BR GAAP

BOVESPA: VALE3, VALE5
NYSE: RIO, RIOPR
LATIBEX: XVALO, XVALP

www.cvrd.com.br
rio@cvrd.com.br

Departamento de Relações com Investidores

Roberto Castello Branco
Rafael Campos
Barbara Geluda
Daniela Tinoco
Eduardo Mello Franco
Rafael Azevedo
Tel: (5521) 3814-4540

Companhia Vale do Rio Doce

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

The financial and operational information contained in this press release, except otherwise indicated, refers to the Parent Company and was calculated in accordance with generally accepted Brazilian accounting principles (Brazilian GAAP). This information, with the exception of that referring to investment and market behaviour, is based on the quarterly financial statements, which have been reviewed by independent auditors.

Rio de Janeiro, November 12, 2003 – Companhia Vale do Rio Doce (CVRD) has reported net earnings of R$ 1.279 billion, for the third quarter of 2003 (3Q03), corresponding to R$ 3.33 per share, the second highest quarterly profit in the Company's history. This result was slightly higher than that for the previous quarter (2Q03) of R$ 1.275 billion, and contrasts with the loss of R$ 216 million in 3Q02, which at that time was caused by the effect of the depreciation of the Real on the Company's foreign currency-denominated debt.

Return on shareholders' equity (ROE) annualized in the quarter amounted to 35.2 %.

Net earnings for the first nine months of 2003 (9M03) amounted to R$ 3.717 billion, compared to R$ 502 million in the same period a year earlier.

The good results obtained by CVRD were due to the favorable conditions in the markets in which it operates, and particularly the quality of business strategy execution, consistent with the aim of maximizing value over the long term.

Revenues

The gross operating revenue, of R$ 2.767 billion reported in 3Q03, was 25.4% higher than the figure reported in 2Q03 and 18.2% higher than in 3Q02. In the first nine months of 2003, accumulated revenues amounted to R$ 7.491 billion compared to R$ 5.784 billion in the same period a year earlier, showing an increase of 29.5%.

Exports

CVRD's consolidated export revenues, in accordance with BR GAAP, amounted to US$ 994 million in 3Q03, an increase of 5.0% on the previous quarter figure (2Q03) of US$ 947 million, and 27.4% higher than that reported in 3Q02, of US$ 780 million. Export revenues accumulated to the end of September 2003 amounted to US$ 2.741 billion, compared with US$ 2.370 billion in the same period a year earlier.

CVRD's net consolidated exports (exports minus imports) amounted to US$ 2.373 billion in the period January/September 2003, representing 13.4% of Brazil's trade surplus of US$ 17.797 billion during the period.

Record cash generation

Cash generation, as measured by EBITDA (earnings before interest, tax, depreciation and amortization) amounted to R$ 1.506 billion, an increase of 53.2% on 2Q03 and 34.0% higher than in 3Q02. The quarterly EBITDA registered in 3Q03 is the highest in the Company's history. In the first nine months of 2003, accumulated EBITDA amounted to R$ 3.637 billion, compared to R$ 2.615 billion in the same period a year earlier.

EBITDA margin (EBITDA/net revenues) in 3Q03 also set a new record, amounting to 56.2%, compared to 46.4% in 2Q03 and 49.8% in 3Q02, surpassing the previous record of 55.5% achieved in 3Q01.

Sales

Shipments of iron ore and pellets amounted to 40.297 million tons in the quarter, 10.6% higher than the amount shipped in 2Q03 and 9.1% more than in 3Q02. Accumulated sales in the first nine months of 2003 amounted to 113.1 million tons, an increase of 5.8% compared to the same period in 2002.

General cargo transported (cargo other than iron ore and pellets) for customers on the Vitória a Minas (EFVM) and Carajás (EFC) railroads set a new quarterly record, with 4.574 billion net ton kilometres (ntk). The third quarter saw 6.4% more general cargo transported by railroad than in 2Q03, which was also an improvement of 17.6% on 3Q02.

Investments

During 3Q03, CVRD's capital expenditures amounted to US$ 831 million, of which US$ 426.4 million was spent on the acquisition of Caemi. Up to the end of September, the Company had invested a total of US$ 1.419 billion, of which US$ 502 million was spent on acquisitions.

Dividends

On October 31, the Company distributed two tranches of dividends to its shareholders.

The first tranche, of R$ 1.48 per share, corresponds to the second instalment of the minimum dividend announced on January 30 this year. The second tranche, of R$ 1.94 per share, refers to the additional dividend approved by CVRD's Board of Directors on August 27.

In 2003, the first year in which the new Dividend Policy, approved on 30 November 2002, was implemented, the Company has paid interest on shareholder's equity of R$ 5.04 per share, amounting to a total of R$ 1.935 billion.

In the 12 months to the end of October, the dividend yield in US dollars is estimated to be 5.4% for common shareholders and 6.1% for preferred shareholders.

SELECTED FINANCIAL INDICATORS			
			R$ million
	3Q02	2Q03	3Q03
Gross Operating Revenues	2,340	2,206	2,767
Gross Margin (%)	54.5	42.9	49.6
EBITDA	1,124	983	1,506
EBITDA Margin (%)	49.8	46.4	56.2
Net Earnings	(216)	1,275	1,279
ROE (annualized) (%)	(7.7)	35.9	35.2
Investments (US$ million) *	155.5	389.7	831.0

*including acquisitions

ROE= return on shareholders' equity = annualized net earnings in the quarter /shareholders' equity

RELEVANT EVENTS

In recent months, a number of initiatives have been concluded whose principal aim is to adhere to the strategic focus of the Company and to help increase transparency.

Acquisitions

On September 2, the Company completed the purchase of 50% of the common shares and 40% of the preferred shares of Caemi Mineração e Metalurgia S.A. (Caemi) for US$ 426.4 million, now having 60.2% of the total capital of this company and all the common shares.

Restructuring of logistics assets

With the authorization granted by the Brazilian Regulatory Agency for the Transportation Sector (ANTT), a capital increase of Ferrovia Centro Atlântica (FCA) was carried out. CVRD fully subscribed for the capital increase, for a total of R$ 1.003 billion, of which R$ 798.3 million corresponded to the conversion of advance payments for future capital increases already made, and the remaining R$ 204.9 million to be paid in 4 cash instalments, of which three have already been made. The last installment, for R$ 61.5 million, will be paid in December 2003. As a consequence, CVRD became the controlling shareholder of this railroad company, with 99.99% of its common shares and 99.99% of its total capital. FCA will now be fully integrated into CVRD's logistics strategy, thereby making investment in the railroad possible, in order to enlarge and improve its general cargo transportation capacity for the Company's clients.

