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## 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.