BR GAAP

Companhia Vale do Rio Doce

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PERFORMANCE OF COMPANHIA VALE DO RIO DOCE IN 2004

The financial and operational information contained in this press release, except where otherwise indicated, was calculated in accordance with generally accepted Brazilian accounting principles (Brazilian GAAP). As will be explicitly indicated in the text, such information may refer to the financial statements of the Parent Company or the consolidated financial statements. In the case of the consolidated financial statements, according to the criteria of Brazilian GAAP, those companies in which CVRD has effective control or shared control as defined by shareholders agreement, are included in the consolidated figures. In the instances where CVRD has effective control, the consolidation is carried out on a 100% basis and the difference between this amount and the percentage of CVRD's equity stake in the subsidiary is discounted at the minority shareholding line. CVRD's main subsidiaries are Caemi, Alunorte, Albras, RDM, RDME, RDMN, Urucum Mineração, Docenave, Ferrovia Centro-Atlântica (FCA), Rio Doce Europa, Itaco, CVRD Overseas and Rio Doce International Finance. For companies in which control is shared, the consolidated figures are proportional to the equity stake held by CVRD in each company. The main companies in which CVRD has shared control are MRN, Valesul, Kobrasco, Nibrasco, Hispanobras, Itabrasco, GIIC, Samarco and CSI.[1] Staring 1Q05, CVRD will release BRGAAP Consolidated financial and operational figures on a quarterly basis.

BEATING RECORDS AND CREATING VALUE

Rio de Janeiro, March 21st 2005 – Companhia Vale do Rio Doce (CVRD) hereby reports net earnings of R$ 6.460 billion for the year 2004, 43.3% higher than the previous year's net earnings of R$ 4.509 billion, so setting a new record. Net earnings per share amounted to R$ 5.61. Return on equity (ROE) of 35.6%, exceeded the figure of 30.2% achieved in 2003.

The combination of considerable expansion in the global demand for ore and metals and the expansion in the capacity of all operational activities, achieved by the carrying out of highly competitive expansion projects and well succeeded acquisitions, together with the achievement of significant gains in efficiency, enabled the Company to maintain its excellent track record. This resulted in new records, as well as the substantial creation of value for the shareholders.

SELECTED FINANCIAL INDICATORS - CONSOLIDATED

R$ million	2003	2004
Gross operating revenues	20,895	29,020
Gross margin	43.7%	48.7%
Net earnings	4,509	6,460
Net earnings per share (R$)	3.92	5.61
EBITDA	8,100	12,249
EBIT	6,665	10,306
EBIT margin	33.1%	37.4%
ROE	30.2%	35.6%
Exports (US$ million)	4,229	5,534

[1] Albras became wholly consolidated in CVRD's balance sheet from January 2004. In this report, all the information related to 2003 has been revised to include the integral consolidation of Albras making comparisons easier with 2004 results.

Over the period 2001-2004 the average total shareholder return (TSR) was 38.9% per year, for 2004 alone TSR was 45.9%.

Operational performance, as measured by EBIT (earnings before interest and taxes) amounted to R$ 10.306 billion, compared to R$ 6.665 billion in 2003, setting a new record. EBIT margin amounted to 37.4%, compared to 33.1% in the previous year.

Consolidated cash generation, as measured by EBITDA (earnings before interest, tax, depreciation and amortization) was the largest in CVRD's history, totalling R$ 12.249 billion, an increase of 51.2% compared to 2003.

Consolidated exports amounted to US$ 5.534 billion, an increase of 30.8% on the figure for the previous year. Net exports (exports less imports) amounted to US$ 4.618 billion, an increase of 25.7% compared to 2003. Once again, CVRD was the company that most contributed to Brazil's trade balance, accounting for 13.7% of the US$ 33.7 billion surplus obtained in 2004, the largest in the history of the Brazilian economy.

Various other records were set in 2004:

- consolidated gross revenues of R$ 29.020 billion compared to R$ 20.895 billion in 2003, an increase of 38.9%;
- sales of iron ore and pellets of 231.504 million tons, 23.9% higher than that achieved in 2003;
- sales of manganese ore of 999 thousand tons, an increase of 12.9% in relation to 2003;
- sales of ferro-alloys of 542 thousand tons, 5.9% higher than sales in 2003;
- sales of bauxite, of 5.429 million tons, an increase of 25.5% compared to 2003;
- sales of kaolin, of 1.207 million tons, an increase of 65.1% compared to 2003;
- volume transported by railroad for clients (general cargo and iron ore) amounted to 40.055 billion net ton kilometres (NTKs), 32.8% higher than in 2003, when 30.171 billion NTKs were transported.

In 2004, four important projects were completed: the Sossego copper mine, the expansion of iron ore production capacity at Carajás to 70 million tons a year, Pier III at the Ponta da Madeira maritime terminal, and the Candonga hydroelectric power plant.

CVRD invested US$ 1.956 billion during the year, an amount calculated according to generally accepted accounting principles in the United States (US GAAP), the second largest in real terms in the Company's history. Of this, US$ 1.245 billion went into organic growth, US$ 568 million into sustaining capex, and US$ 143 million in acquisitions.

