Companhia Vale do Rio Doce
Form 20-F
May 16, 2007

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As filed with the Securities and Exchange Commission on May 15, 2007.

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

Form 20-F

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2006
Commission file number: 001-15030

COMPANHIA VALE DO RIO DOCE
(Exact name of Registrant as specified in its charter)

Federative Republic of Brazil
(Jurisdiction of incorporation or organization)

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

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Preferred class A shares of CVRD, no par value per share	New York Stock Exchange*
American Depositary Shares (evidenced by American depositary receipts) each representing one preferred class A share of CVRD	New York Stock Exchange
Common shares of CVRD, no par value per share	New York Stock Exchange*
American Depositary Shares (evidenced by American depositary receipts) each representing one common share of CVRD	New York Stock Exchange
6.875% Guaranteed Notes due 2036, issued by Vale Overseas	New York Stock Exchange
8.250% Guaranteed Notes due 2034, issued by Vale Overseas	New York Stock Exchange
6.250% Guaranteed Notes due 2017, issued by Vale Overseas	New York Stock Exchange
6.250% Guaranteed Notes due 2016, issued by Vale Overseas	New York Stock Exchange

* Shares are not listed for trading, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the New York Stock Exchange.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None
The number of outstanding shares of each class of stock of CVRD as of December 31, 2006 was:
1,471,607,838 common shares, no par value per share
944,585,684 preferred class A shares, no par value per share
6 golden shares, no par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes o No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer þ Accelerated filer o Non-accelerated filer o

Indicate by check mark which financial statement item the registrant has elected to follow. Item 17 o Item 18 þ

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

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GLOSSARY

Alumina	Aluminum oxide. It is the main component of bauxite, and extracted from bauxite ore in a chemical refining process. It is the principal raw material in the electro-chemical process from which aluminum is produced.
Anthracite	The hardest coal type which contains a high percentage of fixed carbon and a low percentage of volatile matter. Anthracite is the highest rank coal and it contains approximately 90% fixed carbon, more than any other form of coal. Anthracite has a semi-metallic luster and is capable of burning with little smoke. Mainly used for metallurgical purposes.
Austenitic stainless steel	Steel that contains significant amount of chromium and sufficient nickel to stabilize the austenite microstructure, giving to the steel good formability and ductibility and improving its high temperature resistance. On average, austenitic stainless steels usually contain approximately 8-10% nickel. They are used in a wide variety of applications, ranging from consumer products to industrial process equipment, as well as for power generation and transportation equipment, kitchen appliances and many other applications where strength, corrosion and high temperature resistance are required. Nickel use in nickel-bearing or austenitic stainless steels accounts for 60%-65% of annual global primary nickel consumption.
Austenitic stainless steel ratio	The ratio of nickel-based stainless steels (austenitic steels) relative to all stainless steels produced.
Bauxite	A rock composed primarily of hydrated aluminum oxides. It is the principal ore of alumina, the raw material from which aluminum is made.
Beneficiation	A variety of processes whereby extracted ore from mining is reduced to particles that can be separated into mineral and waste, the former suitable for further processing or direct use.
Coal	Coal is a black or brownish-black solid combustible substance formed by the decomposition of vegetable matter without access to air. The rank of coal, which includes anthracite, bituminous coal (both are called hard coal), subbituminous coal, and lignite, is based on fixed carbon, volatile matter, and heating value.
Cobalt	Cobalt is a hard, lustrous, silver-gray metal found in ores, and used in the preparation of magnetic, wear-resistant, and high-strength alloys (particularly for jet engines and turbines). Its compounds are also used in the production of inks, paints, and varnishes.
Coke	Coal that has been processed in a coke oven, for use as a reduction agent in blast furnaces and in foundries for the purposes of transforming iron ore into pig iron.

Coking coal	A bituminous hard coal with a quality that allows the production of coke. Normally used in coke ovens for metallurgical purposes.
Concentration	Physical, chemical or biological process to increase the grade of the metal or mineral of interest.

