

Vale S.A.
Form 6-K
October 29, 2009

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**United States
Securities and Exchange Commission
Washington, D.C. 20549
FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the
Securities Exchange Act of 1934
For the month of
October 2009
Vale S.A.**

Avenida Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil
(Address of principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes No

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7))

(Check One) Yes No

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-____.)

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Press Release

Vale 3Q09 Production Report**RETURNING TO GROWTH**

Rio de Janeiro, October 28, 2009 Vale S.A. (Vale) showed improving operational performance in the third quarter of 2009, highlighted by the production increase of iron ore (+11.5%), pellets (+87.5%), ferroalloys (+116.5%), bauxite (+15.7%), alumina (+5.5%), potash (+17.4%), kaolin (+8.1%), and metallurgical coal (+64.5%) relative to the levels of 2Q09.

The rise in iron ore and pellet output is particularly important given the underlying expansion of capacity utilization, a very important movement in a highly capital intensive industry where fixed costs are responsible for a major share of operational costs.

After an initial phase of acceleration primarily led by Asian and other emerging economies, the global recovery is in transition towards a broadening base of growth. This has already begun with the recovery spreading to developed economies while the pace of growth in emerging Asia tends to moderate relative to the two-digit marginal rates of expansion seen in 2Q09. One of the most important implications of these developments is that the macroeconomic scenario is laying the ground for a robust and sustainable cycle of growing demand for minerals and metals. As a consequence, we expect to continue to promote increases in capacity utilization simultaneously to the development of our large pipeline of projects in order to deliver substantial capacity expansion in various business segments over the next few years.

FERROUS MINERALS*Iron ore*

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|---------------------|---------------|---------------|---------------|----------------|----------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| IRON ORE | 85,884 | 57,696 | 64,334 | 238,422 | 168,891 | 11.5% | -25.1% | -29.2% |
| Southeastern System | 33,476 | 22,068 | 25,528 | 93,108 | 64,221 | 15.7% | -23.7% | -31.0% |
| Itabira | 11,553 | 8,205 | 8,939 | 34,100 | 23,128 | 8.9% | -22.6% | -32.2% |
| Mariana | 10,501 | 6,963 | 7,834 | 28,497 | 21,001 | 12.5% | -25.4% | -26.3% |
| Minas Centrais | 11,132 | 6,900 | 8,482 | 29,765 | 19,820 | 22.9% | -23.8% | -33.4% |
| Urucum | 289 | | 273 | 747 | 273 | n.a. | -5.6% | -63.4% |
| Southern System | 23,025 | 15,108 | 15,684 | 64,863 | 40,643 | 3.8% | -31.9% | -37.3% |
| Minas Itabirito | 6,649 | 5,006 | 5,403 | 18,973 | 12,883 | 7.9% | -18.7% | -32.1% |
| Vargem Grande | 7,703 | 5,514 | 5,697 | 21,640 | 15,344 | 3.3% | -26.0% | -29.1% |
| Paraopeba | 8,673 | 4,588 | 4,584 | 24,249 | 12,415 | -0.1% | -47.1% | -48.8% |
| Carajás | 26,751 | 20,480 | 22,941 | 74,189 | 63,698 | 12.0% | -14.2% | -14.1% |
| Samarco | 2,633 | 40 | 182 | 6,262 | 328 | 353.5% | -93.1% | -94.8% |

Given the end of destocking of iron ore and the recovery of carbon steel production in Brazil, Western Europe, Japan and non-China Asia, the global demand for iron ore has strengthened.

Our iron ore production amounted to 64.3 Mt^{1,2} in 3Q09, increasing by 11.5% relative to 2Q09. In the first nine months of 2009, it totaled 168.9 Mt, 29.2% lower than 9M08.

¹ Mt = million metric tons

² Production in 3Q09 was 64.2

Mt under US
GAAP

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At Carajás, iron ore output was 22.9 Mt, slightly above the level reached in 2Q09. Carajás operating activities are running a little below its nominal annual capacity of 100 Mtpy, as we are prioritizing cost optimization over production volumes. The high-quality low-cost Carajás iron ore represented 35.7% of our total production in 3Q09, against 31.1% in 3Q08.

The future of our iron ore capacity increasingly relies on Carajás. It is one of the richest mineral provinces in the world, with 7.2 billion metric tons of proven and probable reserves and huge resources of the best iron ore, with high iron content and very low impurities. The focus on Carajás is an important move towards maximizing the profitability of our ferrous minerals operations, given the lower operational costs and the price premium over other iron ores arising from its superior value-in-use to the steel industry.

The Southeastern System, which encompasses the Itabira, Mariana, Minas Centrais and Urucum iron ore mining sites, produced 25.5 Mt, 15.7% higher than 2Q09. The Gongo Soco mine, which has a nominal capacity of 6.1 Mtpy and is part of the Minas Centrais complex, resumed operations in July. Urucum also resumed its operations during the quarter. Currently, we are operating all the 13 mines of the Southeastern System.

The Southern System, which comprises Minas Itabirito, Vargem Grande and Paraopeba, produced 15.7 Mt in 3Q09, 3.8% higher than 2Q09. In spite of the output increase, we still keep two of the ten Southern System mines shutdown due to their higher costs.

