



## **CVRD – 1Q04 Production Report**

### **Strong production increase**

Rio de Janeiro, April 22, 2004 – Companhia Vale do Rio Doce (CVRD), aiming to meet global demand growth, achieved significant YoY production growth in 1Q04, in almost all of its products.

In Brazil, the rainy season takes place in the first three months of the year generating seasonality to mining activities in this period. In 2004, heavy rains restricted specially iron ore and bauxite production. Nevertheless, when compared to the same period of last year, 1Q04 production strongly expanded.

### **Highlights**

- **Iron Ore**

Under US GAAP (generally accepted accounting principles in the United States) consolidation, iron ore production increased 7.3%, from 43.350 million tons in 1Q03 to 46.517 million tons in 1Q04. This relatively high growth rate was achieved despite the fact that production was discontinued in the Capanema mine since the end of 2003 as the mine reached exhaustion. In 1Q03, Capanema produced 1.480 million tons of iron ore.

Excluding CAEMI, consolidated from September 2003 onwards, CVRD's production in 1Q04 reached 37.261 million tons *vis-à-vis* 35.230 million tons in 1Q03.

Due to a maintenance stoppage of the beneficiation plant, production at Carajás was 14.484 million tons in 1Q04. Planned production for 2004 is 70 million tons, in accordance with the capacity expansion project.

- **Pellets**

Under US GAAP consolidation, which does not include the pelletizing joint ventures (Samarco, GILC, Nibrasco, Kobrasco, Hispanobras e Itabasco), production increased 44% against 1Q03, mainly due to production increases at the São Luís plant, which produced three times more YoY.

Under BR GAAP (generally accepted accounting principles in Brazil) consolidation, where the production volumes of the pelletizing joint ventures are included proportionally to CVRD's ownership share in these companies, 1Q04 production reached 8.445 million tons, increasing 19.2% YoY.

- **Manganese Ore and Ferro Alloys**

Manganese ore production reached 556,000 tons in 1Q04, an increase of 26.4% YoY. The Azul mine, located in Carajás, was responsible for about 75% of CVRD's manganese ore production in 1Q04.

CVRD's ferro alloy production increased strongly in 1Q04, up 44.8% against 1Q03, driven not only by the operations of Rio Doce Manganese Norway, but also due to higher production at RDM and RDME.



As announced in January 2004, RDME, which produced 38,000 tons of ferro alloys in 1Q04, is undergoing a maintenance stoppage of its electric furnace for a period of 45 days beginning April 7, 2004. Therefore, production and sales are expected to decrease in 2Q04. During this period, RDME's electric furnace will be relined for the first time since 1991, when it started operations.

- **Bauxite**

CVRD's attributable share of MRN production was 1.567 million tons in 1Q04. In 1Q03, when the capacity expansion was not yet operational, the corresponding figure was 965,000 tons.

- **Alumina**

On an annualized basis, Alunorte's production in 1Q04 achieved 2.592 million tons, surpassing the nominal capacity of the plant, of 2.4 million tons per year. This result was possible due to productivity gains.

- **Primary Aluminum**

Production at Albras, of 102,000 tons, was approximately equal to 1Q03, when it reached 104,000 tons. Some temporary operational adjustments limited production activity in 1Q04. However, Albras resumed its normal operational pace in April 2004.

- **Potash**

Potash was the only product that presented production decrease, of 11.9%, in 1Q04 against 1Q03. The reduction is explained by the restrictions imposed on the Taquari-Vassouras mine by the requirements of the expansion project, which will increase its nominal capacity to 850,000 tons by July 2005. Therefore, production in 2004 should be around 40,000 tons lower than the record high level of 658,000 tons achieved last year. However, 2004 production will be higher than the current nominal capacity of 600,000 tons per year.

