



Vale reduces pellet production

Rio de Janeiro, December 8, 2008 - Companhia Vale do Rio Doce (Vale) announces that it has stopped the operations of two of its pellet plants located at the port of Tubarão, in the state of Espírito Santo, Brazil. The two plants have a total production capacity of 7.3 million metric tons per year.

The decision to curtail pellet production is due to the unprecedented contraction of the global demand for iron ore and pellets. The stoppage of the plants follows the shutdown of two other Vale pellet plants at the port of Tubarão since November 5, 2008. In addition, our joint venture Samarco Mineração announced the stoppage until mid-January 2009 of two pellet plants. The plants currently being kept idled involve an overall total capacity of 29.3 million metric tons of pellets per year.

In light of the severe global recession and the uncertainties about the future, Vale will continue to manage its production in line with its assessment of market conditions prevailing in the short-term.

For further information, please contact:
+55-21-3814-4540

Roberto Castello Branco: roberto.castello.branco@vale.com

Alessandra Gadelha: alessandra.gadelha@vale.com

Marcus Thieme: marcus.thieme@vale.com

Patricia Calazans: patricia.calazans@vale.com

Roberta Coutinho: roberta.coutinho@vale.com

Theo Penedo: theo.penedo@vale.com

Tacio Neto: tacio.neto@vale.com

This press release may include declarations that present Vale's expectations in relation to future events or results. All declarations, when based upon future expectations and not on historical facts involve various risks and uncertainties. Vale cannot guarantee that such declarations will come to be correct. These risks and uncertainties include factors related to the following: (a) countries where we operate, mainly Brazil and Canada; (b) global economy; (c) capital markets; (d) iron ore and nickel businesses and their dependence upon the global steel industry, which is cyclical by nature; (e) high degree of global competition in the markets which Vale operates. To obtain further information on factors that may give origin to results different from those forecasted by Vale, please consult the reports filed with the Brazilian Securities and Exchange Commission (CVM), the Autorité des Marchés Financiers (AMF), and with the U.S. Securities and Exchange Commission (SEC), including the most recent Annual Report - Vale Form 20F and 6K forms.