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Companhia Vale do Rio Doce

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

The financial and operational information contained in this press release, except whether otherwise indicated, is based on consolidated figures, according to the United States generally accepted accounting principles ("US GAAP"). This information, with the exception of that referring to investments and markets, is based on the quarterly financial statements, which have been reviewed by the independent accountants. The main subsidiaries of CVRD which form part of these consolidated figures are: RDME, Sibra, Ferteco, Urucum Mineração, Pará Pigmentos, Docenave, Aluvale, Alunorte, Florestas Rio Doce, Celmar, Rio Doce Europa, Itaco, CVRD Overseas and Rio Doce Finance International.

Rio de Janeiro, May 14, 2003 – Companhia Vale do Rio Doce (CVRD) has reported a net profit of US$ 354 million in the first quarter of 2003 (1Q03), corresponding to US$ 0.92 per share and 28.7% higher than in 1Q02. Return on equity (ROE), on an annualized basis, reached 38.9%.

Gross operating revenues amounted to US$ 1.153 billion, up 16.8 % in relation to 1Q02. EBITDA (earnings before interest, tax, depreciation and amortization), amounted to US$ 442 million, increasing 11.3% yoy. EBITDA margin, the ratio between EBITDA and net revenues, amounted to 39.8 %, lower than that in 1Q02, of 41.7 %.

CVRD showed a solid performance, despite a slow global GDP growth and heavy rainfall which adversely affected the Company's iron ore operations. This result reflects a good strategy execution and a strong commitment to shareholder value creation.

The Board of Directors approved the proposal by the Executive Committee, announced on January 30, 2003, for the payment of interest on shareholders' equity of R$ 1.62 per share, totalling R$ 621.8 million, equivalent to US$200 million. This payment was made from 30 April onwards and is the first instalment of the minimum dividend to shareholders referring to the year 2003, of US$ 1.04 per share, publicly announced on January 30, 2003.

The figure of R$ 1.62 per share was obtained through the conversion of the figure of US$ 0.52 per share into Reais, at R$ 3.1154 per US$, the rate of exchange offered by Brazilian Central Bank on 15 April 2003, in line with the procedures announced publicly on January 30, 2003.

The payment made was the first to be set out under the norms of CVRD's Dividend Policy, approved and publicly announced on November 13, 2002. The definition of this policy, a pioneer initiative in Latin America, had the main object of reducing uncertainty to the shareholder, guaranteeing a minimum level of dividend from the first month of the year.

The volume of iron ore and pellets shipped in the quarter amounted was the second largest in the history of the Company. Shipments amounted to 42.519 million tons, lower than the record of 43.960 million tons achieved in 4Q02, but 15.8% higher than that recorded in 1Q02. Although there is excess demand in the global seaborne market, iron ore shipments in 1Q03, of 36.380 million tons, were lower than those in 4Q02, of 37.358 million tons, not only due to seasonal effects but also temporary logistics problems. Pellet shipments, which amounted to 6.139 million tons, were up 57.7% in comparison to 1QO2, and down 7.0% compared to 4Q02.

The heavy rains which fell in the Southeast of Brazil in the first few months of the year affected logistics operations for several days and caused problems in the functioning of the Gongo Soco mine in the Southern System, resulting in a temporary shutdown in its activities. Operations at Gongo Soco have already been restarted, and production is expected to reach full capacity during this month.

CVRD has been maximizing its efforts to cater to customer demand, increasing productivity in its mines – production at Carajás in March, of 5.2 million tons, was the highest since operations there began in 1985 – and purchasing iron ore from other mining companies.

At the same time, the Company is investing in iron ore mining – developing the Brucutu and Fabrica Nova mines in the Southern System and enlarging capacity at Carajás. It has also been making investments in logistics, building Pier III at the Ponta da Madeira Maritime Terminal and increasing the shiploading speed capacity at the port of Tubarão. These investments, estimated at some US$ 500 million over the next few years, will replace the capacity that will be lost through the exhaustion of various mines in the Southern System, and will add the capacity needed to enable CVRD to meet continued growth in demand.

Despite all these efforts, it is expected that the excess demand in the global seaborne iron ore market will persist during 2004, given that the greater part of CVRD's expansion projects and those of its main peers, will only begin operations by 2005.

Sales of alumina in the quarter amounted to 546,000 tons, up 8,8% in relation to 4Q02. CVRD also sold about 49,000 tons of primary aluminium, being the Company's take from Albras. Manganese ore sales amounted to 229,000 tons and sales of ferro-alloys amounted to 141,000 tons.

CVRD’s railways – Vitoria a Minas and Carajás – in 1Q03 transported 3.389 billion net ton kilometers (ntk) of general cargo (products other than iron ore and pellets) for clients, compared to 3.787 billion ntk in 4Q02 and 3.401 billion ntk in 1Q02. Ports and marine terminals handled 5.888 million tons of general cargo for clients, compared to 6.003 million in 4Q02 and 4.822 million in 1Q02.

In 1Q03 investments amounted to US$ 222.7 million. Additionally, US$ 17.6 million was spent on purchasing control of Elkem Rana, a Norwegian ferro-alloys producer, now renamed Rio Doce Manganese Norway.

SELECTED FINANCIAL INDICATORS			
			million US$
	1Q02	4Q02	1Q03
Gross Operating Revenue	987	1,101	1,153
Gross Margin (%)	43.3	44.4	42.3
Net Earnings	275	569	354
EBITDA	397	438	442
EBITDA Margin (%)	41.7	41.4	39.8
ROE annualized (%)	23.0	69.2	38.9
Investments *	160.9	272.7	240.3

*including acquisitions

CHANGES IN PROCEDURES

CVRD's quarterly financial statements, in US GAAP and BR GAAP, are now reviewed by independent accountants.

The methodology for the calculation of EBITDA has been modified. EBITDA represents operating income plus depreciation, amortization and depletion plus impairment plus dividends received from affiliates and joint ventures. EBITDA will also be adjusted by non-recurring factors when they occur.

We consider non-recurring factors extraordinary events that are not similar to events that have occurred during the prior 2 years and whose recurrence is not expected within the next 2 years, and we will adjust EBITDA in such a way as to capture the trend of this variable over time, eliminating sudden fluctuations. We are also publishing the quarterly and annual EBITDA amounts for the year 2002, calculated according to the new methodology, which are compared with the previous figures derived from the former methodology used.

CVRD believes that presenting EBITDA figures excluding one-time charges is an additional measure of performance that investors can use to compare operating results between reporting periods.

With the aim of making the effects of certain reclassifications clear, we are showing the revised quarterly financial statements for 2002. It is important to emphasize that this does not imply any changes to the quarterly and annual net earnings figures published in 2002.

The changes performed are intended to augment CVRD's financial transparency, reinforcing the respect for investors' rights through the adoption of the best international practices.

