

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

VALLEY OF THE RIO DOCE CO  
Form 6-K  
November 19, 2002

United States  
Securities and Exchange Commission  
Washington, D.C. 20549

FORM 6-K

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

For the month of

November 2002

Valley of the Doce River Company  
(Translation of Registrant's name in English)

Avenida Graca 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 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-\_\_\_.)

Companhia Vale do Rio Doce

TABLE OF CONTENTS

This Form 6-K contains the following:

Sequential  
Page

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Item ----	Number -----
1. Press Release titled "Performance of Companhia Vale do Rio Doce in the Third Quarter Performance in 2002; BR GAAP" dated November 13, 2002.....	1
2. Third Quarterly Financial Statements; BR GAAP.....	23

BR GAAP

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

[www.cvrd.com.br](http://www.cvrd.com.br)

CVRD  
Investor Relations

Roberto Castelio Branco  
Andreia Reis  
Barbara Geluda  
Daniela Tinoco  
Eduardo Mello Franco  
Rafael Azevedo  
Tel. (5521) 3814-4540  
[rio@cvrd.com.br](mailto:rio@cvrd.com.br)

Companhia  
Vale do Rio Doce

PRESS RELEASE 3Q02

PERFORMANCE OF COMPANHIA VALE DO RIO DOCE IN THE THIRD QUARTER OF 2002

THE FINANCIAL AND OPERATIONAL INFORMATION CONTAINED IN THIS PRESS RELEASE, EXCEPT OTHERWISE INDICATED, REFERS TO THE PARENT COMPANY AND WAS CALCULATED IN ACCORDANCE WITH GENERALLY ACCEPTED BRAZILIAN ACCOUNTING PRINCIPLES (BRAZILIAN GAAP). FROM THE FIRST QUARTER OF 2003, THE COMPANY WILL BE PUBLISHING QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS IN BRAZILIAN GAAP.

Rio de Janeiro, November 13, 2002 - Companhia Vale do Rio Doce (CVRD) has reported accumulated net earnings of R\$ 502 million in the first nine months of the year, compared to R\$ 2.412 billion in the same period a year earlier. In the third quarter of 2002 (3Q02), CVRD reported a loss of R\$ 216 million, corresponding to R\$ 0.56 per share.

The depreciation of the Real against the US dollar (USD) was the main factor behind this quarterly result, once the negative monetary variation from exchange rate losses totalled R\$ 2.122 billion and were not compensated for by an improvement in the Company's operating results.

The rate of exchange on the last day of 3Q02, used for the calculation of monetary variation, was R\$ 3.8949 per USD, a difference of 36.9% relative to the rate recorded on the last day of 2Q02, of R\$ 2.8444 per USD. The average daily

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

exchange rate in 3Q02, which impacts CVRD's cash flow and operating result, was R\$ 3,1227 per USD, a difference of 25% compared to the previous quarter, of R\$ 2,4408 per USD.

CVRD's cash flow is positively correlated to the appreciation in the USD against the Real, due to the asymmetry between revenues and expenses in regard to currency composition. For example, in 3Q02 about 81% of the Company's gross revenues were US dollar-linked while 85% of the cost of goods sold (COGS) was denominated in Reais.

The Board of Directors of CVRD has approved the payment of interest on shareholders equity of R\$ 2.68 per share, totalling R\$ 1.029 billion, which will be paid out from December 10th, 2002. Therefore, in this year CVRD will have distributed to its shareholders R\$ 4.985 per share, totalling R\$ 1.915 billion, taking into account the amount of R\$ 2.305 per share paid from April 30th, 2002. The average dividend yield in USD of CVRD's shares in the period 1997/2001 was 6.5%, 120 basis point higher than the average yield of the 10-year US Treasury Bond. 2002 dividend yield is estimated to be approximately the same number.

1

2

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

BR GAAP 3Q02

Gross operating revenues in 3Q02 amounted to R\$ 2.340 billion, up by 27% qoq, while gross margin was 54.5%. Revenues for the first nine months of the year amounted to R\$ 5.784 billion, 20.3% higher than the same period in 2001.

Cash generation as measured by EBITDA (earnings before interest, tax, depreciation and amortization) amounted to R\$ 1.205 billion in 3Q02, 22.2% higher than in 3Q01 and 39.5% higher than the previous quarter. EBITDA margin, in other words, the ratio between EBITDA and net revenues, came to 53.3% in 3Q02. This percentage is the highest in 2002 and higher than the average of 49.0% for the 19 quarters between 1Q98 and 3Q02.

The volume shipped of iron ore and pellets, of 36.925 million tons, is a new quarterly record beating the previous record achieved in 2Q02 by 595,000 tons. Total volume for the first nine months of the year amounted to 106.918 million tons, compared to 96.133 million tons in the same period of the previous year.

By the same token, general cargo transportation (cargo other than iron ore and pellets) set another new record, with CVRD railroads (Carajas and Vitoria a Minas) handling 3.89 billion net ton kilometres (ntk). This performance began to reflect focus on maximising the use of transportation assets, which is being achieved through the offering of new services, such as scheduled trains, the exploitation of intermodal connections and greater integration between CVRD's own assets.

Capital expenditures by the Parent Company totalled US\$ 155.5 million in 3Q02 and US\$ 528.6 million in the first nine months of the year.

CVRD's gross consolidated revenue, calculated according to Brazilian GAAP, amounted to R\$ 10.756 billion in the period January to September 2002, equivalent to US\$ 4.015 billion. CVRD's consolidated exports totalled US\$ 2.304 billion, representing 5.3% of Brazil's entire export revenue in this period. CVRD's net exports (exports less imports) amounted to US\$ 2.139 billion,

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

therefore making an important contribution to Brazil's current trade surplus of US\$ 7.856 billion in the first nine month of 2002. The Company's investment program in new mining and metals projects and the expansion of existing projects, allows the Company to look forward to growth in exports over the next few years.

Revenue generated by foreign-based subsidiaries and affiliates amounted to US\$ 741 million, accounting for 18.5% of consolidated gross revenues.

### RELEVANT EVENTS

#### CORPORATE GOVERNANCE

Continuing the implementation of the Corporate Governance model announced in October 2001, which is based on the principles of transparency in the decision-making process and the definition of clear roles and responsibilities, CVRD has been developing new initiatives designed to improve corporate governance practices. These efforts seek to emphasize the transparency of information and the protection of investors' rights.

At the end of July 2002, the Company announced its DISCLOSURE POLICY, in accordance with the best investor relations practices, with the main aim of presenting a global and simultaneous spread of information to capital markets and minimising the risk of an information imbalance.

Today, the Company is releasing three important documents.

1. DIVIDEND POLICY, which has two basic objectives: (a) increase predictability in the distribution of dividends and/or interest on shareholders equity; (b) increase the correlation between the remuneration to shareholders and free cash flow performance, linking this policy more closely to the Company's financial management. The reduction in uncertainty is to be achieved by the announcement, until January 31 of each year, of a minimum amount per share, denominated in USD, to be paid to shareholders in April and October. Thus the distribution periodicity will be known and

3

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

the exchange rate risk for investors not resident in Brazil will be eliminated, an innovative and a pioneering move by CVRD in shareholder remuneration policy in Latin America.

2. SECURITIES TRADING POLICY, which specifies the occasions when, and the mechanisms through which the Company's executives can trade securities issued by CVRD and its subsidiaries, seeking to minimize the possible use of privileged information for personal benefit.
3. CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT FOR MEMBERS OF THE FINANCIAL AREA, which defines a code of conduct of the highest ethical standards for the professionals in this area of the Company, who in their business activities deal with privileged information and large sized financial transactions.

### RISK MANAGEMENT

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

The Board of directors of CVRD approved prudential rules for financial investments (cash management) and commercial risk management criteria.

### DIVESTITURES

The sale of the assets of Florestas Rio Doce was completed for R\$ 195.3 million, resulting in a capital gain of R\$ 111 million. This transaction concludes the divestiture of CVRD's pulp and paper assets, as determined by its strategic directives. The forestry assets of Celmar are likely to be used in projects linked to the mining and metals businesses, which are currently under analysis.

### SHAREHOLDERS DEBENTURES

On October 4, 2002 the CVM (the Brazilian Securities Commission) authorised the registry with the SND - Sistema Nacional de Debentures (the National Debenture System), of Shareholders Debentures that were issued by CVRD at the time of its privatization in 1997 as a way of guaranteeing to all its shareholders prior to privatization, including the Brazilian government, the right to participate in the net revenues derived from the exploration of specific mineral deposits of the Company and some of its subsidiaries. From October 28th, 2002, the trading of these notes was authorised by the SND. More detailed information on these debentures can be found on CVRD's website ([www.cvr.com.br](http://www.cvr.com.br)), Investor Relations section under Shareholders Information, Debentures.

### PUBLIC OFFERING FOR THE PURCHASE OF SHARES IN COMPANHIA PAULISTA DE FERRO LIGAS

On November 26, 2002 at 1.30 p.m. on Bovespa - Sao Paulo Stock Exchange, an auction will be held to repurchase shares of Companhia Paulista de Ferro Ligas, a ferro-alloys company controlled by CVRD. The purpose of this transaction is to acquire the remaining 6% of the capital still owned by minority shareholders, and subsequently delist the company. The price of the offer is R\$ 15.80 per share, corrected by the variation in the TR index (reference rate) calculated pro rata die, from September 2nd, 2002 to the date of settlement of the auction held on Bovespa. The price set incorporates a 45.5% premium to the average trading price of the shares over the thirty trading days prior to the price being set and a premium of 7.9% over the book value of the shares as at June 30th, 2002.

### THE SHORT TERM OUTLOOK

Recent statistics reveal that the global economy is recovering much more slowly than had been expected at the beginning of the year. Probably 2003 will be the third year running of growth below the long term trend in the global economy, which has progressed over the past three decades at an average annual rate of 3.5%. This is due, in large part, to the absence of an engine to lead global economic expansion.

This role was played in the latter half of the nineties by the United States, responsible for 40% of global economic growth in this period. Despite the fact that US GDP grew by 3.1% in 3Q02, the outlook is not good. A substantial part of this expansion in 3Q02 was explained by a rise in vehicle purchases,

4

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

stimulated by aggressive incentive policies, and leading indicators of economic

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

activity have been suggesting a slowdown in the growth rate. This situation has led the Federal Reserve Bank to cut the short term interest rate by 50 basis points to 1.25% per year, the lowest rate in nominal terms since 1961.

In the Eurozone, economic growth has been extremely modest and future expectations are pessimistic. Recently, the IMF revised its predictions for GDP growth in the region to 0.75% in 2002 and 2% in 2003. In Japan, the recovery driven by external demand has lost steam. The behaviour of leading indicators suggest that the fragile Japanese recovery has already reached its peak and a return to recession has become increasingly probable.

China appears as an oasis of prosperity in this low expansion environment. Export growth, investment in infrastructure and foreign direct investment are fuelling GDP growth of 8% a year in that country. One of the consequences of the rapid growth in China is its economy's increasing influence on mining and metals markets, such as iron ore, steel, alumina, copper, and aluminum.

Global steel production is rising at growing rates this year. In the first nine months of 2002, steel output was up by 5.1% in relation to the same period in 2001, and September showed an increase of 8.5% on the same month in the previous year.

The current dynamism in the steel market has therefore been not only directly affected by China, whose steel production is expanding at 25% a year, but also indirectly by growth in its imports, which amounted to 17.2 million tons between January and September, and are mainly supplied by Japan.

The International Institute for Steel and Iron (IISI) projects a 4.2% growth in the steel global demand in 2002 and 4.9% in 2003, based mainly in the strong Chinese demand expansion.

At the same time, there was a substantial recovery in the price of steel products, the CRUspi index showing a variation of 35.6% between December 2001 and the end of October this year. Usually, the steel prices recovery cycle takes from 15 to 18 months.

The pace in the seaborne demand for iron ore and pellets has seen an upturn, with an expected increase of 20 million tons for 2002 for a forecast total of 470 million tons. The Company expects a continuation of this strong demand and that the seaborne market will reach 490 million tons in 2003.

Chinese imports in the period January to September rose 23.8% in relation to 2001, rising from 67.1 million tons to 83.1 million tons. It is very probable that the estimate of 110 million tons for 2002 will be met. In the first nine months of the year, CVRD's market share in China was 16%. Japan, the world's largest importer of iron ore, purchased 95.7 million tons in the first nine months of the year, compared to 94.8 million in 2001.

The rise in the cost of maritime freight, also widening the freight spreads for iron ore shipped from Brazil to China, and that shipped from Australia to China, by some US\$ 2.50 per ton, in large part reflected the strong Chinese demand for iron ore. In the iron ore upcycle freight spreads tend to widen, and vice-versa.

The growing sophistication in Chinese steel plants, seeking to mix their domestic ore which has a low iron content and a high level of impurities with high quality ore, is favouring, and should continue to favour CVRD, a high quality ore supplier. The difference in quality represents an important compensating factor in offsetting the competitive disadvantage of geographical distance.

In the case of aluminum, despite the recovery in demand, there has been excessive growth in global supply. This is because various aluminum smelters,

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

which were shut down during the power crisis on the West Coast of the United States, have re-started operations causing a build-up in stock levels and keeping prices relatively low.

Furthermore, the global production capacity of primary aluminium is likely to increase by approximately 2.5 million tons between 2003 and 2005, which will probably prevent any vigorous price recovery, possibly forcing the closure of smelters with a high cost of production. In this context, Albras, one of the lowest cost producers in the world, should continue to obtain good profit margins.

5

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

Alumina, CVRD's strategic focus in this segment, is likely to benefit from expected growth in Chinese imports and the expansion in production capacity of primary aluminum by companies who do not have sufficient domestic supplies of this raw material. In January 2003, Alunorte's stage 3 should begin to operate, increasing its annual nominal production capacity to 2.4 million tons. Alunorte nominal production capacity can be expanded up to 6.1 million tons of alumina per year.

### SALES VOLUME AND REVENUES

Shipments of iron ore and pellets in 3Q02 reached a record level of 36.925 million tons, surpassing the previous record achieved in 2Q02 of 36.330 million tons. Sales in 3Q02 were up 6.2% qoq. In the nine months ended on September, sales amounted to 106.918 million tons, up 11.2% compared to the same period in 2001.

Sales of iron ore fines were responsible for 77.7% of shipments in 3Q02, lumps accounting for 10.8% and pellets, 11.5%. In a similar vein to that which occurred in 2Q02, pellet sales saw the highest growth, up 5.3% QoQ, compared to growth in iron ore sales of 1.2%. This trend is reflecting the recovery in demand for pellets, influenced by the rise in steel prices.

CVRD purchased 2.749 million tons of pellets for resale to customers from the pellet joint ventures (Nibrasco, Itabrasco, Kobrasco and Hispanobras) compared to 3.049 million in 2Q02. In the first nine months of the year, CVRD purchased 7.568 million tons of pellets from the joint ventures for resale to its clients, very close to the volume purchased in the same period in 2001, 7.553 million tons.

Sales of iron ore to China amounted to 13.6 million tons for the first nine months of 2002 up 18.3% on the same period in 2001. In 2002, China became CVRD's second largest iron ore market, accounting for 13% of the total, being only surpassed by the Brazilian domestic market with a 15% share.

Sales to Europe, which accounted for some 30% of total shipments, have grown considerably in relation to last year, up by 34.4%. This is explained principally by the increase in shipments to Germany and Eastern European countries.

### SALES OF IRON ORE AND PELLETS - PARENT COMPANY

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Iron Ore and Pellets	30,175	31,189	34,769	33,815	33,663
Iron Ore	26,546	27,038	30,996	29,983	30,379
Fines	23,512	24,226	27,617	26,044	27,016
Lump	3,034	2,812	3,379	3,939	3,363
Pellets	3,629	4,151	3,773	3,832	3,284

Railroad general cargo transportation also reached record levels in 3Q02, with the shipment of 3.89 billion net ton kilometres (ntk). This amount is 6.4% and 16.5% higher than 2Q02 and 3Q01 figures, respectively. In addition to general cargo, the Vitoria a Minas Railroad (EFVM) transported 1.587 million tons of iron ore for third parties, compared to 1.401 million in 2Q02..

GENERAL CARGO RAILROAD TRANSPORTATION

	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02
EF Vitoria a Minas	2,643	2,890	2,844	2,791	2,737	2,844
EF Carajas	356	543	494	423	664	844
TOTAL	2,999	3,433	3,338	3,214	3,401	3,688

CVRD's ports handled 5.83 million tons of general cargo in 3Q02 compared to 6.06 million tons in the previous quarter.

6

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

Railroad productivity indicators showed improvement in the quarter. EFVM transported 0.96 million ntk per locomotive in service, per day, compared to 0.95 million in 2Q02, while on the Carajas Railroad (EFC) this index remained constant at 1.91 million ntk. The fleet of waggons was more intensively used for general cargo on both railroad networks. EFVM transported 5,540 ntk per waggon in service per day in 3Q02 compared to 4,810 in 2Q02 and EFC, 16,340 ntk compared to 15,960 in 2Q02.

Gold sales fell sharply due to the closure of the Igarape Bahia mine at the end of the last quarter. CVRD, therefore, shipped only 63.5 troy ounces of gold in 3Q02 compared to 111.9 in 2Q02.

Potash sales were up 16.1% in relation to the previous quarter, totalling 223,000 tons. The Taquari-Vassouras mine is operating at full capacity and all production for the year has already been reserved, the result of the strong growth in production in Brazil's agricultural segment.

SALES OF LOGISTICS SERVICES, GOLD AND POTASH - PARENT COMPANY



## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02	2Q 02
Gold (troy ounces )	108,253	114,780	144,295	141,444	115,455	111,444
Potash	133	151	124	95	113	113
Logistics	25,966	24,613	21,306	20,204	18,775	21,306
Railroads	16,611	16,042	14,078	13,640	13,258	14,078
Ports	9,355	8,571	7,228	6,564	5,517	7,228

Gross operating revenues amounted to R\$ 2.340 billion in 3Q02, of which 81% is denominated in USD. The export market accounted for 62.2% of sales revenues. Overseas, the main markets were Europe, accounting for 25.0% of revenue generated, China 8.5% and Japan 7.8%.

Iron ore accounted for 62% of total revenues, pellets 18%, railroad transportation 10.3% and potash 3.5%.

CVRD has stakes in two hydro-electric plants under operation: Igarapava (38.15%), with installed capacity of 210 MW, and Porto Estrela (33.33%), with installed capacity of 112 MW, both located in the state of Minas Gerais. CVRD's take in Igarapava is dedicated to supply the energy needs of the Southern System, contributing to cost reductions, while the energy produced by Porto Estrela is sold in the market. In the first nine months of 2002, revenues derived from energy sales amounted to R\$ 9 million.

### GROSS REVENUES BY PRODUCT - PARENT COMPANY

	3Q01	%	2Q 02	%	3Q02
Iron Ore	1,117	60.8%	1,117	60.6%	1,452
Pellets	307	16.7%	290	15.7%	422
Gold	103	5.6%	89	4.8%	63
Railroads	195	10.6%	204	11.1%	240
Ports	61	3.3%	67	3.6%	73
Potash	44	2.4%	62	3.4%	81
Others	11	0.6%	13	0.7%	10
<b>TOTAL</b>	<b>1,838</b>	<b>100.0%</b>	<b>1,842</b>	<b>100.0%</b>	<b>2,341</b>

7

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

### GROSS REVENUES BY DESTINATION - PARENT COMPANY

	3Q01	%	2Q02	%	3Q02
<b>FOREIGN MARKET</b>					
Latin America	51	2.8%	67	3.6%	101
United States	151	8.2%	92	5.0%	118
Europe	360	19.6%	498	27.0%	584
Middle East	94	5.1%	69	3.7%	124
Japan	156	8.5%	150	8.1%	183

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

China	215	11.7%	189	10.3%	199
Asia. except Japan and China	102	5.5%	67	3.6%	147
DOMESTIC MARKET	709	38.6%	711	38.6%	884
TOTAL	1,838	100.0%	1,843	100.0%	2.340

### EXCHANGE RATE VOLATILITY GENERATES QUARTERLY LOSS

The effect of the depreciation of the Real against the US dollar on CVRD's net liabilities denominated in foreign currency was the determining factor in causing the loss of R\$ 216 million in 3Q02, as negative monetary variation amounted to R\$ 2.122 billion.

Compared with 2Q02, net operating revenues were up by R\$ 497 million, results of investment participation grew by R\$ 75 million and the sale of the assets of Florestas Rio Doce resulted in capital gain of R\$ 111 million, all these factors helped to offset the negative effect of monetary variation.

In the quarter, results of investment participation amounted to R\$ 482 million. The results of investment participation is composed by gain on equity income, amortization goodwill, provisions for losses and dividends received from affiliates and subsidiaries accounted as cost. Main contributions for the positive result of investment participation appeared in the equity income result, from subsidiaries and affiliates in the iron ore and pellet businesses (R\$ 791 million), steel (R\$ 133 million) and manganese and ferro-alloys (R\$ 77 million). The aluminum area contributed with a negative equity income result of R\$ 321 million, due to the impact of exchange rate devaluation on the foreign currency denominated debt of Albras and Alunorte.

Loss provisions were made for investments in subsidiaries and affiliates in the amount of R\$ 377 million, made necessary by the negative net worth of these companies. Most of the provisions were made for investments in Albras (R\$ 107 million), PPSA (R\$ 53 million) - whose net worth turned negative as a result of exchange rate losses - and FCA and MRS (R\$ 138 million).

### RESULTS OF EQUITY INVESTMENTS - BY BUSINESS AREA

BUSINESS AREA	3Q 01	2Q 02	million R\$
			3Q 02
Ferrous Minerals			
Iron Ore and Pellets	17	528	791
Manganese and Ferro-Alloys	84	6	77
Non-Ferrous Minerals	(178)	(41)	(52)
Logistics	(364)	(57)	(153)
Steel	57	58	133
Aluminum	(125)	(127)	(321)
Others	16	-	7
TOTAL	(569)	407	482

The cost of goods sold (COGS) increased by R\$ 56 million compared to 2Q02, due to the increase of R\$ 24 million spent on outsourced services, an increase of R\$ 19 million on diesel fuel and gas and R\$ 18

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

million on materials. These costs increases are associated with the Company's restructuring and the growth in its logistics and mining activities.

