

Vale S.A.
Form 6-K
November 06, 2013
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**United States
Securities and Exchange Commission**

Washington, D.C. 20549

FORM 6-K

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

For the month of

November, 2013

Vale S.A.

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

(Address of principal executive office)

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

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

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

(Check One) Yes No

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

(Check One) Yes No

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

(Check One) Yes No

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

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Interim Financial Statements

September 30, 2013

IFRS

Filed with the CVM, SEC and HKEx on

November 6, 2013

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Condensed consolidated interim financial statements at September 30, 2013 and

Report of independent registered public accounting firm

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Report of independent registered public accounting firm

To the Board of Directors and Stockholders

Vale S.A.

We have reviewed the accompanying condensed consolidated balance sheet of Vale S.A. (the Company) and its subsidiaries as of September 30, 2013, and the related condensed consolidated statements of income, of comprehensive income, of cash flows and of stockholders' equity for the three-month and nine-month periods ended September 30, 2013 and September 30, 2012. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial statements for them to be in conformity with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

Rio de Janeiro, November 6, 2013

PricewaterhouseCoopers

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Audidores Independentes

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

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States Dollars

| | Notes | September 30, 2013 (unaudited) | December 31, 2012 (i) | January 1st, 2012 (i) |
|--|-------|-----------------------------------|--------------------------|--------------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 8 | 7,121 | 5,832 | 3,531 |
| Short-term investments | | 81 | 246 | |
| Derivative financial instruments | 24 | 221 | 281 | 595 |
| Accounts receivable | 9 | 5,381 | 6,795 | 8,505 |
| Related parties | 31 | 852 | 384 | 82 |
| Inventories | 10 | 4,561 | 5,052 | 5,251 |
| Prepaid income tax | | 541 | 720 | 464 |
| Recoverable taxes | 11 | 1,530 | 1,540 | 1,771 |
| Advances to suppliers | | 287 | 256 | 393 |
| Others | | 1,034 | 963 | 946 |
| | | 21,609 | 22,069 | 21,538 |
| Non-current assets held for sale and discontinued operation | | | | |
| | 12 | 3,137 | 457 | |
| | | 24,746 | 22,526 | 21,538 |
| Non-current assets | | | | |
| Related parties | 31 | 242 | 408 | 509 |
| Loans and financing agreements to receive | | 269 | 246 | 210 |
| Judicial deposits | 18 | 1,493 | 1,515 | 1,464 |
| Recoverable income tax | | 315 | 440 | 336 |
| Deferred income tax and social contribution | 20 | 4,692 | 4,058 | 1,900 |
| Recoverable taxes | 11 | 559 | 218 | 246 |
| Financial instruments - investments | 13 | 1,877 | 7 | 7 |
| Derivative financial instruments | 24 | 148 | 45 | 60 |
| Deposit on incentive and reinvestment | | 221 | 160 | 229 |
| Others | | 564 | 482 | 531 |
| | | 10,380 | 7,579 | 5,492 |
| Investments | 14 | 3,962 | 6,384 | 8,013 |
| Intangible assets, net | 15 | 7,132 | 9,211 | 9,521 |
| Property, plant and equipment, net | 16 | 85,057 | 84,882 | 82,342 |
| | | 106,531 | 108,056 | 105,368 |
| Total assets | | 131,277 | 130,582 | 126,906 |

(i) Period adjusted according to note 4.

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States Dollars

(continued)

| | Notes | September 30, 2013 (unaudited) | December 31, 2012 (i) | January 1st, 2012 (i) |
|--|-------|-----------------------------------|--------------------------|--------------------------|
| Liabilities | | | | |
| Current liabilities | | | | |
| Suppliers and contractors | | 3,980 | 4,529 | 4,814 |
| Payroll and related charges | | 1,197 | 1,481 | 1,307 |
| Derivative financial instruments | 24 | 513 | 347 | 73 |
| Current portion of long-term debt | 17 | 3,073 | 3,471 | 1,495 |
| Short-term debt | | | | 22 |
| Related parties | 31 | 111 | 207 | 24 |
| Taxes and royalties payable | | 309 | 324 | 524 |
| Provision for income tax and social contribution | | 1,328 | 641 | 507 |
| Employee post-retirement benefits obligations | | 190 | 205 | 169 |
| Asset retirement obligations | 19 | 63 | 70 | 73 |
| Dividends and interest on capital | | | | 1,181 |
| Others | | 734 | 1,127 | 904 |
| | | 11,498 | 12,402 | 11,093 |
| Liabilities directly associated with non-current assets held for sale and discontinued operation | | | | |
| | 12 | 454 | 180 | |
| | | 11,952 | 12,582 | 11,093 |
| Non-current liabilities | | | | |
| Derivative financial instruments | 24 | 1,441 | 783 | 663 |
| Long-term debt | 17 | 26,445 | 26,799 | 21,538 |
| Related parties | 31 | 66 | 72 | 91 |
| Employee post-retirement benefits obligations | | 3,189 | 3,244 | 2,428 |
| Provisions for litigation | 18 | 1,603 | 2,065 | 1,686 |
| Deferred income tax and social contribution | 20 | 3,107 | 3,386 | 5,447 |
| Asset retirement obligations | 19 | 2,376 | 2,678 | 1,849 |
| Stockholders' Debentures | 30(d) | 1,851 | 1,653 | 1,336 |
| Redeemable noncontrolling interest | | 482 | 487 | 505 |
| Goldstream transaction | 29 | 1,510 | | |
| Others | | 1,654 | 1,907 | 2,398 |
| | | 43,724 | 43,074 | 37,941 |
| Total liabilities | | 55,676 | 55,656 | 49,034 |
| Stockholders' equity | | | | |
| | 25 | 22,907 | 22,907 | 22,907 |

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| | | | |
|--|----------------|----------------|----------------|
| Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (2012 - 2,108,579,618) issued | | | |
| Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (2012 - 3,256,724,482) issued | 37,671 | 37,671 | 37,671 |
| Mandatorily convertible notes - common shares | | | 191 |
| Mandatorily convertible notes - preferred shares | | | 422 |
| Treasury stock - 140,857,692 (2012 - 140,857,692) preferred and 71,071,482 (2012 - 71,071,482) common shares | (4,477) | (4,477) | (5,662) |
| Results from operations with noncontrolling stockholders | (400) | (400) | 7 |
| Results in the translation/issuance of shares | (152) | (152) | |
| Unrealized fair value gain (losses) | (2,114) | (1,859) | (523) |
| Cumulative translation adjustments | (19,208) | (18,816) | (20,665) |
| Retained earnings | 39,968 | 38,464 | 41,809 |
| Total company stockholders equity | 74,195 | 73,338 | 76,157 |
| Noncontrolling interests | 1,406 | 1,588 | 1,715 |
| Total stockholders equity | 75,601 | 74,926 | 77,872 |
| Total liabilities and stockholders equity | 131,277 | 130,582 | 126,906 |

(i) Period adjusted according to note 4.

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

Table of Contents**Condensed Consolidated Statement of Income**

In millions of United States Dollars, except as otherwise stated

| | Notes | (unaudited) | | | |
|--|-------|---|------------------------------|-----------------------|------------------------------|
| | | Three-month period ended September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | September 30, 2012 (i) |
| Continued operations | | | | | |
| Net operating revenue | 26 | 12,333 | 11,083 | 33,642 | 34,582 |
| Cost of goods sold and services rendered | 27 | (6,266) | (6,502) | (17,587) | (18,702) |
| Gross profit | | 6,067 | 4,581 | 16,055 | 15,880 |
| Operating (expenses) income | | | | | |
| Selling and administrative expenses | 27 | (300) | (500) | (964) | (1,600) |
| Research and evaluation expenses | | (202) | (357) | (529) | (1,012) |
| Other operating expenses, net | 27 | (277) | (879) | (644) | (1,317) |
| Pre operating and stoppage operation | | (551) | (189) | (1,388) | (1,002) |
| Net loss on non-current assets held for sales | | | | | (377) |
| | | (1,330) | (1,925) | (3,525) | (5,308) |
| Operating income | | 4,737 | 2,656 | 12,530 | 10,572 |
| Financial income | 28 | 435 | 320 | 1,911 | 1,413 |
| Financial expenses | 28 | (936) | (1,239) | (6,087) | (4,820) |
| Equity results from associates and joint controlled entities | 14 | 128 | 154 | 353 | 559 |
| Net income before income tax and social contribution | | 4,364 | 1,891 | 8,707 | 7,724 |
| Income tax and social contribution | | | | | |
| Current income tax | 20 | (1,410) | (1,064) | (2,759) | (1,887) |
| Deferred income tax | 20 | 510 | 711 | 1,003 | 851 |
| Reversal of deferred income tax liabilities | 20 | | | | 1,236 |
| | | (900) | (353) | (1,756) | 200 |
| Net income from continued operations | | 3,464 | 1,538 | 6,951 | 7,924 |
| Loss attributable to noncontrolling interests | | (50) | (82) | (141) | (209) |
| Net income attributable to the Company's stockholders | | 3,514 | 1,620 | 7,092 | 8,133 |
| Discontinued Operations | | | | | |
| Net income (loss) from discontinued operations | 12 | (12) | 18 | (57) | (62) |
| | | (12) | 18 | (57) | (62) |

| Net income (loss) attributable to the Company's stockholders | | | | |
|---|--------------|--------------|--------------|--------------|
| Net income | 3,452 | 1,556 | 6,894 | 7,862 |
| Loss attributable to noncontrolling interests | (50) | (82) | (141) | (209) |
| Net income attributable to the Company's stockholders | 3,502 | 1,638 | 7,035 | 8,071 |
| Earnings per share attributable to the Company's stockholders: | | | | |
| | 25(c) | | | |
| Basic and diluted earnings per share: | | | | |
| Common share | 0.68 | 0.32 | 1.37 | 1.58 |
| Preferred share | 0.68 | 0.32 | 1.37 | 1.58 |

(i) Period adjusted according to note 4.

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

Table of Contents**Condensed Consolidated Statement of Other Comprehensive Income**

In millions of United States Dollars

| | (unaudited) | | | |
|--|---|------------------------------|-----------------------|------------------------------|
| | Three-month period ended September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | September 30, 2012 (i) |
| Net income | 3,452 | 1,556 | 6,894 | 7,862 |
| Other comprehensive income | | | | |
| Item will not be reclassified subsequently for income | | | | |
| Cumulative translation adjustments | 216 | (1,444) | (6,418) | (6,507) |
| Retirement benefit obligations | | | | |
| Gross balance as of the period | 102 | 173 | (58) | 237 |
| Effect of tax | (34) | (54) | 27 | (77) |
| | 68 | 119 | (31) | 160 |
| Total items will not be reclassified subsequently for income | 284 | (1,325) | (6,449) | (6,347) |
| Item will be reclassified subsequently for income | | | | |
| Cumulative translation adjustments | 63 | 1,360 | 2,771 | 4,695 |
| Unrealized gain (loss) on available-for-sale investments | 50 | 2 | (236) | |
| Cash flow hedge | | | | |
| Gross balance as of the period | 43 | 31 | (75) | (87) |
| Effect of tax | (8) | (16) | 6 | (1) |
| | 35 | 15 | (69) | (88) |
| Total items will be reclassified subsequently for income | 148 | 1,377 | 2,466 | 4,607 |
| Total other comprehensive income | 3,884 | 1,608 | 2,911 | 6,122 |
| Other comprehensive income attributable to noncontrolling interests | (50) | (35) | (196) | 8 |
| Other comprehensive income attributable to the Company's stockholders | 3,934 | 1,643 | 3,107 | 6,114 |
| | 3,884 | 1,608 | 2,911 | 6,122 |

(i) Period adjusted according to note 4.

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

Table of Contents**Condensed Statement of Changes in Stockholders' Equity**

In millions of United States Dollars

| | Nine-month period ended (unaudited) | | | | | | | | | | |
|---|-------------------------------------|--------------------------------------|-------------------------------|------------------|----------------|-------------------------------------|---|------------------------------------|-------------------|--------------------------------------|--|
| | Capital | Results in the translation of shares | Mandatorily convertible notes | Revenue reserves | Treasury stock | Unrealized fair value gain (losses) | Results from operation with noncontrolling stockholders | Cumulative translation adjustments | Retained earnings | Total Company's stockholders' equity | Noncontrolling stockholders' interests |
| January 1st, 2013 (i) | 60,578 | (152) | | 38,390 | (4,477) | (1,859) | (400) | (18,816) | 74 | 73,338 | 1,588 |
| Net income | | | | | | | | | 7,035 | 7,035 | (141) |
| Other comprehensive income: | | | | | | | | | | | |
| Retirement benefit obligations | | | | | | (31) | | | | (31) | |
| Cash flow hedge | | | | | | (69) | | | | (69) | |
| Unrealized results on valuation at market | | | | | | (236) | | | | (236) | |
| Cumulative Translation adjustments | | | | (3,210) | | 81 | | (392) | (71) | (3,592) | (55) |
| Contribution and destination to stockholders: | | | | | | | | | | | |
| Capitalization of noncontrolling stockholders advances | | | | | | | | | | | 8 |
| Redeemable noncontrolling stockholders interest | | | | | | | | | | | 61 |
| Dividends to noncontrolling stockholders | | | | | | | | | | | (55) |
| Dividends and interest on capital to Company's stockholders | | | | | | | | | (2,250) | (2,250) | |
| September 30, 2013 | 60,578 | (152) | | 35,180 | (4,477) | (2,114) | (400) | (19,208) | 4,788 | 74,195 | 1,406 |

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| | | | | | | | | | | | |
|---|---------------|--------------|------------|---------------|----------------|----------------|--------------|-----------------|--------------|---------------|--------------|
| January 1st, 2012 (i) | 60,578 | | 613 | 41,806 | (5,662) | (523) | 7 | (20,665) | 3 | 76,157 | 1,715 |
| Net income | | | | | | | | | 8,071 | 8,071 | (209) |
| Other comprehensive income: | | | | | | | | | | | |
| Retirement benefit obligations | | | | | | 160 | | | | 160 | |
| Cash flow hedge | | | | | | (88) | | | | (88) | |
| Cumulative Translation adjustments | | | | (3,254) | | (66) | | 1,635 | (344) | (2,029) | 217 |
| Contribution and destination to stockholders: | | | | | | | | | | | |
| Capitalization of noncontrolling stockholders advances | | | | | | | | | | | 21 |
| Result on conversion of shares | | (152) | (545) | | 1,185 | (488) | | | | | |
| Remuneration for mandatorily convertible notes | | | (68) | | | | | | | (68) | |
| Dividends to noncontrolling stockholders | | | | | | | | | | | (97) |
| Redeemable noncontrolling stockholders interest | | | | | | | | | | | 137 |
| Acquisitions and disposal of noncontrolling stockholders | | | | | | | (219) | | | (219) | (264) |
| Dividends and interest on capital to Company's stockholders | | | | | | | | | (1,765) | (1,765) | |
| September 30, 2012 (i) | 60,578 | (152) | | 38,552 | (4,477) | (1,005) | (212) | (19,030) | 5,965 | 80,219 | 1,520 |

(i) Period adjusted according to note 4.

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

Table of Contents**Consolidated Condensed Statement of Cash Flows**

In millions of United States Dollars

| | Nine-month period ended (unaudited) | |
|--|-------------------------------------|---------------------------|
| | September 30, 2013 | September 30, 2012 (i) |
| Cash flow from operating activities: | | |
| Net income | 6,894 | 7,862 |
| Adjustments to reconcile net income to cash from operations | | |
| Equity results from associates | (353) | (559) |
| Realized gains on assets | (244) | |
| Depreciation, amortization and depletion | 3,172 | 3,088 |
| Deferred income tax and social contribution | (1,024) | (852) |
| Reversal of deferred income tax | | (1,236) |
| Foreign exchange and indexation, net | 779 | 587 |
| Loss on disposal of property, plant and equipment | 239 | 354 |
| Unrealized derivative losses, net | 911 | 623 |
| Loss on sale of assets available for sale | 58 | 377 |
| Stockholders' Debentures | 355 | 157 |
| Others | 76 | (211) |
| Decrease (increase) in assets: | | |
| Accounts receivable from customers | 835 | 1,775 |
| Inventories | 71 | (464) |
| Recoverable taxes | (163) | 404 |
| Others | 120 | 390 |
| Increase (decrease) in liabilities: | | |
| Suppliers and contractors | (49) | 108 |
| Payroll and related charges | (190) | (237) |
| Taxes and contributions | 1,005 | 225 |
| Gold stream transaction | 1,319 | |
| Others | (687) | 715 |
| Net cash provided by operating activities | 13,124 | 13,106 |
| Cash flow from investing activities: | | |
| Short-term investments | 281 | (685) |
| Loans and advances | (60) | 287 |
| Guarantees and deposits | (74) | (98) |
| Additions to investments | (351) | (301) |
| Additions to property, plant and equipment | (10,073) | (11,173) |
| Dividends and interest on capital received from Joint controlled entities and associates | 335 | 197 |
| Proceeds from disposal of assets\ Investments | 95 | 366 |
| Proceeds from Gold stream transaction | 581 | |
| Net cash used in investing activities | (9,266) | (11,407) |

| | | |
|---|----------------|--------------|
| Cash flow from financing activities: | | |
| Short-term debt | | |
| Additions | 500 | 593 |
| Repayments | (500) | (43) |
| Long-term debt | | |
| Additions | 829 | 6,721 |
| Repayments | (978) | (929) |
| Repayments: | | |
| Dividends and interest on capital paid to stockholders | (2,250) | (3,000) |
| Dividends and interest on capital attributed to noncontrolling interest | (10) | (35) |
| Transactions with noncontrolling stockholders | | (503) |
| Net cash provided by (used in) financing activities | (2,409) | 2,804 |
| Increase in cash and cash equivalents | 1,449 | 4,503 |
| Cash and cash equivalents of cash, beginning of the period | 5,832 | 3,531 |
| Effect of exchange rate changes on cash and cash equivalents | (160) | (83) |
| Cash and cash equivalents, end of the period | 7,121 | 7,951 |
| Cash paid during the period for: | | |
| Interest on short-term debt (ii) | | (1) |
| Interest on long-term debt (ii) | (1,160) | (987) |
| Income tax and social contribution | (1,594) | (991) |
| Non-cash transactions: | | |
| Additions to property, plant and equipment - interest capitalization | 205 | 159 |

(i) Period adjusted according to note 4.

