VALLEY OF THE RIO DOCE CO
Form 6-K/A
April 17, 2002

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FORM 6-K/A

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 or 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For APRIL 17, 2002

Companhia Vale do Rio Doce
(Exact name of Registrant as specified in its charter)

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

Federative Republic of Brazil
(Jurisdiction of incorporation or organization)

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

[Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:]

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 the information to the +Commission pursuant to rule 12g3-2(b) under the Securities Exchange Act of 1934.]

YES --- NO X

[If "Yes " is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):] Not applicable

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Companhia Vale do Rio Doce

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This Form 6-K contains the following:

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMPANHIA VALE DO RIO DOCE

By: /s/ Roberto Castello Branco

Name: Roberto Castello Branco
Title: Head of Investor Relations

Dated: April 17, 2002

[Logo] Companhia Vale do Rio Doce [Logo]
Diretoria de Controle

Financial Statements of 2001

Financial Statements filed with the Comissao de Valores Mobiliarios CVM (Brazilian Securities Commission) on 04/16/02

LOGO Companhia Vale do Rio Doce
Diretoria de Controle

Financial Statements of 2001

Financial Statements amended at the Comissao de Valores Mobiliarios - CVM (Brazilian Securities Commission) on 04/16/02

Gerencia Geral de Controladoria

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Management Report

MESSAGE TO SHAREHOLDERS

2001 saw intense effort to lay the foundations for transforming Companhia Vale do Rio Doce into one of the most valuable mining companies in the world. Focus was on four key areas: business strategy, corporate governance, management model and organizational structure.

Strategic directives focused on consolidating investments and positioning CVRD as a global diversified mining company, with associated logistics and power generation businesses. CVRD's world class assets, capable of producing above market average returns, its considerable store of knowledge in the mining of iron ore, manganese, bauxite, gold, potash, kaolin and copper, over the next few years will allow the Company to exploit growth opportunities with high potential to create value for shareholders.

The experience acquired over sixty years in the shipment of iron ore, where efficient logistics are essential to a successful business, together with our extensive transportation network, combine to add powerful leverage for building value. The large investments had already been made in the transportation network, and from now on the focus is to maximize its use and develop the capacity to offer integrated logistics solutions. The potential demand for such services in Brazil is considerable. Our great challenge in this area is to evolve from being operators of a transportation service to becoming providers of dedicated logistics solutions.

2001 demonstrated the tight balance between electricity supply and demand in Brazil. At the same time, it served to underline the correctness of the strategic decision to invest in good hydroelectric power projects to protect the Company against volatility in electricity prices and supply. Companhia Vale do Rio Doce, Brazil's largest consumer of electricity, is striving to minimize its exposure to these risks in such a way as to avoid jeopardizing its ability to achieve its goals. To that end, we already have two power generation plants in operation, Igarapava and Porto Estrela, the latter inaugurated last September, and a further seven under construction.

In all areas of operation, the correct evaluation of opportunities, the continuous search for lower cost of capital, operational excellence and customer focus, are key factors for the successful execution of our strategic plan.

A new corporate governance model has been implemented. Its key characteristics include clear definition of the roles and responsibilities of the Board of Directors and the Executive Board in the formulation, approval and implementation of policies and guidelines concerning the conduct of business. The Board is now focused on strategic issues, while the Executive Board has been given the autonomy needed to run the Company's businesses.

By the same token, a new management system is being introduced, focused on the creation of value. This should be fully operational by the end of this year. This model, which uses total return to shareholders as its key external measurement, has profound implications on the operation of the Company. Metrics of value at all organizational levels are being designed to ensure that all efforts will be directed to maximizing total shareholder return.

The implementation of this model will introduce a more rigorous analysis of investment projects, monitoring their performance and that of the business units; introduce greater transparency in the decision-making process, improve communication with capital markets and create incentives for value creation. This last aspect, which involves alignment of compensation policy with shareholder interests, has important consequences in the development of a performance-oriented corporate culture.

The organizational structure has been modified to improve focus on the various businesses and capture existing synergies. The Company is now organized under seven divisions, headed by highly skilled professionals.

The year 2001 confirmed the correctness of the Company's chosen path of sustainable and durable growth. The strategic focus, demonstrated by various acquisitions, divestments and new joint ventures, and the quality of the Company's assets and human resources, were key factors in producing the record earnings in 2001 of R$ 3.051 billion, the highest obtained by a private-sector Brazilian company in the year.

This was achieved without losing sight of the Company's social responsibility - one of its most cherished values. The commitment to the concept of sustainable development has led us to invest substantial funds in the rehabilitation and protection of the environment - some US$ 35 million in 2001. At the same time, Fundacao Vale do Rio Doce has developed important initiatives in poor communities, located in areas where the Company operates. These are in the fields of education, culture and the promoting of citizenship values, with investment of approximately US$ 20 million during the year.

The successful global offering of common shares belonging to the Federal Government and the BNDES, probably the largest capital markets transaction of Latin America in 2002, involved funds of US$ 1.9 billion and is a strong show of confidence in the Company's future. We welcome our new shareholders - almost 800,000 - who have demonstrated their belief in CVRD's potential.

We thank our shareholders, clients and suppliers for their contribution to our success, and we give particular thanks to all the employees of the Company who, through their competence and dedication have made CVRD a company of which we can all be proud.

The future holds great challenges for us, which will only be met and overcome through hard work and perseverance on the part of all involved in pursuing the creation of value. This is clearly the way forward for CVRD.

Roger Agnelli

Chief Executive Officer

SOCIAL CORPORATE RESPONSIBILITY

ACTION IN THE COMMUNITIES - BUILDING CITIZENSHIP

The Vale do Rio Doce Foundation - (FVRD), an instrument of social action of CVRD - (Companhia Vale do Rio Doce), promotes the development of communities under the influence of the company operations, through actions in the fields of education, social development and culture. In 2001, CVRD invested R$ 20 million in social programs that brought benefits to thousands of citizens.

Education - A major tool in a globalized world and increasingly competitive, education is the main target of FVRD. Its initiatives for the improvement of education are far-reaching and innovative. The Escola que Vale program has been beneficial for more than 15 thousand students and teachers of 33 schools in the states of Para, Maranhao, Minas Gerais and Espirito Santo. The Educacao nos Trilhos project improves the lives of 600 thousand users of Carajas Railway (EFC) every year. In 2001, the second phase of the program, named Teletrem, was launched, a train where educational programs produced by Futura Channel are exhibited. FVRD also supports the Alfabetizacao Solidaria program.

Social Development - FVRD promotes actions that contribute for the reduction of the social exclusion process, stimulating youth to attend school. In 2001, FVRD entered into a partnership with the Information Technology Democratization Commission - (CDI) and donated computers. Vale Informatica/CDI will act, until December 2002, in 300 Schools of Information Technology and Citizenship, bringing benefits to approximately 51 thousand people in seven states.

Culture - In 2001, The Vale do Rio Doce Museum hosted many important national and international exhibits and received more than 60 thousand visitors. The Vale Memoria program released its Database where testimonies, pictures and documents that tell the history of CVRD are stored. Vale Memoria was granted the Aberje Award in the category of Corporate Heritage.

HUMAN RESOURCES - GENERATING OPPORTUNITIES

Citizenship respect and human being valorization are major issues for CVRD, a company that invests in the quality of life and formation of its employees. Its growth is a result of planned investments, mainly in high technology, research and development. By the end of 2000, CVRD had 11,442 employees. The acquisition of new companies made this figure increase to 13,629 in December 2001. Including the controlled companies, the CVRD Group employs 21,602 people.

Professional Development - CVRD growth is directly related to the professional development of its employees and the company offers opportunities for professional growth to all of them. In 2001, the budget destined to the Human Resources Development programs was of R$ 6.7 million. CVRD has capacity building programs for high school and college graduates, besides student internships. Training for higher education and managerial level employees is also provided, such as MBA and post-graduation, leadership building, foreign languages learning and in-company consultant formation.

Relationship with Employees - Besides modern practices of Human Resources regarding remuneration, benefits, management and development, CVRD invests in the achievement of a harmonious organizational environment. CVRD practices the Organizational Environment Management, performing a research to monitor the company-employee relationship every two years.

CVRD ENVIRONMENTAL QUALITY - ENSURING THE FUTURE

CVRD Environmental Policy expresses the company's commitment with environmental quality. Legal conformity is the minimum threshold for the operational units, which still comply with CVRD technical rules and internal standards, with preventive and proactive approaches. In 2001, the expenditures on environment amounted to R$ 92,157,000.00.