Pellets

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|------------------|---------------|--------------|--------------|---------------|---------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| PELLETS | 12,748 | 4,251 | 7,970 | 37,095 | 15,550 | 87.5% | -37.5% | -58.1% |
| Tubarão I and II | 1,666 | 1,338 | 1,311 | 4,953 | 3,159 | -2.0% | -21.3% | -36.2% |
| Fábrica | 1,091 | | | 3,200 | 235 | n.a. | n.a. | -92.7% |
| São Luís | 1,876 | | | 5,170 | 3 | n.a. | n.a. | n.a. |
| Vargem Grande | | 222 | 809 | | 1,034 | 265.3% | n.a. | n.a. |
| Nibrasco | 2,559 | 1,141 | 2,404 | 6,857 | 3,641 | 110.7% | -6.1% | -46.9% |
| Kobrasco | 1,281 | | | 3,810 | 889 | n.a. | n.a. | -76.7% |
| Hispanobras | 581 | | 125 | 1,729 | 125 | n.a. | -78.5% | -92.8% |
| Itabrasco | 1,040 | | 656 | 2,937 | 656 | n.a. | -37.0% | -77.7% |
| Samarco | 2,654 | 1,551 | 2,665 | 6,534 | 5,364 | 71.9% | 0.4% | -17.9% |

Our total production reached 8.0 Mt¹ against 4.3 Mt in 2Q09, increasing 87.5% qoq. In 3Q09, we produced 5.2 Mt of blast furnace pellets and 2.8 Mt of direct reduction pellets.

The end of destocking, rising carbon steel output and lower prices led to a stronger than expected demand recovery for pellets at this stage of the cycle. To meet client demand, the Itabrasco and Hispanobras plants, at Tubarão, resumed operations in July and August, respectively. Our joint venture Samarco was operating its three plants by the end of quarter and the Kobrasco plant resumed operations in mid-October. Therefore, currently there are eleven plants in operation in Brazil and only the wholly-owned Fábrica (4.5 Mtpy) and São Luis (7.0 Mtpy) are still shutdown, reflecting a significant change relatively to the situation prevailing in the first quarter of the year.

Our newest plant, Vargem Grande (VGR), whose nominal capacity is 7 Mtpy, started the ramp up at the end of 1Q09 and produced 809,000 metric tons in 3Q09, versus 220,000 t in 2Q09. VGR is located in the Southern System, near Nova Lima, in the Brazilian state of Minas Gerais.

¹ Production in 3Q09 was 5.2 Mt under US

GAAP

Table of Contents*Manganese ore and ferroalloys*

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % Change 3Q09/2Q09 | % Change 3Q09/3Q08 | % Change 9M09/9M08 |
|--------------------|------------|------------|------------|--------------|--------------|--------------------------|--------------------------|--------------------------|
| MANGANESE | | | | | | | | |
| ORE | 694 | 550 | 449 | 1,892 | 1,112 | -18.2% | -35.2% | -41.2% |
| Azul | 561 | 448 | 378 | 1,611 | 869 | -15.8% | -32.7% | -46.0% |
| Urucum | 75 | 56 | 41 | 188 | 137 | -26.5% | -45.2% | -27.3% |
| Other mines | 58 | 45 | 31 | 93 | 105 | -32.2% | -47.0% | 13.6% |
| FERROALLOYS | | | | | | | | |
| Brazil | 78 | 8 | 24 | 229 | 65 | 211.5% | -69.6% | -71.5% |
| Dunkerque | 16 | | 10 | 55 | 10 | n.a. | -40.3% | -82.2% |
| Mo I Rana | 30 | 20 | 26 | 91 | 60 | 30.1% | -14.9% | -33.9% |
| Urucum | 5 | | | 16 | | n.a. | n.a. | n.a. |

Manganese ore production reached 449,000 metric tons (t) in 3Q09, decreasing 18.2% relative to the 550,000 t produced in 2Q09. The Azul mine, our largest manganese mine, was stopped temporarily for preventive and structure maintenance during July.

Ferroalloy output increased to 59,300 t from 27,400 t in 2Q09. In 3Q09 we produced 34,200 t of ferrosilicon manganese alloys (FeSiMn), 21,500 t of high-carbon manganese alloys (FeMnAc) and 3,600 t of medium-carbon manganese alloys (FeMnMC).

In 3Q09, we kept three of the four ferroalloy plants in Brazil running. Our operations in Dunkerque, France, resumed production after the stoppage for electric furnace maintenance. Thus, the higher rate of capacity utilization in both operations has contributed to a quarter-on-quarter increase of 26,000 t ferroalloy output.

The ferroalloy plant in Mo I Rana, Norway, also showed better performance, producing 26,000 t in 3Q09, against 20,000 t in 2Q09.

Table of Contents**NON-FERROUS MINERALS***Nickel*

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % Change 3Q09/2Q09 | % Change 3Q09/3Q08 | % Change 9M09/9M08 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-----------------------------------|-----------------------------------|-----------------------------------|
| NICKEL¹ | 72 | 59 | 33 | 202 | 157 | -44.7% | -54.9% | -22.4% |
| Sudbury | 18 | 15 | 5 | 56 | 42 | -66.8% | -73.5% | -25.6% |
| Thompson | 8 | 8 | 5 | 21 | 19 | -45.3% | -40.3% | -10.5% |
| Voisey s Bay | 22 | 16 | 3 | 58 | 36 | -82.5% | -87.5% | -38.5% |
| Sorowako | 19 | 18 | 20 | 54 | 54 | 9.0% | 5.5% | 1.0% |
| Others* | 5 | 2 | | 12 | 6 | -81.7% | -93.6% | -54.4% |

* External feed purchased from third parties and processed into finished nickel in our operations

The Copper Cliff North mine at Sudbury and the Birchtree mine in Thompson have once again been recognized for safety excellence. For the third year in a row, CC North received the Canadian National John T. Ryan trophy, as the safest metal mine in the country, reaching over 2.3 million hours of work without a disabling injury. Birchtree received a regional John T. Ryan trophy as the safest mine in the Prairies, Northwest Territories and Nunavut region. Total finished nickel production was 32,700 t in 3Q09, down from 59,000 t in 2Q09. The decrease relative to 2Q09 is chiefly due to the strikes at the Sudbury and Voisey s Bay sites in Canada that began in July and August, 2009, respectively, after the union rejected the company s settlement proposal for a new three-year collective bargaining agreement.

