

Q3 2010 Earnings Call

Company Participants

- Eduardo Bartolomeo, Executive Officer of Integrated Operations
- Guilherme Cavalcanti, CFO
- Mario Barbosa, Executive Officer of Fertilizers
- Roberto Castello Branco, Director, IR

Other Participants

- Carlos de Alba, Analyst
- Felipe Hirai, Analyst
- Hernato Antonius, Analyst
- Ivan Fadel, Analyst
- Marcos Assumpcao, Analyst
- Rodrigo Barros, Analyst
- Sanil Daptardar, Analyst
- Tony Rizzuto, Analyst
- Vincent Lepine, Analyst

Presentation

Operator

Good morning, ladies and gentlemen. Thank you for standing by. Welcome to Vale's conference call to discuss Third Quarter 2010 results. If you do not have a copy of the relevant press release, it is available at the Company's website at www.vale.com at the investor's link.

At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session and instructions will be given at that time. (Operator instructions.) As a reminder, this conference is being recorded. To access a replay, please dial 55 11 46 88 6312, access code 47716. The file will also be available at the Company's website at www.vale.com at the investor section.

This conference call and this live presentation are being transmitted via Internet as well. You can access the webcast by logging onto the Company's website at www.vale.com, investor section, or at www.prnewswire.com.br.

Before proceeding, let me mention that forward-looking statements are being made under the Safe Harbor of the Securities Litigation Reform Act of 1996. Actual performance could differ materially from that anticipated in any forward-looking comments as a result of macroeconomic conditions, market risks, and other factors.

With us today are Mr. Guilherme Cavalcanti, Chief Financial Officer, Mr. Eduardo Bartolomeo, Executive Officer of Integrated Operations, Mr. Eduardo Jorge Ledsham, Executive Officer of Exploration, Energy, and Projects, and Mr. Mario Barbosa, Executive Officer of Fertilizers.

First, Mr. Cavalcanti will proceed to the presentation, and after that we will open for questions and answers.

It is now my pleasure to turn the call over to Mr. Cavalcanti. Sir, you may now begin.

Guilherme Cavalcanti {BIO 2181205 <GO>}

Thank you. Good morning, to you all and thank you very much for attending this conference. Today we have a brief presentation about results and perspectives.

To begin with our Third Quarter results, we believe we delivered an outstanding performance this quarter. On the operational side, we produced 82.6 million tons of iron ore, a 9% increase over the last quarter and a 23.7% increase over the last year.

On the pellet production, we did 13.6 million tons, an 8% increase over the last quarter and a 71% increase over the last year.

It was an all-time high output for our Carajas iron ore production and from our pelletizing plants. At the end of the quarter, we resumed our full capacity operations for nickel and copper after the stop due to the strike of our Canadian operations.

Our financial performance was best ever. We presented record revenues of \$14.5 billion, a 46% increase over the last quarter and a 110% increase over the last year, a record operational income of \$7.8 billion, a 69% increase over the last quarter and a 241% increase over the last year, a record operational margin of 55.6%, record net earnings of \$6 billion, a 63% increase over the last quarter and 260% over the last year, record adjusted EBITDA of \$8.8 billion, a 58% increase over the last quarter and a 192% increase over the last year.

This strong cash flow generation allowed us to invest \$14 billion, to return capital to our shareholders of \$5 billion in the form of dividends and share buybacks, and also decrease our leverage ratios. Despite a relevant increase in our asset base, our performance has been able to deliver return on invested capital much higher above our cost of capital.

In order to support our operations around the globe, we are constructing a world-class logistical infrastructure, which I'll now ask Eduardo Bartolomeo please to talk about our main achievements recently.

Eduardo Bartolomeo {BIO 15365202 <GO>}

Yes. Good morning, to all. Besides investing a large amount in 2010 in logistics, around \$0.6 billion, I think we achieved three remarkable achievements this year.

First of all is we obtained the concession of Serra Sul in Argentina. That was for the fertilizer business and the maritime terminal. Similar, too, we are on good terms with an agreement with the government of Liberia. It's going very well.

And most important in our case for coal, the concession that we bought from SDCN. We mean by that the Nacala corridor that will support the improvement of production in coal from Moatize and also the copper belt in Zambia because SDCN has also operations in Malawi.

