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Companhia
Vale do Rio Doce

Press Release 2Q01

COMPANHIA VALE DO RIO DOCE PERFORMANCE IN THE SECOND QUARTER OF 2001 (2Q01)

Rio de Janeiro, July 18, 2001 – Companhia Vale do Rio Doce (CVRD), the largest diversified mining company in the Americas, posted a solid R$ 546 million net earnings in 2Q01, equal to earnings per share of R$ 1.418.

Accumulated earnings for 1H01 amounted to R$ 1.206 billion, 9.5% higher than the R$ 1.101 billion achieved in 1H00. This result was adversely affected by the depreciation of the Brazilian Real (BRL) against the US dollar (USD). It is not a Company policy to hedge against exchange rate volatility, as the structure of its cash flow provides a natural protection against devaluation in Brazil's currency, over time. On the other hand, the divestitures of CSN and Bahia Sul in 1Q01 generated capital gains that boosted 1H01 earnings.

2Q01 EBITDA, which is directly boosted by weakening in the BRL, reached an all time high of R$ 775 million in 2Q01. 1H01 EBITDA was R$1.464 billion, 24.6% higher than in 1H00.

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THE MACROECONOMIC SCENARIO AND ITS EFFECTS ON CVRD

In a US-dependent global economy, the recovery of the S&P 500 is positive news. Since the April low, the index has rallied as investors predict that the economic slowdown will end soon. Taking the historical average, the market is saying that the economic slowdown will bottom out five months after the low, in September.

Such an outcome would be a plus for the global economy, where Japan is on the brink of a recession, the slowdown in the Euro-zone and Latin America is more severe than initially anticipated and Emerging Asia (excluding China and India) continues to be battered by the downturn in the information technology-sector. Just as the US led the downturn in the world-global economy, so a reviving US economy should lead a recovery. However, only time will tell if the market can again predict the end of recession.

The US economy is experiencing an earnings recession, as opposed to a technical recession - a GDP decline for two consecutive quarters. Until now, the bulk of the adjustment was attributed to a reduction in capital spending on information technology. The unemployment rate has, only recently, reflected an increase in layoffs. Therefore, a contraction in consumption could offset the reflationary forces set in motion by the monetary and fiscal stimulus, contributing to a deeper and more protracted global economic deceleration.

The global GDP deceleration is contributing to shrinking demand for minerals and metals. Figures released by the International Iron and Steel Institute (IISI) showed that in the first five months of the year global steel output dropped by 0.2% relative to the same period in 2000. On an annualized basis, January/May 2001 production is 2.4% below the output in 2000.

According to the Tex Report, Japanese iron ore imports amounted to 53.7 million tonnes during January/May 2001, down by 2.6 % compared to the same period of 2000. On the other hand, China's iron ore imports for the January/May 2001 period totaled 36.1 million tonnes, up 27.9% YoY. On an annualized basis, Chinese iron ore imports are the equivalent of 87 million tonnes against 70 million tonnes in 2000. China's GDP growth rate in 1Q01 was above 8%, its steel output in January/May 2001 grew by 8.7% YoY and the steel industry is under restructuring and relying increasingly on imported iron ore.

Low steel prices are contributing to a short term change in the composition of demand for iron ore towards lower priced products, from pellets to fines, from fines to pellet feed. We believe that this is a cyclical phenomenon that should not modify long term global iron ore market trends.

The recent electricity crisis in Brazil worsened economic outlook. The energy rationing acts like a supply shock, contributing to a decline in output and increased prices. At the same time, the electricity crisis coupled with the deterioration of the scenario in Argentina caused further depreciation of the BRL, reflecting a drop in demand for Brazilian assets. Brazil's Central Bank has tightened its monetary policy to prevent price increases from causing a rise in inflation. However, the combination of a tighter monetary policy and the effect of the energy crisis runs the risk of producing a sharper than desired deceleration in short-term economic growth.

CVRD has taken measures to prevent any disruption of the activities of its main businesses - iron ore, gold, kaolin, manganese and potash mining, pellet production, railroad and port services - caused by the electricity rationing. Energy needs of bauxite mining are totally met through auto generation. Only electricity intensive activities, aluminum smelting and ferro-alloys, will reduce output in order to comply with the government imposed energy consumption targets.

The energy crisis is likely to cause a marginal increase in CVRD's cost of goods sold (COGS) as electrical energy costs account for less than 3% of the parent company's COGS. At the same time, production cutbacks in the aluminum and ferroalloys subsidiaries and affiliates (Albras, Valesul, Sibra, CPFL) will lower revenues and reduce consolidated EBITDA levels. Indirectly, the negative effect of the energy crisis on Brazil's GDP growth will contribute to slowing domestic demand for iron ore, pellets and cargo transportation. On the other hand, the stimulus to exports provided by a weakened BRL tends to minimize this negative impact.

CVRD is committed to investing a substantial amount of funds in energy generation projects to reduce its electricity costs in the medium and long term. Currently, it is participating in seven projects, selected after a careful assessment of their expected rates of return. And on June 28 CVRD was awarded a concession to build and operate a 855 MW hydroelectric power plant at Foz do Chapecó, CVRD's eighth energy project.

In the short term, the BRL's devaluation against the USD produces a negative impact on CVRD's earnings through its unhedged net financial liabilities in USD. However, over time, the positive impact on its cash flow will more than offset this effect on net earnings. CVRD's cash flow generation, measured in BRL, is elastic relative to the BRL's depreciation due to the currency composition of its revenues and costs. Most of CVRD's revenues are either USD-denominated or indexed to the USD, while the majority of its costs are denominated in BRL.

MAIN EVENTS IN THE QUARTER

- Roger Agnelli was appointed by CVRD's Board of Directors for the post of Chief Executive Officer. Luiz Tarquínio Sardinha Ferro is to take over the post of Chairman of the Board.
- Sale of Cenibra for US$ 670.5 million. The results of the divestiture will be accounted in 3Q01.
- Acquisition of Ferteco for US$ 566 million.
- 10 year exclusive contract signed with Acesita to supply iron ore and pellets.
- Brazilian government launches electricity rationing plan.
- Concession obtained to construct and operate a hydroelectric power plant at Foz do Chapecó, with a capacity of 855 MW. CVRD has a 40% stake in the consortium that made the winning bid for the project – the other partners are VBC Energia (40%) and CEEE (20%).
- Pellet price negotiations finalized for 2001, with a price rise of 1.75%.
- Leasing of Samitri assets by CVRD.
- ISO 9002 certification obtained for Carajás Railroad (EFC).
- CVRD chosen as **Best Corporate Borrower of Latin America** by Euromoney magazine for the issuance of US$ 300 million of long-term notes backed by export receivables.

FINANCIAL HIGHLIGHTS

- Net earnings of R$ 546 million, equal to R$ 1.418 per share.
- Record quarterly EBITDA of R$ 775 million.
- Return on capital employed (ROCE) of 37.5%, annualized, in 1H01 - a very high level in global mining standards.
- Capital expenditure of US$ 790.5 million in 1H01.

