Million of tons) |           |              |           |              |           |
|----------------------------|-------------------|-----------|--------------|-----------|--------------|-----------|
|                            | <u>1Q/04</u>      | <u>%</u>  | <u>1Q/03</u> | <u>%</u>  | <u>4Q/03</u> | <u>%</u>  |
| <b>FOREIGN MARKET</b>      |                   |           |              |           |              |           |
| ÁSIA                       |                   |           |              |           |              |           |
| CHINA                      | 5.8               | 13        | 5.4          | 15        | 6.4          | 15        |
| CORÉIA                     | 1.7               | 4         | 1.6          | 4         | 2.0          | 4         |
| PHILIPPINES                | 0.8               | 2         | 0.4          | 1         | 0.7          | 2         |
| JAPAN                      | 4.0               | 9         | 3.9          | 11        | 4.0          | 9         |
| TAIWAN                     | 0.7               | 2         | 0.4          | 1         | 0.5          | 1         |
| OTHERS                     | 0.4               | 1         |              |           |              |           |
|                            | <u>13.4</u>       | <u>31</u> | <u>11.7</u>  | <u>32</u> | <u>13.6</u>  | <u>31</u> |
| EUROPE                     |                   |           |              |           |              |           |
| GERMANY                    | 4.6               | 11        | 3.5          | 10        | 5.2          | 12        |
| SPAIN                      | 0.9               | 2         | 0.8          | 2         | 1.0          | 2         |
| FRANCE                     | 2.3               | 5         | 1.4          | 4         | 2.3          | 5         |
| ITALY                      | 1.5               | 4         | 1.2          | 3         | 1.3          | 3         |
| UNITED KINGDOM             | 0.5               | 1         | 0.5          | 1         | 0.9          | 2         |
| OTHERS                     | 3.5               | 8         | 3.0          | 8         | 4.7          | 10        |
|                            | <u>13.3</u>       | <u>31</u> | <u>10.4</u>  | <u>28</u> | <u>15.4</u>  | <u>34</u> |
| AMERICAS                   |                   |           |              |           |              |           |
| ARGENTINA                  | 0.9               | 2         | 0.8          | 2         | 0.9          | 2         |
| UNITED STATES              | 1.0               | 2         | 1.0          | 3         | 0.7          | 3         |
| OTHERS                     | 1.3               | 3         | 0.8          | 2         | 0.9          | 2         |
|                            | <u>3.2</u>        | <u>7</u>  | <u>2.6</u>   | <u>7</u>  | <u>2.5</u>   | <u>7</u>  |
| AFRICA/MID. EAST/AUSTRALIA |                   |           |              |           |              |           |
| BAHRAIN                    | 1.0               | 2         | 0.5          | 1         | 0.8          | 2         |
| OTHERS                     | 1.2               | 3         | 1.0          | 3         | 1.5          | 3         |

|                        |                    |                   |                    |                   |                    |                   |
|------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
|                        | —                  | —                 | —                  | —                 | —                  | —                 |
|                        | <u>2.2</u>         | <u>5</u>          | <u>1.5</u>         | <u>4</u>          | <u>2.3</u>         | <u>5</u>          |
|                        | <u>32.1</u>        | <u>74</u>         | <u>26.2</u>        | <u>71</u>         | <u>33.8</u>        | <u>77</u>         |
| <b>DOMESTIC MARKET</b> |                    |                   |                    |                   |                    |                   |
| STEEL MILLS            | 6.3                | 15                | 5.1                | 14                | 6.4                | 14                |
| PELLETIZING AFFILIATES | <u>4.9</u>         | <u>11</u>         | <u>5.0</u>         | <u>15</u>         | <u>4.6</u>         | <u>9</u>          |
|                        | <u>11.2</u>        | <u>26</u>         | <u>10.1</u>        | <u>29</u>         | <u>11.0</u>        | <u>23</u>         |
| <b>TOTAL</b>           | <u><b>43.3</b></u> | <u><b>100</b></u> | <u><b>36.3</b></u> | <u><b>100</b></u> | <u><b>44.8</b></u> | <u><b>100</b></u> |

|                 | (Millions of tons) |                   |                    |                   |                    |                   |
|-----------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
|                 | <u>1Q/04</u>       | <u>%</u>          | <u>1Q/03</u>       | <u>%</u>          | <u>4Q/03</u>       | <u>%</u>          |
| NORTHERN SYSTEM | 14.2               | 33                | 13.3               | 37                | 14.8               | 33                |
| SOUTHERN SYSTEM | <u>29.1</u>        | <u>67</u>         | <u>23.0</u>        | <u>63</u>         | <u>30.0</u>        | <u>67</u>         |
|                 | <u><b>43.3</b></u> | <u><b>100</b></u> | <u><b>36.3</b></u> | <u><b>100</b></u> | <u><b>44.8</b></u> | <u><b>100</b></u> |

**Table of Contents****7.2 Business Performance Ratios (Unaudited)**

|   | <b>In million of reais</b> |                 |
|---|----------------------------|-----------------|
|   | <b>03/31/04</b>            | <b>12/31/03</b> |
| <b>Capital Ratios</b>   |                            |                 |
| 1 - Capital assets to stockholders' equity (Permanent assets/Equity * 100) (%)                        | 158.83                     | 157.99          |
| 2 - Capital assets to total liabilities (Permanent assets/Total liabilities * 100) (%)                | 157.23                     | 153.66          |
| 3 - Total liabilities to stockholders' equity (Total liabilities/Equity * 100) (%)                    | 101.01                     | 102.82          |
| 4 - Short to total liabilities (Short-term liabilities/Total liabilities * 100) (%)                   | 32.32                      | 34.16           |
| 5 - Stockholders' equity to total liabilities (Equity/Total liabilities * 100) (%)                    | 99.00                      | 97.26           |
| 6 - Capital assets to non-current funds (Permanent assets/(Equity + Long-term liabilities)) * 100 (%) | 94.34                      | 94.21           |
| 7 - Net Debt (a) / Stockholders' equity (Net debt (a) / Equity)                                       | 0.55                       | 0.59            |
| 8 - Net Debt (a) / Total Assets   | 0.28                       | 0.29            |
| 9 - Leverage (Total Assets / Equity)  | 2.01                       | 2.03            |
|   | <b>03/31/04</b>            | <b>03/31/03</b> |
| <b>Profitability and Other Ratios</b>   |                            |                 |
| 1 - Gross Margin (Gross profit / Net operating revenues * 100) (%)                                    | 43.41                      | 48.37           |
| 2 - Operating Margin (Operating income / Net operating revenues * 100) (%)                            | 26.51                      | 36.61           |
| 3 - Net Margin (Net income / Net operating revenues * 100) (%)  | 36.57                      | 48.16           |
| 4 - Return on Assets (Net income (annualized) / Total assets * 100) ROA (%)                           | 12.31                      | 15.39           |
| 5 - Return on Equity (Net income (annualized) / Equity * 100) ROE (%)                                 | 24.74                      | 31.16           |
| 6 - Total asset turnover (Net operating revenues (annualized) / Total assets)                         | 0.34                       | 0.32            |
| 7 - P/E (Price of preferred class A share / Earnings per share (annualized))                          | 13.73                      | 12.14           |
| 8 - Price /Book Value (Price of preferred class A share / Book value per share)                       | 3.40                       | 3.78            |
| 9 - Net income per outstanding share (Net income (annualized) / Number of shares outstanding)         | 9.94                       | 12.13           |
| 10 - NOPLAT / Operating Income (%)  | 33.55                      | .59             |
| 11 - EBITDA / Financial expenses on financing   | 12.27                      | 10.57           |
| 12- EBITDA / Operating Income (%)   | 51.45                      | 47.51           |
| 13- Net Debt (a) / EBITDA   | 1.59                       | 1.92            |
| 14- Net operating cash flow / Interest paid   | 12.20                      | 10.25           |

The values related to income are presented in annualized basis.

(a) Net debt = short and long-term loans obtained, included loans with related parties liabilities less cash and cash equivalents

(b) NOPLAT = Net operating profit less income tax and social contribution

(c) EBITDA = Earnings before interest, income taxes, depreciation and amortization adjusted by dividends received.

**Table of Contents****Part IV****8- Attachment I Equity Investee Information****8.1- Aluminum Area Albras (Adjusted and Unaudited)**

|   |                 |               | <b>2004</b>     |           |           |           |                 |
|---|-----------------|---------------|-----------------|-----------|-----------|-----------|-----------------|
| <b>Information</b>                                      |                 |               | <b>1Q</b>       | <b>2Q</b> | <b>3Q</b> | <b>4Q</b> | <b>Total</b>    |
| Quantity sold   | external market | MT (thousand) | 94              |           |           |           | 94              |
| Quantity sold   | internal market | MT (thousand) | 3               |           |           |           | 3               |
| <b>Quantity sold</b>                                    | <b>total</b>    | MT (thousand) | <b>97</b>       |           |           |           | <b>97</b>       |
| Average sales price                                     | external market | US\$          | 1,565.46        |           |           |           | 1,565.46        |
| Average sales price                                     | internal market | US\$          | 1,618.11        |           |           |           | 1,618.11        |
| <b>Average sales price</b>                              | <b>total</b>    | US\$          | <b>1,567.28</b> |           |           |           | <b>1,567.28</b> |
| Long-term indebtedness, gross                           |                 | US\$          | 319,259         |           |           |           | 319,259         |
| <b>Total indebtedness, gross</b>                        |                 | US\$          | <b>319,259</b>  |           |           |           | <b>319,259</b>  |
| <b>Stockholders equity</b>                              |                 | R\$           | <b>834,690</b>  |           |           |           | <b>834,690</b>  |
| Net operating revenues                                  |                 | R\$           | 442,246         |           |           |           | 442,246         |
| Cost of products  |                 | R\$           | (257,968)       |           |           |           | (257,968)       |
| Other expenses/revenues                                 |                 | R\$           | (30,335)        |           |           |           | (30,335)        |
| Depreciation, amortization and depletion                |                 | R\$           | 16,327          |           |           |           | 16,327          |
| <b>EBITDA</b>   |                 | R\$           | <b>170,270</b>  |           |           |           | <b>170,270</b>  |
| Depreciation, amortization and depletion                |                 | R\$           | (16,327)        |           |           |           | (16,327)        |
| <b>EBIT</b>   |                 | R\$           | <b>153,943</b>  |           |           |           | <b>153,943</b>  |
| Impairment  |                 | R\$           | (4,949)         |           |           |           | (4,949)         |
| Net financial result                                    |                 | R\$           | (100,561)       |           |           |           | (100,561)       |
| <b>Income before income tax and social contribution</b> |                 | R\$           | <b>48,433</b>   |           |           |           | <b>48,433</b>   |
| Income tax and social contribution                      |                 | R\$           | (53,603)        |           |           |           | (53,603)        |

|                          |     |         |   |   |   |         |
|--------------------------|-----|---------|---|---|---|---------|
|                          |     | _____   | - | - | - | _____   |
| <b>Net income (loss)</b> | R\$ | (5,170) | - | - | - | (5,170) |
|                          |     | _____   | - | - | - | _____   |

[Additional columns below]

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

|                                  |              |               | <b>2003</b>     |                 |                 |                 |                 |
|----------------------------------|--------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Information</b>               |              |               | <b>1Q</b>       | <b>2Q</b>       | <b>3Q</b>       | <b>4Q</b>       | <b>Total</b>    |
| Quantity sold                    | external     | MT (thousand) | 99              | 102             | 107             | 110             | 418             |
| Quantity sold                    | internal     | MT (thousand) | 4               | 4               | 4               | 4               | 16              |
| <b>Quantity sold</b>             | <b>total</b> | MT (thousand) | <b>103</b>      | <b>106</b>      | <b>111</b>      | <b>114</b>      | <b>434</b>      |
| Average sales price              |              | US\$          |                 |                 |                 |                 |                 |
| external market                  |              |               | 1,336.40        | 1,324.49        | 1,365.02        | 1,417.96        | 1,362.28        |
| Average sales price              |              | US\$          |                 |                 |                 |                 |                 |
| internal market                  |              |               | 1,376.14        | 1,365.10        | 1,398.92        | 1,455.46        | 1,398.91        |
| <b>Average sales price</b>       | <b>total</b> | US\$          | <b>1,337.98</b> | <b>1,326.07</b> | <b>1,366.25</b> | <b>1,419.37</b> | <b>1,363.68</b> |
| Long-term indebtedness,          |              | US\$          |                 |                 |                 |                 |                 |
| gross                            |              |               | 451,354         | 400,002         | 386,528         | 337,446         | 337,446         |
| <b>Total indebtedness, gross</b> |              | US\$          | <b>451,354</b>  | <b>400,002</b>  | <b>386,528</b>  | <b>337,446</b>  | <b>337,446</b>  |
| <b>Stockholders equity</b>       |              | R\$           | <b>479,916</b>  | <b>726,619</b>  | <b>797,715</b>  | <b>839,859</b>  | <b>839,859</b>  |
| Net operating revenues           |              | R\$           | 479,659         | 423,513         | 446,000         | 467,770         | 1,816,942       |
| Cost of products                 |              | R\$           | (284,827)       | (271,302)       | (274,413)       | (292,279)       | (1,122,821)     |
| Other expenses/revenues          |              | R\$           | (16,325)        | (11,421)        | (16,692)        | (28,671)        | (73,109)        |
| Depreciation, amortization       |              | R\$           |                 |                 |                 |                 |                 |
| and depletion                    |              |               | 17,675          | 16,188          | 15,241          | 15,598          | 64,702          |
| <b>EBITDA</b>                    |              | R\$           | <b>196,182</b>  | <b>156,978</b>  | <b>170,136</b>  | <b>162,418</b>  | <b>685,714</b>  |
|                                  |              | R\$           | (17,675)        | (16,188)        | (15,241)        | (15,598)        | (64,702)        |



Depreciation, amortization  
and depletion

|   |     |                   |                   |                   |                   |                   |
|---|-----|-------------------|-------------------|-------------------|-------------------|-------------------|
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>EBIT</b>   | R\$ | 178,507           | 140,790           | 154,895           | 146,820           | 621,012           |
| Impairment  | R\$ | (11,837)          | 692               | 183               | (10,962)          | (10,962)          |
| Net financial result  | R\$ | <u>63,862</u>     | <u>176,318</u>    | <u>(76,113)</u>   | <u>(58,680)</u>   | <u>105,387</u>    |
| <br>  |     |                   |                   |                   |                   |                   |
| <b>Income before income tax<br/>and social contribution</b> | R\$ | 242,369           | 305,271           | 79,474            | 88,323            | 715,437           |
| Income tax and social<br>contribution                       | R\$ | <u>(19,192)</u>   | <u>(58,568)</u>   | <u>(8,378)</u>    | <u>(46,184)</u>   | <u>(132,322)</u>  |
| <br>  |     |                   |                   |                   |                   |                   |
| <b>Net income (loss)</b>                                    | R\$ | <u>223,177</u>    | <u>246,703</u>    | <u>71,096</u>     | <u>42,139</u>     | <u>583,115</u>    |

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Table of Contents**8.2- Aluminum Area Alunorte (Adjusted and Unaudited)**

|   |                 |                  | 2004           |    |    |    |                |
|---|-----------------|------------------|----------------|----|----|----|----------------|
| Information   |                 |                  | 1Q             | 2Q | 3Q | 4Q | Total          |
| Quantity sold   | external market | MT<br>(thousand) | 439            |    |    |    | 439            |
| Quantity sold   | internal market | MT<br>(thousand) | 231            | -  | -  | -  | 231            |
| <b>Quantity sold</b>                                    | <b>total</b>    | MT<br>(thousand) | <b>670</b>     | -  | -  | -  | <b>670</b>     |
| Average sales price                                     | external market | US\$             | 204.29         |    |    |    | 204.29         |
| Average sales price                                     | internal market | US\$             | 207.14         |    |    |    | 207.14         |
| <b>Average sales price</b>                              | <b>total</b>    | US\$             | <b>205.30</b>  |    |    |    | <b>205.30</b>  |
| Long-term indebtedness, gross                           |                 | US\$             | 360,762        |    |    |    | 360,762        |
| Short-term indebtedness, gross                          |                 | US\$             | 90,004         | -  | -  | -  | 90,004         |
| <b>Total indebtedness, gross</b>                        |                 | US\$             | <b>450,766</b> | -  | -  | -  | <b>450,766</b> |
| <b>Stockholders equity</b>                              |                 | R\$              | <b>970,319</b> | -  | -  | -  | <b>970,319</b> |
| Net operating revenues                                  |                 | R\$              | 384,835        |    |    |    | 384,835        |
| Cost of products  |                 | R\$              | (238,121)      |    |    |    | (238,121)      |
| Other expenses/revenues                                 |                 | R\$              | (12,070)       |    |    |    | (12,070)       |
| Depreciation, amortization and depletion                |                 | R\$              | 19,004         | -  | -  | -  | 19,004         |
| <b>EBITDA</b>   |                 | R\$              | <b>153,648</b> |    |    |    | <b>153,648</b> |
| Depreciation, amortization and depletion                |                 | R\$              | (19,004)       | -  | -  | -  | (19,004)       |
| <b>EBIT</b>   |                 | R\$              | <b>134,644</b> |    |    |    | <b>134,644</b> |
| Net financial result                                    |                 | R\$              | (86,599)       | -  | -  | -  | (86,599)       |
| <b>Income before income tax and social contribution</b> |                 | R\$              | <b>48,045</b>  |    |    |    | <b>48,045</b>  |
| Income tax and social contribution                      |                 | R\$              | (11,001)       | -  | -  | -  | (11,001)       |

|                   |     |               |   |   |   |               |
|-------------------|-----|---------------|---|---|---|---------------|
| <b>Net income</b> | R\$ | <b>37,044</b> | - | - | - | <b>37,044</b> |
|-------------------|-----|---------------|---|---|---|---------------|

