

Vale S.A.
Form 6-K
July 25, 2012
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

July, 2012

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.

Edgar Filing: Vale S.A. - Form 6-K

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

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

(Check One) Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7)

(Check One) Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

(Check One) Yes No

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

Table of Contents

Condensed Interim Financial Statements

June 30, 2012

IFRS

Table of Contents

(A free translation from the original in Portuguese)

Vale S.A.

Condensed Interim Financial Statements Index

| | Page |
|---|-------------|
| <u>Report of Independent Registered Public Accounting Firm</u> | 3 |
| <u>Consolidated and Parent Company Condensed Interim Statement of Financial Position as of June 30, 2012 and December 31, 2011</u> | 5 |
| <u>Consolidated Condensed Interim Statement of Profit or Loss for the three-months period ended June 30, 2012, March 31, 2012 and June 30, 2011 and six-month period ended June 30, 2012 and June 30, 2011</u> | 7 |
| <u>Parent Company Condensed Interim Statement of Profit or Loss for the three-months period ended June 30, 2012, March 31, 2012 and June 30, 2011 and six-month period ended June 30, 2012 and June 30, 2011</u> | 8 |
| <u>Consolidated and Parent Company Condensed Interim Statement of Other Comprehensive Income for the three-months period ended June 30, 2012, March 31, 2012 and June 30, 2011 and six-month period ended June 30, 2012 and June 30, 2011</u> | 9 |
| <u>Condensed Interim Statement of Changes in Equity for the three-months period ended June 30, 2012 and June 30, 2011</u> | 10 |
| <u>Consolidated Condensed Interim Statement of Cash Flows for the three-months period ended June 30, 2012, March 31, 2012 and June 30, 2011 and six-month period ended June 30, 2012 and June 30, 2011</u> | 11 |
| <u>Parent Company Condensed Interim Statement of Cash Flows for the three-months period ended June 30, 2012, March 31, 2012 and June 30, 2011 and six-month period ended June 30, 2012 and June 30, 2011</u> | 12 |
| <u>Consolidated Condensed Interim Statement of Added Value for the three-months period ended June 30, 2012, March 31, 2012 and June 30, 2011 and six-month period ended June 30, 2012 and June 30, 2011</u> | 13 |
| <u>Parent Company Condensed Interim Statement of Added Value for the three-months period ended June 30, 2012, March 31, 2012 and June 30, 2011 and six-month period ended June 30, 2012 and June 30, 2011</u> | 14 |
| <u>Notes to the Consolidated Condensed Interim Financial Statements</u> | 15 |

Table of Contents

(A free translation from the original in Portuguese)

Report on review of condensed

interim accounting information

To the Board of Directors and Stockholders

Vale S.A.

Introduction

We have reviewed the accompanying balance sheet of Vale S.A. (the Company) as of June 30, 2012, and the related statements of income and comprehensive income for the quarter and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended.

We have also reviewed the accompanying consolidated balance sheet of Vale S.A. and its subsidiaries (Consolidated) as of June 30, 2012, and the related consolidated statements of income and comprehensive income for the quarter and six-month periods then ended, and the statements of changes in equity and cash flows for six-month period then ended.

Management is responsible for the preparation of the Company condensed interim accounting information in accordance with the accounting standard CPC 21, *Demonstração Intermediária*, issued by the Brazilian Accounting Pronouncements Committee (CPC), and the consolidated condensed interim accounting information in accordance with accounting standard CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed interim accounting information 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 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information 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

Edgar Filing: Vale S.A. - Form 6-K

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

PricewaterhouseCoopers, Av. José Silva de Azevedo Neto 200, 1º e 2º, Torre Evolution IV, Barra da Tijuca, Rio de Janeiro, RJ, Brasil 22775-056

T: (21) 3232-6112, F: (21) 3232-6113, www.pwc.com/br

PricewaterhouseCoopers, Rua da Candelária 65, 20º, Rio de Janeiro, RJ, Brasil 20091-020, Caixa Postal 949,

T: (21) 3232-6112, F: (21) 2516-6319, www.pwc.com/br

Table of Contents

(A free translation from the original in Portuguese)

Conclusion on the condensed interim

accounting information of the Company

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim accounting information of the Company referred to above is not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the interim financial information.

Conclusion on the consolidated condensed

interim accounting information

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

Other matters interim statements

of value added

We have also reviewed the Company and the consolidated interim statements of value added for the six-month period ended June 30, 2012, presented as supplementary information. These statements have been submitted 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 properly prepared, in all material respects, in relation to the condensed interim accounting information taken as a whole.

Rio de Janeiro, July 25, 2012

/S/PricewaterhouseCoopers

Edgar Filing: Vale S.A. - Form 6-K

Audidores Independentes

CRC 2SP000160/O-5 F RJ

João César de Oliveira Lima Júnior

Contador CRC 1RJ077431/O-8

Table of Contents

(A free translation from the original in Portuguese)

Interim Condensed Statement of Financial Position**In millions of Reais**

| | Notes | June 30, 2012 (unaudited) | Consolidated December 31, 2011 (I) | Parent Company June 30, 2012 (unaudited) | December 31, 2011 |
|---|-------|------------------------------|---------------------------------------|--|--------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 8,117,669 | 6,593,177 | 409,599 | 574,787 |
| Derivatives at fair value | 25 | 639,648 | 1,111,744 | 360,191 | 573,732 |
| Accounts receivable | 9 | 13,974,152 | 15,888,807 | 17,655,342 | 15,808,849 |
| Related parties | 30 | 696,052 | 153,738 | 1,614,919 | 2,561,308 |
| Inventories | 10 | 10,501,884 | 9,833,050 | 3,464,945 | 3,182,738 |
| Recoverable taxes | 12 | 4,309,765 | 4,190,141 | 1,869,205 | 2,316,532 |
| Advances to suppliers | | 602,934 | 733,382 | 329,648 | 381,768 |
| Others | | 1,992,083 | 1,646,824 | 456,594 | 183,394 |
| | | 40,834,187 | 40,150,863 | 26,160,443 | 25,583,108 |
| Non-current Assets held for sale | 11 | 371,339 | | | |
| | | 41,205,526 | 40,150,863 | 26,160,443 | 25,583,108 |
| Non-current assets | | | | | |
| Related parties | 30 | 851,291 | 904,172 | 799,409 | 445,769 |
| Loans and financing agreements to receive | | 456,825 | 399,277 | 166,369 | 158,195 |
| Prepaid expenses | | 702,411 | 426,252 | 13,486 | 16,643 |
| Judicial deposits | 18 | 3,045,733 | 2,734,599 | 2,369,633 | 2,091,492 |
| Deferred income tax and social contribution | 20 | 3,774,883 | 3,538,830 | 2,139,200 | 2,108,558 |
| Recoverable taxes | 12 | 1,227,758 | 1,097,134 | 244,562 | 201,226 |
| Derivatives at fair value | 25 | | 112,253 | | 96,262 |
| Reinvestment tax incentive | | 412,581 | 428,750 | 412,581 | 428,750 |
| Others | | 488,329 | 668,940 | 96,105 | 371,620 |
| | | 10,959,811 | 10,310,207 | 6,241,345 | 5,918,515 |
| Investments | 13 | 16,037,262 | 14,984,038 | 123,838,810 | 113,149,994 |
| Intangible assets | 14 | 18,081,570 | 17,788,581 | 14,085,645 | 13,973,730 |
| Property, plant and equipment, net | 15 | 167,217,185 | 153,854,863 | 60,648,047 | 55,503,193 |
| | | 212,295,828 | 196,937,689 | 204,813,847 | 188,545,432 |
| Total assets | | 253,501,354 | 237,088,552 | 230,974,290 | 214,128,540 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

Interim Condensed Statement of Financial Position

In millions of Reais, except number of shares

(continued)

| | Notes | June 30, 2012 (unaudited) | Consolidated December 31, 2011 (I) | Parent Company June 30, 2012 (unaudited) | December 31, 2011 |
|---|-------|------------------------------|---------------------------------------|--|-------------------|
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Suppliers and contractors | | 8,908,928 | 8,851,220 | 4,004,286 | 3,503,577 |
| Payroll and related charges | | 1,976,060 | 2,442,255 | 1,162,037 | 1,581,782 |
| Derivatives at fair value | 25 | 283,420 | 135,697 | 225,800 | 117,470 |
| Current portion of long-term debt | 17 | 2,998,505 | 2,807,280 | 1,068,724 | 891,654 |
| Short-term debt | 17 | 999,928 | 40,044 | 999,928 | |
| Related parties | 30 | 38,061 | 42,907 | 6,636,262 | 4,959,017 |
| Taxes payable and royalties | | 562,321 | 978,915 | 122,587 | 329,680 |
| Provision for income taxes | | 279,275 | 955,342 | | |
| Employee post retirement benefits obligations | | 244,648 | 316,061 | 79,784 | 140,508 |
| Railway sub-concession agreement payable | | 127,315 | 123,308 | | |
| Provision for asset retirement obligations | 19 | 80,902 | 136,436 | 13,613 | 20,507 |
| Dividends and interest on capital | | | 2,207,101 | | 2,207,101 |
| Others | | 1,839,752 | 1,650,194 | 751,010 | 400,023 |
| | | 18,339,115 | 20,686,760 | 15,064,031 | 14,151,319 |
| Liabilities directly associated with assets held for sale | 11 | 64,683 | | | |
| | | 18,403,798 | 20,686,760 | 15,064,031 | 14,151,319 |
| Non-current liabilities | | | | | |
| Derivatives at fair value | 25 | 1,807,005 | 1,238,542 | 1,379,023 | 953,357 |
| Long-term debt | 17 | 46,609,765 | 40,224,674 | 19,350,782 | 18,595,793 |
| Related parties | 30 | 157,993 | 170,616 | 29,767,831 | 28,654,132 |
| Employee post retirement benefits obligations | | 3,165,601 | 2,845,725 | 346,900 | 406,330 |
| Provisions for contingencies | 18 | 3,464,674 | 3,144,740 | 2,099,087 | 1,927,686 |
| Deferred income tax and social contribution | 20 | 8,072,259 | 10,613,773 | | |
| Asset retirement obligations | 19 | 3,794,801 | 3,427,294 | 1,162,132 | 1,094,824 |
| Stockholders Debentures | 29 | 2,805,808 | 2,495,995 | 2,805,808 | 2,495,995 |
| Redeemable noncontrolling interest | | 819,283 | 942,668 | | |
| Others | | 3,784,366 | 4,617,145 | 1,497,805 | 2,373,706 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 74,481,555 | 69,721,172 | 58,409,368 | 56,501,823 |
| Total liabilities | 92,885,353 | 90,407,932 | 73,473,399 | 70,653,142 |
| Stockholders equity | 24 | | | |
| Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (2011 - 2,108,579,618) issued | 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 (2011 - 3,256,724,482) issued | 45,524,789 | 45,524,789 | 45,524,789 | 45,524,789 |
| Mandatorily convertible votes - common shares | | 359,649 | | 359,649 |
| Mandatorily convertible votes - preferred shares | | 796,162 | | 796,162 |
| Treasury stock - 140,857,692 (2011 - 181,099,814) preferred and 71,071,482 (2011 - 86,911,207) common shares | (7,839,512) | (9,918,541) | (7,839,512) | (9,918,541) |
| Results from operations with noncontrolling stockholders | (458,169) | (70,706) | (458,169) | (70,706) |
| Valuation adjustment | (1,089,328) | 219,556 | (1,089,328) | 219,556 |
| Cumulative translation adjustments | 5,021,745 | (1,016,711) | 5,021,745 | (1,016,711) |
| Retained earnings | 86,866,155 | 78,105,989 | 86,866,155 | 78,105,989 |
| Total company stockholders equity | 157,500,891 | 143,475,398 | 157,500,891 | 143,475,398 |
| Noncontrolling interests | 3,115,110 | 3,205,222 | | |
| Total stockholders equity | 160,616,001 | 146,680,620 | 157,500,891 | 143,475,398 |
| Total liabilities and stockholders equity | 253,501,354 | 237,088,552 | 230,974,290 | 214,128,540 |

(I) Period adjusted according to note 3.

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Consolidated Condensed Interim Statement of Profit or Loss**In millions of Reais, except as otherwise stated****(unaudited)**

| | Notes | Three-month period ended | | | Six-month period ended | |
|--|-------|--------------------------|--------------------|--------------------|------------------------|--------------------|
| | | June 30, 2012 | March 31, 2012 | June 30, 2011 (I) | June 30, 2012 | June 30, 2011 (I) |
| Net operating revenue | | 23,404,891 | 19,591,174 | 23,914,597 | 42,996,065 | 45,931,788 |
| Cost of goods solds and services rendered | 27 | (11,670,292) | (10,049,383) | (9,057,055) | (21,719,675) | (18,291,677) |
| Gross profit | | 11,734,599 | 9,541,791 | 14,857,542 | 21,276,390 | 27,640,111 |
| Operating (expenses) income | | | | | | |
| Selling and administrative expenses | 27 | (1,206,725) | (934,403) | (694,125) | (2,141,128) | (1,391,615) |
| Research and development expenses | 27 | (707,938) | (526,557) | (580,061) | (1,234,495) | (1,148,875) |
| Other operating expenses, net | 27 | (1,223,388) | (1,191,318) | (1,136,916) | (2,414,706) | (1,822,511) |
| Realized gain (loss) on non-current assets held for sales | | (768,236) | | | (768,236) | 2,492,175 |
| | | (3,906,287) | (2,652,278) | (2,411,102) | (6,558,565) | (1,870,826) |
| Operating profit | | 7,828,312 | 6,889,513 | 12,446,440 | 14,717,825 | 25,769,285 |
| Financial income | 28 | 421,320 | 1,480,155 | 2,157,043 | 1,901,475 | 2,987,328 |
| Financial expenses | 28 | (5,565,703) | (1,258,766) | (1,262,100) | (6,824,469) | (2,359,800) |
| Equity results from associates | 13 | 309,600 | 437,020 | 651,434 | 746,620 | 1,117,220 |
| Income before income tax and social contribution | | 2,993,529 | 7,547,922 | 13,992,817 | 10,541,451 | 27,514,033 |
| Income tax and social contributions | | | | | | |
| Current tax | 20 | (99,724) | (1,435,730) | (2,681,310) | (1,535,454) | (5,332,645) |
| Deferred | | | | | | |
| Deferred of period | 20 | (246,951) | 505,137 | (1,130,914) | 258,186 | (798,657) |
| Reversal of Deferred Income | | | | | | |
| Tax liabilities (see note 7.a.) | | 2,533,411 | | | 2,533,411 | |
| | | 2,186,736 | (930,593) | (3,812,224) | 1,256,143 | (6,131,302) |
| Income from continuing operations | | 5,180,265 | 6,617,329 | 10,180,593 | 11,797,594 | 21,382,731 |
| Net income of the period | | 5,180,265 | 6,617,329 | 10,180,593 | 11,797,594 | 21,382,731 |
| Loss attributable to non-controlling interests | | (133,401) | (103,071) | (94,766) | (236,472) | (183,611) |
| Net income attributable to the Company's stockholders | | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Earnings per share attributable to the Company's | | | | | | |

Edgar Filing: Vale S.A. - Form 6-K

stockholders:

Basic earnings per share:

| | | | | | |
|----------------------------|------|------|------|------|------|
| Preferred share and Common | 1.04 | 1.30 | 1.94 | 2.36 | 4.08 |
|----------------------------|------|------|------|------|------|

Diluted earnings per share:

| | | | | | |
|----------------------------|------|------|------|------|------|
| Preferred share and Common | 1.04 | 1.30 | 1.94 | 2.36 | 4.08 |
|----------------------------|------|------|------|------|------|

(I) Period adjusted according to note 3.

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Parent Company Condensed Interim Statement of Profit or Loss**In millions of Reais, except as otherwise stated****(unaudited)**

| | Notes | Three-month period ended | | | Six-month period ended | |
|--|-------|--------------------------|------------------|--------------------|------------------------|--------------------|
| | | June 30, 2012 | March 31, 2012 | June 30, 2011 | June 30, 2012 | June 30, 2011 |
| Net operating revenue | | 15,814,484 | 11,889,232 | 16,497,509 | 27,703,716 | 30,040,487 |
| Cost of goods solds and services rendered | 27 | (6,152,652) | (5,361,841) | (5,030,782) | (11,514,493) | (9,708,746) |
| Gross profit | | 9,661,832 | 6,527,391 | 11,466,727 | 16,189,223 | 20,331,741 |
| Operating (expenses) income | | | | | | |
| Selling and administrative expenses | 27 | (585,409) | (558,794) | (433,573) | (1,144,203) | (802,927) |
| Research and development expenses | 27 | (377,991) | (287,705) | (341,029) | (665,696) | (619,904) |
| Other operating expenses, net | 27 | (248,514) | (517,948) | (485,315) | (766,462) | (641,494) |
| Equity results from subsidiaries | 13 | 2,541,697 | 2,019,055 | 1,473,001 | 4,560,752 | 3,896,259 |
| Realized gain (loss) on non-current assets held for sales (equity on parent company) (*) | | (768,236) | | | (768,236) | 2,492,175 |
| | | 561,547 | 654,608 | 213,084 | 1,216,155 | 4,324,109 |
| Operating profit | | 10,223,379 | 7,181,999 | 11,679,811 | 17,405,378 | 24,655,850 |
| Financial income | 28 | 125,001 | 1,124,004 | 1,737,590 | 1,249,005 | 2,175,647 |
| Financial expenses | 28 | (4,906,017) | (1,276,255) | (620,869) | (6,182,272) | (1,697,026) |
| Equity results from associates | 13 | 309,600 | 437,020 | 651,434 | 746,620 | 1,117,220 |
| Income before income tax and social contribution | | 5,751,963 | 7,466,768 | 13,447,966 | 13,218,731 | 26,251,691 |
| Income tax and social contribution | | | | | | |
| Current | 20 | (11,346) | (1,191,925) | (2,348,035) | (1,203,271) | (4,063,509) |
| Deferred | 20 | (426,951) | 445,557 | (824,572) | 18,606 | (621,840) |
| | | (438,297) | (746,368) | (3,172,607) | (1,184,665) | (4,685,349) |
| Income from continuing operations | | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Net income of the period | | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Net income attributable to the Company's stockholders | | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Earnings per share attributable to the Company's stockholders: | | | | | | |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | |
|------------------------------------|------|------|------|------|------|
| Basic earnings per share: | | | | | |
| Preferred share and Common | 1.04 | 1.30 | 1.94 | 2.36 | 4.08 |
| Diluted earnings per share: | | | | | |
| Preferred share and Common | 1.04 | 1.30 | 1.94 | 2.36 | 4.08 |

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

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Interim Statement of Other Comprehensive Income**In millions of Reais****(unaudited)**

| | Consolidated | | | | |
|--|-------------------|--|-------------------|---|-------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | Six-month period ended June 30, 2012 | June 30, 2011 (I) |
| Net income | 5,180,265 | 6,617,329 | 10,180,593 | 11,797,594 | 21,382,731 |
| Other comprehensive income | | | | | |
| Cumulative translation adjustments | 7,403,029 | (1,101,899) | (2,845,015) | 6,301,130 | (3,683,141) |
| Unrealized gain (loss) on available-for-sale investments | | | | | |
| Gross balance as of the period/year ended | (3,946) | (698) | 5,397 | (4,644) | 4,584 |
| | (3,946) | (698) | 5,397 | (4,644) | 4,584 |
| Cash flow hedge | | | | | |
| Gross balance as of the period/year ended | (274,755) | 41,085 | 241,177 | (233,670) | 266,418 |
| Tax benefit (expense) | 57,284 | (26,898) | (18,602) | 30,386 | (32,001) |
| | (217,471) | 14,187 | 222,575 | (203,284) | 234,417 |
| Total comprehensive income of the period | 12,361,877 | 5,528,919 | 7,563,550 | 17,890,796 | 17,938,591 |
| Comprehensive income attributable to noncontrolling interests | 188,907 | (162,704) | (214,107) | 26,203 | (435,262) |
| Comprehensive income attributable to the Company's stockholders | 12,172,970 | 5,691,623 | 7,777,657 | 17,864,593 | 18,373,853 |
| | 12,361,877 | 5,528,919 | 7,563,550 | 17,890,796 | 17,938,591 |

| | Parent Company | | | | |
|---|------------------|--|-------------------|---|-------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 | Six-month period ended June 30, 2012 | June 30, 2011 |
| Net income | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Other comprehensive income | | | | | |
| Cumulative translation adjustments | 7,080,721 | (1,042,266) | (2,725,674) | 6,038,455 | (3,430,290) |
| Unrealized gain (loss) on available-for-sale investments | | | | | |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | |
|---|-------------------|------------------|------------------|-------------------|-------------------|
| Gross balance as of the period/year ended | (3,946) | (698) | 5,397 | (4,644) | 4,584 |
| | (3,946) | (698) | 5,397 | (4,644) | 4,584 |
| Cash flow hedge | | | | | |
| Gross balance as of the period/year ended | (274,755) | 41,085 | 241,177 | (233,670) | 265,218 |
| Tax benefit (expense) | 57,284 | (26,898) | (18,602) | 30,386 | (32,001) |
| | (217,471) | 14,187 | 222,575 | (203,284) | 233,217 |
| Total comprehensive income of the period | 12,172,970 | 5,691,623 | 7,777,657 | 17,864,593 | 18,373,853 |

(I) Period adjusted according to note 3.

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Interim Statement of Changes in Equity**In millions of Reais****(unaudited)**

| | Capital | Results in the translation of shares | Mandatorily convertible notes | Revenue reserves | Treasury stock | Valuation adjustment | Six-month period ended Income from operations with non-controlling stockholders | Cumulative translation adjustment | Retained earnings | Parent company stockholders' equity |
|---|-------------------|--------------------------------------|-------------------------------|-------------------|--------------------|----------------------|--|-----------------------------------|-------------------|-------------------------------------|
| January 01, 2011 | 50,000,000 | 1,867,210 | 1,441,576 | 72,487,917 | (4,826,127) | (25,383) | 685,035 | (9,512,225) | | 112,118,003 |
| Net income of the period | | | | | | | | | 21,566,342 | 21,566,342 |
| Capitalization of reserves | 25,000,000 | (1,867,210) | | (23,132,790) | | | | | | |
| Capitalization of noncontrolling stockholders advances | | | | | | | | | | |
| Additional remuneration for mandatorily convertible notes | | | (49,279) | | | | | | | (49,279) |
| Cash flow hedge, net of taxes | | | | | | 233,217 | | | | 233,217 |
| Unrealized results on valuation at market | | | | | | 4,584 | | | | 4,584 |
| Translation adjustments for the period | | | | | | | | (3,430,290) | | (3,430,290) |
| Dividends to noncontrolling stockholders | | | | | | | | | | |
| Redeemable noncontrolling stockholders interest | | | | | | | | | | |
| Acquisitions and disposal of noncontrolling shareholdings | | | | | | | | | | |
| June 30, 2011 | 75,000,000 | | 1,392,297 | 49,355,127 | (4,826,127) | 212,418 | 685,035 | (12,942,515) | 21,566,342 | 130,442,577 |
| January 01, 2012 | 75,000,000 | | 1,155,811 | 78,105,988 | (9,918,541) | 219,556 | (70,706) | (1,016,710) | | 143,475,398 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | | | | |
|---|-------------------|---------------|-------------------|--------------------|--------------------|------------------|------------------|------------------|--------------------|
| Net income of the period | | | | | | | | 12,034,066 | 12,034,066 |
| Capitalization of noncontrolling stockholders advances | | | | | | | | | |
| Repurchase of convertible notes | | | | 11 | | | | | 11 |
| Remuneration for mandatorily convertible notes | | (128,231) | | | | | | | (128,231) |
| Cash flow hedge, net of taxes | | | | | | (203,284) | | | (203,284) |
| Unrealized results on valuation at market | | | | | | (4,644) | | | (4,644) |
| Currency translation adjustments of the period | | | | | | | 6,038,455 | | 6,038,455 |
| Dividends to noncontrolling stockholders | | | | | | | | | |
| Redeemable noncontrolling stockholders interest | | | | | | | | | |
| Acquisitions and disposal of noncontrolling shareholdings | | | | | | | (436,981) | | (436,981) |
| Result on conversion of shares | 49,518 | (1,027,580) | 2,079,018 | (1,100,956) | | | | | |
| Unrealized results on valuation at market | | | | | | | | | |
| Destination of earnings: | | | | | | | | | |
| Additional remuneration proposed | | | | | | | | (3,273,899) | (3,273,899) |
| June 30, 2012 | 75,000,000 | 49,518 | 78,105,988 | (7,839,512) | (1,089,328) | (507,687) | 5,021,745 | 8,760,167 | 157,500,891 |

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Consolidated Condensed Interim Statement of Cash Flows**In millions of Reais****(unaudited)**

| | Three-month period ended | | | Six-month period ended | |
|--|--------------------------|------------------|-------------------|------------------------|-------------------|
| | June 30, 2012 | March 31, 2012 | June 30, 2011 (I) | June 30, 2012 | June 30, 2011 (I) |
| Cash flow from operating activities: | | | | | |
| Net income | 5,180,265 | 6,617,329 | 10,180,593 | 11,797,594 | 21,382,731 |
| Adjustments to reconcile net income to cash from operations | | | | | |
| Results of equity investments | (309,600) | (437,020) | (651,434) | (746,620) | (1,117,220) |
| Realized gain on assets held for sale | 768,236 | | | 768,236 | (2,492,175) |
| Depreciation, amortization and depletion | 2,039,983 | 1,797,762 | 1,490,092 | 3,837,745 | 3,013,289 |
| Deferred income tax and social contribution | 246,951 | (505,137) | 1,130,914 | (258,186) | 798,657 |
| reversal of deferred income tax | (2,533,411) | | | (2,533,411) | |
| Monetary and exchange rate changes, net | 861,528 | (368,323) | 442,777 | 493,205 | 941,858 |
| Loss on disposal of property, plant and equipment | 360,132 | 81,563 | 45,632 | 441,695 | 324,258 |
| Net unrealized losses (gains) on derivatives | 1,257,978 | (194,059) | (358,943) | 1,063,919 | (709,818) |
| Others | (341,989) | (3,986) | (140,218) | (345,975) | (186,095) |
| Decrease (increase) in assets: | | | | | |
| Accounts receivable from customers | 342,482 | 1,479,640 | (1,024,984) | 1,822,122 | (942,343) |
| Inventories | 308,788 | (703,793) | (155,301) | (395,005) | (1,369,329) |
| Recoverable taxes | (760,127) | 660,558 | (140,663) | (99,569) | (328,424) |
| Others | (106,453) | (36,329) | (271,199) | (142,782) | 177,719 |
| Increase (decrease) in liabilities: | | | | | |
| Suppliers and contractors | 555,936 | (778,026) | 438,810 | (222,090) | 731,203 |
| Payroll and related charges | 575,051 | (1,056,185) | 311,987 | (481,134) | (290,884) |
| Taxes and contributions | (202,965) | (1,003,713) | (46,183) | (1,206,678) | 610,686 |
| Others | 467,087 | 91,043 | (374,125) | 558,130 | 758,961 |
| Net cash provided by operating activities | 8,709,872 | 5,641,324 | 10,877,755 | 14,351,196 | 21,303,074 |
| Cash flow from investing activities: | | | | | |
| Short-term investments | | | 869,017 | | 2,987,497 |
| Loans and advances receivable | 18,621 | (65,630) | (52,576) | (47,009) | (303,345) |
| Guarantees and deposits | (155,396) | (20,467) | (252,007) | (175,863) | (299,550) |
| Additions to investments | (83,670) | (373,506) | (497,867) | (457,176) | (1,058,911) |
| Additions to property, plant and equipment | (6,541,223) | (5,236,156) | (5,551,399) | (11,777,379) | (10,237,529) |
| Dividends/interest on capital received | 225,645 | 107,359 | 547,425 | 333,004 | 959,513 |
| Proceeds from disposal of investments held for sale | 745,028 | | | 745,028 | 1,794,985 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | |
|---|--------------------|--------------------|--------------------|---------------------|--------------------|
| Net cash provided by (used in) investing activities | (5,790,995) | (5,588,400) | (4,937,407) | (11,379,395) | (6,157,340) |
| Cash flow from financing activities: | | | | | |
| Short-term debt | | | | | |
| Additions | 44,344 | 909,354 | 81,616 | 953,698 | 2,280,675 |
| Repayments | | (75,814) | (157,721) | (75,814) | (1,498,119) |
| Long-term debt | 3,430,426 | 1,815,105 | 427,890 | 5,245,531 | 1,178,248 |
| Repayments: | | | | | |
| Financial institutions | (995,720) | (112,386) | (665,751) | (1,108,106) | (3,567,872) |
| Dividends and interest on capital paid to stockholders | (5,481,000) | | (3,267,476) | (5,481,000) | (4,937,576) |
| Dividends and interest on capital attributed to noncontrolling interest | (69,773) | | | (69,773) | |
| Transactions with noncontrolling stockholders | (847,546) | (132,860) | | (980,406) | |
| Net cash provided by (used in) financing activities | (3,919,269) | 2,403,399 | (3,581,442) | (1,515,870) | (6,544,644) |
| Increase (decrease) in cash and cash equivalents | (1,000,392) | 2,456,323 | 2,358,906 | 1,455,931 | 8,601,090 |
| Cash and cash equivalents of cash, beginning of the period | 9,010,806 | 6,593,177 | 18,367,379 | 6,593,177 | 12,175,282 |
| Effect of exchange rate changes on cash and cash equivalents | 107,255 | (38,694) | (87,450) | 68,561 | (137,537) |
| Cash and cash equivalents, end of the period | 8,117,669 | 9,010,806 | 20,638,835 | 8,117,669 | 20,638,835 |
| Cash paid during the period for: | | | | | |
| Short-term interest | | (2,438) | (1,181) | (2,438) | (3,000) |
| Long-term interest | (695,038) | (582,050) | (607,379) | (1,277,088) | (1,168,486) |
| Income tax and social contribution | (550,112) | (1,152,687) | (1,743,983) | (1,702,799) | (3,441,247) |
| Inflows during the period: | | | | | |
| Non-cash transactions: | | | | | |
| Additions to property, plant and equipment - interest capitalization | (149,191) | (99,185) | (100,621) | (248,376) | (164,119) |

(I) Period adjusted according to note 3.