REVENUES AND SALES VOLUMES

Iron ore and pellet sales in the second quarter amounted to 31.2 million tons, 3.4% higher than in 1Q01 and up 5.3% YoY. Pellet sales by the parent company totalled 4.1 million tons, up 14.4% above the previous quarter and up 25.3% YoY. CVRD bought 2.8 million tons of pellets from its joint ventures (Nibrasco, Kobrasco, Itabrasco and Hispanobras) for resale to its customers. This compares with 2.4 million in the previous quarter and 2.0 million in the same period of last year.

Samitri sold 5.8 million tons of iron ore in 2Q01, 1.7 million of which was exported and 4.1 million sold to the domestic market. CVRD leased Samitri´s assets at a monthly cost of R$ 2.7 million and began selling its products in June 2001. This month the parent company shipped 1.1 million tons of iron ore produced from Samitri's mines.

Samarco's sales performance is being adversely affected by the cyclical downturn in global demand for pellets. The volume sold in 2Q01, 2.9 million tons, was 12.2% less than the previous quarter and down 16.6% from the same period of 2000. All of Samarco's sales are being exported.

GIIC, located in Bahrain, sold 861 thousand tons of direct reduction pellets in the second quarter, 15.7% more than in 1Q01.

In 1H01, accumulated sales of iron ore and pellets by the parent company amounted to 61.3 million tons, compared to 56.3 million a year earlier, an increase of 8.9%. CVRD pellet sales grew 5.3%. CVRD's high quality diversified product portfolio has been vital in overcoming the industry downturn.

In geographical terms, CVRD's sales of iron ore and pellets to the Chinese market posted the highest growth – up 43.9% on the same period a year earlier. This more than offset the drop in shipments to Japan (down 4.5%) and South Korea (down 18.4%). Concurrently, there was significant growth in sales to France (up 35.7%), Germany (up 21.6%), Eastern Europe (up 35.5%) and to the domestic market (up 36.6%). In the first half of the year Asia accounted for 33% of total sales volume (Japan 15% and China 10%). Europe accounted for 24%, the Brazilian domestic market for 16% and the pellet joint ventures for 16%.

Gold sales, which amounted to 3.6 tons, were up 6% in relation to 1Q01. Despite short-term volatility, caused by the behaviour of interest rates, gold prices have tended to remain fairly low due to the decline in the metal's use as a store of value.

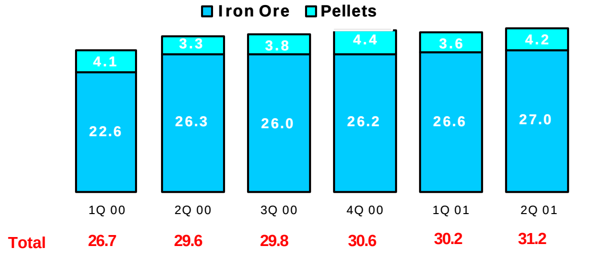
CVRD's railroads - EFVM and EFC - transported 3.35 billion net ton kilometres (ntk) of general cargo (products other than iron ore and pellets), an increase of 12.1% on 1Q01 and up 8.1% from the same period a year earlier. This performance reflects increased focus by CVRD on logistics. FCA, a railroad operated by CVRD, transported 2.2 billion ntk, up 14% from the previous quarter and 11.4% YoY. The volume of general cargo carried by CVRD's port terminals amounted to 8.5 million tons, down 9.6% from the previous quarter and 16.7% YoY.

Gross revenues for the parent company amounted to R$ 1.594 billion in the second quarter, up 15.9% from 1Q01 and up 23.7% compared to the same period in 2000. In 1H01, the parent company lost revenues from manganese sales as the Azul mine was transferred to subsidiary SIBRA. Only a small portion of manganese sales, R$ 20 million, was accounted for in the sales of the parent company which were from sales of remaining inventories. Consolidated revenues from manganese sales were R$ 102.8 million in 1H01 against R$ 85.5 million in 1H00. On the other hand, from June 2001, the parent company started to receive revenues from the sale of iron ore from Samitri's mines.

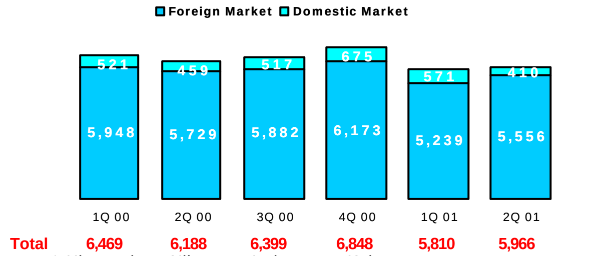
Revenues generated from the sales of iron ore (54.6%), pellets (18.8%) and railroad transport services (13.8%) were the main components of CVRD's total second quarter sales of R$ 1.594 billion.

