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

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

FORM 6-K

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

For the month of

November 2002

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

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

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

(Check One) Form 20-F  Form 40-F   
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(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes  No   
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(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-\_\_\_\_.)

Companhia Vale do Rio Doce

TABLE OF CONTENTS

This Form 6-K contains the following:

Sequential  
Page

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

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

BR GAAP

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

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PRESS RELEASE 3Q02

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

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

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

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

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

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

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

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

1

2

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

BR GAAP 3Q02

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

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

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

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

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

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

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

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

### RELEVANT EVENTS

#### CORPORATE GOVERNANCE

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

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

Today, the Company is releasing three important documents.

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

3

Companhia  
Vale do Rio Doce

BR GAAP 3Q02

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

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

### RISK MANAGEMENT

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

### DIVESTITURES

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

### SHAREHOLDERS DEBENTURES

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

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

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

### THE SHORT TERM OUTLOOK

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

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

4

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stimulated by aggressive incentive policies, and leading indicators of economic

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5

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Vale do Rio Doce

BR GAAP 3Q02

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

### SALES VOLUME AND REVENUES

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

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

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

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

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

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

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

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

GENERAL CARGO RAILROAD TRANSPORTATION

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

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

6

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Vale do Rio Doce

BR GAAP 3Q02

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

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

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

SALES OF LOGISTICS SERVICES, GOLD AND POTASH - PARENT COMPANY



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

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

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

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

### GROSS REVENUES BY PRODUCT - PARENT COMPANY

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

7

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### GROSS REVENUES BY DESTINATION - PARENT COMPANY

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

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

### EXCHANGE RATE VOLATILITY GENERATES QUARTERLY LOSS

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

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

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

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

### RESULTS OF EQUITY INVESTMENTS - BY BUSINESS AREA

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

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

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

### COST OF GOODS SOLD

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

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

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

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

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

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

### EBITDA PERFORMANCE

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

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

9

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BR GAAP 3Q02

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

### EBITDA COMPOSITION

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

### DIVIDENDS RECEIVED

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

### INVESTMENTS

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

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

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

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

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

10

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BR GAAP 3Q02

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

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

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

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

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

### CAPITAL EXPENDITURES - 3Q02

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

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### CAPITAL EXPENDITURES - 9M 02

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

### MINERAL EXPLORATION AND TECHNOLOGY

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

11

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Vale do Rio Doce

BR GAAP 3Q02

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

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

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

12

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## SELECTED FINANCIAL INDICATORS

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

## FINANCIAL STATEMENT

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

13

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## EQUITY INCOME

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

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

14

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BR GAAP 3Q02

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



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

15

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Vale do Rio Doce

BR GAAP 3Q02

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

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

BALANCE SHEET

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

16

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BR GAAP 3Q02

IRON ORE AND PELLETS SALES - PARENT COMPANY

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

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

GENERAL CARGO RAILROAD TRANSPORTATION - FCA

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

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Vale do Rio Doce

17  
BR GAAP 3Q02

IRON ORE AND PELLETS - FINANCIAL INDICATORS - NON AUDITED

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

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

18

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IRON ORE AND PELLETS - FINANCIAL INDICATORS - NON AUDITED

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

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

19

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IRON ORE AND PELLETS - FINANCIAL INDICATORS - NON AUDITED

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

20

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Vale do Rio Doce

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MANGANESE AND FERRO-ALLOYS - FINANCIAL INDICATORS - NON AUDITED

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

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(US\$/ton)

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

21

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BR GAAP 3Q02

ALUMINUM - SELECTED FINANCIAL INDICATORS - ADJUSTED AND NON AUDITED

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

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



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

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

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

#### CONTENTS

#### PART I

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

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

### PART II

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

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

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6.21- Exchange Rate Exposure

6.22- Other Operating Expenses

CVRD

1

### PART III

6.23- Subsequent Events

7 - OTHER INFORMATION THE COMPANY DEEMS RELEVANT

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

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

7.3 - Business Performance Ratios

7.4 - Segment and Geographic Information

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

7.6 - Capital Expenditures (Non-Audited)

7.7 - Operations for the period (Non-Audited)

7.8 - Changes in Prices (Non-Audited)

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

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

7.11- Information About FERTECO (Non-Audited)

7.12- Information About RDIF (Non-Audited)

### PART IV

8 - ATTACHMENT I - EQUITY INVESTEE INFORMATION

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

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

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

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

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

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

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

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

2

CVRD

### PART I

Expressed in thousands of reais

- 1- MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 COMPARED WITH THE NINE MONTHS ENDED SEPTEMBER 30, 2001
- 1.1- General Aspects
  - (a) The Company's segments of business are mining, logistics and energy, as follows:
    - o Ferrous minerals: includes iron ore and pellets as well as manganese and ferroalloys;
    - o Non-ferrous minerals: includes gold, kaolin, potash and copper;
    - o Logistics: includes railroads, ports and maritime terminals and shipping;
    - o Energy: includes electric power generation; and
    - o Shareholdings: includes equity holdings in producers of aluminum, steel and fertilizers.
  - (b) The variations of the main currencies and indices at 09/30/02 and 09/30/01 in terms of percentages in relation to the real, which impacted the results of the Company and its subsidiaries, jointly controlled companies and affiliates, were as follows:

Period	/\ % Currencies/Indexes					Parity	
-----	U.S.	YEN	GOLD	IGPM	TJLP	US\$xR\$	US\$xYen
-----	----	---	----	----	----	-----	-----
9/30/02	67.9	80.8	26.6	10.5	7.3	2.8949	121.87
9/30/01	36.6	30.9	6.8	7.7	6.9	2.6713	119.68
12/31/01	18.7	3.7	1.2	10.4	9.5	2.3204	131.30

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

About 62% of the Company's gross revenue on 09/30/02 (57% of the consolidated revenue) is derived from exports and part of domestic sales are denominated in U.S. dollars, while the costs are in mainly incurred in reais. Consequently, fluctuations in the exchange rate between the two currencies have a significant impact on the operating cash flows;

Approximately 95% of the short-term and long-term loans of the Company on 09/30/02 are denominated in U.S. dollars. As a result, exchange rate fluctuations have a significant impact on the financial expenses (Notes 6.11 and 6.19);

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3

### 1.2- Comments on the Consolidated Results

#### 1.2.1- Consolidated Gross Revenue

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

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

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

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

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

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

4

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1.2.2- Consolidated Cost of Products and Services

By category

1.2.2- Consolidated Cost of Products and Services

By category

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

1.3- Comments on the Parent Company Results

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

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### 1.3.1- Gross Revenues

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

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

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

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

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

1.3.2- Cost of Products and Services

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

By category

By category

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



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6

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### 1.3.3- Result of Shareholdings by Business Area

The results of shareholdings by business area are as follows:

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

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

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

#### Ferrous

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

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

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

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

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

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

CVRD

7

### (b) Manganese and Ferro-alloys

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

### Non-ferrous

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

### Logistics

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

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

### Shareholdings

#### (a) Steel

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

#### (b) Aluminum

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

8

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

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

- .. MRN - A reduction in the equity result of R\$ 47,507 (a gain of R\$ 10,256 on 09/30/02 against a gain of R\$ 57,763 on 09/30/01), due to the negative effects of exchange rate variation on debt, a 10.7% decrease in sales volume (6,946 thousand tons on 09/30/02 compared with 7,777 thousand tons on 09/30/01), and a 10.5% decrease in the sales price (US\$ 18.75 per ton on 09/30/02 against US\$ 20.95 per ton on 09/30/01).
- .. VALESUL - An increase in the