Vale S.A.
Form 6-K
October 30, 2014
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United States
Securities and Exchange Commission

Washington, D.C. 20549

FORM 6-K

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

For the month of

October, 2014

Vale S.A.

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

(Address of principal executive office)

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

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

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

(Check One) Yes o No x

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

(Check One) Yes o No x

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

(Check One) Yes o No x

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

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Interim Financial Statements

September 30, 2014

BR GAAP

Filed with the CVM, SEC and HKEx on

October 30, 2014

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Vale S.A.

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Report on the review of quarterly information - ITR

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

To

The Board of Directors and Stockholders of

Vale S.A.

Rio de Janeiro - RJ

Introduction

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

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

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (*NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries primarily of the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

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Conclusion on the individual interim accounting information

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

Conclusion on the consolidated interim accounting information

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

Other matters

Statements of added value

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

Previous year and quarters accounting information

The individual and consolidated interim accounting information corresponding to the year ended December 31, 2013 and to the quarter ended September 30, 2013 presented for comparison purposes, were previously audited and reviewed by other independent auditors who issued reports dated February 26, 2014 and November 6, 2013, respectively, without any change.

Rio de Janeiro, October 27, 2014

KPMG Auditores Independentes

CRC SP-014428/O-6 F-RJ

(Original report in portuguese signed by)

Manuel Fernandes Rodrigues de Sousa

Accountant CRC RJ-052.428/O-2

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Condensed Balance Sheet

In millions of Brazilian Reais

	Notes	Consolidated September 30, 2014 (unaudited)	Consolidated December 31, 2013	Parent Company September 30, 2014 (unaudited)	Parent Company December 31, 2013
Assets					
Current assets					
Cash and cash equivalents	8	19,319	12,465	3,902	3,635
Short-term investments		1,103	8		8
Derivative financial instruments	24	353	471	316	378
Accounts receivable	9	8,232	13,360	27,868	14,167
Related parties	31	700	611	1,235	1,684
Inventories	10	11,829	9,662	3,792	3,287
Prepaid income taxes		2,750	5,563	2,493	4,629
Recoverable taxes	11	4,500	3,698	2,578	2,295
Advances to suppliers		362	292	185	130
Others		1,482	2,151	783	898
		50,630	**48,281**	**43,152**	**31,111**
Non-current assets held for sale and discontinued operations	6	1,494	8,822	1,494	7,051
		52,124	**57,103**	**44,646**	**38,162**
Non-current assets					
Related parties	31	456	253	904	864
Loans and financing agreements receivable		602	564	102	192
Judicial deposits	18	3,706	3,491	3,093	2,888
Recoverable income taxes		1,049	899		
Deferred income taxes	20	10,552	10,596	7,405	7,418
Recoverable taxes	11	961	668	569	258
Derivative financial instruments	24	284	329	20	
Deposit on incentive and reinvestment		158	447	130	418
Others		3,439	1,730	199	159
		21,207	**18,977**	**12,422**	**12,197**

Investments	12	11,420	8,397	122,716	123,370
Intangible assets, net	13	16,916	16,096	16,493	15,636
Property, plant and equipment, net	14	199,428	191,308	77,368	70,705
		248,971	**234,778**	**228,999**	**221,908**
Total		**301,095**	**291,881**	**273,645**	**260,070**

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Condensed Balance Sheet

In millions of Brazilian Reais

(continued)

	Notes	Consolidated September 30, 2014 (unaudited)	December 31, 2013	Parent Company September 30, 2014 (unaudited)	December 31, 2013
Liabilities					
Current liabilities					
Suppliers and contractors		9,968	8,837	5,206	3,640
Payroll and related charges		2,915	3,247	1,976	2,228
Derivative financial instruments	24	1,706	556	1,112	435
Loans and financing	16	5,004	4,158	3,471	3,181
Related parties	31	320	479	7,456	6,453
Income Taxes Settlement Program	19	1,184	1,102	1,160	1,079
Taxes and royalties payable		1,490	766	609	356
Provision for income taxes		868	886		
Employee postretirement obligations	21(a)	239	227	63	52
Asset retirement obligations	17	349	225	89	90
Others		1,441	985	484	756
		25,484	**21,468**	**21,626**	**18,270**
Liabilities directly associated with non-current assets held for sale and discontinued operation	6		1,050		
		25,484	**22,518**	**21,626**	**18,270**
Non-current liabilities					
Derivative financial instruments	24	3,205	3,496	2,954	3,188
Loans and financing	16	66,777	64,819	35,011	32,896
Related parties	31	275	11	34,579	32,013
Employee postretirement obligations	21(a)	4,852	5,148	454	464
Provisions for litigation	18	3,338	2,989	2,372	2,008
Income taxes Settlement program	19	15,491	15,243	15,174	14,930
Deferred income taxes	20	7,977	7,562		
Asset retirement obligations	17	6,259	5,969	1,973	1,856

Participative stockholders debentures	30(b)	4,934	4,159	4,934	4,159
Redeemable noncontrolling interest		624	646		
Gold stream transaction	29	3,556	3,508		
Others		2,968	3,692	2,363	1,940
		120,256	**117,242**	**99,814**	**93,454**
Total liabilities		**145,740**	**139,760**	**121,440**	**111,724**
Stockholders equity	25				
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,027,127,718 (in 2013 - 2,108,579,618) issued		29,879	29,475	29,879	29,475
Common stock - 3,600,000,000 no-par-value shares authorized and 3,217,188,402 (in 2013 - 3,256,724,482) issued		47,421	45,525	47,421	45,525
Treasury stock - 59,405,792 (in 2013 - 140,857,692) preferred and 31,535,402 (in 2013 - 71,071,482) common shares		(2,746)	(7,838)	(2,746)	(7,838)
Results from operations with noncontrolling stockholders		(840)	(840)	(840)	(840)
Results on conversion of shares		50	50	50	50
Unrealized fair value gain (losses)		(2,695)	(2,815)	(2,695)	(2,815)
Cumulative translation adjustments		18,183	15,527	18,183	15,527
Retained earnings and revenue reserves		62,953	69,262	62,953	69,262
Total company stockholders equity		**152,205**	**148,346**	**152,205**	**148,346**
Noncontrolling stockholders interests		3,150	3,775		
Total stockholders equity		**155,355**	**152,121**	**152,205**	**148,346**
Total liabilities and stockholders equity		**301,095**	**291,881**	**273,645**	**260,070**

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

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Condensed Consolidated Statement of Income

In millions of Brazilian Reais, except as otherwise stated

		(unaudited)			
		Three-month period ended		Nine-month period ended	
	Notes	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Continuing operations					
Net operating revenue	26	20,630	28,191	65,123	71,526
Cost of goods sold and services rendered	27(a)	(14,810)	(14,292)	(41,548)	(37,332)
Gross profit		**5,820**	**13,899**	**23,575**	**34,194**
Operating (expenses) income					
Selling and administrative expenses	27(b)	(621)	(683)	(1,816)	(2,031)
Research and evaluation expenses		(442)	(461)	(1,141)	(1,123)
Pre operating and stoppage operation		(644)	(1,273)	(1,819)	(2,973)
Other operating expenses, net	27(c)	(398)	(612)	(1,268)	(1,339)
		(2,105)	**(3,029)**	**(6,044)**	**(7,466)**
Impairment of non-current assets				(1,730)	
Operating income		**3,715**	**10,870**	**15,801**	**26,728**
Financial income	28	2,576	921	8,408	3,940
Financial expenses	28	(10,366)	(2,171)	(15,999)	(12,866)
Equity results from associates and joint ventures	12	74	293	1,075	739
Results on sale or disposal of investments from associates and joint ventures		(100)		(139)	
Net income (loss) before income taxes		**(4,101)**	**9,913**	**9,146**	**18,541**
Income taxes	20				
Current tax		138	(3,215)	(3,282)	(5,939)
Deferred tax		612	1,168	(541)	2,207
		750	**(2,047)**	**(3,823)**	**(3,732)**
Net income (loss) from continuing operations		**(3,351)**	**7,866**	**5,323**	**14,809**
Net income (loss) attributable to noncontrolling interests		30	(112)	(392)	(294)
Net income (loss) attributable to the Company s stockholders		**(3,381)**	**7,978**	**5,715**	**15,103**
Discontinued Operations					
Loss from discontinued operations			(29)		(121)
			(29)		**(121)**

Net loss attributable to the Company s stockholders					
Net income (loss)		**(3,351)**	**7,837**	**5,323**	**14,688**
Net income (loss) attributable to noncontrolling interests		30	(112)	(392)	(294)
Net income (loss) attributable to the Company s stockholders		**(3,381)**	**7,949**	**5,715**	**14,982**
Earnings per share attributable to the Company s stockholders:					
Basic and diluted earnings per share:	25(c)				
Preferred share (in Brazilian reais)		(0.66)	1.54	1.11	2.91
Common share (in Brazilian reais)		(0.66)	1.54	1.11	2.91

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

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Condensed Statement of Income of Parent Company

In millions of Brazilian Reais, except as otherwise stated

		(unaudited)			
		Three-month period ended		Nine-month period ended	
	Notes	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net operating revenue		12,144	17,001	41,878	45,567
Cost of goods sold and services rendered	27(a)	(6,612)	(6,203)	(18,499)	(15,987)
Gross profit		**5,532**	**10,798**	**23,379**	**29,580**
Operating (expenses) income					
Selling and administrative expenses	27(b)	(357)	(400)	(980)	(1,163)
Research and evaluation expenses		(284)	(263)	(664)	(642)
Pre operating and stoppage operation		(121)	(294)	(316)	(823)
Equity results from subsidiaries	12	(2,796)	1,614	(7,480)	660
Other operating expenses, net	27(c)	(56)	(458)	(829)	(813)
		(3,614)	**199**	**(10,269)**	**(2,781)**
Gain (loss) on measurement or sale of non-current assets			(131)		(131)
Operating income		**1,918**	**10,866**	**13,110**	**26,668**
Financial income	28	1,923	205	7,238	3,077
Financial expenses	28	(8,250)	(1,809)	(12,910)	(11,535)
Equity results from associates and joint ventures	12	74	293	1,075	739
Results on sale or disposal of investments from associates and joint ventures		(100)		(139)	
Net income (loss) before income taxes		**(4,435)**	**9,555**	**8,374**	**18,949**
Income taxes	20				
Current tax		393	(3,000)	(2,582)	(5,463)
Deferred tax		661	1,394	(77)	1,496
		1,054	**(1,606)**	**(2,659)**	**(3,967)**
Net income (loss) attributable to the Company s stockholders		**(3,381)**	**7,949**	**5,715**	**14,982**
Earnings per share attributable to the Company s stockholders:					
Basic and diluted earnings per share:	25(c)				
Preferred share (in Brazilian reais)		(0.66)	1.54	1.11	2.91
Common share (in Brazilian reais)		(0.66)	1.54	1.11	2.91

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

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Condensed Statement of Comprehensive Income

In millions of Brazilian Reais

	Consolidated (unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net income (loss)	**(3,351)**	**7,837**	**5,323**	**14,688**
Other comprehensive income				
Item that will not be reclassified subsequently to income				
Retirement benefit obligations				
Gross balance for the period	10	210	248	(118)
Effect of taxes	(8)	(70)	(54)	54
Equity results from associates and joint ventures, net taxes			3	
	2	**140**	**197**	**(64)**
Total items that will not be reclassified subsequently to income	**2**	**140**	**197**	**(64)**
Item that will be reclassified subsequently to income				
Cumulative translation adjustments				
Gross balance for the period	**8,250**	**516**	**2,778**	**5,905**
Unrealized loss on available-for-sale investments				
Gross balance for the period	(8)	113	(8)	(469)
Transfer results realized to the net income	8		8	
		113		**(469)**
Cash flow hedge				
Gross balance for the period	(127)	141	18	(97)
Effect of taxes	4	(17)	(4)	14
Equity results from associates and joint ventures, net taxes	5	2	11	(3)
Transfer of realized results to income, net of taxes	(27)	(48)	(98)	(49)
	(145)	**78**	**(73)**	**(135)**
Total items that will be reclassified subsequently to income	**8,105**	**707**	**2,705**	**5,301**
Total comprehensive income	**4,756**	**8,684**	**8,225**	**19,925**
Comprehensive income attributable to noncontrolling interests	347	(109)	(266)	(116)
Comprehensive income attributable to the Company s stockholders	**4,409**	**8,793**	**8,491**	**20,041**

Parent company (unaudited)

	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net income (loss)	**(3,381)**	**7,949**	**5,715**	**14,982**
Other comprehensive income				
Item that will not be reclassified subsequently to income				
Retirement benefit obligations				
Gross balance for the period	(62)	(27)	(189)	(492)
Effect of taxes	21	9	64	166
Equity results from entities, net taxes	43	158	322	262
	2	**140**	**197**	**(64)**
Total items that will not be reclassified subsequently to income	**2**	**140**	**197**	**(64)**
Item that will be reclassified subsequently to income				
Cumulative translation adjustments				
Gross balance for the period	**7,933**	**513**	**2,652**	**5,727**
Unrealized loss on available-for-sale investments				
Equity results from entities, net taxes		**113**		**(469)**
Cash flow hedge				
Equity results from entities, net taxes	(145)	78	(73)	(146)
Transfer of realized results to income, net of taxes				11
	(145)	**78**	**(73)**	**(135)**
Total items that will be reclassified subsequently to income	**7,788**	**704**	**2,579**	**5,123**
Total comprehensive income	**4,409**	**8,793**	**8,491**	**20,041**

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

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Condensed Statement of Changes in Stockholders Equity

