US GAAP

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

Companhia
Vale do Rio Doce

SUSTAINING PROFITABLE GROWTH
Performance of CVRD in the third quarter 2005 (3Q05)

Rio de Janeiro, November 9, 2005 - Companhia Vale do Rio Doce (CVRD) has been reporting continuous good operational and financial results, breaking numerous records quarter over quarter. Past investments and significant productivity gains have resulted in record sales, which in this quarter were achieved in shipments of iron ore & pellets, potash, and railroad general cargo transportation and port services.

Most of CVRD units are operating at full capacity with every ton produced being shipped to clients.

In spite of the cost pressures arising from the economic cycle and the firm appreciation of the Brazilian Real, profit margins continue to be much higher than the historic average. Cash generation has been sufficient to finance a vast program of investments and considerable returns to shareholders, while the balance sheet has continuously strengthened.

- Shipments of iron ore and pellets in 3Q05 totaled 65.260 million tons, exceeding the previous record – 62.386 million tons in 2Q05 – and bringing the total for the first nine months of 2005 (9M05) to 187.442 million tons.
- Potash sales were a record 197,000 tons in 3Q05, and 464,000 tons in 9M05.
- Railroad general cargo transported for clients in the quarter, 7.789 billion net ton kilometer (ntk), broke the Company's previous record, of 7.466 billion ntk in 3Q04 – and the total for CVRD's railroads in 9M05 was 20.886 billion ntk.
- Cargo handled for clients in CVRD's ports reached 8.349 million tons in 3Q05, an all time record, and 23.040 million tons in 9M05.
- Gross revenue in the quarter was US$ 3.610 billion, 57.8% more than in 3Q04. Gross revenue in 9M05 was US$ 9.659 billion, 59.9% more than in 9M04.
- Operational profit, measured as adjusted EBIT[(1)], consisted of US$ 1.405 billion in the quarter, 58.6% more than in 3Q04, and US$ 3.971 billion in 9M05.
- Adjusted EBIT margin in 3Q05 is 40.8%, 430 basis points higher than the average for the 1Q01 – 3Q05 period.
- 3Q05 cash generation, measured by adjusted EBITDA[(2)], was US$ 1.734 billion, 72.2% higher yoy. Adjusted EBITDA in the nine months equals to US$ 4.760 billion.
- LTM adjusted EBITDA increased for the fourteenth consecutive quarter reaching US$ 5.761 billion.
- 3Q05 net earning was US$ 1.317 billion, or US$ 1.15 per share, 39.7% higher than in 3Q04. Net earnings in the first nine months of 2005 is US$ 3.645 billion,

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Except where otherwise indicated the operational and financial information in this release is based on the consolidated figures in accordance with USGAAP and, with the exception of information on investments and behaviour of markets, quarterly financial statements reviewed by the company's independent auditors. The main subsidiaries that are consolidated are the following: Caemi, Alunorte, Albras, RDM, RDME, RDMN, Urucum Mineração, Docenave, Ferrovia Centro-Atlântica (FCA), Itaco, CVRD Overseas e Rio Doce International Finance.

US$ 3.17 per share, 96.8% higher than the 9M04 net earning of US$ 1.852 billion.

- Annualized return on equity (ROE) for the quarter is 35.8%.
- Capex in 3Q05 was US$ 917 million, and US$ 2.309 billion in 9M05.

SELECTED FINANCIAL INDICATORS					
					US$ million
	3Q04	2Q05	3Q05	9M04	9M05
Gross revenues	2,287	3,721	3,610	6,051	9,659
Adjusted EBIT	886	1,771	1,405	2,301	3,971
Adjusted EBIT margin (%)	40.8	50.1	40.8	40.0	43.2
Adjusted EBITDA	1,007	2,033	1,734	2,721	4,760
Net earnings	943	1,630	1,317	1,852	3,645
Earnings per share (US$)	0.82	1.41	1.15	1.61	3.17
Annualized ROE (%)	32.7	39.0	35.8	32.7	29.9
Total debt/ adjusted LTM EBITDA(3) (x)	1.34	0.83	0.68	1.34	0.68
Capex *	424.0	821.3	917.0	1,270.3	2,309.0

* including acquisitions

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.

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 lengthen 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.

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.

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.

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.

SALES AND REVENUES

CVRD's gross revenue in 3Q05 was US$ 3.610 billion, 57.8% more than in 3Q04, and the second highest quarterly revenue in its history, 3.0% lower than in the previous quarter, 2Q05.

However, adjusting revenue in the two quarters for the retroactive effect of the iron ore and pellets price increase – adjustments of US$ 318 million in 2Q05 and US$ 22 million in 3Q05 – the 3Q05 revenue is the highest in CVRD's history, at US$ 3.588 billion, versus US$ 3.403 billion in 2Q05.

3Q05 gross revenue was US$ 1.323 billion more than in 3Q04, mainly reflecting higher prices – which contributed US$ 1.164 billion, or 88.0% of the total increase, and more volumes sold, which contributed US$ 159 million, or 12.0%.

Revenue in the first nine months of the year was US$ 9.659 billion, 13.9% higher than in the whole year of 2004; and LTM revenue to September 30, 2005 was US$ 12.087 billion, a new all-time record.

In 3Q05 ferrous minerals accounted for 75.0% of the gross revenue; products of the aluminum chain (bauxite, alumina and primary aluminum) 9.9%; logistics services 9.9%; and non-ferrous minerals 5.0%.

