



CVRD – Production Report for the Third Quarter 2004

Production continues to achieve all-time highs

Rio de Janeiro, November 10, 2004 - Companhia Vale do Rio Doce (CVRD) achieved an excellent operational performance in the third quarter of 2004, setting new records in the production of iron ore, pellets, manganese ore and bauxite. Production expanded in practically all of the Company's operations.

In response to strong global demand, the Company is running at full production capacity, meeting significant operational challenges, as in the case of the iron ore mines at Carajás where production is exceeding 70 million tons a year on an annualized basis and also at the Alunorte alumina refinery, where production is exceeding nominal capacity.

Highlights

- ***Iron ore –new records***

3Q04 production hit a new record high, with record production levels at all CVRD mining sites, Southern System, Carajás and Caemi.

Under the concept of US GAAP (generally accepted accounting principles in the United States) CVRD's production of iron ore in 3Q04 amounted to 56.932 million tons, 16.2% yoy increase. It exceeded the previous record of 51.515 million tons, achieved in 2Q04, by 10.5%.

In the first nine months of 2004, CVRD's iron ore production amounted to 154.965 million tons, which represents yoy increase of 11.1%.

In 3Q04, iron ore production in the Southern System amounted to 26.297 million tons, a new quarterly record. This is higher than the previous record, achieved in 2Q04, by 6.5%, with a yoy increase of 8.4%.

3Q04 Carajás production reached an annualized rate of 73.6 million tons a year, increasing 13.2% qoq and 21.6% yoy. The volume produced in the third quarter of this year, of 18.395 million tons, exceeded the previous quarterly record, of 16.255 million tons reached in 2Q04.

Caemi also achieved a new quarterly production record, of 12.072 million tons. Production increased 16.1% qoq, when the previous record was achieved, and 27.8% yoy.

The production ramp-up at the Capão Xavier mine, which began operations in June, is surprising positively. In 3Q04, Capão Xavier contributed with 2.3 million tons to the production of Caemi, compared to 1.2 million tons in 2Q04.

- ***Pellets – the largest quarterly production in the Company's history***

Under the concept of US GAAP, which excludes the joint ventures (Samarco, GIIC, Nibrasco, Kobrasco, Hispanobras and Itabasco) pellet production quarter amounted to 4.244 million tons in 3Q04, thus achieving a new record. This represented an increase of 28.0% yoy, and 3.6% qoq, when the previous record was reached. This expansion was due to the excellent performance of the CVRD I, CVRD II and São Luis plants. The latter has been producing at an annualized rate of 6.4 million tons a year, higher than its nominal capacity by almost half a million tons.



In the quarter, CVRD produced 2.201 million tons of blast furnace pellets and 2.043 million tons of pellets for direct reduction. In the first nine months of the year, accumulated production amounted to 12.094 million tons, an increase of 35.1% yoy.

Under the consolidated figures according to BR GAAP (generally accepted accounting principles in Brazil) under which the volume produced by the joint ventures are calculated in proportion to CVRD's equity stake in each venture, production in 3Q04 was also at record levels, amounting to 9.125 million tons, an increase of 12.9% yoy. Comparing 9M03 with 9M04, the increase amounted to 16.2%, rising from 22.523 million tons to 26.182 million tons.

In 3Q04, according to BR GAAP figures, CVRD produced 5.796 million tons of blast furnace pellets and 3.329 million tons of direct reduction pellets.

- ***Manganese ore and ferro-alloys –record manganese ore production***

A new quarterly record has been set for manganese ore production. 702,000 tons were processed in 3Q04, an increase of 20.8% yoy, and 14.4% compared to 2Q04. Production accumulated in the first nine months of 2004 amounted to 1.872 million tons, exceeding the production recorded in the same period in 2003 by 9.8%.

After the carrying out of adjustments to its mining plan, with a consequent slowdown in production in 2Q04, the Azul mine has regained a good level of production in this quarter.

The production of ferro-alloys also increased in 3Q04, by 11.9% compared to 3Q03, and up 8.8% in relation to 2Q04. In the first nine months of 2004, production amounted to 433,206 tons, an increase of 23.3% yoy.

At RDME, which experienced a maintenance stoppage in 2Q04, normal production levels were resumed in 3Q04, with a total of 33,000 tons being produced. On the other hand, RDMN suffered from operational adjustments in one of its electric furnaces in the quarter, which resulted in a drop in production, from 33,000 tons in 2Q04, to 23,000 tons in this last quarter. In the fourth quarter production will return to normal levels.

