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

Table of Contents

**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-____.)

TABLE OF CONTENTS

Incorporation by Reference Paragraph

USGAAP Financial Pages (F Pages)

Signature

Table of Contents

Table of Contents

This report on Form 6-K is hereby incorporated by reference into the Registration Statement on Form F-3 of Vale Overseas Limited, File No. 333-110867-01 and the Registration Statement on Form F-3 of Companhia Vale do Rio Doce, File No. 333-110867 and shall be deemed to be a part thereof from the date on which this report is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

Table of Contents

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

| | Page |
|--|------|
| <u>Condensed Consolidated Balance Sheets as of September 30, 2005 and December 31, 2004</u> | F-3 |
| <u>Condensed Consolidated Statements of Income for the three-month periods ended September 30, 2005 and 2004 and June 30, 2005 and for the nine month periods ended September 30, 2005 and 2004</u> | F-5 |
| <u>Condensed Consolidated Statements of Cash Flows for the three-month periods ended September 30, 2005 and 2004 and June 30, 2005 and for the nine month periods ended September 30, 2005 and 2004</u> | F-6 |
| <u>Condensed Consolidated Statements of Changes in Stockholders' Equity for the three-month periods ended September 30, 2005 and 2004 and June 30, 2005 and for the nine month periods ended September 30, 2005 and 2004</u> | F-7 |
| <u>Notes to the Condensed Consolidated Financial Information</u> | F-8 |

Table of Contents**Condensed Consolidated Balance Sheets**
Expressed in millions of United States dollars

| | September 30, 2005 (unaudited) | December 31, 2004 |
|---|---|----------------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 1,235 | 1,249 |
| Accounts receivable, net | | |
| Related parties | 202 | 124 |
| Unrelated parties | 1,391 | 905 |
| Loans and advances to related parties | 88 | 56 |
| Inventories | 1,133 | 849 |
| Deferred income tax | 255 | 203 |
| Recoverable taxes | 266 | 285 |
| Others | 436 | 219 |
| | 5,006 | 3,890 |
| Property, plant and equipment, net | 13,375 | 9,063 |
| Investments in affiliated companies and joint ventures and other investments, net of provision for losses on equity investments | 1,644 | 1,159 |
| Other assets | | |
| Goodwill on acquisition of subsidiaries | 577 | 486 |
| Loans and advances | | |
| Related parties | 6 | 55 |
| Unrelated parties | 63 | 56 |
| Prepaid pension cost | 292 | 170 |
| Deferred income tax | | 70 |
| Judicial deposits | 690 | 531 |
| Unrealized gain on derivative instruments | 1 | 4 |
| Advances to suppliers - energy | 263 | 98 |
| Others | 186 | 133 |
| | 2,078 | 1,603 |
| TOTAL | 22,103 | 15,715 |

Table of Contents

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

(Continued)

| | September 30, 2005 (unaudited) | December 31, 2004 |
|--|---|----------------------------------|
| Liabilities and stockholders' equity | | |
| Current liabilities | | |
| Suppliers | 966 | 689 |
| Payroll and related charges | 162 | 141 |
| Current portion of long-term debt - unrelated parties | 688 | 730 |
| Short-term debt | 171 | 74 |
| Loans from related parties | 51 | 52 |
| Provision for taxes | 553 | 459 |
| Provision for operational expenses | 93 | 64 |
| Others | 280 | 246 |
| | 2,964 | 2,455 |
| Long-term liabilities | | |
| Employees post-retirement benefits | 257 | 215 |
| Long-term debt - unrelated parties | 3,031 | 3,214 |
| Loans from related parties | 1 | 18 |
| Provisions for contingencies (Note 10) | 1,405 | 914 |
| Unrealized loss on derivative instruments | 173 | 236 |
| Deferred income tax | 101 | |
| Provisions for environmental liabilities | 166 | 134 |
| Others | 356 | 350 |
| | 5,490 | 5,081 |
| Minority interests | 1,444 | 788 |
| Stockholders' equity | | |
| Preferred class A stock - 1,800,000,000 no-par-value shares authorized and 415,727,739 | 2,150 | 1,176 |
| Common stock - 900,000,000 no-par-value shares authorized and 749,949,429 issued | 3,806 | 2,121 |
| Treasury stock - 11,803 (2004 - 11,951) preferred and 14,145,510 common shares | (88) | (88) |
| Additional paid-in capital | 498 | 498 |
| Other cumulative comprehensive loss | (2,105) | (3,774) |

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| | | |
|----------------------------------|---------------|---------------|
| Appropriated retained earnings | 1,936 | 4,143 |
| Unappropriated retained earnings | 6,008 | 3,315 |
| | 12,205 | 7,391 |
| TOTAL | 22,103 | 15,715 |

See notes to condensed consolidated financial information.

F - 4

Table of Contents

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

| | September 30, 2005 | June 30, 2005 | Three-month periods ended September 30, 2004 | Nine month periods ended September 30 2005 | 2004 |
|--|-------------------------------|--------------------------|---|---|----------------|
| Operating revenues, net of discounts, returns and allowances | | | | | |
| Sales of ores and metals | 2,887 | 3,077 | 1,725 | 7,712 | 4,499 |
| Revenues from logistic services | 359 | 316 | 232 | 907 | 643 |
| Aluminum products | 358 | 327 | 327 | 1,031 | 896 |
| Other products and services | 6 | 1 | 3 | 9 | 13 |
| | 3,610 | 3,721 | 2,287 | 9,659 | 6,051 |
| Value-added tax | (165) | (185) | (114) | (465) | (302) |
| Net operating revenues | 3,445 | 3,536 | 2,173 | 9,194 | 5,749 |
| Operating costs and expenses | | | | | |
| Cost of ores and metals sold | (1,202) | (1,134) | (751) | (3,248) | (2,041) |
| Cost of logistic services | (188) | (169) | (126) | (500) | (358) |
| Cost of aluminum products | (249) | (203) | (174) | (643) | (464) |
| Others | (6) | (2) | (2) | (9) | (10) |
| | (1,645) | (1,508) | (1,053) | (4,400) | (2,873) |
| Selling, general and administrative expenses | (160) | (135) | (112) | (408) | (319) |
| Research and development | (104) | (54) | (36) | (192) | (86) |
| Employee profit sharing plan | (24) | (24) | (17) | (65) | (47) |
| Others | (107) | (44) | (69) | (158) | (123) |
| | (2,040) | (1,765) | (1,287) | (5,223) | (3,448) |
| Operating income | 1,405 | 1,771 | 886 | 3,971 | 2,301 |
| Non-operating income (expenses) | | | | | |
| Financial income | 36 | 27 | 10 | 92 | 41 |
| Financial expenses | (216) | (51) | (165) | (359) | (413) |
| Foreign exchange and monetary gains (losses), net | 163 | 304 | 77 | 465 | (210) |
| Gain on sale of investments | 126 | | 314 | 126 | 314 |
| | 109 | 280 | 236 | 324 | (268) |

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| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Income before income taxes, equity results and minority interests | 1,514 | 2,051 | 1,122 | 4,295 | 2,033 |
| Income taxes | | | | | |
| Current | (172) | (330) | (285) | (662) | (423) |
| Deferred | (102) | (107) | 61 | (162) | 70 |
| | (274) | (437) | (224) | (824) | (353) |
| Equity in results of affiliates and joint ventures and change in provision for losses on equity investments | 194 | 220 | 127 | 547 | 363 |
| Minority interests | (117) | (204) | (82) | (373) | (191) |
| Net income | 1,317 | 1,630 | 943 | 3,645 | 1,852 |
| Income available to preferred stockholders | 476 | 588 | 341 | 1,316 | 669 |
| Income available to common stockholders | 841 | 1,042 | 602 | 2,329 | 1,183 |
| Basic and diluted earnings per Preferred Class A Share | 1.15 | 1.41 | 0.82 | 3.17 | 1.61 |
| Basic and diluted earnings per Common Share | 1.15 | 1.41 | 0.82 | 3.17 | 1.61 |
| Weighted average number of shares outstanding (thousands of shares) | | | | | |
| Preferred Class A shares | 415,716 | 415,716 | 415,714 | 415,716 | 415,713 |
| Common shares | 735,804 | 735,804 | 735,804 | 735,804 | 735,804 |

See notes to condensed consolidated financial information.

