Vale S.A.
Form 6-K
August 08, 2013
Table of Contents

# 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.

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

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 o No x

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 o No x

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 o No x

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

Table of Contents

**Interim Financial Statements**

**June 30, 2013**

**BR GAAP**

Filed with the CVM, SEC and HKEx on

August 7, 2013

Table of Contents

(A free translation of the original in Portuguese)

**Vale S.A.**

**Index to the Financial Statements Condensed**


| | Page |
|---|---|
| Report of Independent Auditor s Report | 3 |
| Condensed Consolidated and Parent Company Balance Sheets as of June 30, 2013, December 31, 2012 and January 1st, 2012 | 4 |
| Condensed Consolidated and Parent Company Statements Income for the three-month periods ended June 30, 2013 and June 30, 2012 and six-month periods ended June 30, 2013 and June 30, 2012 | 6 |
| Condensed Consolidated and Parent Company Statements of Other Comprehensive Income for the three-month periods ended June 30, 2013 and June 30, 2012 and six-month periods ended June 30, 2013 and June 30, 2012 | 7 |
| Condensed Statements of Changes in Stockholder s Equity for the six-month periods ended June 30, 2013 and June 30, 2012 | 8 |
| Condensed Consolidated and Parent Company Statements of Cash Flow for the six-month periods ended June 30, 2013 and June 30, 2012 | 9 |
| Condensed Consolidated and Parent Company Statements of Added Value for the six-month periods ended June 30, 2013 and June 30, 2012 | 10 |
| Selected Notes to the Consolidated Financial Statements | 11 |

Table of Contents

(A free translation of the original in Portuguese)

**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

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

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 F RJ

João César de Oliveira Lima Júnior

Contador CRC 1RJ077431/O-8

Table of Contents

(A free translation of the original in Portuguese)

**Balance Sheet**

**In thousands of Brazilian Reais**

| | Notes | Consolidated June 30, 2013 (unaudited) | Consolidated December 31, 2012 (i) | Consolidated January 1st, 2012 (i) | Parent Company June 30, 2013 (unaudited) | Parent Company December 31, 2012 (i) | Parent Company January 1st, 2012 (i) |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| **Current assets** | | | | | | | |
| 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 |
| | | **46,937,423** | **45,105,066** | **40,136,265** | **29,899,459** | **30,587,350** | **25,583,108** |
| Non-current Assets held for sale | 7 | | 934,551 | | | | |
| | | **46,937,423** | **46,039,617** | **40,136,265** | **29,899,459** | **30,587,350** | **25,583,108** |
| **Non-current assets** | | | | | | | |
| 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 |
| Depost 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 |
| | | **21,125,700** | **15,482,743** | **10,335,303** | **10,565,953** | **10,023,409** | **5,929,013** |
| Investments | 13 | 8,416,677 | 13,044,460 | 14,984,038 | 127,288,170 | 121,628,958 | 111,953,695 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 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 |
| | | **235,183,553** | **220,803,850** | **196,962,785** | **219,342,357** | **207,548,124** | **187,359,631** |
| **Total assets** | | **282,120,976** | **266,843,467** | **237,099,050** | **249,241,816** | **238,135,474** | **212,942,739** |

(i) Period adjusted according to note 4.

Table of Contents

(A free translation of the original in Portuguese)

**Balance Sheet**

**In thousands of Brazilian Reais**

**(continued)**

| | Notes | Consolidated | | | Parent Company | | |
|---|---|---|---|---|---|---|---|
| | | June 30, 2013 (unaudited) | December 31, 2012 (i) | January 1, 2012 (i) | June 30, 2013 (unaudited) | December 31, 2012 (i) | January 1, 2012 (i) |
| **Liabilities** | | | | | | | |
| **Current** | | | | | | | |
| 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 |
| | | **24,768,129** | **25,341,747** | **20,686,760** | **17,272,249** | **20,173,330** | **14,151,319** |
| | | | | | | | |
| Liabilities directly associated with non-current assets held for sale | 7 | | 368,378 | | | | |
| | | **24,768,129** | **25,710,125** | **20,686,760** | **17,272,249** | **20,173,330** | **14,151,319** |
| **Non-current** | | | | | | | |
| 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 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 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 |
| | | **97,471,801** | **88,021,854** | **70,922,907** | **75,307,051** | **68,095,681** | **56,507,259** |
| **Total liabilities** | | **122,239,930** | **113,731,979** | **91,609,667** | **92,579,300** | **88,269,011** | **70,658,578** |
| | | | | | | | |
| **Stockholders equity** | 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 |
| **Total company stockholders equity** | | **156,662,516** | **149,866,463** | **142,284,161** | **156,662,516** | **149,866,463** | **142,284,161** |
| Noncontrolling interests | | 3,218,530 | 3,245,025 | 3,205,222 | | | |
| **Total stockholders equity** | | **159,881,046** | **153,111,488** | **145,489,383** | **156,662,516** | **149,866,463** | **142,284,161** |
| **Total liabilities and stockholders equity** | | **282,120,976** | **266,843,467** | **237,099,050** | **249,241,816** | **238,135,474** | **212,942,739** |

(i) Period adjusted according to note 4.

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

Table of Contents

(A free translation of the original in Portuguese)

**Statement of Income**

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

| | | Consolidated (unaudited) | | | |
|---|---|---|---|---|---|
| | | Three-month period ended | | Six-month period ended | |
| | Notes | 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) |
| **Gross profit** | | **10,005,982** | **11,737,359** | **20,368,820** | **21,281,614** |
| | | | | | |
| **Operating (expenses) income** | | | | | |
| 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) |
| | | **(2,496,624)** | **(3,906,287)** | **(4,582,095)** | **(6,558,565)** |
| **Operating profit** | | **7,509,358** | **7,831,072** | **15,786,725** | **14,723,049** |
| | | | | | |
| 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 |
| **Income before income tax and social contribution** | | **610,358** | **3,003,623** | **8,563,261** | **10,537,685** |
| **Income tax and social contribution** | | | | | |
| 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 |
| | | **153,417** | **2,183,504** | **(1,712,933)** | **1,257,912** |
| **Net income for the period** | | **763,775** | **5,187,127** | **6,850,328** | **11,795,597** |
| | | | | | |
| Loss attributable to noncontrolling interests | | (68,296) | (133,401) | (182,373) | (236,472) |
| **Net income attributable to the Company s stockholders** | | **832,071** | **5,320,528** | **7,032,701** | **12,032,069** |
| | | | | | |
| **Earnings per share attributable to the Company s stockholders:** | | | | | |
| **Basic and diluted earnings per share:** | | | | | |
| 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 |

| | 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) |
| **Gross profit** | | **9,944,121** | **9,661,832** | **18,781,949** | **16,189,223** |
| | | | | | |
| **Operating (expenses) income** | | | | | |
| 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 subidiaries | | (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) |
| | | **(2,041,033)** | **564,972** | **(2,979,785)** | **1,222,526** |
| **Operating profit** | | **7,903,088** | **10,226,804** | **15,802,164** | **17,411,749** |
| | | | | | |
| 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 |
| **Income before income tax and social contribution** | | **1,377,112** | **5,760,596** | **9,394,602** | **13,212,423** |
| **Income tax and social contribution** | | | | | |
| 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 |
| | | **(545,041)** | **(440,068)** | **(2,361,901)** | **(1,180,354)** |
| **Net income attributable to the Company s stockholders** | | **832,071** | **5,320,528** | **7,032,701** | **12,032,069** |
| | | | | | |
| **Earnings per share attributable to the Company s stockholders:** | | | | | |
| **Basic and diluted earnings per share:** | | | | | |
| 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.

Table of Contents

(A free translation of the original in Portuguese)

**Statement of Other Comprehensive Income**

**In thousands of Brazilian Reais**

| | 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 income of the period** | **763,775** | **5,187,127** | **6,850,328** | **11,795,597** |
| | | | | |
| **Other comprehensive income** | | | | |
| **Item will not be reclassified subsequently for income** | | | | |
| **Cumulative translation adjustments of equity** | **7,706,896** | **7,316,663** | **5,389,075** | **6,236,991** |
| | | | | |
| **Retirement benefit obligations** | | | | |
| 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** |
| **Total items will not be reclassified subsequently for income** | **7,438,541** | **7,230,096** | **5,185,744** | **6,300,245** |
| | | | | |
| **Item will be reclassified subsequently for income** | | | | |
| **Unrealized loss on available-for-sale investments** | | | | |
| Gross balance as of the period | **(176,167)** | **(3,946)** | **(581,733)** | **(4,644)** |
| | | | | |
| **Cash flow hedge** | | | | |
| 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)** |
| **Total items will be reclassified subsequently for income** | **(309,347)** | **(221,417)** | **(794,257)** | **(207,928)** |
| **Total comprehensive income of the period** | **7,892,969** | **12,195,806** | **11,241,815** | **17,887,914** |
| | | | | |
| **Comprehensive income attributable to noncontrolling interests** | 199,268 | 188,907 | (6,988) | 26,203 |
| **Comprehensive income attributable to the Company s stockholders** | 7,693,701 | 12,006,899 | 11,248,803 | 17,861,711 |
| | **7,892,969** | **12,195,806** | **11,241,815** | **17,887,914** |

| | Parent company (unaudited) | | | |
|---|---|---|---|---|
| | Three-month period ended | | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 (i) | June 30, 2013 | June 30, 2012 (i) |
| **Net income of the period** | **832,071** | **5,320,528** | **7,032,701** | **12,032,069** |
| **Other comprehensive income** | | | | |

| | | | | |
|---|---|---|---|---|
| **Item will not be reclassified subsequently for income** | | | | |
| **Cumulative translation adjustments** | **7,439,332** | **6,994,355** | **5,213,690** | **5,974,316** |
| | | | | |
| **Retirement benefit obligations** | | | | |
| 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** |
| **Total items will not be reclassified subsequently for income** | **7,170,977** | **6,907,788** | **5,010,359** | **6,037,570** |
| | | | | |
| **Item will be reclassified subsequently for income** | | | | |
| **Unrealized loss on available-for-sale investments** | | | | |
| Gross balance as of the period | (176,167) | (3,946) | (581,733) | (4,644) |
| | **(176,167)** | **(3,946)** | **(581,733)** | **(4,644)** |
| **Cash flow hedge** | | | | |
| 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)** |
| **Total items will be reclassified subsequently for income** | **(309,347)** | **(221,417)** | **(794,257)** | **(207,928)** |
| **Total comprehensive income of the period** | **7,693,701** | **12,006,899** | **11,248,803** | **17,861,711** |

(i) Period adjusted according to note 4.

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

Table of Contents

(A free translation of the original in Portuguese)

**Statement of condensed Changes in Equity**

**In thousands of Brazilian Reais**

| | Six-month period ended (unaudited) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital | Results in the translation of shares | Mandatorily convertible notes | Revenue reserves | Treasury stock | Unrealized fair value gain (losses) | Results from operation with noncontrolling stockholders | Cumulative translation adjustment | Retained earnings | Total Company stockholder equity | Noncontrol s stockhold interest |
| **January 1, 2013 (i)** | **75,000,000** | **49,518** | | **78,451,185** | **(7,839,512)** | **(3,796,910)** | **(839,155)** | **8,692,782** | **148,555** | **149,866,463** | **3,245** |
| **Net income of the period** | | | | | | | | | **7,032,701** | **7,032,701** | **(182** |
| 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 |
| Capitalization of noncontrolling stockholders advances | | | | | | | | | | | 19 |
| Redeemable noncontrolling stockholders interest | | | | | | | | | | | 61 |
| Dividends to noncontrolling stockholders | | | | | | | | | | | (100 |
| Additional remuneration | | | | | | | | | (4,452,750) | (4,452,750) | |
| **June 30, 2013** | **75,000,000** | **49,518** | | **78,451,185** | **(7,839,512)** | **(5,034,563)** | **(839,155)** | **14,146,537** | **2,728,506** | **156,662,516** | **3,218** |
| | | | | | | | | | | | |
| **January 1, 2012 (i)** | **75,000,000** | | **1,155,811** | **78,105,988** | **(9,918,541)** | **(977,441)** | **(70,706)** | **(1,016,710)** | **5,760** | **142,284,161** | **3,205** |
| | | | | | | | | | **12,032,069** | **12,032,069** | **(236** |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **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) | |
| **June 30, 2012 (i)** | **75,000,000** | **49,518** | **78,105,988** | **(7,839,512)** | **(2,287,210)** | **(507,687)** | **5,021,745** | **8,763,930** | **156,306,772** | **3,115** |

(i) Period adjusted according to note 4.

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

Table of Contents

(A free translation of the original in Portuguese)

**Statement of Cash Flows**

**In thousands of Brazilian Reais**

| | Six-month period ended (unaudited) | | | |
|---|---|---|---|---|
| | Consolidated | | Parent Company | |
| | June 30, 2013 | June 30, 2012 (i) | June 30, 2013 | June 30, 2012 (i) |
| **Cash flow from operating activities:** | | | | |
| Net income of the period | 6,850,328 | 11,795,597 | 7,032,701 | 12,032,069 |
| **Adjustments to reconcile net income to cash from operations** | | | | |
| 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) |
| **Decrease (increase) in assets:** | | | | |
| 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 |
| **Increase (decrease) in liabilities:** | | | | |
| 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 |
| **Net cash provided by operating activities** | **17,886,987** | **14,351,196** | **17,069,870** | **11,703,885** |
| | | | | |
| **Cash flow from investing activities:** | | | | |
| 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 |

| | | | | |
|---|---|---|---|---|
| Proceeds from Gold stream | 1,160,635 | | | |
| **Net cash used in investing activities** | **(12,511,221)** | **(11,379,395)** | **(10,690,562)** | **(8,396,010)** |
| | | | | |
| **Cash flow from financing activities:** | | | | |
| **Short-term debt** | | | | |
| Additions | 1,007,958 | 953,698 | 1,021,703 | 967,991 |
| Repayments | (1,136,838) | (75,814) | (2,126,306) | (2,308,857) |
| **Long-term debt** | | | | |
| Additions | 1,345,853 | 5,245,531 | 1,376,510 | 3,575,398 |
| Repayments | (997,304) | (1,108,106) | (637,182) | (226,595) |
| **Repayments:** | | | | |
| 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) | | |
| **Net cash used in financing activities** | **(4,256,348)** | **(1,515,870)** | **(4,818,025)** | **(3,473,063)** |
| | | | | |
| 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 | | |
| **Cash and cash equivalents, end of the period** | **13,126,350** | **8,117,669** | **2,249,717** | **409,599** |
| **Cash paid during the period for:** | | | | |
| 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) |
| **Inflows during the period:** | | | | |
| **Non-cash transactions:** | | | | |
| 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.

