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VALLEY OF THE RIO DOCE CO
Form 6-K
November 15, 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
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(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
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(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

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This current report on Form 6-K is hereby incorporated by reference into the Registration Statement on Form F-4 of Companhia Vale do Rio Doce and Vale Overseas Limited, File No. 333-84696.

US GAAP

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

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Companhia Vale do Rio Doce
PRESS RELEASE 3Q02

COMPANHIA VALE DO RIO DOCE
THIRD QUARTER PERFORMANCE IN 2002

THE FINANCIAL AND OPERATIONAL INFORMATION CONTAINED IN THIS PRESS RELEASE, EXCEPT WHETHER OTHERWISE INDICATED, IS BASED ON CONSOLIDATED FIGURES, ACCORDING TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES OF AMERICA (US GAAP). THE MAIN SUBSIDIARIES OF CVRD WHICH FORM PART OF THESE CONSOLIDATED FIGURES ARE: RDME, SIBRA, FERTECO, URUCUM MINERACAO, PARA PIGMENTOS, DOCENAVE, ALUVALE, ALUNORTE, FLORESTAS RIO DOCE, CELMAR, RIO DOCE EUROPA, ITACO, CVRD OVERSEAS AND RIO DOCE FINANCE INTERNATIONAL.

Rio de Janeiro, 13 November 2002 - Companhia Vale do Rio Doce (CVRD) has reported accumulated net earnings in the first nine months of the year of US\$ 111 million, the equivalent of US\$ 0.29 per share, compared to US\$ 585 million in the same period a year earlier. In the third quarter of 2002 (3Q02), it obtained a loss of US\$ 150 million, corresponding to US\$ 0.39 per share.

The depreciation of the Real (BRL) against the US dollar (USD) was the main

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factor behind this quarterly loss, due to the strong impact on net liabilities in foreign currency.

The BRL/USD exchange rate on the last day of 3Q02, relevant for the calculation of the exchange rate effect on net foreign exchange liabilities, was BRL 3.8949/USD, up 36.9% relative to the rate recorded on the last day of 2Q02, of BRL 2.8444/USD. The average daily exchange rate in 3Q02, which affects CVRD's cash flow and operating income, was BRL 3.1227/USD, a 25% increase over the previous quarter, of BRL 2.4408/USD.

CVRD's cash flow is positively correlated to the appreciation in the USD against the BRL, due to the asymmetry between revenues and expenses in regard to currency composition. For example, in the first nine months of 2002 84% of gross revenues were denominated in USD while 72% of the cost of goods sold (COGS) was denominated in BRL.

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 10, 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 30, 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 10 year U.S. Treasury Bonds. For 2002, it is estimated that the dividend yield will be close to the average of the last five years.

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Gross revenues in the third quarter amounted to US\$ 1.133 billion, up by 5.8% compared with 2Q02, and 6.4% compared with the same quarter a year earlier. Revenues for the first nine months of the year amounted to US\$ 3.191 billion,

Cash generation as measured by EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to US\$ 483 million in 3Q02, 5.9% higher than in 2Q02 and 1.8% lower than in 3Q01. EBITDA for the first nine months of the year amounted to US\$ 1.383 billion.

Free cash flow, after investments, was US\$ 541 million in 3Q02, amounting to US\$ 1.069 billion in the year. Capital expenditures of CVRD totalled US\$ 195.7 million and US\$ 615.7 million in the first nine month of 2002.

The iron ore and pellets volume shipped amounted to 42.388 million tons, a new quarterly record, up 3.1% on 2Q02 and up 11.4% on 3Q01. Sales volume for the first nine months of 2002 amounted to 120.2 million tons.

By the same token, general cargo transportation (cargo other than iron ore and pellets) set a new quarterly record. CVRD's railroads (Carajas and Vitoria a Minas) transported 3.89 billion net ton kilometres (ntk).

During the first nine months of the year 10.946 billion ntk were transported compared to 9.770 billion in the same period in 2001, therefore showing an increase of 12%. This performance began to reflect focus on maximising the use of transportation assets, which is being achieved through greater integration between CVRD's own assets, exploitation of intermodal connections and the offering of new services, such as the scheduled trains.

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At the end of 3Q02, CVRD's total debt amounted to US\$ 3.579 billion, down from the level of US\$ 3.914 billion on June 30, 2002. Debt leverage and interest coverage indicators continued at comfortable levels. On September 30, 2002, total debt was 2.02 times LTM EBITDA and equivalent to 29% of the Company's total assets, while in 3Q02, EBITDA was 9.29 times interest expenses.

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 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.

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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

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

DIVESTITURES

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The sale of the assets of Florestas Rio Doce was completed for US\$ 52.3 million, resulting in a capital gain of US\$ 49 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 28, 2002, the trading of these securities was authorised by the SND. More detailed information on these debentures can be found on CVRD's website (www.cvrld.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 US, 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 car sales, stimulated by aggressive incentive policies, and leading indicators of economic activity have been suggesting a slowdown in the

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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.

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In the Eurozone, economic growth has been extremely modest and future expectations are pessimistic. Recently, the IMF revised its predictions for Euroland GDP growth 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, which were shut down during the power crisis on the Pacific Northwest, have re-started operations, causing a build-up in stock levels and keeping prices relatively low.

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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,

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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.

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.

REVENUES AND SALES VOLUMES

Sales volume of iron ore and pellets in 3Q02 reached a record level of 42.388 million tons, surpassing the previous record of 41.098 million tons achieved in 2Q02. In the first nine months of 2002, shipments totalled 120.2 million tons, an increase of 8.5% compared to the same period a year earlier.

The average iron ore and pellets sales prices in the quarter were US\$ 15.23 per ton and US\$ 30.54 per ton, respectively.

Pellet sales amounted to 4.847 million tons, down 1.9% on the previous quarter but 9.4% higher YoY. In 3Q02 CVRD purchased 2.749 million tons from its pellet joint ventures for resale to its customers. In 2Q02 these purchases amounted to 3.049 million tons, while the total for the first nine months of the year amounted to 7.568 million tons, compared to 7.553 million tons in the same period of last year.

Iron ore volumes sold by CVRD Parent Company to China totalled 13.6 million tons in the first nine months of the year, up 18.3% compared to the same period in 2001. The Chinese market in 2002 became the Parent Company's second largest market, accounting for 13% of sales, being only exceeded by the Brazilian domestic market, with 15%.

CONSOLIDATED SALES OF IRON ORE AND PELLETS

| | 3Q 01 | % | 2Q 02 | % | 3Q02 | thousand to |
|----------|--------|--------|--------|--------|--------|-------------|
| Iron Ore | 33,624 | 88.4% | 36,159 | 88.0% | 37,541 | 88.6 |
| Pellets | 4,430 | 11.6% | 4,939 | 12.0% | 4,847 | 11.4 |
| Total | 38,054 | 100.0% | 41,098 | 100.0% | 42,388 | 100.0 |

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Sales of manganese and ferro-alloys also saw a good performance in 3Q02. 213,000 tons of manganese were sold compared to 120,000 in 2Q02 and 352,000 in 3Q01, when due to power rationing in Brazil, CVRD was forced to cut production of ferro-alloys and sell most of its manganese production in the market. Ferro-alloys sales totalled 176,000 tons in 3Q02, compared to 93,000 tons in 2Q02 and 135,000 tons in 3Q01.

Railroad general cargo transportation for customers achieved a new record in 3Q02, with the shipment of 3.89 billion net ton kilometres (nkt), 6.4% higher than in 2Q02 and 16.5% higher than in 3Q01. In the first nine months of the year, CVRD's railroads (EFVM and EFC) transported 10.946 billion nkt of general cargo, compared to 9.777 billion nkt in the same period in 2001. Part of this growth is explained by CVRD's increased participation in the transport of agricultural products, particularly grains, an operation that has made the integration between CVRD's transportation assets of particular importance, on such links as FCA - EFVM - the Port of Tubarao, as well as Norte Sul Railroad (state owned railway network operated by CVRD) - EFC - the Port of Ponta da Madeira.

FCA, a railroad in which CVRD is a shareholder, as well as being the operator, transported 2.209 billion ntk in 3Q02 compared to 2.253 billion ntk in 2Q02 and 2.167 billion ntk in 3Q01.

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Railroad's productivity indicators showed an improvement in the quarter. EFVM transported 0.96 million ntk per locomotive in service, per day, compared to 0.95 million in 2Q02, while for 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 ntk in 2Q02.

GENERAL CARGO RAILROAD TRANSPORTATION

| | million ntk | | | | | | |
|----------------------------|-------------|-------|-------|-------|-------|-------|-------|
| | 1Q 01 | 2Q 01 | 3Q 01 | 4Q 01 | 1Q 02 | 2Q 02 | 3Q 02 |
| EF Vitoria a Minas | 2,643 | 2,890 | 2,844 | 2,791 | 2,737 | 2,807 | 3,049 |
| EF Carajas | 356 | 543 | 494 | 423 | 664 | 848 | 841 |
| Total | 2,999 | 3,433 | 3,338 | 3,214 | 3,401 | 3,655 | 3,890 |
| Ferrovias Centro Atlantica | 1,962 | 2,236 | 2,167 | 1,993 | 1,832 | 2,253 | 2,209 |

SALES VOLUME - CARGO TRANSPORTATION

| | thousand tons | | |
|--|---------------|-------|-------|
| | 1Q 02 | 2Q 02 | 3Q 02 |
| | | | |

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| | | | |
|-----------|--------|--------|--------|
| Railroads | 12,152 | 12,818 | 13,525 |
| Ports | 4,412 | 9,345 | 8,950 |
| Shipping | 658 | 338 | 2,786 |

Gold sales fell sharply due to the closure of the Igarape Bahia at the end of the last quarter. CVRD, therefore, sold only 63.531 troy ounces of gold in 3Q02 compared to 111.854 in 2Q02 and 144.295 in 3Q01.

Third quarter sales of alumina, by Alunorte, with an average price of US\$ 170.13 per ton, amounted to 348,000 tons. In the first nine months of the year, Alunorte sold 1.219 million tons at an average price of US\$ 165 per ton. However, the operating and financial results of this company only became part of the consolidated figures from 3Q02.

Potash sales totalled 223,000 tons, 16.1% higher QoQ and 79.8% higher YoY. The Taquari-Vassouras mine is operating at full capacity - 600,000 tons per year - and all production for the year 2002 has already been pledged to clients, a performance caused by the strong growth in Brazil's agricultural sector.

VOLUME SOLD - OTHER PRODUCTS

| | thousand tons | | |
|--------------------|---------------|---------|--------|
| | 3Q 01 | 2Q 02 | 3Q 02 |
| Gold (troy ounces) | 144,295 | 111,854 | 63,531 |
| Manganese | 352 | 120 | 213 |
| Ferro-alloys | 135 | 93 | 176 |
| Alumina | 42 | 106 | 348 |
| Aluminum | 35 | 53 | 49 |
| Bauxite | 162 | 407 | 398 |
| Potash | 124 | 192 | 223 |
| Kaolin | 69 | 60 | 112 |

Gross operating revenues totalled US\$ 1.133 billion in 3Q02, up 5.8% compared to the previous quarter and 6.4% higher than in 3Q01. In the first nine months of 2002, revenues generated amounted to US\$ 3.191 billion compared to US\$ 3.099 billion in the same period a year earlier.

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Sales of iron ore accounted for 47.6% of total revenue, pellets 15%, transportation services 11.3%, products in the aluminum chain (bauxite, alumina and primary aluminum) 12.7%, manganese and ferro-alloys 6.9%, potash 2.4% and gold 1.9%.

Despite the growth in logistics activities, as mentioned earlier, revenues from this business have been falling in USD terms, from US\$ 142 million in 3Q01 to US\$ 131 million in 2Q02 and US\$ 128 million in 3Q02. This is due to the sharp depreciation in the BRL, given that logistics is a local business and the prices of its services are quoted in local currency.

CVRD has stakes in two hydroelectric 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

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Igarapava is dedicated to supply the energy needs of the Southern System, contributing to cost reduction, 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 US\$ 4 million.

| GROSS REVENUE BY PRODUCT | | | | | | |
|-------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | US\$ million | | | | | |
| | 3Q 01 | % | 2Q 02 | % | 3Q 02 | % |
| Iron Ore | 451 | 42.3% | 557 | 52.0% | 539 | 47.6% |
| Pellets | 230 | 21.6% | 146 | 13.6% | 170 | 15.0% |
| Gold | 40 | 3.8% | 35 | 3.3% | 21 | 1.9% |
| Transportation | 142 | 13.3% | 131 | 12.2% | 128 | 11.3% |
| Aluminum, Alumina and Bauxite | 63 | 5.9% | 98 | 9.2% | 144 | 12.7% |
| Manganese and Ferro-alloys | 87 | 8.2% | 65 | 6.1% | 78 | 6.9% |
| Potash | 17 | 1.6% | 24 | 2.2% | 27 | 2.4% |
| Kaolin | 9 | 0.8% | 9 | 0.8% | 13 | 1.1% |
| Wood and Pulp | 12 | 1.1% | 2 | 0.2% | - | 0.0% |
| Others | 14 | 1.3% | 4 | 0.4% | 13 | 1.1% |
| Total | 1,065 | 100.0% | 1,071 | 100.0% | 1,133 | 100.0% |

| GROSS REVENUES BY DESTINATION | | | | | | |
|-------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | US\$ million | | | | | |
| | 3Q 01 | % | 2Q 02 | % | 3Q 02 | % |
| Domestic Market | 344 | 32.3% | 345 | 32.2% | 391 | 34.5% |
| Foreign Market | | | | | | |
| United States | 115 | 10.8% | 30 | 2.8% | 70 | 6.2% |
| Europe | 202 | 19.0% | 384 | 35.9% | 379 | 33.5% |
| Middle East and Africa | 3 | 0.3% | 35 | 3.3% | 51 | 4.5% |
| Japan | 130 | 12.2% | 69 | 6.4% | 63 | 5.6% |
| Asia except Japan | 207 | 19.4% | 142 | 13.3% | 117 | 10.3% |
| Latin America and others | 64 | 6.0% | 66 | 6.2% | 62 | 5.5% |
| Total | 1,065 | 100.0% | 1,071 | 100.0% | 1,133 | 100.0% |

EXCHANGE RATE VOLATILITY CAUSES LOSSES IN 3Q02

The negative impact of the sharp devaluation in the BRL against the US dollar on net liabilities in foreign currency, of US\$ 511 million, was higher than the operating profit of US\$ 400 million, and was the determining factor in causing the loss of US\$ 150 million in 3Q02.