Sales Volumes

Iron Ore & Pellets
million tonnes

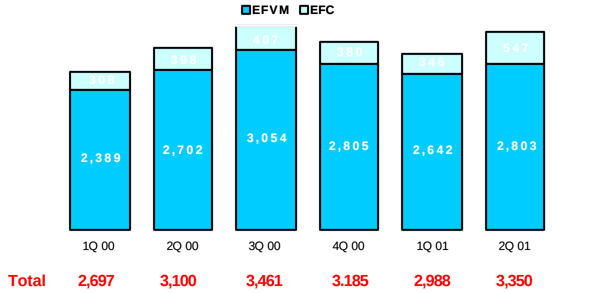


Pellets - CVRD & Joint Ventures *
thousand tonnes

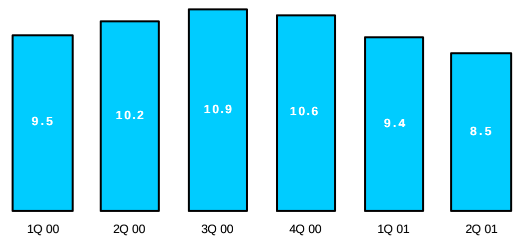


* Hispanobras,Nibrasco, Itabrasco e Kobrasco

General Cargo Transportation - Railroads
NTK million

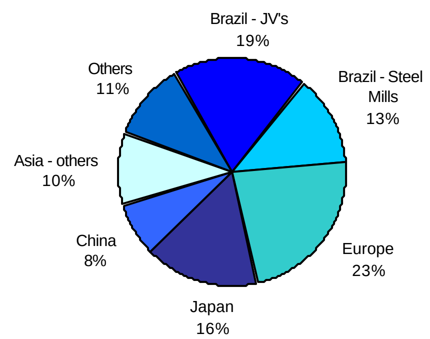


Cargo Transportation - Ports
million tonnes

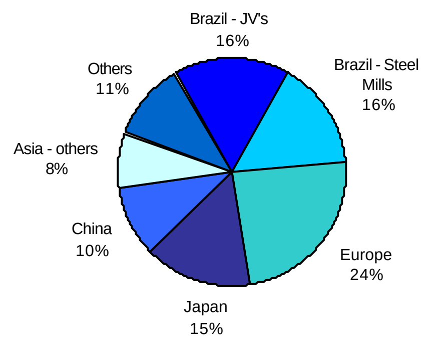


Iron ore and Pellets Sales – by Geographic Area

1H00

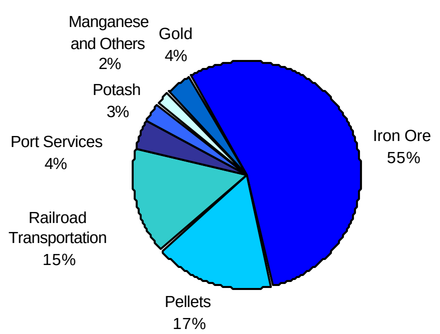


1H01

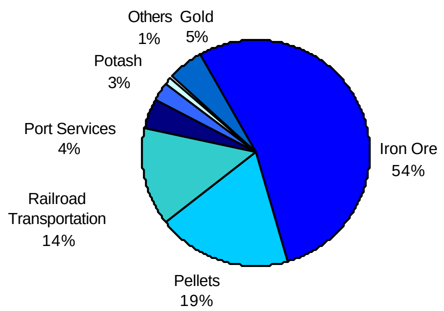


Gross Operating Revenues by Product - Parent Company

1Q01 - R$ 1.375 billion



2Q01 - R$ 1.594 billion



QUARTERLY EARNINGS OF R$ 546 MILLION

Net earnings in the second quarter amounted to R$ 546 million, down 17.3% from the previous quarter but up 18.2% YoY. Accumulated earnings in 1H01 amounted to R$ 1.206 billion, up 9.5% from the same period a year earlier. This figure was influenced by three extraordinary factors: depreciation of the BRL, the sale of assets and alterations to the way in which depreciation is accounted for, as well as appropriation of expenses from refurbishment and maintenance. (see press release of May 9, 2001). The effect of each of these factors on income before taxes were: currency depreciation (-R$ 324 million), asset sales (+R$ 401 million), accounting changes (-R$ 69 million). However, the net aggregate effect of the three extraordinary measures amounted to only R$ 8 million.

Gross margin in the second quarter came to 47.7%, slightly higher than that seen in the previous quarter of 46.9%. The rise of R$ 220 million in net operating revenues was partially offset by an increase of R$ 105 million in the cost of goods sold (COGS).

The main reasons for the R$ 114 million drop in net earnings for the quarter were: the fall in non-operating income of R$ 293 million, the rise of R$ 105 million in COGS and the increase in operational expenses of R$ 93 million. In contrast, the growth in net operating revenues of R$ 220 million, the increase of R$ 114 million in financial income and the rise in equity income of R$ 68 million, as well as the R$ 25 million reduction in income tax provisions, partially offset the negative effect on earnings.

The main reason behind the rise in the cost of goods sold (COGS) was the increased pellet volume bought from the joint venture pelletizing companies for resale to CVRD customers. This transaction does not reduce operating income but affects the gross margin. It amounted to R$ 257 million in the second quarter - R$ 89 million more than in the previous quarter. The effect of electricity rationing on COGS was small in 2Q01: electricity costs amounted to R$ 22 million compared to R$ 18 million in 1Q01. Electricity costs accounted for 2.7% of COGS in the second quarter.

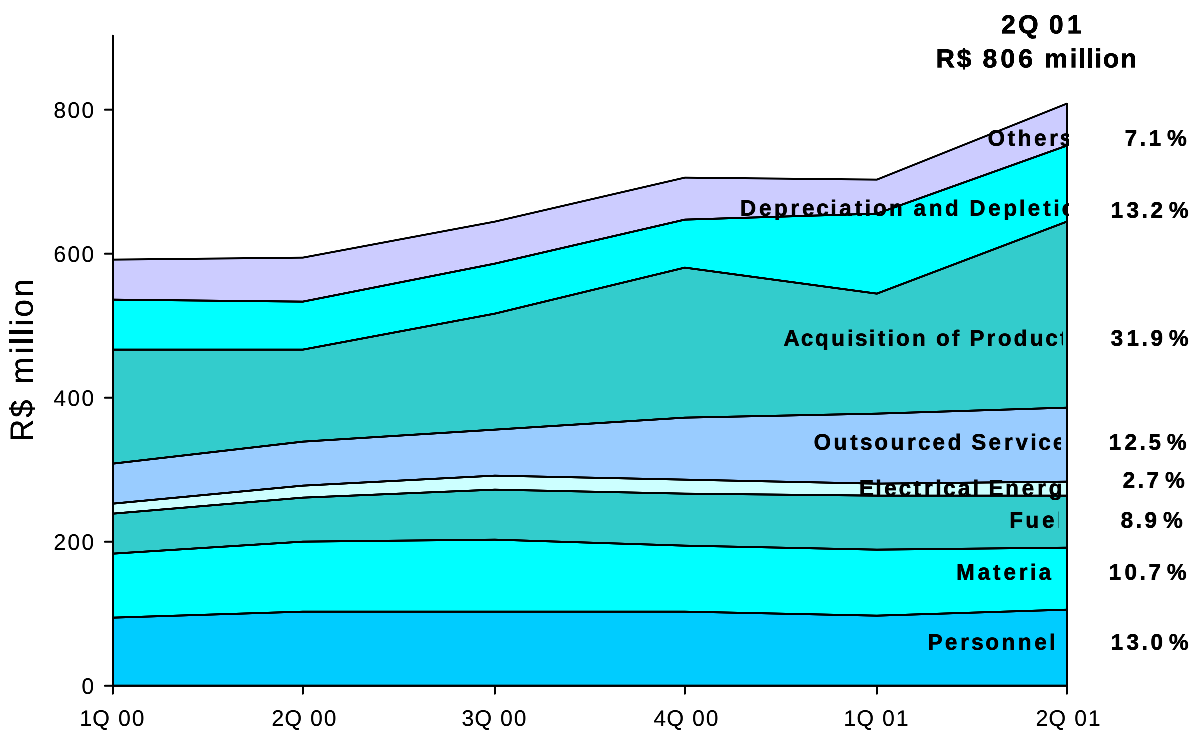
The rise in operating expenses is explained, mainly, by the R$ 71 million increase in provisions for tax and labour contingencies. Other operational expenses amounted to R$ 167 million in 2Q01, of which only R$ 21 million were actual cash disbursements.

The improvement in CVRD’s financial results was due to the lower drop in the BRL than in the previous quarter, making a difference of R$ 147 million. In 2Q01, the BRL depreciated against the dollar by 6.63%, compared to 10.55% in the previous quarter.