On November 7, 2003, authorized by ANTT, CVRD divested its stakes in Companhia Ferroviária do Nordeste (CFN) and Sepetiba Tecon S.A.

Simplification of operational structure

CVRD has consolidated Ferteco Mineração S.A. into the Parent Company, taking over the management of Córrego do Feijão and Fábrica iron ore mines, as well as the Fábrica pelletizing plant, located in the Iron Quadrangle, in the state of Minas Gerais. Therefore, starting in September 2003, the results of CVRD Parent Company will directly include - rather than via the equity income result, as previously done - the operational and financial performance of the assets formerly held by Ferteco.

CVRD has also consolidated Celmar S.A. which assets were transferred to Ferro Gusa Carajás S.A., a joint venture created with Nucor Corporation for the production of pig iron in the north of Brazil.

Starting in January 2004, CVRD's manganese and ferro-alloys operations will be conducted through four wholly owned subsidiaries: Rio Doce Manganês (Sibra's new name starting on October 15, 2003), Urucum Mineração S.A., Rio Doce Manganese Norway (RDMN) and Rio Doce Manganèse Europe (RDME).

Divestitures

On August 15, CVRD finalized the sale of the Fazenda Brasileiro gold mine assets. The accounting gain from this sale, which amounted to R$ 63.0 million, were accounted for in this quarter under the item "other operational revenues/expenses".

On October 24, the Company sold its 11.1% stake in Fertilizantes Fosfatados S.A. – Fosfértil for R$ 240 million. The accounting gain from this transaction, of R$ 115 million, will be added to the result in 4Q03.

BUSINESS OUTLOOK

Global production of crude steel, according to the International Iron and Steel Institute (IISI), grew 7.1% in the first nine months of 2003, compared to the same period last year, hence registering a slowdown in relation to the first six months of 2003, when production expanded by 8.2%. This was due to production cutbacks in 3Q03 in the European Union, particularly in Germany, France and Spain, as well as in the US, in reaction to the lacklustre macroeconomic performance in the first half of the year.

The driving force behind the global expansion of crude steel production, which according to our estimates is likely to reach 960 million tons this year, compared to 903 million tons in 2002, is China, whose steel production has increased 21.6% this year to the end of September. In the last 60 months up to the end of September 2003, Chinese production of steel has grown at an average annual rate of 15%, while in the rest of the world steel production has expanded at an annual rate of 2.6%.

Consistent with its current stage of economic development, steel consumption in China is growing even more rapidly and *CRU* expects China´s imports to exceed 40 million tons in 2003, compared to 29 million last year. The increase in China's overseas purchases of steel influences rising production in certain Asian countries, Japan in particular, whose steel industry is growing at a 3.5% rate this year.

The IISI's most conservative scenario for the medium term indicates Chinese steel consumption should reach 330 million tons for 2007, with an annual average growth of 9.3% between 2002 and 2007, compared to 15.3% between 1997 and 2002. According to the same source, global consumption will grow until 2007 at an average annual rate of 3.6%, the same rate as that registered in the period 1997/2002.

The strong Chinese demand is having a positive impact on steel prices, with the *CRU Steel Price Index* (CRUspi) returning to its upward cycle since June. Between December 2001 and October 2003, CRUspi increased by 45.4%.

Another important implication is the substantial increase in demand for iron ore, with Chinese imports during the period January-September 2003 totaling 110 million tons, almost the same volume imported during the whole of last year, which amounted to 111.7 million tons. Compared with the same period in 2002, Chinese imports of iron ore were up 33.1%.

It is estimated that Chinese imports of iron ore will increase by approximately 35 million tons in 2003, with total imports into Asia rising by 40 million tons.

Japan imported 98.8 million tons of iron ore in the first nine months of 2003, 3.2% more than in the same period last year.

It is likely that the global economy in 3Q03 registered its highest rate of growth since the stock market bubble burst in the US, in 1Q00. The USA, whose GDP grew by an annualized rate of 7.2% in 3Q03, extraordinarily high for a developed economy, and Asia where China's GDP grew by an annualized 9.1% in 3Q03, led the acceleration in global growth.

At the same time, leading indicators are signalling the start of a synchronized recovery in the global economy. In fact, the strongest signals for future growth are coming not only from the US, but also Japan, Southeast Asia, Latin America and even the European Union, where GDP growth this year is likely to be very modest, below 1%. After almost three years of below trend growth, the global economy seems likely to resume its normal expansion rate.

The change in the global economic cycle has been adding more consistency to the demand for ores and metals, whose pattern, although favorable, has been relying almost exclusively on the extraordinary expansion in China. Metal prices, already influenced by the weakness in the US dollar, reacted positively to the change in expectations for global GDP growth. The price of copper, for example, is now fluctuating in the range of US$ 0.90c a pound, having reached at the end of October 2003 its highest level since October 1997, while the prices of primary aluminum, of approximately US$ 1,500 per ton, even in the face of relatively high stock levels in the industry, are among its highest since May 2001.

The combination of dramatic growth in Chinese demand, now leveraged by prospect of a synchronized recovery in the global economy, and the restricted growth in the supply of ores and metals in the last few years – the mining and metals industry reacted to the financial crisis in Southeast Asia in 1997 by reducing the level of investment in expansion of production capacity - have created imbalances in the markets of certain products, which, despite the expansion projects currently under development, are likely to persist for at least another two years.

CVRD estimates that seaborne trade of iron ore will amount to 545 million tons in 2004, compared to 515 million tons this year, with more than 80% of this growth due to the increasing amount of Chinese purchases overseas. With the extra capacity at Carajás set to come on stream in 2004, pushing production up to 70 million tons a year, the enlargement of the Maritime Terminal at Ponta da Madeira to a capacity of 74 million tons a year and the small increase in capacity in the Southern System (3 million tons), the Company should benefit to a greater extent from the pick-up in demand.

