

Vale S.A.  
Form 6-K  
August 08, 2013  
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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**

**August, 2013**

**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.

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(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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**Interim Financial Statements**

**June 30, 2013**

**BR GAAP**

Filed with the CVM, SEC and HKEx on

August 7, 2013



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(A free translation of the original in Portuguese)

**Vale S.A.**

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**Report on review of condensed interim financial statements**

To the Board of Directors and Stockholders

Vale S.A.

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of Vale S.A. (the Company) as at June 30, 2013 and the related condensed statements of income and comprehensive income for the quarter and six-month period then ended, and the condensed statements of changes in equity and cash flows for the six-month period then ended.

We have also reviewed the accompanying consolidated condensed interim balance sheet of Vale S.A. and its subsidiaries ( Consolidated ) as at June 30, 2013 and the related consolidated condensed statements of income and comprehensive income for the quarter and six-month period then ended, and the consolidated condensed statements of changes in equity and cash flows for the six-month period then ended.

Management is responsible for the preparation and fair presentation of these parent company condensed interim financial statements in accordance with accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and for the consolidated condensed interim financial statements in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review

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is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the parent company condensed interim financial statements**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21.

### **Conclusion on the consolidated condensed interim financial statements**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.

### **Emphasis of matter**

As discussed in Note 4 to the accompanying condensed interim financial statements, the Company changed its method of accounting to reflect the revised employee benefits standard effective January 1, 2013 and, retrospectively adjusted the financial statements as of December 31, 2012 and for the period ended June 30, 2012.

### **Other matters**

### **Condensed statements of value added**

We have also reviewed the parent company and consolidated condensed statements of value added for the six-month period ended June 30, 2013. These statements are the responsibility of the Company's management, and are presented as supplementary information. These statements have been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in a manner consistent with the condensed interim financial statements taken as a whole.

Rio de Janeiro, August 7, 2013

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Audidores Independentes

CRC 2SP000160/O-5 F RJ

João César de Oliveira Lima Júnior

Contador CRC 1RJ077431/O-8



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**Balance Sheet****In thousands of Brazilian Reais**

	Notes	June 30, 2013 (unaudited)	Consolidated December 31, 2012 (i)	January 1st, 2012 (i)	June 30, 2013 (unaudited)	Parent Company December 31, 2012 (i)	January 1st, 2012 (i)
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	7	13,126,350	11,917,717	6,593,177	2,249,717	688,434	574,787
Short-term investments		823,245	505,857		22,556	43,428	
Derivative financial instruments	24	495,557	575,173	1,111,744	436,988	500,293	573,732
Accounts receivable	9	10,952,344	13,884,663	15,888,807	18,749,566	21,838,539	15,808,849
Related parties	30	1,933,350	786,202	153,738	1,977,980	1,347,488	2,561,308
Inventories	10	11,192,221	10,319,973	9,833,050	3,691,259	3,282,531	3,182,738
Prepaid income tax		1,626,642	1,472,186	867,549	93,375	168,428	169,101
Recoverable taxes	11	3,561,443	3,147,715	3,307,994	1,916,123	1,902,190	2,147,431
Advances to suppliers		938,930	523,220	733,382	230,834	241,671	381,768
Others		2,287,341	1,972,360	1,646,824	531,061	574,348	183,394
		<b>46,937,423</b>	<b>45,105,066</b>	<b>40,136,265</b>	<b>29,899,459</b>	<b>30,587,350</b>	<b>25,583,108</b>
<b>Non-current Assets held for sale</b>							
	7		934,551				
		<b>46,937,423</b>	<b>46,039,617</b>	<b>40,136,265</b>	<b>29,899,459</b>	<b>30,587,350</b>	<b>25,583,108</b>
<b>Non-current assets</b>							
Related parties	30	558,749	832,571	904,172	952,440	863,990	445,769
Loans and financing agreements to receive		543,861	501,726	399,277	190,609	187,862	158,195
Judicial deposits	17	3,296,624	3,094,977	2,734,599	2,638,374	2,474,077	2,091,492
Recoverable income tax		899,829	899,198	628,735			
Deferred income tax and social contribution	19	9,468,064	8,291,074	3,549,328	5,967,039	5,714,932	2,119,056
Recoverable taxes	11	360,162	443,478	482,997	243,864	255,264	201,226
Financial instruments - investments	12	3,981,748	14,378	13,738			
Derivative financial instruments	24	222,210	92,567	112,253		2,928	96,262
Deposit on incentive and reinvestment		437,464	326,837	428,750	412,625	301,998	428,750
Others		1,356,989	985,937	1,081,454	161,002	222,358	388,263
		<b>21,125,700</b>	<b>15,482,743</b>	<b>10,335,303</b>	<b>10,565,953</b>	<b>10,023,409</b>	<b>5,929,013</b>
Investments	13	8,416,677	13,044,460	14,984,038	127,288,170	121,628,958	111,953,695

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Intangible assets	14	19,378,603	18,822,027	17,788,581	15,159,049	14,664,435	13,973,730
Property, plant and equipment, net	15	186,262,573	173,454,620	153,854,863	66,329,185	61,231,322	55,503,193
		<b>235,183,553</b>	<b>220,803,850</b>	<b>196,962,785</b>	<b>219,342,357</b>	<b>207,548,124</b>	<b>187,359,631</b>
<b>Total assets</b>		<b>282,120,976</b>	<b>266,843,467</b>	<b>237,099,050</b>	<b>249,241,816</b>	<b>238,135,474</b>	<b>212,942,739</b>

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(i) Period adjusted according to note 4.

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**Balance Sheet****In thousands of Brazilian Reais****(continued)**

	Notes	June 30, 2013 (unaudited)	Consolidated December 31, 2012 (i)	January 1, 2012 (i)	June 30, 2013 (unaudited)	Parent Company December 31, 2012 (i)	January 1, 2012 (i)
<b>Liabilities</b>							
<b>Current</b>							
Suppliers and contractors		9,238,012	9,255,150	8,851,220	3,630,136	4,178,494	3,503,577
Payroll and related charges		2,182,004	3,024,651	2,442,255	1,322,449	2,001,090	1,581,782
Derivative financial instruments	24	1,486,754	709,722	135,697	787,159	558,161	117,470
Current portion of long-term debt	16	7,136,323	7,092,878	2,807,280	5,607,740	5,327,849	891,654
Short-term debt	16			40,044			
Related parties	30	260,242	423,336	42,907	4,468,405	6,433,629	4,959,017
Taxes and royalties payable		590,340	664,387	978,915	275,269	332,955	329,680
Provision for taxes and social contribution		876,945	1,309,821	955,342	275,710	369,658	
Employee post retirement benefits obligations	20	407,876	421,241	316,061	227,200	219,396	140,508
Railway sub-concession agreement payable		135,299	133,275	123,059			
Asset retirement obligations	18	148,178	142,831	136,416	63,424		20,507
Dividends and interest on capital				2,207,101			2,207,101
Others		2,306,156	2,164,455	1,650,463	614,757	752,098	400,023
		<b>24,768,129</b>	<b>25,341,747</b>	<b>20,686,760</b>	<b>17,272,249</b>	<b>20,173,330</b>	<b>14,151,319</b>
Liabilities directly associated with non-current assets held for sale	7		368,378				
		<b>24,768,129</b>	<b>25,710,125</b>	<b>20,686,760</b>	<b>17,272,249</b>	<b>20,173,330</b>	<b>14,151,319</b>
<b>Non-current</b>							
Derivative financial instruments	24	3,142,185	1,600,656	1,238,542	2,858,819	1,409,568	953,357
Long-term debt	16	59,043,565	54,762,976	40,224,674	28,632,255	26,867,240	18,595,793
Related parties	30	147,705	146,440	170,616	33,278,019	29,362,525	28,654,132
Employee post retirement benefits obligations	20	7,238,916	6,627,195	4,485,687	1,102,986	745,653	411,766
Provisions for litigation	17	3,695,646	4,218,193	3,144,740	2,350,340	2,867,052	1,927,686
Deferred income tax and social contribution	19	7,167,256	6,918,372	10,175,546			
Asset retirement obligations	18	5,187,300	5,472,452	3,427,294	1,629,765	1,625,324	1,094,824
Stockholders' Debentures	29d)	3,885,389	3,378,845	2,495,995	3,885,389	3,378,845	2,495,995

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Redeemable noncontrolling interest		1,116,997	994,776	942,668			
Goldstream transaction	28	3,146,327					
Others		3,700,515	3,901,949	4,617,145	1,569,478	1,839,474	2,373,706
		<b>97,471,801</b>	<b>88,021,854</b>	<b>70,922,907</b>	<b>75,307,051</b>	<b>68,095,681</b>	<b>56,507,259</b>
<b>Total liabilities</b>		<b>122,239,930</b>	<b>113,731,979</b>	<b>91,609,667</b>	<b>92,579,300</b>	<b>88,269,011</b>	<b>70,658,578</b>
<b>Stockholders equity</b>	23						
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (in 2012 - 2,108,579,618) issued		29,475,211	29,475,211	29,475,211	29,475,211	29,475,211	29,475,211
Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (in 2012 - 3,256,724,482) issued		45,524,789	45,524,789	45,524,789	45,524,789	45,524,789	45,524,789
Mandatorily convertible notes - common shares				359,649			359,649
Mandatorily convertible notes - preferred shares				796,162			796,162
Treasury stock - 140,857,692 (in 2012 - 140,857,692) preferred and 71,071,482 (in 2012 - 71,071,482) common shares		(7,839,512)	(7,839,512)	(9,918,541)	(7,839,512)	(7,839,512)	(9,918,541)
Results from operations with noncontrolling stockholders		(789,637)	(839,155)	(70,706)	(789,637)	(839,155)	(70,706)
Results in the translation/issuance of shares			49,518			49,518	
Unrealized fair value gain (losses)		(5,034,563)	(3,796,910)	(977,441)	(5,034,563)	(3,796,910)	(977,441)
Cumulative translation adjustments		14,146,537	8,692,782	(1,016,711)	14,146,537	8,692,782	(1,016,711)
Retained earnings		81,179,691	78,599,740	78,111,749	81,179,691	78,599,740	78,111,749
<b>Total company stockholders equity</b>		<b>156,662,516</b>	<b>149,866,463</b>	<b>142,284,161</b>	<b>156,662,516</b>	<b>149,866,463</b>	<b>142,284,161</b>
Noncontrolling interests		3,218,530	3,245,025	3,205,222			
<b>Total stockholders equity</b>		<b>159,881,046</b>	<b>153,111,488</b>	<b>145,489,383</b>	<b>156,662,516</b>	<b>149,866,463</b>	<b>142,284,161</b>
<b>Total liabilities and stockholders equity</b>		<b>282,120,976</b>	<b>266,843,467</b>	<b>237,099,050</b>	<b>249,241,816</b>	<b>238,135,474</b>	<b>212,942,739</b>

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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**Statement of Income****In thousands of Brazilian Reais, except as otherwise stated**

	Notes	Consolidated (unaudited)			
		Three-month period ended		Six-month period ended	
		June 30, 2013	June 30, 2012 (i)	June 30, 2013	June 30, 2012 (i)
Net operating revenue	25	22,871,305	24,582,872	44,672,270	45,043,963
Cost of goods solds and services rendered	26	(12,865,323)	(12,845,513)	(24,303,450)	(23,762,349)
<b>Gross profit</b>		<b>10,005,982</b>	<b>11,737,359</b>	<b>20,368,820</b>	<b>21,281,614</b>
<b>Operating (expenses) income</b>					
Selling and administrative expenses	26	(671,154)	(1,206,725)	(1,417,524)	(2,141,128)
Research and development expenses	26	(323,193)	(707,938)	(676,875)	(1,234,495)
Pre-operation and stoppage operation		(950,848)	(637,002)	(1,699,740)	(1,201,130)
Other operating expenses, net	26	(551,429)	(586,386)	(787,956)	(1,213,576)
Realized gain (loss) on non-current assets held for sales			(768,236)		(768,236)
		<b>(2,496,624)</b>	<b>(3,906,287)</b>	<b>(4,582,095)</b>	<b>(6,558,565)</b>
<b>Operating profit</b>		<b>7,509,358</b>	<b>7,831,072</b>	<b>15,786,725</b>	<b>14,723,049</b>
Financial income	27	1,776,133	421,320	3,054,196	1,901,475
Financial expenses	27	(8,779,539)	(5,558,369)	(10,723,605)	(6,833,459)
Equity results from joint controlled and associates	13	104,406	309,600	445,945	746,620
<b>Income before income tax and social contribution</b>		<b>610,358</b>	<b>3,003,623</b>	<b>8,563,261</b>	<b>10,537,685</b>
<b>Income tax and social contribution</b>					
Current income tax	19	(559,187)	(99,724)	(2,755,478)	(1,535,454)
Deferred income tax	19	712,604	(250,183)	1,042,545	259,955
Reversal of deferred income tax liabilities	19		2,533,411		2,533,411
		<b>153,417</b>	<b>2,183,504</b>	<b>(1,712,933)</b>	<b>1,257,912</b>
<b>Net income for the period</b>		<b>763,775</b>	<b>5,187,127</b>	<b>6,850,328</b>	<b>11,795,597</b>
Loss attributable to noncontrolling interests		(68,296)	(133,401)	(182,373)	(236,472)
<b>Net income attributable to the Company's stockholders</b>		<b>832,071</b>	<b>5,320,528</b>	<b>7,032,701</b>	<b>12,032,069</b>
<b>Earnings per share attributable to the Company's stockholders:</b>					
<b>Basic and diluted earnings per share:</b>					
Common share and (in Brazilian reais)	23(c)	0.16	1.04	1.36	2.36
Preferred share (in Brazilian reais)	23(c)	0.16	1.04	1.36	2.36

**Parent company (unaudited)**  
**Three-month period ended**                      **Six-month period ended**

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	Notes	June 30, 2013	June 30, 2012 (i)	June 30, 2013	June 30, 2012 (i)
Net operating revenue		15,179,600	15,814,484	28,565,854	27,703,716
Cost of goods solds and services rendered	26	(5,235,479)	(6,152,652)	(9,783,905)	(11,514,493)
<b>Gross profit</b>		<b>9,944,121</b>	<b>9,661,832</b>	<b>18,781,949</b>	<b>16,189,223</b>
<b>Operating (expenses) income</b>					
Selling and administrative expenses	26	(376,874)	(585,409)	(762,429)	(1,144,203)
Research and development expenses	26	(169,398)	(377,991)	(379,089)	(665,696)
Pre-operating and stoppage operation		(284,214)	(92,897)	(528,916)	(213,033)
Other operating expenses, net	26	(126,450)	(155,617)	(354,828)	(553,429)
Equity results from subsidiaries		(1,084,097)	2,545,122	(954,523)	4,567,123
Realized gain (loss) on non-current assets held for sales			(768,236)		(768,236)
		<b>(2,041,033)</b>	<b>564,972</b>	<b>(2,979,785)</b>	<b>1,222,526</b>
<b>Operating profit</b>		<b>7,903,088</b>	<b>10,226,804</b>	<b>15,802,164</b>	<b>17,411,749</b>
Financial income	27	1,721,865	125,001	2,872,019	1,249,005
Financial expenses	27	(8,352,247)	(4,900,809)	(9,725,526)	(6,194,951)
Equity results from joint controlled entities and associates	13	104,406	309,600	445,945	746,620
<b>Income before income tax and social contribution</b>		<b>1,377,112</b>	<b>5,760,596</b>	<b>9,394,602</b>	<b>13,212,423</b>
<b>Income tax and social contribution</b>					
Current income tax	19	(391,490)	(11,346)	(2,463,293)	(1,203,271)
Deferred income tax	19	(153,551)	(428,722)	101,392	22,917
		<b>(545,041)</b>	<b>(440,068)</b>	<b>(2,361,901)</b>	<b>(1,180,354)</b>
<b>Net income attributable to the Company's stockholders</b>		<b>832,071</b>	<b>5,320,528</b>	<b>7,032,701</b>	<b>12,032,069</b>
<b>Earnings per share attributable to the Company's stockholders:</b>					
<b>Basic and diluted earnings per share:</b>					
Common share and (in Brazilian reais)	23(c)	0.16	1.04	1.36	2.36
Preferred share (in Brazilian reais)	23(c)	0.16	1.04	1.36	2.36

(\*) Except the loss of R\$ 721,808 in 2012 related to the sale of coal assets.

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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(A free translation of the original in Portuguese)

**Statement of Other Comprehensive Income**

In thousands of Brazilian Reais

	Consolidated (unaudited)			
	Three-month period ended June 30, 2013	June 30, 2012 (i)	Six-month period ended June 30, 2013	June 30, 2012 (i)
<b>Net income of the period</b>	<b>763,775</b>	<b>5,187,127</b>	<b>6,850,328</b>	<b>11,795,597</b>
<b>Other comprehensive income</b>				
<b>Item will not be reclassified subsequently for income</b>				
<b>Cumulative translation adjustments of equity</b>	<b>7,706,896</b>	<b>7,316,663</b>	<b>5,389,075</b>	<b>6,236,991</b>
<b>Retirement benefit obligations</b>				
Gross balance as of the period	(398,836)	(110,435)	(327,024)	101,874
Effect of tax	130,481	23,868	123,693	(38,620)
	<b>(268,355)</b>	<b>(86,567)</b>	<b>(203,331)</b>	<b>63,254</b>
<b>Total items will not be reclassified subsequently for income</b>	<b>7,438,541</b>	<b>7,230,096</b>	<b>5,185,744</b>	<b>6,300,245</b>
<b>Item will be reclassified subsequently for income</b>				
<b>Unrealized loss on available-for-sale investments</b>				
Gross balance as of the period	(176,167)	(3,946)	(581,733)	(4,644)
<b>Cash flow hedge</b>				
Gross balance as of the period	(154,000)	(274,755)	(243,380)	(233,670)
Effect of tax	20,820	57,284	30,856	30,386
	<b>(133,180)</b>	<b>(217,471)</b>	<b>(212,524)</b>	<b>(203,284)</b>
<b>Total items will be reclassified subsequently for income</b>	<b>(309,347)</b>	<b>(221,417)</b>	<b>(794,257)</b>	<b>(207,928)</b>
<b>Total comprehensive income of the period</b>	<b>7,892,969</b>	<b>12,195,806</b>	<b>11,241,815</b>	<b>17,887,914</b>
<b>Comprehensive income attributable to noncontrolling interests</b>	<b>199,268</b>	<b>188,907</b>	<b>(6,988)</b>	<b>26,203</b>
<b>Comprehensive income attributable to the Company's stockholders</b>	<b>7,693,701</b>	<b>12,006,899</b>	<b>11,248,803</b>	<b>17,861,711</b>
	<b>7,892,969</b>	<b>12,195,806</b>	<b>11,241,815</b>	<b>17,887,914</b>
	Parent company (unaudited)			
	Three-month period ended June 30, 2013	June 30, 2012 (i)	Six-month period ended June 30, 2013	June 30, 2012 (i)
<b>Net income of the period</b>	<b>832,071</b>	<b>5,320,528</b>	<b>7,032,701</b>	<b>12,032,069</b>
<b>Other comprehensive income</b>				

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<b>Item will not be reclassified subsequently for income</b>				
Cumulative translation adjustments	7,439,332	6,994,355	5,213,690	5,974,316
<b>Retirement benefit obligations</b>				
Gross balance as of the period	(398,836)	(110,435)	(327,024)	101,874
Effect of tax	130,481	23,868	123,693	(38,620)
	(268,355)	(86,567)	(203,331)	63,254
<b>Total items will not be reclassified subsequently for income</b>	<b>7,170,977</b>	<b>6,907,788</b>	<b>5,010,359</b>	<b>6,037,570</b>
<b>Item will be reclassified subsequently for income</b>				
<b>Unrealized loss on available-for-sale investments</b>				
Gross balance as of the period	(176,167)	(3,946)	(581,733)	(4,644)
	(176,167)	(3,946)	(581,733)	(4,644)
<b>Cash flow hedge</b>				
Gross balance as of the period	(154,000)	(274,755)	(243,380)	(233,670)
Effect of tax	20,820	57,284	30,856	30,386
	(133,180)	(217,471)	(212,524)	(203,284)
<b>Total items will be reclassified subsequently for income</b>	<b>(309,347)</b>	<b>(221,417)</b>	<b>(794,257)</b>	<b>(207,928)</b>
<b>Total comprehensive income of the period</b>	<b>7,693,701</b>	<b>12,006,899</b>	<b>11,248,803</b>	<b>17,861,711</b>

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(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.