F - 5

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

| | September 30, 2005 | Three-month periods ended | | Nine month periods ended September 30 | |
|---|-----------------------|---------------------------|-----------------------|--|--------------|
| | | June 30, 2005 | September 30, 2004 | 2005 | 2004 |
| Cash flows from operating activities: | | | | | |
| Net income | 1,317 | 1,630 | 943 | 3,645 | 1,852 |
| Adjustments to reconcile net income to cash provided by operating activities: | | | | | |
| Depreciation, depletion and amortization | 171 | 136 | 102 | 436 | 280 |
| Dividends received | 158 | 126 | 19 | 353 | 140 |
| Equity in results of affiliates and joint ventures and change in provision for losses on equity investments | (194) | (220) | (127) | (547) | (363) |
| Deferred income taxes | 102 | 107 | (61) | 162 | (70) |
| Gain on sale of investments | (126) | | (314) | (126) | (314) |
| Impairment of property, plant and equipment | 18 | 12 | | 34 | |
| Pension plan | | | 3 | | 9 |
| Foreign exchange and monetary losses (gains) | (201) | (298) | (118) | (472) | 218 |
| Net unrealized derivative losses (gains) | 65 | (85) | 36 | (25) | 68 |
| Minority interests | 117 | 204 | 82 | 373 | 191 |
| Interest payable, net | 12 | 38 | 42 | 48 | 55 |
| Others | (5) | (71) | 64 | (96) | 67 |
| Decrease (increase) in assets: | | | | | |
| Accounts receivable | 281 | (472) | | (283) | (155) |
| Inventories | (44) | (50) | (39) | (114) | (121) |
| Others | (441) | (187) | (44) | (702) | (2) |
| Increase (decrease) in liabilities: | | | | | |
| Suppliers | (21) | 142 | 26 | 166 | (58) |
| Payroll and related charges | 22 | 13 | 27 | | 6 |
| Taxes payable | 396 | 325 | 370 | 642 | 370 |
| Others | 161 | 76 | 96 | 151 | 231 |
| Cash provided by operating activities | 1,788 | 1,426 | 1,107 | 3,645 | 2,404 |
| Cash flows from investing activities: | | | | | |
| Loans and advances receivable | | | | | |

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| | | | | | |
|--|----------------|--------------|--------------|----------------|--------------|
| Related parties | | | | | |
| Additions | (1) | (27) | (6) | (28) | (12) |
| Repayments | 28 | 22 | | 53 | 46 |
| Others | (1) | | (3) | | 16 |
| Guarantees and deposits | (32) | (3) | (48) | (52) | (90) |
| Additions to investments | | (90) | (4) | (91) | (19) |
| Additions to property, plant and equipment | (1,302) | (777) | (348) | (2,740) | (1,145) |
| Proceeds from disposal of investments | 126 | | 415 | 126 | 415 |
| Proceeds from disposals of property, plant and equipment | 1 | 1 | | 4 | |
| Cash provided by (used in) investing activities | (1,181) | (874) | 6 | (2,728) | (789) |
| Cash flows from financing activities: | | | | | |
| Short-term debt, net issuances (repayments) | (194) | 216 | 40 | 43 | 40 |
| Loans | | | | | |
| Related parties | | | | | |
| Additions | | 3 | 15 | 7 | 21 |
| Repayments | (17) | (9) | (2) | (43) | (9) |
| Issuances of long-term debt | | | | | |
| Related parties | | 11 | | 15 | |
| Others | 22 | 114 | 43 | 371 | 935 |
| Repayments of long-term debt | | | | | |
| Related parties | | | (3) | | (3) |
| Others | (156) | (432) | (222) | (744) | (893) |
| Interest attributed to stockholders | | (500) | | (500) | (269) |
| Cash used in financing activities | (345) | (597) | (129) | (851) | (178) |
| Increase (decrease) in cash and cash equivalents | 262 | (45) | 984 | 66 | 1,437 |
| Effect of exchange rate changes on cash and cash equivalents | 17 | (121) | (104) | (80) | (109) |
| Initial cash in new consolidated subsidiary | | | | | 26 |
| Cash and cash equivalents, beginning of period | 956 | 1,122 | 1,059 | 1,249 | 585 |
| Cash and cash equivalents, end of period | 1,235 | 956 | 1,939 | 1,235 | 1,939 |
| Cash paid during the period for: | | | | | |
| Interest on short-term debt | (1) | | | (1) | (2) |
| Interest on long-term debt | (71) | (35) | (82) | (188) | (213) |
| Income tax | (202) | (171) | | (452) | |
| Non-cash transactions | | | | | |

| | | | | | |
|------------------------------|------|------|------|------|------|
| Interest capitalized | (10) | (9) | (11) | (34) | (22) |
| Income tax paid with credits | (16) | (53) | | (74) | |

See notes to condensed consolidated financial information.

Table of Contents

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

| | September 30, 2005 | Three-month periods ended | | Nine month periods ended | |
|--|-------------------------------|----------------------------------|-------------------------------|---------------------------------|------------------------------|
| | | June 30, 2005 | September 30, 2004 | 2005 | September 30 2004 |
| Preferred class A stock (including three special shares) | | | | | |
| Beginning of the period | 2,150 | 1,176 | 1,176 | 1,176 | 1,055 |
| Transfer from appropriated retained earnings | | 974 | | 974 | 121 |
| End of the period | 2,150 | 2,150 | 1,176 | 2,150 | 1,176 |
| Common stock | | | | | |
| Beginning of the period | 3,806 | 2,121 | 2,121 | 2,121 | 1,902 |
| Transfer from appropriated retained earnings | | 1,685 | | 1,685 | 219 |
| End of the period | 3,806 | 3,806 | 2,121 | 3,806 | 2,121 |
| Treasury stock | | | | | |
| End of the period | (88) | (88) | (88) | (88) | (88) |
| Additional paid-in capital | | | | | |
| End of the period | 498 | 498 | 498 | 498 | 498 |
| Other cumulative comprehensive loss | | | | | |
| Cumulative translation adjustments | | | | | |
| Beginning of the period | (2,859) | (3,891) | (4,757) | (3,869) | (4,449) |
| Change in the period | 590 | 1,032 | 461 | 1,600 | 153 |
| End of the period | (2,269) | (2,859) | (4,296) | (2,269) | (4,296) |
| Unrealized gain on available-for-sale securities | | | | | |
| Beginning of the period | 115 | 116 | 61 | 95 | 74 |
| Change in the period | 49 | (1) | 21 | 69 | 8 |

