

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

VALLEY OF THE RIO DOCE CO  
Form 6-K  
May 19, 2003

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

FORM 6-K

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

For the month of

May 2003

Valley of the Rio Doce Company  
(Translation of Registrant's name into English)

Avenida Graca Aranha, No. 26  
20005-900 Rio de Janeiro, RJ, Brazil  
(Address of principal executive office)

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

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

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

(Check One) Yes  No

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

=====  
Table of Contents:

US GAAP Press Release First Quarter 2003  
US GAAP Financial Statements  
Brazilian GAAP Press Release First Quarter 2003  
Brazilian GAAP Financial Statements

US PRESS RELEASE

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

US GAAP

1Q 03

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

www.cvrd.com.br  
rio@cvrd.com.br

Investor Relations  
Department

Roberto Castello Branco  
Barbara Geluda  
Daniela Tinoco  
Eduardo Mello Franco  
Rafael Azevedo  
Tel: (5521) 3814-4540

[LOGO OF COMPANHIA VALE DO RIO DOCE]

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

=====

The financial and operational information contained in this press release, except whether otherwise indicated, is based on consolidated figures, according to the United States generally accepted accounting principles ("US GAAP"). This information, with the exception of that referring to investments and markets, is based on the quarterly financial statements, which have been reviewed by the independent accountants. 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, May 14, 2003 - Companhia Vale do Rio Doce (CVRD) has reported a net profit of US\$ 354 million in the first quarter of 2003 (1Q03), corresponding to US\$ 0.92 per share and 28.7% higher than in 1Q02. Return on equity (ROE), on an annualized basis, reached 38.9%.

Gross operating revenues amounted to US\$ 1.153 billion, up 16.8 % in relation to 1Q02. Cash generation, as measured by EBITDA (earnings before interest, tax, depreciation and amortization), amounted to US\$ 442 million, increasing 11.3% yoy. EBITDA margin, the ratio between EBITDA and net revenues, amounted to 39.8 %, lower than that in 1Q02, of 41.7 %.

CVRD showed a solid performance, despite a slow global GDP growth and heavy rainfall which adversely affected the Company's iron ore operations. This result reflects a good strategy execution and a strong commitment to shareholder value creation.

The Board of Directors approved the proposal by the Executive Committee, announced on January 30, 2003, for the payment of interest on shareholders' equity of R\$ 1.62 per share, totalling R\$ 621.8 million, equivalent to US\$200 million. This payment was made from 30 April onwards and is the first instalment of the minimum dividend to shareholders referring to the year 2003, of US\$ 1.04 per share, publicly announced on January 30, 2003.

The figure of R\$ 1.62 per share was obtained through the conversion of the figure of US\$ 0.52 per share into Reais, at R\$ 3.1154 per US\$, the rate of exchange offered by Brazilian Central Bank on 15 April 2003, in line with the

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

procedures announced publicly on January 30, 2003.

The payment made was the first to be set out under the norms of CVRD's Dividend Policy, approved and publicly announced on November 13, 2002. The

1

US GAAP

1Q 03

definition of this policy, a pioneer initiative in Latin America, had the main object of reducing uncertainty to the shareholder, guaranteeing a minimum level of dividend from the first month of the year.

The volume of iron ore and pellets shipped in the quarter amounted was the second largest in the history of the Company. Shipments amounted to 42.519 million tons, lower than the record of 43.960 million tons achieved in 4Q02, but 15.8% higher than that recorded in 1Q02. Although there is excess demand in the global seaborne market, iron ore shipments in 1Q03, of 36.380 million tons, were lower than those in 4Q02, of 37.358 million tons, not only due to seasonal effects but also temporary logistics problems. Pellet shipments, which amounted to 6.139 million tons, were up 57.7% in comparison to 1Q02, and down 7.0% compared to 4Q02.

The heavy rains which fell in the Southeast of Brazil in the first few months of the year affected logistics operations for several days and caused problems in the functioning of the Gongo Soco mine in the Southern System, resulting in a temporary shutdown in its activities. Operations at Gongo Soco have already been restarted, and production is expected to reach full capacity during this month.

CVRD has been maximizing its efforts to cater to customer demand, increasing productivity in its mines - production at Carajas in March, of 5.2 million tons, was the highest since operations there began in 1985 - and purchasing iron ore from other mining companies.

At the same time, the Company is investing in iron ore mining - developing the Brucutu and Fabrica Nova mines in the Southern System and enlarging capacity at Carajas. It has also been making investments in logistics, building Pier III at the Ponta da Madeira Maritime Terminal and increasing the shiploading speed capacity at the port of Tubarao. These investments, estimated at some US\$ 500 million over the next few years, will replace the capacity that will be lost through the exhaustion of various mines in the Southern System, and will add the capacity needed to enable CVRD to meet continued growth in demand.

Despite all these efforts, it is expected that the excess demand in the global seaborne iron ore market will persist during 2004, given that the greater part of CVRD's expansion projects and those of its main peers, will only begin operations by 2005.

Sales of alumina in the quarter amounted to 546,000 tons, up 8.8% in relation to 4Q02. CVRD also sold about 49,000 tons of primary aluminium, being the Company's take from Albras. Manganese ore sales amounted to 229,000 tons and sales of ferro-alloys amounted to 141,000 tons.

CVRD's railways - Vitoria a Minas and Carajas - in 1Q03 transported 3.389 billion net ton kilometers (ntk) of general cargo (products other than iron ore and pellets) for clients, compared to 3.787 billion ntk in 4Q02 and 3.401 billion ntk in 1Q02. Ports and marine terminals handled 5.888 million tons of general cargo for clients, compared to 6.003 million in 4Q02 and 4.822 million in 1Q02.

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

In 1Q03 investments amounted to US\$ 222.7 million. Additionally, US\$ 17.6 million was spent on purchasing control of Elkem Rana, a Norwegian ferro-alloys producer, now renamed Rio Doce Manganese Norway.

2

US GAAP

1Q 03

### SELECTED FINANCIAL INDICATORS

	1Q02	4Q02	million US\$ 1Q03
	-----	-----	-----
Gross Operating Revenue	987	1,101	1,153
Gross Margin (%)	43.3	44.4	42.3
Net Earnings	275	569	354
EBITDA	397	438	442
EBITDA Margin (%)	41.7	41.4	39.8
ROE annualized (%)	23.0	69.2	38.9
Investments *	160.9	272.7	240.3

\*including acquisitions

[GRAPHIC APPEARS HERE] CHANGES IN PROCEDURES

CVRD's quarterly financial statements, in US GAAP and BR GAAP, are now reviewed by independent accountants.

The methodology for the calculation of EBITDA has been modified. EBITDA represents operating income plus depreciation, amortization and depletion plus impairment plus dividends received from affiliates and joint ventures. EBITDA will be adjusted by non-recurring factors when they occur.

Non-recurring factors are considered as extraordinary events whose repetition is not expected, in such a way as to capture the trend of this variable over time, eliminating sudden fluctuations. We are publishing the quarterly and annual EBITDA amounts for the year 2002, calculated according to the new methodology, which are compared with the previous figures derived from the former methodology used.

CVRD believes that presenting EBITDA figures excluding one-time charges is an additional measure of performance that investors can use to compare operating results between reporting periods.

Pursuant to Regulation G issued by the Securities and Exchange Commission (SEC), some financial measures like EBITDA, EBITDA margin, EBIT, free cash flow, investments and EBITDA/interest expenses are "non-GAAP". The SEC specifically states that the definition of non-GAAP financial measures includes any measure of performance or liquidity that is different from that presented in the financial statements or cash flows computed in accordance with GAAP.

With the aim of making the effects of certain reclassifications clear, we are showing the revised quarterly financial statements for 2002. It is important to emphasize that this does not imply any changes to the quarterly and annual net earnings figures published in 2002.

The changes performed are intended to augment CVRD's financial transparency, reinforcing the respect for investors' rights through the adoption of the best

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

international practices.

[GRAPHIC APPEARS HERE] RELEVANT EVENTS

Strategic moves and value creation

3

US GAAP

1Q 03

Various important strategic moves were made that have significant repercussions on CVRD's ferrous minerals and logistics businesses, consistent with shareholder value creation.

On March 31 an agreement was signed with Mitsui & Co. Ltd. for the purchase, for US\$ 426.4 million, of 50% of the common share capital and 40% of the preferred share capital of Caemi Mineracao e Metalurgia S. A. (Caemi), the world's fourth largest iron ore producer. This transaction is subject to approval by the anti-trust authorities and once completed, CVRD will own all the common shares in Caemi and 40% of the company's preferred shares, representing 60.2% of the total capital.

CVRD completed the purchase of 5.17% of the total capital of CST for US\$ 59.7 million. CVRD has the option, built into the contract, to divest from 2007. The Board of Directors of CST has approved the construction of a third blast furnace for its steel plant. The conclusion of this project, scheduled for March 2006, will increase CVRD's sales of iron ore and pellets to CST by approximately 4 million tons a year.

CVRD and Nucor, the largest steelmaker in North America, have signed a contract for the construction and operation of a pig iron plant in the north of Brazil, with an initial production capacity of 380,000 tons a year. The plant will utilize iron ore from Carajas and charcoal produced from eucalyptus trees planted in the forests of Celmar, a wholly owned subsidiary of CVRD. Total investment in this project will amount to US\$ 80 million, with 78% of the capital owned by CVRD and 22% by Nucor.

The creation of this joint venture is part of the Company's strategy of increasing its penetration into the North American market, boosting the sales of iron ore through the manufacture and sale of semi-finished iron and steel products.

CVRD acquired Elkem Rana AS, a producer of alloys located in Mo I Rana in Norway, for US\$ 17.6 million. The plant, which previously produced ferro-chrome alloys, is to be converted for the production of ferro-manganese alloys, supplied by manganese ore produced from CVRD's mines in Brazil. The company, which has been renamed Rio Doce Manganese Norway (RDMN), will increase CVRD's presence in the global manganese and alloy markets, where it has already become one of the market leaders. RDMN is scheduled to start ferro manganese alloys production on 3Q03.

Finally, CVRD has signed a letter of intent to buy and sell various stakes in the logistics companies - FCA, Sepetiba Tecon and CFN. These transactions, whose finalisation is subject to various conditions, which include approval by the regulatory authorities, will permit CVRD to increase its stake in FCA, a railway that is important to its logistics operations, and divest itself of its stakes in the marine terminal of Sepetiba Tecon and CFN, a railway line that passes through several states in the northeast of Brazil. This move will free up financial and human resources to enable the Company to focus on exploiting its

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

main logistics assets.

Completion of alumina capacity expansion project

Alunorte's third production line has begun operations which has brought the company's alumina production capacity up to 2.4 million tons a year. A total of approximately US\$ 300 million was invested in the project, which corresponds to a cost of US\$ 364 per ton of capacity, an extremely competitive rate for a brownfield project. With this extra capacity, Alunorte has now become one of the five largest alumina refineries in the world.

4

US GAAP

1Q 03

CVRD's strategic focus for its businesses in the aluminium chain is the exploitation of its competitive advantages in the areas of bauxite and alumina. In a few weeks, MRN will commission its capacity expansion, from 11 to 16.3 million tons of bauxite per year. New projects, Paragominas - a bauxite greenfield project- and Alunorte stages 4 and 5 - a brownfield project - will start its development this year.

Board of Directors

At the Annual General Meeting held on 16 April 2003, CVRD's new Board of Directors was elected, consisting of 11 members, with a mandate of two years.

[GRAPHIC APPEARS HERE] SHORT TERM OUTLOOK

In the first quarter of this year, the global economy grew slower than had been predicted at the end of 2002. Despite the fact that part of this negative performance was explained by the war in Iraq, the rapid end to the conflict did not alter macro-economic fundamentals. There are still innumerable uncertainties, including the question of the US economy's capacity to return to faster and more vigorous economic growth, against a background of excess supply, the threat of deflation in Germany, as well as the potential effects of geopolitical tension and the SARS epidemic.

Despite this scenario, global steel output continued to grow at increasing rates, with accumulated volume in the first three months of the year being 8.8% higher yoy. Among the world's major producers, China registered the highest increase with 18.1%, followed by Japan with 8.2%, the US 6.5 %, and Germany 6.1%, South Korea 3.0% and Brazil 6.9%.

In 1Q03 China imported 34.2 million tons of iron ore, which on an annualized basis is 136.8 million tons, up 23% on that country's import total for 2002. Japanese imports in the quarter amounted to 33.4 million tons in the first three months of the year, up 8.7% compared to 1Q02.

Despite the fact that the main producers are operating at full capacity, the strong growth in global steel production caused an excess level of demand in the global seaborne iron ore trade, which is likely to extend into 2004.

The behaviour of freight shipping prices is usually a good indicator for the iron ore market. Thus, for example at the end of 1998, the freight differential between Brazil/Japan and Australia/Japan, according to data from Clarksons, reached a 14-year low, at around US\$ 1.60 per ton of iron ore. At that time, the demand for iron ore was weak due to recessive effect of Southeast Asian financial crisis, which resulted in an 11% drop in prices in 1999.

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

In 1989/1990 iron ore experienced double-digit price increases, exactly when the freight price differential reached its peak in the last 14 years.

Between April 2002 and April 2003, freight prices rose by some US\$ 8.0 per ton for Brazil/Japan shipping freight, with the spread in relation to Australia/Japan rising in the period from US\$ 3.50 to US\$ 7.50 per ton, coinciding with strong expansion in demand for iron ore. Currently it is estimated that demand in the global seaborne iron ore market for 2003 will total 510 million tons, which would present an increase of around 30 million tons, compared to the amount shipped last year. But, probably, the supply of iron ore will not be sufficient to fulfil this demand.

5

US GAAP

1Q 03

The alumina market has undergone a similar pattern to that of iron ore. The strong increase in aluminium production in China and by other non-integrated producers, provoked a significant rise in the spot price of alumina, which is working its way through into contract prices. Similarly to the iron ore market, we expect this situation to prevail during 2003 and 2004, due to the absence of new projects in the market, with the exception of Stage 3 of Alunorte's expansion plan, which is already in full operation. With this expansion, CVRD will be in a better situation to benefit from the cyclical rise in alumina prices.

In contrast to the alumina market, there are predictions of excess supply in the global aluminium market for 2003 and 2004, where prices are likely to fall below US\$ 1,500 per ton.

The disparity in behaviour between the aluminium and alumina market is likely to be corrected up to 2005. On the one hand, the expected recovery in global industrial production growth will fuel demand for the metal and the consequent consumption of existing inventories. On the other hand, the high level of alumina prices and energy problems in the US Pacific Northwest will restrict aluminium supply growth.

The significant growth in Brazilian agricultural production, with a record grain crop, had a favourable impact on demand for potash and CVRD's logistics services. For logistics, the most significant effect will be in the next two quarters. Last year, CVRD transported 15% of Brazilian exports of soybeans and soybean meal. The rise in Brazil's exports is also contributing favourably in terms of greater demand for logistics services.

CVRD has been signing a number of contracts for the management of clients' logistics. One example of this is a contract recently signed with Lafarge, a world leading cement producer, for the logistics management of oil coke purchases in the United States for the supply of its six factories in Brazil, which will involve the chartering of the Company's shipping fleet, port operations at the Praia Mole terminal, rail transport on the Vitoria to Minas and FCA railroads, road transport by truck and unloading operations at the final destination.

It should be pointed out that, despite the SARS epidemic, up to now there has been no sign of any slowdown in Chinese demand for iron ore and alumina. Nonetheless, CVRD is taking a cautious stance, because in addition to other sources of uncertainty hovering over the global economy, it is practically impossible to anticipate the effective impact of this epidemic on China's

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

macro-economic performance and that of other Asian countries and its implications on the demand for minerals and metals. In the case of iron ore, an unexpected slowdown in demand could be, at least partially, absorbed by cutting purchases from third parties.

The appreciation of the Real (BRL) against the US dollar (USD) has a moderately negative effect on the Company's cash generation in USD. However, to the extent that the appreciation of the BRL is being matched by improved perception of Brazil risk with narrower sovereign debt spreads to US Treasuries, the counterparty to this is a reduction in the cost of capital for CVRD.

[GRAPHIC APPEARS HERE] SALES VOLUME AND REVENUES

6

US GAAP

1Q 03

Shipments of iron ore and pellets in 1Q03 amounted to 42.519 million tons, up 15.8% in relation to 1Q02 and down 3.3% compared to the volume recorded in 4Q02. Sales of iron ore amounted to 36.380 million tons and sales of pellets, 6.139 million tons.

CVRD continues to operate at full capacity and the reduction in the volume shipped in 1Q03 compared to the previous quarter is explained by two factors: (a) seasonality, statistically the first quarter is the weakest of the year and; (b) the first few months of the year saw heavy rainfall which caused operational problems at the Gongo Soco mine and iron ore transportation difficulties.

The Company regularly buys small quantities of iron ore from other mining companies to mix with its products, with a view to meeting particular client specifications. The strong increase in such purchases that has taken place recently is due to higher than expected demand growth.

In the case of pellets, there is a different scenario. Regularly, CVRD sells about 20 million tons of pellet feed per year to its pelletizing joint ventures (Nibrasco, Itabrasco, Hispanobras and Kobrasco) and buys from them about 10 million tons of pellets to resell to its clients. Such purchases replaced the tolling mechanism, used until 1999. Under this mechanism, the Company used to send pellet feed to the joint ventures to be transformed into pellets. The pellets were sent back to CVRD in order to be shipped to clients. CVRD paid a fee to the joint ventures for their services.

The purchase of iron ore from third parties, carried out to meet client commitments, contributed to reduce margins to the extent that this is a more expensive alternative than to sell our own iron ore. On the other hand, it implies an increased return on capital invested, through expansion of cash generation without increasing the asset base. These purchases act like a cushion. In moments of demand pressure, purchases can be increased. And on the other hand, in the event of demand contraction, they can be cut substantially.

The acquisition of pellets from the joint ventures do not put pressure on margins, as we exchanged the cost of a tolling fee by the cost of pellets acquisition and a sales revenue. CVRD profits when it sells pellet feed to these companies and on the returns generated by being a shareholder in the pellet making business. For instance, in 2002 CVRD received US\$ 8 million as dividends, US\$ 36 million in operation fees and equity income of US\$ 12 million.

China, with 5.4 million tons, was CVRD's Parent Company principal export market for iron ore and pellets in 1Q03, up 38.5% on the previous quarter and 22.7% in



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

relation to 1Q02. Thus, the Parent Company maintained a 16% market share of China's total imports.

### VOLUME SOLD OF IRON ORE AND PELLETS

	1Q 02	%	4Q 02	%	1Q 03	'000 tons %
	-----	-----	-----	-----	-----	-----
Iron Ore	32,822	89.4%	37,358	85.0%	36,380	85.6%
Pellets	3,894	10.6%	6,602	15.0%	6,139	14.4%
Total	36,716	100.0%	43,960	100.0%	42,519	100.0%

Sales of manganese ore, of 229,000 tons, were up 9.6% on 1Q02 and 86.2% compared to 4Q02, while ferro-alloy sales amounted to 140,000 tons in 1Q03 compared to 100,000 in 1Q02 and 153,000 in 4Q02.

7

US GAAP

1Q 03

Alumina shipments totalled 546,000 tons, exceeding the volume shipped in 4Q02 of 502,000 tons. CVRD has been seeking to exploit the Chinese market in a more efficient way, carrying out swaps with other producers that own smelters in the Americas and alumina refineries in Australia, minimizing the cost of shipping freight for the importer. Sales of primary aluminium were almost the same as in 4Q02, around 49,000 tons, compared to 43,000 tons in 1Q02.

Sales of potash amounted to 158,000 tons, with the mine at Taquari - Vassouras operating at above nominal capacity of 600,000 tons a year. This volume was 39.8% higher than in 1Q02, but lower than the 203,000 tons sold in 4Q02, when previous accumulated stocks were drawn down. Thus, estimated sales for 2003 are for 620,000 tons, limited by current production capacity. The project to enlarge capacity to 850,000 tons a year will be completed by mid - 2005.

Sales of gold amounted to 25,800 ounces in 1Q03 compared to 40,600 ounces in 4Q02 and 115,500 ounces in 1Q02. The drop in sales reflects the closure of the Igarape Bahia gold mine, in June 2002 and the drop in production from our last mining operation, Fazenda Brasileiro, which is nearing exhaustion and likely to see closure in December 2004. Estimated gold production for 2003 is only 112,000 ounces. After the exhaustion of the Fazenda Brasileiro mining, CVRD's gold production will be in the form of a copper by-product, whose production is scheduled for mid-2004, with the commissioning of the Sossego mine. In addition to this, CVRD continues to invest in mineral exploration in search of other gold deposits.

Kaolin sales increased as a result of marketing efforts by the Company to strengthen the business in this industrial mineral. Thus the volume sold in 1Q03 amounted to 108,000 tons, compared to 95,000 in 4Q02 and 63,000 in 1Q02.

### VOLUME SOLD

	1Q02	4Q02	'000 tons 1Q03
	-----	-----	-----
Gold (ounces)	115,455	40,639	25,753

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

Manganese	209	123	229
Ferro-alloys	100	153	141
Alumina	33	502	546
Aluminium	43	51	49
Bauxite	140	180	189
Potash	113	203	158
Kaolin	63	95	108

General cargo (other than iron ore and pellets) transported by the Company's railways, measured in net ton kilometers (ntk), totalled 3.4 billion (Vitoria to Minas 2.7 billion, Carajas 662 million). Performance was slightly worse than the previous quarter, which recorded 3.8 billion ntk, and the same as in 1Q02. The performance of general freight railroad transport was lower than planned due to delays in receiving locomotives already ordered.

General cargo handled in CVRD's ports and terminals, of 5.888 million tons, was up 22.1% in relation to 1Q02 and 1.9% lower than in 4Q02.

Part of the general cargo transported is as a result of logistic management contracts signed with CVRD for clients in the agricultural and construction segments.

The Vitoria to Minas Railway, the Parent Company's main railway for the transport of general cargo, continued to report gains in productivity, expressed

8

US GAAP

1Q 03

by the continuous rise in million ntk, per locomotive in service, per day: 0.74 in 1Q02, 0.82 in 2Q02, 0.83 in 3Q02, 0.83 in 4Q02 and 0.90 in 1Q03. Fuel consumption remained constant compared to previous quarters, at about 300 ntk per liter.

The Carajas Railway set a new world record in MKBF terms (mean kilometers between failure), reaching 10,000,616 kilometers of travel between failure, beating the previous record of 9,300,000 MKBF registered in Australia. MKBF is the international reliability measure for railways, indicating the average amount of kilometers travelled between failure, considered to be the undesired total stoppage of a given train. The record achieved is another indicator of the world-class quality of CVRD's railway network.

### SALES VOLUME - LOGISTICS SERVICES

	1Q 02	4Q 02	'000 tons 1Q 03
	-----	-----	-----
Railways ( million ntk)	3,401	3,787	3,389
Ports	4,822	6,003	5,888

Gross revenues in the first three months of the year amounted to US\$ 1.153 billion, up 16.8% in relation to 1Q02 and up 4.7% compared to 4Q02.

Revenues obtained from the sales of iron ore amounted to US\$ 549 million, 47.6% of total revenue, higher than the figure in 1Q02 of US\$ 530 million, and sales in 4Q02 of US\$ 528 million. Pellets sales generated US\$ 189 million in 1Q03 compared to US\$ 127 million in 1Q02 and US\$ 200 million in 4Q02.

The average sales price of iron ore in 1Q03 was US\$ 15.09 per ton while pellet

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

price was US\$ 30.77.

Operation services for the five pellet plants at Tubarao owned by the joint ventures contributed approximately US\$ 9 million to revenues in the quarter.

Shipments of manganese and ferro-alloys generated revenues of US\$ 75 million in 1Q03, compared to US\$ 73 million in 1Q02 and US\$ 66 million in 4Q02.

Sales of products in the aluminium chain, bauxite, alumina and primary aluminium produced revenues of US\$ 167 million in 1Q03, up 11.3% in relation to 4Q02 and up 145.6% in relation to 1Q02. It is important to mention that the consolidation of Alunorte, an alumina refinery, into the US GAAP financial statements, took place from 3Q02, which has caused a distortion in the comparison of the sales of these products in previous quarters.

The average aluminum sales price in 1Q03 was US\$ 1,374.50 per ton, alumina US\$ 172.34 and bauxite US\$ 23.09.

Logistics services contributed with US\$ 115 million to gross revenues in 1Q03, up 3.6% on 1Q02 and up 17.3% on 4Q02.

Sales revenue from the domestic market amounted to US\$ 356 million, representing 30.9% of the Company's total revenues in 1Q03. Sales to Europe amounted to US\$ 378 million, representing 32.8% of total revenues, and sales to Asia, US\$ 235 million, 20.4% of the total.

9

US GAAP

1Q 03

### GROSS REVENUES BY PRODUCT

	1Q 02	4Q 02	million US\$ 1Q 03
	-----	-----	-----
Iron Ore	530	528	549
Pellet Plant Operation Services	9	9	8
Pellets	127	200	189
Gold	34	13	9
Logistics Services	111	98	115
Aluminium, Alumina and Bauxite	68	150	167
Manganese and Ferro-alloys	73	66	75
Potash	16	24	21
Kaolin	11	12	16
Others	8	1	4
Total	987	1,101	1,153

### GROSS REVENUES BY DESTINATION

	1Q 02	4Q 02	million US\$ 1Q 03
	-----	-----	-----
Domestic Market	293	335	356
Export Market	694	766	797
USA	65	33	57
Europe	342	387	378
Japan	62	79	86
Emerging Asia	135	141	149
Rest of World	90	126	127

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

Total 987 1,101 1,153

[GRAPHIC APPEARS HERE] NET EARNINGS OF US\$ 354 MILLION

1Q03 net earnings of US\$ 354 million increased 28.7% yoy. However, it was US\$ 215 million lower than 4Q02 earnings. The main reason for the decrease was the reduction of US\$ 207 million in monetary variation, determined by the smaller USD depreciation in this quarter, 5.1%, against 9.3% in 4Q02.

This reflects the impact of the BRL/USD volatility on CVRD's net foreign currency-denominated liabilities, which in the short term tends to exercise a significant influence on earnings performance. In 4Q02, monetary variation contributed US\$ 257 million to earnings, compared to only US\$50 million in 1Q03.

Cost of goods sold (COGS), of US\$ 641.3 million, was US\$ 52 million higher than in 4Q02. The COGS increase is explained by: (a) a US\$ 25 million rise in outsourced services, caused by the BRL appreciation and by Ferteco's increased expenses; (b) a US\$ 28.6 million increase in expenditures with acquisition of products from third parties (iron ore, pellets, bauxite, alumina and aluminum); (c) a US\$ 9.2 million increase in expenses with material, influenced by higher fuel costs.

10

US GAAP

1Q 03

### COGS COMPOSITION

	1Q 02	4Q 02	million US\$ 1Q 03
	-----	-----	-----
Personnel	58	50	54
Material	102	145	154
Outsourced Services	83	56	81
Acquisition of Iron Ore and Pellets	85	98	120
Acquisition of Other Products	93	128	135
Depreciation and Depletion	65	42	41
Electric Energy	20	20	21
Others	35	50	35
Total	541	589	641

Financial expenses increased US\$ 34 million and financial income decreased US\$ 12 million, contributing for the qoq earnings decrease. The main source of financial expenses increase was a US\$ 8 million provision for losses with interest rate derivatives against a US\$ 18 million gain in 4Q02. US\$ 2.4 million, correspondent to the monetary correction of a provision for asset retirement (SFAS 143) was accrued as financial expense.

Equity income declined US\$ 27 million mainly due to the reduction of aluminum area affiliates results (MRN, Albras and Valesul) of US\$ 34 million.

### RESULT FROM SHAREHOLDINGS

	1Q 02	4Q 02	US\$ million 1Q 03
	-----	-----	-----
Steel	(5)	15	19
Aluminum, Alumina and Bauxite	25	82	48
Logistics	(4)	(5)	(11)

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

Pellets	15	39	26
Iron Ore	1	(13)	5
Others	2	3	7
Total	34	121	94

A US\$ 10.4 million provision for asset retirement (SFAS 143) contributed to reduce net earnings.

On the positive side, we saw an increase of US\$ 51 million in net operating revenue and a reduction of US\$ 15 million in minority interest.

[GRAPHIC APPEARS HERE] SFAS 143

From January 1, 2003, the Company started to conform to SFAS 143, "Accounting for Asset Retirement Obligations", a standard issued by the FASB which deals with the accounting procedures concerning the making of provisions for asset retirement obligations. SFAS 143 establishes that the expenses incurred after the closure of mines must be measured in advance and recognized in the financial statements.

We have carried out a detailed analysis of the useful life of our assets and have produced estimates of the expenses which will be needed to restore the

11

US GAAP

1Q 03

environment surrounding those mines expected to reach exhaustion in the next 20 years. The figures obtained were discounted at a rate of 10.26% per year, and the provisions in BRL have been corrected by the IGPM (general market price index) published by the Fundacao Getulio Vargas. This procedure was based on the yield of National Treasury Notes series C (NTN - C), securities issued by the Brazilian National Treasury, which fall due in 2021, established at an auction held on 28 March 2003. NTN-C's principal is corrected by variation in the IGPM.

Taking a base date of December 31, 2002, a provision of US\$ 26.8 million was made, of which US\$ 15.7 million was immediately amortized, as it refers to the portion in the past. Of the total, US\$ 10.4 million had a negative impact on CVRD's 1Q03 results, registered under the heading "changes in accounting practices for asset retirement obligations". The other US\$ 5.3 million is accounted for as an asset under the item "deferred income tax".

On March 31, 2003, the amount of the provision was corrected by the variation in the IGPM in the quarter, so increasing the figure to US\$ 30.7 million. A financial expense of US\$ 2.4 million was booked, which corresponded to the updating of the provision figure, and amortization of the provision, relative to 1Q03, of US\$ 360,000.00, will have an impact on COGS.

In this way, the adjustments as a result of adopting SFAS 143 standards produced a negative effect on the Company's result of US\$ 13.1 million. In the next few months, provision amortization and correction according to the IGPM will continue to cause a negative effect on CVRD's result.

[GRAPHIC APPEARS HERE] EBITDA AND FREE CASH FLOW

The methodology used for the calculation of EBITDA has been changed, being now adjusted for non-recurring factors, considered as extraordinary events which do not alter the trend of this variable over time. Until 4Q02 the Company carried

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

out the practice of adjusting EBITDA for non-cash items, which is to say items which did not involve cash disbursement in the quarter.

EBITDA generated in 1Q03 amounted to US\$ 442 million, there having been no adjustment made for non-recurring factors. Dividends received from affiliates and joint ventures amounted to US\$ 36 million. Samarco paid US\$ 14 million, GIIC US\$ 5 million, MRN US\$ 5 million, CST US\$ 5 million, Fosfertil US\$ 5 million and Hispanobras US\$ 2 million.

The increase of US\$ 4 million in EBITDA in 1Q03, compared to the previous quarter, was the result of the growth of US\$ 51 million in net operating revenues and US\$ 17 million in dividends received, less US\$ 18 million in other operation expenses. COGS in 1Q03 increased by US\$ 52 million and in 4Q02 there was an asset impairment of US\$ 35 million, referring to the provision for the closure of the Fazenda Brasileiro gold mine .

With the change in criteria for the calculation of EBITDA, the figure for 2002 is US\$ 1.780 billion.

Ferrous mineral businesses produced EBITDA of US\$ 357 million in 1Q03, representing 80.8% of the Company's EBITDA, which is practically the same as the figure in 4Q02 of US\$ 358 million, and 8.2% higher than in 1Q02. Logistics services contributed US\$ 38 million, 8.6% of the total, and the aluminium businesses with US\$ 32 million, 7.2% of the total.

12

US GAAP

1Q 03

EBITDA generated by the aluminium business is relatively small because Albras, a producer of primary aluminum, and whose annual cash generation exceeds US\$ 230 million, is not consolidated in the US GAAP financial statements. CVRD buys primary aluminium from Albras at market prices and at a volume in proportion to its 51% stake in the company, according to the terms of its "take or pay" agreement, to resell it. CVRD benefits directly from its investment in Albras through equity income. The EBITDA originated from the aluminum business tends to grow in line with the expansion of alumina production capacity.

Free cash flow, as defined by cash flow from operating activities less for cash flow used for investment activities, amounted to US\$ 168 million in 1Q03, compared to US\$ 140 million in 1Q02 and US\$ 144 million in 4Q02. A quarterly cash flow statement is shown at the end of this document.

The following table presents the computation of EBITDA according to the new methodology described on item "Changes in Procedures" and which is being adopted by the Company.

### QUARTERLY EBITDA - NEW METHODOLOGY

	1Q02 ----	2Q02 -----	3Q02 -----	4Q02 -----
Net Operating Revenues	953	1,027	1,084	1,059
COGS	(540)	(594)	(540)	(589)
Sales, General and Administrative Expenses	(48)	(60)	(65)	(51)
Research and Development	(9)	(12)	(15)	(14)

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

Other Operational Expenses	(61)	(27)	(5)	(64)
EBIT (Operating Income)	295	334	459	341
Depreciation, Amortization and Depletion	66	61	44	43
Dividends received	25	30	17	19
Asset Impairment	11	-	-	35
Adjustment for non-recurring items	-	-	-	-
EBITDA Adjusted	397	425	520	438

### EBITDA BY BUSINESS AREA

	1Q02	2Q02	3Q02	4Q02
	----	-----	-----	-----
Ferrous	330	360	359	358
Non-ferrous	12	22	26	5
Logistics	35	37	34	44
Aluminium	18	6	43	25
Others	2	0	58	6
Total	397	425	520	438

### QUARTERLY EBITDA - PREVIOUS METHODOLOGY

	1Q02	2Q02	3Q02	4Q02
	----	-----	-----	-----
EBITDA	444	456	483	406

13

[GRAPHIC APPEARS HERE] DEBT

The Company's total debt as of March 31, 2003 amounted to US\$ 3.314 billion, slightly lower than the figure at the end of 2002, of US\$ 3.331 billion. Net debt also decreased, dropping from US\$ 2.24 billion as of December 31, 2002 to US\$ 2.03 billion the end of the first quarter.

Total debt was the equivalent of 1.82 times EBITDA accumulated in the period between April 2002 and March 2003 and 24.3% of CVRD's total asset value (enterprise value). The EBITDA/interest coverage ratio in the quarter was 9 times.

The Company's debt for the most part is denominated in USD (93%), while the remaining 7 % refers to debt in JPY, Euros and BRL.

The interest figures used here only include that portion of financial expenses related to the Company's debt, as shown in the table below :

### FINANCIAL EXPENSES

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

	4Q02	million US\$ 1Q03
	-----	-----
Financial Expenses from:		
Local Debt	(7)	(5)
External Debt	(41)	(39)
Related Parties Debt	(7)	(5)
Total Financial Expenses	(55)	(49)
Gross Interest from:		
Tax and the Labor Contingencies	(5)	(6)
Tax on Financial Transactions CPMF	(5)	(4)
Derivatives	18	(8)
Others	(1)	(15)
Total	(48)	(82)

Guarantees granted to affiliates and joint ventures amounted to US\$ 499 million, down from the figure at the end of the previous quarter of US\$ 516 million.

In the first quarter of 2003, CVRD contracted a loan from Japan Bank for International Cooperation (JBIC) of US\$ 300 million, with a 10 year tenor and a total cost of Libor plus 1.8% per year. This loan refers to the financing of investment in logistics for the iron ore business.

### DEBT INDICATORS

	1Q02	4Q02	million US\$ 1Q03
	-----	-----	-----
Gross Debt	3,935	3,331	3,314
Net Debt	1,927	2,240	2,030
Gross Debt / LTM EBITDA (x)	2.28	1.87	1.82
EBITDA / Interest expenses (x)	7.22	7.96	9.02
Gross Debt / Total Assets (x)	0.27	0.23	0.24

14

[GRAPHIC APPEARS HERE] CAPEX

The investment data are reported on a "non-GAAP" basis. They are different from the values found in the Company's cash flow statement, as net cash from investment activities of US\$ 188 million in 1Q03.

Capital expenditure in the first quarter of 2003 totalled US\$ 240.3 million, US\$ 17.6 million of which referred to acquisitions. The amount spent on projects was US\$ 142.6 million, 59.3% of the total investment.

Expenditure on iron ore projects amounted to US\$ 24.8 million, non-ferrous mineral projects US\$ 48.1 million, aluminium US\$ 32.1 million, logistics US\$ 21.2 million, and power generation, US\$ 16.4 million.