(ii) Interests paid are classified flow from operating activities.

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

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Selected Notes to Interim Financial Statements

Expressed in millions of United States Dollars, unless otherwise stated

1. Operational Context

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

Company is principally engaged in the research, production and sale of iron ore and pellets, nickel, fertilizer, copper, coal, manganese, ferroalloys, cobalt, platinum group metals and precious metals. Company also operates with of energy and steel.

The information by business segment is presented in note 26.

2. Summary of the Main Accounting Practices and Accounting Estimates

a) Basis of preparation

The condensed consolidated interim financial statements of Vale (Interim financial statements) have been prepared in accordance with the standard IAS 34 - Interim Financial Reporting issued by the International Financial Reporting Standards Foundation (IFRS).

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

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

We evaluated subsequent events through November 4, 2013, which is the date of approval by the executive board, the interim financial statements.

b) Functional currency and presentation currency

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

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

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

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For purposes of presentation these interim financial statements are presented in US Dollar (US\$ or USD) once this is the way our international investors are analyze our interim financial statements in order to take their decisions. The exchange rates most impact our operations against the presentation currency were:

| | Exchange rates used for conversions in Brazilian Reais | |
|-------------------------|--|-------------------|
| | September 30, 2013 | December 31, 2012 |
| US dollar - US\$ | 2.2300 | 2.0435 |
| Canadian dollar - CAD | 2.1684 | 2.0546 |
| Australian dollar - AUD | 2.0833 | 2.1197 |
| Euro - EUR or | 3.0181 | 2.6954 |

3. Critical Accounting Estimates

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

4. Changes in accounting policies

On 2013 Vale starts to apply the IAS 19 Employee benefits IAS 19 amends to accounting employment benefits. The Company has applied the standard retrospectively in accordance with the transition provisions of the standard. The standard eliminated the method of "corridor"; simplify the changes between the assets and liabilities of plans, recognizing as financial cost in the income statement and the expected return on plan assets and the remeasurement of gains and losses, and return on assets in other comprehensive income (excluding the amount of interest on return of assets recognized in statement of income); and the effect of changes on the ceiling of the plan.

The impact on the Company has been in the following areas:

| Balance Sheet | Original balance | December 31, 2012 Effect of changes | Adjusted balance |
|---------------------------|------------------|--|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5,832 | | 5,832 |
| Others | 16,694 | | 16,694 |
| | 22,526 | | 22,526 |
| Non-current | | | |

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| | | | |
|---|----------------|----------------|----------------|
| Deferred income tax and social contribution | 3,981 | 77 | 4,058 |
| Others | 104,113 | (115) | 103,998 |
| | 108,094 | (38) | 108,056 |
| Total assets | 130,620 | (38) | 130,582 |
| Liabilities and stockholders equity | | | |
| Current | | | |
| Employee post-retirement benefits obligations | 205 | | 205 |
| Liabilities directly associated with non-current assets held for sale | 160 | 20 | 180 |
| Others | 12,197 | | 12,197 |
| | 12,562 | 20 | 12,582 |
| Non-current | | | |
| Employee post-retirement benefits obligations | 1,660 | 1,584 | 3,244 |
| Deferred income tax and social contribution | 3,795 | (409) | 3,386 |
| Others | 36,444 | | 36,444 |
| | 41,899 | 1,175 | 43,074 |
| Stockholders equity | | | |
| Capital | 60,578 | | 60,578 |
| Unrealized fair value gain (losses) | (553) | (1,306) | (1,859) |
| Cumulative translation adjustments | (18,816) | | (18,816) |
| Retained earnings | 38,391 | 73 | 38,464 |
| Others | (5,029) | | (5,029) |
| Total Company stockholders equity | 74,571 | (1,233) | 73,338 |
| Noncontrolling interests | 1,588 | | 1,588 |
| Total of stockholders equity | 76,159 | (1,233) | 74,926 |
| Total liabilities and stockholders equity | 130,620 | (38) | 130,582 |

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| Balance Sheet | Original balance | January 1st, 2012 Effect of changes | Adjusted balance |
|---|-------------------------|--|-------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 3,531 | | 3,531 |
| Others | 18,007 | | 18,007 |
| | 21,538 | | 21,538 |
| Non-current | | | |
| Deferred income tax and social contribution | 1,894 | 6 | 1,900 |
| Others | 103,468 | | 103,468 |
| | 105,362 | 6 | 105,368 |
| Total assets | 126,900 | 6 | 126,906 |
| Liabilities and stockholders' equity | | | |
| Current | | | |
| Employee post-retirement benefits obligations | 169 | | 169 |
| Others | 10,924 | | 10,924 |
| | 11,093 | | 11,093 |
| Non-current | | | |
| Employee post-retirement benefits obligations | 1,550 | 878 | 2,428 |
| Deferred income tax and social contribution | 5,681 | (234) | 5,447 |
| Others | 30,066 | | 30,066 |
| | 37,297 | 644 | 37,941 |
| Stockholders' equity | | | |
| Capital | 60,578 | | 60,578 |
| Unrealized fair value gain (losses) | 118 | (641) | (523) |
| Cumulative translation adjustments | (20,665) | | (20,665) |
| Retained earnings | 41,806 | 3 | 41,809 |
| Others | (5,042) | | (5,042) |
| Total Company stockholders' equity | 76,795 | (638) | 76,157 |
| Noncontrolling interests | 1,715 | | 1,715 |
| Total of stockholders' equity | 78,510 | (638) | 77,872 |
| Total liabilities and stockholders' equity | 126,900 | 6 | 126,906 |

| Statement of income | Three-month period ended (unaudited) | | |
|--|---|---|-------------------------|
| | Original balance (i) | September 30, 2012 Effect of changes | Adjusted balance |
| Net operating revenue | 11,083 | | 11,083 |
| Cost of goods sold and services rendered | (6,503) | 1 | (6,502) |
| Gross operating profit | 4,580 | 1 | 4,581 |
| Operational expenses | (1,925) | | (1,925) |
| Financial expenses, net | (912) | (7) | (919) |
| Equity results | 154 | | 154 |
| Earnings before taxes | 1,897 | (6) | 1,891 |
| Current and deferred Income tax and social contribution, net | (355) | 2 | (353) |
| Net income from continued operations | 1,542 | (4) | 1,538 |
| Loss attributable to noncontrolling interests | (82) | | (82) |
| Net income attributable to stockholders | 1,624 | (4) | 1,620 |

| | | | |
|---|--------------|------------|--------------|
| Discontinued Operations (note 12) | 18 | | 18 |
| Net income | 1,560 | (4) | 1,556 |
| Net loss attributable to noncontrolling interests | (82) | | (82) |
| Net income attributable to stockholders | 1,642 | (4) | 1,638 |

(i) Period adjusted according to note 12.

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| Statement of income | Nine-month period ended (unaudited) September 30, 2012 | | |
|--|---|-------------------|------------------|
| | Original balance (i) | Effect of changes | Adjusted balance |
| Net operating revenue | 34,582 | | 34,582 |
| Cost of goods sold and services rendered | (18,705) | 3 | (18,702) |
| Gross operating profit | 15,877 | 3 | 15,880 |
| Operational expenses | (5,308) | | (5,308) |
| Financial expenses, net | (3,395) | (12) | (3,407) |
| Equity results | 559 | | 559 |
| Earnings before taxes | 7,733 | (9) | 7,724 |
| Current and deferred Income tax and social contribution, net | 197 | 3 | 200 |
| Net income from continued operations | 7,930 | (6) | 7,924 |
| Loss attributable to noncontrolling interests | (209) | | (209) |
| Net income attributable to stockholders | 8,139 | (6) | 8,133 |
| Discontinued Operations (note 12) | (62) | | (62) |
| Net income | 7,868 | (6) | 7,862 |
| Net loss attributable to noncontrolling interests | (209) | | (209) |
| Net income attributable to stockholders | 8,077 | (6) | 8,071 |

(i) Period adjusted according to note 12.

| Other comprehensive income | Three-month period ended (unaudited) September 30, 2012 | | |
|---|--|-------------------|------------------|
| | Original balance | Effect of changes | Adjusted balance |
| Net income | 1,560 | (4) | 1,556 |
| Translation adjustment | (83) | (1) | (84) |
| | 1,477 | (5) | 1,472 |
| Unrealized results on valuation at market | 2 | | 2 |
| Retirement benefit obligations, net | | 119 | 119 |
| Cash flow hedge, net | 15 | | 15 |
| Total other comprehensive income | 1,494 | 114 | 1,608 |
| Attributable to noncontrolling interests | (35) | | (35) |
| Attributable to the Company's stockholders | 1,529 | 114 | 1,643 |

| Other comprehensive income | Nine-month period ended (unaudited) September 30, 2012 | | |
|---|---|-------------------|------------------|
| | Original balance | Effect of changes | Adjusted balance |
| Net income | 7,868 | (6) | 7,862 |
| Translation adjustment | (1,811) | (1) | (1,812) |
| | 6,057 | (7) | 6,050 |
| Retirement benefit obligations, net | | 160 | 160 |
| Cash flow hedge, net | (88) | | (88) |
| Total other comprehensive income | 5,969 | 153 | 6,122 |
| Attributable to noncontrolling interests | 8 | | 8 |
| Attributable to the Company's stockholders | 5,961 | 153 | 6,114 |

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5. Accounting Standards

Standards, interpretations or amendments issued by the IASB for adoption after June 30, 2013

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

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

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

6. Risk Management

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

7. Acquisitions and Divestitures

a) Divestitures of Araucaria

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In December 2012, we executed an agreement with Petróleo Brasileiro S.A. (Petrobras) to sell Araucária, operation for production of nitrogens based fertilizes, located in Araucária, in the Brazilian state of Paraná, and recognized a loss of US\$114 recorded within gain (loss) on sale assets in the fourth quarter of 2012. The purchase price will be paid by Petrobras through installments accrued quarterly, adjusted by 100% of the Brazilian Interbank Interest rate (CDI), in amounts equivalent to the royalties due by Vale related to the leasing of potash assets and mining of Taquari-Vassouras and of the Carnalita project.

| | (unaudited) |
|---------------------------------------|--------------------|
| Non-current assets held for sale | 479 |
| Non-current liabilities held for sale | (181) |
| Net intercompany transaction | (36) |
| Total amount to receive | 262 |

| | (unaudited) |
|--------------------------------|--------------------|
| Sale price | 234 |
| Working capital adjustments | 28 |
| Total amount to receive | 262 |

During 2013, Vale concluded the sale of assets previously classified as assets held for sale to Petrobras.

b) Acquisition of additional participation in the Belvedere

During 2012, Vale concluded the purchase option on additional 24.5% participation in the Belvedere Coal Project owned by Aquila Resources Limited (Aquila) in the amount of AUD150 million (US\$156). In 2013, after the approval of the local government, Vale has paid the total amount of US\$338 for 100% of Belvedere.

8. Cash and Cash Equivalents

| | September 30, 2013 | December 31, 2012 |
|--|---------------------------|--------------------------|
| | (unaudited) | |
| Cash at bank and in hand | 1,827 | 1,194 |
| Short-term investments (maturities of less than three month) | 5,294 | 4,638 |
| | 7,121 | 5,832 |

Table of Contents**9. Accounts Receivables**

| | September 30, 2013 (unaudited) | December 31, 2012 |
|--|-----------------------------------|-------------------|
| Denominated in BRL | 646 | 849 |
| Denominated in other currencies, mainly US\$ | 4,835 | 6,060 |
| | 5,481 | 6,909 |
| Allowance for doubtful accounts | (100) | (114) |
| | 5,381 | 6,795 |

Accounts receivables related to the steel industry market represent 79.94% and 71.26% of receivables on September 30, 2013 and December 31, 2012, respectively.

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

The estimated losses for accounts receivable recorded in the statement of income as at September 30, 2013 and December 30, 2012 totaled US\$18 and US\$22, respectively. Write offs as at September 30, 2013 and December 31, 2012, totaled US\$13 and US\$16, respectively.

10. Inventories

| | September 30, 2013 (unaudited) | December 31, 2012 |
|------------------------------|-----------------------------------|-------------------|
| Finished products | 2,185 | 2,244 |
| Products in process | 1,092 | 1,353 |
| Inventory of products | 3,277 | 3,597 |
| Maintenance supplies | 1,284 | 1,455 |
| Total of Inventories | 4,561 | 5,052 |

The inventories of products are comprised as follows:

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| | September 30, 2013 (unaudited) | December 31, 2012 |
|--------------------------------|-----------------------------------|-------------------|
| Inventories of products | | |
| Bulk Material | | |
| Iron ore | 733 | 860 |
| Pellets | 102 | 94 |
| Manganese and ferroalloys | 83 | 88 |
| Coal | 384 | 248 |
| | 1,302 | 1,290 |
| Base Metals | | |
| Nickel and other products | 1,607 | 1,895 |
| Copper | 57 | 29 |
| | 1,664 | 1,924 |
| Fertilizers | | |
| Potash | 15 | 20 |
| Phosphates | 273 | 332 |
| Nitrogen | 13 | 20 |
| | 301 | 372 |
| Others | | |
| | 10 | 11 |
| | 3,277 | 3,597 |

On September 30, 2013 inventory balances include a provision for adjustment to market value of manganese, copper and coal in the amount of US\$3, US\$0 and US\$116, (on December 31, 2012 was US\$3, US\$3 and US\$0), respectively.

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| | (unaudited) | | | |
|--|--------------------------|-----------------------|-------------------------|-----------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Inventories of product | | | | |
| Balance at beginning of period | 3,742 | 3,999 | 3,597 | 3,975 |
| Production/acquisition | 4,759 | 5,533 | 14,799 | 16,397 |
| Transfer from maintenance supplies inventory | 1,055 | 1,164 | 2,971 | 3,267 |
| Sales | (6,266) | (6,780) | (17,587) | (19,477) |
| Write-off by inventory adjustment | | | (124) | |
| Translation adjustments for the period | (13) | (84) | (379) | (330) |
| Balance at end of period | 3,277 | 3,832 | 3,277 | 3,832 |

| | (unaudited) | | | |
|--|--------------------------|-----------------------|-------------------------|-----------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Inventory of spare parts and maintenance supplies | | | | |
| Balance at beginning of period | 1,278 | 1,282 | 1,455 | 1,276 |
| Acquisition | 1,062 | 1,217 | 2,935 | 3,404 |
| Transfer to use | (1,055) | (1,164) | (2,971) | (3,267) |
| Translation adjustments for the period | (1) | (23) | (135) | (101) |
| Balance at end of period | 1,284 | 1,312 | 1,284 | 1,312 |

11. Recoverable Taxes

| | September 30, 2013 (unaudited) | December 31, 2012 |
|---------------------------------|-----------------------------------|-------------------|
| Value-added tax | 1,484 | 1,023 |
| Brazilian Federal Contributions | 540 | 670 |
| Others | 65 | 65 |
| Total | 2,089 | 1,758 |
| Current | 1,530 | 1,540 |
| Non-current | 559 | 218 |
| Total | 2,089 | 1,758 |

12. Discontinued operations

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In September 2013, Vale announced its intention to dispose the control over its subsidiary VLI S.A. (VLI), which since the third quarter of 2013, aggregate all operations of the general cargo logistics segment. Consequently the general cargo logistic segment is being treated as a discontinued operation.

In this period, we executed agreement to transfer 20% of participation in the capital of VLI to Mitsui & Co. in the amount of US\$677 million and 15.9% to the Guarantee for Time of Service Fund (FGTS) for US\$538 million. It is being negotiated with the consortium led by Brookfield Brasil Ltda. to transfer approximately 26 % of its share in VLI. The completion of the transaction subject to review of the Brazilian Council for Economic Defense (CADE).

