**EXECUTIVE SUMMARY**

**Wang Tiantian, WHY Team, Dec 17, 2009**

**The Investment Value of Vale Inc.**

Our study investigates the investment value of mining company—Vale and then we read the report of Vale’s 3Q09 Results in Earnings Release.

Specifically, in this report we find these two points:

1. Operating revenue of US$ 6.9 billion, 35.6% more than the US$ 5.1 billion in 2Q09.Year-to-date (Ytd) revenue reached US$ 17.4 billion. Operational profit, as measured by adjusted EBIT (a) (earnings before interest and taxes), of US$ 2.3 billion, 134.9% above 2Q09. Ytd adjusted EBIT was US$ 5.0 billion. Net earnings of US$ 1.7billion, equal to US$ 0.31 per share on a fully diluted basis, against US$ 790 million in 2Q09. Ytd net earnings totaled US$ 3.8 billion.
2. In order to continue to exploit profitable growth opportunities, our Board of Directors has approved for 2010 capital expenditures of US$ 12.9 billion dedicated to sustaining existing operations and to fostering growth through research and development (R&D) and project execution. Although iron ore and nickel will continue to be our main businesses, we plan to boost the production capacity of copper, coal and fertilizers, creating a more diversified portfolio of world-class assets.

Because the economic recovery, metal prices rallied from March to July, setting the fastest and the highest increase compared to the global recessions of the last 40 years. Iron ore prices in the spot market staged a 53% increase from trough, November 2008, to September 302, 2009.Once metal prices reacted to the positive news about economic recovery, they then remained range bound over the last three months and further upward volatility in the short-term will depend on the strength of the recovery. If global economic activity continues to accelerate, there is a high probability of a renewed wave of metal price increases.

**Form the analysis for mining market we can see Mining industry is a potential industry. And the data of Vale shows that it will be a good choice to invest Vale.**

The findings of this report forwards three recommendations:

* Take the chance and invest the Mining Company like Vale.
* Though Mining is a amazing industry, it still has risk. So take care when investing.

**Key words: Mining Industry, Vale, investment value**