The main projects under way are:

Area	Project	Capex 1Q03	Status
-----	-----	-----	-----
Ferrous Minerals	Enlarging iron ore production capacity	US\$ 6.1 million	Completion scheduled for 2005. Pro implementation is proceeding according



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

	in the Northern System		Once expansion is complete, production increase by 14 million tons a year. Project expenditure is estimated at US\$ 144.4 million.
Ferrous Minerals	Pier III of the Ponta da Madeira Maritime Terminal	US\$ 2.1 million	Completion expected for January 2004. Project investment, estimated at US\$ 2.1 million, already been completed. Project implementation proceeding according to schedule. The pier will have a loading capacity of 18 million tons per year, enlarging the capacity of TPM to 74 million tons per year.
Ferrous Minerals	Brucutu Mine	US\$ 3.5 million	Completion scheduled for 2008, when the production capacity of 12 million tons per year. The investment has already been made and implementation proceeding according to schedule. Total project investment estimated at US\$ 219.9 million, of which 216.4 million is programmed for 2003.
Ferrous Minerals	Fabrica Nova Mine	US\$ 637,000	Completion estimated for 2005. 1% of the investment has already been made, refer to lands clearing and earthworks. The Fabrica Nova mine is currently at a capacity of 10 million tons a year and is expected to reach 15 million by 2009. Total capital expenditure is budgeted at US\$ 84.4 million, with 82.8 million spending of US\$ 39.6 million for 2003. Implementation proceeding on schedule.
Non-ferrous Minerals	Sossego Mine	US\$ 40.5 million	Completion estimated for first half 2003. Total investment in the project has a total of US\$ 40.5 million, 58.4% of the undertaking having been realized. Total capital expenditure is US\$ 383 million, of which 253 million is programmed for 2003. The project should begin in June 2003. The project is proceeding ahead of schedule.
Non-ferrous Minerals	Expansion of Taquari -Vassouras Potassium Mine	US\$ 4.0 million	Completion estimated for first half 2003. Total investment total of US\$ 67 million but only 4.0 million project, has only been carried out. The project is ahead of schedule. The mine's capacity will be increased from 600,000 tons to 850,000 tons a year.
Aluminum	Alunorte Stage 3	US\$ 32.1 million	Project concluded on 1Q03. Stage 3 has a capacity of 825,000 tonnes of alumina per year. Total investment of 32.1 million.
Logistics	Purchase of locomotives and railcars	US\$ 18.9 million	Purchase of 2,782 railcars and 105 locomotives at the end of 2003. 7.5% of total investment (US\$ 245.6 million) has been realized. The remaining to be bought will be used for general freight and iron ore.
Logistics	Praia Mole Terminal (Phases I & II)	US\$ 707,000	Completion of first phase estimated for 2003. The second phase completion in 2004. Of a total project investment of US\$ 22.6 million, 707,000 has been carried out.
Power Generation	Aimores Hydroelectric Power Plant	US\$ 6.4 million	Completion estimated for December 2003. Total investment estimated of US\$94.6 million, of which 6.4 million has been completed. The project is proceeding ahead of schedule.

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

Power Generation	Candonga	US\$ 6.7 million	Completion estimated for November 2003
	Hydroelectric Power Plant		investment of US\$ 40.9 million has already started. Implementation of the project is on schedule.

15

Expenditure on information technology amounted to US\$ 12.4 million, of which US\$ 7 million was spent on the initial installation of an Enterprise Resource Planning (ERP) system. The ERP system is likely to enter into service by the end of 2004, allowing greater integration between the areas of the Company and the rapid retrieval of information, helping to further improve the quality of management.

The Company is implementing Hyperion, a consolidated accounting system which will further increase the transparency of financial information to the market, widening the scope of information and making it available more quickly. With the help of Hyperion it will be possible to publish consolidated quarterly financial statements, in accordance with Brazilian GAAP accounting procedures, from 3Q03.

US\$ 31.1 million was invested in the maintenance and modernization of equipment and on environmental protection.

A total of US\$ 27.6 million in capital was injected into subsidiaries and affiliates (Celmar and FCA) for financial restructuring.

Mineracao Rio do Norte (MRN), an affiliate of CVRD, carried out capital expenditure of US\$ 10 million in 1Q03, US\$ 8 million of which was spent on the project to expand capacity from 11 million tons to 16.3 million tons of bauxite per year. This project is in the completion phase and should be commissioned in the next few weeks. This amount does not form part of the total invested by the Company under the US GAAP criteria presented here.

### Mineral Exploration and Technological Development

Investment in mineral exploration and technological development amounted to US\$ 9.0 million, of which US\$ 2.9 million referred to prospecting for copper and gold deposits.

The Carajas region remained as the focus for mineral prospecting activities in 1Q03, with development work aimed at identifying deposits of copper, gold, nickel and platinum group metals, and preparations made for the carrying out of pre-feasibility studies for various areas containing copper and nickel. Targeting campaigns will begin in May.

In the rest of Brazil, prospecting programs continued for copper, gold, nickel, platinum group metals, bauxite and kaolin in the states of Para, Rondonia, Maranhao, Piaui, Mato Grosso, Goias and Minas Gerais.

In Peru, in the form of a joint venture with Antofagasta Minerals, areas with potential have been identified, which will be subject to seismic investigation in the next few months. Compania Minera Latino Americana, a wholly owned subsidiary of CVRD, has been carrying out mineral prospecting in Chile.

CVRD has started to use QemSCAN technology, a state-of-the-art system for mineralogical and metallurgical analysis which allows rapid identification of ores and improves the efficiency of mining operations. The system involves the use of a Multi-element Scanning Electron Microscope which will be used to characterize minerals and optimize processes in the base metal and precious metal areas. The mineral exploration budget for 2003 amounts to US\$ 71.7 million,

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

of which US\$ 5.2 million will be invested in technological development.

16

US GAAP

1Q 03

CAPEX - 1Q 03

By business area	US\$ million	%	By category	US\$ million	%
Ferrous Minerals	67.4	28.0%	Capital injections	27.6	11.5%
Logistics	48.7	20.3%	Maintenance	31.1	13.0%
Non-ferrous Minerals	56.2	23.4%	Environment		
Aluminium	33.2	13.8%	Projects	142.6	59.3%
Power Generation	16.4	6.8%	Mineral Exploration and	9.0	3.7%
Others	18.4	7.6%	Technological Research		
			Information Technology	12.4	5.2%
			Acquisitions	17.6	7.3%
Total	240.3	100%	Total	240.3	100%

17

US GAAP

1Q 03

FINANCIAL STATEMENTS

	1Q 02	2Q 02	3Q 02	4Q 02
Gross operating revenues	987	1,071	1,123	1,123
Taxes	(34)	(44)	(39)	(39)
Net Operating Revenue	953	1,027	1,084	1,084
Cost of Goods Sold	(540)	(594)	(540)	(540)
Gross Profit	413	433	544	544
Gross Margin (%)	43.3	42.2	50.2	50.2
Sales, General and Administrative Expenses	(48)	(60)	(65)	(65)
Research and Development Expenses	(9)	(12)	(15)	(15)
Employee Profit-Sharing	(9)	3	(14)	(14)
Others	(52)	(30)	9	9
Operating Profit	295	334	459	459
Financial Revenues	33	44	10	10
Financial Expenses	(62)	(117)	(148)	(148)
Monetary Variation	(5)	(326)	(506)	(506)
Tax and Social Contribution (Current)	(7)	3	-	-
Tax and Social Contribution (Deferred)	(12)	126	148	148

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

Equity Income	34	(82)	(160)
Accounting Changes for Asset Write-offs	-		
Minority Shareholding Participation	(1)	4	47
Net Earnings	275	(14)	(150)
Earnings per Share (US\$)	0.72	(0.04)	(0.39)

ASSET BALANCE SHEET

	million US\$		
	1Q 02	4Q 02	1Q 03
<b>Assets</b>			
Current	3,566	2,589	2,696
Long-term	1,820	1,337	1,407
Fixed	5,100	4,029	4,485
Total	10,486	7,955	8,588
<b>Liabilities</b>			
Current	2,364	1,508	1,638
Long Term	3,345	3,160	3,310
Shareholders' Equity	4,777	3,287	3,640
Paid-up Capital	2,709	2,944	2,944
Reserves	2,068	343	696
Total	10,486	7,955	8,588

18

US GAAP

1Q 03

CONSOLIDATED STATEMENTS OF CASH FLOW

	1Q 02
<b>Cash flows from operating activities:</b>	
Net income	569
Adjustments to reconcile net income with cash provided by operating activities:	
Depreciation, depletion and amortization	43
Dividends received	19
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	(121)
Deferred income taxes	101
Provisions for contingencies	(1)
Impairment of property, plant and equipment	35
Gain in accounting practice for asset retirement obligations	0
Pension plan	3
Foreign exchange and monetary losses	(310)
Net unrealized derivative losses	9
Others	(26)
Decrease (increase) in assets:	
Accounts receivable	3

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

Inventories	(26)
Others	(21)
Increase (decrease) in liabilities:	
Suppliers	125
Payroll and related charges	1
Others	55
Net cash provided by operating activities	458
Cash flows from investing activities:	
Loans and advances receivable	(41)
Guarantees and deposits	(17)
Additions to investments	0
Additions to property, plant and equipment	(258)
Proceeds from disposals of property, plant and equipment	2
Net cash used in investing activities	(314)
Cash flows from financing activities:	
Short-term debt, net issuances (repayments)	(202)
Loans	
Additions	22
Repayments	(46)
Long-term debt	
Related parties	6
Others	37
Repayments of long-term debt	
Related parties	0
Others	(85)
Interest attributed to stockholders	(273)
Net cash used in financing activities	(541)
Increase (decrease) in cash and cash equivalents	(397)
Effect of exchange rate changes on cash and cash equivalents	86
Cash and cash equivalents, beginning of period	1402
Cash and cash equivalents, end of period	1,091
Cash paid during the period for:	
Interest on short-term debt	(15)
Interest on long-term debt, net of interest capitalized of \$5 in 2003 and \$5 in 2002	(31)
Income tax	(8)
Non-cash transactions	
Conversion of loans receivable to investments	15

19

US GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - UNAUDITED

	million US\$		
HISPANOBRAS	1Q 02	4Q 02	1Q 03
Volume Sold ('000 tons)	907	1,139	905
Export Markets	487	313	268
Domestic Market	420	826	637
Average Price (US\$/ton)	31.38	25.80	29.75
Operating Profit	4	1	3
Net Financial Result	-	-	(1)

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

Net Earnings	2	1	1
EBITDA	5	2	3
NIBRASCO			
	1Q 02	4Q 02	1Q 03
	-----	-----	-----
Volume Sold ('000 tons)	1,000	2,116	1,800
Export Markets	407	783	469
Domestic Market	593	1,333	1,331
Average Price (US\$/ton)	30.39	28.52	27.75
Operating Profit	-	6	2
Net Financial Result	(1)	-	-
Net Earnings	(1)	4	1
EBITDA	1	7	3
Total Debt			
- Short Term	2	2	2
- Long Term	4	1	1
Total	6	3	3
ITABRASCO			
	1Q 02	4Q 02	1Q 03
	-----	-----	-----
Volume Sold ('000 tons)	877	913	813
Export Markets	644	431	306
Domestic Market	233	482	507
Average Price (US\$/ton)	31.35	30.18	29.54
Operating Profit	2	3	2
Net Financial Result	-	(2)	(1)
Net Earnings	1	2	1
EBITDA	2	3	2
Total Debt			
- Short Term	-	-	-
- Long Term	18	-	5
Total	18	-	5

20

US GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - UNAUDITED

	million US\$		
KOBRASCO	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	856	1,316	1,134
Export Markets	436	1,074	453
Domestic Market	420	242	681
Average Price (US\$/ton)	31.69	29.97	30.39
Operating Profit	6	4	5
Net Financial Result	(2)	15	5
Net Earnings	3	12	6
EBITDA	7	5	6
Total Debt			

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

- Short Term	-	-	-
- Long Term	150	114	124
Total	150	114	124

SAMARCO	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Sales to External Markets ('000 tons)	3,301	3,834	3,988
Average Price (US\$/ton)	28.48	29.22	27.59
Operating Profit	32	61	51
Net Financial Result	(6)	12	-
Net Earnings	22	70	38
EBITDA	38	65	61
Total Debt			
- Short Term	169	142	123
- Long Term	93	67	56
Total	262	209	179

21

US GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - UNAUDITED

	million US\$		
-----	-----	-----	-----
FERTECO	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Volume Sold Iron Ore ('000 tons)	2,532	3,288	4,879
External Markets	2,020	2,142	3,503
Domestic Market	512	1,146	1,376
Average Price (US\$/ton)	14.59	14.86	13.87
Volume Sold Pellet ('000 tons)	725	1,342	856
External Markets	448	645	358
Domestic Market	277	697	498
Average Price (US\$/ton)	26.63	24.06	29.62
Operating Profit	18	16	35
Net Financial Result	(2)	4	(3)
Net Earnings	12	15	23
EBITDA	22	18	38
Total Debt			
- Short Term	55	23	10
- Long Term	94	82	82
Total	149	105	92
			'000 US\$
-----	-----	-----	-----
GIIC*	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	823	932	772
External Markets	823	932	772
Domestic Market	-	-	-
Average Price (US\$/ton)	41.76	40.40	41.00

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

Operating Profit	4	4	4
Net Financial Result	-	(1)	-
Net Earnings	4	3	4
EBITDA	5	6	5

\*Financial indicators calculated according to standards set down by the International Accounting Standards Committee

22

US GAAP

1Q 03

MANGANESE AND FERRO ALLOYS - FINANCIAL INDICATORS - UNAUDITED

	million US\$		
SIBRA (Consolidated)	1Q 02	4Q 02	1Q03
Volume Sold Alloys ('000 tons)	60	85	67
External Markets	23	35	30
Domestic Market	37	50	37
Average Price (US\$/ton)	521.43	425.73	530.70
Volume Sold Manganese ('000 tons)	258	282	279
External Markets	243	192	185
Domestic Market	15	90	94
Average Price (US\$/ton)	53.40	45.86	40.34
Operating Profit	16	6	10
Net Financial Result	-	(11)	(3)
Net Earnings	16	(5)	5
EBITDA	17	8	12
Total Debt			
- Short Term	30	36	37
- Long Term	21	22	20
Total	51	58	57

23

US GAAP

1Q 03

ALUMINIUM - FINANCIAL INDICATORS - ADJUSTED AND UNAUDITED

	million US\$		
MRN	1Q 02	4Q 02	1Q 03



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

Volume Sold ('000 tons)	1,781	2,982	2,196
Export Markets	485	601	711
Domestic Market	1,296	2,381	1,485
Average Price (US\$/ton)	19.76	20.54	19.23
Operating Profit	12	26	15
Net Financial Result	(1)	-	-
Net Earnings	9	17	10
EBITDA	21	36	25
Total Debt			
- Short Term	14	29	44
- Long Term	96	76	69
Total	110	105	113
ALUNORTE	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	427	407	490
Export Markets	222	208	289
Domestic Market	205	199	201
Average Price (US\$/ton)	161.55	161.79	172.03
Operating Profit	11	13	20
Net Financial Result	(3)	57	20
Net Earnings	6	94	36
EBITDA	14	15	23
Total Debt			
- Long Term	455	481	482
Total	455	481	482
ALBRAS	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	88	104	103
Export Markets	84	100	99
Domestic Market	4	4	4
Average Price (US\$/ton)	1,319.81	1,306.47	1,337.98
Operating Profit	41	55	53
Net Financial Result	(9)	56	19
Net Earnings	27	121	79
EBITDA	46	58	56
Total Debt			
- Short Term	73	20	
- Long Term	524	466	451
Total	597	486	451

24

US GAAP

1Q 03

ALUMINIUM - FINANCIAL INDICATORS - ADJUSTED AND UNAUDITED

			million US\$
-----	-----	-----	-----
VALESUL	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----

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

Volume Sold ('000 tons)	21	27	19
Export Markets	9	13	9
Domestic Market	12	14	10
Average Price (US\$/ton)	1,720.97	1,618.98	1,730.60
Operating Profit	5	13	9
Net Financial Result	-	(1)	-
Net Earnings	3	10	8
EBITDA	6	14	10
Total Debt			
- Short Term	1	1	1
- Long Term	2	1	1
Total	3	2	2

[GRAPHIC APPEARS HERE] APPENDIX:

### Reconciliation of non-GAAP figures

	(%)		
	1Q 02	4Q 02	1Q 03
	-----	-----	-----
EBITDA / Interest expenses adjusted	7.22	7.96	9.02
Difference	(2.46)	(0.86)	4.62
Operating income / Interest expenses	4.76	7.1	4.4
EBITDA Margin (EBITDA/ Net Revenues)	41.7	41.4	39.8
Difference	(10.7)	(9.2)	(7.1)
Operating income/ Net Revenues	31.0	32.2	32.7

25

US GAAP

1Q 03

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

26

[LOGO APPEARS HERE]

[LOGO APPEARS HERE]

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

Companhia Vale do Rio Doce  
Departamento de Controladoria

1st Quarterly Financial Statements

US GAAP

Filed with The Comissao de Valores  
Mobiliarios - CVM (Brazilian Securities  
Commission) and Security Exchange  
Commission - SEC on 05/14/2003

Gerencia Geral de Controladoria - GECOL

## COMPANHIA VALE DO RIO DOCE INDEX TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Report of PricewaterhouseCoopers Auditores Independentes.....	27
Consolidated Balance Sheets as of March 31, 2003 and December 31, 2002.....	
Consolidated Statements of Income for the Three-month periods ended March 31, 2003 and 2002 and December 31, 2002.....	
Consolidated Statements of Cash Flows for the Three-month periods ended March 31, 2003 and 2002 and December 31, 2002.....	
Consolidated Statements of Changes in Stockholders' Equity for the Three-month periods ended March 31, 2003 and 2002 and December 31, 2002.....	
Notes to the Consolidated Financial Information.....	
Supplemental Financial Information.....	

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

F-1

## 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 March 31, 2003, and the unaudited condensed consolidated statements of income, of cash flows and of changes in stockholders' equity for the three-month periods ended March 31, 2003 and 2002 and December 31, 2002. These financial statements are the responsibility of the Company's management. The unaudited financial information of certain affiliates, the investments in which total US\$244 million at March 31, 2003 and equity in earnings which total US\$10 million, US\$26 million and US\$16 million for the three-month periods ended March 31, 2003 and 2002 and December 31, 2002, respectively, and that of certain subsidiaries, which statements reflect total assets of US\$216 million at March 31, 2003 and total revenues of US\$34 million, US\$71 million and US\$25 million consolidated in the three-month periods ended March 31, 2003 and 2002 and December 31, 2002, 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, 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein). In our report dated February 21, 2003, 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, 2002 is fairly stated in all material respects, in relation to the consolidated balance sheet from which it has been derived.

As discussed in Note 4 to the financial statements, the Company changed its method of accounting for asset retirement obligations, as from January 1, 2003.

PricewaterhouseCoopers  
Auditores Independentes

Rio de Janeiro, Brazil  
May 12, 2003

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

F-2

Condensed Consolidated Balance Sheets  
Expressed in millions of United States dollars

	March 31, 2003	December 31, 2002
	-----	-----
Assets		
	(unaudited)	
Current assets		
Cash and cash equivalents .....	1,284	1,091
Accounts receivable		
Related parties .....	123	121
Unrelated parties .....	509	539
Loans and advances to related parties .....	24	49
Inventories .....	282	292
Deferred income tax .....	171	211
Others .....	303	286
	-----	-----
	2,696	2,589
	-----	-----
Property, plant and equipment, net .....	3,646	3,297
Investments in affiliated companies and joint ventures and other investments and provision for losses on equity investments..	839	732
Other assets		
Goodwill on acquisition of subsidiaries .....	434	412
Loans and advances		
Related parties .....	112	89
Unrelated parties .....	66	73
Prepaid pension cost .....	80	79
Deferred income tax .....	366	358
Judicial deposits .....	265	239
Unrealized gain on derivative instruments .....	3	3
Others .....	81	84
	-----	-----
	1,407	1,337
	-----	-----
TOTAL .....	8,588	7,955
	=====	=====

See notes to consolidated financial information.

F-3

Condensed Consolidated Balance Sheets  
Expressed in millions of United States dollars (Continued)

March 31,

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

2003

-----  
(unaudited)

Liabilities and stockholders' equity

Current liabilities

Suppliers .....	292
Payroll and related charges.....	74
Interest attributed to stockholders .....	188
Current portion of long-term debt - unrelated parties .....	789
Short-term debt.....	61
Loans from related parties.....	56
Others .....	178
	-----
	1,638
	-----

Long-term liabilities

Employees post-retirement benefits .....	155
Long-term debt - unrelated parties .....	2,401
Loans from related parties .....	7
Provisions for contingencies (Note 8) .....	471
Unrealized loss on derivative instruments .....	79
Others .....	154
	-----
	3,267
	-----

Minority interests .....	43
	-----

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 - 4,465 (2002 - 4,481) preferred and 4,715,170 common shares .....	(88)
Additional paid-in capital .....	498
Other cumulative comprehensive income.....	(4,976)
Appropriated retained earnings .....	2,351
Unappropriated retained earnings .....	3,321
	-----
	3,640
	-----

TOTAL .....	8,588
	=====

See notes to consolidated financial information.

F-4

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

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

-----  
1st 2003  
-----

Operating revenues, net of discounts, returns and allowances	
Sales of ores and metals	
Iron ore and pellets .....	746
Gold .....	9
Manganese and ferroalloys .....	75
Potash .....	21
Others .....	16
	-----
	867
Revenues from logistic services .....	115
Aluminum products .....	167
Other products and services .....	4
	-----
	1,153
Value-added tax .....	(43)
	-----
Net operating revenues .....	1,110
	-----
Operating costs and expenses	
Cost of ores and metals sold .....	(428)
Cost of logistic services .....	(70)
Cost of aluminum products .....	(142)
Others .....	(1)
	-----
	(641)
Selling, general and administrative expenses .....	(49)
Research and development .....	(11)
Employee profit sharing plan .....	(12)
Others .....	(34)
	-----
	(747)
	-----
Operating income .....	363
	-----
Non-operating income (expenses)	
Financial income .....	28
Financial expenses .....	(82)
Foreign exchange and monetary gains (losses), net .....	50
	-----
	(4)
	-----
Income before income taxes, equity results and minority interests.....	359
	-----
Income taxes	
Current .....	(6)
Deferred .....	(65)
	-----
	(71)
	-----
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments .....	94
Change in accounting practice for asset retirement obligations (note 4) .....	(10)
Minority interests .....	(18)
	-----
Net income .....	354
	=====
Basic earnings per Common and Preferred Class A Share.....	0.92

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

Weighted average number of shares outstanding (thousands of shares)	
Common shares .....	245,268
Preferred Class A shares .....	138,571

See notes to consolidated financial information.

F-5

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

1st

Cash flows from operating activities:

Net income .....	
Adjustments to reconcile net income with cash provided by operating activities:	
Depreciation, depletion and amortization .....	
Dividends received .....	
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments .....	
Deferred income taxes .....	
Provisions for contingencies .....	
Impairment of property, plant and equipment .....	
Change in accounting practice for asset retirement obligations (note 4) .....	
Pension plan .....	
Foreign exchange and monetary losses .....	
Net unrealized derivative losses .....	
Minority interests .....	
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 .....	
Net cash used in investing activities .....	

Cash flows from financing activities:



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

Short-term debt, net issuances (repayments) .....	
Loans	
Related parties	
Additions .....	
Repayments .....	
Long-term debt	
Related parties .....	
Others .....	
Repayments of long-term debt	
Related parties .....	
Others .....	
Interest attributed to stockholders .....	
Net cash used in financing activities .....	
Increase (decrease) in cash and cash equivalents .....	
Effect of exchange rate changes on cash and cash equivalents .....	
Cash and cash equivalents, beginning of period .....	1
Cash and cash equivalents, end of period .....	1
Cash paid during the period for:	
Interest on short-term debt .....	
Interest on long-term debt, net of interest capitalized of \$4 in 2003, \$5 in 2002.....	
Income tax .....	
Non-cash transactions	
Conversion of loans receivable to investments .....	

See notes to consolidated financial information.

F-6

Condensed Consolidated Statements of Changes in Stockholders' Equity  
Expressed in millions of United States dollars (Unaudited)  
(except number of shares and per-share amounts)

	Shares
	-----
Preferred class A stock (including one special share)	
Balance March 31, 2003 and 2002 .....	138,575,913
Common stock	
Balance March 31, 2003 and 2002 .....	249,983,143
Treasury stock	
Balance January 1 .....	(4,715,261)
Acquisitions in 2002 .....	(4,390)
Sales in 2003 .....	16
Balance March 31 .....	(4,719,635)
Additional paid-in capital	
Balance March 31 .....	

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

Other cumulative comprehensive income	
Cumulative translation adjustments	
Balance January 1 .....	
Change in the period .....	
Balance March 31 .....	
Unrealized gain on available-for-sale security	
Balance January.....	
Change in the period .....	
Balance March 31 .....	
Adjustments relating to investments in affiliates	
Balance January 1.....	
Change in the period .....	
Balance March 31 .....	
Total other cumulative comprehensive income .....	
Appropriated retained earnings	
Balance January 1.....	
Transfer to retained earnings .....	
Balance March 31 .....	
Retained earnings	
Balance January 1.....	
Net income .....	
Interest attributed to stockholders	
Preferred class A stock (\$0.52 and \$0.35 per share in	
2003 and 2002).....	
Common stock (\$0.52 and \$0.35 per share in 2003 and 2002).....	
Appropriation from reserves .....	
Balance March 31 .....	
Total stockholders' equity.....	383,839,421
	=====
Comprehensive income is comprised as follows:	
Net income .....	
Cumulative translation adjustments .....	
Unrealized gain on available-for-sale security .....	
Total comprehensive income .....	

See notes to consolidated financial information.

F-7

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

1 The Company and its operations

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

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 energy, aluminum and steel activities. Further details of our operations and those of our joint ventures and affiliates are described in Note 7.

The main operating subsidiaries we consolidate 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.	100	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 Islan
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
Rio Doce Manganese Europe - RDME	100	France
Urucum Mineracao S.A.	100	Brazil
Alumina do Norte do Brasil S.A - Alunorte	57	Brazil
Salobo Metais S.A.	100	Brazil
Mineracao Serra do Sossego 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 applicable (see Note 7).

We evaluate the carrying value of our listed investments relative to publicly available quoted market prices. If the quoted market price is below book value, and such decline is considered other than temporary, we write-down our equity investments to quoted market value.

We define joint ventures as businesses in which we and a small group of other partners each participate actively in the overall entity management, based on a shareholders agreement. We define affiliates as businesses in which we participate as a minority stockholder but with significant influence over the operating and financial policies of the investee.

### 3 Summary of significant accounting policies

Our condensed consolidated interim financial information as of March

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

31, 2003 and for the three month periods ended March 31, 2003 and 2002 and December 31, 2002 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 three month period ended March 31, 2003 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2003.

F-8

This condensed interim financial information should be read in conjunction with our consolidated financial information for the year ended December 31, 2002.

The provision for losses on equity investments relates to our investments in affiliates which have reported negative stockholders' equity in their financial information 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.

Other current assets includes \$21 related to ships held for sale, at March 31, 2003.

4

Recently-issued accounting pronouncements

In June 2001, the FASB issued SFAS 143 - "Accounting for Asset Retirement Obligations". We adopted SFAS 143 as from January 1, 2003, as a consequence an additional \$26 for asset retirement obligations was recorded as "Others - long-term liabilities", a net increase of \$11 in mine development costs was registered within "Property, plant and equipment" and a resulting change of \$10 was registered as "Change in Accounting Practice for Asset Retirement Obligations" on the Statement of Income, net of income tax (\$15 gross of deferred income tax). Over time the liabilities will be accreted for the change in their present value and initial capitalized costs will be depleted over the useful lives of the related assets.

In June 2002, the FASB has issued SFAS 146 - "Accounting for Costs Associated with Exit or Disposal Activities". The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. We adopted SFAS 146 as from January 1, 2003. We have not issued or disposed of any significant activities since adoption.

In November 2002 the FASB issued FIN 45 - "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others". The Interpretation elaborates on the existing disclosure requirements for most guarantees, including loan guarantees such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial information. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees issued or modified after December 31,

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

2002, regardless of the guarantor's fiscal year-end. The disclosure requirements in the Interpretation, applicable at December 31, 2002 are disclosed in Note 15. We have not issued any material guarantees since December 31, 2002.

5 Income taxes

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:

	Three months ended March
	----- 2003 -----
Federal income tax.....	25
Social contribution.....	9
	-----
Composite tax rate.....	34
	=====

F-9

F-10

The amount reported as income tax expense in our consolidated financial information is reconciled to the statutory rates as follows:

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

Income before income taxes, equity results and minority interests .....	
Federal income tax and social contribution expense at statutory enacted rates	
Adjustments to derive effective tax rate:	
Tax benefit on interest attributed to stockholders .....	
Exempt foreign income .....	
Tax deductible goodwill in business combination.....	
Tax incentives .....	
Valuation allowance.....	
Other non-taxable gains.....	
Adjustment to reflect expected annual effective tax rate.....	
Federal income tax and social contribution expense in consolidated statements of income.....	

We have 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.

6 Inventories

	March 31, 2003	December 31, 2002
	-----	-----
Finished products		
Iron ore and pellets .....	80	86
Manganese.....	18	24
Ferroalloys.....	28	27
Alumina .....	18	15
Others.....	14	12
Spare parts and maintenance supplies..	124	128
	-----	-----
	282	292
	=====	=====

F-11

7 Investments

	March 31, 20	
	Participation in capital (%)	Net income f equity the peri
	-----	-----
	voting	total
Investments in affiliated companies and joint ventures		

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

	-----	-----		
Steel				
Usinas Siderurgicas de Minas Gerais S.A - USIMINAS	22.99	11.46	87	87
Companhia Siderurgica de Tubarao - CST	20.51	22.85	127	27
California Steel Industries Inc. - CSI	50.00	50.00	218	5
Aluminum and bauxite				
Mineracao Rio do Norte S.A. - MRN	40.00	40.00	402	10
Valesul Alumínio S.A. - VALESUL	54.51	54.51	84	8
Alumínio Brasileiro S.A. - ALBRAS	51.00	51.00	79	79
Alumina do Norte do Brasil S.A. - ALUNORTE (Consolidated as from June 30, 2002, after acquisition of control)	62.09	57.03	--	--
Iron ore and pellets				
Caemi Mineracao e Metalurgia S.A	50.00	16.85	512	27
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO	51.11	51.00	25	1
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS	51.00	50.89	27	1
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	50.00	50.00	--	--
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO	51.00	50.90	20	--
Gulf Industrial Investment Company - GIIC	50.00	50.00	67	4
SAMARCO Mineracao S.A. - SAMARCO	50.00	50.00	336	38
Others				
Fertilizantes Fosfatados S.A. - FOSFERTIL	10.96	11.12	223	28
Others	--	--	--	--
Balance / Change in provision for losses on equity investments:				
Alumínio Brasileiro S.A. - ALBRAS				
Companhia Ferroviaria do Nordeste - CFN				
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO				
Ferrovia Centro-Atlantica S.A. - FCA				
MRS Logistica S.A				
CSN Aceros				
Available for sale investments				
SIDERAR (costs \$24)	4.85	4.85	--	--
Total				
	-----		-----	
	Goodwill		Equity Adjustments	
	-----		-----	
	December	1st	1st	4th
	31, 2002	2003	2002	2002
	-----	-----	-----	-----
Investments in affiliated companies and joint ventures				

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

Steel

Usinas Siderurgicas de Minas Gerais S.A - USIMINAS	--	10	3	--
Companhia Siderurgica de Tubarao - CST	--	6	(7)	8
California Steel Industries Inc. - CSI	--	3	(1)	7
Aluminum and bauxite				
Mineracao Rio do Norte S.A. - MRN	--	4	4	7
Valesul Alumínio S.A. - VALESUL	--	4	1	6
Alumínio Brasileiro S.A. - ALBRAS	--	39	9	--
Alumina do Norte do Brasil S.A. - ALUNORTE (Consolidated as from June 30, 2002, after acquisition of control)	--	--	5	--
Iron ore and pellets				
Caemi Mineracao e Metalurgia S.A	--	5	1	(13)
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO	--	1	(1)	2
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS	--	1	1	--
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	--	--	1	--
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO	--	--	1	1
Gulf Industrial Investment Company - GIIC	--	2	2	2
SAMARCO Mineracao S.A. - SAMARCO	30	19	11	31
Others				
Fertilizantes Fosfatados S.A. - FOSFERTIL	--	3	2	3
Others	--	4	--	--
	----	----	----	----
	30	101	32	54
Balance / Change in provision for losses on equity investments:				
Alumínio Brasileiro S.A. - ALBRAS	--	1	6	69
Companhia Ferroviaria do Nordeste - CFN	--	--	(1)	--
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	--	3	--	3
Ferrovia Centro-Atlantica S.A. - FCA	--	(11)	(3)	(10)
MRS Logistica S.A	--	1	--	7
CSN Aços	--	(1)	--	(2)
	----	----	----	----
	--	(7)	2	67
	----	----	----	----
	30	94	34	121
	----	----	----	----
Available for sale investments				
SIDERAR (costs \$24)	--	--	--	--
	----	----	----	----
Total	30	94	34	121
	=====	=====	=====	=====

F-12

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



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

	ALBRAS			
	March 31, 2003	December 31, 2002	March 31, 2003	Dec 31,
Balance Sheet				
Current assets .....	176	158	52	
Noncurrent assets .....	399	370	507	
Current liabilities .....	(182)	(197)	(58)	
Noncurrent liabilities ...	(314)	(333)	(99)	
Stockholders equity .....	79	(2)	402	
Our participation.....	51.00%	51.00%	40.00%	
Investments .....	40	(1)	161	

	ALBRAS				
	1st 2003	1st 2002	4th 2002	1st 2003	1st 2002
Statement of Operations					
Net sales .....	137	115	136	41	
Costs and expenses .....	(53)	(85)	(52)	(29)	
Income before income taxes ....	84	30	84	12	
Income taxes .....	(5)	--	52	(2)	
Equity in results of affiliates	--	--	--	--	
Net income .....	79	30	136	10	
Our participation .....	51.00%	51.00%	51.00%	40.00%	
Participation in results .....	40	15	69	4	
Change in provision for losses ...	(1)	(6)	(69)	--	
Equity adjustments .....	39	9	--	4	

The financial position and results of operations of our affiliates in the steel sector (USIMINAS, CST and CSI) are no longer significant to our consolidated financial information.

8 Commitments and contingencies

- (a) At March 31, 2003, we had extended guarantees for borrowings obtained by affiliates and joint ventures in the amount of \$499, of which \$383 is denominated in United States dollars and the remaining \$116 in local currency, as follow:

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

Affiliate or Joint Venture	Amount of guarantee	Denominated currency	Purpose
ALBRAS .....	284	US\$	guarantee
	46	R\$	Debt guarantee
FCA .....	51	US\$	Debt guarantee
	65	R\$	Debt guarantee
KOBRASCO .....	13	US\$	Debt guarantee
SEPETIBA			
TECON .....	19	US\$	Debt guarantee
	4	R\$	Debt guarantee
SAMARCO .....	12	US\$	Debt guarantee
VALESUL .....	1	R\$	Debt guarantee
NIBRASCO .....	4	US\$	Debt guarantee
	-----		
	499		
	=====		

F-14

We expect no losses to arise as a result of the above guarantees. We have made no charges for extending these guarantees except in the case of Albras and Samarco.

- (b) CVRD and its subsidiaries 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:

	March 31, 2003		December
	Provision for contingencies	Judicial deposits	Provision for contingencies
Labor claims .....	126	57	109
Civil claims .....	107	36	95
Tax - related actions.....	232	170	220
Others .....	6	2	4
	-----	-----	-----
	471	265	428
	=====	=====	=====

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

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

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 and of the tax on financial movements - CPMF.

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 three-month period ended March 31, 2003, and 2002 and December 31, 2002 aggregated \$21, \$19 and \$19, respectively, and additional provisions aggregated \$30, \$33 and \$27, 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 information with respect to these two actions.
- (d) We are committed under a take-or-pay agreement to take annual 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 \$1,356.00 per metric ton at March 31, 2003, represents an annual commitment of \$281. Actual take from Albras was \$65, \$60 and \$65 during the three-month period ended March 31, 2003 and 2002 and December 31, 2002, respectively.
- (e) We and BNDES entered into a contract, known as the Mineral Risk Contract, in March 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-15

Pursuant to the Mineral Risk Contract, we and BNDES each agreed to provide \$205, which represents half of the \$410 in expenditures estimated as necessary to complete geological exploration and mineral resource development projects in the region over a period of five years. This period was extended for an additional two years. We oversee these projects and BNDES advances us half of our costs on a

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

quarterly basis. Under the Mineral Risk Contract, as of March 31, 2003, each of us and BNDES had remaining commitments to contribute an additional \$54 toward exploration and development activities. In the event that either of us wishes to conduct further exploration and development after having spent such \$205, the contract provides that each party may either choose to match the other party's contributions, or may choose to have its financial interest proportionally diluted. If a party's participation in the project is diluted to an amount lower than 40% of the amount invested in connection with exploration and development projects, then the Mineral Risk Contract provides that the diluted party will lose (1) all the rights and benefits provided for in the Mineral Risk Contract and (2) any amount previously contributed to the project.