[Additional columns below]

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

|  |                 |                  | 2003           |                |                |                |                |
|--|-----------------|------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Information</b>                       |                 |                  | <b>1Q</b>      | <b>2Q</b>      | <b>3Q</b>      | <b>4Q</b>      | <b>Total</b>   |
| Quantity sold                            | external market | MT<br>(thousand) | 289            | 303            | 395            | 410            | 1,397          |
| Quantity sold                            | internal market | MT<br>(thousand) | 201            | 234            | 236            | 207            | 878            |
| <b>Quantity sold</b>                     | <b>total</b>    | MT<br>(thousand) | <b>490</b>     | <b>537</b>     | <b>631</b>     | <b>617</b>     | <b>2,275</b>   |
| Average sales price                      | external market | US\$             | 170.93         | 172.57         | 190.01         | 182.59         | 180.10         |
| Average sales price                      | internal market | US\$             | 173.60         | 175.13         | 178.71         | 184.00         | 177.83         |
| <b>Average sales price</b>               | <b>total</b>    | US\$             | <b>172.03</b>  | <b>173.68</b>  | <b>185.78</b>  | <b>183.07</b>  | <b>179.23</b>  |
| Long-term indebtedness, gross            |                 | US\$             | 482,418        | 494,325        | 478,755        | 490,104        | 490,104        |
| Short-term indebtedness, gross           |                 | US\$             |                | 3,900          | 8,355          |                |                |
| <b>Total indebtedness, gross</b>         |                 | US\$             | <b>482,418</b> | <b>498,225</b> | <b>487,110</b> | <b>490,104</b> | <b>490,104</b> |
| <b>Stockholders equity</b>               |                 | R\$              | <b>546,444</b> | <b>697,885</b> | <b>788,738</b> | <b>832,843</b> | <b>832,843</b> |
| Net operating revenues                   |                 | R\$              | 291,962        | 273,014        | 339,513        | 330,640        | 1,235,129      |
| Cost of products                         |                 | R\$              | (217,680)      | (217,735)      | (234,580)      | (232,733)      | (902,728)      |
| Other expenses/revenues                  |                 | R\$              | (6,021)        | (5,860)        | (12,986)       | (3,581)        | (28,448)       |
| Depreciation, amortization and depletion |                 | R\$              | 15,240         | 18,993         | 17,340         | 18,602         | 70,175         |
| <b>EBITDA</b>                            |                 | R\$              | <b>83,501</b>  | <b>68,412</b>  | <b>109,287</b> | <b>112,928</b> | <b>374,128</b> |
|  |                 | R\$              | (15,240)       | (18,993)       | (17,340)       | (18,602)       | (70,175)       |

Depreciation, amortization and  
depletion

|   |     |                |                |               |               |                |
|---|-----|----------------|----------------|---------------|---------------|----------------|
| <b>EBIT</b>   | R\$ | <b>68,261</b>  | <b>49,419</b>  | <b>91,947</b> | <b>94,326</b> | <b>303,953</b> |
| Net financial result  | R\$ | 43,764         | 136,576        | (62,039)      | (41,198)      | 77,103         |
| <b>Income before income tax and<br/>social contribution</b> | R\$ | <b>112,025</b> | <b>185,995</b> | <b>29,908</b> | <b>53,128</b> | <b>381,056</b> |
| Income tax and social<br>contribution                       | R\$ | (10,084)       | (34,554)       | (6,561)       | (9,022)       | (60,221)       |
| <b>Net income</b>   | R\$ | <b>101,941</b> | <b>151,441</b> | <b>23,347</b> | <b>44,106</b> | <b>320,835</b> |

Table of Contents**8.3- Aluminum Area MRN (Adjusted and Unaudited)**

|   |                 |                  | 2004           |    |    |    |                |
|---|-----------------|------------------|----------------|----|----|----|----------------|
| Information   |                 |                  | 1Q             | 2Q | 3Q | 4Q | Total          |
| Quantity sold   | external market | MT<br>(thousand) | 1,106          |    |    |    | 1,106          |
| Quantity sold   | internal market | MT<br>(thousand) | 2,198          | -  | -  | -  | 2,198          |
| <b>Quantity sold</b>                                    | <b>total</b>    | MT<br>(thousand) | <b>3,304</b>   | -  | -  | -  | <b>3,304</b>   |
| Average sales price                                     | external market | US\$             | 22.00          |    |    |    | 22.00          |
| Average sales price                                     | internal market | US\$             | 18.84          |    |    |    | 18.84          |
| <b>Average sales price</b>                              | <b>total</b>    | US\$             | <b>19.90</b>   |    |    |    | <b>19.90</b>   |
| Long-term indebtedness, gross                           |                 | US\$             | 39,956         |    |    |    | 39,956         |
| Short-term indebtedness, gross                          |                 | US\$             | 191,833        | -  | -  | -  | 191,833        |
| <b>Total indebtedness, gross</b>                        |                 | US\$             | <b>231,789</b> | -  | -  | -  | <b>231,789</b> |
| <b>Stockholders equity</b>                              |                 | R\$              | <b>776,584</b> | -  | -  | -  | <b>776,584</b> |
| Net operating revenues                                  |                 | R\$              | 178,101        |    |    |    | 178,101        |
| Cost of products  |                 | R\$              | (74,584)       |    |    |    | (74,584)       |
| Other expenses/revenues                                 |                 | R\$              | (3,207)        |    |    |    | (3,207)        |
| Depreciation, amortization and depletion                |                 | R\$              | 25,452         | -  | -  | -  | 25,452         |
| <b>EBITDA</b>   |                 | R\$              | <b>125,762</b> |    |    |    | <b>125,762</b> |
| Depreciation, amortization and depletion                |                 | R\$              | (25,452)       | -  | -  | -  | (25,452)       |
| <b>EBIT</b>   |                 | R\$              | <b>100,310</b> |    |    |    | <b>100,310</b> |
| Net financial result                                    |                 | R\$              | (5,823)        | -  | -  | -  | (5,823)        |
| <b>Income before income tax and social contribution</b> |                 | R\$              | <b>94,487</b>  |    |    |    | <b>94,487</b>  |
| Income tax and social contribution                      |                 | R\$              | (10,712)       | -  | -  | -  | (10,712)       |

|                   |     |               |   |   |   |               |
|-------------------|-----|---------------|---|---|---|---------------|
| <b>Net income</b> | R\$ | <u>83,775</u> | - | - | - | <u>83,775</u> |
|-------------------|-----|---------------|---|---|---|---------------|

[Additional columns below]

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

|  |                 |                  | 2003                  |                       |                       |                       |                       |
|--|-----------------|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Information</b>                       |                 |                  | <b>1Q</b>             | <b>2Q</b>             | <b>3Q</b>             | <b>4Q</b>             | <b>Total</b>          |
| Quantity sold                            | external market | MT<br>(thousand) | 711                   | 958                   | 1,324                 | 1,347                 | 4,340                 |
| Quantity sold                            | internal market | MT<br>(thousand) | <u>1,485</u>          | <u>2,554</u>          | <u>2,725</u>          | <u>3,016</u>          | <u>9,780</u>          |
| <b>Quantity sold</b>                     | <b>total</b>    | MT<br>(thousand) | <u><b>2,196</b></u>   | <u><b>3,512</b></u>   | <u><b>4,049</b></u>   | <u><b>4,363</b></u>   | <u><b>14,120</b></u>  |
| Average sales price                      | external market | US\$             | 21.31                 | 21.20                 | 21.27                 | 21.61                 | 21.37                 |
| Average sales price                      | internal market | US\$             | 18.24                 | 18.15                 | 18.21                 | 18.50                 | 18.29                 |
| <b>Average sales price</b>               | <b>total</b>    | US\$             | <b>19.23</b>          | <b>18.98</b>          | <b>19.21</b>          | <b>19.46</b>          | <b>19.23</b>          |
| Long-term indebtedness, gross            |                 | US\$             | 69,222                | 65,380                | 58,041                | 49,317                | 49,317                |
| Short-term indebtedness, gross           |                 | US\$             | <u>44,004</u>         | <u>134,221</u>        | <u>144,883</u>        | <u>161,693</u>        | <u>161,693</u>        |
| <b>Total indebtedness, gross</b>         |                 | US\$             | <u><b>113,226</b></u> | <u><b>199,601</b></u> | <u><b>202,924</b></u> | <u><b>211,010</b></u> | <u><b>211,010</b></u> |
| <b>Stockholders equity</b>               |                 | R\$              | <u><b>731,822</b></u> | <u><b>807,051</b></u> | <u><b>825,693</b></u> | <u><b>796,407</b></u> | <u><b>796,407</b></u> |
| Net operating revenues                   |                 | R\$              | 139,951               | 183,786               | 211,492               | 224,202               | 759,431               |
| Cost of products                         |                 | R\$              | (69,487)              | (89,073)              | (99,781)              | (104,746)             | (363,087)             |
| Other expenses/revenues                  |                 | R\$              | (5,305)               | (2,838)               | (5,251)               | 2,546                 | (10,848)              |
| Depreciation, amortization and depletion |                 | R\$              | <u>14,854</u>         | <u>17,733</u>         | <u>21,391</u>         | <u>24,234</u>         | <u>78,212</u>         |
| <b>EBITDA</b>                            |                 | R\$              | <b>80,013</b>         | <b>109,608</b>        | <b>127,851</b>        | <b>146,236</b>        | <b>463,708</b>        |
|  |                 | R\$              | (14,854)              | (17,733)              | (21,391)              | (24,234)              | (78,212)              |

Depreciation, amortization and  
depletion

|   |     |                   |                   |                   |                   |                   |
|---|-----|-------------------|-------------------|-------------------|-------------------|-------------------|
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>EBIT</b>   | R\$ | <b>65,159</b>     | <b>91,875</b>     | <b>106,460</b>    | <b>122,002</b>    | <b>385,496</b>    |
| Net financial result  | R\$ | (239)             | (10,994)          | (2,484)           | (3,049)           | (16,766)          |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Income before income tax and<br/>social contribution</b> | R\$ | <b>64,920</b>     | <b>80,881</b>     | <b>103,976</b>    | <b>118,953</b>    | <b>368,730</b>    |
| Income tax and social contribution                          | R\$ | (5,421)           | (5,652)           | (7,146)           | (25,389)          | (43,608)          |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Net income</b>   | R\$ | <b>59,499</b>     | <b>75,229</b>     | <b>96,830</b>     | <b>93,564</b>     | <b>325,122</b>    |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

**Table of Contents****8.4- Aluminum Area Valesul (Adjusted and Unaudited)**

|  |                 |                  | 2004            |    |    |    |                 |
|--|-----------------|------------------|-----------------|----|----|----|-----------------|
| Information                              |                 |                  | 1Q              | 2Q | 3Q | 4Q | Total           |
| Quantity sold                            | external market | MT<br>(thousand) | 15              |    |    |    | 15              |
| Quantity sold                            | internal market | MT<br>(thousand) | 10              | -  | -  | -  | 10              |
| <b>Quantity sold</b>                     | <b>total</b>    | MT<br>(thousand) | <b>25</b>       | -  | -  | -  | <b>25</b>       |
| Average sales price                      | external market | US\$             | 1,676.30        |    |    |    | 1,676.30        |
| Average sales price                      | internal market | US\$             | 2,240.26        |    |    |    | 2,240.26        |
| <b>Average sales price</b>               | <b>total</b>    | US\$             | <b>1,903.80</b> |    |    |    | <b>1,903.80</b> |
| Long-term indebtedness, gross            |                 | US\$             | 603             |    |    |    | 603             |
| Short-term indebtedness, gross           |                 | US\$             | 748             | -  | -  | -  | 748             |
| <b>Total indebtedness, gross</b>         |                 | US\$             | <b>1,351</b>    | -  | -  | -  | <b>1,351</b>    |
| <b>Stockholders equity</b>               |                 | R\$              | <b>272,773</b>  | -  | -  | -  | <b>272,773</b>  |
| Net operating revenues                   |                 | R\$              | 127,513         |    |    |    | 127,513         |
| Cost of products                         |                 | R\$              | (101,823)       |    |    |    | (101,823)       |
| Other expenses/revenues                  |                 | R\$              | (3,473)         |    |    |    | (3,473)         |
| Depreciation, amortization and depletion |                 | R\$              | 3,923           | -  | -  | -  | 3,923           |
| <b>EBITDA</b>                            |                 | R\$              | <b>26,140</b>   | -  | -  | -  | <b>26,140</b>   |
| Depreciation, amortization and depletion |                 | R\$              | (3,923)         | -  | -  | -  | (3,923)         |
| <b>EBIT</b>                              |                 | R\$              | <b>22,217</b>   | -  | -  | -  | <b>22,217</b>   |
| Net financial result                     |                 | R\$              | 866             | -  | -  | -  | 866             |



|   |     |               |  |  |  |               |
|---|-----|---------------|--|--|--|---------------|
| <b>Income before income tax and social contribution</b> | R\$ | <b>23,083</b> |  |  |  | <b>23,083</b> |
| Income tax and social contribution                      | R\$ | (5,659)       |  |  |  | (5,659)       |
| <b>Net income</b>                                       | R\$ | <b>17,424</b> |  |  |  | <b>17,424</b> |

[Additional columns below]

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

|                                     |               |  | 2003            |                 |                 |                 |                 |
|-------------------------------------|---------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Information                         |               |  | 1Q              | 2Q              | 3Q              | 4Q              | Total           |
| Quantity sold external market       | MT (thousand) |  | 9               | 15              | 17              | 17              | 58              |
| Quantity sold internal market       | MT (thousand) |  | 10              | 9               | 9               | 12              | 40              |
| <b>Quantity sold total</b>          | MT (thousand) |  | <b>19</b>       | <b>24</b>       | <b>26</b>       | <b>29</b>       | <b>98</b>       |
| Average sales price external market | US\$          |  | 1,505.49        | 1,516.01        | 1,518.30        | 1,570.41        | 1,530.99        |
| Average sales price internal market | US\$          |  | 1,933.02        | 1,970.53        | 1,974.21        | 1,957.43        | 1,958.05        |
| <b>Average sales price total</b>    | US\$          |  | <b>1,730.60</b> | <b>1,685.83</b> | <b>1,668.32</b> | <b>1,731.60</b> | <b>1,703.41</b> |
| Long-term indebtedness, gross       | US\$          |  | 1,048           | 1,075           | 906             | 757             | 757             |
| Short-term indebtedness, gross      | US\$          |  | 617             | 732             | 729             | 746             | 746             |
| <b>Total indebtedness, gross</b>    | US\$          |  | <b>1,665</b>    | <b>1,807</b>    | <b>1,635</b>    | <b>1,503</b>    | <b>1,503</b>    |
| <b>Stockholders equity</b>          | R\$           |  | <b>288,362</b>  | <b>272,644</b>  | <b>286,057</b>  | <b>265,518</b>  | <b>265,518</b>  |

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|   |     |                      |                     |                      |                      |                      |
|---|-----|----------------------|---------------------|----------------------|----------------------|----------------------|
| Net operating revenues  | R\$ | 108,088              | 112,328             | 121,231              | 137,394              | 479,041              |
| Cost of products  | R\$ | (68,912)             | (88,666)            | (99,075)             | (113,706)            | (370,359)            |
| Other expenses/revenues   | R\$ | (6,613)              | (15,368)            | (4,259)              | (4,545)              | (30,785)             |
| Depreciation,<br>amortization and<br>depletion                  | R\$ | <u>2,816</u>         | <u>6,043</u>        | <u>3,900</u>         | <u>4,186</u>         | <u>16,945</u>        |
| <b>EBITDA</b>   | R\$ | <b>35,379</b>        | <b>14,337</b>       | <b>21,797</b>        | <b>23,329</b>        | <b>94,842</b>        |
| Depreciation,<br>amortization and<br>depletion                  | R\$ | <u>(2,816)</u>       | <u>(6,043)</u>      | <u>(3,900)</u>       | <u>(4,186)</u>       | <u>(16,945)</u>      |
| <b>EBIT</b>   | R\$ | <b>32,563</b>        | <b>8,294</b>        | <b>17,897</b>        | <b>19,143</b>        | <b>77,897</b>        |
| Net financial result  | R\$ | <u>(186)</u>         | <u>(413)</u>        | <u>1,224</u>         | <u>(853)</u>         | <u>(228)</u>         |
| <b>Income before income<br/>tax and social<br/>contribution</b> | R\$ | <b>32,377</b>        | <b>7,881</b>        | <b>19,121</b>        | <b>18,290</b>        | <b>77,669</b>        |
| Income tax and social<br>contribution                           | R\$ | <u>(5,214)</u>       | <u>(4,891)</u>      | <u>(5,708)</u>       | <u>(6,364)</u>       | <u>(22,177)</u>      |
| <b>Net income</b>   | R\$ | <b><u>27,163</u></b> | <b><u>2,990</u></b> | <b><u>13,413</u></b> | <b><u>11,926</u></b> | <b><u>55,492</u></b> |

