Vale S.A.
Form 6-K
July 31, 2014
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United States
Securities and Exchange Commission

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the
Securities Exchange Act of 1934

For the month of

July, 2014

Vale S.A.

Avenida Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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

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

(Check One) Yes o No x

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

(Check One) Yes o No x

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

(Check One) Yes o No x

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

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Interim Financial Statements

June 30, 2014

BR GAAP

Filed with the CVM, SEC and HKEx on

July 31, 2014

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Vale S.A.

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Report on the review of quarterly information - ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards - IFRS)

To

The Board of Directors and Stockholders of

Vale S.A.

Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim accounting information of Vale S.A. (the Company), included in the quarterly information form - ITR for the quarter ended June 30, 2014, which comprises the balance sheet as of June 30, 2014 and the respective statements of income and comprehensive income for the three-month and six-month periods ended on June 30, 2014 and the respective statements of changes in stockholders equity and of cash flows for the six-month period then ended, including the explanatory notes.

The Company`s Management is responsible for the preparation of the individual interim accounting information in accordance with the Accounting Pronouncement CPC 21(R1) Interim Statement and consolidated interim accounting information in accordance with CPC 21(R1) and the international accounting rule IAS 34 - Interim Financial Reporting, issued by the IASB, as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of quarterly information - ITR. Our responsibility is to express our conclusion on this interim accounting information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (*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 the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual interim accounting information

Based on our review, we are not aware of any fact that might lead us to believe that the individual interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1), applicable to the preparation of the quarterly review - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

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Conclusion on the consolidated interim accounting information

Based on our review, we are not aware of any fact that might lead us to believe that the consolidated interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of the quarterly review - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Statements of added value

We have also reviewed the individual and consolidated interim information of added value for the six-month period ended June 30, 2014, prepared under the responsibility of the Company`s Management, for which presentation is required in the interim information in accordance with the standards issued by the CVM applicable to the preparation of quarterly information - ITR, and considered as supplementary information by IFRS, which does not require the presentation of the statements of added value. These statements were submitted to the same review procedures described previously and, based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information, taken as a whole.

Previous year and quarters accounting information

The individual and consolidated interim accounting information corresponding to the year ended December 31, 2013 and to the quarters ended March 31, 2014 and 2013 and June 30, 2013 presented for comparison purposes, were previously audited and reviewed by other independent auditors who issued reports dated February 26, 2014, April 30, 2014, April 24, 2013 and August 7, 2013, respectively, without any qualification.

Rio de Janeiro, July 28, 2014

KPMG Auditores Independentes

CRC SP-014428/O-6 F-RJ

(Original report in portuguese signed by)

Manuel Fernandes Rodrigues de Sousa

Accountant CRC RJ-052.428/O-2

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Condensed Balance Sheet

In millions of Brazilian Reais

	Notes	Consolidated June 30, 2014 (unaudited)	Consolidated December 31, 2013	Parent Company June 30, 2014 (unaudited)	Parent Company December 31, 2013
Assets					
Current assets					
Cash and cash equivalents	7	15,560	12,465	1,264	3,635
Derivative financial instruments	23	503	471	389	378
Accounts receivable	8	9,185	13,360	22,645	14,167
Related parties	30	1,521	611	1,961	1,684
Inventories	9	10,981	9,662	3,572	3,287
Prepaid income taxes		2,237	5,563	2,039	4,629
Recoverable taxes	10	3,939	3,698	2,328	2,295
Advances to suppliers		503	292	94	130
Receivable from sale of investment	6c)	2,000		2,000	
Others		1,623	2,159	668	906
		48,052	**48,281**	**36,960**	**31,111**
Non-current assets held for sale and discontinued operation	6	1,672	8,822	1,672	7,051
		49,724	**57,103**	**38,632**	**38,162**
Non-current assets					
Related parties	30	232	253	823	864
Loans and financing agreements receivable		522	564	100	192
Judicial deposits	17	3,595	3,491	3,009	2,888
Recoverable income taxes		927	899		
Deferred income taxes	19	9,670	10,596	6,723	7,418
Recoverable taxes	10	789	668	398	258
Derivative financial instruments	23	435	329	45	
Deposit on incentive and reinvestment		472	447	443	418
Others		1,741	1,730	202	159
		18,383	**18,977**	**11,743**	**12,197**
Investments	11	11,251	8,397	117,440	123,370
Intangible assets, net	12	15,886	16,096	15,486	15,636
Property, plant and equipment, net	13	188,332	191,308	74,648	70,705
		233,852	**234,778**	**219,317**	**221,908**
Total		**283,576**	**291,881**	**257,949**	**260,070**

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Condensed Balance Sheet

In millions of Brazilian Reais

(continued)

		Consolidated		Parent Company	
	Notes	**June 30, 2014 (unaudited)**	**December 31, 2013**	**June 30, 2014 (unaudited)**	**December 31, 2013**
Liabilities					
Current liabilities					
Suppliers and contractors		8,209	8,837	4,606	3,640
Payroll and related charges		2,262	3,247	1,521	2,228
Derivative financial instruments	23	932	556	680	435
Loans and financing	15	3,966	4,158	3,170	3,181
Related parties	30	482	479	6,870	6,453
Income Taxes Settlement Program	18	1,155	1,102	1,132	1,079
Taxes and royalties payable		1,305	766	594	356
Provision for income taxes		719	886		
Employee postretirement obligations	20	227	227	62	52
Asset retirement obligations	16	357	225	89	90
Others		1,370	985	294	756
		20,984	**21,468**	**19,018**	**18,270**
Liabilities directly associated with non-current assets held for sale and discontinued operation	6		1,050		
		20,984	**22,518**	**19,018**	**18,270**
Non-current liabilities					
Derivative financial instruments	23	2,101	3,496	2,023	3,188
Loans and financing	15	61,805	64,819	31,826	32,896
Related parties	30	390	11	30,610	32,013
Employee postretirement obligations	20	4,498	5,148	455	464
Provisions for litigation	17	3,306	2,989	2,330	2,008
Income taxes Settlement program	18	15,403	15,243	15,088	14,930
Deferred income taxes	19	7,406	7,562		
Asset retirement obligations	16	5,967	5,969	1,966	1,856
Stockholders Debentures	29(b)	4,806	4,159	4,806	4,159
Redeemable noncontrolling interest		625	646		
Gold stream transaction	28	3,222	3,508		

Others		2,519	3,692	2,031	1,940
		112,048	**117,242**	**91,135**	**93,454**
Total liabilities		**133,032**	**139,760**	**110,153**	**111,724**
Stockholders equity	24				
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,027,172,718 (in 2013 - 2,108,579,618) issued		29,879	29,475	29,879	29,475
Common stock - 3,600,000,000 no-par-value shares authorized and 3,217,188,402 (in 2013 - 3,256,724,482) issued		47,421	45,525	47,421	45,525
Treasury stock - 59,405,792 (in 2013 - 140,857,692) preferred and 31,535,402 (in 2013 - 71,071,482) common shares		(2,746)	(7,838)	(2,746)	(7,838)
Results from operations with noncontrolling stockholders		(840)	(840)	(840)	(840)
Results on conversion of shares		50	50	50	50
Unrealized fair value gain (losses)		(2,451)	(2,815)	(2,451)	(2,815)
Cumulative translation adjustments		10,149	15,527	10,149	15,527
Retained earnings and revenue reserves		66,334	69,262	66,334	69,262
Total company stockholders equity		**147,796**	**148,346**	**147,796**	**148,346**
Noncontrolling interests		2,748	3,775		
Total stockholders equity		**150,544**	**152,121**	**147,796**	**148,346**
Total liabilities and stockholders equity		**283,576**	**291,881**	**257,949**	**260,070**

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

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Condensed Consolidated Statement of Income

In millions of Brazilian Reais, except as otherwise stated

		(unaudited)			
		Three-month period ended		Six-month period ended	
	Notes	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Continuing operations					
Net operating revenue	25	22,084	22,109	44,493	43,335
Cost of goods sold and services rendered	26	(13,566)	(12,232)	(26,738)	(23,040)
Gross profit		**8,518**	**9,877**	**17,755**	**20,295**
Operating (expenses) income					
Selling and administrative expenses	26	(528)	(646)	(1,195)	(1,349)
Research and evaluation expenses		(355)	(321)	(699)	(665)
Pre operating and stoppage operation		(589)	(951)	(1,175)	(1,700)
Other operating expenses, net	26	(364)	(485)	(870)	(723)
		(1,836)	**(2,403)**	**(3,939)**	**(4,437)**
Impairment of non-current assets		(1,730)		(1,730)	
Operating income		**4,952**	**7,474**	**12,086**	**15,858**
Financial income	27	2,702	1,769	5,832	3,038
Financial expenses	27	(2,831)	(8,778)	(5,633)	(10,714)
Equity results from associates and joint venture	11	542	104	1,001	446
Results on sale of investments from associates and joint ventures		(39)		(39)	
Net income before income taxes		**5,326**	**569**	**13,247**	**8,628**
Income taxes	19				
Current tax		(1,229)	(539)	(3,420)	(2,724)
Deferred tax		(1,007)	711	(1,153)	1,039
		(2,236)	**172**	**(4,573)**	**(1,685)**
Income from continuing operations		**3,090**	**741**	**8,674**	**6,943**
Loss attributable to noncontrolling interests		(97)	(68)	(422)	(182)
Net income attributable to the Company s stockholders		**3,187**	**809**	**9,096**	**7,125**
Discontinued Operations					
Loss from discontinued operations			23		(92)
Net loss attributable to the Company s stockholders			**23**		**(92)**
Net income		**3,090**	**764**	**8,674**	**6,851**
Loss attributable to noncontrolling interests		(97)	(68)	(422)	(182)

Net income attributable to the Company s stockholders		**3,187**	**832**	**9,096**	**7,033**
Earnings per share attributable to the Company s stockholders:					
Basic and diluted earnings per share:	24				
Preferred share (in Brazilian reais)		0.62	0.16	1.77	1.36
Common share (in Brazilian reais)		0.62	0.16	1.77	1.36

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

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Condensed Statement of Income of Parent Company