CVRD is aware of the great influence that environmental issues have on the market, leading shareholders, investors and consumers to give preference to environmentally responsible companies, not only due to the ecological awareness growth, but also for the effects that a bad management of environmental issues may have on the financial and commercial performance. Since the 70's, CVRD has been investing in environmental quality and, even though expenditures on environmental activities were not specified in the accounting structures at that time, records show that US$ 236 million were applied until 1989.

Environmental Programs - In 1994, CVRD implemented its Environmental Audit Program, pioneer in Brazil, with a complete environmental diagnosis of its operations. As a result, it created the First CVRD Environmental Program 1994-2000, involving more than seventy projects, with an investment of approximately US$ 110 million. At the same time, CVRD accomplished an effective insertion of environmental aspects into others managerial issues, implementing its Environmental Quality Management System - SGQA, based on the specifications of Standard ISO 14001. The two first ISO 14001 Certificates obtained by CVRD were unprecedented, at a worldwide level, in its fields of activity: the Mineral Development Center, in the state of Minas Gerais and the Carajas Iron and Manganese Mines.

CVRD Environmental Quality Management System and the periodical corporate audits provide up-to-date and objective information on the operational units environmental performance, avoiding situations that affect its value and act preventively in the processes of acquisition of new assets, performing investigations to evaluate their environmental risks.

Environmental Quality of Operations - The initiatives for improvement of the environmental quality of the operational activities involve all CVRD areas. The most important actions performed until 12/31/2001, grouped into categories are: Air Quality, Air Pollution Control in the city of Itabira, Air Pollution Control in the city of Tubarao, Water and Effluents, Barriers and Barren Deposits, Solid Waste Management, Rehabilitation of Areas Degraded by Mining Activities and Forest Areas in Industrial Areas and the Vale do Rio Doce Natural Reserve.

CVRD environmental management provides its shareholders with consistent and perennial results, and its clients with products and services of an improved environmental quality, and its employees and service providers with an increased awareness of the importance of environmental protection.

MANAGEMENT REPORT

The year 2001 can be considered a watershed in the history of Companhia Vale do Rio Doce (CVRD), not only because of the quality of its financial and operational results, but more importantly because of the initiatives that will have a major influence on the Company's future, taken with a view to transforming CVRD into one of the most valuable mining companies in the world.

Strategic Guidelines, Corporate Governance and Management Model

- A clear definition has been made of the Company's business strategy. CVRD is a diversified mining company with a global focus, with associated logistics and electricity generation businesses. It has strategic resources, world-class assets, core expertise and the organic growth opportunities needed to satisfy shareholders' value aspirations;

- A corporate governance model has been defined, based on the clear establishment of the roles and responsibilities of the Board of Directors and the Executive Board, and transparency in the decision making process;

- A new management model has been defined, focused on shareholder value creation;

- A new organizational structure has been created, aimed at increasing focus on the various businesses and capturing the synergies between them;

- Development of value metrics to support the decision-making process and a new compensation plan with incentives aligned with shareholders objectives;

- An internal and external communications policy has been developed, emphasizing transparency for the monitoring of performance and the fulfillment of targets for each project and business unit.

Strategic Moves

- Sale of non-core assets - Acominas, CSN, Bahia Sul, Cenibra, Rio Doce Pasha and ships of Docenave - for US$ 1.3 billion;

- CVRD has consolidated its leadership in the global iron ore market, with the acquisitions of Socoimex, Samitri, Samarco, GIIC, Ferteco and Caemi, representing total investment of US$ 1.7 billion;

- Full control of the Sossego project has been purchased for US$ 42.5 million. Substantial cost savings have turned Sossego into one of the lowest capex cost per ton copper projects in the world. The project is expected to come on stream in mid 2004;

- A Memorandum of Understanding has been signed with Codelco, the world's largest copper producer, with the aim of forming a joint venture to explore copper prospecting and mining opportunities.

Financial and Operational Performance in 2001

Despite the difficulties represented by the global recession and the various shocks suffered by the Brazilian economy, previous records were exceeded for sales of iron ore and pellets, the transportation of railroad cargo, earnings, dividend distribution and cash generation.

CONSOLIDATED GROSS REVENUE BREAKDOWN BY PRODUCT - 2001

[REPRESENTATION OF CHART]

RS$ 11.015 billion

Minerio de Ferro	37.7
Pelotas......................	16.1
Logistica	13.5

AlumInio	10.1
Aco	10.4
Minerais Industriais	2.3
Ouro	3
Outros	1.2
Manganes e Ferro-ligas	5.7

Exports: US$3.297 billion

- Consolidated sales of iron ore and pellets amounted to 143.6 million tons, beating the previous record set in 2000 of 118 million tons by 21.7%. Important contracts were signed during the year for the sale of iron ore and pellets with Baosteel, China's largest steelmaker and Acesita, the largest producer of stainless steel in Latin America, a subsidiary of Arcelor, the largest steelmaker in the world.;

- Cargo transported by the Carajas (EFC) and Vitoria a Minas (EFVM) Railroads amounted to 167.4 million tons, compared to the previous record set in 2000 of 164 million tons. The transportation of general cargo (products other than iron ore or pellets) by EFC and EFVM totaled 12.9 billion net ton kilometers (ntk), 4% up on the record in the previous year of 12.4 billion ntk;

- Consolidated gross revenue was R$ 11.015 billion, an increase of 21.7% over 2000 (R$ 9.048 billion);

- The Company's consolidated exports amounted to US$ 3.297 billion in 2001, compared to US$ 3.016 billion in 2000. Net exports - exports minus imports - amounted to US$ 2.883 billion. CVRD was the company that contributed most to Brazil's trade surplus in 2001;

- CVRD registered record net earnings for the fifth consecutive year in 2001 with a net profit of R$ 3.051 billion. This result was 43% higher than the previous year's figure of R$ 2.133 billion. Between 1997 and 2001, CVRD's net earnings have grown at an average annual rate of 41.7%;

Net Earnings

[REPRESENTATION OF CHART]

R$ million

1997	756
1998	1029
1999	1251
2000	2133
2001	3051

- Return on shareholders' equity was 25.9%, compared to 20.2% in 2000;

- Profit distribution in 2000, in the form of interest on shareholders' equity, was a record R$ 1.774 billion, the equivalent of R$ 4.61 per share;

- Between January 1997 and December 2001, the total return to CVRD shareholders, including dividends and capital gains, was 11.8% p.a., based on values expressed in US$;

Dividends per Share

R$

1997	1.34
1998	1.9
1999	2.28
2000	3.33
2001	4.61

Profit distribution in the form of interest on shareholders' equity

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- Consolidated cash generation, as measured by EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to R$ 5.128 billion, up 35.4%. The high EBITDA/sales ratio in 2001 of 48.5% reveals the Company's ability to convert revenue into operating profit;

CONSOLIDATED EBITDA BREAKDOWN - 2001

R$5.128 billion

Ferrosos	74
Nao Ferrosos	4
Logistica	7
Aluminio	10
Siderurgia	5

- The ferrous minerals area (iron ore, pellets, manganese and ferro-alloys) was responsible for 74% of cash flow generated, the area of aluminum for 10%, logistics 7%, steel 5% and non-ferrous minerals (gold, potash and kaolin) 4%.

The quality of the Company's assets and the acquisitions and divestments made were all extremely important in obtaining these results. The devaluation of the Brazilian real against the US dollars helped to improve both margins and cash flow, bearing in mind that more than 80% of revenues are denominated or indexed in US dollars, while more than 70% of costs are in Brazilian reais. Nevertheless, the exchange rate variation resulted in a negative effect on net profit in the short-term, due to the impact on foreign currency denominated net liabilities (net debt less foreign assets). Over time, this impact is more than compensated for by the positive effect of cash flow.

FINANCIAL INDICATORS Consolidated - R$ billion	1999	2000	2001
Gross Revenue	7.162	9.048	11.015
Exports (US$ billion)	2.271	3.016	3.297
Net Earnings	1.251	2.133	3.051
Net Earnings Per Share (R$)	3.25	5.54	7.95
Distribution of Profits *	0.878	1.282	1.774
EBITDA	3.214	3.788	5.128
EBITDA Margin (%)	46.1	43.1	48.5
Return on Equity (%)	11.9	20.2	25.9

* In the form of interest on shareholders' equity.