In millions of Brazilian Reais

						Nine-month period ended				
	Capital	Results on conversion of shares	Results from operation with noncontrolling stockholders	Revenue reserves	Treasury stock	Unrealized fair value gain (losses)	Cumulative translation adjustments	Retained earnings	Total Company stockholder s equity	Noncontrolling stockholders interests
December 31, 2012	**75,000**	**50**	**(840)**	**78,450**	**(7,838)**	**(4,176)**	**9,002**	**16**	**149,664**	**3,245**
Net income								**14,982**	**14,982**	**(294)**
Other comprehensive income:										
Retirement benefit obligations						(64)			(64)	
Cash flow hedge						(135)			(135)	
Unrealized fair value results						(469)			(469)	
Translation adjustments						(250)	5,977		5,727	178
Contribution and distribution to stockholders:										
Capitalization of noncontrolling stockholders advances										13
Redeemable noncontrolling stockholders interest										125
Dividends to noncontrolling stockholders										(132)
Dividends and interest on capital to Company s stockholders								(4,453)	(4,453)	
	75,000	**50**	**(840)**	**78,450**	**(7,838)**	**(5,094)**	**14,979**	**10,545**	**165,252**	**3,135**

September 30, 2013 (unaudited)										
December 31, 2013	**75,000**	**50**	**(840)**	**69,262**	**(7,838)**	**(2,815)**	**15,527**		**148,346**	**3,775**
Net income								**5,715**	**5,715**	**(392)**
Other comprehensive income:										
Retirement benefit obligations						197			197	
Cash flow hedge						(73)			(73)	
Translation adjustments						(4)	2,656		2,652	126
Contribution and distribution to stockholders:										
Acquisitions and disposal of noncontrolling stockholders										(553)
Capitalization of reserves	2,300			(2,300)						
Capitalization of noncontrolling stockholders advances										209
Cancellation of treasury stock				(5,092)	5,092					
Dividends to noncontrolling stockholders										(15)
Dividends and interest on capital to Company s stockholders								(4,632)	(4,632)	
September 30, 2014 (unaudited)	**77,300**	**50**	**(840)**	**61,870**	**(2,746)**	**(2,695)**	**18,183**	**1,083**	**152,205**	**3,150**

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

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Condensed Statement of Cash Flow

In millions of Brazilian Reais

	Consolidated (unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Cash flow from continuing operating activities:				
Net income (loss) from continuing operations	(3,351)	7,866	5,323	14,809
Adjustments to reconcile net income with cash from continuing operations				
Equity results from associates and joint ventures	(74)	(293)	(1,075)	(739)
Results on sale or disposal of investments from associates and joint ventures entities	100		139	
Loss on disposal of property, plant and equipment	89	66	783	306
Impairment on non-current assets			1,730	
Depreciation, amortization and depletion	2,548	2,294	6,949	6,456
Deferred income taxes	(612)	(1,168)	541	(2,207)
Foreign exchange and indexation, net	2,002	217	980	967
Unrealized derivative losses, net	2,001	(289)	914	1,879
Participative stockholders debentures	201	249	848	765
Other	424	186	1,221	236
Decrease (increase) in assets:				
Accounts receivable	1,474	(1,290)	5,024	1,600
Inventories	262	(336)	(1,485)	(117)
Recoverable taxes	(975)	44	1,728	(182)
Other	147	(5)	419	250
Increase (decrease) in liabilities:				
Suppliers and contractors	991	168	1,157	(47)
Payroll and related charges	586	577	(377)	(307)
Taxes and contributions	(477)	1,883	(526)	2,027
Gold stream transaction				2,899
Other	1,326	(340)	739	(811)
Net cash provided by operating activities from continuing operations	**6,662**	**9,829**	**25,032**	**27,784**
Net cash provided by operating activities from discontinued operations		550		482
Net cash provided by operating activities	**6,662**	**10,379**	**25,032**	**28,266**

Cash flow from continuing investing activities:				
Short-term investments	(983)	642	(980)	324
Loans and advances	635	3	751	(131)
Guarantees and deposits	(129)	(73)	(241)	(159)
Additions to investments	(51)	(138)	(507)	(724)
Additions to property, plant and equipment and intangible assets	(5,893)	(7,871)	(17,573)	(20,251)
Dividends and interest on capital received from associates and joint ventures	591	137	1,081	691
Proceeds from disposal of fixed assets\ Investments	2,000		2,709	190
Proceeds from Gold stream transaction				1,161
Net cash used in investing activities from continuing operations	**(3,830)**	**(7,300)**	**(14,760)**	**(18,899)**
Net cash used in investing activities from discontinued operations		(370)		(1,282)
Net cash used in investing activities	**(3,830)**	**(7,670)**	**(14,760)**	**(20,181)**
Cash flow from continuing financing activities:				
Loans and financing				
Additions	1,891	398	3,464	2,569
Repayments	(1,451)	(1,068)	(2,677)	(3,202)
Repayments to stockholders:				
Dividends and interest on capital paid to stockholders			(4,632)	(4,453)
Dividends and interest on capital attributed to noncontrolling interest	(24)		(24)	(23)
Net cash provided by (used in) financing activities from continuing operations	**416**	**(670)**	**(3,869)**	**(5,109)**
Net cash provided by financing activities from discontinued operations				182
Net cash provided by (used in) financing activities	**416**	**(670)**	**(3,869)**	**(4,927)**
Increase in cash and cash equivalents	3,248	2,039	6,403	3,158
Cash and cash equivalents of beginning of the period	15,560	13,126	12,465	11,918
Effect of exchange rate changes on cash and cash equivalents	511	714	451	803
Cash and cash equivalents at end of the period	**19,319**	**15,879**	**19,319**	**15,879**
Cash paid during the period for (i):				
Interest on loans and financing	(920)	(826)	(2,758)	(2,436)
Income taxes	(187)	(950)	(713)	(3,368)
Income taxes - Settlement program	(294)		(860)	
Non-cash transactions:				
Additions to property, plant and equipment - interest capitalization	488	132	901	451

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

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Condensed Statement of Cash Flow

In millions of Brazilian Reais

	Parent company (unaudited) Nine-month period ended	
	September 30, 2014	**September 30, 2013**
Cash flow from operating activities:		
Net income from continuing operations	5,715	14,982
Adjustments to reconcile net income with cash from continuing operations		
Equity results from entities	6,405	(1,399)
Loss on measurement or sales of non-current assets		131
Results on sale or disposal of investments from associates and joint ventures entities	139	
Loss on disposal of property, plant and equipment	158	317
Depreciation, amortization and depletion	2,577	1,963
Deferred income taxes	77	(1,496)
Foreign exchange and indexation, net	2,643	4,109
Unrealized derivative losses, net	485	1,803
Dividends and interest on capital received from subsidiaries	19	1,072
Participative stockholders debentures	848	750
Other	1,959	324
Decrease (increase) in assets:		
Accounts receivable	(13,711)	(612)
Inventories	19	296
Recoverable taxes	1,478	137
Other	197	222
Increase (decrease) in liabilities:		
Suppliers and contractors	1,566	(529)
Payroll and related charges	(252)	(213)
Taxes and contributions	(543)	1,605
Other	1	(802)
Net cash provided by operating activities	**9,780**	**22,660**
Cash flow from investing activities:		
Short-term investments	8	26
Loans and advances	652	(96)
Guarantees and deposits	(214)	(167)
Additions to investments	(2,130)	(4,836)
Additions to property, plant and equipment and intangible assets	(10,349)	(10,753)
Dividends and interest on capital received from associates and joint ventures	1,039	451
Proceeds from disposal of fixed assets\ Investments	2,709	
Net cash used in investing activities	**(8,285)**	**(15,375)**
Cash flow from continuing financing activities:		

Loans and financing		
Additions	7,426	2,749
Repayments	(4,023)	(4,415)
Repayments to stockholders:		
Dividends and interest on capital paid to stockholders	(4,632)	(4,453)
Net cash used in financing activities	**(1,229)**	**(6,119)**
Increase in cash and cash equivalents	266	1,166
Cash and cash equivalents of beginning of the period	3,635	688
Cash and cash equivalents at end of the period	**3,901**	**1,854**
Cash paid during the period for (i):		
Interest on loans and financing	(2,116)	(1,986)
Income taxes	(60)	(2,770)
Income taxes - Settlement program	(842)	
Non-cash transactions:		
Additions to property, plant and equipment - interest capitalization	462	19
Dividends received	181	

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

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

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Condensed Statement of Added Value

In millions of Brazilian Reais

	Nine-month period ended (unaudited)			
	Consolidated		Parent Company	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Generation of added value from continued operations				
Gross revenue				
Revenue from products and services	66,366	72,730	42,537	46,455
Gain (loss) on sale of assets	(139)		(139)	
Other revenue	372	1,446	226	521
Revenue from the construction of own assets	17,573	13,369	10,349	7,052
Allowance for doubtful accounts	(48)	(31)	23	(5)
Less:				
Acquisition of products	(2,852)	(2,077)	(813)	(591)
Outsourced services	(21,801)	(10,609)	(13,552)	(6,057)
Materials	(7,133)	(11,056)	(3,722)	(3,282)
Oil and gas	(2,960)	(2,849)	(1,898)	(1,716)
Energy	(1,049)	(1,018)	(519)	(531)
Freight	(5,621)	(4,612)		
Impairment of non-current assets	(1,730)			
Gain (loss) on measurement or sale of non-current assets				(131)
Other costs and expenses	(4,836)	(7,669)	(428)	(3,719)
Gross added value	**36,142**	**47,624**	**32,064**	**37,996**
Depreciation, amortization and depletion	(6,949)	(6,456)	(2,577)	(1,963)
Net added value	**29,193**	**41,168**	**29,487**	**36,033**
Received from third parties				
Equity results	1,075	739	(6,405)	1,399
Financial income	1,039	1,276	740	548
Monetary and exchange variation of assets	1,156	983	1,664	1,016
Total added value to be distributed from continued operations	**32,463**	**44,166**	**25,486**	**38,996**
Added value to be distributed from discontinued operations		843		
Total added value to be distributed	**32,463**	**45,009**	**25,486**	**38,996**
Personnel	6,780	6,043	3,444	2,800
Taxes, rates and contribution	6,090	7,933	5,092	6,909
Current income tax	3,282	5,939	2,582	5,463

Deferred income tax	541	(2,207)	77	(1,496)
Financial expense (includes capitalized interest)	6,070	5,847	4,571	4,516
Monetary and exchange variation of liabilities	3,362	5,338	2,672	4,969
Other remunerations of third party funds	1,015	464	1,333	853
Net income from continued operations attributable to controlling interest	5,715	15,103	5,715	14,982
Net loss attributable to noncontrolling interest	(392)	(294)		
Distribution of added value from continued operations	**32,463**	**44,166**	**25,486**	**38,996**
Distribution of added value from discontinued operations		843		
Distribution of added value	**32,463**	**45,009**	**25,486**	**38,996**

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

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Selected Notes to Condensed Consolidated Interim Financial Statements

Expressed in millions of Brazilian Reais, unless otherwise stated

1. Operational Context

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

Vale S.A. and its direct and indirect subsidiaries (Vale , Group , Company or we) are principally engaged in the research, production and sale of iron ore and pellets, nickel, fertilizer, copper, coal, manganese, ferroalloys, cobalt, platinum group metals and precious metals. The Company also operates in the segments of energy and steel. The information by segment is presented in Note 26.

2. Summary of the Main Accounting Practices and Accounting Estimates

a) Basis of presentation

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

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

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

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

We evaluated subsequent events through October 27, 2014, which was the date when the condensed consolidated interim financial statement were approved by the Executive officers.

b) Functional currency and presentation currency

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

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

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

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

	Exchange rates used for conversions in Brazilian Reais			
	Exchange rate on		Average rate for the nine-months period ended	
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	September 30, 2013 (unaudited)
US Dollar - US$	2.4510	2.3426	2.2893	2.1222
Canadian Dollar - CAD	2.1870	2.2031	2.0933	2.0715
Australian Dollar - AUD	2.1409	2.0941	2.1016	2.0733
Euro - EUR or	3.0954	3.2265	3.1010	2.7956

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, 2013, with the exception of the following standards and interpretations adopted in 2014 (as described in Note 4).

4. Accounting Standards

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

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

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

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

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - In September 2014 the IASB issued narrow-scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of the amendment will be required from January 1, 2016 and we are analyzing potential impacts regarding this update on our financial statements

Equity Method in Separate Financial Statements - In August 2014 the IASB issued an amendment to IAS 27, which allows an entity to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The IASB clarifies that the changes will help some jurisdictions to register in their separate IFRS financial statements, reducing compliance costs without reducing the information available to investors. The adoption will be required for annual periods beginning from January 1, 2016 with retrospective application. The Vale group already uses in its individual financial statements the equity method of accounting to record investments in subsidiaries, joint ventures and associates.

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

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

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

5. Risk Management

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

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

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

	Consolidated			
	September 30, 2014 (unaudited)	December 31, 2013		
	Energy	General Cargo - Logistic	Energy	Total
Assets held for sale and discontinued operation				
Accounts receivable		330		330
Other current assets		634		634
Investments	214		186	186

Intangible, net		3,951		3,951
Property, plant and equipment, net	1,280	2,406	1,315	3,721
Total assets	**1,494**	**7,321**	**1,501**	**8,822**
Liabilities associated with assets held for sale and discontinued operation				
Suppliers and contractors		198		198
Payroll and related charges		144		144
Other current liabilities		262		262
Other non-current liabilities		446		446
Total liabilities		**1,050**		**1,050**
Assets and liabilities from discontinued operation	**1,494**	**6,271**	**1,501**	**7,772**

Energy Generation Assets

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

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

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7. Acquisitions and Divestitures

a) Vale Florestar

Vale signed an agreement with a subsidiary of Suzano Papel e Celulose S.A (Suzano), a Company that produces eucalyptus pulp, for the sale of this entire stake in Vale Florestar Fundo de Investimento em Participações (FIP Vale Florestar) for R$205. The approval of this transaction by the Conselho Administrativo de Defesa Econômica (CADE) was in july, 2014.

