Samarco's Presentation

April 2004

Agenda

- **Company Overview**
- Growth Opportunities
- Selected Information

Geographic Location

COMPANY OVERVIEW

SHAREHOLDING

bhpbilliton	50%
Companhia Vale do Rio Doce	50%

	2000	2001	2002	2003
Employees	1302	1206	1248	1286
SALES - MT				
Pellets	12,5	9,4	12,3	13,7
Pellet-Feed	1,8	1,8	2,5	2,7
Total	14,3	11,2	14,8	16,4
Revenue (MUS$)	430	327	413	500

Samarco:

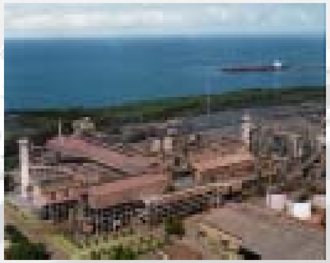
A strong fully integrated process exporting 100% of its output

Mine

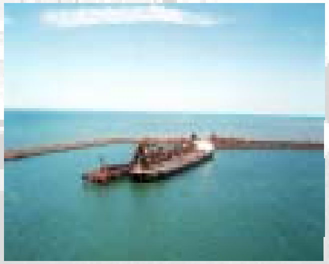
Concentration

Pipeline

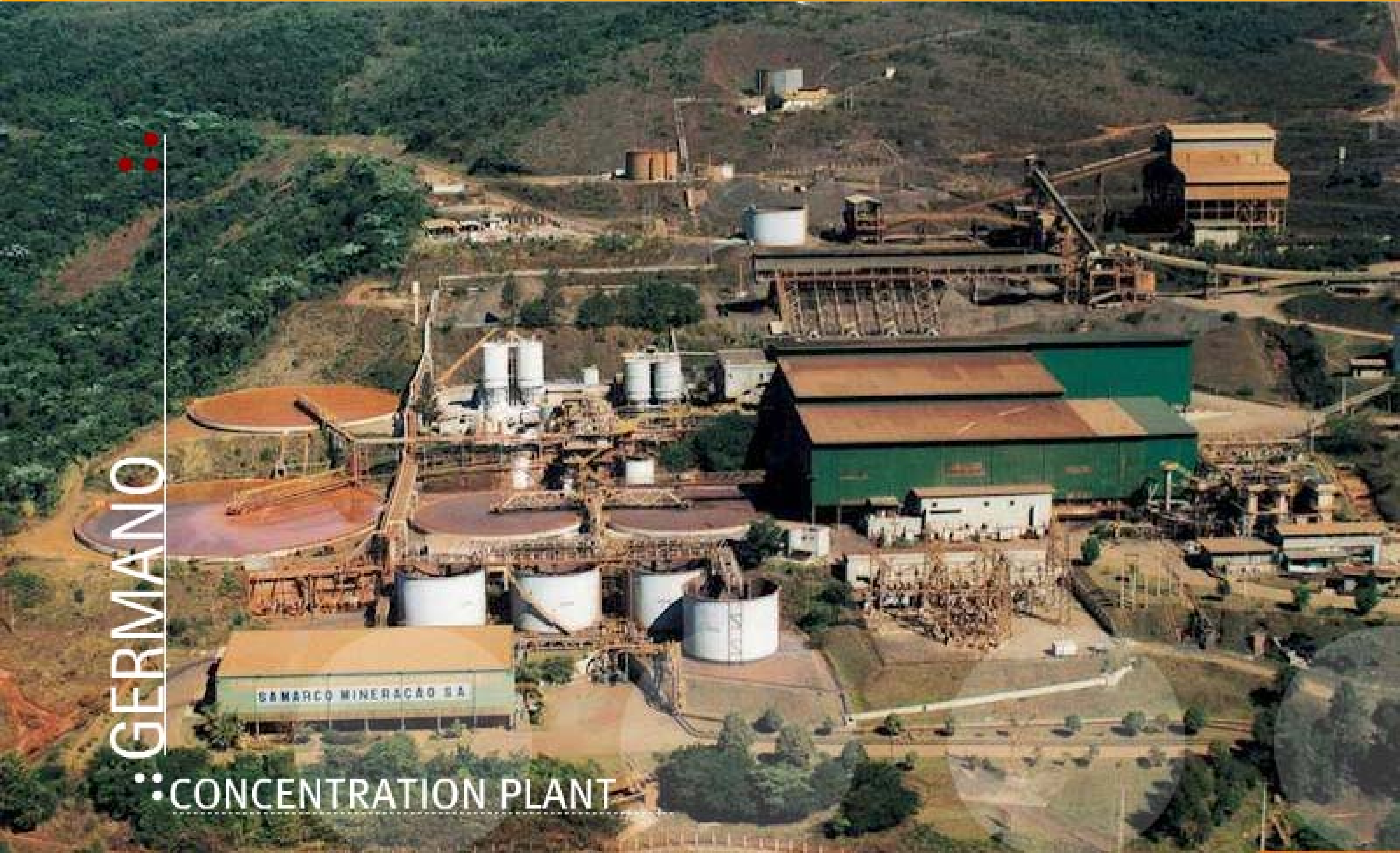
Pellet Plants



Port



Germano Facilities

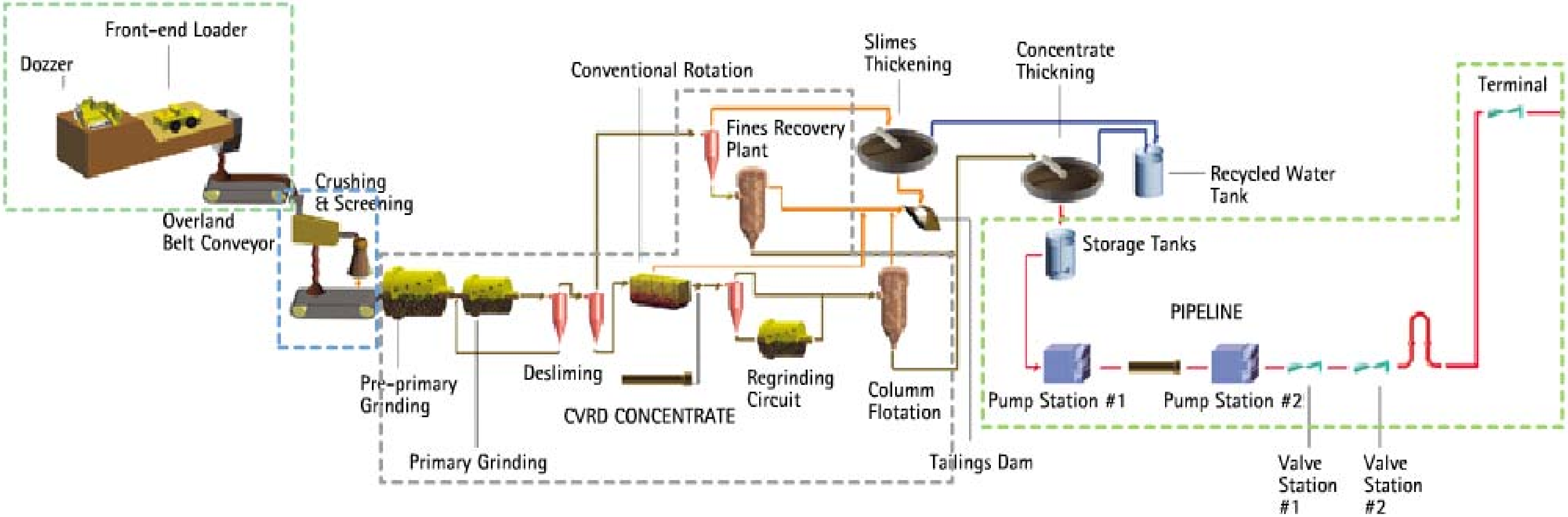


Large Iron Ore Reserves

	Germano	Alegria 3/4/5	Alegria 1/2/6	Alegria 7	Alegria 8	Alegria 9	Total / Média
RECURSOS							
Inferidos (MTMN)		211	806	618	314	536	2485
Indicados (MTMN)		133	293	115	89	275	906
Medidos (MTMN)	12	67	241		150	156	625
Total de Recursos	12	412	1340	734	552	967	4017
RESERVAS							
Prováveis (MTMN)		17	118	78	23	51	288
Provadas (MTMN)		29	167		92	92	380
Total de Reservas		47	285	78	115	143	668
% Fe		46,51	48,59	43,60	40,07	41,76	44,93
% P		0,041	0,039	0,037	0,031	0,040	0,038
% P no Concentrado		0,045	0,042	0,045	0,037	0,050	0,043
% PPC		2,30	3,07	2,59	2,36	1,87	2,58
% PPC no Concentrado		2,54	3,31	2,62	2,78	2,38	2,89
% Al_2O_3		0,73	0,61	0,48	0,76	0,49	0,61
% Al_2O_3 no Concentrado		0,39	0,33	0,26	0,37	0,26	0,32
% SiO_2		30,4	26,8	34,5	39,5	37,8	32,5
Relação Estéril / Minério (t/t)		0,18	0,52	0,12	0,37	0,50	0,42
% Hematita Especular no Concentrado		54,23	17,93	21,55	30,10	31,60	25,92
% Hematita Porosa no Concentrado		22,03	36,31	51,00	31,29	31,96	35,23
% Goethita no Concentrado		18,94	29,29	22,00	20,00	24,93	25,17
%Magnetita no Concentrado		4,80	16,47	6,00	18,60	6,00	12,56

