Vale S.A.
Form 6-K
April 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

April, 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

March 31, 2014

BR GAAP

Filed with the CVM, SEC and HKEx on

April 30, 2014

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Vale S.A.

Index to the Interim Financial Statements

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(A free translation of the original in Portuguese)

Report on review of condensed interim financial statements

To the Board of Directors and Stockholders

Vale S.A.

Introduction

We have reviewed the accompanying condensed interim balance sheet of Vale S.A. (the Company) as at March 31, 2014 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended.

We have also reviewed the accompanying condensed interim consolidated balance sheet of Vale S.A. and its subsidiaries (Consolidated) as at March 31, 2014 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows and for the three-month period then ended.

Management is responsible for the preparation and fair presentation of these parent company condensed interim financial statements in accordance with accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and for the consolidated condensed interim financial statements in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion on the parent company condensed interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 Demonstração Intermediária .

Conclusion on the consolidated condensed interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 - Demonstração Intermediária and IAS 34 - Interim Financial Reportin.

Other matters

Interim statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the three-month period ended March 31, 2014. These statements are the responsibility of the Company s management, and are presented as supplementary information. These statements have been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in a manner consistent with the condensed interim financial statements taken as a whole.

Rio de Janeiro, April 30, 2014

/S/ PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 F RJ

/S/ João César de Oliveira Lima Júnior

Contador CRC 1RJ077431/O-8

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Condensed Balance Sheet

In millions of Brazilian Reais

[redacted]					
Assets					
[redacted]					
Cash and cash equivalents	7	16,252	12,465	1,109	3,635
[redacted]					
Accounts receivable	8	9,284	13,360	19,471	14,167
[redacted]					
Inventories	9	10,757	9,662	3,719	3,287
[redacted]					
Recoverable taxes	10	3,692	3,698	2,268	2,295
[redacted]					
Receivable from sale of investment		2,709		2,709	
[redacted]					
		50,520	**48,281**	**35,299**	**31,111**
[redacted]					
Non-current assets held for sale and discontinued operation	6	1,507	8,822	1,507	7,051
[redacted]					
Non-current assets					
[redacted]					
Related parties	29	260	253	818	864
[redacted]					
Judicial deposits	16	3,513	3,491	3,048	2,888
[redacted]					
Deferred income taxes	18	10,614	10,596	7,275	7,418
[redacted]					
Derivative financial instruments	22	382	329	8	
[redacted]					
Others		1,782	1,730	154	159
[redacted]					
[redacted]					
Intangible assets, net	12	16,054	16,096	15,641	15,636
[redacted]					
		236,816	**234,778**	**222,055**	**221,908**
[redacted]					

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Condensed Balance Sheet

In millions of Brazilian Reais

(continued)

Liabilities					
Current liabilities					
Suppliers and contractors		7,859	8,837	3,764	3,640
Payroll and related charges		1,811	3,247	1,206	2,228
Derivative financial instruments	22	1,110	556	761	435
Loans and financing	14	4,003	4,158	3,121	3,181
Related parties	29	743	479	6,729	6,453
Income Taxes Settlement Program	17	1,128	1,102	1,105	1,079
Taxes and royalties payable		1,007	766	313	356
Provision for income taxes		604	886		
Employee postretirement obligations	19	218	227	53	52
Asset retirement obligations	15	364	225	87	90
Others		1,432	985	563	756
		20,279	**21,468**	**17,702**	**18,270**
Liabilities directly associated with non-current assets held for sale and discontinued operation	6		1,050		
		20,279	**22,518**	**17,702**	**18,270**
Non-current liabilities					
Derivative financial instruments	22	2,539	3,496	2,462	3,188
Loans and financing	14	63,557	64,819	32,747	32,896
Related parties	29	372	11	29,942	32,013
Employee postretirement obligations	19	4,720	5,148	463	464
Provisions for litigation	16	3,107	2,989	2,136	2,008
Income taxes Settlement program	17	15,328	15,243	15,014	14,930
Deferred income taxes	18	7,264	7,562		
Asset retirement obligations	15	5,956	5,969	1,931	1,856
Stockholders Debentures	28(e)	4,208	4,159	4,208	4,159
Redeemable noncontrolling interest		625	646		
Gold stream transaction	27	3,351	3,508		
Others		3,882	3,692	2,008	1,940
		114,909	**117,242**	**90,911**	**93,454**
Total liabilities		**135,188**	**139,760**	**108,613**	**111,724**

