Companhia Vale do Rio Doce
Form 6-K
February 15, 2008

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**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**

**February 2008**
**Companhia Vale do Rio Doce**
Avenida Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil
(Address of principal executive office)

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

(Check One) Form 20-F þ Form 40-F o

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes o No þ

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7))

(Check One) Yes o No þ

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

(Check One) Yes o No þ

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

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**VALE 2007 Production Report**

**RIDING THE WINDS OF GROWTH**

Rio de Janeiro, February 15, 2008 Companhia Vale do Rio Doce (VALE) maintained its growth path, with another year of outstanding operational performance, with record production of iron ore (296 million metric tons), pellets (17.6 million metric tons), finished nickel (247,900 metric tons), copper (284,000 metric tons), bauxite (9.1 million metric tons), alumina (4.3 million metric tons), aluminum (551,000 metric tons), kaolin (1.3 million metric tons), and cobalt (2,500 metric tons)[1].

This performance derives from the growth process set in motion since the beginning of this decade, through the development and conclusion of twenty large greenfield and brownfield projects in several segments of the mining industry, successful acquisitions and productivity gains. As a consequence, our total aggregate production enjoyed growth of 11.6%[2] per annum between 2003-2007.

Carajás, a wealthy mineral province in North of Brazil with the largest and the best iron ore deposits in the world, reached a historic level of one billion mt of iron ore production accumulated since the start-up in 1985. In its first year, Carajás produced was just 4.5 Mt, and only achieved the level of 100 Mt of accumulated production in 1990. In 1994, the accumulated production reached 250 Mt, hitting the 500 Mt mark in 2000. The first 1 billion mt was achieved on October 25, 2007 and by year-end it had accumulated 1.019 billion mt.

The initial nameplate production capacity, of 35 Mt, was reached in 1993, and in 1997 annual output was 43.8 Mt. Therefore, with the 91.7 Mt reached in 2007, Carajás iron ore production more than doubled over the last ten years, increasing by 109.4%.

**Carajás accumulated iron ore production**

1 mt=metric tons, Mt=million metric tons, kt=thousand metric tons

2 Index encompassing the production of all products produced by Vale, expressed in equivalent iron ore production unit basis

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## FERROUS MINERALS

- ***Iron ore 296 million metric tons***

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % change 4Q07/3Q07 | % change 4Q07/4Q06 | % change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **IRON ORE** | **68,158** | **78,307** | **78,228** | **264,152** | **295,933** | **-0.1%** | **14.8%** | **12.0%** |
| Southeastern System | 24,694 | 30,018 | 30,743 | 96,630 | 113,781 | 2.4% | 24.5% | 17.7% |
| Itabira | 12,051 | 12,082 | 11,799 | 47,069 | 46,710 | -2.3% | -2.1% | -0.8% |
| Mariana[1] | 7,380 | 8,548 | 9,507 | 29,519 | 33,135 | 11.2% | 28.8% | 12.2% |
| Minas Centrais | 5,264 | 9,388 | 9,437 | 20,042 | 33,936 | 0.5% | 79.3% | 69.3% |
| Southern System | 20,890 | 23,741 | 22,598 | 84,323 | 89,337 | -4.8% | 8.2% | 5.9% |
| MBR | 15,825 | 18,158 | 16,849 | 64,596 | 68,276 | -7.2% | 6.5% | 5.7% |
| Minas do Oeste | 5,065 | 5,583 | 5,749 | 19,727 | 21,061 | 3.0% | 13.5% | 6.8% |
| Carajás | 22,217 | 24,263 | 24,620 | 81,762 | 91,687 | 1.5% | 10.8% | 12.1% |
| Urucum | 357 | 285 | 267 | 1,437 | 1,128 | -6.3% | -25.2% | -21.5% |

1 Includes ROM that has been provided to Samarco: 1,088,000 mt in 3Q07 and 1,976,000 mt in 4Q07

VALE iron ore production reached a new record in 2007, namely 295.9 Mt. This was an increase of 12.0% on 2006, when we produced 264.1 Mt. This volume was below the programmed level of 300 Mt due to the challenges at the beginning of the year the rainy season in Brazil and a lack of equipment besides some interruptions in our operations due to invasions by militant groups in November, a problem that was solved by the action of government authorities. Between 2001 and 2007, the Company s annual production increased at an average annual rate of 14.1%, rising by 162 million metric tons over six years, which has contributed to consolidating our leadership in the global iron ore market.

The Southeastern System, which encompasses the Itabira, Mariana and Minas Centrais iron ore mines, performed very well and was responsible for the production of 113.8 Mt, representing 38.4% of the total produced by VALE in 2007. Brucutu produced 22 Mt, a performance consistent with the planned ramp-up. Brucutu is expected to achieve full capacity in 2008, producing 30 Mt.

The Southern System MBR and Minas do Oeste produced 89.3 Mt in 2007, 5.9% higher than in 2006. The 4Q07 production decreased relative to 3Q07 due to the heavy rainfall.

Production at Carajás in 4Q07, at 24.6 Mt versus 24.2 Mt in 3Q07, broke another record. In 2007, Carajás output reached 91.7 Mt, a new annual record, up 12.1% on the previous year s production.

Production at Urucum, located in the state of Mato Grosso do Sul, Brazil, suffered a reduction in comparison with 4Q06. This was due to the shutdown of a plant, as a result of lack of a sufficient number of barges in the Paraguay River.

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- ***Pellets quarterly and annual record***

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % change 4Q07/3Q07 | % change 4Q07/4Q06 | % change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **PELLETS** | **4,371** | **4,434** | **4,650** | **14,182** | **17,570** | **4.9%** | **6.4%** | **23.9%** |
| Tubarão I and II | 1,624 | 1,556 | 1,681 | 6,045 | 6,369 | 8.0% | 3.5% | 5.4% |
| Fabrica | 1,051 | 1,048 | 1,117 | 4,030 | 4,148 | 6.6% | 6.3% | 2.9% |
| São Luís | 1,695 | 1,830 | 1,852 | 4,108 | 7,053 | 1.2% | 9.3% | 71.7% |

Pellet production totaled 17.6 Mt in 2007, as against 14.2 Mt in 2006, in response to the strong global demand. Sao Luis restarted production in August 2006, and began operating at its new nominal capacity of 7 Mtpy, which was in fact exceeded in the last quarter of 2007. Production of pellets in 4Q07 reached an all-time high of 4.7 Mt, with an increase of 6.4% compared with the same period a year earlier.

In 2007, 11.2 Mt of blast furnace pellets were produced, and 6.4 Mt of direct reduction pellets. In 4Q07 production of blast furnace pellets amounted to 3.0 Mt, and direct reduction pellets, 1.7 Mt.

Adding the attributable production of non-consolidated joint ventures Samarco, Nibrasco, Hispanobras, Itabrasco and Kobrasco to the output figure for our wholly owned plants, according to the rules of consolidation required by BR GAAP (generally accepted accounting principles in Brazil)[1], pellet production in 4Q07 amounted to 9.4 Mt, an increase of 4.1% compared with 4Q06. The production was 36.0 Mt in 2007 as against 33.2 Mt in 2006, setting another all-time high level.

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % change 4Q07/3Q07 | % change 4Q07/4Q06 | % change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **PELLETS[2]** | **9,001** | **9,148** | **9,374** | **33,174** | **35,975** | **2.5%** | **4.1%** | **8.4%** |
| Tubarão I and II | 1,624 | 1,556 | 1,681 | 6,045 | 6,369 | 8.0% | 3.5% | 5.4% |
| Fabrica | 1,051 | 1,048 | 1,117 | 4,030 | 4,148 | 6.6% | 6.3% | 2.9% |
| São Luís | 1,695 | 1,830 | 1,852 | 4,108 | 7,053 | 1.2% | 9.3% | 71.7% |
| Nibrasco | 1,165 | 1,185 | 1,197 | 4,644 | 4,573 | 1.1% | 2.8% | -1.5% |
| Kobrasco | 571 | 614 | 641 | 2,424 | 2,486 | 4.5% | 12.3% | 2.6% |
| Hispanobras | 592 | 565 | 466 | 2,295 | 2,173 | -17.5% | -21.3% | -5.3% |
| Itabrasco | 511 | 491 | 515 | 2,043 | 2,044 | 4.9% | 0.8% | 0.0% |
| Samarco | 1,792 | 1,860 | 1,904 | 6,925 | 7,130 | 2.4% | 6.3% | 3.0% |

The aggregate production of the pellet plant group where VALE has stakes totaled 54.0 Mt, up 4.3% against 2006.

1 According to the BR GAAP rules, production of non-consolidated affiliates and joint ventures is computed proportionally to Vale s equity stake in each of these non-consolidated companies.

2 Production attributable to

Vale

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- ***Manganese ore and ferroalloys Azul resumes operations***

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % change 4Q07/3Q07 | % change 4Q07/4Q06 | % change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **MANGANESE ORE** | **576** | **100** | **118** | **2,242** | **1,333** | **18.3%** | **-79.5%** | **-40.5%** |
| Azul | 444 | 10 | 47 | 1,692 | 945 | 383.6% | -89.5% | -44.1% |
| Urucum | 84 | 83 | 71 | 362 | 277 | -14.2% | -15.3% | -23.5% |
| Other mines | 49 | 7 | 0 | 188 | 111 | n.m. | n.m. | -41.0% |
| | | | | | | | | |
| **FERROALLOY** | **138** | **130** | **137** | **534** | **542** | **5.2%** | **-0.9%** | **1.4%** |
| Brazil | 66 | 70 | 79 | 260 | 288 | 12.9% | 20.7% | 10.5% |
| Dunkerque | 38 | 19 | 16 | 146 | 103 | -17.7% | -59.4% | -29.1% |
| Mo I Rana | 29 | 35 | 37 | 107 | 129 | 4.0% | 26.9% | 20.4% |
| Urucum | 5 | 6 | 5 | 21 | 22 | -6.8% | 0.5% | 4.3% |

Production of manganese ore totaled 1.3 Mt in 2007, down 40.5% compared with 2006. The Azul mine produced 945,000 mt in 2007 versus 1.692 million mt in 2006. The operations at the Azul mine were suspended from July until mid-December of this year in order to give total priority to the transport of iron ore on the Carajás railroad (EFC).

In 4Q07, manganese ore production was 118,000 mt, compared with 100,000 mt in 3Q07 and 576,000 mt in 4Q06.

Alloy production in 2007 amounted to 542,000 mt, higher than the level achieved in 2006, of 534,000 mt. One of the furnaces of our Dunkerque plant was shut down for maintenance in August and resumed operations by the end of October, implying a small reduction of the production.

In 2007, ferroalloy production was made of 226,400 mt of high-carbon manganese alloys (FeMnAc), 220,700 of ferrosilicon manganese alloys (FeSiMn), 58,100 mt of medium-carbon manganese alloys (FeMnMC) and 28,900 mt of other types of alloys (CaSi). Production of cored wire (specialty alloys) was 8,000 mt. On June 5th, 2007, Vale sold CaSi, located in Minas Gerais, Brazil, and the cored wire plant, located in Dunkerque, France.