Table of Contents

(A free translation of the original in Portuguese)

**Statement of Added Value**

**In thousands of Brazilian Reais**

| | Six-month period ended (unaudited) | | | |
|---|---|---|---|---|
| | Consolidated | | Parent Company | |
| | June 30, 2013 | June 30, 2012 (i) | June 30, 2013 | June 30, 2012 (i) |
| **Generation of added value** | | | | |
| **Gross revenue** | | | | |
| 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) |
| **Less:** | | | | |
| 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) |
| **Gross added value** | **30,567,049** | **26,633,919** | **25,370,755** | **19,069,288** |
| | | | | |
| Depreciation, amortization and depletion | (4,322,945) | (3,837,745) | (1,197,538) | (1,211,907) |
| **Net added value** | **26,244,104** | **22,796,174** | **24,173,217** | **17,857,381** |
| | | | | |
| **Received from third parties** | | | | |
| Financial income | 922,676 | 1,082,358 | 445,581 | 549,513 |
| Equity results | 445,945 | 746,620 | (508,578) | 5,267,315 |
| **Total added value to be distributed** | **27,612,725** | **24,625,152** | **24,110,220** | **23,674,209** |
| | | | | |
| 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) | | |
| **Distribution of added value** | **27,612,725** | **24,625,152** | **24,110,220** | **23,674,209** |

(i) Period adjusted according to note 4.

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

Table of Contents

(A free translation of the original in Portuguese)

**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 ).

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

Table of Contents

(A free translation of the original in Portuguese)

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:

| Balance Sheet | Original balance | Consolidated December 31, 2012 Effect of changes IAS 19 (CPC33R) revised | Adjusted balance |
|---|---|---|---|
| **Assets** | | | |
| **Current** | | | |
| Cash and cash equivalents | 11,917,717 | | 11,917,717 |
| Others | 34,121,900 | | 34,121,900 |
| | **46,039,617** | | **46,039,617** |
| **Non-current** | | | |
| Deferred income tax and social contribution | 8,134,034 | 157,040 | 8,291,074 |
| Others | 212,748,003 | (235,227) | 212,512,776 |
| | **220,882,037** | **(78,187)** | **220,803,850** |
| **Total Assets** | **266,921,654** | **(78,187)** | **266,843,467** |
| **Liabilities and Stockholders equity** | | | |
| **Current** | | | |
| 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 |
| | **25,668,298** | **41,827** | **25,710,125** |
| **Non-current** | | | |
| 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 |
| | **85,620,142** | **2,401,712** | **88,021,854** |
| **Stockholders equity** | | | |
| 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) |
| | **155,633,214** | **(2,521,726)** | **153,111,488** |
| **Total Liabilities and Stockholders equity** | **266,921,654** | **(78,187)** | **266,843,467** |

Table of Contents

(A free translation of the original in Portuguese)

| Balance Sheet | Original balance | Consolidated January 1, 2012 Effect of changes IAS 19 (CPC33R) revised | Adjusted balance |
|---|---|---|---|
| **Assets** | | | |
| **Current** | | | |
| Cash and cash equivalents | 6,593,177 | | 6,593,177 |
| Others | 33,543,088 | | 33,543,088 |
| | **40,136,265** | | **40,136,265** |
| **Non-current** | | | |
| Deferred income tax and social contribution | 3,538,830 | 10,498 | 3,549,328 |
| Others | 193,413,457 | | 193,413,457 |
| | **196,952,287** | **10,498** | **196,962,785** |
| **Total Asset** | **237,088,552** | **10,498** | **237,099,050** |
| **Liabilities and Stockholders equity** | | | |
| **Current** | | | |
| Employee post retirement benefits obligations | 316,061 | | 316,061 |
| Others | 20,370,699 | | 20,370,699 |
| | **20,686,760** | | **20,686,760** |
| **Non-current** | | | |
| 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 |
| | **69,721,172** | **1,201,735** | **70,922,907** |
| **Stockholders equity** | | | |
| 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) |
| | **146,680,620** | **(1,191,237)** | **145,489,383** |
| **Total Liabilities and Stockholders equity** | **237,088,552** | **10,498** | **237,099,050** |

| 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) |
| **Gross operating profit** | **11,734,599** | **2,760** | **11,737,359** |
| 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 |

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

| **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) |
| **Gross operating profit** | **21,276,390** | **5,224** | **21,281,614** |
| 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 |
| **Earnings before taxes** | **10,541,451** | **(3,766)** | **10,537,685** |
| Current and deferred Income tax and social contribution, net | 1,256,143 | 1,769 | 1,257,912 |
| **Net income of the period** | **11,797,594** | **(1,997)** | **11,795,597** |
| Loss attributable to noncontrolling interests | (236,472) | | (236,472) |
| **Net income attributable to stockholders** | **12,034,066** | **(1,997)** | **12,032,069** |

Table of Contents

(A free translation of the original in Portuguese)

| Other comprehensive income | Original balance | Consolidated (unaudited) Three-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) revised | Adjusted balance |
|---|---|---|---|
| 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 |
| | **12,583,294** | **(79,504)** | **12,503,790** |
| 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) |
| **Total comprehensive income of the year, net** | **12,361,877** | **(166,071)** | **12,195,806** |
| Comprehensive income attributable to noncontrolling interests, net | 188,907 | | 188,907 |
| **Comprehensive income attributable to the Company s stockholders, net** | **12,172,970** | **(166,071)** | **12,006,899** |

| Other comprehensive income | Original balance | Consolidated (unaudited) Six-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) | Adjusted balance |
|---|---|---|---|
| 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 |
| | **18,098,724** | **(66,136)** | **18,032,588** |
| 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) |
| **Total comprehensive income of the year, net** | **17,890,796** | **(2,882)** | **17,887,914** |
| Comprehensive income attributable to noncontrolling interests, net | 26,203 | | 26,203 |
| **Comprehensive income attributable to the Company s stockholders, net** | **17,864,593** | **(2,882)** | **17,861,711** |

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

| | | | |
|---|---|---|---|
| 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 |
| | **209,868,634** | **(2,320,510)** | **207,548,124** |
| **Total Asset** | **240,455,984** | **(2,320,510)** | **238,135,474** |
| **Liabilities and Stockholders equity** | | | |
| **Current** | | | |
| Employee post retirement benefits obligations | 219,396 | | 219,396 |
| Others | 19,953,934 | | 19,953,934 |
| | **20,173,330** | | **20,173,330** |
| **Non-current** | | | |
| Deferred income tax and social contribution | 544,437 | 201,216 | 745,653 |
| Others | 67,350,028 | | 67,350,028 |
| | **67,894,465** | **201,216** | **68,095,681** |
| **Stockholders equity** | | | |
| 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) |
| **Total Liabilities and Stockholders equity** | **240,455,984** | **(2,320,510)** | **238,135,474** |

Table of Contents

(A free translation of the original in Portuguese)

| Balance Sheet | Original balance | Parent Company January 1, 2012 Effect of changes IAS 19 (CPC33R) | Adjusted balance |
|---|---|---|---|
| **Assets** | | | |
| **Current** | | | |
| Cash and cash equivalents | 574,787 | | 574,787 |
| Others | 25,008,321 | | 25,008,321 |
| | **25,583,108** | | **25,583,108** |
| **Non-current** | | | |
| 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 |
| | **188,545,432** | **(1,185,801)** | **187,359,631** |
| **Total Asset** | **214,128,540** | **(1,185,801)** | **212,942,739** |
| **Liabilities and Stockholders equity** | | | |
| **Current** | | | |
| Employee post retirement benefits obligations | 140,508 | | 140,508 |
| Others | 14,010,811 | | 14,010,811 |
| | **14,151,319** | | **14,151,319** |
| **Non-current** | | | |
| Employee post retirement benefits obligations | 406,330 | 5,436 | 411,766 |
| Others | 56,095,493 | | 56,095,493 |
| | **56,501,823** | **5,436** | **56,507,259** |
| **Stockholders equity** | | | |
| 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) |
| | **143,475,398** | **(1,191,237)** | **142,284,161** |
| **Total Liabilities and Stockholders equity** | **214,128,540** | **(1,185,801)** | **212,942,739** |

| 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) |
| **Gross operating profit** | **9,661,832** | | **9,661,832** |
| 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 |
| **Earnings before taxes** | **5,751,963** | **8,633** | **5,760,596** |

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

| **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) |
| **Gross operating profit** | **16,189,223** | | **16,189,223** |
| 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 |
| **Earnings before taxes** | **13,218,731** | **(6,308)** | **13,212,423** |
| Current and deferred Income tax and social contribution, net | (1,184,665) | 4,311 | (1,180,354) |
| **Net income of the year** | **12,034,066** | **(1,997)** | **12,032,069** |

Table of Contents

(A free translation of the original in Portuguese)

| Other comprehensive income | Original balance | Parent company (unaudited) Three-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) | Adjusted balance |
|---|---|---|---|
| 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 |
| | **12,394,387** | **(79,504)** | **12,314,883** |
| 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 | **12,172,970** | **(166,071)** | **12,006,899** |

| Other comprehensive income | Original balance | Parent company (unaudited) Six-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) | Adjusted balance |
|---|---|---|---|
| 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 |
| | **18,072,521** | **(66,136)** | **18,006,385** |
| 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 | **17,864,593** | **(2,882)** | **17,861,711** |

## 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.

Table of Contents

(A free translation of the original in Portuguese)

## 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 fertilizes, 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 |
| | **13,126,350** | **11,917,717** | **2,249,717** | **688,434** |

**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 |
| | **11,166,047** | **14,117,877** | **18,854,846** | **21,952,965** |
| | | | | |
| Allowance for doubtful accounts | (213,703) | (233,214) | (105,280) | (114,426) |
| | **10,952,344** | **13,884,663** | **18,749,566** | **21,838,539** |

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.

Table of Contents

(A free translation of the original in Portuguese)

**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 | | |
| **Inventory of products** | **8,342,768** | **7,351,240** | **2,446,996** | **2,080,052** |
| Maintenance supplies | 2,849,453 | 2,968,733 | 1,244,263 | 1,202,479 |
| **Total of Inventories** | **11,192,221** | **10,319,973** | **3,691,259** | **3,282,531** |

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 |
| **Inventories of products** | | | | |
| **Bulk Material** | | | | |
| 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 | | |
| | **3,186,647** | **2,634,916** | **2,081,432** | **1,781,064** |
| **Base Metals** | | | | |
| Nickel and other products | 4,043,750 | 3,870,247 | 287,572 | 258,797 |
| Copper | 169,216 | 60,252 | 74,271 | 37,075 |
| | **4,212,966** | **3,930,499** | **361,843** | **295,872** |
| **Fertilizers** | | | | |
| Potash | 43,189 | 41,311 | | |
| Phosphates | 784,618 | 679,393 | | |
| Nitrogen | 68,832 | 42,152 | | |
| | **896,639** | **762,856** | | |
| | | | | |
| **Others** | **46,516** | **22,969** | **3,721** | **3,116** |
| | | | | |
| | **8,342,768** | **7,351,240** | **2,446,996** | **2,080,052** |

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 |
| **Inventories of product** | | | | |
| **Balance on begin of period** | **7,797,322** | **7,795,929** | **7,351,240** | **7,449,728** |
| 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) |
| **Balance on ended of period** | **8,342,768** | **7,952,059** | **8,342,768** | **7,952,059** |

| | Parent company (unaudited) | |
|---|---|---|
| | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 |
| **Inventories of product** | | |
| **Balance on begin of period** | **2,080,052** | **2,170,119** |
| 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) |
| **Balance on ended of period** | **2,446,996** | **2,383,865** |

Table of Contents

(A free translation of the original in Portuguese)

| | Consolidated (unaudited) | | | |
|---|---|---|---|---|
| | Three-month period ended | | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 | June 30, 2013 | June 30, 2012 |
| **Inventories of consumable products** | | | | |
| **Balance on begin of period** | **3,087,467** | **2,359,666** | **2,968,733** | **2,383,322** |
| 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) |
| **Balance on ended of period** | **2,849,453** | **2,549,825** | **2,849,453** | **2,549,825** |

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

## 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 |
| **Total** | **3,921,605** | **3,591,193** | **2,159,987** | **2,157,454** |
| | | | | |
| Current | 3,561,443 | 3,147,715 | 1,916,123 | 1,902,190 |
| Non-current | 360,162 | 443,478 | 243,864 | 255,264 |
| **Total** | **3,921,605** | **3,591,193** | **2,159,987** | **2,157,454** |