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**Statement of condensed Changes in Equity****In thousands of Brazilian Reais**

	Capital	Results in the translation of shares	Mandatorily convertible notes	Revenue reserves	Treasury stock	Six-month period ended (unaudited)			Retained earnings	Total Company stockholders equity	Noncontrolling stockholders interest
						Unrealized fair value gain (losses)	Results from operation with noncontrolling stockholders	Cumulative translation adjustment			
<b>January 1, 2013 (i)</b>	<b>75,000,000</b>	<b>49,518</b>		<b>78,451,185</b>	<b>(7,839,512)</b>	<b>(3,796,910)</b>	<b>(839,155)</b>	<b>8,692,782</b>	<b>148,555</b>	<b>149,866,463</b>	<b>3,245,191</b>
<b>Net income of the period</b>									<b>7,032,701</b>	<b>7,032,701</b>	<b>(182,000)</b>
Retirement benefit obligations, net						(203,331)				(203,331)	
Cash flow hedge, net of taxes						(212,524)				(212,524)	
Unrealized results on valuation at market						(581,733)				(581,733)	
Translation adjustments for the period						(240,065)		5,453,755		5,213,690	175,000
Capitalization of noncontrolling stockholders advances											19,000
Redeemable noncontrolling stockholders interest											61,000
Dividends to noncontrolling stockholders											(100,000)
Additional remuneration									(4,452,750)	(4,452,750)	
<b>June 30, 2013</b>	<b>75,000,000</b>	<b>49,518</b>		<b>78,451,185</b>	<b>(7,839,512)</b>	<b>(5,034,563)</b>	<b>(839,155)</b>	<b>14,146,537</b>	<b>2,728,506</b>	<b>156,662,516</b>	<b>3,218,191</b>
<b>January 1, 2012 (i)</b>	<b>75,000,000</b>		<b>1,155,811</b>	<b>78,105,988</b>	<b>(9,918,541)</b>	<b>(977,441)</b>	<b>(70,706)</b>	<b>(1,016,710)</b>	<b>5,760</b>	<b>142,284,161</b>	<b>3,205,191</b>
									<b>12,032,069</b>	<b>12,032,069</b>	<b>(236,000)</b>

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**Net income of the period**

Retirement benefit obligations, net				63,254					63,254	
Cash flow hedge, net of taxes				(203,284)					(203,284)	
Unrealized results on valuation at market				(4,644)					(4,644)	
Translation adjustments for the period				(64,139)			6,038,455		5,974,316	262
Results on conversion of shares	49,518	(1,027,580)	2,079,018	(1,100,956)						
Capitalization of noncontrolling stockholders advances										39
Repurchase of convertible notes				11					11	
Remuneration for mandatorily convertible notes		(128,231)							(128,231)	
Redeemable noncontrolling stockholders interest										172
Acquisitions and disposal of noncontrolling stockholders							(436,981)		(436,981)	(262)
Dividends to noncontrolling stockholders										(65)
Additional remuneration							(3,273,899)		(3,273,899)	
<b>June 30, 2012</b>										
<b>(i)</b>	<b>75,000,000</b>	<b>49,518</b>	<b>78,105,988</b>	<b>(7,839,512)</b>	<b>(2,287,210)</b>	<b>(507,687)</b>	<b>5,021,745</b>	<b>8,763,930</b>	<b>156,306,772</b>	<b>3,115</b>

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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**Statement of Cash Flows****In thousands of Brazilian Reais**

	Six-month period ended (unaudited)			
	Consolidated June 30, 2013	June 30, 2012 (i)	Parent Company June 30, 2013	June 30, 2012 (i)
<b>Cash flow from operating activities:</b>				
Net income of the period	6,850,328	11,795,597	7,032,701	12,032,069
<b>Adjustments to reconcile net income to cash from operations</b>				
Equity results from associates	(445,945)	(746,620)	508,578	(5,267,315)
Realized gains on assets	(483,813)	768,236		721,808
Depreciation, amortization and depletion	4,322,945	3,837,745	1,197,538	1,211,907
Deferred income tax and social contribution	(1,042,545)	(259,955)	(101,392)	(22,917)
Reversal of deferred income tax		(2,533,411)		
Foreign exchange and indexation, net	1,233,378	493,205	4,359,866	2,942,693
Loss on disposal of property, plant and equipment	278,458	441,695	205,324	78,918
Unrealized derivative losses, net	2,167,936	1,063,919	1,744,480	808,403
Dividends and interest on capital received from subsidiaries			1,276,232	333,686
Stockholders Debentures	506,544	(370,351)	506,544	(370,351)
Others	43,638	(342,209)	(111,717)	(436,649)
<b>Decrease (increase) in assets:</b>				
Accounts receivable from customers	2,852,071	1,822,122	1,863,013	(1,846,493)
Inventories	99,625	(395,005)	628,230	(370,799)
Recoverable taxes	(224,056)	(99,569)	72,286	403,991
Others	241,305	(142,782)	476,483	432,033
<b>Increase (decrease) in liabilities:</b>				
Suppliers and contractors	(238,208)	(222,090)	(526,802)	976,709
Payroll and related charges	(896,391)	(481,134)	(678,641)	(419,745)
Taxes and contributions	131,316	(1,206,678)	(151,635)	(231,415)
Gold stream transaction	2,899,450			
Others	(409,049)	928,481	(1,231,218)	727,352
<b>Net cash provided by operating activities</b>	<b>17,886,987</b>	<b>14,351,196</b>	<b>17,069,870</b>	<b>11,703,885</b>
<b>Cash flow from investing activities:</b>				
Short-term investments	(317,388)		20,872	
Loans and advances	(133,872)	(47,009)	326,463	853,090
Guarantees and deposits	(85,794)	(175,863)	(93,271)	(189,938)
Additions to investments	(586,823)	(457,176)	(3,892,962)	(3,318,023)
Additions to property, plant and equipment	(13,291,361)	(11,777,379)	(7,051,664)	(6,486,167)
Dividends and interest on capital received from Joint controlled entities and associates	553,605	333,004		
Proceeds from disposals of fixed assets/investments	189,777	745,028		745,028

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Proceeds from Gold stream	1,160,635			
<b>Net cash used in investing activities</b>	<b>(12,511,221)</b>	<b>(11,379,395)</b>	<b>(10,690,562)</b>	<b>(8,396,010)</b>
<b>Cash flow from financing activities:</b>				
<b>Short-term debt</b>				
Additions	1,007,958	953,698	1,021,703	967,991
Repayments	(1,136,838)	(75,814)	(2,126,306)	(2,308,857)
<b>Long-term debt</b>				
Additions	1,345,853	5,245,531	1,376,510	3,575,398
Repayments	(997,304)	(1,108,106)	(637,182)	(226,595)
<b>Repayments:</b>				
Dividends and interest on capital paid to stockholders	(4,452,750)	(5,481,000)	(4,452,750)	(5,481,000)
Dividends and interest on capital attributed to noncontrolling interest	(23,267)	(69,773)		
Transactions with noncontrolling stockholders		(980,406)		
<b>Net cash used in financing activities</b>	<b>(4,256,348)</b>	<b>(1,515,870)</b>	<b>(4,818,025)</b>	<b>(3,473,063)</b>
Increase (decrease) in cash and cash equivalents	1,119,418	1,455,931	1,561,283	(165,188)
Cash and cash equivalents of cash, beginning of the period	11,917,717	6,593,177	688,434	574,787
Effect of exchange rate changes on cash and cash equivalents	89,215	68,561		
<b>Cash and cash equivalents, end of the period</b>	<b>13,126,350</b>	<b>8,117,669</b>	<b>2,249,717</b>	<b>409,599</b>
<b>Cash paid during the period for:</b>				
Interest on Short-term debt	(611)	(2,438)	(4,313)	(1,860)
Interest on Long-term debt	(1,608,888)	(1,277,088)	(1,512,636)	(1,524,350)
Income tax and social contribution	(2,418,373)	(1,702,799)	(1,965,938)	(311,766)
<b>Inflows during the period:</b>				
<b>Non-cash transactions:</b>				
Additions to property, plant and equipment - interest capitalization	(319,146)	(248,376)	12,753	(18,253)

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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**Statement of Added Value****In thousands of Brazilian Reais**

	Six-month period ended (unaudited)			
	Consolidated June 30, 2013	June 30, 2012 (i)	Parent Company June 30, 2013	June 30, 2012 (i)
<b>Generation of added value</b>				
<b>Gross revenue</b>				
Revenue from products and services	45,705,405	46,052,731	29,167,582	28,276,229
Gain on sale of assets	483,813	(768,236)		(721,808)
Other revenue	(4,608)	4,668		
Revenue from the construction of own assets	13,368,989	9,639,233	7,051,664	6,952,104
Allowance for doubtful accounts	12,050	(19,265)	(6,353)	(8,344)
<b>Less:</b>				
Acquisition of products	(1,420,536)	(1,506,135)	(360,077)	(870,853)
Outsourced services	(8,065,756)	(7,839,283)	(4,377,129)	(5,135,205)
Materials	(9,262,521)	(8,973,971)	(2,650,589)	(5,376,751)
Oil and gas	(1,935,214)	(1,888,091)	(1,097,743)	(1,105,678)
Energy	(624,784)	(815,003)	(357,553)	(540,039)
Freight	(2,622,075)	(2,047,898)		
Other costs and expenses	(5,067,714)	(5,204,831)	(1,999,047)	(2,400,367)
<b>Gross added value</b>	<b>30,567,049</b>	<b>26,633,919</b>	<b>25,370,755</b>	<b>19,069,288</b>
Depreciation, amortization and depletion	(4,322,945)	(3,837,745)	(1,197,538)	(1,211,907)
<b>Net added value</b>	<b>26,244,104</b>	<b>22,796,174</b>	<b>24,173,217</b>	<b>17,857,381</b>
<b>Received from third parties</b>				
Financial income	922,676	1,082,358	445,581	549,513
Equity results	445,945	746,620	(508,578)	5,267,315
<b>Total added value to be distributed</b>	<b>27,612,725</b>	<b>24,625,152</b>	<b>24,110,220</b>	<b>23,674,209</b>
Personnel	3,909,067	4,105,484	1,726,317	2,172,572
Taxes, rates and contribution	6,548,312	3,967,640	5,690,213	2,793,755
Current income tax	2,755,478	1,535,454	2,463,293	1,203,271
Deferred income tax	(1,042,545)	(2,793,366)	(101,392)	(22,917)
Remuneration of debt capital	4,591,464	3,125,129	3,751,703	2,590,636
Monetary and exchange changes, net	4,000,621	2,889,214	3,547,385	2,904,823
Net income attributable to the Company's stockholders	7,032,701	12,032,069	7,032,701	12,032,069
Loss attributable to noncontrolling interest	(182,373)	(236,472)		
<b>Distribution of added value</b>	<b>27,612,725</b>	<b>24,625,152</b>	<b>24,110,220</b>	<b>23,674,209</b>

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(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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**Notes to Financial Statements**

**Expressed in thousands of Brazilian Reais, unless otherwise stated**

**1. Operational Context**

Vale S.A. ( Vale or Parent Company ) is a publicly-listed company with its headquarters at number 26 of Graça Aranha avenue, downtown of Rio de Janeiro, Brazil with shares traded on the stock exchanges of Sao Paulo ( BM&F BOVESPA ), New York ( NYSE ), Paris ( NYSE Euronext ) and Hong Kong ( HKEx ).

Company and its direct and indirect subsidiaries ( Group , Company or we ) is principally engaged in the research, production and sale of iron ore and pellets, nickel, fertilizer, copper, coal, manganese, ferroalloys, cobalt, platinum group metals and precious metals. Company also operates with energy, General Cargo logistics and steel.

Information by business segment is presented in note 25.

**2. Summary of the Main Accounting Practices and Accounting Estimates**

**a) Basis of preparation**

The condensed consolidated interim financial statements of Vale ( Interim financial statements ) has been prepared in accordance with the standard IAS 34 - Interim Financial Reporting issued by the International Financial Reporting Standards ( IFRS ), whose counterpart in Brazil is the CPC 21(R1), issued by the Brazilian Accountant Standards Committee ( *Comitê de Pronunciamentos Contábeis* or CPC ) and approved by the Brazilian Securities Exchange Commission ( Comissão de Valores Mobiliários or CVM ).

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The individual interim financial statements of the Parent Company have been prepared in accordance with accounting practices adopted in Brazil issued by CPC and approved by CVM, and they are published with the consolidated interim financial statements.

In the case of Vale, the accounting practices adopted in Brazil applicable to individual financial statements differ from IFRS applicable to separate financial statements, only for the measurement of investments at equity method in subsidiaries, joint controlled entities and affiliates, as under the rules of IFRS would be the cost or fair value.

The interim financial statements has been prepared under the historical cost convention adjusted to reflect the fair value of available for sale financial assets, and financial assets and liabilities (including derivative financial instruments) measured at fair value through the profit or loss.

These condensed interim financial statements have been reviewed, not audited. However, principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented in the financial statements as of December 31, 2012, except as otherwise disclosed. These condensed interim financial statements were prepared by Vale to update users about relevant information presented in the period and should be read with the annual financial statements for the year ended December 31, 2012.

We evaluated subsequent events through August 05, 2013, which is the date of approval by the executive board, the interim financial statements.

### **b) Functional currency and presentation currency**

The financial statements of each group's entities are measured using the currency of the primary economic environment in which the entity operates ( functional currency ), which in the case of the Parent Company is the Brazilian Real ( R\$ or BRL ).

Transactions in foreign currencies are translated into the functional currency of the Parent Company, using the rate of exchange prevailing on the date of the transaction or the measurements. Gains and losses resulting from the settlement of such transactions and from the translation at the exchange rate of the end of the period of monetary assets and liabilities in foreign currencies are recognized in the income statement, as financial income or expense.

The net income and balance sheet of all Group entities whose functional currency is different from the presentation currency are translated into the presentation currency as follows: (i) The assets and liabilities for each Statement of Balance Sheet presented are translated at the closing rate at the Statement of Balance Sheet date; (ii) income and expenses for each Statement of Income are translated at the average exchange rates, except in specific transactions that, considering their relevance, are translated at the rate at the dates of transactions and; (iii) The components for each Stockholders' equity are translated at the rate at the dates of



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transactions. All resulting exchange differences are recognized in a separate component of the Stockholder's equity, named Cumulative Translation Adjustment, transferred to the income statement when the sale of investments.

For purposes of presentation these interim financial statements are presented in Brazilian Real. The exchange rates most impact our operations against the presentation currency were:

	Exchange rates used for conversions in Brazilian Reais	
	June 30, 2013	December 31, 2012
US dollar - US\$	2.2297	2.0435
Canadian dollar - CAD	2.1079	2.0546
Australian dollar - AUD	2.0321	2.1197
Euro - EUR or	2.9122	2.6954

**3. Critical Accounting Estimates**

The critical accounting estimates are the same as those adopted in preparing the financial statements for the year ended December 31, 2012.

**4. Changes in accounting policies**

From January 1, 2013, the Company adopted the revised pronouncement IAS 19 - Employee benefits, correlate with CPC 33 (R1), whose changes eliminate the method of corridor; simplify the changes between the assets and liabilities of plans, recognizing in the income statement the financial cost and the expected return on plan assets and remeasurement of gains and losses, and return on assets in Other comprehensive income (excluding the amount of interest on return of assets recognized in income); and the effect of change on the ceiling of the plan.

The impact on the Company has been presented as follow:

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Balance Sheet	Original balance	Consolidated December 31, 2012 Effect of changes IAS 19 (CPC33R) revised	Adjusted balance
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	11,917,717		11,917,717
Others	34,121,900		34,121,900
	<b>46,039,617</b>		<b>46,039,617</b>
<b>Non-current</b>			
Deferred income tax and social contribution	8,134,034	157,040	8,291,074
Others	212,748,003	(235,227)	212,512,776
	<b>220,882,037</b>	<b>(78,187)</b>	<b>220,803,850</b>
<b>Total Assets</b>	<b>266,921,654</b>	<b>(78,187)</b>	<b>266,843,467</b>
<b>Liabilities and Stockholders equity</b>			
<b>Current</b>			
Employee post retirement benefits obligations	421,241		421,241
Liabilities directly associated with non-current assets held for sale	326,551	41,827	368,378
Others	24,920,506		24,920,506
	<b>25,668,298</b>	<b>41,827</b>	<b>25,710,125</b>
<b>Non-current</b>			
Employee post retirement benefits obligations	3,389,962	3,237,233	6,627,195
Deferred income tax and social contribution	7,753,893	(835,521)	6,918,372
Others	74,476,287		74,476,287
	<b>85,620,142</b>	<b>2,401,712</b>	<b>88,021,854</b>
<b>Stockholders equity</b>			
Capital	75,000,000		75,000,000
Unrealized fair value gain (losses)	(1,126,628)	(2,670,282)	(3,796,910)
Cumulative translation adjustments	8,692,782		8,692,782
Retained earnings	78,451,184	148,556	78,599,740
Noncontrolling interests	3,245,025		3,245,025
Others	(8,629,149)		(8,629,149)
	<b>155,633,214</b>	<b>(2,521,726)</b>	<b>153,111,488</b>
<b>Total Liabilities and Stockholders equity</b>	<b>266,921,654</b>	<b>(78,187)</b>	<b>266,843,467</b>

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Balance Sheet	Original balance	Consolidated January 1, 2012 Effect of changes IAS 19 (CPC33R) revised	Adjusted balance
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	6,593,177		6,593,177
Others	33,543,088		33,543,088
	<b>40,136,265</b>		<b>40,136,265</b>
<b>Non-current</b>			
Deferred income tax and social contribution	3,538,830	10,498	3,549,328
Others	193,413,457		193,413,457
	<b>196,952,287</b>	<b>10,498</b>	<b>196,962,785</b>
<b>Total Asset</b>	<b>237,088,552</b>	<b>10,498</b>	<b>237,099,050</b>
<b>Liabilities and Stockholders equity</b>			
<b>Current</b>			
Employee post retirement benefits obligations	316,061		316,061
Others	20,370,699		20,370,699
	<b>20,686,760</b>		<b>20,686,760</b>
<b>Non-current</b>			
Employee post retirement benefits obligations	2,845,725	1,639,962	4,485,687
Deferred income tax and social contribution	10,613,773	(438,227)	10,175,546
Others	56,261,674		56,261,674
	<b>69,721,172</b>	<b>1,201,735</b>	<b>70,922,907</b>
<b>Stockholders equity</b>			
Capital	75,000,000		75,000,000
Unrealized fair value gain (losses)	219,556	(1,196,997)	(977,441)
Cumulative translation adjustments	(1,016,711)		(1,016,711)
Retained earnings	78,105,989	5,760	78,111,749
Noncontrolling interests	3,205,222		3,205,222
Others	(8,833,436)		(8,833,436)
	<b>146,680,620</b>	<b>(1,191,237)</b>	<b>145,489,383</b>
<b>Total Liabilities and Stockholders equity</b>	<b>237,088,552</b>	<b>10,498</b>	<b>237,099,050</b>

Statement of income	Original balance	Consolidated (unaudited) Three-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) revised	Adjusted balance
Net operating revenue	24,582,872		24,582,872
Cost of goods solds and services rendered	(12,848,273)	2,760	(12,845,513)
<b>Gross operating profit</b>	<b>11,734,599</b>	<b>2,760</b>	<b>11,737,359</b>
Operational expenses	(3,906,287)		(3,906,287)
Financial expenses, net	(5,144,383)	7,334	(5,137,049)
Equity results	309,600		309,600

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<b>Earnings before taxes</b>	<b>2,993,529</b>	<b>10,094</b>	<b>3,003,623</b>
Current and deferred Income tax and social contribution, net	2,186,736	(3,232)	2,183,504
<b>Net income of the period</b>	<b>5,180,265</b>	<b>6,862</b>	<b>5,187,127</b>
Loss attributable to noncontrolling interests	(133,401)		(133,401)
<b>Net income attributable to stockholders</b>	<b>5,313,666</b>	<b>6,862</b>	<b>5,320,528</b>

Statement of income	Original balance	Consolidated (unaudited) Six-month period ended June 30, 2012	
		Effect of changes IAS 19 (CPC33R) revised	Adjusted balance
Net operating revenue	45,043,963		45,043,963
Cost of goods solds and services rendered	(23,767,573)	5,224	(23,762,349)
<b>Gross operating profit</b>	<b>21,276,390</b>	<b>5,224</b>	<b>21,281,614</b>
Operational expenses	(6,558,565)		(6,558,565)
Financial expenses, net	(4,922,994)	(8,990)	(4,931,984)
Equity results	746,620		746,620
<b>Earnings before taxes</b>	<b>10,541,451</b>	<b>(3,766)</b>	<b>10,537,685</b>
Current and deferred Income tax and social contribution, net	1,256,143	1,769	1,257,912
<b>Net income of the period</b>	<b>11,797,594</b>	<b>(1,997)</b>	<b>11,795,597</b>
Loss attributable to noncontrolling interests	(236,472)		(236,472)
<b>Net income attributable to stockholders</b>	<b>12,034,066</b>	<b>(1,997)</b>	<b>12,032,069</b>

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		<b>Consolidated (unaudited) Three-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) revised</b>	
<b>Other comprehensive income</b>	<b>Original balance</b>		<b>Adjusted balance</b>
Net income of the period	5,180,265	6,862	5,187,127
Translation adjustments for the period	7,403,029	(86,366)	7,316,663
	<b>12,583,294</b>	<b>(79,504)</b>	<b>12,503,790</b>
Unrealized results on valuation at market	(3,946)		(3,946)
Retirement benefit obligations, net		(86,567)	(86,567)
Cash flow hedge, net	(217,471)		(217,471)
<b>Total comprehensive income of the year, net</b>	<b>12,361,877</b>	<b>(166,071)</b>	<b>12,195,806</b>
Comprehensive income attributable to noncontrolling interests, net	188,907		188,907
<b>Comprehensive income attributable to the Company's stockholders, net</b>	<b>12,172,970</b>	<b>(166,071)</b>	<b>12,006,899</b>

		<b>Consolidated (unaudited) Six-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R)</b>	
<b>Other comprehensive income</b>	<b>Original balance</b>		<b>Adjusted balance</b>
Net income of the period	11,797,594	(1,997)	11,795,597
Translation adjustments for the period	6,301,130	(64,139)	6,236,991
	<b>18,098,724</b>	<b>(66,136)</b>	<b>18,032,588</b>
Unrealized results on valuation at market	(4,644)		(4,644)
Retirement benefit obligations, net		63,254	63,254
Cash flow hedge, net	(203,284)		(203,284)
<b>Total comprehensive income of the year, net</b>	<b>17,890,796</b>	<b>(2,882)</b>	<b>17,887,914</b>
Comprehensive income attributable to noncontrolling interests, net	26,203		26,203
<b>Comprehensive income attributable to the Company's stockholders, net</b>	<b>17,864,593</b>	<b>(2,882)</b>	<b>17,861,711</b>

		<b>Parent Company December 31, 2012 Effect of changes IAS 19 (CPC33R)</b>	
<b>Balance Sheet</b>	<b>Original balance</b>		<b>Adjusted balance</b>
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	688,434		688,434
Others	29,898,916		29,898,916
	<b>30,587,350</b>		<b>30,587,350</b>
<b>Non-current</b>			

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Deferred income tax and social contribution	5,557,892	157,040	5,714,932
Investments	123,871,281	(2,242,323)	121,628,958
Others	80,439,461	(235,227)	80,204,234
<b>Total Asset</b>	<b>209,868,634</b>	<b>(2,320,510)</b>	<b>207,548,124</b>
<b>Total</b>	<b>240,455,984</b>	<b>(2,320,510)</b>	<b>238,135,474</b>
<b>Liabilities and Stockholders equity</b>			
<b>Current</b>			
Employee post retirement benefits obligations	219,396		219,396
Others	19,953,934		19,953,934
<b>Total</b>	<b>20,173,330</b>		<b>20,173,330</b>
<b>Non-current</b>			
Deferred income tax and social contribution	544,437	201,216	745,653
Others	67,350,028		67,350,028
<b>Total</b>	<b>67,894,465</b>	<b>201,216</b>	<b>68,095,681</b>
<b>Stockholders equity</b>			
Capital	75,000,000		75,000,000
Unrealized fair value gain (losses)	(1,126,628)	(2,670,282)	(3,796,910)
Cumulative translation adjustments	8,692,782		8,692,782
Retained earnings	78,451,184	148,556	78,599,740
Others	(8,629,149)		(8,629,149)
<b>Total Liabilities and Stockholders equity</b>	<b>240,455,984</b>	<b>(2,320,510)</b>	<b>238,135,474</b>