Under the Mineral Risk Contract, BNDES has agreed to compensate us through a finder's fee production royalty on their share of mineral resources that are discovered and placed into production. This finder's fee is equal to 3.5% of the revenues derived from the sale of gold, silver and platinum group metals and 1.5% of the revenues derived from the sale of other minerals, including copper, except for gold and other minerals discovered at Serra Leste, for which the finder's fee is equal to 6.5% of revenues.

- (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 terms of the "debentures", 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 March 31, 2003 we have provided \$46 for environmental liabilities and asset retirement obligations.

We use various judgments and assumptions when measuring our environmental liabilities and asset retirement obligations. 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.

### 9 Segment and geographical information

In 1999 we adopted SFAS 131 "Disclosures about Segments of an Enterprise and Related Information" with respect to the information we present about our operating segments. SFAS 131 introduced a "management approach" concept for reporting segment information, whereby financial information is required to be reported on the basis that the top decision-maker uses such information internally for evaluating segment performance and deciding how to allocate resources to segments. Our business segments are currently organized as follows:

Ferrous products - comprises iron ore mining and pellet production, as well as the Northern and Southern transportation systems, including railroads, ports and terminals, as they pertain to mining operations. Manganese mining and ferroalloys are also included in this segment.

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

Non-ferrous products - comprises the production of gold and other non-ferrous minerals.

F-16

Logistics - comprises our transportation systems as they pertain to operation of our ships, ports and railroads for third-party cargos.

F-17

Holdings - divided into the following sub-groups:

- o Aluminum - comprises aluminum trading activities, alumina refining and investments joint ventures and affiliates engaged in bauxite mining and aluminum metal smelting.
- o Steel - comprises our investments in joint ventures and affiliates operating in the steel industry.
- o Others - comprises our investments in joint ventures and affiliates engaged in other businesses.

Information presented to top management with respect to the performance of each segment is generally derived directly from the accounting records maintained in accordance with Brazilian corporate law together with certain minor inter-segment allocations.

Consolidated net income and principal assets are reconciled as follows:

	Ferrous	Non ferrous	Logistics
RESULTS			
Gross revenues - Export.....	1,080	23	21
Gross revenues - Domestic.....	258	24	78
Cost and expenses.....	(1,001)	(38)	(61)
Depreciation, depletion and amortization.....	(36)	(3)	(2)
Pension plan.....	(3)	--	--
Operating profit.....	298	6	36
Interest revenue.....	45	1	3
Interest expense.....	(96)	(2)	(1)
Foreign exchange and monetary losses, net.....	25	5	(3)
Equity in earnings.....	34	--	(11)
Income taxes.....	(66)	(1)	(1)
Change in accounting practice for asset retirement obligations (note 4).....	(10)	--	--
Minority interests.....	--	(2)	--

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

Net income.....	230	7	23
=====			
Sales classified by geographic destination:			
Export market			
Latin America.....	116	--	14
United States.....	101	4	--
Europe.....	440	17	4
Middle East.....	51	--	3
Japan.....	111	1	--
Asia, other than Japan.....	261	1	--
	-----	-----	-----
	1,080	23	21
Domestic market.....			
	-----	-----	-----
	258	24	78
	-----	-----	-----
	1,338	47	99
=====			
Assets:			
Property, plant and equipment, net.....	2,563	464	162
Capital expenditures.....	91	51	32
Investments in affiliated companies and joint ventures and other investments, net of provision for losses.....	423	--	(7)
	=====	=====	=====
Capital employed.....	2,521	138	188

March 31, 2003

	Eliminations	Consolidated
	-----	-----
RESULTS		
Gross revenues - Export.....	(476)	797
Gross revenues - Domestic.....	(41)	356
Cost and expenses.....	517	(744)
Depreciation, depletion and amortization.....	--	(43)
Pension plan.....	--	(3)
	-----	-----
Operating profit.....	--	363
Interest revenue.....	(25)	28
Interest expense.....	25	(82)
Foreign exchange and monetary losses, net.....	--	50
Equity in earnings.....	--	94
Income taxes.....	--	(71)
Change in accounting practice for asset retirement obligations (note 4).....	--	(10)
Minority interests.....	--	(18)
	-----	-----
Net income.....	--	354
	=====	=====

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

Sales classified by geographic destination:

Export market		
Latin America.....	(72)	89
United States.....	(50)	57
Europe.....	(170)	378
Middle East.....	(16)	38
Japan.....	(49)	86
Asia, other than Japan.....	(119)	149
	-----	-----
	(476)	797
Domestic market.....	(41)	356
	-----	-----
	(517)	1,153
	=====	=====
Assets:		
Property, plant and equipment, net.....	--	3,646
Capital expenditures.....	--	198
Investments in affiliated companies and joint ventures and other investments, net of provision for losses.....	--	839
	=====	=====
Capital employed.....	--	3,284

F-18

Operating profit by product - after eliminations

	Revenues		(1)		Impairment/ Gain on sale of property, plant and equipment	D d
	Export	Domestic	Total	Cost and expenses	Net	
	-----	-----	-----	-----	-----	-----
Ferrous						
Iron ore .....	421	126	547	(265)	282	--
Pellets .....	152	47	199	(167)	32	--
Manganese .....	13	2	15	(5)	10	--
Ferroalloys ....	43	17	60	(54)	6	--
	-----	-----	-----	-----	-----	-----
	629	192	821	(491)	330	--
Non ferrous						
Gold .....	9	--	9	(8)	1	--
Potash .....	--	21	21	(12)	9	--
Kaolin .....	13	3	16	(10)	6	--
	-----	-----	-----	-----	-----	-----
	22	24	46	(30)	16	--
Aluminum						
Alumina .....	59	34	93	(73)	20	--

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

Aluminum .....	70	--	70	(66)	4	--
Bauxite .....	4	--	4	(4)	--	--
	-----	-----	-----	-----	-----	-----
	133	34	167	(143)	24	--
Logistics						
Railroads .....	--	66	66	(22)	44	--
Ports .....	--	28	28	(9)	19	--
Ships .....	13	8	21	(39)	(18)	--
	-----	-----	-----	-----	-----	-----
	13	102	115	(70)	45	--
Others.....	--	4	4	(10)	(6)	--
	-----	-----	-----	-----	-----	-----
	797	356	1,153	(744)	409	--
	=====	=====	=====	=====	=====	=====

(1) Cost and expenses include contingency provisions of \$9.

F-19

	Ferrous	Non ferrous	Logistics
RESULTS			
Gross revenues - Export	949	44	10
Gross revenues - Domestic	216	17	81
Cost and expenses	(856)	(49)	(55)
Depreciation, depletion and amortization .....	(53)	(6)	(6)
Pension plan .....	(3)	--	--
Operating profit .....	253	6	30
Interest revenue	41	--	3
Interest expense	(70)	(2)	(1)
Foreign exchange/translation gain(loss)	(6)	1	--
Equity in earnings .....	16	--	(4)
Income taxes .....	(17)	--	(1)
Minority interests .....	(1)	--	--
Net income .....	216	5	27
Sales classified by geographic destination:			
Export market			
Latin America.....	64	--	5
United States.....	89	13	3
Europe.....	393	29	2
Middle East.....	43	--	--
Japan.....	113	1	--
Asia, other than Japan.....	247	1	--



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

	949	44	10
Domestic market.....	216	17	81
	-----	-----	-----
	1,165	61	91
	=====	=====	=====

Assets :			
Property, plant and equipment, net	3,196	287	280
Capital expenditures	130	3	9
Investments in affiliated companies and joint ventures and other investments, net of provision for loss	718	28	39
	=====	=====	=====
Capital employed	3,032	293	285

March 31, 2002

-----  
Eliminations      Consolidated  
-----

RESULTS

Gross revenues - Export.....	(377)	694
Gross revenues - Domestic.....	(22)	293
Cost and expenses.....	399	(623)
Depreciation, depletion and amortization .....	--	(66)
Pension plan .....	--	(3)
	-----	-----
Operating profit .....	--	295
Interest revenue.....	(12)	33
Interest expense.....	12	(62)
Foreign exchange/translation gain(loss).....	--	(5)
Equity in earnings .....	--	34
Income taxes .....	--	(19)
Minority interests .....	--	(1)
	-----	-----
Net income .....	--	275
	=====	=====

Sales classified by geographic destination:

Export market		
Latin America.....	(25)	51
United States.....	(40)	65
Europe.....	(143)	342
Middle East.....	(4)	39
Japan.....	(52)	62
Asia, other than Japan.....	(113)	135
	-----	-----
	(377)	694
Domestic market.....	(22)	293
	-----	-----
	(399)	987
	=====	=====

Assets :		
Property, plant and equipment, net.....	--	3,857

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

Capital expenditures.....	--	145
Investments in affiliated companies and joint ventures and other investments, net of provision for loss.....	--	1,243
		=====
Capital employed.....	--	3,6710

F-20

Operating profit by product - after eliminations

	Revenues		(1) Cost and expenses	Net	Impairment/ Gain on sale of property, plant and equipment
	Export	Domestic	Total		
Ferrous					
Iron ore .....	410	104	514	(278)	236
Pellets .....	116	36	152	(116)	36
Manganese .....	14	4	18	(10)	8
Ferroalloys ....	33	21	54	(42)	12
	-----	-----	-----	-----	-----
	573	165	738	(446)	292
Non ferrous					
Gold .....	34	--	34	(22)	12
Potash .....	--	16	16	(11)	5
Kaolin .....	10	2	12	(6)	6
	-----	-----	-----	-----	-----
	44	18	62	(39)	23
Aluminum					
Alumina .....	6	--	6	(4)	2
Aluminum .....	60	--	60	(57)	3
Bauxite .....	2	--	2	(2)	--
	-----	-----	-----	-----	-----
	68	--	68	(63)	5
Logistics					
Railroads .....	--	72	72	(7)	65
Ports .....	--	16	16	(11)	5
Ships .....	9	14	23	(7)	16
	-----	-----	-----	-----	-----
	9	102	111	(25)	86
Others .....	--	8	8	(23)	(15)
	-----	-----	-----	-----	-----
	694	293	987	(596)	391
	=====	=====	=====	=====	=====

(1) Cost and expenses include contingency provisions of \$23.

F-21

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

	Ferrous	Non ferrous	Logistics
<b>RESULTS</b>			
Gross revenues - Export.....	1,139	24	11
Gross revenues - Domestic.....	206	26	138
Cost and expenses.....	(1,022)	(101)	(69)
Depreciation, depletion and amortization.....	(36)	(3)	(2)
Pension plan .....	(2)	--	(1)
Operating profit .....	285	(54)	77
Interest revenue.....	77	1	3
Interest expense.....	(83)	(1)	--
Foreign exchange and monetary losses, net.....	246	11	(51)
Equity in earnings .....	28	--	(3)
Income taxes .....	(130)	--	(7)
Minority interests .....	2	(6)	--
Net income .....	425	(49)	19
<b>Sales classified by geographic destination:</b>			
<b>Export market</b>			
Latin America.....	102	--	5
United States.....	89	1	--
Europe.....	477	19	5
Middle East.....	88	--	--
Japan.....	125	1	--
Asia, other than Japan.....	258	3	1
Domestic market.....	206	26	138
	1,139	24	11
	1,345	50	149
<b>Assets:</b>			
Property, plant and equipment, net.....	2,346	400	144
Capital expenditures.....	524	132	33
Investments in affiliated companies and joint ventures and other investments, net of provision for losses.....	395	--	(27)
Capital employed.....	2,340	119	161
4th Quarter 2002			
	Eliminations	Consolidated	
Gross revenues - Export.....	(525)	766	

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

Gross revenues - Domestic.....	(64)	335
Cost and expenses.....	599	(714)
Depreciation, depletion and amortization.....	--	(43)
Pension plan .....	--	(3)
	-----	-----
Operating profit .....	10	341
Interest revenue.....	(45)	40
Interest expense.....	45	(48)
Foreign exchange and monetary losses, net.....	(10)	257
Equity in earnings .....	--	121
Income taxes .....	--	(109)
Minority interests .....	--	(33)
	-----	-----
Net income .....	--	569
	=====	=====

Sales classified by geographic destination:

Export market

Latin America.....	(59)	58
United States.....	(59)	33
Europe.....	(198)	387
Middle East.....	(20)	68
Japan.....	(58)	79
Asia, other than Japan.....	(131)	141
	-----	-----
	(525)	766
Domestic market.....	(64)	335
	-----	-----
	(589)	1,101
	=====	=====

Assets:

Property, plant and equipment, net.....	--	3,297
Capital expenditures.....	--	766
Investments in affiliated companies and joint ventures and other investments, net of provision for losses.....	--	732
	=====	=====
Capital employed.....	--	2,877

F-22

Operating profit by product - after eliminations

Revenues			Cost and expenses	Net	Impairment/ Gain on sale of property, plant and equipment
Export	Domestic	Total			
-----					
-----					

Ferrous

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

Iron ore .....	406	135	541	(234)	307	--
Pellets .....	160	36	196	(149)	47	--
Manganese .....	9	(2)	7	3	10	--
Ferroalloys ....	46	13	59	(50)	9	--
	-----	-----	-----	-----	-----	-----
	621	182	803	(430)	373	--
Non ferrous						
Gold .....	13	--	13	(32)	(19)	(35)
Potash .....	--	24	24	(15)	9	--
Kaolin .....	10	2	12	(8)	4	--
	-----	-----	-----	-----	-----	-----
	23	26	49	(55)	(6)	(35)
Aluminum						
Alumina .....	45	28	73	(63)	10	--
Aluminum .....	73	--	73	(64)	9	--
Bauxite .....	4	--	4	(4)	--	--
	-----	-----	-----	-----	-----	-----
	122	28	150	(131)	19	--
Logistics						
Railroads .....	--	76	76	(29)	47	--
Ports .....	--	11	11	(16)	(5)	--
Ships .....	--	11	11	(25)	(14)	--
	-----	-----	-----	-----	-----	-----
	--	98	98	(70)	28	--
Others .....	--	1	1	7	8	--
	-----	-----	-----	-----	-----	-----
	766	335	1,101	(679)	422	(35)
	=====	=====	=====	=====	=====	=====

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.

F-23

The asset (liability) balances at March 31, 2003, 2002 and December 31, 2002 and the movement in fair value of derivative financial instruments is as follows:

	Interest rates (libor)	Currencies
Gold	-----	-----

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

Unrealized gains (losses) at January 1, 2002.....	7	(36)	(4)
Change in the period.....	(10)	18	(2)
Gains (losses) realized in the period.....	1	(7)	-
Unrealized gains (losses) at March 31, 2002.....	(2)	(25)	(6)
Unrealized gains (losses) at October 1, 2002.....	(4)	(65)	2
Financial settlement.....	-	3	2
Gains (losses) in the period.....	(10)	9	(6)
Effect of exchange rate changes.....	(1)	(7)	1
Unrealized gains (losses) at December 31, 2002.....	(15)	(60)	(1)
Unrealized gains (losses) at January 1, 2003.....	(15)	(60)	(1)
Financial settlement.....	-	4	-
Gains (losses) in the period.....	5	(8)	-
Effect of exchange rate changes.....	-	(4)	-
Unrealized gains (losses) at March 31, 2003.....	(10)	(68)	(1)

Realized and unrealized gains (losses) are included in our income statement under the following captions:

Gold - operating costs and expenses;  
Interest rates - financial expenses;  
Currencies - foreign exchange and monetary losses, net.

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.

There is an exchange rate risk associated with our foreign currency denominated debt. On the other hand, 89% of our revenues are denominated in, or automatically indexed to, the U.S. dollar, while 49% of our 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 three months ended March 31, 2003 and the year ended December 31, 2002 our use of such instruments was not significant.

(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 manages 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. We account for Albras using the equity method.

11 Subsequent Events

Payment of Interest on Stockholders' Equity

On April 16, 2003, the Board of Directors approved the first installment of its US\$ 1.04 per share minimum dividend for 2003. The minimum dividend was determined in accordance to the CVRD dividend policy announced on November 13, 2002.

According the procedures previously announced on January 30, 2003, the Company will pay the minimum dividend for 2003 in two equal installments, on April 30 and October 31, 2003, respectively.

Acquisition of Caemi

On March 31, 2003, CVRD signed an agreement with Mitsui & Co. (Mitsui) to acquire all its common and preferred shares in Caemi Mineracao e Metalurgia S. A (Caemi) for US\$ 426.4 million. The acquisition is subject to the review and approval by antitrust authorities in addition to due diligence procedures. These shares represent 50% and 40% of the common and preferred shares,

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

respectively, of that company. After the transaction, CVRD will detain 100% of the common shares, 40% of the preferred shares and 60.2% of the total capital.

### CST Shares Acquisition

On March 27, 2003, CVRD and Arcelor entered an agreement with Acesita S.A. (Acesita) to buy shares of Companhia Siderurgica de Tubarao (CST). The shares acquired are not covered by the CST shareholders' agreement.

Through this agreement CVRD acquired, by April 24, 2003, 4.42% of the common shares and 5.64% of the preferred shares of CST, representing 5.17% of CST's total capital for \$60. Simultaneously, Arcelor acquired common and preferred shares of CST to arrive at the same respective share holdings as CVRD. After the transaction, CVRD will detain 24.93% of the common shares, 29.96% of the preferred shares and 28.02% of the total capital.

F-25

Acesita owns an additional 14.85% of CST's voting capital, the acquisition of which is subject to authorization by the other parties to that shareholders' agreement authorize the transaction until the expiration of the shareholders' agreement in May 2005.

### Restructuring in participation of Logistics Companies

On April 16, 2003, CVRD, Companhia Siderurgica Nacional (CSN) and other unlisted companies entered into an agreement for the reorganization of their common interests in logistics companies. The agreement is subject to approval by regulatory authorities and by certain creditors of CSN and CVRD, adjustments to commercial agreements and the waiver by other shareholders of the exercise of any rights of first refusal.

The agreement involves three transactions:

- o The acquisition by CVRD of CSN's 11.95% stake in Ferrovia Centro-Atlantica (FCA).
- o The sale to CSN of CVRD's stake in its equity investees, Sepetiba Tecon S.A. (STSA), a company that operates Container Terminal 1 at the Port of Sepetiba (TECON), in Rio de Janeiro State. TECON will allow CVRD to handle containers through TECON over the next ten years and guaranteeing maintenance of port conditions for the handling of containers.
- o The sale by CVRD to CSN and Taquari Participacoes S. A. (Taquari) of 32.4% of the capital of Companhia Ferroviaria do Nordeste (CFN).

The purchase and sale obligations, if the conditions are fulfilled, will result in a net cash outflow of \$6 by CVRD.

### Pig Iron Project with NUCOR

On April 24, 2003, CVRD and Nucor Corporation (NUCOR) signed an agreement to construct and operate an environmentally friendly pig iron project in Northern Brazil with a capacity of approximately 380,000 metric tons of pig iron per year in its initial phase. Iron



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

ore will be obtained its Carajas mine and its forestry assets hold by Celmar S.A..

NUCOR will invest US\$10 million in the project while CVRD's equity contribution will be the land and the forest assets (currently owned by its wholly owned subsidiary Celmar S.A.). The total capital of the project will be about US\$ 80 million. The ownership will be split 78% CVRD and 22% NUCOR.

\* \* \*

F-26

### Supplemental Financial Information

The following information provides additional details in relation to the balance sheet and financial performance of equity investees as well as certain financial ratios. The accounting information contained therein was subject to certain agreed-upon procedures performed by our independent accountants.

EBITDA represents operating income plus depreciation, amortization and depletion plus impairment/gain on sale of property, plant and equipment plus dividends received from equity investees. EBITDA is not a US GAAP measurement and does not represent cash flow for the periods presented and should not be considered as an alternative to net income (loss), as an indicator of our operating performance or as an alternative to cash flow as a source of liquidity. Our definition of EBITDA may not be comparable with EBITDA as defined by other companies. Although EBITDA, as defined above, does not provide a US GAAP measure of operating cash flows, our management uses it to measure our operating performance and it is commonly used by financial analysts in evaluating our business.

S - 1

### Aluminum Area - Valesul (Additional information - Unaudited)

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	9	
Quantity sold - internal market	MT (thousand)	10	
Quantity sold - total	MT (thousand)	19	-
Average sales price - external market	US\$	1,505.49	
Average sales price - internal market	US\$	1,933.02	
Average sales price - total	US\$	1,730.60	

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

Long-term indebtedness, gross	US\$	1	
Short-term indebtedness, gross	US\$	1	
Total indebtedness, gross	US\$	2	-
Stockholders' equity	US\$	84	
EBITDA	US\$	10	-
Depreciation, amortization and depletion	US\$	(1)	-
Impairment / gain on sale	US\$	-	-
Dividends received from equity investees	US\$	-	-
Operating income	US\$	9	-
Net financial result	US\$	-	
Income before income tax and social contribution	US\$	9	-
Income tax and social contribution	US\$	(1)	
Net income	US\$	8	-

Information

	1Q	2Q	3Q	4Q
Quantity sold - external market	9	12	8	13
Quantity sold - internal market	12	11	11	14
Quantity sold - total	21	23	19	27
Average sales price - external market	1,467.44	1,481.49	1,485.09	1,413.67
Average sales price - internal market	1,906.21	1,865.52	1,779.65	1,801.29
Average sales price - total	1,720.97	1,663.20	1,654.96	1,618.98
Long-term indebtedness, gross	2	1	1	1
Short-term indebtedness, gross	1	1	-	1
Total indebtedness, gross	3	2	1	2

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

Stockholders' equity	95	83	66	72
=====				
EBITDA	6	9	9	14
Depreciation, amortization and depletion	(1)	(1)	(1)	(1)
Impairment / gain on sale	-	-	-	-
Dividends received from equity investees	-	-	-	-
-----				
Operating income	5	8	8	13
Net financial result	-	-	-	(1)
-----				
Income before income tax and social contribution	5	8	8	12
Income tax and social contribution	(2)	(2)	(1)	(2)
-----				
Net income	3	6	7	10
-----				

S-2

Aluminum Area - MRN (Additional information - Unaudited)

Information		2003					1
		1Q	2Q	3Q	4Q	Total	
Quantity sold - external market	MT (thousand)	711				711	48
Quantity sold - internal market	MT (thousand)	1,485				1,485	1,29
		-----					
Quantity sold - total	MT (thousand)	2,196	-	-	-	2,196	1,78
		=====					
Average sales price - external market	US\$	21.31				21.31	20.5
Average sales price - internal market	US\$	18.24				18.24	19.4
Average sales price - total	US\$	19.23				19.23	19.7
Long-term indebtedness, gross	US\$	69				69	9
Short-term indebtedness, gross	US\$	44				44	1
		-----					
Total indebtedness, gross	US\$	113	-	-	-	113	11
		=====					
Stockholders' equity	US\$	402				402	36
		=====					
EBITDA	US\$	25	-	-	-	25	2
Depreciation, amortization and depletion	US\$	(10)	-	-	-	(10)	(
Impairment / gain on sale	US\$	-	-	-	-	-	
Dividends received from equity investees	US\$	-	-	-	-	-	
		-----					

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

Operating income	US\$	15	-	-	-	15	1
Gain (loss) on investments accounted for by the equity method	US\$	-				-	(
Non-operating result	US\$	(3)				(3)	-
Net financial result	US\$	-				-	(
-----							
Income before income tax and social contribution	US\$	12	-	-	-	12	1
Income tax and social contribution	US\$	(2)				(2)	(
-----							
Net income	US\$	10	-	-	-	10	
-----							

S-3

Aluminum Area - Albras (Additional information - Unaudited)

Information		1Q	2Q	3Q
-----				
Quantity sold - external market	MT (thousand)	99		
Quantity sold - internal market	MT (thousand)	4		
-----				
Quantity sold - total	MT (thousand)	103	-	-
=====				
Average sales price - external market	US\$	1,336.40		
Average sales price - internal market	US\$	1,376.14		
Average sales price - total	US\$	1,337.98		
-----				
Long-term indebtedness, gross	US\$	451		
Short-term indebtedness, gross	US\$	-		
-----				
Total indebtedness, gross	US\$	451	-	-
=====				
Stockholders' equity	US\$	79		
=====				
EBITDA	US\$	56	-	-
Depreciation, amortization and depletion	US\$	(3)	-	-
Impairment / gain on sale	US\$	-	-	-
Dividends received from equity investees	US\$	-	-	-
-----				
Operating income	US\$	53	-	-
Non-operating result	US\$	11		
Net financial result	US\$	19		
-----				
Income before income tax and social contribution	US\$	83	-	-
Income tax and social contribution	US\$	(4)		
-----				
Net income	US\$	79	-	-
-----				

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

Information	1Q	2Q	3Q	4Q
Quantity sold - external market	84	108	101	100
Quantity sold - internal market	4	2	3	4
Quantity sold - total	88	110	104	104
Average sales price - external market	1,318.33	1,409.42	1,288.20	1,304.79
Average sales price - internal market	1,352.12	1,330.47	1,335.69	1,356.26
Average sales price - total	1,319.81	1,332.13	1,289.68	1,306.47
Long-term indebtedness, gross	524	507	499	466
Short-term indebtedness, gross	73	49	20	20
Total indebtedness, gross	597	556	519	486
Stockholders' equity	56	(18)	(97)	(3)
EBITDA	46	57	54	58
Depreciation, amortization and depletion	(5)	(4)	(4)	(3)
Impairment / gain on sale	-	-	-	-
Dividends received from equity investees	-	-	-	-
Operating income	41	53	50	55
Non-operating result	(3)	1	2	-
Net financial result	(9)	(125)	(153)	56
Income before income tax and social contribution	29	(71)	(101)	111
Income tax and social contribution	(2)	2	-	10
Net income	27	(69)	(101)	121

S-4

11.2 - Aluminum Area - ALUNORTE

Information	2003					
	1Q	2Q	3Q	4Q	Total	1Q

Quantity sold -

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

external market	MT (thousand)	289				289	222
Quantity sold - internal market	MT (thousand)	201				201	205
Quantity sold - total	MT (thousand)	490	-	-	-	490	427
Average sales price - external market	US\$	170.93				170.93	148.20
Average sales price - internal market	US\$	173.60				173.60	175.94
Average sales price - total	US\$	172.03				172.03	161.55
Long-term indebtedness, gross	US\$	482				482	455
Total indebtedness, gross	US\$	482	-	-	-	482	455
Stockholders' equity	US\$	91				91	180
EBITDA	US\$	23	-	-	-	23	14
Depreciation, amortization and depletion	US\$	(3)	-	-	-	(3)	(3)
Impairment / gain on sale	US\$	-	-	-	-	-	-
Dividends received from equity investees	US\$	-	-	-	-	-	-
Operating income	US\$	20	-	-	-	20	11
Non-operating result	US\$	-				-	(2)
Net financial result	US\$	20				20	(3)
Income before income tax and social contribution	US\$	40	-	-	-	40	6
Income tax and social contribution	US\$	(4)	-	-	-	(4)	-
Net income	US\$	36	-	-	-	36	6

S-5

Aluminum Area - Aluvale (Additional information - Unaudited) -  
Consolidated Subsidiary

Information		1Q	2Q	3Q	4Q	Total
Stockholders' equity	US\$	354				354
EBITDA	US\$	7	-	-	-	7

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

Depreciation, amortization and depletion	US\$	-	-	-	-
Impairment / gain on sale	US\$	-	-	-	-
Dividends received from equity investees	US\$	(5)	-	-	-
<hr/>					
Operating income	US\$	2	-	-	-
Gain on investments accounted for by the equity method	US\$	66			6
Net financial result	US\$	1			
<hr/>					
Income before income tax and social contribution	US\$	69	-	-	6
Income tax and social contribution	US\$	2			
<hr/>					
Net income	US\$	71	-	-	7

S-6

Pelletizing Affiliates - Kobrasco (Additional information - Unaudited)

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	453	
Quantity sold - internal market	MT (thousand)	681	
Quantity sold - total	MT (thousand)	1,134	-
Average sales price - external market	US\$	29.89	
Average sales price - internal market	US\$	30.72	
Average sales price - total	US\$	30.39	
Long-term indebtedness, gross	US\$	124	
Total indebtedness, gross	US\$	124	-
Stockholders' equity	US\$	(28)	
EBITDA	US\$	6	-
Depreciation, amortization and depletion	US\$	(1)	-
Impairment / gain on sale	US\$	-	-
Dividends received from equity investees	US\$	-	-
Operating income	US\$	5	-
Net financial result	US\$	5	
Income before income tax and social contribution	US\$	10	-
Income tax and social contribution	US\$	(4)	
Net income	US\$	6	-

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

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	436	534
Quantity sold - internal market	MT (thousand)	420	478
Quantity sold - total	MT (thousand)	856	1,012
Average sales price - external market	US\$	31.31	29.34
Average sales price - internal market	US\$	32.08	29.24
Average sales price - total	US\$	31.69	29.30
Long-term indebtedness, gross	US\$	150	143
Total indebtedness, gross	US\$	150	143
Stockholders' equity	US\$	23	3
EBITDA	US\$	7	2
Depreciation, amortization and depletion	US\$	(1)	(1)
Impairment / gain on sale	US\$	-	-
Dividends received from equity investees	US\$	-	-
Operating income	US\$	6	1
Net financial result	US\$	(2)	(27)
Income before income tax and social contribution	US\$	4	(26)
Income tax and social contribution	US\$	(1)	9
Net income	US\$	3	(17)

S-7

Pelletizing Affiliates - Hispanobras (Additional information - Unaudited)

Information		2003					
		1Q	2Q	3Q	4Q	Total	1Q
Quantity sold - external market	MT (thousand)	268				268	487
Quantity sold - internal market	MT (thousand)	637				637	420
Quantity sold - total	MT (thousand)	905	-	-	-	905	907
Average sales price - external market	US\$	29.54				29.54	31.33
Average sales price - internal market	US\$	29.95				29.95	31.43
Average sales price - total	US\$	29.75				29.75	31.38
Stockholders' equity	US\$	27				27	36



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

EBITDA	US\$	3	-	-	-	3	5
Depreciation, amortization and depletion	US\$	-	-	-	-	-	(1)
Impairment / gain on sale	US\$	-	-	-	-	-	-
Dividends received from equity investees	US\$	-	-	-	-	-	-
Operating income	US\$	3	-	-	-	3	4
Net financial result	US\$	(1)	-	-	-	(1)	-
Income before income tax and social contribution	US\$	2	-	-	-	2	4
Income tax and social contribution	US\$	(1)	-	-	-	(1)	(2)
Net income	US\$	1	-	-	-	1	2

S-8

Pelletizing Affiliates - Itabrasco (Additional information - Unaudited)

Information		2003						
		1Q	2Q	3Q	4Q	Total	1Q	2Q
Quantity sold - external market	MT (thousand)	306				306	644	533
Quantity sold - internal market	MT (thousand)	507				507	233	169
Quantity sold - total	MT (thousand)	813	-	-	-	813	877	702
Average sales price - external market	US\$	29.97				29.97	31.16	28.46
Average sales price - internal market	US\$	29.20				29.20	31.90	27.79
Average sales price - total	US\$	29.54				29.54	31.35	28.30
Long-term indebtedness, gross	US\$	5			-	5	18	17
Total indebtedness, gross	US\$	5	-	-	-	5	18	17
Stockholders' equity	US\$	20				20	27	24
EBITDA	US\$	2	-	-	-	2	2	1
Depreciation, amortization and depletion	US\$	-	-	-	-	-	-	-
Impairment / gain on sale	US\$	-	-	-	-	-	-	-
Dividends received from equity investees	US\$	-	-	-	-	-	-	-
Operating income	US\$	2	-	-	-	2	2	1
Non-operating result	US\$	-				-	-	-
Net financial result	US\$	(1)				(1)	-	3
Income before income tax and social contribution	US\$	1	-	-	-	1	2	4

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

Income tax and social contribution	US\$	(1)	(1)	(1)	(2)
Net income	US\$	-	-	-	2

S-9

Pelletizing Affiliates - Nibrasco (Additional information - Unaudited)

Information		2003					
		1Q	2Q	3Q	4Q	Total	1Q
Quantity sold - external market	MT (thousand)	469				469	407
Quantity sold - internal market - CVRD	MT (thousand)	1,303				1,303	584
Quantity sold - internal market - Others	MT (thousand)	28				28	9
Quantity sold - total	MT (thousand)	1,800	-	-	-	1,800	1,000
Average sales price - external market	US\$	28.76				28.76	30.25
Average sales price - internal market	US\$	27.38				27.38	30.49
Average sales price - total	US\$	27.75				27.75	30.39
Long-term indebtedness, gross	US\$	1				1	4
Short-term indebtedness, gross	US\$	2				2	2
Total indebtedness, gross	US\$	3	-	-	-	3	6
Stockholders' equity	US\$	25				25	31
EBITDA	US\$	3	-	-	-	3	1
Depreciation, amortization and depletion	US\$	(1)	-	-	-	(1)	(1)
Impairment / gain on sale	US\$	-	-	-	-	-	-
Dividends received from equity investees	US\$	-	-	-	-	-	-
Operating income	US\$	2	-	-	-	2	-
Net financial result	US\$	-				-	(1)
Income before income tax and social contribution	US\$	2	-	-	-	2	(1)
Income tax and social contribution	US\$	(1)				(1)	-
Net income	US\$	1	-	-	-	1	(1)

S-10

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

Pelletizing Affiliates - Samarco (Additional information - Unaudited)

Information		2003					
		1Q	2Q	3Q	4Q	Total	1Q
Quantity sold - total	MT (thousand)	3,988				3,988	3,301
Average sales price - total	US\$	27.59				27.59	28.48
Long-term indebtedness, gross	US\$	56				56	93
Short-term indebtedness, gross	US\$	123				123	169
Total indebtedness, gross	US\$	179	-	-	-	179	262
Stockholders' equity	US\$	336				336	454
EBITDA	US\$	61	-	-	-	61	38
Depreciation, amortization and depletion	US\$	(10)	-	-	-	(10)	(6)
Impairment / gain on sale	US\$	-	-	-	-	-	-
Dividends received from equity investees	US\$	-	-	-	-	-	-
Operating income	US\$	51	-	-	-	51	32
Gain (loss) on investments accounted for by the equity method	US\$	(1)				(1)	1
Net financial result	US\$	-				-	(6)
Income before income tax and social contribution	US\$	50	-	-	-	50	27
Income tax and social contribution	US\$	(12)				(12)	(5)
Net income	US\$	38	-	-	-	38	22

S-11

Iron Ore Subsidiary - Ferteco (Additional information - Unaudited) - Consolidated Subsidiary

Information		2003	
		1Q	2Q
Quantity sold - external market - Iron Ore	MT (thousand)	3,503	
Quantity sold - internal market - Iron Ore	MT (thousand)	1,376	

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

Quantity sold - total - Iron Ore	MT (thousand)	4,879	-
Quantity sold - external market - Pellets	MT (thousand)	358	
Quantity sold - internal market - Pellets	MT (thousand)	498	
Quantity sold - total - Pellets	MT (thousand)	856	-
Average sales price - external market - Iron Ore	US\$	16.29	
Average sales price - internal market - Iron Ore	US\$	7.73	
Average sales price - total - Iron Ore	US\$	13.87	
Average sales price - external market - Pellets	US\$	28.51	
Average sales price - internal market - Pellets	US\$	30.40	
Average sales price - total - Pellets	US\$	29.62	
Long-term indebtedness, gross	US\$	82	
Short-term indebtedness, gross	US\$	10	
Total indebtedness, gross	US\$	92	-
Stockholders' equity	US\$	406	
EBITDA	US\$	38	-
Depreciation, amortization and depletion	US\$	(3)	-
Impairment / gain on sale	US\$	-	-
Dividends received from equity investees	US\$	-	-
Operating income	US\$	35	-
Gain on investments accounted for by the equity method	US\$	1	
Non-operating result	US\$	-	
Net financial result	US\$	(3)	
Income before income tax and social contribution	US\$	33	-
Income tax and social contribution	US\$	(10)	
Net income	US\$	23	-

Information

	1Q	2Q	3Q
Quantity sold - external market - Iron Ore	2,020	2,699	2,783
Quantity sold - internal market - Iron Ore	512	832	1,594
Quantity sold - total - Iron Ore	2,532	3,531	4,377
Quantity sold - external market - Pellets	448	736	554
Quantity sold - internal market - Pellets	277	498	703

