VALLEY OF THE RIO DOCE CO
Form 424B5
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PROSPECTUS SUPPLEMENT

(To prospectus dated December 12, 2003)

US$300,000,000

Vale Overseas Limited

8.25% Guaranteed Notes due 2034

Unconditionally Guaranteed by

Companhia Vale do Rio Doce

The notes offered by this prospectus supplement are a further issuance of the 8.25% Guaranteed Notes due 2034 and will be consolidated with and will form a single series with the US$500,000,000 principal amount of the notes that were originally issued on January 15, 2004.

Vale Overseas will pay interest on the notes on January 17 and July 17 of each year. Interest will accrue from July 17, 2005, and the first payment of interest on the notes initially offered on the date of this prospectus supplement will be on January 17, 2006. The notes will mature on January 17, 2034. In the event Vale Overseas or CVRD becomes obligated to pay additional amounts in excess of specified levels as a result of changes in Brazilian or Cayman Islands law, Vale Overseas may redeem the notes at any time in whole but not in part, before their stated maturity at a price equal to 100% of their principal amount plus accrued interest to the redemption date.

The notes will be unsecured obligations of Vale Overseas and will rank equally with Vale Overseas unsecured senior indebtedness. The guaranty will rank equally in right of payment with all of CVRD s other unsecured and unsubordinated debt obligations. The notes will be issued only in registered form in minimum denominations of US$2,000 and any integral multiple of US$1,000 in excess thereof.

Vale Overseas will apply to list the notes on the New York Stock Exchange.

Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page S-12 of this prospectus supplement.

	Per Note	Total
Public offering price[1]	106.881%	US$320,643,000
Underwriting discount	0.350%	US$1,050,000
Proceeds, before expenses, to Vale Overseas	106.531%	US$319,593,000

(1) Purchasers will also be required to pay an amount totaling US$7,218,750, in respect of accrued interest from July 17, 2005 to November 2, 2005, the date Vale Overseas expects to deliver the notes offered by this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form only through The Depository Trust Company on or about November 2, 2005.

ABN AMRO Incorporated **HSBC**

The date of this prospectus supplement is October 26, 2005.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of each of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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EXCHANGE RATES

The Central Bank of Brazil allows the *real*/U.S. dollar exchange rate to float freely, and it has intervened occasionally to control unstable movements in foreign exchange rates. We cannot predict whether the Central Bank of Brazil or the Brazilian government will continue to let the *real* float freely or will intervene in the exchange rate market through a currency band system or otherwise. The *real* may depreciate or appreciate against the U.S. dollar substantially in the future. For more information on these risks, see the information appearing under the heading Risk Factors in this prospectus supplement.

The following table provides information on the selling exchange rate, expressed in *reais* per U.S. dollar (R$/US$), for the periods indicated. Prior to March 14, 2005, under Brazilian regulations, foreign exchange transactions were carried out on either the commercial rate exchange market or the floating rate exchange market. Rates in the two markets were generally the same. The table uses the commercial selling rate for data prior to March 14, 2005.

The following table sets forth the selling exchange rate, expressed in *reais* per U.S. dollar (R$/US$), for the periods indicated.

Year ended December 31,	Period-end	Average for Period (1)	Low	High
2000	R$ 1.955	R$ 1.835	R$ 1.723	R$ 1.985
2001	2.320	2.353	1.936	2.801
2002	3.533	2.998	2.271	3.955
2003	2.889	3.060	2.822	3.662
2004	2.654	2.917	2.654	3.205
Month				
April 2005	R$ 2.531		R$ 2.520	R$ 2.660
May 2005	2.404		2.378	2.515
June 2005	2.350		2.350	2.489
July 2005	2.391		2.330	2.466
August 2005	2.364		2.277	2.432
September 2005	2.222		2.222	2.362
October 2005 (through October 25, 2005)	2.261		2.234	2.289

(1) Average of the rates of each period, using the average of the exchange rates on the last day of each month during each period.
Source: Central Bank of Brazil.

On October 25, 2005, the selling exchange rate was R$2.261 per US$1.00.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights key information described in greater detail elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference before making an investment decision. In this prospectus supplement, unless the context otherwise requires, references to CVRD, we, us and our refer to Companhia Vale do Rio Doce, its consolidated subsidiaries and its joint ventures and other affiliated companies, taken as a whole, and references to Vale Overseas mean Vale Overseas Limited, a wholly-owned finance subsidiary of CVRD.