## 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 |
| **Balance on begin of the period** | **12,922,619** | **15,816,422** | **13,044,460** | **14,984,038** |
| 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) | |
| **Balance on ended of the period** | **8,416,677** | **16,037,262** | **8,416,677** | **16,037,262** |

| | Parent company (unaudited) | |
|---|---|---|
| | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 |
| **Changes in Investments** | | |
| **Balance on begin of period** | **121,628,958** | **111,953,695** |
| 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) |
| **Balance on ended of period** | **127,288,170** | **122,549,335** |

Table of Contents

(A free translation of the original in Portuguese)

**Investments (Continued)**

| | Location | Principal activity | % ownership | % voting capital | Investments As of June 30, 2013 (unaudited) | Investments As of December 31, 2012 (i) | Equity results (unaudited) Three-month period ended June 30, 2013 (unaudited) | Equity results (unaudited) Three-month period ended June 30, 2012 (i) | Equity results (unaudited) Six-month period ended June 30, 2013 | Equity results (unaudited) Six-month period ended June 30, 201 (i) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Subsidiaries and affiliated companies** | | | | | | | | | | |
| **Direct and indirect subsidiaries** | | | | | | | | | | |
| 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 |
| Compañia 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 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (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) | Brazil | Fertilizers | 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 |
| | | | | | **118,871,493** | **108,584,498** | **(1,084,097)** | **2,498,694** | **(954,523)** | **4,520,69** |
| **Joint Ventures** | | | | | | | | | | |
| 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. | Brazil | Energy | 9.00 | 9.00 | 331,674 | 245,631 | (841) | (2,110) | (1,789) | (2,11 |
| Samarco 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 |
| | | | | | **5,373,778** | **5,459,717** | **186,651** | **388,907** | **516,869** | **813,59** |
| **Direct and indirect associate** | | | | | | | | | | |
| 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 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 Tecnologico 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 |
| | | | | | **3,042,899** | **7,584,743** | **(82,245)** | **(79,307)** | **(70,924)** | **(66,97** |
| **Total of associates and joint ventures** | | | | | **8,416,677** | **13,044,460** | **104,406** | **309,600** | **445,945** | **746,62** |
| **Total** | | | | | **127,288,170** | **121,628,958** | **(979,691)** | **2,808,294** | **(508,578)** | **5,267,31** |

Table of Contents

(A free translation of the original in Portuguese)

(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

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | June 30, 2013 (unaudited) | | | December 31, 2012 | | |
| | Cost | Amortization | Net | Cost | Amortization | Net |
| **Indefinite useful lifetime** | | | | | | |
| Goodwill | 9,578,124 | | 9,578,124 | 9,406,549 | | 9,406,549 |
| **Finite useful lifetime** | | | | | | |
| 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 |
| | **15,039,472** | **(5,238,993)** | **9,800,479** | **14,217,922** | **(4,802,444)** | **9,415,478** |
| **Total** | **24,617,596** | **(5,238,993)** | **19,378,603** | **23,624,471** | **(4,802,444)** | **18,822,027** |

**Parent Company**

| | June 30, 2013 (unaudited) | | | December 31, 2012 | | |
|---|---|---|---|---|---|---|
| | Cost | Amortization | Net | Cost | Amortization | Net |
| **Indefinite useful lifetime** | | | | | | |
| Goodwill | 9,578,124 | | 9,578,124 | 9,406,549 | | 9,406,549 |
| **Finite useful lifetime** | | | | | | |
| 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 |
| | **9,766,181** | **(4,185,256)** | **5,580,925** | **9,136,301** | **(3,878,415)** | **5,257,886** |
| **Total** | **19,344,305** | **(4,185,256)** | **15,159,049** | **18,542,850** | **(3,878,415)** | **14,664,435** |

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 |
| **Balance at beginning of period** | **9,285,233** | **7,846,120** | **593,302** | **1,065,185** | **18,789,840** | **17,959,670** |
| 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 |
| **Balance at end of period** | **9,578,124** | **8,043,054** | **611,477** | **1,145,948** | **19,378,603** | **18,081,570** |

Table of Contents

(A free translation of the original in Portuguese)

| | Consolidated (unaudited) Six-month period ended June 30, 2013 | | | | | June 30, 2012 |
|---|---|---|---|---|---|---|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total | Total |
| **Balance at beginning of period** | **9,406,549** | **7,674,305** | **618,900** | **1,122,273** | **18,822,027** | **17,788,581** |
| 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 |
| **Balance at end of period** | **9,578,124** | **8,043,054** | **611,477** | **1,145,948** | **19,378,603** | **18,081,570** |

| | Parent company (unaudited) Six-month period ended June 30, 2013 | | | | | June 30, 2012 |
|---|---|---|---|---|---|---|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total | Total |
| **Balance at beginning of period** | **9,406,549** | **3,995,662** | **138,951** | **1,123,273** | **14,664,435** | **13,973,730** |
| 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 |
| **Balance at end of period** | **9,578,124** | **4,297,944** | **136,033** | **1,146,948** | **15,159,049** | **14,085,645** |

## 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 |
| | **232,321,514** | **(46,058,941)** | **186,262,573** | **214,741,244** | **(41,286,624)** | **173,454,620** |

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | June 30, 2013 (unaudited) | | | December 31, 2012 | | |
| | 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 |
| | **81,700,596** | **(15,371,411)** | **66,329,185** | **75,522,579** | **(14,291,257)** | **61,231,322** |

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:

Table of Contents

(A free translation of the original in Portuguese)

| | Consolidated (unaudited) Three-month period ended June 30, 2013 | | | | | | | | June 30, 2012 |
|---|---|---|---|---|---|---|---|---|---|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions im progress | Total | Total |
| **Balance at beginning of period** | **1,747,104** | **12,886,297** | **23,726,343** | **743,833** | **35,205,546** | **37,330,280** | **63,211,445** | **174,850,848** | **157,088,920** |
| 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) | | |
| **Balance at end of period** | **2,043,333** | **14,036,627** | **24,388,668** | **447,178** | **37,495,351** | **40,006,791** | **67,844,625** | **186,262,573** | **167,217,185** |

| | Consolidated (unaudited) Six-month period ended June 30, 2013 | | | | | | | | June 30, 2012 |
|---|---|---|---|---|---|---|---|---|---|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions im progress | Total | Total |
| **Balance at beginning of period** | **1,380,514** | **12,451,549** | **24,023,342** | **768,773** | **38,553,146** | **37,146,929** | **59,130,367** | **173,454,620** | **153,854,863** |
| 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) | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at end of period** | **2,043,333** | **14,036,627** | **24,388,668** | **447,178** | **37,495,357** | **40,006,791** | **67,844,625** | **186,262,573** | **167,217,185** |

| | Parent company (unaudited) Six-month period ended June 30, 2013 | | | | | | | | June 30, 2012 |
|---|---|---|---|---|---|---|---|---|---|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions im progress | Total | Total |
| **Balance at beginning of period** | **1,161,681** | **4,375,574** | **12,299,943** | **217,515** | **3,814,701** | **9,288,670** | **30,073,238** | **61,231,322** | **55,503,193** |
| 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) | | |
| **Balance at end of period** | **1,362,340** | **5,508,088** | **13,097,783** | **196,633** | **2,175,648** | **10,796,578** | **33,192,115** | **66,329,185** | **60,648,047** |

Table of Contents

(A free translation of the original in Portuguese)

**16. Loans and Financing**

**a) Long-term debts**

| | Consolidated | | | |
|---|---|---|---|---|
| | Current Liabilities | | Non-current liabilities | |
| | June 30, 2013 (unaudited) | December 31, 2012 | June 30, 2013 (unaudited) | December 31, 2012 |
| **Long-term contracts abroad** | | | | |
| **Loans and financing in:** | | | | |
| United States dollars | 901,466 | 1,234,900 | 7,592,614 | 6,905,692 |
| Others currencies | 41,676 | 28,829 | 535,684 | 535,465 |
| **Fixed rates:** | | | | |
| Notes indexed in United Stated 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 | | |
| | **1,886,769** | **2,178,702** | **42,501,688** | **38,983,638** |
| **Long-term contracts in Brazil** | | | | |
| 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 | | |
| | **5,249,554** | **4,914,176** | **16,541,877** | **15,779,338** |
| | **7,136,323** | **7,092,878** | **59,043,565** | **54,762,976** |

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

| | | | | |
|---|---|---|---|---|
| | **542,762** | **486,520** | **13,339,735** | **12,245,530** |
| **Long-term contracts in Brazil** | | | | |
| 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 | | |
| | **5,064,978** | **4,841,329** | **15,292,520** | **14,621,710** |
| | **5,607,740** | **5,327,849** | **28,632,255** | **26,867,240** |

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 |
| | **59,043,565** | **28,632,255** |

Table of Contents

(A free translation of the original in Portuguese)

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 | |
| | **66,179,888** | **34,239,995** |

(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.

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).

| | | | | Credit line | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | Amounts drawn on | |
| Financial Intitution | Contractual Currency | Date of agreement | | Available until | Total amount available | June 30, 2013 | December 31, 2012 |
| **Revolving Credit Lines** | | | | | | | |
| Revolving Credit Facility - Vale/ Vale International/ Vale Canada | US$ | April 2011 | | 5 years | 6,689,100 | | |
| **Credit Lines** | | | | | | | |
| BNDES | R$ | April 2008 | (a) | 10 years | 7,300,000 | 3,793,700 | 3,581,809 |
| **Loans** | | | | | | | |
| 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 |
| **BNDES** | | | | | | | |
| 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 | |
| PSI 3,00% | 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**

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.

Table of Contents

(A free translation of the original in Portuguese)

**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, 2013 | | | | | |
|---|---|---|---|---|---|---|
| | Tax litigation | Civil litigation | Labor litigation | Environmental litigation | Total of litigation provision | June 30, 2012 Total of litigation provision |
| **Balance at beginning of period** | **2,039,287** | **575,227** | **1,534,142** | **69,537** | **4,218,193** | **3,144,740** |
| 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) |
| **Balance at end of period** | **1,512,047** | **520,819** | **1,571,192** | **91,588** | **3,695,646** | **3,464,674** |

| | Parent company (unaudited) Six-month period ended June 30, 2013 | | | | | |
|---|---|---|---|---|---|---|
| **Non-current liabilities** | **Tax litigation** | **Civil litigation** | **Labor litigation** | **Environmental litigation** | **Total of litigation provision** | **June 30, 2012 Total of litigation provision** |
| **Balance at beginning of period** | **1,213,139** | **246,983** | **1,364,178** | **42,752** | **2,867,052** | **1,927,686** |
| 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 |
| **Balance at end of period** | **683,598** | **230,040** | **1,378,436** | **58,266** | **2,350,340** | **2,099,087** |

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$529,714and 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 |
| **Total** | **3,296,624** | **3,094,977** | **2,638,374** | **2,474,077** |

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 |
| **Total** | **47,933,798** | **42,945,444** | **41,921,213** | **38,900,309** |

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.

Table of Contents

(A free translation of the original in Portuguese)

## 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 |
| **Balance at beginning of period** | **5,387,879** | **3,679,123** | **5,615,283** | **3,563,730** |
| Increase expense | 87,758 | 97,028 | 179,753 | 157,516 |
| Setlement 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 |
| **Balance at end of period** | **5,335,478** | **3,875,703** | **5,335,478** | **3,875,703** |
| | | | | |
| Current | 148,178 | 80,902 | 148,178 | 80,902 |
| Non-current | 5,187,300 | 3,794,801 | 5,187,300 | 3,794,801 |
| | **5,335,478** | **3,875,703** | **5,335,478** | **3,875,703** |

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

## 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:

| | Consolidated (unaudited) Three-month period ended | | | | | |
|---|---|---|---|---|---|---|
| | June 30, 2013 | | | June 30, 2012 | | |
| | Assets | Liabilities | Total | Assets | Liabilities | Total |
| **Balance beginning of the period** | **8,578,269** | **7,074,106** | **1,504,163** | **3,909,192** | **10,062,562** | **(6,153,370)** |
| 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 |
| **Balance at end of period** | **9,468,064** | **7,167,256** | **2,300,808** | **3,738,865** | **7,603,845** | **(3,864,980)** |

Table of Contents

(A free translation of the original in Portuguese)

| | Consolidated (unaudited) Six-month period ended | | | | | |
|---|---|---|---|---|---|---|
| | June 30, 2013 | | | June 30, 2012 | | |
| | Assets | Liabilities | Total | Assets | Liabilities | Total |
| **Balance beginning of period** | **8,291,074** | **6,918,372** | **1,372,702** | **3,549,328** | **10,175,546** | **(6,626,218)** |
| 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) |
| **Balance at end of period** | **9,468,064** | **7,167,256** | **2,300,808** | **3,738,865** | **7,603,845** | **(3,864,980)** |

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

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) |
| | **505,952** | **2,694,023** | **8,117,316** | **9,791,065** |
| **Income tax and social contribution at statutory rates - 34%** | **(172,024)** | **(915,968)** | **(2,759,887)** | **(3,328,962)** |
| **Adjustments that affects the basis of taxes:** | | | | |
| 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 |

| | | | | |
|---|---|---|---|---|
| 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) |
| **Income tax and social contribution on the profit for the period** | **153,417** | **2,183,504** | **(1,712,933)** | **1,257,912** |

| | 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) |
| | **2,356,803** | **2,952,303** | **9,903,181** | **7,945,109** |
| **Income tax and social contribution at statutory rates - 34%** | **(801,313)** | **(1,003,783)** | **(3,367,082)** | **(2,701,337)** |
| **Adjustments that affects the basis of taxes:** | | | | |
| 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 |
| **Income tax and social contribution on the profit for the period** | **(545,041)** | **(440,068)** | **(2,361,901)** | **(1,180,354)** |

(1) Include mainly provisional tax on export sale.