RELEVANT EVENTS

Strategic moves and value creation

Various important strategic moves were made that have significant repercussions on CVRD's ferrous minerals and logistics businesses, consistent with shareholder value creation.

On March 31 an agreement was signed with Mitsui & Co. Ltd. for the purchase, for US$ 426.4 million, of 50% of the common share capital and 40% of the preferred share capital of Caemi Mineração e Metalurgia S. A. (Caemi), the world's fourth largest iron ore producer. This transaction is subject to approval by the anti-trust authorities and once completed, CVRD will own all the common shares in Caemi and 40% of the company's preferred shares, representing 60.2% of the total capital.

CVRD completed the purchase of 5.17% of the total capital of CST for US$ 59.7 million. CVRD has the option, built into the contract, to divest from 2007. The Board of Directors of CST has approved the construction of a third blast furnace for its steel plant. The conclusion of this project, scheduled for March 2006, will increase CVRD's sales of iron ore and pellets to CST by approximately 4 million tons a year.

CVRD and Nucor, the largest steelmaker in North America, have signed a contract for the construction and operation of a pig iron plant in the north of Brazil, with an initial production capacity of 380,000 tons a year. The plant will utilize iron ore from Carajás and charcoal produced from eucalyptus trees planted in the forests of Celmar, a wholly owned subsidiary of CVRD. Total investment in this project will amount to US$ 80 million, with 78% of the capital owned by CVRD and 22% by Nucor.

The creation of this joint venture is part of the Company's strategy of increasing its penetration into the North American market, boosting the sales of iron ore through the manufacture and sale of semi-finished iron and steel products.

CVRD acquired Elkem Rana AS, a producer of alloys located in Mo I Rana in Norway, for US$ 17.6 million,. The plant, which previously produced ferro-chrome alloys, is to be converted for the production of ferro-manganese alloys, supplied by manganese ore produced from CVRD's mines in Brazil. The company, which has been renamed Rio Doce Manganese Norway (RDMN), will increase CVRD's presence in the global manganese and alloy markets, where it has already become one of the market leaders. RDMN is scheduled to start ferro manganese alloys production on 3Q03.

Finally, CVRD has signed a letter of intent to buy and sell various stakes in the logistics companies – FCA, Sepetiba Tecon and CFN. These transactions, whose finalisation is subject to various conditions, which include approval by the regulatory authorities, will permit CVRD to increase its stake in FCA, a railway that is important to its logistics operations, and divest itself of its stakes in the marine terminal of Sepetiba Tecon and CFN, a railway line that passes through several states in the northeast of Brazil. This move will free up financial and human resources to enable the Company to focus on exploiting its main logistics assets.

Completion of alumina capacity expansion project

Alunorte's third production line has begun operations which has brought the company's alumina production capacity up to 2.4 million tons a year. A total of approximately US$ 300 million was invested in the project, which corresponds to a cost of US$ 364 per ton of capacity, an extremely competitive rate for a brownfield project. With this extra capacity, Alunorte has now become one of the five largest alumina refineries in the world.

CVRD's strategic focus for its businesses in the aluminium chain is the exploitation of its competitive advantages in the areas of bauxite and alumina. In a few weeks, MRN will commission its capacity expansion, from 11 to 16.3 million tons of bauxite per year. New projects, Paragominas - a bauxite greenfield project- and Alunorte stages 4 and 5 - a brownfield project - will start its development this year.

Board of Directors

At the Annual General Meeting held on 16 April 2003, CVRD's new Board of Directors was elected, consisting of 11 members, with a mandate of two years.

SHORT TERM OUTLOOK

In the first quarter of this year, the global economy grew slower than had been predicted at the end of 2002. Despite the fact that part of this negative performance was explained by the war in Iraq, the rapid end to the conflict did not alter macro-economic fundamentals. There are still innumerable uncertainties, including the question of the US economy’s capacity to return to faster and more vigorous economic growth, against a background of excess supply, the threat of deflation in Germany, as well as the potential effects of geopolitical tension and the SARS epidemic.

Despite this scenario, global steel output continued to grow at increasing rates, with accumulated volume in the first three months of the year being 8.8% higher yoy. Among the world's major producers, China registered the highest increase with 18.1%, followed by Japan with 8.2%, the US 6.5 %, and Germany 6.1%, South Korea 3.0% and Brazil 6.9%.

In 1Q03 China imported 34.2 million tons of iron ore, which on an annualized basis is 136.8 million tons, up 23% on that country’s import total for 2002. Japanese imports in the quarter amounted to 33.4 million tons in the first three months of the year, up 8.7% compared to 1Q02.

Despite the fact that the main producers are operating at full capacity, the strong growth in global steel production caused an excess level of demand in the global seaborne iron ore trade, which is likely to extend into 2004.

The behaviour of freight shipping prices is usually a good indicator for the iron ore market. Thus, for example at the end of 1998, the freight differential between Brazil/Japan and Australia/Japan, according to data from Clarksons, reached a 14-year low, at around US$ 1.60 per ton of iron ore. At that time, the demand for iron ore was weak due to recessive effect of Southeast Asian financial crisis, which resulted in an 11% drop in prices in 1999.

In 1989/1990 iron ore experienced double-digit price increases, exactly when the freight price differential reached its peak in the last 14 years.

Between April 2002 and April 2003, freight prices rose by some US$ 8.0 per ton for Brazil/Japan shipping freight, with the spread in relation to Australia/Japan rising in the period from US$ 3.50 to US$ 7.50 per ton, coinciding with strong expansion in demand for iron ore. Currently it is estimated that demand in the global seaborne iron ore market for 2003 will total 510 million tons, which would present an increase of around 30 million tons, compared to the amount shipped last year. But, probably, the supply of iron ore will not be sufficient to fulfil this demand.

The alumina market has undergone a similar pattern to that of iron ore. The strong increase in aluminium production in China and by other non-integrated producers, provoked a significant rise in the spot price of alumina, which is working its way through into contract prices. Similarly to the iron ore market, we expect this situation to prevail during 2003 and 2004, due to the absence of new projects in the market, with the exception of Stage 3 of Alunorte’s expansion plan, which is already in full operation. With this expansion, CVRD will be in a better situation to benefit from the cyclical rise in alumina prices.

In contrast to the alumina market, there are predictions of excess supply in the global aluminium market for 2003 and 2004, where prices are likely to fall below US$ 1,500 per ton.

The disparity in behaviour between the aluminium and alumina market is likely to be corrected up to 2005. On the one hand, the expected recovery in global industrial production growth will fuel demand for the metal and the consequent consumption of existing inventories. On the other hand, the high level of alumina prices and energy problems in the US Pacific Northwest will restrict aluminium supply growth.