I think those three elements put logistics, as we already know in our main thesis, iron ore, in the context worldwide. I think those are three very well and very good acquisitions we did this year.

Guilherme Cavalcanti {BIO 2181205 <GO>}

Thank you.

FINAL

Bloomberg Transcript

As mentioned in our last conference, the Company is living the best moment in the history of the Company. And also, we foresee a bright future looking ahead.

Global industrial production has decelerated. However, it is usual after the recent strong recovery after the global recession of last year.

For the first half of 2011, we expect this global industrial production to increase. Central banks around the world are easing monetary policy in order to foster demand growth. Consumption expenses in emerging economies continue to be high. And also, after our deleveraging process, the Company also now has a sound balance sheet to start to resume CapEx expenditures again, especially the ones delayed during the global crisis.

China GDP growth is expected also to remain high. In light of our market, also we expect that it will remain tight. The tightness of the market is reflected on the spot price of the iron ore. And also, the demand for high quality iron ore also increases the premium of the price differential for quality, reaching \$6.00 for each 1% of ferrous content differential.

Considering our 66% ferrous content on our Carajas ore, we were able to capture \$21.6 of premium. This premium is higher than the price differential of Brazil to China, and related to Australia to China.

The high quality iron ore addresses the Chinese concerns of energy savings and carbon emissions. The use of Vale high quality iron ore maximizes energy efficiency, leads to less consumption per ton of steel, cuts CO2 emissions, and increases productivity on the blast furnaces.

Nickel prices have -- trending upwards, mostly reflecting the strong demand of non stainless steel applications and also for stainless steel applications.

Fertilizers' prices are also beginning to reverse the downward trend. And I'll also ask Mr. Mario Barbosa to talk about the current fertilizers' markets.

Mario Barbosa {BIO 1894535 <GO>}

With the reduction of production of grains in Russia and Ukraine because of the drought, the price of grains increased a lot and the farmers are buying more fertilizer to the next crop to have more productivity and more income.

Guilherme Cavalcanti {BIO 2181205 <GO>}

Okay.

Mario Barbosa {BIO 1894535 <GO>}

So the price of fertilizers are very strong in the month, and it will stay strong during the next months.

Guilherme Cavalcanti {BIO 2181205 <GO>}

Thank you, Mario.

Urbanization utilization and the rising consumption of consumer durables will also keep the intensity of metals consumptions in emerging economies.

China's rural population is higher than 50%, and India's population rural is also 70%. China's urbanization rate is expected to reach world's average only by 2020.

Also, we see large flows of infrastructure spending in China, for example in roads, railroads, and airports. And although China is already the largest car industry, the penetration is still low, indicating a huge growth potential for the car industry.

India, as mentioned, is still a rural country. Industry is too small, only 20% of GDP, and the government intends to double infrastructure investments to \$1 trillion from 2012 to 2017. This will all contribute to a decrease of exports of iron ore from India, contributing in the future for a tightness of the iron ore markets.

Moving to the sustainability, Vale is developing several initiatives to become an agent of global sustainability. Those initiatives include dry iron ore processing, truckless mines, green vessels, and renewable energies.

The dry iron ore processing not only saves water and energy, also reduces CO2 consumption, there is no need for tailing dams, increases the recovery rate of the ore, and reduces CapEx and OpEx.

The replacement of trucks for conveyor belts in the Serra Sul project will mean a reduction in carbon emissions, higher safety, and also preserve the forest. We are building very large ore carriers that will transport 400,000 tons of ore, which means less 34% in pollution.

Since diesel is a significant part of our costs, we are investing in biodiesel, which can be blended at a 20% proportion to fuel our locomotives.

Lastly, our Vale Foundation is one of the largest corporate foundations of the world. Considering the percentage of 2009 revenues, it was the highest among global metals and oil companies.

Before turning to a Q&A session, I would like to mention that we just released our CapEx for next year of \$24 billion. And it's worth mentioning that this figure we will always be reassessing, reevaluating the execution of these CapEx expenditures considering equipment costs, considering labor costs, considering the exchange rate, and also assessing the returns of the projects from time to time.

I would like to ask, too, Roberto Castello Branco to give some highlights of the CapEx expenditure for next year.

