VALLEY OF THE RIO DOCE CO
Form 6-K
May 19, 2003

==

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant To Rule 13a-16 or 15d-16
of the
Securities Exchange Act of 1934

For the month of

May 2003

Valley of the Rio Doce Company
(Translation of Registrant's name into English)

Avenida Graca Aranha, No. 26
20005-900 Rio de Janeiro, RJ, Brazil
(Address of principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F |X| Form 40-F |_|

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes |_| No |X|

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-____.)

==

Table of Contents:

US PRESS RELEASE

US GAAP

1Q 03

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

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

Investor Relations
Department

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

[LOGO OF 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 Mineracao, Para 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. Cash generation, as measured by 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 1Q02, 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 Carajas 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 Carajas. 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 Tubarao. 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 Carajas - 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.

2

US GAAP

1Q 03

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

[GRAPHIC APPEARS HERE] 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 be adjusted by non-recurring factors when they occur.

Non-recurring factors are considered as extraordinary events whose repetition is not expected, in such a way as to capture the trend of this variable over time, eliminating sudden fluctuations. We are 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.

Pursuant to Regulation G issued by the Securities and Exchange Commission (SEC), some financial measures like EBITDA, EBITDA margin, EBIT, free cash flow, investments and EBITDA/interest expenses are "non-GAAP". The SEC specifically states that the definition of non-GAAP financial measures includes any measure of performance or liquidity that is different from that presented in the financial statements or cash flows computed in accordance with GAAP.

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.

[GRAPHIC APPEARS HERE] 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 Mineracao 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 Carajas 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.

4

US GAAP

1Q 03

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.

[GRAPHIC APPEARS HERE] 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 Vitoria 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.

[GRAPHIC APPEARS HERE] SALES VOLUME AND REVENUES

6

US GAAP

1Q 03

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.

7

US GAAP

1Q 03

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 Igarape 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, Carajas 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 Vitoria 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 Carajas 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 Tubarao 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.

US GAAP

1Q 03

GROSS REVENUES BY PRODUCT

million US$

	1Q 02	4Q 02	1Q 03
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$

	1Q 02	4Q 02	1Q 03
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

[GRAPHIC APPEARS HERE] 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.

US GAAP

1Q 03

COGS COMPOSITION

			million US$
	1Q 02	4Q 02	1Q 03
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.

[GRAPHIC APPEARS HERE] 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 Fundacao 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.

[GRAPHIC APPEARS HERE] 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, Fosfertil US$ 5 million and Hispanobras 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.

12

US GAAP

1Q 03

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

m

	1Q02	2Q02	3Q02	4Q02
Net Operating Revenues	953	1,027	1,084	1,059
COGS	(540)	(594)	(540)	(589)
Sales, General and Administrative Expenses	(48)	(60)	(65)	(51)
Research and Development	(9)	(12)	(15)	(14)

Other Operational Expenses	(61)	(27)	(5)	(64)
EBIT (Operating Income)	295	334	459	341
Depreciation, Amortization and Depletion	66	61	44	43
Dividends received	25	30	17	19
Asset Impairment	11	-	-	35
Adjustment for non-recurring items	-	-	-	-
EBITDA Adjusted	397	425	520	438

EBITDA BY BUSINESS AREA

	1Q02	2Q02	3Q02	4Q02
Ferrous	330	360	359	358
Non-ferrous	12	22	26	5
Logistics	35	37	34	44
Aluminium	18	6	43	25
Others	2	0	58	6
Total	397	425	520	438

QUARTERLY EBITDA - PREVIOUS METHODOLOGY

	1Q02	2Q02	3Q02	4Q02
EBITDA	444	456	483	406

13

[GRAPHIC APPEARS HERE] 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

	4Q02	1Q03
		million US$
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

	1Q02	4Q02	1Q03
			million US$
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

14

[GRAPHIC APPEARS HERE] 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	US$ 6.1 million	Completion scheduled for 2005. Pro implementation is proceeding accordin

	in the Northern System		Once expansion is complete, productio increase by 14 million tons a year. P expenditure is estimated at US$ 144.4
Ferrous Minerals	Pier III of the Ponta da Madeira Maritime Terminal	US$ 2.1 million	Completion expected for January 2004. project investment, estimated at US$ already been completed. Project imple proceeding according to schedule. Th have a loading capacity of 18 million enlarging the capacity of TMPM to 74 year.
Ferrous Minerals	Brucutu Mine	US$ 3.5 million	Completion scheduled for 2008, when t production capacity of 12 million ton the investment has already been made proceeding according to schedule. Tot estimated at US$ 219.9 million, of wh million is programmed for 2003.
Ferrous Minerals	Fabrica Nova Mine	US$ 637,000	Completion estimated for 2005. 1% of has already been made, refer to lands earthworks. The Fabrica Nova mine is capacity of 10 million tons a year ar reaching 15 million by 2009. Total ca is budgeted at US$ 84.4 million, with spending of US$ 39.6 million for 2003 proceeding on schedule.
Non-ferrous Minerals	Sossego Mine	US$ 40.5 million	Completion estimated for first half 2 total investment in the project has a 58.4% of the undertaking having been capital expenditure is US$ 383 millio 253 million is programmed for 2003. T should begin in June 2003. The proje ahead of schedule.
Non-ferrous Minerals	Expansion of Taquari -Vassouras Potassium Mine	US$ 4.0 million	Completion estimated for first half 2 investment total of US$ 67 million bu project, has only been carried out. T schedule. The mine's capacity will be 600,000 tons to 850,000 tons a year.
Aluminum	Alunorte Stage 3	US$ 32.1 million	Project concluded on 1Q03. Stage 3 h 825,000 tonnes of alumina per year. million.
Logistics	Purchase of locomotives and railcars	US$ 18.9 million	Purchase of 2,782 railcars and 105 lo end of 2003. 7.5% of total investmen US$ 245.6 million) has been realised. bought will be used for general freig iron ore.
Logistics	Praia Mole Terminal (Phases I & II)	US$ 707,000	Completion of first phase estimated f second phase completion in 2004. Of a project investment of US$ 22.6 millio carried out.
Power Generation	Aimores Hydroelectric Power Plant	US$ 6.4 million	Completion estimated for December 200 estimated investment of US$94.6 milli been completed. The project is procee schedule.

Power Generation	Candonga Hydroelectric Power Plant	US$ 6.7 million	Completion estimated for November 200 investment of US$ 40.9 million has al Implementation of the project is on s

15

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.

Mineracao 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 Carajas 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 Para, Rondonia, Maranhao, Piaui, Mato Grosso, Goias 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.

16

US GAAP

1Q 03

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	31.1	13.0%
			Environment		
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%

17

US GAAP

1Q 03

FINANCIAL STATEMENTS

	1Q 02	2Q 02	3Q 02	4Q 0
Gross operating revenues	987	1,071	1,123	1
Taxes	(34)	(44)	(39)	
Net Operating Revenue	953	1,027	1,084	1
Cost of Goods Sold	(540)	(594)	(540)	
Gross Profit	413	433	544	
Gross Margin (%)	43.3	42.2	50.2	
Sales, General and Administrative Expenses	(48)	(60)	(65)	
Research and Development Expenses	(9)	(12)	(15)	
Employee Profit-Sharing	(9)	3	(14)	
Others	(52)	(30)	9	
Operating Profit	295	334	459	
Financial Revenues	33	44	10	
Financial Expenses	(62)	(117)	(148)	
Monetary Variation	(5)	(326)	(506)	
Tax and Social Contribution (Current)	(7)	3	-	
Tax and Social Contribution (Deferred)	(12)	126	148	

Equity Income	34	(82)	(160)
Accounting Changes for Asset Write-offs	-		
Minority Shareholding Participation	(1)	4	47
Net Earnings	275	(14)	(150)
Earnings per Share (US$)	0.72	(0.04)	(0.39)

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

18

US GAAP

1Q 03

CONSOLIDATED STATEMENTS OF CASH FLOW

	1Q 02
Cash flows from operating activities:	
Net income	569
Adjustments to reconcile net income with cash provided by operating activities:	
Depreciation, depletion and amortization	43
Dividends received	19
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	(121)
Deferred income taxes	101
Provisions for contingencies	(1)
Impairment of property, plant and equipment	35
Gain in accounting pratice for asset retirement obligations	0
Pension plan	3
Foreign exchange and monetary losses	(310)
Net unrealized derivative losses	9
Others	(26)
Decrease (increase) in assets:	
Accounts receivable	3

Inventories	(26)
Others	(21)
Increase (decrease) in liabilities:	
Suppliers	125
Payroll and related charges	1
Others	55
Net cash provided by operating activities	458
Cash flows from investing activities:	
Loans and advances receivable	(41)
Guarantees and deposits	(17)
Additions to investments	0
Additions to property, plant and equipment	(258)
Proceeds from disposals of property, plant and equipment	2
Net cash used in investing activities	(314)
Cash flows from financing activities:	
Short-term debt, net issuances (repayments)	(202)
Loans	
Additions	22
Repayments	(46)
Long-term debt	
Related parties	6
Others	37
Repayments of long-term debt	
Related parties	0
Others	(85)
Interest attributed to stockholders	(273)
Net cash used in financing activities	(541)
Increase (decrease) in cash and cash equivalents	(397)
Effect of exchange rate changes on cash and cash equivalents	86
Cash and cash equivalents, beginning of period	1402
Cash and cash equivalents, end of period	1,091
Cash paid during the period for:	
Interest on short-term debt	(15)
Interest on long-term debt, net of interest capitalized of $5 in 2003 and $5 in 2002	(31)
Income tax	(8)
Non-cash transactions	
Conversion of loans receivable to investments	15

US GAAP

1Q 03

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	1
EBITDA	2	3	2
Total Debt			
- Short Term	-	-	-
- Long Term	18	-	5
Total	18	-	5

20

US GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATIORS - UNAUDITED

million US$

KOBRASCO	1Q 02	4Q 02	1Q 03
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

US GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATIORS - 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$/ton)	14.59	14.86	13.87
Volume Sold Pellet ('000 tons)	725	1.342	856
External Markets	448	645	358
Domestic Market	277	697	498
Average Price (US$/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

22

US GAAP

1Q 03

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	16	(5)	5
EBITDA	17	8	12
Total Debt			
- Short Term	30	36	37
- Long Term	21	22	20
Total	51	58	57

23

US GAAP

1Q 03

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

24

US GAAP

1Q 03

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

[GRAPHIC APPEARS HERE] 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

US GAAP

1Q 03

This communication may include declarations which represent the expectations of the Company's Management about future results or events. All such declarations, when based on future expectations and not on historical facts, involve various risks and uncertainties. The Company cannot guarantee that such declarations turn out to be correct. Such risks and uncertainties include factors relative to the Brazilian economy and capital markets, which are volatile and may be affected by developments in other countries; factors relative to the iron ore business and its dependence on the steel industry, which is cyclical in nature; and factors relative to to the high degree of competitiveness in industries in which CVRD operates. To obtain additional information on factors which could cause results to be different from those estimated by the Company, please consult the reports filed with the Comissao de Valores Mobiliarios (CVM - Brazilian stock exchange regulatory authority) and the U.S. Securities and Exchange Commission - SEC, including the most recent Annual Report - CVRD Form 20F."

[LOGO APPEARS HERE] [LOGO APPEARS HERE]

Companhia Vale do Rio Doce
Departamento de Controladoria

1st Quarterly Financial Statements

US GAAP

Filed with The Comissao de Valores Mobiliarios - CVM (Brazilian Securities Commission) and Security Exchange Commission - SEC on 05/14/2003

Gerencia Geral de Controladoria - GECOL

COMPANHIA VALE DO RIO DOCE
INDEX TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of Companhia Vale do Rio Doce

We have reviewed the accompanying unaudited condensed consolidated balance sheet of Companhia Vale do Rio Doce and subsidiaries as of March 31, 2003, and the unaudited condensed consolidated statements of income, of cash flows and of changes in stockholders' equity for the three-month periods ended March 31, 2003 and 2002 and December 31, 2002. These financial statements are the responsibility of the Company's management. The unaudited financial information of certain affiliates, the investments in which total US$244 million at March 31, 2003 and equity in earnings which total US$10 million, US$26 million and US$16 million for the three-month periods ended March 31, 2003 and 2002 and December 31, 2002, respectively, and that of certain subsidiaries, which statements reflect total assets of US$216 million at March 31, 2003 and total revenues of US$34 million, US$71 million and US$25 million consolidated in the three-month periods ended March 31, 2003 and 2002 and December 31, 2002, respectively, were reviewed by other independent accountants whose reports thereon have been furnished to us.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews and the reports of other accountants, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Companhia Vale do Rio Doce and subsidiaries as of December 31, 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein). In our report dated February 21, 2003, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2002 is fairly stated in all material respects, in relation to the consolidated balance sheet from which it has been derived.

As discussed in Note 4 to the financial statements, the Company changed its method of accounting for asset retirement obligations, as from January 1, 2003.

PricewaterhouseCoopers
Auditores Independentes

Rio de Janeiro, Brazil
May 12, 2003

F-2

Condensed Consolidated Balance Sheets
Expressed in millions of United States dollars

	March 31, 2003	December 31, 2002
Assets	(unaudited)	
Current assets		
Cash and cash equivalents	1,284	1,091
Accounts receivable		
Related parties	123	121
Unrelated parties	509	539
Loans and advances to related parties	24	49
Inventories	282	292
Deferred income tax	171	211
Others	303	286
	2,696	2,589
Property, plant and equipment, net	3,646	3,297
Investments in affiliated companies and joint ventures and other investments and provision for losses on equity investments	839	732
Other assets		
Goodwill on acquisition of subsidiaries	434	412
Loans and advances		
Related parties	112	89
Unrelated parties	66	73
Prepaid pension cost	80	79
Deferred income tax	366	358
Judicial deposits	265	239
Unrealized gain on derivative instruments	3	3
Others	81	84
	1,407	1,337
TOTAL	8,588	7,955

See notes to consolidated financial information.

F-3

Condensed Consolidated Balance Sheets
Expressed in millions of United States dollars (Continued)

March 31,

	2003 (unaudited)
Liabilities and stockholders' equity	
Current liabilities	
Suppliers	292
Payroll and related charges	74
Interest attributed to stockholders	188
Current portion of long-term debt - unrelated parties	789
Short-term debt	61
Loans from related parties	56
Others	178
	1,638
Long-term liabilities	
Employees post-retirement benefits	155
Long-term debt - unrelated parties	2,401
Loans from related parties	7
Provisions for contingencies (Note 8)	471
Unrealized loss on derivative instruments	79
Others	154
	3,267
Minority interests	43
Stockholders' equity	
Preferred class A stock - 600,000,000 no-par-value shares authorized and 138,575,913 issued	904
Common stock - 300,000,000 no-par-value shares authorized and 249,983,143 issued	1,630
Treasury stock - 4,465 (2002 - 4,481) preferred and 4,715,170 common shares	(88)
Additional paid-in capital	498
Other cumulative comprehensive income	(4,976)
Appropriated retained earnings	2,351
Unappropriated retained earnings	3,321
	3,640
TOTAL	8,588

See notes to consolidated financial information.

