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Companhia Vale do Rio Doce Form 6-K March 08, 2007

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

January 2007

Companhia Vale do Rio Doce

Avenida Graça Aranha, No. 26 20030-900 Rio de Janeiro, RJ, Brazil (Address of principal executive office)

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Press Release

Signature Page

## **Production Report**

## CVRD 2006 Production Report

#### WINNING ONE MORE BATTLE

Rio de Janeiro, March 7, 2007 Companhia Vale do Rio Doce (CVRD) showed an excellent operational performance in 2006, achieving new records for the production of iron ore, bauxite, alumina, aluminium, copper, potash and kaolin. In this report, for the first time we will be publishing information on the production of CVRD Inco, which has also set new refined nickel production records. For the sake of comparison, we are presenting data related to production of previous quarters for nickel, copper, cobalt, platinum and palladium.

The Company s continuous production growth in the last few years, achieving a series of successive records, has been fundamental to exploit the opportunities generated by the long-cycle of minerals and metals. This has contributed to generating value for shareholders as well as thousands of jobs, creating a new and improved life prospect in the communities where we operate. At the same time, in a world in which these products are becoming increasingly scarce, this involves considerable efforts to satisfy the requirements of our clients.

# **FERROUS MINERALS**

Iron Ore 264 million tons

						%	<b>%</b>	<b>%</b>
						Change	Change	Change
000 tons	4Q05	3Q06	4Q06	2005	2006 40	Q06/3Q06	4Q06/4Q05	2006/2005
IRON ORE	60,489	69,535	68,158	233,851	264,152	-2.0%	12.7%	13.0%
Southeastern								
System	22,533	25,020	24,694	90,325	96,630	-1.3%	9.6%	7.0%
Itabira	11,334	12,108	12,051	45,724	47,069	-0.5%	6.3%	2.9%
Mariana	7,003	7,694	7,380	25,479	29,519	-4.1%	5.4%	15.9%
Minas Centrais	4,196	5,218	5,264	19,123	20,042	0.9%	25.4%	4.8%
Southern System	17,342	23,122	20,890	69,897	84,323	-9.7%	20.5%	20.6%
MBR	12,369	18,004	15,825	50,362	64,596	-12.1%	27.9%	28.3%
Minas do Oeste	4,973	5,118	5,065	19,535	19,727	-1.0%	1.9%	1.0%
Carajás	20,307	21,026	22,217	72,489	81,762	5.7%	9.4%	12.8%
Urucum	308	367	357	1,139	1,437	-2.9%	15.9%	26.2%

CVRD s iron ore production, under the concept of US GAAP (Generally Accepted Accounting Principles in the United States), reached a new record in 2006, of 264.2 million tons. This was an increase of 13.0% on 2005, when we produced 233.9 million tons.

Between 2001 and 2006, the Company s production increased by an average annual rate of 14.6%, rising by 130 million tons over five years, which has contributed to consolidating the company s leadership in the global iron ore market.

Production at Carajás in 4Q06 was already running at a rate of more than 85 million tons a year, setting a new quarterly record of 22.2 million tons, compared to the earlier record of 21.0 million tons in the previous quarter. For the year 2006, Carajás produced a total of 81.8 million tons, which is a new annual record.

The Southeastern System, which comprehends the Itabira, Mariana and Minas Centrais iron ore mines, in was responsible for the production of 96.6 million tons, representing 36.6% of the total produced by CVRD in 2006. The rainy season in the state of Minas Gerais began earlier this year, with heavy rainfall in the fourth quarter of the year, rather than in the first quarter of the following year, which is usually the case. As a consequence

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# **Production Report**

of this meteorological phenomenon, the volumes produced in 4Q06 in the Southeastern System and Southern System (MBR and Oeste mines) were down 1.3% and 9.7%, respectively, compared to the previous quarter.

The Southern System produced 84.3 million tons in 2006, up 20.6% compared to 2005.