Investments

CVRD invested US$ 1.537 billion in 2001, 88.5% of capital expenditure being allocated to mining. Over the last five years, the Company has carried out capital expenditure of US$ 4.416 billion, generating jobs and income in Brazil and launching new platforms for growth and the creation of value.

Investments

[REPRESENTATION OF GRAPHIC]

1997	468
1998	466
1999	343
2000	1602
2001	1537

Total	4416
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Recognition

CVRD won the following awards for recognition for its standards of excellence, such as:

- Chosen by Global Finance magazine as "Best Mining Company in Latin America";

- Chosen by Euromoney as "Best Corporate Borrower in Latin America";

- Chosen by the magazine Brasil Mineral as "Mineral Sector Company of the Year";

- Awarded the ANIMEC (National Association of Capital Market Investors) seal of quality for good shareholder relations.

Subsequent Events

Investments

In March 2002, the Sao Luis pelletizing plant was inaugurated, in the state of Maranhao. This plant, the most modern in the world in terms of automation, energy consumption efficiency and protection of the environment, has a production capacity of six million tons of pellets a year. This investment is consistent with the long term growth trend in global

demand for pellets, consolidating CVRD's leadership in the sector and providing an additional source of export growth in Brazil.

Confidence of Capital Markets

In March 2002, CVRD was involved in two important transactions in the world's capital markets:

- The Company issued US$ 300 million worth of bonds, with a term of five years. This issue received Moody's risk classification Baa2. According to Moody's classification scale, Baa2 corresponds to an investment grade and is five notches above Brazilian sovereign debt rating. The spread over the US Treasury Bonds, with a similar maturity date, was 455 basis points, the lowest for recent issues by Brazilian companies with the same maturity, since the Russian moratorium in August 1998;

- The third and final stage of the Company's privatization was successfully completed with the global offering of 78,787,838 common shares held by the National Treasury and the BNDES (National Economic Development Bank). The offer was oversubscribed more than three times, the shares being placed with institutional investors in 17 countries: Brazil, U.S., Canada, U.K., Ireland, Germany, Denmark, Spain, France, Holland, Italy, Kuwait, Luxembourg, Sweden, Switzerland, Australia and China (Hong Kong) - and 792,443 individual shareholders in Brazil. CVRD's common shares began trading on the New York Stock Exchange on March 21, 2002 as American Depositary Receipts (ADRs), identified by ticker symbol RIO.

The success of these transactions demonstrates the strong confidence that Brazilian and foreign investors have in CVRD's future. The soundness of the Company's balance sheet and strong cash generation ensures credibility in the international debt market. A well defined long term strategy, good corporate governance, operational excellence, unquestioned leadership in the global iron ore market, and significant growth opportunities in ferrous minerals, copper, bauxite, alumina and logistics services, were all important factors in attracting the large and diverse contingent of new shareholders.

Recognition

- Research carried out in February 2002 by the investment bank CLSA among international investors on the quality of corporate governance, classified CVRD as among the top twenty best companies in emerging markets (Africa, Asia, Latin America, and Eastern Europe).

CONTENTS

Part I

Expressed in millions

1- Management's Discussion and Analysis of the Operating Results for Year Ended December 31, 2001 Compared with Year Ended December 31, 2000

1.1- General Aspects

(a) The Company's segments of business are mining, logistics and energy, as follows:

- Ferrous minerals: includes iron ore and pellets as well as manganese and ferro-alloys;
- Non-ferrous minerals: includes gold, kaolin, potash and copper;
- Logistics: includes railroads, ports and maritime terminals and shipping;
- Energy: includes electric power generation; and
- Shareholdings: includes interests in producers of aluminum, steel and fertilizers.

Ferrous Minerals

Iron Ore and Pellets

The main mining activities involve iron ore, through two world-class integrated systems for ore production and distribution, each consisting of mines, railroads and maritime terminals. The Southern System, based in the states of Minas Gerais and Espirito Santo, has total proven and probable iron ore reserves of approximately 2.3 billion tons. The Northern System, based in the states of Para and Maranhao, has total proven and probably reserves of some 1.2 billion tons. Currently CVRD operates nine pelletizing plants, six of them in joint ventures with international partners. The Company also has a 50% interest in Samarco, which owns and operates two pelletizing plants. The Sao Luis pelletizing plant was inaugurated on March 26, 2002, with annual capacity of six million tons.

Iron ore export sales are generally made pursuant to long-term supply contracts which provide for annual price negotiations. Cyclical changes in the world demand for steel products affect sales prices and volumes in the world iron ore market. Different factors, such as the iron content of specific ore deposits, the various beneficiation and purifying processes required to produce the desired final product, particle size, moisture content, and the type and concentration of contaminants (such as phosphorus, alumina and manganese) in the ore, influence contract prices for iron ore. Contract prices also depend on transportation costs. Fines, lump ore and pellets command different prices. Annual price negotiations generally occur from November to February of each year, with separate prices established for the Asian and European iron ore markets. In the Asian market, the renegotiated prices are effective as of April of each year. In the European market, the renegotiated prices are effective as of January of each year. Because of the wide variety of iron ore and pellet quality and physical characteristics, iron ore and pellets are less commodity-like than other minerals. This factor combined with the structure of the market has prevented the development of an iron ore futures market. Nowadays, the Company does not hedge its exposure to iron ore price volatility.

Manganese and Ferro-alloys

This activity is carried out through the subsidiaries Sibra, Urucum and Rio Doce Manganese (in France). The ore is extracted from the Azul Mine in the Carajas region, in the state of Para, and the Urucum Mine in the Pantanal region, in the state of Mato Grosso do Sul. Beneficiation is done on site at both units.

Non-ferrous Minerals

Gold

Gold operations are carried out by the Company itself. These operations began in 1984 and currently there are three mines in operation.

Potash

The potash is found in natural deposits and is an important raw material for making fertilizers. The Company leases a potash mine in the state of Sergipe from Petroleo Brasileiro S.A. - PETROBRAS. It is the only mine of its type in the country and its present capacity is some 600 thousand tons a year.

Kaolin

Kaolin activities are conducted through the subsidiary Para Pigmentos S.A., which began operations in August 1996. Kaolin is a fine white aluminum silicate clay, used in the paper, ceramic and pharmaceutical industries as a coating and filler. Para Pigmentos has a four-stage expansion program under way to boost capacity in response to an expected increase in demand for kaolin.

Copper

CVRD's copper activities are still in the implementation phase. The Company holds 100% of the Sossego mine project in the Carajas region, with estimated yearly capacity of 140 thousand tons, as well as participating in four joint-venture projects in Brazil. These five projects contain approximately 1.7 billion tons of ore with an average metal content of 1.02%.

Logistics

CVRD is one of the leaders in the Brazilian transportation sector, providing transport and related services to various clients. Built originally to serve the Company's iron ore business, the logistics system includes the Vitoria-Minas Railroad and Tubarao and Praia Mole ports in the Southern System, and the Carajas Railroad and Ponta da Madeira Marine Terminal in the Northern System. In addition, in the last five years the Company has acquired stakes in three privatized railroads. The principal cargo of the Vitoria-Minas Railroad is the Company's own iron ore, along with steel, coal, pig iron, limestone and carried for steel manufacturers located in the states of Minas Gerais and Espirito Santo. The railroads charge market rates for third-party cargo, which vary based upon the distance traveled and the density of the freight in question.

Aluminum Operations

The Company sells aluminum to an active world market in which prices are determined based on prices for the metal quoted on the London Metals Exchange or the Commodity Exchange, Inc (COMEX) at the time of delivery.

The wholly-owned subsidiary Aluvale conducts aluminum operations basically through joint ventures. These include mining of bauxite, which is refined into alumina and then smelted into aluminum for commercialization. Aluvale operates its bauxite extraction activities through a 40% participation in the joint venture Mineracao Rio do Norte S.A. - MRN, which holds substantial reserves of bauxite with a low separation index and high recovery rate. Aluvale has a 50% interest in the voting capital of Alunorte, which refines the bauxite into alumina. The Company also acts in aluminum smelting through Albras, in which it detains a 51% interest, and through Valesul, of which it owns 54.1%.

Energy

In 2001, the Company decided to make energy one of its main businesses, even though current energy production does not represent a significant percentage of activities. At present, CVRD has stakes in nine hydroelectric projects, two of which have already started operating. These nine projects have a total projected capacity of 3,364MW. Depending on market conditions, the electricity generated by these plants will be sold to the market and/or used in own operations.