In millions of Brazilian Reais, except as otherwise stated

		(unaudited)			
		Three-month period ended		Six-month period ended	
	Notes	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Net operating revenue		13,700	15,180	29,734	28,566
Cost of goods sold and services rendered	26	(5,922)	(5,236)	(11,887)	(9,784)
Gross profit		**7,778**	**9,944**	**17,847**	**18,782**
Operating (expenses) income					
Selling and administrative expenses	26	(301)	(376)	(623)	(762)
Research and evaluation expenses		(191)	(169)	(380)	(379)
Pre operating and stoppage operation		(91)	(284)	(195)	(529)
Equity results from subsidiaries	11	(2,569)	(1,084)	(4,684)	(955)
Other operating expenses, net	26	(435)	(127)	(773)	(355)
		(3,587)	**(2,040)**	**(6,655)**	**(2,980)**
Operating income		**4,191**	**7,904**	**11,192**	**15,802**
Financial income	27	2,378	1,722	5,315	2,872
Financial expenses	27	(2,374)	(8,352)	(4,660)	(9,725)
Equity results from associates and joint venture	11	542	104	1,001	446
Results on sale of investments from associates and joint ventures		(39)		(39)	
Net income before income taxes		**4,698**	**1,378**	**12,809**	**9,395**
Income taxes	19				
Current tax		(937)	(392)	(2,975)	(2,463)
Deferred tax		(574)	(154)	(738)	101
		(1,511)	**(546)**	**(3,713)**	**(2,362)**
Net income attributable to the Company s stockholders		**3,187**	**832**	**9,096**	**7,033**
Earnings per share attributable to the Company s stockholders:					
Basic and diluted earnings per share:	24				
Preferred share (in Brazilian reais)		0.62	0.16	1.77	1.36
Common share (in Brazilian reais)		0.62	0.16	1.77	1.36

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

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Condensed Statement of Comprehensive Income

In millions of Brazilian Reais

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Net income	**3,090**	**764**	**8,674**	**6,851**
Other comprehensive income				
Item that will not be reclassified subsequently to income				
Retirement benefit obligations				
Gross balance for the period	183	(399)	238	(327)
Effect of taxes	(40)	130	(46)	123
Equity results from associates and joint ventures, net taxes			3	
	143	**(269)**	**195**	**(204)**
Total items that will not be reclassified subsequently to income	**143**	**(269)**	**195**	**(204)**
Item that will be reclassified subsequently to income				
Cumulative translation adjustments				
Gross balance for the period	**(1,325)**	**7,608**	**(5,472)**	**5,290**
Unrealized loss on available-for-sale investments				
Gross balance for the period		**(176)**		**(582)**
Cash flow hedge				
Gross balance for the period	158	(109)	145	(238)
Effect of taxes	(16)	21	(8)	31
Equity results from associates and joint ventures, net taxes	5	(11)	6	(5)
Transfer of realized results to income, net of taxes	(34)	(35)	(71)	(1)
	113	**(134)**	**72**	**(213)**
Total items that will be reclassified subsequently to income	**(1,212)**	**7,298**	**(5,400)**	**4,495**
Total comprehensive income	**2,021**	**7,793**	**3,469**	**11,142**
Comprehensive income attributable to noncontrolling interests	(159)	200	(613)	(6)
Comprehensive income attributable to the Company s stockholders	**2,180**	**7,593**	**4,082**	**11,148**

	Parent company (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Net income	**3,187**	**832**	**9,096**	**7,033**
Other comprehensive income				
Item that will not be reclassified subsequently to income				
Retirement benefit obligations				
Gross balance for the period	(65)	(306)	(127)	(465)
Effect of taxes	22	103	43	157
Equity results from entities, net taxes	186	(66)	279	104
	143	**(269)**	**195**	**(204)**
Total items that will not be reclassified subsequently to income	**143**	**(269)**	**195**	**(204)**
Item that will be reclassified subsequently to income				
Cumulative translation adjustments				
Gross balance for the period	**(1,263)**	**7,340**	**(5,281)**	**5,114**
Unrealized loss on available-for-sale investments				
Equity results from entities, net taxes		**(176)**		**(582)**
Cash flow hedge				
Equity results from entities, net taxes	**113**	**(134)**	**72**	**(213)**
Total items that will be reclassified subsequently to income	**(1,150)**	**7,030**	**(5,209)**	**4,319**
Total comprehensive income	**2,180**	**7,593**	**4,082**	**11,148**

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

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Condensed Statement of Changes in Stockholders Equity

In millions of Brazilian Reais

	Six-month period ended									
	Capital	**Results on conversion of shares**	**Results from operation with noncontrolling stockholders**	**Revenue reserves**	**Treasury stock**	**Unrealized fair value gain (losses)**	**Cumulative translation adjustments**	**Retained earnings**	**Total Company stockholder s equity**	**Noncontrolling stockholders interests**
December 31, 2012	**75,000**	**50**	**(840)**	**78,450**	**(7,838)**	**(4,176)**	**9,002**	**16**	**149,664**	**3,245**
Net income								**7,033**	**7,033**	**(182**
Other comprehensive income:										
Retirement benefit obligations						(204)			(204)	
Cash flow hedge						(213)			(213)	
Unrealized fair value results						(582)			(582)	
Translation adjustments						(240)	5,354		5,114	176
Contribution and distribution to stockholders:										
Capitalization of noncontrolling stockholders advances										20
Redeemable noncontrolling stockholders interest										61
Dividends to noncontrolling stockholders										(101
Dividends and interest on capital to Company s stockholders								(4,453)	(4,453)	
June 30, 2013 (unaudited)	**75,000**	**50**	**(840)**	**78,450**	**(7,838)**	**(5,415)**	**14,356**	**2,596**	**156,359**	**3,219**

December 31, 2013	**75,000**	**50**	**(840)**	**69,262**	**(7,838)**	**(2,815)**	**15,527**		**148,346**	**3,775**
Net income								**9,096**	**9,096**	**(422**
Other comprehensive income:										
Retirement benefit obligations						195			195	
Cash flow hedge						72			72	
Translation adjustments						97	(5,378)		(5,281)	(191
Contribution and distribution to stockholders:										
Acquisitions and disposal of noncontrolling stockholders										(553
Capitalization of reserves	2,300			(2,300)						
Capitalization of noncontrolling stockholders advances										150
Cancellation of treasury stock				(5,092)	5,092					
Dividends to noncontrolling stockholders										(11
Dividends and interest on capital to Company s stockholders								(4,632)	(4,632)	
June 30, 2014 (unaudited)	**77,300**	**50**	**(840)**	**61,870**	**(2,746)**	**(2,451)**	**10,149**	**4,464**	**147,796**	**2,748**

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

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Condensed Statement of Cash Flow

In millions of Brazilian Reais

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Cash flow from continuing operating activities:				
Net income from continuing operations	3,090	741	8,674	6,943
Adjustments to reconcile net income with cash from continuing operations				
Equity results from associates and joint ventures	(542)	(104)	(1,001)	(446)
Results on sale investments from associates and joint controlled entities	39		39	
Loss on disposal of property, plant and equipment	394	85	694	240
Impairment on non-current assets	1,730		1,730	
Depreciation, amortization and depletion	1,990	2,147	4,401	4,163
Deferred income taxes	1,007	(711)	1,153	(1,039)
Foreign exchange and indexation, net	(320)	1,389	(1,022)	750
Unrealized derivative losses, net	(629)	2,193	(1,087)	2,168
Stockholders Debentures	598	170	647	506
Other	(24)	180	17	49
Decrease (increase) in assets:				
Accounts receivable	(412)	2,050	3,550	2,890
Inventories	324	916	(1,747)	219
Recoverable taxes	922	(207)	2,703	(226)
Other	115	(133)	272	255
Increase (decrease) in liabilities:				
Suppliers and contractors	126	463	166	(215)
Payroll and related charges	457	399	(963)	(884)
Taxes and contributions	174	184	(49)	144
Gold stream transaction				2,899
Other	173	125	193	(461)
Net cash provided by operating activities from continuing operations	**9,212**	**9,887**	**18,370**	**17,955**
Net cash provided by (used in) operating activities from discontinued operations		37		(68)
Net cash provided by operating activities	**9,212**	**9,924**	**18,370**	**17,887**
Cash flow from continuing investing activities:				
Short-term investments		321	3	(318)

Loans and advances	343	(183)	116	(134)
Guarantees and deposits	(36)	(37)	(112)	(86)
Additions to investments	(170)	(219)	(456)	(586)
Additions to property, plant and equipment and intangible assets	(6,047)	(5,358)	(11,680)	(12,417)
Dividends and interest on capital received from associates and joint ventures	464	553	490	553
Proceeds from disposal of fixed assets\ Investments	709		709	190
Proceeds from Gold stream transaction				1,161
Net cash used in investing activities from continuing operations	**(4,737)**	**(4,923)**	**(10,930)**	**(11,637)**
Net cash used in investing activities from discontinued operations		(476)		(874)
Net cash used in investing activities	**(4,737)**	**(5,399)**	**(10,930)**	**(12,511)**
Cash flow from continuing financing activities:				
Loans and financing				
Additions	21	1,913	1,573	2,171
Repayments	(529)	(1,320)	(1,226)	(2,134)
Repayments to stockholders:				
Dividends and interest on capital paid to stockholders	(4,632)	(4,453)	(4,632)	(4,453)
Dividends and interest on capital attributed to noncontrolling interest		(23)		(23)
Net cash used in financing activities from continuing operations	(5,140)	(3,883)	(4,285)	(4,439)
Net cash provided by financing activities from discontinued operations		182		182
Net cash used in financing activities	**(5,140)**	**(3,701)**	**(4,285)**	**(4,257)**
Increase (decrease) in cash and cash equivalents	(665)	824	3,155	1,119
Cash and cash equivalents of cash, beginning of the period	16,252	12,197	12,465	11,918
Effect of exchange rate changes on cash and cash equivalents	(27)	105	(60)	89
Cash and cash equivalents, end of the period	**15,560**	**13,126**	**15,560**	**13,126**
Cash paid during the period for (i):				
Interest on loans and financing	(769)	(736)	(1,838)	(1,610)
Income taxes	(147)	(778)	(526)	(2,418)
Non-cash transactions:				
Additions to property, plant and equipment - interest capitalization	377	82	413	319

(i) Amounts paid are classified as cash flows from operating activities

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Condensed Statement of Cash Flow