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| | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| End of the period | 164 | 115 | 82 | 164 | 82 |
| Total other cumulative comprehensive loss | (2,105) | (2,744) | (4,214) | (2,105) | (4,214) |
| Appropriated retained earnings | | | | | |
| Beginning of the period | 1,829 | 4,126 | 2,501 | 4,143 | 3,035 |
| Transfer (to) from retained earnings | 107 | 362 | 218 | 452 | 24 |
| Transfer to capital stock | | (2,659) | | (2,659) | (340) |
| End of the period | 1,936 | 1,829 | 2,719 | 1,936 | 2,719 |
| Retained earnings | | | | | |
| Beginning of the period | 4,798 | 4,030 | 3,667 | 3,315 | 2,857 |
| Net income | 1,317 | 1,630 | 943 | 3,645 | 1,852 |
| Interest attributed to stockholders | | | | | |
| Preferred class A stock | | (180) | (45) | (180) | (151) |
| Common stock | | (320) | (79) | (320) | (266) |
| Appropriation (to) from reserves | (107) | (362) | (218) | (452) | (24) |
| End of the period | 6,008 | 4,798 | 4,268 | 6,008 | 4,268 |
| Total stockholders equity | 12,205 | 10,249 | 6,480 | 12,205 | 6,480 |
| Comprehensive income is comprised as follows: | | | | | |
| Net income | 1,317 | 1,630 | 943 | 3,645 | 1,852 |
| Cumulative translation adjustments | 590 | 1,032 | 461 | 1,600 | 153 |
| Unrealized gain on available-for-sale securities | 49 | (1) | 21 | 69 | 8 |
| Total comprehensive income | 1,956 | 2,661 | 1,425 | 5,314 | 2,013 |
| Shares | | | | | |
| Preferred class A stock (including three special shares) | 415,727,739 | 415,727,739 | 415,727,739 | 415,727,739 | 415,727,739 |
| Common stock | 749,949,429 | 749,949,429 | 749,949,429 | 749,949,429 | 749,949,429 |
| Treasury stock (1) | | | | | |
| Beginning of the period | (14,157,313) | (14,157,325) | (14,158,059) | (14,157,461) | (14,158,059) |
| Sales | | 12 | 582 | 148 | 582 |

| | | | | | |
|-------------------|---------------|---------------|---------------|---------------|---------------|
| End of the period | (14,157,313) | (14,157,313) | (14,157,477) | (14,157,313) | (14,157,477) |
| | 1,151,519,855 | 1,151,519,855 | 1,151,519,691 | 1,151,519,855 | 1,151,519,691 |

Interest attributed to stockholders (per share)

| | | | | | |
|--|------|------|------|------|------|
| Preferred class A stock (including three special shares) | 0.43 | 0.43 | 0.11 | 0.43 | 0.36 |
| Common stock | 0.43 | 0.43 | 0.11 | 0.43 | 0.36 |

(1) As of September 30, 2005, 14,145,510 common shares and 11,803 preferred shares were held in treasury in the amount of US\$ 88. The 14,145,510 common shares guarantee a loan of our subsidiary Alunorte.

See notes to condensed consolidated financial information.

F - 7

Table of Contents**Notes to the Condensed Consolidated Financial Information****Expressed in millions of United States dollars, unless otherwise stated (Unaudited)****1 The Company and its operations**

Companhia Vale do Rio Doce (CVRD) is a limited liability company, organized under the laws of the Federative Republic of Brazil. Our operations are carried out through CVRD and its subsidiary companies, joint ventures and affiliates, and mainly consist of mining, non-ferrous metal production and logistics, as well as energy, aluminum and steel activities. Further details of our joint ventures and affiliates are described in Note 8.

The main operating subsidiaries we consolidate are as follows:

| Subsidiary | % ownership | % voting capital | Head office location | Principal activity |
|--|--------------------|-------------------------|-----------------------------|---|
| Alumina do Norte do Brasil S.A. Alunorte (Alunorte) | 57 | 61 | Brazil | Alumina |
| Alumínio Brasileiro S.A. Albras (Albras) | 51 | 51 | Brazil | Aluminum |
| CADAM S.A (CADAM) (1) | 37 | 100 | Brazil | Kaolin |
| CVRD Overseas Ltd. | 100 | 100 | Cayman Islands | Trading |
| Ferrovias Centro-Atlântica S. A. | 100 | 100 | Brazil | Logistics |
| Itabira Rio Doce Company Ltd. ITACO | 100 | 100 | Cayman Islands | Trading |
| Minerações Brasileiras Reunidas S.A. MBR (2) | 56 | 90 | Brazil | Iron ore |
| Navegação Vale do Rio Doce S.A. DOCENAVE | 100 | 100 | Brazil | Shipping |
| Pará Pigmentos S.A. (1) | 76 | 86 | Brazil | Kaolin |
| Rio Doce International Finance Ltd. RDIF | 100 | 100 | Bahamas | International finance |
| Rio Doce Manganês S.A. | 100 | 100 | Brazil | Manganese and Ferroalloys |
| Rio Doce Manganês Europe RDME | 100 | 100 | France | Ferroalloys |
| Rio Doce Manganese Norway RDMN | 100 | 100 | Norway | Ferroalloys |
| Salobo Metais S.A. | 100 | 100 | Brazil | Copper |
| Urucum Mineração S.A. | 100 | 100 | Brazil | Iron ore, Ferroalloys and Manganese |

(1) Through Caemi Mineração e Metalurgia S.A. CVRD holds 60.2% of the total capital and 100% of the voting capital.

(2)

Through Caemi
Mineração e
Metalurgia S.A.
and Belém
Administrações
e Participações
Ltda.

2 Basis of consolidation

All majority-owned subsidiaries where we have both share and management control are consolidated, with elimination of all significant intercompany accounts and transactions. Additionally, variable interest entities in which we are the primary beneficiary (FASB Interpretation FIN No. 46 Consolidation of Variable Interest Entities (revised December 2003)) are consolidated as from January 1, 2004. Investments in unconsolidated affiliates and joint ventures are reported at cost plus our equity in undistributed earnings or losses. Included in this category are certain joint ventures in which we have majority ownership but, by force of shareholders' agreements, do not have effective management control. We provide for losses on equity investments with negative stockholders' equity where applicable.

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

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

Investments in unincorporated joint ventures, formed for the purpose of investing in hydroelectric power projects, are proportionately consolidated.

Table of Contents

3 Summary of significant accounting policies

Our condensed consolidated interim financial information for the three-month periods ended September 30, 2005, June 30, 2005 and September 30, 2004 and for the nine-month periods ended September 30, 2005 and 2004 is unaudited. However, in our opinion, such condensed consolidated financial information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for interim periods. The results of operations for the three and nine month period ended September 30, 2005 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2005.

In management's opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2004 is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

In preparing the consolidated financial statements, we are required to use estimates to account for certain assets, liabilities, revenues and expenses. Our consolidated financial statements therefore include various estimates concerning the selection of useful lives of property, plant and equipment, provisions necessary for contingent liabilities, fair values assigned to assets and liabilities acquired in business combinations, income tax valuation allowances, employee post-retirement benefits and other similar evaluations, actual results may vary from our estimates.

Exchange rates at September 30, 2005, June 30, 2005 and December 31, 2004 were R\$2.2222: US\$1.00, R\$2.3504: US\$1.00 and R\$2.6544: US\$1.00, respectively.

4 Recently-issued accounting pronouncements

In July 2005, the FASB issued FSP No. APB 18-1, *Accounting by an investor for its proportionate share of accumulated other comprehensive income of an investee accounted for under the equity method in accordance with APB Opinion n° 18 upon a loss of significant influence* which sets reporting on how an investor should account for its proportionate share of an investee's equity adjustments for other comprehensive income upon a loss of significant influence. We will apply this statement in the event it occurs in fiscal periods beginning after July 2005.

In June 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections* which sets reporting of a change in accounting principles or errors. We do not expect FASB No. 154 to have a significant impact on our financial position, results of operations or cash flows.

In March 2005, the FASB issued FSP FIN 46(R)-5, *Consolidation of Variable Interests Entities* to address whether a reporting enterprise should consider whether it holds an implicit variable interest in a variable interest entity (VIE) or potential VIE when specific conditions exist. We adopted FIN 46R and we do not expect FSP FIN 46(R)-5 to have any impact on our financial position, results of operations or cash flows.