(b) The variations of the main currencies and indexes in 2001 and 2000 in terms of percentages in relation to the real, which impacted the results of the Company and its subsidiaries, jointly controlled companies and affiliates, were as follows:

	(DELTA)% Currencies/Indexes						
Year	U.S. DOLLAR	YEN	GOLD	IGPM	TJLP	US$ x R$	US$
2001	18.7	3.7	1.2	10.4	9.5	2.3204	
2000	9.3	(2.2)	(5.4)	10.0	10.8	1.9554	
1999	48.0	62.6	0.9	20.1	13.2	1.7890	
1998	8.3	25.3	(0.8)	1.8	11.8	1.2087	

About 59% of the Company's gross revenue in 2001 and 63% of the consolidated revenue is derived from exports and, additionally, part of domestic sales are denominated in U.S. dollars, while the costs are in mainly incurred in reais. Consequently, fluctuations in the exchange rate between the two currencies have a significant impact on the operating cash flows;

Approximately 95% of the short-term and long-term loans of the Company in 2001 (90% of the consolidated) are denominated in U.S. dollars. As a result, exchange rate fluctuations have a significant impact on the financial expenses (Notes 9.12 and 9.22);

(c) Divestitures

CVRD continues to take steps in mine with its strategy to concentrate on core business activities.

Pulp and paper - in March 2001, CVRD sold its holding in Bahia Sul Celulose S.A., for US$ 320. In September 2001, CVRD concluded the sale of its stake in Celulose Nipo-Brasileira S.A. to Japan Brazil Paper and

Pulp Resources Development Co. for US$ 670.5. The Company continues to explore the divestitures in Celmar S.A. and Florestas Rio Doce S.A..

Steel - in December 2000, the 2.3% stake in Acominas was exchanged for US$ 10 worth of preferred shares of Gerdau S.A., a publicly listed steel company, whose shares CVRD intends to sell in the future.

Logistics - the process of divesting the dry bulk cargo shipping assets has begun. In September 2001, an agreement was reached to sell six bulk carriers of Docenave, to Spain's Empresa Naviera Elcano S.A., for US$53. This transaction was concluded in February 2002. Finally, the Company sold one bulk carrier of the subsidiary Seamar.

The divestitures already concluded on December 31, 2001, which include Bahia Sul and Cenibra (pulp and paper) and Acominas and CSN (steel) generated an equity result of R$ 176 (R$ 272 in 2000) and dividends / interest on stockholders' equity of R$ 82 (R$ 16 in 2000).

In line with our strategy to consolidate and focus on mining, logistics and energy, in the first quarter of 2001, we implemented a program to unwind our cross-holding relationships with Companhia Siderurgica Nacional - CSN.

In March 2001, CSN concluded the sale of its shares in Valepar, CVRD main shareholder, to Litel Participacoes S.A., Bradesplan Participacoes S.A. and Bradespar S.A.. Bradesplan and Bradespar subsequently transferred their shares in Valepar to Babie Participacoes S.A.. Babie is a holding company owned by Bradesplan and Bradespar.

The Company disposed of its 10.3% stake in CSN, transferring its interest, valued at US$ 249 million, to Fundacao Vale do Rio Doce de Seguridade Social - VALIA, the employee pension fund, in order to satisfy a funding obligation it had to VALIA. The transfer price was based on the market value of CSN's shares at the time of the transaction.

As part of the unwinding transaction, CSN granted CVRD the following rights of first refusal relating to CSN's Casa de Pedra Mine, each of which lasts for a period of 30 years:

o the right to purchase any iron ore produced by the mine beyond CSN's internal requirements;

o the right to purchase or to rent the mine should CSN decide to sell or lease it, and;

o the right to become a partner should CSN decide to form a pelletizing joint venture with a third party with iron ore produced by the mine.

In return, CVRD has granted CSN a right of first refusal to participate with CVRD in the construction of any new steel producing facilities that CVRD undertakes in the next five years.

(d) Investments

In May 2000, CVRD acquired 100% of Mineracao Socoimex, a mining company located in Minas Gerais, for approximately R$ 102. Upon incorporation of Socoimex in August 2000, the Company began operating the Gongo Soco iron ore mine, with proven and probable reserves of 106 million tons and yearly capacity of 7 million tons.

In May 2000, CVRD acquired control of Samitri, and then raised its stake to 100%. The total cost of this acquisition was R$ 1,324. In October 2001, Samitri was incorporated into the Company, and since then CVRD has operated the Alegria, Agua Limpa and Corrego do Meio mining complexes in the state of Minas Gerais, with annual capacity of 17.5 million tons and proven and probable reserves of 709 million tons of high-grade hematite. The acquisition of Samitri also permitted acquisition of 50% of the pelletizing operations of Samarco.

In April 2001, Ferteco was purchased entirely from Thyssen Krupp Stahl AG for approximately R$ 1,167. Ferteco is one of Brazil's largest producers of iron ore, with yearly capacity of 15 million tons. It has deposits of 263 million tons of hematite and itabirite, with similar quality to CVRD's Southern System reserves. It operates two open-pit mines, Fabrica and Feijao, and a pelletizing plant in the Iron Ore Quadrangle region of Minas Gerais, which has yearly capacity of 4 million tons.

In August 2001, a strategic agreement was reached with Baosteel, a steel maker located in the Republic of China, to supply approximately 6 million tons of iron ore over a period of 20 years. Besides this, CVRD and Baosteel agreed to form the joint venture Baovale Mineracao S.A.. In October 2001, the Company assigned its mineral rights relative to the Agua Limpa complex, located in the Southern System, to Baovale, which resulted in a reduction of 68.8 million tons in its proven and probable reserves. In counterpart,

Baosteel paid R$ 52 for its 50% stake in Baovale. In exchange for monthly remuneration, Baovale leases its rights over the mine, which the Company continues to operate. It is expected that this deal will increase the presence of CVRD in the Asian market.

In September 2001, the Company acquired 99.99% of Belem Administracoes e Participacoes Ltda. (Belem) from Bethlehem Steel Corporation and Bethlehem Steel International Corporation for approximately R$ 68. Belem is a non-operating company that holds a 9.9% stake in Empreendimentos Brasileiros de Mineracao (EBM). EBM is a privately held company controlled by Caemi, a Brazilian producer of iron ore and pellets, as well as kaolin and refractory bauxite. In December 2001, CVRD acquired 50% of the voting capital of Caemi for about R$ 670. At present, the Company holds 50% of the voting capital and 17% of the total capital of Caemi. Mitsui & Co. Ltd. detains the other 50% of the voting capital of Caemi.

(e) In 2001, US$ 1,442 million in net foreign exchange was generated by the Parent Company (US$ 2,494 million consolidated):

(in US$ millions)

	Parent company		Consolidated	
	2001	2000	2001	2000
Trade balance				
Exports	1,963	1,465	3,297	3,016
Imports	(272)	(132)	(414)	(291)

	1,691	1,333	2,883	2,725
Balance of services				
Interest	(145)	(132)	(187)	(207)
Profits and dividends	(215)	(54)	(227)	(95)
	(360)	(186)	(414)	(302)
Capital flows				
Investments	19	-	32	188
Loans and financing	375	1,322	511	1,578
Amortization	(283)	(629)	(518)	(998)
	111	693	25	768
Net foreign exchange generated	1,442	1,840	2,494	3,191

1.2- Comments on the Parent Company Results

The net income of the Company for 2001 was R$ 3,051, a 43% increase over the R$ 2,133 in 2000, raising the earnings per share to R$ 7.95 in 2001 from R$ 5.54 in 2000.

The gross margin reached 48.9% in 2001, against 49.2% in 2000. The cost of products and services increased 28.8% (from R$ 2,531 in 2000 to R$ 3,261 in 2001), while gross revenue rose 28% (from R$ 5,169 in 2000 to R$ 6,617 in 2001).

Stockholder remuneration per outstanding common or preferred share is R$ 4.61 (a 38.4% increase over the previous year's R$ 3.33), totaling R$ 1,774, which corresponds to 58.1% of the net profit for the year. The Company paid R$ 989 of interest on stockholders' equity in December 2001, and will pay the remaining balance by April 30, 2002.

In 2001, total capital expenditures reached US$ 1,581 million, 1.3% less than in 2000 (US$ 1,602 million). The Company has budgeted capital expenditures of approximately US$ 956 million in 2002.

