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2Q 03

Companhia Vale do Rio Doce

PERFORMANCE OF COMPANHIA VALE DO RIO DOCE IN THE SECOND QUARTER OF 2003

The financial and operating information contained in this press release, except whether otherwise indicated, is based on consolidated figures, according to generally accepted accounting principles in the United States of America ("US GAAP"). This information, with the exception of that referring to investment and market behavior, is based on the quarterly financial statements, which have been reviewed by independent auditors. The main consolidated subsidiaries of CVRD are: RDME, RDMN, Sibra, Ferteco, Urucum Mineração, Pará Pigmentos, Docenave, Aluvale, Alunorte, Florestas Rio Doce, Celmar, Rio Doce Europa, Itaco, CVRD Overseas and Rio Doce Finance International.

Rio de Janeiro, 13 August 2003 – Companhia Vale do Rio Doce (CVRD) has reported net earnings of US$ 456 million for the second quarter of 2003 (2Q03), corresponding to US$ 1.19 per share, US$ 470 million higher than that of 2Q02. The operating ROE, as measured by the ratio of adjusted EBIT (earnings before interest and taxes) to net worth, and which excludes the impact of F/X gains and losses, was, in annual terms, 34.0% in the 2Q03 vis-à-vis 33.6% in the same quarter last year.

Earnings accumulated in 1H03 amounted to US$ 810 million, higher than the US$ 261 million obtained in the 1H02.

Gross operating revenues in 2Q03 amounted to US$ 1.219 billion, 14.5% higher than that of the same period last year. In 1H03 revenues amounted to US$ 2.372 billion, 16.1% higher than that of the 1H02.

Cash generation, as measured by adjusted EBITDA [(1)] (earnings before interest, tax, depreciation and amortization), amounted to US$ 490 million, up 15.3% compared to 2Q02. The adjusted EBITDA of the 1H03 reached US$ 932 million, an increase of 13.4% vis-à-vis the US$ 822 million obtained in the 1H02.

The adjusted EBITDA margin [(2)], which is the ratio between adjusted EBITDA and net revenues, amounted to 41.9%, higher than the figure of 41.6% reported in 2Q02.

CVRD's consolidated exports in 2Q03, according to BRGAAP (generally accepted accounting principles in Brazil), amounted to US$ 947 million, totalling US$ 1.747 billion for the first half of the year. Thus, the company's exports were up 9.9% in relation to that of the 1H02. CVRD's net consolidated exports (exports minus imports) in 1H03 amounted to US$ 1.551 billion, which corresponded to 14.9% of Brazil's trade surplus of US$ 10.397 billion during the same period.

Shipments of iron ore and pellets reached 41.496 million tons in 2Q03, an increase of 1% in relation to that of 2Q02. In 1H03 sales volume of these products amounted to 84.015 million tons, 8% higher than that sold in the same period last year.

CVRD has been operating at full capacity, and at the same time carrying out various investments in mining and logistics, which will permit faster expansion in iron ore shipments from 2004 onwards. To this end, in the first quarter of next year Pier III at the Ponta da Madeira maritime terminal should be operating, while production capacity from the iron ore mines at Carajás should be 70 million tons a year, an increase of 14 million tons on its current nominal capacity. Given the much faster than expected growth in demand for iron ore, the Company is aiming at anticipating the completion of the expansion project at Carajás by almost a year.

The Gongo Soco mine, part of the Southern System, resumed operations after the problems that occurred in 1Q03, producing iron ore at an annual capacity of 3.6 million tons.

With the ramp-up of stage 3 at Alunorte, CVRD's alumina sales amounted to 604,000 tons in 2Q03. Shipments of primary aluminum, which represents CVRD's take of Albras' production, amounted to 51,000 tons, slightly less than the figure recorded in 2Q02 of 53,000 tons.

The volume of general cargo (cargo excluding iron ore and pellets) transported for clients in 2Q03 constituted a quarterly record, despite the fact that less than half of the Company's locomotive and wagon purchase orders have been met until now. CVRD’s railroads – Vitória a Minas (EFVM) and Carajás (EFC) – in 2Q03 transported 4.298 billion net ton kilometers (ntk) of general cargo for clients, up 17.6% in relation to that of 2Q02 . The amount of ntKs transported in the 1H03 was 7.687 billion vis-à-vis 7.056 billion in the same period last year.

The Centro - Atlântica Railroad (FCA) also set a new quarterly record, with the transportation of 2.602 billion ntk, compared to 2.253 billion in 2Q02. During 1H03, FCA transported 4.835 billion ntK, an increase of 18.4% relative to 1H02.

Investments made in the quarter amounted to US$ 407.3 million, bringing the total for the first half 2003 to US$ 647.6 million. A little over half the capital expenditure was dedicated to expanding mining and logistics capacity, and to the construction of hydroelectric plants.

The Company's total debt as of June 30, 2003 amounted to US$ 3.282 billion, down US$ 632 million in relation to the end of 2Q02.

The Company's performance in 2Q03 was very solid and consistent with the aim of maximizing value over the long term and also reflected the quality with which strategies were executed in all areas of the business.

SELECTED FINANCIAL INDICATORS					
					US$ million
	2Q 02 (A)	1Q 03 (B)	2Q 03 (C)	D% (C/A)	D% (C/B)
Gross Revenues	1,065	1,153	1,219	14.5	5.7
Gross Margin (%)	42.4	42.3	42.7	-	-
Adjusted EBITDA	425	442	490	15.3	10.9
Adjusted EBITDA margin (%)	41.6	39.8	41.9	-	-
Adjusted EBIT	334	363	388	16.2	6.9
Adjusted EBIT Margin (%)	32.7	32.7	33.2	-	-
Net Earnings	(14)	354	456	NM	28.8
Net Margin (%)	(1.4)	31.9	39.0	-	-
Total Debt/ Adjusted EBITDA (LTM) (3)	2.5	1.8	1.7	-	-
Annualized Operational ROE (%) (*)	33.6	39.9	34.0	-	-
Investments (**)	266	240	407	53.0	69.6

(*) Adjusted EBIT/net worth, Adjusted EBIT = earnings before interest and taxes = operating income
(**) including acquisitions

MATERIAL EVENTS

Iron ore and pellet prices

During May, negotiations with clients were completed for the setting of iron ore and pellet reference prices for the year 2003. Due to the extraordinary growth in demand, an average price increase was obtained of approximately 9.0% for the various types of iron ore and 9.8% for blast furnace pellets.