In comparison with 2Q02, there was a reduction in COGS of US\$ 44 million. This was influenced by the fall in payroll expenses of US\$ 17 million, the drop in product purchases expenses (iron ore, pellets,

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bauxite and primary aluminum) of US\$ 82 million and a reduction in depreciation and depletion provisions of US\$ 48 million. On the other hand, the cost of contracted services increased by US\$ 69 million.

The sale of the assets of Florestas Rio Doce in September generated a capital gain of US\$ 49 million.

Sales, general and administrative expenses of US\$ 79 million were up US\$ 15 million in 3Q02, compared to the previous quarter. A provision for the distribution of a bonus to employees of approximately US\$ 14 million also contributed to the rise in expenses.

Non-operational expenses, of US\$ 46 million, included the reversal of a provision for losses in Docenave of US\$ 30 million, and on the other hand, a write-off of the premium paid in the acquisition of Caemi of US\$ 86 million. The total figure registered under this item was US\$ 36 million higher than in the previous quarter.

According to SFAS 142, from 2002 companies are obliged to carry out a revaluation of investments acquired with a premium, as well as other investments in subsidiaries and affiliates.

In the first case, the revaluation - the impairment test - is carried out once a year comparing the fair value, estimated using discounted cash flow models, market capitalization or market multiples, with the book value of the investment, including the premium paid. CVRD has decided to carry out this procedure in the third quarter of each year, using, to estimate a fair value, the discounted cash flow method or market capitalization - for listed companies as Caemi, CST and Usiminas. In carrying out this test in this quarter it has been necessary to write down an amount of US\$ 86 million, as goodwill paid for the control of Caemi, as its market value is lower than that accounted for in CVRD's books.

The revaluation of investments in subsidiaries and affiliates which do not carry a premium, is carried out each quarter. If the fair value calculated is lower than the booked value of the investment for three quarters running, the difference is considered to be a loss of a permanent nature, and a corresponding adjustment is subsequently made. In this quarter, none of CVRD's investments fell into this category.

The financial result worsened by US\$ 90 million between 2Q02 and 3Q02. Losses from interest derivatives and financial expenses with related parties explain most of the deterioration in this result.

CVRD uses derivative operations to fix the rate of interest payable on its financial obligations contracted at floating rates, as well to protect itself from price fluctuations in commodities such as gold or aluminum. The fall in the Libor rate caused losses of US\$ 38 million on operations of interest derivatives, which are marked to market.

In March 2001, CVRD transferred its 10.33% stake in CSN, of US\$ 249 million, to Valia, its employee pension fund, cancelling the actuarial debt then existing. The contract between CVRD and Valia guarantees the latter a minimum return from the shares in CSN equal to the variation in the IGP-DI (general domestic price index) plus 6% a year. Bearing in mind that this condition was not satisfied, CVRD made a provision in this quarter of US\$ 42 million, classified as a corresponding financial expense. This provision could recur in future quarters if the price performance of CSN shares on BOVESPA is lower than the minimum price guaranteed by CVRD to Valia.

The equity income result was negative in US\$ 74 million in 3Q02. The effect of the BRL's depreciation on Albras's debt was the main reason for a negative

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equity income result of US\$ 31 million from the aluminum businesses. Albra's total debt on September 30, 2002 was US\$ 519 million, from which only 3.9% was short term. Its debt is decreasing over the time, passing from US\$ 704.6 million on 1Q01 to US\$ 519.0 million on 3Q02, representing a reduction of US\$ 185.5 million.

The logistics area also had a negative contribution of US\$ 28 million to the equity income result due to the impact of the BRL depreciation on the debt of FCA, MRS and Sepetiba Tecon.

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CASH GENERATION

In 3Q02 CVRD generated EBITDA of US\$ 483 million, up 5.9% in relation to the previous quarter and slightly lower, 1.8%, compared to 3Q01. EBITDA accumulated in the first nine months of the year amounted to US\$ 1.383 billion, compared to US\$ 1.387 billion in the same period a year earlier.

EBITDA margin amounted to 44.1% in 3Q02, compared to 44.4% in 2Q02 and 47.7% in 3Q01, reflecting the capacity of CVRD in converting revenues into operational profit.

Adjustment for non-cash items amounted to US\$ 22 million, consisting principally of contingency provisions (US\$ 13 million) and a special retirement plan (US\$ 7 million). US\$ 17 million was received in dividends from non-consolidated companies, which decreased US\$ 13 million when compared to 2Q02.

The increase of US\$ 27 million in EBITDA in relation to 2Q02 was in large part due to a rise of US\$ 67 million in net operating revenues and a reduction of US\$ 44 million in COGS.

EBITDA produced from the ferrous minerals businesses in 3Q02 represented 76.8% of the total. The aluminum division, with the consolidation of Alunorte, generated 8.9% of the EBITDA, non ferrous minerals, 5.4%, logistics, 7% and others, 1.9%.

Free cash flow, after investments, is growing quarter after quarter during 2002. It increased from US\$ 140 million in 1Q02 to US\$ 388 million in 2Q02 and US\$ 541 million in 3Q02, totalling US\$ 1.069 billion in the year.

EBITDA COMPOSITION

| | US\$ million |
|---|--------------|
| | ----- |
| | 3Q 02 |
| | ----- |
| Net Operating Revenues | 1,094 |
| COGS | (550) |
| SG&A | (79) |
| Research and Development | (15) |
| Other Operational Expenses | (50) |
| Adjustment for Exceptional Non-Cash Items | 22 |
| Provision for Contingencies | 13 |
| Provision for Early-Retirement Programs | 7 |
| Pension Funds | 2 |
| Tax | (3) |

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| | |
|--|-----|
| Write-off Assets | 3 |
| EBIT | 422 |
| Depreciation, Depletion and Amortization | 44 |
| Dividends Received | 17 |
| EBITDA | 483 |

DIVIDENDS RECEIVED

| | US\$ million |
|----------|--------------|
| | ----- |
| | 3Q 02 |
| | ----- |
| MRN | 9 |
| Usiminas | 2 |
| CSI | 6 |
| TOTAL | 17 |

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DEBT

CVRD'S total debt fell by US\$ 335 million in 3Q02, to US\$ 3.579 billion on September 30, 2002, with the payment of various obligations that fell due in this period.

The Company's cash availabilities dropped by US\$ 170 million in the period, to US\$ 1.402 billion at the end of 3Q02, a lower amount than that spent on paying down debt and on investments carried out in the quarter, US\$ 195.7 million.

Indicators for debt leverage and interest coverage remained at comfortable levels, reflecting the Company's good financial health. Total debt was equal to 2.02 times LTM EBITDA and 29% of the value of CVRD's total assets (enterprise value). EBITDA generated in the quarter was equivalent to 9.29 times interest paid in the same period.

DEBT INDICATORS

| | US\$ million | | |
|----------------------------|--------------|-------|-------|
| | ----- | | |
| | 3Q 01 | 2Q 02 | 3Q 02 |
| | ----- | ----- | ----- |
| Gross Debt | 3,143 | 3,914 | 3,579 |
| Net Debt | 1,435 | 2,342 | 2,177 |
| Gross Debt / LTM EBITDA | 1.72x | 2.17x | 2.02x |
| EBITDA / Interest Coverage | N.A. | 7.35x | 9.29x |
| Gross Debt / Total Assets | 0.29x | 0.27x | 0.29x |

CAPITAL EXPENDITURES

In the third quarter of 2002, CVRD carried out investment of US\$ 195.7 million, bringing the accumulated total for the first nine months of the year to US\$ 615.7 million. This amount includes disbursements for the acquisition of stakes from Anglo American in the Salobo Copper Project (US\$ 50.4 million) and from Mineracao Rio do Norte in Alunorte (US\$ 42 million), as well as the purchase of full control in Mineracao Vera Cruz (US\$ 2.2 million), holder of the mining

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rights on bauxite reserves in the Paragominas, in the state of Para. The data reported refers to investment carried out by CVRD and its subsidiaries Aluvale, Alunorte and Ferteco, not including, therefore, the capital expenditure by other companies consolidated under the US GAAP method.

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 60% of the amount invested in 3Q02, US\$119.2 million, was allocated to greenfield and brownfield capacity expansion.

Of this sum, US\$ 28 million was directed to the ferrous segment, 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 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 depreciation in real terms, in local currency, has helped further to reduce the dollar equivalent cost of this investment, seeing 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.

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In the non-ferrous minerals segment, US\$ 2.6 million was invested in enlarging the production capacity of the Taquari-Vassouras potash mine. The brownfield expansion to 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.

US\$ 34 million was invested in Alunorte, in the project to expand capacity at its plant to 2.4 million tons a year of alumina (Module 3). In the first nine months of 2002, investment in this project amounted to US\$ 121 million. The alumina refinery is scheduled to start operations in stage 3 from January 2003.

Maintenance costs for existing operations in 3Q02 amounted to US\$ 44.6 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

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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 - 3Q 02

| By business area | US\$ million | % By category | | US\$ million |
|----------------------|-----------------|---------------|------------------------|-----------------|
| Ferrous Minerals | 72.3 | 36.9% | Capital Injections | 14.9 |
| Logistics | 24.5 | 12.5% | Maintenance | 44.6 |
| Non-Ferrous Minerals | 40.6 | 20.8% | Projects | 119.1 |
| Energy | 17.8 | 9.1% | Mineral Exploration | 9.5 |
| Aluminum | 34.7 | 17.7% | Environment | 1.1 |
| Others | 3.6 | 1.8% | Information Technology | 2.7 |
| Total | 193.5 | 98.9% | Technological Research | 1.6 |
| Acquisitions | 2.2 | 1.1% | Total | 193.5 |
| Total | 195.7 | 100.0% | Acquisitions | 2.2 |
| | | | Total | 195.7 |

CAPITAL EXPENDITURES - 9M 02

| By business area | US\$ million | % By category | | US\$ million |
|----------------------|-----------------|---------------|------------------------|-----------------|
| Ferrous Minerals | 273.3 | 44.4% | Capital Injections | 25.8 |
| Logistics | 63.3 | 10.3% | Maintenance | 139.1 |
| Non-Ferrous Minerals | 71.3 | 11.6% | Projects | 315.0 |
| Energy | 68.0 | 11.0% | Mineral Exploration | 22.7 |
| Aluminum | 34.7 | 5.6% | Environment | 4.7 |
| Others | 10.4 | 1.7% | Information Technology | 9.2 |
| Total | 521.1 | 84.6% | Technological Research | 4.6 |
| Acquisitions | 94.6 | 15.4% | Total | 521.1 |
| Total | 615.7 | 100.0% | Acquisitions | 94.6 |
| | | | Total | 615.7 |

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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.

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

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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.

IRON ORE AND PELLETS - FINANCIAL INDICATORS - NON AUDITED

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FINANCIAL STATEMENT

| | US\$ million | | |
|--|--------------|--------|--------|
| | 3Q 01 | 2Q 02 | 3Q 02 |
| Gross Operating Revenues | 1,065 | 1,071 | 1,133 |
| Value Added Tax | (34) | (44) | (39) |
| Net Operating Revenues | 1,031 | 1,027 | 1,094 |
| Cost of Goods Sold | (516) | (594) | (550) |
| Gross Income | 515 | 433 | 544 |
| Gross Margin (%) | 50.0 | 42.2 | 49.7 |
| SG&A Expenses | (95) | (64) | (79) |
| R&D Expenses | (11) | (12) | (15) |
| Employee Profit Sharing Plan | (7) | 3 | (14) |
| Others | (254) | (30) | (36) |
| Operational Income | 148 | 330 | 400 |
| Financial Income | 15 | 44 | 10 |
| Financial Expenses | (72) | (117) | (173) |
| Foreign Exchange and Monetary Gain (loss) | (351) | (312) | (511) |
| Gains on sales of investments | 507 | - | 49 |
| Others | (41) | (10) | (46) |
| Income Taxes - Current | (31) | 3 | - |
| Income Taxes - Deferred | - | 126 | 148 |
| Equity in Results of Affiliates and Joint Ventures | (22) | (37) | 12 |
| Change in Provisions for Losses on Equity Investments | (25) | (45) | (86) |
| Minority Interests | 3 | 4 | 47 |
| Net Income | 131 | (14) | (150) |
| Earnings per Share (US\$) | 0.34 | (0.04) | (0.39) |

BALANCE SHEET

| | US\$ million |
|-------|-----------------|
| 2Q 02 | 3Q 02 |

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| | | |
|--------------------------------------|-------|-------|
| Assets | | |
| Current Assets | 3,069 | 2,893 |
| Long Term Assets | 1,459 | 1,170 |
| Permanent Assets | 4,733 | 3,429 |
| Total | 9,261 | 7,492 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | 1,915 | 1,602 |
| Long Term Liabilities | 3,374 | 3,282 |
| Shareholders' Equity | 3,972 | 2,608 |
| Capital | 2,944 | 2,944 |
| Reserves | 1,028 | (336) |
| Total | 9,261 | 7,492 |