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

Table of Contents

(A free translation of the original in Portuguese)

## 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:

| | Consolidated (unaudited) Three-month period ended | | | | | |
|---|---|---|---|---|---|---|
| | June 30, 2013 | | | 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 | | |
| **Total of cost, net** | | **107,598** | **75,803** | | **61,012** | **63,635** |

| | Consolidated (unaudited) Six-month period ended | | | | | |
|---|---|---|---|---|---|---|
| | June 30, 2013 | | | 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 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 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 | |
| **Total of cost, net** | | **220,697** | **151,722** | | **122,168** | **127,197** |

| | Parent company (unaudited) Six-month period ended | | | | | |
|---|---|---|---|---|---|---|
| | June 30, 2013 | | | 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 | 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 | | |
| **Total of cost, net** | | **61,906** | **27,973** | | **27,047** | **26,566** |

(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.

Table of Contents

(A free translation of the original in Portuguese)

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

| | Consolidated (unaudited) Three-month period ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2013 | | | | June 30, 2012 | | | |
| | Overfunded pension plans (ii) | Underfunded pension plans | Others underfunded pension plans | Total | Overfunded pension plans (ii) | Underfunded pension plans | Others underfunded pension plans | Total |
| 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) |
| | | **(409,393)** | **10,557** | **(398,836)** | | **(110,435)** | | **(110,435)** |
| Income tax | | 133,090 | (2,609) | 130,481 | | 23,868 | | 23,868 |
| **Comprehensive income for the period** | | **(276,303)** | **7,948** | **(268,355)** | | **(86,567)** | | **(86,567)** |

| | Consolidated (unaudited) Six-month period ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2013 | | | | June 30, 2012 | | | |
| | Overfunded pension plans (ii) | Underfunded pension plans | Others underfunded pension plans | Total | Overfunded pension plans (ii) | Underfunded pension plans | Others underfunded pension plans | Total |
| 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) |
| | | **(337,581)** | **10,557** | **(327,024)** | | **101,874** | | **101,874** |
| Income tax | | 126,302 | (2,609) | 123,693 | | (38,620) | | (38,620) |
| **Comprehensive income for the period** | | **(211,279)** | **7,948** | **(203,331)** | | **63,254** | | **63,254** |

(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 |
| **Total** | **250,102** | **225,710** | **567,010** | **740,681** |

**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.

Table of Contents

(A free translation of the original in Portuguese)

**21. Classification of financial instruments**

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

| | Consolidated June 30, 2013 (unaudited) | | | | |
|---|---|---|---|---|---|
| **Financial assets** | **Loans and receivables (a)** | **At fair value through profit or loss (b)** | **Derivatives designated as hedge (c)** | **Available for sale (d)** | **Total** |
| **Current** | | | | | |
| 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 |
| | **26,835,289** | **495,557** | | | **27,330,846** |
| **Non current** | | | | | |
| 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 |
| | **1,102,610** | **222,210** | | **3,981,748** | **5,306,568** |
| **Total of Assets** | **27,937,899** | **717,767** | | **3,981,748** | **32,637,414** |
| | | | | | |
| **Financial liabilities** | | | | | |
| **Current** | | | | | |
| 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 |
| | **16,634,577** | **1,313,137** | **173,617** | | **18,121,331** |
| **Non current** | | | | | |
| 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 |
| | **59,191,270** | **6,981,644** | **45,930** | | **66,218,844** |
| **Total of Liabilities** | **75,825,847** | **8,294,781** | **219,547** | | **84,340,175** |

(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.

| Financial assets | 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 |
|---|---|---|---|---|---|
| **Current** | | | | | |
| 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 |
| | **26,588,582** | **1,048,979** | **32,051** | | **27,669,612** |
| **Non current** | | | | | |
| 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 |
| | **1,334,297** | **83,190** | **9,377** | **14,378** | **1,441,242** |
| **Total of Assets** | **27,922,879** | **1,132,169** | **41,428** | **14,378** | **29,110,854** |
| | | | | | |
| **Financial liabilities** | | | | | |
| **Current** | | | | | |
| 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 |
| | **16,771,364** | **707,540** | **2,182** | | **17,481,086** |
| **Non current** | | | | | |
| 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 |
| | **54,909,416** | **4,979,501** | | | **59,888,917** |
| **Total of Liabilities** | **71,680,780** | **5,687,041** | **2,182** | | **77,370,003** |

(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.

31

Table of Contents

(A free translation of the original in Portuguese)

| Financial assets | Loans and receivables (a) | Parent Company June 30, 2013 (unaudited) At fair value through profit or loss (b) | Total |
|---|---|---|---|
| **Current** | | | |
| 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 |
| | **22,999,819** | **436,988** | **23,436,807** |
| **Non current** | | | |
| Related parties | 952,440 | | 952,440 |
| Loans and financing | 190,609 | | 190,609 |
| | **1,143,049** | | **1,143,049** |
| **Total of Assets** | **24,142,868** | **436,988** | **24,579,856** |
| | | | |
| **Financial liabilities** | | | |
| **Current** | | | |
| 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 |
| | **13,706,281** | **787,159** | **14,493,440** |
| **Non current** | | | |
| 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 |
| | **61,910,274** | **6,744,208** | **68,654,482** |
| **Total of Liabilities** | **75,616,555** | **7,531,367** | **83,147,922** |

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

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

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

| | | | |
|---|---|---|---|
| Accounts receivable from customers | 21,838,539 | | 21,838,539 |
| Related parties | 1,347,488 | | 1,347,488 |
| | **23,874,461** | **543,721** | **24,418,182** |
| **Non current** | | | |
| Related parties | 863,990 | | 863,990 |
| Loans and financing | 187,862 | | 187,862 |
| Derivatives financial instruments | | 2,928 | 2,928 |
| | **1,051,852** | **2,928** | **1,054,780** |
| **Total of Assets** | **24,926,313** | **546,649** | **25,472,962** |
| | | | |
| **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 |
| | **15,939,972** | **558,161** | **16,498,133** |
| **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 |
| | **56,229,765** | **4,788,413** | **61,018,178** |
| **Total of Liabilities** | **72,169,737** | **5,346,574** | **77,516,311** |

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

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

Table of Contents

(A free translation of the original in Portuguese)

**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) |
| **Financial Assets** | | | | |
| **Current** | | | | |
| Derivatives at fair value through profit or loss | 17,416 | 478,141 | 495,557 | 543,122 |
| Derivatives designated as hedges | | | | 32,051 |
| | **17,416** | **478,141** | **495,557** | **575,173** |
| **Non-Current** | | | | |
| 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 |
| | **3,982,905** | **221,053** | **4,203,958** | **106,945** |
| **Total of Assets** | **4,000,321** | **699,194** | **4,699,515** | **682,118** |
| | | | | |
| **Financial Liabilities** | | | | |
| **Current** | | | | |
| 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 |
| | **12,689** | **1,474,065** | **1,486,754** | **709,722** |
| **Non-Current** | | | | |
| 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 |
| | **1,233** | **7,026,341** | **7,027,574** | **4,979,501** |
| **Total of Liabilities** | **13,922** | **8,500,406** | **8,514,328** | **5,689,223** |

(i) No classification according to the level 3.

| | Parent Company | | |
|---|---|---|---|
| | June 30, 2013 (unaudited) | | December 31, 2012 |
| | Level 2 | Total (i) | Total (i) |
| **Financial Assets** | | | |
| **Current** | | | |
| Derivatives at fair value through profit or loss | 436,988 | 436,988 | 500,293 |
| | **436,988** | **436,988** | **500,293** |
| **Non-Current** | | | |
| Derivatives at fair value through profit or loss | | | 2,928 |
| | | | **2,928** |
| **Total of Assets** | **436,988** | **436,988** | **503,221** |
| | | | |
| **Financial Liabilities** | | | |
| **Current** | | | |
| Derivatives at fair value through profit or loss | 787,159 | 787,159 | 558,161 |
| | **787,159** | **787,159** | **558,161** |
| **Non-Current** | | | |
| 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 |
| | **6,744,208** | **6,744,208** | **4,788,413** |
| **Total of Liabilities** | **7,531,367** | **7,531,367** | **5,346,574** |

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

Table of Contents

(A free translation of the original in Portuguese)

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:

| | Consolidated June 30, 2013 (unaudited) | | | |
|---|---|---|---|---|
| | **Balance** | **Fair value (a)** | **Level 1** | **Level 2** |
| **Financial liabilities** | | | | |
| 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 |

(i) Net interest of R$ 897.820

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

(a) No classification according to the level 3.

| | Consolidated December 31, 2012 | | | |
|---|---|---|---|---|
| | **Balance** | **Fair value (a)** | **Level 1** | **Level 2** |
| **Financial liabilities** | | | | |
| 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 |

(i) Net interest of R$ 868,031

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

(a) No classification according to the level 3.

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

| | | | | |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Loans (long term)(i) | 33,853,025 | 34,310,915 | 23,843,763 | 10,467,152 |

(i) Net interest of R$ 386.970

(a) No classification according to the level 3.

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

(i) Net interest of R$ 400,521

(a) No classification according to the level 3.

Table of Contents

(A free translation of the original in Portuguese)

## 23. Stockholders Equity

### a) Capital

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

| | June 30, 2013 | | |
|---|---|---|---|
| | ON | PNA | Total |
| **Stockholders** | | | |
| 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 |
| **Total** | **3,256,724,482** | **2,108,579,618** | **5,365,304,100** |

### b) Treasury stocks

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

| | | | | | Acquisition price (R$) | | | Market value | |
|---|---|---|---|---|---|---|---|---|---|
| Shares (thousands) | December 31, 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 |
| **Total** | **211,929,174** | | | **211,929,174** | | | | | |

**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 |
| **Net income from continuing operations attributable to the Company s stockholders** | **832,071** | **5,320,528(i)** | **7,032,701** | **12,032,069(i)** |
| **Basic and diluted earnings per share:** | | | | |
| 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 |
| **Total** | **832,071** | **5,320,528** | **7,032,701** | **12,032,069** |
| | | | | |
| Weighted average number of shares outstanding (thousands of shares) - preferred shares | 1,967,722 | 1,928,076 | 1,967,722 | 1,927,627 |
| Weighted average number of shares outstanding (thousands of shares) - common shares | 3,185,653 | 3,170,048 | 3,185,653 | 3,169,871 |
| **Total** | **5,153,375** | **5,098,124** | **5,153,375** | **5,097,498** |
| | | | | |
| **Basic and diluted earnings per share** | | | | |
| 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 |

(i) Period adjusted according to note 4.

Table of Contents

(A free translation of the original in Portuguese)

**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 |
| **2013 prepaid amount** | | |
| **First installment - April** | **4,452,750** | **0.864045420** |
| 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 |
| **Derivatives not designated as hedge** | | | | |
| **Foreign exchange and interest rate risk** | | | | |
| 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 | |
| | **472,025** | **118,828** | **543,109** | **83,190** |
| **Commodities price risk** | | | | |
| **Nickel:** | | | | |
| Fixed price program | 17,416 | 1,158 | | |
| **Copper:** | | | | |
| Purchased scrap protection program | 352 | | 13 | |
| Bunker Oil Hedge | 5,764 | | | |
| | **23,532** | **1,158** | **13** | |

| | | | | |
|---|---|---|---|---|
| **Option SLW (note 28)** | | | | |
| Warrants | | 102,224 | | |
| | | | | |
| **Derivatives designated as hedge** | | | | |
| Strategic Nickel | | | 25,950 | |
| Foreign exchange cash flow hedge | | | 6,101 | 9,377 |
| | | | **32,051** | **9,377** |
| **Total** | **495,557** | **222,210** | **575,173** | **92,567** |

| | Consolidated Liabilites | | | |
|---|---|---|---|---|
| | June 30, 2013 (unaudited) | | December 31, 2012 | |
| | Current | Non-current | Current | Non-current |
| **Derivatives not designated as hedge** | | | | |
| **Foreign exchange and interest rate risk** | | | | |
| 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 |
| | **1,049,872** | **3,088,632** | **704,138** | **1,596,179** |
| **Commodities price risk** | | | | |
| **Nickel:** | | | | |
| Fixed price program | 12,689 | 1,233 | 3,166 | |
| Natural gas | | | 236 | 4,477 |
| Bunker Oil Hedge | 249,845 | | | |
| | **262,534** | **1,233** | **3,402** | **4,477** |
| **Embedded derivatives** | | | | |
| Gas | 731 | 6,390 | | |
| | **731** | **6,390** | | |
| **Derivatives designated as hedge** | | | | |
| Bunker Oil Hedge | 112,155 | | 2,182 | |
| Foreign exchange cash flow hedge | 61,462 | 45,930 | | |
| | **173,617** | **45,930** | **2,182** | |
| **Total** | **1,486,754** | **3,142,185** | **709,722** | **1,600,656** |

Table of Contents

(A free translation of the original in Portuguese)

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

| | Parent Company Liabilites | | | |
|---|---|---|---|---|
| | June 30, 2013 (unaudited) | | December 31, 2012 | |
| | Current | Non-current | Current | Non-current |
| **Derivatives not designated as hedge** | | | | |
| **Foreign exchange and interest rate risk** | | | | |
| 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 | | |
| **Total** | **787,159** | **2,858,819** | **558,161** | **1,409,568** |