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Parent Company Condensed Interim Statement of Cash Flows**In millions of Reais****(unaudited)**

| | Six-month period ended | |
|--|-------------------------------|----------------------|
| | June 30, 2012 | June 30, 2011 |
| Cash flow from operating activities: | | |
| Net income | 12,034,065 | 21,566,342 |
| Adjustments to reconcile net income to cash from operations | | |
| Results of equity investments | (5,260,944) | (5,013,479) |
| Realized gain on assets held for sale | 721,808 | (2,492,175) |
| Depreciation, amortization and depletion | 1,211,907 | 937,985 |
| Deferred income tax and social contribution | (18,606) | 621,840 |
| Monetary and exchange rate changes, net | 2,942,693 | (2,041,118) |
| Loss on disposal of property, plant and equipment | 78,918 | 256,790 |
| Net unrealized losses (gains) on derivatives | 808,403 | (440,898) |
| Dividends / interest on capital received | 333,686 | 1,103,265 |
| Others | (449,329) | (222,063) |
| Decrease (increase) in assets: | | |
| Accounts receivable from customers | (1,846,493) | (488,201) |
| Inventories | (370,799) | (294,961) |
| Recoverable taxes | 403,991 | (182,165) |
| Others | 422,033 | 20,001 |
| Increase (decrease) in liabilities: | | |
| Suppliers and contractors | 976,709 | 1,545,689 |
| Payroll and related charges | (419,745) | (253,502) |
| Taxes and contributions | (231,415) | 1,152,603 |
| Others | 357,003 | 361,134 |
| Net cash provided by operating activities | 11,693,885 | 16,137,087 |
| Cash flow from investing activities: | | |
| Loans and advances receivable | 853,090 | 6,361 |
| Guarantees and deposits | (189,938) | (292,795) |
| Additions to investments | (3,308,023) | (1,609,387) |
| Additions to property, plant and equipment | (6,486,167) | (5,674,612) |
| Proceeds from disposal of investments held for sale | 745,028 | |
| Net cash provided by (used in) investing activities | (8,386,010) | (7,570,433) |
| Cash flow from financing activities: | | |
| Short-term debt | | |
| Additions | 967,991 | 1,054,403 |
| Repayments | (2,308,857) | (4,170,319) |
| Long-term debt | | |
| Additions | 3,575,398 | 2,340,874 |
| Repayments: | | |

Edgar Filing: Vale S.A. - Form 6-K

| | | |
|---|--------------------|--------------------|
| Financial institutions | (226,595) | (740,095) |
| Dividends and interest on capital attributed to noncontrolling interest | (5,481,000) | (4,844,100) |
| Net cash provided by (used in) financing activities | (3,473,063) | (6,359,237) |
| Increase (decrease) in cash and cash equivalents | (165,188) | 2,207,417 |
| Cash and cash equivalents of cash, beginning of the period | 574,787 | 4,823,377 |
| Cash and cash equivalents, end of the period | 409,599 | 7,030,794 |
| Cash paid during the period for: | | |
| Short-term interest | (1,860) | (2,482) |
| Long-term interest | (1,524,350) | (1,228,350) |
| Income tax and social contribution | (311,766) | (3,103,414) |
| Inflows during the period: | | |
| Non-cash transactions: | | |
| Additions to property, plant and equipment - interest capitalization | (18,253) | (47,546) |
| Transfer of advance for future capital increase to investments | | (761,156) |

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Consolidated Condensed Interim Statement of Added Value**In millions of Reais****(unaudited)**

| | Consolidated | | | | |
|---|-------------------|--|-------------------|---|-------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | Six-month period ended June 30, 2012 | June 30, 2011 (I) |
| Generation of added value | | | | | |
| Gross revenue | | | | | |
| Revenue from products and services | 23,909,480 | 20,095,353 | 24,482,949 | 44,004,833 | 47,058,795 |
| Gain (loss) on realization of assets available for sale | (768,236) | | | (768,236) | 2,492,175 |
| Other revenue | 4,806 | (138) | (1,502) | 4,668 | (1,502) |
| Revenue from the construction of own assets | 4,590,133 | 5,049,100 | 5,611,016 | 9,639,233 | 9,504,802 |
| Allowance for doubtful accounts | (22,137) | 2,872 | (9,636) | (19,265) | 2,296 |
| Less: | | | | | |
| Acquisition of products | (745,475) | (760,660) | (873,828) | (1,506,135) | (1,630,727) |
| Outsourced services | (4,170,561) | (3,668,722) | (3,571,822) | (7,839,283) | (6,398,433) |
| Materials | (4,458,062) | (4,515,909) | (6,871,891) | (8,973,971) | (11,170,839) |
| Fuel oil and gas | (1,031,255) | (856,836) | (815,085) | (1,888,091) | (1,743,227) |
| Energy | (419,082) | (395,921) | (341,096) | (815,003) | (822,676) |
| Other costs and expenses | (2,898,656) | (2,311,399) | (2,486,177) | (5,210,055) | (4,708,837) |
| Gross added value | 13,990,955 | 12,637,740 | 15,122,928 | 26,628,695 | 32,581,827 |
| Depreciation, amortization and depletion | (2,039,983) | (1,797,762) | (1,490,092) | (3,837,745) | (3,013,289) |
| Net added value | 11,950,972 | 10,839,978 | 13,632,836 | 22,790,950 | 29,568,538 |
| Financial income | 346,939 | 735,419 | 1,026,298 | 1,082,358 | 1,766,226 |
| Equity results | 309,600 | 437,020 | 651,434 | 746,620 | 1,117,220 |
| Total added value to be distributed | 12,607,511 | 12,012,417 | 15,310,568 | 24,619,928 | 32,451,984 |
| Personnel | 2,001,598 | 2,103,886 | 1,752,985 | 4,105,484 | 3,347,768 |
| Taxes, rates and contribution | 2,121,061 | 1,846,579 | (566,589) | 3,967,640 | 451,485 |
| Current income tax | 99,724 | 1,435,730 | 2,681,310 | 1,535,454 | 5,332,645 |
| Deferred income tax | (2,286,460) | (505,137) | 1,130,914 | (2,791,597) | 798,657 |
| Remuneration of debt capital | 2,032,760 | 1,092,369 | 926,654 | 3,125,129 | 1,957,153 |
| Monetary and exchange changes, net | 3,458,563 | (578,339) | (795,299) | 2,880,224 | (818,455) |
| Net income attributable to the Company's stockholders | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Loss attributable to noncontrolling interest | (133,401) | (103,071) | (94,766) | (236,472) | (183,611) |
| Distribution of added value | 12,607,511 | 12,012,417 | 15,310,568 | 24,619,928 | 32,451,984 |

(I) Period adjusted according to note 3.

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Parent Company Condensed Interim Statement of Added Value**In millions of Reais****(unaudited)**

| | Parent Company | |
|---|-----------------------|----------------------|
| | June 30, 2012 | June 30, 2011 |
| Generation of added value | | |
| Gross revenue | | |
| Revenue from products and services | 28,276,229 | 30,805,524 |
| Gain (loss) on realization of assets available for sale | (768,236) | 2,492,175 |
| Revenue from the construction of own assets | 6,952,104 | 5,665,123 |
| Allowance for doubtful accounts | (8,344) | 8,520 |
| Less: | | |
| Acquisition of products | (870,853) | (1,095,493) |
| Outsourced services | (5,135,205) | (3,831,753) |
| Materials | (5,376,751) | (5,590,277) |
| Fuel oil and gas | (1,105,678) | (946,931) |
| Energy | (540,039) | (390,833) |
| Other costs and expenses | (2,400,367) | (2,078,142) |
| Gross added value | 19,022,860 | 25,037,913 |
| Depreciation, amortization and depletion | (1,211,907) | (937,985) |
| Net added value | 17,810,953 | 24,099,928 |
| Received from third parties | | |
| Financial income | 549,513 | 1,151,013 |
| Equity results | 5,307,372 | 5,013,479 |
| Total added value to be distributed | 23,667,838 | 30,264,420 |
| Personnel | 2,172,572 | 1,935,484 |
| Taxes, rates and contribution | 2,793,755 | 1,404,853 |
| Current income tax | 1,203,271 | 4,063,509 |
| Deferred income tax | (18,606) | 621,840 |
| Remuneration of debt capital | 2,590,636 | 1,538,156 |
| Monetary and exchange changes, net | 2,892,144 | (865,764) |
| Net income attributable to the Company's stockholders | 12,034,066 | 21,566,342 |
| Distribution of added value | 23,667,838 | 30,264,420 |

The accompanying notes are an integral part of these interim financial statements.

Table of Contents

(A free translation from the original in Portuguese)

Notes to Interim Financial Statements

Expressed in millions of Brazilian Reais, unless otherwise stated

1- Operational Context

Vale S.A. (Vale or Parent Company) is a Public Limited Liability Company with its headquarters in the city of Rio de Janeiro, Graça Aranha Avenue, 26, Downtown, State of Rio de Janeiro, Brazil and has its securities traded on the stock exchanges in Sao Paulo (BM&F and BOVESPA), New York (NYSE), Paris (NYSE Euronext) and Hong Kong (HKEx).

The Company and its direct and indirect subsidiaries (Group or Company) is principally engaged in the research, production and marketing of iron ore and pellets, nickel, fertilizer, copper, coal, manganese, iron alloys, cobalt, platinum group metals and precious metals. In addition, it operates in the segments of energy, logistics and steel.

The main consolidated operating subsidiaries are:

| Entities | % ownership | % voting capital | Location | Principal activity |
|---|--------------------|-------------------------|-----------------|---------------------------|
| Subsidiaries | | | | |
| Compañia Minera Miski Mayo S.A.C | 40.00 | 51.00 | Peru | Fertilizers |
| Ferrovia Centro-Atlântica S. A. | 99.99 | 99.99 | Brazil | Logistics |
| Ferrovia Norte Sul S.A. | 100.00 | 100.00 | Brazil | Logistics |
| Mineração Corumbaense Reunida S.A. | 100.00 | 100.00 | Brazil | Iron ore and Manganese |
| PT Vale Indonesia Tbk | 59.20 | 59.20 | Indonesia | Nickel |
| Sociedad Contractual Minera Tres Valles | 90.00 | 90.00 | Chile | Copper |
| Vale Australia Pty Ltd. | 100.00 | 100.00 | Australia | Coal |
| Vale Canada Limited | 100.00 | 100.00 | Canada | Nickel |
| Vale Coal Colombia Ltd. (see note 7) | 100.00 | 100.00 | Colombia | Coal |
| Vale Fertilizantes S.A | 100.00 | 100.00 | Brazil | Fertilizers |
| Vale International Holdings GMBH | 100.00 | 100.00 | Austria | Holding and Research |
| Vale International S.A | 100.00 | 100.00 | Switzerland | Trading |
| Vale Manganês S.A. | 100.00 | 100.00 | Brazil | Manganese and Ferroalloys |
| Vale Mina do Azul S.A. | 100.00 | 100.00 | Brazil | Manganese |
| Vale Moçambique S.A. | 95.00 | 95.00 | Mozambique | Coal |
| Vale Nouvelle-Calédonie SAS | 74.00 | 74.00 | New Caledonia | Nickel |
| Vale Oman Pelletizing Company LLC | 100.00 | 100.00 | Oman | Pellet |
| Vale Shipping Holding PTE Ltd. | 100.00 | 100.00 | Singapura | Logistics |

2 - Basis of presentation

The condensed interim financial statements (interim financial statements) have been prepared considering historical cost as the basis of value and adjusted to reflect the financial assets available for sale, and financial assets and liabilities (including derivative instruments) measured at fair value. The financial statements for the periods of three months ended June 30, 2012, March 31, 2012, June 30, 2011 and the period of six months ended June 30, 2012 and June 30, 2011 are unaudited. However, the interim financial statements follow the principles, methods and standards in relation to those adopted annual audited financial statements for the year ended December 31, 2011, except for the change in accounting policy disclosed in Note 3, and therefore should be read in conjunction therewith.

In preparing the interim financial statements the use of estimates is required to account for certain assets, liabilities and transactions. Consequently, the Company's interim financial statements include various estimates regarding useful lives of fixed assets, provisions for losses on assets, contingencies, operating provisions and other similar evaluations. The actual results of operations for the quarterly periods are not necessarily an indication of expected results for the fiscal year to end on December 31, 2012.

Table of Contents

(A free translation from the original in Portuguese)

The Company has evaluated subsequent events until July 23, 2012, which is the date of the interim financial statements approval by the Executive Directors.

a) Consolidated interim financial statements

The consolidated interim financial statements of the company have been prepared and are presented according to the Accounting Pronouncements Committee - CPC 21 (R1) Interim Financial Statements, equivalent to International Accounting Standard - IAS 34.

b) Parent company interim financial statements

The interim financial statements of the individual parent have been prepared under the Accounting Pronouncements Committee - CPC 21 (R1) Interim Statements are presented with the consolidated interim financial statements.

In the case of Vale, CPC 21 applied to individual interim financial statements differs from IAS 34, applied to the separate financial statements, only in the valuation of investments by the equity method in subsidiaries and affiliates, as according to IAS 34, cost or fair value would be used.

c) Transactions and balances in foreign exchange

Operations with other currencies are translated into the functional currency of the parent company, Brazilian Reals (BRL or R\$), using the actual exchange rate on the transaction dates (or, if unavailable, the first available exchange rate). The foreign exchange gains and losses resulting from the settlement of these transactions and from the translation by exchange rates at the end of the year, relating to monetary assets and liabilities in other currencies, are recognized in the statement of income as financial expense or income.

The quotations of major currencies that impact our operations were:

| Exchange rates used for conversions in reais | |
|--|-------------------|
| June 30, 2012 | December 31, 2011 |

Edgar Filing: Vale S.A. - Form 6-K

| | | |
|----------------------------|--------|--------|
| US dollar - US\$ | 1.9893 | 1.8683 |
| US canadian dollar - CAD | 1.9838 | 1.8313 |
| US australian dollar - AUD | 2.0694 | 1.9092 |
| Euro - EUR or | 2.5033 | 2.4165 |

The foreign exchange of non-monetary financial assets such as investments in shares classified as available for sale, are included in equity under the heading Valuation Adjustment .

Table of Contents

(A free translation from the original in Portuguese)

3 - Changes in accounting policies

Considering the choice given by the pronouncement CPC 19(R1), issued on August 4, 2011, and anticipating the consequences that will accrue from the adoption of IFRS 11 in Brazil in 2013, the Company opted for the purpose of consolidated statements, because of its reflects in investment in jointly-controlled companies using the equity method as from the year 2012.

Adjustment statement in the periods of comparative effects on the balance sheet and income statement:

| Financial Position | Original balance with proportional consolidation | December 31, 2011 Effect of shared control firms | Balance without proportional consolidation |
|---|---|--|---|
| Assets | | | |
| Current | | | |
| Cash and Cash equivalents | 7,457,928 | (864,751) | 6,593,177 |
| Other | 34,637,288 | (1,079,602) | 33,557,686 |
| | 42,095,216 | (1,944,353) | 40,150,863 |
| Non-current | | | |
| Investments | 10,917,110 | 4,066,928 | 14,984,038 |
| Property, plant and equipment, and Intangible Assets | 177,857,715 | (6,214,271) | 171,643,444 |
| Other | 10,913,071 | (602,864) | 10,310,207 |
| | 199,687,896 | (2,750,207) | 196,937,689 |
| Total Asset | 241,783,112 | (4,694,560) | 237,088,552 |
| Liabilities and Stockholders equity | | | |
| Current | | | |
| Accounts Payable | 9,156,706 | (305,486) | 8,851,220 |
| Loans and finances | 3,871,650 | (1,024,326) | 2,847,324 |
| Other | 9,196,718 | (208,502) | 8,988,216 |
| | 22,225,074 | (1,538,314) | 20,686,760 |
| Non-current | | | |
| Loans and finances | 42,752,774 | (2,528,100) | 40,224,674 |
| Deferred income tax and social contribution | 10,772,547 | (158,774) | 10,613,773 |
| Other | 19,342,350 | (459,625) | 18,882,725 |
| | 72,867,671 | (3,146,499) | 69,721,172 |
| Stockholders equity | | | |
| Capital stock | 75,000,000 | | 75,000,000 |
| Noncontrolling interests | 3,214,969 | (9,747) | 3,205,222 |
| Other | 68,475,398 | | 68,475,398 |
| | 146,690,367 | (9,747) | 146,680,620 |
| Total Liabilities and Stockholders equity | 241,783,112 | (4,694,560) | 237,088,552 |

Three-month period ended (unaudited)
June 30, 2011

Edgar Filing: Vale S.A. - Form 6-K

| Statement of profit or loss | Original balance with proportional consolidation | Effect of shared control firms | Balance without proportional consolidation |
|---|---|-----------------------------------|---|
| Net revenue | 25,063,251 | (1,148,654) | 23,914,597 |
| Cost | (9,396,840) | 339,785 | (9,057,055) |
| Gross operating profit | 15,666,411 | (808,869) | 14,857,542 |
| Operational expenses | (2,501,423) | 90,321 | (2,411,102) |
| Financial expenses | 924,911 | (29,968) | 894,943 |
| Equity results | 81,176 | 570,258 | 651,434 |
| Earnings before taxes | 14,171,075 | (178,258) | 13,992,817 |
| Current and deferred Income tax and social contribution, net | (3,991,024) | 178,800 | (3,812,224) |
| Net income of the year | 10,180,051 | 542 | 10,180,593 |
| Loss attributable to noncontrolling interests | (95,308) | 542 | (94,766) |
| Net income attributable to shareholders | 10,275,359 | | 10,275,359 |

Table of Contents

(A free translation from the original in Portuguese)

| Statement of profit or loss | Original balance with proportional consolidation | Six-month period ended (unaudited) June 30, 2011 | |
|---|---|---|---|
| | | Effect of shared control firms | Balance without proportional consolidation |
| Net revenue | 48,048,534 | (2,116,746) | 45,931,788 |
| Cost | (18,910,611) | 618,934 | (18,291,677) |
| Gross operating profit | 29,137,923 | (1,497,812) | 27,640,111 |
| Operational expenses | (2,054,671) | 183,845 | (1,870,826) |
| Financial expenses | 657,028 | (29,500) | 627,528 |
| Equity results | 98,850 | 1,018,370 | 1,117,220 |
| Earnings before taxes | 27,839,130 | (325,097) | 27,514,033 |
| Current and deferred Income tax and social contribution, net | (6,458,192) | 326,890 | (6,131,302) |
| Net income of the year | 21,380,938 | 1,793 | 21,382,731 |
| Loss attributable to noncontrolling interests | (185,404) | 1,793 | (183,611) |
| Net income attributable to shareholders | 21,566,342 | | 21,566,342 |

4 - Critical Accounting Estimates and Judgments

The Critical Accounting Estimates and Judgments are the same as those adopted in the preparation of financial statements for the year ended December 31, 2011.

5 - Accounting Pronouncements

The Company prepared its Interim consolidated financial statements based on CPC 21 (correlated to IAS 34) on the statements, interpretations and guidelines already issued by the CPC and approved by CVM. The statements and interpretations issued by the IASB but not issued by the CPC and approved by CVM will not be adopted in advance by the Company.

During the period, the CPC has not issued any new pronouncement, interpretation or guidance.

In June 2012 IASB issue amendments on IFRS 10, IFRS 11 and IFRS 12 (all still not issued by the CPC). As of standards, the effective date of the amendments is January 1, 2013. The Company is currently studying the future impact of this amendments and do not expect any significant change in the financial statements.

In May 2012 IASB issue the annual improvements with amendments on: IFRS 1 First-time Adoption of International Financial Reporting Standards; IAS 1 Presentation of Financial Statements; IAS 16 Property, Plant and Equipment; IAS 32 Financial Instruments and; IAS 34 Interim Financial Reporting. The effective date of the amendments is January 1, 2013. The Company is currently studying the future impact of this amendments and do not expect any significant change in the financial statements.

6 - Risk Management

There was no significant change in the period related to risk management policy disclosed for the year ended December 31, 2011.

Table of Contents

(A free translation from the original in Portuguese)

7 - Acquisitions and Disposals

a) Fertilizer s Business

In 2010, through our wholly owned subsidiary Mineração Naque S.A. (Naque), Vale acquired 78.92% of the total capital (being 99.83% the of voting capital) of Vale Fertilizantes S.A. and 100% of the total capital of Vale Fosfatados. In 2011 and beginning of 2012, Vale concluded several transactions including a public offer to acquire the free floating of Vale Fertilizantes and its delisting which resulted in the current ownership of 100% of the total capital of this subsidiary.

The purchase consideration of the business combination effected in 2010, when control was obtained, amounted all together to R\$10,696 millions. The purchase price allocation exercise was concluded in 2011 and generated a deferred tax liability on the fair value adjustments, determined based on the temporary differences between the accounting basis of those assets and liabilities at fair values and their tax basis represented by the historical carrying values at the acquired entity. According to current Brazilian tax regulations, goodwill generated in connection with a business combination as well as the fair values of assets and liabilities acquired are only tax deductible post a legal merger between the acquirer and the acquiree.

In June 2012, Vale have decided to legally merge Naque and Vale Fertilizantes. As a result, the carrying amounts of acquired assets and liabilities accounted for at Naque s consolidated financial statements, represented by their amortized fair values from acquisition date, became their tax basis.

Therefore, upon concluding the merger, there are no longer differences between tax basis and carrying amounts of the net assets acquired, and consequently there is no longer deferred tax liability amount to be recognized. The outstanding balance of the initially recognized deferred tax liability (accounted for in connection with the purchase accounting) totaling R\$ 2,533 millions was entirely recycled through P&L for the six-month period ended June 30, 2012, in connection with the legal merger of Vale Fertilizantes into Naque.

In addition, Naque was then renamed as Vale Fertilizantes.

b) Sale of coal

Edgar Filing: Vale S.A. - Form 6-K

In June 2012, Vale informed that it has concluded the sale of its thermal coal operations in Colombia to CPC S.A.S., an affiliate of Colombian Natural Resources S.A.S. (CNR), a privately held company, which includes future compromises around of R\$ 245,302.

The thermal coal operations in Colombia constitute a fully-integrated mine-railway-port system consisting of a coal mine and a coal deposit; a coal port facility; and an equity participation in a railway connecting the coal mines to the port.

The loss on this transaction, of R\$721,808 was recorded in the income statement in the line Realized gain (loss) on non-current assets held for sales .

c) Acquisition of EBM shares

Continuing the process of optimization its corporate structure, during 2Q12 Vale acquired additional 10.46% of Empreendimentos Brasileiros de Mineração S. A. (EBM), whose main asset is the participation in Minerações Brasileiras Reunidas S. A., wich owns mines sites Itabirito, Vargem Grande and Paraopeba.

As a result of the acquisition, Vale increased its share on the capital of EBM to 96.7% and of MBR to 98.3%, and the amounts of R\$ 449,988 are recognized as a result from operations with non-controlling interest in Stockholders Equity .

Table of Contents

(A free translation from the original in Portuguese)

8 - Cash and Cash Equivalents

| | June 30, 2012 (unaudited) | Consolidated December 31, 2011 (I) | June 30, 2012 (unaudited) | Parent Company December 31, 2011 |
|------------------------|--|---|--|---|
| Cash and bank accounts | 2,071,096 | 1,770,142 | 33,286 | 176,722 |
| Short-term investments | 6,046,573 | 4,823,035 | 376,313 | 398,065 |
| | 8,117,669 | 6,593,177 | 409,599 | 574,787 |

(I) Period adjusted according to note 3.

Cash and cash equivalents includes cash values, demand deposits, and financial investments with insignificant risk of changes in value, being part Brazilian Reais indexed at the rate of interbank certificates of deposit (DI Rate or CDI) and part in US Dollars in time deposits with a maturity of less than three months.

9 - Accounts Receivables

| | June 30, 2012 (unaudited) | Consolidated December 31, 2011 (I) | June 30, 2012 (unaudited) | Parent Company December 31, 2011 |
|--|--|---|--|---|
| Denominated in reais brazilian Reais | 1,947,872 | 2,294,927 | 1,886,748 | 2,238,140 |
| Denominated in other currencies, mainly US\$ | 12,217,624 | 13,790,752 | 15,904,691 | 13,698,463 |
| | 14,165,496 | 16,085,679 | 17,791,439 | 15,936,603 |
| Allowance for doubtful accounts | (191,344) | (196,872) | (136,097) | (127,754) |
| | 13,974,152 | 15,888,807 | 17,655,342 | 15,808,849 |

(I) Period adjusted according to note 3.

Accounts receivables related to the steel industry market represent 70.6% and 67.9%, of receivables on June 30, 2012 and December 31, 2011, respectively.

Edgar Filing: Vale S.A. - Form 6-K

No one customer represents over 10% of receivables or revenues.

The loss estimates for credit losses recorded in income as at June 30, 2012 and December 31, 2011 totaled R\$ 721, R\$ 2,941, respectively. Write offs as at June 30, 2012, and December 31, 2011, totaled R\$ 6,249 and R\$ 2,324, respectively.

10 - Inventories

| | June 30, 2012 (unaudited) | Consolidated December 31, 2011 (I) | June 30, 2012 (unaudited) | Parent Company December 31, 2011 |
|--|------------------------------|---------------------------------------|------------------------------|-------------------------------------|
| Inventories of products | | | | |
| Finished | 5,519,433 | 4,881,024 | 2,383,865 | 2,170,119 |
| In process | 2,432,626 | 2,568,704 | | |
| | 7,952,059 | 7,449,728 | 2,383,865 | 2,170,119 |
| Inventories of spare parts and maintenance supplies | | | | |
| | 2,549,825 | 2,383,322 | 1,081,080 | 1,012,619 |
| Total | 10,501,884 | 9,833,050 | 3,464,945 | 3,182,738 |

(I) Period adjusted according to note 3.

On June 30, 2012, inventory balances include a provision for adjustment to market value of nickel and manganese in the amount of R\$ 21,758 and R\$ 16,298 (R\$ 26,551 and R\$ 16,298 in December 31, 2011), respectively.

