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Companhia Vale do Rio Doce  
Form 6-K  
November 15, 2005

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

**FORM 6-K**

**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16  
of the**

**Securities Exchange Act of 1934  
For the month of November 2005**

**Companhia Vale do Rio Doce**

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

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

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

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes  No

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

(Check One) Yes  No

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

(Check One) Yes  No

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

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

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**SUSTAINING PROFITABLE GROWTH**

**CVRD s performance in the third quarter of 2005 (3Q05)**

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Rio de Janeiro, November 9, 2005 – Companhia Vale do Rio Doce (CVRD) has been showing excellent financial and operational performance, reaching and exceeding several existing records in the last few quarters. Past investment, together with significant gains in productivity, have resulted in record sales, with new records being set in this quarter for the shipment of iron ore, pellets and potash, as well as in the general cargo transported and port operations. CVRD is operating at full capacity in most of its units and every ton produced is being shipped to its clients. Despite the cost pressures provoked by the economic cycle and the significant appreciation in the Brazilian Real, profit margins continue significantly higher than the historic average, while cash generation has been sufficient to finance a huge investment program, as well as providing a considerable return on capital for the shareholders. At the same time, the Company has reported strong growth in its balance sheet.

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Iron ore and pellet shipments of 63.977 million tons, with shipments amounting to 184.578 million tons in the first nine months of the year.

§ Record potash sales of 197,000 tons, with sales of 464,000 tons accumulated in the period to the end of September.

§ General cargo carried for clients by CVRD railroads, of 8.242 billion net ton kilometres (ntk), exceeding the previous record of 7.952 billion ntk. CVRD's railroads transported 22.006 billion ntk of general cargo in 9M05.

§ Record levels of cargo handled for clients at the Company's ports, of 8.315 million tons, corresponding to 22.908 million tons for the first nine months of 2005.

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The financial and operational information contained in this press release, except where otherwise indicated, was consolidated in accordance with Brazilian generally accepted accounting principles (Brazilian GAAP). According to the criteria of Brazilian GAAP, those companies in which CVRD has effective control, or shared control as defined by shareholders agreement, are included in the consolidated figures. In the instances where CVRD has effective control, the consolidation is carried out on a 100% basis and the difference between this amount and the percentage of CVRD's equity stake in the subsidiary is discounted at the minority shareholding line. CVRD's main subsidiaries are Caemi, Alunorte, Albras, RDM, RDME, RDMN, Urucum Mineração, Docenave, Ferrovia Centro-Atlântica (FCA), Rio Doce Europa, Itaco, CVRD Overseas and Rio Doce International Finance. For companies in which control is shared, the consolidated figures are proportional to the equity stake held by CVRD in each company. The main companies in which CVRD has shared control are MRN, Valesul, Kbrasco, Nibrasco, Hispanobras, Itabasco, GIIC, Samarco and CSI.

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- § Gross revenues of R\$ 9.042 billion, up 14.0% on 3Q04. From the period January to September 2005, gross revenues totalled R\$ 26.146 billion, up 23.1% on the same period a year earlier.
- § Consolidated exports for the period January to September 2005, of US\$ 5.010 billion, up 20.1% compared to the same period in 2004. CVRD's sales to external markets in 2005 reinforced the Company's position as Brazil's largest private sector exporter.
- § Net exports (exports less imports) in the first nine months of 2005, of US\$ 4.501 billion, up 28.4% on the figure reported in 9M04. CVRD's contribution to Brazil's trade balance continues to be extremely significant, accounting for 13.8% of the national trade surplus of US\$ 32.664 billion recorded in this period.
- § Operating profit, as measured by EBIT (earnings before interest and tax), of R\$ 3.765 billion, up 24.4% on 3Q04, totalling R\$ 10.897 billion for the first nine months of this year.
- § EBIT margin of 42.8%, 260 basis points higher than EBIT margin in 3Q04.
- § Cash generation, as measured by EBITDA (earnings before interest, tax, depreciation and amortization) of R\$ 4.318 billion, 26.0% up on 3Q04.
- § EBITDA for the 12-month period ending on September 30, 2005, amounted to R\$ 15.503 billion, 26.6% higher than reported for the year 2004, of R\$ 12.249 billion.
- § Net earnings of R\$ 2.711 billion, corresponding to R\$ 2.35 per share, up 18.1% when compared to 3Q04. In the first nine months of the year, net earnings amounted to R\$ 7.806 billion, R\$ 6.78 per share, up 58.2% compared to the earnings in the same period last year of R\$ 4.933 billion.
- § Return on equity (ROE) in 3Q05 of 35.9%, compared to 38.3% in 2Q05.
- § Investments<sup>1</sup> in 3Q05 of US\$ 917 million, and US\$ 2.309 billion for the period January to September 2005.

**SELECTED FINANCIAL INDICATORS**

|                              | <b>3Q04</b> | <b>2Q05</b> | <b>3Q05</b> | <b>9M04</b> | <b>R\$<br/>million<br/>9M05</b> |
|------------------------------|-------------|-------------|-------------|-------------|---------------------------------|
| Gross operating revenues     | 7,932       | 10,051      | 9,042       | 21,236      | 26,146                          |
| Exports (US\$ million)       | 1,484       | 1,951       | 1,723       | 4,170       | 5,010                           |
| EBIT                         | 3,026       | 4,756       | 3,765       | 7,773       | 10,896                          |
| EBIT margin (%)              | 40.2%       | 49.8%       | 42.8%       | 37.4%       | 43.5%                           |
| EBITDA                       | 3,427       | 5,334       | 4,318       | 9,246       | 12,500                          |
| Net earnings                 | 2,296       | 3,479       | 2,711       | 4,933       | 7,805                           |
| Net earnings per share (R\$) | 1.99        | 3.02        | 2.35        | 4.29        | 6.78                            |
| Capex (US\$ million)         | 424.0       | 821.3       | 917.0       | 1,270.3     | 2,308.6                         |

<sup>1</sup> according to the generally accepted accounting principles in the

United States  
(US GAAP)

**OUTLOOK FOR THE BUSINESS**

Global economic growth remains on track, in spite of the continuing high prices of crude oil and refined oil products that contribute to increases in production costs bringing some uncertainty over the future.

World economic expansion has undergone some variations since 2003, but these were not enough to deflect it from a path of expansion higher than the long-term trend. After a surge in the end of 2003 and the beginning of 2004, global growth slowed down somewhat, converging to levels below than the 6% posted during that period. Expansion picked up again in 1Q05, before another soft patch driven by the global inventories cycle.

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Nevertheless, in 3Q05 industrial production and international trade again expanded firmly. Also, leading indicators for manufacturing industry – important for the demand for ores and metals – showed significant strength.

The global Purchasing Managers' Index (PMI) for manufacturing industry, computed by JP Morgan, reached a 13-month peak in October, consistent with a manufacturing output growth rate of 6% p.a. The figures indicate balanced growth across the regions, with increases in the Euro Zone, principally in Germany, its leading economy, and Japan, where the manufacturing PMI is the highest since September 2004 and 2005, respectively. In the US there was a slight decrease in October, but after a very high level in the previous months.

Long-term interest rates, in spite of some recent volatility, continue to be very low, and stock markets have been strong, stimulated by companies' increasing profits and more solid balance sheets. Credit spreads, as well as premiums demanded on long-term debt securities, are now tight in comparison with historic averages.

Oil prices, after a peak in nominal terms in August reflecting market nervousness on the impact of hurricanes in the US, have fallen during the last two months.

In 3Q05, the US economy grew at an annual rate of more than 3% for the tenth quarter running, in spite of the effects of Hurricane Katrina.

Increased oil prices led to US monthly inflation in September being the highest since 1980, with the 12-month inflation reaching 4.7%. However, core inflation is at 2% p.a. We expect the US Federal Reserve to take monetary policy on a less expansionary course, continuing to increase short-term interest rates to attempt to avoid secondary pass-through effects on domestic prices from the high prices of oil and oil products. The short-term real interest rate in the US is still close to zero even after the increases of 300 basis points in the nominal rate between June 2004 and October 2005.

The Chinese economy posted annualized GDP growth above 9% for the ninth consecutive quarter. Industrial production growth stabilized at 16% p.a. since 2Q05, while fixed assets investments, an important leading indicator for steel consumption, show an annual growth rate of 27%.

Since urbanization is still low in China, similar to Brazil's level of 45 years ago, and since its manufacturing industry has not yet reached the capital-intensive production stage, there is significant potential for expansion of demand for ore and metals over the next 10 to 15 years.

China's economic development, intensive in metals consumption – a long-term phenomenon – is a key difference between the current expansion cycle and those of the 1980s and '90s, when the demand for mineral products depended basically upon fluctuations in mature economies, which were more exposed to cyclical fluctuations and where the importance of manufacturing industry output is naturally declining.

On the other hand, the investment cycle in the ores and metals industry, which began a pickup in 2003 after the contraction that followed the South East Asian crisis, that caused significant increase in costs of equipment and engineering services and in the time taken to conclude new projects. This has two important consequences: the first is the lengthening of the cycle, as supply responds more slowly to the context of higher prices; and the second is that the attractiveness of new projects requires higher long term prices.



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Forecasts of an excess in supply of metals in the second half of 2005 did not materialize. On the contrary, inventories of aluminum and copper diminished in September and October. Copper prices have tested the barrier of US\$ 4,000/ton, unprecedented in the last 20 years, and aluminum prices are again varying around US\$ 2,000/ton, level reached in the March of this year, and highest since January 1995.

With firm indications of industrial production growth worldwide in the coming quarters, low inventory levels, and the absence of any projects adding significant increment in the supply of copper concentrate, this situation is very likely to continue.

In aluminum, China's increased production has called for higher imports of alumina and this has been a determining factor in the current excess global demand, reflected in a significant raise in spot prices, now above US\$ 500/ton, more than double their levels of 2001-2. We do not expect this imbalance to be corrected in the next 24 months. World steel production was 6.3% up year-on-year in 9M05, led strongly by China, where production rose 27.4%. Chinese production is now more than 31% of world production, and exceeds the aggregate production of Europe of the 25 and the NAFTA countries.

China's iron ore imports in 9M05 were 198.9 million tons, 31.7% more than in 9M04. In the context of the stability of demand in the rest of the world, the increase of almost 50 million tons in Chinese imports is a good indicator of the substantial pressure of the global demand.

The existence of a spot iron ore market provides short-term signals on the degree of balance between supply and demand. The change in estimated spot transactions from 4% of seaborne trade in 2003 to 9%, and the persistence of prices higher than those in the long-term contract market gives us a good indication of continuation of the excess demand for iron ore. This information is even more important if we consider that this is happening in an environment in which inventories continue to be low, without any signal of increase, and in which the iron ore industry has been working at full capacity since the second half of 2003.

Among the products for which global demand benefits most strongly from China's economic growth are those, such as iron ore, alumina (bauxite), copper concentrate and nickel, in which reserves are limited in volume and/or quality precisely the markets in which CVRD either has an excellent existing position (iron ore and alumina) or is investing to become one of the largest global players (copper and nickel).

**RELEVANT EVENTS**

**Consolidation of the investment grade rating**

After the upgrade by Moody's Investor Service of CVRD's credit risk from Ba1 to *Baa3*, corresponding to investment grade, this rating was confirmed by two other important rating agencies, Standard & Poor's Rating Services with a *BBB* rating, and Dominion Bond Rating Services, with a rating of *BBB low*.

As a result, besides being the first Brazilian company to receive an investment grade rating, CVRD is the only Brazilian company classified as investment grade by three of the world's most important rating agencies.

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These decisions consolidate market perception on CVRD's high quality credit risk.

**New tranche of CVRD 2034 issued**

In October, CVRD issued US\$ 300 million in bonds due 2034 making up a single series with its US\$ 500 million 2034 issued on January 15, 2004.

Purchase offers from investors were more than twice supply. The placement, which provides an yield to investor of 7.65% per year, will lead to magnifying the market liquidity of CVRD 2034 and lengthening the average maturity of the Company's debt. This issuance is in line with the strategic aim of minimizing the Company refinancing risk while at the same time strengthening the positive perception of CVRD's credit quality by the global capital markets.

**Acquisition offer for Canico**

In September, CVRD made an offer for the acquisition of all the common stock of the Canadian mining exploration company Canico Resource Corp (Canico) for CAN\$17.50 (Canadian dollars) per common share, to be paid in cash. Canico focuses on the development of the Onça Puma lateritic nickel project in the Brazilian state of Pará. Due to the location of Canico's sole asset and existing efficient infrastructure in Carajás, also in the state of Pará, Brazil, there are significant synergies to be exploited.

**Investment in new pelletizing plants**

A US\$ 759 million investment by CVRD's subsidiary Caemi in its Itabiritos project was approved.

The project consists of construction of a pelletizing plant (US\$ 462 million) at Vargem Grande, in the state of Minas Gerais, Brazil, with nominal production capacity of 7 Mtpy, an iron ore concentration plant at the Pico mine (US\$ 282 million) and a 4-km iron ore pipeline (US\$ 15 million), to carry the ore between these two operational units. Operational start-up is scheduled for 2008.

At the same time CVRD approved the development of the third pelletizing plant of Samarco, at Ponta Ubu, in the state of Espírito Santo, for an estimated investment of US\$ 1.183 billion, to increase its current pellet production capacity by 7.6 Mtpy to 21.6 Mtpy.

Of this total, US\$ 518 million will be invested in the pelletizing plant, US\$ 240 million in an iron ore concentration plant at the Alegria mine, and US\$ 300 million in an iron ore pipeline parallel to the existing one, linking these two units the remainder being invested in the mine and in expansion of the shipment and storage capacity. This operation is scheduled to start-up in the first half of 2008.

CVRD holds 50% of Samarco, which represents an integral part of its business strategy in pellets.

**Development of the 118 project approved**

In October, CVRD's Board of Directors approved the investment to develop the 118 oxide copper project. The estimated cost is US\$ 232 million, with start-up planned for first half 2008. Estimated average production capacity is 36,000 tpy of copper cathode, with forecast useful life of 11 years.

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The project has synergies with the Sossego mine, through the utilization of this mine's deposit of oxide ore in its processing plant, and with the Vermelho nickel project, through the use of the sulfuric acid plants.

**Further expansions of bauxite and alumina output capacity**

In line with the strategic focus on upstream in the aluminum production chain, in which CVRD has strong competitive advantages, the Board of Directors approved expansion of the Paragominas bauxite mine and Alunorte's alumina refinery both in the state of Pará, Brazil.

US\$ 196 million will be invested in the second phase of Paragominas, which will add 4.5 Mtpy of bauxite to the 5.4 Mtpy capacity of the first phase, currently under development. Conclusion of the first phase is set for 1Q07, and of the second phase for 2Q08.

The construction of stages 6 and 7 of Alunorte, each with production capacity of 925,000 tpy of alumina, will require investment of US\$ 846 million. This project is expected to be concluded in 2Q08, when the refinery will reach nominal capacity of 6.26 Mtpy.

**Dividends**

The priorities for use of the Company's cash flow are: financing of the growth opportunities that generate value, appropriate management of the balance sheet, and return to shareholders. A total of US\$ 1.3 billion was distributed to shareholders this year, and of US\$ 3.4 billion in the last four years.

On October 31, 2005, CVRD paid dividends to its shareholders consisted of R\$ 1.8 billion, equivalent to R\$ 1.57 per common or preferred outstanding share. This amount corresponds to the second portion of the minimum dividend announced in January of R\$ 1.1 billion together with the additional dividend proposed in September of R\$ 678 million.

In 2005 CVRD has paid R\$ 3.09 billion to its shareholders, or R\$ 2.68 per common or preferred outstanding share, an increase of 36% over the amount paid in 2004 and representing average annual growth of 39% since 2002.

**GROSS REVENUES OF R\$ 9.042 BILLION**

CVRD's gross revenue in 3Q05 amounted to R\$ 9.042 billion, 14.0% higher than that reported in 3Q04, of R\$ 7.932 billion, being the second-highest in the Company's history. The increase in the prices of products sold by CVRD contributed R\$ 2.885 billion to this revenue growth. On the other hand, the appreciation of the Brazilian Real against the US dollar during these quarters, of 21.3%, had a negative impact on the Company's gross revenue of R\$ 1.676 billion, considering that 86% of revenues are denominated in US dollars.

The retroactive effect of the iron ore and pellet price increases on revenues in 3Q05 amounted to R\$ 52 million, while in 2Q05 the effect was R\$ 779 million. Disregarding these effects, gross revenues in 2Q05 and 3Q05 would have been, respectively, R\$ 9.272 billion and R\$ 8.990 billion.

Sales of iron ore accounted for 70.6% of CVRD's total revenue in 3Q05, while non-ferrous minerals accounted for 4.7%. The aluminum chain accounted for 10.6% of the Company's gross revenues, logistics services 10.4%, and steel products, 3.8%.

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Brazil accounted for the largest slice of CVRD's sales in 3Q05, amounting to 23.6% of gross revenue. Shipments to Europe accounted for 27.1% of revenues in the quarter, of which Germany received the most, accounting for 8.1% of total sales. Sales to Asia accounted for 30.8%, China accounting for 15.8% of Company's total sales.

In the first nine months of 2005, gross revenues generated by CVRD amounted to R\$ 26.146 billion, 23.1% higher than the R\$ 21.236 billion reported for the same period in 2004.

**Ferrous minerals record sales of iron ore**

Sales of iron ore and pellets in 3Q05 amounted to a record 63.977 million tons, composed by 55.203 million tons of iron ore and 8.774 million tons of pellets.

In the first nine months of 2005, CVRD sold 157.331 million tons of iron ore, up 17.845 million tons compared to the same period last year and 3.159 million tons more than the whole of 2003.

As demand for iron ore continues extremely tight, a large proportion of the shipment growth was due to gains in productivity achieved in the production complexes of the Southern System. As well as a good operational performance, the start-up of operations at the Fábrica Nova mine was fundamental in providing the additional capacity for the Company to expand its sales.

In 3Q05, CVRD purchased 4.613 million tons of iron ore from third parties' mining companies located in the Iron Quadrangle, in the state of Minas Gerais, Brazil to supplement its production and meet the demands of its clients. In this same quarter, CVRD's iron ore production set a new record of 63.168 million tons. In the first nine months of the year, purchases from third parties totalled 13.109 million tons, up 11.9% on the amount purchased in the same period in 2004, of 11.710 million tons of iron ore.

A temporary occurrence' problems with the port terminal of a US client caused by Hurricane Katrina caused a reduction in pellet sales in 3Q05, to 8.774 million tons, compared to pellet sales of 10.160 million tons in 3Q04. Pellet sales in 9M05 totalled 27.247 million tons, compared to 30.013 million in the same period in 2004.

19.375 million tons of iron ore and pellets were shipped to Europe, 30.3% of the total. 6.293 million tons were sold to Germany, 3.028 million tons to France and 3.089 million tons to Italy. China, CVRD's largest buyer, accounted for 14.852 million tons, 23.2% of the total and Japan for 6.240 million tons, 9.8% of the total.

Sales to Brazil amounted to 11.568 million tons, which represented 18.1% of the overall sales total. Of this amount, 8.722 million tons were sold to the steel industry and pig iron producers, while 2.846 million tons were sold to the pellet joint ventures, which after being transformed into pellets, were then exported.

Gross revenues generated by iron ore shipments amounted to R\$ 4.463 billion, while pellet shipments generated R\$ 1.625 billion. Together, the revenues obtained from the sales of these two products represented 67.3% of the Company's total revenue in 3Q05. The retroactive effect of the iron ore and pellet price increase in 3Q05 amounted to R\$ 52 million, while in 2Q05 a difference of R\$ 779 million was accounted for as a result of the increase.

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Revenues obtained from the operation of pelletizing joint ventures in Tubarão amounted to R\$ 19 million.

Manganese sales in 3Q05, amounted to 271,000 tons, 13.4% less than in 3Q04. Comparing manganese sales in 3Q05 with those in 2Q05, there was an increase of 77,000 tons.

Sales of ferro-alloys, of 136,000 tons, were in line with the volume sold in the same quarter in 2004, but 9.9% lower than in 2Q05. The drop in volume sold had been already expected, due to the temporary shutdown of the equivalent of one third of CVRD's total ferro-alloy production capacity from August this year, which resulted in a 15% drop in production in 3Q05, compared to the previous quarter.

Revenues from the sale of manganese in 3Q05 amounted to R\$ 49 million, while sales of ferro alloys generated revenues of R\$ 226 million.

Ferro-alloy prices have already started to show signs of stabilization, it being possible to observe some recovery from September, due to the market's reaction to the shrinkage in global production.

In 3Q05, ferrous minerals – iron ore, pellets, manganese ore and ferro-alloys – were responsible for 70.6% of the Company's total revenues, of R\$ 6.381 billion.

**Bauxite, alumina and primary aluminum**

Given the stabilization of the production capacity in the short term, there were no remarkable changes in the quarterly sales volumes of bauxite, alumina and aluminum.

In 3Q05, bauxite sales amounted to 1.422 million tons, down 7.0% compared to 3Q04, but practically in line with the sales in the previous quarter. The drought in the Amazon region harmed the navigation through Trombetas river, negatively affecting bauxite shipments. Since the raining season starts in the last quarter of the year, this problem was already eliminated.

Alumina sales amounted to 504,000 tons in 3Q05, almost the same as the volume in 3Q04, but 37.3% higher than that sold in 2Q05. With the Alunorte refinery operating at full capacity and producing at a rate of 2.5 million tons a year, the fluctuation in the volume sold in each quarter was basically caused by the use of swaps with other producers, with the aim of maximizing sales profitability.

The quantity of primary aluminum sold, 122,000 tons in 3Q05, was 6.1% higher than the sales recorded in 3Q04, but the same as that sold in 2Q05.

In 3Q05, gross revenue generated by the sale of products in the aluminum chain amounted to R\$ 955 million, 10.6% of the Company's total gross revenue.

**Copper**

In 3Q05, sales of copper concentrate amounted to 96,000 tons, 9,000 tons less than the amount sold in 2Q05, but the same as that sold in 3Q04. Sales accumulated in the first nine months of 2005 amounted to 286,000 tons.

Copper production from the Sossego mine continues to be below nominal capacity, due to the delay in the delivery of drilling machines: of the four ordered, only one

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is in service. Once the new equipment comes into operation, being more suited to the type of rock found at Sossego, we expect the rate of production, and consequently sales, to increase from 1Q06.

The higher prices compensated for the effect of the lower volume sold in 3Q05 on revenues. In this quarter, total revenue from the shipment of copper concentrate amounted to R\$ 214 million, bringing the total for 9M05 to R\$ 643 million.

**Industrial minerals**

In 3Q05, kaolin sales amounted to 280,000 tons, compared to 303,000 tons in the previous quarter and 318,000 tons in 3Q04. The drop in volume was partially due to the postponement of a shipment of 18,000 tons to Japan, from the end of September to October, due to problems with the vessel involved. Sales of this product generated gross revenues of R\$ 99 million.

Sales of potash, of 197,000 tons, were 52.7% higher than the sales reported in 2Q05, and 22.4% higher than in 3Q04. The seasonal effect as a result of the harvest planting was responsible for the increase in demand, which was partly met by the use of stock that had been accumulated at the beginning of this year. Production capacity at the Taquari-Vassouras potash mine has been increased from 600,000 tons to 850,000 tons a year, and from 2006 the mine should be operating at full capacity. Gross revenue from the potash sales in 3Q05 amounted to R\$ 111 million. Gross revenue obtained from the sales of potash and kaolin in the first nine months of 2005, amounted to R\$ 581 million.

**Logistics services**

In 3Q05, logistics services generated gross revenue of R\$ 938 million 10.4% of the Company's total revenue, up 10.6% on 2Q05, and up 17.4% compared to 3Q04. In the first nine months of this year, gross revenues from logistics services amounted to R\$ 2.510 billion, an increase of 12.3% when compared to revenues in the same period a year earlier, of R\$ 2.236 billion.

General cargo carried by CVRD railroads contributed with revenues of R\$ 694 million, while port services produced R\$ 142 million, and coastal shipping and port support services R\$ 102 million.

In 3Q05 CVRD's railroad network transported 8.242 billion ntk of general cargo, a new record and up 3.7% on 3Q04, during which period the network recorded 7.952 billion ntk. The main cargo transported consisted of agricultural products, 39.1% of the total, steel industry inputs and products, 37.0%, and building materials and forestry products, 6.9%. For the first time, the transport of agricultural products exceeded that of products in the steel production chain, as a consequence of the movement of goods from the harvest and CVRD's exploitation of its growth potential.

The Company's ports and maritime terminals handled 8.315 million tons of general cargo, compared to 7.454 million tons in 3Q04.

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|              | <b>3Q04</b>   | <b>%</b>   | <b>2Q05</b>   | <b>%</b>   | <b>3Q05</b>   | <b>%</b>   | <b>9M05</b>    | <b>%</b>   |
|--------------|---------------|------------|---------------|------------|---------------|------------|----------------|------------|
| Iron ore     | 50,872        | 83         | 52,969        | 86         | 55,203        | 86         | 157,331        | 85         |
| Pellets      | 10,160        | 17         | 8,748         | 14         | 8,774         | 14         | 27,247         | 15         |
| <b>Total</b> | <b>61,032</b> | <b>100</b> | <b>61,717</b> | <b>100</b> | <b>63,977</b> | <b>100</b> | <b>184,578</b> | <b>100</b> |

thousand  
tons**SALES VOLUME ORES AND METALS**

|                    | <b>3Q04</b> | <b>2Q05</b> | <b>3Q05</b> | <b>9M04</b> | <b>9M05</b> |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| Manganese          | 313         | 194         | 271         | 679         | 663         |
| Ferro alloys       | 133         | 151         | 136         | 430         | 423         |
| Copper concentrate | 96          | 105         | 96          | 130         | 286         |
| Potash             | 161         | 129         | 197         | 465         | 464         |
| Kaolin             | 318         | 303         | 280         | 896         | 863         |
| Bauxite            | 1,530       | 1,401       | 1,422       | 3,900       | 4,056       |
| Alumina            | 508         | 367         | 504         | 1,312       | 1,335       |
| Aluminum           | 115         | 123         | 122         | 358         | 367         |

thousand  
tons**LOGISTICS SERVICES**

|                         | <b>3Q04</b> | <b>2Q05</b> | <b>3Q05</b> | <b>9M04</b> | <b>9M05</b> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Railroads (million ntk) | 7,952       | 7,755       | 8,242       | 21,408      | 22,006      |
| Ports (thousand tons)   | 7,454       | 8,280       | 8,315       | 21,787      | 22,908      |

**VOLUME SOLD BY DESTINATION IRON ORE AND PELLETS**

|                          | <b>3Q04</b> | <b>%</b>     | <b>2Q05</b> | <b>%</b>     | <b>3Q05</b> | <b>%</b>     | <b>9M05</b>  | <b>%</b>     |
|--------------------------|-------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|
| <b>Asia</b>              | <b>22.8</b> | <b>37.4</b>  | <b>22.5</b> | <b>36.5</b>  | <b>26.0</b> | <b>40.6</b>  | <b>71.2</b>  | <b>38.6</b>  |
| China                    | 12.1        | 19.8         | 12.3        | 19.9         | 14.9        | 23.3         | 38.7         | 21.0         |
| Japan                    | 5.4         | 8.9          | 6.6         | 10.7         | 6.2         | 9.7          | 18.6         | 10.1         |
| South Korea              | 3.2         | 5.2          | 1.3         | 2.1          | 2.9         | 4.5          | 6.7          | 3.6          |
| Emerging Asia (ex-China) | 2.1         | 3.4          | 2.3         | 3.7          | 2.0         | 3.1          | 7.2          | 3.9          |
| <b>Europe</b>            | <b>19.6</b> | <b>32.1</b>  | <b>20.6</b> | <b>33.4</b>  | <b>19.4</b> | <b>30.3</b>  | <b>58.0</b>  | <b>31.4</b>  |
| Germany                  | 6.8         | 11.1         | 6.5         | 10.5         | 6.3         | 9.8          | 18.7         | 10.1         |
| France                   | 3.2         | 5.2          | 3.0         | 4.9          | 3.0         | 4.7          | 8.6          | 4.7          |
| Italy                    | 2.3         | 3.8          | 3.4         | 5.5          | 3.1         | 4.8          | 8.7          | 4.7          |
| Others                   | 7.3         | 12.0         | 7.7         | 12.5         | 7.0         | 10.9         | 22.0         | 11.9         |
| <b>Brazil</b>            | <b>11.2</b> | <b>18.4</b>  | <b>11.4</b> | <b>18.5</b>  | <b>11.6</b> | <b>18.1</b>  | <b>34.2</b>  | <b>18.5</b>  |
| <b>USA</b>               | <b>1.1</b>  | <b>1.8</b>   | <b>1.1</b>  | <b>1.8</b>   | <b>0.9</b>  | <b>1.4</b>   | <b>3.3</b>   | <b>1.8</b>   |
| <b>RoW</b>               | <b>6.3</b>  | <b>10.3</b>  | <b>6.1</b>  | <b>9.9</b>   | <b>6.1</b>  | <b>9.5</b>   | <b>17.9</b>  | <b>9.7</b>   |
| <b>Total</b>             | <b>61.0</b> | <b>100.0</b> | <b>61.7</b> | <b>100.0</b> | <b>64.0</b> | <b>100.0</b> | <b>184.6</b> | <b>100.0</b> |

million  
tons

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**Table of Contents****BR GAAP****GROSS REVENUES BY PRODUCT**

|  | 3Q04         |              | 2Q05          |              | 3Q05         |              | 9M05          |              | R\$ million |
|--|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|-------------|
|  |              | %            |               | %            |              | %            |               | %            |             |
| <b>Iron ore and pellets</b>                  | <b>4,331</b> | <b>54.6</b>  | <b>7,015</b>  | <b>69.8</b>  | <b>6,087</b> | <b>67.3</b>  | <b>17,023</b> | <b>65.1</b>  |             |
| Iron ore                                     | 3,133        | 39.5         | 5,072         | 50.5         | 4,463        | 49.4         | 12,288        | 47.0         |             |
| Pellets                                      | 1,199        | 15.1         | 1,943         | 19.3         | 1,625        | 18.0         | 4,735         | 18.1         |             |
| <b>Pelletizing plants operation services</b> | <b>17</b>    | <b>0.2</b>   | <b>13</b>     | <b>0.1</b>   | <b>19</b>    | <b>0.2</b>   | <b>53</b>     | <b>0.2</b>   |             |
| <b>Manganese and ferro-alloys</b>            | <b>594</b>   | <b>7.5</b>   | <b>443</b>    | <b>4.4</b>   | <b>275</b>   | <b>3.0</b>   | <b>1,216</b>  | <b>4.7</b>   |             |
| <b>Copper concentrate</b>                    | <b>196</b>   | <b>2.5</b>   | <b>229</b>    | <b>2.3</b>   | <b>215</b>   | <b>2.4</b>   | <b>643</b>    | <b>2.5</b>   |             |
| <b>Potash</b>                                | <b>103</b>   | <b>1.3</b>   | <b>76</b>     | <b>0.8</b>   | <b>111</b>   | <b>1.2</b>   | <b>267</b>    | <b>1.0</b>   |             |
| <b>Kaolin</b>                                | <b>126</b>   | <b>1.6</b>   | <b>111</b>    | <b>1.1</b>   | <b>99</b>    | <b>1.1</b>   | <b>314</b>    | <b>1.2</b>   |             |
| <b>Aluminum</b>                              | <b>1,081</b> | <b>13.6</b>  | <b>928</b>    | <b>9.2</b>   | <b>955</b>   | <b>10.6</b>  | <b>2,923</b>  | <b>11.2</b>  |             |
| <b>Logistics</b>                             | <b>799</b>   | <b>10.1</b>  | <b>848</b>    | <b>8.4</b>   | <b>938</b>   | <b>10.4</b>  | <b>2,510</b>  | <b>9.6</b>   |             |
| Railroads                                    | 566          | 7.1          | 631           | 6.3          | 694          | 7.7          | 1,831         | 7.0          |             |
| Ports  | 117          | 1.5          | 123           | 1.2          | 142          | 1.6          | 379           | 1.4          |             |
| Shipping                                     | 117          | 1.5          | 94            | 0.9          | 102          | 1.1          | 301           | 1.2          |             |
| <b>Steel products</b>                        | <b>670</b>   | <b>8.4</b>   | <b>379</b>    | <b>3.8</b>   | <b>340</b>   | <b>3.8</b>   | <b>1,171</b>  | <b>4.5</b>   |             |
| <b>Others</b>                                | <b>15</b>    | <b>0.2</b>   | <b>11</b>     | <b>0.1</b>   | <b>3</b>     | <b>0.0</b>   | <b>25</b>     | <b>0.1</b>   |             |
| <b>Total</b>                                 | <b>7,932</b> | <b>100.0</b> | <b>10,051</b> | <b>100.0</b> | <b>9,042</b> | <b>100.0</b> | <b>26,145</b> | <b>100.0</b> |             |

**GROSS REVENUES BY DESTINATION**

|                          | 3Q04         |              | 2Q05          |              | 3Q05         |              | 9M05          |              | R\$ million |
|--------------------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|-------------|
|                          |              | %            |               | %            |              | %            |               | %            |             |
| Brazil                   | 1,779        | 22.4         | 2,323         | 23.1         | 2,132        | 23.6         | 6,220         | 23.8         |             |
| USA                      | 986          | 12.4         | 715           | 7.1          | 560          | 6.2          | 2,019         | 7.7          |             |
| Europe                   | 2,287        | 28.8         | 3,027         | 30.1         | 2,452        | 27.1         | 7,306         | 27.9         |             |
| Japan                    | 635          | 8.0          | 841           | 8.4          | 795          | 8.8          | 2,233         | 8.5          |             |
| China                    | 960          | 12.1         | 1,129         | 11.2         | 1,430        | 15.8         | 3,395         | 13.0         |             |
| Emerging Asia (ex-China) | 490          | 6.2          | 548           | 5.4          | 560          | 6.2          | 1,536         | 5.9          |             |
| Rest of the World        | 795          | 10.0         | 1,470         | 14.6         | 1,114        | 12.3         | 3,438         | 13.1         |             |
| <b>Total</b>             | <b>7,932</b> | <b>100.0</b> | <b>10,051</b> | <b>100.0</b> | <b>9,042</b> | <b>100.0</b> | <b>26,146</b> | <b>100.0</b> |             |

**GOOD OPERATIONAL PERFORMANCE**

CVRD's operating profit (EBIT) in 3Q05 amounted to R\$ 3.765 billion, 20.9% less than that obtained in the previous quarter, but 24.4% higher than the EBIT reported in 3Q04. EBIT margin in 3Q05 amounted to 42.8%, 260 basis points higher than the EBIT margin in 3Q04, of 40.2%.

In the first nine months of 2005, the Company's total EBIT amounted to R\$ 10.897 billion, 5.7% higher than the whole 2004, for which EBIT amounted to R\$ 10.306 billion.

The drop of R\$ 992 million in EBIT seen between 3Q05 and 2Q05 is basically explained by the reduction of R\$ 746 million in the Company's net revenues. 97.5% of this reduction is explained when the retroactive effect of the iron ore and pellet price increases is deducted from revenues. In addition, the appreciation of 5.5% in the Brazilian Real had an adverse effect on revenues.



The Company's cost of goods sold (COGS) rose by R\$ 97 million, while operational expenses increased by R\$ 148 million.

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The increase of R\$ 738 million seen in the Company's EBIT, comparing 3Q04 with 3Q05, is explained by the increase in net revenue of R\$ 1.275 billion – the result of higher sales volume and higher average prices – partially offset by the increase of R\$ 385 million in COGS.

Expenditure on contract services increased by R\$ 232 million, which was due mainly to higher freight expenses (up R\$ 81 million) and the waste removal from the mines (an increase of R\$ 98 million). The cost of material increased by R\$ 235 million, due to higher expenditure on conveyor belts, replacement parts and tyres, as a result of a larger number bought, as well as an increase in their respective prices.

Expenditure on electric power, fuel oil and gas increased by R\$ 63 million, due to the price increases in these inputs, as well as the renewal of the electricity supply contract for Albras, in June 2004, whose price per MWh is sensitive to inflation and the price of aluminum on the LME (London Metals Exchange).

As a consequence of the expansion in CVRD's asset base, which has grown from R\$ 15.7 billion at the end of 2002, to R\$ 29.3 billion at the end of September 2005, as a result of substantial investment in the last few years, the cost of depreciation and exhaustion increased by R\$ 85 million, compared to 3Q04, amounting to R\$ 366 million.

On the other hand, expenditure on product purchases was down by R\$ 272 million, mainly due to the sale of CST, concluded at the end of last year. It should also be pointed out that the effect of the appreciation of the Brazilian Real against the US Dollar on purchases carried out by companies located outside Brazil, was favourable, because the purchase amounts in terms of Brazilian Reais were reduced.