The significant growth in Brazilian agricultural production, with a record grain crop, had a favourable impact on demand for potash and CVRD's logistics services. For logistics, the most significant effect will be in the next two quarters. Last year, CVRD transported 15% of Brazilian exports of soybeans and soybean meal. The rise in Brazil's exports is also contributing favourably in terms of greater demand for logistics services.

CVRD has been signing a number of contracts for the management of clients' logistics. One example of this is a contract recently signed with Lafarge, a world leading cement producer, for the logistics management of oil coke purchases in the United States for the supply of its six factories in Brazil, which will involve the chartering of the Company's shipping fleet, port operations at the Praia Mole terminal, rail transport on the Vitória to Minas and FCA railroads, road transport by truck and unloading operations at the final destination.

It should be pointed out that, despite the SARS epidemic, up to now there has been no sign of any slowdown in Chinese demand for iron ore and alumina. Nonetheless, CVRD is taking a cautious stance, because in addition to other sources of uncertainty hovering over the global economy, it is practically impossible to anticipate the effective impact of this epidemic on China's macro-economic performance and that of other Asian countries and its implications on the demand for minerals and metals. In the case of iron ore, an unexpected slowdown in demand could be, at least partially, absorbed by cutting purchases from third parties.

The appreciation of the Real (BRL) against the US dollar (USD) has a moderately negative effect on the Company's cash generation in USD. However, to the extent that the appreciation of the BRL is being matched by improved perception of Brazil risk with narrower sovereign debt spreads to US Treasuries, the counterparty to this is a reduction in the cost of capital for CVRD.

SALES VOLUME AND REVENUES

Shipments of iron ore and pellets in 1Q03 amounted to 42.519 million tons, up 15.8% in relation to 1Q02 and down 3.3% compared to the volume recorded in 4Q02. Sales of iron ore amounted to 36.380 million tons and sales of pellets, 6.139 million tons

CVRD continues to operate at full capacity and the reduction in the volume shipped in 1Q03 compared to the previous quarter is explained by two factors: (a) seasonality, statistically the first quarter is the weakest of the year and; (b) the first few months of the year saw heavy rainfall which caused operational problems at the Gongo Soco mine and iron ore transportation difficulties.

The Company regularly buys small quantities of iron ore from other mining companies to mix with its products, with a view to meeting particular client specifications. The strong increase in such purchases that has taken place recently is due to higher than expected demand growth.

In the case of pellets, there is a different scenario. Regularly, CVRD sells about 20 million tons of pellet feed per year to its pelletizing joint ventures (Nibrasco, Itabrasco, Hispanobras and Kobrasco) and buys from them about 10 million tons of pellets to resell to its clients. Such purchases replaced the tolling mechanism, used until 1999. Under this mechanism, the Company used to send pellet feed to the joint ventures to be transformed into pellets. The pellets were sent back to CVRD in order to be shipped to clients. CVRD paid a fee to the joint ventures for their services.

The purchase of iron ore from third parties, carried out to meet client commitments, contributed to reduce margins to the extent that this is a more expensive alternative than to sell our own iron ore. On the other hand, it implies an increased return on capital invested, through expansion of cash generation without increasing the asset base. These purchases act like a cushion. In moments of demand pressure, purchases can be increased. And on the other hand, in the event of demand contraction, they can be cut substantially.

The acquisition of pellets from the joint ventures do not put pressure on margins, as we exchanged the cost of a tolling fee by the cost of pellets acquisition and a sales revenue. CVRD profits when it sells pellet feed to these companies and on the returns generated by being a shareholder in the pellet making business. For instance, in 2002 CVRD received US$ 8 million as dividends, US$ 36 million in operation fees and equity income of US$ 12 million.

China, with 5.4 million tons, was CVRD's Parent Company principal export market for iron ore and pellets in 1Q03, up 38.5% on the previous quarter and 22.7% in relation to 1Q02. Thus, the Parent Company maintained a 16% market share of China's total imports.

VOLUME SOLD OF IRON ORE AND PELLETS

‘000 tons

	1Q 02	%	4Q 02	%	1Q 03	%
Iron Ore	32,822	89.4%	37,358	85.0%	36,380	85.6%
Pellets	3,894	10.6%	6,602	15.0%	6,139	14.4%
Total	**36,716**	100.0%	**43,960**	100.0%	**42,519**	100.0%

Sales of manganese ore, of 229,000 tons, were up 9.6% on 1Q02 and 86.2% compared to 4Q02, while ferro-alloy sales amounted to 140,000 tons in 1Q03 compared to 100,000 in 1Q02 and 153,000 in 4Q02.

Alumina shipments totalled 546,000 tons, exceeding the volume shipped in 4Q02 of 502,000 tons. CVRD has been seeking to exploit the Chinese market in a more efficient way, carrying out swaps with other producers that own smelters in the Americas and alumina refineries in Australia, minimizing the cost of shipping freight for the importer. Sales of primary aluminium were almost the same as in 4Q02, around 49,000 tons, compared to 43,000 tons in 1Q02.

Sales of potash amounted to 158,000 tons, with the mine at Taquari - Vassouras operating at above nominal capacity of 600,000 tons a year. This volume was

39.8% higher than in 1Q02, but lower than the 203,000 tons sold in 4Q02, when previous accumulated stocks were drawn down. Thus, estimated sales for 2003 are for 620,000 tons, limited by current production capacity. The project to enlarge capacity to 850,000 tons a year will be completed by mid - 2005.

Sales of gold amounted to 25,800 ounces in 1Q03 compared to 40,600 ounces in 4Q02 and 115,500 ounces in 1Q02. The drop in sales reflects the closure of the Igarapé Bahia gold mine, in June 2002 and the drop in production from our last mining operation, Fazenda Brasileiro, which is nearing exhaustion and likely to see closure in December 2004. Estimated gold production for 2003 is only 112,000 ounces. After the exhaustion of the Fazenda Brasileiro mining, CVRD's gold production will be in the form of a copper by-product, whose production is scheduled for mid-2004, with the commissioning of the Sossego mine. In addition to this, CVRD continues to invest in mineral exploration in search of other gold deposits.

Kaolin sales increased as a result of marketing efforts by the Company to strengthen the business in this industrial mineral. Thus the volume sold in 1Q03 amounted to 108,000 tons, compared to 95,000 in 4Q02 and 63,000 in 1Q02.

VOLUME SOLD			
			'000 tons
	1Q02	4Q02	1Q03
Gold (ounces)	115,455	40,639	25,753
Manganese	209	123	229
Ferro-alloys	100	153	141
Alumina	33	502	546
Aluminium	43	51	49
Bauxite	140	180	189
Potash	113	203	158
Kaolin	63	95	108

General cargo (other than iron ore and pellets) transported by the Company's railways, measured in net ton kilometers (ntk), totalled 3.4 billion (Vitoria to Minas 2.7 billion, Carajás 662 million). Performance was slightly worse than the previous quarter, which recorded 3.8 billion ntk, and the same as in 1Q02. The performance of general freight railroad transport was lower than planned due to delays in receiving locomotives already ordered.