**Table of Contents****8.5- Pellets Area Hispanobras (Adjusted and Unaudited)**

|   |                 |                  | 2004          |    |    |    |               |
|---|-----------------|------------------|---------------|----|----|----|---------------|
| Information   |                 |                  | 1Q            | 2Q | 3Q | 4Q | Total         |
| Quantity sold   | external market | MT<br>(thousand) | 425           |    |    |    | 425           |
| Quantity sold   | internal market | MT<br>(thousand) | 460           | -  | -  | -  | 460           |
| <b>Quantity sold</b>                                    | <b>total</b>    | MT<br>(thousand) | <b>885</b>    | -  | -  | -  | <b>885</b>    |
| Average sales price                                     | external market | US\$             | 32.48         |    |    |    | 32.48         |
| Average sales price                                     | internal market | US\$             | 31.18         |    |    |    | 31.18         |
| <b>Average sales price</b>                              | <b>total</b>    | US\$             | <b>31.83</b>  | -  | -  | -  | <b>31.83</b>  |
| <b>Stockholders</b>                                     | <b>equity</b>   | R\$              | <b>94,698</b> | -  | -  | -  | <b>94,698</b> |
| Net operating revenues                                  |                 | R\$              | 81,893        |    |    |    | 81,893        |
| Cost of products  |                 | R\$              | (81,144)      |    |    |    | (81,144)      |
| Other expenses/income                                   |                 | R\$              | 3,291         |    |    |    | 3,291         |
| Depreciation, amortization and depletion                |                 | R\$              | 2,525         | -  | -  | -  | 2,525         |
| <b>EBITDA</b>   |                 | R\$              | <b>6,565</b>  | -  | -  | -  | <b>6,565</b>  |
| Depreciation, amortization and depletion                |                 | R\$              | (2,525)       | -  | -  | -  | (2,525)       |
| <b>EBIT</b>   |                 | R\$              | <b>4,040</b>  | -  | -  | -  | <b>4,040</b>  |
| Impairment  |                 | R\$              |               |    |    |    |               |
| Net financial result                                    |                 | R\$              | (593)         | -  | -  | -  | (593)         |
| <b>Income before income tax and social contribution</b> |                 | R\$              | <b>3,447</b>  | -  | -  | -  | <b>3,447</b>  |
| Income tax and social contribution                      |                 | R\$              | (1,434)       |    |    |    | (1,434)       |

|                   |     |              |   |   |   |              |
|-------------------|-----|--------------|---|---|---|--------------|
|                   |     | _____        | - | - | - | _____        |
| <b>Net income</b> | R\$ | <b>2,013</b> | - | - | - | <b>2,013</b> |
|                   |     | _____        | - | - | - | _____        |

[Additional columns below]

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

|  |               |            | <b>2003</b>   |               |               |               |               |
|--|---------------|------------|---------------|---------------|---------------|---------------|---------------|
| <b>Information</b>                             |               |            | <b>1Q</b>     | <b>2Q</b>     | <b>3Q</b>     | <b>4Q</b>     | <b>Total</b>  |
| Quantity sold                                  | external      | MT         |               |               |               |               |               |
| market   |               | (thousand) | 268           | 625           | 94            | 386           | 1,373         |
| Quantity sold                                  | internal      | MT         |               |               |               |               |               |
| market   |               | (thousand) | 637           | 265           | 730           | 580           | 2,212         |
| <b>Quantity sold</b>                           | <b>total</b>  | MT         | <b>905</b>    | <b>890</b>    | <b>824</b>    | <b>966</b>    | <b>3,585</b>  |
|  |               | (thousand) | _____         | _____         | _____         | _____         | _____         |
| Average sales price                            |               |            |               |               |               |               |               |
| external market                                |               | US\$       | 29.54         | 33.75         | 32.62         | 33.06         | 32.66         |
| Average sales price                            |               |            |               |               |               |               |               |
| internal market                                |               | US\$       | 29.95         | 38.90         | 32.56         | 33.13         | 32.72         |
| <b>Average sales price</b>                     | <b>total</b>  | US\$       | <b>29.75</b>  | <b>36.33</b>  | <b>32.59</b>  | <b>33.10</b>  | <b>32.94</b>  |
|  |               |            | _____         | _____         | _____         | _____         | _____         |
| <b>Stockholders</b>                            | <b>equity</b> | R\$        | <b>90,872</b> | <b>96,630</b> | <b>97,800</b> | <b>92,685</b> | <b>92,685</b> |
|  |               |            | _____         | _____         | _____         | _____         | _____         |
| Net operating revenues                         |               | R\$        | 94,344        | 93,258        | 78,906        | 91,036        | 357,544       |
| Cost of products                               |               | R\$        | (81,263)      | (85,278)      | (63,550)      | (97,475)      | (327,566)     |
| Other expenses/income                          |               | R\$        | (1,783)       | 6,561         | (10,505)      | 6,396         | 669           |
| Depreciation,<br>amortization and<br>depletion |               | R\$        | 2,386         | 2,400         | 2,442         | 2,528         | 9,756         |
|  |               |            | _____         | _____         | _____         | _____         | _____         |
| <b>EBITDA</b>                                  |               | R\$        | <b>13,684</b> | <b>16,941</b> | <b>7,293</b>  | <b>2,485</b>  | <b>40,403</b> |
| Depreciation,<br>amortization and<br>depletion |               | R\$        | (2,386)       | (2,400)       | (2,442)       | (2,528)       | (9,756)       |
|  |               |            | _____         | _____         | _____         | _____         | _____         |

|   |     |                     |                     |                     |                   |                      |
|---|-----|---------------------|---------------------|---------------------|-------------------|----------------------|
| <b>EBIT</b>   | R\$ | <b>11,298</b>       | <b>14,541</b>       | <b>4,851</b>        | <b>(43)</b>       | <b>30,647</b>        |
| Impairment  | R\$ |                     |                     | 159                 |                   | 159                  |
| Net financial result                                    | R\$ | <u>(3,544)</u>      | <u>(6,871)</u>      | <u>344</u>          | <u>413</u>        | <u>(9,658)</u>       |
| <b>Income before income tax and social contribution</b> | R\$ | <b>7,754</b>        | <b>7,670</b>        | <b>5,354</b>        | <b>370</b>        | <b>21,148</b>        |
| Income tax and social contribution                      | R\$ | <u>(3,264)</u>      | <u>330</u>          | <u>(1,748)</u>      | <u>468</u>        | <u>(4,214)</u>       |
| <b>Net income</b>                                       | R\$ | <u><b>4,490</b></u> | <u><b>8,000</b></u> | <u><b>3,606</b></u> | <u><b>838</b></u> | <u><b>16,934</b></u> |

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**Table of Contents****8.6- Pellets Area Itabasco (Adjusted and Unaudited)**

| Information                              |                 |                  | 2004          |          |          |          |               |
|--|-----------------|------------------|---------------|----------|----------|----------|---------------|
|  |                 |                  | 1Q            | 2Q       | 3Q       | 4Q       | Total         |
| Quantity sold                            | external market | MT<br>(thousand) | 762           |          |          |          | 762           |
| Quantity sold                            | internal market | MT<br>(thousand) | —             | —        | —        | —        | —             |
| <b>Quantity sold</b>                     | <b>total</b>    | MT<br>(thousand) | <b>762</b>    | <b>—</b> | <b>—</b> | <b>—</b> | <b>762</b>    |
| Average sales price                      | external market | US\$             | 32.84         |          |          |          | 32.84         |
| Average sales price                      | internal market | US\$             |               |          |          |          |               |
| <b>Average sales price</b>               | <b>total</b>    | US\$             | <b>32.84</b>  |          |          |          | <b>32.84</b>  |
| Short-term indebtedness, gross           |                 | US\$             | 557           | —        | —        | —        | 557           |
| <b>Total indebtedness, gross</b>         |                 | US\$             | <b>557</b>    | <b>—</b> | <b>—</b> | <b>—</b> | <b>557</b>    |
| <b>Stockholders equity</b>               |                 | R\$              | <b>65,673</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>65,673</b> |
| Net operating revenues                   |                 | R\$              | 72,293        |          |          |          | 72,293        |
| Cost of products                         |                 | R\$              | (70,203)      |          |          |          | (70,203)      |
| Other expenses/revenues                  |                 | R\$              | (283)         |          |          |          | (283)         |
| Depreciation, amortization and depletion |                 | R\$              | (498)         | —        | —        | —        | (498)         |
| <b>EBITDA</b>                            |                 | R\$              | <b>1,309</b>  |          |          |          | <b>1,309</b>  |
| Depreciation, amortization and depletion |                 | R\$              | 498           | —        | —        | —        | 498           |
| <b>EBIT</b>                              |                 | R\$              | <b>1,807</b>  |          |          |          | <b>1,807</b>  |
| Net financial result                     |                 | R\$              | (14)          | —        | —        | —        | (14)          |
|  |                 | R\$              | <b>1,793</b>  |          |          |          | <b>1,793</b>  |

**Income before income tax  
and social contribution**

|                                    |     |                     |   |   |   |                     |
|------------------------------------|-----|---------------------|---|---|---|---------------------|
| Income tax and social contribution | R\$ | <u>(679)</u>        | - | - | - | <u>(679)</u>        |
| <b>Net income</b>                  | R\$ | <u><b>1,114</b></u> | - | - | - | <u><b>1,114</b></u> |

[Additional columns below]

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

|                                  |                 |                  | <b>2003</b>          |                      |                      |                      |                      |
|----------------------------------|-----------------|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Information</b>               |                 |                  | <b>1Q</b>            | <b>2Q</b>            | <b>3Q</b>            | <b>4Q</b>            | <b>Total</b>         |
| Quantity sold                    | external market | MT<br>(thousand) | 306                  | 778                  | 838                  | 700                  | 2,622                |
| Quantity sold                    | internal market | MT<br>(thousand) | 507                  | 65                   | -                    | 81                   | 653                  |
| <b>Quantity sold</b>             | <b>total</b>    | MT<br>(thousand) | <u><b>813</b></u>    | <u><b>843</b></u>    | <u><b>838</b></u>    | <u><b>781</b></u>    | <u><b>3,275</b></u>  |
| Average sales price              | external market | US\$             | 29.97                | 33.53                | 32.96                | 32.97                | 32.78                |
| Average sales price              | internal market | US\$             | 29.20                | 55.87                | -                    | 33.20                | 32.35                |
| <b>Average sales price</b>       | <b>total</b>    | US\$             | <u><b>29.54</b></u>  | <u><b>35.25</b></u>  | <u><b>32.96</b></u>  | <u><b>33.00</b></u>  | <u><b>32.71</b></u>  |
| Short-term indebtedness, gross   |                 | US\$             | 4,854                | 480                  | 471                  | 1,061                | 1,061                |
| <b>Total indebtedness, gross</b> |                 | US\$             | <u><b>4,854</b></u>  | <u><b>480</b></u>    | <u><b>471</b></u>    | <u><b>1,061</b></u>  | <u><b>1,061</b></u>  |
| <b>Stockholders equity</b>       |                 | R\$              | <u><b>59,216</b></u> | <u><b>65,064</b></u> | <u><b>68,819</b></u> | <u><b>64,559</b></u> | <u><b>64,559</b></u> |
| Net operating revenues           |                 | R\$              | 85,607               | 91,423               | 80,037               | 74,126               | 331,193              |
| Cost of products                 |                 | R\$              | (73,246)             | (76,224)             | (73,297)             | (69,342)             | (292,109)            |
| Other expenses/revenues          |                 | R\$              | (2,200)              | (1,123)              | (2,355)              | (4,444)              | (10,122)             |
|                                  |                 | R\$              | (379)                | (381)                | (416)                | (482)                | (1,658)              |

Depreciation, amortization  
and depletion

|   |     |               |               |              |              |               |
|---|-----|---------------|---------------|--------------|--------------|---------------|
| <b>EBITDA</b>   | R\$ | <b>9,782</b>  | <b>13,695</b> | <b>3,969</b> | <b>(142)</b> | <b>27,304</b> |
| Depreciation, amortization<br>and depletion                     | R\$ | 379           | 381           | 416          | 482          | 1,658         |
| <b>EBIT</b>   | R\$ | <b>10,161</b> | <b>14,076</b> | <b>4,385</b> | <b>340</b>   | <b>28,962</b> |
| Net financial result  | R\$ | (3,441)       | (4,782)       | 1,798        | 1,233        | (5,192)       |
| <b>Income before income<br/>tax and social<br/>contribution</b> | R\$ | <b>6,720</b>  | <b>9,294</b>  | <b>6,183</b> | <b>1,573</b> | <b>23,770</b> |
| Income tax and social<br>contribution                           | R\$ | (3,308)       | (3,446)       | (2,428)      | 583          | (8,599)       |
| <b>Net income</b>   | R\$ | <b>3,412</b>  | <b>5,848</b>  | <b>3,755</b> | <b>2,156</b> | <b>15,171</b> |

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**Table of Contents****8.7- Pellets Area Kobrasco (Adjusted and Unaudited)**

| <b>Information</b>                       |                 |                  | <b>2004</b>   |           |           |           |               |
|--|-----------------|------------------|---------------|-----------|-----------|-----------|---------------|
|  |                 |                  | <b>1Q</b>     | <b>2Q</b> | <b>3Q</b> | <b>4Q</b> | <b>Total</b>  |
| Quantity sold                            | external market | MT<br>(thousand) | 617           |           |           |           | 617           |
| Quantity sold                            | internal market | MT<br>(thousand) | 623           |           |           |           | 623           |
| <b>Quantity sold</b>                     | <b>total</b>    | MT<br>(thousand) | <b>1,240</b>  |           |           |           | <b>1,240</b>  |
| Average sales price                      | external market | US\$             | 34.27         |           |           |           | 34.27         |
| Average sales price                      | internal market | US\$             | 33.26         |           |           |           | 33.26         |
| <b>Average sales price</b>               | <b>total</b>    | US\$             | <b>33.76</b>  |           |           |           | <b>33.76</b>  |
| Long-term indebtedness, gross            |                 | US\$             | 96,512        |           |           |           | 96,512        |
| <b>Total indebtedness, gross</b>         |                 | US\$             | <b>96,512</b> |           |           |           | <b>96,512</b> |
| <b>Stockholders equity</b>               |                 | R\$              | <b>14,633</b> |           |           |           | <b>14,633</b> |
| Net operating revenues                   |                 | R\$              | 121,982       |           |           |           | 121,982       |
| Cost of products                         |                 | R\$              | (106,312)     |           |           |           | (106,312)     |
| Other expenses/revenues                  |                 | R\$              | 2,210         |           |           |           | 2,210         |
| Depreciation, amortization and depletion |                 | R\$              | 2,269         |           |           |           | 2,269         |
| <b>EBITDA</b>                            |                 | R\$              | <b>20,149</b> |           |           |           | <b>20,149</b> |
| Depreciation, amortization and depletion |                 | R\$              | (2,269)       |           |           |           | (2,269)       |
| <b>EBIT</b>                              |                 | R\$              | <b>17,880</b> |           |           |           | <b>17,880</b> |
| Impairment                               |                 | R\$              |               |           |           |           |               |
| Net financial result                     |                 | R\$              | (3,769)       |           |           |           | (3,769)       |

|   |     |               |  |  |  |               |
|---|-----|---------------|--|--|--|---------------|
| <b>Income before income tax and social contribution</b> | R\$ | <b>14,111</b> |  |  |  | <b>14,111</b> |
| Income tax and social contribution                      | R\$ | (5,555)       |  |  |  | (5,555)       |
| <b>Net income</b>                                       | R\$ | <b>8,556</b>  |  |  |  | <b>8,556</b>  |

[Additional columns below]