Pellets quarterly record

						%	%	%
000 tons	4Q05	3Q06	4Q06	2005	2006	Change 4Q06/3Q06	Change 4Q06/4Q05	Change 2006/2005
PELLETS CVRD I and	4,315	3,923	4,371	16,369	14,182	11.4%	1.3%	-13.4%
CVRD II	1,532	1,573	1,624	5,911	6,045	3.3%	6.1%	2.3%
Fabrica	1,016	891	1,051	4,273	4,030	18.0%	3.5%	-5.7%
São Luís	1,768	1,459	1,695	6,185	4,108	16.1%	-4.1%	-33.6%

Under the concept of US GAAP, which excludes the joint ventures (Samarco, Nibrasco, Kobrasco, Hispanobras and Itabrasco), pellet production in 2006 amounted to 14.2 million tons, compared to 16.4 million tons in 2005. This reduction was due to the shutdown of the São Luís pellet plant between April and July, due to inventory accumulation as a result of a slowdown in demand for pellets in the first half of 2006.

As global demand for pellets resumed growth, production in 4Q06 reached an all-time high of 4.4 million tons, up 11.4% on 3Q06, and 56,000 tons higher than the previous quarterly record in 4Q05, of 4.3 million tons. São Luís was run above its nominal capacity in the period, producing 1.7 million tons in the 4Q06. Blast furnace pellet production amounted to 1.5 million tons, while the volume of direct reduction pellets amounted to 2.9 million tons.

In 2006, 7.7 million tons of blast furnace pellets were produced, and 6.5 million tons of direct reduction pellets. In 4Q06 production of blast furnace pellets amounted to 1.5 million tons, and production of direct reduction pellets, 2.9 million tons.

Under the consolidation concept of BR GAAP (Generally Accepted Accounting Principles in Brazil), whereby the volumes produced by the joint ventures are calculated in proportion to CVRD s shareholding stake, production in 4Q06 amounted to 9.0 million tons of pellets, up 4.2% on the previous quarter. The amount produced in 2006 amounted to 33.2 million tons, compared to 33.4 million tons in 2005.

Manganese ore and ferroalloys restructuring operations

						%	%	%
000 tons	4Q05	3Q06	4Q06	2005	2006	Change 4Q06/3Q06	Change 4Q06/4Q05	Change 2006/2005
MANGANESE								
ORE	614	610	576	3,032	2,242	-5.5%	-6.1%	-26.1%
Azul	481	471	444	2,236	1,692	-5.9%	-7.8%	-24.4%
Urucum	73	90	84	389	362	-6.7%	15.6%	-7.0%
Other mines	60	49	49	406	188	0.2%	-18.7%	-53.6%
FERRO ALLOYS	100	140	138	563	534	-1.2%	37.7%	-5.1%
Brasil	63	68	66	347	260	-2.8%	4.3%	-24.9%
Dunkerque	22	41	38	118	146	-7.2%	77.8%	23.7%
Mo I Rana	10	26	29	77	107	12.5%	189.5%	39.5%
Urucum	6	5	5	22	21	-0.2%	-10.8%	-0.6%

In 2006, restructuring of the manganese and alloy businesses was carried out with the aim of cutting costs and maximizing efficiency. In this context, inefficient furnaces were shut down, as well as some small manganese mines,

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while the Company also adopted the practice of combining ore from the Azul mine with that acquired from other producers, producing a blend capable of improving productivity in the alloy manufacturing process.

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CVRD s manganese ore production in 2006 amounted to 2.2 million tons, down 26.1% on 2005. The Azul mine in Carajás produced 1.7 million tons in the year.

Alloy production in 2006 amounted to 534,000 tons, lower than the level achieved in 2005, of 563,000 tons. In 2006, alloy production consisted of 228,000 tons of ferrosilicon manganese alloys (FeSiMn), 219,700 tons of high-carbon ferro manganese alloys (FeMnAC), 52,100 tons of medium-carbon ferromanganese alloys (FeMnMC) and 23,400 tons of other types of alloy (CaSi). Production of cored wire (specialty alloys) at Dunkerque and São João Del Rei amounted to 11,300 tons.

In 4Q06, manganese production amounted to 576,000 tons, compared to 610,000 tons in 3Q06 and 614,000 tons in 4Q05. In this quarter, the Azul mine produced 444,000 tons, down 5.9% on the previous quarter.