Europe continued to be the main destination of CVRD's sales, responsible for 28.1% of 3Q05 gross revenue, followed by Brazil with 27.9%, China 15.7% and Japan 9.5%.

- **Ferrous minerals**

All-time record in shipments of iron ore and pellets

CVRD's shipments of iron ore and pellets in 3Q05 were a new all-time record of 65.260 million tons, 8.0% higher than in 3Q04. Sales of iron ore totaled 58.879 million tons, while sales of pellets were 6.381 million tons.

Since the demand for iron ore continues to be extremely strong, a large proportion of the growth in shipments was sustained by productivity gains achieved in all the productive complexes of CVRD's Southern System. As well as the operational performance, the start-up of the Fábrica Nova mine was essential in supporting the capacity for the Company to expand its sales.

In 3Q05 CVRD acquired 4.613 million tons of iron ore from producers located in the "Iron Quadrangle", in the state of Minas Gerais, to complement its production and meet clients' needs. In the first nine months of the year it purchased 13.109 million tons of iron ore, 11.9% higher than the volume of 11.710 million tons acquired in the first nine months of 2004.

Total iron ore sales in 9M05 were 167.529 million tons, more than in the whole year of 2003, and 12.6% higher than in 9M04.

A non-recurring event – problems at a US client's unloading terminal caused by Hurricane Katrina – resulted in sales of pellets in 3Q05, at 6.381 million tons, being lower than in 3Q04, of 6.847 million tons. Pellets sales in 9M05 were 19,913 million tons, compared to 20.431 million tons in 9M04.

CVRD sold 14.301 million tons of iron ore to China in 3Q05, 21.9% of its total sales volume. Japan received shipments of 6.330 million tons, or 9.7% of the total, Germany 6.124 million tons, 9.4%, France 4.6%, Italy 4.5% and South Korea 4.1%.

Sales to Brazilian steelmakers and pig iron producers amounted to 8.975 million tons, 13.8% of total shipments. Sales to the pelletizing joint ventures at Tubarão were 5.774 million tons, 8.8% of the total. After pelletization, the majority of this volume is sold to other countries.

CVRD's average realized sale price for iron ore in 3Q05 was US$ 35.07/ton, 72.0% higher than in 3Q04. For pellets this average price was US$ 79.92/ton, or 94.7% more than in 3Q04.

Shipments of manganese ore summed 271,000 tons in 3Q05, 13.4% yoy, but an increase of 77,000 tons compared to 2Q05.

Sales of ferro alloys reached 131,000 tons, 16.0% less than in 3Q04 and 10.9% lower than in 2Q05. This was expected, due to the temporary shutdown of the equivalent of one-third of CVRD's total ferro alloys production capacity in August, resulting in output 15% lower than in the previous quarter.

CVRD's average sale price of manganese ore was US$ 73.80/ton, 24.6% less qoq, but 15.5% more than in 3Q04.

The fall in ferro alloy prices continued a trend which started at the end of last year: the average price in 3Q05, US$ 618.32/ton, was 34.1% less than in 2Q05 and 42.9% less than in 3Q04.

Alloy prices are beginning to show signs of stabilization, with some recovery since September, on market reaction to contraction in global production.

In 3Q05 ferrous minerals – iron ore, pellets, manganese and ferro alloys – provided the greater part of the Company's gross revenue: US$ 2.706 billion or 75.0% of CVRD's total gross revenue – and 71.4% higher than in 3Q04.

Iron ore shipments contributed US$ 2.065 billion to this total, pellets US$ 510 million, services of operation of the Tubarão pelletizing plants US$ 19 million, manganese ore US$ 20 million, and ferro alloys US$ 81 million.

- **Bauxite, alumina and primary aluminum**

The volume of primary aluminum sold, 112,000 tons in 3Q05, was slightly higher than the 110,000 tons sold in 2Q05, and 10.9% more than the volume sold in 3Q04 – reflecting the very high output in that quarter, equal to the record quarterly output of 4Q04.

Shipments of alumina in the 3Q05 were 507,000 tons, almost the same as in 3Q04, and 26.1% more than in 2Q05. With the Alunorte refinery operating at full capacity, at an annual rate of 2.5 million tons, the fluctuations in volumes sold each quarter have been caused by the use of swaps with other producers in order to maximize the profitability of sales.

In 3Q05 CVRD sold 368,000 tons of bauxite, 22.5% less than 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.

The average realized price for bauxite in 3Q05 was US$ 27.17/ton, in line with 2Q05, and 4.2% more than in 3Q04. The price of alumina in the quarter was US$ 287.97/ton, higher 12.5% yoy and 5.2% qoq.

The average sale price for alumina in 3Q05 was equivalent to 15.6% of the average price of primary aluminum traded on the LME (London Metals Exchange) in the period – reflecting the influence of new contracts with prices at a higher percentage of the benchmark and spot sales taking advantage of the current situation of high prices. Approximately 15% of CVRD alumina sales are made in the spot market.

CVRD's average price for primary aluminum was US$ 1,803.57/ton in 3Q05, a little below that of 2Q05, US$ 1,854.55/ton. Since CVRD's sales are based on the average price of the LME in the previous month, the Company's average sales prices in 3Q05 did not include any reflection of the September price increase, which will appear in 4Q05.