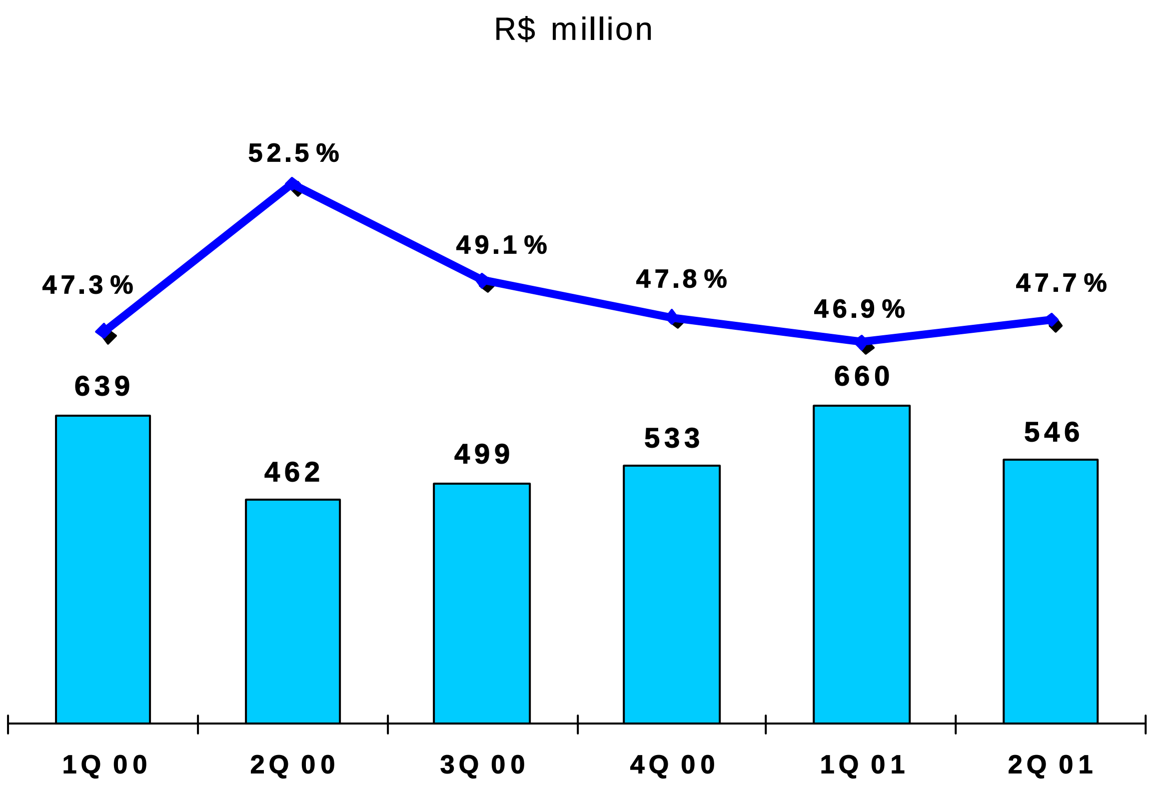
The R$ 68 million increase in equity income is due to better performance of subsidiaries and affiliates in the iron ore and pellets (+R$ 38 million), manganese and ferro-alloys (+R$ 26 million) and aluminum (+R$ 22 million) businesses.

The earnings performance of Albras and Alunorte has been adversely impacted by the BRL depreciation. However, cash flow generation is growing. 2Q01 Albras EBITDA was R$ 137 million, 12.3% higher 1Q01 and up 55.7% yoy.