F-4

Condensed Consolidated Statements of Income
Expressed in millions of United States dollars (Unaudited)
(except number of shares and per-share amounts)

	1st 2003
Operating revenues, net of discounts, returns and allowances	
Sales of ores and metals	
Iron ore and pellets	746
Gold	9
Manganese and ferroalloys	75
Potash	21
Others	16
	867
Revenues from logistic services	115
Aluminum products	167
Other products and services	4
	1,153
Value-added tax	(43)
Net operating revenues	1,110
Operating costs and expenses	
Cost of ores and metals sold	(428)
Cost of logistic services	(70)
Cost of aluminum products	(142)
Others	(1)
	(641)
Selling, general and administrative expenses	(49)
Research and development	(11)
Employee profit sharing plan	(12)
Others	(34)
	(747)
Operating income	363
Non-operating income (expenses)	
Financial income	28
Financial expenses	(82)
Foreign exchange and monetary gains (losses), net	50
	(4)
Income before income taxes, equity results and minority interests	359
Income taxes	
Current	(6)
Deferred	(65)
	(71)
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	94
Change in accounting pratice for asset retirement obligations (note 4)	(10)
Minority interests	(18)
Net income	354
Basic earnings per Common and Preferred Class A Share	0.92

Weighted average number of shares outstanding (thousands of shares)	
Common shares	245,268
Preferred Class A shares	138,571

See notes to consolidated financial information.

Condensed Consolidated Statements of Cash Flows
Expressed in millions of United States dollars (Unaudited)

	1st
Cash flows from operating activities:	
Net income	
Adjustments to reconcile net income with cash provided by operating activities:	
Depreciation, depletion and amortization	
Dividends received	
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	
Deferred income taxes	
Provisions for contingencies	
Impairment of property, plant and equipment	
Change in accounting pratice for asset retirement obligations (note 4)	
Pension plan	
Foreign exchange and monetary losses	
Net unrealized derivative losses	
Minority interests	
Others	
Decrease (increase) in assets:	
Accounts receivable	
Inventories	
Others	
Increase (decrease) in liabilities:	
Suppliers	
Payroll and related charges	
Others	
Net cash provided by operating activities	
Cash flows from investing activities:	
Loans and advances receivable	
Related parties	
Additions	
Repayments	
Others	
Guarantees and deposits	
Additions to investments	
Additions to property, plant and equipment	
Proceeds from disposals of property, plant and equipment	
Net cash used in investing activities	
Cash flows from financing activities:	

Short-term debt, net issuances (repayments)	
Loans	
Related parties	
Additions	
Repayments	
Long-term debt	
Related parties	
Others	
Repayments of long-term debt	
Related parties	
Others	
Interest attributed to stockholders	
	--
Net cash used in financing activities	
	--
Increase (decrease) in cash and cash equivalents	
Effect of exchange rate changes on cash and cash equivalents	
Cash and cash equivalents, beginning of period	1
	--
Cash and cash equivalents, end of period	1
	==
Cash paid during the period for:	
Interest on short-term debt	
Interest on long-term debt, net of interest capitalized of $4 in 2003, $5 in 2002............	
Income tax	
Non-cash transactions	
Conversion of loans receivable to investments	

See notes to consolidated financial information.

F-6

Condensed Consolidated Statements of Changes in Stockholders' Equity
Expressed in millions of United States dollars (Unaudited)
(except number of shares and per-share amounts)

	Shares
Preferred class A stock (including one special share)	
Balance March 31, 2003 and 2002	138,575,913
Common stock	
Balance March 31, 2003 and 2002	249,983,143
Treasury stock	
Balance January 1	(4,715,261)
Acquisitions in 2002	(4,390)
Sales in 2003	16
Balance March 31	(4,719,635)
Additional paid-in capital	
Balance March 31	

Other cumulative comprehensive income	
Cumulative translation adjustments	
Balance January 1	
Change in the period	
Balance March 31	
Unrealized gain on available-for-sale security	
Balance January...	
Change in the period	
Balance March 31	
Adjustments relating to investments in affiliates	
Balance January 1...	
Change in the period	
Balance March 31	
Total other cumulative comprehensive income	
Appropriated retained earnings	
Balance January 1...	
Transfer to retained earnings	
Balance March 31	
Retained earnings	
Balance January 1...	
Net income	
Interest attributed to stockholders	
Preferred class A stock ($0.52 and $0.35 per share in 2003 and 2002)..	
Common stock ($0.52 and $0.35 per share in 2003 and 2002)......	
Appropriation from reserves	
Balance March 31	
Total stockholders' equity..	383,839,421
	============
Comprehensive income is comprised as follows:	
Net income	
Cumulative translation adjustments	
Unrealized gain on available-for-sale security	
Total comprehensive income	

See notes to consolidated financial information.

Notes to the Consolidated Financial Information
Expressed in millions of United States dollars, unless otherwise stated (unaudited)

1 The Company and its operations

Companhia Vale do Rio Doce (CVRD) is a limited liability company, duly organized and existing under the laws of the Federative Republic of Brazil. Our operations are carried out through CVRD and its subsidiary companies, joint ventures and affiliates, and mainly consist of mining, non-ferrous metal production and logistics, as well as energy, aluminum and steel activities. Further details of our operations and those of our joint ventures and affiliates are described in Note 7.

The main operating subsidiaries we consolidate are as follows:

Subsidiary	% ownership	Head office location
Ferteco Mineracao S.A. - FERTECO	100	Brazil
Para Pigmentos S.A.	76	Brazil
SIBRA - Eletrosiderurgica Brasileira S.A.	100	Brazil
Navegacao Vale do Rio Doce S.A. - DOCENAVE	100	Brazil
Vale do Rio Doce Aluminio S.A. - ALUVALE	100	Brazil
Itabira Rio Doce Company Ltd. - ITACO	100	Cayman Islan
Rio Doce International Finance Ltd. - RDIF	100	Bahamas
CELMAR S.A. - Industria de Celulose e Papel	85	Brazil
Florestas Rio Doce S.A.	100	Brazil
Rio Doce Manganese Europe - RDME	100	France
Urucum Mineracao S.A.	100	Brazil
Alumina do Norte do Brasil S.A - Alunorte	57	Brazil
Salobo Metais S.A.	100	Brazil
Mineracao Serra do Sossego S.A.	100	Brazil

2 Basis of consolidation

All majority-owned subsidiaries where we have both share and management control are consolidated, with elimination of all significant intercompany accounts and transactions. Investments in unconsolidated affiliates and joint ventures are reported at cost less amortized goodwill plus our equity in undistributed earnings or losses. Included in this category are certain joint ventures in which we have majority ownership but, by force of shareholders' agreements, do not have effective management control. We provide for losses on equity investments with negative stockholders' equity where applicable (see Note 7).

We evaluate the carrying value of our listed investments relative to publicly available quoted market prices. If the quoted market price is below book value, and such decline is considered other than temporary, we write-down our equity investments to quoted market value.

We define joint ventures as businesses in which we and a small group of other partners each participate actively in the overall entity management, based on a shareholders agreement. We define affiliates as businesses in which we participate as a minority stockholder but with significant influence over the operating and financial policies of the investee.

3 Summary of significant accounting policies

Our condensed consolidated interim financial information as of March

31, 2003 and for the three month periods ended March 31, 2003 and 2002 and December 31, 2002 is unaudited. However, in our opinion, such condensed consolidated financial information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for interim periods. The results of operations for the three month period ended March 31, 2003 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2003.

F-8

This condensed interim financial information should be read in conjunction with our consolidated financial information for the year ended December 31, 2002.

The provision for losses on equity investments relates to our investments in affiliates which have reported negative stockholders' equity in their financial information prepared in accordance with US GAAP and in circumstances where we have assumed commitments to fund our share of the accumulated losses, if necessary, through additional capital contributions or other means. Accordingly we (a) first reduce the value of the investment to zero and (b) subsequently provide for our portion of negative equity.

Other current assets includes $21 related to ships held for sale, at March 31, 2003.

4 Recently-issued accounting pronouncements

In June 2001, the FASB issued SFAS 143 - "Accounting for Asset Retirement Obligations". We adopted SFAS 143 as from January 1, 2003, as a consequence an additional $26 for asset retirement obligations was recorded as "Others - long-term liabilities", a net increase of $11 in mine development costs was registered within "Property, plant and equipment" and a resulting change of $10 was registered as "Change in Accounting Practice for Asset Retirement Obligations" on the Statement of Income, net of income tax ($15 gross of deferred income tax). Over time the liabilities will be accreted for the change in their present value and initial capitalized costs will be depleted over the useful lives of the related assets.

In June 2002, the FASB has issued SFAS 146 - "Accounting for Costs Associated with Exit or Disposal Activities". The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. We adopted SFAS 146 as from January 1, 2003. We have not issued or disposed of any significant activities since adoption.

In November 2002 the FASB issued FIN 45 - "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others". The Interpretation elaborates on the existing disclosure requirements for most guarantees, including loan guarantees such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial information. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002, regardless of the guarantor's fiscal year-end. The disclosure requirements in the Interpretation, applicable at December 31, 2002 are disclosed in Note 15. We have not issued any material guarantees since December 31, 2002.

5 Income taxes

Income taxes in Brazil comprise federal income tax and social contribution, which is an additional federal tax. The statutory enacted tax rates applicable in the periods presented are as follows:

	Three months ended March
	2003
Federal income tax	25
Social contribution	9
Composite tax rate	34

The amount reported as income tax expense in our consolidated financial information is reconciled to the statutory rates as follows:

	2
Income before income taxes, equity results and minority interests	
Federal income tax and social contribution expense at statutory enacted rates	(
Adjustments to derive effective tax rate:	
Tax benefit on interest attributed to stockholders	
Exempt foreign income	
Tax deductible goodwill in business combination...........................	
Tax incentives	
Valuation allowance...	
Other non-taxable gains...	
Adjustment to reflect expected annual effective tax rate..................	
Federal income tax and social contribution expense in consolidated statements of income..	

We have certain tax incentives relative to our iron ore and manganese operations in Carajas. The incentives comprise full income tax exemption on defined production levels up to 2005 and partial exemption up to 2013. An amount equal to the tax saving must be appropriated to a reserve account within stockholders' equity and may not be distributed in the form of cash dividends.

6 Inventories

	March 31, 2003	December 31, 2002
Finished products		
Iron ore and pellets	80	86
Manganese...........................	18	24
Ferroalloys.........................	28	27
Alumina	18	15
Others..............................	14	12
Spare parts and maintenance supplies..	124	128
	282	292

F-11

7 Investments

	March 31, 20			
	Participation in capital (%)		Net equity	N income f the peri
Investments in affiliated companies and joint ventures	voting	total		

	------	-----		
Steel				
Usinas Siderurgicas de Minas Gerais S.A - USIMINAS	22.99	11.46	87	87
Companhia Siderurgica de Tubarao - CST	20.51	22.85	127	27
California Steel Industries Inc. - CSI	50.00	50.00	218	5
Aluminum and bauxite				
Mineracao Rio do Norte S.A. - MRN	40.00	40.00	402	10
Valesul Aluminio S.A. - VALESUL	54.51	54.51	84	8
Aluminio Brasileiro S.A. - ALBRAS	51.00	51.00	79	79
Alumina do Norte do Brasil S.A. - ALUNORTE (Consolidated as from June 30, 2002, after acquisition of control)	62.09	57.03	--	--
Iron ore and pellets				
Caemi Mineracao e Metalurgia S.A	50.00	16.85	512	27
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO	51.11	51.00	25	1
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS	51.00	50.89	27	1
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	50.00	50.00	--	--
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO	51.00	50.90	20	--
Gulf Industrial Investment Company - GIIC	50.00	50.00	67	4
SAMARCO Mineracao S.A. - SAMARCO	50.00	50.00	336	38
Others				
Fertilizantes Fosfatados S.A. - FOSFERTIL	10.96	11.12	223	28
Others	--	--	--	--
Balance / Change in provision for losses on equity investments:				
Aluminio Brasileiro S.A. - ALBRAS				
Companhia Ferroviaria do Nordeste - CFN				
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO				
Ferrovia Centro-Atlantica S.A. - FCA				
MRS Logistica S.A				
CSN Aceros				
Available for sale investments				
SIDERAR (costs $24)	4.85	4.85	--	--
Total				

	Goodwill	Equity Adjustments		
	December 31, 2002	1st 2003	1st 2002	4th 2002
Investments in affiliated companies and joint ventures				

Steel				
Usinas Siderurgicas de Minas Gerais S.A - USIMINAS	--	10	3	--
Companhia Siderurgica de Tubarao - CST	--	6	(7)	8
California Steel Industries Inc. - CSI	--	3	(1)	7
Aluminum and bauxite				
Mineracao Rio do Norte S.A. - MRN	--	4	4	7
Valesul Aluminio S.A. - VALESUL	--	4	1	6
Aluminio Brasileiro S.A. - ALBRAS	--	39	9	--
Alumina do Norte do Brasil S.A. - ALUNORTE (Consolidated as from June 30, 2002, after acquisition of control)	--	--	5	--
Iron ore and pellets				
Caemi Mineracao e Metalurgia S.A	--	5	1	(13)
Companhia Nipo-Brasileira de Pelotizacao - NIBRASCO	--	1	(1)	2
Companhia Hispano-Brasileira de Pelotizacao - HISPANOBRAS	--	1	1	--
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	--	--	1	--
Companhia Italo-Brasileira de Pelotizacao - ITABRASCO	--	--	1	1
Gulf Industrial Investment Company - GIIC	--	2	2	2
SAMARCO Mineracao S.A. - SAMARCO	30	19	11	31
Others				
Fertilizantes Fosfatados S.A. - FOSFERTIL	--	3	2	3
Others	--	4	--	--
	30	101	32	54
Balance / Change in provision for losses on equity investments:				
Aluminio Brasileiro S.A. - ALBRAS	--	1	6	69
Companhia Ferroviaria do Nordeste - CFN	--	--	(1)	--
Companhia Coreano-Brasileira de Pelotizacao - KOBRASCO	--	3	--	3
Ferrovia Centro-Atlantica S.A. - FCA	--	(11)	(3)	(10)
MRS Logistica S.A	--	1	--	7
CSN Aceros	--	(1)	--	(2)
	--	(7)	2	67
	30	94	34	121
Available for sale investments				
SIDERAR (costs $24)	--	--	--	--
Total	30	94	34	121

Information with respect to other major affiliates' financial position and results of operations is as follows:

	ALBRAS			
	March 31, 2003	December 31, 2002	March 31, 2003	Dec 31,
Balance Sheet				
Current assets	176	158	52	
Noncurrent assets	399	370	507	
Current liabilities	(182)	(197)	(58)	
Noncurrent liabilities ...	(314)	(333)	(99)	
Stockholders equity	79	(2)	402	
Our participation...........	51.00%	51.00%	40.00%	
Investments	40	(1)	161	

	ALBRAS				
	1st 2003	1st 2002	4th 2002	1st 2003	1s
Statement of Operations					
Net sales	137	115	136	41	
Costs and expenses	(53)	(85)	(52)	(29)	
Income before income taxes	84	30	84	12	
Income taxes	(5)	--	52	(2)	
Equity in results of affiliates	--	--	--	--	
Net income	79	30	136	10	
Our participation	51.00%	51.00%	51.00%	40.00%	
Participation in results	40	15	69	4	
Change in provision for losses ...	(1)	(6)	(69)	--	
Equity adjustments	39	9	--	4	

The financial position and results of operations of our affiliates in the steel sector (USIMINAS, CST and CSI) are no longer significant to our consolidated financial information.