### COST OF GOODS SOLD

	3Q 01	%	2Q 02	%	3Q 0
Personnel	127	14.6%	131	13.5%	13
Materials	109	12.6%	116	11.9%	13
Fuel	87	10.0%	91	9.4%	11
Electrical Energy	31	3.6%	30	3.1%	3
Outsourced Services	122	14.1%	119	12.2%	14
Acquisition of Products	202	23.3%	250	25.7%	25
Depreciation and Depletion	133	15.3%	164	16.9%	15
Others	56	6.5%	71	7.3%	5
<b>TOTAL</b>	<b>867</b>	<b>100.0%</b>	<b>972</b>	<b>100.0%</b>	<b>1,02</b>

Operational expenses were up by R\$ 74 million QoQ, due to an increase under the other operational expenses line, which rose from R\$ 77 million to R\$ 130 million. The main items of other operational expenses were: provisions for contingencies (R\$ 62 million), provisions for profit sharing plan (R\$ 37 million), provisions for losses with credits against Eletrobras (R\$ 29 million) and provision for a special pension plan (R\$ 20 million).

The amount spent on research and development rose by R\$ 16 million, while administrative expenses were down R\$ 5 million.

The financial result worsen in 3Q02, from minus R\$ 148 million in 2Q02 to minus R\$ 491 million. Contributed to this deterioration the increase of R\$ 111 million with losses with derivatives and of R\$ 156 million in financial expenses with related parties.

CVRD uses derivatives operations to set the levels of interest taxes of its liabilities contracted with floating exchange rates and also to hedge against gold prices fluctuations, which are registered marked to market. The decrease of the Libor was the main driver of the losses with derivatives in this quarter.

On March 2001, CVRD transferred its 10.33% ownership in CSN's capital, equivalent to R\$ 520 million, to Valia, its employees pension fund, cancelling actuarial deficit existent on that time. The contract celebrated between CVRD and Valia guaranteed to the pension fund minimum return on CSN shares equal to the variation of the General Index of Price - Internal Availability (IGP-DI), plus 6% of interest per year. As this condition was not satisfied, CVRD made in this quarter a provision of R\$ 140 million, classified as financial expense with related parties. Such provision can appear again in future quarters if the profitability of CSN shares on BOVESPA (Sao Paulo Stock Exchange) are lower than the minimum assured by CVRD to Valia in the contract.

### EBITDA PERFORMANCE

EBITDA generated in 3Q02 was of R\$ 1.205 billion, 39.5% higher than 2Q02 and 22.2% higher than 3Q01. EBITDA accumulated in the first nine months of the year was R\$ 2.797 billion, 14.2% higher than the one obtained in the same period of last year.

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

The strong EBITDA growth in the quarter was caused by the increase of R\$ 497 million in net operating revenues, determined by the increase of iron ore and pellets sales volumes and by the depreciation of the Real. EBITDA margin was 53.3%, the third highest quarterly margin since the privatization of the Company.

9

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

The adjustment for non cash items was R\$ 82 million, composed basically by provisions for contingencies (R\$ 62 million), for special retirement plan (R\$ 20 million), for credits against Eletrobras (R\$ 29 million) and a reversion of provision for losses on investments (R\$ (21) million).

### EBITDA COMPOSITION

	million R\$ 3Q 02
Net Revenues	2.259
Cost of Goods Sold	(1.028)
Selling Expenses	(44)
General & Administrative Expenses	(91)
Research & Development Expenses	(47)
Other Operating Revenues / Expenses	(130)
Adjustment for Exceptional Non-Cash Items	82
Depreciation, Depletion and Amortization	174
Dividends Received	30
EBITDA	1.205

### DIVIDENDS RECEIVED

	million R\$ 3Q 02
Hispanobras	1
MSG	2
Aluvale	22
Fosfertil	5
TOTAL	30

### INVESTMENTS

In the third quarter of 2002, CVRD carried out investment of US\$ 155.5 million, bringing the accumulated total for the first nine months of the year to US\$ 528.6 million. This amount includes disbursements for the acquisition of total control of the Salobo Copper Project (US\$ 50.4 million)

Bearing in mind that the Company has an extensive range of projects in its main business areas, which are scheduled to enter into operation between 2003 and 2007, and will require capital expenses of an estimated US\$ 6 billion, more than 50% of the amount invested in 3Q02, US\$85.2 million, was allocated to greenfield and brownfield capacity expansion.

Of this sum, US\$ 28 million was directed to the ferrous minerals, the main investments being in the infrastructure needed for the good functioning of the new pellet plant at Sao Luis (US\$ 16.5 million), and the last steps in the enlarging of iron ore production capacity in the Northern System to 56 million

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

tons. This includes construction of Pier III at Ponta da Madeira and the construction and enlargement of the iron ore stock yards, which in 3Q02 received investment of US\$ 5.7 million and US\$ 1.8 million, respectively.

The Sossego and Salobo copper projects were responsible for investment of some US\$ 28 million. Work on the Sossego project began in April 2002 and is progressing according to schedule. The current phase of copper's economic cycle, with relatively low prices and little expansion in capacity, contributed to reducing the costs of developing Sossego. At the same time, the depreciation in real terms of the Brazilian currency, has helped further to reduce the US dollar cost of this investment, given that only 25% of the capital expenditure planned is actually denominated in US dollars. Therefore, these two factors could reduce the amount spent on the project, compared with the initial budget of US\$ 384 million.

10

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

In the non-ferrous segment, US\$ 2.6 million was invested in enlarging the production capacity of the Taquari-Vassouras potash mine. New capacity of 850,000 tons a year is scheduled to come on stream in the middle of 2005.

Our hydroelectric generation projects have required investment of US\$ 17.5 million in the quarter. Most of this was dedicated to the building of the hydro-electric plants at Aimores (US\$ 8.4 million), Funil (US\$ 5.2 million) and Candonga (US\$ 2.5 million). The Funil plant, located in the state of Minas Gerais, which has an installed capacity of 180 MW, is programmed to start up in December 2002.

US\$ 8.5 million was invested in the logistics segment, mainly in the purchase of locomotives and the enlarging of capacity to handle general cargo in the Southern System.

Maintenance costs for existing operations in 3Q02 amounted to US\$ 40.6 million.

The Company invested US\$ 9.5 million in mineral exploration, continuing its prospecting for new deposits of copper, nickel, gold, platinum and zinc, among others. In addition to this, US\$ 2.7 million was spent on information technology and US\$ 1.1 million on environmental protection measures.

### CAPITAL EXPENDITURES - 3Q02

BY BUSINESS AREA	US\$ MILLION	%	BY CATEGORY	US\$ MILLION
Ferrous minerals	68.9	44.3%	Capital injections	14.9
Logistics	24.5	15.8%	Maintenance	40.6
Non-ferrous minerals	40.6	26.1%	Projects	85.2
Energy	17.8	11.5%	Mineral exploration	9.5
Others	3.6	2.3%	Environment	1.1
			Information technology	2.7
			Technological research	1.6
<b>TOTAL</b>	<b>155.5</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>155.5</b>

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

### CAPITAL EXPENDITURES - 9M 02

BY BUSINESS AREA	US\$ MILLION	%	BY CATEGORY	US\$ MILLION
Ferrous minerals	265.1	50.2%	Capital injections	25.8
Logistics	63.3	12.0%	Maintenance	130.3
Non-ferrous minerals	71.3	13.5%	Projects	281.0
Energy	68.0	12.9%	Mineral exploration	22.7
Others	10.4	2.0%	Environment	4.7
TOTAL	478.2	90.5%	Information technology	9.2
Acquisitions	50.4	9.5%	Technological research	4.6
TOTAL	528.6	100.0%	TOTAL	478.2
			Acquisitions	50.4
			TOTAL	528.6

### MINERAL EXPLORATION AND TECHNOLOGY

In 2002, CVRD's mineral exploration and technology activities underwent reorganization, coming under control of the Department for the Development of Mineral Projects. This department aims to develop new businesses and projects for the Company, with a view to its long term growth.

11

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

CVRD's mineral exploitation program is distributed into three main areas: Carajas, other regions in Brazil and abroad. Investment in the first nine months of 2002 amounted to US\$ 38 million, including a tranche of US\$ 15 million from the BNDES, referring to the Mineral Risk Contract.

This exploration program gives priority to the mineral province of Carajas, where 75% of efforts are concentrated, the main focus being the development of the copper projects (Sossego, 118, Cristalino, Alemao and Salobo), as well as the identification of new deposits of copper and gold. Investment is also being made in the Niquel do Vermelho project, which is in the pre-feasibility stage, with tests ongoing in a pilot plant and actions designed to minimize risk. Additionally, prospecting programs are ongoing in the search for nickel, and platinum group metals (PGMs), all still in their initial stages.

In terms of mineral exploration outside Brazil, the initial focus is the copper-bearing province of Cordilheira dos Andes, with opportunities being looked at in Argentina, Chile, Peru and Equador. In this context, CVRD and Antofagasta Plc, one of the main copper producers in Chile, have formed a joint venture company, Cordillera de las Minas S.A., whose aim is to carry out mineral prospecting and extraction in the south of Peru, near Cuzco. The area of interest covers an approximate total of 60,000 square kilometres. Other significant mining enterprises are located in this region and there is a great potential for rich mineral deposits.

12

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

# Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

## SELECTED FINANCIAL INDICATORS

	3Q 01	2Q 02
Gross Revenues	1,839	1,843
Gross Margin (%)	51.2	44.8
Net Income	1,206	85
Net Income per Share (R\$)	3.14	0.22
EBITDA	986	864
EBITDA Margin (%)	55.5	49.0
ROE annualized (%)	43.2	11.8
Investments (US\$ million) *	158	165
* acquisitions not included		

## FINANCIAL STATEMENT

	3Q 01	2Q 02
Gross Operating Revenues	1,839	1,843
Value Added Tax	(61)	(81)
NET OPERATING REVENUES	1,778	1,762
Cost of Goods Sold	(867)	(972)
GROSS INCOME	911	790
Gross Margin (%)	51.2	44.8
RESULT OF INVESTMENT PARTICIPATION	(569)	407
Equity Income	(5)	626
Goodwill Amortization	(295)	(104)
Provision for Losses	(269)	(115)
Others	-	-
OPERATING EXPENSES	(400)	(238)
Selling	(32)	(35)
General & Administrative	(90)	(95)
Research and Development	(30)	(31)
Others	(248)	(77)
FINANCIAL RESULTS	(686)	(1,146)
Financial Expenses	(239)	(186)
Financial Revenues	24	38
Monetary Variation	(471)	(998)
OPERATING INCOME	(744)	(187)
Discontinued Operations	1,473	-
Income Taxes	477	272
NET INCOME	1,206	85
NET INCOME PER SHARE (R\$)	3.14	0.22

13

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

## EQUITY INCOME

COMPANY/PARTICIPATION	%	3Q 01	2Q 02
DOCENAVE	100.00	(79)	34

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

ALUVALE	94.74	(121)	(133)
FLORESTAS	99.85	4	2
RDE	99.80	72	220
ITACO	99.99	263	486
RDI	100.00	2	-
URUCUM	100.00	6	13
TERM, VILA VELHA	99.89	2	-
NORPEL	99.90	(1)	1
PARA PIGMENTOS	75.50	-	(5)
SAMITRI	100.00	(31)	-
SIBRA	99.23	6	23
FERTECO	100.00	(107)	19
BELEM	99.99	-	(2)
MSE	99.99	-	1
KSG	99.99	-	1
BRASAMERICAN LIMITED	99.70	-	7
BRASILUX	100.00	-	20
TOTAL FROM SUBSIDIARIES		16	687
MSG	51.00	3	2
CST	22.85	-	(29)
NIBRASCO	51.00	(18)	3
FOSFERTIL	11.12	4	1
HISPANOBRAS	50.89	5	1
ITABRASCO	50.90	2	3
NOVA ERA SILICON	49.00	-	-
USIMINAS	11.46	-	(26)
KOBRASCO	50.00	(16)	(9)
FERROBAN	3.75	(1)	-
SAMARCO	50.00	-	(10)
BAOVALE	50.00	-	3
TOTAL FROM AFFILIATES		(21)	(61)
ELETROBRAS ADJUST			
TOTAL FROM EQUITY INCOME		(5)	626

14

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

COMPANY/PARTICIPATION	%	3Q 01	2
PROVISION FOR LOSSES			
VALEPONTOCOM	100.00	-	
KOBRASCO	50.00	(19)	
CIA.FERROV.NORDESTE	32.40	(33)	
DOCEPAR	100.00	(5)	
FCA	45.65	(108)	
PARA PIGMENTOS	75.50	(104)	
MRS	17.26	-	
FERROBAN	3.75	-	
ALBRAS	51.00	-	
SEPETIBA TECON	50.00	-	
TOTAL FROM PROVISION FOR LOSSES		(269)	



Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

GOODWILL AMORTIZATION		
FCA	45.65	(138)
GIIC (GULF)	50.00	(60)
PARA PIGMENTOS	75.50	(75)
CPFL	93.60	-
SIBRA	99.23	(20)
USIMINAS	11.46	(2)
CAEMI	16.86	-
BELEM	99.99	-
MRS	17.26	-
FERTECO	100.00	-
TOTAL FROM GOODWILL AMORTIZATION		(295)
Gain on assets disposal and dividends		-
TOTAL		(569)
EQUITY PARTICIPATION ON DOCENAVE		
	%	3Q 01
NAVEDOCE/Seamar	100.00	-
Own operations	100.00	(157)
NAVEDOCE/Seamar (G/L Foreign Exchange)	100.00	78
TOTAL DOCENAVE		(79)
EQUITY PARTICIPATION ON ALUVALE		
	%	3Q 01
ALUNORTE	57.58	(60)
MRN	40.00	21
ALBRAS	51.00	(100)
VALESUL	54.51	7
Equity on Alunorte		-
Own operations		5
TOTAL ALUVALE		(127)

15

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

EQUITY PARTICIPATION ON ITACO	%	3Q 01	2Q 02	3Q 02
US\$ million				
CSI	50.00	(2)	6	6
RDL	100.00	(1)	3	4
RDA	100.00	-	-	-
RDME		100.00	2	2
CSN Aceros		62.50	-	(10)
Caemi		16.86	(13)	(1)
Aluvale		5.26	(3)	(4)
GIIC (GULF)		50.00	1	-
CVRD Overseas	100.00	(1)	20	9

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Quadrem	9.00	1	-	-
Own operations	6	27	(33)	
G/L Exchange	(1)	108	(27)	
TOTAL ITACO	24	151	(54)	
EQUITY PARTICIPATION ON FERTECO				
	%	3Q 01	2Q 02	3Q 02
Own operations	100.00	8	19	45
MRS	10.89	(13)	(21)	(20)
Zagaia	(102)	(8)	(8)	
TOTAL FERTECO	(107)	(10)	17	

BALANCE SHEET

	3Q 01	2Q 02	million R\$ 3Q 02
ASSETS			
Current Assets	5,281	4,552	6,412
Long Term Assets	2,316	3,241	3,425
Permanent Assets	15,986	17,032	17,997
TOTAL	23,584	24,825	27,834
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities	5,074	4,167	5,199
Long Term Liabilities	7,336	8,532	11,396
Shareholders' Equity	11,174	12,126	11,239
Capital	4,000	5,000	5,000
Reserves	7,174	7,126	5,713
TOTAL	23,584	24,825	27,834

16

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

IRON ORE AND PELLETS SALES - PARENT COMPANY

	3Q 01	2Q 02	million ton 3Q 02
FOREIGN MARKET			
ASIA			
China	2.8	5.0	4.
South Korea	1.6	1.1	2.
Philippines	0.2	0.5	0.
Japan	4.1	4.3	4.
Taiwan	0.2	0.4	0.
Others	-	-	
TOTAL	8.9	11.3	11.
EUROPE			
Germany	2.3	3.4	3.
Spain	0.8	0.7	0.
France	1.3	1.5	1.
Italy	1.5	2.2	0.
United Kingdom	0.4	0.4	0.
Others	2.2	3.2	3.
TOTAL	8.5	11.4	10.
AMERICAS			

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Argentina	0.5	0.6	0.
United States	0.5	1.0	1.
Others	0.5	0.5	0.
TOTAL	1.5	2.1	2.
AFRICA/MIDDLE EAST /			
AUSTRALASIA			
Bahrain	0.8	0.5	0.
Others	1.5	0.7	1.
TOTAL	2.3	1.2	1.
TOTAL	21.2	26.0	26.
DOMESTIC MARKET	3Q 01	2Q 02	3Q
Steel Mills	4.9	5.7	5.
Affiliated	5.0	4.6	5.
Pelletizing Companies			
TOTAL	9.9	10.3	10.
TOTAL	31.1	36.3	36.

GENERAL CARGO RAILROAD TRANSPORTATION - FCA

	1Q 01	2Q 01	3Q 01	4Q 01	1Q 02
Ferrovias Centro Atlantica	1,962	2,236	2,167	1,993	1,832

Companhia  
Vale do Rio Doce

17  
BR GAAP 3Q02

IRON ORE AND PELLETS - FINANCIAL INDICATORS - NON AUDITED

HISPANOBRAS	3Q 01
Sales (thousand tons)	882
Foreign Market	422
Domestic Market	460
Net Operating Revenues	73
Cost of Goods Sold	(60)
Financial Results	4
Net Earnings	10
Gross Margin (%)	17.8
EBITDA	17

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

EBITDA Margin (%)	23.3
NIBRASCO	3Q 01
Sales (thousand tons)	1,443
Foreign Market	514
Domestic Market	929
Net Operating Revenues	109
Cost of Goods Sold	(102)
Financial Results	(8)
Net Earnings	(34)
Gross Margin (%)	6.4
EBITDA	24
EBITDA Margin (%)	22.0
GROSS DEBT (IN US\$ MILLION)	
- Short Term	2
- Long Term	5
TOTAL	7
ITABRASCO	3Q 01
Sales (thousand tons)	742
Foreign Market	471
Domestic Market	271
Net Operating Revenues	59
Cost of Goods Sold	(52)
Financial Results	2
Net Earnings	4
Gross Margin (%)	11.9
EBITDA	10
EBITDA Margin (%)	16.9
GROSS DEBT (IN US\$ MILLION)	
- Short Term	1

18

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

IRON ORE AND PELLETS - FINANCIAL INDICATORS - NON AUDITED

KOBRASCO	3Q 01
Sales (thousand tons)	1,123
Foreign Market	493
Domestic Market	630
Net Operating Revenues	91
Cost of Goods Sold	(68)

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Financial Results	(52)
Net Earnings	(72)
Gross Margin (%)	25.3
EBITDA	24
EBITDA Margin (%)	26.4
GROSS DEBT (IN US\$ MILLION)	
- Short Term	-
- Long Term	129
TOTAL	129
SAMARCO	3Q 01
Sales (thousand tons)	2,312
Net Operating Revenues	167
Cost of Goods Sold	(73)
Financial Results	(98)
Net Earnings	(48)
Gross Margin (%)	56.3
EBITDA	86
EBITDA Margin (%)	51.5
GROSS DEBT (IN US\$ MILLION)	
- Short Term	158
- Long Term	119
TOTAL	277
FERTECO	3Q 01
Sales (thousand tons)	4,011
Foreign Market	3,556
Domestic Market	455
Net Operating Revenues	176
Cost of Goods Sold	(87)
Financial Results	(76)
Net Earnings	(5)
Gross Margin (%)	50.6
EBITDA	67
EBITDA Margin (%)	38.1
GROSS DEBT (IN US\$ MILLION)	
- Short Term	72
- Long Term	103
TOTAL	175

19

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

IRON ORE AND PELLETS - FINANCIAL INDICATORS - NON AUDITED

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

GIIC*	3Q 01	2Q 02	Thousand U 3Q 0
Sales (thousand tons)	661	676	64
Net Operating Revenues	35,151	27,228	26,72
Cost of Goods Sold	(32,104)	(23,737)	(24,93
Gross Profit	3,047	3,491	1,78
Other Income	427	79	18
S G & A	(1.144)	(2,028)	(19
Net Income	2,330	1,542	1,77
* financial indicators according to IASC (International Accounting Standards Committee).			
ITACO	3Q 01*	2Q 02	3Q 0
Sales (thousand tons)			
Iron Ore	13,796	16,650	16,80
Pellets	1,966	2,513	2,26
Manganese	260	250	20
Bauxite	162	407	39
Alumina	42	106	
Aluminum	35	53	4
Net Operating Revenues	384,594	473,753	419,67
Cost of Goods Sold	(348,026)	(434,940)	(394,94
Equity Income	24,155	(46,637)	(71,38
Net Income	546.832	(37,427)	(125,96
EBITDA	571.637	32,833	(10,97
* includes sale of Cenibra			

20

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

MANGANESE AND FERRO-ALLOYS - FINANCIAL INDICATORS - NON AUDITED

SIBRA	3Q 01	2Q 02	million R\$ 3Q 02
Sales - Ferro-alloys (thousand tons)	21	31	52
Foreign Market	7	15	33
Domestic Market	14	16	19
Average Price (US\$/ton)	460.70	439.85	402.46
Sales - Manganese (thousand tons)	306	265	275
Foreign Market	284	213	181
Domestic Market	22	52	94
Average Price	49.13	47.75	46.81

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

(US\$/ton)

Net Operating Revenues	16	60	99
Cost of Goods Sold	(10)	(36)	(60)
Financial Results	1	(5)	8
Net Earnings	6	22	46
Gross Margin (%)	37.5	40.0	39.4
EBITDA	9	21	33
EBITDA Margin (%)	56.3	35.0	33.3
GROSS DEBT (IN US\$ MILLION)			
- Short Term	20	23	20
- Long Term	44	21	19
TOTAL	64	44	39
CPFL	3Q 01	2Q 02	3Q 02
Sales (thousand tons)	28	37	55
Foreign Market	14	17	3
Domestic Market	14	20	2
Average Price (US\$/ton)	868.73	569.36	469.53
Net Operating Revenues	47	47	74
Cost of Goods Sold	(35)	(34)	(46)
Financial Results	(1)	1	6
Net Earnings	7	10	17
Gross Margin (%)	25.5	27.7	37.8
EBITDA	12	9	20
EBITDA Margin (%)	25.5	19.1	27.0
GROSS DEBT (IN US\$ MILLION)			
- Short Term	8	6	4
- Long Term	9	4	4
TOTAL	17	10	8

21

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

ALUMINUM - SELECTED FINANCIAL INDICATORS - ADJUSTED AND NON AUDITED

MRN	3Q 01
Sales (thousand tons)	2,760
Foreign Market	954
Domestic Market	1,806
Average Price (US\$/ton)	20.99
Net Operating	139

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Revenues	
Cost of Goods Sold	(60)
Financial Results	(3)
Net Earnings	52
Gross Margin (%)	56.8
EBITDA	88
EBITDA Margin (%)	63.3
GROSS DEBT (IN US\$ MILLION)	
- Short Term	12
- Long Term	8
TOTAL	20
ALUNORTE	3Q 01
Sales (thousand tons)	409
Foreign Market	249
Domestic Market	160
Average Price (US\$/ton)	184.94
Net Operating Revenues	177
Cost of Goods Sold	(122)
Financial Results	(157)
Net Earnings	(128)
Gross Margin (%)	31.1
EBITDA	64
EBITDA Margin (%)	36.2
GROSS DEBT (IN US\$ MILLION)	
- Short Term	20
- Long Term	429
TOTAL	449
ALBRAS	3Q 01
Sales (thousand tons)	80
Foreign Market	76
Domestic Market	4
Average Price (US\$/ton)	1,390.89
Net Operating Revenues	278
Cost of Goods Sold	(161)
Financial Results	(252)
Net Earnings	(196)
Gross Margin (%)	42.1
EBITDA	89
EBITDA Margin (%)	32.0
GROSS DEBT (IN US\$ MILLION)	
- Short Term	137
- Long Term	497
TOTAL	634
	22
Companhia Vale do Rio Doce	BR GAAP 3Q02



## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

### ALUMINUM - SELECTED FINANCIAL INDICATORS - ADJUSTED AND NON AUDITED

VALESUL	3Q 01
Sales (thousand tons)	18
Foreign Market	7
Domestic Market	11
Average Price (US\$/ton)	1,784.68
Net Operating Revenues	77
Cost of Goods Sold	(55)
Financial Results	(9)
Net Earnings	12
Gross Margin (%)	28.6
EBITDA	28
EBITDA Margin (%)	36.4
GROSS DEBT (IN US\$ MILLION)	
- Short Term	1
- Long Term	3
TOTAL	4

-----

"This press release may contain statements that express management's expectations about future events or results rather than historical facts. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements, and CVRD cannot give assurance that such statements will prove correct. These risks and uncertainties include factors: relating to the Brazilian economy and securities markets, which exhibit volatility and can be adversely affected by developments in other countries; relating to the iron ore business and its dependence on the global steel industry, which is cyclical in nature; and relating to the highly competitive industries in which CVRD operates. For additional information on factors that could cause CVRD's actual results to differ from expectations reflected in forward-looking statements, please see CVRD's reports filed with the Comissao de Valores Mobiliarios and the U.S. Securities and Exchange."