General cargo handled in CVRD's ports and terminals, of 5.888 million tons, was up 22.1% in relation to 1Q02 and 1.9% lower than in 4Q02.

Part of the general cargo transported is as a result of logistic management contracts signed with CVRD for clients in the agricultural and construction segments.

The Vitória to Minas Railway, the Parent Company's main railway for the transport of general cargo, continued to report gains in productivity, expressed by the continuous rise in million ntks, per locomotive in service, per day: 0.74 in 1Q02, 0.82 in 2Q02, 0.83 in 3Q02, 0.83 in 4Q02 and 0.90 in 1Q03. Fuel consumption remained constant compared to previous quarters, at about 300 ntks per liter.

The Carajás Railway set a new world record in MKBF terms (*mean kilometers between failure*), reaching 10,000,616 kilometers of travel between failure, beating the previous record of 9,300,000 MKBF registered in Australia. MKBF is the international reliability measure for railways, indicating the average amount of kilometers travelled between failure, considered to be the undesired total stoppage of a given train. The record achieved is another indicator of the world-class quality of CVRD's railway network.

SALES VOLUME - LOGISTICS SERVICES			
			'000 tons
	1Q 02	4Q 02	1Q 03
Railways (million ntk)	3,401	3,787	3,389
Ports	4,822	6,003	5,888

Gross revenues in the first three months of the year amounted to US$ 1.153 billion, up 16.8% in relation to 1Q02 and up 4.7% compared to 4Q02.

Revenues obtained from the sales of iron ore amounted to US$ 549 million, 47,6% of total revenue, higher than the figure in 1Q02 of US$ 530 million, and sales in 4Q02 of US$ 528 million. Pellets sales generated US$ 189 million in 1Q03 compared to US$ 127 million in 1Q02 and US$ 200 million in 4Q02.

The average sales price of iron ore in 1Q03 was US$ 15.09 per ton while pellet price was US$ 30.77.

Operation services for the five pellet plants at Tubarão owned by the joint ventures contributed approximately US$ 9 million to revenues in the quarter.

Shipments of manganese and ferro-alloys generated revenues of US$ 75 million in 1Q03, compared to US$ 73 million in 1Q02 and US$ 66 million in 4Q02.

Sales of products in the aluminium chain, bauxite, alumina and primary aluminium produced revenues of US$ 167 million in 1Q03, up 11.3% in relation to 4Q02 and up 145.6% in relation to 1Q02. It is important to mention that the consolidation of Alunorte, an alumina refinery, into the US GAAP financial statements, took place from 3Q02, which has caused a distortion in the comparison of the sales of these products in previous quarters.

The average aluminum sales price in 1Q03 was US$ 1,374.50 per ton, alumina US$ 172.34 and bauxite US$ 23.09.

Logistics services contributed with US$ 115 million to gross revenues in 1Q03, up 3.6% on 1Q02 and up 17.3% on 4Q02.

Sales revenue from the domestic market amounted to US$ 356 million, representing 30.9% of the Company's total revenues in 1Q03. Sales to Europe amounted to US$ 378 million, representing 32.8% of total revenues, and sales to Asia, US$ 235 million, 20.4% of the total.

GROSS REVENUES BY PRODUCT			
			million US$
	1Q02	4Q02	1Q03
Iron Ore	530	528	549
Pellet Plant Operation Services	9	9	8
Pellets	127	200	189
Gold	34	13	9
Logistics Services	111	98	115
Aluminium, Alumina and Bauxite	68	150	167
Manganese and Ferro-alloys	73	66	75
Potash	16	24	21
Kaolin	11	12	16
Others	8	1	4
Total	**987**	**1,101**	**1,153**

GROSS REVENUES BY DESTINATION			
			million US$
	1Q02	4Q02	1Q03
Domestic Market	**293**	**335**	**356**
Export Market	**694**	**766**	**797**
USA	65	33	57
Europe	342	387	378
Japan	62	79	86
Emerging Asia	135	141	149
Rest of World	90	126	127
Total	**987**	**1,101**	**1,153**

NET EARNINGS OF US$ 354 MILLION

1Q03 net earnings of US$ 354 million increased 28.7% yoy. However, it was US$ 215 million lower than 4Q02 earnings. The main reason for the decrease was the reduction of US$ 207 million in monetary variation, determined by the smaller USD depreciation in this quarter, 5.1%, against 9.3% in 4Q02.

This reflects the impact of the BRL/USD volatility on CVRD's net foreign currency-denominated liabilities, which in the short term tends to exercise a significant influence on earnings performance. In 4Q02, monetary variation contributed US$ 257 million to earnings, compared to only US$50 million in 1Q03.

Cost of goods sold (COGS), of US$ 641.3 million, was US$ 52 million higher than in 4Q02. The COGS increase is explained by: (a) a US$ 25 million rise in outsourced services, caused by the BRL appreciation and by Ferteco's increased expenses; (b) a US$ 28.6 million increase in expenditures with acquisition of products from third parties (iron ore, pellets, bauxite, alumina and aluminum); (c) a US$ 9.2 million increase in expenses with material, influenced by higher fuel costs.

COGS COMPOSITION			
			million US$
	1Q02	4Q02	1Q03
Personnel	58	50	54
Material	102	145	154
Outsourced Services	83	56	81
Acquisition of Iron Ore and Pellets	85	98	120
Acquisition of Other Products	93	128	135
Depreciation and Depletion	65	42	41
Electric Energy	20	20	21
Others	35	50	35
Total	**541**	**589**	**641**

Financial expenses increased US$ 34 million and financial income decreased US$ 12 million, contributing for the qoq earnings decrease. The main source of financial expenses increase was a US$ 8 million provision for losses with interest rate derivatives against a US$ 18 million gain in 4Q02. US$ 2.4 million, correspondent to the monetary correction of a provision for asset retirement (SFAS 143) was accrued as financial expense.

Equity income declined US$ 27 million mainly due to the reduction of aluminum area affiliates results (MRN, Albras and Valesul) of US$ 34 million.

RESULT FROM SHAREHOLDINGS			
			US$ million
	1Q 02	4Q 02	1Q 03
Steel	(5)	15	19
Aluminum, Alumina and Bauxite	25	82	48
Logistics	(4)	(5)	(11)
Pellets	15	39	26
Iron Ore	1	(13)	5
Others	2	3	7
Total	**34**	**121**	**94**

A US$ 10.4 million provision for asset retirement (SFAS 143) contributed to reduce net earnings.

On the positive side, we saw an increase of US$ 51 million in net operating revenue and a reduction of US$ 15 million in minority interest.

