Vale S.A.
Form 6-K
March 26, 2010

Table of Contents

United States
Securities and Exchange Commission
Washington, D.C. 20549
FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the
Securities Exchange Act of 1934
For the month of
March 2010
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 þ 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 þ

(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 þ

(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 þ

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

TABLE OF CONTENTS

Table of Contents

Press Release

CVM FORM ITEM 10
FINANCIAL STATUS AND GENERAL ASSETS

As a producer of minerals and metals, we have as end consumers of our products primarily the manufacturing and construction industries, two of the most cyclical components of economic activity and thus most severely affected by recessions, as occurred as of the second half of 2008. In addition, being the only truly global supplier of iron ore, the large fall in capacity utilization of steel mills in the Americas and Europe produced a shock in our sales performance.

If, on the one hand, severe economic downturns usually cause serious negative effects on financial and operational performance, on the other hand they create extraordinary opportunities for companies that embrace change and structural transformation.

Vale has leveraged its competitive advantages low-cost world-class assets, a healthy balance sheet, a large pool of liquidity, discipline in capital allocation, a highly skilled and motivated labor force and entrepreneurial spirit to launch several initiatives to make it stronger in the future, seeking to reduce costs on a permanent basis and raise efficiency. No investment project was cancelled, new growth options were identified and our growth potential was enhanced.

The financial results of Vale in 2009 suffered the effects of the global recession of 2008/2009. Despite the weaker performance compared to previous years, our results remained solid. In 2009, operating revenue reached R$49.812 billion, against R$72.766 billion in 2008, and R$66.385 billion in 2007.

GROSS REVENUE BREAKDOWN

Business segments	**2007**	**2008**	**2009**
Ferrous minerals	45.3%	60.2%	60.7%
Non-ferrous minerals	46.6%	30.5%	29.2%
Logistics	5.3%	5.0%	5.7%
Coal	0.4%	1.5%	2.0%
Other	2.4%	2.8%	2.4%

In 2009, operating profit, as measured by EBIT (earnings before interests and taxes) was R$13.181 billion, and operating margin of 27.2%, compared to 42.3% and 45.3% in 2008 and 2007, respectively. Cash generation, as measured by EBITDA (earnings before interests, taxes, depreciation and amortization) was R$18.649 billion.

SELECTED FINANCIAL INDICATORS

R$ million	2007	2008	2009
Operating revenue	66,385	72,766	49,812
EBIT	29,315	29,847	13,181
EBIT Margin(%)	45.3%	42.3%	27.2%
EBITDA	33,619	35,022	18,649
Net earnings	20,006	21,279	10,249
Shareholder remuneration	3,574	5,558	5,299
ROE (%)	35.1%	22.1%	10.7%

CAPITAL STRUCTURE

On December 31, 2009, Vale s stockholders equity was R$95.737 billion. On the same date, total debt added to our obligations to related parties totaled R$42.077 billion, cash holdings1 amounted to R$19.746 billion, including R$6.525 billion in investment in low risk fixed income securities with maturities ranging from 91 to 360 days and average maturity of 116 days. On December 31, 2009, total debt and related parties / stockholders equity and minority interest index was 41.4%, compared to 44.3% and 58.0% on December 31, 2008 and 2007, respectively.

On December 31, 2008, Vale s stockholders equity was R$96.275 billion, total debt was R$45.365 billion and cash holdings[1] was R$30.033 billion. On December 31, 2007, stockholders equity was R$57.030 billion, total debt R$35.806 billion and cash holdings[1] R$2.128 billion.

Vale does not have redeemable shares, has no plans to reduce capital and there is no share buyback program in progress.

ABILITY TO PAY FINANCIAL COMMITMENTS

Vale enjoys an outstanding financial position, underpinned by its powerful cash flow, large cash holdings, availability of credit lines and low-risk debt portfolio. Such position provides comfort as to our ability to pay our financial commitments.

On December 31, 2009, debt leverage, as measured by total debt/EBITDA, increased to 2.3x, compared to 1.3x and 1.1x on December 31, 2008 and 2007, respectively. The higher leverage reflects the effect of the global recession on our financial performance. At this point of the economic cycle as the recovery has not yet fed into the last twelve month cash flow generation, we deem our current debt leverage to be at an appropriate level.

[1] Includes cash and cash equivalents and short term investments.

Table of Contents

December 31, 2009, total debt/enterprise value ratio was 15.1%, while interest coverage, measured by EBITDA/ interest payment ratio, came to 7.81x.