Vale Overseas Limited

Vale Overseas is a finance company wholly owned by CVRD. Vale Overseas business is to issue debt securities to finance CVRD s activities. Vale Overseas was registered and incorporated as a Cayman Islands exempted company with limited liability on April 3, 2001. The issue of the notes will be the fourth borrowing by Vale Overseas.

Companhia Vale do Rio Doce

We are the world s largest producer and exporter of iron ore and pellets, the largest metals and mining company in the Americas and one of the largest private sector companies in Latin America by market capitalization. We hold exploration claims that cover 12.0 million hectares (29.6 million acres) in Brazil, and 3.8 million hectares (9.4 million acres) abroad in Gabon, Chile, Mozambique, Mongolia, Argentina and Peru. We operate large logistics systems, including railroads and ports that are integrated with our mining operations. Directly and through affiliates and joint ventures, we have major investments in the aluminum-related, energy and steel businesses. We are investing heavily in copper, nickel and coal exploration, and our first copper mine began operations in June 2004.

We recorded consolidated gross operating revenues of US$8,479 million in 2004 and US$6,049 million in the first six months of 2005. Of total gross operating revenues for the first six months of 2005, 68.9% were attributable to sales of iron ore and pellets, 11.1% were attributable to sales of aluminum-related products, 9.1% were attributable to third-party logistics services, 5.7% were attributable to sales of manganese and ferroalloys and 5.2% were attributable to sales of potash, kaolin and copper. In 2004 and the first six months of 2005, we recorded consolidated operating income of US$3,123 million and US$2,566 million, respectively, and consolidated net income of US$2,573 million and US$2,328 million, respectively.

Our main lines of business are:

Ferrous minerals. We operate two fully integrated world-class systems in Brazil for producing and distributing iron ore (the Northern System and the Southern System), consisting of mines, railroads and port and terminal facilities, and a third system consisting of CAEMI s mines and port facilities. At December 31, 2004, we had a total of 6,869 million tons of proven and probable iron ore reserves in our three systems in Brazil, with an average grade of 51.7% iron in our Southern System, 66.7% in our Northern System and 65.8% in CAEMI s iron ore mines. We also operate ten pellet-producing facilities, six of which are joint ventures with partners, and have a 50% stake in a joint venture that owns and operates two pelletizing plants. We are one of the world s largest producers of manganese ore and ferroalloys.

Non-ferrous minerals. We are the world s third largest producer of kaolin and Brazil s largest producer of potash. Our Sossego copper mine in Carajás, in the state of Pará, Brazil, began production of copper concentrate in June 2004 and is Brazil s largest producer of copper. Our non-ferrous minerals business also includes our exploration efforts related to copper, gold and nickel.

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Aluminum-related operations. Through subsidiaries and joint ventures, we conduct major operations in the production of aluminum-related products. They include:

Bauxite mining, which we conduct through our 40.0% interest in Mineração Rio do Norte S.A., or MRN, which holds substantial bauxite reserves with a low strip ratio and high recovery rate. MRN, one of the largest bauxite producers in the world, has a nominal production capacity of 16.3 million tons per year and produced 16.7 million tons of bauxite in 2004. We are developing a wholly owned bauxite mine in the Paragominas region, in the state of Pará.

Alumina refining, which we conduct via our alumina refining subsidiary, Alunorte-Alumina do Norte do Brasil S.A., or Alunorte, which currently has a nominal production capacity of 2.4 million tons of alumina per year. In July 2003, Alunorte began work on a capacity expansion designed to increase its annual capacity to 4.2 million tons per year. We are also negotiating the terms of a potential joint venture with the Aluminum Corporation of China Limited (Chalco) to construct a new alumina refinery in the state of Pará.

Aluminum metal smelting, which we conduct through our subsidiary, Albras-Alumínio Brasileiro S.A., or Albras, which produces aluminum ingots and in which we have a 51.0% interest, and our joint venture, Valesul Alumínio S.A., or Valesul, which produces aluminum ingots, billets and alloys and in which we have a 54.5% interest. These companies currently have a combined production capacity of approximately 541,000 tons of aluminum per year.