The loss of this transaction, of R$68 was recorded in the statement of income in the line Results on sale or disposal of investments from associates and joint ventures .

b) General Cargo Logistic

At the end of 2013, Vale entered to an agreement to dispose of control over its subsidiary VLI S.A. (VLI), which aggregates all operations of the General Cargo logistic segment. As a consequence, on beginning of January 1, 2014, the investment in VLI has been accounted as an investment in associate (Note 12).

In April 2014, Vale finalized the sale of its 35.9% of its stake in VLI capital to Mitsui & Co., Ltd and to Fundo de Investimento do Fundo de Garantia de Tempo de Serviço (FGTS) for the amount of R$2,709 of, which R$2,000 was settled through capital contribution directly in VLI.

In August 2014, Vale completed the transaction of sale of 26.5% of its stake VLI to a fund of Brookfield Asset Management Inc. (Brookfield) for R$2,000. As a result of the completion of this transaction, Vale now holds 37.6% of VLI s total stockholder s equity.

8. Cash and Cash Equivalents

	Consolidated	Parent Company

	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Cash and bank accounts	7,021	3,649	23	28
Short-term investments	12,298	8,816	3,879	3,607
	19,319	**12,465**	**3,902**	**3,635**

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

9. Accounts Receivables

	Consolidated		Parent Company	
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Denominated in Reais Brazilian Reais	1,855	1,193	1,324	1,275
Denominated in other currencies, mainly US$	6,611	12,375	26,613	12,984
	8,466	**13,568**	**27,937**	**14,259**
Allowance for credit losses	(234)	(208)	(69)	(92)
	8,232	**13,360**	**27,868**	**14,167**

In consolidated the accounts receivable related to the steel sector represented 62,80% and 79.70%, of total receivable on September 30, 2014 and December 31, 2013, respectively. In the parent company the steel sector represents on September 30, 2014 and December 31, 2013, 92,95% and 91.77% of the accounts receivable, respectively.

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

The estimated losses related to accounts receivable recorded in the consolidated statements of Income in three-month period ended on September 30, 2014 and September 30, 2013 totaled R$5 and R$41 and Nine-month period ended totaled R$48 and R$31, respectively. Write-offs in three-month period ended at September 30, 2014 and September 30, 2013 totaled R$5 and R$4 and Nine-month period ended totaled R$57 and R$62, respectively.

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10. Inventory

Inventories are comprised as follows:

	Consolidated		Parent Company	
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Inventories of products				
Bulk Material				
Iron ore	3,056	1,513	1,861	1,574
Pellets	308	206	278	162
Manganese and ferroalloys	216	177	33	
	3,580	**1,896**	**2,172**	**1,736**
Coal	592	746		
	4,172	**2,642**	**2,172**	**1,736**
Base Metals				
Nickel and other products	3,642	3,276	340	351
Copper	122	53		23
	3,764	**3,329**	**340**	**374**
Fertilizers				
Potash	17	19		
Phosphates	635	734		
Nitrogen	43	45		
	695	**798**		
Other products	**23**	**15**	**3**	**4**
Total inventories of products	**8,654**	**6,784**	**2,515**	**2,114**
Inventory of material supplies	**3,175**	**2,878**	**1,277**	**1,173**
Total	**11,829**	**9,662**	**3,792**	**3,287**

On September 30, 2014 and December 31, 2013 the balances included a provision to adjust inventories to market value for nickel, in the amount of R$0 and R$28, respectively; and manganese in the amount of R$2 and R$2, respectively; and coal in the amount of R$413 and R$228, respectively.

	Consolidated (unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013

Inventories of products				
Balance at beginning of the period	**7,897**	**8,343**	**6,784**	**7,351**
Production/acquisition	13,207	10,846	37,979	31,233
Transfer from inventory of materials supplies	1,822	2,409	5,556	6,302
Cost of goods sold	(14,810)	(14,292)	(41,548)	(37,332)
Provision/ reversal of the disposal of lower cost or market value adjustment (a)	(85)		(415)	(248)
Translation adjustments	623		298	
Balance at end of the period	**8,654**	**7,306**	**8,654**	**7,306**

(a) Includes provision for market value adjustments

	Parent company (unaudited)	
	Nine-month period ended	
	September 30, 2014	**September 30, 2013**
Inventories of products		
Balance at beginning of the period	**2,114**	**2,080**
Production/acquisition	16,145	13,596
Transfer from inventory of materials supplies	2,755	2,555
Cost of goods sold	(18,499)	(15,987)
Balance at end of the period	**2,515**	**2,244**

	Consolidated (unaudited)			
	Three-month period ended		**Nine-month period ended**	
	September 30, 2014	**September 30, 2013**	**September 30, 2014**	**September 30, 2013**
Inventories of materials supplies				
Balance at beginning of the period	**3,084**	**2,849**	**2,878**	**2,969**
Acquisition	1,831	2,425	5,766	6,198
Transfer to inventories of products	(1,822)	(2,409)	(5,556)	(6,302)
Translation adjustments	82		87	
Balance at ended of the period	**3,175**	**2,865**	**3,175**	**2,865**

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	Parent Company Nine-month period ended	
	September 30, 2014	September 30, 2013
Inventories of materials supplies		
Balance at begining of the period	**1,173**	**1,202**
Acquisition	2,859	2,627
Transfer to inventories of products	(2,755)	(2,555)
Balance at ended of the period	**1,277**	**1,274**

11. Recoverable Taxes

	Consolidated		Parent Company	
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Value-added tax	3,282	2,643	1,613	1,348
Brazilian Federal Contributions (PIS - COFINS)	2,058	1,594	1,480	1,156
Others	121	129	54	49
Total	**5,461**	**4,366**	**3,147**	**2,553**
Current	4,500	3,698	2,578	2,295
Non-current	961	668	569	258
Total	**5,461**	**4,366**	**3,147**	**2,553**

12. Investments

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

	Consolidated (unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Balance on beginning of the period	**11,251**	**8,417**	**8,397**	**13,044**
Additions	40	138	477	725
Disposals	(71)		(71)	
Cumulative translation adjustment	176	75	80	(81)
Equity results	74	293	1,075	739
Equity on other comprehensive income	3	2	6	(408)

Dividends declared	(25)	(90)	(1,321)	(1,274)
Transfer- Control acquisition			181	
Transfer to held for sale/ financial instruments - investments (a)	(28)		(244)	(3,910)
Transfers from held for sale (b)			2,840	
Balance on ended of the period	**11,420**	**8,835**	**11,420**	**8,835**

	Parent company (unaudited) Nine-month period ended	
	September 30, 2014	**September 30, 2013**
Balance on beginning of the period	**123,370**	**121,629**
Additions	2,102	4,836
Disposals	(71)	
Cumulative translation adjustment	2,745	5,118
Equity results	(6,405)	1,399
Equity on other comprehensive income	198	(368)
Dividends declared	(1,819)	(2,033)
Transfer to held for sale (a)	(244)	(5,189)
Transfers from held for sale (b)	2,840	
Balance on ended of the period	**122,716**	**125,392**

(a) Consolidated transfers to held for sale refers to investments in Vale Florestar R$244 in 2014 and investments in Hydro R$3.910 in 2013 and the Parent Company transfers refers to investments in Vale Florestar R$244 in 2014 and VLI R$5.189 in 2013.

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

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Investments (Continued)

	Location	Principal activity	% ownership	% voting capital	Investments As of September 30, 2014 (unaudited)	Investments As of December 31, 2013	Equity results (unaudit Three-month period ended September 30, 2014	Three-month period ended September 30, 2013	Nine- Septembe 2014
Entities									
Direct and indirect subsidiaries									
Aços Laminados do Pará S.A.	Brazil	Steel	100.00	100.00	328	321		(1)	
Biopalma da Amazônia S.A. (a)	Brazil	Energy	70.00	70.00	730	559	(110)	(53)	
Companhia Portuária da Baía de Sepetiba - CPBS	Brazil	Iron ore	100.00	100.00	419	377	65	88	
Compañia Minera Miski Mayo S.A.C (a)	Peru	Fertilizers	40.00	51.00	491	493	(12)	22	
Mineração Corumbaense Reunida S.A.	Brazil	Iron ore and Manganese	100.00	100.00	1,255	1,306	92	154	
Minerações Brasileiras Reunidas S.A. - MBR (b)	Brazil	Iron ore	98.32	98.32	4,834	4,500	86	103	
Potasio Rio Colorado S.A. (a)	Argentina	Fertilizers	100.00	100.00	1,500	1,530	(6)	(511)	
Salobo Metais S.A. (a)	Brazil	Copper	100.00	100.00	7,564	7,120	19	(19)	
Sociedad Contractual Minera Tres Valles (c)	Chile	Copper						(19)	
Tecnored Desenvolvimento Tecnológico S.A. (a) (i)	Brazil	Iron ore	100.00	100.00	96		(20)		
Vale International Holdings GMBH (b)	Austria	Holding and research	100.00	100.00	8,855	14,026	(593)	63	(2
Vale Canada Holdings	Canada	Holding	100.00	100.00	4,504	1,075	(7)	(2)	
Vale Canada Limited (b)	Canada	Nickel	100.00	100.00	16,981	19,312	138	(659)	
Vale Fertilizantes S.A. (antiga Mineração Naque S.A.) (a) (b)	Brazil	Fertilizers	100.00	100.00	13,913	13,751	(55)	6	
	Switzerland		100.00	100.00	23,658	29,058	(2,394)	2,482	(5

Vale International S.A. (b)		Trading and holding							
Vale Malaysia Minerals	Malaysia	Iron ore	100.00	100.00	2,953	2,321	(21)	(15)	
Vale Manganês S.A.	Brazil	Manganese and Ferroalloys	100.00	100.00	660	665	5	(22)	
Vale Mina do Azul S.A.	Brazil	Manganese	100.00	100.00	338	351	8	64	
Vale Moçambique	Mozambique	Coal	100.00	100.00	13,472	10,060	(111)	(253)	
Vale Shipping Holding Pte. Ltd.	Singapore	Logistic of iron ore	100.00	100.00	7,172	6,482	77	101	
VLI S.A. (g)	Brazil	General Cargo Logistics						46	
Others					1,573	1,666	43	39	
					111,296	**114,973**	**(2,796)**	**1,614**	**(7**
Joint Ventures									
California Steel Industries, INC	USA	Steel	50.00	50.00	464	425	6	9	
Companhia Coreano-Brasileira de Pelotização - KOBRASCO	Brazil	Pellets	50.00	50.00	223	213	14	12	
Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (f)	Brazil	Pellets	50.89	51.00	199	196	12	1	
Companhia Ítalo-Brasileira de Pelotização - ITABRASCO (f)	Brazil	Pellets	50.90	51.00	163	145	13	7	
Companhia Nipo-Brasileira de Pelotização - NIBRASCO (f)	Brazil	Pellets	51.00	51.11	419	372	51	5	
Companhia Siderúrgica do Pecém - CSP (h)	Brazil	Steel	50.00	50.00	1,909	1,608	(98)	(3)	
MRS Logística S.A. (d)	Brazil	Iron ore	47.59	46.75	1,350	1,322	44	74	
Norte Energia S.A.	Brazil	Energy	4.59	4.59	222	193	(1)	(1)	
Samarco Mineração S.A. (e)	Brazil	Pellets	50.00	50.00	875	1,023	71	328	
Others					107	109	7	1	
					5,931	**5,606**	**119**	**433**	**1**
Direct and indirect associate									
Henan Longyu Energy Resources Co., Ltd.	China	Coal	25.00	25.00	936	835	18	34	
Logística Intermodal S.A. - LOG-IN (c)	Brazil	Logistics						(12)	
Mineração Rio Grande do Norte S.A. - MRN	Brazil	Bauxite	40.00	40.00	248	259	(8)	9	
Teal Minerals Incorporated	Zambia	Copper	50.00	50.00	500	535	(29)	(20)	
Tecnored Desenvolvimento Tecnológico S.A. (a) (i)	Brazil	Iron ore				91		(5)	
Thyssenkrupp Companhia Siderúrgica do Atlântico Ltd - CSA	Brazil	Steel	26.87	26.87	644	752	(47)	(134)	
VLI S.A. (g)	Brazil	General Cargo Logistics	37.61	37.61	2,909		30		
	China	Pellets	25.00	25.00	55	58			

Zhuhai YPM Pellet Co					
Others	197	261	(9)	(12)	
	5,489	**2,791**	**(45)**	**(140)**	
Total of associates and joint ventures	**11,420**	**8,397**	**74**	**293**	**1**
Total	**122,716**	**123,370**	**(2,722)**	**1,907**	**(6**

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

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

(c) Company sold in December 2013;

(d) Main data of MRS in 2014: Total Assets R$7.095, Liabilities R4.258, Operational results R$542, Financial results R(116), Income taxes R$(146);

(e) Main data of Samarco in 2014: total Assets R$15.494, Liabilities R$13.744, Operational results R$2.710, Financial results R$(549), Income taxes R$(409);

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

(g) Considering the updated interest after the transaction conclusion and the respective shareholders agreement, as described in Note 7b;

(h) Pre-operational stage, and

(i) Consolidated since March 2014.

Dividends received by the Parent Company during the Nine-month period ended on September 30, 2014 and September 30, 2013 were R$1,239 and R$1,523, respectively.