Demurrage expenses amounted to R\$ 42 million, totalling R\$ 138 million for the first nine months of 2005. This total, when annualised, is equivalent to R\$ 184 million, 24.9% less than that in 2004. This improvement was the result of efforts being made by the Company to optimise the shipment logistics of its products and enlarge the capacity of its ports. Nevertheless, a more significant drop will be achieved over time.

EBIT was negatively affected by the increase of R\$ 151 million in operational expenses. Administrative expenses increased by R\$ 87 million, basically as a result of a salary increase for the Company's employees, a raise of 6.5% being agreed for Company employees for the period from July 2005 to June 2006, as well as the payment of a one-off bonus in August. Personnel expenses increased by R\$ 48 million. At the same time, expenses on technical consulting, maintenance, infrastructure and support services at the Company's installations, increased by R\$ 17 million.

Expenditure on research and development increased by 103.6%, rising from R\$ 108 million in 3Q04, to R\$ 220 million in 3Q05. The Company continues to intensify its efforts of the mineral exploration front, with the aim of ensuring a base of projects ready for development. Of the total invested in 3Q05, 41.3% was spent on projects in other countries in Latin America, Africa and Asia.

Other operational expenses were down R\$ 48 million, mainly due to lower provisions for ICMS losses. In 3Q05, provisions were made for contingencies generated to a large degree by FCA as well as provisions for losses, due to the write-down in the Company's inventories of ferro-alloys.

Table of Contents**BR GAAP****COGS BREAKDOWN**

|                             | <b>3Q04</b>  |              | <b>2Q05</b>  |              | <b>3Q05</b>  |              | <b>9M05</b>   |              | R\$<br>million |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|----------------|
|                             |              | <b>%</b>     |              | <b>%</b>     |              | <b>%</b>     |               | <b>%</b>     |                |
| Personnel                   | 365          | 9.8          | 340          | 8.5          | 377          | 9.2          | 1,032         | 8.7          |                |
| Material                    | 586          | 15.7         | 792          | 19.7         | 821          | 20.0         | 2,328         | 19.6         |                |
| Fuel oil and gases          | 409          | 11.0         | 446          | 11.1         | 458          | 11.1         | 1,311         | 11.0         |                |
| Outsourced services         | 630          | 16.9         | 795          | 19.8         | 862          | 21.0         | 2,415         | 20.3         |                |
| Electric energy             | 346          | 9.3          | 371          | 9.3          | 361          | 8.8          | 1,050         | 8.8          |                |
| Acquisition of products     | 754          | 20.2         | 570          | 14.2         | 482          | 11.7         | 1,645         | 13.8         |                |
| Depreciation and exhaustion | 282          | 7.6          | 362          | 9.0          | 366          | 8.9          | 1,075         | 9.0          |                |
| Goodwill amortization       | 96           | 2.6          | 96           | 2.4          | 95           | 2.3          | 287           | 2.4          |                |
| Others                      | 256          | 6.9          | 238          | 5.9          | 286          | 7.0          | 763           | 6.4          |                |
| <b>Total</b>                | <b>3,723</b> | <b>100.0</b> | <b>4,011</b> | <b>100.0</b> | <b>4,108</b> | <b>100.0</b> | <b>11,904</b> | <b>100.0</b> |                |

**CASH GENERATION CONTINUES TO EXPAND**

CVRD's cash generation in 3Q05, as measured by EBITDA, amounted to R\$ 4.318 billion, 19.1% less than the record obtained in the previous quarter, but up 26.0% on the amount generated in 3Q04. In the first nine months of 2005, CVRD's EBITDA totalled R\$ 12.500 billion, 35.2% higher than that obtained in the same period in 2004.

In the nine months to the end of September 2005, CVRD's EBITDA amounted to R\$ 15.504 billion, 26.6% more than the EBITDA reported for the whole year of 2004, of R\$ 12.249 billion.

The rise in EBITDA seen between 3Q04 and 3Q05 was the result of an increase of R\$ 738 million in EBIT and R\$ 94 million in depreciation. In 3Q05, CVRD received R\$ 59 million in dividends from companies not consolidated in its financial statements, while in 3Q04 it received no dividends at all from this source.

Ferrous mineral operations (iron ore, pellets, manganese ore and ferro-alloys) were responsible for 85.0% of EBITDA in 3Q05, logistics services accounting for 7.9%, products of the aluminum chain, 7.1%, non-ferrous minerals (copper, kaolin and potash), 1.9% and others representing spending on research and development, (3.5)%.

**QUARTERLY EBITDA**

|  | <b>3Q04</b>  | <b>2Q05</b>  | <b>3Q05</b>  | <b>9M04</b>  | <b>9M05</b>   | R\$ million |
|--|--------------|--------------|--------------|--------------|---------------|-------------|
| Net operating revenues                             | 7,531        | 9,551        | 8,805        | 20,160       | 25,077        |             |
| COGS   | (3,723)      | (4,011)      | (4,108)      | (10,286)     | (11,904)      |             |
| SG&A   | (336)        | (403)        | (423)        | (1,078)      | (1,185)       |             |
| Research and development                           | (108)        | (161)        | (220)        | (256)        | (463)         |             |
| Other operational expenses                         | (337)        | (220)        | (289)        | (767)        | (629)         |             |
| <b>EBIT</b>  | <b>3,026</b> | <b>4,756</b> | <b>3,765</b> | <b>7,773</b> | <b>10,896</b> |             |
| <b>Adjustment for non-cash items</b>               |              |              |              | <b>183</b>   |               |             |
| <b>Depreciation, amortization &amp; exhaustion</b> | <b>401</b>   | <b>488</b>   | <b>495</b>   | <b>1,254</b> | <b>1,456</b>  |             |
| <b>Dividends received</b>                          |              | <b>89</b>    | <b>59</b>    | <b>36</b>    | <b>148</b>    |             |
| <b>EBITDA</b>                                      | <b>3,427</b> | <b>5,334</b> | <b>4,318</b> | <b>9,246</b> | <b>12,500</b> |             |

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**Table of Contents****BR GAAP****EBITDA BY BUSINESS AREA**

|                      | R\$ million  |              |              |              |               |
|----------------------|--------------|--------------|--------------|--------------|---------------|
|                      | <b>3Q04</b>  | <b>2Q05</b>  | <b>3Q05</b>  | <b>9M04</b>  | <b>9M05</b>   |
| Ferrous minerals     | 2,147        | 4,445        | 3,671        | 5,885        | 10,053        |
| Non-ferrous minerals | 56           | 83           | 84           | 227          | 270           |
| Logistics            | 339          | 364          | 340          | 957          | 996           |
| Aluminum             | 594          | 348          | 305          | 1,445        | 1,107         |
| Steel                | 291          | 120          | 68           | 731          | 252           |
| Others               |              | (27)         | (151)        |              | (178)         |
| <b>Total</b>         | <b>3,427</b> | <b>5,334</b> | <b>4,318</b> | <b>9,246</b> | <b>12,500</b> |

**NET EARNINGS OF R\$ 7.8 BILLION TO SEPTEMBER 30**

In 3Q05, CVRD's net earnings amounted to R\$ 2.711 billion, 22.0% down on 2Q05, but 18.1% higher than net earnings reported in 3Q04.

The Company's net earnings totalled R\$ 7.806 billion for the first nine months of 2005, 20.8% higher than that obtained for the whole of 2004, of R\$ 6.460 billion.

The increase of R\$ 738 million in operating profit between 3Q04 and 3Q05 was the main reason behind the net earnings performance.

The result from shareholdings amounted to R\$ 13 million, R\$ 22 million less than in 3Q04, basically due to the effect of exchange rate variation on investments outside Brazil. The equity income result of R\$ 70 million, was to a large part offset by the goodwill on consolidated companies, of R\$ 57 million.

The financial result suffered a negative impact of approximately R\$ 319 million. Even so, this was still R\$ 9 million less than the negative figure reported in 3Q04, of R\$ 328 million.

In 3Q05, financial expenses totalled R\$ 509 million, while financial revenues amounted to R\$ 65 million. Monetary variation increased by 71.2%, up from R\$ 73 million in 3Q04, to R\$ 125 million in 3Q05.

In this quarter, a profit of R\$ 298 million was booked from the sale of Quebec Cartier Mining Company (QCM) shares, a Canadian producer of iron ore and pellets, while in 3Q04, there was a gain of R\$ 466 million booked from the sale of the Company's stake in CST.

Provisions for the payment of income tax and social contribution were R\$ 177 million higher than those in 3Q04.

**DEBT: EXCELLENCE IN CREDIT QUALITY**

After achieving investment grade status on July 8, 2005, with the rating by Moody's Investor Service, CVRD obtained the same recognition from two of the other principal rating agencies in the world: Standard & Poor's Ratings Services and Dominion Bond Ratings Service. In our view, this represents the consolidation of market's perception on CVRD's high credit quality.

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CVRD's total debt on September 30, 2005 was US\$ 3.942 billion, which compares with US\$ 4.168 billion at the end of June 2005, and US\$ 4.088 billion at the end of 2004. Net debt at the end of September 2005 was US\$ 2.707 billion, a reduction of US\$ 505 million from the net debt position of US\$ 3.212 billion at the end of June 2005.

The average maturity of CVRD's debt on September 30, 2005 was 6.89 years, of which 47% was at fixed rates and 53% at floating rates.

The Company's leverage and interest coverage indicators continued to improve, reflecting the strength of its balance sheet: total debt/adjusted EBITDA declined from 0.83x on June 30, 2005 to 0.68x on September 30, 2005; and interest coverage, measured as LTM Adjusted EBITDA / interest paid, increased from 17.73x to 21.03x over the same period. In October 2005 CVRD raised US\$ 300 million from the issue of a further tranche of the CVRD 2034 bond, with an yield to investors of 7.65% p.a. This represents a spread of 286 bp over US Treasury securities of equal duration, and 50 bp less than the US\$ 500 million issue of January 2004 and with a yield to investors 70 bp lower.

The transaction, which was placed amidst an environment of fears of inflation acceleration in the US and expectations of higher long-term interest rates, was very successful, given the excess demand to buy the bond and the spread reduction compared to the January 2004 issue.

The main effects of an additional issue of the 2034 bond were: liquidity increase, a marginal lengthening of the average maturity of CVRD's debt, and, consequently, reduction in its refinancing risks.

**FINANCIAL EXPENSES**

|  |              |             | US\$<br>million |
|--|--------------|-------------|-----------------|
| <b>Financial expenses on:</b>                | <b>3Q04</b>  | <b>2Q05</b> | <b>3Q05</b>     |
| Debt with third parties                      | (61)         | (57)        | (69)            |
| Debt with related parties                    | (3)          | (4)         | 2               |
| <b>Total debt-related financial expenses</b> | <b>(64)</b>  | <b>(61)</b> | <b>(67)</b>     |
| <b>Gross interest on:</b>                    | <b>3Q04</b>  | <b>2Q05</b> | <b>3Q05</b>     |
| Tax and labour contingencies                 | (11)         | (13)        | (27)            |
| Tax on financial transactions (CPMF)         | (9)          | (16)        | (15)            |
| Derivatives                                  | (36)         | 56          | (64)            |
| Others                                       | (45)         | (17)        | (43)            |
| <b>Total gross interest</b>                  | <b>(101)</b> | <b>10</b>   | <b>(149)</b>    |
| <b>Total</b>                                 | <b>(165)</b> | <b>(51)</b> | <b>(216)</b>    |

**DEBT INDICATORS**

|  |             |             | US\$ million |
|--|-------------|-------------|--------------|
|  | <b>3Q04</b> | <b>2Q05</b> | <b>3Q05</b>  |
| Gross debt   | 4,418       | 4,168       | 3,942        |
| Net debt   | 2,479       | 3,212       | 2,707        |
| Gross debt / adjusted LTM EBITDA (x)                       | 1.34        | 0.83        | 0.68         |
| Adjusted LTM EBITDA / LTM interest expenses (x)            | 13.00       | 17.73       | 21.03        |
| Gross debt / EV(x)   | 0.16        | 0.11        | 0.08         |
| <i>Enterprise Value = market capitalization + net debt</i> |             |             |              |

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**THE SEEDS OF FUTURE GROWTH**

CVRD's total capital expenditure in 3Q05 was US\$ 917.0 million, 11.7% more than in 2Q05 at US\$ 821.3 million and 60.8% higher than in 1Q05 at US\$ 570.3 million.

Capex in 9M05 was US\$ 2.309 billion, 69.3% of the US\$ 3.332 billion budgeted for the year. In the 12 months to the end of September 2005 CVRD's capex was US\$ 2.995 billion, an all-time record in the Company's history.

Of the total 3Q05 capex, US\$ 700.2 million was allocated to organic growth R&D and projects and US\$ 216.8 million to stay-in-business capex. In the first nine months of the year US\$ 1.608 billion was invested in projects, US\$ 181 million in R&D and US\$ 519 million in maintenance.

Three important projects have been completed this year: the Fábrica Nova iron ore mine, the increase in capacity at the Taquari-Vassouras potash mine from 600,000 to 850,000 tons/year and the construction of the Aimorés hydroelectric power plant.

In the quarter, CVRD invested US\$ 110.1 million in R&D, which compares with US\$ 42.7 million in 2Q05. Mineral exploration efforts were concentrated mainly in looking for new deposits of copper, coal, nickel, gold and manganese and in project studies (conceptual, pre-feasibility and feasibility studies).

CVRD Board of Directors approved projects totaling US\$ 2.033 billion, involving capacity expansion of pellets, copper, bauxite and alumina. These projects, submitted to rigorous approval criteria, will be new sources of cash generation and shareholder value from 2008, when operations are scheduled to begin.

CVRD subsidiary Caemi will invest US\$ 759 million in the Itabirito project, to be completed in 2008. This involves construction of a pelletizing plant with nominal capacity of 7 Mtpy (US\$ 462 million), an iron ore concentration plant at the Pico mine (US\$ 282 million) and an iron ore pipeline for the transportation of ore between these two units (US\$ 15 million).

The investment in the second phase of the Paragominas bauxite mine, in Brazil, state of Pará, was also approved. It will add 4.5 Mtpy to the nominal capacity of the first phase currently being developed, of 5.4 Mtpy. The project, budgeted to cost US\$ 196 million, is planned for completion in the second quarter of 2008, when Paragominas will have capacity to produce 9.9 Mtpy of bauxite.

Construction of stages 6 and 7 of the Barcarena alumina refinery each with annual capacity of 935,000 tons, has also been approved. The cost of this project is estimated at US\$ 846 million, extremely competitive even with the appreciation of the Brazilian Real and the strong rise in prices of equipments and contractors' services.

The start-up is also programmed for the second quarter of 2008. The two new stages will increase the capacity of the refinery to 6.26 Mtpy, consolidating its position as the world's largest and most up-to-date plant.

In October CVRD's Board approved investment in developing the 118 oxide copper project, with average production capacity estimated at 36,000 tons of

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cooper cathode/year. The 118 project is in the Southern part of Carajás, in the Brazilian state of Pará. The estimated investment is US\$ 232 million, for start-up in the first half of 2008.

**Main CVRD projects underway: progress report**

| <b>Area</b>             | <b>Project</b>   | <b>Budgeted<br/>2005</b> | <b>Status</b>  |
|-------------------------|--|--------------------------|--|
|                         | Expansion of the Carajás iron ore mines to 85 Mtpy Northern System | 140                      | This project will add 15 Mtpy to CVRD's production capacity and is scheduled for conclusion in 3Q06. The second ship loader of Pier III started operating in August.   |
|                         | Brucutu iron ore mine Southern System                              | 205                      | Phase I of the project is expected to be complete in 3Q06, bringing nominal production capacity to 12 Mtpy. Conclusion of Phase II is planned for 2007, bringing capacity to 24 Mtpy. Studies are in progress for expansion to 30 Mtpy.  |
|                         | Expansion of the Itabira iron ore mines Southern System            | 16                       | Modernization of operations and expansion of production capacity of the Itabira mines to 46 Mtpy. Conclusion and start-up scheduled for 2H07.  |
|                         | Fazendão iron ore mine Southern System                             | 52                       | Project for 14 million tpy of run-of-mine (ROM) iron ore. Works are planned to start in 1H06, for completion and start-up in 2H07.   |
| <b>Ferrous minerals</b> | Fábrica iron ore mine Southern System                              | 38                       | Project to expand capacity by 5 million tons from 12 to 17 Mtpy, with start-up in 3Q07.  |
|                         | Timbopéba iron ore mine Southern System                            | 25                       | Small-scale equipments for this project are now operating. Access road to the mine is under construction, to be ready in December 2005. Output is in line with estimates (2.7 million tons).   |
|                         | Tubarão Port expansion Southern System                             | 22                       | Project to expand conveyor belt systems and cargo handling area machinery, and build new cargo handling areas. The project will increase the port's handling capacity by 10 million tons. Conclusion scheduled for December 2006.  |
|                         | Expansion of the São Luis pelletizing plant                        | 18                       | Expansion of capacity from 6 to 7 Mtpy will be finalized by January 2006. 85% of the project has been completed. Estimated production this year is 6.25 million tons.  |
|                         | Anthracite   | 86                       | The process of acquisition of 25% of the Chinese anthracite producer Henan Longyu Energy Resources Ltd., in partnership with Yoncheng and Baosteel, has been completed. The mine is expected to produce 1.7 million tons of high quality anthracite in 2005, of which CVRD's take is equal to its percentage holding in the company. |

|                             |  |    |   |
|-----------------------------|--|----|---|
| <b>Coal</b>                 | Metallurgical coke                             | 16 | Acquisition of a 25% stake, in association with the Chinese coal producer Yankuang, in Shandong Yankuang International Coking Ltd, to produce metallurgical coke. The project has estimated production capacity of 2 Mtpy of coke and 200,000 tons/year of methanol. Start-up scheduled for 2006. |
| <b>Non-ferrous minerals</b> | Expansion of the Taquari-Vassouras potash mine | 9  | The works to expand nominal potash production capacity from 600,000 to 850,000 tpy have been completed.   |



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| <b>Area</b>        | <b>Project</b>  | <b>Budgeted<br/>2005</b> | <b>Status</b>   |
|--------------------|---|--------------------------|---|
|                    | 118 copper mine   | 32                       | This project was approved in October 2005 and the mine is scheduled to start producing in 1H08. The project will have production capacity of 36,000 tons of copper cathode/year, and estimated total investment of US\$ 232 million. The principal equipment has been ordered.  |
|                    | Vermelho nickel mine                                    | 34                       | This project was approved in July 2005, for scheduled start-up of the mine in 4Q08, with estimated production capacity of 46,000 tons of metallic nickel and 2,800 tons of cobalt per year. Estimated total investment is US\$ 1.2 billion. The main equipment has been ordered and work on the site should start in 2006 after the rainy season. Work on obtaining the environmental license is in progress. |
|                    | Alumina: Alunorte stages 4 and 5                        | 306                      | The project to built stages 4 and 5 will increase alumina refinery capacity to 4.2 Mtpy, with start-up planned for stage 4 in 1Q06, and stage 5 planned for completion in 2Q06. 95% of the physical works have been completed.  |
| <b>Aluminum</b>    | Paragominas Bauxite mine Phase 11                       | 154                      | The first module of this mine will produce 5.4 Mtpy of bauxite, starting in 1Q07. The 244-km ore pipeline, which will carry bauxite from the mine to the alumina refinery in Barcarena, in the Brazilian state of Pará, is under construction with completion expected to March 2006.   |
| <b>Logistics</b>   | Acquisition of locomotives and wagons EFVM, EFC and FCA | 559                      | Up to the end of September 2005, 3,953 wagons and 68 locomotives had been purchased.  |
|                    | Aimorés hydroelectric plant                             | 12                       | This power plant, on the Rio Doce, in the Brazilian state of Minas Gerais, will have generation capacity of 330MW. The three rotors are already in partial operation. CVRD's stake is 51.0%.  |
| <b>Electricity</b> | Capim Branco I and II hydro plants                      | 73                       | These two power plants on the Araguari river in the state of Minas Gerais will have generation capacity of 240MW and 210MW respectively. Both are planned to start operating in 2006.   |

**CAPEX BY BUSINESS AREA**

| <b>Business area</b> | <b>3Q05</b> |       | <b>realized 2005</b> |                 |
|----------------------|-------------|-------|----------------------|-----------------|
|                      |             |       |                      | US\$<br>million |
| Ferrous minerals     | 353.7       | 38.6% | 893.9                | 38.7%           |
| Non ferrous minerals | 71.3        | 7.8%  | 160.1                | 6.9%            |

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|                 |              |               |                |               |
|-----------------|--------------|---------------|----------------|---------------|
| Logistics       | 231.6        | 25.3%         | 514.1          | 22.3%         |
| Aluminum        | 170.8        | 18.6%         | 448.5          | 19.4%         |
| Coal            | 5.9          | 0.6%          | 99.9           | 4.3%          |
| Electric energy | 33.6         | 3.7%          | 93.1           | 4.0%          |
| Others          | 50.1         | 5.5%          | 99.1           | 4.3%          |
| <b>Total</b>    | <b>917.0</b> | <b>100.0%</b> | <b>2,308.7</b> | <b>100.0%</b> |

**CONFERENCE CALL AND WEBCAST**

CVRD will hold its conference call and webcast on Friday, November 11, at 12:00 pm Rio de Janeiro time, 9:00 am Eastern Standard Time and 2:00 pm UK time. Instructions for participation are on the website [www.cvrd.com.br](http://www.cvrd.com.br), *Investor Relations* section. A recording of the call and webcast will be available on the website for 90 days following November 11.

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Selected financial indicators for the principal non-consolidated companies are available in CVRD's quarterly financial statements, on its website [www.cvr.com.br](http://www.cvr.com.br), in the *Investor Relations* section.

**FINANCIAL STATEMENTS**

|  | R\$ million  |               |              |
|--|--------------|---------------|--------------|
|  | <b>3Q04</b>  | <b>2Q05</b>   | <b>3Q05</b>  |
| <b>Gross operating revenues</b>  | <b>7,932</b> | <b>10,051</b> | <b>9,042</b> |
| Taxes  | (402)        | (500)         | (237)        |
| <b>Net operating revenues</b>  | <b>7,531</b> | <b>9,551</b>  | <b>8,805</b> |
| Cost of goods sold   | (3,723)      | (4,011)       | (4,108)      |
| <b>Gross profit</b>  | <b>3,808</b> | <b>5,541</b>  | <b>4,697</b> |
| Gross margin (%)   | 50.6%        | 58.0%         | 53.3%        |
| <b>Operational expenses</b>  | <b>(782)</b> | <b>(784)</b>  | <b>(932)</b> |
| Sales  | (91)         | (96)          | (91)         |
| Administrative   | (246)        | (308)         | (333)        |
| Research and development   | (108)        | (161)         | (220)        |
| Other operational expenses   | (337)        | (220)         | (289)        |
| <b>Operating profit before financial result and result from shareholders</b> | <b>3,026</b> | <b>4,756</b>  | <b>3,765</b> |
| <b>Result from shareholdings</b>   | <b>36</b>    | <b>77</b>     | <b>13</b>    |
| Equity income  | 99           | 147           | 85           |
| Goodwill amortization  | (57)         | (57)          | (57)         |
| Others   | (6)          | (13)          | (14)         |
| <b>Financial result</b>  | <b>(329)</b> | <b>82</b>     | <b>(319)</b> |
| Financial expenses   | (476)        | (247)         | (510)        |
| Financial revenues   | 74           | 58            | 65           |
| Monetary variation   | 73           | 271           | 125          |
| <b>Operating profit</b>  | <b>2,733</b> | <b>4,915</b>  | <b>3,458</b> |
| Result of discontinued operations  | 466          |               | 298          |
| <b>Earnings before income tax and social contribution</b>                    | <b>3,199</b> | <b>4,915</b>  | <b>3,756</b> |
| Income tax and social contribution   | (587)        | (1,061)       | (764)        |
| Minority interest  | (316)        | (375)         | (281)        |
| <b>Net earnings</b>  | <b>2,296</b> | <b>3,479</b>  | <b>2,711</b> |
| <b>Earnings per share</b>  | <b>1.99</b>  | <b>3.02</b>   | <b>2.35</b>  |

**BALANCE SHEET**

|                    | R\$ million     |                 |
|--------------------|-----------------|-----------------|
|                    | <b>06/30/05</b> | <b>09/30/05</b> |
| <b>Asset</b>       |                 |                 |
| Current            | 12,387          | 12,172          |
| Long term          | 4,106           | 4,279           |
| Fixed              | 30,462          | 32,285          |
| <b>Total</b>       | <b>46,954</b>   | <b>48,736</b>   |
| <b>Liabilities</b> |                 |                 |
| Current            | 8,195           | 7,248           |
| Long term          | 12,918          | 12,730          |
| Others             | 2,579           | 2,784           |

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|                      |               |               |
|----------------------|---------------|---------------|
| Shareholders' equity | 23,262        | 25,974        |
| Paid up capital      | 14,000        | 14,000        |
| Reserves             | 9,262         | 11,974        |
| <b>Total</b>         | <b>46,954</b> | <b>48,736</b> |

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|   |              |                | R\$ million    |
|---|--------------|----------------|----------------|
|   | <b>3Q04</b>  | <b>2Q05</b>    | <b>3Q05</b>    |
| <b>Cash flows from operating activities:</b>                                    |              |                |                |
| <b>Net income</b>   | <b>2,296</b> | <b>3,479</b>   | <b>2,711</b>   |
| Adjustments to reconcile net income with cash provided by operating activities: |              |                |                |
| Result from shareholdings   | (36)         | (77)           | (13)           |
| Result from sale of investment  | (466)        |                | (298)          |
| Depreciation, depletion and amortization  | 362          | 384            | 400            |
| Deferred income tax and social contribution                                     | (240)        | 53             | (283)          |
| Financial expenses and foreign exchange and monetary net variation              | (868)        | (982)          | (420)          |
| Minority interest   | 316          | 375            | 281            |
| Impairment of property, plant and equipment                                     | 62           | 60             | 1              |
| Goodwill amortization in the COGS   | 96           | 96             | 95             |
| Net unrealized derivative losses  | 116          | (10)           | 169            |
| Dividends/interest attributed to stockholders received                          |              | 89             | 59             |
| Others  | (143)        | 58             | 37             |
| Decrease (increase) in assets:  |              |                |                |
| Accounts receivable   | (30)         | (1,026)        | 735            |
| Inventories   | (161)        | (67)           | (69)           |
| Others  | 247          | (593)          | (870)          |
| Increase (decrease) in liabilities:   |              |                |                |
| Suppliers and contractors   | 101          | 278            | (291)          |
| Payroll and related charges   | 49           | 30             | 55             |
| Taxes and Contributions   | 577          | 885            | 1,265          |
| Others  | 629          | 288            | (348)          |
| <b>Net cash provided by operating activities</b>                                | <b>2,907</b> | <b>3,323</b>   | <b>3,214</b>   |
| <b>Cash Flow from investing activities:</b>                                     |              |                |                |
| Loans and advances receivable   | 35           | (43)           | 89             |
| Guarantees and deposits   | (53)         | (37)           | (84)           |
| Additions to investments  |              | (208)          | (31)           |
| Additions to property, plant and equipment                                      | (1,302)      | (1,926)        | (2,464)        |
| Proceeds from disposals of investments/property, plant and equipment            | 1,261        | 4              | 301            |
| <b>Net cash used I investing activities</b>                                     | <b>(60)</b>  | <b>(2,212)</b> | <b>(2,190)</b> |
| <b>Cash flows from financing activities:</b>                                    |              |                |                |
| Short-term debt, net issuances (repayments)                                     | 71           | 470            | (435)          |
| Long-term debt  | 142          | 342            | 26             |
| Financial institutions  | (691)        | (1,138)        | (370)          |
| Interest attributed to stockholders   |              | (1,280)        |                |
| <b>Net cash used in financing activities</b>                                    | <b>(478)</b> | <b>(1,606)</b> | <b>(779)</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>                         | <b>2,369</b> | <b>(496)</b>   | <b>245</b>     |
| Cash and equivalents, beginning of period                                       | 3,792        | 3,240          | 2,744          |
| <b>Cash and equivalents, end of period</b>                                      | <b>6,161</b> | <b>2,744</b>   | <b>2,989</b>   |
| <b>Cash paid during the period for:</b>   |              |                |                |
| Interest on short-term debt   | (12)         | (20)           | (10)           |
| Interest on long-term debt  | (284)        | (128)          | (196)          |

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|  |      |       |       |
|--|------|-------|-------|
| Paid income tax and social contribution                            | (12) | (378) | (469) |
| <b>Non cash transactions:</b>                                      |      |       |       |
| Additions to property, plant and equipment-interest capitalization | 210  | 402   | 120   |
| Income tax and social contribution paid with credits               | (67) | (56)  | (64)  |
|  |      |       | 20    |

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

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Expressed In thousands of reais

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Discussion and  
Analysis of the  
Operating  
Results for the  
nine months  
ended  
September 30,  
2005  
Compared  
With  
September 30,  
2004**

**1.1 General Aspects**

**(a) Companhia Vale do Rio Doce group's segments of business are as follows:**

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

Non-ferrous minerals: potash, kaolin and copper;

Logistics: railroads, ports and maritime terminals and shipping; and

Holdings: equity holdings in producers of aluminum, steel and electric power generation.

**Ferrous Minerals**

*Iron Ore and Pellets*

Operating through two world-class integrated systems for ore production and distribution. The Northern System, based in the states of Pará and Maranhão and the Southern System, based in the states of Minas Gerais and Espírito Santo, each consisting of mines, railroads and maritime terminals. Besides those, there is a third system that consists of mines and port facilities from our subsidiary Caemi Mineração Metalurgia S. A. (Caemi).

Currently CVRD operates nine pelletizing plants in Brazil, five of them in joint ventures with international partners. The Company also has an interest in Samarco Mineração S. A. (Samarco), which owns and operates two pelletizing plants in Espírito Santo, and an interest in Gulf Industrial Investment Company (GIIC), a pelletizing plant in Bahrain. Iron ore and pellets sales are generally made pursuant to long-term supply contracts which provide for annual price negotiations. Cyclical changes in the world demand for steel products affect sales prices and volumes in the world iron ore market. Different factors, such as the iron content of specific ore deposits, the various beneficiation processes required to produce the final product, granulometric, moisture content, and the type and concentration of contaminants (such as phosphorus, alumina and manganese) in the ore, influence contract prices for iron ore. Contract prices also depend on transportation costs.

Annual price negotiations generally occur from November to February, with separate prices established for the Asian and European iron ore markets. In the Asian market, the renegotiated prices are effective as of April of each period up to March of the next period. In the European market, the renegotiated prices are effective from January to December.

*Manganese and Ferroalloys*

This activity is carried out through the subsidiaries Rio Doce Manganês (RDM) located in the state of Bahia, Pará and Minas Gerais, Urucum located in the state of Mato Grosso do Sul, Rio Doce Manganèse Europe in France and Rio Doce Manganese Norway in Norway.

**Non-Ferrous Minerals**

*Potash*

The Company through a leasing contract with Petróleo Brasileiro S.A. - PETROBRAS, has a potash leased mine since 1995 from Operational Unit Taquari-Vassouras (UOTV), located in the state of Sergipe. It is the only producer of potash chloride in activity in Brazil, The potash explored by the Company is raw material for fertilizers producers.

*Copper*

CVRD's copper activities started in June, 2004 with the operation of the Sossego mine in Pará. Sossego is the first copper mine of CVRD.

*Kaolin*

Kaolin is a fine white aluminum silicate clay, used in the paper, ceramic and pharmaceutical industries as a coating and filler. Kaolin commercial activities are conducted through Caemi, controller of Pará Pigmentos S.A. and Cadam.

**CVRD**

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**Table of Contents***Logistics*

The logistics system includes the Vitória to Minas Railroad and the Tubarão port complex in the Southern System, and the Carajás Railroad and Ponta da Madeira Marine Terminal in the Northern System. In addition, CVRD controls the railroad Ferrovia Centro-Atlântica S.A. FCA, Terminal de Vila Velha S.A. TVV and Cia. Portuária Baía de Sepetiba CPBS, the Maritime terminal Guaíba Island and has a holding in MRS Logística.

The principal cargo of CVRD's railroad is the Company's own iron ore, along with steel, coal, pig iron, limestone, agricultural products and fuel. The Company charges market rates for third-party cargo, which vary based upon the distance traveled and the density of the freight in question.

**Energy**

The Company participates in nine hydroelectric plants, five of which are in operation. CVRD's investments in the sector seek to optimize the Group's supply of electric power.

**Holdings***Aluminum Operations*

The Company sells aluminum, alumina and bauxite to an active world market in which prices are determined based on prices for the primary aluminum quoted on the London Metals Exchange (LME).

Bauxite extraction operates through our jointly-controlled company Mineração Rio do Norte S.A. MRN.

Alumina refine operates through ALUNORTE Alumina do Norte do Brasil S.A. and the smelts of aluminum through ALBRAS Alumínio Brasileiro S.A. and the jointly-controlled company Valesul Alumínio S.A.

*Steel*

Commercial activities in the steel industry are conducted through the jointly-controlled company California Steel Industries Inc., located in the United States and through the affiliated company Usinas Siderúrgicas de Minas Gerais S.A. Usiminas.

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

| Currencies / Indices      | D%          |       |      | Parity US\$ x R \$ in the period |         |
|---------------------------|-------------|-------|------|----------------------------------|---------|
|                           | U.S. DOLLAR | IGP-M | TJLP | End                              | Average |
| Period                    |             |       |      |                                  |         |
| From 01/01/05 to 09/30/05 | (16.3)      | (0.2) | 7.2  | 2.2222                           | 2.4938  |
| From 07/01/05 to 09/30/05 | (5.5)       | (1.5) | 2.4  | 2.2222                           | 2.3434  |
| From 04/01/05 to 06/30/05 | (11.8)      | 0.2   | 2.4  | 2.3504                           | 2.4792  |
| From 01/01/04 to 09/30/04 | (1.1)       | 10.3  | 7.3  | 2.8586                           | 2.9735  |
| From 07/01/04 to 09/30/04 | (8.2)       | 3.3   | 2.4  | 2.8586                           | 2.9783  |

About 86% of the consolidated gross revenue on 09/30/05 is linked to the U.S. dollar. About 31% of total consolidated costs are linked to the U.S. dollar. Consequently, fluctuations in the exchange rate between the two currencies have a significant impact on the operating cash flows.

Approximately 88% of the short-term and long-term loans of the consolidated on 09/30/05 are denominated in U.S. dollars. As a result, exchange rate fluctuations have a significant impact on the financial expenses (Notes 6.13 and 6.19).

**(c) On 09/30/05, the consolidated trade balance of US\$ 4,501 million was generated as follows:**

|         | Consolidated (in US\$ million) |       |               |          |                      |
|---------|--------------------------------|-------|---------------|----------|----------------------|
|         | 3Q/05                          | 2Q/05 | Quarter 3Q/04 | 09/30/05 | Accumulated 09/30/04 |
| Exports | 1,723                          | 1,951 | 1,484         | 5,010    | 4,170                |
| Imports | (134)                          | (134) | (225)         | (509)    | (664)                |

|              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| <b>1,589</b> | <b>1,817</b> | <b>1,259</b> | <b>4,501</b> | <b>3,506</b> |
| <b>CVRD</b>  |              |              |              | <b>3</b>     |

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**Table of Contents****(d) Approval of new copper investment**

On October 2005, the Company announced that its Board of Directors approved the investment for the development of the 118 copper project. 118 is located in the Carajás mineral province, in the state of Pará, Brazil, 6.5 km from the Sossego copper mine. Its estimated production capacity is 36,000 tons/year (tpy) of copper cathodes, with an expected mine life of 11 years. The estimated capex is US\$ 232 million, with startup scheduled for the first half of 2008.

**(e) Approval of increase in pellet production capacity**

In October, 2005 the Company approved projects to increase its pellet production capacity by 14.6 million tons per year. The expansion will take place in Samarco and Caemi. CVRD approved a project of its wholly owned subsidiary Caemi, for the construction of a pelletizing plant with production capacity of 7 million tons per year, and startup scheduled for 2008. The estimated investment, which also includes a beneficiation plant and a 4-km pipeline to carry its output, is estimated at US\$759 million.

The Board of Directors of Samarco, approved investment of US\$1.183 billion in the construction of its third pelletizing plant. The new pelletizing plant will add 7.6 million tons per year of capacity to Samarco. The new plant is scheduled for startup in the first half of 2008. The project also includes construction of a new beneficiation plant, a new 400-kilometer pipeline, and increased capacity for storage of products and outflow through the port.

**(f) Capacity expansions in bauxite and alumina**

CVRD's Board of Directors has approved the investment for the development of phase II of the Paragominas bauxite mine and stages 6 and 7 of its alumina refinery (Alunorte), both located in the state of Pará, Brazil.