Logistics. We are a leading provider of logistics services in Brazil, with operations in the railroad, coastal shipping and port handling industries. Each of the iron ore complexes of our Northern and Southern Systems incorporates an integrated railroad network linked to automated port and terminal facilities, and is designed to provide our mining products, general cargo and passenger rail transportation, bulk terminal storage and ship loading services to us and third parties. In 2004, our railroads transported approximately 65.6% of the total freight tonnage transported by Brazilian railroads, or approximately 139.0 billion ntk of cargo, of which 110.1 billion ntk were our iron ore and pellets.

Other investments. In addition to our core mining activities, we currently have investments in three steel companies, and we are in the process of conducting feasibility studies to determine whether to implement joint ventures with Baosteel Shanghai Group Corporation (Baosteel), Arcelor Group (Arcelor), Posco, Dongkuk, Danieli, BNDES and ThyssenKrupp Stahl A.G. to construct and operate steel slab plants in São Luís, in the state of Maranhão, Rio de Janeiro, in the state of Rio de Janeiro and Fortaleza, in the state of Ceará, Brazil. We also hold stakes in nine hydroelectric power generation projects with a total projected capacity of 3,364 MW (of which our share is 1,333.5 MW), five of which have already begun operations, and the remainder of which are scheduled to start operations within the next five years. Negotiations are currently underway to return the concession for the Santa Isabel hydroelectric project to the Brazilian government.

Through our mineral prospecting and development activities in Brazil, we have acquired extensive experience in exploration techniques and processes, and maintain an active mineral exploration program in Brazil and overseas. Our mineral exploration efforts are focused on copper, gold, nickel, manganese ore, kaolin, bauxite, diamond and platinum group metals.

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Business Strategy

Our goal is to strengthen our competitiveness among the world s leading mining companies by focusing on diversified growth in mining operations, principally by organic growth and developing our logistics business. We are pursuing disciplined capital management in order to maximize return on invested capital and total return to shareholders. Although we are emphasizing organic growth in our core businesses, we may pursue strategic acquisitions in order to create value for our shareholders.

Over the past several years, we have developed a robust long-term strategic planning process. We are building on these changes with ambitious long-range plans in each of our principal business areas, including substantial capital expenditures for organic growth through 2012.

The following paragraphs provide some highlights of our major strategies.

Maintaining Our Leadership Position in the Seaborne Iron Ore Market

In 2004, we consolidated our leadership in the seaborne iron ore trade market, with an estimated 32.1% of the total 602 million tons traded in the year. We are committed to maintaining our position in the world iron ore market by strengthening relationships with clients, focusing our product line to capture industry trends, increasing our production capacity in line with demand growth and controlling costs. We believe that our strong relationships with major customers (reinforced through long-term contracts), tailored product line and high quality products will likely enable us to achieve this goal.

We are taking steps to encourage several steel makers to develop export-oriented slab plants in Brazil in order to create additional demand for our iron ore.

Growing Our Logistics Business

We believe that the quality of our railway assets and our many years of experience as a railroad and port operator, together with the lack of efficient transportation for general cargo in Brazil, position us as a leader in the logistics business in Brazil. We are also expanding the capacity of our railroads through the purchase of additional locomotives and wagons.

Increasing Our Aluminum-Related Activities

We plan to develop and increase production capacity in our aluminum-related operations, focusing on the first steps of the production chain, developing low-cost bauxite and alumina projects. We have large undeveloped high quality bauxite reserves and opportunities for low-cost expansions in our alumina refinery. We are working on the development of these opportunities. We are also investing in mineral exploration to increase our bauxite reserves. We may pursue acquisitions and/or partnerships in the production of primary aluminum to guarantee demand for our alumina.

Developing Our Copper Resources

We believe that our copper projects, which are all situated in the Carajás region, in the state of Pará, can be among the most competitive in the world in terms of investment cost per ton of ore. Our copper mines will benefit from our transportation facilities serving the Northern System.

Investing in Coal

We are pursuing several efforts to become a large global participant in the coal business. As an important supplier of raw materials to the steel industry, metallurgical coal will complement our portfolio of products.

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Globalization of Multi-Commodity Exploration Efforts

We are engaged in an active mineral exploration program, with efforts in several countries around the globe, including Brazil, Peru, Chile, Argentina, Mongolia, Gabon, Angola and Mozambique. We are mainly seeking new deposits of copper, gold, manganese ore, nickel, kaolin, bauxite, coal, diamond and platinum group metals. Mineral exploration is an important part of our organic growth strategy.