Roberto Castello Branco {BIO 3193867 <GO>}

Well. Good morning. We are just releasing the news about the CapEx budget for 2011. It was approved this morning by our Board of Directors. It's a \$24 billion program for next year. And it's very consistent with our long-term view of the market fundamentals for minerals, metals, and fertilizers.

Consistent also with our intention to grow and to generate high value for shareholders, 81% of the budget is allocated to finance growth, develop project execution, and research and development. A total of \$17.5 billion will be spent in project execution, \$2 billion will be spent in research and development, and \$4.5 billion, approximately 5% of our spend, will be spent on sustaining our existing operations.

Consistent with our strong commitment to discipline on capital allocation, we will be continuously monitoring costs, particularly those which have a potential to pressure our cost base like labor, cost

of equipment, and the volatility of currencies, in order to ultimately be reassessing expected returns on the projects we are developing in an effort to maximize shareholder value creation.

Given the projects we are developing, we expect our production to grow at a very high rate over the next few years. We estimate an average annual rate of growth of 16.3% of our production during the period from 2011 to 2015. So the size of our Company will more than double.

We expect, I don't know, production to reach 522 million tons, nickel almost 400,000 tons, copper almost 700,000 tons, coal to reach 42 million tons, potash 3.5 million tons, and phosphate rock 12.7 million tons.

So a very detailed press release is being distributed now in the press. Guilherme Cavalcanti will continue the conference call.

Guilherme Cavalcanti {BIO 2181205 <GO>}

Thank you very much.

And now, I'd like to move to the question and answer session.

Questions And Answers

Operator

(Operator instructions.) Our first question comes from Mr. Ivan Fadel from Credit Suisse.

Q - Ivan Fadel {BIO 4827533 <GO>}

Good morning, everyone. Thanks for the conference call and thanks for your announcement of CapEx as well. First of all, how should we understand Vale's iron ore capacity for next year? And I understand also that, given what Mr. Castello Branco just said, we should also believe that Vale should ramp up volumes (for 120) million tons in the next few years to 2015. So if you could go over Vale's CapEx until then, how should we look at this number?

Also, my second question would be in terms of iron ore prices, prices are again very strong at \$150.00 per ton. Should we consider, given that Vale managed to increase prices considerably in the Third Quarter, that for once and for all Vale consolidated the quarterly price mechanism, or should we believe that there is still a chance that we could see prices migrating to shorter periods? Thank you.

A - Eduardo Bartolomeo {BIO 15365202 <GO>}

Well we expect the iron ore production for next year to reach 311 million tons. And the goal for reaching 522 million tons is supported where these various projects are being developed.

Most of the additional production capacity will come from Carajas. We also have Simandou in West Africa with a contribution. And last but not least, we will have some projects in the Southeastern and Southern System adding to our capacity.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

On the quarterly prices, the system is working well. And if you consider the average spot price of the year and the average price on the quarterly systems, it will more or less be the same. So we think that this lower volatility will remain the quarterly prices as it has been going forward.

Q - Ivan Fadel {BIO 4827533 <GO>}

Okay. If you allow me, just going over just a little bit on the Chinese and Indian outlook. I know you already put out a lot of details in the release, but how can we be -- how are you looking into the continuation of the Chinese demand for 2011 and onwards? And should we expect an even tighter year for iron ore in 2011 and '12? And also, how will -- if you can quantify, if you already have this number, what could be the impact of Indian growth and lower supply to the seaborne market be in the case of India as well? Thank you.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

Ivan, as you mentioned, we believe that the Chinese demand will continue to be high due to infrastructure investments, consumer durable consumption, and in India also due to infrastructure investments.

And also, other Southeast Asian countries like Indonesia, Malaysia, Vietnam has also had a very low steel consumption. So we think that demand for all these countries will keep the iron ore market tight.

Operator

(Operator instructions.) Our next question comes from Felipe Hirai from Merrill Lynch.

Q - Felipe Hirai {BIO 15071781 <GO>}

Good afternoon, everyone. Congratulations on the very strong results. I have two questions. The first one is related to the pellet premium. We saw that the premium of pellets increased to close to \$70.00 over the fines. I'd like to understand if you think that this is sustainable going forward, if we could see pellet prices around this \$200.00 level.

