

VALLEY OF THE RIO DOCE CO

Form 6-K

May 14, 2004

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United States
Securities and Exchange Commission

Washington, D.C. 20549

FORM 6-K

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

For the month of

May 2004

Valley of the Rio Doce Company

(Translation of Registrant's name into English)

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

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

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

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

(Check One) Yes No

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

(Check One) Yes No

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

(Check One) Yes No

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

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This current report on Form 6-K is hereby incorporated by reference into the Registration Statement on Form F-4 of Vale Overseas Limited, File No. 333-109610; the Registration Statement on Form F-4 of Companhia Vale do Rio Doce, File No. 333-109610-01; 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.

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COMPANHIA VALE DO RIO DOCE

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

	March 31, 2004	December 31, 2003
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	1,001	585
Accounts receivable		
Related parties	127	115
Unrelated parties	710	703
Loans and advances to related parties	14	56
Inventories	502	505
Deferred income tax	144	91
Others	440	419
	2,938	2,474
Property, plant and equipment, net	6,727	6,484
Investments in affiliated companies and joint ventures and other investments, net of provision for losses on equity investments	1,069	1,034
Other assets		
Goodwill on acquisition of subsidiaries	448	451
Loans and advances		
Related parties	40	40
Unrelated parties	66	68
Prepaid pension cost	78	82
Deferred income tax	205	234
Judicial deposits	424	407
Unrealized gain on derivative instruments	1	5
Others	165	155
	1,427	1,442
TOTAL	12,161	11,434

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

(Continued)

	March 31, 2004	December 31, 2003
	(unaudited)	
Liabilities and stockholders' equity		
Current liabilities		
Suppliers	441	482
Payroll and related charges	87	78
Interest attributed to stockholders	276	118
Current portion of long-term debt - unrelated parties	695	1,009
Short-term debt	171	129
Loans from related parties	87	119
Others	390	318
	2,147	2,253
Long-term liabilities		
Employees post-retirement benefits	199	198
Long-term debt - unrelated parties	3,288	2,767
Loans from related parties	3	4
Provisions for contingencies (Note 10)	633	635
Unrealized loss on derivative instruments	121	96
Others	318	268
	4,562	3,968
Minority interests	353	329
Stockholders' equity		
Preferred class A stock - 600,000,000 no-par-value shares authorized and 138,575,913 issued	1,055	1,055
Common stock - 300,000,000 no-par-value shares authorized and 249,983,143 issued	1,902	1,902
Treasury stock - 4,183 (2003 - 4,183) preferred and 4,715,170 common shares	(88)	(88)
Additional paid-in capital	498	498
Other cumulative comprehensive income	(4,403)	(4,375)
Appropriated retained earnings	3,016	3,035

Unappropriated retained earnings	3,119	2,857
	<u>5,099</u>	<u>4,884</u>
TOTAL	<u>12,161</u>	<u>11,434</u>

See notes to condensed consolidated financial information.

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

	Three months ended		
	March 31, 2004	March 31, 2003	December 31, 2003
Operating revenues, net of discounts, returns and allowances			
Sales of ores and metals			
Iron ore and pellets	1,061	746	1,075
Kaolin	39	16	41
Manganese and ferroalloys	131	75	104
Potash	23	21	24
Others		9	
	<u>1,254</u>	<u>867</u>	<u>1,244</u>
Revenues from logistic services	191	115	192
Aluminum products	234	167	254
Other products and services	6	4	
	<u>1,685</u>	<u>1,153</u>	<u>1,690</u>
Value-added tax	(75)	(43)	(52)
	<u>1,610</u>	<u>1,110</u>	<u>1,638</u>
Net operating revenues			
Operating costs and expenses			
Cost of ores and metals sold	(643)	(428)	(670)
Cost of logistic services	(115)	(70)	(138)
Cost of aluminum products	(167)	(142)	(194)
Others	(3)	(1)	(3)
	<u>(928)</u>	<u>(641)</u>	<u>(1,005)</u>
Selling, general and administrative expenses	(92)	(49)	(97)
Research and development	(23)	(11)	(37)
Employee profit sharing plan	(13)	(12)	(9)
Others	(25)	(34)	(98)
	<u>(1,081)</u>	<u>(747)</u>	<u>(1,246)</u>

Operating income	529	363	392
Non-operating income (expenses)			
Financial income	11	28	18
Financial expenses	(109)	(82)	(122)
Foreign exchange and monetary gains (losses), net	(39)	50	(8)
Gain on sale of investments			17
	(137)	(4)	(95)
Income before income taxes, equity results and minority interests	392	359	297
Income taxes			
Current	(80)	(6)	10
Deferred	27	(65)	(76)
	(53)	(71)	(66)
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	90	94	88
Minority interests	(24)	(18)	(49)
Income from continuing operations	405	364	270
Change in accounting practice for asset retirement obligations (Note 4)		(10)	
Net income	405	354	270
Basic earnings per Preferred Class A Share	1.06	0.92	0.70
Basic earnings per Common Share	1.06	0.92	0.70
Weighted average number of shares outstanding (thousands of shares)			
Common shares	245.268	245.268	245.268
Preferred Class A shares	138.571	138.571	138.571

See notes to condensed consolidated financial information.