On September 30, 2013, the following assets and liabilities have been reclassified as discontinued operations, net of adjustments of fair value of US\$58 recognized in income from discontinued operations.

| | Consolidated September 30, 2013 |
|--|--|
| Assets associated with discontinued operations | |
| Accounts receivable | 120 |
| Other current assets | 262 |
| Intangible, net | 1,712 |
| Property, plant and equipment, net | 1,043 |
| Total assets | 3,137 |
| Liabilities associated with discontinued operations | |
| Suppliers and contractors | 67 |
| Other current liabilities | 101 |
| Long-term debt | 82 |
| Other non-current Liabilities | 204 |
| Total Liabilities | 454 |
| Non-current assets and liabilities held for sale and discontinued operation | 2,683 |

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The discontinued net income represents the income generated by the General Cargo Logistic segment in the period indicated, which differ from the results generated by VLI in such period. The net income from discontinued operations is presented as follow:

| | Consolidated | | | |
|--|---|------------------------------|-----------------------|-----------------------------|
| | Three-month period ended September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | September 30,2012 (i) |
| Discontinued operations | | | | |
| Net service revenue | 344 | 332 | 1,002 | 854 |
| Cost of services rendered | (285) | (278) | (907) | (775) |
| Operating expense | (19) | (25) | (90) | (111) |
| Operating profit | 40 | 29 | 5 | (32) |
| Financial Results | (2) | | 1 | (3) |
| Income (loss) before income tax and social contribution | 38 | 29 | 6 | (35) |
| Income tax and social contribution | (12) | (11) | (25) | (27) |
| Income (loss) after income tax and social contribution | 26 | 18 | (19) | (62) |
| Gross income from fair value measurement | (58) | | (58) | |
| Income tax and social contribution of fair value measurement | 20 | | 20 | |
| Net income (loss) from discontinued operations | (12) | 18 | (57) | (62) |

(i) Period adjusted according to note 4.

Cash flow provided (used) by discontinued operation is presented as follow:

| | (unaudited) | | | |
|--|---|-----------------------|-----------------------|-----------------------|
| | Three-month period ended September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Operating activities | 67 | 175 | 425 | 380 |
| Investing activities | (139) | (159) | (620) | (387) |
| Financing activities | | | 87 | |
| Net cash provided (used) by discontinued operations | (72) | 16 | (108) | (7) |

13. Financial instruments - investments

The lock-up period for trading Norsk Hydro shares ended in the first quarter of 2013. From this period on the shares of Norsk Hydro can be traded in the market and therefore we ended the equity method measurement and start classifying this investment as a financial asset available for sale. The fair value of financial instruments investment in stock classified as available for sale in September 30, 2013 was US\$1,877.

14. Investments

The main consolidated operating subsidiaries are:

| Entities | % ownership | % voting capital | Location | Principal activity |
|---|-------------|------------------|---------------|------------------------------|
| Compañia Minera Miski Mayo S.A.C | 40.00 | 51.00 | Peru | Fertilizers |
| 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 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 | 80.50 | 80.50 | New Caledonia | Nickel |
| Vale Oman Pelletizing Company LLC | 70.00 | 70.00 | Oman | Pellet |
| Vale Shipping Holding PTE Ltd. | 100.00 | 100.00 | Singapore | Logistics of iron ore |

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The following entities are involved in General Cargo Logistics:

| Entities | % ownership | % voting capital | Location | Principal activity |
|--|-------------|------------------|----------|-------------------------|
| Ferrovias Centro-Atlântica S. A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| Ferrovias Norte Sul S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| VLI Multimodal S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| VLI Operações de Terminais S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| VLI Operações Portuárias S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| VLI Participações S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| VLI S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| Ultrafértil S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| TUF empreendimentos e participações S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |
| SL Serviços Logísticos S.A. | 100.00 | 100.00 | Brazil | General cargo logistics |

The movement of investments in associate and joint ventures are as follow:

| | (unaudited) | | | |
|--|--------------------------|-----------------------|-------------------------|-----------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Balance at beginning of period | 3,775 | 8,062 | 6,384 | 8,013 |
| Additions | 78 | 56 | 351 | 301 |
| Disposals | | | (21) | (33) |
| Translation adjustment for the period | 20 | (64) | (378) | (283) |
| Equity results | 128 | 154 | 353 | 559 |
| Equity other comprehensive income | 1 | 9 | (205) | 38 |
| Dividends declared | (40) | (23) | (585) | (401) |
| Transfers to assets financial instruments - investments | | | (1,937) | |
| Balance at end of period | 3,962 | 8,194 | 3,962 | 8,194 |

Table of Contents**Investments (Continued)**

| Location | Relationship | % ownership | % voting capital | Investments | | Equity results (unaudited) | | | | Received d | |
|--|--------------|---------------|------------------|--------------------------------|-----------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------|-----------|
| | | | | As of | As of | Three-month period ended | Three-month period ended | Three-month period ended | Three-month period ended | | |
| | | | | September 30, 2013 (unaudited) | December 31, 2012 (i) | September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | |
| Bulk Material | | | | | | | | | | | |
| Iron Ore and pellets | | | | | | | | | | | |
| Baovale Mineração S.A. - BAOVALE Companhia Nipo-Brasileira de Pelotização - NIBRASCO (c) | Brazil | Joint venture | 50.00 | 50.00 | 28 | 28 | 2 | 3 | 4 | 1 | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (c) | Brazil | Joint Venture | 51.00 | 51.11 | 155 | 178 | 2 | 13 | 7 | 22 | |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO (c) | Brazil | Joint Venture | 50.00 | 50.00 | 86 | 107 | 5 | 7 | 9 | 22 | |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO (c) | Brazil | Joint Venture | 50.90 | 51.00 | 61 | 64 | 3 | | 3 | 7 | |
| MRS Logística S.A. (e) | Brazil | Joint Venture | 47.59 | 46.75 | 581 | 586 | 32 | 36 | 68 | 95 | 22 |
| Minas da Serra Geral S.A. - MSG Samarco Mineração S.A. (d) | Brazil | Joint Venture | 50.00 | 50.00 | 488 | 630 | 144 | 169 | 376 | 522 | |
| Tecnored Desenvolvimento Tecnológico S.A. (b) | Brazil | Associate | 49.21 | 49.21 | 40 | 38 | (2) | (6) | (7) | (15) | |
| Zhuhai YPM Pellet Co | China | Associate | 25.00 | 25.00 | 23 | 23 | | | | | |
| | | | | | 1,570 | 1,784 | 185 | 225 | 459 | 692 | 23 |
| Coal | | | | | | | | | | | |
| Henan Longyu Energy Resources CO., LTD. Shandong Yankuang International Company Ltd. | China | Associate | 25.00 | 25.00 | 350 | 341 | 15 | 10 | 36 | 44 | 40 |
| | | | | | (73) | (60) | (4) | (3) | (13) | (10) | |
| | | | | | 277 | 281 | 11 | 7 | 23 | 34 | 40 |

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Base Metals

Copper

| | | | | | | | | | |
|----------------------------|--------|-----------|-------|-------|-----|-----|-----|------|-----|
| Teal Minerals Incorporated | Zambia | Associate | 50.00 | 50.00 | 237 | 252 | (9) | (15) | (3) |
|----------------------------|--------|-----------|-------|-------|-----|-----|-----|------|-----|

Nickel

| | | | | | | | | | |
|-------------------|-------|-----------|-------|-------|----|----|-----|-----|-----|
| Korea Nickel Corp | Korea | Associate | 25.00 | 25.00 | 22 | 24 | (1) | (1) | (2) |
|-------------------|-------|-----------|-------|-------|----|----|-----|-----|-----|

Others

Aluminium

| | | | | | | | | | |
|-----------------|--------|-----------|--|--|--|-------|--|------|------|
| Norsk Hydro ASA | Norway | Associate | | | | 2,237 | | (63) | (35) |
|-----------------|--------|-----------|--|--|--|-------|--|------|------|

Bauxite

| | | | | | | | | | | |
|--|--------|-----------|-------|-------|-----|-----|---|---|---|----|
| Mineração Rio Grande do Norte S.A. - MRN | Brazil | Associate | 40.00 | 40.00 | 112 | 136 | 4 | 8 | 7 | 19 |
|--|--------|-----------|-------|-------|-----|-----|---|---|---|----|

Steel

| | | | | | | | | | | |
|----------------------------------|-----|---------------|-------|-------|-----|-----|---|---|----|----|
| California Steel Industries, INC | USA | Joint Venture | 50.00 | 50.00 | 182 | 167 | 4 | 2 | 14 | 17 |
|----------------------------------|-----|---------------|-------|-------|-----|-----|---|---|----|----|

| | | | | | | | | | | |
|-------------------------------------|--------|---------------|-------|-------|-----|-----|-----|-----|-----|-----|
| CSP- Companhia Siderúrgica do PECEM | Brazil | Joint Venture | 50.00 | 50.00 | 727 | 499 | (1) | (2) | (4) | (4) |
|-------------------------------------|--------|---------------|-------|-------|-----|-----|-----|-----|-----|-----|

| | | | | | | | | | | |
|---|--------|-----------|-------|-------|-------|-------|------|------|-------|-------|
| Thyssenkrupp CSA Companhia Siderúrgica do Atlântico | Brazil | Associate | 26.87 | 26.87 | 404 | 534 | (59) | (19) | (112) | (104) |
| | | | | | 1,313 | 1,200 | (56) | (19) | (102) | (91) |

Other affiliates and joint ventures

| | | | | | | | | | | |
|--------------------|--------|---------------|------|------|-----|-----|-----|-----|-----|-----|
| Norte Energia S.A. | Brazil | Joint Venture | 9.00 | 9.00 | 148 | 120 | (1) | (1) | (1) | (2) |
|--------------------|--------|---------------|------|------|-----|-----|-----|-----|-----|-----|

| | | | | | | | | | | |
|---------------------------------------|--------|-----------|-------|-------|----|----|-----|---|-----|-----|
| LOG-IN - Logística Intermodal S/A (a) | Brazil | Associate | 31.33 | 31.33 | 84 | 94 | (5) | 6 | (1) | (8) |
|---------------------------------------|--------|-----------|-------|-------|----|----|-----|---|-----|-----|

| | | | | | | | | | | |
|--------|--|--|--|--|-------|-------|-----|-----|------|------|
| Others | | | | | 199 | 256 | | (8) | (15) | (47) |
| | | | | | 431 | 470 | (6) | (3) | (17) | (57) |
| | | | | | 3,962 | 6,384 | 128 | 154 | 353 | 559 |
| | | | | | | | | | | 63 |

(i) Period adjusted according to note 4.

(a) Market value on September 30, 2013 was US\$131 and on December 31, 2012 was US\$120. Investment recorded at equity;

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

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

(d) Main data of Samarco: Operational Result US\$1,179, Financial Result US\$(264), Income tax US\$(167); and

(e) Market value on September 30, 2013 was US\$1,173 and on December 31, 2012 was US\$1,051, but its stock has no trading.

Table of Contents**15. Intangible Assets**

| | September 30, 2013 (unaudited) | | | December 31, 2012 | | |
|-----------------------------------|--------------------------------|----------------|--------------|-------------------|----------------|--------------|
| | Cost | Amortization | Net | Cost | Amortization | Net |
| Indefinite useful lifetime | | | | | | |
| Goodwill | 4,315 | | 4,315 | 4,603 | | 4,603 |
| Finite useful lifetime | | | | | | |
| Concession and subconcession | 3,137 | (1,205) | 1,932 | 5,375 | (1,618) | 3,757 |
| Right of use | 341 | (70) | 271 | 358 | (56) | 302 |
| Others | 1,326 | (712) | 614 | 1,225 | (676) | 549 |
| | 4,804 | (1,987) | 2,817 | 6,958 | (2,350) | 4,608 |
| Total | 9,119 | (1,987) | 7,132 | 11,561 | (2,350) | 9,211 |

The useful life of the concessions and sub-concessions did not change during the quarter.

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

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

| | Three-month period ended (unaudited) | | | | | September 30, 2012 |
|--|--------------------------------------|--------------------------------|--------------|------------|--------------|--------------------|
| | September 30, 2013 | | | | | |
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total | |
| Balance at beginning of period | 4,296 | 3,608 | 274 | 513 | 8,691 | 9,090 |
| Addition | | 109 | | 131 | 240 | 287 |
| Disposals | | (5) | | | (5) | (4) |
| Amortization | | (68) | (8) | (33) | (109) | (106) |
| Transfer to non-current assets held for sale | | (1,669) | | | (1,669) | |
| Translation adjustments for the period | 19 | (43) | 5 | 3 | (16) | (56) |
| Balance at end of period | 4,315 | 1,932 | 271 | 614 | 7,132 | 9,211 |

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Nine-month period ended (unaudited)

| | September 30, 2013 | | | | | September 30, 2012 |
|---|--------------------|-----------------------------------|--------------|------------|--------------|-----------------------|
| | Goodwill | Concessions and Subconcessions | Right to use | Others | Total | Total |
| Balance at beginning of period | 4,603 | 3,757 | 302 | 549 | 9,211 | 9,521 |
| Addition | | 441 | | 208 | 649 | 755 |
| Disposals | | (10) | | (2) | (12) | (236) |
| Amortization | | (215) | (19) | (99) | (333) | (308) |
| Transfer to non-current assets held for sale | | (1,669) | | | (1,669) | |
| Translation adjustments for the period | (288) | (372) | (12) | (42) | (714) | (521) |
| Balance at end of period | 4,315 | 1,932 | 271 | 614 | 7,132 | 9,211 |

Table of Contents**16. Property, plant and equipment**

| | September 30, 2013 (unaudited) | | | December 31, 2012 | | |
|--------------------------|--------------------------------|-----------------------------|---------------|-------------------|-----------------------------|---------------|
| | Cost | Accumulated Depreciation | Net | Cost | Accumulated Depreciation | Net |
| Land | 905 | | 905 | 676 | | 676 |
| Buildings | 8,819 | (1,922) | 6,897 | 7,710 | (1,617) | 6,093 |
| Facilities | 17,006 | (4,930) | 12,076 | 16,320 | (4,564) | 11,756 |
| Computer equipment | 829 | (636) | 193 | 985 | (609) | 376 |
| Mineral assets | 22,163 | (5,291) | 16,872 | 23,705 | (4,838) | 18,867 |
| Others | 26,172 | (8,346) | 17,826 | 26,754 | (8,576) | 18,178 |
| Construction in progress | 30,288 | | 30,288 | 28,936 | | 28,936 |
| | 106,182 | (21,125) | 85,057 | 105,086 | (20,204) | 84,882 |

In March 2013, Company suspended the implementation of the Rio Colorado project in Argentina. The Company will continue honoring its commitments related to the concessions and reviewing alternatives to enhance the project outcome in order to determine prospects for future project development. Based on an analysis of current expected returns and projected investments, the Company has concluded that no impairment provision is required at this time.

The net property, plant and equipment given in guarantees for judicial claims in September 30, 2013 and December 31, 2012 correspond to US\$83 and US\$96, respectively.

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

| | Three-month period ended (unaudited) September 30, 2013 | | | | | | | September 30, 2012 | |
|--|--|--------------|---------------|--------------------|----------------|---------------|---------------------------|--------------------|---------------|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions in progress | Total | Total |
| Balance at beginning of period | 916 | 6,295 | 10,938 | 201 | 16,817 | 17,943 | 30,427 | 83,537 | 84,038 |
| Addition | | | | | | | 2,992 | 2,992 | 6,800 |
| Disposals | | | (4) | | | (15) | (50) | (69) | (549) |
| Transfer to non-current assets held for sale | | (45) | (8) | (6) | (3) | (862) | (94) | (1,018) | (584) |
| Depreciation and amortization | | (63) | (71) | (19) | (129) | (223) | | (505) | (1,337) |
| Translation adjustment for the period | (1) | 6 | 28 | | 279 | 16 | (208) | 120 | (2,318) |
| Transfers | (10) | 704 | 1,193 | 17 | (92) | 967 | (2,779) | | |
| Balance at end of period | 905 | 6,897 | 12,076 | 193 | 16,872 | 17,826 | 30,288 | 85,057 | 86,050 |

| | Nine-month period ended (unaudited) September 30, 2013 | | | | | | | September 30, 2012 | |
|--|---|--------------|---------------|--------------------|----------------|---------------|---------------------------|--------------------|---------------|
| | Land | Building | Facilities | Computer equipment | Mineral assets | Others | Constructions in progress | Total | Total |
| Balance at beginning of period | 676 | 6,093 | 11,756 | 376 | 18,867 | 18,178 | 28,936 | 84,882 | 82,342 |
| Addition | | | | | | | 9,629 | 9,629 | 10,577 |
| Disposals | | | (53) | (1) | (31) | (40) | (110) | (235) | (937) |
| Transfer to non-current assets held for sale | | (45) | (8) | (6) | (3) | (862) | (94) | (1,018) | (625) |
| Depreciation and amortization | | (186) | (520) | (59) | (573) | (1,344) | | (2,682) | (2,975) |
| Translation adjustment for the period | (107) | (501) | (792) | (177) | (769) | (904) | (2,269) | (5,519) | (2,332) |
| Transfers | 336 | 1,536 | 1,693 | 60 | (619) | 2,798 | (5,804) | | |
| Balance at end of period | 905 | 6,897 | 12,076 | 193 | 16,872 | 17,826 | 30,288 | 85,057 | 86,050 |

Table of Contents**17. Loans and Financing****a) Long term debts**

| | Current Liabilities | | Non-current liabilities | |
|--|-----------------------------------|-------------------|-----------------------------------|-------------------|
| | September 30, 2013 (unaudited) | December 31, 2012 | September 30, 2013 (unaudited) | December 31, 2012 |
| Long-term contracts abroad | | | | |
| Loans and financing in: | | | | |
| United States dollars | 318 | 604 | 3,304 | 3,380 |
| Others currencies | 17 | 14 | 240 | 261 |
| Fixed rates: | | | | |
| Notes indexed in United States dollars | 3 | 124 | 13,523 | 13,457 |
| Euro | | | 2,030 | 1,979 |
| Accrued charges | 260 | 324 | | |
| | 598 | 1,066 | 19,097 | 19,077 |
| Long-term contracts in Brazil | | | | |
| Indexed to TJLP, TR, IGP-M e CDI | 320 | 175 | 5,666 | 6,066 |
| Basket of currencies | 3 | 2 | 8 | 10 |
| Loans in United States dollars | 182 | 170 | 1,298 | 1,267 |
| Non-convertible debentures | 1,794 | 1,957 | 376 | 379 |
| Accrued charges | 176 | 101 | | |
| | 2,475 | 2,405 | 7,348 | 7,722 |
| | 3,073 | 3,471 | 26,445 | 26,799 |

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

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

| | (unaudited) |
|--------------|---------------|
| 2014 | 655 |
| 2015 | 1,256 |
| 2016 | 2,000 |
| 2017 | 2,357 |
| 2018 onwards | 20,177 |
| | 26,445 |

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

| | (unaudited) |
|-----------------|---------------|
| Up to 3% | 5,104 |
| 3,1% to 5% (a) | 5,702 |
| 5,1% to 7% | 12,488 |
| 7,1% to 9% (b) | 1,156 |
| 9,1% to 11% (b) | 2,455 |
| Over 11% (b) | 2,559 |
| Variable | 54 |
| | 29,518 |

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

(b) Includes non-convertible debentures and other Brazilian Real denominated debt that bears interest at the CDI and Brazilian Government Long-term Interest Rates (TJLP), plus spread. For these operations, we have entered into derivative transactions to mitigate our exposure to the floating rate debt denominated in Brazilian Real, totaling US\$7,951 of which US\$4,533 has an original interest rate above 7.1% per year. The average cost of debts not denominated in U.S. Dollars after derivatives contracting is 2.59% per year.