**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 |
| **Derivatives not designated as hedge** | | | | |
| **Foreign exchange and interest rate risk** | | | | |
| 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) |
| | **(1,706,620)** | **(890,921)** | **(1,477,427)** | **(456,277)** |
| **Commodities price risk** | | | | |
| 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) | |
| | **(207,076)** | **16,985** | **(233,316)** | **8,350** |

| | | | | |
|---|---|---|---|---|
| **Option SLW (note 28)** | | | | |
| Warrants | (97,656) | | (111,684) | |
| | **(97,656)** | | **(111,684)** | |
| **Embedded derivatives** | | | | |
| Gas | (1,099) | | (1,612) | |
| | **(1,099)** | | **(1,612)** | |
| **Derivatives designated as hedge** | | | | |
| 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) |
| | **(34,713)** | **69,536** | **(905)** | **162,597** |
| **Total** | **(2,047,164)** | **(804,400)** | **(1,824,944)** | **(285,330)** |
| | | | | |
| Financial income | 86,714 | 115,469 | 451,194 | 643,174 |
| Financial expenses | (2,133,878) | (919,869) | (2,276,138) | (928,504) |
| **Total** | **(2,047,164)** | **(804,400)** | **(1,824,944)** | **(285,330)** |

| | Parent company (unaudited) Six-month period ended | |
|---|---|---|
| | **June 30, 2013** | **June 30, 2012** |
| **Derivatives not designated as hedge** | | |
| **Foreign exchange and interest rate risk** | | |
| CDI & TJLP vs. US$ fixed and floating rate swap | (1,331,277) | (403,474) |
| Pre dollar swap | (80,306) | (8,975) |
| | **(1,411,583)** | **(412,449)** |
| **Derivatives designated as hedge** | | |
| Foreign exchange cash flow hedge | 11,520 | |
| | **11,520** | |
| **Total** | **(1,400,063)** | **(412,449)** |
| | | |
| Financial income | 294,187 | 272,927 |
| Financial expenses | (1,694,250) | (685,376) |
| **Total** | **(1,400,063)** | **(412,449)** |

Table of Contents

(A free translation of the original in Portuguese)

**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 |
| **Derivatives not designated as hedges** | | | | |
| **Exchange risk and interest rates** | | | | |
| 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) |
| | **(200,133)** | **(373,093)** | **(376,833)** | **(608,924)** |
| **Risk of product prices** | | | | |
| Nickel | | | | |
| Fixed price program | (3,419) | (10,608) | | (72) |
| Copper | | | | |
| Purchased scrap protection program | (703) | (342) | | 50 |
| Bunker Oil Hedge | 23,636 | | | (7,047) |
| | **19,514** | **(10,950)** | | **(7,069)** |
| **Derivatives designated as hedges** | | | | |
| 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 |
| | **34,713** | **(69,535)** | **871** | **(162,596)** |
| **Total** | **(145,906)** | **(453,578)** | **(375,962)** | **(778,589)** |
| | | | | |
| **Gains (losses) unrealized derivative** | **(2,193,070)** | **(1,257,978)** | **(2,167,936)** | **(1,063,919)** |

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

| | | |
|---|---|---|
| **Total** | **(344,417)** | **(395,954)** |
| **Gains (losses) unrealized derivative** | **(1,744,480)** | **(808,403)** |

**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) | | | | | |
|---|---|---|---|---|---|---|
| | | Parent Company | | | noncontrolling | Consolidated |
| | Currency | Nickel | Others | Total | stockholders | 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 |
| **Net change in June 30, 2013** | **(88,910)** | **(25,952)** | **(97,662)** | **(212,524)** | | **(212,524)** |
| 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) |
| **Net change in June 30, 2012** | **(56,057)** | **(120,236)** | **(26,991)** | **(203,284)** | | **(203,284)** |

Table of Contents

(A free translation of the original in Portuguese)

**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**

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.

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

**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.

Table of Contents

(A free translation of the original in Portuguese)

**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.

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

**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 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.

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

**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.

| | Notional ($ million) | | | | Fair value | | Realized Gain/Loss | Value at Risk | R$ million Fair value by year | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Flow** | **June 30, 2013** | **December 31, 2012** | **Index** | **Average rate** | **June 30, 2013** | **December 31, 2012** | **June 30, 2013** | **June 30, 2013** | **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) | | | | |
| **Net** | | | | | **51** | **35** | **(10)** | **30** | **(68)** | **(5)** | **124** |

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

Table of Contents

(A free translation of the original in Portuguese)

**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.

| | | | | | | | | | | R$ million | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Notional ($ million) | | | Average rate | Fair value | | Realized Gain/Loss | Value at Risk | Fair value by year | | | | |
| Flow | June 30, 2013 | December 31, 2012 | Buy/ Sell | (CAD/USD) | June 30, 2013 | December 31, 2012 | June 30, 2013 | June 30, 2013 | 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**

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.

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

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

Table of Contents

(A free translation of the original in Portuguese)

**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.

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

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Put | 690.000 | **S** | 597 | (38) | | (1) | | (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.

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

Table of Contents

(A free translation of the original in Portuguese)

**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.

| | | | | | | | | | R$ million |
|---|---|---|---|---|---|---|---|---|---|
| | Notional ($million) | | | Average Strike | Fair value | | Realized Gain/Loss | Value at Risk | Fair value by year |
| Flow | June 30, 2013 | December 31, 2012 | Buy/ Sell | (US$/stock) | June 30, 2013 | December 31, 2012 | June 30, 2013 | June 30, 2013 | 2023 |
| 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.

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

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Nickel Forwards | 1.913 | 2.475 | S | 14.997 | (2,9) | 2,0 | (4,3) | | |
| Copper Forwards | 4.948 | 7.272 | | 7.157 | (1,7) | 0,9 | (2,5) | | |
| **Total** | | | | | **(4,8)** | **2,9** | **(6,8)** | **3** | **(4,8)** |

**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.

| | | | | | | | | | R$ million | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Notional (volume/month) | | | Average Strike | Fair value | | Realized Gain/Loss | Value at Risk | Fair value by year | | | |
| **Flow** | **June 30, 2013** | **December 31, 2012** | **Buy/ Sell** | **(US$/ton)** | **June 30, 2013** | **December 31, 2012** | **June 30, 2013** | **June 30, 2013** | **2013** | **2014** | **2015** | **2016** |
| Call Options | 746.667 | 746.667 | **S** | 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 | | |

Table of Contents

(A free translation of the original in Portuguese)

**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 |

| | | | | | |
|---|---|---|---|---|---|
| 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 |

Table of Contents

(A free translation of the original in Portuguese)

**EUR Interest Rate**

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|---|---|---|---|---|---|
| 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**

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|---|---|---|---|---|---|
| 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 |

**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;

- Scenario I: Potencial change in fair value of Vale s financial instruments positions considering a 25% depreciation of market curves for underlying risk factors;

- Scenario II: Potencial change in fair value of Vale s financial instruments positions considering a 25% appreciation of market curves for underlying risk factors;

- Scenario III: Potencial change in fair value of Vale s financial instruments positions considering a 50% depreciation of market curves for underlying risk factors;

- Scenario IV: Potencial 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**

| | | | 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 (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.

Table of Contents

(A free translation of the original in Portuguese)

**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 | (1,699) | (2,531) | 2,531 | (5,061) | 5,061 |
| | | USD interest rate inside Brazil variation | | (75) | 73 | (152) | 143 |
| | | Brazilian interest rate fluctuation | | (21) | 19 | (43) | 36 |
| | | USD Libor variation | | (1) | 1 | (1) | 1 |
| | CDI vs. USD floating rate swap | USD/BRL fluctuation | (124) | (142) | 142 | (285) | 285 |
| | | Brazilian interest rate fluctuation | | (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 | (1,392) | (1,726) | 1,726 | (3,453) | 3,453 |
| | | USD interest rate inside Brazil variation | | (146) | 137 | (304) | 266 |
| | | Brazilian interest rate fluctuation | | 417 | (367) | 893 | (693) |
| | | TJLP interest rate fluctuation | | (209) | 205 | (421) | 406 |
| | TJLP vs. USD floating rate swap | USD/BRL fluctuation | (189) | (181) | 181 | (362) | 362 |
| | | USD interest rate inside Brazil variation | | (16) | 15 | (33) | 29 |
| | | Brazilian interest rate fluctuation | | 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 | (194) | (226) | 226 | (453) | 453 |
| | | USD interest rate inside Brazil variation | | (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 | 51 | 13 | (13) | 25 | (25) |
| | | EUR/USD fluctuation | | (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 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 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) |

Table of Contents

(A free translation of the original in Portuguese)

**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[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 |

**Financial counterparties ratings**

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+ |

* Long Term Rating / LT Foreign Issuer Credit

Table of Contents

(A free translation of the original in Portuguese)

**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**

| | Consolidated (unaudited) Three-month period ended June 30, 2013 | | | | | |
|---|---|---|---|---|---|---|
| | **Bulk Materials** | **Base Metals** | **Fertilizers** | **General Cargo logistic** | **Others** | **Total** |
| **Results** | | | | | | |
| 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) |
| **Operating income** | **8,002,156** | **(63,598)** | **(144,063)** | **35,812** | **(320,949)** | **7,509,358** |
| | | | | | | |
| 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 |
| **Net income of the period** | **1,023,057** | **32,865** | **(81,581)** | **98,719** | **(309,285)** | **763,775** |
| | | | | | | |
| Net loss attributable to noncontrolling interests | (11,519) | (4,398) | (10,659) | | (41,720) | (68,296) |
| **Income attributable to the company s stockholders** | **1,034,576** | **37,263** | **(70,922)** | **98,719** | **(267,565)** | **832,071** |
| | | | | | | |
| **Sales classified by geographic area:** | | | | | | |
| 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 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 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 |
| **Net revenue** | **16,454,320** | **3,493,128** | **1,564,745** | **762,077** | **597,035** | **22,871,305** |

| | Consolidated (unaudited) Three-month period ended June 30, 2012 | | | | | |
|---|---|---|---|---|---|---|
| | **Bulk Materials** | **Base Metals** | **Fertilizers** | **Genenal Cargo Logistics** | **Others** | **Total** |
| **Results** | | | | | | |
| 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) |
| **Operating income** | **8,723,018** | **(613,232)** | **83,580** | **(92,605)** | **(269,689)** | **7,831,072** |
| | | | | | | |
| Financial results, net | (5,069,154) | 70,678 | (83,873) | (43,020) | (11,680) | (5,137,049) |
| Equity results from join 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 |
| **Net income of the period** | **3,707,556** | **(516,531)** | **2,478,704** | **(102,129)** | **(380,473)** | **5,187,127** |
| | | | | | | |
| Net loss attributable to noncontrolling interests | (45,818) | (105,130) | 47,695 | | (30,148) | (133,401) |
| **Income attributable to the company s stockholders** | **3,753,374** | **(411,401)** | **2,431,009** | **(102,129)** | **(350,325)** | **5,320,528** |
| | | | | | | |
| **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 |
| **Net revenue** | **18,530,064** | **3,487,591** | **1,709,169** | **689,261** | **166,787** | **24,582,872** |

(i) Period adjusted according to note 4.

Table of Contents

(A free translation of the original in Portuguese)

| | Consolidated (unaudited) Six-month period ended June 30, 2013 | | | | | |
|---|---|---|---|---|---|---|
| | Bulk Materials | Base Metals | Fertilizers | General Cargo Logistics | Others | Total |
| **Results** | | | | | | |
| 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) |
| **Operating income** | **15,982,719** | **383,818** | **(217,476)** | **(69,808)** | **(292,528)** | **15,786,725** |
| | | | | | | |
| 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) |
| **Net income of the period** | **6,931,399** | **518,072** | **(166,528)** | **(17,832)** | **(414,783)** | **6,850,328** |
| | | | | | | |
| Net loss attributable to noncontrolling interests | (59,247) | (60,509) | 228 | | (62,845) | (182,373) |
| **Income attributable to the company s stockholders** | **6,990,646** | **578,581** | **(166,756)** | **(17,832)** | **(351,938)** | **7,032,701** |
| | | | | | | |
| **Sales classified by geographic area:** | | | | | | |
| 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 |
| **Net revenue** | **32,194,148** | **7,167,129** | **3,002,871** | **1,334,025** | **974,097** | **44,672,270** |

| | Consolidated (unaudited) Six-month period ended June 30, 2012 | | | | | |
|---|---|---|---|---|---|---|
| | Bulk Materials | Base Metals | Fertilizers | General cargo logistic | Others | Total |
| **Results** | | | | | | |
| 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) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Depreciation, depletion and amortization | | | | | | |
| **Operating income** | **16,149,906** | **(706,904)** | **151,563** | **(224,764)** | **(646,752)** | **14,723,049** |
| | | | | | | |
| 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 |
| **Net income of the period** | **10,916,943** | **(629,051)** | **2,537,200** | **(227,272)** | **(802,223)** | **11,795,597** |
| | | | | | | |
| Net loss attributable to noncontrolling interests | (69,709) | (210,388) | 79,417 | | (35,792) | (236,472) |
| **Income attributable to the company s stockholders** | **10,986,652** | **(418,663)** | **2,457,783** | **(227,272)** | **(766,431)** | **12,032,069** |
| | | | | | | |
| **Sales classified by geographic area:** | | | | | | |
| 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 |
| **Net revenue** | **33,727,572** | **6,624,271** | **3,090,922** | **1,282,860** | **318,338** | **45,043,963** |

(i) Period adjusted according to note 4.

Table of Contents

(A free translation of the original in Portuguese)

| | 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 |
| **Bulk Material** | | | | | | | | | | |
| 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 |
| Ferroalloys 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) | | |
| | **16,454,320** | **(6,347,478)** | **(702,132)** | **(157,258)** | **(245,776)** | **9,001,676** | **(999,520)** | **8,002,156** | **96,086,692** | **3,543,384** |
| **Base Metals** | | | | | | | | | | |
| 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) | | |
| | **3,493,128** | **(2,317,378)** | **182,592** | **(112,933)** | **(395,066)** | **850,343** | **(913,941)** | **(63,598)** | **74,873,326** | **1,221,676** |
| **Fertilizers** | | | | | | | | | | |
| 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 | |
| | **1,564,745** | **(1,222,043)** | **(86,774)** | **(11,234)** | **(173,424)** | **71,270** | **(215,333)** | **(144,063)** | **23,095,233** | **291,887** |
| **General Cargo 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 |
| | **22,871,305** | **(10,858,463)** | **(1,136,751)** | **(323,193)** | **(814,266)** | **9,738,632** | **(2,229,274)** | **7,509,358** | **205,641,176** | **5,833,972** |

(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 cooper by-product of nickel.