DEBT INDICATORS

R$ million	**2007**	**2008**	**2009**
Total debt	35,806	45,365	42,077
Cash holdings*	2,128	30,033	19,746
Net debt	33,678	15,332	22,331
Total debt / EBITDA (x)	1.1	1.3	2.3
EBITDA / interest payment (x)	12.7	14.24	7.81
Total debt / EV	11.8%	28.4%	15.1%

* Includes short term investments

SOURCE OF FINANCING FOR WORKING CAPITAL AND INVESTMENTS IN NON-CURRENT ASSETS

Our principal sources of funds are operating cash flow, loans and financing and notes offerings, convertible or not. Additionally, in 2008, we conducted a global offering of shares which allowed a net inflow of R$19.273 billion. Operational activities generated cash flows of R$11.538 billion in 2009 against R$32.187 billion and R$20.347 billion in 2008 and 2007, respectively. Operational cash flows have grown steadily over recent years up to 2008, driven by sales volumes and increases in the price of our products. In 2009 this growth cycle was interrupted due to the negative effects of the global recession on prices and sales volumes.

Among the most important operations in the last three years, there were:

In November 2009, our wholly owned finance subsidiary Vale Overseas Limited (Vale Overseas) issued US$1 billion (equivalent to R$1.7 billion[2]) of 30-year notes guaranteed by Vale. These notes bear interest at 6.875% per year, payable semi-annually and will mature in November 2039.

In September 2009, Vale Overseas also issued US$1 billion (equivalent to R$1.8 billion[2]) of 10-year notes guaranteed by Vale. These notes bear interest at 5.625% per year, payable semi-annually and will mature in September 2019.

In July 2009, our wholly owned finance subsidiary Vale Capital II issued US$942 million (equivalent to R$1.858 billion[2]) of mandatorily convertible notes due 2012. These notes mature on June, 2012, and mandatorily convertible into American Depositary Shares (ADS) of Vale. Additional remuneration will be payable based on the net amount of cash distributions paid to ADS holders.

[2] Value converted by the R$/US$ Exchange rate on the date of the operation.

Table of Contents

In May 2008, we entered into agreements with the Japan Bank for International Cooperation (JBIC) and Nippon Export and Investment Insurance (NEXI), both long-term Japanese financing agencies, for the financing of the mining, logistics and power generation projects to be developed under Vale s investment program for 2008-2012. JBIC actively considers providing its support by financing up to US$3 billion (equivalent to R$5.224 billion[3]) and NEXI will provide loan insurance in an amount not exceeding US$2 billion (equivalent to R$3.482 billion[3]). Vale s projects to be financed shall meet the eligibility criteria agreed by those Japanese financial institutions.

In November 2009, we entered into a US$300 million (equivalent to R$522 million[4]) export facility agreement with Japanese financial institutions, using credit insurance provided by NEXI, to finance the construction of the Karebbe hydroelectric power plant on the Larona River in Sulawesi, Indonesia. As of December 31, 2009, we had drawn US$150 million (R$261 million[4]) under this facility.

In April 2008, we established a credit line for R$7.3 billion with Banco Nacional de Desenvolvimento Econômico e Social BNDES (the Brazilian National Development Bank) to help finance our investment program for 2008-2012. As of December 31, 2009, we had drawn the equivalent of R$1.554 billion under this facility.

In January 2008, Vale entered into a transaction with BNDES to finance working capital in the amount of R$2 billion.

In June 2007, Vale issued US$1.880 billion (equivalent to R$3.601 billion[4]) of mandatorily convertible notes due 2010 through its wholly-owned subsidiary Vale Capital Limited. These notes mature on June 2010 and are mandatorily convertible into ADS. Additional interest will be payable based on the net amount of cash distributions paid to ADS holders.

In January 2007, we obtained through our subsidiary Vale International US$6 billion (equivalent to R$10.44 billion[4]) as Anticipated Export Payments from a banking syndicate led by the Bank of New York and guaranteed by Vale. This line of financing is due in July 2013, and on December 31, 2009, the balance due was US$3.9 billion (equivalent to R$6.79 billion[4]).

3 Value converted by the R$/US$ Exchange rate on the date the agreement was signed.

4 Value converted by the R$/US$ Exchange rate on the date of the operation.

Table of Contents

POTENTIAL SOURCES OF FINANCING USED FOR WORKING CAPITAL AND FOR INVESTMENTS IN NON-CURRENT ASSETS

In the ordinary course of business Vale s primary resource requirements are connected to capital investments, dividend payments and debt servicing. Sources of financing frequently used are: operational cash flow and financing which we complemented in 2007-2009 with a global share offering and two mandatorily convertible notes.