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b) Funding and revolving credit lines

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

In July 2013 the company contracted a new 5 years revolving credit facility in the amount of US\$2 billion. This new revolving credit line will be added to the already existing US\$3 billion revolving credit line, under which amounts can be drawdown and repaid at the option of the borrower.

| Revolving Credit Lines | | | | | | |
|---|------|-------------------|----------|-------|-------|-------|
| Revolving Credit Facility - Vale/ Vale International/ Vale Canada | | | | | | |
| | US\$ | July 2013 | 5 years | 2,000 | | |
| BNDES | R\$ | April 2008(a) | 10 years | 3,274 | 1,810 | 1,753 |
| Export-Import Bank of China and Bank of China Limited | | | | | | |
| | US\$ | September 2010(b) | 13 years | 1,229 | 971 | 837 |
| BNDES | | | | | | |
| Investment Sustainance Program (PSI) 2,50% | | | | | | |
| | R\$ | December 2012(e) | 10 years | 82 | 82 | |

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

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

(c) Financing investments in Canada and Canadian exports.

(d) CLN 150 Project.

- (e) Acquisition of wagons by VLI Multimodal.
- (f) Acquisition of domestic equipment.

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

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

c) Guarantee

On September 30, 2013, US\$1,441 of the total aggregate outstanding debt was secured by property, plant and equipment and receivables.

d) Covenants

Our principal covenants require us to maintain certain ratios, such as debt to EBITDA (Earnings Before Interest Taxes, Depreciation and Amortization) and interest coverage. We have not identified any events of noncompliance as of September 30, 2013.

18. Provision for litigation

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

| | Three-month period ended (unaudited) | | | | Total of litigation provision | September 30, 2012 Total of litigation provision |
|---------------------------------------|--------------------------------------|------------------|------------------|--------------------------|-------------------------------|---|
| | Tax litigation | Civil litigation | Labor litigation | Environmental litigation | | |
| Balance at beginning of period | 678 | 234 | 704 | 41 | 1,657 | 1,748 |
| Additions | 2 | 45 | 51 | | 98 | 653 |
| Reversals | (11) | (5) | (44) | (1) | (61) | (67) |
| Payments | (54) | (12) | (17) | | (83) | (4) |
| Monetary adjustment | (15) | 12 | 26 | 1 | 24 | (2) |
| Translation adjustment for the period | 3 | 5 | (5) | | 3 | |
| Transfer to non-current assets held | | (10) | (26) | 1 | (35) | (36) |

for sale

**Balance at end of
period**

603

269

689

42

1,603

2,292

25

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| | Nine-month period ended (unaudited) | | | | | September 30, 2012 Total of litigation provision |
|--|-------------------------------------|------------------|------------------|--------------------------|-------------------------------|---|
| | Tax litigation | Civil litigation | Labor litigation | Environmental litigation | Total of litigation provision | |
| Balance at beginning of period | 996 | 287 | 748 | 34 | 2,065 | 1,686 |
| Additions | 94 | 87 | 208 | 13 | 402 | 892 |
| Reversals | (58) | (53) | (158) | (6) | (275) | (183) |
| Payments | (336) | (17) | (63) | (2) | (418) | (32) |
| Monetary adjustment | (61) | 11 | 45 | 5 | | 80 |
| Transfer to non-current assets held for sale | | (10) | (26) | 1 | (35) | |
| Translation adjustment for the period | (32) | (36) | (65) | (3) | (136) | (151) |
| Balance at end of period | 603 | 269 | 689 | 42 | 1,603 | 2,292 |

In this quarter we paid US\$74 of CFEM. During the Nine-month period ended on September 30, 2013, we paid US\$340 and as at September 30, 2013 and December 31, 2012, the total liability in relation to CFEM presented in the tax litigation on the table above was US\$240 and US\$519, respectively.

Judicial deposits are as follows:

| | September 30, 2013 (unaudited) | December 31, 2012 |
|---------------------------|-----------------------------------|-------------------|
| Tax litigations | 449 | 435 |
| Civil litigations | 161 | 172 |
| Labor litigations | 878 | 903 |
| Environmental litigations | 5 | 5 |
| Total | 1,493 | 1,515 |

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

| | September 30, 2013 (unaudited) | December 31, 2012 |
|------------------|-----------------------------------|-------------------|
| Tax litigation | 17,194 | 16,492 |
| Civil litigation | 1,142 | 1,124 |

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| | | |
|--------------------------|---------------|---------------|
| Labor litigation | 1,747 | 1,728 |
| Environmental litigation | 1,203 | 1,672 |
| Total | 21,286 | 21,016 |

The collection of Income Tax and Social Contribution on equity gain of foreign subsidiaries, and the deductibility of the social contribution payments on the Income Tax Bases are the most relevant among tax litigations classified as possible loss. The update amount for these litigations including interest and penalties totaled at September 30, 2013 and December 31, 2012 US\$13,776 and US\$15,210, respectively.

In October 2013 the Brazilian tax authority has created a tax settlement program (REFIS), related to the collection of Income tax and social contribution on equity gain of foreign subsidiaries earned by Brazilian companies with limit date for join on November 29, 2013.

Under the conditions of this REFIS, the debts due until December 31, 2012 may be paid as follows: (i) lump sum payment with 100% reduction of fines and other legal charges or (ii) in 120 monthly installments, with 20% down payment at the time of joining the program, with 80% reduction of fines, 40% reduction of interest and 100% reduction of legal charges.

As previously mentioned, Vale is involved in lawsuits related to the collection of Income Tax and Social Contribution on equity gain on foreign subsidiaries whose prognosis of possible loss remains unchanged, as a consequence, no provision has been recorded.

Vale is assessing the potential financial benefits of joining the REFIS.

Table of Contents**19. Asset retirement obligation**

Company uses substantially the same criteria used in the financial statements of December 31, 2012 to measure the obligations concerning the retirement of used fixed assets. Interest rates on long-term used to discount to present value and update the provision was 5.03% p.a. for September 30, 2013 and December 31, 2012.

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

| | (unaudited) | | | |
|--|--------------------------|--------------------|-------------------------|--------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Balance at beginning of period | 2,392 | 1,945 | 2,748 | 1,922 |
| Increase expense | 62 | 54 | 153 | 137 |
| Transfer to available for sale | (4) | | (4) | |
| Settlement in the current period | (8) | (5) | (20) | (9) |
| Revisions in estimated cash flows | 8 | 4 | (261) | 41 |
| Translation adjustments for the period | (11) | (2) | (177) | (95) |
| Balance at end of period | 2,439 | 1,996 | 2,439 | 1,996 |
| Current | 63 | 64 | 63 | 64 |
| Non-current | 2,376 | 1,932 | 2,376 | 1,932 |
| | 2,439 | 1,996 | 2,439 | 1,996 |

20. Deferred Income Tax and Social Contribution

We review the potential tax impact associated with undistributed earnings of each our subsidiaries and affiliates. For those subsidiaries in which undistributed earnings are intended to be reinvested indefinitely, no deferred tax is recognized. Undistributed earnings of foreign consolidated subsidiaries and affiliates for which no deferred income tax has been recognized for possible future remittances to the parent company totaled approximately US\$27 billion at September 30, 2013 and US\$27 billion at December 31, 2012. These amounts are considered to be permanently reinvested in the Company's international business. It is not practicable to determine the amount of the unrecognized deferred tax liability associated with these amounts. If we did determine to repatriate these earnings, there would be methods available to us, each with different tax consequences. There would also be uncertainty as to timing and amount, if any, of foreign tax credits that would be available, as the calculation of the available foreign tax credit is dependent upon the timing of the repatriation and projections of significant future and uncertain events. The wide range of potential outcomes that could result due to these factors, among others, makes it impracticable to calculate the amount of tax that hypothetically would be recognized on these earnings if they were repatriated.

The deferred balances were as follows:

| | Three-month period ended (unaudited) | | | | | |
|--|--------------------------------------|--------------|--------------|------------------------|--------------|----------------|
| | September 30, 2013 | | | September 30, 2012 (i) | | |
| | Assets | Liabilities | Total | Assets | Liabilities | Total |
| Balance at beginning of period | 4,246 | 3,214 | 1,032 | 1,884 | 3,822 | (1,938) |
| Net income effect | 459 | (51) | 510 | 602 | (109) | 711 |
| Transfer to non-current assets held for sale | | (84) | 84 | | (2) | 2 |
| Subsidiary acquisition (sale) | | | | (5) | (8) | 3 |
| Translation adjustment for the period | (16) | (17) | 1 | 3 | 119 | (116) |
| Other comprehensive income | 3 | 45 | (42) | (53) | 17 | (70) |
| Balance at end of period | 4,692 | 3,107 | 1,585 | 2,431 | 3,839 | (1,408) |

| | Nine-month period ended (unaudited) | | | | | |
|--|-------------------------------------|--------------|--------------|------------------------|--------------|----------------|
| | September 30, 2013 | | | September 30, 2012 (i) | | |
| | Assets | Liabilities | Total | Assets | Liabilities | Total |
| Balance at beginning of period | 4,058 | 3,386 | 672 | 1,900 | 5,447 | (3,547) |
| Net income effect | 872 | (131) | 1,003 | 691 | (160) | 851 |
| Transfer to non-current assets held for sale | | (86) | 86 | | (1) | 1 |
| Subsidiary acquisition (sale) | | | | (5) | (106) | 101 |
| Translation adjustment for the period | (315) | (106) | (209) | (91) | (119) | 28 |
| Reversal of deferred income tax | | | | | (1,236) | 1,236 |
| Other comprehensive income | 77 | 44 | 33 | (64) | 14 | (78) |
| Balance at end of period | 4,692 | 3,107 | 1,585 | 2,431 | 3,839 | (1,408) |

(i) Period adjusted according to note 4.

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

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| | (unaudited) | | | |
|---|--------------------------|---------------------------|-------------------------|---------------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | September 30, 2012 (i) |
| Net income before tax and social contribution | 4,364 | 1,891 | 8,707 | 7,724 |
| Results of equity investments | (128) | (154) | (353) | (559) |
| | 4,236 | 1,737 | 8,354 | 7,165 |
| Income tax and social contribution at statutory rates - 34% | (1,440) | (591) | (2,840) | (2,436) |
| Adjustments that affects the basis of taxes: | | | | |
| Income tax benefit from interest on stockholders' equity | 274 | 313 | 891 | 1,033 |
| Tax incentive | 94 | 84 | 206 | 174 |
| Results of overseas companies taxed by different rates which differs from the parent company rate | 132 | (163) | 46 | 240 |
| Constitution/reversal for tax loss carryforward | (46) | | 119 | |
| Reversal of deferred income tax liabilities | | | | 1,236 |
| Others | 86 | 4 | (178) | (47) |
| Income tax and social contribution on the profit for the period | (900) | (353) | (1,756) | 200 |

(i) Period adjusted according to note 4.

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

21. Employee Benefits Obligations

a) Retirement Benefits Obligations

In its 2012 financial statements the Company had announced that it expects to contribute US\$407 to its pension plan in 2013. Through September 30, 2013 it had contributed US\$273. No significant changes are expected in relation to the estimative disclosed in December 31, 2012 financial statement.

Costs recognized in the income statements for the period:

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| | Three-month period ended (unaudited) | | | | | |
|---|--------------------------------------|---------------------------|----------------------------------|-------------------------------|---------------------------|----------------------------------|
| | September 30, 2013 | | September 30, 2012 (i) | | | |
| | Overfunded pension plans (ii) | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans (ii) | Underfunded pension plans | Others underfunded pension plans |
| Current service cost | | 30 | 10 | | 19 | 10 |
| Interest on expense on liabilities | 68 | 94 | 24 | 74 | 99 | 25 |
| Interest income on plan assets | (84) | (81) | | (113) | (76) | |
| Interest expense on effect of (asset ceiling)/onerous liability | 16 | | | 39 | 3 | |
| Total of cost, net | | 43 | 34 | | 45 | 35 |

| | Nine-month period ended (unaudited) | | | | | |
|---|-------------------------------------|---------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|
| | September 30, 2013 | | September 30, 2012 (i) | | | |
| | Overfunded pension plans (ii) | Underfunded pension plans | Underfunded pension plans | Overfunded pension plans (ii) | Underfunded pension plans | Underfunded pension plans |
| Current service cost | | 95 | 33 | | 65 | 27 |
| Interest on expense on liabilities | 222 | 310 | 75 | 236 | 308 | 77 |
| Interest income on plan assets | (276) | (253) | | (359) | (272) | |
| Interest expense on effect of (asset ceiling)/onerous liability | 54 | | | 123 | 10 | |
| Total of cost, net | | 152 | 108 | | 111 | 104 |

(i) Period adjusted according note 4.

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

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

| | Three-month period ended (unaudited) | | | | September 30, 2012 (i) | | | |
|---|--------------------------------------|--|----------------------------------|------------|-------------------------------|---------------------------|----------------------------------|------------|
| | Overfunded pension plans (ii) | September 30, 2013 Underfunded pension plans | Others underfunded pension plans | Total | Overfunded pension plans (ii) | Underfunded pension plans | Others underfunded pension plans | Total |
| Return on plan assets (excluding interest income) | 51 | 97 | 5 | 153 | 309 | 176 | | 485 |
| Changes in asset ceiling/ onerous liability (excluding interest income) | (51) | | | (51) | (309) | (3) | | (312) |
| | | 97 | 5 | 102 | | 173 | | 173 |
| Income tax | | (30) | (4) | (34) | | (54) | | (54) |
| Total OCI, net | | 67 | 1 | 68 | | 119 | | 119 |

| | Nine-month period ended (unaudited) | | | | September 30, 2012 (i) | | | |
|---|-------------------------------------|--|----------------------------------|-------------|-------------------------------|---------------------------|----------------------------------|------------|
| | Overfunded pension plans (ii) | September 30, 2013 Underfunded pension plans | Others underfunded pension plans | Total | Overfunded pension plans (ii) | Underfunded pension plans | Others underfunded pension plans | Total |
| Effect of experience adjustments | | | | | | (4) | | (4) |
| Return on plan assets (excluding interest income) | (195) | (68) | 10 | (253) | 513 | 286 | | 799 |
| Changes in asset ceiling/ onerous liability (excluding interest income) | 195 | | | 195 | (513) | (45) | | (558) |
| | | (68) | 10 | (58) | | 237 | | 237 |
| Income tax | | 33 | (6) | 27 | | (77) | | (77) |
| Total OCI, net | | (35) | 4 | (31) | | 160 | | 160 |

(i) Period adjusted according note 4.

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

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

b) Incentive plan in results

Company, based on the profit sharing program (PPR) allows define, monitor, evaluate and recognize the individual and collective performance of their employees. The measurement method adopted in the period was the same used in December 31, 2012 financial statements. Company accrued expenses/costs related to participation in the results as follows:

| | (unaudited) | | | |
|--|--------------------------|-----------------------|-------------------------|-----------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Operational expenses | 66 | 62 | 147 | 275 |
| Cost of goods sold and services rendered | 123 | 91 | 309 | 284 |
| Total | 189 | 153 | 456 | 559 |

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 the financial statements of December 31, 2012. The total number of shares subject to the Long Term Compensation Plan on September 30, 2013 and December 31, 2012 are 6,117,958 and 4,426,046, and total liability recorded of US\$68 and US\$87, respectively.