In 2004, shareholders received dividends of R$ 2.271 billion, corresponding to R$ 1.96 per share. This amount was 17.7% higher than that distributed in 2003, and 25.7% higher than the distribution in 2002.

BUSINESS OUTLOOK

In spite of the slowdown in the second half, the world economy is estimated to have grown by 4.8% in 2004, the highest rate in the last 20 years, while international trade grew by 18.6% in the year – the highest expansion since 1995.

The recovery was led by the United States, with GDP growth of 4.4%. A 9.5% expansion of the Chinese economy was also extremely important for the excellent performance of the world economy. In broad terms it was a synchronized recovery, though with reasonable variance between regions: 1.7% growth in the Euro zone, 2.6% in Japan, and 6% in Latin America, with the Brazilian economy showing its best performance since 1994 with GDP growth of 5.2%.

As well as the natural cyclical effect of the global economy recovery, the strong growth of China, faster than its already high average annual growth rate over the last 20 years (9.2%), and the fact that its economy is an intensive user of industrial raw materials at this stage of economic development, contributed to considerable demand pressure for ores and metals.

In response to the acceleration of demand, world steel production exceeded one billion tons for the first time, reaching 1.055 billion in the year, 8.8% higher than 2003, and almost double the average annual growth rate of 4.5% in the post-Asian-crisis period (1998-2003). In spite of this significant supply reaction, for the second year running there was a substantial increase in the prices of steel products.

Also as a result of this movement, seaborne iron ore trade grew to 602 million tons in 2004, 12.1% more than in 2003. Part of the disequilibrium between supply and demand was satisfied by the emergence of a spot market of considerable scale, in which prices reached multiples of the benchmark prices.

We expect the world economy to continue to grow at a rate above average long-term trend, although more slowly than in the first half of 2004. Together with the good outlook for the performance of the Chinese economy this tends to support up cycle of ores and metals prices.

Although investments by the global metals and mining industry are firmly expanding, indicating that in 2005 they could reach twice their amount of 2002, we believe that, at least for the next two years, reasonably large-scale imbalances between supply and demand in several markets continue to exist, especially iron ore, alumina and aluminum.

Capacity utilization levels are extremely high, resulting in higher operational costs and problems in the supply chain. Inventories, both in absolute terms and also in relation to consumption, are at historically low levels, while a considerable portion of the increase in the value of investments programmed is due to the increase in the cost of equipment. Further, the average time between the decision to invest and the conclusion of a project is relatively long, and has increased, worldwide, due to the increase in requirements for approval.

In the specific case of iron ore, we estimate an increase of global seaborne demand of 50 million tons. This increase, of 8.3%, would be lower than in 2004, but still shows significant vigor, as this expansion is stonger than the growth trend of the last 10 years – of 5% since the beginning of the 90s. In view of the relative rigidity of supply expansion in the short term, with operation at full capacity and virtual non-existence of inventories, persistence of very tight market conditions can be foreseen.

Although CVRD’s programmed iron ore production for this year is more than 10% greater than in 2004, the Company still faces excess demand.

In 2004 the Company signed contracts for supply of iron ore and pellets totaling approximately 750 million tons with about 40 clients in the Americas, Asia and Europe, with weighted average maturity of seven years. The shipments under these new contracts will provide support for investments in expansion of production capacity.

According to estimates by the *International Copper Study Group* there was a 705,000-ton deficit in copper in 2004, after an imbalance between demand and production of 368,000 tons in 2003. Further more, the known inventories of copper are at their lowest level for the last 18 years. For this year, there is a forecast of balance between supply and demand starting in the third quarter, but without short-term availability for the necessary rebuilding of inventories.

We expect the Brazilian economy to continue to recover from the period of low growth in 2002 and 2003, while exports will continue to increase, resulting in favorable conditions for the logistics services offered by CVRD in Brazil.

RECENT MATERIAL EVENTS

- **Iron ore and pellets: prices for 2005**

On February 22, 2005 CVRD and Nippon Steel agreed a 71.5% increase in prices of iron ore fines from Carajás and Southern System.

On March 3, CVRD completed agreement with Arcelor on prices for blast furnace pellets for 2005: an increase of 86.67% for the Tubarão product and 86.43% for the São Luís product.

The agreement with Nippon Steel marked the first time that CVRD agreed the reference price with an Asian client. This can be explained by the fact that Asia is responsible for more than two thirds of the global seaborne iron ore imports and for approximately 80% of the demand growth in recent years.

- **Fostering growth**

CVRD has announced a capital expenditure budget of US$ 3.332 billion for 2005. Of the total budgeted, 22.1% will be allocated to sustain the existing business, and 77.9% to investment in organic growth.

The amount for organic growth is made up of US$ 2.221 billion to be invested in brownfield and greenfield projects, and US$ 375 million in research and development. This is the largest annual Capex in CVRD’s history, in both nominal and real terms. Over the period 2003-2005, 74% of the Company’s total investment was directed to organic growth, projects, and research and development. CVRD has been accelerating its investments in order to anticipate the start-up of important projects, such as the expansion of iron ore production capacity at Carajás.

The Company has won several international tenders for exploration of mineral deposits that strengthen its growth potential in the long term.