The reference prices for iron ore are at their highest levels in nominal terms since 1992. At the same time, there was a recovery in the premium commanded in the price of blast furnace pellets relative to iron ore fines, which returned to the level seen in 2001, of around US$20 cents per iron unit.

Strategic focus, profitable growth and value creation

Investments

At the beginning of July, Rio Doce Manganese Norway (RDMN), CVRD's wholly owned subsidiary located in Mo I Rana, Norway, began operations. After the investment in the overhaul of its electric furnaces, environmental protection and improvements to its safety systems in the workplace, RDMN began production of manganese ferro-alloys, with an annual capacity of 110,000 tons. The plant is supplied with ultra-fine manganese ore from the Azul mine located in Carajás, and benefits from relatively low electricity costs.

Expansion of bauxite and alumina production capacity represents important leveraging in the generation of value for CVRD's shareholders, given mind the Company's sustainable competitive advantages in this business segment. These advantages are due to the Company's considerable reserves of high-quality bauxite, its efficient logistics system and an alumina refinery with low conversion and capacity expansion costs.

The construction of module 3 at the alumina refinery of Alunorte, increasing annual capacity from 1.6 million to 2.4 million tons, and the increase in bauxite production capacity at Mineração Rio do Norte from 11.0 to 16.3 million tons per year were concluded this year.

At the end of July the Board of Directors of Alunorte, a subsidiary of CVRD, approved the construction of stages 4 and 5, which will increase capacity from 2.4 million to 4.2 million tons a year with an estimated investment of US$ 583 million. The new modules will use bauxite produced in Paragominas, a wholly owned CVRD mine in the state of Pará, currently under development. Both the mine and the expansion of the refinery are expected to begin operations in the first quarter of 2006.

The European Commission has authorized CVRD's proposal to acquire control of CAEMI, the world's fourth largest producer of iron ore. After the conclusion of the transaction to buy 50% of the ordinary shares and 40% of the preferred shares of CAEMI for US$ 426.4 million, CVRD will hold 60.2% of this company's total capital, consolidating the group’s global leadership in the iron ore market. CAEMI’s results will be consolidated into the Company's financial statements in US GAAP (generally accepted accounting principles in the United States) starting in 3Q03.

Another important step in the ferrous mining business will be the consolidation of Ferteco into CVRD in 3Q03, allowing the extraction of further synergies between the two companies.

Divestiture

As part of the strategic directive for the divestment of assets that have no synergies with the Company's core businesses, the sale of two Docenave ships for US$ 36 million was finalised, resulting in an accounting profit of US$ 3.7 million. With the completion of this transaction, just three ships from Docenave’s long haul fleet remain to be sold.

An agreement was signed with Yamana Resources Inc. for the purchase and sale of the Fazenda Brasileiro gold mine for US$ 20.9 million. CVRD continues to invest in mineral exploration aimed at discovering new gold deposits. On the other hand, with the exception of 118, all the Company's copper projects will produce gold as a by-product.

Financial Management

The Company successfully concluded two transactions in the international capital markets, raising a total of US$ 550 million.

The first involved the issue of notes backed by export receivables of iron ore and pellets amounting to US$ 250 million with a term of 10 years, a duration of 5.38 years, a grace period of two years, bearing a coupon of 4.43% p.a. payable quarterly and a yield to maturity of 4.48% p.a. The issue received a guarantee from MBIA Insurance Corporation and obtained ratings of Aaa from Moody’s, AAA from Standard & Poors and AAA from Fitch Ratings.

The second operation involved the issuance of a US$ 300 million unsecured bond for a term of 10 years, a duration of 6.77 years, carrying a coupon of 9.00% p.a. paid semi-annually, with an yield to maturity of 9.25% p.a. This issue had various characteristics that gave it all the hallmarks of success.

Firstly, it obtained a rating of Ba2 from Moody’s, 3 notches higher than that awarded to Brazil's sovereign debt, B2. For the first time, a private-sector Brazilian company obtained a higher credit rating than the country itself.

Secondly, it had the longest term of any unsecured bond issued by a private-sector Brazilian company.

Thirdly, it is also the first time ever that a private-sector Brazilian company placed a bond issue offering a lower yield than the comparable securities issued by the sovereign. CVRD 2013 was placed with investors at a yield of 9.250% p.a., while the Brazil Global 2013 was trading at a yield of 12.582%.

The terms obtained for the two issues reflect the recognition by the global capital markets of CVRD's excellent credit quality. At the same time, the transactions are consistent with the Company's financial objective: lengthening the duration of its debt, and reducing refinancing risk, at the lowest cost available given the prevailing market conditions.

The operations were concluded in July and August 2003, and, therefore, will only be reflected in the 3Q03 financial statements.

SHORT-TERM OUTLOOK

Demand for iron ore has been extraordinary, greatly exceeding the expectations that prevailed at the beginning of this year. There are indications that the global seaborne iron ore market is facing its strongest demand pressure in the last 20 years.

In the first half of 2003, Chinese imports grew 42% in relation to the same period last year, reaching 72.5 million tons. This figure is already higher than the Chinese imports for the whole of 2000, which totalled 70 million tons. China has surpassed Japan as the world's largest importer of iron ore, given that imports to that country, although up by 5.4%, amounted to 66.4 million tons in 1H03.

Global production of crude steel, according to statistics from the International Iron and Steel Institute (IISI), increased by 8.2% in 1H03 compared to 1H02, with growth of 1.9% in the European Union, 3% in the United States, 5.2% in Japan, 2% in South Korea and 21% in China – which consequently has been the main driving force in the demand for iron ore. According to industry specialists, it is likely that global steel production in 2003 will reach around 950 million tons, which would mean a jump of 100 million tons from the level two years ago. This expansion in production has obviously translated into a substantial increase in demand for iron ore.

After a brief period of decline, between February and June this year, steel prices, according to the CRU steel price index, picked up in July. The differential in seaborne freight rates between Brazil-Asia and Australia-Asia has shown an increase of about US$ 8.50 per ton, indicating the strength of demand for iron ore and pellets, given that Asian countries - basically China, Japan, Taiwan and South Korea - account for approximately 65% of global seaborne imports.