Table of Contents**22. Classification of financial instruments**

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

| | September 30, 2013 (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 | 7,121 | | | | 7,121 |
| Short-term investments | 81 | | | | 81 |
| Derivative financial instruments | | 221 | | | 221 |
| Accounts receivable | 5,381 | | | | 5,381 |
| Related parties | 852 | | | | 852 |
| | 13,435 | 221 | | | 13,656 |
| Non-current | | | | | |
| Related parties | 242 | | | | 242 |
| Loans and financing agreements to receive | 269 | | | | 269 |
| Financial instruments - investments | | | | 1,877 | 1,877 |
| Derivative financial instruments | | 148 | | | 148 |
| | 511 | 148 | | 1,877 | 2,536 |
| Total of Assets | 13,946 | 369 | | 1,877 | 16,192 |
| Financial liabilities | | | | | |
| Current | | | | | |
| Suppliers and contractors | 3,980 | | | | 3,980 |
| Derivative financial instruments | | 470 | 43 | | 513 |
| Current portion of long-term debt | 3,073 | | | | 3,073 |
| Related parties | 111 | | | | 111 |
| | 7,164 | 470 | 43 | | 7,677 |
| Non-current | | | | | |
| Derivative financial instruments | | 1,427 | 14 | | 1,441 |
| Long-term debt | 26,445 | | | | 26,445 |
| Related parties | 66 | | | | 66 |
| Stockholders' Debentures (note 30d) | | 1,851 | | | 1,851 |
| | 26,511 | 3,278 | 14 | | 29,803 |
| Total of Liabilities | 33,675 | 3,748 | 57 | | 37,480 |

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

(b) Financial instruments for trading in short-term.

(c) See note 24(a).

(d) See note 13.

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| | Loans and receivables (a) | At fair value through profit or loss (b) | December 31, 2012 Derivatives designated as hedge (c) | Available for sale | Total |
|--|------------------------------|--|--|--------------------|---------------|
| Financial assets | | | | | |
| Current | | | | | |
| Cash and cash equivalents | 5,832 | | | | 5,832 |
| Short-term investments | | 246 | | | 246 |
| Derivative financial instruments | | 265 | 16 | | 281 |
| Accounts receivable | 6,795 | | | | 6,795 |
| Related parties | 384 | | | | 384 |
| | 13,011 | 511 | 16 | | 13,538 |
| Non-current | | | | | |
| Related parties | 408 | | | | 408 |
| Loans and financing agreements to receive | 246 | | | | 246 |
| Financial instrument - Investments | | | | 7 | 7 |
| Derivative financial instruments | | 40 | 5 | | 45 |
| | 654 | 40 | 5 | 7 | 706 |
| Total of Assets | 13,665 | 551 | 21 | 7 | 14,244 |
| Financial liabilities | | | | | |
| Current | | | | | |
| Suppliers and contractors | 4,529 | | | | 4,529 |
| Derivative financial instruments | | 346 | 1 | | 347 |
| Current portion of long-term debt | 3,471 | | | | 3,471 |
| Related parties | 207 | | | | 207 |
| | 8,207 | 346 | 1 | | 8,554 |
| Non-current | | | | | |
| Derivative financial instruments | | 783 | | | 783 |
| Long-term debt | 26,799 | | | | 26,799 |
| Related parties | 72 | | | | 72 |
| Stockholder s debentures | | 1,653 | | | 1,653 |
| | 26,871 | 2,436 | | | 29,307 |
| Total of Liabilities | 35,078 | 2,782 | 1 | | 37,861 |

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

(b) Financial instruments for trading in short-term.

(c) See note 24(a).

Table of Contents**23. Fair Value Estimative**

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

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

| | September 30, 2013 (unaudited) | | | December 31, 2012 | | |
|--|--------------------------------|--------------|--------------|-------------------|--------------|--------------|
| | Level 1 | Level 2 | Total (i) | Level 1 | Level 2 | Total (i) |
| Financial Assets | | | | | | |
| Current | | | | | | |
| Derivatives at fair value through profit or loss | 4 | 217 | 221 | | 265 | 265 |
| Derivatives designated as hedges | | | | | 16 | 16 |
| | 4 | 217 | 221 | | 281 | 281 |
| Non-Current | | | | | | |
| Financial assets investments | | 1,877 | 1,877 | 7 | | 7 |
| Derivatives at fair value through profit or loss | 1 | 147 | 148 | | 40 | 40 |
| Derivatives designated as hedges | | | | | 5 | 5 |
| | 1 | 2,024 | 2,025 | 7 | 45 | 52 |
| Total of Assets | 5 | 2,241 | 2,246 | 7 | 326 | 333 |
| Financial Liabilities | | | | | | |
| Current | | | | | | |
| Derivatives at fair value through profit or loss | 3 | 467 | 470 | 2 | 344 | 346 |
| Derivatives designated as hedges | | 43 | 43 | | 1 | 1 |
| | 3 | 510 | 513 | 2 | 345 | 347 |
| Non-Current | | | | | | |
| Derivatives at fair value through profit or loss | | 1,427 | 1,427 | | 783 | 783 |
| Derivatives designated as hedges | | 14 | 14 | | | |
| Stockholders debentures | | 1,851 | 1,851 | | 1,653 | 1,653 |
| | | 3,292 | 3,292 | | 2,436 | 2,436 |
| Total of Liabilities | 3 | 3,802 | 3,805 | 2 | 2,781 | 2,783 |

(i) No classification according to level 3.

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

| September 30, 2013 (unaudited) | | | | |
|---------------------------------------|--------|--------|--------|-------|
| Financial liabilities | | | | |
| Loans (long term) (ii) | 29,082 | 29,935 | 23,613 | 6,322 |
| Perpetual notes (iii) | 66 | 66 | | 66 |

(i) No classification according to level 3.

(ii) Net interest of US\$436

(iii) Classified as Related parties (Non-current liabilities)

| | December 31, 2012 | | | |
|------------------------------|--------------------------|-----------------------|----------------|----------------|
| | Balance | Fair value (i) | Level 1 | Level 2 |
| Financial liabilities | | | | |
| Loans (long term) (ii) | 29,845 | 32,724 | 25,817 | 6,907 |
| Perpetual notes (iii) | 72 | 72 | | 72 |

(i) No classification according to level 3.

(ii) Net interest of US\$425

(iii) Classified as Related parties (Non-current liabilities)

Table of Contents**24. Derivatives financial instruments****a) Derivatives effects on balance sheet**

| | September 30, 2013 (unaudited) | | December 31, 2012 | |
|--|--------------------------------|-------------|-------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Assets | | | | |
| Derivatives not designated as hedge | | | | |
| Foreign exchange and interest rate risk | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | 210 | | 249 | 1 |
| Eurobonds Swap | | | | 39 |
| Pre dollar swap | 6 | 82 | 16 | |
| | 216 | 82 | 265 | 40 |
| Commodities price risk | | | | |
| Nickel fixed price program | 4 | 1 | | |
| Bunker Oil | 1 | | | |
| | 5 | 1 | | |
| Warrants | | | | |
| SLW Option (Note 29) | | 65 | | |
| | | 65 | | |
| Derivatives designated as hedge | | | | |
| Strategic Nickel | | | 13 | |
| Foreign exchange cash flow hedge | | | 3 | 5 |
| | | | 16 | 5 |
| Total | 221 | 148 | 281 | 45 |

| | September 30, 2013 (unaudited) | | December 31, 2012 | |
|--|--------------------------------|--------------|-------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Liabilities | | | | |
| Derivatives not designated as hedge | | | | |
| Foreign exchange and interest rate risk | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | 429 | 1,327 | 340 | 700 |
| Eurobonds Swap | 2 | | 4 | 18 |
| Pre dollar swap | | 99 | | 63 |
| | 431 | 1,426 | 344 | 781 |
| Commodities price risk | | | | |
| Nickel fixed price program | 3 | | 2 | |
| Bunker Oil | 36 | | | |
| | 39 | | 2 | |
| Embedded derivatives | | | | |
| Gas | | 1 | | 2 |
| | | 1 | | 2 |

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Derivatives designated as hedge

| | | | | |
|----------------------------------|------------|--------------|------------|------------|
| Bunker Oil Hedge | 31 | 7 | 1 | |
| Foreign exchange cash flow hedge | 12 | 7 | | |
| | 43 | 14 | 1 | |
| Total | 513 | 1,441 | 347 | 783 |

Table of Contentsb) **Effects of derivatives in the statement of income, cash flow and other comprehensive income**

| | Amount of gain or(loss) recognized as financial income (expense) | | Three-month period ended (unaudited) Financial settlement (inflows)/ Outflows | | Amount of gain or (loss) recognized in OCI | |
|--|---|-----------------------|---|-----------------------|---|-----------------------|
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Derivatives not designated as hedge | | | | | | |
| Foreign exchange and interest rate risk | | | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | | | | | | |
| | 12 | (55) | (27) | (29) | | |
| Eurobonds Swap | 57 | 8 | | | | |
| Pre dollar swap | | (4) | (4) | (6) | | |
| | 69 | (51) | (31) | (35) | | |
| Commodities price risk | | | | | | |
| Nickel fixed price program | | | | | | |
| | (2) | (7) | 1 | (2) | | |
| Bunker oil hedge | 49 | 1 | 26 | (1) | | |
| | 47 | (6) | 27 | (3) | | |
| Warrants | | | | | | |
| SLW options (note 29) | | | | | | |
| | 20 | | | | | |
| | 20 | | | | | |
| Embedded derivatives | | | | | | |
| Gas | | | | | | |
| | 3 | | | | | |
| | 3 | | | | | |
| Derivatives designated as hedge | | | | | | |
| Bunker oil hedge | | | | | | |
| | (17) | | 17 | | 12 | 19 |
| Strategic nickel | | 45 | | (44) | | (51) |
| Foreign exchange cash flow hedge | (5) | | 4 | (1) | 23 | 47 |
| | (22) | 45 | 21 | (45) | 35 | 15 |
| Total | 117 | (12) | 17 | (83) | 35 | 15 |
| Financial income | | | | | | |
| | 155 | 61 | (31) | (84) | | |
| Financial expenses | | | | | | |
| | (38) | (73) | 48 | 1 | | |
| Total | 117 | (12) | 17 | (83) | | |

| | Amount of gain or(loss) recognized as financial income (expense) | | Nine-month period ended (unaudited) Financial settlement (inflows)/ Outflows | | Amount of gain or (loss) recognized in OCI | |
|--|--|-----------------------|--|-----------------------|---|-----------------------|
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |

| | | | | | | |
|--|--------------|--------------|--------------|--------------|-------------|-------------|
| Derivatives not designated as hedge | | | | | | |
| Foreign exchange and interest rate risk | | | | | | |
| CDI & TJLP vs. | | | | | | |
| US\$ fixed and floating rate swap | (655) | (255) | (202) | (338) | | |
| Eurobonds Swap | 58 | (9) | 5 | 4 | | |
| Treasury future | | 9 | | (3) | | |
| Pre dollar swap | (38) | (8) | (14) | (15) | | |
| | (635) | (263) | (211) | (352) | | |
| Commodities price risk | | | | | | |
| Nickel fixed price program | | (2) | 3 | (2) | | |
| Bunker oil hedge | (71) | 1 | 36 | (5) | | |
| | (71) | (1) | 39 | (7) | | |
| Warrants | | | | | | |
| SLW options (note 29) | (35) | | | | | |
| | (35) | | | | | |
| Embedded derivatives | | | | | | |
| Gas | 3 | | | | | |
| | 3 | | | | | |
| Derivatives designated as hedge | | | | | | |
| Bunker Oil Hedge | (30) | | 30 | (35) | | 5 |
| Strategic Nickel | 13 | 132 | (13) | (131) | (13) | (115) |
| Foreign exchange cash flow hedge | (5) | | 4 | (1) | (21) | 22 |
| | (22) | 132 | 21 | (132) | (69) | (88) |
| Total | (760) | (132) | (151) | (491) | (69) | (88) |
| Financial income | 377 | 403 | (236) | (501) | | |
| Financial expenses | (1,137) | (535) | 85 | 10 | | |
| Total | (760) | (132) | (151) | (491) | | |

Table of Contents**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.

1. Commodities**Nickel**

| Maturity | | Price (US\$/ton) | Maturity | Price (US\$/ton) | Maturity | Price (US\$/ton) |
|----------|-------|------------------|----------|------------------|----------|------------------|
| | SPOT | 13,860.00 | MAR14 | 14,031.99 | SEP14 | 14,175.50 |
| | OCT13 | 13,908.37 | APR14 | 14,057.20 | SEP15 | 14,437.33 |
| | NOV13 | 13,932.61 | MAY14 | 14,083.35 | SEP16 | 14,680.63 |
| | DEC13 | 13,958.77 | JUN14 | 14,107.99 | SEP17 | 14,911.96 |
| | JAN14 | 13,983.89 | JUL14 | 14,130.66 | | |
| | FEB14 | 14,006.53 | AUG14 | 14,152.71 | | |

Copper

| Maturity | | Price (US\$/lb) | Maturity | Price (US\$/lb) | Maturity | Price (US\$/lb) |
|----------|-------|-----------------|----------|-----------------|----------|-----------------|
| | SPOT | 3.32 | MAR14 | 3.32 | SEP14 | 3.33 |
| | OCT13 | 3.31 | APR14 | 3.32 | SEP15 | 3.35 |
| | NOV13 | 3.31 | MAY14 | 3.33 | SEP16 | 3.37 |
| | DEC13 | 3.31 | JUN14 | 3.33 | SEP17 | 3.39 |
| | JAN14 | 3.32 | JUL14 | 3.33 | | |
| | FEB14 | 3.32 | AUG14 | 3.33 | | |

Bunker Oil

| Maturity | | Price (US\$/ton) | Maturity | Price (US\$/ton) | Maturity | Price (US\$/ton) |
|----------|-------|------------------|----------|------------------|----------|------------------|
| | SPOT | 609.76 | MAR14 | 598.71 | SEP14 | 588.56 |
| | OCT13 | 609.25 | APR14 | 596.87 | SEP15 | 572.22 |

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| | | | | | |
|-------|--------|-------|--------|-------|--------|
| NOV13 | 608.66 | MAY14 | 594.98 | SEP16 | 559.12 |
| DEC13 | 604.30 | JUN14 | 593.41 | SEP17 | 552.01 |
| JAN14 | 602.02 | JUL14 | 591.79 | | |
| FEB14 | 600.54 | AUG14 | 590.08 | | |

Table of Contents**2. Rates****US\$-Brazil Interest Rate**

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| 11/01/13 | 0.62 | 01/04/16 | 1.86 | 07/02/18 | 3.00 |
| 12/02/13 | 0.76 | 04/01/16 | 1.94 | 10/01/18 | 3.10 |
| 01/02/14 | 1.07 | 07/01/16 | 2.04 | 01/02/19 | 3.22 |
| 04/01/14 | 1.23 | 10/03/16 | 2.13 | 04/01/19 | 3.34 |
| 07/01/14 | 1.41 | 01/02/17 | 2.29 | 07/01/19 | 3.46 |
| 10/01/14 | 1.49 | 04/03/17 | 2.41 | 10/01/19 | 3.59 |
| 01/02/15 | 1.60 | 07/03/17 | 2.55 | 01/02/20 | 3.71 |
| 04/01/15 | 1.69 | 10/02/17 | 2.65 | 07/01/20 | 3.95 |
| 07/01/15 | 1.76 | 01/02/18 | 2.77 | 01/04/21 | 4.18 |
| 10/01/15 | 1.79 | 04/02/18 | 2.90 | 07/01/21 | 4.37 |

US\$ Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| US\$1M | 0.18 | US\$6M | 0.29 | US\$11M | 0.31 |
| US\$2M | 0.22 | US\$7M | 0.30 | US\$12M | 0.32 |
| US\$3M | 0.25 | US\$8M | 0.30 | US\$2Y | 0.47 |
| US\$4M | 0.27 | US\$9M | 0.31 | US\$3Y | 0.79 |
| US\$5M | 0.28 | US\$10M | 0.31 | US\$4Y | 1.20 |

TJLP

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| 11/01/13 | 5.00 | 01/04/16 | 5.00 | 07/02/18 | 5.00 |
| 12/02/13 | 5.00 | 04/01/16 | 5.00 | 10/01/18 | 5.00 |
| 01/02/14 | 5.00 | 07/01/16 | 5.00 | 01/02/19 | 5.00 |
| 04/01/14 | 5.00 | 10/03/16 | 5.00 | 04/01/19 | 5.00 |
| 07/01/14 | 5.00 | 01/02/17 | 5.00 | 07/01/19 | 5.00 |
| 10/01/14 | 5.00 | 04/03/17 | 5.00 | 10/01/19 | 5.00 |
| 01/02/15 | 5.00 | 07/03/17 | 5.00 | 01/02/20 | 5.00 |
| 04/01/15 | 5.00 | 10/02/17 | 5.00 | 07/01/20 | 5.00 |
| 07/01/15 | 5.00 | 01/02/18 | 5.00 | 01/04/21 | 5.00 |
| 10/01/15 | 5.00 | 04/02/18 | 5.00 | 07/01/21 | 5.00 |