In March 2005, the FASB issued FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations* which refers to legal obligation to perform an asset retirement activity. We do not expect FASB Interpretation No. 47 to have a significant impact on our financial position, results of operations or cash flows.

In December 2004, the FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets* an amendment of APB No. 29. We have already adopted this new Statement, which did not have a significant impact on our financial position, results of operations or cash flows.

In November 2004, the FASB issued SFAS No. 151, Inventory Costs an amendment of ARB No. 43, Chapter 4 that deals with inventory pricing. We have already adopted this new

F - 9

Table of Contents

Statement, which did not have a significant impact on our financial position, results of operations or cash flows.

In September 2004, the FASB issued FSP EITF Issue 03-1-1, which delayed the effective date of paragraphs 10-20 of EITF Issue No. 03-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments. We do not expect EITF Issue No. 03-01 to have any impact on our financial position, results of operations or cash flows.

5 Disposal of investment

In July 2005, we sold our equity investee, Quebec Cartier Mining Company (QCM) to Dofasco Inc. (Dofasco) for US\$ 126. The accounting value of the investment had previously been completely written-off and therefore all proceeds were recorded as gain.

6 Income taxes

Income taxes in Brazil comprise federal income tax and social contribution, which is an additional federal tax. The statutory composite enacted tax rate applicable in the periods presented is 34% represented by a 25% federal income tax rate plus a 9% social contribution rate.

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

| | September 30, 2005 | June 30, 2005 | Three-month periods ended September 30, 2004 | Nine months periods ended September 30 2005 | 2004 |
|---|-----------------------------------|------------------------------|---|--|-------------|
| Income before income taxes, equity results and minority interests | 1,514 | 2,051 | 1,122 | 4,295 | 2,033 |
| Federal income tax and social contribution expense at statutory enacted rates | (515) | (697) | (381) | (1,460) | (691) |
| Adjustments to derive effective tax rate: | | | | | |
| Tax benefit on interest attributed to stockholders | 50 | 131 | 50 | 235 | 149 |
| Exempt foreign income (expenses) | 143 | 82 | 143 | 271 | 178 |
| Difference on tax basis of equity investees | (9) | (17) | (75) | (30) | (105) |
| Tax incentives | 54 | 59 | 32 | 135 | 44 |
| Valuation allowance reversal (provision) | | | 19 | | 71 |
| Other non-taxable gains (losses) | 3 | 5 | (12) | 25 | 1 |
| Federal income tax and social contribution expense in consolidated statements of income | (274) | (437) | (224) | (824) | (353) |

We have certain tax incentives relative to our iron ore and manganese operations in Carajás, potash in Sergipe and relative to alumina and aluminum in Barcarena. The incentives relative to iron ore and manganese comprise full income tax exemption on defined production levels up to 2005 and partial exemption up to 2013. The incentive relating to alumina and potash comprise full income tax exemption on defined production levels which expires in 2010 and 2013, respectively, while the partial exemption incentives relative to aluminum expire in 2013. An amount equal to the tax saving must be appropriated to a reserve account within stockholders' equity and may not be distributed in the form of cash dividends.

F - 10

Table of Contents

7 Inventories

| | September 30, 2005 | December 31, 2004 |
|--------------------------------------|-------------------------------|------------------------------|
| Finished products | | |
| Iron ore and pellets | 316 | 205 |
| Manganese and ferroalloys | 94 | 156 |
| Aluminum | 28 | 54 |
| Alumina | 3 | 20 |
| Kaolin | 21 | 17 |
| Others | 39 | 11 |
| Spare parts and maintenance supplies | 632 | 386 |
| | 1,133 | 849 |

F - 11

Table of Contents**8 Investments in affiliated companies and joint ventures**

| | September 30, 2005 | | Investments | | | Equity Adjustments | | | | | | Dividends received | | | Quoted Nine month mark ended | |
|---|-----------------------|-------|---------------|---------------|--------------------------|------------------------------|--------------------------|---------------------|-----------------------------------|--------------------------|--------------------------|------------------------------|---------------------|--------------------------|--|-----------|
| | | | | | | Three-month periods ended | | | Nine month periods ended | | | Three-month periods ended | | | | |
| | Participation in | | Net income | | September 30, 2005 | December 31, 2004 | September 30, 2005 | June 30, 2005 | September 30, 2004 | September 30, 2005 | September 30, 2004 | September 30, 2005 | June 30, 2004 | September 30, 2005 | September 30, 2004 | |
| | voting capital (%) | total | equity | the period | | | | | | | | | | | | |
| Financial | | | | | | | | | | | | | | | | |
| Companhia Sociedade Brasileira de Participações - BRASCO (2) | 51.11 | 51.00 | 93 | 50 | 48 | 30 | 13 | 11 | 3 | 26 | 10 | | | | | |
| Companhia Sociedade Brasileira de Participações - SPANOBRÁS | 51.00 | 50.89 | 68 | 47 | 35 | 26 | 8 | 14 | 2 | 24 | 6 | 16 | 3 | 20 | | |
| Companhia Sociedade Brasileira de Participações - BRASCO | 50.00 | 50.00 | 74 | 40 | 37 | 13 | 3 | 14 | 4 | 20 | 6 | | | | | |
| Companhia Sociedade Brasileira de Participações - BRASCO (2) | 51.00 | 50.90 | 63 | 37 | 32 | 18 | 5 | 13 | 1 | 19 | 5 | 10 | | 10 | | |
| Company - GHIIC - MARCO - Geração S.A. - MARCO (3) | 50.00 | 50.00 | 127 | 98 | 63 | 45 | 14 | 23 | 4 | 49 | 10 | 20 | 11 | 31 | 7 | |
| Industrias da Serra - S.A. - MSG | 50.00 | 50.00 | 44 | (4) | 22 28 | 18 24 | 2 | (4) 1 | 1 | (2) (1) | (2) | | | | | |
| | | | | | 629 | 435 | 127 | 128 | 50 | 307 | 115 | 121 | 49 | 19 | 191 | 75 |
| Logistics | | | | | | | | | | | | | | | | |
| Logística S.A. - S.A. | 37.23 | 29.35 | 323 | 118 | 97 | 78 1 | 17 | 12 | 8 | 39 | 22 | | 5 | 5 | | |
| | | | | | 97 | 79 | 17 | 12 | 8 | 39 | 22 | | 5 | 5 | | |
| Buildings | | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | |
|-------------------------|-------|-------|-------|-------|--------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------|
| nas | | | | | | | | | | | | | | | | | |
| erúrgicas de | | | | | | | | | | | | | | | | | |
| nas Gerais S.A. | | | | | | | | | | | | | | | | | |
| SIMINAS | 22.99 | 11.46 | 2,197 | 1,178 | 252 | 140 | 36 | 57 | 18 | 135 | 52 | 29 | 34 | 63 | 13 | 5 | |
| mpanhia | | | | | | | | | | | | | | | | | |
| erúrgica de | | | | | | | | | | | | | | | | | |
| arão CST (1) | | | | | | | | | 9 | | 87 | | | | | | |
| ifornia Steel | | | | | | | | | | | | | | | | | |
| ustries Inc. CSI | 50.00 | 50.00 | 307 | 31 | 154 | 149 | (1) | 5 | 23 | 15 | 37 | 8 | | 28 | 2 | 1 | |
| ERAR (cost | | | | | | | | | | | | | | | | | |
|) - available for | | | | | | | | | | | | | | | | | |
| e investments | 4.85 | 4.85 | | | 179 | 110 | | | | | | | | | | 1 | |
| | | | | | | | | | | | | | | | | | |
| | | | | | 585 | 399 | 35 | 62 | 50 | 150 | 176 | 37 | 34 | 91 | 15 | 7 | |
| uminum and | | | | | | | | | | | | | | | | | |
| ixite | | | | | | | | | | | | | | | | | |
| eração Rio do | | | | | | | | | | | | | | | | | |
| orte S.A. - MRN | 40.00 | 40.00 | 404 | 122 | 162 | 171 | 17 | 17 | 16 | 49 | 41 | | 30 | 58 | 41 | 1 | |
| esul Alumínio | | | | | | | | | | | | | | | | | |
| . - VALESUL | 54.51 | 54.51 | 117 | 4 | 64 | 55 | (2) | 1 | 4 | 2 | 11 | | 8 | 8 | 9 | 1 | |
| | | | | | | | | | | | | | | | | | |
| | | | | | 226 | 226 | 15 | 18 | 20 | 51 | 52 | | 38 | 66 | 50 | 1 | |
| al | | | | | | | | | | | | | | | | | |
| nan Longyu | | | | | | | | | | | | | | | | | |
| ources Co. | | | | | | | | | | | | | | | | | |
| (4) | | | | | 86 | | | | | | | | | | | | |
| andong | | | | | | | | | | | | | | | | | |
| hkuang | | | | | | | | | | | | | | | | | |
| ernational | | | | | | | | | | | | | | | | | |
| mpany Ltd(4) | | | | | 11 | 10 | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | 97 | 10 | | | | | | | | | | | |
| ner affiliates | | | | | | | | | | | | | | | | | |
| l joint ventures | | | | | 10 | 10 | | | (1) | | (2) | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | 918 | 645 | 50 | 80 | 69 | 201 | 226 | 37 | 72 | 157 | 65 | 7 | |
| al | | | | | 1,644 | 1,159 | 194 | 220 | 127 | 547 | 363 | 158 | 126 | 19 | 353 | 140 | 7 |