The performance of the Chinese economy has been directly influenced by investments in infrastructure, foreign direct investment flows, exports of manufactured products and an increase in consumer spending on durable goods, especially cars. The growth in these various components explains why China is currently responsible for around 17% of the world's copper and aluminum consumption, 21% of global steel consumption and 23.3% of global seaborne imports of iron ore, and why growth in the Chinese economy causes a considerable impact on ore and metal markets.

The epidemic of Severe Acute Respiratory Syndrome (SARS) has been overcome and its impact on the performance of the Chinese economy seems to have been relatively small, with GDP growth slowing from 9.9% in 1Q03 to 6.7% in 2Q03. Therefore, GDP in that country is expected to continue to grow in the second half of this year at a similar rate to that seen in 1H03, of 8.2%, with a gradual convergence to 7% a year, with favourable repercussions on demand for minerals and metals.

Recent statistics on the behavior of leading indicators are showing encouraging signs of a recovery in the global economy. GDP in the USA, which has led global economic growth since the mid 90s, recorded growth rate of 2.4% a year in 2Q03, compared to estimates of 1.5% and annualised expansion rates of only 1.4% in each of the two previous quarters. This provoked an immediate reaction in the commodity markets: the price of copper rose to its highest level in the last 24 months and aluminum prices returned to levels last seen in March 2002. More vigorous global economic growth is expected in the next few quarters, which without a doubt, improves the outlook for the mining and metals markets.

Bearing in mind the plans to significantly expand steel production in China, it is likely that the current imbalance between the demand and supply of iron ore will persist for the next 18 months, despite the capacity expansion projects in Brazil and Australia.

The alumina market has also been experiencing an imbalance between demand and supply, given that global consumption has been growing faster than production since the beginning of 2002. This process, principally due to a significant growth in imports into China, which in 1H03 amounted to 2.56 million tons compared to 1.9 million for the year 2000 as a whole, has caused a sharp rise in prices. On the spot market the alumina price has reached approximately 21% of the aluminum price on the London Metal Exchange (LME), compared to 11% on average for 2002.

The expected trend in global demand for alumina over the next few years is likely to mean continued supply pressure, which will tend to benefit players such as CVRD, which are investing in capacity expansion projects at an extremely competitive cost.

The rise in Brazil's exports, the increase in the Company’s fleet of locomotives and wagons and the launching of new services for clients, are factors which lead us to be optimistic with regard to the cash generation capacity of CVRD’s logistics businesses over the next 18 to 24 months.

FOCUS ON COST REDUCTION

In parallel to its routine controls and investments in power generation, CVRD has been developing various specific cost reduction initiatives. Among these, are the efforts to shorten the wagon turnaround cycle, reduce the consumption of fuel on the railroads, restructure the procurement department, replace fuel oil by natural gas in the pellet plants, and use electricity and other fuels in the generation of steam in the alumina refinery.

One aim, for example, is to shorten the average time taken for an iron ore wagon for the journey to and from the mine and the port. Achieving this target would generate significant productivity gains, permitting the transportation of larger volumes of iron ore with lower investment in equipment.

Alunorte is achieving the flexibility to, at any time, choose the cheapest energy source to generate the steam and to calcinate alumina.

The company is making greater use of auctions to purchase equipment via Quadrem, the global portal for the mining and metals industry. Processes and procedures are being revised, the register of suppliers is being reorganised and an ERP system (Enterprise Resource Planning) is being introduced, measures which will permit a cut in costs and make procurement more efficient.

The effects of these initiatives should materialize over the next few quarters.

REVENUES AND SALES VOLUME

Shipments of iron ore and pellets in 2Q03 amounted to 41.496 million tons compared to 41.089 million tons in 2Q02 and 42.519 million tons in 1Q03. Sales of iron ore were practically constant, while pellet sales, of 5.175 million tons in 2Q03, were down slightly compared to the figure for the previous quarter of 6.139 million. This was due entirely to shipment scheduling and was not the result of demand problems.

CVRD has been operating at full capacity, expecting only modest growth in the sales of iron ore and pellets this year. Shipments should accelerate in the second half of 2003, as a result of investments made.

In 2Q03, 2.3 million tons of iron ore were acquired from mines located in the Iron Quadrangle region in the State of Minas Gerais in order to fulfil client commitments, given the excess demand prevailing in the seaborne market. In 1H03, CVRD purchased 5.1 million tons of iron ore from third parties.

As a reflection of the considerable demand expansion, demurrage expenditures reached US$ 12 million in 2Q03 relative to US$ 8 million 2Q02. These expenditures totalled US$ 21 million in 1H03, showing an increase of 75% when compared to 1H02, which amounted to US$ 12 million.

CVRD purchased 2.1 million tons of pellets from the pelletizing joint ventures (Nibrasco, Kobrasco, Itabrasco and Hispanobras) in the 2Q03 to resell to its clients as it happens in the normal course of business. There was a reduction vis-à-vis the purchases executed during 1Q03, of 3.3 million tons.

China continued to be the main export market for the Parent Company's iron ore in 2Q03, importing 4.8 million tons, followed by Japan with 4.1 million tons and Germany with 2.8 million tons. Sales to China in 1H03, totalling 10.2 million tons, were up 8.5% in relation to the same period last year.

As we have previously mentioned, with the capacity expansion at Carajás coming on stream, combined with the completion of Pier III at the Ponta da Madeira maritime terminal, the investments in locomotives and wagons, as well as faster ship loading rates at the port of Tubarão, CVRD will be in a better position to further benefit from the increase in global demand in 2004.

VOLUME SOLD – IRON ORE AND PELLETS

'000 tons

	2Q02	%	1Q03	%	2Q03	%
Iron ore	36,142	88.0%	36,380	85.6%	36,321	87.5%
Pellets	4,947	12.0%	6,139	14.4%	5,175	12.5%
Total	**41,089**	**100.0%**	**42,519**	**100.0%**	**41,496**	**100.0%**

Sales of manganese, of 337,000 tons, were up 180.8% in relation to 2Q02, while sales of ferro-alloys amounted to 103,000 tons in 2Q03, compared to 93,000 in 2Q02. The substantial increase in the sales volume is due to manganese sinter feed sales to China.

