



CVRD Production Report for 2Q05

Operational performance improves further and a new record in iron ore is achieved

Rio de Janeiro, August 10, 2005 - Companhia Vale do Rio Doce (CVRD) reports excellent operational performance in 2Q05, including a new iron ore output record.

Without the adverse effect of summer rains, almost all CVRD's mines were at peak operational performance – and almost all at full capacity, in response to the high global demand for ores and metals.

Highlights of second quarter 2005

- ***Iron ore – quarterly record: output exceeds 60 million tons***

CVRD's iron ore output set a new record in the quarter. The performance of the new projects – Fábrica Nova, Carajás 70 Mtpy, Capão Xavier – was excellent, showing the Company's ability to implement additional capacity in response to the expansion of demand, even in an adverse scenario of increasing costs and delays in equipment delivery. There was significant growth at all CVRD production sites, with records being posted in the Southern System and Caemi.

Under US GAAP (United States generally accepted accounting principles) CVRD's iron ore output was 60.7 million tons in 2Q05, 17.8% more than in 2Q04 – a new record for the Company. In the first six months of the year, CVRD produced 112.2 million tons of iron ore, 14.4% higher than 1H04.

Trailing 12-month iron ore production to end-June was 225.4 million tons, also world record for a 12-month period.

The output of CVRD's Southern System, at 28.4 million tons in the second quarter of 2005, also a record, was 15.2% higher than in 2Q04. Its production in 1H05 was 52.9 million tons – also a new half-yearly record, and an increase of 11.9% yoy.

The Fábrica Nova mine in the Mariana region began operations in April, producing 2.0 million tons in the quarter.

Carajás produced 18.8 million tons in 2Q05, 15.4% more yoy. This was Carajás's second-highest-ever quarterly output, after 4Q04 (the fourth quarter is seasonally stronger). Output in 1H05 was 34.7 million tons, 12.8% higher than in 1H04. We expect production volume to rise further in the coming months, although delays in receipt of some equipment for the ore processing plant could cause problems.

Caemi also achieved a record quarterly output in 2Q05, with 13.3 million tons, a very high 27.6% more than in 2Q04. Its production in the first half of the year was 22.8% higher yoy.

Production increased at all Caemi's mines, among which Capão Xavier was a highlight. Since its startup, in June 2004, this mine has constantly delivered surprises on the upside. In 2Q05 it produced 3.5 million tons.

- ***Pellets: operation in line with nominal capacity***

Under US GAAP criteria, which exclude the joint ventures (Samarco, GIIC, Nibrasco, Kobrasco, Hispanobras and Itabasco), CVRD's output of pellets in the 2Q05 was 3.6 million tons, 11.5% less than in 2Q04.



This reduction reflected a maintenance stoppage at the São Luis plant. Output in the first half of the year was at the same level as in 1H04, totaling 7.8 million tons.

In 2Q05 CVRD produced 2.0 million tons of blast furnace pellets and 1.6 million tons of direct reduction pellets.

Under Brazilian GAAP, where volumes produced by the joint ventures are consolidated in proportion to CVRD's stake, production was 8.6 million tons in 2Q05, 0.2% yoy growth; and 17.6 million tons in the first six months of the year, 3.1% higher than in 1H04.

The consolidated BR-GAAP output in 2Q05 was made up of 5.3 million tons of blast furnace pellets and 3.3 million tons of direct reduction pellets.

- ***Manganese ore and ferroalloys: production at full capacity in all units***

CVRD's manganese ore production in 2Q05 was 831,000 tons, 35.5% more than in 2Q04. The Azul mine in Carajás, CVRD's main manganese mine, produced 597,000 tons, 72% of the total 2Q05 output.

Production of ferroalloys in the second quarter totaled 161,000 tons, an yoy increase of 22.7%. All the plants were working at or close to nominal capacity, without any operational problem.

This total output was made up of: 85,000 tons of ferro silicon manganese alloys (FeSiMn), 55,000 tons of high carbon ferro manganese alloys (HCFeMn), 11,000 tons of medium carbon manganese ferro alloys (MCFeMn), 8,000 tons of other types of alloys. Production of cored wire (special alloys) by RDME was 2,000 tons.

- ***Bauxite: Trombetas producing at almost 17 million tons per year***

In 2Q05 MRN achieved the second highest quarterly output in its history, 4.344 million tons, 7.1% yoy growth. In the first six months of the year its output was 8.385 million tons, 5.2% higher than in 1H04. This strong operational performance in fact exceeded Trombetas's nominal capacity of 16.3 million tons per year.