Our proposal aims to provide the right incentives for labor productivity growth. The goal is to enhance the foundations of our long-term competitiveness in the nickel business. We strongly believe that this is the way to maintain sustainable value creation for our shareholders, and to keep providing sustainable benefits for other stakeholders, in particular for our employees, the communities where we operate and society at large.

In the first nine months of the year our production reached 157,000 t against 202,000 t in the same period of 2008.

Finished nickel production using Sudbury ore-source, was 4,900 t in 3Q09, down 9,800 t from 2Q09.

Production at Thompson, in the province of Manitoba, was 4,600 t in 3Q09, down 3,700 t from 2Q09. Thompson was shutdown in August for previously scheduled regular maintenance. In addition, the re-start of operations was slowed by problems in the power delivery to the processing mill and refinery.

Finished nickel production from Voisey s Bay feed was 2,700 t in 3Q09, against 15,700 t in 2Q09 and 21,900 t in 3Q08.

Finished nickel production sourced from Sorowako matte amounted to 20,200 t in 3Q09, rising 9.0% relative to the 18,500 t produced in 2Q09. The quarter-on-quarter increase is mainly explained by the use of in-process matte inventory at our Matsuzaka refinery, in Japan.

¹ The figures shown for finished nickel production do

not include the quantities produced from nickel concentrates purchased from other companies and processed externally under tolling arrangements.

These volumes were 1,400 t in 3Q08, 1,800 t in 2Q09 and zero in 3Q09.

Figures for our operations at Sudbury and Thompson include only the production from feed originating from our own mines. They exclude any concentrates purchased from third parties, which are subsequently processed in our operations.

Table of Contents**Bauxite**

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|-----------------|--------------|--------------|--------------|--------------|--------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| BAUXITE | 3,198 | 2,854 | 3,303 | 8,087 | 9,142 | 15.7% | 3.3% | 13.0% |
| Trombetas | 1,883 | 1,418 | 1,600 | 5,245 | 4,520 | 12.9% | -15.0% | -13.8% |
| Paragominas | 1,316 | 1,436 | 1,703 | 2,842 | 4,623 | 18.6% | 29.4% | 62.7% |

In 3Q09 our bauxite production amounted to 3.3 Mt, 15.7% higher than 2Q09 and 3.3% above the volume for 3Q08.

The Paragominas bauxite mine produced 1.7 Mt in 3Q09, an all-time high figure, up 18.6% against 2Q09, due to the improvement in the productivity of the second plant.

Paragominas is linked to the Alunorte alumina refinery by the first bauxite pipeline in the world. The mine is operating at 69% of its nominal capacity, as since the onset of the operations its product has presented smaller granules than expected, causing underperformance. To eliminate this problem at the refinery plant we have ordered additional filters. The employment of these filters is expected to allow the operation of Paragominas to run at its nominal capacity of 9.9 Mtpy from 1H10 onwards.

Vale's attributable production at Trombetas amounted to 1.6 Mt, up 12.9% quarter-over-quarter.

Alumina

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|-----------------|--------------|--------------|--------------|--------------|--------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| ALUMINA | 1,309 | 1,436 | 1,515 | 3,431 | 4,433 | 5.5% | 15.7% | 29.2% |
| Alunorte | 1,309 | 1,436 | 1,515 | 3,431 | 4,433 | 5.5% | 15.7% | 29.2% |

The production of alumina at the Barcarena refinery totaled 1.5 Mt in 3Q09, the second largest quarterly output in our history. It has increased 5.5% on a quarter-on-quarter basis, and it was close to the refinery nominal capacity of 6.26 million metric tons per year.

Aluminum

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|-----------------|------------|------------|------------|------------|------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| ALUMINUM | 140 | 113 | 113 | 407 | 347 | 0.3% | -19.1% | -14.8% |
| Albras | 115 | 113 | 113 | 340 | 338 | 0.3% | -1.9% | -0.7% |
| Valesul | 25 | | | 67 | 9 | n.a. | n.a. | n.a. |

Aluminum production was 113,000 t in 3Q09, the same level reached in 2Q09, as the Albras smelter is running near its nominal capacity of 455,000 tpy.

As previously mentioned, Valesul has ceased its aluminum smelting operations, becoming a producer of billets for extrusion, using purchased aluminum ingots and scrap as its main raw materials as from April 1st, 2009. Its production of billets was 8,800 t in 3Q09.

Table of Contents**Copper**

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|-----------------|-----------|-----------|-----------|------------|------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| COPPER | 80 | 61 | 31 | 230 | 166 | -49.2% | -61.2% | -28.1% |
| Sossego | 33 | 29 | 31 | 93 | 89 | 6.5% | -6.0% | -4.2% |
| Sudbury | 31 | 14 | | 87 | 39 | -96.9% | -98.6% | -54.8% |
| Thompson | | 1 | | 1 | 1 | -82.7% | -64.8% | -14.2% |
| Voisey s Bay | 13 | 11 | | 39 | 24 | -103.0% | -102.6% | -39.0% |
| Others | 3 | 6 | | 9 | 12 | -99.7% | -99.5% | 31.8% |

Vale's copper production in 3Q09 was 31,000 t, with a decrease of 49.2% compared to 2Q09, which is explained by the strikes at the Sudbury and Voisey s Bay operations. In 2008, both operations combined represented 55% of our total copper production.