SFAS 143

From January 1, 2003, the Company started to conform to SFAS 143, “Accounting for Asset Retirement Obligations”, a standard issue by the FASB which deals with the accounting procedures concerning the making of provisions for asset retirement obligations. SFAS 143 establishes that the expenses incurred after the closure of mines must be measured in advance and recognised in the financial statements.

We have carried out a detailed analysis of the useful life of our assets and have produced estimates of the expenses which will be needed to restore the environment surrounding those mines expected to reach exhaustion in the next 20 years. The figures obtained were discounted at a rate of 10.26% per year, and the provisions in BRL have been corrected by the IGPM (general market price index) published by the Fundação Getulio Vargas. This procedure was based on the yield of National Treasury Notes series C (NTN – C), securities issued by the Brazilian National Treasury, which fall due in 2021, established at an auction held on 28 March 2003. NTN-C’s principal is corrected by variation in the IGPM.

Taking a base date of December 31, 2002, a provision of US$ 26.8 million was made, of which US$ 15.7 million was immediately amortized, as it refers to the portion in the past. Of the total, US$ 10.4 million had a negative impact on CVRD's 1Q03 results, registered under the heading “changes in accounting practices for asset retirement obligations”. The other US$ 5.3 million is accounted for as an asset under the item "deferred income tax".

On March 31, 2003, the amount of the provision was corrected by the variation in the IGPM in the quarter, so increasing the figure to US$ 30.7 million. A financial expense of US$ 2.4 million was booked, which corresponded to the updating of the provision figure, and amortization of the provision, relative to 1Q03, of US$ 360,000.00, will have an impact on COGS.

In this way, the adjustments as a result of adopting SFAS 143 standards produced a negative effect on the Company's result of US$ 13.1 million. In the next few months, provision amortization and correction according to the IGPM will continue to cause a negative effect on CVRD's result.

EBITDA AND FREE CASH FLOW

The methodology used for the calculation of EBITDA has been changed, being now adjusted for non-recurring factors, considered as extraordinary events which do not alter the trend of this variable over time. Until 4Q02 the Company carried out the practice of adjusting EBITDA for non-cash items, which is to say items which did not involve cash disbursement in the quarter.

EBITDA generated in 1Q03 amounted to US$ 442 million, there having been no adjustment made for non-recurring factors. Dividends received from affiliates and joint ventures amounted to US$ 36 million. Samarco paid US$ 14 million, GIIC US$ 5 million, MRN US$ 5 million, CST US$ 5 million, Fosfértil US$ 5 million and Hispanobrás US$ 2 million.

The increase of US$ 4 million in EBITDA in 1Q03, compared to the previous quarter, was the result of the growth of US$ 51 million in net operating revenues and US$ 17 million in dividends received, less US$ 18 million in other operation expenses. COGS in 1Q03 increased by US$ 52 million and in 4Q02 there was an asset impairment of US$ 35 million, referring to the provision for the closure of the Fazenda Brasileiro gold mine .

With the change in criteria for the calculation of EBITDA, the figure for 2002 is US$ 1.780 billion.

Ferrous mineral businesses produced EBITDA of US$ 357 million in 1Q03, representing 80.8% of the Company's EBITDA, which is practically the same as the figure in 4Q02 of US$ 358 million, and 8.2% higher than in 1Q02. Logistics services contributed US$ 38 million, 8.6% of the total, and the aluminium businesses with US$ 32 million, 7.2% of the total.

EBITDA generated by the aluminium business is relatively small because Albras, a producer of primary aluminum, and whose annual cash generation exceeds US$ 230 million, is not consolidated in the US GAAP financial statements. CVRD buys primary aluminium from Albras at market prices and at a volume in proportion to its 51% stake in the company, according to the terms of its "take or pay" agreement, to resell it. CVRD benefits directly from its investment in Albras through equity income. The EBITDA originated from the aluminum business tends to grow in line with the expansion of alumina production capacity.

Free cash flow, as defined by cash flow from operating activities less for cash flow used for investment activities, amounted to US$ 168 million in 1Q03, compared to US$ 140 million in 1Q02 and US$ 144 million in 4Q02. A quarterly cash flow statement is shown at the end of this document.

The following table presents the computation of EBITDA according to the new methodology described on item "Changes in Procedures" and which is being adopted by the Company.

QUARTERLY EBITDA - NEW METHODOLOGY					
					million US$
	1Q02	2Q02	3Q02	4Q02	1Q03
Net Operating Revenues	953	1,027	1,084	1,059	1,110
COGS	(540)	(594)	(540)	(589)	(641)
Sales, General and Administrative Expenses	(48)	(60)	(65)	(51)	(49)
Research and Development	(9)	(12)	(15)	(14)	(11)
Other Operational Expenses	(61)	(27)	(5)	(64)	(46)
EBIT (Operating Income)	**295**	**334**	**459**	**341**	**363**
Depreciation, Amortization and Depletion	66	61	44	43	43
Dividends received	25	30	17	19	36
Asset Impairment	11	-	-	35	-
Adjustment for non-recurring items	-	-	-	-	-
EBITDA Adjusted	**397**	**425**	**520**	**438**	**442**

EBITDA BY BUSINESS AREA					
					million US$
	1Q02	2Q02	3Q02	4Q02	1Q03
Ferrous	330	360	359	358	357
Non-ferrous	12	22	26	5	9
Logistics	35	37	34	44	38
Aluminium	18	6	43	25	32
Others	2	0	58	6	6
Total	**397**	**425**	**520**	**438**	**442**

QUARTERLY EBITDA - PREVIOUS METHODOLOGY					
					million US$
	1Q02	2Q02	3Q02	4Q02	1Q03
EBITDA	444	456	483	406	451

DEBT

The Company's total debt as of March 31, 2003 amounted to US$ 3.314 billion, slightly lower than the figure at the end of 2002, of US$ 3.331 billion. Net debt also decreased, dropping from US$ 2.24 billion as of December 31, 2002 to US$ 2.03 billion the end of the first quarter.

Total debt was the equivalent of 1.82 times EBITDA accumulated in the period between April 2002 and March 2003 and 24.3% of CVRD's total asset value (*enterprise value*). The EBITDA/interest coverage ratio in the quarter was 9 times.

The Company's debt for the most part is denominated in USD (93%), while the remaining 7 % refers to debt in JPY, Euros and BRL.

The interest figures used here only include that portion of financial expenses related to the Company's debt, as shown in the table below :

FINANCIAL EXPENSES		
		million US$
	4Q02	1Q03
Financial Expenses from:		
Local Debt	(7)	(5)
External Debt	(41)	(39)
Related Parties Debt	(7)	(5)
Total Financial Expenses	**(55)**	**(49)**
Gross Interest from:		
Tax and the Labor Contingencies	(5)	(6)
Tax on Financial Transactions CPMF	(5)	(4)
Derivatives	18	(8)
Others	(1)	(15)
Total	**(48)**	**(82)**

Guarantees granted to affiliates and joint ventures amounted to US$ 499 million, down from the figure at the end of the previous quarter of US$ 516 million.