- **Kaolin**

Total kaolin production reached 299,000 tons in 1Q04, a 4.7% increase YoY. Considering only PPSA, production reached 108,000 tons, an increase of 8.8% YoY. PPSA is, therefore, in the process of eliminating idle capacity, which should be achieved during 2004/2005.



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## CVRD 1Q04 Production Report - US GAAP\*

|                     | ' 000 tons    |               |                |               |                       |                       |
|---------------------|---------------|---------------|----------------|---------------|-----------------------|-----------------------|
|                     | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
| <b>IRON ORE</b>     | <b>43,350</b> | <b>49,024</b> | <b>188,522</b> | <b>46,517</b> | <b>7.3%</b>           | <b>-5.1%</b>          |
| <b>PELLETS</b>      | <b>2,605</b>  | <b>3,968</b>  | <b>12,990</b>  | <b>3,751</b>  | <b>44.0%</b>          | <b>-5.5%</b>          |
| <b>MANGANESE</b>    | <b>440</b>    | <b>540</b>    | <b>2,244</b>   | <b>556</b>    | <b>26.4%</b>          | <b>3.0%</b>           |
| <b>FERRO-ALLOYS</b> | <b>105</b>    | <b>130</b>    | <b>482</b>     | <b>152</b>    | <b>44.8%</b>          | <b>17.3%</b>          |
| <b>ALUMINA</b>      | <b>470</b>    | <b>625</b>    | <b>2,323</b>   | <b>648</b>    | <b>37.9%</b>          | <b>3.8%</b>           |
| <b>POTASH</b>       | <b>160</b>    | <b>170</b>    | <b>658</b>     | <b>141</b>    | <b>-11.9%</b>         | <b>-17.0%</b>         |
| <b>KAOLIN</b>       | <b>286</b>    | <b>285</b>    | <b>1,134</b>   | <b>299</b>    | <b>4.7%</b>           | <b>4.9%</b>           |

\* 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 1Q04 Production Report - US GAAP\*