Production of copper in concentrates by the Sossego mine at Carajás was 31,000 t in 3Q09 against 29,000 t in 2Q09.

Nickel by-products

| | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|--------------------------------|------------|------------|-----------|--------------|--------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| COBALT (tons) | 750 | 632 | 97 | 2,036 | 1,442 | -84.6% | -87.0% | -29.2% |
| Sudbury | 210 | 172 | 2 | 511 | 359 | -99.1% | -99.3% | -29.7% |
| Thompson | 44 | 48 | 31 | 146 | 111 | -35.7% | -29.5% | -24.0% |
| Voisey s Bay | 447 | 394 | 64 | 1,226 | 908 | -83.6% | -85.6% | -25.9% |
| Others | 50 | 17 | 1 | 153 | 64 | -97.0% | -99.0% | -58.5% |
| PLATINUM (000 oz troy) | 44 | 47 | 16 | 123 | 102 | -66.4% | -64.5% | -17.3% |
| Sudbury | 44 | 47 | 16 | 123 | 102 | -66.4% | -64.5% | -17.3% |
| PALLADIUM (000 oz troy) | 66 | 68 | 27 | 169 | 148 | -60.5% | -59.5% | -12.5% |
| Sudbury | 66 | 68 | 27 | 169 | 148 | -60.5% | -59.5% | -12.5% |
| GOLD (000 oz troy) | 24 | 19 | 4 | 65 | 47 | -81.4% | -85.1% | -27.7% |
| Sudbury | 24 | 19 | 4 | 65 | 47 | -81.4% | -85.1% | -27.7% |
| SILVER (000 oz troy) | 650 | 504 | 20 | 1,734 | 1,219 | -96.1% | -97.0% | -29.7% |
| Sudbury | 650 | 504 | 20 | 1,734 | 1,219 | -96.1% | -97.0% | -29.7% |

In 3Q09, cobalt production reached only 97 metric tons, an 84.6% quarter-on-quarter decrease, due to the strikes at the Sudbury, Port Colborne and Voisey s Bay operations.

Volumes of platinum and palladium produced by the Acton refinery, in the United Kingdom, were also impacted by the strike at the Sudbury operations, whose ores are an important source of feed for Acton.

Table of Contents**Potash**

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|-------------------|------------|------------|------------|------------|------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| POTASH | 172 | 159 | 186 | 505 | 531 | 17.2% | 8.3% | 5.1% |
| Taquari-Vassouras | 172 | 159 | 186 | 505 | 531 | 17.2% | 8.3% | 5.1% |

Production at Taquari-Vassouras in 3Q09 was 186,000 t, 17.2% higher than 2Q09. The rise in output is explained by the better use of the assets in the mine due to improvements in the infrastructure, maintenance and operations.

In 9M09, production increased 5.1%, reaching 531,000 t against 505,000 t in 9M08.

Kaolin

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % | % | % |
|-----------------|------------|------------|------------|------------|------------|---------------------|---------------------|---------------------|
| | | | | | | Change 3Q09/2Q09 | Change 3Q09/3Q08 | Change 9M09/9M08 |
| KAOLIN | 314 | 194 | 210 | 898 | 542 | 8.1% | -33.2% | -39.7% |
| PPSA | 136 | 93 | 83 | 429 | 233 | -10.7% | -38.9% | -45.7% |
| Cadam | 178 | 101 | 126 | 470 | 309 | 25.6% | -28.8% | -34.3% |

In 3Q09 kaolin production reached 210,000 t, increasing 8.1% relatively to 2Q09, when it was recorded at 194,000 t, responding to stronger demand from Asia.

CADAM, which is responsible for serving the Asian market, expanded production to 126,000 t, in a 25.6% increase vis-à-vis 2Q09. On the other hand, PPSA, which produces products destined to other markets where demand remains weak, delivered 83,000 t in 3Q09, 10.7% lower than the 2Q09.

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Coal

| 000 metric tons | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % Change 3Q09/2Q09 | % Change 3Q09/3Q08 | % Change 9M09/9M08 |
|------------------------|-------------|-------------|-------------|--------------|--------------|-----------------------------------|-----------------------------------|-----------------------------------|
| METALLURGICAL | | | | | | | | |
| COAL | 686 | 513 | 844 | 2,104 | 1,869 | 64.5% | 23.0% | -11.2% |
| Integra Coal | 448 | 224 | 456 | 1,307 | 986 | 103.7% | 1.8% | -24.5% |
| Carborough Downs | 76 | 134 | 127 | 304 | 359 | -5.6% | 67.2% | 18.4% |
| Broadlea | 60 | 57 | 114 | 204 | 227 | 101.1% | 89.8% | 11.3% |
| Others | 103 | 98 | 148 | 290 | 296 | 49.9% | 43.6% | 1.9% |
| THERMAL COAL | 362 | 989 | 858 | 899 | 2,285 | -13.3% | 137.2% | 154.1% |
| El Hatillo | | 460 | 315 | | 775 | -31.6% | n.a. | n.a. |
| Integra Coal | 116 | 194 | 147 | 373 | 599 | -24.0% | 26.8% | 60.3% |
| Broadlea | 209 | 153 | 209 | 432 | 470 | 36.5% | -0.1% | 8.9% |
| Others | 37 | 182 | 187 | 94 | 442 | 2.5% | 410.6% | 368.8% |

Vale's total coal production reached a record of 1.7 Mt in 3Q09. It was comprised of 844,000 t of metallurgical coal and 858,000 t of thermal coal. Output of metallurgical coal has increased 64.5% on a qoq basis while thermal coal volumes dropped 13.3%.

