

Companhia Vale do Rio Doce  
Form 20-F  
April 28, 2009

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**As filed with the Securities and Exchange Commission on April 28, 2009**

**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, 2008**

**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)*

Fabio de Oliveira Barbosa, Chief Financial Officer

fax: +55 21 3814 8820

**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:**

<b>Title of Each Class</b>	<b>Name of Each Exchange on Which Registered</b>
Preferred class A shares of Vale, 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 Vale	New York Stock Exchange
Common shares of Vale, no par value per share	New York Stock Exchange*
American Depositary Shares (evidenced by American Depositary Receipts), each representing one common share of Vale	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
5.50% Guaranteed Notes due 2010, series RIO P, issued by Vale Capital	New York Stock Exchange
5.50% Guaranteed Notes due 2010, series RIO, issued by Vale Capital	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 Vale as of December 31, 2008 was:**

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3,181,786,583 common shares, no par value per share  
2,031,725,314 preferred class A shares, no par value per share  
12 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  No

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  No

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  No

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  Accelerated filer  Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  
 Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

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  No

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**PRESENTATION OF FINANCIAL INFORMATION**

We have prepared our financial statements 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 Brazilian corporate law and the rules and regulations of the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or CVM.

We also publish Brazilian GAAP financial statements and use them for reports to Brazilian shareholders, CVM filings, determining the legal minimum dividend under Brazilian law and determining our Brazilian tax liability. Beginning in 2008, significant changes are being made to Brazilian corporate law to permit Brazilian GAAP to converge with International Financial Reporting Standards ( IFRS ). Pursuant to CVM regulations, we are required to report our financial statements in IFRS beginning with the year ending December 31, 2010.

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. References to CAD are to Canadian dollars, and references to A\$ are to Australian dollars. Unless otherwise specified, we use metric units. References to Vale are to Companhia Vale do Rio Doce. References to us or we are to Vale and, except where the context otherwise requires, its consolidated subsidiaries. References to our preferred shares are to our preferred class A shares. 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 Vale, and our preferred American Depositary Shares (our preferred ADSs ), each of which represents one preferred share of Vale. American Depositary Shares are represented by American Depositary Receipts ( ADRs ) issued by the depositary.

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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 acquisition, divestiture or joint venture transactions or other investment opportunities;

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;

trends in commodity prices and demand for commodities;

the future impact of competition and regulation;

the 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 forward-looking statements as a result of various factors. These risks and uncertainties include factors relating to (a) the countries in which we operate, mainly Brazil and Canada, (b) the global economy, (c) capital markets, (d) the mining and metals businesses and their dependence upon global industrial production, which is cyclical by nature, and (e) the high degree of global competition in the markets 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.

**Table of Contents****PART I****Item 1. Identity of directors, senior management and advisors**

Not applicable.

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

Not applicable.

**Item 3. Key information****SELECTED FINANCIAL DATA**

The tables below present 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**

	<b>2004</b>	<b>For the year ended December 31,</b>			<b>2008</b>
		<b>2005</b>	<b>2006</b>	<b>2007</b>	
		<b>(US\$ million)</b>			
Net operating revenues	8,066	12,792	19,651	32,242	37,426
Cost of products and services	(4,081)	(6,229)	(10,147)	(16,463)	(17,641)
Selling, general and administrative expenses	(452)	(583)	(816)	(1,245)	(1,748)
Research and development	(153)	(277)	(481)	(733)	(1,085)
Impairment of goodwill					(950)
Other expenses	(257)	(271)	(570)	(607)	(1,254)
Operating income	3,123	5,432	7,637	13,194	14,748
Non-operating income (expenses):					
Financial income (expenses)	(589)	(437)	(1,011)	(1,291)	(1,975)
Foreign exchange and monetary gains, net	65	299	529	2,553	364
Gain on sale of investments	404	126	674	777	80
Subtotal	(120)	(12)	192	2,039	(1,531)
Income before income taxes, equity results and minority interests	3,003	5,420	7,829	15,233	13,217
Income taxes charge	(749)	(880)	(1,432)	(3,201)	(535)
Equity in results of affiliates and joint ventures and change in provision for gains on equity investments	542	760	710	595	794
Minority interests	(223)	(459)	(579)	(802)	(258)

Net income	2,573	4,841	6,528	11,825	13,218
Total cash paid to shareholders(1)	787	1,300	1,300	1,875	2,850

(1) Consists of total cash paid to shareholders, whether classified as dividends or interest on shareholders equity, during the period.

**Table of Contents****Basic and diluted earnings per share**

	2004	For the year ended December 31,(1)				2008(5)
		2005	2006	2007		
	(US\$, except as noted)					
Earnings per share(2):						
Basic						
Per common share	0.56	1.05	1.35	2.41		2.58
Per preferred share	0.56	1.05	1.35	2.41		2.58
Diluted						
Per common share				2.42		2.61
Per preferred share				2.42		2.61
Weighted average number of shares outstanding (in thousands)(3):						
Common shares	2,943,216	2,943,216	2,943,216	2,943,216		3,028,817
Preferred shares	1,662,864	1,662,864	1,908,852	1,889,171		1,946,454
Treasury common shares underlying convertible notes				34,510		56,582
Treasury preferred shares underlying convertible notes				18,478		30,295
Total	4,606,080	4,606,080	4,852,068	4,885,375		5,062,148
Distributions to shareholders per share(4):						
In US\$	0.17	0.28	0.27	0.39		0.56
In reais	R\$ 0.49	R\$ 0.67	R\$ 0.58	R\$ 0.74	R\$	1.09

(1) We carried out two-for-one forward stock splits in September 2007 and in May 2006 and a three-for-one forward stock split in August 2004. Share and per-share amounts for all periods give retroactive effect to all forward stock splits.

(2) Diluted earnings per share for 2007 and 2008 include preferred shares and common shares underlying the mandatorily convertible notes due in 2010, which were issued in June 2007.

(3) Each common ADS represents one common share and each preferred ADS represents one preferred share.

(4) Our distributions to shareholders may be classified as either dividends or interest on shareholders' equity. Since 2004, part of each distribution has been classified as interest on shareholders' equity and part as dividends. For information about distributions paid to shareholders, see *Item 8. Financial information Distributions*.

(5) In July 2008, we issued 80,079,223 common ADSs, 176,847,543 common shares, 63,506,751 preferred ADSs and 100,896,048 preferred shares in a global equity offering. In August 2008, we issued an additional 24,660,419 preferred shares. In October 2008, our Board of Directors approved a share buy-back program. As of

December 31, 2008, we had acquired 18,355,859 common shares and 46,513,400 preferred shares, which are held in treasury. For more information see *Item 16E. Purchases of equity securities by the issuer and affiliated purchasers.*

**Table of Contents****Balance sheet data**

	<b>2004</b>	<b>2005</b>	<b>At December 31, 2006 (US\$ million)</b>	<b>2007</b>	<b>2008</b>
Current assets	3,890	4,775	12,940	11,380	23,238
Property, plant and equipment, net	9,063				