In the first quarter of 2003, CVRD contracted a loan from Japan Bank for International Cooperation (JBIC) of US$ 300 million, with a 10 year tenor and a total cost of Libor plus 1.8% per year. This loan refers to the financing of investment in logistics for the iron ore business.

DEBT INDICATORS			
			million US$
	1Q02	4Q02	1Q03
Gross Debt	3,935	3,331	3,314
Net Debt	1,927	2,240	2,030
Gross Debt / LTM EBITDA (x)	2.28	1.87	1.82
EBITDA / Interest expenses (x)	7.22	7.96	9.02
Gross Debt / Total Assets (x)	0.27	0.23	0.24

CAPEX

The investment data are reported on a “non-GAAP” basis. They are different from the values found in the Company’s cash flow statement, as net cash from investment activities of US$ 188 million in 1Q03.

Capital expenditure in the first quarter of 2003 totalled US$ 240.3 million, US$ 17.6 million of which referred to acquisitions. The amount spent on projects was US$ 142.6 million, 59.3% of the total investment.

Expenditure on iron ore projects amounted to US$ 24.8 million, non-ferrous mineral projects US$ 48.1 million, aluminium US$ 32.1 million, logistics US$ 21.2 million, and power generation, US$ 16.4 million.

The main projects under way are:

Area	Project	Capex 1Q03	Status
Ferrous Minerals	Enlarging iron ore production capacity in the Northern System	US$ 6.1 million	Completion scheduled for 2005. Project implementation is proceeding according to schedule. Once expansion is complete, production capacity will increase by 14 million tons a year. Project capital expenditure is estimated at US$ 144.4 million.
Ferrous Minerals	Pier III of the Ponta da Madeira Maritime Terminal	US$ 2.1 million	Completion expected for January 2004. 75% of total project investment, estimated at US$ 33.3 million, has already been completed. Project implementation is proceeding according to schedule. The new pier will have a loading capacity of 18 million tons a year, enlarging the capacity of TMPM to 74 million tons a year.
Ferrous Minerals	Brucutu Mine	US$ 3.5 million	Completion scheduled for 2008, when the mine will have production capacity of 12 million tons a year. 1.5% of the investment has already been made and works are proceeding according to schedule. Total investment is estimated at US$ 219.9 million, of which US$ 19.7 million is programmed for 2003.
Ferrous Minerals	Fábrica Nova Mine	US$ 637,000	Completion estimated for 2005. 1% of the investment has already been made, refer to landscaping and earthworks. The Fábrica Nova mine is likely to have a capacity of 10 million tons a year are by 2005, reaching 15 million by 2009. Total capital expenditure is budgeted at US$ 84.4 million, with programmed spending of US$ 39.6 million for 2003. Works are proceeding on schedule.
Non-ferrous Minerals	Sossego Mine	US$ 40.5 million	Completion estimated for first half 2004. 32.1% of the total investment in the project has already been made, 58.4% of the undertaking having been completed. Total capital expenditure is US$ 383 million, of which US$ 253 million is programmed for 2003. The first tests should begin in June 2003. The project is slightly ahead of schedule.
Non-ferrous Minerals	Expansion of Taquari –Vassouras Potassium Mine	US$ 4.0 million	Completion estimated for first half 2005. 16% of the investment total of US$ 67 million budgeted for the project, has only been carried out. The project is on schedule. The mine's capacity will be enlarged from 600,000 tons to 850,000 tons a year.
Aluminum	Alunorte Stage 3	US$ 32.1 million	Project concluded on 1Q03. Stage 3 has a capacity of 825,000 tonnes of alumina per year. Capex = US$ 300 million.
Logistics	Purchase of locomotives and railcars	US$ 18.9 million	Purchase of 2,782 railcars and 105 locomotives by the end of 2003. 7.5% of total investment (estimated at US$ 245.6 million) has been realised. Part of equipment bought will be used for general freight, and part for iron ore.
Logistics	Praia Mole Terminal (Phases I & II)	US$ 707,000	Completion of first phase estimated for 2003, with second phase completion in 2004. Of a total estimated project investment of US$ 22.6 million, 54% has been carried out.
Power Generation	Aimorés Hydroelectric Power Plant	US$ 6.4 million	Completion estimated for December 2003. 78% of a total estimated investment of US$94.6 million has already been completed. The project is proceeding according to schedule.
Power Generation	Candonga Hydroelectric Power Plant	US$ 6.7 million	Completion estimated for November 2003. 75% of the investment of US$ 40.9 million has already been made. Implementation of the project is on schedule.

Expenditure on information technology amounted to US$ 12.4 million, of which US$ 7 million was spent on the initial installation of an Enterprise Resource Planning (ERP) system. The ERP system is likely to enter into service by the end of 2004, allowing greater integration between the areas of the Company and the rapid retrieval of information, helping to further improve the quality of management.

The Company is implementing *Hyperion*, a consolidated accounting system which will further increase the transparency of financial information to the market, widening the scope of information and making it available more quickly.

With the help of *Hyperion* it will be possible to publish consolidated quarterly financial statements, in accordance with Brazilian GAAP accounting procedures, from 3Q03.

US$ 31.1 million was invested in the maintenance and modernization of equipment and on environmental protection.

A total of US$ 27.6 million in capital was injected into subsidiaries and affiliates (Celmar and FCA) for financial restructuring.

Mineração Rio do Norte (MRN), an affiliate of CVRD, carried out capital expenditure of US$ 10 million in 1Q03, US$ 8 million of which was spent on the project to expand capacity from 11 million tons to 16.3 million tons of bauxite per year. This project is in the completion phase and should be commissioned in the next few weeks. This amount does not form part of the total invested by the Company under the US GAAP criteria presented here.

Mineral Exploration and Technological Development

Investment in mineral exploration and technological development amounted to US$ 9.0 million, of which US$ 2.9 million referred to prospecting for copper and gold deposits.

The Carajás region remained as the focus for mineral prospecting activities in 1Q03, with development work aimed at identifying deposits of copper, gold, nickel and platinum group metals, and preparations made for the carrying out of pre-feasibility studies for various areas containing copper and nickel. Targeting campaigns will begin in May.

In the rest of Brazil, prospecting programs continued for copper, gold, nickel, platinum group metals, bauxite and kaolin in the states of Pará, Rondônia, Maranhão, Piauí, Mato Grosso, Goiás and Minas Gerais.

In Peru, in the form of a joint venture with Antofagasta Minerals, areas with potential have been identified, which will be subject to seismic investigation in the next few months. Compania Minera Latino Americana, a wholly owned subsidiary of CVRD, has been carrying out mineral prospecting in Chile.