Germano Process

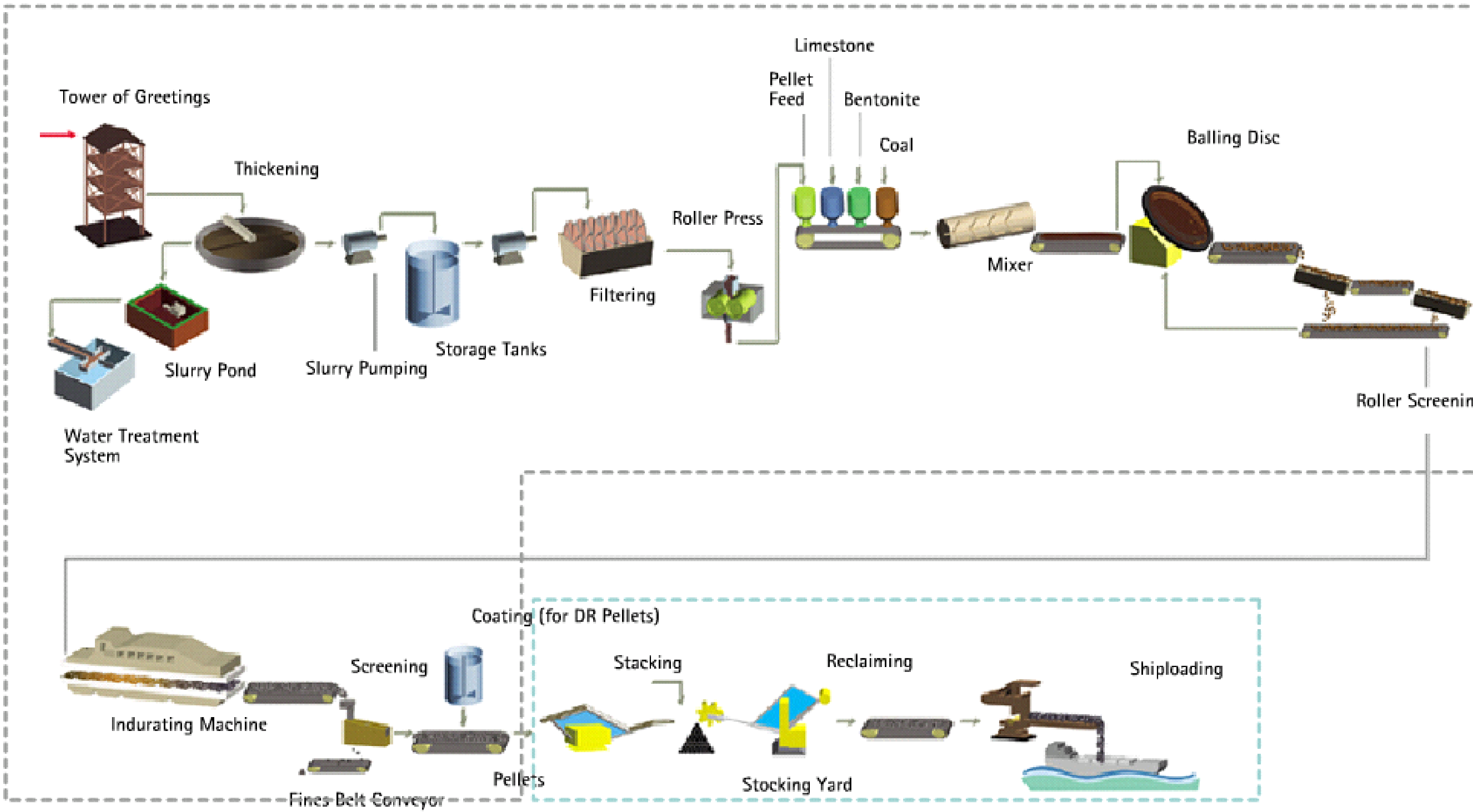
GERMANO MINE - MINING



Ponta Ubu Facilities

Ubu Process

PONTA UBU – PELLETTIZING



Port Terminal

UBU
Stocking and Shipping

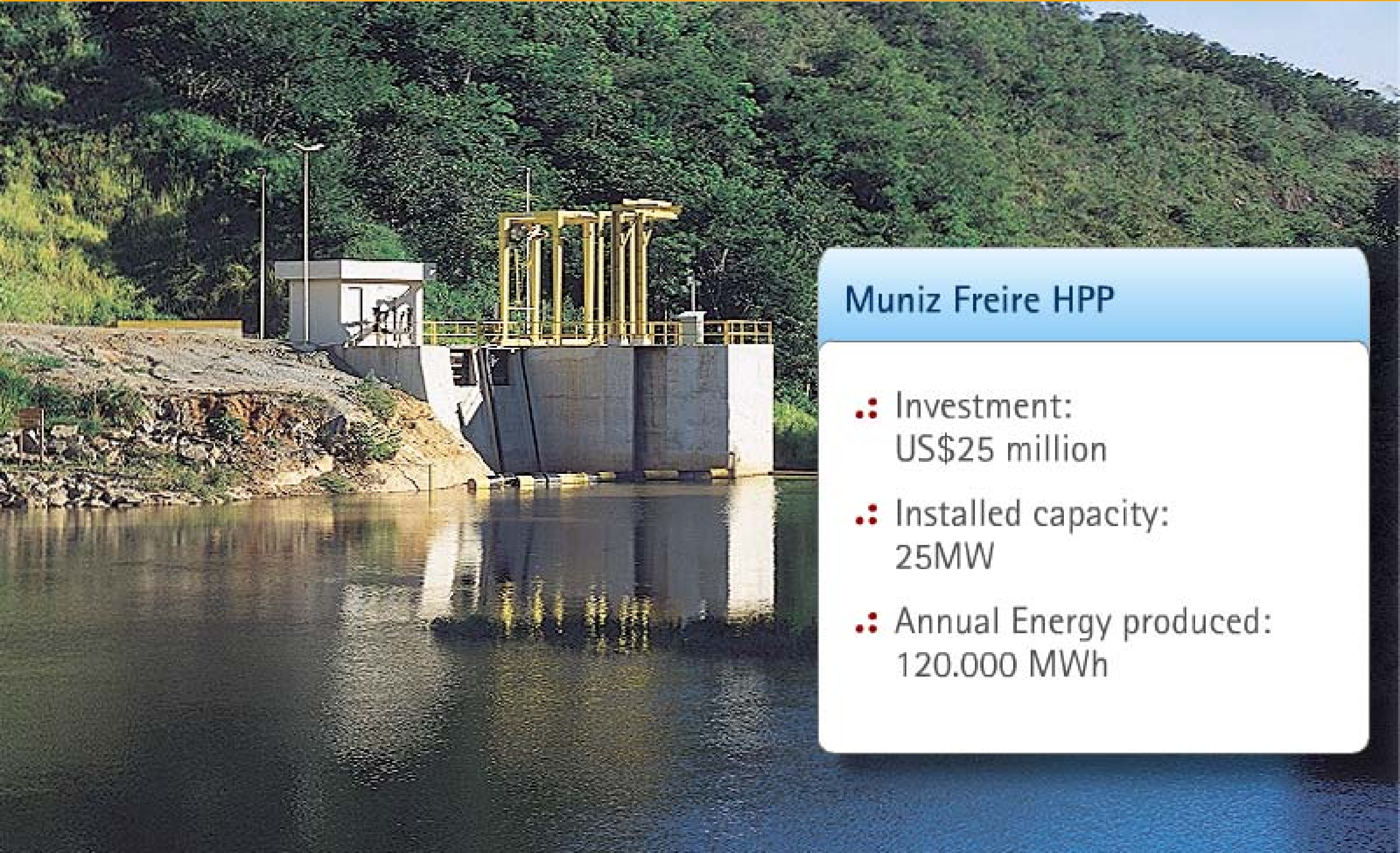
WEST SIDE

DWT 200.000 T
L. O. A. 308m
MINIMUM DEPTH 18,2m
DRAFT 16,80 + tide

EAST SIDE

DWT 70.000 T
L. O. A. 240m
MINIMUM DEPTH 15,0m
DRAFT 13,0 + tide

Muniz Freire Power Plant



Muniz Freire HPP

- Investment: US$25 million
- Installed capacity: 25MW
- Annual Energy produced: 120.000 MWh

Guilman Amorim Power Plant (Joint-Venture)

Guilmann Amorim HPP

- Investment:
  US$150 million
- Instaled capacity:
  140MW
- Annual Energy produced:
  588.000 MWh