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## NON-FERROUS MINERALS

- *Nickel a successful integration*

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % change 4Q07/3Q07 | % change 4Q07/4Q06 | % change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **NICKEL** | **65.2** | **55.1** | **69.0** | **234.7** | **247.9** | **25.3%** | **5.8%** | **5.6%** |
| Sudbury | 24.6 | 19.3 | 19.3 | 93.7 | 82.7 | 0.2% | -21.5% | -11.8% |
| Thompson | 8.1 | 5.7 | 8.5 | 34.9 | 30.0 | 49.1% | 4.5% | -14.1% |
| Sorowako | 19.0 | 17.7 | 20.6 | 70.0 | 75.8 | 16.1% | 8.2% | 8.2% |
| Voisey s Bay | 13.4 | 12.3 | 20.5 | 35.5 | 58.9 | 67.3% | 53.0% | 65.9% |
| Others* | 0.1 | 0.1 | 0.1 | 0.6 | 0.6 | -14.0% | 23.3% | 1.7%. |

* The nickel concentrate is purchased from third-parties and processed into finished nickel by Vale Inco

Our finished nickel production reached an all-time high in 2007, at 247,900 metric tons (mt), rising 5.6% relatively to 2006[1]. This performance highlights the successful integration of the former Inco Ltd., acquired by VALE in October 2006.

Volume produced in 4Q07 69,000 mt increased 25.3% compared to 3Q07, being 5.8% higher than the previous record reached in 4Q06, of 65,200 mt. All the operations, with the exception of Sudbury, showed a strong increase in production in 4Q07, compared to the previous quarter.

Nickel output in the third quarter of the year uses to be negatively affected by the seasonality derived from the summer vacations in the Northern Hemisphere, where most of VALE s production is originated. By the same token, global stainless steel production, responsible for 64% of world nickel consumption, is weaker at that time of the year. In addition to the seasonal recovery, a number of operational challenges were overcome, which had contributed to a much better performance in the last quarter of 2007.

Finished nickel originated from the Sudbury Basin, in the province of Ontario, was 82,700 mt in 2007, 11,000 mt lower than the level reached in 2006, as a result of maintenance shutdowns, adjustments to equipment and problems with kiln # 1 at the Clydach refinery, located in Wales, United Kingdom. Clydach is responsible for 30% of the production of finished nickel at Sudbury.

The Sudbury production in 4Q07 remained flat, at 19,300 mt. However, it was lower than the figure in 4Q06, when production amounted to 24,600 mt. The decrease is partially explained by the lower feed grade, below the programmed levels, which contributes to reduce finished nickel output. We are investing and working to eliminate this problem at the Copper Cliff Smelter in 2008.

Production at Thompson, province of Manitoba, was 30,000 mt in 2007. In 4Q07, it grew significantly, 49.1% over the last quarter, totaling 8,500 mt.

Voisey s Bay, located in the province of Newfoundland and Labrador, completed its ramp-up, producing 20,500 mt in 4Q07, coming to a total of 58,900 mt in 2007 as a whole. The nickel concentrate produced at Voisey s Bay is processed at Sudbury and Thompson.

VALE produces nickel matte at Sorowako, in the island of Sulawesi in Indonesia, where we have the largest lateritic nickel operation in the world. Matte is an intermediate product, with 78% of nickel content, and it is processed into refined nickel at our refinery in Tokyo, Japan. Production of nickel-in-matte was 75,800 mt in 2007, compared to 70,000 mt the previous year. Despite the labor strike occurred in the Indonesian operations in November 2007, it managed to achieve a new quarterly production record of 20,600 mt.

[1] The figures shown for finished nickel production do not include the quantities produced from nickel concentrates purchased from other companies and processed externally under tolling arrangements. These volumes were 14.2 Kt in 2007 and 17.0 Kt in 2006

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Given our global leadership in nickel proven and probable reserves, with 11.3 Mt of contained nickel distributed in four countries (Brazil, Canada, Indonesia and New Caledonia), VALE enjoys a significant growth potential. At the moment, we are developing three projects: Goro, in New Caledonia, Onça Puma, in Brazil, and Totten, in Canada. Goro, with an estimated nominal capacity of 60,000 mt and 4,700 mt of cobalt per year, is the largest nickel project being developed in the globe and is expected to come on stream late this year.

- ***Copper another record***

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % change 4Q07/3Q07 | % change 4Q07/4Q06 | % change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **COPPER** | **85** | **65** | **74** | **267** | **284** | **14.2%** | **-12.5%** | **6.6%** |
| Sossego | 33 | 27 | 32 | 117 | 118 | 19.0% | -3.8% | 0.4% |
| Sudbury | 35 | 24 | 29 | 109 | 113 | 22.1% | -17.2% | 4.1% |
| Thompson | 1 | 0 | 0 | 1 | 1 | 14.3% | -49.3% | 17.7% |
| Voisey s Bay | 11 | 11 | 10 | 28 | 42 | -8.6% | -4.7% | 51.0% |
| Others | 4 | 2 | 2 | 11 | 9 | -11.3% | -52.3% | -15.1% |

VALE s copper concentrate production totaled to 284,200 mt in 2007 setting a new record. It increased by 6.6% relatively to 2006.

Sossego copper output reached 32,000 mt in 4Q07 and 118,000 mt in 2007, the largest volume since its start-up in mid-2004.

Canadian operations added an additional 166,200 mt to our total copper production in 2007, rising 20.6% relatively to last year, when it was 137,800 mt. In the 4Q07, production in Canada was down compared to 4Q06 as a result of the maintenance shutdown of the Copper Cliff Smelter in November.

It is important to notice that VALE produces copper concentrates at Sossego, Carajás, Brazil, and copper concentrates, anodes and cathodes at its operations in Canada, where copper is extracted as a byproduct of nickel. The figures shown in this report refer to the volumes of copper contained in these products.

- ***Nickel by-products cobalt hits a new record***

| | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % change 4Q07/3Q07 | % change 4Q07/4Q06 | % change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **COBALT (metric tons)** | **575** | **668** | **680** | **1,977** | **2,524** | **1.8%** | **18.3%** | **27.6%** |
| Sudbury | 155 | 163 | 127 | 666 | 727 | -22.4% | -18.4% | 9.3% |
| Thompson | 78 | 24 | 47 | 411 | 179 | 95.9% | -40.2% | -56.4% |
| Voisey s Bay | 302 | 257 | 430 | 680 | 1,239 | 67.6% | 42.5% | 82.2% |
| Others | 40 | 225 | 77 | 221 | 379 | -65.9% | 91.4% | 71.4% |
| | | | | | | | | |
| **PLATINUM (000 oz troy)** | **45** | **43** | **29** | **153** | **140** | **-32.6%** | **-35.4%** | **-8.7%** |
| Sudbury | 45 | 43 | 29 | 153 | 140 | -32.6% | -35.4% | -8.7% |
| | | | | | | | | |
| **PALLADIUM (000 oz troy)** | **72** | **52** | **40** | **208** | **191** | **-24.0%** | **-45.1%** | **-8.0%** |
| Sudbury | 72 | 52 | 40 | 208 | 191 | -24.0% | -45.1% | -8.0% |
| | | | | | | | | |
| **GOLD (000 oz troy)** | **20** | **22** | **14** | **78** | **75** | **-34.1%** | **-27.2%** | **-3.6%** |
| Sudbury | 20 | 22 | 14 | 78 | 75 | -34.1% | -27.2% | -3.6% |
| | | | | | | | | |
| **SILVER (000 oz troy)** | **499** | **605** | **522** | **2,543** | **2,199** | **-13.7%** | **4.8%** | **-13.6%** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Sudbury | 499 | 605 | 522 | 2,543 | 2,199 | -13.7% | 4.8% | -13.6% |

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In 2007, cobalt production, driven by the good performance of Voisey s Bay Ovoid mine reached a record of 2,524 mt, with a 27.6% increase relatively to last year.
Cobalt price is in a upward trend, reaching all-time high levels. This has been determined by supply restrictions and a strong demand growth, driven by batteries, including those used in hybrid electric vehicles, and super-alloys, used in the aerospace industry. Thus, the record production achieved is allowing VALE to benefit from the larger exposure to the cobalt cycle.
By contrast, the production of platinum group metals (PGMs) saw a drop in production. Platinum and palladium output decreased by 8.7% and 8.0%, respectively in 2007, as a consequence of the operational performance at our Sudbury operations.

- ***Potash 671,000 metric tons***

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | %change 4Q07/3Q07 | %change 4Q07/4Q06 | %change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **POTASH** | **180** | **180** | **173** | **732** | **671** | **-4.1%** | **-3.8%** | **-8.4%** |
| Taquari-Vassouras | 180 | 180 | 173 | 732 | 671 | -4.1% | -3.8% | -8.4% |

Annual production at Taquari-Vassouras reached 671,000 mt in 2007. The performance of the Company s potash operations was adversely affected by problems with mining equipment in 1H07. Furthermore, since 2006, we have been mining a section that has lower grades. The geological condition of the deposits, in contrast with the case of ferrous minerals, does not allow for a rapid change in grades.
Potash production in the final quarter of 2007 amounted to 173,000 mt, down 4.1% on the volume produced in 3Q07.

- ***Kaolin good performance***

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | %change 4Q07/3Q07 | %change 4Q07/4Q06 | %change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **KAOLIN** | **332** | **356** | **379** | **1,352** | **1,354** | **6.5%** | **14.1%** | **0.1%** |
| PPSA | 151 | 178 | 185 | 597 | 639 | 3.9% | 22.5% | 7.1% |
| Cadam | 181 | 177 | 194 | 755 | 714 | 9.1% | 7.2% | -5.4% |

In 2007, VALE s production of Kaolin reached 1.4 Mt, in line with the levels of 2006.
At PPSA, 639,000 mt were produced in 2007, an all time-high, increasing 7.1% against 2006, while at CADAM the production was 714,000 mt, down 5.4%.
Production for 4Q07 amounted to a record of 379,000 mt, up 14.1% versus 4Q06

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## ALUMINUM

- *Bauxite Paragominas ramping up*

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | %change 4Q07/3Q07 | %change 4Q07/4Q06 | %change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **BAUXITE** | **1,836** | **2,586** | **2,668** | **7,100** | **9,114** | **3.2%** | **45.3%** | **28.4%** |
| Trombetas | 1,836 | 1,867 | 1,850 | 7,100 | 7,223 | -0.9% | 0.7% | 1.7% |
| Paragominas | | 719 | 819 | | 1,890 | 13.8% | n.a. | n.a. |

In 2007, bauxite production hit an all-time high of 9.1 Mt, 28.4% above the previous record of 7.1 Mt in 2006.
In accordance with US GAAP (US generally accepted accounting principles), only production from Paragominas is considered, a wholly owned VALE asset.
The new Paragominas bauxite mine, in the state of Pará, which began operations in April and is still in the ramp-up phase, produced 1.9 Mt in 2007. Mining at Paragominas, which should become one of the largest bauxite operations in the world, is setting a new standard for the upstream aluminum productive chain.
In 4Q07 our bauxite production totaled a record 2.7 Mt, 3.2% above 3Q07 levels (2.6 Mt). Production at Trombetas attributable to VALE reached 1.9 Mt.