In millions of Brazilian Reais

	Parent company (unaudited) Six-month period ended	
	June 30, 2014	**June 30, 2013**
Cash flow from operating activities:		
Net income from continuing operations	9,096	7,033
Adjustments to reconcile net income with cash from continuing operations		
Equity results from entities	3,683	509
Loss on disposal of property, plant and equipment	187	205
Depreciation, amortization and depletion	1,544	1,198
Deferred income taxes	738	(101)
Foreign exchange and indexation, net	(3,036)	4,360
Unrealized derivative losses, net	(977)	1,744
Dividends and interest on capital received from subsidiaries	19	723
Stockholders Debentures	647	507
Other	(62)	(112)
Decrease (increase) in assets:		
Accounts receivable	(8,397)	1,863
Inventories	(139)	628
Recoverable taxes	2,474	72
Other	345	477
Increase (decrease) in liabilities:		
Suppliers and contractors	1,206	(527)
Payroll and related charges	(707)	(679)
Taxes and contributions	290	(152)
Other	(446)	(1,231)
Net cash provided by operating activities	**6,465**	**16,517**
Cash flow from investing activities:		
Short-term investments	3	21
Loans and advances	923	326
Guarantees and deposits	(197)	(93)
Additions to investments	(1,384)	(3,893)
Additions to property, plant and equipment and intangible assets	(6,186)	(7,052)
Dividends and interest on capital received from associates and joint ventures	490	553
Proceeds from disposal of fixed assets\ Investments	709	
Net cash used in investing activities	**(5,642)**	**(10,138)**
Cash flow from continuing financing activities:		
Loans and financing		
Additions	3,213	2,399
Repayments	(1,775)	(2,763)
Repayments to stockholders:		

Dividends and interest on capital paid to stockholders	(4,632)	(4,453)
Net cash used in financing activities	**(3,194)**	**(4,817)**
Increase (decrease) in cash and cash equivalents	(2,371)	1,562
Cash and cash equivalents of cash, beginning of the period	3,635	688
Cash and cash equivalents, end of the period	**1,264**	**2,250**
Cash paid during the period for (i):		
Interest on loans and financing	(1,573)	(1,517)
Income taxes	(60)	(1,966)
Non-cash transactions:		
Additions to property, plant and equipment - interest capitalization	75	13

(i) Amounts paid are classified as cash flows from operating activities

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

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Condensed Statement of Added Value

In millions of Brazilian Reais

	Six-month period ended (unaudited)			
	Consolidated		Parent Company	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Generation of added value from continued operations				
Gross revenue				
Revenue from products and services	45,310	44,138	30,177	29,168
Other revenue	486	283	383	360
Revenue from the construction of own assets	11,680	13,121	6,186	6,691
Allowance for doubtful accounts	(7)	12	10	(6)
Less:				
Acquisition of products	(1,975)	(1,421)	(570)	(360)
Outsourced services	(14,002)	(10,747)	(7,961)	(7,369)
Materials	(4,798)	(9,043)	(2,511)	(2,651)
Oil and gas	(1,964)	(1,795)	(1,297)	(1,098)
Energy	(641)	(624)	(319)	(358)
Freight	(3,543)	(2,622)		
Impairment of non-current assets	(1,730)			
Other costs and expenses	(3,939)	(3,936)	(1,048)	(1,998)
Gross added value	**24,877**	**27,366**	**23,050**	**22,379**
Depreciation, amortization and depletion	(4,401)	(4,163)	(1,544)	(1,198)
Net added value	**20,476**	**23,203**	**21,506**	**21,181**
Received from third parties				
Equity results	1,001	446	(3,683)	(509)
Financial income	606	485	436	446
Monetary and exchange variation of assets	(774)	878	(720)	1,136
Total added value to be distributed from continued operations	**21,309**	**25,012**	**17,539**	**22,254**
Added value to be distributed from discontinued operations		493		
Total added value to be distributed	**21,309**	**25,505**	**17,539**	**22,254**
Personnel	4,460	3,687	2,218	1,727
Taxes, rates and contribution	3,016	3,316	2,498	2,698
Current income tax	3,420	2,724	2,975	2,463
Deferred income tax	1,153	(1,039)	738	(101)
Financial expense (includes capitalized interest)	2,959	4,227	2,446	3,213
Monetary and exchange variation of liabilities	(3,047)	4,882	(3,318)	4,683
Other remunerations of third party funds	674	272	886	538
	9,096	7,125	9,096	7,033

Net income from continued operations attributable to controlling interest				
Net loss attributable to noncontrolling interest	(422)	(182)		
Distribution of added value from continued operations	**21,309**	**25,012**	**17,539**	**22,254**
Distribution of added value from discontinued operations		493		
Distribution of added value	**21,309**	**25,505**	**17,539**	**22,254**

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

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Selected Notes to Condensed Consolidated Interim Financial Statements

Expressed in millions of Brazilian Reais, unless otherwise stated

1. Operational Context

Vale S.A. (the Parent Company) is a public company headquartered at 26, Av. Graça Aranha, Rio de Janeiro, Brazil with securities traded on the Brazilian (BM&F BOVESPA), New York (NYSE), Paris (NYSE Euronext) and Hong Kong (HKEx) stock exchanges.

Vale S.A. and its direct and indirect subsidiaries (Vale , Group , Company or we) are principally engaged in the research, production and sale of iron ore and pellets, nickel, fertilizer, copper, coal, manganese, ferroalloys, cobalt, platinum group metals and precious metals. The Company also operates in the segments of energy and steel. The information by segment is presented in Note 25.

2. Summary of the Main Accounting Practices and Accounting Estimates

a) Basis of presentation

The consolidated condensed financial statements of the Company (Interim Financial Statements) have been prepared in accordance with the IAS 34 of International Financial Reporting Standards (IFRS), related to CPC 21 issued by the Brazilian Accountant Pronouncements Committee (CPC) and approved by the Brazilian Securities Exchange Commission (CVM) and Brazilian Federal Accounting Council (CFC).

The individual interim financial statements of the Parent Company (individual financial statements) has been prepared in accordance with accounting practices adopted in Brazil (BR GAAP) issued by CPC and approved by CVM and CFC, and they are disclosed with the consolidated interim financial statements.

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

The condensed consolidated interim financial statements have been prepared under the historical cost convention as adjusted to reflect: (i) the fair value of held for trade financial instruments measured at fair value through the Statement of Income and also available for sale financial instruments measured at fair value through the Statement of Comprehensive Income; and (ii) the impairment loss.

These condensed consolidated interim financial statements have been reviewed, not audited. However, principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented on the financial statements for the year ended December 31, 2013, except as otherwise disclosed. These condensed consolidated interim financial statements were prepared by Vale to update users about relevant information presented in the period and should be read in conjunction with the financial statements for the year ended December 31, 2013.

We evaluated subsequent events through July 30, 2014, which was the date of the condensed consolidated interim financial statement were approved by the Board of Directors.

b) Functional currency and presentation currency

The condensed consolidated interim financial statements of each of the Group s entities are measured using the currency of the primary economic environment in which the entity operates (functional currency), which in the case of the Parent Company is the Brazilian Real (BRL or R$). For presentation purposes, these condensed consolidated financial statements are presented in Brazilian Real.

Operations in other currencies are translated into the functional currency of each entity using the actual exchange rates in force on the respective transactions dates. The foreign exchange gains and losses resulting from the translation at the exchange rates in force at the end of the period are recognized in the Statement of Income as financial expense or income. The exceptions are transactions for which gains and losses are recognized in the Statement of Comprehensive Income.

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Statement of Income and Balance Sheet of all Group entities whose functional currency is different from the presentation currency are translated into the presentation currency as follows: (i) Assets, liabilities and Stockholders equity (except components described in item (iii)) for each Balance Sheet presented are translated at the closing rate at the Balance Sheet date; (ii) income and expenses for each Statement of Income are translated at the average exchange rates, except for specific transactions that, considering their significance, are translated at the rate at the transaction date and; (iii) capital, capital reserves and treasury stock are translated at the rate at the dates of each transaction. All resulting exchange differences are recognized in a separate component of the Statement of Comprehensive Income, the Cumulative Translation Adjustment account, and subsequently transferred to the Statement of Income when the assets are realized.

The exchange rates of the major currencies that impact our operations against the functional currency were:

	Exchange rates used for conversions in Brazilian Reais			
	Exchange rate on		Average rate for the six-months period ended	
	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014 (unaudited)	June 30, 2013 (unaudited)
US Dollar - US$	2.2025	2.3426	2.2974	2.0333
Canadian Dollar - CAD	2.0634	2.2031	2.0954	2.0013
Australian Dollar - AUD	2.0761	2.0941	2.1008	2.0618
Euro - EUR or	3.0150	3.2265	3.1485	2.6694

3. Critical Accounting Estimates

The critical accounting estimates are the same as those adopted in preparing the interim financial statements for the year ended December 31, 2013, with the exception of the following standards and interpretations adopted in 2014 (as described in Note 4).

4. Accounting Standards

a) Standards, interpretations or amendments issued by the IASB and effective from January 1, 2014

Novation of Derivatives and Continuation of Hedge Accounting In June 2013 IASB issued an amendment to IAS 39 Financial Instruments: Recognition and Measurement, that document conclude that hedge accounting does not terminate or expire a derivative financial instrument replaces their original counterparty to become the new counterparty to each of the parties as consequence of law or regulation. This standard had no material effect on these financial statements.

IFRIC 21 Levies In May 2013 IASB issued an interpretation about the recognition of a government imposition (levies). We adopted this standard beginning January 1, 2014. This standard had no material effect on these financial statements.

Recoverable Amount Disclosures for Non-Financial Assets In May 2013 IASB issued an amendment to IAS 36 Impairment of Asset that clarifies the IASB intention about the disclosure of non financial assets impairment. This standard had no material effect on these financial statements.

a) Standards, interpretations or amendments issued by the IASB in the period and effective after January 1, 2014

Accounting for Acquisitions of Interests in Joint Operations In May 2014 the IASB issued an amendment to IFRS 11 - Joint Arrangements, to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The adoption of the amendment will be required from January 1, 2016 and we are analyzing potential impacts regarding this update on our financial statements.

Clarification of Acceptable Methods of Depreciation and Amortisation In May 2014 the IASB issued an amendment to IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets, established the pattern of consumption of an asset´s expected future economic benefits as acceptable methods of depreciation and amortization of assets. The IASB clarifies that the use of methods based on revenues to calculate depreciation of an asset and also to measure the consumption of the economic benefits embodied in an intangible asset, are not appropriate. The adoption of the amendment will be required from January 1, 2016 and we are analyzing potential impacts regarding this update on our financial statements.

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IFRS 15 Revenue from Contracts with Customers - In May 2014 the IASB issued IFRS 15 statement - Revenue from Contracts with customers, sets out the requirements for revenue recognition that apply to all contracts with customer (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments), and replaces the current pronouncements IAS 18 - revenue, IAS 11 - Construction contracts and interpretations related to revenue recognition. The principle core in that framework is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The adoption will be required from January 1, 2017 and is worth analyzing potential impacts regarding this pronouncement on our financial statements.