8 Commitments and contingencies

(a) At March 31, 2003, we had extended guarantees for borrowings obtained by affiliates and joint ventures in the amount of $499, of which $383 is denominated in United States dollars and the remaining $116 in local currency, as follow:

Affiliate or Joint Venture	Amount of guarantee	Denominated currency	Purpose
ALBRAS	284	US$	guarantee
	46	R$	Debt guarantee
FCA	51	US$	Debt guarantee
	65	R$	Debt guarantee
KOBRASCO	13	US$	Debt guarantee
SEPETIBA TECON	19	US$	Debt guarantee
	4	R$	Debt guarantee
SAMARCO	12	US$	Debt guarantee
VALESUL	1	R$	Debt guarantee
NIBRASCO	4	US$	Debt guarantee
	499		

We expect no losses to arise as a result of the above guarantees. We have made no charges for extending these guarantees except in the case of Albras and Samarco.

(b) CVRD and its subsidiaries are defendants in numerous legal actions in the normal course of business. Based on the advice of our legal counsel, management believes that the provision made against contingent losses is sufficient to cover probable losses in connection with such actions.

The provision for contingencies and the related judicial deposits are composed as follows:

	March 31, 2003		December
	Provision for contingencies	Judicial deposits	Provision for contingencies
Labor claims	126	57	109
Civil claims	107	36	95
Tax - related actions	232	170	220
Others	6	2	4
	471	265	428

Labor -related actions principally comprise employee claims for (i) payment of time spent travelling from their residences to the work-place, (ii) additional payments for alleged dangerous or unhealthy working conditions and (iii) various other matters, often in connection with disputes about the amount of indemnities paid upon dismissal.

Civil actions principally relate to claims made against us by contractors in connection with losses alleged to have been incurred by them as a result of various past government economic plans during which full indexation of contracts for inflation was not permitted.

Tax-related actions principally comprise our challenges of changes in basis of calculation and rates of certain revenue taxes and of the tax on financial movements - CPMF.

We continue to vigorously pursue our interests in all the above actions but recognize that probably we will incur some losses in the final instance, for which we have made provisions.

Our judicial deposits are made as required by the courts for us to be able to enter or continue a legal action. When judgment is favorable to us, we receive the deposits back; when unfavorable, the deposits are delivered to the prevailing party.

Contingencies settled in the three-month period ended March 31, 2003, and 2002 and December 31, 2002 aggregated $21, $19 and $19, respectively, and additional provisions aggregated $30, $33 and $27, respectively.

(c) We are defendants in two actions seeking substantial compensatory damages brought by the Municipality of Itabira, State of Minas Gerais, which we believe are without merit. Due to the remote likelihood that any loss will arise therefrom no provision has been made in the financial information with respect to these two actions.

(d) We are committed under a take-or-pay agreement to take annual delivery of approximately 207,060 metric tons per year of aluminum from ALBRAS at market prices. This estimate is based on 51% of ALBRAS expected production and, at a market price of $1,356.00 per metric ton at March 31, 2003, represents an annual commitment of $281. Actual take from Albras was $65, $60 and $65 during the three-month period ended March 31, 2003 and 2002 and December 31, 2002, respectively.

(e) We and BNDES entered into a contract, known as the Mineral Risk Contract, in March 1997, relating to prospecting authorizations for mining regions where drilling and exploration are still in their early stages. The Mineral Risk Contract provides for the joint development of certain unexplored mineral deposits in approximately two million identified hectares of land in the Carajas region, as well as proportional participation in any financial benefits earned from the development of such resources. Iron ore and manganese deposits already identified and subject to development are specifically excluded from the Mineral Risk Contract.

F-15

Pursuant to the Mineral Risk Contract, we and BNDES each agreed to provide $205, which represents half of the $410 in expenditures estimated as necessary to complete geological exploration and mineral resource development projects in the region over a period of five years. This period was extended for an additional two years. We oversee these projects and BNDES advances us half of our costs on a quarterly basis. Under the Mineral Risk Contract, as of March 31, 2003, each of us and BNDES had remaining commitments to contribute an additional $54 toward exploration and development activities. In the event that either of us wishes to conduct further exploration and development after having spent such $205, the contract provides that each party may either choose to match the other party's contributions, or may choose to have its financial interest proportionally diluted. If a party's participation in the project is diluted to an amount lower than 40% of the amount invested in connection with exploration and development projects, then the Mineral Risk Contract provides that the diluted party will lose (1) all the rights and benefits provided for in the Mineral Risk Contract and (2) any amount previously contributed to the project.

Under the Mineral Risk Contract, BNDES has agreed to compensate us through a finder's fee production royalty on their share of mineral resources that are discovered and placed into production. This finder's fee is equal to 3.5% of the revenues derived from the sale of gold, silver and platinum group metals and 1.5% of the revenues derived from the sale of other minerals, including copper, except for gold and other minerals discovered at Serra Leste, for which the finder's fee is equal to 6.5% of revenues.

(f) At the time of our privatization in 1997, we issued shareholder revenue interests known in Brazil as "debentures" to our then-existing shareholders, including the Brazilian Government. The terms of the "debentures", were set to ensure that our pre-privatization shareholders, including the Brazilian Government, would participate alongside us in potential future financial benefits that we are able to derive from exploiting our mineral resources.

(g) At March 31, 2003 we have provided $46 for environmental liabilities and asset retirement obligations.

We use various judgments and assumptions when measuring our environmental liabilities and asset retirement obligations. Changes in circumstances, law or technology may affect our estimates and we periodically review the amounts accrued and adjust them as necessary. Our accruals do not reflect unasserted claims because we are currently not aware of any such issues. Also the amounts provided are not reduced by any potential recoveries under cost sharing, insurance or indemnification arrangements because such recoveries are considered uncertain.

9 Segment and geographical information

In 1999 we adopted SFAS 131 "Disclosures about Segments of an Enterprise and Related Information" with respect to the information we present about our operating segments. SFAS 131 introduced a "management approach" concept for reporting segment information, whereby financial information is required to be reported on the basis that the top decision-maker uses such information internally for evaluating segment performance and deciding how to allocate resources to segments. Our business segments are currently organized as follows:

Ferrous products - comprises iron ore mining and pellet production, as well as the Northern and Southern transportation systems, including railroads, ports and terminals, as they pertain to mining operations. Manganese mining and ferroalloys are also included in this segment.

Non-ferrous products - comprises the production of gold and other non-ferrous minerals.

F-16

Logistics - comprises our transportation systems as they pertain to operation of our ships, ports and railroads for third-party cargos.

F-17

Holdings - divided into the following sub-groups:

- o Aluminum - comprises aluminum trading activities, alumina refining and investments joint ventures and affiliates engaged in bauxite mining and aluminum metal smelting.
- o Steel - comprises our investments in joint ventures and affiliates operating in the steel industry.
- o Others - comprises our investments in joint ventures and affiliates engaged in other businesses.

Information presented to top management with respect to the performance of each segment is generally derived directly from the accounting records maintained in accordance with Brazilian corporate law together with certain minor inter-segment allocations.

Consolidated net income and principal assets are reconciled as follows:

	Ferrous	Non ferrous	Logistics
RESULTS			
Gross revenues - Export	1,080	23	21
Gross revenues - Domestic	258	24	78
Cost and expenses	(1,001)	(38)	(61)
Depreciation, depletion and amortization	(36)	(3)	(2)
Pension plan	(3)	--	--
Operating profit	298	6	36
Interest revenue	45	1	3
Interest expense	(96)	(2)	(1)
Foreign exchange and monetary losses, net	25	5	(3)
Equity in earnings	34	--	(11)
Income taxes	(66)	(1)	(1)
Change in accounting pratice for asset retirement obligations (note 4)	(10)	--	--
Minority interests	--	(2)	--

Net income	230	7	23
Sales classified by geographic destination:			
Export market			
Latin America	116	--	14
United States	101	4	--
Europe	440	17	4
Middle East	51	--	3
Japan	111	1	--
Asia, other than Japan	261	1	--
	1,080	23	21
Domestic market	258	24	78
	1,338	47	99
Assets:			
Property, plant and equipment, net	2,563	464	162
Capital expenditures	91	51	32
Investments in affiliated companies and joint ventures and other investments, net of provision for losses	423	--	(7)
Capital employed	2,521	138	188

	March 31, 2003	
	Eliminations	Consolidated
RESULTS		
Gross revenues - Export	(476)	797
Gross revenues - Domestic	(41)	356
Cost and expenses	517	(744)
Depreciation, depletion and amortization	--	(43)
Pension plan	--	(3)
Operating profit	--	363
Interest revenue	(25)	28
Interest expense	25	(82)
Foreign exchange and monetary losses, net	--	50
Equity in earnings	--	94
Income taxes	--	(71)
Change in accounting pratice for asset retirement obligations (note 4)	--	(10)
Minority interests	--	(18)
Net income	--	354

Sales classified by geographic destination:

Export market		
Latin America	(72)	89
United States	(50)	57
Europe	(170)	378
Middle East	(16)	38
Japan	(49)	86
Asia, other than Japan	(119)	149
	(476)	797
Domestic market	(41)	356
	(517)	1,153
Assets:		
Property, plant and equipment, net	--	3,646
Capital expenditures	--	198
Investments in affiliated companies and joint ventures and other investments, net of provision for losses	--	839
Capital employed	--	3,284

Operating profit by product - after eliminations

	Revenues Export	Revenues Domestic	Revenues Total	(1) Cost and expenses	Net	Impairment/ Gain on sale of property, plant and equipment
Ferrous						
Iron ore	421	126	547	(265)	282	--
Pellets	152	47	199	(167)	32	--
Manganese	13	2	15	(5)	10	--
Ferroalloys	43	17	60	(54)	6	--
	629	192	821	(491)	330	--
Non ferrous						
Gold	9	--	9	(8)	1	--
Potash	--	21	21	(12)	9	--
Kaolin	13	3	16	(10)	6	--
	22	24	46	(30)	16	--
Aluminum						
Alumina	59	34	93	(73)	20	--

Aluminum	70	--	70	(66)	4	--
Bauxite	4	--	4	(4)	--	--
	133	34	167	(143)	24	--
Logistics						
Railroads	--	66	66	(22)	44	--
Ports	--	28	28	(9)	19	--
Ships	13	8	21	(39)	(18)	--
	13	102	115	(70)	45	--
Others..........	--	4	4	(10)	(6)	--
	797	356	1,153	(744)	409	--

(1) Cost and expenses include contingency provisions of $9.

	Ferrous	Non ferrous	Logistics
RESULTS			
Gross revenues - Export	949	44	10
Gross revenues - Domestic	216	17	81
Cost and expenses	(856)	(49)	(55)
Depreciation, depletion and amortization	(53)	(6)	(6)
Pension plan	(3)	--	--
Operating profit	253	6	30
Interest revenue	41	--	3
Interest expense	(70)	(2)	(1)
Foreign exchange/translation gain(loss)	(6)	1	--
Equity in earnings	16	--	(4)
Income taxes	(17)	--	(1)
Minority interests	(1)	--	--
Net income	216	5	27
Sales classified by geographic destination:			
Export market			
Latin America..	64	--	5
United States..	89	13	3
Europe...	393	29	2
Middle East..	43	--	--
Japan..	113	1	--
Asia, other than Japan...............................	247	1	--

	949	44	10
Domestic market	216	17	81
	1,165	61	91

Assets :			
Property, plant and equipment, net	3,196	287	280
Capital expenditures	130	3	9
Investments in affiliated companies and joint ventures and other investments, net of provision for loss	718	28	39
Capital employed	3,032	293	285

	March 31, 2002	
	Eliminations	Consolidated
RESULTS		
Gross revenues - Export	(377)	694
Gross revenues - Domestic	(22)	293
Cost and expenses	399	(623)
Depreciation, depletion and amortization	--	(66)
Pension plan	--	(3)
Operating profit	--	295
Interest revenue	(12)	33
Interest expense	12	(62)
Foreign exchange/translation gain(loss)	--	(5)
Equity in earnings	--	34
Income taxes	--	(19)
Minority interests	--	(1)
Net income	--	275
Sales classified by geographic destination:		
Export market		
Latin America	(25)	51
United States	(40)	65
Europe	(143)	342
Middle East	(4)	39
Japan	(52)	62
Asia, other than Japan	(113)	135
	(377)	694
Domestic market	(22)	293
	(399)	987
Assets :		
Property, plant and equipment, net	--	3,857

Capital expenditures..................................	--	145
Investments in affiliated companies and joint ventures and other investments, net of provision for loss.......	--	1,243
Capital employed......................................	--	3,6710

Operating profit by product - after eliminations

	Revenues			(1) Cost and expenses	Net	Impairment/ Gain on sale of property, plant and equipment	D d
	Export	Domestic	Total				
Ferrous							
Iron ore	410	104	514	(278)	236	--	
Pellets	116	36	152	(116)	36	--	
Manganese	14	4	18	(10)	8	--	
Ferroalloys	33	21	54	(42)	12	--	
	573	165	738	(446)	292	--	
Non ferrous							
Gold	34	--	34	(22)	12	--	
Potash	--	16	16	(11)	5	--	
Kaolin	10	2	12	(6)	6	--	
	44	18	62	(39)	23	--	
Aluminum							
Alumina	6	--	6	(4)	2	--	
Aluminum	60	--	60	(57)	3	--	
Bauxite	2	--	2	(2)	--	--	
	68	--	68	(63)	5	--	
Logistics							
Railroads	--	72	72	(7)	65	(20)	
Ports	--	16	16	(11)	5	--	
Ships	9	14	23	(7)	16	(7)	
	9	102	111	(25)	86	(27)	
Others	--	8	8	(23)	(15)	--	
	694	293	987	(596)	391	(27)	

(1) Cost and expenses include contingency provisions of $23.