Alumina sales, with Alunorte's module 3 coming online, continue to grow, amounting to 604,000 tons in 2Q03, which represents an increase of 10.6% in relation to the previous quarter. The company has been maintaining the same level of shipment of primary aluminum, having sold 51,000 tons in 2Q03, compared to 53,000 tons in 2Q02.

Sales of potash totalled 149,000 tons, down 22.4% in relation to 2Q02. The Taquari-Vassouras mine operated slightly above its nominal capacity of 600,000 tons a year. In 2002, the sale of 731,000 tons was made possible by significantly drawing down on inventory. Potash is another area which has excellent growth potential: the Company is facing excess demand, and the expansion project to increase production capacity at the mine to 850,000 tons is due for completion by the middle of 2005.

Reflecting the falling production, due to the closure of Igarapé Bahia and the fact that Fazenda Brasileiro is nearing exhaustion, sales of gold in 2Q03 amounted to 19,800 troy ounces, compared to 111,800 in 2Q02.

Kaolin sales reached 84,000 tons against 74,000 tons in the 2Q02. In 1H03, shipments of this industrial mineral totalled 192,000 tons, up 31.5% compared to that of 1H02. Therefore, as a result of changes in the marketing policies, including the launch of a new product, the Paraprint, it is expected that sales volumes will amount to 400,000 tons this year. This will allow CVRD to increase the use of its installed capacity.

VOLUME SOLD - OTHER PRODUCTS

'000 tons

	2Q02	1Q03	2Q03
Gold (ounces)	111,854	25,753	19,773
Manganese	120	206	337
Ferro-alloys	93	113	103
Alumina	106	546	604
Aluminum	53	49	51
Bauxite	407	189	262
Potash	192	158	149
Kaolin	74	108	84

General cargo transported by the railroads – EFVM and EFC – amounted to 4.298 billion ntk, which set a new quarterly record, showing an increase of 17.6% on 2Q02.

Cargo handling for clients in CVRD's ports and maritime terminals amounted to 7.227 million tons, an increase of 16.4% on 2Q02.

A large part of the performance in logistics services can be explained by the Company's exploitation of opportunities provided by agricultural production, especially grains, in which segment CVRD transports approximately 15% of the harvest destined for the export market, and by the increase in the Brazilian steel production of 8.4% in 1H03. Various initiatives are in the process of being introduced, or have already been implemented, enabling the Company to take advantage of potential growth in this business segment. Of particular note are contracts for the transportation of soybeans, sugar for export, the launching of express train services, the development of new services for the transportation of steel products and the fact that the Company has started to provide logistics solution services for the industrial installations of various large Brazilian companies and multinationals.

VOLUME SOLD – LOGISTICS SERVICES			
			'000 tons
	2Q02	1Q03	2Q03
Railroads (million ntk)	3,655	3,389	4,298
Ports	6,211	5,575	7,227

Gross revenues generated in 2Q03 amounted to US$ 1.219 billion, an increase of 14.5% in relation to 2Q02.

Revenues from the sale of iron ore, of US$ 591 million, accounted for 48.5% of total revenue, up 8.2% on the figure in 2Q02, of US$ 546 million.

The average iron ore sale price in 2Q03 amounted to US$ 16.26 per ton, an increase of 7.6% on the prices prevailing in 2Q02, of US$ 15.11 per ton. Revenues in 2Q03 incorporated only a small percentage of the retrospective price adjustments for sales completed during 1H03.

Sales of pellets generated US$ 159 million in 2Q03, compared to US$ 149 million in 2Q02.

Pellet plants operation services of the five pellet joint ventures at Tubarão were responsible for revenues of US$ 11 million in 2Q03.

Shipments of manganese and ferro-alloys generated revenues of US$ 89 million in 2Q03, an increase of 50.8% compared to 2Q02. This increase resulted from the volume and price expansion of the alloys sold.

Sales of products in the aluminum chain (bauxite, alumina and primary aluminum), also recorded an increase in revenues, which amounted to US$ 188 million in 2Q03 compared to US$ 98 million in 2Q02. The consolidation of Alunorte, which only occurred in 3Q02, explains this increase, as well as the actual improvement in alumina sales and the rise in prices.

Sales of gold reached in 2Q02 only US$ 7 million against US$ 35 million in 2Q02, due to factors already mentioned. However, revenues from kaolin are increasing having totalled US$ 14 million in 2Q03, a growth of 55.6% yoy. Such evolution is explained not only by higher volumes but also by higher average prices.

Revenue generation from logistics services, of US$ 138 million in 2Q03, increased 5.3% in relation to that of 2Q02. In the 2Q03, railroad transportation was responsible for US$ 79 million of such revenues, port services accounted for US$ 33 million, shipping accounted for US$ 21 million and port services support accounted for US$ 5 million.

The rise in logistics revenues can be explained by the increase in the volumes handled by railroads and ports and by the appreciation of 19.5% of the Real against the US dollar, given that these revenues are almost 90% denominated in local Brazilian currency.

Total CVRD sales to the domestic market amounted to US$ 405 million, accounting for 33.2% of total revenues in 2Q03. Revenues from sales to Europe and Asia, respectively, amounted to US$ 375 million and US$ 265 million, representing 30.8% and 21.7% of the total revenue.

GROSS REVENUE BY PRODUCT

million US$

	2Q02	1Q03	2Q03
Iron Ore	546	549	591
Pellet plant operation services	9	8	11
Pellets	149	189	159
Gold	35	9	7
Logistics services	131	115	138
Aluminum, alumina and bauxite	98	167	188
Manganese and ferro-alloys	59	75	89
Potash	24	21	21
Kaolin	9	16	14
Others	5	4	1
Total	**1,065**	**1,153**	**1,219**

GROSS REVENUE BY DESTINATION

million US$

	2Q02	1Q03	2Q03
Domestic market	**345**	**356**	**405**
External market	**720**	**797**	**814**
USA	30	57	42
Europe	378	378	375
Japan	69	86	122
Asian emerging economies	142	149	143
Rest of World	101	127	132
Total	**1,065**	**1,153**	**1,219**

NET EARNINGS OF US$ 456 MILLION

Net earnings in 2Q03 amounted to US$ 456 million, an increase of US$ 470 million vis-à-vis the loss of US$ 14 million posted in 2Q02. In 1H03 the Company generated net earnings of US$ 810 million.