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Balance Sheet	Original balance	Parent Company January 1, 2012 Effect of changes IAS 19 (CPC33R)	Adjusted balance
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	574,787		574,787
Others	25,008,321		25,008,321
	<b>25,583,108</b>		<b>25,583,108</b>
<b>Non-current</b>			
Deferred income tax and social contribution	2,108,558	10,498	2,119,056
Investment	113,149,994	(1,196,299)	111,953,695
Others	73,286,880		73,286,880
	<b>188,545,432</b>	<b>(1,185,801)</b>	<b>187,359,631</b>
<b>Total Asset</b>	<b>214,128,540</b>	<b>(1,185,801)</b>	<b>212,942,739</b>
<b>Liabilities and Stockholders equity</b>			
<b>Current</b>			
Employee post retirement benefits obligations	140,508		140,508
Others	14,010,811		14,010,811
	<b>14,151,319</b>		<b>14,151,319</b>
<b>Non-current</b>			
Employee post retirement benefits obligations	406,330	5,436	411,766
Others	56,095,493		56,095,493
	<b>56,501,823</b>	<b>5,436</b>	<b>56,507,259</b>
<b>Stockholders equity</b>			
Capital	75,000,000		75,000,000
Unrealized fair value gain (losses)	219,556	(1,196,997)	(977,441)
Cumulative translation adjustments	(1,016,711)		(1,016,711)
Retained earnings	78,105,989	5,760	78,111,749
Others	(8,833,436)		(8,833,436)
	<b>143,475,398</b>	<b>(1,191,237)</b>	<b>142,284,161</b>
<b>Total Liabilities and Stockholders equity</b>	<b>214,128,540</b>	<b>(1,185,801)</b>	<b>212,942,739</b>

Statement of income	Original balance	Parent company (unaudited) Three-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R)	Adjusted balance
Net operating revenue	15,814,484		15,814,484
Cost of goods solds and services rendered	(6,152,652)		(6,152,652)
<b>Gross operating profit</b>	<b>9,661,832</b>		<b>9,661,832</b>
Operational expenses	561,547	3,425	564,972
Financial expenses, net	(4,781,016)	5,208	(4,775,808)
Equity results	309,600		309,600
<b>Earnings before taxes</b>	<b>5,751,963</b>	<b>8,633</b>	<b>5,760,596</b>

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Current and deferred Income tax and social contribution, net	(438,297)	(1,771)	(440,068)
<b>Net income of the year</b>	<b>5,313,666</b>	<b>6,862</b>	<b>5,320,528</b>

Statement of income	Original balance	Parent company (unaudited) Six-month period ended June 30, 2012	
		Effect of changes IAS 19 (CPC33R)	Adjusted balance
Net operating revenue	27,703,716		27,703,716
Cost of goods solds and services rendered	(11,514,493)		(11,514,493)
<b>Gross operating profit</b>	<b>16,189,223</b>		<b>16,189,223</b>
Operational expenses	1,216,155	6,371	1,222,526
Financial expenses, net	(4,933,267)	(12,679)	(4,945,946)
Equity results	746,620		746,620
<b>Earnings before taxes</b>	<b>13,218,731</b>	<b>(6,308)</b>	<b>13,212,423</b>
Current and deferred Income tax and social contribution, net	(1,184,665)	4,311	(1,180,354)
<b>Net income of the year</b>	<b>12,034,066</b>	<b>(1,997)</b>	<b>12,032,069</b>



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		Parent company (unaudited) Three-month period ended June 30, 2012	
	Original balance	Effect of changes IAS 19 (CPC33R)	Adjusted balance
<b>Other comprehensive income</b>			
Net income of the period	5,313,666	6,862	5,320,528
Translation adjustments for the period	7,080,721	(86,366)	6,994,355
	<b>12,394,387</b>	<b>(79,504)</b>	<b>12,314,883</b>
Unrealized results on valuation at market, net	(3,946)		(3,946)
Retirement benefit obligations, net		(86,567)	(86,567)
Cash flow hedge, net	(217,471)		(217,471)
Total comprehensive income of the period, net	<b>12,172,970</b>	<b>(166,071)</b>	<b>12,006,899</b>

		Parent company (unaudited) Six-month period ended June 30, 2012	
	Original balance	Effect of changes IAS 19 (CPC33R)	Adjusted balance
<b>Other comprehensive income</b>			
Net income of the period	12,034,066	(1,997)	12,032,069
Translation adjustments for the period	6,038,455	(64,139)	5,974,316
	<b>18,072,521</b>	<b>(66,136)</b>	<b>18,006,385</b>
Unrealized results on valuation at market, net	(4,644)		(4,644)
Retirement benefit obligations, net		63,254	63,254
Cash flow hedge, net	(203,284)		(203,284)
Total comprehensive income of the period, net	<b>17,864,593</b>	<b>(2,882)</b>	<b>17,861,711</b>

**5. Accounting Standards****a) Standards, interpretations or amendments issued by the IASB for adoption after June 30, 2013**

**Novation of Derivatives and Continuation of Hedge Accounting** In June 2013 IASB issued an amendment to IAS 39 Financial Instruments: Recognition and Measurement, that document conclude that hedge accounting do not terminate or expire when as consequence of law or regulation, a derivative financial instrument replace their original counterparty to become the new counterparty to each of the parties. The adoption of the amendment will be required from January 1st, 2014 and we are analyzing potential impacts regarding this update on our financial statements.

**IFRIC 21 Levies** In May 2013 IASB issued an interpretation that treat about the recognize of a government imposition (levies). The adoption of the interpretation will be required from January 1st, 2014 and we are analyzing potential impacts regarding this update on our financial statements.

**Recoverable Amount Disclosures for Non-Financial Assets** In May 2013 IASB issued an amendment to IAS 36 Impairment of Assets that clarifies the IASB intention about the disclosure of non- financial assets impairment. The adoption of the amendment will be required from January 1st, 2014 and we are analyzing potential impacts regarding this update on our financial statements.

**b) Standards, interpretations, orientation or amendments approved by CVM for adoption after June 30, 2013**

No standards, interpretations, orientation or amendments were approved by CVM.

**6. Risk Management**

During the period, no significant change in relation to risk management policies disclosed in the financial statements for the year ended December 31, 2012.

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**7. Acquisitions and Divestitures****a) Divestitures of Araucaria**

In December 2012, we executed an agreement with Petróleo Brasileiro S.A. (Petrobras) to sell Araucária, operation for production of nitrogens based fertilizers, located in Araucária, in the Brazilian state of Paraná, for US\$234 million. The purchase price will be paid by Petrobras through installments accrued quarterly, adjusted by 100% of the Brazilian Interbank Interest rate (CDI), in amounts equivalent to the royalties due by Vale related to the leasing of potash assets and mining of Taquari-Vassouras and of the Carnalita project.

During the second quarter 2013 Vale concluded the transaction before classified as held for sale, remaining this subject to precedent conditions including the approval by the Brazilian Administrative Council for Economic Defense agency ( Conselho Administrativo de Defesa Econômica or CADE ).

**b) Acquisition of additional participation in the Belvedere**

During 2012, Vale concluded the purchase option on additional 24.5% participation in the Belvedere Coal Project owned by Aquila Resources Limited ( Aquila ) in the amount of AUD150 million (R\$ 318 million). After the approval of the local government, Vale has paid the total amount of US\$338 million (R\$ 682 million) for 100% of Belvedere.

**8. Cash and Cash Equivalents**

	Consolidated		Parent Company	
	June 30, 2013 (unaudited)	December 31, 2012	June 30, 2013 (unaudited)	December 31, 2012
Cash and bank accounts	3,676,382	2,440,169	55,772	35,878
Short-term investments (maturity until 3 months)	9,449,968	9,477,548	2,193,945	652,556
	<b>13,126,350</b>	<b>11,917,717</b>	<b>2,249,717</b>	<b>688,434</b>

**9. Accounts Receivables**

	Consolidated		Parent Company	
	June 30, 2013 (unaudited)	December 31, 2012	June 30, 2013 (unaudited)	December 31, 2012
Denominated in Reais Brazilian Reais	1,860,709	1,733,506	1,935,666	1,518,657
Denominated in other currencies, mainly US\$	9,305,338	12,384,371	16,919,180	20,434,308
	<b>11,166,047</b>	<b>14,117,877</b>	<b>18,854,846</b>	<b>21,952,965</b>
Allowance for doubtful accounts	(213,703)	(233,214)	(105,280)	(114,426)
	<b>10,952,344</b>	<b>13,884,663</b>	<b>18,749,566</b>	<b>21,838,539</b>

Accounts receivables related to the steel industry market represent 82.29% and 71.26% of receivables on June 30, 2013, December 31, 2012, respectively.

In June 30, 2013, no individual customer represents over 10% of receivables or revenues.

The estimated losses for accounts receivable recorded in the statement of income as at June 30, 2013 and June 30, 2012 totaled R\$ 3,896 and R\$ 721, respectively. Write offs as at June 30, 2013 and December 31, 2012, totaled R\$ 16,708 and R\$33,630, respectively.

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**10. Inventory**

	Consolidated		Parent Company	
	June 30, 2013 (unaudited)	December 31, 2012	June 30, 2013 (unaudited)	December 31, 2012
Finished products	5,511,848	4,574,982	2,446,996	2,080,052
Products in process	2,830,920	2,776,258		
<b>Inventory of products</b>	<b>8,342,768</b>	<b>7,351,240</b>	<b>2,446,996</b>	<b>2,080,052</b>
Maintenance supplies	2,849,453	2,968,733	1,244,263	1,202,479
<b>Total of Inventories</b>	<b>11,192,221</b>	<b>10,319,973</b>	<b>3,691,259</b>	<b>3,282,531</b>

The inventories of products are comprised as follows:

	Consolidated		Parent Company	
	June 30, 2013 (unaudited)	December 31, 2012	June 30, 2013 (unaudited)	December 31, 2012
<b>Inventories of products</b>				
<b>Bulk Material</b>				
Iron ore	2,060,444	1,745,919	1,889,792	1,570,681
Pellets	201,738	195,091	191,640	210,383
Manganese and ferroalloys	234,874	188,056		
Coal	689,591	505,850		
	<b>3,186,647</b>	<b>2,634,916</b>	<b>2,081,432</b>	<b>1,781,064</b>
<b>Base Metals</b>				
Nickel and other products	4,043,750	3,870,247	287,572	258,797
Copper	169,216	60,252	74,271	37,075
	<b>4,212,966</b>	<b>3,930,499</b>	<b>361,843</b>	<b>295,872</b>
<b>Fertilizers</b>				
Potash	43,189	41,311		
Phosphates	784,618	679,393		
Nitrogen	68,832	42,152		
	<b>896,639</b>	<b>762,856</b>		
<b>Others</b>	<b>46,516</b>	<b>22,969</b>	<b>3,721</b>	<b>3,116</b>
	<b>8,342,768</b>	<b>7,351,240</b>	<b>2,446,996</b>	<b>2,080,052</b>

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On June 30, 2013 inventory balances include a provision for adjustment to market value of manganese, copper and coal in the amount of R\$6,363, R\$0 and R\$186,514, (on December 31, 2012 was R\$6,363, R\$6,151 and R\$0), respectively.

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Inventories of product</b>				
<b>Balance on begin of period</b>	<b>7,797,322</b>	<b>7,795,929</b>	<b>7,351,240</b>	<b>7,449,728</b>
Addition	11,321,713	10,869,688	21,533,790	20,369,866
Transfer from maintenance supplies	2,089,056	2,132,618	4,008,898	3,932,870
Sale	(12,865,323)	(12,845,513)	(24,303,450)	(23,762,349)
Write-off by inventory adjustment		(663)	(247,710)	(38,056)
<b>Balance on ended of period</b>	<b>8,342,768</b>	<b>7,952,059</b>	<b>8,342,768</b>	<b>7,952,059</b>

	Parent company (unaudited)	
	Six-month period ended	
	June 30, 2013	June 30, 2012
<b>Inventories of product</b>		
<b>Balance on begin of period</b>	<b>2,080,052</b>	<b>2,170,119</b>
Addition	8,553,268	9,895,766
Transfer from maintenance supplies	1,597,582	1,854,231
Sale	(9,783,906)	(11,514,493)
Write-off by inventory adjustment		(21,758)
<b>Balance on ended of period</b>	<b>2,446,996</b>	<b>2,383,865</b>

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	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Inventories of consumable products</b>				
<b>Balance on begin of period</b>	<b>3,087,467</b>	<b>2,359,666</b>	<b>2,968,733</b>	<b>2,383,322</b>
Addition	1,851,042	2,322,777	3,889,618	4,099,373
Transfer to use	(2,089,056)	(2,132,618)	(4,008,898)	(3,932,870)
<b>Balance on ended of period</b>	<b>2,849,453</b>	<b>2,549,825</b>	<b>2,849,453</b>	<b>2,549,825</b>

	Parent company (unaudited)	
	Six-month period ended	
	June 30, 2013	June 30, 2012
<b>Inventories of consumable products</b>		
<b>Balance on begin of period</b>	<b>1,202,479</b>	<b>1,012,619</b>
Addition	1,639,366	1,922,692
Transfer to use	(1,597,582)	(1,854,231)
<b>Balance on ended of period</b>	<b>1,244,263</b>	<b>1,081,080</b>

**11. Recoverable Taxes**

	Consolidated		Parent Company	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Value-added tax	2,395,657	2,090,390	1,177,061	1,056,326
Brazilian Federal Contributions (PIS - COFINS)	1,379,386	1,369,948	915,969	1,013,857
Others	146,562	130,855	66,957	87,271
<b>Total</b>	<b>3,921,605</b>	<b>3,591,193</b>	<b>2,159,987</b>	<b>2,157,454</b>
Current	3,561,443	3,147,715	1,916,123	1,902,190
Non-current	360,162	443,478	243,864	255,264
<b>Total</b>	<b>3,921,605</b>	<b>3,591,193</b>	<b>2,159,987</b>	<b>2,157,454</b>

**12. Financial instruments - investments**

The lock-up period for trading Norsk Hydro shares ended in the first quarter of 2013. From that date on the shares of Norsk Hydro can be traded in the market and therefore we ended the equity method measurement and start classifying this investment as a financial asset available for sale as of June 30, 2013. The fair value of financial instruments investment in stock classified as available for sale in June 30, 2013 was R\$ 3,981,748.

## 13. Investments

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Balance on begin of the period</b>	<b>12,922,619</b>	<b>15,816,422</b>	<b>13,044,460</b>	<b>14,984,038</b>
Additions	219,443	78,802	586,823	457,176
Disposals		(61,896)	(41,084)	(61,896)
Translation adjustment for the period	218,027	482,360	(115,003)	562,782
Equity results	104,406	309,600	445,945	746,620
Equity other comprehensive income	(10,720)	27,506	(410,063)	54,144
Dividends declared	(1,126,809)	(615,532)	(1,184,112)	(705,602)
Transfer (note 12)	(3,910,289)		(3,910,289)	
<b>Balance on ended of the period</b>	<b>8,416,677</b>	<b>16,037,262</b>	<b>8,416,677</b>	<b>16,037,262</b>

	Parent company (unaudited)	
	Six-month period ended	
	June 30, 2013	June 30, 2012
<b>Changes in Investments</b>		
<b>Balance on begin of period</b>	<b>121,628,958</b>	<b>111,953,695</b>
Additions	3,892,962	3,318,237
Disposals	(58,363)	(1,221,535)
Translation adjustment for the period	5,082,998	4,945,771
Equity results	(508,578)	5,267,315
Equity other comprehensive income.	(716,988)	(788,871)
Dividends declared	(2,032,819)	(925,277)
<b>Balance on ended of period</b>	<b>127,288,170</b>	<b>122,549,335</b>



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**Investments (Continued)**

	Location	Principal activity	% ownership	% voting capital	Investments		Equity results (unaudited)			
					As of December 31, June 30, 2013 (unaudited)	2012 (i)	Three-month period ended June 30, 2013 (unaudited)	June 30, 2012 (i)	June 30, 2013	June 30, 2012 (i)
<b>Subsidiaries and affiliated companies</b>										
<b>Direct and indirect subsidiaries</b>										
Aços Laminados do Pará S.A.	Brazil	Steel	100.00	100.00	319,183	319,388	642	(562)	(3,410)	(3,29)
Biopalma da Amazonia S.A. (a)	Brazil	Energy	70.00	70.00	519,412	349,460	(81,856)	(54,273)	(100,048)	(60,83)
Companhia Portuária da Baía de Sepetiba - CPBS	Brazil	Iron ore	100.00	100.00	279,910	454,413	58,500	62,156	88,547	102,02
Compañía Minera Miski Mayo S.A.C (a)	Peru	Fertilizers	40.00	51.00	487,346	528,009	(7,106)	34,474	152	53,19
Ferrovia Centro-Atlantica S.A. (a)	Brazil	General Cargo Logistics	99.99	99.99	3,020,685	2,926,116	(38,472)	(43,602)	(145,394)	(150,92)
Ferrovia Norte Sul S.A.	Brazil	General Cargo Logistics	100.00	100.00	1,721,010	1,717,056	13,219	5,223	3,954	(7,67)
Mineração Corumbaense Reunida S.A.	Brazil	Iron ore and Manganese	100.00	100.00	1,105,219	1,364,947	81,611	104,811	71,048	102,12
Minerações Brasileiras Reunidas S.A. - MBR (b)	Brazil	Iron ore	98.32	98.32	4,580,387	4,538,200	13,398	31,936	79,458	67,94
Potasio Rio Colorado S.A. (a)	Argentina	Fertilizers	100.00	100.00	7,513,225	6,016,285	(158,693)	(18,590)	(167,967)	(36,15)
Rio Doce Australia Pty Ltd.	Australia	Coal	100.00	100.00	150,017	(35,800)	(192,359)	(108,557)	(251,060)	(213,11)
Salobo Metais S.A. (a)	Brazil	Copper	100.00	100.00	6,961,186	6,343,192	10,526	(27,600)	(18,795)	(22,75)
Sociedad Contractual Minera Tres Valles (a)	Chile	Copper	90.00	90.00	368,742	459,907	(32,243)	(32,552)	(50,817)	(53,42)
SRV Reinsurance Company S.A.	Switzerland	Insurance	100.00	100.00	697,428	1,247,555	(645,493)		(646,738)	10,33
Vale International Holdings GMBH	Austria	Holding and research	100.00	100.00	12,541,494	8,192,933	64,391	(137,616)	(115,095)	(200,13)

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(b)										
Vale Canada Holdings	Canada	Holding	100.00	100.00	1,042,175	1,000,138	(3,540)	(2,134)	(7,718)	(1,44
Vale Canada Limited (b)	Canada	Nickel	100.00	100.00	16,172,266	9,575,352	(188,211)	(664,939)	(389,615)	(1,033,41
Vale Colombia Holding Ltd. (e)	Colombia	Coal	100.00	100.00				(57,789)		(64,17
Vale Fertilizantes S.A. (d)	Brazil	Fertilizers	100.00	100.00				(53,320)		(51,85
Vale Fertilizantes S.A. (antiga Mineração Naque S.A.) (a) (b)			100.00	100.00	13,941,904	13,593,079	39,023	2,533,651	(29,675)	2,561,48
Vale International S.A. (b)	Switzerland	Trading and holding	100.00	100.00	28,576,853	34,748,846	(785,661)	926,158	355,791	3,553,96
Vale Malaysia Minerals	Malaysia	Iron ore	100.00	100.00	1,645,184	1,013,478	(12,004)	2,661	(21,795)	(9,85
Vale Manganês S.A.	Brazil	Manganese and Ferroalloys	100.00	100.00	567,142	686,604	(14,334)	33,431	(119,192)	6,03
Vale Mina do Azul S.A.	Brazil	Manganese	100.00	100.00	227,831	203,100	23,200	7,479	39,589	2,54
Vale Moçambique	Mozambique	Coal	100.00	100.00	7,978,609	5,886,379	632,192	(86,582)	275,483	(147,25
Vale Shipping Holding Pte. Ltd.	Singapore	Logistic of iron ore	100.00	100.00	5,915,353	5,117,874	88,884	33,090	192,567	106,23
VBG Vale BSGR Limited (a)	Guinea	Iron ore	51.00	51.00	891,324	869,341	(19,795)	(47,313)	(65,204)	(87,26
VLI Multimodal S.A. (a) (b)	Brazil	General Cargo Logistics	100.00	100.00	689,995	606,865	30,786	(17,648)	49,108	44,42
Others					957,613	861,781	39,298	76,701	22,303	53,99
					<b>118,871,493</b>	<b>108,584,498</b>	<b>(1,084,097)</b>	<b>2,498,694</b>	<b>(954,523)</b>	<b>4,520,69</b>
<b>Joint Ventures</b>										
California Steel Industries, INC	USA	Steel	50.00	50.00	396,124	341,553	8,449	17,130	21,088	27,53
Companhia Coreano-Brasileira de Pelotização - KOBRASCO	Brazil	Pellets	50.00	50.00	180,174	218,574	7,262	15,721	8,741	28,38
Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (f)	Brazil	Pellets	50.89	51.00	188,270	213,028	3,054	56,627	(4,402)	60,11
Companhia Ítalo-Brasileira de Pelotização - ITABRASCO (f)	Brazil	Pellets	50.90	51.00	129,383	130,003	(1,213)	2,477	(620)	12,71
Companhia Nipo-Brasileira de Pelotização - NIBRASCO (f)	Brazil	Pellets	51.00	51.11	341,018	363,546	5,425	6,274	9,250	16,35
CSP- Companhia Siderúrgica do PECEM	Brazil	Steel	50.00	50.00	1,486,492	1,019,920	(4,263)	(1,066)	(7,041)	(2,89
MRS Logística S.A. (h)	Brazil	General Cargo Logistics	47.59	46.75	1,220,966	1,196,876	46,759	36,442	72,978	106,79
Norte Energia S.A. Samarco	Brazil	Energy	9.00	9.00	331,674	245,631	(841)	(2,110)	(1,789)	(2,11
Mineração S.A. (g)	Brazil	Iron ore	50.00	50.00	761,090	1,287,854	145,592	276,008	465,591	648,91
Others					338,587	442,732	(23,573)	(18,596)	(46,927)	(82,20
					<b>5,373,778</b>	<b>5,459,717</b>	<b>186,651</b>	<b>388,907</b>	<b>516,869</b>	<b>813,59</b>
<b>Direct and indirect associate</b>										
Henan Longyu Energy Resources CO., LTD.	China	Coal	25.00	25.00	840,505	697,432	24,605	30,509	42,644	62,45
LOG-IN - Logística Intermodal S/A (c)	Brazil	General Cargo Logistics	31.33	31.33	199,683	192,400		(9,165)	7,283	(26,77
	Brazil	Bauxite	40.00	40.00	240,610	277,384	1,934	7,646	5,412	20,05

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Mineração Rio Grande do Norte S.A. - MRN										
Norsk Hydro ASA	Norway	Aluminum				4,572,223				50,08
Teal Minerals Incorporated	Zambia	Copper	50.00	50.00	535,197	515,669	(6,369)	(3,303)	(12,265)	(5,84
Tecnored Desenvolvimento Tecnológico S.A. (a)	Brazil	Iron ore	49.21	49.21	94,329	78,936	(5,589)	(12,717)	(10,078)	(15,56
Thyssenkrupp CSA Companhia Siderúrgica do Atlântico	Brazil	Steel	26.87	26.87	965,292	1,091,633	(97,905)	(91,433)	(111,629)	(155,83
Zhuhai YPM Pellet Co	China	Pellets	25.00	25.00	54,108	48,313	104	321	485	64
Others					113,175	110,753	975	(1,165)	7,224	3,80
<b>Total of associates and joint ventures</b>					<b>3,042,899</b>	<b>7,584,743</b>	<b>(82,245)</b>	<b>(79,307)</b>	<b>(70,924)</b>	<b>(66,97</b>
<b>Total</b>					<b>8,416,677</b>	<b>13,044,460</b>	<b>104,406</b>	<b>309,600</b>	<b>445,945</b>	<b>746,62</b>
					<b>127,288,170</b>	<b>121,628,958</b>	<b>(979,691)</b>	<b>2,808,294</b>	<b>(508,578)</b>	<b>5,267,31</b>

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(i) Period adjusted according to note 4.