The construction of stages 6 and 7 of CVRD refinery, each one of them with annual production capacity of 935,000 tons of alumina, will result in an increase of the Alunorte production capacity to 6.26 million tons per year (Mtpy). The total estimated investment in the project is US\$ 846 million. The start up of stages 6 and 7 is expected for the second quarter of 2008. Currently, the alumina refinery is developing stages 4 and 5, which will increase of its production capacity to 4.4 Mtpy from 2.5 Mtpy. The start up of stages 4 and 5 is scheduled for the first quarter of 2006, and the ramp-up conclusion is expected for the third quarter of 2006.

The total estimated investment in the development of phase II of the Paragominas bauxite mine, is US\$ 196.1 million. The project will allow Paragominas to achieve a capacity to produce 9.9 Mtpy. Phase II is scheduled to come on stream on the second quarter of 2008.

Paragominas phase I production capacity of 5.4 Mtpy is being developed simultaneously with the construction of a 244 km pipeline to transport the bauxite from the mine to the alumina refinery in Barcarena, in the state of Pará. This pipeline, the first in the world to transport bauxite, is designed for a nominal capacity of 14.4 Mtpy, which will be achieved at Paragominas phase III. Paragominas phase I is scheduled to start up in the first quarter of 2007.

**Table of Contents****1.2 Comments on the Consolidated Results**

The net income of the Company as at 09/30/05 was R\$ 7,805,936 compared with net income of R\$ 4,933,077 as at 09/30/04 (the earnings per share corresponds to R\$ 6.78 at 09/30/05 versus R\$ 4.28 at 09/30/04). The result is consequence of the positive operational performance and the new prices of iron ore and pellets used beginning in the second quarter, partially offset by the 16% appreciation of the real against the U.S. Dollar.

**1.2.1 Gross Revenue**

Sales volume and revenues by products and services:

|                | In thousands of metric tons<br>(except railroad transportation) |               |               |                |                |          |                  | In thousands of U.S. dollars |                  |                   |                   |  |
|----------------|---|---------------|---------------|----------------|----------------|----------|------------------|------------------------------|------------------|-------------------|-------------------|--|
|                | Quarter   |               |               | Accumulated    |                |          |                  | Quarter                      |                  |                   | Accumulated       |  |
|                | 3Q/05   | 2Q/05         | 3Q/04         | 09/30/05       | 06/30/04       | D%       | 3Q/05            | 2Q/05                        | 3Q/04            | 09/30/05          | 06/30/04          |  |
| Iron ore       | 55,203  | 52,969        | 50,872        | 157,331        | 139,486        | 13       | 4,462,634        | 5,072,201                    | 3,132,531        | 12,288,242        | 8,076,336         |  |
| Pellets (*)    | 8,774   | 8,748         | 10,160        | 27,247         | 30,013         | (9)      | 1,643,421        | 1,955,682                    | 1,215,372        | 4,787,234         | 3,418,546         |  |
|                | <b>63,977</b>   | <b>61,717</b> | <b>61,032</b> | <b>184,578</b> | <b>169,499</b> | <b>9</b> | <b>6,106,055</b> | <b>7,027,883</b>             | <b>4,347,903</b> | <b>17,075,476</b> | <b>11,494,882</b> |  |
| Japanese       | 271   | 194           | 313           | 663            | 679            | (2)      | 48,920           | 62,013                       | 67,269           | 174,288           | 131,187           |  |
| Alloys         | 136   | 151           | 133           | 423            | 430            | (2)      | 225,891          | 380,969                      | 526,566          | 1,041,744         | 1,358,017         |  |
|                |   |               |               |                |                |          | <b>274,811</b>   | <b>442,982</b>               | <b>593,835</b>   | <b>1,216,032</b>  | <b>1,489,204</b>  |  |
| Other          | 96  | 105           | 96            | 286            | 130            | 120      | 214,632          | 228,570                      | 195,538          | 643,182           | 267,888           |  |
| Wholesale      | 197   | 129           | 161           | 464            | 465            |          | 111,296          | 75,506                       | 103,410          | 267,175           | 264,858           |  |
| Manufacturing  | 280   | 303           | 318           | 863            | 896            | (4)      | 98,681           | 110,955                      | 126,346          | 314,212           | 354,900           |  |
|                |   |               |               |                |                |          | <b>424,609</b>   | <b>415,031</b>               | <b>425,294</b>   | <b>1,224,569</b>  | <b>887,646</b>    |  |
| Road           |   |               |               |                |                |          |                  |                              |                  |                   |                   |  |
| Transportation |   |               |               |                |                |          |                  |                              |                  |                   |                   |  |
| Services of    |   |               |               |                |                |          |                  |                              |                  |                   |                   |  |
| (**) 10,468    | 10,019  | 10,560        | 28,820        | 28,900         |                |          | 694,261          | 630,946                      | 565,535          | 1,830,719         | 1,574,949         |  |
| Services       | 8,315   | 8,280         | 7,454         | 22,908         | 21,787         | 5        | 141,752          | 122,875                      | 117,064          | 379,002           | 332,325           |  |
| Time           |   |               |               |                |                |          |                  |                              |                  |                   |                   |  |
| Transportation |   |               |               |                |                |          | 101,943          | 94,146                       | 116,571          | 300,665           | 328,980           |  |
|                |   |               |               |                |                |          | <b>937,956</b>   | <b>847,967</b>               | <b>799,170</b>   | <b>2,510,386</b>  | <b>2,236,254</b>  |  |
| Aluminum       | 122   | 123           | 115           | 367            | 358            | 3        | 536,302          | 582,268                      | 607,578          | 1,729,792         | 1,833,310         |  |
| Alumina        | 504   | 367           | 508           | 1,335          | 1,312          | 2        | 332,974          | 237,726                      | 382,809          | 929,403           | 904,338           |  |
| Other          | 1,422   | 1,401         | 1,530         | 4,056          | 3,900          | 4        | 86,039           | 108,176                      | 91,053           | 264,258           | 227,828           |  |
|                |   |               |               |                |                |          | <b>955,315</b>   | <b>928,170</b>               | <b>1,081,440</b> | <b>2,923,453</b>  | <b>2,965,476</b>  |  |
|                |   |               |               |                |                |          | 339,851          | 378,697                      | 669,867          | 1,170,701         | 2,108,243         |  |

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|  |                  |                   |                  |                   |                   |
|--|------------------|-------------------|------------------|-------------------|-------------------|
|  | 3,350            | 10,718            | 14,843           | 25,141            | 54,101            |
|  | <b>9,041,947</b> | <b>10,051,448</b> | <b>7,932,352</b> | <b>26,145,758</b> | <b>21,235,806</b> |

(\*) Includes revenues derived from services provided to pelletizing joint ventures in the amounts of R\$ 18,772, R\$ 12,689, R\$ 16,541, R\$ 52,674 and R\$ 57,307 referring to the 3Q/05, 2Q/05, 3Q/04, 09/30/05 and 09/30/04, respectively.

(\*\*) The company carried through its railroad system 8,242, 7,755, 7,952, 22,006 and 21,408 million of TKUs of general cargo and 2,226, 2,264, 2,608, 6,814 and 7,492 million of TKUs of iron ore for third parties in 3Q/05, 2Q/05, 3Q/04, 09/30/05 and 09/30/04, respectively.

Revenues of all traded products in the first nine months of 2005 are negatively impacted by the 16% average appreciation of the Real against the U.S. Dollar, this the selling currency of the majority of the revenues, compared with the same period of 2004.

Besides this impact it is worth pointing out:



Revenues from iron ore and pellets increased by 49% (R\$ 17,075,476 on 09/30/05 against R\$ 11,494,882 on 09/30/04) due to higher prices in the second quarter and the 9% increase in quantities sold.

Revenues from manganese and ferroalloys decreased by 18% (R\$ 1,216,032 on 09/30/05 against R\$ 1,489,204 on 09/30/04) due mainly to the fall of average selling prices.

Revenues from copper increased by 140% (R\$ 643,182 on 09/30/05 against R\$ 267,888 on 09/30/04) due to the 120% increase of volume sold once the trading of copper began in June, 2004, as well as higher international market prices.

Revenues from potash increased by 1% (R\$ 267,175 on 09/30/05 against R\$ 264,858 on 09/30/04). This effect was due to the cycled stability of the fertilizers market in consequence of the plantation period.

Revenues from kaolin decreased by 11% (R\$ 314,212 on 09/30/05 against R\$ 354,900 on 09/30/04). Besides the reduction of volumes sold due to the delay of shipment, the exchange rate variation more than offset the increase in sales price.

Revenues from transportation rose 12% (R\$ 2,510,386 on 09/30/05 against R\$ 2,236,254 on 09/30/04), due mainly to higher railway and port freight rates partially offset by the decrease in maritime transportation freight rates.

Revenues in the aluminum area remained stable (R\$ 2,923,453 on 09/30/05 versus R\$ 2,965,476 on 09/30/04).

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Revenues from steel products decreased by 44% (R\$ 1,170,701 on 09/30/05 compared with R\$ 2,108,243 on 09/30/04). This reflects the sale of CST in December 2004.

**Gross Revenue on 09/30/05 R\$ 26,145,758**

**BY PRODUCT**

**BY CURRENCY**

**Gross Revenue by Geographic Area**

| Ferrous Minerals | Ferrous Minerals | Logistics      | Aluminum       | Holdings       |                  |            | Quarter           |            |                  |            |                   |            |
|------------------|------------------|----------------|----------------|----------------|------------------|------------|-------------------|------------|------------------|------------|-------------------|------------|
|                  |                  |                |                | Steel          | 3Q/05            | %          | 2Q/05             | %          | 3Q/04            | %          | 09/30/05          | %          |
| 388,752          | 185              | 14,913         | 114,079        |                | 517,929          | 6          | 748,101           | 7          | 426,824          | 5          | 1,784,288         | 7          |
| 143,524          | 6,723            |                | 70,036         | 339,851        | 560,134          | 6          | 715,247           | 7          | 985,943          | 12         | 2,018,770         | 8          |
| 686,729          | 47,702           |                |                |                | 734,431          | 8          | 876,238           | 9          | 650,887          | 8          | 2,090,776         | 8          |
| 263,182          | 13,460           |                |                |                | 276,642          | 3          | 373,614           | 4          | 425,426          | 5          | 856,044           | 3          |
| 121,044          | 431              |                | 2,963          |                | 124,438          | 1          | 162,813           | 2          | 99,216           | 1          | 435,257           | 2          |
| 923,356          | 64,218           | 16,530         | 311,944        |                | 1,316,048        | 15         | 1,613,854         | 16         | 1,111,879        | 14         | 3,924,127         | 15         |
| 561,476          | 602              |                | 33,947         |                | 596,025          | 7          | 721,516           | 7          | 368,321          | 5          | 1,653,215         | 6          |
| 1,370,700        | 31,085           |                | 28,122         |                | 1,429,907        | 16         | 1,128,828         | 11         | 959,814          | 12         | 3,394,959         | 13         |
| 285,886          | 35,836           |                |                |                | 321,722          | 4          | 189,524           | 2          | 235,446          | 3          | 698,952           | 3          |
| 536,163          | 31,884           |                | 226,589        |                | 794,636          | 9          | 841,129           | 8          | 634,911          | 8          | 2,232,962         | 9          |
| 212,381          | 25,758           |                |                |                | 238,139          | 3          | 358,044           | 4          | 254,531          | 3          | 836,911           | 3          |
| <b>5,493,193</b> | <b>257,884</b>   | <b>31,443</b>  | <b>787,680</b> | <b>339,851</b> | <b>6,910,051</b> | <b>78</b>  | <b>7,728,908</b>  | <b>77</b>  | <b>6,153,198</b> | <b>76</b>  | <b>19,926,261</b> | <b>77</b>  |
| <b>926,434</b>   | <b>166,725</b>   | <b>869,400</b> | <b>169,337</b> |                | <b>2,131,896</b> | <b>22</b>  | <b>2,322,540</b>  | <b>23</b>  | <b>1,779,154</b> | <b>24</b>  | <b>6,219,497</b>  | <b>23</b>  |
| <b>6,419,627</b> | <b>424,609</b>   | <b>900,843</b> | <b>957,017</b> | <b>339,851</b> | <b>9,041,947</b> | <b>100</b> | <b>10,051,448</b> | <b>100</b> | <b>7,932,352</b> | <b>100</b> | <b>26,145,758</b> | <b>100</b> |

**1.2.2 Cost of Products and Services**

**By Nature**

|             | Denominated in |         | Quarter |    |         |    |         |    | Accumu    |    |           |    |
|-------------|----------------|---------|---------|----|---------|----|---------|----|-----------|----|-----------|----|
|             | R\$            | US\$    | 3Q/05   | %  | 2Q/05   | %  | 3Q/04   | %  | 09/30/05  | %  | 09/30/04  | %  |
| Iron ore    | 345,536        | 31,961  | 377,497 | 9  | 340,120 | 8  | 364,674 | 10 | 1,031,788 | 9  | 1,037,846 | 10 |
| Coal        | 655,757        | 165,454 | 821,211 | 20 | 791,828 | 21 | 586,028 | 15 | 2,328,060 | 20 | 1,651,001 | 16 |
| Oil and gas | 372,525        | 85,194  | 457,719 | 11 | 446,398 | 11 | 409,235 | 11 | 1,310,626 | 11 | 1,155,970 | 11 |
| Other       | 617,923        | 243,714 | 861,637 | 21 | 794,865 | 20 | 629,775 | 17 | 2,414,664 | 20 | 1,736,343 | 17 |
| Services    | 336,810        | 24,223  | 361,033 | 9  | 371,472 | 9  | 346,172 | 9  | 1,050,050 | 9  | 872,491   | 8  |
| Other       | 12,193         | 469,654 | 481,847 | 12 | 569,851 | 14 | 753,516 | 20 | 1,644,702 | 14 | 1,961,676 | 19 |

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|         |                  |                  |                  |     |                  |     |                  |     |                   |     |                   |     |
|---------|------------------|------------------|------------------|-----|------------------|-----|------------------|-----|-------------------|-----|-------------------|-----|
| ion     | 355,624          | 10,611           | 366,235          | 9   | 361,793          | 9   | 281,726          | 8   | 1,074,761         | 9   | 884,935           | 9   |
| ization |                  |                  |                  |     |                  |     |                  |     |                   |     |                   |     |
| dwill   | 94,726           |                  | 94,726           | 2   | 96,095           | 2   | 96,096           | 3   | 286,916           | 2   | 288,288           | 3   |
| s       | 156,824          | 129,542          | 286,366          | 7   | 238,238          | 6   | 255,647          | 7   | 762,343           | 6   | 697,296           | 7   |
|         | <b>2,947,918</b> | <b>1,160,353</b> | <b>4,108,271</b> | 100 | <b>4,010,660</b> | 100 | <b>3,722,869</b> | 100 | <b>11,903,910</b> | 100 | <b>10,285,846</b> | 100 |
|         | <b>72%</b>       | <b>28%</b>       |                  |     |                  |     |                  |     |                   |     |                   |     |

The 16% increase (R\$ 1,618,064) in the cost of products and services (R\$ 11,903,910 on 09/30/05 against R\$ 10,285,846 on 09/30/04) is due to increase in sales volumes and changes in the prices of materials, oil, energy and services which comprise production cost during the period.

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**Table of Contents****1.2.3 Operating Expenses**

The operating expenses, except for non-recurring item, increased R\$ 358,704 (R\$ 2,276,486 on 09/30/05 compared to R\$ 1,917,782 on 09/30/04), basically due to the increase in Research and development costs.

**1.2.4 Net Financial Results**

The net financial result on 09/30/05 had an impact of R\$ 1,217,633 (expense of R\$ 511,841 on 09/30/05 compared to expense of R\$ 1,729,474 on 09/30/04) due to exchange rate variation effect of the Real against the dollar over the foreign debt.

**1.2.5 Income Tax and Social Contribution**

Income tax and social contribution reflect an expense of R\$ 2,215,492 on 09/30/05 compared with an expense of R\$ 1,048,874 on 09/30/04, mainly caused by increase of taxable income. (Note 6.10)

**1.2.6 Cash Generation Consolidated**

The operating cash generation consolidated measured by EBITDA (earnings before financial results, results of equity investments, interest, income tax and depreciation, amortization and depletion plus dividends received) was R\$ 12,500,812 on 09/30/05, against R\$ 9,245,832 on 09/30/04, an increase of 35%.

**EBITDA**

|   | <b>3Q/05</b>     | <b>2Q/05</b>     | <b>Quarter<br/>3Q/04</b> | <b>09/30/05</b>   | <b>Accumulated<br/>09/30/04</b> |
|---|------------------|------------------|--------------------------|-------------------|---------------------------------|
| Net operating revenue                   | 8,805,288        | 9,551,455        | 7,530,617                | 25,077,316        | 20,159,608                      |
| Cost of products and services           | (4,108,271)      | (4,010,660)      | (3,722,869)              | (11,903,910)      | (10,285,846)                    |
| Operating expenses                      | (932,469)        | (784,322)        | (781,684)                | (2,276,486)       | (2,100,578)                     |
| <b>Operating profit</b>                 | <b>3,764,548</b> | <b>4,756,473</b> | <b>3,026,064</b>         | <b>10,896,920</b> | <b>7,773,184</b>                |
| Depreciation / amortization of goodwill | 494,585          | 488,208          | 400,556                  | 1,456,288         | 1,253,789                       |
|   | <b>4,259,133</b> | <b>5,244,681</b> | <b>3,426,620</b>         | <b>12,353,208</b> | <b>9,026,973</b>                |
| Dividends received                      | 58,682           | 88,922           |                          | 147,604           | 36,063                          |
| Amortization of Goodwill Samitri        |                  |                  |                          |                   | 182,796                         |
| <b>EBITDA</b>                           | <b>4,317,815</b> | <b>5,333,603</b> | <b>3,426,620</b>         | <b>12,500,812</b> | <b>9,245,832</b>                |

**Current liabilities**

|   |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| Current portion of long-term debt unrelated parties | 1,627,663        | 1,966,679        | 2,796,928        | 1,627,663        | 2,796,928        |
| Short-term debt                                     | 708,488          | 1,165,071        | 817,693          | 708,488          | 817,693          |
| Related parties                                     | 69,097           | 84,038           | 163,155          | 69,097           | 163,155          |
|   | <b>2,405,248</b> | <b>3,215,788</b> | <b>3,777,776</b> | <b>2,405,248</b> | <b>3,777,776</b> |

**Long-term liabilities**

|                                  |           |           |            |           |            |
|----------------------------------|-----------|-----------|------------|-----------|------------|
| Long-term debt unrelated parties | 7,145,652 | 7,667,145 | 10,442,980 | 7,145,652 | 10,442,980 |
| Related parties                  | 2,935     | 33,973    | 4,320      | 2,935     | 4,320      |

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|                                       |                   |                   |                   |                   |                   |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                       | 7,148,587         | 7,701,118         | 10,447,300        | 7,148,587         | 10,447,300        |
| <b>Gross debt</b>                     | <b>9,553,835</b>  | <b>10,916,906</b> | <b>14,225,076</b> | <b>9,553,835</b>  | <b>14,225,076</b> |
| <b>Interest paid</b>                  | <b>206,576</b>    | <b>148,068</b>    | <b>296,490</b>    | <b>582,312</b>    | <b>752,520</b>    |
| <b>Stockholders equity</b>            | <b>25,973,882</b> | <b>23,262,421</b> | <b>18,620,809</b> | <b>25,973,882</b> | <b>18,620,809</b> |
| <b>EBITDA (LTM) /</b>                 |                   |                   |                   |                   |                   |
| <b>Interest paid (LTM)</b>            | <b>19.51</b>      | <b>16.52</b>      | <b>12.29</b>      | <b>19.51</b>      | <b>12.29</b>      |
| <b>EBITDA Margin (LTM)</b>            | <b>47%</b>        | <b>47%</b>        | <b>46%</b>        | <b>47%</b>        | <b>46%</b>        |
| <b>EBIT Margin (LTM)</b>              | <b>43%</b>        | <b>42%</b>        | <b>45%</b>        | <b>43%</b>        | <b>45%</b>        |
| <b>Gross debt / EBITDA</b>            | <b>0.62</b>       | <b>0.75</b>       | <b>1.15</b>       | <b>0.62</b>       | <b>1.15</b>       |
| <b>Gross debt / Equity</b>            |                   |                   |                   |                   |                   |
| <b>Capitalization</b>                 | <b>27</b>         | <b>32</b>         | <b>43</b>         | <b>27</b>         | <b>43</b>         |
| <b>Consolidated EBITDA by Segment</b> |                   |                   |                   |                   |                   |

|                      | <b>3Q/05</b>     |              | <b>2Q/05</b>     |              | <b>3Q/04</b>     |              | <b>09/30/05</b>   |              | <b>09/30/04</b>  |              |
|----------------------|------------------|--------------|------------------|--------------|------------------|--------------|-------------------|--------------|------------------|--------------|
|                      | <b>EBITDA</b>    |              | <b>EBITDA</b>    |              | <b>EBITDA</b>    |              | <b>EBITDA</b>     |              | <b>EBITDA</b>    |              |
|                      | <b>%</b>         |              | <b>%</b>         |              | <b>%</b>         |              | <b>%</b>          |              | <b>%</b>         |              |
|                      | <b>of</b>        |              | <b>of</b>        |              | <b>of</b>        |              | <b>of</b>         |              | <b>of</b>        |              |
|                      | <b>Segments</b>  | <b>total</b> | <b>Segments</b>  | <b>total</b> | <b>Segments</b>  | <b>total</b> | <b>Segments</b>   | <b>total</b> | <b>Segments</b>  | <b>total</b> |
| Ferrous minerals     | 3,642,422        | 83%          | 4,445,461        | 83%          | 2,147,370        | 63%          | 10,023,849        | 79%          | 5,885,082        | 64%          |
| Non ferrous minerals | 37,221           | 1%           | 82,527           | 1%           | 55,527           | 2%           | 223,487           | 2%           | 227,311          | 2%           |
| Logistics            | 340,060          | 7%           | 364,264          | 7%           | 338,886          | 10%          | 996,357           | 8%           | 957,354          | 10%          |
| Holdings             |                  |              |                  |              |                  |              |                   |              |                  |              |
| Aluminum             | 287,958          | 7%           | 348,276          | 7%           | 594,070          | 17%          | 1,090,218         | 9%           | 1,445,139        | 16%          |
| Steel                | 65,309           | 2%           | 119,974          | 2%           | 290,767          | 8%           | 248,955           | 2%           | 730,946          | 8%           |
| Others               | (55,155)         |              | (26,899)         |              |                  |              | (82,054)          |              |                  |              |
|                      | <b>4,317,815</b> | <b>100%</b>  | <b>5,333,603</b> | <b>100%</b>  | <b>3,426,620</b> | <b>100%</b>  | <b>12,500,812</b> | <b>100%</b>  | <b>9,245,832</b> | <b>100%</b>  |

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**Table of Contents****1.3 Comments on the Parent Company Results****1.3.1 Gross Revenue**

The 32% increase in gross revenue (R\$ 13,277,033 on 09/30/05 against R\$ 10,051,438 on 09/30/04) is the result of the 9% higher volume sold of iron ore and pellets and the increase of 6% in the volume of port services and also for the increase of prices of both items. The revenues of the period include the sale of copper and alumina that began in June 2004 and in December 2004 respectively. This effect was compensated in part by the average appreciation of the real against the United States Dollar by 16%, incident on 89% of the revenue of the Company.

**1.3.2 Cost of Products and Services**

Cost of products and services sold was R\$ 7,032,494 on 09/30/05 against R\$ 5,106,516 on 09/30/04 representing a 37.7% increase. The main factors are the start of the trading of copper and alumina, higher volumes sold of products in general, contracts readjustments and the increase of assets reflecting higher expenses related to depreciation.

**1.3.3 Gross Margin**

The gross margin was reduced by 2.7% (43.7% on 09/30/05 against 46.4% on 09/30/04) mainly due to the exchange variation loss from revenues, as described above and the increase of unit cost for production of iron ore, copper and potash during 2005.

**1.3.4 Results of Shareholdings by Business Area**

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

| <b>Business Area</b>  | <b>09/30/2005</b> | <b>09/30/2004</b> | <b>Accumulated<br/>D%</b> |
|---|-------------------|-------------------|---------------------------|
| <b>Ferrous Minerals</b>                                       |                   |                   |                           |
| . Iron ore  | 3,183,737         | 804,719           | 296                       |
| . Pellets   | 771,926           | 349,319           | 121                       |
| . Manganese and ferroalloys                                   | 105,241           | 434,170           | (76)                      |
| <b>Non-Ferrous Minerals</b>                                   | (29,957)          | 19,504            | (254)                     |
| <b>Logistics</b>  | 171,108           | 169,234           | 1                         |
| <b>Holdings</b>   |                   |                   |                           |
| . Steel   | 373,802           | 551,604           | (32)                      |
| . Aluminum  | 538,971           | 552,100           | (2)                       |
| . Research and development of coal                            | (58,993)          |                   |                           |
| <b>Others</b>   | (4,448)           | (2,541)           | (75)                      |
| <b>Gain on investments accounted for by the equity method</b> | <b>5,051,387</b>  | <b>2,878,109</b>  | 76                        |
| Provision for losses  | (97,528)          | (68,590)          | (42)                      |
| Amortization of goodwill                                      | (171,810)         | (194,553)         | 12                        |
| Exchange variation in Stockholders Equity of companies abroad | (1,063,126)       | (66,334)          | 1,503                     |
| <b>Results of equity investments</b>                          | <b>3,718,923</b>  | <b>2,548,632</b>  | 46                        |

Results of equity investments are strongly affected by the exchange rate variation over debt, which had a positive impact due to the 16.3% appreciation of the Real against the Dollar in the first semester of 2005 in comparison with an 1.1% depreciation of the Real in the first nine months of 2004. This effect is partially offset by the negative exchange rate variation from investments abroad.

Operationally, volumes and average selling prices increased in all businesses areas, except for ferroalloys, for which quantities and average sales price services were reduced. The decrease in steel is mainly due to the sale of CST. In 2005 the negative result of non-ferrous equity refers basically to mineral research expenses incurred in subsidiaries situated in South America and Africa.

The negative result of equity in research and development of coal refers to expenses with subsidiaries of mineral extraction in Africa and Oceania.

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**1.3.5 Operating Expenses**

The operating expenses, except for non recurring item, decreased R\$ 7,159 (R\$ 1,022,106 on 09/30/05 compared to R\$ 1,029,268 on 09/30/04) as a consequence of the increase of research and development costs.

**1.3.6 Net Financial Results**

The net financial results on 09/30/05 had an impact of R\$ 1,672,255 (revenue of R\$ 710,315 on 09/30/05 compared to expense of R\$ 961,940 on 09/30/04) due to the exchange rate variation effect of Real against the dollar over debt.

**1.3.7 Income Tax and Social Contribution**

Income tax and social contribution reflect an expense of R\$ 1,070,072 on 09/30/05 compared with an expense of R\$ 324,957 on 09/30/04, mainly caused by increase of taxable income. (Note 6.10)

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**Table of Contents****Part II****Quarterly Information and Notes to the Quarterly Information**

(A free translation of the original in Portuguese relating to the Quarterly Information prepared in accordance with the requirements of Accounting Practices Generally Accepted in Brazil)

**2 Balance Sheet**

| <b>September 30</b>                         |              | <b>In thousands of reais</b> |                                  |                   |                                    |
|---|--------------|------------------------------|----------------------------------|-------------------|------------------------------------|
|   | <b>Notes</b> | <b>09/30/05</b>              | <b>Consolidated<br/>06/30/05</b> | <b>09/30/05</b>   | <b>Parent Company<br/>06/30/05</b> |
| <b>Assets</b>                               |              |                              |                                  |                   |                                    |
| <b>Current assets</b>                       |              |                              |                                  |                   |                                    |
| Cash and cash equivalents                   | 6.5          | 2,989,269                    | 2,743,828                        | 256,006           | 240,334                            |
| Accounts receivable from customers          | 6.6          | 3,806,588                    | 4,439,511                        | 1,679,101         | 2,191,521                          |
| Related parties                             | 6.8          | 126,023                      | 125,378                          | 879,338           | 814,403                            |
| Inventories                                 | 6.7          | 3,129,710                    | 3,038,371                        | 1,160,283         | 1,074,457                          |
| Taxes to recover or offset                  | 6.9          | 702,390                      | 725,139                          | 270,404           | 307,261                            |
| Deferred income tax and social contribution | 6.10         | 548,878                      | 474,282                          | 445,462           | 364,883                            |
| Other                                       |              | 868,862                      | 840,034                          | 339,880           | 480,411                            |
|   |              | <b>12,171,720</b>            | <b>12,386,543</b>                | <b>5,030,474</b>  | <b>5,473,270</b>                   |
| <b>Long-term receivables</b>                |              |                              |                                  |                   |                                    |
| Related parties                             | 6.8          |                              | 90,721                           | 435,280           | 486,640                            |
| Loans and financing                         |              | 140,226                      | 135,575                          | 105,308           | 100,663                            |
| Deferred income tax and social contribution | 6.10         | 1,078,340                    | 1,077,555                        | 550,145           | 540,898                            |
| Judicial deposits                           | 6.14         | 1,853,418                    | 1,768,954                        | 1,242,117         | 1,172,507                          |
| Prepaid expenses                            |              | 91,373                       | 111,429                          |                   |                                    |
| Accounts receivable - sale of assets        |              | 32,752                       | 26,404                           |                   |                                    |
| Assets for sale                             |              | 73,980                       | 59,212                           |                   |                                    |
| Advances to energy suppliers                |              | 584,748                      | 445,280                          |                   |                                    |
| Other                                       |              | 424,455                      | 390,508                          | 195,537           | 175,166                            |
|   |              | <b>4,279,292</b>             | <b>4,105,638</b>                 | <b>2,528,387</b>  | <b>2,475,874</b>                   |
| <b>Permanent assets</b>                     |              |                              |                                  |                   |                                    |
| Investments                                 | 6.11         | 2,795,886                    | 2,900,157                        | 16,048,036        | 15,081,773                         |
| Property, plant and equipment               | 6.12         | 29,312,304                   | 27,369,703                       | 18,670,666        | 17,265,235                         |
| Deferred charges                            |              | 176,434                      | 192,400                          |                   |                                    |
|   |              | <b>32,284,624</b>            | <b>30,462,260</b>                | <b>34,718,702</b> | <b>32,347,008</b>                  |

**48,735,636      46,954,441      42,277,563      40,296,152**

**Liabilities and stockholders equity**

**Current liabilities**

|  |      |                  |                  |                  |                  |
|--|------|------------------|------------------|------------------|------------------|
| Short-term debt  | 6.13 | 708,488          | 1,165,071        |                  | 407,258          |
| Current portion of long-term debt                      | 6.13 | 1,627,663        | 1,966,679        | 750,203          | 742,611          |
| Payable to suppliers and contractors                   |      | 2,142,799        | 2,299,147        | 1,873,179        | 1,915,656        |
| Related parties  | 6.8  | 69,097           | 84,038           | 2,827,124        | 3,434,537        |
| Payroll and related charges                            |      | 390,358          | 335,601          | 257,298          | 225,454          |
| Pension Plan Valia                                     |      | 66,947           | 102,407          | 66,947           | 102,407          |
| Proposed dividends and interest on stockholders equity |      | 44,917           | 39,142           |                  |                  |
| Taxes and contributions                                |      | 1,168,607        | 1,067,655        | 277,391          | 218,210          |
| Provision for operating expenses                       |      | 289,637          | 368,874          | 289,638          | 368,874          |
| Other  |      | 739,441          | 766,044          | 211,693          | 235,447          |
|  |      | <b>7,247,954</b> | <b>8,194,658</b> | <b>6,553,473</b> | <b>7,650,454</b> |

**Long-term liabilities**

|   |      |                   |                   |                  |                  |
|---|------|-------------------|-------------------|------------------|------------------|
| Long-term debt                          | 6.13 | 7,145,652         | 7,667,145         | 1,883,659        | 2,235,844        |
| Related parties                         | 6.8  | 2,935             | 33,973            | 3,619,493        | 2,994,039        |
| Provisions for contingencies            | 6.14 | 3,301,569         | 3,266,629         | 2,674,150        | 2,611,990        |
| Pension Plan Valia                      |      | 568,284           | 536,239           | 568,297          | 536,239          |
| Provision for environmental liabilities |      | 292,273           | 260,648           | 261,755          | 260,648          |
| Provisions for derivatives              |      | 382,544           | 265,081           | 47,710           | 39,503           |
| Other                                   |      | 1,036,807         | 888,509           | 695,144          | 705,014          |
|   |      | <b>12,730,064</b> | <b>12,918,224</b> | <b>9,750,208</b> | <b>9,383,277</b> |

**Deferred income** **14,229      7,948      -**

**Minority interest** **2,769,507      2,571,190      -**

**Stockholders equity**

|                  |      |                   |                   |                   |                   |
|------------------|------|-------------------|-------------------|-------------------|-------------------|
| Paid-up capital  | 6.16 | 14,000,000        | 14,000,000        | 14,000,000        | 14,000,000        |
| Revenue reserves | 6.16 | 11,973,882        | 9,262,421         | 11,973,882        | 9,262,421         |
|                  |      | <b>25,973,882</b> | <b>23,262,421</b> | <b>25,973,882</b> | <b>23,262,421</b> |
|                  |      | <b>48,735,636</b> | <b>46,954,441</b> | <b>42,277,563</b> | <b>40,296,152</b> |

**The additional information, notes and attachment I are an integral part of the quarterly information.**

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**Table of Contents****3 Statement of Income****Periods ended September 30****In thousands of reais**

|                                      | Notes   | 3Q/05              | 2Q/05              | Quarter<br>3Q/04   | 09/30/05            | Consolidated<br>Accumulated<br>09/30/04 | Parent Company<br>Accumulated<br>09/30/05 | Parent Company<br>Accumulated<br>09/30/04 |
|--------------------------------------|---------|--------------------|--------------------|--------------------|---------------------|---|---|---|
| <b>Operating revenues</b>            | 1.2.1 / |                    |                    |                    |                     |   |   |   |
| <b>Sales of ore and metals</b>       | 1.3.2   |                    |                    |                    |                     |   |   |   |
| Sales of iron ore and pellets        |         | 6,106,055          | 7,027,883          | 4,347,903          | 17,075,476          | 11,494,882                              | 10,907,459                                | 8,324,679                                 |
| Sales of manganese and ferroalloys   |         | 274,811            | 442,982            | 593,835            | 1,216,032           | 1,489,204                               |   |   |
| Sales of copper                      |         | 214,632            | 228,570            | 195,538            | 643,182             | 267,888                                 | 563,007                                   | 267,888                                   |
| Sales of potash                      |         | 111,296            | 75,506             | 103,410            | 267,175             | 264,858                                 | 267,175                                   | 264,858                                   |
| Sales of bauxite and kaolin          |         | 98,681             | 110,955            | 126,346            | 314,212             | 354,900                                 |   |   |
|                                      |         | <b>6,805,475</b>   | <b>7,885,896</b>   | <b>5,367,032</b>   | <b>19,516,077</b>   | <b>13,871,732</b>                       | <b>11,737,641</b>                         | <b>8,857,425</b>                          |
| Transport services                   |         | 937,956            | 847,967            | 799,170            | 2,510,386           | 2,236,254                               | 1,359,334                                 | 1,164,284                                 |
| Sales of aluminum-related products   |         | 955,315            | 928,170            | 1,081,440          | 2,923,453           | 2,965,476                               | 145,564                                   |   |
| Sales of steel products              |         | 339,851            | 378,697            | 669,867            | 1,170,701           | 2,108,243                               |   |   |
| Sales of other products and services |         | 3,350              | 10,718             | 14,843             | 25,141              | 54,101                                  | 34,494                                    | 29,729                                    |
|                                      |         | <b>9,041,947</b>   | <b>10,051,448</b>  | <b>7,932,352</b>   | <b>26,145,758</b>   | <b>21,235,806</b>                       | <b>13,277,033</b>                         | <b>10,051,438</b>                         |
| Value Added taxes                    |         | (236,659)          | (499,993)          | (401,735)          | (1,068,442)         | (1,076,198)                             | (775,663)                                 | (524,641)                                 |
| <b>Net operating revenues</b>        |         | <b>8,805,288</b>   | <b>9,551,455</b>   | <b>7,530,617</b>   | <b>25,077,316</b>   | <b>20,159,608</b>                       | <b>12,501,370</b>                         | <b>9,526,797</b>                          |
| <b>Cost of products and services</b> | 1.2.2 / |                    |                    |                    |                     |   |   |   |
| Sales of iron ores and metals        | 1.3.3   | (2,616,131)        | (2,619,094)        | (2,268,750)        | (7,640,637)         | (6,177,989)                             | (6,473,941)                               | (4,762,148)                               |
| Transport services                   |         | (510,926)          | (489,874)          | (470,886)          | (1,441,595)         | (1,306,513)                             | (463,261)                                 | (332,316)                                 |
| Aluminum-related products            |         | (641,939)          | (543,775)          | (528,016)          | (1,735,006)         | (1,442,044)                             | (75,918)                                  |   |
| Steel products                       |         | (333,430)          | (352,156)          | (443,717)          | (1,069,246)         | (1,327,135)                             |   |   |
| Other products and services          |         | (5,845)            | (5,761)            | (11,500)           | (17,426)            | (32,165)                                | (19,374)                                  | (12,052)                                  |
|                                      |         | <b>(4,108,271)</b> | <b>(4,010,660)</b> | <b>(3,722,869)</b> | <b>(11,903,910)</b> | <b>(10,285,846)</b>                     | <b>(7,032,494)</b>                        | <b>(5,106,516)</b>                        |