	Ferrous	Non ferrous	Logistics
RESULTS			
Gross revenues - Export	1,139	24	11
Gross revenues - Domestic	206	26	138
Cost and expenses	(1,022)	(101)	(69)
Depreciation, depletion and amortization	(36)	(3)	(2)
Pension plan	(2)	--	(1)
Operating profit	285	(54)	77
Interest revenue	77	1	3
Interest expense	(83)	(1)	--
Foreign exchange and monetary losses, net	246	11	(51)
Equity in earnings	28	--	(3)
Income taxes	(130)	--	(7)
Minority interests	2	(6)	--
Net income	425	(49)	19
Sales classified by geographic destination:			
Export market			
Latin America	102	--	5
United States	89	1	--
Europe	477	19	5
Middle East	88	--	--
Japan	125	1	--
Asia, other than Japan	258	3	1
	1,139	24	11
Domestic market	206	26	138
	1,345	50	149
Assets:			
Property, plant and equipment, net	2,346	400	144
Capital expenditures	524	132	33
Investments in affiliated companies and joint ventures and other investments, net of provision for losses	395	--	(27)
Capital employed	2,340	119	161

	4th Quarter 2002	
	Eliminations	Consolidated
Gross revenues - Export	(525)	766

Gross revenues - Domestic	(64)	335
Cost and expenses	599	(714)
Depreciation, depletion and amortization	--	(43)
Pension plan	--	(3)
Operating profit	10	341
Interest revenue	(45)	40
Interest expense	45	(48)
Foreign exchange and monetary losses, net	(10)	257
Equity in earnings	--	121
Income taxes	--	(109)
Minority interests	--	(33)
Net income	--	569

Sales classified by geographic destination:		
Export market		
Latin America	(59)	58
United States	(59)	33
Europe	(198)	387
Middle East	(20)	68
Japan	(58)	79
Asia, other than Japan	(131)	141
	(525)	766
Domestic market	(64)	335
	(589)	1,101
Assets:		
Property, plant and equipment, net	--	3,297
Capital expenditures	--	766
Investments in affiliated companies and joint ventures and other investments, net of provision for losses	--	732
Capital employed	--	2,877

Operating profit by product - after eliminations

	Revenues			Cost and expenses	Net	Impairment/ Gain on sale of property, plant and equipment	D d
	Export	Domestic	Total				
Ferrous							

Iron ore	406	135	541	(234)	307	--
Pellets	160	36	196	(149)	47	--
Manganese	9	(2)	7	3	10	--
Ferroalloys	46	13	59	(50)	9	--
	621	182	803	(430)	373	--
Non ferrous						
Gold	13	--	13	(32)	(19)	(35)
Potash	--	24	24	(15)	9	--
Kaolin	10	2	12	(8)	4	--
	23	26	49	(55)	(6)	(35)
Aluminum						
Alumina	45	28	73	(63)	10	--
Aluminum	73	--	73	(64)	9	--
Bauxite	4	--	4	(4)	--	--
	122	28	150	(131)	19	--
Logistics						
Railroads	--	76	76	(29)	47	--
Ports	--	11	11	(16)	(5)	--
Ships	--	11	11	(25)	(14)	--
	--	98	98	(70)	28	--
Others	--	1	1	7	8	--
	766	335	1,101	(679)	422	(35)

10 Derivative financial instruments

Volatility of interest rates, exchange rates and commodity prices are the main market risks to which we are exposed - all three are managed through derivative operations. These have the exclusive aim of reducing exposure to risk. We do not use derivatives for speculation purposes.

We monitor and evaluate our derivative positions on a regular basis and adjust our strategy in response to market conditions. We also periodically review the credit limits and credit worthiness of our counter-parties in these transactions. In view of the policies and practices established for operations with derivatives, management considers the occurrence of non-measurable risk situations as unlikely.

The asset (liability) balances at March 31, 2003, 2002 and December 31, 2002 and the movement in fair value of derivative financial instruments is as follows:

Gold	Interest rates (libor)	Currencies

Unrealized gains (losses) at January 1, 2002..............	7	(36)	(4)
Change in the period.......................................	(10)	18	(2)
Gains (losses) realized in the period......................	1	(7)	-
Unrealized gains (losses) at March 31, 2002................	(2)	(25)	(6)
Unrealized gains (losses) at October 1, 2002..............	(4)	(65)	2
Financial settlement.......................................	-	3	2
Gains (losses) in the period...............................	(10)	9	(6)
Effect of exchange rate changes............................	(1)	(7)	1
Unrealized gains (losses) at December 31, 2002.............	(15)	(60)	(1)
Unrealized gains (losses) at January 1, 2003...............	(15)	(60)	(1)
Financial settlement.......................................	-	4	-
Gains (losses) in the period...............................	5	(8)	-
Effect of exchange rate changes............................	-	(4)	-
Unrealized gains (losses) at March 31, 2003................	(10)	(68)	(1)

Realized and unrealized gains (losses) are included in our income statement under the following captions:

Gold - operating costs and expenses;
Interest rates - financial expenses;
Currencies - foreign exchange and monetary losses, net.

Final maturity dates for the above instruments are as follows:

Gold...	December 2006
Interest rates (libor)...........................	May 2007
Currencies.......................................	May 2005

(a) Interest Rate and Exchange Rate Risk

Interest rate risks mainly relate to that part of the debt borrowed at floating rates. The foreign currency debt is largely subject to fluctuations in the London Interbank Offered Rate - LIBOR. That portion of local currency denominated debt that is subject to floating rates is linked to the Long Term Interest Rate - TJLP, fixed quarterly by the Brazilian Central Bank. Since May 1998, we have used derivative instruments to protect ourselves against fluctuations in the LIBOR rate.

There is an exchange rate risk associated with our foreign currency denominated debt. On the other hand, 89% of our revenues are denominated in, or automatically indexed to, the U.S. dollar, while 49% of our costs are expressed in reais. This provides a natural hedge against any devaluation of the Brazilian real against the U.S. dollar. When events of this nature occur, the immediate negative impact on foreign currency denominated debt is offset over time by the positive effect of devaluation on future cash flows.

With the advent of a floating exchange rate regime in Brazil in January 1999, we adopted a strategy of monitoring market fluctuations, using derivatives to protect against specific risks from exchange rate variation.

From time to time we enter into foreign exchange derivative swap transactions seeking to change the characteristics of our real-denominated cash investments to US dollar-indexed instruments. The extent of such transactions depends on our perception of market and currency risk, but is never speculative in nature. All such operations are marked-to-market at each balance sheet date and the effect included in financial income or expense. During the three months ended March 31, 2003 and the year ended December 31, 2002 our use of such instruments was not significant.

(b) Commodity Price Risk

We also use derivative instruments to manage exposure to changing gold prices. Derivatives allow the fixing of an average minimum profit level for future gold production. However, they may also have the effect of eliminating potential gains on certain price increases in the spot market for gold. We manage our contract positions actively, and the results are reviewed at least monthly, allowing adjustments to targets and strategy to be made in response to changing market conditions.

In the case of gold derivatives, our policy has been to settle all contracts through cash payments or receipts, without physical delivery of product.

Our affiliate Albras manages the risk of fluctuating aluminum prices using derivatives, allowing an average minimum profit level for future production and ensuring stable cash generation. However, they may also have the effect of eliminating potential gains on certain price increases in the spot market for aluminum. We account for Albras using the equity method.

11 Subsequent Events

Payment of Interest on Stockholders' Equity

On April 16, 2003, the Board of Directors approved the first installment of its US$ 1.04 per share minimum dividend for 2003. The minimum dividend was determined in accordance to the CVRD dividend policy announced on November 13, 2002.

According the procedures previously annouced on January 30, 2003, the Company will pay the minimum dividend for 2003 in two equal installments, on April 30 and October 31, 2003, respectively.

Acquisition of Caemi

On March 31, 2003, CVRD signed an agreement with Mitsui & Co. (Mitsui) to acquire all its common and preferred shares in Caemi Mineracao e Metalurgia S. A (Caemi) for US$ 426.4 million. The acquisition is subject to the review and approval by antitrust authorities in addition to due diligence procedures. These shares represent 50% and 40% of the common and preferred shares, respectively, of that company. After the transaction, CVRD will detain 100% of the common shares, 40% of the preferred shares and 60.2% of the total capital.

CST Shares Acquisition

On March 27, 2003, CVRD and Arcelor entered an agreement with Acestia S.A. (Acesita) to buy shares of Companhia Siderurgica de Tubarao (CST). The shares acquired are not covered by the CST shareholders' agreement.

Through this agreement CVRD acquired, by April 24, 2003, 4.42% of the common shares and 5.64% of the preferred shares of CST, representing 5.17% of CST's total capital for $60. Simultaneously, Arcelor acquired common and preferred shares of CST to arrive at the same respective share holdings as CVRD. After the transaction, CVRD will detain 24.93% of the common shares, 29.96% of the preferred shares and 28.02% of the total capital.

F-25

Acesita owns an additional 14.85% of CST's voting capital, the acquisition of which is subject to authorization by the other parties to that shareholders' agreement authorize the transaction until the expiration of the shareholders' agreement in May 2005.

Restructuring in participation of Logistics Companies

On April 16, 2003, CVRD, Companhia Siderurgica Nacional (CSN) and other unlisted companies entered into an agreement for the reorganization of their common interests in logistics companies. The agreement is subject to approval by regulatory authorities and by certains creditors of CSN and CVRD, adjustments to commercial agreements and the waiver by other shareholders of the exercise of any rights of first refusal.

The agreement involves three transactions:

o The acquisition by CVRD of CSN's 11.95% stake in Ferrovia Centro-Atlantica (FCA).

o The sale to CSN of CVRD's stake in its equity investees, Sepetiba Tecon S.A. (STSA), a company that operates Container Terminal 1 at the Port of Sepetiba (TECON), in Rio de Janeiro State. TECON will allow CVRD to handle containers through TECON over the next ten years and guaranteeing maintenance of port conditions for the handling of containers.

o The sale by CVRD to CSN and Taquari Participacoes S. A. (Taquari) of 32.4% of the capital of Companhia Ferroviaria do Nordeste (CFN).

The purchase and sale obligations, if the conditions are fulfilled, will result in a net cash outflow of $6 by CVRD.

Pig Iron Project with NUCOR

On April 24, 2003, CVRD and Nucor Corporation (NUCOR) signed an agreement to construct and operate an environmentally friendly pig iron project in Northern Brazil with a capacity of approximately 380,000 metric tons of pig iron per year in its initial phase. Iron ore will be obtained its Carajas mine and its forestry assets hold by Celmar S.A..

NUCOR will invest US$10 million in the project while CVRD's equity contribution will be the land and the forest assets (currently owned by its wholly owned subsidiary Celmar S.A.). The total capital of the project will be about US$ 80 million. The ownership will be split 78% CVRD and 22% NUCOR.

* * *

F-26

Supplemental Financial Information

The following information provides additional details in relation to the balance sheet and financial performance of equity investees as well as certain financial ratios. The accounting information contained therein was subject to certain agreed-upon procedures performed by our independent accountants.

EBITDA represents operating income plus depreciation, amortization and depletion plus impairment/gain on sale of property, plant and equipment plus dividends received from equity investees. EBITDA is not a US GAAP measurement and does not represent cash flow for the periods presented and should not be considered as an alternative to net income (loss), as an indicator of our operating performance or as an alternative to cash flow as a source of liquidity. Our definition of EBITDA may not be comparable with EBITDA as defined by other companies. Although EBITDA, as defined above, does not provide a US GAAP measure of operating cash flows, our management uses it to measure our operating performance and it is commonly used by financial analysts in evaluating our business.

S - 1

Aluminum Area - Valesul (Additional information - Unaudited)

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	9	
Quantity sold - internal market	MT (thousand)	10	
Quantity sold - total	MT (thousand)	19	-
Average sales price - external market	US$	1,505.49	
Average sales price - internal market	US$	1,933.02	
Average sales price - total	US$	1,730.60	

Long-term indebtedness, gross	US$	1	
Short-term indebtedness, gross	US$	1	
Total indebtedness, gross	US$	2	-
Stockholders' equity	US$	84	
EBITDA	US$	10	-
Depreciation, amortization and depletion	US$	(1)	-
Impairment / gain on sale	US$	-	-
Dividends received from equity investees	US$	-	-
Operating income	US$	9	-
Net financial result	US$	-	
Income before income tax and social contribution	US$	9	-
Income tax and social contribution	US$	(1)	
Net income	US$	8	-

Information	1Q	2Q	3Q	4Q
Quantity sold - external market	9	12	8	13
Quantity sold - internal market	12	11	11	14
Quantity sold - total	21	23	19	27
Average sales price - external market	1,467.44	1,481.49	1,485.09	1,413.67
Average sales price - internal market	1,906.21	1,865.52	1,779.65	1,801.29
Average sales price - total	1,720.97	1,663.20	1,654.96	1,618.98
Long-term indebtedness, gross	2	1	1	1
Short-term indebtedness, gross	1	1	-	1
Total indebtedness, gross	3	2	1	2

Stockholders' equity	95	83	66	72
EBITDA	6	9	9	14
Depreciation, amortization and depletion	(1)	(1)	(1)	(1)
Impairment / gain on sale	-	-	-	-
Dividends received from equity investees	-	-	-	-
Operating income	5	8	8	13
Net financial result	-	-	-	(1)
Income before income tax and social contribution	5	8	8	12
Income tax and social contribution	(2)	(2)	(1)	(2)
Net income	3	6	7	10

S-2

Aluminum Area - MRN (Additional information - Unaudited)

Information		2003					
		1Q	2Q	3Q	4Q	Total	1
Quantity sold - external market	MT (thousand)	711				711	48
Quantity sold - internal market	MT (thousand)	1,485				1,485	1,29
Quantity sold - total	MT (thousand)	2,196	-	-	-	2,196	1,78
Average sales price - external market	US$	21.31				21.31	20.5
Average sales price - internal market	US$	18.24				18.24	19.4
Average sales price - total	US$	19.23				19.23	19.7
Long-term indebtedness, gross	US$	69				69	9
Short-term indebtedness, gross	US$	44				44	1
Total indebtedness, gross	US$	113	-	-	-	113	11
Stockholders' equity	US$	402				402	36
EBITDA	US$	25	-	-	-	25	2
Depreciation, amortization and depletion	US$	(10)	-	-	-	(10)	(
Impairment / gain on sale	US$	-	-	-	-	-	
Dividends received from equity investees	US$	-	-	-	-	-	