- *Alumina a record year*

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | %change 4Q07/3Q07 | %change 4Q07/4Q06 | %change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **ALUMINA** | **1,127** | **1,123** | **1,158** | **3,939** | **4,253** | **3.0%** | **2.7%** | **8.0%** |
| Alunorte | 1,127 | 1,123 | 1,158 | 3,939 | 4,253 | 3.0% | 2.7% | 8.0% |

The Paragominas ramp-up and production increase in bauxite at Trombetas allowed the Barcarena refinery to produce 4.3 Mt of alumina in 2007, 8.0% higher than the previous year, setting another record. Thus Barcarena attained its full production capacity, which had been increased by the construction of stages 4 and 5 to 4.3 Mt per year.
The volume produced in 4Q07 reached 1.158 Mt as against 1.127 Mt in the same period in 2006.

- *Aluminum full capacity*

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | %change 4Q07/3Q07 | %change 4Q07/4Q06 | %change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **ALUMINUM** | **138** | **138** | **139** | **550** | **551** | **0.4%** | **0.2%** | **0.1%** |
| Albras | 115 | 115 | 114 | 456 | 455 | -0.6% | -0.6% | -0.1% |
| Valesul | 24 | 23 | 25 | 94 | 95 | 5.3% | 3.9% | 1.0% |

The production of primary aluminum in 2007 was 551 kt, in line with the previous year, given that there has been no increase in production capacity.
In 4Q07 production reached 139 kt, as planned. Production at Albras, in Barcarena, amounted to 114 kt in 4Q07, and at Valesul, in Santa Cruz, in the state of Rio de Janeiro, 25 kt.

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**COAL**

- ***Coal our new growth platform***

| 000 metric tons | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007[1] | % change 4Q07/3Q07 | % change 4Q07/4Q06 | % change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **METALLURGICAL COAL** | | **653** | **758** | | **1,764** | **16.0%** | **n.a.** | **n.a.** |
| Integra Coal | | 416 | 548 | | 1,214 | 31.9% | n.a. | n.a. |
| Isaac Plains | | 120 | 103 | | 249 | -14.3% | n.a. | n.a. |
| Carborough Downs | | 118 | 101 | | 269 | -13.8% | n.a. | n.a. |
| Broadlea | | | 5 | | 32 | n.a. | n.a. | n.a. |
| | | | | | | | | |
| **THERMAL COAL** | | **140** | **220** | | **440** | **57.8%** | **n.a.** | **n.a.** |
| Integra Coal | | 93 | 118 | | 255 | 27.4% | n.a. | n.a. |
| Isaac Plains | | 47 | 100 | | 171 | 113.3% | n.a. | n.a. |
| Broadlea | | | 2 | | 14 | n.a. | n.a. | n.a. |

[1] May to December figures

Vale Australia, our wholly owned subsidiary, owns four coal assets: Integra Coal (61.2%), Carborough Downs (80%), Isaac Plains (50%) and Broadlea (100%). These assets are classified as unincorporated joint ventures, characterized by a structure of shared results. Thus we have revised our coal production figures, according to FASB, which determines that the consolidation in this case must be proportional to Vale s equity stake in each joint venture, for the conversion to USGAAP (US Generally Accepted Accounting Principles).

Coal production was 2.2 Mt in 2007, 1,764,000 mt of metallurgical coal and 440,000 mt of thermal coal. The problems caused by flooding on the Hunter River in Australia, in June, which adversely affected production at Integra Coal, were only eliminated in September.

Most of the production of metallurgic coal 66.7% of the Company s total production comes from Integra Coal, in the Hunter Valley, in the state of New South Wales, which has both open pit and underground mines.

Carborough Downs (underground mine), Isaac Plains (open pit mine) and Broadlea (open pit mine) are located in Central Queensland, Australia. Carborough Downs and Broadlea, being located very close to each other, share the same coal handling and preparation plant (CHPP).

Due to the congestion at the coal ports in Australia, operations at Broadlea were shut down since July and are expected to restart in 1Q08. Production from Broadlea, Carborough Downs and Isaac Plains is transported along the Goonyella logistics corridor. It links the mines of the Central Queensland Bowen Basin to the Dalrymple Bay maritime terminal, while coal produced by Integra is transported along the Hunter Valley and shipped from the port of Newcastle, Australia s largest coal port.

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## POWER GENERATION

Vale invests in power generation to meet its own consumption, in order to mitigate the risks of price and supply volatility and to reduce costs. In Brazil, it owns stakes in several consortia that own and operate eight hydroelectric power plants: Igarapava, Porto Estrela, Funil, Candonga, Aimorés, Capim Branco I, Capim Branco II and Machadinho . All of them are located in the state of Minas Gerais, with the exception of Machadinho, in the state of Rio Grande do Sul.

In Indonesia, we own and operate two hydroelectric power plants, Larona and Balambano, in the Larona River, at Sulawesi.

In addition to those plants, we have some small hydropower plants in Brazil and Canada and in-site power generation facilities.

In 2007, our plants generated 5.714 million MWh, meeting 24.5% of the Company s total consumption of electricity. We own 30% of a consortium that is building the Estreito hydropower plant, in state of Tocantins, Brazil. Estreito will have a capacity of 1,087 MW. In Indonesia, Vale is building a third hydroelectric plant at the Larona River, Karebbe, with 130 MW. Simultaneously, we are building a coal fired 600 MW power plant, Barcarena, in the state of Pará, Brazil.

## LOGISTICS

Our railroads (EFC, EFVM and FCA) carried 27.5 billon net ton kilometers of general cargo for clients, with a 3% increase over 2006.

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**Vale Production Report US GAAP***
1,000 metric tons (unless stated otherwise)

| | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % Change 4Q07/3Q07 | % Change 4Q07/4Q06 | % Change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **IRON ORE** | **68,158** | **78,307** | **78,228** | **264,152** | **295,933** | **-0.1%** | **14.8%** | **12.0%** |
| Southeastern System | 24,694 | 30,018 | 30,743 | 96,630 | 113,781 | 2.4% | 24.5% | 17.7% |
| Itabira | 12,051 | 12,082 | 11,799 | 47,069 | 46,710 | -2.3% | -2.1% | -0.8% |
| Mariana | 7,380 | 8,548 | 9,507 | 29,519 | 33,135 | 11.2% | 28.8% | 12.2% |
| Minas Centrais | 5,264 | 9,388 | 9,437 | 20,042 | 33,936 | 0.5% | 79.3% | 69.3% |
| Southern System | 20,890 | 23,741 | 22,598 | 84,323 | 89,337 | -4.8% | 8.2% | 5.9% |
| MBR | 15,825 | 18,158 | 16,849 | 64,596 | 68,276 | -7.2% | 6.5% | 5.7% |
| Minas do Oeste | 5,065 | 5,583 | 5,749 | 19,727 | 21,061 | 3.0% | 13.5% | 6.8% |
| Carajás | 22,217 | 24,263 | 24,620 | 81,762 | 91,687 | 1.5% | 10.8% | 12.1% |
| Urucum | 357 | 285 | 267 | 1,437 | 1,128 | -6.3% | -25.2% | -21.5% |
| | | | | | | | | |
| **PELLETS** | **4,371** | **4,434** | **4,650** | **14,182** | **17,570** | **4.9%** | **6.4%** | **23.9%** |
| Tubarão I and II | 1,624 | 1,556 | 1,681 | 6,045 | 6,369 | 8.0% | 3.5% | 5.4% |
| Fabrica | 1,051 | 1,048 | 1,117 | 4,030 | 4,148 | 6.6% | 6.3% | 2.9% |
| São Luís | 1,695 | 1,830 | 1,852 | 4,108 | 7,053 | 1.2% | 9.3% | 71.7% |
| | | | | | | | | |
| **MANGANESE ORE** | **576** | **100** | **118** | **2,242** | **1,333** | **18.3%** | **-79.5%** | **-40.5%** |
| Azul | 444 | 10 | 47 | 1,692 | 945 | 383.6% | -89.5% | -44.1% |
| Urucum | 84 | 83 | 71 | 362 | 277 | -14.2% | -15.3% | -23.5% |
| Other mines | 49 | 7 | 0 | 188 | 111 | n.m. | n.m. | -41.0% |
| | | | | | | | | |
| **FERRO-ALLOYS** | **138** | **130** | **137** | **534** | **542** | **5.2%** | **-0.9%** | **1.4%** |
| Brasil | 66 | 70 | 79 | 260 | 288 | 12.9% | 20.7% | 10.5% |
| Dunkerque | 38 | 19 | 16 | 146 | 103 | -17.7% | -59.4% | -29.1% |
| Mo I Rana | 29 | 35 | 37 | 107 | 129 | 4.0% | 26.9% | 20.4% |
| Urucum | 5 | 6 | 5 | 21 | 22 | -6.8% | 0.5% | 4.3% |
| | | | | | | | | |
| **NICKEL** | **65** | **55** | **69** | **235** | **248** | **25.3%** | **5.8%** | **5.6%** |
| Sudbury | 25 | 19 | 19 | 94 | 83 | 0.2% | -21.5% | -11.8% |
| Thompson | 8 | 6 | 8 | 35 | 30 | 49.1% | 4.5% | -14.1% |
| Sorowako | 19 | 18 | 21 | 70 | 76 | 16.1% | 8.2% | 8.2% |
| Voisey s Bay | 13 | 12 | 20 | 36 | 59 | 67.3% | 53.0% | 65.9% |
| Others | 0 | 0 | 0 | 1 | 1 | -14.0% | 23.3% | 1.7% |
| | | | | | | | | |
| **COPPER** | **85** | **65** | **74** | **267** | **284** | **14.2%** | **-12.5%** | **6.6%** |
| Sossego | 33 | 27 | 32 | 117 | 118 | 19.0% | -3.8% | 0.4% |
| Sudbury | 35 | 24 | 29 | 109 | 113 | 22.1% | -17.2% | 4.1% |
| Thompson | 1 | 0 | 0 | 1 | 1 | 14.3% | -49.3% | 17.7% |
| Voisey s Bay | 11 | 11 | 10 | 28 | 42 | -8.6% | -4.7% | 51.0% |
| Others | 4 | 2 | 2 | 11 | 9 | -11.3% | -52.3% | -15.1% |
| | | | | | | | | |
| **ALUMINA** | **1,127** | **1,123** | **1,158** | **3,939** | **4,253** | **3.0%** | **2.7%** | **8.0%** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Alunorte | 1,127 | 1,123 | 1,158 | 3,939 | 4,253 | 3.0% | 2.7% | 8.0% |
| **ALUMINUM** | **138** | **138** | **139** | **550** | **551** | **0.4%** | **0.2%** | **0.1%** |
| Albras | 115 | 115 | 114 | 456 | 455 | -0.6% | -0.6% | -0.1% |
| Valesul | 24 | 23 | 25 | 94 | 95 | 5.3% | 3.9% | 1.0% |
| **METALLURGICAL COAL** | | **653** | **758** | | **1,764** | **16.0%** | **n.a.** | **n.a.** |
| Integra Coal | | 416 | 548 | | 1,214 | 31.9% | n.a. | n.a. |
| Isaac Plains | | 120 | 103 | | 249 | -14.3% | n.a. | n.a. |
| Carborough Downs | | 118 | 101 | | 269 | -13.8% | n.a. | n.a. |
| Broadlea | | | 5 | | 32 | n.a. | n.a. | n.a. |
| **THERMAL COAL** | | **140** | **220** | | **440** | **57.8%** | **n.a.** | **n.a.** |
| Integra Coal | | 93 | 118 | | 255 | 27.4% | n.a. | n.a. |
| Isaac Plains | | 47 | 100 | | 171 | 113.3% | n.a. | n.a. |
| Broadlea | | | 2 | | 14 | n.a. | n.a. | n.a. |
| **COBALT (tons)** | **575** | **668** | **680** | **1,977** | **2,524** | **1.8%** | **18.3%** | **27.6%** |
| Sudbury | 155 | 163 | 127 | 666 | 727 | -22.4% | -18.4% | 9.3% |
| Thompson | 78 | 24 | 47 | 411 | 179 | 95.9% | -40.2% | -56.4% |
| Voisey s Bay | 302 | 257 | 430 | 680 | 1,239 | 67.6% | 42.5% | 82.2% |
| Others | 40 | 225 | 77 | 221 | 379 | -65.9% | 91.4% | 71.4% |
| **PLATINUM (000 oz troy)** | **45** | **43** | **29** | **153** | **140** | **-32.6%** | **-35.4%** | **-8.7%** |
| Sudbury | 45 | 43 | 29 | 153 | 140 | -32.6% | -35.4% | -8.7% |
| **PALLADIUM (000 oz troy)** | **72** | **52** | **40** | **208** | **191** | **-24.0%** | **-45.1%** | **-8.0%** |
| Sudbury | 72 | 52 | 40 | 208 | 191 | -24.0% | -45.1% | -8.0% |
| **GOLD (000 oz troy)** | **20** | **22** | **14** | **78** | **75** | **-34.1%** | **-27.2%** | **-3.6%** |
| Sudbury | 20 | 22 | 14 | 78 | 75 | -34.1% | -27.2% | -3.6% |
| **SILVER (000 oz troy)** | **499** | **605** | **522** | **2,543** | **2,199** | **-13.7%** | **4.8%** | **-13.6%** |
| Sudbury | 499 | 605 | 522 | 2,543 | 2,199 | -13.7% | 4.8% | -13.6% |
| **POTASH** | **180** | **180** | **173** | **732** | **671** | **-4.1%** | **-3.8%** | **-8.4%** |
| Taquari-Vassouras | 180 | 180 | 173 | 732 | 671 | -4.1% | -3.8% | -8.4% |
| **KAOLIN** | **332** | **356** | **379** | **1,352** | **1,354** | **6.5%** | **14.1%** | **0.1%** |
| PPSA | 151 | 178 | 185 | 597 | 639 | 3.9% | 22.5% | 7.1% |
| Cadam | 181 | 177 | 194 | 755 | 714 | 9.1% | 7.2% | -5.4% |