And my second question is regarding the CapEx. So you mentioned that you have -- you are going to grow at a figure of 16% over the next few years. Could you just give us an idea of what kind of CapEx should we expect for the years after 2011? Should these be close to this \$24 billion budget that you are expecting for next year? Thank you.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

Yes. On the pellets premium, we have two forces working. The first, we have higher supply from the pelletizing plants. But on the other hand, pellets are more efficient on the blast furnaces and addresses the energy savings worries of Chinese, and also increases efficiency in blast furnaces. So there are two forces working on opposite sides, and it's very difficult to predict what will be the level of the pellet premium looking forward.

On the CapEx side, we are, as I mentioned, reassessing all the time the level of the CapEx, considering the returns and our capital disciplines. So it will all depend on markets, cost of equipment, labor costs, and exchange rates.

Q - Felipe Hirai {BIO 15071781 <GO>}

Okay. Thank you.

Operator

Our next question comes from Mr. Carlos de Alba from Morgan Stanley.

Q - Carlos de Alba {BIO 15072819 <GO>}

Indeed very strong results, particularly in the iron ore business. However, I have a question. When we looked at the detailed financials, for the Second Quarter in a row we see that fertilizers have posted a negative operating income. So I wonder if you can give us a little bit of comment to better understand what is really going on in that segment? That is my first question.

And my second question is regarding the CapEx. Out of that \$24 billion that you just announced, how much is it committed already that you will have to spend next year, and how much is part of these flexible projects that you have? Thank you.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

Okay. On the first question of fertilizer, actually the result was positive. What's impacting is the revaluation of the inventories. When you do that acquisition, when you put the acquisition into our budgets, you do a revaluation of the inventories. And it did have a negative impact.

On the CapEx commitment, this is something that we don't disclose yet.

Q - Carlos de Alba {BIO 15072819 <GO>}

And Guilherme, thank you very much for the answer on fertilizer. Do you know how much is the revaluation -- the impact of the revaluation after the acquisition that affected the results?

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

It was \$23 million on the Second Quarter and \$74 million on the Third Quarter.

Q - Carlos de Alba {BIO 15072819 <GO>}

Thank you very much.

Operator

Our next question comes from Mr. (Hernato Antonius) from Barclays.

Q - Hernato Antonius

Hello. Good morning, everyone. Thank you for the call. My first question is related to freight, if you can give us an update on your freight strategy and how is freight allocated in your CapEx budget. I mean, during the quarter, you had 25 million tons shipped on a C&F basis, which was something quite symbolic. So I just wanted to hear how are you seeing your freight strategy going forward, and if, on the C&F based sales, if you are capturing a freight margin, if that's something that is reasonable to assume.

And the second question is regarding to iron ore inventory levels in China. We have seen roughly unchanged inventory at the ports. I just wanted to get your views on whether we may see a restocking, a pre-winter restocking over the next months and how are our inventory levels at the mills. Thank you.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

Okay. Actually, our freight strategy has been working. We acquire vessels. We are building new vessels. We are also entering long-term contract agreements.

The idea of our freight strategy is to keep the freight prices at low levels, well behaved. So we think we achieved this goal because the recent increase in iron ore prices was not followed by the same increase in freight prices as we saw in the past when customers even sometimes paid more for the freight than for the iron ore.

But the size of our fleet and our contracts, we do not disclose yet. And I would like Eduardo to answer the second question.

A - Eduardo Bartolomeo {BIO 15365202 <GO>}

Well regarding the stocks, we have seen during the summer in the Northern Hemisphere a destocking process. This explains, for instance, the low sales, the lower iron ore sales to Europe.

In the case of China, there was a destocking process that's coming to an end. According to all the information we have, you know that we have our team on the ground in China, there is no stock building there both in steel and iron ore.

And I'll take the opportunity to remind you that a product like iron ore is very difficult to compute as the target of inventory building, because if you have to -- if you want to have a meaningful inventory in iron ore, you have to find -- first you have to find room, because a meaningful inventory of iron ore in China, given the level of the steelmaking per month, you need at least 250 million to 300 million tons.

So you have first to solve one problem, to find room, where to maintain this huge amount of iron ore. So we are seeing, on the contrary, a reacceleration of the demand for iron ore in several places in the world. And we are very positive about the future performance of demand.

Operator

Our next question comes from Mr. Vincent Lepine from Exane BNP Paribas.