Revenue from products in the aluminum chain in 3Q05 totaled US$ 358 million, 9.5% more than in 2Q05, and 9.9% of CVRD's total revenue in the quarter.

- **Copper**

CVRD sold 96,000 tons of copper concentrate in 3Q05, 9,000 tons less than in 2Q05, and the same volume as in 3Q04. Copper concentrate sales in 9M05 was 286,000 tons.

Copper output from the Sossego mine continues to be lower than its nominal capacity due to the delay in delivery of drilling equipment: only one of the four drilling machines ordered is working. When the new equipment, specially adapted to work with the type of rock found at Sossego, starts operating, we expect output, and consequently sales, to start rising in 1Q06.

CVRD's average price of copper concentrate in 3Q05, US$ 958.33 per ton, was 31.4% higher than in 3Q04 of US$ 729.17/ton, and 8.2% over 2Q05 US$ 885.71/ton. LME copper prices are still at record levels, due to the limitations in growth of supply of concentrate, strong Chinese demand and the historically low level of inventories.

High prices compensated for the effect on revenue of lower volume sold in 3Q05. Total revenues from shipment of copper concentrates were US$ 92 million in the quarter, totaling US$ 260 million in 9M05.

- **Industrial minerals**

CVRD sold 280,000 tons of kaolin in 3Q05 against 303,000 tons in 2Q05, and 319,000 tons in 3Q04. Lower sales volume was partly caused by postponement of an 18 thousand tons shipment to Japan, from end of September to October, due to problems with the vessel.

Average sale price for kaolin in the quarter was US$ 150.00 per ton, 16.7% higher than in 3Q04 and 1.0% more than in 2Q05. Revenue from sales of kaolin was US$ 42 million, US$ 1 million over 3Q04.

Potash sales at 197,000 tons, were 52.7% more than in 2Q05 and 22.4% higher than in 3Q04. The increase from the previous quarter reflects the seasonal effect of the farm planting cycle and increasing demand, which was partially met by the use of inventories accumulated since the beginning of the year. The Taquari-Vassouras potash mine had its capacity increased from 600,000 to 850,000 tons/year, and should be operating at full capacity in 2006.

The average price of CVRD's potash sales in 3Q05 was US$ 238.58/ton, in line with 2Q05 and 9.7% higher yoy.

Potash sales contributed US$ 47 million to CVRD's revenue in 3Q05, US$ 16 million more than in 2Q05.

- **Logistics**

CVRD's logistic services generated revenue of US$ 359 million in 3Q05, 13.6% higher qoq and 54.7% yoy. Logistic services provided 9.9% of CVRD's total revenue in 3Q05.

Revenue from logistics in 9M05 totaled US$ 907 million, 41% more than in 9M04 of US$ 643 million.

Higher volumes carried and the appreciation of the Brazilian Real against the US dollar also boosted sales revenues, since the services are priced in Brazilian currency.

CVRD's railroads transported 7.789 billion ntk of general cargo, a record, and an increase of 4.3% over 3Q04 at 7.466 billion ntk. The main cargos carried were agricultural products, 39.1% of the total, steel industry inputs and products 37.0%, and construction material and forest products 6.9%. Transport of agricultural products overtook transport of steel-related products for the first time, resulted from haulage of the crop and CVRD's increasing exploitation of its own growth potential.

Railroad transportation of general cargo by the Carajás (EFC), Vitória-Minas (EFVM) and Centro-Atlântica (FCA) railroads contributed US$ 267 million to revenue. Port services contributed US$ 60 million, while coastal shipping and port support services provided US$ 32 million.

CVRD's ports and maritime terminals handled 8.349 million tons of general cargo, which compares with 7.634 million in 3Q04, a record volume.

VOLUME SOLD: IRON ORE AND PELLETS

Thousands of tons

	3Q04	%	2Q05	%	3Q05	%	9M05	%
Iron ore	53,606	88.7	56,167	90.0	58,879	90.2	167,529	89.4
Pellets	6,847	11.3	6,219	10.0	6,381	9.8	19,913	10.6
Total	**60,453**	**100.0**	**62,386**	**100.0**	**65,260**	**100.0**	**187,442**	**100.0**

VOLUME SOLD: MINERALS AND METALS					
					Thousands of tons
	3Q04	2Q05	3Q05	9M04	9M05
Manganese ore	313	194	271	679	663
Ferro-alloys	156	147	131	492	410
Alumina	508	402	507	1,326	1,387
Primary aluminum	101	110	112	317	331
Bauxite	652	475	368	1,562	1,204
Potash	161	129	197	465	464
Kaolin	319	303	280	897	863
Copper concentrates	96	105	96	130	286