Also, the main source of financing for covering liquidity shortfall are the credit lines related to export operations, as offered by local banks (Advances on Exchange Contracts ACCs and Advances on Exchanges Delivered ACEs).

Vale also has revolving credit lines available. On December 31 2009, the amount available involving credit lines was US$1.9 billion (equivalent to R$3.308 billion5), of which US$1,150 billion (equivalent to R$2.002 billion5) made available to our wholly-owned subsidiary Vale International and the rest to Vale Inco. Until December 31 2009, nothing had been drawn down by Vale International or by wholly-owned subsidiary Vale Inco. However, letters of credit amounting to US$115 million (equivalent to R$200 million5) were issued related to Vale Inco s credit line.

DEBT: LEVEL AND COMPOSITION

On December 31 2009, total debt amounted to R$42.077 billion with R$1.252 billion guaranteed by Vale assets with average tenure of 9.2 years and average cost of 5.3% per year, in US dollars.

DEBT STRUCTURE

R$ million	**2007**	**2008**	**2009**
Total debt	35,806	45,365	42,077
Amount guaranteed by Vale s assets	1,041	1,166	1,252
Average maturity (in years)	10.7	9.3	9.2
Average cost (in US dollars)	6.1%	5.6%	5.3%

Since July 2005 Vale has been classified as investment grade. At present it has the following credit risk classifications: BBB+ (Standard & Poor s), Baa2 (Moody s), BBB high (Dominion Bond Ratings) e BBB (Fitch).

Short term debt is made up chiefly of trade financing denominated in US dollars basically in the form of ACCs and ACEs with financial institutions. On December 31 2009, short term debt amounted to R$646 million against R$1,088 billion and R$1,007 billion in 2008 and 2007, respectively.

[5] Value converted by the R$/US$ Exchange rate on the date of the operation.

Table of Contents

The most important long term debt categories are presented below. The amounts indicated include the short term component in the long term debt but do not include accumulated costs.

LONG TERM DEBT(*)

R$ million	**2007**	**2008**	**2009**
Loans and financing denominated in US dollars[6]	11,949	16,241	14,519
Fixed rate notes denominated in US dollars[6]	11,841	15,214	12,851
Securitization notes denominated in US dollars[6]	457	477	261
Non-convertible debentures denominated in Brazilian reais	5,916	5,987	6,013
Perpetual notes denominated in Brazilian reais	155	194	136
Other debt denominated in Brazilian reiais	3,895	5,437	7,151
Total	34,213	43,550	40,931

(*) Does not include taxes

Some of the long term financial instruments contain obligations related to the maintenance of certain parameters for specific financial indicators. The main indicators are: Total debt / stockholder s equity, total debt / EBITDA and interest coverage (EBITDA / interest payments). Vale conforms to all the required parameters for these indicators. We believe that the present clauses do not restrict in any meaningful way our capacity to take on new debt in order to meet our capital requirements. Additionally, none of the clauses restricts directly our capacity to distribute dividends or interest on own capital.

[6] Values converted at the average exchange rate in each period: R$1,9483/US$in 2007, R$1,8375/US$ in 2008 and R$1,9935/US$ in 2009.

6

Table of Contents

RESULTS OF OPERATIONS IN 2009, 2008 AND 2007

Demand and prices

The following table summarizes our average sale price by product for the periods indicated.

	Average sale price		
	2007	2008	2009
	(R$/metric, except when designated)		
Iron ore	88,32	123,70	111,68
Pellets	153,18	242,11	147,10
Manganese ore	209,13	643,97	293,33
Ferroalloys	2555,16	4978,89	2782,99
Nickel	72948,79	39804,18	29114,28
Copper	12880,74	11633,34	10430,54
Kaolin	381,63	356,59	431,87
Potash	514,53	1086,29	1040,10
Platinum (R$ /oz)	2560,55	2861,12	2142,16
Cobalt (R$ /lb)	47,85	56,98	20,01
Aluminium	5425,43	5155,77	3364,63
Alumina	660,01	640,22	451,70
Bauxite	70,29	76,20	68,12
Coal			
Thermal coal	104,68	156,89	132,84
Metallurgical coal	131,26	313,39	230,48

Iron ore and iron ore pellets

Demand for our iron ore and iron ore pellets is a function of global demand for carbon steel. Demand for carbon steel, in turn, is strongly influenced by global industrial production. Iron ore and iron ore pellets have a wide array of quality levels and physical characteristics. Various factors influence price differences among the various types of iron ore, such as the iron content of specific ore deposits, particle size, moisture content, and the type and concentration of contaminants (such as phosphorus, alumina and manganese) in the ore. Fines, lump ore and pellets typically command different prices.