(1) During 2004 we sold our interest in CST;

(2) We held a majority of the voting power of

several entities
that were
accounted for
under the equity
method in
accordance with
EITF 96-16 due
to veto rights
held by minority
under
shareholders
agreements;

(3) Investment
includes
goodwill of
US\$45 in
periods
presented;

(4) Preoperating
investments.

F - 12

Table of Contents**9 Pension costs**

| | Three month periods ended | | | Nine month periods ended September 30 | |
|--|---------------------------|---------------|------------------------|---------------------------------------|-------------|
| | September 30, 2005 | June 30, 2005 | September 30, 2004 (*) | 2005 | 2004 (*) |
| Service cost – benefits earned during the period | 1 | 1 | 1 | 2 | 2 |
| Interest cost on projected benefit obligation | 63 | 60 | 47 | 179 | 141 |
| Expected return on assets | (80) | (75) | (53) | (224) | (159) |
| Amortization of initial transitory obligation | 3 | 2 | 2 | 8 | 6 |
| Net deferral | (3) | (4) | (6) | (11) | (18) |
| Net periodic pension cost | (16) | (16) | (9) | (46) | (28) |

(*) Based on 2004 annual periodic pension cost.

In addition to benefits provided under the Pension Plan, accruals have been made relative to supplementary health care benefits extended in previous periods as part of early-retirement programs. Such accruals included in long-term liabilities totaled US\$257 and US\$215, at September 30, 2005 and December 31, 2004, respectively, plus US\$30 and US\$34, respectively, in current liabilities – others.

The cost recognized for the three-month ended September 30, 2005, June 30, 2005, and September 30, 2004 relative to the defined contribution element of the New Plan was US\$2, in each period.

We previously disclosed in our consolidated financial statements for the year ended December 31, 2004, that we expected to contribute US\$16 to our defined benefit pension plan in 2005. As of September 30, 2005, we had contributed US\$15. We do not expect any material change in our previous estimate.

10 Commitments and contingencies

(a) At September 30, 2005, we had extended guarantees for borrowings obtained by affiliates and joint ventures in the amount of US\$6, as follows:

| Affiliate or Joint Venture | Amount of guarantee | Denominated currency | Purpose | Final maturity | Counter guarantees |
|----------------------------|---------------------|----------------------|----------------|----------------|--------------------|
| SAMARCO | 5 | US\$ | Debt guarantee | 2008 | None |
| VALESUL | 1 | R\$ | Debt guarantee | 2007 | None |

6

We expect no losses to arise as a result of the above guarantees. We charge a commission for extending these guarantees in the case of Samarco.

We have not provided any significant guarantees since January 1, 2003 which would require fair value adjustments under FIN 45 Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others .

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

F - 13

Table of Contents

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

| | September 30, 2005 | | December 31, 2004 | |
|---------------------|---------------------------|----------------------|--------------------------|-----------------|
| | Provision | Judicial | Provision | Judicial |
| | for | deposits | for | deposits |
| | contingencies | contingencies | contingencies | deposits |
| Labor claims | 263 | 145 | 221 | 109 |
| Civil claims | 237 | 101 | 185 | 72 |
| Tax related actions | 879 | 440 | 473 | 341 |
| Others | 26 | 4 | 35 | 9 |
| | 1,405 | 690 | 914 | 531 |

Labor related actions principally comprise employee claims for (i) payment of time spent travelling from their residences to the work-place, (ii) health and safety premium claims and (iii) various other matters, often in connection with disputes over indemnities paid upon dismissal.

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

Tax related actions principally comprise our challenges of certain income tax, revenue taxes, Value Added Tax and of the tax on checking account transaction CPMF.

We continue to vigorously pursue our interests in all the above actions but recognize that losses are probable for which we have made provisions.

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

Contingencies settled in the three-month periods ended September 30, 2005, June 30, 2005 and September 30, 2004 aggregated US\$86, US\$56 and US\$14, respectively, and additional provisions aggregated US\$96, US\$44 and US\$39, respectively.

In addition to the contingencies for which we have made provisions, we have possible losses in connection with tax contingencies totaling US\$725 at September 30, 2005, for which, no provision is maintained.

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

Pursuant to the Mineral Risk Contract, we and BNDES each agreed to provide US\$205, which represents half of the US\$410 in expenditures estimated as necessary to complete geological exploration and mineral resource development projects in the region. We will oversee these projects and BNDES will advance us half of our costs on a quarterly basis. Under the Mineral Risk Contract, as of September 30, 2005, the remaining contributions towards exploration and development activities totaled US\$34. In the event that either of us wishes to conduct

further exploration and development after having spent such US\$205, the contract provides that each party may either choose to match the other party's contributions, or may choose to have its financial interest proportionally diluted. If a party's participation in the project is diluted to an amount lower than 40% of the amount invested in connection with exploration and development projects, then the Mineral Risk Contract provides that the diluted party will lose all the rights and benefits provided for in the Mineral Risk Contract and

F - 14

Table of Contents

any amounts previously contributed to the project.

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

- (d) At the time of our privatization in 1997, we issued shareholder revenue interests known in Brazil as debentures to our then-existing shareholders, including the Brazilian Government. The terms of the debentures, were set to ensure that our pre-privatization shareholders, including the Brazilian Government, would participate alongside us in potential future financial benefits that we are able to derive from exploiting our mineral resources.

On September 27, 2005 we declared a distribution on these debentures in the amount of US\$2, paid as from October 3, 2005.

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

| | Three-month periods ended | | | Nine month periods ended September 30 | |
|--|---------------------------|---------------|--------------------|---------------------------------------|-----------|
| | September 30, 2005 | (unaudited) | | 2005 | 2004 |
| | | June 30, 2005 | September 30, 2004 | | |
| Environmental liabilities beginning of period | 159 | 137 | 82 | 134 | 81 |
| Accretion expense | | 10 | 3 | 14 | 9 |
| Liabilities settled in the current period | (2) | (4) | | (6) | |
| Cumulative translation adjustment | 9 | 16 | 6 | 24 | 1 |
| Environmental liabilities end of period | 166 | 159 | 91 | 166 | 91 |

11 Segment and geographical information

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

Ferrous products comprises iron ore mining and pellet production, as well as the Northern and Southern transportation systems, including railroads, ports and terminals, as they pertain to mining operations. Manganese

mining and ferroalloys are also included in this segment.

