

Companhia Vale do Rio Doce
Form 6-K
December 29, 2006

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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**

December 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).)

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Press Release

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Press Release

CVRD sells its stake in Siderar

Rio de Janeiro, December 28, 2006 Companhia Vale do Rio Doce (CVRD) informs that it entered into a stock sale and purchase agreement with Ternium S.A. (Ternium) to sell its stake in Siderar-S.A.I.C. (Siderar), steel company located in Argentina. According to the contract terms, Ternium, the controlling group of Siderar, will acquire for US\$ 107.5 million the totality of Siderar shares held by CVRD, which represents 4.85% of its total capital.

The settled sales price was ARS\$ 19.57 per Siderar share, equivalent to US\$ 6.376 per share.

The sale of its stake in Siderar is aligned with CVRD's strategy for steel holdings, which prioritizes the reallocation of its resources to new or expansion projects that increase the demand for the Company's iron ore and pellets. Moreover, this divestiture will provide more funds for payment of the US\$ 14.6 billion bridge loan taken to finance the Inco Limited (Inco) acquisition.

For further information, please contact:

+55-21-3814-4540

Roberto Castello Branco: roberto.castello.branco@cverd.com.br

Alessandra Gadelha: alessandra.gadelha@cverd.com.br

Daniela Tinoco: daniela.tinoco@cverd.com.br

Marcelo Silva Braga: marcelo.silva.braga@cverd.com.br

Theo Penedo: theo.penedo@cverd.com.br

Virgínia Monteiro: virginia.monteiro@cverd.com.br

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 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 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.

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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: December 28, 2006

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