Table of Contents

(A free translation from the original in Portuguese)

| | Consolidated (unaudited) | | Consolidated (unaudited) | | |
|--|-----------------------------|--|-----------------------------|------------------|-------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | June 30, 2012 | June 30, 2011 (I) |
| Changes in the inventory | | | | | |
| Balance on begin of period | 7,795,929 | 7,449,728 | 5,989,253 | 7,449,728 | 10,598,181 |
| Addition | 9,694,467 | 8,632,725 | 8,129,258 | 18,327,192 | 17,403,762 |
| Transfer on maintenance supplies | 2,132,618 | 1,800,252 | 1,451,957 | 3,932,870 | 3,012,179 |
| Write-off by sale | (11,670,292) | (10,049,383) | (9,057,055) | (21,719,675) | (18,291,677) |
| Write-off by inventory adjustment | | | (222,897) | | (434,717) |
| (write-off) by lower cost or market adjustment | (663) | (37,393) | (8,375) | (38,056) | (16,334) |
| Balance on ended of period | 7,952,059 | 7,795,929 | 6,282,141 | 7,952,059 | 12,271,394 |

(I) Period adjusted according to note 3.

| | Parent Company | |
|--|------------------|------------------|
| | June 30, 2012 | June 30, 2011 |
| Changes in the inventory | | |
| Balance on begin of period | 2,170,119 | 1,534,837 |
| Addition | 9,895,766 | 11,304,948 |
| Transfer on maintenance supplies | 1,854,231 | 1,608,421 |
| Write-off by sale | (11,514,493) | (9,708,746) |
| Write-off by inventory adjustment | | (101,396) |
| Write-off by lower cost or market adjustment | (21,758) | (10,443) |
| Balance on ended of period | 2,383,865 | 4,627,621 |

(I) Period adjusted according to note 3.

| | Consolidated (unaudited) | | Consolidated (unaudited) | | |
|---|-----------------------------|--|-----------------------------|------------------|-------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | June 30, 2012 | June 30, 2011 (I) |
| Changes on Inventory of consumable materials | | | | | |
| Balance on begin of period | 2,359,666 | 2,383,322 | 1,863,022 | 2,383,322 | 2,563,391 |
| Addition | 2,322,777 | 1,776,596 | 1,558,694 | 4,099,373 | 2,418,547 |
| Consumption | (2,132,618) | (1,800,252) | (1,451,957) | (3,932,870) | (3,012,179) |
| Balance on ended of period | 2,549,825 | 2,359,666 | 1,969,759 | 2,549,825 | 1,969,759 |

| Changes on Inventory of consumable materials | Parent Company | |
|---|---|----------------------|
| | Six-month period ended (unaudited) | |
| | June 30, 2012 | June 30, 2011 |
| Balance on begin of period | 1,012,619 | 782,134 |
| Addition | 1,922,692 | 1,764,039 |
| Consumption | (1,854,231) | (1,608,421) |
| Balance on ended of period | 1,081,080 | 937,752 |

Table of Contents

(A free translation from the original in Portuguese)

11 - Assets and liabilities held for sale

In connection with our strategy of active portfolio asset management, on July 10, 2012, we informed that it has signed a share purchase agreement to sell its manganese ferroalloys operations in Europe to subsidiaries of Glencore International Plc., a company listed on the London and Hong Kong Stock Exchanges, for R\$ 318 in cash, subject to the fulfillment of certain precedent conditions. Vale recorded a loss of R\$ 45 millions presented on its statement of income as gain (loss) sale of assets .

The manganese ferroalloys operations in Europe consist of: (a) 100% of Vale Manganèse France SAS, located in Dunkerque, France; and (b) 100% of Vale Manganese Norway AS, located in Mo I Rana, Norway.

| | June 30, 2012 (unaudited) |
|--|----------------------------------|
| Assets held for sale | |
| Accounts receivable | 92,276 |
| Recoverable taxes | 11,248 |
| Inventories | 179,528 |
| Property, plant and equipment | 82,646 |
| Other | 5,641 |
| Total | 371,339 |
| Liabilities related to assets held for sale | |
| Suppliers | 39,053 |
| Deferred income tax | 8,666 |
| Others | 16,964 |
| Total | 64,683 |

12 - Recoverable Taxes

Recoverable taxes are stated at net value of any realized loss and are classified by the estimated time for realization:

| | Consolidated | | Parent Company | |
|--|----------------------|------------------------------|-----------------------|--------------------------|
| | June 30, 2012 | December 31, 2011 (I) | June 30, 2012 | December 31, 2011 |
| | (unaudited) | | (unaudited) | |
| Income tax | 2,590,496 | 1,427,018 | 637,798 | 168,365 |
| Value-added tax | 2,111,937 | 1,981,925 | 952,213 | 731,259 |
| Brazilian Federal Contributions (PIS - COFINS) | 696,729 | 1,768,006 | 437,117 | 1,535,953 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | |
|--------------|------------------|------------------|------------------|------------------|
| Others | 138,361 | 110,326 | 86,639 | 82,181 |
| Total | 5,537,523 | 5,287,275 | 2,113,767 | 2,517,758 |
| Current | 4,309,765 | 4,190,141 | 1,869,205 | 2,316,532 |
| Non-current | 1,227,758 | 1,097,134 | 244,562 | 201,226 |
| Total | 5,537,523 | 5,287,275 | 2,113,767 | 2,517,758 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

13 - Investments

| | Consolidated (unaudited) | | | | |
|-----------------------------------|-----------------------------|--|-------------------|---|-------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | Six-month period ended June 30, 2012 | June 30, 2011 (I) |
| Changes in Investments | | | | | |
| Balance on begin of period | 15,816,422 | 14,984,038 | 13,376,520 | 14,984,038 | 7,315,383 |
| Additions | 78,802 | 378,374 | 40,732 | 457,176 | 6,320,380 |
| Disposals | (61,896) | | (8,121) | (61,896) | (8,121) |
| Cumulative translation adjustment | 482,360 | 80,422 | (222,574) | 562,782 | (390,084) |
| Equity | 309,600 | 437,020 | 651,434 | 746,620 | 1,117,220 |
| Valuation Adjustment | 27,506 | 26,638 | (560) | 54,144 | (2,731) |
| Dividends proposed | (615,532) | (90,070) | (630,725) | (705,602) | (1,145,341) |
| Balance on ended of period | 16,037,262 | 15,816,422 | 13,206,706 | 16,037,262 | 13,206,706 |

(I) Period adjusted according to note 3.

| | Parent Company Six-month period ended (unaudited) | |
|-----------------------------------|--|-------------------|
| | June 30, 2012 | June 30, 2011 |
| Changes in Investments | | |
| Balance on begin of period | 113,149,994 | 92,111,361 |
| Additions | 3,318,237 | 2,069,883 |
| Disposals | (1,221,535) | |
| Cumulative translation adjustment | 4,952,142 | (3,365,969) |
| Equity | 5,260,944 | 7,505,654 |
| Valuation Adjustment | (695,695) | 154,371 |
| Dividends proposed | (925,277) | (1,233,450) |
| Balance on ended of period | 123,838,810 | 97,241,850 |

Edgar Filing: Vale S.A. - Form 6-K

Table of Contents

(A free translation from the original in Portuguese)

| | Investments | | Equity results | | | | | Receivables | |
|---|---------------|--------------------------------------|--------------------------------------|--------------------------------------|------------------------|--------------------------------------|---------------|---------------|----------------|
| | Period ended | Three-month period ended (unaudited) | Three-month period ended (unaudited) | Three-month period ended (unaudited) | Six-month period ended | Three-month period ended (unaudited) | | | |
| | June 30, 2012 | December 31, 2011 | June 30, 2012 | March 31, 2012 | June 30, 2011 | June 30, 2012 | June 30, 2011 | June 30, 2012 | March 31, 2012 |
| Subsidiaries and affiliated companies | | | | | | | | | |
| Direct and indirect subsidiaries | | | | | | | | | |
| Aços Laminados do Pará S.A. | 293,886 | 266,253 | (562) | (2,735) | (19,260) | (3,297) | (25,972) | | |
| Balderton Trading Corp | 342,453 | 341,426 | (4,781) | (15,559) | (307) | (20,340) | (6,084) | | |
| Biopalma da Amazonia S.A. | 381,276 | 442,108 | (54,273) | (6,559) | | (60,832) | | | |
| Companhia Portuária da Baía de Sepetiba - CPBS | 325,256 | 349,538 | 62,156 | 39,864 | 44,632 | 102,020 | 74,360 | | |
| Compañía Minera Miski Mayo S.A.C (a) | 531,507 | 403,345 | 34,474 | 18,720 | (7,366) | 53,194 | (20,947) | | |
| Ferrovia Centro-Atlantica S.A. (a) | 2,486,260 | 2,359,188 | (43,602) | (107,326) | (33,288) | (150,928) | (94,608) | | |
| Ferrovia Norte Sul S.A. | 1,731,459 | 1,739,854 | 5,223 | (12,897) | 12,490 | (7,674) | 3,440 | | |
| Mineração Corumbaense Reunida S.A. | 1,121,149 | 1,112,621 | 104,811 | (2,688) | 16,571 | 102,123 | 26,358 | | |
| Minerações Brasileiras Reunidas S.A. - MBR (b) | 4,285,021 | 3,791,794 | 31,936 | 35,679 | (117,276) | 67,615 | (187,578) | | |
| Potasio Rio Colorado S.A. | 4,315,037 | 2,775,759 | (18,590) | (17,561) | 5,509 | (36,151) | (640) | | |
| Rio Doce Australia Pty Ltd. | 655,515 | 751,781 | (108,557) | (104,557) | (108,398) | (213,114) | (158,057) | | |
| Salobo Metais S.A. (a) | 5,584,041 | 4,625,199 | (27,600) | 4,842 | 48,826 | (22,758) | 43,987 | | |
| Sociedad Contractual Minera Tres Valles (a) | 410,917 | 432,494 | (32,552) | (20,876) | (9,120) | (53,428) | (9,891) | | |
| Vale International Holdings GMBH (b) | 8,088,767 | 7,849,495 | (137,616) | (62,515) | (57,375) | (200,131) | 1,316,135 | | |
| Vale Canada Limited (b) | 10,025,592 | 9,746,214 | (665,815) | (371,426) | 12,967 | (1,037,241) | 511,997 | | |
| Vale Colombia Holding Ltd. (f) | | 1,183,387 | (57,789) | (6,388) | 21,685 | (64,177) | (5,018) | | |
| Vale Fertilizantes S.A. (e) | | 10,735,382 | (53,320) | 1,462 | 66,407 | (51,858) | 125,288 | | |
| Vale Fertilizantes S.A. (old Mineração Naque S.A.) (b) | 14,343,454 | 1,921,229 | 2,531,162 | 27,832 | (63,800) | 2,558,994 | (27,512) | | |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | | | |
|---|--------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------|
| Vale International S.A. (b) | 44,904,397 | 40,602,111 | 926,685 | 2,626,310 | 1,775,410 | 3,552,995 | 4,975,161 | |
| Vale Manganês S.A. | 722,764 | 716,729 | 33,431 | (27,396) | (5,009) | 6,035 | 34,415 | |
| Vale Mina do Azul S.A. | 156,890 | 154,348 | 7,479 | (4,937) | | 2,542 | | |
| Vale Moçambique S.A. | 1,014,126 | 770,948 | (86,582) | (60,670) | (161,213) | (147,252) | (224,159) | |
| Vale Shipping Holding Pte. Ltd. | 4,595,247 | 3,944,448 | 33,090 | 73,140 | 34,869 | 106,230 | 33,817 | |
| VBG Vale BSGR Limited (a) | 860,768 | 756,825 | (47,313) | (39,949) | (32,460) | (87,262) | (43,864) | |
| Others | 625,766 | 393,480 | 63,774 | 55,246 | 48,507 | 119,020 | 47,806 | 682 |
| | 107,801,548 | 98,165,956 | 2,495,269 | 2,019,055 | 1,473,001 | 4,514,324 | 6,388,434 | 682 |
| <u>Joint controlled entities</u> | | | | | | | | |
| California Steel Industries, INC | 349,944 | 301,088 | 17,130 | 10,401 | 10,968 | 27,531 | 20,302 | |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | 196,883 | 208,497 | 15,721 | 12,665 | 12,319 | 28,386 | 28,593 | 20,000 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 251,093 | 214,194 | 56,627 | 3,487 | 7,633 | 60,114 | 12,336 | 23,215 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 120,380 | 150,329 | 2,477 | 10,239 | 23,898 | 12,716 | 40,107 | 36,048 |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 337,654 | 372,304 | 6,274 | 10,076 | 23,922 | 16,350 | 37,463 | 51,000 |
| CSP- Companhia Siderúrgica do PECEM | 898,578 | 498,643 | (1,066) | (1,833) | | (2,899) | | |
| Henan Longyu Energy Resources CO., LTD. | 626,087 | 528,929 | 30,509 | 31,947 | 29,066 | 62,456 | 68,361 | 107,359 |
| LOG-IN - Logística Intermodal S/A (c) | 185,306 | 212,085 | (9,165) | (17,614) | (3,328) | (26,779) | (3,328) | |
| Mineração Rio Grande do Norte S.A. - MRN | 248,266 | 248,463 | 7,646 | 12,406 | 1,208 | 20,052 | 4,542 | |
| MRS Logística S.A. | 1,118,780 | 1,027,968 | 36,442 | 70,350 | 55,790 | 106,792 | 116,282 | |
| Norsk Hydro ASA (d) | 6,309,823 | 6,029,045 | | 50,087 | 79,446 | 50,087 | 79,446 | 95,382 |
| Norte Energia S.A. | 134,399 | 136,509 | (2,110) | | | (2,110) | | |
| Samarco Mineração S.A. | 1,020,977 | 744,742 | 276,008 | 372,910 | 443,959 | 648,918 | 790,678 | |
| Teal Minerals (Barbados) Incorporated | 471,794 | 437,134 | (3,303) | (2,542) | (4,247) | (5,845) | (11,804) | |
| Tecnored Desenvolvimento Tecnológico S.A. | 101,902 | 85,963 | (12,717) | (2,851) | (302) | (15,568) | (1,692) | |
| Thyssenkrupp CSA Companhia Siderúrgica do Atlântico | 3,005,482 | 3,003,275 | (91,433) | (64,400) | (11,059) | (155,833) | (25,237) | |
| Vale Florestar Fundo de Investimento | 226,790 | 227,015 | (1,992) | 1,767 | (364) | (225) | (2,456) | |
| Vale Soluções em Energia S.A. (a) | 218,677 | 272,075 | (17,015) | (56,982) | (8,398) | (73,997) | (22,845) | |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | | | | |
|-------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Zhuhai YPM Pellet | | | | | | | | | |
| Co | 45,387 | 42,623 | 321 | 324 | 2,043 | 645 | 878 | | |
| Others | 169,060 | 243,157 | (754) | (3,417) | (11,120) | (4,171) | (14,406) | | |
| | 16,037,262 | 14,984,038 | 309,600 | 437,020 | 651,434 | 746,620 | 1,117,220 | 225,645 | 107,359 |
| | 123,838,810 | 113,149,994 | 2,804,869 | 2,456,075 | 2,124,435 | 5,260,944 | 7,505,654 | 225,645 | 108,041 |

Table of Contents

(A free translation from the original in Portuguese)

-
- (a) Investment balance includes the values of advances for future capital increase;
 - (b) Excluded from equity, investment companies already detailed in note;
 - (c) Market value on June 30, 2012 was R\$ 206,909 and on December 31, 2011 was R\$ 197,138; and
 - (d) Market value on June 30, 2012 was R\$ 4,008,947 and on December 31, 2011 was R\$ 3,806,880.
 - (e) Incorporated in Vale Fertilizantes S.A. (old Mineração Naque S.A.)
 - (f) Company sold in June 2012

Dividends received by the Parent company in June 2011 was R\$ 1,103,265.

14 - Intangible

| | Consolidated | | | | | |
|-----------------------------------|---------------------------|--------------------|-------------------|-----------------------|--------------------|-------------------|
| | June 30, 2012 (unaudited) | | | December 31, 2011 (I) | | |
| | Cost | Amortization | Net Intangible | Cost | Amortization | Net Intangible |
| Indefinite useful lifetime | | | | | | |
| Goodwill | 9,220,793 | | 9,220,793 | 8,989,901 | | 8,989,901 |
| | 9,220,793 | | 9,220,793 | 8,989,901 | | 8,989,901 |
| Finite useful lifetime | | | | | | |
| Concession and subconcession | 10,489,312 | (3,060,320) | 7,428,992 | 9,996,789 | (2,813,133) | 7,183,656 |
| Right to use | 627,258 | (19,287) | 607,971 | 1,132,774 | (79,901) | 1,052,873 |
| Others | 2,056,548 | (1,232,734) | 823,814 | 1,682,473 | (1,120,322) | 562,151 |
| | 13,173,118 | (4,312,341) | 8,860,777 | 12,812,036 | (4,013,356) | 8,798,680 |
| Total | 22,393,911 | (4,312,341) | 18,081,570 | 21,801,937 | (4,013,356) | 17,788,581 |

(I) Period adjusted according to note 3.

| | Parent Company | | | | | |
|-----------------------------------|---------------------------|--------------|----------------|-------------------|--------------|----------------|
| | June 30, 2012 (unaudited) | | | December 31, 2011 | | |
| | Cost | Amortization | Net Intangible | Cost | Amortization | Net Intangible |
| Indefinite useful lifetime | | | | | | |
| Others | 9,220,793 | | 9,220,793 | 8,989,901 | | 8,989,901 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | |
|------------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
| | 9,220,793 | | 9,220,793 | 8,989,901 | | 8,989,901 |
| Finite useful lifetime | | | | | | |
| Concession and subconcession | 6,168,497 | (2,270,276) | 3,898,221 | 5,920,202 | (2,105,340) | 3,814,862 |
| Right to use | 143,514 | (697) | 142,817 | 678,676 | (71,860) | 606,816 |
| Others | 2,056,548 | (1,232,734) | 823,814 | 1,682,473 | (1,120,322) | 562,151 |
| | 8,368,559 | (3,503,707) | 4,864,852 | 8,281,351 | (3,297,522) | 4,983,829 |
| Total | 17,589,352 | (3,503,707) | 14,085,645 | 17,271,252 | (3,297,522) | 13,973,730 |

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

| | Consolidated (unaudited) | | | | |
|----------------------------------|--------------------------|--------------------------------|------------------|----------------|-------------------|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total |
| Balance at March 31, 2012 | 8,962,331 | 7,299,742 | 1,042,252 | 655,345 | 17,959,670 |
| Addition through acquisition | | 268,845 | | 228,346 | 497,191 |
| Write off | | | (455,317) | | (455,317) |
| Amortization | | (139,595) | (7,687) | (59,877) | (207,159) |
| Translation adjustment | 258,462 | | 28,723 | | 287,185 |
| Balance at June 30, 2012 | 9,220,793 | 7,428,992 | 607,971 | 823,814 | 18,081,570 |

| | Consolidated (unaudited) | | | | |
|---------------------------------------|--------------------------|--------------------------------|------------------|----------------|-------------------|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total |
| Balance at January 1, 2012 (I) | 8,989,901 | 7,183,656 | 1,052,873 | 562,151 | 17,788,581 |
| Addition through acquisition | | 235,489 | | 145,624 | 381,113 |
| Write off | | (595) | | | (595) |
| Amortization | | (118,808) | (10,694) | (52,430) | (181,932) |
| Translation adjustment | (27,570) | | 73 | | (27,497) |
| Balance at March 31, 2012 | 8,962,331 | 7,299,742 | 1,042,252 | 655,345 | 17,959,670 |

Table of Contents

(A free translation from the original in Portuguese)

| | Consolidated (unaudited) | | | | |
|--------------------------------------|--------------------------|--------------------------------|------------------|----------------|-------------------|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total |
| Balance at March 31, 2011 (I) | 8,656,809 | 6,980,802 | 1,046,892 | 659,515 | 17,344,018 |
| Addition through acquisition | | 9,957 | | 173,577 | 183,534 |
| Write off | | (18,073) | | (1,474) | (19,547) |
| Amortization | | (165,361) | (5,989) | (61,330) | (232,680) |
| Translation adjustment | (177,474) | | (19,748) | | (197,222) |
| Others | | 295,185 | | (295,185) | |
| Balance at June 30, 2011 (I) | 8,479,335 | 7,102,510 | 1,021,155 | 475,103 | 17,078,103 |

| | Consolidated (unaudited) | | | | |
|-----------------------------------|--------------------------|--------------------------------|------------------|----------------|-------------------|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total |
| Balance at January 1, 2012 | 8,989,901 | 7,183,656 | 1,052,873 | 562,151 | 17,788,581 |
| Addition through acquisition | | 504,334 | | 373,970 | 878,304 |
| Write off | | (595) | (455,317) | | (455,912) |
| Amortization | | (258,403) | (18,381) | (112,307) | (389,091) |
| Translation adjustment | 230,892 | | 28,796 | | 259,688 |
| Balance at June 30, 2012 | 9,220,793 | 7,428,992 | 607,971 | 823,814 | 18,081,570 |

| | Consolidated (unaudited) | | | | |
|---------------------------------------|--------------------------|--------------------------------|------------------|----------------|-------------------|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total |
| Balance at January 1, 2011 (I) | 8,654,307 | 6,514,317 | 1,054,289 | 685,690 | 16,908,603 |
| Addition through acquisition | | 588,721 | | 187,136 | 775,857 |
| Write off | | (18,607) | | (1,739) | (20,346) |
| Amortization | | (277,106) | (11,978) | (100,799) | (389,883) |
| Translation adjustment | (174,972) | | (21,156) | | (196,128) |
| Others | | 295,185 | | (295,185) | |
| Balance at June 30, 2011 (I) | 8,479,335 | 7,102,510 | 1,021,155 | 475,103 | 17,078,103 |

(I) Period adjusted according to note 3.

| | Parent company (unaudited) | | | | |
|-----------------------------------|----------------------------|--------------------------------|----------------|----------------|-------------------|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total |
| Balance at January 1, 2012 | 8,989,901 | 3,814,862 | 606,816 | 562,151 | 13,973,730 |
| Addition through acquisition | | 250,463 | | 373,970 | |
| Write off | | (595) | (455,317) | | |
| Amortization | | (166,509) | (8,682) | (112,307) | |
| Translation adjustment | 230,892 | | | | |
| Balance at June 30, 2012 | 9,220,793 | 3,898,221 | 142,817 | 823,814 | 13,973,730 |

Edgar Filing: Vale S.A. - Form 6-K

Parent company (unaudited)

| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total |
|--|------------------|---|---------------------|----------------|-------------------|
| Balance at January 1, 2011 | 8,654,307 | 3,823,518 | 630,770 | 454,513 | 13,563,108 |
| Addition through acquisition internal development | | 205,175 | | 187,136 | 392,311 |
| Write off | | (2,261) | | (1,739) | (4,000) |
| Amortization Rates | | (161,173) | (11,978) | (100,799) | (273,950) |
| Translation adjustment | (174,972) | | | | (174,972) |
| Balance at June 30, 2011 | 8,479,335 | 3,865,259 | 618,792 | 539,111 | 13,502,497 |

Table of Contents

(A free translation from the original in Portuguese)

15 - Property, plant and equipment

| | Consolidated (unaudited) | | | | | | | Total |
|--|--------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|---------------------------|--------------------|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions im progress | |
| Balance in march 31, 2012 | 1,357,051 | 11,862,826 | 20,680,885 | 651,240 | 34,409,040 | 36,563,525 | 51,564,353 | 157,088,920 |
| Acquisitions | | | | | | | 4,284,881 | 4,284,881 |
| Disposals | | | | | (73,930) | (323,087) | (272,761) | (669,778) |
| Transfer to non-current assets held for sale | | (15,948) | (65,549) | | | (765) | (383) | (82,645) |
| Depreciation and amortization | | (82,433) | (228,424) | (13,088) | (12,624) | (845,940) | | (1,182,509) |
| Translation adjustment | | 439,604 | 431,916 | (11,716) | 1,365,404 | 915,862 | 4,637,246 | 7,778,316 |
| Transfers | 13,291 | 1,008,460 | 782,703 | 22,009 | 172,908 | 4,824,306 | (6,823,677) | |
| Balance in June 30, 2012 | 1,370,342 | 13,212,509 | 21,601,531 | 648,445 | 35,860,798 | 41,133,901 | 53,389,659 | 167,217,185 |

| | Consolidated (unaudited) | | | | | | | Total |
|---------------------------------------|--------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|---------------------------|--------------------|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions im progress | |
| Balance in January 1, 2012 (I) | 1,331,402 | 11,425,015 | 20,813,602 | 684,358 | 34,635,517 | 36,040,077 | 48,924,892 | 153,854,863 |
| Aquisition | | | | | | | 4,868,428 | 4,868,428 |
| Disposals | | (7,899) | (496) | (662) | (2) | (20,552) | (53,031) | (82,642) |
| Depreciation and amortization | | (230,878) | (410,186) | (51,320) | (342,280) | (799,795) | | (1,834,459) |
| Translation adjustment | | (127,323) | 13,357 | (2,929) | (555,194) | (175,878) | 1,130,697 | 282,730 |
| Transfers | 25,649 | 803,911 | 264,608 | 21,793 | 670,999 | 1,519,673 | (3,306,633) | |
| Balance in March 31, 2012 | 1,357,051 | 11,862,826 | 20,680,885 | 651,240 | 34,409,040 | 36,563,525 | 51,564,353 | 157,088,920 |

| | Consolidated (unaudited) | | | | | | | Total |
|--------------------------------------|--------------------------|------------------|-------------------|--------------------|-------------------|-------------------|---------------------------|--------------------|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions im progress | |
| Balance in march 31, 2011 (I) | 593,245 | 8,118,104 | 25,097,052 | 439,036 | 40,660,511 | 31,523,871 | 19,909,176 | 126,340,995 |
| Aquisition | | | | | | | 3,927,450 | 3,927,450 |
| Disposals | | (638) | (120) | (198) | (25,209) | (29,638) | (106,322) | (162,125) |
| Depreciation and amortization | | (42,183) | (210,563) | (30,070) | (88,666) | (670,959) | | (1,042,441) |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | | | |
|--------------------------|----------------|------------------|-------------------|----------------|-------------------|-------------------|-------------------|--------------------|
| Translation adjustment | (479,435) | 1,317,021 | | 5,466 | (428,221) | (40,814) | (677,482) | (303,465) |
| Transfers | (8,431) | 2,298,231 | 1,140,339 | 5,672 | (2,497,378) | 246,661 | (1,185,094) | |
| Balance in | | | | | | | | |
| June 30, 2011 (I) | 584,814 | 9,894,079 | 27,343,729 | 419,906 | 37,621,037 | 31,029,121 | 21,867,728 | 128,760,414 |

Table of Contents

(A free translation from the original in Portuguese)

| | Consolidated (unaudited) | | | | | | Constructions im | Total |
|--|--------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | progress | |
| Balance in January 1, 2012 (I) | 1,331,402 | 11,425,015 | 20,813,602 | 684,358 | 34,635,517 | 36,040,077 | 48,924,892 | 153,854,863 |
| Acquisitions | | | | | | | 9,153,309 | 9,153,309 |
| Disposals | | (7,899) | (496) | (662) | (73,932) | (343,639) | (325,792) | (752,420) |
| Transfer to non-current assets held for sale | | (15,948) | (65,549) | | | (765) | (383) | (82,645) |
| Depreciation and amortization | | (313,311) | (638,610) | (64,408) | (354,904) | (1,645,735) | | (3,016,968) |
| Translation adjustment | | 312,281 | 445,273 | (14,645) | 810,210 | 739,984 | 5,767,943 | 8,061,046 |
| Transfers | 38,940 | 1,812,371 | 1,047,311 | 43,802 | 843,907 | 6,343,979 | (10,130,310) | |
| Balance in June 30, 2012 (I) | 1,370,342 | 13,212,509 | 21,601,531 | 648,445 | 35,860,798 | 41,133,901 | 53,389,659 | 167,217,185 |

| | Consolidated (unaudited) | | | | | | Constructions im | Total |
|---------------------------------------|--------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | progress | |
| Balance in January 1, 2011 (I) | 593,245 | 8,118,104 | 25,097,052 | 439,036 | 40,660,511 | 31,523,871 | 19,909,176 | 126,340,995 |
| Aquisition | | | | | | | 9,362,437 | 9,362,437 |
| Disposals | (61) | (15,250) | (791) | (676) | (31,418) | (32,883) | (107,000) | (188,079) |
| Depreciation and amortization | | (88,581) | (437,494) | (58,109) | (109,907) | (2,028,625) | | (2,722,716) |
| Translation adjustment | | (1,194,299) | (3,316,292) | 98,015 | (652,839) | 3,858,916 | (387,748) | (1,594,247) |
| Transfers | 192,595 | 3,885,612 | (1,885,869) | 268,605 | (8,347,649) | (6,782,364) | 12,669,070 | |
| Balance in June 30, 2011 (I) | 785,779 | 10,705,586 | 19,456,606 | 746,871 | 31,518,698 | 26,538,915 | 41,445,935 | 131,198,390 |

(I) Period adjusted according to note 3.

| | Parent company (unaudited) | | | | | | Constructions im | Total |
|-----------------------------------|----------------------------|------------------|-------------------|--------------------|------------------|-------------------|-------------------|-------------------|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | progress | |
| Balance in January 1, 2012 | 761,612 | 5,020,099 | 12,087,932 | 219,086 | 3,221,211 | 10,059,517 | 24,133,736 | 55,503,193 |
| Aquisition | | | | | | | 6,347,088 | 6,347,088 |
| Disposals | | (1,095) | (131) | (34) | | (60,427) | (17,230) | (78,917) |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | | | |
|---------------------------------|----------------|------------------|-------------------|----------------|------------------|-------------------|-------------------|-------------------|
| Depreciation and amortization | | (87,557) | (288,677) | (48,639) | (66,974) | (631,470) | | (1,123,317) |
| Transfers | 38,940 | 890,905 | 449,159 | 21,121 | 80,575 | 2,124,462 | (3,605,162) | |
| Balance in June 30, 2012 | 800,552 | 5,822,352 | 12,248,283 | 191,534 | 3,234,812 | 11,492,082 | 26,858,432 | 60,648,047 |

Parent company (unaudited)

| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions in progress | Total |
|-----------------------------------|----------------|------------------|-------------------|--------------------|------------------|-------------------|---------------------------|-------------------|
| Balance in January 1, 2011 | 361,738 | 2,543,212 | 8,579,417 | 176,909 | 2,764,737 | 12,074,223 | 17,961,535 | 44,461,771 |
| Acquisition | | | | | | | 13,989,641 | 13,989,641 |
| Disposals | (61) | (3,216) | (15,163) | (84) | (24,751) | (43,899) | (351,414) | (438,588) |
| Depreciation and amortization | | (114,030) | (509,019) | (102,563) | (93,535) | (1,690,484) | | (2,509,631) |
| Others | 399,935 | 2,594,133 | 4,032,697 | 144,824 | 574,760 | (280,323) | (7,466,026) | |
| Balance in June 30, 2011 | 761,612 | 5,020,099 | 12,087,932 | 219,086 | 3,221,211 | 10,059,517 | 24,133,736 | 55,503,193 |

Table of Contents

(A free translation from the original in Portuguese)

The depreciation of the period, allocated to the production cost and to the expenses, in the period of Three-month period ended was R\$ 2.039.983 in June 30, 2012, was R\$ 1.797.762 in March 31, 2012 and was R\$ 1.523.197 in June 30, 2011 and in Six-month period ended was R\$ 3.837.745 in June 30, 2012, was R\$ 3.013.289 and June 30, 2011 in the consolidated in the Three-month period ended was R\$ 649.804 in June 30, 2012, R\$ 562.103 in March 31, 2012 and R\$ 469.283 in June 30, 2011 and in Six-month period ended R\$ 1.211.907 in June 30, 2012 and R\$ 937.985 in June 30, 2011 in the Parent Company.