Non-ferrous products comprises the production of non-ferrous minerals, including potash, kaolin, copper and research of others minerals, mainly nickel.

F - 15

Table of Contents

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

Holdings divided into the following sub-groups:

Aluminum comprises aluminum trading activities, alumina refining and aluminum metal smelting and investments in joint ventures and affiliates engaged in bauxite mining.

Steel comprises our investments in joint ventures and affiliates operating in the steel industry.

Others comprises our investments in joint ventures and affiliates engaged in other business.

F-16

Table of Contents

Consolidated net income and principal assets are reconciled as follows:

Results by segment before eliminations (Unaudited)

| | | September 30, 2005 | | | | | June 30, 2005 | | | | | As of and for the | | |
|----------|------------|--------------------|-------------|--------------|--------------|--------------|---------------|------------|------------|--------------|--------------|-------------------|-----------|------------|
| Non | | Non | | Non | | Non | | Non | | Non | | Non | | |
| ferrous | logistics | Aluminum | Other | Eliminations | Consolidated | Ferrous | logistics | Aluminum | Other | Eliminations | Consolidated | Ferrous | logistics | Aluminum |
| 166 | 17 | 432 | | (1,398) | 2,604 | 3,539 | 206 | 17 | 422 | (1,476) | 2,708 | 2,041 | 150 | 24 |
| 70 | 353 | 87 | | (90) | 1,006 | 679 | 42 | 318 | 81 | (107) | 1,013 | 376 | 55 | 234 |
| (219) | (256) | (408) | (67) | 1,488 | (2,034) | (2,580) | (203) | (210) | (392) | (12) | 1,583 | (1,814) | (1,711) | (158) |
| (14) | (9) | (18) | | | (171) | (97) | (17) | (10) | (12) | | (136) | (72) | (12) | (9) |
| | | | | | | | | | | | | (3) | | |
| 3 | 105 | 93 | (67) | | 1,405 | 1,541 | 28 | 115 | 99 | (12) | 1,771 | 631 | 21 | 91 |
| | 7 | 2 | 7 | (139) | 36 | 78 | | 11 | 3 | 1 | (66) | 27 | 39 | 5 |
| 1 | (14) | (75) | 1 | 139 | (216) | (159) | (4) | (4) | 50 | | 66 | (51) | (150) | (4) |
| 1 | (9) | 46 | (1) | | 163 | 201 | 3 | (7) | 107 | | 304 | 22 | 3 | 6 |
| | | | 126 | | 126 | | | | | | | | | |
| | 17 | 15 | 35 | | 194 | 128 | | 12 | 18 | 62 | 220 | 50 | | 8 |
| 2 | (5) | (22) | (1) | | (274) | (390) | (1) | (5) | (40) | (1) | (437) | (197) | | (3) |
| | (1) | (12) | | | (117) | (105) | | | (99) | | (204) | (39) | (2) | |
| 7 | 100 | 47 | 100 | | 1,317 | 1,294 | 26 | 122 | 138 | 50 | 1,630 | 356 | 22 | 103 |
| | 10 | 66 | | (286) | 203 | 334 | | 11 | 81 | (144) | 282 | 198 | | 13 |
| 3 | | 43 | | (17) | 85 | 166 | | | 42 | (89) | 119 | 132 | | 9 |
| 82 | 7 | 205 | | (582) | 1,015 | 1,518 | 125 | 6 | 185 | (685) | 1,149 | 871 | 80 | 2 |
| 20 | | 9 | | 24 | 208 | 277 | 34 | | | (75) | 236 | 132 | 63 | |

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| | | | | | | | | | | | | | |
|--------------|------------|--------------|----------------|---------------|--------------|--------------|------------|--------------|----------------|--------------|--------------|------------|------------|
| 20 | 97 | (120) | 342 | 353 | 6 | 98 | (133) | 324 | 164 | 2 | | | |
| 17 | 12 | (319) | 568 | 641 | 10 | | (220) | 431 | 401 | | | | |
| 24 | | (98) | 183 | 250 | 31 | 16 | (130) | 167 | 143 | 5 | | | |
| 166 | 17 | 432 | (1,398) | 2,604 | 3,539 | 206 | 17 | 422 | (1,476) | 2,708 | 2,041 | 150 | 24 |
| 70 | 353 | 87 | (90) | 1,006 | 679 | 42 | 318 | 81 | (107) | 1,013 | 376 | 55 | 234 |
| 236 | 370 | 519 | (1,488) | 3,610 | 4,218 | 248 | 335 | 503 | (1,583) | 3,721 | 2,417 | 205 | 258 |
| 1,595 | 947 | 1,862 | 114 | 13,375 | 7,511 | 1,478 | 827 | 1,572 | 126 | 11,514 | 5,050 | 1,147 | 577 |
| 35 | 79 | 202 | 33 | 1,302 | 525 | 46 | 52 | 153 | 1 | 777 | 131 | 40 | 114 |
| | 97 | 226 | 692 | 1,644 | 597 | | 75 | 207 | 629 | 1,508 | 387 | | 70 |
| 1,167 | 989 | 1,117 | 16 | 10,730 | 6,468 | 1,001 | 827 | 1,079 | 22 | 9,397 | 4,557 | 913 | 565 |

F-17

Table of Contents**Operating income by product after eliminations (unaudited)**

| Net | September 30, 2005 | | | | | Revenues Value | | | | | June 30, 2005 | | | | | Revenue | |
|------------|--------------------------------|------------------|--------------------------------|--------------|--------------|----------------|--------------|--------------|--------------|-----------------------|------------------|--------------------------------|--------------|--------------|------------|--------------|--|
| | Cost and depreciation expenses | Net amortization | depletion and operating income | Exp | Domestic | Total | added | Net revenues | Net expenses | Cost and depreciation | Net amortization | depletion and operating income | Exp | Domestic | Total | | |
| 999 | (693) | 1,306 | (120) | 1,186 | 1,694 | 472 | 2,166 | (81) | 2,085 | (668) | 1,417 | (87) | 1,330 | 880 | 213 | 1,099 | |
| 507 | (347) | 160 | (7) | 153 | 462 | 107 | 569 | (27) | 542 | (333) | 209 | (4) | 205 | 229 | 64 | 293 | |
| 18 | (25) | (7) | (1) | (8) | 14 | 5 | 19 | (1) | 18 | (14) | 4 | | 4 | 16 | 4 | 24 | |
| 83 | (87) | (4) | (5) | (9) | 98 | 56 | 154 | (14) | 140 | (96) | 44 | (5) | 39 | 113 | 60 | 173 | |
| 507 | (1,152) | 1,455 | (133) | 1,322 | 2,268 | 640 | 2,908 | (123) | 2,785 | (1,111) | 1,674 | (96) | 1,578 | 1,238 | 341 | 1,579 | |
| 43 | (32) | 11 | (1) | 10 | | 31 | 31 | (2) | 29 | (15) | 14 | (2) | 12 | | 35 | 35 | |
| 40 | (56) | (16) | (3) | (19) | 38 | 7 | 45 | (1) | 44 | (38) | 6 | (6) | | 36 | 5 | 41 | |
| 91 | (59) | 32 | (9) | 23 | 89 | 4 | 93 | (1) | 92 | (44) | 48 | (9) | 39 | 56 | 14 | 70 | |
| 174 | (147) | 27 | (13) | 14 | 127 | 42 | 169 | (4) | 165 | (97) | 68 | (17) | 51 | 92 | 54 | 146 | |
| 142 | (130) | 12 | (7) | 5 | 94 | 16 | 110 | (11) | 99 | (95) | 4 | (6) | (2) | 127 | 3 | 130 | |
| 200 | (105) | 95 | (11) | 84 | 194 | 10 | 204 | (1) | 203 | (93) | 110 | (6) | 104 | 172 | 8 | 180 | |
| 10 | (10) | | | | 13 | | 13 | | 13 | (12) | 1 | | 1 | 17 | | 17 | |
| 352 | (245) | 107 | (18) | 89 | 301 | 26 | 327 | (12) | 315 | (200) | 115 | (12) | 103 | 316 | 11 | 327 | |
| 229 | (161) | 68 | (5) | 63 | | 232 | 232 | (37) | 195 | (124) | 71 | (9) | 62 | | 164 | 164 | |
| 61 | (32) | 29 | (2) | 27 | | 60 | 60 | (10) | 50 | (33) | 17 | | 17 | | 43 | 43 | |
| 22 | (26) | (4) | | (4) | 12 | 12 | 24 | (2) | 22 | (19) | 3 | (2) | 1 | 16 | 9 | 25 | |
| 312 | (219) | 93 | (7) | 86 | 12 | 304 | 316 | (49) | 267 | (176) | 91 | (11) | 80 | 16 | 216 | 232 | |
| | (106) | (106) | | (106) | | 1 | 1 | 3 | 4 | (45) | (41) | | (41) | 4 | (1) | | |
| 445 | (1,869) | 1,576 | (171) | 1,405 | 2,708 | 1,013 | 3,721 | (185) | 3,536 | (1,629) | 1,907 | (136) | 1,771 | 1,666 | 621 | 2,287 | |