(a) Investment balance includes the values of advances for future capital increase;

(b) Stockholder's equity is excluded of others investments presented in the table.

(c) Market value on June 30, 2013 was R\$282 million and on December 31, 2012 was R\$246 million;

(d) Merged with Vale Fertilizantes S.A. (old Mineração Naque);

(e) Company sold in June 2012;

(f) Although Vale held a majority of the voting interest of investees accounted for under the equity method, existing veto rights held by noncontrolling shareholders;

(g) Main data of Samarco: Operational Result R\$ 1,641 million, Financial Result R\$ (500) million, Income tax (R\$ 211) million; and

(h) Market value on June 30, 2013 was R\$2,978,992 and on December 31, 2012 was R\$2,147,118 but its stock has no trading.

**14. Intangible Assets**

	June 30, 2013 (unaudited)		Consolidated		December 31, 2012	
	Cost	Amortization	Net	Cost	Amortization	Net
<b>Indefinite useful lifetime</b>						
Goodwill	9,578,124		9,578,124	9,406,549		9,406,549
<b>Finite useful lifetime</b>						
Concession and subconcession	11,636,093	(3,593,039)	8,043,054	10,981,246	(3,306,941)	7,674,305
Right to use	748,949	(137,472)	611,477	732,416	(112,516)	619,900
Others	2,654,430	(1,508,482)	1,145,948	2,504,260	(1,382,987)	1,121,273
	<b>15,039,472</b>	<b>(5,238,993)</b>	<b>9,800,479</b>	<b>14,217,922</b>	<b>(4,802,444)</b>	<b>9,415,478</b>
<b>Total</b>	<b>24,617,596</b>	<b>(5,238,993)</b>	<b>19,378,603</b>	<b>23,624,471</b>	<b>(4,802,444)</b>	<b>18,822,027</b>

Parent Company

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	June 30, 2013 (unaudited)			December 31, 2012		
	Cost	Amortization	Net	Cost	Amortization	Net
<b>Indefinite useful lifetime</b>						
Goodwill	9,578,124		9,578,124	9,406,549		9,406,549
<b>Finite useful lifetime</b>						
Concession and subconcession	6,888,394	(2,590,450)	4,297,944	6,409,684	(2,414,022)	3,995,662
Right to use	223,357	(86,324)	137,033	222,357	(83,406)	138,951
Others	2,654,430	(1,508,482)	1,145,948	2,504,260	(1,380,987)	1,123,273
	<b>9,766,181</b>	<b>(4,185,256)</b>	<b>5,580,925</b>	<b>9,136,301</b>	<b>(3,878,415)</b>	<b>5,257,886</b>
<b>Total</b>	<b>19,344,305</b>	<b>(4,185,256)</b>	<b>15,159,049</b>	<b>18,542,850</b>	<b>(3,878,415)</b>	<b>14,664,435</b>

The useful life of the concessions and sub-concessions are not change.

The rights of use refers basically to the usufruct contract entered into with non-controlling stockholders to use the Empreendimentos Brasileiros de Mineração S.A. shares (owner of the shares of MBR) and intangible identified in business combination of Vale Canada. The amortization of the right to use will expires in 2037 and Vale Canada's intangible will end in September 2046.

The table below shows the movement of intangible assets during the period:

	Consolidated (unaudited) Three-month period ended June 30, 2013					June 30, 2012
	Goodwill	Concessions and Subconcessions	Right to use	Others	Total	Total
<b>Balance at beginning of period</b>	<b>9,285,233</b>	<b>7,846,120</b>	<b>593,302</b>	<b>1,065,185</b>	<b>18,789,840</b>	<b>17,959,670</b>
Addition		354,723		143,428	498,151	497,191
Write off		(5,815)		(3,581)	(9,396)	(455,317)
Amortization		(151,974)	(12,118)	(59,084)	(223,176)	(207,159)
Translation adjustment for the period	292,891		30,293		323,184	287,185
<b>Balance at end of period</b>	<b>9,578,124</b>	<b>8,043,054</b>	<b>611,477</b>	<b>1,145,948</b>	<b>19,378,603</b>	<b>18,081,570</b>

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	Consolidated (unaudited) Six-month period ended June 30, 2013					June 30, 2012
	Goodwill	Concessions and Subconcessions	Right to use	Others	Total	Total
<b>Balance at beginning of period</b>	<b>9,406,549</b>	<b>7,674,305</b>	<b>618,900</b>	<b>1,122,273</b>	<b>18,822,027</b>	<b>17,788,581</b>
Addition		675,640		160,341	835,981	878,304
Write off		(9,921)		(4,334)	(14,255)	(455,912)
Amortization		(296,970)	(21,858)	(132,332)	(451,160)	(389,091)
Translation adjustment for the period	171,575		14,435		186,010	259,688
<b>Balance at end of period</b>	<b>9,578,124</b>	<b>8,043,054</b>	<b>611,477</b>	<b>1,145,948</b>	<b>19,378,603</b>	<b>18,081,570</b>

	Parent company (unaudited) Six-month period ended June 30, 2013					June 30, 2012
	Goodwill	Concessions and Subconcessions	Right to use	Others	Total	Total
<b>Balance at beginning of period</b>	<b>9,406,549</b>	<b>3,995,662</b>	<b>138,951</b>	<b>1,123,273</b>	<b>14,664,435</b>	<b>13,973,730</b>
Addition		499,222		160,341	659,563	624,433
Write off		(9,640)		(4,334)	(13,974)	(455,912)
Amortization		(187,300)	(2,918)	(132,332)	(322,550)	(287,498)
Translation adjustment for the period	171,575				171,575	230,892
<b>Balance at end of period</b>	<b>9,578,124</b>	<b>4,297,944</b>	<b>136,033</b>	<b>1,146,948</b>	<b>15,159,049</b>	<b>14,085,645</b>

**15. Property, plant and equipment**

	Consolidated					
	June 30, 2013 (unaudited)			December 31, 2012		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	2,043,333		2,043,333	1,380,514		1,380,514
Buildings	18,201,809	(4,165,182)	14,036,627	15,755,033	(3,304,484)	12,450,549
Facilities	34,837,671	(10,449,003)	24,388,668	33,349,628	(9,326,286)	24,023,342
Computer equipment	1,837,246	(1,390,068)	447,178	2,013,578	(1,244,805)	768,773
Mineral assets	48,542,037	(11,046,686)	37,495,351	48,439,597	(9,887,451)	38,552,146
Others	59,014,793	(19,008,002)	40,006,791	54,672,527	(17,523,598)	37,148,929
Construction in progress	67,844,625		67,844,625	59,130,367		59,130,367
	<b>232,321,514</b>	<b>(46,058,941)</b>	<b>186,262,573</b>	<b>214,741,244</b>	<b>(41,286,624)</b>	<b>173,454,620</b>

	June 30, 2013 (unaudited)			Parent Company		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	1,362,340		1,362,340	1,161,681		1,161,681
Buildings	6,917,439	(1,409,351)	5,508,088	5,694,835	(1,319,261)	4,375,574
Facilities	17,528,184	(4,430,401)	13,097,783	16,427,951	(4,128,008)	12,299,943
Computer equipment	961,884	(765,251)	196,633	942,314	(723,799)	218,515
Mineral assets	2,843,442	(667,794)	2,175,648	4,401,616	(587,915)	3,813,701
Others	18,895,192	(8,098,614)	10,796,578	16,820,944	(7,532,274)	9,288,670
Construction in progress	33,192,115		33,192,115	30,073,238		30,073,238
	<b>81,700,596</b>	<b>(15,371,411)</b>	<b>66,329,185</b>	<b>75,522,579</b>	<b>(14,291,257)</b>	<b>61,231,322</b>

In March 2013, the Company suspended the implementation of the Rio Colorado project in Argentina. The current underlying project parameters are not sufficiently favorable to assure the project meets the Company's capital allocation and value creation targets. The Company will continue honoring its commitments related to the concessions and reviewing alternatives to enhance the project outcome in order to determine prospects for future project development. Based on an analysis of current expected returns and projected investments, the Company has concluded that no impairment provision is required at this time. This matter continues to be closely monitored by management.

The net property, plant and equipment given in guarantees for judicial claims in June 30, 2013 and December 31, 2012 correspond to R\$195,042 and R\$196,870 in consolidated and R\$159,821 and R\$161,338 in the parent company respectively.

The table below shows the movement of Property, plant and equipment during the period:

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	Consolidated (unaudited) Three-month period ended June 30, 2013							June 30, 2012	
	Land	Building	Facilities	Computer equipment	Mineral assets	Others	Constructions in progress	Total	Total
<b>Balance at beginning of period</b>	<b>1,747,104</b>	<b>12,886,297</b>	<b>23,726,343</b>	<b>743,833</b>	<b>35,205,546</b>	<b>37,330,280</b>	<b>63,211,445</b>	<b>174,850,848</b>	<b>157,088,920</b>
Acquisitions							5,336,088	5,336,088	4,284,881
Disposals	(58)	(422)	(25,355)		(239)	(15,351)	(72,182)	(113,607)	(669,778)
Transfer to non-current assets held for sale									(82,645)
Depreciation and amortization		(127,222)	(481,351)	(39,781)	(413,021)	(663,635)		(1,725,010)	(1,182,509)
Translation adjustment for the period	(38,679)	214,565	563,814	(320,930)	2,611,484	1,883,472	3,000,528	7,914,254	7,778,316
Transfers	334,966	1,063,409	605,217	64,056	91,581	1,472,025	(3,631,254)		
<b>Balance at end of period</b>	<b>2,043,333</b>	<b>14,036,627</b>	<b>24,388,668</b>	<b>447,178</b>	<b>37,495,351</b>	<b>40,006,791</b>	<b>67,844,625</b>	<b>186,262,573</b>	<b>167,217,185</b>

	Consolidated (unaudited) Six-month period ended June 30, 2013							June 30, 2012	
	Land	Building	Facilities	Computer equipment	Mineral assets	Others	Constructions in progress	Total	Total
<b>Balance at beginning of period</b>	<b>1,380,514</b>	<b>12,451,549</b>	<b>24,023,342</b>	<b>768,773</b>	<b>38,553,146</b>	<b>37,146,929</b>	<b>59,130,367</b>	<b>173,454,620</b>	<b>153,854,863</b>
Acquisitions							12,455,380	12,455,380	9,153,309
Disposals	(58)	(1,004)	(100,134)	(1,085)	(61,274)	(17,687)	(82,961)	(264,203)	(752,420)
Transfer to non-current assets held for sale									(82,645)
Depreciation and amortization		(249,306)	(911,907)	(82,237)	(899,788)	(2,262,650)		(4,405,888)	(3,016,968)
Translation adjustment for the period	(38,431)	135,967	356,572	(325,895)	954,813	1,430,943	2,508,695	5,022,664	8,061,046
Transfers	701,308	1,699,421	1,020,795	87,622	(1,051,546)	3,709,256	(6,166,856)		



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<b>Balance at end of period</b>	<b>2,043,333</b>	<b>14,036,627</b>	<b>24,388,668</b>	<b>447,178</b>	<b>37,495,357</b>	<b>40,006,791</b>	<b>67,844,625</b>	<b>186,262,573</b>	<b>167,217,185</b>
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	Parent company (unaudited) Six-month period ended June 30, 2013							June 30, 2012	
	Land	Building	Facilities	Computer equipment	Mineral assets	Others	Constructions in progress	Total	Total
<b>Balance at beginning of period</b>	<b>1,161,681</b>	<b>4,375,574</b>	<b>12,299,943</b>	<b>217,515</b>	<b>3,814,701</b>	<b>9,288,670</b>	<b>30,073,238</b>	<b>61,231,322</b>	<b>55,503,193</b>
Acquisitions							6,392,101	6,392,101	6,347,088
Disposals			(2,658)	(68)		(53,507)	(135,117)	(191,350)	(78,917)
Depreciation and amortization		(90,594)	(311,431)	(42,843)	(147,620)	(510,400)		(1,102,888)	(1,123,317)
Others	200,659	1,223,108	1,111,929	22,029	(1,491,433)	2,071,815	(3,138,107)		
<b>Balance at end of period</b>	<b>1,362,340</b>	<b>5,508,088</b>	<b>13,097,783</b>	<b>196,633</b>	<b>2,175,648</b>	<b>10,796,578</b>	<b>33,192,115</b>	<b>66,329,185</b>	<b>60,648,047</b>

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**16. Loans and Financing****a) Long-term debts**

	Consolidated		Consolidated	
	Current Liabilities	Current Liabilities	Non-current liabilities	Non-current liabilities
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
	(unaudited)		(unaudited)	
<b>Long-term contracts abroad</b>				
<b>Loans and financing in:</b>				
United States dollars	901,466	1,234,900	7,592,614	6,905,692
Others currencies	41,676	28,829	535,684	535,465
<b>Fixed rates:</b>				
Notes indexed in United States dollars (fixed rates)	276,293	253,220	30,005,073	27,499,381
Euro			4,368,317	4,043,100
Accrued charges	667,334	661,753		
	<b>1,886,769</b>	<b>2,178,702</b>	<b>42,501,688</b>	<b>38,983,638</b>
<b>Long-term contracts in Brazil</b>				
Indexed to TJLP, TR, IGP-M e CDI	648,835	357,899	12,877,289	12,394,565
Basket of currencies	5,434	3,579	19,888	20,808
Loans in United States dollars	364,799	346,420	2,830,897	2,589,501
Non-convertible debentures into shares	4,000,000	4,000,000	813,803	774,464
Accrued charges	230,486	206,278		
	<b>5,249,554</b>	<b>4,914,176</b>	<b>16,541,877</b>	<b>15,779,338</b>
	<b>7,136,323</b>	<b>7,092,878</b>	<b>59,043,565</b>	<b>54,762,976</b>

	Parent Company		Parent Company	
	Current Liabilities	Current Liabilities	Non-current liabilities	Non-current liabilities
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
	(unaudited)		(unaudited)	
<b>Long-term contracts abroad</b>				
<b>Loans and financing in:</b>				
United States dollars	364,376	274,843	5,626,868	5,137,180
<b>Fixed rates:</b>				
Notes indexed in United States dollars (fixed rates)			3,344,550	3,065,250
Euro			4,368,317	4,043,100
Accrued charges	178,386	211,677		

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	<b>542,762</b>	<b>486,520</b>	<b>13,339,735</b>	<b>12,245,530</b>
<b>Long-term contracts in Brazil</b>				
Indexed to TJLP, TR, IGP-M e CDI	491,595	306,065	12,461,623	12,032,209
Loans in United States dollars	364,799	346,420	2,830,897	2,589,501
Non-convertible debentures into shares	4,000,000	4,000,000		
Accrued charges	208,584	188,844		
	<b>5,064,978</b>	<b>4,841,329</b>	<b>15,292,520</b>	<b>14,621,710</b>
	<b>5,607,740</b>	<b>5,327,849</b>	<b>28,632,255</b>	<b>26,867,240</b>

The long-term portion as at June 30, 2013 has maturities as follows:

	(unaudited)	
	Consolidated	Parent Company
2014	1,990,900	1,818,536
2015	2,740,359	1,749,356
2016	4,414,542	1,831,938
2017	5,212,355	1,848,590
2018 onwards	44,685,409	21,383,835
	<b>59,043,565</b>	<b>28,632,255</b>

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As at June 30, 2013, the annual interest rates on the long-term debts were as follows:

	(unaudited)	
	Consolidated	Parent Company
Up to 3%	10,967,706	8,287,507
3,1% to 5% (a)	13,475,199	6,095,221
5,1% to 7%	27,844,085	10,211,234
7,1% to 9% (b)	2,912,285	
9,1% to 11% (b)	5,359,551	5,044,967
Over 11% (b)	5,620,447	4,601,066
Variable	615	
	<b>66,179,888</b>	<b>34,239,995</b>

(a) Includes Eurobonds. For this operation we have entered into derivative transactions at a cost of 4.51% per year in US dollars.

(b) Includes non-convertible debentures and other Brazilian Real denominated debt that bears interest at the CDI and Brazilian Government Long-term Interest Rates ( TJLP ), plus spread. For these operations, we have entered into derivative transactions to mitigate our exposure to the floating rate debt denominated in Brazilian Real, totaling US\$ 7,876,370 (R\$ 17,561,942) of which US\$ 4,473,874 (R\$ 9,975,308) has an original interest rate above 7.1% per year. The average cost of debts not denominated in U.S. Dollars after derivatives contracting is 2.60% per year.

All the securities issued through our 100% finance subsidiary Vale Overseas Limited, are fully and unconditionally guaranteed by Vale.

**b) Funding and revolving credit lines**

In June 2013 Vale entered into a new facility with Banco Nacional de Desenvolvimento Econômico Social - BNDES for a total amount of R\$ 109,307 (US\$ 49,023), to finance the acquisition of domestic equipment.

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In July 4, 2013 (subsequent event) the Company contracted a new 5-year revolving credit facility in the amount of R\$ 4,452 million (US\$ 2 billion).

Financial Institution	Contractual Currency	Date of agreement	Credit line		Amounts drawn on		
			Available until	Total amount available	June 30, 2013	December 31, 2012	
<b>Revolving Credit Lines</b>							
Revolving Credit Facility - Vale/ Vale International/ Vale							
Canada	US\$	April 2011	5 years	6,689,100			
<b>Credit Lines</b>							
BNDES	R\$	April 2008	(a)	10 years	7,300,000	3,793,700	3,581,809
<b>Loans</b>							
Export-Import Bank of China e Bank of China Limited							
	US\$	September 2010	(b)	13 years	2,739,855	2,125,350	1,710,410
Export Development Canada ( EDC )							
	US\$	October 2010	(c)	10 years	2,229,700	2,173,958	1,992,413
<b>BNDES</b>							
CLN 150							
	R\$	September 2012	(d)	10 years	3,882,956	2,778,661	2,108,661
Programa de Sustentação do Investimento 2,50% ( PSI )							
	R\$	December 2012	(e)	10 years	181,978	181,978	
	R\$	June 2013	(f)	10 years	109,307		

The currency of total amount available and disbursed different from reporting currency is affected by exchange rate variation among periods.

- 
- (a) Memorandum of Understanding signature date, however the term of the financing projects is counted from the date of signature of each projects additive.
- (b) Acquisition of twelve large ore carriers from Chinese shipyards.
- (c) Financing investments in Canada and Canadian exports.
- (d) Capacitação Logística Norte 150 Project (CLN 150).
- (e) Acquisition of wagons by VLI Multimodal.
- (f) Acquisition of a domestic equipment.

These credit lines from Nexi, JBIC, K-Sure, BNDES: Vale Fertilizantes, PSI 4.50% and 5.50% were taken off this note, because they have been used in its entirety.

- c) **Guarantee**

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On June 30, 2013, R\$ 3,424,342 (US\$ 1,535,786 thousand) of the total aggregate outstanding debt was secured by property, plant and equipment and receivables.

### **d) Covenants**

Our principal covenants require us to maintain certain ratios, such as debt to EBITDA (Earnings before interests taxes, depreciation and amortization) and interest coverage. We have not identified any events of noncompliance as of June 30, 2013.

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**17. Provision for litigation**

Vale is a party to labor, civil, tax and other ongoing lawsuits and is discussing these issues both administratively and in court. When applicable, these lawsuits are supported by judicial deposits, where required. Provisions for losses resulting from these processes are estimated and updated by the Company, supported by the legal advice of the legal board of the Company and by its legal consultants.

	Consolidated (unaudited) Six-month period ended					June 30, 2012
	June 30, 2013					Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	Total of litigation provision	Total of litigation provision
<b>Balance at beginning of period</b>	<b>2,039,287</b>	<b>575,227</b>	<b>1,534,142</b>	<b>69,537</b>	<b>4,218,193</b>	<b>3,144,740</b>
Additions	200,025	71,971	332,743	23,598	628,337	444,849
Reversals	(87,412)	(86,247)	(219,797)	(8,680)	(402,136)	(221,989)
Payments	(585,813)	(3,010)	(120,564)	(1,371)	(710,758)	(53,941)
Monetary adjustment	(54,040)	(37,122)	39,887	8,504	(42,771)	153,738
Transfer to assets held for sale			4,781		4,781	(2,723)
<b>Balance at end of period</b>	<b>1,512,047</b>	<b>520,819</b>	<b>1,571,192</b>	<b>91,588</b>	<b>3,695,646</b>	<b>3,464,674</b>

Non-current liabilities	Parent company (unaudited) Six-month period ended					June 30, 2012
	June 30, 2013					Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	Total of litigation provision	Total of litigation provision
<b>Balance at beginning of period</b>	<b>1,213,139</b>	<b>246,983</b>	<b>1,364,178</b>	<b>42,752</b>	<b>2,867,052</b>	<b>1,927,686</b>
Additions	106,101	13,960	168,586	10,348	298,995	356,747
Reversals	(73,631)	(11,989)	(165,565)	(1,010)	(252,195)	(225,139)
Payments	(581,093)	(1,945)	(22,755)	(1,371)	(607,164)	(40,392)
Monetary adjustment	19,082	(16,969)	33,992	7,547	43,652	80,185
<b>Balance at end of period</b>	<b>683,598</b>	<b>230,040</b>	<b>1,378,436</b>	<b>58,266</b>	<b>2,350,340</b>	<b>2,099,087</b>

In July 10, 2013 (subsequent event) we paid R\$55,854 of CFEM. During the six-month period ended on June 30, 2013, we paid R\$529,714 and as at June 30, 2013 and December 31, 2012, the total liability in relation to CFEM presented in the tax litigation on the table above was R\$701,983 and R\$1,060,022, respectively.