#### CONTENTS

#### PART I

- 1 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 COMPARED WITH THE NINE MONTHS ENDED SEPTEMBER 30, 2001
- 1.1 - General Aspects
- 1.2 - Comments on the Consolidated Results
  - 1.2.1- Consolidated Gross Revenue
  - 1.2.2- Consolidated Cost of Products and Services
- 1.3 - Comments on the Parent Company Results

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

- 1.3.1- Gross Revenues
- 1.3.2- Cost of Products and Services
- 1.3.3- Result of Shareholdings by Business Area
- 1.3.4- Operating Expenses
- 1.3.5- Net Financial Result
- 1.3.6- Discontinued Operations
- 1.3.7- Cash Flow
- 1.3.8- Income Tax and Social Contribution

### PART II

#### QUARTERLY INFORMATION AND NOTES TO THE QUARTERLY INFORMATION

- 2 - BALANCE SHEET
- 3 - STATEMENT OF INCOME
- 4 - STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
- 5 - STATEMENT OF CASH FLOWS (ADDITIONAL INFORMATION)
- 6 - NOTES TO THE QUARTERLY INFORMATION AT SEPTEMBER 30, 2002 AND 2001
  - 6.1 - Operations
  - 6.2 - Presentation of Financial Statements
  - 6.3 - Significant Accounting Policies
  - 6.4 - Cash and Cash Equivalents
  - 6.5 - Accounts Receivable from Customers
  - 6.6 - Transactions with Related Parties
  - 6.7 - Inventories
  - 6.8 - Deferred Income Tax and Social Contribution
  - 6.9 - Investments
  - 6.10- Property, Plant and Equipment
  - 6.11- Loans and Financing
  - 6.12- Securitization Program
  - 6.13- Contingent Liabilities
  - 6.14- Environmental and Site Reclamation and Restoration Costs
  - 6.15- Pension Plan - VALIA
  - 6.16- Capital
  - 6.17- American Depositary Receipts (ADR) Program
  - 6.18- Treasury Stock
  - 6.19- Financial Result
  - 6.20- Financial Instruments - Derivatives

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

6.21- Exchange Rate Exposure

6.22- Other Operating Expenses

CVRD

1

### PART III

6.23- Subsequent Events

7 - OTHER INFORMATION THE COMPANY DEEMS RELEVANT

7.1 - Net Accumulated Income (in R\$ Million)

7.2 - Factors Affecting Net Income in the Last 12 Months (in R\$ Million)

7.3 - Business Performance Ratios

7.4 - Segment and Geographic Information

7.5 - Share Performance on Stock Exchanges (Non-Audited)

7.6 - Capital Expenditures (Non-Audited)

7.7 - Operations for the period (Non-Audited)

7.8 - Changes in Prices (Non-Audited)

7.9 - Iron Ore and Pellet Sales (Main Markets) (Non-Audited)

7.10- Shareholding Interests (Organizational Chart at 09/30/02)

7.11- Information About FERTECO (Non-Audited)

7.12- Information About RDIF (Non-Audited)

### PART IV

8 - ATTACHMENT I - EQUITY INVESTEE INFORMATION

8.1 - Aluminum Area - ALBRAS (Adjusted and Non-Audited)

8.2 - Aluminum Area - ALUNORTE (Adjusted and Non-Audited)

8.3 - Aluminum Area - ALUVALE (Adjusted and Non-Audited)

8.4 - Aluminum Area - MRN (Adjusted and Non-Audited)

8.5 - Aluminum Area - VALESUL (Adjusted and Non-Audited)

8.6 - Pelletizing Affiliates - HISPANOBRAS (Adjusted and Non-Audited)

8.7 - Pelletizing Affiliates - ITABRASCO (Adjusted and Non-Audited)

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

- 8.8 - Pelletizing Affiliates - KOBRASCO (Adjusted and Non-Audited)
- 8.9 - Pelletizing Affiliates - NIBRASCO (Adjusted and Non-Audited)
- 8.10- Pelletizing Affiliates - SAMARCO (Adjusted and Non-Audited)
- 8.11- Iron Ore Area - FERTECO (Adjusted and Non-Audited)
- 8.12- Manganese and Ferroalloys Area - SIBRA (Adjusted and Non-Audited)
- 8.13- Manganese and Ferroalloys Area - CPFL (Adjusted and Non-Audited)
- 9 - OPINION OF THE INDEPENDENT ACCOUNTANTS
- 10- MEMBERS OF THE BOARD OF DIRECTORS, AUDIT COMMITTEE, CHIEF EXECUTIVE OFFICER,  
CHIEF FINANCIAL OFFICER AND EXECUTIVE OFFICERS

2

CVRD

### PART I

Expressed in thousands of reais

- 1- MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 COMPARED WITH THE NINE MONTHS ENDED SEPTEMBER 30, 2001
- 1.1- General Aspects
  - (a) The Company's segments of business are mining, logistics and energy, as follows:
    - o Ferrous minerals: includes iron ore and pellets as well as manganese and ferroalloys;
    - o Non-ferrous minerals: includes gold, kaolin, potash and copper;
    - o Logistics: includes railroads, ports and maritime terminals and shipping;
    - o Energy: includes electric power generation; and
    - o Shareholdings: includes equity holdings in producers of aluminum, steel and fertilizers.
  - (b) The variations of the main currencies and indices at 09/30/02 and 09/30/01 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	/\ % Currencies/Indexes					Parity	
-----	U.S.	YEN	GOLD	IGPM	TJLP	US\$xR\$	US\$xYen
-----	----	---	----	----	----	-----	-----
9/30/02	67.9	80.8	26.6	10.5	7.3	2.8949	121.87
9/30/01	36.6	30.9	6.8	7.7	6.9	2.6713	119.68
12/31/01	18.7	3.7	1.2	10.4	9.5	2.3204	131.30

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

12/31/00            9.3        (2.2)        (5.4)        10.0        10.8        1.9554        114.70

About 62% of the Company's gross revenue on 09/30/02 (57% of the consolidated revenue) is derived from exports and part of domestic sales are denominated in U.S. dollars, while the costs are in mainly incurred in reais. 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 on 09/30/02 are denominated in U.S. dollars. As a result, exchange rate fluctuations have a significant impact on the financial expenses (Notes 6.11 and 6.19);

CVRD

3

### 1.2- Comments on the Consolidated Results

#### 1.2.1- Consolidated Gross Revenue

The following table shows sales volume and revenues by products and services at 09/30/02:

	In thousands of metric tons (except gold) -----	In thousands of reais -----
Iron ore	103,281	4,049,440
Pellets	19,284	1,991,511
	-----	-----
	122,565	6,040,951
Railroad transportation	47,807	693,073
Sea transportation (see volumes note 7.7)	-	139,754
Port services	22,707	267,126
Gold (kg)	9,046	232,030
Manganese and Ferroalloys	901	606,640
Potash	528	181,468
Steel	1,239	1,083,370
Aluminum (see volumes note 7.7)	-	1,306,305
Kaolin	320	153,011
Other products and services	-	51,912
	-----	-----
		10,755,640
		=====

30/09/02 - R\$ 10,755,640 / US\$ 4,014,918

PER MARKET -----	PER PRODUCT -----	PER CURRENCY (*) -----
EM From Brazil 75%      R\$ 6,173,548	Iron ore .....      38%	R\$.....13%

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

	US\$ 1,864,837		US\$. . . . . 87%
IM From Abroad 25%	R\$ 1,982,833	Pellets . . . . .	18%
	US\$ 7 40,161	Aluminum . . . . .	12%
	US\$ (*)	Steel . . . . .	10%
	R\$ 1,184,483	Transport . . . . .	10%
	US\$ 442,149	Manganese and	
	R\$	ferro-alloys . . . . .	6%
	R\$ 1,414,776	Potash, kaolin and others	4%
	US\$ 528,117	Gold . . . . .	2%

(\*) Part of sales to the internal market are in U.S. dollars.

4

CVRD

1.2.2- Consolidated Cost of Products and Services

By category

1.2.2- Consolidated Cost of Products and Services

By category

	09/30/02
	-----
Personnel	712,359
Material	1,038,955
Oil and gas	559,352
Outsourced services	797,496
Energy	406,278
Acquisition of products	735,801
Depreciation and depletion	770,765
Others	672,681
	-----
Total	5,693,687
	=====

1.3- Comments on the Parent Company Results

The net income of the Company for the period was R\$ 502,212 (net income of R\$ 718,388 in the first six months and loss of R\$ 216,176 in the third quarter), a 79.2% decrease compared with the R\$ 2,411,580 in the third quarter of 2001, reducing the earnings per share to R\$ 1.31 on 09/30/02 from R\$ 6.28 on 09/30/01. The 2002 results include a gain on discontinued operations due to sale of the holding in Florestas Rio Doce in the amount of R\$ 110,693, and in 2001 includes a gain on investments in the amount of R\$ 1,770,516, basically due to the sale of Bahia Sul and Cenibra.

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

### 1.3.1- Gross Revenues

Gross revenues increased 20.3% (from R\$ 4,806,738 on 09/30/01 to R\$ 5,784,506 on 09/30/02), this reflects the strengthening of the dollar against the real (83% of revenues are linked to the U.S. dollar) as well as growth in iron ore and potash sales volumes. The increase in iron ore sales is due to growth of the Chinese and European markets as well as mining operations previously belonging to Samitri. However, these events resulted in a decrease in gross revenue from railroad transport and port services, since CVRD ceased to sell these services to that company and absorbed related costs as part of its own activities.

The following table shows sales volume and revenues by products and services:

	In thousands of metric tons (except gold)		/\%	09
	09/30/02	09/30/01		
	-----	-----	---	---
External market				
Iron ore	67,512	56,320	19.9	2,6
Pellets	9,553	9,565	(0.1)	7
	-----	-----	-----	-----
	77,065	65,885	17.0	3,3
	-----	-----	-----	-----
Internal market				
Iron ore	27,824	28,260	(1.5)	9
Pellets	2,029	1,988	2.1	2
	-----	-----	-----	-----
	29,853	30,248	(1.3)	1,1
	-----	-----	-----	-----
Total				
Iron ore	95,336	84,580	12.7	3,5
Pellets	11,582	11,553	0.3	9
	-----	-----	-----	-----
	106,918	96,133	11.2	4,5
	-----	-----	-----	-----
Railroad transportation	42,925	46,731	(8.1)	6
Port services	19,531	25,154	(22.4)	1
Gold (kg)	9,046	11,425	(20.8)	2
Potash	528	408	29.4	1
Other products and services	-	-	-	-
	-----	-----	-----	-----
				5,7
				===

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

PER MARKET		PER PRODUCT		PER CURRENCY (*)
EM 62%	R\$ 3,554,383	Iron ore .....	62%	R\$.....17%
	US\$ 1,340,739	Pellets .....	17%	US\$.....83%
IM 38%	US\$ (*)	Logistics.....	14%	
	R\$ 1,255,004	Gold .....	4%	
	US\$ 456,279	Potash, and others	3%	
	R\$ 965,119			
	US\$ 359,267			

(\*) Part of sales to the internal market are in U.S. dollars.

1.3.2- Cost of Products and Services

The increase of 19.7% in the cost of products and services (from R\$ 2,383,239 on 09/30/01 to R\$ 2,852,228 on 09/30/02) is due principally to increased sales volume, the effect of exchange rate variation on 33% of total costs, and amortization of goodwill of the merged company. The following table shows each component of the cost of products and services, and the change between periods:

By category

By category

	R\$	Denominated US\$	09/30/02
	--	---	-----
Personnel	389,575	-	389,575
Material	230,415	133,590	364,005
Oil and gas	238,509	42,090	280,599
Outsourced services	385,757	4,685	390,442
Energy	89,529	-	89,529
Acquisition of iron ore and pellets	10,321	641,185	651,506
Others	74,380	120,170	194,550
	-----	-----	-----
	1,418,486	941,720	2,360,206
Depreciation and depletion	418,765	-	418,765
Amortization of goodwill	73,257	-	73,257
	-----	-----	-----
Total	1,910,508	941,720	2,852,228
	=====	=====	=====
	67%	33%	100%
	=====	=====	=====



## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

6

CVRD

### 1.3.3- Result of Shareholdings by Business Area

The results of shareholdings by business area are as follows:

Business Area	09/30/02	09/30/01
-----	-----	-----
Ferrous		
.. Iron ore and pellets	1,474,291	270,513
.. Manganese and ferro-alloys	139,137	(8,732)
Non-ferrous	(88,212)	(186,769)
Logistics	(286,205)	(303,704)
Investments		
.. Steel	181,907	244,631
.. Pulp and paper	7,258	24,274
.. Aluminum	(382,726)	(68,698)
.. Fertilizers	15,025	5,969
Others	(19,769)	4
	-----	-----
	1,040,706	(22,512)
	=====	=====

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

Equity earnings increased from a loss of R\$ 22,512 on 09/30/01 to a gain of R\$ 1,040,706 on 09/30/02, this variation was due to a combination of the following factors:

#### Ferrous

##### (a) Iron ore and pellets

FERTECO - An increase in the equity result of R\$ 189,352 (a gain of R\$ 92,395 on 09/30/2002 against a loss of R\$ 96,957 on 09/30/2001) due to increased sales volume and recording in 2001 of financial expenses and exchange rate variation on loans indexed in dollars. The company was acquired in April 2001. In 2002, R\$ 69,312 was booked as amortization of goodwill.

.. ITACO/RDE - An improved equity result of R\$ 1,016,829 (a gain of R\$ 1,459,054 on 09/30/02 against a gain of R\$ 442,225 on 09/30/01), basically due to the devaluation of the real against the dollar (positive exchange rate variation of R\$ 1,077,932 on 09/30/02 versus positive exchange rate variation of R\$ 243,260 on 09/30/01). In operational terms, iron ore sales rose 42.0% (63,791 thousand tons in 2002 against 44,926 thousand tons in 2001), including sales of its subsidiary CVRD Overseas.

.. KOBRASCO - A reduction in the equity result of R\$ 23,954 (a loss of R\$ 69,276 on 09/30/02 versus a loss of R\$ 45,322 on 09/30/01), due to the increased negative effects of exchange rate variation on debt, a 3.9% decrease in the average sale price (US\$ 30.09 per ton on 09/30/02 against US\$ 31.32 per ton on 09/30/01) and a 12.8% drop in volume sold (2,718

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

thousand tons on 09/30/02 against 3,116 thousand tons on 09/30/01).

- .. NIBRASCO - An improved equity result of R\$ 11,656 (a gain of R\$ 2,598 on 09/30/02 against a loss of R\$ 9.058 on 09/30/01), due to booking in 2001 of R\$ 21,000 as a provision for losses on the realization of ICMS (VAT) credits. Additionally, sales volume dropped by 9.3% (5,099 thousand tons on 09/30/2002 against 5,622 thousand tons on 09/30/2001) and the average price fell 5.2% (US\$ 28.69 per ton on 09/30/02 versus US\$ 30.25 per ton on 09/30/01).
- .. SAMARCO - A reduction in the equity result of R\$ 11,689 (a loss of R\$ 17,319 on 09/30/02 against a loss of R\$ 5,630 on 09/30/01), due to increased negative effects of exchange rate variation on debt. In operational terms, sales volume increased 22.9% (10,608 thousand tons on 09/30/02 against 8,630 thousand tons on 09/30/01), offset by a 4.1% drop in the average sales price (US\$ 28.38 per ton on 09/30/02 against US\$ 29.58 per ton on 09/30/01).

CVRD

7

### (b) Manganese and Ferro-alloys

- .. RDME - An increase in the equity result of R\$ 57,063 (a gain of R\$ 80,808 on 09/30/02 versus a gain of R\$ 23,745 on 09/30/01), due basically to the fall in the exchange rate between the real and the euro in 2002.
- .. SIBRA - A better equity result of R\$ 83,704 (a gain of R\$ 103,262 on 09/30/02 versus a gain of R\$ 19,558 on 09/30/01), due to a 60.0% increase in ferroalloy sales (112 thousand tons on 09/30/02 against 70 thousand tons on 09/30/01), offset partly by a 13.3% decrease in the price of ferroalloys (US\$ 445.85 per ton on 09/30/02 against US\$ 514.06 per ton on 09/30/01) as well as an 18.1% increase in the average manganese sales price (US\$ 54.68 per ton on 09/30/02 against US\$ 46.28 per ton on 09/30/01), also partly offset by a 4.4% decrease in manganese sales volume (818 thousand tons on 09/30/02 against 856 thousand tons on 09/30/01).
- .. URUCUM - An improved equity result of R\$ 7,091 (a gain of R\$ 14,006 on 09/30/02 against a gain of R\$ 6,915 on 09/30/01), due mainly to an increase of 88.7% in manganese sales (251 thousand tons on 09/30/02 against 133 thousand tons on 09/30/01).

### Non-ferrous

- .. PARA PIGMENTOS - A provision for losses of R\$ 87,936 was booked on 09/30/02 against R\$ 103,725 on 09/30/01, due basically to the negative effects of exchange rate variation on debt. In 2001, R\$ 83,150 was recorded as amortization of goodwill.

### Logistics

- .. DOCENAVE - An improved equity result of R\$ 121,618 (a gain of R\$ 107,014 on 09/30/02 against a loss of R\$ 14,604 on 09/30/01), due to the appreciation of the dollar against the real, offset partly by a 34.1% drop in the average freight rate (US\$ 4.80 per ton on 09/30/02 versus US\$ 7.28 per ton on 09/30/01).

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

- .. DOCEPAR - R\$ 50,735 basically refers to a provision for losses on assets of doubtful realization.
- .. FCA - R\$ 131,115 was booked as a provision for losses on 09/30/02 against R\$ 107,965 on 09/30/01, due to the negative effects of exchange rate variation of debt, along with R\$ 86,172 of amortization of goodwill on 09/30/02 against R\$ 138,559 on 09/30/01. CVRD's interest in FCA is held through its subsidiary Tacuma.
- .. MRS - R\$ 65,543 was recorded as a provision for losses on 09/30/02, due to the negative effects of exchange rate variation on debt, along with R\$ 16,881 of amortization of goodwill. Our participation on this investment is held through Ferteco Mineracao S.A., Belem Administracoes e Participacoes Ltda. and Caemi Mineracao e Metalurgia S.A..

### Shareholdings

#### (a) Steel

- .. CSI - An increase in the equity result of R\$ 233,511 (a gain of R\$ 352,161 on 09/30/02 against a gain of R\$ 118,650 on 09/30/01), caused by a 10.5% increase in sales volume (R\$ 1,520 thousand tons in 2002 against 1,376 thousand tons in 2001) and the appreciation of the dollar against the real (positive exchange rate variation of R\$ 303,682 on 09/30/02 versus a positive variation of R\$ 132,019 on 09/30/01).
  - .. CSN - An equity result of R\$ 107,522 was recorded on 09/30/01 due to unwinding the cross shareholdings between CVRD and CSN carried out in March 2001.
  - .. CST - A lower equity result of R\$ 29,929 (a loss of R\$ 42,907 on 09/30/02 against a loss of R\$ 12,978 on 09/30/01), due to the increased negative effects of exchange rate variation on indebtedness, offset in part by a 2.4% increase in the volume of slabs sold (3,547 thousand tons in 2002 against 3,464 thousand tons in 2001).
- USIMINAS - A reduction in the equity result of R\$ 110,172 (a loss of R\$ 107,453 on 09/30/02 versus a gain of R\$ 2,719 on 09/30/01) caused mainly by the negative effects of exchange rate variation on indebtedness.

#### (b) Aluminum

- .. ALBRAS - A reduced equity result of R\$ 126,958 (a loss of R\$ 222,875 on 09/30/02 against a loss of R\$ 95,917 on 09/30/01), due to increased negative effects of exchange rate variation on the company's debt. In operational terms, the average aluminum sales price dropped 10.5% (US\$ 1,313.92 per ton on 09/30/02 compared with US\$ 1,468.08 per ton on 09/30/01) and sales volume rose by 15.3% (302 thousand tons on 09/30/02 against 262 thousand tons on 09/30/01).