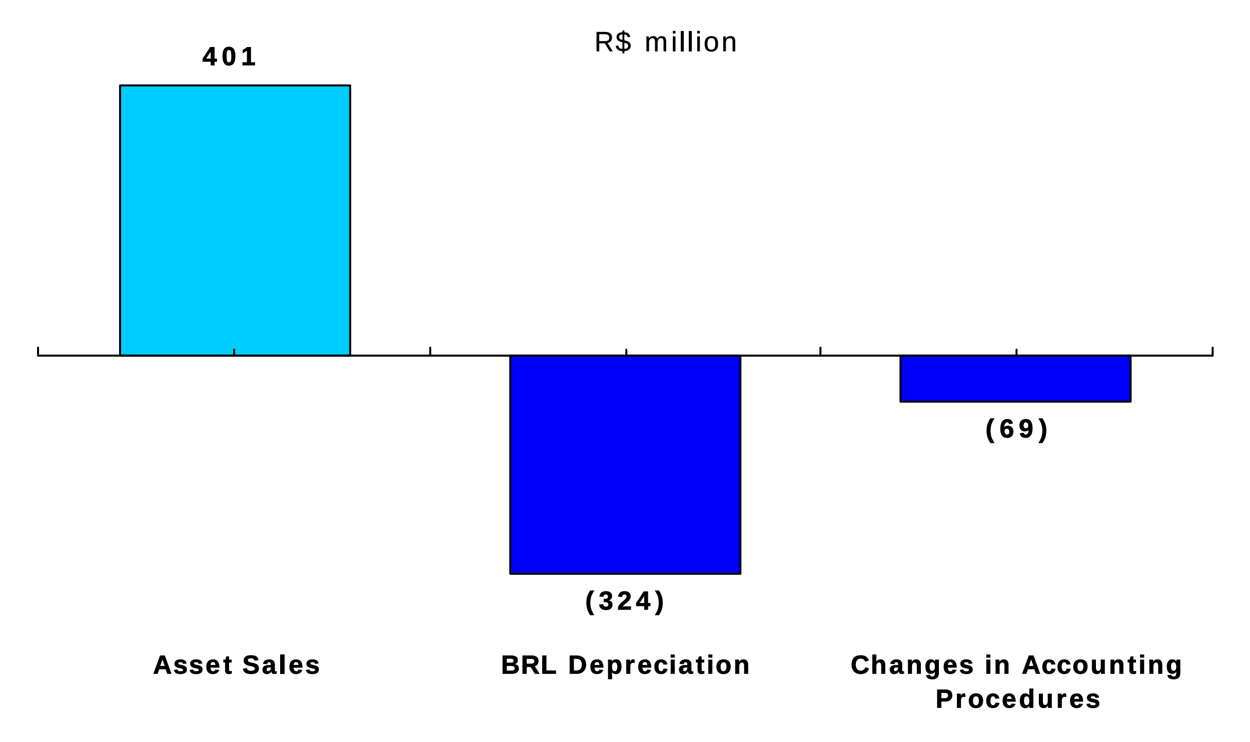
Cost of Goods Sold – Parent Company



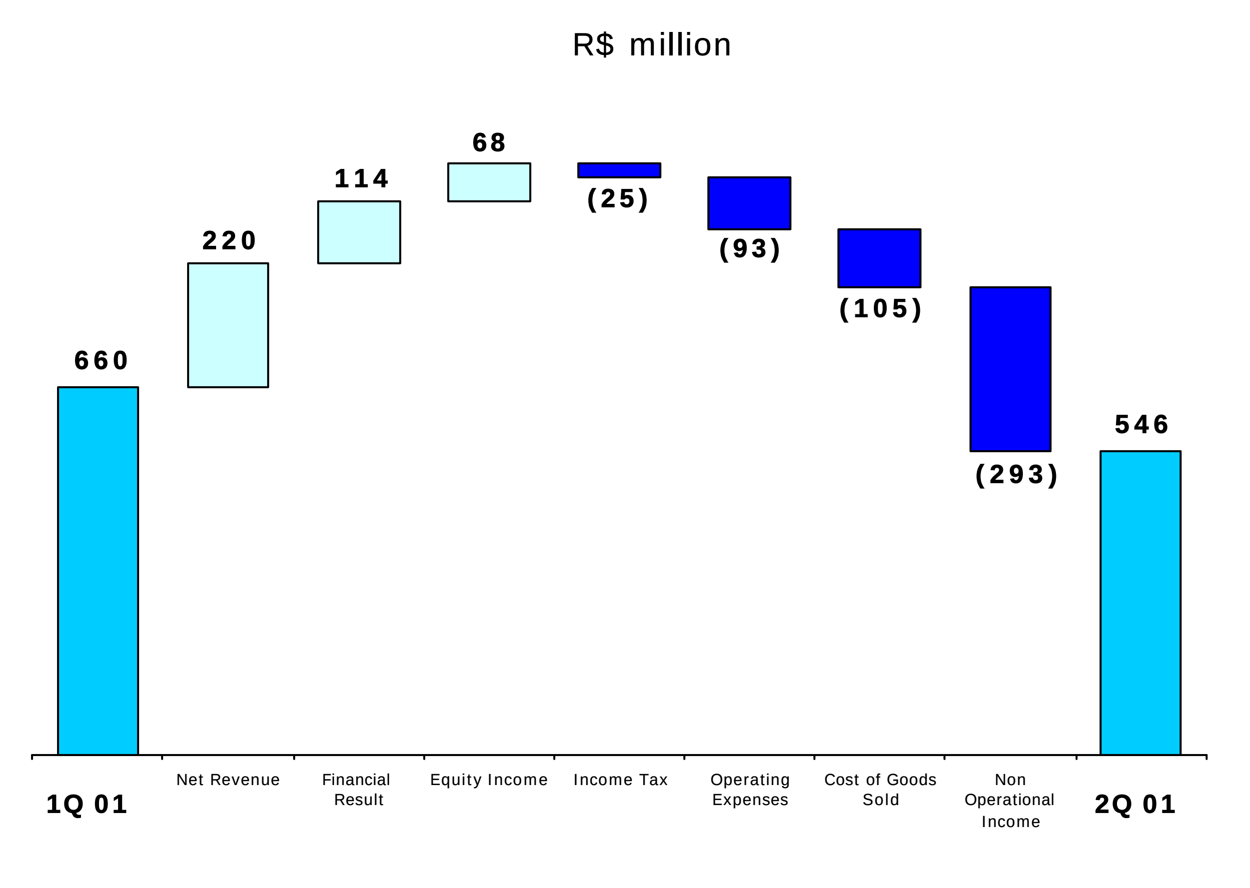
Quarterly Net Earnings and Gross Margin

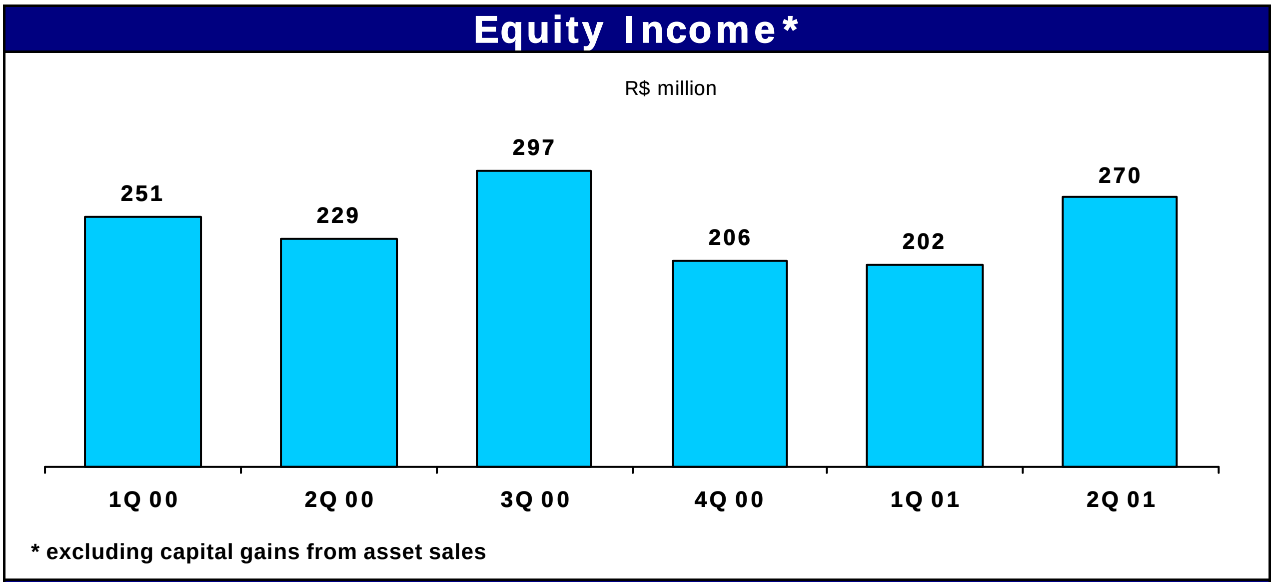


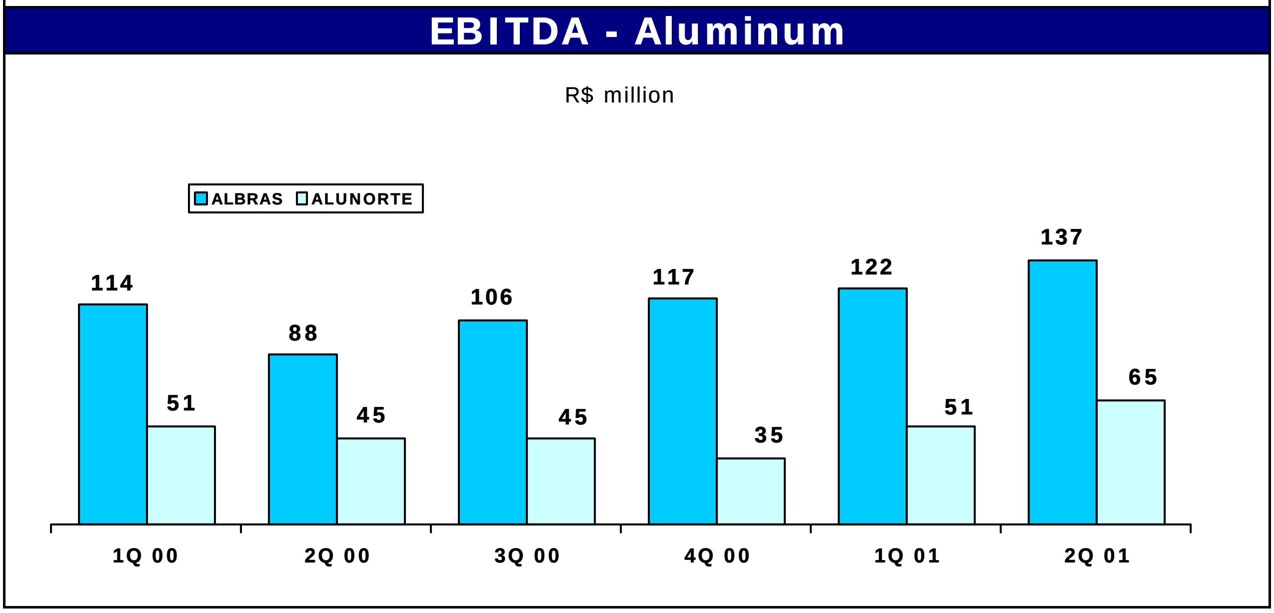
Extraordinary Effects on Income Before Taxes - 1H 01