In general, most of our iron ore and pellet sales are made pursuant to long-term supply contracts, with annual price adjustments negotiated between producers and clients. More recently, there is a tendency for an increased flexibility in sales prices of iron ore in the short term, responding more quickly to demand and global supply. In 2009, reference prices for iron ore fines decreased 28.2% and prices for our iron ore pellets were 44.5% lower than in 2008. Carajás iron ore fines were priced at a premium over the 2009 reference price for fines from the Southeastern and Southern Systems.

Chinese iron ore imports in 2009 reached an all-time high figure of 627.8 million metric tons, up 41.6% on a year-on-year basis, driven by steel production growth and the increasing reliance on imported iron ore.

Table of Contents

We expect Chinese imports to remain at a high level in 2010 primarily due to strength in the final demand for carbon steel. The increase in capacity utilization rates of the steel industry in Japan, Korea, Brazil and Europe, although somewhat below pre-crisis levels, coupled with very large Chinese import volumes, has produced a dramatic change in the global iron ore market from surplus to excess demand, and these conditions should persist.

Manganese and ferroalloys

The prices of manganese ore and ferroalloys are influenced by trends in the carbon steel market. Ferroalloy prices are also influenced by the prices of the main production inputs, such as manganese ore, energy and coke. Price negotiations for manganese ore are held mainly on a spot or quarterly basis. Ferroalloy prices are settled on a quarterly basis.

Nickel

Nickel is an exchange-traded metal, listed on the London Metal Exchange (LME). It is mainly used to produce stainless steel, corresponding on average to 60-65% of global nickel consumption. Most nickel products are priced according to a discount or premium to the LME price, depending on the nickel product s physical and technical characteristics. Nickel demand for sources of consumption other than stainless steel production represents approximately 35-40% of global nickel consumption.

We have short-term fixed-volume contracts with customers for the majority of our expected annual nickel sales. These contracts, together with our sales for non-stainless steel applications (alloy steels, high nickel alloys, plating, and batteries) provide stable demand for a significant portion of our annual production. As a result of our focus on such higher-value segments, 60% of our sales were made into non-stainless steel applications, and our average realized nickel prices have typically exceeded LME.

We expect a strong demand for nickel during 2010. Chinese stainless steel production is picking up in 2010 and the same is happening in other major Asian producers, such as Japan, Korea and Taiwan. In North America and Europe utilization rates are increasing moderately. The consumption *per capita* of stainless steel in rapidly expanding emerging economies is still low and there is high growth potential from other demand sources besides stainless steel. Nickel demand for plating is expanding as a consequence of the recovery of the automobile industry. At the same time, there is also demand growth for non-stainless steel applications originating from turbines for power generation, and the electronics and rechargeable batteries industries.

Aluminum

Our sales of aluminum are made at prices based on prices on the LME or the New York Mercantile Exchange (NYMEX) at the time of delivery. Our prices for bauxite and alumina are determined by a formula linked to the price of aluminum for three-month futures contracts on the LME and to the price of alumina FOB Australia.

Copper

Growth in copper demand in recent years has been driven primarily by Chinese imports. Copper prices are determined on the basis of prices of copper metal on terminal markets, such as the LME and the Commodity Exchange (COMEX). In the case of intermediate products, prices are determined on the basis of LME copper prices discounted by treatment charges, in the case of copper concentrate, and refining charges, in the case of copper anode.

Table of Contents

As the global economic recovery is broadening and strengthening, copper consumption is expanding at a brisk pace. In the face of the structural limitations to the supply growth of concentrates, there is fundamental support for the persistence of a relatively high price level.

Coal

Demand for metallurgical coal is driven by demand for steel, especially in Asia. Demand for thermal coal is closely related to electricity consumption, which will continue to be driven by global economic growth, particularly from emerging market economies. Price negotiations for metallurgical coal are mainly held on an annual basis. Price negotiations for thermal coal are held both on a spot and annual basis.