Judicial deposits are as follows:

	Consolidated		Parent Company	
	June 30, 2013 (unaudited)	December 31, 2012	June 30, 2013 (unaudited)	December 31, 2012
Tax litigations	948,530	888,609	582,150	549,190
Civil litigations	364,481	350,866	291,405	286,119
Labor litigations	1,972,410	1,844,550	1,754,907	1,629,107
Environmental litigations	11,203	10,952	9,912	9,661
<b>Total</b>	<b>3,296,624</b>	<b>3,094,977</b>	<b>2,638,374</b>	<b>2,474,077</b>

The Company is also involved in administrative and judicial litigations which the expectation of loss is considered possible, and accordingly, no provision has been recorded. These contingent liabilities are classified as follows:

	Consolidated		Parent Company	
	June 30, 2013 (unaudited)	December 31, 2012	June 30, 2013 (unaudited)	December 31, 2012
Tax litigations	37,329,110	33,701,789	32,829,331	30,675,445
Civil litigations	2,590,443	2,295,914	2,078,817	1,783,647
Labor litigations	5,240,809	3,530,686	4,272,884	3,053,240
Environmental litigations	2,773,436	3,417,055	2,740,181	3,387,977
<b>Total</b>	<b>47,933,798</b>	<b>42,945,444</b>	<b>41,921,213</b>	<b>38,900,309</b>

The most relevant among tax cases classified as possible loss, refers to the process against Company for the collection of Income Tax and Social Contribution on equity gain on foreign subsidiaries and questioning the deductibility of social contribution on the basis of calculation of income tax. The restated amount for the process, the added interest and penalties, totaled at June 30, 2013 and December 31, 2012, R\$ 30,305,054 and R\$ 31,079,970, respectively.



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**18. Asset retirement obligation**

The Company uses substantially the same criteria used in the financial statements of December 31, 2012 to measure the obligations concerning the discontinuation of use of fixed assets. Interest rates on long-term used to discount to present value and update the provision for June 30, 2013 and December 31, 2012 were 5.03% pa.

The change in the provision for asset retirement obligations are as follows:

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Balance at beginning of period</b>	<b>5,387,879</b>	<b>3,679,123</b>	<b>5,615,283</b>	<b>3,563,730</b>
Increase expense	87,758	97,028	179,753	157,516
Settlement in the current period	(22,311)	(947)	(25,437)	(7,888)
Revisions in estimated cash flows	(303,094)	3,676	(558,478)	66,314
Translation adjustments for the period	185,246	96,823	124,357	96,031
<b>Balance at end of period</b>	<b>5,335,478</b>	<b>3,875,703</b>	<b>5,335,478</b>	<b>3,875,703</b>
Current	148,178	80,902	148,178	80,902
Non-current	5,187,300	3,794,801	5,187,300	3,794,801
	<b>5,335,478</b>	<b>3,875,703</b>	<b>5,335,478</b>	<b>3,875,703</b>

	Parent company (unaudited)	
	Six-month period ended	
	June 30, 2013	June 30, 2012
<b>Balance at beginning of period</b>	<b>1,625,324</b>	<b>1,130,923</b>
Increase expense	67,865	44,822
<b>Balance at end of period</b>	<b>1,693,189</b>	<b>1,175,745</b>
Current	63,424	13,613
Non-current	1,629,765	1,162,132
	<b>1,693,189</b>	<b>1,175,745</b>

**19. Deferred Income Tax and Social Contribution**

We analyze the potential tax impact associated with undistributed earnings of each our subsidiaries and affiliates. For those subsidiaries in which undistributed earnings are intended to be reinvested indefinitely, no deferred tax is recognized. Undistributed earnings of foreign consolidated subsidiaries and affiliates for which no deferred income tax has been recognized for possible future remittances to the parent company totaled R\$ 58,864 (US\$ 26,400) at June 30, 2013, R\$ 54,766 (US\$ 26,800) at December 31, 2012. These amounts are considered to be permanently reinvested in the Company's international business. It is not practicable to determine the amount of the unrecognized deferred tax liability associated with these amounts. If we did determine to repatriate these earnings, there would be methods available to us, each with different tax consequences. There would also be uncertainty as to timing and amount, if any, of foreign tax credits that would be available, as the calculation of the available foreign tax credit is dependent upon the timing of the repatriation and projections of significant future uncertain events. The wide range of potential outcomes that could result due to these factors, among others, makes it impracticable to calculate the amount of tax that hypothetically would be recognized on these earnings if they were repatriated.

The deferred balances were as follows:

	June 30, 2013		Consolidated (unaudited) Three-month period ended		June 30, 2012	
	Assets	Liabilities	Total	Assets	Liabilities	Total
<b>Balance beginning of the period</b>	<b>8,578,269</b>	<b>7,074,106</b>	<b>1,504,163</b>	<b>3,909,192</b>	<b>10,062,562</b>	<b>(6,153,370)</b>
Net income effect	553,005	(159,599)	712,604	(254,713)	(4,530)	(250,183)
Subsidiary acquisition (sales)					(172,534)	172,534
Translation adjustment for the period	231,456	298,716	(67,260)	61,467	309,991	(248,524)
Reversal of deferred income tax					(2,533,411)	2,533,411
Other comprehensive income	105,334	(45,967)	151,301	22,919	(58,233)	81,152
<b>Balance at end of period</b>	<b>9,468,064</b>	<b>7,167,256</b>	<b>2,300,808</b>	<b>3,738,865</b>	<b>7,603,845</b>	<b>(3,864,980)</b>

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	Consolidated (unaudited) Six-month period ended			June 30, 2012		
	Assets	Liabilities	Total	Assets	Liabilities	Total
<b>Balance beginning of period</b>	<b>8,291,074</b>	<b>6,918,372</b>	<b>1,372,702</b>	<b>3,549,328</b>	<b>10,175,546</b>	<b>(6,626,218)</b>
Net income effect	857,709	(184,836)	1,042,545	170,259	(89,696)	259,955
Subsidiary acquisition (sale)					(172,534)	172,534
Translation adjustment for the period	168,566	437,554	(268,988)	47,026	243,454	(196,428)
Reversal of deferred income tax					(2,533,411)	2,533,411
Comprehensive income	150,715	(3,834)	154,549	(27,748)	(19,514)	(8,234)
<b>Balance at end of period</b>	<b>9,468,064</b>	<b>7,167,256</b>	<b>2,300,808</b>	<b>3,738,865</b>	<b>7,603,845</b>	<b>(3,864,980)</b>

	Parent company (unaudited) Six-month period ended	
	June 30, 2013 Assets	June 30, 2012 Ativo
<b>Balance at beginning of period</b>	<b>5,714,932</b>	<b>2,119,056</b>
Net income effect	101,392	22,917
Other comprehensive income	150,715	(38,791)
<b>Balance at end of period</b>	<b>5,967,039</b>	<b>2,103,182</b>

There were no changes in tax rates in the countries where we operate. The table below shows the total income tax and social contribution shown in the income:

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Income before tax and social contribution	610,358	3,003,623	8,563,261	10,537,685
Results of equity investments	(104,406)	(309,600)	(445,945)	(746,620)
	<b>505,952</b>	<b>2,694,023</b>	<b>8,117,316</b>	<b>9,791,065</b>
<b>Income tax and social contribution at statutory rates - 34%</b>	<b>(172,024)</b>	<b>(915,968)</b>	<b>(2,759,887)</b>	<b>(3,328,962)</b>
<b>Adjustments that affects the basis of taxes:</b>				
Income tax benefit from interest on stockholders equity	626,936	670,248	1,253,872	1,340,496
Tax incentive	(33,934)		225,898	159,496
Results of overseas companies taxed by different rates which differs from the parent company rate	(345,224)	76,035	(184,324)	732,807

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Recognition of allowance for tax loss carryforward	429,295	2,533,411	365,490	2,533,411
Others	(351,632)	(180,222)	(613,982)	(179,336)
<b>Income tax and social contribution on the profit for the period</b>	<b>153,417</b>	<b>2,183,504</b>	<b>(1,712,933)</b>	<b>1,257,912</b>

	Parent company (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Income before tax and social contribution	1,377,112	5,760,596	9,394,602	13,212,423
Results of equity investments	979,691	(2,808,293)	508,579	(5,267,314)
	<b>2,356,803</b>	<b>2,952,303</b>	<b>9,903,181</b>	<b>7,945,109</b>
<b>Income tax and social contribution at statutory rates - 34%</b>	<b>(801,313)</b>	<b>(1,003,783)</b>	<b>(3,367,082)</b>	<b>(2,701,337)</b>
<b>Adjustments that affects the basis of taxes:</b>				
Income tax benefit from interest on stockholders equity	626,936	670,248	1,253,872	1,340,496
Tax incentive	(33,934)		225,898	159,385
Others (1)	(336,730)	(106,533)	(474,589)	21,102
<b>Income tax and social contribution on the profit for the period</b>	<b>(545,041)</b>	<b>(440,068)</b>	<b>(2,361,901)</b>	<b>(1,180,354)</b>

(1) Include mainly provisional tax on export sale.

During the period, there were no changes in tax incentives received by the Company.

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**20. Employee Benefits Obligations****a) Retirement Benefits Obligations**

In its 2012 financial statements the Company had announced that it expects to contribute R\$827 million to its consolidated pension plan and R\$286 million to the Parent Company pension plan in 2013. Through June 30, 2013 it had contributed R\$ 356,682 in de Consolidated and R\$ 170,086 in the Parent Company. No significant changes are expected in relation to the disbursement estimated.

Costs recognized in the income statements for the period:

	June 30, 2013		Consolidated (unaudited) Three-month period ended		June 30, 2012 (i)	
	Overfunded pension plans (ii)	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans (ii)	Underfunded pension plans	Others underfunded pension plans
Current service cost	24	65,033	23,871	12	45,677	14,885
Interest on expense on liabilities	157,050	217,239	51,932	150,741	196,734	48,750
Interest income on plan assets	(195,436)	(174,674)		(228,982)	(181,399)	
Interest expense on effect of (asset ceiling) onerous liabilities	38,362			78,229		
<b>Total of cost, net</b>		<b>107,598</b>	<b>75,803</b>		<b>61,012</b>	<b>63,635</b>

	June 30, 2013		Consolidated (unaudited) Six-month period ended		June 30, 2012 (i)	
	Overfunded pension plans (ii)	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans (ii)	Underfunded pension plans	Others underfunded pension plans
Current service cost	49	131,092	47,450	24	85,993	31,147
Interest on expense on liabilities	314,100	439,158	104,272	301,483	389,320	96,050

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Interest income on plan assets	(390,872)	(349,553)	(457,964)	(364,611)	
Interest expense on effect of (asset ceiling) onerous liabilities	76,723		156,457	11,466	
<b>Total of cost, net</b>		<b>220,697</b>	<b>151,722</b>	<b>122,168</b>	<b>127,197</b>

	Parent company (unaudited) Six-month period ended					
		June 30, 2013	Others		June 30, 2012 (i)	Others
	Overfunded pension plans (ii)	Underfunded pension plans	underfunded pension plans	Overfunded pension plans (ii)	Underfunded pension plans	underfunded pension plans
Current service cost	49	53,041		24	25,836	3,548
Interest on expense on liabilities	314,100	183,434	27,973	301,483	160,713	23,018
Interest income on plan assets	(390,872)	(174,569)		(457,964)	(159,502)	
Interest expense on effect of (asset ceiling) onerous liabilities	76,723			156,457		
<b>Total of cost, net</b>		<b>61,906</b>	<b>27,973</b>		<b>27,047</b>	<b>26,566</b>

(i) Period adjusted according to note 4.

(ii) Company has not recorded in its balance sheet the assets and their counterpart from the actuarial valuation surplus plans, because there is no clear evidence in the realization of the asset.

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Costs recognized in the statements of comprehensive income for the period:

	June 30, 2013			Consolidated (unaudited) Three-month period ended		June 30, 2012		Total
	Overfunded pension plans (ii)	Underfunded pension plans	Others underfunded pension plans	Total	Overfunded pension plans (ii)	Underfunded pension plans	Others underfunded pension plans	
Return on plan assets (excluding interest income)	(84,670)	(409,393)	10,557	(483,506)	343,246	(71,666)		271,580
Change in asset ceiling/onerous liability	84,670			84,670	(343,246)	(38,769)		(382,015)
		<b>(409,393)</b>	<b>10,557</b>	<b>(398,836)</b>		<b>(110,435)</b>		<b>(110,435)</b>
Income tax		133,090	(2,609)	130,481		23,868		23,868
<b>Comprehensive income for the period</b>		<b>(276,303)</b>	<b>7,948</b>	<b>(268,355)</b>		<b>(86,567)</b>		<b>(86,567)</b>

	June 30, 2013			Consolidated (unaudited) Six-month period ended		June 30, 2012		Total
	Overfunded pension plans (ii)	Underfunded pension plans	Others underfunded pension plans	Total	Overfunded pension plans (ii)	Underfunded pension plans	Others underfunded pension plans	
Effect of adjustment of the experiment						(8,002)		(8,002)
Return on assets (excluding interest income)	(498,567)	(337,581)	10,557	(825,591)	395,222	187,414		582,636
Change in asset ceiling/onerous liability	498,567			498,567	(395,222)	(77,538)		(472,760)
		<b>(337,581)</b>	<b>10,557</b>	<b>(327,024)</b>		<b>101,874</b>		<b>101,874</b>
Income tax		126,302	(2,609)	123,693		(38,620)		(38,620)
<b>Comprehensive income for the period</b>		<b>(211,279)</b>	<b>7,948</b>	<b>(203,331)</b>		<b>63,254</b>		<b>63,254</b>

(i) Period adjusted according to note 4.

(ii) The Company has not recorded in its balance sheet the assets and their counterparts from the actuarial valuation of overfunded plans, because there is no clear evidence in the realization of the asset.

100% of overfunded pension plans are located in Brazil and 90% of underfunded pension plans are located outside of Brazil.

**b) Incentive Plan in results**

The Company, based on the Profit Sharing Program ( PPR ) allows defining, monitoring, evaluation and recognition of individual and collective performance of their employees. The calculation methodology for the calculation of the PPR is the same adopted on December 31, 2012.

The Company accrued expenses / costs related to profit sharing as follows:

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Operational expenses	65,192	90,455	185,202	385,847
Cost of good sold	184,910	135,255	381,808	354,834
<b>Total</b>	<b>250,102</b>	<b>225,710</b>	<b>567,010</b>	<b>740,681</b>

**c) Long-Term stock option compensation plan**

The terms, assumptions, calculation methods and the accounting treatment applied to the ILP (long-term incentive plan) is the same as presented in the financial statements of December 31, 2012. The total number of shares subject to the plan on June 30, 2013 and December 31, 2012 are 6,089,634 and 4,426,046, the total liability recorded of R\$ 128,915 and R\$177,790, respectively.



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**21. Classification of financial instruments**

The classification of financial assets and liabilities is shown in the following tables:

	<b>Consolidated June 30, 2013 (unaudited)</b>				
<b>Financial assets</b>	<b>Loans and receivables (a)</b>	<b>At fair value through profit or loss (b)</b>	<b>Derivatives designated as hedge (c)</b>	<b>Available for sale (d)</b>	<b>Total</b>
<b>Current</b>					
Cash and cash equivalents	13,126,350				13,126,350
Short-term investments	823,245				823,245
Derivative financial instruments		495,557			495,557
Accounts receivable from customers	10,952,344				10,952,344
Related parties	1,933,350				1,933,350
	<b>26,835,289</b>	<b>495,557</b>			<b>27,330,846</b>
<b>Non current</b>					
Related parties	558,749				558,749
Loans and financing	543,861				543,861
Financial instruments - investments				3,981,748	3,981,748
Derivative financial instruments		222,210			222,210
	<b>1,102,610</b>	<b>222,210</b>		<b>3,981,748</b>	<b>5,306,568</b>
<b>Total of Assets</b>	<b>27,937,899</b>	<b>717,767</b>		<b>3,981,748</b>	<b>32,637,414</b>
<b>Financial liabilities</b>					
<b>Current</b>					
Suppliers and contractors	9,238,012				9,238,012
Derivative financial instruments		1,313,137	173,617		1,486,754
Current portion of long-term debt	7,136,323				7,136,323
Related parties	260,242				260,242
	<b>16,634,577</b>	<b>1,313,137</b>	<b>173,617</b>		<b>18,121,331</b>
<b>Non current</b>					
Derivative financial instruments		3,096,255	45,930		3,142,185
Loans and financing	59,043,565				59,043,565
Related parties	147,705				147,705
Debentures		3,885,389			3,885,389
	<b>59,191,270</b>	<b>6,981,644</b>	<b>45,930</b>		<b>66,218,844</b>
<b>Total of Liabilities</b>	<b>75,825,847</b>	<b>8,294,781</b>	<b>219,547</b>		<b>84,340,175</b>

- (a) Non-derivative financial instruments with determinable cash flow.
- (b) Financial instruments acquired with the purpose of trading in the short term.
- (c) See note 24(a).
- (d) See note 12.

	Loans and receivables (a)	At fair value through profit or loss (b)	Consolidated December 31, 2012 Derivatives designated as hedge (c)	Available for sale (d)	Total
<b>Financial assets</b>					
<b>Current</b>					
Cash and cash equivalents	11,917,717				11,917,717
Short-term investments		505,857			505,857
Derivatives financial instruments		543,122	32,051		575,173
Accounts receivable from customers	13,884,663				13,884,663
Related parties	786,202				786,202
	<b>26,588,582</b>	<b>1,048,979</b>	<b>32,051</b>		<b>27,669,612</b>
<b>Non current</b>					
Related parties	832,571				832,571
Loans and financing	501,726				501,726
Financial instruments - investments				14,378	14,378
Derivatives financial instruments		83,190	9,377		92,567
	<b>1,334,297</b>	<b>83,190</b>	<b>9,377</b>	<b>14,378</b>	<b>1,441,242</b>
<b>Total of Assets</b>	<b>27,922,879</b>	<b>1,132,169</b>	<b>41,428</b>	<b>14,378</b>	<b>29,110,854</b>
<b>Financial liabilities</b>					
<b>Current</b>					
Suppliers and contractors	9,255,150				9,255,150
Derivatives financial instruments		707,540	2,182		709,722
Current portion of long-term debt	7,092,878				7,092,878
Related parties	423,336				423,336
	<b>16,771,364</b>	<b>707,540</b>	<b>2,182</b>		<b>17,481,086</b>
<b>Non current</b>					
Derivatives financial instruments		1,600,656			1,600,656
Loans and financing	54,762,976				54,762,976
Related parties	146,440				146,440
Debentures		3,378,845			3,378,845
	<b>54,909,416</b>	<b>4,979,501</b>			<b>59,888,917</b>
<b>Total of Liabilities</b>	<b>71,680,780</b>	<b>5,687,041</b>	<b>2,182</b>		<b>77,370,003</b>

- (a) Non-derivative financial instruments with determinable cash flow.
- (b) Financial instruments acquired with the purpose of trading in the short term.
- (c) See note 24(a).
- (d) See note 12.



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		<b>Parent Company June 30, 2013 (unaudited)</b>	
<b>Financial assets</b>	<b>Loans and receivables (a)</b>	<b>At fair value through profit or loss (b)</b>	<b>Total</b>
<b>Current</b>			
Cash and cash equivalents	2,249,717		2,249,717
Short-term investments	22,556		22,556
Derivatives financial instruments		436,988	436,988
Accounts receivable from customers	18,749,566		18,749,566
Related parties	1,977,980		1,977,980
	<b>22,999,819</b>	<b>436,988</b>	<b>23,436,807</b>
<b>Non current</b>			
Related parties	952,440		952,440
Loans and financing	190,609		190,609
	<b>1,143,049</b>		<b>1,143,049</b>
<b>Total of Assets</b>	<b>24,142,868</b>	<b>436,988</b>	<b>24,579,856</b>
<b>Financial liabilities</b>			
<b>Current</b>			
Suppliers and contractors	3,630,136		3,630,136
Derivatives financial instruments		787,159	787,159
Current portion of long-term debt	5,607,740		5,607,740
Related parties	4,468,405		4,468,405
	<b>13,706,281</b>	<b>787,159</b>	<b>14,493,440</b>
<b>Non current</b>			
Derivatives financial instruments		2,858,819	2,858,819
Loans and financing	28,632,255		28,632,255
Related parties	33,278,019		33,278,019
Debentures		3,885,389	3,885,389
	<b>61,910,274</b>	<b>6,744,208</b>	<b>68,654,482</b>
<b>Total of Liabilities</b>	<b>75,616,555</b>	<b>7,531,367</b>	<b>83,147,922</b>

(a) Non-derivative financial instruments with determinable cash flow.

(b) Financial instruments acquired with the purpose of trading in the short term.

		<b>Parent Company December 31, 2012</b>	
<b>Financial assets</b>	<b>Loans and receivables (a)</b>	<b>At fair value through profit or loss (b)</b>	<b>Total</b>
<b>Current</b>			
Cash and cash equivalents	688,434		688,434
Short-term investments		43,428	43,428
Derivatives financial instruments		500,293	500,293

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Accounts receivable from customers	21,838,539		21,838,539
Related parties	1,347,488		1,347,488
	<b>23,874,461</b>	<b>543,721</b>	<b>24,418,182</b>
<b>Non current</b>			
Related parties	863,990		863,990
Loans and financing	187,862		187,862
Derivatives financial instruments		2,928	2,928
	<b>1,051,852</b>	<b>2,928</b>	<b>1,054,780</b>
<b>Total of Assets</b>	<b>24,926,313</b>	<b>546,649</b>	<b>25,472,962</b>

**Financial liabilities**

**Current**

Suppliers and contractors	4,178,494		4,178,494
Derivatives financial instruments		558,161	558,161
Current portion of long-term debt	5,327,849		5,327,849
Related parties	6,433,629		6,433,629
	<b>15,939,972</b>	<b>558,161</b>	<b>16,498,133</b>

**Non current**

Derivatives financial instruments		1,409,568	1,409,568
Loans and financing	26,867,240		26,867,240
Related parties	29,362,525		29,362,525
Debentures		3,378,845	3,378,845
	<b>56,229,765</b>	<b>4,788,413</b>	<b>61,018,178</b>
<b>Total of Liabilities</b>	<b>72,169,737</b>	<b>5,346,574</b>	<b>77,516,311</b>

- 
- (a) Non-derivative financial instruments with determinable cash flow.
- (b) Financial instruments acquired with the purpose of trading in the short term.