One was an international tender by the government of Mozambique for exploration of coal deposits in the Moatize region, the world´s largest unexplored coal reserve.

The Company paid US$ 122.8 million for the concession. Feasibility studies for exploration of these reserves are currently in progress.

Operations at the African continent will be an important step for CVRD's growth. Besides Mozambique, CVRD is developing mineral exploration activities in Gabon, searching for manganese ore deposits, Angola and South Africa. In Angola, CVRD holds mineral rights over an area of approximately 225.000 square kilometers, with good potential for discovering iron ore, potash, copper, nickel, gold and diamond.

In Argentina, CVRD obtained a license for research, evaluation and exploration of a potash deposit in a region on the Colorado River, in the province of Neuquén.

In Brazil, CVRD won an international tender, for US$ 20.0 million, for research, evaluation and exploration of a bauxite deposit in the region of Pitinga, in the Brazilian state of Amazonas.

In Peru, CVRD obtained the rights to exploration of the Bayóvar phosphates deposit, in the department of Piura.

- **Copper processing plant**

CVRD will build a semi-industrial plant to process copper by the hydrometallurgical route, to test this new technological option for production of the metal from sulphide copper concentrate. The investment is estimated at US$ 58 million and the plant will have production capacity of 10 million tons of copper cathode per year. If the technology is approved, a larger-scale plant will be built for processing of copper from other deposits, such as Salobo.

- **Repurchase of debt securities**

In December 2004 CVRD completed the repurchase of US$ 186.996 million of its US$ 300 million debt issue with political risk insurance (PRI) and maturity in 2007.

- **Minimum dividend to shareholders of US$ 1 billion**

CVRD's senior management will submit a proposal to the Board of Directors for payment of minimum dividend of US$ 1 billion to shareholders for 2005, corresponding to US$ 0.87 per share outstanding.

RECORD SALES AND REVENUES

Consolidated gross revenues amounted to R$ 29.020 billion, the largest in the Company's history, being 38.9% higher than that obtained in 2003. The average appreciation of the Brazilian real against the US dollar, of 4.8% during 2004, had an unfavourable effect on CVRD's revenues in reais, to the extent that around 84% of the Company's revenues are denominated and/or indexed to the US dollar. Between the fourth quarter of 2002 and the fourth quarter of 2004, the real appreciated by an average of 32.2% compared to the US dollar, which was not enough to prevent a strong increase in the Company's revenues and cash generation.

In terms of geographical distribution, the revenue from sales to Europe, of R$ 8.012 billion, accounted for 27.6% of the total, to Brazil 23.9%, the USA 11.3%, China 10.6% and Japan 8.7%. Compared to 2003, the highest rates of growth were seen in the sales revenue from the United States, up 63.3%, from China, up 52.1% and Asian emerging markets (ex China) up 44.0%.

The gross margin achieved in 2004 was 48.7%, compared to 43.7% in 2003.

SALES VOLUME - CONSOLIDATED		
		thousand tons
	2003	2004
Iron ore	154,172	190,651
Pellets	32,640	40,853
Manganese	885	999
Ferro alloys	512	542
Copper concentrate	-	269
Potash	674	630
Kaolin	731	1,207
Bauxite	4,326	5,429
Alumina	1,805	1,678
Aluminum	488	477
Railroad transportation (NTK million)	30,171	40,055
Port services	28,743	28,697

Sales of iron ore, of 190.651 million tons, increased by 23.7% compared to 2003, constituting a new record. In 2004, the Company concluded its production capacity expansion at Carajás, to 70 million tons of iron ore a year. Already in this same year, Carajás produced 69.376 million tons, 10.5 million more than in 2003.

To meet the considerable customer demand, 15.9 million tons of iron ore were purchased from small mining companies in the Iron Quadrangle, in the state of Minas Gerais. In 2003, 9.2 million tons were purchased.

Pellets sales volume also set a new record, totalling 40.853 million tons, 25.2% higher than that sold in 2003.

Revenues generated from shipments of iron ore and pellets amounted to R$ 15.549 billion, accounting for 53.6% of the Company's total revenue. This figure was 40.2% higher than that obtained in 2003, as a result of growth in sales volume and rising product prices.

Sales of manganese ore and ferro-alloys also set new records in 2004, with 999 thousand tons of manganese and 542 thousand tons of ferro-alloys, respective increases of 12.9% and 5.9%, compared to the previous year. Revenues from the sale of these products totalled R$ 2.084 billion - 7.2% of consolidated gross revenues.

With the Sossego copper mine entering into operation in the first half of last year, 269 thousand tons of copper concentrate were shipped, corresponding to revenues of R$ 592 million.

Sales of potash amounted to 630 thousand tons, down compared to that recorded in 2003 of 674 thousand tons, generating revenues of R$ 362 million. The weaker performance compared to 2003 is explained by the drop in production at the Taquari-Vassouras mine, from 658 thousand tons in that year to 638 thousand tons in 2004, as a result of a speeding up in the capacity expansion works, and by the low level of inventories, used in that year to support the increased sales.