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED

million US\$

| | Nine months ended September 30 | |
|--|--------------------------------|-------|
| | 2002 | 2001 |
| Cash flows from operating activities: | | |
| Net income | 111 | 585 |
| Adjustments to reconcile net income | | |
| with cash provided by operating activities: | | |
| Depreciation, depletion and amortization | 171 | 174 |
| Equity in results of affiliates and joint ventures | (4) | 8 |
| Dividends received from affiliates and joint ventures | 72 | 112 |
| Change in provision for losses on equity investments | 126 | 45 |
| Deferred income taxes | (262) | (2) |
| Provisions for contingencies | 54 | 87 |
| Loss on disposals of property, plant and equipment | 96 | 69 |
| Gain on sale of investments | (49) | (784) |
| Pension plan | 8 | 24 |
| Foreign exchange and monetary (gains) losses | 1.341 | 616 |
| Unrealized loss on derivative instruments | 50 | 38 |
| Minority interest | (50) | (7) |
| Others | 195 | 141 |
| Decrease (increase) in assets: | | |
| Accounts receivable | (172) | (78) |
| Inventories | (43) | (17) |

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| | | |
|---|-------|-------|
| Others | (84) | (5) |
| Increase (decrease) in liabilities: | | |
| Suppliers | (23) | 30 |
| Payroll and related charges | 22 | 12 |
| Others | 39 | 42 |
| Net cash provided by operating activities | 1.598 | 1.090 |
| Cash flows from investing activities: | | |
| Loans and advances receivable | | |
| Related parties | | |
| Additions | (35) | (4) |
| Repayments | 52 | 69 |
| Others | 18 | 5 |
| Guarantees and deposits | (61) | (15) |
| Additions to investments | (1) | (52) |
| Additions to property, plant and equipment | (508) | (444) |
| Proceeds from disposals of property, plant and equipment | 2 | 2 |
| Proceeds from disposal of assets | 49 | 989 |
| Net cash used to acquire subsidiaries | (45) | (516) |
| Net cash used in investing activities | (529) | 34 |
| Cash flows from financing activities: | | |
| Short-term debt, net issuances | (143) | 133 |
| Loans | | |
| Related parties | | |
| Additions | 32 | 85 |
| Repayments | (29) | (9) |
| Long-term debt | | |
| Related parties | 11 | 3 |
| Others | 661 | 320 |
| Repayments of long-term debt | | |
| Related parties | (15) | (27) |
| Others | (245) | (326) |
| Interest attributed to stockholders | (329) | (639) |
| Treasury stock | - | (18) |
| Net cash provided by (used in) financing activities | (57) | (478) |
| Increase in cash and cash equivalents | 1.012 | 646 |
| Effect of exchange rate changes on cash and cash equivalents | (727) | (149) |
| | 1.117 | 1.211 |
| Cash and cash equivalents, end of period | 1.402 | 1.708 |
| Cash paid during the period for: | | |
| Interest on short-term debt | (31) | (25) |
| Interest, net of interest capitalized of \$11 in 2002 and \$9 in 2001 | (111) | (116) |
| Income tax | (4) | (41) |
| Non-cash transactions | | |

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| | | |
|--|----|-----|
| Special pension plan contribution in shares of CSN | - | 249 |
| Exchange of loans receivable for investments | 40 | 35 |

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IRON ORE AND PELLETS - FINANCIAL INDICATORS - NON AUDITED

thousand US\$

| | 3Q 01 | 2Q 02 | 3Q 02 |
|------------------------------|----------|----------|----------|
| HISPANOBRAS | | | |
| Sales (thousand tons) | 882 | 835 | 686 |
| Foreign Market | 422 | 355 | 166 |
| Domestic Market | 460 | 480 | 520 |
| Net Operating Revenues | 28,683 | 26,763 | 23,716 |
| Cost of Goods Sold | (23,018) | (21,992) | (19,734) |
| Financial Results | 151 | 214 | 189 |
| Net Earnings | 4,549 | 2,968 | 3,784 |
| Gross Margin (%) | 19.8 | 17.8 | 16.8 |
| EBITDA | 6,287 | 5,126 | 5,276 |
| EBITDA Margin (%) | 21.9 | 19.2 | 22.2 |
| NIBRASCO | | | |
| Sales (thousand tons) | 1,443 | 2,257 | 1,842 |
| Foreign Market | 514 | 686 | 290 |
| Domestic Market | 929 | 1,571 | 1,552 |
| Net Operating Revenues | 43,126 | 66,759 | 51,746 |
| Cost of Goods Sold | (39,479) | (57,043) | (47,290) |
| Financial Results | (1,449) | (1,407) | 386 |
| Net Earnings | 2,928 | 2,897 | 1,711 |
| Gross Margin (%) | 8.5 | 14.6 | 8.6 |
| EBITDA | 23,548 | 10,041 | 5,589 |
| EBITDA Margin (%) | 54.6 | 15.0 | 10.8 |
| Gross Debt (in US\$ million) | | | |
| - Short Term | 2,505 | 2,400 | 2,436 |
| - Long Term | 4,800 | 2,400 | 2,400 |
| Total | 7,305 | 4,800 | 4,836 |
| ITABRASCO | | | |
| Sales (thousand tons) | 742 | 702 | 815 |
| Foreign Market | 471 | 533 | 572 |
| Domestic Market | 271 | 169 | 243 |
| Net Operating Revenues | 50,254 | 19,766 | 25,650 |
| Cost of Goods Sold | (41,102) | (18,305) | (22,581) |
| Financial Results | 905 | 3,102 | 5,109 |

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| | | | |
|------------------------------|-------|--------|--------|
| Net Earnings | 8,095 | 2,262 | 3,702 |
| Gross Margin (%) | 18.2 | 7.4 | 12.0 |
| EBITDA | 7,636 | 1,437 | 726 |
| EBITDA Margin (%) | 15.2 | 7.3 | 2.8 |
| Gross Debt (in US\$ million) | | | |
| - Short Term | | | |
| - Long Term | 407 | 17,133 | 15,504 |
| Total | 407 | 17,133 | 15,504 |

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thousand US\$

| | 3Q 01 | 2Q 02 | 3Q 02 |
|------------------------------|----------|----------|----------|
| KOBRASCO | | | |
| Sales (thousand tons) | 1,123 | 1,012 | 850 |
| Foreign Market | 493 | 534 | 850 |
| Domestic Market | 630 | 478 | - |
| Net Operating Revenues | 33,395 | 27,453 | 25,222 |
| Cost of Goods Sold | (26,877) | (25,711) | (20,671) |
| Financial Results | (18,298) | (27,498) | (46,398) |
| Net Earnings | (7,684) | (15,037) | (23,887) |
| Gross Margin (%) | 19.5 | 6.3 | 18.0 |
| EBITDA | 28,082 | 1,901 | 5,518 |
| EBITDA Margin (%) | 84.1 | 6.9 | 21.9 |
| Gross Debt (in US\$ million) | | | |
| - Short Term | - | - | - |
| - Long Term | 128,915 | 143,378 | 147,150 |
| Total | 128,915 | 143,378 | 147,150 |
| SAMARCO | | | |
| Sales (thousand tons) | 2,312 | 3,436 | 3,871 |
| Net Operating Revenues | 65,725 | 94,763 | 99,722 |
| Cost of Goods Sold | (30,735) | (48,222) | (46,416) |
| Financial Results | (52,000) | (37,008) | (51,757) |
| Net Earnings | (38,607) | (5,295) | (23,548) |
| Gross Margin (%) | 53.2 | 49.1 | 53.5 |
| EBITDA | 21,951 | 49,777 | 53,196 |
| EBITDA Margin (%) | 33.4 | 52.5 | 53.3 |
| Gross Debt (in US\$ million) | | | |
| - Short Term | 158,204 | 180,539 | 169,538 |
| - Long Term | 119,394 | 86,584 | 76,181 |
| Total | 277,598 | 267,123 | 245,719 |

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ALUMINUM - SELECTED FINANCIAL INDICATORS - ADJUSTED AND NON AUDITED

| | thousand US\$ | | |
|------------------------------|---------------|-----------|-----------|
| MRN | 3Q 01 | 2Q 02 | 3Q 02 |
| Sales (thousand tons) | 2,760 | 2,610 | 2,555 |
| Foreign Market | 954 | 790 | 740 |
| Domestic Market | 1,806 | 1,820 | 1,815 |
| Net Operating Revenues | 53,210 | 43,006 | 42,594 |
| Cost of Goods Sold | (28,883) | (28,845) | (29,860) |
| Financial Results | (214) | (326) | 36 |
| Net Earnings | 23,883 | 38,172 | 29,918 |
| Gross Margin (%) | 45.7 | 32.9 | 29.9 |
| EBITDA | 47,798 | 17,335 | 26,724 |
| EBITDA Margin (%) | 89.8 | 40.3 | 62.7 |
| GROSS DEBT (IN US\$ MILLION) | | | |
| - Short Term | 11,594 | 18,780 | 23,198 |
| - Long Term | 7,929 | 90,312 | 77,786 |
| TOTAL | 19,523 | 109,092 | 100,984 |
| ALBRAS | 3Q 01 | 2Q 02 | 3Q 02 |
| Sales (thousand tons) | 80 | 110 | 104 |
| Foreign Market | 76 | 108 | 101 |
| Domestic Market | 4 | 2 | 3 |
| Net Operating Revenues | 109,554 | 145,327 | 132,549 |
| Cost of Goods Sold | (64,130) | (89,401) | (78,909) |
| Financial Results | (91,046) | (125,072) | (153,515) |
| Net Earnings | (47,500) | (68,880) | (72,592) |
| Gross Margin (%) | 41.5 | 38.5 | 40.5 |
| EBITDA | 52,300 | 57,452 | 59,399 |
| EBITDA Margin (%) | 47.7 | 39.5 | 44.8 |
| GROSS DEBT (IN US\$ MILLION) | | | |
| - Short Term | 137,258 | 48,840 | 20,156 |
| - Long Term | 496,941 | 506,633 | 498,857 |
| TOTAL | 634,199 | 555,473 | 519,013 |
| VALESUL | 3Q 01 | 2Q 02 | 3Q 02 |
| Sales (thousand tons) | 18 | 23 | 19 |
| Foreign Market | 7 | 12 | 8 |
| Domestic Market | 11 | 11 | 11 |
| Net Operating Revenues | 36,364 | 36,837 | 29,970 |
| Cost of Goods Sold | (25,657) | (26,516) | (19,815) |
| Financial Results | (1,409) | 257 | (301) |
| Net Earnings | 5,385 | 6,131 | 6,355 |
| Gross Margin (%) | 29.4 | 28.0 | 33.9 |
| EBITDA | 10,883 | 9,234 | 8,940 |
| EBITDA Margin (%) | 29.9 | 25.1 | 29.8 |
| GROSS DEBT (IN US\$ MILLION) | | | |
| - Short Term | 939 | 555 | 409 |
| - Long Term | 2,598 | 1,416 | 953 |
| TOTAL | 3,537 | 1,971 | 1,362 |

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"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."

COMPANHIA VALE DO RIO DOCE
INDEX TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Report of PricewaterhouseCoopers Auditores Independentes

Condensed Consolidated Balance Sheets as of September 30, 2002 and December 31, 2001

Condensed Consolidated Statements of Income for the Nine-month periods
ended September 30, 2002 and 2001

Condensed Consolidated Statements of Cash Flows for the Nine-month periods
ended September 30, 2002 and 2001

Condensed Consolidated Statements of Changes in Stockholders' Equity for
the Nine-month periods ended September 30, 2002 and 2001

Notes to the Condensed Consolidated Financial Information

Additional Information

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have reviewed the accompanying unaudited condensed consolidated balance sheet of Companhia Vale do Rio Doce and subsidiaries as of September 30, 2002, and the unaudited condensed consolidated statements of income, of cash flows and of changes in stockholders' equity for the nine-month periods ended September 30, 2002 and 2001. These financial statements are the responsibility of the Company's management. The unaudited financial information of certain affiliates, the investments in which total US\$202 million at September 30, 2002 and equity in earnings which total US\$16 million and US\$7 million for the nine month periods ended September 30, 2002 and 2001, respectively, and that of certain subsidiaries, which statements reflect total assets of US\$674 million at September 30, 2002 and total revenues of US\$133 million and US\$ 197 million consolidated in the nine-month periods ended September 30, 2002 and 2001, respectively, were reviewed by other independent accountants whose reports thereon have been furnished to us.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews and the reports of other accountants, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Companhia Vale do Rio Doce and subsidiaries as of December 31, 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein). In our report dated March 28, 2002, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2001 is fairly stated in all material respects, in relation to the consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers
Auditores Independentes

Rio de Janeiro, Brazil
November 13, 2002

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Condensed Consolidated Balance Sheets
Expressed in millions of United States dollars
(Except for numbers of shares)

| | September 30, 2002 ----- (Unaudited) | December 31, 2001 ----- |
|---|---|-------------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 1,402 | 1,117 |
| Accounts receivable: | | |
| Related parties | 105 | 106 |
| Unrelated parties | 500 | 443 |
| Loans and advances to related parties | 33 | 160 |
| Inventories | 243 | 323 |
| Deferred income tax | 378 | 265 |
| Others | 232 | 224 |
| | ----- | ----- |
| | 2,893 | 2,638 |
| Property, plant and equipment, net | 2,849 | 3,813 |
| Investments in affiliated companies and joint ventures and other investments | 666 | 1,227 |
| Provision for losses on equity investments | (86) | (9) |
| Goodwill on acquisition of consolidated subsidiaries | 373 | 540 |
| Loans and advances: | | |
| Related parties | 85 | 555 |
| Unrelated parties | 64 | 100 |
| Judicial deposits | 198 | 235 |
| Deferred income tax | 261 | 227 |
| Prepaid pension cost | 62 | 113 |
| Other assets | 127 | 83 |
| | ----- | ----- |
| TOTAL | 7,492 ===== | 9,522 ===== |

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Condensed Consolidated Balance Sheets

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Expressed in millions of United States dollars

| | September 30, 2002 ---- (Unaudited) |
|--|--|
| Liabilities and stockholders' equity | |
| Current liabilities | |
| Suppliers | 213 |
| Payroll and related charges | 68 |
| Interest attributed to stockholders | 267 |
| Current portion of long-term debt | |
| Related parties | -- |
| Unrelated parties | 443 |
| Short-term debt | 389 |
| Loans from related parties | 74 |
| Others | 148 |
| | ----- |
| | 1,602 |
| | ----- |
| Long-term liabilities | |
| Employees postretirement benefits | 109 |
| Long-term debt | |
| Related parties | -- |
| Unrelated parties | 2,637 |
| Loans from related parties | 36 |
| Provisions for contingencies (Note 8) | 358 |
| Unrealized loss on derivative instruments | 63 |
| Others | 72 |
| | ----- |
| | 3,275 |
| | ----- |
| Minority interests | 7 |
| | ----- |
| Stockholders' equity | |
| Preferred class A stock - 600,000,000 no-par-value shares authorized and 138,575,913 issued | 904 |
| Common stock - 300,000,000 no-par-value shares authorized and 249,983,143 issued | 1,630 |
| Treasury stock -4,751 (2001 - 91) preferred and 4,715,170 (2001 - 4,715,170) common shares | (88) |
| Additional paid-in capital | 498 |
| Other cumulative comprehensive income | (5,285) |
| Appropriated retained earnings | 1,635 |
| Unappropriated retained earnings | 3,314 |
| | ----- |
| | 2,608 |
| | ----- |
| TOTAL | 7,492 |
| | ===== |

See notes to condensed consolidated financial information.