Developing Power Generation Projects

Energy management and efficient supply have become a priority for us. Driven both by structural changes in the industry and regulatory uncertainties, which could increase the risk of rising electricity prices and energy shortages, such as Brazil experienced in the second half of 2001, we have invested in nine projects to develop hydroelectric power generation plants and we plan to use the electricity from these projects for our internal needs. As a large consumer of electricity, we expect that investing in power projects will help protect us against volatility in the price of energy.

Vale Overseas registered office is at Walker House, PO Box 908 GT, Mary Street, Georgetown, Grand Cayman, Cayman Islands. CVRD s principal executive offices are located at Avenida Graça Aranha, No. 26, 20030-900, Rio de Janeiro, RJ, Brazil, and its telephone number is 55-21-3814-4540.

The Offering

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, please refer to the section entitled Description of Notes in this prospectus supplement and the sections entitled Description of Debt Securities and Description of the Guarantees in the accompanying prospectus. In this description of the offering, references to CVRD mean Companhia Vale do Rio Doce only and do not include Vale Overseas or any of CVRD s other subsidiaries or affiliated companies.

Issuer	Vale Overseas Limited
Guarantor	Companhia Vale do Rio Doce
Notes offered	US$300,000,000 in principal amount of 8.25% Guaranteed Notes due 2034.

The notes offered by this prospectus supplement are a further issuance of the 8.25% Guaranteed Notes due 2034 and will be consolidated with and will form a single series with the US$500,000,000 principal amount of the notes that were originally issued on January 15, 2004.

Guaranty	CVRD will irrevocably and unconditionally guarantee the full and punctual payment of principal, interest, additional amounts and all other amounts that may become due and payable in respect of the notes. If Vale Overseas fails to punctually pay any such amount, CVRD will immediately pay the same, subject to limitations due to restrictions on the transfer, conversion, use or control of currency imposed on CVRD by the government of Brazil.
Issue price	106.881% of the principal amount, plus accrued interest from July 17, 2005.
Maturity	January 17, 2034
Interest rate	The notes will bear interest at the rate of 8.25% per annum, accruing from July 17, 2005 based upon a 360-day year consisting of twelve 30-day months.
Interest payment dates	Interest on the notes will be payable semi-annually on January 17 and July 17 of each year, commencing on January 17, 2006.
Ranking	The notes are general obligations of Vale Overseas and are not secured by any collateral. Your right to payment under these notes will be:

junior to the rights of secured creditors of Vale Overseas to the extent of their interest in Vale Overseas assets. Holders of Vale Overseas Enhanced Guaranteed Notes due 2007 have a security interest in a reserve account which secures the payment of 18 months of interest in the event of certain political risk events; and

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- equal with the rights of creditors under all of Vale Overseas other unsecured and unsubordinated debt.

The guaranty will be a general obligation of CVRD and is not secured by any collateral. Your right to payment under the guaranty will be:

- junior to the rights of secured creditors of CVRD to the extent of their interest in CVRD s assets;
- equal with the rights of creditors under all of CVRD s other unsecured and unsubordinated debt; and
- effectively subordinated to the rights of any creditor of a subsidiary of CVRD over the assets of that subsidiary.

As of June 30, 2005, Vale Overseas had US$913 million of debt outstanding. On a consolidated basis, CVRD had US$4,085 million of debt outstanding and US$83 million of accrued charges as of June 30, 2005, US$994 million of which was secured debt. CVRD s subsidiaries, with the exception of Vale Overseas debt noted above, had US$1,713 million of indebtedness outstanding as of June 30, 2005. Of this amount, US$818 million was secured. In addition, at June 30, 2005, CVRD had extended guarantees of borrowings of joint ventures and affiliated companies amounting to US$6 million.

Covenants

The indenture governing the notes contains restrictive covenants that, among other things and subject to certain exceptions, limit CVRD s ability to:

- merge or transfer assets, and
- incur liens,

And, among other things and subject to certain exceptions, limit Vale Overseas ability to:

- merge or transfer assets,
- incur liens,
- incur additional indebtedness, and
- pay dividends.

For a more complete description of CVRD s and Vale Overseas covenants, see Description of Notes Certain Covenants in this prospectus supplement and Description of Debt Securities Certain Covenants in the accompanying prospectus.