In 3Q04, CVRD produced 63,800 tons of ferro silicon manganese alloys (FeSiMn), 59,600 tons of a high carbon ferro manganese alloys (FeMnAC), 12,200 tons of medium carbon ferro manganese alloys (FeMnMC) and 8,100 tons of other types of alloys. Production of *cored wire* (special alloys) by RDME amounted to 1,300 tons.

- ***Bauxite –record quarterly production***

Bauxite production in Trombetas reached its highest quarterly volume ever, amounting to 4.336 million tons. This volume was 5.8% higher than in 3Q03, and 6.9% higher than 2Q04. Annualized production for the first nine months of the year amounted to 16.412 million tons, exceeding MRN's nominal capacity of 16.3 million tons a year.

Production attributable to CVRD, under the concept of BR GAAP, proportional to its equity stake of 40% in MRN, amounted to 1.734 million tons in the third quarter of 2004.

- ***Alumina –production exceeds nominal capacity***

Alumina production at Alunorte amounted to 642,000 tons in 3Q04, an increase of 3.1% yoy and up 4.4% qoq.

Production accumulated in the first nine months of 2004 was 12.2% higher than in 9M03 and amounted to 1.905 million tons. In annualized terms, this amount exceeded the nominal capacity of the plant by 5.8%.



- ***Primary aluminium – production in line with schedule***

The production of primary aluminium at Albras amounted to 110,000 tons in 3Q04, slightly exceeding the figure of 109,000 tons achieved in 2Q04, and a little less than that achieved in the same period in 2003, of 111,000 tons. Accumulated production to September 2004 amounted to 321,000 tons, in line with that planned for this year, of approximately 430,000 tons.

- ***Copper – production ramp-up of Sossego underway***

Copper production at the Sossego mine began in the second quarter of this year, the first shipment being carried out on June 3. 2Q04 production amounted to 20,003 tons of copper while in 3Q04 it amounted to 21,835 tons, therefore 9.2% higher than that achieved in the previous quarter.

Although a little lower than estimated, the production of 41,838 tons of copper in the first six months of operation of the Sossego mine can be considered a good result, given that normally problems occur during the ramp-up of a mining operation. In general these problems are capable of causing a significant difference between the amount of production actually achieved, and that programmed.

The production ramp-up should be concluded by the end of 4Q04, by which time production should have reached an annualized rate of 140,000 tons, its long-term nominal capacity.

We expect production to exceed the average annual capacity on 2005 with the extraction of ore from the high grade regions of the mine.

- ***Potash – Taquari-Vassouras maintains very good performance***

Taquari-Vassouras produced 166,000 tons in 3Q04, registering a slight drop in relation to the 168,000 tons produced in 2Q04 and the 170,000 tons produced in 3Q03. However, the result in 3Q04 can be considered very good: the mine is still suffering from operational restrictions due to the implementation of its expansion project, which will increase capacity from 600,000 tons a year, to 850,000 tons a year. The conclusion of this expansion project is scheduled for the middle of 2005.

Annualized production for the first nine months of the year amounted to 633,000 tons, exceeding nominal capacity by 33,000 tons.

- ***Caulim – PPSA continues to expand production***

CVRD's total kaolin production amounted to 302,000 tons in 3Q04, an increase of 11.4% yoy.

PPSA has maintained a growing level of production, aiming to eliminate any remaining idle capacity, producing 115,000 tons in 3Q04, an increase of 6.3% qoq, and 23.2% yoy.

On October 20, CVRD announced the sale of PPSA to its subsidiary Caemi, for US\$ 117.8 million. CVRD believes that the consolidation of its kaolin businesses within Caemi, as well as achieving significant synergy savings, will permit PPSA to continue improving its operational performance, therefore contributing to the creation of value for shareholders.



CVRD 3Q04 Production Report - US GAAP*

	3Q03	9M03	2Q04	3Q04	9M04	Change 3Q04/3Q03	Change 3Q04/2Q04	Change 9M04/9M03
IRON ORE	49,008	139,543	51,515	56,932	154,965	16.2%	10.5%	11.1%
PELLETS	3,316	8,952	4,098	4,244	12,094	28.0%	3.6%	35.1%
MANGANESE ORE	581	1,705	614	702	1,872	20.8%	14.4%	9.8%
FERRO-ALLOYS	130	351	133	145	433	11.9%	8.8%	23.3%
ALUMINA	623	1,698	615	642	1,905	3.1%	4.4%	12.2%
ALUMINUM	111	323	109	110	321	-0.6%	1.0%	-0.6%
COPPER	-	-	20	22	42	N.M.	9.2%	N.M.
POTASH	170	488	168	166	475	-2.4%	-1.2%	-2.7%
KAOLIN	271	849	290	302	891	11.4%	4.1%	5.0%

* Under US GAAP, CVRD consolidates the total production volumes of companies in which it has more than 50% of the voting capital and effective control.