# **BASE METALS**

Nickel an all-time high

000 s tons	4Q05	3Q06	4Q06	2005	2006	% Change 4Q06/3Q06	% Change 4Q06/4Q05	% Change 2006/2005
NICKEL	64.4	56.8	69.0	220.8	250.6	21.5%	7.1%	13.5%
Ontario	28.5	17.3	23.9	96.5	93.0	38.2%	-16.1%	-3.6%
Manitoba	13.4	5.3	8.5	48.6	35.3	60.4%	-36.6%	-27.4%
Indonesia	21.3	15.9	19.0	73.9	70.0	19.5%	-10.8%	-5.3%
Voisey s Bay	0.0	11.4	13.5	0.0	35.5	18.4%		
External source*	1.2	6.9	4.1	1.8	16.8	-40.6%	n.m.	n.m.

<sup>\*</sup> The nickel concentrate is purchased from third-parties and processed by CVRD Inco

As a consequence of the operational improvements that have resulted in productivity gains in the Thompson (Manitoba) and Sudbury (Ontario) mines and Clarabelle mill and the beginning of the optimization of feed flows at the Sudbury Basin as well as the ramp-up of Voisey s Bay, production of refined nickel reached a new quarterly record of 69,000 tons in 4006.

Nickel output was up 21.5% on 3Q06, 4.2% higher than the previous quarterly record achieved in 4Q04, of 66,200 tons. All CVRD s main operations achieved an increase in production in 4Q06, compared 3Q06, as part of the Company s efforts to correct the disequilibrium between global nickel demand and supply.

Production in the Ontario operations increased by 38.2% in 4Q06, after the scheduled maintenance stoppage in 3Q06. Since then, the Copper Cliff refinery has been improving its performance, resulting in increased production of refined nickel.

Production at PT Inco, in Indonesia, recovered in 4Q06 after damage to an electric furnace in 2Q06, with production likely to return to full capacity in 1Q07.

Voisey s Bay produced 13,500 tons in 4Q06, and 35,500 tons in 2006, making very good progress in its production ramp-up process.

On a pro forma basis, CVRD refined nickel output reached 250,600 tons in 2006, which should be a new annual record, beating the previous one of 236,800 tons, in 2004. The production in 2006 is also the largest quantity produced by a company in the world.

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Copper Sossego sets new annual and quarterly records

**Production Report** 

						<b>%</b>	<b>%</b>	<b>%</b>
000 tons	4Q05	3Q06	4Q06	2005	2006	Change 4Q06/3Q06	Change 4Q06/4Q05	Change 2006/2005
COPPER	72	60	85	237	267	41.9%	17.5%	12.8%
Sossego	26	32	33	107	117	3.3%	28.0%	10.2%
Ontario	42	21	36	126	109	70.7%	-15.1%	-13.3%
Manitoba	0	0	1	0	1	n.m.		
Voisey s Bay	4	2	11	4	28	341.8%	150.0%	n.m.
External source	0	4	4	0	11	4.8%		

The production of copper in concentrate at the Sossego mine, Carajás, amounted to 33,300 tons in 4Q06, the highest production in its history, up 28.0% on 4Q05. The previous production record was obtained in 3Q06, of 32,000 tons. For 2006, the Sossego mine produced 117,000 tons of copper contained in concentrates, up 10.2% on the previous year s production, of 107,000 tons, setting a new yearly record.

The operations of CVRD Inco added 52,000 tons of refined copper to the Company s production in 4Q06, so that total copper production amounted to 85,000 tons in this quarter.

In pro-forma terms, CVRD  $\,$  s copper production amounted to 267,000 tons in 2006, up 12.8% on the previous year.

#### **ALUMINIUM**

## Bauxite new record at Trombetas

						<b>%</b>	<b>%</b>	<b>%</b>
000 tons	4Q05	3Q06	4Q06	2005	2006	Change 4Q06/3Q06	Change 4Q06/4Q05	Change 2006/2005
BAUXITE	1,702	1,861	1,836	6,884	7,100	-1.3%	7.9%	3.1%
Trombetas	1,702	1,861	1,836	6,884	7,100	-1.3%	7.9%	3.1%

In 2006, total production at Trombetas set a new record of 17.8 million tons of bauxite, 3.1% higher than the previous record of 17.2 million tons obtained in 2005.

# Alumina the largest refinery in the world

						%	%	<b>%</b>
000 tons	4Q05	3Q06	4Q06	2005	2006	Change 4Q06/3Q06	Change 4Q06/4Q05	Change 2006/2005
ALUMINA	653	1,063	1,127	2,570	3,939	6.0%	72.4%	53.2%
Alunorte	653	1,063	1,127	2,570	3,939	6.0%	72.4%	53.2%

As a result of record ramp-up in stages 4 and 5, which expanded its nominal production capacity by 1.8 million tons, production at the Alunorte refinery in Barcarena reached a new annual production record of 3.9 million tons, up 53.2% on that produced in 2005.