5. Risk Management

During the period there was no significant change in relation to risk management policies disclosed in the financial statements for the year ended December 31, 2013.

6. Non-current assets and liabilities and held for sale

Described below assets and liabilities held for sale and discontinued operations reclassified during the period:

	Consolidated					
	June 30, 2014 (unaudited)			December 31, 2013		
	Energy	Vale Florestar	Total	General Cargo - Logistic	Energy	Total
Assets held for sale and discontinued operation						
Accounts receivable				330		330
Other current assets				634		634
Investments	203	177	380		186	186
Intangible, net				3,951		3,951
Property, plant and equipment, net	1,292		1,292	2,406	1,315	3,721
Total assets	**1,495**	**177**	**1,672**	**7,321**	**1,501**	**8,822**
Liabilities associated with assets held for sale and discontinued operation						
Suppliers and contractors				198		198
Payroll and related charges				144		144

Other current liabilities				262		262
Other non-current liabilities				446		446
Total liabilities				**1,050**		**1,050**
Assets and liabilities from discontinued operation	**1,495**	**177**	**1,672**	**6,271**	**1,501**	**7,772**

a) Vale Florestar

In June 2014, informs that it has signed an agreement with a subsidiary of Suzano Papel e Celulose (Suzano), a company that produces eucalyptus pulp, for the sale of its entire stake in Vale Florestar Fundo de Investimento em Participações (FIP Vale Florestar) for R$205.

The completion of this transaction is subject to fulfillment of conditions precedent and approvals, including by the Conselho Administrativo de Defesa Econômica (CADE).

The loss of this transaction, of R$39 was recorded in the income statement in the line Results on sale investments from associates and join controlled entities .

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b) Energy Generation Assets

In December 2013, the company signed agreements with CEMIG Geração e Transmissão S.A. (CEMIG GT), as follow : (i) to sell 49% of it stakes of 9% over Norte Energia S.A.(Norte Energia), company in charge of the construction, operation and exploration of Belo Monte Hydroelectric facility (Belo Monte), and (ii) to create a joint venture named Aliança Geração de Energia S/A (Aliança) to be constituted by Vale and CEMIG through contribution of the holdings to the following power generation assets: Porto Estrela, Igarapava, Funil, Capim Branco I and II, Aimorés and Candonga. No cash will be disbursed as part of the transaction. Vale and CEMIG GT will hold respectively 55% and 45% of the new company, which will supply energy to Vale operations, previously guaranteed by its own generation plant, ensured by a long-term contract.

The operation above is still pending of approval from Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica or ANEEL). The assets were transferred to assets held for sale with no impact in the Statement of Income.

c) General Cargo Logistic

At the end of 2013, Vale entered to an agreement to dispose of control over its subsidiary VLI S.A. (VLI), which aggregates all operations of the General cargo logistic segment. As a consequence, beginning on January 1, 2014, the investment in VLI has been accounted as an investment in associate (Note 11).

In April 2013, Vale finalized the sale of its 35,9% stake in VLI capital to Mitsui & Co and to Fundo de Garantia de tempo de Serviço (FGTS) for the amount of R$2,709 of, which R$2,000 was settled through capital contribution directly in VLI. The amount of 26,5% to be received of the Brookfield Asset Management, on amount of R$2,000, is recorded on our Balance Sheet as Receivable from sale of investment , awaiting approvals from the relevant government agencies.

7. Cash and Cash Equivalents

	Consolidated		Parent Company	
	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014 (unaudited)	December 31, 2013
Cash and bank accounts	5,430	3,649	31	28
Short-term investments	10,130	8,816	1,233	3,607
	15,560	**12,465**	**1,264**	**3,635**

Cash and cash equivalents includes cash, immediately redeemable deposits net and short-term investments with an insignificant risk of changes in value, part in Brazilian Real, indexed to the Brazilian Interbank Interest rate (DI Rate or CDI) and part denominated in US Dollar, mainly time deposits.

8. Accounts Receivables

	Consolidated		Parent Company	
	June 30, 2014 (unaudited)	**December 31, 2013**	**June 30, 2014 (unaudited)**	**December 31, 2013**
Denominated in Reais Brazilian Reais	1,927	1,193	1,598	1,275
Denominated in other currencies, mainly US$	7,464	12,375	21,128	12,984
	9,391	**13,568**	**22,726**	**14,259**
Allowance for credit losses	(206)	(208)	(81)	(92)
	9,185	**13,360**	**22,645**	**14,167**

In consolidated the accounts receivable related to the steel sector represented 80.73% and 79.70%, of total receivable on June 30, 2014 and December 31, 2013, respectively. In the parent company the steel sector represents on June 30, 2014 and December 31, 2013, 94.16% and 91.77% of the accounts receivable, respectively.

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

The estimated losses related to accounts receivable recorded in the Statements of Income in three-month period ended on June 30, 2014 and June 30, 2013 totaled R$46 and R$2 and six-month period ended totaled R$(7) and R$12, respectively. Write-offs in three-month period ended at June 30, 2014 and June 30, 2013 totaled R$96 and R$17 and six-month period ended totaled R$101 and R$32, respectively.

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9. Inventory

Inventories are comprised as follows:

	Consolidated		Parent Company	
	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014 (unaudited)	December 31, 2013
Inventories of products				
Bulk Material				
Iron ore	2,447	1,513	1,730	1,574
Pellets	265	206	249	162
Manganese and ferroalloys	193	177		
	2,905	**1,896**	**1,979**	**1,736**
Coal	539	746		
	3,444	**2,642**	**1,979**	**1,736**
Base Metals				
Nickel and other products	3,563	3,276	343	351
Copper	72	53	29	23
	3,635	**3,329**	**372**	**374**
Fertilizers				
Potash	15	19		
Phosphates	748	734		
Nitrogen	44	45		
	807	**798**		
Other products	**11**	**15**	**3**	**4**
Total inventories of products	**7,897**	**6,784**	**2,354**	**2,114**
Inventory of material supplies	**3,084**	**2,878**	**1,218**	**1,173**
Total	**10,981**	**9,662**	**3,572**	**3,287**

On June 30, 2014 and December 31, 2013 balances included a provision to adjust inventories at market value for nickel, in the amount of R$0 and R$28, respectively; and manganese in the amount of R$2 and R$2, respectively; and coal in the amount of R$328 and R$228, respectively.

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Inventories of products				
Balance at beginning of the period	**7,796**	**7,797**	**6,784**	**7,351**

Production/acquisition	12,098	10,159	24,790	19,575
Transfer from inventory of materials supplies	1,819	2,089	3,734	4,008
Cost of goods sold	(13,566)	(12,865)	(26,738)	(24,303)
Provision/ reversal of the write-off of lower cost or market value adjustment (a)	(39)	(193)	(330)	(248)
Translation adjustments	(211)	747	(343)	740
Net effect of discontinued operation in the period		609		1,220
Balance at end of the period	**7,897**	**8,343**	**7,897**	**8,343**

(a) Includes provision for market value adjustments

	Parent company (unaudited)	
	Six-month period ended	
	June 30, 2014	**June 30, 2013**
Inventories of products		
Balance at beginning of the period	**2,114**	**2,080**
Production/acquisition	10,179	8,553
Transfer from inventory of materials supplies	1,948	1,598
Cost of goods sold	(11,887)	(9,784)
Balance at end of the period	**2,354**	**2,447**

(a) Includes provision for market value adjustments

	Consolidated (unaudited)			
	Three-month period ended		**Six-month period ended**	
	June 30, 2014	**June 30, 2013**	**June 30, 2014**	**June 30, 2013**
Inventories of materials supplies				
Balance at beginning of the period	**2,961**	**3,087**	**2,878**	**2,969**
Acquisition	2,024	1,538	4,096	3,546
Transfer to inventories of products	(1,819)	(2,089)	(3,734)	(4,008)
Net effect of discontinued operation in the period		48		86
Translation adjustments	(82)	265	(156)	256
Balance at ended of the period	**3,084**	**2,849**	**3,084**	**2,849**

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	Parent Company Six-month period ended	
	June 30, 2014	June 30, 2013
Inventories of materials supplies		
Balance at begining of the period	**1,173**	**1,202**
Acquisition	1,993	1,640
Transfer to inventories of products	(1,948)	(1,598)
Balance at ended of the period	**1,218**	**1,244**

10. Recoverable Taxes

	Consolidated		Parent Company	
	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014 (unaudited)	December 31, 2013
Value-added tax	2,953	2,643	1,544	1,348
Brazilian Federal Contributions (PIS - COFINS)	1,674	1,594	1,146	1,156
Others	101	129	36	49
Total	**4,728**	**4,366**	**2,726**	**2,553**
Current	3,939	3,698	2,328	2,295
Non-current	789	668	398	258
Total	**4,728**	**4,366**	**2,726**	**2,553**

11. Investments

The changes of investments in subsidiaries, associates and joint ventures are as follow:

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Balance on beginning of the period	**12,029**	**12,923**	**8,397**	**13,044**
Additions	151	219	437	587
Cumulative translation adjustment	(52)	218	(96)	(156)
Equity results	542	104	1,001	446
Equity on other comprehensive income	(1)	(11)	3	(410)
Dividends declared	(1,202)	(1,126)	(1,296)	(1,184)
Transfer- Control acquisition			181	
Transfer to held for sale/ financial instruments - investments (a)	(216)	(3,910)	(216)	(3,910)

Transfers from held for sale (b)			2,840	
Balance on ended of the period	**11,251**	**8,417**	**11,251**	**8,417**

	Parent company (unaudited)	
	Six-month period ended	
	June 30, 2014	June 30, 2013
Balance on beginning of the period	**123,370**	**121,629**
Additions	1,367	3,893
Cumulative translation adjustment	(5,017)	5,025
Equity results	(3,683)	(509)
Equity on other comprehensive income	349	(717)
Dividends declared	(1,570)	(2,033)
Transfer to held for sale (a)	(216)	
Transfers from held for sale (b)	2,840	
Balance on ended of the period	**117,440**	**127,288**

(a) Consolidated transfers to held for sale refers to investments in Vale Florestar R$216 in 2014 and investments in Hydro R$3.910 in 2013.