F-18

Table of Contents**Results by segment before eliminations (Unaudited)**

| | 2004 | | | | | | 2005 | | | | | | Nine month periods ended September 30, 2006 | | |
|---|--------------|-----------|------------|------------|-------------|--------------|--------------|--------------|-----------|------------|------------|------------|---|--------------|--------------|
| | Non | | Non | | Non | | Non | | Non | | Non | | Non | | |
| | Ferrous | ferrous | Logistics | Aluminum | Other | Eliminations | Consolidated | Ferrous | ferrous | Logistics | Aluminum | Other | Eliminations | Consolidated | Consolidated |
| Net sales revenues | 8,985 | 525 | 54 | 1,299 | | (3,875) | 6,988 | 5,478 | 265 | 65 | 1,180 | | (2,626) | 4,332 | 4,332 |
| Net sales revenues | 1,651 | 161 | 899 | 261 | | (301) | 2,671 | 1,027 | 118 | 637 | 159 | | (252) | 1,682 | 1,682 |
| Net operating expenses | (6,944) | (584) | (624) | (1,197) | (79) | 4,176 | (5,252) | (4,674) | (314) | (428) | (932) | | 2,878 | (3,444) | (3,444) |
| Depreciation, depletion and amortization | (324) | (44) | (28) | (40) | | | (436) | (207) | (24) | (24) | (25) | | | (200) | (200) |
| Operating income | 3,368 | 58 | 301 | 323 | (79) | | 3,971 | 1,624 | 45 | 250 | 382 | | | 2,368 | 2,368 |
| Financial income | 306 | 1 | 26 | 7 | 8 | (256) | 92 | 146 | | 11 | 9 | 2 | (127) | | |
| Financial expenses | (556) | (4) | (21) | (35) | 1 | 256 | (359) | (405) | (3) | (13) | (119) | | 127 | (4) | (4) |
| Foreign exchange monetary gains (losses), net | 322 | 7 | (16) | 153 | (1) | | 465 | (212) | 1 | | (2) | 3 | | (2) | (2) |
| Gain on sale of investments | | | | | 126 | | 126 | | | | | 314 | | 314 | 314 |
| Change in results of equity investments and joint ventures and change in provision for losses on equity investments | 307 | | 39 | 51 | 150 | | 547 | 115 | | 22 | 52 | 174 | | 308 | 308 |
| Income taxes | (705) | (1) | (15) | (101) | (2) | | (824) | (338) | (4) | (6) | (1) | (4) | | (338) | (338) |
| Minority interests | (233) | | (1) | (139) | | | (373) | (84) | (2) | | (105) | | | (105) | (105) |
| Income | 2,809 | 61 | 313 | 259 | 203 | | 3,645 | 846 | 37 | 264 | 216 | 489 | | 1,831 | 1,831 |
| Income classified by geographic region: | | | | | | | | | | | | | | | |
| North America, except United States | 963 | | 32 | 253 | | (575) | 673 | 528 | | 46 | 140 | | (303) | 446 | 446 |
| United States | 348 | 3 | 3 | 163 | | (215) | 302 | 360 | | 9 | 109 | | (223) | 251 | 251 |
| Europe | 3,645 | 257 | 19 | 522 | | (1,626) | 2,817 | 2,387 | 170 | 10 | 566 | | (1,206) | 1,997 | 1,997 |
| Middle East/Africa/Oceania | 556 | 92 | | 15 | | (102) | 561 | 308 | 64 | | | | (93) | 272 | 272 |
| Latin America | 890 | 32 | | 292 | | (332) | 882 | 501 | 14 | | 266 | | (213) | 585 | 585 |
| Other | 1,898 | 55 | | 38 | | (713) | 1,278 | 939 | 9 | | 99 | | (396) | 620 | 620 |

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| | | | | | | | | | | | | | |
|--|---------------|--------------|------------|--------------|-----------|----------------|---------------|--------------|------------|------------|--------------|----------------|------------|
| a, other than an and China | 685 | 86 | | 16 | | (312) | 475 | 455 | 8 | | | (192) | 2 |
| | 8,985 | 525 | 54 | 1,299 | | (3,875) | 6,988 | 5,478 | 265 | 65 | 1,180 | (2,626) | 4,3 |
| domestic market | 1,651 | 161 | 899 | 261 | | (301) | 2,671 | 1,027 | 118 | 637 | 159 | (252) | 1,6 |
| | 10,636 | 686 | 953 | 1,560 | | (4,176) | 9,659 | 6,505 | 383 | 702 | 1,339 | (2,878) | 6,0 |
| ets: | | | | | | | | | | | | | |
| roperty, plant and quipment, net | 8,857 | 1,595 | 947 | 1,862 | 114 | | 13,375 | 5,050 | 1,147 | 577 | 952 | 1 | 7,7 |
| ditions to roperty, plant and quipment | 1,959 | 110 | 173 | 464 | 34 | | 2,740 | 453 | 173 | 399 | 120 | | 1,1 |
| estments in liated companies joint ventures other | | | | | | | | | | | | | |
| estments, net of vision for losses | 629 | | 97 | 226 | 692 | | 1,644 | 387 | | 70 | 219 | 377 | 1,0 |
| ital employed | 7,441 | 1,167 | 989 | 1,117 | 16 | | 10,730 | 4,557 | 913 | 565 | 819 | 31 | 6,8 |