The dynamics of price elasticity is likely to gradually correct the excessive increase in freight rates, which has been caused by the considerable expansion in seaborne iron ore trade - evaluated at approximately 65 million tons in 2002/2003. China has doubled its average monthly imports from 6 million tons in 2001 to 12 million tons in 2003, while at the same time, investment in the construction of new Capesize vessels has not kept pace with this trade expansion.

The enlargement of port capacity in Brazil, Australia and China, to reduce ship-waiting time, should in the short-term help to increase the effective supply of maritime transportation. Furthermore, according to *Clarkson Research Studies*, in 2004 shipyards will place an extra 5.6 million deadweight tons of shipping in the marketplace, the equivalent of 35 Capesize vessels, representing an increase of approximately 6% in the global fleet, which will also help to ease the current imbalance between supply and demand for transoceanic transportation. The reaction to the increased shipping supply will be more significant in 2006 and 2007, bearing in mind the length of time between orders being placed and deliveries being met.

Notwithstanding the sharp rise in freight prices on the spot market, with a widening of the spread between Brasil/Asia–Australia/Asia rates, and the probable slowdown in Chinese GDP growth to around 7% in the next few quarters, demand for CVRD's iron ore might continue to be very strong. This is because of the expansion plans for the Chinese steel industry – the *Chinese Iron and Steel Association* recently estimated that Chinese production capacity will expand by 120 million tons between the end of 2003 and 2005 – and also because of the Company's position as a supplier of high content ore with low levels of impurities, important factors for increasing productivity and improving the quality of steel products. Furthermore, the long-term contracts with its Chinese clients permit CVRD to make an effective contribution in optimizing the value chain for steel production.

In the case of alumina, spot prices have remained at around US$ 300 per ton FOB, approximately 20% of the current primary aluminum price on the LME, reflecting the strong demand pressure from China. In the first nine months of this year, Chinese imports amounted to 4.24 million tons, an increase of 32.3% in relation to the same period in 2002.

We expect that the market shortages will continue during 2004 and 2005, which will mean that prices will remain high for many months, in contrast to what occurred in 1995 and 1999/2000, when the high prices seen in alumina saw a rapid reversal.

Spot market prices are influencing prices in short and long-term contracts. This benefits Alunorte, a subsidiary of CVRD, which is signing contracts to absorb its additional production capacity of 1.8 million tons a year, from the construction of stages 4 and 5, which are due to come into service in 2006.

The recent increase in the price of primary aluminum on the LME has had a positive effect on CVRD's alumina revenues, whose contracts are indexed to metal prices. This situation benefits the sales of Albras, whose production, due to the de-bottleneckings, will amount to 430,000 tons in 2003, rising to 450,000 tons in 2004. However, depending on the recovery in the global economy, it is estimated that in 2004 there will be an excess supply situation in the aluminum market, in relation to global consumption, which will tend to limit the trend of recent price increases.

Stocks of copper have been falling, due to the slow expansion in the supply of copper concentrate and the sharp increase in Chinese consumption. Moreover, it has been estimated that this shortage will continue next year as a result of expected growth in demand. Despite the fact that the increase in the metal price tends to stimulate expansion in the supply of copper concentrate, no downward pressure is expected on prices for this product, given the continued level of excess demand. This scenario is therefore positive for the sales outlook of Sossego, which will be running at full production capacity in the middle of 2004, at an annual production rate of 470,000 tons of concentrate.

SALES VOLUME AND REVENUES

Iron ore and pellet shipments amounted to 40.297 million tons, up 9.1% in relation to the volume sold in 3Q02, of 36.925 million tons, and an increase of 10.6% on that sold in 2Q03, of 36.428 million. However, it is important to note that from September, with the consolidation of Ferteco into the Parent Company, shipments of iron ore produced by the Córrego do Feijão and Fábrica mines and the Fábrica pelletizing plant were included in the figures for CVRD Parent Company, representing an additional 1.601 million tons. Disregarding this added amount, the volume sold of 38.696 million tons showed an increase of 4.8% in relation to 3Q02 and a rise of 6.2% compared to the previous quarter.

Sales accumulated in the first nine months of the year amounted to 113.116 million tons, compared to 106.918 million tons in the same period in 2002, an increase of 5.8%.

Ore fines accounted for 78.4% of shipments in 3Q03, lumps, 9.5% and pellets 12.1%. Iron ore sales amounted to 35.430 million tons and pellet sales, 4.867 million tons. Since 3Q03, the São Luis pelletizing plant has been operating at full capacity – 6 million tons per year, all of its production being sold to the export market. Therefore, in addition to a higher production capacity, CVRD now has more flexibility in the supply of pellets for its clients, via the Tubarão complex in the Southeast of the country, via São Luís in the state of Maranhão, at Ponta da Madeira, and via the Fábrica plant in the state of Minas Gerais (this last one is more focused to the domestic market).

China continued to be the main source of sales expansion for CVRD's iron ore and pellets. Shipments to Chinese clients in 3Q03, of 7.1 million tons, rose 69.0% in relation to the same period a year earlier, 4.2 million tons, and were up 47.9% in relation to 2Q03's figure of 4.8 million tons. In the first nine months of 2003, China purchased 17.3 million tons of iron ore and pellets from CVRD, which in annualized terms represents an increase of 31.8% compared to the volume purchased in 2002, showing that despite current capacity constrains, CVRD is being able to take advantage of the opportunities offered by the most dynamic market in the world. CVRD's market share of Chinese imports remained close to 16%.

Approximately 74% of iron ore and pellet shipments in 3Q03 were sold to the export market, 12% to the pelletizing joint ventures, and 14% to domestic clients. Approximately 24% of export volume was shipped to China, which continues to be CVRD's main client. Germany accounted for 14.8% of exports, with 4.4 million tons, and Japan accounted for 13.8%, with 4.1 million tons. Asia accounted for 47.0% of exports, and Europe, 39.9%.

Sales of potash amounted to 198,000 tons, an increase of 32.9% in relation to the previous quarter and a drop of 11.2% compared to 3Q02. The drop in the level of shipments in comparison to the same quarter in 2002 is explained by the drawdown of existing stock at that time, which boosted sales to 731,000 tons in 2002. At the moment, the Taquari-Vassouras mine is operating at production levels of 650,000 tons a year, above its nominal capacity of 600,000 tons, with stock levels being practically non-existent.