IRON ORE AND PELLET SALES BY DESTINATION								
								Thousands of tons
	3Q04	%	2Q05	%	3Q05	%	9M05	%
EU	**18,337**	**30.3**	**20,016**	**32.1**	**18,884**	**28.9**	**56,303**	**30.0**
Germany	6,204	10.3	6,466	10.4	6,124	9.4	18,406	9.8
France	2,854	4.7	2,850	4.6	2,977	4.6	8,251	4.4
Belgium	2,285	3.8	1,779	2.9	1,961	3.0	5,647	3.0
Italy	2,012	3.3	3,148	5.0	2,915	4.5	7,983	4.3
Others	4,982	8.2	5,773	9.3	4,907	7.5	16,016	8.5
China	**11,340**	**18.8**	**11,747**	**18.8**	**14,301**	**21.9**	**36,905**	**19.7**
Japan	**5,742**	**9.5**	**6,249**	**10.0**	**6,330**	**9.7**	**18,272**	**9.7**
South Korea	**2,813**	**4.7**	**1,237**	**2.0**	**2,647**	**4.1**	**6,339**	**3.4**
Middle East	**1,916**	**3.2**	**2,063**	**3.3**	**2,244**	**3.4**	**5,621**	**3.0**
USA	**1,333**	**2.2**	**1,083**	**1.7**	**878**	**1.3**	**3,237**	**1.7**
Brazil	**14,181**	**23.5**	**14,397**	**23.1**	**14,749**	**22.6**	**43,356**	**23.1**
Steel mills and pig iron producers	9,213	15.2	9,038	14.5	8,975	13.8	26,833	14.3
Pelletizing joint ventures	4,968	8.2	5,359	8.6	5,774	8.8	16,523	8.8
RoW	**4,791**	**7.9**	**5,595**	**9.0**	**5,227**	**8.0**	**17,410**	**9.3**
Total	**60,453**	**100.0**	**62,387**	**100.0**	**65,260**	**100.0**	**187,442**	**100.0**

LOGISTICS SERVICES – GENERAL CARGO					
	3Q04	2Q05	3Q05	9M04	9M05
Railroads (million ntk)	7,466	7,418	7,789	20,428	20,886
Ports (thousand tons)	7,634	8,336	8,349	21,644	23,040

AVERAGE PRICES REALIZED					
					US$ / ton
	3Q04	2Q05	3Q05	9M04	9M05
Iron ore	20.39	38.58	35.07	19.24	31.76
Pellets	41.04	90.69	79.92	39.55	70.05
Manganese	63.90	97.94	73.80	58.91	88.99
Ferro alloys	1,083.33	938.78	618.32	858.13	880.49
Alumina	255.91	273.63	287.97	239.06	282.62
Aluminum	1,752.48	1,854.55	1,803.57	1,671.92	1,830.82
Bauxite	26.07	27.37	27.17	25.61	27.41
Potash	217.39	240.31	238.58	191.40	232.76
Kaolin	128.53	148.51	150.00	132.66	146.00
Copper concentrates	729.17	885.71	958.33	723.08	909.09

GROSS REVENUE BY DESTI NATION								
								US$ milion
	3Q04	%	2Q05	%	3Q05	%	9M05	%
Europe	699	30.6	1,149	30.9	1,015	28.1	2,817	29.2
Brazil	621	27.2	1,013	27.2	1,006	27.9	2,671	27.7
China	277	12.1	431	11.6	568	15.7	1,278	13.2
Japan	200	8.7	324	8.7	342	9.5	882	9.1
Emerging Asia (ex-China)	87	3.8	167	4.5	183	5.1	475	4.9
USA	118	5.2	119	3.2	85	2.4	302	3.1
Rest of the World	285	12.5	518	13.9	411	11.4	1,234	12.8
Total	**2,287**	**100.0**	**3,721**	**100.0**	**3,610**	**100.0**	**9,659**	**100.0**

GROSS REVENUE BY PRODUCT								
								US$ million
	3Q04	%	2Q05	%	3Q05	%	9M05	%
Ferrous minerals	**1,579**	**69.0**	**2,908**	**78.2**	**2,706**	**75.0**	**7,218**	**74.7**
Iron ore	1,093	47.8	2,167	58.2	2,065	57.2	5,320	55.1
Pellet plant operation services	12	0.5	6	0.2	19	0.5	45	0.5
Pellets	281	12.3	564	15.2	510	14.1	1,395	14.4
Manganese ore	20	0.9	19	0.5	20	0.6	59	0.6
Ferro-alloys	169	7.4	138	3.7	81	2.2	361	3.7
Others	4	0.2	14	0.4	11	0.3	38	0.4
Non ferrous minerals	**146**	**6.4**	**169**	**4.5**	**181**	**5.0**	**494**	**5.1**
Potash	35	1.5	31	0.8	47	1.3	108	1.1
Kaolin	41	1.8	45	1.2	42	1.2	126	1.3
Copper concentrates	70	3.1	93	2.5	92	2.5	260	2.7
Aluminum products	**327**	**14.3**	**327**	**8.8**	**358**	**9.9**	**1,031**	**10.7**
Primary aluminum	177	7.7	204	5.5	202	5.6	606	6.3
Alumina	130	5.7	110	3.0	146	4.0	392	4.1
Bauxite	17	0.7	13	0.3	10	0.3	33	0.3
Others	3	0.1	-	-	-	-	-	-
Logistics services	**232**	**10.2**	**316**	**8.5**	**359**	**9.9**	**907**	**9.4**
Railroads	164	7.2	233	6.3	267	7.4	659	6.8
Ports	43	1.9	59	1.6	60	1.7	166	1.7
Shipping	25	1.1	24	0.6	32	0.9	82	0.8
Others	**3**	**0.1**	**1**	**0.0**	**6**	**0.2**	**9**	**0.1**
Total	**2,287**	**100.0**	**3,721**	**100.0**	**3,610**	**100.0**	**9,659**	**100.0**

OPERATIONAL COSTS AND EXPENSES

Cost of goods sold (COGS) totaled US$ 1.645 billion in 3Q05, 9.1% more than in 2Q05 and 56.2% higher than 3Q04.