* Under US GAAP, Vale consolidates the total production volumes of companies in

which it has more than 50% of the voting capital and effective control.

** The nickel concentrate is purchased from third-parties and processed by Vale Inco

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**Vale Production Report Consolidated BR GAAP***
1,000 metric tons (unless stated otherwise)

| | 4Q06 | 3Q07 | 4Q07 | 2006 | 2007 | % Change 4Q07/3Q07 | % Change 4Q07/4Q06 | % Change 2007/2006 |
|---|---|---|---|---|---|---|---|---|
| **IRON ORE** | **69,930** | **80,170** | **80,099** | **271,069** | **303,163** | **-0.1%** | **14.5%** | **11.8%** |
| Southeastern System | 24,694 | 30,018 | 30,743 | 96,630 | 113,781 | 2.4% | 24.5% | 17.7% |
| Itabira | 12,051 | 12,082 | 11,799 | 47,069 | 46,710 | -2.3% | -2.1% | -0.8% |
| Mariana | 7,380 | 8,548 | 9,507 | 29,519 | 33,135 | 11.2% | 28.8% | 12.2% |
| Minas Centrais | 5,264 | 9,388 | 9,437 | 20,042 | 33,936 | 0.5% | 79.3% | 69.3% |
| Southern System | 20,890 | 23,741 | 22,598 | 84,323 | 89,337 | -4.8% | 8.2% | 5.9% |
| MBR | 15,825 | 18,158 | 16,849 | 64,596 | 68,276 | -7.2% | 6.5% | 5.7% |
| Minas do Oeste | 5,065 | 5,583 | 5,749 | 19,727 | 21,061 | 3.0% | 13.5% | 6.8% |
| Carajás | 22,217 | 24,263 | 24,620 | 81,762 | 91,687 | 1.5% | 10.8% | 12.1% |
| Urucum | 357 | 285 | 267 | 1,437 | 1,128 | -6.3% | -25.2% | -21.5% |
| Samarco | 1,773 | 1,863 | 1,870 | 6,917 | 7,231 | 0.4% | 5.5% | 4.5% |
| **PELLETS** | **9,001** | **9,148** | **9,374** | **33,174** | **35,975** | **2.5%** | **4.1%** | **8.4%** |
| Tubarão I and II | 1,624 | 1,556 | 1,681 | 6,045 | 6,369 | 8.0% | 3.5% | 5.4% |
| Fabrica | 1,051 | 1,048 | 1,117 | 4,030 | 4,148 | 6.6% | 6.3% | 2.9% |
| São Luís | 1,695 | 1,830 | 1,852 | 4,108 | 7,053 | 1.2% | 9.3% | 71.7% |
| Nibrasco | 1,165 | 1,185 | 1,197 | 4,644 | 4,573 | 1.1% | 2.8% | -1.5% |
| Kobrasco | 571 | 614 | 641 | 2,424 | 2,486 | 4.5% | 12.3% | 2.6% |
| Hispanobras | 592 | 565 | 466 | 2,295 | 2,173 | -17.5% | -21.3% | -5.3% |
| Itabrasco | 511 | 491 | 515 | 2,043 | 2,044 | 4.9% | 0.8% | 0.0% |
| Samarco | 1,792 | 1,860 | 1,904 | 6,925 | 7,130 | 2.4% | 6.3% | 3.0% |
| **MANGANESE ORE** | **576** | **100** | **118** | **2,242** | **1,333** | **18.3%** | **-79.5%** | **-40.5%** |
| Azul | 444 | 10 | 47 | 1,692 | 945 | 383.6% | -89.5% | -44.1% |
| Urucum | 84 | 83 | 71 | 362 | 277 | -14.2% | -15.3% | -23.5% |
| Other mines | 49 | 7 | 0 | 188 | 111 | -100.0% | -100.0% | -41.0% |
| **FERRO-ALLOYS** | **138** | **130** | **137** | **534** | **542** | **5.2%** | **-0.9%** | **1.4%** |
| Brasil | 66 | 70 | 79 | 260 | 288 | 12.9% | 20.7% | 10.5% |
| Dunkerque | 38 | 19 | 16 | 146 | 103 | -17.7% | -59.4% | -29.1% |
| Mo I Rana | 29 | 35 | 37 | 107 | 129 | 4.0% | 26.9% | 20.4% |
| Urucum | 5 | 6 | 5 | 21 | 22 | -6.8% | 0.5% | 4.3% |
| **NICKEL** | **65** | **55** | **69** | **235** | **248** | **25.3%** | **5.8%** | **5.6%** |
| Sudbury | 25 | 19 | 19 | 94 | 83 | 0.2% | -21.5% | -11.8% |
| Thompson | 8 | 6 | 8 | 35 | 30 | 49.1% | 4.5% | -14.1% |
| Sorowako | 19 | 18 | 21 | 70 | 76 | 16.1% | 8.2% | 8.2% |
| Voisey s Bay | 13 | 12 | 20 | 36 | 59 | 67.3% | 53.0% | 65.9% |
| Others | 0 | 0 | 0 | 1 | 1 | n.m. | n.m. | n.m. |
| **COPPER** | **85** | **65** | **74** | **267** | **284** | **14.2%** | **-12.5%** | **6.6%** |
| Sossego | 33 | 27 | 32 | 117 | 118 | 19.0% | -3.8% | 0.4% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Sudbury | 35 | 24 | 29 | 109 | 113 | 22.1% | -17.2% | 4.1% |
| Thompson | 1 | 0 | 0 | 1 | 1 | 14.3% | -49.3% | 17.7% |
| Voisey s Bay | 11 | 11 | 10 | 28 | 42 | -8.6% | -4.7% | 51.0% |
| Others | 4 | 2 | 2 | 11 | 9 | -11.3% | -52.3% | -15.1% |
| | | | | | | | | |
| **BAUXITE** | **1,836** | **2,586** | **2,668** | **7,100** | **9,114** | **3.2%** | **45.3%** | **28.4%** |
| Trombetas | 1,836 | 1,867 | 1,850 | 7,100 | 7,223 | -0.9% | 0.7% | 1.7% |
| Paragominas | 0 | 719 | 819 | 0 | 1,890 | n.a. | n.a. | n.a. |
| | | | | | | | | |
| **ALUMINA** | **1,127** | **1,123** | **1,158** | **3,939** | **4,253** | **3.0%** | **2.7%** | **8.0%** |
| Alunorte | 1,127 | 1,123 | 1,158 | 3,939 | 4,253 | 3.0% | 2.7% | 8.0% |
| | | | | | | | | |
| **ALUMINUM** | **138** | **138** | **139** | **550** | **551** | **0.4%** | **0.2%** | **0.1%** |
| Albras | 115 | 115 | 114 | 456 | 455 | -0.6% | -0.6% | -0.1% |
| Valesul | 24 | 23 | 25 | 94 | 95 | 5.3% | 3.9% | 1.0% |
| | | | | | | | | |
| **METALLURGICAL COAL** | | **653** | **758** | | **1,764** | **16.0%** | **n.a.** | **n.a.** |
| Integra Coal | | 416 | 548 | | 1,214 | 31.9% | n.a. | n.a. |
| Isaac Plains | | 120 | 103 | | 249 | -14.3% | n.a. | n.a. |
| Carborough Downs | | 118 | 101 | | 269 | -13.8% | n.a. | n.a. |
| Broadlea | | | 5 | | 32 | n.a. | n.a. | n.a. |
| | | | | | | | | |
| **THERMAL COAL** | | **140** | **220** | | **440** | **57.8%** | **n.a.** | **n.a.** |
| Integra Coal | | 93 | 118 | | 255 | 27.4% | n.a. | n.a. |
| Isaac Plains | | 47 | 100 | | 171 | 113.3% | n.a. | n.a. |
| Broadlea | | | 2 | | 14 | n.a. | n.a. | n.a. |
| | | | | | | | | |
| **COBALT (tons)** | **575** | **668** | **680** | **1,977** | **2,524** | **1.8%** | **18.3%** | **27.6%** |
| Sudbury | 155 | 163 | 127 | 666 | 727 | -22.4% | -18.4% | 9.3% |
| Thompson | 78 | 24 | 47 | 411 | 179 | 95.9% | -40.2% | -56.4% |
| Voisey s Bay | 302 | 257 | 430 | 680 | 1,239 | 67.6% | 42.5% | 82.2% |
| Others | 40 | 225 | 77 | 221 | 379 | -65.9% | 91.4% | 71.4% |
| | | | | | | | | |
| **PLATINUM (000 oz troy)** | **45** | **43** | **29** | **153** | **140** | **-32.6%** | **-35.4%** | **-8.7%** |
| Sudbury | 45 | 43 | 29 | 153 | 140 | -32.6% | -35.4% | -8.7% |
| | | | | | | | | |
| **PALLADIUM (000 oz troy)** | **72** | **52** | **40** | **208** | **191** | **-24.0%** | **-45.1%** | **-8.0%** |
| Sudbury | 72 | 52 | 40 | 208 | 191 | -24.0% | -45.1% | -8.0% |
| | | | | | | | | |
| **GOLD (000 oz troy)** | **20** | **22** | **14** | **78** | **75** | **-34.1%** | **-27.2%** | **-3.6%** |
| Sudbury | 20 | 22 | 14 | 78 | 75 | -34.1% | -27.2% | -3.6% |
| | | | | | | | | |
| **SILVER (000 oz troy)** | **499** | **605** | **522** | **2,543** | **2,199** | **-13.7%** | **4.8%** | **-13.6%** |
| Sudbury | 499 | 605 | 522 | 2,543 | 2,199 | -13.7% | 4.8% | -13.6% |
| | | | | | | | | |
| **POTASH** | **180** | **180** | **173** | **732** | **671** | **-4.1%** | **-3.8%** | **-8.4%** |
| Taquari-Vassouras | 180 | 180 | 173 | 732 | 671 | -4.1% | -3.8% | -8.4% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **KAOLIN** | **332** | **356** | **379** | **1,352** | **1,354** | **6.5%** | **14.1%** | **0.1%** |
| PPSA | 151 | 178 | 185 | 597 | 639 | 3.9% | 22.5% | 7.1% |
| Cadam | 181 | 177 | 194 | 755 | 714 | 9.1% | 7.2% | -5.4% |