In 2004, 1.207 million tons of kaolin were sold, resulting in revenues of R$ 468 million. The increase of 65.1% in the shipments of kaolin in relation to the previous year was influenced by the consolidation of Caemi into the Company's figures from September 2003. However, even disregarding the effect of this change, there was an increase in sales, to the extent that PPSA increased its shipments by 9.6%.

Revenues derived from the sale of non-ferrous minerals – copper, potash and kaolin – amounted to R$ 1.423 billion, corresponding to 4.9% of the Company's total consolidated gross revenue.

In 2004, CVRD sold 5.429 million tons of bauxite, a record volume, up 25.5% compared to 2003.

CVRD accelerated its alumina shipments in 2003, reaching 1.805 billion. Part of this volume was obtained due to swaps of alumina with competitors. In 2004, as CVRD had to supply its competitors with the amount received the year before, its sales were reduced in 7,0%, amounting to 1.678 million tons.

Revenues from the sale of products in the aluminum chain amounted to R$ 4.055 billion, an increase of 14.7% compared to 2003.

In 2004, CVRD's railroads transported 40.055 billion NTKs (general cargo and iron ore) for clients, compared to 30.171 billion NTKs transported in 2003. The increase of 48.5% in revenues derived from railroad transport was due to three main factors: an increase in volume, a rise in the price of services and the total consolidation of FCA into CVRD's figures from September 2003.

Revenues derived from logistics services, from railroad transportation, port operations and coastal shipping, amounted to R$ 3.025 billion, which represented an increase of 41.8% relative to 2003, and corresponded to 10.4% of the Company's total net revenues. Railroad transport contributed with revenues of R$ 2.125 billion, port operations and support services with R$ 450 million and coastal shipping with R$ 450 million.

Revenues generated by CVRD's equity stakes in the steel industry amounted to R$ 2.731 billion, 9.4% of the Company's total revenues, which reflected an improvement in performance as a result of the favourable period currently being enjoyed by the steel industry.

GROSS REVENUES - CONSOLIDATED

R$ million

	2003	%	2004	%
Iron ore and pellets	**11,089**	**53.1%**	**15,549**	**53.6%**
iron ore	7,743	**37.1%**	11,030	**38.0%**
pellets	3,346	**16.0%**	4,519	**15.6%**
Pelletizing plants operation services	**68**	**0.3%**	**77**	**0.3%**
Manganese and ferro-alloys	**1,098**	**5.3%**	**2,084**	**7.2%**
Copper concentrate	**-**	**-**	**592**	**2.0%**
Potash	**289**	**1.4%**	**362**	**1.2%**
Kaolin	**320**	**1.5%**	**468**	**1.6%**
Aluminum	**3,534**	**16.9%**	**4,055**	**14.0%**
Logistics	**2,134**	**10.2%**	**3,025**	**10.4%**
railroads	1,431	6.8%	2,125	7.3%
ports	371	1.8%	450	1.6%
shipping	332	1.6%	450	1.6%
Steel products	**2,217**	**10.6%**	**2,731**	**9.4%**
Others	**146**	**0.7%**	**77**	**0.3%**
Total	**20,895**	**100.0%**	**29,020**	**100.0%**

EXCELLENT OPERATIONS IN AN ENVIRONMENT OF COST INFLATION

The mining and metals industry throughout the world have been suffering from cyclical pressure in labour costs, energy and equipment.

In addition, the currencies of the main producing countries, such as the Brazilian real, the Chilean peso, the Canadian dollar, the South African rand and the Australian dollar have all appreciated significantly in relation to the US dollar. On one hand, this phenomenon has stimulated an increase, in US dollar terms, of mineral products prices, but on the other hand, has contributed to an increase in the costs of mining companies. In the case of the Brazilian real, the nominal appreciation against the US dollar amounted to 26.6% between December 2002 and February 2005.

Finally, operating at full capacity implies higher costs, resulting in, for example, demurrage expenses – increasing CVRD expenses from R$ 126 million in 2003 to R$ 245 million in 2004 - and a greater number of maintenance shutdowns.

Aiming to optimize its performance, in 2005 CVRD launched a program of operational excellence. This program is composed of dozens of small projects, whose purpose is to achieve a reduction in costs and gains in productivity.

The excellent operational performance by the Company in 2004 was demonstrated by the obtaining of a record consolidated EBIT, of R$ 10.306 billion. As a result, the previous consolidated EBIT record set in 2003, of R$ 6.665 billion was generously exceeded.

EBIT margin also widened, to 37.4% compared to 33.1% in 2003.

The net effect of the consolidation of Caemi and FCA on gross profit, was of the order of R$ 1.248 billion – increasing revenues by R$ 2.254 billion and the cost of goods sold (COGS) by R$ 1.006 billion – thus contributing to expansion in EBIT.

COGS increased by 24.7% compared to 2003, corresponding to R$ 2.793 billion in absolute numbers. As well as the impact already mentioned from the consolidation on an integral basis of Caemi and FCA, the principal sources of cost pressure were the rises in energy prices (electricity and fuel), salaries, materials and products acquired, especially iron ore purchased from small mining companies, and demurrage, which increased R$ 119 million. These costs, due to the delay in loading ships, reflected the effect of significant demand pressure for iron ore, on the logistics infrastructure.

