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Companhia Vale do Rio Doce
Form 6-K
October 27, 2006

Table of Contents

**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
October 2006
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 Form 40-F

(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 No

(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 No

(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 No

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

Table of Contents

Press

Release

Signature

Page

Table of Contents

CVRD pays US\$ 13.3 billion for the acquisition of Inco

Rio de Janeiro, October 26, 2006 Companhia Vale do Rio Doce (CVRD) made today the payment of US\$ 13.3 billion to the depositary agent, Computershare Investor Services Inc., for the acquisition of 174,623,019 shares of Inco Limited (Inco), representing 75.66% of its outstanding shares on a fully-diluted basis.

In accordance with its stated purpose of acquiring 100% of the outstanding shares of Inco, CVRD will take the steps to acquire the remaining 56,189,554 Inco shares.

In order to provide Inco security holders who have not yet accepted the offer with the opportunity to analyze and accept the offer, CVRD has extended the expiry time of the offer to midnight (Toronto time) on November 3, 2006.

This extension constitutes a subsequent offering period under the U.S. law.

CVRD financial disbursement with the acquisition of 100% of Inco shares is estimated to reach US\$ 17.6 billion. The Company will use US\$ 2.0 billion out of its own cash holdings and will finance the remaining US\$ 15.5 billion with the bridge loan supplied by a syndicate of 37 banks based in North America, Brazil, Europe, Asia and Australia. The bridge loan has a two-year tenor, with an interest rate of Libor plus 40 basis points during the first year and Libor plus 60 basis points during the second year.

Therefore, to finance the acquisition, the Company will use much less than half of the value originally offered by the bank syndicate, which amounted to US\$ 34 billion.

CVRD expects to conclude several transactions to take out the bridge loan aiming to preserve its average debt maturity close to the pre-acquisition level, longer than seven years, to keep a low risk debt profile and to minimize its weighted average cost of capital in order to consolidate its excellent reputation in global financial markets.

IMPORTANT INFORMATION

This press release may be deemed to be solicitation material in respect of CVRD's tender offer for the shares of Inco. On August 14, CVRD filed a tender offer statement on Schedule TO (containing an offer to purchase and a takeover bid circular) with the United States Securities and Exchange Commission (SEC). CVRD, if required, will file other documents regarding the proposed tender offer with the SEC.

INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE TAKEOVER BID CIRCULAR, THE SCHEDULE TO AND ANY OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE OFFER FOR COMMON SHARES OF INCO. These documents will be available without charge on the SEC's website at www.sec.gov. Free copies of the documents can also be obtained by directing a request to Kingsdale Shareholder Services Inc., The Exchange Tower, 130 King Street West, Suite 2950, P.O.Box 361, Toronto, Ontario, M5X 1E2, by telephone to 1-866-381-4105 (North American Toll Free) or 416-867-2272 (Overseas), or by email to: contactus@kingsdaleshareholder.com.

Table of Contents

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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 CVRD cannot give assurance that such statements will prove correct. These risks and uncertainties include factors: relating to the Brazilian and Canadian economies and securities markets, which exhibit volatility and can be adversely affected by developments in other countries; relating to the iron ore business and its dependence on the global steel industry, which is cyclical in nature; and relating to the highly competitive industries in which CVRD operates. For additional information on factors that could cause CVRD's actual results to differ from expectations reflected in forward-looking statements, please see CVRD's reports filed with the Brazilian Comissão de Valores Mobiliários and the U.S. Securities and Exchange Commission.

Table of Contents

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.

Date: October 26, 2006

COMPANHIA VALE DO RIO DOCE
(Registrant)

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