13. Intangible Assets

	Consolidated					
	September 30, 2014 (unaudited)			December 31, 2013		
	Cost	Amortization	Net	Cost	Amortization	Net
Indefinite useful life						
Goodwill	9,693		9,693	9,698		9,698
Finite useful life						
Concessions and subconcessions	8,217	(3,087)	5,130	7,259	(2,793)	4,466
Right of use	1,179	(626)	553	769	(175)	594
Others	3,565	(2,025)	1,540	3,033	(1,695)	1,338
	12,961	**(5,738)**	**7,223**	**11,061**	**(4,663)**	**6,398**
Total	**22,654**	**(5,738)**	**16,916**	**20,759**	**(4,663)**	**16,096**

	Parent Company					
	September 30, 2014 (unaudited)			December 31, 2013		
	Cost	Amortization	Net	Cost	Amortization	Net
Indefinite useful life						
Goodwill	9,693		9,693	9,698		9,698
Finite useful life						
Concessions and subconcessions	8,217	(3,087)	5,130	7,259	(2,793)	4,466
Right of use	223	(93)	130	223	(89)	134
Others	3,565	(2,025)	1,540	3,033	(1,695)	1,338
	12,005	**(5,205)**	**6,800**	**10,515**	**(4,577)**	**5,938**
Total	**21,698**	**(5,205)**	**16,493**	**20,213**	**(4,577)**	**15,636**

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

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

	Consolidated				
	Three-month period ended (unaudited)				
	Goodwill	Concessions and Subconcessions	Right of use	Others	Total
Balance on June 30, 2013	**9,578**	**8,042**	**611**	**1,146**	**19,377**
Addition		119		301	420
Disposals		(11)			(11)
Amortization		(99)	(18)	(77)	(194)
Translation adjustment of the period	44		11		55
Net effect of discontinued operation in the period		73			73
Transfers to held for sale		(3,818)			(3,818)
Balance on September 30, 2013	**9,622**	**4,306**	**604**	**1,370**	**15,902**
Balance on June 30, 2014	**9,439**	**4,721**	**532**	**1,194**	**15,886**
Addition		520		522	1,042
Disposals		(3)			(3)
Amortization		(108)	(19)	(176)	(303)
Translation adjustment of the period	254		40		294
Transfers to held for sale					
Balance on September 30, 2014	**9,693**	**5,130**	**553**	**1,540**	**16,916**

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	Consolidated (unaudited) Nine-month period ended				
	Goodwill	Concessions and Subconcessions	Right of use	Others	Total
Balance on December 31, 2012	**9,407**	**7,674**	**619**	**1,122**	**18,822**
Addition		618		461	1,079
Disposals		(21)		(4)	(25)
Amortization		(286)	(40)	(209)	(535)
Translation adjustment	215		25		240
Net effect of year from discontinued operations		139			139
Transfers to held for sale		(3,818)			(3,818)
Balance on September 30, 2013 (unaudited)	**9,622**	**4,306**	**604**	**1,370**	**15,902**
Balance on December 31, 2013	**9,698**	**4,466**	**594**	**1,338**	**16,096**
Addition		1,125		534	1,659
Disposals		(11)			(11)
Amortization		(450)	(51)	(332)	(833)
Translation adjustment	(5)		10		5
Balance on September 30, 2014 (unaudited)	**9,693**	**5,130**	**553**	**1,540**	**16,916**

	Parent Company Nine-month period ended				
	Goodwill	Concessions and Subconcessions	Right of use	Others	Total
Balance on December 31, 2012	**9,407**	**3,996**	**139**	**1,122**	**14,664**
Addition		619		461	1,080
Disposals		(20)		(4)	(24)
Amortization		(289)	(4)	(209)	(502)
Translation adjustment	215				215
Balance on September 30, 2013 (unaudited)	**9,622**	**4,306**	**135**	**1,370**	**15,433**
Balance on December 31, 2013	**9,698**	**4,466**	**134**	**1,338**	**15,636**
Addition		1,125		534	1,659
Disposals		(11)			(11)
Amortization		(450)	(4)	(332)	(786)
Translation adjustment	(5)				(5)
Balance on September 30, 2014 (unaudited)	**9,693**	**5,130**	**130**	**1,540**	**16,493**

14. Property, plant and equipment

	Consolidated					
	September 30, 2014 (unaudited)			December 31, 2013		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	2,667		2,667	2,215		2,215
Buildings	27,177	(6,058)	21,119	23,228	(4,992)	18,236
Facilities	41,562	(12,565)	28,997	36,683	(11,061)	25,622
Computer equipment	1,341	(908)	433	1,592	(1,163)	429
Mineral properties	49,645	(14,119)	35,526	50,608	(12,479)	38,129
Others	70,210	(21,926)	48,284	63,600	(19,698)	43,902
Construction in progress	62,402		62,402	62,775		62,775
	255,004	**(55,576)**	**199,428**	**240,701**	**(49,393)**	**191,308**

	Parent Company					
	September 30, 2014 (unaudited)			December 31, 2013		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	1,421		1,421	1,322		1,322
Buildings	13,058	(1,981)	11,077	11,167	(1,718)	9,449
Facilities	23,001	(5,129)	17,872	18,884	(4,534)	14,350
Computer equipment	654	(498)	156	695	(512)	183
Mineral properties	2,906	(785)	2,121	3,188	(822)	2,366
Others	25,521	(9,413)	16,108	22,953	(8,815)	14,138
Construction in progress	28,613		28,613	28,897		28,897
	95,174	**(17,806)**	**77,368**	**87,106**	**(16,401)**	**70,705**

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	Consolidated Three-month period ended (unaudited)							
	Land	Building	Facilities	Computer equipment	Mineral properties	Others	Constructions in progress	Total
Balance on June 30, 2013	**2,043**	**14,037**	**24,389**	**447**	**37,495**	**40,007**	**67,845**	**186,263**
Acquisitions (i)							7,583	7,583
Disposals			(8)			(9)	(43)	(60)
Depreciation and amortization		(144)	(548)	(42)	(523)	(829)		(2,086)
Translation adjustment	(3)	12	63	1	639	35	(471)	276
Transfers	(41)	1,578	3,053	35	17	2,439	(7,081)	
Net effect of discontinued operation in the period	20			1		81	(75)	27
Transfers to held for sale		(102)	(18)	(13)	(7)	(1,971)	(215)	(2,326)
Balance on September 30, 2013	**2,019**	**15,381**	**26,931**	**429**	**37,621**	**39,753**	**67,543**	**189,677**
Balance on June 30, 2014	**2,561**	**18,207**	**27,294**	**458**	**36,006**	**43,448**	**60,358**	**188,332**
Acquisitions (i)							5,339	5,339
Disposals	(1)		(3)	(1)	(20)		(61)	(86)
Depreciation and amortization		(185)	(622)	(37)	(721)	(1,036)		(2,601)
Translation adjustment	(26)	602	(274)	(19)	2,530	2,926	2,705	8,444
Transfers	133	2,495	2,602	32	(2,269)	2,946	(5,939)	
Balance on September 30, 2014	**2,667**	**21,119**	**28,997**	**433**	**35,526**	**48,284**	**62,402**	**199,428**

	Consolidated Nine-month period ended							
	Land	Building	Facilities	Computer equipment	Mineral properties	Others	Constructions in progress	Total
Balance on December 31, 2012	**1,381**	**12,451**	**24,024**	**769**	**38,553**	**37,147**	**59,130**	**173,455**
Acquisitions (i)							19,623	19,623
Disposals		(1)	(108)	(1)	(680)	(286)	(233)	(1,309)
Depreciation and amortization		(392)	(1,460)	(122)	(1,424)	(2,709)		(6,107)
Translation adjustment	(42)	148	420	(325)	2,213	1,741	2,097	6,252
Transfers	660	3,278	4,073	122	(1,034)	5,242	(12,341)	
Net effect of discontinued operation in the period	20	(1)		(1)		589	(518)	89
Transfers to held for sale		(102)	(18)	(13)	(7)	(1,971)	(215)	(2,326)
Balance on September 30, 2013 (unaudited)	**2,019**	**15,381**	**26,931**	**429**	**37,621**	**39,753**	**67,543**	**189,677**
	2,215	**18,236**	**25,622**	**429**	**38,129**	**43,902**	**62,775**	**191,308**

Balance on December 31, 2013								
Acquisitions (i)							16,815	16,815
Disposals	(3)	(110)	(10)	(7)	(224)	(78)	(340)	(772)
Impairment			(1)		(1,715)	(4)	(10)	(1,730)
Depreciation and amortization		(823)	(1,360)	(101)	(1,629)	(3,018)		(6,931)
Translation adjustment	112	50	(1,329)	(56)	333	1,416	212	738
Transfers	343	3,766	6,075	168	632	6,066	(17,050)	
Balance on September 30, 2014 (unaudited)	**2,667**	**21,119**	**28,997**	**433**	**35,526**	**48,284**	**62,402**	**199,428**

				Parent Company Nine-month period ended				
	Land	**Building**	**Facilities**	**Computer equipment**	**Mineral properties**	**Others**	**Constructions in progress**	**Total**
Balance on December 31, 2012	**1,162**	**4,376**	**12,300**	**218**	**3,814**	**9,288**	**30,073**	**61,231**
Acquisitions (i)							9,692	9,692
Disposals			(3)			(91)	(198)	(292)
Depreciation and amortization		(145)	(487)	(63)	(217)	(796)		(1,708)
Transfers	172	2,712	3,988	40	(1,475)	3,232	(8,669)	
Balance on September 30, 2013 (unaudited)	**1,334**	**6,943**	**15,798**	**195**	**2,122**	**11,633**	**30,898**	**68,923**
Balance on December 31, 2013	**1,322**	**9,449**	**14,350**	**183**	**2,366**	**14,138**	**28,897**	**70,705**
Acquisitions (i)							9,152	9,152
Disposals		(23)	(1)	(4)		(19)	(100)	(147)
Depreciation and amortization		(258)	(636)	(67)	(256)	(1,125)		(2,342)
Transfers	99	1,909	4,159	44	11	3,114	(9,336)	
Balance on September 30, 2014 (unaudited)	**1,421**	**11,077**	**17,872**	**156**	**2,121**	**16,108**	**28,613**	**77,368**

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(i) Total amount of Capital Expenditures recognized as addition to consolidated construction in progress in the period of three-month ended on September 30, 2014 and September 30, 2013 corresponds to R$5.095 and R$4.889 and nine-month period ended on September 30, 2014 and September 30, 2013 corresponds to R$12.745 and R$15.166, respectively; to the parent company, in the period of nine-month ended on September 30, 2014 and September 30, 2013, corresponds to R$8.179 and R$6.677.

Property, plant and equipment (net book value) pledged as guarantees for judicial claims on September 30, 2014 and December 31, 2013 corresponds to R$190 and R$180 on consolidated amounts; to the parent company on September 30, 2014 and December 31, 2013 corresponds to R$189 and R$147, respectively.

15. Impairment

During the second quarter of 2014, the Company has identified evidence and recognized impairment in relation to certain operations as follows:

Coal mine Australia

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

Guinea Iron ore projects

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

Vale is actively considering its legal rights towards the Guinean Government and its partner at VBG and addressing options to guarantee the value of both the investments made in Guinea project development as well as the initial investment made in the VBG. Considering the uncertainties in this process for the recoverable of the initial payment related to the acquisition of our participation in VBG, in the amount of R$1.118, the company recognized an impairment of this initial payment. The Company will continue to reassess the net value of the assets, in the amount of US$635 (approximately R$1,556) depending on the development of the negotiations with Guinea Government.

16. Loans and financing

a) Total debt

	Consolidated		Parent Company	
	Current Liabilities			
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Debt contracts abroad				
Loans and financing in:				
United States Dollars	1,363	783	605	536
Others currencies		4		
Fixed rates:				
Notes indexed in United Stated Dollars	267	28		
Accrued charges	642	820	199	312
	2,272	**1,635**	**804**	**848**
Debt contracts in Brazil				
Loans and financing in:				
Indexed to TJLP, TR, IGP-M e CDI	1,787	1,756	1,734	1,603
Basket of currencies, LIBOR	476	411	470	405
Fixed rates:				
Loans in United States Dollars		14		14
Loans in Reais	118	111	113	106
Accrued charges	351	231	350	205
	2,732	**2,523**	**2,667**	**2,333**
	5,004	**4,158**	**3,471**	**3,181**

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	Consolidated		Parent Company	
	Non-current Liabilities			
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Debt contracts abroad				
Loans and financing in:				
United States Dollars	12,836	10,921	10,752	8,930
Others currencies	7	6		
Fixed rates:				
Notes indexed in United Stated Dollars	32,193	32,347	3,677	3,514
Euro	4,643	4,840	4,643	4,840
	49,679	**48,114**	**19,072**	**17,284**
Debt contracts in Brazil				
Loans and financing in:				
Indexed to TJLP, TR, IGP-M e CDI	11,180	11,714	11,033	11,529
Basket of currencies, LIBOR	3,249	3,198	3,235	3,180
Non-convertible debentures into shares	1,970	870	1,039	
Fixed rates:				
Loans in United States Dollars		186		186
Loans in Reais	699	737	632	717
	17,098	**16,705**	**15,939**	**15,612**
	66,777	**64,819**	**35,011**	**32,896**

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

In October the Company decided to redeem the bonds issued by Vale Canada with maturity in 2015. As a result, we reclassified the principal debt amount of R$735 to current liability.