Operating income	US$	15	-	-	-	15	1
Gain (loss) on investments accounted for by the equity method	US$	-				-	(
Non-operating result	US$	(3)				(3)	-
Net financial result	US$	-				-	(
Income before income tax and social contribution	US$	12	-	-	-	12	1
Income tax and social contribution	US$	(2)				(2)	(
Net income	US$	10	-	-	-	10	

S-3

Aluminum Area - Albras (Additional information - Unaudited)

Information		1Q	2Q	3Q
Quantity sold - external market	MT (thousand)	99		
Quantity sold - internal market	MT (thousand)	4		
Quantity sold - total	MT (thousand)	103	-	-
Average sales price - external market	US$	1,336.40		
Average sales price - internal market	US$	1,376.14		
Average sales price - total	US$	1,337.98		
Long-term indebtedness, gross	US$	451		
Short-term indebtedness, gross	US$	-		
Total indebtedness, gross	US$	451	-	-
Stockholders' equity	US$	79		
EBITDA	US$	56	-	-
Depreciation, amortization and depletion	US$	(3)	-	-
Impairment / gain on sale	US$	-	-	-
Dividends received from equity investees	US$	-	-	-
Operating income	US$	53	-	-
Non-operating result	US$	11		
Net financial result	US$	19		
Income before income tax and social contribution	US$	83	-	-
Income tax and social contribution	US$	(4)		
Net income	US$	79	-	-

Information	1Q	2Q	3Q	4Q
Quantity sold - external market	84	108	101	100
Quantity sold - internal market	4	2	3	4
Quantity sold - total	88	110	104	104
Average sales price - external market	1,318.33	1,409.42	1,288.20	1,304.79
Average sales price - internal market	1,352.12	1,330.47	1,335.69	1,356.26
Average sales price - total	1,319.81	1,332.13	1,289.68	1,306.47
Long-term indebtedness, gross	524	507	499	466
Short-term indebtedness, gross	73	49	20	20
Total indebtedness, gross	597	556	519	486
Stockholders' equity	56	(18)	(97)	(3)
EBITDA	46	57	54	58
Depreciation, amortization and depletion	(5)	(4)	(4)	(3)
Impairment / gain on sale	-	-	-	-
Dividends received from equity investees	-	-	-	-
Operating income	41	53	50	55
Non-operating result	(3)	1	2	-
Net financial result	(9)	(125)	(153)	56
Income before income tax and social contribution	29	(71)	(101)	111
Income tax and social contribution	(2)	2	-	10
Net income	27	(69)	(101)	121

S-4

11.2 - Aluminum Area - ALUNORTE

Information	2003					
	1Q	2Q	3Q	4Q	Total	1Q
Quantity sold -						

external market	MT (thousand)	289				289	222	
Quantity sold - internal market	MT (thousand)	201				201	205	
Quantity sold - total	MT (thousand)	490	-	-	-	490	427	
Average sales price - external market	US$	170.93				170.93	148.20	152
Average sales price - internal market	US$	173.60				173.60	175.94	175
Average sales price - total	US$	172.03				172.03	161.55	165
Long-term indebtedness, gross	US$	482				482	455	
Total indebtedness, gross	US$	482	-	-	-	482	455	
Stockholders' equity	US$	91				91	180	
EBITDA	US$	23	-	-	-	23	14	
Depreciation, amortization and depletion	US$	(3)	-	-	-	(3)	(3)	
Impairment / gain on sale	US$	-	-	-	-	-	-	
Dividends received from equity investees	US$	-	-	-	-	-	-	
Operating income	US$	20	-	-	-	20	11	
Non-operating result	US$	-				-	(2)	
Net financial result	US$	20				20	(3)	
Income before income tax and social contribution	US$	40	-	-	-	40	6	
Income tax and social contribution	US$	(4)	-	-		(4)	-	
Net income	US$	36	-	-	-	36	6	

Aluminum Area - Aluvale (Additional information - Unaudited) - Consolidated Subsidiary

Information		200				
		1Q	2Q	3Q	4Q	Tota
Stockholders' equity	US$	354				35
EBITDA	US$	7	-	-	-	

Depreciation, amortization and depletion	US$	-	-	-	-	
Impairment / gain on sale	US$	-	-	-	-	
Dividends received from equity investees	US$	(5)	-	-	-	(
Operating income	US$	2	-	-	-	
Gain on investments accounted for by the equity method	US$	66				6
Net financial result	US$	1				
Income before income tax and social contribution	US$	69	-	-	-	6
Income tax and social contribution	US$	2				
Net income	US$	71	-	-	-	7

S-6

Pelletizing Affiliates - Kobrasco (Additional information - Unaudited)

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	453	
Quantity sold - internal market	MT (thousand)	681	
Quantity sold - total	MT (thousand)	1,134	-
Average sales price - external market	US$	29.89	
Average sales price - internal market	US$	30.72	
Average sales price - total	US$	30.39	
Long-term indebtedness, gross	US$	124	
Total indebtedness, gross	US$	124	-
Stockholders' equity	US$	(28)	
EBITDA	US$	6	-
Depreciation, amortization and depletion	US$	(1)	-
Impairment / gain on sale	US$	-	-
Dividends received from equity investees	US$	-	-
Operating income	US$	5	-
Net financial result	US$	5	
Income before income tax and social contribution	US$	10	-
Income tax and social contribution	US$	(4)	
Net income	US$	6	-

Information		1Q	2Q
Quantity sold - external market	MT (thousand)	436	534
Quantity sold - internal market	MT (thousand)	420	478
Quantity sold - total	MT (thousand)	856	1,012
Average sales price - external market	US$	31.31	29.34
Average sales price - internal market	US$	32.08	29.24
Average sales price - total	US$	31.69	29.30
Long-term indebtedness, gross	US$	150	143
Total indebtedness, gross	US$	150	143
Stockholders' equity	US$	23	3
EBITDA	US$	7	2
Depreciation, amortization and depletion	US$	(1)	(1)
Impairment / gain on sale	US$	-	-
Dividends received from equity investees	US$	-	-
Operating income	US$	6	1
Net financial result	US$	(2)	(27)
Income before income tax and social contribution	US$	4	(26)
Income tax and social contribution	US$	(1)	9
Net income	US$	3	(17)

S-7

Pelletizing Affiliates - Hispanobras (Additional information - Unaudited)

Information		2003					
		1Q	2Q	3Q	4Q	Total	1Q
Quantity sold - external market	MT (thousand)	268				268	487
Quantity sold - internal market	MT (thousand)	637				637	420
Quantity sold - total	MT (thousand)	905	-	-	-	905	907
Average sales price - external market	US$	29.54				29.54	31.33
Average sales price - internal market	US$	29.95				29.95	31.43
Average sales price - total	US$	29.75				29.75	31.38
Stockholders' equity	US$	27				27	36

EBITDA	US$	3	-	-	-	3	5
Depreciation, amortization and depletion	US$	-	-	-	-	-	(1)
Impairment / gain on sale	US$	-	-	-	-	-	-
Dividends received from equity investees	US$	-	-	-	-	-	-
Operating income	US$	3	-	-	-	3	4
Net financial result	US$	(1)				(1)	-
Income before income tax and social contribution	US$	2	-	-	-	2	4
Income tax and social contribution	US$	(1)				(1)	(2)
Net income	US$	1	-	-	-	1	2

Pelletizing Affiliates - Itabrasco (Additional information - Unaudited)

Information		2003						
		1Q	2Q	3Q	4Q	Total	1Q	2Q
Quantity sold - external market	MT (thousand)	306				306	644	533
Quantity sold - internal market	MT (thousand)	507				507	233	169
Quantity sold - total	MT (thousand)	813	-	-	-	813	877	702
Average sales price - external market	US$	29.97				29.97	31.16	28.46
Average sales price - internal market	US$	29.20				29.20	31.90	27.79
Average sales price - total	US$	29.54				29.54	31.35	28.30
Long-term indebtedness, gross	US$	5			-	5	18	17
Total indebtedness, gross	US$	5	-	-	-	5	18	17
Stockholders' equity	US$	20				20	27	24
EBITDA	US$	2	-	-	-	2	2	1
Depreciation, amortization and depletion	US$	-	-	-	-	-	-	-
Impairment / gain on sale	US$	-	-	-	-	-	-	-
Dividends received from equity investees	US$	-	-	-	-	-	-	-
Operating income	US$	2	-	-	-	2	2	1
Non-operating result	US$	-				-	-	-
Net financial result	US$	(1)				(1)	-	3
Income before income tax and social contribution	US$	1	-	-	-	1	2	4

Income tax and social contribution	US$	(1)				(1)	(1)	(2
Net income	US$	-	-	-	-	-	1	2

Pelletizing Affiliates - Nibrasco (Additional information - Unaudited)

Information		2003					
		1Q	2Q	3Q	4Q	Total	1Q
Quantity sold - external market	MT (thousand)	469				469	407
Quantity sold - internal market - CVRD	MT (thousand)	1,303				1,303	584
Quantity sold - internal market - Others	MT (thousand)	28				28	9
Quantity sold - total	MT (thousand)	1,800	-	-	-	1,800	1,000
Average sales price - external market	US$	28.76				28.76	30.25
Average sales price - internal market	US$	27.38				27.38	30.49
Average sales price - total	US$	27.75				27.75	30.39
Long-term indebtedness, gross	US$	1				1	4
Short-term indebtedness, gross	US$	2				2	2
Total indebtedness, gross	US$	3	-	-	-	3	6
Stockholders' equity	US$	25				25	31
EBITDA	US$	3	-	-	-	3	1
Depreciation, amortization and depletion	US$	(1)	-	-	-	(1)	(1)
Impairment / gain on sale	US$	-	-	-	-	-	-
Dividends received from equity investees	US$	-	-	-	-	-	-
Operating income	US$	2	-	-	-	2	-
Net financial result	US$	-				-	(1)
Income before income tax and social contribution	US$	2	-	-	-	2	(1)
Income tax and social contribution	US$	(1)				(1)	-
Net income	US$	1	-	-	-	1	(1)

Pelletizing Affiliates - Samarco (Additional information - Unaudited)

Information		2003					
		1Q	2Q	3Q	4Q	Total	1Q
Quantity sold - total	MT (thousand)	3,988				3,988	3,301
Average sales price - total	US$	27.59				27.59	28.48
Long-term indebtedness, gross	US$	56				56	93
Short-term indebtedness, gross	US$	123				123	169
Total indebtedness, gross	US$	179	-	-	-	179	262
Stockholders' equity	US$	336				336	454
EBITDA	US$	61	-	-	-	61	38
Depreciation, amortization and depletion	US$	(10)	-	-	-	(10)	(6
Impairment / gain on sale	US$	-	-	-	-	-	-
Dividends received from equity investees	US$	-	-	-	-	-	-
Operating income	US$	51	-	-	-	51	32
Gain (loss) on investments accounted for by the equity method	US$	(1)				(1)	1
Net financial result	US$	-				-	(6
Income before income tax and social contribution	US$	50	-	-	-	50	27
Income tax and social contribution	US$	(12)				(12)	(5
Net income	US$	38	-	-	-	38	22

S-11

Iron Ore Subsidiary - Ferteco (Additional information - Unaudited) - Consolidated Subsidiary

Information			
		1Q	2Q
Quantity sold - external market - Iron Ore	MT (thousand)	3,503	
Quantity sold - internal market - Iron Ore	MT (thousand)	1,376	

Quantity sold - total - Iron Ore	MT (thousand)	4,879	-
Quantity sold - external market - Pellets	MT (thousand)	358	
Quantity sold - internal market - Pellets	MT (thousand)	498	
Quantity sold - total - Pellets	MT (thousand)	856	-
Average sales price - external market - Iron Ore	US$	16.29	
Average sales price - internal market - Iron Ore	US$	7.73	
Average sales price - total - Iron Ore	US$	13.87	
Average sales price - external market - Pellets	US$	28.51	
Average sales price - internal market - Pellets	US$	30.40	
Average sales price - total - Pellets	US$	29.62	
Long-term indebtedness, gross	US$	82	
Short-term indebtedness, gross	US$	10	
Total indebtedness, gross	US$	92	-
Stockholders' equity	US$	406	
EBITDA	US$	38	-
Depreciation, amortization and depletion	US$	(3)	-
Impairment / gain on sale	US$	-	-
Dividends received from equity investees	US$	-	-
Operating income	US$	35	-
Gain on investments accounted for by the equity method	US$	1	
Non-operating result	US$	-	
Net financial result	US$	(3)	
Income before income tax and social contribution	US$	33	-
Income tax and social contribution	US$	(10)	
Net income	US$	23	-

Information	1Q	2Q	3Q
Quantity sold - external market - Iron Ore	2,020	2,699	2,783
Quantity sold - internal market - Iron Ore	512	832	1,594
Quantity sold - total - Iron Ore	2,532	3,531	4,377
Quantity sold - external market - Pellets	448	736	554
Quantity sold - internal market - Pellets	277	498	703

Quantity sold - total - Pellets	725	1,234	1,257
Average sales price - external market - Iron Ore	16.53	17.32	16.38
Average sales price - internal market - Iron Ore	3.71	6.20	6.47
Average sales price - total - Iron Ore	14.59	14.70	12.66
Average sales price - external market - Pellets	28.08	29.68	26.78
Average sales price - internal market - Pellets	19.02	23.15	23.38
Average sales price - total - Pellets	26.63	27.05	24.88
Long-term indebtedness, gross	94	88	74
Short-term indebtedness, gross	55	58	52
Total indebtedness, gross	149	146	126
Stockholders' equity	132	429	301
EBITDA	22	25	40
Depreciation, amortization and depletion	(4)	(4)	(3)
Impairment / gain on sale	-	-	-
Dividends received from equity investees	-	-	-
Operating income	18	21	37
Gain on investments accounted for by the equity meth	-	-	(32)
Non-operating result	-	-	-
Net financial result	(2)	(17)	(19)
Income before income tax and social contribution	16	4	(14)
Income tax and social contribution	(4)	(1)	1
Net income	12	3	(13)

S-12

Pelletizing Affiliates - GIIC (Additional information - Unaudited)

Information		2003						
		1Q (*)	2Q	3Q	4Q	Total	1Q	2Q
Quantity sold - external market	MT (thousand)	772				772	823	67
Quantity sold - total	MT (thousand)	772				772	823	67
Average sales price - external market	US$	41.00				41.00	41.76	40.3
Average sales price - total	US$	41.00				41.00	41.76	40.3
Stockholders' equity	US$	67				67	66	6

EBITDA	US$	5	-	-	-	5	5	
Depreciation, amortization and depletion	US$	(1)	-	-	-	(1)	(1)	(
Impairment / gain on sale	US$	-	-	-	-	-	-	
Dividends received from equity investees	US$	-	-	-	-	-	-	
Operating income	US$	4	-	-	-	4	4	
Non-operating result	US$	-				-	-	
Net financial result	US$	-				-	-	
Net income	US$	4	-	-	-	4	4	

(*) The figures refers to the statements as of february/03.