49% Samarco – 51% Belgo-Mineira

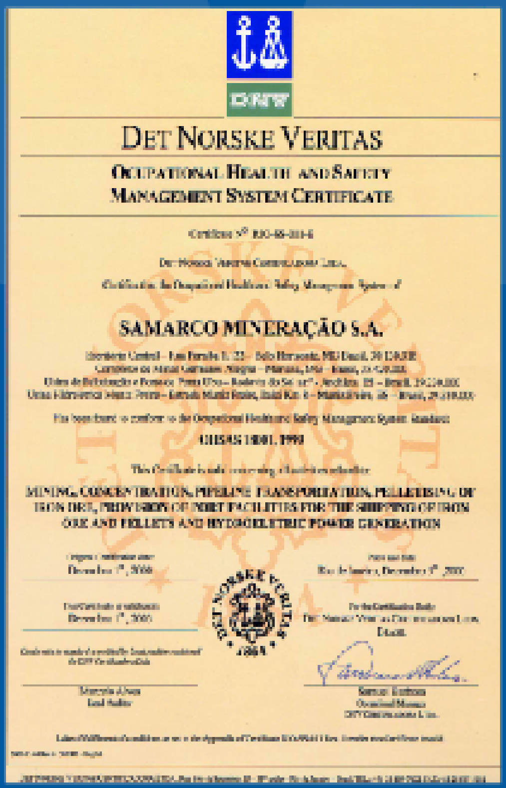
Navigation

SAMARCO

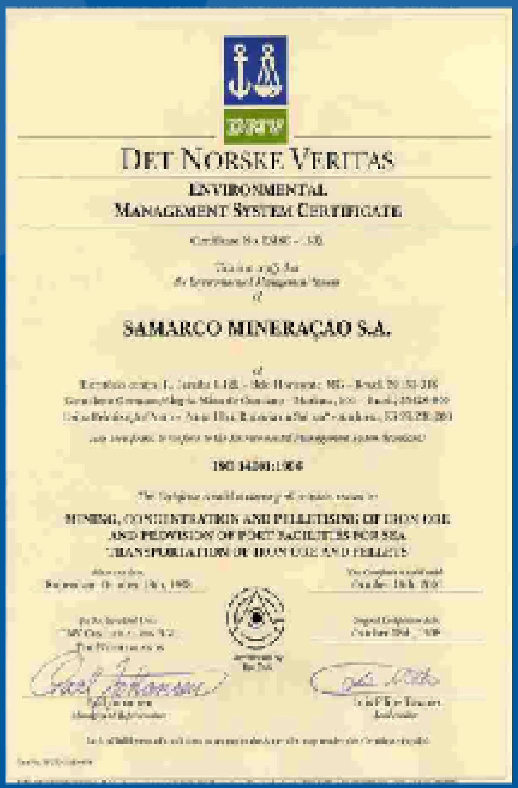
Certifications

.: Certificates

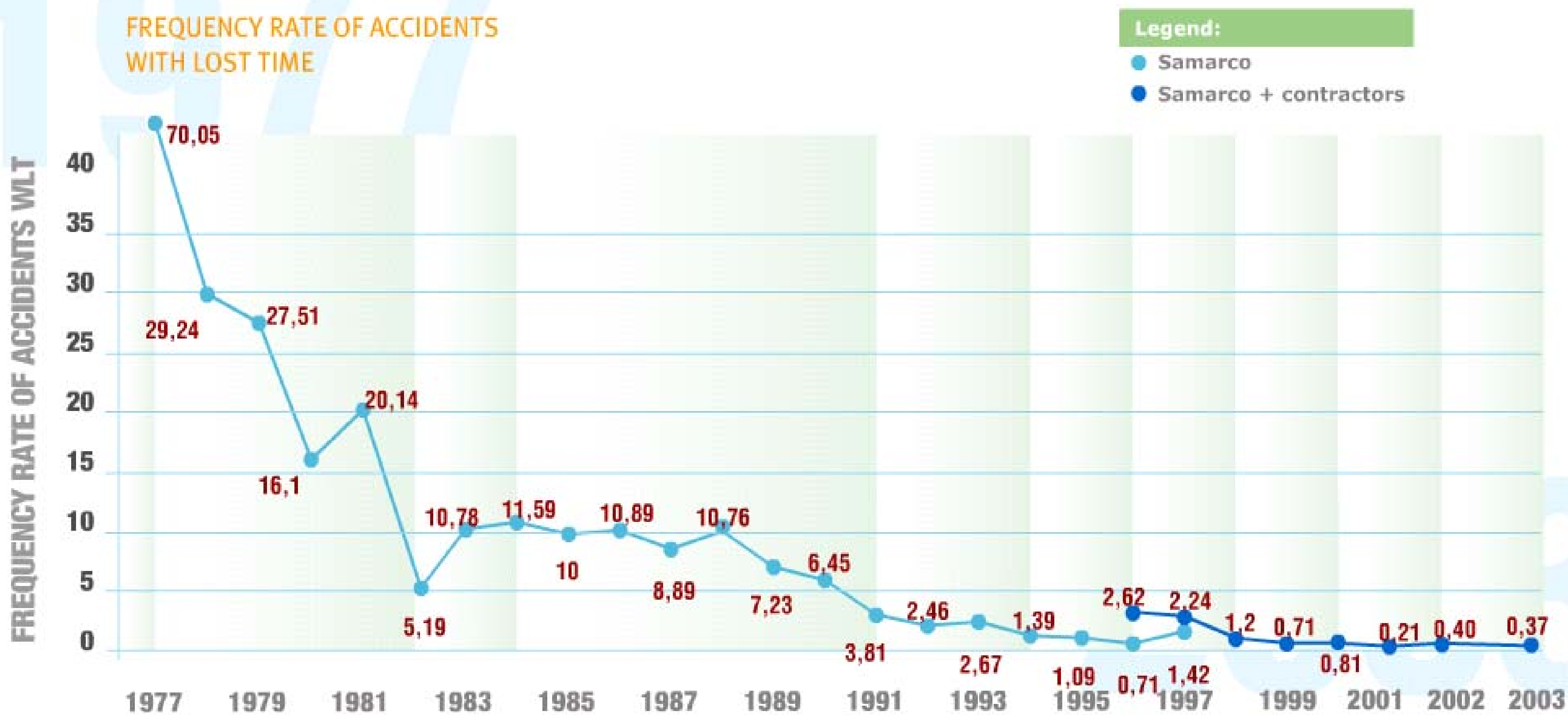
OHSAS 18001



ISO 14001



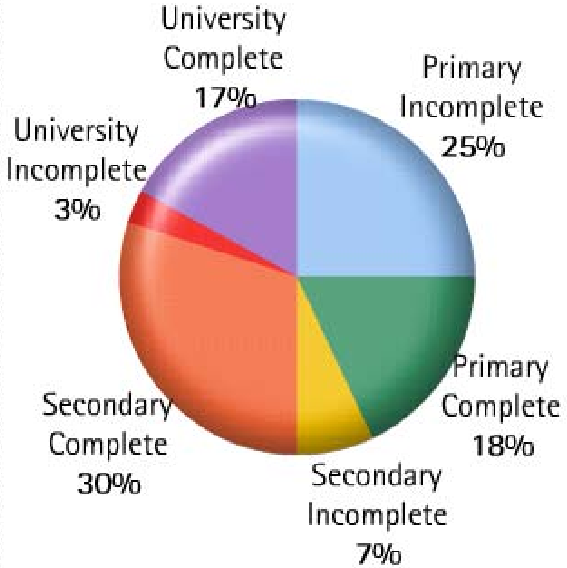
ISO 9002


FREQUENCY RATE OF ACCIDENTS
WITH LOST TIME
Legend:
Samarco
Samarco + contractors
FREQUENCY RATE OF ACCIDENTS WLT
40
35
30
25
20
15
10
5
0
70,05
29,24
27,51
16,1
20,14
5,19
10,78
11,59
10
10,89
8,89
10,76
7,23
6,45
3,81
2,46
2,67
1,39
1,09
0,71
2,62
1,42
2,24
1,2
0,71
0,81
0,21
0,40
0,37
1977
1979
1981
1983
1985
1987
1989
1991
1993
1995
1997
1999
2001
2002
2003

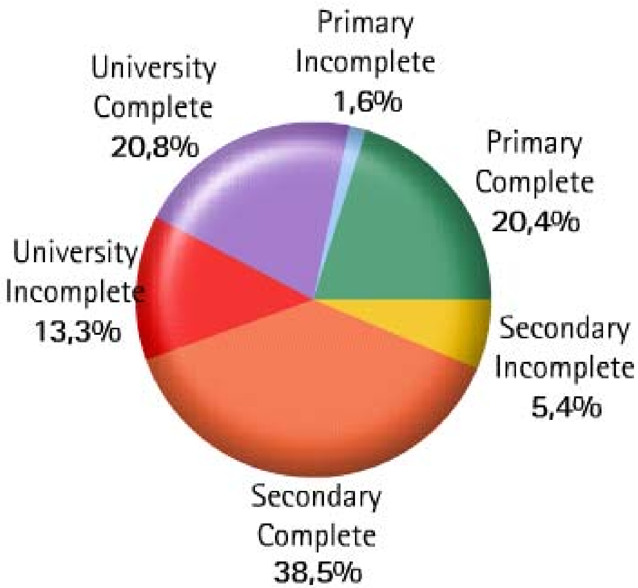
.: Education

2003	Concluded	In progress
Masters	14	27
Doctorate	1	5

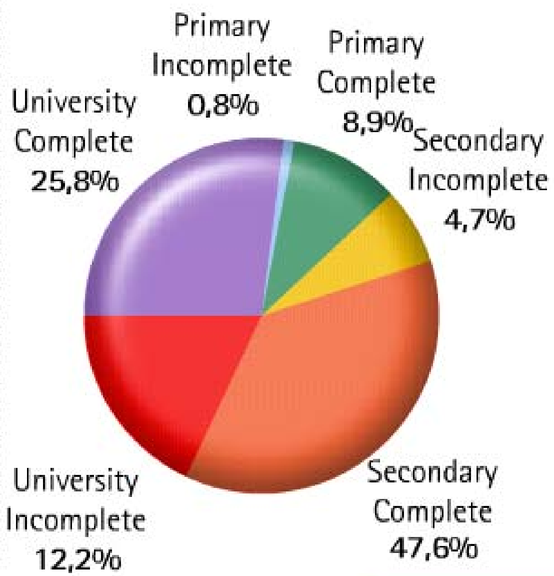
1996



2000



2003



Agenda

- Company Overview
- **Growth Opportunities**
- Selected Information

Growth Opportunities

Strong market position

- Number 2 pellet exporter worldwide
- Very low cost base: among the lowest pellet cost producers in the world
- Strong customer base: long term commercial relationship with customers
- Price relatively low variance: 99% confidence level, price moves by average 8% around its historical mean.
- Customers credit quality – (only one write off in 25 years)

Growth Opportunities

Management excellence

- Strong cash generation: growing EBITDA margin (over 50%)
- Fully integrated process allowing Samarco to capture the entire chain value
- Motivated work force: among the Brazilian benchmark work force morale
- ISO certified for quality, environment and health and safety
- Many times awarded for its social responsibility programs
- Wide open disclosure of its businesses

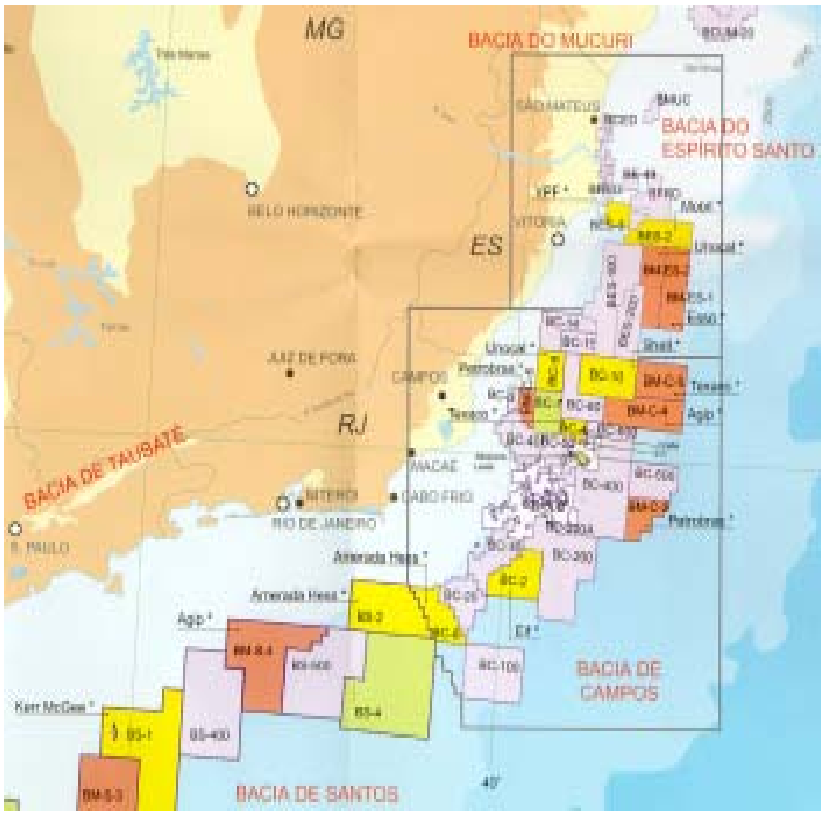
Growth Opportunities

Long term support advantage

- Extensive iron ore reserves
- Financially sound: low leverage, high cash flow, hard currency revenues, naturally hedged
- Strong shareholders: CVRD and BHP Billiton
- Value added: higher price among iron ore product
- Risk diversification – customers geographically distributed
- Ability of its facilities for potential new business (land, railway, pipeline, port, etc)

![SAMARCO]

Oil and Gas Support

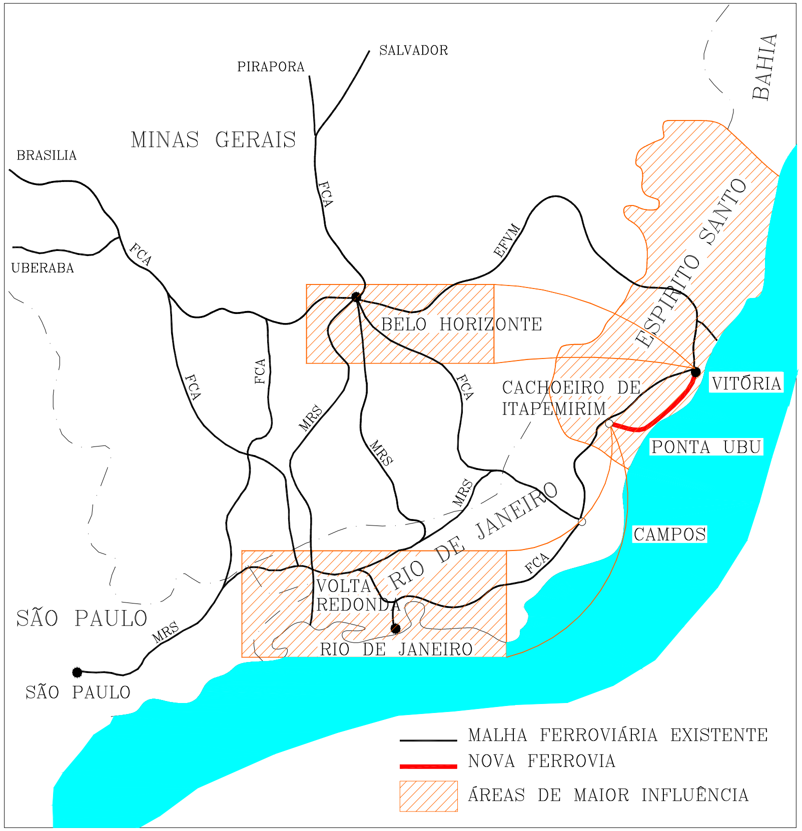


- This region has an intense oil and gas exploration activity, with present and future need for port access

- **Samarco already sells port capacity to Socoril, Confab, Brasimp, SubSea 7 and BrasilSupply, supporting their exploration activities**

Source: Petrobrás, Morgan Stanley Dean Witter, Company information

Railway Integration



- New railway can give Samarco access to Vitória and possibly Rio de Janeiro State
- The same railway can be used as an export channel to Ubu port, for oil and gas, steel products, automotive, containers and other products.

Source: Company information, State of Espirito Santo

Expansion Studies

Project Scope

Germano Unit:

Investments in new mines and facilities, conveyor belts, and sub-units for crushing, grinding, concentration, power supply, process water supply, waste dam, and all necessary infrastructure.

Pipeline:

Construction of the second pipeline, including slurry tanks, new pump and valve stations, power and water supply.

Ponta Ubu Unit:

Construction of the third pellet plant, including receiving tanks, thickeners, filtration, mixing lines, pressing, pelletizing furnace, loading facilities, water and power supply, and all the necessary infrastructure.