- ***Alumina: production above nominal capacity; operational efficiency***

The Company produced 639,000 tons of alumina in 2Q05, 3.9% more than in the first half of 2004, and 1.27 million tons in the first half of the year, 0.5% higher yoy. The output of Alunorte has consistently exceeded its nominal capacity in recent years, showing only very small quarterly changes – a good indicator of operational efficiency.

- ***Primary aluminum: operational improvements result in expanded output***

CVRD's output of primary aluminum was 110,000 tons in the quarter, 3.0% more than in 2Q04; and 220,000 tons in the first half of the year, 4.5% higher yoy. Due to constant operational improvements we estimate that the production of Albras will again exceed the plant's nominal capacity, and reach 445,000 tons this year.

- ***Copper: working to overcome operational challenges***

In 2Q05 Sossego produced 29,000 tons of copper in concentrate. Although this was more than in 1Q05, its performance continued to be hampered by delay in delivery of new drilling machines to replace the machinery currently in operation. Sossego produced 54,000 tons in the first half of 2005, against 53,000 tons in 2H04.



We expect that the problems resulting from inadequate equipment will only be eliminated as from the beginning of 2006 – resulting in production of approximately 130,000 tons of copper in concentrate in 2005, compared to 107,000 in the 12 months ending on June 30, 2005.

- ***Potash: Taquari-Vassouras on course for new operational scale***

Potash production by the Taquari-Vassouras mine was 168,000 tons in 2Q05, practically in line with 2Q04; and 315,000 tons in the first half of the year, 2.3% higher than in 1H04.

Conclusion of the capacity expansion at Taquari-Vassouras is scheduled for the end of August, unless delays in delivery of equipment cause a postponement. The ramp-up of the facilities so far released for the project began in July, and is expected to end in December. Production of 710,000 tons is expected in 2005, and 850,000 tons in 2006.

- ***Kaolin: programmed maintenance stoppage affected 2Q05 output***

The Company's kaolin output in 2Q05 was 273,000 tons, 5.9% lower than in 2Q04 – reflecting a programmed maintenance stoppage in May, in both Cadam and PPSA.

CVRD's total production of kaolin in the first six months of the year was 570,000 tons, 3.3% less than in 1H04 – but we expect a recovery in 2005, to 1.3 million tons in the whole year, against 1.2 million tons in 2004 – which will be necessary to serve new contracts with clients.



CVRD Production Report - US GAAP*

thousand tons

	2Q04	1Q05	2Q05	1H04	1H05	% Change 2Q05/1Q05	% Change 2Q05/2Q04	% Change 1H05/1H04
IRON ORE	51,515	51,465	60,692	98,002	112,157	17.9%	17.8%	14.4%
Southern System	24,683	24,444	28,423	47,239	52,868	16.3%	15.2%	11.9%
Itabira	10,735	11,255	11,331	21,049	22,585	0.7%	5.6%	7.3%
Mariana	4,769	4,595	6,525	9,217	11,119	42.0%	36.8%	20.6%
Minas Centrais	4,508	3,947	5,748	7,843	9,694	45.6%	27.5%	23.6%
Minas do Oeste	4,670	4,649	4,820	9,131	9,469	3.7%	3.2%	3.7%
Carajás	16,255	15,922	18,760	30,740	34,682	17.8%	15.4%	12.8%
Urucum	181	235	245	371	480	4.5%	35.3%	29.2%
Caemi	10,396	10,864	13,263	19,652	24,127	22.1%	27.6%	22.8%
PELLETS	4,098	4,148	3,628	7,849	7,776	-12.5%	-11.5%	-0.9%
CVRD I and CVRD II	1,388	1,495	1,443	2,632	2,938	-3.5%	3.9%	11.6%
Fabrica	1,154	1,093	1,097	2,291	2,190	0.4%	-4.9%	-4.4%
São Luís	1,556	1,560	1,088	2,927	2,648	-30.3%	-30.1%	-9.5%
MANGANESE ORE	614	681	831	1,170	1,512	22.1%	35.5%	29.3%
Azul	419	478	597	831	1,075	24.8%	42.5%	29.3%
Urucum	98	103	109	173	212	6.6%	12.1%	22.7%
other mines	97	100	125	166	225	25.2%	28.5%	36.1%
FERRO-ALLOYS	131	164	161	279	325	-1.9%	22.7%	16.6%
RDM	89	97	93	173	190	-4.8%	4.3%	9.6%
RDME	6	34	36	36	70	5.1%	530.0%	94.4%
RDMN	33	28	27	61	55	-1.0%	-15.9%	-9.3%
Urucum	4	5	5	9	10	1.6%	22.4%	16.4%
ALUMINA	615	631	639	1,263	1,270	1.2%	3.9%	0.5%
Alunorte	615	631	639	1,263	1,270	1.2%	3.9%	0.5%
ALUMINUM	107	110	110	210	220	0.5%	3.0%	4.5%
Albras	107	110	110	210	220	0.5%	3.0%	4.5%
COPPER	20	25	29	21	54	16.5%	42.9%	161.3%
Sossego	20	25	29	21	54	16.5%	42.9%	161.3%
POTASH	167	147	168	308	315	14.3%	0.6%	2.3%
Taquari-Vassouras	167	147	168	308	315	14.3%	0.6%	2.3%
KAOLIN	290	296	273	589	570	-7.9%	-5.9%	-3.3%
PPSA	108	111	111	216	221	-0.4%	2.1%	2.5%
Cadam	182	186	163	373	348	-12.3%	-10.6%	-6.7%