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**22. Fair Value Estimative**

The Company considered the same assumptions and calculation methods presented in the financial statements of December 31, 2012, to measure the fair value of assets and liabilities in the period.

The tables below present the assets and liabilities measured at fair value in the period.

	Consolidated			
	June 30, 2013 (unaudited)			December 31, 2012
	Level 1	Level 2	Total (i)	Total (i)
<b>Financial Assets</b>				
<b>Current</b>				
Derivatives at fair value through profit or loss	17,416	478,141	495,557	543,122
Derivatives designated as hedges				32,051
	<b>17,416</b>	<b>478,141</b>	<b>495,557</b>	<b>575,173</b>
<b>Non-Current</b>				
Financial financial - investments	3,981,748		3,981,748	14,378
Derivatives at fair value through profit or loss	1,157	221,053	222,210	83,190
Derivatives designated as hedges				9,377
	<b>3,982,905</b>	<b>221,053</b>	<b>4,203,958</b>	<b>106,945</b>
<b>Total of Assets</b>	<b>4,000,321</b>	<b>699,194</b>	<b>4,699,515</b>	<b>682,118</b>
<b>Financial Liabilities</b>				
<b>Current</b>				
Derivatives at fair value through profit or loss	12,689	1,300,448	1,313,137	707,540
Derivatives designated as hedges		173,617	173,617	2,182
	<b>12,689</b>	<b>1,474,065</b>	<b>1,486,754</b>	<b>709,722</b>
<b>Non-Current</b>				
Derivatives at fair value through profit or loss	1,233	3,095,022	3,096,255	1,600,656
Derivatives designated as hedges		45,930	45,930	
Stockholders debentures		3,885,389	3,885,389	3,378,845
	<b>1,233</b>	<b>7,026,341</b>	<b>7,027,574</b>	<b>4,979,501</b>
<b>Total of Liabilities</b>	<b>13,922</b>	<b>8,500,406</b>	<b>8,514,328</b>	<b>5,689,223</b>

(i) No classification according to the level 3.

	Parent Company		
	June 30, 2013 (unaudited)		December 31, 2012
	Level 2	Total (i)	Total (i)
<b>Financial Assets</b>			
<b>Current</b>			
Derivatives at fair value through profit or loss	436,988	436,988	500,293
	<b>436,988</b>	<b>436,988</b>	<b>500,293</b>
<b>Non-Current</b>			
Derivatives at fair value through profit or loss			2,928
			<b>2,928</b>
<b>Total of Assets</b>	<b>436,988</b>	<b>436,988</b>	<b>503,221</b>
<b>Financial Liabilities</b>			
<b>Current</b>			
Derivatives at fair value through profit or loss	787,159	787,159	558,161
	<b>787,159</b>	<b>787,159</b>	<b>558,161</b>
<b>Non-Current</b>			
Derivatives at fair value through profit or loss	2,858,819	2,858,819	1,409,568
Stockholders' debentures	3,885,389	3,885,389	3,378,845
	<b>6,744,208</b>	<b>6,744,208</b>	<b>4,788,413</b>
<b>Total of Liabilities</b>	<b>7,531,367</b>	<b>7,531,367</b>	<b>5,346,574</b>

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(i) No classification according to the level 1 and 3.

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Additionally, we measure our loans and debt securities at market value and compared to the carrying amount. The assumptions and calculation methods applied are also the same as those presented in the financial statements of December 31, 2012. The fair values and carrying amounts of non-current loans (net of interest) are shown in the table below:

	Balance	Consolidated June 30, 2013 (unaudited)		
		Fair value (a)	Level 1	Level 2
<b>Financial liabilities</b>				
Loans (long term)(i)	65,282,068	66,733,767	52,353,773	14,379,994
Perpetual notes (ii)	148,123	148,123		148,123

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(i) Net interest of R\$ 897.820

(ii) classified on Related parties (Non-current liabilities)

(a) No classification according to the level 3.

	Balance	Consolidated December 31, 2012		
		Fair value (a)	Level 1	Level 2
<b>Financial liabilities</b>				
Loans (long term)(i)	60,987,822	66,872,262	52,756,817	14,115,445
Perpetual notes (ii)	146,441	146,441		146,441

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(i) Net interest of R\$ 868,031

(ii) classified on Related parties (Non-current liabilities)

(a) No classification according to the level 3.

Balance	Parent Company June 30, 2013 (unaudited)		
	Fair value (a)	Level 1	Level 2



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<b>Financial liabilities</b>				
Loans (long term)(i)	33,853,025	34,310,915	23,843,763	10,467,152

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(i) Net interest of R\$ 386.970

(a) No classification according to the level 3.

	Balance	Parent Company December 31, 2012		
		Fair value (a)	Level 1	Level 2
<b>Financial liabilities</b>				
Loans (long term)(i)	31,794,808	33,183,140	18,817,237	14,365,903

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(i) Net interest of R\$ 400,521

(a) No classification according to the level 3.

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**23. Stockholders Equity****a) Capital**

At June 30, 2013, the capital stock is R\$75,000,000 as of represented below:

	ON	June 30, 2013 PNA	Total
<b>Stockholders</b>			
Valepar S.A.	1,716,435,045	20,340,000	1,736,775,045
Brazilian Government (Golden Share)		12	12
Foreign investors - ADRs	678,716,482	636,806,550	1,315,523,032
FMP - FGTS	90,033,107		90,033,107
PIBB - BNDES	1,699,806	2,529,136	4,228,942
BNDESPar	206,378,881	67,342,071	273,720,952
Foreign institutional investors in the local market	275,646,662	462,328,524	737,975,186
Institutional investors	163,426,022	383,748,290	547,174,312
Retail investors in the country	53,316,995	394,627,343	447,944,338
Treasure stock	71,071,482	140,857,692	211,929,174
<b>Total</b>	<b>3,256,724,482</b>	<b>2,108,579,618</b>	<b>5,365,304,100</b>

**b) Treasury stocks**

As at June 30, 2013, the amount of treasury stocks was R\$7,839,512, as of represented below:

Shares (thousands)	December 31,				Acquisition price (R\$)			Market value	
	2012	Addition	Reduction	June 30, 2013	Average	Low	High	June 30, 2013	December 31, 2012
Preferred	140,857,692			140,857,692	37.50	14.02	47.44	33.52	38.50
Common	71,071,482			71,071,482	35.98	20.07	54.83	35.20	39.58
<b>Total</b>	<b>211,929,174</b>			<b>211,929,174</b>					

c) **Basic and diluted earnings per share**

The basic and diluted earnings per shares were calculated as follows:

	(unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Net income from continuing operations attributable to the Company's stockholders</b>	<b>832,071</b>	<b>5,320,528(i)</b>	<b>7,032,701</b>	<b>12,032,069(i)</b>
<b>Basic and diluted earnings per share:</b>				
Income available to preferred stockholders	317,717	2,012,188	2,685,356	4,579,249
Income available to common stockholders	514,354	3,308,340	4,347,345	7,452,820
<b>Total</b>	<b>832,071</b>	<b>5,320,528</b>	<b>7,032,701</b>	<b>12,032,069</b>
<b>Weighted average number of shares outstanding (thousands of shares) - preferred shares</b>	<b>1,967,722</b>	<b>1,928,076</b>	<b>1,967,722</b>	<b>1,927,627</b>
<b>Weighted average number of shares outstanding (thousands of shares) - common shares</b>	<b>3,185,653</b>	<b>3,170,048</b>	<b>3,185,653</b>	<b>3,169,871</b>
<b>Total</b>	<b>5,153,375</b>	<b>5,098,124</b>	<b>5,153,375</b>	<b>5,097,498</b>
<b>Basic and diluted earnings per share</b>				
Basic earnings per preferred share	0.16	1.04	1.36	2.36
Basic earnings per common share	0.16	1.04	1.36	2.36

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(i) Period adjusted according to note 4.

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**d) Remuneration of stockholders**

We present below the remuneration of stockholder paid in the six-month period ended June 30, 2013.

	Remuneration attributed to Stockholders	
	Total amount	Amount per outstanding common or preferred share
<b>2013 prepaid amount</b>		
<b>First installment - April</b>	<b>4,452,750</b>	<b>0.864045420</b>
Dividends	791,600	0.153608075
Interest on capital	3,661,150	0.710437345

**24. Derivative financial instruments****a) Effects of Derivatives on the Balance Sheet**

	Consolidated Assets			
	June 30, 2013 (unaudited)		December 31, 2012	
	Current	Non-current	Current	Non-current
<b>Derivatives not designated as hedge</b>				
<b>Foreign exchange and interest rate risk</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap	450,318		509,670	2,928
Eurobonds Swap		118,828		80,262
Pre dollar swap	21,707		33,439	
	<b>472,025</b>	<b>118,828</b>	<b>543,109</b>	<b>83,190</b>
<b>Commodities price risk</b>				
<b>Nickel:</b>				
Fixed price program	17,416	1,158		
<b>Copper:</b>				
Purchased scrap protection program	352		13	
Bunker Oil Hedge	5,764			
	<b>23,532</b>	<b>1,158</b>	<b>13</b>	

**Option SLW (note 28)**

Warrants			102,224	
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**Derivatives designated as hedge**

Strategic Nickel			25,950	
Foreign exchange cash flow hedge			6,101	9,377
			<b>32,051</b>	<b>9,377</b>
<b>Total</b>	<b>495,557</b>	<b>222,210</b>	<b>575,173</b>	<b>92,567</b>

	June 30, 2013 (unaudited)		December 31, 2012	
	Current	Non-current	Current	Non-current
<b>Consolidated Liabilities</b>				
<b>Derivatives not designated as hedge</b>				
<b>Foreign exchange and interest rate risk</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap	981,699	2,872,474	695,130	1,430,575
Eurobonds Swap	68,173		9,008	36,637
Pre dollar swap		216,158		128,967
	<b>1,049,872</b>	<b>3,088,632</b>	<b>704,138</b>	<b>1,596,179</b>
<b>Commodities price risk</b>				
<b>Nickel:</b>				
Fixed price program	12,689	1,233	3,166	
Natural gas			236	4,477
Bunker Oil Hedge	249,845			
	<b>262,534</b>	<b>1,233</b>	<b>3,402</b>	<b>4,477</b>
<b>Embedded derivatives</b>				
Gas	731	6,390		
	<b>731</b>	<b>6,390</b>		
<b>Derivatives designated as hedge</b>				
Bunker Oil Hedge	112,155		2,182	
Foreign exchange cash flow hedge	61,462	45,930		
	<b>173,617</b>	<b>45,930</b>	<b>2,182</b>	
<b>Total</b>	<b>1,486,754</b>	<b>3,142,185</b>	<b>709,722</b>	<b>1,600,656</b>

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	Parent Company Assets			
	June 30, 2013 (unaudited)		December 31, 2012	
	Current	Non-current	Current	Non-current
<b>Derivatives not designated as hedge</b>				
<b>Foreign exchange and interest rate risk</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap	415,281		466,854	2,928
Pre dollar swap	21,707		33,439	
<b>Total</b>	<b>436,988</b>		<b>500,293</b>	<b>2,928</b>

	Parent Company Liabilites			
	June 30, 2013 (unaudited)		December 31, 2012	
	Current	Non-current	Current	Non-current
<b>Derivatives not designated as hedge</b>				
<b>Foreign exchange and interest rate risk</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap	787,159	2,642,661	558,161	1,280,601
Pre dollar swap				128,967
Floating US\$ vs. Pre Dollar swap		216,158		
<b>Total</b>	<b>787,159</b>	<b>2,858,819</b>	<b>558,161</b>	<b>1,409,568</b>

b) **Effects of derivatives in the statement of income**

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Derivatives not designated as hedge</b>				
<b>Foreign exchange and interest rate risk</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap	(1,692,476)	(790,620)	(1,402,688)	(425,516)
Eurobonds Swap	83,335	(70,231)	5,567	(37,007)
Treasury future				15,221
Pre dollar swap	(97,479)	(30,070)	(80,306)	(8,975)
	<b>(1,706,620)</b>	<b>(890,921)</b>	<b>(1,477,427)</b>	<b>(456,277)</b>
<b>Commodities price risk</b>				
Nickel				
Fixed price program	2,787	16,484	5,762	8,484
Purchased scrap protection program	592	501	1,088	(134)
Bunker Oil Hedge	(210,455)		(240,166)	
	<b>(207,076)</b>	<b>16,985</b>	<b>(233,316)</b>	<b>8,350</b>

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**Option SLW (note 28)**

Warrants	(97,656)		(111,684)	
	<b>(97,656)</b>		<b>(111,684)</b>	
<b>Embedded derivatives</b>				
Gas	(1,099)		(1,612)	
	<b>(1,099)</b>		<b>(1,612)</b>	
<b>Derivatives designated as hedge</b>				
Bunker Oil Hedge	(26,186)		(26,186)	
Strategic Nickel		70,469	25,794	163,225
Foreign exchange cash flow hedge	(8,527)	(933)	(513)	(628)
	<b>(34,713)</b>	<b>69,536</b>	<b>(905)</b>	<b>162,597</b>
<b>Total</b>	<b>(2,047,164)</b>	<b>(804,400)</b>	<b>(1,824,944)</b>	<b>(285,330)</b>
Financial income	86,714	115,469	451,194	643,174
Financial expenses	(2,133,878)	(919,869)	(2,276,138)	(928,504)
<b>Total</b>	<b>(2,047,164)</b>	<b>(804,400)</b>	<b>(1,824,944)</b>	<b>(285,330)</b>

**Parent company (unaudited)**  
**Six-month period ended**  
**June 30, 2013**                      **June 30, 2012**

<b>Derivatives not designated as hedge</b>				
<b>Foreign exchange and interest rate risk</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap			(1,331,277)	(403,474)
Pre dollar swap			(80,306)	(8,975)
			<b>(1,411,583)</b>	<b>(412,449)</b>
<b>Derivatives designated as hedge</b>				
Foreign exchange cash flow hedge			11,520	
			<b>11,520</b>	
<b>Total</b>			<b>(1,400,063)</b>	<b>(412,449)</b>
Financial income			294,187	272,927
Financial expenses			(1,694,250)	(685,376)
<b>Total</b>			<b>(1,400,063)</b>	<b>(412,449)</b>

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c) **Effects of derivatives as Cash Flow hedge**

	Consolidated (unaudited) (Inflows)/ Outflows			
	Three-month period ended		Six-month period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Derivatives not designated as hedges</b>				
<b>Exchange risk and interest rates</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap	(190,922)	(364,027)	(358,217)	(593,501)
EuroBonds Swap				6,628
Treasury future				(5,763)
Pre dollar swap	(9,211)	(9,066)	(18,616)	(16,288)
	<b>(200,133)</b>	<b>(373,093)</b>	<b>(376,833)</b>	<b>(608,924)</b>
<b>Risk of product prices</b>				
<b>Nickel</b>				
Fixed price program	(3,419)	(10,608)		(72)
<b>Copper</b>				
Purchased scrap protection program	(703)	(342)		50
Bunker Oil Hedge	23,636			(7,047)
	<b>19,514</b>	<b>(10,950)</b>		<b>(7,069)</b>
<b>Derivatives designated as hedges</b>				
Bunker Oil Hedge	26,186		26,186	
Strategic Nickel		(70,469)	(25,794)	(163,225)
Foreign exchange cash flow hedge	8,527	934	479	629
	<b>34,713</b>	<b>(69,535)</b>	<b>871</b>	<b>(162,596)</b>
<b>Total</b>	<b>(145,906)</b>	<b>(453,578)</b>	<b>(375,962)</b>	<b>(778,589)</b>
<b>Gains (losses) unrealized derivative</b>	<b>(2,193,070)</b>	<b>(1,257,978)</b>	<b>(2,167,936)</b>	<b>(1,063,919)</b>

	Parent company (unaudited) (Inflows)/ Outflows	
	Six-month period ended	
	June 30, 2013	June 30, 2012
<b>Derivatives not designated as hedges</b>		
<b>Exchange risk and interest rates</b>		
CDI & TJLP vs. US\$ fixed and floating rate swap	(314,281)	(379,666)
Pre dollar swap	(18,616)	(16,288)
	<b>(332,897)</b>	<b>(395,954)</b>
<b>Derivatives designated as hedges</b>		
Foreign exchange cash flow hedge	(11,520)	
	<b>(11,520)</b>	



<b>Total</b>	<b>(344,417)</b>	<b>(395,954)</b>
<b>Gains (losses) unrealized derivative</b>	<b>(1,744,480)</b>	<b>(808,403)</b>

d) **Effects of derivatives designated as hedge**

i. **Cash Flow Hedge**

The effects of cash flow hedge impact the stockholders' equity and are presented in the following tables:

	Six-month period ended (unaudited)				noncontrolling stockholders	Consolidated Total
	Currency	Parent Company Nickel	Others	Total		
Fair value measurements	(89,389)	(158)	(123,848)	(213,395)		(213,395)
Reclassification to results due to realization	479	(25,794)	26,186	871		871
<b>Net change in June 30, 2013</b>	<b>(88,910)</b>	<b>(25,952)</b>	<b>(97,662)</b>	<b>(212,524)</b>		<b>(212,524)</b>
Fair value measurements	(56,686)	42,988	(26,991)	(40,689)		(40,689)
Reclassification to results due to realization	629	(163,224)		(162,595)		(162,595)
<b>Net change in June 30, 2012</b>	<b>(56,057)</b>	<b>(120,236)</b>	<b>(26,991)</b>	<b>(203,284)</b>		<b>(203,284)</b>

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**Additional information about derivatives financial instruments**

**Value at Risk computation methodology**

The Value at Risk of the positions was measured using a delta-Normal parametric approach, which considers that the future distribution of the risk factors - and its correlations - tends to present the same statistic properties verified in the historical data. The value at risk of Vale's derivatives current positions was estimated considering one business day time horizon and a 95% confidence level.

**Contracts subjected to margin calls**

Vale has contracts subject to margin calls only for part of nickel trades executed by its wholly-owned subsidiary Vale Canada Ltd. The total cash amount as of June 30, 2013 is lower than R\$ 1 million.

**Initial Cost of Contracts**

The financial derivatives negotiated by Vale and its controlled companies described in this document didn't have initial costs (initial cash flow) associated.

The following tables show as of June 30, 2013, the derivatives positions for Vale and controlled companies with the following information: notional amount, fair value, value at risk, gains or losses in the period and the fair value for the remaining years of the operations per each group of instruments.

**BRL/USD Exchange Rate Adopted in Fair Value Calculation**

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According with accounting principles, the fair values of derivative instruments originally negotiated in American dollar were transform in BRL values with the objective of publish in the Vale's official currency using PTAX (sell) published by BACEN to July 01, 2013, that is 2.2297.

### Interest Rates and Foreign Exchange Derivative Positions

#### Protection program for the Real denominated debt indexed to CDI

- CDI vs. USD fixed rate swap** In order to reduce the cash flow volatility, Vale entered into swap transactions to convert the cash flows from debt instruments denominated in Brazilian Reais linked to CDI to U.S. Dollars. In those swaps, Vale pays fixed rates in U.S. Dollars and receives payments linked to CDI.

- CDI vs. USD floating rate swap** In order to reduce the cash flow volatility, Vale entered into swap transactions to convert the cash flows from debt instruments denominated in Brazilian Reais linked to CDI to U.S. Dollars. In those swaps, Vale pays floating rates in U.S. Dollars (Libor - London Interbank Offered Rate) and receives payments linked to CDI.

Flow	Notional (\$ million)		Index	Average rate	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk		R\$ Million Fair value by year			
	June 30, 2013	December 31, 2012			June 30, 2013	December 31, 2012		June 30, 2013	2013	2014	2015	2016 - 2017	
<b>CDI vs. fixed rate swap</b>													
Receivable	R\$ 8.184	R\$ 8.184	CDI	106,33%	8.424	8.399	287						
Payable	US\$ 4.423	US\$ 4.425	US\$+	3,64%	(10.123)	(9.468)	(161)						
<b>Net</b>					<b>(1.699)</b>	<b>(1.069)</b>	<b>126</b>	<b>110</b>	<b>(861)</b>	<b>77</b>	<b>(311)</b>	<b>(604)</b>	
<b>CDI vs. floating rate swap</b>													
Receivable	R\$ 428	R\$ 428	CDI	103,50%	445	443	16						
Payable			Libor										
	US\$ 250	US\$ 250	+	0,99%	(569)	(525)	(5)						
<b>Net</b>					<b>(124)</b>	<b>(82)</b>	<b>11</b>	<b>7</b>	<b>12</b>	<b>31</b>	<b>(167)</b>		

**Type of contracts:** OTC Contracts

**Protected Item:** Debts linked to BRL

The protected items are the Debts linked to BRL because the objective of this protection is to transform the obligations linked to BRL into obligations linked to USD so as to achieve a currency offset by matching Vale's receivables (mainly linked to USD) with Vale's payables.

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**Protection program for the real denominated debt indexed to TJLP**

• **TJLP vs. USD fixed rate swap** In order to reduce the cash flow volatility, Vale entered into swap transactions to convert the cash flows of the loans with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) from TJLP(1) to U.S. Dollars. In those swaps, Vale pays fixed rates in U.S. Dollars and receives payments linked to TJLP.

• **TJLP vs. USD floating rate swap** In order to reduce the cash flow volatility, Vale entered into swap transactions to convert the cash flows of the loans with BNDES from TJLP to U.S. Dollars. In those swaps, Vale pays floating rates in U.S. Dollars and receives payments linked to TJLP.

Flow	Notional (\$ million)		Index	Average rate	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ Million Fair value by year			
	June 30, 2013	December 31, 2012			June 30, 2013	December 31, 2012			2013	2014	2015	2016-2019
<b>Swap TJLP vs. fixed rate swap</b>												
Receivable	TJLP											
	R\$ 3.215	R\$ 3.268	+	1,38%	5.514	4.585	1.355					
Payable	USD											
	US\$ 1.720	US\$ 1.694	+	2,09%	(6.906)	(4.960)	(1.142)					
<b>Net</b>					<b>(1.392)</b>	<b>(375)</b>	<b>213</b>	<b>98</b>	<b>92</b>	<b>(56)</b>	<b>(160)</b>	<b>(1.268)</b>
<b>Swap TJLP vs. floating rate swap</b>												
Receivable	TJLP											
	R\$ 626	R\$ 626	+	0,90%	534	576	23					
Payable	Libor											
	US\$ 356	US\$ 356	+	-1,15%	(723)	(662)	(3)					
<b>Net</b>					<b>(189)</b>	<b>(86)</b>	<b>20</b>	<b>11</b>	<b>19</b>	<b>(84)</b>	<b>2</b>	<b>(126)</b>

**Type of contracts:** OTC Contracts

**Protected Item:** Debts linked to BRL

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The protected items are the Debts linked to BRL because the objective of this protection is to transform the obligations linked to BRL into obligations linked to USD so as to achieve a currency offset by matching Vale's receivables (mainly linked to USD) with Vale's payables.

