



CVRD – Production report 1Q05

Strong operational performance

Rio de Janeiro, May 11, 2005 - Companhia Vale do Rio Doce (CVRD) achieved strong operational performance in 1Q05, with significantly higher levels of production in its principal products than in the same quarter of last year, making the most of strong demand for ores and metals.

Whereas manufacturing industrial seasonality is brought by demand, in mining it is led by factors influencing supply, principally weather conditions. In Brazil, the rainy season in the first quarter of the year is usually adverse for mining production, due to the effect of excessive humidity in the mining sites. Thus, depending on the intensity of the rainy season, output is naturally lower in a first quarter than in the fourth quarter of the previous year.

Highlights of first quarter 2005

- ***Iron ore – more than 10% growth; startup of Fábrica Nova***

Under US GAAP (United States Generally Accepted Accounting Principles), CVRD's iron ore production in 1Q05 was 51.5 million tons, 10.7% more than in 1Q04.

The Southern System produced 24.4 million tons in the quarter, 8.4% higher year on year.

The Fábrica Nova mine, in the Mariana region in the Southern System, started operating in April. It has production capacity for 15 million tons/year, and should produce 10 million this year.

Carajás produced 15.9 million tons, 9.9% more than in 1Q04. As well as the seasonal effect, operational problems in the mine contributed to production being lower than planned – but an emergency work program is in place which will enable production to be accelerated in the coming months.

Caemi produced 10.9 million tons in 1Q05, which was the second largest quarterly volume in its history, and 17.4% more than in 1Q04. Part of this is due to the operation of the Capão Xavier mine, the ramp-up of which was completed in December 2004, and which produced 2.5 million tons in this quarter.

- ***Pellets – operational excellence, enabling new output records***

By the US GAAP concept, which excludes the joint ventures (Samarco, GIIC, Nibrasco, Kobrasco, Hispanobras and Itabasco), CVRD's output of pellets in the first quarter of the year was 4.1 million tons, 10.6% more than in 1Q04. This achievement was possible due to the excellent performance of the CVRD I and CVRD II plants, which reached a new quarterly output record of 1.5 million tons.

In this first quarter of the year, CVRD produced 2.0 million tons of blast furnace pellets and 2.1 million tons of direct reduction pellets.

According to Brazilian GAAP (Generally Accepted Accounting Principles in Brazil), in which the joint ventures production volume is accounted in proportion to CVRD's shareholdings in them, pellet production in 1Q05 was 9.0 million tons, 6.1% more than in the first quarter of 2004. Consolidated production in March under BR GAAP criteria was 3.4 million tons, a monthly record.

GIIC had a programmed maintenance stoppage in the quarter, and as a result produced only 373,000 tons. Its production target of 4.2 million tons for the full year of 2005 remains unchanged.



Of the 9.0 million tons recorded under BR GAAP in 1Q05, 5.5 million tons were blast furnace pellets and 3.5 million tons direct reduction pellets.

- ***Manganese ore and ferro-alloys: record ferro alloy production***

Total manganese ore production in 1Q05 was 681,000 tons, 22.4% more than in 1Q04 and CVRD's highest-ever production in the first quarter of a year.

The capacity of the Azul mine, at Carajás, which is CVRD's principal manganese mine, is being expanded by 500,000 tons/year. The capacity is expected to reach 2.5 million tons/year at the end of 2005.

Output of ferro-alloys in the first quarter was 164,000 tons, an all-time quarterly record, and 11.3% more than in 1Q04. The highlight was the performance of RDM, whose plants are in Brazil, with a quarterly-record output of 97,000 tons. RDME produced 34,000 tons in the period, and RDMN 28,000 tons.

Total production of alloys in 1Q05 breaks down as 82,000 tons of Ferro Silicon Manganese alloys (FeSiMn), 60,000 tons of high carbon ferro manganese alloys (FeMnAC), 13,000 tons of medium carbon ferro manganese alloys (FeMnMC) and 7,000 tons of other alloys. Production of cored wire (special alloys) by RDME totaled 1,000 tons.