Logistics

Demand for our transportation services in Brazil is primarily driven by Brazilian economic growth, mainly in the agricultural and steel sectors. We earn our logistics revenues primarily from fees charged to customers for the transportation of cargo via our railroads, port and ships. Our railways generate most of these revenues. Nearly all of our logistics revenues are denominated in Brazilian reais and subject to adjustments for changes in fuel prices. Prices in the Brazilian market for railroad services are subject to ceilings set by the Brazilian regulatory authorities (ANTT), but they primarily reflect competition with the trucking industry.

Production capacity

Capacity expansions are a key factor affecting our revenues. For more information about our expansion projects, see *Investments* section.

Currency price changes

A decline in the value of the US dollar tends to result in: lower operating margins and higher financial results due to exchange gains on our net US dollar-denominated liabilities and fair value gains on our currency derivatives.

Most of our revenues are denominated in US dollars, while most of our costs of goods sold are denominated in other currencies, principally the Brazilian real (62% in 2009) and the US dollar (17% in 2009). As a result, changes in exchange rates affect our operating margins.

Most of our long-term debt is denominated in US dollars. Because our functional currency is the Brazilian real, changes in the value of the US dollar against the Brazilian real result in exchange gains or losses on our net liabilities in our financial results.

[7] From the beginning to the end of the year the Brazilian real appreciated 34.2% against the US dollar.

In December 31, 2009, we had real-denominated debt of R$13.300 billion. Since most of our revenue is in US dollars, we use derivatives to convert our debt service from Brazilian reais to US dollars. As a consequence of the appreciation of the *real* in relation to the US dollar[7], exchange rate and monetary variation caused a net positive impact on net income of R$1.580 billion in 2009. The net result of the currency and interest rate swaps, structured mainly to convert the Brazilian real-denominated debt into US dollar to protect our cash flow from currency price volatility, produced a positive effect of R$3.118 billion in 2009, of which R$463 million generated a positive impact on the cash flow.

Revenues

Operating revenues totaled R$49.812 billion in 2009, falling 31.5% in comparison to 2008, when operating revenue reached a historical record of R$72.766 billion.

Individually, the most important products in terms of revenue generation in 2009 were: iron ore, nickel, pellets, railroad transportation of general cargo for third parties, alumina and copper.

OPERATING REVENUE BY PRODUCT

R$ million	**2007**	**%**	**2008**	**%**	**2009**	**%**
Ferrous minerals	**30,075**	**45.3**	**43,821**	**60.2**	**30,212**	**60.7**
Iron ore	22,065	33.3	31,113	42.8	25,234	50.7
Pellet plant operation services	78	0.1	48	0.1	18	0.0
Pellets	6,268	9.4	9,813	13.5	3,869	7.8
Manganese	145	0.2	454	0.6	275	0.6
Ferroalloys	1,225	1.8	1,886	2.6	693	1.4
Others	294	0.4	507	0.7	123	0.2
Non-ferrous minerals	**30,945**	**46.6**	**22,167**	**30.5**	**14,570**	**29.2**
Nickel	19,692	29.7	10,564	14.5	6,457	13.0
Copper	3,832	5.8	3,597	4.9	2,232	4.5
Kaolin	458	0.7	379	0.5	346	0.7
Potash	343	0.5	506	0.7	810	1.6
PGMs	663	1.0	700	1.0	291	0.6
Precious metals	166	0.2	199	0.3	133	0.3
Cobalt	262	0.4	379	0.5	84	0.2
Aluminum	3,077	4.6	2,793	3.8	1,687	3.4
Alumina	2,136	3.2	2,753	3.8	2,337	4.7
Bauxite	316	0.5	297	0.4	193	0.4
Coal	**303**	**0.4**	**1,094**	**1.5**	**1,002**	**2.0**
Logistics services	**3,497**	**5.3**	**3,666**	**5.0**	**2,838**	**5.7**
Railroads	2,879	4.3	3,075	4.2	2,322	4.7
Ports	618	0.9	591	0.8	516	1.0
Others	**1,565**	**2.4**	**2,018**	**2.8**	**1,191**	**2.4**
Total	**66,385**	**100**	**72,766**	**100**	**49,812**	**100**

In 2009, in terms of the geographical distribution of our sales destination, more than half of our operating revenues originated from sales to Asia. China continued to be the main destination of our sales, followed by Brazil, Japan, the United States, Germany and Canada.