BRL Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| 11/01/13 | 9.12 | 01/04/16 | 11.11 | 07/02/18 | 11.69 |
| 12/02/13 | 9.19 | 04/01/16 | 11.24 | 10/01/18 | 11.74 |
| 01/02/14 | 9.36 | 07/01/16 | 11.35 | 01/02/19 | 11.71 |
| 04/01/14 | 9.64 | 10/03/16 | 11.39 | 04/01/19 | 11.72 |
| 07/01/14 | 9.86 | 01/02/17 | 11.42 | 07/01/19 | 11.74 |
| 10/01/14 | 10.08 | 04/03/17 | 11.46 | 10/01/19 | 11.75 |
| 01/02/15 | 10.24 | 07/03/17 | 11.50 | 01/02/20 | 11.76 |
| 04/01/15 | 10.44 | 10/02/17 | 11.54 | 07/01/20 | 11.80 |
| 07/01/15 | 10.72 | 01/02/18 | 11.58 | 01/04/21 | 11.83 |
| 10/01/15 | 10.93 | 04/02/18 | 11.64 | 07/01/21 | 11.84 |

EUR Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| EUR1M | 0.09 | EUR6M | 0.33 | EUR11M | 0.41 |
| EUR2M | 0.11 | EUR7M | 0.35 | EUR12M | 0.42 |
| EUR3M | 0.16 | EUR8M | 0.37 | EUR2Y | 0.55 |
| EUR4M | 0.25 | EUR9M | 0.39 | EUR3Y | 0.75 |
| EUR5M | 0.29 | EUR10M | 0.40 | EUR4Y | 1.00 |

CAD Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| CAD1M | 1.22 | CAD6M | 1.38 | CAD11M | 1.31 |
| CAD2M | 1.25 | CAD7M | 1.36 | CAD12M | 1.30 |
| CAD3M | 1.28 | CAD8M | 1.34 | CAD2Y | 1.44 |
| CAD4M | 1.33 | CAD9M | 1.33 | CAD3Y | 1.79 |
| CAD5M | 1.36 | CAD10M | 1.32 | CAD4Y | 2.10 |

Currencies - Ending rates

| | | | | | |
|----------|--------|----------|--------|----------|--------|
| CAD/US\$ | 0.9721 | US\$/BRL | 2.2300 | EUR/US\$ | 1.3531 |
|----------|--------|----------|--------|----------|--------|

Table of Contents**Sensitivity Analysis Summary of the USD/BRL fluctuation Debt, Cash Investments and Derivatives****Sensitivity analysis - Summary of the USD/BRL fluctuation***Amounts in US\$ million*

| Program | Instrument | Risk | Cenário I | Cenário II | Cenário III | Cenário IV |
|------------------|------------------------------------|---------------------|------------------|-------------------|--------------------|-------------------|
| Funding | Debt denominated in BRL | No fluctuation | 0 | 0 | 0 | 0 |
| Funding | Debt denominated in USD | USD/BRL fluctuation | (4,688) | 4,688 | (9,377) | 9,377 |
| Cash Investments | Cash denominated in BRL | No fluctuation | 0 | 0 | 0 | 0 |
| Cash Investments | Cash denominated in USD | USD/BRL fluctuation | 1,412 | (1,412) | 2,824 | (2,824) |
| Derivatives(1) | Consolidated derivatives portfolio | USD/BRL fluctuation | (2,157) | 2,157 | (4,315) | 4,315 |
| Net result | | | (5,434) | 5,434 | (10,867) | 10,867 |

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

Sensitivity Analysis

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

- Fair Value: the fair value of the instruments as at September 30, 2013;
- Scenario I: Potential change in fair value of Vale's financial instruments positions considering a 25% depreciation of market curves for underlying risk factors;
- Scenario II: Potential change in fair value of Vale's financial instruments positions considering a 25% appreciation of market curves for underlying risk factors;
- Scenario III: Potential change in fair value of Vale's financial instruments positions considering a 50% depreciation of market curves for underlying risk factors;
- Scenario IV: Potential change in fair value of Vale's financial instruments positions considering a 50% appreciation of market curves for underlying risk factors;

Sensitivity analysis - Foreign Exchange and Interest Rate Derivative Positions*Amounts in US\$ million*

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| Program | Instrument | Risk | Fair | Scenario I | Scenario II | Scenario III | Scenario IV |
|--|--|---|-------|------------|-------------|--------------|-------------|
| | | | Value | | | | |
| Protection program for the Real denominated debt indexed to CDI | CDI vs. USD fixed rate swap | USD/BRL fluctuation | | (1,144) | 1,144 | (2,288) | 2,288 |
| | | USD interest rate inside Brazil variation | (743) | (27) | 26 | (56) | 52 |
| | | Brazilian interest rate fluctuation | | (9) | 8 | (19) | 16 |
| | | USD Libor variation | | (0) | 0 | (0) | 0 |
| | CDI vs. USD floating rate swap | USD/BRL fluctuation | | (64) | 64 | (127) | 127 |
| | | Brazilian interest rate fluctuation | (59) | (0.2) | 0.2 | (0.4) | 0.4 |
| | | USD Libor variation | | (0.06) | 0.06 | (0.12) | 0.11 |
| | 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 | | (777) | 777 | (1,555) | 1,555 |
| | | USD interest rate inside Brazil variation | | (60) | 56 | (123) | 109 |
| | | Brazilian interest rate fluctuation | (661) | 181 | (160) | 388 | (301) |
| | | TJLP interest rate fluctuation | | (88) | 86 | (177) | 170 |
| | TJLP vs. USD floating rate swap | USD/BRL fluctuation | | (82) | 82 | (164) | 164 |
| | | USD interest rate inside Brazil variation | (85) | (6) | 6 | (13) | 12 |
| | | Brazilian interest rate fluctuation | | 16 | (14) | 35 | (26) |
| | Protected Items - Real denominated debt | TJLP interest rate fluctuation | | (8) | 8 | (16) | 15 |
| | | USD Libor variation | | 4 | (4) | 8 | (8) |
| | | USD/BRL fluctuation | n.a. | | | | |
| Protection program for the Real denominated fixed rate debt | BRL fixed rate vs. USD | USD/BRL fluctuation | | (105) | 105 | (210) | 210 |
| | | USD interest rate inside Brazil variation | (92) | (6) | 5 | (12) | 11 |
| | | Brazilian interest rate fluctuation | | 20 | (18) | 42 | (34) |
| | Protected Items - Real denominated debt | USD/BRL fluctuation | n.a. | | | | |
| Protection Program for the Euro denominated debt | EUR fixed rate vs. USD fixed rate swap | USD/BRL fluctuation | | 20 | (20) | 40 | (40) |
| | | EUR/USD fluctuation | 80 | (375) | 375 | (750) | 750 |
| | | EUR Libor variation | | 30 | (27) | 62 | (52) |
| | | USD Libor variation | | (35) | 31 | (73) | 59 |
| | Protected Items - Euro denominated debt | EUR/USD fluctuation | n.a. | 375 | (375) | 750 | (750) |
| Foreign Exchange hedging program for disbursements in Canadian dollars (CAD) | CAD Forward | USD/BRL fluctuation | | (5) | 5 | (9) | 9 |
| | | USD/CAD fluctuation | (19) | (234) | 234 | (467) | 467 |
| | | CAD Libor variation | | 3 | (3) | 6 | (5) |
| | Protected Items - Disbursement in Canadian dollars | USD Libor variation | | (1) | 1 | (2) | 2 |
| | | USD/CAD fluctuation | | | | | |
| | | n.a. | | 234 | (234) | 467 | (467) |

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Sensitivity analysis - Commodity Derivative Positions

Amounts in US\$ million

| | | | | | | | |
|---|---|------------------------------|-------|-------|-------|-------|-------|
| Nickel purchase protection program | Sale of nickel future/forward contracts | Nickel price fluctuation | | 0.4 | (0.4) | 0.8 | (0.8) |
| | | Libor USD fluctuation | 0.0 | 0 | (0) | 0 | (0) |
| | | USD/BRL fluctuation | | 0.0 | 0.0 | 0.0 | (0.0) |
| | Protected Item: Part of Vale's revenues linked to Nickel price | Nickel price fluctuation | n.a. | (0.4) | 0.4 | (1) | 1 |
| Nickel fixed price program | Purchase of nickel future/forward contracts | Nickel price fluctuation | | (22) | 22 | (45) | 45 |
| | | Libor USD fluctuation | (3.6) | (0.0) | 0.0 | (0.1) | 0.1 |
| | | USD/BRL fluctuation | | (1) | 1 | (2) | 2 |
| | Protected Item: Part of Vale's nickel revenues from sales with fixed prices | Nickel price fluctuation | n.a. | 22 | (22) | 45 | (45) |
| Copper Scrap Purchase Protection Program | Sale of copper future/forward contracts | Copper price fluctuation | | 0.4 | (0.4) | 0.9 | (0.9) |
| | | Libor USD fluctuation | (0.0) | 0 | (0) | 0 | (0) |
| | | USD/BRL fluctuation | | (0.0) | 0.0 | (0.0) | 0.0 |
| | Protected Item: Part of Vale's revenues linked to Copper price | Copper price fluctuation | n.a. | (0.4) | 0.4 | (1) | 1 |
| Bunker Oil Purchase Protection Program | Bunker Oil forward and Options | Bunker Oil price fluctuation | | (190) | 184 | (386) | 380 |
| | | Libor USD fluctuation | (28) | (0) | 0 | (0) | 0 |
| | | USD/BRL fluctuation | | (7) | 7 | (14) | 14 |
| | Protected Item: part of Vale's costs linked to Bunker Oil price | Bunker Oil price fluctuation | n.a. | 190 | (184) | 386 | (380) |
| Bunker Oil Hedge Protection Program | Bunker Oil forward | Bunker Oil price fluctuation | | (248) | 248 | (497) | 497 |
| | | Libor USD fluctuation | (34) | (0.5) | 0.5 | (0.9) | 0.9 |
| | | USD/BRL fluctuation | | (9) | 9 | (19) | 19 |
| | Protected Item: part of Vale's costs linked to Bunker Oil price | Bunker Oil price fluctuation | n.a. | 248 | (248) | 497 | (497) |
| Sell of part of future gold production (subproduct) from Vale | 10 million of SLW warrants | SLW stock price fluctuation | | (26) | 30 | (47) | 63 |
| | | Libor USD fluctuation | 65 | (3) | 3 | (6) | 5 |
| | | USD/BRL fluctuation | | 16 | (16) | 33 | (33) |
| | Sell of part of future gold production (subproduct) from Vale | SLW stock price fluctuation | n.a. | 26 | (30) | 47 | (63) |

Sensitivity analysis - Embedded Derivative Positions

Amounts in US\$ million

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| | | | | | | | |
|---|--|--|-------|------------|--------------|-------------|---------------|
| Embedded derivatives - Raw material purchase (Nickel) | Embedded derivatives - Raw material purchase | Nickel price fluctuation USD/BRL fluctuation | (0.3) | 6 (0.0) | (6) 0.0 | 12 (0.0) | (12) 0.0 |
| Embedded derivatives - Raw material purchase (Copper) | Embedded derivatives - Raw material purchase | Copper price fluctuation USD/BRL fluctuation | 0.3 | 8 0.2 | (8) (0.2) | 16 0.4 | (16) (0.4) |
| Embedded derivatives - Gas purchase for Pelletizing | Embedded derivatives - Gas purchase | Pellet price fluctuation USD/BRL fluctuation | (0.8) | 1 (0.2) | (1) 0.2 | 1 (0.4) | (4) 0.4 |

Sensitivity analysis - Cash Investments (Other currencies)

Amounts in US\$ million

| Program | Instrument | Risk | Scenario I | Scenario II | Scenario III | Scenario IV |
|------------------|--------------------------------------|------------------------------|------------|-------------|--------------|-------------|
| Cash Investments | Cash denominated in EUR | EUR/BRL fluctuation | 11 | (11) | 21 | (21) |
| Cash Investments | Cash denominated in CAD | CAD/BRL fluctuation | 31 | (31) | 62 | (62) |
| Cash Investments | Cash denominated in GBP | GBP/BRL fluctuation | 2 | (2) | 4 | (4) |
| Cash Investments | Cash denominated in AUD | AUD/BRL fluctuation | 14 | (14) | 28 | (28) |
| Cash Investments | Cash denominated in Other Currencies | Other Currencies fluctuation | 7 | (7) | 13 | (13) |

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 September 30, 2013.

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

* Long Term Rating / LT Foreign Issuer Credit

Table of Contents**25. Stockholders Equity****a) Capital**

At September 30, 2013, the capital stock is US\$60,578 as of represented below:

| Stockholders | September 30, 2013 | | 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 | 678,840,482 | 636,876,650 | 1,315,717,132 |
| FMP - FGTS | 87,326,796 | | 87,326,796 |
| PIBB - BNDES | 1,687,106 | 2,510,536 | 4,197,642 |
| BNDESPar | 206,378,882 | 66,185,272 | 272,564,154 |
| Foreign institutional investors in local market | 295,118,380 | 501,332,642 | 796,451,022 |
| Institutional investors | 147,334,073 | 369,297,845 | 516,631,918 |
| Retail investors in Brazil | 52,532,236 | 371,178,969 | 423,711,205 |
| Treasure stock in Brazil | 71,071,482 | 140,857,692 | 211,929,174 |
| Total | 3,256,724,482 | 2,108,579,618 | 5,365,304,100 |

b) Treasury stocks

On September 30, 2013, the amount of treasury stocks was US\$4,477 as follows:

| Shares (thousands) | December | | September | Acquisition price (US\$) | | | September | December |
|--------------------|--------------------|----------|--------------------|--------------------------|---------|-------|-----------|----------|
| | 31, 2012 | Addition | | 30, 2013 | Average | Low | | |
| Preferred | 140,857,692 | | 140,857,692 | 17.67 | 6.61 | 22.51 | 14.55 | 18.84 |
| Common | 71,071,482 | | 71,071,482 | 16.95 | 9.46 | 25.84 | 15.55 | 19.37 |
| Total | 211,929,174 | | 211,929,174 | | | | | |

c) Basic and diluted earnings per share

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Basic and diluted earnings per shares were calculated as follows:

| | (unaudited) | | | |
|---|---|---------------------------|-----------------------|---------------------------|
| | Three-month period ended September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | September 30, 2012 (i) |
| Net income from continuing operations attributable to the Company's stockholders | 3,514 | 1,620 | 7,092 | 8,133 |
| Basic and diluted earnings per share: | | | | |
| Income available to preferred stockholders | 1,342 | 619 | 2,708 | 3,078 |
| Income available to common stockholders | 2,172 | 1,001 | 4,384 | 5,055 |
| Total | 3,514 | 1,620 | 7,092 | 8,133 |
| Weighted average number of shares outstanding (thousands of shares) - preferred shares | 1,967,722 | 1,967,722 | 1,967,722 | 1,930,600 |
| Weighted average number of shares outstanding (thousands of shares) - common shares | 3,185,653 | 3,185,653 | 3,185,653 | 3,171,041 |
| Total | 5,153,375 | 5,153,375 | 5,153,375 | 5,101,641 |
| Basic and diluted earnings per share from continuing operations | | | | |
| Basic earnings per preferred share | 0.68 | 0.32 | 1.38 | 1.59 |
| Basic earnings per common share | 0.68 | 0.32 | 1.38 | 1.59 |

(i) Period adjusted according note 4.

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| | (unaudited) | | | |
|--|---|---------------------------|-----------------------|---------------------------|
| | Three-month period ended September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | September 30, 2012 (i) |
| Net income from discontinuing operations attributable to the Company's stockholders | (12) | 18 | (57) | (62) |
| Basic and diluted earnings per share: | | | | |
| Income available to preferred stockholders | (5) | 7 | (22) | (23) |
| Income available to common stockholders | (7) | 11 | (35) | (39) |
| Total | (12) | 18 | (57) | (62) |
| Weighted average number of shares outstanding (thousands of shares) - preferred shares | 1,967,722 | 1,967,722 | 1,967,722 | 1,930,600 |
| Weighted average number of shares outstanding (thousands of shares) - common shares | 3,185,653 | 3,185,653 | 3,185,653 | 3,171,041 |
| Total | 5,153,375 | 5,153,375 | 5,153,375 | 5,101,641 |
| Basic and diluted earnings per share from discontinuing operations | | | | |
| Basic earnings per preferred share | 0.00 | 0.00 | (0.01) | (0.01) |
| Basic earnings per common share | 0.00 | 0.00 | (0.01) | (0.01) |

(i) Period adjusted according note 4.

| | (unaudited) | | | |
|--|---|---------------------------|-----------------------|---------------------------|
| | Three-month period ended September 30, 2013 | September 30, 2012 (i) | September 30, 2013 | September 30, 2012 (i) |
| Net income attributable to the Company's stockholders | 3,502 | 1,638 | 7,035 | 8,071 |
| Basic and diluted earnings per share: | | | | |
| Income available to preferred stockholders | 1,337 | 625 | 2,686 | 3,054 |
| Income available to common stockholders | 2,165 | 1,013 | 4,349 | 5,017 |
| Total | 3,502 | 1,638 | 7,035 | 8,071 |
| Weighted average number of shares outstanding (thousands of shares) - preferred shares | 1,967,722 | 1,967,722 | 1,967,722 | 1,930,600 |
| Weighted average number of shares outstanding (thousands of shares) - common shares | 3,185,653 | 3,185,653 | 3,185,653 | 3,171,041 |

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| | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| Total | 5,153,375 | 5,153,375 | 5,153,375 | 5,101,641 |
| Basic and diluted earnings per | | | | |
| Basic earnings per preferred share | 0.68 | 0.32 | 1.37 | 1.58 |
| Basic earnings per common share | 0.68 | 0.32 | 1.37 | 1.58 |

(i) Period adjusted according note 4.

d) **Remuneration of stockholders**

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

| | Remuneration attributed to Stockholders | |
|----------------------------------|---|--|
| | Total amount | Amount per outstanding common or preferred share |
| 2013 prepaid amount | | |
| First installment - April | 2,250 | 0.436607084 |
| Dividends | 400 | 0.077619037 |
| Interest on capital | 1,850 | 0.358988047 |

In October 31, 2013 (subsequent event), Vale paid the second installment of the 2013 minimum remuneration, US\$287 in form of dividend and US\$1,463 in form of interest on capital. Vale paid also an additional remuneration of US\$500 in form of interest on capital.

