



Vale adjusts pellet production

Rio de Janeiro, October 04, 2012 - Vale S.A. (Vale) informs that an additional portion of its iron ore production will be allocated to increase the supply of sinter feed, consequently reducing the availability of pellet feed for the pelletizing process. This adjustment stems from the change in the composition of steel industry demand for raw materials throughout the cycle, where there is a contraction in pellet consumption in favor of greater use of sinter feed.

Due to these cyclical movements, Vale will temporarily halt operations at the São Luís and Tubarão I and II pellet plants, starting from October 8 and November 13, 2012, respectively. The aforementioned plants were responsible for the production of 4.926 million metric tons of pellets during the first half of 2012, accounting for 18.3% of Vale's total. Employees at these plants will be reassigned to other operational activities at Vale.

Vale continues to invest in the execution of its iron ore and pellets growth pipeline, remaining confident in the long-term iron ore market fundamentals and, above all, in the high competitiveness of its world-class assets.

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