The increases in net operating revenue of US$ 149 million and equity income of US$ 117 million contributed to the improvement in the result relative to 2Q02. At the same time, the 16.9% appreciation of the Real against the US dollar, which occurred between March and June 2003 caused, due to the impact on net liabilities in US dollars, an exchange rate gain of US$ 257 million in 2Q03, making a significant contribution to profits in this quarter.

The growth in sales of the majority of the products and the logistics services explains the revenue increase which took place in 2Q03 vis-à-vis 2Q02.

The companies from the aluminum division generated, via equity participation, additions to the bottom line in the amount of US$ 47 million and iron ore and pellet companies, US$ 45 million. Both divisions delivered a good contribution to the net income of 2Q03. Albras generated equity participation income of US$ 40 million, Samarco US$ 23 million, Caemi US$ 7 million, Kobrasco US$ 6 million, GIIC US$ 4 million. The Logistics division contributed a negative US$ 72 million to net income due to a US$ 73 million loss in FCA. This result is due to changes in the accounting treatment of the appropriation of leasing and concessions expenditures. Such changes were undertaken in order to put into practice at FCA the best accounting practices enabling the future consolidation of FCA into CVRD.

RESULT FROM SHAREHOLDINGS			
			million US$
	2Q02	1Q03	2Q03
Steel	(2)	19	16
Aluminum, Alumina and bauxite	(37)	48	47
Logistics	(40)	(11)	(72)
Pellets	(5)	26	35
Iron ore	1	7	10
Others	1	5	(1)
Total	**(82)**	**94**	**35**

The positive effect of exchange rate variation on profits, the increase in revenues and the improved equity income result, were partially offset by an increase, compared to 2Q02, of US$ 289 million in provisions for the payment of income tax and social contribution and a rise of US$ 82 million in the cost of goods sold (COGS).

The different timing of the increase in the pre-tax profits and the capacity to generate fiscal credits via the payment of interest on shareholders equity contributed for the increase of the effective tax rate. Therefore, in the 2Q03, there were provisions of US$ 160 million in addition to the provision of US$ 71 million taken in the 1Q03.

Part of the increase in COGS was due to the consolidation of Alunorte, whose COGS amounted to US$ 73 million. This produced an impact which is spread over the several components of the overall COGS, except for the expenses related to the acquisition of iron ore and pellets and to demurrage.

The acquisition of iron ore and pellets was reduced by US$ 18 million due to the decrease in the purchase of pellets from the joint ventures, of 3.1 million tons in 2Q02 against 2.1 million tons in 2Q03. Concerning the demurrage expenditures, the increase amounted to US$ 4 million in 2Q03 vis-à-vis 2Q02.

The growth experienced in the cost of materials is, in good part, a consequence of the increase in production and maintenance expenses.

COGS BREAKDOWN			
			million US$
	2Q02	1Q03	2Q03
Personnel	72	54	63
Material	112	154	180
Outsourced Services	87	81	99
Acquisition of Iron Ore and Pellets	101	120	83
Acquisition of Other Products	111	135	125
Depreciation and Depletion	58	41	47
Electric Energy	22	21	28
Others	25	35	45
Total	**588**	**641**	**670**

CASH GENERATION

Adjusted EBITDA in 2Q03 amounted to US$ 490 million, an increase of 15.3% relative to 2Q02.

Of this total, US$ 36 million corresponds to dividends received from affiliates and joint ventures, where Samarco contributed the largest portion, of US$ 25 million. In addition to this contributions, an adjustment of US$ 12 million was made due to the write-off of assets at the São Luís pellet plant, which was a non-recurring event.

Adjusted accumulated EBITDA in the 12-month period ending June 2003 amounted to US$ 1.890 billion compared to US$ 1.587 billion for the same period ended June 2002, showing an increase of 19.1%.

Adjusted EBITDA in 2Q03 registered an increase of US$ 65 million in comparison to that of 2Q02. The main factors behind this difference were the US$ 149 million increase in net operating revenues and the drop of US$ 15 million in sales, general and administrative expenses. On the other hand, COGS suffered an increase of US$ 82 million and other operating expenses were US$ 16 million higher than the same period last year, partially offset by the US$ 12 million adjustment related non-recurring items within this line.

The ferrous mineral businesses produced adjusted EBITDA of US$ 397 million in 2Q03, maintaining its percentage share of total adjusted EBITDA almost constant at 81.0%. Logistics services contributed US$ 58 million, with this area's percentage of the Company's adjusted total EBITDA rising from 8.7% in 1Q03 to 11.8% in 2Q03. The aluminum businesses contributed US$ 27 million to adjusted EBITDA, 5.5% of the total.

The adjusted EBITDA for non-ferrous minerals (gold, potash and kaolin) totalled zero in 2Q03 due to losses in the gold operations. Given the relative weight of the fixed costs in the total cost structure, the operation of the Fazenda Brasileiro mine at current production levels became unprofitable for CVRD.

QUARTERLY ADJUSTED EBITDA

million US$

	2Q02	1Q03	2Q03
Net Operating Revenues	1,021	1,110	1,170
COGS	(588)	(641)	(670)
S,G &A Expenses	(60)	(49)	(45)
Research and Development	(12)	(11)	(12)
Other Operational Expenses	(27)	(46)	(55)
ADJUSTED EBIT	334	363	388
Depreciation, amortization & exhaustion	61	43	54
Dividends Received	30	36	36
Adjustment for non-recurring items (asset impairment)	0	0	12
ADJUSTED EBITDA	**425**	**442**	**490**

ADJUSTED EBITDA BY BUSINESS AREA						
						million US$
	2Q02	%	1Q03	%	2Q03	%
Ferrous Minerals	360	84.7	357	80.8	397	81.0
Non- ferrous Minerals	22	5.2	9	2.0	-	-
Logistics	37	8.7	38	8.6	58	11.8
Aluminum	6	1.4	32	7.2	27	5.5
Others	-	-	6	1.4	8	1.7
Total	**425**	**100**	**442**	**100**	**490**	**100**

DEBT

The Company's total debt as of June 30, 2003 amounted to US$ 3.282 billion, down US$ 632 million relative to June 30, 2002. Net debt, of US$ 2.316 billion, was reduced by only US$ 26 million compared to the balance one year ago.