Factors that Affected Net Earnings







QUARTERLY EBITDA RECORD OF R$ 775 MILLION

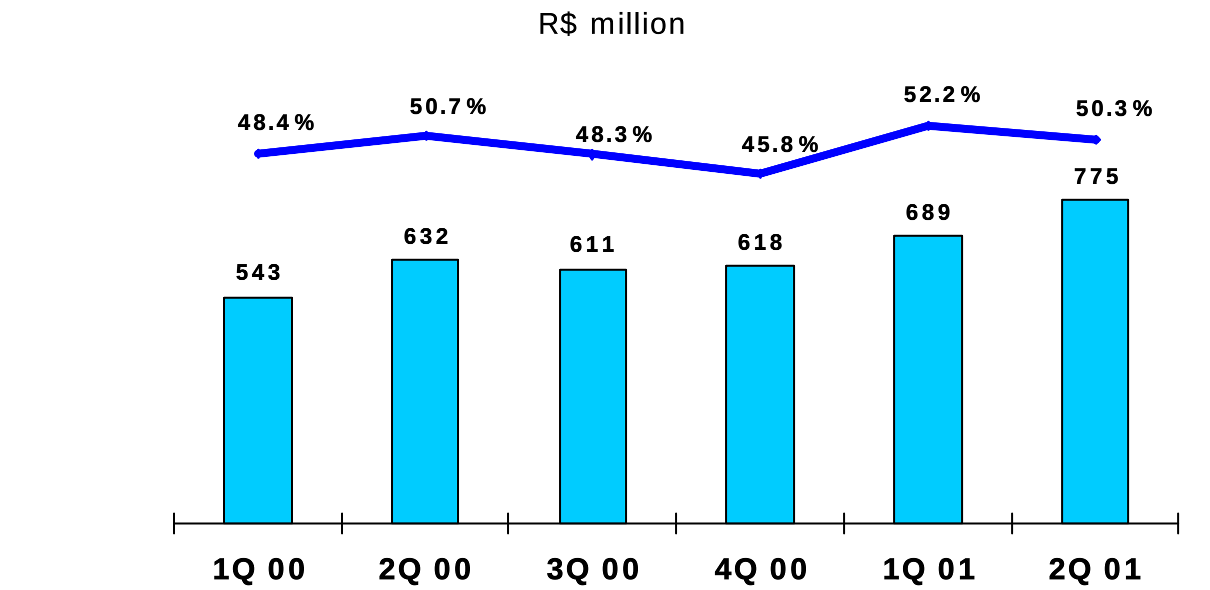
EBITDA in 2Q01 amounted to R$ 775 million, the largest achieved in any quarter in the history of the Company. The figure was 12.5% higher than in the previous quarter and up 22.6% YoY. Approximately 7.2% of EBITDA, R$ 56 million, was derived from the receipt of dividends from subsidiaries and affiliates.

EBITDA margin in 2Q01 was 50.3%, compared to 52.2% in 1Q01 and 50.7% in 2Q00.

The increase in EBITDA of R$ 86 million in 2Q01 compared to the previous quarter was strongly influenced by the growth in net operating revenues (R$ 220 million). However this was partially offset by an increase in COGS (R$ 105 million), higher selling, general and administrative expenses (R$ 17 million) and a drop in dividends received (R$ 26 million).

In 1H01 accumulated EBITDA amounted to R$ 1.464 billion, up 24.6% from the same period a year earlier.

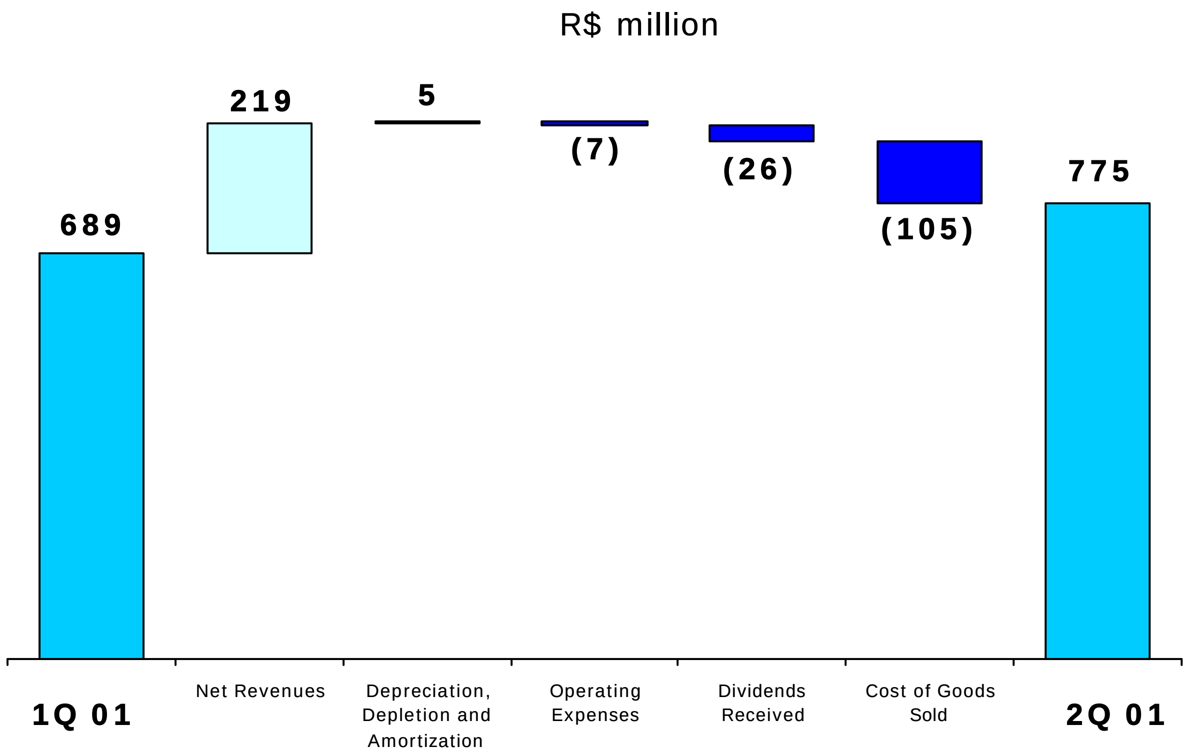
EBITDA X EBITDA Margin



Dividends Received	27	24	66	5	82	56

EBITDA adjusted by the inclusion of dividends received

Factors that Affected EBITDA



DEBT

The total indebtedness of the parent company as of June 30, 2001, amounted to US$ 3.309 billion, having increased by US$ 237 million during the first quarter of this year. The rise was due to the expansion of trade financing operations.