(b) Consolidated transfers from held for sale refers to investments in VLI R$2.840

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Investments (Continued)

					Investments		Equity results (unaudited)			
					As of		Three-month period ended		Six-month period	
	Location	Principal activity	% ownership	% voting capital	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June
Entities										
Direct and indirect subsidiaries										
Aços Laminados do Pará S.A.	Brazil	Steel	100.00	100.00	325	321		1		
Biopalma da Amazônia S.A. (a)	Brazil	Energy	70.00	70.00	732	559	(33)	(82)	(37)	
Companhia Portuária da Baía de Sepetiba - CPBS	Brazil	Iron ore	100.00	100.00	354	377	86	59	157	
Compañia Minera Miski Mayo S.A.C (a)	Peru	Fertilizers	40.00	51.00	452	493	(3)	(7)	(11)	
Mineração Corumbaense Reunida S.A.	Brazil	Iron ore and Manganese	100.00	100.00	1,380	1,306	140	82	182	
Minerações Brasileiras Reunidas S.A. - MBR (b)	Brazil	Iron ore	98.32	98.32	4,345	4,500	37	14	(12)	
Potasio Rio Colorado S.A. (a)	Argentina	Fertilizers	100.00	100.00	1,530	1,530	(12)	(159)	(17)	
Salobo Metais S.A. (a)	Brazil	Copper	100.00	100.00	7,484	7,120	87	11	136	
Sociedad Contractual Minera Tres Valles (c)	Chile	Copper						(32)		
Tecnored Desenvolvimento Tecnológico S.A. (a) (i)	Brazil	Iron ore	100.00	100.00	104		(19)		(23)	
Vale International Holdings GMBH (b)	Austria	Holding and research	100.00	100.00	8,543	14,026	(1,434)	44	(1,500)	
Vale Canada Holdings	Canada	Holding	100.00	100.00	4,248	1,075	(3)	(4)	(7)	
Vale Canada Limited (b)	Canada	Nickel	100.00	100.00	15,062	19,312	(134)	(188)	(166)	
Vale Fertilizantes S.A. (antiga Mineração Naque S.A.) (a) (b)	Brazil	Fertilizers	100.00	100.00	13,944	13,751	(30)	39	(100)	
	Switzerland		100.00	100.00	25,549	29,058	(1,278)	(978)	(3,198)	

Vale International S.A. (b)		Trading and holding							
Vale Malaysia Minerals	Malaysia	Iron ore	100.00	100.00	2,526	2,321	(23)	(12)	(11)
Vale Manganês S.A.	Brazil	Manganese and Ferroalloys	100.00	100.00	655	665	16	(14)	(9)
Vale Mina do Azul S.A.	Brazil	Manganese	100.00	100.00	330	351	19	23	22
Vale Moçambique	Mozambique	Coal	100.00	100.00	11,339	10,060	(152)	632	(124)
Vale Shipping Holding Pte. Ltd.	Singapore	Logistic of iron ore	100.00	100.00	6,287	6,482	88	89	172
VLI S.A. (g)	Brazil	General Cargo Logistics						31	
Others					1,000	1,666	79	(633)	(138)
					106,189	**114,973**	**(2,569)**	**(1,084)**	**(4,684)**
Joint Ventures									
California Steel Industries, INC	USA	Steel	50.00	50.00	411	425	13	8	18
Companhia Coreano-Brasileira de Pelotização - KOBRASCO	Brazil	Pellets	50.00	50.00	210	213	18	7	36
Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (f)	Brazil	Pellets	50.89	51.00	188	196	9	3	17
Companhia Ítalo-Brasileira de Pelotização - ITABRASCO (f)	Brazil	Pellets	50.90	51.00	151	145	8	(1)	18
Companhia Nipo-Brasileira de Pelotização - NIBRASCO (f)	Brazil	Pellets	51.00	51.11	395	372	49	5	78
CSP- Companhia Siderúrgica do PECEM (h)	Brazil	Steel	50.00	50.00	2,007	1,608	(12)	(4)	(19)
MRS Logística S.A. (d)	Brazil	Iron ore	47.59	46.75	1,299	1,322	48	47	81
Norte Energia S.A.	Brazil	Energy	4.59	4.59	211	193	(1)	(1)	(2)
Samarco Mineração S.A. (e)	Brazil	Pellets	50.00	50.00	804	1,023	396	146	804
Others					102	109	(4)	(24)	1
					5,778	**5,606**	**524**	**186**	**1,032**
Direct and indirect associate									
Henan Longyu Energy Resources CO., LTD.	China	Coal	25.00	25.00	827	835	18	25	47
LOG-IN - Logística Intermodal S/A (c)	Brazil	Logistics							
Mineração Rio Grande do Norte S.A. - MRN	Brazil	Bauxite	40.00	40.00	256	259	5	2	18
Teal Minerals Incorporated	Zambia	Copper	50.00	50.00	477	535	(15)	(6)	(27)
Tecnored Desenvolvimento Tecnológico S.A. (a) (i)	Brazil	Iron ore				91		(6)	(3)
Thyssenkrupp CSA Companhia Siderúrgica do Atlântico	Brazil	Steel	26.87	26.87	699	752	(22)	(98)	(64)
VLI S.A. (g)	Brazil	General Cargo Logistics	37.61	37.61	2,879		42		42
Zhuhai YPM Pellet Co	China	Pellets	25.00	25.00	54	58			

Others	281	261	(10)	1	(44)
	5,473	**2,791**	**18**	**(82)**	**(31)**
Total of associates and joint ventures	**11,251**	**8,397**	**542**	**104**	**1,001**
Total	**117,440**	**123,370**	**(2,027)**	**(980)**	**(3,683)**

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

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

(c) Company sold in December 2013;

(d) Main data of MRS in 2014: Total Assets R$6,777, Liabilities R$4,047, Operational results R$327, Financial results R$(63), Income taxes R$(91);

(e) Main data of Samarco in 2014: total Assets R$14,444, Liabilities R$12,837, Operational results R$1,678, Financial results R$333, Income taxes R$(401);

(f) Although Vale held majority of the voting interest of investees accounted for under the equity method, we do not consolidate due to existing veto rights held by noncontrolling shareholders prevents consolidation;

(g) Considering the updated interest after the transaction conclusion and the respective shareholders agreement, as described in Note 6;

(h) Pre-operational stage, and

(i) Consolidated since March 2014.

12. Intangible Assets

	Consolidated					
	June 30, 2014 (unaudited)			December 31, 2013		
	Cost	Amortization	Net	Cost	Amortization	Net
Indefinite useful life						
Goodwill	9,439		9,439	9,698		9,698
Finite useful life						
Concessions and subconcessions	7,886	(3,165)	4,721	7,259	(2,793)	4,466
Right of use	734	(202)	532	769	(175)	594
Others	3,044	(1,850)	1,194	3,033	(1,695)	1,338
	11,664	**(5,217)**	**6,447**	**11,061**	**(4,663)**	**6,398**
Total	**21,103**	**(5,217)**	**15,886**	**20,759**	**(4,663)**	**16,096**

	Parent Company					
	June 30, 2014 (unaudited)			December 31, 2013		
	Cost	Amortization	Net	Cost	Amortization	Net
Indefinite useful life						
Goodwill	9,439		9,439	9,698		9,698
Finite useful life						
	7,886	(3,165)	4,721	7,259	(2,793)	4,466

Concessions and subconcessions						
Right of use	223	(91)	132	223	(89)	134
Others	3,044	(1,850)	1,194	3,033	(1,695)	1,338
	11,153	**(5,106)**	**6,047**	**10,515**	**(4,577)**	**5,938**
Total	**20,592**	**(5,106)**	**15,486**	**20,213**	**(4,577)**	**15,636**

Rights of use refers basically to the usufruct contract entered into with noncontrolling stockholders to use the shares of Empreendimentos Brasileiros de Mineração S.A. (owner of MBR shares) and intangible assets identified in business combination of Vale Canada. The amortization of the right of use will expire in 2037 and Vale Canada s intangible will end in September 2046. The concessions and sub-concessions refer to the agreements with the Brazilian government for the exploration and the development of ports and railways.

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

	Consolidated				
	Three-month period ended (unaudited)				
	Goodwill	**Concessions and Subconcessions**	**Right of use**	**Others**	**Total**
Balance on March 31, 2013	**9,285**	**7,845**	**593**	**1,066**	**18,789**
Addition		250		143	393
Disposals		(6)		(4)	(10)
Amortization		(95)	(12)	(59)	(166)
Translation adjustment of the period	293		30		323
Net effect of discontinued operation in the period		48			48
Balance on June 30, 2013	**9,578**	**8,042**	**611**	**1,146**	**19,377**
Balance on March 31, 2014	**9,451**	**4,789**	**545**	**1,269**	**16,054**
Addition		171		1	172
Disposals		(2)			(2)
Amortization		(237)	(16)	(76)	(329)
Translation adjustment of the period			3		3
Transfers to held for sale	(12)				(12)
Balance on June 30, 2014	**9,439**	**4,721**	**532**	**1,194**	**15,886**

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	Consolidated (unaudited) Six-month period ended				
	Goodwill	Concessions and Subconcessions	Right of use	Others	Total
Balance on December 31, 2012	**9,407**	**7,674**	**619**	**1,122**	**18,822**
Addition		499		160	659
Disposals		(10)		(5)	(15)
Amortization		(187)	(22)	(131)	(340)
Translation adjustment	171		14		185
Net effect of year from discontinued operations		66			66
Balance on June 30, 2013 (unaudited)	**9,578**	**8,042**	**611**	**1,146**	**19,377**
Balance on December 31, 2013	**9,698**	**4,466**	**594**	**1,338**	**16,096**
Addition		606		12	618
Disposals		(9)			(9)
Amortization		(342)	(33)	(156)	(531)
Translation adjustment	(259)		(29)		(288)
Balance on June 30, 2014 (unaudited)	**9,439**	**4,721**	**532**	**1,194**	**15,886**

	Parent Company Six-month period ended				
	Goodwill	Concessions and Subconcessions	Right of use	Others	Total
Balance on December 31, 2012	**9,407**	**3,996**	**139**	**1,122**	**14,664**
Addition		499		161	660
Disposals		(10)		(4)	(14)
Amortization		(187)	(3)	(132)	(322)
Translation adjustment	171				171
Balance on June 30, 2013 (unaudited)	**9,578**	**4,298**	**136**	**1,147**	**15,159**
Balance on December 31, 2013	**9,698**	**4,466**	**134**	**1,338**	**15,636**
Addition		606		12	618
Disposals		(9)			(9)
Amortization		(342)	(2)	(156)	(500)
Translation adjustment	(259)				(259)
Balance on June 30, 2014 (unaudited)	**9,439**	**4,721**	**132**	**1,194**	**15,486**

13. Property, plant and equipment

	Consolidated					
	June 30, 2014 (unaudited)			December 31, 2013		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	2,561		2,561	2,215		2,215