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

|                                  |                 |               | 2003            |                 |                 |               |               |
|----------------------------------|-----------------|---------------|-----------------|-----------------|-----------------|---------------|---------------|
| Information                      |                 |               | 1Q              | 2Q              | 3Q              | 4Q            | Total         |
| Quantity sold                    | external market | MT (thousand) | 453             | 667             | 800             | 722           | 2,642         |
| Quantity sold                    | internal market | MT (thousand) | 681             | 461             | 200             | 360           | 1,702         |
| <b>Quantity sold</b>             | <b>total</b>    | MT (thousand) | <b>1,134</b>    | <b>1,128</b>    | <b>1,000</b>    | <b>1,082</b>  | <b>4,344</b>  |
| Average sales price              | external market | US\$          | 29.89           | 29.98           | 33.57           | 32.04         | 31.61         |
| Average sales price              | internal market | US\$          | 30.72           | 30.90           | 38.68           | 33.33         | 32.26         |
| <b>Average sales price</b>       | <b>total</b>    | US\$          | <b>30.39</b>    | <b>30.35</b>    | <b>34.59</b>    | <b>32.47</b>  | <b>31.86</b>  |
| Long-term indebtedness, gross    |                 | US\$          | 123,624         | 102,229         | 102,417         | 96,331        | 96,331        |
| <b>Total indebtedness, gross</b> |                 | US\$          | <b>123,624</b>  | <b>102,229</b>  | <b>102,417</b>  | <b>96,331</b> | <b>96,331</b> |
| <b>Stockholders equity</b>       |                 | R\$           | <b>(89,160)</b> | <b>(53,817)</b> | <b>(49,072)</b> | <b>6,077</b>  | <b>6,077</b>  |
| Net operating revenues           |                 | R\$           | 116,656         | 101,678         | 101,713         | 102,119       | 422,166       |
| Cost of products                 |                 | R\$           | (95,131)        | (89,305)        | (82,257)        | (89,649)      | (356,342)     |
| Other expenses/revenues          |                 | R\$           | (7,537)         | (6,124)         | (3,256)         | 7,323         | (9,594)       |
|                                  |                 | R\$           | 2,262           | 2,269           | 2,268           | 2,267         | 9,066         |

Depreciation, amortization  
and depletion

|   |     |               |               |               |               |                |
|---|-----|---------------|---------------|---------------|---------------|----------------|
| <b>EBITDA</b>   | R\$ | <b>16,250</b> | <b>8,518</b>  | <b>18,468</b> | <b>22,060</b> | <b>65,296</b>  |
| Depreciation, amortization<br>and depletion                     | R\$ | (2,262)       | (2,269)       | (2,268)       | (2,267)       | (9,066)        |
| <b>EBIT</b>   | R\$ | <b>13,988</b> | <b>6,249</b>  | <b>16,200</b> | <b>19,793</b> | <b>56,230</b>  |
| Impairment  | R\$ |               |               |               | 75,660        | 75,660         |
| Net financial result  | R\$ | 18,296        | 49,781        | (7,653)       | (56,443)      | 3,981          |
| <b>Income before income<br/>tax and social<br/>contribution</b> | R\$ | <b>32,284</b> | <b>56,030</b> | <b>8,547</b>  | <b>39,010</b> | <b>135,871</b> |
| Income tax and social<br>contribution                           | R\$ | (14,094)      | (20,687)      | (3,802)       | 16,139        | (22,444)       |
| <b>Net income</b>   | R\$ | <b>18,190</b> | <b>35,343</b> | <b>4,745</b>  | <b>55,149</b> | <b>113,427</b> |

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**Table of Contents****8.8- Pellets Area Nibrasco (Adjusted and Unaudited)**

| Information                              |                 |                  | 2004           |    |    |    |                |
|--|-----------------|------------------|----------------|----|----|----|----------------|
|  |                 |                  | 1Q             | 2Q | 3Q | 4Q | Total          |
| Quantity sold                            | external market | MT<br>(thousand) | 563            |    |    |    | 563            |
| Quantity sold                            | internal market | MT<br>(thousand) | 1,327          |    |    |    | 1,327          |
| Quantity sold                            | internal market | MT<br>(thousand) | 33             |    |    |    | 33             |
| Others                                   |                 |                  |                | -  | -  | -  |                |
| <b>Quantity sold</b>                     | <b>total</b>    | MT<br>(thousand) | <b>1,923</b>   |    |    |    | <b>1,923</b>   |
| Average sales price                      | external market | US\$             | 31.45          |    |    |    | 31.45          |
| Average sales price                      | internal market | US\$             | 31.51          |    |    |    | 31.51          |
| <b>Average sales price</b>               | <b>total</b>    | US\$             | <b>31.49</b>   |    |    |    | <b>31.49</b>   |
| Long-term indebtedness, gross            |                 | US\$             |                |    |    |    |                |
| Short-term indebtedness, gross           |                 | US\$             | 1,200          |    |    |    | 1,200          |
| <b>Total indebtedness, gross</b>         |                 | US\$             | <b>1,200</b>   |    |    |    | <b>1,200</b>   |
| <b>Stockholders equity</b>               |                 | R\$              | <b>115,823</b> |    |    |    | <b>115,823</b> |
| Net operating revenues                   |                 | R\$              | 188,081        |    |    |    | 188,081        |
| Cost of products                         |                 | R\$              | (170,722)      |    |    |    | (170,722)      |
| Other expenses/revenues                  |                 | R\$              | 7,031          |    |    |    | 7,031          |
| Depreciation, amortization and depletion |                 | R\$              | 2,490          |    |    |    | 2,490          |
| <b>EBITDA</b>                            |                 | R\$              | <b>26,880</b>  |    |    |    | <b>26,880</b>  |
| Depreciation, amortization and depletion |                 | R\$              | (2,490)        |    |    |    | (2,490)        |
| <b>EBIT</b>                              |                 | R\$              | <b>24,390</b>  |    |    |    | <b>24,390</b>  |
| Impairment                               |                 | R\$              |                |    |    |    |                |

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|  |     |               |   |   |   |               |
|--|-----|---------------|---|---|---|---------------|
| Net financial result   | R\$ | (380)         | - | - | - | (380)         |
| <b>Income (loss) before income tax and social contribution</b> | R\$ | <b>24,010</b> |   |   |   | <b>24,010</b> |
| Income tax and social contribution                             | R\$ | (9,318)       | - | - | - | (9,318)       |
| <b>Net income (loss)</b>                                       | R\$ | <b>14,692</b> | - | - | - | <b>14,692</b> |

[Additional columns below]

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

|                                  |                        |               | 2003         |              |              |              |              |
|----------------------------------|------------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Information                      |                        |               | 1Q           | 2Q           | 3Q           | 4Q           | Total        |
| Quantity sold                    | external market        | MT (thousand) | 469          | 513          | 509          | 761          | 2,252        |
| Quantity sold                    | internal market CVRD   | MT (thousand) | 1,303        | 1,180        | 1,085        | 874          | 4,442        |
| Quantity sold                    | internal market Others | MT (thousand) | 28           | 26           | 32           | 33           | 119          |
| <b>Quantity sold</b>             | <b>total</b>           | MT (thousand) | <b>1,800</b> | <b>1,719</b> | <b>1,626</b> | <b>1,668</b> | <b>6,813</b> |
| Average sales price              | external market        | US\$          | 28.76        | 27.69        | 32.96        | 32.41        | 30.70        |
| Average sales price              | internal market        | US\$          | 27.38        | 28.23        | 34.18        | 30.44        | 29.87        |
| <b>Average sales price total</b> |                        | US\$          | <b>27.75</b> | <b>28.07</b> | <b>33.79</b> | <b>31.35</b> | <b>30.14</b> |
| Long-term indebtedness, gross    |                        | US\$          | 1,200        |              |              |              |              |
| Short-term indebtedness, gross   |                        | US\$          | 2,400        | 2,400        | 2,400        | 1,200        | 1,200        |
| <b>Total indebtedness, gross</b> |                        | US\$          | <b>3,600</b> | <b>2,400</b> | <b>2,400</b> | <b>1,200</b> | <b>1,200</b> |

|  |     |               |                |               |                |                |
|--|-----|---------------|----------------|---------------|----------------|----------------|
| <b>Stockholders equity</b>   | R\$ | <b>87,365</b> | <b>82,347</b>  | <b>98,875</b> | <b>101,132</b> | <b>101,132</b> |
| Net operating revenues   | R\$ | 174,765       | 147,060        | 173,854       | 166,387        | 662,066        |
| Cost of products   | R\$ | (167,405)     | (152,620)      | (155,759)     | (157,181)      | (632,965)      |
| Other expenses/revenues  | R\$ | (1,805)       | (1,879)        | (1,261)       | (2,456)        | (7,401)        |
| Depreciation,<br>amortization and<br>depletion                         | R\$ | 4,179         | 4,061          | 3,368         | 3,909          | 15,517         |
| <b>EBITDA</b>  | R\$ | <b>9,734</b>  | <b>(3,378)</b> | <b>20,202</b> | <b>10,659</b>  | <b>37,217</b>  |
| Depreciation,<br>amortization and<br>depletion                         | R\$ | (4,179)       | (4,061)        | (3,368)       | (3,909)        | (15,517)       |
| <b>EBIT</b>  | R\$ | <b>5,555</b>  | <b>(7,439)</b> | <b>16,834</b> | <b>6,750</b>   | <b>21,700</b>  |
| Impairment   | R\$ |               |                | 2,289         |                | 2,289          |
| Net financial result   | R\$ | 1,341         | 2,359          | (4,718)       | (1,318)        | (2,336)        |
| <b>Income (loss) before<br/>income tax and social<br/>contribution</b> | R\$ | <b>6,896</b>  | <b>(5,080)</b> | <b>14,405</b> | <b>5,432</b>   | <b>21,653</b>  |
| Income tax and social<br>contribution                                  | R\$ | (3,728)       | 64             | 2,124         | (3,175)        | (4,715)        |
| <b>Net income (loss)</b>   | R\$ | <b>3,168</b>  | <b>(5,016)</b> | <b>16,529</b> | <b>2,257</b>   | <b>16,938</b>  |

**Table of Contents****8.9- Pellets Area Samarco (Adjusted and Unaudited)**

| Information                                 |              |                  | 2004           |          |          |          |                |
|---|--------------|------------------|----------------|----------|----------|----------|----------------|
|   |              |                  | 1Q             | 2Q       | 3Q       | 4Q       | Total          |
| Quantity sold                               | pellets      | MT<br>(thousand) | 3,462          |          |          |          | 3,462          |
| Quantity sold                               | iron ore     | MT<br>(thousand) | 497            | -        | -        | -        | 497            |
| <b>Quantity sold</b>                        | <b>total</b> | MT<br>(thousand) | <b>3,959</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>3,959</b>   |
| Average sales price                         | pellets      | US\$             | 39.31          |          |          |          | 39.31          |
| Average sales price                         | iron ore     | US\$             | 16.88          |          |          |          | 16.88          |
| <b>Average sales price</b>                  | <b>total</b> | US\$             | <b>36.48</b>   |          |          |          | <b>36.48</b>   |
| Long-term indebtedness,<br>gross            |              | US\$             | 21,400         |          |          |          | 21,400         |
| Short-term indebtedness,<br>gross           |              | US\$             | 173,753        | -        | -        | -        | 173,753        |
| <b>Total indebtedness, gross</b>            |              | US\$             | <b>195,153</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>195,153</b> |
| <b>Stockholders equity</b>                  |              | R\$              | <b>625,633</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>625,633</b> |
| Net operating revenues                      |              | R\$              | 372,919        |          |          |          | 372,919        |
| Cost of products                            |              | R\$              | (165,160)      |          |          |          | (165,160)      |
| Other expenses                              |              | R\$              | (30,828)       |          |          |          | (30,828)       |
| Depreciation, amortization<br>and depletion |              | R\$              | 11,373         | -        | -        | -        | 11,373         |
| <b>EBITDA</b>                               |              | R\$              | <b>188,304</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>188,304</b> |
| Depreciation, amortization<br>and depletion |              | R\$              | (11,373)       | -        | -        | -        | (11,373)       |
| <b>EBIT</b>                                 |              | R\$              | <b>176,931</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>176,931</b> |
| Impairment                                  |              | R\$              |                |          |          |          |                |
| Result of equity investments                |              | R\$              | 11,109         |          |          |          | 11,109         |
| Net financial result                        |              | R\$              | (4,618)        |          |          |          | (4,618)        |

|   |     |                |   |   |   |                |
|---|-----|----------------|---|---|---|----------------|
|   |     | _____          | - | - | - | _____          |
| <b>Income before income tax and social contribution</b> | R\$ | <b>183,422</b> |   |   |   | <b>183,422</b> |
| Income tax and social contribution                      | R\$ | (31,058)       | - | - | - | (31,058)       |
|   |     | _____          | - | - | - | _____          |
| <b>Net income</b>                                       | R\$ | <b>152,364</b> |   |   |   | <b>152,364</b> |
|   |     | _____          | - | - | - | _____          |

[Additional columns below]

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

|                            |                     |                  | <b>2003</b>    |                |                |                |                |
|----------------------------|---------------------|------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Information</b>         |                     |                  | <b>1Q</b>      | <b>2Q</b>      | <b>3Q</b>      | <b>4Q</b>      | <b>Total</b>   |
| Quantity sold              | pellets             | MT<br>(thousand) | 3,338          | 3,339          | 3,359          | 3,454          | 13,490         |
| Quantity sold              | iron ore            | MT<br>(thousand) | 650            | 938            | 569            | 319            | 2,476          |
| <b>Quantity sold</b>       | <b>total</b>        | MT<br>(thousand) | <b>3,988</b>   | <b>4,277</b>   | <b>3,928</b>   | <b>3,773</b>   | <b>15,966</b>  |
| Average sales price        | pellets             | US\$             | 29.78          | 35.03          | 35.47          | 35.85          | 34.05          |
| Average sales price        | iron ore            | US\$             | 16.39          | 16.57          | 17.56          | 14.36          | 16.47          |
| <b>Average sales price</b> | <b>total</b>        | US\$             | <b>27.59</b>   | <b>30.98</b>   | <b>32.88</b>   | <b>34.03</b>   | <b>31.32</b>   |
| Long-term                  | indebtedness, gross | US\$             | 56,240         | 50,037         | 37,633         | 24,967         | 24,967         |
| Short-term                 | indebtedness, gross | US\$             | 123,271        | 137,697        | 135,558        | 167,067        | 167,067        |
| <b>Total indebtedness,</b> | <b>gross</b>        | US\$             | <b>179,511</b> | <b>187,734</b> | <b>173,191</b> | <b>192,034</b> | <b>192,034</b> |
| <b>Stockholders</b>        | <b>equity</b>       | R\$              | <b>627,216</b> | <b>641,120</b> | <b>658,437</b> | <b>583,354</b> | <b>583,354</b> |



|   |     |                |                |                |                |                |
|---|-----|----------------|----------------|----------------|----------------|----------------|
| Net operating revenues  | R\$ | 360,773        | 370,862        | 348,066        | 343,379        | 1,423,080      |
| Cost of products  | R\$ | (162,899)      | (166,282)      | (163,038)      | (169,633)      | (661,852)      |
| Other expenses  | R\$ | (10,940)       | (47,558)       | (33,311)       | (25,086)       | (116,895)      |
| Depreciation,<br>amortization and<br>depletion                  | R\$ | 9,955          | 10,899         | 10,867         | 12,319         | 44,040         |
| <b>EBITDA</b>   | R\$ | <b>196,889</b> | <b>167,921</b> | <b>162,584</b> | <b>160,979</b> | <b>688,373</b> |
| Depreciation,<br>amortization and<br>depletion                  | R\$ | (9,955)        | (10,899)       | (10,867)       | (12,319)       | (44,040)       |
| <b>EBIT</b>   | R\$ | <b>186,934</b> | <b>157,022</b> | <b>151,717</b> | <b>148,660</b> | <b>644,333</b> |
| Impairment  | R\$ |                | (36,639)       |                | (72,103)       | (108,742)      |
| Result of equity<br>investments                                 | R\$ | (2,699)        | 17,512         | (8,392)        | 10,820         | 17,241         |
| Net financial result  | R\$ | (499)          | 24,817         | (14,011)       | (5,360)        | 4,947          |
| <b>Income before income<br/>tax and social<br/>contribution</b> | R\$ | <b>183,736</b> | <b>162,712</b> | <b>129,314</b> | <b>82,017</b>  | <b>557,779</b> |
| Income tax and social<br>contribution                           | R\$ | (44,283)       | (20,477)       | (24,490)       | (10,174)       | (99,424)       |
| <b>Net income</b>   | R\$ | <b>139,453</b> | <b>142,235</b> | <b>104,824</b> | <b>71,843</b>  | <b>458,355</b> |