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

Quantity sold - total - Pellets	725	1,234	1,257
Average sales price - external market - Iron Ore	16.53	17.32	16.38
Average sales price - internal market - Iron Ore	3.71	6.20	6.47
Average sales price - total - Iron Ore	14.59	14.70	12.66
Average sales price - external market - Pellets	28.08	29.68	26.78
Average sales price - internal market - Pellets	19.02	23.15	23.38
Average sales price - total - Pellets	26.63	27.05	24.88
Long-term indebtedness, gross	94	88	74
Short-term indebtedness, gross	55	58	52
Total indebtedness, gross	149	146	126
Stockholders' equity	132	429	301
EBITDA	22	25	40
Depreciation, amortization and depletion	(4)	(4)	(3)
Impairment / gain on sale	-	-	-
Dividends received from equity investees	-	-	-
Operating income	18	21	37
Gain on investments accounted for by the equity meth	-	-	(32)
Non-operating result	-	-	-
Net financial result	(2)	(17)	(19)
Income before income tax and social contribution	16	4	(14)
Income tax and social contribution	(4)	(1)	1
Net income	12	3	(13)

S-12

Pelletizing Affiliates - GIIC (Additional information - Unaudited)

Information	2003						
	1Q (*)	2Q	3Q	4Q	Total	1Q	2Q
Quantity sold - external market	MT (thousand)	772			772	823	67
Quantity sold - total	MT (thousand)	772			772	823	67
Average sales price - external market	US\$	41.00			41.00	41.76	40.3
Average sales price - total	US\$	41.00			41.00	41.76	40.3
Stockholders' equity	US\$	67			67	66	6

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

EBITDA	US\$	5	-	-	-	5	5
Depreciation, amortization and depletion	US\$	(1)	-	-	-	(1)	(1)
Impairment / gain on sale	US\$	-	-	-	-	-	-
Dividends received from equity investees	US\$	-	-	-	-	-	-
-----							
Operating income	US\$	4	-	-	-	4	4
Non-operating result	US\$	-	-	-	-	-	-
Net financial result	US\$	-	-	-	-	-	-
-----							
Net income	US\$	4	-	-	-	4	4
-----							

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

S-13

Manganese and Ferroalloys Area - Sibra (Additional information - Unaudited) - Consolidated Subsidiary

Information		2003					
		1Q	2Q	3Q	4Q	Total	1Q
Quantity sold - external market - Ferroalloys	MT (thousand)	30				30	23
Quantity sold - internal market - Ferroalloys	MT (thousand)	37				37	37
Quantity sold - total	MT (thousand)	67	-	-	-	67	60
=====							
Quantity sold - external market - Manganese	MT (thousand)	185				185	243
Quantity sold - internal market - Manganese	MT (thousand)	94				94	15
Quantity sold - total	MT (thousand)	279	-	-	-	279	258
=====							
Average sales price - external market - Ferroalloys	US\$	582.67				582.67	525.00
Average sales price - internal market - Ferroalloys	US\$	488.57				488.57	519.19
Average sales price - total	US\$	530.70				530.70	521.43
=====							
Average sales price - external market - Manganese	US\$	42.24				42.24	52.49
Average sales price - internal market - Manganese	US\$	36.60				36.60	68.27
Average sales price - total	US\$	40.34				40.34	53.40
=====							

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

Long-term indebtedness, gross	US\$	20				20	21
Short-term indebtedness, gross	US\$	37				37	30
<hr/>							
Total indebtedness, gross	US\$	57	-	-	-	57	51
<hr/>							
Stockholders' equity	US\$	89				89	97
<hr/>							
EBITDA	US\$	12				12	17
Depreciation, amortization and depletion	US\$	(2)				(2)	(1)
Impairment / gain on sale	US\$	-				-	-
Dividends received from equity investees	US\$	-				-	-
<hr/>							
	US\$	10	-	-	-	10	16
<hr/>							
Operating income							
Non-operating result	US\$	-				-	(1)
Net financial result	US\$	(3)				(3)	-
<hr/>							
Income before income tax and social contribution	US\$	7	-	-	-	7	15
Income tax and social contribution	US\$	(2)				(2)	-
<hr/>							
Net income	US\$	5	-	-	-	5	15
<hr/>							

S-14

Indexes on CVRD's Consolidated Debt (Additional information - Unaudited)

	1st Quarter 2003
<hr/>	
Current debt	
Current portion of long-term debt - unrelated parties.....	789
Short-term debt.....	61
Loans from related parties.....	56
	<hr/>
	906
	<hr/>
Long-term debt	
Long-term debt - unrelated parties.....	2,401
Loans from related parties.....	7
	<hr/>
	2,408
	<hr/>
Financial Result, net	
Financial expenses	
Third party - local debt.....	(5)
Third party - foreign debt.....	(39)
Related party debt.....	(5)
	<hr/>

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

Gross interest	(49)
Labor and civil claims and tax-related actions.....	(6)
Tax on financial transactions - CPMF .....	(4)
Derivatives.....	(8)
Others.....	(15)
	-----
	(82)
	-----
Financial income	
Cash and cash equivalents.....	10
Others.....	18
	-----
	28
	-----
Financial expenses, net.....	(54)
	-----
Foreign exchange and monetary gain (losses) on liabilities.....	276
Foreign exchange and monetary gain (losses) on assets.....	(226)
	-----
Foreign exchange and monetary gain (losses), net.....	50
	-----
Financial result, net.....	(4)
	=====
Gross debt (current plus long-term debt).....	3,314
Gross interest .....	49
EBITDA .....	442
Stockholders' equity.....	3,640
EBITDA / Gross interest.....	9.02
Gross Debt / EBITDA .....	1.87
Gross debt / Shareholders' equity.....	48

S-15

Calculation of EBITDA (Additional information - Unaudited)

	1st Quarter 2003 -----
Operating income .....	363
Depreciation .....	43
	---
	406
Impairment of property, plant and equipment .....	--
Dividends received .....	36
	---
EBITDA .....	442
	===
Margin EBITDA .....	40%
Contingencies .....	9



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

EBITDA adjusted .....	---
	451
	===

S-16

Board of Directors, Fiscal Council and Executive Officers

Board of Directors	Executive Officers
Sergio Ricardo Silva Rosa Chairman	Roger Agnelli Chief Executive Officer
Arlindo Magno de Oliveira	Antonio Miguel Marques Executive Officer for Equity Holdings and Business Development
Claudio Bernardo Guimaraes de Moraes	
Erik Persson	Armando de Oliveira Santos Neto Executive Officer for Ferrous Minerals
Francisco Valadares Povoia	
Joao Moises Oliveira	Carla Grasso Executive Officer for Human Resources and Corporate Services
Luiz Alexandre Bandeira de Mello	
Mario da Silveira Teixeira Junior	Diego Cristobal Hernandez Cabrera Executive Officer for Non-Ferrous Minerals
Renato da Cruz Gomes	Fabio de Oliveira Barbosa Chief Financial Officer
Ricardo Carvalho Giambroni	
Romulo de Mello Dias	Gabriel Stoliar Executive Officer for Planning
Fiscal Council	Guilherme Rodolfo Laager Executive Officer for Logistics
Joaquim Vieira Ferreira Levy	
Luiz Octavio Nunes West	
Pedro Carlos de Mello	
Vicente Barcelos	
Wilson Risolia Rodrigues	

Eduardo de Carvalho Duarte Chief Accountant CRC-RJ 57439	Otto de Souza Marques Junior Head of Control Department
--	---

S-17

BR PRESS RELEASE

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

BR GAAP

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

www.cvrld.com.br  
rio@cvrld.com.br

Investor Relations  
Department

Roberto Castello Branco  
Barbara Geluda  
Daniela Tinoco  
Eduardo Mello Franco  
Rafael Azevedo  
Tel: (5521) 3814-4540

1Q 03

[LOGO OF COMPANHIA VALE DO RIO DOCE]

PERFORMANCE OF COMPANHIA VALE DO RIO DOCE IN THE FIRST QUARTER OF 2003

=====

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

Rio de Janeiro, May 14, 2003 - Companhia Vale do Rio Doce (CVRD) has reported a net profit of R\$ 1.164 billion in the first quarter of 2003 (1Q03), corresponding to R\$ 3.03 per share, which is the third largest quarterly profit in the Company's history. Net earnings in 1Q03 were 83.8% higher than the results obtained in 1Q02 and return on equity (ROE), on an annualized basis, reached 35%.

Gross operating revenues amounted to R\$ 2.518 billion, up 57.3% in relation to 1Q02. CVRD's consolidated exports amounted to US\$ 800 million in 1Q03, up 12.4% year over year. The Company's net exports (exports less imports) totalled US\$ 684 million, which accounted for 18.2% of Brazil's trade surplus in the first three months of this year.

Equity results of investment in subsidiaries and affiliates amounted to R\$ 335 million, compared to R\$ 412 million in 4Q02 and R\$ 152 million in 1Q02. The main contribution was from aluminum operations, which contributed R\$ 221 million.

Cash generation, as measured by EBITDA (earnings before interest, taxes, depreciation and amortization), amounted to R\$ 1.148 billion, also the third highest quarterly result, at this line, in the Company's history. EBITDA margin, the ratio between EBITDA and net revenues, amounted to 47.5%, slightly higher than that obtained in 1Q02, of 47.0%.

CVRD showed a solid performance in 1Q03, despite an environment of slow global economic growth and heavy rainfall in the Southeast of Brazil, which affected its iron ore operations. The performance reflects a good strategic execution and a strong commitment to shareholder value creation.

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

The Board of Directors approved the proposal by the Executive Board, announced on January 30, 2003, for the payment of interest on shareholders equity of R\$ 1.62 per share, totalling R\$ 621.8 million. This payment was made from April 30 onwards and is the first instalment of the minimum dividends to

1

BR GAAP

1Q 03

shareholders referring to the year 2003, of US\$ 1.04 per share, publicly announced on January 30, 2003.

The figure of R\$ 1.62 per share was obtained through the conversion of the figure of US\$ 0.52 per share into Reais (BRL), at R\$ 3.1154 per USD, the rate of exchange offered by the Central Bank of Brazil on April 15, 2003, in line with the procedures announced publicly on January 30, 2003.

The payment made was the first to be set out under the norms of CVRD's Dividend Policy, approved and publicly announced on November 13, 2002. The definition of this policy, a pioneer initiative in Latin America, had the main object of reducing uncertainty to the shareholder, guaranteeing a minimum level of remuneration from the first month of the year.

The volume of iron ore and pellets shipped in the quarter amounted to 36.391 million tons, 7.7% lower than in 4Q02, but up 8.1% compared to 1Q02. Although there is excess demand in the global seaborne market, iron ore shipments in 1Q03, of 31.3 million tons, were lower than those in 4Q02, of 34.6 million tons, not only due to seasonal effects - the first quarter is the weakest in the year - but also temporary logistics problems. Pellet shipments, which amounted to 5.084 million tons, were up 54.8% in comparison to 1Q02, and up 4.5% compared to 4Q02.

The heavy rains which fell in the Southeast of Brazil in the first few months of the year affected logistics operations for several days and caused problems in the functioning of the Gongo Soco mine in the Southern System, resulting in a temporary shutdown in its activities. Operations at Gongo Soco have already been restarted, and production is expected to reach full capacity during May.

CVRD has been maximizing its efforts to cater to customer demand, increasing productivity in its mines - production at Carajas in March, of 5.2 million tons, was the highest since operations there began in 1985 - and purchasing iron ore from small mining companies.

At the same time, the Company is investing in iron ore mining - developing the Brucutu and Fabrica Nova mines in the Southern System and enlarging capacity at Carajas. It has also been making investments in logistics, building Pier III at the Ponta da Madeira Maritime Terminal and increasing the shiploading speed capacity in the port of Tubarao. These investments, estimated at some US\$ 500 million over the next few years, will replace the capacity that will be lost through the exhaustion of various mines in the Southern System and will add further capacity to enable CVRD to meet continued growth in demand.

Despite all the efforts made, it is expected that the excess demand in the global seaborne iron ore market will persist during 2004, given that most of CVRD's expansion projects and those of its main peers, will only begin operations from 2005.

CVRD's railways - Vitoria a Minas and Carajas - in 1Q03 transported 3.389 billion net ton kilometers (ntk) of general cargo (products other than iron ore

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

and pellets) compared to 3.787 billion ntk in 4Q02 and 3.401 billion ntk in 1Q02. Ports and marine terminals handled 5,392 million tons of general cargo, compared to 5,370 million in 4Q02 and 4,473 million in 1Q02.

The Parent Company's capital expenditure budget for 2003 on projects, maintenance, mineral exploration and technological development, as well as information technology and environmental protection measures, amounted to US\$ 1.546 billion. In 1Q03, capital expenditure totalled US\$ 180.3 million. In

2

addition, US\$ 17.6 million was spent on purchasing control of Elkem Rana, a Norwegian ferro-alloys producer, now renamed Rio Doce Manganese Norway.

BR GAAP

1Q 03

### SELECTED FINANCIAL INDICATORS

	1Q 02	4Q 02	million R\$
	-----	-----	-----
Gross Operating Revenue	1,601	2,786	2,518
Gross Margin (%)	44.4	52.1	48.4
Net Earnings	633	1,541	1,164
EBITDA	725	1,359	1,148
EBITDA Margin (%)	47.0	50.9	47.5
ROE annualized (%)	21.0	48.3	35.0
Investments (US\$ million) *	158	219	180

\*not including acquisitions

[GRAPHIC APPEARS HERE] RELEVANT EVENTS

Strategic moves and value creation

Various important strategic moves were made that have significant repercussions on CVRD's ferrous minerals and logistics businesses, consistent with shareholder value creation.

On March 31 an agreement was signed with Mitsui & Co. Ltd. for the purchase, for US\$ 426.4 million, of 50% of the common share capital and 40% of the preferred share capital of Caemi Mineracao e Metalurgia S.A. (Caemi) the world's fourth largest iron ore producer. This transaction is subject to approval by the anti-trust authorities and once completed, CVRD will own all the common shares in Caemi and 40% of the company's preferred shares, representing 60.2% of the total capital.

CVRD completed the purchase of 5.17% of the total capital of CST for US\$ 59.7 million. CVRD has a put option, built into the contract, to divest from 2007 onwards. The Board of Directors of CST has approved the construction of a third blast furnace for its steel plant. The conclusion of this project, scheduled for March 2006, will result in extra sales of iron ore and pellets by CVRD, of approximately 4 million tons a year.

CVRD and Nucor, the largest steel producer in the US, have signed a contract for the construction and operation of a pig-iron plant in the north of Brazil, with an initial production capacity of 380,000 tons a year. The plant will utilize iron ore from Carajas and charcoal produced from eucalyptus trees planted in the forests of Celmar, a wholly owned subsidiary of CVRD. Total investment in this

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

project will amount to US\$ 80 million, with 78% of the capital owned by CVRD and 22% by Nucor.

The creation of this joint venture is part of the Company's strategy of increasing its penetration into the North American market, through the sale of iron ore contained in metallics and semi-finished steel products.

For US\$ 17.6 million, CVRD acquired Elkem Rana AS, a producer of alloys, located in Mo I Rana, in Norway. The plant, which previously produced ferro-chrome alloys, is to be converted for the production of ferro-manganese alloys, supplied by manganese ore produced from CVRD's mines in Brazil. The company, which has been renamed Rio Doce Manganese Norway (RDMN), will increase CVRD's presence in the global manganese and alloy markets, where it

3

BR GAAP

1Q 03

has already become one of the market leaders. RDMN is scheduled to start producing ferro manganese alloys in 3Q03.

Finally, CVRD has signed a letter of intent to buy and sell various stakes in the logistics companies - FCA, Sepetiba Tecon and CFN. These transactions, whose finalisation is subject to various conditions, which include approval by the regulatory authorities, will permit CVRD to increase its stake in FCA, a railway that is important to its logistics operations, and divest itself of its stakes in the marine terminal of Sepetiba Tecon and CFN, a railway line that passes through several states in the Northeast of Brazil. This move will free up financial and human resources to enable the Company to focus on exploiting its main logistics assets.

### Completion of alumina capacity expansion project

Alunorte's third production line has begun operations which has brought the company's alumina production up to 2.4 million tons a year. A total of approximately US\$ 300 million was invested in the project, which corresponds to a cost of US\$ 364 per ton of capacity, an extremely competitive cost for a brownfield project. With this extra capacity, Alunorte has now become one of the five largest alumina refineries in the world. CVRD's strategic focus for its businesses in the aluminum chain is the exploitation of its competitive advantages in the areas of bauxite and alumina.

In a few weeks, MRN will be commissioning the expansion of its production capacity in Trombetas, from 11 to 16.3 million tons of bauxite per year. New projects, Paragominas, a bauxite greenfield project, and Alunorte stages 4 and 5, a brownfield project, are scheduled to commence development this year.

### Board of Directors

At the General Shareholders Meeting held on April 16, 2003, CVRD's new Board of Directors was elected, consisting of 11 members, with a mandate of two years.

### [GRAPHIC APPEARS HERE] SHORT TERM OUTLOOK

In the first quarter of this year, the global economy grew slower than had been predicted at the end of 2002. Despite the fact that part of this negative performance was explained by the war in Iraq, the rapid end to the conflict did not alter macro-economic fundamentals. There are still innumerable uncertainties, including the question of the US economy's capacity to return to

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

faster and more vigorous economic growth, against a background of excess supply, the threat of deflation in Germany, as well as the potential effects of geopolitical tension and the severe acute respiratory syndrome (SARS) epidemic.

Despite this scenario, global steel production continued to grow at increasing rates, with accumulated volume in the first three months of the year being 8.8% higher than the same period in 2002. Among the world's major producers, China registered the highest increase with 18.1%, followed by Japan with 8.2%, the US 6.5 %, Germany 6.1%, South Korea 3.0% and Brazil 6.9%.

In 1Q03 China imported 34.2 million tons of iron ore, which on an annualized basis is 136.8 million tons, up 23% on that country's import total for 2002. Japanese imports in the quarter amounted to 33.4 million tons in the first three months of the year, up 8.7% compared to 1Q02. Despite the fact that the main

4

BR GAAP

1Q 03

producers are operating at full capacity, the strong growth in global steel production caused an excess level of demand in the global seaborne iron ore trade, which is likely to extend into 2004.

The behaviour of freight shipping prices is usually a good indicator for the iron ore market. Thus, for example at the end of 1998, the freight differential between Brazil/Japan and Australia/Japan, according to data from Clarksons, reached a 14-year low, at around US\$ 1.60 per ton of iron ore. At that time, the demand for ore was very weak due to the recessive effect from the financial crisis in the economies of Southeast Asia, which resulted in an 11% drop in prices in 1999.

Two-digit price increases took place in 1989-1990, precisely when the differential between freight rates reached its 14-year high.

Between April 2002 and April 2003 freight prices rose by some US\$ 8.0 per ton for Brazil/Japan shipping freight, with the spread in relation to Australia/Japan rising in the period from US\$ 3.50 to US\$ 7.50 per ton, coinciding with strong expansion in demand for iron ore. Currently it is estimated that demand in the global seaborne iron ore market for 2003 will total 510 million tons, which would present an increase of around 30 million tons, compared to the amount shipped last year.

The alumina market has undergone a similar pattern to that of iron ore. The strong increase in aluminum production in China and by other non-integrated producers, provoked a significant rise in the spot price of alumina, which is working its way through into contract prices. Similarly to the iron ore market, we expect this situation to prevail during 2003 and 2004, due to the absence of new projects in the market, with the exception of Stage 3 of Alunorte's expansion plan, which is already in full operation. With this expansion, CVRD will be in a better situation to benefit from the rise in alumina prices.

In contrast to the alumina market, there are predictions of excess supply in the global aluminum market for 2003 and 2004, where prices are likely to fall below US\$ 1,500 per ton.

The disparity in behaviour between the aluminum and alumina market is likely to be corrected up to 2005. On the one hand, the expected recovery of global industrial output growth will fuel demand for the metal and the consequent consumption of existing inventories, and on the other hand, the high alumina

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

prices and the energy problems in the US Pacific Northwest will constrain aluminum supply growth.

The significant growth in Brazilian agricultural output, with a record grain crop, had a favourable impact on demand for potash and CVRD's logistics services. For logistics, the most intense effect of the harvest will be felt on the next two quarters. And the rise in Brazil's exports also contributed favourably in terms of greater demand for logistics services.

It should be pointed out that, despite the SARS epidemic, up to now there has been no sign of any slowdown in Chinese demand for iron ore and alumina. Nonetheless, CVRD is taking a cautious stance, because in addition to other sources of uncertainty hovering over the global economy, it is practically impossible to anticipate the effective impact of this epidemic on China's macro-economic performance and that of other Asian countries and its implications on the demand for minerals and metals. In the case of iron ore, an unexpected slowdown in demand could be, at least partially, absorbed by cutting purchases from third parties.

5

BR GAAP

1Q 03

[GRAPHIC APPEARS HERE] SALES VOLUME AND REVENUES

Iron ore and pellet sales volume in 1Q03, of 36.391 million tons, was 8.1% higher than in the first quarter of last year and down 7.7% in relation to 4Q02. The rise in relation to 1Q02 can be explained by the strong growth in demand for iron ore and pellets, generated mainly by increased Chinese imports. CVRD is operating at full capacity, and even so, there is unfulfilled demand. The drop in sales in the quarter relative to 4Q02 is explained by two factors: (i) seasonality, statistically the first quarter is the weakest of the year; and (ii) the months of January and February were marked by heavy rainfall in the Southeast of Brazil, causing operational problems in the Gongo Soco mine, and also iron ore transport problems.

Sales of ore fines were responsible for 77.4% of shipments, lumps for 8.6% and pellets for 14.0%. It should be pointed out that, with the increased demand for steel products, there is a need for higher productivity by blast furnaces, which increases demand for ore with a high iron content and pellets. In this way, the percentage sales of this last product, as a proportion of CVRD's total sales of iron ore and pellets, has been increasing in the last few quarters, rising from 9.8% in 1Q02, to 12.3% in 4Q02 and 14.0% in 1Q03.

The Company regularly buys small quantities of iron ore from other mining companies to mix with its products, with a view to meeting particular client specifications. The strong increase in third parties purchases that has taken place recently is due to an unexpected high growth in demand.

For pellets the situation is different. CVRD normally sells about 20 million tons of pellet feed per year to the pellet joint ventures (Nibrasco, Itabrasco, Hispanobras and Kobrasco) and purchases around 10 million tons of pellets from the joint ventures for direct sale to its clients. These purchases replaced the tolling method previously used up to 1999, by which the Company sent pellet feed to the pellet plants, which provided a raw material transformation service, returning the finished pellet product ready for shipment to clients.

The purchases of iron ore from third parties, to meet clients demand, contributes to reduce margins, once it is a more expensive alternative than our

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

production. On the other hand, these purchases imply in a higher return on invested capital (ROIC) due to expansion of cash generation without increasing the asset base. Also, third party acquisitions of iron ore offers a good protection against demand volatility, once it can be easily increased during stronger demand periods as well as reduced in periods of demand slow down.

Pellets acquisition from joint ventures do not generate negative impact on margins. CVRD gains from the sale of iron ore to these joint ventures as well as from the profitability of the pellet business, usually appropriated by CVRD as its shareholder.

Approximately 72% of iron ore and pellet shipments in 1Q03 were directly destined for export markets.

China, with 5.4 million tons, was CVRD's principal export market for iron ore and pellets, with 20.6% of the volume sold to external markets. Sales to the Chinese market were up 38.5% on the previous quarter and 22.7% in relation to 1Q02. Thus, the Parent Company maintained a 16% market share of China's total imports. This was followed by Japan, with 3.9 million tons, Germany with 3.5 million tons, South Korea with 1.6 million tons and France with 1.4 million tons. Asia absorbed 44.7% of external sales, Europe 39.7% and the Americas 9.9%.

6

BR GAAP

1Q 03

Of the tranche sold domestically, 50% went to the pellet joint ventures, whose production is almost entirely dedicated to international markets.

Sales of potash amounted to 158,000 tons, with the Taquari - Vassouras mine operating at above nominal capacity of 600,000 tons per year. This volume was 39.8% higher than in 1Q02, but lower than the 203,000 tons sold in 4Q02, when previous accumulated stocks were drawn down. Thus, estimated sales for 2003 are of 620,000 tons, limited by current production. The project to enlarge capacity to 850,000 tons a year is likely to see completion by mid 2005.

Sales of gold amounted to 25,800 ounces in 1Q03 compared to 40,600 ounces in 4Q02 and 115,500 ounces in 1Q02. The drop in sales reflects the closure of the Igarape Bahia gold mine, in June 2002 and the drop in production from our last mining operation, Fazenda Brasileiro, which is nearing exhaustion and likely to see closure in December 2004. Estimated gold production for 2003 is only 112,000 ounces. After the exhaustion of the Fazenda Brasileiro mine, CVRD's gold production will be in the form of a copper by-product, whose production is scheduled to start in the middle of 2004, with the commissioning of the Sossego mine. In addition to this, CVRD continues to invest in mineral prospecting in search of other gold deposits.

General cargo (other than iron ore and pellets) transported by the Company's railways, measured in net ton kilometers (ntk), totalled 3.4 billion (Vitoria a Minas 2.7 billion, Carajas 662 million). Performance was slightly worse than the previous quarter, which recorded 3.8 billion ntk, and the same as in 1Q02. General cargo handling at CVRD's ports and terminals, which amounted to 5.392 million tons, was 20.6% higher than in 1Q02 and practically the same as in the previous quarter.

The Vitoria a Minas railway, the Parent Company's main railway for the transport of general cargo, continued to report gains in productivity, expressed by the continuous rise in million ntk, per locomotive in service per day: 0.74 in 1Q02, 0.82 in 2Q02, 0.83 in 3Q02, 0.83 in 4Q02 and 0.90 in 1Q03. Fuel



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

consumption remained constant compared to previous quarters, at about 300 ntk per liter.

The Carajas Railway beat a new world record in MKBF terms (mean kilometers between failure), reaching 10,000,616 kilometers of travel between failure, beating the previous record of 9.3 million MKBF registered in Australia. MKBF is the international reliability measure for railways, indicating the average amount of kilometers travelled between failure, considered to be the undesired stoppage of a given train. The record achieved is another indicator of the world-class quality of CVRD's railway network.

7

BR GAAP

1Q 03

### SALES VOLUME

	1Q 02	4Q 02	thousand tons 1Q 03
	-----	-----	-----
Iron Ore and Pellets	33,663	39,424	36,391
Iron Ore	30,379	34,557	31,307
Fines	27,016	30,977	28,157
Lumps	3,363	3,580	3,150
Pellets	3,284	4,867	5,084
Gold (troy ounce)	115,455	40,639	25,753
Potash	113	203	158
Ports Services	5,517	7,634	5,624

### GENERAL CARGO TRANSPORTATION

	1Q 02	4Q 02	million ntk 1Q 03
	-----	-----	-----
Vitoria a Minas Railway	2,737	2,968	2,727
Carajas Railway	664	819	662
Total	3,401	3,787	3,389

### SALES OF IRON ORE AND PELLETS

DESTINATION	1Q 02	4Q 02	million tons 1Q 03
	-----	-----	-----
<b>ASIA</b>			
China	4.4	3.9	5.4
South Korea	2.1	1.9	1.6
Philippines	0.6	0.8	0.4
Japan	3.7	4.3	3.9
Taiwan	0.4	0.8	0.4
Total	11.2	11.7	11.7
<b>EUROPE</b>			
Germany	3.4	4.3	3.5
Spain	0.8	0.7	0.8
France	1.3	1.6	1.4
Italy	1.0	1.2	1.2
United Kingdom	0.7	0.4	0.5
Others	2.9	3.7	3.0
Total	10.1	11.9	10.4
<b>AMERICAS</b>			

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

Argentina	0.4	0.7	0.8
United States	0.9	0.7	1.0
Others	0.3	0.9	0.8
Total	1.6	2.3	2.6
AFRICA/MIDDLE EAST/AUSTRALASIA			
Bahrain	0.8	0.5	0.5
Others	0.8	1.6	1.0
Total	1.6	2.1	1.5
TOTAL	24.5	28.0	26.2
DOMESTIC MARKET	1Q 02	4Q 02	1Q 03
	-----	-----	-----
Steel Mills	5.1	6.2	5.1
Pellet JV's	4.0	5.2	5.0
Total	9.1	11.4	10.1
TOTAL	33.6	39.4	36.3

8

BR GAAP

1Q 03

Gross operating revenue amounted to R\$ 2.518 billion, 84% of which was either denominated in, or indexed to the US\$. Revenues obtained from the sales of iron ore amounted to R\$ 1.554 billion, 61.7% of total revenue, having increased by 56.9% in relation to 1Q02, but down 11.9% compared to the previous quarter. Pellet sales produced gross revenues of R\$ 504 million in 1Q03, 20% of the Parent Company's total revenues compared to R\$ 515 million in 4Q02 and R\$ 222 million in 1Q02. In addition to this, revenues from operational services provided to the five joint venture pellet plants amounted to R\$ 21 million in 1Q03, compared to R\$ 32 million in 4Q02 and R\$ 23 million in 1Q02.

In the case of iron ore, the fall in revenues this quarter, compared to that recorded in 4Q02, of R\$ 210 million, was due to a drop in the volume sold and to the average depreciation of the US dollar against the Brazilian Real of 5.1%, while the fall in revenues from the sale of pellets, of R\$ 11 million, was caused basically by exchange rate volatility.

Revenue from logistics services remained practically constant: R\$ 327 million in 1Q03, 13% of the total revenue of the Parent Company, when compared to R\$ 329 million in 4Q02, but significantly higher in relation to 1Q02, which recorded revenues of R\$ 230 million.

The drop in the volume of gold sales provoked a sharp fall in revenues from this source, from R\$ 80 million in 1Q02 to R\$ 48 million in 4Q02 and R\$ 32 million in 1Q03.

GROSS REVENUE BY PRODUCT

	1Q 02	%	4Q 02	%	1Q 03
	-----	-----	-----	-----	-----
Iron Ore	989	61.8	1,764	63.3	1,500
Domestic Market	238		463		400
Export Market	751		1,301		1,100
Pellets	222	13.9	515	18.5	500
Domestic Market	47		77		50

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

Export Market	175		438		4
Railroad Transportation	188	11.7	250	9.0	2
Port Services	42	2.6	79	2.8	
Potash	38	2.4	90	3.2	
Gold	80	5.0	48	1.7	
Pelletizing Plant Operations	23	1.4	32	1.1	
Others	17	1.1	8	0.3	
Total	1,601	100.0	2,786	100.0	2,5

[GRAPHIC APPEARS HERE] Profit of R\$ 1.2 billion

Net earnings in 1Q03 amounted to R\$ 1.164 billion, 83.9% higher than in the same period last year and 24.5% lower than in 4Q02.

When compared to 4Q02 net earnings, 1Q03 results were down 24.5%. This volatility mainly reflects the impact of exchange rate variation between the Real and the US dollar on CVRD's net foreign currency-denominated liabilities, which in the short term tends to exercise a significant influence on earnings behaviour. In 4Q02, monetary variation contributed R\$ 626 million to net earnings of R\$ 1.541 billion, while in 1Q03 it contributed much less: R\$ 279.9 million.

The results of investment in subsidiaries and affiliates was down by R\$ 77 million in comparison to 4Q02, and R\$ 183 million higher than in 1Q02,

9

BR GAAP

1Q 03

contributing R\$ 335 million to earnings in the quarter. The business area of iron ore and pellets contributed R\$ 34 million, manganese and ferro-alloys with R\$ 16 million, steel with R\$ 65 million and aluminum with R\$ 221 million.

MRN shipped 2.2 million tons of bauxite and obtained net earnings of R\$ 59.5 million. Alunorte, already operating for part of the quarter with its new extra production capacity, sold 490,000 tons of alumina at an average price of US\$ 172 per ton, compared to US\$ 162 in 4Q02. EBITDA generated amounted to R\$ 83.5 million and net earnings in the first three months of the year amounted to R\$ 101.9 million. Albras shipped 103,000 tons of primary aluminum, generating EBITDA of R\$ 198.2 million and earnings of R\$ 223.2 million in 1Q03. Valesul reported net earnings of R\$ 27.2 million.

Ferteco sold 4.9 million tons of iron ore and 856,000 tons of pellets, obtaining a net profit of R\$ 88.9 million, and generating EBITDA of R\$ 123.3 million. Samarco recorded net earnings of R\$ 139.5 million, having sold 4 million tons of pellets and pellet feed.

### RESULTS OF EQUITY INVESTMENTS - BY BUSINESS AREA

Business Area	million R\$		
	1Q 02	4Q 02	1Q 03
	-----	-----	-----
Ferrous			
Iron Ore and Pellets	151	(143)	34
Manganese and Ferro-alloys	20	91	16
Non-ferrous	5	24	24
Logistics	(76)	(98)	(40)
Steel	(8)	120	65

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

Aluminum	65	458	221
Others	(5)	(40)	15
Total	152	412	335

The cost of goods sold (COGS), of R\$ 1.248 billion, was down R\$ 33 million in relation to 4Q02. The main factor responsible for this drop was the extraordinary increase in the provision for maintenance, included in the item "material", made in 4Q02. On the other hand, the Company suffered a 25% increase in fuel costs caused by the rise in oil prices and an increase of 81% demurrage costs (the fine paid for the ships' waiting time in port), which amounted to R\$ 31 million in the quarter. Despite signifying an additional cost, the increase in demurrage expenses is a clear reflection of the current excess demand for iron ore and pellets, which means that ships have to form a queue for loading in the ports of CVRD (Tubarao and Ponta da Madeira).

### COGS BREAKDOWN

	1Q 02	%	4Q 02	%	1Q
	-----	-----	-----	-----	-----
Personnel	122	14.2	123	9.6	1
Material	114	13.3	272	21.2	2
Fuel Oil and Gases	80	9.3	112	8.7	1
Energy	27	3.1	31	2.4	1
Contracted Services	135	15.7	131	10.2	1
Purchase of Products	143	16.7	388	30.4	3
Depreciation & Exhaustion	165	19.2	152	11.9	1
Others	73	8.5	72	5.6	1
Total	859	100	1,281	100	1,2

Operational expenses were down R\$ 77 million in 1Q03 relative to the previous quarter. The principal reason for this drop was the provision for the closure of the Fazenda Brasileiro gold mine in the last quarter of 2002, which negatively impacted the item "other operational expenses".

10

the Fazenda Brasileiro gold mine in the last quarter of 2002, which negatively impacted the item "other operational expenses".

[GRAPHIC APPEARS HERE] EBITDA OF R\$ 1.1 BILLION

EBITDA in 1Q03 amounted to R\$ 1.148 billion, an increase of 58.3% in relation to 1Q02 and down 15.5% in relation to the previous quarter.

The principal reasons for the lower EBITDA, when compared with 4Q02, were the drop of R\$ 255 million in net revenues and the increase of R\$ 115 million in the item "other operating expenses".

The lower quantities sold of iron ore, gold and potash, as well as the appreciation in the Brazilian Real, explained this drop in net revenues. The rise in "other operational expenses" was due to an increase of R\$ 28 million in provisions for the loss of ICMS credits, and R\$ 21 million in contingency provisions, added to the fact that a provision of R\$ 64 million was reversed in 4Q02.

In addition, EBITDA registered in 4Q02, of R\$ 1.359 billion, was impacted by an

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

adjustment of R\$ 147 million, which referred to a provision for the ceasing of activities at the Fazenda Brasileiro mine, bearing in mind that this was treated as an extraordinary, non-recurring event. EBITDA calculated in 1Q03 does not contain adjustments for non-recurring factors.

On the other hand, there was an increase of R\$ 69 million in dividends received from subsidiaries and affiliates, principally due to the payment of R\$ 46 million from Samarco.