SALES VOLUME			
			'000 tons
	3Q02	2Q03	3Q03
Iron Ore and Pellets	36,925	36,428	40,297
Iron Ore	32,668	32,102	35,430
Fines	28,688	29,001	31,597
Lumps	3,980	3,101	3,833
Pellets	4,257	4,326	4,867
Gold (troy ounce)	63,531	19,773	14,211
Potash	223	149	198
Port Services	7,007	7,411	6,515

SALES OF IRON ORE AND PELLETS			
			million tons
DESTINATION	3Q02	2Q03	3Q03
ASIA			
China	4.2	4.8	7.1
South Korea	2.0	1.7	1.7
Philippines	0.7	0.6	0.6
Japan	4.0	4.1	4.1
Taiwan	0.5	0.5	0.5
Total	**11.4**	**11.7**	**14.0**
EUROPE			
Germany	3.6	2.8	4.4
Spain	0.7	0.9	0.4
France	1.4	2.3	1.7
Italy	0.8	1.2	1.2
United Kingdom	0.8	0.6	0.6
Others	3.6	2.8	3.6
Total	**10.9**	**10.6**	**11.9**
THE AMERICAS			
Argentina	0.6	0.8	0.7
United States	1.2	0.8	1.0
Other	0.7	0.6	0.7
Total	**2.5**	**2.2**	**2.4**
Others			
Bahrein	0.6	0.4	1.0
Others	1.2	2.0	0.5
Total	**1.8**	**2.4**	**1.5**
TOTAL	**26.6**	**26.9**	**29.8**
DOMESTIC MARKET	3Q02	2Q03	3Q03
Steel Mills	5.4	4.6	5.7
Pelletizing Joint Ventures	4.9	4.9	4.7
Total	**10.3**	**9.5**	**10.4**
TOTAL	**36.9**	**36.4**	**40.2**

General cargo volume transported by EFVM and EFC also represented a new record – amounting to 4.574 billion ntk, an increase of 17.6% in relation to 3Q02, and up 6.4% compared to 2Q03. In the first nine months of 2003, these railroads transported 12.261 billion ntk of general cargo, compared to 10.946 billion in the same period last year, an increase of 12.0%.

The improvement in productivity indicators for these railroads has also been extremely satisfactory. Average revenue per wagon, generated by EFVM, increased by 35.4% from 3Q02 to 3Q03. Ntks transported per locomotive in service, per day on EFC increased by 19.2% in the same period.

The integration of CVRD's assets, the clear definition of a marketing policy, the launching of new services and the carrying out of investment, are all enabling the Company's logistics services to expand at much faster rates than brazilian GDP growth.

Cargo handling for clients in CVRD's ports and maritime terminals amounted to 6.515 million tons, down 7.0% in relation to 3Q02 and down 12.1% in relation to 2Q03. The reduction in the volume of cargo handled for clients is basically due to the absorption of Ferteco into the Parent Company.

GENERAL CARGO TRANSPORTED BY RAILROAD			
			million ntk
	3Q02	2Q03	3Q03
Vitória a Minas Railroad	3,049	3,311	3,497
Carajás Railroad	841	987	1,077
Total	**3,890**	**4,298**	**4,574**

The Company's gross operating revenues amounted to R$ 2.767 billion in 3Q03, 18.2% higher than in 3Q02 and an increase of 25.4% on the previous quarter (2Q03). Comparing the total revenues obtained in 2Q03, of R$ 2.206 billion, with those reported in 3Q03, an increase of R$ 561 million can be seen, of which R$ 367 million can be explained by price increases and R$ 219 million by growth in sales volume. The average depreciation of the Real of 10.4% in 3Q03, in relation to 2Q03, alone contributed to a reduction in revenues of R$ 25 million, given that 83% of quarterly sales were either denominated in, or indexed to, the US dollar.

The revenue obtained from the sales of iron ore amounted to R$ 1.777 billion - 64.2% of the total – constituting another record. Revenue growth amounted to 22.4% in comparison to 3Q02, and 31.1% compared to 2Q03. Pellet sales generated revenues of R$ 488 million in 3Q03 - 17.6% of total revenues - an increase of 24.2% in relation to 3Q02 and up 30.1% on 2Q03. As a result of the price increase negotiated with clients, R$ 170 million correspondent to adjustment of shipments made in 1H03 were booked in 3Q03 revenues, leaving another R$ 6 million to be booked in the fourth quarter of 2003.

Revenue generated from the operation of the five joint ventures pelletizing plants in Tubarão, amounted to R$ 36 million, compared to R$ 29 million in 3Q02 and R$ 32 million in 2Q03.

Logistics services generated gross revenues of R$ 359 million correspondent to 13% of total revenues. Railroad transportation generated R$ 281 million in revenues this quarter, registering an increase of 17.1% in relation to 3Q02, which generated revenue of R$ 240 million, and was up 4.1% compared to 2Q03’s (R$ 270 milion). The main elements behind this increase were services provided to the steel industry, which accounted for 38.0% of the total, services to the agro-industry, which accounted for 31.9% of revenues (with particular emphasis on soy beans, sugar and alcohol), and inter-modal transportation, with 3.1%. Despite the small proportion of logistics revenues represented by inter-modal transport, which basically involves the transport of products from factories to large distribution centres, the growth rate in this segment has been extremely high.

Due to the closure of the Igarapé Bahia mine and the sale of the Fazenda Brasileiro mine, gold sales have dropped from R$ 63 million in 3Q02 to R$ 20 million in 2Q03 and R$ 16 million in 3Q03. Potash sales have remained stable at R$ 81 million in relation to 3Q02, thanks to higher prices, and were up 28.6% in relation to 2Q03, mainly due to an increase in the volume sold.