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

2) For the companies in which Vale has shared control (Samarco, Nibrasco, Kobrasco, Hispanobras, Itabrasco and MRN), consolidation is proportional to Vale s stake in the company.

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

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This press release may contain statements that express management s expectations about future events or results rather than historical facts. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements, and Vale cannot give assurance that such statements will prove correct. These risks and uncertainties include factors: relating to the Brazilian and Canadian economy and securities markets, which exhibit volatility and can be adversely affected by developments in other countries; relating to the iron ore and nickel business and its dependence on the global steel industry, which is cyclical in nature; and relating to the highly competitive industries in which Vale operates. For additional information on factors that could cause Vale s actual results to differ from expectations reflected in forward-looking statements, please see Vale s reports filed with the Brazilian Comissão de Valores Mobiliários and the U.S. Securities and Exchange Commission.

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**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
(Registrant)

Date: February 15, 2008

By: /s/ Roberto Castello Branco
Roberto Castello Branco
Director of Investor Relations

lus to the extent permitted under state law up to $32 million provided that ComEd of Indiana s common equity

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[66] See CenterPoint Energy, Inc., Holding Co. Act Release No. 27692 (June 30, 2003); Progress Energy, Inc., Holding Co. Act Release No. 27728 (September 29, 2003).

[67] In December 1997, ComEd of Indiana sold its 515 MW State Line facility to a subsidiary of Mirant Americas Generating LLC. for $68 million. The State Line facility is located on the Indiana-Illinois border and is comprised of two coal-fired generating units. ComEd of Indiana retained the ownership of the switchyard and transmission facilities connecting the State Line station to ComEd's transmission system.

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ratio will not violate the 30% Condition. Such authorization would allow the unneeded funds at ComEd of Indiana resulting from the events described in this paragraph to be permanently applied to ComEd s needs. The following table has information regarding the assets, liabilities and capital of ComEd of Indiana.

| (Dollars In Millions) | Prior to October 2000 | December 31, 2003 |
|---|---|---|
| **Assets** | | |
| Cash | $ 28 | $ 10 |
| Money Pool | -0- | 21 |
| Other Assets | 4 | 7 |
| Total Assets | $ 32 | $ 38 |
| **Liabilities and Equity** | | |
| Payables and Deferred | $ -0- | $ 6 |
| Common Stock | 21 | 21 |
| Paid in Capital | -0- | 9 |
| Retained Earnings | 11 | 2 |
| Total Liabilities and Equity | $ 32 | $ 38 |

The Commission has approved the payment of dividends out of capital or unearned surplus by utility subsidiaries in appropriate circumstances.[68]

K. Changes of Capital Stock of Majority Owned Subsidiaries

The portion of an individual Subsidiary s aggregate financing to be effected through the sale of stock to Exelon or other immediate parent company during the Authorization Period pursuant to Rule 52 and/or pursuant to an order issued pursuant to this filing cannot be ascertained at this time. It may happen that the proposed sale of capital securities (i.e., common stock or preferred stock) may in some cases exceed the then authorized capital stock of such Subsidiary. In addition, the Subsidiary may choose to use capital stock with no par value. As needed to accommodate such proposed transactions and to provide for future issues, request is made for authority to change the terms of any 50% or more owned Subsidiary s authorized capital stock capitalization or other equity interests by an amount deemed appropriate by Exelon or other intermediate parent company; provided that the consents of all other shareholders, if any, as required by law, have been obtained for the proposed change. This request for authorization is limited to Exelon s 50% or more owned Subsidiaries and will not affect the aggregate limits or other conditions contained herein. A Subsidiary would be able to change the par value, or change between par value and no-par stock, or change the form of such equity from common stock to limited partnership or limited liability company interests or similar instruments, or from such instruments to common stock, without additional Commission approval. Any such action by a Utility Subsidiary would be subject to and would only be taken upon the receipt of any necessary approvals by the state commission in the state or states where the Utility Subsidiary is incorporated and doing business. Exelon will be subject to all applicable laws regarding the fiduciary duty of fairness of a majority shareholder to minority shareholders in any such 50% or more owned Subsidiary and will undertake to ensure that any change

68 Exelon Corporation, Holding Co. Act Release No. 27266 (Nov. 2, 2000); Conectiv, Holding Co. Act Release No. 27079 (Sept. 27, 1999).

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implemented under this paragraph comports with such legal requirements.[69] Further, in the event of any solicitation of proxies of minority shareholders in connection with a vote to approve any of the actions described in this paragraph, Exelon will comply, and will cause any of its Subsidiaries to comply, with applicable solicitation requirements of Section 12(e) of the Act and Rules 60 through 65 and will seek any required Commission approvals for such solicitation.

L. Refinancing and/or Assumption of Pollution Control Obligations

In the Prior Financing U-1 and the Prior Orders, Exelon proposed, and the Commission approved, the assumption by Genco of up to $369 million of pollution control obligations incurred by PECO in connection with generation facilities that would be transferred to Genco. The generation assets were transferred to Genco effective January 1, 2001. In addition, all existing generating assets of ComEd were also transferred to Genco as of that date. Through December 31, 2003, $363 million of the originally approved $369 million has been assumed by Genco.[70]

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69 See CenterPoint Energy, Inc., Holding Co. Act Release No. 27692 (June 30, 2003), FirstEnergy Corp., Holding Co. Act Release No. 27694 (June 30, 2003).

70 Genco has or may assume these obligations in various ways. In certain cases, the terms of outstanding bonds could be amended in connection with the rate setting and/or tender mechanism to allow Genco to become the primary or sole obligor. In other cases, Genco may issue new refunding bonds and transfer the proceeds to or for the benefit of PECO to be used to retire the existing bonds. In some cases, the final maturity of a given series of bonds may be extended. The interest rates and other provisions applicable to any new bonds or remarketed bonds may vary based on market conditions at the time of issue.

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Exelon now wishes to obtain approval for Genco to assume all remaining outstanding pollution control obligations of PECO. In addition thereto, Exelon seeks authority for Genco to assume pollution control obligations of ComEd. At December 31, 2003, PECO had a total of $311 million of outstanding pollution control obligations and ComEd had $609 million, for a total of $920 million. The outstanding obligations are as follows:[71]

PECO ENERGY COMPANY

**Variable and Adjustable Rate Bonds**

| Amount Outstanding ($millions) | Coupon | Issuer | Maturity Date | Current Mode |
|---|---|---|---|---|
| 50.000 | Variable | Delaware Co Industrial Dev Auth | 12/1/12 | Auction |
| 50.000 | Variable | Delaware Co Industrial Dev Auth | 12/1/12 | Auction |
| 50.000 | Variable | Delaware Co Industrial Dev Auth | 12/1/12 | Auction |
| 4.200 | Variable | Salem Co Industrial PC Fin Auth | 12/1/12 | Auction |
| 50.765 | 5.200 | Delaware Co Industrial Dev Auth | 4/1/21 | NC-5 |
| 13.880 | 5.300 | Montgomery Co Indust Dev Auth | 10/1/34 | NC-5 |
| 91.775 | 5.200 | Montgomery Co Indust Dev Auth | 10/1/30 | NC-5 |
| 310.620 | | | | |

COMMONWEALTH EDISON

**Fixed Rate Bonds**

| Amount Outstanding ($millions) | Coupon | Issuer | Maturity Date | First Call Date |
|---|---|---|---|---|
| 20.000 | 5.8500 | Illinois Development Fin Auth | 1/15/14 | No Call |
| 91.000 | 6.7500 | Illinois Development Fin Auth | 3/1/15 | 3/1/05 |
| 26.000 | 5.300 | Illinois Development Fin Auth | 1/15/04 | No Call |
| 20.000 | 5.700 | Illinois Development Fin Auth | 1/15/09 | No Call |
| 199.400 | 4.4000 | Illinois Development Fin Auth | 12/1/06 | No Call |
| 356.400 | | | | |

**Variable Rate Bonds**

| Amount Outstanding ($millions) | Coupon | Issuer | Maturity Date | Current Mode |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| 40.000 | Variable | Illinois Development Fin Auth | 5/15/17 | Auction |
| 19.975 | Variable | Illinois Development Fin Auth | 1/15/14 | Auction |
| 100.000 | Variable | Illinois Development Fin Auth | 4/15/13 | Auction |
| 50.000 | Variable | Illinois Development Fin Auth | 3/1/20 | Auction |
| 42.200 | Variable | Illinois Development Fin Auth | 11/1/19 | Auction |
| 252.175 | | | | |

[71] All the obligations were outstanding or refinanced obligations outstanding prior to the Merger.