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|  |      |                  |                    |                  |                    |                    |                    |                    |
|--|------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Gross profit</b>  |      | <b>4,697,017</b> | <b>5,540,795</b>   | <b>3,807,748</b> | <b>13,173,406</b>  | <b>9,873,762</b>   | <b>5,468,876</b>   | <b>4,420,281</b>   |
| <b>Gross margin</b>  |      | <b>53.3%</b>     | <b>58.0%</b>       | <b>50.6%</b>     | <b>52.5%</b>       | <b>49.0%</b>       | <b>43.7%</b>       | <b>46.4%</b>       |
| <b>Operating expenses</b>  |      |                  |                    |                  |                    |                    |                    |                    |
| Selling  |      | (90,782)         | (95,514)           | (90,531)         | (286,445)          | (314,638)          | (1,185)            | (20,026)           |
| Administrative   | 6.21 | (332,660)        | (307,592)          | (245,754)        | (897,801)          | (763,645)          | (460,060)          | (361,365)          |
| Research and development   |      | (220,439)        | (161,446)          | (108,272)        | (463,014)          | (255,626)          | (306,154)          | (237,678)          |
| Other operating expenses   | 6.21 | (288,588)        | (219,770)          | (337,127)        | (629,226)          | (583,873)          | (254,707)          | (410,196)          |
| Provision on recurring   |      |                  |                    |                  |                    |                    |                    |                    |
| Goodwill amortization  |      |                  |                    |                  |                    | (182,796)          |                    | (182,796)          |
|  |      | <b>(932,469)</b> | <b>(784,322)</b>   | <b>(781,684)</b> | <b>(2,276,486)</b> | <b>(2,100,578)</b> | <b>(1,022,106)</b> | <b>(1,212,061)</b> |
| <b>Operating profit before financial results and results of equity investments</b> |      | <b>3,764,548</b> | <b>4,756,473</b>   | <b>3,026,064</b> | <b>10,896,920</b>  | <b>7,773,184</b>   | <b>4,446,770</b>   | <b>3,208,220</b>   |
| <b>Results of equity investments</b>   | 6.11 | <b>13,166</b>    | <b>76,889</b>      | <b>35,523</b>    | <b>163,574</b>     | <b>20,122</b>      | <b>3,718,923</b>   | <b>2,548,632</b>   |
| Gain on investments accounted for by the equity method                             |      | 84,526           | 146,831            | 99,013           | 361,716            | 215,666            | 5,051,387          | 2,878,109          |
| Provision for amortization of goodwill   |      | (57,270)         | (57,270)           | (57,270)         | (171,810)          | (194,553)          | (171,810)          | (194,553)          |
| Provision for losses   |      |                  |                    |                  |                    |                    | (97,528)           | (68,590)           |
| Exchange variation in equity of companies  |      | (14,090)         | (12,672)           | (6,220)          | (26,332)           | (991)              | (1,063,126)        | (66,334)           |
| <b>Financial results</b>   | 6.19 | <b>(319,265)</b> | <b>81,871</b>      | <b>(328,525)</b> | <b>(511,841)</b>   | <b>(1,729,474)</b> | <b>710,315</b>     | <b>(961,940)</b>   |
| <b>Sale of assets</b>  |      | <b>297,700</b>   |                    | <b>466,248</b>   | <b>297,700</b>     | <b>466,248</b>     |                    | <b>463,122</b>     |
| <b>Income before income tax and social contribution</b>                            |      | <b>3,756,149</b> | <b>4,915,233</b>   | <b>3,199,310</b> | <b>10,846,353</b>  | <b>6,530,080</b>   | <b>8,876,008</b>   | <b>5,258,034</b>   |
| <b>Income tax and social</b>   | 6.10 | <b>(764,069)</b> | <b>(1,060,879)</b> | <b>(586,675)</b> | <b>(2,215,492)</b> | <b>(1,048,874)</b> | <b>(1,070,072)</b> | <b>(324,957)</b>   |

|   |                  |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Contribution</b>   |                  |                  |                  |                  |                  |                  |                  |
| <b>Income before minority interests</b>                                     | <b>2,992,080</b> | <b>3,854,354</b> | <b>2,612,635</b> | <b>8,630,861</b> | <b>5,481,206</b> | <b>7,805,936</b> | <b>4,933,077</b> |
| <b>Minority interests</b>   | <b>(280,619)</b> | <b>(375,069)</b> | <b>(316,413)</b> | <b>(824,925)</b> | <b>(548,129)</b> |                  |                  |
| <b>Net income for the period</b>  | <b>2,711,461</b> | <b>3,479,285</b> | <b>2,296,222</b> | <b>7,805,936</b> | <b>4,933,077</b> | <b>7,805,936</b> | <b>4,933,077</b> |
| <b>Number of shares outstanding at the end of the period (in thousands)</b> | <b>1,151,520</b> | <b>1,151,520</b> | <b>1,151,520</b> | <b>1,151,520</b> | <b>1,151,520</b> | <b>1,151,520</b> | <b>1,151,520</b> |
| <b>Net earnings per share outstanding at the end of the period (R\$)</b>    | <b>2.35</b>      | <b>3.02</b>      | <b>1.99</b>      | <b>6.78</b>      | <b>4.28</b>      | <b>6.78</b>      | <b>4.28</b>      |

The additional information, notes and attachment I are an integral part of the quarterly information.

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(A free translation of the original in Portuguese relating to the Quarterly Information prepared in accordance with the requirements of Accounting Practices Generally Accepted in Brazil)

**4 Statement of Changes in Stockholders' Equity (Additional Information)**

Periods ended September 30

In thousands of reais

|   | Notes | Paid-up<br>capital | Expansion/<br>Investments | Depletion        | Unrealized<br>income | Legal<br>incentives | Revenue reserves<br>Fiscal<br>Treasury<br>stock | Retained<br>earnings | Total             |
|---|-------|--------------------|---------------------------|------------------|----------------------|---------------------|---|----------------------|-------------------|
| <b>December 31,<br/>2003</b>                            |       | <b>6,300,000</b>   | <b>6,039,326</b>          | <b>1,004,166</b> | <b>557,266</b>       | <b>1,080,141</b>    | <b>89,993</b>                                   | <b>(131,318)</b>     | <b>14,939,577</b> |
| Capitalization<br>reserves                              |       | 1,000,000          | (910,007)                 |                  |                      |                     | (89,993)  |                      |                   |
| Realization of<br>reserve                               |       |                    |                           |                  | (211,538)            |                     |   | 211,538              |                   |
| Net income for<br>the year<br>interim                   |       |                    |                           |                  |                      |                     |   | 6,459,519            | 6,459,519         |
| Interest on<br>stockholders'<br>equity<br>interim       |       |                    |                           |                  |                      |                     |   | (1,671,484)          | (1,671,484)       |
| Dividends<br>additional<br>remuneration                 |       |                    |                           |                  |                      |                     |   | (279,763)            | (279,763)         |
| Proposed<br>appropriation<br>of revenue<br>reserves     |       |                    | 3,077,659                 |                  |                      | 322,976             | 40,662  | (3,441,297)          |                   |
| <b>December 31,<br/>2004</b>                            |       | <b>7,300,000</b>   | <b>8,206,978</b>          | <b>1,004,166</b> | <b>345,728</b>       | <b>1,403,117</b>    | <b>40,662</b>                                   | <b>(131,318)</b>     | <b>18,169,331</b> |
| Net income for<br>the period<br>interim                 |       |                    |                           |                  |                      |                     |   | 5,094,475            | 5,094,475         |
| Interest on<br>stockholders'<br>equity                  | 6.16  | 6,700,000          | (5,129,319)               | (1,004,166)      |                      | (525,853)           | (40,662)  |                      |                   |
| Provision for<br>interest on<br>stockholders'<br>equity | 6.18  |                    |                           |                  |                      |                     |   | (1,387)              | (1,387)           |

|                           |            |           |         |         |           |           |           |
|---------------------------|------------|-----------|---------|---------|-----------|-----------|-----------|
| June 30, 2005             | 14,000,000 | 3,077,659 | 345,728 | 877,264 | (131,318) | 5,093,088 | 23,262,42 |
| Net income for the period |            |           |         |         |           | 2,711,461 | 2,711,46  |
| September 30, 2005        | 14,000,000 | 3,077,659 | 345,728 | 877,264 | (131,318) | 7,804,549 | 25,973,88 |

The additional information, notes and attachment I are an integral part of the quarterly information.

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(A free translation of the original in Portuguese relating to the Quarterly Information prepared in accordance with the requirements of Accounting, Practices Generally Accepted in Brazil)

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

|  | Periods ended September 30 |                  |                  |                  | In thousands of reais                   |                  |   |
|--|----------------------------|------------------|------------------|------------------|---|------------------|---|
|  | 3Q/05                      | 2Q/05            | Quarter<br>3Q/04 | 09/30/05         | Consolidated<br>Accumulated<br>09/30/04 | 30/09/05         | Parent Company<br>Accumulated<br>30/09/04 |
| <b>Cash flows from operating activities:</b>   |                            |                  |                  |                  |   |                  |   |
| Net income for the period  | 2,711,461                  | 3,479,285        | 2,296,222        | 7,805,936        | 4,933,077                               | 7,805,936        | 4,933,077                                 |
| Adjustments to reconcile net income for the period with cash provided by operating activities: |                            |                  |                  |                  |   |                  |   |
| Results of equity investments  | (13,166)                   | (76,889)         | (35,523)         | (163,574)        | (20,122)                                | (3,718,923)      | (2,548,632)                               |
| Sale of assets   | (297,700)                  |                  | (466,248)        | (297,700)        | (466,248)                               |                  | (463,122)                                 |
| Depreciation, amortization and depletion   | 399,859                    | 384,488          | 362,024          | 1,169,372        | 1,050,161                               | 638,634          | 518,978                                   |
| Deferred income tax and social contribution  | (283,442)                  | 52,590           | (239,684)        | (344,161)        | (267,651)                               | (126,283)        | (413,033)                                 |
| Financial expenses and monetary and exchange rate variations on assets and liabilities, net    | (419,936)                  | (981,548)        | (868,089)        | (1,355,193)      | 198,331                                 | (967,354)        | 174,663                                   |
| Minority interest  | 280,619                    | 375,069          | 316,413          | 824,925          | 548,129                                 |                  |   |
| Disposal of property, plant and equipment  | 1,066                      | 60,382           | 61,913           | 76,695           | 193,064                                 | 3,693            | 18,894                                    |
| Amortization of goodwill in the cost of products sold  | 94,726                     | 96,095           | 96,096           | 286,916          | 288,286                                 | 286,916          | 288,288                                   |
| Non recurring item goodwill of Samitri   |                            |                  |                  |                  | 182,796                                 |                  | 182,796                                   |
| Net losses on derivatives  | 169,460                    | (10,321)         | 115,674          | 163,734          | 194,152                                 | 11,918           | 12,000                                    |
| Dividends/interest on stockholders equity  | 58,682                     | 88,922           |                  | 147,604          | 36,063                                  | 885,691          | 470,854                                   |
| Others   | 37,366                     | 57,532           | (142,986)        | 13,571           | (84,283)                                | 57,427           | (117)                                     |
|  | <b>2,738,995</b>           | <b>3,525,605</b> | <b>1,495,812</b> | <b>8,328,125</b> | <b>6,785,755</b>                        | <b>4,877,655</b> | <b>3,174,646</b>                          |
| <b>Decrease (increase) in assets:</b>  |                            |                  |                  |                  |   |                  |   |

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|   |                    |                    |                  |                    |                    |                    |                    |
|---|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| Accounts receivable   | 734,537            | (1,025,615)        | (30,294)         | (628,914)          | (619,180)          | 170,853            | (1,706,289)        |
| Inventories   | (69,137)           | (67,305)           | (160,930)        | (206,341)          | (535,362)          | (267,050)          | (193,510)          |
| Others  | (870,320)          | (592,634)          | 246,715          | (1,585,281)        | (460,168)          | (304,250)          | 93,628             |
|   | <b>(204,920)</b>   | <b>(1,685,554)</b> | <b>55,491</b>    | <b>(2,420,536)</b> | <b>(1,614,710)</b> | <b>(400,447)</b>   | <b>(1,806,171)</b> |
| <b>Increase (decrease) in liabilities:</b>                          |                    |                    |                  |                    |                    |                    |                    |
| Suppliers and contractors   | (291,233)          | 278,468            | 101,151          | 35,852             | (153,513)          | 357,278            | 19,211             |
| Payroll and related charges and others                              | 54,757             | 30,438             | 48,884           | (9,070)            | 81,824             | (31,154)           | 29,945             |
| Taxes and contributions   | 1,264,561          | 885,434            | 576,691          | 1,571,119          | 1,099,849          | 452,592            | 751,972            |
| Others  | (348,009)          | 288,291            | 629,065          | (316,472)          | 1,248,304          | 104,274            | 757,446            |
|   | <b>680,076</b>     | <b>1,482,631</b>   | <b>1,355,791</b> | <b>1,281,429</b>   | <b>2,276,464</b>   | <b>882,990</b>     | <b>1,558,574</b>   |
| <b>Net cash provided by operating activities</b>                    | <b>3,214,151</b>   | <b>3,322,682</b>   | <b>2,907,094</b> | <b>7,189,018</b>   | <b>7,447,509</b>   | <b>5,360,198</b>   | <b>2,927,049</b>   |
| Cash flows from investing activities:                               |                    |                    |                  |                    |                    |                    |                    |
| Loans and advances receivable                                       | 88,501             | (43,441)           | 34,642           | 57,090             | 97,787             | (79,912)           | 160,132            |
| Guarantees and deposits   | (84,464)           | (37,493)           | (52,722)         | (173,517)          | (189,875)          | (94,684)           | (121,298)          |
| Additions to investments  | (30,662)           | (208,400)          |                  | (249,244)          | (105,188)          | (645,685)          | (545,311)          |
| Additions to property, plant and equipment                          | (2,464,450)        | (1,926,388)        | (1,302,298)      | (6,146,102)        | (3,758,361)        | (4,283,310)        | (2,352,390)        |
| Proceeds from disposal of property, plant and equipment/investments | 301,284            | 3,584              | 1,260,668        | 311,345            | 1,263,628          | 13,645             | 836,907            |
| <b>Net cash used in investing activities</b>                        | <b>(2,189,791)</b> | <b>(2,212,138)</b> | <b>(59,710)</b>  | <b>(6,200,428)</b> | <b>(2,692,009)</b> | <b>(5,089,946)</b> | <b>(2,021,960)</b> |
| Cash flows from financing activities:                               |                    |                    |                  |                    |                    |                    |                    |
| Short-term debt   | (435,280)          | 469,987            | 70,929           | 255,559            | 59,527             | 121,115            | (379,148)          |
| Long-term debt  | 26,292             | 341,618            | 141,942          | 1,093,729          | 3,062,730          | 2,003,668          | 2,368,156          |
| Repayments:   |                    |                    |                  |                    |                    |                    |                    |
| Related parties   |                    |                    |                  |                    |                    | (280,279)          | (367,542)          |
| Financial institutions  | (369,931)          | (1,138,189)        | (690,814)        | (1,985,467)        | (3,054,474)        | (884,777)          | (1,784,297)        |
| Interest on stockholders equity paid to stockholders                |                    | (1,279,900)        |                  | (1,279,900)        | (790,710)          | (1,279,900)        | (790,710)          |
| <b>Net cash used in financing activities</b>                        | <b>(778,919)</b>   | <b>(1,606,484)</b> | <b>(477,943)</b> | <b>(1,916,079)</b> | <b>(722,927)</b>   | <b>(320,173)</b>   | <b>(953,541)</b>   |

|  |                  |                  |                  |                  |                  |                 |                 |
|--|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Increase (decrease) in cash and cash equivalents</b>        | <b>245,441</b>   | <b>(495,940)</b> | <b>2,369,441</b> | <b>(927,489)</b> | <b>4,032,573</b> | <b>(49,921)</b> | <b>(48,452)</b> |
| Cash and cash equivalents, beginning of the period             | 2,743,828        | 3,239,768        | 3,791,676        | 3,916,758        | 2,128,544        | 305,927         | 342,008         |
| <b>Cash and cash equivalents, end of the period</b>            | <b>2,989,269</b> | <b>2,743,828</b> | <b>6,161,117</b> | <b>2,989,269</b> | <b>6,161,117</b> | <b>256,006</b>  | <b>293,556</b>  |
| <b>Cash paid during the period for:</b>                        |                  |                  |                  |                  |                  |                 |                 |
| Short-term interest  | (10,367)         | (19,680)         | (12,333)         | (31,591)         | (38,057)         | (6,109)         | (4,016)         |
| Long-term interest   | (196,209)        | (128,388)        | (284,157)        | (550,721)        | (714,463)        | (239,586)       | (272,024)       |
| Income tax and social contribution paid                        | (468,890)        | (378,297)        | (12,000)         | (1,057,958)      | (146,996)        | (778,068)       |                 |
| <b>Non-cash transactions:</b>                                  |                  |                  |                  |                  |                  |                 |                 |
| Additions to property, plant and equipment                     |                  |                  |                  |                  |                  |                 |                 |
| interest capitalization  | 119,684          | 402,249          | 209,806          | 495,141          | (15,766)         | 179,648         | (42,720)        |
| Transfer of advance for future capital increase to investments |                  |                  |                  |                  |                  | (510,500)       |                 |
| Compensated income tax and social contribution                 | (63,724)         | (56,159)         | (67,148)         | (168,564)        | (311,058)        | (24,815)        |                 |

**The additional information, notes and attachment I are an integral part of the quarterly information.**

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**6 Notes to the Quarterly Information at September 30, 2005 and 2004**

Expressed in thousands of *reais*

**6.1 Operations**

Companhia Vale do Rio Doce is a publicly traded corporation whose predominant activities are mining, processing and sale of iron ore, pellets, copper and potash, as well as logistic services, power generation and mineral research and development. In addition, through its direct and indirect subsidiaries and jointly-controlled companies, CVRD operates in iron ore and pellets, manganese and ferroalloys, kaolin, steel, aluminum-related products and logistics.

**6.2 Presentation of Quarterly Information**

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

In order to provide better information to the market, the Company is presenting as additional information the Statement of Cash Flows based on the criteria of NPC 20 of IBRACON.

**6.3 Significant Practices 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 losses when applicable;
- (g) Property, plant and equipment, including interest and financial charges incurred during the construction period of large-scale projects, are recorded at historical cost (increased by monetary restatement up to 1995) and depreciated on the straight-line method, based on the useful lives of the assets. Depletion of mineral reserves is based on the ratio between production and estimated capacity;
- (h) Research and development costs are recorded as operational expenses until the proof of its economical feasibility to commercially exploit the mine. After this proof, the costs are capitalized as part of the costs of the mine operation;
- (i) During the development of a mine, stripping costs registered are capitalized as part of the depreciable cost of building and constructing the mine. Post-production stripping costs are recorded as cost of production when incurred; and

- (j) Pre-operating costs except for financial charges capitalized as mentioned in (g) above, are deferred and amortized over a period of 10 years. The deferred charges (consolidated) refer basically to copper projects and expansion of Alunorte and Albras.

**6.4 Principles and Practices of Consolidation**

- (a) The consolidated quarterly information shows the balances of assets and liabilities as of September 30, 2005 and on June 30, 2005 and the operations of the Parent Company to September 30, 2005, June 30, 2005 and September 30, 2004, its direct and indirect subsidiaries and its jointly-controlled companies for the periods then ended;
- (b) Intercompany balances and the Parent Company's investments in its direct and indirect subsidiaries and jointly-controlled companies were eliminated in the consolidation. Minority interest is shown separately on the balance sheet and statement of income;

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- (c) In the case of investments in companies in which the control is shared with other stockholders, the components of assets and liabilities and revenues and expenses are included in the consolidated quarterly information in proportion to the participation of the Parent Company in the capital of each investee;
- (d) The principal figures of the subsidiaries and jointly-controlled companies included in the consolidation are presented in Attachment I.

**6.5 Cash and Cash Equivalents**

|  | <b>Consolidated</b> |                  | <b>Parent Company</b> |                 |
|--|---------------------|------------------|-----------------------|-----------------|
|  | <b>09/30/05</b>     | <b>06/30/05</b>  | <b>09/30/05</b>       | <b>06/30/05</b> |
| Cash and bank accounts   | 426,177             | 377,694          | 48,680                | 25,443          |
| Marketable securities linked to the interbank deposit certificate rate | 901,474             | 1,005,946        | 207,326               | 214,891         |
| Time deposits / overnight investments                                  | 1,406,763           | 1,003,010        |                       |                 |
| Others   | 254,855             | 357,178          |                       |                 |
|  | <b>2,989,269</b>    | <b>2,743,828</b> | <b>256,006</b>        | <b>240,334</b>  |

**6.6 Accounts Receivable from Customers**

|                                  | <b>Consolidated</b> |                  | <b>Parent Company</b> |                  |
|----------------------------------|---------------------|------------------|-----------------------|------------------|
|                                  | <b>09/30/05</b>     | <b>06/30/05</b>  | <b>09/30/05</b>       | <b>06/30/05</b>  |
| Domestic                         | 786,246             | 751,144          | 788,276               | 846,773          |
| Export                           | 3,149,995           | 3,838,422        | 983,836               | 1,437,679        |
|                                  | <b>3,936,241</b>    | <b>4,589,566</b> | <b>1,772,112</b>      | <b>2,284,452</b> |
| Allowance for doubtful accounts  | (92,432)            | (102,031)        | (46,948)              | (46,948)         |
| Allowance for ore weight credits | (37,221)            | (48,024)         | (46,063)              | (45,983)         |
|                                  | <b>3,806,588</b>    | <b>4,439,511</b> | <b>1,679,101</b>      | <b>2,191,521</b> |

**6.7 Inventories**

|   | <b>Consolidated</b> |                  | <b>Parent Company</b> |                  |
|---|---------------------|------------------|-----------------------|------------------|
|   | <b>09/30/05</b>     | <b>06/30/05</b>  | <b>09/30/05</b>       | <b>06/30/05</b>  |
| <b>Finished products</b>                    |                     |                  |                       |                  |
| . Iron ore and pellets                      | 900,784             | 660,018          | 478,601               | 379,882          |
| . Manganese and ferroalloys                 | 334,161             | 409,551          |                       |                  |
| . Aluminum                                  | 194,099             | 216,259          |                       |                  |
| . Steel products                            | 68,972              | 81,266           |                       |                  |
| . Copper                                    | 39,786              | 28,545           | 39,786                | 28,545           |
| . Others                                    | 62,436              | 67,039           | 38,005                | 20,799           |
|   | <b>1,600,238</b>    | <b>1,462,678</b> | <b>556,392</b>        | <b>429,226</b>   |
| <b>Spare parts and maintenance supplies</b> | <b>1,529,472</b>    | <b>1,575,693</b> | <b>603,891</b>        | <b>645,231</b>   |
|   | <b>3,129,710</b>    | <b>3,038,371</b> | <b>1,160,283</b>      | <b>1,074,457</b> |



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|   | <b>09/30/05<br/>Related<br/>party</b> |                 | <b>Assets<br/>06/30/05<br/>Related<br/>party</b> |                 | <b>09/30/05<br/>Related<br/>party</b> |                    | <b>Consolidated<br/>Liabilities<br/>06/30/05<br/>Related<br/>party</b> |                    |
|---|---------------------------------------|-----------------|--|-----------------|---------------------------------------|--------------------|--|--------------------|
|   | <b>Customers</b>                      | <b>- assets</b> | <b>Customers</b>                                 | <b>- assets</b> | <b>Suppliers</b>                      | <b>liabilities</b> | <b>Suppliers</b>   | <b>liabilities</b> |
| Nibrasco  | 64,491                                | 18,303          | 74,052   | 26,457          | 63,538                                | 15,526             | 94,455   |                    |
| Hispanobras                                       | 34,791                                | 5,584           | 67,655   | 130             | 47,498                                |                    | 87,170   | 7,117              |
| Itabrasco   | 30,366                                |                 | 64,753   | 367             | 30,334                                | 1,333              | 39,306   | 2,336              |
| Kobrasco  | 36,950                                | 26,140          | 38,316   | 26,782          | 21,291                                | 14,667             | 17,307   | 15,820             |
| Gulf<br>industrial<br>investment<br>Co. GIIC      | 18,329                                |                 | 5,687  |                 | 704                                   |                    | 88   |                    |
| Usiminas  | 49,286                                |                 | 46,470   |                 | 13                                    |                    |  |                    |
| Valesul   | 13,971                                | 316             | 5,264  | 309             | 41                                    |                    | 41   |                    |
| Samarco<br>Mineração<br>S.A                       | 2,201                                 | 12,357          | 2,443  | 13,410          |                                       |                    |  |                    |
| MRS<br>Logística<br>Baovale<br>Mineração<br>S.A   | 165                                   | 40,273          | 249  | 18,031          | 5,527                                 | 14,645             | 1,404  | 26,418             |
| Ferrobán<br>Mineração<br>Rio do Norte<br>Nova Era | 12                                    |                 | 264  | 85              | 19,386                                |                    | 14,072   |                    |
| Silicon   | 297                                   | 3,722           | 81   | 4,368           |                                       |                    |  |                    |
| Others  | 8,975                                 | 19,050          | 29,384   | 19,478          | 16,038                                | 25,861             | 9,983  | 35,413             |
| <b>Total</b>                                      | <b>260,160</b>                        | <b>126,023</b>  | <b>335,435</b>                                   | <b>216,099</b>  | <b>223,829</b>                        | <b>72,032</b>      | <b>294,479</b>   | <b>118,011</b>     |
| Registered<br>as:                                 |                                       |                 |  |                 |                                       |                    |  |                    |
| Short-term  | 260,160                               | 126,023         | 335,435  | 125,378         | 223,829                               | 69,097             | 294,479  | 84,038             |
| Long-term   |                                       |                 |  | 90,721          |                                       | 2,935              |  | 33,973             |
|   | <b>260,160</b>                        | <b>126,023</b>  | <b>335,435</b>                                   | <b>216,099</b>  | <b>223,829</b>                        | <b>72,032</b>      | <b>294,479</b>   | <b>118,011</b>     |

**6.9 Taxes to Recover or Offset**

|  | <b>Consolidated</b> |                 | <b>Parent Company</b> |                 |
|--|---------------------|-----------------|-----------------------|-----------------|
|  | <b>09/30/05</b>     | <b>06/30/05</b> | <b>09/30/05</b>       | <b>06/30/05</b> |
|  | 70,175              | 47,177          | 19,354                | 15,987          |



Withholding income tax on marketable securities and stockholders' equity received

|                 |                |                |                |                |
|-----------------|----------------|----------------|----------------|----------------|
| Value-added tax | 287,519        | 313,812        | 205,726        | 212,850        |
| PIS and COFINS  | 191,444        | 172,359        | 12,355         | 48,213         |
| IR anticipated  | 94,881         | 86,194         |                |                |
| Others          | 58,371         | 105,597        | 32,969         | 30,211         |
|                 | <b>702,390</b> | <b>725,139</b> | <b>270,404</b> | <b>307,261</b> |

#### 6.10 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:

|                                  | <b>Consolidated</b> |                  | <b>Net Deferred Parent Company</b> |                 |
|----------------------------------|---------------------|------------------|------------------------------------|-----------------|
|                                  | <b>09/30/05</b>     | <b>06/30/05</b>  | <b>09/30/05</b>                    | <b>06/30/05</b> |
| Tax loss carryforward            | 612,837             | 557,724          | 115,863                            | 35,749          |
| Temporary differences:           |                     |                  |                                    |                 |
| . Pension Plan                   | 215,983             | 224,171          | 215,983                            | 224,171         |
| . Contingent liabilities         | 652,783             | 626,875          | 569,012                            | 564,312         |
| . Provision for losses on assets | 136,705             | 136,782          | 136,705                            | 136,782         |
| . Others                         | 8,910               | 6,285            | (41,956)                           | (55,233)        |
|                                  | 1,014,381           | 994,113          | 879,744                            | 870,032         |
| <b>Total</b>                     | <b>1,627,218</b>    | <b>1,551,837</b> | <b>995,607</b>                     | <b>905,781</b>  |
| Short-term                       | 548,878             | 474,282          | 445,462                            | 364,883         |
| Long-term                        | 1,078,340           | 1,077,555        | 550,145                            | 540,898         |
|                                  | <b>1,627,218</b>    | <b>1,551,837</b> | <b>995,607</b>                     | <b>905,781</b>  |

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

|  | <b>3Q/05</b>       | <b>2Q/05</b>       | <b>3Q/04</b>     | <b>09/30/05</b>    | <b>Consolidated<br/>09/30/04</b> | <b>Parent Company<br/>09/30/05</b> | <b>09/30/04</b>  |
|--|--------------------|--------------------|------------------|--------------------|----------------------------------|------------------------------------|------------------|
| Income before income tax and social contribution                                 | 3,756,149          | 4,915,233          | 3,199,310        | 10,846,353         | 6,530,080                        | 8,876,008                          | 5,258,034        |
| Equity in results of subsidiaries and affiliated companies                       | (84,526)           | (146,831)          | (99,013)         | (361,716)          | (215,666)                        | (5,051,387)                        | (2,878,109)      |
| Exchange rate variation on equity  | 14,090             | 12,672             | 6,220            | 26,332             | 991                              | 1,063,126                          | 66,334           |
| Non-deductible goodwill and provision for losses                                 | 54,909             | 54,909             | 54,909           | 164,727            | 164,729                          | 262,255                            | 164,729          |
| Results on sale of assets  | (297,700)          |                    | (463,122)        | (297,700)          | (466,248)                        |                                    | (463,122)        |
|  | <b>3,442,922</b>   | <b>4,835,983</b>   | <b>2,698,304</b> | <b>10,377,996</b>  | <b>6,013,886</b>                 | <b>5,150,002</b>                   | <b>2,147,866</b> |
| Income tax and social contribution at combined tax rates                         | 34%                | 34%                | 34%              | 34%                | 34%                              | 34%                                | 34%              |
| <b>Federal income tax and social contribution at statutory rates</b>             | <b>(1,170,593)</b> | <b>(1,644,234)</b> | <b>(917,423)</b> | <b>(3,528,519)</b> | <b>(2,044,721)</b>               | <b>(1,751,001)</b>                 | <b>(730,274)</b> |
| Adjustments to net income which modify the effect on the results for the period: |                    |                    |                  |                    |                                  |                                    |                  |
| Income tax benefit from interest on stockholders equity                          | 115,863            | 290,166            | 119,455          | 551,029            | 425,625                          | 551,029                            | 425,625          |
|  | 133,608            | 52,764             | 91,150           | 244,853            | 127,160                          | 109,567                            | 51,652           |

|   |                  |                    |                  |                    |                    |                    |                  |
|---|------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
| Fiscal incentives                         |                  |                    |                  |                    |                    |                    |                  |
| Results of overseas companies             | 105,282          | 178,790            | 9,348            | 506,895            | 289,078            |                    |                  |
| Tax rate incentive                        | 37,627           | 29,335             | 39,210           | 87,708             | 69,360             |                    |                  |
| Others                                    | 14,144           | 32,300             | 71,585           | (77,458)           | 84,624             | 20,333             | (71,960)         |
| <b>Income tax and social contribution</b> | <b>(764,069)</b> | <b>(1,060,879)</b> | <b>(586,675)</b> | <b>(2,215,492)</b> | <b>(1,048,874)</b> | <b>(1,070,072)</b> | <b>(324,957)</b> |

### 6.11 Consolidated investments

|   | Investments      |                  |               |               | Results of investment participations |                |               |
|---|------------------|------------------|---------------|---------------|--------------------------------------|----------------|---------------|
|   | 09/30/05         | 06/30/05         | 3Q/05         | 2Q/05         | 3Q/04                                | 09/30/05       | 06/30/04      |
| Usinas Siderúrgicas de Minas Gerais SA USIMINAS (a) and (b) | 928,775          | 911,319          | 74,379        | 127,999       | 76,594                               | 313,884        | 160,594       |
| Yankuang SIDERAR (cost \$15) (a)                            | 24,989           | 24,989           |               | (3,358)       |                                      | (3,233)        |               |
| Rio Doce Argentina Quadrem                                  | 33,330           | 35,256           | (1,926)       | (4,737)       | (3,734)                              | (6,486)        | (459)         |
| Larco   |                  | 1,034            |               | (661)         |                                      | (659)          |               |
| Longyu  | 10,363           | 10,962           | (599)         | (1,473)       | (1,512)                              | (2,017)        | (326)         |
| Goodwill in consolidated companies                          | 6,666            | 7,051            | (385)         | (948)         | (747)                                | (1,297)        | (108)         |
| Others  | 191,779          | 202,863          | (11,084)      |               |                                      | (11,084)       |               |
|   | 1,561,751        | 1,688,062        | (57,270)      | (57,270)      | (57,270)                             | (171,810)      | (194,553)     |
|   | 38,233           | 18,621           | 10,051        | 17,337        | 22,192                               | 46,276         | 54,974        |
|   | <b>2,795,886</b> | <b>2,900,157</b> | <b>13,166</b> | <b>76,889</b> | <b>35,523</b>                        | <b>163,574</b> | <b>20,122</b> |

(a) Interest at market price Usiminas R\$ 1,210,523 and Siderar R\$ 397,629;

(b) Dividends received from Usiminas in the third quarter/2005, R\$ 56,923.



**Table of Contents****6.12 Property, Plant and Equipment****(a) By type of asset:**

|                             | Average<br>deprecia-<br>tion<br>rates | Consolidated      |                     |                   |                   | Parent Company    |                    |                   |                   |
|-----------------------------|---------------------------------------|-------------------|---------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
|                             |                                       | Accumulated       |                     | Accumulated       |                   | 09/30/05          |                    | 06/30/05          |                   |
|                             |                                       | Cost              | depreciation        | Net               | Net               | Cost              | depreciation       | Net               | Net               |
| Buildings                   | 3.00%                                 | 3,537,846         | (1,527,949)         | 2,009,897         | 2,026,430         | 1,873,890         | (745,261)          | 1,128,629         | 1,126,771         |
| Installations               | 3.42%                                 | 12,909,760        | (5,322,516)         | 7,587,244         | 7,097,684         | 7,271,184         | (2,954,172)        | 4,317,012         | 3,909,998         |
| Equipment                   | 9.32%                                 | 5,827,097         | (2,595,106)         | 3,231,991         | 2,928,103         | 2,209,113         | (888,850)          | 1,320,263         | 1,078,671         |
| Railroads                   | 3.85%                                 | 7,245,045         | (3,189,721)         | 4,055,324         | 3,594,022         | 7,048,837         | (3,123,124)        | 3,925,713         | 3,473,437         |
| Mineral<br>rights (*)       | 1.87%                                 | 1,422,261         | (350,956)           | 1,071,305         | 1,022,788         | 1,149,399         | (168,432)          | 980,967           | 945,744           |
| Others                      | 8.85%                                 | 3,917,216         | (1,777,643)         | 2,139,573         | 1,980,136         | 2,155,757         | (993,569)          | 1,162,188         | 1,059,886         |
|                             |                                       | <b>34,859,225</b> | <b>(14,763,891)</b> | <b>20,095,334</b> | <b>18,649,163</b> | <b>21,708,180</b> | <b>(8,873,408)</b> | <b>12,834,772</b> | <b>11,594,507</b> |
| Construction<br>in progress |                                       | 9,216,970         |                     | 9,216,970         | 8,720,540         | 5,835,894         |                    | 5,835,894         | 5,670,728         |
| <b>Total</b>                |                                       | <b>44,076,195</b> | <b>(14,763,891)</b> | <b>29,312,304</b> | <b>27,369,703</b> | <b>27,544,074</b> | <b>(8,873,408)</b> | <b>18,670,666</b> | <b>17,265,235</b> |

(\*) Calculation based on the volume of ore extracted in relation to the proven and probable reserves.