- ***Bauxite – maintaining good performance***

The output of Trombetas (MRN) in 1Q05 was 4.041 million tons, 3.2% more than in 1Q04, which is a strong result considering the seasonal effects and the annual production capacity of 16.3 million tons.

- ***Alumina – production continues to exceed nominal capacity***

In 1Q05 the Alunorte refinery produced 631,000 tons of alumina, slightly (2.7%) less than in 1Q04, which had posted a quarterly record. In spite of the slight reduction, caused by routine adjustments in the plant operations, the first quarter production was very good, continuing to be higher than the plant nominal capacity.

- ***Primary aluminum - Annualized output rising***

Primary aluminum production in 1Q 2005 totaled 110,000 tons, which when annualized represents an output higher than that of the whole of 2004 (435,000 tons). Output in the quarter was 6.8% higher than in 1Q04.

- ***Copper – challenges in ramp-up of Sossego***

The output of copper concentrate from Sossego in 1Q05 was lower than expected, at 25,000 tons. Problems with mining equipment resulted in the feed to the plant with lower than expected average ore grades, reducing throughput, and consequently, concentrates production. The equipment is being replaced, which will enable the plant to operate at the programmed rate.

- ***Potash – Taquari-Vassouras produced 147,000 tons***

Production at **Taquari-Vassouras** was 147,000 tons in 1Q05, 4.3% more than in 1Q04.

A drill breakdown that caused a reduction in output in the first quarter has been resolved and production in the coming months will be speeded up to offset for the initial shortfall. As a result, programmed production for this



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Vale do Rio Doce

Production Report

year, which takes into account the startup of the capacity expansion in 2H05 (increasing output capacity to 850,000 tons/year), is estimated at approximately 750,000 tons.

- ***Kaolin – production in line with planned level***

CVRD's total production of kaolin in 1Q05 was 296,000 tons, slightly lower than in 1Q04.

PPSA produced 111,000 tons, and Cadam 186,000 tons. The slight reduction in output in the first quarter was caused by previously programmed maintenance stoppages, and will not affect the budgeted volume for the year, of 1.330 million tons.



CVRD Production Report - US GAAP*

	thousand tons				
	1Q04	4Q04	1Q05	% Change 1Q05/4Q04	% Change 1Q05/1Q04
IRON ORE	46,487	56,333	51,465	-8.6%	10.7%
Southern System	22,557	25,277	24,444	-3.3%	8.4%
Itabira	10,314	11,075	11,255	1.6%	9.1%
Mariana	4,448	4,767	4,595	-3.6%	3.3%
Minas Centrais	3,334	4,629	3,947	-14.7%	18.4%
Minas do Oeste	4,460	4,806	4,649	-3.3%	4.2%
Carajás	14,484	20,241	15,922	-21.3%	9.9%
Urucum	190	196	235	19.9%	23.5%
Caemi	9,256	10,620	10,864	2.3%	17.4%
PELLETS	3,751	4,165	4,148	-0.4%	10.6%
CVRD I and CVRD II	1,244	1,461	1,495	2.3%	20.2%
Fabrica	1,137	1,128	1,093	-3.2%	-3.9%
São Luís	1,371	1,576	1,560	-1.0%	13.8%
MANGANESE ORE	556	860	681	-20.9%	22.4%
Azul	413	666	478	-28.2%	15.8%
Urucum	75	110	103	-6.9%	36.4%
other mines	68	84	100	18.8%	47.1%
FERRO-ALLOYS	148	146	164	12.4%	11.3%
RDM	84	81	97	19.6%	15.2%
RDME	30	38	34	-9.2%	12.6%
RDMN	28	22	28	24.6%	-1.7%
Urucum	5	5	5	2.9%	10.9%
ALUMINA	648	643	631	-1.9%	-2.7%
Alunorte	648	643	631	-1.9%	-2.7%
ALUMINUM	103	113	110	-2.2%	6.8%
Albras	103	113	110	-2.2%	6.8%
COPPER	0	31	25	-19.2%	N.M.
Sossego	0	31	25	-19.2%	N.M.
POTASH	141	164	147	-10.4%	4.3%
Taquari-Vassouras	141	164	147	-10.4%	4.3%
KAOLIN	299	319	296	-7.0%	-0.9%
PPSA	108	129	111	-13.9%	2.9%
Cadam	191	190	186	-2.3%	-3.0%