### EBITDA CALCULATION

	1Q 02	4Q 02	R\$ million 1Q 03
	-----	-----	-----
Net Operating Revenues	1,544	2,672	2,417
COGS	(859)	(1,281)	(1,248)
Sales Expenses	(28)	(78)	(52)
Administrative Expenses	(79)	(98)	(89)
Research & Development	(21)	(48)	(38)
Other Operational Expenses	(39)	(138)	(106)
Adjustments for Non-Recurring Items		147	
EBIT	518	1,176	885
Depreciation/Goodwill	169	150	161
Dividends Received	38	33	102
EBITDA	725	1,359	1,148

11

BR GAAP

1Q 03

### FINANCIAL STATEMENTS

	1Q 02	4Q 02	million R\$ 1Q 03
	-----	-----	-----
Gross Operating Revenues	1,601	2,786	2,518
Taxes	(57)	(114)	(101)
Net Operating Revenues	1,544	2,672	2,417
Cost of Goods Sold	(859)	(1,281)	(1,248)
Gross Profit	685	1,391	1,169
Gross Margin (%)	44.4	52.1	48.4
Result from Shareholdings	152	412	335
Equity Income	285	471	418
Goodwill Amortization	(66)	(193)	(93)
Provsion for Losses	(67)	134	10
Operational Expenses	(167)	(362)	(285)
Sales	(28)	(78)	(52)
Administrative	(79)	(98)	(89)

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

Research and Development	(21)	(48)	(38)
Other Net Operational Expenses	(39)	(138)	(106)
Financial Result	(68)	598	145
Financial Expenses	(155)	(207)	(185)
Financial Revenues	67	179	50
Monetary Variation	20	626	280
Operating Profit	602	2,039	1,364
Income Tax and Social Contribution	31	(498)	(200)
Net Earnings	633	1,541	1,164
Earnings per share (R\$)	1.65	4.01	3.03

BALANCE SHEET

	1Q 02	4Q 02	million R\$ 1Q 03
	-----	-----	-----
Assets			
Current	4,986	4,346	4,787
Long Term	2,562	3,167	3,045
Fixed	16,283	19,321	20,080
Total	23,831	26,834	27,912
Liabilities			
Current	4,649	4,218	4,629
Long Term	7,099	9,865	9,991
Shareholders Equity	12,083	12,751	13,292
Paid-up Capital	4,000	5,000	5,000
Reserves	8,083	7,751	8,292
Total	23,831	26,834	27,912

[GRAPHIC APPEARS HERE] INVESTMENTS

Investments carried out in the first quarter of 2003 totalled US\$ 197.9 million, US\$ 17.6 million of which referred to acquisitions. The amount spent on projects was US\$ 109.5 million, 55.3% of the total investment.

12

BR GAAP

1Q 03

Expenditure on the ferrous minerals area projects amounted to US\$ 23.8 million, non-ferrous mineral US\$ 48.1 million, logistics US\$ 21.2 million, and power generation, US\$ 16.4 million.

The main projects under way are:

Area	Project	Investment realized in 1Q03	Status
-----	-----	-----	-----
Ferrous Minerals	Enlarging iron ore production capacity in the Northern System	US\$ 6.1 million	Completion scheduled for 2005. is proceeding according to schedule. complete, production capacity

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

			million tons a year. Project cost estimated at US\$ 144.4 million.
Ferrous Minerals	Pier III of Ponta da Madeira Maritime Terminal (TMPM)	US\$ 2.1 million	Completion expected for January 2003. Project investment, estimated at US\$ 2.1 million, has already been completed. Project proceeding according to schedule. Project loading capacity of 18 million tons a year. Capacity of TMPM to 74 million tons a year.
Ferrous Minerals	Brucutu mine	US\$ 3.5 million	Completion scheduled for 2008, production capacity of 12 million tons a year. The investment has already been completed. Project proceeding according to schedule. Project investment estimated at US\$ 219.9 million. Project investment of 2003 million is programmed for 2003.
Ferrous Minerals	Fabrica Nova mine	US\$ 637,000	Completion estimated for 2005. Project investment has already been made, refer to the schedule of earthworks. The Fabrica Nova mine has a production capacity of 10 million tons a year. Project investment of 2003 million by 2009. Total capital expenditure at US\$ 84.4 million, with project investment of 39.6 million for 2003. Works according to schedule.
Non-ferrous Minerals	Sossego mine	US\$ 40.5 million	Completion estimated for first phase in 2003. Total investment in the project estimated at US\$ 58.4 million. 58.4% of the undertaking having been completed. Capital expenditure is US\$ 383 million. Project investment of 2003 million is programmed for 2003. Project investment of June 2003. The project is slightly behind schedule.
Non-ferrous Minerals	Expansion of Taquari -Vassouras Potash	US\$ 4.0 million	Completion estimated for first phase in 2003. Project investment total of US\$ 67 million. Project investment of 2003 million has been carried out according to schedule. The mine capacity will increase from 750,000 tons to 850,000 tons a year.
Logistics	Purchase of locomotives and wagons	US\$ 18.9 million	Purchase of 2,782 wagons and 1 locomotive in 2003. 7.5% of total investment of 2003 has been realised. Part of equipment purchased used for general cargo, and part for iron ore.
Logistics	Praia Mole Terminal (Phases I & II)	US\$ 707,000	Completion of first phase estimated for 2003. Second phase completion in 2004. Project investment of US\$ 22.6 million has been carried out.
Power Generation	Aimores Hydroelectric Power Plant	US\$ 6.4 million	Completion estimated for December 2003. Project investment estimated investment of US\$94.4 million. Project investment of 2003 million has been completed. The project is slightly behind schedule.
Power Generation	Candongá Hydroelectric Power Plant	US\$ 6.7 million	Completion estimated for November 2003. Project investment of US\$ 40.9 million. Project investment of 2003 million is programmed for 2003. Implementation of the project according to schedule.

Expenditure on information technology amounted to US\$ 12.4 million, of which US\$ 7 million was spent on the initial installation of an Enterprise Resource Planning (ERP) system. The ERP system is likely to enter into service by the end of 2003.

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

of 2004, allowing greater integration between the areas of the Company and the rapid retrieval of information, helping to further improve the quality of management.

13

BR GAAP

1Q 03

The Company is implementing Hyperion, a consolidated accounting system which will further increase the transparency of financial information to the market, widening the scope of information and making it available more quickly. With the help of Hyperion it will be possible to publish consolidated quarterly financial statements, in accordance with Brazilian GAAP accounting procedures, from 3Q03.

US\$ 21.8 million was invested in the maintenance, modernization of equipment and environmental protection.

A total of US\$ 27.6 million in capital was injected into subsidiaries and affiliates (Celmar and FCA) for financial restructuring.

### Mineral Exploration and Technological Development

Investment in mineral exploration and technological development amounted to US\$ 9.0 million, of which US\$ 2.9 million referred to prospecting for copper and gold deposits.

The Carajas region remained as the focus for mineral exploration activities in 1Q03, with development work aimed at identifying deposits of copper, gold, nickel and platinum group metals, and preparations made for the carrying out of pre-feasibility studies for various areas containing copper and nickel. Targeting campaigns will begin in May.

In the rest of Brazil, prospecting programs continued for copper, gold, nickel, platinum group metals, bauxite and kaolin in the states of Para, Rondonia, Maranhao, Piaui, Mato Grosso, Goias and Minas Gerais.

In Peru, in the form of a joint venture with Antofagasta Minerals, areas with potential have been identified, which will be subject to drilling investigation in the next few months. Compania Minera Latino Americana, a wholly owned subsidiary of CVRD, has been carrying out mineral prospecting in Chile.

CVRD has started to use QemSCAN technology, a state-of-the-art system for mineral and metallurgical analysis which allows rapid identification of minerals and improves the efficiency of mining operations. The system involves the use of a Multi-element Scanning Electron Microscope, which will be used to identify ores and optimize processes in the base metal and precious metal areas.

The mineral exploration budget for 2003 amounts to US\$ 71.7 million, of which US\$ 5.2 million will be invested in technological development.

### INVESTMENTS - 1Q 03

By business area	US\$ million	%	By category	US\$ mil
Ferrous Minerals	58.2	29.4%	Capital Injections	



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

Logistics	48.7	24.6%	Maintenance and Environmental Protection	
Non-ferrous Minerals	56.2	28.4%	Projects	1
Power Generation	16.4	8.3%	Mineral Exploration and Technological Research	
Others	18.4	9.3%	Information Technology	
			Acquisitions	
-----	-----	-----	-----	-----
Total	197.9	100%	Total	1
-----	-----	-----	-----	-----

14

BR GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - REVISED

HISPANOBRAS	1Q 02	4Q 02	million R\$ 1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	907	1,139	905
Export Markets	487	313	268
Domestic Market	420	826	637
Average Price (US\$/ton)	31.38	25.80	29.75
Net Revenues	67	126	94
Cost of Goods Sold	(58)	(106)	(81)
Net Financial Result	1	(3)	(3)
Net Earnings	5	8	4
Gross Margin (%)	13.4	15.9	13.8
EBITDA	11	21	15
EBITDA Margin (%)	16.4	16.7	16.0

NIBRASCO	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	1,000	2,116	1,800
Export Markets	407	783	469
Domestic Market	593	1,333	1,331
Average Price (US\$/ton)	30.39	28.52	27.75
Net Revenues	71	220	175
Cost of Goods Sold	(70)	(190)	(167)
Net Financial Result	(2)	1	1
Net Earnings	(4)	14	3
Gross Margin (%)	1.4	13.6	4.6
EBITDA	5	32	13
EBITDA Margin (%)	7.0	14.5	7.4

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

Total Debt (US\$ million)			
- Short Term	2	2	2
- Long Term	4	1	1
Total	6	3	4

ITABRASCO	1Q 02	4Q 02	1Q 03
Volume Sold ('000 tons)	877	913	813
Export Markets	644	431	306
Domestic Market	233	482	507
Average Price (US\$/ton)	31.35	30.18	29.54
Net Revenues	66	94	86
Cost of Goods Sold	(56)	(89)	(73)
Net Financial Result	(1)	(5)	(3)
Net Earnings	2	6	3
Gross Margin (%)	15.2	5.3	15.1
EBITDA	8	9	11
EBITDA Margin (%)	12.1	9.6	12.8
Total Debt (US\$ million)			
- Short Term	18	-	5

15

BR GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - REVISED

KOBRASCO	1Q 02	4Q 02	million R\$ 1Q 03
Volume Sold ('000 tons)	856	1,316	1,134
Export Markets	436	1,074	453
Domestic Market	420	242	681
Average Price (US\$/ton)	31.69	29.97	30.39
Net Revenues	64	143	117
Cost of Goods Sold	(50)	(112)	(94)
Net Financial Result	(4)	45	18
Net Earnings	3	18	18
Gross Margin (%)	21.9	21.7	19.7
EBITDA	15	38	24
EBITDA Margin (%)	23.4	26.6	20.5
Total Debt (US\$ million)			
- Long Term	150	114	124
Total	150	114	124

SAMARCO 1Q 02 4Q 02 1Q 03

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

Volume Sold ('000 tons)	3.301	3.834	3.988
Average Price (US\$/ton)	28.48	29.22	27.59
Net Revenues	213	398	361
Cost of Goods Sold	(109)	(144)	(163)
Net Financial Result	(15)	27	-
Net Earnings	58	235	139
Gross Margin (%)	48.8	63.8	54.8
EBITDA	93	273	188
EBITDA Margin (%)	43.7	68.6	52.1
Total Debt (US\$ million)			
- Short Term	169	141	123
- Long Term	93	67	56
Total	262	208	179

16

BR GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - REVISED

FERTECO	1Q 02	4Q 02	million R\$ 1Q 03
Volume Sold ('000 tons)	2,532	3,288	4,879
Export Market - Iron Ore	2,020	2,142	3,503
Domestic Market - Iron Ore	512	1,146	1,376
Average Price (US\$/ton)	14.59	12.68	13.87
Volume Sold ('000 tons)	725	1,342	856
Export Market - Pellets	448	645	358
Domestic Market - Pellets	277	697	498
Average Price (US\$/ton)	26.63	24.06	29.62
Net Revenues	127	293	311
Cost of Goods Sold	(70)	(141)	(181)
Net Financial Result	(5)	7	(8)
Net Earnings	29	50	89
Gross Margin (%)	44.9	51.9	41.8
EBITDA	52	128	123
EBITDA Margin (%)	40.9	43.7	39.5
Total Debt (US\$ million)			
- Short Term	55	23	10
- Long Term	94	82	82
Total	150	105	92

GIIC*	1Q 02	4Q 02	US\$ thousand 1Q 03

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

Volume Sold ('000 tons)	823	932	772
Export Market	823	932	772
Average Price (US\$/ton)	41.76	40.40	41.00
Net Revenues	80	133	101
Cost of Goods Sold	(69)	(109)	(78)
Net Financial Result	-	(2)	(1)
Net Earnings	9	13	13
Gross Margin (%)	13.8	18.0	22.8
EBITDA	12	18	16
EBITDA Margin (%)	15.0	13.5	15.8

\* Financial indicators calculated according to the standards of the International Accounting Standards Committee

17

BR GAAP

1Q 03

MANGANESE AND FERRO-ALLOYS - FINANCIAL INDICATORS - REVISED

SIBRA (Consolidated)	1Q 02	4Q 02	million R\$ 1Q 03
-----	-----	-----	-----
Volume Sold - Ferro Alloys ('000 tons)	60	85	67
Export Market	23	35	30
Domestic Market	37	50	37
Average Price (US\$/ton)	521.43	425.73	530.70
Volume Sold - Manganese ('000 tons)	258	282	279
Export Market	243	192	185
Domestic Market	15	90	94
Average Price (US\$/ton)	53.40	45.86	40.34
Net Revenues	96	153	142
Cost of Goods Sold	(51)	(86)	(84)
Net Financial Result	(1)	(34)	(11)
Net Earnings	34	(20)	18
Gross Margin (%)	46.9	43.8	40.8
EBITDA	42	24	40
EBITDA Margin (%)	43.8	15.7	28.2
Total Debt (US\$ million)			
- Short Term	30	36	37
- Long Term	21	22	20
Total	51	58	57

18

BR GAAP

1Q 03

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

### ALUMINUM - FINANCIAL INDICATORS - ADJUSTED AND REVISED

MRN	1Q 02	4Q 02	million R\$ 1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	1,781	2,982	2,196
Export Markets	485	601	711
Domestic Market	1,296	2,381	1,485
Average Price (US\$/ton)	19.76	20.54	19.23
Net Revenues	76	204	140
Cost of Goods Sold	(40)	(78)	(69)
Net Financial Result	(2)	102	-
Net Earnings	24	218	59
Gross Margin (%)	47.4	61.8	50.7
EBITDA	46	138	82
EBITDA Margin (%)	60.5	67.6	58.6
Total Debt (US\$ million)			
- Short Term	14	29	44
- Long Term	96	76	69
Total	110	105	113

ALUNOTE	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	427	407	490
Export Market	222	208	289
Domestic Market	205	199	201
Average Price (US\$/ton)	161.55	161.79	172.03
Net Revenues	165	250	292
Cost of Goods Sold	(136)	(174)	(218)
Net Financial Result	(11)	114	44
Net Earnings	10	256	102
Gross Margin (%)	17.6	30.4	25.3
EBITDA	34	82	83
EBITDA Margin (%)	20.6	32.8	28.4
Total Debt (US\$ million)			
- Long Term	455	481	482
Total	455	481	482

ALBRAS	1Q 02	4Q 02	1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	88	104	103
Export Market	84	100	99
Domestic Market	4	4	4
Average Price (US\$/ton)	1,319.81	1,306.47	1,337.98
Net Revenues	274	490	480
Cost of Goods Sold	(171)	(288)	(285)
Net Financial Result	(11)	176	64
Net Earnings	76	460	223

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

Gross Margin (%)	37.6	41.2	40.6
EBITDA	106	219	198
EBITDA Margin (%)	38.7	44.7	41.3
Total Debt (US\$ million)			
- Short Term	73	20	-
- Long Term	524	466	451
Total	597	486	451

19

BR GAAP

1Q 03

ALUMINUM - FINANCIAL INDICATORS - ADJUSTED AND REVISED

VALESUL	1Q 02	4Q 02	million R\$ 1Q 03
-----	-----	-----	-----
Volume Sold ('000 tons)	21	27	19
Export Market	9	13	9
Domestic Market	12	14	10
Average Price (US\$/ton)	1,720.97	1,618.98	1,730.60
Net Revenues	78	146	108
Cost of Goods Sold	(64)	(87)	(69)
Net Financial Result	(1)	(2)	-
Net Earnings	6	38	27
Gross Margin (%)	17.9	40.4	36.1
EBITDA	14	49	35
EBITDA Margin (%)	17.9	33.6	32.4
Total Debt (US\$ million)			
- Short Term	1	1	1
- Long Term	2	1	1
Total	3	2	2

20

BR GAAP

1Q 03

EQUITY INCOME

Company/Shareholding	%	1Q 02	4Q 02	million R\$ 1Q 03
-----	-----	-----	-----	-----
Iron Ore and Pellets				
Caemi	16.86	5,948	(51,804)	9,483
KOBRASCO	50.00	1,524	-	-
HISPANOBRAS	50.89	2,552	4,289	2,285
ITABRASCO	50.90	1,253	3,455	1,737
NIBRASCO	51.00	(2,174)	6,966	1,615
CVRD Overseas Ltd.	100.00	23,234	(8,995)	29,454
Ferteco	100.00	29,051	28,431	85,047
GIIC	50.00	4,526	6,646	6,256

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

ITACO/Rio Doce Europa - S.'a.r.l.	100.00	66,136	(168,089)	(139,804)
Minas da Serra Geral S.A.	51.00	1,338	(988)	3,796
Samarco	50.00	29,048	117,546	69,727
Urucum	100.00	-	(3,512)	-
Others		4,256	(36,491)	5,637
Total Iron Ore and Pellets		166,692	(102,546)	75,233
Manganese and Ferro- alloys				
RDME	100.00	(2,277)	12,326	8,007
SIBRA	99.28	33,296	(19,095)	17,870
Urucum Mineracao S.A.	100.00	8,685	5,439	6,893
Others		676	113,033	3,891
Total Manganese and Ferro-alloys		40,380	111,703	36,661
Non-Ferrous				
Para Pigmentos S.A.	75.50	5,001	-	-
Others		(184)	(1,119)	(4)
Total Non-Ferrous		4,817	(1,119)	(4)
Logistics				
DOCENAVE	100.00	17,495	(3,295)	(1,721)
Sepetiba Tecon S.A.	50.00	-	-	(2,434)
TVV	99.89	(212)	(329)	2,016
Others		(3,894)	-	-
Total Logistics		13,389	(3,624)	(2,139)
Steel				
CSI	50.00	617	(55,891)	(28,649)
CST	22.85	(2,638)	89,099	64,641
USIMINAS	11.46	1,447	94,549	37,000
Total Steel		(574)	127,757	72,992
Aluminum				
ALBRAS	51.00	38,731	128,403	113,820
ALUNORTE	57.03	4,526	124,523	58,138
ITACO	100.00	186	(10,173)	(6,018)
Mineracao Rio do Norte S.A.	40.00	9,776	86,878	23,799
ALUVALE (own operations)	100.00	8,477	1,589	16,439
Valesul	54.51	3,415	20,510	14,806
Total Aluminum		65,111	351,730	220,984
Others				
FOSFERTIL	11.12	3,759	11,105	10,971
Florestas Rio Doce S.A.	99.85	2,864	(3,516)	4,236
Valepontocom	100.00	(15,563)	-	-
Others		3,968	(19,742)	(314)
Total Others		(4,972)	(12,153)	14,893
General Total		284,843	471,748	418,620

21

BR GAAP

1Q 03

PROVISION FOR LOSSES

Company/Shareholding	%	1Q 02	4Q 02	million R\$ 1Q 03
Iron Ore and Pellets				
KOBRASCO	50.00	-	8,821	9,095
Total Iron Ore and Pellets	50.00	-	8,821	9,095

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

Manganese and Ferro-alloys				
Others		(59)	(201)	(81)
Total Manganese and Ferro-alloys		(59)	(201)	(81)
Non-Ferrous				
Para Pigmentos S.A.	75.50	-	25,467	23,980
Total Non-Ferrous		-	25,467	23,980
Logistics				
Companhia Ferroviaria do Nordeste	32.40	(1,729)	(3,193)	(1,929)
DOCEPAR S.A.	100.00	(50,735)	-	-
Mineracao Tacuma Ltda ( FCA)	45.65	(6,041)	(5,648)	(19,399)
MRS Logistica S.A.	17.26	-	33,104	6,072
Sepetiba Tecon S.A.	50.00	-	5,032	-
Logistics Total		(58,505)	29,295	(15,256)
Steel				
DOCEPAR S.A.	100.00	(8,186)	(7,561)	(8,106)
Steel Total		(8,186)	(7,561)	(8,106)
Aluminum				
ALBRAS	51.00	-	106,614	-
Aluminum Total		-	106,614	-
Others				
CELMAR S.A	100.00	-	(20,161)	-
Valepontocom	100.00	-	(8,354)	-
Total Others		-	(28,515)	-
General Total		(66,750)	133,920	9,632

GOODWILL AMORTIZATION

Company/Shareholding	%	1Q 02	4Q 02	million R\$ 1Q 03
Iron Ore and Pellets				
Caemi	16.86	(12,930)	(13,019)	(12,930)
Ferteco Mineracao S.A.	100.00	-	(34,656)	(34,656)
Others		(2,361)	(2,361)	(2,361)
Total		(15,291)	(50,036)	(49,947)
Manganese and Ferro-alloys				
SIBRA	99.28	(20,130)	(20,131)	(20,130)
Total		(20,130)	(20,131)	(20,130)
Logistics				
Mineracao Tacuma Ltda (FCA)	45.65	(30,767)	(123,285)	(23,095)
Total		(30,767)	(123,285)	(23,095)
General Total		(66,188)	(193,452)	(93,172)

22

BR GAAP

1Q 03

RESULT FROM SHAREHOLDINGS

Company/Shareholding	%	1Q 02	4Q 02	million R\$ 1Q 03
----------------------	---	-------	-------	----------------------



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

Iron Ore and Pellets				
Caemi	16.86	(6,982)	(64,823)	(3,447)
KOBRASCO	50.00	1,524	8,821	9,095
HISpanoBRAS	50.89	2,552	4,289	2,285
ITABRASCO	50.90	1,253	3,455	1,737
NIBRASCO	51.00	(2,174)	6,966	1,615
CVRD Overseas Ltd.	100.00	23,234	(8,995)	29,454
Ferteco Mineracao S.A.	100.00	29,051	(6,225)	50,391
GIIC	50.00	4,526	6,646	6,256
ITACO/Rio Doce Europa - S.'a.r.l.	100.00	66,136	(168,089)	(139,804)
Minas da Serra Geral S.A.	51.00	1,338	(988)	3,796
Samarco	50.00	29,048	117,546	69,727
Urucum Mineracao S.A.	100.00	-	(3,512)	-
Others		1,895	(38,852)	3,276
Total Iron Ore and Pellets		151,401	(143,761)	34,381
Manganese and Ferro-alloys				
RDME	100.00	(2,277)	12,326	8,007
SIBRA	99.28	13,166	(39,226)	(2,260)
Urucum Mineracao S.A.	100.00	8,685	5,439	6,893
Others		617	112,832	3,810
Total Manganese and Ferro-alloys		20,191	91,371	16,450
Non-ferrous				
Para Pigmentos S.A.	75.50	5,001	25,467	23,980
Others		(184)	(1,119)	(4)
Total Non-ferrous		4,817	24,348	23,976
Logistics				
Companhia Ferroviaria do Nordeste	32.40	(1,729)	(3,193)	(1,929)
DOCEPAR S.A.	100.00	(50,735)	-	-
Mineracao Tacuma Ltda (FCA)	45.65	(36,808)	(128,933)	(42,494)
MRS Logistica S.A.	17.26	-	33,104	6,072
DOCENAVE	100.00	17,495	(3,295)	(1,721)
Sepetiba Tecon S.A.	50.00	-	5,032	(2,434)
TVV	99.89	(212)	(329)	2,016
Others		(3,894)	-	-
Total Logistics		(75,883)	(97,614)	(40,490)
Steel				
CSI	50.00	617	(55,891)	(28,649)
CST	22.85	(2,638)	89,099	64,641
DOCEPAR S.A.	100.00	(8,186)	(7,561)	(8,106)
USIMINAS	11.46	1,447	94,549	37,000
Total Steel		(8,760)	120,196	64,886
Aluminum				
ALBRAS	51.00	38,731	235,017	113,820
ALUNORTE	57.03	4,526	124,523	58,138
ITACO	100.00	186	(10,173)	(6,018)
Mineracao Rio do Norte S.A.	40.00	9,776	86,878	23,799
Mineracao Vera Cruz S.A.	100.00	-	-	-
ALUVALE (own operations)	100.00	8,477	1,589	16,439
Valesul	54.51	3,415	20,510	14,806
Total Aluminum		65,111	458,344	220,984
Others				
CELMAR	100.00	-	(20,161)	-
FOSFERTIL	11.12	3,759	11,105	10,971
Florestas Rio Doce S.A.	99.85	2,864	(3,516)	4,236
Valepontocom	100.00	(15,563)	(8,354)	-
Others		3,968	(19,742)	(314)
Total Others		(4,972)	(40,668)	14,893
General Total		151,905	412,216	335,080

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

BR GAAP

1Q 03

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

24

[LOGO APPEARS HERE]

[LOGO APPEARS HERE]

Companhia Vale do Rio Doce  
Departamento de Controladoria

1st Quarterly Financial Statements

BR GAAP

Filed with The Comissao de Valores  
Mobiliarios - CVM (Brazilian Securities  
Commission) and Security Exchange  
Commission - SEC on 05/14/2003

Gerencia Geral de Controladoria - GECOL

## CONTENTS

PART I	3
1- MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE OPERATING RESULTS FOR THE FIRST QUARTER OF 2003 COMPARED WITH THE FIRST QUARTER OF 2002	3
1.1- General Aspects	3
1.2- Comments on the Parent Company Results	4
1.2.1- Gross Revenues	4
1.2.2- Cost of Products and Services	5
1.2.3- Result of Shareholdings by Business Area	6
1.2.4- Operating Expenses	8
1.2.5- Net Financial Result	8
1.2.6- Cash Flow	8
1.2.7- Income Tax and Social Contribution	8

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

PART II	9
QUARTERLY INFORMATION AND NOTES TO THE QUARTERLY INFORMATION	9
2- BALANCE SHEET	9
3- STATEMENT OF INCOME	10
4- STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY	11
5- STATEMENT OF CASH FLOWS (ADDITIONAL INFORMATION)	12
6- NOTES TO THE QUARTERLY INFORMATION AT MARCH 31, 2003 AND 2002	13
6.1- Operations	13
6.2- Presentation of Quarterly information	13
6.3- Significant Accounting Policies	13
6.4- Cash and Cash Equivalents	13
6.5- Transactions with Related Parties	14
6.6- Inventories	14
6.7- Deferred Income Tax and Social Contribution	15
6.8- Investments	16
6.9- Property, Plant and Equipment	18
6.10- Loans and Financing	19
6.11- Contingent Liabilities	20
6.12- Environmental and Site Reclamation and Restoration Costs	21
6.13- Paid-up Capital	21
6.14- Treasury Stock	21
6.15- Financial Result	22
6.16- Financial Instruments - Derivatives	22
6.17- Exchange Rate Exposure	25
6.18- Administrative and Other Operating Expenses	25
6.19- Subsequent Events	26
PART III	28
7- OTHER INFORMATION THE COMPANY DEEMS RELEVANT	28
7.1- Iron Ore and Pellet Sales (Main Markets) (Unaudited)	28
7.2- Information About FERTECO (Unaudited)	29
7.3- Information About Rio Doce International Finance Ltd. - RDIF (Unaudited)	30

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

PART IV	31
8- ATTACHMENT I - EQUITY INVESTEE INFORMATION	31
8.1- Aluminum Area - ALBRAS (Adjusted and Unaudited)	31
8.2- Aluminum Area - ALUNORTE (Adjusted and Unaudited)	32
8.3- Aluminum Area - ALUVALE (Adjusted and Unaudited)	33
1	
8.4- Aluminum Area - MRN (Adjusted and Unaudited)	34
8.5- Aluminum Area - VALESUL (Adjusted and Unaudited)	35
8.6- Pelletizing Area - HISPANOBRAS (Adjusted and Unaudited)	36
8.7- Pelletizing Area - ITABRASCO (Adjusted and Unaudited)	37
8.8- Pelletizing Area - KOBRASCO (Adjusted and Unaudited)	38
8.9- Pelletizing Area - NIBRASCO (Adjusted and Unaudited)	39
8.10- Pelletizing Area - SAMARCO (Adjusted and Unaudited)	40
8.11- Pelletizing Area - GIIC (Adjusted and Unaudited)	41
8.12- Iron Ore Area - FERTECO (Adjusted and Unaudited)	42
8.13- Manganese and Ferroalloys Area - SIBRA (Adjusted and Unaudited)	43
9- REPORT OF THE INDEPENDENT ACCOUNTANTS	44
10- BOARD OF DIRECTORS, FISCAL COUNCIL AND EXECUTIVE OFFICERS	45

### 2

#### Part I

Expressed in millions of reais

1- MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE OPERATING RESULTS FOR THE FIRST QUARTER OF 2003 COMPARED WITH THE FIRST QUARTER OF 2002	
1.1- General Aspects	
(a) The Companhia Vale do Rio Doce's segments of business are mining, logistics and energy, as follows:	
- ferrous minerals: iron ore and pellets as well as manganese and ferroalloys;	
- non-ferrous minerals: gold, potash, kaolin and copper;	

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

- logistics: railroads, ports and maritime terminals and shipping;
- energy: electric power generation; and
- shareholdings: equity holdings in producers of aluminum, steel and fertilizers.

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

Period	(DELTA)% Currencies / Indices				
	U.S. DOLLAR	YEN	GOLD	IGP-M	TJLP
1Q/03	(5.1)	(4.6)	(3.6)	6.3	2.6
12/31/02	52.3	68.2	25.0	25.3	9.9
4Q/02	(9.3)	(7.0)	7.3	13.4	2.4
1Q/02	0.1	(1.1)	7.7	0.5	2.4
12/31/01	18.7	3.7	1.2	10.4	9.5

About 63% of the Company's gross revenue for three months ended March 31, 2003 is derived from exports and part of domestic sales is denominated in U.S. dollars, as well as 40% of total costs. Consequently, fluctuations in the exchange rate between the two currencies have a significant impact on the operating cash flows.

Approximately 96% of the short-term and long-term loans of the Company at 03/31/03 are denominated in U.S. dollars. As a result, exchange rate fluctuations have a significant impact on the financial expenses (Notes 6.10 and 6.15).

(c) On the first quarter of 2003, the consolidated trade balance of US\$ 684 million was generated:

	(in US\$ millions)	
	Consolidated	
	1Q/03	1Q/02
Exports	800	712
Imports	(116)	(117)
	684	595
	684	595

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

Consolidated Trade Balance - US\$ Million

[GRAPH APPEARS HERE]

## 1.2- Comments on the Parent Company Results

The net income of the Company for the three months ended March 31, 2003 was R\$ 1,163,828 compared with net income of R\$ 633,138 in the three months ended March 31, 2002 (the earnings per share corresponds to R\$ 3.03 in the three months ended March 31, 2003 versus R\$ 1,65 in the three months ended March 31, 2002).

### 1.2.1- Gross Revenues

The 57.3% increase in gross revenue (R\$ 2,517,618 on 03/31/03 against R\$ 1,600,803 on 03/31/02) is a result of the devaluation of the real against the United States dollar, affecting 84% of the Company's revenue, and the higher volumes sold of iron ore, pellets and potash, as shown in the table below. The increase in iron ore sales was due to growth in the Chinese, North American and European markets.

Sales volume and revenues by products and services:

	In thousands of metric tons (except gold)							
	1Q/03	1Q/02	(DELTA)%	4Q/02	(DELTA)%	1Q/03	1Q/02	
<b>External market</b>								
Iron ore - fines	20,548	20,154	2.0	22,016	(6.7)	1,053,902	685,546	
Iron ore - lump ore	1,604	1,762	(9.0)	1,967	(18.5)	87,803	65,888	
Pellets	4,171	2,563	62.7	4,123	1.2	406,061	174,914	
	-----	-----		-----		-----	-----	
	26,323	24,479	7.5	28,106	(6.3)	1,547,766	926,348	
	-----	-----		-----		-----	-----	
<b>Internal market</b>								
Iron ore - fines	7,609	6,862	10.9	8,961	(15.1)	357,669	206,518	
Iron ore - lump ore	1,546	1,601	(3.4)	1,613	(4.2)	53,728	31,369	
Pellets (*)	913	721	26.6	744	22.7	118,629	70,540	
	-----	-----		-----		-----	-----	
	10,068	9,184	9.6	11,318	(11.0)	530,026	308,427	
	-----	-----		-----		-----	-----	
<b>Total</b>								
Iron ore - fines	28,157	27,016	4.2	30,977	(9.1)	1,411,571	892,064	
Iron ore - lump ore	3,150	3,363	(6.3)	3,580	(12.0)	141,531	97,257	
Pellets	5,084	3,284	54.8	4,867	4.5	524,690	245,454	
	-----	-----		-----		-----	-----	
	36,391	33,663	8.1	39,424	(7.7)	2,077,792	1,234,775	
	-----	-----		-----		-----	-----	
Railroad transportation	12,152	13,258	(8.3)	15,218	(20.1)	258,866	187,918	
Port services	5,624	5,517	1.9	7,634	(26.3)	68,298	42,454	
Gold (kg)	801	3,591	(77.7)	1,264	(36.6)	32,298	79,932	
Potash	158	113	39.8	203	(22.2)	72,530	37,784	
Other products and services	-	-	-	-	-	7,834	17,940	
						-----	-----	
						2,517,618	1,600,803	
						=====	=====	

(\*) Includes revenues derived from services with joint ventures of pelletizing in the amount of R\$ 20,678, R\$ 23,477 and R\$ 31,931 on 1Q/03, 1Q/02 and

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

4Q/02, respectively.

4

Gross Revenue on 1Q/03 - R\$ 2,517,618/US\$ 721,130

[GRAPH APPEARS HERE]

### 1.2.2- Cost of Products and Services

The 45.3% increase in the cost of products and services (R\$ 1,247,883 on 03/31/03 against R\$ 858,623 on 03/31/02) results mainly from the rise in sales of purchased pellets, the increase in expenses for maintenance of goods and equipment, higher prices for petroleum derivatives and the effect of exchange rate variation on the portion of costs denominated in U.S. dollars (40%).

Composition of costs of products and services:

[GRAPH APPEARS HERE]

Components of the cost of products and services and the variation for the period:

By Nature

	Denominated		1Q/03	%	1Q/02	%
	R\$	US\$				
Personnel	120,262	-	120,262	9.6	122,249	14.
Material	137,639	73,464	211,103	16.9	113,696	13.
Oil and gas	139,176	-	139,176	11.2	79,840	9.
Outsourced services	122,850	493	123,343	9.9	134,921	15.
Energy	24,167	-	24,167	1.9	27,388	3.
Acquisition of iron ore and pellets	22,306	364,162	386,468	31.0	143,301	16.
Depreciation and depletion	125,548	-	125,548	10.1	139,456	16.
Amortization of goodwill	24,419	-	24,419	2.0	24,419	2.
Others	29,957	63,440	93,397	7.4	73,353	8.
<b>Total</b>	<b>746,324</b>	<b>501,559</b>	<b>1,247,883</b>	<b>100.0</b>	<b>858,623</b>	<b>100.</b>
	60%	40%	100%			

5

### 1.2.3- Result of Shareholdings by Business Area

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

Business Area	1Q/03	1Q/02	4Q/02
---------------	-------	-------	-------

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

-----			
Ferrous Minerals			
.. Iron ore and pellets	34,381	151,401	(143,761)
.. Manganese and ferroalloys	16,450	20,191	91,371
Non-Ferrous Minerals	23,976	4,817	24,348
Logistics	(40,490)	(75,883)	(97,614)
Investments			
.. Steel	64,886	(8,760)	120,196
.. Aluminum	220,984	65,111	458,344
Others	14,893	(4,972)	(40,668)
	-----	-----	-----
	335,080	151,905	412,216
	=====	=====	=====

Ferrous Minerals

(a) Iron ore and pellets

- Ferteco - An increase of R\$ 55,996 in the equity result (a gain of R\$ 85,047 on 03/31/03 versus a gain of R\$ 29,051 on 03/31/02) due to higher a 92.7% jump in iron ore sales (4,879 thousand tons on 03/31/03 against 2,532 thousand tons on 03/31/02) and an 18.1% rise in pellet sales (856 thousand tons on 03/31/03 compared with 725 thousand tons on 03/31/02), partly offset by a 4.9% fall in iron ore prices (US\$ 13.87 per ton on 03/31/03 against US\$ 14.59 per ton on 03/31/02), while the average pellet price rose 11.2% (US\$ 29.62 per ton on 03/31/03 against US\$ 26.63 per ton on 03/31/02). At 03/31/03, R\$ 34,656 of amortization of goodwill was booked, net of income tax and social contribution on profits.
- Caemi - A rise of R\$ 1,878 in the equity result (a gain of R\$ 7.826 on 03/31/03 against a gain of R\$ 5.948 on 03/31/02) caused by 8.6% higher sales volume (7,970 thousand tons on 03/31/03 versus 7,336 thousand tons on 03/31/02) and the positive effects of exchange rate variation on indebtedness, offset by the 3.5% lower average sale price (US\$ 17.88 per ton on 03/31/03 against US\$ 18.53 per ton on 03/31/02).
- Itaco/RDE - The equity result fell by R\$ 199,720 (a loss of R\$ 110,350 on 03/31/03 versus a gain of R\$ 89.370 on 03/31/02), due basically to the effect of the appreciation of the real against the U.S. dollar during the quarter on stockholders' equity (negative exchange rate variation of R\$ 194,501 on 03/31/03 versus positive variation of R\$ 5,381 on 03/31/02). In operational terms, iron ore sales volume rose 4.7% (21,124 thousand tons on 03/31/03 against 20,173 thousand tons on 03/31/02), including sales of the subsidiary CVRD Overseas.
- Kobrasco - A R\$ 7,571 improvement in the shareholding result (a gain of R\$ 9,095 on 03/31/03 against a gain of R\$ 1,524 on 03/31/02), caused by the positive effects of exchange rate variation on debt. In operational terms, sales volume increased 32.5% (1,134 thousand tons on 03/31/03 versus 856 thousand tons on 03/31/02) and the average sales price decreased 4.1% (US\$ 30.39 per ton on 03/31/03 against US\$ 31.69 per ton on 03/31/02).
- Nibrasco - An improvement in the equity result of R\$ 3,789 (a gain of R\$ 1,615 on 03/31/03 against a loss of R\$ 2,174 on 03/31/02), due to an 80.0% increase in the quantity sold (1,800 thousand tons on 03/31/03 versus 1,000 thousand tons on 03/31/02), partly offset by an 8.7% fall in the average sales price (US\$ 27.75 per ton on 03/31/03 against US\$ 30,39 per ton on 03/31/02).