Stockholders equity	23				
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (in 2013 - 2,108,579,618) issued		29,475	29,475	29,475	29,475
Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (in 2013 - 3,256,724,482) issued		45,525	45,525	45,525	45,525
Treasury stock - 140,857,692 (in 2013 - 140,857,692) preferred and 71,071,482 (in 2013 - 71,071,482) common shares		(7,838)	(7,838)	(7,838)	(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)		(2,758)	(2,815)	(2,758)	(2,815)
Cumulative translation adjustments		11,463	15,527	11,463	15,527
Retained earnings and revenue reserves		75,171	69,262	75,171	69,262
Total company stockholders equity		**150,248**	**148,346**	**150,248**	**148,346**
Noncontrolling interests		3,407	3,775		
Total stockholders equity		**153,655**	**152,121**	**150,248**	**148,346**
Total liabilities and stockholders equity		**288,843**	**291,881**	**258,861**	**260,070**

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

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Condensed Statement of Income

In millions of Brazilian Reais, except as otherwise stated

		Three-month period ended (unaudited)			
		Consolidated		Parent Company	
	Notes	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Continuing operations					
Net operating revenue	24	22,409	21,226	16,034	13,386
Cost of goods sold and services rendered	25	(13,172)	(10,808)	(5,965)	(4,548)
Gross profit		**9,237**	**10,418**	**10,069**	**8,838**
Operating (expenses) income					
Selling and administrative expenses	25	(667)	(703)	(322)	(386)
Research and evaluation expenses		(344)	(344)	(189)	(210)
Pre operating and stoppage operation		(586)	(749)	(104)	(245)
Equity results from subsidiaries	11			(2,115)	129
Other operating expenses, net	25	(506)	(238)	(338)	(228)
		(2,103)	**(2,034)**	**(3,068)**	**(940)**
Operating income		**7,134**	**8,384**	**7,001**	**7,898**
Financial income	26	3,130	1,271	2,937	1,150
Financial expenses	26	(2,802)	(1,938)	(2,286)	(1,373)
Equity results from joint venture entities and associates	11	459	342	459	342
Net income before income taxes		**7,921**	**8,059**	**8,111**	**8,017**
Income taxes	18				
Current tax		(2,191)	(2,185)	(2,038)	(2,071)
Deferred tax		(146)	328	(164)	255
		(2,337)	**(1,857)**	**(2,202)**	**(1,816)**
Income from continuing operations		**5,584**	**6,202**	**5,909**	**6,201**
Loss attributable to noncontrolling interests		(325)	(114)		
Net income attributable to the Company s stockholders		**5,909**	**6,316**	**5,909**	**6,201**
Discontinued Operations					
Loss from discontinued operations			(115)		
Net loss attributable to the Company s stockholders			**(115)**		
Net income		**5,584**	**6,087**	**5,909**	**6,201**
		(325)	(114)		

Loss attributable to noncontrolling interests					
Net income attributable to the Company s stockholders		**5,909**	**6,201**		
Earnings per share attributable to the Company s stockholders:					
Basic and diluted earnings per share:	23				
Common share and (in Brazilian reais)		1.15	1.20	1.15	1.20
Preferred share (in Brazilian reais)		1.15	1.20	1.15	1.20

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

	Three-month period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Net income	**5,584**	**6,087**	**5,909**	**6,201**
Other comprehensive income				
Item that will not be reclassified subsequently to income				
Retirement benefit obligations				
Gross balance for the period	55	72	(62)	(159)
Effect of taxes	(6)	(7)	21	54
Equity results from entities, net taxes	3		93	170
	52	**65**	**52**	**65**
Total items that will not be reclassified subsequently to income	**52**	**65**	**52**	**65**
Item that will be reclassified subsequently to income				
Cumulative translation adjustments				
Gross balance for the period	**(4,147)**	**(2,318)**	**(4,018)**	**(2,226)**
Unrealized loss on available-for-sale investments				
Gross balance for the period		(406)		
Equity results from entities, net taxes				(406)
		(406)		**(406)**
Cash flow hedge				
Gross balance for the period	(13)	(129)		
Effect of taxes	8	10		
Equity results from entities, net taxes	1	6	(41)	(79)
Transfer of realized results to income, net of taxes	(37)	34		
	(41)	**(79)**	**(41)**	**(79)**
Total items that will be reclassified subsequently to income	**(4,188)**	**(2,803)**	**(4,059)**	**(2,711)**
Total comprehensive income	**1,448**	**3,349**	**1,902**	**3,555**
Comprehensive income attributable to noncontrolling interests	(454)	(206)		
Comprehensive income attributable to the Company s stockholders	**1,902**	**3,555**		