1.2.1- Gross Revenues

Gross revenues increased 28% (from R$ 5,169 in 2000 to R$ 6,617 in 2001). This reflects the strengthening of the U.S. dollar against the real as well as a growth in iron ore and pellet sales volume, offset in part by a decrease in the volumes of other products and services sold. The increase in iron ore sales is due to the assumption of operations of mines formerly belonging to Socoimex and Samitri in August 2000 and May 2001, respectively. However, these events also resulted in a decrease in gross revenue from railroad transport and port services since CVRD ceased to sell these services to Socoimex and absorbed such costs as lessee of the Samitri mines. The capital contribution of the Azul manganese mine made in the subsidiary SIBRA in December 2000, caused a drop in manganese revenue for the Company, offset by an increase in the sales of SIBRA.

The following table shows sales volume and revenues by products and services:

In thousands of metric tons (except gold) In millions of

	2001	2000	(DELTA)%	2001
External market				
Iron ore	77,441	66,313	16.8	2,732
Pellets	12,598	13,330	(5.5)	869
	90,039	79,643	13.1	3,601
Internal market				
Iron ore	37,122	34,881	6.4	1,087
Pellets	2,787	2,216	25.8	278
	39,909	37,097	7.6	1,365
Total				
Iron ore	114,563	101,194	13.2	3,819
Pellets	15,385	15,546	(1.0)	1,147
	129,948	116,740	11.3	4,966
Railroad transportation	60,371	65,945	(8.5)	835
Port services	31,718	41,158	(22.9)	232
Gold (kg)				
External market	15,815	17,370	(9.0)	331
Internal market	-	17	-	-
	15,815	17,387	(9.0)	331
Manganese				
External market	77	876	(91.2)	6
Internal market	138	424	(67.5)	16
	215	1,300	(83.5)	22
Potash	503	561	(10.3)	166
Other products and services	-	-	-	65
				6,617

[GRAPHIC OMITTED -- PIE CHART]

(*) Part of sales to the internal market are in U.S. dollars.

1.2.2- Cost of Products and Services

The increase of 28.8% in the cost of products and services (from R$ 2,531 in

2000 to R$ 3,261 in 2001) resulted from the incorporation of the Socoimex mines, leasing of the Samitri mines, revision of depreciation rates, as well as increases in fuel oil prices and consumption, the devaluation of the real against the U.S. dollar and increased purchase of pellets for resale. The following table shows each component of the cost of products and services, and the change between periods :

By category

	Denominated				
	R$	US$	2001	2000	(DELTA)%
Personnel	456	-	456	407	12.0
Material	190	213	403	375	7.5
Oil and gas	213	114	327	256	27.7
Outsourced services	448	7	455	320	42.2
Energy	100	-	100	70	42.9
Others	85	138	223	183	21.9
Subtotal	1,492	472	1,964	1,611	21.9
Acquisition of iron ore and pellets	28	794	822	650	26.5
Depreciation and depletion	475	-	475	270	75.9
Total	1,995	1,266	3,261	2,531	28.8
	61%	39%	100%		

1.2.3- Result of Shareholdings

Equity earnings, decreasing from a gain of R$ 715 in 2000 to R$ 37 in 2001. This variation was due to a combination of the following factors:

- Recognition of the provision for losses and full amortization of the goodwill on investments with negative equities liability (Note 9.10);

- The positive effects of the 18.7% devaluation of the real against the U.S. dollar in 2001 (as compared to 9.3% in the same period of 2000) in the companies operating abroad, offset by the negative effects in the companies in Brazil with debt denominated in U.S. dollars;

- Reduction in prices and quantities sold for aluminum and quantities of pellets sold.

The results of shareholdings by business area are as follows:

Business Area	2001	2000
Ferrous		
.. Iron ore and pellets	268	253
.. Manganese and ferro-alloys	9	15
Non-ferrous	(140)	(14)
Logistics	(334)	13
Investments		
.. Steel	165	103
.. Pulp and paper	(93)	8
.. Aluminum	170	327
.. Fertilizers	14	10

Others	(22)	-
	37	715

The numbers reported per area do not necessarily reflect the individual results of each company, but rather the amounts effectively applicable to the business area.

Ferrous

(a) Iron ore and pellets

.. ITABRASCO - An improved equity result of R$ 7 (a gain of R$ 14 in 2001 compared to a gain of R$ 7 in 2000) due to the increase in the average sales price of 2.4% (US$ 31.72 per ton in 2001 against US$ 30.98 per ton in 2000) and an increase in the positive effects of exchange rate variation on assets, offset in part by a 5.7% decrease in sales volume (3,287 thousand tons in 2001 against 3,486 thousand tons in 2000).

.. ITACO - An improved equity result of R$ 33 (a gain of R$ 86 in 2001 compared to a gain of R$ 53 in 2000) , due to the recording of R$ 102 of a positive equity result in CVRD Overseas, (the company was set up in August 2000 to facilitate the process of securitization of receivables) and R$ 15 in positive equity result in GIIC, offset in part by amortization of goodwill in GIIC in the amount of R$ 60. In operational terms, iron ore sales increased by 15.1% (48,028 thousand tons in 2001 against 41,744 thousand tons in 2000).

.. KOBRASCO - A reduction of R$ 22 in the equity result (a loss of R$ 19 in 2001 compared to a gain of R$ 3 in 2000) because of the negative effects of exchange rate variation on debt, the booking of R$ 19 as a provision for realization of credits from ICMS (VAT) and 5.2% lower sales volume (4,184 thousand tons in 2001 versus 4,415 thousand tons in 2000), compensated in part by a 2.9% increase in the average sales price (US$ 30.93 per ton in 2001 against US$ 30.05 per ton in 2000).

.. NIBRASCO - A reduction of R$ 25 in the equity result (a loss of R$ 7 in 2001 compared to a gain of R$ 18 in 2000) due to recording of a R$ 15 provision for credits from ICMS, 20.2% lower sales volume (6,993 thousand tons in 2001 against 8,764 thousand tons in 2000) and a decrease of 1.1% in average sales price (US$ 29.80 in 2001 versus US$ 30.13 in 2000).

.. RDE - An improved equity result of R$ 25 (a gain of R$ 172 in 2001 compared to a gain of R$ 147 in 2000) basically caused by the appreciation of the dollar against the real (positive exchange rate variation of R$ 119 in 2001 against a positive variation of R$ 43 in 2000).

.. SAMARCO - A R$ 59 equity result in 2001, due to a reduction in the negative effects of exchange rate variation on debt. In operational terms, the sales volume decreased by 23.4% (11,201 thousand tons in 2001 compared to 14,622 thousand tons in 2000) and the average sales price increased by 1% (US$ 29.70 in 2001 against US$ 29.40 in 2000).

.. Samitri - A reduction of R$ 8 in the equity result (a gain of R$ 1 in 2001 compared to a gain of R$ 9 in 2000) due to the negative effect of exchange rate variation on the debt of Samarco. The company was acquired in May 2000 and merged into CVRD in October 2001.

.. SOCOIMEX - Equity result of R$ 6 in 2000. The company was acquired in May 2000 and merged into CVRD in August 2000.

.. FERTECO - A negative equity result of R$ 55 due to the recording of exchange rate variation on loans indexed in dollars contracted for the acquisition of Ferteco, offset partly by a positive R$ 52 equity result in own operations.

(b) Manganese and Ferro-alloys

.. RDME - A improved equity result of R$ 6 (a gain of R$ 11 in 2001 compared with a gain of R$ 5 in 2000) mainly due to the appreciation of the French franc against the real in 2001, reduced by integral amortization of goodwill in the amount of R$ 9.

.. SIBRA - Recording in 2001 of a positive equity result of R$ 71, more than offset by R$ 76 of amortization of goodwill (R$ 81 in 2001 against R$ 5 in 2000).

Non-ferrous

.. PARA PIGMENTOS - Booking of a provision for losses of R$ 58 arising from the negative effects of exchange rate variation on debt and R$ 83 of amortization of goodwill in 2001, against R$ 14 in 2000.

Logistics

.. DOCENAVE - A reduction of R$ 60 in the equity result (a loss of R$ 44 in 2001 compared to a gain of R$ 16 in 2000) due to a 3.7% reduction in average freight rates (US$ 7.11 per ton carried in 2001 against US$ 7.38 per ton in 2000), together with a 26.6% drop in volume transported (25,787 tons in 2001 versus 35,149 tons in 2000), and loss provisions estimated at R$ 88 on the sale of vessels and R$ 25 from the non-realization of tax credits, offset in part by the appreciation of the dollar against the real (positive exchange rate variation of R$ 59 in 2001 against positive variation of R$ 24 in 2000).