The net property, plant and equipments given in guarantees for judicial claims in June 30, 2012 and December 31, 2012 correspond to R\$ 188,911 and R\$ 190,545 in consolidated financial statements, and R\$ 130,163 and R\$ 133,975 in the Parent Company, respectively.

16 - Impairment of Assets

There was no adjustment to reduce the recoverable value of assets in the period.

17 - Loans and Financing

a) Short term debts

| | June 30, 2012 (unaudited) | Consolidated December 31, 2011 (I) | June 30, 2012 (unaudited) | Parent Company December 31, 2011 (I) |
|-----------------|------------------------------|---------------------------------------|------------------------------|---|
| Working capital | 999,928 | 40,044 | 999,928 | |
| | 999,928 | 40,044 | 999,928 | |

(I) Period adjusted according to note 3.

Financings raised in the short term for export, denominated in U.S. dollars with an average interest rate on June 30, 2012 and December 31, 2011 of 2,03 % per years and 1.81% per years, respectively.

b) Long term

| | Current Liabilities | | Consolidated | |
|--------------------------------------|------------------------------|-----------------------|------------------------------|-----------------------|
| | June 30, 2012 (unaudited) | December 31, 2011 (I) | June 30, 2012 (unaudited) | December 31, 2011 (I) |
| Long-term contracts abroad | | | | |
| Loans and financing in: | | | | |
| United States dollars | 1,567,530 | 944,101 | 7,138,229 | 5,014,341 |
| Others currencies | 115,918 | 16,805 | 502,653 | 96,395 |
| Notes indexed in United States | | | | |
| dollars (fixed rates) | | 761,243 | 22,632,411 | 18,823,257 |
| Euro | | | 1,877,475 | 1,812,374 |
| Accrued charges | 505,091 | 413,021 | | |
| | 2,188,539 | 2,135,170 | 32,150,768 | 25,746,367 |
| Long-term contracts in Brazil | | | | |
| Indexed to TJLP, TR, IGP-M e CDI | 635,300 | 460,966 | 9,735,343 | 9,798,933 |
| Basket of currencies | 3,219 | 2,629 | | |
| Loans in United States dollars | | | 4,723,654 | 4,679,374 |
| Accrued charges | 171,447 | 208,515 | | |
| | 809,966 | 672,110 | 14,458,997 | 14,478,307 |
| | 2,998,505 | 2,807,280 | 46,609,765 | 40,224,674 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

| | Parent Company | | | |
|--|------------------------------|-------------------|------------------------------|------------------------|
| | Current liabilities | | | Noncurrent liabilities |
| | June 30, 2012 (unaudited) | December 31, 2011 | June 30, 2012 (unaudited) | December 31, 2011 |
| Long-term contracts abroad | | | | |
| Loans and financing in: | | | | |
| United States dollars | 242,029 | 165,056 | 4,055,396 | 3,324,996 |
| Euro | | | 1,877,475 | 1,812,375 |
| Accrued charges | 63,833 | 81,188 | | |
| | 305,862 | 246,244 | 5,932,871 | 5,137,371 |
| Long-term contracts in Brazil | | | | |
| Indexed to TJLP, TR, IGP-M e CDI | 606,475 | 447,162 | 9,417,911 | 9,458,422 |
| Non-convertible debentures into shares | | | 4,000,000 | 4,000,000 |
| Accrued charges | 156,387 | 198,248 | | |
| | 762,862 | 645,410 | 13,417,911 | 13,458,422 |
| | 1,068,724 | 891,654 | 19,350,782 | 18,595,793 |

The long-term portion as at June 30, 2012 has maturity in the following years (unaudited):

| | Consolidated (I) | Parent Company |
|--------------|-------------------|-------------------|
| 2013 | 5,060,787 | 4,408,924 |
| 2014 | 2,461,736 | 2,092,516 |
| 2015 | 1,976,910 | 1,113,491 |
| 2016 | 3,282,059 | 1,118,199 |
| 2017 onwards | 33,828,273 | 10,617,652 |
| | 46,609,765 | 19,350,782 |

(I) Period adjusted according to note 3.

The long-term portion as at March 31, 2012 has maturity in the following years (unaudited):

| | Consolidated (I) | Parent Company |
|------------------|-------------------|-------------------|
| Up to 3% | 9,904,071 | 6,786,724 |
| 3,1% to 5% (*) | 9,053,962 | 2,472,756 |
| 5,1% to 7% | 17,472,756 | 1,791,431 |
| 7,1% to 9% (**) | 9,929,237 | 7,289,843 |
| 9,1% to 11% (**) | 2,198,607 | 2,078,752 |
| Over 11% (**) | 1,049,637 | |
| | 49,608,270 | 20,419,506 |

(I) Period adjusted according to note 3.

(*) Includes the operation of Eurobonds where we have entered into a derivative financial instrument at a cost of 4.71% per year in american dollars.

(**) Includes non-convertible debentures and other Brazilian Real denominated debt with the same interest of the Brazilian Certificate of Deposit (CDI) and Brazilian Government long-term Interest Rates (TJLP) plus a spread. Due to these operations, derivative financial instruments were contracted to protect the Company's exposure to variations in the floating debt in Reais. The total contracted amount for these transactions is R\$ 11,695 million (US\$ 5,879 million), of which R\$ 9,346 million (US\$ 4,698 million) has an original interest rate above 7.1% per year. The average cost after taking into account the derivative transaction is 2.86% per year in US dollars.

The total average cost of all derivative transactions is of 3.12% per year in US Dollars.

On July 10, 2012 (subsequent event) Vale received the amount related to the issue of R\$ 1,828 million (750 millions) notes due 2023. These notes will bear a coupon of 3.75% per year, payable annually, at a price of 99.608% of the principal amount.

In April 2012, through our wholly-owned subsidiary Vale Overseas Limited, we raised the amount of US\$ 1.250 billion notes due 2022 that were priced in March at a price of 101.345% of the principal amount. The notes will bear a coupon of 4.375% per year, payable semi-annually and will be consolidated with, and form a single series with, Vale Overseas's US\$ 1 billion and 4.375% notes due 2022 issued on January 2012. Those notes issued in January, 2012 were sold at a price of 98.804% of the principal amount.

Table of Contents

(A free translation from the original in Portuguese)

c) Credit lines

In August 2011, we entered into an agreement with a syndicate of financial institutions to finance the acquisition of five large ore carriers and two capesize bulkers at two Korean shipyards. The agreement provides a credit line of up to R\$ 1,054 million (US\$ 530 million). As of June 30, 2012, Vale had drawn R\$ 527 million (US\$ 265 million) under the facility.

In October 2010, we signed an agreement with Export Development Canada (EDC) to finance its investment program. Under the agreement, EDC will provide a credit line of up to R\$ 1,989 million (US\$ 1 billion). As of June 30, 2012, Vale had drawn R\$ 1,343 million (US\$ 675 million).

In September 2010, Vale entered into agreements with The Export-Import Bank of China and the Bank of China Limited for the financing to build 12 very large ore carriers comprising a facility for an amount of up to R\$ 2,445 million (US\$ 1,229 million). The financing has a 13-year total term to be repaid, and the funds will be disbursed during 3 years according to the construction schedule. As of June 30, 2012, we had drawn R\$ 1,416 million (US\$ 712 million) under this facility.

In June 2010, Vale established certain facilities with Banco Nacional de Desenvolvimento Econômico Social (BNDES) for a total amount of R\$ 774 million, to finance the acquisition of domestic equipments. On March 31, 2011, Vale increased this facility through a new agreement with BNDES for R\$ 103 million. As of June 30, 2012, we had drawn R\$ 641 million under these facilities.

In May 2008, the Company has signed agreements with Japanese long term financing credit agencies in the amount of R\$ 9,947 million (US\$ 5 billion), being R\$ 5,968 million (US\$ 3 billion) with Japan Bank for International Cooperation (JBIC) and R\$ 3,979 million (US\$ 2 billion) with Nippon Export and Investment Insurance (NEXI), to finance mining projects, logistics and energy generation. Until June 30, 2012, Vale through its subsidiary PT Vale Indonesia Tbk (PTI) withdrew R\$ 597 million (US\$ 300 million), under the credit facility from NEXI to finance the construction of the hydroelectric plant of Karebbe, Indonesia.

In April 2008, Vale has signed a credit line in the amount of R\$ 7.3 billion with BNDES to finance its investment program. June 30, 2012, Vale withdrew R\$ 2,849 million in this line.

d) Revolving credit lines

Edgar Filing: Vale S.A. - Form 6-K

Vale has available revolving credit lines that can be disbursed and paid at any time, during its availability period. On June 30, 2012, the total amount available under the revolving credit lines was R\$ 5,968 million (US\$ 3 billion), that can be drawn by Vale S.A., Vale Canada Limited and Vale International.

e) Guarantee

On June 30, 2012, R\$ 2,164 million (US\$ 1,088 million) of the total aggregate outstanding debt was secured by fixed assets.

f) Covenants

Our principal covenants require us to maintain certain ratios, such as debt to EBITDA and interest coverage. We have not identified any events of noncompliance as of June 30, 2012.

Table of Contents

(A free translation from the original in Portuguese)

18 - Provisions

We are involved parties in labor, civil, tax and other ongoing lawsuits and are discussing these issues at an administrative level and in court, and, when applicable, there are supported by judicial deposits. Provisions for losses resulting from these processes are estimated and updated by the Company, supported by the legal opinion of the legal board of the Company and by its external legal consultants.

| | Consolidated | | | | |
|---|---------------------|---------------------|---------------------|-----------------------------|---------------------------|
| | Tax contingencies | Civil contingencies | Labor contingencies | Environmental contingencies | Total accrued liabilities |
| Non-current liabilities | | | | | |
| Balance as | | | | | |
| January 1, 2011 (I) | 1,248,528 | 847,465 | 1,234,434 | 78,172 | 3,408,599 |
| Additions | 68,676 | 121,310 | 711,204 | 11,143 | 912,333 |
| Reversals | (84,594) | (348,342) | (156,240) | (15,961) | (605,137) |
| Payments | (56,838) | (153,986) | (376,576) | (26,328) | (613,728) |
| Monetary update | 48,185 | (10,903) | (8,171) | 13,562 | 42,673 |
| Balance as | | | | | |
| December 31, 2011 (I) | 1,223,957 | 455,544 | 1,404,651 | 60,588 | 3,144,740 |
| Additions | 41,675 | 100,457 | 295,165 | 7,552 | 444,849 |
| Reversals | (11,861) | (82,451) | (123,379) | (4,298) | (221,989) |
| Payments | (8,618) | (23,080) | (22,243) | | (53,941) |
| Monetary update | 58,414 | 69,762 | 21,740 | 3,822 | 153,738 |
| Transfer to assets available for sale | | | (513) | (2,210) | (2,723) |
| Balance as June 30, 2012 (unaudited) | 1,303,567 | 520,232 | 1,575,421 | 65,454 | 3,464,674 |

(I) Period adjusted according to note 3.

| | Parent Company | | | | |
|--------------------------------|-----------------------|---------------------|---------------------|-----------------------------|---------------------------|
| | Tax contingencies | Civil contingencies | Labor contingencies | Environmental contingencies | Total accrued liabilities |
| Non-current liabilities | | | | | |
| Balance as | | | | | |
| January 1, 2011 | 324,518 | 680,338 | 1,072,097 | 30,820 | 2,107,773 |
| Additions | 37,169 | 57,350 | 660,415 | 11,094 | 766,028 |
| Reversals | (1,608) | (348,524) | (145,072) | (57) | (495,261) |
| Payments | (6,828) | (143,823) | (347,238) | (15,287) | (513,176) |
| Monetary update | 89,102 | (22,355) | (22,898) | 18,473 | 62,322 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | |
|---|----------------|----------------|------------------|---------------|------------------|
| Balance as | | | | | |
| December 31, 2011 | 442,353 | 222,986 | 1,217,304 | 45,043 | 1,927,686 |
| Additions | 21,524 | 65,292 | 263,531 | 6,400 | 356,747 |
| Reversals | (16,217) | (83,257) | (120,062) | (5,603) | (225,139) |
| Payments | (4,094) | (21,418) | (14,880) | | (40,392) |
| Monetary update | 20,918 | 50,331 | 5,940 | 2,996 | 80,185 |
| Balance as June 30, 2012 (unaudited) | 464,484 | 233,934 | 1,351,833 | 48,836 | 2,099,087 |

Provisions for Tax Contingencies - The nature of tax contingencies refer to discussions on the basis of calculation of the Financial Compensation for Exploiting Mineral Resources (CFEM) and denials of compensation claims of credits in the settlement of federal taxes in Brazil, and mining taxes in our foreign subsidiaries. The other causes refer to the charges of Additional Port Workers Compensation (AITP) and questions about the location for the purpose of incidence of Service Tax (ISS).

Provision for Civil Contingencies - These are related to the demands that involve contracts between Vale and other group companies with their service providers, requiring differences in values due to alleged losses that have occurred due to various economic plans, other demands are related to accidents, actions damages and others related to monetary compensation in actions vindicatory.

Provision for Labor Contingencies - Consist of lawsuits filed by employees and service providers, questioning parcels arising from the employment relationship. The most recurring issue payment of overtime, hours in itinere , hazard pay and poor health. The social security contingencies are also included in this context arising from parcels of labor, in the case of legal and administrative disputes between the INSS and the Vale/group companies, whether these are at the root is the incidence of compulsory social security or not.

Table of Contents

(A free translation from the original in Portuguese)

In addition to those provisions, there are judicial deposits. These deposits are the guarantees to the contingencies required in court. They are monetarily readjusted and reported in noncurrent assets of the Company until it happens the court decision to rescue these deposits by the complainant, unless there is a favorable outcome of the issue to the entity. Judicial deposits are as follows:

| | June 30, 2012 (unaudited) | Consolidated | | Parent Company | |
|-----------------------------|------------------------------|-----------------------|------------------------------|-------------------|--|
| | | December 31, 2011 (I) | June 30, 2012 (unaudited) | December 31, 2011 | |
| Tax contingencies | 849,172 | 771,106 | 535,195 | 474,314 | |
| Civil contingencies | 394,883 | 282,712 | 279,281 | 184,296 | |
| Labor contingencies | 1,790,766 | 1,671,362 | 1,545,685 | 1,424,875 | |
| Environmental contingencies | 10,912 | 9,419 | 9,472 | 8,007 | |
| Total | 3,045,733 | 2,734,599 | 2,369,633 | 2,091,492 | |

(I) Period adjusted according to note 3.

The Company discusses in its administrative and judicial sphere legal actions where the loss expectation is considered possible and understands there is no needs to provide, since there is a strong legal basis for the positioning of the Company. These contingent liabilities are split between tax, civil, labor and social security, and are as follows:

| Possible Contingencies | June 30, 2012 (unaudited) | Consolidated | | Parent Company | |
|-----------------------------|------------------------------|-----------------------|------------------------------|-------------------|--|
| | | December 31, 2011 (I) | June 30, 2012 (unaudited) | December 31, 2011 | |
| Tax contingencies | 34,027,722 | 33,568,634 | 31,529,611 | 30,814,229 | |
| Civil contingencies | 2,527,091 | 2,771,868 | 2,238,657 | 1,567,432 | |
| Labor contingencies | 3,655,048 | 3,592,238 | 3,283,740 | 3,348,376 | |
| Environmental contingencies | 2,198,612 | 2,009,729 | 2,171,341 | 2,009,489 | |
| Total | 42,408,473 | 41,942,469 | 39,223,349 | 37,739,526 | |

(I) Period adjusted according to note 3.

The tax contingencies refer mainly to discussion relating to the recovery of Income Tax and Social Contribution, calculated based on the equity method in foreign subsidiaries.

Table of Contents

(A free translation from the original in Portuguese)

19 - Asset retirement obligation

The Company uses various judgments and assumptions when measuring the obligations related to the discontinuation of the use of assets. The accrued amount is not deducted from the potential costs covered by insurance or indemnities, because their recovery is considered uncertain.

Long term interest rates used to discount to present value and update the provision to June 30, 2012 and December 31, 2011 were 5.82% p.y. The liability is periodically updated based on these discount rates plus the inflation index (IGP-M) for the period in reference.

The variation in the provision for asset retirement is demonstrated as follows:

| | Consolidated (unaudited) | | | | |
|------------------------------------|--------------------------|--|-------------------|---|-------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | Six-month period ended June 30, 2012 | June 30, 2011 (I) |
| Balance on begin of period | 3,679,123 | 3,563,730 | 2,477,436 | 3,563,730 | 2,528,479 |
| Increase expense | 97,028 | 60,488 | 47,078 | 157,516 | 114,211 |
| Liquidation in the current period | (947) | (6,941) | (31,922) | (7,888) | (48,314) |
| Revisions in estimated cash flows | 3,676 | 62,638 | (16,978) | 66,314 | (121,069) |
| Cumulative translation adjustments | 96,823 | (792) | (30,552) | 96,031 | (28,245) |
| Balance on ended of period | 3,875,703 | 3,679,123 | 2,445,062 | 3,875,703 | 2,445,062 |
| Current | 80,902 | 126,778 | 85,569 | 80,902 | 85,569 |
| Non-current | 3,794,801 | 3,552,345 | 2,359,493 | 3,794,801 | 2,359,493 |
| | 3,875,703 | 3,679,123 | 2,445,062 | 3,875,703 | 2,445,062 |

| | Parent Company | |
|-----------------------------------|------------------|----------------|
| | June 30, 2012 | June 30, 2011 |
| Balance on begin of period | 1,130,923 | 805,265 |
| Increase expense | 44,822 | 54,575 |
| Liquidation in the current period | | (22,298) |
| Balance on ended of period | 1,175,745 | 837,542 |
| Current | 13,613 | 22,130 |
| Non-current | 1,162,132 | 815,412 |

20 - Deferred Income Tax and Social Contribution

Changes in deferred taxes are presented as follows:

| | Assets | Consolidated Liabilities | Total | Parent Company Assets |
|--|------------------|-----------------------------|---------------------|--------------------------|
| Total amount in January 1, 2011 (II) | 2,262,947 | 12,828,178 | (10,565,231) | (1,785,291) |
| Net income effect | 1,084,952 | 525,146 | 559,806 | 298,759 |
| Subsidiary acquisition | | 127,410 | (127,410) | |
| Cumulative translation adjustment | 170,112 | 707,310 | (537,198) | |
| Deferred social contribution | | (3,574,271) | 3,574,271 | 3,574,271 |
| Other comprehensive income | 20,819 | | 20,819 | 20,819 |
| Total amount in December 31, 2011 (II) | 3,538,830 | 10,613,773 | (7,074,943) | 2,108,558 |
| Net income effect | 165,948 | (92,238) | 258,186 | 18,606 |
| Cumulative translation adjustment | 39,719 | 256,669 | (216,950) | |
| Sale on subsidiary | | (172,534) | 172,534 | |
| Reversal of deferred tax | | (2,533,411) | 2,533,411 | |
| Other comprehensive income | 30,386 | | 30,386 | 12,036 |
| Total amount in June 30, 2012 (unaudited) | 3,774,883 | 8,072,259 | (4,297,376) | 2,139,200 |

(II) Period adjusted according to note 3, in consolidated.

Table of Contents

(A free translation from the original in Portuguese)

There were no changes in the rates of taxes in the countries where we operate in the period. See below the total amount of income tax and social contribution recognized in the income statement:

| | Consolidated (unaudited) | | | | |
|---|--------------------------|--|--------------------|---|--------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | Six-month period ended June 30, 2012 | June 30, 2011 (I) |
| Income before tax and social contribution | 2,993,529 | 7,547,922 | 13,992,817 | 10,541,451 | 27,514,033 |
| Results of equity investments | (309,600) | (437,020) | (651,434) | (746,620) | (1,117,220) |
| Exchange variation - not taxable | 715,115 | (350,450) | 112,388 | 364,665 | 192,550 |
| | 3,399,044 | 6,760,452 | 13,453,771 | 10,159,496 | 26,589,363 |
| Income tax and social contribution at statutory rates - 34% | (1,155,675) | (2,298,554) | (4,574,282) | (3,454,229) | (9,040,383) |
| Adjustments that affects the basis of taxes: | | | | | |
| Income tax benefit from interest on stockholders equity | 670,248 | 670,248 | 411,382 | 1,340,496 | 1,140,249 |
| Tax incentive | | 159,496 | 306,066 | 159,496 | 591,398 |
| Results of overseas companies taxed by different rates which differs from the parent company rate | 317,152 | 535,759 | 351,300 | 852,911 | 1,552,053 |
| Others | (178,400) | 2,458 | (306,690) | (175,942) | (374,619) |
| Income tax and social contribution on the profit for the period | (346,675) | (930,593) | (3,812,224) | (1,277,268) | (6,131,302) |
| Reversal of deferred tax (see note 7a) | 2,533,411 | | | 2,533,411 | |
| Income tax and social contribution on the profit for the period | 2,186,736 | (930,593) | (3,812,224) | 1,256,143 | (6,131,302) |

(I) Period adjusted according to note 3.

| | Parent Company (unaudited) | | | | |
|---|----------------------------|--|---------------|---|---------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 | Six-month period ended June 30, 2012 | June 30, 2011 |
| Income before tax and social contribution | 5,751,963 | 7,466,768 | 13,447,966 | 13,218,731 | 26,251,691 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | |
|--|------------------|------------------|--------------------|--------------------|--------------------|
| Results of equity investments | (2,804,868) | (2,456,075) | (2,124,435) | (5,260,943) | (7,505,654) |
| | 2,947,095 | 5,010,693 | 11,323,531 | 7,957,788 | 18,746,037 |
| Income tax and social contribution at statutory rates - 34% | (1,002,012) | (1,703,636) | (3,850,001) | (2,705,648) | (6,373,653) |
| Adjustments that affects the basis of taxes: | | | | | |
| Income tax benefit from interest on stockholders equity | 670,248 | 670,248 | 411,382 | 1,340,496 | 1,119,849 |
| Tax incentive | | 159,385 | 305,424 | 159,385 | 590,213 |
| Others | (106,533) | 127,635 | (39,412) | 21,102 | (21,758) |
| Income tax and social contribution on the profit for the period | (438,297) | (746,368) | (3,172,607) | (1,184,665) | (4,685,349) |

Whereas published on December 31, 2011, there were no changes in tax incentives received by the company.

The Company is subject to revision of income tax by tax authorities for up to five years in companies operating in Brazil, ten years for operations in Indonesia and up to seven years for companies with operations in Canada.

Table of Contents

(A free translation from the original in Portuguese)

21 - Obligations to Employee Benefits**a) Costs of retirement benefits obligations**

In the 2011 annual statements, Vale disclosed it expects in 2012 to pay pension plans and other benefits of R\$ 490,000 in relation to the consolidated and R\$ 271,000 in relation to the parent company. Until June 30, 2012 contributions totaled R\$ 275.211 to the consolidated and R\$ 163.388 to the parent. Vale does not expect significant changes in estimates in 2011.

| | Consolidated | | | | | | | | |
|--|------------------------------|---------------------------|----------------------------------|--|---------------------------|----------------------------------|------------------------------|---------------------------|----------------------------------|
| | June 30, 2012 | | | Three-month period ended (unaudited) March 31, 2012 | | | June 30, 2011 (I) | | |
| | Overfunded pension plans (*) | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans (*) | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans (*) | Underfunded pension plans | Others underfunded pension plans |
| Service cost - benefits earned during the period | 13,382 | 32,308 | 14,882 | 464 | 39,864 | 16,262 | 139 | 30,307 | 13,174 |
| Interest cost on projected benefit obligation | 228,410 | 119,063 | 48,751 | 172,449 | 170,880 | 47,299 | 162,551 | 171,921 | 41,760 |
| Expected return on assets | (402,995) | (118,747) | | (332,340) | (185,406) | | (273,474) | (161,630) | (319) |
| Amortization of initial transition obligation | (269,539) | 23,327 | (3,927) | 21,732 | 16,991 | (3,635) | | 9,897 | (6,584) |
| Effect of the limit in paragraph 58 (b) | 430,421 | | | 138,016 | | | 110,784 | | |
| Net periodic pension cost | (321) | 55,951 | 59,706 | 321 | 42,329 | 59,926 | | 50,495 | 48,031 |

| | Consolidated | | | | | | | |
|---------------------------------------|------------------------------|---------------------------|----------------------------------|------------------------------|------------------------------------|----------------------------------|------------------------------|---------------------------|
| | June 30, 2012 | | | | Six-month period ended (unaudited) | | | |
| | Overfunded pension plans (*) | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans (*) | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans (*) | Underfunded pension plans |
| Service cost - benefits earned during | 13,846 | 72,172 | | 31,144 | 1,059 | 63,444 | | 26,649 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | |
|---|-----------|---------------|----------------|-----------|----------------|---------------|
| the period | | | | | | |
| Interest cost on projected benefit obligation | 400,859 | 289,943 | 96,050 | 324,867 | 344,994 | 83,911 |
| Expected return on assets | (735,335) | (304,153) | | (548,689) | (316,282) | (652) |
| Amortization of initial transition obligation | (247,807) | 40,318 | (7,562) | | 24,403 | (13,635) |
| Effect of the limit in paragraph 58 (b) | 568,437 | | | 222,763 | | |
| Net periodic pension cost | | 98,280 | 119,632 | | 116,559 | 96,273 |

| | Parent Company Six-month period ended (unaudited) | | | | | |
|--|--|--|----------------------------------|------------------------------|--|----------------------------------|
| | Overfunded pension plans (*) | June 30, 2012 Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans (*) | June 30, 2011 Underfunded pension plans | Others underfunded pension plans |
| Service cost - benefits earned during the period | 12,942 | 12,918 | 3,547 | 32 | 13,855 | 2,364 |
| Interest cost on projected benefit obligation | 357,445 | 104,750 | 25,018 | 286,347 | 152,042 | 21,446 |
| Expected return on assets | (676,033) | (125,513) | | (497,076) | (138,416) | |
| Amortization of initial transition obligation | (247,807) | | 895 | | | |
| Effect of the limit in paragraph 58 (b) | 553,453 | | | 210,697 | | |
| Net periodic pension cost | | (7,845) | 29,460 | | 27,481 | 23,810 |

(*) The Company has not recorded on its balance sheet assets and their counterparts resulting from actuarial valuation of plan surplus, because there is no clear evidence on achievement, as stated in paragraph 58 (b) of the CPC 33.