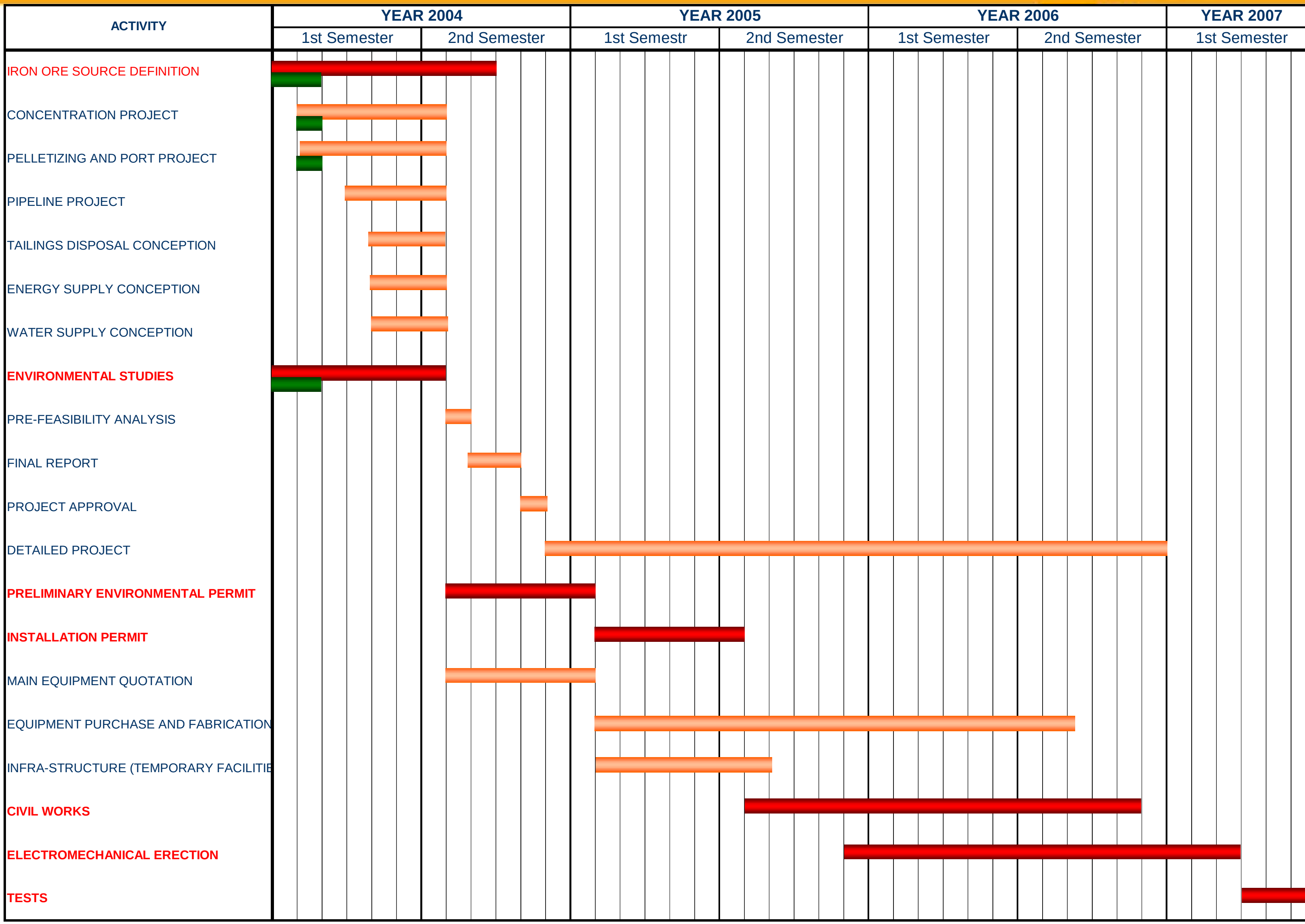
Project CAPEX

DESCRIPTION	VALUE US$'000
MINE	10.000
CONCENTRATION - Crushing - 14,5 MTPY - Primary Grinding: 1 mill 8.500 KW - Conventional Flotation with Tank Cell - Secondary Grinding: 1 mill 6.200 KW - Regrinding: 1 mill 6.200 KW	100.000
PIPELINE Germano-Ubu - 16" - 8MTPY	144.000
UBU - Slurry Receiving - Filtering: Disc Filters - Roller Press - Mixture Line - Pelletizing: 10 Discs - Furnace: 7 MTPY - Stockyard improvements - Shipping Line Nº 2	296.000
TOTAL	550.000

Values in USD Million

2005	2006	2007
165	220	165

Preliminary Schedule



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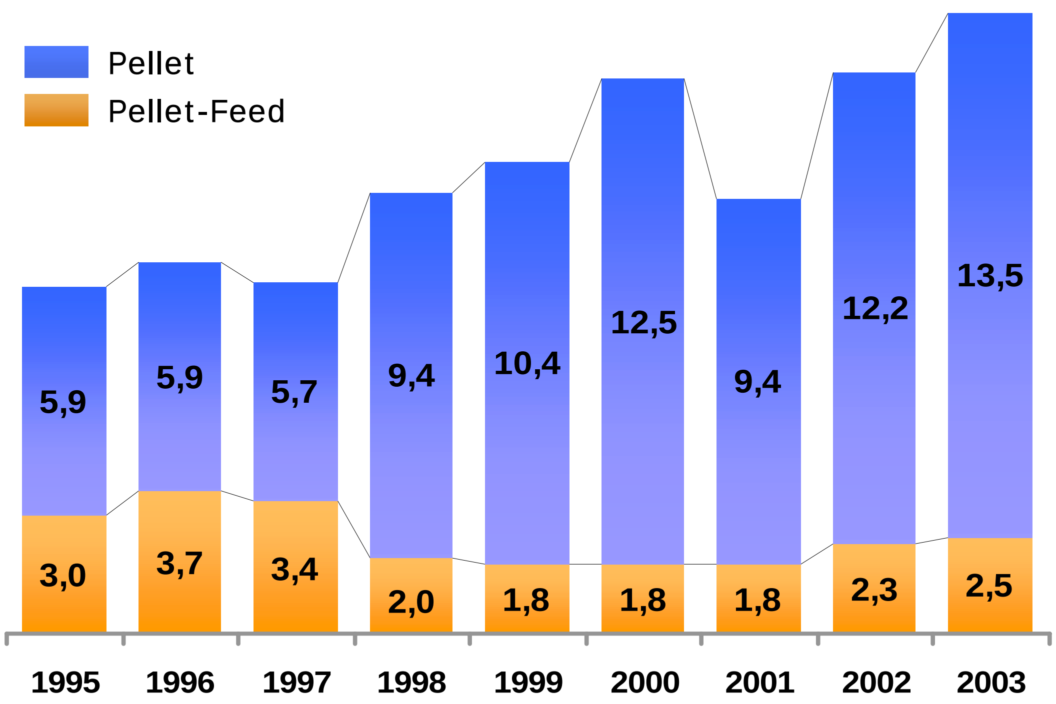
- **Selected Information**

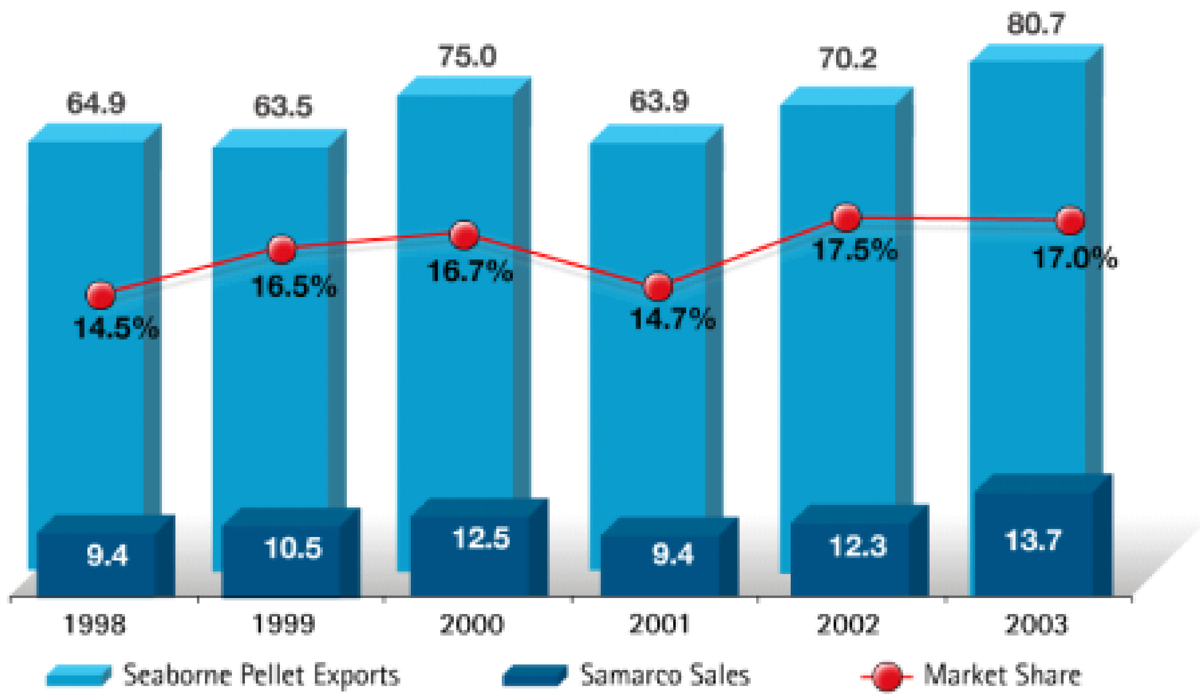
Sales Volume



Source: Company data

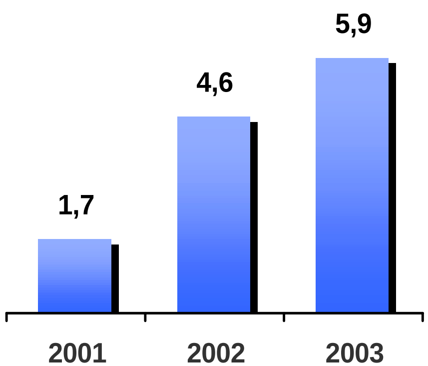
Market Share

Seaborne Iron Ore Trade

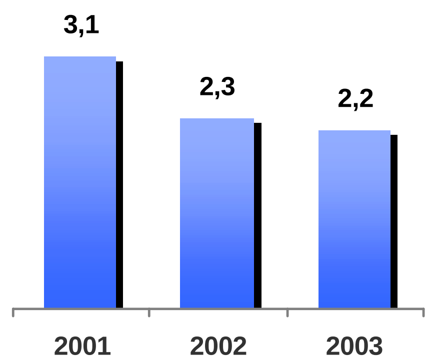


Markets (1,000 t)