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Genco currently contemplates that only the remaining $6 million of the PECO obligations (of the originally approved $369 million) and none of the ComEd obligations will be transferred to or assumed by Genco. To maintain flexibility however, Exelon, PECO, ComEd and Genco seek authority for Genco to assume any, all or none of the obligations listed above. In any case where Genco legally assumes these obligations PECO or ComEd, as the case may be, will be released from liability. Whether or not the pollution control facilities constructed with the proceeds of these pollution control obligations are still in service or owned by Genco, the pollution control obligations are consistent with the businesses conducted by Genco. Whether or not the utility is released, any such transfer to or assumption by Genco will have no impact on Exelon s consolidated capitalization. Any such assumption and release will, however, have the effect of decreasing the portion of long-term debt in the capital structure of the transferring utility and will commensurately improve the common equity ratio of ComEd or PECO, as the case may be. In appropriate circumstances the transfer of additional pollution control obligations from PECO will enhance the equity component of its capitalization which will help offset the effects of the Receivable Contribution discussed above in Item 1.E.2.

M. Cessation of Registered Holding Company Status

Since March 22, 2004, the Conowingo Companies have been converted into EWGs and are therefore no longer public utility companies under the Act. Accordingly, Genco no longer has any public utility company subsidiaries. One of the Conowingo Companies, PEPCO, owns another of the Conowingo Companies Susquehanna Power Company, previously a public utility company and an EWG since that date. Accordingly, PEPCO no longer has any public utility company subsidiaries. Genco and PEPCO each request that the Commission issue an order pursuant to Section 5(d) of the Act, declaring that each has ceased to be a holding company and that upon effectiveness of the order in this docket, the registration of Genco and of PEPCO will cease to be in effect.

Section 2(a)(7) of the Act defines a holding company in pertinent part as:

(A) any company which directly or indirectly owns, controls with power to vote, 10 per centum or more of the outstanding voting securities of a public-utility company or of a company which is a holding company by virtue of this clause . . and (B) any which the Commission determines . . . to exercise . . . a controlling influence . . . over . . . any public-utility or holding company . . .

Since Genco and PEPCO no longer own, or control with power to vote, any voting securities of a public-utility company or a holding company, or exercise a controlling interest over a public-utility company or a holding company, they are no longer holding companies within the meaning of Section 2(a)(7) of the Act.[72] Therefore, Genco s and PEPCO s request under Section 5(d) should be approved.

N. Filing of Certificates of Notification

It is proposed that, with respect to Exelon, the reporting systems of the Securities Exchange Act of 1934, as amended (the 1934 Act ) and the 1933 Act be integrated with the reporting system under the Act consistent with the authority granted in the Prior Orders. This will continue to eliminate duplication of filings with the Commission that cover essentially the

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72 PEPCO is no longer considered a holding company for purposes of determining whether Genco owns a holding company.

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same subject matters, resulting in a reduction of expense for both the Commission and Exelon. The portion of the 1933 Act and 1934 Act reports containing or reflecting disclosures of transactions occurring pursuant to the authorizations granted in this proceeding will be incorporated by reference into this proceeding through Rule 24 certificates of notification. The certificates will also contain all other information required by Rule 24, including the certification that each transaction being reported on had been carried out in accordance with the terms and conditions of and for the purposes represented in this Application. Such certificates of notification will be filed within 60 days after the end of each of the first three calendar quarters and within 90 days after the end of the fourth calendar quarter, in which transactions occur.

Applicants will continue to file Rule 24 certificates containing the same information required by the Prior Orders:

1. A computation in accordance with rule 53(a) setting forth Exelon s aggregate investment in all EWGs and FUCOs, its consolidated retained earnings and a calculation of the amount remaining under the EWG/FUCO authority;

2. A breakdown showing Exelon s aggregate investment in each EWG or FUCO counting against the EWG/FUCO authority;

3. Total Capitalization ratio of Exelon, with consolidated debt to include all short-term debt and nonrecourse debt of all EWGs and FUCOs which shall also separately show the outstanding amount as of the end of the applicable period for each type of issued securities (e.g., common stock, Member Interests, long-term debt, short-term debt, Preferred Securities, Equity Linked Securities and any other securities approved by the Commission);

4. The market-to-book ratio of Exelon s common stock;

5. Identification of any new EWG or FUCO counting against the EWG/FUCO authority in which Exelon has invested or committed to invest during the preceding quarter;

6. Analysis of the growth in consolidated retained earnings that segregates total earnings growth of EWGs and FUCOs from that attributable to other subsidiaries of Exelon;

7. A statement of revenues and net income for each EWG and FUCO for the twelve months ending as of the end of that quarter;

8. The sales of any common stock, Preferred Securities or Equity Linked Securities by Exelon and the purchase price per share and the market price per share at the date of the agreement of sale which shall also separately show the amount issued during the Authorization Period for each type of issued securities (common stock, Preferred Securities, or Equity Linked Securities);

9. The total number of shares of Exelon common stock issued or issuable under the options granted during the quarter under employee benefit plans and dividend reinvestment plans including any employee benefit plans or dividend reinvestment plans later adopted together with the

number of shares issued or issuable during the Authorization Period;

10. If Exelon common stock has been transferred to a seller of securities of a company being acquired, the number of shares so issued, the value per share and whether the shares are restricted in the hands of the acquirer;

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11. If a guaranty is issued during the quarter, the name of the guarantor, the name of the beneficiary of the guarantee and the amount, terms and purpose of the guaranty and the total amount of guaranties outstanding at the end of the period;

12. The amount and terms of any Exelon indebtedness issued during the quarter which shall also separately show the amount of indebtedness issued during the Authorization Period;

13. The amount and terms of any short-term debt issued by any Utility Subsidiary during the quarter which shall also separately show the outstanding amount as of the end of the applicable period of short-term debt of each Utility Subsidiary;

14. The amount and terms of any financings consummated by any Nonutility Subsidiary that is not exempt under rule 52 which shall also separately show the amount issued during the Authorization Period of non-exempt securities issued by Nonutility Subsidiaries previously reported under this item;

15. The notional amount and principal terms of any Hedge Instruments or Anticipatory Hedges entered into during the quarter and the identity of the other parties to the transaction which shall also separately show the amount of Hedge Instruments or Anticipatory Hedges issued during the Authorization Period;

16. The name and parent company of any intermediate subsidiary or financing subsidiary created during the quarter; the amount invested in any intermediate subsidiary or financing subsidiary during the quarter, and the amount and terms of any securities issued by any financing subsidiaries during the quarter which shall also separately show the securities issued by such subsidiaries during the Authorization Period;

17. Consolidated balance sheets as of the end of the quarter and separate balance sheets as of the end of the quarter for each company, including Exelon, that has engaged in jurisdictional financing transactions during the quarter;

18. A table showing, as of the end of the quarter, the dollar and percentage components of the capital structure of Exelon on a consolidated basis and of each Utility Subsidiary;

19. A retained earnings analysis of Exelon on a consolidated basis and of each Utility Subsidiary detailing gross earnings, goodwill amortization, dividends paid out of each capital account and the resulting capital account balances at the end of the quarter;

20. Future registration statements filed under the Securities Act of 1933 with respect to securities that are subject of the instant application-declaration will be filed or incorporated by reference as exhibits to the next certificate filed under rule 24; and

21. If any Subsidiaries are Variable Interest Entities ( VIEs ) as that term is used in FASB Interpretation 46R, Consolidation of Variable Interest Entities, provide a description of any financing transactions conducted during the reporting period that were used to fund such VIEs; and

22. If any financing proceeds are used for VIEs, a description of the accounting for such transaction under FASB Interpretation 46R.

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O. Reservation of Jurisdiction

Applicants request that the Commission reserve jurisdiction until completion of the record by filing of a post-effective amendment in this docket with respect to the following requests:

1. Over the issuance of securities authorized by an order in this docket in those circumstances where Exelon, ComEd or Genco do not comply with the 30% Condition pending completion of the record upon filing of a post-effective amendment;

2. Over the issuance of any securities authorized by an order in this docket at any time that the Investment Grade Condition is not satisfied;

3. Over the formation of the Non-Utility Money Pool and the participants therein;

4. Over the payment of dividends out of current earnings before any deductions resulting from impairment of goodwill or other intangibles recognized as a result of the Merger by Exelon and ComEd;

5. Over the payment of dividends out of capital or unearned surplus by any Non-exempt Subsidiary; and

6. Over aggregate investments in EWGs and FUCOs by Exelon in excess of $4 billion.

**Item 2. Fees, Commissions And Expenses.**

The fees, commissions and expenses paid or incurred or to be incurred in connection with this Application are estimated at $75,000.

**Item 3. Applicable Statutory Provisions.**

A. Applicable Provisions

Sections 5(d), 6(a), 7, 9, 10, 12 and 13 of the Act and Rules 42, 43, 44, 45, 46, 52, 53, 54, 87 and 90 thereunder are considered applicable to the proposed transactions.

To the extent that the proposed transactions are considered by the Commission to require authorizations, exemption or approval under any section of the Act or the rules and regulations thereunder other than those set forth above, request for such authorization, exemption or approval is hereby made.

B. Rule 53 and 54 Analysis.

Exelon proposes that it may use the proceeds of the financings approved herein for investments in EWGs and FUCOs and requests that the Commission approve an aggregate investment in EWGs and FUCOs by Exelon of up to $7.0 billion. Exelon requests that the Commission reserve jurisdiction over aggregate investments in EWGs and FUCOs by Exelon in excess of $4 billion pending completion of the record. In support of this request, Exelon presents the following.

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1. Background.

Under Rule 53(a), the Commission shall not make certain specified findings under Sections 7 and 12 in connection with a proposal by a holding company to issue securities for the purpose of acquiring the securities of or other interest in an EWG, or to guarantee the securities of an EWG, if each of the conditions in paragraphs (a)(1) through (a)(4) thereof are met, provided that none of the conditions specified in paragraphs (b)(1) through (b)(3) of Rule 53 exists. Exelon currently does not meet all of the conditions of Rule 53(a).