Manganese and Ferroalloys Area - Sibra (Additional information - Unaudited) - Consolidated Subsidiary

Information		2003						
		1Q	2Q	3Q	4Q	Total	1Q	
Quantity sold - external market - Ferroalloys	MT (thousand)	30				30	23	
Quantity sold - internal market - Ferroalloys	MT (thousand)	37				37	37	
Quantity sold - total	MT (thousand)	67	-	-	-	67	60	
Quantity sold - external market - Manganese	MT (thousand)	185				185	243	
Quantity sold - internal market - Manganese	MT (thousand)	94				94	15	
Quantity sold - total	MT (thousand)	279	-	-	-	279	258	
Average sales price - external market - Ferroalloys	US$	582.67				582.67	525.00	38
Average sales price - internal market - Ferroalloys	US$	488.57				488.57	519.19	50
Average sales price - total	US$	530.70				530.70	521.43	44
Average sales price - external market - Manganese	US$	42.24				42.24	52.49	4
Average sales price - internal market - Manganese	US$	36.60				36.60	68.27	5
Average sales price - total	US$	40.34				40.34	53.40	4

Long-term indebtedness, gross	US$	20				20	21
Short-term indebtedness, gross	US$	37				37	30
Total indebtedness, gross	US$	57	-	-	-	57	51
Stockholders' equity	US$	89				89	97
EBITDA	US$	12				12	17
Depreciation, amortization and depletion	US$	(2)				(2)	(1)
Impairment / gain on sale	US$	-				-	-
Dividends received from equity investees	US$	-				-	-
	US$	10	-	-	-	10	16
Operating income							
Non-operating result	US$	-				-	(1)
Net financial result	US$	(3)				(3)	-
Income before income tax and social contribution	US$	7	-	-	-	7	15
Income tax and social contribution	US$	(2)				(2)	-
Net income	US$	5	-	-	-	5	15

Indexes on CVRD's Consolidated Debt (Additional information - Unaudited)

	1st Quarter 2003
Current debt	
Current portion of long-term debt - unrelated parties	789
Short-term debt	61
Loans from related parties	56
	906
Long-term debt	
Long-term debt - unrelated parties	2,401
Loans from related parties	7
	2,408
Financial Result, net	
Financial expenses	
Third party - local debt	(5)
Third party - foreign debt	(39)
Related party debt	(5)

Gross interest	(49)
Labor and civil claims and tax-related actions	(6)
Tax on financial transactions - CPMF	(4)
Derivatives	(8)
Others	(15)
	(82)
Financial income	
Cash and cash equivalents	10
Others	18
	28
Financial expenses, net	(54)
Foreign exchange and monetary gain (losses) on liabilities	276
Foreign exchange and monetary gain (losses) on assets	(226)
Foreign exchange and monetary gain (losses), net	50
Financial result, net	(4)

Gross debt (current plus long-term debt)	3,314
Gross interest	49
EBITDA	442
Stockholders' equity	3,640
EBITDA / Gross interest	9.02
Gross Debt / EBITDA	1.87
Gross debt / Shareholders' equity	48

Calculation of EBITDA (Additional information - Unaudited)

	1st Quarter 2003
Operating income	363
Depreciation	43
	406
Impairment of property, plant and equipment	--
Dividends received	36
EBITDA	442
Margin EBITDA	40%
Contingencies	9

EBITDA adjusted	451

S-16

Board of Directors, Fiscal Council and Executive Officers

Board of Directors

Sergio Ricardo Silva Rosa
Chairman

Arlindo Magno de Oliveira

Claudio Bernardo Guimaraes de Moraes

Erik Persson

Francisco Valadares Povoa

Joao Moises Oliveira

Luiz Alexandre Bandeira de Mello

Mario da Silveira Teixeira Junior

Renato da Cruz Gomes

Ricardo Carvalho Giambroni

Romulo de Mello Dias

Fiscal Council

Joaquim Vieira Ferreira Levy

Luiz Octavio Nunes West

Pedro Carlos de Mello

Vicente Barcelos

Wilson Risolia Rodrigues

Executive Officers

Roger Agnelli
Chief Executive Officer

Antonio Miguel Marques
Executive Officer for Equity Holdings and Business Development

Armando de Oliveira Santos Neto
Executive Officer for Ferrous Minerals

Carla Grasso
Executive Officer for Human Resources and Corporate Services

Diego Cristobal Hernandez Cabrera
Executive Officer for Non-Ferrous Minerals

Fabio de Oliveira Barbosa
Chief Financial Officer

Gabriel Stoliar
Executive Officer for Planning

Guilherme Rodolfo Laager
Executive Officer for Logistics

Eduardo de Carvalho Duarte
Chief Accountant
CRC-RJ 57439

Otto de Souza Marques Junior
Head of Control Department

S-17

BR PRESS RELEASE

BR GAAP

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

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

Investor Relations
Department

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

1Q 03

[LOGO OF 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 otherwise indicated, refers to the Parent Company and was calculated in accordance with Brazilian generally accepted accounting principles (Brazilian GAAP). This information, with the exception of that referring to investments and markets, is based on the quarterly financial statements, which have been revised by the independent accountants.

Rio de Janeiro, May 14, 2003 - Companhia Vale do Rio Doce (CVRD) has reported a net profit of R$ 1.164 billion in the first quarter of 2003 (1Q03), corresponding to R$ 3.03 per share, which is the third largest quarterly profit in the Company's history. Net earnings in 1Q03 were 83.8% higher than the results obtained in 1Q02 and return on equity (ROE), on an annualized basis, reached 35%.

Gross operating revenues amounted to R$ 2.518 billion, up 57.3% in relation to 1Q02. CVRD's consolidated exports amounted to US$ 800 million in 1Q03, up 12.4% year over year. The Company's net exports (exports less imports) totalled US$ 684 million, which accounted for 18.2% of Brazil's trade surplus in the first three months of this year.

Equity results of investment in subsidiaries and affiliates amounted to R$ 335 million, compared to R$ 412 million in 4Q02 and R$ 152 million in 1Q02. The main contribution was from aluminum operations, which contributed R$ 221 million.

Cash generation, as measured by EBITDA (earnings before interest, taxes, depreciation and amortization), amounted to R$ 1.148 billion, also the third highest quarterly result, at this line, in the Company's history. EBITDA margin, the ratio between EBITDA and net revenues, amounted to 47.5%, slightly higher than that obtained in 1Q02, of 47.0%.

CVRD showed a solid performance in 1Q03, despite an environment of slow global economic growth and heavy rainfall in the Southeast of Brazil, which affected its iron ore operations. The performance reflects a good strategic execution and a strong commitment to shareholder value creation.

The Board of Directors approved the proposal by the Executive Board, announced on January 30, 2003, for the payment of interest on shareholders equity of R$ 1.62 per share, totalling R$ 621.8 million. This payment was made from April 30 onwards and is the first instalment of the minimum dividends 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 (BRL), at R$ 3.1154 per USD, the rate of exchange offered by the Central Bank of Brazil on April 15, 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 remuneration from the first month of the year.

The volume of iron ore and pellets shipped in the quarter amounted to 36.391 million tons, 7.7% lower than in 4Q02, but up 8.1% compared to 1Q02. Although there is excess demand in the global seaborne market, iron ore shipments in 1Q03, of 31.3 million tons, were lower than those in 4Q02, of 34.6 million tons, not only due to seasonal effects - the first quarter is the weakest in the year - but also temporary logistics problems. Pellet shipments, which amounted to 5.084 million tons, were up 54.8% in comparison to 1Q02, and up 4.5% 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 May.

CVRD has been maximizing its efforts to cater to customer demand, increasing productivity in its mines - production at Carajas in March, of 5.2 million tons, was the highest since operations there began in 1985 - and purchasing iron ore from small 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 Carajas. It has also been making investments in logistics, building Pier III at the Ponta da Madeira Maritime Terminal and increasing the shiploading speed capacity in the port of Tubarao. 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 further capacity to enable CVRD to meet continued growth in demand.

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

CVRD's railways - Vitoria a Minas and Carajas - in 1Q03 transported 3.389 billion net ton kilometers (ntk) of general cargo (products other than iron ore and pellets) compared to 3.787 billion ntk in 4Q02 and 3.401 billion ntk in 1Q02. Ports and marine terminals handled 5,392 million tons of general cargo, compared to 5,370 million in 4Q02 and 4,473 million in 1Q02.

The Parent Company's capital expenditure budget for 2003 on projects, maintenance, mineral exploration and technological development, as well as information technology and environmental protection measures, amounted to US$ 1.546 billion. In 1Q03, capital expenditure totalled US$ 180.3 million. In

addition, US$ 17.6 million was spent on purchasing control of Elkem Rana, a Norwegian ferro-alloys producer, now renamed Rio Doce Manganese Norway.

BR GAAP

1Q 03

SELECTED FINANCIAL INDICATORS

	1Q 02	4Q 02	million R$ 1Q 03
Gross Operating Revenue	1,601	2,786	2,518
Gross Margin (%)	44.4	52.1	48.4
Net Earnings	633	1,541	1,164
EBITDA	725	1,359	1,148
EBITDA Margin (%)	47.0	50.9	47.5
ROE annualized (%)	21.0	48.3	35.0
Investments (US$ million) *	158	219	180

*not including acquisitions

[GRAPHIC APPEARS HERE] 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 Mineracao 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 a put option, built into the contract, to divest from 2007 onwards. 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 result in extra sales of iron ore and pellets by CVRD, of approximately 4 million tons a year.

CVRD and Nucor, the largest steel producer in the US, 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 Carajas 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, through the sale of iron ore contained in metallics and semi-finished steel products.

For US$ 17.6 million, CVRD acquired Elkem Rana AS, a producer of alloys, located in Mo I Rana, in Norway. 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 producing ferro manganese alloys in 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 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 cost 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 aluminum chain is the exploitation of its competitive advantages in the areas of bauxite and alumina.

In a few weeks, MRN will be commissioning the expansion of its production capacity in Trombetas, 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, are scheduled to commence development this year.

Board of Directors

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

[GRAPHIC APPEARS HERE] 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 severe acute respiratory syndrome (SARS) epidemic.

Despite this scenario, global steel production continued to grow at increasing rates, with accumulated volume in the first three months of the year being 8.8% higher than the same period in 2002. Among the world's major producers, China registered the highest increase with 18.1%, followed by Japan with 8.2%, the US 6.5 %, 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 ore was very weak due to the recessive effect from the financial crisis in the economies of Southeast Asia, which resulted in an 11% drop in prices in 1999.

Two-digit price increases took place in 1989-1990, precisely when the differential between freight rates reached its 14-year high.

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.

The alumina market has undergone a similar pattern to that of iron ore. The strong increase in aluminum 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 rise in alumina prices.

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

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

The significant growth in Brazilian agricultural output, with a record grain crop, had a favourable impact on demand for potash and CVRD's logistics services. For logistics, the most intense effect of the harvest will be felt on the next two quarters. And the rise in Brazil's exports also contributed favourably in terms of greater demand for logistics services.

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.

5

BR GAAP

1Q 03

[GRAPHIC APPEARS HERE] SALES VOLUME AND REVENUES

Iron ore and pellet sales volume in 1Q03, of 36.391 million tons, was 8.1% higher than in the first quarter of last year and down 7.7% in relation to 4Q02. The rise in relation to 1Q02 can be explained by the strong growth in demand for iron ore and pellets, generated mainly by increased Chinese imports. CVRD is operating at full capacity, and even so, there is unfulfilled demand. The drop in sales in the quarter relative to 4Q02 is explained by two factors: (i) seasonality, statistically the first quarter is the weakest of the year; and (ii) the months of January and February were marked by heavy rainfall in the Southeast of Brazil, causing operational problems in the Gongo Soco mine, and also iron ore transport problems.

Sales of ore fines were responsible for 77.4% of shipments, lumps for 8.6% and pellets for 14.0%. It should be pointed out that, with the increased demand for steel products, there is a need for higher productivity by blast furnaces, which increases demand for ore with a high iron content and pellets. In this way, the percentage sales of this last product, as a proportion of CVRD's total sales of iron ore and pellets, has been increasing in the last few quarters, rising from 9.8% in 1Q02, to 12.3% in 4Q02 and 14.0% in 1Q03.

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 third parties purchases that has taken place recently is due to an unexpected high growth in demand.

For pellets the situation is different. CVRD normally sells about 20 million tons of pellet feed per year to the pellet joint ventures (Nibrasco, Itabrasco, Hispanobras and Kobrasco) and purchases around 10 million tons of pellets from the joint ventures for direct sale to its clients. These purchases replaced the tolling method previously used up to 1999, by which the Company sent pellet feed to the pellet plants, which provided a raw material transformation service, returning the finished pellet product ready for shipment to clients.

The purchases of iron ore from third parties, to meet clients demand, contributes to reduce margins, once it is a more expensive alternative than our production. On the other hand, these purchases imply in a higher return on invested capital (ROIC) due to expansion of cash generation without increasing the asset base. Also, third party acquisitions of iron ore offers a good protection against demand volatility, once it can be easily increased during stronger demand periods as well as reduced in periods of demand slow down.

Pellets acquisition from joint ventures do not generate negative impact on margins. CVRD gains from the sale of iron ore to these joint ventures as well as from the profitability of the pellet business, usually appropriated by CVRD as its shareholder.

Approximately 72% of iron ore and pellet shipments in 1Q03 were directly destined for export markets.

China, with 5.4 million tons, was CVRD's principal export market for iron ore and pellets, with 20.6% of the volume sold to external markets. Sales to the Chinese market were 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. This was followed by Japan, with 3.9 million tons, Germany with 3.5 million tons, South Korea with 1.6 million tons and France with 1.4 million tons. Asia absorbed 44.7% of external sales, Europe 39.7% and the Americas 9.9%.

Of the tranche sold domestically, 50% went to the pellet joint ventures, whose production is almost entirely dedicated to international markets.

Sales of potash amounted to 158,000 tons, with the Taquari - Vassouras mine operating at above nominal capacity of 600,000 tons per 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 of 620,000 tons, limited by current production. The project to enlarge capacity to 850,000 tons a year is likely to see completion 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 Igarape 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 mine, CVRD's gold production will be in the form of a copper by-product, whose production is scheduled to start in the middle of 2004, with the commissioning of the Sossego mine. In addition to this, CVRD continues to invest in mineral prospecting in search of other gold deposits.