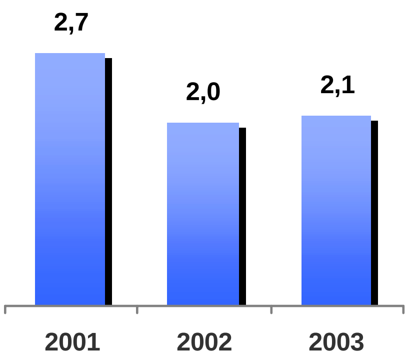
China



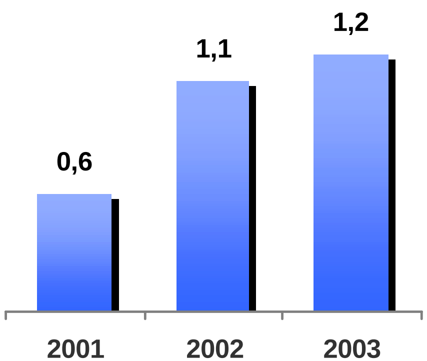
Other Asia



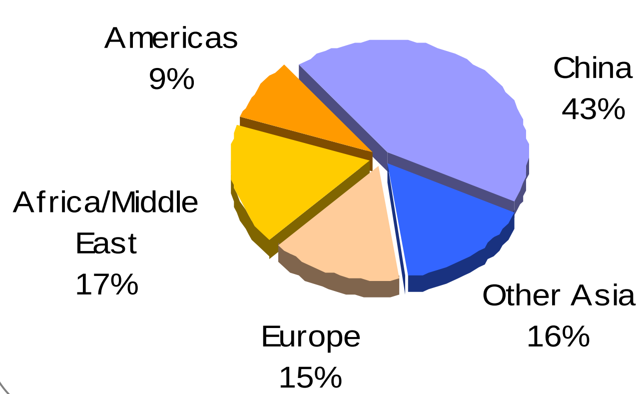
Europe



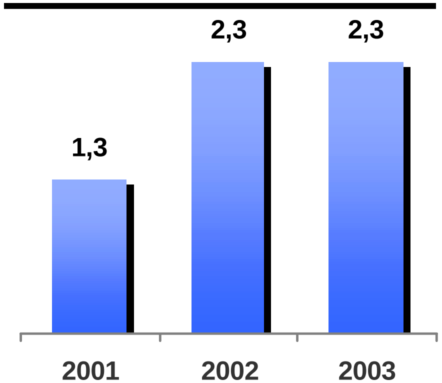
Americas



Year 2003



Africa / Middle East



Source: Company data

EUROPE

- Arcelor
- Dillingen (Rogesa)
- Thyssen Krupp
- Corus Group
- Erdemir

AMERICAS

- Acindar
- Siderca
- Densimix

CHINA

- Bao Steel
- Hangang
- Hangzhou
- Qingdao
- Shaoguan
- Wugang
- Tianjin

NORTH AFRICA

- EZZ Group / ANSDK
- LISCO

MIDDLE EAST

- Hadeed
- Qasco
- GIIC
- Khouzestan

OTHER ASIA

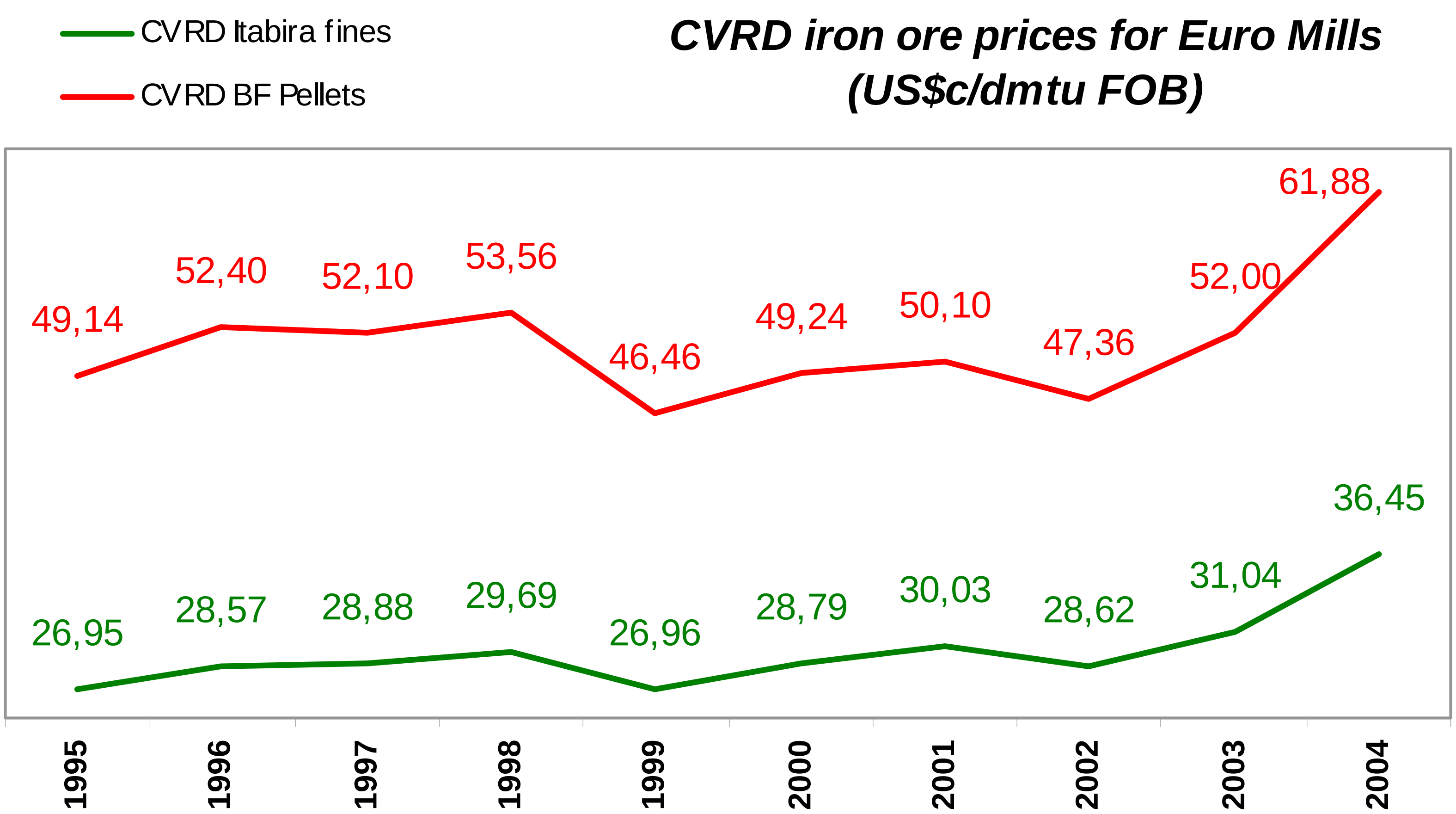
- Amsteel
- Krakatau
- China Steel
- Kobe Steel
- Posco

Annual Price Negotiation

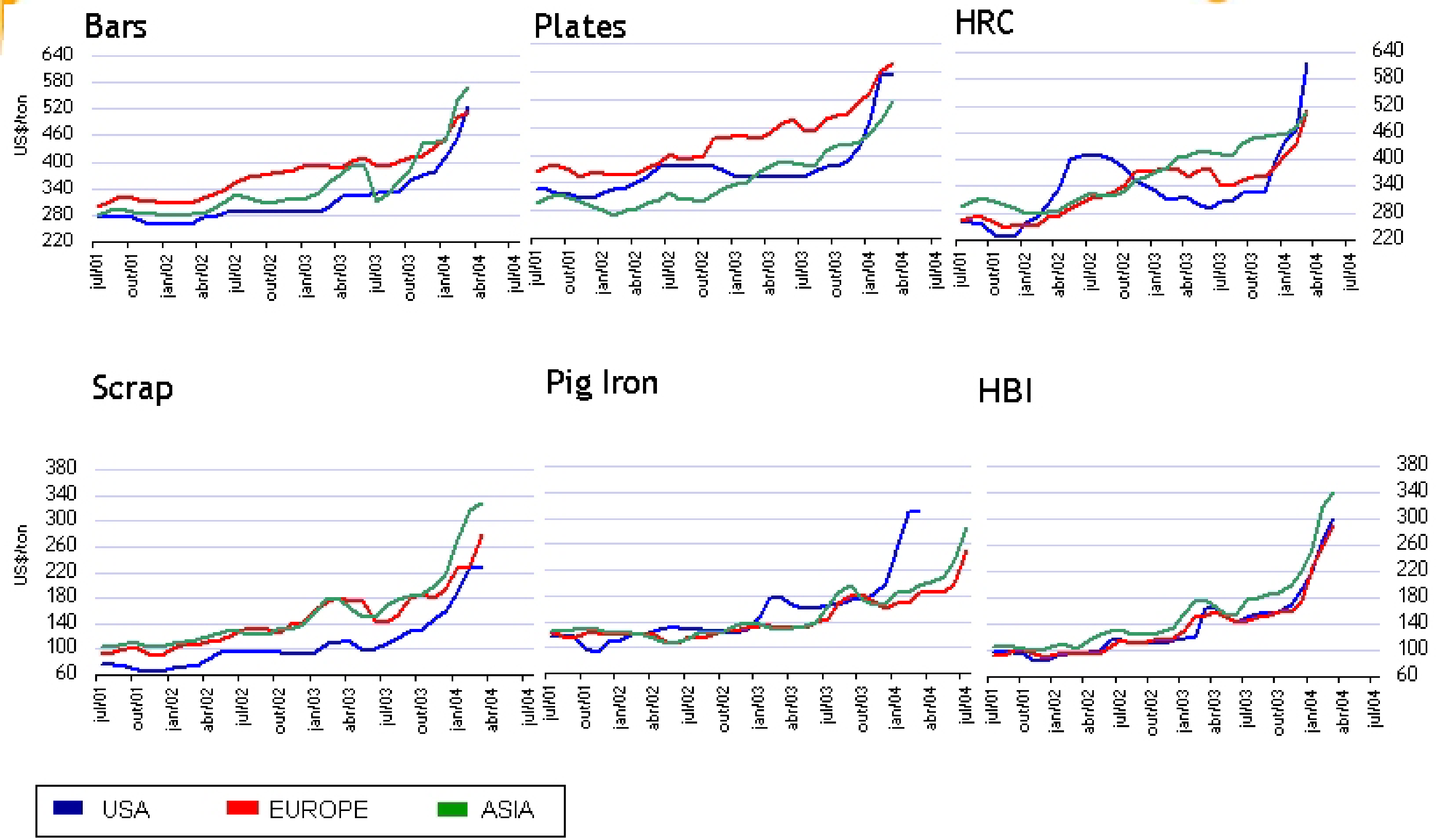
Price negotiation is held between buyer and supplier based on certain fundamentals:

- **Price Settlement:**
  - **FOB Prices are settled in the beginning of each Calendar Year between major suppliers and buyers in the European and Asian markets separately;**
  - **Prices settled remain valid for the full Calendar Year in Europe and Fiscal Year (April – March) in Asia;**
- **Supply / demand of iron ore products;**
- **Price evolution of steel and metallic (scrap, DRI / HBI and pig iron);**
- **Freight market conditions:**
  - **Freight cost differentials between major maritime routes – this highly influences sales geographical distribution. Total cargo loading capacity by market;**