CVRD has started to use *QemSCAN* technology, a state-of-the-art system for mineralogical and metallurgical analysis which allows rapid identification of ores and improves the efficiency of mining operations. The system involves the use of a Multi-element Scanning Electron Microscope which will be used to characterize minerals and optimize processes in the base metal and precious metal areas.The mineral exploration budget for 2003 amounts to US$ 71.7 million, of which US$ 5.2 million will be invested in technological development.

US GAAP

CAPEX - 1Q 03					
By business area	**US$ million**	**%**	**By category**	**US$ million**	**%**
Ferrous Minerals	67.4	28.0%	Capital injections	27.6	11.5%
Logistics	48.7	20.3%	Maintenance& Environment	31.1	13.0%
Non-ferrous Minerals	56.2	23.4%	Projects	142.6	59.3%
Aluminium	33.2	13.8%	Mineral Exploration and Technological Research	9.0	3.7%
Power Generation	16.4	6.8%	Information Technology	12.4	5.2%
Others	18.4	7.6%	Acquisitions	17.6	7.3%
Total	**240.3**	**100%**	**Total**	**240.3**	**100%**

US GAAP

FINANCIAL STATEMENTS					
					million US$
	1Q 02	2Q 02	3Q 02	4Q 02	1Q 03
Gross operating revenues	987	1,071	1,123	1,101	1,153
Taxes	(34)	(44)	(39)	(42)	(43)
Net Operating Revenue	**953**	**1,027**	**1,084**	**1,059**	**1,110**
Cost of Goods Sold	(540)	(594)	(540)	(589)	(641)
Gross Profit	**413**	**433**	**544**	**470**	**469**
Gross Margin (%)	43.3	42.2	50.2	44.4	42.3
Sales, General and Administrative Expenses	(48)	(60)	(65)	(51)	(49)
Research and Development Expenses	(9)	(12)	(15)	(14)	(11)
Employee Profit-Sharing	(9)	3	(14)	(18)	(12)
Others	(52)	(30)	9	(46)	(34)
Operating Profit	**295**	**334**	**459**	**341**	**363**
Financial Revenues	33	44	10	40	28
Financial Expenses	(62)	(117)	(148)	(48)	(82)
Monetary Variation	(5)	(326)	(506)	257	50
Tax and Social Contribution (Current)	(7)	3	-	(8)	(6)
Tax and Social Contribution (Deferred)	(12)	126	148	(101)	(65)
Equity Income	34	(82)	(160)	121	94
Accounting Changes for Asset Write-offs	-				(10)
Minority Shareholding Participation	(1)	4	47	(33)	(18)
Net Earnings	**275**	**(14)**	**(150)**	**569**	**354**
Earnings per Share (US$)	**0.72**	**(0.04)**	**(0.39)**	**1.48**	**0.92**

ASSET BALANCE SHEET			
			million US$
	1Q 02	4Q 02	1Q 03
Assets			
Current	3,566	2,589	2,696
Long-term	1,820	1,337	1,407
Fixed	5,100	4,029	4,485
Total	**10,486**	**7,955**	**8,588**
Liabilities			
Current	2,364	1,508	1,638
Long Term	3,345	3,160	3,310
Shareholders’ Equity	4,777	3,287	3,640
Paid-up Capital	2,709	2,944	2,944
Reserves	2,068	343	696
Total	**10,486**	**7,955**	**8,588**

CONSOLIDATED STATEMENTS OF CASH FLOW

US$ million

	1Q 02	4Q 02	1Q 03
Cash flows from operating activities:			
Net income	275	569	354
Adjustments to reconcile net income with cash provided by operating activities:			
Depreciation, depletion and amortization	66	43	43
Dividends received	25	19	36
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	(34)	(121)	(94)
Deferred income taxes	12	101	65
Provisions for contingencies	23	-	9
Impairment of property, plant and equipment	27	35	-
Gain in accounting pratice for asset retirement obligations	-	-	10
Pension plan	3	3	3
Foreign exchange and monetary losses	(1)	(310)	(142)
Net unrealized derivative losses	6	7	3
Others	(4)	(25)	24
Decrease (increase) in assets:			
Accounts receivable	(66)	3	64
Inventories	1	(26)	24
Others	9	(21)	(1)
Increase (decrease) in liabilities:			
Suppliers	(9)	125	(93)
Payroll and related charges	(2)	1	(6)
Others	(16)	55	57
Net cash provided by operating activities	**315**	**458**	**356**
Cash flows from investing activities:			
Loans and advances receivable	(19)	(41)	22
Guarantees and deposits	(10)	(17)	(12)
Additions to investments	(1)	-	-
Additions to property, plant and equipment	(145)	(258)	(198)
Proceeds from disposals of property, plant and equipment	-	2	-
Net cash used in investing activities	**(175)**	**(314)**	**(188)**
Cash flows from financing activities:			
Short-term debt, net issuances (repayments)	377	(202)	(93)
Loans			
Additions	12	22	-
Repayments	(15)	(46)	(16)
Long-term debt			
Related parties	10	6	2
Others	442	37	177
Repayments of long-term debt			
Related parties	(15)	-	-
Others	(61)	(85)	(101)
Interest attributed to stockholders	-	(273)	-
Net cash used in financing activities	750	(541)	(31)
Increase (decrease) in cash and cash equivalents	890	(397)	137
Effect of exchange rate changes on cash and cash equivalents	1	86	56
Cash and cash equivalents, beginning of period	1117	1402	1091
Cash and cash equivalents, end of period	**2,008**	**1,091**	**1,284**
Cash paid during the period for:			
Interest on short-term debt	(6)	(15)	(6)
Interest on long-term debt, net of interest capitalized of $4 in 1Q03, $5 in 1Q02 and $4 in 4Q02	(35)	(31)	(49)
Income tax	-	(8)	(6)
Non-cash transactions			
Conversion of loans receivable to investments	20	15	11

US GAAP

IRON ORE AND PELLETS – FINANCIAL INDICATORS - UNAUDITED			
			million US$
HISPANOBRAS	**1Q 02**	**4Q 02**	**1Q 03**
Volume Sold ('000 tons)	907	1,139	905
Export Markets	487	313	268
Domestic Market	420	826	637
Average Price (US$/ton)	31.38	25.80	29.75
Operating Profit	4	1	3
Net Financial Result	-	-	(1)
Net Earnings	2	1	1
EBITDA	5	2	3
NIBRASCO	**1Q 02**	**4Q 02**	**1Q 03**
Volume Sold ('000 tons)	**1,000**	**2,116**	**1,800**
Export Markets	407	783	469
Domestic Market	593	1,333	1,331
Average Price (US$/ton)	30.39	28.52	27.75
Operating Profit	-	6	2
Net Financial Result	(1)	-	-
Net Earnings	(1)	4	1
EBITDA	1	7	3
Total Debt			
- Short Term	2	2	2
- Long Term	4	1	1
Total	**6**	**3**	**3**
ITABRASCO	**1Q 02**	**4Q 02**	**1Q 03**
Volume Sold ('000 tons)	**877**	**913**	**813**
Export Markets	644	431	306
Domestic Market	233	482	507
Average Price (US$/ton)	31.35	30.18	29.54
Operating Profit	2	3	2
Net Financial Result	-	(2)	(1)
Net Earnings	1	2	0
EBITDA	2	3	2
Total Debt			
- Short Term	-	-	-
- Long Term	18	-	5
Total	**18**	**-**	**5**