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 a Minas 2.7 billion, Carajas 662 million). Performance was slightly worse than the previous quarter, which recorded 3.8 billion ntk, and the same as in 1Q02. General cargo handling at CVRD's ports and terminals, which amounted to 5.392 million tons, was 20.6% higher than in 1Q02 and practically the same as in the previous quarter.

The Vitoria a 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 Carajas Railway beat 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 9.3 million 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 stoppage of a given train. The record achieved is another indicator of the world-class quality of CVRD's railway network.

BR GAAP

1Q 03

SALES VOLUME

	1Q 02	4Q 02	thousand tons 1Q 03
Iron Ore and Pellets	33,663	39,424	36,391
Iron Ore	30,379	34,557	31,307
Fines	27,016	30,977	28,157
Lumps	3,363	3,580	3,150
Pellets	3,284	4,867	5,084
Gold (troy ounce)	115,455	40,639	25,753
Potash	113	203	158
Ports Services	5,517	7,634	5,624

GENERAL CARGO TRANSPORTATION

	1Q 02	4Q 02	million ntk 1Q 03
Vitoria a Minas Railway	2,737	2,968	2 ,727
Carajas Railway	664	819	662
Total	3,401	3,787	3,389

SALES OF IRON ORE AND PELLETS

DESTINATION	1Q 02	4Q 02	million tons 1Q 03
ASIA			
China	4.4	3.9	5.4
South Korea	2.1	1.9	1.6
Philippines	0.6	0.8	0.4
Japan	3.7	4.3	3.9
Taiwan	0.4	0.8	0.4
Total	11.2	11.7	11.7
EUROPE			
Germany	3.4	4.3	3.5
Spain	0.8	0.7	0.8
France	1.3	1.6	1.4
Italy	1.0	1.2	1.2
United Kingdom	0.7	0.4	0.5
Others	2.9	3.7	3.0
Total	10.1	11.9	10.4
AMERICAS			

Argentina	0.4	0.7	0.8
United States	0.9	0.7	1.0
Others	0.3	0.9	0.8
Total	1.6	2.3	2.6
AFRICA/MIDDLE EAST/AUSTRALASIA			
Bahrain	0.8	0.5	0.5
Others	0.8	1.6	1.0
Total	1.6	2.1	1.5
TOTAL	24.5	28.0	26.2

DOMESTIC MARKET	1Q 02	4Q 02	1Q 03
Steel Mills	5.1	6.2	5.1
Pellet JV's	4.0	5.2	5.0
Total	9.1	11.4	10.1
TOTAL	33.6	39.4	36.3

BR GAAP

1Q 03

Gross operating revenue amounted to R$ 2.518 billion, 84% of which was either denominated in, or indexed to the US$. Revenues obtained from the sales of iron ore amounted to R$ 1.554 billion, 61.7% of total revenue, having increased by 56.9% in relation to 1Q02, but down 11.9% compared to the previous quarter. Pellet sales produced gross revenues of R$ 504 million in 1Q03, 20% of the Parent Company's total revenues compared to R$ 515 million in 4Q02 and R$ 222 million in 1Q02. In addition to this, revenues from operational services provided to the five joint venture pellet plants amounted to R$ 21 million in 1Q03, compared to R$ 32 million in 4Q02 and R$ 23 million in 1Q02.

In the case of iron ore, the fall in revenues this quarter, compared to that recorded in 4Q02, of R$ 210 million, was due to a drop in the volume sold and to the average depreciation of the US dollar against the Brazilian Real of 5.1%, while the fall in revenues from the sale of pellets, of R$ 11 million, was caused basically by exchange rate volatility.

Revenue from logistics services remained practically constant: R$ 327 million in 1Q03, 13% of the total revenue of the Parent Company, when compared to R$ 329 million in 4Q02, but significantly higher in relation to 1Q02, which recorded revenues of R$ 230 million.

The drop in the volume of gold sales provoked a sharp fall in revenues from this source, from R$ 80 million in 1Q02 to R$ 48 million in 4Q02 and R$ 32 million in 1Q03.

GROSS REVENUE BY PRODUCT

	1Q 02	%	4Q 02	%	1Q
Iron Ore	989	61.8	1,764	63.3	1,5
Domestic Market	238		463		4
Export Market	751		1,301		1,1
Pellets	222	13.9	515	18.5	5
Domestic Market	47		77		

Export Market	175		438		4
Railroad Transportation	188	11.7	250	9.0	2
Port Services	42	2.6	79	2.8	
Potash	38	2.4	90	3.2	
Gold	80	5.0	48	1.7	
Pelletizing Plant Operations	23	1.4	32	1.1	
Others	17	1.1	8	0.3	
Total	1,601	100.0	2,786	100.0	2,5

[GRAPHIC APPEARS HERE] Profit of R$ 1.2 billion

Net earnings in 1Q03 amounted to R$ 1.164 billion, 83.9% higher than in the same period last year and 24.5% lower than in 4Q02.

When compared to 4Q02 net earnings, 1Q03 results were down 24.5%. This volatility mainly reflects the impact of exchange rate variation between the Real and the US dollar on CVRD's net foreign currency-denominated liabilities, which in the short term tends to exercise a significant influence on earnings behaviour. In 4Q02, monetary variation contributed R$ 626 million to net earnings of R$ 1.541 billion, while in 1Q03 it contributed much less: R$ 279.9 million.

The results of investment in subsidiaries and affiliates was down by R$ 77 million in comparison to 4Q02, and R$ 183 million higher than in 1Q02,

9

BR GAAP

1Q 03

contributing R$ 335 million to earnings in the quarter. The business area of iron ore and pellets contributed R$ 34 million, manganese and ferro-alloys with R$ 16 million, steel with R$ 65 million and aluminum with R$ 221 million.

MRN shipped 2.2 million tons of bauxite and obtained net earnings of R$ 59.5 million. Alunorte, already operating for part of the quarter with its new extra production capacity, sold 490,000 tons of alumina at an average price of US$ 172 per ton, compared to US$ 162 in 4Q02. EBITDA generated amounted to R$ 83.5 million and net earnings in the first three months of the year amounted to R$ 101.9 million. Albras shipped 103,000 tons of primary aluminum, generating EBITDA of R$ 198.2 million and earnings of R$ 223.2 million in 1Q03. Valesul reported net earnings of R$ 27.2 million.

Ferteco sold 4.9 million tons of iron ore and 856,000 tons of pellets, obtaining a net profit of R$ 88.9 million, and generating EBITDA of R$ 123.3 million. Samarco recorded net earnings of R$ 139.5 million, having sold 4 million tons of pellets and pellet feed.

RESULTS OF EQUITY INVESTMENTS - BY BUSINESS AREA

million R$

Business Area	1Q 02	4Q 02	1Q 03
Ferrous			
Iron Ore and Pellets	151	(143)	34
Manganese and Ferro-alloys	20	91	16
Non-ferrous	5	24	24
Logistics	(76)	(98)	(40)
Steel	(8)	120	65

Aluminum	65	458	221
Others	(5)	(40)	15
Total	152	412	335

The cost of goods sold (COGS), of R$ 1.248 billion, was down R$ 33 million in relation to 4Q02. The main factor responsible for this drop was the extraordinary increase in the provision for maintenance, included in the item "material", made in 4Q02. On the other hand, the Company suffered a 25% increase in fuel costs caused by the rise in oil prices and an increase of 81% demurrage costs (the fine paid for the ships' waiting time in port), which amounted to R$ 31 million in the quarter. Despite signifying an additional cost, the increase in demurrage expenses is a clear reflection of the current excess demand for iron ore and pellets, which means that ships have to form a queue for loading in the ports of CVRD (Tubarao and Ponta da Madeira).

COGS BREAKDOWN

	1Q 02	%	4Q 02	%	1Q
Personnel	122	14.2	123	9.6	1
Material	114	13.3	272	21.2	2
Fuel Oil and Gases	80	9.3	112	8.7	1
Energy	27	3.1	31	2.4	
Contracted Services	135	15.7	131	10.2	1
Purchase of Products	143	16.7	388	30.4	3
Depreciation & Exhaustion	165	19.2	152	11.9	1
Others	73	8.5	72	5.6	
Total	859	100	1,281	100	1,2

Operational expenses were down R$ 77 million in 1Q03 relative to the previous quarter. The principal reason for this drop was the provision for the closure of the Fazenda Brasileiro gold mine in the last quarter of 2002, which negatively impacted the item "other operational expenses".

10

the Fezenda Brasileiro gold mine in the last quarter of 2002, which negatively impacted the item "other operational expenses".

[GRAPHIC APPEARS HERE] EBITDA OF R$ 1.1 BILLION

EBITDA in 1Q03 amounted to R$ 1.148 billion, an increase of 58.3% in relation to 1Q02 and down 15.5% in relation to the previous quarter.

The principal reasons for the lower EBITDA, when compared with 4Q02, were the drop of R$ 255 million in net revenues and the increase of R$ 115 million in the item "other operating expenses".

The lower quantities sold of iron ore, gold and potash, as well as the appreciation in the Brazilian Real, explained this drop in net revenues. The rise in "other operational expenses" was due to an increase of R$ 28 million in provisions for the loss of ICMS credits, and R$ 21 million in contingency provisions, added to the fact that a provision of R$ 64 million was reversed in 4Q02.

In addition, EBITDA registered in 4Q02, of R$ 1.359 billion, was impacted by an adjustment of R$ 147 million, which referred to a provision for the ceasing of activities at the Fazenda Brasileiro mine, bearing in mind that this was treated as an extraordinary, non-recurring event. EBITDA calculated in 1Q03 does not contain adjustments for non-recurring factors.

On the other hand, there was an increase of R$ 69 million in dividends received from subsidiaries and affiliates, principally due to the payment of R$ 46 million from Samarco.

EBITDA CALCULATION

	1Q 02	4Q 02	R$ million 1Q 03
Net Operating Revenues	1,544	2,672	2,417
COGS	(859)	(1,281)	(1,248)
Sales Expenses	(28)	(78)	(52)
Administrative Expenses	(79)	(98)	(89)
Research & Development	(21)	(48)	(38)
Other Operational Expenses	(39)	(138)	(106)
Adjustments for Non-Recurring Items		147	
EBIT	518	1,176	885
Depreciation/Goodwill	169	150	161
Dividends Received	38	33	102
EBITDA	725	1,359	1,148

11

BR GAAP

1Q 03

FINANCIAL STATEMENTS

	1Q 02	4Q 02	million R$ 1Q 03
Gross Operating Revenues	1,601	2,786	2,518
Taxes	(57)	(114)	(101)
Net Operating Revenues	1,544	2,672	2,417
Cost of Goods Sold	(859)	(1,281)	(1,248)
Gross Profit	685	1,391	1,169
Gross Margin (%)	44.4	52.1	48.4
Result from Shareholdings	152	412	335
Equity Income	285	471	418
Goodwill Amortization	(66)	(193)	(93)
Provsion for Losses	(67)	134	10
Operational Expenses	(167)	(362)	(285)
Sales	(28)	(78)	(52)
Administrative	(79)	(98)	(89)

Research and Development	(21)	(48)	(38)
Other Net Operational Expenses	(39)	(138)	(106)
Financial Result	(68)	598	145
Financial Expenses	(155)	(207)	(185)
Financial Revenues	67	179	50
Monetary Variation	20	626	280
Operating Profit	602	2,039	1,364
Income Tax and Social Contribution	31	(498)	(200)
Net Earnings	633	1,541	1,164
Earnings per share (R$)	1.65	4.01	3.03

BALANCE SHEET

million R$

	1Q 02	4Q 02	1Q 03
Assets			
Current	4,986	4,346	4,787
Long Term	2,562	3,167	3,045
Fixed	16,283	19,321	20,080
Total	23,831	26,834	27,912
Liabilities			
Current	4,649	4,218	4,629
Long Term	7,099	9,865	9,991
Shareholders Equity	12,083	12,751	13,292
Paid-up Capital	4,000	5,000	5,000
Reserves	8,083	7,751	8,292
Total	23,831	26,834	27,912

[GRAPHIC APPEARS HERE] INVESTMENTS

Investments carried out in the first quarter of 2003 totalled US$ 197.9 million, US$ 17.6 million of which referred to acquisitions. The amount spent on projects was US$ 109.5 million, 55.3% of the total investment.

12

BR GAAP

1Q 03

Expenditure on the ferrous minerals area projects amounted to US$ 23.8 million, non-ferrous mineral US$ 48.1 million, logistics US$ 21.2 million, and power generation, US$ 16.4 million.

The main projects under way are:

Area	Project	Investment realized in 1Q03	Status
Ferrous Minerals	Enlarging iron ore production capacity in the Northern System	US$ 6.1 million	Completion scheduled for 2005. is proceeding according to sch complete, production capacity

			million tons a year. Project c estimated at US$ 144.4 million
Ferrous Minerals	Pier III of Ponta da Madeira Maritime Terminal (TMPM)	US$ 2.1 million	Completion expected for Januar project investment, estimated already been completed. Projec proceeding according to schedu loading capacity of 18 million capacity of TMPM to 74 million
Ferrous Minerals	Brucutu mine	US$ 3.5 million	Completion scheduled for 2008, production capacity of 12 mill the investment has already bee proceeding according to schedu estimated at US$ 219.9 million million is programmed for 2003
Ferrous Minerals	Fabrica Nova mine	US$ 637,000	Completion estimated for 2005. has already been made, refer t earthworks. The Fabrica Nova m capacity of 10 million tons a million by 2009. Total capital at US$ 84.4 million, with prog 39.6 million for 2003. Works a schedule.
Non-ferrous Minerals	Sossego mine	US$ 40.5 million	Completion estimated for first total investment in the projec 58.4% of the undertaking havin capital expenditure is US$ 383 million is programmed for 2003 June 2003. The project is slig
Non-ferrous Minerals	Expansion of Taquari -Vassouras Potash	US$ 4.0 million	Completion estimated for first investment total of US$ 67 mil mine project, has been carried schedule. The mine capacity wi tons to 850,000 tons a year.
Logistics	Purchase of locomotives and wagons	US$ 18.9 million	Purchase of 2,782 wagons and 1 of 2003. 7.5% of total invest has been realised. Part of equ used for general cargo, and pa
Logistics	Praia Mole Terminal (Phases I & II)	US$ 707,000	Completion of first phase esti second phase completion in 200 project investment of US$ 22.6 carried out.
Power Generation	Aimores Hydroelectric Power Plant	US$ 6.4 million	Completion estimated for Decem estimated investment of US$94. been completed. The project is schedule.
Power Generation	Candonga Hydroelectric Power Plant	US$ 6.7 million	Completion estimated for Novem investment of US$ 40.9 million Implementation of the project

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.