The long-term portion on September 30, 2014 has maturities as follows:

	Consolidated	Parent Company
2015	495	429
2016	4,824	2,135
2017	5,896	2,172
2018	9,754	9,370
2019 onwards	45,808	20,905
	66,777	**35,011**

On September 30, 2014, the annual interest rates on the long-term debts are as follows:

	Consolidated	Parent Company
Up to 3%	17,209	15,220
3,1% to 5% (a)	13,745	5,355
5,1% to 7% (b)	29,286	10,436
7,1% to 9% (b)	2,670	
9,1% to 11% (b)	191	
Over 11% (b)	8,423	7,471
Variable	257	
	71,781	**38,482**

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

(b) Includes Brazilian Real denominated debt that bears interest at the CDI or TJLP, plus spread. For these, we have entered into derivative transactions to mitigate our exposure to the floating rate debt denominated in Brazilian Real, totaling R$15,106 of which R$14,427 has an original interest rate above 5.1% per year. After entering derivatives transactions the average cost of other than denominated U.S. Dollars debt is 2.37% per year.

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	41912				Balance	
Non-convertible Debentures	**Issued**	**Outstanding**	**Maturity**	**Interest**	**September 30, 2014 (unaudited)**	**December 31, 2013**
Tranche B - Salobo			No date		930	870
Infrastructure Debenture 1st serie	Feb/14	600	Jan/21	6,46%p.a+IPCA	623	
Infrastructure Debenture 2nd serie	Feb/14	150	Jan/24	6,57%p.a+IPCA	157	
Infrastructure Debenture 3rd serie	Feb/14	100	Jan/26	6,71%p.a+IPCA	103	
Infrastructure Debenture 4th serie	Feb/14	150	Jan/29	6,78%p.a+IPCA	157	
					1,970	**870**
Long-term portion					1,970	870
					1,970	**870**

b) Revolving credit lines

					Amounts drawn on	
Type	**Contractual Currency**	**Date of agreement**	**Available until**	**Total amount available**	**September 30, 2014 (unaudited)**	**December 31, 2013**
Revolving Credit Lines						
Revolving Credit Facility - Vale/ Vale International/ Vale Canada	US$	April 2011	5 years	7,353		
Revolving Credit Facility - Vale/ Vale International/ Vale Canada	US$	July 2011	5 years	4,902		
Credit Lines						
Export-Import Bank of China e Bank of China Limited	US$	September 2010**(a)**	13 years	3,012	2,475	2,308
BNDES	R$	April 2008**(b)**	10 years	7,300	4,862	4,626
Financing						
BNDES - CLN 150	R$	September 2012**(c)**	10 years	3,883	3,079	3,079
BNDES - Investment Sustaining Program (PSI) 3.0%	R$	June 2013**(d)**	10 years	109	87	87
BNDES - Tecnored 3.5%	R$	December 2013**(e)**	8 years	136	51	
BNDES - S11D e S11D Logística	R$	May 2014**(f)**	10 years	6,164		87
Canadian Agency Export Development (EDC)	US$	January 2014**(g)**	5 and 7 years	1,900	1,900	

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

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

(c) Capacitação Logística Norte 150 Project (CLN 150).
(d) Acquisition of domestic equipment.
(e) Support to Tecnored s investment plan from 2013 to 2015.
(f) Implementation the iron ore project S11D and S11D Logística.
(g) General corporate purpose.

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

c) Guarantees

As at September 30, 2014, R$3,086 of the total aggregate outstanding debt was secured by property, plant and equipment and receivables.

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17. Asset retirement obligations

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

Long term interest rate used to discount these obligations to present values and to update the provisions on September 30, 2014 and December 31, 2013 was 6,39% p.a. The liability is periodically updated based on this discount rate plus the inflation index (IGPM) for the period in reference.

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

	Consolidated		Parent Company	
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Balance at beginning of the period	**6,194**	**5,615**	**1,946**	**1,625**
Increase expense (i)	310	414	129	174
Setlement in the current period	(57)	(90)	(13)	(35)
Revisions in estimated cash flows	67	102		182
Translation adjustments	94	162		
Transfer held for sale		(9)		
Balance at end of the period	**6,608**	**6,194**	**2,062**	**1,946**
Current	349	225	89	90
Non-current	6,259	5,969	1,973	1,856
	6,608	**6,194**	**2,062**	**1,946**

(i) In nine-month ended of 2013, R$304 in Consolidated and R$122 in Parent Company

18. Provision for litigation

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

	Consolidated Three-month period ended (unaudited)				
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	Total of litigation provision
Balance on June 30, 2013	**1,488**	**443**	**1,671**	**93**	**3,695**
Additions	3	40	117		160
Reversals	43	(208)	(83)	(2)	(250)
Payments	(190)	(27)	(54)	(1)	(272)
Indexation and interest	(193)	286	61	2	156
Translation adjustments	163				163
Effect of discontinued operations					
Net changes of the year	(1)	2	2		3
Transfer to held for sale		(24)	(59)	2	(81)
Balance on September 30, 2013	**1,313**	**512**	**1,655**	**94**	**3,574**
Balance on June 30, 2014	**891**	**478**	**1,840**	**97**	**3,306**
Additions	135	44	140	11	330
Reversals	(54)	(236)	(86)		(376)
Payments	(9)		(42)	(2)	(53)
Indexation and interest	(118)	58	67	84	91
Translation adjustments	30			10	40
Balance on September 30, 2014	**875**	**344**	**1,919**	**200**	**3,338**

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	Consolidated Nine-month period ended				
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	Total of litigation provision
Balance on December 31, 2012	**2,039**	**575**	**1,534**	**70**	**4,218**
Additions	105	82	345	23	555
Reversals	(143)	(369)	(295)	(10)	(817)
Payments	(577)	(92)	(74)	(2)	(745)
Indexation and interest	(126)	342	202	11	429
Translation adjustments	16	(4)			12
Effect of discontinued operations					
Net changes of the year	(1)	4	(2)		1
Transfer to held for sale		(26)	(55)	2	(79)
Balance on September 30, 2013 (unaudited)	**1,313**	**512**	**1,655**	**94**	**3,574**
Balance on December 31, 2013	**771**	**498**	**1,653**	**67**	**2,989**
Additions	237	62	389	54	742
Reversals	(92)	(217)	(183)	(9)	(501)
Payments	(25)	(16)	(74)	(6)	(121)
Indexation and interest	(28)	17	133	91	213
Translation adjustments	12		1	3	16
Balance on September 30, 2014 (unaudited)	**875**	**344**	**1,919**	**200**	**3,338**

	Parent Company Nine-month period ended				
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	Total of litigation provision
Balance on December 31, 2012	**1,213**	**247**	**1,364**	**43**	**2,867**
Additions	106	50	274	10	440
Reversals	(18)	(22)	(240)	(1)	(281)
Payments	(596)	(29)	(56)	(3)	(684)
Monetary adjustment	24	7	92	9	132
Balance on September 30, 2013 (unaudited)	**729**	**253**	**1,434**	**58**	**2,474**
Balance on December 31, 2013	**280**	**221**	**1,472**	**35**	**2,008**
Additions	166	5	344	39	554
Reversals	(26)	(39)	(162)	(9)	(236)
Payments	(15)	(13)	(64)	(4)	(96)
Monetary adjustment / Translation adjustments	7	9	124	2	142

Balance on September 30, 2014 (unaudited)	**412**	**183**	**1,714**	**63**	**2,372**

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

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

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

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

	Consolidated		Parent Company	
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Tax litigations	973	1,014	685	590
Civil litigations	588	411	403	359
Labor litigations	2,143	2,039	2,005	1,913
Environmental litigations	2	27		26
Total	**3,706**	**3,491**	**3,093**	**2,888**

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

These possible contingent liabilities are as follows:

	Consolidated		Parent Company	
	September 30, 2014 (unaudited)	December 31, 2013	September 30, 2014 (unaudited)	December 31, 2013
Tax litigations	12,191	8,877	9,477	4,842
Civil litigations	3,557	2,855	2,857	2,701
Labor litigations	5,119	5,320	3,630	3,579
Environmental litigations	2,933	3,146	2,889	3,135
Total	**23,800**	**20,198**	**18,853**	**14,257**

The categories of contingent liabilities summarized in the table above, include the following:

Tax litigation The most significant claims relate to pending challenges by the Brazilian federal tax authority concerning the deductibility of Brazilian social contribution payments for income tax purposes (approximately US$2,067) and demands by Brazilian state tax authorities for additional payments of the value-added tax on services and circulation of goods (ICMS) in relation to our use of ICMS credits from sales and energy transmission.

Civil litigation Most of these claim have been filed by suppliers for indemnification under construction contracts, primarily relating to certain alleged damages, payments and contractual penalties. A number of other claims involve disputed contractual terms for inflation indexation.

Labor litigation These claims represent a very large number of individual claims by (i) employees and service providers, primarily involving demands for additional compensation for overtime work, time spent commuting or health and safety conditions; and (ii) the Brazilian federal social security administration (INSS) regarding contributions on compensation programs based on our profits.

Environmental litigation The most significant claims concern alleged procedural deficiencies in licensing processes, non-compliance with existing environmental licenses or damage to the environment.

The proceedings referred to above are subject to significant uncertainty in relation to the amount in dispute and the timing for resolution.

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19. Income Taxes Settlement Program (REFIS)

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

During, we paid R$860 in consolidated and R$842 in parent company due amount to be paid in 169 monthly installments, and this balance in September 30, 2014 as bearing interest at Selic rate, are R$16.675 (R$1.184 in current and R$15.491 in non-current) and R$16.333 (R$1.160 in current and R$15.174 in non-current) respectively.

20. Income Tax

We analyze the potential tax impact associated with undistributed earnings of each of our subsidiaries and affiliates. As described in Note 19, in 2013 we entered into the Brazilian REFIS program to pay the amounts related to the collection of income taxes on equity gain on foreign subsidiaries and affiliates from 2003 to 2012 and therefore, the repatriation of these earnings would have no Brazilian tax consequences. In 2013, we recognized an equity loss on foreign subsidiaries.

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

	Consolidated Three-month period ended (unaudited)		
	Assets	**Liabilities**	**Total**
Balance on June 30, 2013	**9,468**	**7,167**	**2,301**
Net income effect	1,039	(129)	1,168
Translation adjustment for the period	(53)	(18)	(35)
Other comprehensive income	9	96	(87)
Net effect of discontinued operations			
Transfer to held for sale		(188)	188
Balance on September 30, 2013	**10,463**	**6,928**	**3,535**
Balance on June 30, 2014	**9,670**	**7,406**	**2,264**
Net income effect	492	(120)	612
Translation adjustment for the period	369	666	(297)
Other comprehensive income	21	25	(4)

Balance on September 30, 2014	**10,552**	**7,977**	**2,575**

	Consolidated Nine-month period ended		
	Assets	**Liabilities**	**Total**
Balance on December 31, 2012	**8,291**	**6,918**	**1,373**
Net income effect	1,896	(311)	2,207
Translation adjustment for the period	115	421	(306)
Other comprehensive income	160	92	68
Transfer to held for sale		(192)	192
Balance on September 30, 2013 (unaudited)	**10,462**	**6,928**	**3,534**
Balance on December 31, 2013	**10,596**	**7,562**	**3,034**
Net income effect	(383)	158	(541)
Transfer from held for sale	154		154
Translation adjustment for the period	120	134	(14)
Other comprehensive income	65	123	(58)
Balance on September 30, 2014 (unaudited)	**10,552**	**7,977**	**2,575**

	Parent Company Nine-month period ended Assets
Balance on December 31, 2012	**5,715**
Net income effect	1,496
Other comprehensive income	159
Balance on September 30, 2013 (unaudited)	**7,370**
Balance on December 31, 2013	**7,418**
Net income effect	(77)
Other comprehensive income	64
Balance on September 30, 2014 (unaudited)	**7,405**

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

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

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

	Consolidated (unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net income before income taxes	**(4,101)**	**9,913**	**9,146**	**18,541**
Income taxes at statutory rates - 34%	**1,394**	**(3,370)**	**(3,110)**	**(6,304)**
Adjustments that affect the basis of taxes:				
Income taxes benefit from interest on stockholders equity	659	628	1,976	1,881
Tax incentives	(97)	212	315	438
Results of overseas companies taxed by different rates which differs from the parent company rate	(971)	311	(1,946)	127
Constitution/Reversal for tax loss carryforward		(107)	(255)	258
Results of equity investments	26	99	366	251
Undeductible - impairment			(382)	
Other	(261)	180	(787)	(383)
Income taxes on the profit for the period	**750**	**(2,047)**	**(3,823)**	**(3,732)**

	Parent company (unaudited)	
	Nine-month period ended	
	September 30, 2014	September 30, 2013
Net income before income taxes	**8,374**	**18,949**
Income taxes at statutory rates - 34%	**(2,847)**	**(6,443)**
Adjustments that affect the basis of taxes:		
Income taxes benefit from interest on stockholders equity	1,976	1,881
Tax incentives	315	438
Results of equity investments	(2,178)	476
Other	75	(319)

Income taxes on the profit for the period	**(2,659)**	**(3,967)**

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21. Employee Benefits Obligations

The Company had announced on its year end 2013 financial statements that it expects to contribute R$829 to its pension plan during 2014. As of September 30, 2014 it had contributed R$635. No significant changes are expected in relation to the estimate disclosed in the financial statements for the year ended December 31, 2013.