COGS BREAKDOWN - CONSOLIDATED

R$ million

	2003	%	2004	%
Personnel	1,213	10.7%	1,412	10.0%
Material	1,797	15.9%	2,325	16.5%
Fuel oil and gases	1,362	12.0%	1,597	11.3%
Outsourced services	1,802	15.9%	2,474	17.5%
Energy	998	8.8%	1,253	8.9%
Acquisition of products	2,262	20.0%	2,520	17.8%
Depreciation and exhaustion	1,035	9.1%	1,191	8.4%
Goodwill amortization	166	1.5%	384	2.7%
Others	695	6.1%	967	6.8%
Total	**11,330**	**100.0%**	**14,123**	**100.0%**

Administrative expenses increased by R$ 303 million due to salary increases, 17% in July 2003 and 4.5% in July 2004, and higher expenditure on technical consulting and the incorporation of around 7,500 employees as the result of total consolidation of companies. Expenditure on research and development increased by R$ 191 million as a result of CVRD's decision to gear up its efforts to identify new mineral deposits in Brazil and other countries, in South America, Africa and Asia. The acceleration in the amortization of goodwill paid for the acquisition of Samitri also had a negative effect of R$ 183 million on operating profit.

There was an increase of R$ 200 million in other operational expenses, principally due to provisions for contingency, which increased from R$ 239 million in 2003 to R$ 277 million in 2004and provisions for payment of a bonus to employees of the Company, which increased in R$ 62 million.

RECORD CASH GENERATION R$ 12 BILLION

Consolidated cash generation, as measured by EBITDA, amounted to R$ 12.249 billion, constituting another record. The EBITDA obtained in 2004 was 51.2% higher than that reported in 2003, of R$ 8.100 billion.

Ferrous minerals – iron ore, pellets, manganese and ferro-alloys – contributed with 64.9% of the EBITDA generated in 2004, while the products in the aluminum chain were responsible for 16.0%, logistics services 10.1%, steel 6.5% and non-ferrous minerals 2.5%.

EBITDA CALCULATION - CONSOLIDATED

R$ million

	2003	2004
Net operating revenues	20,116	27,544
Cost of goods sold	(11,330)	(14,123)
SG & A expenses	(1,117)	(1,537)
Research & development expenses	(249)	(440)
Other operational expenses	(755)	(1,138)
Adjustment for non recurring items	95	183
Depreciation & amortization	1,302	1,694
Dividends received	38	66
EBITDA	**8,100**	**12,249**

RECORD NET EARNINGS: R$ 6.5 BILLION

The Company's net earnings in 2004 amounted to R$ 6.460 billion, R$ 5.61 per share. This was an increase of 43.3% compared to the earnings in 2003, of R$ 4.509 billion.

The increase of R$ 7.428 billion in net operating revenues, was partially offset by an increase in COGS, of R$ 2.793 billion and by a negative contribution, of R$ 1.797 billion, from the net financial result.

In 2004, CVRD's net financial result was a negative R$ 2 billion compared to R$ 203 million in 2003. The effect of monetary variation contributed to the deterioration in this result with R$ 1.274 billion.

Result from shareholdings increased by R$ 696 million compared to 2003. The main contributions came from logistics (an increase of R$ 258 million) and steel (an increase of R$ 196 million).

The sale of CVRD's stake in CST generated earnings of R$ 541 million.

In 2004, R$ 1.810 billion was provisioned for income tax and social contribution.

PERFORMANCE OF THE PARENT COMPANY IN THE FOURTH QUARTER 2004 (4Q04)

In 4Q04, CVRD's gross revenues amounted to R$ 3.735 billion, an increase of 29.8% on 4Q03.

The sales of iron ore and pellets amounted to 49.404 million tons and accounted for 75.9% of the gross sales generated by the Parent Company in 4Q04, R$ 2.834 billion. Of this amount, R$ 2.110 billion derived from sales of iron ore, an increase of 16.7% on 4Q03, and R$ 724 million from pellets shipments, compared to R$ 623 million in 4Q03.

In 4Q04, sales of copper concentrate totalled 139 thousand tons, producing gross revenues of R$ 324 million, compared to R$ 196 million in 3Q04 and R$ 72 million in 2Q04, when the first shipment of this product was made.

Sales of potash, 165 thousand tons, were in line with the quantities sold in 4Q03, of 169 thousand tons. Revenue generated in 4Q04, of R$ 98 million, however was up by 34.2%, due to the high price of this product.

In 4Q04, 6.063 billion NTKs were transported via the EFVM and EFC railroads, an increase of 8.2% on 4Q03. Of this total, 4.350 billion NTKs referred to general cargo for CVRD's clients and 1.713 billion NTKs, referred to iron ore and pellets transported for Brazilian clients.

Logistics services were responsible for R$ 392 million in revenues, or 10.5%, of the total revenue generated by CVRD in 4Q04, an increase of 20.2% on 4Q03. Revenue generated by railroad transportation amounted to R$ 305 million and by port services, R$ 87 million.