10 Year Notional Iron Ore Price

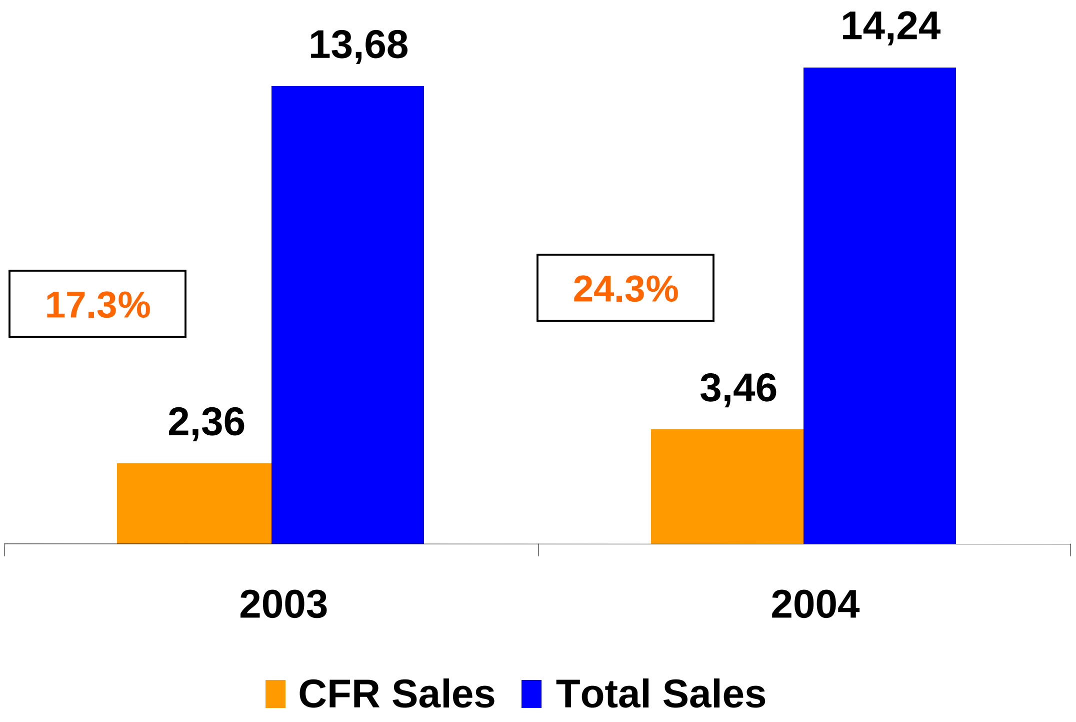


Steel and Steel-metallics Prices

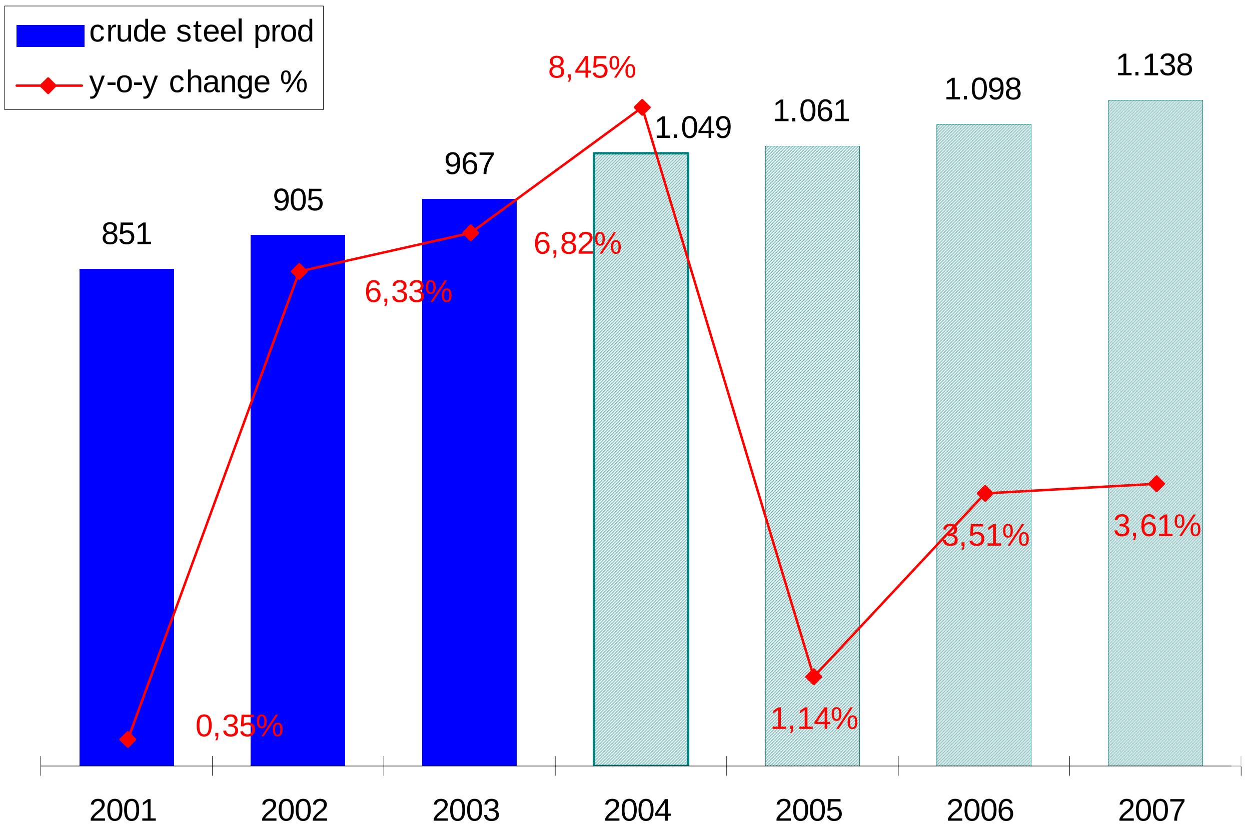


Source: CRU International

CFR Shipments proportion (Mt)

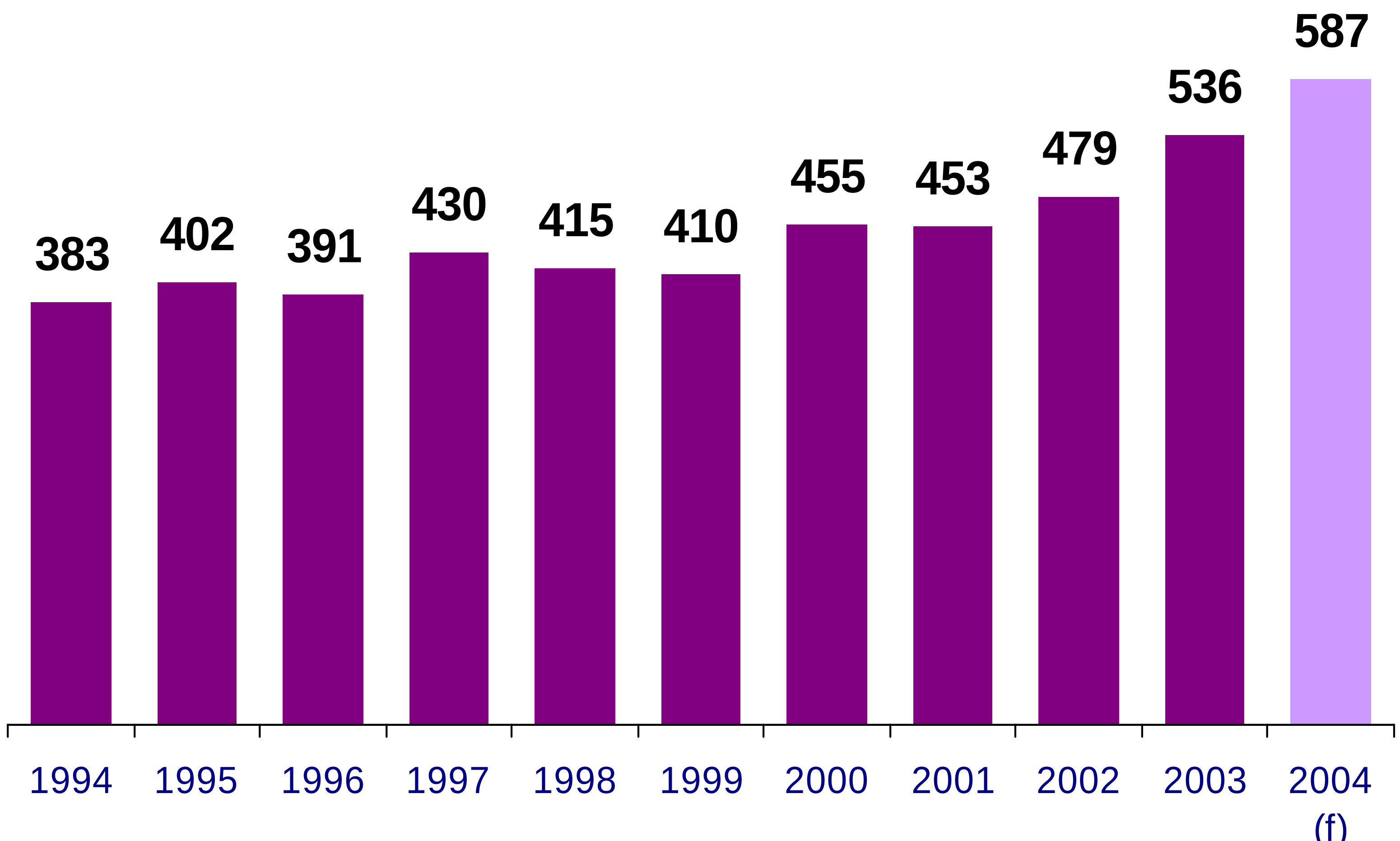


World crude steel production (Mt)



Source: CRU International

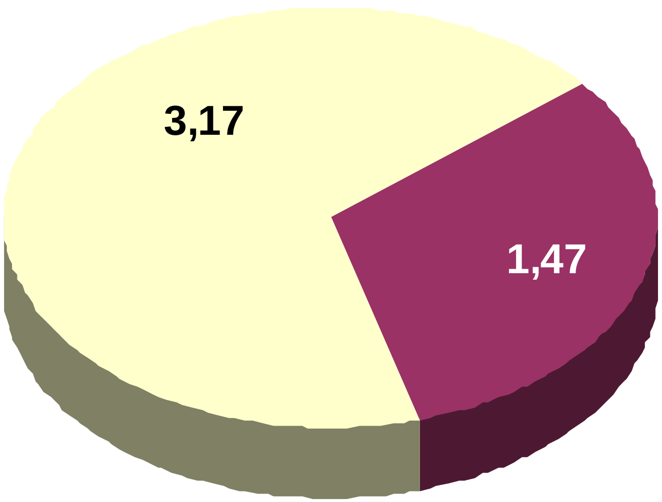
Seaborne trade in iron ore (Mt)



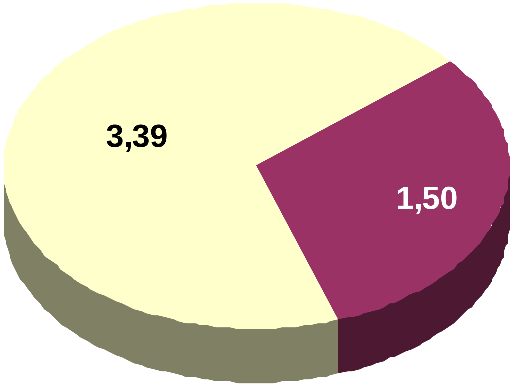
Source: CRU International

Waiting time at Ponta Ubu – # days (Jan-Feb 2004)