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Copper	A reddish brown metallic element. Copper is highly conductive, both thermally and electrically. It is highly malleable and ductile and is easily rolled into sheet and drawn into wire.
Copper concentrate	Material produced by concentration of copper minerals contained in the copper ore. It is the raw material used in smelters to produce copper metal.
DR	Direct Reduction. Process that removes oxygen from iron ore by using natural gas or coal. The resulting product has an iron content of 90-92%.
DRI	Direct Reduced Iron. Iron ore (lump or pellets) converted by the Direct Reduction process, used mainly as a scrap substitute in electric arc furnace steel making.
DWT	Deadweight ton. The measurement unit of a vessel s capacity for cargo, fuel oil, stores and crew, measured in metric tons of 1,000 kg. A vessel s total deadweight is the total weight the vessel can carry when loaded to a particular load line.
Fe unit	A measure of the iron content in the iron ore that is equivalent to 1% iron content in one metric ton of iron ore.
Ferritic steel	Steel that contains significant amount of chromium, but does not contain nickel to stabilize the austenite microstructure.
Ferroalloys	Ferroalloys are alloys of iron that contain one or more other chemical elements. These alloys are used to add these other elements into molten metal, usually in steel making. The principal ferroalloys are those of manganese, silicon and chromium.
FOB	Free on Board. It indicates that the purchaser pays for shipping, insurance and all the other costs associated with transportation of the goods to their destination.
Gold	A precious metal sometimes found free in nature, but usually found in conjunction with silver, quartz, calcite, lead, tellurium, zinc or copper. It is the most malleable and ductile metal, a good conductor of heat and electricity and unaffected by air and most reagents.
Grade	The proportion of metal or mineral present in ore or any other host material.
HBI	Hot Briquetted Iron. Direct reduced iron that has been processed into briquettes. Because DRI (direct reduced iron) may spontaneously combust during transportation, HBI is preferred when the metallic material must be stored or moved.
Iridium	

	A dense, hard, brittle, silvery-white transition metal of the platinum family that occurs in natural alloys with platinum or osmium. Iridium is used in high-strength alloys that can withstand high temperatures, primarily in high-temperature apparatus, electrical contacts, and as a hardening agent for platinum.
Kaolin	A fine white aluminum silicate clay used as a coating agent, filler, extender and absorbent in the paper, ceramics and pharmaceutical industries.

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Lump ore	Iron ore or manganese ore with the coarsest particle size in the range of 6.35 mm to 50 mm diameter, but varying slightly between different mines and ores.
Manganese (Mn)	A hard brittle metallic element found primarily in the minerals pyrolusite, hausmannite and manganate. Manganese is essential to the production of virtually all steels and is important in the production of cast iron.
Methanol	An alcohol fuel largely used in the production of chemical and plastic compounds.
Mineral deposit(s) or mineralized material(s)	A mineralized body that has been intersected by a sufficient number of closely spaced drill holes and/or underground/surface samples to support sufficient tonnage and grade of metal(s) or mineral(s) of interest to warrant further exploration-development work.
Mineral resource	A concentration or occurrence of minerals of economic interest in such form and quantity that could justify an eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence through drill holes, trenches and/or outcrops. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured Resources.
Nickel	A silvery white metal that takes on a high polish. It is hard, malleable, ductile, somewhat ferromagnetic, and a fair conductor of heat and electricity. It belongs to the iron-cobalt group of metals and is chiefly valuable for the alloys it forms, such as stainless steel and other corrosion-resistant alloys.
Nickel-in-matte	An intermediate smelter product that must be further refined to obtain pure metal.
Ntk	Net ton (the weight of the goods being transported excluding the weight of the wagon) kilometer.
Open-pit mining	Method of extracting rock or minerals from the earth by their removal from an open pit. Open-pit mines for extraction of ore are used when deposits of commercially useful minerals or rock are found near the surface; that is, where the overburden (surface material covering the valuable deposit) is relatively thin or the material of interest is structurally unsuitable for underground mining.
Oxides	Compounds of oxygen with another element. For example, magnetite is an oxide mineral formed by the chemical union of iron with oxygen.
Palladium	A silver-white metal that is ductile and malleable, used primarily in automobile-emissions control devices, jewelry, electrical and chemical

	applications.
Pellet feed fines or PFF (Ultra-fine)	Ultra-fine iron ore (less than 0.15 mm) generated by mining and grinding. This material is aggregated into pellets through an agglomeration process.

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Pellets	Agglomerated ultra-fine iron ore particles of a size and quality suitable for particular iron making processes. Our pellets range in size from 8 mm to 18 mm.
Pig iron	Product of smelting iron ore usually with coke and limestone in a blast furnace.
Platinum	A dense, precious, grey-white transition metal that is ductile and malleable and occurs in some nickel and copper ores. Platinum is resistant to corrosion and is used in jewelry, laboratory equipment, electrical contacts, dentistry, automobile-emissions control devices, flat panel TVs and hard disk drives.
Platinum-group metals (PGMs)	Consist of platinum, palladium, rhodium, ruthenium, osmium and iridium, of which osmium has no industrial application (no economic interest), while platinum and palladium have the greatest economic interest.
Potash	A potassium chloride compound, chiefly KCl, used as simple fertilizer and in the production of mixture fertilizer.
Precious metals	Metals valued for their color, malleability, and rarity, with a high economic value driven not only by their practical industrial use, but also by their role as investments and a store of value. The widely-traded precious metals are gold, silver, platinum and palladium.
Primary aluminum	White metal that is obtained in the electro-chemical process of reduction of the aluminum oxide.
Probable ore reserves	The economically mineable part of an Indicated, and in some circumstances, Measured Mineral Resource. It implies that appropriate assessments have been carried out, with consideration of mining, beneficiation process, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could be justified.
Proven ore reserves	The economically mineable part of a Measured Mineral Resource. It implies that appropriate assessments have been carried out, with consideration of mining, beneficiation process, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could be justified.
Reserve or ore reserve	The part of a mineral resource that could be economically and legally extracted or produced at the time of the reserve determination. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proven Ore Reserves.
Rhodium	A hard, silvery-white, durable metal that has a high reflectance and is primarily used in combination with platinum for automobile-emission