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**Table of Contents****8.10- Pellets Area GIIC (Adjusted and Unaudited)**

| Information                              |                 |  | 2004           |    |    |    |                |
|--|-----------------|--|----------------|----|----|----|----------------|
|  |                 |  | 1Q             | 2Q | 3Q | 4Q | Total          |
| Quantity sold external market            | ton (thousands) |  | 906            | -  | -  | -  | 906            |
| <b>Quantity sold total</b>               | ton (thousands) |  | <b>906</b>     | -  | -  | -  | <b>906</b>     |
| Average sales price external market      | US\$            |  | 52.68          |    |    |    | 52.68          |
| <b>Average sales price total</b>         | US\$            |  | <b>52.68</b>   |    |    |    | <b>52.68</b>   |
| Long-term indebtedness, gross            | US\$            |  | 20,000         | -  | -  | -  | 20,000         |
| <b>Total indebtedness, gross</b>         | US\$            |  | <b>20,000</b>  | -  | -  | -  | <b>20,000</b>  |
| <b>Stockholders equity</b>               | R\$             |  | <b>221,358</b> | -  | -  | -  | <b>221,358</b> |
| Net operating revenues                   | R\$             |  | 138,158        |    |    |    | 138,158        |
| Cost of products                         | R\$             |  | (103,595)      |    |    |    | (103,595)      |
| Other expenses                           | R\$             |  | (11,268)       |    |    |    | (11,268)       |
| Depreciation, amortization and depletion | R\$             |  | 1,893          | -  | -  | -  | 1,893          |
| <b>EBITDA</b>                            | R\$             |  | <b>25,188</b>  |    |    |    | <b>25,188</b>  |
| Depreciation, amortization and depletion | R\$             |  | (1,893)        | -  | -  | -  | (1,893)        |
| <b>EBIT</b>                              | R\$             |  | <b>23,295</b>  |    |    |    | <b>23,295</b>  |
| Gain/loss in translation of currency     | R\$             |  | 110            |    |    |    | 110            |
| Net financial result                     | R\$             |  | (229)          | -  | -  | -  | (229)          |
| <b>Net income</b>                        | R\$             |  | <b>23,176</b>  | -  | -  | -  | <b>23,176</b>  |

[Additional columns below]

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

| Information                              |                 |  | 2003           |                |                |                |                |
|--|-----------------|--|----------------|----------------|----------------|----------------|----------------|
|  |                 |  | 1Q (*)         | 2Q             | 3Q             | 4Q             | Total          |
| Quantity sold external market            | ton (thousands) |  | 772            | 1,178          | 900            | 1,089          | 3,939          |
| <b>Quantity sold total</b>               | ton (thousands) |  | <b>772</b>     | <b>1,178</b>   | <b>900</b>     | <b>1,089</b>   | <b>3,939</b>   |
| Average sales price external market      | US\$            |  | 41.00          | 43.30          | 41.18          | 43.11          | 42.31          |
| <b>Average sales price total</b>         | US\$            |  | <b>41.00</b>   | <b>43.30</b>   | <b>41.18</b>   | <b>43.11</b>   | <b>42.31</b>   |
| Long-term indebtedness, gross            | US\$            |  | 35,000         | 35,000         | 30,000         | 25,000         | 25,000         |
| <b>Total indebtedness, gross</b>         | US\$            |  | <b>35,000</b>  | <b>35,000</b>  | <b>30,000</b>  | <b>25,000</b>  | <b>25,000</b>  |
| <b>Stockholders equity</b>               | R\$             |  | <b>225,520</b> | <b>242,118</b> | <b>218,186</b> | <b>233,501</b> | <b>233,501</b> |
| Net operating revenues                   | R\$             |  | 111,686        | 152,254        | 126,128        | 142,067        | 532,135        |
| Cost of products                         | R\$             |  | (87,255)       | (116,430)      | (96,796)       | (110,174)      | (410,655)      |
| Other expenses                           | R\$             |  | (10,471)       | (5,971)        | (17,599)       | (17,396)       | (51,437)       |
| Depreciation, amortization and depletion | R\$             |  | 3,490          |                | 2,933          | 2,899          | 9,322          |
| <b>EBITDA</b>                            | R\$             |  | <b>17,450</b>  | <b>29,853</b>  | <b>14,666</b>  | <b>17,396</b>  | <b>79,365</b>  |
| Depreciation, amortization and depletion | R\$             |  | (3,490)        |                | (2,933)        | (2,899)        | (9,322)        |

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|   |     |                   |                   |                   |                   |                   |
|---|-----|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>EBIT</b>                             | R\$ | <b>13,960</b>     | <b>29,853</b>     | <b>11,733</b>     | <b>14,497</b>     | <b>70,043</b>     |
| Gain/loss in translation<br>of currency | R\$ | (1,453)           | (9,339)           | 8,185             | 1,907             | (700)             |
| Net financial result                    | R\$ | 3                 |                   |                   |                   | 3                 |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Net income</b>                       | R\$ | <b>12,510</b>     | <b>20,514</b>     | <b>19,918</b>     | <b>16,404</b>     | <b>69,346</b>     |
|   |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

(\*) Refers to the statements up to February 2003.

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Table of Contents**8.11- Manganese and Ferrolloys Area RDM (Adjusted and Unaudited)**

|                                  |                 |            | 2004           |    |    |    |                |
|----------------------------------|-----------------|------------|----------------|----|----|----|----------------|
| Information                      |                 |            | 1Q             | 2Q | 3Q | 4Q | Total          |
| Quantity sold                    | external market | MT         |                |    |    |    |                |
| ferrolloys                       |                 | (thousand) | 37             |    |    |    | 37             |
| Quantity sold                    | internal market | MT         |                |    |    |    |                |
| ferrolloys                       |                 | (thousand) | 45             |    |    |    | 45             |
|                                  |                 |            |                | -  | -  | -  |                |
| <b>Quantity sold</b>             | <b>total</b>    | MT         | <b>82</b>      | ■  | ■  | ■  | <b>82</b>      |
|                                  |                 | (thousand) |                |    |    |    |                |
| Quantity sold                    | external market | MT         |                |    |    |    |                |
| manganese                        |                 | (thousand) | 213            |    |    |    | 213            |
| Quantity sold                    | internal market | MT         |                |    |    |    |                |
| manganese                        |                 | (thousand) | 72             |    |    |    | 72             |
|                                  |                 |            |                | -  | -  | -  |                |
| <b>Quantity sold</b>             | <b>total</b>    | MT         | <b>285</b>     | ■  | ■  | ■  | <b>285</b>     |
|                                  |                 | (thousand) |                |    |    |    |                |
| Average sales price              | external        |            |                |    |    |    |                |
| market ferrolloys                |                 | US\$       | 713.01         |    |    |    | 713.01         |
| Average sales price              | internal        |            |                |    |    |    |                |
| market ferrolloys                |                 | US\$       | 700.76         |    |    |    | 700.76         |
| <b>Average sales price</b>       | <b>total</b>    | US\$       | <b>706.34</b>  |    |    |    | <b>706.34</b>  |
| Average sales price              | external        |            |                |    |    |    |                |
| market manganese                 |                 | US\$       | 44.98          |    |    |    | 44.98          |
| Average sales price              | internal        |            |                |    |    |    |                |
| market manganese                 |                 | US\$       | 45.15          |    |    |    | 45.15          |
| <b>Average sales price</b>       | <b>total</b>    | US\$       | <b>45.02</b>   |    |    |    | <b>45.02</b>   |
| Long-term indebtedness, gross    |                 | US\$       | 12,361         |    |    |    | 12,361         |
| Short-term indebtedness, gross   |                 | US\$       | 40,135         |    |    |    | 40,135         |
|                                  |                 |            |                | -  | -  | -  |                |
| <b>Total indebtedness, gross</b> |                 | US\$       | <b>52,496</b>  | ■  | ■  | ■  | <b>52,496</b>  |
|                                  |                 |            |                |    |    |    |                |
| <b>Stockholders equity</b>       |                 | R\$        | <b>657,722</b> | ■  | ■  | ■  | <b>657,722</b> |
|                                  |                 |            |                |    |    |    |                |
| Net operating revenues           |                 | R\$        | 178,314        |    |    |    | 178,314        |

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|  |     |               |   |   |   |               |
|--|-----|---------------|---|---|---|---------------|
| Cost of products   | R\$ | (110,687)     |   |   |   | (110,687)     |
| Other expenses/revenues  | R\$ | (25,763)      |   |   |   | (25,763)      |
| Depreciation, amortization and depletion                       | R\$ | 5,545         |   |   |   | 5,545         |
|  |     |               | - | - | - |               |
| <b>EBITDA</b>  | R\$ | <b>47,409</b> |   |   |   | <b>47,409</b> |
| Depreciation, amortization and depletion                       | R\$ | (5,545)       |   |   |   | (5,545)       |
|  |     |               | - | - | - |               |
| <b>EBIT</b>  | R\$ | <b>41,864</b> |   |   |   | <b>41,864</b> |
| Impairment   | R\$ |               |   |   |   |               |
| Sale of investment   | R\$ |               |   |   |   |               |
| Net financial result   | R\$ | 2,741         |   |   |   | 2,741         |
|  |     |               | - | - | - |               |
| <b>Income (loss) before income tax and social contribution</b> | R\$ | <b>44,605</b> |   |   |   | <b>44,605</b> |
| Income tax and social contribution                             | R\$ | (5,829)       |   |   |   | (5,829)       |
|  |     |               | - | - | - |               |
| <b>Net income (loss)</b>                                       | R\$ | <b>38,776</b> |   |   |   | <b>38,776</b> |
|  |     |               | - | - | - |               |

[Additional columns below]

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

|                               |             |               | 2003      |           |           |           |            |
|-------------------------------|-------------|---------------|-----------|-----------|-----------|-----------|------------|
| Information                   |             |               | 1Q        | 2Q        | 3Q        | 4Q        | Total      |
| Quantity sold external market | ferroalloys | MT (thousand) | 30        | 40        | 47        | 51        | 168        |
| Quantity sold internal market | ferroalloys | MT (thousand) | 37        | 38        | 43        | 46        | 164        |
| <b>Quantity sold total</b>    |             | MT (thousand) | <b>67</b> | <b>78</b> | <b>90</b> | <b>97</b> | <b>332</b> |
| Quantity sold external market | manganese   | MT (thousand) | 147       | 306       | 261       | 294       | 1,008      |

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|   |               |                |                |                |                |                |
|---|---------------|----------------|----------------|----------------|----------------|----------------|
| Quantity sold internal market manganese         | MT (thousand) | 94             | 76             | 83             | 76             | 329            |
| <b>Quantity sold total</b>                      | MT (thousand) | <b>241</b>     | <b>382</b>     | <b>344</b>     | <b>370</b>     | <b>1,337</b>   |
| Average sales price external market ferroalloys | US\$          | 573.88         | 549.79         | 534.97         | 621.32         | 571.66         |
| Average sales price internal market ferroalloys | US\$          | 505.02         | 664.75         | 607.37         | 623.79         | 602.18         |
| <b>Average sales price total</b>                | US\$          | <b>536.68</b>  | <b>606.47</b>  | <b>569.57</b>  | <b>622.52</b>  | <b>587.07</b>  |
| Average sales price external market manganese   | US\$          | 46.71          | 42.17          | 43.96          | 43.14          | 43.58          |
| Average sales price internal market manganese   | US\$          | 36.35          | 46.00          | 50.48          | 43.29          | 43.75          |
| <b>Average sales price total</b>                | US\$          | <b>42.65</b>   | <b>42.93</b>   | <b>45.52</b>   | <b>43.17</b>   | <b>43.61</b>   |
| Long-term indebtedness, gross                   | US\$          | 19,812         | 38,962         | 39,371         | 18,885         | 18,885         |
| Short-term indebtedness, gross                  | US\$          | 36,783         | 24,688         | 18,237         | 42,495         | 42,495         |
| <b>Total indebtedness, gross</b>                | US\$          | <b>56,595</b>  | <b>63,650</b>  | <b>57,608</b>  | <b>61,380</b>  | <b>61,380</b>  |
| <b>Stockholders equity</b>                      | R\$           | <b>310,314</b> | <b>336,058</b> | <b>365,275</b> | <b>618,945</b> | <b>618,945</b> |
| Net operating revenues                          | R\$           | 142,185        | 171,284        | 177,162        | 196,448        | 687,079        |
| Cost of products                                | R\$           | (83,873)       | (93,166)       | (111,927)      | (133,864)      | (422,830)      |
| Other expenses/revenues                         | R\$           | (22,569)       | (27,377)       | (28,233)       | (49,844)       | (128,023)      |
| Depreciation, amortization and depletion        | R\$           | 5,456          | 6,238          | 5,852          | 2,063          | 19,609         |
| <b>EBITDA</b>                                   | R\$           | <b>41,199</b>  | <b>56,979</b>  | <b>42,854</b>  | <b>14,803</b>  | <b>155,835</b> |
| Depreciation, amortization and depletion        | R\$           | (5,456)        | (6,238)        | (5,852)        | (2,063)        | (19,609)       |
| <b>EBIT</b>                                     | R\$           | <b>35,743</b>  | <b>50,741</b>  | <b>37,002</b>  | <b>12,740</b>  | <b>136,226</b> |

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|  |     |                      |                      |                      |                       |                       |
|--|-----|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| Impairment   | R\$ |                      |                      | 366                  | (46,392)              | (46,026)              |
| Sale of investment   | R\$ |                      |                      |                      | 174,000               | 174,000               |
| Net financial result   | R\$ | <u>(11,168)</u>      | <u>(18,623)</u>      | <u>(6,388)</u>       | <u>(1,496)</u>        | <u>(37,675)</u>       |
| <b>Income (loss) before<br/>income tax and social<br/>contribution</b> | R\$ | <b><u>24,575</u></b> | <b><u>32,118</u></b> | <b><u>30,980</u></b> | <b><u>138,852</u></b> | <b><u>226,525</u></b> |
| Income tax and social<br>contribution                                  | R\$ | <u>(6,255)</u>       | <u>(7,496)</u>       | <u>(1,763)</u>       | <u>34,012</u>         | <u>18,498</u>         |
| <b>Net income (loss)</b>   | R\$ | <b><u>18,320</u></b> | <b><u>24,622</u></b> | <b><u>29,217</u></b> | <b><u>172,864</u></b> | <b><u>245,023</u></b> |

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**Table of Contents****8.12- Manganese and Ferrolloys Area Urucum (Adjusted and Unaudited)**

| Information                |                 |            | 2004         |          |          |          |              |
|----------------------------|-----------------|------------|--------------|----------|----------|----------|--------------|
|                            |                 |            | 1Q           | 2Q       | 3Q       | 4Q       | Total        |
| Quantity sold              | external market | MT         |              |          |          |          |              |
| iron ore                   |                 | (thousand) | 127          |          |          |          | 127          |
| Quantity sold              | internal market | MT         |              |          |          |          |              |
| iron ore                   |                 | (thousand) |              | -        | -        | -        |              |
| <b>Quantity sold</b>       | <b>total</b>    | MT         | <b>127</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>127</b>   |
|                            |                 | (thousand) |              |          |          |          |              |
| Quantity sold              | external market | MT         |              |          |          |          |              |
| manganese                  |                 | (thousand) | 22           |          |          |          | 22           |
| Quantity sold              | internal market | MT         |              |          |          |          |              |
| manganese                  |                 | (thousand) | 50           |          |          |          | 50           |
| <b>Quantity sold</b>       | <b>total</b>    | MT         | <b>72</b>    | <b>-</b> | <b>-</b> | <b>-</b> | <b>72</b>    |
|                            |                 | (thousand) |              |          |          |          |              |
| Quantity sold              | external market | MT         |              |          |          |          |              |
| ferroalloys                |                 | (thousand) | 4            |          |          |          | 4            |
| Quantity sold              | internal market | MT         |              |          |          |          |              |
| ferroalloys                |                 | (thousand) | 1            |          |          |          | 1            |
| <b>Quantity sold</b>       | <b>total</b>    | MT         | <b>5</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>5</b>     |
|                            |                 | (thousand) |              |          |          |          |              |
| Average sales price        | external        | US\$       | 15.05        |          |          |          | 15.05        |
| market iron ore            |                 |            |              |          |          |          |              |
| Average sales price        | internal        | US\$       |              |          |          |          |              |
| market iron ore            |                 |            |              |          |          |          |              |
| <b>Average sales price</b> | <b>total</b>    | US\$       | <b>15.05</b> |          |          |          | <b>15.05</b> |
| Average sales price        | external        | US\$       | 49.84        |          |          |          | 49.84        |
| market manganese           |                 |            |              |          |          |          |              |
| Average sales price        | internal        | US\$       | 44.19        |          |          |          | 44.19        |
| market manganese           |                 |            |              |          |          |          |              |
| <b>Average sales price</b> | <b>total</b>    | US\$       | <b>45.92</b> |          |          |          | <b>45.92</b> |
|                            |                 | US\$       | 564.53       |          |          |          | 564.53       |

|   |      |                   |   |   |   |                   |
|---|------|-------------------|---|---|---|-------------------|
| Average sales price external market ferroalloys         |      |                   |   |   |   |                   |
| Average sales price internal market ferroalloys         | US\$ | 394.48            |   |   |   | 394.48            |
| <b>Average sales price total</b>                        | US\$ | <b>546.44</b>     |   |   |   | <b>546.44</b>     |
| Short-term indebtedness, gross                          | US\$ | 3,577             |   |   |   | 3,577             |
|   |      | <u>          </u> | - | - | - | <u>          </u> |
| <b>Total indebtedness, gross</b>                        | US\$ | <b>3,577</b>      |   |   |   | <b>3,577</b>      |
|   |      | <u>          </u> | - | - | - | <u>          </u> |
| <b>Stockholders equity</b>                              | R\$  | <b>60,621</b>     |   |   |   | <b>60,621</b>     |
|   |      | <u>          </u> | - | - | - | <u>          </u> |
| Net operating revenues                                  | R\$  | 21,070            |   |   |   | 21,070            |
| Cost of products  | R\$  | (11,132)          |   |   |   | (11,132)          |
| Other expenses/revenues                                 | R\$  | (4,285)           |   |   |   | (4,285)           |
| Depreciation, amortization and depletion                | R\$  | 1,005             |   |   |   | 1,005             |
|   |      | <u>          </u> | - | - | - | <u>          </u> |
| <b>EBITDA</b>   | R\$  | <b>6,658</b>      |   |   |   | <b>6,658</b>      |
| Depreciation, amortization and depletion                | R\$  | (1,005)           |   |   |   | (1,005)           |
|   |      | <u>          </u> | - | - | - | <u>          </u> |
| <b>EBIT</b>   | R\$  | <b>5,653</b>      |   |   |   | <b>5,653</b>      |
| Impairment  | R\$  | (562)             |   |   |   | (562)             |
| Net financial result                                    | R\$  | (128)             |   |   |   | (128)             |
|   |      | <u>          </u> | - | - | - | <u>          </u> |
| <b>Income before income tax and social contribution</b> | R\$  | <b>4,963</b>      |   |   |   | <b>4,963</b>      |
| Income tax and social contribution                      | R\$  | (1,867)           |   |   |   | (1,867)           |
|   |      | <u>          </u> | - | - | - | <u>          </u> |
| <b>Net income</b>                                       | R\$  | <b>3,096</b>      |   |   |   | <b>3,096</b>      |
|   |      | <u>          </u> | - | - | - | <u>          </u> |