REVENUE BREAKDOWN BY PRODUCT

R$ million

	3Q02	%	2Q03	%	3Q03	%
Iron Ore	**1,452**	**62.1**	**1,355**	**61.4**	**1,777**	**64.2**
Domestic Market	395	16.9	364	16.5	410	23.1
Export Market	1,057	45.2	991	44.9	1,367	76.9
Pellets	**393**	**16.8**	**375**	**17.0**	**488**	**17.6**
Domestic Market	56	2.4	64	2.9	88	18.0
Export Market	337	14.4	311	14.1	400	82.0
Railroad Transport	**240**	**10.3**	**270**	**12.2**	**281**	**10.2**
Port Services	**73**	**3.1**	**84**	**3.8**	**78**	**2.8**
Potash	**81**	**3.5**	**63**	**2.9**	**81**	**2.9**
Gold	**63**	**2.7**	**20**	**0.9**	**16**	**0.6**
Pelletizing Plants Operation Services	**29**	**1.2**	**32**	**1.4**	**36**	**1.3**
Others	**9**	**0.4**	**8**	**0.3**	**10**	**0.4**
Total	**2,340**	**100.0**	**2,206**	**100.0**	**2,767**	**100.0**

NET EARNINGS OF R$ 1.279 BILLION

Net earnings in 3Q03 were the second highest in CVRD's history, of R$ 1.279 billion, higher than the figure reported in 2Q03 of R$ 1.275 billion and the loss of R$ 216 million reported in 3Q02. Earnings accumulated in the first nine months of 2003 amounted to R$ 3.717 billion, 81.9% higher than net earnings for the whole year 2002, which amounted to R$ 2.043 billion.

Annualized ROE for 3Q03 amounted to 35.2%, showing the same level seen in the two previous quarters.

Factors behind the increase in earnings in relation to 3Q02

The net revenue increase of R$ 421 million in the 3Q03 vis-à-vis the 3Q02 had a major influence on the very good performance of the Company.

The negative impact of the monetary variation in the 3Q03 amounted to R$ 188 million, a substantially smaller amount when compared to the R$ 2.103 billion registered in the 3Q02, which was caused by the strong depreciation of the Real in that quarter. In the 3Q02, the net financial result was negative in the amount of R$ 510.1 million, being impacted by a provision of R$ 139 million. In the 3Q03, the negative net financial result was reduced to R$ 85.1 million.

The COGS increase in 3Q03 amounted to R$ 323 million vis-á-vis 3Q02. This change was the result of: an increase of R$ 79 million in cost of materials, principally due to provisions made for renovations, an increase of R$ 51 million in fuel oil and gas purchases, R$ 36 million from the acquisition of iron ore and pellets, R$ 20 million referring to the transport of iron ore and pellets from Ferteco to the Sepetiba port (referring to September, when it was consolidated into the parent company), R$ 14 million in *demurrage* costs, R$ 11 million with energy due to increase in consumption and prices and R$ 6 million in taxes, as a result of the increase in sales.

COGS BREAKDOWN						
						R$ million
	3Q02	%	2Q03	%	3Q03	%
Personnel	137	13.3	124	10.2	144	10.6
Material	135	13.1	206	17.0	214	15.9
Fuel Oil and Gases	111	10.8	156	12.9	162	12.0
Outsourced Services	146	14.2	180	14.9	229	17.0
Energy	32	3.1	33	2.7	43	3.2
Acquisition of Products	258	25.1	263	21.7	294	21.7
Depreciation and Exhaustion	168	16.3	155	12.8	185	13.7
Others	41	4.0	95	7.8	81	6.0
Total	**1,028**	**100.0**	**1,211**	**100.0**	**1,351**	**100.0**

With regard to asset sales, there was a year-on-year negative variation of R$ 48 million, seeing that in 3Q02, R$ 111 million in revenues was recorded from the sale of the assets of Florestas Rio Doce and in 3Q03, there were R$ 63 million in revenues from the sale of the Fazenda Brasileiro mine. This item is accounted for at the "Other Operational Revenues/Expenses" line in 3Q03 .

The result from shareholdings saw little change, increasing from R$ 482 million in 3Q02 to R$ 487 million in 3Q03. The main contribution in this quarter came from iron ore and pellet companies, totalling R$ 159 million, followed by steel companies with R$ 136 million and aluminum with R$ 130 million.

In the iron ore and pellets business area, we can highlight Samarco, which not only paid R$ 44 million in dividends to CVRD, but also generated a quarterly equity income result of R$ 52 million. Samarco sales increased by 14,9% in the first nine months of the year vis-à-vis the same period of 2002, becoming the largest pellet supplier of China. Year September, Samarco net income totaled R$ 386.5 million.

GIIC, a pelletizing plant located in Bahrain, also presented a good performance. Sales in the first nine months of 2003, of 2.850 million tons, increased 33.1% yoy. In the same period, net income amounted to R$ 52.9 million and contributed with R$ 10 million to CVRD net income.

Ferteco generated in July and August (the two months before its consolidation into CVRD) results from shareholdings of R$ 7 million. This includes a goodwill amortization of R$ 26 million.

As a consequence of the growth in demand derived from the world steel production and of the restructuring of the manganese and ferro alloys companies, this business area has shown good performance. Sibra contributed with R$ 10 million for CVRD’s quarterly net income, RDME with R$ 9 million, RDMN with R$ 6 million and Urucum, R$ 5 million.

In logistics, MRS generated a positive result of R$ 23 million due to and increase in volume transported and Docenave, R$ 14 million, partly offset by a loss of R$ 30 million from FCA.

Given the capacity expansions that took place in MRN, Alunorte and Albras, the increase in alumina prices and the recent recovery in aluminum prices, the operational performance of those companies improved substantially in 2003. However, losses realized with aluminum price hedging, through the use of derivatives, caused a drop in the results from shareholdings from R$ 267 million in 2Q03 to R$ 130 in 3Q03. Anyway the aluminum business area contributed with R$ 618 million for the Company net earnings during 2003, 16.6% of the total amount.

The interest of CVRD in steel companies generated R$ 136 million in 3Q03, due to the good performance of this industry. CST contributed with R$ 83 million, Usiminas with R$ 47 million and CSI with R$ 5 million.

RESULT FROM SHAREHOLDINGS BY BUSINESS AREA			
			R$ million
Business Area	3Q02	2Q03	3Q03
Ferrous Minerals	**868**	**7**	**202**
Iron Ore and Pellets	791	(3)	159
Manganese and Ferro Alloys	77	10	43
Non-Ferrous Minerals	**(52)**	**27**	**(26)**
Logistics	**(153)**	**(178)**	**8**
Steel	**133**	**15**	**136**
Aluminum	**(321)**	**267**	**130**
Others	**7**	**12**	**37**
Total	**482**	**151**	**487**

EBITDA BEHAVIOR

In this quarter, the Company generated record EBITDA, of R$ 1,506 million, an increase of 34.0% in relation to 3Q02 (R$ 1,124 million) and 53.2% higher than in 2Q03 (R$ 983 million). EBITDA margin also constituted a record, 56.2%, higher than that in 3Q02 (49.8%) and that in 2Q03 (46.4%).