The volume produced in 4Q06 reached a record level of 1.1 million tons, up 53.2% on 4Q05 and up 6.0% on the previous record obtained in 3Q06.

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# Aluminum productivity gains and a new annual record

**Production Report** 

						<b>%</b>	<b>%</b>	%
000 tons	4Q05	3Q06	4Q06	2005	2006	Change 4Q06/3Q06	Change 4Q06/4Q05	Change 2006/2005
ALUMINUM	136	138	138	538	550	0.0%	1.8%	2.2%
Albras	113	115	115	446	456	0.1%	1.5%	2.2%
Valesul	23	24	24	93	94	-0.4%	3.1%	2.1%

Aluminum production at Albras amounted to 456,000 tons, up 2.2% on the previous year, setting a new record, made possible as a result of operational improvements. Production at Valesul in 2006, at Santa Cruz, which became a wholly-owned subsidiary of CVRD from 3Q06, amounted to 94,000 tons.

Production at Albras in 4Q06 amounted to 115,000 tons, being practically the same as the levels achieved in 4Q05 and 3Q06. Valesul production at Santa Cruz, of 24,000 tons in 4Q06, also did not show any significant variation on previous quarters.

Including the annual production at Santa Cruz, the quantity of aluminum produced by the Company amounted to 550,000 tons in 2006.

#### OTHER PRODUCTS

Recovery in platinum production and record cobalt production

	4Q05	3Q06	4Q06	2005	2006	% Change 4Q06/3Q06	% Change 4Q06/4Q05	% Change 2006/2005
COBALT (tons)	476	356	637	1,660	2,040	78.9%	33.8%	22.9%
Ontario	429	98	122	1,378	633	24.5%	-71.6%	-54.1%
Manitoba	47	40	82	282	415	105.0%	74.5%	47.2%
Voisey s Bay	0	155	302	0	680	94.8%		
External source	0	63	131	0	312	107.9%		
PLATINUM								
(000 ounces)	50	32	45	173	153	40.6%	-10.0%	-11.6%
Ontario	50	32	45	173	153	40.6%	-10.0%	-11.6%
PALLADIUM								
(000 ounces)	60	47	72	222	208	53.2%	20.0%	-6.3%
Ontario	60	47	72	222	208	53.2%	20.0%	-6.3%
GOLD (000 s								
ounces)	23	19	20	80	78	4.7%	-13.5%	-2.6%
Ontario	23	19	20	80	78	4.7%	-13.5%	-2.6%

The production of platinum and palladium in 4Q06 showed an increase on that produced in the third quarter of 2006, as a result of efforts to boost nickel production in Sudbury.

Cobalt production recovered in 4Q06, after a scheduled maintenance stoppage in the Ontario operations in the previous quarter, also boosted by the production of cobalt associated with the nickel concentrate produced at Voisey s Bay, enabling the Company to achieve a quarterly record of 637 tons.

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# Production Report

Potash capacity expansion allows a new annual record

						<b>%</b>	<b>%</b>	%
000 tons	4Q05	3Q06	4Q06	2005	2006	Change 4Q06/3Q06	Change 4Q06/4Q05	Change 2006/2005
POTASH	174	179	180	641	732	0.5%	3.0%	14.2%
Taquari-Vassouras	174	179	180	641	732	0.5%	3.0%	14.2%

Annual production at Taquari-Vassouras set a new record of 732,000 tons of potash in 2006, despite problems in the mine s operations, due to low grade of the ore extracted.

Potash production in the final quarter of 2006 amounted to 180,000 tons, up 0.5% on the volume produced in 3Q06. *Kaolin PPSA s led to new production record* 

						%	%	%
000 tons	4Q05	3Q06	4Q06	2005	2006	<b>Change 4Q06/3Q06</b>	<b>Change 4Q06/4Q05</b>	Change <b>2006/2005</b>
KAOLIN	341	341	332	1,218	1,352	-2.5%	-2.7%	11.1%
PPSA	154	152	151	517	597			