Table of Contents

(A free translation from the original in Portuguese)

b) Profit sharing plan

The Company, based on the Profit Sharing Program (PPR) enables the definition, monitoring, evaluation and recognition of individual and collective performance of its employees. The methodology for calculating the PPR is the same adopted on December 31, 2011.

The Company accrued expenses / costs related to participation in the result as follows:

| | Consolidated (unaudited) | | | | |
|----------------------|--------------------------|--|----------------|---|----------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 | Six-month period ended June 30, 2012 | June 30, 2011 |
| Operational expenses | 90,455 | 295,392 | 146,705 | 385,847 | 290,371 |
| Cost of good sold | 135,255 | 219,579 | 196,263 | 354,834 | 400,151 |
| Total | 225,710 | 514,971 | 342,968 | 740,681 | 690,522 |

| | Parent Company | |
|----------------------|----------------|----------------|
| | June 30, 2012 | June 30, 2011 |
| Operational expenses | 249,862 | 264,911 |
| Cost of good sold | 312,428 | 333,147 |
| Total | 562,290 | 598,058 |

c) Long-term incentives Plan

In order to encourage the vision of stockholder , in addition to increasing the ability to retain executives and strengthen the culture of sustained performance, the Board of Directors approved a Long-term incentive plan for some of the executives of the Company, covering cycles of three years.

The terms of the plan, the methodology for calculating and the accounting treatment applied to the plan remains unchanged. The total number of shares subject to the plan on June 30, 2012 and December 31, 2011 are 4,879,815 and 3,012,538 and the total amount of liability are R\$130,482 and R\$ 203,645, respectively.

Table of Contents

(A free translation from the original in Portuguese)

22 - Classification of financial instruments

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

| | Consolidated June 30, 2012 (unaudited) | | | | |
|------------------------------------|---|---|--|------------------------|-------------------|
| | Loans and receivables (a) | At fair value through profit or loss (b) | Derivatives designated as hedge (c) | Available-for-sale (d) | Total |
| Financial assets | | | | | |
| Current | | | | | |
| Cash and cash equivalents | 8,117,669 | | | | 8,117,669 |
| Short-term investments | | | | | |
| Derivatives at fair value | | 446,781 | 192,867 | | 639,648 |
| Assets available-for-sale | | | | | |
| Accounts receivable from customers | 13,974,152 | | | | 13,974,152 |
| Related parties | 696,052 | | | | 696,052 |
| | 22,787,873 | 446,781 | 192,867 | | 23,427,521 |
| Non current | | | | | |
| Related parties | 851,291 | | | | 851,291 |
| Loans and financing | 456,825 | | | | 456,825 |
| Derivatives at fair value | | | | | |
| | 1,308,116 | | | | 1,308,116 |
| Total of Assets | 24,095,989 | 446,781 | 192,867 | | 24,735,637 |
| Financial liabilities | | | | | |
| Current | | | | | |
| Suppliers and contractors | 8,908,928 | | | | 8,908,928 |
| Derivatives at fair value | | 178,463 | 104,957 | | 283,420 |
| Current portion of long-term debt | 2,998,505 | | | | 2,998,505 |
| Loans and financing | 999,928 | | | | 999,928 |
| Related parties | 38,061 | | | | 38,061 |
| | 12,945,422 | 178,463 | 104,957 | | 13,228,842 |
| Non current | | | | | |
| Derivatives at fair value | | 1,767,520 | 39,485 | | 1,807,005 |
| Loans and financing | 46,609,765 | | | | 46,609,765 |
| Related parties | 157,993 | | | | 157,993 |
| Debentures | 2,805,808 | | | | 2,805,808 |
| | 49,573,566 | 1,767,520 | 39,485 | | 51,380,571 |
| Total of Liabilities | 62,518,988 | 1,945,983 | 144,442 | | 64,609,413 |

(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 25a.

Edgar Filing: Vale S.A. - Form 6-K

(d) Financial instruments not classified in other categories.

| | Consolidated December 31, 2011 (I) | | | | |
|---------------------------------------|---------------------------------------|---|--|------------------------|-------------------|
| | Loans and receivables (a) | At fair value through profit or loss (b) | Derivatives designated as hedge (c) | Available-for-sale (d) | Total |
| Financial assets | | | | | |
| Current | | | | | |
| Cash and cash equivalents | 6,593,177 | | | | 6,593,177 |
| Derivatives at fair value | | 809,896 | 301,848 | | 1,111,744 |
| Accounts receivable from customers | 15,888,807 | | | | 15,888,807 |
| Related parties | 153,738 | | | | 153,738 |
| | 22,635,722 | 809,896 | 301,848 | | 23,747,466 |
| Non current | | | | | |
| Related parties | 904,172 | | | | 904,172 |
| Loans and financing | 399,277 | | | | 399,277 |
| Derivatives at fair value | | 112,253 | | | 112,253 |
| | 1,303,449 | 112,253 | | | 1,415,702 |
| Total of financial assets | 23,939,171 | 922,149 | 301,848 | | 25,163,168 |
| Financial liabilities | | | | | |
| Current | | | | | |
| Suppliers and contractors | 8,851,220 | | | | 8,851,220 |
| Derivatives at fair value | | 109,691 | 26,006 | | 135,697 |
| Current portion of long-term debt | 2,807,280 | | | | 2,807,280 |
| Loans and financing | 40,044 | | | | 40,044 |
| Related parties | 42,907 | | | | 42,907 |
| | 11,741,451 | 109,691 | 26,006 | | 11,877,148 |
| Non current | | | | | |
| Derivatives at fair value | | 1,238,542 | | | 1,238,542 |
| Loans and financing | 40,224,674 | | | | 40,224,674 |
| Related parties | 170,616 | | | | 170,616 |
| Debentures | | 2,495,995 | | | 2,495,995 |
| | 40,395,290 | 3,734,537 | | | 44,129,827 |
| Total of financial liabilities | 52,136,741 | 3,844,228 | 26,006 | | 56,006,975 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

| | Parent Company June 30, 2012 (unaudited) | | | | |
|------------------------------------|---|---|--|------------------------|-------------------|
| | Loans and receivables (a) | At fair value through profit or loss (b) | Derivatives designated as hedge (c) | Available-for-sale (d) | Total |
| Financial assets | | | | | |
| Current | | | | | |
| Cash and cash equivalents | 409,599 | | | | 409,599 |
| Derivatives at fair value | | 360,191 | | | 360,191 |
| Accounts receivable from customers | 17,655,342 | | | | 17,655,342 |
| Related parties | 1,614,919 | | | | 1,614,919 |
| | 19,679,860 | 360,191 | | | 20,040,051 |
| Non Current | | | | | |
| Related parties | 799,409 | | | | 799,409 |
| Loans and financing | 166,369 | | | | 166,369 |
| | 965,778 | | | | 965,778 |
| Total of Assets | 20,645,638 | 360,191 | | | 21,005,829 |
| Financial Liabilities | | | | | |
| Current | | | | | |
| Suppliers and contractors | 4,004,286 | | | | 4,004,286 |
| Derivatives at fair value | | 165,018 | 60,782 | | 225,800 |
| Current portion of long-term debt | 1,068,724 | | | | 1,068,724 |
| Loans and financing | 999,928 | | | | 999,928 |
| Related parties | 6,636,262 | | | | 6,636,262 |
| | 12,709,200 | 165,018 | 60,782 | | 12,935,000 |
| Non Current | | | | | |
| Derivatives at fair value | | 1,379,023 | | | 1,379,023 |
| Loans and financing | 19,350,782 | | | | 19,350,782 |
| Related parties | 29,767,831 | | | | 29,767,831 |
| Debentures | 2,805,808 | | | | 2,805,808 |
| | 51,924,421 | 1,379,023 | | | 53,303,444 |
| Total of Liabilities | 64,633,621 | 1,544,041 | 60,782 | | 66,238,444 |

| | Parent Company December 31, 2011 | | | | |
|------------------------------------|-------------------------------------|---|--|------------------------|-------------------|
| | Loans and receivables (a) | At fair value through profit or loss (b) | Derivatives designated as hedge (c) | Available-for-sale (d) | Total |
| Financial assets | | | | | |
| Current | | | | | |
| Cash and cash equivalents | 574,788 | | | | 574,787 |
| Derivatives at fair value | | 573,112 | 621 | | 573,732 |
| Accounts receivable from customers | 15,808,849 | | | | 15,808,849 |
| Related parties | 2,561,308 | | | | 2,561,308 |
| | 18,944,945 | 573,112 | 621 | | 19,518,676 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | |
|---------------------------------------|-------------------|------------------|---------------|-------------------|
| Non current | | | | |
| Related parties | 445,769 | | | 445,769 |
| Loans and financing | 158,195 | | | 158,195 |
| Derivatives at fair value | | 96,262 | | 96,262 |
| | 603,964 | 96,262 | | 700,226 |
| Total of financial assets | 19,548,909 | 669,374 | 621 | 20,218,902 |
| Financial liabilities | | | | |
| Current | | | | |
| Suppliers and contractors | 3,503,577 | | | 3,503,577 |
| Derivatives at fair value | | 91,464 | 26,006 | 117,470 |
| Current portion of long-term debt | 891,654 | | | 891,654 |
| Related parties | 4,959,017 | | | 4,959,017 |
| | 9,354,248 | 91,464 | 26,006 | 9,471,718 |
| Non current | | | | |
| Derivatives at fair value | | 953,357 | | 953,357 |
| Loans and financing | 18,595,793 | | | 18,595,793 |
| Related parties | 28,654,132 | | | 28,654,132 |
| Debentures | | 2,495,995 | | 2,495,995 |
| | 47,249,925 | 3,449,352 | | 50,699,277 |
| Total of financial liabilities | 56,604,173 | 3,540,816 | 26,006 | 60,170,995 |

Table of Contents

(A free translation from the original in Portuguese)

23 - Fair Value Estimative

Due to the short-term cycle, it is assumed that the fair value of cash and cash equivalents balances, short-term investments, accounts receivable and accounts payable are close to their book values. For measurement and determination of fair value, the Company uses various methods including market approaches, income or cost, in order to estimate the value that market participants would use when pricing the asset or liability. The financial assets and liabilities recorded at fair value should be classified and disclosed in accordance with the following levels:

Level 1 Unadjusted quoted prices on an active, liquid and visible market for identical assets or liabilities that are accessible at the measurement date;

Level 2 - Quoted prices (adjusted or unadjusted) for identical or similar assets or liabilities on active markets; and

Level 3 - Assets and liabilities, where quoted prices, do not exist, or where prices or valuation techniques are supported by little or no market activity, unobservable or illiquid.

The tables below present the assets and liabilities of the parent and the consolidated company measured at fair value on June 30, 2012 and December 31, 2011.

| | June 30, 2012 (unaudited) | | | Consolidated | | December 31, 2011 (I) | |
|---|---------------------------|----------------|----------------|--------------|------------------|-----------------------|--|
| | Level 1 | Level 2 | Total (II) | Level 1 | Level 2 | Total (II) | |
| Financial Assets | | | | | | | |
| Current | | | | | | | |
| Deriatives at fair value through profit or loss | 207 | 446,574 | 446,781 | 49 | 809,847 | 809,896 | |
| Derivatives designated as hedges | | 192,867 | 192,867 | | 301,848 | 301,848 | |
| | 207 | 639,441 | 639,648 | 49 | 1,111,695 | 1,111,744 | |
| Available-for-sale | | | | | | | |
| Non-Current | | | | | | | |
| Derivatives | | | | | | | |
| Deriatives at fair value through profit or loss | | | | | 112,253 | 112,253 | |
| | | | | | 112,253 | 112,253 | |
| Total of Assets | 207 | 639,441 | 639,648 | 49 | 1,223,948 | 1,223,997 | |
| Financial Liabilities | | | | | | | |

Edgar Filing: Vale S.A. - Form 6-K

| Current | | | | | | |
|---|------------|------------------|------------------|------------|------------------|------------------|
| Deriatives at fair value through profit or loss | 718 | 177,745 | 178,463 | 775 | 108,916 | 109,691 |
| Derivatives designated as hedges | | 104,957 | 104,957 | | 26,006 | 26,006 |
| | 718 | 282,702 | 283,420 | 775 | 134,922 | 135,697 |
| Non-Current | | | | | | |
| Derivatives | | | | | | |
| Deriatives at fair value through profit or loss | | 1,767,520 | 1,767,520 | | 1,238,542 | 1,238,542 |
| Derivatives designated as hedges | | 39,485 | 39,485 | | | |
| Stockholders debentures | | 2,805,808 | 2,805,808 | | 2,495,995 | 2,495,995 |
| | | 4,612,813 | 4,612,813 | | 3,734,537 | 3,734,537 |
| Total of Liabilities | 718 | 4,895,515 | 4,896,233 | 775 | 3,869,459 | 3,870,234 |

(I) Period adjusted according to note 3.

(II) No classification according to the level 3.

Table of Contents

(A free translation from the original in Portuguese)

| | June 30, 2012 (unaudited) Nível 2 (I) | Parent Company | December 31, 2011 Nível 2 (I) |
|--|--|----------------|----------------------------------|
| Financial Assets | | | |
| Current | | | |
| Derivatives | | | |
| Derivatives at fair value through profit or loss | 360,191 | | 573,111 |
| Derivatives designated as hedges | | | 621 |
| | 360,191 | | 573,732 |
| Available-for-sale | | | |
| Financial assets available-for-sale | | | |
| Non-current | | | |
| Derivatives at fair value through profit or loss | | | |
| | | | 96,262 |
| | | | 96,262 |
| Total of assets | 360,191 | | 669,994 |
| Financial Liabilities | | | |
| Current | | | |
| Derivatives | | | |
| Derivatives at fair value through profit or loss | 165,018 | | 91,464 |
| Derivatives designated as hedges | 60,782 | | 26,006 |
| | 225,800 | | 117,470 |
| Non-current | | | |
| Derivatives | | | |
| Derivatives at fair value through profit or loss | | | 953,357 |
| Derivatives designated as hedges | 1,379,023 | | |
| Stockholders debentures | 2,805,808 | | 2,495,995 |
| | 4,184,831 | | 3,449,352 |
| Total of liabilities | 4,410,631 | | 3,566,822 |

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

a) **Methods and Techniques of Evaluation**

i. **Assets and liabilities at fair value through profits or loss**

Comprise derivatives not designated as hedges and stockholders debentures.

- **Derivatives designated or not as hedge**

The financial instruments were evaluated by calculating their present value through the use of curves that impact the instrument on the dates of verification. The curves and prices used in the calculation for each group of instruments are detailed in the market curves .

The pricing method used in the case of European options is the Black & Scholes model. In this model, the fair value of the derivative is a function of volatility and price of the underlying asset, the exercise price of the option, the interest rate and period to maturity. In the case of options when the income is a function of the average price of the underlying asset over a period of life of the option, called Asian, we use the model of Turnbull & Wakeman. In this model, besides the factors that influence the option price in the Black-Scholes model, is considered the forming period of the average price.

In the case of swaps, both the present value of the active tip and the passive tip are estimated by discounting cash flows by the interest rate of the currency in which the swap is denominated. The difference between the present value of active tip and passive tip of swap generates its fair value.

In the case of swaps tied to Long-Term Interest Rate (TJLP), the calculation of fair value considers the TJLP constant, that is, projections of future cash flows in Brazilian Real are made considering the last TJLP disclosed.

Contracts for the purchase or sale of products, inputs and costs of selling with future settlement are priced using the forward curves for each product. Typically, these curves are obtained in the stock exchange where the products are traded, such as the London Metals Exchange (LME), the Commodity Exchange (COMEX) or other providers of market prices. When there is no price for the desired maturity, Vale uses interpolation between the available maturities.

Table of Contents

(A free translation from the original in Portuguese)

• **Stockholders Debentures**

Comprise the debentures issued on behalf of the privatization process (see note 29(b)), whose fair values are measured based on market approach, and its reference prices are available on the secondary market.

ii. **Assets available-for-sales**

Comprise the assets that are not held-to-maturity, for strategic reasons. Comprise investments that are valued based on quoted prices in active markets where available or internal assessments based on expected future cash flows of the assets.

b) **Fair value measurement compared to book value**

For the loans allocated in the level 1, the evaluation method used to estimate the fair value of debt is the market approach to the contracts listed on the secondary market. And for the loans allocated in the level 2, the fair value for both fixed-indexed rate debt and floating rate is determined from the discounted cash flow using the future values of the Libor rate and the curve of Vale's Bonds (income approach).

The fair values and carrying amounts of non-current loans (net of interest) are shown in the table below:

| | Balance | Consolidated June 30, 2012 (unaudited) | | |
|---------------------------|------------|---|------------|------------|
| | | Fair value | Level 1 | Level 2 |
| Loans (long term)* | 48,931,731 | 53,162,053 | 40,094,342 | 13,067,712 |
| Perpetual notes** | 157,994 | 157,994 | | 157,994 |

* Net interest of R\$ 676,539

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

Consolidated
December 31, 2011 (I)

Edgar Filing: Vale S.A. - Form 6-K

| | Balance | Fair value | Level 1 | Level 2 |
|---------------------------|------------|------------|------------|------------|
| Loans (long term)* | 42,410,418 | 48,325,480 | 35,884,438 | 12,441,042 |
| Perpetual notes** | 149,432 | 149,432 | | 149,432 |

* Net interest of R\$ 621,536

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

(I) Period adjusted according to note 3.

(II) No classification according to the level 3

| | Balance | Fair value | Level 1 | Level 2 |
|---------------------------|------------|------------|------------|-----------|
| Loans (long term)* | 20,199,286 | 21,460,568 | 13,151,262 | 8,309,306 |

* net interest of R\$ 220.220

| | Balance | Fair value | Level 1 | Level 2 |
|---------------------------|------------|------------|------------|-----------|
| Loans (long term)* | 19,208,011 | 19,718,038 | 12,009,432 | 7,708,606 |

* net interest of R\$ 279.436

(I) No classification according to the level 3.

Table of Contents

(A free translation from the original in Portuguese)

24 - Stockholders Equity**a) Capital**

The Stockholders Equity is represented by common and preferred non-redeemable shares without par value. Preferred shares have the same rights as common shares, with the exception of voting for election of members of the Board of Directors. The Board of Directors may, regardless of changes to bylaws, issue new shares (authorized capital), including the capitalization of profits and reserves to the extent authorized.

On June 30, 2012, the capital was R\$75,000,000 corresponding to 5,365,304,100 (3,256,724,482 common and 2,108,579,618 preferred) shares with no par value.

| Stockholders | June 30, 2012 | | Total |
|---|----------------------|----------------------|----------------------|
| | ON | PNA | |
| Valepar S.A. | 1,716,435,045 | 20,340,000 | 1,736,775,045 |
| Brazilian Government (Golden Share) | | 12 | 12 |
| Foreign investors - ADRs | 686,516,671 | 751,042,724 | 1,437,559,395 |
| FMP - FGTS | 96,577,164 | | 96,577,164 |
| PIBB - BNDES | 2,196,706 | 3,267,436 | 5,464,142 |
| BNDESPar | 216,978,881 | 67,342,071 | 284,320,952 |
| Foreign institutional investors in the local market | 220,387,841 | 395,479,702 | 615,867,543 |
| Institutional investors | 190,130,693 | 398,959,940 | 589,090,633 |
| Retail investors in the country | 56,429,999 | 331,290,041 | 387,720,040 |
| Treasure stock in the country | 71,071,482 | 140,857,692 | 211,929,174 |
| Total | 3,256,724,482 | 2,108,579,618 | 5,365,304,100 |

b) Resources linked to the future mandatory conversion in shares

In June 2012, the convertible notes series VALE and VALE.P-2012 were converted into ADS and represent an aggregate of 15,839,592 common shares and 40,241,968 preferred class A shares. The Conversion was made using 56,081,560 treasury stocks held by the Company. The difference between the book value of the treasury stocks R\$ 2.079.018 and the total amount received R\$ 2.128.536 was recognized in the stockholder's equity, with no profit or loss impact.

In May 2012, Vale paid additional compensation to holders of notes mandatorily convertible into ADRs, series 2012-VALE and VALE.P-2012, in the amount of R\$ 2.787811 and R\$ 3.224408 per note, respectively.

c) Treasury stocks

On June 30, 2012, there are 211,929,174 treasury stocks, in the amount of R\$ 7,839,512, as follows:

| Classes | December 31, 2011 | Addition | Reduction | June 30, 2012 (unaudited) | Average | Preço de aquisição | | June 30, 2012 (unaudited) | December 31, 2011 |
|--------------|----------------------|----------|---------------------|---------------------------------|---------|--------------------|-------|---------------------------------|----------------------|
| | | | | | | Low(*) | High | | |
| Preferred | 181,099,814 | | (40,242,122) | 140,857,692 | 37.50 | 14.02 | 47.77 | 40.28 | 45.08 |
| Common | 86,911,207 | | (15,839,725) | 71,071,482 | 35.98 | 20.07 | 54.83 | 41.52 | 51.50 |
| Total | 268,011,021 | | (56,081,847) | 211,929,174 | | | | | |

Table of Contents

(A free translation from the original in Portuguese)

d) Basic and diluted earnings per share

The values of basic earnings per share and diluted were calculated as follows:

| | (unaudited) | | | | |
|---|--------------------------|-------------------|-------------------|------------------------|-------------------|
| | Three-month period ended | | | Six-month period ended | |
| | June 30, 2012 | March 31, 2012 | June 30, 2011 | June 30, 2012 | June 30, 2011 |
| Net income from continuing operations attributable to the Company's stockholders | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Net income attributable to the Company's stockholders | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Net income, adjusted | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Basic and diluted earnings per share: | | | | | |
| Income available to preferred stockholders | 2,009,593 | 2,570,449 | 3,998,567 | 4,550,701 | 8,392,355 |
| Income available to common stockholders | 3,304,073 | 4,149,951 | 6,276,792 | 7,483,365 | 13,173,987 |
| Total | 5,313,666 | 6,720,400 | 10,275,359 | 12,034,066 | 21,566,342 |
| Weighted average number of shares outstanding | | | | | |
| (thousands of shares) - preferred shares | 1,928,076 | 1,974,765 | 2,056,215 | 1,927,627 | 2,056,215 |
| Weighted average number of shares outstanding | | | | | |
| (thousands of shares) - common shares | 3,170,048 | 3,188,229 | 3,227,765 | 3,169,871 | 3,227,765 |
| Total | 5,098,124 | 5,162,994 | 5,283,980 | 5,097,498 | 5,283,980 |
| Continued operations | | | | | |
| Basic earnings per share | | | | | |
| Basic earnings per preferred share | 1.04 | 1.30 | 1.94 | 2.36 | 4.08 |
| Basic earnings per common share | 1.04 | 1.30 | 1.94 | 2.36 | 4.08 |
| Diluted earnings per share | | | | | |
| Diluted earnings per preferred share | 1.04 | 1.30 | 1.94 | 2.36 | 4.08 |
| Diluted earnings per common share | 1.04 | 1.30 | 1.94 | 2.36 | 4.08 |

e) Remuneration of Stockholders

Edgar Filing: Vale S.A. - Form 6-K

In April 2012, we paid interest on own capital (JCP), the total gross amount of R\$ 5,481 million equivalent to R\$ 1.075276545 per outstanding share, common or preferred shares of Vale.