At December 31, 2003, the consolidated amount of Exelon s aggregate investment in EWGs and FUCOs as that term is defined in Rule 53 was $2.545 billion. At December 31, 2003, the average consolidated retained earnings (calculated as required by Rule 53) of Exelon was $2.315 billion. The resulting permitted aggregate investment under Rule 53 currently allowed (i.e., $4 billion minus $2.545 billion equals $1.455 billion) is insufficient to meet Exelon s current investment level and business plans. Accordingly, Exelon requests that it be allowed to invest up to $7.0 billion in EWGs and FUCOs. Exelon will continue to satisfy all of the conditions of Rule 53(a) except for clause (1) thereof, which requires that the aggregate at risk investment of the registered holding company in EWGs and FUCOs not exceed 50% of the holding company system s consolidated retained earnings.[73]

Exelon satisfies all of the other conditions of paragraphs (a) and (b) of Rule 53. With reference to Rule 53(a)(2), Exelon maintains books and records in conformity with, and otherwise adheres to, the requirements thereof. With reference to Rule 53(a)(3), no more than 2% of the employees of Exelon s domestic public utility companies render services, at any one time, directly or indirectly, to EWGs or FUCOs in which Exelon directly or indirectly holds an interest. With reference to Rule 53(a)(4), Exelon will continue to provide a copy of each application and certificate relating to EWGs and FUCOs and relevant portions of its Form U5S to each regulator referred to therein, and will otherwise comply with the requirements thereof concerning the furnishing of information. With reference to Rule 53(b), none of the circumstances enumerated in subparagraphs (1), (2) and (3) thereunder have occurred.

Exelon represents that it will remain in compliance with the requirements of rule 53(a), other than rule 53(a)(1), at all times through the Authorization Period. Exelon will file a post-effective amendment in to this Application/Declaration in the event that one of the circumstances described in rule 53(b) should occur during the period through the end of the Authorization Period. If a rule 53(b) event should occur, the approvals granted pursuant to this Application would cease to be effective to the extent that they authorize Exelon to use the proceeds of financings approved herein to make any further investments in EWGs and FUCOs (other than previously committed investments) in amounts in excess of 50% of consolidated retained earnings without obtaining a supplemental order.

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[73] The other requirements of Rule 53(a) provide (1) that the holding company keep certain books and records relating to EWGs and FUCOs in accordance with generally accepted accounting principles, (2) limitations on the number of employees of a domestic public utility company in the holding company system who may provide services for the EWGs and FUCOs and (3) for the holding company to make certain filings. Exelon undertakes to comply with the forgoing requirements. However, as authorized in the Merger Order, Genco, a domestic public utility obtained authority to provide certain services to EWGs and FUCOs. An aggregate investment of $7.0 billion is 302% of Exelon s actual retained earnings average for the four quarters ended December 31, 2003 of $2,314.75 million.

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2. EWG Earnings and Losses

Exelon has no FUCOs. Its principal EWGs are AmerGen Energy Company LLC ( AmerGen ), Sithe Energies, Inc., Exelon New England Holdings Company ( EBG ), ExTex LaPorte LLC and Southeast Chicago Energy Project, LLC. With the exception of Exelon s investments in Sithe Energies, Inc. and EBG, the investments in EWGs have had a positive impact on earnings. Excluding those two companies, total net income of EWGs in 2003 was $115 million. For detailed information regarding earnings or losses attributable to EWGs, see Exhibit K-1.

Exelon acquired a 49.9% interest in Sithe Energies, Inc in 2000. In the first quarter of 2003, Exelon recorded an impairment charge of $200 million ($120 million net of income taxes) associated with a decline in the Sithe investment value (See Exelon s March 31, 2003 Form 10-Q). In the third quarter of 2003, Exelon recorded an additional impairment charge of $55 million ($36 million net of income taxes) to reflect an additional decline in the fair value of its investment in Sithe (See Exelon s September 30, 2003 Form 10-Q). Both impairment charges were recorded in other income and deductions within the income statement.

In 2002, Exelon acquired Sithe New England Holdings, LLC (name changed to Exelon New England Holdings, LLC) from Sithe Energies, Inc. In connection with a decision in late July 2003 to transition out of the ownership of Exelon Boston Generating, LLC ( EBG ) (a wholly-owned subsidiary of Exelon New England Holdings, LLC) Exelon recorded an impairment charge of $945 million ($573 million net of income taxes) in operating expenses within the income statement during the third quarter of 2003 (See Exelon s September 30, 2003 Form 10-Q). See Exhibit K-1 for the net effect on Exelon s earnings from its investments in EWGs.[74]

Exelon expects its EWG investments to contribute positively to earnings in future periods.

3. Risk Analysis and Mitigation

Exelon has a comprehensive risk analysis and mitigation process in place. This process was described in detail in Amendment No. 4 to Prior Financing U-1 filed December 4, 2000. Exelon is aware of proposed Rule 55, which would codify the Commission s practice of requiring holding companies to institute a risk management process.[75] Exelon will comply with the requirements of Rule 55 if it is adopted.

All of Exelon s investments in EWGs and FUCOs are, and in the future will remain, segregated from ComEd and PECO. Any losses that may be incurred by such EWGs and FUCOs would have no effect on the rates of ComEd or PECO even after the rate caps and rate freezes now in effect expire. Exelon represents that it will not seek recovery through higher rates from ComEd or PECO utility customers in order to compensate Exelon for any possible losses

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74 Exelon has no FUCOs. Its principal EWGs are AmerGen Energy Company LLC ( AmerGen ), Sithe Energies, Inc., Exelon New England Holdings Company, ExTex LaPorte LLC and Southeast Chicago Energy Project, LLC. In the event Exelon in the future failed to comply with Rule 53(b), the consequence would be that Applicants could not issue securities approved hereunder for the purpose of making additional investments in EWGs or FUCOs, other than investments for which commitments have been entered into prior to such failure. Securities issuances for other purposes would not be affected.

75 Holding Co. Act Release No. 27342 (Feb. 7, 2001).

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that it or any Subsidiary may sustain on the investment in EWGs or FUCOs or for any inadequate returns on such investments.

4. Financial Ratios

Growth in Retained Earnings. Exelon s retained earnings have grown significantly since the Merger as shown in the following table:

| Date | Retained Earnings at Period End ($ in millions) | Percent Increase (Decrease) over Prior Period | Percent Increase over June 30, 2000 |
|---|---|---|---|
| June 30, 2000[76] | 89 | NA | NA |
| December 31, 2000 | 332 | 273 | 273 |
| March 31, 2001 | 570 | 72 | 540 |
| June 30, 2001 | 755 | 32 | 748 |
| September 30, 2001 | 995 | 32 | 1,018 |
| December 31, 2001 | 1,169 | 17 | 1,213 |
| March 31, 2002[77] | 1,073 | (8) | 1,106 |
| June 30, 2002 | 1,421 | 32 | 1,497 |
| September 30, 2002 | 1,830 | 29 | 1,956 |
| December 31, 2002 | 2,042 | 12 | 2,194 |
| March 31, 2003 | 2,254 | 10 | 2,433 |
| June 30, 2003 | 2,475 | 10 | 2,681 |
| September 30, 2003[78] | 2,210 | (11) | 2,383 |
| December 31, 2003 | 2,320 | 5 | 2,315 |

Financial Ratios. Exelon s proposed $7.0 billion aggregate investment in EWGs would represent a conservative and reasonable commitment of Exelon capital for a company the size of Exelon, based on various financial ratios at December 31, 2003. For example, investments of this amount would be equal to only approximately:

28.7% of Exelon s total Consolidated Capitalization ($24.35 billion),[79]

38.6% of consolidated utility plant and equipment ($18.16 billion),

76 Pro forma amount assuming completion of the Merger. This retained earnings amount was the relevant figure when the Commission made its initial decision regarding Exelon financing matters and thus serves as an appropriate baseline for comparison of improvement. All other figures are actual historical reported amounts.

77 Retained earnings declined in the first quarter of 2002 because of the adoption of Financial Accounting Standard Board accounting standards No. 141, Business Combinations , and SFAS No. 142, Goodwill and Other Intangible Assets , which established new accounting and reporting standards for goodwill and intangible assets. Exelon and its system companies adopted these standards effective January 1, 2002, which resulted in a net writedown of goodwill and a charge to income of $230 million net of taxes.

78 Retained earnings declined in the third quarter of 2003 in connection with the decision in late July 2003 to transition out of the ownership of EBG. Genco recorded an impairment charge of its long-lived assets pursuant to SFAS No. 144 of $945 million ($573 million net of

income taxes) during the third quarter of 2003. See Exelon s September 30, 2003 Form 10-Q, filed October 29, 2003.

[79] This calculation of capitalization includes securitization obligations.

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16.7% of total consolidated assets ($41.94 billion), and

32.1% of the pro forma market value of Exelon s outstanding common stock ($21.78 billion).[80]

[80] The market value of Exelon common stock is calculated based on its stock price of $66.36 at December 31, 2003.

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The table below illustrates that Exelon s exposure to EWG/FUCO investments will be comparable to the following companies that received approval to exceed the safe harbor investment amount.[81] In three out of four categories, the percentage applicable to Exelon is below the average of the companies listed and in every category, the percentage applicable to Exelon is well below the highest percentage found reasonable by the Commission in prior cases.[82]

Investments in EWGs and FUCOs as a percentage of:

| Company | Consolidated Capitalization | Consolidated Net Utility Plant | Consolidated Total Assets | Market Value of Common Stock |
|---|---|---|---|---|
| CSW | 23.0 | 23.0 | 14.0 | 31.0 |
| GPU | 24.9 | 34.2 | 19.4 | 49.8 |
| AEP | 16.0 | 13.8 | 9.8 | 18.5 |
| Entergy Corp. | 18.6 | 17.4 | 11.7 | 43.8 |
| National Grid | 46.6 | N/A | 33.0 | 7.8 |
| Cinergy | 49.1 | 50.5 | 27.3 | 60.1 |
| Alliant | 19.3 | 27.4 | 13.2 | 34.9 |
| FirstEnergy | 25.0 | 35.7 | 12.8 | 58.8 |
| Allegheny | 21.0 | 19.0 | 14.0 | 30.0 |
| E.ON[83] | 43.9 | N/A | 24.2 | 69.8 |
| KeySpan[84] | 34.9 | 52.6 | 23.1 | 53.8 |
| **Average** | **29.3** | **30.4** | **18.4** | **41.7** |
| Exelon Aggregate Investment ($7.0 billion) at 12/30/2003[85] | 28.7 | 38.6 | 16.7 | 32.1 |

Share Price to Earnings Ratio. Exelon s P/E ratio as of December 31, 2003 was 11.9, compared to an average of 12.8 for Exelon s selected group of peer energy companies, based on 2004 consensus earnings estimates.[86]

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81 Data for other companies taken from public filings except that market value for National Grid estimated based on $38.125 per share at October 7, 1999 as reported from New York Stock Exchange data.