**(b) By business area:**

|                          | Cost              | Accumulated<br>depreciation | Consolidated      |                   |
|--------------------------|-------------------|-----------------------------|-------------------|-------------------|
|                          |                   |                             | 09/30/05          | 06/30/05          |
|                          |                   |                             | Net               | Net               |
| <b>Ferrous</b>           |                   |                             |                   |                   |
| In operation             | 22,009,986        | (10,388,290)                | 11,621,696        | 10,867,301        |
| Construction in progress | 4,224,440         |                             | 4,224,440         | 4,007,348         |
|                          | <b>26,234,426</b> | <b>(10,388,290)</b>         | <b>15,846,136</b> | <b>14,874,649</b> |
| <b>Non-Ferrous</b>       |                   |                             |                   |                   |
| In operation             | 2,823,773         | (689,104)                   | 2,134,669         | 1,986,386         |
| Construction in progress | 1,298,148         |                             | 1,298,148         | 1,384,883         |

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|                          |                   |                     |                   |                   |
|--------------------------|-------------------|---------------------|-------------------|-------------------|
|                          | <b>4,121,921</b>  | <b>(689,104)</b>    | <b>3,432,817</b>  | <b>3,371,269</b>  |
| <b>Logistics</b>         |                   |                     |                   |                   |
| In operation             | 2,622,030         | (718,180)           | 1,903,850         | 1,613,277         |
| Construction in progress | 215,529           |                     | 215,529           | 255,169           |
|                          | <b>2,837,559</b>  | <b>(718,180)</b>    | <b>2,119,379</b>  | <b>1,868,446</b>  |
| <b>Holdings</b>          |                   |                     |                   |                   |
| In operation             | 6,010,952         | (2,669,014)         | 3,341,938         | 3,371,022         |
| Construction in progress | 2,079,944         |                     | 2,079,944         | 1,664,650         |
|                          | <b>8,090,896</b>  | <b>(2,669,014)</b>  | <b>5,421,882</b>  | <b>5,035,672</b>  |
| <b>Energy</b>            |                   |                     |                   |                   |
| In operation             | 823,425           | (62,464)            | 760,961           | 520,610           |
| Construction in progress | 422,080           |                     | 422,080           | 590,886           |
|                          | <b>1,245,505</b>  | <b>(62,464)</b>     | <b>1,183,041</b>  | <b>1,111,496</b>  |
| <b>Corporate</b>         |                   |                     |                   |                   |
| In operation             | 569,061           | (236,839)           | 332,222           | 290,567           |
| Construction in progress | 976,827           |                     | 976,827           | 817,604           |
|                          | <b>1,545,888</b>  | <b>(236,839)</b>    | <b>1,309,049</b>  | <b>1,108,171</b>  |
| <b>Total</b>             | <b>44,076,195</b> | <b>(14,763,891)</b> | <b>29,312,304</b> | <b>27,369,703</b> |

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**Table of Contents****6.13 Loans and Financing****Short-term**

|                 | <b>09/30/05</b> | <b>Consolidated<br/>06/30/05</b> | <b>Parent Company<br/>09/30/05</b> | <b>06/30/05</b> |
|-----------------|-----------------|----------------------------------|------------------------------------|-----------------|
| Trade finance   | 523,634         | 830,152                          |                                    | 407,258         |
| Working capital | 184,854         | 334,919                          |                                    |                 |
|                 | <b>708,488</b>  | <b>1,165,071</b>                 |                                    | <b>407,258</b>  |

**Long-term**

|                               | <b>Consolidated</b>        |                  |                              |                  | <b>Parent Company</b>      |                 |                              |                  |
|-------------------------------|----------------------------|------------------|------------------------------|------------------|----------------------------|-----------------|------------------------------|------------------|
|                               | <b>Current liabilities</b> |                  | <b>Long-term liabilities</b> |                  | <b>Current liabilities</b> |                 | <b>Long-term liabilities</b> |                  |
|                               | <b>09/30/05</b>            | <b>06/30/05</b>  | <b>09/30/05</b>              | <b>06/30/05</b>  | <b>09/30/05</b>            | <b>06/30/05</b> | <b>09/30/05</b>              | <b>06/30/05</b>  |
| <b>Foreign operations</b>     |                            |                  |                              |                  |                            |                 |                              |                  |
| Loans and financing in:       |                            |                  |                              |                  |                            |                 |                              |                  |
| U.S. dollars                  | 894,793                    | 908,057          | 2,810,233                    | 2,816,000        | 702,753                    | 673,260         | 1,824,179                    | 2,171,642        |
| Other currencies              | 7,559                      | 9,168            | 42,714                       | 45,537           | 7,014                      | 8,158           | 38,439                       | 40,984           |
| Notes in U.S. dollars         | 27,311                     | 225,698          | 2,025,138                    | 2,322,205        |                            |                 |                              |                  |
| Export securitization         | 178,863                    | 169,114          | 810,820                      | 905,804          |                            |                 |                              |                  |
| Perpetual notes               |                            |                  | 167,634                      | 164,354          |                            |                 |                              |                  |
| Accrued charges               | 37,497                     | 155,190          |                              |                  | 18,714                     | 38,895          |                              |                  |
|                               | <b>1,146,023</b>           | <b>1,467,227</b> | <b>5,856,539</b>             | <b>6,253,900</b> | <b>728,481</b>             | <b>720,313</b>  | <b>1,862,618</b>             | <b>2,212,626</b> |
| <b>Local operations</b>       |                            |                  |                              |                  |                            |                 |                              |                  |
| Indexed by TJLP, TR and IGP-M | 179,567                    | 175,120          | 337,933                      | 312,604          | 18,421                     | 19,257          | 20,166                       | 21,774           |
| Basket of currencies          | 3,393                      | 3,531            | 21,096                       | 23,173           | 199                        | 153             | 452                          | 537              |
| Loans in U.S. dollars         | 246,356                    | 261,626          | 607,562                      | 742,635          | 1,694                      | 1,791           | 412                          | 895              |
| Non-convertible debentures    | 667                        | 705              | 318,253                      | 327,979          | 667                        | 705             | 11                           | 12               |
| Accrued charges               | 51,657                     | 58,470           | 4,269                        | 6,854            | 741                        | 392             |                              |                  |
|                               | <b>481,640</b>             | <b>499,452</b>   | <b>1,289,113</b>             | <b>1,413,245</b> | <b>21,722</b>              | <b>22,298</b>   | <b>21,041</b>                | <b>23,218</b>    |
|                               | <b>1,627,663</b>           | <b>1,966,679</b> | <b>7,145,652</b>             | <b>7,667,145</b> | <b>750,203</b>             | <b>742,611</b>  | <b>1,883,659</b>             | <b>2,235,844</b> |

(a) Foreign currency loans and financing were converted into *reais* at exchange rates effective on the quarterly information date, being US\$ 1.00 = R\$ 2.2222 on 09/30/05 (R\$ 2.3504 in 06/30/05);

(b) At 09/30/05, our consolidated debt was secured as follows:

Loans guaranteed by the Federal Government of R\$310, to which we gave counter-guarantees;

Securitization program of R\$1,000;

Property, plant and equipment of R\$321;

Others assets R\$483.

(c) Amortization of principal and financing charges incurred on long-term loans and financing obtained abroad and domestically mature as follows, as of 09/30/05:

|  | <b>Consolidated</b> |             | <b>Parent Company</b> |             |
|--|---------------------|-------------|-----------------------|-------------|
| 2006   | 334,972             | 5%          | 74,666                | 4%          |
| 2007   | 973,151             | 14%         | 388,015               | 21%         |
| 2008   | 1,209,702           | 17%         | 388,248               | 21%         |
| 2009 onward                                  | 4,141,955           | 57%         | 1,032,730             | 54%         |
| No due date (perpetual notes and debentures) | 485,872             | 7%          |                       |             |
|  | <b>7,145,652</b>    | <b>100%</b> | <b>1,883,659</b>      | <b>100%</b> |

The estimated market values of long-term loans and financing calculated at present value based on available interest rates as of 09/30/05 approximate their book values.



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- (d) On March, 2002, the Company, through its subsidiary Vale Overseas Limited issued US\$ 300 million of Notes bearing interest at 8.625% p.a and maturing on March 8, 2007 (which may be extended to September 2008). In December, 2004, by public offering, CVRD bought back US\$ 186,996 thousands of the principal outstanding notes for US\$ 1,117.34 per each US\$ 1,000.00. This transaction is guaranteed by the Company with political risk protection and is registered with the U.S. Securities and Exchange Commission (SEC). The Notes are listed on the Luxembourg Stock Exchange.
- (e) In August, 2003 Vale Overseas Limited launched a US\$ 300 million bonds issue maturing in 10 years. The bonds carry a coupon of 9.00% p.a with half-yearly payment of interest. The bonds are unsecured and non-subordinated obligations of Vale Overseas Limited and have the full and unconditional guarantee of CVRD.
- (f) In January, 2004 Vale Overseas Limited launched a US\$ 500 millions of bonus maturing in 2034. The securities have coupons of 8.25% per period with half-yearly installment. The obligations are non-guaranteed and non-subordinated of Vale Overseas Limited and have full and unconditional guarantee by CVRD.

**6.14 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 losses from any type of lawsuit, were as follows:

|                                  | Judicial deposits |                  | Consolidated Provisions for contingencies |                  | Judicial deposits |                  | Parent Company Provisions for contingencies |                  |
|----------------------------------|-------------------|------------------|---|------------------|-------------------|------------------|---|------------------|
|                                  | 09/30/05          | 06/30/05         | 09/30/05                                  | 06/30/05         | 09/30/05          | 06/30/05         | 09/30/05                                    | 06/30/05         |
| Tax contingencies                | 1,258,365         | 1,186,589        | 2,101,426                                 | 2,035,662        | 803,921           | 731,196          | 1,739,001                                   | 1,650,033        |
| Labor and social security claims | 335,519           | 312,872          | 597,149                                   | 613,755          | 242,286           | 236,166          | 497,342                                     | 504,636          |
| Civil claims                     | 251,209           | 245,321          | 543,215                                   | 498,829          | 187,794           | 180,207          | 418,595                                     | 420,053          |
| Other                            | 8,325             | 24,172           | 59,779                                    | 118,383          | 8,116             | 24,938           | 19,212                                      | 37,268           |
| <b>Total</b>                     | <b>1,853,418</b>  | <b>1,768,954</b> | <b>3,301,569</b>                          | <b>3,266,629</b> | <b>1,242,117</b>  | <b>1,172,507</b> | <b>2,674,150</b>                            | <b>2,611,990</b> |

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

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

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

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

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In addition to the contingencies for which we have made provisions we have possible losses totaling R\$ 1,020,762 (R\$ 1,690,808 consolidated) as of 30/09/05. Based on the advice of our legal counsel, no provision is maintained.

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

| <b>Affiliate or Joint Venture</b> | <b>Amount<br/>of<br/>guarantees<br/>Determined<br/>09/30/05</b> | <b>currency</b> | <b>Purpose</b>          | <b>Final<br/>maturity</b> | <b>Counter<br/>parties</b> |
|-----------------------------------|---|-----------------|-------------------------|---------------------------|----------------------------|
| SAMARCO                           | 5,416   | US\$            | Debt guarantee<br>IFC   | 2008                      | None                       |
| VALESUL                           | 345   | R\$             | Debt guarantee<br>BNDES | 2007                      | None                       |

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

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

The debenture holders are entitled to receive semi-annual payments equivalent to a percentage of the net revenue deriving from certain mineral resources owned in May 1997 and included in the Issue Deed.

According to the Debenture Issue Deed, the amount of the premium must include interest up to the month prior to that of effective payment, plus 1% in the month in which the funds are made available to the debenture holder. Pursuant to this Deed, the payment date shall take place each semester in March and September.

Based on estimates of the operational start-up of the copper projects, CVRD began calculating the premium referring to these mineral rights. Considering the iron ore sale, the Company estimates that the threshold for payment will be reached in approximately 2030 and 2020 for the Southern and Northern systems, respectively. Regarding other minerals, such as bauxite and nickel, the forecast for exploitation is for the second half of the decade, and according to the criteria established in the Deed, payment will be due on the net sales revenue in the fourth period after the date of first commercialization. The obligation to make payments to the debenture holders will cease when the pertinent mineral resources are exhausted.

Since October 3, 2005 the payment the debenture remuneration the non-convertible debentures of R\$ 4,840 is available.

### **6.15 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 09/30/05, the provision for environmental liabilities amounted to R\$ 292,273 (R\$ 260,648 on 06/30/05), which was accounted for in Provision for environmental liabilities in long-term liabilities. The Company adopts the concepts of the Accounting for Asset Retirement Obligations, as follows:

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

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

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

### **6.16 Paid-up Capital**

The capital is R\$ 14 billion, corresponding to 1,165,677,168, of which 749,949,429 common shares and 415,727,739 class A preferred shares.

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

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**Table of Contents****6.17 Treasury Stock**

The Board of Directors, under the terms of subparagraph XV of Article 13 of the Bylaws and based on Article 30 of Law 6404/76 and CVM Instructions 10 of 02/14/80 and 268 of 11/13/97, approved the acquisition by the Company of its own shares to be held in treasury for later sale or cancellation.

On 09/30/05, the Company had acquired 14,145,510 common shares and 11,803 preferred shares, which are held in treasury in the amount of R\$ 131,318. The 14,145,510 common shares guarantee a loan of the subsidiary Alunorte.

| Class     | Shares            |                      | Unit acquisition cost |      |       | Average quoted market price |          |
|-----------|-------------------|----------------------|-----------------------|------|-------|-----------------------------|----------|
|           | 09/30/05          | Quantity<br>06/30/05 | Average               | Low  | High  | 09/30/05                    | 06/30/05 |
| Preferred | 11,803            | 11,803               | 17.12                 | 4.67 | 17.47 | 47.93                       | 47.93    |
| Common    | 14,145,510        | 14,145,510           | 9.27                  | 6.69 | 17.36 | 56.13                       | 56.13    |
|           | <b>14,157,313</b> | <b>14,157,313</b>    |                       |      |       |                             |          |

**6.18 Remuneration of Shareholders**

On 04/29/05 the Company paid the minimum dividend in the total amount of R\$ 1,279,000 equivalent to R\$ 1.11 per outstanding preferred share or common share as interest on stockholders' equity, R\$ 1,278,513 related to the additional remuneration proposed for the fiscal year 2004 and R\$ 1,387 related to the fiscal year 2005.

**6.19 Financial Results**

|   | Parent Company     |   | 9M/05          |                    | 9M/04   |                  |
|---|--------------------|---|----------------|--------------------|---|------------------|
|   | Financial expenses | Monetary and exchange rate variation on liabilities | Total          | Financial expenses | Monetary and exchange rate variation on liabilities | Total            |
| Foreign debt  | (49,463)           | 289,425   | 239,962        | (92,518)           | (2,070)   | (94,588)         |
| Local debt  | (16,550)           | 68,284  | 51,734         | (16,911)           | 6,281   | (10,630)         |
| Related parties   | (205,406)          | 659,117   | 453,711        | (151,439)          | 54,756  | (96,683)         |
|   | <b>(271,419)</b>   | <b>1,016,826</b>                                    | <b>745,407</b> | <b>(260,868)</b>   | <b>58,967</b>                                       | <b>(201,901)</b> |
| Labor, tax and civil contingencies                        | (118,325)          | (9,354)   | (127,679)      | (82,492)           | (91,786)  | (174,278)        |
| Derivatives, net of gain/losses (interest and currencies) | (3,264)            | (546)   | (3,810)        | (6,986)            | (2,005)   | (8,991)          |
| Derivatives, net of gain/losses (gold)                    | (8,662)            | 7,198   | (1,464)        | (4,642)            | 846   | (3,796)          |
| CPMF  | (61,293)           |   | (61,293)       | (55,000)           |   | (55,000)         |
| Other   | (72,067)           | 371,571   | 299,504        | (185,025)          | (282,287)   | (467,312)        |

|   |                             |  |                  |                             |  |                  |
|---|-----------------------------|--|------------------|-----------------------------|--|------------------|
|   | <b>(535,030)</b>            | <b>1,385,695</b>   | <b>850,665</b>   | <b>(595,013)</b>            | <b>(316,265)</b>   | <b>(911,278)</b> |
|   |                             | <b>Monetary<br/>and<br/>exchange<br/>rate<br/>variation on</b> |                  |                             | <b>Monetary<br/>and<br/>exchange<br/>rate<br/>variation on</b> |                  |
|   | <b>Financial<br/>income</b> | <b>assets</b>  | <b>Total</b>     | <b>Financial<br/>income</b> | <b>assets</b>  | <b>Total</b>     |
| Related parties                         | 42,981                      | (225,571)  | (182,590)        | 47,087                      | (170,815)  | (123,728)        |
| Marketable securities                   | 40,466                      | 9,782  | 50,248           | 11,884                      | 49,693   | 61,577           |
| Other                                   | 31,904                      | (39,912)   | (8,008)          | 15,054                      | (3,565)  | 11,489           |
|   | <b>115,351</b>              | <b>(255,701)</b>   | <b>(140,350)</b> | <b>74,025</b>               | <b>(124,687)</b>   | <b>(50,662)</b>  |
| <b>Financial income (expenses), net</b> | <b>(419,679)</b>            | <b>1,129,994</b>   | <b>710,315</b>   | <b>(520,988)</b>            | <b>(440,952)</b>   | <b>(961,940)</b> |

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|  | <b>Consolidated</b> |  |                 |                  |  |                |                  |  |                |
|--|---------------------|--|-----------------|------------------|--|----------------|------------------|--|----------------|
|  | <b>3Q/05</b>        |  |                 | <b>2Q/05</b>     |  |                | <b>3Q/04</b>     |  |                |
|  | <b>Financial</b>    | <b>Monetary</b><br><b>and</b><br><b>exchange</b><br><b>rate</b><br><b>variation</b><br><b>on</b><br><b>liabilities</b> | <b>Total</b>    | <b>Financial</b> | <b>Monetary</b><br><b>and</b><br><b>exchange</b><br><b>rate</b><br><b>variation</b><br><b>on</b><br><b>liabilities</b> | <b>Total</b>   | <b>Financial</b> | <b>Monetary</b><br><b>and</b><br><b>exchange</b><br><b>rate</b><br><b>variation</b><br><b>on</b><br><b>liabilities</b> | <b>Total</b>   |
| Foreign debt   | (152,781)           | 388,288  | 235,507         | (101,289)        | 780,104  | 678,815        | (132,515)        | 683,696  | 551,181        |
| Local debt   | (18,959)            | 129,667  | 110,708         | (54,481)         | 235,822  | 181,341        | (53,640)         | 172,097  | 118,457        |
| Related parties  | (5,500)             | 758  | (4,742)         | 16,459           | 4,124  | 20,583         | (10,392)         | 139,389  | 128,997        |
|  | <b>(177,240)</b>    | <b>518,713</b>   | <b>341,473</b>  | <b>(139,311)</b> | <b>1,020,050</b>   | <b>880,739</b> | <b>(196,547)</b> | <b>995,182</b>   | <b>798,635</b> |
| Labor, tax and civil contingencies                           | (65,724)            | 30,752   | (34,972)        | (31,575)         | (18,697)   | (50,272)       | (38,618)         | (33,910)   | (72,528)       |
| Derivatives, net of gain/losses (interest and currencies)    | 3,106               | 741  | 3,847           | (5,878)          | 2,637  | (3,241)        | (11,701)         | 7,383  | (4,318)        |
| Derivatives, net of gain/losses (gold, aluminum and alumina) | (172,567)           | 13,380   | (159,187)       | 16,198           | 41,964   | 58,162         | (60,936)         | 6,570  | (54,366)       |
| CPMF   | (34,536)            |  | (34,536)        | (46,111)         |  | (46,111)       | (21,754)         |  | (21,754)       |
| Other  | (62,542)            | (94,612)   | (157,154)       | (40,815)         | (85,525)   | (126,340)      | (145,950)        | (210,471)  | (356,421)      |
|  | <b>(509,503)</b>    | <b>468,974</b>   | <b>(40,529)</b> | <b>(247,492)</b> | <b>960,429</b>   | <b>712,937</b> | <b>(475,506)</b> | <b>764,754</b>   | <b>289,248</b> |
|  | <b>Financial</b>    | <b>Monetary</b><br><b>and</b><br><b>exchange</b><br><b>rate</b><br><b>variation</b><br><b>on</b><br><b>assets</b>      | <b>Total</b>    | <b>Financial</b> | <b>Monetary</b><br><b>and</b><br><b>exchange</b><br><b>rate</b><br><b>variation</b><br><b>on</b><br><b>assets</b>      | <b>Total</b>   | <b>Financial</b> | <b>Monetary</b><br><b>and</b><br><b>exchange</b><br><b>rate</b><br><b>variation</b><br><b>on</b><br><b>assets</b>      | <b>Total</b>   |
| Related parties  | 800                 | (13,174)   | (12,374)        | (14,186)         | (5,169)  | (19,355)       | 21,105           | (414,921)  | (393,816)      |
| Marketable securities  | 60,473              | (104,074)  | (43,601)        | 51,507           | (230,392)  | (178,885)      | 30,868           | (165,349)  | (134,481)      |
| Other  | 4,067               | (226,828)  | (222,761)       | 20,816           | (453,642)  | (432,826)      | 21,527           | (111,003)  | (89,476)       |

65,340 (344,076) (278,736) 58,137 (689,203) (631,066) 73,500 (691,273) (617,773)

**Financial  
income  
(expenses),  
net**

(444,163) 124,898 (319,265) (189,355) 271,226 81,871 (402,006) 73,481 (328,525)

|  | 9M/05                 |   |                  | 9M/04                 |   |                    |
|--|-----------------------|---|------------------|-----------------------|---|--------------------|
|  | Financial<br>expenses | Monetary<br>and<br>exchange<br>rate<br>variation<br>on<br>liabilities | Total            | Financial<br>expenses | Monetary<br>and<br>exchange<br>rate<br>variation<br>on<br>liabilities | Total              |
| Foreign debt   | (334,780)             | 1,158,793   | 824,013          | (484,462)             | (23,508)  | (507,970)          |
| Local debt   | (138,010)             | 354,061   | 216,051          | (172,778)             | (8,508)   | (181,286)          |
| Related parties  | (16,414)              | 771   | (15,643)         | (52,273)              | 93,773  | 41,500             |
|  | <b>(489,204)</b>      | <b>1,513,625</b>  | <b>1,024,421</b> | <b>(709,513)</b>      | <b>61,757</b>   | <b>(647,756)</b>   |
| Labor, tax and civil contingencies                           | (128,310)             | (11,660)  | (139,970)        | (82,832)              | (91,787)  | (174,619)          |
| Derivatives, net of gain/losses (interest and currencies)    | 1,816                 | 3,307   | 5,123            | (7,357)               | (2,004)   | (9,361)            |
| Derivatives, net of gain/losses (gold, aluminum and alumina) | (165,552)             | 52,161  | (113,391)        | (185,663)             | 846   | (184,817)          |
| CPMF   | (104,231)             |   | (104,231)        | (82,874)              |   | (82,874)           |
| Other  | (166,521)             | (255,308)   | (421,829)        | (234,449)             | (442,313)   | (676,762)          |
|  | <b>(1,052,002)</b>    | <b>1,302,125</b>  | <b>250,123</b>   | <b>(1,302,688)</b>    | <b>(473,501)</b>  | <b>(1,776,189)</b> |
|  | Financial<br>income   | Monetary<br>and<br>exchange<br>rate<br>variation<br>on<br>assets      | Total            | Financial<br>income   | Monetary<br>and<br>exchange<br>rate<br>variation<br>on<br>assets      | Total              |
| Related parties  | 15,607                | (5,236)   | 10,371           | 43,988                | (246,176)   | (202,188)          |
| Marketable securities  | 155,081               | (320,207)   | (165,126)        | 88,781                | 5,638   | 94,419             |
| Other  | 65,629                | (672,838)   | (607,209)        | 55,593                | 98,891  | 154,484            |
|  | <b>236,317</b>        | <b>(998,281)</b>  | <b>(761,964)</b> | <b>188,362</b>        | <b>(141,647)</b>  | <b>46,715</b>      |



|   |                  |                |                  |                    |                  |                    |
|---|------------------|----------------|------------------|--------------------|------------------|--------------------|
| <b>Financial income<br/>(expenses), net</b> | <b>(815,685)</b> | <b>303,844</b> | <b>(511,841)</b> | <b>(1,114,326)</b> | <b>(615,148)</b> | <b>(1,729,474)</b> |
|---|------------------|----------------|------------------|--------------------|------------------|--------------------|

### 6.20 Financial Instruments Derivatives

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

The Company's risk management follows policies and guidelines reviewed and approved by the Board of Directors and Executive Board. These policies and guidelines prohibit speculative trading and short selling and require diversification of transactions and counterparties. The policy of the Company is to settle all contracts financially without physical delivery of the products. The credit limits and creditworthiness of counterparties are also reviewed periodically and are defined according to the rules approved by the Company's management. The results of hedging are recognized monthly in the financial results.

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The following table shows the movement of gains/loss on derivatives:

|  |                                       |                   |                 |                  |                  | <b>Consolidated<br/>3Q/05</b> |
|--|---------------------------------------|-------------------|-----------------|------------------|------------------|-------------------------------|
|  | <b>Interest<br/>rates<br/>(libor)</b> | <b>Currencies</b> | <b>Gold</b>     | <b>Aluminum</b>  | <b>Alumina</b>   | <b>Total</b>                  |
| Gains / (losses) unrealized<br>on 06/30/05         | (21,173)                              | 3,719             | (69,555)        | (127,240)        | (50,832)         | (265,081)                     |
| Financial settlement                               | 1,453                                 | (884)             | 6,122           | 15,387           | 16,072           | 38,150                        |
| Financial expenses, net                            | 3,397                                 | (292)             | (21,382)        | (116,147)        | (35,036)         | (169,460)                     |
| Monetary variations, net                           | 938                                   | (195)             | 3,668           | 6,940            | 2,772            | 14,123                        |
| <b>Gains / (losses) unrealized<br/>on 09/30/05</b> | <b>(15,385)</b>                       | <b>2,348</b>      | <b>(81,147)</b> | <b>(221,060)</b> | <b>(67,024)</b>  | <b>(382,268)</b>              |
|  |                                       |                   |                 |                  |                  | <b>2Q/05</b>                  |
|  |                                       |                   |                 |                  |                  | <b>2Q/05</b>                  |
|  | <b>Interest<br/>rates<br/>(libor)</b> | <b>Currencies</b> | <b>Gold</b>     | <b>Aluminum</b>  | <b>Alumina</b>   | <b>Total</b>                  |
| Gains / (losses) unrealized<br>on 03/31/05         | (30,577)                              | 7,192             | (83,661)        | (138,303)        | (134,046)        | (379,395)                     |
| Financial settlement                               | 10,162                                | (991)             | 5,629           | 22,936           | 21,657           | 59,393                        |
| Financial expenses, net                            | (4,239)                               | (1,638)           | (1,228)         | (28,254)         | 45,680           | 10,321                        |
| Monetary variations, net                           | 3,481                                 | (844)             | 9,705           | 16,381           | 15,877           | 44,600                        |
| <b>Gains / (losses) unrealized<br/>on 06/30/05</b> | <b>(21,173)</b>                       | <b>3,719</b>      | <b>(69,555)</b> | <b>(127,240)</b> | <b>(50,832)</b>  | <b>(265,081)</b>              |
|  |                                       |                   |                 |                  |                  | <b>3Q/04</b>                  |
|  |                                       |                   |                 |                  |                  | <b>3Q/04</b>                  |
|  | <b>Interest<br/>rates<br/>(libor)</b> | <b>Currencies</b> | <b>Gold</b>     | <b>Aluminum</b>  | <b>Alumina</b>   | <b>Total</b>                  |
| Gains/ (losses) unrealized<br>on 06/30/04          | (92,449)                              | 3,485             | (78,436)        | (115,659)        | (91,820)         | (374,879)                     |
| Financial settlement                               | 7,613                                 | 331               | 634             |                  |                  | 8,578                         |
| Financial expenses, net                            | (12,038)                              | 708               | (20,246)        | (70,150)         | (13,948)         | (115,674)                     |
| Monetary variations, net                           | 7,585                                 | (252)             | 6,572           |                  |                  | 13,905                        |
| <b>Gains / (losses) unrealized<br/>on 09/30/04</b> | <b>(89,289)</b>                       | <b>4,272</b>      | <b>(91,476)</b> | <b>(185,809)</b> | <b>(105,768)</b> | <b>(468,070)</b>              |

|  | <b>Parent Company<br/>9M/05</b>       |                   |                 |                 |
|--|---------------------------------------|-------------------|-----------------|-----------------|
|  | <b>Interest<br/>rates<br/>(libor)</b> | <b>Currencies</b> | <b>Gold</b>     | <b>Total</b>    |
| Gains / (losses) unrealized on 12/31/04        | (9,268)                               | 9,405             | (55,406)        | (55,269)        |
| Financial settlement                           | 7,354                                 | (2,081)           | 9,775           | 15,048          |
| Financial expenses, net                        | 698                                   | (3,953)           | (8,663)         | (11,918)        |
| Monetary variations, net                       | 480                                   | (1,023)           | 7,198           | 6,655           |
| <b>Gains / (losses) unrealized on 09/30/05</b> | <b>(736)</b>                          | <b>2,348</b>      | <b>(47,096)</b> | <b>(45,484)</b> |

|  | <b>9M/04</b>                          |                   |                 |                  |
|--|---------------------------------------|-------------------|-----------------|------------------|
|  | <b>Interest<br/>rates<br/>(libor)</b> | <b>Currencies</b> | <b>Gold</b>     | <b>Total</b>     |
| Gains / (losses) unrealized on 12/31/03        | (135,977)                             | 15,856            | (91,980)        | (212,101)        |
| Financial settlement                           | 51,879                                | (7,413)           | 4,301           | 48,767           |
| Financial expenses, net                        | (3,206)                               | (4,151)           | (4,643)         | (12,000)         |
| Monetary variations, net                       | (1,985)                               | (20)              | 846             | (1,159)          |
| <b>Gains / (losses) unrealized on 09/30/04</b> | <b>(89,289)</b>                       | <b>4,272</b>      | <b>(91,476)</b> | <b>(176,493)</b> |

Maturity dates of the instruments above are as follows:

|                  |                  |
|------------------|------------------|
| Gold             | December<br>2008 |
| Interest (LIBOR) | October 2007     |
| Currencies       | December<br>2011 |
| Alumina          | December<br>2008 |
| Aluminum         | December<br>2008 |

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**Table of Contents****6.21 Administrative and Other Operating Expenses**

|   |                |                |                | <b>Consolidated</b> |                 | <b>Parent Company</b> |                 |
|---|----------------|----------------|----------------|---------------------|-----------------|-----------------------|-----------------|
|   | <b>3Q/05</b>   | <b>2Q/05</b>   | <b>3Q/04</b>   | <b>09/30/05</b>     | <b>09/30/04</b> | <b>09/30/05</b>       | <b>09/30/04</b> |
| <b>Administrative</b>                                     |                |                |                |                     |                 |                       |                 |
| Personnel   | 138,272        | 102,856        | 90,757         | 344,878             | 298,698         | 181,687               | 143,016         |
| Services of technical consulting, groundwork and stand-by | 89,146         | 85,066         | 72,633         | 236,116             | 194,925         | 86,366                | 67,524          |
| Advertising and publicity                                 | 24,422         | 29,739         | 14,476         | 68,761              | 35,817          | 67,552                | 32,273          |
| Depreciation  | 32,572         | 29,487         | 27,462         | 91,866              | 85,294          | 41,331                | 30,636          |
| Travel expenses   | 10,116         | 15,041         | 6,466          | 34,161              | 20,207          | 29,198                | 16,191          |
| Rents and taxes   | 6,255          | 21,014         | 12,901         | 39,569              | 34,531          | 21,718                | 13,961          |
| Community aborigine                                       | 3,470          | 5,042          | 9,315          | 13,395              | 16,453          | 13,395                | 16,453          |
| Others  | 28,407         | 19,347         | 11,744         | 69,055              | 77,719          | 18,813                | 41,311          |
|   | <b>332,660</b> | <b>307,592</b> | <b>245,754</b> | <b>897,801</b>      | <b>763,644</b>  | <b>460,060</b>        | <b>361,365</b>  |

|  |                |                |                | <b>Consolidated</b> |                 | <b>Parent Company</b> |                 |
|--|----------------|----------------|----------------|---------------------|-----------------|-----------------------|-----------------|
|  | <b>3Q/05</b>   | <b>2Q/05</b>   | <b>3Q/04</b>   | <b>09/30/05</b>     | <b>09/30/04</b> | <b>09/30/05</b>       | <b>09/30/04</b> |
| <b>Other operating expenses (income)</b> |                |                |                |                     |                 |                       |                 |
| Provisions for contingencies             | 118,333        | 34,490         | 76,270         | 178,461             | 152,936         | 81,000                | 139,471         |
| Provision for loss on ICMS credits       | 15,515         | 8,709          | 93,945         | 24,224              | 103,927         |                       | 64,000          |
| Provision for profit sharing             | 52,966         | 59,992         | 48,304         | 159,647             | 154,985         | 135,000               | 140,000         |
| Donations                                | 9,642          | 26,588         | 8,518          | 42,120              | 26,626          | 41,770                |                 |
| Pension plan                             |                | 17,000         |                | 17,000              |                 | 17,000                |                 |
| Others                                   | 92,132         | 72,991         | 110,090        | 207,774             | 145,399         | (20,063)              | 66,725          |
|  | <b>288,588</b> | <b>219,770</b> | <b>337,127</b> | <b>629,226</b>      | <b>583,873</b>  | <b>254,707</b>        | <b>410,196</b>  |

**6.22 Sale of Assets**

Caemi sold its participation in Quebec Cartier Mining Company (QCM) to Dofasto Inc. for R\$ 297,700 in July, 2005.

**6.23 Subsequent Events****Issue of US\$ 300 million Notes**

On October 26, 2005, the Company issued US\$ 300 million notes due 2034, priced with yield to maturity (YTM) 7.65% per year. The notes form a single series with the US\$ 500 million principal amount of 8.25% guaranteed notes issued on January 15, 2004. (See note 6.13 (f))

**Remuneration of Shareholders**

In October, 2005 CVRD approved the payment of the second installment of the 2005 minimum dividend to shareholders, US\$ 500 million, as well as the proposed additional dividend of US\$ 300 million. The total payment of US\$ 800 million, equivalent to US\$ 0.69 per outstanding share was made to CVRD shareholders from October 31, 2005.

The payment of the second installment referring to the minimum remuneration in the amount of US\$ 500 millions was made since 10/31/05, as follows:

- R\$ 782,000 in the form of interest on shareholders equity, equivalent to R\$ 0.67 per common or preferred share outstanding. This value corresponds to US\$ 346 million US\$ 0.30 per common or preferred share outstanding.
- R\$ 349,350 in the form of dividends, equivalent to R\$ 0.30 per common or preferred share outstanding. This amount corresponds to US\$ 154 million US\$ 0.13 per common or preferred share outstanding.

The additional dividend for this year in the amount of US\$ 300 million, equivalent to R\$ 678,810 was also paid on October 31, in the form of dividends. This amount corresponds to R\$ 0.58 per common or preferred shares outstanding.

Therefore, on October 31, 2005, an amount of R\$ 1,810,160 was distributed to CVRD shareholders, corresponding to R\$ 1.57 per common or preferred share outstanding.

The total dividend distribution for 2005, of US\$ 1,300 million, represents an increase of 65% over the distribution made in 2004 and implies an annual average growth rate of 39% since 2002.