Production of metallurgical coal at Integra Coal, located in the state of New South Wales, Australia, was up 103.7% in 3Q09 compared with 2Q09. At the same time, its thermal coal output was 24.0% lower, as mining was concentrated on a section with a higher proportion of metallurgical coal during the quarter.

The recently acquired thermal coal mine of El Hatillo produced 315,000 t against 460,000 in the previous quarter. We have decided on a temporary production cutback at El Hatillo to adjust it to the shipment program, given the weak demand for thermal coal in the Atlantic. El Hatillo is an open pit coal mine located in the Cesar Department, a major Colombian coal producing region.

Combined total production at Carborough Downs and Broadlea, in the state of Queensland, Australia, reached 449,000 t in 3Q09, 30.7% above 2Q09. Carborough Downs is an underground mine which is currently implementing a longwall operation to make feasible a capacity increase to 4.4 Mt per year. Broadlea is a small open pit mine which shares a coal handling preparation plant (CHPP) with Carborough Downs and acts a support to it. The joint production of Broadlea and Carborough Downs is transported through the Goonyella rail corridor, connecting the mines of Central Queensland's Bowen Basin to the Dalrymple Bay Coal Terminal.

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1,000 metric tons (unless stated otherwise)

| | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % Change 3Q09/2Q09 | % Change 3Q09/3Q08 | % Change 9M09/9M08 |
|--------------------------|---------------|---------------|---------------|----------------|----------------|--------------------------|--------------------------|--------------------------|
| IRON ORE | 83,252 | 57,656 | 64,153 | 232,160 | 168,562 | 11.3% | -22.9% | -27.4% |
| Southeastern System | 33,476 | 22,068 | 25,528 | 93,108 | 64,221 | 15.7% | -23.7% | -31.0% |
| Itabira | 11,553 | 8,205 | 8,939 | 34,100 | 23,128 | 8.9% | -22.6% | -32.2% |
| Mariana | 10,501 | 6,963 | 7,834 | 28,497 | 21,001 | 12.5% | -25.4% | -26.3% |
| Minas Centrais | 11,132 | 6,900 | 8,482 | 29,765 | 19,820 | 22.9% | -23.8% | -33.4% |
| Urucum | 289 | | 273 | 747 | 273 | n.a. | -5.6% | -63.4% |
| Southern System | 23,025 | 15,108 | 15,684 | 64,863 | 40,643 | 3.8% | -31.9% | -37.3% |
| Minas Itabirito | 6,649 | 5,006 | 5,403 | 18,973 | 12,883 | 7.9% | -18.7% | -32.1% |
| Vargem Grande | 7,703 | 5,514 | 5,697 | 21,640 | 15,344 | 3.3% | -26.0% | -29.1% |
| Paraopeba | 8,673 | 4,588 | 4,584 | 24,249 | 12,415 | -0.1% | -47.1% | -48.8% |
| Carajás | 26,751 | 20,480 | 22,941 | 74,189 | 63,698 | 12.0% | -14.2% | -14.1% |
| PELLETS | 9,514 | 2,700 | 5,180 | 26,927 | 9,616 | 91.8% | -45.6% | -64.3% |
| Tubarão I and II Fábrica | 1,666 | 1,338 | 1,311 | 4,953 | 3,159 | -2.0% | -21.3% | -36.2% |
| São Luís | 1,091 | | | 3,200 | 235 | n.a. | n.a. | -92.7% |
| Vargem Grande | 1,876 | | | 5,170 | 3 | n.a. | n.a. | n.a. |
| Nibrasco | | 222 | 809 | | 1,034 | 265.3% | n.a. | n.a. |
| Kobrasco | 2,559 | 1,141 | 2,404 | 6,857 | 3,641 | 110.7% | -6.1% | -46.9% |
| Itabrasco | 1,281 | | | 3,810 | 889 | n.a. | n.a. | -76.7% |
| | 1,040 | | 656 | 2,937 | 656 | n.a. | -37.0% | -77.7% |
| MANGANESE ORE | 694 | 550 | 449 | 1,892 | 1,112 | -18.2% | -35.2% | -41.2% |
| Azul | 561 | 448 | 378 | 1,611 | 869 | -15.8% | -32.7% | -46.0% |
| Urucum | 75 | 56 | 41 | 188 | 137 | -26.5% | -45.2% | -27.3% |
| Other mines | 58 | 45 | 31 | 93 | 105 | -32.2% | -47.0% | 13.6% |
| FERROALLOYS | 130 | 27 | 59 | 391 | 135 | 116.5% | -54.5% | -65.5% |
| Brazil | 78 | 8 | 24 | 229 | 65 | 211.5% | -69.6% | -71.5% |
| Dunkerque | 16 | | 10 | 55 | 10 | n.a. | -40.3% | -82.2% |
| Mo I Rana | 30 | 20 | 26 | 91 | 60 | 30.1% | -14.9% | -33.9% |
| Urucum | 5 | | | 16 | | n.a. | n.a. | n.a. |
| NICKEL | 72 | 59 | 33 | 202 | 157 | -44.7% | -54.9% | -22.4% |
| Sudbury | 18 | 15 | 5 | 56 | 42 | -66.8% | -73.5% | -25.6% |
| Thompson | 8 | 8 | 5 | 21 | 19 | -45.3% | -40.3% | -10.5% |
| Voisey's Bay | 22 | 16 | 3 | 58 | 36 | -82.5% | -87.5% | -38.5% |
| Sorowako | 19 | 18 | 20 | 54 | 54 | 9.0% | 5.5% | 1.0% |
| Others ** | 5 | 2 | | 12 | 6 | -81.7% | -93.6% | -54.4% |
| COPPER | 80 | 61 | 31 | 230 | 166 | -49.2% | -61.2% | -28.1% |