### Protection program for the Real denominated fixed rate debt

- BRL fixed rate vs. USD fixed rate swap:** In order to hedge the cash flow volatility, Vale entered into a swap transaction to convert the cash flows from loans rate with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) in Brazilian Reais linked to fixed rate to U.S. Dollars linked to fixed. In those swaps, Vale pays fixed rates in U.S. Dollars and receives fixed rates in Reais.

Flow	Notional (\$ million)			Average rate	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ Million Fair value by year					
	June 30, 2013	December 31, 2012	Index		June 30, 2013	December 31, 2012			2013	2014	2015	2016 - 2021		
<b>R\$ fixed rate vs. US\$ fixed rate swap</b>														
Receivable	R\$ 805	R\$ 795	Fix	4,66%	712	733	43							
Payable	US\$ 444	US\$ 442	US\$-	-1,01%	(906)	(829)	(24)							
<b>Net</b>					<b>(194)</b>	<b>(96)</b>	<b>19</b>	<b>12</b>	<b>14</b>	<b>8</b>	<b>(52)</b>	<b>(164)</b>		

**Type of contracts:** OTC Contracts

**Protected Item:** Debts linked to BRL

The protected items are the Debts linked to BRL because the objective of this protection is to transform the obligations linked to BRL into obligations linked to USD so as to achieve a currency offset by matching Vale's receivables (mainly linked to USD) with Vale's payables.

### Protection program for Euro denominated debt

- EUR fixed rate vs. USD fixed rate swap:** In order to hedge the cash flow volatility, Vale entered into a swap transaction to convert the cash flows from debts in Euros linked to fixed rate to U.S. Dollars linked to fixed rate. This trade was used to convert the cash flows of part of debts in Euros, each one with a notional amount of 750 million, issued in 2010 and 2012 by Vale. Vale receives fixed rates in Euros and pays fixed rates in U.S. Dollars.

Flow	Notional (\$ million)			Average rate	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million Fair value by year				
	June 30, 2013	December 31, 2012	Index		June 30, 2013	December 31, 2012			2014	2015	2016 - 2023		
Receivable	1.000	1.000	EUR	4,063%	3.208	3.108	81						
Payable	US\$ 1.288	US\$ 1.288	US\$	4,511%	(3.157)	(3.073)	(91)						
<b>Net</b>					<b>51</b>	<b>35</b>	<b>(10)</b>	<b>30</b>	<b>(68)</b>	<b>(5)</b>	<b>124</b>		

(1) Due to TJLP derivatives market liquidity constraints, some swap trades were done through CDI equivalency.



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**Type of contracts:** OTC Contracts

**Protected Item:** Vale's Debt linked to EUR

The P&L shown in the table above is offset by the hedged items' P&L due to EUR/USD exchange rate.

**Foreign exchange hedging program for disbursements in Canadian dollars**

- Canadian Dollar Forward** In order to reduce the cash flow volatility, Vale entered into forward transactions to mitigate the foreign exchange exposure that arises from the currency mismatch between the revenues denominated in U.S. Dollars and the disbursements denominated in Canadian Dollars.

Flow	Notional (\$ million)		Buy/Sell	Average rate (CAD/USD)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million Fair value by year			
	June 30, 2013	December 31, 2012			June 30, 2013	December 31, 2012			2013	2014	2015	2016
Forward	CAD 1.121	CAD 1.362	B	1,015	(107)	15	20	(33)	(52)	(22)	(0)	

**Type of contracts:** OTC Contracts

**Hedged Item:** part of disbursements in Canadian Dollars

The P&L shown in the table above is offset by the hedged items' P&L due to CAD/USD exchange rate.

**Commodity Derivative Positions**

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The Company's cash flow is also exposed to several market risks associated to global commodities price volatilities. To offset these volatilities, Vale contracted the following derivatives transactions:

### Nickel Purchase Protection Program

In order to reduce the cash flow volatility and eliminate the mismatch between the pricing of the purchased nickel (concentrate, cathode, sinter and others) and the pricing of the final product sold to our clients, hedging transactions were implemented. The items purchased are raw materials utilized to produce refined Nickel. The trades are usually implemented by the sale of nickel forward or future contracts at LME or over-the-counter operations.

Flow	Notional (ton)		Buy/ Sell	Average Strike (US\$/ton)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million	
	June 30, 2013	December 31, 2012			June 30, 2013	December 31, 2012			Fair value by year	
									2013	
Nickel Futures	144	210	S	17.473	0,6	0	0,5	0,1		0,6

**Type of contracts:** LME Contracts

**Protected Item:** part of Vale's revenues linked to Nickel price.

The P&L shown in the table above is offset by the protected items' P&L due to Nickel price.

### Nickel Fixed Price Program

In order to maintain the exposure to Nickel price fluctuations, we entered into derivatives to convert to floating prices all contracts with clients that required a fixed price. These trades aim to guarantee that the prices of these operations would be the same of the average prices negotiated in LME in the date the product is delivered to the client. It normally involves buying Nickel forwards (Over-the-Counter) or futures (exchange negotiated). Those operations are usually reverted before the maturity in order to match the settlement dates of the commercial contracts in which the prices are fixed.

Flow	Notional (ton)		Buy/ Sell	Average Strike (US\$/ton)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million	
	June 30, 2013	December 31, 2012			June 30, 2013	December 31, 2012			Fair value by year	
									2013	2014
Nickel Futures	5.238		B	15.374	(19)		(6,3)	3,6	(14)	(5)

**Type of contracts:** LME Contracts

**Protected Item:** part of Vale's revenues linked to fixed price sales of Nickel.



The P&L shown in the table above is offset by the protected items P&L due to Nickel price.

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**Copper Scrap Purchase Protection Program**

This program was implemented in order to reduce the cash flow volatility due to the quotation period mismatch between the pricing period of copper scrap purchase and the pricing period of final products sale to the clients, as the copper scrap combined with other raw materials or inputs to produce copper for the final clients. This program usually is implemented by the sale of forwards or futures at LME or Over-the-Counter operations.

Flow	Notional (lbs)		Buy/ Sell	Average Strike (US\$/lbs)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million	
	June 30, 2013	December 31, 2012			June 30, 2013	December 31, 2012			Fair value by year 2013	
Forward	892.872	937.517	S	3,41	0,6	0,01	0,8	0,1	0,6	

**Type of contracts:** OTC Contracts

**Protected Item:** of Vale's revenues linked to Copper price.

The P&L shown in the table above is offset by the protected items' P&L due to Copper price

**Bunker Oil Purchase Protection Program**

In order to reduce the impact of bunker oil price fluctuation on Vale's freight hiring/supply and consequently reducing the company's cash flow volatility, bunker oil derivatives were implemented. These transactions are usually executed through forward purchases and zero cost-collars.

Flow	Notional (ton)		Buy/ Sell	Average Strike (US\$/mt)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million	
	June 30, 2013	December 31, 2012			June 30, 2013	December 31, 2012			Fair value by year 2013	
Forward	1.770.000		B	634	(194)		(37)		(194)	
Call	690.000		B	650	6				6	

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Put	690.000	S	597	(38)	(1)	(38)		(38)
				(226)		(38)	40	(226)

**Type of contracts:** OTC Contracts

**Protected Item:** part of Vale's costs linked to Bunker Oil price.

The P&L shown in the table above is offset by the protected items' P&L due to Bunker Oil price.

**Bunker Oil Purchase Hedging Program**

In order to reduce the impact of bunker oil price fluctuation on Vale's freight hiring/supply and consequently reducing the company's cash flow volatility, bunker oil derivatives were implemented. These transactions are usually executed through forward purchases.

Flow	Notional (ton)		Average Strike (US\$/mt)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million Fair value by year 2013
	June 30, 2013	December 31, 2012		Buy/ Sell	June 30, 2013			
Forward	930.000		B	632	(97)	(38,7)	16	(97)

**Type of contracts:** OTC Contracts

**Protected Item:** part of Vale's costs linked to Bunker Oil price.

The P&L shown in the table above is offset by the protected items' P&L due to Bunker Oil price.

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**Sell of part of future gold production (subproduct) from Vale**

The company has definitive contracts with Silver Wheaton Corp. (SLW), a Canadian company with stocks negotiated in Toronto Stock Exchange and New York Stock Exchange, to sell 25% of gold payable flows produced as a sub product from Salobo copper mine during its life and 70% of gold payable flows produced as a sub product from some nickel mines in Sudbury during 20 years. For this transaction the payment was realized part in cash (US\$ 1.9 billion) and part as 10 million of SLW warrants with strike price of US\$ 65 and 10 years term, where this last part configures an American call option.

Flow	Notional (\$million)		Average Strike (US\$/stock)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million Fair value by year 2013
	June 30, 2013	December 31, 2012		Buy/ Sell	June 30, 2013			
Call Option	10		B	65	102		12	102

**Embedded Derivative Positions**

The Company's cash flow is also exposed to several market risks associated to contracts that contain embedded derivatives or derivative-like features. From Vale's perspective, it may include, but is not limited to, commercial contracts, procurement contracts, rental contracts, bonds, insurance policies and loans. The following embedded derivatives were observed in June 30, 2013:

**Raw material and intermediate products purchase**

Nickel concentrate and raw materials purchase agreements, in which there are provisions based on nickel and copper future prices behavior. These provisions are considered as embedded derivatives.

Flow	Notional (ton)		Average Strike (US\$/ton)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million Fair value by year 2013
	June 30, 2013	December 31, 2012		Buy/ Sell	June 30, 2013			

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Nickel	1.913	2.475		14.997	(2,9)	2,0	(4,3)		
Forwards			<b>S</b>						
Copper	4.948	7.272		7.157	(1,7)	0,9	(2,5)		
Forwards									
<b>Total</b>					<b>(4,8)</b>	<b>2,9</b>	<b>(6,8)</b>	<b>3</b>	<b>(4,8)</b>

### Gas purchase for Pelletizing Company in Oman

Our subsidiary Vale Oman Pelletizing Company LLC has a natural gas purchase agreement in which there's a clause that defines that a premium can be charged if pellet prices trades above a pre-defined level. This clause is considered as an embedded derivative.

Flow	Notional (volume/month)			Average Strike (US\$/ton)	Fair value		Realized Gain/Loss June 30, 2013	Value at Risk June 30, 2013	R\$ million Fair value by year			
	June 30, 2013	December 31, 2012	Buy/Sell		June 30, 2013	December 31, 2012			2013	2014	2015	2016
Call Options	746.667	746.667	<b>S</b>	179,36	(7,1)	(4,7)		6	(0,2)	(2,0)	(3,8)	(1,1)

### Market Curves

To build the curves used on the pricing of the derivatives, public data from BM&F, Central Bank of Brazil, London Metals Exchange (LME) and proprietary data from Thomson Reuters and Bloomberg were used. The derivatives prices for June 30, 2013 were calculated using June 28 market data inasmuch June 30 is not considered work day for these instruments and do not present available market data.

## 1. Commodities

### Nickel

Maturity	Price (US\$/ton)	Maturity	Price (US\$/ton)	Maturity	Price (US\$/ton)
SPOT	13,680.00	DEC13	13,778.17	JUN14	13,900.69
JUL13	13,666.68	JAN14	13,798.31	JUN15	14,143.13
AUG13	13,690.22	FEB14	13,816.46	JUN16	14,355.29
SEP13	13,713.63	MAR14	13,838.49	JUN17	14,554.87
OCT13	13,735.65	APR14	13,858.59		
NOV13	13,756.57	MAY14	13,878.99		

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**Copper**

Maturity	Price (US\$/lb)	Maturity	Price (US\$/lb)	Maturity	Price (US\$/lb)
SPOT	3.05	DEC13	3.07	JUN14	3.09
JUL13	3.06	JAN14	3.07	JUN15	3.12
AUG13	3.06	FEB14	3.07	JUN16	3.15
SEP13	3.06	MAR14	3.08	JUN17	3.17
OCT13	3.06	APR14	3.08		
NOV13	3.07	MAY14	3.08		

**Bunker Oil**

Maturity	Price (US\$/ton)	Maturity	Price (US\$/ton)	Maturity	Price (US\$/ton)
SPOT	588.00	DEC13	583.50	JUN14	579.08
JUL13	583.74	JAN14	583.06	JUN15	568.73
AUG13	586.06	FEB14	582.65	JUN16	562.92
SEP13	585.77	MAR14	581.81	JUN17	563.67
OCT13	584.88	APR14	580.97		
NOV13	583.91	MAY14	580.10		

**2. Rates****US\$-Brazil Interest Rate**

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
08/01/13	1.00	10/01/15	1.89	04/02/18	3.20
09/02/13	0.95	01/04/16	1.96	07/02/18	3.33
10/01/13	1.29	04/01/16	2.04	10/01/18	3.46
01/02/14	1.52	07/01/16	2.10	01/02/19	3.54
04/01/14	1.59	10/03/16	2.26	04/01/19	3.64
07/01/14	1.63	01/02/17	2.40	07/01/19	3.72
10/01/14	1.70	04/03/17	2.55	10/01/19	3.82
01/02/15	1.74	07/03/17	2.67	01/02/20	3.90
04/01/15	1.80	10/02/17	2.89	01/04/21	4.18

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07/01/15 1.81 01/02/18 3.06 01/03/22 4.56

**US\$ Interest Rate**

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
US\$1M	0.20	US\$6M	0.33	US\$11M	0.35
US\$2M	0.24	US\$7M	0.34	US\$12M	0.36
US\$3M	0.27	US\$8M	0.34	US\$2Y	0.52
US\$4M	0.30	US\$9M	0.35	US\$3Y	0.85
US\$5M	0.32	US\$10M	0.35	US\$4Y	1.26

**TJLP**

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
08/01/13	5.00	10/01/15	5.00	04/02/18	5.00
09/02/13	5.00	01/04/16	5.00	07/02/18	5.00
10/01/13	5.00	04/01/16	5.00	10/01/18	5.00
01/02/14	5.00	07/01/16	5.00	01/02/19	5.00
04/01/14	5.00	10/03/16	5.00	04/01/19	5.00
07/01/14	5.00	01/02/17	5.00	07/01/19	5.00
10/01/14	5.00	04/03/17	5.00	10/01/19	5.00
01/02/15	5.00	07/03/17	5.00	01/02/20	5.00
04/01/15	5.00	10/02/17	5.00	01/04/21	5.00
07/01/15	5.00	01/02/18	5.00	01/03/22	5.00

**BRL Interest Rate**

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
08/01/13	8.11	10/01/15	10.46	04/02/18	11.20
09/02/13	8.24	01/04/16	10.67	07/02/18	11.23
10/01/13	8.45	04/01/16	10.81	10/01/18	11.21
01/02/14	8.93	07/01/16	10.82	01/02/19	11.20
04/01/14	9.17	10/03/16	10.93	04/01/19	11.21
07/01/14	9.41	01/02/17	11.02	07/01/19	11.23
10/01/14	9.62	04/03/17	11.05	10/01/19	11.24
01/02/15	9.87	07/03/17	11.09	01/02/20	11.25
04/01/15	10.03	10/02/17	11.13	01/04/21	11.29
07/01/15	10.27	01/02/18	11.16	01/03/22	11.34

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**EUR Interest Rate**

<b>Maturity</b>	<b>Rate (% p.a.)</b>	<b>Maturity</b>	<b>Rate (% p.a.)</b>	<b>Maturity</b>	<b>Rate (% p.a.)</b>
EUR1M	0.07	EUR6M	0.34	EUR11M	0.43
EUR2M	0.11	EUR7M	0.37	EUR12M	0.44
EUR3M	0.15	EUR8M	0.39	EUR2Y	0.61
EUR4M	0.24	EUR9M	0.41	EUR3Y	0.80
EUR5M	0.30	EUR10M	0.42	EUR4Y	1.04

**CAD Interest Rate**

<b>Maturity</b>	<b>Rate (% p.a.)</b>	<b>Maturity</b>	<b>Rate (% p.a.)</b>	<b>Maturity</b>	<b>Rate (% p.a.)</b>
CAD1M	1.22	CAD6M	1.40	CAD11M	1.35
CAD2M	1.25	CAD7M	1.38	CAD12M	1.34
CAD3M	1.28	CAD8M	1.37	CAD2Y	1.59
CAD4M	1.34	CAD9M	1.36	CAD3Y	1.85
CAD5M	1.37	CAD10M	1.35	CAD4Y	2.13

**Currencies - Ending rates**

CAD/US\$	0.9513	US\$/BRL	2.2156	EUR/US\$	1.3005
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**Sensitivity Analysis**

We present below the sensitivity analysis for all derivatives outstanding positions as of June 30, 2013 given predefined scenarios for market risk factors behavior. The scenarios were defined as follows:

- Fair Value: the fair value of the instruments as at June 28, 2013;



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- Scenario I: Potential change in fair value of Vale's financial instruments positions considering a 25% depreciation of market curves for underlying risk factors;
- Scenario II: Potential change in fair value of Vale's financial instruments positions considering a 25% appreciation of market curves for underlying risk factors;
- Scenario III: Potential change in fair value of Vale's financial instruments positions considering a 50% depreciation of market curves for underlying risk factors;
- Scenario IV: Potential change in fair value of Vale's financial instruments positions considering a 50% appreciation of market curves for underlying risk factors;

### Sensitivity Analysis Summary of the USD/BRL fluctuation Debt, Cash Investments and Derivatives

Program	Instrument	Risk	Amounts in R\$ million			
			Scenario I	Scenario II	Scenario III	Scenario IV
Funding	Debt denominated in BRL	No fluctuation				
Funding		USD/BRL				
	Debt denominated in USD	fluctuation	(10.588)	10.588	(21.176)	21.176
Cash Investments	Cash denominated in BRL	No fluctuation				
Cash Investments		USD/BRL				
	Cash denominated in USD	fluctuation	2.546	(2.546)	5.093	(5.093)
Derivatives (1)	Consolidated derivatives portfolio	USD/BRL fluctuation	(4.883)	4.883	(9.768)	9.768
Net result			(12.924)	12.924	(25.852)	25.852

(1) - Detailed information of derivatives are described below.

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**Sensitivity analysis - Foreign Exchange and Interest Rate Derivative Positions**

*Amounts in R\$ million*

Program	Instrument	Risk	Fair Value	Scenario I	Scenario II	Scenario III	Scenario IV	
Protection program for the Real denominated debt indexed to CDI	CDI vs. USD fixed rate swap	USD/BRL fluctuation		(2,531)	2,531	(5,061)	5,061	
		USD interest rate inside Brazil variation	(1,699)	(75)	73	(152)	143	
		Brazilian interest rate fluctuation		(21)	19	(43)	36	
	CDI vs. USD floating rate swap	USD Libor variation			(1)	1	(1)	1
		USD/BRL fluctuation			(142)	142	(285)	285
		Brazilian interest rate fluctuation	(124)		(1)	0	(1)	1
		USD Libor variation			(0.03)	0.03	(0.06)	0.05
Protected Items - Real denominated debt	USD/BRL fluctuation	n.a.						
Protection program for the Real denominated debt indexed to TJLP	TJLP vs. USD fixed rate swap	USD/BRL fluctuation		(1,726)	1,726	(3,453)	3,453	
		USD interest rate inside Brazil variation	(1,392)	(146)	137	(304)	266	
		Brazilian interest rate fluctuation		417	(367)	893	(693)	
	TJLP vs. USD floating rate swap	TJLP interest rate fluctuation			(209)	205	(421)	406
		USD/BRL fluctuation			(181)	181	(362)	362
		USD interest rate inside Brazil variation			(16)	15	(33)	29
	Protected Items - Real denominated debt	Brazilian interest rate fluctuation	(189)		38	(33)	81	(62)
		TJLP interest rate fluctuation			(19)	19	(39)	37
		USD Libor variation		9	(9)	19	(19)	
	Protected Items - Real denominated debt	USD/BRL fluctuation	n.a.					
Protection program for the Real denominated fixed rate debt	BRL fixed rate vs. USD	USD/BRL fluctuation		(226)	226	(453)	453	
		USD interest rate inside Brazil variation	(194)	(12)	12	(26)	23	
		Brazilian interest rate fluctuation		41	(37)	87	(71)	
	Protected Items - Real denominated debt	USD/BRL fluctuation	n.a.					
Protection Program for the Euro denominated debt	EUR fixed rate vs. USD fixed rate swap	USD/BRL fluctuation		13	(13)	25	(25)	
		EUR/USD fluctuation	51	(802)	802	(1,604)	1,604	
		EUR Libor variation		65	(60)	136	(115)	
		USD Libor variation		(79)	70	(167)	134	
	Protected Items - Euro denominated debt	EUR/USD fluctuation	n.a.	802	(802)	1,604	(1,604)	
	CAD Forward	USD/BRL fluctuation	(107)	(27)	27	(54)	54	

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Foreign Exchange hedging program for disbursements in Canadian dollars (CAD)	USD/CAD fluctuation	(612)	612	(1,225)	1,225	
	CAD Libor variation	9	(8)	17	(17)	
	USD Libor variation	(3)	3	(6)	6	
Protected Items - Disbursement in Canadian dollars	USD/CAD fluctuation	n.a.	612	(612)	1,225	(1,225)

