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## 1Q09 Production Report

Vale is managing its production in line with its assessment of market conditions prevailing in the short-term. In order to weather the severe global economic downturn, we have been focusing on operational flexibility simultaneously changing our priority to cost minimization from production maximization.

As a provider of raw materials for manufacturing and construction activities, Vale has been facing unprecedented weak demand conditions derived from the sharp decrease of global industrial production.

In the specific case of iron ore, as the only truly global supplier Vale had to implement a deeper cutback in production in response to the dramatic contraction of steel output in the Americas and Europe, sharper than in other regions of the world. For instance, steel production in Europe dropped in the first quarter of 2009 by 43.8% year-on-year, in North America by 52.1% and in Brazil by 42.1%, while in Asia the decrease was milder, 8.9%. The Americas and Europe represented 47.5% of our iron ore sales in 2008.

With a few exceptions, the output of most of our products has declined on a year-on-year basis as well as on a quarter-on-quarter basis.

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### More information



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