a) Employee Postretirement Obligations

Reconciliation of assets and liabilities in Balance Sheet

	Total Consolidated					
	September 30, 2014 (unaudited)			December 31, 2013		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Ceiling recognition of an asset (ceiling) / onerous liability						
Beginning of the period	**2,790**			**1,725**		
Interest income				154		
Changes in asset ceiling/ onerous liability	655			911		
Ended of the period	**3,445**			**2,790**		
Amount recognized in the balance sheet						
Present value of actuarial liabilities	(9,948)	(10,259)	(4,028)	(9,557)	(10,320)	(3,966)
Fair value of assets	13,393	9,196		12,347	8,911	
Effect of the asset ceiling	(3,445)			(2,790)		
Assets (liabilities) to be provisioned		**(1,063)**	**(4,028)**		**(1,409)**	**(3,966)**
Current liabilities		(17)	(222)		(22)	(205)
Non-current liabilities		(1,046)	(3,806)		(1,387)	(3,761)
Assets (liabilities) to be provisioned		**(1,063)**	**(4,028)**		**(1,409)**	**(3,966)**

Costs recognized in the Statements of Income for the period:

	Consolidated Three-month period ended (unaudited)					
	September 30, 2014			September 30, 2013		
	Overfunded pension plans	**Underfunded pension plans**	**Others underfunded pension plans**	**Overfunded pension plans**	**Underfunded pension plans**	**Others underfunded pension plans**
Current service cost	17	45	18		69	23
Interest on expense on liabilities	279	67	57	157	216	54
Interest income on plan assets	(368)	(88)		(195)	(186)	
Effect of the asset ceiling	84			38		
Total costs, net	**12**	**24**	**75**		**99**	**77**

	Consolidated Nine-month period ended (unaudited)					
	September 30, 2014			September 30, 2013		
	Overfunded pension plans	**Underfunded pension plans**	**Others underfunded pension plans**	**Overfunded pension plans**	**Underfunded pension plans**	**Others underfunded pension plans**
Current service cost	51	116	53		201	70
Interest on expense on liabilities	837	308	167	471	655	158
Interest income on plan assets	(1,104)	(266)		(586)	(536)	
Effect of the asset ceiling	252			115		
Total costs, net	**36**	**158**	**220**		**320**	**228**

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Costs recognized in the Statement of Comprehensive Income for the period

	Consolidated Three-month period ended (unaudited)					
	September 30, 2014			September 30, 2013		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Beginning of the period	**(274)**	**(629)**	**(438)**	**(7)**	**(2,313)**	**(814)**
Return on plan assets (excluding interest income)	(22)	32	27	86	198	12
Change of asset ceiling / costly liabilities (excluding interest income)	3	(30)		(86)		
	(19)	**2**	**27**		**198**	**12**
Income tax	6	(7)	(7)		(60)	(10)
Others comprehensive income	**(13)**	**(5)**	**20**		**138**	**2**
Conversion of Effect		(69)	(37)		(3)	
Accumulated other comprehensive income	**(287)**	**(703)**	**(455)**	**(7)**	**(2,178)**	**(812)**

	Consolidated Nine-month period ended (unaudited)					
	September 30, 2014			September 30, 2013		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Beginning of the period	**(219)**	**(926)**	**(460)**	**(7)**	**(1,970)**	**(778)**
Return on plan assets (excluding interest income)	12	439	27	(413)	(140)	22
Change of asset ceiling / costly liabilities (excluding interest income)	(112)	(118)		413		
	(100)	**321**	**27**		**(140)**	**22**
Income tax	34	(81)	(7)		67	(13)
Others comprehensive income	**(66)**	**240**	**20**		**(73)**	**9**
Conversion of effect		(17)	(15)		(135)	(43)
Accumulated other comprehensive income	**(285)**	**(703)**	**(455)**	**(7)**	**(2,178)**	**(812)**

b) Incentive Plan in Results

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

The PPR is calculated individually according to the achievement of goals previously established using indicators for the, performances of the Company, business unit, team and individual. The contribution of each performance unit to the performance scores of the employees is discussed and agreed each year, between the Company and the unions.

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

	Consolidated (unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Operational expenses	148	152	260	316
Cost of good sold and services rendered	242	277	719	659
Total	**390**	**429**	**979**	**975**

	Parent company (unaudited)	
	Nine-month period ended	
	September 30, 2014	September 30, 2013
Operational expenses	198	261
Cost of good sold and services rendered	576	569
Total	**774**	**830**

c) Long-term stock option compensation plan

The terms, assumptions, calculation methods and the accounting treatment applied to the Long-term Incentive Plan (ILP) is the same as presented in financial statements for the year end December 31, 2013. The total number of shares subject to the Long Term Compensation Plan on September 30, 2014 and December 31, 2013 are 7.379.058 and 6,214,288, and total expense/cost recorded of R$255 and R$198, respectively on result.

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22. Classification of financial instruments

The classification of financial assets and liabilities is as follows:

	Consolidated				Parent Company		
	September 30, 2014 (unaudited)						
Financial assets	Loans and receivables (a)	At fair value through profit or loss (b)	Derivatives designated as hedge (c)	Total	Loans and receivables (a)	At fair value through profit or loss (b)	Total
Current							
Cash and cash equivalents	19,319			19,319	3,902		3,902
Short-term investments	1,103			1,103			
Derivative financial instruments		353		353		316	316
Accounts receivable	8,232			8,232	27,868		27,868
Related parties	700			700	1,235		1,235
	29,354	**353**		**29,707**	**33,005**	**316**	**33,321**
Non current							
Related parties	456			456	904		904
Loans and financing agreements	602			602	102		102
Derivative financial instruments		284		284		20	20
	1,058	**284**		**1,342**	**1,006**	**20**	**1,026**
Total of Assets	**30,412**	**637**		**31,049**	**34,011**	**336**	**34,347**
Financial liabilities							
Current							
Suppliers and contractors	9,968			9,968	5,206		5,206
Derivative financial instruments		1,525	181	1,706		1,112	1,112
Loans and financing agreements	5,004			5,004	3,471		3,471
Related parties	320			320	7,456		7,456

	15,292	**1,525**	**181**	**16,998**	**16,133**	**1,112**	**17,245**
Non current							
Derivative financial instruments		3,196	9	3,205		2,954	2,954
Loans and financing agreements	66,777			66,777	35,011		35,011
Related parties	275			275	34,579		34,579
Participative stockholders debentures		4,934		4,934		4,934	4,934
Others (d)		324		324		324	324
	67,052	**8,454**	**9**	**75,515**	**69,590**	**8,212**	**77,802**
Total of Liabilities	**82,344**	**9,979**	**190**	**92,513**	**85,723**	**9,324**	**95,047**

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

(b) Financial instruments for trading in short term.

(c) See note 24a.

(d) See note 23a.

	Consolidated					**Parent Company**		
				December 31, 2013				
Financial assets	**Loans and receivables (a)**	**At fair value through profit or loss (b)**	**Derivatives designated as hedge (c)**	**Available for sale**	**Total**	**Loans and receivables (a)**	**At fair value through profit or loss (b)**	**Total**
Current								
Cash and cash equivalents	12,465				12,465	3,635		3,635
Short-term investments	8				8	8		8
Derivative financial instruments		459	12		471		378	378
Accounts receivable	13,360				13,360	14,167		14,167
Related parties	611				611	1,684		1,684
	26,444	**459**	**12**		**26,915**	**19,494**	**378**	**19,872**
Non current								
Related parties	253				253	864		864
Loans and financing agreements	564				564	192		192
Derivative financial instruments		329			329			
Others				11	11			
	817	**329**		**11**	**1,157**	**1,056**		**1,056**
Total of Assets	**27,261**	**788**	**12**	**11**	**28,072**	**20,550**	**378**	**20,928**
Financial liabilities								
Current								
Suppliers and contractors	8,837				8,837	3,640		3,640
Derivative financial instruments		464	92		556		435	435

Loans and financing agreements	4,158			4,158	3,181		3,181
Related parties	479			479	6,453		6,453
	13,474	**464**	**92**	**14,030**	**13,274**	**435**	**13,709**
Non current							
Derivative financial instruments		3,469	27	3,496		3,188	3,188
Loans and financing agreements	64,819			64,819	32,896		32,896
Related parties	11			11	32,013		32,013
Stockholders Debentures		4,159		4,159		4,159	4,159
	64,830	**7,628**	**27**	**72,485**	**64,909**	**7,347**	**72,256**
Total of Liabilities	**78,304**	**8,092**	**119**	**86,515**	**78,183**	**7,782**	**85,965**

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

(b) Financial instruments for trading in short term.

(c) See note 24a.

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23. Fair Value Estimate

The Company considered the same assumptions and calculation methods as presented on the financial statements for the year ended December 31, 2013, to measure the fair value of assets and liabilities for the period.

a) Assets and liabilities measured and recognized at fair value

b)

	Consolidated	
	September 30, 2014 (unaudited) Level 2 (i)	December 31, 2013 Level 2 (i)
Financial Assets		
Current		
Derivatives at fair value through profit or loss	353	459
Derivatives designated as hedge		12
	353	**471**
Non-Current		
Derivatives at fair value through profit or loss	284	329
	284	**329**
Total of Assets	**637**	**800**
Financial Liabilities		
Current		
Derivatives at fair value through profit or loss	1,525	464
Derivatives designated as hedge	181	92
	1,706	**556**
Non-Current		
Derivatives at fair value through profit or loss	3,196	3,469
Derivatives designated as hedge	9	27
Participative stockholders debentures	4,934	4,159
Others (ii)	324	
	8,463	**7,655**
Total of Liabilities	**10,169**	**8,211**

(i) No classification according to levels 1 and 3.

(ii) Refers to the minimum return instrument held by Brookfield that under certain conditions, can generate a disbursement obligation to Vale at the end of the sixth year of the completion of the acquisition of interest in VLI (Note 7).

	Parent Company	
	September 30, 2014 (unaudited) Level 2 (i)	**December 31, 2013 Level 2 (i)**
Financial Assets		
Current		
Derivatives at fair value through profit or loss	316	378
	316	**378**
Non-Current		
Derivatives at fair value through profit or loss	20	
	20	
Total of Assets	**336**	**378**
Financial Liabilities		
Current		
Derivatives at fair value through profit or loss	1,112	435
	1,112	**435**
Non-Current		
Derivatives at fair value through profit or loss	2,954	3,188
Participative stockholders debentures	4,934	4,159
Others (ii)	324	
	8,212	**7,347**
Total of Liabilities	**9,324**	**7,782**

(i) No classification according to levels 1 and 3.

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b) Fair value measurement compared to book value

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

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

	Consolidated				Parent Company			
	Balance	Fair value (i)	Level 1	Level 2	Balance	Fair value (i)	Level 1	Level 2
Financial liabilities								
December 31, 2013								
Loans (long term)(ii)	67,926	70,289	37,397	32,892	35,560	36,377	7,889	28,488
September 30, 2014 (unaudited)								
Loans (long term)(ii)	70,788	76,484	41,586	34,898	37,933	40,451	9,799	30,652

(i) No classification according to the level 3.

(ii) Net interest of R$993 in consolidated and R$549 at parent company on September 30, 2014 and net interest of R$1,051 in consolidated and R$517 at parent company on December 31, 2013.

24. Derivative financial instruments

a) Derivatives effects on Balance Sheet

	Consolidated Assets			
	September 30, 2014 (unaudited)		December 31, 2013	
	Current	Non-current	Current	Non-current
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
	299	18	408	

CDI & TJLP vs. US$ fixed and floating rate swap				
IPCA swap	19	2		
Eurobonds Swap		191	30	236
Pre dollar swap	7		12	
	325	**211**	**450**	**236**
Commodities price risk				
Nickel:				
Fixed price program	28	4	9	
	28	**4**	**9**	
Warrants				
SLW options (note 29)		69		93
Derivatives designated as hedge (cash flow hedge)				
Bunker Oil			12	
			12	
Total	**353**	**284**	**471**	**329**

	Consolidated Liabilites			
	September 30, 2014 (unaudited)		**December 31, 2013**	
	Current	**Non-current**	**Current**	**Non-current**
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US$ fixed and floating rate swap	1,351	2,695	434	3,207
IPCA swap	17	79		
Eurobonds Swap		149	2	
Pre dollar swap	10	269	1	259
	1,378	**3,192**	**437**	**3,466**
Commodities price risk				
Nickel:				
Fixed price program	33	4	6	
Bunker Oil	114		20	
	147	**4**	**26**	
Embedded derivatives				
Gas Oman			1	3
Derivatives designated as hedge (cash flow hedge)				
Bunker Oil	117		29	
Foreign exchange	64	9	63	27
	181	**9**	**92**	**27**
Total	**1,706**	**3,205**	**556**	**3,496**

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	Parent Company Assets			
	September 30, 2014 (unaudited)		December 31, 2013	
	Current	Non-current	Current	Non-current
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US$ fixed and floating rate swap	298	18	366	
IPCA swap	11	2		
Pre dollar swap	7		12	
Total	**316**	**20**	**378**	

	Parent Company Liabilites			
	September 30, 2014 (unaudited)		December 31, 2013	
	Current	Non-current	Current	Non-current
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US$ fixed and floating rate swap	1,102	2,663	434	2,929
IPCA swap		22		
Pre dollar swap	10	269	1	259
Total	**1,112**	**2,954**	**435**	**3,188**

b) Effects of derivatives in the Statement of Income

	Consolidated (unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US$ fixed and floating rate swap	(1,317)	14	(122)	(1,389)
IPCA swap	(91)		(55)	
Eurobonds Swap	(228)	128	(210)	133
Pre dollar swap	(83)	(2)	(8)	(82)
	(1,719)	**140**	**(395)**	**(1,338)**
Commodities price risk				
Nickel:				
Fixed price program	17	(4)	8	2
Purchased scrap protection program				1
Bunker Oil	(134)	109	(94)	(130)