Total debt was equivalent to 1.74 times adjusted EBITDA accumulated in the 12 months ending June 30, 2003 and the ratio of adjusted EBITDA /interest paid was 12 times.

Interest expenses included only a small portion of financial expenses related to the Company's debt, as shown in the table below:

FINANCIAL EXPENSES		
		million US$
Financial Expenses on:	1Q03	2Q03
Local Debt	(5)	(4)
External Debt	(39)	(35)
Debt with Related Parties	(5)	(2)
Total Debt-related Financial Expenses	**(49)**	**(41)**
Gross Interest on:		
Tax and Labour Contingencies	(6)	(6)
Tax on Financial Transactions (CPMF)	(4)	(5)
Derivatives	(8)	4
Others	(15)	(16)
Total	**(82)**	**(64)**

Guarantees provided to affiliates and joint ventures amounted to US$ 484 million as of June 30, 2003, lower than the balance on June 30, 2002 when it amounted to US$ 531 million. Guarantees and loans contracted by Albras constitute approximately 64% of this total. The total debt of this company as of June 30, 2003 amounted to US $400 million, with a total debt/LTM adjusted EBITDA ratio of 1.8 times.

DEBT INDICATORS			
			million US$
	2Q02	1Q03	2Q03
Gross Debt	3,914	3,314	3,282
Net Debt (5)	2,342	2,030	2,316
Gross Debt / LTM adjusted EBITDA (x)	2.47	1.82	1.74
Adjusted EBITDA / Interest expenses (4) (x)	6.85	9.02	11.95
Gross Debt / Total assets (x)	0.27	0.24	0.23

CAPEX

The following are operational data related to investments. For aggregate GAAP information on capital expenditures, see the cash flow statement at the end of this document.

Investments carried out in 2Q03 amounted to US$ 407.3 million, totalling US$ 647.6 million in the first half of 2003.

US$ 215.4 million were spent on projects – 52.9% of the total capital expenditure - US$ 9.4 million on iron ore mining in the Southern System, US$ 23.8 million on iron ore mining in the Northern System, US$ 3.4 million on the conversion of RDMN into a producer of manganese ferro-alloys and US$ 41.5 million on logistics. An amount of US$ 87.5 million was allocated to the Sossego copper project, US$ 21 million to conclude Alunorte´s capacity expansion and US$ 6.9 million to the Taquari - Vassouras potash mine production capacity expansion.

The main ongoing projects are displayed below:

Área	Project	Investment carried out in 1Q03	Investment carried out in 2Q03	Status
Ferrous Minerals	Increasing iron ore production capacity in the Northern System	US$ 6.1 million	US$ 7.7 million	It is expected that the Northern System will be operating with an annual production capacity of 70 million tons in 1Q04, therefore managing to accelerate the expansion in production by approximately 12 months. Investment in the project is estimated at US$ 144.4 million, involving expenditure on the mine, railroad and port.
	Pier III of the Ponta da Madeira Maritime Terminal (TMPM)	US$ 2.1 million	US$ 2.8 million	Completion expected for January 2004. Project implementation is proceeding according to schedule and capex is estimated at US$ 33.3 million. Pier III will have a loading capacity of 18 million tons a year, enhancing the capacity of TMPM to 74 million tons a year.
	Iron ore mine at Brucutu – Southern System	US$ 146,000	US$ 296,000	First phase due for completion by 2006, when the mine will have a production capacity of 12 million tons a year. The project is proceeding according to schedule. Total investment is estimated at US$ 219.9 million, of which US$ 19.7 million is programmed for 2003.
	Iron ore mine at Fábrica Nova – Southern System	US$ 637,000	US$ 2.5 million	Completion estimated for 2005. 3.7% of the investment has already been carried out, and project development is proceeding according to schedule. The Fábrica Nova mine is likely to have a capacity of 10 million tons a year by 2005, reaching 15 million by 2009. Total capital expenditure is budgeted at US$ 84.4 million, with programmed spending of US$ 39.6 million for 2003.
	Conversion of RDMN	US$ 3.6 million	US$ 3.4 million	Capital expenditure on the conversion of RDMN (which should be completed by the end of 2003) is budgeted at US$ 15 million and will enable the plant to produce 110,000 tons a year of manganese ferro-alloys.
Non Ferrous Minerals	Sossego copper mine	US$ 40.5 million	US$ 87.5 million	Completion estimated for first half 2004. 55% of the total investment in the project has already been carried out, 78% of the undertaking has been completed. The first tests should begin in 3Q03. The project is slightly ahead of schedule.
	Expansion of Taquari – Vassouras Potassium Mine	US$ 4.0 million	US$ 6.9 million	Completion estimated for mid 2005. 26% of the total investment for the project has been carried out. The project is on schedule. After the expansion, the mine's capacity will have been augmented to 850,000 tons a year.

Aluminum	Expansion of Alunorte	US$ 32.1 million	US$ 21 million	Project concluded in 1Q03, with the inauguration of the third line at Alunorte, increasing the nominal capacity of the refinery to 2.4 million tons a year of alumina. Around US$300 million has been invested in this project.
Logistics	Purchase of locomotives and wagons	US$ 18.9 million	US$ 35.3 million	Of the 2,010 wagons and 77 locomotives which will be purchased by the end of 2003, the Company has already received 950 wagons and 44 locomotives. Part of this equipment will be for the transportation of general cargo and part for iron ore. 33.3% of the total investment estimated at US$ 162.9 million has already been made.
	Praia Mole Terminal (Phases I & II)	US$ 707,000	US$ 1.5 million	Phase I was completed in April 2003. After the completion of Phase II (scheduled for 2Q04) the terminal's handling capacity will be 14.5 million tons a year. Total investment is budgeted at US$ 20.9 million.
Power Generation	Aimorés Hydro-electric Plant	US$ 6.4 million	US$ 7.6 million	Full operation postponed to October 2004, in view of the delay in the relocation of a local community, due to legal issues. The construction of the plant is proceeding on schedule. The plant itself will be completed within the original timetable, but will not be able to generate electricity as the water reservoir will not be full.
	Candonga Hydro-electric plant	US$ 6.7 million	US$ 5.4 million	Completion scheduled for November 2003. 90% of the project's total estimated investment of US$ 40.1 million, has already been carried out. Implementation of the project is proceeding as scheduled.