* 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

	2Q04	1Q05	2Q05	1H04	1H05	% Change 2Q05/1Q05	% Change 2Q05/2Q04	% Change 1H05/1H04
IRON ORE	53,202	53,258	62,583	101,329	115,841	17.5%	17.6%	14.3%
Southern System	24,683	24,444	28,423	47,239	52,868	16.3%	15.2%	11.9%
Itabira	10,735	11,255	11,331	21,049	22,585	0.7%	5.6%	7.3%
Mariana	4,769	4,595	6,525	9,217	11,119	42.0%	36.8%	20.6%
Minas Centrais	4,508	3,947	5,748	7,843	9,694	45.6%	27.5%	23.6%
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Carajás	16,255	15,922	18,760	30,740	34,682	17.8%	15.4%	12.8%
Urucum	181	235	245	371	480	4.5%	35.3%	29.2%
Caemi	10,396	10,864	13,263	19,652	24,127	22.1%	27.6%	22.8%
Samarco	1,687	1,793	1,891	3,327	3,684	5.5%	12.1%	10.7%
PELLETS	8,615	8,955	8,634	17,056	17,590	-3.6%	0.2%	3.1%
CVRD I and CVRD II	1,388	1,495	1,443	2,632	2,938	-3.5%	3.9%	11.6%
Fabrica	1,154	1,093	1,097	2,291	2,190	0.4%	-4.9%	-4.4%
São Luís	1,556	1,560	1,088	2,927	2,648	-30.3%	-30.1%	-9.5%
Nibrasco	1,090	1,155	1,136	2,187	2,291	-1.6%	4.2%	4.7%
Kobrasco	479	573	622	1,033	1,195	8.6%	29.8%	15.7%
Hispanobras	478	540	532	915	1,072	-1.5%	11.4%	17.2%
Itabrasco	444	508	491	858	999	-3.4%	10.6%	16.4%
Samarco	1,656	1,658	1,704	3,386	3,362	2.7%	2.9%	-0.7%
GIIC	370	373	522	827	894	40.0%	41.1%	8.1%
MANGANESE ORE	614	681	831	1,170	1,512	22.1%	35.5%	29.3%
Azul	419	478	597	831	1,075	24.8%	42.5%	29.3%
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RDME	6	34	36	36	70	5.1%	530.0%	94.4%
RDMN	33	28	27	61	55	-1.0%	-15.9%	-9.3%
Urucum	4	5	5	9	10	1.6%	22.4%	16.4%
BAUXITE	1,622	1,616	1,738	3,189	3,354	7.5%	7.1%	5.2%
MRN	1,622	1,616	1,738	3,189	3,354	7.5%	7.1%	5.2%
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Albras	107	110	110	210	220	0.5%	3.0%	4.5%
Valesul	13	12	13	26	25	5.2%	-2.3%	-3.1%
COPPER	20	25	29	21	54	16.5%	42.9%	161.3%
Sossego	20	25	29	21	54	16.5%	42.9%	161.3%
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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 (Samarco, Nibrasco, Kobrasco, Hispanobras, Itabrasco, GIIC, MRN and Valesul), 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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