The Brazilian currency appreciated by 21.3% against the US dollar from 3Q04 to 3Q05, causing a negative impact on CVRD's costs, which are around 70%, denominated in Brazilian Reais. The volatility of the exchange rate was responsible for 34.3%, or US$ 203 million, of the total increment of US$ 602 million in costs between the two quarters.

The principal item responsible for the increase in COGS, was outsourced services US$ 153 million higher than 3Q04, mainly due to the increase of US$ 48 million in waste removal, US$ 48 million in freight expenses – because of higher volume carried and prices rise - and US$ 43 million in maintenance services.

Material costs increased by US$ 122 million, basically driven by higher usage of conveyor belts and replacement of spare parts and tires, which also had higher prices.

Expenses on acquisition of iron ore and pellets raised by US$ 93 million, due to the increase in prices and to the growth of 14.7% in the volume acquired from third parties, as previously described, from 4.022 million tons in 3Q04 to 4.613 million tons in 3Q05.

Expenses on energy rose by US$ 87 million, reflecting adjustment on prices of fuel and electricity in 2Q05. Around 25% of the increment in energy costs took place in Albras, whose electricity supply contract was renewed in June 2004. The price per MWh settled in the contract is sensitive to Brazilian inflation, changes in the BRL/USD exchange rate and the LME aluminum price.

The total of depreciation and amortization, at US$ 161 million in 3Q05, was US$ 66 million higher than in 3Q04, reflecting not only the increase in the Company's asset base – which rose from US$ 3.3 billion at the end of 2002 to US$ 13.4 billion in September 2005 due to significant investments – but also the appreciation of the Real.

Demurrage expenses were US$ 18 million in the quarter, and US$ 55 million in 9M05, which, when annualized, is equivalent to US$ 73 million, 13.6% lower than in the whole year of 2004, reflecting CVRD's efforts to optimize its logistics and expand its ports capacity. We do, however, expect a stronger reduction in the future.

Personnel expenses, at US$ 139 million in the 3Q05, increased US$ 41 million yoy, mainly reflecting the annual raise in employees' salaries, which was agreed at 6.5% for the period July 2005 through June 2006, and also the payment of an extraordinary bonus in August.

Other factors that contributed to the increase in COGS were tax expenses US$ 20 million higher, and leasing expenses US$ 12 million over 3Q04.

Sales, general and administrative expenses, at US$ 160 million in 3Q05, were US$ 48 million higher than in 3Q04, driven by annual increase of remuneration of administrative employees, according to parameters previously cited, and the appreciation of the Brazilian Real.

There was also a provision for losses in inventories of ferro alloys of US$ 28 million in 3Q05, and an increase of US$ 15 million in contingency expenses, essentially generated by FCA.

There was a raise of US$ 68 million in research and development (R&D) expenses, which were US$ 36 million in 3Q04 against US$ 104 million in 3Q05. CVRD continues to intensify its mineral exploration efforts, aiming to prepare for growth in the coming decade through greenfield projects. Of the total R&D allocation in 3Q05, 41.3%, or US$ 43 million, was spent on mining exploration and project studies in countries of South America, Asia, Africa and Australia.

COST OF GOODS SOLD – BREAKDOWN								
								US$ million
	3Q04	%	2Q05	%	3Q05	%	9M05	%
Personnel	98	9.3	117	7.8	139	8.4	354	8.0
Material	188	17.9	279	18.5	310	18.8	820	18.6
Fuels	119	11.3	148	9.8	164	10.0	442	10.0
Electric energy	67	6.4	117	7.8	109	6.6	323	7.3
Outsourced services	224	21.3	342	22.7	377	22.9	1,009	22.9
Acquisition of iron ore and pellets	123	11.7	215	14.3	216	13.1	546	12.4
Acquisition of other products	87	8.3	81	5.4	83	5.0	251	5.7
Depreciation and exhaustion	95	9.0	127	8.4	161	9.8	410	9.3
Others	52	4.9	82	5.4	86	5.2	245	5.6
Total	**1,053**	**100.0**	**1,508**	**100.0**	**1,645**	**100.0**	**4,400**	**100.0**

GOOD OPERATIONAL PERFORMANCE

Operational profit, measured by adjusted EBIT, was US$ 1.405 billion in 3Q05, US$ 519 million more than in 3Q04, led by net revenue US$ 1.272 billion higher, partially offset by an increase of US$ 592 million in COGS.

Adjusted EBIT in 9M05 was US$ 3.971 billion, 72.6% over US$ 2.301 billion in 9M04.

Adjusted EBIT margin in the quarter was 40.8%, 430 bp more than the quarterly average for the period 2001/2005, and equal to the adjusted EBIT margin for 3Q04. The margin of the ferrous minerals division was 50.7%, 570 bp higher than the 45.0% of 3Q04, because of higher prices of iron ore and pellets valid for 2005.

The adjusted EBIT margin of the aluminum business was 25.3%, vs. 44.4% in 3Q04. The increase in average price in the three products in the aluminum chain – bauxite, alumina and aluminum – was more than offset by the impact of the appreciation of the Brazilian Real on costs, especially in electricity, that together with alumina are the largest components in the cost of aluminum production. Also, there were price raises in several inputs, such as caustic soda, up 20%, and calcining oil 25%, both used in production of alumina, and coke 35%, which affects the cost of production of primary aluminum.