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Expressed in millions of United States dollars
(except number of shares and per-share amounts)
(Unaudited)

Operating revenues, net of discounts, returns and allowances

- Iron ore and pellets
- Gold
- Other metals

- Revenues from transportation services
- Aluminum products
- Other products and services

Value-added tax

Net operating revenues

Operating costs and expenses

- Cost of ores and metals sold
- Cost of transportation services
- Cost of aluminum products
- Others

- Selling, general and administrative expenses
- Research and development
- Employee profit sharing plan
- Others

Operating income

Non-operating income (expenses)

- Financial income
- Financial expenses
- Foreign exchange and monetary loss, net
- Gain on sale of assets
- Others

Income(loss) before income taxes, equity results and minority interests

Income taxes

- Current
- Deferred

- Equity in results of affiliates and joint ventures
- Change in provision for losses on equity investments
- Minority interests

Net income

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Basic earnings per Common and Preferred Class A Share

Weighted average number of shares outstanding
(thousands of shares)
Common shares
Preferred Class A shares

See notes to condensed consolidated financial information.

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Condensed Consolidated Statements of Cash Flows
Expressed in millions of United States dollars
(Unaudited)

Cash flows from operating activities:

Net income
Adjustments to reconcile net income with
cash provided by operating activities:
Depreciation, depletion and amortization
Equity in results of affiliates and joint ventures
Dividends received from affiliates and joint ventures
Change in provision for losses on equity investments
Deferred income taxes
Provisions for contingencies
Loss on disposals of property, plant and equipment
Gain on sale of investments
Pension plan
Foreign exchange and monetary (gains) losses
Unrealized loss on derivative instruments
Minority interest
Others
Decrease (increase) in assets:
Accounts receivable
Inventories
Others
Increase (decrease) in liabilities:
Suppliers
Payroll and related charges
Others

Net cash provided by operating activities

Cash flows from investing activities:

Loans and advances receivable
Related parties
Additions
Repayments
Others
Guarantees and deposits
Additions to investments
Additions to property, plant and equipment
Proceeds from disposals of property, plant and equipment
Proceeds from disposal of assets
Net cash used to acquire subsidiaries

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Net cash used in investing activities

Cash flows from financing activities:

Short-term debt, net issuances

Loans

 Related parties

 Additions

 Repayments

Long-term debt

 Related parties

 Others

Repayments of long-term debt

 Related parties

 Others

Interest attributed to stockholders

Treasury stock

Net cash provided by (used in) financing activities

Increase in cash and cash equivalents

Effect of exchange rate changes on cash and cash equivalents

Cash and cash equivalents, beginning of period

Cash and cash equivalents, end of period

Cash paid during the period for:

 Interest on short-term debt

 Interest, net of interest capitalized of

 \$11 in 2002 and \$9 in 2001

 Income tax

Non-cash transactions

 Special pension plan contribution in shares of CSN

 Exchange of loans receivable for investments

See notes to condensed consolidated financial information.

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Condensed Consolidated Statements of Changes in Stockholders' Equity

Expressed in millions of United States dollars

(except number of shares and per-share amounts)

(Unaudited)

| | Nine mon |
|---|-------------|
| | ----- |
| | 2002 |
| | ----- |
| | Shares |
| | ----- |
| Preferred class A stock (including one special share) | |
| Balance January 1 | 138,575,913 |
| Transfer from appropriated retained earnings | - |

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| | |
|--|-------------------------------|
| Balance September 30 | ----- 138,575,913 ----- |
| Common stock | |
| Balance January 1 | 249,983,143 |
| Transfer from appropriated retained earnings | -- |
| Balance September 30 | ----- 249,983,143 ----- |
| Treasury stock | |
| Balance January 1 | (4,719,921) |
| Acquisitions in 2001 | -- (583,450) |
| Balance September 30 | ----- (4,719,921) ----- |
| Additional paid-in capital | |
| Balance January 1 and September 30 | |
| Other cumulative comprehensive income | |
| Amounts not recognized as net periodic pension cost | |
| Balance January 1 | |
| Excess of additional minimum liability | |
| Tax effect on above | |
| Balance September 30 | |
| Cumulative translation adjustments | |
| Balance January 1 | |
| Change in the period | |
| Balance September 30 | |
| Unrealized gain on available-for-sale security | |
| Balance January 1 | |
| Change in the period | |
| Balance September 30 | |
| Adjustments relating to investments in affiliates | |
| Balance January 1 | |
| Change in the period | |
| Balance September 30 | |
| Total other cumulative comprehensive income | |
| Appropriated retained earnings | |
| Balance January 1 | |
| Transfer to retained earnings | |
| Transfer to capital stock | |
| Balance September 30 | |
| Retained earnings | |
| Balance January 1 | |
| Net income | |
| Interest attributed to stockholders | |
| Preferred class A stock (\$0 84 per share in September 2002 and \$1 72 in September 2001) | |
| Common stock (\$0 84 per share in September 2002 and \$1 72 in September 2001) | |

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| | |
|-----------------------------|-------------|
| Appropriation from reserves | |
| Balance | |
| September 30 | |
| Total stockholders' equity | 383,839,135 |

Comprehensive income is comprised as follows:

| | |
|---|--|
| Net income | |
| Amounts not recognized as net periodic pension cost | |
| Cumulative translation adjustments | |
| Unrealized loss on available-for-sale security | |
| Adjustments relating to investments in affiliates | |
| Total comprehensive income | |

See notes to condensed consolidated financial information.

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Notes to the Condensed Consolidated Financial Information Expressed in millions of United States dollars, unless otherwise stated

1 The Company and its operations

Companhia Vale do Rio Doce (CVRD) is a limited liability company, duly organized and existing under the laws of the Federative Republic of Brazil. Our operations are carried out through CVRD and its subsidiary companies, joint ventures and affiliates, and mainly consist of mining, non-ferrous metal production and logistics, as well as forestry, aluminum and steel activities. Further details of our operations and those of our joint ventures and affiliates are described in Note 9.

The main consolidated operating subsidiaries are as follows:

| Subsidiary | % ownership | Head office location |
|--|-------------|----------------------|
| Ferteco Mineracao S A - FERTECO | 100 | Brazil |
| Para Pigmentos S A | 76 | Brazil |
| SIBRA - Eletrosiderurgica Brasileira S A | 98 | Brazil |
| Navegacao Vale do Rio Doce S A - DOCENAVE | 100 | Brazil |
| Vale do Rio Doce Aluminio S A - ALUVALE | 100 | Brazil |
| Itabira Rio Doce Company Ltd - ITACO | 100 | Cayman Island |
| Rio Doce International Finance Ltd - RDIF | 100 | Bahamas |
| CELMAR S A - Industria de Celulose e Papel | 85 | Brazil |
| Florestas Rio Doce S A | 100 | Brazil |

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| | | |
|--|-----|--------|
| Rio Doce Manganese Europe - RDME | 100 | France |
| Urucum Mineracao S A | 100 | Brazil |
| Alumina do Norte do Brasil S A - Alunorte(as from June,2002) | 57 | Brazil |
| Salobo Metais S A | 100 | Brazil |

2 Basis of consolidation

All majority-owned subsidiaries where we have both share and management control are consolidated with elimination of all significant intercompany accounts and transactions. Investments in unconsolidated affiliates and joint ventures are reported at cost less amortized goodwill plus our equity in undistributed earnings or losses. Included in this category are certain joint ventures in which we have majority ownership but, by force of shareholders' agreements, do not have effective management control. We provide for losses on equity investments with negative stockholders' equity where we have assumed commitments and for other than temporary decreases in market value below carrying value where applicable.

3 Summary of significant accounting policies

Our condensed consolidated interim financial information as of September 30, 2002 and for the periods of nine months ended September 30, 2002 and 2001 is unaudited. However, in our opinion, such condensed consolidated financial information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for interim periods. The results of operations for the nine month period ended September 30, 2002 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2002.

This condensed interim financial information should be read in conjunction with our consolidated financial statements for the year ended December 31, 2001.

In accordance with SFAS 142 "Goodwill and Other Intangible Assets", as from January 1, 2002 (or immediately for acquisitions after June 30, 2001):

- o Goodwill relative to consolidated subsidiaries is no longer amortized, but is aggregated to reporting units and subject at least annually to testing for impairment, considering the reporting unit as a whole.

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- o Goodwill relative to affiliates and joint ventures is no longer amortized but is allocated to the respective investment and included in the measurement of the gain or loss on sale, or the loss arising from an other than temporary decline in the value of the investment.
- o Goodwill charged against earnings for the nine months ended September 30, 2001 totaled \$16 relating to subsidiaries and \$55 relating to equity investees which were classified as other operating expenses and equity in results of affiliates and joint

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ventures, respectively.

- o At September 30, 2002 we finalized the impairment test of our goodwill and recorded a write-off of \$86 related to Caemi Mineracao e Metalurgia S.A.

SFAS 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" has been adopted as from January 1, 2002.

Other long-term assets includes \$62 related to ships held for sale.

4 Recently issued accounting pronouncement

In accordance with SFAS 143 "Accounting for Obligations Associated with the Retirement of Long-Lived Assets", as from January 1, 2003.

This will require that:

- o an existing legal obligation associated with the retirement of a tangible long-lived asset be recognized as a liability when incurred and the amount of the liability be initially measured at a fair value.
- o Subsequent changes in the liability that result from (a) passage of time and (b) revisions in either the timing or amount of estimated cash flows, be recognized; and
- o Upon initially recognizing a liability for an asset retirement obligation, the cost may be capitalized by recognizing an increase in the carrying amount of the related long-lived asset.

Management is evaluating the impact of this standard.

5 Income tax

Income taxes in Brazil comprise federal income tax and social contribution, which is an additional federal tax. The statutory enacted tax rates applicable in the periods presented are as follows:

| | % |
|-------------------------|-------|
| Federal income tax | 25.00 |
| Social contribution (*) | 9.00 |
| Composite tax rate | 34.00 |

(*) As from January 1, 2003 the enacted rate is 8%. However, new legislation if passed would increase the rate to 9%.

The amount reported as income tax benefit in this consolidated

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financial information is reconciled to the statutory rates as follows:

| | Nine months ended Sept | |
|---|------------------------|-------|
| | 2002 | 2001 |
| Income (loss) before income taxes, equity results and minority interests | (75) | 588 |
| | ===== | ===== |
| Federal income tax and social contribution at statutory enacted rates | 26 | (200) |
| Adjustments to derive effective tax rate: | | |
| Tax benefit on interest attributed to stockholders | 90 | 226 |
| Exempt foreign income | 174 | 185 |
| Tax incentives | 2 | 22 |
| Valuation allowance reversal (provision) | (37) | (27) |
| Adjustments to reflect expected annual effective rate | -- | (167) |
| Other non-taxable items | 3 | 4 |
| | ----- | ----- |
| Federal income tax and social contribution benefit in consolidated statements of income | 258 | 43 |
| | ===== | ===== |

In 2000, we obtained approval of certain tax incentives relative to our iron ore and manganese operations in Carajas. The incentives comprise full income tax exemption on defined production levels up to 2005 and partial exemption up to 2013. An amount equal to the tax saving must be appropriated to a reserve account within stockholders' equity and may not be distributed in the form of cash dividends.

Our subsidiary Alunorte has obtained 100% of federal income tax exemption for a production limited up to 800,000 tons of alumina per year, during a period of ten years, as from 2000. For a production output higher than 800,000 up to 3,200,000 tons per year, such exemption is reduced to 75%.