Of the total amount invested in 2Q03, US$56 million, or 13.6%, was spent on maintenance and the environment. Capital infusions amounted to US$62.8 million (15.4% of the total invested), in CFN, FCA, Compañia Minera Andino Brasileira (CMAB) and Compañia Minera Latino Americana (CMLA). CMAB and CMLA are both mineral exploration companies located in Chile and Peru, respectively.

The purchase of CST shares, for US$ 58 million, accounted for 14.2% of the total spent this quarter.

Expenditure on mineral prospecting and technological research amounted to US$ 8.6 million. US$ 6.5 million were spent on information technology, US$ 3 million of which was allocated to the introduction of the ERP (Enterprise Resource Planning) system.

Of the total invested in 2Q03, the non-ferrous mineral area accounted for 25.6%, ferrous minerals, 20.4%, logistics, 19.4% while aluminum accounted for 5.4%.

INVESTMENTS - 2Q03					
By business area	**US$ million**	**%**	**By category**	**US$ million**	**%**
Ferrous Minerals	83.3	20.4%	Capital infusions	62.8	15.4%
Logistics	79.1	19.4%	Maintenance &Environment	56.0	13.7%
Non-ferrous Minerals	104.4	25.6%	Projects	215.4	52.9%
Aluminum	22.2	5.4%	Mineral Prospecting	8.6	2.2%
Power Generation	16.0	3.9%	Information Technology	6.5	1.6%
Others	102.4	25.1%	Technological Research	58.0	14.2%
Total	**407.3**	**100%**	**Total**	**407.3**	**100.0%**

US GAAP

FINANCIAL STATEMENTS

million US$

	2Q 02	1Q 03	2Q 03
Gross operating revenues	1,065	1,153	1,219
Taxes	(44)	(43)	(49)
Net Operating Revenue	**1,021**	**1,110**	**1,170**
Cost of Goods Sold	(588)	(641)	(670)
Gross Profit	**433**	**469**	**500**
Gross Margin (%)	42.4	42.3	42.7
Selling, General and Administrative Expenses	(60)	(49)	(45)
Research and Development Expenses	(12)	(11)	(12)
Employee Profit-Sharing	3	(12)	(9)
Others	(30)	(34)	(46)
Operating Profit	**334**	**363**	**388**
Financial Revenues	44	28	29
Financial Expenses	(117)	(82)	(64)
Monetary Variation	(326)	50	257
Tax and Social Contribution (Current)	3	(6)	(135)
Tax and Social Contribution (Deferred)	126	(65)	(25)
Equity Income	(82)	94	35
Accounting Changes for Asset Write-offs	-	(10)	-
Minority Shareholding Participation	4	(18)	(29)
Net Earnings	**(14)**	**354**	**456**
Earnings per Share (US$)	**(0.04)**	**0.92**	**1.19**

BALANCE SHEET

million US$

	2Q02	1Q03	2Q03
Assets			
Current	3,069	2,696	2,482
Long-term	1,459	1,407	1,727
Fixed	4,733	4,485	5,574
Total	**9,261**	**8,588**	**9,783**
Liabilities			
Current	1,915	1,638	2,044
Long Term	3,374	3,310	3,177
Shareholders’ Equity	3,972	3,640	4,562
Paid-up Capital	2,944	2,944	3,367
Reserves	1,028	696	1,195
Total	**9,261**	**8,588**	**9,783**

CASH FLOW STATEMENT

US$ milhões

	2Q 02	1Q 03	2Q 03
Cash flows from operating activities:			
Net income	(14)	354	456
Adjustments to reconcile net income with cash provided by operating activities:			
Depreciation, depletion and amortization	61	43	54
Dividends received	30	36	36
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	82	(94)	(35)
Deferred income taxes	(126)	65	133
Provisions for contingencies	46	9	-
Impairment of property, plant and equipment	49	-	12
Gain in accounting practice for asset retirement obligations	-	10	-
Pension plan	3	3	2
Foreign exchange and monetary losses	467	(142)	(258)
Net unrealized derivative losses	7	3	1
Minority interest	(4)	18	29
Others	68	6	(9)
Decrease (increase) in assets:			
Accounts receivable	(16)	64	65
Inventories	(26)	24	(25)
Others	(39)	(1)	(26)
Increase (decrease) in liabilities:			
Suppliers	(5)	(93)	18
Payroll and related charges	7	(6)	13
Others	22	57	(14)
Net cash provided by operating activities	**612**	**356**	**452**
Cash flows from investing activities:			
Loans and advances receivable	21	22	(53)
Guarantees and deposits	(29)	(12)	(152)
Additions to investments	-	-	(61)
Additions to property, plant and equipment	(172)	(198)	(308)
Proceeds from disposals of property, plant and equipment	1	-	37
Net cash used to acquire subsidiaries	(45)	-	-
Net cash used in investing activities	**(224)**	**(188)**	**(537)**
Cash flows from financing activities:			
Short-term debt, net issuances (repayments)	(166)	(93)	60
Loans	(4)	(16)	(6)
Long-term debt	72	179	40
Repayments of long-term debt	(79)	(101)	(179)
Interest attributed to stockholders	(329)	-	(215)
Net cash used in financing activities	**(506)**	**(31)**	**(300)**
Increase (decrease) in cash and cash equivalents	(118)	137	(385)
Effect of exchange rate changes on cash and cash equivalents	(318)	56	67
Cash and cash equivalents, beginning of period	2.008	1.091	1.284
Cash and cash equivalents, end of period	**1,572**	**1,284**	**966**
Cash paid during the period for:			
Interest on short-term debt	(10)	(6)	(1)
Interest on long-term debt, net of interest capitalized of $4 in 1Q03, $5 in 1Q02 and $4 in 4Q02	(33)	(49)	(28)
Interest capitalized	5	4	5
Income tax	(4)	(6)	(27)
Non-cash transactions			
Conversion of loans receivable to investments	-	11	76