Adjusted EBIT margin for logistics services was 27.6%, 40 bp more than in 3Q04, reflecting the appreciation of the Brazilian Real.

The EBIT margin of the non-ferrous minerals division, which contributes on average to 4% of CVRD’s adjusted EBIT, decreased from 33.6% in 3Q04 to 8.0% in 3Q05. The main reason for this decline was the negative operation margin in kaolin business, because of inventory write-off, provision for ICMS credit loss and increase on storage and packaging costs and port expenses in Europe, the major market for CVRD kaolin sales.

Excluding the kaolin business, the adjusted EBIT margin of the non-ferrous minerals division would be 24.6% in 3Q05.

ADJUSTED EBIT MARGIN BY BUSINESS AREA			
	3Q04	2Q05	3Q05
Ferrous minerals	45.0%	56.7%	50.7%
Non ferrous minerals	33.6%	30.9%	8.0%
Aluminum	44.4%	32.7%	25.3%
Logistics	27.2%	30.0%	27.6%
Total	**40.8%**	**50.1%**	**40.8%**

A POWERFULL CASH FLOW

3Q05 cash flow, measured by adjusted EBITDA, was US$ 1.734 billion, an increase of 72.2% compared to 3Q04, but 14.7% lower than in 2Q05. Discounting the retroactive effects on 3Q05 and 2Q05 of the changes in iron ore and pellets prices gives adjusted EBITDA for 3Q05 would be US$ 1.712 billion, almost equal to the US$ 1.715 billion of the previous quarter.

In the twelve-month period to September 2005, adjusted EBITDA amounted US$ 5.761 billion. 3Q05 was fourteenth consecutive quarterly result in which LTM adjusted EBITDA increased and was 75.2% higher yoy.

The growth in CVRD's adjusted EBITDA has been characterized by low risk, since the negative volatility of the quarterly variations over the period from 1Q01 through 3Q05 has been low, at only 29.4% of total volatility.

The main drivers contributing for the US$ 727 million growth in adjusted EBITDA between 3Q05 and 3Q04 are increases of US$ 519 million in adjusted EBIT, US$ 69 million in depreciation, and US$ 139 million in dividends received from affiliated companies and joint ventures.

The total of dividends received in 3Q05 was US$ 158 million, vs. US$ 19 million in 3Q04. The largest contribution to this strong increase came from Samarco, which paid US$ 75 million to CVRD in the quarter. CVRD also received dividends from Usiminas, US$ 29 million; GIIC, US$ 20 million; Hispanobras, US$ 16 million; Itabrasco, US$ 10 million; and CSI, US$ 8 million.

In 3Q05 the breakdown of cash flow by business area is: ferrous mineals 87.8%, aluminum 6.4%, logistics 6.6%, non-ferrous minerals 1.0%; and others – representing dividends received from non-consolidated companies, less spending on research and development, -1.8%.

QUARTERLY ADJUSTED EBITDA					
					US$ million
	3Q04	2Q05	3Q05	9M04	9M05
Net operating revenues	2,173	3,536	3,445	5,749	9,194
COGS	(1,053)	(1,508)	(1,645)	(2,873)	(4,400)
SG&A	(112)	(135)	(160)	(319)	(408)
Research and development	(36)	(54)	(104)	(86)	(192)
Other operational expenses	(86)	(68)	(131)	(170)	(223)
Adjusted EBIT	**886**	**1,771**	**1,405**	**2,301**	**3,971**
Depreciation, amortization & exhaustion	102	136	171	280	436
Dividends received	19	126	158	140	353
Adjusted EBITDA	**1,007**	**2,033**	**1,734**	**2,721**	**4,760**

ADJUSTED EBITDA BY BUSINESS AREA								
								US$ million
	3Q04	%	2Q05	%	3Q05	%	9M05	%
Ferrous minerals	722	71.7	1,687	83.0	1,523	87.8	3,884	81.6
Non- ferrous minerals	33	3.3	45	2.2	17	1.0	102	2.1
Logistics	100	9.9	130	6.4	114	6.6	334	7.0
Aluminum	152	15.1	149	7.3	111	6.4	429	9.0
Others	-	0.0	22	1.1	(31)	-1.8	11	0.2
Total	**1,007**	**100.0**	**2,033**	**100.0**	**1,734**	**100.0**	**4,760**	**100.0**

FINANCIAL RESULT

CVRD posted net financial result of a negative US$ 180 million in 3Q05, US$ 25 million less than in 3Q04. Financial revenues, at US$ 36 million, were US$ 26 million higher than the US$ 10 million computed in 3Q04, but this increase was more than offset by financial expenses US$ 51 million higher, at US$ 216 million.

In the nine first months of 2005, the net financial result was negative in US$ 267 million, an improvement against the net financial expenses of US$ 372 million in the same period last year. The improvement in this result was determined by reduction of US$ 60 million in losses on derivative transaction contracted to hedge aluminum prices and of US$ 28 million in interest expenses. The increase of US$ 51 million in financial revenues, was partly offset by a US$ 25 million raise on monetary adjustment of legal liabilities.

EQUITY INCOME

Equity income from subsidiaries in the 3Q05 totaled US$ 194 million, 52.8%, or US$ 67 million, more than in 3Q04. This increment came mainly from the pelletizing companies, benefiting from price increases for their products: they produced equity income of US$ 125 million in 3Q05, vs. US$ 49 million in 3Q04. Much of this amount came from Samarco, which contributed US$ 82 million to CVRD's profit in 3Q05, vs. US$ 35 million in 3Q04.