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| | | | | | | | | |
|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Sossego | 33 | 29 | 31 | 93 | 89 | 6.5% | -6.0% | -4.2% |
| Sudbury | 31 | 14 | | 87 | 39 | -96.9% | -98.6% | -54.8% |
| Thompson | | 1 | | 1 | 1 | -82.7% | -64.8% | -14.2% |
| Voisey s Bay | 13 | 11 | | 39 | 24 | -103.0% | -102.6% | -39.0% |
| Others | 3 | 6 | | 9 | 12 | -99.7% | -99.5% | 31.8% |
| BAUXITE | 1,316 | 1,436 | 1,703 | 2,842 | 4,623 | 18.6% | 29.4% | 62.7% |
| Paragominas | 1,316 | 1,436 | 1,703 | 2,842 | 4,623 | 18.6% | 29.4% | 62.7% |
| ALUMINA | 1,309 | 1,436 | 1,515 | 3,431 | 4,433 | 5.5% | 15.7% | 29.2% |
| Alunorte | 1,309 | 1,436 | 1,515 | 3,431 | 4,433 | 5.5% | 15.7% | 29.2% |
| ALUMINUM | 140 | 113 | 113 | 407 | 347 | 0.3% | -19.1% | -14.8% |
| Albras | 115 | 113 | 113 | 340 | 338 | 0.3% | -1.9% | -0.7% |
| Valesul | 25 | | | 67 | 9 | n.a. | n.a. | n.a. |

Table of Contents**Vale Production Report US GAAP***

1,000 metric tons (unless stated otherwise)

| | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % Change 3Q09/2Q09 | % Change 3Q09/3Q08 | % Change 9M09/9M08 |
|--------------------------------|------------|------------|------------|--------------|--------------|--------------------------|--------------------------|--------------------------|
| METALLURGICAL | | | | | | | | |
| COAL | 686 | 513 | 844 | 2,104 | 1,869 | 64.5% | 23.0% | -11.2% |
| Integra Coal | 448 | 224 | 456 | 1,307 | 986 | 103.7% | 1.8% | -24.5% |
| Carborough Downs | 76 | 134 | 127 | 304 | 359 | -5.6% | 67.2% | 18.4% |
| Broadlea | 60 | 57 | 114 | 204 | 227 | 101.1% | 89.8% | 11.3% |
| Others | 103 | 98 | 148 | 290 | 296 | 49.9% | 43.6% | 1.9% |
| THERMAL COAL | 362 | 989 | 858 | 899 | 2,285 | -13.3% | 137.2% | 154.1% |
| El Hatillo | | 460 | 315 | | 775 | -31.6% | n.a. | n.a. |
| Integra Coal | 116 | 194 | 147 | 373 | 599 | -24.0% | 26.8% | 60.3% |
| Broadlea | 209 | 153 | 209 | 432 | 470 | 36.5% | -0.1% | 8.9% |
| Others | 37 | 182 | 187 | 94 | 442 | 2.5% | 410.6% | 368.8% |
| COBALT (tons) | 750 | 632 | 97 | 2,036 | 1,442 | -84.6% | -87.0% | -29.2% |
| Sudbury | 210 | 172 | 2 | 511 | 359 | -99.1% | -99.3% | -29.7% |
| Thompson | 44 | 48 | 31 | 146 | 111 | -35.7% | -29.5% | -24.0% |
| Voisey's Bay | 447 | 394 | 64 | 1,226 | 908 | -83.6% | -85.6% | -25.9% |
| Others | 50 | 17 | 1 | 153 | 64 | -97.0% | -99.0% | -58.5% |
| PLATINUM (000 oz troy) | 44 | 47 | 16 | 123 | 102 | -66.4% | -64.5% | -17.3% |
| Sudbury | 44 | 47 | 16 | 123 | 102 | -66.4% | -64.5% | -17.3% |
| PALLADIUM (000 oz troy) | 66 | 68 | 27 | 169 | 148 | -60.5% | -59.5% | -12.5% |
| Sudbury | 66 | 68 | 27 | 169 | 148 | -60.5% | -59.5% | -12.5% |
| GOLD (000 oz troy) | 24 | 19 | 4 | 65 | 47 | -81.4% | -85.1% | -27.7% |
| Sudbury | 24 | 19 | 4 | 65 | 47 | -81.4% | -85.1% | -27.7% |
| SILVER (000 oz troy) | 650 | 504 | 20 | 1,734 | 1,219 | -96.1% | -97.0% | -29.7% |
| Sudbury | 650 | 504 | 20 | 1,734 | 1,219 | -96.1% | -97.0% | -29.7% |
| POTASH | 172 | 159 | 186 | 505 | 531 | 17.2% | 8.3% | 5.1% |
| Taquari-Vassouras | 172 | 159 | 186 | 505 | 531 | 17.2% | 8.3% | 5.1% |
| KAOLIN | 314 | 194 | 210 | 898 | 542 | 8.1% | -33.2% | -39.7% |
| PPSA | 136 | 93 | 83 | 429 | 233 | -10.7% | -38.9% | -45.7% |
| Cadam | 178 | 101 | 126 | 470 | 309 | 25.6% | -28.8% | -34.3% |