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

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Condensed Statement of Changes in Stockholder s Equity

In millions of Brazilian Reais

	Three-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								**6,201**	**6,201**	**(114**
Other comprehensive income:										
Retirement benefit obligations						65			65	
Cash flow hedge						(79)			(79)	
Unrealized fair value results						(406)			(406)	
Translation adjustments						(18)	(2,208)		(2,226)	(92
Contribution and distribution to stockholders:										
Capitalization of noncontrolling stockholders advances										7
Redeemable noncontrolling stockholders interest										25
March 31, 2013 (unaudited)	**75,000**	**50**	**(840)**	**78,450**	**(7,838)**	**(4,614)**	**6,794**	**6,217**	**153,219**	**3,071**
December 31, 2013	**75,000**	**50**	**(840)**	**69,262**	**(7,838)**	**(2,815)**	**15,527**		**148,346**	**3,775**
Net income								**5,909**	**5,909**	**(325**
Other comprehensive income:										
Retirement benefit						52			52	

obligations										
Cash flow hedge						(41)			(41)	
Translation adjustments						46	(4,064)		(4,018)	(129
Contribution and distribution to stockholders:										
Capitalization of noncontrolling stockholders advances										90
Dividends to noncontrolling stockholders										(4
March 31, 2014 (unaudited)	**75,000**	**50**	**(840)**	**69,262**	**(7,838)**	**(2,758)**	**11,463**	**5,909**	**150,248**	**3,407**

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		Parent Company	
	Three-month period ended (unaudited)			
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash flow from continuing operating activities:				
Net income from continuing operations	5,584	6,202	5,909	6,201
Adjustments to reconcile net income with cash from continuing operations				
Equity results from associates and joint venture	(459)	(342)	1,656	(471)
Loss on disposal of property, plant and equipment	300	155	94	136
Depreciation, amortization and depletion	2,412	2,016	753	563
Deferred income taxes	146	(328)	164	(255)
Foreign exchange and indexation, net	(702)	(639)	(1,535)	(727)
Unrealized derivative losses, net	(458)	(25)	(414)	(119)
Dividends and interest on capital received from subsidiaries			19	193
Stockholders Debentures	49	336	49	336
Other	42	(131)	55	31
Decrease (increase) in assets:				
Accounts receivable	3,962	840	(5,304)	1,228
Inventories	(2,071)	(697)	(242)	(405)
Recoverable taxes	1,757	(19)	1,882	159
Other	180	388	(12)	3
Increase (decrease) in liabilities:				
Suppliers and contractors	40	(678)	124	(587)
Payroll and related charges	(1,420)	(1,283)	(1,022)	(992)
Taxes and contributions	(223)	(40)	(17)	623
Gold stream transaction		2,899		
Other	19	(586)	82	(491)
Net cash provided by operating activities from continuing operations	**9,158**	**8,068**	**2,241**	**5,426**
Net cash used in operating activities from discontinued operations		(105)		
Net cash provided by operating activities	**9,158**	**7,963**	**2,241**	**5,426**
Cash flow from continuing investing activities:				
Short-term investments	3	(639)	3	(207)
Loans and advances	(227)	49	(272)	430
Guarantees and deposits	(76)	(49)	(161)	(53)
Additions to investments	(286)	(367)	(973)	(1,547)
Additions to property, plant and equipment and intangible	(5,634)	(7,059)	(3,238)	(3,354)