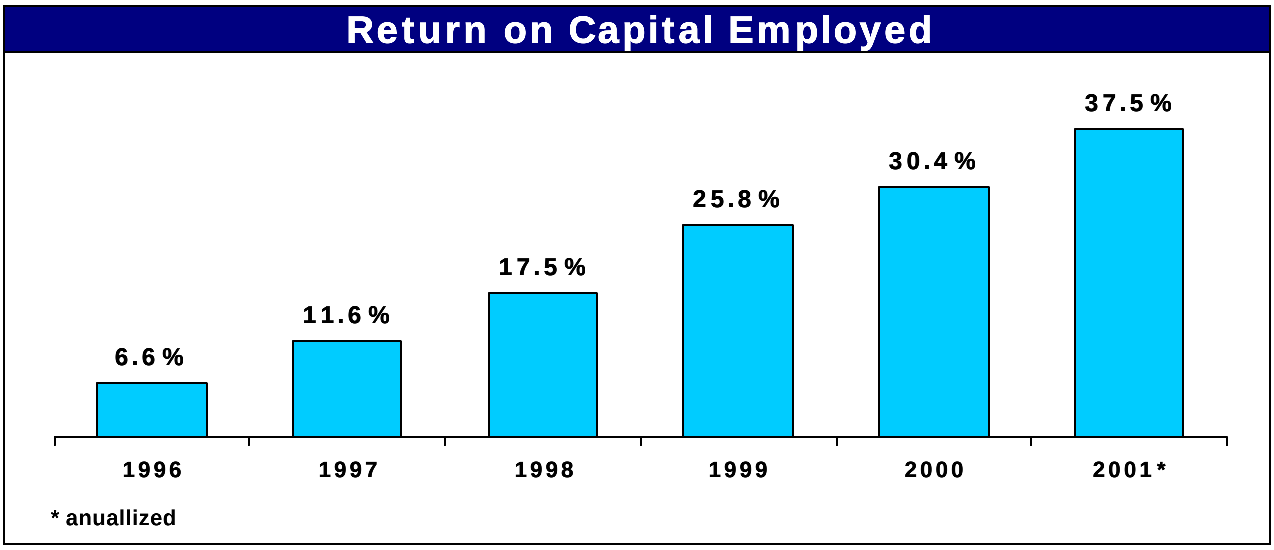
Net debt, US$ 2.6 billion, was the equivalent of 2.3 times EBITDA generated over the past twelve months, while EBITDA in 2Q01 represented 5.7 times financial expenses.

DEBT LEVERAGE AND COVERAGE			
	2Q 01	1Q 01	2Q 00
Net Debt / (Net Debt + Equity) (%)	35.5%	32.7%	28.2%
Net Debt / Total Assets (%)	28.5%	26.8%	22.8%
Net Debt / LTM EBITDA	2.28x	2.08x	1.70x
EBITDA / Gross Interest Expenses	5.70x	5.56x	5.75x

RETURN ON CAPITAL EMPLOYED

The return on capital employed (ROCE), calculated by dividing net operating profit less taxes by the sum of plant, property, equipment and working capital, was, on an annualized basis, 37.5% in 1H01 compared to 27.7% in 1H00. This improvement in ROCE is explained by the increase in operating profit of R$ 204 million, the R$ 358 million reduction in income tax and the R$ 299 million drop in working capital.

This level of ROCE achieved is extremely high, both in absolute terms as well as relative to the competition. It reflects the excellent operating performance obtained with a relatively low level of resources capital.



CAPEX

Capital expenditure (CAPEX) in 2Q01 amounted to US$ 123.9 million, not including the disbursement in the acquisition of Ferteco (US$ 566 million). Total capital expenditure for the first half amounted to US$ 224.5 million, of which 86.3% was spent on mining. So, if the purchase of Ferteco is included in the figures, total CAPEX for 2H01 amounted to US$ 790.5 million in the first six months of 2001.

US$ 115.2 million was spent on projects, US$ 77.5 million on maintenance, US$ 11.4 million on capital injections into subsidiaries and affiliates and US$ 10.9 million on geological research.

Among the main projects US$ 41.8 million was allocated to the construction of the São Luís pellet plant, US$ 27.8 million on the mine-railroad-port infrastructure needed for the operation of this new plant, US$ 20.7 million on the purchase of wagons and locomotives, US$ 15.2 million on the construction of electricity generating plants and US$ 1.6 million on the enlargement of potassium mining capacity at Taquari-Vassouras.

Mineração Sossego, in charge of the Sossego copper project, received a capital injection of US$ 8 million.

SELECTED FINANCIAL INDICATORS - PARENT COMPANY			R$ million
	2Q 00	1Q 01	2Q 01
Gross Revenues	1,289	1,375	1,594
Gross Margin (%)	52.5	46.9	47.7
Net Earnings	462	660	546
EBITDA *	632	689	775
EBITDA Margin (%)	50.7	52.2	50.3
Net Operating Cash Flow	595	1,118	870
ROE annualized (%)	21.3	24.2	21.6
ROCE annualized (%)	27.7	36.2	37.5
Gross Debt (US$ million)	3,026	3,072	3,309
Net Debt (US$ million)	2,251	2,450	2,666
Exports (US$ million)	401	382	397
Investments (US$ million) **	233	101	124

* adjusted by the inclusion of dividends received
** acquisitions not included

FINANCIAL STATEMENT - PARENT COMPANY			R$ million
	2Q 00	1Q 01	2Q 01
Gross Operating Revenues	1,289	1,375	1,594
Value Added Tax	(43)	(54)	(53)
Net Operating Revenues	**1,246**	**1,321**	**1,541**
Cost of Goods Sold	(592)	(701)	(806)
Gross Income	**654**	**620**	**735**
Gross Margin (%)	52.5	46.9	47.7
Equity Income *	229	202	270
Operating Expenses	**(333)**	**(581)**	**(560)**
Selling	(19)	(25)	(28)
General & Administrative	(53)	(56)	(70)
Financial Expenses	(110)	(124)	(136)
Financial Revenues	79	67	46
Monetary Variation	(80)	(331)	(184)
Research & Development	(19)	(20)	(21)
Others	(131)	(92)	(167)
Operating Income	**550**	**241**	**445**
Non Operating Income	3	352	59
Income Taxes	(91)	67	42
Net Earnings	**462**	**660**	**546**
Earnings per Share (R$)	**1.200**	**1.714**	**1.418**