*

Under US GAAP, Vale consolidates the total production volumes of companies in which it has more than 50% of the voting capital and effective control

** The nickel concentrate is purchased from third-parties and processed by Vale Inco

Table of Contents**Vale Production Report Consolidated BR GAAP***

1,000 metric tons (unless stated otherwise)

| | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % Change 3Q09/2Q09 | % Change 3Q09/3Q08 | % Change 9M09/9M08 |
|----------------------|---------------|---------------|---------------|----------------|----------------|--------------------------|--------------------------|--------------------------|
| IRON ORE | 85,884 | 57,696 | 64,334 | 238,422 | 168,891 | 11.5% | -25.1% | -29.2% |
| Southeastern System | 33,476 | 22,068 | 25,528 | 93,108 | 64,221 | 15.7% | -23.7% | -31.0% |
| Itabira | 11,553 | 8,205 | 8,939 | 34,100 | 23,128 | 8.9% | -22.6% | -32.2% |
| Mariana | 10,501 | 6,963 | 7,834 | 28,497 | 21,001 | 12.5% | -25.4% | -26.3% |
| Minas Centrais | 11,132 | 6,900 | 8,482 | 29,765 | 19,820 | 22.9% | -23.8% | -33.4% |
| Urucum | 289 | | 273 | 747 | 273 | n.a. | -5.6% | -63.4% |
| Southern System | 23,025 | 15,108 | 15,684 | 64,863 | 40,643 | 3.8% | -31.9% | -37.3% |
| Minas Itabirito | 6,649 | 5,006 | 5,403 | 18,973 | 12,883 | 7.9% | -18.7% | -32.1% |
| Vargem Grande | 7,703 | 5,514 | 5,697 | 21,640 | 15,344 | 3.3% | -26.0% | -29.1% |
| Paraopeba | 8,673 | 4,588 | 4,584 | 24,249 | 12,415 | -0.1% | -47.1% | -48.8% |
| Carajás | 26,751 | 20,480 | 22,941 | 74,189 | 63,698 | 12.0% | -14.2% | -14.1% |
| Samarco | 2,633 | 40 | 182 | 6,262 | 328 | 353.5% | -93.1% | -94.8% |
| PELLETS | 12,748 | 4,251 | 7,970 | 37,095 | 15,550 | 87.5% | -37.5% | -58.1% |
| Tubarão I and II | 1,666 | 1,338 | 1,311 | 4,953 | 3,159 | -2.0% | -21.3% | -36.2% |
| Fábrica | 1,091 | | | 3,200 | 235 | n.a. | n.a. | -92.7% |
| São Luís | 1,876 | | | 5,170 | 3 | n.a. | n.a. | n.a. |
| Vargem Grande | | 222 | 809 | | 1,034 | 265.3% | n.a. | n.a. |
| Nibrasco | 2,559 | 1,141 | 2,404 | 6,857 | 3,641 | 110.7% | -6.1% | -46.9% |
| Kobrasco | 1,281 | | | 3,810 | 889 | n.a. | n.a. | -76.7% |
| Hispanobras | 581 | | 125 | 1,729 | 125 | n.a. | -78.5% | -92.8% |
| Itabasco | 1,040 | | 656 | 2,937 | 656 | n.a. | -37.0% | -77.7% |
| Samarco | 2,654 | 1,551 | 2,665 | 6,534 | 5,364 | 71.9% | 0.4% | -17.9% |
| MANGANESE ORE | 694 | 550 | 449 | 1,892 | 1,112 | -18.2% | -35.2% | -41.2% |
| Azul | 561 | 448 | 378 | 1,611 | 869 | -15.8% | -32.7% | -46.0% |
| Urucum | 75 | 56 | 41 | 188 | 137 | -26.5% | -45.2% | -27.3% |
| Other mines | 58 | 45 | 31 | 93 | 105 | -32.2% | -47.0% | 13.6% |
| FERROALLOYS | 130 | 27 | 59 | 391 | 135 | 116.5% | -54.5% | -65.5% |
| Brazil | 78 | 8 | 24 | 229 | 65 | 211.5% | -69.6% | -71.5% |
| Dunkerque | 16 | | 10 | 55 | 10 | n.a. | -40.3% | -82.2% |
| Mo I Rana | 30 | 20 | 26 | 91 | 60 | 30.1% | -14.9% | -33.9% |
| Urucum | 5 | | | 16 | | n.a. | n.a. | n.a. |
| NICKEL | 72 | 59 | 33 | 202 | 157 | -44.7% | -54.9% | -22.4% |
| Sudbury | 18 | 15 | 5 | 56 | 42 | -66.8% | -73.5% | -25.6% |
| Thompson | 8 | 8 | 5 | 21 | 19 | -45.3% | -40.3% | -10.5% |
| Voisey s Bay | 22 | 16 | 3 | 58 | 36 | -82.5% | -87.5% | -38.5% |
| Sorowako | 19 | 18 | 20 | 54 | 54 | 9.0% | 5.5% | 1.0% |

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| | | | | | | | | |
|---------------|-----------|-----------|-----------|------------|------------|---------------|---------------|---------------|
| Others | 5 | 2 | | 12 | 6 | -81.7% | -93.6% | -54.4% |
| COPPER | 80 | 61 | 31 | 230 | 166 | -49.2% | -61.2% | -28.1% |
| Sossego | 33 | 29 | 31 | 93 | 89 | 6.5% | -6.0% | -4.2% |
| Sudbury | 31 | 14 | | 87 | 39 | -96.9% | -98.6% | -54.8% |
| Thompson | | 1 | | 1 | 1 | -82.7% | -64.8% | -14.2% |
| Voisey s Bay | 13 | 11 | | 39 | 24 | -103.0% | -102.6% | -39.0% |
| Others | 3 | 6 | | 9 | 12 | -99.7% | -99.5% | 31.8% |

