

Vale S.A.  
Form 6-K  
November 06, 2013  
[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**

**November, 2013**

**Vale S.A.**

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

(Address of principal executive office)

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

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

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

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

(Check One) Yes  No

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

(Check One) Yes  No

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

(Check One) Yes  No

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

---

Table of Contents

**Interim Financial Statements**

**September 30, 2013**

**IFRS**

Filed with the CVM, SEC and HKEx on

November 6, 2013

Table of Contents

Vale S.A.

**Index to the Interim Financial Statements**

	<b>Page</b>
<u>Report of Independent Registered Public Accounting Firm</u>	4
<u>Condensed Consolidated Balance Sheets as of September 30, 2013, December 31, 2012 and January 1st, 2012</u>	5
<u>Condensed Consolidated Statements of Income for the Three-month period ended September 30, 2013 and September 30, 2012 and Nine-month period ended September 30, 2013 and September 30, 2012</u>	7
<u>Condensed Consolidated Statements of Other Comprehensive Income for the Three-month period ended September 30, 2013 and September 30, 2012 and Nine-month period ended September 30, 2013 and September 30, 2012</u>	8
<u>Condensed Consolidated Statements of Changes in Stockholders' Equity for the Nine-month period ended September 30, 2013 and September 30, 2012</u>	9
<u>Condensed Consolidated Statements of Cash Flow for the Nine-month period ended September 30, 2013 and September 30, 2012</u>	10
<u>Selected Notes to the Interim Financial Statements</u>	11

Table of Contents

**Vale S.A.**

**Condensed consolidated interim financial statements at September 30, 2013 and**

**Report of independent registered public accounting firm**

Table of Contents

**Report of independent registered public accounting firm**

To the Board of Directors and Stockholders

Vale S.A.

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

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

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

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

Rio de Janeiro, November 6, 2013

PricewaterhouseCoopers

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

Audidores Independentes

CRC 2SP000160/O-5 F RJ

Ivan Michael Clark

CRC 1MG061100/O-3 S RJ

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

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

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

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

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States Dollars

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



(i) Period adjusted according to note 4.

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States Dollars

(continued)

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

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

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

(i) Period adjusted according to note 4.

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

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

In millions of United States Dollars, except as otherwise stated

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

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

(i) Period adjusted according to note 4.

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

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

In millions of United States Dollars

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

---

(i) Period adjusted according to note 4.

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

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

In millions of United States Dollars

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



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

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

(i) Period adjusted according to note 4.

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

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

In millions of United States Dollars

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

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

---

(i) Period adjusted according to note 4.

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

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

Table of Contents

**Selected Notes to Interim Financial Statements**

**Expressed in millions of United States Dollars, unless otherwise stated**

**1. Operational Context**

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

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

The information by business segment is presented in note 26.

**2. Summary of the Main Accounting Practices and Accounting Estimates**

**a) Basis of preparation**

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

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

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

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

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

### **b) Functional currency and presentation currency**

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

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

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

Table of Contents

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

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

### 3. Critical Accounting Estimates

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

### 4. Changes in accounting policies

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

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

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

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

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

Table of Contents

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

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



<b>Discontinued Operations (note 12)</b>	<b>18</b>		<b>18</b>
<b>Net income</b>	<b>1,560</b>	<b>(4)</b>	<b>1,556</b>
Net loss attributable to noncontrolling interests	(82)		(82)
<b>Net income attributable to stockholders</b>	<b>1,642</b>	<b>(4)</b>	<b>1,638</b>

---

(i) Period adjusted according to note 12.

Table of Contents

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

(i) Period adjusted according to note 12.

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

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



Table of Contents

**5. Accounting Standards**

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

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

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

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

**6. Risk Management**

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

**7. Acquisitions and Divestitures**

**a) Divestitures of Araucaria**

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

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

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

	<b>(unaudited)</b>
Sale price	234
Working capital adjustments	28
<b>Total amount to receive</b>	<b>262</b>

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

### b) Acquisition of additional participation in the Belvedere

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

### 8. Cash and Cash Equivalents

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

Table of Contents**9. Accounts Receivables**

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

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

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

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

**10. Inventories**

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

The inventories of products are comprised as follows:

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

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

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

Table of Contents

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

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

**11. Recoverable Taxes**

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

**12. Discontinued operations**



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

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

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

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

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

Table of Contents

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

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

(i) Period adjusted according to note 4.

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

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

**13. Financial instruments - investments**

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

**14. Investments**

The main consolidated operating subsidiaries are:

Entities	% ownership	% voting capital	Location	Principal activity
Compañia Minera Miski Mayo S.A.C	40.00	51.00	Peru	Fertilizers
Mineração Corumbaense Reunida S.A.	100.00	100.00	Brazil	Iron ore and Manganese
PT Vale Indonesia Tbk	59.20	59.20	Indonesia	Nickel
Sociedad Contractual Minera Tres Valles	90.00	90.00	Chile	Copper
Vale Australia Pty Ltd.	100.00	100.00	Australia	Coal
Vale Canada Limited	100.00	100.00	Canada	Nickel
Vale Fertilizantes S.A	100.00	100.00	Brazil	Fertilizers
Vale International Holdings GmbH	100.00	100.00	Austria	Holding and Research
Vale International S.A	100.00	100.00	Switzerland	Trading
Vale Manganês S.A.	100.00	100.00	Brazil	Manganese and Ferroalloys
Vale Mina do Azul S.A.	100.00	100.00	Brazil	Manganese
Vale Moçambique S.A.	95.00	95.00	Mozambique	Coal
Vale Nouvelle-Calédonie SAS	80.50	80.50	New Caledonia	Nickel
Vale Oman Pelletizing Company LLC	70.00	70.00	Oman	Pellet
Vale Shipping Holding PTE Ltd.	100.00	100.00	Singapore	Logistics of iron ore

Table of Contents

The following entities are involved in General Cargo Logistics:

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

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

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

Table of Contents**Investments (Continued)**

Location	Relationship	% ownership	% voting capital	Investments		Equity results (unaudited)				Received dividends	
				As of September 30, 2013 (unaudited)	As of December 31, 2012 (i)	Three-month period ended September 30, 2013	Three-month period ended September 30, 2012 (i)	Three-month period ended September 30, 2013	Three-month period ended September 30, 2012 (i)		
<b>Bulk Material</b>											
<b>Iron Ore and pellets</b>											
Baovale Mineração S.A. - BAOVALE	Brazil	Joint venture	50.00	50.00	28	28		2	3	4	1
Companhia Nipo-Brasileira de Pelotização - NIBRASCO (c)	Brazil	Joint Venture	51.00	51.11	155	178	2	13	7	22	
Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (c)	Brazil	Joint Venture	50.89	51.00	85	104		3	(2)	34	
Companhia Coreano-Brasileira de Pelotização - KOBRASCO (c)	Brazil	Joint Venture	50.00								