	(117)	**105**	**(86)**	**(127)**
Warrants				
SLW Options (note 29)	(59)	45	(25)	(67)
	(59)	**45**	**(25)**	**(67)**
Embedded derivatives				
Gas Oman	1	6	3	4
	1	**6**	**3**	**4**
Derivatives designated as hedge (cash flow hedge)				
Bunker Oil	(4)	(37)	(23)	(64)
Strategic Nickel				26
Foreign exchange	(23)	(11)	(75)	(11)
	(27)	**(48)**	**(98)**	**(49)**
Total	**(1,921)**	**248**	**(601)**	**(1,577)**

	Parent company (unaudited)	
	Nine-month period ended	
	September 30, 2014	**September 30, 2013**
Derivatives not designated as hedge		
Foreign exchange and interest rate risk		
CDI & TJLP vs. US$ fixed and floating rate swap	(136)	(1,332)
IPCA swap	(8)	
Pre dollar swap	(8)	(82)
	(152)	**(1,414)**
Derivatives designated as hedge (cash flow hedge)		
Foreign exchange		11
		11
Total	**(152)**	**(1,403)**

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

	Consolidated (unaudited) Inflows/ (Outflows)			
	Three-month period ended		Nine-month period ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Derivatives not designated as hedge				
Exchange risk and interest rates				
CDI & TJLP vs. US$ fixed and floating rate swap	83	60	362	419
Eurobonds Swap			24	(10)
Pre dollar swap	4	9	16	27
	87	**69**	**402**	**436**
Risk of product prices				
Fixed price program	8	(3)	17	(4)
Purchased scrap protection program				1
Bunker Oil Hedge	12	(59)	(8)	(82)
	20	**(62)**	**9**	**(85)**
Derivatives designated as hedge (cash flow hedge)				
Bunker Oil	(4)	(38)	(23)	(64)
Strategic Nickel				26
Foreign exchange	(23)	(10)	(75)	(11)
	(27)	**(48)**	**(98)**	**(49)**
Total	**80**	**(41)**	**313**	**302**
Gains (losses) unrealized derivatives	**(2,001)**	**289**	**(914)**	**(1,879)**

	Parent company (unaudited) Inflows/ (Outflows) Nine-month period ended	
	September 30, 2014	September 30, 2013
Derivatives not designated as hedge		
Exchange risk and interest rates		
CDI & TJLP vs. US$ fixed and floating rate swap	318	361
Pre dollar swap	15	28
	333	**389**
Risk of product prices		
Derivatives designated as hedge (cash flow hedge)		
Foreign exchange		11
		11
Total	**333**	**400**

Gains (losses) unrealized derivatives	**(485)**	**(1,803)**

d) Effects of derivatives designated as hedge

i. Cash Flow Hedge

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

	Three-month period ended (unaudited)					
	Parent Company					Consolidated
	Foreign exchange	Nickel	Bunker Oil	Total	noncontrolling stockholders	Total
Fair value measurements	39		(11)	28		28
Reclassification to results due to realization	11		37	48		48
Net change as of September 30, 2013	**50**		**26**	**76**		**76**
Fair value measurements	(36)		(141)	(177)		(177)
Reclassification to results due to realization	23		4	27		27
Net change as of September 30, 2014	**(13)**		**(137)**	**(150)**		**(150)**

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	Nine-month period ended (unaudited)					
	Parent Company					Consolidated
	Foreign exchange	Nickel	Bunker Oil	Total	noncontrolling stockholders	Total
Fair value measurements	(47)		(134)	(181)		(181)
Reclassification to results due to realization	11	(26)	64	49		49
Net change as of September 30, 2013	**(36)**	**(26)**	**(70)**	**(132)**		**(132)**
Fair value measurements	(63)		(119)	(182)		(182)
Reclassification to results due to realization	75		23	98		98
Net change as of September 30, 2014	**12**		**(96)**	**(84)**		**(84)**

	Maturities dates
Currencies/ Interest Rates	July 2023
Gas Oman	April 2016
Nickel	June 2016
Copper	December 2014
Warrants	February 2023
Bunker Oil	September 2015

Additional information about derivatives financial instruments

Value at risk computation methodology

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

Contracts subjected to margin calls

Vale has contracts subject to margin calls only for part of nickel trades executed by its wholly-owned subsidiary Vale Canada. There was not cash amount subject to margin calls on September 30, 2014.

Initial cost of contracts

The financial derivatives negotiated by Vale and its controlled companies described in this document didn t have initial costs (initial cash flow) associated.

The following tables show as of September 30, 2014, the derivatives positions for Vale and controlled companies with the following information: notional amount, fair value (considering counterparty credit risk)(1), gains or losses in the period, value at risk and the fair value for the remaining years of the operations per each group of instruments.

Foreign exchange and interest rates derivative positions

Protection program for the Real denominated debt indexed to CDI

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

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

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(1) The Adjusted net/total for credit risk considers the adjustments for credit (counterparty) risk calculated for the instruments, in accordance with International Financial Reporting Standard 13 (CPC 46).

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	R$ Million											
	Notional ($ million)				**Fair value**			**Value at Risk**				
	September 30,				**September 30,**		**Realized Gain/Loss**	**September 30,**	**Fair value by year**			
Flow	**2014**	**December 31, 2013**	**Index**	**Average rate**	**2014**	**December 31, 2013**	**September 30, 2014**	**2014**	**2014**	**2015**	**2016**	**2017**
CDI vs. fixed rate swap												
Receivable	R$ 5,496	R$ 5,096	**CDI**	108.35%	5,814	5,601	469					
Payable	US$ 2,768	US$ 2,603	**US$ +**	3.71%	(6,992)	(6,557)	(273)					
Net					**(1,178)**	**(956)**	**196**	**76**	**(54)**	**(304)**	**(676)**	**(144)**
Adjusted Net for credit risk					**(1,184)**	**(963)**			**(54)**	**(305)**	**(680)**	**(145)**
CDI vs. floating rate swap												
Receivable	R$ 428	R$ 428	**CDI**	103.50%	436	446	42					
Payable	US$ 250	US$ 250	**Libor +**	0.99%	(616)	(596)	(8)					
Net					**(180)**	**(150)**	**34**	**6**		**(180)**		
Adjusted Net for credit risk					**(180)**	**(150)**				**(180)**		

Type of contracts: OTC Contracts

Protected item: Debts linked to BRL

The protected items are the debt instruments linked to BRL once the objective of this protection is to transform the obligations linked to BRL into obligations linked to US$ so as to achieve a currency offset by matching Vale s receivables (mainly linked to US$) with Vale s payables.

Protection program for the real denominated debt indexed to TJLP

- **TJLP vs. US$ fixed rate swap** In order to reduce the cash flow volatility, Vale entered into swap transactions to convert the cash flows of the loans with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) from TJLP(2) to US$. In those swaps, Vale pays fixed rates in US$ and receives payments linked to TJLP.

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

					R$ Million							
	Notional ($ million)			Average	Fair value		Realized Gain/Loss	Value at Risk	Fair value by year			
Flow	**September 30, 2014**	**December 31, 2013**	**Index**	**rate**	**September 30, 2014**	**December 31, 2013**	**September 30, 2014**	**September 30, 2014**	**2014**	**2015**	**2016**	**2017-2023**
Swap TJLP vs. fixed rate swap												
Receivable	R$ 6,079	R$ 6,456	**TJLP +**	1.37%	5,429	5,626	713					
Payable	US$ 3,089	US$ 3,310	**USD +**	1.98%	(7,420)	(7,431)	(595)					
Net					**(1,991)**	**(1,805)**	**118**	**233**	**(142)**	**(173)**	**(308)**	**(1,368)**
Adjusted Net for credit risk					**(2,106)**	**(1,881)**			**(142)**	**(174)**	**(313)**	**(1,477)**
Swap TJLP vs. floating rate swap												
Receivable	R$ 608	R$ 615	**TJLP +**	0.88%	526	525	45					
Payable	US$ 346	US$ 350	**Libor +**	-1.15%	(781)	(760)	(31)					
Net					**(255)**	**(235)**	**14**	**19**	**(108)**	**4**	**(5)**	**(146)**
Adjusted Net for credit risk					**(258)**	**(238)**			**(108)**	**4**	**(5)**	**(149)**

Type of contracts: OTC Contracts

Protected item: Debts linked to BRL

The protected items are the debt instruments linked to BRL once the objective of this protection is to transform the obligations linked to BRL into obligations linked to US$ so as to achieve a currency offset by matching Vale s receivables (mainly linked to US$) with Vale s payables.

Protection program for the Real denominated fixed rate debt

• **BRL fixed rate vs. US$ fixed rate swap:** In order to reduce the cash flow volatility, Vale entered into a swap transactions to convert the cash flows from loans rate with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) in BRL linked to fixed rate to US$ linked to fixed. In those swaps, Vale pays fixed rates in US$ and receives fixed rates in BRL.

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

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Flow	Notional ($ million) September 30, 2014	Notional ($ million) December 31, 2013	Index	Average rate	R$ Million Fair value September 30, 2014	R$ Million Fair value December 31, 2013	Realized Gain/Loss September 30, 2014	Value at Risk September 30, 2014	Fair value by year 2014	2015	2016	2017 - 2023
R$ fixed rate vs. US$ fixed rate swap												
Receivable	R$ 764	R$ 824	**Fix**	4.48%	672	723	109					
Payable	US$ 411	US$ 446	**US$ -**	-1.15%	(936)	(963)	(94)					
Net					**(264)**	**(240)**	**15**	**22**	**1**	**(56)**	**(154)**	**(55)**
Adjusted Net for credit risk					**(273)**	**(249)**			**1**	**(57)**	**(156)**	**(61)**

Type of contracts: OTC Contracts

Protected item: Debts linked to BRL

The protected items are the debt instruments linked to BRL once the objective of this protection is to transform the obligations linked to BRL into obligations linked to US$ so as to achieve a currency offset by matching Vale s receivables (mainly linked to US$) with Vale s payables.

Protection program for the Real denominated debt indexed to IPCA

- **IPCA vs. US$ fixed rate swap** In order to reduce the cash flow volatility, Vale entered into swap transactions to convert the cash flows from debt instruments denominated in BRL linked to IPCA into US$ on the debenture contracts issued by Vale in 2014 with a notional amount of BRL 1 billion. In those swaps, Vale pays fixed rates in US$ and receives payments linked to IPCA.

Flow	Notional ($ million) September 30, 2014	Notional ($ million) December 31, 2013	Index	Average rate	R$ Million Fair value September 30, 2014	R$ Million Fair value December 31, 2013	Realized Gain/Loss September 30, 2014	Value at Risk September 30, 2014	Fair value by year 2014	2015	2016	2017 - 2021
IPCA vs. US$ fixed rate swap												
Receivable	R$ 1,000			6.55%	1,095							

Payable	US$ 434		**IPCA + US$ +**	3.98%	(1,151)						
Net					**(56)**			**239**	**19**	**21**	**(96)**
Adjusted Net for credit risk					**(58)**				**19**	**21**	**(98)**

Type of contracts: OTC Contracts

Protected item: Debts linked to BRL

The protected items are the debt instruments linked to BRL once the objective of this protection is to transform the obligations linked to BRL into obligations linked to US$ so as to achieve a currency offset by matching Vale s receivables (mainly linked to US$) with Vale s payables.

Protection program for Euro denominated debt

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

					R$ million						
	Notional ($ million)				**Fair value**			**Value at Risk**			
	September 30,				**September 30,**		**Realized Gain/Loss**	**September 30,**	**Fair value by year**		
Flow	**2014**	**December 31, 2013**	**Index**	**Average rate**	**2014**	**December 31, 2013**	**September 30, 2014**	**2014**	**2014**	**2015**	**2016 - 2023**
Receivable	1,000	1,000	**EUR**	4.063%	3,616	3,585	1,731				
Payable	US$1,302	US$1,288	**US$**	4.511%	(3,580)	(3,306)	(1,707)				
Net					**36**	**279**	**24**	**53**		**(17)**	**53**
Adjusted Net for credit risk					**25**	**264**				**(17)**	**42**

Type of contracts: OTC Contracts

Protected item: Vale s Debt linked to EUR

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

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Foreign exchange hedging program for disbursements in Canadian dollars

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

	R$ million										
	Notional ($ million)				Fair value			Value at Risk			
Flow	September 30, 2014	December 31, 2013	Buy/ Sell	Average rate (CAD/USD)	September 30, 2014	December 31, 2013	Realized Gain/Loss September 30, 2014	September 30, 2014	Fair value by year 2014	2015	2016
Forward	CAD 327	CAD 786	**B**	1.022	**(73)**	**(90)**		**5**	**(21)**	**(49)**	**(3)**
Adjusted total for credit risk					**(73)**	**(90)**			**(21)**	**(49)**	**(3)**

Type of contracts: OTC Contracts

Hedged item: part of disbursements in Canadian Dollars

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

Commodity derivative positions

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

Nickel purchase protection program

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

	R$ million								
	Notional (ton)				Fair value			Value at Risk	
Flow	September 30, 2014	December 31, 2013	Buy/ Sell	Average Strike (US$/ton)	September 30, 2014	December 31, 2013	Realized Gain/Loss September 30, 2014	September 30, 2014	Fair value by year 2014
Nickel Futures	132	168	S	18,582	0.7	0.1	(2.9)	0.1	0.7
Adjusted total for credit risk					**0.7**	**0.1**			**0.7**

Type of contracts: LME contracts and OTC contracts

Protected item: part of Vale s revenues linked to nickel price.