Table of Contents**26. Information by Business Segment and Consolidated Revenues by Geographic Area**

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

a) Results by segment

| | Three-month period ended (unaudited) September 30, 2013 | | | | | Discontinued operations (General Cargo) | Total |
|---|--|-----------------|--------------|------------|-------------------------------------|--|---------------|
| | Bulk Materials | Basic Metals | Fertilizers | Others | Total of continued operations | | |
| Results | | | | | | | |
| Net operating revenue | 9,569 | 1,859 | 774 | 131 | 12,333 | 344 | 12,677 |
| Cost and expenses | (4,077) | (1,556) | (838) | (118) | (6,589) | (267) | (6,856) |
| Fair value on sale of assets | | | | | | (58) | (58) |
| Depreciation, depletion and amortization | (486) | (407) | (106) | (8) | (1,007) | (37) | (1,044) |
| Operating income (loss) | 5,006 | (104) | (170) | 5 | 4,737 | (18) | 4,719 |
| Financial results, net | | | | | | | |
| Equity results from associates and joint controlled entities | 196 | (10) | | (58) | 128 | | 128 |
| Income tax and social contribution | (883) | 25 | (35) | (7) | (900) | 8 | (892) |
| Net income (loss) | 3,783 | (115) | (210) | 6 | 3,464 | (12) | 3,452 |
| Net income (loss) attributable to noncontrolling interests | (18) | (35) | 14 | (11) | (50) | | (50) |
| Net income (loss) attributable to the company's stockholders | 3,801 | (80) | (224) | 17 | 3,514 | (12) | 3,502 |
| Sales classified by geographic area: | | | | | | | |
| America, except United States | 189 | 247 | 15 | | 451 | | 451 |
| United States of America | 22 | 259 | | 24 | 305 | | 305 |
| Europe | 1,520 | 706 | 26 | | 2,252 | | 2,252 |
| Middle East/Africa/Oceania | 452 | 23 | | | 475 | | 475 |
| Japan | 1,016 | 162 | | | 1,178 | | 1,178 |
| China | 5,026 | 214 | | | 5,240 | | 5,240 |
| Asia, except Japan and China | 614 | 242 | 24 | | 880 | | 880 |
| Brazil | 730 | 6 | 709 | 107 | 1,552 | 344 | 1,896 |
| Net operating revenue | 9,569 | 1,859 | 774 | 131 | 12,333 | 344 | 12,677 |

Three-month period ended (unaudited)
September 30, 2012 (i)

| | Bulk Materials | Basic Metals | Fertilizers | Others | Total of continued operations | Discontinued operations (General Cargo) | Total |
|---|-------------------|--------------|--------------|--------------|-------------------------------------|--|---------------|
| Results | | | | | | | |
| Net operating revenue | 8,197 | 1,766 | 1,039 | 81 | 11,083 | 332 | 11,415 |
| Cost and expenses | (4,675) | (1,705) | (867) | (186) | (7,433) | (268) | (7,701) |
| Depreciation, depletion and amortization | (444) | (410) | (127) | (13) | (994) | (35) | (1,029) |
| Operating income (loss) | 3,078 | (349) | 45 | (118) | 2,656 | 29 | 2,685 |
| Financial results, net | (987) | 57 | 2 | 9 | (919) | | (919) |
| Equity results from associates and joint controlled entities | 232 | (1) | | (77) | 154 | | 154 |
| Income tax and social contribution | (390) | 54 | (19) | 2 | (353) | (11) | (364) |
| Net income (loss) | 1,933 | (239) | 28 | (184) | 1,538 | 18 | 1,556 |
| Net loss attributable to noncontrolling interests | (16) | (50) | (4) | (12) | (82) | | (82) |
| Net income (loss) attributable to the company's stockholders | 1,949 | (189) | 32 | (172) | 1,620 | 18 | 1,638 |
| Sales classified by geographic area: | | | | | | | |
| America, except United States | 199 | 229 | 8 | | 436 | | 436 |
| United States of America | 18 | 201 | 19 | | 238 | | 238 |
| Europe | 1,387 | 638 | 34 | | 2,059 | | 2,059 |
| Middle East/Africa/Oceania | 369 | 15 | 6 | | 390 | | 390 |
| Japan | 1,154 | 159 | | | 1,313 | | 1,313 |
| China | 3,614 | 231 | | | 3,845 | | 3,845 |
| Asia, except Japan and China | 718 | 286 | 18 | | 1,022 | | 1,022 |
| Brazil | 738 | 7 | 954 | 81 | 1,780 | 332 | 2,112 |
| Net operating revenue | 8,197 | 1,766 | 1,039 | 81 | 11,083 | 332 | 11,415 |

(i) Period adjusted according note 4.

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| Nine-month period ended (unaudited) September 30, 2013 | | | | | | | |
|---|-------------------|-----------------|--------------|--------------|-------------------------------------|--|----------------|
| | Bulk Materials | Basic Metals | Fertilizers | Others | Total of continued operations | Discontinued operations (General Cargo) | Total |
| Results | | | | | | | |
| Net operating revenue | 25,389 | 5,389 | 2,255 | 609 | 33,642 | 1,002 | 34,644 |
| Cost and expenses | (11,152) | (3,993) | (2,204) | (707) | (18,056) | (881) | (18,937) |
| Fair value on sale of assets | | | | | | (58) | (58) |
| Depreciation, depletion and amortization | (1,382) | (1,316) | (330) | (28) | (3,056) | (116) | (3,172) |
| Operating income (loss) | 12,855 | 80 | (279) | (126) | 12,530 | (53) | 12,477 |
| Financial results, net | (4,267) | 49 | (8) | 50 | (4,176) | 1 | (4,175) |
| Equity results from associates and joint controlled entities | 482 | (17) | | (112) | 353 | | 353 |
| Income tax and social contribution | (1,777) | 24 | 28 | (31) | (1,756) | (5) | (1,761) |
| Net income (loss) | 7,293 | 136 | (259) | (219) | 6,951 | (57) | 6,894 |
| Net income (loss) attributable to noncontrolling interests | (47) | (67) | 14 | (41) | (141) | | (141) |
| Net income (loss) attributable to the company's stockholders | 7,340 | 203 | (273) | (178) | 7,092 | (57) | 7,035 |
| Sales classified by geographic area: | | | | | | | |
| America, except United States | 563 | 796 | 40 | 10 | 1,409 | | 1,409 |
| United States of America | 25 | 824 | | 132 | 981 | | 981 |
| Europe | 4,304 | 1,932 | 95 | | 6,331 | | 6,331 |
| Middle East/Africa/Oceania | 1,387 | 61 | 11 | 7 | 1,466 | | 1,466 |
| Japan | 2,425 | 447 | | | 2,872 | | 2,872 |
| China | 12,583 | 651 | | | 13,234 | | 13,234 |
| Asia, except Japan and China | 1,915 | 625 | 43 | | 2,583 | | 2,583 |
| Brazil | 2,187 | 53 | 2,066 | 460 | 4,766 | 1,002 | 5,768 |
| Net operating revenue | 25,389 | 5,389 | 2,255 | 609 | 33,642 | 1,002 | 34,644 |

| Nine-month period ended (unaudited) September 30, 2012 (i) | | | | | | | |
|---|-------------------|-----------------|-------------|--------|-------------------------------------|--|----------|
| | Bulk Materials | Basic Metals | Fertilizers | Others | Total of continued operations | Discontinued operations (General Cargo) | Total |
| Results | | | | | | | |
| Net operating revenue | 26,323 | 5,320 | 2,688 | 251 | 34,582 | 854 | 35,436 |
| Cost and expenses | (12,898) | (4,851) | (2,202) | (691) | (20,642) | (789) | (21,431) |
| Loss on sale of assets | (377) | | | | (377) | | (377) |

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| | | | | | | | |
|---|---------------|--------------|--------------|--------------|---------------|-------------|---------------|
| Depreciation, depletion and amortization | (1,437) | (1,186) | (350) | (18) | (2,991) | (97) | (3,088) |
| Operating income (loss) | 11,611 | (717) | 136 | (458) | 10,572 | (32) | 10,540 |
| Financial results, net | (3,454) | 95 | (50) | 2 | (3,407) | (3) | (3,410) |
| Equity results from associates and joint controlled entities | 726 | (3) | | (164) | 559 | | 559 |
| Income tax and social contribution | (1,033) | 53 | 1,181 | (1) | 200 | (27) | 173 |
| Net income (loss) | 7,850 | (572) | 1,267 | (621) | 7,924 | (62) | 7,862 |
| Net income (loss) attributable to noncontrolling interests | (54) | (163) | 39 | (31) | (209) | | (209) |
| Net income (loss) attributable to the company's stockholders | 7,904 | (409) | 1,228 | (590) | 8,133 | (62) | 8,071 |
| Sales classified by geographic area: | | | | | | | |
| America, except United States | 630 | 739 | 38 | 15 | 1,422 | | 1,422 |
| United States of America | 101 | 901 | 53 | 1 | 1,056 | | 1,056 |
| Europe | 4,553 | 1,590 | 115 | 23 | 6,281 | | 6,281 |
| Middle East/Africa/Oceania | 1,083 | 86 | 7 | | 1,176 | | 1,176 |
| Japan | 3,404 | 511 | | 6 | 3,921 | | 3,921 |
| China | 11,574 | 651 | | | 12,225 | | 12,225 |
| Asia, except Japan and China | 2,303 | 768 | 49 | 2 | 3,122 | | 3,122 |
| Brazil | 2,675 | 74 | 2,426 | 204 | 5,379 | 854 | 6,233 |
| Net operating revenue | 26,323 | 5,320 | 2,688 | 251 | 34,582 | 854 | 35,436 |

(i) Period adjusted according note 4.

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Three-month period ended (unaudited)
September 30, 2013

| | Net operating revenues | Cost | Expenses | Research and evaluation | Pre operating and stoppage operation | Operating profit | Depreciation, depletion and amortization | Fair value on sale of assets | Operating income | Property, plant and equipment and intangible | Additions to property, plant and equipment and intangible | In |
|--|---------------------------|----------------|--------------|----------------------------|--|---------------------|--|---------------------------------|---------------------|--|--|----|
| Bulk Material | | | | | | | | | | | | |
| Iron ore | 7,683 | (2,443) | (424) | (76) | (66) | 4,674 | (350) | | 4,324 | 38,198 | 1,499 | |
| Pellets | 1,483 | (564) | (25) | (3) | (31) | 860 | (52) | | 808 | 1,992 | 86 | |
| Ferroalloys and manganese | 161 | (80) | (8) | | (12) | 61 | (12) | | 49 | 273 | 7 | |
| Coal | 211 | (254) | (47) | (21) | (1) | (112) | (41) | | (153) | 4,179 | 423 | |
| Others ferrous products and services | 31 | (20) | (2) | | | 9 | (31) | | (22) | 569 | 9 | |
| | 9,569 | (3,361) | (506) | (100) | (110) | 5,492 | (486) | | 5,006 | 45,211 | 2,024 | |
| Base Metals | | | | | | | | | | | | |
| Nickel and other products | | | | | | | | | | | | |
| (a) | 1,437 | (1,024) | (31) | (37) | (161) | 184 | (363) | | (179) | 30,183 | 458 | |
| Copper (b) | 422 | (276) | (14) | (10) | (3) | 119 | (44) | | 75 | 4,368 | 120 | |
| | 1,859 | (1,300) | (45) | (47) | (164) | 303 | (407) | | (104) | 34,551 | 578 | |
| Fertilizers | | | | | | | | | | | | |
| Potash | 57 | (36) | (11) | (2) | (213) | (205) | (6) | | (211) | 2,520 | 131 | |
| Phosphates | 607 | (471) | (20) | (8) | (8) | 100 | (88) | | 12 | 7,731 | 133 | |
| Nitrogen | 89 | (68) | 1 | (1) | (1) | 20 | (12) | | 8 | | | |
| Others fertilizers products | 21 | | | | | 21 | | | 21 | | | |
| | 774 | (575) | (30) | (11) | (222) | (64) | (106) | | (170) | 10,251 | 264 | |
| Others | 131 | (123) | 52 | (44) | (3) | 13 | (8) | | 5 | 2,176 | 140 | |
| Total of continued operations | | | | | | | | | | | | |
| | 12,333 | (5,359) | (529) | (202) | (499) | 5,744 | (1,007) | | 4,737 | 92,189 | 3,006 | |
| Discontinued operations (General Cargo) | | | | | | | | | | | | |
| | 344 | (248) | (16) | (3) | | 77 | (37) | (58) | (18) | 2,755 | 128 | |
| Total | 12,677 | (5,607) | (545) | (205) | (499) | 5,821 | (1,044) | (58) | 4,719 | 94,944 | 3,134 | |

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

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

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| Three-month period ended (unaudited) September 30, 2012 (i) | | | | | | | | | | | |
|--|---------------------------|----------------|----------------|----------------------------|--|---------------------|--|---------------------|--|--|-------------|
| | Net operating revenues | Cost | Expenses | Research and evaluation | Pre operating and stoppage operation | Operating profit | Depreciation, depletion and amortization | Operating income | Property, plant and equipment and intangible | Additions to property, plant and equipment and intangible | Investment |
| Bulk Material | | | | | | | | | | | |
| Iron ore | 6,166 | (2,610) | (771) | (159) | | 2,626 | (344) | 2,282 | 35,900 | 2,566 | 69 |
| Pellets | 1,657 | (652) | | | (50) | 955 | (48) | 907 | 2,005 | 35 | 1,14 |
| Ferroalloys and manganese | 101 | (36) | 3 | | | 68 | (7) | 61 | 264 | 13 | |
| Coal | 225 | (243) | (44) | (28) | (4) | (94) | (24) | (118) | 4,400 | 288 | 27 |
| Others ferrous products and services | 48 | (38) | (42) | (1) | | (33) | (21) | (54) | 597 | 16 | |
| | 8,197 | (3,579) | (854) | (188) | (54) | 3,522 | (444) | 3,078 | 43,166 | 2,918 | 2,10 |
| Base Metals | | | | | | | | | | | |
| Nickel and other products (a) | 1,439 | (950) | (130) | (86) | (201) | 72 | (370) | (298) | 32,735 | 656 | 3 |
| Copper (b) | 327 | (292) | (19) | (22) | (5) | (11) | (40) | (51) | 4,487 | 175 | 23 |
| | 1,766 | (1,242) | (149) | (108) | (206) | 61 | (410) | (349) | 37,222 | 831 | 27 |
| Potash | 74 | (32) | (4) | (21) | | 17 | (4) | 13 | 1,783 | 839 | |
| Nitrogen | 182 | (150) | (12) | | | 20 | (26) | (6) | 536 | 24 | |
| | 1,039 | (734) | (72) | (29) | (32) | 172 | (127) | 45 | 10,685 | 914 | |
| Total of continued operations | | | | | | | | | | | |
| | 11,083 | (5,644) | (1,140) | (357) | (292) | 3,650 | (994) | 2,656 | 93,025 | 4,760 | 8,19 |
| Discontinued operations (General Cargo) | | | | | | | | | | | |
| | 332 | (244) | (21) | (3) | | 64 | (35) | 29 | 2,244 | 224 | |

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

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

(i) Period adjusted according note 4.