' 000 tons

| IRON ORE                            | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
|-------------------------------------|---------------|---------------|----------------|---------------|-----------------------|-----------------------|
| Southern System                     | 21,318        | 23,993        | 92,841         | 22,557        | 5.8%                  | -6.0%                 |
| Itabira Complex                     | 10,545        | 11,091        | 43,162         | 10,314        | -2.2%                 | -7.0%                 |
| Mariana Complex                     | 3,727         | 4,085         | 16,086         | 4,448         | 19.3%                 | 8.9%                  |
| Middle Mines Complex                | 1,824         | 2,764         | 10,050         | 3,334         | 82.8%                 | 20.6%                 |
| Western Mines Complex               | 3,742         | 4,577         | 17,161         | 4,460         | 19.2%                 | -2.5%                 |
| Capanema                            | 1,480         | 1,476         | 6,382          | 0             | n.m.                  | n.m.                  |
| Carajás                             | 13,681        | 15,702        | 58,929         | 14,484        | 5.9%                  | -7.8%                 |
| Urucum                              | 231           | 189           | 802            | 220           | -4.7%                 | 16.7%                 |
| Caemi                               | 8,120         | 9,140         | 35,950         | 9,256         | 14.0%                 | 1.3%                  |
| <b>Total iron ore production</b>    | <b>43,350</b> | <b>49,024</b> | <b>188,522</b> | <b>46,517</b> | <b>7.3%</b>           | <b>-5.1%</b>          |
| PELLETS                             | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
| CVRD I and CVRD II                  | 1,213         | 1,292         | 4,948          | 1,243         | 2.4%                  | -3.8%                 |
| Fábrica                             | 922           | 1,191         | 4,452          | 1,137         | 23.3%                 | -4.6%                 |
| São Luís                            | 469           | 1,484         | 3,590          | 1,371         | 192.0%                | -7.6%                 |
| <b>Total pellet production</b>      | <b>2,605</b>  | <b>3,968</b>  | <b>12,990</b>  | <b>3,751</b>  | <b>44.0%</b>          | <b>-5.5%</b>          |
| MANGANESE                           | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
| Azul                                | 290           | 379           | 1,548          | 413           | 42.1%                 | 8.9%                  |
| Urucum                              | 84            | 87            | 414            | 75            | -10.9%                | -13.9%                |
| Other mines                         | 65            | 73            | 282            | 68            | 4.4%                  | -7.0%                 |
| <b>Total manganese production</b>   | <b>440</b>    | <b>540</b>    | <b>2,244</b>   | <b>556</b>    | <b>26.4%</b>          | <b>3.0%</b>           |
| FERRO-ALLOYS                        | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
| RDM                                 | 70            | 81            | 313            | 82            | 16.5%                 | 1.2%                  |
| RDME                                | 30            | 30            | 129            | 38            | 24.8%                 | 25.0%                 |
| RDMN                                | -             | 14            | 21             | 28            | n.m.                  | 97.5%                 |
| Urucum                              | 5             | 5             | 18             | 4             | -2.7%                 | -1.6%                 |
| <b>Total ferro-alloy production</b> | <b>105</b>    | <b>130</b>    | <b>482</b>     | <b>152</b>    | <b>44.8%</b>          | <b>17.3%</b>          |
| ALUMINA                             | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
| Alunorte                            | 470           | 625           | 2,323          | 648           | 37.9%                 | 3.8%                  |
| <b>Total alumina production</b>     | <b>470</b>    | <b>625</b>    | <b>2,323</b>   | <b>648</b>    | <b>37.9%</b>          | <b>3.8%</b>           |
| POTASH                              | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
| Taquari-Vassouras                   | 160           | 170           | 658            | 141           | -11.9%                | -17.0%                |
| <b>Total potash production</b>      | <b>160</b>    | <b>170</b>    | <b>658</b>     | <b>141</b>    | <b>-11.9%</b>         | <b>-17.0%</b>         |
| KAOLIN                              | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
| PPSA                                | 99            | 127           | 423            | 108           | 8.8%                  | -15.3%                |
| Caemi                               | 187           | 158           | 711            | 191           | 2.6%                  | 21.0%                 |
| <b>Total kaolin production</b>      | <b>286</b>    | <b>285</b>    | <b>1,134</b>   | <b>299</b>    | <b>4.7%</b>           | <b>4.9%</b>           |

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## CVRD 1Q04 Production Report - Consolidated BR GAAP\*

|                     | ' 000 tons    |               |                |               |                       |                       |
|---------------------|---------------|---------------|----------------|---------------|-----------------------|-----------------------|
|                     | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change<br>1Q04/1Q03 | % Change<br>1Q04/4Q03 |
| <b>IRON ORE</b>     | <b>45,047</b> | <b>50,744</b> | <b>195,266</b> | <b>48,158</b> | <b>6.9%</b>           | <b>-5.1%</b>          |
| <b>PELLETS</b>      | <b>7,086</b>  | <b>8,564</b>  | <b>31,150</b>  | <b>8,445</b>  | <b>19.2%</b>          | <b>-1.4%</b>          |
| <b>MANGANESE</b>    | <b>440</b>    | <b>540</b>    | <b>2,244</b>   | <b>556</b>    | <b>26.4%</b>          | <b>3.0%</b>           |
| <b>FERRO-ALLOYS</b> | <b>105</b>    | <b>130</b>    | <b>482</b>     | <b>152</b>    | <b>44.8%</b>          | <b>17.3%</b>          |
| <b>BAUXITE</b>      | <b>965</b>    | <b>1,721</b>  | <b>5,762</b>   | <b>1,567</b>  | <b>62.4%</b>          | <b>-9.0%</b>          |
| <b>ALUMINA</b>      | <b>470</b>    | <b>625</b>    | <b>2,323</b>   | <b>648</b>    | <b>37.9%</b>          | <b>3.8%</b>           |
| <b>ALUMINUM</b>     | <b>65</b>     | <b>68</b>     | <b>268</b>     | <b>64</b>     | <b>-0.8%</b>          | <b>-5.4%</b>          |
| <b>POTASH</b>       | <b>160</b>    | <b>170</b>    | <b>658</b>     | <b>141</b>    | <b>-11.9%</b>         | <b>-17.0%</b>         |
| <b>KAOLIN</b>       | <b>286</b>    | <b>285</b>    | <b>1,134</b>   | <b>299</b>    | <b>4.7%</b>           | <b>4.9%</b>           |