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

- Samarco - An improvement in the equity result of R\$ 40,679 (a gain of R\$ 69,727 on 03/31/03 against a gain of R\$ 29,048 on 03/31/02), caused by a 20.8% increase in sales volume (3,988 thousand tons on 03/31/03 versus 3,301 thousand tons on 03/31/02) and the positive effects of exchange rate variation on debt, partly offset by a 3.1% fall in the average sales price (US\$ 27.59 per ton on 03/31/03 against US\$ 28.48 per ton on 03/31/02).

### (b) Manganese and ferroalloys

- Sibra - A fall in the equity result of R\$ 15,426 (a gain of R\$ 17.870 on 03/31/03 against a gain of R\$ 33.296 on 03/31/02), caused by the negative effects of exchange rate variation on accounts receivable on 03/31/03, compensated in part by the positive effects of the same variation on exports. In operational terms, ferroalloy sales jumped 131.0% (67 thousand tons on 03/31/03 against 29 thousand tons on 03/31/02), while the quantity of manganese sold remained stable (279 thousand tons on 03/31/03 versus 278 thousand tons on 03/31/02), the average ferroalloy price increased 19.1% (US\$ 530.70 per ton on 03/31/03 against US\$ 445.67 per ton on 03/31/02) and the average price of manganese fell 26.8% (US\$ 40.34 per ton on 03/31/03 versus US\$ 55.11 per ton on 03/31/02).

6

### Non-ferrous Minerals

- Para Pigmentos - The shareholding result improved by R\$ 18,979 (a gain of R\$ 23,980 on 03/31/03 against a gain of R\$ 5,001 on 03/31/02) due to the positive effects on 03/31/03 of exchange rate variation on debt. In operational terms, sales volume rose 71.4% (108 thousand tons on 03/31/03 against 63 thousand tons on 03/31/02), offset in part by a 15.0% decrease in the average sales price (US\$ 152.00 per ton on 03/31/03 against US\$ 178,88 per ton on 03/31/02).

### Logistics

- Docenave - A reduction in the equity result of R\$ 19,216 (a loss of R\$ 1,721 on 03/31/03 versus a gain of R\$ 17,495 on 03/31/02), due to the rise in the value of the real against the dollar (on assets in dollar) at 03/31/03, as well as recording of a credit on 03/31/02 of R\$ 11,200 in settlement of financing on ships with the BNDES. Operationally, the volume transported rose 90.5% (3,000 thousand tons on 03/31/03 against 1,575 thousand tons on 03/31/02) and the average freight rate also increased, by 24.6% (US\$ 7.09 per ton carried on 03/31/03 against US\$ 5.69 per ton on 03/31/02).
- Docepar - At 03/31/02, a provision of R\$ 50,735 was recorded for losses on fiscal credits of doubtful realization in the short-term.
- FCA - At 03/31/03 a negative shareholding result was recorded of R\$ 42,494 (R\$ 19,399 as a provision for losses and R\$ 23,095 of amortization of goodwill) against R\$ 36,808 on 03/31/02 (R\$ 6,041 of provision for losses and R\$ 30,767 of amortization of goodwill). The provision for losses arises mainly from the booking of a provision for environmental risks of R\$ 9,785. CVRD's interest in FCA is held through its subsidiary Mineracao Tacuma.
- MRS - At 03/31/03, a provision for losses of R\$ 6,072 was reversed due to the positive effects of exchange rate variation on debt. CVRD's

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

interest in MRS is held through Ferteco Mineracao S.A. and indirectly through Mineracoes Brasileiras Reunidas S.A. - MBR.

### Shareholdings

#### (a) Steel

- CSI - A decrease in the equity result of R\$ 29,266 (a loss of R\$ 28,649 on 03/31/03 against a gain of R\$ 617 on 03/31/02), caused by the strengthening of the real against the U.S. dollar (negative exchange rate variation of R\$ 37,708 on 03/31/03 versus positive variation of R\$ 617 on 03/31/02). In operational terms, sales volume fell 6.9% (442 thousand tons on 03/31/03 against 475 thousand tons on 03/31/02), offset by 35.6% higher average sales prices (US\$ 445.80 per ton on 03/31/03 against US\$ 328.65 per ton on 03/31/02).
- CST - An increase in the equity result of R\$ 67,279 (a gain of R\$ 64,641 on 03/31/03 versus a loss of R\$ 2,638 on 03/31/02), due basically to the positive effects of exchange rate variation on debt. Operationally, the average sales price increased 48%, offset partly by 10.7% lower sales of steel slabs (1,015 thousand tons on 03/31/03 against 1,136 thousand tons on 03/31/02).
- Usiminas - The equity result increased by R\$ 35.553 (a gain of R\$ 37,000 on 03/31/03 against a gain of R\$ 1,447 on 03/31/02), mainly caused by the reduced negative effects of exchange rate variation on debt. In operational terms, sales volume rose 5.4% (1,830 thousand tons on 03/31/03 against 1,736 thousand tons on 03/31/02).

#### (b) Aluminum

- Albras - The equity result improved by R\$ 75,089 (a gain of R\$ 113,820 on 03/31/03 versus a gain of R\$ 38,731 on 03/31/02), caused by the positive effects of exchange rate variation on debt. In operational terms, sales volume went up 17.1% (103 thousand tons on 03/31/03 against 88 thousand tons on 03/31/02), and the average sales price rose by 1.4% (US\$ 1,337.98 per ton on 03/31/03 against US\$ 1,319.81 per ton on 03/31/02).
- Alunorte - An increase in the equity result of R\$ 53,612 (a gain of R\$ 58,138 on 03/31/03 versus a gain of R\$ 4,526 on 03/31/02), due to the positive effects of exchange rate variation on debt. Operationally, the average sales price of alumina rose 6.5% (US\$ 172.03 per ton on 03/31/03 against US\$ 161.55 per ton on 03/31/02) and sales volume increased 14.8% (490 thousand tons on 03/31/03 compared with 427 thousand tons on 03/31/02).
- MRN - The equity result improved by R\$ 14,023 (a gain of R\$ 23,799 on 03/31/03 against a gain of R\$ 9,776 on 03/31/02), caused by a 23.3% increase in sales volume (2,196 thousand tons on 03/31/03 against 1,781 thousand tons on 03/31/02), partly offset by a 2.7% decrease in the average sales price of bauxite (US\$ 19.23 per ton on 03/31/03 versus US\$ 19.76 per ton on 03/31/02).
- Valesul - An increase in the equity result of R\$ 11,391 (a gain of R\$ 14,806 on 03/31/03 against a gain of R\$ 3,415 on 03/31/02), due mainly to the impact of exchange rate variation on sales and a 0.6% increase in the average price of aluminum (US\$ 1,730.60 per ton on 03/31/03 against US\$ 1,720.97 per ton on 03/31/02), partly offset by a 9.5% fall in the quantity sold (19 thousand tons on 03/31/03 against 21 thousand tons on 03/31/02).

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

7

- Aluvale - The equity result (own operations) increased by R\$ 7,962 (a gain of R\$ 16,439 on 03/31/03 versus a gain of R\$ 8,477 on 03/31/02), caused basically by the fiscal benefit of interest on stockholders' equity.
- Itaco - The equity result fell by R\$ 6,204 (a loss of R\$ 6,018 on 03/31/03 against a gain of R\$ 186 on 03/31/02), due to the increase in financial expenses. In operational terms, the average prices of alumina rose by 4.0% and the price of aluminum decreased 0.6% while the sales of aluminum, alumina and bauxite increased respectively by 14%, 339.4% and 35%.

### 1.2.4- Operating Expenses

The operating expenses increased R\$ 117,290 (R\$ 284,557 on 03/31/03 compared to R\$ 167,267 on 03/31/02), due to:

- selling expenses, due to an increase in commissions (in turn caused by higher export sales);
- expenses for research and studies; and
- other operating expenses (Note 6.18).

### 1.2.5- Net Financial Result

The net financial result increased R\$ 213,401 (R\$ 144,895 of revenue on 03/31/03 compared to R\$ 68,506 of expense on 03/31/02), mainly due to the positive effect of exchange rate variation on the Company's net debt on 03/31/03 (Note 6.15).

### 1.2.6- Cash Flow

The operating cash flow measured by EBITDA (earnings before interest, income tax and depreciation, amortization and depletion) was R\$ 1,148,114 on 03/31/03, reflecting an increase of 58.3% over 03/31/02, which was R\$ 725,390.

	In thousand		
	1Q/03	1Q/02	4Q/02
Net operating revenue	2,416,771	1,544,255	2,671,813
Cost of products	(1,247,883)	(858,623)	(1,280,945)
Operating expenses	(284,557)	(167,267)	(361,800)
Operating profit	884,331	518,365	1,029,068
Depreciation/goodwill	161,396	169,152	149,574
Dividends received	1,045,727	687,517	1,178,642
Write-off	102,387	37,873	33,439
	-	-	147,000
EBITDA R\$	1,148,114	725,390	1,359,081
US\$ average	3.4909	2.3800	3.6773
EBITDA US\$	328,888	304,786	369,587

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

### 1.2.7- Income Tax and Social Contribution

Income tax and social contribution were an expense of R\$ 200,478 compared with a credit of R\$ 31,374 on 03/31/02, mainly caused by the increase in the tax basis (income before income tax and social contribution less the equity method result, goodwill and provisions for non-deductible losses) from R\$ 330,651 on 03/31/02 to R\$ 1,017,319 on 03/31/03, partly reduced by the tax benefit of R\$ 211,418 on 03/31/03 provided by paying interest on stockholders' equity on (R\$ 107,680 on 03/31/02) (Note 6.7).

8

### PART II

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

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

### 2- BALANCE SHEET

In thousands of r

	Notes	03/31/03	03/3
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6.4	864,949	
Accounts receivable from customers	-	1,328,609	1,
Related parties	6.5	1,105,582	
Inventories	6.6	413,857	
Taxes to recover or offset	-	127,798	
Deferred income tax and social contribution	6.7	653,327	
Others	-	293,327	
		4,787,449	4,
<b>Long-term receivables</b>			
Related parties	6.5	1,260,130	1,
Loans and financing	-	209,308	
Deferred income tax and social contribution	6.7	750,063	
Judicial deposits	6.11	743,542	
Others	-	81,825	
		3,044,868	3,
<b>Permanent assets</b>			
Investments	6.8	11,161,812	10,
Property, plant and equipment	6.9	8,918,520	8,
		20,080,332	19,
		27,912,649	26,

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

### Liabilities and stockholders' equity

#### Current liabilities

Short-term debt	6.10	118,977	
Current portion of long-term debt	6.10	1,889,236	1,
Payable to suppliers and contractors	-	661,860	
Related parties	6.5	1,002,996	
Provision for interest on stockholders' equity	6.19	621,820	
Payroll and related charges	-	141,280	
Pension Plan - Valia	-	84,122	
Others	-	108,710	
		4,629,001	4,

#### Long-term liabilities

Long-term debt	6.10	4,065,741	4,
Related parties	6.5	3,221,881	3,
Deferred income tax and social contribution	6.7	85,941	
Provisions for contingencies	6.11	1,372,419	1,
Pension Plan - Valia	-	519,470	
Others	-	725,668	
		9,991,120	9,

#### Stockholders' equity

Paid-up capital	6.13	5,000,000	5,0
Revenue reserves	-	8,292,528	7,
		13,292,528	12,
		27,912,649	26,

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

9

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

### 3- STATEMENT OF INCOME

	Notes	1Q/03	
	-----	-----	
Operating revenues			
Sales of ore and metals			
Iron ore and pellets	1.2.1	2,077,792	
Gold	1.2.1	32,298	
Potash	1.2.1	72,530	
		2,182,620	
Railroad and port services	1.2.1	327,164	

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

Others	1.2.1	7,834
		-----
Value Added taxes		2,517,618
		(100,847)
		-----
Net operating revenues		2,416,771
		-----
Cost of products and services		
Ores and metals	-	(1,142,887)
Railroad and port services	-	(101,514)
Others	-	(3,482)
		-----
	1.2.2	(1,247,883)
		-----
Gross profit		1,168,888
Gross margin		48.4%
Operating expenses		
Selling	-	(51,680)
Administrative	6.18	(88,758)
Research and development	-	(38,255)
Other operating expenses	6.18	(105,864)
		-----
		(284,557)
		-----
Operating profit before financial result and result of equity investments		884,331
Result of equity investments		
Gain on investments accounted for by the equity method	6.8	418,620
Amortization of goodwill	6.8	(93,172)
Provision for losses	6.8	9,632
		-----
		335,080
Financial result, net		
Financial expenses, net	6.15	(135,029)
Monetary and exchange rate variation, net	6.15	279,924
		-----
		144,895
		-----
Operating profit		1,364,306
Income tax and social contribution	6.7	(200,478)
		-----
Net income for the period		1,163,828
		=====
Number of shares outstanding at the end of the period (in thousands)		383,839
		=====
Net earnings per share outstanding at the end of the period (R\$)		3.03
		=====

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

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

4- STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

	Capital reserves			
	Paid-up capital	Result of share exchange	Price-level restatement Law 8,200/91	Expansions
On December 31, 2001	4,000,000	3,426	440,258	3
Capitalization of reserves	1,000,000	(3,426)	(440,258)	
Realization of revenue reserves	-	-	-	
Provision for pension plan liabilities	-	-	-	
Result on exchange of shares	-	-	-	
Net income for the year	-	-	-	
Proposed appropriations:				
Interest on stockholders' equity	-	-	-	
Appropriation to revenue reserves	-	-	-	1
On December 31, 2002	5,000,000	-	-	5
Net income for the period	-	-	-	
Provision for interest on stockholders' equity	-	-	-	
On March 31, 2003	5,000,000	-	-	5

  

	Revenue reserves			
	Unrealized income	Legal	Fiscal incentives	Treasurer's stock
On December 31, 2001	1,271,884	752,535	53,969	(131,969)
Capitalization of reserves	-	-	(53,969)	
Realization of revenue reserves	(526,477)	-	-	
Provision for pension plan liabilities	-	-	-	
Result on exchange of shares	-	-	-	
Net income for the year	-	-	-	
Proposed appropriations:				
Interest on stockholders' equity	-	-	-	
Appropriation to revenue reserves	-	102,163	-	
On December 31, 2002	745,407	854,698	-	(131,969)

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

Net income for the period	-	-	-
Provision for interest on stockholders' equity	-	-	-
On March 31, 2003	745,407	854,698	- (131)

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

11

(A free translation of the original in Portuguese)

5- STATEMENT OF CASH FLOWS (ADDITIONAL INFORMATION)

	1Q/03
Cash flows from operating activities:	
Net income for the period	1,163,
Adjustments to reconcile net income for the period with cash provided by operating activities:	
Result of equity investments	(335,
Depreciation, amortization and depletion	134,
Deferred income tax and social contribution	200,
Provision for contingencies	27,
Financial expenses and monetary and exchange rate variations on assets and liabilities, net	(312,
Loss on disposal of property, plant and equipment	13,
Amortization of goodwill in the cost of products sold	24,
Net losses on derivatives	11,
Dividends/interest on stockholders' equity received	102,
Others	(
	1,030,
Decrease (increase) in assets:	
Accounts receivable	92,
Inventories	(
Others	6,
	98,
Increase (decrease) in liabilities:	
Suppliers and contractors	(22,
Payroll and related charges and others	(26,
Others	33,
	(15,
Net cash provided by operating activities	1,113,
Cash flows from investing activities:	
Loans and advances receivable	(187,
Guarantees and deposits	(34,



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

Additions to investments	(
Additions to property, plant and equipment	(385,
Proceeds from disposal of property, plant and equipment/investments	
	-----
Net cash used in investing activities	(607,
	-----
Cash flows from financing activities:	
Short-term debt	(332,
Long-term debt	577,
Repayments:	
Related parties	
Financial institutions	(144,
Interest on stockholders' equity paid	(
Treasury shares	
	-----
Net cash used in financing activities	100,
	-----
Increase (decrease) in cash and cash equivalents	605,
Cash and cash equivalents, beginning of the period	259,
	-----
Cash and cash equivalents, end of the period	864,
	=====
Cash paid during the period for:	
Short-term interest	(16,
Long-term interest net of capitalization	(83,
Non-cash transactions:	
Conversion of loans into investments	32,
Additions to property, plant and equipment:	
With incorporation of Valepontocom	
With capitalization of interest	(25,

12

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

### 6- NOTES TO THE QUARTERLY INFORMATION AT MARCH 31, 2003 AND 2002

Expressed in millions of reais

#### 6.1- Operations

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

#### 6.2- Presentation of Quarterly information

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

In order to provide better information to the market, the Company is presenting

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

the Statement of Cash Flow. The disclosure of this statement is encouraged by the CVM according to the Official Instruction 01/00 of 01/31/00.

Certain amounts and classifications in the 2002 quarterly information have been adjusted to the criteria used on 2003 for better comparability.

### 6.3- Significant Accounting Policies

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

### 6.4- Cash and Cash Equivalents

	03/31/03	12/31/02
Marketable securities related to CDI (*)	759,899	157,261
Fixed-yield bond investments (funds)	25,200	24,087
Government securities (NBC-E, NTN-D, LFT)	77,699	73,521
Others	2,151	4,423
	864,949	259,292
	864,949	259,292

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

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

### 6.5- Transactions with Related Parties

Derived from sales and purchases of products and services or from loans under normal market conditions, with maturities up to the year 2011, as follows:

	03/31/03	12/31/03
Asse		
Subsidiaries		
ALUNORTE - Alumina do Norte do Brasil S.A.	954,167	1,050,000
CVRD Overseas Ltd.	135,276	160,000
Docepar S.A.	152,358	140,000
Itabira Rio Doce Company Limited - ITACO	631,781	660,000
Mineracao Andira Ltda. (participates in Mineracao Serra do Sossego S.A.)	79,717	70,000
Rio Doce International Finance Ltd.	453,575	320,000
Salobo Metais S.A.	219,196	200,000
SIBRA Eletrosiderurgica Brasileira S.A.	65,035	70,000
Vale do Rio Doce Aluminio S.A. - ALUVALE	23,004	20,000
Others	206,767	140,000
	2,920,876	2,860,000
Jointly controlled companies		
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	169,410	130,000
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBAS	65,534	60,000
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO	79,934	90,000
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO	72,055	60,000
Others	120,228	280,000
	507,161	640,000
Affiliates	33,261	30,000
	3,461,298	3,540,000
Represented by:		
Trade balances (sales and purchases of products and services) (*)	1,095,586	1,180,000
Short-term financial balances	1,105,582	980,000
Long-term financial balances	1,260,130	1,370,000
	3,461,298	3,540,000

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

### 6.6- Inventories

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

Finished products  
     . Iron ore and pellets  
     . Others

Spare parts and maintenance supplies

14

6.7- Deferred Income Tax and Social Contribution

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

	Deferred assets		De
	03/31/03	12/31/02	
Tax loss carryforward	161,330	396,694	
Temporary differences:			
. Pension Plan	216,251	208,094	
. Contingent liabilities	367,893	338,797	
. Provision for losses on assets	474,241	485,767	
. Provision for losses on derivative financial instruments	90,704	91,835	
. Others	92,971	81,746	
	1,242,060	1,206,239	
Accelerated depreciation	-	-	
Long-term sales	-	-	
Others	-	-	
Total	1,403,390	1,602,933	
Short-term - liabilities registered in "others"	653,327	812,306	
Long-term	750,063	790,627	
	1,403,390	1,602,933	

The deferred assets and liabilities regarding income tax and social contribution arising from tax losses, negative social contribution bases and temporary differences are recognized from an accounting standpoint considering an analysis of likely future results, based on economic and financial projections prepared in light of internal assumptions and macroeconomic, commercial and fiscal scenarios. These projections can change in the future.

In addition to the credits recorded, the Company has a lawsuit pending claiming an additional 51.8% monetary restatement for tax purposes applied to the months of January and February 1989 ("Plano Verao" monetary plan). A favorable ruling

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

has already been obtained for compensation of credits corresponding to 42.7% instead of the 51.8% requested. The amount of these credits covered by the ruling totals approximately R\$ 309,225 and the accounting effects have not yet been recognized in the quarterly information.

Since the income tax and the social contribution are based not only on the net income before tax but also on the structure of the company's organization, its non-taxable income, non-deductible expenses, fiscal incentives, and others factors, there is no direct relation between the net income of the Company and the income tax and social contribution. Therefore, the projection for the use of tax credits should not be taken as a indication of CVRD's future net income.

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

	1Q/03 -----
Income before income tax and social contribution	1,364,306
(-) Equity in results of subsidiaries and affiliated companies	(418,620)
(+) Non-deductible goodwill and provisions for losses	71,633
	-----
	1,017,319
Income tax and social contribution at combined tax rates	34%
	-----
Federal income tax and social contribution at statutory rates	(345,888)
Adjustments to net income which modify the effect on the result for the period:	
. Income tax benefit from interest on stockholders' equity	211,418
. Fiscal incentives	-
. Others	(66,008)
	-----
Income tax and social contribution	(200,478)
	=====

15

### 6.8- Investments

	Participi- pation %	Adjusted stockholders 'equity	Adju net i (loss the p
	-----	-----	-----
Iron ore and pellets			
Caemi Mineracao e Metalurgia S.A. (b)	16.86	639,717	6
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO (b)	50.00	(89,160)	1
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBAS (b)	50.89	90,872	
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO (b)	50.90	59,216	
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO (b)	51.00	87,365	
CVRD Overseas Ltd. (a, b)	100.00	415,776	2
Ferteco Mineracao S.A. (b)	100.00	707,540	8
Gulf Industrial Investment Co. - GIIC (a, b)	50.00	225,520	1
Itabira Rio Doce (ITACO) /Rio Doce Europa - S.'a.r.l. (a, b)	100.00	2,330,304	(13

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

Minas da Serra Geral S.A. - MSG (b)	51.00	62,054	
Samarco Mineracao S.A. (b)	50.00	627,216	13
Urucum Mineracao S.A. (b)	100.00	75,737	
Incorporated companies (e)	-	-	
Others			
Manganese and ferroalloys			
Rio Doce Manganese Europe - RDME (a, b)	100.00	182,750	
SIBRA Eletrosiderurgica Brasileira S.A. (b)	99.28	310,314	1
Urucum Mineracao S.A. (b)	100.00	75,737	
Others			
Non-ferrous			
Mineracao Serra do Sossego (b)	100.00	377,284	
Para Pigmentos S.A. (b)	75.50	(50,979)	3
Salobo Metais S.A. (b)	100.00	106,437	
Others			
Logistics			
Companhia Ferroviaria do Nordeste (b)	32.40	(122,223)	(
DOCEPAR S.A. (b)	100.00	(122,650)	(
Mineracao Tacuma Ltda ( Ferrovia Centro-Atlantica S.A. ) (b)	45.65	(397,899)	(4
MRS Logistica S.A. (b, d)	17.26	(139,386)	3
Navegacao Vale do Rio Doce S.A. - DOCENAVE (b)	100.00	452,618	(
Sepetiba Tecon S.A. (b)	50.00	(36,098)	(
TVV - Terminal de Vila Velha S.A. (b)	99.89	56,704	
Others			
Steel			
California Steel Industries, Inc - CSI (a, b)	50.00	768,788	(5
Companhia Siderurgica de Tubarao - CST (b, c)	22.85	3,194,183	28
DOCEPAR S.A. (b)	100.00	(122,650)	(
Rio Doce Limited (a, b)	100.00	325,554	
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS (b, c)	11.46	3,514,124	32
Others			
Aluminum			
ALBRAS - Alumínio Brasileiro S.A. (b)	51.00	479,916	22
ALUNORTE - Alumina do Norte do Brasil S.A. (b)	57.03	546,444	10
Itabira Rio Doce (ITACO) (b)	-	-	
Mineracao Rio do Norte S.A. (b)	40.00	731,822	5
Mineracao Vera Cruz S.A. (b)	100.00	10,003	
Vale do Rio Doce Alumínio S.A. - ALUVALE (own operations)	100.00	49,571	1
Valesul Alumínio S.A. (b)	54.51	288,362	2
Others			
CELMAR S.A. - Industria de Celulose e Papel (b)	100.00	(144,807)	
DOCEPAR S.A. (b)	100.00	(122,650)	(
Fertilizantes Fosfatados S.A. - FOSFERTIL (b, c)	11.12	557,169	9
Florestas Rio Doce S.A. (b)	99.85	171,523	

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

Others

	Advance for 03/31/03	Investment Parti future capital increase 12/31/02	Goodw
Iron ore and pellets			
Caemi Mineracao e Metalurgia S.A. (b)	-		-
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO (b)	-		-
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS (b)	-		-
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO (b)	-		-
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO (b)	-		-
CVRD Overseas Ltd. (a, b)	-		-
Ferteco Mineracao S.A. (b)	-		-
Gulf Industrial Investment Co. - GIIC (a, b)	-		-
Itabira Rio Doce (ITACO) /Rio Doce Europa - S.'a.r.l. (a, b)	-		-
Minas da Serra Geral S.A. - MSG (b)	-		-
Samarco Mineracao S.A. (b)	-		-
Urucum Mineracao S.A. (b)	-		-
Incorporated companies (e)	-		-
Others	-		-
	-----	-----	-----
	-		-
Manganese and ferroalloys			
Rio Doce Manganese Europe - RDME (a, b)	-		-
SIBRA Eletrosiderurgica Brasileira S.A. (b)	612		612
Urucum Mineracao S.A. (b)	-		-
Others	-		-
	-----	-----	-----
	612		612
Non-ferrous			
Mineracao Serra do Sossego (b)	-		-
Para Pigmentos S.A. (b)	-		-
Salobo Metais S.A. (b)	7,824		217
Others	55,904		-
	-----	-----	-----
	63,728		217
Logistics			
Companhia Ferroviaria do Nordeste (b)	38,445		36,945
DOCEPAR S.A. (b)	-		-
Mineracao Tacuma Ltda ( Ferrovia Centro-Atlantica S.A. ) (b)	591,368		466,382
MRS Logistica S.A. (b, d)	-		-
Navegacao Vale do Rio Doce S.A. - DOCENAVE (b)	-		-
Sepetiba Tecon S.A. (b)	-		-
TVV - Terminal de Vila Velha S.A. (b)	-		-
Others	-		-
	-----	-----	-----
	629,813		503,327
Steel			
California Steel Industries, Inc - CSI (a, b)	-		-

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

Companhia Siderurgica de Tubarao - CST (b, c)	-	-
DOCEPAR S.A. (b)	-	-
Rio Doce Limited (a, b)	-	-
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS (b, c)	-	-
Others	-	-
	-----	-----
	-	-
 Aluminum		
ALBRAS - Alumínio Brasileiro S.A. (b)	-	-
ALUNORTE - Alumina do Norte do Brasil S.A. (b)	-	-
Itabira Rio Doce (ITACO) (b)	-	-
Mineracao Rio do Norte S.A. (b)	-	-
Mineracao Vera Cruz S.A. (b)	-	-
Vale do Rio Doce Alumínio S.A. - ALUVALE (own operations)	-	-
Valesul Alumínio S.A. (b)	-	-
	-----	-----
	-	-
 Others		
CELMAR S.A. - Industria de Celulose e Papel (b)	191,610	169,493
DOCEPAR S.A. (b)	-	-
Fertilizantes Fosfatados S.A. - FOSFERTIL (b, c)	-	-
Florestas Rio Doce S.A. (b)	-	-
Others	7,967	7,079
	-----	-----
	199,577	176,572
	-----	-----
	893,730	680,728
	=====	=====

	Equity / Others		
	1Q/03	1Q/02	4Q/01
	-----	-----	-----
 Iron ore and pellets			
Caemi Mineracao e Metalurgia S.A. (b)	9,483	5,948	(51,8)
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO (b)	-	1,524	
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS (b)	2,285	2,552	4,2
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO (b)	1,737	1,253	3,4
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO (b)	1,615	(2,174)	6,9
CVRD Overseas Ltd. (a, b)	29,454	23,234	(8,9)
Ferteco Mineracao S.A. (b)	85,047	29,051	28,4
Gulf Industrial Investment Co. - GIIC (a, b)	6,256	4,526	6,6
Itabira Rio Doce (ITACO) /Rio Doce Europa - S.'a.r.l. (a, b)	(139,804)	66,136	(168,0)
Minas da Serra Geral S.A. - MSG (b)	3,796	1,338	(9)
Samarco Mineracao S.A. (b)	69,727	29,048	117,5
Urucum Mineracao S.A. (b)	-	-	(3,5)
Incorporated companies (e)	-	-	
Others	5,637	4,256	(36,4)
	-----	-----	-----
	75,233	166,692	(102,5)
 Manganese and ferroalloys			
Rio Doce Manganese Europe - RDME (a, b)	8,007	(2,277)	12,3
SIBRA Eletrosiderurgica Brasileira S.A. (b)	17,870	33,296	(19,0)
Urucum Mineracao S.A. (b)	6,893	8,685	5,4
Others	3,891	676	113,0
	-----	-----	-----



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

	36,661	40,380	111,7
Non-ferrous			
Mineracao Serra do Sossego (b)	-	-	
Para Pigmentos S.A. (b)	-	5,001	
Salobo Metais S.A. (b)	-	-	
Others	(4)	(184)	(1,1
	-----	-----	-----
	(4)	4,817	(1,1
Logistics			
Companhia Ferroviaria do Nordeste (b)	-	-	
DOCEPAR S.A. (b)	-	-	
Mineracao Tacuma Ltda ( Ferrovia Centro-Atlantica S.A. ) (b)	-	-	
MRS Logistica S.A. (b, d)	-	-	
Navegacao Vale do Rio Doce S.A. - DOCENAVE (b)	(1,721)	17,495	(3,2
Sepetiba Tecon S.A. (b)	(2,434)	-	
TVV - Terminal de Vila Velha S.A. (b)	2,016	(212)	(3
Others	-	(3,894)	
	-----	-----	-----
	(2,139)	13,389	(3,6
Steel			
California Steel Industries, Inc - CSI (a, b)	(28,649)	617	(55,8
Companhia Siderurgica de Tubarao - CST (b, c)	64,641	(2,638)	89,0
DOCEPAR S.A. (b)	-	-	
Rio Doce Limited (a, b)	-	-	
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS (b, c)	37,000	1,447	94,5
Others	-	-	
	-----	-----	-----
	72,992	(574)	127,7
Aluminum			
ALBRAS - Alumínio Brasileiro S.A. (b)	113,820	38,731	128,4
ALUNORTE - Alumina do Norte do Brasil S.A. (b)	58,138	4,526	124,5
Itabira Rio Doce (ITACO) (b)	(6,018)	186	(10,1
Mineracao Rio do Norte S.A. (b)	23,799	9,776	86,8
Mineracao Vera Cruz S.A. (b)	-	-	
Vale do Rio Doce Alumínio S.A. - ALUVALE (own operations)	16,439	8,477	1,5
Valesul Alumínio S.A. (b)	14,806	3,415	20,5
	-----	-----	-----
	220,984	65,111	351,7
Others			
CELMAR S.A. - Industria de Celulose e Papel (b)	-	-	
DOCEPAR S.A. (b)	-	-	
Fertilizantes Fosfatados S.A. - FOSFERTIL (b, c)	10,971	3,759	11,1
Florestas Rio Doce S.A. (b)	4,236	2,864	(3,5
Others	(314)	(11,595)	(19,7
	-----	-----	-----
	14,893	(4,972)	(12,1
	-----	-----	-----
	418,620	284,843	471,7
	=====	=====	=====
	Provisions	Amortizatio	
	For Losses	of Goodwil	
	4Q/02	1Q/03	1Q/02
	-----	-----	-----

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

Iron ore and pellets			
Caemi Mineracao e Metalurgia S.A. (b)	-	(12,930)	(12,930)
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO (b)	8,821	-	-
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS (b)	-	-	-
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO (b)	-	-	-
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO (b)	-	-	-
CVRD Overseas Ltd. (a, b)	-	-	-
Ferteco Mineracao S.A. (b)	-	(34,656)	-
Gulf Industrial Investment Co. - GIIC (a, b)	-	-	-
Itabira Rio Doce (ITACO) /Rio Doce Europa - S.'a.r.l. (a, b)	-	-	-
Minas da Serra Geral S.A. - MSG (b)	-	-	-
Samarco Mineracao S.A. (b)	-	-	-
Urucum Mineracao S.A. (b)	-	-	-
Incorporated companies (e)	-	-	-
Others	-	(2,361)	(2,361)
	-----	-----	-----
	8,821	(49,947)	(15,291)
Manganese and ferroalloys			
Rio Doce Manganese Europe - RDME (a, b)	-	-	-
SIBRA Eletrosiderurgica Brasileira S.A. (b)	-	(20,130)	(20,130)
Urucum Mineracao S.A. (b)	-	-	-
Others	(201)	-	-
	-----	-----	-----
	(201)	(20,130)	(20,130)
Non-ferrous			
Mineracao Serra do Sossego (b)			
Para Pigmentos S.A. (b)	25,467	-	-
Salobo Metais S.A. (b)	-	-	-
Others	-	-	-
	-----	-----	-----
	25,467	-	-
Logistics			
Companhia Ferroviaria do Nordeste (b)	(3,193)	-	-
DOCEPAR S.A. (b)	-	-	-
Mineracao Tacuma Ltda ( Ferrovia Centro-Atlantica S.A. ) (b)	(5,648)	(23,095)	(30,767)
MRS Logistica S.A. (b, d)	33,104	-	-
Navegacao Vale do Rio Doce S.A. - DOCENAVE (b)	-	-	-
Sepetiba Tecon S.A. (b)	5,032	-	-
TVV - Terminal de Vila Velha S.A. (b)	-	-	-
Others	-	-	-
	-----	-----	-----
	29,295	(23,095)	(30,767)
Steel			
California Steel Industries, Inc - CSI (a, b)	-	-	-
Companhia Siderurgica de Tubarao - CST (b, c)	-	-	-
DOCEPAR S.A. (b)	(7,561)	-	-
Rio Doce Limited (a, b)	-	-	-
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS (b, c)	-	-	-
Others	-	-	-
	-----	-----	-----
	(7,561)	-	-
Aluminum			
ALBRAS - Alumínio Brasileiro S.A. (b)	106,614	-	-
ALUNORTE - Alumina do Norte do Brasil S.A. (b)	-	-	-
Itabira Rio Doce (ITACO) (b)	-	-	-
Mineracao Rio do Norte S.A. (b)	-	-	-
Mineracao Vera Cruz S.A. (b)	-	-	-

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

Vale do Rio Doce Aluminio S.A. - ALUVALE (own operations)	-	-	-
Valesul Aluminio S.A. (b)	-	-	-
	-----	-----	-----
	106,614	-	-
Others			
CELMAR S.A. - Industria de Celulose e Papel (b)	(20,161)	-	-
DOCEPAR S.A. (b)	-	-	-
Fertilizantes Fosfatados S.A. - FOSFERTIL (b, c)	-	-	-
Florestas Rio Doce S.A. (b)	-	-	-
Others	(8,354)	-	-
	-----	-----	-----
	(28,515)	-	-
	-----	-----	-----
	133,920	(93,172)	(66,188)
	=====	=====	=====
	Result of investment participation		
	1Q/03	1Q/02	Total 4Q/02
	-----	-----	-----
Iron ore and pellets			
Caemi Mineracao e Metalurgia S.A. (b)	(3,447)	(6,982)	(64,823)
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO (b)	9,095	1,524	8,821
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS (b)	2,285	2,552	4,289
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO (b)	1,737	1,253	3,455
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO (b)	1,615	(2,174)	6,966
CVRD Overseas Ltd. (a, b)	29,454	23,234	(8,995)
Ferteco Mineracao S.A. (b)	50,391	29,051	(6,225)
Gulf Industrial Investment Co. - GIIC (a, b)	6,256	4,526	6,646
Itabira Rio Doce (ITACO) /Rio Doce Europa - S.'a.r.l. (a, b)	(139,804)	66,136	(168,089)
Minas da Serra Geral S.A. - MSG (b)	3,796	1,338	(988)
Samarco Mineracao S.A. (b)	69,727	29,048	117,546
Urucum Mineracao S.A. (b)	-	-	(3,512)
Incorporated companies (e)	-	-	-
Others	3,276	1,895	(38,852)
	-----	-----	-----
	34,381	151,401	(143,761)
Manganese and ferroalloys			
Rio Doce Manganese Europe - RDME (a, b)	8,007	(2,277)	12,326
SIBRA Eletrosiderurgica Brasileira S.A. (b)	(2,260)	13,166	(39,226)
Urucum Mineracao S.A. (b)	6,893	8,685	5,439
Others	3,810	617	112,832
	-----	-----	-----
	16,450	20,191	91,371
Non-ferrous			
Mineracao Serra do Sossego (b)	-	-	-
Para Pigmentos S.A. (b)	23,980	5,001	25,467
Salobo Metais S.A. (b)	-	-	-
Others	(4)	(184)	(1,119)
	-----	-----	-----
	23,976	4,817	24,348
Logistics			
Companhia Ferroviaria do Nordeste (b)	(1,929)	(1,729)	(3,193)
DOCEPAR S.A. (b)	-	(50,735)	-
Mineracao Tacuma Ltda ( Ferrovia Centro-Atlantica S.A. ) (b)	(42,494)	(36,808)	(128,933)

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

MRS Logistica S.A. (b, d)	6,072	-	33,104
Navegacao Vale do Rio Doce S.A. - DOCENAVE (b)	(1,721)	17,495	(3,295)
Sepetiba Tecon S.A. (b)	(2,434)	-	5,032
TVV - Terminal de Vila Velha S.A. (b)	2,016	(212)	(329)
Others	-	(3,894)	-
	-----	-----	-----
	(40,490)	(75,883)	(97,614)
Steel			
California Steel Industries, Inc - CSI (a, b)	(28,649)	617	(55,891)
Companhia Siderurgica de Tubarao - CST (b, c)	64,641	(2,638)	89,099
DOCEPAR S.A. (b)	(8,106)	(8,186)	(7,561)
Rio Doce Limited (a, b)	-	-	-
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS (b, c)	37,000	1,447	94,549
Others	-	-	-
	-----	-----	-----
	64,886	(8,760)	120,196
Aluminum			
ALBRAS - Alumínio Brasileiro S.A. (b)	113,820	38,731	235,017
ALUNORTE - Alumina do Norte do Brasil S.A. (b)	58,138	4,526	124,523
Itabira Rio Doce (ITACO) (b)	(6,018)	186	(10,173)
Mineracao Rio do Norte S.A. (b)	23,799	9,776	86,878
Mineracao Vera Cruz S.A. (b)	-	-	-
Vale do Rio Doce Alumínio S.A. - ALUVALE (own operations)	16,439	8,477	1,589
Valesul Alumínio S.A. (b)	14,806	3,415	20,510
	-----	-----	-----
	220,984	65,111	458,344
Others			
CELMAR S.A. - Industria de Celulose e Papel (b)	-	-	(20,161)
DOCEPAR S.A. (b)	-	-	-
Fertilizantes Fosfatados S.A. - FOSFERTIL (b, c)	10,971	3,759	11,105
Florestas Rio Doce S.A. (b)	4,236	2,864	(3,516)
Others	(314)	(11,595)	(28,096)
	-----	-----	-----
	14,893	(4,972)	(40,668)
	-----	-----	-----
	335,080	151,905	412,216
	=====	=====	=====

16

- a) Equity in companies located abroad is converted into local currency at rates in effect on the quarterly information date. The calculation of the equity method adjustment comprises the difference due to exchange rate variations, as well as participation in results;
- (b) Companies whose quarterly information were audited by independent accountants other than PricewaterhouseCoopers;
- (c) Investments in companies that were listed on stock exchanges on 03/31/03. The market value of these investments does not necessarily reflect the value that could be realized from selling a representative group of shares;

	Book Value	Market Value
	-----	-----
Companhia Siderurgica de Tubarao	729,871	496,698

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

Fertilizantes Fosfatados S.A. - FOSFERTIL	61,958	128,666
Usinas Siderurgicas de Minas Gerais S.A. - USIMINAS	402,719	183,256

- (d) CVRD's interest in MRS Logistica S.A. is held through Ferteco Mineracao S.A., Belem Administracao e Participacao Ltda. and Caemi Mineracao e Metalurgia S.A.; and
- (e) Incorporated companies (Socoimex and Samitri) - amortization of goodwill recorded on the cost of products sold of the Parent Company.