Dividends and interest on capital received from associates and joint venture	26		26	
Proceeds from disposal of fixed assets\ Investments		190		
Proceeds from Gold stream transaction		1,161		
Net cash used in investing activities from continuing operations	**(6,194)**	**(6,714)**	**(4,615)**	**(4,731)**
Net cash used in investing activities from discontinued operations		(398)		
Net cash used in investing activities	**(6,194)**	**(7,112)**	**(4,615)**	**(4,731)**
Cash flow from continuing financing activities:				
Loans and financing				
Additions	1,552	258	1,057	150
Repayments	(696)	(814)	(1,209)	(986)
Net cash provided by (used in) financing activities from continuing operations	**856**	**(556)**	**(152)**	**(836)**
Increase (decrease) in cash and cash equivalents	3,820	295	(2,526)	(141)
Cash and cash equivalents of cash, beginning of the period	12,465	11,918	3,635	688
Effect of exchange rate changes on cash and cash equivalents	(33)	(16)		
Cash and cash equivalents, end of the period	**16,252**	**12,197**	**1,109**	**547**
Cash paid during the period for (i):				
Interest on loans and financing	(1,069)	(873)	(690)	(579)
Income taxes	(380)	(1,640)		(1,099)
Income taxes - Settlement program	(274)		(269)	
Non-cash transactions:				
Additions to property, plant and equipment - interest capitalization	36	237	7	8

(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

	Three-month period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Generation of added value from continued operations				
Gross revenue				
Revenue from products and services	22,832	21,652	16,288	13,683
Other revenue	84	825	55	114
Revenue from the construction of own assets	4,520	7,155	2,224	3,267
Allowance for doubtful accounts	(54)	(7)	10	(6)
Less:				
Acquisition of products	(976)	(569)	(306)	(131)
Outsourced services	(5,173)	(3,902)	(2,924)	(1,995)
Materials	(2,669)	(5,027)	(1,308)	(1,314)
Oil and gas	(986)	(856)	(629)	(520)
Energy	(343)	(317)	(165)	(185)
Freight	(1,211)	(1,205)		
Other costs and expenses	(2,426)	(2,569)	(539)	(1,131)
Gross added value	**13,598**	**15,180**	**12,706**	**11,782**
Depreciation, amortization and depletion	(2,412)	(2,016)	(753)	(563)
Net added value	**11,186**	**13,164**	**11,953**	**11,219**
Received from third parties				
Equity results	459	342	(1,656)	471
Financial income	242	500	155	345
Monetary and exchange changes of assets	(557)	(442)	(572)	(192)
Total added value to be distributed from continued operations	**11,330**	**13,564**	**9,880**	**11,843**
Added value to be distributed from discontinued operations		167		
Total added value to be distributed	**11,330**	**13,731**	**9,880**	**11,843**
Personnel	2,151	1,794	1,139	831
Taxes, rates and contribution	1,456	3,029	1,232	2,619
Current income tax	2,191	2,185	2,038	2,071
Deferred income tax	146	(328)	164	(255)
Financial expense (includes capitalized interest)	1,227	1,179	931	846
Monetary and exchange changes of liabilities	(1,757)	(611)	(2,000)	(724)
Others remuneration of third party capital	332	114	467	254
	5,909	6,316	5,909	6,201

Net income from continued operations attributable to controlling interest				
Net loss attributable to noncontrolling interest	(325)	(114)		
Distribution of added value from continued operations	**11,330**	**13,564**	**9,880**	**11,843**
Distribution of added value from discontinued operations		167		
Distribution of added value	**11,330**	**13,731**	**9,880**	**11,843**

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

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Selected Notes to the Interim Financial Statements

Expressed in millions of Brazilian Reais, unless otherwise stated

1. Operational Context

Vale S.A. (the Parent Company) is a public limited liability 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 24.

2. Summary of the Main Accounting Practices and Accounting Estimates

a) Basis of presentation

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

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

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

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 available for sale financial instruments measured at fair value through the Statement of Comprehensive Income; and (ii) the impairment loss.

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, 2013, 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, 2013.

We evaluated subsequent events through April 28, 2014, which was the date of the Interim financial statement were approved by the Executive Officers.

b) Functional currency and presentation currency

The 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 financial statements are presented in Brazilian Real.

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

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

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

	Exchange rates used for conversions in Brazilian Reais			
	Exchange rate as at		Average rate for the Three-months period ended	
	March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014 (unaudited)	March 31, 2013 (unaudited)
US Dollar - US$	2.2630	2.3426	2.3652	2.2734
Canadian Dollar - CAD	2.0472	2.2031	2.1456	2.1660
Australian Dollar - AUD	2.0989	2.0941	2.1222	2.1077
Euro - EUR or	3.1175	3.2265	3.2399	3.0958

3. Critical Accounting Estimates

The critical accounting estimates are the same as those adopted in preparing the interim financial statements for the year ended December 31, 2013.