F-19

Table of Contents

Operating income by product after eliminations (unaudited)

| Nine month period | | | | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|-------------------|--|------------------|--------------|--|--------------|--------------|--------------|-------------------|--|------------------|
| September 30, 2005 | | | | | | | | | | | | | | | |
| 2005 | | | | | | | | | | | | | | | |
| Revenues | | | | | | | | | Revenues | | | | | | |
| Value | | | | | | | | | Value | | | | | | |
| added | | | | | | | | | added | | | | | | |
| Net | | | | | | | | | Net | | | | | | |
| Cost | | | | | | | | | Cost | | | | | | |
| and | | | | | | | | | and | | | | | | |
| depreciation, depletion and amortization | | | | | | | | | depreciation, depletion and amortization | | | | | | |
| Operating income | | | | | | | | | Operating income | | | | | | |
| Export | Domestic | Total | Value added | Net revenues | Cost and expenses | Depreciation, depletion and amortization | Operating income | Export | Domestic | Total | Value added | Net revenues | Cost and expenses | Depreciation, depletion and amortization | Operating income |
| 4,208 | 1,113 | 5,321 | (177) | 5,144 | (1,890) | 3,254 | (291) | 2,963 | 2,264 | 598 | 2,862 | (95) | 2,767 | (1,242) | 1,525 |
| 1,167 | 272 | 1,439 | (60) | 1,379 | (917) | 462 | (14) | 448 | 663 | 184 | 847 | (31) | 816 | (618) | 198 |
| 44 | 15 | 59 | (5) | 54 | (48) | 6 | (1) | 5 | 30 | 10 | 40 | (5) | 35 | (31) | 4 |
| 261 | 138 | 399 | (37) | 362 | (265) | 97 | (13) | 84 | 307 | 141 | 448 | (36) | 412 | (201) | 211 |
| 5,680 | 1,538 | 7,218 | (279) | 6,939 | (3,120) | 3,819 | (319) | 3,500 | 3,264 | 933 | 4,197 | (167) | 4,030 | (2,092) | 1,938 |
| | 108 | 108 | (9) | 99 | (61) | 38 | (5) | 33 | | 89 | 89 | (14) | 75 | (38) | 37 |
| 108 | 18 | 126 | (5) | 121 | (114) | 7 | (19) | (12) | 104 | 15 | 119 | (4) | 115 | (66) | 49 |
| 225 | 35 | 260 | (5) | 255 | (143) | 112 | (26) | 86 | 80 | 14 | 94 | (3) | 91 | (44) | 47 |
| 333 | 161 | 494 | (19) | 475 | (318) | 157 | (50) | 107 | 184 | 118 | 302 | (21) | 281 | (148) | 133 |
| 324 | 68 | 392 | (23) | 369 | (323) | 46 | (19) | 27 | 308 | 9 | 317 | (13) | 304 | (258) | 46 |
| 576 | 30 | 606 | (4) | 602 | (288) | 314 | (21) | 293 | 519 | 20 | 539 | (2) | 537 | (175) | 362 |
| 33 | | 33 | | 33 | (31) | 2 | | 2 | 40 | | 40 | | 40 | (35) | 5 |
| 933 | 98 | 1,031 | (27) | 1,004 | (642) | 362 | (40) | 322 | 867 | 29 | 896 | (15) | 881 | (468) | 413 |
| | 658 | 658 | (102) | 556 | (376) | 180 | (22) | 158 | | 450 | 450 | (71) | 379 | (235) | 144 |
| | 173 | 173 | (25) | 148 | (91) | 57 | (3) | 54 | | 126 | 126 | (21) | 105 | (64) | 41 |
| 41 | 35 | 76 | (7) | 69 | (70) | (1) | (2) | (3) | 37 | 30 | 67 | (5) | 62 | (77) | (15) |
| 41 | 866 | 907 | (134) | 773 | (537) | 236 | (27) | 209 | 37 | 606 | 643 | (97) | 546 | (376) | 170 |
| 1 | 8 | 9 | (6) | 3 | (170) | (167) | | (167) | 10 | 3 | 13 | (2) | 11 | (84) | (73) |
| 6,988 | 2,671 | 9,659 | (465) | 9,194 | (4,787) | 4,407 | (436) | 3,971 | 4,362 | 1,689 | 6,051 | (302) | 5,749 | (3,168) | 2,581 |

F-20

Table of Contents**12 Derivative financial instruments**

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

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

The asset (liability) balances and the change in fair value of derivative financial instruments are as follows (the quarterly information is unaudited):

| | Interest rates (LIBOR) | Currencies | Gold | Alumina | Aluminum | Total |
|--|---------------------------------------|-------------------|-------------|----------------|-----------------|--------------|
| Unrealized gains (losses) at July 1, 2005 | (9) | 2 | (30) | (22) | (54) | (113) |
| Financial settlement | | (1) | 3 | 7 | 7 | 16 |
| Unrealized gains (losses) in the period | 2 | | (8) | (13) | (47) | (66) |
| Effect of exchange rate changes | | | (2) | (2) | (5) | (9) |
| Unrealized gains (losses) at September 30, 2005 | (7) | 1 | (37) | (30) | (99) | (172) |
| Unrealized gains (losses) at April 1, 2005 | (12) | 3 | (31) | (50) | (113) | (203) |
| Financial settlement | 4 | | 2 | 9 | 9 | 24 |
| Unrealized gains (losses) in the period | | (1) | 3 | 24 | 59 | 85 |
| Effect of exchange rate changes | (1) | | (4) | (5) | (9) | (19) |
| Unrealized gains (losses) at June 30, 2005 | (9) | 2 | (30) | (22) | (54) | (113) |
| Unrealized gains (losses) at July 1, 2004 | (25) | (30) | 1 | (30) | (37) | (121) |
| Financial settlement | | 3 | | | | 3 |
| Unrealized gains (losses) in the period | (5) | (1) | | (5) | (25) | (36) |
| Effect of exchange rate changes | (2) | (3) | | (2) | (3) | (10) |
| Unrealized gains (losses) at September 30, 2004 | (32) | (31) | 1 | (37) | (65) | (164) |

| | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|--------------|
| Unrealized gains (losses) at January 1, 2005 | (17) | 4 | (37) | (55) | (127) | (232) |
| Financial settlement | 8 | (1) | 7 | 23 | 26 | 63 |
| Unrealized gains (losses) in the period | 4 | (2) | (2) | 8 | 16 | 24 |
| Effect of exchange rate changes | (2) | | (5) | (6) | (14) | (27) |
| Unrealized gains (losses) at September 30, 2005 | (7) | 1 | (37) | (30) | (99) | (172) |
| Unrealized gains (losses) at January 1, 2004 | (32) | (46) | 5 | (18) | | (91) |
| Initial consolidation of Albras | | | | | (20) | (20) |
| Financial settlement | 1 | 17 | (2) | | | 16 |
| Unrealized gains (losses) in the period | (1) | (2) | (2) | (19) | (44) | (68) |
| Effect of exchange rate changes | | | | | (1) | (1) |
| Unrealized gains (losses) at September 30, 2004 | (32) | (31) | 1 | (37) | (65) | (164) |

Unrealized gains (losses) in the period are included in our statement of income under the caption of financial expenses and foreign exchange on liabilities.

Table of Contents

Final maturity dates for the above instruments are as follows:

| | |
|------------------------|---------------|
| Interest rates (LIBOR) | October 2007 |
| Currencies | December 2011 |
| Gold | December 2008 |
| Alumina | December 2008 |
| Aluminum | December 2008 |

13 Subsequent events

- (a) On October 26, 2005, we issued notes of US\$ 300 due 2034, bearing interest of 7.65% per year in the same form as the US\$ 500, 8.25% guaranteed notes issued on January 15, 2004.
- (b) On October 14, 2005, we approved the payment of the second installment of the 2005 minimum dividend to stockholders of US\$ 500 as well as an additional dividend of US\$ 300. The total payment of US\$ 800, equivalent to US\$ 0.69 per outstanding share was paid on October 31, 2005. The value correspondig to US\$ 0.30 per common or preferred share outstanding was paid in the form of interest attributed to stockholders and the remaining US\$ 0.39 per share in from of dividends.

* * *

F-22

Table of Contents

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