Table of Contents

(A free translation from the original in Portuguese)

25- Derivatives**a) Effects of Derivatives on the balance sheet**

| | Consolidated | | | | | | | |
|---|---------------------------|-------------|-----------------------|----------------|---------------------------|------------------|-----------------------|------------------|
| | Assets | | | | Liabilities | | | |
| | June 30, 2012 (unaudited) | | December 31, 2011 (I) | | June 30, 2012 (unaudited) | | December 31, 2011 (I) | |
| | Current | Non-Current | Current | Non-Current | Current | Non-Current | Current | Non-Current |
| <u>Derivatives not designated as hedge</u> | | | | | | | | |
| <u>Foreign exchange and interest rate risk</u> | | | | | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | 405,054 | | 766,927 | 112,253 | 168,587 | 1,577,253 | 91,467 | 1,100,582 |
| EuroBonds Swap | | | | | 9,158 | 89,588 | 7,381 | 60,644 |
| Treasury future | | | | | | | 9,870 | |
| Pre dollar swap | 32,738 | | 34,639 | | | 100,679 | | 77,316 |
| | 437,792 | | 801,566 | 112,253 | 177,745 | 1,767,520 | 108,718 | 1,238,542 |
| <u>Commodities price risk</u> | | | | | | | | |
| Nickel | | | | | | | | |
| Fixed price program | 8,909 | | 806 | | 718 | | 973 | |
| Copper | 80 | | 167 | | | | | |
| Bunker Oil Hedge | | | 7,357 | | | | | |
| | 8,989 | | 8,330 | | 718 | | 973 | |
| <u>Derivatives designated as hedge</u> | | | | | | | | |
| Bunker Oil Hedge | | | | | 26,720 | | | |
| Strategic Nickel | 192,867 | | 301,227 | | | | | |
| Foreign exchange cash flow hedge | | | 621 | | 78,237 | 39,485 | 26,006 | |
| | 192,867 | | 301,848 | | 104,957 | 39,485 | 26,006 | |
| Total | 639,648 | | 1,111,744 | 112,253 | 283,420 | 1,807,005 | 135,697 | 1,238,542 |

(I) Period adjusted according to note 3.

| | Parent Company | | | | | | | |
|---|---------------------------|-------------|-------------------|-------------|---------------------------|-------------|-------------------|-------------|
| | Assets | | | | Liabilities | | | |
| | June 30, 2012 (unaudited) | | December 31, 2011 | | June 30, 2012 (unaudited) | | December 31, 2011 | |
| | Current | Non-current | Current | Non-current | Current | Non-current | Current | Non-current |
| <u>Derivatives not designated as hedge</u> | | | | | | | | |
| <u>Foreign exchange and interest rate risk</u> | | | | | | | | |
| CDI & TJLP vs. US\$ fixed and floating | 327,453 | | 538,472 | 96,262 | 165,018 | 1,278,344 | 91,464 | 876,041 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | | |
|--|----------------|----------------|---------------|----------------|------------------|----------------|----------------|
| rate swap | | | | | | | |
| Pre dollar swap | 32,738 | 34,639 | | | 100,679 | | 77,316 |
| | 360,191 | 573,111 | 96,262 | 165,018 | 1,379,023 | 91,464 | 953,357 |
| Commodities price risk | | | | | | | |
| Embedded derivatives | | | | | | | |
| Derivatives designated as hedge | | | | | | | |
| Foreign exchange cash flow hedge | | 621 | | 60,782 | | 26,006 | |
| | | 621 | | 60,782 | | 26,006 | |
| Total | 360,191 | 573,732 | 96,262 | 225,800 | 1,379,023 | 117,470 | 953,357 |

Table of Contents

(A free translation from the original in Portuguese)

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

| | Three-month period ended (unaudited) | | | | | |
|--|--------------------------------------|--------------------------------|-------------------|------------------|----------------------------------|----------------|
| | June 30, 2012 | Consolidated March 31, 2012 | June 30, 2011 (I) | June 30, 2012 | Parent Company March 31, 2012 | June 30, 2011 |
| Derivatives not designated as hedge | | | | | | |
| Foreign exchange and interest rate risk | | | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | (790,620) | 365,104 | 614,932 | (655,306) | 251,832 | 487,170 |
| EURO floating rate vs. US\$ fixed rate swap | | | (535) | | | (535) |
| US\$ floating rate vs. US\$ fixed rate swap | | | (86) | | | |
| EuroBonds Swap | (70,231) | 33,224 | 17,316 | | | |
| US\$ fixed rate vs. CDI swap | | | (72,589) | | | (72,589) |
| Randes Forward | | | 2,558 | | | |
| Treasury future | | 15,221 | | | | |
| Pre dollar swap | (30,070) | 21,095 | 9,618 | (30,070) | 21,095 | 9,618 |
| Total | (890,921) | 434,644 | 571,214 | (685,376) | 272,927 | 423,664 |
| Commodities price risk | | | | | | |
| Nickel | | | | | | |
| Fixed price program | 16,484 | (8,000) | 19,419 | | | |
| Purchased scrap protection program | 501 | (635) | 14 | | | |
| Bunker Oil Hedge | | | 2,282 | | | |
| Total | 16,985 | (8,635) | 21,715 | | | |
| Embedded derivatives | | | | | | |
| Derivatives designated as hedge | | | | | | |
| Strategic Nickel | 70,469 | 92,756 | (27,327) | | | |
| Foreign exchange cash flow hedge | (933) | 305 | | | | |
| Total | 69,536 | 93,061 | (27,327) | | | |
| Total | (804,400) | 519,070 | 565,602 | (685,376) | 272,927 | 423,664 |
| Financial income | 115,469 | 527,705 | 666,139 | | 272,927 | 496,788 |
| Financial (expenses) | (919,869) | (8,635) | (100,537) | (685,376) | | (73,124) |
| Total | (804,400) | 519,070 | 565,602 | (685,376) | 272,927 | 423,664 |

| | Six-month period ended (unaudited) | | | | |
|--|------------------------------------|-------------------------------|-------------------|---------------------------------|---------------|
| | June 30, 2012 | Consolidated June 30, 2012 | June 30, 2011 (I) | Parent Company June 30, 2012 | June 30, 2011 |
| Derivatives not designated as hedge | | | | | |
| Foreign exchange and interest rate risk | | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | | (425,516) | 905,041 | (403,474) | 684,933 |
| EURO floating rate vs. US\$ fixed rate swap | | | (249) | | (249) |
| US\$ floating rate vs. US\$ fixed rate swap | | | (183) | | |
| AUD Forward | | | (286) | | |
| EuroBonds Swap | | (37,007) | 87,199 | | |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | |
|--|------------------|-----------------|------------------|----------------|
| US\$ fixed rate vs. CDI swap | | (72,589) | | (72,589) |
| Randes Forward | | 2,558 | | |
| Treasury future | 15,221 | | | |
| Pre dollar swap | (8,975) | 12,509 | (8,975) | 12,509 |
| | (456,277) | 934,000 | (412,449) | 624,604 |
| Commodities price risk | | | | |
| Nickel | | | | |
| Fixed price program | 8,484 | 42,176 | | |
| Strategic program | | 24,993 | | |
| Purchased scrap protection program | (134) | 145 | | |
| Bunker Oil Hedge | | 55,676 | | |
| Coal | | (33) | | |
| | 8,350 | 122,957 | | |
| Embedded derivatives | | | | |
| Energy - Aluminum options | | | | |
| | | (12,074) | | |
| | | (12,074) | | |
| Derivatives designated as hedge | | | | |
| Strategic Nickel | | | | |
| | 163,225 | (82,680) | | |
| Foreign exchange cash flow hedge | | | | |
| | (628) | | | |
| | 162,597 | (82,680) | | |
| Total | (285,330) | 962,203 | (412,449) | 624,604 |
| Financial income | | | | |
| | 643,174 | 1,130,583 | 272,927 | 697,728 |
| Financial (expenses) | | | | |
| | (928,504) | (168,380) | (685,376) | (73,124) |
| Total | (285,330) | 962,203 | (412,449) | 624,604 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

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

| | June 30, 2012 | Consolidated March 31, 2012 | (Inflows)/ Outflows Three-month period ended (unaudited) | | Parent Company March 31, 2012 | June 30, 2011 |
|--|--------------------|--------------------------------|---|--------------------|----------------------------------|------------------|
| | | | June 30, 2011 (I) | June 30, 2012 | | |
| Derivatives not designated as hedges | | | | | | |
| Exchange risk and interest rates | | | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | (364,027) | (229,474) | (180,855) | (335,493) | (44,173) | (149,271) |
| US\$ floating rate vs. US\$ fixed rate swap | | | 1,811 | | | |
| EuroBonds Swap | | 6,628 | | | | |
| Treasury future | | (5,763) | | | | |
| Pre dollar swap | (9,066) | (7,222) | | (9,066) | (7,222) | |
| | (373,093) | (235,831) | (179,044) | (344,559) | (51,395) | (149,271) |
| Risk of product prices | | | | | | |
| Nickel | | | | | | |
| Fixed price program | (10,608) | 10,536 | (30,575) | | | |
| Purchased scrap protection program | (342) | 392 | (158) | | | |
| Bunker Oil Hedge | | (7,047) | (24,209) | | | |
| | (10,950) | 3,881 | (54,942) | | | |
| Embedded derivatives: | | | | | | |
| Derivatives designated as hedges | | | | | | |
| Strategic Nickel | (70,469) | (92,756) | 27,327 | | | |
| Foreign exchange cash flow hedge | 934 | (305) | | | | |
| | (69,535) | (93,061) | 27,327 | | | |
| Total | (453,578) | (325,011) | (206,659) | (344,559) | (51,395) | (149,271) |
| Gains (losses) unrealized derivative | (1,257,978) | 194,059 | 358,943 | (1,029,935) | 221,532 | 274,393 |

| | June 30, 2012 | Consolidated June 30, 2012 | (Inflows)/ Outflows Six-month period ended (unaudited) | | Parent Company June 30, 2012 | June 30, 2011 |
|--|---------------|-------------------------------|---|---------------|---------------------------------|------------------|
| | | | June 30, 2011 (I) | June 30, 2012 | | |
| Derivatives not designated as hedges | | | | | | |
| Exchange risk and interest rates | | | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | | (593,501) | (261,922) | | (379,666) | (183,706) |
| US\$ floating rate vs. US\$ fixed rate swap | | | 3,684 | | | |
| AUD Forward | | | (3,866) | | | |
| EuroBonds Swap | | 6,628 | | | | |
| Treasury future | | (5,763) | | | | |
| Pre dollar swap | | (16,288) | | | (16,288) | |
| | | (608,924) | (262,104) | | (395,954) | (183,706) |
| Risk of product prices | | | | | | |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | |
|---|--------------------|-----------------|------------------|------------------|
| Nickel | | | | |
| Fixed price program | (72) | (32,092) | | |
| Purchased scrap protection program | 50 | 335 | | |
| Maritime Freight Hiring Protection Program | | 2,852 | | |
| Bunker Oil Hedge | (7,047) | (36,765) | | |
| Coal | | 3,436 | | |
| | (7,069) | (62,234) | | |
| Embedded derivatives: | | | | |
| Derivatives designated as hedges | | | | |
| Strategic Nickel | (163,225) | 82,680 | | |
| Foreign exchange cash flow hedge | 629 | (22,592) | | |
| Aluminum | | 11,865 | | |
| | (162,596) | 71,953 | | |
| Total | (778,589) | 252,385 | (395,954) | (183,706) |
| Gains (losses) unrealized derivative | (1,063,919) | 709,818 | (808,403) | 440,898 |

(I) Period adjusted according to note 3.

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:

| | Currency | Six-month period ended (unaudited) | | | noncontrolling stockholders | Consolidated Total |
|--|-----------------|------------------------------------|-----------------|------------------|-----------------------------|--------------------|
| | | Parent Company Nickel | Others | Total | | |
| Fair value measurements | 18,732 | 125,718 | 6,086 | 150,536 | 1,200 | 151,736 |
| Reclassification to results due to realization | | 82,681 | | 82,681 | | 82,681 |
| Net change in June 30, 2011 | 18,732 | 208,399 | 6,086 | 233,217 | 1,200 | 234,417 |
| 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 from 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, 2012 is not relevant.

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, 2012, 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.

R\$/US\$ 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 R\$ values with the objective of publish in the Vale's official currency using PTAX (sell) published by BACEN to July 02, 2012, that is 1.9893.

Interest Rates and Foreign Exchange Derivative Positions

Protection program for the Real denominated debt indexed to CDI

- CDI vs. US\$ 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. US\$ 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.

Those instruments were used to convert the cash flows from debentures issued in 2006 with a nominal value of R\$ 5.5 billion, from the NCE (Credit Export Notes) issued in 2008 with nominal value of R\$ 2 billion and also from property and services acquisition financing realized in 2006 and 2007 with nominal value of R\$ 1 billion.

| Flow | Notional (\$ million) | | Index | Average rate | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ Million Fair value by year | | | | | | |
|-----------------------------------|-----------------------|-------------------|--------|--------------|----------------|-------------------|-------------------------------------|--------------------------------|-----------------------------------|--------------|-----------|--------------|--|--|--|
| | June 30, 2012 | December 31, 2011 | | | June 30, 2012 | December 31, 2011 | | | 2012 | 2013 | 2014 | 2015 | | | |
| CDI vs. fixed rate swap | | | | | | | | | | | | | | | |
| Receivable | R\$ 5,420 | R\$ 5,542 | CDI | 103.70% | 5,528 | 5,696 | 997 | | | | | | | | |
| Payable | US\$ 3,144 | US\$ 3,144 | US\$ + | 3.72% | (6,553) | (6,075) | (699) | | | | | | | | |
| Net | | | | | (1,025) | (379) | 298 | 85 | (73) | (623) | 12 | (341) | | | |
| CDI vs. floating rate swap | | | | | | | | | | | | | | | |
| Receivable | R\$ 428 | R\$ 428 | CDI | 103.56% | 440 | 453 | 25 | | | | | | | | |
| Payable | | | Libor | | | | | | | | | | | | |
| | US\$ 250 | US\$ 250 | + | 0.99% | (514) | (486) | (3) | | | | | | | | |
| Net | | | | | (74) | (33) | 22 | 7 | 15 | 20 | 27 | (136) | | | |

Type of contracts: OTC Contracts

Table of Contents

(A free translation from the original in Portuguese)

Protected Item: Debts linked to R\$

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

Protection program for the real denominated debt indexed to TJLP

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

| Flow | Notional (\$ million) | | Index | Average rate | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ Million Fair value by year | | | | |
|---|-----------------------|-------------------|-------|--------------|---------------|-------------------|-------------------------------------|--------------------------------|-----------------------------------|------------|-------------|--------------|--------------|
| | June 30, 2012 | December 31, 2011 | | | June 30, 2012 | December 31, 2011 | | | 2012 | 2013 | 2014 | 2015 | 2016-2019 |
| Swap TJLP vs. fixed rate swap | | | | | | | | | | | | | |
| Receivable | TJLP | | | | | | | | | | | | |
| | R\$ 3,058 | R\$ 3,107 | + | 1.33% | 2,965 | 2,927 | 212 | | | | | | |
| Payable | USD | | | | | | | | | | | | |
| | US\$ 1,604 | US\$ 1,611 | + | 2.53% | (3,139) | (2,945) | (127) | | | | | | |
| Net | | | | | (174) | (18) | 85 | 40 | 58 | 137 | (74) | (100) | (195) |
| Swap TJLP vs. floating rate swap | | | | | | | | | | | | | |
| Receivable | TJLP | | | | | | | | | | | | |
| | R\$ 614 | R\$ 774 | + | 0.90% | 618 | 695 | 204 | | | | | | |
| Payable | Libor | | | | | | | | | | | | |
| | US\$ 359 | US\$ 365 | + | -0.82% | (685) | (578) | (17) | | | | | | |
| Net | | | | | (67) | 117 | 187 | 9 | 22 | 40 | (48) | 7 | (88) |

Type of contracts: OTC Contracts

Protected Item: Debts linked to R\$

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

Protection program for the Real denominated fixed rate debt

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

| Flow | Notional (\$ million) | | | Average index rate | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ Million Fair value by year | | | |
|--|-----------------------|-------------------|---------------|--------------------|---------------|-------------------|----------------------------------|-----------------------------|--------------------------------|-----------|-----------|-------------------------|
| | June 30, 2012 | December 31, 2011 | June 30, 2011 | | June 30, 2012 | December 31, 2011 | | | 2012 | 2013 | 2014 | 2015 |
| R\$ fixed rate vs. US\$ fixed rate swap | | | | | | | | | | | | |
| Receivable | R\$ 641 | R\$ 615 | Pré | 4.64% | 581 | 517 | 12 | | | | | |
| Payable | US\$ 368 | US\$ 355 | US\$ + | -1.16% | (649) | (560) | 4 | | | | | |
| Net | | | | | (68) | (43) | 16 | 9 | 19 | 25 | 10 | (28) (94) |

Type of contracts: OTC Contracts

Protected Item: Debts linked to R\$

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

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

Table of Contents

(A free translation from the original in Portuguese)

Foreign Exchange cash flow hedge

- **Brazilian Real fixed rate vs. US\$ fixed rate swap** In order to reduce the cash flow volatility, Vale entered into swap transactions to mitigate the foreign exchange exposure that arises from the currency mismatch between the revenues denominated in U.S. Dollars and the disbursements and investments denominated in Brazilian Reais.

| Flow | Notional (\$ million) | | | Index | Average rate | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year 2012 |
|------------|-----------------------|-------------------|--------|-------|--------------|---------------|-------------------|-------------------------------------|--------------------------------|--|
| | June 30, 2012 | December 31, 2011 | | | | June 30, 2012 | December 31, 2011 | | | |
| Receivable | R\$ 820 | R\$ 820 | Pré | 6.20% | 843 | 797 | | | | |
| Payable | US\$ 450 | US\$ 450 | US\$ + | 0.00% | (904) | (822) | | | | |
| Net | | | | | (61) | (25) | | | 12 | (61) |

Type of contracts: OTC Contracts

Hedged Item: part of Vale's revenues in US\$

The P&L shown in the table above is offset by the hedged items' P&L due to R\$/US\$ exchange rate.

Protection program for Euro denominated debt

- **EUR fixed rate vs. US\$ fixed rate swap:** In order to hedge the cash flow volatility, Vale entered into a swap transaction to convert the cash flows from loans in Euros linked to fixed rate to U.S. Dollars linked to fixed rate. Vale receives fixed rates in Euros and pays fixed rates in U.S. Dollars. This trade was used to convert the cash flow of a debt in Euros, with an outstanding notional amount of 750 million, issued in 2010 by Vale.

| Flow | Notional (\$ million) | | | Index | Average rate | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year | | |
|------------|-----------------------|-------------------|------|-------|--------------|---------------|-------------------|-------------------------------------|--------------------------------|-----------------------------------|------|------|
| | June 30, 2012 | December 31, 2011 | | | | June 30, 2012 | December 31, 2011 | | | 2012 | 2013 | 2014 |
| Receivable | 500 | 500 | EUR | 4.38% | 1,355 | 1,350 | 51 | | | | | |
| Payable | US\$ 675 | US\$ 675 | US\$ | 4.71% | (1,454) | (1,418) | (58) | | | | | |

| | | | | | | |
|------------|-------------|-------------|------------|-----------|------------|-------------|
| Net | (99) | (68) | (7) | 16 | (9) | (90) |
|------------|-------------|-------------|------------|-----------|------------|-------------|

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/US\$ exchange rate.

Foreign exchange hedging program for disbursements in Canadian dollars

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

| Flow | Notional (\$ million) | | Average rate % p.a. | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ Million Fair value by year | | | | |
|----------|-----------------------|-------------------|------------------------|---------------|-------------------|-------------------------------------|--------------------------------|-----------------------------------|------|------|------|------|
| | June 30, 2012 | December 31, 2011 | | June 30, 2012 | December 31, 2011 | | | 2012 | 2013 | 2014 | 2015 | 2016 |
| Forwards | CAD 1,554 | B | 1.012 | (57) | | | 27 | (7) | (25) | (17) | (8) | (0) |

Type of contracts: OTC Contracts

Hedged Item: part of Vale's revenues in US\$

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

Protection program for interest rate

- Treasury Future** Vale entered into a treasury 10 year forward transaction (buyer) on the last quarter of 2011 with the objective of partial protection into debt cost indexed to this rate. This program ended in January 2012.

Table of Contents

(A free translation from the original in Portuguese)

| Flow | Notional (\$ million) | | | Average rate % p.a. | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year 2012 |
|----------|-----------------------|-------------------|----------|------------------------|---------------|-------------------|-------------------------------------|--------------------------------|--|
| | June 30, 2011 | December 31, 2011 | Buy/Sell | | June 30, 2012 | December 31, 2011 | | | |
| Forwards | US\$ | 900 | B | | | (10) | 6 | | |

Type of contracts: OTC Contracts

Protected Item: part of debt emission costs

The P&L shown in the table above was partially offset by emission cost reduction due to treasury variations.

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 Sales Hedging Program

In order to reduce the cash flow volatility in 2012, hedging transactions were implemented. These transactions fixed the prices of part of the sales in the period.

| Flow | Notional (ton) | | | Average Strike (US\$/ton) | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year 2012 |
|---------|----------------|-------------------|----------|------------------------------|---------------|-------------------|-------------------------------------|--------------------------------|--|
| | June 30, 2011 | December 31, 2011 | Buy/Sell | | June 30, 2012 | December 31, 2011 | | | |
| Forward | 9,999 | 19,998 | S | 25,027 | 165 | 234 | 124 | 8 | 165 |

Type of contracts: OTC 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. Whenever the Nickel Sales Hedging Program is executed, the Nickel Fixed Price Program is interrupted.

| Flow | Notional (ton) | | Buy/ Sell | Average Strike (US\$/ton) | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year 2012 |
|----------------|----------------|-------------------|-----------|---------------------------|---------------|-------------------|----------------------------------|-----------------------------|-------------------------------------|
| | June 30, 2012 | December 31, 2011 | | | June 30, 2012 | December 31, 2011 | | | |
| Nickel Futures | 72 | 162 | B | 21,763 | (0.7) | (0.7) | (0.3) | 0.1 | (0.7) |

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.

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.

Table of Contents

(A free translation from the original in Portuguese)

| Flow | Notional (ton) | | Buy/ Sell | Average Strike (US\$/ton) | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year 2012 |
|----------------|----------------|-------------------|-----------|---------------------------|---------------|-------------------|----------------------------------|-----------------------------|-------------------------------------|
| | June 30, 2012 | December 31, 2011 | | | June 30, 2012 | December 31, 2011 | | | |
| Nickel Futures | 252 | 228 | S | 17,131 | 0.2 | 0.05 | 0.5 | 0.2 | 0.2 |

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.

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 of Vale's wholly-owned subsidiary, Vale Canada Ltd, to produce copper. This program usually is implemented by the sale of forwards or futures at LME or Over-the-Counter operations.

| Flow | Notional (lbs) | | Buy/ Sell | Average Strike (US\$/lbs) | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year 2012 |
|---------|----------------|-------------------|-----------|---------------------------|---------------|-------------------|----------------------------------|-----------------------------|-------------------------------------|
| | June 30, 2012 | December 31, 2011 | | | June 30, 2012 | December 31, 2011 | | | |
| Forward | 1,041,684 | 892,869 | S | 3.53 | 0.1 | 0.2 | (0.06) | 0.2 | 0.1 |

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 Coal price

Bunker Oil Purchase Protection Program

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

| Flow | Notional (ton) | | Average Strike (US\$/ton) | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year 2012 |
|---------|----------------|-------------------|---------------------------|---------------|-------------------|----------------------------------|-----------------------------|-------------------------------------|
| | June 30, 2012 | December 31, 2011 | | June 30, 2012 | December 31, 2011 | | | |
| Forward | 247,500 | B | 626 | (27) | | | 6 | (27) |

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.

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, 2012:

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.

Table of Contents

(A free translation from the original in Portuguese)

| Flow | Notional (ton) | | Average Strike (US\$/ton) | Fair value | | Realized Gain/Loss June 30, 2012 | Value at Risk June 30, 2012 | R\$ million Fair value by year 2012 |
|--------------|----------------|-------------------|---------------------------------|------------|---------------|-------------------------------------|--------------------------------|--|
| | June 30, 2012 | December 31, 2011 | | Buy/Sell | June 30, 2012 | | | |
| Nickel | | | | | | | | |
| Forwards | 1,578 | 1,951 | S | 17,246 | (2.2) | (0.7) | (3.5) | (2.2) |
| Copper | | | | | | | | |
| Forwards | 6,471 | 6,653 | | 7,868 | (5.8) | 0.9 | 2.9 | (5.8) |
| Total | | | | | (8.0) | 0.2 | (0.6) | 3 (8.0) |

a) **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, 2012 were calculated using June 29 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 | 16,475.00 | DEC12 | 16,790.86 | JUN13 | 16,891.81 |
| JUL12 | 16,707.23 | JAN13 | 16,807.62 | JUN14 | 17,042.94 |
| AUG12 | 16,719.89 | FEB13 | 16,821.33 | JUN15 | 17,107.72 |
| SEP12 | 16,736.68 | MAR13 | 16,839.26 | JUN16 | 17,131.95 |
| OCT12 | 16,755.42 | APR13 | 16,856.29 | | |
| NOV12 | 16,771.78 | MAY13 | 16,871.82 | | |

Copper

| Maturity | Price (US\$/lb) | Maturity | Price (US\$/lb) | Maturity | Price (US\$/lb) |
|----------|-----------------|----------|-----------------|----------|-----------------|
| SPOT | 3.49 | DEC12 | 3.49 | JUN13 | 3.48 |
| JUL12 | 3.49 | JAN13 | 3.48 | JUN14 | 3.48 |
| AUG12 | 3.49 | FEB13 | 3.48 | JUN15 | 3.46 |
| SEP12 | 3.49 | MAR13 | 3.48 | JUN16 | 3.44 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | |
|-------|------|-------|------|
| OCT12 | 3.49 | APR13 | 3.48 |
| NOV12 | 3.49 | MAY13 | 3.48 |

Bunker Oil

| Maturity | Price (US\$/ton) | Maturity | Price (US\$/ton) | Maturity | Price (US\$/ton) |
|----------|------------------|----------|------------------|----------|------------------|
| SPOT | 575.50 | DEC12 | 565.00 | JUN13 | 559.07 |
| JUL12 | 580.75 | JAN13 | 563.81 | JUN14 | 551.56 |
| AUG12 | 575.50 | FEB13 | 562.56 | JUN15 | 542.80 |
| SEP12 | 570.83 | MAR13 | 561.47 | JUN16 | 535.54 |
| OCT12 | 568.25 | APR13 | 560.56 | | |
| NOV12 | 566.25 | MAY13 | 559.56 | | |

Table of Contents

(A free translation from the original in Portuguese)

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

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| 09/03/12 | 0.43 | 01/02/15 | 2.98 | 07/03/17 | 3.79 |
| 10/01/12 | 0.93 | 04/01/15 | 3.05 | 10/02/17 | 3.87 |
| 01/02/13 | 1.43 | 07/01/15 | 3.13 | 01/02/18 | 3.95 |
| 04/01/13 | 1.81 | 10/01/15 | 3.28 | 04/02/18 | 4.00 |
| 07/01/13 | 2.13 | 01/04/16 | 3.39 | 07/02/18 | 4.07 |
| 10/01/13 | 2.36 | 04/01/16 | 3.45 | 10/01/18 | 4.13 |
| 01/02/14 | 2.54 | 07/01/16 | 3.50 | 01/02/19 | 4.15 |
| 04/01/14 | 2.65 | 10/03/16 | 3.58 | 01/02/20 | 4.35 |
| 07/01/14 | 2.74 | 01/02/17 | 3.65 | 01/04/21 | 4.48 |
| 10/01/14 | 2.84 | 04/03/17 | 3.73 | 01/03/22 | 4.65 |

US\$ Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| US\$1M | 0.25 | US\$6M | 0.73 | US\$11M | 1.02 |
| US\$2M | 0.35 | US\$7M | 0.80 | US\$12M | 1.07 |
| US\$3M | 0.46 | US\$8M | 0.85 | US\$2Y | 0.55 |
| US\$4M | 0.57 | US\$9M | 0.91 | US\$3Y | 0.64 |
| US\$5M | 0.65 | US\$10M | 0.96 | US\$4Y | 0.80 |

TJLP

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| 06/29/12 | 6.00 | 10/01/14 | 5.50 | 04/03/17 | 5.50 |
| 09/03/12 | 5.50 | 01/02/15 | 5.50 | 07/03/17 | 5.50 |
| 10/01/12 | 5.50 | 04/01/15 | 5.50 | 10/02/17 | 5.50 |
| 01/02/13 | 5.50 | 07/01/15 | 5.50 | 01/02/18 | 5.50 |
| 04/01/13 | 5.50 | 10/01/15 | 5.50 | 04/02/18 | 5.50 |
| 07/01/13 | 5.50 | 01/04/16 | 5.50 | 07/02/18 | 5.50 |
| 10/01/13 | 5.50 | 04/01/16 | 5.50 | 10/01/18 | 5.50 |
| 01/02/14 | 5.50 | 07/01/16 | 5.50 | 01/02/19 | 5.50 |
| 04/01/14 | 5.50 | 10/03/16 | 5.50 | 01/02/20 | 5.50 |
| 07/01/14 | 5.50 | 01/02/17 | 5.50 | 01/04/21 | 5.50 |

BRL Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|----------|---------------|----------|---------------|----------|---------------|
| 09/03/12 | 7.96 | 01/02/15 | 8.49 | 07/03/17 | 9.45 |
| 10/01/12 | 7.82 | 04/01/15 | 8.66 | 10/02/17 | 9.51 |
| 01/02/13 | 7.63 | 07/01/15 | 8.77 | 01/02/18 | 9.56 |
| 04/01/13 | 7.56 | 10/01/15 | 8.90 | 04/02/18 | 9.61 |
| 07/01/13 | 7.57 | 01/04/16 | 9.00 | 07/02/18 | 9.66 |
| 10/01/13 | 7.71 | 04/01/16 | 9.10 | 10/01/18 | 9.70 |
| 01/02/14 | 7.89 | 07/01/16 | 9.18 | 01/02/19 | 9.74 |
| 04/01/14 | 8.04 | 10/03/16 | 9.25 | 01/02/20 | 9.88 |
| 07/01/14 | 8.18 | 01/02/17 | 9.33 | 01/04/21 | 10.02 |
| 10/01/14 | 8.35 | 04/03/17 | 9.39 | 01/03/22 | 10.15 |

EUR Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|----------|---------------|----------|---------------|----------|---------------|
| EUR1M | 0.32 | EUR6M | 0.86 | EUR11M | 1.14 |
| EUR2M | 0.41 | EUR7M | 0.93 | EUR12M | 1.19 |
| EUR3M | 0.55 | EUR8M | 0.98 | EUR2Y | 0.43 |
| EUR4M | 0.67 | EUR9M | 1.03 | EUR3Y | 0.48 |
| EUR5M | 0.76 | EUR10M | 1.08 | EUR4Y | 0.56 |

CAD Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|----------|---------------|----------|---------------|----------|---------------|
| CAD1M | 1.11 | CAD6M | 1.57 | CAD11M | 1.97 |
| CAD2M | 1.21 | CAD7M | 1.66 | CAD12M | 2.04 |
| CAD3M | 1.30 | CAD8M | 1.74 | CAD2Y | 1.26 |
| CAD4M | 1.39 | CAD9M | 1.81 | CAD3Y | 1.38 |
| CAD5M | 1.48 | CAD10M | 1.88 | CAD4Y | 1.49 |

Currencies - Ending rates

| | | | | | |
|----------|--------|----------|--------|----------|--------|
| CAD/US\$ | 0.9814 | US\$/BRL | 2.0213 | EUR/US\$ | 1.2651 |
|----------|--------|----------|--------|----------|--------|

Table of Contents

(A free translation from the original in Portuguese)

Sensitivity Analysis on Derivatives from Parent Company

We present below the sensitivity analysis for all derivatives outstanding positions as of June 30, 2012 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 29, 2012;
- Scenario I: unfavorable change of 25% - Potential losses considering a shock of 25% in the market risk factors used for MtM calculation that negatively impacts the fair value of Vale's derivatives positions;
- Scenario II: favorable change of 25% - Potential profits considering a shock of 25% in the market curves used for MtM calculation that positively impacts the fair value of Vale's derivatives positions;
- Scenario III: unfavorable change of 50% - Potential losses considering a shock of 50% in the market curves used for MtM calculation that negatively impacts the fair value of Vale's derivatives positions;
- Scenario IV: favorable change of 50% - Potential profits considering a shock of 50% in the market curves used for MtM calculation that positively impacts the fair value of Vale's derivatives positions;