6 Inventories

| | September 30, 2002 | D |
|---------------------------------------|--------------------|-------|
| Finished products and work-in-process | | |
| Iron ore | 68 | |
| Gold | 2 | |
| Manganese | 23 | |
| Ferrous alloys | 21 | |
| Alumina | 12 | |
| Others | 10 | |
| Spare parts and maintenance supplies | 107 | |
| | ----- | ----- |
| | 243 | |
| | ===== | ===== |

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7 Investments

September 30, 2002

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| | Participation in capital (%) | | (1) Net equity | (1) Net income (loss) for the period |
|---|---------------------------------|--------|-------------------|--|
| | voting | total | | |
| | ----- | ----- | ----- | ----- |
| Investments in affiliated companies and joint ventures | | | | |
| Steel | | | | |
| Usinas Siderurgicas de Minas Gerais S A - USIMINAS (2) | 22.99 | 11.46 | - | (131) |
| Companhia Siderurgica Nacional - CSN (3) | - | - | - | - |
| Companhia Siderurgica de Tubarao - CST (4) | 20.51 | 22.85 | 92 | 48 |
| California Steel Industries Inc - CSI | 50.00 | 50.00 | 208 | 24 |
| Aluminum and bauxite | | | | |
| Mineracao Rio do Norte S A - MRN | 40.00 | 40.00 | 388 | 77 |
| Valesul Aluminio S A - VALESUL | 54.51 | 54.51 | 66 | 15 |
| Alumina do Norte do Brasil S A - ALUNORTE (6) | 62.09 | 57.03 | - | (51) |
| Pellets | | | | |
| Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO | 51.11 | 51.00 | 21 | 4 |
| Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS | 51.00 | 50.89 | 25 | 9 |
| Companhia Coreano Brasileira de Pelotizacao - KOBRASCO | 50.00 | 50.00 | - | (38) |
| Companhia Italo-Brasileira de Pelotizacao - ITABRASCO | 51.00 | 50.90 | 20 | 8 |
| Gulf Industrial Investment Company - GIIC | 50.00 | 50.00 | 68 | 6 |
| SAMARCO Mineracao S A | 50.00 | 50.00 | 220 | (6) |
| Others | | | | |
| Fertilizantes Fosfatados S A - FOSFERTIL (5) | 10.96 | 10.96 | 183 | 46 |
| Caemi Mineracao e Metalurgia S A (7) | 50.00 | 16.85 | 486 | (6) |
| Salobo Metais S A(6) | 100.00 | 100.00 | - | - |
| Ferrovia Centro-Atlantica S A - FCA | 20.00 | 45.65 | - | - |
| Others | | | | |
| Investments at cost | | | | |
| SIDERAR (market value \$18and \$11 in September 30, 2002 and December 31, 2001, respectively | 4.85 | 4.85 | | |
| Unrealized holding gains on equity security | | | | |
| Others | | | | |
| Change in provision for losses on equity investments: | | | | |
| Aluminio Brasileiro S A - ALBRAS | | | | |
| Cia Ferroviaria do Nordeste | | | | |
| Companhia Coreano Brasileira de Pelotizacao - KOBRASCO | | | | |
| Ferrobán | | | | |
| Ferrovia Centro-Atlantica S A - FCA | | | | |
| MRS Logistica S A | | | | |

(1) Based on US GAAP financial information.

(2) Value based on quoted market price at September 30, 2002 is \$34 compared to net book value of \$10 at September 30, 2001.

(3) Investments sold in 2001.

(4) Value based on quoted market price at September 30, 2002 is \$84 compared to net book value of \$10 at September 30, 2001.

(5) Value based on quoted market price at September 30, 2002 is \$29 compared to net book value of \$10 at September 30, 2001.

(6) Alunorte and Salobo Metais S A are consolidated at September 30, 2002, after acquisition of 100% of Salobo Metais S A.

(7) Provision for losses was based on quoted market price of \$82 compared to net book value of \$10 at September 30, 2001.

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Goodwill which is no longer amortized as from January 1, 2002 in accordance with SFAS 142, included in the above investments is as follows:

| Investee | September 30, 2002 |
|---|-----------------------|
| ----- | ----- |
| Alumina do Norte do Brasil S A - ALUNORTE | |
| Samarco Mineracao S A | 2 |
| Caemi Mineracao e Metalurgia S A | |
| | ----- |
| | 2 |
| | ===== |

Information with respect to other major affiliates' financial position and results of operations is as follows:

| | ALUNORTE | | ALBRAS | |
|-------------------------|------------------|----------------------|-----------------------|----------------------|
| | June 30, 2002 | December 31, 2001 | September 30, 2002 | December 31, 2001 |
| Balance Sheet | | | | |
| Current assets | 85 | 159 | 129 | 158 |
| Other noncurrent assets | 497 | 509 | 336 | 510 |
| Current liabilities | (84) | (95) | (183) | (219) |
| Noncurrent liabilities | (413) | (431) | (394) | (463) |
| | ----- | ----- | ----- | ----- |
| Stockholders' equity | 85 | 142 | (112) | (14) |
| | ===== | ===== | ===== | ===== |
| Our participation | 57.58% | 45.58% | 51.00% | 51.00% |
| | ----- | ----- | ----- | ----- |
| Investments | 49 | 65 | (57) | (7) |
| | ===== | ===== | ===== | ===== |

| | ALUNORTE | | ALBRAS | |
|-----------------------------------|----------|--------|--------|--------|
| | 2002 | 2001 | 2002 | 2001 |
| Statement of Operations | | | | |
| Net sales | 138 | 227 | 393 | 382 |
| Costs and expenses | (189) | (306) | (509) | (454) |
| Income (loss) before income taxes | (51) | (79) | (116) | (72) |
| Income taxes | - | - | - | - |
| Equity in results of affiliates | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Net income (loss) | (51) | (79) | (116) | (72) |
| | ===== | ===== | ===== | ===== |
| Our participation | 44 96% | 46 60% | 51 00% | 51 00% |
| Participation in results | (23) | (37) | (59) | (37) |
| Change in provision for losses | - | - | 59 | 37 |
| | ----- | ----- | ----- | ----- |
| Equity in results | (23) | (37) | - | - |
| | ===== | ===== | ===== | ===== |

(*) Six months ended June 30.

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The provision for losses on equity investments of \$86 and \$9 at September 30, 2002 and December 31, 2001, respectively, relates to our investments in affiliates which have reported negative stockholders' equity in their financial statements prepared in accordance with US GAAP and in circumstances where we have assumed commitments to fund our share of the accumulated losses, if necessary, through additional capital contributions or other means. Accordingly we (a) first reduce the value of the investment to zero and (b) subsequently provide for our portion of negative equity. The provision is comprised as follows:

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| | Ferrobán | MRS Logística | Cia Coreano- Brasileira de Pelotizacão | Ferrovia de Centro- Atlântica | Cia Ferroviária do Nordeste |
|---------------------------------|----------|------------------|---|-------------------------------------|-----------------------------------|
| Provision at January 1, 2001 | - | - | - | - | - |
| Change in provision - results | - | - | - | - | (8) |
| Translation adjustment | - | - | - | - | 5 |
| Provision at September 30, 2001 | - | - | - | - | (3) |
| Provision at January 1, 2002 | - | - | - | - | (2) |
| Additional loss provision | (1) | (14) | (17) | (32) | (3) |
| Payment of capital | - | - | - | 32 | 4 |
| Translation adjustment | 1 | 2 | - | - | 1 |
| Provision at September 30, 2002 | - | (12) | (17) | - | - |

Dividends received from investees aggregated \$72 and \$112 in nine month periods ended September 30, 2002 and 2001, respectively.

8 Commitments and contingencies

(a) At September 30, 2002, we had extended guarantees for borrowings obtained by affiliates and joint ventures in the amount of \$511, of which \$410 is denominated in United States dollars and the remaining \$101 in local currency. These guarantees include \$352 relative to ALBRAS.

(b) We are defendants in numerous legal actions in the normal course of business. Based on the advice of our legal counsel, management believes that the provision made against contingent losses is sufficient to cover probable losses in connection with such actions.

The provision for contingencies and the related judicial deposits are composed as follows:

| | September 30, 2002 |
|-----------------------------|-----------------------------|
| Provision for contingencies | Provision for contingencies |
| Judicial deposits | Judicial deposits |
| Provision for contingencies | Provision for contingencies |

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| | | | |
|-----------------------|-------|-------|-------|
| Labor claims | 103 | 44 | 147 |
| Civil claims | 82 | 31 | 123 |
| Tax - related actions | 168 | 123 | 177 |
| Others | 5 | - | 5 |
| | ----- | ----- | ----- |
| | 358 | 198 | 452 |
| | ===== | ===== | ===== |
| Long-term | 358 | 198 | 452 |
| | ===== | ===== | ===== |

Labor -related actions principally comprise employee claims for (i) payment of time spent travelling from their residences to the work-place, (ii) additional payments for alleged dangerous or unhealthy working conditions and (iii) various other matters, often in connection with disputes about the amount of indemnities paid upon dismissal.

Civil actions principally relate to claims made against us by contractors in connection with losses alleged to have been incurred by them as a result of various past government economic plans during which full indexation of contracts for inflation was not permitted.

Tax-related actions principally comprise our challenges of changes in basis of calculation and rates of certain revenue taxes.

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We continue to vigorously pursue our interests in all the above actions but recognize that probably we will incur some losses in the final instance, for which we have made provisions.

Our judicial deposits are made as required by the courts for us to be able to enter or continue a legal action. When judgment is favorable to us, we receive the deposits back; when unfavorable, the deposits are delivered to the prevailing party.

Contingencies settled in the nine months period ended September 30, 2002 and 2001 aggregated \$158 and \$19, respectively, and additional provisions aggregated \$212 and \$125 in the nine months periods ended September 30, 2002 and 2001, respectively.

- (c) We are defendants in two actions seeking substantial compensatory damages brought by the Municipality of Itabira, State of Minas Gerais, which we believe are without merit. Due to the remote likelihood that any loss will arise therefrom no provision has been made in the financial statements with respect to these two actions.
- (d) We are committed under a take-or-pay agreement to take delivery of approximately 207,060 metric tons per year of aluminum from ALBRAS at market prices. This estimate is based on 51% of ALBRAS expected production and, at a market price of \$1,319.52 per metric ton at September 30, 2002, represents an annual commitment of \$273. Actual take from ALBRAS was \$192 and \$176 during the nine month periods ended September 30, 2002 and 2001, respectively.

Our subsidiary Alunorte is committed under a take-and-pay agreement to purchase approximately 53,835 thousand metric tons of bauxite from Mineracao Rio do Norte S A at a formula price, which is calculated

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based on the London Metal Exchange (LME) quotation for aluminum. At a market price of US\$ 18.94 per metric ton as of September 30, 2002, it represents an annual commitment of \$59 which approximates actual take in 2002.

(e) We and BNDES entered into a contract, known as the Mineral Risk Contract, in June 1997, relating to prospecting authorizations for mining regions where drilling and exploration are still in their early stages. The Mineral Risk Contract provides for the joint development of certain unexplored mineral deposits in approximately two million identified hectares of land in the Carajas region, as well as proportional participation in any financial benefits earned from the development of such resources. Iron ore and manganese deposits already identified and subject to development are specifically excluded from the Mineral Risk Contract.

(f) At the time of our privatization in 1997, we issued shareholder revenue interests known in Brazil as "debentures" to our then-existing shareholders, including the Brazilian Government. The Brazilian Securities Commission (CVM) authorized the public distribution of these debentures and a request was made to the Brazilian Central Bank for distribution abroad. The terms of the "debentures", which are more fully described in our consolidated financial statements for the year ended December 31, 2001, were set to ensure that our pre-privatization shareholders, including the Brazilian Government, would participate alongside us in potential future financial benefits that we are able to derive from exploiting our mineral resources.

(g) At September 30, 2002 we have provided \$14 for environmental liabilities. Such provisions relate to site restoration at mines already closed or which are expected to be closed in the next two years.

We use various judgments and assumptions when measuring our environmental liabilities. Changes in circumstances, law or technology may affect our estimates and we periodically review the amounts accrued and adjust them as necessary. Our accruals do not reflect unasserted claims because we are currently not aware of any such issues. Also the amounts provided are not reduced by any potential recoveries under cost sharing, insurance or indemnification arrangements because such recoveries are considered uncertain.

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9 Segment and geographical information

Consolidated net income and principal assets are reconciled as follows:

| | |
|---------|--|
| ----- | ----- |
| Non | |
| Ferrous | ferrous Logistics Forestry Aluminum(2) Steel E |
| ----- | ----- |

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RESULTS

| | | | | | | |
|--|---------|-------|-------|------|-------|------|
| Revenues - Export | 3,067 | 119 | 30 | - | 264 | - |
| Revenues - Domestic | 790 | 70 | 236 | 4 | 45 | - |
| Cost and expenses | (3,639) | (171) | (142) | 43 | (408) | (24) |
| Interest revenue | 116 | - | 8 | 1 | 8 | 2 |
| Interest expense | (375) | (5) | (5) | - | (9) | (6) |
| Depreciation, depletion and amortization | (134) | (22) | (12) | (1) | (2) | - |
| Pension plan | (7) | (1) | - | - | - | - |
| Equity | (7) | - | (80) | - | (43) | 8 |
| Income taxes | 275 | - | (1) | (14) | (2) | - |
| Minority interest | - | - | - | - | 51 | - |
| Net income | 86 | (10) | 34 | 33 | (96) | (20) |

Sales classified by geographic destination:

| | | | | | | |
|------------------------|-------|-----|-----|---|-----|---------|
| Export market | | | | | | |
| Latin America | 290 | - | 20 | - | 17 | - |
| United States | 257 | 34 | 3 | - | 2 | - |
| Europe | 1,322 | 81 | 4 | - | 234 | - |
| Middle East | 151 | - | - | - | - | - |
| Japan | 363 | 1 | 1 | - | - | - |
| Asia, other than Japan | 684 | 3 | 2 | - | 11 | - |
| | 3,067 | 119 | 30 | - | 264 | - |
| Domestic market | | | | | | |
| | 790 | 70 | 236 | 4 | 45 | - |
| | 3,857 | 189 | 266 | 4 | 309 | (1,434) |

Assets :

| | | | | | | |
|--|-------|-----|-----|----|-----|-----|
| Property, plant and equipment, net | 2,046 | 313 | 127 | 42 | 321 | - |
| Capital expenditures | 380 | 56 | 30 | 14 | 28 | - |
| Investments in affiliated companies and joint ventures and other investments, net provision for losses | 300 | 4 | 12 | - | 128 | 136 |
| Capital employed | 2,168 | 137 | 140 | 26 | 196 | 16 |

(1) Includes \$49 for profit on sales of assets.