Table of Contents**Vale Production Report Consolidated BR GAAP***

1,000 metric tons (unless stated otherwise)

| | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | % Change 3Q09/2Q09 | % Change 3Q09/3Q08 | % Change 9M09/9M08 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------------|--------------------------|--------------------------|
| BAUXITE | 3,198 | 2,854 | 3,303 | 8,087 | 9,142 | 15.7% | 3.3% | 13.0% |
| Trombetas | 1,883 | 1,418 | 1,600 | 5,245 | 4,520 | 12.9% | -15.0% | -13.8% |
| Paragominas | 1,316 | 1,436 | 1,703 | 2,842 | 4,623 | 18.6% | 29.4% | 62.7% |
| ALUMINA | 1,309 | 1,436 | 1,515 | 3,431 | 4,433 | 5.5% | 15.7% | 29.2% |
| Alunorte | 1,309 | 1,436 | 1,515 | 3,431 | 4,433 | 5.5% | 15.7% | 29.2% |
| ALUMINUM | 140 | 113 | 113 | 407 | 347 | 0.3% | -19.1% | -14.8% |
| Albras | 115 | 113 | 113 | 340 | 338 | 0.3% | -1.9% | -0.7% |
| Valesul | 25 | | | 67 | 9 | n.a. | n.a. | n.a. |
| METALLURGICAL | | | | | | | | |
| COAL | 686 | 513 | 844 | 2,104 | 1,869 | 64.5% | 23.0% | -11.2% |
| Integra Coal | 448 | 224 | 456 | 1,307 | 986 | 103.7% | 1.8% | -24.5% |
| Broadlea | 60 | 57 | 114 | 204 | 227 | 101.1% | 89.8% | 11.3% |
| Carborough Downs | 76 | 134 | 127 | 304 | 359 | -5.6% | 67.2% | 18.4% |
| Other | 103 | 98 | 148 | 290 | 296 | 49.9% | 43.6% | 1.9% |
| THERMAL COAL | 362 | 989 | 858 | 899 | 2,285 | -13.3% | 137.2% | 154.1% |
| El Hatillo | | 460 | 315 | | 775 | -31.6% | n.a. | n.a. |
| Integra Coal | 116 | 194 | 147 | 373 | 599 | -24.0% | 26.8% | 60.3% |
| Broadlea | 209 | 153 | 209 | 432 | 470 | 36.5% | -0.1% | 8.9% |
| Others | 37 | 182 | 187 | 94 | 442 | 2.5% | 410.6% | 368.8% |
| COBALT (tons) | 750 | 632 | 97 | 2,036 | 1,442 | -84.6% | -87.0% | -29.2% |
| Sudbury | 210 | 172 | 2 | 511 | 359 | -99.1% | -99.3% | -29.7% |
| Thompson | 44 | 48 | 31 | 146 | 111 | -35.7% | -29.5% | -24.0% |
| Voisey's Bay | 447 | 394 | 64 | 1,226 | 908 | -83.6% | -85.6% | -25.9% |
| Others | 50 | 17 | 1 | 153 | 64 | -97.0% | -99.0% | -58.5% |
| PLATINUM (000 oz troy) | 44 | 47 | 16 | 123 | 102 | -66.4% | -64.5% | -17.3% |
| Sudbury | 44 | 47 | 16 | 123 | 102 | -66.4% | -64.5% | -17.3% |
| PALLADIUM (000 oz troy) | 66 | 68 | 27 | 169 | 148 | -60.5% | -59.5% | -12.5% |
| Sudbury | 66 | 68 | 27 | 169 | 148 | -60.5% | -59.5% | -12.5% |
| GOLD (000 oz troy) | 24 | 19 | 4 | 65 | 47 | -81.4% | -85.1% | -27.7% |
| Sudbury | 24 | 19 | 4 | 65 | 47 | -81.4% | -85.1% | -27.7% |
| | 650 | 504 | 20 | 1,734 | 1,219 | -96.1% | -97.0% | -29.7% |

| | | | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|--------------|---------------|---------------|
| SILVER (000 oz troy) | | | | | | | | |
| Sudbury | 650 | 504 | 20 | 1,734 | 1,219 | -96.1% | -97.0% | -29.7% |
| POTASH | 172 | 159 | 186 | 505 | 531 | 17.2% | 8.3% | 5.1% |
| Taquari-Vassouras | 172 | 159 | 186 | 505 | 531 | 17.2% | 8.3% | 5.1% |
| KAOLIN | 314 | 194 | 210 | 898 | 542 | 8.1% | -33.2% | -39.7% |
| PPSA | 136 | 93 | 83 | 429 | 233 | -10.7% | -38.9% | -45.7% |
| Cadam | 178 | 101 | 126 | 470 | 309 | 25.6% | -28.8% | -34.3% |

* 1) Under Consolidated BR GAAP, Vale consolidates the total production of all the companies in which it has more than 50% of the voting capital and effective control.

2) For the companies in which Vale has shared control (Samarco, Hispanobras and MRN), consolidation is proportional to Vale's stake in the company.

3) The production volumes of companies in which Vale has minority interests are not consolidated.

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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) factors of 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.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Vale S.A.
(Registrant)

Date: October 28, 2009

By: /s/ Roberto Castello Branco
Roberto Castello Branco
Director of Investor Relations