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 | | (1,637) | 1,637 | (3,274) | 3,274 |
| | | USD interest rate inside Brazil | | (61) | 59 | (123) | 117 |
| | | Brazilian interest rate fluctuation | (1,025) | (2) | 2 | (4) | 4 |
| | | USD Libor variation | | (3) | 3 | (6) | 6 |
| | CDI vs. USD floating rate swap | USD/BRL fluctuation | | (129) | 129 | (257) | 257 |
| | | Brazilian interest rate fluctuation | (74) | (0.7) | 0.6 | (1.3) | 1.2 |
| | | USD Libor variation | | (0.05) | 0.04 | (0.11) | 0.08 |
| | 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 | | (784) | 784 | (1,567) |
| USD interest rate inside Brazil | | | | (49) | 47 | (102) | 91 |
| Brazilian interest rate fluctuation | | | (174) | (105) | 115 | (202) | 240 |
| | | | | | | | |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | |
|--|--|-------------------------------------|-------|-------|---------|---------|
| | | TJLP interest rate fluctuation | (80) | 79 | (160) | 161 |
| | | USD Libor variation | (0.2) | 0.2 | (0.5) | 0.5 |
| | TJLP vs. USD floating rate swap | USD/BRL fluctuation | (171) | 171 | (342) | 342 |
| | | USD interest rate inside Brazil | (24) | 22 | (50) | 42 |
| | | Brazilian interest rate fluctuation | (67) | (44) | 50 | (82) |
| | | TJLP interest rate fluctuation | (34) | 33 | (68) | 67 |
| | | USD Libor variation | (7) | 7 | (15) | 15 |
| | 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 | (162) | 162 | (324) | 324 |
| | | USD interest rate inside Brazil | (68) | (15) | 15 | (32) |
| | | Brazilian interest rate fluctuation | (31) | 34 | (59) | 71 |
| | Protected Items - Real denominated debt | USD/BRL fluctuation | n.a. | | | |
| Foreign Exchange cash flow hedge | BRL fixed rate vs. USD | USD/BRL fluctuation | (226) | 226 | (452) | 452 |
| | | USD interest rate inside Brazil | (61) | (1.3) | 1.3 | (2.6) |
| | | Brazilian interest rate fluctuation | (6) | 6 | (12) | 13 |
| | Hedged Items - Part of Revenues denominated in USD | USD/BRL fluctuation | n.a. | 226 | (226) | 452 |
| | | | | | | (452) |
| Protection Program for the Euro denominated debt | EUR fixed rate vs. USD fixed rate swap | USD/BRL fluctuation | (25) | 25 | (49) | 49 |
| | | EUR/USD fluctuation | (339) | 339 | (678) | 678 |
| | | EUR Libor variation | (99) | (3) | 3 | (6) |
| | | USD Libor variation | (4) | 4 | (8) | 8 |
| | Protected Items - Euro denominated debt | EUR/USD fluctuation | n.a. | 339 | (339) | 678 |
| | | | | | | (678) |
| Foreign Exchange hedging program for disbursements in Canadian dollars (CAD) | CAD Forward | USD/BRL fluctuation | (14) | 14 | (28) | 28 |
| | | CAD/USD fluctuation | (755) | 755 | (1,510) | 1,510 |
| | | CAD Libor variation | (57) | (17) | 17 | (34) |
| | | USD Libor variation | (8) | 8 | (17) | 16 |
| | Protected Items - Disbursement in Canadian dollars | CAD/USD fluctuation | n.a. | 755 | (755) | 1,510 |
| | | | | | | (1,510) |

Sensitivity analysis - Commodity Derivative Positions

Amounts in R\$ million

| Program | Instrument | Risk | Fair Value | Scenario I | Scenario II | Scenario III | Scenario IV |
|------------------------------|---|--------------------------|------------|------------|-------------|--------------|-------------|
| Nickel sales hedging program | Sale of nickel future/forward contracts | Nickel price fluctuation | | (83) | 83 | (166) | 166 |
| | | Libor USD fluctuation | 165 | (0.2) | 0.2 | (0.4) | 0.4 |
| | | USD/BRL fluctuation | | (41) | 41 | (82) | 82 |
| | Hedged Item: Part of Vale's revenues linked to Nickel price | Nickel price fluctuation | n.a. | 83 | (83) | 166 | (166) |
| Nickel fixed price program | Purchase of nickel future/forward contracts | Nickel price fluctuation | | (0.6) | 0.6 | (1.2) | 1.2 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | | |
|--|---|------------------------------|-------|--------|-------|--------|-------|
| | | Libor USD fluctuation | (0.7) | 0 | 0 | 0 | 0 |
| | | USD/BRL fluctuation | | (0.2) | 0.2 | (0.4) | 0.4 |
| | Protected Item: Part of Vale's nickel revenues from sales with fixed prices | Nickel price fluctuation | n.a. | 0.6 | (0.6) | 1.2 | (1.2) |
| Nickel purchase protection program | Sale of nickel future/forward contracts | Nickel price fluctuation | | (2) | 2 | (4) | 4 |
| | | Libor USD fluctuation | 0.2 | 0 | 0 | 0 | 0 |
| | | USD/BRL fluctuation | | (0.05) | 0.05 | (0.1) | 0.1 |
| | Protected Item: Part of Vale's revenues linked to Nickel price | Nickel price fluctuation | n.a. | 2 | (2) | 4 | (4) |
| Copper Scrap Purchase Protection Program | Sale of copper future/forward contracts | Copper price fluctuation | | (2) | 2 | (4) | 4 |
| | | Libor USD fluctuation | 0.1 | 0 | 0 | 0 | 0 |
| | | BRL/USD fluctuation | | (0.02) | 0.02 | (0.04) | 0.04 |
| | Protected Item: Part of Vale's revenues linked to Copper price | Copper price fluctuation | n.a. | 2 | (2) | 4 | (4) |
| Bunker Oil Purchase Protection Program | Bunker Oil forward | Bunker Oil price fluctuation | | (70) | 70 | (141) | 141 |
| | | Libor USD fluctuation | (27) | (0.1) | 0.1 | (0.2) | 0.2 |
| | | USD/BRL fluctuation | | (7) | 7 | (13) | 13 |
| | Protected Item: part of Vale's costs linked to Bunker Oil price | Bunker Oil price fluctuation | n.a. | 70 | (70) | 141 | (141) |

Sensitivity analysis - Embedded Derivative Positions

Amounts in R\$ million

| Program | Instrument | Risk | Fair Value | Scenario I | Scenario II | Scenario III | Scenario IV |
|---|--|--------------------------|------------|------------|-------------|--------------|-------------|
| Embedded derivatives - Raw material purchase (Nickel) | Embedded derivatives - Raw material purchase | Nickel price fluctuation | | (13) | 13 | (26) | 26 |
| | | BRL/USD fluctuation | (2.2) | (0.4) | 0.4 | (1) | 1 |
| Embedded derivatives - Raw material purchase (Copper) | Embedded derivatives - Raw material purchase | Copper price fluctuation | | (25) | 25 | (49) | 49 |
| | | BRL/USD fluctuation | (5.8) | (0.6) | 0.6 | (1.2) | 1.2 |

Table of Contents

(A free translation from the original in Portuguese)

Sensitivity Analysis on Debt and Cash Investments

The Company's funding and cash investments linked to currencies different from Brazilian Reais are subjected to volatility of foreign exchange currencies.

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 | (8,842) | 8,842 | (17,683) | 17,683 |
| Cash Investments | Cash denominated in BRL | No fluctuation | | | | |
| Cash Investments | Cash denominated in USD | USD/BRL fluctuation | (1,267) | 1,267 | (2,534) | 2,534 |
| Cash Investments | Cash denominated in EUR | EUR/BRL fluctuation | (24) | (24) | (24) | (24) |
| Cash Investments | Cash denominated in CAD | CAD/BRL fluctuation | (38) | 38 | (76) | 76 |
| Cash Investments | Cash denominated in AUD | AUD/BRL fluctuation | (29) | 29 | (58) | 58 |

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, 2012.

| Vale's Counterparty | Moody's* | S&P* |
|----------------------|----------|------|
| Banco Santander | Baa2 | A- |
| Itau Unibanco* | Baa1 | BBB |
| HSBC | Aa3 | A+ |
| JP Morgan Chase & Co | A2 | A |
| Banco Bradesco* | Baa2 | BBB |
| Banco do Brasil* | Baa2 | BBB |
| Banco Votorantim* | Baa2 | BBB- |
| Credit Agricole | A2 | A |
| Standard Bank | A3 | BBB+ |
| Deutsche Bank | A2 | A+ |
| BNP Paribas | A2 | AA- |
| Citigroup | Baa2 | A- |

Edgar Filing: Vale S.A. - Form 6-K

| | | |
|---------------------------------------|------|------|
| Banco Safra* | Baa2 | BBB- |
| ANZ Australia and New Zealand Banking | Aa2 | AA- |
| Banco Amazônia SA | A1 | A+ |
| Societe Generale | A2 | A |
| Bank of Nova Scotia | Aa1 | AA- |
| Natixis | A2 | A |
| Royal Bank of Canada | Aa3 | AA- |
| China Construction Bank | A1 | A |
| Goldman Sachs | A3 | A- |
| Bank of China | A1 | A |
| Barclays | A3 | A |
| BBVA Banco Bilbao Vizcaya Argentaria | Baa3 | BBB+ |

* For Brazilian Banks it was used local long term deposit rating

Table of Contents

(A free translation from the original in Portuguese)

26 - Information by Business Segment and Consolidated Revenues by Geographic Area

The information presented to the Executive Board with the respective performance of each segment are usually derived from the accounting records maintained in accordance with the best accounting practices, with some reallocation between segments.

a) Results by segment

| | Consolidated Three-month period ended (unaudited) June 30, 2012 | | | | | |
|---|--|---------------------|--------------------|------------------|------------------|-------------------|
| | Bulk Materials | Basic Metals | Fertilizers | Logistic | Others | Total |
| Results | | | | | | |
| Net revenue | 17,352,083 | 3,487,591 | 1,709,169 | 689,261 | 166,787 | 23,404,891 |
| Cost and expenses | (6,939,197) | (3,322,923) | (1,401,338) | (675,449) | (429,453) | (12,768,360) |
| Loss on non-current assets held for sale | (768,236) | | | | | (768,236) |
| Depreciation, depletion and amortization | (921,632) | (780,660) | (224,251) | (106,417) | (7,023) | (2,039,983) |
| | 8,723,018 | (615,992) | 83,580 | (92,605) | (269,689) | 7,828,312 |
| Financial results | | | | | | |
| Equity results from associates | 381,197 | 4,343 | | 27,721 | (103,661) | 309,600 |
| Income tax and social contribution | (325,734) | 30,064 | 2,479,720 | 5,775 | (3,089) | 2,186,736 |
| Income from continuing operations | 3,704,119 | (510,907) | 2,477,301 | (102,129) | (388,119) | 5,180,265 |
| Net income of the period | 3,704,119 | (510,907) | 2,477,301 | (102,129) | (388,119) | 5,180,265 |
| Net income (loss) attributable to non-controlling interests | (45,818) | (105,130) | 47,695 | | (30,148) | (133,401) |
| Income attributable to the company's stockholders | 3,749,937 | (405,777) | 2,429,606 | (102,129) | (357,971) | 5,313,666 |
| Sales classified by geographic area: | | | | | | |
| America, except United States | 412,868 | 498,615 | 34,282 | | 6,920 | 952,685 |
| United States of America | 103,373 | 674,482 | 22,691 | | 283 | 800,829 |
| Europe | 3,520,645 | 936,723 | 71,575 | | 18,153 | 4,547,096 |
| Middle East/Africa/Oceania | 726,607 | 37,448 | 2,924 | | | 766,979 |
| Japan | 2,098,575 | 397,341 | | | 9,719 | 2,505,635 |
| China | 7,032,763 | 516,006 | | | | 7,548,769 |
| Asia, except Japan and China | 1,796,456 | 426,192 | 28,372 | | | 2,251,020 |
| Brazil | 1,660,796 | 784 | 1,549,325 | 689,261 | 131,712 | 4,031,878 |
| Net revenue | 17,352,083 | 3,487,591 | 1,709,169 | 689,261 | 166,787 | 23,404,891 |

Assets on June 30, 2012

| | | | | | | |
|---|------------|------------|------------|------------|-----------|-------------|
| Property, plant and equipment and intangible assets | 78,690,531 | 71,754,424 | 20,782,620 | 10,238,233 | 3,832,947 | 185,298,755 |
| Investments | 2,712,858 | 7,079,616 | | 1,303,972 | 4,940,816 | 16,037,262 |

Edgar Filing: Vale S.A. - Form 6-K

Table of Contents

(A free translation from the original in Portuguese)

| | Consolidated | | | | | |
|---|---|---------------------|--------------------|------------------|------------------|-------------------|
| | Three-month period ended (unaudited) | | | | | |
| | March 31, 2012 | | | | | |
| | Bulk Materials | Basic Metals | Fertilizers | Logistic | Others | Total |
| Results | | | | | | |
| Net revenue | 14,327,591 | 3,136,680 | 1,381,753 | 593,599 | 151,551 | 19,591,174 |
| Cost and expenses | (6,081,257) | (2,570,519) | (1,115,212) | (611,404) | (525,507) | (10,903,899) |
| Depreciation, depletion and amortization | (819,446) | (662,297) | (198,558) | (114,354) | (3,107) | (1,797,762) |
| | 7,426,888 | (96,136) | 67,983 | (132,159) | (377,063) | 6,889,513 |
| Financial results | 207,209 | 9,639 | 6,141 | (16,923) | 15,323 | 221,389 |
| Equity results from associates | 439,652 | 59,951 | | 52,709 | (115,292) | 437,020 |
| Income tax and social contribution | (852,557) | (25,341) | (16,714) | (28,770) | (7,211) | (930,593) |
| Income from continuing operations | 7,221,192 | (51,887) | 57,410 | (125,143) | (484,243) | 6,617,329 |
| Net income of the period | 7,221,192 | (51,887) | 57,410 | (125,143) | (484,243) | 6,617,329 |
| Net income (loss) attributable to non-controlling interests | (23,891) | (105,258) | 31,722 | | (5,644) | (103,071) |
| Income attributable to the company's stockholders | 7,245,083 | 53,371 | 25,688 | (125,143) | (478,599) | 6,720,400 |
| Sales classified by geographic area: | | | | | | |
| America, except United States | 323,500 | 444,283 | 23,802 | 64,646 | 19,443 | 875,674 |
| United States of America | 50,305 | 645,635 | 39,530 | | 959 | 736,429 |
| Europe | 2,396,079 | 835,732 | 77,647 | | 24,621 | 3,334,079 |
| Middle East/Africa/Oceania | 558,550 | 90,643 | | | | 649,193 |
| Japan | 2,099,309 | 262,883 | | | 3,193 | 2,365,385 |
| China | 6,030,663 | 270,981 | | | | 6,301,644 |
| Asia, except Japan and China | 1,179,367 | 464,160 | 29,075 | | 3,992 | 1,676,594 |
| Brazil | 1,689,818 | 122,363 | 1,211,699 | 528,953 | 99,343 | 3,652,176 |
| Net revenue | 14,327,591 | 3,136,680 | 1,381,753 | 593,599 | 151,551 | 19,591,174 |
| Assets on March 31, 2012 | | | | | | |
| Property, plant and equipment and intangible assets | 75,282,521 | 66,755,758 | 19,737,760 | 9,388,214 | 3,884,337 | 175,048,590 |
| Investments | 2,827,310 | 6,992,543 | | 1,292,892 | 4,703,677 | 15,816,422 |

| | Consolidated | | | | | |
|-------------------|---|---------------------|--------------------|-----------------|---------------|--------------|
| | Three-month period ended (unaudited) | | | | | |
| | June 30, 2011 (I) | | | | | |
| | Bulk Materials | Basic Metals | Fertilizers | Logistic | Others | Total |
| Results | | | | | | |
| Net revenue | 18,281,323 | 3,555,151 | 1,296,090 | 651,901 | 130,132 | 23,914,597 |
| Cost and expenses | (5,225,016) | (2,588,876) | (985,060) | (562,613) | (616,509) | (9,978,074) |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | |
|--|-------------------|------------------|------------------|-----------------|------------------|-------------------|
| Depreciation, depletion and amortization | (617,535) | (558,795) | (205,933) | (104,270) | (3,550) | (1,490,083) |
| | 12,438,772 | 407,480 | 105,097 | (14,982) | (489,927) | 12,446,440 |
| Financial results | 1,477,322 | (664,845) | 125,163 | (28,376) | (14,321) | 894,943 |
| Equity results from associates | 540,649 | (4,914) | | 52,437 | 63,262 | 651,434 |
| Income tax and social contribution | (3,360,802) | (352,102) | (88,392) | (1,037) | (9,891) | (3,812,224) |
| | 11,095,941 | (614,381) | 141,868 | 8,042 | (450,877) | 10,180,593 |
| Income from continuing operations | | | | | | |
| Net income of the period | 11,095,941 | (614,381) | 141,868 | 8,042 | (450,877) | 10,180,593 |
| Losses attributable to non-controlling interests | (3,282) | (52,685) | (23,124) | | (15,675) | (94,766) |
| Income attributable to the company's stockholders | 11,099,223 | (561,696) | 164,992 | 8,042 | (435,202) | 10,275,359 |
| Sales classified by geographic area: | | | | | | |
| America, except United States | 471,500 | 411,700 | 7,670 | | | 890,870 |
| United States of America | 8,177 | 637,955 | 921 | | | 647,053 |
| Europe | 3,851,263 | 954,895 | 64,711 | | 23,458 | 4,894,327 |
| Middle East/Africa/Oceania | 576,143 | 88,411 | | | | 664,554 |
| Japan | 2,376,650 | 476,566 | | | 3,256 | 2,856,472 |
| China | 7,419,989 | 519,655 | | | | 7,939,644 |
| Asia, except Japan and China | 1,481,819 | 463,561 | 9,071 | | 1,622 | 1,956,073 |
| Brazil | 2,095,782 | 2,408 | 1,213,717 | 651,901 | 101,796 | 4,065,604 |
| Net revenue | 18,281,323 | 3,555,151 | 1,296,090 | 651,901 | 130,132 | 23,914,597 |
| Assets on June 30, 2011 | | | | | | |
| Property, plant and equipment and intangible assets | 58,342,308 | 56,712,948 | 17,802,313 | 7,559,083 | 7,859,841 | 148,276,493 |
| Investments | 2,164,882 | 5,951,457 | | 1,101,290 | 3,989,077 | 13,206,706 |

(I) Period adjusted according to note 3.

Edgar Filing: Vale S.A. - Form 6-K

Table of Contents

(A free translation from the original in Portuguese)

| | Consolidated | | | | | |
|---|---|---------------------|--------------------|------------------|------------------|-------------------|
| | Six-month period ended (unaudited) | | | | | |
| | June 30, 2012 | | | | | |
| | Bulk Materials | Basic Metals | Fertilizers | Logistic | Others | Total |
| Results | | | | | | |
| Net revenue | 31,679,674 | 6,624,271 | 3,090,922 | 1,282,860 | 318,338 | 42,996,065 |
| Cost and expenses | (13,020,454) | (5,893,442) | (2,516,550) | (1,286,853) | (954,960) | (23,672,259) |
| Loss on sale of assets | (768,236) | | | | | (768,236) |
| Depreciation, depletion and amortization | (1,741,078) | (1,442,957) | (422,809) | (220,771) | (10,130) | (3,837,745) |
| | 16,149,906 | (712,128) | 151,563 | (224,764) | (646,752) | 14,717,825 |
| Financial results | (4,867,153) | 80,317 | (79,858) | (59,943) | 3,643 | (4,922,994) |
| Equity results from associates | 820,849 | 64,294 | | 80,430 | (218,953) | 746,620 |
| Income tax and social contribution | (1,178,291) | 4,723 | 2,463,006 | (22,995) | (10,300) | 1,256,143 |
| Income from continuing operations | 10,925,311 | (562,794) | 2,534,711 | (227,272) | (872,362) | 11,797,594 |
| Net income of the period | 10,925,311 | (562,794) | 2,534,711 | (227,272) | (872,362) | 11,797,594 |
| Net income (loss) attributable to non-controlling interests | (69,709) | (210,388) | 79,417 | | (35,792) | (236,472) |
| Income attributable to the company's stockholders | 10,995,020 | (352,406) | 2,455,294 | (227,272) | (836,570) | 12,034,066 |
| Sales classified by geographic area: | | | | | | |
| America, except United States | 736,368 | 942,898 | 58,084 | 64,646 | 26,363 | 1,828,359 |
| United States of America | 153,678 | 1,320,117 | 62,221 | | 1,242 | 1,537,258 |
| Europe | 5,916,724 | 1,772,455 | 149,222 | | 42,774 | 7,881,175 |
| Middle East/Africa/Oceania | 1,285,157 | 128,091 | 2,924 | | | 1,416,172 |
| Japan | 4,197,884 | 660,224 | | | 12,912 | 4,871,020 |
| China | 13,063,426 | 786,987 | | | | 13,850,413 |
| Asia, except Japan and China | 2,975,823 | 890,352 | 57,447 | | 3,992 | 3,927,614 |
| Brazil | 3,350,614 | 123,147 | 2,761,024 | 1,218,214 | 231,055 | 7,684,054 |
| Net revenue | 31,679,674 | 6,624,271 | 3,090,922 | 1,282,860 | 318,338 | 42,996,065 |
| Assets on June 30, 2012 | | | | | | |
| Property, plant and equipment and intangible assets | 78,690,531 | 71,754,424 | 20,782,620 | 10,238,233 | 3,832,947 | 185,298,755 |
| Investments | 2,712,858 | 7,079,616 | | 1,303,972 | 4,940,816 | 16,037,262 |
| Consolidated | | | | | | |
| Six-month period ended (unaudited) | | | | | | |
| June 30, 2011 (I) | | | | | | |
| | Bulk Materials | Basic Metals | Fertilizers | Logistic | Others | Total |
| Results | | | | | | |
| Net revenue | 33,833,038 | 8,103,805 | 2,512,543 | 1,108,196 | 374,206 | 45,931,788 |
| Cost and expenses | (10,153,985) | (5,223,487) | (1,993,256) | (994,740) | (1,275,930) | (19,641,398) |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | | | |
|---|-------------------|------------------|------------------|------------------|------------------|-------------------|
| Realized gain on assets available for sale | | 2,492,175 | | | | 2,492,175 |
| Depreciation, depletion and amortization | (1,264,690) | (1,148,951) | (409,682) | (177,698) | (12,259) | (3,013,280) |
| | 22,414,363 | 4,223,542 | 109,605 | (64,242) | (913,983) | 25,769,285 |
| Financial results | 1,310,026 | (711,486) | 150,826 | (55,135) | (66,703) | 627,528 |
| Equity results from associates | 972,773 | (9,137) | | 112,899 | 40,685 | 1,117,220 |
| Income tax and social contribution | (4,981,734) | (1,059,070) | (78,866) | (1,037) | (10,595) | (6,131,302) |
| Income from continuing operations | 19,715,428 | 2,443,849 | 181,565 | (7,515) | (950,596) | 21,382,731 |
| Net income of the period | 19,715,428 | 2,443,849 | 181,565 | (7,515) | (950,596) | 21,382,731 |
| Net income (loss) attributable to non-controlling interests | (6,676) | (77,314) | (31,419) | | (68,202) | (183,611) |
| Income attributable to the company's stockholders | 19,722,104 | 2,521,163 | 212,984 | (7,515) | (882,394) | 21,566,342 |
| Sales classified by geographic area: | | | | | | |
| America, except United States | 890,524 | 1,182,534 | 31,168 | | | 2,104,226 |
| United States of America | 15,565 | 1,419,924 | 921 | | 3,224 | 1,439,634 |
| Europe | 7,225,523 | 1,914,270 | 102,658 | | 43,506 | 9,285,957 |
| Middle East/Africa/Oceania | 1,305,541 | 117,368 | | | 904 | 1,423,813 |
| Japan | 4,263,116 | 1,102,515 | | | 6,529 | 5,372,160 |
| China | 13,504,068 | 1,071,794 | | | 63,879 | 14,639,741 |
| Asia, except Japan and China | 2,765,383 | 1,138,592 | 23,732 | | 1,622 | 3,929,329 |
| Brazil | 3,863,318 | 156,808 | 2,354,064 | 1,108,196 | 254,542 | 7,736,928 |
| Net revenue | 33,833,038 | 8,103,805 | 2,512,543 | 1,108,196 | 374,206 | 45,931,788 |
| Assets on June 30, 2011 | | | | | | |
| Property, plant and equipment and intangible assets | 58,342,308 | 56,712,948 | 17,802,313 | 7,559,083 | 7,859,841 | 148,276,493 |
| Investments | 2,164,882 | 5,951,457 | | 1,101,290 | 3,989,077 | 13,206,706 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

27 - Cost of Goods Sold and Services Rendered, and Sales and Administrative Expenses by Nature, Other Operational Expenses (incomes), net

The costs of goods sold and services rendered are as follows:

| | Consolidated (unaudited) | | | Six-month period ended | |
|---|--------------------------|--|-------------------|------------------------|-------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | June 30, 2012 | June 30, 2011 |
| Cost of goods sold and services rendered | | | | | |
| Personnel | 1,770,230 | 1,472,385 | 1,184,343 | 3,242,615 | 2,326,968 |
| Material | 2,132,618 | 1,800,252 | 1,451,957 | 3,932,870 | 3,012,179 |
| Fuel oil and gas | 1,031,255 | 856,836 | 815,084 | 1,888,091 | 1,743,227 |
| Outsourcing services | 2,504,801 | 1,944,091 | 1,736,712 | 4,448,892 | 3,250,662 |
| Energy | 415,849 | 385,884 | 333,040 | 801,733 | 807,317 |
| Acquisition of products | 745,475 | 760,660 | 886,704 | 1,506,135 | 1,838,859 |
| Depreciation and depletion | 1,833,144 | 1,545,160 | 1,349,338 | 3,378,304 | 2,720,220 |
| Others | 1,236,920 | 1,284,115 | 1,299,877 | 2,521,035 | 2,592,245 |
| Total | 11,670,292 | 10,049,383 | 9,057,055 | 21,719,675 | 18,291,677 |

| | Parent company (unaudited) | |
|---|----------------------------|------------------|
| | June 30, 2012 | June 30, 2011 |
| Cost of goods sold and services rendered | | |
| Personnel | 1,510,020 | 1,125,029 |
| Material | 1,854,231 | 1,608,421 |
| Fuel oil and gas | 1,105,678 | 946,931 |
| Outsourcing services | 2,831,760 | 1,958,254 |
| Energy | 528,289 | 383,157 |
| Acquisition of products | 870,853 | 1,095,493 |
| Depreciation and depletion | 1,054,978 | 808,991 |
| Others | 1,758,684 | 1,782,470 |
| Total | 11,514,493 | 9,708,746 |

(I) Period adjusted according to note 3.