Buildings	23,777	(5,570)	18,207	23,228	(4,992)	18,236
Facilities	39,003	(11,709)	27,294	36,683	(11,061)	25,622
Computer equipment	1,535	(1,077)	458	1,592	(1,163)	429
Mineral properties	48,789	(12,783)	36,006	50,608	(12,479)	38,129
Others	63,965	(20,517)	43,448	63,600	(19,698)	43,902
Construction in progress	60,358		60,358	62,775		62,775
	239,988	**(51,656)**	**188,332**	**240,701**	**(49,393)**	**191,308**

	Parent Company					
	June 30, 2014 (unaudited)			**December 31, 2013**		
	Cost	**Accumulated Depreciation**	**Net**	**Cost**	**Accumulated Depreciation**	**Net**
Land	1,381		1,381	1,322		1,322
Buildings	11,214	(1,874)	9,340	11,167	(1,718)	9,449
Facilities	21,645	(4,902)	16,743	18,884	(4,534)	14,350
Computer equipment	634	(470)	164	695	(512)	183
Mineral properties	2,902	(675)	2,227	3,188	(822)	2,366
Others	23,799	(9,271)	14,528	22,953	(8,815)	14,138
Construction in progress	30,265		30,265	28,897		28,897
	91,840	**(17,192)**	**74,648**	**87,106**	**(16,401)**	**70,705**

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	Consolidated Three-month period ended (unaudited)							
	Land	Building	Facilities	Computer equipment	Mineral properties	Others	Constructions in progress	Total
Balance on March 31, 2013	**1,747**	**12,886**	**23,726**	**744**	**35,206**	**37,330**	**63,212**	**174,851**
Acquisitions (i)							4,883	4,883
Disposals			(25)			(35)	(49)	(109)
Depreciation and amortization		(127)	(481)	(39)	(414)	(652)		(1,713)
Translation adjustment	(39)	215	564	(321)	2,611	1,919	3,305	8,254
Transfers	335	1,063	605	64	92	1,168	(3,327)	
Net effect of discontinued operation in the period				(1)		277	(179)	97
Balance on June 30, 2013	**2,043**	**14,037**	**24,389**	**447**	**37,495**	**40,007**	**67,845**	**186,263**
Balance on March 31, 2014	**2,496**	**18,520**	**28,318**	**535**	**36,655**	**43,651**	**59,378**	**189,553**
Acquisitions (i)							6,252	6,252
Disposals	(1)	(85)		(2)	(67)	(4)	(233)	(392)
Impairment			(1)		(1,715)	(4)	(10)	(1,730)
Depreciation and amortization		(460)	(106)	(31)	(382)	(858)		(1,837)
Translation adjustment	(7)	(348)	(361)	(71)	(676)	(1,191)	(860)	(3,514)
Transfers	73	580	(556)	27	2,191	1,854	(4,169)	
Balance on June 30, 2014	**2,561**	**18,207**	**27,294**	**458**	**36,006**	**43,448**	**60,358**	**188,332**

	Consolidated Six-month period ended							
	Land	Building	Facilities	Computer equipment	Mineral properties	Others	Constructions in progress	Total
Balance on December 31, 2012	**1,381**	**12,451**	**24,024**	**769**	**38,553**	**37,147**	**59,130**	**173,455**
Acquisitions (i)							11,439	11,439
Disposals		(1)	(100)	(1)	(680)	(277)	(190)	(1,249)
Depreciation and amortization		(248)	(912)	(80)	(901)	(1,880)		(4,021)
Translation adjustment	(39)	137	357	(326)	1,574	1,706	3,168	6,577
Transfers	701	1,699	1,020	87	(1,051)	2,803	(5,259)	
Net effect of discontinued operation in the period		(1)		(2)		508	(443)	62
Balance on June 30, 2013 (unaudited)	**2,043**	**14,037**	**24,389**	**447**	**37,495**	**40,007**	**67,845**	**186,263**
Balance on December 31, 2013	**2,215**	**18,236**	**25,622**	**429**	**38,129**	**43,902**	**62,775**	**191,308**
Acquisitions (i)							11,475	11,475
Disposals	(2)	(110)	(7)	(6)	(204)	(78)	(278)	(685)
Impairment			(1)		(1,715)	(4)	(10)	(1,730)

Depreciation and amortization		(638)	(738)	(64)	(908)	(1,982)		(4,330)
Translation adjustment	138	(552)	(1,055)	(37)	(2,197)	(1,510)	(2,493)	(7,706)
Transfers	210	1,271	3,473	136	2,901	3,120	(11,111)	
Balance on June 30, 2014 (unaudited)	**2,561**	**18,207**	**27,294**	**458**	**36,006**	**43,448**	**60,358**	**188,332**

				Parent Company Six-month period ended				
	Land	**Building**	**Facilities**	**Computer equipment**	**Mineral properties**	**Others**	**Constructions in progress**	**Total**
Balance on December 31, 2012	**1,162**	**4,376**	**12,300**	**218**	**3,814**	**9,288**	**30,073**	**61,231**
Acquisitions (i)							6,392	6,392
Disposals			(3)			(53)	(135)	(191)
Depreciation and amortization		(91)	(311)	(43)	(148)	(510)		(1,103)
Others	201	1,223	1,112	22	(1,491)	2,072	(3,139)	
Balance on June 30, 2013 (unaudited)	**1,363**	**5,508**	**13,098**	**197**	**2,175**	**10,797**	**33,191**	**66,329**
Balance on December 31, 2013	**1,322**	**9,449**	**14,350**	**183**	**2,366**	**14,138**	**28,897**	**70,705**
Acquisitions (i)							5,643	5,643
Disposals		(23)	(2)	(4)	(92)	(15)	(42)	(178)
Depreciation and amortization		(166)	(330)	(37)	(289)	(700)		(1,522)
Others	59	80	2,725	22	242	1,105	(4,233)	
Balance on June 30, 2014 (unaudited)	**1,381**	**9,340**	**16,743**	**164**	**2,227**	**14,528**	**30,265**	**74,648**

(i) Total amount of Capital Expenditures recognized as addition of consolidated construction in progress in the period of three-month ended on June 30, 2014 and June 30, 2013 corresponds to R$3.558 and R$4.833 and six-month period ended on June 30, 2014 and June 30, 2013 corresponds to R$7.650 and R$10.277, respectively; to the parent company, in the period of six-month ended on June 30, 2014 and June 30, 2013, corresponds to R$5.470 and R$4.300.

Property, plant and equipment (net book value) pledged as guarantees for judicial claims on June 30, 2014 and December 31, 2013 corresponds to R$167 and R$180 on consolidated amounts; to the parent company on June 30, 2014 and December 31, 2013 corresponds to R$166 and R$147, respectively.

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14. Impairment

The Company has identified evidence of impairment in relation to certain operations as following:

Coal mine Integra

In May 2014, the Company announced that are taking the necessary steps to place its Integra Mine Complex in Australia into care and maintenance since the operation is not economically feasible under current market conditions. As a consequence we recognized an impairment of R$612.

Guinea Iron ore projects

Our 51%-owned subsidiary VBG-Vale BSGR Limited (VBG) holds iron ore concession rights in Simandou South (Zogota) and iron ore exploration permits in Simandou North (Blocks 1 & 2) in Guinea. On April 25, 2014 the government of Guinea, based on the recommendation of the technical committee established pursuant to Guinean legislation, revoked VBG S mining concessions. The decision is based on the allegations of fraudulent conduct in connection with the acquisition of the licenses by BSGR (Vale´s current partner in VBG) more than one year before Vale made any investment in VBG. The decision does not indicate any involvement by Vale and therefore does not prohibit Vale to participate in any reallocation of the mining titles.

Vale is actively considering its legal rights towards the Guinean Government and its partner at VBG and addressing options to guarantee the value of both the investments made in Guinea project development as well as the initial investment made in the VBG. Considering the uncertainties in this process for the recoverable of the initial payment related to the acquisition of our participation in VBG, in the amount of R$1.118, the company recognized an impairment of this initial payment. The Company will continue to reassess the net value of the investments depending on the development of the negotiations with Guinea Government.

15. Loans and Financing

a) Total debt

	Consolidated		Parent Company	
	Current Liabilities			
	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014 (unaudited)	December 31, 2013
Debt contracts abroad				
Loans and financing in:				
United States Dollars	557	783	536	536
Others currencies		4		
Fixed rates:				
Notes indexed in United Stated Dollars	241	28		
Accrued charges	652	820	182	312
	1,450	**1,635**	**718**	**848**
Debt contracts in Brazil				
Loans and financing in:				
Indexed to TJLP, TR, IGP-M e CDI	1,748	1,756	1,696	1,603
Basket of currencies, LIBOR	411	411	405	405
Fixed rates:				
Loans in United States Dollars	13	14	13	14
Loans in Reais	116	111	111	106
Accrued charges	228	231	227	205
	2,516	**2,523**	**2,452**	**2,333**
	3,966	**4,158**	**3,170**	**3,181**

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	Consolidated		Parent Company	
	Non-current Liabilities			
	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014 (unaudited)	December 31, 2013
Debt contracts abroad				
Loans and financing in:				
United States Dollars	10,684	10,921	8,131	8,930
Others currencies	6	6		
Fixed rates:				
Notes indexed in United Stated Dollars	29,591	32,347	3,304	3,514
Euro	4,522	4,840	4,522	4,840
	44,803	**48,114**	**15,957**	**17,284**
Debt contracts in Brazil				
Loans and financing in:				
Indexed to TJLP, TR, IGP-M e CDI	11,332	11,714	11,173	11,529
Basket of currencies, LIBOR	2,859	3,198	2,845	3,180
Non-convertible debentures into shares	1,943	870	1,020	
Fixed rates:				
Loans in United States Dollars	169	186	169	186
Loans in Reais	699	737	662	717
	17,002	**16,705**	**15,869**	**15,612**
	61,805	**64,819**	**31,826**	**32,896**

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

The long-term portion on June 30, 2014 (unaudited) has maturities as follows:

	Consolidated	Parent Company
2015	1,736	929
2016	4,405	1,985
2017	5,370	2,019
2018	9,048	8,701
2019 onwards	41,246	18,192
	61,805	**31,826**

On June 30, 2014 (unaudited), the annual interest rates on the long-term debts are as follows:

	Consolidated	Parent Company
Up to 3%	14,100	12,242
3,1% to 5% (a)	12,810	5,203
5,1% to 7% (b)	27,585	10,194

7,1% to 9% (b)	2,568	
9,1% to 11% (b)	178	
Over 11% (b)	8,297	7,357
Variable	233	
	65,771	**34,996**

(a) Includes Eurobonds. For this we have entered into derivative transactions at a coupon of 4.42% per year in US dollars.