SALES VOLUME – PARENT COMPANY					
					thousand tons
	4Q03	3Q04	4Q04	2003	2004
Iron ore and pellets	44,797	48,893	49,404	157,913	187,447
iron ore	38,134	41,791	42,382	136,973	159,737
fines	33,263	36,530	37,225	122,018	140,686
lumps	4,871	5,261	5,157	14,955	19,051
pellets	6,663	7,102	7,022	20,940	27,710
Potash	169	161	165	674	630
Copper concentrate	-	96	139	-	269
Port services	5,761	6,654	6,221	25,311	25,406

RAILROAD TRANSPORTATION OF GENERAL CARGO – PARENT COMPANY					
					ntk million
	4Q03	3Q04	4Q04	2003	2004
Vitória a Minas Railroad	3,233	3,724	3,187	12,768	13,536
Carajás Railroad	808	1,310	1,163	3,534	4,686
Total	**4,041**	**5,034**	**4,350**	**16,302**	**18,222**

GROSS REVENUES BY PRODUCT – PARENT COMPANY										
										R$ million
	4Q03	%	3Q04	%	4Q04	%	2003	%	2004	%
Iron ore	**1,808**	**62.9**	**2,214**	**59.2**	**2,110**	**56.5**	**6,492**	**62.6**	**8,092**	**58.7**
domestic market	374	13.0	543	14.5	514	13.8	1,559	15.0	2,009	14.6
export market	1,434	49.9	1,671	44.7	1,596	42.7	4,934	47.6	6,084	44.1
Pellets	**623**	**21.7**	**768**	**20.5**	**724**	**19.4**	**1,982**	**19.1**	**2,949**	**21.4**
domestic market	120	4.2	157	4.2	160	4.3	361	3.5	590	4.3
export market	503	17.5	611	16.3	564	15.1	1,621	15.6	2,359	17.1
Pelletizing plants operation services	**41**	**1.4**	**34**	**0.9**	**40**	**1.1**	**137**	**1.3**	**156**	**1.1**
Copper concentrate	**-**	**-**	**196**	**5**	**324**	**8.7**	**-**	**-**	**592**	**4.3**
Potash	**72**	**2.5**	**103**	**2.8**	**98**	**2.6**	**289**	**2.8**	**362**	**2.6**
Railroad transportation	**249**	**8.7**	**333**	**8.9**	**305**	**8.2**	**1,059**	**10.2**	**1,218**	**8.8**
Port services	**77**	**2.7**	**89**	**2.4**	**87**	**2.3**	**307**	**3.0**	**338**	**2.5**
Others	**6**	**0.2**	**6**	**0.2**	**47**	**1.3**	**99**	**1.0**	**77**	**0.6**
Total	**2,876**	**100.0**	**3,742**	**100.0**	**3,735**	**100.0**	**10,365**	**100.0**	**13,785**	**100.0**

In 4Q04, EBIT amounted to R$ 1.097 billion, 22.8% higher than that obtained in 4Q03. EBIT margin amounted to 30.8%, compared to 31.9% in 4Q03.

EBITDA amounted to R$ 1.602 billion, 29.3% higher than the amount reported in 4Q03, of R$ 1.239 billion. In 4Q04, dividends received totalled R$ 245 million, R$ 85 million from Samarco, R$ 84 million from Docenave, R$ 30 million from Usiminas and R$ 36 million from Mineração Rio do Norte (MRN).

EBITDA CALCULATION – PARENT COMPANY					
					R$ million
	4Q03	3Q04	4Q04	2003	2004
Net operating revenues	2,798	3,534	3,563	10,013	13,088
COGS	(1,548)	(1,855)	(2,041)	(5,357)	(7,147)
Sales expenses	(64)	(8)	(7)	(216)	(26)
Administrative expenses	(124)	(123)	(169)	(406)	(531)
Research & development	(95)	(99)	(111)	(233)	(349)
Other operational expenses	(74)	(237)	(138)	(320)	(731)
EBIT	**893**	**1,212**	**1,097**	**3,481**	**4,305**
Depreciation and amortization	244	258	260	759	1,007
Dividends received	102	68	245	602	716
Adjustments for non-recurring items	-	-	-	36	183
EBITDA	**1,239**	**1,538**	**1,602**	**4,878**	**6,211**

Net earnings by the Parent Company in 4Q04 amounted to R$ 1.528 billion, an increase of 92.7% compared to 4Q03. Among the main reasons contributing to this increase of R$ 735 million in earnings, we would like to highlight the increase in gross revenues of R$ 858 million and the result from shareholdings, up R$ 553 million, while at the same time monetary variation had a positive impact of R$ 427 million. On the negative side, there was an increase of R$ 571 million in provisions for the payment of income tax and social contribution, and a rise of R$ 493 million in COGS.

