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Production Report 2Q14

Vale reached the best performance ever for a second quarter, with gains in all production systems

Vale reached 79.4 Mt of iron ore production, the best performance ever for a second quarter, with gains in all production Systems when compared to 1Q14. The good operational performance was supported by better weather conditions and the ramp-ups of the Plant 2 in Carajás and the new Conceição Itabiritos plant in the Southeastern System.

Production in the first half of 2014 totaled 150.5 Mt, being 15.1 Mt higher than in the first half of 2013, and thus increasing our confidence in achieving our production target of 312 Mt (and sales target of 321Mt) for the year.

In particular, Carajás production was 29.3 Mt, a new record for a second quarter, being 25.3% and 33.7% higher than in 1Q14 and in 2Q13, respectively.

Pellet production grew as a result of an increase in Samarco's attributable production which reached 3.0 Mt, 34.7% and 13.9% higher than in 1Q14 and in 2Q13, respectively. Samarco's recently inaugurated pellet plant IV produced 1.1 Mt in

the quarter.

Production of nickel was 61,700 t in 2Q14, 8.6% lower than in the previous quarter, mainly reflecting the impact of planned maintenance work carried out on the acid plant and furnaces in Sudbury. During this year's scheduled maintenance at some surface facilities, the Sudbury mines – which are the bottleneck in the Sudbury system – did not stop producing, building up inventory of ore and concentrates to be smelted and refined in the second half of the year. As a result, a stronger refined nickel output is naturally expected for the 2H14, compensating the planned lower production from 2Q14.

VNC is resuming its ramp-up following the leakage of acidic solution in May, which resulted in a discharge into the environment and a shutdown of the complex. Following internal and government investigations and remediation actions, we resumed operations in mid-late June and are operating with 2 HPALs since the week of July 21st.

Salobo I continued its ramp-up, producing 19,700 t of copper in concentrates in 2Q14, about 80% of its nominal capacity. Minor delays were experienced in the quarter as tie-ins of the Salobo II project interfered with ongoing operations.

Total coal output in 2Q14 reached 2.2 Mt, 23.8% higher than in 1Q14, mostly due to the stronger performance of Carborough Downs and Moatize.

Moatize produced 1.170 Mt in 2Q14, of which 0.714 Mt of metallurgical coal and 0.457 Mt of thermal coal. Metallurgical and thermal coal output increased by 19.9% and 10.4%, respectively, when compared to 1Q14.

In 2Q14, phosphate rock output reached 2.1 Mt, a record for a 2Q, increasing 9.9% when compared to 1Q14. Production grew in Brazil and Peru.

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More information



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