.. FCA - Recording of a provision for losses of R$ 97 arising from the negative effects of exchange rate variation on debt and amortization of goodwill in the amount of R$ 147 in 2001. CVRD's holding in this company is through its subsidiary Tacuma.

.. MRS - Recording of a negative equity result of R$ 5. This stake is held through the subsidiary Ferteco Mineracao S.A., which was acquired by CVRD through its wholly-owned subsidiary Zagaia Participacoes S.A. in April 2001.

Shareholdings

(a) Steel

.. DOCEPAR - An improved equity result of R$ 120 (a loss of R$ 5 in 2001 compared to a loss of R$ 125 in 2000) due mainly to a provision for loss of tax benefit of R$ 99 in 2000.

.. CSI - A reduction in the equity result of R$ 3 (a gain of R$ 55 in 2001 compared to a gain of R$ 58 in 2000) caused by a 15% fall in the average sales price of steel slabs in relation to the previous year, offset by a 4.2% increase in volume sold (1,828 thousand tons in 2001 versus 1,754 thousand tons in 2000) and by the appreciation of the dollar against the real (positive exchange rate variation of R$ 67 in 2001 against positive variation of R$ 28 in 2000).

.. CSN - Booking of a positive equity result of R$ 108 in 2001 resulting from the effects of unwinding of the CVRD/CSN cross-holdings, which were only finalized in March 2001. In 2000, a positive equity result of R$ 58 was recorded.

.. CST - A reduction in the equity result of R$ 38 (a gain of R$ 14 in 2001 compared to a gain of R$ 52 in 2000) mostly due to the effect of exchange rate variation on debt.

.. USIMINAS - A reduction in the equity result of R$ 81 (a loss of R$ 54 in 2001 compared to a gain of R$ 27 in 2000) because of the effect of exchange rate variation on debt and integral amortization of goodwill in the amount of R$ 55.

(b) Pulp and paper

.. CELMAR - Recording in 2001 of a negative equity result of R$ 56 and a R$ 59 provision for losses.

(c) Aluminum

.. ALBRAS - A reduction in the equity result of R$ 108 (a gain of R$ 17 in 2001 compared to a gain of R$ 125 in 2000) resulting from the negative effects of exchange rate variation on debt. In operational terms, there was a 5.3% decrease in the average sale price (US$ 1,428.99 per ton in 2001 versus US$ 1,508.42 per ton in 2000), while the volume sold fell by 9.3% (332 thousand tons in 2001 against 366 thousand tons in 2000), due mainly to the effects of electricity rationing in the second half of the year.

.. ALUNORTE - A reduction in the equity result of R$ 35 (a loss of R$ 23 in 2001 compared to a gain of R$ 12 in 2000) due to the negative effects of exchange rate variation on debt. Operationally, the average sale price fell 5.7% (US$ 185.51 per ton in 2001 against US$ 196.63 per ton in 2000), while sales volume decreased by 3.5% (1,540 thousand tons in 2001 against 1,596 thousand tons in 2000).

.. MRN - An improved equity result of R$ 24 (a gain of R$ 98 in 2001 compared to a gain of R$ 74 in 2000) due to the positive effects of exchange rate variation on sales, offset partly by a 2.6% fall in sales volume (10,952 thousand tons in 2001 compared with 11,242 thousand tons in 2000) and an increase in selling costs.

.. VALESUL - An improved equity result of R$ 1 (a gain of R$ 23 in 2001 compared to a gain of R$ 22 in 2000) caused by the positive effects of exchange rate variation on sales, offset by an increase of approximately 20% in selling costs and an 11.6% reduction in sales volume (76 thousand tons in 2001 versus 86 thousand tons in 2000), the latter factor mainly due to energy rationing in the second half of 2001. The average sale price did not significantly change in the period (US$ 1,913.54 per ton in 2001 against US$ 1,912.41 per ton in 2000).

.. ALUVALE - A R$ 27 reduction in equity result (own operations) (a gain of

R$ 23 in 2001 compared to a gain of R$ 50 in 2000) in function of a R$ 25 capital gain booked in January 2000 with the capital increase with negative goodwill of Hydro in ALUNORTE.

.. ITACO - A reduction of R$ 12 in the equity result (a gain of R$ 32 in 2001 compared to a gain of R$ 44 in 2000) because of losses from shareholdings in aluminum companies.

1.2.4- Operating Expenses

The operating expenses increased R$ 275 (R$ 1,029 in 2000 against R$ 1,034 in 2001), mainly due to the provision for losses on realization of credits of ICMS of R$ 142, increase in iron ore and pellet sales commission of R$ 45 derived from increase of operating revenues and increase of administrative expenses - personnel - of R$ 27, due to was an absorption of corporative operating activities (Note 9.29).

1.2.5- Net Financial Result

The net financial result increased R$ 598 (R$ 335 in 2000 compared to R$ 933 in 2001), due to the exchange rate variations on the net Company debt (Note 9.22).

1.2.6- Discontinued Operations

The result mainly reflects gains on sale of the Company's interests in Bahia Sul and Cenibra, of R$ 230 and R$ 1,471, respectively, as well as the equity result from these companies (Note 9.25).

1.2.7- Cash Flow

The operating cash flow measured by EBITDA (earnings before interest, income tax, depreciation, amortization and depletion) was R$ 3,254 in 2001, an increase of 35.4% over 2000, which was R$ 2,403 (Note 9.27).

1.2.8- Income Tax and Social Contribution

Income tax and social contribution was a credit of R$ 357 (credit of R$ 149 in 2000), after recognizing the benefit from paying interest on stockholders' equity of R$ 603 in 2001 (R$ 436 in 2000) (Note 9.9).

1.3- Comments on the Consolidated

1.3.1- Consolidated Gross Revenue

[GRAPHIC OMITTED -- PIE CHART]

[GRAPHIC OMITTED -- PIE CHART]

Consolidated gross revenue grew 21.7% influenced mainly by the increase in revenue from sale of iron ore and pellets (reflecting appreciation of the dollar against the real) and increased sales volume due to the acquisition of Samitri and Ferteco).

1.3.2- Cost of Products and Services

By category

	2001	2000	(DELTA)%
Personnel	775	659	17.6
Material	735	739	(0.5)
Oil and gas	622	551	12.9
Outsourced services	550	392	40.3
Energy	451	328	37.5
Others	1,016	1,032	(1.6)
Sub total	4,149	3,701	12.1
Acquisition of products	621	582	6.7
Depreciation and depletion	775	622	24.6
Total	5,545	4,905	13.0

The cost of products and services consolidated grew 13% influenced by the increased sales of iron ore and pellets (from acquisition of Samitri and Ferteco).

For additional information on the consolidated segments, see the comments on the Result of Shareholdings, item 1.2.3 and attachment II of the financial statements.

Part II

Financial Statements and Notes to the Financial Statements
(A free translation of the original in Portuguese relating to the financial statements prepared in accordance with the requirements of Brazilian Corporate Law)

2- BALANCE SHEET

December 31 In millions of rea

		Parent Company		Consolidat	
	Notes	2001	2000	2001	20
Assets					
Current assets					
Cash and cash equivalents	9.5	645	1,569	2,808	2,6
Accounts receivable from customers	9.6	920	1,459	1,497	1,2
Related parties	9.7	1,011	200	159	
Inventories	9.8	448	327	1,326	1,1
Taxes recoverable	-	96	244	283	3
Deferred income tax and social contribution	9.9	613	173	628	2
Others	-	257	233	534	3

		3,990	4,205	7,235	6,1
Long-term receivables					
Related parties	9.7	1,356	1,159	894	8
Loans and financing	-	299	325	316	1
Deferred income tax and social contribution	9.9	297	291	669	7
Judicial deposits	9.14	516	303	625	3
Prepaid leasing expenses	-	-	-	84	
Others	-	39	38	236	2
		2,507	2,116	2,824	2,5
Permanent assets					
Investments	9.10	8,347	7,073	3,113	2,2
Property, plant and equipment	9.11	7,581	6,649	12,791	12,5
Deferred charges	-	-	-	442	3
		15,928	13,722	16,346	15,2
		22,425	20,043	26,405	23,8
Liabilities and stockholders' equity					
Current liabilities					
Short-term debt	9.12	927	576	1,745	1,2
Current portion of long-term debt	9.12	387	400	1,063	9
Payable to suppliers and contractors	-	523	425	833	8
Related parties	9.7	716	421	200	1
Provision for interest on stockholders' equity	9.21	784	1,282	788	1,2
Payroll and related charges	-	118	89	231	1
Pension Plan	9.16	65	88	65	
Others	-	103	102	410	4
		3,623	3,383	5,335	5,1
Long-term liabilities					
Long-term debt	9.12	3,326	2,592	6,765	5,6
Related parties	9.7	2,053	1,820	-	
Deferred income tax and social contribution	9.9	87	92	297	3
Provisions for contingencies	9.14	894	597	1,217	7
Pension Plan	9.16	429	853	429	8
Others	-	246	140	429	2
		7,035	6,094	9,137	7,9
Deferred income		-	-	159	1
Minority interest		-	-	7	
Stockholders' equity					
Paid-up capital	9.17	4,000	3,000	4,000	3,0
Capital reserves	9.20	444	741	444	7
Revenue reserves	9.20	7,323	6,825	7,323	6,8
		11,767	10,566	11,767	10,5

	22,425	20,043	26,405	23,8

The additional information, notes and attachments I and II are an integral part of these statements.