CVRD 3Q04 Production Report - US GAAP*

	3Q03	9M03	2Q04	3Q04	9M04	Change 3Q04/3Q03	Change 3Q04/2Q04	Change 9M04/9M03
thousand tons								
IRON ORE	49,008	139,543	51,515	56,932	154,965	16.2%	10.5%	11.1%
Southern System	24,256	68,847	24,683	26,297	73,536	8.4%	6.5%	6.8%
Itabira	10,686	32,070	10,735	11,468	32,517	7.3%	6.8%	1.4%
Mariana	4,242	12,001	4,769	4,996	14,213	17.8%	4.8%	18.4%
Middle Mines	3,070	7,286	4,508	4,943	12,786	61.0%	9.6%	75.5%
Western Mines	4,477	12,584	4,670	4,890	14,020	9.2%	4.7%	11.4%
Capanema	1,782	4,906	-	-	-	N.M.	N.M.	N.M.
Carajás	15,131	43,228	16,255	18,395	49,135	21.6%	13.2%	13.7%
Urucum	172	613	181	168	569	-2.5%	-7.4%	-7.1%
Caemi	9,449	26,856	10,396	12,072	31,724	27.8%	16.1%	18.1%
PELLETS	3,316	8,952	4,098	4,244	12,094	28.0%	3.6%	35.1%
CVRD I & CVRD II	1,129	3,656	1,388	1,462	4,094	29.5%	5.4%	12.0%
Fabrica	1,173	3,191	1,154	1,185	3,476	1.0%	2.7%	8.9%
São Luís	1,014	2,106	1,556	1,597	4,524	57.4%	2.6%	114.9%
MANGANESE ORE	581	1,705	614	702	1,872	20.8%	14.4%	9.8%
Azul	385	1,169	419	511	1,342	32.7%	22.0%	14.7%
Urucum	125	327	98	86	259	-31.1%	-11.9%	-20.8%
Other mines	72	208	97	105	271	46.5%	8.2%	30.0%
FERRO-ALLOYS	130	351	133	145	433	11.9%	8.8%	23.3%
RDM	82	232	91	84	260	3.2%	-7.0%	11.8%
RDME	36	99	6	33	76	-10.5%	473.3%	-22.7%
RDMN	7	7	33	23	84	251.9%	-28.7%	1172.1%
Urucum	5	14	4	5	13	-1.2%	10.6%	-3.4%
ALUMINA	623	1,698	615	642	1,905	3.1%	4.4%	12.2%
Alunorte	623	1,698	615	642	1,905	3.1%	4.4%	12.2%
ALUMINUM	111	323	109	110	321	-0.6%	1.0%	-0.6%
Albras	111	323	109	110	321	-0.6%	1.0%	-0.6%
COPPER	-	-	20	22	42	N.M.	9.2%	N.M.
Sossego	-	-	20	22	42	N.M.	9.2%	N.M.
POTASH	170	488	168	166	475	-2.4%	-1.2%	-2.7%
Taquari-Vassouras	170	488	168	166	475	-2.4%	-1.2%	-2.7%
KAOLIN	271	849	290	302	891	11.4%	4.1%	5.0%
PPSA	94	296	108	115	331	23.2%	6.3%	12.0%
Caemi	178	553	182	187	560	5.3%	2.8%	1.3%

* Under US GAAP, CVRD consolidates the total production volumes of companies in which it has more than 50% of the voting capital and effective control.



CVRD 3Q04 Production Report - Consolidated BR GAAP*

	3Q03	9M03	2Q04	3Q04	9M04	Change 3Q04/3Q03	Change 3Q04/2Q04	Change 9M04/9M03
IRON ORE	50,661	144,567	53,201	58,687	160,047	15.8%	10.3%	10.7%
PELLETS	8,083	22,523	8,615	9,125	26,182	12.9%	5.9%	16.2%
MANGANESE ORE	581	1,705	614	702	1,872	20.8%	14.4%	9.8%
FERRO-ALLOYS	130	351	133	145	433	11.9%	8.8%	23.3%
BAUXITE	1,639	4,041	1,622	1,734	4,923	5.8%	6.9%	21.8%
ALUMINA	623	1,698	615	642	1,905	3.1%	4.4%	12.2%
ALUMINUM	123	361	122	123	360	-0.5%	0.5%	-0.3%
COPPER	-	-	20	22	42	N.M.	9.2%	N.M.
POTASH	170	488	168	166	475	-2.4%	-1.2%	-2.7%
KAOLIN	271	849	290	302	891	11.4%	4.1%	5.0%

* 1) Under Consolidated BR GAAP, CVRD consolidates the total production of all the companies in which CVRD has more than 50% of the voting capital and effective control.