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| | Nine-month period ended (unaudited) September 30, 2013 | | | | | | | | | | | |
|---|---|-----------------|----------------|----------------------------|--|---------------------|--|--|---------------------|--|--|------------|
| | Net operating revenues | Cost | Expenses | Research and evaluation | Pre operating and stoppage operation | Operating profit | Depreciation, depletion and amortization | Fair value on sale of assets | Operating income | Property, plant and equipment and intangible | Additions to property, plant and equipment and intangible | Investme |
| Bulk Material | | | | | | | | | | | | |
| Iron ore | 19,885 | (6,517) | (1,017) | (205) | (192) | 11,954 | (996) | | 10,958 | 38,198 | 5,005 | 6 |
| Pellets | 4,353 | (1,604) | (63) | (9) | (101) | 2,576 | (138) | | 2,438 | 1,992 | 194 | 8 |
| Ferroalloys and manganese | 374 | (235) | (29) | | (12) | 98 | (22) | | 76 | 273 | 23 | |
| Coal | 676 | (772) | (259) | (37) | (21) | (413) | (131) | | (544) | 4,179 | 809 | 2 |
| Others ferrous products and services | 101 | (77) | (2) | | | 22 | (95) | | (73) | 569 | 22 | |
| | 25,389 | (9,205) | (1,370) | (251) | (326) | 14,237 | (1,382) | | 12,855 | 45,211 | 6,053 | 1,8 |
| Base Metals | | | | | | | | | | | | |
| Nickel and other products (a) | 4,385 | (2,745) | 16 | (121) | (541) | 994 | (1,187) | | (193) | 30,183 | 1,873 | |
| Copper (b) | 1,004 | (740) | (58) | (41) | (7) | 158 | (129) | | 29 | 4,368 | 415 | 2 |
| Others | | | 244 | | | 244 | | | 244 | | | |
| | 5,389 | (3,485) | 202 | (162) | (548) | 1,396 | (1,316) | | 80 | 34,551 | 2,288 | 2 |
| Fertilizers | | | | | | | | | | | | |
| Potash | 155 | (97) | (21) | (5) | (296) | (264) | (30) | | (294) | 2,520 | 401 | |
| Phosphates | 1,653 | (1,299) | (95) | (14) | (28) | 217 | (236) | | (19) | 7,731 | 322 | |
| Nitrogen | 387 | (327) | (12) | (3) | (5) | 40 | (64) | | (24) | | | |
| Others fertilizers products | 60 | | | (2) | | 58 | | | 58 | | | |
| | 2,255 | (1,723) | (128) | (24) | (329) | 51 | (330) | | (279) | 10,251 | 723 | |
| Others | 609 | (444) | (168) | (92) | (3) | (98) | (28) | | (126) | 2,176 | 405 | 1,8 |
| Total continued operations | 33,642 | (14,857) | (1,464) | (529) | (1,206) | 15,586 | (3,056) | | 12,530 | 92,189 | 9,469 | 3,9 |
| Discontinued operations (General) | | | | | | | | | | | | |
| Cargo) | 1,002 | (791) | (80) | (10) | | 121 | (116) | (58) | (53) | 2,755 | 604 | |
| Total | 34,644 | (15,648) | (1,544) | (539) | (1,206) | 15,707 | (3,172) | (58) | 12,477 | 94,944 | 10,073 | 3,9 |

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- (a) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).
- (b) Includes copper concentrate and does not include the copper by-product of nickel.

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| Nine-month period ended (unaudited) September 30, 2012 (i) | | | | | | | | | | | |
|---|---------------------------|-----------------|----------------|----------------------------|--|---------------------|--|---------------------|--|--|------------|
| | Net operating revenues | Cost | Expenses | Research and evaluation | Pre operating and stoppage operation | Operating profit | Depreciation, depletion and amortization | Operating income | Property, plant and equipment and intangible | Additions to property, plant and equipment and intangible | Investme |
| Bulk Material | | | | | | | | | | | |
| Iron ore | 19,575 | (7,022) | (1,482) | (430) | | 10,641 | (1,020) | 9,621 | 35,900 | 5,535 | 6 |
| Pellets | 5,210 | (2,100) | | | (170) | 2,940 | (168) | 2,772 | 2,005 | 295 | 1,1 |
| Ferroalloys and manganese | 432 | (298) | (31) | | | 103 | (45) | 58 | 264 | 135 | |
| Coal | 890 | (824) | (211) | (66) | (17) | (228) | (124) | (352) | 4,400 | 838 | 2 |
| Others ferrous products and services | 216 | (168) | (78) | (1) | | (31) | (80) | (111) | 597 | 77 | |
| | 26,323 | (10,412) | (1,802) | (497) | (187) | 13,425 | (1,437) | 11,988 | 43,166 | 6,880 | 2,1 |
| Base Metals | | | | | | | | | | | |
| Nickel and other products (a) | 4,538 | (2,922) | (352) | (230) | (575) | 459 | (1,110) | (651) | 32,735 | 1,883 | |
| Copper (b) | 782 | (637) | (34) | (96) | (5) | 10 | (76) | (66) | 4,487 | 701 | 2 |
| | 5,320 | (3,559) | (386) | (326) | (580) | 469 | (1,186) | (717) | 37,222 | 2,584 | 2 |
| Potash | 215 | (114) | (15) | (47) | | 39 | (19) | 20 | 1,783 | 902 | |
| Nitrogen | 517 | (424) | (37) | | | 56 | (77) | (21) | 536 | 31 | |
| | 2,688 | (1,911) | (154) | (67) | (70) | 486 | (350) | 136 | 10,685 | 1,078 | |
| Loss on sale of assets | | | (377) | | | (377) | | (377) | | | |
| Total | 35,436 | (16,774) | (3,179) | (1,018) | (837) | 13,628 | (3,088) | 10,540 | 95,269 | 11,173 | 8,1 |

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

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

(i) Period adjusted according note 4.

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27. Cost of goods sold and services rendered, and Sales and Administrative Expenses and Other Operational Expenses (Income), net, by Nature

a) Costs of goods sold and services rendered

| | (unaudited) | | | |
|----------------------------|--------------------------|--------------------|-------------------------|--------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Personnel | 788 | 812 | 2,247 | 2,405 |
| Material | 1,055 | 1,139 | 2,971 | 3,186 |
| Fuel oil and gas | 422 | 469 | 1,248 | 1,392 |
| Outsourcing services | 1,012 | 1,165 | 2,724 | 3,392 |
| Energy | 173 | 214 | 477 | 637 |
| Acquisition of products | 286 | 259 | 982 | 1,033 |
| Depreciation and depletion | 904 | 864 | 2,727 | 2,599 |
| Freight | 871 | 805 | 2,153 | 1,879 |
| Others | 755 | 775 | 2,058 | 2,179 |
| Total | 6,266 | 6,502 | 17,587 | 18,702 |

b) Selling and administrative expenses

| | (unaudited) | | | |
|--|--------------------------|--------------------|-------------------------|--------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Personnel | 117 | 188 | 388 | 571 |
| Services (consulting, infrastructure and others) | 93 | 116 | 225 | 338 |
| Advertising and publicity | 5 | 29 | 26 | 78 |
| Depreciation | 45 | 62 | 140 | 167 |
| Travel expenses | 3 | 14 | 16 | 52 |
| Taxes and rents | 3 | 7 | 20 | 18 |
| Others | 9 | 39 | 65 | 155 |
| Selling | 25 | 45 | 84 | 221 |
| Total | 300 | 500 | 964 | 1,600 |

c) Others operational expenses (incomes), net

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(unaudited)

| | Three-month period ended | | Nine-month period ended | |
|---|--------------------------|--------------------|-------------------------|--------------------|
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Provision for litigations | 42 | 600 | 124 | 680 |
| Provision for loss with VAT (ICMS) credits | 52 | 31 | 99 | 59 |
| Provision for variable remuneration | 66 | 60 | 147 | 241 |
| Provision for disposal of materials/inventories | 66 | 14 | 222 | 62 |
| Damage cost | | | | 61 |
| Others | 51 | 174 | 52 | 214 |
| Total | 277 | 879 | 644 | 1,317 |

Table of Contents**28. Financial result**

The financial results, by nature, are as follows:

| | (unaudited) | | | |
|--|--|--------------------|---|--------------------|
| | Three-month period ended September 30, 2013 | September 30, 2012 | Nine-month period ended September 30, 2013 | September 30, 2012 |
| Financial expenses | | | | |
| Interest | (309) | (271) | (976) | (935) |
| Labor, tax and civil litigations | (32) | (12) | (94) | (60) |
| Derivatives | (38) | (73) | (1,137) | (535) |
| Monetary and exchange rate variation (a) | (318) | (486) | (3,233) | (2,421) |
| Stockholders debentures | (109) | (335) | (365) | (511) |
| Financial taxes | (9) | 14 | (30) | (16) |
| Others | (121) | (76) | (252) | (342) |
| | (936) | (1,239) | (6,087) | (4,820) |
| Financial income | | | | |
| Derivatives | 155 | 61 | 377 | 403 |
| Monetary and exchange rate variation (b) | 207 | 172 | 1,238 | 671 |
| Others | 73 | 87 | 296 | 339 |
| | 435 | 320 | 1,911 | 1,413 |
| Financial results, net | (501) | (919) | (4,176) | (3,407) |
| Summary of monetary and exchange rate | | | | |
| Cash and cash equivalents | | | | 32 |
| Loans and financing | 31 | (393) | (2,121) | (1,551) |
| Related parties | 1 | (7) | 12 | 10 |
| Others | (143) | 86 | 114 | (241) |
| Net (a) + (b) | (111) | (314) | (1,995) | (1,750) |

29. Gold stream transaction

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

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In March 2013, we received up-front cash proceeds of US\$1.9 billion, plus ten million warrants of SLW with exercise price of US\$65 exercisable in the next ten years, which fair value is US\$100. The amount of US\$1,330 was received for the Salobo transaction and US\$570 plus the ten million warrants of SLW were received for the Sudbury transaction.

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

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

The result of the sale of the mineral rights, was estimated in the amount of US\$244 and was recognized in the income statement under other operating expenses, net, while the portion related to the provision of future services for gold extraction, was estimated at US\$1,393 and is recorded as deferred revenue (liability) and will be recognized in the statement of income as the service is rendered and the gold extracted.

The deferred revenue will be recognized in the future based on the units of gold extracted compared to the total reserve of proven and probable gold reserves negotiated with SLW. Defining the gain on sale of mineral interest and the deferred revenue portion of the transaction requires the use of critical accounting estimates as follow:

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

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

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30. Commitments

a) Nickel project New Caledonia

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

In October 2012, we entered into an agreement with Sumic, a stockholder in VNC, whereby Sumic agreed to a dilution in their interest in VNC from 21% to 14.5%. Sumic originally had a put option to sell to us the shares they own in VNC if the defined cost of the initial nickel project, as measured by funding provided to VNC, in natural currencies and converted to U.S. dollars at specified rates of exchange, exceeded US\$4.6 billion and an agreement could not be reached on how to proceed with the project. On May 27, 2010 the threshold was reached and the put option discussion and decision period was extended. As a result of the October 2012 agreement, the trigger on the put option has been changed from a cost threshold to a production threshold. The put option has been deferred to the first quarter of 2015 which is the earliest that it can be exercised.

b) Nickel Plant Indonesia

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

c) Nickel Plant Canada

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On March 28, 2013, Vale Canada, Vale Newfoundland & Labrador Limited (VNLL) and the Province of Newfoundland and Labrador (Province) entered into a Fifth Amendment to the Voisey s Bay Development Agreement, which governs all of our development and operations in the Province. Under the amendment, the Company has obtained additional time to complete the construction of the Long Harbour Processing Plant and reaffirmed its commitment to construct an underground mine at Voisey s Bay, subject to certain terms and conditions. To maintain operational continuity at the Voisey s Bay mine pending the completion of the construction and ramp-up of the Long Harbour Processing Plant, the Province has agreed to exempt an additional 84,000 tonnes of nickel-in-concentrate from the requirement to complete primary processing in the province, over and above the previous 440,000 limit. These exports may take place between 2013 and 2015. Additionally, during this period, if Vale Canada imports up to 15,000 tonnes of nickel-in-matte for early stage processing at the Long Harbour Processing Plant, then Vale Canada may be permitted a further exemption from the primary processing requirements, on a tonne-for-tonne basis. Vale has agreed to make certain payments to the Government in relation to the additional exemption utilized each year. In April 2013, VNLL surpassed the 440,000 tonnes export limit and consequently, as at September 30, 2013 VNLL has accrued US\$25.6 for payments to be paid related to the additional export exemption. In addition, Vale will build up a litigation liability, secured by letters of credit and other security, based on the additional exemption utilized in each year, which may become due and payable in the event that certain commitments in relation to the construction of the underground mine are delayed or not met. In this regard, letters of credit in the amount of US\$74 have been issued as of September 30, 2013.

In the course of our operations we have provided other letters of credit and guarantees in the amount of US\$851 that are associated with items such as environment reclamation, asset retirement obligation commitments, insurance, electricity commitments, post-retirement benefits, community service commitments and import and export duties.

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d) Participative stockholders debentures

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

On September 30, 2013 and December 31, 2012 the value of the debentures at fair value totaled US\$1,851 and US\$1,653, respectively. The Company paid on October 2013 (subsequent event) the semi-annual compensation in the amount of US\$4.

e) Operating lease

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

f) Concession Contracts and Sub-concession

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

g) Guarantee issued to affiliates

The Company provided corporate guarantees, within the limits of its participation, a line of credit acquired by associate Norte Energia S.A. from BNDES, Caixa Econômica Federal and Banco BTG Pactual. On September 30, 2013 and December 31, 2012 the amount guaranteed by Vale was US\$336 and US\$92, respectively.

31. Related parties

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

| | | | | | | | |
|---|----|-----|----|----|-----|----|-----|
| Baovale Mineração S.A. | 5 | 7 | 17 | 5 | 10 | 28 | |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | 1 | | | 2 | | 10 | |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | | | 23 | 95 | 2 | 1 | 174 |
| Mineração Rio do Norte S.A. | | 17 | | | | | |
| MRS Logística S.A. | 7 | 29 | 28 | 9 | 35 | 72 | |
| Samarco Mineração S.A. | 38 | 486 | | 33 | 180 | | |
| Others | 48 | 177 | 1 | 61 | 162 | 8 | |
| Non-current | | 242 | | 66 | 408 | 72 | |

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| | Three-month period ended (unaudited) | | | |
|---|--------------------------------------|--------------------|--------------------|--------------------|
| | Income | | Cost/ expense | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Baovale Mineração S.A. | | | 16 | 5 |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | | | 33 | 24 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | | 11 | 7 | 33 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | | | 24 | 13 |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | | | 10 | 42 |
| Mitsui & Co Ltd | 82 | | | 9 |
| MRS Logística S.A. | 3 | 3 | 478 | 171 |
| Samarco Mineração S.A. | 318 | 93 | | |
| Vale Austrália Pty Ltd. | | | | |
| Others | 173 | 104 | 159 | 22 |
| Total | 576 | 211 | 727 | 319 |

| | Nine-month period ended (unaudited) | | | |
|---|-------------------------------------|--------------------|--------------------|--------------------|
| | Income | | Cost/ expense | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Baovale Mineração S.A. | | | 27 | 16 |
| Companhia Coreano-Brasileira de Pelotização - KOBRASCO | | | 46 | 96 |
| Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS | | 255 | 11 | 274 |
| Companhia Ítalo-Brasileira de Pelotização - ITABRASCO | | | 38 | 26 |
| Companhia Nipo-Brasileira de Pelotização - NIBRASCO | | | 16 | 72 |
| Log-in S.A. | | | 5 | |
| Mitsui & Co Ltd | 136 | | 35 | 25 |
| MRS Logística S.A. | 5 | 11 | 801 | 535 |
| Samarco Mineração S.A. | 534 | 275 | | |
| Vale Austrália Pty Ltd. | 11 | | | |
| Others | 304 | 107 | 286 | 50 |
| Total | 990 | 648 | 1,265 | 1,094 |

Remuneration of key management personnel:

| | (unaudited) | | | |
|-----------------------------|--------------------------|--------------------|-------------------------|--------------------|
| | Three-month period ended | | Nine-month period ended | |
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Short-term benefits: | 4 | 7 | 23 | 32 |

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| | | | | |
|--------------------------------|---|----|----|----|
| Wages or pro-labor | 3 | 3 | 8 | 8 |
| Direct and indirect benefits | 1 | 2 | 6 | 10 |
| Bonus | | 2 | 9 | 14 |
| Long-term benefits: | | 2 | 1 | 11 |
| Based on stock | | 2 | 1 | 11 |
| Termination of position | | 2 | 1 | 8 |
| | 4 | 11 | 25 | 51 |

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

Board of Directors

Dan Antônio Marinho Conrado
Chairman

Mário da Silveira Teixeira Júnior
Vice-President

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

Alternate

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

Sandro Kohler Marcondes

Advisory Committees of the Board of Directors

Controlling Committee

Luiz Carlos de Freitas
Paulo Ricardo Ultra Soares
Paulo Roberto Ferreira de Medeiros

Executive Development Committee

Laura Bedeschi Rego de Mattos
Luiz Maurício Leuzinger
Marcel Juvinião Barros
Oscar Augusto de Camargo Filho

Governance and Sustainability Committee

Gilmar Dalilo Cezar Wanderley
Renato da Cruz Gomes
Ricardo Simonsen
Tatiana Boavista Barros Heil

Fiscal Council

Marcelo Amaral Moraes
Chairman

Aníbal Moreira dos Santos
Arnaldo José Vollet
Paulo Fontoura Valle

Alternate

Oswaldo Mário Pêgo de Amorim Azevedo
Valeriano Gomes

Executive Officers

Murilo Pinto de Oliveira Ferreira
Chief Executive Officer

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

Luciano Siani Pires
Chief Financial Officer and Investors Relations

Roger Allan Downey
Executive Officer (Fertilizers and Coal)

José Carlos Martins
Executive Officer (Ferrous and Strategy)

Galib Abrahão Chaim
Executive Officer (Capital Projects Implementation)

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

Strategic Committee

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

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

Finance Committee

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

Marcelo Botelho Rodrigues
Global Controller Director

Marcus Vinicius Dias Severini
Chief Accounting Officer
CRC-RJ - 093982/O-3

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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: November 6, 2013

By:

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