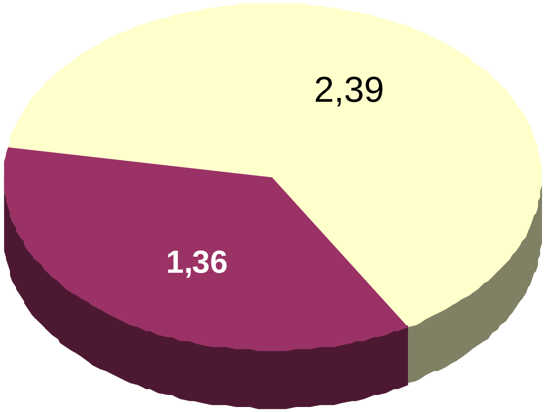
Total average



West berth average



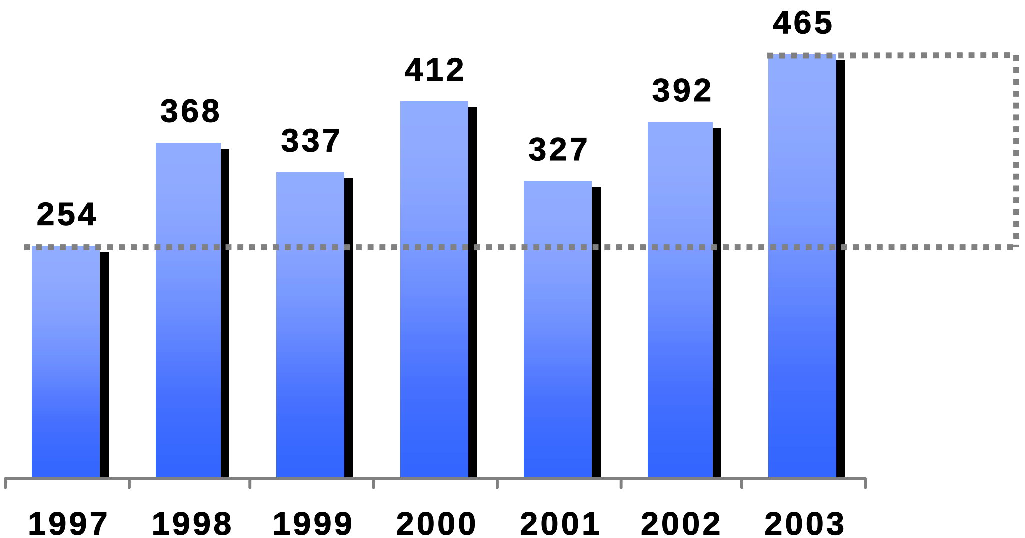
East berth average



In line
From Berthing to Sailling

Income Statement

Net Revenue
USD million



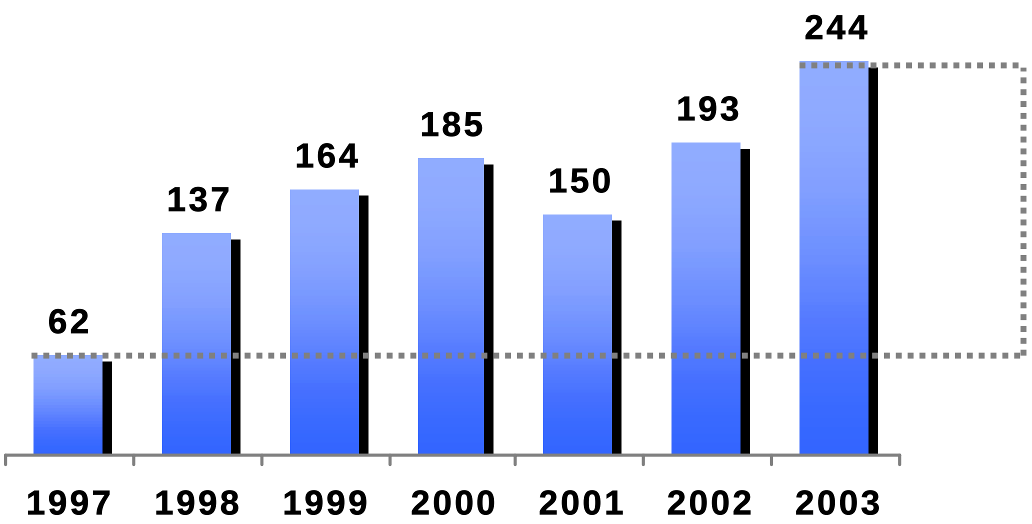
Net Revenue increase

+ 83%

Source: Company data

Income Statement

EBITDA
USD million

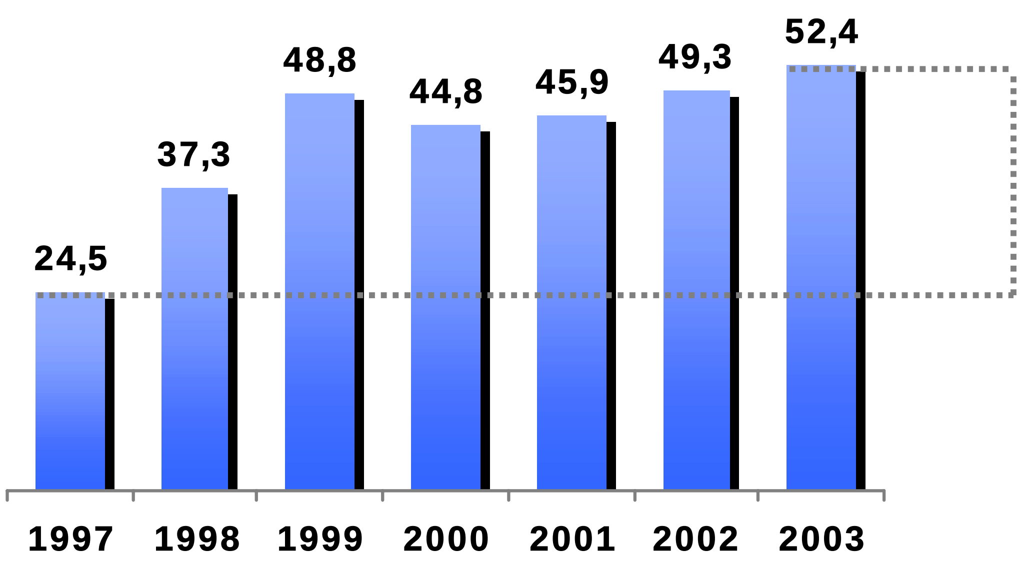


EBITDA increase
+ 294%

Source: Company data

Income Statement

EBITDA Margin
(%) USD

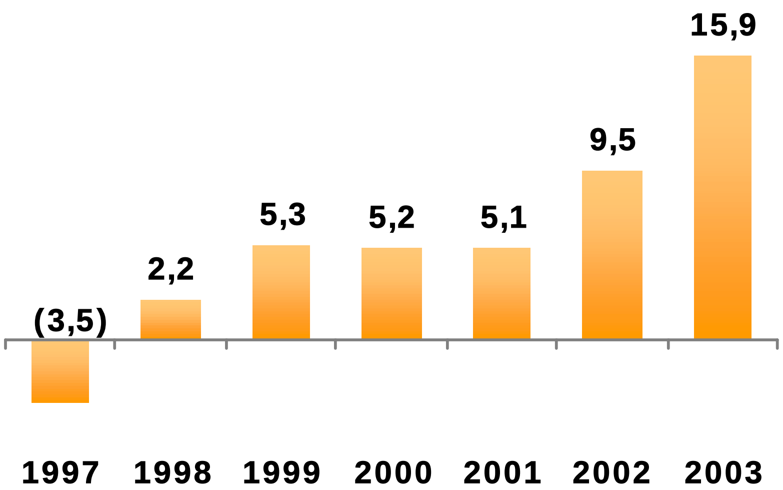


EBITDA Margin increase
+ 114%

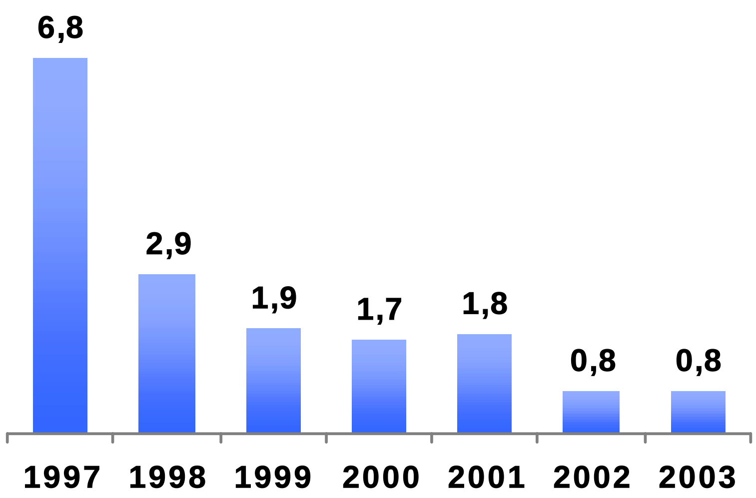
Source: Company data

Credit Ratios

EBITDA – Capex / Interest Expenses
(x) USD



Net Debt / EBITDA
(x) USD



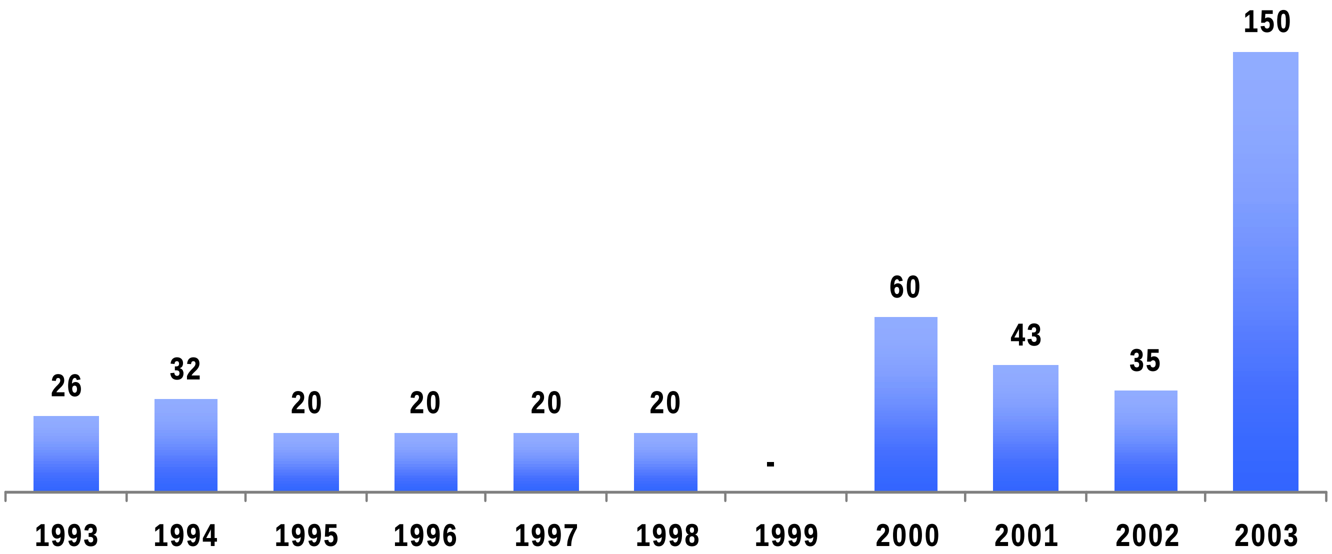
Source: Company data

SAMARCO

Dividends payment long history (since 1984).

Last 10 years Dividends Payment (USD million)

Capitalized from 1986 to 2003
US$ 1.610,3 MM (11%)



Continuous dividend payment

Source: Company data

Rating (FC limited by country rating)

Samarco´s Rating (Fitch)

Security Class	Current Rating
Local Currency	BBB-
Senior Unsec. (FC)	B+
SENs (FC)	BBB-

FC– Foreign currency
SENs – Secured export notes

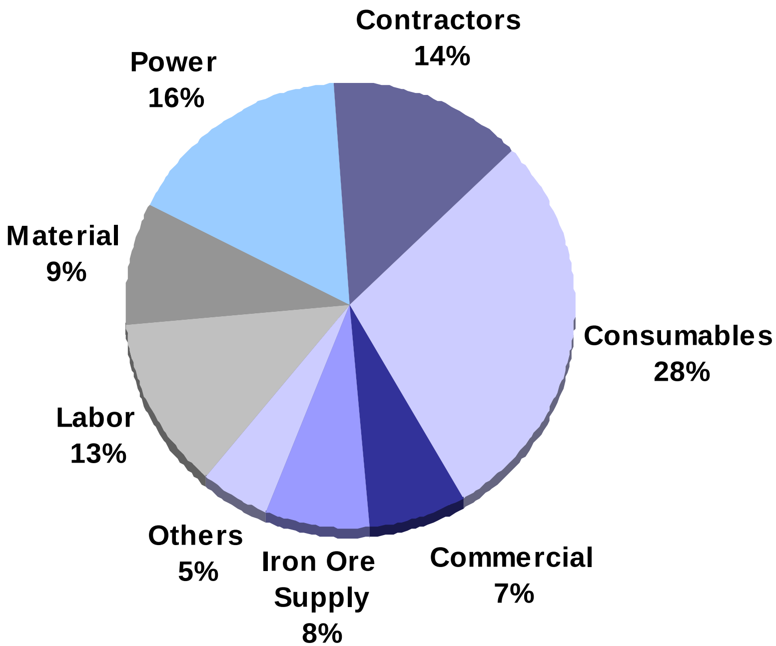
Brazil Rating

Security Class	Current Rating
Local Currency	B2 / BB / B+ (Moody´s / S&P / Fitch)
Foreign Currency	B2 / B+ / B+ (Moody´s / S&P / Fitch)

Distribution Unit Cash Cost

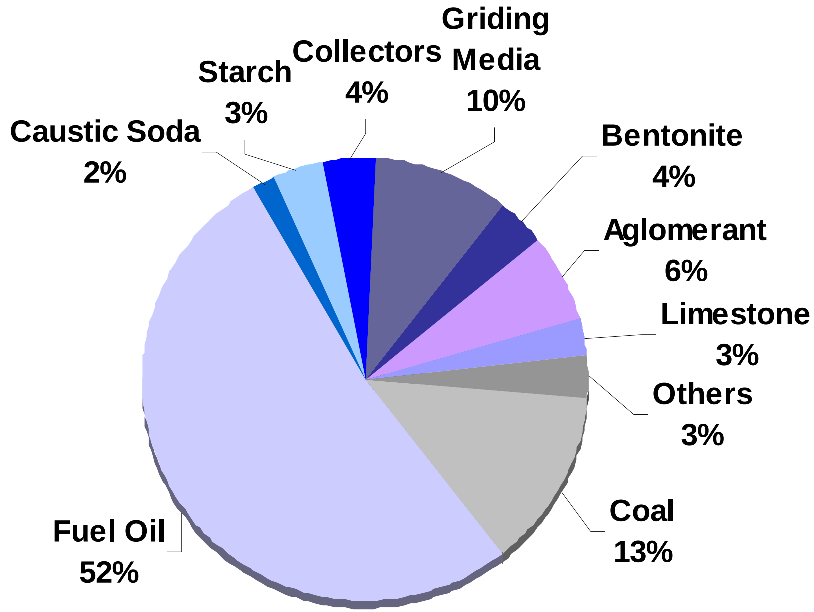
Cost by Category *

BRL (%)