US GAAP

Ferrous Minerals Companies

FINANCIAL INDICATORS - UNAUDITED			
			million US$
HISPANOBRAS	**2Q 02**	**1Q 03**	**2Q 03**
Volume Sold (‘000 tons)	836	905	890
Export Markets	356	268	625
Domestic Market	480	637	265
Average Price (US$/ton)	31.56	29.75	36.33
Operating Profit	2	3	6
Net Financial Result	3	(1)	(2)
Net Earnings	3	1	4
NIBRASCO	**2Q 02**	**1Q 03**	**2Q 03**
Volume Sold (‘000 tons)	2,257	1,800	1,847
Export Markets	686	469	513
Domestic Market	1,571	1,331	1,334
Average Price (US$/ton)	31.36	27.75	27.03
Operating Profit	6	2	(1)
Net Financial Result	(1)	-	-
Net Earnings	3	1	(1)
Total Debt	4	3	2
- Short Term	2	2	2
- Long Term	2	1	-
ITABRASCO	**2Q 02**	**1Q 03**	**2Q 03**
Volume Sold (‘000 tons)	702	813	843
Export Markets	533	306	778
Domestic Market	169	507	65
Average Price (US$/ton)	28.30	29.54	35.25
Operating Profit	1	2	7
Net Financial Result	3	(1)	(2)
Net Earnings	2	-	3
Total Debt	17	5	-
- Short Term	-	-	-
- Long Term	17	5	-
KOBRASCO	**2Q 02**	**1Q 03**	**2Q 03**
Volume Sold (‘000 tons)	1,012	1,134	1,128
Export Markets	534	453	667
Domestic Market	478	681	461
Average Price (US$/ton)	29.30	30.39	30.35
Operating Profit	1	5	2
Net Financial Result	(27)	5	16
Net Earnings	(17)	6	11
Total Debt	143	124	102
- Short Term	-	-	-
- Long Term	143	124	102

FINANCIAL INDICATORS - UNAUDITED			
			million US$
SAMARCO	2Q 02	1Q 03	2Q 03
Volume Sold - Export Markets ('000 tons)	3,436	3,988	4,277
Average Price (US$/ton)	28.78	27.59	30.98
Adjusted EBITDA	41	56	45
Depreciation, Amortization and depletion	(6)	(5)	(6)
Operating Income	35	51	39
Impairment / Gain on Sale	-	(1)	6
Net Financial Result	(37)	-	8
Income before Income Tax and Social Contribution	(2)	50	53
Income Tax and Social Contribution	(3)	(12)	(7)
Net Income	(5)	38	46
Total Debt	**268**	**179**	**188**
- Short Term	181	123	138
- Long Term	87	56	50
GIIC*	2Q 02	1Q 03	2Q 03
Volume Sold - ('000 tons)	676	772	1,178
Export Markets	676	772	1,178
Average Price (US$/ton)	40.30	41.00	43.30
Operating Income	1	4	8
Net Income	1	4	8
Total Debt	40	35	35
- Long Term	40	35	35

*Financial indicators calculated according to standards set down by the International Accounting Standards Committee

US GAAP

Aluminum Companies

FINANCIAL INDICATORS - UNAUDITED			
			million US$
MRN	2Q02	1Q03	2Q03
Volume Sold ('000 tons)	2,611	2,196	3,512
Export Markets	790	711	958
Domestic Market	1,821	1,485	2,554
Average Price (US$/ton)	18.34	19.23	18.98
Operating Profit	37	14	29
Net Financial Result	13	(2)	(12)
Net Earnings	38	10	15
Total Debt	**109**	**113**	**200**
- Short Term	19	44	134
- Long Term	90	69	66
ALBRAS	2Q02	1Q03	2Q03
Volume Sold ('000 tons)	110	103	106
Export Markets	108	99	102
Domestic Market	2	4	4
Average Price (US$/ton)	1,332.13	1,337.98	1,326.07
Adjusted EBITDA	58	56	50
Depreciation, Amortization and depletion	(4)	(3)	(4)
Impairment / Gain on Sale	-	-	(3)
Operating Income	54	53	43
Net Financial Result	(125)	30	58
Income before Income Tax and Social Contribution	(71)	83	101
Income Tax and Social Contribution	2	(4)	(24)
Net Income	(69)	79	77
Total Debt	**556**	**451**	**400**
- Short Term	49	-	-
- Long Term	507	451	400
VALESUL	2Q02	1Q03	2Q03
Volume Sold ('000 tons)	24	19	24
Export Markets	12	9	15
Domestic Market	12	10	9
Average Price (US$/ton)	1,663.20	1,730.60	1,685.82
Operating Profit	8	9	3
Net Financial Result	-	-	-
Net Earnings	6	8	1
Total Debt	**2**	**2**	**2**
- Short Term	1	1	1
- Long Term	1	1	1

Reconciliation of non-GAAP information and comparable GAAP information

(1) 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
	1Q03	2Q03
Operating Cash Flow	**356**	**452**
Income tax paid	6	27
Monetary and Foreign Exchange Losses	92	1
Financial Expenses	41	32
Net Working Capital	(45)	(31)
Others	(8)	9
Adjusted EBITDA	**442**	**490**

(2) Adjusted EBITDA Margin

	2Q02	1Q03	2Q03
Adjusted EBITDA Margin (Adjusted EBITDA/Net Revenues)	41.6	39.8	41.9
Operating Income / Net Revenues	32.7	32.7	33.2

(3) Gross Debt / Adjusted LTM EBITDA

	2Q02	1Q03	2Q03
Gross debt / adjusted LTM EBITDA (x)	2.47	1.82	1.74
Gross Debt/Operating Cash Flow (x)	1.60	2.32	1.82

(4) Adjusted EBITDA/ Interest Expense

	2Q02	1Q03	2Q03
Adjusted EBITDA/ Interest Expense Adjusted (x)	6.9	9.0	12.0
Operating Income/Financial Expense (x)	2.9	4.4	6.1

(5) Net Debt

RECONCILIATION BETWEEN ADJUSTED EBITDA VS. OPERATING CASH FLOW			
			US$ million
	2Q02	1Q03	2Q03
Gross Debt	3,914	3,314	3,282
Cash and Equivalents	531	499	484
Net Debt	2,342	2,030	2,316

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