17

### 6.9- Property, Plant and Equipment

- (a) By business area:

	03/31/03			12/31/02	
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation
<b>Ferrous - Northern System</b>					
Mining	1,733,800	(765,322)	968,478	1,681,743	(753,811)
Railroads	2,694,657	(1,058,675)	1,635,982	2,736,888	(1,077,666)
Ports	535,651	(246,944)	288,707	533,323	(244,266)
Construction in progress	581,716	-	581,716	546,698	
	5,545,824	(2,070,941)	3,474,883	5,498,652	(2,075,733)
<b>Ferrous - Southern System</b>					
Mining	2,504,977	(1,474,235)	1,030,742	2,486,808	(1,445,271)
Railroads	3,149,350	(1,847,559)	1,301,791	3,116,956	(1,824,191)
Ports	586,067	(436,000)	150,067	585,070	(432,900)
Construction in progress	445,000	-	445,000	393,825	
	6,685,394	(3,757,794)	2,927,600	6,582,659	(3,702,371)
<b>Pelletizing</b>					
Southern System	620,775	(448,451)	172,324	619,973	(445,791)
Northern System	529,686	(9,255)	520,431	521,592	(5,166)
Construction in progress	181,904	-	181,904	184,590	
	1,332,365	(457,706)	874,659	1,326,155	(450,951)
<b>Non-Ferrous</b>					
Potash	132,014	(49,369)	82,645	130,347	(46,488)
Gold	426,416	(390,050)	36,366	433,003	(388,751)
Research and projects	220,019	(183,803)	36,216	211,798	(175,721)
Construction in progress	95,689	-	95,689	74,839	
	874,138	(623,222)	250,916	849,987	(610,966)
<b>Logistics</b>					
Construction in progress	1,041,814	(547,467)	494,347	953,244	(538,831)
	40,827	-	40,827	84,158	
	1,082,641	(547,467)	535,174	1,037,402	(538,831)
<b>Energy</b>					
	319,564	(22,829)	296,735	204,898	(20,171)

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

Construction in progress	432,712	-	432,712	476,704	
	-----	-----	-----	-----	-----
	752,276	(22,829)	729,447	681,602	(20,177)
	-----	-----	-----	-----	-----
Corporate	154,253	(53,040)	101,213	129,186	(47,466)
Construction in progress	24,628	-	24,628	47,726	
	-----	-----	-----	-----	-----
	178,881	(53,040)	125,841	176,912	(47,466)
	-----	-----	-----	-----	-----
Total	16,451,519	(7,532,999)	8,918,520	16,153,369	(7,446,500)
	=====	=====	=====	=====	=====

b) By classification of asset:

	03/31/03			12/31/02	
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation
	-----	-----	-----	-----	-----
Buildings	1,557,427	(695,530)	861,897	1,547,403	(687,366)
Installations	4,962,224	(2,671,940)	2,290,284	4,764,039	(2,640,788)
Equipment	997,285	(581,578)	415,707	945,053	(564,500)
Railroads	5,291,326	(2,770,935)	2,520,391	5,290,848	(2,774,099)
Mineral rights	433,909	(179,091)	254,818	433,826	(176,750)
Others	1,406,872	(633,925)	772,947	1,363,660	(603,010)
	-----	-----	-----	-----	-----
	14,649,043	(7,532,999)	7,116,044	14,344,829	(7,446,500)
Construction in progress	1,802,476	-	1,802,476	1,808,540	
	-----	-----	-----	-----	-----
Total	16,451,519	(7,532,999)	8,918,520	16,153,369	(7,446,500)
	=====	=====	=====	=====	=====

The average annual depreciation rates are 3% for buildings, from 2% to 5% for installations, from 5% to 20% for equipment, and from 2% to 20% for railroads. Mineral reserve depletion is calculated as a function of the volume of ore extracted in relation to the proven and probable reserves.

18

Depreciation, amortization and depletion have been allocated as follows:

	1Q/03	1Q/02	4Q/02
	-----	-----	-----
Cost of production and services	125,548	139,456	128,043
Administrative expenses	9,128	5,277	6,567
	-----	-----	-----
	134,676	144,733	134,610
	=====	=====	=====

#### 6.10- Loans and Financing

##### Short-term

Refers to export financing in the amount of R\$ 118,977 on 03/31/03 and R\$ 397,655 on 12/31/02, with an average interest rate of 3.9645% on 03/31/03.

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

Long-term

	Parent Company			
	Current liabilities		Long-term liabilities	
	03/31/03	12/31/02	03/31/03	12/31/02
Foreign operations				
Loans and financing in:				
U.S. dollars	1,010,066	998,098	2,651,279	2,460,957
Yen	92,145	1,900	8,160	104,148
Other currencies	968	977	968	1,197
Notes in U.S. dollars	670,620	706,660	1,005,930	1,059,990
Accrued charges	38,729	55,355	-	-
	-----	-----	-----	-----
	1,812,528	1,762,990	3,666,337	3,626,292
	-----	-----	-----	-----
Local operations				
Indexed by TJLP, TR and IGP-M	15,851	15,058	57,402	56,540
Basket of currencies	39,790	41,763	43,106	55,683
Loans in U.S. dollars	12,336	2,692	289,074	315,427
Non-convertible debentures	-	-	9,822	9,611
Accrued charges	8,731	5,312	-	-
	-----	-----	-----	-----
	76,708	64,825	399,404	437,261
	-----	-----	-----	-----
	1,889,236	1,827,815	4,065,741	4,063,553
	=====	=====	=====	=====

- (a) Foreign currency loans and financing were converted into reais at exchange rates effective on the quarterly information date, with US\$ 1.00 = R\$ 3.3531 on 03/31/03 (R\$ 3.5333 on 12/31/02) and (Y) 1.00 = R\$ 0.028421 on 03/31/03 (R\$ 0.029779 on 12/31/02);
- (b) Of the total loans and financing, R\$ 769,700 are guaranteed by the federal government (with full counter-guarantees);
- (c) Amortization of principal and finance charges incurred on long-term loans and financing obtained abroad and domestically mature as follows as of 03/31/03:

2004	1,731,429	43%
2005	656,725	16%
2006	704,980	17%
2007	256,623	6%
2008 onward	715,984	18%
	-----	-----
	4,065,741	100%
	=====	=====

19

- (d) Long-term foreign and domestic loans and financing were subject to annual interest rates on 03/31/03 as follows:

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

Up to 3%	1,718,191	29%
3.1 to 5%	2,014,144	34%
5.1 to 7%	297,914	5%
7.1 to 9%	98,521	2%
9.1 to 11%	1,698,000	28%
Over 11%	128,207	2%
	-----	-----
	5,954,977	100%
	=====	=====

- (e) The estimated market values of long-term loans and financing calculated to present value based on available interest rates as of 03/31/03 are close to their book values.

6.11- Contingent Liabilities

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

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

	Judicial deposits		Provisions for contingencies	
	03/31/03	12/31/02	03/31/03	12/31/02
	-----	-----	-----	-----
Tax contingencies	481,936	453,561	647,543	602,799
Labor and social security claims	136,887	138,260	377,865	344,928
Civil claims	119,306	112,665	326,533	303,337
Others	5,413	4,191	20,478	20,624
	-----	-----	-----	-----
Total	743,542	708,677	1,372,419	1,271,688
	=====	=====	=====	=====

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

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

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

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

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



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

	03/31/03	12/31/02
	-----	-----
ALBRAS - Aluminio Brasileiro S.A.	1,109,153	1,221,166
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	44,708	47,111
Ferrovias Centro-Atlantica S.A.	389,333	397,852
Sepetiba Tecon S.A.	77,699	79,560
Samarco Mineracao S.A.	39,202	49,605
	-----	-----
	1,660,095	1,795,294
	=====	=====

The breakdown of guarantees by currency is:

	03/31/03	12/31/02
	-----	-----
U.S. Dollar	1,270,752	1,410,236
Real	389,343	385,058
	-----	-----
	1,660,095	1,795,294
	=====	=====

20

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

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

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

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

Expenditures relating to ongoing compliance with environmental regulations are charged to production costs or capitalized as incurred. The Company manages its environmental policies according to the specifications of ISO 14,001 and maintains ongoing programs to minimize the environmental impact of its mining operations as well as to reduce the costs that will be incurred upon termination of activities at each mine. On 03/31/03, the provision for environmental liabilities amounted to R\$ 49,901 (R\$ 51,929 on 12/31/02), which was accounted in "Others" in long-term liabilities.

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

### 6.13- Paid-up Capital

The Company's capital is R\$ 5 billion, corresponding to 388,559,056 book entry shares, of which 249,983,143 are common shares and 138,575,913 are preferred class A shares, the latter including one special preferred share ("Golden Share"), all with no par value.

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

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

### 6.14- Treasury Stock

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

As of March 31, 2003, 4,715,170 common shares and 4,465 preferred shares were purchased, which are held in treasury in the amount of R\$ 131,333.

Class	Shares		Unit acquisition cost			Average quoted market price	
	Quantity		Average	Low	High	03/31/03	12/31/02
	03/31/03	12/31/02					
Preferred	4,465	4,481	51.41	14.02	52.40	87.27	96.99
Common	4,715,170	4,715,170	27.80	20.07	52.09	90.96	102.88
	4,719,635	4,719,651					
	=====	=====					

21

### 6.15- Financial Result

	1Q/03			Financial expenses	Monetary exchange variation on liabilities
	Financial expenses	Monetary and exchange rate variation on liabilities	Total		
Foreign debt	(62,925)	246,841	183,916	(41,357)	(
Local debt	(11,020)	35,158	24,138	(18,178)	1

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

Related parties	(43,735)	125,188	81,453	(35,808)	
	(117,680)	407,187	289,507	(95,343)	2
Labor, tax and civil contingencies	(21,452)	(44,593)	(66,045)	(19,403)	(
Derivatives, net of gain/losses	(25,967)	14,891	(11,076)	(17,272)	(
CPMF / COFINS	(13,092)	-	(13,092)	(16,589)	(
Others	(6,455)	30,893	24,438	(7,091)	(
	(184,646)	408,378	223,732	(155,698)	1

4Q/02

	Financial expenses	Monetary and exchange rate variation on liabilities	Total	
Foreign debt	(70,619)	596,498	525,879	
Local debt	(18,233)	126,801	108,568	
Related parties	(45,934)	220,699	174,765	
	(134,786)	943,998	809,212	
Labor, tax and civil contingencies	(20,131)	(93,464)	(113,595)	
Derivatives, net of gain/losses	(51,135)	23,724	(27,411)	
CPMF / COFINS	(18,356)	-	(18,356)	
Others	151,132 (**)	1,872	153,004	
	(73,276)	876,130	802,854	

1Q/03

	Financial Income	Monetary and exchange rate variation on assets	Total	Financial Income	Mo ex v
Related parties	40,261	(124,352)	(84,091)	21,323	
Marketable securities	1,583	14,280	15,863	37,328	
Others	7,773	(18,382)	(10,609)	8,779	
	49,617	(128,454)	(78,837)	67,430	
Financial income (expenses), net	(135,029)	279,924 (*)	144,895	(88,268)	

4Q/02

	Financial Income	Monetary and exchange rate variation on assets	Total

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

Related parties	31,276	(257,394)	(226,118)
Marketable securities	234	33,303	33,537
Others	13,570	(26,030)	(12,460)
	-----	-----	-----
	45,080	(250,121)	(205,041)
	-----	-----	-----
Financial income (expenses), net	(28,196)	626,009	597,813
	=====	=====	=====

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

(\*\*) Refers, basically, to the adjustment on the cotation of CSN's shares granted as guarantee to Valia, in the amount of R\$ 134,149.

Indexes on Debt	1Q/03	4Q/02
	-----	-----
Current liabilities		
Current portion of long-term debt - unrelated parties	1,889,236	1,827,815
Short-term debt	118,977	397,655
Related parties	1,002,996	948,400
	-----	-----
	3,011,209	3,173,870
Long-term liabilities		
Long-term debt - unrelated parties	4,065,741	4,063,553
Related parties	3,221,881	3,300,003
	-----	-----
	7,287,622	7,363,556
	-----	-----
Gross Debt	10,298,831	10,537,426
	=====	=====
Gross interest	117,680	134,786
EBITDA	1,148,114	1,359,081
Stockholders' equity	13,292,528	12,750,520
EBITDA / Gross interest	9.76	10.08
Gross Debt / EBITDA (annualized)	2.24	1.94
Debt / Stockholders' equity	44	45

### 6.16- Financial Instruments - Derivatives

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

The Company's risk management follows policies and guidelines reviewed and approved by the Board of Directors and Executive Board. These policies and guidelines prohibit speculative trading and short selling and require diversification of transactions and counterparts. The

policy of the Company is to settle all contracts financially without physical delivery of the products. The credit limits and creditworthiness of counterparts are also reviewed periodically and are defined according to the rules approved by Company's management. The results of hedging are recognized monthly in the CVRD result.

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

### Interest Rate Risk

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

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

The table below provides information regarding the interest rate derivatives portfolio for 03/31/03 and 03/31/02.

03/31/03					
Type	Notional value (in US\$ million)	Rate range	Unrealized gain (loss) (in R\$ thousand)	Final maturity	Notional value (in US\$ million)
Cap	500	5.8 - 11.0%	345	May/07	1,350
Floor	500	5.8 - 6.0%	(68,222)	Nov/06	1,000
Swap	470	5.9 - 6.7%	(162,387)	Oct/07	125
Total			(230,264) =====		

### Exchange Rate Risk

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

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

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

The table below shows the exchange rate derivatives portfolio for 03/31/03 and 03/31/02. These operations are forwards and range forwards which were structured to ensure the purchase price of the following currencies:

03/31/03					
Type	Notional value (in million)	Rate range	Unrealized gain (loss) (in R\$ thousand)	Final maturity	Notional value (in million)

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

Yen purchased	(Y) 3,543	(Y) 79 - 89 per US\$ (epsilon) 1.19 -	(999)	Apr/05	(Y) 3,718
Euros purchased	(epsilon) 5	1.23 per US\$ (epsilon) 1.05 -	(2,162)	Apr/05	(epsilon) 8
Euros sold	(epsilon) 3	1.10 per US\$	23	-	(epsilon) 9
Total			(3,138)		

Commodities Price Risk

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

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

23

The following table shows the gold derivatives portfolio of the Company on 03/31/03 and 03/31/02:

Type	Quantity (oz)	Price range US\$/oz	03/31/03		Quantity (o
			Unrealized gain (loss) (in R\$ thousand)	Final maturity	
Puts purchased	428,000	270 - 385	16,819	Dec/07	509,00
Calls sold	595,000	317 - 440	(49,525)	Dec/07	658,50
Hybrid instruments	20,000	-	(668)	Nov-06	20,00
Total			(33,374)		

Net gai

	Interest rates		
	Gold	(libor)	Currencies
Gains and losses unrealized on 12/31/02	52,432	213,361	4,309
Financial settlement	(634)	(13,390)	(378)
Financial expenses, net	(16,204)	42,764	(593)

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

	(16,838)	29,374	(971)
Monetary variations, net	(2,220)	(12,471)	(200)
Gains and losses realized on 03/31/03	33,374	230,264	3,138
			Net gain
	Gold	Interest rates (libor)	Currencies
Gains and losses unrealized on 12/31/01	(16,575)	83,411	9,381
Financial settlement	1,710	(17,675)	401
Financial expenses, net	19,782	(7,623)	5,113
	21,492	(25,298)	5,514
Monetary variations, net	(280)	434	(235)
Gains and losses realized on 03/31/02	4,637	58,547	14,660
			Net gain
	Gold	Interest rates (libor)	Currencies
Gains and losses unrealized on 09/30/02	15,533	254,770	(9,562)
Financial settlement	(274)	(9,782)	(7,994)
Financial expenses, net	38,652	(9,061)	21,544
	38,378	(18,843)	13,550
Monetary variations, net	(1,479)	(22,566)	321
Gains and losses realized on 12/31/02	52,432	213,361	4,309

24

6.17- Exchange Rate Exposure

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

In million

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

	Parent Company		Subsidiary
	03/31/03	12/31/02	Affiliated Companies 03/31/03
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	541	189	542
Others	1,967	1,953	1,301
	2,508	2,142	1,843
Long-term receivables	1,116	1,230	86
Investments	4,301	4,438	18
<b>Total</b>	<b>7,925</b>	<b>7,810</b>	<b>1,947</b>
<b>Liabilities</b>			
<b>Current</b>			
Short-term loans and financing	1,989	2,210	1,616
Others	851	921	392
	2,840	3,131	2,008
Long-term liabilities			
Loans and financing	4,000	4,000	2,520
Others	2,954	2,999	802
	6,954	6,999	3,322
<b>Total</b>	<b>9,794</b>	<b>10,130</b>	<b>5,330</b>
Liabilities - R\$	(1,869)	(2,320)	(3,383)
Liabilities - US\$	(557)	(657)	(1,009)

( \* ) Proportional to the percentage of participation

6.18- Administrative and Other Operating Expenses

	1Q/03	1Q/02	4Q/02
<b>Administrative</b>			
Personal	28,283	26,944	42,760
Technical consulting	18,443	22,623	14,662
Advertising and publicity	9,006	7,684	3,496
Depreciation	9,128	5,277	6,567
Travel expenses	4,925	3,716	6,574
Rents and taxes	6,902	4,249	2,646
Others	12,071	8,401	21,297
	88,758	78,894	98,002
	1Q/03	1Q/02	4Q/02



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

### Other Operating Expenses

Provision for write-off of property, plant and equipment - gold mine	-	-	147,000
Provisions for contingencies	27,141	(16,202)	5,745
Provision for loss on ICMS credits	28,000	20,000	-
Provision for profit sharing	40,000	20,000	37,000
Reversal of provisions (*)	-	-	(60,833)
Others	10,723	15,146	9,095
	-----	-----	-----
	105,864	38,944	138,007
	=====	=====	=====

(\*) Refers to monetary variations expense on pension plan - Valia, reclassified to financial result, on the amount of R\$ 29,833 and sale of inventories, which were considered out of especifications, in the amount of R\$ 31,000.

25

### 6.19- Subsequent Events

#### Payment of Interest on Stockholders' Equity

On April 16, 2003, the Board of Directors of Companhia Vale do Rio Doce approved payment of the first installment of shareholder remuneration for 2003, as per the proposal of the Executive Board disclosed on January 30. This proposal was based on the Company's shareholder return policy and established a minimum of US\$ 1.04 per share to be distributed in two equal installments on April 30 and October 31, 2003, respectively, corresponding to a total amount of US\$ 400 million. Payment of the first installment of interest on stockholders' equity will be R\$ 621,819,836, equivalent to R\$ 1.62 per common or preferred share outstanding. This value was obtained by converting the amount of US\$ 0.52 into reais by the exchange rate for sale of the U.S. dollar reported by the Brazilian Central Bank on April 15, 2003 (Ptax - option 5 code, R\$ 3.1154 = US\$ 1.00), according to procedures announced publicly on January 30, 2003.

#### Acquisition of Caemi

On March 31, 2003, CVRD signed an agreement with Mitsui & Co. (Mitsui) to acquire all its common and preferred shares in Caemi Mineracao e Metalurgia S. A (Caemi) for US\$ 426.4 million. The acquisition is subject to the review and approval of antitrust authorities. The transaction involves the acquisition by CVRD, directly or through a wholly owned subsidiary, of 659,375,000 common and 1,040,671,032 preferred shares of Caemi. These shares represent, respectively, 50% and 40% of the common and preferred shares of that company. CVRD will pay US\$ 276.7 million for 50% of the common shares, equal to US\$ 419.60 per group of 1,000 shares, as announced publicly on December 7, 2001. CVRD will pay US\$ 149.8 million for the 1,040,671,032 preferred shares, corresponding to US\$ 143.90 per group of 1,000 shares. This is equal to the weighted average of preferred shares of Caemi traded on the Sao Paulo Stock Exchange (BOVESPA) in the 30 days preceding February 4, 2003. The price of the shares in reais was converted into U.S. dollars at the average exchange rate in the 30-day period mentioned. Prior to the acquisition, CVRD held 50% of Caemi's common shares and 16.82% of its total capital, being a controlling shareholder together with Mitsui. After the transaction, CVRD will detain 100% of the common shares, 40% of the preferred shares and 60.2% of the total capital. CVRD does not intend to delist Caemi.

#### Capital Increase

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

On April 16, 2003, the Extraordinary Shareholders' Meeting approved a proposal of the Executive Board for a capital increase without issuing new shares, through capitalization of part of the Expansion Reserve in the amount of R\$ 1.3 billion, increasing its share capital from R\$ 5 billion to R\$ 6.3 billion.

### CVRD Acquires CST Shares

On April 24, 2003, CVRD acquired 4.42% of the common shares and 5.64% of the preferred shares of CST, representing 5.17% of CST's total capital held by Acesita S.A. (Acesita). The average price per 1,000 shares paid by CVRD and Arcelor was US\$ 22.66. Therefore, CVRD spent US\$ 59,698,128.37 to buy the CST shares. The acquired shares are not linked to CST's stockholders' agreement. That brings CVRD's holding to 24.934% of CST's common shares and 29.962% of its preferred shares, totaling 28.022% of its capital.

The acquisition by CVRD and Arcelor of CST common shares equivalent to 14.85% of its voting capital, owned by Acesita and covered by the shareholders' agreement, may take place in the future, if the other parties to that shareholders' agreement authorize the transaction or after the expiration of the current CST shareholders' agreement in May 2005.

As stated, the increase in CVRD's holding in CST is temporary, since there is already an option for CVRD to leave in 2007.

### Alunorte Increases Production Capacity

On April 4, 2003, Alunorte, a producer of alumina controlled by its wholly owned subsidiary Aluvale, commissioned its third production line, with a capacity of 825,000 tons per year. With the third line, Alunorte has a production capacity of 2,375,000 tons of alumina per year, positioning it among the five largest alumina refineries in the world. The production increase will be allocated to overseas markets. The investment in this project was approximately US\$ 300 million, a cost of about US\$ 364 per ton of additional capacity, which is very competitive in comparison to the cost of other brownfield projects around the globe.

Alunorte's plant, located in Barcarena, Para, has room for construction of four additional production lines. Hence, in the future with new expansion projects, Alunorte will be able to reach a capacity of 6 million tons per year.

The expansion of Alunorte's capacity is consistent with CVRD's strategy for its aluminum business, which focuses on shareholder value creation through the exploitation of profitable growth opportunities in bauxite and alumina, where its global competitiveness is enhanced by low capital expenditures and operational costs.

26

### CVRD Restructures Stakes in Logistics Companies

On April 16, 2003, CVRD, Companhia Siderurgica Nacional (CSN) and other unlisted companies signed a contract for the purchase and sale of shares in logistics companies. The transactions set forth in the contract will take place once certain conditions are fulfilled. These conditions include, among others, the approval by regulatory authorities and by creditors of companies whose shares are being traded, the setting of commercial agreements and the waiver by other shareholders of the exercise of any rights of first refusal.

The contract involves three transactions:

- The acquisition by CVRD of CSN's 11.95% stake in Ferrovia

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

- Centro-Atlantica (FCA).
- The sale to CSN of CVRD's stake in Sepetiba Tecon S.A. (STSA), a company that operates Container Terminal 1 at the Port of Sepetiba (TECON), in Rio de Janeiro State. The transaction includes the sale by CVRD of 50% of STSA's capital and 18 million STSA convertible debentures. The Itabira Rio Doce Company Limited - ITACO, a wholly-owned subsidiary of CVRD, has a capital stake of 62.5% of CSN Aceros which is the parent company of STSA with a capital stake of 80%.
- The sale by CVRD to CSN and Taquari Participacoes S. A. (Taquari) of 32.4% of the capital of Companhia Ferroviaria do Nordeste (CFN).

The purchase and sale obligations, if the conditions are fulfilled, will result in a net expenditure of R\$ 20 million by CVRD.

CVRD and TECON will sign a commercial agreement allowing CVRD to handle containers through TECON over the next ten years and guaranteeing maintenance of port conditions for the handling of containers. This agreement guarantees that CVRD will continue to get ongoing support for the development of its intermodal transportation business.

These transactions will free CVRD resources to focus on its core transportation assets. They are part of a process that began with the unwinding of the cross shareholdings between CVRD and CSN in March 2001. In addition to the contribution to simplify the structure of the Brazilian steel industry, this unwinding allowed the successful implementation by CVRD of a new model of corporate governance and long-term strategic guidelines.

### CVRD and NUCOR Announce Pig Iron Project

On April 24, 2003, CVRD and Nucor Corporation (NUCOR) signed an agreement to construct and operate an environmentally friendly pig iron project in Northern Brazil. The project will utilize two conventional mini-blast furnaces to produce about 380,000 metric tons of pig iron per year in its initial phase, using CVRD iron ore from its Carajas mines in Northern Brazil. The charcoal source will be exclusively from eucalyptus trees grown in a cultivated forest of 30,000 hectares with the total project encompassing approximately 80,000 hectares. CVRD and NUCOR will form a joint venture company to operate the facility. It is anticipated that NUCOR will purchase all of the production of the plant.

NUCOR will invest US\$10 million in the project while CVRD's equity contribution will be the land and the forest assets (currently owned by its wholly owned subsidiary Celmar S.A.). The total capital of the project will be about US\$ 80 million. The ownership will be split 78% CVRD and 22% NUCOR.

27

### PART III

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

##### 7.1- Iron Ore and Pellet Sales (Main Markets) (Unaudited)

(Millions of

1999	%	2000	%	2001	%	2002
------	---	------	---	------	---	------

FOREIGN MARKET  
ASIA

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

CHINA	7.3	8	9.2	8	14.9	12	17.5
KOREA	7.9	8	7	6	6.0	5	7.1
PHILIPPINES	1.6	2	1.4	1	1.2	1	2.6
JAPAN	16.9	17	17.5	15	17.1	13	16.3
TAIWAN	1.8	2	1.6	2	2.2	2	2.1
OTHERS	0.6	-	0.4	-	1.1	1	-
	-----	-----	-----	-----	-----	-----	-----
	36.1	37	37.1	32	42.5	34	45.6
	-----	-----	-----	-----	-----	-----	-----
EUROPE							
GERMANY	8	8	8.2	7	10.1	8	14.7
SPAIN	3.6	4	2.9	2	2.9	2	2.9
FRANCE	2.1	2	2.9	2	3.9	3	5.8
ITALY	5	5	4.8	4	5.1	4	5.2
UNITED KINGDOM	1.6	2	1.5	2	1.6	1	2.3
OTHERS	4.7	5	8.2	7	10.8	8	13.4
	-----	-----	-----	-----	-----	-----	-----
	25	26	28.5	24	34.4	26	44.3
	-----	-----	-----	-----	-----	-----	-----
AMERICAS							
ARGENTINA	1.6	2	1.4	1	1.9	1	2.3
UNITED STATES	3	3	3.5	3	2.9	2	3.8
OTHERS	1.8	2	2	2	1.5	1	2.4
	-----	-----	-----	-----	-----	-----	-----
	6.4	7	6.9	6	6.3	4	8.5
	-----	-----	-----	-----	-----	-----	-----
AFRICA/MID.EAST/OCEANIA							
BAHREIN	1.5	2	2	2	1.7	1	2.4
OTHERS	3.6	4	5.2	4	5.1	4	4.3
	-----	-----	-----	-----	-----	-----	-----
	5.1	6	7.2	6	6.8	5	6.7
	-----	-----	-----	-----	-----	-----	-----
	72.6	76	79.7	68	90	69	105.1
	=====	=====	=====	=====	=====	=====	=====
DOMESTIC MARKET							
STEEL MILLS	13.6	14	15.5	13	20.2	16	22.3
PELLETING AFFILIATES	10.1	10	21.6	19	19.7	15	18.9
	-----	-----	-----	-----	-----	-----	-----
	23.7	24	37.1	32	39.9	31	41.2
	-----	-----	-----	-----	-----	-----	-----
TOTAL	96.3	100	116.8	100	129.9	100	146.3
	=====	=====	=====	=====	=====	=====	=====

(Millions of tons)

	1Q		4Q		1Q	
	2002	%	2002	%	2003	%
FOREIGN MARKET						
ASIA						
CHINA	4.4	13	3.9	10	5.4	15
KOREA	2.1	6	1.9	5	1.6	4
PHILIPPINES	0.6	2	0.8	2	0.4	1
JAPAN	3.7	11	4.3	11	3.9	11
TAIWAN	0.4	1	0.8	2	0.4	1
OTHERS	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
	11.2	33	11.7	30	11.7	32
	-----	-----	-----	-----	-----	-----
EUROPE						

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

GERMANY	3.4	10	4.3	11	3.5	10
SPAIN	0.8	2	0.7	2	0.8	2
FRANCE	1.3	4	1.6	4	1.4	4
ITALY	1.0	3	1.2	3	1.2	3
UNITED KINGDOM	0.7	2	0.4	1	0.5	1
OTHERS	2.9	9	3.7	9	3.0	9
	10.1	30	11.9	30	10.4	29
AMERICAS						
ARGENTINA	0.4	1	0.7	2	0.8	2
UNITED STATES	0.9	2	0.7	2	1.0	3
OTHERS	0.3	1	0.9	2	0.8	2
	1.6	4	2.3	6	2.6	7
AFRICA/MID.EAST/OCEANIA						
BAHREIN	0.8	3	0.5	1	0.5	1
OTHERS	0.8	3	1.6	4	1.0	3
	1.6	6	2.1	5	1.5	4
	24.5	73	28.0	71	26.2	72
DOMESTIC MARKET						
STEEL MILLS	5.1	15	6.2	16	5.1	14
PELLETING AFFILIATES	4.0	12	5.2	13	5.0	14
	9.1	27	11.4	29	10.1	28
TOTAL	33.6	100	39.4	100	36.3	100

Exports by System

	(Millions of tons)							
	1999	%	2000	%	2001	%	2002	
NORTHERN SYSTEM	42.8	44	46.6	40	50.8	39	53.0	3
SOUTHERN SYSTEM	53.5	56	70.2	60	79.1	61	93.3	6
	96.3	100	116.8	100	129.9	100	146.3	10

	(Millions of tons)					
	1Q		4Q		1Q	
	2002	%	2002	%	2003	%
NORTHERN SYSTEM	11.7	35	14.2	36	13.3	37
SOUTHERN SYSTEM	21.9	65	25.2	64	23.0	63
	33.6	100	39.4	100	36.3	100

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

7.2- Information About FERTECO (Unaudited)

Statement of Income	In thousands of		
	1Q/03	1Q/02	
Operating revenues	331,062	134,668	2
Value-added taxes	(20,289)	(7,816)	
Net operating revenues	310,773	126,852	2
Cost of products and services	(181,193)	(70,019)	(1
Gross profit	129,580	56,833	1
Gain on investments accounted for by the equity method	3,830	9	
Operating income (expenses)			
Selling and administrative	(13,981)	(14,227)	(
Financial result, net	(8,537)	(4,575)	(
Operating income (expenses)	(8,889)	1,530	(
	(31,407)	(17,272)	(
Income before income tax and social contribution	102,003	39,570	
Income tax and social contribution	(12,869)	(10,519)	(
Net income (Loss) for the period	89,134	29,051	

The better performance is due to the increase of 92.7% in iron ore sales and 18.1% in pellets.