\* 1) Under Consolidated BR GAAP, CVRD consolidates the total production of all the companies in which CVRD 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.



## CVRD 1Q04 Production Report - Consolidated BR GAAP\*

|                                     |                           | ' 000 tons   |               |               |                |               |                    |                    |
|-------------------------------------|---------------------------|--------------|---------------|---------------|----------------|---------------|--------------------|--------------------|
| IRON ORE                            | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| Southern System                     | Total                     | 100%         | 21,318        | 23,993        | 92,841         | 22,557        | 5.8%               | -6.0%              |
| Itabira Complex                     |                           |              | 10,545        | 11,091        | 43,162         | 10,314        | -2.2%              | -7.0%              |
| Mariana Complex                     |                           |              | 3,727         | 4,085         | 16,086         | 4,448         | 19.3%              | 8.9%               |
| Middle Mines Complex                |                           |              | 1,824         | 2,764         | 10,050         | 3,334         | 82.8%              | 20.6%              |
| Western Mines Complex               |                           |              | 3,742         | 4,577         | 17,161         | 4,460         | 19.2%              | -2.5%              |
| Capanema                            |                           |              | 1,480         | 1,476         | 6,382          | 0             | -100.0%            | -100.0%            |
| Carajás                             | Total                     | 100%         | 13,681        | 15,702        | 58,929         | 14,484        | 5.9%               | -7.8%              |
| Urucum                              | Total                     | 100%         | 231           | 189           | 802            | 220           | -4.7%              | 16.7%              |
| Caemi                               | Total                     | 60%          | 8,120         | 9,140         | 35,950         | 9,256         | 14.0%              | 1.3%               |
| Samarco                             | Proportional              | 50%          | 1,696         | 1,720         | 6,744          | 1,641         | -3.3%              | -4.6%              |
| <b>Total iron ore production</b>    |                           |              | <b>45,047</b> | <b>50,744</b> | <b>195,266</b> | <b>48,158</b> | <b>6.9%</b>        | <b>-5.1%</b>       |
| PELLETS                             | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| CVRD I and CVRD II                  | Total                     | 100%         | 1,213         | 1,292         | 4,948          | 1,243         | 2.4%               | -3.8%              |
| Nibrasco                            | Proportional              | 51%          | 924           | 1,084         | 3,927          | 1,097         | 18.7%              | 1.1%               |
| Kobrasco                            | Proportional              | 50%          | 553           | 565           | 2,203          | 555           | 0.3%               | -1.8%              |
| Hispanobrás                         | Proportional              | 51%          | 459           | 398           | 1,832          | 438           | -4.6%              | 10.0%              |
| Itabrasco                           | Proportional              | 51%          | 445           | 356           | 1,693          | 415           | -6.6%              | 16.6%              |
| Fábrica                             | Total                     | 100%         | 922           | 1,191         | 4,452          | 1,137         | 23.3%              | -4.6%              |
| São Luís                            | Total                     | 100%         | 469           | 1,484         | 3,590          | 1,371         | 192.0%             | -7.6%              |
| Samarco                             | Proportional              | 50%          | 1,597         | 1,743         | 6,633          | 1,730         | 8.3%               | -0.8%              |
| GIIC                                | Proportional              | 50%          | 504           | 450           | 1,872          | 460           | -8.7%              | 2.2%               |
| <b>Total pellet production</b>      |                           |              | <b>7,086</b>  | <b>8,564</b>  | <b>31,150</b>  | <b>8,445</b>  | <b>19.2%</b>       | <b>-1.4%</b>       |