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 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. 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. We adopted this standard beginning January 1, 2014. This standard had 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

IFRS 14 Regulatory Deferral Accounts In January 2014 IASB issued the standard IFRS 14 - Regulatory Deferral Accounts that permits a first-time adopter within its scope to continue to account for regulatory deferral account balances in its first IFRS financial statements in accordance with its previous GAAP when it adopts IFRS. This standard will be effective for annual periods beginning on or after January 1, 2016 and will not affect our financial statements.

5. Risk Management

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

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

The amounts below show assets and liabilities held for sale and discontinued operations reclassified during the period:

	Consolidated			
	March 31, 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
Investment	204		186	186
Intangible, net		3,951		3,951
Property, plant and equipment, net	1,303	2,406	1,315	3,721
Total assets	**1,507**	**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 with discontinued operation	**1,507**	**6,271**	**1,501**	**7,772**

In September 2013, Vale announced its intention to dispose the control over its subsidiary VLI S.A. (VLI), which aggregates all operations of General cargo logistic segment. As consequence, the General Cargo logistic segment was treated as discontinued operations and assets and liabilities were reclassified to non-current asset / liabilities held for sale.

As part of the disposal process in a first stage, we entered into agreements to transfer its 20% stock on VLI capital to Mitsui & Co. in the amount of R$1.509 and 15.9% for Fundo de Garantia de Tempo de Serviço (FGTS) by amount R$1.200. In a second stage we entered into agreement to transfer 26.5% to investment fund managed by Brookfield Asset Management by an amount of R$2.000. The operation was subject to revision by the Brazilian Administrative Council for Economic Defense Agency (Conselho Administrativo de Defesa Econômica or CADE) which had approved the first stage of the transaction in March, 2014. The first stage was concluded in April 2014 (subsequent event).

Approximately R$2,000 of the total amount of transaction will be contributed directly on the VLI.

Since January 1, 2014, the investment in VLI is being treated as investment in associate (note 11).

Energy Generation Assets

In December 2013, the Company signed agreements with CEMIG Geração e Transmissão S.A. (CEMIG GT), as follow : (i) to sell 49% of it stakes of 9% over Norte Energia S.A.(Norte Energia), company responsible for construction, operation and exploration of Hydroelectric facility of Belo Monte (Belo Monte), and (ii) Creation of a Joint venture Aliança Geração de Energia S/A (Aliança) to be constituted by Vale and CEMIG through contribution of their holdings within following power generation assets: Porto Estrela, Igarapava, Funil, Capim Branco I e 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 this new company and the supply of electricity to Vale operations, previously guaranteed by their own generation, will be secured by long-term contract.

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

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7. Cash and Cash Equivalents

	Consolidated		Parent Company	
	March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014 (unaudited)	December 31, 2013
Cash and bank accounts	4,761	3,649	173	28
Short-term investments	11,491	8,816	936	3,607
	16,252	**12,465**	**1,109**	**3,635**

Cash and cash equivalents includes cash, demand deposits, and financial investments with an insignificant risk of changes in value, being in part Brazilian Reais indexed to the Brazilian Interbank Interest rate (DI Rate or CDI) and those denominated in US Dollars are mainly in time deposits, with the original maturities of less than three months.

8. Accounts Receivables

	Consolidated		Parent Company	
	March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014 (unaudited)	December 31, 2013
Denominated in Reais Brazilian Reais	2,015	1,193	1,671	1,275
Denominated in other currencies, mainly US$	7,525	12,375	17,881	12,984
	9,540	**13,568**	**19,552**	**14,259**
Allowance for doubtful accounts	(256)	(208)	(81)	(92)
	9,284	**13,360**	**19,471**	**14,167**

In consolidated the accounts receivables related to the steel sector represented 80.73% and 79.70%, of total receivable as at March 31, 2014 and December 31, 2013, respectively. To the parent company the steel sector represent as at March 31, 2014 and December 31, 2013, 94.42% and 91.77% of the accounts receivables, respectively.

