

Companhia Vale do Rio Doce
Form 6-K
February 09, 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

February 2006

Companhia Vale do Rio Doce

Avenida Graça Aranha, No. 26
20005-900 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-__.)

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CVRD sells its stake in NES

Rio de Janeiro, February 8, 2006 Companhia Vale do Rio Doce (CVRD) informs that it entered into a stock sale and purchase agreement with JFE Steel Corporation (JFE), from Japan, to sell its 49% stake in Nova Era Silicon (NES), a ferrosilicon producer with operations in the state of Minas Gerais, Brazil, for US\$ 14 million.

The closing of this transaction is subject to the satisfaction of several precedent conditions.

In the first nine months of 2005, NES sold 25,261 tons of ferrosilicon, generating net revenues of R\$ 68 million. The cash generation measured by EBITDA (earnings before interest, tax, depreciation and amortization), computed according to the general accepted accounting principles in Brazil (BR GAAP), reached R\$ 4 million in the same period. As of September 30, 2006, NES net debt amounted to R\$ 22 million.

The divestiture of NES is aligned with the policy of CVRD for the manganese business of focusing on manganese ore and manganese alloys production through wholly owned subsidiaries.

CVRD has a long-term partnership with JFE, involving commercial transactions and joint investments, and it will continue to supply iron ore and logistics services to NES.

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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 economy 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.

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Signatures

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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 9, 2006

By: /s/ Roberto Castello Branco

Roberto Castello Branco
Director of Investor Relations