EBITDA growth in relation to 3Q02

The main factor behind the increase in EBITDA in 3Q03, compared to 3Q02 was the growth in net operating revenue of R$ 421 million.

Furthermore, a number of other factors combined to contribute to this increase: (i) an increase in the amount of dividends received from subsidiaries and affiliates of around R$ 182 million; (ii) gain of R$ 63 million from the sale proceeds of the Fazenda Brasileiro mine, booked at the “other operating expenses/revenues” line; (iii) a reduction of R$ 18 million in depreciation.

In 3Q03, CVRD Parent Company received dividends of R$ 212 million, from which R$ 87.8 million were paid by CST, R$60.6 million by Docenave, R$ 43.7 million by Samarco, R$ 9.6 million by Usiminas, and R$ 6.1 million by Fosfértil, with R$ 4.2 million being received in dividends from other companies.

The increase of R$ 324 million in COGS, of R$ 17 million in Research and Development expenses, and the increase of R$ 18 million in Sales and Administrative expenses, all contributed to limit EBITDA growth. The major item that contributed for the increase in these expenses was sales commissions generated by the increase in revenues.

EBITDA CALCULATION			
			R$ million
	3Q02	**2Q03**	**3Q03**
Net Operating Revenues	2,259	2,119	2,680
COGS	(1,027)	(1,211)	(1,351)
Sales Expenses	(44)	(45)	(56)
Administrative Expenses	(91)	(97)	(97)
Research & Development	(47)	(36)	(64)
Other Operational Expenses	(130)	(131)	(9)
EBIT	**920**	**600**	**1,102**
Depreciation and Amortization	174	163	192
Dividends Received	30	185	212
Adjustments for Non-Recurring Items (asset write-off)	-	36	-
EBITDA	**1,124**	**983**	**1,506**

FINANCIAL STATEMENTS			
			R$ million
	3Q02	2Q03	3Q03
Gross Operating Revenues	2,340	2,206	2,767
Taxes	(81)	(87)	(87)
Net Operating Revenues	**2,259**	**2,119**	**2,679**
Cost of Goods Sold	(1,028)	(1,211)	(1,351)
Gross Earnings	**1,232**	**908**	**1,328**
Gross Margin (%)	54.5	42.9	49.6
Result from Shareholdings	**482**	**151**	**487**
Equity Income	967	370	246
Goodwill Amortization	(109)	(185)	(113)
Provision for Losses	(377)	(35)	354
Others	-	-	-
Operational Expenses	**(313)**	**(308)**	**(226)**
Sales	(44)	(45)	(56)
Administrative	(91)	(97)	(97)
Research and Development	(47)	(36)	(64)
Other Operational Expenses	(130)	(131)	(9)
Financial Result	**(2,613)**	**783**	**(273)**
Financial Expenses	(542)	(164)	(145)
Financial Revenues	32	61	60
Monetary Variation	(2,103)	885	(188)
Operating Profit	**(1,212)**	**1,534**	**1,317**
Result from Discontinued Operations	111	-	-
Income Tax and Social Contribution	885	(259)	(38)
Net Earnings	**(216)**	**1,275**	**1,279**
Earnings per share (R$)	**(0.56)**	**3.32**	**3.33**

BALANCE SHEET			
			R$ million
	09/30/02	06/30/03	09/30/03
Asset			
Current	6,412	4,127	5,617
Long Term	3,425	2,894	2,646
Fixed	17,997	20,774	22,177
Total	**27,834**	**27,796**	**30,440**
Liabilities			
Current	5,199	5,297	6,392
Term	11,396	8,310	9,515
Shareholders' Equity	11,239	14,188	14,533
Paid-up Capital	5,000	6,300	6,300
Reserves	6,240	7,888	8,233
Total	**27,834**	**27,796**	**30,440**

INVESTMENTS

During 3Q03, CVRD's capital expenditure amounted to US$ 831 million, of which US$ 426.4 million was spent on the purchase of Caemi. In the first nine months of the year, the Company invested a total of US$ 1,418.7 million, US$ 502 million of which referred to acquisitions.

In this quarter, US$ 210.9 million was invested in projects. The largest portion of this being spent on the Sossego project, with an investment of US$ 106.3 million; US$ 8.6 million being spent on the expansion of the Taquari-Vassouras potash mine and US$ 28.6 million being spent on the purchase of locomotives and railcars. In addition to this, US$ 32.8 million was invested in enlarging iron ore production and logistics capacity in the Northern System and US$ 13.6 million in the Southern System.

Expenditure on maintenance and environmental protection in 3Q03 amounted to US$ 107.9 million, representing 13.0% of total capital expenditure.

Capital injections totalling US$ 61 million - 7.3% of total capital expenditure, were distributed between FCA, PPSA and companies dedicated to mineral exploration in Peru and Gabon.

Expenditure on mineral exploration and technological research amounted to US$ 18.9 million. US$ 9.1 million was spent on information technology, US$ 4.8 million of which was spent on the implementation of the ERP system.

Of the total amount invested in 3Q03, the ferrous mineral business accounted for 69.0%, the non-ferrous business, 20.2% and logistics, 7.5%.

Main projects:

Area	Project	Investment realized US$ million				Status
		1Q03	2Q03	3Q03	9M03	
Ferrous	Expansion of iron ore production capacity in the Northern System	6.1	7.7	14.2	28.0	It is expected that the Northern System will be operating at a rate of 70 million tons per year in 1Q04, consequently being some 12 months ahead of schedule.
	Pier III at the Maritime Terminal of Ponta da Madeira (TMPM)	2.1	2.8	4.7	9.6	Completion scheduled for February 2004 . The implementation of this project is proceeding on schedule with capex estimated at US$ 33.3 million. Pier III will have a shipment loading capacity of 18 million tons a year, increasing the capacity of TMPM to 74 million tons a year .
	Brucutu iron ore mine – Southern System	0.146	0.296	1.1	1.5	Completion of first phase scheduled for 2006, when the mine will have a production capacity of 12 million tons per year. The work is proceeding according to schedule. Total investment is budgeted at US$ 219.9 million.
	Fábrica Nova iron ore mine –Southern System	0.637	2.5	5.9	9.0	11% of the investment has already been realised and work is proceeding according to schedule. Fábrica Nova should reach nominal production capacity of 10 million tons a year in 2005, reaching 15 million tons in 2009. Total capex is estimated at US$ 84.4 million, with investment in 2003 budgeted at US$ 39.6 million . The project is on schedule and within budget.
Non Ferrous	Sossego Copper Mine	40.5	87.5	106.3	234.3	83% of the total investment for the project has already been carried out, which represents completion of around 90% of the work. Commissioning is scheduled for 1Q04, production ramp up for 2Q04 and start up commercial production for July 04.
	Expansion of the Taquari-Vassouras Potash Mine	4.0	6.9	8.6	19.5	Completion scheduled for 1H05. 38% of the total investment in the project has already been realised. 42% of the work has already been completed. After the expansion, the mine will have a production capacity of 850,000 tons a year.
Logistics	Purchase of Locomotives and Railcars	18.9	35.3	28.6	82.8	Of the 2,010 railcars and 77 locomotives, which will be purchased by the end of 2003 , the Company has already received 1,356 railcars and 66 locomotives. Part of this equipment will be allocated to the transport of general cargo and part for the transport of iron ore. 51% of the total investment, estimated at US$ 162.9 million has already been carried out.
	Praia Mole Maritime Terminal (phases I & II)	0.707	1.5	3.0	5.2	Phase I was concluded in April 2003. After the completion of Phase II, scheduled for 2Q04, the shipment capacity of the Terminal will be 14.5 million tons a year. Total investment is budgeted at US$ 20.9 million.
Power Generation	Aimorés Hydroelectric Plant	6.4	7.6	2.9	16.9	Full operation has been postponed to October 2004, due to delays in the relocation of a town due to legal issues. The construction of the plant is proceeding according to schedule. The plant will be ready within the initial period envisaged, but will not be able to generate electricity because the water reservoir will not be full.
	Candonga Hydroelectric Plant	6.7	5.4	3.6	15.7	Completion scheduled for December 2003. Almost 100% of the total investment in the project, estimated at US$ 40.1 million, has been completed.

BR GAAP

INVESTMENTS - 3Q03					
By Business Area	**US$ million**	**%**	**By Category**	**US$ million**	**%**
Ferrous Minerals	573.6	69.0%	Capital infusions	57.8	7.0%
Logistics	62.3	7.5%	Maintenance &Environmental Protection	107.9	13.0%
Non-ferrous Minerals	167.8	20.2%	Projects	210.9	25.4%
Power Generation	12.8	1.5%	Mineral Exploration & Technological Research	18.9	2.2%
Others	14.5	1.7%	Information Technology	9.1	1.1%
			Acquisitions	426.4	51.3%
Total	**831.0**	**100.0%**	**Total**	**831.0**	**100.0%**

IRON ORE AND PELLET COMPANIES -FINANCIAL INDICATORS			
			R$ million
HISPANOBRAS	**3Q02**	**2Q03**	**3Q03**
Quantity Sold (‘000 tons)	685	890	824
Export Markets	165	625	94
Domestic Market	520	265	730
Average Price (US$/ton)	32.07	36.33	32.59
Net Revenues	67	93	79
Cost of Goods Sold	(57)	(85)	(64)
Net Financial Result	8	(7)	0
Net Earnings	10	8	4
Gross Margin (%)	15.5	8.6	19.5
EBITDA	9	17	7
EBITDA Margin (%)	13.9	18.2	9.2
NIBRASCO	**3Q02**	**2Q03**	**3Q03**
Quantity Sold (‘000 tons)	1,842	1,719	1,626
Export Markets	290	513	509
Domestic Market	1,552	1,206	1,117
Average Price (US$/ton)	25.96	27.03	33.79
Net Revenues	162	147	174
Cost of Goods Sold	(148)	(153)	(156)
Net Financial Result	(2)	2	(5)
Net Earnings	4	(5)	17
Gross Margin (%)	8.7	(3.8)	10.4
EBITDA	14	(3)	20
EBITDA Margin (%)	8.7	(2.1)	11.6
Gross Debt (US$ million)	5	2	2
- Short Term	2	2	2
- Long Term	2	-	-
ITABRASCO	**3Q02**	**2Q03**	**3Q03**
Quantity Sold (‘000 tons)	815	843	838
Export Markets	572	778	838
Domestic Market	243	65	-
Average Price (US$/ton)	30.06	35.25	32.96
Net Revenues	80	91	80
Cost of Goods Sold	(67)	(76)	(73)
Net Financial Result	13	(5)	2
Net Earnings	13	6	4
Gross Margin (%)	16.7	16.6	8.4
EBITDA	8	14	4
EBITDA Margin (%)	9.6	15.0	5.0
Gross Debt (US$ million)	16	0	0
- Short Term	16	0	0
- Long Term	-	-	-

IRON ORE AND PELLET COMPANIES - FINANCIAL INDICATORS			
			R$ million
KOBRASCO	**3Q02**	**2Q03**	**3Q03**
Quantity Sold (‘000 tons)	850	1,128	1,134
Export Markets	850	667	453
Domestic Market	-	461	681
Average Price (US$/ton)	29.47	30.35	34.59
Net Revenues	74	102	102
Cost of Goods Sold	(60)	(89)	(82)
Net Financial Result	(147)	50	(8)
Net Earnings	(92)	35	5
Gross Margin (%)	18.9	12.2	19.1
EBITDA	9	9	18
EBITDA Margin (%)	11.9	8.4	18.2
Gross Debt (US$ million)	147	102	102
- Short Term	-	-	-
- Long Term	147	102	102
SAMARCO	**3Q02**	**2Q03**	**3Q03**
Quantity Sold - Export Market (‘000 tons)	3.871	4.277	3.928
Pellets	3.275	3.339	3.359
Iron ore	596	938	569
Average Price (US$/ton)			
Pellets	30,13	35,03	35,47
Iron ore	15,81	16,57	17,56
Net Revenues	311	371	348
Cost of Goods Sold	(138)	(166)	(163)
Net Financial Result	(163)	25	(14)
Net Earnings	(73)	142	105
Gross Margin (%)	56	55	53
EBITDA	137	168	163
EBITDA Margin (%)	44,1	167,9	162,6
Gross Debt (US$ million)	322	138	136
- Short Term	76	-	-
- Long Term	246	138	136
GIIC*	**3Q02**	**2Q03**	**3Q03**
Quantity Sold (‘000 tons)	643	1.178	900
Export Market	643	1.178	900
Average Price (US$/ton)	41,55	43,30	41,18
Net Revenues	104	140	120
Cost of Goods Sold	(97)	(106)	(88)
Net Financial Result	(1)	(1)	(1)
Net Earnings	8	21	20
Gross Margin (%)	6,7	23,8	26,3
EBITDA	14	24	23
EBITDA Margin (%)	13,0	16,9	18,9
Gross Debt (US$ million)	40	35	30
- Short Term	-	-	-
- Long Term	40	35	30