IRON ORE AND PELLETS – FINANCIAL INDICATORS - UNAUDITED			
			million US$
KOBRASCO	**1Q 02**	**4Q 02**	**1Q03**
Volume Sold ('000 tons)	**856**	**1,316**	**1,134**
Export Markets	436	1,074	453
Domestic Market	420	242	681
Average Price (US$/ton)	31.69	29.97	30.39
Operating Profit	6	4	5
Net Financial Result	(2)	15	5
Net Earnings	3	12	6
EBITDA	7	5	6
Total Debt			
- Short Term	-	-	-
- Long Term	150	114	124
Total	**150**	**114**	**124**
SAMARCO	**1Q 02**	**4Q 02**	**1Q 03**
Sales to External Markets ('000 tons)	**3,301**	**3,834**	**3,988**
Average Price (US$/ton)	28.48	29.22	27.59
Operating Profit	32	61	51
Net Financial Result	(6)	12	-
Net Earnings	22	70	38
EBITDA	38	65	61
Total Debt			
- Short Term	169	142	123
- Long Term	93	67	56
Total	**262**	**209**	**179**

IRON ORE AND PELLETS – FINANCIAL INDICATORS - UNAUDITED			
			million US$
FERTECO	**1Q 02**	**4Q 02**	**1Q 03**
Volume Sold Iron Ore (‘000 tons)	2,532	3,288	4,879
External Markets	2,020	2,142	3,503
Domestic Market	512	1,146	1,376
Average Price (US$/ton)	14.59	12.68	13.87
Volume Sold Pellet (‘000 tons)	725	1.342	856
External Markets	448	645	358
Domestic Market	277	697	498
Average Price (US$/ton)	26.63	24.06	29.62
Operating Profit	18	16	35
Net Financial Result	(2)	4	(3)
Net Earnings	12	15	23
EBITDA	22	18	38
Total Debt			
- Short Term	55	23	10
- Long Term	94	82	82
Total	**149**	**105**	**92**
			‘000 US$
GIIC*	**1Q 02**	**4Q 02**	**1Q 03**
Volume Sold (‘000 tons)	**823**	**932**	**772**
External Markets	823	932	772
Domestic Market	-	-	-
Average Price (US$/ton)	41.76	40.40	41.00
Operating Profit	4	4	4
Net Financial Result	-	(1)	-
Net Earnings	4	3	4
EBITDA	5	6	5

*Financial indicators calculated according to standards set down by the International Accounting Standards Committee

MANGANESE AND FERRO ALLOYS - FINANCIAL INDICATORS - UNAUDITED			
			million US$
SIBRA (Consolidated)	1Q 02	4Q 02	1Q03
Volume Sold Alloys ('000 tons)	**60**	**85**	**67**
External Markets	23	35	30
Domestic Market	37	50	37
Average Price (US$/ton)	521.43	425.73	530.70
Volume Sold Manganese ('000 tons)	**258**	**282**	**279**
External Markets	243	192	185
Domestic Market	15	90	94
Average Price (US$/ton)	53.40	45.86	40.34
Operating Profit	16	6	10
Net Financial Result	-	(11)	(3)
Net Earnings	15	(5)	5
EBITDA	17	8	12
Total Debt			
- Short Term	30	36	37
- Long Term	21	22	20
Total	**51**	**58**	**57**

ALUMINIUM – FINANCIAL INDICATORS – ADJUSTED AND UNAUDITED			
			million US$
MRN	**1Q 02**	**4Q 02**	**1Q 03**
Volume Sold ('000 tons)	**1,781**	**2,982**	**2,196**
Export Markets	485	601	711
Domestic Market	1,296	2,381	1,485
Average Price (US$/ton)	19.76	20.54	19.23
Operating Profit	12	26	15
Net Financial Result	(1)	-	-
Net Earnings	9	17	10
EBITDA	21	36	25
Total Debt			
- Short Term	14	29	44
- Long Term	96	76	69
Total	**110**	**105**	**113**
ALUNORTE	**1Q 02**	**4Q 02**	**1Q 03**
Volume Sold ('000 tons)	**427**	**407**	**490**
Export Markets	222	208	289
Domestic Market	205	199	201
Average Price (US$/ton)	161.55	161.79	172.03
Operating Profit	11	13	20
Net Financial Result	(3)	57	20
Net Earnings	6	94	36
EBITDA	14	15	23
Total Debt			
- Long Term	455	481	482
Total	**455**	**481**	**482**
ALBRAS	**1Q 02**	**4Q 02**	**1Q 03**
Volume Sold ('000 tons)	**88**	**104**	**103**
Export Markets	84	100	99
Domestic Market	4	4	4
Average Price (US$/ton)	1,319.81	1,306.47	1,337.98
Operating Profit	41	55	53
Net Financial Result	(9)	56	19
Net Earnings	27	121	79
EBITDA	46	58	56
Total Debt			
- Short Term	73	20	
- Long Term	524	466	451
Total	**597**	**486**	**451**

ALUMINIUM – FINANCIAL INDICATORS – ADJUSTED AND UNAUDITED			
			million US$
VALESUL	1Q 02	4Q 02	1Q 03
Volume Sold (‘000 tons)	**21**	**27**	**19**
Export Markets	9	13	9
Domestic Market	12	14	10
Average Price (US$/ton)	1,720.97	1,618.98	1,730.60
Operating Profit	5	13	9
Net Financial Result	-	(1)	-
Net Earnings	3	10	8
EBITDA	6	14	10
Total Debt			
- Short Term	1	1	1
- Long Term	2	1	1
Total	**3**	**2**	**2**

APPENDIX:

Reconciliation of non-GAAP figures			
			(%)
	1Q 02	4Q 02	1Q 03
EBITDA / Interest expenses adjusted	7.22	7.96	9.02
Difference	(2.46)	(0.86)	(4.62)
Operating income / Interest expenses	4.76	7.1	4.4
EBITDA Margin (EBITDA/ Net Revenues)	41.7	41.4	39.8
Difference	(10.7)	(9.2)	(7.1)
Operating income/ Net Revenues	31.0	32.2	32.7