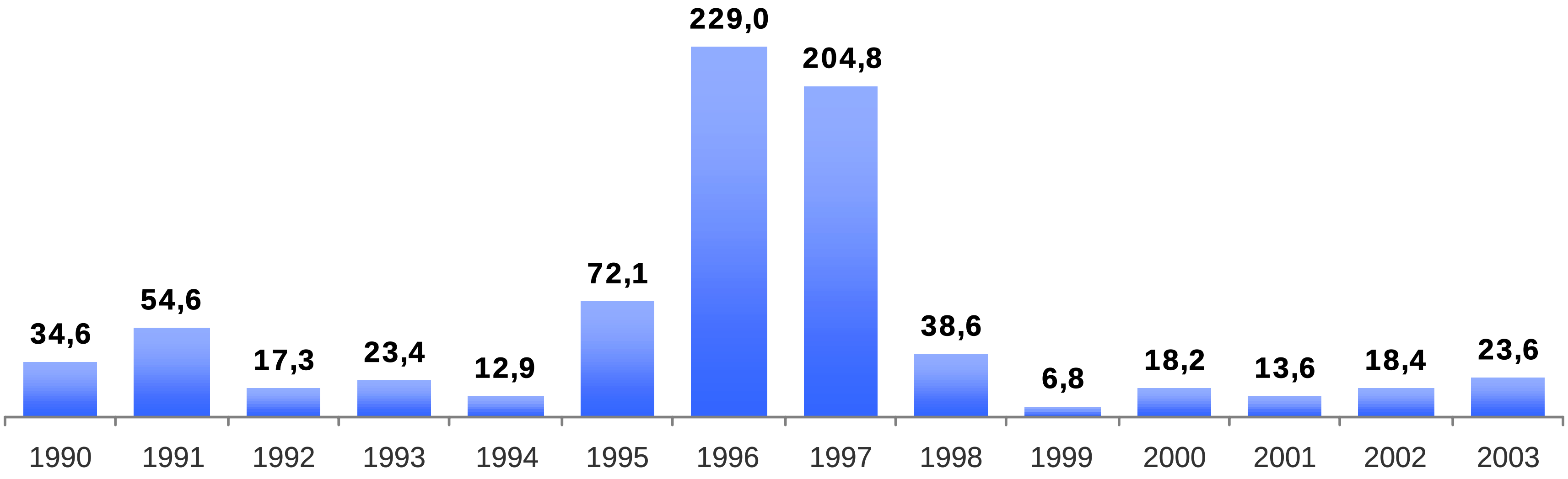
Consumables Cost *

BRL (%)



* Last Cost Distribution (Base = March 2004 YTD)

Capital Expenditures (USD million) *

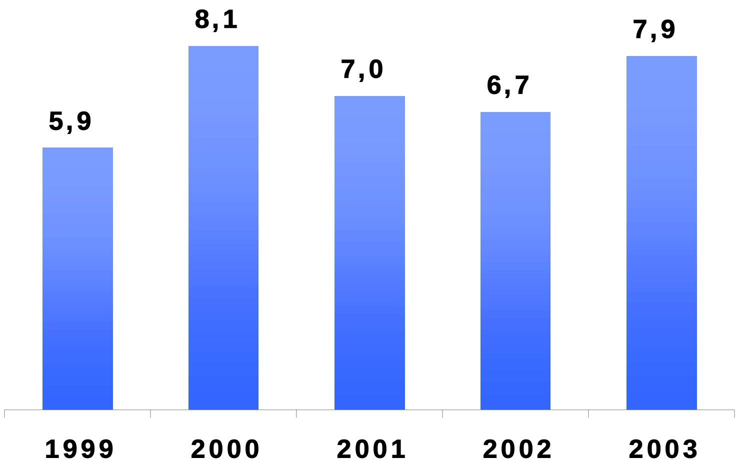


* Includes power plants and capitalized interest.

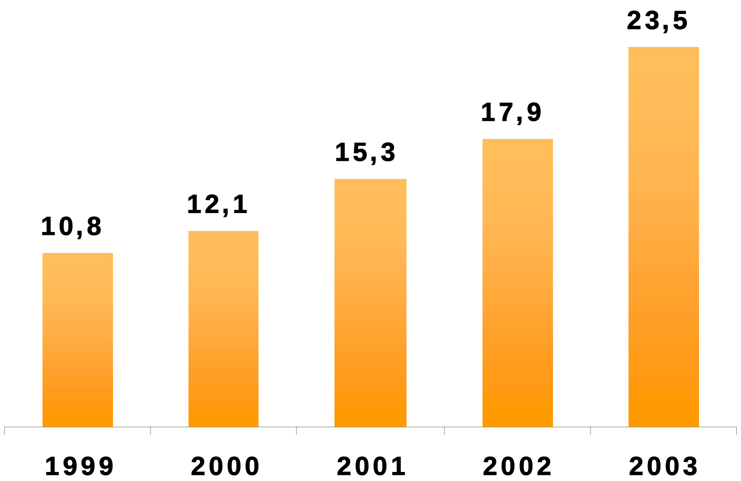
Source: Company data

Maintenance Expenses*

In USD Million



In BRL Million

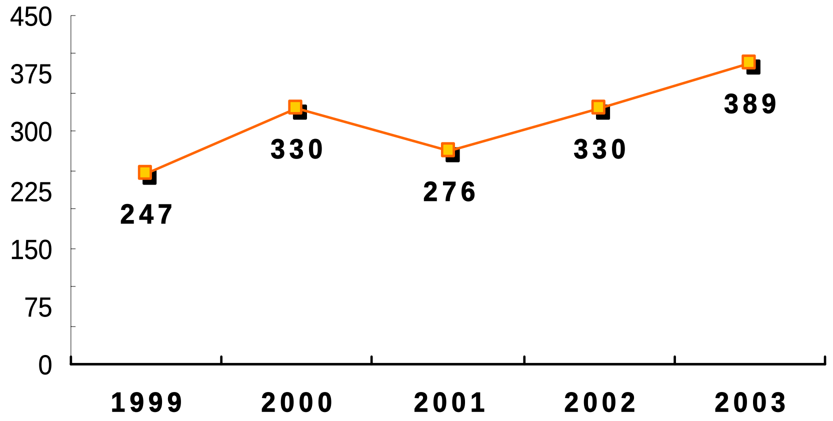


* Includes plant stoppages

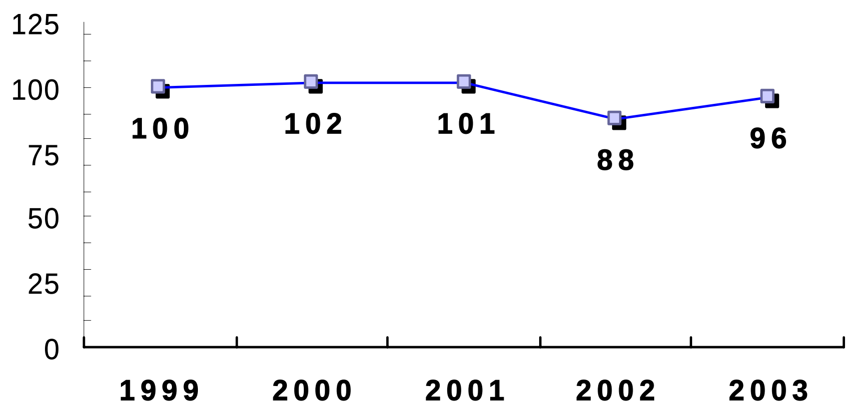
Source: Company data

Productivity and Cost

Productivity (Revenue / employee) (USD / 1,000 t) *



Cash Operating Cost - Base 1999=100 (USD / t)**



* Total employees, includes overhead, mining, concentration, pipeline, pellet plant and port.

** Includes overhead, excludes depreciation, financial expenses and other accounting adjustments.

Source: Company data

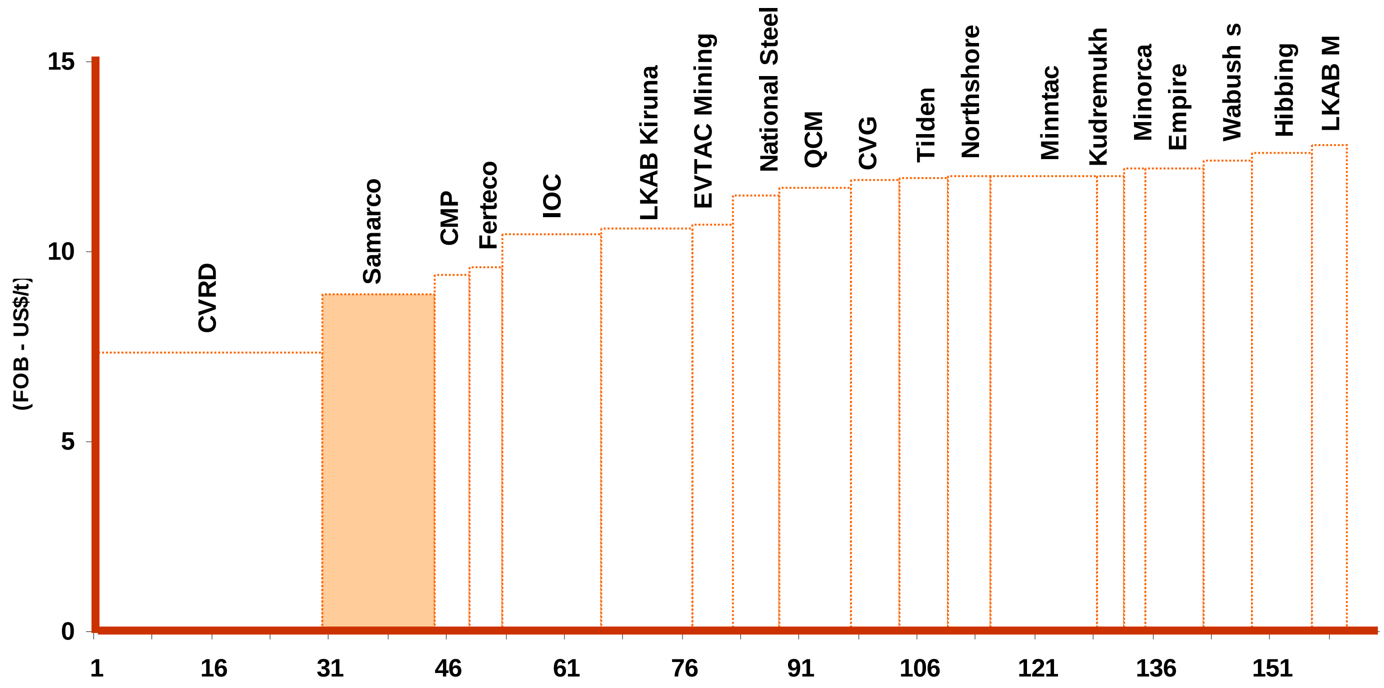
Cost Advantages – Cash Operating Cost (USD/t)*

Operation

- Integrated system
- Standartization
- Automation

Supply Chain

- Port receives inputs
- Self-generating energy
- Slurry pipeline



* Estimated 2003 data - Source: AME

SAMARCO

Debt Current Position (US$ MM)

As of December 31th, 2003

Gross Debt

Financing Loan	2004	2005	2006	2007	2008	Open Balance
Securitization	24,000	12,000	-	-	-	36,000
IFC	3,133	1,800	1,800	1,800	900	9,433
ABN	2,731	-	-	-	-	2,731
EDC	1,813	-	-	-	-	1,813
BNP Paribas	6,667	6,667	3,333	-	-	16,667
WestLB	1,321	-	-	-	-	1,321
Dresdner	2,793	-	-	-	-	2,793
ACC	121,276	-	-	-	-	121,276
Total	**163,734**	**20,467**	**5,133**	**1,800**	**900**	**192,034**

Source: Company data

SAMARCO