The contribution of MRS Logística was also higher, at US$ 17 million in 3Q05 compared with US$ 8 million in 3Q04, mainly due to the appreciation of the Real against the US dollar, since its revenues are denominated in Reais.

The contribution from investments in steel companies was lower – US$ 35 million in 3Q05 vs. US$ 50 million in 3Q04 – following the divestment of CST.

RESULT FROM SHAREHOLDINGS					
					R$ million
	3Q04	2Q05	3Q05	9M04	9M05
Iron Ore and Pellets	50	128	127	115	307
Aluminum, Alumina and Bauxite	20	18	15	52	51
Logistics	8	12	17	22	39
Steel	50	62	35	176	150
Others	(1)	-	-	(2)	-
Total	**127**	**220**	**194**	**363**	**547**

US$ 3.6 BILLION NET EARNINGS IN 9M 2005

CVRD computed net earnings of US$ 1.317 billion in 3Q05, 39.7% more than in 3Q04, but 19.2% less than in 2Q05.

Net earnings in the first nine months of 2005 was US$ 3.645 billion, almost twice the amount for 9M04, of US$ 1.852 billion; and net earning in the 12 months ended September 2005 was US$ 4.366 billion, 69.7% more than in the year 2004.

The main component of the growth between 3Q04 and 3Q05 was the increase of US$ 519 million in operational profit.

The appreciation of the Brazilian Real, which, on the one hand, increased operational costs and expenses, compressing margins, operational profit, cash flow and net profit, on the other hand caused a positive effect in the later, through monetary variations of US$ 163 million. Equity income from subsidiaries increased its contribution to earnings by US$ 67 million from 3Q04 to 3Q05.

At the same time, revenue from sale of assets was US$ 188 million lower: an accounting gain of US$ 314 million was posted on the sale of the stake in CST in 3Q04, while a gain of US$ 126 million was posted on the divestment of the Quebec Cartier Mining Company in 3Q05.

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.

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[(4)] 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$ million

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

DEBT INDICATORS

US$ million

	3Q04	2Q05	3Q05
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[5] (x)	13.00	17.73	21.03
Gross debt / EV[6] (x)	0.16	0.11	0.08

Enterprise Value = market capitalization + net debt

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 Itabiritos 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 refineryt, 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 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**

Area	Project	Budgeted 2005	Status
Ferrous minerals	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.
	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.

	Timbopeba 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.
Coal	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.
	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.
Non-ferrous minerals	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.
	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.
Aluminum	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.
	Paragominas Bauxite mine Phase 1 1	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.
Logistics	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.
Electricity	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%.
	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				
				US$ million
Business area	3Q05		realized 2005	
Ferrous minerals	353.7	38.6%	893.9	38.7%
Non ferrous minerals	71.3	7.8%	160.1	6.9%
Logistcs	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%
Total	**917.0**	**100.0%**	**2,308.7**	**100.0%**

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, *Investor Relations* section. A recording of the call and webcast will be available on the website for 90 days following November 11.

SELECTED FINANCIAL INDICATORS FOR THE MAIN NON-CONSOLIDATED COMPANIES

Selected financial indicators for the principal non-consolidated companies are available in CVRD's quarterly financial statements, on its website www.cvrd.com.br, in the *Investor Relations* section.

FINANCIAL STATEMENTS			
			US$ million
	3Q04	2Q05	3Q05
Gross operating revenues	2,287	3,721	3,610
Taxes	(114)	(185)	(165)
Net operating revenue	**2,173**	**3,536**	**3,445**
Cost of goods sold	(1,053)	(1,508)	(1,645)
Gross profit	**1,120**	**2,028**	**1,800**
Gross margin (%)	51.5	57.4	52.2
Selling, general and administrative expenses	(112)	(135)	(160)
Research and development expenses	(36)	(54)	(104)
Employee profit-sharing	(17)	(24)	(24)
Others	(69)	(44)	(107)
Operating profit	**886**	**1,771**	**1,405**
Financial revenues	10	27	36
Financial expenses	(165)	(51)	(216)
Monetary variation	77	304	163
Gains on sale of affiliates	314	-	126
Tax and social contribution (Current)	(285)	(330)	(172)
Tax and social contribution (Deferred)	61	(107)	(102)
Equity income and provision for losses	127	220	194
Accounting changes for asset write-offs	-	-	-
Minority shareholding participation	(82)	(204)	(117)
Net earnings	**943**	**1,630**	**1,317**
Earnings per share (US$)	**0.82**	**1.41**	**1.15**

BALANCE SHEET			
			US$ million
	09/30/04	06/30/05	09/30/05
Assets			
Current	4,246	4,634	5,006
Long-term	1,694	1,911	2,078
Fixed	8,780	13,022	15,019
Total	**14,720**	**19,567**	**22,103**
Liabilities			
Current	2,600	3,002	2,964
Long term	5,640	6,316	6,934
Shareholders’ equity	6,480	10,249	12,205
Paid-up capital	3,707	6,366	6,366
Reserves	2,773	3,883	5,839
Total	**14,720**	**19,567**	**22,103**