| MANGANESE                           | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| Azul                                | Total                     | 100%         | 290           | 379           | 1,548          | 413           | 42.1%              | 8.9%               |
| Urucum                              | Total                     | 100%         | 84            | 87            | 414            | 75            | -10.9%             | -13.9%             |
| Outras minas                        | Total                     | 100%         | 65            | 73            | 282            | 68            | 4.4%               | -7.0%              |
| <b>Total manganese production</b>   |                           |              | <b>440</b>    | <b>540</b>    | <b>2,244</b>   | <b>556</b>    | <b>26.4%</b>       | <b>3.0%</b>        |
| FERRO-ALLOYS                        | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| RDM                                 | Total                     | 100%         | 70            | 81            | 313            | 82            | 16.5%              | 1.2%               |
| RDME                                | Total                     | 100%         | 30            | 30            | 129            | 38            | 24.8%              | 25.0%              |
| RDMN                                | Total                     | 100%         | -             | 14            | 21             | 28            | n.m.               | 97.5%              |
| Urucum                              | Total                     | 100%         | 5             | 5             | 18             | 4             | -2.7%              | -1.6%              |
| <b>Total ferro-alloy production</b> |                           |              | <b>105</b>    | <b>130</b>    | <b>482</b>     | <b>152</b>    | <b>44.8%</b>       | <b>17.3%</b>       |
| BAUXITE                             | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| MRN                                 | Proportional              | 40%          | 965           | 1,721         | 5,762          | 1,567         | 62.4%              | -9.0%              |
| <b>Total bauxite production</b>     |                           |              | <b>965</b>    | <b>1,721</b>  | <b>5,762</b>   | <b>1,567</b>  | <b>62.4%</b>       | <b>-9.0%</b>       |
| ALUMINA                             | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| Alunorte                            | Total                     | 57%          | 470           | 625           | 2,323          | 648           | 37.9%              | 3.8%               |
| <b>Total alumina production</b>     |                           |              | <b>470</b>    | <b>625</b>    | <b>2,323</b>   | <b>648</b>    | <b>37.9%</b>       | <b>3.8%</b>        |
| ALUMINUM                            | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| Albras                              | Proportional              | 51%          | 53            | 56            | 220            | 52            | -1.9%              | -6.0%              |
| Valesul                             | Proportional              | 55%          | 12            | 12            | 48             | 12            | 4.4%               | -2.5%              |
| <b>Total aluminum production</b>    |                           |              | <b>65</b>     | <b>68</b>     | <b>268</b>     | <b>64</b>     | <b>-0.8%</b>       | <b>-5.4%</b>       |
| POTASH                              | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| Taquari-Vassouras                   | Total                     | 100%         | 160           | 170           | 658            | 141           | -11.9%             | -17.0%             |
| <b>Total potash production</b>      |                           |              | <b>160</b>    | <b>170</b>    | <b>658</b>     | <b>141</b>    | <b>-11.9%</b>      | <b>-17.0%</b>      |
| KAOLIN                              | Consolidation Methodology | CVRD's Stake | 1Q03          | 4Q03          | 2003           | 1Q04          | % Change 1Q04/1Q03 | % Change 1Q04/4Q03 |
| PPSA                                | Total                     | 82%          | 99            | 127           | 423            | 108           | 8.8%               | -15.3%             |
| Caemi                               | Total                     | 60%          | 187           | 158           | 711            | 191           | 2.6%               | 21.0%              |
| <b>Total kaolin production</b>      |                           |              | <b>286</b>    | <b>285</b>    | <b>1,134</b>   | <b>299</b>    | <b>4.7%</b>        | <b>4.9%</b>        |

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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.



**Companhia  
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## ***Press Release***

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