**CVRD**

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**Table of Contents****Part III****7 Attachment I Statement of Investments in Subsidiaries**

| Participation (%) |        | Assets    |           |           |           |           | Liabilities                  |              |                               |                             |  |
|-------------------|--------|-----------|-----------|-----------|-----------|-----------|------------------------------|--------------|-------------------------------|-----------------------------|--|
| Total             | Voting | Current   | Long-term | Permanent | Current   | Long-term | Adjusted stockholders equity | Net revenues | Cost of products and services | Operating income (expenses) |  |
| 100.00            | 100.00 | 258,633   | 6,973     | 2,465,701 | 241       | 986,566   | 1,744,500                    |              |                               | 951,028                     |  |
| 51.00             | 51.00  | 544,498   | 859,211   | 1,068,576 | 793,228   | 390,854   | 1,288,203                    | 1,473,784    | (1,033,218)                   | (141,111)                   |  |
| 57.03             | 61.74  | 452,194   | 161,752   | 3,014,988 | 403,183   | 1,129,343 | 2,096,408                    | 1,114,680    | (743,989)                     | 74,649                      |  |
| 100.00            | 100.00 | 3,266     | 32,902    | 563       | 14,123    |           | 22,608                       |              |                               | (3,822)                     |  |
| 60.23             | 100.00 | 2,148,415 | 91,001    | 1,724,384 | 842,172   | 754,831   | 2,366,797                    | 3,301,542    | (1,324,876)                   | (384,380)                   |  |
| 100.00            | 100.00 | 185,644   | 36,829    | 3,182     | 147,468   | 78,243    | (56)                         |              |                               | (27,187)                    |  |
| 100.00            | 100.00 | 177,661   | 5,950     | 150,035   | 103,787   |           | 229,859                      | 134,688      | (47,161)                      | 8,818                       |  |
| 100.00            | 100.00 | 734,486   | 810,818   | 722,762   | 1,503,433 | 44,600    | 720,033                      | 2,127,899    | (1,581,766)                   | (79,182)                    |  |
| 100.00            | 100.00 | 21,639    | 308,660   | 147       | 18,761    | 271,967   | 39,718                       |              |                               | 1,359                       |  |
| 100.00            | 100.00 | 301,928   | 122,445   | 1,241,941 | 341,984   | 1,360,897 | (36,567)                     | 517,011      | (515,833)                     | (76,633)                    |  |
| 100.00            | 100.00 | 55,579    | 43,220    | 3,729     | 28,286    | 14,038    | 60,204                       |              |                               | 692                         |  |
| 100.00            | 100.00 | 4,977,822 | 2,537,668 | 4,131,038 | 3,122,403 | 3,072,838 | 5,451,287                    | 9,794,624    | (7,615,844)                   | 479,598                     |  |
| 100.00            | 100.00 | 154       |           | 995,935   | 15,690    | 1,031,000 | (50,601)                     |              |                               | (75,961)                    |  |
| 100.00            | 100.00 | 257,417   | 38,330    | 693,339   | 100,986   | 604,358   | 283,742                      | 68,645       | (28,489)                      | 29,642                      |  |
| 100.00            | 100.00 | 159,300   | 324,951   | 353,561   | 147,425   | 26,807    | 663,580                      | 348,078      | (372,675)                     | 82,535                      |  |
| 100.00            | 100.00 | 1,608,866 | 2,145,171 | 5,738     | 372,317   | 425,538   | 2,961,920                    |              | (16,838)                      | 74,913                      |  |
| 100.00            | 100.00 | 240,406   |           | 70,250    | 92,586    | 6,418     | 211,652                      | 394,956      | (359,990)                     | (50,170)                    |  |
| 100.00            | 100.00 | 84,563    |           | 59,018    | 34,505    | 12,646    | 96,430                       | 67,311       | (58,316)                      | (40,605)                    |  |
| 100.00            | 100.00 | 851,394   | 179,671   | 357,563   | 584,498   | 99,168    | 704,962                      | 770,325      | (482,591)                     | (131,033)                   |  |
| 100.00            | 100.00 | 399       |           | 822,999   | 616       | 561,072   | 261,710                      |              |                               |                             |  |
| 100.00            | 99.89  | 47,927    | 4,841     | 54,431    | 25,053    | 3,052     | 79,094                       | 80,396       | (52,995)                      | 1,861                       |  |
| 100.00            | 100.00 | 97,091    | 13,270    | 59,779    | 48,591    | 61,595    | 59,954                       | 133,646      | (53,999)                      | (37,540)                    |  |
| 100.00            | 100.00 | 33,376    | 2,051,781 |           | 33,368    | 2,051,759 | 30                           |              |                               | 20                          |  |
| 50.00             | 50.00  | 813,656   | 5,573     | 527,448   | 330,474   | 333,330   | 682,873                      | 2,341,402    | (2,145,053)                   | (72,331)                    |  |
| 50.00             | 50.00  | 167,600   | 56,298    | 218,398   | 190,973   | 87,722    | 163,601                      | 568,790      | (393,013)                     | (13,554)                    |  |

|       |        |         |         |           |         |         |         |           |           |           |
|-------|--------|---------|---------|-----------|---------|---------|---------|-----------|-----------|-----------|
| 50.89 | 51.00  | 230,537 | 45,657  | 68,675    | 146,040 | 52,257  | 146,572 | 556,747   | (365,668) | (20,483)  |
| 50.90 | 51.00  | 218,050 | 58,289  | 68,615    | 160,649 | 51,269  | 133,036 | 517,299   | (351,503) | (24,425)  |
| 51.00 | 51.11  | 332,548 | 64,609  | 118,096   | 278,107 | 33,197  | 203,949 | 824,417   | (603,787) | (37,003)  |
| 50.00 | 50.00  | 268,653 |         | 109,823   | 84,875  | 11,111  | 282,490 | 707,434   | (390,168) | (99,378)  |
| 50.00 | 50.00  | 21,166  | 12,590  | 96,403    | 1,965   | 30,162  | 98,032  | 12,651    | (8,436)   | (15,101)  |
| 40.00 | 40.00  | 167,094 | 404,852 | 970,476   | 543,590 | 93,674  | 905,158 | 724,388   | (355,728) | 14,584    |
| 29.35 | 28.75  | 713,907 | 275,730 | 1,016,665 | 723,897 | 563,721 | 718,684 | 1,252,594 | (686,232) | (89,388)  |
| 50.00 | 50.00  | 552,035 | 97,708  | 1,015,884 | 489,783 | 215,566 | 960,278 | 1,719,139 | (552,624) | (127,011) |
| 54.51 | 54.51  | 183,476 | 60,262  | 124,796   | 73,003  | 29,439  | 266,092 | 360,056   | (333,737) | 452       |
| 50.00 | 100.00 | 36,297  |         | 54,704    | 1,127   |         | 89,874  | 21,694    | (3,680)   | (17,254)  |
| 49.00 | 49.00  | 24,617  | 12,293  | 45,111    | 22,162  | 30,415  | 29,444  | 68,179    | (55,225)  | (14,971)  |

Observation:

- (a) The amounts above refer to figures presented in financial statements of the companies on 09/30/05 and not only the part consolidated.
- (b) Caemi financial statements are consolidated and include \$ 112,092 of minority interest and R\$ 297,700 refers to the sale of investment on QCM, registered as non-operating result.

**Table of Contents****8 Other Information the Company Deems Relevant****8.1 Consolidated Iron Ore and Pellet Sales (Main Markets Not Reviewed)**

|                               | Quarter     |           |             |           |             |           | Millions of tons Accumulated |           |              |           |
|-------------------------------|-------------|-----------|-------------|-----------|-------------|-----------|------------------------------|-----------|--------------|-----------|
|                               | 3Q/05       | %         | 2Q/05       | %         | 3Q/04       | %         | 09/30/05                     | %         | 09/30/04     | %         |
| <b>FOREIGN MARKET</b>         |             |           |             |           |             |           |                              |           |              |           |
| ASIA                          |             |           |             |           |             |           |                              |           |              |           |
| CHINA                         | 14.9        | 23        | 12.3        | 20        | 12.1        | 20        | 38.7                         | 21        | 30.5         | 18        |
| CORÉIA                        | 2.9         | 5         | 1.3         | 2         | 3.2         | 5         | 6.7                          | 4         | 8.1          | 5         |
| PHILIPPINES                   | 0.7         | 1         | 1.1         | 2         | 0.9         | 1         | 2.8                          | 2         | 2.7          | 2         |
| JAPAN                         | 6.2         | 10        | 6.6         | 11        | 5.4         | 9         | 18.6                         | 10        | 17.0         | 10        |
| TAIWAN                        | 1.0         | 2         | 0.9         | 1         | 1.1         | 2         | 3.1                          | 2         | 3.2          | 2         |
| OTHERS                        | 0.3         |           | 0.3         |           | 0.1         |           | 1.3                          | 1         | 1.2          | 1         |
|                               | <b>26.0</b> | <b>41</b> | <b>22.5</b> | <b>36</b> | <b>22.8</b> | <b>37</b> | <b>71.2</b>                  | <b>40</b> | <b>62.7</b>  | <b>38</b> |
| EUROPE                        |             |           |             |           |             |           |                              |           |              |           |
| GERMANY                       | 6.3         | 10        | 6.5         | 11        | 6.8         | 11        | 18.7                         | 10        | 18.4         | 11        |
| SPAIN                         | 0.9         | 1         | 1.1         | 2         | 0.9         | 1         | 2.9                          | 2         | 3.1          | 2         |
| FRANCE                        | 3.0         | 5         | 3.0         | 5         | 3.2         | 5         | 8.6                          | 5         | 9.0          | 5         |
| ITALY                         | 1.2         | 2         | 1.5         | 2         | 0.9         | 1         | 4.0                          | 2         | 1.8          | 1         |
| ENGLAND                       | 3.1         | 5         | 3.4         | 6         | 2.3         | 4         | 8.7                          | 5         | 7.2          | 4         |
| OTHERS                        | 4.9         | 8         | 5.1         | 8         | 5.5         | 9         | 15.1                         | 8         | 14.7         | 9         |
|                               | <b>19.4</b> | <b>31</b> | <b>20.6</b> | <b>34</b> | <b>19.6</b> | <b>31</b> | <b>58.0</b>                  | <b>32</b> | <b>54.2</b>  | <b>32</b> |
| AMERICAS                      |             |           |             |           |             |           |                              |           |              |           |
| ARGENTINA                     | 1.2         | 2         | 1.1         | 2         | 1.3         | 2         | 3.5                          | 2         | 3.5          | 2         |
| UNITED STATES                 | 0.9         | 1         | 1.1         | 2         | 1.1         | 2         | 3.3                          | 2         | 3.6          | 2         |
| OTHERS                        | 1.3         | 2         | 1.8         | 3         | 1.6         | 3         | 4.9                          | 3         | 4.7          | 3         |
|                               | <b>3.4</b>  | <b>5</b>  | <b>4.0</b>  | <b>7</b>  | <b>4.0</b>  | <b>7</b>  | <b>11.7</b>                  | <b>7</b>  | <b>11.8</b>  | <b>7</b>  |
| AFRICA/MID.<br>EAST/AUSTRALIA |             |           |             |           |             |           |                              |           |              |           |
| BAHRAIN                       | 1.0         | 2         | 1.0         | 2         | 1.2         | 2         | 2.8                          | 2         | 2.8          | 2         |
| OTHERS                        | 2.6         | 4         | 2.2         | 4         | 2.2         | 4         | 6.7                          | 4         | 6.1          | 4         |
|                               | <b>3.6</b>  | <b>6</b>  | <b>3.2</b>  | <b>6</b>  | <b>3.4</b>  | <b>6</b>  | <b>9.5</b>                   | <b>6</b>  | <b>8.9</b>   | <b>6</b>  |
|                               | <b>52.4</b> | <b>83</b> | <b>50.3</b> | <b>83</b> | <b>49.8</b> | <b>81</b> | <b>150.4</b>                 | <b>85</b> | <b>137.6</b> | <b>83</b> |
| <b>BRAZIL</b>                 | <b>11.6</b> | <b>17</b> | <b>11.4</b> | <b>17</b> | <b>11.2</b> | <b>19</b> | <b>34.2</b>                  | <b>15</b> | <b>31.9</b>  | <b>17</b> |



|              |             |            |             |            |             |            |              |            |              |            |
|--------------|-------------|------------|-------------|------------|-------------|------------|--------------|------------|--------------|------------|
| <b>TOTAL</b> | <b>64.0</b> | <b>100</b> | <b>61.7</b> | <b>100</b> | <b>61.0</b> | <b>100</b> | <b>184.6</b> | <b>100</b> | <b>169.5</b> | <b>100</b> |
|--------------|-------------|------------|-------------|------------|-------------|------------|--------------|------------|--------------|------------|

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(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)

**9 Report of the Independent Accountants**

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

1. We have carried out a limited review of the Quarterly Financial Information (ITR) of Companhia Vale do Rio Doce, holding company and consolidated, in respect of the quarter ended September 30, 2005, prepared in accordance with the accounting practices adopted in Brazil and under the responsibility of the Company's management, comprising the balance sheets, the statements of income and the comments on the Company's performance.
2. Except as mentioned in paragraph 3, our limited review was carried out in accordance with the specific procedures established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Board, and consisted mainly of: (a) inquires and discussion with the officers responsible for the Company's and its investees' 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 and its investees' financial positions and operations.
3. The financial statements as of September 30, 2005, of certain subsidiaries, jointly-owned and associated companies, in which there are relevant investments, have not been reviewed by independent auditors. Accordingly, the conclusions resulting from our review do not cover the amounts of R\$7,682,593 thousand of these investments and R\$1,055,479 thousand of the income generated by them for the quarter then ended.
4. Based on our limited review, except for the effects of the adjustments, if any, which might have been required if the financial statements of the subsidiaries, jointly-owned and associated companies mentioned in paragraph 3 had been reviewed by independent auditors, we are not aware of any relevant adjustment 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 the obligatory Quarterly Financial Information (ITR).
5. Our limited review was conducted for the purpose of issuing our report on the Quarterly Financial Information (ITR) referred to in paragraph 1, taken as a whole. The statements of cash flows, holding company and consolidated, are presented as additional information, and are not a required part of the Quarterly Financial Information. Such statements have been subjected to the review procedures described in paragraph 2 and we are not aware of any material adjustment that should be made to such statements for them to be adequately presented in relation to the Quarterly Financial Information.
6. We have previously reviewed the balance sheets, holding company and consolidated, as of June 30, 2005 and the statements of income for the quarter and period of six months ended September 30, 2004, presented for comparison purposes, as an integral part of the Company's result for the period of nine months ended September 30, 2004, and issued our reports dated August 10, 2005 and November 10, 2004, respectively, including a qualification regarding the financial statements of certain subsidiaries, jointly-owned and associated companies, which have not been reviewed by independent auditors. Additionally, the statement of income for the quarter ended March 31, 2004, presented for comparison purposes, as an integral part of the Company's result for the nine months period ended September 30, 2004, was reviewed by other independent auditors, whose report, dated May 7, 2004, included a qualification regarding the financial statements of certain subsidiaries, jointly-owned and associated companies, which have not been reviewed by independent auditors.

Rio de Janeiro, November 9, 2005

DELOITTE TOUCHE TOHMATSU  
Independent Auditors

Marcelo Cavalcanti Almeida  
Accountant



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

**Board of Directors**

Sérgio Ricardo Silva Rosa  
Chairman

Arlindo Magno de Oliveira

Eduardo Fernando Jardim Pinto

Erik Persson

Francisco Augusto da Costa e Silva

Jaques Wagner

Hiroshi Tada

Mário da Silveira Teixeira Júnior

Oscar Augusto de Camargo Filho

Renato da Cruz Gomes

Jorge Luiz Pacheco

**Advisory Committees of the Board of  
Directors**

**Accounting Committee**

Antonio José de Figueiredo Ferreira

Inácio Clemente da Silva

Paulo Roberto Ferreira de Medeiros

**Executive Development Committee**

Arlindo Magno de Oliveira

João Moisés de Oliveira

Olga Loffredi

Oscar Augusto de Camargo Filho

**Fiscal Council**

José Bernardo de Medeiros Neto

Marcelo Amaral Moraes

Aníbal Moreira dos Santos

Joaquim Vieira Ferreira Levy

**Executive Officers**

Roger Agnelli

**Chief Executive Officer**

Murilo Pinto de Oliveira Ferreira

**Executive Officer for Equity Holdings and Business  
Development**

José Carlos Martins

**Executive Officer for Ferrous Minerals**

Carla Grasso

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

José Lancaster

Fábio de Oliveira Barbosa

**Chief Financial Officer**

Gabriel Stoliar

**Executive Officer for Planning**

Guilherme Rodolfo Laager

**Executive Officer for Logistics**

**Strategic Committee**

Roger Agnelli  
Gabriel Stoliar  
César Manoel de Medeiros  
José Roberto Mendonça de Barros  
Luciano Coutinho

**Finance Committee**

Roger Agnelli  
Fábio de Oliveira Barbosa  
Rômulo de Mello Dias  
Wanderlei Viçoso Fagundes

Marcus Vinícius Dias Severini  
Chief Accountant

Otto de Souza Marques Junior  
Chief Officer of Control  
Department

Wanderley Rezende de Souza

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**Governance and Ethics Committee**

Renato da Cruz Gomes  
Ricardo Simonsen  
Ricardo Carvalho Giambroni

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**Table of Contents****Equity Investee Information 09/30/2005****CAEMI (Adjusted and Unaudited)**

| Description             |                | 1Q            | 2Q            | 3Q            | 4Q | 2005<br>Total | 1Q            | 2Q            | 3Q            | 4Q            |
|-------------------------|----------------|---------------|---------------|---------------|----|---------------|---------------|---------------|---------------|---------------|
| external MT (thousands) |                | 9,560         | 9,949         | 10,737        |    | 30,246        | 7,855         | 7,407         | 9,311         | 9,446         |
| internal MT (thousands) |                | 1,946         | 2,388         | 2,673         |    | 7,007         | 1,941         | 2,851         | 2,525         | 2,349         |
| <b>total</b>            | MT (thousands) | <b>11,506</b> | <b>12,337</b> | <b>13,410</b> |    | <b>37,253</b> | <b>9,796</b>  | <b>10,258</b> | <b>11,836</b> | <b>11,795</b> |
| price                   | US\$           | 22.49         | 39.40         | 38.69         |    | 33.80         | 18.95         | 22.68         | 21.63         | 22.50         |
| price                   | US\$           | 17.91         | 32.29         | 26.63         |    | 26.14         | 14.14         | 14.62         | 15.33         | 17.62         |
| <b>price</b>            | US\$           | <b>21.71</b>  | <b>38.02</b>  | <b>36.30</b>  |    | <b>32.36</b>  | <b>18.00</b>  | <b>20.44</b>  | <b>20.28</b>  | <b>21.53</b>  |
| <b>RY</b>               |                |               |               |               |    |               |               |               |               |               |
| external MT (thousands) |                |               |               |               |    |               | 19            |               |               |               |
| internal MT (thousands) |                |               |               |               |    |               | 1             |               |               |               |
| <b>total</b>            | MT (thousands) |               |               |               |    |               | <b>20</b>     |               |               |               |
| price                   | US\$           |               |               |               |    |               | 148.20        |               |               |               |
| price                   | US\$           |               |               |               |    |               | 158.00        |               |               |               |
| <b>price</b>            | US\$           |               |               |               |    |               | <b>148.67</b> |               |               |               |
| external MT (thousands) |                | 253           | 267           | 253           |    | 773           | 169           | 175           | 170           | 156           |
| internal MT (thousands) |                | 29            | 29            | 32            |    | 90            | 18            | 18            | 20            | 18            |
| <b>total</b>            | MT (thousands) | <b>282</b>    | <b>296</b>    | <b>285</b>    |    | <b>863</b>    | <b>187</b>    | <b>193</b>    | <b>190</b>    | <b>174</b>    |
| price                   | US\$           | 167.32        | 175.04        | 175.68        |    | 172.72        | 153.64        | 161.84        | 161.44        | 164.46        |

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|                         |                |                  |                  |                  |                  |                  |                  |                  |                  |
|-------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| price                   | US\$           |                  |                  |                  |                  |                  |                  |                  |                  |
| et                      |                | 197.76           | 202.59           | 212.12           | 204.42           | 210.17           | 184.56           | 200.15           | 235.06           |
| s price                 | US\$           |                  |                  |                  |                  |                  |                  |                  |                  |
|                         |                | <b>170.45</b>    | <b>177.74</b>    | <b>178.81</b>    | <b>175.71</b>    | <b>159.08</b>    | <b>163.94</b>    | <b>165.51</b>    | <b>171.86</b>    |
| <b>ATTENTION</b>        |                |                  |                  |                  |                  |                  |                  |                  |                  |
| *)                      |                |                  |                  |                  |                  |                  |                  |                  |                  |
| internal MT (thousands) |                | 25,190           | 27,196           | 28,059           | 80,445           | 21,819           | 24,314           | 25,632           | 26,333           |
| <b>total</b>            | MT (thousands) | <b>25,190</b>    | <b>27,196</b>    | <b>28,059</b>    | <b>80,445</b>    | <b>21,819</b>    | <b>24,314</b>    | <b>25,632</b>    | <b>26,333</b>    |
| price                   | US\$           |                  |                  |                  |                  |                  |                  |                  |                  |
| et                      |                | 6.75             | 6.93             | 8.15             | 7.30             | 5.29             | 5.05             | 5.36             | 5.65             |
| s price                 | US\$           |                  |                  |                  |                  |                  |                  |                  |                  |
|                         |                | <b>6.75</b>      | <b>6.93</b>      | <b>8.15</b>      | <b>7.30</b>      | <b>5.29</b>      | <b>5.05</b>      | <b>5.36</b>      | <b>5.65</b>      |
| gross                   | US\$           | 302,148          | 251,929          | 241,930          | 241,930          | 264,849          | 240,950          | 253,802          | 254,404          |
| gross                   | US\$           | 24,289           | 16,404           | 5,398            | 5,398            | 17,506           | 12,747           | 8,704            | 5,740            |
| edness,                 | US\$           |                  |                  |                  |                  |                  |                  |                  |                  |
|                         |                | <b>326,437</b>   | <b>268,333</b>   | <b>247,328</b>   | <b>247,328</b>   | <b>282,355</b>   | <b>253,697</b>   | <b>262,506</b>   | <b>260,144</b>   |
| <b>equity</b>           | R\$            | <b>1,462,327</b> | <b>1,941,515</b> | <b>2,366,797</b> | <b>2,366,797</b> | <b>1,093,177</b> | <b>1,264,784</b> | <b>1,440,263</b> | <b>1,299,998</b> |
| revenues                | R\$            | 791,929          | 1,443,115        | 1,272,292        | 3,507,336        | 600,043          | 708,137          | 791,505          | 798,288          |
| cts                     | R\$            | (425,534)        | (469,499)        | (492,784)        | (1,387,817)      | (329,928)        | (303,719)        | (369,268)        | (355,774)        |
|                         | R\$            |                  |                  |                  |                  |                  |                  |                  |                  |
| nues                    | R\$            | (96,083)         | (97,241)         | (103,935)        | (297,259)        | (58,450)         | (72,877)         | (72,442)         | (134,543)        |
| and                     |                | 79,166           | 75,302           | 86,620           | 241,088          | 45,016           | 46,239           | 47,218           | 60,051           |
|                         | R\$            | <b>349,478</b>   | <b>951,677</b>   | <b>762,193</b>   | <b>2,063,348</b> | <b>256,681</b>   | <b>377,780</b>   | <b>397,013</b>   | <b>368,022</b>   |
|                         | R\$            |                  |                  |                  |                  |                  |                  |                  |                  |
| and                     |                | (79,166)         | (75,302)         | (86,620)         | (241,088)        | (45,016)         | (46,239)         | (47,218)         | (60,051)         |
|                         | R\$            | <b>270,312</b>   | <b>876,375</b>   | <b>675,573</b>   | <b>1,822,260</b> | <b>211,665</b>   | <b>331,541</b>   | <b>349,795</b>   | <b>307,971</b>   |
|                         | R\$            |                  |                  | 297,700          | 297,700          |                  |                  |                  |                  |
| ty                      | R\$            |                  |                  |                  |                  |                  |                  |                  |                  |
| results                 | R\$            | 7,401            | 30,261           | (26,769)         | 10,893           | 4,709            | 1,416            | (4,606)          | (9,508)          |
|                         | R\$            | 6,735            | (99,285)         | (58,028)         | (150,578)        | (19,576)         | (18,750)         | (41,415)         | (42,375)         |
| <b>re income</b>        | R\$            |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>l</b>                |                | <b>284,448</b>   | <b>807,351</b>   | <b>888,476</b>   | <b>1,980,275</b> | <b>196,798</b>   | <b>314,207</b>   | <b>303,774</b>   | <b>256,088</b>   |

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|          |     |                |                |                |                  |                |                |                |                |
|----------|-----|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|
| d social | R\$ | (93,354)       | (256,398)      | (231,782)      | (581,534)        | (67,048)       | (108,211)      | (98,650)       | (78,044)       |
| rest     | R\$ | (28,764)       | (77,048)       | (55,024)       | (160,836)        | (21,163)       | (34,389)       | (29,645)       | (26,886)       |
|          | R\$ | <b>162,330</b> | <b>473,905</b> | <b>601,670</b> | <b>1,237,905</b> | <b>108,587</b> | <b>171,607</b> | <b>175,479</b> | <b>151,158</b> |

(\*) Railroad service  
100% MRS

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|                                |                  | <b>Aluminum Area Albras (Adjusted and Unaudited)</b> |                  |                  |                  |                       |                  |                  |                  |                  |
|--------------------------------|------------------|--|------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|
|                                |                  | <b>1Q</b>  | <b>2Q</b>        | <b>3Q</b>        | <b>4Q</b>        | <b>2005<br/>Total</b> | <b>1Q</b>        | <b>2Q</b>        | <b>3Q</b>        | <b>4Q</b>        |
| Information                    |                  |  |                  |                  |                  |                       |                  |                  |                  |                  |
| Volume sold<br>market          | MT<br>(thousand) | 104  | 106              | 106              | 316              | 94                    | 115              | 96               | 108              |                  |
| Volume sold<br>market          | MT<br>(thousand) | 5  | 4                | 6                | 15               | 3                     | 4                | 5                | 5                |                  |
| Volume sold                    | MT<br>(thousand) | <b>109</b>   | <b>110</b>       | <b>112</b>       | <b>331</b>       | <b>97</b>             | <b>119</b>       | <b>101</b>       | <b>113</b>       |                  |
| Revenue<br>external            | US\$             | 1,787.71   | 1,819.42         | 1,754.44         | 1,787.19         | 1,565.46              | 1,626.62         | 1,644.42         | 1,728.79         | 1,811.15         |
| Revenue<br>internal            | US\$             | 1,860.15   | 1,874.87         | 1,588.67         | 1,755.48         | 1,618.11              | 1,660.01         | 1,700.23         | 1,787.36         | 1,811.15         |
| Revenue<br>total               | US\$             | <b>1,790.92</b>                                      | <b>1,821.74</b>  | <b>1,745.56</b>  | <b>1,785.75</b>  | <b>1,567.28</b>       | <b>1,627.72</b>  | <b>1,647.09</b>  | <b>1,731.32</b>  | <b>1,811.15</b>  |
| Operating<br>business, gross   | US\$             | 171,996  | 152,240          | 132,411          | 132,411          | 319,259               | 263,992          | 243,995          | 202,426          | 202,426          |
| Operating<br>business, gross   | US\$             | 23,126   | 142,494          | 189,705          | 189,705          |                       |                  |                  |                  |                  |
| Operating<br>business,         | US\$             | <b>195,122</b>                                       | <b>294,734</b>   | <b>322,116</b>   | <b>322,116</b>   | <b>319,259</b>        | <b>263,992</b>   | <b>243,995</b>   | <b>202,426</b>   | <b>202,426</b>   |
| Operating<br>business          | R\$              | <b>1,168,783</b>                                     | <b>1,308,065</b> | <b>1,288,203</b> | <b>1,288,203</b> | <b>834,690</b>        | <b>1,028,215</b> | <b>1,143,038</b> | <b>1,076,202</b> | <b>1,076,202</b> |
| Operating<br>products          | R\$              | 520,606  | 495,887          | 457,291          | 1,473,784        | 442,246               | 587,060          | 494,300          | 542,256          | 2,052,774        |
| Operating<br>products          | R\$              | (352,950)  | (347,478)        | (332,790)        | (1,033,218)      | (257,968)             | (345,548)        | (288,688)        | (392,178)        | (1,033,218)      |
| Operating<br>products/revenues | R\$              | (28,479)   | (20,104)         | (27,808)         | (76,391)         | (30,335)              | (26,362)         | (16,525)         | (39,212)         | (39,212)         |
| Operating<br>products, net     | R\$              | 15,497   | 17,308           | 17,167           | 49,972           | 16,327                | 16,468           | 16,902           | 17,185           | 17,185           |
| Operating<br>business, net     | R\$              | <b>154,674</b>                                       | <b>145,613</b>   | <b>113,860</b>   | <b>414,147</b>   | <b>170,270</b>        | <b>231,618</b>   | <b>205,989</b>   | <b>128,051</b>   | <b>128,051</b>   |
| Operating<br>business, net     | R\$              | (15,497)   | (17,308)         | (17,167)         | (49,972)         | (16,327)              | (16,468)         | (16,902)         | (17,185)         | (17,185)         |

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|            |     |                |                |                 |                |                |                |                |                |          |
|------------|-----|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------|
| ent        | R\$ | <b>139,177</b> | <b>128,305</b> | <b>96,693</b>   | <b>364,175</b> | <b>153,943</b> | <b>215,150</b> | <b>189,087</b> | <b>110,866</b> | <b>6</b> |
| ncial      | R\$ |                |                |                 |                | (4,949)        | 646            | (145)          | (629)          |          |
|            | R\$ | (23,676)       | 51,258         | (92,238)        | (64,656)       | (100,561)      | (49,206)       | (59,007)       | 31,420         | (        |
| before     | R\$ |                |                |                 |                |                |                |                |                |          |
| ax and     |     |                |                |                 |                |                |                |                |                |          |
| tion       | R\$ | <b>115,501</b> | <b>179,563</b> | <b>4,455</b>    | <b>299,519</b> | <b>48,433</b>  | <b>166,590</b> | <b>129,935</b> | <b>141,657</b> | <b>4</b> |
| ax and     |     |                |                |                 |                |                |                |                |                |          |
| ntribution | R\$ | (23,012)       | (40,280)       | (24,397)        | (87,689)       | (53,603)       | 26,935         | (15,111)       | (2,388)        |          |
| me (loss)  | R\$ | <b>92,489</b>  | <b>139,283</b> | <b>(19,942)</b> | <b>211,830</b> | <b>(5,170)</b> | <b>193,525</b> | <b>114,824</b> | <b>139,269</b> | <b>4</b> |

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|                                |            | Alunorte (Adjusted and Unaudited) |                  |                  |                  |                |                  |                  |                  |            |
|--------------------------------|------------|-----------------------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------|
|                                |            | 1Q                                | 2Q               | 3Q               | 4Q               | 2005<br>Total  | 1Q               | 2Q               | 3Q               | 4Q         |
| Quantity sold                  | MT         |                                   |                  |                  |                  |                |                  |                  |                  |            |
| Market                         | (thousand) | 395                               | 366              | 404              | 1,165            | 439            | 343              | 487              | 414              |            |
| Quantity sold                  | MT         |                                   |                  |                  |                  |                |                  |                  |                  |            |
| Market                         | (thousand) | 263                               | 249              | 271              | 783              | 231            | 212              | 216              | 218              |            |
| Quantity sold                  | MT         |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                | (thousand) | <b>658</b>                        | <b>615</b>       | <b>675</b>       | <b>1,948</b>     | <b>670</b>     | <b>555</b>       | <b>703</b>       | <b>632</b>       |            |
| External sales                 | US\$       |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                |            | 244.47                            | 249.98           | 239.25           | 244.39           | 204.29         | 234.99           | 225.85           | 230.49           |            |
| Internal sales                 | US\$       |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                |            | 231.66                            | 234.08           | 204.17           | 222.92           | 207.14         | 210.68           | 206.77           | 221.70           |            |
| <b>External sales total</b>    | US\$       | <b>239.35</b>                     | <b>241.38</b>    | <b>225.17</b>    | <b>235.76</b>    | <b>205.30</b>  | <b>225.71</b>    | <b>222.76</b>    | <b>227.46</b>    |            |
| Operating income, gross        | US\$       |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                |            | 463,697                           | 454,423          | 546,318          | 546,318          | 360,762        | 350,874          | 333,550          | 402,458          | 4          |
| Operating income, gross        | US\$       |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                |            | 33,143                            |                  | 33,652           | 33,652           | 90,004         | 64,135           | 57,680           | 9,155            |            |
| <b>Operating income, gross</b> | US\$       | <b>496,840</b>                    | <b>454,423</b>   | <b>579,970</b>   | <b>579,970</b>   | <b>450,766</b> | <b>415,009</b>   | <b>391,230</b>   | <b>411,613</b>   | <b>4</b>   |
| Operating income, net          | R\$        |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                |            | <b>1,727,554</b>                  | <b>2,042,051</b> | <b>2,096,408</b> | <b>2,096,408</b> | <b>970,319</b> | <b>1,243,699</b> | <b>1,432,074</b> | <b>1,636,985</b> | <b>1,6</b> |
| Operating income, net          | R\$        |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                |            | 406,704                           | 350,888          | 357,088          | 1,114,680        | 384,835        | 375,161          | 448,134          | 385,819          | 1,5        |
| Operating income, net          | R\$        | (237,859)                         | (235,776)        | (270,354)        | (743,989)        | (238,121)      | (207,398)        | (279,515)        | (230,991)        | (9         |
| Operating income, net          | R\$        |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                |            | (18,903)                          | (13,848)         | (1,403)          | (34,154)         | (12,070)       | (10,699)         | (11,736)         | (17,215)         | (          |
| Operating income, net          | R\$        |                                   |                  |                  |                  |                |                  |                  |                  |            |
|                                |            | 22,815                            | 22,170           | 20,885           | 65,870           | 19,004         | 19,878           | 21,712           | 22,736           |            |
| <b>Operating income, net</b>   | R\$        | <b>172,757</b>                    | <b>123,434</b>   | <b>106,216</b>   | <b>402,407</b>   | <b>153,648</b> | <b>176,942</b>   | <b>178,595</b>   | <b>160,349</b>   | <b>6</b>   |
| Operating income, net          | R\$        | (22,815)                          | (22,170)         | (20,885)         | (65,870)         | (19,004)       | (19,878)         | (21,712)         | (22,736)         | (          |
| Operating income, net          |            |                                   |                  |                  |                  |                |                  |                  |                  |            |

|                           |     |                |                |               |                |                |                |                |                |          |
|---------------------------|-----|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------|
| n                         |     |                |                |               |                |                |                |                |                |          |
| ncial                     | R\$ | <b>149,942</b> | <b>101,264</b> | <b>85,331</b> | <b>336,537</b> | <b>134,644</b> | <b>157,064</b> | <b>156,883</b> | <b>137,613</b> | <b>5</b> |
|                           | R\$ | (22,152)       | 138,235        | (7,289)       | 108,794        | (86,599)       | (80,399)       | 34,019         | (29,161)       | (1       |
| <b>before<br/>tax and</b> | R\$ |                |                |               |                |                |                |                |                |          |
| <b>ution</b>              |     | <b>127,790</b> | <b>239,499</b> | <b>78,042</b> | <b>445,331</b> | <b>48,045</b>  | <b>76,665</b>  | <b>190,902</b> | <b>108,452</b> | <b>4</b> |
| tax and<br>ontribution    | R\$ | (12,328)       | (40,093)       | (23,678)      | (76,099)       | (11,001)       | 51,642         | (2,530)        | (34,923)       |          |
| ome                       | R\$ | <b>115,462</b> | <b>199,406</b> | <b>54,364</b> | <b>369,232</b> | <b>37,044</b>  | <b>128,307</b> | <b>188,372</b> | <b>73,529</b>  | <b>4</b> |