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

The estimated losses for accounts receivable recorded in the Statements of Income as at March 31, 2014 and March 31, 2013 totaled R$54 and R$8, respectively. Write offs as at March 31, 2014 and March 31, 2013 totaled R$5 and R$15, respectively.

9. Inventory

The inventories of products are comprised as follows:

	Consolidated		Parent Company	
	March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014 (unaudited)	December 31, 2013
Inventories of products				
Bulk Material				
Iron ore	2,401	1,513	1,943	1,574
Pellets	185	206	193	162
Manganese and ferroalloys	227	177		
Coal	767	746		
	3,580	**2,642**	**2,136**	**1,736**
Base Metals				
Nickel and other products	3,324	3,276	374	351
Copper	63	53	29	23
	3,387	**3,329**	**403**	**374**
Fertilizers				
Potash	20	19		
Phosphates	734	734		
Nitrogen	47	45		
	801	**798**		
Other products	**28**	**15**	**5**	**4**
Total inventories of products	**7,796**	**6,784**	**2,544**	**2,114**
Materials supplies	**2,961**	**2,878**	**1,175**	**1,173**
Total of inventories	**10,757**	**9,662**	**3,719**	**3,287**

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As at March 31, 2014 and December 31, 2013 inventory balances included a provision to adjust at market value of nickel, amounting to 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$262 and R$228, respectively.

	Consolidated		Parent Company	
	Three-month period ended (unaudited)			
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Inventories of product				
Balance at beginning of the period	**6,784**	**7,351**	**2,114**	**2,080**
Production/acquisition	12,602	9,679	5,458	4,430
Transfer from materials supplies inventory	1,915	1,901	937	757
Sales	(13,172)	(10,808)	(5,965)	(4,548)
Provision/ reversal of the write-off by inventory adjustment (a)	(264)	(244)		
Translation adjustments	(69)	(82)		
Balance at ended of period	**7,796**	**7,797**	**2,544**	**2,719**

(a) Include provision for adjustments to market value

	Consolidated		Parent Company	
	Three-month period ended (unaudited)			
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Materials supplies				
Balance at beginning of the period	**2,878**	**2,883**	**1,173**	**1,202**
Acquisition	2,032	2,076	939	772
Transfer to inventories of products	(1,915)	(1,901)	(937)	(757)
Translation adjustments	(34)	(34)		
Balance at ended of the period	**2,961**	**3,024**	**1,175**	**1,217**

10. Recoverable Taxes

	Consolidated		Parent Company	
	March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014 (unaudited)	December 31, 2013
Value-added tax	2,709	2,643	1,454	1,348
Brazilian Federal Contributions (PIS - COFINS)	1,526	1,594	1,049	1,156
Others	112	129	35	49
Total	**4,347**	**4,366**	**2,538**	**2,553**
Current	3,692	3,698	2,268	2,295
Non-current	655	668	270	258

Total	**4,347**	**4,366**	**2,538**	**2,553**

11. Investments

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

	Consolidated		**Parent Company**	
	Three-month period ended (unaudited)			
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Balance at beginning of the period	**8,397**	**13,044**	**123,370**	**121,436**
Additions	286	367	973	1,547
Cumulative translation adjustment	(44)	(374)	(3,758)	(1,960)
Equity results	459	342	(1,656)	471
Equity other comprehensive income	4	(399)	52	(315)
Dividends declared	(94)	(57)	(254)	(297)
Transfer- Control acquisition	181			
Transfers from held for sale (a)	2,840		2,840	
Balance at ended of the period	**12,029**	**12,923**	**121,567**	**120,882**