50

Table of Contents

(A free translation of the original in Portuguese)

| | 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, plan and equipmen and intangible |
| **Bulk Material** | | | | | | | | | | |
| Iron ore (a) | 13,876,268 | (4,543,516) | (669,854) | (296,662) | | 8,366,236 | (695,748) | 7,670,488 | 65,611,050 | 2,356,70 |
| Pellets | 3,760,387 | (1,428,013) | | | (90,235) | 2,242,139 | (106,410) | 2,135,729 | 4,154,537 | 330,30 |
| Ferroalloys and manganese | 350,865 | (255,879) | (46,142) | (1,330) | | 47,514 | (38,780) | 8,734 | 499,420 | 247,22 |
| Coal | 542,544 | (536,997) | (197,893) | (38,877) | (11,780) | (243,003) | (80,694) | (323,697) | 8,414,530 | 895,66 |
| | **18,530,064** | **(6,764,405)** | **(913,889)** | **(336,869)** | **(102,015)** | **10,412,886** | **(921,632)** | **9,491,254** | **78,679,538** | **3,829,89** |
| **Base Metals** | | | | | | | | | | |
| 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 | 1,367,82 |
| Copper (c) | 453,590 | (348,625) | 6,329 | (81,974) | (3,927) | 25,393 | (32,824) | (7,431) | 8,707,019 | 589,68 |
| | **3,487,591** | **(2,344,272)** | **(322,046)** | **(240,810)** | **(413,037)** | **167,426** | **(780,660)** | **(613,234)** | **71,777,195** | **1,957,50** |
| **Fertilizers** | | | | | | | | | | |
| Potash | 148,206 | (88,963) | (12,484) | (29,604) | | 17,155 | (16,650) | 505 | 2,803,517 | 87,13 |
| Phosphates | 1,199,692 | (887,377) | (72,010) | (16,659) | (25,523) | 198,123 | (163,412) | 34,711 | 16,252,041 | 40,52 |
| 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 | |
| | **1,709,169** | **(1,220,497)** | **(109,055)** | **(46,263)** | **(25,523)** | **307,831** | **(224,251)** | **83,580** | **20,786,615** | **127,66** |
| **General Cargo Logistics** | 689,261 | (543,395) | (127,941) | (4,113) | | 13,812 | (106,417) | (92,605) | 10,241,094 | 316,11 |
| **Others** | 166,787 | (141,263) | (208,305) | (79,883) | | (262,664) | (7,023) | (269,687) | 3,814,313 | 310,04 |
| | **24,582,872** | **(11,013,832)** | **(1,681,236)** | **(707,938)** | **(540,575)** | **10,639,291** | **(2,039,983)** | **(8,599,308)** | **185,298,755** | **6,541,22** |
| Loss on sale of assets | | | (768,236) | | | (768,236) | | (768,236) | | |
| | **24,582,872** | **(11,013,832)** | **(2,449,472)** | **(707,938)** | **(540,575)** | **9,871,055** | **(2,039,983)** | **7,831,072** | **185,298,755** | **6,541,22** |

(a) The cost of Iron ore includes R$1,166,525 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 cooper by-product of nickel.

(i) Period adjusted according to note 4.

Table of Contents

(A free translation of the original in Portuguese)

| | June 30, 2013 (unaudited) Six-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, plan and equipmen and intangibl |
| **Bulk Material** | | | | | | | | | | |
| Iron ore (a) | 24,844,534 | (8,312,371) | (1,190,825) | (266,708) | (254,612) | 14,820,018 | (1,314,390) | 13,505,628 | 82,677,276 | 6,715,60 |
| Pellets | 5,821,114 | (2,119,812) | (79,606) | (11,671) | (142,742) | 3,467,283 | (177,897) | 3,289,386 | 4,303,321 | 206,87 |
| Ferroalloys and manganese | 431,689 | (310,687) | (40,842) | (283) | | 79,877 | (20,726) | 59,151 | 610,938 | 30,64 |
| Coal | 948,588 | (1,052,227) | (420,001) | (28,470) | (41,061) | (593,171) | (183,906) | (777,077) | 8,495,157 | 739,36 |
| Others Ferrous products and services | 148,224 | (164,091) | 51,751 | (443) | | 35,441 | (129,809) | (94,368) | | |
| | **32,194,149** | **(11,959,188)** | **(1,679,523)** | **(307,575)** | **(438,415)** | **17,809,448** | **(1,826,728)** | **15,982,720** | **96,086,692** | **7,692,48** |
| **Base Metals** | | | | | | | | | | |
| Nickel and other products (b) | 5,964,344 | (3,499,128) | 129,999 | (168,444) | (784,245) | 1,642,526 | (1,671,180) | (28,654) | 65,767,231 | 2,710,37 |
| Copper (c) | 1,202,785 | (942,842) | (87,019) | (62,769) | (9,619) | 100,536 | (171,696) | (71,160) | 9,106,095 | 565,06 |
| Others base metals products | | | 483,632 | | | 483,632 | | 483,632 | | |
| | **7,167,129** | **(4,441,970)** | **526,612** | **(231,213)** | **(793,864)** | **2,226,694** | **(1,842,876)** | **383,818** | **74,873,326** | **3,275,43** |
| **Fertilizers** | | | | | | | | | | |
| Potash | 197,919 | (124,119) | (32,682) | (7,033) | (154,789) | (120,704) | (48,712) | (169,416) | 5,255,403 | 517,17 |
| Phosphates | 2,125,941 | (1,679,608) | (150,306) | (11,514) | (41,559) | 242,954 | (299,630) | (56,676) | 17,168,690 | 362,02 |
| Nitrogen | 599,729 | (523,272) | (26,084) | (4,409) | (7,262) | 38,702 | (105,029) | (66,327) | | |
| Others fertilizers products | 79,282 | | (84) | (4,121) | | 75,077 | (134) | 74,943 | 671,140 | |
| | **3,002,871** | **(2,326,999)** | **(209,156)** | **(27,077)** | **(203,610)** | **236,029** | **(453,505)** | **(217,476)** | **23,095,233** | **879,19** |
| **General Cargo Logistics** | 1,334,024 | (1,056,597) | (173,170) | (13,870) | | 90,387 | (160,196) | (69,809) | 6,860,787 | 936,66 |
| **Others** | 974,097 | (655,274) | (474,569) | (97,140) | (1) | (252,887) | (39,641) | (292,528) | 4,725,138 | 507,58 |
| | **44,672,270** | **(20,440,028)** | **(2,009,806)** | **(676,875)** | **(1,435,890)** | **20,109,671** | **(4,322,946)** | **15,786,725** | **205,641,176** | **13,291,36** |

(a) The cost of Iron ore includes R$2,482,391 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 cooper by-product of nickel.

Table of Contents

(A free translation of the original in Portuguese)

| | June 30, 2012 (unaudited) Six-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, plan and equipmen and intangibl |
| **Bulk Material** | | | | | | | | | | |
| Iron ore (a) | 25,201,844 | (8,255,708) | (1,281,375) | (508,458) | | 15,156,303 | (1,280,801) | 13,875,502 | 65,611,050 | 5,406,28 |
| Pellets | 6,668,250 | (2,755,883) | | | (218,762) | 3,693,605 | (204,718) | 3,488,887 | 4,154,537 | 494,76 |
| Ferroalloys and manganese | 622,318 | (492,588) | (60,463) | (3,035) | | 66,232 | (71,897) | (5,665) | 499,420 | 232,16 |
| Coal | 1,235,160 | (1,079,807) | (316,333) | (72,649) | (23,291) | (256,920) | (183,662) | (440,582) | 8,414,530 | 1,046,62 |
| | **33,727,572** | **(12,583,986)** | **(1,658,171)** | **(584,142)** | **(242,053)** | **18,659,220** | **(1,741,078)** | **16,918,142** | **78,679,538** | **7,179,84** |
| **Base Metals** | | | | | | | | | | |
| Nickel and other products (b) | 5,782,205 | (3,671,514) | (467,264) | (270,101) | (694,014) | 679,312 | (1,360,077) | (680,765) | 63,070,176 | 2,334,92 |
| Copper (c) | 842,066 | (637,400) | 1,326 | (139,869) | (9,382) | 56,741 | (82,880) | (26,139) | 8,707,019 | 1,000,95 |
| | **6,624,271** | **(4,308,914)** | **(465,938)** | **(409,970)** | **(703,396)** | **736,053** | **(1,442,957)** | **(706,904)** | **71,777,195** | **3,335,87** |
| **Fertilizers** | | | | | | | | | | |
| Potash | 264,843 | (154,486) | (18,797) | (49,144) | | 42,416 | (27,493) | 14,923 | 2,803,517 | 119,88 |
| Phosphates | 2,137,628 | (1,540,712) | (91,914) | (22,125) | (69,905) | 412,972 | (300,548) | 112,424 | 16,252,041 | 176,97 |
| Nitrogen | 625,568 | (507,556) | (61,911) | | | 56,101 | (94,768) | (38,667) | 1,058,532 | 13,32 |
| Others fertilizers products | 62,883 | | | | | 62,883 | | 62,883 | 672,526 | 1,90 |
| | **3,090,922** | **(2,202,754)** | **(172,622)** | **(71,269)** | **(69,905)** | **574,372** | **(422,809)** | **151,563** | **20,786,615** | **312,08** |
| **General Cargo Logistics** | 1,282,860 | (1,057,551) | (223,505) | (5,797) | | (3,993) | (220,771) | (224,764) | 10,241,094 | 422,45 |
| **Others** | 318,338 | (230,839) | (560,804) | (163,317) | | (636,622) | (10,130) | (646,752) | 3,814,313 | 527,12 |
| | **45,043,963** | **(20,384,044)** | **(3,081,040)** | **(1,234,495)** | **(1,015,354)** | **19,329,030** | **(3,837,745)** | **15,491,285** | **185,298,755** | **11,777,37** |
| Loss on sale of assets | | | (768,236) | | | (768,236) | | (768,236) | | |
| | **45,043,963** | **(20,384,044)** | **(3,849,276)** | **(1,234,495)** | **(1,015,354)** | **18,560,794** | **(3,837,745)** | **14,723,049** | **185,298,755** | **11,777,37** |

(a) The cost of Iron ore includes R$2,010,782 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 cooper by-product of nickel.

(i) Period adjusted according to note 4.

Table of Contents

(A free translation of the original in Portuguese)

**26. Cost of Goods Sold and Services Rendered, and Sales and Administrative Expenses by Nature, Other Operational Expenses (Income), net**

**The costs of goods sold and services rendered**

| | Consolidated (unaudited) | | | |
|---|---|---|---|---|
| | Three-month period ended | | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 (i) | June 30, 2013 | June 30, 2012 (i) |
| Personnel | 1,723,932 | 1,770,230 | 3,297,639 | 3,242,615 |
| Material | 2,089,056 | 2,132,618 | 4,008,899 | 3,932,870 |
| Fuel oil and gas | 1,011,969 | 1,031,255 | 1,935,214 | 1,888,091 |
| Outsourcing services | 2,027,282 | 2,504,801 | 3,761,112 | 4,448,892 |
| Energy | 306,894 | 415,849 | 624,784 | 801,733 |
| Acquisition of products | 851,562 | 745,475 | 1,420,536 | 1,506,135 |
| Depreciation and depletion | 2,006,860 | 1,833,144 | 3,863,421 | 3,378,304 |
| Freight | 1,417,562 | 1,177,981 | 2,622,075 | 2,047,898 |
| Royalties | 293,937 | 299,451 | 519,060 | 529,582 |
| Others | 1,136,269 | 934,709 | 2,250,710 | 1,986,229 |
| **Total** | **12,865,323** | **12,845,513** | **24,303,450** | **23,762,349** |

| | Parent company (unaudited) | |
|---|---|---|
| | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 |
| Personnel | 1,380,541 | 1,510,020 |
| Material | 1,597,582 | 1,854,231 |
| Fuel oil and gas | 1,097,743 | 1,105,678 |
| Outsourcing services | 2,085,648 | 2,831,760 |
| Energy | 357,553 | 528,289 |
| Acquisition of products | 360,077 | 870,853 |
| Depreciation and depletion | 1,036,403 | 1,054,978 |
| Royalties | 457,098 | 519,761 |
| Others | 1,411,260 | 1,238,923 |
| **Total** | **9,783,905** | **11,514,493** |

(i) Period adjusted according to note 4.