13

BR GAAP

1Q 03

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$ 21.8 million was invested in the maintenance, modernization of equipment and environmental protection.

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

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 Carajas region remained as the focus for mineral exploration 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 Para, Rondonia, Maranhao, Piaui, Mato Grosso, Goias 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 drilling 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 mineral and metallurgical analysis which allows rapid identification of minerals and improves the efficiency of mining operations. The system involves the use of a Multi-element Scanning Electron Microscope, which will be used to identify ores 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.

INVESTMENTS - 1Q 03

By business area	US$ million	%	By category	US$ mil
Ferrous Minerals	58.2	29.4%	Capital Injections	

Logistics	48.7	24.6%	Maintenance and Environmental Protection	
Non-ferrous Minerals	56.2	28.4%	Projects	1
Power Generation	16.4	8.3%	Mineral Exploration and Technological Research	
Others	18.4	9.3%	Information Technology	
			Acquisitions	
Total	197.9	100%	Total	1

14

BR GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - REVISED

million R$

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
Net Revenues	67	126	94
Cost of Goods Sold	(58)	(106)	(81)
Net Financial Result	1	(3)	(3)
Net Earnings	5	8	4
Gross Margin (%)	13.4	15.9	13.8
EBITDA	11	21	15
EBITDA Margin (%)	16.4	16.7	16.0

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
Net Revenues	71	220	175
Cost of Goods Sold	(70)	(190)	(167)
Net Financial Result	(2)	1	1
Net Earnings	(4)	14	3
Gross Margin (%)	1.4	13.6	4.6
EBITDA	5	32	13
EBITDA Margin (%)	7.0	14.5	7.4

Total Debt (US$ million)			
- Short Term	2	2	2
- Long Term	4	1	1
Total	6	3	4

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$/ton)	31.35	30.18	29.54
Net Revenues	66	94	86
Cost of Goods Sold	(56)	(89)	(73)
Net Financial Result	(1)	(5)	(3)
Net Earnings	2	6	3
Gross Margin (%)	15.2	5.3	15.1
EBITDA	8	9	11
EBITDA Margin (%)	12.1	9.6	12.8
Total Debt (US$ million)			
- Short Term	18	-	5

15

BR GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - REVISED

			million R$
KOBRASCO	1Q 02	4Q 02	1Q 03
Volume Sold ('000 tons)	856	1,316	1,134
Export Markets	436	1,074	453
Domestic Market	420	242	681
Average Price (US$/ton)	31.69	29.97	30.39
Net Revenues	64	143	117
Cost of Goods Sold	(50)	(112)	(94)
Net Financial Result	(4)	45	18
Net Earnings	3	18	18
Gross Margin (%)	21.9	21.7	19.7
EBITDA	15	38	24
EBITDA Margin (%)	23.4	26.6	20.5
Total Debt (US$ million)			
- Long Term	150	114	124
Total	150	114	124

SAMARCO	1Q 02	4Q 02	1Q 03

Volume Sold ('000 tons)	3.301	3.834	3.988
Average Price (US$/ton)	28.48	29.22	27.59
Net Revenues	213	398	361
Cost of Goods Sold	(109)	(144)	(163)
Net Financial Result	(15)	27	-
Net Earnings	58	235	139
Gross Margin (%)	48.8	63.8	54.8
EBITDA	93	273	188
EBITDA Margin (%)	43.7	68.6	52.1
Total Debt (US$ million)			
- Short Term	169	141	123
- Long Term	93	67	56
Total	262	208	179

16

BR GAAP

1Q 03

IRON ORE AND PELLETS - FINANCIAL INDICATORS - REVISED

			million R$
FERTECO	1Q 02	4Q 02	1Q 03
Volume Sold ('000 tons)	2,532	3,288	4,879
Export Market - Iron Ore	2,020	2,142	3,503
Domestic Market - Iron Ore	512	1,146	1,376
Average Price (US$/ton)	14.59	12.68	13.87
Volume Sold ('000 tons)	725	1,342	856
Export Market - Pellets	448	645	358
Domestic Market - Pellets	277	697	498
Average Price (US$/ton)	26.63	24.06	29.62
Net Revenues	127	293	311
Cost of Goods Sold	(70)	(141)	(181)
Net Financial Result	(5)	7	(8)
Net Earnings	29	50	89
Gross Margin (%)	44.9	51.9	41.8
EBITDA	52	128	123
EBITDA Margin (%)	40.9	43.7	39.5
Total Debt (US$ million)			
- Short Term	55	23	10
- Long Term	94	82	82
Total	150	105	92

			US$ thousand
GIIC*	1Q 02	4Q 02	1Q 03

Volume Sold ('000 tons)	823	932	772
Export Market	823	932	772
Average Price (US$/ton)	41.76	40.40	41.00
Net Revenues	80	133	101
Cost of Goods Sold	(69)	(109)	(78)
Net Financial Result	-	(2)	(1)
Net Earnings	9	13	13
Gross Margin (%)	13.8	18.0	22.8
EBITDA	12	18	16
EBITDA Margin (%)	15.0	13.5	15.8

* Financial indicators calculated according to the standards of the International Accounting Standards Committee

17

BR GAAP

1Q 03

MANGANESE AND FERRO-ALLOYS - FINANCIAL INDICATORS - REVISED

million R$

SIBRA (Consolidated)	1Q 02	4Q 02	1Q 03
Volume Sold - Ferro Alloys ('000 tons)	60	85	67
Export Market	23	35	30
Domestic Market	37	50	37
Average Price (US$/ton)	521.43	425.73	530.70
Volume Sold - Manganese ('000 tons)	258	282	279
Export Market	243	192	185
Domestic Market	15	90	94
Average Price (US$/ton)	53.40	45.86	40.34
Net Revenues	96	153	142
Cost of Goods Sold	(51)	(86)	(84)
Net Financial Result	(1)	(34)	(11)
Net Earnings	34	(20)	18
Gross Margin (%)	46.9	43.8	40.8
EBITDA	42	24	40
EBITDA Margin (%)	43.8	15.7	28.2
Total Debt (US$ million)			
- Short Term	30	36	37
- Long Term	21	22	20
Total	51	58	57

18

BR GAAP

1Q 03

ALUMINUM - FINANCIAL INDICATORS - ADJUSTED AND REVISED

million R$

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$/ton)	19.76	20.54	19.23
Net Revenues	76	204	140
Cost of Goods Sold	(40)	(78)	(69)
Net Financial Result	(2)	102	-
Net Earnings	24	218	59
Gross Margin (%)	47.4	61.8	50.7
EBITDA	46	138	82
EBITDA Margin (%)	60.5	67.6	58.6
Total Debt (US$ million)			
- Short Term	14	29	44
- Long Term	96	76	69
Total	110	105	113

ALUNOTE	1Q 02	4Q 02	1Q 03
Volume Sold ('000 tons)	427	407	490
Export Market	222	208	289
Domestic Market	205	199	201
Average Price (US$/ton)	161.55	161.79	172.03
Net Revenues	165	250	292
Cost of Goods Sold	(136)	(174)	(218)
Net Financial Result	(11)	114	44
Net Earnings	10	256	102
Gross Margin (%)	17.6	30.4	25.3
EBITDA	34	82	83
EBITDA Margin (%)	20.6	32.8	28.4
Total Debt (US$ million)			
- Long Term	455	481	482
Total	455	481	482

ALBRAS	1Q 02	4Q 02	1Q 03
Volume Sold ('000 tons)	88	104	103
Export Market	84	100	99
Domestic Market	4	4	4
Average Price (US$/ton)	1,319.81	1,306.47	1,337.98
Net Revenues	274	490	480
Cost of Goods Sold	(171)	(288)	(285)
Net Financial Result	(11)	176	64
Net Earnings	76	460	223

Gross Margin (%)	37.6	41.2	40.6
EBITDA	106	219	198
EBITDA Margin (%)	38.7	44.7	41.3
Total Debt (US$ million)			
- Short Term	73	20	-
- Long Term	524	466	451
Total	597	486	451

19

BR GAAP

1Q 03

ALUMINUM - FINANCIAL INDICATORS - ADJUSTED AND REVISED

VALESUL	1Q 02	4Q 02	million R$ 1Q 03
Volume Sold ('000 tons)	21	27	19
Export Market	9	13	9
Domestic Market	12	14	10
Average Price (US$/ton)	1,720.97	1,618.98	1,730.60
Net Revenues	78	146	108
Cost of Goods Sold	(64)	(87)	(69)
Net Financial Result	(1)	(2)	-
Net Earnings	6	38	27
Gross Margin (%)	17.9	40.4	36.1
EBITDA	14	49	35
EBITDA Margin (%)	17.9	33.6	32.4
Total Debt (US$ million)			
- Short Term	1	1	1
- Long Term	2	1	1
Total	3	2	2

20

BR GAAP

1Q 03

EQUITY INCOME

Company/Shareholding	%	1Q 02	4Q 02	million R$ 1Q 03
Iron Ore and Pellets				
Caemi	16.86	5,948	(51,804)	9,483
KOBRASCO	50.00	1,524	-	-
HISPANOBRAS	50.89	2,552	4,289	2,285
ITABRASCO	50.90	1,253	3,455	1,737
NIBRASCO	51.00	(2,174)	6,966	1,615
CVRD Overseas Ltd.	100.00	23,234	(8,995)	29,454
Ferteco	100.00	29,051	28,431	85,047
GIIC	50.00	4,526	6,646	6,256

ITACO/Rio Doce Europa - S.'a.r.l.	100.00	66,136	(168,089)	(139,804)
Minas da Serra Geral S.A.	51.00	1,338	(988)	3,796
Samarco	50.00	29,048	117,546	69,727
Urucum	100.00	-	(3,512)	-
Others		4,256	(36,491)	5,637
Total Iron Ore and Pellets		166,692	(102,546)	75,233
Manganese and Ferro- alloys				
RDME	100.00	(2,277)	12,326	8,007
SIBRA	99.28	33,296	(19,095)	17,870
Urucum Mineracao S.A.	100.00	8,685	5,439	6,893
Others		676	113,033	3,891
Total Manganese and Ferro-alloys		40,380	111,703	36,661
Non-Ferrous				
Para Pigmentos S.A.	75.50	5,001	-	-
Others		(184)	(1,119)	(4)
Total Non-Ferrous		4,817	(1,119)	(4)
Logistics				
DOCENAVE	100.00	17,495	(3,295)	(1,721)
Sepetiba Tecon S.A.	50.00	-	-	(2,434)
TVV	99.89	(212)	(329)	2,016
Others		(3,894)	-	-
Total Logistics		13,389	(3,624)	(2,139)
Steel				
CSI	50.00	617	(55,891)	(28,649)
CST	22.85	(2,638)	89,099	64,641
USIMINAS	11.46	1,447	94,549	37,000
Total Steel		(574)	127,757	72,992
Aluminum				
ALBRAS	51.00	38,731	128,403	113,820
ALUNORTE	57.03	4,526	124,523	58,138
ITACO	100.00	186	(10,173)	(6,018)
Mineracao Rio do Norte S.A.	40.00	9,776	86,878	23,799
ALUVALE (own operations)	100.00	8,477	1,589	16,439
Valesul	54.51	3,415	20,510	14,806
Total Aluminum		65,111	351,730	220,984
Others				
FOSFERTIL	11.12	3,759	11,105	10,971
Florestas Rio Doce S.A.	99.85	2,864	(3,516)	4,236
Valepontocom	100.00	(15,563)	-	-
Others		3,968	(19,742)	(314)
Total Others		(4,972)	(12,153)	14,893
General Total		284,843	471,748	418,620

21

BR GAAP

1Q 03

PROVISION FOR LOSSES

Company/Shareholding	%	1Q 02	4Q 02	million R$ 1Q 03
Iron Ore and Pellets				
KOBRASCO	50.00	-	8,821	9,095
Total Iron Ore and Pellets	50.00	-	8,821	9,095

Manganese and Ferro-alloys				
Others		(59)	(201)	(81)
Total Manganese and Ferro-alloys		(59)	(201)	(81)
Non-Ferrous				
Para Pigmentos S.A.	75.50	-	25,467	23,980
Total Non-Ferrous		-	25,467	23,980
Logistics				
Companhia Ferroviaria do Nordeste	32.40	(1,729)	(3,193)	(1,929)
DOCEPAR S.A.	100.00	(50,735)	-	-
Mineracao Tacuma Ltda (FCA)	45.65	(6,041)	(5,648)	(19,399)
MRS Logistica S.A.	17.26	-	33,104	6,072
Sepetiba Tecon S.A.	50.00	-	5,032	-
Logistics Total		(58,505)	29,295	(15,256)
Steel				
DOCEPAR S.A.	100.00	(8,186)	(7,561)	(8,106)
Steel Total		(8,186)	(7,561)	(8,106)
Aluminum				
ALBRAS	51.00	-	106,614	-
Aluminum Total		-	106,614	-
Others				
CELMAR S.A	100.00	-	(20,161)	-
Valepontocom	100.00	-	(8,354)	-
Total Others		-	(28,515)	-
General Total		(66,750)	133,920	9,632

GOODWILL AMORTIZATION

million R$

Company/Shareholding	%	1Q 02	4Q 02	1Q 03
Iron Ore and Pellets				
Caemi	16.86	(12,930)	(13,019)	(12,930)
Ferteco Mineracao S.A.	100.00	-	(34,656)	(34,656)
Others		(2,361)	(2,361)	(2,361)
Total		(15,291)	(50,036)	(49,947)
Manganese and Ferro-alloys				
SIBRA	99.28	(20,130)	(20,131)	(20,130)
Total		(20,130)	(20,131)	(20,130)
Logistics				
Mineracao Tacuma Ltda (FCA)	45.65	(30,767)	(123,285)	(23,095)
Total		(30,767)	(123,285)	(23,095)
General Total		(66,188)	(193,452)	(93,172)

BR GAAP

1Q 03

RESULT FROM SHAREHOLDINGS

million R$

Company/Shareholding	%	1Q 02	4Q 02	1Q 03

Iron Ore and Pellets				
Caemi	16.86	(6,982)	(64,823)	(3,447)
KOBRASCO	50.00	1,524	8,821	9,095
HISPANOBRAS	50.89	2,552	4,289	2,285
ITABRASCO	50.90	1,253	3,455	1,737
NIBRASCO	51.00	(2,174)	6,966	1,615
CVRD Overseas Ltd.	100.00	23,234	(8,995)	29,454
Ferteco Mineracao S.A.	100.00	29,051	(6,225)	50,391
GIIC	50.00	4,526	6,646	6,256
ITACO/Rio Doce Europa - S.'a.r.l.	100.00	66,136	(168,089)	(139,804)
Minas da Serra Geral S.A.	51.00	1,338	(988)	3,796
Samarco				