8

CVRD

- .. ALUNORTE - A reduced equity result of R\$ 125,919 (a loss of R\$ 213,782 on 09/30/02 against a loss of R\$ 87,863 on 09/30/01), due to increased negative effects of exchange rate variation on the company's debt. Operationally, the average sales price of alumina dropped 13.8% (US\$ 165.51 per ton on 09/30/02 versus US\$ 192.04 per ton on 09/30/01) while sales volume remained stable (1,185 thousand tons on 09/30/02 versus

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

1,180 thousand tons on 09/30/01).

- .. MRN - A reduction in the equity result of R\$ 47,507 (a gain of R\$ 10,256 on 09/30/02 against a gain of R\$ 57,763 on 09/30/01), due to the negative effects of exchange rate variation on debt, a 10.7% decrease in sales volume (6,946 thousand tons on 09/30/02 compared with 7,777 thousand tons on 09/30/01), and a 10.5% decrease in the sales price (US\$ 18.75 per ton on 09/30/02 against US\$ 20.95 per ton on 09/30/01).
- .. VALESUL - An increase in the equity result of R\$ 2,718 (a gain of R\$ 22,443 on 09/30/02 against a gain of R\$ 19,725 on 09/30/01), caused by a 5.0% rise in sales volume (63 thousand tons on 09/30/02 against 60 thousand tons on 09/30/01), while the average sales price dropped 12.4% (US\$ 1,679.61 per ton on 09/30/02 against US\$ 1,916.59 per ton on 09/30/01).
- .. ALUVALE - An increase in the equity result (own operations) of R\$ 7,859 (a gain of R\$ 25,442 on 09/30/02 against a gain of R\$ 17,583 on 09/30/01) basically due to financial result.
- .. ITACO - A reduction in the equity result of R\$ 24,221 (a loss of R\$ 4,210 on 09/30/02 against a gain of R\$ 20,011 on 09/30/01), due to increased financial expenses. In operational terms, the average sales prices fell for aluminum (10.5%), alumina (22.5%) and bauxite (17.8%), while sales volume rose for all three: aluminum (19.8%), alumina (24.1%) and bauxite (63.2%).

### 1.3.4- Operating Expenses

The operating expenses remained fairly stable (R\$ 775,436 on 09/30/01 against R\$ 727,341 on 09/30/02), with the reduction in other expenses having been offset by increases in:

- o Selling expenses, due to an increase in commissions, in turn caused by higher export sales;
- o Administrative expenses, due to higher expenses for consulting; and
- o Expenses for research and studies along with more copper prospecting.

### 1.3.5- Net Financial Result

The net financial result decreased R\$ 2,421,670 (R\$ 1,402,033 on 09/30/01 compared to R\$ 3,823,703 on 09/30/02), mainly due to the increased effect of exchange rate variation on the net Company debt (Note 6.19).

### 1.3.6- Discontinued Operations

The result in 2002 refers to gain on sale of assets of Florestas Rio Doce, and in 2001 reflects gains on sale of the Company's holdings in Bahia Sul and Cenibra, of R\$ 230,384 and R\$ 1,471,544 respectively.

### 1.3.7- Cash Flow

The operating cash flow measured by EBITDA (earnings before interest, income tax, depreciation, amortization and depletion) was R\$ 2,796,688 on 09/30/02, reflecting an increase of 14.2% over 09/30/01, which was R\$ 2,449,531 (other information, item 7.4).

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

### 1.3.8- Income Tax and Social Contribution

Income tax and social contribution showed a credit of R\$ 1,188,596 (credit of R\$ 585,034 on 09/30/01), mainly due to the tax write-off on losses from exchange rate variation in the period for constitution of this tax/social contribution benefit, based on the provisioning of interest on shareholders' equity of R\$ 349,753 on 09/30/02 (R\$ 603,002 on 09/30/01) (Note 6.8).

CVRD

9

## PART II

### QUARTERLY INFORMATION AND NOTES TO THE QUARTERLY INFORMATION

(A free translation of the original in Portuguese relating to the financial statements prepared in accordance with the requirements of Brazilian Corporate Law)

### 2- BALANCE SHEET

	Notes
	-----
Assets	
Current assets	
Cash and cash equivalents	6.4
Accounts receivable from customers	6.5
Related parties	6.6
Inventories	6.7
Taxes recoverable	-
Deferred income tax and social contribution	6.8
Others	-
Long-term receivables	
Related parties	6.6
Loans and financing	-
Deferred income tax and social contribution	6.8
Judicial deposits	6.13
Others	-
Permanent assets	
Investments	6.9
Property, plant and equipment	6.10
Liabilities and stockholders' equity	
Current liabilities	

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Short-term debt	6.11
Current portion of long-term debt	6.11
Payable to suppliers and contractors	-
Related parties	6.6
Provision for interest on stockholders' equity	6.23
Payroll and related charges	-
Pension Plan	6.15
Others	-
Long-term liabilities	
Long-term debt	6.11
Related parties	6.6
Deferred income tax and social contribution	6.8
Provisions for contingencies	6.13
Pension Plan	6.15
Others	-
Stockholders' equity	
Paid-up capital	6.16
Revenue reserves	-

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

10

CVRD

(A free translation of the original in Portuguese relating to the financial statements prepared in accordance with the requirements of Brazilian Corporate Law)

3- STATEMENT OF INCOME

	Notes	From 07/01/02 to 09/30/02	From 01/01/ to 09/30/02
	-----	-----	-----
Operating revenues			
Sales of ore and metals			
Iron ore and pellets		1,873,012	4,516,1

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Gold		63,465	232,0
Others		81,783	181,4
		-----	-----
		2,018,260	4,929,6
Railroad and port services		312,507	814,5
Others		9,546	40,2
		-----	-----
		2,340,313	5,784,5
Value Added taxes		(80,856)	(219,0
		-----	-----
Net operating revenues		2,259,457	5,565,4
		-----	-----
Cost of products and services			
Ore and metals		(911,447)	(2,537,9
Railroad and port services		(107,318)	(286,4
Others products and services		(8,926)	(27,8
		-----	-----
		(1,027,691)	(2,852,2
		-----	-----
Gross profit		1,231,766	2,713,2
Gross margin		54.5%	48.
Operating expenses			
Selling		(43,851)	(107,27
Administrative		(91,166)	(276,19
Research and development		(47,434)	(99,50
Other operating expenses	6.22	(130,183)	(244,36
		-----	-----
		(312,634)	(727,34
		-----	-----
Operating profit before financial result and result of investment participations		919,132	1,985,92
Result of investment participations	6.9		
Gain on investments accounted for by the equity method		962,235	1,871,93
Amortization of goodwill		(108,822)	(278,53
Provision for losses		(376,533)	(558,66
Others		5,239	5,96
		-----	-----
		482,119	1,040,70
Financial result, net	6.19		
Financial expenses (income)		(491,183)	(727,97
Monetary and exchange rate variation, net		(2,121,674)	(3,095,73
		-----	-----
		(2,612,857)	(3,823,70
		-----	-----
Operating profit (loss)		(1,211,606)	(797,07
Discontinued operations		110,693	110,69
		-----	-----
Income (loss) before income tax and social contribution		(1,100,913)	(686,38
Income tax and social contribution	6.8	884,737	1,188,59
		-----	-----
Net income (loss) for the period		(216,176)	502,21
		=====	=====
Number of shares outstanding at the end of the period (in thousands)		383,839	383,83
Net earnings (loss) per share outstanding at the end of the period (R\$)		(0.56)	1.3

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

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

CVRD

11

(A free translation of the original in Portuguese  
relating to the financial statements prepared in accordance with the  
requirements of Brazilian Corporate Law)

### 4- STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Notes	Capital	Capital reserves	Reven reserves
	-----	-----	-----	-----
On December 31, 2000		3,000,000	740,887	6,824,7
Treasury shares		-	-	(57,5
Capitalization of reserves		1,000,000	(300,629)	(699,3
Provision for pension plan liabilities		-	-	
Result on exchange of shares		-	3,426	
Net income for the year		-	-	
Proposed appropriations:				
Interest on stockholder's equity		-	-	
Appropriation to revenue reserves		-	-	1,255,0
On December 31, 2001		4,000,000	443,684	7,322,8
Capitalization of reserves	6.16	1,000,000	(443,684)	(556,3
Realization of revenue reserves		-	-	(526,4
Treasury shares		-	-	(2
Net income for the period		-	-	
Provision for interest on stockholders' equity	6.23	-	-	
On September 30, 2002		5,000,000	-	6,239,8

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

12

CVRD



## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

(A free translation of the original in Portuguese)

### 5- STATEMENT OF CASH FLOWS (ADDITIONAL INFORMATION)

---

### 5- STATEMENT OF CASH FLOWS (ADDITIONAL INFORMATION)

#### Cash flows from operating activities:

Net income for the period

Adjustments to reconcile net income for the period

with cash provided by operating activities:

Result of investment participations

Depreciation, amortization and depletion

Deferred income tax and social contribution

Provision for contingencies

Discontinued operations

Financial expenses and monetary and exchange rate variations on assets and liabilities, net

Provision for losses - ICMS

Loss on disposal of property, plant and equipment

Dividends/interest on stockholders' equity received

Others

#### Decrease (increase) in assets:

Accounts receivable

Inventories

Others

#### Increase in liabilities:

Suppliers and contractors

Payroll and related charges and others

Others

Net cash provided by operating activities

#### Cash flows from investing activities:

Loans and advances receivable

Guarantees and deposits

Additions to investments

Additions to property, plant and equipment

Proceeds from disposal of property, plant and equipment and investments

Net cash used in investing activities

#### Cash flows from financing activities:

Short-term debt

Long-term debt

Repayments:

Related parties

Financial institutions

Interest on stockholders' equity paid

Treasury shares

Net cash used in financing activities

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Increase (decrease) in cash and cash equivalents  
Cash and cash equivalents, beginning of the period  
Cash and cash equivalents, end of the period

Cash paid during the period for:

Short-term interest  
Long-term interest net of capitalization  
Income tax and social contribution paid  
Non-cash transactions:  
Change in treasury stocks - CVRD  
Conversion of loans into investments  
Addition to property, plant and equipment with capitalization of interest

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

CVRD

13

6- NOTES TO THE QUARTERLY INFORMATION AT SEPTEMBER 30, 2002 AND 2001

Expressed in thousands of reais

6.1- Operations

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

6.2- Presentation of Financial Statements

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

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

Certain amounts and classifications in the 2001 quarterly information have been adjusted to the criteria used on 09/30/02 for better comparability.

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;

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

- (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 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 by the straight-line method, at rates that take into consideration the useful lives of the assets. Depletion of mineral reserves is based on the ratio between production and estimated capacity.

### 6.4- Cash and Cash Equivalents

	09/30/02 -----	06/30/02 -----
Marketable securities related to CDI (*)	1,096,578	338,377
Fixed-yield bond investments (funds)	23,135	96,084
Government securities (NBC-E, NTN-D, LFT)	89,904	84,509
Others	828	2,865
	-----	-----
	1,210,445	521,835
	=====	=====

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

14

CVRD

### 6.5- Accounts Receivable from Customers

Domestic  
Export

Allowance for doubtful accounts

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Allowance for ore weight credits

### 6.6- Transactions with Related Parties

Derived from sales and purchases of products and services or from loans under normal market conditions, with maturities up to the year 2010, as follows:

	09/30/02	06/30/02
	-----	-----
<b>Subsidiaries</b>		
Rio Doce International Finance Ltd.	956,022	1,336
Itabira Rio Doce Company Limited - ITACO	685,228	492
Mineracao Tacuma Ltda. (investment in Ferrovia Centro-Atlantica S.A.)	253,508	359
CVRD Overseas Ltd.	162,885	146
Docepar S.A.	136,082	129
SIBRA Eletrosiderurgica Brasileira S.A.	49,656	17
Mineracao Andira Ltda. (investment in Mineracao Serra do Sossego S.A.)	175,558	89
Brasilux S.A.	13,958	16
Vale do Rio Doce Aluminio S.A. - ALUVALE	418	22
Caulim do Brasil Investimentos S.A.	136,159	136
Others	122,264	88
	-----	-----
	2,691,738	2,833
	-----	-----
<b>Jointly controlled companies</b>		
ALUNORTE - Alumina do Norte do Brasil S.A.	1,147,392	879
Ferrovia Centro-Atlantica S.A.	28,795	28
Salobo Metais S.A.	185,835	170
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	102,580	94
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS	54,065	40
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO	89,497	68
Companhia(Y)talo-Brasileira de Pelotizacao - ITABRASCO	47,816	38
Others	132,947	109
	-----	-----
	1,788,927	1,430
	-----	-----
<b>Affiliates</b>	32,144	31
	-----	-----
	4,512,809	4,295
	=====	=====
<b>Represented by:</b>		
Commercial balances (sales and purchases of products and services) (* )	1,155,337	896
Short-term financial balances	1,525,982	1,687
Long-term financial balances	1,831,490	1,711
	-----	-----
	4,512,809	4,295
	=====	=====

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

6.7- Inventories

Finished products  
 . Iron ore and pellets  
 . Gold  
 . Others

Spare parts and maintenance supplies

6.8- Deferred Income Tax and Social Contribution

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

	09/30/02	06/30/02
	-----	-----
Tax loss carryforward	999,936	359,738
Temporary differences:		
. Pension Plan	179,062	164,462
. Contingent liabilities	324,413	285,252
. Provision for losses on assets	412,012	308,946
. Provision for losses on derivative financial instruments	88,652	32,035
. Others	94,762	55,506
	-----	-----
Inflationary profit	2,098,837	1,205,939
Capital reserve - special monetary restatement - Law 8,200	-	-
Accelerated depreciation	-	-
Contribution on Net Profit to collect - Samitri	-	-
Long-term sales	-	-
	-----	-----
Total	2,098,837	1,205,939
	=====	=====
Short-term	1,480,462	569,017
Long-term	618,375	636,922
	-----	-----
	2,098,837	1,205,939
	=====	=====

The realization of tax credits arising from temporary differences occurs at the time of effective payment of the provisions made, in accordance with tax law.

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

In addition to the credits recorded, the Company has a lawsuit pending claiming an additional 51.83% monetary restatement for tax purposes applied to the months of January and February 1989 ("Plano Verao" monetary plan). A favorable ruling has already been obtained for compensation of credits corresponding to 42.72% instead of the 51.83% requested. The amount of these credits covered by the ruling totals approximately R\$ 405,000, and the accounting effects have not yet been recognized in the quarterly information.

The current expectation is to realize substantially the deferred income tax credit by the end of the year 2003.

16

CVRD

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

	09/30/02
	-----
Income before income tax and social contribution	(686,384)
(-) Equity in results of subsidiaries and affiliated companies	(1,871,936)
(-) Result from discontinued operations	(110,693)
(+) Non deductible goodwill and provisions for losses	320,097
	-----
Income tax and social contribution at combined tax rates	(2,348,916)
	34%
	-----
Federal income tax and social contribution at statutory rates	798,631
Adjustments to net income which modify the effect on the result for the period:	
. Income tax benefit from interest on stockholders' equity	349,753
. Fiscal incentives	-
. Revision of prior period tax return	18,474
. Others	21,738
	-----
Income tax and social contribution	1,188,596
	=====

CVRD

17

6.9- Investments

Subsidiaries

Partici-	Adjusted
pation	stockholders
%	equity
-----	

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Florestas Rio Doce S.A. (c)	99.85	209,101	
Itabira Internacional Servicos e Comercio Lda. (a, c, h)	99.99	1,058,434	
Navegacao Vale do Rio Doce S.A. - DOCENAVE (c)	100.00	457,634	
Rio Doce Europa - (a, c, h) S.'a.r.l	99.80	3,724,661	
S.A. Mineracao da Trindade - SAMITRI (c, d)	100.00	-	
SIBRA Eletrosiderurgica Brasileira S.A. (c, d, e, m)	99.23	311,741	
Vale do Rio Doce Aluminio S.A. - ALUVALE (c, f, j, m)	94.74	447,879	
Ferteco Mineracao S.A. (c, m)	100.00	568,381	
Urucum Mineracao S.A. (c)	100.00	70,302	
Mineracao SOCOIMEX S.A. (c, d)	100.00	-	
TVV - Terminal de Vila Velha S.A. ( c )	99.89	57,856	
Others (c)			
 Jointly controlled companies			
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO (b, c, m)	50.00	(124,990)	
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS (b, c, m)	50.89	93,568	
Companhia(Y)talo-Brasileira de Pelotizacao - ITABRASCO (b, c, m)	50.90	78,454	
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO (b, c, m)	51.00	88,040	
Companhia Siderurgica de Tubarao - CST (b, c, d, e)	22.85	2,619,717	
Companhia Siderurgica Nacional - CSN (c, j)	-	-	
Minas da Serra Geral S.A. - MSG (b, c)	51.00	62,171	
Samarco Mineracao S.A. (b, m)	50.00	344,369	
Others (b, c)			
 Affiliated companies			
Fertilizantes Fosfatados S.A. - FOSFERTIL (c, e)	11.12	560,278	
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS (c, d, e)	11.46	2,631,335	
			Investm
			-----
			09/30/02      06/3
			-----
 Subsidiaries			
Florestas Rio Doce S.A. (c)		208,787	9
Itabira Internacional Servicos e Comercio Lda. (a, c, h)		1,058,328	99
Navegacao Vale do Rio Doce S.A. - DOCENAVE (c)		457,634	40
Rio Doce Europa - (a, c, h) S.'a.r.l		3,717,212	2,75
S.A. Mineracao da Trindade - SAMITRI (c, d)		731,184	75
SIBRA Eletrosiderurgica Brasileira S.A. (c, d, e, m)		554,424	52
Vale do Rio Doce Aluminio S.A. - ALUVALE (c, f, j, m)		424,321	71
Ferteco Mineracao S.A. (c, m)		1,192,189	1,20
Urucum Mineracao S.A. (c)		70,302	6
Mineracao SOCOIMEX S.A. (c, d)		47,930	5
TVV - Terminal de Vila Velha S.A. ( c )		57,792	5
Others (c)		231,571	20
		-----	-----
		8,751,674	7,82
		-----	-----
 Jointly controlled companies			
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO (b, c, m)		-	
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS (b, c, m)		47,617	4
Companhia(Y)talo-Brasileira de Pelotizacao - ITABRASCO (b, c, m)		39,933	3
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO (b, c, m)		44,900	4

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Companhia Siderurgica de Tubarao - CST (b, c, d, e)	449,909	47
Companhia Siderurgica Nacional - CSN (c, j)	-	
Minas da Serra Geral S.A. - MSG (b, c)	31,707	2
Samarco Mineracao S.A. (b, m)	172,185	20
Others (b, c)	46,756	5
	833,007	88
Affiliated companies		
Fertilizantes Fosfatados S.A. - FOSFERTIL (c, e)	62,303	5
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS (c, d, e)	301,551	38
Others	-	
	363,854	44
Investments at cost		
	6,748	
	9,955,283	9,14
Provision for losses		
CELMAR S.A. - Industria de Celulose e Papel (c)	(59,246)	(5)
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO (b, c)	(62,496)	(1)
Companhia Ferroviaria do Nordeste (b, c)	(31,727)	(2)
DOCEPAR S.A. (c)	(106,983)	(10)
Ferrovias Centro-Atlantica S.A. (c, g)	-	
MRS Logistica S.A. (c, m)	-	
ALBRAS - Aluminio Brasileiro S.A (c, m)	-	
Para Pigmentos S.A. (c)	(87,936)	(3)
Sepetiba Tecon S.A. (c)	-	
Others	(7,425)	(
	(355,813)	(24
Amortization of goodwill		
	-	
Others		
	-	
Total	9,599,470	8,90

- (a) Equity in companies located abroad is converted into local currency at rates in effect on the quarterly information date. The calculation of the equity method adjustment comprises the difference due to exchange rate variations, as well as participation in results;
- (b) Notwithstanding the stockholdings, the classification as a jointly controlled company considers the degree of control exercised by the Company, which is shared with other partners;
- (c) Companies whose quarterly information was not reviewed by independent accountants;



Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

(d) Goodwill and negative goodwill on investments are as follows:

Goodwill

SIBRA Eletrosiderurgica Brasileira S.A. (included R\$ 26,392 of goodwill on CPFL)  
Caemi Mineracao e Metalurgia S.A. (indirectly through ITACO)  
Ferteco Mineracao S.A.  
S.A. Mineracao da Trindade - SAMITRI (merged on October 1, 2001)  
Mineracao SOCOIMEX S.A. (merged on August 31, 2000)  
ALUNORTE - Alumina do Norte do Brasil S.A. (c, m)  
Salobo Metais Ltda.  
Others

Negative goodwill

Companhia Siderurgica de Tubarao - CST

Goodwill was amortized as follows:

Ferrovias Centro-Atlantica S.A. (c, g)  
Ferteco Mineracao S.A. (c, d, m)  
Gulf Industrial Investment Co. (h)  
Para Pigmentos S.A. (c)  
SIBRA Eletrosiderurgica Brasileira S.A. (includes R\$ 2,400 on CPFL) (c, e)  
MRS Logistica S.A. (indirectly through ITACO) (c, l)  
Caemi Mineracao e Metalurgia S.A. (indirectly through ITACO) (c)  
Others (a, c, h)

(e) Investments in companies that were listed on stock exchanges on 09/30/02:

Companhia Siderurgica de Tubarao - CST  
Fertilizantes Fosfatados S.A. - FOSFERTIL  
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS

The market value of these investments does not necessarily reflect the value that could be realized from selling a representative group of shares. The other investments refer to companies that have no shares listed on stock exchanges;

(f) Indirect holdings through ALUVALE:

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

	Participa- tion %	Adjusted stockholders' equity	09/30/02
ALBRAS - Aluminio Brasileiro S.A. (c, m)	51.00	(213,753)	(106,614)
ALUNORTE - Alumina do Norte do Brasil S.A. (c,m)	57.03	226,155	178,872
Mineracao Rio do Norte S.A. (c, m)	40.00	498,041	199,217
Valesul Aluminio S.A. (c, m)	54.51	266,074	145,036
Mineracao Vera Cruz S.A. (c)	100.00	10,006	10,006
Own operations			(2,196)
			-----
Provision for losses ALBRAS			424,321
			-
			-----
			424,321
			=====

On 06/27/02, ALUVALE acquired the entire interest detained by its affiliated company Mineracao Rio do Norte S.A. in ALUNORTE - Alumina do Norte do Brasil S.A., equivalent to 12.62% of the total capital, for R\$ 118,877; -

- (g) The investment of CVRD in Ferrovia Centro-Atlantica S.A. is held through its subsidiary Mineracao Tacuma S.A.;

CVRD

19

- (h) Indirect holdings through Itabira Internacional Servicos e Comercio Lda. and Rio Doce Europa - S.'a.r.l.:

	Participa- tion %	Adjusted stockholders' equity	09/30/02
Caemi Mineracao e Metalurgia S.A. (c, d)	16.86	835,187	619,235
California Steel Industries, Inc - CSI (a, c)	50.00	944,510	472,255
CVRD Overseas Ltd. (a, c)	100.00	444,819	444,819
Camelback Corporation (c)	100.00	115,971	115,971
Gulf Industrial Investment Co. - GIIC (a, c)	50.00	110,730	55,365
Rio Doce Manganese Europe - RDME (a, c)	100.00	162,417	162,417
Vale do Rio Doce Aluminio S.A. - ALUVALE (c)	5.26	447,879	23,694
Outras participacoes (a, c)			2,958
Itabira Rio Doce (ITACO) /Itabira Internacional (a, c)			(838,386)
Rio Doce Europa - S.'a.r.l. (a,c)			3,717,212
			-----
			4,775,540
			3

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Provision for losses - Sepetiba Tecon	-
Provision for losses - MRS (indirectly through CAEMI)	-
Amortization of goodwill - MRS (indirectly through CAEMI)	-
Amortization of goodwill - Caemi Mineracao e Metalurgia S.A	-
Amortization of goodwill - Gulf Industrial Investment Co.	-
	-----
	4,775,540
	=====

In July 2002, Itabira Rio Doce Company Limited - ITACO was sold to Itabira International Servicos e Comercio Ltda.;

- (i) The consolidated shareholding in Vale do Rio Doce Aluminio S.A. - ALUVALE is 100%, the subsidiary Itabira Rio Doce Company Limited - ITACO owns 5.26% of the capital;
- (j) In March 2001, CVRD withdrew from CSN by unwinding the cross-holding relationship between the companies;
- (k) On 06/19/02, CVRD acquired from Anglo American Brasil Ltda. (Anglo), a subsidiary of Anglo American plc, 44,172,369 common shares, corresponding to 50% of the total capital of Salobo Metais S.A., for R\$ 136,159. This transaction was carried out through the intermediation of Caulim do Brasil Investimentos S.A., a wholly owned CVRD subsidiary. With this acquisition, CVRD became sole owner of Salobo;
- (l) CVRD's holding in MRS Logistica is hold through Ferteco Mineracao S.A., Belem Administracao e Participacao Ltda., and Caemi Mineracao e Metalurgia S.A.;
- (m) Attachment I presents additional information about the companies in the areas of aluminum, pellets, manganese and ferroalloys.