(2) Control of ALUNORTE was acquired in June 2002 and it was consolidated from then.

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| | Non | | | | |
|---------------------|---------|---------|-----------|-------------|----------|
| | Ferrous | ferrous | Logistics | Forestry(4) | Aluminum |
| RESULTS | | | | | |
| Revenues - Export | 2,570 | 133 | 125 | 49 | 225 |
| Revenues - Domestic | 805 | 58 | 269 | 7 | 1 |
| Cost and expenses | (3,211) | (446) | 611 | (209) | 107 |
| Interest revenue | 97 | 1 | 6 | 7 | 5 |
| Interest expense | (256) | (9) | (7) | -- | (1) |

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| | | | | | |
|--|-------|------|-------|-----|------|
| Depreciation, depletion and amortization .. | (132) | (23) | (17) | (2) | -- |
| Pension plan | (19) | (3) | (2) | -- | -- |
| Equity | 5 | -- | (43) | 11 | (45) |
| Income taxes | 47 | -- | (1) | (3) | -- |
| Minority interest | | | | | |
| Net income | (94) | 16 | (116) | 680 | (24) |
| ----- | | | | | |
| Sales classified by geographic destination: | | | | | |
| Export market | | | | | |
| Latin America | 194 | 4 | 52 | -- | 8 |
| United States | 154 | 100 | 15 | 42 | 33 |
| Europe | 1,015 | 27 | 43 | 7 | 161 |
| Middle East | 149 | -- | 3 | -- | -- |
| Japan | 395 | -- | 9 | -- | 12 |
| Asia, other than Japan | 663 | 2 | 3 | -- | 11 |
| | 2,570 | 133 | 125 | 49 | 225 |
| Domestic market | 805 | 58 | 269 | 7 | 1 |
| | 3,375 | 191 | 394 | 56 | 226 |
| ===== | | | | | |
| Assets : | | | | | |
| Property, plant and equipment, | 2,693 | 203 | 294 | 130 | -- |
| Capital expenditures | 391 | 36 | 17 | -- | -- |
| Investments in affiliated companies and and joint ventures and other investments, . | 390 | 20 | 35 | -- | 179 |
| Capital employed | 2,805 | 194 | 302 | 127 | (2) |

- (1) - Includes provisions \$101 to reflect realizable value of assets
(2) - Includes \$170 profit on sale of Bahia Sul Celulose S A - BSC and \$507 profit on sale of Celulose Nipo-Brasileira S A - CENIBRA
(3) - Includes \$107 profit on sale of Companhia Siderurgica Nacional - CSN
(4) - Up to September 2001 includes pulp and paper operation.

For more information on segments see the segment disclosures included in our consolidated financial statements for the year ended December 31, 2001.

10 Derivative financial instruments

Volatility of interest rates, exchange rates and commodity prices are the main market risks to which we are exposed - all three are managed through derivative operations. These have the exclusive aim of reducing exposure to risk. We do not use derivatives for speculation purposes.

We monitor and evaluate our derivative positions on a regular basis and adjust our strategy in response to market conditions. We also periodically review the credit limits and credit worthiness of our counter-parties in these transactions. In view of the policies and practices established for operations with derivatives, management considers the occurrence of non-measurable risk situations as unlikely.

As from January 1, 2001 we adopted SFAS 133 "Accounting for Derivative Financial Instruments and Hedging Activities", as amended by SFAS 137 and SFAS 138, and began to recognize all derivatives on our balance sheet at fair value. Accordingly we recognized an initial transition adjustment of \$3 as a charge in our statement of income

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relative to net unrealized losses on contracts open as of December 31, 2000. Subsequently to January 1, 2001 all derivatives have been adjusted to fair market value at each balance sheet date and the change included in current earnings.

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For the nine month periods ended September 30, 2002 and 2001 the movement of unrealized and realized gains or losses on derivative financial instruments is as follows:

| | Gold | Interest rates (libor) | Cun |
|---|------|---------------------------|-----|
| Initial unrealized gains and losses at January 1, 2001..... | 9 | (8) | |
| Change in the period..... | 2 | (39) | |
| (Gains) and losses realized in the period..... | (5) | 6 | |
| | | | |
| Unrealized gains and (losses) at September 30, 2001 | 6 | (41) | |
| | | | |
| Unrealized gains and losses at January 1, 2002..... | 7 | (36) | |
| Gain recognized upon consolidation of Alunorte..... | - | - | |
| Change in the period..... | 9) | (51) | |
| (Gains) and losses realized in the period..... | (2) | 22 | |
| | | | |
| Unrealized gains and (losses) at September 30, 2002 | (4) | (65) | |
| | | | |

Realized and unrealized gains and losses are included in our income statement.

Final maturity dates for the above instruments are as follows:

| | |
|-----------------------------|---------------|
| Gold..... | December 2006 |
| Interest rates (libor)..... | May 2007 |
| Currencies..... | May 2005 |

(a) Interest Rate and Exchange Rate Risk

Interest rate risks mainly relate to that part of the debt borrowed at floating rates. The foreign currency debt is largely subject to fluctuations in the London Interbank Offered Rate - LIBOR. That portion of local currency denominated debt that is subject to floating rates is linked to the Long Term Interest Rate - TJLP, fixed quarterly by the Brazilian Central Bank. Since May 1998, we have used derivative instruments to protect ourselves against fluctuations in the LIBOR rate.

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There is an exchange rate risk associated with our foreign currency denominated debt. On the other hand, a substantial proportion of our revenues are denominated in, or automatically indexed to, the U.S. dollar, while the majority of costs are expressed in reais. This provides a natural hedge against any devaluation of the Brazilian real against the U.S. dollar. When events of this nature occur, the immediate negative impact on foreign currency denominated debt is offset over time by the positive effect of devaluation on future cash flows.

With the advent of a floating exchange rate regime in Brazil in January 1999, we adopted a strategy of monitoring market fluctuations, using derivatives to protect against specific risks from exchange rate variation.

From time to time we enter into foreign exchange derivative swap transactions seeking to change the characteristics of our real-denominated cash investments to US dollar-indexed instruments. The extent of such transactions depends on our perception of market and currency risk, but is never speculative in nature. All such operations are marked-to-market at each balance sheet date and the effect included in financial income or expense. During the nine months ended September 30, 2002 and 2001 our use of such instruments was not significant.

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(b) Commodity Price Risk

We also use derivative instruments to manage exposure to changing gold prices. Derivatives allow the fixing of an average minimum profit level for future gold production. However, they may also have the effect of eliminating potential gains on certain price increases in the spot market for gold. We manage our contract positions actively, and the results are reviewed at least monthly, allowing adjustments to targets and strategy to be made in response to changing market conditions.

In the case of gold derivatives, our policy has been to settle all contracts through cash payments or receipts, without physical delivery of product.

Our affiliate Albras and our subsidiary Alunorte manage the risk of fluctuating aluminum prices using derivatives, allowing an average minimum profit level for future production and ensuring stable cash generation. However, they may also have the effect of eliminating potential gains on certain price increases in the spot market for aluminum.

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Aluminum Area - VALESUL (Additional information)

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| Information | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 9 | 12 | 8 |
| Quantity sold - internal market | MT (thousand) | 12 | 11 | 11 |
| Quantity sold - total | MT (thousand) | 21 | 23 | 19 |
| Average sales price - external market .. | US\$ | 1,467.44 | 1,481.49 | 1,485.09 |
| Average sales price - internal market .. | US\$ | 1,906.21 | 1,865.52 | 1,779.65 |
| Average sales price - total | US\$ | 1,720.97 | 1,663.20 | 1,654.96 |
| Long-term indebtedness, gross | US\$ | 1,868 | 1,416 | 953 |
| Short-term indebtedness, gross | US\$ | 685 | 555 | 409 |
| Total indebtedness, gross | US\$ | 2,553 | 1,971 | 1,362 |
| Stockholders' equity | US\$ | 95,463 | 83,294 | 66,161 |
| Net operating revenues | US\$ | 32,675 | 36,837 | 29,970 |
| Cost of products | US\$ | (25,335) | (26,516) | (19,815) |
| Other expenses/revenues | US\$ | (2,751) | (2,462) | (2,249) |
| Depreciation, amortization and depletion | US\$ | 1,513 | 1,375 | 1,034 |
| EBITDA | US\$ | 6,102 | 9,234 | 8,940 |
| Depreciation, amortization and depletion | US\$ | (1,513) | (1,375) | (1,034) |
| EBIT | US\$ | 4,589 | 7,859 | 7,906 |
| Non-operating result | US\$ | 23 | 409 | 165 |
| Net financial result | US\$ | (250) | 257 | (301) |
| Income before income tax and social contribution | US\$ | 4,362 | 8,525 | 7,770 |
| Income tax and social contribution | US\$ | (1,751) | (2,394) | (1,415) |
| Net income | US\$ | 2,611 | 6,131 | 6,355 |

| Information | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 2 | 9 | 7 |
| Quantity sold - internal market | MT (thousand) | 14 | 17 | 11 |
| Quantity sold - total | MT (thousand) | 16 | 26 | 18 |
| Average sales price - external market | US\$ | 1,733.37 | 1,585.14 | 1,554.56 |
| Average sales price - internal market | US\$ | 2,155.46 | 2,047.69 | 1,934.35 |
| Average sales price - total | US\$ | 2,107.06 | 1,882.41 | 1,784.68 |
| Long-term indebtedness, gross | US\$ | 2,568 | 2,273 | 2,598 |
| Short-term indebtedness, gross | US\$ | 33,619 | 9,700 | 939 |
| Total indebtedness, gross | US\$ | 36,187 | 11,973 | 3,537 |
| Stockholders' equity | US\$ | 83,138 | 85,219 | 78,024 |
| Net operating revenues | US\$ | 29,559 | 37,273 | 36,364 |
| Cost of products | US\$ | (20,205) | (25,700) | (25,657) |
| Other expenses/revenues | US\$ | (2,526) | (2,351) | (1,372) |
| Depreciation, amortization and depletion | US\$ | 1,693 | 1,282 | 1,548 |

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| | | | | |
|--|------|---------|---------|---------|
| EBITDA | US\$ | 8,521 | 10,504 | 10,883 |
| Depreciation, amortization and depletion | US\$ | (1,693) | (1,282) | (1,548) |
| <hr/> | | | | |
| EBIT | US\$ | 6,828 | 9,222 | 9,335 |
| Non-operating result | US\$ | 24 | (319) | (594) |
| Net financial result | US\$ | (1,525) | (645) | (1,409) |
| <hr/> | | | | |
| Income before income tax and social contribution | US\$ | 5,327 | 8,258 | 7,332 |
| Income tax and social contribution | US\$ | (1,413) | (2,116) | (1,947) |
| <hr/> | | | | |
| Net income | US\$ | 3,914 | 6,142 | 5,385 |
| <hr/> | | | | |

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Aluminum Area - MRN (Additional information)

Information

| | | 1Q | 2Q | |
|--|---------------|----------|----------|-------|
| <hr/> | | | | |
| Quantity sold - external market | MT (thousand) | 485 | 790 | 7 |
| Quantity sold - internal market | MT (thousand) | 1,296 | 1,820 | 1,8 |
| Quantity sold - total | MT (thousand) | 1,781 | 2,610 | 2,5 |
| <hr/> | | | | |
| Average sales price - external market | US\$ | 20.56 | 19.09 | 19. |
| Average sales price - internal market | US\$ | 19.46 | 18.01 | 18. |
| Average sales price - total | US\$ | 19.76 | 18.34 | 18. |
| <hr/> | | | | |
| Long-term indebtedness, gross | US\$ | 95,892 | 90,312 | 77,7 |
| Short-term indebtedness, gross | US\$ | 14,436 | 18,780 | 23,1 |
| Total indebtedness, gross | US\$ | 110,328 | 109,092 | 100,9 |
| <hr/> | | | | |
| Stockholders' equity | US\$ | 363,737 | 376,905 | 387,6 |
| <hr/> | | | | |
| Net operating revenues | US\$ | 32,074 | 43,006 | 42,5 |
| Cost of products | US\$ | (19,472) | (28,845) | (29,8 |
| Other expenses/revenues | US\$ | (786) | (868) | (7 |
| Depreciation, amortization and depletion | US\$ | 9,160 | 4,042 | 14,7 |
| <hr/> | | | | |
| EBITDA | US\$ | 20,976 | 17,335 | 26,7 |
| Depreciation, amortization and depletion | US\$ | (9,160) | (4,042) | (14,7 |
| <hr/> | | | | |
| EBIT | US\$ | 11,816 | 13,293 | 11,9 |
| Gain on investments accounted for by the equity method | US\$ | (542) | 20,120 | |
| Non-operating result | US\$ | (154) | 12,792 | 16,8 |
| Net financial result | US\$ | (531) | (326) | |
| <hr/> | | | | |
| Income before income tax and social contribution | US\$ | 10,589 | 45,879 | 28,8 |
| Income tax and social contribution | US\$ | (1,462) | (7,707) | 1,0 |
| <hr/> | | | | |
| Net income | US\$ | 9,127 | 38,172 | 29,9 |