82 See Central and South West Corporation ( CSW ), Holding Co. Act Release No. 26653 (Jan. 24, 1997); GPU, Inc. ( GPU ), Holding Co. Act Release No. 26779 (Nov. 17, 1997); Cinergy, Inc. ( Cinergy ), Holding Co. Act Release No. 26848 (March 23, 1998); American Electric Power Company, Inc. ( AEP ), Holding Co. Act Release No. 26864 (April 27, 1998); The National Grid Group plc, Holding Co. Act Release No. 27154 (March 15, 2000); Entergy Corporation, Holding Co. Act Release No. 27184 (June 13, 2000); Cinergy Corporation, Holding Co. Act Release No. 27400 (May 18, 2001); Alliant, Holding Company Act Release No. 27448 (Oct. 3, 2001); FirstEnergy, Holding Company Act Release No. 27459 (Oct. 29, 2001); Allegheny Energy, Inc. Holding Co. Act Release No. 27486 (Dec. 31, 2001).

83 Based on E.ON s additional investment of $25 billion. Based on E.ON s consolidated investments of $65 billion, E.ON s consolidated capitalization is 114%, total consolidated assets is 24.2%, and market value of outstanding common stock is 182%.

84 KeySpan Corp., Holding Co. Act Release No. 27776 (December 18, 2003) (KeySpan was authorized to increase its investments from $2.2 billion to $3 billion).

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Exelon s approval in the Prior Orders based on its pro forma consolidated figures at June 30, 2000 was 18.9%, 23.3%, 11.1% and 28.2%, respectively.

[86] Exelon s peer group consists of: Allegheny Energy, American Electric Power Co., Inc., CenterPoint Energy, Cinergy Corp., Constellation Energy, Dominion Resources, Inc., DTE Energy, Duke Energy, Edison International, Entergy, FirstEnergy, FPL Group, PPL Resources, Progress Energy, Public Service Enterprise Group, Inc., Southern Co., TXU Corp., and Xcel Energy.

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Market to Book Ratio. Exelon s market to book ratio is currently 2.56 based on a book value of $25.92 per share as of December 31, 2003 and a market price of $66.36 per share at that date. This ratio is above the industry average, which was 1.82 as of January 2004.[87]

Dividend Payout Ratio. Exelon targets a dividend payout ratio range of approximately 35% to 40%. Exelon s payout ratio for 2001 was 41%, for 2002 was 39%, and for 2003 was 69%. This range is consistent with the industry average of 61.62% for 2003.[88] Based on the anticipated dividend and estimates for 2004 earnings, Exelon s payout ratio is expected to be consistent with its 35% to 40% target. A payout ratio at this level will enable Exelon to build its equity cushion to support future growth.

5. State Commissions

Applicants requested the Pennsylvania Commission and the Illinois Commission to each send letters to the Commission indicating that Exelon s proposed aggregate investment of up to $7.0 billion in EWGs and FUCOs would not adversely affect the respective commission s ability to continue to assure adequate protection of utility customers and ratepayers. Each of those commissions has sent a response to that request directly to the Commission.

6. Rule 54

Certain of the proposed transactions may also be subject to Rule 54. Rule 54 provides that, in determining whether to approve the issue or sale of any securities for purposes other than the acquisition of any EWG or FUCO or other transactions unrelated to EWGs or FUCOs, the Commission shall not consider the effect of the capitalization or earnings of subsidiaries of a registered holding company that are EWGs or FUCOs if the requirements of Rule 53(a), (b) and (c) are satisfied. Exelon s compliance with, or requests for variance from, the Rule 53 requirements are outline above.

**Item 4. Regulatory Approval.**

The Pennsylvania Commission has jurisdiction over issuances of securities by PECO, other than securities payable within one year of the date of issuance or upon demand of the holder. The Illinois Commission has jurisdiction over issuances of securities by ComEd, other than securities payable within one year of the date of issuance or the renewal of short-term obligations for a two-year or shorter period.

Securities issued by the Utility Subsidiaries that are subject to approval by the Commission are not subject to approval by the FERC under the Federal Power Act because of Section 318 of the Federal Power Act.

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87 Price to Book Ratio by Sector, Elect. Util. (Central), Leonard N. Stern School of Business, New York University, January 2004, available at http://www.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ pbvdata.html.

88 Dividend Fundamentals by Sector, Elect. Util (Central), Leonard N. Stern School of Business, New York University, January 2004, available at http://www.stern.nyu.edu/~adamodar/New_Home_Page/datafile/divfund.htm. Exelon's payout ratio in 2003 exceeded its target and prior year figures because of one-time charges related to EWGs discussed herein.

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Except as stated above, no state or federal regulatory agency other than the Commission under the Act has jurisdiction over the proposed transactions.

**Item 5. Procedure.**

The Commission is respectfully requested to publish the requisite notice under Rule 23 with respect to this Application as soon as possible, such notice to specify a date by which comments must be entered and such date being the date when an order of the Commission granting and permitting this Application to become effective may be entered by the Commission. The Applicants request that the Commission s order be issued as soon as the rules allow, and that there should not be a 30-day waiting period between issuance of the Commission s order and the date on which the order is to become effective. The Applicants hereby waive a recommended decision by a hearing officer or any other responsible officer of the Commission and consent that the Division of Investment Management may assist in the preparation of the Commission s decision and/or order, unless the Division opposes the matters proposed herein.

**Item 6. Exhibits And Financial Statements.**

A. Exhibits.

| | |
|---|---|
| A-1 | Restated Articles of Incorporation of Exelon (Incorporated by reference to S-4 Registration Statement, File No. 333-37082) |
| B-1 | Exelon Indenture (Incorporated by reference to Registration Statement No. 333-57540, Form S-3, Exhibit 4.1) |
| B-2 | Genco Indenture (Incorporated by reference to Registration Statement No. 333-85496, Form S-4, Exhibit 4.1) |
| F-1 | Preliminary opinion of counsel to Exelon (Previously filed) |
| F-2 | Past-tense opinion of counsel to Exelon (To be filed by amendment) |
| G-1 | Exelon Corporation Dividend Reinvestment and Employee Stock Purchase Plan (Incorporated by reference to Exelon s Registration Statement on Form S-3 filed March 18, 2002 (Reg. No. 333-84446)). |
| G-2 | Exelon Corporation Employee Stock Purchase Plan (Incorporated by reference to Exhibit No. 4.2 of Exelon s Registration Statement on Form S-8 filed May 22, 2001 (Reg. No. 333-61390)) |
| G-3 | Exelon Corporation Long-Term Incentive Plan (Incorporated by reference to Appendix B to Schedule 14A filed by Exelon Corporation on March 13, 2002 (File No. 1-16169)) |
| G-4 | PECO Energy Company 1998 Stock Option Plan (Incorporated by reference to Exhibit 4.3 of Exelon s Registration Statement on Form S-4 filed November 13, 2000 (Reg. No. 333-37082)) |
| G-5 | Exelon Corporation Employee Savings Plan (Incorporated by reference to Exhibit 10-9 of Exelon s Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-16169)) |

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|---|---|
| G-6-1 | Unicom Corporation Amended and Restate Long Term Incentive Plan (Incorporated by reference to Exhibit A to Unicom Corporation s Proxy Statement dated April 7, 1999 (File No. 1-11375)) |
| G-6-2 | Unicom Corporation 1996 Director s Fee Plan (Incorporated by reference to Exhibit A to Unicom Corporation s Proxy Statement dated April 8, 1999 (File No. 1-11375)) |
| G-6-3 | Unicom Corporation Retirement Plan for Directors (Incorporated by reference to Exhibit 4.12 to Exelon s Registration Statement on Form S-8 filed November 13, 2000 (Reg. No. 333-49780)) |
| G-6-4 | Commonwealth Edison Company Retirement Plan for Directors (Incorporated by reference to Exhibit 4.13 to Exelon s Registration Statement on Form S-8 filed November 13, 2000 (Reg. No. 333-49780)) |
| G-7 | Exelon Corporation Stock Deferral Plan (Incorporated by reference to Exhibit 10-22 of Exelon s Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-16169)) |
| H-1 | Proposed Form of Notice (Previously filed) |
| I-1 | Form of Utility Money Pool Agreement (Filed herewith) |
| I-2 | Form of Non-Utility Money Pool Agreement (To be filed by amendment) |
| J-1 | Projected Capitalization (Filed confidentially pursuant to Rule 104) (Filed herewith). |
| K-1 | EWGs Earnings and Losses (Filed confidentially pursuant to Rule 104) (Filed herewith). |

B. Financial Statements.

| | |
|---|---|
| FS-1 | Consolidated Balance Sheet of Exelon as of December 31, 2003 (incorporated by reference to Exelon s Annual Report on Form 10-K for the year ended December 31, 2002, File No. 1-16169) |
| FS-2 | Consolidated Statement of Income of Exelon for the year ended December 31, 2003 (incorporated by reference to Exelon s Annual Report on Form 10-K for the year ended December 31, 2002, File No. 1-16169) |

**Item 7. Information as to Environmental Effects**

The proposed transaction involves neither a major federal action nor significantly affects the quality of the human environment as those terms are used in Section 102(2)(C) of the National Environmental Policy Act, 42 U.S.C. Sec. 4321 et seq. No federal agency is preparing an environmental impact statement with respect to this matter.

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SIGNATURES

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, each of the undersigned companies has duly caused this amended Application/Declaration to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 1, 2004

**Exelon Corporation**

By /s/ Robert S. Shapard

**Robert S. Shapard**

**Executive Vice President and Chief Financial Officer**

**Commonwealth Edison Company**

10 South Dearborn Street

$37^{th}$ Floor

Chicago, Illinois 60603

**PECO Energy Company**

2301 Market Street

Philadelphia, Pennsylvania 19101

**Exelon Generation Company, LLC**

300 Exelon Way

Kennett Square, Pennsylvania 19348

**Adwin Equipment Company;**

**Commonwealth Edison Company of Indiana, Inc. ECP Telecommunications Holdings, LLC; EEI Telecommunications Holding, LLC; Energy Trading Company; Exelon Business Services Company; Exelon Capital Partners, Inc.; Exelon Communications Company, LLC; Exelon Communications Holdings, LLC; Exelon Energy Company; Exelon Energy Delivery Company, LLC; Exelon Enterprises Company, LLC; Exelon Enterprises Investments, Inc.; Exelon Enterprises Management, Inc.; Exelon New Trust Company; Exelon Services, Inc. (formerly, Unicom Mechanical Services, Inc.); Exelon Thermal Development, Inc.; Exelon Thermal Holding, Inc.; Exelon Thermal Technologies, Inc.; Exelon Ventures Company, LLC; F&M Holdings Company, LLC; PECO Energy Power Company; Susquehanna Power Company; Susquehanna Electric Company; Unicom Power Holdings, LLC; Unicom Investments, Inc. and Unicom Power Marketing, Inc.**

c/o Exelon Corporation

10 South Dearborn Street, $37^{th}$ Floor

Chicago, Illinois 60603

**By Exelon Corporation**

By /s/ Robert S. Shapard

**Robert S. Shapard**
**Executive Vice President and Chief Financial Officer**