20

CVRD

### 6.10- Property, Plant and Equipment

	09/30/02			
	Cost	Accumulated depreciation	Net	Cost
	----	-----	---	----
Ferrous - Northern System				
Mining	1,675,190	(760,818)	914,372	1,576,633
Railroads	2,713,901	(1,053,157)	1,660,744	2,684,114
Ports	532,524	(241,749)	290,775	515,353
Construction in progress	447,703	-	447,703	504,480
	-----	-----	-----	-----
	5,369,318	(2,055,724)	3,313,594	5,280,580
	-----	-----	-----	-----
Ferrous - Southern System				
Mining	2,585,845	(1,547,204)	1,038,641	2,565,310



## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

The average annual depreciation rates are 3% for buildings, from 2% to 10% for installations, from 10% to 20% for equipment, and from 1% to 4% for railroads. Mineral reserve depletion is calculated annually as a function of the volume of ore extracted in relation to the proven and probable reserves.

CVRD

21

Depreciation, amortization and depletion of property, plant and equipment have been allocated to costs of production and services and to administrative expenses as follows:

	09/30/02	09/30/01
	-----	-----
Cost of production and services in the period	418,765	337,336
Inventories' variation	(18,147)	21,374
	-----	-----
Cost of production and services	400,618	358,710
Administrative expenses	16,922	14,302
	-----	-----
	417,540	373,012
	=====	=====

### 6.11- Loans and Financing

#### Short-term

Refers to export financing in the amount of R\$ 1,066,196 on 09/30/02 and R\$ 1,668,905 on 06/30/02, with an average interest rate of 3.83% on 09/30/02.

#### Long-term

	Current liabilities		Long-term liabilities	
	09/30/02	06/30/02	09/30/02	06/30/02
Foreign operations				
Loans and financing in:				
U.S. dollars	913,413	500,622	3,011,894	2,162,000
Yen	34,656	25,747	111,979	83,000
Other currencies	1,017	746	1,526	1,000
Notes in U.S. dollars	-	-	1,947,450	1,422,000
Accrued charges	52,205	49,124	-	-
	-----	-----	-----	-----
	1,001,291	576,239	5,072,849	3,670,000
	-----	-----	-----	-----
Local operations				
Indexed by TJLP, TR and IGP-M	11,858	10,758	58,514	58,000
Basket of currencies	45,140	33,450	71,473	61,000
Loans in U.S. dollars	2,968	2,167	348,450	255,000
Non-convertible debentures	-	-	8,944	7,000
Accrued charges	6,942	4,869	-	-
	-----	-----	-----	-----

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

66,908	51,244	487,381	382,
-----	-----	-----	-----
1,068,199	627,483	5,560,230	4,052,
=====	=====	=====	=====

- (a) Foreign currency loans and financing were converted into reais at exchange rates effective on the quarterly information date, with US\$ 1.00 = R\$ 3.8949 on 09/30/02 (R\$ 2.8444 on 06/30/02) and(Y) 1.00 = R\$ 0.032018 on 09/30/02 (R\$ 0.023787 on 06/30/02);
- (b) Of the total loans and financing, R\$ 995,592 are guaranteed by the federal government (with full counter-guarantees).
- (c) Amortization of principal and finance charges incurred on long-term loans and financing obtained abroad and domestically mature as follows as of 09/30/02:

2003	1,194,065
2004	2,372,290
2005	604,889
2006	743,177
2007 onward	645,809
	-----
	5,560,230
	=====

22

CVRD

- (d) Long-term foreign and domestic loans and financing were subject to annual interest rates on 09/30/02 as follows:

Up to 3%	1,962,611
3.1 to 5%	2,027,765
5.1 to 7%	371,114
7.1 to 9%	128,795
9.1 to 11%	1,968,785
Over 11%	169,359
	-----
	6,628,429
	=====

- (e) The estimated market values of long-term loans and financing calculated to present value based on available interest rates as of 09/30/02 are close to their market values;

- (f) Loans and financing, by currency/index in:

[GRAPHIC OMITTED]

Yen	2%
Basket of currencies	2%
Others	1%
Dollar	95%

R\$ 7,694,625

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

### 6.12 - Securitization Program

On September 29, 2000, CVRD finalized the financial conditions for a US\$ 300 million securitization program based on existing and future receivables generated by its subsidiary CVRD Overseas Ltd.. This transaction, relating to exports of iron ore and pellets to six of CVRD's major customers in Europe, the United States and Asia, was structured by Bank of America Securities LLC, and is divided into three tranches as follows:

Tranche	Amount (US \$ million)	Maturity	Grace Period (years)	Yield to Investor (per year)
1	25	10/15/2007	2	8.682%
2 (insured)	125	10/15/2007	2	Libor+0.65%
3	150	10/15/2010	3	8.926%

The balance of this operation on 09/30/02 totals R\$ 1,184,046 (R\$ 89,671 in current liabilities and R\$ 1,094,375 in long-term liabilities) and is included in related party liabilities to the subsidiary CVRD Overseas Ltd. (Note 6.6).

CVRD

23

### 6.13 - Contingent Liabilities

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

- (a) Provisions for contingencies and respective judicial deposits, considered by management and its legal counsel as sufficient to cover possible losses from any type of lawsuit, were as follows:

	Judicial deposits		Provisions for contingencies	
	09/30/02	06/30/02	09/30/02	06/30/02
Tax contingencies	401,283	322,700	511,182	382,700
Labor claims	137,643	123,637	350,427	363,637
Civil claims	112,242	105,856	299,931	264,931
Others	4,544	6,117	18,905	17,905
<b>Total</b>	<b>655,712</b>	<b>558,310</b>	<b>1,180,445</b>	<b>1,028,173</b>

The Company and its subsidiaries are parties to labor, civil, tax and other suits have been contesting these matters both administratively and in the courts. When necessary, these are backed by judicial deposits. Provisions for

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

eventual losses are estimated and restated monetarily by management upon the advice of the legal department and outside counsel.

Tax contingencies relate principally to a suit claiming unconstitutionality of the change in the calculation basis of PIS and COFINS social contributions introduced by Law 9,718/98.

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

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 during which full indexation of contracts for inflation was not permitted.

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

	09/30/02 -----	06/30/02 -----
ALBRAS - Alumínio Brasileiro S.A.	1,371,814	1,015,684
Companhia Coreano-Brasileira de Pelotização - KOBRASCO	103,864	75,871
Ferrovia Centro-Atlântica S.A.	394,741	322,097
Sepetiba Tecon S.A.	89,695	68,931
Others	-	3,270
	-----	-----
	1,960,114	1,485,853
	=====	=====

The breakdown of guarantees by currency is:

	09/30/02 -----	06/30/02 -----
U.S. Dollar	1,572,212	1,167,174
Real	387,902	318,679
	-----	-----
	1,960,114	1,485,853
	=====	=====

(c) Upon privatization of the Company in 1997, The Brazilian government stipulated the issuance of non-convertible debentures (Debentures) to the then stockholders, 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 Price Index (IGP-M), as set forth in the Issue Deed.

On 10/04/02, the Comissão de Valores Mobiliários - CVM (Brazilian Securities Commission) approved the Company's registration request, filed on 06/28/02, for Public Debentures Trading. As of 10/28/02, the Debentures can be traded on the secondary market.



The debenture holder are entitled to receive twice-yearly payments equivalent to a percentage of the net revenue deriving from determined mineral resources owned in May 1997 and included in the Issue Deed, as per Tables I and II below.

The Debenture Issue Deed establishes that, in the event that the updated and accrued premium the debenture holders are entitled to receive on the respective payment dates falls below R\$ 0.01 (one centavo) per Debenture, such payment may be held in abeyance and accumulated until the next payment date, or until some future period when the accrued value surpasses the minimum determined above. In this case, the amount of the premium must be accrued and increased by monthly interest equal to the Reference Rate of SELIC (System for Settlement and Custody of Federal Securities), calculated as of the determination dates until the month prior to effective payment, and 1% per month during the month when the money is paid to the debenture holders.

In view of the criteria and parameters for applicability of this premium, and although gold sales from the Fazenda Brasileiro mine reached the accumulated volume stipulated in the Deed of 26 metric tons in June 2002, the amount of the premium was determined at approximately R\$ 28.9 thousand, i.e., less than R\$ 0.01 (one centavo) per Debenture. Therefore, from the issue date to present, no remuneration has been paid to the debenture holders.

Based on the estimates for start-up of operations of the copper projects, such premiums are forecast to begin in 2004. Considering iron ore sales, the threshold established in the Deed should be reached in approximately 2030 for the Southern System and 2020 for the Northern System. Regarding the remaining minerals, such as bauxite and nickel, estimates for start of extraction are after 2005, and according to the criteria established in the Deed, payment will be due on the net revenues starting in the fourth year after the first mineral sales. The obligation to make these payments to the debenture holders will terminate when the pertinent mineral resources are depleted.

Criteria and Parameters for Composition and Applicability of the Premium:

Table I

Mineral Product	Premium	Applicability
Iron Ore	1.8% of Net Revenues	Payment calculated on net the date the accrued sales billion tons in the Southe 1.2 billion tons for the N
Gold, Copper and Byproducts	2.5% of Net Revenues	Payment starting from the observing the following co of Carajas-Serra Leste and  (i) The Premium will be du corresponding to the parti

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

its subsidiaries companies ventures on April 15, 1997 Pojuca, Andorinhas, Liberd

(ii) The Premium relative owed starting on the date surpass 70 tons of gold.

(iii) The Premium relative owed from the date accrued tons of gold.

Other Minerals	1% of Net Revenues	Payment on net revenues fr year after the date of fir minerals.
----------------	--------------------	---

Table II

Other Criteria	Premium
----------------	---------

Sale of Mineral Rights	1% of the sale price of ea
------------------------	----------------------------

Lease of Mineral Rights	The Premium will be owed subsidiaries companies, each product if the lease
-------------------------	--

Substitution of Mineral Rights	The permutation of the mi products included in Tabl composing the Premium as o
--------------------------------	--

CVRD

25

- (d) The Company has commitments under a take-or-pay contract to acquire approximately 207,060 tons of aluminum per year from ALBRAS at market prices. This estimate is based on 51% of the predicted output of ALBRAS at a market price of US\$ 1,319.52 per ton on 09/30/02, representing an annual commitment of R\$ 731,934 based on the average rate for the nine-month period ended September 30, 2002. The same applies to 676,236 tons of alumina per year produced by ALUNORTE, which at a market price of US\$ 168.55 per ton on 09/30/02 represents a yearly commitment of R\$ 305,342 at the same exchange rate mentioned. The effective take of ALBRAS was R\$ 515,028 and R\$ 407,670 on 09/30/02 and 09/30/01, respectively, and directly from ALUNORTE (net of the take assigned to ALBRAS), was R\$ 68,195 and R\$ 49,501 on 09/30/02 and 09/30/01, respectively.

6.14 - 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

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

of activities at each mine. On 09/30/02, the provision for environmental liabilities amounted to R\$ 56,029 (R\$ 59,651 on 06/30/02), which was accounted in "Others" in long-term liabilities.

### 6.15 - Pension Plan - VALIA

The Fundacao Vale do Rio Doce de Seguridade Social - VALIA is a non-traded non-profit supplementary social security entity, legally separate from CVRD, founded in 1973 to provide supplementary social security benefits to the employees of the Company, its subsidiaries, affiliated companies and others that participate or may in the future participate in plans administered by the Foundation.

The Company and various of its subsidiaries and affiliated companies are sponsors of VALIA, in the following benefit plans:

#### (a) Benefit Plan

##### Defined Benefit Plan - "BD"

A pure defined benefit plan, now being phased out, instituted in 1973 upon establishment of VALIA. This plan has been closed to new members and is maintained only for existing retired participants and their beneficiaries and a few residual active participants.

##### Mixed-Benefit Plan - "Vale Mais"

A mixed plan which offers programmable retirement income benefits of the defined contribution type, independent of government Social Security. It also includes a deferred severance benefit (vesting), as well as risk benefits: retirement for disability, death benefits and sick-leave assistance. This new plan has more modern, transparent and flexible rules that make it more attractive for employees and more economical for the sponsors.

"Vale Mais" was established in May 2000 and nearly 98.7% of the active participants migrated to this new plan.

The contributions of the sponsors are as follows:

- o Ordinary contribution - Destined to accrue the resources necessary to grant income benefits, sponsor contributions are matched equally by participants, up to 9% of their participation salaries, which may not exceed ten "plan reference units" (this limit was R\$1,383.86 in December 2001).
- o Extraordinary contribution - This can be made at any time, at the discretion of the sponsors.
- o Normal contribution - To fund the risk plan and administrative expenses, fixed by the actuary based on actuarial appraisals.
- o Special contribution - Destined to cover any special commitment that may arise.

During the period ended 09/30/02, the Company made contributions to VALIA in the amount of R\$ 40,392 (R\$ 32,754 on 09/30/01) to fund the benefit plans it sponsors.

#### (b) Reserve to be amortized

On 03/15/01, CVRD fully paid the total of reserve to be amortized to that date

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

by transferring the total shares of Companhia Siderurgica Nacional - CSN, in the amount of R\$ 521 million, and gave guarantees of minimum gains until VALIA sells them. The guarantee consists of the variation of IGP-DI inflation index plus interest of 6% per year.

26

CVRD

(c) Contractual guarantee

Due to the amount of income guaranteed was over the variation of the shares on 09/30/02, CVRD registered a liability with VALIA in the amount of R\$ 139,272, accounted for as financial expense (Note 6.19), which can be reversed by appreciation in the shares or dividends and interest on shareholders' equity to be paid by CSN. (d) Actuarial liability

(d) Actuarial liability

This provision is the result of the Company's responsibility to provide supplementary pensions relating to the early retirement programs of 1987 and 1989, in the amount of R\$ 460,951, and an additional amount of R\$ 33,075 as required by CVM Deliberation 371. These liabilities were calculated by an independent actuary for the year 2001 and represent the current value of the benefits and pensions. Part is recorded in "Pension Plan" account in current liabilities - R\$ 68,809 (R\$ 64,533 on 06/30/02) and part in long-term liabilities - R\$ 455,758 (R\$ 429,493 on 06/30/02).

### 6.16 - Capital

The Company's capital is R\$ 5 billion, corresponding to 388,559,056 book shares, of which 249,983,143 are common shares, 138,575,913 are preferred class "A" shares, the latter including one special preferred share ("Golden Share"), all with no par value. On April 29, 2002, the Extraordinary Stockholders' General Meeting approved a capital increase, without new share issue, through capitalization of reserves in the amount of R\$ 1 billion.

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.

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

On 09/30/02 the Company's capital is comprised as follows:

Stockholders	Common	%	Preferred
Valepar S.A.	105,443,070	42	-
Brasillian Government (National Treasury / BNDES/			

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

INSS / FPS) (a)	-	-	5,075,341
American Depositary Receipts - ADRs	53,706,307	22	62,156,360
Litel Participacoes S.A. (b)	25,272,641	10	-
BNDESPar	8,973,671	4	1,251,980
Clube de Investimentos dos Empregados da Vale - INVESTVALE	9,995,369	4	-
Foreign - institutional investors	6,082,170	2	37,154,304
Brazil - institutional investors	28,664,802	11	16,828,735
Brazil - retail investors	7,129,943	3	16,104,459
Treasury stock	4,715,170	2	4,734
	-----	---	-----
Total	249,983,143	100	138,575,913
	=====	===	=====

(a) The National Bank for Economic and Social Development (BNDES), in its own name and on behalf of the Brazilian Government, continuing the privatization process started in 1997 as per the terms of the Privatization Rules, on 03/21/02 sold 78,787,838 common CVRD shares to the public.

(b) Litel is the corporate vehicle pursuant to which Previ, Petros, Funcef and Fundacao CESP, each of which is a Brazilian pension fund, hold common shares in CVRD and Valepar.

As of 09/30/02, the number of holders of record who are residents of Brazil was 32,073. These stockholders owned 229,948,776 shares, representing 59.2% of the capital stock.

### 6.17- American Depositary Receipts (ADR) Program

CVRD

27

On 06/20/00, the Company obtained ADR registration from the United States Securities and Exchange Commission (SEC), beginning a process for its preferred shares to be traded on the New York Stock Exchange (NYSE). On 03/21/02, in connection with the sale of shares held by the BNDES and Brazilian Government, the common shares began to be traded on the NYSE. Each ADR represents 1 (one) preferred Class "A" or common share, traded under the code "RIOPR" and "Rio", respectively.

### 6.18- Treasury Stock

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

On October 24, 2001, an Extraordinary General Meeting authorized the acquisition of up to 19 million nominative book shares, with no par value, with 14 million being common shares and 5 million preferred shares, in order to hold in treasury for later sale or cancellation, without decreasing in capital stock. Up to 09/30/02, 4,715,170 common and 4,751 preferred shares had been acquired at a cost of R\$ 131,347, and held in treasury.

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Class	Shares		Unit acquisition cost		
	09/30/02	06/30/02	Average	Low	High
Preferred	4,751	4,751	51.45	14.02	52.40
Common	4,715,170	4,715,170	27.80	20.07	52.09
	4,719,921	4,719,921			

6.19- Financial Result

	09/30/02	09/30/01
Financial expenses	(180,391)	(192,920)
Foreign debt	(60,971)	(64,530)
Local debt	(179,695)	(6,662)
Related parties, net (*)	(424,514)	(224,974)
Others (**)	(845,571)	(489,086)
Monetary and exchange rate variation on liabilities	(5,000,364)	(2,071,465)
Financial income		
Marketable securities	62,841	43,167
Others	54,759	31,556
	117,600	74,723
Monetary and exchange rate variation on assets	1,904,632	1,083,795
Financial income (expenses), net	(3,823,703)	(1,402,033)

(\*) Includes expenses with VALIA (Note 6.15-b).

(\*\*) Includes net losses on derivative financial instruments (Note 6.20).

6.20 - Financial Instruments - Derivatives

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

The Company's risk management follows policies and guidelines reviewed and approved by the Board of Directors and Executive Board. These policies and guidelines generally prohibit speculative trading and short selling and require diversification of transactions and counterparts. The policy of the Company is to settle all contracts financially without physical delivery of the products. The overall position of the portfolio is assessed and monitored daily to measure the financial results and the impact on cash flow. The credit limits and

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

28

CVRD

creditworthiness of counterparts are also reviewed periodically. The results of hedging are reported to the Executive Board and recognized monthly in the CVRD result.

### Interest Rate Risk

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

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

The table below provides information regarding the interest rate derivatives portfolio for 09/30/02 and 09/30/01.

Type	09/30/02		09/30/01	
	Notional value (in US \$ thousand)	Rate range	Unrealized gain (loss) (in R \$ thousand)	Final maturity
Cap	1,200	5.7 - 11.0%	1,737	May/07
Floor	850	5.7 - 6.3%	(80,656)	May/05
Swap	475	5.8 - 6.7%	(175,851)	Oct/07
Total			(254,770)	

### Exchange Rate Risk

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

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

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

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

The table below shows the exchange rate derivatives portfolio for 09/30/02 and 09/30/01. These operations are forwards and range forwards which were structured to ensure the purchase price of the following currencies:

	09/30/02					
Type	Notional value (in US \$ thousand)	Rate range	Unrealized gain (loss) (in R \$ thousand)	Final maturity	Notional value (in US \$ thousand)	Rate range
Yen purchased	3,470	Y79 - 91 per US\$	3,963	May/05	31	Y94 - 110
Euros purchased		E 1.18 - 1.23 per US\$	5,465	May/05	17	E1.10 - 1.15
Euros sold		E 0.98 - 0.99 per US\$	134	Sep/02	-	
			-----			
Total			9,562			
			=====			

### 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 exposure.

The Company uses hedge instruments to manage its exposure to changes in the price of gold. These derivatives operations allow establishment of a minimum profit level for future gold 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 09/30/02 and 09/30/01.