CASH FLOW STATEMENT			
			US$ million
	3Q04	2Q05	3Q05
Cash flows from operating activities:			
Net income	943	1,630	1,317
Adjustments to reconcile net income with cash provided by operating activities:			
Depreciation, depletion and amortization	102	136	171
Dividends received	19	126	158
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	(127)	(220)	(194)
Deferred income taxes	(61)	107	102
Provisions for contingencies	-	(8)	10
Impairment of property, plant and equipment	-	12	18
Gain on sale of investment	(314)	-	(126)
Pension plan	3	0	0
Foreign exchange and monetary losses	(118)	(298)	(201)
Net unrealized derivative losses	36	(85)	65
Minority interest	82	204	117
Net interest payable	42	38	12
Others	64	(63)	(15)
Decrease (increase) in assets:			
Accounts receivable	-	(472)	281
Inventories	(39)	(50)	(44)
Others	(44)	(187)	(441)
Increase (decrease) in liabilities:			
Suppliers	26	142	(21)
Payroll and related charges	27	13	22
Income Tax	370	325	396
Others	96	76	161
Net cash provided by operating activities	**1,107**	**1,426**	**1,788**
Cash flows from investing activities:			
Loans and advances receivable	(9)	(5)	26
Guarantees and deposits	(48)	(3)	(32)
Additions to investments	(4)	(90)	0
Additions to property, plant and equipment	(348)	(777)	(1,302)
Proceeds from disposals of investment	415	-	126
Proceeds from disposals of property, plant and equipment	-	1	1
Net cash used in investing activities	**6**	**(874)**	**(1,181)**
Cash flows from financing activities:			
Short-term debt, net issuances (repayments)	40	216	(194)
Loans	13	(6)	(17)
Long-term debt	43	125	22
Repayments of long-term debt	(225)	(432)	(156)
Interest attributed to stockholders	-	(500)	0
Net cash used in financing activities	**(129)**	**(597)**	**(345)**
Increase (decrease) in cash and cash equivalents	984	(45)	262
Effect of exchange rate changes on cash and cash equivalents	(104)	(121)	17
Cash and cash equivalents, beginning of period	1,059	1,122	956
Cash and cash equivalents, end of period	**1,939**	**956**	**1,235**
Cash paid during the period for:			
Interest on short-term debt	0	0	(1)
Interest on long-term debt	(82)	(35)	(71)
Income tax	-	(171)	(202)
Non-cash transactions			
Interest capitalized	(11)	(9)	(10)
Income tax paid with credits	-	(53)	(16)

APPENDIX

Reconciliation of “non-GAAP” information with corresponding US GAAP figures

(1) Adjusted EBIT

US$ million

	3Q04	2Q05	3Q05
Net operating revenues	2,173	3,536	3,445
COGS	(1,053)	(1,508)	(1,645)
SG&A	(112)	(135)	(160)
Research & development	(36)	(54)	(104)
Other operating expenses	(86)	(68)	(131)
Adjusted EBIT	**886**	**1,771**	**1,405**

(2) Adjusted EBITDA

The term "EBITDA" refers to a financial measure that is defined as earnings (losses) before interest, taxes, depreciation and amortisation; we use the term "Adjusted EBITDA" to reflect that our financial measure also excludes monetary gains/losses, equity in results of affiliates and joint ventures less dividends received from those companies, changes in provision for losses on equity investments, adjustments for changes in accounting practices, minority interests and non-recurring expenses. However, Adjusted EBITDA is not a measure determined under GAAP in the United States of America and may not be comparable to similarly titled measures reported by other companies. Adjusted EBITDA should not be construed as a substitute for operating income or as a better measure of liquidity than cash flow from operating activities, which are determined in accordance with GAAP. We have presented Adjusted EBITDA to provide additional information with respect to our ability to meet future debt service, capital expenditure and working capital requirements. The following schedule reconciles Adjusted EBITDA to net cash provided by (used in) operating activities reported on our Consolidated Statements of Cash Flows, which we believe is the most directly comparable GAAP measure:

RECONCILIATION BETWEEN ADJUSTED EBITDA VS. OPERATING CASH FLOW

US$ million

	3Q04	2Q05	3Q05
Operating cash flow	**1,107**	**1,426**	**1,788**
Income tax	285	330	172
Monetary and foreign exchange losses	41	(6)	37
Financial expenses	113	(14)	169
Net working capital	(436)	153	(354)
Others	(103)	144	(78)
Adjusted EBITDA	**1,007**	**2,033**	**1,734**

(3) Gross debt / last 12 months adjusted EBITDA

	3Q04	2Q05	3Q05
Total debt / adjusted LTM EBITDA (x)	1.34	0.83	0.68
Total debt / LTM operating cash flow (x)	1.52	1.03	0.84

(4) Net debt

RECONCILIATION BETWEEN GROSS DEBT VS, NET DEBT			
			US$ million
	3Q04	2Q05	3Q05
Gross debt	4,418	4,168	3,942
Cash and cash equivalents	1,939	956	1,235
Net debt	2,479	3,212	2,707

(5) Adjusted LTM EBITDA / LTM interest expenses

	3Q04	2Q05	3Q05
Adjusted LTM EBITDA / LTM interest expenses (x)	13.00	17.73	21.03
LTM operating income / LTM interest expenses (x)	10.64	15.05	17.49

(6) Total debt / *enterprise value*

	3Q04	2Q05	3Q05
Total debt / EV (x)	16.16	10.98	7.61
Total debt / total assets (x)	30.01	21.30	17.83

Entreprise value = net debt + market capitalization