29

7.3- Information About Rio Doce International Finance Ltd. - RDIF (Unaudited)

Statement of Income	In thousands of		
	1Q/03	1Q/02	4
Net operating revenues	46,124	26,664	56
Cost of products and services - agencying costs	(9,746)	(5,383)	(10
Gross profit	36,378	21,281	45
Gain on investments accounted for by the equity method	-	58,929	
Operating income (expenses)			
Other operating expenses, net	(271)	(190)	1

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

Financial expenses	(12,082)	(8,521)	(10,000)
Financial income	31,538	20,827	38,000
Monetary and exchange rate variation, net	(163,915)	(546)	4,000
Net income (loss) for the period	(108,352)	91,780	78,000

Operating profit

Special mention should go to the effect of the 5.10% rise in the value of the real against the U.S. dollar in the first quarter of 2003, over the stockholders' equity.

30

PART IV

8- ATTACHMENT I - EQUITY INVESTEE INFORMATION

8.1- Aluminum Area - ALBRAS (Adjusted and Unaudited)

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	99	-
Quantity sold - internal market	MT (thousand)	4	-
Quantity sold - total	MT (thousand)	103	-
Average sales price - external market	US\$	1,336.40	-
Average sales price - internal market	US\$	1,376.14	-
Average sales price - total	US\$	1,337.98	-
Long-term indebtedness, gross	US\$	451,354	-
Short-term indebtedness, gross	US\$	-	-
Total indebtedness, gross	US\$	451,354	-
Stockholders' equity	R\$	479,916	-
Net operating revenues	R\$	479,659	-
Cost of products	R\$	(284,827)	-
Other expenses/revenues	R\$	(14,276)	-
Depreciation, amortization and depletion	R\$	17,675	-
EBITDA	R\$	198,231	-

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

Depreciation, amortization and depletion	R\$	(17,675)	-
EBIT	R\$	180,556	-
Other expenses/revenues - non cash	R\$	(1,875)	-
Non-operating result	R\$	(174)	-
Net financial result	R\$	63,862	-
Income before income tax and social contribution	R\$	242,369	-
Income tax and social contribution	R\$	(19,192)	-
Net income	R\$	223,177	-

	1Q	2Q	3Q	
Quantity sold - external market	84	108	101	1
Quantity sold - internal market	4	2	3	
Quantity sold - total	88	110	104	1
Average sales price - external market	1,318.33	1,409.42	1,288.20	1,304.
Average sales price - internal market	1,352.12	1,330.47	1,335.69	1,356.
Average sales price - total	1,319.81	1,332.13	1,289.68	1,306.
Long-term indebtedness, gross	524,095	506,633	498,857	465,8
Short-term indebtedness, gross	72,938	48,840	20,156	20,4
Total indebtedness, gross	597,033	555,473	519,013	486,2
Stockholders' equity	299,202	113,162	(209,047)	256,7
Net operating revenues	273,853	366,494	414,264	489,7
Cost of products	(170,834)	(223,590)	(248,895)	(288,1
Other expenses/revenues	(12,562)	(9,587)	(22,292)	(4
Depreciation, amortization and depletion	15,555	17,076	17,423	17,4
EBITDA	106,012	150,393	160,500	218,6
Depreciation, amortization and depletion	(15,555)	(17,076)	(17,423)	(17,4
EBIT	90,457	133,317	143,077	201,1



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

Other expenses/revenues - non cash	-	-	-	(6,0
Non-operating result	(746)	(467)	82	4
Net financial result	(11,141)	(332,532)	(505,233)	175,9
Income before income tax and social contribution	78,570	(199,682)	(362,074)	371,5
Income tax and social contribution	(2,627)	13,645	39,863	88,2
Net income	75,943	(186,037)	(322,211)	459,7

31

8.2- Aluminum Area - ALUNORTE (Adjusted and Unaudited)

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	289	-
Quantity sold - internal market	MT (thousand)	201	-
Quantity sold - total	MT (thousand)	490	-
Average sales price - external market	US\$	170.93	-
Average sales price - internal market	US\$	173.60	-
Average sales price - total	US\$	172.03	-
Long-term indebtedness, gross	US\$	482,418	-
Total indebtedness, gross	US\$	482,418	-
Stockholders' equity	R\$	546,444	-
Net operating revenues	R\$	291,962	-
Cost of products	R\$	(217,680)	-
Other expenses/revenues	R\$	(5,978)	-
Depreciation, amortization and depletion	R\$	15,240	-
EBITDA	R\$	83,544	-
Depreciation, amortization and depletion	R\$	(15,240)	-
EBIT	R\$	68,304	-
Non-operating result	R\$	(43)	-

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

Net financial result	R\$	43,764	-	
Income before income tax and social contribution	R\$	112,025	-	
Income tax and social contribution	R\$	(10,084)	-	
Net income	R\$	101,941	-	
		1Q	2Q	3Q
Quantity sold - external market		222	175	115
Quantity sold - internal market		205	235	233
Quantity sold - total		427	410	348
Average sales price - external market		148.20	152.79	162.37
Average sales price - internal market		175.94	175.38	173.97
Average sales price - total		161.55	165.72	170.13
Long-term indebtedness, gross		455,061	455,194	472,590
Total indebtedness, gross		455,061	455,194	472,590
Stockholders' equity		573,946	451,686	226,155
Net operating revenues		164,875	173,891	196,154
Cost of products		(135,765)	(134,556)	(131,291)
Other expenses/revenues		(7,377)	(3,787)	(4,079)
Depreciation, amortization and depletion		12,802	13,351	12,853
EBITDA		34,535	48,899	73,637
Depreciation, amortization and depletion		(12,802)	(13,351)	(12,853)
EBIT		21,733	35,548	60,784
Non-operating result		(4)	-	-
Net financial result		(10,936)	(198,404)	(374,193)
Income before income tax and social contribution		10,793	(162,856)	(313,409)
Income tax and social contribution		(726)	20,677	6,396
Net income		10,067	(142,179)	(307,013)

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

32

8.3- Aluminum Area - ALUVALE (Adjusted and Unaudited)

Information		1Q	2Q
Stockholders' equity	R\$	1,115,779	-
Net operating revenues	R\$	154	-
Cost of products	R\$	-	-
Other expenses/revenues	R\$	7,275	-
Depreciation, amortization and depletion	R\$	-	-
EBITDA	R\$	7,429	-
Depreciation, amortization and depletion	R\$	-	-
EBIT	R\$	7,429	-
Other expenses/revenues - non cash	R\$	(1,218)	-
Result of investments participation	R\$	210,564	-
Net financial result	R\$	3,682	-
Income before income tax and social contribution	R\$	220,457	-
Income tax and social contribution	R\$	6,545	-
Net income	R\$	227,002	-

Information		1Q	2Q	3Q
Stockholders' equity		891,456	751,522	447,879
Net operating revenues		288	616	354
Cost of products		(22)	(47)	(38)
Other expenses/revenues		4,571	1,361	3,731

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

Depreciation, amortization and depletion	-	13	(13)
EBITDA	4,837	1,943	4,034
Depreciation, amortization and depletion	-	(13)	13
EBIT	4,837	1,930	4,047
Other expenses/revenues - non cash	(645)	(650)	(730)
Result of investments participation	57,892	(145,352)	(307,027)
Net financial result	4,917	5,351	972
Income before income tax and social contribution	67,001	(138,721)	(302,738)
Income tax and social contribution	(2,723)	(1,862)	(1,635)
Net income	64,278	(140,583)	(304,373)

33

8.4- Aluminum Area - MRN (Adjusted and Unaudited)

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	711	-
Quantity sold - internal market	MT (thousand)	1,485	-
Quantity sold - total	MT (thousand)	2,196	-
Average sales price - external market	US\$	21.31	-
Average sales price - internal market	US\$	18.24	-
Average sales price - total	US\$	19.23	-
Long-term indebtedness, gross	US\$	69,222	-
Short-term indebtedness, gross	US\$	44,004	-
Total indebtedness, gross	US\$	113,226	-
Stockholders' equity	R\$	731,822	-
Net operating revenues	R\$	139,951	-
Cost of products	R\$	(69,487)	-

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

Other expenses/revenues	R\$	(2,851)	-
Depreciation, amortization and depletion	R\$	14,854	-
EBITDA	R\$	82,467	-
Depreciation, amortization and depletion	R\$	(14,854)	-
EBIT	R\$	67,613	-
Result of investments participation	R\$	-	-
Non-operating result	R\$	(2,454)	-
Net financial result	R\$	(239)	-
Income before income tax and social contribution	R\$	64,920	-
Income tax and social contribution	R\$	(5,421)	-
Net income	R\$	59,499	-

Information

	1Q	2Q	3Q	4
Quantity sold - external market	485	790	740	60
Quantity sold - internal market	1,296	1,820	1,815	2,38
Quantity sold - total	1,781	2,610	2,555	2,98
Average sales price - external market	20.56	19.09	19.21	21.4
Average sales price - internal market	19.46	18.01	18.16	20.3
Average sales price - total	19.76	18.34	18.46	20.5
Long-term indebtedness, gross	95,892	90,312	77,786	76,12
Short-term indebtedness, gross	14,436	18,780	23,198	29,26
Total indebtedness, gross	110,328	109,092	100,984	105,38
Stockholders' equity	594,895	562,633	498,041	672,32
Net operating revenues	76,448	111,452	146,949	204,09
Cost of products	(39,697)	(60,627)	(72,806)	(78,14
Other expenses/revenues	(569)	(5,271)	(1,589)	(2,99
Depreciation, amortization and depletion	9,840	13,325	14,617	14,70
EBITDA	46,022	58,879	87,171	137,65

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

Depreciation, amortization and depletion	(9,840)	(13,325)	(14,617)	(14,700)
EBIT	36,182	45,554	72,554	122,950
Result of investments participation	(3,403)	(1,347)	-	2,000
Non-operating result	(13)	11	12	17,010
Net financial result	(1,804)	(32,286)	(73,730)	102,120
Income before income tax and social contribution	30,962	11,932	(1,164)	244,090
Income tax and social contribution	(6,522)	(4,139)	(5,429)	(26,260)
Net income	24,440	7,793	(6,593)	217,820

34

8.5- Aluminum Area - VALESUL (Adjusted and Unaudited)

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	9	-
Quantity sold - internal market	MT (thousand)	10	-
Quantity sold - total	MT (thousand)	19	-
Average sales price - external market	US\$	1,505.49	-
Average sales price - internal market	US\$	1,933.02	-
Average sales price - total	US\$	1,730.60	-
Long-term indebtedness, gross	US\$	1,048	-
Short-term indebtedness, gross	US\$	617	-
Total indebtedness, gross	US\$	1,665	-
Stockholders' equity	R\$	288,362	-
Net operating revenues	R\$	108,088	-
Cost of products	R\$	(68,912)	-
Other expenses/revenues	R\$	(6,868)	-
Depreciation, amortization and depletion	R\$	2,816	-
EBITDA	R\$	35,124	-
Depreciation, amortization and depletion	R\$	(2,816)	-
EBIT	R\$	32,308	-
Non-operating result	R\$	255	-

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

Net financial result	R\$	(186)	-
Income before income tax and social contribution	R\$	32,377	-
Income tax and social contribution	R\$	(5,214)	-
Net income	R\$	27,163	-

Information

	1Q	2Q	3Q	
Quantity sold - external market	9	12	8	
Quantity sold - internal market	12	11	11	
Quantity sold - total	21	23	19	
Average sales price - external market	1,467.44	1,481.49	1,485.09	1,413
Average sales price - internal market	1,906.21	1,865.52	1,779.65	1,801
Average sales price - total	1,720.97	1,663.20	1,654.96	1,618
Long-term indebtedness, gross	1,868	1,416	953	1,
Short-term indebtedness, gross	685	555	409	
Total indebtedness, gross	2,553	1,971	1,362	1,
Stockholders' equity	231,170	246,030	266,074	261,
Net operating revenues	77,727	92,816	93,602	146,
Cost of products	(63,576)	(71,701)	(61,711)	(86,
Other expenses/revenues	(3,223)	(1,164)	(7,075)	(13,
Depreciation, amortization and depletion	3,332	3,600	2,826	3,
EBITDA	14,260	23,551	27,642	48,
Depreciation, amortization and depletion	(3,332)	(3,600)	(2,826)	(3,
EBIT	10,928	19,951	24,816	45,
Non-operating result	55	(54)	515	(
Net financial result	(597)	621	(945)	(1,
Income before income tax and social contribution	10,386	20,518	24,386	43,
Income tax and social contribution	(4,122)	(5,652)	(4,344)	(5,
Net income	6,264	14,866	20,042	37,

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

Information

		1Q	2Q
Quantity sold - external market	MT (thousand)	268	-
Quantity sold - internal market	MT (thousand)	637	-
Quantity sold - total	MT (thousand)	905	-
Average sales price - external market	US\$	29.54	-
Average sales price - internal market	US\$	29.95	-
Average sales price - total	US\$	29.75	-
Stockholders' equity	R\$	90,872	-
Net operating revenues	R\$	94,344	-
Cost of products	R\$	(81,263)	-
Other expenses	R\$	(886)	-
Depreciation, amortization and depletion	R\$	2,386	-
EBITDA	R\$	14,581	-
Depreciation, amortization and depletion	R\$	(2,386)	-
EBIT	R\$	12,195	-
Result of investments participation	R\$	-	-
Non-operating result	R\$	(897)	-
Net financial result	R\$	(3,544)	-
Income before income tax and social contribution	R\$	7,754	-
Income tax and social contribution	R\$	(3,264)	-
Net income	R\$	4,490	-

Information

	1Q	2Q	3Q	
Quantity sold - external market	487	355	166	
Quantity sold - internal market	420	480	520	
Quantity sold - total	907	835	686	1,
Average sales price - external market	31.33	31.49	31.39	24
Average sales price - internal market	31.43	31.63	32.28	27
Average sales price - total	31.38	31.56	32.07	25
Stockholders' equity	85,476	85,790	93,568	86,
Net operating revenues	67,353	59,359	67,336	125,
Cost of products	(57,628)	(55,855)	(56,920)	(105,



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

Other expenses	(737)	(804)	(128)	(
Depreciation, amortization and depletion	2,458	2,458	2,322	2,
EBITDA	11,446	5,158	12,610	21,
Depreciation, amortization and depletion	(2,458)	(2,458)	(2,322)	(2,
EBIT	8,988	2,700	10,288	18,
Result of investments participation	-	-	-	1,
Non-operating result	(1,465)	(4,923)	(3,232)	(3,
Net financial result	854	5,888	7,899	(3,
Income before income tax and social contribution	8,377	3,665	14,955	13,
Income tax and social contribution	(3,362)	(1,480)	(5,395)	(4,
Net income	5,015	2,185	9,560	8,

36

8.7- Pelletizing Area - ITABRASCO (Adjusted and Unaudited)

Information

		1Q	2Q	
		-----	-----	-----
Quantity sold - external market	MT (thousand)	306	-	
Quantity sold - internal market	MT (thousand)	507	-	
Quantity sold - total	MT (thousand)	813	-	
Average sales price - external market	US\$	29.97	-	
Average sales price - internal market	US\$	29.20	-	
Average sales price - total	US\$	29.54	-	
Short-term indebtedness, gross	US\$	4,854	-	
Total indebtedness, gross	US\$	4,854	-	
Stockholders' equity	R\$	59,216	-	
Net operating revenues	R\$	85,607	-	
Cost of products	R\$	(73,246)	-	
Other expenses/revenues	R\$	(907)	-	
Depreciation, amortization and depletion	R\$	(379)	-	
EBITDA	>R\$	11,075	-	
Depreciation, amortization and depletion	R\$	379	-	
EBIT	>R\$	11,454	-	
Other expenses - non cash	R\$	(3,955)	-	
Non-operating result	R\$	2,662	-	
Net financial result	R\$	(3,441)	-	
Income before income tax and social contribution	R\$	6,720	-	
Income tax and social contribution	R\$	(3,308)	-	

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

		R\$	3,412	-
Net income				
Information				
			1Q	2Q
Quantity sold - external market	MT (thousand)		644	533
Quantity sold - internal market	MT (thousand)		233	169
Quantity sold - total	MT (thousand)		877	702
Average sales price - external market	US\$		31.16	28.46
Average sales price - internal market	US\$		31.90	27.79
Average sales price - total	US\$		31.35	28.30
Short-term indebtedness, gross	US\$		18,023	17,133
Total indebtedness, gross	US\$		18,023	17,133
Stockholders' equity	R\$		60,230	65,720
Net operating revenues	R\$		65,575	49,920
Cost of products	R\$		(56,551)	(47,528)
Other expenses/revenues	R\$		(1,290)	376
Depreciation, amortization and depletion	R\$		327	331
EBITDA	R\$		8,061	3,099
Depreciation, amortization and depletion	R\$		(327)	(331)
EBIT	R\$		7,734	2,768
Other expenses - non cash	R\$		-	-
Non-operating result	R\$		(2,494)	(2,600)
Net financial result	R\$		(636)	9,277
Income before income tax and social contribution	R\$		4,604	9,445
Income tax and social contribution	R\$		(2,143)	(3,954)
Net income	R\$		2,461	5,491

37

8.8- Pelletizing Area - KOBRASCO (Adjusted and Unaudited)

			1Q	2Q
Quantity sold - external market	MT (thousand)		453	-
Quantity sold - internal market	MT (thousand)		681	-
Quantity sold - total	MT (thousand)		1,134	-
Average sales price - external market	US\$		29.89	-

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

Average sales price - internal market	US\$	30.72	-
Average sales price - total	US\$	30.39	-
Long-term indebtedness, gross	US\$	123,624	-
Total indebtedness, gross	US\$	123,624	-
Stockholders' equity	R\$	(89,160)	-
Net operating revenues	R\$	116,656	-
Cost of products	R\$	(94,094)	-
Other expenses/revenues	R\$	(869)	-
Depreciation, amortization and depletion	R\$	2,262	-
EBITDA	R\$	23,955	-
Depreciation, amortization and depletion	R\$	(2,262)	-
EBIT	R\$	21,693	-
Other expenses - non cash	R\$	(7,809)	-
Result of investments participation	R\$	-	-
Non-operating result	R\$	104	-
Net financial result	R\$	18,296	-
Income before income tax and social contribution	R\$	32,284	-
Income tax and social contribution	R\$	(14,094)	-
Net income	R\$	18,190	-

Information

		1Q	2Q
Quantity sold - external market	MT (thousand)	436	534
Quantity sold - internal market	MT (thousand)	420	478
Quantity sold - total	MT (thousand)	856	1,012
Average sales price - external market	US\$	31.31	29.34
Average sales price - internal market	US\$	32.08	29.24
Average sales price - total	US\$	31.69	29.30
Long-term indebtedness, gross	US\$	149,583	143,378
Total indebtedness, gross	US\$	149,583	143,378
Stockholders' equity	R\$	16,608	(32,692)
Net operating revenues	R\$	63,984	72,449
Cost of products	R\$	(50,027)	(67,075)
Other expenses/revenues	R\$	(1,109)	1,471
Depreciation, amortization and depletion	R\$	2,248	2,248
EBITDA	R\$	15,096	9,093
Depreciation, amortization and depletion	R\$	(2,248)	(2,248)
EBIT	R\$	12,848	6,845
Other expenses - non cash	R\$	(2,984)	(3,617)
Result of investments participation	R\$	57	939
Non-operating result	R\$	31	27

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

Net financial result	R\$	(3,811)	(78,006)	(
Income before income tax and social contribution	R\$	6,141	(73,812)	(
Income tax and social contribution	R\$	(3,093)	24,511	
Net income	R\$	3,048	(49,301)	

38

8.9- Pelletizing Area - NIBRASCO (Adjusted and Unaudited)

Information

		1Q	2Q	
Quantity sold - external market	MT (thousand)	469	-	
Quantity sold - internal market - CVRD	MT (thousand)	1,303	-	
Quantity sold - internal market - Others	MT (thousand)	28	-	
Quantity sold - total	MT (thousand)	1,800	-	
Average sales price - external market	US\$	28.76	-	
Average sales price - internal market	US\$	27.38	-	
Average sales price - total	US\$	27.75	-	
Long-term indebtedness, gross	US\$	1,200	-	
Short-term indebtedness, gross	US\$	2,400	-	
Total indebtedness, gross	US\$	3,600	-	
Stockholders' equity	R\$	87,365	-	
Net operating revenues	R\$	174,765	-	
Cost of products	R\$	(167,405)	-	
Other expenses/revenues	R\$	1,895	-	
Depreciation, amortization and depletion	R\$	4,179	-	
EBITDA ----->	R\$	13,434	-	
Depreciation, amortization and depletion	R\$	(4,179)	-	
EBIT ----->	R\$	9,255	-	
Other expenses - non cash	R\$	(3,700)	-	
Net financial result	R\$	1,341	-	
Income before income tax and social contribution	R\$	6,896	-	
Income tax and social contribution	R\$	(3,728)	-	
Net income	R\$	3,168	-	

Information

		1Q	2Q	
Quantity sold - external market	MT (thousand)	407	686	

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

Quantity sold - internal market - CVRD	MT (thousand)	584	1,544
Quantity sold - internal market - Others	MT (thousand)	9	27
Quantity sold - total	MT (thousand)	1,000	2,257
Average sales price - external market	US\$	30.25	30.88
Average sales price - internal market	US\$	30.49	31.58
Average sales price - total	US\$	30.39	31.36
Long-term indebtedness, gross	US\$	3,600	2,400
Short-term indebtedness, gross	US\$	2,484	2,400
Total indebtedness, gross	US\$	6,084	4,800
Stockholders' equity	R\$	78,682	84,259
Net operating revenues	R\$	70,936	163,815
Cost of products	R\$	(70,397)	(144,430)
Other expenses/revenues	R\$	144	2,006
Depreciation, amortization and depletion	R\$	4,217	4,218
EBITDA	R\$	4,900	25,609
Depreciation, amortization and depletion	R\$	(4,217)	(4,218)
EBIT	R\$	683	21,391
Other expenses - non cash	R\$	(2,548)	(7,041)
Net financial result	R\$	(2,463)	(4,034)
Income before income tax and social contribution	R\$	(4,328)	10,316
Income tax and social contribution	R\$	66	(4,737)
Net income	R\$	(4,262)	5,579

39

8.10- Pelletizing Area - SAMARCO (Adjusted and Unaudited)

Information

		1Q	2Q
Quantity sold - total	MT (thousand)	3,988	-
Average sales price - total	US\$	27.59	-
Long-term indebtedness, gross	US\$	56,240	-
Short-term indebtedness, gross	US\$	123,271	-
Total indebtedness, gross	US\$	179,511	-
Stockholders' equity	R\$	627,216	-
Net operating revenues	R\$	360,773	-
Cost of products	R\$	(162,899)	-
Other expenses/revenues	R\$	(19,634)	-
Depreciation, amortization and depletion	R\$	9,955	-

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

EBITDA ----->	R\$	188,195	-
Depreciation, amortization and depletion	R\$	(9,955)	-
EBIT ----->	R\$	178,240	-
Other expenses/revenues - non cash	R\$	8,740	-
Result of investments participation	R\$	(2,699)	-
Non-operating result	R\$	(46)	-
Net financial result	R\$	(499)	-
Income before income tax and social contribution	R\$	183,736	-
Income tax and social contribution	R\$	(44,283)	-
Net income	R\$	139,453	-

Information

		1Q	2Q
Quantity sold - total	MT (thousand)	3,301	3,436
Average sales price - total	US\$	28.48	28.78
Long-term indebtedness, gross	US\$	92,788	86,584
Short-term indebtedness, gross	US\$	169,170	180,539
Total indebtedness, gross	US\$	261,958	267,123
Stockholders' equity	R\$	510,038	417,935
Net operating revenues	R\$	212,909	239,124
Cost of products	R\$	(108,837)	(114,932)
Other expenses/revenues	R\$	(18,481)	(19,474)
Depreciation, amortization and depletion	R\$	7,897	9,358
EBITDA	R\$	93,488	114,076
Depreciation, amortization and depletion	R\$	(7,897)	(9,358)
EBIT	R\$	85,591	104,718
Other expenses/revenues - non cash	R\$	(1,966)	(9,221)
Result of investments participation	R\$	2,155	(11,985)
Non-operating result	R\$	50	(35)
Net financial result	R\$	(15,179)	(95,410)
Income before income tax and social contribution	R\$	70,651	(11,933)
Income tax and social contribution	R\$	(12,555)	(7,431)
Net income	R\$	58,096	(19,364)

8.11- Pelletizing Area - GIIC (Adjusted and Unaudited)

Information

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

		1Q(*)	2Q
Quantity sold - external market	ton (mil)	772	
Quantity sold - total	ton (mil)	772	-
Average sales price - external market	US\$	41.00	
Average sales price - total	US\$	41.00	
Stockholders' equity	R\$	225,520	
Net operating revenues	R\$	100,559	
Cost of products	R\$	(78,057)	
Other expenses	R\$	(9,530)	
Depreciation, amortization and depletion	R\$	3,038	
EBITDA	R\$	16,010	-
Depreciation, amortization and depletion	R\$	(3,038)	
EBIT	R\$	12,972	-
Non-operating result	R\$	114	
Ganho na convesao de moedas	R\$	-	
Net financial result	R\$	(574)	
Net income	R\$	12,512	-

Information

		1Q(*)	2Q
Quantity sold - external market	ton (mil)	823	676
Quantity sold - total	ton (mil)	823	676
Average sales price - external market	US\$	41.76	40.30
Average sales price - total	US\$	41.76	40.30
Stockholders' equity	R\$	154,278	193,243
Net operating revenues	R\$	79,867	77,447
Cost of products	R\$	(68,514)	(67,518)
Other expenses	R\$	(2,561)	(5,768)
Depreciation, amortization and depletion	R\$	(3,365)	4,167
EBITDA	R\$	12,157	8,328
Depreciation, amortization and depletion	R\$	(3,365)	(4,167)
EBIT	R\$	8,792	4,161
Non-operating result	R\$	92	114
Ganho na convesao de moedas	R\$	-	1,716
Net financial result	R\$	167	111
Net income	R\$	9,051	6,102

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

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

41

8.12- Iron Ore Area - FERTECO (Adjusted and Unaudited)

Information		1Q	2Q
		-----	-----
Quantity sold - external market - iron ore	MT (thousand)	3,503	-
Quantity sold - internal market - iron ore	MT (thousand)	1,376	-
Quantity sold - total - iron ore	MT (thousand)	4,879	-
		=====	=====
Quantity sold - external market - pellets	MT (thousand)	358	-
Quantity sold - internal market - pellets	MT (thousand)	498	-
Quantity sold - total - pellets	MT (thousand)	856	-
		=====	=====
Average sales price - external market - iron ore	US\$	16.29	-
Average sales price - internal market - iron ore	US\$	7.73	-
Average sales price - total - iron ore	US\$	13.87	-
Average sales price - external market - pellets	US\$	28.51	-
Average sales price - internal market - pellets	US\$	30.40	-
Average sales price - total - pellets	US\$	29.62	-
Long-term indebtedness, gross	US\$	82,374	-
Short-term indebtedness, gross	US\$	9,567	-
Total indebtedness, gross	US\$	91,941	-
		=====	=====
Stockholders' equity	R\$	707,540	-
		=====	=====
Net operating revenues	R\$	310,773	-
Cost of products	R\$	(181,193)	-
Other expenses	R\$	(13,981)	-
Depreciation, amortization and depletion	R\$	7,692	-
EBITDA ----->	R\$	123,291	-
Depreciation, amortization and depletion	R\$	(7,692)	-
EBIT ----->	R\$	115,599	-
Others expenses/revenues - no cash	R\$	(9,058)	-
Result of Investments Participation	R\$	3,830	-
Non-operating result	R\$	(87)	-
Net financial result	R\$	(8,537)	-
		-----	-----
Income before income tax and social contribution	R\$	101,747	-
Income tax and social contribution	R\$	(12,869)	-
Net income	R\$	88,878	-
		-----	-----

Information



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

		1Q	2Q
		-----	-----
Quantity sold - external market - iron ore	MT (thousand)	2,020	2,699
Quantity sold - internal market - iron ore	MT (thousand)	512	832
Quantity sold - total - iron ore	MT (thousand)	2,532	3,531
Quantity sold - external market - pellets	MT (thousand)	448	736
Quantity sold - internal market - pellets	MT (thousand)	277	498
Quantity sold - total - pellets	MT (thousand)	725	1,234
Average sales price - external market - iron ore	US\$	16.53	17.32
Average sales price - internal market - iron ore	US\$	3.71	6.20
Average sales price - total - iron ore	US\$	14.59	14.70
Average sales price - external market - pellets	US\$	28.08	29.68
Average sales price - internal market - pellets	US\$	19.02	23.15
Average sales price - total - pellets	US\$	26.63	27.05
Long-term indebtedness, gross	US\$	94,359	88,367
Short-term indebtedness, gross	US\$	55,244	58,473
Total indebtedness, gross	US\$	149,603	146,840
Stockholders' equity	R\$	215,058	544,020
Net operating revenues	R\$	126,852	195,290
Cost of products	R\$	(70,019)	(127,765)
Other expenses	R\$	(12,481)	(12,121)
Depreciation, amortization and depletion	R\$	7,273	7,591
EBITDA ----->	R\$	51,625	62,995
Depreciation, amortization and depletion	R\$	(7,273)	(7,591)
EBIT ----->	R\$	44,352	55,404
Others expenses/revenues - no cash	R\$	-	(16,951)
Result of Investments Participation	R\$	9	(28,710)
Non-operating result	R\$	(216)	121
Net financial result	R\$	(4,575)	(44,260)
Income before income tax and social contribution	R\$	39,570	(34,396)
Income tax and social contribution	R\$	(10,519)	24,344
Net income	R\$	29,051	(10,052)

8.13- Manganese and Ferroalloys Area - SIBRA (Adjusted and Unaudited)

Information

1Q 2Q

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

Quantity sold - external market - ferroalloys	MT (thousand)	30	-
Quantity sold - internal market - ferroalloys	MT (thousand)	37	-
Quantity sold - total	MT (thousand)	67	-
Quantity sold - external market - manganese	MT (thousand)	185	-
Quantity sold - internal market - manganese	MT (thousand)	94	-
Quantity sold - total	MT (thousand)	279	-
Average sales price - external market - ferroalloys	US\$	582.67	-
Average sales price - internal market - ferroalloys	US\$	488.57	-
Average sales price - total	US\$	530.70	-
Average sales price - external market - manganese	US\$	42.24	-
Average sales price - internal market - manganese	US\$	36.60	-
Average sales price - total	US\$	40.34	-
Long-term indebtedness, gross	US\$	19,812	-
Short-term indebtedness, gross	US\$	36,783	-
Total indebtedness, gross	US\$	56,595	-
Stockholders' equity	R\$	310,314	-
Net operating revenues	R\$	142,185	-
Cost of products	R\$	(83,873)	-
Other expenses/revenues	R\$	(23,291)	-
Depreciation, amortization and depletion	R\$	5,456	-
EBITDA	R\$	40,477	-
Depreciation, amortization and depletion	R\$	(5,456)	-
EBIT	R\$	35,021	-
Other revenues - non cash	R\$	1,126	-
Non-operating result	R\$	(404)	-
Net financial result	R\$	(11,168)	-
Income before income tax and social contribution	R\$	24,575	-
Income tax and social contribution	R\$	(6,255)	-
Net income	R\$	18,320	-

Information

		1Q	2Q
Quantity sold - external market - ferroalloys	MT (thousand)	23	39
Quantity sold - internal market - ferroalloys	MT (thousand)	37	39
Quantity sold - total	MT (thousand)	60	78
Quantity sold - external market - manganese	MT (thousand)	243	212
Quantity sold - internal market - manganese	MT (thousand)	15	35
Quantity sold - total	MT (thousand)	258	247

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

Average sales price - external market - ferroalloys	US\$	525.00	384.64
Average sales price - internal market - ferroalloys	US\$	519.19	506.79
Average sales price - total	US\$	521.43	445.72
Average sales price - external market - manganese	US\$	52.49	44.38
Average sales price - internal market - manganese	US\$	68.27	58.11
Average sales price - total	US\$	53.40	46.32
Long-term indebtedness, gross	US\$	21,121	17,749
Short-term indebtedness, gross	US\$	29,918	28,084
Total indebtedness, gross	US\$	51,039	45,833
Stockholders' equity	R\$	245,150	261,854
Net operating revenues	R\$	95,931	105,626
Cost of products	R\$	(50,659)	(69,335)
Other expenses/revenues	R\$	(6,794)	(5,428)
Depreciation, amortization and depletion	R\$	3,297	3,434
EBITDA	R\$	41,775	34,297
Depreciation, amortization and depletion	R\$	(3,297)	(3,434)
EBIT	R\$	38,478	30,863
Other revenues - non cash	R\$	(800)	(336)
Non-operating result	R\$	(1,220)	(136)
Net financial result	R\$	(720)	(4,131)
Income before income tax and social contribution	R\$	35,738	26,260
Income tax and social contribution	R\$	(2,177)	(4,332)
Net income	R\$	33,561	21,928

43

9- REPORT OF THE INDEPENDENT ACCOUNTANTS (A free translation of the original opinion in Portuguese expressed on quarterly information prepared in accordance with the accounting principles prescribed by Brazilian Corporate Law)

May 09, 2003

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

- 1 We have carried out limited reviews of the Quarterly Financial Information - ITR of Companhia Vale do Rio Doce for the quarters ended March 31, 2003 and 2002. This financial information is the responsibility of the Company's management.
- 2 Except as mentioned in paragraph three, our limited reviews were carried out in accordance with the specific procedures established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Board, and consisted mainly of:

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

- (a) inquires and discussion with the officers responsible for the Company's accounting, financial and operational areas about the procedures adopted for preparing the Quarterly Financial Information - ITR, and (b) review of the information and subsequent events which have, or may have, relevant effects on the Company's financial position and operations.
- 3 The financial statements at March 31, 2003 and 2002, of subsidiary, jointly-owned and associated companies, in which there are relevant investments, have not been reviewed by independent accountants. Thus, the conclusions resulting from our reviews do not cover the amounts of R\$ 8,156,541 thousand (2002 - R\$ 6,088,805 thousand) of these investments and R\$ 418,620 thousand (2002 - R\$ 284,115 thousand) of the income produced by these investments for quarters then ended.
- 4 Based on our limited reviews, except for the effects of any adjustments which might have been required if the financial statements of the subsidiary, jointly-owned and associated companies mentioned in paragraph 3 had been reviewed by independent accountants, we are not aware of any relevant adjustments which should be made to the Quarterly Financial Information - ITR, referred to in paragraph 1, for it to be in accordance with the rules issued by the Brazilian Securities Commission - CVM specifically applicable to the preparation of obligatory Quarterly Financial Information - ITR.
- 5 The Quarterly Financial Information - ITR also contains accounting and financial information relating to the quarter ended December 31, 2002. We examined this information at the time of its preparation, together with the audit of the financial statements at that date, on which we expressed our opinion, without qualification, dated March 21, 2003.

PricewaterhouseCoopers  
Audidores Independentes  
CRC-SP-000160/O-5 "F" RJ

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

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

44

### 10- BOARD OF DIRECTORS, FISCAL COUNCIL AND EXECUTIVE OFFICERS

#### BOARD OF DIRECTORS

Sergio Ricardo Silva Rosa  
Chairman

Arlindo Magno de Oliveira

Claudio Bernardo Guimaraes de Moraes

Erik Persson

Francisco Valadares Povoá

Joao Moises Oliveira

#### EXECUTIVE OFFICERS

Roger Agnelli  
Chief Executive Officer

Antonio Miguel Marques  
Executive Officer for Equity Holdings and  
Business Development

Armando de Oliveira Santos Neto  
Executive Officer for Ferrous Minerals

Carla Grasso  
Executive Officer for Human Resources and  
Corporate Services

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

Luiz Alexandre Bandeira de Mello  
Mario da Silveira Teixeira Junior  
Renato da Cruz Gomes  
Ricardo Carvalho Giambroni  
Romulo de Mello Dias

Diego Cristobal Hernandez Cabrera  
Executive Officer for Non-Ferrous Minerals  
Fabio de Oliveira Barbosa  
Chief Financial Officer  
Gabriel Stoliar  
Executive Officer for Planning  
Guilherme Rodolfo Laager  
Executive Officer for Logistics

FISCAL COUNCIL

Joaquim Vieira Ferreira Levy  
Luiz Octavio Nunes West  
Pedro Carlos de Mello  
Vicente Barcelos  
Wilson Risolia Rodrigues

Eduardo de Carvalho Duarte      Otto de Souza Marques J  
Chief Accountant                      Head of Control Departm  
CRC-RJ 57439

45

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)

By:    /s/ Fabio de Oliveira Barbosa  
-----  
Fabio de Oliveira Barbosa  
Chief Financial Officer

Date: May 16, 2003