CVRD

29

	09/30/02					
Type	Quantity (oz)	Price range US/\$oz	Unrealized gain (loss) (in R \$ thousand)	Final maturity	Quantity (oz)	
Puts purchased	471,000	270 - 355	27,533	Dec/06	479,500	



Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Calls sold	674,500	316 - 407	(43,192)	Dec/06	845,500
Hybrids instruments	20,000		125	Nov/06	15,000
			-----		
Total			(15,534)		
			=====		

6.21 - Exchange Rate Exposure

The exchange rate exposure is predominantly in U.S. dollars.

	Parent Company	
	09/30/02	06/30/02
	-----	-----
Assets		
Current		
Cash and banks and marketable securities	537	101
Others	2,596	2,373
	-----	-----
	3,133	2,474
Long-term receivables	1,250	1,130
Investments	4,664	3,388
	-----	-----
Total	9,047	6,992
	=====	=====
Liabilities		
Current		
Short-term loans and financing	2,121	2,285
Others	1,079	437
	-----	-----
	3,200	2,722
Long-term liabilities		
Loans and financing	5,495	3,988
Others	3,263	2,393
	-----	-----
	8,758	6,381
	-----	-----
Total	11,958	9,103
	=====	=====
Liabilities - R	\$(2,911)	(2,111)
	=====	=====
Liabilities - US	\$(747)	(742)
	=====	=====

(\*) Proportional to the percentage of participation

6.22- Other Operating Expenses

09/30/02	09/30/01
-----	-----

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Provisions for contingencies	90,242	82,337
Provision for loss on ICMS recoverable	17,298	126,864
Provision for profit sharing	58,000	46,000
Provision for early retirement program	29,833	20,128
Provision for loss Eletrobrs	28,515	-
Others	20,477	128,461
	-----	-----
	244,365	403,790
	=====	=====

### 6.23- Subsequent Events

Proposal for Interest on Shareholders' Equity

30

CVRD

The Board of Directors has approved on this date the proposal of the Executive Board of CVRD for payment on 12/10/02 of interest on shareholders' equity in the amount of R\$ 1,028,689, equivalent to R\$ 2.68 per outstanding common or preferred share.

CVRD

31

### PART III

#### 7- OTHER INFORMATION THE COMPANY DEEMS RELEVANT

##### 7.1 Net Accumulated Income (in R\$ Million)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2000	639	1101	1600	2135
2001	660	1206	2412	3051
2002	633	718	502	--

##### 7.2- Factors Affecting Net Income in the Last 12 Months (in R\$ Million)

[BAR CHART OBJECT OMITTED]

Net income at 09/30/01	Net operating revenue	Cost of products and services	Result of investment participations	Financial result	Operating expenses net	Discon opera
2,412	926	(445)	1,063	(2,402)	4	(1,

7.3 - Business Performance Ratios

Capital Ratios

- 1 - Capital assets to stockholders' equity (Permanent assets/Equity \* 100) - (%)
- 2 - Capital assets to total liabilities (Permanent assets/Total liabilities \* 100) - (%)
- 3 - Total liabilities to stockholders' equity (Total liabilities/Equity \* 100) - (%)
- 4 - Short to total liabilities (Short-term liabilities/Total liabilities \* 100) - (%)
- 5 - Stockholders' equity to total liabilities (Equity/Total liabilities \*100) - (%)
- 6 - Capital assets to non-current funds (Permanent assets/(Equity + Long-term liabilities)) \*100)
- 7 - Net Debt / Stockholders' equity (Net debt (a) / Equity)
- 8 - Net Debt (a) / Total Assets
- 9 - Leverage (Total Assets / Equity)

Profitability and Other Ratios

- 1 - Gross Margin (Gross profit / Net operating revenues \* 100) - (%)
- 2 - Operating Margin (Operating income / Net operating revenues \* 100) - (%)
- 3 - Net Margin (Net income / Net operating revenues \* 100) - (%)
- 4 - Return on Assets (Net income (annualized) / Total assets \*100) - ROA (%)
- 5 - Return on Equity (Net income (annualized) / Equity \*100) - ROE (%)
- 6 - Total asset turnover (Net operating revenues (annualized) / Total assets)
- 7 - P/E (Price of preferred class A share / Earnings per share (annualized))
- 8 - Price /Book Value (Price of preferred class A share / Book value per share)
- 9 - Net income per outstanding share (Net income (annualized) / Number of shares outstanding)
- 10 - NOPLAT / Operating Income (%)
- 11 - EBITDA + Dividends received / Financial expenses on financing
- 12- EBITDA + Dividends Received / Operating Income (%)
- 13- Net Debt (a) / EBITDA + Dividends Received(annualized)
- 14- FCOL / Financial expenses on financing

Note:

The income statement data has been annualized.

- a) Net Debt = short- and long-term debt, net of related party loans, less cash and cash equivalents; annualized with the income then ended.

7.4- Segment and Geographic Information

The Company's business areas are as follows:

Ferrous - mining of iron ore and manganese and production of pellets, as well as their commercialization and respective rail transport and port handling (both for the Northern and Southern Systems).

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Non-ferrous - includes gold production, potash, geological prospecting and other non-ferrous minerals.

Logistics - activities related to railroads and ports together with investments in the area of maritime and rail transport and port services.

Investments - includes commercialization of aluminum products and investments in joint ventures and affiliates involved in the production of bauxite, alumina refining and aluminum smelting, as well as holdings in companies in the pulp and paper sector and in steel making.

CVRD

33

Corporate center - comprises the functional areas of control, finance, legal affairs, human resources, administration, information technology and investor relations.

	----- Ferrous -----	Non-ferrous -----	Logistics -----	Pulp and paper -----
Results				
Sales classified by geographic destination				
External market				
Latin America	210,174	-	-	-
United States	204,450	87,841	-	-
Europe	1,352,848	144,189	-	-
Middle East/Africa/Oceania	280,466	-	-	-
Japan	456,788	-	-	-
China	544,595	-	-	-
Asia, other than Japan and China	313,035	-	-	-
-----				
Operating revenues - external market	3,362,356	232,030	-	-
Operating revenues - internal market	1,551,208	181,906	457,006	-
-----				
Total operating revenues	4,913,564	413,936	457,006	-
Value-added taxes	(184,354)	(21,218)	(13,445)	-
-----				
Net operating revenues	4,729,210	392,718	443,561	-
-----				
Cost of products and services	(2,436,857)	(231,929)	(183,442)	-
-----				
Selling and administrative expenses	(107,277)	-	-	-
Research and development	(14,458)	(81,435)	(3,412)	-
Other operating expenses, net	(169,972)	-	-	-
-----				
Operation profit before financial result and result of investment participations	2,000,646	79,354	256,707	-
Financial result, net	-	-	-	-
Result of investments/participations	1,613,428	(88,212)	(286,205)	7,258

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Income taxes	-	-	-	-
Discontinued operations	-	-	-	110,693
Net income for the year	3,614,074	(8,858)	(29,498)	117,951

EBITDA demonstration:

Operation profit before financial result and result of investment participations	2,000,646	79,354	256,707	-
Depreciation, amortization and depletion	423,596	60,998	17,174	-
Dividend received - cash	57,179	-	-	-
Adjustments in non-cash itens:				
- Provision for contingencies	90,242	-	-	-
- Provision for loss on ICMS recoverable	17,298	-	-	-
- Write-off of property, plant and equipment	11,700	-	-	-
- Provision for early-retirement programs	29,833	-	-	-
- Provision for losses	28,515	-	-	-
- Others	4,084	-	-	-
EBITDA	2,663,093	140,352	273,881	-
EBITDA % of total	95.2%	5.0%	9.8%	-
EBITDA margin %	56.3%	35.7%	61.7%	-

09/30/02

Corporate Center	Total
------------------	-------

Results

Sales classified by geographic destination  
External market

Latin America	-	210,174
United States	-	292,291
Europe	-	1,497,037
Middle East/Africa/Oceania	-	280,466
Japan	-	456,788
China	-	544,595
Asia, other than Japan and China	-	313,035
Operating revenues - external market	-	3,594,386
Operating revenues - internal market	-	2,190,120
Total operating revenues	-	5,784,506
Value-added taxes	-	(219,017)
Net operating revenues	-	5,565,489
Cost of products and services	-	(2,852,228)
Selling and administrative expenses	(276,198)	(383,475)
Research and development	(196)	(99,501)
Other operating expenses, net	(74,393)	(244,365)
Operation profit before financial result and result of investment participations	(350,787)	1,985,920)

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Financial result, net	(3,823,703)	(3,823,703)
Result of investments/participations	19,789	1,040,706
Income taxes	1,188,596	1,188,596
Discontinued operations	-	110,693
	-----	-----
Net income for the year	(3,005,663)	502,212
	=====	=====

EBITDA demonstration:

Operation profit before financial result and result of investment participations	(350,787)	1,985,920
Depreciation, amortization and depletion	7,221	508,989
Dividend received - cash	-	120,107
Adjustments in non-cash itens:		
- Provision for contingencies	-	90,242
- Provision for loss on ICMS recoverable	-	17,298
- Write-off of property, plant and equipment	-	11,700
- Provision for early-retirement programs	-	29,833
- Provision for losses	-	28,515
- Others	-	4,084
	-----	-----
EBITDA	(343,566)	2,796,688
EBITDA % of total	(12.2%)	100.0%
EBITDA margin %	-	50.3%
	=====	=====

Information related to period ended 09/30/01 is as follows:

	Ferrous	Non-ferrous	Logistics	Holdings	Corporate Center
	-----	-----	-----	-----	-----
EBITDA	2,161,911	119,805	245,614	199,969	(277,768)
EBITDA % of total	88.3%	4.9%	10.0%	8.1%	(11.3%)
EBITDA margin %	55.8%	33.8%	60.2%	-	-

34

CVRD

7.5- Share Performance on Stock Exchanges (Non-audited)

The following table shows the high and low closing sale prices for the Preferred Class A Shares and Common Shares on the Sao Paulo Stock Exchange, and for ADRs on the New York Stock Exchange (NYSE) (each ADR represents 1 preferred class A or common share).

[LINE GRAPH OBJECT OMITTED]

In reais

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

	Preferred Class A Shares		Common Shares		ADRs - Preferred S	
	High	Low	High	Low	High	
2001						
First Quarter	53.60	44.00	51.00	42.70	26.98	2
Second Quarter	58.60	49.05	54.00	46.50	25.70	2
Third Quarter	55.00	45.50	55.00	46.40	23.15	1
Fourth Quarter	54.00	53.52	53.40	52.60	23.61	2
2002						
First Quarter	62.00	61.00	63.69	62.00	27.49	2
Second Quarter	75.90	59.80	78.10	61.50	29.51	2
Third Quarter	84.00	80.90	88.00	84.30	25.35	2

7. 6- Capital Expenditures (Non-audited)

	In thousands of reais		
	ACTUAL UP TO 09/02	APPROVED FOR 2002	% A
Ongoing Capital Expenditures			
Replacement/Refurbishment/Improvement	483,850	515,916	93
Geological Research	80,373	102,536	78
Technological Research/Development	35,180	37,750	93
Environment	1,323	1,293	102
Informatics / Telecommunications	82,656	109,644	75
	683,382	767,139	89
Equity Investments	610,521	649,755	94
Direct Investments	840,435	1,021,106	82
Total Capital Expenditures	2,134,338	2,438,000	87

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

### 7.7- Operations for the period (Non-Audited)

	(Million metric tons)		
	09/30/02	09/30/01	VAR %
PRODUCTION/PURCHASE			
IRON ORE	93.9	93.8	0.1
PELLETS	11.9	11.8	0.8
POTASH	0.5	0.4	25.0
GOLD (thousand Kg)	8.6	11.7	(26.5)
RAILROAD OPERATIONS - GENERAL CARGO			
EFVM	19.7	18.8	4.8
FCA	17.0	16.3	4.3
EFC	3.6	2.3	56.5
EFVM - TKU	8.5	8.3	2.4
FCA - TKU	7.2	6.4	12.5
EFC - TKU	2.3	1.4	64.3
PORT OPERATIONS			
TUBARAO	13.6	13.2	3.0
SAO LUIZ	2.5	1.9	31.6
DOCENAVE OPERATIONS			
BULK CARGO	3.8	14.8	(74.3)
GENERAL CARGO (TEUS)	51.4	45.3	13.5
MANOEUVERS (REBOCADORES)	0.5	0.5	-
SALES FROM ALUMINUM AREA			
BAUXITE	6,946	7,777	(10.7)
ALUMINA	1,185	1,179	0.5
ALUMINUM	365	329	10.9

### 7.8- Changes in Prices (Non-Audited)

The following table shows the prices for of products of the Company and its subsidiary and jointly controlled companies for the periods indicated:

	Asia Iron Ore (SSF) (US\$/ton)	Europe Iron Ore (SFCJ) (US\$/ton)	Gold (US\$/ounce)	Aluminum (US\$/ton)
	-----	-----	-----	-----
2001				
March	15.35	18.68	257.70	1,569.59
June	16.32	18.68	269.50	1,536.30
September	16.32	18.68	293.10	1,405.96
December	16.32	18.68	277.70	1,362.36
2002				
March	16.32	18.68	299.00	1,405.40
June	16.08	18.29	318.50	1,354.25
September	16.08	18.29	323.70	1,301.25



Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

36

CVRD

7.9- Iron Ore and Pellet Sales (Main Markets) (Non-Audited)

											(Millions)										
											JAN to SEP		JA								
											2001	%	20								
											1998	%	1999	%	2000	%	2001	%	2001	%	20
FOREIGN MARKET																					
ASIA																					
CHINA	5.7	6	7.3	8	9.2	8	14.9	12	11.5	12	1										
KOREA	7.1	7	7.9	8	7.0	6	6.0	5	4.7	5											
PHILIPPINES	0.9	1	1.6	2	1.4	1	1.2	1	0.7	1											
JAPAN	17.3	17	16.9	17	17.5	15	17.1	13	12.7	13	1										
TAIWAN	1.6	2	1.8	2	1.6	2	2.2	2	1.6	2											
OTHERS	1.1	1	0.6	-	0.4	-	1.1	1	0.5	1											
	33.7	34	36.1	37	37.1	32	42.5	34	31.7	34	3										
EUROPE																					
GERMANY	9.4	9	8.0	8	8.2	7	10.1	8	7.2	7	10										
SPAIN	3.6	4	3.6	4	2.9	2	2.9	2	1.9	2	2										
FRANCE	3.0	3	2.1	2	2.9	2	3.9	3	2.8	3	4										
ITALY	6.1	6	5.0	5	4.8	4	5.1	4	3.7	4	4										
UNITED KINGDOM	2.4	2	1.6	2	1.5	2	1.6	1	1.1	1	1										
OTHERS	5.7	6	4.7	5	8.2	7	10.8	8	7.4	8	9										
	30.2	30	25.0	26	28.5	24	34.4	26	24.1	25	32										
AMERICAS																					
ARGENTINA	2.3	2	1.6	2	1.4	1	1.9	1	1.4	1	1										
UNITED STATES	3.1	3	3.0	3	3.5	3	2.9	2	2.3	2	3										
OTHERS	2.2	2	1.8	2	2.0	2	1.5	1	1.3	1	1										
	7.6	7	6.4	7	6.9	6	6.3	4	5.0	4	6										
AFRICA/MID.EAST/OCEANIA																					
BAHREIN	1.2	1	1.5	2	2.0	2	1.7	1	1.4	1	1										
OTHERS	3.2	3	3.6	4	5.2	4	5.1	4	3.7	4	2										
	4.4	4	5.1	6	7.2	6	6.8	5	5.1	5	4										
	75.9	75	72.6	76	79.7	68	90.0	69	65.9	68	77										

DOMESTIC MARKET

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

STEEL MILLS	15.0	15	13.6	14	15.5	13	20.2	16	14.9	16	1
PELLETING AFFILIATES	8.6	10	10.1	10	21.6	19	19.7	15	15.3	16	1
	23.6	25	23.7	24	37.1	32	39.9	31	30.2	32	2
TOTAL	99.5	100	96.3	100	116.8	100	129.9	100	96.1	100	107

Exports by System

	(Mill)									
									JAN to SEP	
	1998	%	1999	%	2000	%	2001	%	2001	%
NORTHERN SYSTEM	44.0	44	42.8	44	46.6	40	50.8	39	37.3	39
SOUTHERN SYSTEM	55.5	56	53.5	56	70.2	60	79.1	61	58.8	61
	99.5	100	96.3	100	116.8	100	129.9	100	96.1	100

CVRD

37

7.10 - Shareholding Interests (Organizational Chart at 09/30/02)

Main Companies of the CVRD Group Holding in Total Stock (%)

COMPANHIA VALE DO RIO DOCE	
Valepar 27.14%	
Public 72.86%	
-----	
FERROUS	
-----	
IRON ORE AND PELLETS	
-----	
Ferteco	
CVRD.....	100.00
Ferteco International*	
Ferteco.....	100.00
Belem-Adm e Part. Ltda	
CVRD.....	99.99
Docepar.....	0.01
Baovale Mineracao S.A.	
CVRD.....	50.00
Shanghai Baosteel.....	50.00
Minas de Serra Geral**	

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

CVRD.....	51.00
Kawasaki.....	24.50
Japanese Group.....	24.50
CAEMI	
Amazon (Itaco).....	16.86
Mitsui.....	43.37
Others .....	39.77
Samarco Mineracao S/A	
CVRD.....	50.00
BHP Brasil.....	50.00
Hispanobras**	
CVRD.....	50.89
Aceralia CS.....	49.11
Itabrasco**	
CVRD.....	50.90
Liva.....	49.10
Nibrasco**	
CVRD.....	51.00
Nippon Steel.....	25.39
Japanese Group.....	23.61
Kobrasco**	
CVRD.....	50.00
POSCO.....	50.00
Kobin	
Kobrasco.....	100.00
GIIC*	
ITACO.....	50.00
Gulf Invest. Co.....	50.00
 ----- FERROUS -----	
MANGANESE AND ALLOYS	
Urucum Mineracao S.A.	
CVRD.....	100.00
RDME *	
ITACO.....	100.00
SIBRA	
CVRD.....	99.23
others.....	0.77
IFC.....	5.62
CPFL	
SIBRA.....	93.60
others .....	6.40
Nova Era Silicon **	
CVRD.....	49.00
Mitsubishi.....	22.50
Kawasaki.....	22.50
Mizushima.....	3.00
 ----- NON FERROUS -----	
PRECIOUS METALS, BASE METALS AND INDUSTRY MINERALS	
-----	
Docegeo	
CVRD.....	99.998
Others.....	00.002
33 Mining Companies	

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

CVRD.....	100.00
PPSA	
CVRD.....	75.50
Mitsubishi.....	18.88
IFC.....	5.62
PPSA Overseas*	
PPSA.....	100.00
Salobo Metais	
CVRD.....	50.00
CBI (CVRD).....	50.00
Mineracaos Sossego	
Min. Andira.....	56.82
Camelback (Itaco).....	43.18
Compania Mineradora Andico-Brasilera Limitada - CMAB*	
CVRD.....	99.90
Docepar.....	0.10

### LOGISTICS

#### RAILROADS AND PORTS

TVV-Terminal de Vila Velha S.A.	
CVRD.....	99.887
Min. Tacuma.....	0.005
Employees.....	0.108
Ferrovia Centro Atlantica S.A.	
Min. Tacuma.....	45.65
VALIA.....	9.99
KRJ.....	12.31
CARMO.....	9.99
CPP.....	1.03
CSN.....	11.95
Others.....	9.08
Companhia Ferroviaria do Nordeste	
CVRD.....	32.40
Taquari.....	32.40
CSN.....	32.40
Employees.....	2.80
CSN Aceros S.A. *	
ITACO .....	62.50
CSN Panama .....	37.50
Sepetiba	
CSN Aceros S.A.	80.00
CSN	
Ferroban	
Previ .....	26.42
Funcef .....	23.62
LAIF XV Ltda .....	15.10
Gaborone .....	14.59
Brasil Ferroviaria S.A. ....	8.35
CVRD .....	3.75
others .....	8.17

### SHIPPING

Docenave	
CVRD.....	100.00
Navedoce	
Docenave.....	100.00

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Seamar  
 Docenave.....100.00

### HOLDINGS BAUXITE, ALUMINA AND ALUMINUM

Aluvale  
     CVRD.....94.74  
     ITACO.....5.26  
 Min. Vera Cruz  
     Aluvale.....100.00  
 Albras\*\*  
     Aluvale.....51.00  
     NAAC.....49.00  
 Valesul\*\*  
     Aluvale.....54.51  
     Billiton.....45.49  
 Alunorte\*\*  
     Aluvale.....57.03  
     Norsk Hydro.....34.03  
     NAAC.....4.05  
     CBA.....3.62  
     JAIC.....1.27

Min, Rio do Norte  
     Aluvale.....40.00  
     Billiton.....14.80  
     Alcan.....12.00  
     CBA.....10.00  
     Alcoa.....8.58  
     Reynolds.....5.00  
     Norsk Hydro.....5.00  
     Abalco.....4.62

### FERTILIZERS

Fosfertil  
     CVRD.....11.12  
     Fertifos.....56.14  
     Others.....32.74

### TIMBER, PULP & PAPER Florestas Rio Doce

    CVRD.....99.85  
     Others.....0.15  
 Celmar  
     CVRD.....54.07  
     Nissho Iwai.....45.93

### Steel

CST  
     CVRD.....22.85  
     Acesita/Unisor.....37.29  
     Kawasaki.....7.91  
     Others.....31.95  
 Califonia Steel \*  
     Rio Doce Ltd.....50.00  
     Kawasaki.....50.00  
 Usiminas

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

CVRD.....	11.46
Nipon Usiminas.....	9.45
Previ.....	8.02
CIU .....	4.95
Others.....	66.12
Siderar(*)	
Itabira Rio Doce.....	4.85
Usiminas.....	5.32
Sidertubes S/A.....	50.21
ISA (Employees).....	9.78
Others.....	29.84