[Additional columns below]

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

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**2003**

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| Information                         |             |               | 1Q            | 2Q            | 3Q            | 4Q            | Total         |
|-------------------------------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Quantity sold external market       | iron ore    | MT (thousand) | 238           | 174           | 214           | 261           | 887           |
| 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>261</b>    | <b>897</b>    |
| Quantity sold external market       | manganese   | MT (thousand) | 18            | 43            | 52            | 30            | 143           |
| Quantity sold internal market       | manganese   | MT (thousand) | 46            | 66            | 55            | 82            | 249           |
| <b>Quantity sold total</b>          |             | MT (thousand) | <b>64</b>     | <b>109</b>    | <b>107</b>    | <b>112</b>    | <b>392</b>    |
| Quantity sold external market       | ferroalloys | MT (thousand) | 5             | 3             | 8             | 4             | 20            |
| Quantity sold internal market       | ferroalloys | MT (thousand) |               |               |               | 1             | 1             |
| <b>Quantity sold total</b>          |             | MT (thousand) | <b>5</b>      | <b>3</b>      | <b>8</b>      | <b>5</b>      | <b>21</b>     |
| Average sales price external market | iron ore    | US\$          | 13.70         | 15.03         | 15.86         | 14.99         | 14.86         |
| 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>14.99</b>  | <b>14.74</b>  |
| Average sales price external market | manganese   | US\$          | 36.35         | 35.81         | 38.95         | 37.07         | 37.28         |
| Average sales price internal market | manganese   | US\$          | 32.91         | 38.10         | 42.22         | 42.84         | 39.61         |
| <b>Average sales price total</b>    |             | US\$          | <b>33.87</b>  | <b>37.18</b>  | <b>40.66</b>  | <b>41.30</b>  | <b>38.77</b>  |
| Average sales price external market | ferroalloys | US\$          | 509.35        | 503.55        | 483.38        | 483.45        | 492.91        |
| Average sales price internal market | ferroalloys | US\$          |               |               |               | 388.80        | 388.80        |
| <b>Average sales price total</b>    |             | US\$          | <b>509.35</b> | <b>503.55</b> | <b>483.38</b> | <b>470.78</b> | <b>489.44</b> |
|                                     |             | US\$          |               | 5,026         | 5,050         | 7,846         | 7,846         |

Short-term indebtedness,  
gross

|   |      |                   |                   |                   |                   |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   |      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Total indebtedness, gross</b>                            | US\$ |                   | <b>5,026</b>      | <b>5,050</b>      | <b>7,846</b>      | <b>7,846</b>      |
|   |      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Stockholders equity</b>                                  | R\$  | <b>75,737</b>     | <b>47,460</b>     | <b>52,546</b>     | <b>57,525</b>     | <b>57,525</b>     |
|   |      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| Net operating revenues                                      | R\$  | 26,947            | 23,028            | 31,498            | 28,872            | 110,345           |
| Cost of products  | R\$  | (11,440)          | (9,866)           | (17,699)          | (14,413)          | (53,418)          |
| Other expenses/revenues                                     | R\$  | (4,761)           | 1,341             | (4,595)           | (10,914)          | (18,929)          |
| Depreciation, amortization<br>and depletion                 | R\$  | 589               | 615               | 608               | 1,584             | 3,396             |
|   |      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>EBITDA</b>   | R\$  | <b>11,335</b>     | <b>15,118</b>     | <b>9,812</b>      | <b>5,129</b>      | <b>41,394</b>     |
| Depreciation, amortization<br>and depletion                 | R\$  | (589)             | (615)             | (608)             | (1,584)           | (3,396)           |
|   |      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>EBIT</b>   | R\$  | <b>10,746</b>     | <b>14,503</b>     | <b>9,204</b>      | <b>3,545</b>      | <b>37,998</b>     |
| Impairment  | R\$  | 9                 |                   |                   | (184)             | (175)             |
| Net financial result  | R\$  | (1,000)           | (7,349)           | 310               | 1,757             | (6,282)           |
|   |      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Income before income tax<br/>and social contribution</b> | R\$  | <b>9,755</b>      | <b>7,154</b>      | <b>9,514</b>      | <b>5,118</b>      | <b>31,541</b>     |
| Income tax and social<br>contribution                       | R\$  | (2,862)           | (395)             | (4,428)           | (139)             | (7,824)           |
|   |      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Net income</b>   | R\$  | <b>6,893</b>      | <b>6,759</b>      | <b>5,086</b>      | <b>4,979</b>      | <b>23,717</b>     |
|   |      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

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**Table of Contents****8.13- Manganese and Ferrolloys Area RDME (Adjusted and Unaudited)**

| Information                                     |                 |  | 2004           |    |    |    |                |
|---|-----------------|--|----------------|----|----|----|----------------|
|   |                 |  | 1Q             | 2Q | 3Q | 4Q | Total          |
| Quantity sold external market Sinter            | Ton (thousands) |  | 66             | -  | -  | -  | 66             |
| <b>Quantity sold-total</b>                      | Ton (thousands) |  | <b>66</b>      | -  | -  | -  | <b>66</b>      |
| Quantity sold external market Manganese         | Ton (thousands) |  | 55             | -  | -  | -  | 55             |
| <b>Quantity sold-total</b>                      | Ton (thousands) |  | <b>55</b>      | -  | -  | -  | <b>55</b>      |
| Quantity sold external market Ferroalloys       | Ton (thousands) |  | 64             | -  | -  | -  | 64             |
| <b>Quantity sold-total</b>                      | Ton (thousands) |  | <b>64</b>      | -  | -  | -  | <b>64</b>      |
| Average sales price external market Sinter      | US\$            |  | 103.70         |    |    |    | 103.70         |
| <b>Average sales price-total</b>                | US\$            |  | <b>103.70</b>  |    |    |    | <b>103.70</b>  |
| Average sales price external market Manganese   | US\$            |  | 73.22          |    |    |    | 73.22          |
| <b>Average sales price-total</b>                | US\$            |  | <b>73.22</b>   |    |    |    | <b>73.22</b>   |
| Average sales price external market Ferroalloys | US\$            |  | 588.12         |    |    |    | 588.12         |
| <b>Average sales price-total</b>                | US\$            |  | <b>588.12</b>  |    |    |    | <b>588.12</b>  |
| Long-term indebtedness, gross                   | US\$            |  | 3,335          |    |    |    | 3,335          |
| Short-term indebtedness, gross                  | US\$            |  | 30             |    |    |    | 30             |
| <b>Total indebtedness, gross</b>                | US\$            |  | <b>3,365</b>   |    |    |    | <b>3,365</b>   |
| <b>Stockholders equity</b>                      | R\$             |  | <b>194,179</b> |    |    |    | <b>194,179</b> |

| Net operating revenues                                  | R\$ | 146,972       |  |  | 146,972       |
|---|-----|---------------|--|--|---------------|
| Cost of products  | R\$ | (134,464)     |  |  | (134,464)     |
| Other expenses/revenues                                 | R\$ | (3,332)       |  |  | (3,332)       |
| Depreciation, amortization and depletion                | R\$ | 2,918         |  |  | 2,918         |
| <b>EBITDA</b>   | R\$ | <b>12,094</b> |  |  | <b>12,094</b> |
| Depreciation, amortization and depletion                | R\$ | (2,918)       |  |  | (2,918)       |
| <b>EBIT</b>   | R\$ | <b>9,176</b>  |  |  | <b>9,176</b>  |
| Gain/loss in translation of currency                    | R\$ | (18)          |  |  | (18)          |
| Net financial result                                    | R\$ | 2,318         |  |  | 2,318         |
| <b>Income before income tax and social contribution</b> | R\$ | <b>11,476</b> |  |  | <b>11,476</b> |
| Income tax and social contribution                      | R\$ | (29)          |  |  | (29)          |
| <b>Net income</b>                                       | R\$ | <b>11,447</b> |  |  | <b>11,447</b> |

[Additional columns below]

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

|                               |        |                 | 2003      |           |           |           |            |
|-------------------------------|--------|-----------------|-----------|-----------|-----------|-----------|------------|
| Information                   |        |                 | 1Q        | 2Q        | 3Q        | 4Q        | Total      |
| Quantity sold external market | Sinter | Ton (thousands) | 34        | 82        | 23        | 30        | 169        |
| <b>Quantity sold-total</b>    |        | Ton (thousands) | <b>34</b> | <b>82</b> | <b>23</b> | <b>30</b> | <b>169</b> |
|                               |        |                 | 31        | 64        | 51        | 51        | 197        |

|   |                 |                |                |                |                |                |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|
| Quantity sold external market Manganese         | Ton (thousands) |                |                |                |                |                |
| <b>Quantity sold-total</b>                      | Ton (thousands) | <b>31</b>      | <b>64</b>      | <b>51</b>      | <b>51</b>      | <b>197</b>     |
| Quantity sold external market Ferroalloys       | Ton (thousands) | 43             | 36             | 40             | 53             | 172            |
| <b>Quantity sold-total</b>                      | Ton (thousands) | <b>43</b>      | <b>36</b>      | <b>40</b>      | <b>53</b>      | <b>172</b>     |
| Average sales price external market Sinter      | US\$            | 277.53         | 109.90         | 107.72         | 101.00         | 141.75         |
| <b>Average sales price-total</b>                | US\$            | <b>277.53</b>  | <b>109.90</b>  | <b>107.72</b>  | <b>101.00</b>  | <b>141.75</b>  |
| Average sales price external market Manganese   | US\$            | 105.80         | 75.30          | 83.70          | 81.70          | 83.93          |
| <b>Average sales price-total</b>                | US\$            | <b>105.80</b>  | <b>75.30</b>   | <b>83.70</b>   | <b>81.70</b>   | <b>83.93</b>   |
| Average sales price external market Ferroalloys | US\$            | 609.70         | 583.90         | 546.70         | 572.80         | 578.28         |
| <b>Average sales price-total</b>                | US\$            | <b>609.70</b>  | <b>583.90</b>  | <b>546.70</b>  | <b>572.80</b>  | <b>578.28</b>  |
| Long-term indebtedness, gross                   | US\$            | 2,409          | 2,417          | 5,020          | 3,610          | 3,610          |
| Short-term indebtedness, gross                  | US\$            |                |                |                |                |                |
| <b>Total indebtedness, gross</b>                | US\$            | <b>2,409</b>   | <b>2,417</b>   | <b>5,020</b>   | <b>3,610</b>   | <b>3,610</b>   |
| <b>Stockholders equity</b>                      | R\$             | <b>197,404</b> | <b>173,543</b> | <b>183,370</b> | <b>187,578</b> | <b>187,578</b> |
| Net operating revenues                          | R\$             | 109,534        | 108,839        | 92,792         | 124,378        | 435,543        |
| Cost of products                                | R\$             | (99,748)       | (99,589)       | (83,702)       | (111,386)      | (394,425)      |
| Other expenses/revenues                         | R\$             | (10,351)       | (4,439)        | (3,183)        | (6,056)        | (24,029)       |
| Depreciation, amortization and depletion        | R\$             | 4,012          | 4,129          | 3,871          | 4,559          | 16,571         |
| <b>EBITDA</b>                                   | R\$             | <b>3,447</b>   | <b>8,940</b>   | <b>9,778</b>   | <b>11,495</b>  | <b>33,660</b>  |
|   | R\$             | (4,012)        | (4,129)        | (3,871)        | (4,559)        | (16,571)       |

Depreciation,  
amortization and  
depletion

|   |     |              |              |              |              |               |
|---|-----|--------------|--------------|--------------|--------------|---------------|
| <b>EBIT</b>   | R\$ | <u>(565)</u> | <u>4,811</u> | <u>5,907</u> | <u>6,936</u> | <u>17,089</u> |
| Gain/loss in translation of<br>currency                         | R\$ | (49)         | (285)        | (417)        | (404)        | (1,155)       |
| Net financial result  | R\$ | <u>1,425</u> | <u>(12)</u>  | <u>1,130</u> | <u>(144)</u> | <u>2,399</u>  |
| <b>Income before income<br/>tax and social<br/>contribution</b> | R\$ | <u>811</u>   | <u>4,514</u> | <u>6,620</u> | <u>6,388</u> | <u>18,333</u> |
| Income tax and social<br>contribution                           | R\$ | <u>(31)</u>  | <u>(31)</u>  | <u>(31)</u>  | <u>(25)</u>  | <u>(118)</u>  |
| <b>Net income</b>   | R\$ | <u>780</u>   | <u>4,483</u> | <u>6,589</u> | <u>6,363</u> | <u>18,215</u> |

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**Table of Contents****8.14- Steel Area CST (Adjusted and Unaudited)**

| Information                              |                 |                  | 2004             |    |    |    |                  |
|--|-----------------|------------------|------------------|----|----|----|------------------|
|  |                 |                  | 1Q               | 2Q | 3Q | 4Q | Total            |
| Quantity sold                            | external market | MT<br>(thousand) | 809              |    |    |    | 809              |
| Quantity sold                            | internal market | MT<br>(thousand) | 340              | -  | -  | -  | 340              |
| <b>Quantity sold</b>                     | <b>total</b>    | MT<br>(thousand) | <b>1,149</b>     | -  | -  | -  | <b>1,149</b>     |
| Average sales price                      | external market | US\$             | 262.65           |    |    |    | 262.65           |
| Average sales price                      | internal market | US\$             | 304.12           |    |    |    | 304.12           |
| <b>Average sales price</b>               | <b>total</b>    | US\$             | <b>274.92</b>    |    |    |    | <b>274.92</b>    |
| Long-term indebtedness, gross            |                 | US\$             | 585,346          |    |    |    | 585,346          |
| Short-term indebtedness, gross           |                 | US\$             | 131,398          | -  | -  | -  | 131,398          |
| <b>Total indebtedness, gross</b>         |                 | US\$             | <b>716,744</b>   | -  | -  | -  | <b>716,744</b>   |
| <b>Stockholders equity</b>               |                 | R\$              | <b>3,783,316</b> | -  | -  | -  | <b>3,783,316</b> |
| Net operating revenues                   |                 | R\$              | 957,592          |    |    |    | 957,592          |
| Cost of products                         |                 | R\$              | (562,493)        |    |    |    | (562,493)        |
| Other expenses/revenues                  |                 | R\$              | (73,466)         |    |    |    | (73,466)         |
| Depreciation, amortization and depletion |                 | R\$              | 89,361           | -  | -  | -  | 89,361           |
| <b>EBITDA</b>                            |                 | R\$              | <b>410,994</b>   |    |    |    | <b>410,994</b>   |
| Depreciation, amortization and depletion |                 | R\$              | (89,361)         | -  | -  | -  | (89,361)         |
| <b>EBIT</b>                              |                 | R\$              | <b>321,633</b>   |    |    |    | <b>321,633</b>   |
| Net financial result                     |                 | R\$              | (44,261)         | -  | -  | -  | (44,261)         |

|   |     |                |   |   |   |                |
|---|-----|----------------|---|---|---|----------------|
| <b>Income before income tax and social contribution</b> | R\$ | <b>277,372</b> |   |   |   | <b>277,372</b> |
| Income tax and social contribution                      | R\$ | (26,288)       | - | - | - | (26,288)       |
| <b>Net income</b>                                       | R\$ | <b>251,084</b> | - | - | - | <b>251,084</b> |