COGS BREAKDOWN – PARENT COMPANY										
										R$ million
	4Q03	%	3Q04	%	4Q04	%	2003	%	2004	%
Personnel	185	12.0	191	10.3	185	9.1	572	10.7	691	9.7
Material	243	15.7	350	18.9	432	21.2	874	16.3	1,349	18.9
Fuel oil and gases	180	11.6	204	11.0	217	10.6	636	11.9	776	10.9
Outsourced services	250	16.1	269	14.5	228	11.2	753	14.1	971	13.6
Outsourced transportation	50	3.2	73	3.9	130	6.4	86	1.6	358	5.0
Energy	51	3.3	69	3.7	50	2.4	151	2.8	217	3.0
Acquisition of products	249	16.1	346	18.7	367	18.0	1,192	22.3	1,337	18.7
Depreciation and amortization	230	14.9	247	13.3	254	12.4	720	13.4	968	13.5
Others	110	7.1	106	5.7	178	8.7	373	7.0	481	6.7
Total	**1,548**	**100.0**	**1,855**	**100.0**	**2,041**	**100.0**	**5,357**	**100.0**	**7,147**	**100.0**

RESULT FROM SHAREHOLDINGS BY BUSINESS AREA – PARENT COMPANY					
					R$ million
Business Área	4Q03	3Q04	4Q04	2003	2004
Ferrous minerals	**208**	**496**	**336**	**469**	**1,713**
iron ore and pellets	9	324	215	198	1,217
manganese and ferro-alloys	199	172	121	270	495
Non-ferrous minerals	**(49)**	**16**	**(25)**	**(24)**	**(5)**
Logistics	**(150)**	**36**	**-**	**(359)**	**63**
Steel	**86**	**125**	**207**	**301**	**752**
Aluminum	**93**	**235**	**176**	**711**	**729**
Others	**(39)**	**(5)**	**8**	**24**	**-**
Total	**149**	**903**	**702**	**1,122**	**3,251**

HIGHLIGHTS OF THE PARENT COMPANY'S PERFORMANCE IN 2004

Gross revenues of the Parent Company in 2004 amounted to R$ 13.785 billion, a new record, compared to R$ 10.367 billion in 2003. Of this amount, R$ 2.515 billion referred to higher volumes sold and R$ 1.338 billion, increase in prices, partially offset by a loss of R$ 435 million as a result of the average appreciation of 4.8% in the Brazilian real, against the US dollar in 2004.

Sales of iron ore and pellets totalled 187.447 million tons, accounting for 80.1% of the revenues generated by the Parent Company in 2004. Shipments of potash accounted for 2.6% of revenues. The revenues obtained from the sales of copper concentrate starting from June, amounted to R$ 592 million, representing 4.3% of the total revenues of the Parent Company.

In 2004, 24.941 billion NTKs were transported by the EFVM and EFC railroads, an increase of 11.2% on the previous year, which saw 22.434 billion NTKs transported. Of this total, 18.222 billion NTKs referred to general cargo for clients of CVRD and 6.719 billion NTKs referred to iron ore and pellets for Brazilian clients.

The logistics services provided by the Parent Company, railroad transportation and port services, produced revenues of R$ 1.556 billion in 2004, which accounted for 11.3% of the total revenue.

EBIT amounted to R$ 4.305 billion, compared to R$ 3.480 billion in 2003. EBITDA totalled R$ 6.211 billion, in comparison to R$ 4.876 billion in the previous year. Dividends received by the Parent Company in 2004 amounted to R$ 716 million, the main contributions being made by Samarco, MRN and Usiminas.

The sale of CVRD's equity stake in CST generated earnings of R$ 541 million.

In 2004, a provision of R$ 885 million was made for the payment of income tax and social contribution.

DEBT: LOWER LEVERAGE, HIGHER INTEREST COVERAGE, LOWER RISK PROFILE

The below analysis is based on US GAAP figures.

CVRD’s total debt on December 31, 2004 was US$ 4.088 billion, US$ 330 million lower than on September 30, 2004, US$ 4.418 billion. Part of the reduction on debt was due to repurchase of 62.33% of the US$ 300 million PRI bonds outstanding issued in 2002 and due in 2007. The purpose of this transaction was the improvement of cash management with the buyback of securities that did not fully reflect the Company’s level of risk.

Net debt at the end of December 2004 was US$ 2.839 billion, compared to US$ 2.479 billion at the end of September, and US$ 3.443 billion at the end of December 2003.

The Company’s leverage indicators improved substantially: gross debt/adjusted EBITDA fell from 1.89x as of December 31, 2003 to 1.10x as of December 31, 2004. Total debt/enterprise value fell from 16.0% to 11.8%. Interest coverage measured as adjusted EBITDA/interest paid increased, from 11.51x at the end of 2003 to 12.41x at the end of 2004. These changes are in line with the Company’s strategy of preserving a sound balance sheet.

CVRD has also been successful in reducing the implicit risk of its debt portfolio. Average debt maturity was increased, from 3.60 years at December 2003 to 6.83 years at December 2004, helping reduce refinancing risks. One of the main factors in this change was the issue of a 30-year bond, CVRD 2034. At the same time the percentage of debt with floating interest rates decreased from 71% in December 2002 to 56% in December 2004, reducing interest rate risk. The change in the risk profile took place with an increase in the average cost of debt of less than 100 basis points.

The Company contracted committed credit lines totaling US$ 500 million, contributing to efficiency in cash management and reducing risks of liquidity.

CVRD is rated *Ba1* by Moody’s, only one notch below investment grade, with a positive outlook. In view of the importance of cost of capital for its growth projects and creation of value for the shareholders, obtaining the investment grade rating is one of the Company’s main targets.