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

Nickel fixed price program

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

	R$ million										
	Notional (ton)				Fair value			Value at Risk	Fair value by year		
Flow	September 30, 2014	December 31, 2013	Buy/ Sell	Average Strike (US$/ton)	September 30, 2014	December 31, 2013	Realized Gain/Loss September 30, 2014	September 30, 2014	2014	2015	2016
Nickel Futures	9,506	6,317	B	17,920	(37)	(5)	25	9	(6)	(28)	(3)
Adjusted total for credit risk					(37)	(5)			(6)	(28)	(3)

Type of contracts: LME contracts and OTC contracts

Protected item: part of Vale s revenues linked to fixed price sales of nickel.

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

Copper scrap purchase protection program

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

[redacted]

Forward	601,200	1,101,029	**S**	3.16	**0.2**	**(0.3)**	**0.1**	**0.1**	**0.2**

[redacted]

Type of contracts: OTC contracts

Protected item: of Vale s revenues linked to copper price.

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

Bunker Oil purchase protection program

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

[redacted]

Forward	1,287,500		**B**	586	**(105)**		**5**	**15**	

[redacted]

Type of contracts: OTC Contracts

Protected item: part of Vale s costs linked to bunker oil price

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

Bunker Oil purchase hedging program

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

					R$ million				
	Notional (ton)			**Average Strike**	**Fair value**		**Realized Gain/Loss**	**Value at Risk**	**Fair valu**
Flow	**September 30, 2014**	**December 31, 2013**	**Buy/ Sell**	**(US$/mt)**	**September 30, 2014**	**December 31, 2013**	**September 30, 2014**	**September 30, 2014**	**2014**
Forward	1,276,500	1,590,000	**B**	588	**(101)**	**(8)**	**(29)**	**14**	**(93**
Adjusted total for credit risk					**(101)**	**(8)**			**(93**

Type of contracts: OTC contracts

Protected item: part of Vale s costs linked to bunker oil price

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

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Sell of part of future gold production (copper subproduct)

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

	R$ million									
										Fair
	Notional (quantity)			Average Strike	Fair value		Realized Gain/Loss	Value at Risk		
Flow	September 30, 2014	December 31, 2013	Buy/ Sell	(US$/stock)	September 30, 2014	December 31, 2013	September 30, 2014	September 30, 2014		
Call Option	10,000,000	10,000,000	**B**	65	**70**	**93**		**6**		
Adjusted total for credit risk					**69**	**93**				

Embedded derivative positions

The Company s cash flow is also exposed to several market risks associated to contracts that contain embedded derivatives or derivative-like features. From Vale s perspective, it may include, but is not limited to, commercial contracts, procurement contracts, rental contracts, bonds, insurance policies and loans. The following embedded derivatives were observed in September 30, 2014:

Raw material and intermediate products purchase

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

	R$ million								
									Fai
	Notional (ton)			Average Strike	Fair value		Realized Gain/Loss	Value at Risk	
Flow	September 30, 2014	December 31, 2013	Buy/ Sell	(US$/ton)	September 30, 2014	December 31, 2013	September 30, 2014	September 30, 2014	

Nickel Forwards	3,356	2,111		18,564	(4.0)	0.1	26	
			S					
Copper Forwards	5,449	6,277		6,974	(1.8)	0.8	1	
Total					**(5.8)**	**0.9**	**27**	**4**

Gas purchase for pelletizing company in Oman

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

					R$ million				
	Notional (volume/month)			**Average Strike**	**Fair value**		**Realized Gain/Loss**	**Value at Risk**	**F**
Flow	**September 30, 2014**	**December 31, 2013**	**Buy/ Sell**	**(US$/ton)**	**September 30, 2014**	**December 31, 2013**	**September 30, 2014**	**September 30, 2014**	
Call Options	746,667	746,667	**S**	179.36	**(0.5)**	**(3.6)**		**1**	

a) **Market curves**

To build the curves used on the pricing of the derivatives, public data from BM&F, Central Bank of Brazil, London Metals Exchange (LME) and proprietary data from Thomson Reuters and Bloomberg were used.

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1. Commodities

Nickel

Maturity	Price (US$/ton)	Maturity	Price (US$/ton)	Maturity	Price (US$/ton)
SPOT	16,505.00	MAR15	16,384.78	SEP15	16,459.80
OCT14	16,266.11	APR15	16,406.65	SEP16	16,410.92
NOV14	16,291.46	MAY15	16,424.57	SEP17	16,299.97
DEC14	16,315.97	JUN15	16,436.36	SEP18	16,237.79
JAN15	16,340.42	JUL15	16,446.14		
FEB15	16,361.57	AUG15	16,456.00		
		SEP15			

Copper

Maturity	Price (US$/lb)	Maturity	Price (US$/lb)	Maturity	Price (US$/lb)
SPOT	3.01	MAR15	3.02	SEP15	3.01
OCT14	3.04	APR15	3.02	SEP16	2.99
NOV14	3.03	MAY15	3.01	SEP17	2.97
DEC14	3.03	JUN15	3.01	SEP18	2.95
JAN15	3.02	JUL15	3.01		
FEB15	3.02	AUG15	3.01		

Bunker Oil

Maturity	Price (US$/ton)	Maturity	Price (US$/ton)	Maturity	Price (US$/ton)
SPOT	560.89	MAR15	544.29	SEP15	546.34
OCT14	550.97	APR15	544.51	SEP16	547.49
NOV14	542.10	MAY15	544.75	SEP17	546.14
DEC14	540.79	JUN15	545.19	SEP18	549.78
JAN15	542.74	JUL15	545.65		
FEB15	543.53	AUG15	546.11		

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2. Rates

US$-Brazil Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
11/03/14	0.98	01/02/17	2.27	07/01/19	3.44
12/01/14	0.95	04/03/17	2.39	10/01/19	3.54
01/02/15	1.19	07/03/17	2.52	01/02/20	3.60
04/01/15	1.27	10/02/17	2.66	04/01/20	3.68
07/01/15	1.47	01/02/18	2.77	07/01/20	3.76
10/01/15	1.62	04/02/18	2.90	01/04/21	3.91
01/04/16	1.78	07/02/18	3.05	07/01/21	4.11
04/01/16	1.92	10/01/18	3.13	01/03/22	4.32
07/01/16	2.02	01/02/19	3.24	01/02/23	4.66
10/03/16	2.16	04/01/19	3.34	01/02/24	4.88

US$ Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	0.16	6M	0.32	11M	0.36
2M	0.20	7M	0.34	12M	0.37
3M	0.24	8M	0.35	2Y	0.83
4M	0.28	9M	0.35	3Y	1.33
5M	0.31	10M	0.36	4Y	1.75

TJLP

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
11/03/14	5.00	01/02/17	5.00	07/01/19	5.00
12/01/14	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	04/01/20	5.00
07/01/15	5.00	01/02/18	5.00	07/01/20	5.00
10/01/15	5.00	04/02/18	5.00	01/04/21	5.00
01/04/16	5.00	07/02/18	5.00	07/01/21	5.00
04/01/16	5.00	10/01/18	5.00	01/03/22	5.00
07/01/16	5.00	01/02/19	5.00	01/02/23	5.00
10/03/16	5.00	04/01/19	5.00	01/02/24	5.00

BRL Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
11/03/14	10.84	01/02/17	12.24	07/01/19	12.29
12/01/14	10.87	04/03/17	12.28	10/01/19	12.30
01/02/15	10.94	07/03/17	12.28	01/02/20	12.22
04/01/15	11.24	10/02/17	12.30	04/01/20	12.24
07/01/15	11.52	01/02/18	12.29	07/01/20	12.25
10/01/15	11.78	04/02/18	12.30	01/04/21	12.22
01/04/16	11.95	07/02/18	12.30	07/01/21	12.23
04/01/16	12.07	10/01/18	12.31	01/03/22	12.24
07/01/16	12.20	01/02/19	12.29	01/02/23	12.22
10/03/16	12.23	04/01/19	12.35	01/02/24	12.24

Implicit Inflation (IPCA)

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
11/03/14	6.76	01/02/17	6.58	07/01/19	6.10
12/01/14	6.79	04/03/17	6.49	10/01/19	6.09
01/02/15	6.86	07/03/17	6.40	01/02/20	6.01
04/01/15	7.15	10/02/17	6.33	04/01/20	6.01
07/01/15	7.42	01/02/18	6.27	07/01/20	6.02
10/01/15	7.66	04/02/18	6.23	01/04/21	5.97
01/04/16	7.31	07/02/18	6.20	07/01/21	5.97
04/01/16	7.08	10/01/18	6.17	01/03/22	5.96
07/01/16	6.92	01/02/19	6.13	01/02/23	5.92
10/03/16	6.73	04/01/19	6.17	01/02/24	5.91

EUR Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	0.01	6M	0.14	11M	0.17
2M	0.03	7M	0.15	12M	0.18
3M	0.06	8M	0.16	2Y	0.19
4M	0.10	9M	0.16	3Y	0.25
5M	0.12	10M	0.17	4Y	0.33

CAD Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	1.26	6M	1.37	11M	1.30
2M	1.26	7M	1.35	12M	1.29
3M	1.28	8M	1.33	2Y	1.46
4M	1.33	9M	1.32	3Y	1.69
5M	1.35	10M	1.31	4Y	1.90

Currencies - Ending rates

CAD/US$	0.8920	US$/BRL	2.4510	EUR/US$	1.2629

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Sensitivity analysis(3)

We present below the sensitivity analysis for all derivatives outstanding positions as of September 30, 2014 given predefined scenarios for market risk factors behavior. The scenarios were defined as follows:

- Fair Value: the fair value of the financial instruments position as at September 30, 2014;
- Scenario I: Potencial change in fair value considering a 25% deterioration of market curves for main underlying market risk factors;
- Scenario II: Potencial change in fair value considering a 25% evolution of market curves for main underlying market risk factors;
- Scenario III: Potencial change in fair value considering a 50% deterioration of market curves for main underlying market risk factors;
- Scenario IV: Potencial change in fair value considering a 50% evolution of market curves for main underlying market risk factors;

Sensitivity analysis Summary of the US$/BRL fluctuation debt, cash investments and derivatives

Sensitivity analysis - Summary of the US$/BRL fluctuation *Amounts in R$ million*

Program	Instrument	Risk	Scenario I	Scenario II	Scenario III	Scenario IV
Funding	Debt denominated in BRL	BRL fluctuation				
Funding	Non hedged debt denominated in US$	BRL fluctuation	13,565	(13,565)	27,129	(27,129)
Cash Investments	Cash denominated in BRL	BRL fluctuation				
Cash Investments	Cash denominated in US$	BRL fluctuation	2	(2)	5	(5)
Derivatives	Consolidated derivatives portfolio	BRL fluctuation	(4,474)	4,474	(8,947)	8,947
Net result			9,093	(9,093)	18,187	(18,187)

Sensitivity analysis Consolidated derivatives portfolio

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

[redacted]							
Protection program for the Real denominated debt indexed to CDI		BRL fluctuation		(1,748)	1,748	(3,496)	3,496
		USD interest rate inside Brazil variation	(1,184)	(47)	46	(95)	91
[redacted]	CDI vs. US$ fixed rate swap	Brazilian interest rate fluctuation		(20)	19	(42)	36
		USD Libor variation		(0.06)	0.06	(0.11)	0.11
		BRL fluctuation		(154)	154	(308)	308
	CDI vs. US$ floating rate swap	Brazilian interest rate fluctuation	(180)	(0.13)	0.12	(0.25)	0.24
		USD Libor variation		(0.14)	0.14	(0.28)	0.28
	Protected Items - Real denominated debt	BRL fluctuation	n.a.				
[redacted]							
		BRL fluctuation		(1,855)	1,855	(3,710)	3,710
[redacted]		USD interest rate inside Brazil variation	(2,106)	(120)	114	(248)	221
	TJLP vs. US$ fixed rate swap	Brazilian interest rate fluctuation		346	(306)	739	(577)
		TJLP interest rate fluctuation		(157)	154	(316)	303
		BRL fluctuation		(195)	195	(390)	390
		USD interest rate inside Brazil variation		(12)	11	(25)	21
	TJLP vs. US$ floating rate swap	Brazilian interest rate fluctuation	(258)	26	(23)	56	(42)
		TJLP interest rate fluctuation		(12)	12	(24)	23
		USD Libor variation		8	(8)	15	(15)
	Protected Items - Real denominated debt	BRL fluctuation	n.a.				
[redacted]							
Protection program for the Real denominated fixed rate debt	BRL fixed rate vs. US$ fixed rate swap	BRL fluctuation		(234)	234	(468)	468
		USD interest rate inside Brazil variation	(273)	(10)	10	(21)	19
		Brazilian interest rate fluctuation		33	(30)	70	(57)
	Protected Items - Real denominated debt	BRL fluctuation	n.a.				
[redacted]							
Protection program for the Real denominated debt indexed to IPCA	IPCA vs. US$ fixed rate swap	BRL fluctuation		(288)	288	(575)	575
		USD interest rate inside Brazil variation		(28)	25	(58)	49
		Brazilian interest rate fluctuation	(58)	148	(125)	324	(231)
		IPCA index fluctuation		(69)	74	(135)	152
		USD Libor variation		(10)	9	(20)	18
	Protected Items - Real denominated debt	BRL fluctuation	n.a.				
[redacted]							
Protection Program for the Euro denominated debt	EUR fixed rate vs. US$ fixed rate swap	EUR fluctuation	25	(904)	904	(1,808)	1,808
		EUR Libor variation		33	(31)	66	(62)
		USD Libor variation		(77)	70	(161)	135
	Protected Items - Euro denominated debt	EUR fluctuation	n.a.	904	(904)	1,808	(1,808)
[redacted]							
Foreign Exchange hedging program for disbursements in Canadian dollars (CAD)		CAD fluctuation	[redacted]				