[Additional columns below]

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

|                                     |               |  | 2003             |                  |                  |                  |                  |
|-------------------------------------|---------------|--|------------------|------------------|------------------|------------------|------------------|
| Information                         |               |  | 1Q               | 2Q               | 3Q               | 4Q               | Total            |
| Quantity sold external market       | MT (thousand) |  | 1,013            | 964              | 902              | 802              | 3,681            |
| Quantity sold internal market       | MT (thousand) |  | 2                | 1                | 2                | 2                | 7                |
| <b>Quantity sold total</b>          | MT (thousand) |  | <b>1,015</b>     | <b>965</b>       | <b>904</b>       | <b>804</b>       | <b>3,688</b>     |
| Average sales price external market | US\$          |  | 229.78           | 238.69           | 244.16           | 235.70           | 236.93           |
| Average sales price internal market | US\$          |  | 219.12           | 255.89           | 253.93           | 256.56           | 245.02           |
| <b>Average sales price total</b>    | US\$          |  | <b>229.76</b>    | <b>238.71</b>    | <b>244.18</b>    | <b>235.75</b>    | <b>236.94</b>    |
| Long-term indebtedness, gross       | US\$          |  | 619,071          | 628,377          | 635,088          | 632,953          | 632,953          |
| Short-term indebtedness, gross      | US\$          |  | 167,655          | 147,837          | 150,045          | 143,074          | 143,074          |
| <b>Total indebtedness, gross</b>    | US\$          |  | <b>786,726</b>   | <b>776,214</b>   | <b>785,133</b>   | <b>776,027</b>   | <b>776,027</b>   |
| <b>Stockholders equity</b>          | R\$           |  | <b>3,200,123</b> | <b>3,223,207</b> | <b>3,416,321</b> | <b>3,532,607</b> | <b>3,532,607</b> |

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|   |     |                       |                       |                       |                       |                         |
|---|-----|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| Net operating revenues  | R\$ | 993,201               | 921,094               | 951,473               | 869,553               | 3,735,321               |
| Cost of products  | R\$ | (601,278)             | (605,411)             | (573,126)             | (610,885)             | (2,390,700)             |
| Other expenses/revenues   | R\$ | (51,092)              | (80,327)              | (66,600)              | (115,803)             | (313,822)               |
| Depreciation,<br>amortization and<br>depletion                  | R\$ | <u>65,293</u>         | <u>81,454</u>         | <u>71,327</u>         | <u>77,634</u>         | <u>295,708</u>          |
| <b>EBITDA</b>   | R\$ | <b>406,124</b>        | <b>316,810</b>        | <b>383,074</b>        | <b>220,499</b>        | <b>1,326,507</b>        |
| Depreciation,<br>amortization and<br>depletion                  | R\$ | <u>(65,293)</u>       | <u>(81,454)</u>       | <u>(71,327)</u>       | <u>(77,634)</u>       | <u>(295,708)</u>        |
| <b>EBIT</b>   | R\$ | <b>340,831</b>        | <b>235,356</b>        | <b>311,747</b>        | <b>142,865</b>        | <b>1,030,799</b>        |
| Net financial result  | R\$ | <u>52,996</u>         | <u>163,983</u>        | <u>(59,830)</u>       | <u>16,075</u>         | <u>173,224</u>          |
| <b>Income before income<br/>tax and social<br/>contribution</b> | R\$ | <b>393,827</b>        | <b>399,339</b>        | <b>251,917</b>        | <b>158,940</b>        | <b>1,204,023</b>        |
| Income tax and social<br>contribution                           | R\$ | <u>(107,450)</u>      | <u>(66,745)</u>       | <u>(58,804)</u>       | <u>133,456</u>        | <u>(99,543)</u>         |
| <b>Net income</b>   | R\$ | <b><u>286,377</u></b> | <b><u>332,594</u></b> | <b><u>193,113</u></b> | <b><u>292,396</u></b> | <b><u>1,104,480</u></b> |

**Table of Contents****8.15- Steel Area CSI (Adjusted and Unaudited)**

| <b>Information</b>                       |               | <b>2004</b>    |           |           |           | <b>2003</b>    |                |                |                 |                |                |
|--|---------------|----------------|-----------|-----------|-----------|----------------|----------------|----------------|-----------------|----------------|----------------|
|  |               | <b>1Q</b>      | <b>2Q</b> | <b>3Q</b> | <b>4Q</b> | <b>Total</b>   | <b>1Q</b>      | <b>2Q</b>      | <b>3Q</b>       | <b>4Q</b>      | <b>Total</b>   |
| Quantity sold - external market          | MT (thousand) | 566            | -         | -         | -         | 566            | 442            | 447            | 507             | 489            | 1,885          |
| <b>Quantity sold - total</b>             | MT (thousand) | <b>566</b>     | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>566</b>     | <b>442</b>     | <b>447</b>     | <b>507</b>      | <b>489</b>     | <b>1,885</b>   |
| Average sales price - external market    | US\$          | 419.00         |           |           |           | 419.00         | 445.80         | 401.96         | 374.08          | 389.72         | 401.57         |
| <b>Average sales price - total</b>       | US\$          | <b>419.00</b>  |           |           |           | <b>419.00</b>  | <b>445.80</b>  | <b>401.96</b>  | <b>374.08</b>   | <b>389.72</b>  | <b>401.57</b>  |
| <b>Stockholders equity</b>               | R\$           | <b>629,306</b> | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>629,306</b> | <b>826,600</b> | <b>708,060</b> | <b>694,907</b>  | <b>628,586</b> | <b>628,586</b> |
| Net operating revenues                   | R\$           | 674,606        |           |           |           | 674,606        | 694,108        | 542,067        | 560,875         | 556,491        | 2,353,541      |
| Cost of products                         | R\$           | (654,582)      |           |           |           | (654,582)      | (652,314)      | (534,893)      | (573,033)       | (533,923)      | (2,294,163)    |
| Other expenses/revenues                  | R\$           | 411            |           |           |           | 411            |                | 866            | 56              | (641)          | 281            |
| Depreciation, amortization and depletion | R\$           | 19,709         |           |           |           | 19,709         | 24,552         | 22,841         | 20,673          | 20,087         | 88,153         |
| <b>EBITDA</b>                            | R\$           | <b>40,144</b>  |           |           |           | <b>40,144</b>  | <b>66,346</b>  | <b>30,881</b>  | <b>8,571</b>    | <b>42,014</b>  | <b>147,812</b> |
| Depreciation, amortization and depletion | R\$           | (19,709)       |           |           |           | (19,709)       | (24,552)       | (22,841)       | (20,673)        | (20,087)       | (88,153)       |
| <b>EBIT</b>                              | R\$           | <b>20,435</b>  |           |           |           | <b>20,435</b>  | <b>41,794</b>  | <b>8,040</b>   | <b>(12,102)</b> | <b>21,927</b>  | <b>59,659</b>  |
| Result of equity investments             | R\$           | 3,890          |           |           |           | 3,890          | 1,159          | 1,266          | 1,264           | 2,203          | 5,892          |
| Gain/loss in translation currency        | R\$           | (374)          |           |           |           | (374)          | (740)          | (2,583)        | 315             | (80)           | (3,088)        |

|  |     |                 |       |                 |                 |                |                 |                |                 |
|--|-----|-----------------|-------|-----------------|-----------------|----------------|-----------------|----------------|-----------------|
| Net financial result   | R\$ | <u>(15,399)</u> | - - - | <u>(15,399)</u> | <u>(11,897)</u> | <u>(9,825)</u> | <u>(9,433)</u>  | <u>(9,623)</u> | <u>(40,778)</u> |
| <b>Income (loss) before income tax and social contribution</b> | R\$ | <b>8,552</b>    |       | <b>8,552</b>    | <b>30,316</b>   | <b>(3,102)</b> | <b>(19,956)</b> | <b>14,427</b>  | <b>21,685</b>   |
| Income tax and social contribution                             | R\$ | <u>(3,670)</u>  | - - - | <u>(3,670)</u>  | <u>(12,330)</u> | <u>570</u>     | <u>8,671</u>    | <u>(5,468)</u> | <u>(8,557)</u>  |
| <b>Net income (loss)</b>                                       | R\$ | <b>4,882</b>    | - - - | <b>4,882</b>    | <b>17,986</b>   | <b>(2,532)</b> | <b>(11,285)</b> | <b>8,959</b>   | <b>13,128</b>   |

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**Table of Contents****8.16- Logistics Area Docenave (Adjusted and Unaudited)**

| <b>Information</b>                    | <b>2004</b> |                |           |           | <b>2003</b>    |                |                |                |                |                |
|---------------------------------------|-------------|----------------|-----------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                       | <b>1Q</b>   | <b>2Q</b>      | <b>3Q</b> | <b>4Q</b> | <b>Total</b>   | <b>1Q</b>      | <b>2Q</b>      | <b>3Q</b>      | <b>4Q</b>      | <b>Total</b>   |
| Maritime transport - external market  |             |                |           |           |                |                |                |                |                |                |
| .Bulk transportation MT (thousands)   | 1,426       |                |           |           | 1,426          | 2,559          | 1,837          | 1,703          | 1,835          | 7,934          |
| .General cargo (Containers-TEUS)      | TEUS        | 7,444          |           |           | 7,444          | 2,360          | 3,427          | 4,682          | 6,797          | 17,266         |
| .Ports services Operations            |             | 698            |           |           | 698            | 632            | 776            | 773            | 983            | 3,164          |
| Maritime transport - internal market  |             |                |           |           |                |                |                |                |                |                |
| .Bulk transportation MT (thousands)   | 129         |                |           |           | 129            | 441            | 251            | 410            | 285            | 1,387          |
| .General cargo (Containers-TEUS)      | TEUS        | 14,532         |           |           | 14,532         | 9,682          | 11,987         | 12,053         | 14,872         | 48,594         |
| .Ports services Operations            |             | 912            |           |           | 912            | 1,114          | 1,242          | 1,132          | 1,448          | 4,936          |
| Average sales price - external market |             |                |           |           |                |                |                |                |                |                |
| .Bulk transportation US\$             | 10.83       |                |           |           | 10.83          | 7.18           | 8.73           | 6.79           | 9.39           | 8.01           |
| .General cargo (Containers-TEUS)      | US\$        | 569.99         |           |           | 569.99         | 525.00         | 451.12         | 576.68         | 684.27         | 587.05         |
| .Ports services US\$                  |             | 3,005.73       |           |           | 3,005.73       | 2,446.20       | 2,695.88       | 2,733.51       | 2,237.03       | 2,512.64       |
| Average sales price - internal market |             |                |           |           |                |                |                |                |                |                |
| .Bulk transportation US\$             | 3.81        |                |           |           | 3.81           | 5.56           | 3.69           | 6.37           | 3.85           | 5.11           |
| .General cargo (Containers-TEUS)      | US\$        | 594.62         |           |           | 594.62         | 744.16         | 621.84         | 629.55         | 635.56         | 652.32         |
| .Ports services US\$                  |             | 3,003.29       |           |           | 3,003.29       | 2,447.94       | 2,706.12       | 2,749.12       | 2,212.02       | 2,512.76       |
| Long-term indebtedness, gross US\$    | 908         |                |           |           | 908            | 1,423          | 1,298          | 1,172          | 1,047          | 1,047          |
| Short-term indebtedness, gross US\$   | 502         |                |           |           | 502            | 502            | 502            | 502            | 502            | 502            |
| <b>Total indebtedness, gross</b>      | US\$        | <b>1,410</b>   |           |           | <b>1,410</b>   | <b>1,925</b>   | <b>1,800</b>   | <b>1,674</b>   | <b>1,549</b>   | <b>1,549</b>   |
| <b>Stockholders equity</b>            | R\$         | <b>258,815</b> |           |           | <b>258,815</b> | <b>452,618</b> | <b>301,615</b> | <b>255,440</b> | <b>242,769</b> | <b>242,769</b> |
| Net operating revenues                | R\$         | 95,843         |           |           | 95,843         | 113,823        | 92,582         | 85,672         | 106,336        | 398,413        |

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|  |     |                   |                   |                   |                   |                   |                   |                   |
|--|-----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cost of products   | R\$ | (77,858)          | (77,858)          | (116,495)         | (73,952)          | (83,268)          | (88,281)          | (361,996)         |
| Other expenses/revenues  | R\$ | (7,670)           | (7,670)           | 8,967             | 55,595            | (26,539)          | (26,209)          | 11,814            |
| Depreciation   | R\$ | 396               | 396               | 370               | 371               | 376               | 390               | 1,507             |
|  |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>EBITDA</b>  | R\$ | <b>10,711</b>     | <b>10,711</b>     | <b>6,665</b>      | <b>74,596</b>     | <b>(23,759)</b>   | <b>(7,764)</b>    | <b>49,738</b>     |
| Depreciation   | R\$ | (396)             | (396)             | (370)             | (371)             | (376)             | (390)             | (1,507)           |
|  |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>EBIT</b>  | R\$ | <b>10,315</b>     | <b>10,315</b>     | <b>6,295</b>      | <b>74,225</b>     | <b>(24,135)</b>   | <b>(8,154)</b>    | <b>48,231</b>     |
| Net financial result   | R\$ | 13,111            | 13,111            | (4,051)           | (57,007)          | 38,511            | (408)             | (22,955)          |
|  |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Income (loss) before income tax and social contribution</b> | R\$ | <b>23,426</b>     | <b>23,426</b>     | <b>2,244</b>      | <b>17,218</b>     | <b>14,376</b>     | <b>(8,562)</b>    | <b>25,276</b>     |
| Income tax and social contribution                             | R\$ | (3,759)           | (3,759)           | (3,965)           | 3,965             |                   | (4,108)           | (4,108)           |
|  |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Net income (loss)</b>                                       | R\$ | <b>19,667</b>     | <b>19,667</b>     | <b>(1,721)</b>    | <b>21,183</b>     | <b>14,376</b>     | <b>(12,670)</b>   | <b>21,168</b>     |
|  |     | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

**Table of Contents****8.17- Logistics Area FCA (Adjusted and Unaudited)**

| <b>Information</b>                       |                 | <b>2004</b>     |           |           |                 | <b>2003</b>      |                  |                 |                 |                  |
|--|-----------------|-----------------|-----------|-----------|-----------------|------------------|------------------|-----------------|-----------------|------------------|
|  |                 | <b>1Q</b>       | <b>2Q</b> | <b>3Q</b> | <b>4Q</b>       | <b>Total</b>     | <b>1Q</b>        | <b>2Q</b>       | <b>3Q</b>       | <b>4Q</b>        |
| Quantity sold - internal market          | ton (thousands) | 5,807           |           |           | 5,807           | 5,431            | 6,024            | 6,336           | 6,028           | 23,819           |
| Average sales price - internal market    | R\$             | 22.77           |           |           | 22.77           | 19.46            | 21.01            | 23.08           | 22.29           | 21.53            |
| Long-term indebtedness, gross            | US\$            | 110,691         |           |           | 110,691         | 102,581          | 120,257          | 114,796         | 115,387         | 115,387          |
| Short-term indebtedness, gross           | US\$            | 17,713          |           |           | 17,713          | 13,013           | 15,604           | 15,895          | 17,397          | 17,397           |
| <b>Total indebtedness, gross</b>         | US\$            | <b>128,404</b>  |           |           | <b>128,404</b>  | <b>115,594</b>   | <b>135,861</b>   | <b>130,691</b>  | <b>132,784</b>  | <b>132,784</b>   |
| <b>Stockholders equity</b>               | R\$             | <b>108,025</b>  |           |           | <b>108,025</b>  | <b>(532,514)</b> | <b>(758,763)</b> | <b>107,907</b>  | <b>129,937</b>  | <b>129,937</b>   |
| Net operating revenues                   | R\$             | 112,859         |           |           | 112,859         | 92,198           | 112,287          | 129,991         | 118,009         | 452,485          |
| Cost of products                         | R\$             | (130,325)       |           |           | (130,325)       | (100,387)        | (151,220)        | (130,983)       | (165,787)       | (548,377)        |
| Other expenses/revenues                  | R\$             | 3,783           |           |           | 3,783           | (17,302)         | (8,559)          | (20,278)        | (21,380)        | (67,519)         |
| Depreciation, amortization and depletion | R\$             | 10,003          |           |           | 10,003          | 8,441            | 8,861            | 9,451           | 10,456          | 37,209           |
| <b>EBITDA</b>                            | R\$             | <b>(3,680)</b>  |           |           | <b>(3,680)</b>  | <b>(17,050)</b>  | <b>(38,631)</b>  | <b>(11,819)</b> | <b>(58,702)</b> | <b>(126,202)</b> |
| Depreciation, amortization and depletion | R\$             | (10,003)        |           |           | (10,003)        | (8,441)          | (8,861)          | (9,451)         | (10,456)        | (37,209)         |
| <b>EBIT</b>                              | R\$             | <b>(13,683)</b> |           |           | <b>(13,683)</b> | <b>(25,491)</b>  | <b>(47,492)</b>  | <b>(21,270)</b> | <b>(69,158)</b> | <b>(163,411)</b> |
| Write-down of assets                     | R\$             |                 |           |           |                 |                  |                  | (198,395)       |                 | (198,395)        |
| Net financial result                     | R\$             | (12,019)        |           |           | (12,019)        | (1,376)          | 19,602           | (12,829)        | (7,492)         | (2,095)          |



|                          |     |                 |   |   |   |                 |                 |                 |                  |                 |                  |
|--------------------------|-----|-----------------|---|---|---|-----------------|-----------------|-----------------|------------------|-----------------|------------------|
| <b>Net income (loss)</b> | R\$ | <u>(25,702)</u> | - | - | - | <u>(25,702)</u> | <u>(26,867)</u> | <u>(27,890)</u> | <u>(232,494)</u> | <u>(76,650)</u> | <u>(363,901)</u> |
|--------------------------|-----|-----------------|---|---|---|-----------------|-----------------|-----------------|------------------|-----------------|------------------|