Q - Vincent Lepine {BIO 3623991 <GO>}

Good afternoon, gentlemen. I have two questions, please. You mentioned that you were getting a premium for the quality of your iron ore and obviously specifically for Carajas. I was wondering if you could just remind us of the average FE content you get in the other operations again, other than Carajas.

And the second question relates to the Canadian operations, which are now back to full production. I was wondering how much fixed costs had been temporarily eliminated during the strike. I guess some of the labor cost obviously wasn't there during the strike. So what I'm trying to get to is perhaps an estimate for what average cost per ton should be for these operations at a normalized production rate and based on, I guess, current FX and input costs. Thank you.

A - Eduardo Bartolomeo {BIO 15365202 <GO>}

Well regarding the Canadian operations, we have reduced our cost base. We have made several efforts in that direction. For instance, if we shed a significant percentage of managerial jobs in Canada, we are going back to full capacity operations with less 1,200 workers in our operations.

And regarding the line of products, we had too many products in our portfolio. And we discontinued those who were not profitable on a permanent basis. So several changes were made in order to reduce our costs and to be able to be profitable across the cycles, not only during the up cycle. And we are continuing to do these efforts to have really a very low cost operation in all the world of nickel.

Operator

Our next question comes from Mr. Tony Rizzuto from Dahlman Rose.

Q - Tony Rizzuto {BIO 1490590 <GO>}

Thank you very much for taking my questions. Good morning, everyone. I've got a couple questions. First of all, on iron ore, can you discuss carryover tons that may have been pushed into the Fourth Quarter as production seemed to outpace shipments during the quarter? And also, do you expect any seasonal effects in the Fourth Quarter? And from a pricing standpoint on iron ore, should we expect to see some narrowing of the discount versus the Platts assessment on fines? That's my first question.

Second is about Serra Sul, which is the cornerstone of your iron ore investment. Could you review the timing for me?

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

We are back.

A - Eduardo Bartolomeo {BIO 15365202 <GO>}

Yes, okay. Eduardo Bartolomeo speaking here about the iron ore shipments. As you asked about the carryover, there is negligible carryover per quarter. As we saw in the results, we ship much more than we produce, so about 13% was here from the last quarter.

So we really had a very good performance due to your next question about the weather, seasonality around. But of course our best quarter is if all the three seasons the sun shines. It helps a lot.

Of course, we expect some weather impact mainly in the south in the next quarter. But still the sun is shining for us. So I think we're going to have a good quarter. But basically there is just natural seasonality that we have every year in our operations.

For the price issue, I think Guilherme can go over that.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

We believe that the volatility of the price will not be that high. And we are also forecasting a strong market for next year.

A - Eduardo Bartolomeo {BIO 15365202 <GO>}

And your question about Serra Sul, our guideline of time is being kept. We foresee the project stating up on July 2014. We have the permits for the construction site. We are starting to free up sample. We are waiting for the license for the processing plant and the mine. Of course, for the time being, everything's all right.

The biggest threat is environmental license. But like always, we are taking a very good approach of mobilization, preassembling to foresee and to have contingency plans to keep the date and the CapEx on budget, on time.

Q - Tony Rizzuto {BIO 1490590 <GO>}

Thank you very much, gentlemen.

Operator

Our next question comes from Mr. Rodrigo Barros from Deutsche Bank.

Q - Rodrigo Barros {BIO 5851294 <GO>}

Congratulations on the results, really outstanding. I would like to make a couple of questions, the first one regarding the distribution center strategy, if you are able to provide us some guidance on when and what's the ramp up of the distribution center in Oman and how is this started in the Malaysia investments. In the press release, you mentioned you bought the land. So if you can give us a guidance when it should be operational and what kind of ramp up of volumes should we see there.

And my second question, in my opinion, definitely you guys are not pricing in that value with the freight differential of the China max, which is likely to be \$5.00 per ton. Where is the value, because it's very likely that you'll be seeing a higher FOB price for iron ore than the Australia peers. So in my view -- sorry. My question is if you can explain a little bit how the values and the freight differential can help the value stay higher, for being -- in Australia, if you think that's achievable and by when. Thank you very much.

A - Eduardo Bartolomeo {BIO 15365202 <GO>}

Okey. About the distribution centers in Oman. Oman is ramping up. It's starting up the solid plants on the -- in the next quarter, the end of the year. The distribution center will be ongoing the next quarter, first, Second Quarter of 2011.