2) For the companies in which CVRD has shared control, consolidation is proportional to CVRD's stake in the company.

3) The production volumes of companies in which CVRD has minority interests are not consolidated.



CVRD 3Q04 Production Report - Consolidated BR GAAP*

thousand tons

	Consolidation Methodology	CVRD's Stake	3Q03	9M03	2Q04	3Q04	9M04	Change 3Q04/3Q03	Change 3Q04/2Q04	Change 9M04/9M03
IRON ORE			50,661	144,567	53,201	58,687	160,047	15.8%	10.3%	10.7%
Southern System	Total	100%	24,256	68,847	24,683	26,297	73,536	8.4%	6.5%	6.8%
Itabira	Total	100%	10,686	32,070	10,735	11,468	32,517	7.3%	6.8%	1.4%
Mariana	Total	100%	4,242	12,001	4,769	4,996	14,213	17.8%	4.8%	18.4%
Middle Mines	Total	100%	3,070	7,286	4,508	4,943	12,786	61.0%	9.6%	75.5%
Western Mines	Total	100%	4,477	12,584	4,670	4,890	14,020	9.2%	4.7%	11.4%
Capanema	Total	100%	1,782	4,906	-	-	-	N.M.	N.M.	N.M.
Carajás	Total	100%	15,131	43,228	16,255	18,395	49,135	21.6%	13.2%	13.7%
Urucum	Total	100%	172	613	181	168	569	-2.5%	-7.4%	-7.1%
Caemi	Total	60%	9,449	26,856	10,396	12,072	31,724	27.8%	16.1%	18.1%
Samarco	Proportional	50%	1,653	5,024	1,686	1,755	5,082	6.2%	4.1%	1.2%
PELLETS			8,083	22,523	8,615	9,125	26,182	12.9%	5.9%	16.2%
CVRD I & CVRD II	Total	100%	1,129	3,656	1,388	1,462	4,094	29.5%	5.4%	12.0%
Fabrica	Total	100%	1,173	3,191	1,154	1,185	3,476	1.0%	2.7%	8.9%
São Luís	Total	100%	1,014	2,106	1,556	1,597	4,524	57.4%	2.6%	114.9%
Nibrasco	Proportional	51%	1,049	2,843	1,090	1,051	3,238	0.2%	-3.6%	13.9%
Kobrasco	Proportional	50%	537	1,638	479	597	1,630	11.0%	24.6%	-0.5%
Hispanobrás	Proportional	51%	510	1,431	478	528	1,442	3.4%	10.4%	0.8%
Itabrasco	Proportional	51%	448	1,334	444	450	1,308	0.5%	1.4%	-2.0%
Samarco	Proportional	50%	1,684	4,890	1,656	1,756	5,142	4.3%	6.0%	5.2%
GIIC	Proportional	50%	539	1,435	370	500	1,327	-7.2%	35.2%	-7.5%
MANGANESE ORE			581	1,705	614	702	1,872	20.8%	14.4%	9.8%
Azul	Total	100%	385	1,169	419	511	1,342	32.7%	22.0%	14.7%
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RDME	Total	100%	36	99	6	33	76	-10.5%	473.3%	-22.7%
RDMN	Total	100%	7	7	33	23	84	251.9%	-28.7%	1172.1%
Urucum	Total	100%	5	14	4	5	13	-1.2%	10.6%	-3.4%
BAUXITE			1,639	4,041	1,622	1,734	4,923	5.8%	6.9%	21.8%
MRN	Proportional	40%	1,639	4,041	1,622	1,734	4,923	5.8%	6.9%	21.8%
ALUMINA			623	1,698	615	642	1,905	3.1%	4.4%	12.2%
Alunorte	Total	57%	623	1,698	615	642	1,905	3.1%	4.4%	12.2%
ALUMINUM			123	361	122	123	360	-0.5%	0.5%	-0.3%
Albras	Total	51%	111	323	109	110	321	-0.6%	1.0%	-0.6%
Valesul	Proportional	55%	13	38	13	13	39	0.3%	-3.1%	2.8%
COPPER			-	-	20	22	42	N.M.	9.2%	N.M.
Sossego	Total	100%	-	-	20	22	42	N.M.	9.2%	N.M.
POTASH			170	488	168	166	475	-2.4%	-1.2%	-2.7%
Taquari-Vassouras	Total	100%	170	488	168	166	475	-2.4%	-1.2%	-2.7%
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Caemi	Total	60%	178	553	182	187	560	5.3%	2.8%	1.3%

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**Companhia
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Production Report

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