Further Issuances	Vale Overseas reserves the right, from time to time, without the consent of the holders of the notes, to issue additional notes on terms and conditions identical to those of the notes, which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the notes. Vale Overseas may also issue other securities under the indenture which have different terms from the notes. Likewise, CVRD has the right, without the consent of the holders, to guarantee any such additional securities, to guarantee debt of its other subsidiaries and to issue its own debt.

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Payment of additional amounts	Vale Overseas and CVRD will pay additional amounts in respect of any payments of interest or principal so that the amount you receive after Brazilian or Cayman Islands withholding tax will equal the amount that you would have received if no withholding tax had been applicable, subject to some exceptions as described under Description of Notes Payment of Additional Amounts in this prospectus supplement and Description of Debt Securities Payment of Additional Amounts in the accompanying prospectus.
Tax redemption	If, due to changes in Brazilian or Cayman Islands laws relating to withholding taxes applicable to payments of interest, Vale Overseas or CVRD are obligated to pay additional amounts on the notes in respect of Brazilian or Cayman Islands withholding taxes at a rate in excess of 15%, Vale Overseas may redeem the notes in whole, but not in part, at any time, at a price equal to 100% of their principal amount plus accrued interest to the redemption date.
Use of proceeds	The net proceeds of this offering will be used for CVRD s general corporate purposes, which may include funding working capital and capital expenditures and financing potential acquisitions.
NYSE listing	Application will be made to list the notes on the New York Stock Exchange in accordance with the rules and regulations of the New York Stock Exchange.
	Application has been made to de-list the US$500,000,000 principal amount of notes originally issued on January 15, 2004 from the Luxembourg Stock Exchange and to list such notes on the New York Stock Exchange. We expect the new listing to be completed by the issue date of the notes offered by this prospectus supplement.
CUSIP, Common Code and ISIN Numbers	CUSIP: 91911T AE3 Common Code: 018409879 ISIN: US91911TAE38
Rating	The US$500,000,000 principal amount of notes issued on January 15, 2004 have been assigned a foreign currency rating of Baa3 , with positive outlook, by Moody s Investor Services, Inc. (Moody s) and BBB by Standard & Poor s Rating Services (S&P). We expect the notes offered hereby to have the same ratings.
Risk Factors	See Risk Factors and the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before investing in the notes.

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Summary Consolidated Financial Data

The tables below present summary consolidated financial data of CVRD at and for the periods indicated. The data in the table below as of December 31, 2003 and 2004 and for each of the three years ended December 31, 2004, have been derived from CVRD s audited financial statements, which appear in CVRD s annual report on Form 20-F, incorporated by reference into this prospectus supplement and the accompanying prospectus. The data at and for the six months ended June 30, 2004 and 2005 have been derived from our unaudited interim financial statements, incorporated by reference into this prospectus supplement and the accompanying prospectus, which in the opinion of management, reflect all adjustments which are of a normal recurring nature necessary for a fair presentation of the results for such periods. The results of operations for the six months ended June 30, 2005 are not necessarily indicative of the operating results to be expected for the entire year ended December 31, 2005. In addition, the following table presents selected financial data as of December 31, 2000, 2001 and 2002 and for each of the two years in the period ended December 31, 2001, which have been prepared in a manner consistent with the information set forth in the consolidated financial statements. You should read the information below in conjunction with our audited and unaudited consolidated financial statements and notes thereto, which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

	For the year ended December 31,					For the six months ended June 30,	
	2000	2001	2002	2003	2004	2004	2005
				(millions of US$)		(unaudited)	
Statement of Income Data							
Net operating revenues	US$ 3,935	US$ 3,935	US$ 4,123	US$ 5,350	US$ 8,066	US$ 3,576	US$ 5,749
Cost of products and services	(2,429)	(2,272)	(2,263)	(3,128)	(4,081)	(1,820)	(2,755)
Selling, general and administrative expenses	(225)	(241)	(224)	(265)	(452)	(207)	(248)
Research and development	(48)	(43)	(50)	(82)	(153)	(50)	(88)
Employee profit sharing plan	(29)	(38)	(38)	(32)	(69)	(30)	(41)
Other expenses	(180)	(379)	(119)	(199)	(188)	(54)	(51)
Operating income	1,024	962	1,429	1,644	3,123	1,415	2,566
Non-operating income (expenses):							
Financial income (expenses)	(107)	(200)	(248)	(249)	(589)	(217)	(87)
Foreign exchange and monetary losses, net	(240)	(426)	(580)	242	65	(287)	302
Gain on sale of investments	54	784		17	404		