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**Table of Contents****8.18- Non ferrous minerals area PPSA (Adjusted and Unaudited)**

| Information                              | 2004            |               |    |    |               | 2003            |                |               |               |               |
|--|-----------------|---------------|----|----|---------------|-----------------|----------------|---------------|---------------|---------------|
|  | 1Q              | 2Q            | 3Q | 4Q | Total         | 1Q              | 2Q             | 3Q            | 4Q            | Total         |
| Quantity sold - external market          | ton (thousands) | 85            |    |    | 85            | 91              | 71             | 101           | 104           | 367           |
| Quantity sold - internal market          | ton (thousands) | 13            |    |    | 13            | 17              | 13             | 13            | 13            | 56            |
| <b>Quantity sold-total</b>               | ton (thousands) | <b>98</b>     |    |    | <b>98</b>     | <b>108</b>      | <b>84</b>      | <b>114</b>    | <b>117</b>    | <b>423</b>    |
| Average sales price - external market    | US\$            | 153.43        |    |    | 153.43        | 156.52          | 159.99         | 143.15        | 153.80        | 152.74        |
| Average sales price - internal market    | US\$            | 157.45        |    |    | 157.45        | 127.82          | 165.77         | 156.85        | 159.62        | 150.75        |
| <b>Average sales price-total</b>         | US\$            | <b>153.94</b> |    |    | <b>153.94</b> | <b>152.00</b>   | <b>160.88</b>  | <b>144.71</b> | <b>154.45</b> | <b>152.48</b> |
| Long-term indebtedness, gross            | US\$            | 38,666        |    |    | 38,666        | 77,302          | 71,865         | 44,040        | 44,158        | 44,158        |
| Short-term indebtedness, gross           | US\$            | 5,393         |    |    | 5,393         | 12,544          | 2,748          | 12,493        | 9,496         | 9,496         |
| <b>Total indebtedness, gross</b>         | US\$            | <b>44,059</b> |    |    | <b>44,059</b> | <b>89,846</b>   | <b>74,613</b>  | <b>56,533</b> | <b>53,654</b> | <b>53,654</b> |
| <b>Stockholders equity</b>               | R\$             | <b>97,208</b> |    |    | <b>97,208</b> | <b>(50,979)</b> | <b>(3,458)</b> | <b>82,088</b> | <b>90,261</b> | <b>90,261</b> |
| Net operating revenues                   | R\$             | 43,356        |    |    | 43,356        | 56,103          | 39,416         | 47,240        | 52,426        | 195,185       |
| Cost of products                         | R\$             | (26,747)      |    |    | (26,747)      | (27,146)        | (25,062)       | (32,772)      | (29,576)      | (114,556)     |
| Other expenses/revenues                  | R\$             | (6,053)       |    |    | (6,053)       | (9,573)         | (19,184)       | (8,511)       | (8,215)       | (45,483)      |
| Depreciation, amortization and depletion | R\$             | 3,544         |    |    | 3,544         | 3,040           | 3,051          | 3,063         | 4,727         | 13,881        |
| <b>EBITDA</b>                            | R\$             | <b>14,100</b> |    |    | <b>14,100</b> | <b>22,424</b>   | <b>(1,779)</b> | <b>9,020</b>  | <b>19,362</b> | <b>49,027</b> |

|  |     |                |   |   |   |                |                |                |                 |                |                 |
|--|-----|----------------|---|---|---|----------------|----------------|----------------|-----------------|----------------|-----------------|
| Depreciation,<br>amortization and<br>depletion                             | R\$ | <u>(3,544)</u> | - | - | - | <u>(3,544)</u> | <u>(3,040)</u> | <u>(3,051)</u> | <u>(3,063)</u>  | <u>(4,727)</u> | <u>(13,881)</u> |
| <b>EBIT</b>  | R\$ | <b>10,556</b>  |   |   |   | <b>10,556</b>  | <b>19,384</b>  | <b>(4,830)</b> | <b>5,957</b>    | <b>14,635</b>  | <b>35,146</b>   |
| Write-down of<br>assets  | R\$ | (22)           |   |   |   | (22)           |                |                |                 |                |                 |
| Net financial result   | R\$ | <u>(3,587)</u> | - | - | - | <u>(3,587)</u> | <u>15,425</u>  | <u>38,876</u>  | <u>(13,677)</u> | <u>(441)</u>   | <u>40,183</u>   |
| <b>Income<br/>(loss) before<br/>income tax and<br/>social contribution</b> | R\$ | <b>6,947</b>   |   |   |   | <b>6,947</b>   | <b>34,809</b>  | <b>34,046</b>  | <b>(7,720)</b>  | <b>14,194</b>  | <b>75,329</b>   |
| Income tax and<br>social contribution                                      | R\$ |                |   |   |   |                | <u>(3,047)</u> | <u>2,102</u>   |                 | <u>(6,029)</u> | <u>(6,974)</u>  |
| <b>Net income (loss)</b>   | R\$ | <b>6,947</b>   | - | - | - | <b>6,947</b>   | <b>31,762</b>  | <b>36,148</b>  | <b>(7,720)</b>  | <b>8,165</b>   | <b>68,355</b>   |

**Table of Contents****8.19- Others CAEMI (Adjusted and Unaudited)**

| Information                |                 |           | 2004          |    |    |    |               | 2003 |               |    |               |       |               |
|----------------------------|-----------------|-----------|---------------|----|----|----|---------------|------|---------------|----|---------------|-------|---------------|
|                            |                 |           | 1Q            | 2Q | 3Q | 4Q | Total         | 1Q   | 2Q            | 3Q | 4Q            | Total |               |
| <b>IRON ORE</b>            |                 |           |               |    |    |    |               |      |               |    |               |       |               |
| Quantity sold              | external market | ton (mil) | 7,855         |    |    |    | 7,855         |      | 8,099         |    | 8,597         |       | 16,696        |
| Quantity sold              | internal market | ton (mil) | 1,941         |    |    |    | 1,941         |      | 1,743         |    | 1,868         |       | 3,611         |
| <b>Quantity sold</b>       | <b>total</b>    | ton (mil) | <b>9,796</b>  |    |    |    | <b>9,796</b>  |      | <b>9,842</b>  |    | <b>10,465</b> |       | <b>20,307</b> |
| Average sales price        | external market | US\$      | 18.95         |    |    |    | 18.95         |      | 18.87         |    | 18.83         |       | 18.85         |
| Average sales price        | internal market | US\$      | 14.14         |    |    |    | 14.14         |      | 9.52          |    | 10.87         |       | 10.22         |
| <b>Average sales price</b> | <b>total</b>    | US\$      | <b>18.00</b>  |    |    |    | <b>18.00</b>  |      | <b>17.22</b>  |    | <b>17.41</b>  |       | <b>17.32</b>  |
| <b>BAUXITE</b>             |                 |           |               |    |    |    |               |      |               |    |               |       |               |
| Quantity sold              | external market | ton (mil) | 19            |    |    |    | 19            |      | 9             |    | 12            |       | 21            |
| Quantity sold              | internal market | ton (mil) | 1             |    |    |    | 1             |      | 5             |    | 13            |       | 19            |
| <b>Quantity sold</b>       | <b>total</b>    | ton (mil) | <b>20</b>     |    |    |    | <b>20</b>     |      | <b>14</b>     |    | <b>26</b>     |       | <b>40</b>     |
| Average sales price        | external market | US\$      | 156.00        |    |    |    | 156.00        |      | 185.19        |    | 160.65        |       | 170.81        |
| Average sales price        | internal market | US\$      | 158.00        |    |    |    | 158.00        |      | 139.84        |    | 163.38        |       | 153.00        |
| <b>Average sales price</b> | <b>total</b>    | US\$      | <b>156.10</b> |    |    |    | <b>156.10</b> |      | <b>165.07</b> |    | <b>160.88</b> |       | <b>162.35</b> |
| <b>KAOLIN</b>              |                 |           |               |    |    |    |               |      |               |    |               |       |               |
| Quantity sold              | external market | ton (mil) | 169           |    |    |    | 169           |      | 157           |    | 145           |       | 302           |
| Quantity sold              | internal market | ton (mil) | 18            |    |    |    | 18            |      | 18            |    | 18            |       | 36            |

|  |              |              |                  |   |   |   |                  |   |   |   |                |                |                |
|--|--------------|--------------|------------------|---|---|---|------------------|---|---|---|----------------|----------------|----------------|
| <b>Quantity sold</b>                           | <b>total</b> | ton<br>(mil) | <b>187</b>       | - | - | - | <b>187</b>       | - | - | - | <b>175</b>     | <b>163</b>     | <b>338</b>     |
| Average sales price<br>external market         |              | US\$         | 153.64           |   |   |   | 153.64           |   |   |   | 153.11         | 165.71         | 159.16         |
| Average sales price<br>internal market         |              | US\$         | 210.17           |   |   |   | 210.17           |   |   |   | 189.66         | 219.80         | 204.73         |
| <b>Average sales price<br/>total</b>           |              | US\$         | <b>159.08</b>    |   |   |   | <b>159.08</b>    |   |   |   | <b>156.62</b>  | <b>172.21</b>  | <b>164.14</b>  |
| <b>TRANSPORTATION<br/>SERVICES (*)</b>         |              |              |                  |   |   |   |                  |   |   |   |                |                |                |
| Quantity sold                                  | external     | ton<br>(mil) |                  |   |   |   |                  |   |   |   |                |                |                |
| Quantity sold                                  | internal     | ton<br>(mil) | 21,819           | - | - | - | 21,819           | - | - | - | 23,000         | 22,800         | 45,800         |
| <b>Quantity sold</b>                           | <b>total</b> | ton<br>(mil) | <b>21,819</b>    | - | - | - | <b>21,819</b>    | - | - | - | <b>23,000</b>  | <b>22,800</b>  | <b>45,800</b>  |
| Average sales price<br>external market         |              | US\$         |                  |   |   |   |                  |   |   |   |                |                |                |
| Average sales price<br>internal market         |              | US\$         | 5.29             |   |   |   | 5.29             |   |   |   | 5.40           | 5.30           | 5.35           |
| <b>Average sales price<br/>total</b>           |              | US\$         | <b>5.29</b>      |   |   |   | <b>5.29</b>      |   |   |   | <b>5.40</b>    | <b>5.30</b>    | <b>5.35</b>    |
| Long-term indebtedness,<br>gross               |              | US\$         | 264,849          |   |   |   | 264,849          |   |   |   | 286,613        | 268,817        | 268,817        |
| Short-term indebtedness,<br>gross              |              | US\$         | 17,506           | - | - | - | 17,506           | - | - | - | 5,162          | 11,380         | 11,380         |
| <b>Total indebtedness,<br/>gross</b>           |              | US\$         | <b>282,355</b>   | - | - | - | <b>282,355</b>   | - | - | - | <b>291,775</b> | <b>280,197</b> | <b>280,197</b> |
| <b>Stockholders equity</b>                     |              | R\$          | <b>1,093,177</b> | - | - | - | <b>1,093,177</b> | - | - | - | <b>868,500</b> | <b>984,591</b> | <b>984,591</b> |
| Net operating revenues                         |              | R\$          | 600,043          |   |   |   | 600,043          |   |   |   | 201,308        | 635,132        | 836,440        |
| Cost of products                               |              | R\$          | (329,881)        |   |   |   | (329,881)        |   |   |   | (106,571)      | (362,824)      | (469,395)      |
| Other expenses/revenues                        |              | R\$          | (59,277)         |   |   |   | (59,277)         |   |   |   | (27,076)       | (71,068)       | (98,144)       |
| Depreciation,<br>amortization and<br>depletion |              | R\$          | 44,969           | - | - | - | 44,969           | - | - | - | 12,903         | 43,831         | 56,734         |
| <b>EBITDA</b>                                  |              | R\$          | <b>255,854</b>   | - | - | - | <b>255,854</b>   | - | - | - | <b>80,564</b>  | <b>245,071</b> | <b>325,635</b> |

|   |     |                |                |               |                |                |
|---|-----|----------------|----------------|---------------|----------------|----------------|
| Depreciation,<br>amortization and<br>depletion                  | R\$ | (44,969)       | (44,969)       | (12,903)      | (43,831)       | (56,734)       |
| <b>EBIT</b>   | R\$ | <b>210,885</b> | <b>210,885</b> | <b>67,661</b> | <b>201,240</b> | <b>268,901</b> |
| Write-down of assets  | R\$ | 847            | 847            | 100           | (34,625)       | (34,525)       |
| Result of equity<br>investments                                 | R\$ | 4,709          | 4,709          | (4,570)       | 1,068          | (3,502)        |
| Amortization of<br>goodwill                                     | R\$ | (47)           | (47)           | (16)          | (47)           | (63)           |
| Nonoperating result   | R\$ | (20)           | (20)           | 9,126         | 10,588         | 19,714         |
| Net financial result  | R\$ | (19,576)       | (19,576)       | (13,839)      | (33,309)       | (47,148)       |
| <b>Income before income<br/>tax and social<br/>contribution</b> | R\$ | <b>196,798</b> | <b>196,798</b> | <b>58,462</b> | <b>144,915</b> | <b>203,377</b> |
| Income tax and social<br>contribution                           | R\$ | (67,048)       | (67,048)       | (17,126)      | (5,042)        | (22,168)       |
| Minority interest   | R\$ | (21,163)       | (21,163)       | (7,221)       | (22,910)       | (30,131)       |
| <b>Net income</b>   | R\$ | <b>108,587</b> | <b>108,587</b> | <b>34,115</b> | <b>116,963</b> | <b>151,078</b> |

(\*) **Railroad service 100% MRS**

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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 ended March 31, 2004 and 2003. This information is the responsibility of Company's 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 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 March 31, 2004 and 2003, 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\$ 5,761,571 thousand (2003 - R\$ 8,156,541 thousand) of these investments and R\$ 343,429 thousand (2003 - R\$ 418,620 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 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, 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 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.
- 6 The quarterly information also includes accounting information for the quarter ended December 31, 2003. We audited such information at the time it was prepared, in connection with the audit of the financial statements as of and for the year then ended, on which we issued an unqualified opinion dated February 20, 2004.

**Rio de Janeiro, May 7, 2004**

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

João Cesár de O. Lima Jr.  
Contador CRC 1RJ077431/O-8

Ronaldo Matos Valiño  
Contador CRC-RJ-069.958/O





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**10- Board of Directors, Fiscal Council, Advisory Committees and Executive Officers**

**Board of Directors**

Sérgio Ricardo Silva Rosa Chairman

Mário da Silveira Teixeira Júnior

Arlindo Magno de Oliveira

Cláudio Bernardo Guimarães de Moraes

Erik Persson

Francisco Valadares Póvoa

Jaques Wagner

Katsuto Momii

Oscar Augusto de Camargo Filho

Renato da Cruz Gomes

Ricardo Carvalho Giambroni

**Advisory Committees of the  
Board of Directors**

**Audit Committee**

Antonio José de Figueiredo Ferreira

Marcos Fábio Coutinho

Paulo Roberto Ferreira de Medeiros

Ricardo Wiering de Barros

**Executive Development Committee**

Arlindo Magno de Oliveira

Francisco Valadares Póvoa

João Moisés de Oliveira

Olga Loffredi

Oscar Augusto de Camargo Filho

**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  
Wanderlei Viçoso Fagundes

**Governance and Ethics Committee**

Renato da Cruz Gomes  
Ricardo Simonsen  
Ricardo Carvalho Giambroni

**Fiscal Council**

Pedro Carlos de Mello Chairman  
  
Marcelo Amaral Moraes  
  
Oswaldo Mário Rêgo de Amorim Azevedo  
  
Wilson Risolia Rodrigues

**Executive Officers**

Roger Agnelli  
**Chief Executive Officer**

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

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

Antonio Miguel Marques  
**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  
**Chief Officer of Control  
Department**

**CVRD**

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**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: May 17, 2004

COMPANHIA VALE DO RIO DOCE  
(Registrant)

By: /s/ Fabio de Oliveira Barbosa

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Fabio de Oliveira Barbosa  
Chief Financial Officer