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## Alunorte increases its production capacity and consolidates its position as the world's No 1 alumina refinery

Alunorte (Alumina do Norte do Brasil S/A), Companhia Vale do Rio Doce (CVRD) subsidiary, will inaugurate two new production lines in its Barcarena facilities on March 24th. With this expansion Alunorte increases its yearly production capacity to 4.4 million tons of alumina from 2.5 million and climbs to a leadership position among alumina refiners worldwide.

The capacity expansion project was completed in a three year period, with investments totaling approximately US\$ 770 million, funded by the following shareholders: CVRD, Norsk Hydro (Norway). Companhia Brasileira de Alumínio (CBA), NAAC, Mitsui and Mitisubishi (Japan). The effort involved over 7,000 people throughout the development of the works. With this expansion, Alunorte created 860 new direct jobs, of which 410 Alunorte jobs and 450 third-party jobs, for a total of 2,350 employees in the Barcarena plant. In 2005, the company achieved another production record to 2.58 million tons of alumina. The 2006 production goal is 3.85 million tons.

Alumina is a raw material used to manufacture aluminum and is produced from the processing of bauxite. The bauxite ore is extracted by Mineração Rio do Norte (Port Trombetas) in the city of Oriximiná, in Northwestern Pará, and is transported by ship to the Port of Vila do Conde. At the port, the bauxite is unloaded to the Alunorte storage yard via conveyor belts. As of 2007, the new lines will also be supplied with bauxite extracted by Mineração Bauxita de Paragominas, based in the city of Paragominas (Pará), to be transported to Alunorte through an ore-duct.

With this expansion, about 80% of the volume produced by the company will be exported to the European, North-American and Asian markets. The remainder will continue to supply Valesul in Rio de Janeiro and Albras, an aluminum producer located in the same area as the Alunorte Barcarena facilities.

Capacity Expansion - Since the start-up of its plant in 1995, the production capacity of Alunorte underwent two capacity expansion projects. In 2000 the refinery began to implement its first capacity expansion project which, at its completion, increased the production capacity to 2.5 million tons of alumina per year from 1.6 million. The first expansion project was completed in 2003 and the second expansion project, which has become operational just now, was started in 2006.

In November, the Board of Shareholders at Alunorte approved a new investment of 2.2 billion reais to start the third expansion project, which will add two production lines. With the planned expansion, scheduled to begin still in 2006, Alunorte will have seven production lines, with an estimated production volume of 6.26 million tons of alumina per year in 2009 going forward.

In 10 years, Alunorte consolidates its leadership in the market

Alunorte (Alumina do Norte do Brasil S/A) is located in Barcarena, 40 kilometers far from Belém, the capital of the State of Pará (Brazil). The company employs 1,150 people and was created to be part of the alumina production chain in the state of Pará by processing bauxite, a raw material used to produce aluminum.

In 1978, an agreement between the governments of Brazil and Japan (with the participation of the then state-owned Vale do Rio Doce) created Alunorte. Operations started-up in July 1995 after a period of delays in the original project in connection with a market crisis, which caused the original schedule to be postponed.

Ten years after the start-up of its operations, the global market for aluminum has grown and led to climbs in production all over the world. Brazil, and especially the state of Pará, reaped the benefits of this growth through the verticalization of the aluminum cycle in the state. Upon the completion of its first expansion project, Alunorte increased its presence in the international scenario and began to be referred to as the leading refinery in Latin America and the fifth worldwide. With the second expansion, the company has become the largest alumina refinery worldwide.

Social responsibility - Alunorte has been growing together with its communities and invests in the development of Barcarena and its neighboring region through social responsibility programs. Projects such as "Barcarena do Futuro", focused on the self-sustained development of six rural community in the area and the "Bola pra Frente, Education pra Gente" project, involving education and sports activities for youngsters in 22 Barcarena schools are the key Alunorte social efforts. The company also supports digital inclusion projects and health and education campaigns among communities in the area.

### More information

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