Sensitivity analysis - Commodity Derivative Positions

Amounts in R\$ million

Program	Instrument	Risk	Fair Value	Scenario I	Scenario II	Scenario III	Scenario IV
Nickel purchase protection program	Sale of nickel future/forward contracts	Nickel price fluctuation		1.1	(1.1)	2.2	(2.2)
		Libor USD fluctuation	0.6	0	(0)	0	(0)
		USD/BRL fluctuation		0.1	(0.1)	0.3	(0.3)
	Protected Item: Part of Vale's revenues linked to Nickel price	Nickel price fluctuation	n.a.	(1.1)	1.1	(2)	2
Nickel fixed price program	Purchase of nickel future/forward contracts	Nickel price fluctuation		(41)	41	(81)	81
		Libor USD fluctuation	(19)	(0.1)	0.1	(0.1)	0.1
		USD/BRL fluctuation		(5)	5	(9)	9
	Protected Item: Part of Vale's nickel revenues from sales with fixed prices	Nickel price fluctuation	n.a.	41	(41)	81	(81)
Copper Scrap Purchase Protection Program	Sale of copper future/forward contracts	Copper price fluctuation		1.1	(1.1)	2.1	(2.1)
		Libor USD fluctuation	0.6	0	(0)	0	(0)
		USD/BRL fluctuation		0.2	(0.2)	0.3	(0.3)
	Protected Item: Part of Vale's revenues linked to Copper price	Copper price fluctuation	n.a.	(1.1)	1.1	(2)	2
Bunker Oil Purchase Protection Program	Bunker Oil forward and Options	Bunker Oil price fluctuation		(788)	744	(1,594)	1,543
		Libor USD fluctuation	(226)	(1)	1	(1)	1
		USD/BRL fluctuation		(57)	57	(113)	113
	Protected Item: part of Vale's costs linked to Bunker Oil price	Bunker Oil price fluctuation	n.a.	788	(744)	1,594	(1,543)
Bunker Oil Hedge Protection Program	Bunker Oil forward	Bunker Oil price fluctuation		(303)	303	(606)	606
		Libor USD fluctuation	(97)	(0.3)	0.3	(0.5)	0.5
		USD/BRL fluctuation		(24)	24	(49)	49
	Protected Item: part of Vale's costs linked to Bunker Oil price	Bunker Oil price fluctuation	n.a.	303	(303)	606	(606)
Sell of part of future gold production (subproduct) from Vale	10 million of SLW warrants	SLW stock price fluctuation		(41)	48	(74)	101
		Libor USD fluctuation	102	(5)	5	(10)	9
		USD/BRL fluctuation		26	(26)	51	(51)
	Sell of part of future gold production (subproduct) from Vale	SLW stock price fluctuation	n.a.	41	(48)	74	(101)

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**Sensitivity analysis - Embedded Derivative Positions**

*Amounts in R\$ million*

Embedded derivatives - Raw material purchase (Nickel)	Embedded derivatives - Raw material purchase	Nickel price fluctuation	(2.9)	15	(15)	29	(29)
		USD/BRL fluctuation		(1)	1	(1)	1
Embedded derivatives - Gas purchase for Pelletizing Company in Oman	Embedded derivatives - Gas purchase	Pellet price fluctuation	(7.1)	5	(10)	7	(27)
		USD/BRL fluctuation		(1.8)	1.8	(3.6)	3.6

**Sensitivity analysis - Cash Investments (Other currencies)**

*Amounts in R\$ million*

Program	Instrument	Risk	Scenario I	Scenario II	Scenario III	Scenario IV
Cash Investments	Cash denominated in EUR	EUR/BRL fluctuation	12	(12)	24	(24)
Cash Investments	Cash denominated in CAD	CAD/BRL fluctuation	66	(66)	131	(131)
Cash Investments	Cash denominated in GBP	GBP/BRL fluctuation	5	(5)	10	(10)
Cash Investments	Cash denominated in AUD	AUD/BRL fluctuation	36	(36)	71	(71)
Cash Investments	Cash denominated in Other Currencies	Other Currencies fluctuation	28	(28)	55	(55)

**Sensitivity analysis - Summary of the USD/BRL fluctuation**

*Amounts in R\$ million*

Program	Instrument	Risk	Scenario I	Scenario II	Scenario III	Scenario IV
Funding	Debt denominated in BRL	No fluctuation				
Funding	Debt denominated in USD	USD/BRL fluctuation	(10,588)	10,588	(21,176)	21,176
Cash Investments	Cash denominated in BRL	No fluctuation				
Cash Investments	Cash denominated in USD	USD/BRL fluctuation	2,546	(2,546)	5,093	(5,093)
Derivatives <sup>1</sup>	Consolidated derivatives portfolio	USD/BRL fluctuation	(4,883)	4,883	(9,768)	9,768
Net result			(12,924)	12,924	(25,852)	25,852

**Financial counterparties ratings**

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Derivatives transactions are executed with financial institutions that we consider to have a very good credit quality. The exposure limits to financial institutions are proposed annually for the Executive Risk Committee and approved by the Executive Board. The financial institutions credit risk tracking is performed making use of a credit risk valuation methodology which considers, among other information, published ratings provided by international rating agencies. In the table below, we present the ratings in foreign currency published by Moody's and S&P agencies for the financial institutions that we had outstanding trades as of June 30, 2013.

Vale's Counterparty	Moody's*	S&P*
ANZ Australia and New Zealand Banking	Aa2	AA-
Banco Amazônia SA		
Banco Bradesco	Baa2	BBB
Banco de Credito del Peru	Baa2	BBB
Banco do Brasil	Baa2	BBB
Banco do Nordeste	Baa2	BBB
Banco Safra	Baa2	BBB-
Banco Santander	Baa2	BBB
Banco Votorantim	Baa2	BBB-
Bank of America	Baa2	A-
Bank of China	A1	A
Bank of Nova Scotia	Aa2	A+
Banpara		
Barclays	A3	A-
BNP Paribas	A2	A+
BTG Pactual	Baa3	BBB-
Caixa Economica Federal	Baa2	
Canadian Imperial Bank	Aa3	A+
Citigroup	Baa2	A-
Credit Agricole	A2	A
Goldman Sachs	A3	A-
HSBC	Aa3	A+
Itau Unibanco	Baa1	BBB
JP Morgan Chase & Co	A2	A
National Australia Bank NAB	Aa2	AA-
Rabobank	Aa2	AA-
Royal Bank of Canada	Aa3	AA-
Standard Bank	Baa2	
Standard Chartered	A2	A+

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\* Long Term Rating / LT Foreign Issuer Credit

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**25. Information by Business Segment and Consolidated Revenues by Geographic Area**

The information presented to the Executive Board on the performance of each segment is derived from the accounting records adjusted for reallocations between segments.

**a) Results by segment**

	<b>Consolidated (unaudited)</b>					<b>Total</b>
	<b>Three-month period ended</b>					
	<b>June 30, 2013</b>					
	<b>Bulk Materials</b>	<b>Base Metals</b>	<b>Fertilizers</b>	<b>General Cargo logistic</b>	<b>Others</b>	
<b>Results</b>						
Net operating revenue	16,454,320	3,493,128	1,564,745	762,077	597,035	22,871,305
Cost and expenses	(7,452,644)	(2,642,785)	(1,493,475)	(644,028)	(899,741)	(13,132,673)
Depreciation, depletion and amortization	(999,520)	(913,941)	(215,333)	(82,237)	(18,243)	(2,229,274)
<b>Operating income</b>	<b>8,002,156</b>	<b>(63,598)</b>	<b>(144,063)</b>	<b>35,812</b>	<b>(320,949)</b>	<b>7,509,358</b>
Financial results, net	(7,169,908)	49,950	(67,344)	34,330	149,566	(7,003,406)
Equity results from joint venture and associates	169,297	(6,369)		46,755	(105,277)	104,406
Income tax and social contribution	21,512	52,882	129,826	(18,178)	(32,625)	153,417
<b>Net income of the period</b>	<b>1,023,057</b>	<b>32,865</b>	<b>(81,581)</b>	<b>98,719</b>	<b>(309,285)</b>	<b>763,775</b>
Net loss attributable to noncontrolling interests	(11,519)	(4,398)	(10,659)		(41,720)	(68,296)
<b>Income attributable to the company's stockholders</b>	<b>1,034,576</b>	<b>37,263</b>	<b>(70,922)</b>	<b>98,719</b>	<b>(267,565)</b>	<b>832,071</b>
<b>Sales classified by geographic area:</b>						
America, except United States	389,259	494,133	27,466		20,717	931,575
United States of America	204	571,500	23		171,065	742,792
Europe	2,816,289	1,256,270	73,243		187	4,145,989
Middle East/Africa/Oceania	1,032,362	43,991	7,709			1,084,062
Japan	2,171,129	308,577				2,479,706
China	7,031,799	385,500				7,417,299

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Asia, except Japan and China	1,504,639	344,831	13,731		785	1,863,986
Brazil	1,508,639	88,326	1,442,573	762,077	404,281	4,205,896
<b>Net revenue</b>	<b>16,454,320</b>	<b>3,493,128</b>	<b>1,564,745</b>	<b>762,077</b>	<b>597,035</b>	<b>22,871,305</b>

Consolidated (unaudited)  
Three-month period ended  
June 30, 2012

	Bulk Materials	Base Metals	Fertilizers	General Cargo Logistics	Others	Total
<b>Results</b>						
Net operating revenue	18,530,064	3,487,591	1,709,169	689,261	166,787	24,582,872
Cost and expenses	(8,117,178)	(3,320,163)	(1,401,338)	(675,449)	(429,453)	(13,943,581)
Loss on sale of assets	(768,236)					(768,236)
Depreciation, depletion and amortization	(921,632)	(780,660)	(224,251)	(106,417)	(7,023)	(2,039,983)
<b>Operating income</b>	<b>8,723,018</b>	<b>(613,232)</b>	<b>83,580</b>	<b>(92,605)</b>	<b>(269,689)</b>	<b>7,831,072</b>
Financial results, net	(5,069,154)	70,678	(83,873)	(43,020)	(11,680)	(5,137,049)
Equity results from joint ventures and associates	381,197	(3,303)		27,721	(96,015)	309,600
Income tax and social contribution	(327,505)	29,326	2,478,997	5,775	(3,089)	2,183,504
<b>Net income of the period</b>	<b>3,707,556</b>	<b>(516,531)</b>	<b>2,478,704</b>	<b>(102,129)</b>	<b>(380,473)</b>	<b>5,187,127</b>
Net loss attributable to noncontrolling interests	(45,818)	(105,130)	47,695		(30,148)	(133,401)
<b>Income attributable to the company's stockholders</b>	<b>3,753,374</b>	<b>(411,401)</b>	<b>2,431,009</b>	<b>(102,129)</b>	<b>(350,325)</b>	<b>5,320,528</b>

**Sales classified by geographic area:**

America, except United States	418,860	498,615	34,282		6,920	958,677
United States of America	103,373	674,482	22,691		283	800,829
Europe	3,533,960	936,723	71,575		18,153	4,560,411
Middle East/Africa/Oceania	768,165	37,448	2,924			808,537
Japan	2,098,575	397,341			9,719	2,505,635
China	8,146,465	516,006				8,662,471
Asia, except Japan and China	1,799,870	426,192	28,372			2,254,434
Brazil	1,660,796	784	1,549,325	689,261	131,712	4,031,878
<b>Net revenue</b>	<b>18,530,064</b>	<b>3,487,591</b>	<b>1,709,169</b>	<b>689,261</b>	<b>166,787</b>	<b>24,582,872</b>

(i) Period adjusted according to note 4.

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	<b>Consolidated (unaudited)</b>					
	<b>Six-month period ended</b>					
	<b>June 30, 2013</b>					
	<b>Bulk Materials</b>	<b>Base Metals</b>	<b>Fertilizers</b>	<b>General Cargo Logistics</b>	<b>Others</b>	<b>Total</b>
<b>Results</b>						
Net operating revenue	32,194,148	7,167,129	3,002,871	1,334,025	974,097	44,672,270
Cost and expenses	(14,384,701)	(4,940,435)	(2,766,842)	(1,243,637)	(1,226,984)	(24,562,599)
Depreciation, depletion and amortization	(1,826,728)	(1,842,876)	(453,505)	(160,196)	(39,641)	(4,322,946)
<b>Operating income</b>	<b>15,982,719</b>	<b>383,818</b>	<b>(217,476)</b>	<b>(69,808)</b>	<b>(292,528)</b>	<b>15,786,725</b>
Financial results, net	(7,779,555)	143,995	(82,739)	(671)	49,561	(7,669,409)
Equity results from joint venture and associates	499,555	(12,265)		80,257	(121,602)	445,945
Income tax and social contribution	(1,771,320)	2,524	133,687	(27,610)	(50,214)	(1,712,933)
<b>Net income of the period</b>	<b>6,931,399</b>	<b>518,072</b>	<b>(166,528)</b>	<b>(17,832)</b>	<b>(414,783)</b>	<b>6,850,328</b>
Net loss attributable to noncontrolling interests	(59,247)	(60,509)	228		(62,845)	(182,373)
<b>Income attributable to the company's stockholders</b>	<b>6,990,646</b>	<b>578,581</b>	<b>(166,756)</b>	<b>(17,832)</b>	<b>(351,938)</b>	<b>7,032,701</b>
<b>Sales classified by geographic area:</b>						
America, except United States	756,651	1,113,824	49,449		20,717	1,940,641
United States of America	6,501	1,145,976	23		221,876	1,374,376
Europe	5,637,110	2,493,696	139,503		207	8,270,516
Middle East/Africa/Oceania	1,897,355	78,517	22,441		295	1,998,608
Japan	2,894,502	579,281				3,473,783
China	15,382,456	884,934				16,267,390
Asia, except Japan and China	2,653,893	775,260	39,455		803	3,469,411
Brazil	2,965,680	95,641	2,752,000	1,334,025	730,199	7,877,545
<b>Net revenue</b>	<b>32,194,148</b>	<b>7,167,129</b>	<b>3,002,871</b>	<b>1,334,025</b>	<b>974,097</b>	<b>44,672,270</b>

	<b>Consolidated (unaudited)</b>					
	<b>Six-month period ended</b>					
	<b>June 30, 2012</b>					
	<b>Bulk Materials</b>	<b>Base Metals</b>	<b>Fertilizers</b>	<b>General cargo logistic</b>	<b>Others</b>	<b>Total</b>
<b>Results</b>						
Net operating revenue	33,727,572	6,624,271	3,090,922	1,282,860	318,338	45,043,963
Cost and expenses	(15,068,352)	(5,888,218)	(2,516,550)	(1,286,853)	(954,960)	(25,714,933)
Loss on sale of assets	(768,236)					(768,236)
	(1,741,078)	(1,442,957)	(422,809)	(220,771)	(10,130)	(3,837,745)



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Depreciation, depletion and amortization						
<b>Operating income</b>	<b>16,149,906</b>	<b>(706,904)</b>	<b>151,563</b>	<b>(224,764)</b>	<b>(646,752)</b>	<b>14,723,049</b>
Financial results, net	(4,879,832)	80,379	(76,231)	(59,943)	3,643	(4,931,984)
Equity results from joint venture and associates	820,849	(5,845)		80,430	(148,814)	746,620
Income tax and social contribution	(1,173,980)	3,319	2,461,868	(22,995)	(10,300)	1,257,912
<b>Net income of the period</b>	<b>10,916,943</b>	<b>(629,051)</b>	<b>2,537,200</b>	<b>(227,272)</b>	<b>(802,223)</b>	<b>11,795,597</b>
Net loss attributable to noncontrolling interests	(69,709)	(210,388)	79,417		(35,792)	(236,472)
<b>Income attributable to the company's stockholders</b>	<b>10,986,652</b>	<b>(418,663)</b>	<b>2,457,783</b>	<b>(227,272)</b>	<b>(766,431)</b>	<b>12,032,069</b>
<b>Sales classified by geographic area:</b>						
America, except United States	738,999	942,898	58,084	64,646	26,363	1,830,990
United States of America	153,678	1,320,117	62,221		1,242	1,537,258
Europe	5,938,513	1,772,455	149,222		42,774	7,902,964
Middle East/Africa/Oceania	1,339,956	128,091	2,924			1,470,971
Japan	4,197,884	660,224			12,912	4,871,020
China	15,028,685	786,987				15,815,672
Asia, except Japan and China	2,979,237	890,352	57,447		3,992	3,931,028
Brazil	3,350,620	123,147	2,761,024	1,218,214	231,055	7,684,060
<b>Net revenue</b>	<b>33,727,572</b>	<b>6,624,271</b>	<b>3,090,922</b>	<b>1,282,860</b>	<b>318,338</b>	<b>45,043,963</b>

(i) Period adjusted according to note 4.

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	June 30, 2013 (unaudited) Three-month period ended									
	Net operating revenues	Cost	Expenses	Research and Development	Pre-Operating and stopped operation	Operating profit	Depreciation, depletion and amortization	Operating income	Property, plant and equipment and intangible	Additions to property, plant and equipment and intangible
<b>Bulk Material</b>										
Iron ore (a)	12,607,635	(4,394,388)	(520,049)	(142,367)	(155,761)	7,395,070	(716,677)	6,678,393	82,677,276	2,968,027
Pellets	3,013,439	(1,199,739)	(79,606)	(6,406)	(70,748)	1,656,940	(99,305)	1,557,635	4,303,321	67,034
Ferrous alloys and manganese	197,791	(160,081)	5,542	(283)		42,969	(10,617)	32,352	610,938	8,673
Coal	526,361	(530,715)	(112,370)	(8,202)	(19,267)	(144,193)	(99,930)	(244,123)	8,495,157	499,650
Others Ferrous products and services	109,094	(62,555)	4,351			50,890	(72,991)	(22,101)		
	<b>16,454,320</b>	<b>(6,347,478)</b>	<b>(702,132)</b>	<b>(157,258)</b>	<b>(245,776)</b>	<b>9,001,676</b>	<b>(999,520)</b>	<b>8,002,156</b>	<b>96,086,692</b>	<b>3,543,384</b>
<b>Base Metals</b>										
Nickel and other products (b)	2,810,719	(1,769,593)	214,132	(75,532)	(390,218)	789,508	(825,809)	(36,301)	65,767,231	1,024,183
Copper (c)	682,409	(547,785)	(31,359)	(37,401)	(4,848)	61,016	(88,132)	(27,116)	9,106,095	197,493
Others base metals products			(181)			(181)		(181)		
	<b>3,493,128</b>	<b>(2,317,378)</b>	<b>182,592</b>	<b>(112,933)</b>	<b>(395,066)</b>	<b>850,343</b>	<b>(913,941)</b>	<b>(63,598)</b>	<b>74,873,326</b>	<b>1,221,676</b>
<b>Fertilizers</b>										
Potash	96,010	(67,966)	(25,074)	(4,789)	(154,826)	(156,645)	(10,952)	(167,597)	5,255,403	79,689
Phosphates	1,164,095	(918,570)	(37,350)	(5,512)	(15,076)	187,587	(156,004)	31,583	17,168,690	212,198
Nitrogen	259,486	(235,507)	(24,350)	(933)	(3,522)	(4,826)	(48,377)	(53,203)		
Others fertilizers products	45,154					45,154		45,154	671,140	
	<b>1,564,745</b>	<b>(1,222,043)</b>	<b>(86,774)</b>	<b>(11,234)</b>	<b>(173,424)</b>	<b>71,270</b>	<b>(215,333)</b>	<b>(144,063)</b>	<b>23,095,233</b>	<b>291,887</b>
<b>General Cargo</b>										
Logistics	762,077	(552,917)	(86,454)	(4,657)		118,049	(82,237)	35,812	6,860,787	527,142
Others	597,035	(418,647)	(443,983)	(37,111)		(302,706)	(18,243)	(320,949)	4,725,138	249,883
	<b>22,871,305</b>	<b>(10,858,463)</b>	<b>(1,136,751)</b>	<b>(323,193)</b>	<b>(814,266)</b>	<b>9,738,632</b>	<b>(2,229,274)</b>	<b>7,509,358</b>	<b>205,641,176</b>	<b>5,833,972</b>

(a) The cost of Iron ore includes R\$1,290,268 of freight.

(b) Includes nickel co-products and by-products (copper, precious metal, cobalt and others).

(c) Includes copper concentrate and does not include the copper by-product of nickel.



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**June 30, 2012 (unaudited)**  
**Three-month period ended**

	Net operating revenues	Cost	Expenses	Research and Development	Pre-Operating and stopped operation	Operating profit	Depreciation, depletion and amortization	Operating income	Property, plant and equipment and intangible	Additions to property, plant and equipment and intangible
<b>Bulk Material</b>										
Iron ore (a)	13,876,268	(4,543,516)	(669,854)	(296,662)		8,366,236	(695,748)	7,670,488	65,611,050	2,356,704
Pellets	3,760,387	(1,428,013)			(90,235)	2,242,139	(106,410)	2,135,729	4,154,537	330,303
Ferrous alloys and manganese	350,865	(255,879)	(46,142)	(1,330)		47,514	(38,780)	8,734	499,420	247,221
Coal	542,544	(536,997)	(197,893)	(38,877)	(11,780)	(243,003)	(80,694)	(323,697)	8,414,530	895,669
	<b>18,530,064</b>	<b>(6,764,405)</b>	<b>(913,889)</b>	<b>(336,869)</b>	<b>(102,015)</b>	<b>10,412,886</b>	<b>(921,632)</b>	<b>9,491,254</b>	<b>78,679,538</b>	<b>3,829,898</b>
<b>Base Metals</b>										
Nickel and other products										
(b)	3,034,001	(1,995,647)	(328,375)	(158,836)	(409,110)	142,033	(747,836)	(605,803)	63,070,176	1,367,821
Copper (c)	453,590	(348,625)	6,329	(81,974)	(3,927)	25,393	(32,824)	(7,431)	8,707,019	589,683
	<b>3,487,591</b>	<b>(2,344,272)</b>	<b>(322,046)</b>	<b>(240,810)</b>	<b>(413,037)</b>	<b>167,426</b>	<b>(780,660)</b>	<b>(613,234)</b>	<b>71,777,195</b>	<b>1,957,503</b>
<b>Fertilizers</b>										
Potash	148,206	(88,963)	(12,484)	(29,604)		17,155	(16,650)	505	2,803,517	87,135
Phosphates	1,199,692	(887,377)	(72,010)	(16,659)	(25,523)	198,123	(163,412)	34,711	16,252,041	40,528
Nitrogen	328,285	(244,157)	(24,561)			59,567	(44,189)	15,378	1,058,532	
Others fertilizers products	32,986					32,986		32,986	672,526	
	<b>1,709,169</b>	<b>(1,220,497)</b>	<b>(109,055)</b>	<b>(46,263)</b>	<b>(25,523)</b>	<b>307,831</b>	<b>(224,251)</b>	<b>83,580</b>	<b>20,786,615</b>	<b>127,663</b>
<b>General Cargo</b>										
Logistics	689,261	(543,395)	(127,941)	(4,113)		13,812	(106,417)	(92,605)	10,241,094	316,119
Others	166,787	(141,263)	(208,305)	(79,883)		(262,664)	(7,023)	(269,687)	3,814,313	310,040
	<b>24,582,872</b>	<b>(11,013,832)</b>	<b>(1,681,236)</b>	<b>(707,938)</b>	<b>(540,575)</b>					