**Selling and administrative expenses**

| | Consolidated (unaudited) | | | |
|---|---|---|---|---|
| | Three-month period ended | | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 | June 30, 2013 | June 30, 2012 |
| Personnel | 286,487 | 380,181 | 591,754 | 736,893 |
| Services (consulting, infrastructure and others) | 136,510 | 231,219 | 280,486 | 424,504 |
| Advertising and publicity | 28,026 | 76,179 | 42,919 | 95,265 |
| Depreciation and amortization | 84,505 | 101,746 | 193,313 | 199,728 |
| Travel expenses | 17,409 | 41,851 | 28,013 | 74,717 |
| Taxes and rents | 19,788 | 5,571 | 37,251 | 19,748 |
| Incentive | 4,313 | 5,218 | 4,313 | 5,218 |
| Others | 39,617 | 109,643 | 107,946 | 238,928 |
| Sales | 54,499 | 255,117 | 131,529 | 346,127 |
| **Total** | **671,154** | **1,206,725** | **1,417,524** | **2,141,128** |

| | Parent company (unaudited) | |
|---|---|---|
| | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 |
| Personnel | 366,427 | 477,568 |
| Services (consulting, infrastructure and others) | 175,329 | 217,814 |
| Advertising and publicity | 35,526 | 78,594 |
| Depreciation and amortization | 143,909 | 156,929 |
| Travel expenses | 15,965 | 39,530 |
| Taxes and rents | 11,726 | 14,537 |
| Incentive | 2,633 | 5,218 |
| Others | 4,561 | 96,372 |
| Sales | 6,353 | 57,641 |
| **Total** | **762,429** | **1,144,203** |

Table of Contents

(A free translation of the original in Portuguese)

**Others operational expenses (incomes), net, including research and development**

| | Consolidated (unaudited) | | | |
|---|---|---|---|---|
| | Three-month period ended | | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 | June 30, 2013 | June 30, 2012 |
| Provision for loss with taxes credits (ICMS) | 68,877 | 20,028 | 97,933 | 52,430 |
| Provision for variable remuneration | 65,192 | 90,455 | 185,202 | 385,847 |
| Vale do Rio Doce Foundation - FVRD | | 19,004 | | 19,004 |
| Provision for disposal of materials/inventories | 26,556 | 49,587 | 306,052 | 86,711 |
| Damage cost | | 127,340 | | 127,340 |
| Research and development | 323,193 | 707,938 | 676,875 | 1,234,495 |
| Others | 390,804 | 279,972 | 198,769 | 542,244 |
| **Total** | **874,622** | **1,294,324** | **1,464,831** | **2,448,071** |

| | Parent company (unaudited) | |
|---|---|---|
| | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 |
| Provision for loss with taxes credits (ICMS) | 83,326 | 49,383 |
| Provision for variable remuneration | 144,202 | 249,862 |
| Vale do Rio Doce Foundation - FVRD | | 19,124 |
| Provision for disposal of materials/inventories | 117,964 | 66,177 |
| Research and development | 379,089 | 665,696 |
| Others | 9,336 | 168,883 |
| **Total** | **733,917** | **1,219,125** |

## 27. Financial result

The financial results, by nature, are as follows:

| | Consolidated (unaudited) | | | |
|---|---|---|---|---|
| | Three-month period ended | | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 (i) | June 30, 2013 | June 30, 2012 (i) |
| **Financial expenses** | | | | |
| Interest | (690,382) | (639,017) | (1,356,778) | (1,237,254) |
| Labor, tax and civil contingencies | (97,586) | (23,778) | (131,896) | (85,618) |
| Derivatives | (2,133,878) | (919,869) | (2,276,138) | (928,504) |

| | | | | |
|---|---|---|---|---|
| Monetary and exchange rate variation (a) | (5,530,196) | (3,525,609) | (6,132,141) | (3,708,330) |
| Stockholders debentures | (174,623) | (135,395) | (515,315) | (319,542) |
| Financial taxes | (907) | (26,620) | (4,478) | (59,032) |
| Others | (151,967) | (288,081) | (306,859) | (495,179) |
| | **(8,779,539)** | **(5,558,369)** | **(10,723,605)** | **(6,833,459)** |
| **Financial income** | | | | |
| Related parties | | | | 27 |
| Short-term investments | 57,305 | 35,272 | 87,794 | 84,581 |
| Derivatives | 86,714 | 115,469 | 451,194 | 643,174 |
| Monetary and exchange rate variation (b) | 1,358,428 | 74,381 | 2,131,520 | 819,117 |
| Others | 273,686 | 196,198 | 383,688 | 354,576 |
| | **1,776,133** | **421,320** | **3,054,196** | **1,901,475** |
| **Financial results, net** | **(7,003,406)** | **(5,137,049)** | **(7,669,409)** | **(4,931,984)** |
| | | | | |
| **Summary of Monetary and exchange rate** | | | | |
| Cash and cash equivalents | | 26 | | 57,527 |
| Loans and financing | (5,148,460) | (3,036,876) | (4,525,143) | (2,349,762) |
| Related parties | 14,198 | 54,940 | 21,190 | 36,426 |
| Others | 962,494 | (469,318) | 503,332 | (633,404) |
| **Net (a + b)** | **(4,171,768)** | **(3,451,228)** | **(4,000,621)** | **(2,889,213)** |

Table of Contents

(A free translation of the original in Portuguese)

| | Parent company (unaudited) Six-month period ended | |
|---|---|---|
| | **June 30, 2013** | **June 30, 2012 (i)** |
| **Financial expenses** | | |
| Interest | (1,394,943) | (1,188,952) |
| Labor, tax and civil contingencies | (34,411) | (81,468) |
| Derivatives | (1,694,250) | (685,376) |
| Monetary and exchange rate variation (a) | (5,973,823) | (3,604,315) |
| Stockholders debentures | (515,315) | (319,542) |
| Financial taxes | (3,196) | (56,973) |
| Others | (109,588) | (258,325) |
| | **(9,725,526)** | **(6,194,951)** |
| **Financial income** | | |
| Related parties | | 27 |
| Short-term investments | 58,237 | 59,190 |
| Derivatives | 294,187 | 272,927 |
| Monetary and exchange rate variation (b) | 2,426,438 | 699,492 |
| Others | 93,157 | 217,369 |
| | **2,872,019** | **1,249,005** |
| **Financial results, net** | **(6,853,507)** | **(4,945,946)** |
| | | |
| **Summary of Monetary and exchange rate** | | |
| Loans and financing | (1,463,755) | (544,355) |
| Related parties | (1,770,049) | (2,155,504) |
| Others | (313,581) | (204,964) |
| **Net (a + b)** | **(3,547,385)** | **(2,904,823)** |

(i) Period adjusted according to note 4.

**28. Gold stream transaction**

In February 2013, the Company entered into a gold stream transaction with Silver Wheaton Corp. ( SLW ) to sell 25% of the gold extracted during the life of the mine as a byproduct of the Salobo copper mine and 70% of the gold extracted during the next 20 years as a byproduct of the Sudbury nickel mines.

We received up-front cash proceeds of US$1.9 billion (approximate R$3.8 billion) in march 2013, plus ten million warrants of SLW with exercise price of US$65 million exercisable in the next ten years, which fair value is US$ 100 million (approximate R$199 million). The amount of US$1,330 million (approximate R$2.64 million) was received for the Salobo transaction and US$570 million (approximate R$1,133 million) plus the ten million warrants of SLW were received for the Sudbury transaction.

In addition, as the gold is delivered to SLW, Vale will receive a payment equal to the lesser of: a) US$400 million per ounce of refined gold delivered, subject to an annual increase of 1% per year commencing on January 1, 2016 and each January 1st thereafter; and b) the reference market price on the date of delivery.

This transaction was bifurcated into two identifiable components of the transaction being: (i) the sale of the mineral rights for US$ 337 million and, (ii) the services for gold extraction on the portion in which Vale operates as an agent for SLW gold extraction.

The result of the sale of the mineral rights, was estimated in the amount of US$244 million (approximate R$492 million) and was recognized in the income statement under Other operating expenses, net, while the portion related to the provision of future services for gold extraction in the three month ended March 31, 2013, was estimated at US$1,393 million (approximate R$2,812 million) and is recorded as deferred revenue (liability) and will be recognized in the statement of income as the service is rendered and the gold extracted.

The deferred revenue will be recognized in the future based on the units of gold extracted compared to the total reserve of proven and probable gold reserves negotiated with SLW.

Defining the gain on sale of mineral interest and the deferred revenue portion of the transaction requires the use of critical accounting estimates as follow:

- Discount rates used to measure the present value of future inflows and outflows;
- Allocation of costs between the core products (copper and nickel) and gold based on relative prices;
- Expected margin for the independent elements (sale of mineral rights and service for gold extraction) based on our best estimative.

Changes in the assumptions above could significantly change the initial gain recognition.

Table of Contents

(A free translation of the original in Portuguese)

**29. Commitments**

**a) Nickel project New Caledonia**

In regards to the construction and installation of our nickel plant in New Caledonia, we have provided guarantees in respect of our financing arrangements which are outlined below. In connection with the Girardin Act tax - advantaged lease financing arrangement sponsored by the French government, we provided guarantees to BNP Paribas for the benefit of the tax investors regarding certain payments due from Vale Nouvelle-Calédonie S.A.S. ( VNC ), associated with the Girardin Act lease financing. Consistent with our commitments, the assets were substantially complete as of December 31, 2012. We also committed that assets associated with the Girardin Act lease financing would operate for a five year period from then on and meet a specified production criterion which remains consistent with our current plans. We believe the likelihood of the guarantee being called upon is remote.

In October 2012, we entered into an agreement with Sumic, a stockholder in VNC, whereby Sumic agreed to a dilution in their interest in VNC from 21% to 14.5%. Sumic originally had a put option to sell to us the shares they own in VNC if the defined cost of the initial nickel project, as measured by funding provided to VNC, in natural currencies and converted to U.S. dollars at specified rates of exchange, exceeded R$10.3 billion and an agreement could not be reached on how to proceed with the project. On May 27, 2010 the threshold was reached and the put option discussion and decision period was extended. As a result of the October 2012 agreement, the trigger on the put option has been changed from a cost threshold to a production threshold. The put option has been deferred to the first quarter of 2015 which is the earliest that it can be exercised.

**b) Nickel Plant Indonesia**

During 2012, our subsidiary PT Vale Indonesia Tbk ( PTVI), a public company in Indonesia, submitted its strategic growth plan to the local government as part of the process for the renewing its license for the Contract of Work (CoW). During the process, the government identified the following points for renegotiation: (1) size of the CoW area; (2) term and form of CoW extension; (3) financial obligations (royalties and taxes); (4) domestic processing and refining; (5) mandatory divestment; and (6) priority use of domestic goods and services. As part of the ongoing CoW renegotiations, PTVI submitted an updated growth strategy to high level government officials in June 2013. Until the renegotiation process is complete, PTVI is unable to fully determine to what extent the CoW will be affected. The operations of PTVI and the implementation of the growth strategy are partially dependent on the result of the renegotiation of the CoW.

**c) Nickel Plant Canada**

On March 28, 2013, Vale Canada, Vale Newfoundland & Labrador Limited ( VNLL ) and the Province of Newfoundland and Labrador ( Province ) entered into a Fifth Amendment to the Voisey s Bay Development Agreement, which governs all of our development and operations in the Province. Under the amendment, the Company has obtained additional time to complete the construction of the Long Harbour Processing Plant and reaffirmed its commitment to construct an underground mine at Voisey s Bay, subject to certain terms and conditions. To maintain operational continuity at the Voisey s Bay mine pending the completion of the construction and ramp-up of the Long Harbour Processing Plant, the Province has agreed to exempt an additional 84,000 tonnes of nickel-in-concentrate from the requirement to complete primary processing in the province, over and above the previous 440,000 limit. These exports may take place between 2013 and 2015. Additionally, during this period, if Vale Canada imports up to 15,000 tonnes of nickel-in-matte for early stage processing at the Long Harbour Processing Plant, then Vale Canada may be permitted a further exemption from the primary processing requirements, on a tonne-for-tonne basis. Vale has agreed to make certain payments to the Government in relation to the additional exemption utilized each year. In addition, Vale will build up a contingent liability, secured by letters of credit and other security, based on the additional exemption utilized in each year, which may become due and payable in the event that certain commitments in relation to the construction of the underground mine are delayed or not met.

In the course of our operations we have provided letters of credit and guarantees in the amount of R$1,886 million that are associated with items such as environment reclamation, asset retirement obligation commitments, insurance, electricity commitments, post-retirement benefits, community service commitments and import and export duties.

Table of Contents

(A free translation of the original in Portuguese)

**d) Participative Debentures**

During the period, there was no issuance of new debentures, or any change in the par value or the indicators affecting debentures issued.

On June 30, 2013 and December 31, 2012 the value of the debentures at fair value totaled R$3,885,389 e R$3,378,845, respectively. The Company paid on April 2013 the amount of R$13,171 as semi-annual compensation.

**e) Operating lease**

In July 2013, the Agencia Nacional de Transporte Terrestre (ANTT), under Resolution 4.131, authorized the subsidiary of general cargo, Ferrovia Centro-Atlântica S.A. (FCA) to return 3.800 km of track, which makes up the railroad under their current contract, 7 tracks are considered uneconomical and 6 tracks are economically viable. In contrast, FCA has commitment to invest in its regular rail R$ 934 million (US $ 411 million), over the remaining period of the concession.

**f) Concession Contracts and Sub concession**

The contractual basis and deadlines for completion of concessions rail and port terminals are unchanged in the period.

**g) Guarantee issued to affiliates**

The Company provided corporate guarantees, within the limits of its participation, a line of credit acquired by associate North Energy from BNDES, Caixa Economica Federal and Banco BTG Pactual. On June 30, 2013 and December 31, 2012 the amount guaranteed by Vale was R$ 628,182 and R$ 188,272, respectively.

