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Vale - 3Q10 Production Report

High performance

Vale operations performed very well in 3Q10, as shown by the continuous output increase of the majority of its products, and the recording of all-time high volumes for pellets, coal and bauxite.

We concluded three projects - Additional 20Mt, Bayovar and CSA - in the first seven months of the year and others are being delivered in 4Q10 - Onça Puma, Tres Valles and Oman. VNC, formerly Goro, is being successfully commissioned and has already started to produce an intermediate nickel and cobalt product, nickel hydroxide cake. A total of US\$ 12.6 billion was invested in these projects, which are beginning to generate cash flow and superior returns to shareholders.

The improvement in operational performance of the existing assets and the delivery of new projects amidst a scenario of growing global demand for minerals, metals and fertilizers are adding significant strength to our financial results.

The production of iron ore reached 82.6 Mt, the second largest quarterly output in Vale's history and the best performance since the record of 85.8 Mt achieved in 3Q08. The operational issues at the discharge in the Ponta da Madeira maritime terminal were solved, allowing Carajás production to rise to a record level. In another important achievement, the performance of our iron ore operations was sufficient to feed the all-time high pellet output of 13.6 Mt in 3Q10.

In the first nine months of 2010, Vale produced 227.5 Mt of iron ore and 36.8 Mt of pellets, increasing 30.4% and 143.5%, respectively, over the same period last year.

Coal production attained a record level of 1.9 Mt in 3Q10 as did bauxite with 3.8 Mt.

The Canadian nickel operations were returning to normalcy during 3Q10 and are reaching full capacity in October. Mining as well as smelting and refining operations at Sudbury, the precious metals plant of Port Colborne, and Voisey's Bay mining and processing operations were ramped up. The 3Q10 numbers already showed some improvement in nickel and copper output, but the bulk of output growth of nickel and its by-products will be reflected in the 4Q10 report.

In 3Q10, the first quarter in which their production volumes are reported for the full three-month period, the recently acquired phosphate fertilizer assets delivered a strong performance. Bayovar, our phosphate rock mine in Peru, came on stream in July 2010, and its first production of 209,000 metric tons was recorded in 3Q10.

More information



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