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| <b>Information</b>                       |                  | <b>1Q</b>      | <b>2Q</b>      | <b>3Q 4Q</b>   | <b>2005<br/>Total</b> | <b>1Q</b>      | <b>2Q</b>      | <b>3Q</b>      | <b>4Q</b>      | <b>2005<br/>Total</b> |
|--|------------------|----------------|----------------|----------------|-----------------------|----------------|----------------|----------------|----------------|-----------------------|
| Quantity sold external market            | MT<br>(thousand) | 1,426          | 1,461          | 1,433          | 4,320                 | 1,106          | 1,157          | 1,699          | 1,715          | 5,677                 |
| Quantity sold external market            | MT<br>(thousand) | 2,431          | 2,972          | 3,165          | 8,568                 | 2,198          | 2,834          | 2,728          | 3,016          | 10,776                |
| <b>Quantity sold total</b>               | MT<br>(thousand) | <b>3,857</b>   | <b>4,433</b>   | <b>4,598</b>   | <b>12,888</b>         | <b>3,304</b>   | <b>3,991</b>   | <b>4,427</b>   | <b>4,731</b>   | <b>16,453</b>         |
| Average sales price external market      | US\$             | 26.01          | 26.61          | 27.23          | 26.62                 | 22.00          | 22.70          | 23.89          | 25.10          | 23.62                 |
| Average sales price internal market      | US\$             | 22.27          | 22.78          | 23.31          | 22.83                 | 18.84          | 19.43          | 20.45          | 21.49          | 20.11                 |
| <b>Average sales price total</b>         | US\$             | <b>24.14</b>   | <b>24.70</b>   | <b>25.27</b>   | <b>24.74</b>          | <b>19.90</b>   | <b>20.38</b>   | <b>21.77</b>   | <b>22.80</b>   | <b>21.33</b>          |
| Long-term debt, gross                    | US\$             | 26,209         | 17,235         | 7,149          | 7,149                 | 39,956         | 59,606         | 53,275         | 40,340         | 40,340                |
| Short-term debt, gross                   | US\$             | 189,191        | 237,756        | 215,871        | 215,871               | 191,833        | 171,208        | 148,665        | 150,263        | 150,263               |
| <b>Total debt, gross</b>                 | US\$             | <b>215,400</b> | <b>254,991</b> | <b>223,020</b> | <b>223,020</b>        | <b>231,789</b> | <b>230,814</b> | <b>201,940</b> | <b>190,603</b> | <b>190,603</b>        |
| Stockholders' equity                     | R\$              | <b>849,174</b> | <b>793,951</b> | <b>905,158</b> | <b>905,158</b>        | <b>776,584</b> | <b>728,781</b> | <b>879,701</b> | <b>870,021</b> | <b>870,021</b>        |
| Net operating revenues                   | R\$              | 224,543        | 239,597        | 260,248        | 724,388               | 178,101        | 241,884        | 261,556        | 265,335        | 946,874               |
| Cost of products                         | R\$              | (97,810)       | (117,745)      | (140,173)      | (355,728)             | (74,584)       | (97,803)       | (105,217)      | (116,379)      | (393,987)             |
| Other expenses/revenues                  | R\$              | (5,638)        | (6,678)        | (4,291)        | (16,607)              | (3,207)        | (2,356)        | (11,330)       | (8,467)        | (25,366)              |
| Depreciation, amortization and depletion | R\$              | 25,576         | 25,979         | 26,543         | 78,098                | 25,452         | 25,521         | 26,052         | 26,130         | 103,153               |
| <b>EBITDA</b>                            | R\$              | <b>146,671</b> | <b>141,153</b> | <b>142,327</b> | <b>430,151</b>        | <b>125,762</b> | <b>167,246</b> | <b>171,061</b> | <b>166,619</b> | <b>630,687</b>        |
| Depreciation, amortization and depletion | R\$              | (25,576)       | (25,979)       | (26,543)       | (78,098)              | (25,452)       | (25,521)       | (26,052)       | (26,130)       | (103,153)             |

pletion

|                    |     |                |                |                |                |                |                |                |                |               |
|--------------------|-----|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| <b>BIT</b>         | R\$ | <b>121,095</b> | <b>115,174</b> | <b>115,784</b> | <b>352,053</b> | <b>100,310</b> | <b>141,725</b> | <b>145,009</b> | <b>140,489</b> | <b>527,53</b> |
| et financial       | R\$ |                |                |                |                |                |                |                |                |               |
| ults               |     | (6,192)        | 20,883         | 8,654          | 23,345         | (5,823)        | (23,067)       | 18,484         | 7,515          | (2,89         |
| <b>ome before</b>  | R\$ |                |                |                |                |                |                |                |                |               |
| <b>ome tax and</b> |     |                |                |                |                |                |                |                |                |               |
| <b>cial</b>        |     |                |                |                |                |                |                |                |                |               |
| <b>tribution</b>   |     | <b>114,903</b> | <b>136,057</b> | <b>124,438</b> | <b>375,398</b> | <b>94,487</b>  | <b>118,658</b> | <b>163,493</b> | <b>148,004</b> | <b>524,64</b> |
| ome tax and        | R\$ |                |                |                |                |                |                |                |                |               |
| cial contribution  |     | (11,939)       | (12,277)       | (13,229)       | (37,445)       | (10,712)       | (12,030)       | (12,572)       | (12,949)       | (48,26        |
| <b>et income</b>   | R\$ | <b>102,964</b> | <b>123,780</b> | <b>111,209</b> | <b>337,953</b> | <b>83,775</b>  | <b>106,628</b> | <b>150,921</b> | <b>135,055</b> | <b>476,37</b> |

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|   |                          | <b>Aluminum Area Valesul (Adjusted and Unaudited)</b> |                 |                 |                 |                       |                 |                 |                 |                 |
|---|--------------------------|---|-----------------|-----------------|-----------------|-----------------------|-----------------|-----------------|-----------------|-----------------|
|   |                          | <b>1Q</b>   | <b>2Q</b>       | <b>3Q</b>       | <b>4Q</b>       | <b>2005<br/>Total</b> | <b>1Q</b>       | <b>2Q</b>       | <b>3Q</b>       | <b>4Q</b>       |
| <b>Information</b>                              |                          |   |                 |                 |                 |                       |                 |                 |                 |                 |
| Quantity sold<br>external market                | MT<br>(thousand)         | 12  | 12              | 8               | 32              | 15                    | 15              | 12              | 12              |                 |
| Quantity sold<br>external market                | MT<br>(thousand)         | 11  | 12              | 12              | 35              | 10                    | 10              | 12              | 12              |                 |
| <b>Quantity sold<br/>total</b>                  | <b>MT<br/>(thousand)</b> | <b>23</b>   | <b>24</b>       | <b>20</b>       | <b>67</b>       | <b>25</b>             | <b>25</b>       | <b>24</b>       | <b>24</b>       |                 |
| Average sales<br>external market                | US\$                     | 1,927.69  | 2,030.87        | 1,999.47        | 1,984.33        | 1,676.30              | 1,802.97        | 1,782.17        | 1,846.29        | 1,772.00        |
| Average sales<br>external market                | US\$                     | 2,578.41  | 2,674.31        | 2,565.35        | 2,606.81        | 2,240.26              | 2,214.30        | 2,330.97        | 2,435.48        | 2,312.00        |
| <b>Average sales<br/>external market total</b>  | <b>US\$</b>              | <b>2,494.08</b>                                       | <b>2,216.68</b> | <b>2,339.00</b> | <b>2,348.42</b> | <b>1,903.80</b>       | <b>1,969.71</b> | <b>2,063.19</b> | <b>2,137.55</b> | <b>2,016.00</b> |
| Long-term<br>debt, gross                        | US\$                     | 287   | 234             | 156             | 156             | 603                   | 475             | 434             | 378             | 300             |
| Short-term<br>debt, gross                       | US\$                     | 437   | 456             | 461             | 461             | 748                   | 503             | 590             | 490             | 400             |
| <b>Total<br/>debt, gross</b>                    | <b>US\$</b>              | <b>724</b>  | <b>690</b>      | <b>617</b>      | <b>617</b>      | <b>1,351</b>          | <b>978</b>      | <b>1,024</b>    | <b>868</b>      | <b>700</b>      |
| <b>Equity<br/>holders</b>                       | <b>R\$</b>               | <b>286,773</b>  | <b>273,861</b>  | <b>266,092</b>  | <b>266,092</b>  | <b>272,773</b>        | <b>253,713</b>  | <b>273,304</b>  | <b>272,988</b>  | <b>272,988</b>  |
| Operating<br>revenues                           | R\$                      | 127,649   | 125,658         | 106,749         | 360,056         | 127,513               | 146,194         | 135,217         | 132,245         | 541,100         |
| Cost of products<br>per<br>tonnes/revenues      | R\$<br>R\$               | (110,835)   | (115,305)       | (107,597)       | (333,737)       | (101,823)             | (112,509)       | (111,915)       | (103,767)       | (430,000)       |
| Depreciation,<br>amortization and<br>impairment | R\$                      | 260   | 2,958           | (3,078)         | 140             | (3,473)               | (7,424)         | 1,013           | (5,709)         | (15,500)        |
| <b>EBITDA</b>                                   | <b>R\$</b>               | <b>20,696</b>   | <b>16,984</b>   | <b>(529)</b>    | <b>37,151</b>   | <b>26,140</b>         | <b>30,419</b>   | <b>28,129</b>   | <b>26,425</b>   | <b>111,100</b>  |
| Depreciation,<br>amortization and<br>impairment | R\$                      | (3,622)   | (3,673)         | (3,397)         | (10,692)        | (3,923)               | (4,158)         | (3,814)         | (3,656)         | (15,500)        |

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|                 |     |               |               |                |               |               |               |               |               |              |
|-----------------|-----|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|--------------|
| IT              | R\$ | <b>17,074</b> | <b>13,311</b> | <b>(3,926)</b> | <b>26,459</b> | <b>22,217</b> | <b>26,261</b> | <b>24,315</b> | <b>22,769</b> | <b>95,5</b>  |
| financial       | R\$ |               |               |                |               |               |               |               |               |              |
| ults            |     | 3,269         | (1,886)       | 427            | 1,810         | 866           | 1,149         | 1,575         | 1,335         | 4,9          |
| ome before      | R\$ |               |               |                |               |               |               |               |               |              |
| ome tax and     |     |               |               |                |               |               |               |               |               |              |
| ial             |     |               |               |                |               |               |               |               |               |              |
| tribution       |     | <b>20,343</b> | <b>11,425</b> | <b>(3,499)</b> | <b>28,269</b> | <b>23,083</b> | <b>27,410</b> | <b>25,890</b> | <b>24,104</b> | <b>100,4</b> |
| ome tax and     | R\$ |               |               |                |               |               |               |               |               |              |
| al contribution |     | (6,558)       | (5,638)       | (4,268)        | (16,464)      | (5,659)       | (6,472)       | (6,299)       | (6,465)       | (24,8        |
| income          | R\$ | <b>13,785</b> | <b>5,787</b>  | <b>(7,767)</b> | <b>11,805</b> | <b>17,424</b> | <b>20,938</b> | <b>19,591</b> | <b>17,639</b> | <b>75,5</b>  |

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

| <b>Information</b>                                      |                  | <b>1Q</b>      | <b>2Q</b>      | <b>3Q 4Q</b>   | <b>2005<br/>Total</b> | <b>1Q</b>     | <b>2Q</b>      | <b>3Q</b>      | <b>4Q</b>      | <b>2004<br/>Total</b> |
|---|------------------|----------------|----------------|----------------|-----------------------|---------------|----------------|----------------|----------------|-----------------------|
| Quantity sold external market                           | MT<br>(thousand) | 500            | 459            | 320            | 1,279                 | 425           | 99             | 246            | 442            | 1,212                 |
| Quantity sold internal market                           | MT<br>(thousand) | 620            | 550            | 730            | 1,900                 | 460           | 790            | 795            | 675            | 2,720                 |
| <b>Quantity sold total</b>                              | MT<br>(thousand) | <b>1,120</b>   | <b>1,009</b>   | <b>1,050</b>   | <b>3,179</b>          | <b>885</b>    | <b>889</b>     | <b>1,041</b>   | <b>1,117</b>   | <b>3,932</b>          |
| Average sales price external market                     | US\$             | 38.46          | 69.35          | 72.19          | 57.98                 | 32.48         | 57.40          | 38.57          | 39.18          | 38.20                 |
| Average sales price internal market                     | US\$             | 38.43          | 50.85          | 74.00          | 55.69                 | 31.18         | 42.37          | 37.67          | 38.62          | 38.17                 |
| <b>Average sales price total</b>                        | US\$             | <b>38.45</b>   | <b>59.27</b>   | <b>73.45</b>   | <b>56.62</b>          | <b>31.83</b>  | <b>44.04</b>   | <b>37.88</b>   | <b>38.84</b>   | <b>38.18</b>          |
| <b>Stockholders equity</b>                              | R\$              | <b>125,019</b> | <b>189,084</b> | <b>146,572</b> | <b>146,572</b>        | <b>94,698</b> | <b>113,301</b> | <b>119,917</b> | <b>114,501</b> | <b>114,501</b>        |
| Net operating revenues                                  | R\$              | 114,014        | 264,887        | 177,846        | 556,747               | 81,893        | 121,437        | 118,855        | 120,498        | 442,683               |
| Cost of products  | R\$              | (93,145)       | (151,833)      | (120,690)      | (365,668)             | (81,144)      | (96,794)       | (96,161)       | (91,135)       | (365,234)             |
| Other expenses/income                                   | R\$              | (4,136)        | (2,239)        | (2,100)        | (8,475)               | 3,291         | 5,921          | (3,873)        | (7,115)        | (1,776)               |
| Depreciation, amortization and depletion                | R\$              | 1,091          | 1,123          | 651            | 2,865                 | 2,525         | 1,102          | 1,092          | 1,091          | 5,810                 |
| <b>EBITDA</b>   | R\$              | <b>17,824</b>  | <b>111,938</b> | <b>55,707</b>  | <b>185,469</b>        | <b>6,565</b>  | <b>31,666</b>  | <b>19,913</b>  | <b>23,339</b>  | <b>81,483</b>         |
| Depreciation, amortization and depletion                | R\$              | (1,091)        | (1,123)        | (651)          | (2,865)               | (2,525)       | (1,102)        | (1,092)        | (1,091)        | (5,810)               |
| <b>EBIT</b>   | R\$              | <b>16,733</b>  | <b>110,815</b> | <b>55,056</b>  | <b>182,604</b>        | <b>4,040</b>  | <b>30,564</b>  | <b>18,821</b>  | <b>22,248</b>  | <b>75,673</b>         |
| Net financial results                                   | R\$              | 394            | (9,301)        | (2,497)        | (11,404)              | (593)         | 1,253          | (5,175)        | (2,571)        | (7,086)               |
| <b>Income before income tax and social contribution</b> | R\$              | <b>17,127</b>  | <b>101,514</b> | <b>52,559</b>  | <b>171,200</b>        | <b>3,447</b>  | <b>31,817</b>  | <b>13,646</b>  | <b>19,677</b>  | <b>68,587</b>         |

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|  |            |               |               |               |                |              |               |              |               |               |
|--|------------|---------------|---------------|---------------|----------------|--------------|---------------|--------------|---------------|---------------|
| Income tax and<br>social<br>contribution | R\$        | (6,607)       | (34,818)      | (17,871)      | (59,296)       | (1,434)      | (10,988)      | (4,857)      | (7,656)       | (24,935)      |
| <b>Net income</b>                        | <b>R\$</b> | <b>10,520</b> | <b>66,696</b> | <b>34,688</b> | <b>111,904</b> | <b>2,013</b> | <b>20,829</b> | <b>8,789</b> | <b>12,021</b> | <b>43,652</b> |

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**Table of Contents****Pellets Area Itabrasco (Adjusted and Unaudited)**

| <b>Information</b>   |                  | <b>1Q</b>     | <b>2Q</b>      | <b>3Q 4Q</b>   | <b>2005<br/>Total</b> | <b>1Q</b>     | <b>2Q</b>     | <b>3Q</b>     | <b>4Q</b>     | <b>2005<br/>Total</b> |
|--|------------------|---------------|----------------|----------------|-----------------------|---------------|---------------|---------------|---------------|-----------------------|
| Quantity sold external market                              | MT<br>(thousand) | 769           | 730            | 670            | 2,169                 | 762           | 903           | 486           | 674           | 2,825                 |
| Quantity sold external market                              | MT<br>(thousand) | 176           | 230            | 340            | 746                   |               | 105           | 260           | 407           | 748                   |
| <b>Quantity sold total</b>                                 | MT<br>(thousand) | <b>945</b>    | <b>960</b>     | <b>1,010</b>   | <b>2,915</b>          | <b>762</b>    | <b>1,008</b>  | <b>746</b>    | <b>1,081</b>  | <b>3,573</b>          |
| Average sales price external market                        | US\$             | 39.14         | 71.97          | 73.16          | 60.70                 | 32.84         | 43.39         | 39.02         | 39.15         | 38.78                 |
| Average sales price internal market                        | US\$             | 39.40         | 73.27          | 73.78          | 65.51                 |               | 38.29         | 39.33         | 39.28         | 39.10                 |
| <b>Average sales price total</b>                           | US\$             | <b>39.18</b>  | <b>72.29</b>   | <b>73.37</b>   | <b>61.93</b>          | <b>32.84</b>  | <b>42.86</b>  | <b>39.13</b>  | <b>39.20</b>  | <b>38.86</b>          |
| Short-term indebtedness, gross                             | US\$             | 3,980         | 8,658          |                |                       | 557           | 7,931         | 567           |               |                       |
| <b>Total indebtedness, gross</b>                           | US\$             | <b>3,980</b>  | <b>8,658</b>   |                |                       | <b>557</b>    | <b>7,931</b>  | <b>567</b>    |               |                       |
| Stockholders equity  | R\$              | <b>93,593</b> | <b>157,459</b> | <b>133,036</b> | <b>133,036</b>        | <b>65,673</b> | <b>79,100</b> | <b>83,819</b> | <b>89,407</b> | <b>89,407</b>         |
| Net operating revenues                                     | R\$              | 98,767        | 246,386        | 172,146        | 517,299               | 72,293        | 132,327       | 86,404        | 117,273       | 408,297               |
| Cost of products other                                     | R\$              | (83,745)      | (144,813)      | (122,945)      | (351,503)             | (70,203)      | (110,634)     | (71,500)      | (101,464)     | (353,805)             |
| Expenses/revenues depreciation, amortization and depletion | R\$              | (5,513)       | (3,487)        | (6,640)        | (15,640)              | (283)         | 3,538         | (4,404)       | (7,332)       | (8,481)               |
| <b>BITDA</b>   | R\$              | <b>9,616</b>  | <b>98,397</b>  | <b>44,064</b>  | <b>152,077</b>        | <b>2,305</b>  | <b>25,853</b> | <b>11,097</b> | <b>8,968</b>  | <b>48,222</b>         |
| Depreciation, amortization and depletion                   | R\$              | (107)         | (311)          | (1,503)        | (1,921)               | (498)         | (622)         | (597)         | (491)         | (2,209)               |
| <b>BIT</b>   | R\$              | <b>9,509</b>  | <b>98,086</b>  | <b>42,561</b>  | <b>150,156</b>        | <b>1,807</b>  | <b>25,231</b> | <b>10,500</b> | <b>8,477</b>  | <b>46,013</b>         |

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|                     |     |              |               |               |                |              |               |              |              |               |
|---------------------|-----|--------------|---------------|---------------|----------------|--------------|---------------|--------------|--------------|---------------|
| result of equity    | R\$ |              |               |               |                |              |               |              |              |               |
| investments         |     |              | 129           | 129           |                |              |               | 170          | 170          |               |
| net financial       | R\$ |              |               |               |                |              |               |              |              |               |
| results             |     | (1,446)      | (909)         | (6,195)       | (8,550)        | (14)         | (1,015)       | (1,805)      | 1,258        | (1,570)       |
| Income before       | R\$ |              |               |               |                |              |               |              |              |               |
| income tax and      |     |              |               |               |                |              |               |              |              |               |
| social              |     |              |               |               |                |              |               |              |              |               |
| contribution        |     | <b>8,063</b> | <b>97,177</b> | <b>36,495</b> | <b>141,735</b> | <b>1,793</b> | <b>24,216</b> | <b>8,695</b> | <b>9,905</b> | <b>44,609</b> |
| income tax and      | R\$ |              |               |               |                |              |               |              |              |               |
| social contribution |     | (3,879)      | (33,311)      | (15,121)      | (52,311)       | (679)        | (8,767)       | (3,976)      | (4,317)      | (17,739)      |
| net income          | R\$ | <b>4,184</b> | <b>63,866</b> | <b>21,374</b> | <b>89,424</b>  | <b>1,114</b> | <b>15,449</b> | <b>4,719</b> | <b>5,588</b> | <b>26,870</b> |

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

| <b>Information</b>                       |                  | <b>1Q</b>     | <b>2Q</b>      | <b>3Q 4Q</b>   | <b>2005<br/>Total</b> | <b>1Q</b>     | <b>2Q</b>     | <b>3Q</b>     | <b>4Q</b>     | <b>2005<br/>Total</b> |
|--|------------------|---------------|----------------|----------------|-----------------------|---------------|---------------|---------------|---------------|-----------------------|
| Quantity sold external market            | MT<br>(thousand) | 597           | 980            | 782            | 2,359                 | 617           | 437           | 852           | 549           | 2,455                 |
| Quantity sold external market            | MT<br>(thousand) | 662           | 329            | 400            | 1,391                 | 623           | 460           | 320           | 544           | 1,947                 |
| <b>Quantity sold total</b>               | MT<br>(thousand) | <b>1,259</b>  | <b>1,309</b>   | <b>1,182</b>   | <b>3,750</b>          | <b>1,240</b>  | <b>897</b>    | <b>1,172</b>  | <b>1,093</b>  | <b>4,410</b>          |
| Average sales price external market      | US\$             | 38.08         | 71.48          | 75.54          | 64.37                 | 34.27         | 38.04         | 37.94         | 38.20         | 37.00                 |
| Average sales price internal market      | US\$             | 39.32         | 73.80          | 71.98          | 56.87                 | 33.26         | 39.59         | 38.96         | 39.36         | 37.40                 |
| <b>Average sales price total</b>         | US\$             | <b>38.73</b>  | <b>72.26</b>   | <b>74.34</b>   | <b>61.66</b>          | <b>33.76</b>  | <b>38.84</b>  | <b>38.22</b>  | <b>38.77</b>  | <b>37.20</b>          |
| Long-term indebtedness, gross            | US\$             | 87,228        | 69,632         | 49,241         | 49,241                | 96,512        | 92,206        | 87,344        | 83,166        | 83,166                |
| <b>Total indebtedness, gross</b>         | US\$             | <b>87,228</b> | <b>69,632</b>  | <b>49,241</b>  | <b>49,241</b>         | <b>96,512</b> | <b>92,206</b> | <b>87,344</b> | <b>83,166</b> | <b>83,166</b>         |
| Stockholders equity                      | R\$              | <b>77,945</b> | <b>144,269</b> | <b>163,601</b> | <b>163,601</b>        | <b>14,633</b> | <b>15,341</b> | <b>44,033</b> | <b>67,268</b> | <b>67,268</b>         |
| Net operating revenues                   | R\$              | 130,246       | 230,800        | 207,744        | 568,790               | 121,982       | 105,641       | 135,138       | 118,048       | 480,809               |
| Cost of products                         | R\$              | (97,776)      | (152,162)      | (143,075)      | (393,013)             | (106,312)     | (92,233)      | (107,020)     | (95,834)      | (401,397)             |
| Other expenses/revenues                  | R\$              | (9,421)       | (12)           | (27,215)       | (36,648)              | 2,210         | 8,290         | (4,827)       | (3,141)       | 2,535                 |
| Depreciation, amortization and depletion | R\$              | 2,286         | 2,309          | 2,428          | 7,023                 | 2,269         | 2,279         | 2,286         | 2,286         | 9,121                 |
| <b>BITDA</b>                             | R\$              | <b>25,335</b> | <b>80,935</b>  | <b>39,882</b>  | <b>146,152</b>        | <b>20,149</b> | <b>23,977</b> | <b>25,577</b> | <b>21,359</b> | <b>91,065</b>         |
| Depreciation, amortization and depletion | R\$              | (2,286)       | (2,309)        | (2,428)        | (7,023)               | (2,269)       | (2,279)       | (2,286)       | (2,286)       | (9,121)               |

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|                       |     |               |                |               |                |               |               |               |               |              |
|-----------------------|-----|---------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|--------------|
| <b>EBIT</b>           | R\$ | <b>23,049</b> | <b>78,626</b>  | <b>37,454</b> | <b>139,129</b> | <b>17,880</b> | <b>21,698</b> | <b>23,291</b> | <b>19,073</b> | <b>81,94</b> |
| Net financial         | R\$ |               |                |               |                |               |               |               |               |              |
| results               |     | (3,412)       | 22,858         | 3,739         | 23,185         | (3,769)       | (20,954)      | 21,078        | 16,936        | 13,29        |
| <b>Income before</b>  | R\$ |               |                |               |                |               |               |               |               |              |
| <b>income tax and</b> |     |               |                |               |                |               |               |               |               |              |
| <b>social</b>         |     |               |                |               |                |               |               |               |               |              |
| <b>contribution</b>   |     | <b>19,637</b> | <b>101,484</b> | <b>41,193</b> | <b>162,314</b> | <b>14,111</b> | <b>744</b>    | <b>44,369</b> | <b>36,009</b> | <b>95,23</b> |
| Income tax and        | R\$ |               |                |               |                |               |               |               |               |              |
| social contribution   |     | (8,962)       | (35,160)       | (21,859)      | (65,981)       | (5,555)       | (36)          | (15,678)      | (12,772)      | (34,04       |
| <b>Net income</b>     | R\$ | <b>10,675</b> | <b>66,324</b>  | <b>19,334</b> | <b>96,333</b>  | <b>8,556</b>  | <b>708</b>    | <b>28,691</b> | <b>23,237</b> | <b>61,19</b> |

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

| <b>Information</b>                              |                          | <b>1Q</b>            | <b>2Q</b>            | <b>3Q</b>             | <b>4Q</b> | <b>2005<br/>Total</b> | <b>1Q</b>          | <b>2Q</b>           | <b>3Q</b>            | <b>4Q</b>             | <b>2005<br/>Total</b> |
|---|--------------------------|----------------------|----------------------|-----------------------|-----------|-----------------------|--------------------|---------------------|----------------------|-----------------------|-----------------------|
|   |                          |                      |                      |                       |           |                       |                    |                     |                      |                       |                       |
| Quantity sold<br>external market                | MT<br>(thousand)         | 675                  | 627                  | 827                   |           | 2,129                 | 563                | 803                 | 776                  | 833                   | 2,975                 |
| Quantity sold<br>external market<br>RD          | MT<br>(thousand)         | 996                  | 1,149                | 1,000                 |           | 3,145                 | 1,327              | 903                 | 899                  | 779                   | 3,908                 |
| Quantity sold<br>external market<br>others      | MT<br>(thousand)         | 35                   | 34                   | 35                    |           | 104                   | 33                 | 33                  | 31                   | 30                    | 131                   |
| <b>Quantity sold<br/>total</b>                  | <b>MT<br/>(thousand)</b> | <b>1,706</b>         | <b>1,810</b>         | <b>1,827</b>          |           | <b>5,378</b>          | <b>1,923</b>       | <b>1,739</b>        | <b>1,706</b>         | <b>1,642</b>          | <b>7,044</b>          |
| Average sales<br>price external<br>market       | US\$                     | 37.13                | 64.94                | 86.42                 |           | 64.47                 | 31.45              | 34.49               | 40.37                | 36.40                 | 35.50                 |
| Average sales<br>price internal<br>market       | US\$                     | 37.77                | 68.70                | 106.16                |           | 70.82                 | 31.51              | 35.96               | 37.51                | 37.40                 | 35.50                 |
| <b>Average sales<br/>price total</b>            | <b>US\$</b>              | <b>37.51</b>         | <b>67.39</b>         | <b>97.22</b>          |           | <b>66.94</b>          | <b>31.49</b>       | <b>33.23</b>        | <b>38.84</b>         | <b>36.90</b>          | <b>34.90</b>          |
| Long-term<br>debt, gross                        | US\$                     | 3,584                | 4,067                | 4,301                 |           | 4,301                 |                    |                     | 3,343                | 3,614                 | 3,614                 |
| Short-term<br>debt, gross                       | US\$                     |                      |                      |                       |           |                       | 1,200              |                     |                      |                       |                       |
| <b>Total<br/>debt, gross</b>                    | <b>US\$</b>              | <b>3,584</b>         | <b>4,067</b>         | <b>4,301</b>          |           | <b>4,301</b>          | <b>1,200</b>       |                     | <b>3,343</b>         | <b>3,614</b>          | <b>3,614</b>          |
| Shareholders<br>equity                          | R\$                      | 174,274              | 154,264              | 203,949               |           | 203,949               | 115,823            | 128,711             | 143,243              | 161,421               | 161,421               |
| Operating<br>revenues                           | R\$                      | 185,388              | 326,254              | 312,775               |           | 824,417               | 188,081            | 201,815             | 216,426              | 186,261               | 792,583               |
| Cost of products<br>per<br>tonnes/revenues      | R\$<br>R\$               | (156,223)<br>(4,148) | (237,686)<br>(4,460) | (209,878)<br>(16,738) |           | (603,787)<br>(25,346) | (170,722)<br>7,031 | (172,775)<br>12,290 | (183,788)<br>(5,527) | (142,879)<br>(21,831) | (670,111)<br>(8,000)  |
| Depreciation,<br>amortization and<br>impairment | R\$                      | 1,400                | 1,766                | 1,998                 |           | 5,164                 | 2,490              | 2,250               | 1,419                | 1,417                 | 7,530                 |

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|                      |     |               |               |               |                |               |               |               |               |              |
|----------------------|-----|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|--------------|
| <b>TTDA</b>          | R\$ | <b>26,417</b> | <b>85,874</b> | <b>88,157</b> | <b>200,448</b> | <b>26,880</b> | <b>43,580</b> | <b>28,530</b> | <b>22,968</b> | <b>121,9</b> |
| preciation,          | R\$ |               |               |               |                |               |               |               |               |              |
| ortization and       |     |               |               |               |                |               |               |               |               |              |
| etion                |     | (1,400)       | (1,766)       | (1,998)       | (5,164)        | (2,490)       | (2,250)       | (1,419)       | (1,417)       | (7,5         |
| <b>TT</b>            | R\$ | <b>25,017</b> | <b>84,108</b> | <b>86,159</b> | <b>195,284</b> | <b>24,390</b> | <b>41,330</b> | <b>27,111</b> | <b>21,551</b> | <b>114,3</b> |
| financial            | R\$ |               |               |               |                |               |               |               |               |              |
| ults                 |     | (1,193)       | (2,808)       | (7,656)       | (11,657)       | (380)         | (85)          | (3,512)       | 7,794         | 3,8          |
| <b>ome</b>           | R\$ |               |               |               |                |               |               |               |               |              |
| <b>s) before</b>     |     |               |               |               |                |               |               |               |               |              |
| <b>ome tax and</b>   |     |               |               |               |                |               |               |               |               |              |
| <b>al</b>            |     |               |               |               |                |               |               |               |               |              |
| <b>tribution</b>     |     | <b>23,824</b> | <b>81,300</b> | <b>78,503</b> | <b>183,627</b> | <b>24,010</b> | <b>41,245</b> | <b>23,599</b> | <b>29,345</b> | <b>118,1</b> |
| ome tax and          | R\$ |               |               |               |                |               |               |               |               |              |
| al contribution      |     | (10,969)      | (28,068)      | (28,818)      | (67,855)       | (9,318)       | (12,803)      | (9,067)       | (11,167)      | (42,3        |
| <b>income (loss)</b> | R\$ | <b>12,855</b> | <b>53,232</b> | <b>49,685</b> | <b>115,772</b> | <b>14,692</b> | <b>28,442</b> | <b>14,532</b> | <b>18,178</b> | <b>75,8</b>  |

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

| Information  |                  | 2005           |                |                |                  | 2006           |                |                |                | 2007           |
|--|------------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|
|  |                  | 1Q             | 2Q             | 3Q             | 4Q               | Total          | 1Q             | 2Q             | 3Q             | 4Q             |
| Quantity sold<br>pellets                                   | MT<br>(thousand) | 3,297          | 3,024          | 3,666          | 9,987            | 3,462          | 3,177          | 3,264          | 3,918          | 13,821         |
| Quantity sold<br>in ore                                    | MT<br>(thousand) | 239            | 431            | 407            | 1,077            | 497            | 471            | 688            | 367            | 2,023          |
| Average sales<br>price pellets                             | US\$             | 43.88          | 76.50          | 80.98          | 67.38            | 39.31          | 39.11          | 38.89          | 40.62          | 39.50          |
| Average sales<br>price iron ore                            | US\$             | 31.04          | 32.18          | 38.68          | 34.38            | 16.88          | 19.66          | 21.78          | 21.28          | 19.90          |
| Long-term<br>debt, less<br>cash                            | US\$             | 51,856         | 42,249         | 41,753         | 41,753           | 21,400         | 46,067         | 42,067         | 58,300         | 58,300         |
| Short-term<br>debt, less<br>cash                           | US\$             | 156,449        | 139,796        | 155,508        | 155,508          | 173,753        | 152,845        | 139,007        | 140,503        | 140,503        |
| <b>Total<br/>debt, less<br/>cash</b>                       | US\$             | <b>208,305</b> | <b>182,045</b> | <b>197,261</b> | <b>197,261</b>   | <b>195,153</b> | <b>198,912</b> | <b>181,074</b> | <b>198,803</b> | <b>198,803</b> |
| Stockholders<br>equity                                     | R\$              | 766,718        | 934,777        | 960,278        | 960,278          | 625,633        | 557,528        | 661,925        | 569,025        | 569,025        |
| Net operating<br>revenues                                  | R\$              | 410,681        | 611,776        | 696,682        | 1,719,139        | 372,919        | 404,208        | 423,799        | 479,900        | 1,680,826      |
| Cost of<br>products<br>other                               | R\$              | (167,808)      | (175,655)      | (209,161)      | (552,624)        | (165,160)      | (154,345)      | (172,591)      | (217,391)      | (709,481)      |
| Expenses<br>depreciation,<br>amortization<br>and depletion | R\$              | (27,954)       | (74,243)       | (18,806)       | (121,003)        | (30,828)       | (45,910)       | (42,137)       | (54,813)       | (173,687)      |
| <b>EBITDA (*)</b>  | R\$              | <b>226,345</b> | <b>373,604</b> | <b>483,713</b> | <b>1,083,662</b> | <b>188,304</b> | <b>215,697</b> | <b>221,815</b> | <b>219,704</b> | <b>845,528</b> |
| Depreciation,<br>amortization<br>and depletion             | R\$              | (11,426)       | (11,726)       | (14,998)       | (38,150)         | (11,373)       | (11,744)       | (12,744)       | (12,008)       | (47,869)       |
| <b>EBIT</b>  | R\$              | <b>214,919</b> | <b>361,878</b> | <b>468,715</b> | <b>1,045,512</b> | <b>176,931</b> | <b>203,953</b> | <b>209,071</b> | <b>207,696</b> | <b>797,659</b> |
| Result of<br>operations                                    | R\$              | 6,705          | 8,521          | 10,455         | 25,681           | 11,109         | (4,762)        | 19,788         | (785)          | 25,356         |

|                |     |                |                |                |                  |                |                |                |                |               |
|----------------|-----|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|---------------|
| Investments    |     |                |                |                |                  |                |                |                |                |               |
| Net financial  | R\$ |                |                |                |                  |                |                |                |                |               |
| results        |     | 13,204         | 694            | (45,714)       | (31,816)         | (4,618)        | (53,845)       | 41,281         | 2,441          | (14,74)       |
| Income         | R\$ |                |                |                |                  |                |                |                |                |               |
| before income  |     |                |                |                |                  |                |                |                |                |               |
| tax and social |     |                |                |                |                  |                |                |                |                |               |
| contribution   |     | <b>234,828</b> | <b>371,093</b> | <b>433,456</b> | <b>1,039,377</b> | <b>183,422</b> | <b>145,346</b> | <b>270,140</b> | <b>209,352</b> | <b>808,26</b> |
| Income tax     | R\$ |                |                |                |                  |                |                |                |                |               |
| and social     |     |                |                |                |                  |                |                |                |                |               |
| contribution   |     | (37,135)       | (60,045)       | (74,580)       | (171,760)        | (31,058)       | (18,267)       | (58,247)       | (396)          | (107,96)      |
| Net income     | R\$ | <b>197,693</b> | <b>311,048</b> | <b>358,876</b> | <b>867,617</b>   | <b>152,364</b> | <b>127,079</b> | <b>211,893</b> | <b>208,956</b> | <b>700,29</b> |

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

| <b>Information</b>                             |                   |                |                |                |                |                       |                |                |                |                |
|--|-------------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|----------------|----------------|
|  |                   | <b>1Q</b>      | <b>2Q</b>      | <b>3Q</b>      | <b>4Q</b>      | <b>2005<br/>Total</b> | <b>1Q</b>      | <b>2Q</b>      | <b>3Q</b>      | <b>4Q</b>      |
| Quantity sold<br>external<br>market            | MT<br>(thousands) | 710            | 1,058          | 893            | 2,661          | 906                   | 683            | 1,003          | 1,092          | 3,688          |
| Average sales<br>price external<br>market      | US\$              | 88.06          | 118.15         | 109.34         | 107.16         | 52.68                 | 58.27          | 55.78          | 54.82          | 55.11          |
| Long-term<br>indebtedness,<br>gross            | US\$              | 10,000         | 10,000         | 5,000          | 5,000          | 20,000                | 20,000         | 25,000         | 25,000         | 25,000         |
| <b>Total<br/>indebtedness,<br/>gross</b>       | US\$              | <b>10,000</b>  | <b>10,000</b>  | <b>5,000</b>   | <b>5,000</b>   | <b>20,000</b>         | <b>20,000</b>  | <b>25,000</b>  | <b>25,000</b>  | <b>25,000</b>  |
| <b>Stockholders<br/>equity</b>                 | R\$               | <b>302,732</b> | <b>327,589</b> | <b>282,490</b> | <b>282,490</b> | <b>221,358</b>        | <b>239,629</b> | <b>245,145</b> | <b>239,453</b> | <b>239,453</b> |
| Net operating<br>revenues                      | R\$               | 166,812        | 320,533        | 220,089        | 707,434        | 138,158               | 121,300        | 166,624        | 185,011        | 611,092        |
| Cost of<br>products<br>other                   | R\$               | (101,650)      | (155,898)      | (132,620)      | (390,168)      | (103,595)             | (101,937)      | (131,123)      | (137,183)      | (473,833)      |
| Other<br>expenses                              | R\$               | (3,251)        | (46,137)       | (23,004)       | (72,392)       | (11,268)              | (9,109)        | (9,802)        | (16,058)       | (46,231)       |
| Depreciation,<br>amortization<br>and depletion | R\$               | 1,756          | 1,681          | 1,627          | 5,064          | 1,893                 | 2,008          | 1,992          | 1,870          | 7,766          |
| <b>EBITDA</b>                                  | R\$               | <b>63,667</b>  | <b>120,179</b> | <b>66,092</b>  | <b>249,938</b> | <b>25,188</b>         | <b>12,262</b>  | <b>27,691</b>  | <b>33,640</b>  | <b>98,788</b>  |
| Depreciation,<br>amortization<br>and depletion | R\$               | (1,756)        | (1,681)        | (1,627)        | (5,064)        | (1,893)               | (2,008)        | (1,992)        | (1,870)        | (7,766)        |
| <b>EBIT</b>                                    | R\$               | <b>61,911</b>  | <b>118,498</b> | <b>64,465</b>  | <b>244,874</b> | <b>23,295</b>         | <b>10,254</b>  | <b>25,699</b>  | <b>31,770</b>  | <b>91,022</b>  |
| Gain/loss in<br>translation of<br>currency     | R\$               | (69)           | (15,559)       | 3,260          | (12,368)       | 110                   | 1,779          | (3,817)        | (5,515)        | (7,440)        |
| Net financial<br>results                       | R\$               | 398            | 96             | (15,112)       | (14,618)       | (229)                 | (463)          | 42             | 103            | (544)          |
| <b>Net income</b>                              | R\$               | <b>62,240</b>  | <b>103,035</b> | <b>52,613</b>  | <b>217,888</b> | <b>23,176</b>         | <b>11,570</b>  | <b>21,924</b>  | <b>26,358</b>  | <b>83,022</b>  |