**30. Related parties**

The bases of transactions with relational remain the same as those disclosed in the financial statements of December 31, 2012. The balances of related party transactions and their effects on the financial statements may be identified as follows:

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2013 (unaudited) | | | | December 31, 2012 | | | |
| | Assets | | Liabilities | | Assets | | Liabilities | |
| | Customers | Related parties | Suppliers | Related parties | Customers | Related parties | Suppliers | Related parties |
| Baovale Mineração S.A. | 10,107 | 17,835 | 70,732 | | 9,982 | 17,835 | 56,798 | |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | 6 | 11,129 | 27,605 | 39,203 | | | 125 | 67,463 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 2,393 | 265 | 10,913 | | 3,482 | 268 | 20,930 | |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 6 | | | | 736 | | | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 12 | | 28,998 | 219,426 | 3,642 | | 1,194 | 355,867 |
| Minas da Serra Geral S.A. | 32 | 4,901 | 5,378 | | 63 | 447 | 16,135 | |
| Mineração Rio do Norte S.A. | 208 | 39,341 | | | 11 | 10 | | |
| Mitsui Co. | 41,325 | | 25,620 | | 43,974 | | 93,269 | |
| MRS Logistica S.A. | 16,848 | 119,422 | 51,923 | | 17,470 | 68,381 | 81,347 | |
| Norsk Hydro ASA | | 848,492 | | 148,123 | | 827,069 | | 146,440 |
| Samarco Mineração S.A. | 72,831 | 1,082,968 | 54 | | 67,669 | 369,446 | | |
| Others | 111,371 | 367,746 | 26,769 | 1,195 | 125,694 | 335,317 | 22,688 | 6 |
| **Total** | **255,139** | **2,492,099** | **247,992** | **407,947** | **272,723** | **1,618,773** | **292,486** | **569,776** |
| | | | | | | | | |
| Current | 255,139 | 1,933,350 | 247,992 | 260,242 | 272,723 | 786,202 | 292,486 | 423,336 |
| Non-current | | 558,749 | | 147,705 | | 832,571 | | 146,440 |
| **Total** | **255,139** | **2,492,099** | **247,992** | **407,947** | **272,723** | **1,618,773** | **292,486** | **569,776** |

Table of Contents

(A free translation of the original in Portuguese)

| | Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2013 (unaudited) | | | | December 31, 2012 | | | |
| | Assets | | Liabilities | | Assets | | Liabilities | |
| | Customers | Related parties | Suppliers | Related parties | Customers | Related parties | Suppliers | Related parties |
| Baovale Mineração S.A. | 10,107 | 17,835 | 70,732 | | 9,982 | 17,835 | 56,798 | |
| Biopalma da Amazônia | | 768,936 | | | | 691,803 | | |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | 2 | 11,129 | 27,605 | | | | 125 | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 2,355 | 265 | 10,913 | | 3,444 | 268 | 20,930 | |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 6 | | | | 736 | | | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 12 | | 28,998 | 21,201 | 3,642 | | 1,194 | 21,201 |
| Companhia Portuária Baía de Sepetiba - CPBS | 764 | 269 | 75,933 | | 807 | | 256,110 | |
| Ferrovia Centro - Atlântica S.A. | 14,827 | | 11,404 | 6 | 4,724 | 22,728 | 11,024 | 6 |
| Minerações Brasileiras Reunidas S.A. - MBR | 8,900 | 239,340 | 234,461 | | 5,361 | 186,072 | 244,290 | |
| Mineracao Corumbaense Reunida S.A. | 155,912 | 330,213 | | | 148,124 | | | |
| Mineração Rio do Norte S.A. | 152 | 39,341 | | | 323 | 10 | 12 | |
| Mitsui Co. | | | 25,620 | | | | 93,269 | |
| MRS Logistica S.A. | 16,171 | 38,993 | 62,601 | | 14,427 | 27,806 | 92,377 | |
| Samarco Mineração S.A. | 72,793 | 1,082,968 | 54 | | 67,669 | 369,446 | | |
| Salobo Metais S.A. | 26,553 | | 8 | | 20,401 | | 1,832 | |
| Vale International S.A. | 16,981,089 | 153,032 | 981 | 37,522,685 | 20,748,674 | 486,328 | 1,147 | 35,764,129 |
| Vale Manganês S.A. | 19,211 | 341 | | | 11,635 | | | |
| Vale Mina do Azul | 109,377 | 14,873 | | | 87,250 | 394 | | |
| Vale Operações Ferroviarias | 561,833 | | 26,435 | 201,047 | 110,942 | | 21,509 | |
| Vale Potassio Nordeste | 10,772 | | 4,350 | | 49,469 | 29 | 41,135 | |
| Others | 134,176 | 232,885 | 132,283 | 1,485 | 154,083 | 408,759 | 129,213 | 10,818 |
| **Total** | **18,125,012** | **2,930,420** | **712,378** | **37,746,424** | **21,441,693** | **2,211,478** | **970,965** | **35,796,154** |
| | | | | | | | | |
| Current | 18,125,012 | 1,977,980 | 712,378 | 4,468,405 | 21,441,693 | 1,347,488 | 970,965 | 6,433,629 |
| Non-current | | 952,440 | | 33,278,019 | | 863,990 | | 29,362,525 |
| **Total** | **18,125,012** | **2,930,420** | **712,378** | **37,746,424** | **21,441,693** | **2,211,478** | **970,965** | **35,796,154** |

| | Consolidated (unaudited) | | | | | |
|---|---|---|---|---|---|---|
| | Income | | Cost/ expense | | Financial Income (expense) | |
| | Three-month period ended | | Three-month period ended | | Three-month period ended | |
| | June 30, 2013 | June 30, 2012 | June 30, 2013 | June 30, 2012 | June 30, 2013 | June 30, 2012 |
| Baovale Mineração S.A. | | | 11,145 | 10,367 | | |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | | | 19,010 | 41,349 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | | 186,407 | 6,821 | 234,210 | 5 | 27,060 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | | | 21,174 | 12,745 | | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | | | 1,682 | 21,229 | | |
| Log-in S.A. | | 17 | 2,015 | | | |
| Mineração Rio do Norte S.A. | 18 | 17 | | | | |
| Mitsui & Co Ltd | 55,863 | | 25,620 | 11,373 | 2 | |
| MRS Logistica S.A. | 983 | 7,664 | 368,922 | 361,300 | | |
| Samarco Mineração S.A. | 289,599 | 167,834 | | | | 228 |
| Vale Austrália Pty Ltd. | | | | | 22,148 | |
| Others | 188,076 | | 202,364 | 10,497 | (6,291) | 44,103 |
| **Total** | **534,539** | **361,939** | **658,753** | **703,070** | **15,864** | **71,391** |

| | **Consolidated (unaudited)** | | | | | |
|---|---|---|---|---|---|---|
| | **Income** | | **Cost/ expense** | | **Financial Income (expense)** | |
| | **Six-month period ended** | | **Six-month period ended** | | **Six-month period ended** | |
| | **June 30, 2013** | **June 30, 2012** | **June 30, 2013** | **June 30, 2012** | **June 30, 2013** | **June 30, 2012** |
| Baovale Mineração S.A. | | | 22,290 | 20,735 | | |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | | 267 | 27,568 | 132,213 | | 7 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | | 449,611 | 8,535 | 424,778 | 4 | 27,060 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | | | 29,021 | 25,664 | | 9 |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | | | 11,439 | 55,298 | | 11 |
| Log-in S.A. | | 51 | 3,874 | | | |
| Mineração Rio do Norte S.A. | 40 | 34 | | | | |
| Mitsui & Co Ltd | 110,183 | | 71,817 | 28,934 | 2 | |
| MRS Logistica S.A. | 5,987 | 14,759 | 657,650 | 680,012 | | |
| Samarco Mineração S.A. | 446,486 | 338,801 | | | | 168 |
| Vale Austrália Pty Ltd. | | | | | 22,148 | |
| Others | 266,331 | 4,563 | 263,825 | 18,194 | 2,140 | 32,230 |
| **Total** | **829,027** | **808,086** | **1,096,019** | **1,385,828** | **24,294** | **59,485** |

Table of Contents

(A free translation of the original in Portuguese)

| | Parent Company (unaudited) | | | | | |
|---|---|---|---|---|---|---|
| | Income | | Cost/ expense | | Financial Income (expense) | |
| | Six-month period ended | | Six-month period ended | | Six-month period ended | |
| | June 30, 2013 | June 30, 2012 | June 30, 2013 | June 30, 2012 | June 30, 2013 | June 30, 2012 |
| Baovale Mineração S.A. | | | 22,290 | 20,735 | | |
| Biopalma da Amazonia S.A. | | | | | | 67,160 |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | | 267 | 27,568 | 89,112 | | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | | 433,791 | 8,535 | 424,778 | 4 | 27,060 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | | | 11,439 | 25,664 | | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | | | 29,021 | 55,298 | | |
| Companhia Portuária Baia de Sepetiba - CPBS | | | 183,509 | 185,420 | | |
| Ferrovia Centro - Atlântica S.A. | 58,380 | 51,085 | 56,441 | 35,854 | | (4,899) |
| Ferrovia Norte Sul S.A. | 5,788 | 629 | 327 | | | |
| Mineração Brasileiras Reunidas S.A. - MBR | 4,499 | 5,248 | 359,370 | 370,510 | | 4,945 |
| Mitsui & Co Ltd | | | 71,817 | 28,934 | 2 | |
| MRS Logistica S.A. | 3,499 | 11,496 | 647,457 | 674,806 | | |
| Samarco Mineração S.A. | 446,449 | 337,084 | | | | 168 |
| Sociedad Contractual Minera Tres Valles | | | | | | 1,114 |
| Vale Canada Limited | | 3,865 | | | | 1,330 |
| Vale Colombia Holdings | | | | 11,918 | | |
| Vale Energia S.A. | 2,186 | | 101,193 | 166,959 | | |
| Vale International S.A. | 25,080,118 | 23,889,571 | | | | (592,985) |
| Vale Manganês | 3,302 | 6,887 | | | | |
| Vale Mina do Azul | 25,535 | 27,588 | | 20,178 | | |
| Vale Operações Ferroviárias | 493,267 | 114,849 | | | | |
| Vale Operações Portuárias | 10,761 | 17,041 | | | | |
| Others | 10,460 | 27,272 | 16,879 | 23,267 | 24,289 | (724) |
| **Total** | **26,144,244** | **24,926,673** | **1,535,846** | **2,133,433** | **24,295** | **(496,831)** |

Remuneration of key management personnel:

| | Six-month period ended | |
|---|---|---|
| | **June 30, 2013** | **June 30, 2012** |
| **Short term benefits:** | **38,407** | **44,217** |
| Wages or pro labor | 11,032 | 9,489 |
| Direct and indirect benefits | 8,962 | 14,031 |
| Bonus | 18,414 | 20,697 |
| | | |
| **Long term benefits:** | | |
| Based on stock | **2,393** | **16,774** |
| | | |
| **Termination of position** | **1,182** | **12,177** |
| | **41,982** | **73,168** |

Table of Contents

(A free translation of the original in Portuguese)

**32 - Board of Directors, Fiscal Council, Advisory committees and Executive Officers**

**Board of Directors**

Dan Antônio Marinho Conrado
**Chairman**

Mário da Silveira Teixeira Júnior
**Vice-President**

Fuminobu Kawashima
João Batista Cavaglieri
José Mauro Mettrau Carneiro da Cunha
Luciano Galvão Coutinho
Marcel Juviniano Barros
Nelson Henrique Barbosa Filho
Oscar Augusto de Camargo Filho
Renato da Cruz Gomes
Robson Rocha

**Alternate**

Caio Marcelo de Medeiros Melo
Eduardo de Oliveira Rodrigues Filho
Eduardo Fernando Jardim Pinto
Francisco Ferreira Alexandre
Hidehiro Takahashi
Hayton Jurema da Rocha
Luiz Carlos de Freitas
Luiz Maurício Leuzinger
Marco Geovanne Tobias da Silva
Sandro Kohler Marcondes

**Advisory Committees of the Board of Directors**

**Controlling Committee**
Luiz Carlos de Freitas
Paulo Ricardo Ultra Soares
Paulo Roberto Ferreira de Medeiros

**Executive Development Committee**
Laura Bedeschi Rego de Mattos
Luiz Maurício Leuzinger

**Governance and Sustainability Committee**
Gilmar Dalilo Cezar Wanderley
Renato da Cruz Gomes
Ricardo Simonsen
Tatiana Boavista Barros Heil

**Fiscal Council**

Marcelo Amaral Moraes
**Chairman**

Aníbal Moreira dos Santos
Antonio Henrique Pinheiro Silveira
Arnaldo José Vollet

**Alternate**
Oswaldo Mário Pêgo de Amorim Azevedo
Paulo Fontoura Valle
Valeriano Gomes

**Executive Officers**

Murilo Pinto de Oliveira Ferreira
**Chief Executive Officer**

Vânia Lucia Chaves Somavilla
**Executive Officer (Human Resources, Health & Safety and Energy)**

Luciano Siani Pires
**Chief Financial Officer and Investors Relations**

Roger Allan Downey
**Executive Officer (Fertilizers and Coal)**

José Carlos Martins
**Executive Officer (Ferrous and Strategy)**

Galib Abrahão Chaim
**Executive Officer (Capital Projects Implementation)**

Marcel Juviniano Barros
Oscar Augusto de Camargo Filho

**Strategic Committee**
Murilo Pinto de Oliveira Ferreira
Dan Antônio Marinho Conrado
Luciano Galvão Coutinho
Mário da Silveira Teixeira Júnior
Oscar Augusto de Camargo Filho

**Finance Committee**
Luciano Siani Pires
Eduardo de Oliveira Rodrigues Filho
Luciana Freitas Rodrigues
Luiz Maurício Leuzinger

Humberto Ramos de Freitas
**Executive Officer (Logistics and Mineral Research)**

Gerd Peter Poppinga
**Executive Officer (Base Metals and Information Technology)**

Marcelo Botelho Rodrigues
**Global Controller Director**

Marcus Vinicius Dias Severini
**Chief Officer of Accounting and Control Department**
**CRC-RJ - 093982/O-3**

Vera Lucia de Almeida Pereira Elias
**Chief Accountant**
**CRC-RJ - 043059/O-8**

Table of Contents

**Signatures**

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

Vale S.A.
(Registrant)

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

Date: August 7, 2013