The expenses are demonstrated in the tables as follows:

Edgar Filing: Vale S.A. - Form 6-K

| | Consolidated (unaudited) | | | | |
|--|--------------------------|--|-------------------|---|------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | Six-month period ended June 30, 2012 | June 30, 2011 |
| Selling and Administrative expenses | | | | | |
| Personnel | 380,181 | 356,712 | 264,444 | 736,893 | 497,076 |
| Services (consulting, infrastructure and others) | 231,219 | 193,285 | 134,286 | 424,504 | 261,195 |
| Advertising and publicity | 76,179 | 19,086 | 32,698 | 95,265 | 62,587 |
| Depreciation | 101,746 | 97,982 | 80,704 | 199,728 | 173,046 |
| Travel expenses | 41,851 | 32,866 | 14,828 | 74,717 | 30,128 |
| Taxes and rents | 5,571 | 14,177 | 22,362 | 19,748 | 33,171 |
| Incentive | 5,218 | | 4,018 | 5,218 | 4,861 |
| Others | 109,643 | 129,285 | 71,183 | 238,928 | 171,362 |
| Sales | 255,117 | 91,010 | 69,602 | 346,127 | 158,189 |
| Total | 1,206,725 | 934,403 | 694,125 | 2,141,128 | 1,391,615 |

| | Parent Company | |
|--|------------------|----------------|
| | June 30, 2012 | June 30, 2011 |
| Selling and Administrative expenses | | |
| Personnel | 477,568 | 327,206 |
| Services (consulting, infrastructure and others) | 217,814 | 168,823 |
| Advertising and publicity | 78,594 | 57,784 |
| Depreciation | 156,929 | 128,994 |
| Travel expenses | 39,530 | 17,667 |
| Taxes and rents | 14,537 | 10,787 |
| Incentive | 5,218 | 4,861 |
| Others | 96,372 | 68,041 |
| Sales | 57,641 | 18,764 |
| Total | 1,144,203 | 802,927 |

Table of Contents

(A free translation from the original in Portuguese)

| | Consolidated (unaudited) | | | Six-month period ended | |
|---|--------------------------|--|-------------------|------------------------|------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | June 30, 2012 | June 30, 2011 |
| Others operational expenses (incomes), net, including research and development | | | | | |
| Provision for loss with taxes credits (ICMS) | 20,028 | 32,402 | | 52,430 | 18,386 |
| Provision for variable remuneration | 90,455 | 295,392 | 146,705 | 385,847 | 290,371 |
| Vale do Rio Doce Foundation - FVRD | 19,004 | | 79,519 | 19,004 | 124,974 |
| Provision for disposal of materials/inventories | 49,587 | 37,124 | | 86,711 | 56,779 |
| Pre operational, plant stoppages and idle capacity | 637,002 | 564,128 | 549,976 | 1,201,130 | 769,204 |
| Damage cost | 127,340 | | | 127,340 | |
| Research and development | 707,938 | 526,557 | 580,061 | 1,234,495 | 1,148,875 |
| Others | 279,972 | 262,272 | 360,716 | 542,244 | 562,797 |
| Total | 1,931,326 | 1,717,875 | 1,716,977 | 3,649,201 | 2,971,386 |

| | Parent Company | |
|---|------------------|------------------|
| | June 30, 2012 | June 30, 2011 |
| Others operational expenses (incomes), net, including research and development | | |
| Provision for loss with taxes credits (ICMS) | 49,383 | 5,280 |
| Provision for variable remuneration | 249,862 | 264,911 |
| Vale do Rio Doce Foundation - FVRD | 19,124 | 124,975 |
| Provision for disposal of materials/inventories | 66,177 | 22,000 |
| Pre operational, plant stoppages and idle capacity | 213,033 | 106,281 |
| Research and development | 665,696 | 619,904 |
| Others | 168,883 | 118,047 |
| Total | 1,432,158 | 1,261,398 |

(I) Period adjusted according to note 3.

28 - Financial result

The financial results occurred in the periods, recorded by nature and competence, are as follows:

Edgar Filing: Vale S.A. - Form 6-K

Table of Contents

(A free translation from the original in Portuguese)

| | Consolidated (unaudited) | | | | |
|--|--------------------------|--|--------------------|---|--------------------|
| | June 30, 2012 | Three-month period ended March 30, 2012 | June 30, 2011 (I) | six-month period ended June 30, 2012 | June 30, 2011 |
| Financial expenses | | | | | |
| Interest | (639,017) | (598,237) | (518,049) | (1,237,254) | (1,085,504) |
| Labor, tax and civil contingencies | (23,778) | (61,840) | 1,087 | (85,618) | (8,929) |
| Derivatives | (919,869) | (8,635) | (100,537) | (928,504) | (168,380) |
| Monetary and exchange rate variation (a) | (3,532,943) | (166,397) | (335,446) | (3,699,340) | (402,647) |
| Stockholders debentures | (135,395) | (184,147) | 32,367 | (319,542) | (87,550) |
| Financial taxes | (26,620) | (32,412) | (3,918) | (59,032) | (5,643) |
| Others | (288,081) | (207,098) | (337,604) | (495,179) | (601,147) |
| | (5,565,703) | (1,258,766) | (1,262,100) | (6,824,469) | (2,359,800) |
| Financial income | | | | | |
| Related parties | | 27 | | 27 | |
| Short-term investments | 35,272 | 49,309 | 302,713 | 84,581 | 544,219 |
| Derivatives | 115,469 | 527,705 | 666,139 | 643,174 | 1,130,583 |
| Monetary and exchange rate variation (b) | 74,381 | 744,736 | 1,130,745 | 819,117 | 1,221,102 |
| Others | 196,198 | 158,378 | 57,446 | 354,576 | 91,424 |
| | 421,320 | 1,480,155 | 2,157,043 | 1,901,475 | 2,987,328 |
| Financial results, net | (5,144,383) | 221,389 | 894,943 | (4,922,994) | 627,528 |
| Summary of Monetary and exchange rate | | | | | |
| Cash and cash equivalents | 26 | 57,501 | (7,766) | 57,527 | (4,533) |
| Loans and financing | (3,036,876) | 687,114 | 158,042 | (2,349,762) | 195,246 |
| Related parties | 54,940 | (18,514) | | 36,426 | |
| Others | (476,653) | (147,762) | 645,023 | (624,415) | 627,742 |
| Net (a + b) | (3,458,563) | 578,339 | 795,299 | (2,880,224) | 818,455 |

| | Parent Company | |
|--|---|--------------------|
| | Six-month period ended (unaudited) June 30, 2012 | June 30, 2011 |
| Financial expenses | | |
| Interest | (1,188,952) | (1,158,940) |
| Labor, tax and civil contingencies | (81,468) | 4,795 |
| Derivatives | (685,376) | (73,124) |
| Monetary and exchange rate variation (a) | (3,591,636) | (158,870) |
| Stockholders debentures | (319,542) | (87,550) |
| Financial taxes | (56,973) | (2,846) |
| Others | (258,325) | (220,491) |
| | (6,182,272) | (1,697,026) |
| Financial income | | |
| Related parties | 27 | 14,284 |
| Short-term investments | 59,190 | 424,842 |
| Derivatives | 272,927 | 697,728 |

Edgar Filing: Vale S.A. - Form 6-K

| | | |
|--|--------------------|------------------|
| Monetary and exchange rate variation (b) | 699,492 | 1,024,634 |
| Others | 217,369 | 14,159 |
| | 1,249,005 | 2,175,647 |
| Financial results, net | (4,933,267) | 478,621 |
| Summary of Monetary and exchange rate | | |
| Loans and financing | (544,355) | 185,237 |
| Related parties | (2,155,504) | (13,500) |
| Others | (192,285) | 694,027 |
| Net (a + b) | (2,892,144) | 865,764 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

29 - Commitments

a) Nickel project New Caledonia

The construction and installation of our processing plant for nickel and cobalt in New Caledonia, we provide significant assurance to our financing agreements, which are listed below.

In connection with the Girardin tax law arrangement sponsored by the French government which gives advantage to financial leasing operations, Vale warrants to BNP Paribas, a tax investors according to French law, certain payments due by VNC. Vale also committed that the assets associated with the finance lease would be determined by the Girardin Act substantially completed by December 31, 2011. Due to the delay in the start-up operations of the VNC, Vale has proposed an extension of this deadline to December 31, 2012. The French government and tax investors formally agreed to this extension. The likelihood of the guarantee is sought is remote.

Sumic Nickel Netherlands B.V. (Sumic), a 21% stockholder of VNC, has a put option to sell to us 25%, 50%, or 100% of the shares they own of VNC if the defined cost of the initial nickel cobalt development project, as measured by funding provided to VNC, in natural currencies and converted to U.S. dollars at specified rates of exchange, in the form of Girardin Act lease financing, shareholder loans and equity contributions by shareholders to VNC, exceeded R\$9.2 billion (equivalent to US\$4.6 billion) and an agreement cannot be reached on how to proceed with the project. On May 27, 2010 the threshold was reached. The put option discussion and decision period was extended to July 31, 2012. In light of the delay in ramping up the project, we are currently in discussion with Sumic pertaining to a further extension of the put option.

Moreover, throughout our operations, we have letters of credit and guarantees amounting to R\$1.5 billion (equivalent to US\$761 million) that are associated with items such as environmental claims, asset retirement obligations, insurance, electricity commitments, benefits post-retirement agreements, community service and import and export commitments.

b) Participative Debentures

At the time of privatization in 1997, Vale debentures issued to existing shareholders, including the Brazilian Government. The terms of the debentures were established to ensure that the pre-privatization shareholders, participate in possible future benefits that could be obtained from the exploitation of certain mineral resources.

Edgar Filing: Vale S.A. - Form 6-K

A total of 388,559,056 debentures were issued at a par value of R\$0.01 (one cent real), whose value will be adjusted according to the variation of the General Market Price (IGP-M), as defined in the Indenture. In June 30, 2012 and December 31, 2011 the value of these debentures at fair value totaled R\$ 2,805,808 and R\$2,495,995, respectively.

The debenture holders are entitled to receive awards, payable semiannually, equivalent to a percentage of net revenues of certain mineral resources as the indenture. In April 2012, compensation was paid to these debentures in the amount of R\$ 11,399.

c) Operational lease

There was no change from the published statements for the year ended December 31, 2011.

d) Concession Contracts and Sub-concession

i. Rail companies

There was no change from the published statements for the year ended December 31, 2011.

Table of Contents

(A free translation from the original in Portuguese)

30 - Related parties

Transactions with related parties are made by the Company in a strictly commutative manner, observing the price and usual market conditions and therefore do not generate any undue benefit to their counterparties or loss to the Company.

In the normal course of operations, Vale contracts rights and obligations with related parties (subsidiaries, associated companies, jointly controlled entities and Stockholders), derived from operations of sale and purchase of products and services, leasing of assets, sale of raw material, so as rail transport services, with prices agreed between the parties and also mutual transactions.

The balances of these related party transactions and their effect on financial statements may be identified as follows:

| | June 30, 2012 (unaudited) | | December 31, 2011 (I) | |
|---|---------------------------|------------------|-----------------------|------------------|
| | Customers | Related parties | Customers | Related parties |
| Baovale Mineração S.A. | 9,965 | 9,802 | 9,939 | 3,323 |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | | 20,040 | | 40 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 171,735 | 265 | 330,569 | 265 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 689 | 6,617 | 649 | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 672 | | 1,070 | |
| Minas da Serra Geral S.A. | 43 | 453 | 11 | |
| Mineração Rio do Norte S.A. | | 13,932 | | 52 |
| MRS Logística S.A. | 18,226 | 130,915 | 15,411 | 75,580 |
| Norsk Hydro ASA | | 851,025 | | 867,984 |
| Samarco Mineração S.A. | 56,834 | 415,183 | 75,430 | 12,685 |
| Others | 58,573 | 99,111 | 104,256 | 97,981 |
| Total | 316,737 | 1,547,343 | 537,335 | 1,057,910 |
| Current | 316,737 | 696,052 | 537,335 | 153,738 |
| Non-current | | 851,291 | | 904,172 |
| Total | 316,737 | 1,547,343 | 537,335 | 1,057,910 |

| | Consolidated Liabilities | |
|--|---------------------------|-----------------------|
| | June 30, 2012 (unaudited) | December 31, 2011 (I) |

Edgar Filing: Vale S.A. - Form 6-K

| | Suppliers | Related parties | Suppliers | Related parties |
|---|----------------|-----------------|----------------|-----------------|
| Baovale Mineração S.A. | 51,218 | | 37,179 | |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | 84,406 | | 9,335 | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 175,294 | | 303,165 | |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 12,495 | | | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 52,440 | 21,201 | 2,475 | 21,201 |
| Minas da Serra Geral | 26,892 | | 16,135 | |
| MRS Logística S.A. | 81,996 | | 26,742 | |
| Norsk Hydro ASA | | 157,993 | | 149,432 |
| Samarco Mineração S.A | | | 317 | |
| Mitsui & CO, LTD | 75,533 | | 68,643 | |
| Others | 60,546 | 16,860 | 47,360 | 42,890 |
| Total | 620,820 | 196,054 | 511,351 | 213,523 |
| Current | 620,820 | 38,061 | 511,351 | 42,907 |
| Non-current | | 157,993 | | 170,616 |
| Total | 620,820 | 196,054 | 511,351 | 213,523 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

| | Parent Company Assets | | | |
|---|---------------------------|------------------|-------------------|------------------|
| | June 30, 2012 (unaudited) | | December 31, 2011 | |
| | Customers | Related parties | Customers | Related parties |
| Baovale Mineração S.A. | 9,965 | 9,802 | 9,939 | 3,323 |
| Biopalma da Amazônia | | 666,578 | | 349,417 |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | | 20,040 | | 40 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 171,648 | 265 | 329,059 | 265 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 731 | 6,617 | | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 672 | | 1,070 | |
| Companhia Portuária Baía de Sepetiba - CPBS | 2,093 | | 2,976 | |
| Ferrovias Centro - Atlântica S.A. | 6,770 | 22,728 | 6,061 | 35,700 |
| Minerações Brasileiras Reunidas S.A. - MBR | 22,787 | 444,257 | 18,113 | 554,784 |
| Mineração Corumbaense Reunida S.A. | 156,099 | 172,537 | 138,871 | 79,648 |
| Mineração Rio do Norte S.A. | 385 | 13,902 | | |
| MRS Logística S.A. | 17,051 | 42,088 | 14,920 | 28,615 |
| Salobo Metais S.A. | 21,261 | | 20,181 | 5,167 |
| Samarco Mineração S.A. | 56,834 | 415,183 | 75,430 | 12,685 |
| Vale International S.A. | 16,403,068 | 332,069 | 14,270,675 | 1,705,079 |
| Vale Manganês S.A. | 66,807 | | 43,826 | |
| Vale Mina do Azul | 37,007 | | 134 | 47,270 |
| Vale Operações Ferroviárias | 44,284 | | 134,910 | 11,308 |
| Vale Potássio Nordeste | 47,322 | | 44,641 | |
| Others | 159,428 | 268,262 | 137,750 | 173,776 |
| Total | 17,224,212 | 2,414,328 | 15,248,556 | 3,007,077 |
| Current | 17,224,212 | 1,614,919 | 15,248,556 | 2,561,308 |
| Non-current | | 799,409 | | 445,769 |
| Total | 17,224,212 | 2,414,328 | 15,248,556 | 3,007,077 |

| | Parent Company Liabilities | | | |
|---|-------------------------------|-----------------|-------------------|-----------------|
| | June 30, 2012 (unaudited) | | December 31, 2011 | |
| | Suppliers | Related parties | Suppliers | Related parties |
| Baovale Mineração S.A. | 51,218 | | 37,179 | |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | 84,406 | | 9,335 | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 175,294 | | 303,165 | |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 12,495 | | | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 52,440 | 21,201 | 2,475 | 21,201 |
| Companhia Portuária Baía de Sepetiba - CPBS | 81,936 | | 58,360 | |
| Ferrovias Centro - Atlântica S.A. | 19,466 | 6 | 18,708 | 6 |

Edgar Filing: Vale S.A. - Form 6-K

| | | | | |
|--|------------------|-------------------|----------------|-------------------|
| Minerações Brasileiras Reunidas S.A. - MBR | 116,185 | | 44,045 | 155 |
| Mineração Rio do Norte S.A. | 2 | | | |
| MRS Logística S.A. | 91,957 | | 36,863 | |
| Mitsui & CO, LTD | 75,533 | | 68,643 | |
| Vale International S.A. | 41,669 | 36,216,516 | 8,452 | 33,581,838 |
| Vale Mina do Azul | 22,916 | | 151,770 | |
| Vale Operações Ferroviárias | 15,654 | 155,816 | | |
| Vale Potássio Nordeste | 39,520 | | 36,712 | |
| Others | 265,854 | 10,554 | 98,571 | 9,949 |
| Total | 1,146,545 | 36,404,093 | 874,278 | 33,613,149 |
| Current | 1,146,545 | 6,636,262 | 874,278 | 4,959,017 |
| Non-current | | 29,767,831 | | 28,654,132 |
| Total | 1,146,545 | 36,404,093 | 874,278 | 33,613,149 |

| | Consolidated Income (unaudited) | | | | |
|---|------------------------------------|----------------|-------------------|------------------------|-------------------|
| | Three-month period ended | | | Six-month period ended | |
| | June 30, 2012 | March 31, 2012 | June 30, 2011 (I) | June 30, 2012 | June 30, 2011 (I) |
| Baovale Mineração S.A. | | | 1,730 | | 3,434 |
| Companhia Coreano-Brasileira de Pelotização - KOBASCO | | 267 | | 267 | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 186,407 | 263,204 | 283,172 | 449,611 | 592,789 |
| Log-in S.A. | 17 | 34 | 1,850 | 51 | 3,492 |
| Mineração Rio do Norte S.A. | 17 | 17 | | 34 | 32 |
| MRS Logística S.A. | 7,664 | 7,095 | 6,701 | 14,759 | 12,920 |
| Samarco Mineração S.A. | 167,834 | 170,967 | 192,098 | 338,801 | 418,915 |
| Others | | 4,563 | 166,576 | 4,563 | 175,284 |
| Total | 361,939 | 446,147 | 652,127 | 808,086 | 1,206,866 |

(I) Period adjusted according to note 3.

Table of Contents

(A free translation from the original in Portuguese)

| | Consolidated Cost / Expense (unaudited) | | | | |
|---|--|--|--------------------------|---|--------------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | Six-month period ended June 30, 2012 | June 30, 2011 (I) |
| Baovale Mineração S.A. | 10,367 | 10,368 | 9,745 | 20,735 | 19,490 |
| Companhia Coreano-Brasileira de Pelotização - KOBASCO | 41,349 | 90,864 | 37,044 | 132,213 | 84,128 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 234,210 | 190,568 | 348,515 | 424,778 | 711,856 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 12,745 | 12,919 | 69,296 | 25,664 | 128,271 |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 21,229 | 34,069 | 76,674 | 55,298 | 138,595 |
| Mineração Rio do Norte S.A. | | | | | 29,335 |
| Mitsui & Co Ttd | 11,373 | 17,561 | 7,338 | 28,934 | 104,695 |
| MRS Logística S.A. | 361,300 | 318,712 | 363,221 | 680,012 | 600,476 |
| Others | 10,497 | 7,697 | 5,378 | 18,194 | 16,404 |
| Total | 703,070 | 682,758 | 917,211 | 1,385,828 | 1,833,250 |

(I) Period adjusted according to note 3.

| | Consolidated Financial (unaudited) | | | | |
|---|---|--|--------------------------|---|--------------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | June 30, 2011 (I) | Six-month period ended June 30, 2012 | June 30, 2011 (I) |
| Baovale Mineração S.A. | | | | | 4,668 |
| Companhia Coreano-Brasileira de Pelotização - KOBASCO | | 7 | | 7 | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 27,060 | | | 27,060 | (3,694) |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | | 9 | | 9 | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | | 11 | | 11 | |
| Samarco Mineração S.A. | 228 | (60) | | 168 | |
| Others | 44,103 | (11,873) | (13,243) | 32,230 | (44,149) |
| Total | 71,391 | (11,906) | (13,243) | 59,485 | (43,175) |

(I) Period adjusted according to note 3.

Parent Company

Edgar Filing: Vale S.A. - Form 6-K

| | Receita (não auditado) | | | | |
|---|--------------------------|-------------------|-------------------|------------------------|-------------------|
| | Three-month period ended | | | Six-month period ended | |
| | June 30, 2012 | March 31, 2012 | June 30, 2011 | June 30, 2012 | June 30, 2011 |
| ALBRAS - Alumínio Brasileiro S.A. | | | | | 31,019 |
| ALUNORTE - Alumina do Norte do Brasil S.A. | | | | | 402 |
| Baovale Mineração S.A. | | | 1,730 | | 3,434 |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | | 267 | | 267 | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 178,576 | 255,215 | 275,343 | 433,791 | 577,718 |
| Ferrovias Centro - Atlântica S.A. | 30,159 | 20,926 | 48,320 | 51,085 | 96,650 |
| Ferrovias Norte Sul S.A. | 83 | 546 | 403 | 629 | 5,750 |
| Vale Canada Limited | 3,865 | | | 3,865 | 5,620 |
| Minerações Brasileiras Reunidas S.A. - MBR | 5,248 | | | 5,248 | |
| MRS Logística S.A. | 5,574 | 5,922 | 5,402 | 11,496 | 10,446 |
| Samarco Mineração S.A. | 167,752 | 169,332 | 186,618 | 337,084 | 409,951 |
| Vale International S.A. | 13,872,877 | 10,016,694 | 14,111,193 | 23,889,571 | 25,481,398 |
| Vale Manganês S.A. | 4,081 | 2,806 | 22,936 | 6,887 | 45,322 |
| Vale Operações Ferroviárias | 59,131 | 55,718 | | 114,849 | |
| Vale Operações Portuárias | 8,165 | 8,876 | | 17,041 | |
| Vale Mina do Azul | 15,771 | 11,817 | | 27,588 | |
| Outras | 9,873 | 17,399 | 11,184 | 27,272 | 11,374 |
| Total | 14,361,155 | 10,565,518 | 14,663,129 | 24,926,673 | 26,679,084 |

| | Parent Company Cost/Expense (unaudited) | | | | |
|---|---|----------------|------------------|------------------------|------------------|
| | Three-month period ended | | | Six-month period ended | |
| | June 30, 2012 | March 31, 2012 | June 30, 2011 | June 30, 2012 | June 30, 2011 |
| ALBRAS - Alumínio Brasileiro S.A. | | | 163 | | 163 |
| ALUNORTE - Alumina do Norte do Brasil S.A. | | | 1,278 | | 28,217 |
| Baovale Mineração S.A. | 10,367 | 10,368 | 9,745 | 20,735 | 19,490 |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | 47,832 | 41,280 | 37,044 | 89,112 | 84,128 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 234,210 | 190,568 | 348,515 | 424,778 | 711,856 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | 12,745 | 12,919 | 69,296 | 25,664 | 128,271 |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | 21,229 | 34,069 | 76,674 | 55,298 | 138,595 |
| Companhia Portuária Baía de Sepetiba - CPBS | 107,921 | 77,499 | 70,324 | 185,420 | 154,850 |
| Ferrovias Centro - Atlântica S.A. | 18,014 | 17,840 | 18,999 | 35,854 | 31,527 |
| Vale Canada Limited | | | 1,388 | | 1,388 |
| Mitsui & Co Ltd | 11,373 | 17,561 | 7,338 | 28,934 | 104,695 |
| MRS Logística S.A. | 358,680 | 316,126 | 361,085 | 674,806 | 596,798 |
| Vale Energia S.A. | 103,132 | 63,827 | 26,862 | 166,959 | 62,982 |
| Vale Mina do Azul S.A. | 13,797 | 6,381 | | 20,178 | |
| Vale Colombia Holdings | | 11,918 | | 11,918 | |
| Minerações Brasileiras Reunidas S.A. - MBR | 190,825 | 179,685 | | 370,510 | |
| Others | 18,041 | 5,226 | 79,887 | 23,267 | 164,711 |
| Total | 1,148,166 | 985,267 | 1,108,598 | 2,133,433 | 2,227,671 |

Edgar Filing: Vale S.A. - Form 6-K

Table of Contents

(A free translation from the original in Portuguese)

| | Parent Company Financial (unaudited) | | | | | |
|---|---|--|--|------------------|--|------------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | | June 30, 2011 | Six-month period ended June 30, 2012 June 30, 2011 | |
| ALUNORTE - Alumina do Norte do Brasil S.A. | | | | | | 4,668 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 27,060 | | | | 27,060 | (3,694) |
| Companhia Portuária Baía de Sepetiba - CPBS | | | | | | 3 |
| Ferrovía Centro - Atlântica S.A. | (5,201) | 302 | | (12,118) | (4,899) | (12,410) |
| Vale Canada Limited | 1,330 | | | (4,341) | 1,330 | (4,341) |
| Samarco Mineração S.A. | 168 | | | | 168 | |
| Vale International S.A. | (342,002) | (250,321) | | (203,985) | (592,323) | (578,591) |
| Sociedad Contractual Minera Tres Valles | 1,520 | (406) | | | 1,114 | |
| Minerações Brasileiras Reunidas S.A. - MBR | 4,945 | | | | 4,945 | |
| Biopalma da Amazonia S.A. | 62,848 | 4,312 | | | 67,160 | |
| Vale Overseas | | | | 25,109 | | 25,109 |
| Others | (559) | (165) | | 6,961 | (724) | (1,397) |
| Total | (249,891) | (246,278) | | (188,374) | (496,169) | (570,653) |

Additionally we have loans payable to Banco Nacional de Desenvolvimento Social and BNDES Participações S.A in the amounts of R\$ 5,315,479 and R\$ 1,685,195 respectively, accruing interest at market rates, which fall due through 2029. The operations generated interest expenses of R\$ 59,301 and R\$ 28,581. We also maintain cash equivalent balances with Banco Bradesco S.A. in the amount of R\$ 44,888 in June 30, 2012. The effect of these operations in results of the period was R\$ 735.

Remuneration of key management personnel:

| | (unaudited) | | | | | |
|--------------------------------|---------------|--|--|----------------|--|----------------|
| | June 30, 2012 | Three-month period ended March 31, 2012 | | June 30, 2011 | Six-month period ended June 30, 2012 June 30, 2011 | |
| Short-term benefits: | 11,102 | 33,115 | | 62,476 | 44,217 | 101,155 |
| Wages or pro-labor | 5,544 | 3,945 | | 9,195 | 9,489 | 14,047 |
| Direct and indirect benefits | 4,441 | 9,590 | | 28,577 | 14,031 | 37,700 |
| Bonus | 1,117 | 19,580 | | 24,704 | 20,697 | 49,408 |
| Long-term benefits: | | | | | | |
| Based on stock | 3,730 | 13,043 | | 17,678 | 16,774 | 28,864 |
| | 3,730 | 13,043 | | 17,678 | 16,774 | 28,864 |
| Termination of position | 6,143 | 6,034 | | 61,051 | 12,177 | 61,621 |
| | 20,976 | 52,192 | | 141,205 | 73,168 | 191,641 |

Table of Contents

(A free translation from the original in Portuguese)

31 Board of Directors, Fiscal Council, Advisory committees and Executive Officers

Board of Directors

Ricardo José da Costa Flores

Chairman

Mário da Silveira Teixeira Júnior

Vice-President

Fuminobu Kawashima

José Mauro Mettrau Carneiro da Cunha

José Ricardo Sasseron

Luciano Galvão Coutinho

Nelson Henrique Barbosa Filho

Oscar Augusto de Camargo Filho

Paulo Soares de Souza

Renato da Cruz Gomes

Robson Rocha

Alternate

Deli Soares Pereira

Eduardo de Oliveira Rodrigues Filho

Eustáquio Wagner Guimarães Gomes

Hajime Tonoki

Luiz Carlos de Freitas

Luiz Maurício Leuzinger

Marco Geovanne Tobias da Silva

Paulo Sergio Moreira da Fonseca

Raimundo Nonato Alves Amorim

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

José Ricardo Sasseron

Governance and Sustainability Committee

Gilmar Dalilo Cezar Wanderley

Renato da Cruz Gomes

Ricardo Simonsen

Fiscal Council

Marcelo Amaral Moraes

Chairman

Aníbal Moreira dos Santos

Antonio Henrique Pinheiro Silveira

Arnaldo José Vollet

Alternate

Cícero da Silva

Oswaldo Mário Pêgo de Amorim Azevedo

Paulo Fontoura Valle

Executive Officers

Murilo Pinto de Oliveira Ferreira

President & CEO

Vânia Lucia Chaves Somavilla

Executive Director, HR, Health & Safety, Sustainability and Energy

Tito Botelho Martins

Chief Financial Officer

Roger Allan Downey

Executive Director, Fertilizers and Coal

José Carlos Martins

Executive Director, Ferrous and Strategy

Edgar Filing: Vale S.A. - Form 6-K

Luiz Maurício Leuzinger
Oscar Augusto de Camargo Filho

Strategic Committee

Murilo Pinto de Oliveira Ferreira
Luciano Galvão Coutinho
Mário da Silveira Teixeira Júnior
Oscar Augusto de Camargo Filho

Ricardo José da Costa Flores

Finance Committee

Tito Botelho Martins
Eduardo de Oliveira Rodrigues Filho
Luciana Freitas Rodrigues
Luiz Maurício Leuzinger

Galib Abrahão Chaim
Executive Director, Capital Projects Implementation

Humberto Ramos de Freitas
Executive Director, Logistics and Mineral Research

Gerd Peter Poppinga
Executive Director, Base Metals and IT

Marcus Vinicius Dias Severini
Chief Officer of Accounting and Control Department

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)

Date: July 25, 2012

By:

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