(a) The Consolidated transfers to 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 March 31, 2014	December 31, 2013	Equity results Three-month period ende March 31, 2014	March 31, 2014	Marc
Entities									
Direct and indirect subsidiaries									
Aços Laminados do Pará S.A.	Brazil	Steel	100.00	100.00	324	321		(4)	
Biopalma da Amazônia S.A. (a)	Brazil	Energy	70.00	70.00	642	559	(4)	(18)	
Companhia Portuária da Baía de Sepetiba - CPBS	Brazil	Iron ore	100.00	100.00	268	377	71	30	
Compañia Minera Miski Mayo S.A.C (a)	Peru	Fertilizers	40.00	51.00	469	493	(7)	7	
Mineração Corumbaense Reunida S.A.	Brazil	Iron ore and Manganese	100.00	100.00	1,348	1,306	42	(11)	
Minerações Brasileiras Reunidas S.A. - MBR (b)	Brazil	Iron ore	98.32	98.32	4,360	4,500	(49)	66	
Potasio Rio Colorado S.A. (a)	Argentina	Fertilizers	100.00	100.00	1,604	1,530	(5)	(9)	
Rio Doce Australia Pty Ltd.	Australia	Coal	100.00	100.00	699	991	(328)	(59)	
Salobo Metais S.A. (a)	Brazil	Copper	100.00	100.00	7,388	7,120	49	(29)	
Sociedad Contractual Minera Tres Valles (c)	Chile	Copper						(19)	
Tecnored Desenvolvimento Tecnológico S.A. (a) (i)	Brazil	Iron ore	100.00	100.00	124		(4)		
Vale International Holdings GMBH (b)	Austria	Holding and research	100.00	100.00	9,332	13,150	(35)	(179)	
Vale Canada Holdings	Canada	Holding	100.00	100.00	4,208	1,075	(4)	(4)	
Vale Canada Limited (b)	Canada	Nickel	100.00	100.00	15,408	19,312	(31)	(201)	
Vale Fertilizantes S.A. (antiga	Brazil	Fertilizers	100.00	100.00	13,939	13,751	(70)	(69)	

Mineração Naque S.A.) (a) (b)								
Vale International S.A. (b)	Switzerland	Trading and holding	100.00	100.00	27,220	28,067	(1,592)	1,141
Vale Malaysia Minerals	Malaysia	Iron ore	100.00	100.00	2,481	2,321	12	(10)
Vale Manganês S.A.	Brazil	Manganese and Ferroalloys	100.00	100.00	639	665	(25)	(105)
Vale Mina do Azul S.A.	Brazil	Manganese	100.00	100.00	350	351	3	16
Vale Moçambique	Mozambique	Coal	100.00	100.00	10,630	10,060	28	(357)
Vale Shipping Holding Pte. Ltd.	Singapore	Logistic of iron ore	100.00	100.00	6,370	6,482	84	104
VBG Vale BSGR Limited (a)	Guinea	Iron ore	51.00	51.00	816	876	(31)	(45)
VLI S.A. (g)	Brazil	General Cargo Logistics						(115)
Others					919	1,666	(219)	(1)
					109,538	**114,973**	**(2,115)**	**129**
Joint Ventures								
California Steel Industries, INC	USA	Steel	50.00	50.00	417	425	5	13
Companhia Coreano-Brasileira de Pelotização - KOBRASCO	Brazil	Pellets	50.00	50.00	231	213	18	1
Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (f)	Brazil	Pellets	50.89	51.00	179	196	8	(7)
Companhia Ítalo-Brasileira de Pelotização - ITABRASCO (f)	Brazil	Pellets	50.90	51.00	156	145	10	1
Companhia Nipo-Brasileira de Pelotização - NIBRASCO (f)	Brazil	Pellets	51.00	51.11	401	372	29	4
CSP- Companhia Siderúrgica do PECEM (h)	Brazil	Steel	50.00	50.00	1,867	1,608	(7)	(3)
MRS Logística S.A. (d)	Brazil	Iron ore	47.59	46.75	1,304	1,322	32	26
Norte Energia S.A.	Brazil	Energy	4.59	4.59	212	193	(1)	(1)
Samarco Mineração S.A. (e)	Brazil	Pellets	50.00	50.00	1,432	1,023	409	320
Others					114	109	5	6
					6,313	**5,606**	**508**	**360**
Direct and indirect associate								
Henan Longyu Energy Resources CO., LTD.	China	Coal	25.00	25.00	835	835	28	18
LOG-IN - Logística Intermodal S/A (c)	Brazil	Logistics						7
Mineração Rio Grande do Norte S.A. - MRN	Brazil	Bauxite	40.00	40.00	257	259	13	3
Teal Minerals Incorporated	Zambia	Copper	50.00	50.00	505	535	(12)	(6)