	control devices and as an alloying agent for hardening platinum.
Run-of-mine (ROM)	Ore in its natural (unprocessed) state, as mined, without having been crushed.

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Ruthenium	A hard, white metal that can harden platinum and palladium used to make severe wear-resistant electrical contacts and in other applications in the electronics industry.
Secondary, or scrap, nickel	Stainless steel scrap containing small quantities of nickel.
Seaborne market	Comprises the total ore trade (exports) between countries using ocean bulk vessels.
Silver	A ductile and malleable metal used in photography, coins and medal fabrication, and in industrial applications.
Sinter feed (Fines)	Iron ore with particles in the range of 0.15 mm to 6.35 mm diameter. Suitable for sintering.
Sintering	The agglomeration of sinter feed, binder and other materials, into a coherent mass by heating without melting, to be used as metallic charge into a blast furnace.
Slabs	The most common type of semi-finished steel. Traditional slabs measure 10 inches thick and 30-85 inches wide (and average approximately 20 feet long), while the output of the recently developed thin slab casters is approximately two inches thick. Subsequent to casting, slabs are sent to the hot-strip mill to be rolled into coiled sheet and plate products.
Stainless steel	Alloy steel containing at least 10% chromium and with superior corrosion resistance. It may also contain other elements such as nickel, manganese, niobium, titanium, molybdenum, copper, in order to improve mechanical, thermal properties and service life. It is primarily classified as austenitic (200 and 300 series), ferritic (400 series), martensitic, duplex or precipitation hardening grades.
Stainless steel scrap ratio	The ratio of secondary nickel units (either in the form of nickel-bearing, stainless steel scrap, or in alloy steel, foundry and nickel-based alloy scrap) relative to all nickel units consumed in the manufacture of new stainless steel.
Thermal coal	Refers to the type of coal that is suitable to energy generation after its steaming properties (for use in thermal power stations).
Troy ounce	One troy ounce equals 31.103 grams.
Underground mining	Mineral exploitation in which extraction is carried out beneath the earth s surface.

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PRESENTATION OF FINANCIAL INFORMATION

We have prepared our financial statements appearing in this annual report in accordance with generally accepted accounting principles in the United States (U.S. GAAP), which differ in certain respects from accounting practices adopted in Brazil (Brazilian GAAP). Brazilian GAAP is determined by the requirements of Law No. 6,404, dated December 15, 1976, as amended, which we refer to as the Brazilian corporation law, and the rules and regulations of the Brazilian Securities Commission *(Comissão de Valores Mobiliários)*, or CVM. We also publish Brazilian GAAP financial statements in Brazil, which we refer to as our Brazilian corporation law financial statements. We use our Brazilian corporation law financial statements for:

reports to Brazilian shareholders;

filings with the CVM;

determination of dividend payments; and

determination of tax liability.

Our financial statements and the other financial information appearing in this annual report have been translated from Brazilian *reais* into U.S. dollars on the basis explained in Note 3 to our financial statements, unless we indicate otherwise.

References to *real, reais* or R$ are to Brazilian *reais* (plural) and to the Brazilian *real* (singular), the official currency of Brazil. References to U.S. dollars or US$ are to United States dollars.

Unless otherwise specified, we use metric units.

References to CVRD are to Companhia Vale do Rio Doce. References to Vale Overseas are to our subsidiary Vale Overseas Limited. References to CVRD Inco are to our subsidiary, CVRD Inco Limited. References to Inco are to Inco Limited, which we acquired and subsequently renamed CVRD Inco Limited. References to us or we are to CVRD and, except where the context otherwise requires, its consolidated subsidiaries.

References to our ADSs or American Depositary Shares include both our common American Depositary Shares (our common ADSs), each of which represents one common share of CVRD, and our preferred American Depositary Shares (our preferred ADSs), each of which represents one preferred class A share of CVRD. American Depositary Shares are represented by American depositary receipts (ADRs) issued by JPMorgan Chase Bank, as depositary.