### ENERGY

Consortium Igarapava Usina Hidreletrica	
CVRD.....	38.15
Cia Mineira Metais.....	23.93
CSN.....	17.92
CEMIG.....	14.50
Min. Morro Velho.....	5.50
Consortium Porto Estrela Usina Hidreletrica	
CVRD.....	33.33
CEMIG.....	33.33
Coteminas.....	33.33
Consortium Aimores Usina Hidreletrica	
CVRD.....	51.00
CEMIG.....	49.00
Consortium Candonga Usina Hidreletrica	
CVRD.....	50.00
EPP.....	50.00
Consortium Funil Usina Hidreletrica	
CVRD.....	51.00
CEMIG.....	49.00
Consortium Capim Branco I e II - Usina Hidreletrica	
CVRD.....	48.42
CEMIG.....	21.05
Suzano.....	17.90
Votorantim.....	12.63
Consortium Foz do Chapeco Usina Hidreletrica	
CVRD.....	40.00
Foz do Chapeco Energia S.A.....	60.00
Consortium Santa Isabel Usina Hidreletrica	
CVRD.....	43.85
Billiton.....	20.60
Alcoa.....	20.00
Votorantim.....	10.00
C. Cirrea e Cimentos.....	5.55
Consortium Estreito Energia	
CVRD .....	30.00
Tractebel .....	30.00
Alcoa .....	19.08
BHP Billiton .....	16.48
C.Correa Energia .....	4.44

### OTHERS ABROAD

Rio Doce International

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

CVRD.....	100.00
Alluvale .....	0.01
Rio Doce Asia*	
Rio Doce International.....	100.00
Rio Doce Europa S.'a.r.l.*	
CVRD.....	99.80
Others.....	0.20
Rio Doce International Finance*	
Rio Doce Europa.....	100.00
Rio Doce Comercio International Aps*	
CVRD.....	100.00
Itabira internacional Servicios e Comercio	
RDCI ApS*.....	99.99
Others.....	0.01
Itabira Rio Doce Company Ltd. - ITACO*	
Intabira Internat. Servicios e Comercio.....	100.00
Rio Doce America	
ITACO.....	100.00
Rio Doce Ltd.	
Rio Doce America.....	100.00
CVRD Overseas*	
ITACO.....	100.00
CVRD Finance*	
CVRD Overseas.....	99.00
BNP Paribas .....	0.01
CVRD Europe Trading Energy B.V. - CETE*	
CVRD.....	100.00
Brasilux	
CVRD.....	100.00
Vale Overseas Ltd*	
CVRD.....	100.00

38

CVRD

### 7.11- Information About FERTECO (Non-audited)

#### Statement of Income

In thousands of reais

	From 04/01/02 to 09/30/02	From 01/01/02 to 09/30/02	From 01/05/01 to 09/30/01
	-----	-----	-----
Operating revenues	319,966	678,258	361,433
Value-added taxes	(17,489)	(53,639)	(17,763)
	-----	-----	-----
Net operating revenues	302,477	624,619	343,670
	-----	-----	-----
Cost of products and services	(186,549)	(384,333)	(188,512)
	-----	-----	-----
Gross profit	115,928	240,286	155,158
Gain on investments accounted for by the equity method	(20,327)	(49,028)	(5,712)
Operating income (expenses)			
Selling and administrative	(1,708)	(26,310)	(47,987)

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Operating income (expenses)	(13,375)	(30,326)	(154)
	-----	-----	-----
Financial expenses	(15,083)	(56,636)	(48,141)
Financial income	(232,813)	(284,727)	(107,625)
	-----	-----	-----
Operating profit	21,349	26,618	(6,532)
Non operating income (expenses), net	194	99	(201)
	-----	-----	-----
Income before income tax and social contribution	21,543	26,717	(6,733)
Income tax and social contribution	2,818	16,643	3,666
Net income for the period	24,361	43,360	(3,067)
	=====	=====	=====
Number of shares outstanding			
at the end of the period (in thousands)	225,775	225,775	225,775
Net earnings per share outstanding	=====	=====	=====
at the end of the period (R\$)	0.11	0.19	(0.01)
	=====	=====	=====

CVRD acquired Ferteco in May 2001.

Investments

For 2002 Ferteco budgeted investments for maintenance of production capacity, research, training and environmental control and recuperation.

CVRD

39

7.12- Information About RDIF (Non-audited)

Statement of Income

	From 04/01/ 02 to 09/30/02	From 01/01/ 02 to 09/30/02
	-----	-----
Net operating revenues	31,027	97,507
Cost of products and services - agencying costs	(6,851)	(21,999)
	-----	-----
Gross profit	24,176	75,508
Gain on investments accounted for by the equity method	14,683	(21,394)
Operating income (expenses)		
Selling	(91)	(447)



Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Other operating expenses, net	3,900	3,654
	-----	-----
	3,809	3,207
Financial expenses	(8,303)	(28,801)
Financial income	(5,033)	47,103
Monetary and exchange rate variation, net	910	229
	-----	-----
Operating profit	30,242	75,852
Non operating income (expenses), net	(72,995)	(72,995)
	-----	-----
Net income (loss) for the period	(42,753)	2,857
	=====	=====
Number of shares outstanding at the end of the period (in thousands)	10	10
	=====	=====
Net earnings per share outstanding at the end of the period (R)\$	(4,275.30)	285.70
	=====	=====

The company registered net income of R\$ 2,857 in 2002 against R \$1,367,317 in 2001, due to:

Result from Equity Investments

Refers to the gain on the sale of Celulose Nipo-Brasileira S. A. - CENIBRA in 2001, in the amount of R\$ 1,471,544.

40

CVRD

PART IV

PART IV

8- EQUITY INVESTEE INFORMATION

8.1 - Aluminum Area - ALBRAS (Adjusted and Non-Audited)

-----		
Information		
-----		
		1st Quarter
-----		
Quantity sold - external market	MT (thousand)	84
Quantity sold - internal market	MT (thousand)	4
		-----
Quantity sold - total	MT (thousand)	88
		=====
Average sales price - external market	US\$	1,318.33
Average sales price - internal market	US\$	1,352.12

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Average sales price - total	US\$	1,319.81	1,
Long-term indebtedness, gross	US\$	524,095	5
Short-term indebtedness, gross	US\$	72,938	
Total indebtedness, gross	US\$	597,033	5
Stockholders' equity	R\$	299,202	1
Net operating revenues	R\$	273,853	3
Cost of products	R\$	(170,834)	(2)
Other expenses/revenues	R\$	(12,562)	
Depreciation, amortization and depletion	R\$	15,555	
EBITDA	R\$	106,012	1
Depreciation, amortization and depletion	R\$	(15,555)	(
EBIT	R\$	90,457	1
Non-operating result	R\$	(746)	
Net financial result	R\$	(11,141)	(3)
Income before income tax and social contribution	R\$	78,570	(1
Income tax and social contribution	R\$	(2,627)	
Net income	R\$	75,943	1

Information

		1st Quarter	2nd Quarter	Q
Quantity sold - external market	MT (thousand)	87	88	
Quantity sold - internal market	MT (thousand)	3	4	
Quantity sold - total	MT (thousand)	90	92	
Average sales price - external market	US\$	1,530.02	1,468.13	1,
Average sales price - internal market	US\$	1,606.92	1,528.21	14
Average sales price - total	US\$	1,532.90	1,470.68	1,
Long-term indebtedness, gross	US\$	527,685	496,058	4
Short-term indebtedness, gross	US\$	176,879	167,370	1
Total indebtedness, gross	US\$	704,564	663,428	6
Stockholders' equity	R\$	189,460	198,660	
Net operating revenues	R\$	277,094	307,826	2
Cost of products	R\$	(161,707)	(176,460)	(1
Other expenses/revenues	R\$	(12,828)	(9,735)	(
Depreciation, amortization and depletion	R\$	19,149	15,091	
EBITDA	R\$	121,708	136,722	
Depreciation, amortization and depletion	R\$	(19,149)	(15,091)	(
EBIT	R\$	102,559	121,631	
Non-operating result	R\$	582	(406)	
Net financial result	R\$	(119,075)	(114,009)	(2
Income before income tax and social contribution	R\$	(15,934)	7,216	(1

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Income tax and social contribution	R\$	14,467	1,982	(
Net income	R\$	1,467	9,198	(1

CVRD 41

8.2 - Aluminum Area - ALUNORTE (Adjusted and Non-Audited)

Information

		1st Quarter
Quantity sold - external market	MT (thousand)	222
Quantity sold - internal market	MT (thousand)	205
Quantity sold - total	MT (thousand)	427
Average sales price - external market	US\$	148.20
Average sales price - internal market	US\$	175.94
Average sales price - total	US\$	161.55
Long-term indebtedness, gross	US\$	455,061
Short-term indebtedness, gross	US\$	-
Total indebtedness, gross	US\$	455,061
Stockholders' equity	R\$	573,946
Net operating revenues	R\$	164,875
Cost of products	R\$	(135,765)
Other expenses/revenues	R\$	(7,377)
Depreciation, amortization and depletion	R\$	12,802
EBITDA	R\$	34,535
Depreciation, amortization and depletion	R\$	(12,802)
EBIT	R\$	21,733
Non-operating result	R\$	(4)
Net financial result	R\$	(10,936)
Income before income tax and social contribution	R\$	10,793
Income tax and social contribution	R\$	(726)
Net income	R\$	10,067

Information

1st 2nd 3

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

		Quarter	Quarter	Qua
Quantity sold - external market	MT (thousand)	170	212	2
Quantity sold - internal market	MT (thousand)	193	195	1
Quantity sold - total	MT (thousand)	363	407	4
Average sales price - external market	US\$	195.23	189.14	181.
Average sales price - internal market	US\$	202.01	195.80	188.
Average sales price - total	US\$	198.83	192.33	184.
Long-term indebtedness, gross	US\$	434,772	424,815	429,1
Short-term indebtedness, gross	US\$	43,410	47,102	20,1
Total indebtedness, gross	US\$	478,182	471,917	449,3
Stockholders' equity	R\$	433,497	417,974	334,9
Net operating revenues	R\$	149,709	188,075	177,2
Cost of products	R\$	(106,856)	(128,775)	(122,3
Other expenses/revenues	R\$	(4,729)	(6,886)	(3,8
Depreciation, amortization and depletion	R\$	12,904	12,861	12,7
EBITDA	R\$	51,028	65,275	63,7
Depreciation, amortization and depletion	R\$	(12,904)	(12,861)	(12,7
EBIT	R\$	38,124	52,414	51,0
Non-operating result	R\$	749	(721)	1
Net financial result	R\$	(97,766)	(75,812)	(156,6
Income before income tax and social contribution	R\$	(58,893)	(24,119)	(105,5
Income tax and social contribution	R\$	15,653	7,153	(22,8
Net income	R\$	(43,240)	(16,966)	(128,3

42

CVRD

8.3 - Aluminum Area - ALUVALE (Adjusted and Non-Audited)

Information

		1st Quarter	Q
Quantity sold - internal market	MT (thousand)	-	
Quantity sold - total	MT (thousand)	-	
Average sales price - internal market	US\$	-	
Average sales price - total	US\$	-	
Short-term indebtedness, gross	US\$	-	

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Total indebtedness, gross	US\$	-	
Stockholders' equity	R\$	891,456	75
Net operating revenues	R\$	288	
Cost of products	R\$	(22)	
Other expenses/revenues	R\$	4,571	
Depreciation, amortization and depletion	R\$	-	
EBITDA	R\$	4,837	
Depreciation, amortization and depletion	R\$	-	
EBIT	R\$	4,837	
Gain on investments accounted for by the equity method	R\$	57,892	(14)
Net financial result	R\$	4,917	
Income before income tax and social contribution	R\$	67,646	(13)
Income tax and social contribution	R\$	(2,723)	(
Net income	R\$	64,923	(13)

Information

		1st Quarter	2nd Quarter	Qu
Quantity sold - internal market	MT (thousand)	-	-	
Quantity sold - total	MT (thousand)	-	-	
Average sales price - internal market	US\$	-	-	1,96
Average sales price - total	US\$	-	-	1,96
Short-term indebtedness, gross	US\$	310	259	
Total indebtedness, gross	US\$	310	259	
Stockholders' equity	R\$	724,927	754,707	627
Net operating revenues	R\$	323	438	
Cost of products	R\$	-	-	
Other expenses/revenues	R\$	3,650	315	2
Depreciation, amortization and depletion	R\$	8	9	
EBITDA	R\$	3,981	762	3
Depreciation, amortization and depletion	R\$	(8)	(9)	
EBIT	R\$	3,973	753	3
Gain on investments accounted for by the equity method	R\$	(2,165)	27,928	(132)
Net financial result	R\$	3,155	3,916	4
Income before income tax and social contribution	R\$	4,963	32,597	(124)
Income tax and social contribution	R\$	3,870	(2,818)	(2
Net income	R\$	8,833	29,779	(127)

## 8.4 - Aluminum Area - MRN (Adjusted and Non-Audited)

## Information

		1st Quarter	2nd Quarter
Quantity sold - external market	MT (thousand)	485	1,296
Quantity sold - internal market	MT (thousand)	1,296	485
Quantity sold - total	MT (thousand)	1,781	1,781
Average sales price - external market	US\$	20.56	19.46
Average sales price - internal market	US\$	19.46	20.56
Average sales price - total	US\$	19.80	19.80
Long-term indebtedness, gross	US\$	95,892	90,000
Short-term indebtedness, gross	US\$	14,436	18,000
Total indebtedness, gross	US\$	110,328	108,000
Stockholders' equity	R\$	594,895	562,000
Net operating revenues	R\$	76,448	111,000
Cost of products	R\$	(39,697)	(60,000)
Other expenses/revenues	R\$	(569)	(5,000)
Depreciation, amortization and depletion	R\$	9,840	13,000
EBITDA	R\$	46,022	58,000
Depreciation, amortization and depletion	R\$	(9,840)	(13,000)
EBIT	R\$	36,182	45,000
Gain on investments accounted for by the equity method	R\$	(3,403)	(1,000)
Non-operating result	R\$	(13)	(5,000)
Net financial result	R\$	(1,804)	(32,000)
Income before income tax and social contribution	R\$	30,962	11,000
Income tax and social contribution	R\$	(6,522)	(4,000)
Net income	R\$	24,440	7,000

## Information

		1st Quarter	2nd Quarter	3rd Quarter
Quantity sold - external market	MT (thousand)	581	886	

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Quantity sold - internal market	MT (thousand)	1,604	1,946	1
Quantity sold - total	MT (thousand)	2,185	2,832	2
Average sales price - external market	US\$	22.70	21.99	2
Average sales price - internal market	US\$	20.08	20.16	2
Average sales price - total	US\$	21.39	21.08	2
Long-term indebtedness, gross	US\$	700	-	7
Short-term indebtedness, gross	US\$	1,456	1,400	11
Total indebtedness, gross	US\$	2,156	1,400	19
Stockholders' equity	R\$	522,722	577,587	544
Net operating revenues	R\$	86,629	124,021	139
Cost of products	R\$	(38,030)	(58,247)	(59)
Other expenses/revenues	R\$	(2,192)	(2,172)	(2)
Depreciation, amortization and depletion	R\$	11,199	11,244	10
EBITDA	R\$	57,606	74,846	87
Depreciation, amortization and depletion	R\$	(11,199)	(11,244)	(10)
EBIT	R\$	46,407	63,602	77
Gain on investments accounted for by the equity method	R\$	(5,540)	(2,050)	(10)
Non-operating result	R\$	(79)	82	(2)
Net financial result	R\$	225	(1,895)	(2)
Income before income tax and social contribution	R\$	41,013	59,739	64
Income tax and social contribution	R\$	(3,845)	(4,875)	(11)
Net income	R\$	37,168	54,864	52

44

CVRD

8.5 - Aluminum Area - VALESUL (Adjusted and Non-Audited)

Information

		1st Quarter	Q
Quantity sold - external market	MT (thousand)	9	
Quantity sold - internal market	MT (thousand)	12	
Quantity sold - total	MT (thousand)	21	
Average sales price - external market	US\$	1,467.44	1,48
Average sales price - internal market	US\$	1,906.21	1,86
Average sales price - total	US\$	1,720.97	1,66
Long-term indebtedness, gross	US\$	1,868	1
Short-term indebtedness, gross	US\$	685	

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Total indebtedness, gross	US\$	2,553	1
Stockholders' equity	R\$	231,170	246
Net operating revenues	R\$	77,727	92
Cost of products	R\$	(63,576)	(71)
Other expenses/revenues	R\$	(3,223)	(1)
Depreciation, amortization and depletion	R\$	3,332	3
EBITDA	R\$	14,260	23
Depreciation, amortization and depletion	R\$	(3,332)	(3)
EBIT	R\$	10,928	19
Non-operating result	R\$	55	
Net financial result	R\$	(597)	
Income before income tax and social contribution	R\$	10,386	20
Income tax and social contribution	R\$	(4,122)	(5)
Net income	R\$	6,264	14

Information

		1st Quarter	2nd Quarter	3rd Quarter
Quantity sold - external market	MT (thousand)	2	9	
Quantity sold - internal market	MT (thousand)	14	17	
Quantity sold - total	MT (thousand)	16	26	
Average sales price - external market	US\$	1,733.37	1,585.14	1,55
Average sales price - internal market	US\$	2,155.46	2,047.69	1,93
Average sales price - total	US\$	2,107.06	1,882.41	1,78
Long-term indebtedness, gross	US\$	2,568	2,273	2
Short-term indebtedness, gross	US\$	33,619	9,700	
Total indebtedness, gross	US\$	36,187	11,973	3
Stockholders' equity	R\$	190,016	205,881	218
Net operating revenues	R\$	59,652	98,954	77
Cost of products	R\$	(40,859)	(68,267)	(54)
Other expenses/revenues	R\$	(5,104)	(11,433)	1
Depreciation, amortization and depletion	R\$	3,510	3,027	3
EBITDA	R\$	17,199	22,281	28
Depreciation, amortization and depletion	R\$	(3,510)	(3,027)	(3)
EBIT	R\$	13,689	19,254	24
Non-operating result	R\$	49	(1,392)	
Net financial result	R\$	(3,079)	3,513	(8)
Income before income tax and social contribution	R\$	10,659	21,375	15
Income tax and social contribution	R\$	(2,597)	(5,510)	(3)
Net income	R\$	8,062	15,865	12



## 8.6 - Pelletizing Affiliates - HISPANOBRAS (Adjusted and Non-Audited)

## Information

		1st Quarter	Q
Quantity sold - external market	MT (thousand)	487	
Quantity sold - internal market - CVRD	MT (thousand)	420	
Quantity sold - total	MT (thousand)	907	
Average sales price - external market	US\$	31.33	3
Average sales price - internal market	US\$	31.43	3
Average sales price - total	US\$	31.38	3
Stockholders' equity	R\$	85,476	85
Net operating revenues	R\$	67,353	59
Cost of products	R\$	(57,628)	(55)
Other expenses/revenues	R\$	(737)	
Depreciation, amortization and depletion	R\$	2,458	2
EBITDA	R\$	11,446	5
Depreciation, amortization and depletion	R\$	(2,458)	(2)
EBIT	R\$	8,988	2
Non-operating result	R\$	(1,465)	(4)
Net financial result	R\$	854	5
Income before income tax and social contribution	R\$	8,377	3
Income tax and social contribution	R\$	(3,362)	(1)
Net income	R\$	5,015	2

## Information

		1st Quarter	2nd Quarter	3 Qua
Quantity sold - external market	MT (thousand)	312	336	
Quantity sold - internal market - CVRD	MT (thousand)	520	560	
Quantity sold - total	MT (thousand)	832	896	
Average sales price - external market	US\$	30.80	30.79	32
Average sales price - internal market	US\$	30.57	31.55	32
Average sales price - total	US\$	30.65	31.26	32

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Stockholders' equity	R\$	73,036	76,910	85,
Net operating revenues	R\$	52,089	64,459	73,
Cost of products	R\$	(44,565)	(53,537)	(60,
Other expenses/revenues	R\$	(502)	(487)	1,
Depreciation, amortization and depletion	R\$	2,377	2,378	2,
EBITDA	R\$	9,399	12,813	16,
Depreciation, amortization and depletion	R\$	(2,377)	(2,378)	(2,
EBIT	R\$	7,022	10,435	14,
Non-operating result	R\$	(1,471)	(2,537)	(2,
Net financial result	R\$	2,460	833	4,
Income before income tax and social contribution	R\$	8,011	8,731	15,
Income tax and social contribution	R\$	(2,161)	(3,419)	(5,
Net income	R\$	5,850	5,312	10,

46

8.7 - Pelletizing Affiliates - ITABRASCO (Adjusted and Non-Audited)

Information

		1st Quarter	Q
Quantity sold - external market	MT (thousand)	644	
Quantity sold - internal market - CVRD	MT (thousand)	233	
Quantity sold - total	MT (thousand)	877	
Average sales price - external market	US\$	31.16	2
Average sales price - internal market	US\$	31.90	2
Average sales price - total	US\$	31.35	2
Short-term indebtedness, gross	US\$	18,023	17
Total indebtedness, gross	US\$	18,023	17
Stockholders' equity	R\$	60,230	65
Net operating revenues	R\$	65,575	49
Cost of products	R\$	(56,551)	(47
Other expenses/revenues	R\$	(1,020)	
Depreciation, amortization and depletion	R\$	327	
EBITDA	R\$	8,331	2
Depreciation, amortization and depletion	R\$	(327)	
EBIT	R\$	8,004	2
Non-operating result	R\$	(2,494)	(2

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Net financial result	R\$	(637)	9
Income before income tax and social contribution	R\$	4,873	9
Income tax and social contribution	R\$	(2,412)	(3)
Net income	R\$	2,461	5

Information

		1st Quarter	2nd Quarter	3 Qua
Quantity sold - external market	MT (thousand)	497	579	
Quantity sold - internal market	MT (thousand)	278	196	
Quantity sold - total	MT (thousand)	775	775	
Average sales price - external market	US\$	31.13	31.96	31
Average sales price - internal market	US\$	31.29	32.66	31
Average sales price - total	US\$	31.19	31.62	31
Short-term indebtedness, gross	US\$	503	-	
Total indebtedness, gross	US\$	503	-	
Stockholders' equity	R\$	46,768	65,160	68,
Net operating revenues	R\$	48,950	56,985	59,
Cost of products	R\$	(45,783)	(44,756)	(52,
Other expenses/revenues	R\$	(1,086)	(1,379)	2,
Depreciation, amortization and depletion	R\$	288	309	
EBITDA	R\$	2,369	11,159	9,
Depreciation, amortization and depletion	R\$	(288)	(309)	(
EBIT	R\$	2,081	10,850	9,
Non-operating result	R\$	(12)	6,437	
Net financial result	R\$	2,770	1,808	2,
Income before income tax and social contribution	R\$	4,839	19,095	11,
Income tax and social contribution	R\$	(3,288)	(707)	(7,
Net income	R\$	1,551	18,388	4,