DEBT INDICATORS - US GAAP

US$ million

	4Q03	3Q04	4Q04	2003	2004
Gross debt	4,028	4,418	4,088	4,028	4,088
Net debt	3,443	2,479	2,839	3,443	2,839
Gross debt / LTM adjusted EBITDA (x)	1.89	1.34	1.10	1.89	1.10
LTM adjusted EBITDA / LTM interest expenses (x)	11.51	13.00	12.41	11.51	11.51
Gross debt / EV (x)	0.16	0.16	0.12	0.16	0.12

EV = Enterprise Value = Market Capitalization + Net Debt

CONFERENCE CALL/*WEBCAST*

On Wednesday, March 23, CVRD will be holding a conference call and webcast at 12:00pm (Rio de Janeiro time), 10:00am US Eastern Standard Time and 3:00pm British Standard Time. Instructions for participating in the conference call/webcast are available on CVRD's website, www.cvrd.com.br, investor relations. A recording of the conference call/webcast will be available on the Company´s website for 90 days following March 23, 2005.

FINANCIAL STATEMENTS – CONSOLIDATED

R$ million

	2003	2004
Gross operating revenues	**20,895**	**29,020**
Taxes	(779)	(1,476)
Net operating revenues	**20,116**	**27,544**
Cost of goods sold	(11,330)	(14,123)
Gross profit	**8,786**	**13,421**
Gross margin (%)	43.7%	48.7%
Operational expenses	**(2,121)**	**(3,115)**
Sales	(295)	(412)
Administrative	(822)	(1,125)
Research and development	(249)	(440)
Other operational expenses	(755)	(955)
Change accounting pratices	-	(183)
Result from shareholdings	**(540)**	**156**
Equity income	209	408
Goodwill amortization	(612)	(252)
Provision for losses	(137)	-
Financial result	**(203)**	**(2,000)**
Financial expenses	(1,368)	(1,866)
Financial revenues	322	297
Monetary variation	843	(431)
Operating profit	**5,922**	**8,462**
Result of discontinued operations	174	551
Change in accounting method	(91)	-
Income tax and social contribution	(963)	(1,810)
Minority interest	(533)	(743)
Net earnings	**4,509**	**6,460**

BALANCE SHEET - CONSOLIDATED

R$ million

	12/31/03	12/31/04
Asset		
Current	8,709	11,930
Long term	3,764	3,711
Fixed	25,266	27,831
Total	**37,739**	**43,472**
Liabilities		
Current	7,697	9,326
Long term	13,481	13,935
Others	1,621	2,041
Shareholders' equity	14,940	18,170
Paid-up capital	6,300	7,300
Reserves	8,640	10,870
Total	**37,739**	**43,472**

BR GAAP

FINANCIAL STATEMENTS – PARENT COMPANY					
					R$ million
	4Q03	3Q04	4Q04	2003	2004
Gross operating revenues	**2,877**	**3,742**	**3,735**	**10,367**	**13,785**
Taxes	(79)	(208)	(172)	(354)	(697)
Net operating revenues	**2,798**	**3,534**	**3,563**	**10,013**	**13,088**
Cost of goods sold	(1,548)	(1,855)	(2,041)	(5,357)	(7,147)
Gross profit	**1,250**	**1,679**	**1,522**	**4,656**	**5,941**
Gross margin (%)	44.7	47.5	42.7	46.5	45.4
Operational expenses	**(357)**	**(467)**	**(425)**	**(1,176)**	**(1,636)**
Sales	(64)	(8)	(7)	(217)	(26)
Administrative	(124)	(123)	(169)	(406)	(531)
Research and development	(95)	(99)	(111)	(233)	(349)
Other operational expenses	(74)	(237)	(138)	(320)	(548)
Change accounting pratices	-	-	-	-	(183)
Operating profit	**893**	**1,212**	**1,097**	**3,479**	**4,305**
Result from shareholdings	**149**	**903**	**702**	**1,122**	**3,251**
Equity income	417	970	769	1,452	3,581
Goodwill amortization	(114)	(57)	(55)	(505)	(249)
Provision for losses	(154)	(10)	(12)	175	(81)
Financial result	**(261)**	**(54)**	**211**	**395**	**(751)**
Financial expenses	(240)	(276)	(172)	(732)	(766)
Financial revenues	51	24	28	222	101
Monetary variation	(72)	198	355	905	(86)
Gain on sale of affiliates	-	463	78	-	541
Income tax and social contribution	11	(228)	(560)	(487)	(885)
Net earnings	**793**	**2,296**	**1,528**	4,509	6,460
Earnings per share (R$)	**0.69**	**1.99**	**1.33**	**3.92**	**5.61**

BALANCE SHEET – PARENT COMPANY			
			R$ million
	12/31/03	09/30/04	12/31/04
Asset			
Current	4,009	5,818	4,726
Long term	2,603	2,734	2,391
Fixed	23,604	27,163	28,221
Total	**30,216**	**35,715**	**35,339**
Liabilities			
Current	5,248	6,012	6,793
Long term	10,027	11,082	10,376
Shareholders' equity	14,940	18,621	18,170
Paid-up capital	6,300	7,300	7,300
Reserves	8,640	11,321	10,870
Total	**30,216**	**35,715**	**35,339**