In Malaysia, we already bought the land. We are starting the engineering studies, and we are scheduling that for the second semester of 2013. So they are on studies, I think both of them are on the target we first -- the strategy there, as you understand, is to be closer either to the (mine) in either China and Southeast Asia with Malaysia. So good strategic logistic point for us.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

And looking forward, we expect that demand for high quality iron ore, actually the quality, I think, will be the main differential. So we think that the premium that we are going to be obtaining for the quality difference will continue to be offsetting the price differential from Brazil to China in relation to Australia to China.

Q - Rodrigo Barros {BIO 5851294 <GO>}

Okay. Thank you very much.

Operator

Our next question comes from Mr. Sanil Daptardar from Sentinel Investments.

Q - Sanil Daptardar

Yes. Thanks. Could you just talk about how your operating cost is going to be in 2011? And the second question on CapEx, you outlined the \$24 billion, what it includes. Does it include acquisitions in it, or it is excluding the acquisitions?

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

Okay. The \$24 billion does not include any acquisitions, okay?

We continue to be controlling our costs, and they are very straight. And the thing is -- the main challenge here for next year in terms of costs will be the exchange rate. 65% of our costs are on real or Canadian dollar denominated while our sales are in dollar terms. So this currency mismatch can impact our costs looking forward.

Q - Sanil Daptardar

So if the Canadian real is going to depreciate against the dollar, then dollar probably might fill in increasing the cost in that case.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

Yes. If the Canadian dollar appreciates, we will observe an increase in costs from our Canadian operations.

Q - Sanil Daptardar

Okay. Any acquisitions are planned for 2011? Because it will just extrapolate what you need to have, the same kind of operating performance as you had in Third Quarter for 2011 to generate enough cash flow for your \$24 billion of CapEx. Do you think that if the strong results are not likely in the later half of 2011, if the iron ore prices are going to fall, if dollar appreciates, then it probably -- you might have to cut back on the CapEx numbers?

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

Okay. First, we are focusing on organic growth. So we are the mining Company that can almost double the capacity only focusing on organic growth. So that's our focus. So opportunistic acquisitions can happen, but there's nothing on the radar at the moment.

Regarding the perspectives for our next year, as I mentioned before, we are very bullish. We think that we'll continue to generate these strong cash flows looking ahead.

Operator

Our last question comes from Mr. Marcos Assumpcao from Itau.

Q - Marcos Assumpcao {BIO 7474402 <GO>}

Hi. Congratulations for the very strong results. First question, if you could share your views on the nickel and the copper markets for 2011, and also commenting on the volumes that you could bring to -- additional volumes that you could bring to the market because of the new operations in both businesses, on nickel in Vale Caledonia and Onca Puma, and on copper, Tres Valles.

A - Eduardo Bartolomeo {BIO 15365202 <GO>}

Well with the high growth of emerging market economies, we see a strong demand for base metals. In the particular case of nickel, on the one hand, we'll have an increase in supply. As you mentioned, we have two large projects coming on stream, Onca Puma and VNC.

And on the other hand, we see the continuation of growth in spends to outputs driven by consumption in the emerging market economies. We see also demand pressure from the non stainless steel applications around the world from high nickel alloys from plating driven by the auto industry and also by alloy steels in foundry, batteries, etc.

Copper is the commodity where the constraint on supply is the largest in the world. If you compare the world known resources to the current production, it's the lowest among most of our commodities. So you have a structural problem, the supply side, while demand is growing, particularly in China as the infrastructure investments continue to develop mainly with power generation, which is very intense in copper.

So for both commodities, for nickel and copper, we see a very promising outlook.

Q - Marcos Assumpcao {BIO 7474402 <GO>}

Thank you very much.

Operator

Thank you. This concludes today's question and answer session. Mr. Cavalcanti, at this time you may proceed with your closing statement, sir.

A - Guilherme Cavalcanti {BIO 2181205 <GO>}

Okay. Thank you very much for attending this conference, and see you next quarter.

Operator

Thank you. That does conclude our Vale's Third Quarter 2010 results conference call for today. Thank you very much for your participation, and have a good day.

This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2022, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

FINAL

Bloomberg Transcript