CVRD

47

8.8 - Pelletizing Affiliates - KOBRASCO (Adjusted and Non-Audited)

Information

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

		1st Quarter	Q
Quantity sold - external market	MT (thousand)	436	
Quantity sold - internal market	MT (thousand)	420	
Quantity sold - total	MT (thousand)	856	1,
Average sales price - external market	US\$	31.31	29
Average sales price - internal market	US\$	32.08	29
Average sales price - total	US\$	31.69	29
Long-term indebtedness, gross	US\$	149,583	143,
=			
Total indebtedness, gross	US\$	149,583	143,
Stockholders' equity	R\$	16,608	(32,
Net operating revenues	R\$	63,984	72,
Cost of products	R\$	(50,027)	(67,
Other expenses/revenues	R\$	(1,109)	1,
Depreciation, amortization and depletion	R\$	2,248	2,
EBITDA	R\$	15,096	9,
Depreciation, amortization and depletion	R\$	(2,248)	(2,
EBIT	R\$	12,848	6,
Other expenses - non cash	R\$	(2,984)	(3,
Gain on investments accounted for by the equity method	R\$	57	
Non-operating result	R\$	31	
Net financial result	R\$	(3,811)	(78,
Income before income tax and social contribution	R\$	6,141	(73,
Income tax and social contribution	R\$	(3,093)	24,
Net income	R\$	3,048	(49,

Information

		1st Quarter	2nd Quarter	3 Qua
Quantity sold - external market	MT (thousand)	561	523	
Quantity sold - internal market - CVRD	MT (thousand)	420	489	
Quantity sold - total	MT (thousand)	981	1,012	1,
Average sales price - external market	US\$	30.04	31.38	33
Average sales price - internal market	US\$	31.80	31.29	
Average sales price - total	US\$	30.79	31.34	31
Long-term indebtedness, gross	US\$	128,282	128,006	128,
Total indebtedness, gross	US\$	128,282	128,006	128,
Stockholders' equity	R\$	39,224	32,574	(39,
Net operating revenues	R\$	61,210	70,414	90,

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Cost of products	R\$	(46,868)	(56,123)	(68,
Other expenses/revenues	R\$	(734)	(755)	(
Depreciation, amortization and depletion	R\$	2,225	2,226	2,
<hr/>				
EBITDA	R\$	15,833	15,762	23,
Depreciation, amortization and depletion	R\$	(2,225)	(2,226)	(2,
<hr/>				
EBIT	R\$	13,608	13,536	21,
Other expenses - non cash	R\$	-	-	(52,
Gain on investments accounted for by the equity method	R\$	316	229	(
Non-operating result	R\$	12	(46)	
Net financial result	R\$	(32,118)	(23,780)	(51,
<hr/>				
Income before income tax and social contribution	R\$	(18,182)	(10,061)	(82,
Income tax and social contribution	R\$	6,198	3,411	10,
<hr/>				
Net income	R\$	(11,984)	(6,650)	(72,

48

8.9 - Pelletizing Affiliates - NIBRASCO (Adjusted and Non-Audited)

Information

		1st Quarter	Q
Quantity sold - external market	MT (thousand)	407	
Quantity sold - internal market - CVRD	MT (thousand)	584	
Quantity sold - internal market - Others	MT (thousand)	9	
<hr/>			
Quantity sold - total	MT (thousand)	1,000	
<hr/>			
Average sales price - external market	US\$	30.25	
Average sales price - internal market	US\$	30.49	
Average sales price - total	US\$	30.39	
Long-term indebtedness, gross	US\$	3,600	
Short-term indebtedness, gross	US\$	2,484	
Total indebtedness, gross	US\$	6,084	
<hr/>			
Stockholders' equity	R\$	78,682	
<hr/>			
Net operating revenues	R\$	70,936	
Cost of products	R\$	(70,397)	
Other expenses/revenues	R\$	144	
Depreciation, amortization and depletion	R\$	4,217	
<hr/>			
EBITDA	R\$	4,900	
Depreciation, amortization and depletion	R\$	(4,217)	
<hr/>			

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

EBIT	R\$	683
Other expenses - non cash	R\$	(2,548)
Net financial result	R\$	(2,463)
<hr/>		
Income before income tax and social contribution	R\$	(4,328)
Income tax and social contribution	R\$	66
<hr/>		
Net income	R\$	(4,262)

Information

		1st Quarter	2nd Quarter	3rd Quarter
Quantity sold - external market	MT (thousand)	806	559	559
Quantity sold - internal market - CVRD	MT (thousand)	1,169	1,572	900
Quantity sold - internal market - Others	MT (thousand)	35	38	38
<hr/>				
Quantity sold - total	MT (thousand)	2,010	2,169	1,495
<hr/>				
Average sales price - external market	US\$	30.16	30.00	30.00
Average sales price - internal market	US\$	30	31	31
Average sales price - total	US\$	30.31	31.00	29.99
Long-term indebtedness, gross	US\$	6,000	4,800	4,800
Short-term indebtedness, gross	US\$	2,619	2,400	2,500
<hr/>				
Total indebtedness, gross	US\$	8,619	7,200	7,300
<hr/>				
Stockholders' equity	R\$	122,313	113,062	79,000
<hr/>				
Net operating revenues	R\$	122,876	151,327	109,300
Cost of products	R\$	107,077	(125,975)	(102,100)
Other expenses/revenues	R\$	(10,534)	(8,049)	12,900
Depreciation, amortization and depletion	R\$	4,086	4,086	4,100
<hr/>				
EBITDA	R\$	9,351	21,389	24,200
Depreciation, amortization and depletion	R\$	(4,086)	(4,086)	(4,100)
<hr/>				
EBIT	R\$	5,265	17,303	20,100
Other expenses - non cash	R\$	-	-	(42,000)
Net financial result	R\$	902	679	(8,400)
<hr/>				
Income before income tax and social contribution	R\$	6,167	17,982	(30,300)
Income tax and social contribution	R\$	(3,172)	(4,734)	(3,600)
<hr/>				
Net income	R\$	2,995	13,248	(34,000)

CVRD

49

8.10 - Pelletizing Affiliates - SAMARCO (Adjusted and Non-Audited)

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Information

		1st Quarter	Q
Quantity sold - total	MT (thousand)	3,301	
Average sales price - total	US\$	28.48	
Long-term indebtedness, gross	US\$	92,788	
Short-term indebtedness, gross	US\$	169,170	1
Total indebtedness, gross	US\$	261,958	2
Stockholders' equity	R\$	510,038	4
Net operating revenues	R\$	212,909	2
Cost of products	R\$	(108,837)	(1
Other expenses/revenues	R\$	(18,632)	(
Depreciation, amortization and depletion	R\$	7,745	
EBITDA	R\$	93,185	1
Depreciation, amortization and depletion	R\$	(7,745)	
EBIT	R\$	85,440	1
Other expenses/revenues - non cash	R\$	(1,815)	
Gain on investments accounted for by the equity method	R\$	2,213	(
Non-operating result	R\$	50	
Net financial result	R\$	(15,237)	(
Income before income tax and social contribution	R\$	70,651	(
Income tax and social contribution	R\$	(12,555)	
Net income	R\$	58,096	(

Information

		1st Quarter	2nd Quarter	3 Qua
Quantity sold - total	MT (thousand)	3,399	2,919	2,3
Average sales price - total	US\$	28.83	30.00	29.
Long-term indebtedness, gross	US\$	166,257	132,655	119,3
Short-term indebtedness, gross	US\$	188,795	164,003	158,2
Total indebtedness, gross	US\$	355,052	296,658	277,5
Stockholders' equity	R\$	418,290	447,693	399,2
Net operating revenues	R\$	197,904	190,671	166,9
Cost of products	R\$	(95,771)	(80,978)	(73,4
Other expenses/revenues	R\$	(18,514)	(19,602)	(12,7
Depreciation, amortization and depletion	R\$	9,268	8,113	5,7
EBITDA	R\$	92,887	98,204	86,4
Depreciation, amortization and depletion	R\$	(9,268)	(8,113)	(5,7
EBIT	R\$	83,619	90,091	80,6
Other expenses/revenues - non cash	R\$	(5,275)	(2,993)	(4,4

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Gain on investments accounted for by the equity method	R\$	(3,570)	(4,541)	(9,2
Non-operating result	R\$	-	16	(19,4
Net financial result	R\$	(63,754)	(45,453)	(97,9
<hr/>				
Income before income tax and social contribution	R\$	11,020	37,120	(50,5
Income tax and social contribution	R\$	(3,324)	(7,657)	2,0
<hr/>				
Net income	R\$	7,696	29,463	(48,4
<hr/>				

50

CVRD

8.11 - Iron Ore Area - FERTECO (Adjusted and Non-Audited)

Information

		1st Quarter	Q
Quantity sold - external market	MT (thousand)	2,470	3
Quantity sold - internal market	MT (thousand)	789	1
<hr/>			
Quantity sold - total	MT (thousand)	3,259	4
<hr/>			
Average sales price - external market	US\$	16.91	1
Average sales price - internal market	US\$	12.98	1
Average sales price - total	US\$	15.96	1
Long-term indebtedness, gross	US\$	94,359	88
Short-term indebtedness, gross	US\$	55,244	58
<hr/>			
Total indebtedness, gross	US\$	149,603	146
<hr/>			
Stockholders' equity	R\$	215,058	544
<hr/>			
Net operating revenues	R\$	126,852	195
Cost of products	R\$	(70,019)	(127
Other expenses/revenues	R\$	(12,481)	(12
Depreciation, amortization and depletion	R\$	7,273	7
<hr/>			
EBITDA	R\$	51,625	62
Depreciation, amortization and depletion	R\$	(7,273)	(7
<hr/>			
EBIT	R\$	44,352	55
Others expenses/revenues - no cash	R\$	-	(16
Result of Investments Participation (** )	R\$	9	(28
Non-operating result	R\$	(216)	
Net financial result	R\$	(4,575)	(44
<hr/>			
Income before income tax and social contribution	R\$	39,570	(34
Income tax and social contribution	R\$	(10,519)	24
<hr/>			
Net income	R\$	29,051	(10
<hr/>			



Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Information

		1st Quarter	2nd Quarter	3rd Quarter
Quantity sold - external market	MT (thousand)	-	3,955	3,955
Quantity sold - internal market	MT (thousand)	-	598	598
Quantity sold - total	MT (thousand)	-	4,553	4,553
Average sales price - external market	US\$	-	16.50	17.50
Average sales price - internal market	US\$	-	5.35	14.50
Average sales price - total	US\$	-	15.16	17.50
Long-term indebtedness, gross	US\$	-	101,394	103,394
Short-term indebtedness, gross	US\$	-	86,257	72,257
Total indebtedness, gross	US\$	-	187,651	175,651
Stockholders' equity	R\$	-	225,625	204,625
Net operating revenues	R\$	-	167,796	175,796
Cost of products	R\$	-	(101,601)	(86,601)
Other expenses/revenues	R\$	-	(23,309)	(24,309)
Depreciation, amortization and depletion	R\$	-	2,235	3,235
EBITDA	R\$	-	45,121	67,121
Depreciation, amortization and depletion	R\$	-	(2,235)	(3,235)
EBIT	R\$	-	42,886	64,886
Others expenses/revenues - no cash	R\$	-	-	-
Result of Investments Participation (* * )	R\$	-	(3,671)	(2,671)
Non-operating result	R\$	-	(106)	(106)
Net financial result	R\$	-	(31,412)	(76,412)
Income before income tax and social contribution	R\$	-	7,697	(14,697)
Income tax and social contribution	R\$	-	(5,354)	9,354
Net income	R\$	-	2,343	(5,343)

(\*) After acquisition on 04/01

(\*\*) Includes R\$ 21,040 of provision for loss at MRS and R\$7,670 of amortization of goodwill at MRS.

CVRD

51

8

8.12 - Manganese and Ferro Alloys Area - SIBRA (Adjusted and Non-Audited)

Information

1st  
Quarter

2nd  
Quarter

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Quantity sold - external market - ferro alloy	MT (thousand)	10	15
Quantity sold - internal market - ferro alloy	MT (thousand)	19	16
Quantity sold - total	MT (thousand)	29	31
=====			
Quantity sold - external market - manganese	MT (thousand)	242	213
Quantity sold - internal market - manganese	MT (thousand)	36	52
Quantity sold - total	MT (thousand)	278	265
=====			
Average sales price - external market - ferro alloy	US \$	465.60	379.66
Average sales price - internal market - ferro alloy	US \$	434.86	496.27
Average sales price - total	US \$	445.67	439.85
=====			
Average sales price - external market - manganese	US \$	52.99	46.36
Average sales price - internal market - manganese	US \$	69.56	53.46
Average sales price - total	US \$	55.11	47.75
=====			
Long-term indebtedness, gross	US \$	24,720	21,499
Short-term indebtedness, gross	US \$	24,465	22,503
=====			
Total indebtedness, gross	US \$	49,185	44,002
=====			
Stockholders' equity	R \$	242,845	265,581
=====			
Net operating revenues	R \$	62,105	59,941
Cost of products	R \$	(31,569)	(35,842)
Other expenses/revenues	R \$	(2,024)	(5,017)
Depreciation, amortization and depletion	R \$	2,186	2,240
=====			
EBITDA	R \$	30,698	21,322
Depreciation, amortization and depletion	R \$	(2,186)	(2,240)
=====			
EBIT	R \$	28,512	19,082
Gain on investments accounted for by the equity method	R \$	9,061	9,057
Non-operating result	R \$	(234)	133
Net financial result	R \$	(1,784)	(5,100)
=====			
Income before income tax and social contribution	R \$	35,555	23,172
Income tax and social contribution	R \$	(1,994)	(1,244)
=====			
Net income	R \$	33,561	21,928

Information

		1st Quarter	2nd Quarter
Quantity sold - external market - ferro alloy	MT (thousand)	10	9
Quantity sold - internal market - ferro alloy	MT (thousand)	15	15
Quantity sold - total	MT (thousand)	25	24
=====			
Quantity sold - external market - manganese	MT (thousand)	189	337
Quantity sold - internal market - manganese	MT (thousand)	22	2
Quantity sold - total	MT (thousand)	211	339
=====			

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Average sales price - external market - ferro alloy	US \$	650.08	570.11
Average sales price - internal market - ferro alloy	US \$	538.29	441.24
Average sales price - total	US \$	582.53	489.44
Average sales price - external market - manganese	US \$	39.41	45.61
Average sales price - internal market - manganese	US \$	61.44	245.17
Average sales price - total	US \$	41.74	46.54
Long-term indebtedness, gross	US \$	41,322	51,374
Short-term indebtedness, gross	US \$	35,241	24,292
Total indebtedness, gross	US \$	76,563	75,666
Stockholders' equity	R \$	135,167	155,189
Net operating revenues	R \$	44,719	58,425
Cost of products	R \$	(28,943)	(25,469)
Other expenses/revenues	R \$	(20,865)	(3,627)
Depreciation, amortization and depletion	R \$	-	5,278
EBITDA	R \$	(5,089)	34,607
Depreciation, amortization and depletion	R \$	-	(5,278)
EBIT	R \$	(5,089)	29,329
Gain on investments accounted for by the equity method	R \$	4,922	1,617
Non-operating result	R \$	(481)	(2,722)
Net financial result	R \$	(5,272)	(4,009)
Income before income tax and social contribution	R \$	(5,920)	24,215
Income tax and social contribution	R \$	-	(4,192)
Net income	R \$	(5,920)	20,023

52

CVRD

8.13- Manganese and Ferroalloys Area - CPFL (Adjusted and Non-Audited)

Information

		1st Quarter	2nd Quarter	3rd Quarter
Quantity sold - external market	MT (thousand)	13		17
Quantity sold - internal market	MT (thousand)	24		20
Quantity sold - total	MT (thousand)	37		37

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Average sales price - external market	US	\$ 568.10	687.76	51
Average sales price - internal market	US	\$ 489.47	468.73	44
Average sales price - total	US	\$ 517.01	569.36	46
Long-term indebtedness, gross	US	\$ 3,932	3,853	3
Short-term indebtedness, gross	US	\$ 6,682	5,580	4
Total indebtedness, gross	US	\$ 10,614	9,433	7
Stockholders' equity	R	\$ 138,780	148,438	165
Net operating revenues	R	\$ 38,973	46,525	74
Cost of products	R	\$ (27,073)	(33,506)	(46)
Other expenses/revenues	R	\$ (2,192)	(4,729)	(8)
Depreciation, amortization and depletion	R	\$ 1,046	1,060	
EBITDA	R	\$ 10,754	9,350	20
Depreciation, amortization and depletion	R	\$ (1,046)	(1,060)	
EBIT	R	\$ 9,708	8,290	19
Gain on investments accounted for by the equity method	R	\$ 71	421	
Non-operating result	R	\$ (966)	(250)	(1)
Net financial result	R	\$ 1,220	1,197	5
Income before income tax and social contribution	R	\$ 10,033	9,658	24
Income tax and social contribution	R	\$ -	-	(7)
Net income	R	\$ 10,033	9,658	16

Information

		1st Quarter	2nd Quarter	Q
Quantity sold - external market	MT (thousand)	18	20	
Quantity sold - internal market	MT (thousand)	16	17	
Quantity sold - total	MT (thousand)	34	37	
Average sales price - external market	US	475.61	593.98	70
Average sales price - internal market	US	598.83	570.29	1,03
Average sales price - total	US	533.34	583.02	86
Long-term indebtedness, gross	US	7,707	10,390	8
Short-term indebtedness, gross	US	12,853	9,427	8
Total indebtedness, gross	US	20,560	19,817	16
Stockholders' equity	R	110,615	112,711	119
Net operating revenues	R	36,776	44,610	46

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Cost of products	R	(26,004)	(30,109)	(35)
Other expenses/revenues	R	(4,884)	(12,191)	(1)
Depreciation, amortization and depletion	R	909	909	
<hr/>				
EBITDA	R	6,797	3,219	11
Depreciation, amortization and depletion	R	(909)	(909)	
<hr/>				
EBIT	R	5,888	2,310	10
Gain on investments accounted for by the equity method	R	(93)	(242)	
Non-operating result	R	(164)	(671)	
Net financial result	R	(497)	1,030	
<hr/>				
Income before income tax and social contribution	R	5,134	2,427	9
Income tax and social contribution	R	-	(336)	(2)
<hr/>				
Net income	R	5,134	2,091	7

CVRD

53

9- OPINION OF THE INDEPENDENT ACCOUNTANTS

November 13, 2002

To the Board of Directors  
Companhia Vale do Rio Doce

- 1 We have carried out limited reviews of the Quarterly Financial Information - ITR of Companhia Vale do Rio Doce for the quarters ended September 30, 2002 and 2001. This financial information is the responsibility of the Company's management.
- 2 Except as mentioned in paragraph three, our limited reviews were carried out in accordance with the specific procedures established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Board, and consisted mainly of: (a) inquires and discussion with the officers responsible for the Company's accounting, financial and operational areas about the procedures adopted for preparing the Quarterly Financial Information - ITR, and (b) review of the information and subsequent events which have, or may have, relevant effects on the Company's financial position and operations.
- 3 The financial statements at September 30, 2002 and 2001, of subsidiary, jointly-owned and associated companies, in which there are relevant investments, have not been reviewed by independent accountants. Thus, the conclusions resulting from our reviews do not cover the amounts of R\$ 7,177,881 thousand (2001 - R\$ 8,659,589 thousand) of these investments and R\$ 1,911,515 thousand (2001 - R\$ 1,169,439 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

## Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

3 had been reviewed by independent accountants, we are not aware of any relevant adjustments which should be made to the Quarterly Financial Information - ITR, referred to in paragraph 1, for it to be in accordance with the rules issued by the Brazilian Securities Commission - CVM specifically applicable to the preparation of obligatory Quarterly Financial Information - ITR.

- 5 The Quarterly Financial Information - ITR also contains accounting and financial information relating to the quarter ended June 30, 2002. We reviewed this information at the time of its preparation and issued our respective report on August 14, 2002, including the limitation mentioned in paragraph 3.

PricewaterhouseCoopers  
Independent Accountants  
CRC-SP-160-S-RJ

Douglas H. Woods  
Partner  
Accountant CRC-SP-101.652/O-0-S-RJ

54

CVRD

10- MEMBERS OF THE BOARD OF DIRECTORS, AUDIT COMMITTEE, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND EXECUTIVE OFFICERS

BOARD OF DIRECTORS

Luiz Tarquinio Sardinha Ferro  
Chairman

Erik Persson

Renato Augusto Zagallo Villela dos Santos

Francisco Valadares Povoá

Joao Moises Oliveira

Jose Marques de Lima

Octavio Lopes Castello Branco Neto

Chief Executive Officer  
Roger Agnelli

Executive Officer of Finance  
Fabio de Oliveira Barbosa

Executive Officer of Planning  
Gabriel Stoliar

Executive Officer of Human Resources  
Corporate Services  
Carla Grasso

Edgar Filing: VALLEY OF THE RIO DOCE CO - Form 6-K

Renato da Cruz Gomes

Executive Officer of Ferrous Minerals  
Armando de Oliveira Santos Neto

Romeu do Nascimento Teixeira

Executive Officer of Logistics  
Guilherme Rodolfo Laager

Audit Committee

Claudio Bernardo Guimaraes de Moraes

Executive Officer of Holdings and  
Business Development  
Antonio Miguel Marques

Eliseu Martins

Marcos Fabio Coutinho

Pedro Carlos de Mello

Executive Officer of the Non-Ferrous  
Diego Cristobal Hernandez Cabrera

Ricardo Wiering de Barros

Eduardo de Carvalho Duarte    Otto de  
Chief Accountant                    Head of  
CRC-RJ 57439

CVRD

55

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.

COMPANHIA VALE DO RIO DOCE  
(Registrant)

Date: November 18, 2002

By: /s/ Fabio de Oliveira Barbosa

-----  
Fabio de Oliveira Barbosa  
Chief Financial Officer