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|   |               | <b>Manganese and Ferrolloys Area RDM (Adjusted and Unaudited)</b> |                 |               |               |                       |                 |                 |                 |                 |
|---|---------------|---|-----------------|---------------|---------------|-----------------------|-----------------|-----------------|-----------------|-----------------|
|   |               | <b>1Q</b>   | <b>2Q</b>       | <b>3Q</b>     | <b>4Q</b>     | <b>2005<br/>Total</b> | <b>1Q</b>       | <b>2Q</b>       | <b>3Q</b>       | <b>4Q</b>       |
| Quantity sold<br>external market<br>ferroalloys | MT (thousand) | 34  | 57              | 50            | 141           | 37                    | 31              | 39              | 38              | 7               |
| Quantity sold<br>external market<br>ferroalloys | MT (thousand) | 36  | 41              | 33            | 110           | 45                    | 47              | 40              | 42              | 1               |
| <b>Quantity sold</b>                            | MT (thousand) | <b>70</b>   | <b>98</b>       | <b>83</b>     | <b>251</b>    | <b>82</b>             | <b>78</b>       | <b>79</b>       | <b>80</b>       | <b>8</b>        |
| Quantity sold<br>external market<br>manganese   | MT (thousand) | 355   | 312             | 419           | 1,086         | 213                   | 350             | 465             | 421             | 1               |
| Quantity sold<br>external market<br>manganese   | MT (thousand) | 69  | 68              | 76            | 213           | 72                    | 72              | 61              | 78              | 1               |
| <b>Quantity sold</b>                            | MT (thousand) | <b>424</b>  | <b>380</b>      | <b>495</b>    | <b>1,299</b>  | <b>285</b>            | <b>422</b>      | <b>526</b>      | <b>499</b>      | <b>2</b>        |
| Volume sales<br>external<br>at ferroalloys      | US\$          | 1,477.75  | 799.63          | 599.86        | 892.31        | 713.01                | 1,006.84        | 1,151.05        | 1,229.41        | 1,020.10        |
| Volume sales<br>internal<br>at ferroalloys      | US\$          | 1,010.90  | 1,385.38        | 717.24        | 1,062.38      | 700.76                | 1,038.88        | 1,484.10        | 1,496.32        | 1,100.10        |
| <b>Volume sales<br/>total</b>                   | US\$          | <b>1,237.52</b>   | <b>1,049.97</b> | <b>646.53</b> | <b>966.84</b> | <b>706.34</b>         | <b>1,026.72</b> | <b>1,316.89</b> | <b>1,366.98</b> | <b>1,100.10</b> |
| Volume sales<br>external<br>at manganese        | US\$          | 71.67   | 79.40           | 78.23         | 76.42         | 44.98                 | 48.51           | 56.12           | 72.01           | 50.10           |
| Volume sales<br>internal<br>at manganese        | US\$          | 72.19   | 72.64           | 76.16         | 73.75         | 45.15                 | 55.80           | 54.94           | 53.41           | 50.10           |
| <b>Volume sales<br/>total</b>                   | US\$          | <b>72.10</b>  | <b>73.80</b>    | <b>77.91</b>  | <b>75.98</b>  | <b>45.02</b>          | <b>49.76</b>    | <b>55.98</b>    | <b>69.10</b>    | <b>50.10</b>    |
| Term<br>hedness, gross                          | US\$          | 8,167   | 47,949          | 49,634        | 49,634        | 12,361                | 10,705          | 11,919          | 11,331          | 11,331          |
| Term<br>hedness, gross                          | US\$          | 33,687  |                 |               |               | 40,135                | 33,797          | 33,057          | 31,402          | 31,402          |

|  |      |                |                |                |                |                |                |                |                |                |
|--|------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net income, before income tax and contribution | US\$ | <b>41,854</b>  | <b>47,949</b>  | <b>49,634</b>  | <b>49,634</b>  | <b>52,496</b>  | <b>44,502</b>  | <b>44,976</b>  | <b>42,733</b>  | <b>42,733</b>  |
| Income tax                                     |      |                |                |                |                |                |                |                |                |                |
| Net income                                     |      |                |                |                |                |                |                |                |                |                |
| Net income, before income tax and contribution | R\$  | <b>684,388</b> | <b>708,553</b> | <b>704,962</b> | <b>704,962</b> | <b>657,722</b> | <b>751,433</b> | <b>879,256</b> | <b>866,779</b> | <b>866,779</b> |
| Income tax                                     |      |                |                |                |                |                |                |                |                |                |
| Net income                                     |      |                |                |                |                |                |                |                |                |                |
| Operating expenses                             | R\$  | 278,912        | 274,851        | 216,562        | 770,325        | 178,314        | 265,252        | 350,360        | 355,899        | 1,149,881      |
| Cost of products                               | R\$  | (144,693)      | (182,020)      | (155,878)      | (482,591)      | (110,687)      | (110,988)      | (137,187)      | (166,475)      | (522,721)      |
| Depreciation, amortization and impairment      | R\$  | (13,036)       | (33,637)       | (57,147)       | (103,820)      | (25,763)       | (23,025)       | (38,393)       | (73,153)       | (166,639)      |
| Provision for doubtful accounts                | R\$  | 6,187          | 6,652          | 6,164          | 19,003         | 5,545          | 5,293          | 6,745          | 5,942          | 22,339         |
| Net income, before income tax and contribution | R\$  | <b>127,370</b> | <b>65,846</b>  | <b>9,701</b>   | <b>202,917</b> | <b>47,409</b>  | <b>136,532</b> | <b>181,525</b> | <b>122,213</b> | <b>487,001</b> |
| Income tax                                     | R\$  | (6,187)        | (6,652)        | (6,164)        | (19,003)       | (5,545)        | (5,293)        | (6,745)        | (5,942)        | (22,339)       |
| Net income                                     | R\$  | <b>121,183</b> | <b>59,194</b>  | <b>3,537</b>   | <b>183,914</b> | <b>41,864</b>  | <b>131,239</b> | <b>174,780</b> | <b>116,271</b> | <b>464,662</b> |
| Net income, before income tax and contribution | R\$  | 1,984          | (1,742)        |                | 242            |                | 184            |                | (6,593)        | (6,593)        |
| Income tax                                     | R\$  | 1,073          | (26,429)       | (7,095)        | (32,451)       | 2,741          | 5,163          | (14,834)       | (12,716)       | (19,182)       |
| Net income                                     | R\$  | <b>121,183</b> | <b>59,194</b>  | <b>3,537</b>   | <b>183,914</b> | <b>41,864</b>  | <b>131,239</b> | <b>174,780</b> | <b>116,271</b> | <b>464,662</b> |
| Net income, before income tax and contribution | R\$  | <b>124,240</b> | <b>31,023</b>  | <b>(3,558)</b> | <b>151,705</b> | <b>44,605</b>  | <b>136,402</b> | <b>160,130</b> | <b>96,962</b>  | <b>437,147</b> |
| Income tax                                     | R\$  | (31,287)       | (6,857)        | (34)           | (38,178)       | (5,829)        | (42,691)       | (41,643)       | (24,634)       | (114,482)      |
| Net income                                     | R\$  | <b>92,953</b>  | <b>24,166</b>  | <b>(3,592)</b> | <b>113,527</b> | <b>38,776</b>  | <b>93,711</b>  | <b>118,487</b> | <b>72,328</b>  | <b>322,665</b> |

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

| <b>Information</b>                           |               |              |              |              |           | <b>2005</b>  |              |              |              |              | <b>2004</b>  |
|--|---------------|--------------|--------------|--------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|
|  |               | <b>1Q</b>    | <b>2Q</b>    | <b>3Q</b>    | <b>4Q</b> | <b>Total</b> | <b>1Q</b>    | <b>2Q</b>    | <b>3Q</b>    | <b>4Q</b>    | <b>Total</b> |
| Quantity sold external market iron ore       | MT (thousand) | 222          | 263          | 279          |           | 764          | 127          | 106          | 254          | 172          | 659          |
| Quantity sold internal market iron ore       | MT (thousand) | 1            |              | 4            |           | 5            |              | 3            |              | 46           | 49           |
| <b>Quantity sold total</b>                   | MT (thousand) | <b>223</b>   | <b>263</b>   | <b>283</b>   |           | <b>769</b>   | <b>127</b>   | <b>109</b>   | <b>254</b>   | <b>218</b>   | <b>708</b>   |
| Quantity sold external market manganese      | MT (thousand) | 26           | 50           | 7            |           | 83           | 22           | 4            | 39           | 56           | 121          |
| Quantity sold internal market manganese      | MT (thousand) | 64           | 48           | 48           |           | 160          | 50           | 62           | 52           | 50           | 214          |
| <b>Quantity sold total</b>                   | MT (thousand) | <b>90</b>    | <b>98</b>    | <b>55</b>    |           | <b>243</b>   | <b>72</b>    | <b>66</b>    | <b>91</b>    | <b>106</b>   | <b>335</b>   |
| Quantity sold external market ferroalloys    | MT (thousand) | 5            | 4            | 2            |           | 11           | 4            | 4            | 4            | 3            | 15           |
| Quantity sold internal market ferroalloys    | MT (thousand) |              |              | 2            |           | 2            | 1            |              |              |              | 1            |
| <b>Quantity sold total</b>                   | MT (thousand) | <b>5</b>     | <b>4</b>     | <b>4</b>     |           | <b>13</b>    | <b>5</b>     | <b>4</b>     | <b>4</b>     | <b>3</b>     | <b>16</b>    |
| Average sales price external market iron ore | US\$          | 17.89        | 32.72        | 34.19        |           | 28.95        | 15.05        | 19.09        | 19.18        | 18.45        | 18.18        |
| Average sales price internal market iron ore | US\$          | 2.63         |              | 23.25        |           | 19.13        |              | 2.28         |              | 37.13        | 35.00        |
| <b>Average sales price total</b>             | US\$          | <b>17.85</b> | <b>32.72</b> | <b>34.04</b> |           | <b>28.89</b> | <b>15.05</b> | <b>18.63</b> | <b>19.18</b> | <b>22.39</b> | <b>19.34</b> |
| Average sales price external                 | US\$          | 115.85       | 98.34        | 124.86       |           | 106.06       | 49.84        | 54.87        | 45.72        | 45.33        | 46.59        |

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|   |      |               |               |               |               |               |               |               |                |               |
|---|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
| market manganese<br>average sales<br>price internal                 | US\$ |               |               |               |               |               |               |               |                |               |
| market manganese<br>average sales<br>price total                    | US\$ | 72.57         | 114.52        | 107.81        | 95.73         | 44.19         | 47.69         | 55.82         | 68.27          | 53.66         |
| average sales<br>price external                                     | US\$ |               |               |               |               |               |               |               |                |               |
| market ferroalloys<br>average sales<br>price internal               | US\$ | 918.43        | 775.24        | 942.00        | 870.65        | 564.53        | 863.73        | 1,285.47      | 1,227.89       | 969.24        |
| market ferroalloys<br>average sales<br>price total                  | US\$ |               |               | 210.00        | 210.00        | 394.48        |               |               |                | 394.48        |
| long-term<br>indebtedness, gross                                    | US\$ | 12,391        | 16,597        | 18,773        | 18,773        |               | 3,014         | 807           | 8,058          | 8,058         |
| short-term<br>indebtedness, gross                                   | US\$ |               |               |               |               | 3,577         | 1,012         | 1,340         |                |               |
| <b>total<br/>indebtedness,<br/>gross</b>                            | US\$ | <b>12,391</b> | <b>16,597</b> | <b>18,773</b> | <b>18,773</b> | <b>3,577</b>  | <b>4,026</b>  | <b>2,147</b>  | <b>8,058</b>   | <b>8,058</b>  |
| <b>stockholders<br/>equity</b>                                      | R\$  | <b>45,603</b> | <b>53,519</b> | <b>59,954</b> | <b>59,954</b> | <b>60,621</b> | <b>43,735</b> | <b>54,415</b> | <b>45,754</b>  | <b>45,754</b> |
| net operating<br>revenues   | R\$  | 41,203        | 50,192        | 42,251        | 133,646       | 21,070        | 23,911        | 39,832        | 39,650         | 124,463       |
| cost of products<br>other   | R\$  | (18,685)      | (18,609)      | (16,705)      | (53,999)      | (11,132)      | (10,784)      | (14,550)      | (19,444)       | (55,910)      |
| expenses/revenues<br>depreciation,<br>amortization and<br>depletion | R\$  | (4,920)       | (10,970)      | (8,961)       | (24,851)      | (4,285)       | (3,357)       | (7,276)       | (21,914)       | (36,832)      |
| <b>EBITDA</b>   | R\$  | <b>18,836</b> | <b>21,828</b> | <b>17,888</b> | <b>58,552</b> | <b>6,658</b>  | <b>10,762</b> | <b>18,972</b> | <b>(691)</b>   | <b>35,701</b> |
| depreciation,<br>amortization and<br>depletion                      | R\$  | (1,238)       | (1,215)       | (1,303)       | (3,756)       | (1,005)       | (992)         | (966)         | (1,017)        | (3,980)       |
| <b>EBIT</b>   | R\$  | <b>17,598</b> | <b>20,613</b> | <b>16,585</b> | <b>54,796</b> | <b>5,653</b>  | <b>9,770</b>  | <b>18,006</b> | <b>(1,708)</b> | <b>31,721</b> |
| impairment  | R\$  | 215           | (934)         | (171)         | (890)         | (562)         | 22            | (2)           | (1,294)        | (1,836)       |
| net financial<br>results  | R\$  | (862)         | (7,028)       | (4,624)       | (12,514)      | (128)         | (145)         | (1,752)       | (1,693)        | (3,718)       |
|   | R\$  | <b>16,951</b> | <b>12,651</b> | <b>11,790</b> | <b>41,392</b> | <b>4,963</b>  | <b>9,647</b>  | <b>16,252</b> | <b>(4,695)</b> | <b>26,167</b> |



|   |     |               |              |              |               |              |              |               |                |               |
|---|-----|---------------|--------------|--------------|---------------|--------------|--------------|---------------|----------------|---------------|
| <b>Income before<br/>income tax and<br/>social<br/>contribution</b> |     |               |              |              |               |              |              |               |                |               |
| Income tax and<br>social contribution                               | R\$ | (5,798)       | (4,734)      | (5,356)      | (15,888)      | (1,867)      | (3,457)      | (5,572)       | 130            | (10,766)      |
| <b>Net income</b>   | R\$ | <b>11,153</b> | <b>7,917</b> | <b>6,434</b> | <b>25,504</b> | <b>3,096</b> | <b>6,190</b> | <b>10,680</b> | <b>(4,565)</b> | <b>15,401</b> |

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

| Information                                     |                   | RDME (Adjusted and Unaudited) |                |                |    |                |                |                |                |                |                |
|---|-------------------|-------------------------------|----------------|----------------|----|----------------|----------------|----------------|----------------|----------------|----------------|
|   |                   | 1Q                            | 2Q             | 3Q             | 4Q | 2005<br>Total  | 1Q             | 2Q             | 3Q             | 4Q             | 2005<br>Total  |
| Quantity sold<br>external market<br>Sinter      | MT<br>(thousands) | 47                            | 27             | 11             |    | 85             | 66             | 86             | 88             | 38             | 200            |
| Quantity sold<br>external market<br>Manganese   | MT<br>(thousands) | 45                            | 6              | 28             |    | 79             | 55             | 33             | 68             | 15             | 157            |
| Quantity sold<br>external market<br>Ferrolloys  | MT<br>(thousands) | 50                            | 51             | 38             |    | 139            | 64             | 41             | 47             | 41             | 183            |
| Average sales<br>external market<br>Sinter      | US\$              | 134.00                        | 155.00         | 157.00         |    | 143.65         | 103.70         | 108.70         | 95.68          | 118.63         | 104.50         |
| Average sales<br>external market<br>Manganese   | US\$              | 122.00                        | 139.00         | 147.93         |    | 132.48         | 73.22          | 78.16          | 100.35         | 83.18          | 85.00          |
| Average sales<br>external market<br>Ferrolloys  | US\$              | 1,049.00                      | 739.00         | 571.87         |    | 804.82         | 588.12         | 954.98         | 1,213.38       | 1,295.42       | 968.00         |
| Long-term<br>debt, gross                        | US\$              | 2,732                         | 2,367          | 2,169          |    | 2,169          | 3,000          | 3,000          | 3,000          | 3,000          | 3,000          |
| Short-term<br>debt, gross                       | US\$              | 14                            | 881            | 87             |    | 87             | 4              | 4              | 4              | 4              | 4              |
| <b>Total<br/>debt, gross</b>                    | US\$              | <b>2,746</b>                  | <b>3,248</b>   | <b>2,256</b>   |    | <b>2,256</b>   | <b>3,004</b>   | <b>3,004</b>   | <b>3,004</b>   | <b>3,004</b>   | <b>3,004</b>   |
| <b>Shareholders<br/>equity</b>                  | R\$               | <b>281,403</b>                | <b>231,165</b> | <b>211,652</b> |    | <b>211,652</b> | <b>194,179</b> | <b>206,893</b> | <b>245,746</b> | <b>278,712</b> | <b>278,712</b> |
| Operating<br>revenues                           | R\$               | 181,526                       | 126,629        | 86,801         |    | 394,956        | 146,972        | 165,435        | 208,483        | 166,802        | 687,623        |
| Cost of products<br>per ton                     | R\$               | (151,958)                     | (120,506)      | (87,526)       |    | (359,990)      | (134,464)      | (155,673)      | (133,591)      | (114,832)      | (538,556)      |
| Depreciation,<br>amortization and<br>impairment | R\$               | (7,383)                       | (7,115)        | (6,475)        |    | (20,973)       | (3,332)        | (8,631)        | (23,849)       | (3,047)        | (38,823)       |
| Provision for<br>impairment                     | R\$               | 3,051                         | 2,653          | 2,504          |    | 8,208          | 2,918          | 3,007          | 5,237          | 4,847          | 16,000         |

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|                    |     |               |                |                 |                 |               |              |               |               |              |
|--------------------|-----|---------------|----------------|-----------------|-----------------|---------------|--------------|---------------|---------------|--------------|
| <b>TTDA</b>        | R\$ | <b>25,236</b> | <b>1,661</b>   | <b>(4,696)</b>  | <b>22,201</b>   | <b>12,094</b> | <b>4,138</b> | <b>56,280</b> | <b>53,770</b> | <b>126,2</b> |
| preciation,        | R\$ |               |                |                 |                 |               |              |               |               |              |
| ortization and     |     |               |                |                 |                 |               |              |               |               |              |
| letion             |     | (3,051)       | (2,653)        | (2,504)         | (8,208)         | (2,918)       | (3,007)      | (5,237)       | (4,847)       | (16,0        |
| <b>TT</b>          | R\$ | <b>22,185</b> | <b>(992)</b>   | <b>(7,200)</b>  | <b>13,993</b>   | <b>9,176</b>  | <b>1,131</b> | <b>51,043</b> | <b>48,923</b> | <b>110,2</b> |
| n/loss in          | R\$ |               |                |                 |                 |               |              |               |               |              |
| slation of         |     |               |                |                 |                 |               |              |               |               |              |
| rency              |     | 8             | (844)          | (1,312)         | (2,148)         | (18)          | (657)        | (1,008)       | (4,774)       | (6,4         |
| financial          | R\$ |               |                |                 |                 |               |              |               |               |              |
| lts                |     | (11)          | 35             | (29,651)        | (29,627)        | 2,318         |              | 4             | 69            | 2,3          |
| <b>ome before</b>  | R\$ |               |                |                 |                 |               |              |               |               |              |
| <b>ome tax and</b> |     |               |                |                 |                 |               |              |               |               |              |
| <b>al</b>          |     |               |                |                 |                 |               |              |               |               |              |
| <b>tribution</b>   |     | <b>22,182</b> | <b>(1,801)</b> | <b>(38,163)</b> | <b>(17,782)</b> | <b>11,479</b> | <b>477</b>   | <b>50,042</b> | <b>44,221</b> | <b>106,2</b> |
| ome tax and        | R\$ |               |                |                 |                 |               |              |               |               |              |
| al contribution    |     | (7,950)       | (158)          | 2,288           | (5,820)         | (29)          | (30)         | (23)          | (12,797)      | (12,8        |
| <b>income</b>      | R\$ | <b>14,232</b> | <b>(1,959)</b> | <b>(35,875)</b> | <b>(23,602)</b> | <b>11,450</b> | <b>447</b>   | <b>50,019</b> | <b>31,424</b> | <b>93,3</b>  |

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

| Information   |                  | 1Q        | 2Q        | 3Q        | 4Q | 2005<br>Total | 1Q        | 2Q        | 3Q        | 4Q        | 2005<br>Total |
|---|------------------|-----------|-----------|-----------|----|---------------|-----------|-----------|-----------|-----------|---------------|
| Quantity sold   | MT<br>(thousand) | 448       | 428       | 459       |    | 1,335         | 566       | 530       | 558       | 452       | 2,106         |
| Revenue   | US\$             | 746.28    | 709.09    | 627.27    |    | 693.44        | 419.00    | 539.53    | 694.15    | 748.56    | 5,900.55      |
| Operating expenses  | R\$              | 776,618   | 762,004   | 682,873   |    | 682,873       | 629,306   | 754,072   | 785,282   | 822,210   | 822,210       |
| Operating income  | R\$              | 905,683   | 756,016   | 679,703   |    | 2,341,402     | 674,606   | 879,168   | 1,157,415 | 945,371   | 3,650,162     |
| Cost of products  | R\$              | (776,459) | (702,942) | (665,652) |    | (2,145,053)   | (654,582) | (711,791) | (854,203) | (769,665) | (2,990,240)   |
| Depreciation and amortization                                 | R\$              | (18,796)  | (7,023)   | (11,076)  |    | (36,895)      | 411       | (424)     | (1,638)   | 22        | (45,120)      |
| Provision for doubtful accounts                               | R\$              | 18,054    | 14,958    | 16,598    |    | 49,610        | 19,709    | 18,141    | 18,605    | 17,352    | 78,355        |
| Goodwill impairment   | R\$              | 128,482   | 61,009    | 19,573    |    | 209,064       | 40,144    | 185,094   | 320,179   | 193,080   | 738,500       |
| Other non-recurring gains/losses                              | R\$              | (18,054)  | (14,958)  | (16,598)  |    | (49,610)      | (19,709)  | (18,141)  | (18,605)  | (17,352)  | (78,355)      |
| Income before income tax                                      | R\$              | 110,428   | 46,051    | 2,975     |    | 159,454       | 20,435    | 166,953   | 301,574   | 175,728   | 666,149       |
| Income tax expense  | R\$              |           |           |           |    |               | 3,890     | 3,239     | (16,637)  | 1,825     | (10,741)      |
| Net income  | R\$              | 4,975     | (12,031)  | (5,549)   |    | (12,605)      | (374)     | 2,341     | (12,517)  | (19,655)  | (30,632)      |
| Other non-recurring gains/losses                              | R\$              | (9,162)   | (7,077)   | (6,592)   |    | (22,831)      | (15,399)  | (34,228)  | (51,998)  | (13,837)  | (112,987)     |
| Income before income tax and other non-recurring gains/losses | R\$              | 106,241   | 26,943    | (9,166)   |    | 124,018       | 8,552     | 138,305   | 220,422   | 144,061   | 511,730       |
| Income tax and other non-recurring gains/losses               | R\$              | (43,737)  | (14,829)  | 2,731     |    | (55,835)      | (3,670)   | (55,801)  | (95,606)  | (66,023)  | (224,564)     |
| Net income (loss)   | R\$              | 62,504    | 12,114    | (6,435)   |    | 68,183        | 4,882     | 82,504    | 124,816   | 78,038    | 290,166       |



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

| Information                                 |  | 1Q       | 2Q       | 3Q       | 4Q | 2005<br>Total | 1Q       | 2Q       | 3Q       | 4Q       | 2005<br>Total |
|---|--|----------|----------|----------|----|---------------|----------|----------|----------|----------|---------------|
| Seafreight transport<br>Internal market     |  |          |          |          |    |               |          |          |          |          |               |
| Seafreight transportation<br>(thousands) MT |  |          |          |          |    |               |          |          |          |          |               |
| General cargo<br>(thousands) TEUS           |  | 889      | 881      | 777      |    | 2,547         | 1,426    | 1,430    | 1,047    | 1,228    | 5,131         |
| Containers-TEUS)                            |  | 9,888    | 8,845    | 8,907    |    | 27,640        | 7,444    | 8,674    | 10,194   | 10,991   | 37,309        |
| Services Operation                          |  | 556      | 804      | 991      |    | 2,351         | 698      | 623      | 617      | 819      | 2,747         |
| Seafreight transport<br>Internal market     |  |          |          |          |    |               |          |          |          |          |               |
| Seafreight transportation<br>(thousands) MT |  |          |          |          |    |               |          |          |          |          |               |
| General cargo<br>(thousands) TEUS           |  | 345      | 291      | 330      |    | 966           | 129      | 495      | 573      | 411      | 1,608         |
| Containers-TEUS)                            |  | 13,826   | 12,964   | 14,288   |    | 41,078        | 14,532   | 15,916   | 15,895   | 15,064   | 61,437        |
| Services Operation                          |  | 1,126    | 968      | 899      |    | 2,993         | 912      | 986      | 1,135    | 926      | 3,933         |
| Average sales price<br>Internal market      |  |          |          |          |    |               |          |          |          |          |               |
| Seafreight transportation<br>US\$           |  | 15.55    | 11.25    | 14.89    |    | 13.86         | 10.83    | 11.83    | 16.47    | 16.21    | 13.86         |
| General cargo<br>US\$                       |  | 616.40   | 753.31   | 713.37   |    | 691.46        | 569.99   | 585.77   | 605.55   | 778.73   | 644.46        |
| Containers-TEUS)                            |  | 3,453.24 | 3,075.23 | 3,112.53 |    | 3,180.35      | 3,005.73 | 3,321.03 | 3,414.91 | 3,063.49 | 3,185.94      |
| Services Operation                          |  |          |          |          |    |               |          |          |          |          |               |
| Average sales price<br>Internal market      |  |          |          |          |    |               |          |          |          |          |               |
| Seafreight transportation<br>US\$           |  | 9.88     | 7.56     | 7.00     |    | 8.20          | 3.81     | 8.37     | 7.23     | 11.68    | 8.20          |
| General cargo<br>US\$                       |  | 817.37   | 865.17   | 893.48   |    | 858.93        | 594.62   | 619.63   | 681.54   | 628.98   | 632.44        |
| Containers-TEUS)                            |  | 3,449.38 | 3,931.46 | 4,362.93 |    | 3,879.70      | 3,003.29 | 3,294.12 | 3,376.21 | 3,019.44 | 3,186.06      |
| Services Operation                          |  |          |          |          |    |               |          |          |          |          |               |
| Long-term<br>indebtedness, gross            |  | 387      | 257      | 168      |    | 168           | 908      | 768      | 639      | 512      | 512           |
| Short-term<br>indebtedness, gross           |  | 502      | 502      | 502      |    | 502           | 502      | 502      | 502      | 502      | 502           |
| Total<br>indebtedness,<br>gross             |  | 889      | 759      | 670      |    | 670           | 1,410    | 1,270    | 1,141    | 1,014    | 1,014         |
| Shareholders<br>equity                      |  |          |          |          |    |               |          |          |          |          |               |
|   |  | 265,580  | 267,790  | 283,742  |    | 283,742       | 258,815  | 297,633  | 318,692  | 242,430  | 242,430       |

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|                        |     |               |               |               |                |               |               |               |               |              |
|------------------------|-----|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|--------------|
| operating              | R\$ |               |               |               |                |               |               |               |               |              |
| venues                 |     | 103,619       | 86,196        | 90,220        | 280,035        | 95,843        | 118,536       | 130,790       | 129,719       | 474,8        |
| of products            | R\$ | (63,711)      | (53,785)      | (56,898)      | (174,394)      | (77,858)      | (78,900)      | (90,570)      | (96,943)      | (344,2       |
| er                     | R\$ |               |               |               |                |               |               |               |               |              |
| enses/revenues         |     | (4,332)       | (992)         | (4,779)       | (10,103)       | (7,670)       | (5,949)       | (5,223)       | (16,963)      | (35,8        |
| preciation             | R\$ | 2,593         | 2,359         | 2,146         | 7,098          | 396           | 2,940         | 1,711         | 1,119         | 6,1          |
| <b>TDA</b>             | R\$ | <b>38,169</b> | <b>33,778</b> | <b>30,689</b> | <b>102,636</b> | <b>10,711</b> | <b>36,627</b> | <b>36,708</b> | <b>16,932</b> | <b>100,9</b> |
| preciation             | R\$ | (2,593)       | (2,359)       | (2,146)       | (7,098)        | (396)         | (2,940)       | (1,711)       | (1,119)       | (6,1         |
| <b>T</b>               | R\$ | <b>35,576</b> | <b>31,419</b> | <b>28,543</b> | <b>95,538</b>  | <b>10,315</b> | <b>33,687</b> | <b>34,997</b> | <b>15,813</b> | <b>94,8</b>  |
| ority Interests        | R\$ |               |               |               |                |               |               |               |               |              |
| te-down of             | R\$ |               |               |               |                |               |               |               |               |              |
| ts                     |     | 1,164         | (32,937)      | (9,552)       | (41,325)       |               |               |               |               |              |
| airment                | R\$ | 38            | (3)           | 62            | 97             |               | (4)           |               | (194)         | (1           |
| financial results      | R\$ | 3,755         | 11,395        | 5,688         | 20,838         | 13,111        | 13,976        | (6,453)       | (9,211)       | 11,4         |
| <b>ome</b>             | R\$ |               |               |               |                |               |               |               |               |              |
| <b>s) before</b>       |     |               |               |               |                |               |               |               |               |              |
| <b>ome tax and</b>     |     |               |               |               |                |               |               |               |               |              |
| <b>al contribution</b> |     | <b>40,533</b> | <b>9,874</b>  | <b>24,741</b> | <b>75,148</b>  | <b>23,426</b> | <b>47,659</b> | <b>28,544</b> | <b>6,408</b>  | <b>106,0</b> |
| ome tax and            | R\$ |               |               |               |                |               |               |               |               |              |
| al contribution        |     | (11,097)      | (7,664)       | (8,788)       | (27,549)       | (3,759)       | (1,121)       | (7,485)       | (1,837)       | (14,2        |
| <b>income (loss)</b>   | R\$ | <b>29,436</b> | <b>2,210</b>  | <b>15,953</b> | <b>47,599</b>  | <b>19,667</b> | <b>46,538</b> | <b>21,059</b> | <b>4,571</b>  | <b>91,8</b>  |

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

| Information   |                   | FCA (Adjusted and Unaudited) |                |                 |                 | 2005<br>Total   | 2006            |                 |                 |                 | 2007<br>Total |
|---|-------------------|------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
|   |                   | 1Q                           | 2Q             | 3Q              | 4Q              |                 | 1Q              | 2Q              | 3Q              | 4Q              |               |
| Quantity sold<br>Internal market  | MT<br>(thousands) | 6,103                        | 7,416          | 7,616           | 21,135          | 5,807           | 6,943           | 6,931           | 7,086           | 26,767          |               |
| Average sales<br>price - internal<br>market                             | R\$               | 26.20                        | 30.09          | 31.18           | 29.36           | 22.77           | 24.95           | 26.19           | 24.99           | 24.99           |               |
| Long-term<br>contractedness, gross                                      | US\$              | 126,802                      | 135,643        | 133,603         | 133,603         | 110,691         | 106,705         | 108,645         | 134,044         | 134,044         |               |
| Short-term<br>contractedness, gross                                     | US\$              |                              |                |                 |                 | 17,713          | 17,849          | 18,291          |                 |                 |               |
| Total<br>contractedness,<br>gross                                       | US\$              | <b>126,802</b>               | <b>135,643</b> | <b>133,603</b>  | <b>133,603</b>  | <b>128,404</b>  | <b>124,554</b>  | <b>126,936</b>  | <b>134,044</b>  | <b>134,044</b>  |               |
| Shareholders<br>equity  | R\$               | <b>23,610</b>                | <b>39,630</b>  | <b>(36,567)</b> | <b>(36,567)</b> | <b>108,025</b>  | <b>81,852</b>   | <b>72,660</b>   | <b>38,841</b>   | <b>38,841</b>   |               |
| Operating<br>revenues   | R\$               | 131,331                      | 187,382        | 198,298         | 517,011         | 112,859         | 142,963         | 151,559         | 145,436         | 552,817         |               |
| Cost of products<br>per<br>unit   | R\$               | (147,696)                    | (175,948)      | (192,189)       | (515,833)       | (130,325)       | (132,242)       | (150,482)       | (158,507)       | (571,561)       |               |
| Depreciation,<br>amortization and<br>impairment                         | R\$               | 95                           | (16,502)       | (53,402)        | (69,809)        | 3,783           | (12,829)        | (13,279)        | (21,628)        | (43,905)        |               |
| Goodwill<br>impairment  | R\$               | 12,832                       | 15,009         | 17,932          | 45,773          | 10,003          | 9,401           | 11,797          | 13,634          | 44,817          |               |
| EBITDA  | R\$               | <b>(3,438)</b>               | <b>9,941</b>   | <b>(29,361)</b> | <b>(22,858)</b> | <b>(3,680)</b>  | <b>7,293</b>    | <b>(405)</b>    | <b>(21,065)</b> | <b>(17,812)</b> |               |
| Depreciation,<br>amortization and<br>impairment                         | R\$               | (12,832)                     | (15,009)       | (17,932)        | (45,773)        | (10,003)        | (9,401)         | (11,797)        | (13,634)        | (44,817)        |               |
| EBIT  | R\$               | <b>(16,270)</b>              | <b>(5,068)</b> | <b>(47,293)</b> | <b>(68,631)</b> | <b>(13,683)</b> | <b>(2,108)</b>  | <b>(12,202)</b> | <b>(34,699)</b> | <b>(62,629)</b> |               |
| Financial<br>results  | R\$               | 1,038                        | 21,043         | (28,905)        | (6,824)         | (12,019)        | (24,065)        | 3,010           | 881             | (32,000)        |               |
| Income before<br>income tax and<br>minority<br>interest<br>distribution | R\$               | (15,232)                     | 15,975         | <b>(76,198)</b> | <b>(75,455)</b> | <b>(25,702)</b> | <b>(26,173)</b> | <b>(9,192)</b>  | <b>(33,818)</b> | <b>(94,629)</b> |               |
|   | R\$               |                              | 46             |                 | 46              |                 |                 |                 |                 |                 |               |



Income tax and  
social contribution

|               |     |          |        |          |          |          |          |         |          |       |
|---------------|-----|----------|--------|----------|----------|----------|----------|---------|----------|-------|
| Income (loss) | R\$ | (15,232) | 16,021 | (76,198) | (75,409) | (25,702) | (26,173) | (9,192) | (33,818) | (94,8 |
|---------------|-----|----------|--------|----------|----------|----------|----------|---------|----------|-------|

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**SIGNATURES**

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

COMPANHIA VALE DO RIO DOCE  
(Registrant)

Date: November 15, 2005

By: /s/ Fabio de Oliveira Barbosa  
Fabio de Oliveira  
Barbosa

Chief Financial Officer