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Information

| | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|-------|
| Quantity sold - external market | MT (thousand) | 581 | 886 | 9 |
| Quantity sold - internal market | MT (thousand) | 1,604 | 1,946 | 1,8 |
| Quantity sold - total | MT (thousand) | 2,185 | 2,832 | 2,7 |
| Average sales price - external market | US\$ | 22.70 | 21.99 | 22. |
| Average sales price - internal market | US\$ | 20.08 | 20.16 | 20. |
| Average sales price - total | US\$ | 21.39 | 21.08 | 20. |
| Long-term indebtedness, gross | US\$ | 700 | | 7,9 |
| Short-term indebtedness, gross | US\$ | 1,456 | 1,400 | 11,5 |
| Total indebtedness, gross | US\$ | 2,156 | 1,400 | 19,5 |
| Stockholders' equity | US\$ | 353,154 | 371,665 | 357,6 |
| Net operating revenues | US\$ | 42,228 | 52,825 | 53,2 |
| Cost of products | US\$ | (21,382) | (30,132) | (28,8 |
| Other expenses/revenues | US\$ | (1,007) | (848) | (8 |
| Depreciation, amortization and depletion | US\$ | 8,349 | (6,597) | 24,2 |
| EBITDA | US\$ | 28,188 | 15,248 | 47,7 |
| Depreciation, amortization and depletion | US\$ | (8,349) | 6,597 | (24,2 |
| EBIT | US\$ | 19,839 | 21,845 | 23,5 |
| Gain on investments accounted for by the equity method | US\$ | (4,282) | (5,522) | 2 |
| Non-operating result | US\$ | 120 | 931 | 2,0 |
| Net financial result | US\$ | 588 | (810) | (2 |
| Income before income tax and social contribution | US\$ | 16,265 | 16,444 | 25,6 |
| Income tax and social contribution | US\$ | (1,779) | (2,215) | (1,7 |
| Net income | US\$ | 14,486 | 14,229 | 23,8 |

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Aluminum Area - ALBRAS (Additional information)

Information

| | | 1Q | 2Q | 3Q | 4 |
|---------------------------------------|---------------|----------|----------|----------|---|
| Quantity sold - external market | MT (thousand) | 84 | 108 | 101 | |
| Quantity sold - internal market | MT (thousand) | 4 | 2 | 3 | |
| Quantity sold - total | MT (thousand) | 88 | 110 | 104 | |
| Average sales price - external market | US\$ | 1,318.33 | 1,409.42 | 1,288.20 | |
| Average sales price - internal market | US\$ | 1,352.12 | 1,330.47 | 1,335.69 | |

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| | | | | |
|--|------|----------|-----------|-----------|
| Average sales price - total | US\$ | 1,319.81 | 1,332.13 | 1,289.68 |
| Long-term indebtedness, gross | US\$ | 524,095 | 506,633 | 498,857 |
| Short-term indebtedness, gross | US\$ | 72,938 | 48,840 | 20,156 |
| Total indebtedness, gross | US\$ | 597,033 | 555,473 | 519,013 |
| Stockholders' equity | US\$ | 56,416 | (17,901) | (96,966) |
| Net operating revenues | US\$ | 114,933 | 145,327 | 132,549 |
| Cost of products | US\$ | (69,656) | (89,401) | (78,909) |
| Other expenses/revenues | US\$ | (4,387) | (3,114) | (3,546) |
| Depreciation, amortization and depletion | US\$ | 4,733 | 4,640 | 9,305 |
| EBITDA | US\$ | 45,623 | 57,452 | 59,399 |
| Depreciation, amortization and depletion | US\$ | (4,733) | (4,640) | (9,305) |
| EBIT | US\$ | 40,890 | 52,812 | 50,094 |
| Non-operating result | US\$ | (3,489) | 1,139 | 1,762 |
| Net financial result | US\$ | (8,875) | (125,072) | (153,515) |
| Income before income tax and social contribution | US\$ | 28,526 | (71,121) | (101,659) |
| Income tax and social contribution | US\$ | (2,241) | 2,241 | 29,067 |
| Net income | US\$ | 26,285 | (68,880) | (72,592) |

Information

| | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 87 | 88 | 76 |
| Quantity sold - internal market | MT (thousand) | 3 | 4 | 4 |
| Quantity sold - total | MT (thousand) | 90 | 92 | 80 |
| Average sales price - external market | US\$ | 1,530.02 | 1,468.13 | 1,387.58 |
| Average sales price - internal market | US\$ | 1,606.92 | 1,528.21 | 1,456.51 |
| Average sales price - total | US\$ | 1,532.90 | 1,470.68 | 1,390.89 |
| Long-term indebtedness, gross | US\$ | 527,685 | 496,058 | 496,941 |
| Short-term indebtedness, gross | US\$ | 176,879 | 167,370 | 137,258 |
| Total indebtedness, gross | US\$ | 704,564 | 663,428 | 634,199 |
| Stockholders' equity | US\$ | (32,491) | (48,823) | (87,118) |
| Net operating revenues | US\$ | 137,332 | 134,669 | 109,554 |
| Cost of products | US\$ | (79,813) | (77,814) | (64,130) |
| Other expenses/revenues | US\$ | (9,256) | (12,625) | (3,422) |
| Depreciation, amortization and depletion | US\$ | 5,144 | 4,541 | 10,298 |
| EBITDA | US\$ | 53,407 | 48,771 | 52,300 |
| Depreciation, amortization and depletion | US\$ | (5,144) | (4,541) | (10,298) |
| EBIT | US\$ | 48,263 | 44,230 | 42,002 |
| Non-operating result | US\$ | (123) | (964) | 1,544 |
| Net financial result | US\$ | (61,008) | (54,861) | (91,046) |

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| | | | | | |
|--|------|----------|----------|----------|---|
| Income before income tax and social contribution | US\$ | (12,868) | (11,595) | (47,500) | 1 |
| Income tax and social contribution | US\$ | 7,586 | (7,913) | - | (|
| Net income | US\$ | (5,282) | (19,508) | (47,500) | |

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Pelletizing Affiliates - KOBRASCO (Additional information)

Information

| | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 436 | 534 | 850 |
| Quantity sold - internal market | MT (thousand) | 420 | 478 | - |
| Quantity sold - total | MT (thousand) | 856 | 1,012 | 850 |
| Average sales price - external market | US\$ | 31.31 | 29.34 | 29.47 |
| Average sales price - internal market | US\$ | 32.08 | 29.24 | - |
| Average sales price - total | US\$ | 31.69 | 29.30 | 29.47 |
| Long-term indebtedness, gross | US\$ | 149,583 | 143,378 | 147,150 |
| Total indebtedness, gross | US\$ | 149,583 | 143,378 | 147,150 |
| Stockholders' equity | US\$ | 22,910 | 2,527 | (31,055) |
| Net operating revenues | US\$ | 27,046 | 27,453 | 25,222 |
| Cost of products | US\$ | (20,944) | (25,711) | (20,671) |
| Other expenses/revenues | US\$ | 518 | (636) | 330 |
| Depreciation, amortization and depletion | US\$ | 834 | 795 | 637 |
| EBITDA | US\$ | 7,454 | 1,901 | 5,518 |
| Depreciation, amortization and depletion | US\$ | (834) | (795) | (637) |
| EBIT | US\$ | 6,620 | 1,106 | 4,881 |
| Other expenses/revenues - non cash | | (2,186) | 1,722 | 2,554 |
| Gain on investments accounted for by the equity method | | 24 | 395 | 565 |
| Non-operating result | US\$ | - | - | |
| Net financial result | US\$ | (1,879) | (27,498) | (46,398) |
| Income before income tax and social contribution | US\$ | 2,579 | (24,275) | (38,398) |
| Income tax and social contribution | US\$ | (1,334) | 9,238 | 14,511 |
| Net income | US\$ | 1,245 | (15,037) | (23,887) |

Information

1Q 2Q 3Q

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| | | | | |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 561 | 523 | 493 |
| Quantity sold - internal market | MT (thousand) | 420 | 489 | 630 |
| Quantity sold - total | MT (thousand) | 981 | 1,012 | 1,123 |
| Average sales price - external market | US\$ | 30.04 | 31.38 | 33.26 |
| Average sales price - internal market | US\$ | 31.80 | 31.29 | 29.77 |
| Average sales price - total | US\$ | 30.79 | 31.34 | 31.19 |
| Long-term indebtedness, gross | US\$ | 128,282 | 128,006 | 128,915 |
| Total indebtedness, gross | US\$ | 128,282 | 128,006 | 128,915 |
| Stockholders' equity | US\$ | 15,872 | 12,059 | 2,941 |
| Net operating revenues | US\$ | 30,205 | 30,793 | 33,395 |
| Cost of products | US\$ | (22,561) | (24,203) | (26,877) |
| Other expenses/revenues | US\$ | (855) | (570) | 20,788 |
| Depreciation, amortization and depletion | US\$ | 971 | 856 | 776 |
| EBITDA | US\$ | 7,760 | 6,876 | 28,082 |
| Depreciation, amortization and depletion | US\$ | (971) | (856) | (776) |
| EBIT | US\$ | 6,789 | 6,020 | 27,306 |
| Other expenses/revenues - non cash | | - | - | (20,447) |
| Gain on investments accounted for by the equity method | | 157 | 100 | (214) |
| Non-operating result | US\$ | | | |
| Net financial result | US\$ | (15,544) | (10,482) | (18,298) |
| Income before income tax and social contribution | US\$ | (8,598) | (4,362) | (11,653) |
| Income tax and social contribution | US\$ | 2,931 | 1,478 | 3,969 |
| Net income | US\$ | (5,667) | (2,884) | (7,684) |

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Pelletizing Affiliates - HISPANOBRAS (Additional information)

| Information | | 1Q | 2Q | 3Q |
|---------------------------------------|---------------|-------|-------|-------|
| Quantity sold - external market | MT (thousand) | 487 | 355 | 166 |
| Quantity sold - internal market | MT (thousand) | 420 | 480 | 520 |
| Quantity sold - total | MT (thousand) | 907 | 835 | 686 |
| Average sales price - external market | US\$ | 31.33 | 31.49 | 31.39 |
| Average sales price - internal market | US\$ | 31.43 | 31.63 | 32.28 |
| Average sales price - total | US\$ | 31.38 | 31.56 | 32.07 |

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| | | | | |
|--|------|----------|----------|----------|
| Stockholders' equity | US\$ | 35,655 | 31,166 | 25,299 |
| ===== | | | | |
| Net operating revenues | US\$ | 28,370 | 26,763 | 23,716 |
| Cost of products | US\$ | (23,815) | (21,992) | (19,734) |
| Other expenses/revenues | US\$ | (689) | (106) | 1,211 |
| Depreciation, amortization and depletion | US\$ | 728 | 461 | 83 |
| ----- | | | | |
| EBITDA | US\$ | 4,594 | 5,126 | 5,276 |
| Depreciation, amortization and depletion | US\$ | (728) | (461) | (83) |
| ----- | | | | |
| EBIT | US\$ | 3,866 | 4,665 | 5,193 |
| Non-operating result | US\$ | - | - | - |
| Net financial result | US\$ | 167 | 214 | 189 |
| ----- | | | | |
| Income before income tax and social contribution | US\$ | 4,033 | 4,879 | 5,382 |
| Income tax and social contribution | US\$ | (1,515) | (1,911) | (1,598) |
| ----- | | | | |
| Net income | US\$ | 2,518 | 2,968 | 3,784 |
| ----- | | | | |

Information

| | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 312 | 336 | 422 |
| Quantity sold - internal market | MT (thousand) | 520 | 560 | 460 |
| ----- | | | | |
| Quantity sold - total | MT (thousand) | 832 | 896 | 882 |
| ===== | | | | |
| Average sales price - external market | US\$ | 30.80 | 30.79 | 32.84 |
| Average sales price - internal market | US\$ | 30.57 | 31.55 | 32.44 |
| Average sales price - total | US\$ | 30.65 | 31.26 | 32.64 |
| ----- | | | | |
| Stockholders' equity | US\$ | 33,954 | 31,555 | 30,491 |
| ===== | | | | |
| Net operating revenues | US\$ | 25,767 | 27,922 | 28,683 |
| Cost of products | US\$ | (21,684) | (22,922) | (23,018) |
| Other expenses/revenues | US\$ | (20) | (1,049) | 212 |
| Depreciation, amortization and depletion | US\$ | 739 | 649 | 410 |
| ----- | | | | |
| EBITDA | US\$ | 4,802 | 4,600 | 6,287 |
| Depreciation, amortization and depletion | US\$ | (739) | (649) | (410) |
| ----- | | | | |
| EBIT | US\$ | 4,063 | 3,951 | 5,877 |
| Non-operating result | US\$ | - | - | - |
| Net financial result | US\$ | 295 | 137 | 151 |
| ----- | | | | |
| Income before income tax and social contribution | US\$ | 4,358 | 4,088 | 6,028 |
| Income tax and social contribution | US\$ | (1,402) | (3,854) | (1,479) |
| ----- | | | | |
| Net income | US\$ | 2,956 | 234 | 4,549 |
| ----- | | | | |

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Pelletizing Affiliates - ITABRASCO (Additional information)

Information

| | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 644 | 533 | 572 |
| Quantity sold - internal market | MT (thousand) | 233 | 169 | 243 |
| Quantity sold - total | MT (thousand) | 877 | 702 | 815 |
| Average sales price - external market | US\$ | 31.16 | 28.46 | 29.96 |
| Average sales price - internal market | US\$ | 31.90 | 27.79 | 30.33 |
| Average sales price - total | US\$ | 31.35 | 28.30 | 30.06 |
| Long-term indebtedness, gross | US\$ | 18,023 | 17,133 | 15,504 |
| Total indebtedness, gross | US\$ | 18,023 | 17,133 | 15,504 |
| Stockholders' equity | US\$ | 26,771 | 24,055 | 20,177 |
| Net operating revenues | US\$ | 27,552 | 19,766 | 25,650 |
| Cost of products | US\$ | (23,597) | (18,305) | (22,581) |
| Other expenses/revenues | US\$ | (1,725) | (166) | (2,576) |
| Depreciation, amortization and depletion | US\$ | 126 | 142 | 233 |
| EBITDA | US\$ | 2,356 | 1,437 | 726 |
| Depreciation, amortization and depletion | US\$ | (126) | (142) | (233) |
| EBIT | US\$ | 2,230 | 1,295 | 493 |
| Non-operating result | US\$ | - | - | - |
| Net financial result | US\$ | (132) | 3,102 | 5,109 |
| Income before income tax and social contribution | US\$ | 2,098 | 4,397 | 5,602 |
| Income tax and social contribution | US\$ | (864) | (2,135) | (1,900) |
| Net income | US\$ | 1,234 | 2,262 | 3,702 |