(A free translation of the original in Portuguese relating to the financial statements prepared in accordance with the requirements of Brazilian Corporate Law)

3- STATEMENT OF INCOME

Year ended December 31 In millions of rea

	Notes	Parent Company 2001	Parent Company 2000	Consolidat 2001	Consolidat 20
Operating revenues					
Sales of ore and metals					
Iron ore and pellets		4,966	3,615	5,919	3,9
Gold		331	285	331	2
Manganese and ferro-alloys		22	119	628	5
Others		166	155	249	2
		5,485	4,174	7,127	5,0
Railroad and port services		1,067	968	1,490	1,5
Sales of aluminum		-	-	1,118	1,1
Sales of steel products		-	-	1,147	1,1
Sales of timber, pulp and paper products		-	-	20	
Others		65	27	113	1
		6,617	5,169	11,015	9,0
Value Added taxes		(232)	(189)	(441)	(2
Net operating revenues		6,385	4,980	10,574	8,7
Cost of products and services					
Ore and metals		(2,821)	(2,195)	(2,985)	(2,2
Railroad and port services		(396)	(318)	(946)	(1,0
Aluminum products		-	-	(563)	(5
Steel products		-	-	(931)	(8
Timber, pulp and paper products		-	-	(16)	(
Others products and services		(44)	(18)	(104)	(
		(3,261)	(2,531)	(5,545)	(4,9

Gross profit		3,124	2,449	5,029	3,8
Gross margin		48.9%	49.2%	47.6%	44
Operating expenses					
Selling		(118)	(77)	(246)	(1
Administrative		(338)	(222)	(622)	(4
Research and development		(101)	(87)	(101)	(
Other operating expenses, net		(747)	(643)	(1,040)	(6
		(1,304)	(1,029)	(2,009)	(1,3
Operating profit before financial result and result of investment participations		1,820	1,420	3,020	2,4
Result of investment participations	9.10/9.25				
Gain on investments accounted for by the equity method		708	799	102	1
Amortization of goodwill		(437)	(27)	(437)	
Provision for losses		(245)	(57)	-	
Others		11	-	36	
		37	715	(299)	1
Financial result, net	9.22	(933)	(335)	(1,739)	(6
Operating profit		924	1,800	982	1,9
Discontinued operations	9.25	1,770	184	1,770	1
Income before income tax and social contribution		2,694	1,984	2,752	2,1
Income tax and social contribution	9.9	357	149	259	(
Income before minority interest		3,051	2,133	3,011	2,1
Minority interest		-	-	40	(
Net income for the year		3,051	2,133	3,051	2,1
Number of shares outstanding at the end of the year (in thousands)		383,844	384,892		
Net earnings per share outstanding at the end of the year (R$)		7.95	5.54		

The additional information, notes and attachments I and II are an integral part of these statements.

(A free translation of the original in Portuguese relating to the financial statements prepared in accordance with the requirements of Brazilian Corporate

Law)

4- STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31

	Notes	Capital	Capital reserves	Reva-luation reserves	Reven reserv
On December 31, 1999		3,000	472	744	6,2
Reversal of revaluation reserves of subsidiaries and affiliated companies		-	-	(471)	
Transfer to special monetary restatement Law 8,200	9.20	-	273	(273)	
Tax incentives		-	(4)	-	
Provision for pension plan liabilities	9.16	-	-	-	
Net income for the year		-	-	-	
Proposed appropriations:					
Interest on stockholder's equity		-	-	-	
Appropriation to revenue reserves		-	-	-	5
On December 31, 2000		3,000	741	-	6,8
Treasury shares	9.19	-	-	-	(
Capitalization of reserves	9.20	1,000	(301)	-	(6
Provision for pension plan liabilities	9.16	-	-	-	
Result on exchange of shares		-	4	-	
Net income for the year		-	-	-	
Proposed appropriations:					
Interest on stockholder's equity	9.21	-	-	-	
Appropriation to revenue reserves		-	-	-	1,2
On December 31, 2001		4,000	444	-	7,3

The additional information, notes and attachments I and II are an integral part of these statements.

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(A free translation of the original in Portuguese relating to the financial statements prepared in accordance with the requirements of Brazilian Corporate Law)

5- STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ended December 31

	Parent Compa	
	2001	20

Funds were provided by:		
Net income for the year	3,051	2,1
Expenses (income) not affecting working capital:		
Result of investment participations	(37)	(7
Depreciation, amortization and depletion	503	2
Deferred income tax and social contribution	(16)	(
Provision for contingencies	164	2
Discontinued operations	(1,770)	(1
Net monetary and exchange rate variations on long-term assets and liabilities	522	1
Provision for losses - ICMS	142	
Sale of investments	802	
Loss on disposal of property, plant and equipment	39	
Others	159	1
Total funds from operations	3,559	2,1
Loans to related parties, transferred to current assets	642	9
Long-term debt	547	7
Loans from related parties	533	9
Dividends/interest on stockholders'equity received	291	4
Others	293	1
Total funds provided	5,865	5,3
Funds were used for:		
Long-term debt transferred to current liabilities	810	2
Related parties	571	5
Additions to permanent assets	1,345	7
Capital subscription in subsidiary and affiliated companies	1,538	2,2
Interest on stockholders' equity	1,774	1,2
Guarantees and deposits	207	1
Treasury stock	58	
Others	17	
Total funds used	6,320	5,3
Increase (decrease) in working capital	(455)	
Changes in working capital are as follows:		
Initial working capital of investments consolidated from 2000	-	
Current assets:		
At the end of the year	3,990	4,2
At the beginning of the year	4,205	3,9
	(215)	2
Current liabilities:		
At the end of the year	3,623	3,3
At the beginning of the year	3,383	3,1
	240	2
Increase (decrease) in working capital	(455)	

The additional information, notes and attachments I and II are an integral part of these statements.

(A free translation of the original in Portuguese)

6- STATEMENT OF CASH FLOWS (ADDITIONAL INFORMATION)

Years ended December 31

	Parent Compa	
	2001	20
Cash flows from operating activities:		
Net income for the year	3,051	2,1
Adjustments to reconcile net income for the year with cash provided by operating activities:		
Result of investment participations	(37)	(7
Depreciation, amortization and depletion	503	2
Deferred income tax and social contribution	(357)	(1
Provision for contingencies	164	2
Discontinued operations	(1,770)	(1
Net monetary and exchange rate variations on assets and liabilities	838	3
Provision for losses - ICMS	142	
Loss on disposal of property, plant and equipment	19	
Dividends/interest on stockholders' equity received	283	1
Others	222	1
	3,058	2,2
Decrease (increase) in assets:		
Accounts receivable	533	(4
Inventories	(154)	(
Others	(60)	(1
	319	(5
Increase (decrease) in liabilities:		
Suppliers and contractors	33	1
Payroll and related charges and others	26	
Others	31	
	90	1
Net cash provided by operating activities	3,467	1,8
Cash flows from investing activities:		
Loans and advances receivable	(1,185)	
Guarantees and deposits	(207)	(1
Additions to investments	(1,471)	(1,4
Additions to property, plant and equipment	(1,304)	(7
Deferred charges	-	
Net cash used to acquire or capitalize subsidiaries	-	