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

	Three months ended		
	March 31, 2004	March 31, 2003	December 31, 2003
Cash flows from operating activities:			
Net income	405	354	270
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation, depletion and amortization	95	43	78
Dividends received	61	36	59
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	(90)	(94)	(88)
Deferred income taxes	(27)	65	76
Provisions for other contingencies		9	
Impairment of property, plant and equipment			39
Gain on sale of investments			(17)
Change in accounting practice for asset retirement obligations (Note 4)		10	
Pension plan	3	3	4
Foreign exchange and monetary losses (gains)	43	(142)	5
Net unrealized derivative losses (gains)	31	3	20
Minority interests	24	18	49
Others	(32)	6	6
Decrease (increase) in assets:			
Accounts receivable	(25)	64	(68)
Inventories		24	6
Others	(25)	(1)	(36)
Increase (decrease) in liabilities:			
Suppliers	(38)	(93)	59
Payroll and related charges	(8)	(6)	(17)
Others	131	57	69
	<u>548</u>	<u>356</u>	<u>514</u>
Net cash provided by operating activities	548	356	514
Cash flows from investing activities:			
Loans and advances receivable			
Related parties			
Additions		(23)	(65)
Repayments	42	29	9
Others	14	16	
Guarantees and deposits	(20)	(12)	(13)
Additions to investments	(10)		1
Additions to property, plant and equipment	(379)	(198)	(594)

Proceeds from disposal of investments			83
	_____	_____	_____
Net cash used in investing activities	(353)	(188)	(579)
	_____	_____	_____
Cash flows from financing activities:			
Short-term debt, net issuances (repayments)	44	(93)	(1)
Loans			
Related parties			
Additions	21		24
Repayments	(55)	(16)	(2)
Issuances of long-term debt			
Related parties		2	12
Others	665	177	29
Repayments of long-term debt			
Related parties			
Others	(451)	(101)	(351)
Interest attributed to stockholders			(427)
	_____	_____	_____
Net cash used in financing activities	224	(31)	(716)
	_____	_____	_____
Increase (decrease) in cash and cash equivalents	419	137	(781)
Effect of exchange rate changes on cash and cash equivalents	(3)	56	26
Cash and cash equivalents, beginning of period	585	1,091	1,340
	_____	_____	_____
Cash and cash equivalents, end of period	1,001	1,284	585
	_____	_____	_____
Cash paid during the period for:			
Interest on short-term debt	(2)	(6)	
Interest on long-term debt	(75)	(53)	(38)
Income tax		(6)	(16)
Non-cash transactions			
Conversion of loans receivable to investments		(11)	(91)

See notes to condensed consolidated financial information.

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

	Three months ended		
	March 31, 2004	March 31, 2003	December 31, 2003
Preferred class A stock (including one special share)	_____	_____	_____
End of the period	1,055	904	1,055
Common stock	_____	_____	_____
End of the period	1,902	1,630	1,902
Treasury stock	_____	_____	_____
End of the period	(88)	(88)	(88)
Additional paid-in capital	_____	_____	_____
End of the period	498	498	498
Other cumulative comprehensive income	_____	_____	_____
Cumulative translation adjustments	_____	_____	_____
Beginning of the period	(4,449)	(5,185)	(4,473)
Change in the period	(31)	186	24
End of the period	(4,480)	(4,999)	(4,449)
Unrealized gain on available-for-sale securities	_____	_____	_____
Beginning of the period	74	_____	14
Change in the period	3	13	60
End of the period	77	13	74

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Adjustments relating to investments in affiliates			
Beginning of the period		10	10
Transfer to retained earnings			(10)
End of the period		10	
Total other cumulative comprehensive income	(4,403)	(4,976)	(4,375)
Appropriated retained earnings			
Beginning of the period	3,035	2,230	2,251
Transfer (to) from retained earnings	(19)	121	784
End of the period	3,016	2,351	3,035
Retained earnings			
Beginning of the period	2,857	3,288	3,472
Net income	405	354	270
Interest attributed to stockholders			
Preferred class A stock	(58)	(72)	(40)
Common stock	(104)	(128)	(71)
Appropriation (to) from reserves	19	(121)	(774)
End of the period	3,119	3,321	2,857
Total stockholders' equity	5,099	3,640	4,884
Comprehensive income is comprised as follows:			
Net income	405	354	270
Cumulative translation adjustments	(31)	186	24
Unrealized gain (loss) on available-for-sale securities	3	13	60
Total comprehensive income	377	553	354
Shares			
Preferred class A stock (including one special share)	138,575,913	138,575,913	138,575,913