* excluding capital gains from asset sales

BALANCE SHEET - PARENT COMPANY			R$ million
	2Q 00	1Q 01	2Q 01
Assets			
Current Assets	3,685	4,673	5,449
Long Term Assets	1,860	1,989	2,511
Permanent Assets	12,190	13,134	13,591
Total	**17,735**	**19,796**	**21,551**
Liabilities and Stockholders' Equity			
Current Liabilities	3,541	3,244	4,222
Long Term Liabilities	3,869	5,653	6,154
Stockholders' Equity	10,325	10,899	11,175
Capital	3,000	3,000	4,000
Reserves	7,325	7,899	7,175
Total	**17,735**	**19,796**	**21,551**

EQUITY INCOME BY BUSINESS AREA*			R$ million
	2Q 00	1Q 01	2Q 01
Ferrous			
Iron Ore and Pellets	94	103	141
Manganese and Ferro-Alloys	3	1	27
Non-Ferrous	-	-	-
Transportation	(10)	37	24
Shareholding Interests			
Steel	39	27	26
Pulp and Paper	54	16	12
Aluminum	48	17	39
Fertilizers	1	1	1
Total	**229**	**202**	**270**

* excluding capital gains from asset sales

CAPEX 1H 01					
By business area	**US$ million**	**%**	**By category**	**US$ million**	**%**
Ferrous Minerals	169.9	75.7	Equity Investments	11.4	5.1
Transportation	8.5	3.8	Maintenance	77.5	34.5
Non Ferrous Minerals	23.8	10.6	Projects	115.2	51.3
Energy	15.2	6.8	Geological Exploration	10.9	4.9
Others	7.1	3.2	Environmental Protection	0.4	0.2
			Information Technology	6.6	2.9
			Technological Research	2.5	1.1
Total	**224.5**	**100.0**	**Total**	**224.5**	**100.0**

ALUMINUM - SELECTED FINANCIAL INDICATORS - NON-AUDITED

R$ million

MRN	2Q 00	1Q 01	2Q 01
Net Operating Revenues	93	87	124
Cost of Goods Sold	(52)	(38)	(58)
Financial Results	2	-	(2)
Net Earnings	44	37	55
Gross Margin (%)	44.1	56.3	53.2
EBITDA	50	58	75
EBITDA Margin (%)	53.8	66.7	60.5
ALUNORTE	**2Q 00**	**1Q 01**	**2Q 01**
Net Operating Revenues	147	150	188
Cost of Goods Sold	(103)	(107)	(129)
Financial Results	(40)	(98)	(76)
Net Earnings	(5)	(43)	(17)
Gross Margin (%)	29.9	28.7	31.4
EBITDA	45	51	65
EBITDA Margin (%)	30.6	34.0	34.6
Net Debt (in US$ million)			
- Short Term	30	-	-
- Long Term	434	405	395
Total	**464**	**405**	**395**
ALBRAS	**2Q 00**	**1Q 01**	**2Q 01**
Net Operating Revenues	243	277	308
Cost of Goods Sold	(151)	(162)	(176)
Financial Results	(47)	(119)	(114)
Net Earnings	31	(1)	9
Gross Margin (%)	37.9	41.5	42.9
EBITDA	88	122	137
EBITDA Margin (%)	36.2	44.0	44.5
Net Debt (in US$ million)			
- Short Term	166	130	127
- Long Term	586	528	496
Total	**752**	**658**	**623**
VALESUL	**2Q 00**	**1Q 01**	**2Q 01**
Net Operating Revenues	75	60	99
Cost of Goods Sold	(58)	(41)	(68)
Financial Results	4	(3)	4
Net Earnings	13	8	16
Gross Margin (%)	22.7	31.7	31.3
EBITDA	28	17	22
EBITDA Margin (%)	37.3	28.3	22.2
Net Debt (in US$ million)			
- Short Term	10	33	2
- Long Term	4	3	2
Total	**14**	**36**	**4**

IRON ORE AND PELLETS - SELECTED FINANCIAL INDICATORS - NON-AUDITED			
			R$ million
HISPANOBRAS	2Q 00	1Q 01	2Q 01
Net Operating Revenues	39	52	64
Cost of Goods Sold	(34)	(45)	(54)
Financial Results	2	2	1
Net Earnings	4	6	5
Gross Margin (%)	12.8	13.5	15.6
EBITDA	6	9	13
EBITDA Margin (%)	15.4	17.3	20.3
NIBRASCO	2Q 00	1Q 01	2Q 01
Net Operating Revenues	111	123	151
Cost of Goods Sold	(96)	(107)	(126)
Financial Results	3	1	1
Net Earnings	9	3	13
Gross Margin (%)	13.5	13.0	16.6
EBITDA	15	9	21
EBITDA Margin (%)	13.5	7.3	13.9
Net Debt (in US$ million)			
- Short Term	-	-	-
- Long Term	-	-	1
Total	**-**	**-**	**1**
ITABRASCO	2Q 00	1Q 01	2Q 01
Net Operating Revenues	56	49	57
Cost of Goods Sold	(48)	(46)	(45)
Financial Results	2	3	2
Net Earnings	4	2	18
Gross Margin (%)	14.3	6.1	21.1
EBITDA	7	2	11
EBITDA Margin (%)	12.5	4.1	19.3
KOBRASCO	2Q 00	1Q 01	2Q 01
Net Operating Revenues	58	61	70
Cost of Goods Sold	(44)	(47)	(56)
Financial Results	(11)	(32)	(24)
Net Earnings	1	(12)	(7)
Gross Margin (%)	24.1	23.0	20.0
EBITDA	14	16	16
EBITDA Margin (%)	24.1	26.2	22.9
Net Debt (in US$ million)			
- Short Term	-	-	20
- Long Term	125	123	101
Total	**125**	**123**	**121**

IRON ORE AND PELLETS - SELECTED FINANCIAL INDICATORS - NON-AUDITED			
			R$ million
SAMARCO	**2Q 00**	**1Q 01**	**2Q 01**
Net Operating Revenues	183	198	191
Cost of Goods Sold	(98)	(96)	(81)
Financial Results	(84)	(64)	(32)
Net Earnings	(77)	8	29
Gross Margin (%)	46.4	51.5	57.6
EBITDA	82	94	88
EBITDA Margin (%)	44.8	47.5	46.1
Net Debt (in US$ million)			
- Short Term	166	170	142
- Long Term	136	127	133
Total	**302**	**297**	**275**
SAMITRI	**2Q 00**	**1Q 01**	**2Q 01**
Net Operating Revenues	92	112	92
Cost of Goods Sold	(38)	(42)	(55)
Equity Income	(33)	8	20
Financial Results	(9)	(11)	(6)
Net Earnings	(86)	9	23
Gross Margin (%)	58.7	62.5	40.2
EBITDA	12	24	24
EBITDA Margin (%)	13.0	21.4	26.1
Net Debt (in US$ million)			
- Short Term	50	20	24
- Long Term	20	11	9
Total	**70**	**31**	**33**

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