Table of Contents

OPERATING REVENUE BY DESTINATION

R$ million	2007	%	2008	%	2009	%
North America	**11,126**	**16.8**	**9,003**	**12.4**	**4,138**	**8.3**
USA	7,112	10.7	5,765	7.9	2,264	4.5
Canada	3,626	5.5	2,779	3.8	1,832	3.7
Others	388	0.6	459	0.6	42	0.1
South America	**11,522**	**17.4**	**13,972**	**19.2**	**8,507**	**17.1**
Brazil	9,672	14.6	11,845	16.3	7,758	15.6
Others	1,850	2.8	2,127	2.9	749	1.5
Asia	**27,520**	**41.4**	**29,255**	**40.2**	**27,709**	**55.6**
China	11,607	17.5	13,270	18.2	18,379	36.9
Japan	7,522	11.3	8,856	12.2	4,709	9.5
South Korea	2,879	4.3	2,764	3.8	1,783	3.6
Taiwan	3,373	5.1	1,734	2.4	1,365	2.7
Others	2,139	3.2	2,632	3.6	1,474	3.0
Europe	**14,272**	**21.5**	**17,549**	**24.1**	**8,081**	**16.2**
Germany	3,673	5.5	4,667	6.4	2,118	4.3
Belgium	1,342	2.0	1,647	2.3	661	1.3
France	1,470	2.2	1,560	2.1	661	1.3
United Kingdom	2,155	3.2	2,306	3.2	1,103	2.2
Italy	1,223	1.8	1,593	2.2	650	1.3
Others	4,409	6.6	5,776	7.9	2,888	5.8
Rest of the World	**1,945**	**2.9**	**2,987**	**4.1**	**1,377**	**2.8**
Total	**66,385**	**100**	**72,766**	**100**	**49,812**	**100**

Table of Contents

SELECTED FINANCIAL DEMONSTRATIONS

Balance sheet

	on December 31 (R$ billion)		
	2007	**2008**	**2009**
Assets			
Current	21.153	56.059	38.258
Long-term	4.962	5.125	7.604
Investments	1.869	2.442	4.590
Intangible assets	14.316	10.727	10.127
Property, plant and equipment	90.599	110.494	115.160
Total	**132.899**	**184.847**	**175.739**
Liabilities and stockholders equity			
Current	19.347	18.639	17.416
Long term	51.839	63.852	56.778
Minority interest	**4.683**	**6.081**	**5.808**
Stockholders equity			
Paid-up capital	28	47.434	47.434
Cost with capital increase		-161	-161
Resources linked to the future mandatory conversion in shares	3.064	3.064	4.587
Equity and Cumulative translation adjustments		5.990	-2.925
Revenue reserves	25.966	39.948	46.802
Total Stockholders equity	**57.030**	**96.275**	**95.737**
Total Liabilities and Stockholders equity	**132.899**	**184.847**	**175.739**

Statement of Income

	on December 31 (R$ billion)		
	2007	**2008**	**2009**
Net operating revenues	64.764	70.541	48.496
Cost of products and services	-30.084	-32.156	-27.720
Selling and Administrative	-2.55	-3.618	-2.369
Research and development	-1.397	-2.071	-1.964
Impairment		-2.447	
Other operating expenses, net	-1.418	-2.849	-3.262
Operating profit	**29.315**	**27.400**	**13.181**
Equity results	-1.101	104	116
Amortization of goodwill	-1.304	-1.429	
Financial results, net	277	-3.838	1.952
Gain (loss) on disposal of assets	1.458	139	93
Income before income tax and social contribution	**28.645**	**22.376**	**15.342**
Income tax and social contribution	-7.085	-665	-4.925
Minority interest	-1.554	-432	-168
Net income	**20.006**	**21.279**	**10.249**

Table of Contents

BALANCE SHEET ANALYSIS 2009 COMPARED WITH 2008

Vale has assets and debts denominated in different currencies such as the Brazilian real, the US dollar and Canadian dollars. On December 31 2009, 54% of assets were denominated in Brazilian reais, 24% in US dollar, 20% in Canadian dollar and 2% in other currencies. However the debt is mainly denominated in US dollars. Consequently, the effects of exchange rate variations have an impact on the financial statements, especially the US dollar, which in 2009 suffered a 25.5% depreciation compared with the Brazilian Real.

During 2009 Vale made acquisitions which resulted in an increase in assets in the order of R$3 billion, as described in the section *Disposals, Incorporations or Acquisition of Equity Interest.*

Within the context of the above