Proceeds from disposal of property, plant and equipment and investments	1,039	
Net cash used in investing activities	(3,128)	(2,3
Cash flows from financing activities:		
Short-term debt	373	(4
Long-term debt	1,080	1,6
Repayments:		
Financial institutions	(389)	(5
Interest on stockholders' equity paid	(2,269)	(4
Treasury shares	(58)	
Net cash used in financing activities	(1,263)	1
Decrease in cash and cash equivalents	(924)	(3
Cash and cash equivalents of investments consolidated in 2000	-	
Cash and cash equivalents, beginning of the year	1,569	1,9
Cash and cash equivalents, end of the year	645	1,5
Cash paid during the year for:		
Short-term interest	(78)	(
Long-term interest net of capitalization	(281)	(2
Income tax and social contribution paid	(82)	
Non-cash transactions:		
Conversion of loans and others into investments	63	8
Additions to property, plant and equipment with capitalizations	41	
Pension obligation settled by transfer of CSN shares	521	

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(A free translation of the original in Portuguese)

7- STATEMENT OF VALUE ADDED (ADDITIONAL INFORMATION)

Years ended December 31

	Parent Compan			
	2001	%	2000	
Generation of Value Added				
Sales revenue	6,617	100	5,169	10
Less: Acquisition of products	(823)	(12)	(650)	(1
Outsourced services	(785)	(12)	(550)	(1
Materials	(410)	(6)	(378)	(
Fuel oil and gas	(328)	(5)	(256)	(
Research and development, commercial and administrative	(251)	(4)	(181)	(
Other operating expenses	(753)	(11)	(649)	(1
Gross Value Added	3,267	50	2,505	4
Depreciation and depletion	(494)	(8)	(284)	(

Net Value Added	2,773	42	2,221	4
Received from third parties				
Financial revenue	508	8	326	
Result of investment participations	37	-	715	1
Discontinued operations	1,770	27	184	
Pension plan actuarial deficit (*)	(22)	-	(312)	(
Total Value Added	5,066	77	3,134	6
Distribution of Value Added				
Employees	555	11	474	1
Government	49	1	186	
Third parties' capital	1,433	28	653	2
Stockholders' remuneration	1,774	35	1,282	4
Retained earnings	1,255	25	539	1
	5,066	100	3,134	10

(*) Recorded as prior year adjustment directly to stockholders' equity

[GRAPHIC OMITTED -- BAR CHART]

(A free translation of the original in Portuguese relating to the financial statements prepared in accordance with the requirements of Brazilian Corporate Law)

8- LABOR AND SOCIAL INDICATORS (ADDITIONAL INFORMATION)

Years ended December 31

	Parent Company		
Basis for computation	2001	2000	
Gross revenues	6,617	5,169	11
Operating profit	1,820	1,420	3
Gross payroll	375	304	

Labor indicators	2001			2000					
		% of			% of				
	Amount	Gross payroll	Operating profit	Amount	Gross payroll	Operating profit	Amount	Gross payroll	Opera pr
Food	17	4	1	13	4	1	31	5	
Compulsory social charges	147	39	8	140	46	10	221	35	
Private pension plan (*)	45	12	3	41	13	3	51	8	
Health	24	6	1	23	8	2	38	6	
Education	21	6	1	15	5	1	32	5	
Profit sharing	86	23	5	58	19	4	112	18	
Other benefits	44	12	2	30	10	2	65	11	
Total - Labor indicators	384	102	21	320	105	23	550	88	

Social indicators	2001			2000					
		% of			% of				
	Amount	Gross payroll	Operating profit	Amount	Gross payroll	Operating profit	Amount	Gross payroll	Opera pr
Taxes (**)	305	17	5	254	18	5	718	24	
Social investments	27	1	-	25	2	-	133	4	
Social projects and actions	20	1	-	22	2	-	126	4	
Indigenous communities	7	-	-	3	-	-	7	-	
Environmental expenditures	60	3	1	60	4	1	85	3	
Operational	56	3	1	56	4	1	80	3	
On outside programs and/or projects	4	-	-	4	-	-	5	-	
Total - Social indicators	392	21	6	339	24	6	936	31	

Headcount	2001	2000	
No. of employees at end of year	13,620	11,442	22
No. of new hires during year	2,558	1,258	3

(*) The contributions to the private pension plan do not include the transferred shares from CSN to Valia in the amount of R$ 521 (Note 9.10 (l)) and the provision for the early-retirement programs of R$ 78.

(**) Excluding social charges and the income tax and social contribution to the limit of the amount of tax credits.

Amounts relate to the percentage of participation of Parent Company's shareholdings.

9- Notes to the Financial Statements on December 31, 2001 and 2000

Expressed in millions

9.1- Operations

Companhia Vale do Rio Doce - CVRD is a publicly traded corporation whose predominant activities are mining, processing and sale of iron ore, pellets, gold and potash, as well as port and railroad transportation services and power generation. In addition, through its direct and indirect subsidiaries and jointly controlled companies, CVRD operates in logistics, geological studies and technological research services, steel and aluminum.

9.2- Presentation of Financial Statements

The financial statements have been prepared according to the accounting principles provided for in Brazilian corporate legislation as well as the rules and guidelines issued by the Comissao de Valores Mobiliarios - CVM (Brazilian Securities Commission) and IBRACON - Instituto dos Auditores Independentes do Brasil (Brazilian Independent Auditors Institute).

In order to provide better information to the market, the Company is presenting the following additional information regarding the Parent Company and Consolidated: Statements of Cash Flow, Value Added and the Labor and Social Indicators (pages 17, 18 and 19). The Statement of Value Added presents economic information on the wealth created by the Company (aggregate values) and the distribution of this wealth in accordance with its production factors. The presentation of this statement is encouraged by the CVM to inform society of the application of the Company's resources in projects with important social effects. The labor and Social Indicators, developed from a model suggested by the CVM, presents information about the Company's application of resources in social programs.

Certain amounts and classifications in the 2000 financial statements have been adjusted to the criteria used in 2001 for better comparability (Note 9.25).

9.3- Principles of Consolidation

(a) The consolidated financial statements show the balances of assets and liabilities on December 31, 2001 and 2000 and the operations of the Parent Company, its direct and indirect subsidiaries and its jointly controlled companies;

(b) All significant intercompany balances and the Parent Company's investments in its direct and indirect subsidiaries and jointly controlled companies were eliminated in the consolidation. Minority interests are shown separately on the balance sheet and statement of income;

(c) In the case of investments in companies in which the control is shared with other stockholders, the components of assets and liabilities and revenues and expenses are included in the consolidated financial statements in proportion to the participation of the Parent Company in the capital of each company in which investments were made;

(d) The principal figures of the companies included in the consolidation are presented in Attachment I.

9.4- Significant Accounting Policies

(a) The Company adopts the accrual basis of accounting;

(b) Assets and liabilities that are realizable or due more than twelve months after the balance sheet date are classified as long-term;

(c) Marketable securities classified as cash and cash equivalents are stated at cost plus accrued income earned through the balance date;

(d) Inventories are stated at average purchase or production cost, and imports in transit at the cost of each item, not exceeding market or realizable value;

(e) Assets and liabilities in foreign currencies are translated at exchange rates in effect at the balance sheet date, and those in local currency are restated based on contractual indexes;

(f) Investments in subsidiaries, jointly controlled companies and affiliated companies are accounted for by the equity method, based on the stockholders' equity of the investees, and when applicable increased/decreased by goodwill and negative goodwill to be amortized and provision for losses. Other investments are recorded at cost, less provision for unrealized losses when applicable;

(g) Property, plant and equipment, including interest incurred during the construction period of large-scale projects, are recorded at historic cost (increased by monetary restatement up to 1995) and depreciated by the straight-line method, at rates that take into consideration the useful lives of the assets. Depletion of mineral reserves is based on the relation obtained between production and estimated

capacity. Since 2001 the Company, based on technical studies, concluded for the revision of useful lives (depreciation rates) of certain equipment/installations. The effects of such revision generated a net reduction of approximately R$ 135 on the result of 2001;

(h) Pre-operating costs except for financial charges related to large-scale projects are deferred and amortized over a period of 10 years. The deferred charges (consolidated) refer basically to the Sossego and Salobo copper projects;

(i) The financial statements of the Parent Company reflect management's proposal for appropriation of the net income for the year, for the approval of the Annual General Meeting.

9.5- Cash and Cash Equivalents

	Parent Company		Consolidated	
	2001	2000	2001	2000