*Financial indicators calculated according to IASC norms (International Accounting Standards Committee)

MANGANESE AND FERRO-ALLOY COMPANIES -FINANCIAL INDICATORS			
			R$ million
SIBRA (Consolidated)	3Q02	2Q03	3Q03
Quantity Sold - Ferro Alloys (‘000 tons)	104	78	90
Export Market	63	40	47
Domestic Market	41	38	43
Average Price (US$/ton)	442.63	606.47	569.57
Quantity Sold - Manganese (‘000 tons)	239	382	344
Export Market	181	306	261
Domestic Market	58	76	83
Average Price (US$/ton)	46.38	42.93	45.52
Net Revenues	168	171	177
Cost of Goods Sold	(101)	(93)	(112)
Net Financial Result	13	(19)	(6)
Net Earnings	46	25	29
Gross Margin (%)	39.7	45.6	36.8
EBITDA	53	57	43
EBITDA Margin (%)	31.7	33.3	24.2
Gross Debt (US$ million)	45	64	58
- Short Term	25	25	18
- Long Term	20	39	40
URUCUM	3Q02	2Q03	3Q03
Quantity Sold - Iron ore (‘000 tons)	198	174	217
Export Market	197	174	214
Domestic Market	1	-	3
Average Price (US$/ton)	14.31	15.03	15.67
Quantity Sold - Manganese (‘000 tons)	78	109	107
Export Market	25	43	52
Domestic Market	53	66	55
Average Price (US$/ton)	40.76	37.18	40.66
Quantity Sold - Ferro Alloys (‘000 tons)	3	3	8
Export Market	3	3	8
Domestic Market	-	-	-
Average Price (US$/ton)	452.09	503.55	483.38
Net Revenues	21	23	31
Cost of Goods Sold	(9)	(10)	(18)
Net Financial Result	5	(7)	0
Net Earnings	5	7	5
Gross Margin (%)	57.8	57.2	43.8
EBITDA	12	15	10
EBITDA Margin (%)	55.7	65.7	31.2
Gross Debt (US$ million)	-	5	5
- Short Term	-	5	5
- Long Term	-	-	-

ALUMINUM COMPANIES – FINANCIAL INDICATORS			
			R$million
MRN	**3Q02**	**2Q03**	**3Q03**
Quantity Sold (‘000 tons)	2,554	3,512	4,049
Export Markets	740	958	1,324
Domestic Market	1,814	2,554	2,725
Average Price (US$/ton)	18.46	18.98	19.21
Net Revenues	147	184	211
Cost of Goods Sold	(73)	(89)	(100)
Net Financial Result	(74)	(11)	(2)
Net Earnings	(7)	75	97
Gross Margin (%)	50.5	51.5	52.8
EBITDA	87	110	128
EBITDA Margin (%)	59.3	59.6	60.5
Gross Debt (US$ million)	101	200	203
- Short Term	23	134	145
- Long Term	78	65	58
ALUNORTE	**3Q02**	**2Q03**	**3Q03**
Quantity Sold (‘000 tons)	348	537	631
Export Market	115	303	395
Domestic Market	233	234	236
Average Price (US$/ton)	170.13	173.68	185.78
Net Revenues	196	273	340
Cost of Goods Sold	(131)	(218)	(235)
Net Financial Result	(374)	137	(62)
Net Earnings	(307)	151	23
Gross Margin (%)	33.1	20.2	30.9
EBITDA	74	68	109
EBITDA Margin (%)	37.5	25.1	32.2
Gross Debt (US$ million)	473	498	487
- Short Term	-	4	8
- Long Term	473	494	479
ALBRAS	**3Q02**	**2Q03**	**3Q03**
Quantity Sold (‘000 tons)	104	106	111
Export Market	101	102	107
Domestic Market	3	4	4
Average Price (US$/ton)	1,289.68	1,326.07	1,366.25
Net Revenues	414	424	446
Cost of Goods Sold	(249)	(271)	(274)
Net Financial Result	(505)	176	(76)
Net Earnings	(322)	247	71
Gross Margin (%)	39.9	35.9	38.5
EBITDA	161	157	170
EBITDA Margin (%)	38.8	37.1	38.1
Gross Debt (US$ million)	519	400	387
- Short Term	20	-	-
- Long Term	499	400	387

ALUMINUM COMPANIES – FINANCIAL INDICATORS			
			R$million
VALESUL	3Q02	2Q03	3Q03
Quantity Sold (‘000 tons)	18	24	26
Export Market	8	15	17
Domestic Market	10	9	9
Average Price (US$/ton)	1,654.96	1,685.83	1,668.32
Net Revenues	94	112	121
Cost of Goods Sold	(62)	(89)	(99)
Net Financial Result	(1)	-	1
Net Earnings	20	3	13
Gross Margin (%)	34.1	21.1	18.3
EBITDA	28	14	22
EBITDA Margin (%)	30.1	12.8	18.0
Gross Debt (US$ million)	1	2	2
- Short Term	0	1	1
- Long Term	1	1	1

STEEL COMPANIES – FINANCIAL INDICATORS			
			R$ million
CSI	3Q02	2Q03	3Q03
Quantity Sold (‘000 tons)	508	447	507
Export Markets	508	447	507
Average Price (US$/ton)	382.38	401.96	374.08
Net Revenues	763	521	559
Cost of Goods Sold	(650)	(515)	(571)
Net Financial Result	(36)	(9)	(9)
Net Earnings	60	(3)	(11)
Gross Margin (%)	14.8	1.3	(2.2)
EBITDA	141	30	9
EBITDA Margin (%)	18.5	5.7	1.5