* Under US GAAP, CVRD consolidates the total production volumes of companies in which it has more than 50% of the voting capital and effective control.



CVRD Production Report - Consolidated BR GAAP*

	thousand tons				
	1Q04	4Q04	1Q05	% Change 1Q05/4Q04	% Change 1Q05/1Q04
IRON ORE	48,128	58,085	53,258	-8.3%	10.7%
Southern System	22,557	25,277	24,444	-3.3%	8.4%
Itabira	10,314	11,075	11,255	1.6%	9.1%
Mariana	4,448	4,767	4,595	-3.6%	3.3%
Minas Centrais	3,334	4,629	3,947	-14.7%	18.4%
Minas do Oeste	4,460	4,806	4,649	-3.3%	4.2%
Carajás	14,484	20,241	15,922	-21.3%	9.9%
Urucum	190	196	235	19.9%	23.5%
Caemi	9,256	10,620	10,864	2.3%	17.4%
Samarco	1,641	1,752	1,793	2.3%	9.3%
PELLETS	8,442	9,131	8,955	-1.9%	6.1%
CVRD I and CVRD II	1,244	1,461	1,495	2.3%	20.2%
Fabrica	1,137	1,128	1,093	-3.2%	-3.9%
São Luís	1,371	1,576	1,560	-1.0%	13.8%
Nibrasco	1,097	1,034	1,155	11.7%	5.3%
Kobrasco	554	600	573	-4.4%	3.4%
Hispanobras	437	572	540	-5.6%	23.6%
Itabrasco	414	474	508	7.3%	22.7%
Samarco	1,730	1,757	1,658	-5.6%	-4.1%
GIIC	458	531	373	-29.8%	-18.6%
MANGANESE ORE	556	860	681	-20.9%	22.4%
Azul	413	666	478	-28.2%	15.8%
Urucum	75	110	103	-6.9%	36.4%
other mines	68	84	100	18.8%	47.1%
FERRO-ALLOYS	148	146	164	12.4%	11.3%
RDM	84	81	97	19.6%	15.2%
RDME	30	38	34	-9.2%	12.6%
RDMN	28	22	28	24.6%	-1.7%
Urucum	5	5	5	2.9%	10.9%
BAUXITE	1,567	1,776	1,616	-9.0%	3.2%
MRN	1,567	1,776	1,616	-9.0%	3.2%
ALUMINA	648	643	631	-1.9%	-2.7%
Alunorte	648	643	631	-1.9%	-2.7%
ALUMINUM	116	126	123	-2.5%	5.6%
Albras	103	113	110	-2.2%	6.8%
Valesul	13	13	12	-5.6%	-3.9%
COPPER	0	31	25	-19.2%	N.M.
Sossego	0	31	25	-19.2%	N.M.
POTASH	141	164	147	-10.4%	4.3%
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PPSA	108	129	111	-13.9%	2.9%
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* 1) Under Consolidated BR GAAP, CVRD consolidates the total production of all the companies in which it has more than 50% of the voting capital and effective control.

2) For the companies in which CVRD has shared control, consolidation is proportional to CVRD's stake in the company.

3) The production volumes of companies in which CVRD has minority interests are not consolidated.



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Production Report

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