(b) Includes Brazilian Real denominated debt that bears interest at the CDI and TJLP, plus spread. For these, we have entered into derivative transactions to mitigate our exposure to the floating rate debt denominated in Brazilian Real, totaling R$15,111 of which R$14,418 has an original interest rate above 5.1% per year. After entering derivatives transactions the average cost of other than denominated U.S. Dollars debt is 2.47% per year.

	June 30, 2014 (unaudited)				**Balance**	
Non-convertible Debentures	**Issued**	**Outstanding**	**Maturity**	**Interest**	**June 30, 2014 (unaudited) (unaudited)**	**December 31, 2013**
Tranche B - Salobo			No date		923	870
Infrastructure Debenture 1st serie	Feb/14	600	Jan/21	6,46%p.a+IPCA	626	
Infrastructure Debenture 2nd serie	Feb/14	150	Jan/24	6,57%p.a+IPCA	156	
Infrastructure Debenture 3rd serie	Feb/14	100	Jan/26	6,71%p.a+IPCA	104	
Infrastructure Debenture 4th serie	Feb/14	150	Jan/29	6,78%p.a+IPCA	156	
					1,965	**870**
Long-term portion					1,943	870
Accrued charges					22	
					1,965	**870**

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b) **Revolving credit lines**

Type	Contractual Currency	Date of agreement	Available until	Total amount available	Amounts drawn on June 30, 2014 (unaudited)	Amounts drawn on December 31, 2013
Revolving Credit Lines						
Revolving Credit Facility - Vale/ Vale International/ Vale Canada	US$	April 2011	5 years	6,607		
Revolving Credit Facility - Vale/ Vale International/ Vale Canada	US$	July 2011	5 years	4,405		
Credit Lines						
Export-Import Bank of China e Bank of China Limited	US$	September 2010**(a)**	13 years	2,706	2,170	2,308
BNDES	R$	April 2008**(b)**	10 years	7,300	4,652	4,626
Financing						
BNDES - CLN 150	R$	September 2012**(c)**	10 years	3,883	3,079	3,079
BNDES - Investment Sustaining Program (PSI) 3.0%	R$	June 2013**(d)**	10 years	109	87	87
BNDES - Tecnored 3.5%	R$	December 2013**(e)**	8 years	136	20	
BNDES - S11D e CLN S11D	R$	May 2014**(f)**	10 years	6,164		87
Canadian Agency Export Development (EDC)	US$	January 2014**(g)**	5 and 7 years	1,707		

(a) Acquisition of twelve large ore carriers from Chinese shipyards.

(b) Memorandum of understanding signature date, however projects financing term is considered from the signature date of each projects contract amendment.

(c) Capacitação Logística Norte 150 Project (CLN 150).

(d) Acquisition of domestic equipment.

(e) Support to Tecnored s investment plan from 2013 to 2015.

(f) Implementation the iron ore project S11D and CLN S11D.

(g) General corporate purpose.

Total amounts available and disbursed, different from reporting currency, are affected by exchange rate variation among periods.

c) Guarantee

As at June 30, 2014, R$3.020 of the total aggregate outstanding debt was secured by property, plant and equipment and receivables.

16. Asset retirement obligation

The Company applies judgments and assumptions when measuring its obligations related to asset retirement. The accrued amounts of these obligations are not deducted from the potential costs covered by insurance or indemnities.

Long term interest rate used to discount these obligations to present values and to update the provisions on June 30, 2014 and December 31, 2013 were 6.39% p.a. The liability is periodically updated based on this discount rate plus the inflation index (IGPM) for the period in reference.

Changes in the provision for asset retirement obligation are as follows:

	Consolidated		**Parent Company**	
	June 30, 2014 (unaudited)	**December 31, 2013**	**June 30, 2014 (unaudited)**	**December 31, 2013**
Balance at beginning of the period	**6,194**	**5,615**	**1,946**	**1,625**
Increase expense (i)	249	414	111	174
Setlement in the current period	(24)	(90)	(2)	(35)
Revisions in estimated cash flows	54	102		182
Translation adjustments	(149)	162		
Transfer held for sale		(9)		
Balance at end of the period	**6,324**	**6,194**	**2,055**	**1,946**
Current	357	225	89	90
Non-current	5,967	5,969	1,966	1,856
	6,324	**6,194**	**2,055**	**1,946**

(i) In six-month ended of 2013, R$180 in Consolidated and R$68 in Parent Company

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17. **Provision for litigation**

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

	Consolidated Three-month period ended (unaudited)				
	Tax litigation	**Civil litigation**	**Labor litigation**	**Environmental litigation**	**Total of litigation provision**
Balance on March 31, 2013	**1,463**	**508**	**1,553**	**78**	**3,602**
Additions	172	59	225	17	473
Reversals	(131)	(45)	(139)	(9)	(324)
Payments	(182)	(47)	(97)	(1)	(327)
Indexation and interest	123	(27)	127	8	231
Translation adjustments	43	(7)			36
Transfer to held for sale		2	2		4
Balance on June 30, 2013	**1,488**	**443**	**1,671**	**93**	**3,695**
Balance on March 31, 2014	**779**	**461**	**1,748**	**119**	**3,107**
Additions	130		124	1	255
Reversals		(32)	(70)		(102)
Payments	(13)	(9)	(17)	(4)	(43)
Indexation and interest	3	58	55	(17)	99
Translation adjustments	(8)			(2)	(10)
Balance on June 30, 2014	**891**	**478**	**1,840**	**97**	**3,306**

	Consolidated Six-month period ended				
	Tax litigation	**Civil litigation**	**Labor litigation**	**Environmental litigation**	**Total of litigation provision**
Balance on December 31, 2012	**2,039**	**575**	**1,534**	**70**	**4,218**
Additions	200	72	333	24	629
Reversals	(87)	(86)	(278)	(9)	(460)
Payments	(586)	(3)	(63)	(1)	(653)
Indexation and interest	(54)	(37)	40	9	(42)
Translation adjustments					
Transfer to held for sale			3		3
Balance on June 30, 2013 (unaudited)	**1,512**	**521**	**1,569**	**93**	**3,695**
Balance on December 31, 2013	**771**	**498**	**1,653**	**67**	**2,989**
Additions	225	21	248	43	537
Reversals	(62)	(52)	(127)	(9)	(250)

Payments	(15)	(15)	(31)	(4)	(65)
Indexation and interest	(13)	26	97	7	117
Translation adjustments	(15)			(7)	(22)
Balance on June 30, 2014 (unaudited)	**891**	**478**	**1,840**	**97**	**3,306**

	Parent Company Six-month period ended				
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	Total of litigation provision
Balance on December 31, 2012	**1,213**	**247**	**1,364**	**43**	**2,867**
Additions	106	14	169	10	299
Reversals	(74)	(12)	(128)	(1)	(215)
Payments	(581)	(2)	(61)	(1)	(645)
Monetary adjustment	19	(17)	34	8	44
Balance on June 30, 2013 (unaudited)	**683**	**230**	**1,378**	**59**	**2,350**
Balance on December 31, 2013	**280**	**221**	**1,472**	**35**	**2,008**
Additions	157	7	231	39	434
Reversals	6	(42)	(105)	(10)	(151)
Payments	(14)	(13)	(27)		(54)
Monetary adjustment / Translation adjustments	(4)	10	90	(3)	93
Balance on June 30, 2014 (unaudited)	**425**	**183**	**1,661**	**61**	**2,330**

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

Provisions for civil litigation - Related to the demands concerning contracts between Vale and unrelated service suppliers companies, requiring differences in amounts due to alleged losses that have occurred due to various economic plans, while other demands are related to accidents, actions damages and other.

Provisions for labor and social security litigation - Consist of lawsuits filed by employees and service suppliers, from employment relationships. The most recurring claims are related to payment of overtime, hours in intinere, and health and safety. The social security (INSS) contingencies are related to legal and administrative disputes between INSS and Vale due to applicability of compulsory social security charges.

In addition to those provisions, there are also judicial deposits. These court-ordered deposits are legally required and are monetarily updated and reported in non-current assets until a judicial decision to draw the deposit occurs, in case of a non-favorable decision to Vale. Judicial deposits are as follows:

	Consolidated		Parent Company	
	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014 (unaudited)	December 31, 2013
Tax litigations	937	1,014	651	590
Civil litigations	592	411	424	359
Labor litigations	2,065	2,039	1,934	1,913
Environmental litigations	1	27		26
Total	**3,595**	**3,491**	**3,009**	**2,888**

The Company discusses, at administrative and judicial levels, claims where the expectation of loss is classified as possible and considers that there is no need to recognize a provision, based on a legal support.

These possible contingent liabilities are as follows:

	Consolidated		Parent Company	
	June 30, 2014 (unaudited)	December 31, 2013	June 30, 2014 (unaudited)	December 31, 2013
Tax litigations	8,408	8,877	5,601	4,842
Civil litigations	3,096	2,855	2,645	2,701
Labor litigations	3,633	5,320	3,510	3,579
Environmental litigations	2,988	3,146	2,974	3,135
Total	**18,125**	**20,198**	**14,730**	**14,257**

The most significant possible loss tax risk relates to the deductibility of social contribution payments on the Income Tax basis of calculation.

18. Income Taxes Settlement Program (REFIS)

In November 2013, The Company elected to participate in a corporate Income Tax Settlement Program (REFIS) for payment of amounts relating to income tax and social contribution on the net income of its non-Brazilian subsidiaries and affiliates from 2003 to 2012.

On June 30, 2014, the Company paid R$566 in consolidated, and R$555 in parent company, due amount to be paid in 172 monthly installments, and this balance in June 30, 2014 as bearing interest at Selic rate, are R$16.558 (R$1.155 in current and R$ 15.403 in non-current) and R$16.220 (R$ 1.132 in current and R$15.088 in non-current) , respectively.

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19. Deferred Income Tax

We analyze the potential tax impact associated with undistributed earnings of each our subsidiaries and affiliates. For those subsidiaries in which undistributed earnings are intended to be reinvested indefinitely, no deferred tax is recognized. Undistributed earnings of foreign consolidated subsidiaries and affiliates totaled approximately R$48,873 (US$22,190) on June 30, 2014. As described in Note 18, in 2013 we entered at the Brazilian REFIS program to pay the amounts related to the collection of income taxes on equity gain on foreign subsidiaries and affiliates from 2003 to 2012 and therefore, the repatriation of these earnings would have no Brazilian tax consequences.