Information

| | | 1Q | 2Q | 3Q |
|---------------------------------------|---------------|-------|-------|-------|
| Quantity sold - external market | MT (thousand) | 497 | 579 | 471 |
| Quantity sold - internal market | MT (thousand) | 278 | 196 | 271 |
| Quantity sold - total | MT (thousand) | 775 | 775 | 742 |
| Average sales price - external market | US\$ | 31.13 | 31.96 | 31.80 |
| Average sales price - internal market | US\$ | 31.29 | 32.66 | 31.50 |
| Average sales price - total | US\$ | 31.19 | 31.62 | 31.69 |

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| | | | | |
|--|------|----------|----------|----------|
| Long-term indebtedness, gross | US\$ | 503 | - | 407 |
| Total indebtedness, gross | US\$ | 503 | - | 407 |
| Stockholders' equity | US\$ | 33,905 | 28,486 | 25,973 |
| Net operating revenues | US\$ | 23,770 | 25,723 | 50,254 |
| Cost of products | US\$ | (20,080) | (20,290) | (41,102) |
| Other expenses/revenues | US\$ | 2,638 | (2,534) | (1,642) |
| Depreciation, amortization and depletion | US\$ | 136 | 147 | 126 |
| EBITDA | US\$ | 6,464 | 3,046 | 7,636 |
| Depreciation, amortization and depletion | US\$ | (136) | (147) | (126) |
| EBIT | US\$ | 6,328 | 2,899 | 7,510 |
| Non-operating result | US\$ | | | |
| Net financial result | US\$ | 1,345 | 793 | 905 |
| Income before income tax and social contribution | US\$ | 7,673 | 3,692 | 8,415 |
| Income tax and social contribution | US\$ | (2,496) | (5,032) | (320) |
| Net income | US\$ | 5,177 | (1,340) | 8,095 |

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Pelletizing Affiliates - NIBRASCO (Additional information)

| Information | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 407 | 686 | 290 |
| Quantity sold - internal market - CVRD | MT (thousand) | 584 | 1,544 | 1,520 |
| Quantity sold - internal market - Others | MT (thousand) | 9 | 27 | 32 |
| Quantity sold - total | MT (thousand) | 1,000 | 2,257 | 1,842 |
| Average sales price - external market | US\$ | 30.25 | 30.88 | 27.39 |
| Average sales price - internal market | US\$ | 30.49 | 31.58 | 25.69 |
| Average sales price - total | US\$ | 30.39 | 31.36 | 25.96 |
| Long-term indebtedness, gross | US\$ | 3,600 | 2,400 | 2,400 |
| Short-term indebtedness, gross | US\$ | 2,484 | 2,400 | 2,436 |
| Total indebtedness, gross | US\$ | 6,084 | 4,800 | 4,836 |
| Stockholders' equity | US\$ | 30,547 | 27,653 | 21,419 |
| Net operating revenues | US\$ | 30,929 | 66,759 | 51,746 |
| Cost of products | US\$ | (29,126) | (57,043) | (47,290) |
| Other expenses/revenues | US\$ | (735) | (765) | (115) |
| Depreciation, amortization and depletion | US\$ | 990 | 1,090 | 1,248 |

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| | | | | |
|--|------|---------|---------|---------|
| EBITDA | US\$ | 2,058 | 10,041 | 5,589 |
| Depreciation, amortization and depletion | US\$ | (830) | (790) | (1,248) |
| EBIT | US\$ | 1,228 | 9,251 | 4,341 |
| Other expenses/revenues - non cash | | 1,070 | 2,827 | 1,565 |
| Non-operating result | US\$ | - | - | |
| Net financial result | US\$ | (1,216) | (1,407) | 386 |
| Income before income tax and social contribution | US\$ | (1,058) | 5,017 | 3,162 |
| Income tax and social contribution | US\$ | (186) | (2,120) | (1,451) |
| Net income | US\$ | (1,244) | 2,897 | 1,711 |

Information

| | | 1Q | 2Q | 3Q |
|--|---------------|----------|----------|----------|
| Quantity sold - external market | MT (thousand) | 806 | 559 | 514 |
| Quantity sold - internal market - CVRD | MT (thousand) | 1,169 | 1,572 | 929 |
| Quantity sold - internal market - Others | MT (thousand) | 35 | 38 | - |
| Quantity sold - total | MT (thousand) | 2,010 | 2,169 | 1,443 |
| Average sales price - external market | US\$ | 30.16 | 30.00 | 30.48 |
| Average sales price - internal market | US\$ | 30.41 | 31.00 | 28.57 |
| Average sales price - total | US\$ | 30.31 | 31.00 | 29.22 |
| Long-term indebtedness, gross | US\$ | 6,000 | 4,800 | 4,800 |
| Short-term indebtedness, gross | US\$ | 2,619 | 2,400 | 2,505 |
| Total indebtedness, gross | US\$ | 8,619 | 7,200 | 7,305 |
| Stockholders' equity | US\$ | 31,793 | 31,793 | 31,793 |
| Net operating revenues | US\$ | 61,181 | 66,499 | 43,126 |
| Cost of products | US\$ | (52,100) | (54,365) | (39,479) |
| Other expenses/revenues | US\$ | (4,676) | (2,794) | 18,762 |
| Depreciation, amortization and depletion | US\$ | 1,050 | 1,200 | 1,139 |
| EBITDA | US\$ | 5,455 | 10,540 | 23,548 |
| Depreciation, amortization and depletion | US\$ | (1,050) | (1,200) | (1,139) |
| EBIT | US\$ | 4,405 | 9,340 | 22,409 |
| Other expenses/revenues - non cash | | | | (16,535) |
| Non-operating result | US\$ | | | |
| Net financial result | US\$ | (333) | (138) | (1,449) |
| Income before income tax and social contribution | US\$ | 4,072 | 9,202 | 4,425 |
| Income tax and social contribution | US\$ | (1,647) | (2,467) | (1,497) |
| Net income | US\$ | 2,425 | 6,735 | 2,928 |

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Pelletizing Affiliates - SAMARCO (Additional information)

| Information | | 1Q | 2Q | 3Q | 4 |
|--|---------------|----------|----------|----------|---|
| Quantity sold - total | MT (thousand) | 3,301 | 3,436 | 3,871 | |
| Average sales price - total | US\$ | 28.48 | 28.78 | 27.93 | |
| Long-term indebtedness, gross | US\$ | 92,788 | 86,584 | 76,181 | |
| Short-term indebtedness, gross | US\$ | 169,170 | 180,539 | 169,538 | |
| Total indebtedness, gross | US\$ | 261,958 | 267,123 | 245,719 | |
| Stockholders' equity | US\$ | 454,472 | 332,500 | 219,941 | |
| Net operating revenues | US\$ | 89,502 | 94,763 | 99,722 | |
| Cost of products | US\$ | (48,379) | (48,222) | (46,416) | |
| Other expenses/revenues | US\$ | (8,410) | (3,272) | (5,146) | |
| Depreciation, amortization and depletion | US\$ | 5,882 | 6,508 | 5,036 | |
| EBITDA | US\$ | 38,595 | 49,777 | 53,196 | |
| Depreciation, amortization and depletion | US\$ | (5,882) | (6,508) | (5,036) | |
| EBIT | US\$ | 32,713 | 43,269 | 48,160 | |
| Other expenses/revenues - non cash | US\$ | (762) | (3,690) | (5,915) | |
| Gain on investments accounted for by the equity method | US\$ | 930 | (4,606) | (13,647) | |
| Net financial result | US\$ | (6,460) | (37,008) | (51,757) | |
| Income before income tax and social contribution | US\$ | 26,421 | (2,035) | (23,159) | |
| Income tax and social contribution | US\$ | (4,625) | (3,260) | (389) | |
| Net income | US\$ | 21,796 | (5,295) | (23,548) | |

| Information | | 1Q | 2Q | 3Q | |
|--------------------------------|---------------|---------|---------|---------|---|
| Quantity sold - total | MT (thousand) | 3,399 | 2,919 | 2,312 | |
| Average sales price - total | US\$ | 28.83 | 30.00 | 29.44 | |
| Long-term indebtedness, gross | US\$ | 166,257 | 132,655 | 119,394 | 1 |
| Short-term indebtedness, gross | US\$ | 188,795 | 164,003 | 158,204 | 1 |
| Total indebtedness, gross | US\$ | 355,052 | 296,658 | 277,598 | 2 |
| Stockholders' equity | US\$ | 447,177 | 431,353 | 355,487 | 3 |

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| | | | | |
|--|------|----------|----------|----------|
| Net operating revenues | US\$ | 97,575 | 83,480 | 65,725 |
| Cost of products | US\$ | (50,703) | (38,479) | (30,735) |
| Other expenses/revenues | US\$ | (7,786) | (6,722) | (16,798) |
| Depreciation, amortization and depletion | US\$ | 8,016 | 6,476 | 3,759 |
| <hr/> | | | | |
| EBITDA | US\$ | 47,102 | 44,755 | 21,951 |
| Depreciation, amortization and depletion | US\$ | (8,016) | (6,476) | (3,759) |
| EBIT | US\$ | 39,086 | 38,279 | 18,192 |
| Other expenses/revenues - non cash | US\$ | (2,304) | (1,307) | (1,743) |
| Gain on investments accounted for by the equity method | US\$ | (1,560) | (1,785) | (3,643) |
| Net financial result | US\$ | (31,269) | (20,125) | (52,000) |
| <hr/> | | | | |
| Income before income tax and social contribution | US\$ | 3,953 | 15,062 | (39,194) |
| Income tax and social contribution | US\$ | (1,344) | (3,164) | 587 |
| <hr/> | | | | |
| Net income | US\$ | 2,609 | 11,898 | (38,607) |
| <hr/> | | | | |

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Indexes on Debt (Additional information)

| | 09/30/02 | 09/30/01 |
|---|----------|----------|
| | ----- | ----- |
| Current liabilities | | |
| Current portion of long-term debt - related parties | - | - |
| Current portion of long-term debt - unrelated parties | 443 | 443 |
| Short-term debt | 389 | 389 |
| Loans from related parties | 74 | 74 |
| | ----- | ----- |
| | 906 | 1,000 |
| Long-term liabilities | | |
| Long-term debt - related parties | - | - |
| Long-term debt - unrelated parties | 2,637 | 2,637 |
| Loans from related parties | 36 | 36 |
| | ----- | ----- |
| | 2,673 | 2,673 |
| Gross Debt | 3,579 | 3,673 |
| | ===== | ===== |
| Gross interest | 169 | 169 |
| Gross interest - annual estimated | 225 | 225 |
| EBITDA | 1,383 | 1,383 |
| EBITDA - annual estimated | 1,844 | 1,844 |
| EBITDA/Gross interest - annual estimated | 8.20 | 7.20 |
| Gross Debt/EBITDA - annual estimated | 1.94 | 1.94 |

Financial Result, net

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| | 09/30/02 | 09/30/01 |
|--|----------|----------|
| | ----- | ----- |
| Financial expenses | | |
| Local debt | (35) | (49) |
| Foreign debt | (126) | (131) |
| Related parties, net | (8) | (16) |
| | ----- | ----- |
| | (169) | (196) |
| Labor and civil claims and tax-related actions | (58) | (22) |
| Tax on financial transactions CPMF / COFINS | (11) | (17) |
| Derivatives | (67) | (40) |
| Valia - Shares CSN x IGP-DI | (42) | - |
| Others | (5) | (5) |
| | ----- | ----- |
| | (352) | (280) |
| | ----- | ----- |
| Financial income | | |
| Marketable securities | 44 | 36 |
| Others | 43 | 44 |
| | 87 | 80 |
| | ----- | ----- |
| Financial expenses, net | (265) | (200) |
| | ----- | ----- |
| Monetary and exchange variation on liabilities | (1,505) | (1,124) |
| Monetary and exchange variation on assets | 679 | 464 |
| | ----- | ----- |
| Monetary and exchange variation, net | (826) | (660) |
| | ----- | ----- |
| Financial result, net | (1,091) | (860) |
| | ===== | ===== |

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Members of the Board of Directors, Audit Committee, Chief Executive Officer and Executive Directors

| | |
|---|---------------------------------------|
| Board of Directors | Chief Executive Officer |
| | Roger Agnelli |
| Luiz Tarquinio Sardinha Ferro | Executive Officer (Finance and |
| Chairman | Investor Relations) |
| Erik Persson | Fabio de Oliveira Barbosa |
| Renato Augusto Zagallo Villela dos Santos | Executive Officer (Planning and Contr |
| Francisco Valadares Povoá | Gabriel Stoliar |
| Joao Moises Oliveira | Executive Officer (Human Resources an |
| | Corporate Services) |
| Jose Marques de Lima | Carla Grasso |

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Octavio Lopes Castello Branco Neto

Executive Officer (Ferrous Minerals)
Armando de Oliveira Santos Neto

Renato da Cruz Gomes

Romeu do Nascimento Teixeira

Executive Officer (Logistics)
Guilherme Rodolfo Laager

Audit Commitee

Claudio Bernardo Guimaraes de Moraes

Executive Officer (Holdings and
Business Development)
Antonio Miguel Marques

Eliseu Martins

Marcos Fabio Coutinho

Executive Officer (Non-Ferrous)
Diego Cristobal Hernandez Cabrera

Pedro Carlos de Mello

Ricardo Wiering de Barros

Eduardo de Carvalho Duarte
Chief Accountant
CRC-RJ 57439

Otto de Souza Marques Junior
Head of Control Department

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SIGNATURES

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

COMPANHIA VALE DO RIO DOCE
(Registrant)

Date: November 15, 2002

By: /s/ Fabio de Oliveira Barbosa

Fabio de Oliveira Barbosa
Chief Financial Officer