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PRESENTATION OF INFORMATION CONCERNING RESERVES

The estimates of proven and probable ore reserves at our mines and projects and the estimates of mine life, as of December 31, 2005 and 2006, included in this annual report have been calculated according to the technical definitions required by the U.S. Securities and Exchange Commission, or the SEC. Our staff of experienced geologists and engineers prepares our reserve estimates. We derived estimates of mine life described in this annual report from such reserve estimates. For manganese ore and bauxite deposits, we have adjusted ore reserve estimates for extraction losses and metallurgical recoveries during extraction. For iron ore, kaolin, copper, potash, nickel, PGMs and cobalt, our reserve estimates are of in-place material after adjustments for mining depletion and mining losses (or screening and drying in the cases of PT International Nickel Indonesia Tbk, or PT Inco, and Goro) and recoveries, with no adjustments made for metal losses due to processing. See *Item 3. Key information Risk factors Risks relating to our business* for a description of risks relating to reserves and reserve estimates.

As part of our mineral reserves reporting strategy, we periodically engage independent mining and geological consultants to review estimates of our mineral reserves for all operations and new projects. Mineral reserves are subjected to outside review when significant changes in the reserve model occur due to the inclusion of new geological information, changes in production schedules, or changes in economic assumptions such as costs or product prices.

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FORWARD-LOOKING STATEMENTS

This annual report contains statements that may constitute forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Many of those forward-looking statements can be identified by the use of forward-looking words such as anticipate, believe, could, expect, should plan, intend, estimate and potential, among others. Those statements appear in a number of places and include statements regarding our intent, belief or current expectations with respect to:

- our direction and future operation;
- the implementation of our principal operating strategies, including our potential participation in privatization, acquisition or joint venture transactions or other investment opportunities;
- our acquisition or divestiture plans;
- the implementation of our financing strategy and capital expenditure plans;
- the exploration of mineral reserves and development of mining facilities;
- the depletion and exhaustion of mines and mineral reserves;
- the future impact of competition and regulation;
- the declaration or payment of dividends;
- industry trends, including the direction of prices and expected levels of supply and demand;
- other factors or trends affecting our financial condition or results of operations; and
- the factors discussed under *Item 3. Key information Risk factors.*

We caution you that forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of various factors. These risks and uncertainties include factors relating to the Brazilian and Canadian economies and securities markets, factors relating to the iron ore and nickel businesses and their dependence on the global steel industry, which is cyclical in nature, and factors relating to the highly competitive industries in which we operate. For additional information on factors that could cause our actual results to differ from expectations reflected in forward-looking statements, see *Item 3. Key information Risk factors.* Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments. All forward-looking statements attributed to us or a person acting on our behalf are expressly qualified in their entirety by this cautionary statement, and you should not place undue reliance on any forward-looking statement.

PART I

Item 1. *Identity of directors, senior management and advisors*

Not applicable.

Item 2. ***Offer statistics and expected timetable***

Not applicable.

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Item 3. ***Key information***

SELECTED FINANCIAL DATA

The table below presents selected consolidated financial information as of and for the periods indicated. You should read this information together with our consolidated financial statements appearing in this annual report.

Statement of income data

	For the Year Ended December 31,				
	2002	**2003**	**2004**	**2005**	**2006**
	(US$ million)				
Net operating revenues	US$ 4,123	US$ 5,350	US$ 8,066	US$ 12,792	US$ 19,651
Cost of products and services	(2,263)	(3,128)	(4,081)	(6,229)	(10,147)
Selling, general and administrative expenses	(224)	(265)	(452)	(583)	(816)
Research and development	(50)	(82)	(153)	(277)	(481)
Other expenses	(157)	(231)	(257)	(271)	(570)
Operating income	1,429	1,644	3,123	5,432	7,637
Non-operating income (expenses):					
Financial income (expenses)	(248)	(249)	(589)	(437)	(1,011)
Foreign exchange and monetary losses, net	(580)	242	65	299	529
Gain on sale of investments		17	404	126	674
Subtotal	(828)	10	(120)	(12)	192
Income before income taxes, equity results and minority interests	601	1,654	3,003	5,420	7,829
Income taxes benefit (charge)	149	(297)	(749)	(880)	(1,432)
Equity in results of affiliates and joint ventures and change in provision for gains and (losses) on equity investments	(87)	306	542	760	710
Minority interests	17	(105)	(223)	(459)	(579)
Change in accounting practice for asset retirement obligations		(10)			
Net income	US$ 680	US$ 1,548	US$ 2,573	US$ 4,841	US$ 6,528
Total cash paid to shareholders(1)	US$ 602	US$ 675	US$ 787	US$ 1,300	US$ 1,300

(1) Total cash paid to shareholders consists of cash paid during the period in respect of interest on shareholders equity and dividends.

Per share data earnings and dividends