The income of the Company is subject to the common system of taxation applicable to companies in general. The net deferred balances were as follows:

	Consolidated Three-month period ended (unaudited)		
	Assets	Liabilities	Total
Balance on March 31, 2013	**8,578**	**7,074**	**1,504**
Net income effect	553	(158)	711
Translation adjustment for the period	232	299	(67)
Other comprehensive income	105	(46)	151
Net effect of discontinued operations of the period		(2)	2
Balance on June 30, 2013	**9,468**	**7,167**	**2,301**
Balance on March 31, 2014	**10,614**	**7,264**	**3,350**
Net income effect	(887)	120	(1,007)
Translation adjustment for the period	(79)	(56)	(23)
Other comprehensive income	22	78	(56)
Balance on June 30, 2014	**9,670**	**7,406**	**2,264**

	Consolidated Six-month period ended		
	Assets	Liabilities	Total
Balance on December 31, 2012	**8,291**	**6,918**	**1,373**
Net income effect	857	(182)	1,039
Translation adjustment for the period	169	438	(269)
Other comprehensive income	151	(3)	154
Net effect of discontinued operations of the period		(4)	4
Balance on June 30, 2013 (unaudited)	**9,468**	**7,167**	**2,301**
Balance on December 31, 2013	**10,596**	**7,562**	**3,034**
Net income effect	(954)	199	(1,153)
Translation adjustment for the period	(15)	(452)	437
Other comprehensive income	43	97	(54)
Balance on June 30, 2014 (unaudited)	**9,670**	**7,406**	**2,264**

	Parent Company Six-month period ended Assets
Balance on December 31, 2012	**5,715**
Net income effect	101
Other comprehensive income	151
Balance on June 30, 2013 (unaudited)	**5,967**
Balance on December 31, 2013	**7,418**
Net income effect	(738)
Other comprehensive income	43
Balance on June 30, 2014 (unaudited)	**6,723**

Deferred assets arising from tax losses, negative social contribution basis and temporary differences are registered, taking into consideration the analysis of future performance, based on economic and financial projections, prepared based on internal assumptions and macroeconomic, trade and tax scenarios that may suffer changes in future.

The income taxes in Brazil comprise the taxation on income and social contribution on profit. The statutory rate applicable in the periods presented is 34%. In other countries where we have operations, we are subject to various rates depending on jurisdiction.

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The total amount presented the results in the financial statements is reconciled to the rates established by law, as follows:

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Net income before income taxes	**5,326**	**569**	**13,247**	**8,628**
Income taxes at statutory rates - 34%	**(1,811)**	**(193)**	**4,504**	**(2,934)**
Adjustments that affect the basis of taxes:				
Income taxes benefit from interest on stockholders equity	658	627	1,317	1,254
Tax incentives	101	(34)	412	226
Results of overseas companies taxed by different rates which differs from the parent company rate	(308)	(345)	(975)	(184)
Constitution/Reversal for tax loss carryfoward	(272)	429	(255)	365
Results of equity investments	184	35	340	152
Undeductible - impairment	(382)		(382)	
Other	(406)	(347)	(526)	(564)
Income taxes on the profit for the period	**(2,236)**	**172**	**(4,573)**	**(1,685)**

	Parent company (unaudited)	
	Six-month period ended	
	June 30, 2014	June 30, 2013
Net income before income taxes	**12,809**	**9,395**
Income taxes at statutory rates - 34%	**(4,355)**	**(3,194)**
Adjustments that affect the basis of taxes:		
Income taxes benefit from interest on stockholders equity	1,317	1,254
Tax incentives	412	226
Results of equity investments	1,253	(173)
Other	166	(475)
Income taxes on the profit for the period	**(3,713)**	**(2,362)**

20. Employee Benefits Obligations

The Company had announced on its year end 2013 financial statements that it expects to contribute R$829 to its pension plan in 2014. As of June 30, 2014 it had contributed R$418. No significant changes are expected in relation to the estimate disclosed in the financial statements for the year ended December 31, 2013.

a) Pension Plan

Reconciliation of assets and liabilities in Balance Sheet

	Total Consolidated					
	June 30, 2014 (unaudited)			December 31, 2013		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Ceiling recognition of an asset (ceiling) / onerous liability						
Beginning of the period	**2,790**			**1,725**		
Interest income				154		
Changes in asset ceiling/ onerous liability	615			911		
Ended of the period	**3,405**			**2,790**		
Amount recognized in the balance sheet						
Present value of actuarial liabilities	(9,819)	(9,488)	(3,812)	(9,557)	(10,320)	(3,966)
Fair value of assets	13,224	8,575		12,347	8,911	
Effect of the asset ceiling	(3,405)			(2,790)		
Assets (liabilities) to be provisioned		**(913)**	**(3,812)**		**(1,409)**	**(3,966)**
Current liabilities		(18)	(209)		(22)	(205)
Non-current liabilities		(895)	(3,603)		(1,387)	(3,761)
Assets (liabilities) to be provisioned		**(913)**	**(3,812)**		**(1,409)**	**(3,966)**

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Costs recognized in the Income Statements for the period:

	Consolidated Three-month period ended (unaudited)					
	June 30, 2014			June 30, 2013		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Current service cost	17	35	17		65	24
Interest on expense on liabilities	279	116	57	157	217	52
Interest income on plan assets	(368)	(87)		(195)	(175)	
Effect of the asset ceiling	84			38		
Total costs, net	**12**	**64**	**74**		**107**	**76**

	Consolidated Six-month period ended (unaudited)					
	June 30, 2014			June 30, 2013		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Current service cost	34	71	36		131	48
Interest on expense on liabilities	558	241	110	314	439	104
Interest income on plan assets	(736)	(178)		(391)	(349)	
Effect of the asset ceiling	168			77		
Total costs, net	**24**	**134**	**146**		**221**	**152**

Costs recognized in the Statement of Comprehensive Income for the period

	Consolidated Three-month period ended (unaudited)					
	June 30, 2014			June 30, 2013		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Beginning of the period	**(260)**	**(805)**	**(448)**	**(7)**	**(1,890)**	**(773)**
Return on plan assets (excluding interest income)	76	290		(85)	(410)	11
Change of asset ceiling / costly liabilities (excluding interest income)	(95)	(88)		85		

	(19)	**202**			**(410)**	**11**
Income tax	7	(47)			133	(3)
Others comprehensive income	**(12)**	**155**			**(277)**	**8**
Conversion of Effect	(2)	21	10		(146)	(49)
Accumulated other comprehensive income	**(274)**	**(629)**	**(438)**	**(7)**	**(2,313)**	**(814)**

	Consolidated Six-month period ended (unaudited)					
	June 30, 2014			June 30, 2013		
	Overfunded pension plans	**Underfunded pension plans**	**Others underfunded pension plans**	**Overfunded pension plans**	**Underfunded pension plans**	**Others underfunded pension plans**
Beginning of the period	**(219)**	**(926)**	**(460)**	**(7)**	**(1,970)**	**(778)**
Return on plan assets (excluding interest income)	33	408		(499)	(338)	11
Change of asset ceiling / costly liabilities (excluding interest income)	(115)	(88)		499		
	(82)	**320**			**(338)**	**11**
Income tax	27	(73)			126	(3)
Others comprehensive income	**(55)**	**247**			**(212)**	**8**
Conversion of effect		53	22		(131)	(44)
Accumulated other comprehensive income	**(274)**	**(626)**	**(438)**	**(7)**	**(2,313)**	**(814)**

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b) Incentive Plan in Results

The Company has a Participation in Results Program (PPR) measured on the evaluation of individual and collective performance of its employees.

The Participation in the Results of the Company for each employee is calculated individually according to the achievement of goals previously established using indicators for the, performances of the Company, Business Unit, Team and Individual. The contribution of each performance unit to the performance scores of the employees is discussed and agreed each year, between the Company and the Unions.

The Company accrued expenses/costs related to participation in the results as follow:

	Consolidated (unaudited)			
	Three-month period ended		Six-month period ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Operational expenses	18	60	112	180
Cost of good sold and services rendered	260	185	477	382
Total	**278**	**245**	**589**	**562**

	Parent company (unaudited)	
	Six-month period ended	
	June 30, 2014	June 30, 2013
Operational expenses	87	144
Cost of good sold and services rendered	376	315
Total	**463**	**459**

c) Long-term stock option compensation plan

The terms, assumptions, calculation methods and the accounting treatment applied to the Long-term Incentive Plan (ILP) is the same as presented in financial statements for the year end December 31, 2013. The total number of shares subject to the Long Term Compensation Plan on June 30, 2014 and December 31, 2013 are 6,109,592 and 6,214,288, and total expense/cost recorded of R$162 and R$198, respectively on result.

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21. Classification of financial instruments

The classification of financial assets and liabilities is as follows:

	Consolidated					Parent Company		
	June 30, 2014 (unaudited)							
Financial assets	**Loans and receivables (a)**	**At fair value through profit or loss (b)**	**Derivatives designated as hedge (c)**	**Available for sale**	**Total**	**Loans and receivables (a)**	**At fair value through profit or loss (b)**	**Total**
Current								
Cash and cash equivalents	15,560				15,560	1,264		1,264
Derivative financial instruments		474	29		503		389	389
Accounts receivable	9,185				9,185	22,645		22,645
Related parties	1,521				1,521	1,961		1,961
Others	5				5	5		5
	26,271	**474**	**29**		**26,774**	**25,875**	**389**	**26,264**
Non current								
Related parties	232				232	823		823
Loans and financing agreements	522				522	100		100
Derivative financial instruments		435			435		45	45
Others				11	11			
	754	**435**		**11**	**1,200**	**923**	**45**	**968**
Total of Assets	**27,025**	**909**	**29**	**11**	**27,974**	**26,798**	**434**	**27,232**
Financial liabilities								
Current								
Suppliers and contractors	8,209				8,209	4,606		4,606
Derivative financial instruments		887	45		932		680	680
Loans and financing agreements	3,966				3,966	3,170		3,170
Related parties	482				482	6,870		6,870
	12,657	**887**	**45**		**13,589**	**14,646**	**680**	**15,326**
Non current								
Derivative financial instruments		2,091	10		2,101		2,023	2,023
Loans and financing agreements	61,805				61,805	31,826		31,826
Related parties	390				390	30,610		30,610
Stockholders Debentures		4,806			4,806		4,806	4,806
	62,195	**6,897**	**10**		**69,102**	**62,436**	**6,829**	**69,265**
Total of Liabilities	**74,852**	**7,784**	**55**		**82,691**	**77,082**		