Tecnored Desenvolvimento Tecnologico S.A. (a) (i)	Brazil	Iron ore				91	(3)	(4)
Thyssenkrupp CSA Companhia Siderúrgica do Atlântico	Brazil	Steel	26.87	26.87	714	752	(42)	(14)
VLI S.A. (g)	Brazil	General Cargo Logistics	37.51	37.51	2,840		(2)	
Zhuhai YPM Pellet Co	China	Pellets	25.00	25.00	55	58	1	
Others					510	261	(32)	(22)
					5,716	**2,791**	**(49)**	**(18)**
Total of associates and joint ventures					**12,029**	**8,397**	**459**	**342**
Total					**121,567**	**123,370**	**(1,656)**	**471**

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

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

(c) Company sold in December 2013;

(d) Main data of MRS in 2014: Total assets R$6,632, liabilities R$3,891, Operational results R$138, Financial results R$(26), income taxes R$(40);

(e) Main data of Samarco in 2014: total Assets R$14,193, liabilities R$8,998, Operational results R$791, Financial Results R$ 243, Income taxes R$(217);

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

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

(h) Pre-operational stage, and

(i) Consolidated since March 2014.

12. Intangible Assets

	Consolidated					
	March 31, 2014 (unaudited)			December 31, 2013		
	Cost	Amortization	Net	Cost	Amortization	Net
Indefinite useful life						
Goodwill	9,451		9,451	9,698		9,698
Finite useful life						
Concession and subconcession	7,678	(2,889)	4,789	7,259	(2,793)	4,466
Right to use	731	(186)	545	769	(175)	594
Others	3,042	(1,773)	1,269	3,033	(1,695)	1,338
	11,451	**(4,848)**	**6,603**	**11,061**	**(4,663)**	**6,398**
Total	**20,902**	**(4,848)**	**16,054**	**20,759**	**(4,663)**	**16,096**

	Parent Company					
	March 31, 2014 (unaudited)			December 31, 2013		
	Cost	Amortization	Net	Cost	Amortization	Net
Indefinite useful life						
Goodwill	9,451		9,451	9,698		9,698
Finite useful life						

Concession and subconcession	7,678	(2,889)	4,789	7,259	(2,793)	4,466
Right to use	223	(91)	132	223	(89)	134
Others	3,042	(1,773)	1,269	3,033	(1,695)	1,338
	10,943	**(4,753)**	**6,190**	**10,515**	**(4,577)**	**5,938**
Total	**20,394**	**(4,753)**	**15,641**	**20,213**	**(4,577)**	**15,636**

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

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

	Consolidated				
	Goodwill	**Concessions and Subconcessions**	**Right to use**	**Others**	**Total**
Balance as at December 31, 2012	**9,407**	**7,674**	**619**	**1,122**	**18,822**
Addition		249		17	266
Write off		(4)		(1)	(5)
Amortization		(92)	(10)	(72)	(174)
Translation adjustment of the period	(122)		(16)		(138)
Net effect of discontinued operation in the period		18			18
Balance as at March 31, 2013 (unaudited)	**9,285**	**7,845**	**593**	**1,066**	**18,789**
Balance as at December 31, 2013	**9,698**	**4,466**	**594**	**1,338**	**16,096**
Addition		435		11	446
Write off		(7)			(7)
Amortization		(105)	(17)	(80)	(202)
Translation adjustment of the period	(247)		(32)		(279)
Balance as at March 31, 2014 (unaudited)	**9,451**	**4,789**	**545**	**1,269**	**16,054**

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	Parent Company				
	Goodwill	Concessions and Subconcessions	Right to use	Others	Total
Balance as at December 31, 2012	**9,407**	**3,996**	**139**	**1,122**	**14,664**
Addition		249		17	266
Disposals		(4)		(1)	(5)
Amortization		(92)	(1)	(72)	(165)
Translation adjustment	(122)				(122)
Balance as at March 31, 2013 (unaudited)	**9,285**	**4,149**	**138**	**1,066**	**14,638**
Balance as at December 31, 2013	**9,698**	**4,466**	**134**	**1,338**	**15,636**
Addition		435		11	446
Disposals		(7)			(7)
Amortization		(105)	(2)	(80)	(187)
Translation adjustment	(247)				(247)
Balance as at March 31, 2014 (unaudited)	**9,451**	**4,789**	**132**	**1,269**	**15,641**

13. Property, plant and equipment

	Consolidated					
	March 31, 2014 (unaudited)			December 31, 2013		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	2,496		2,496	2,215		2,215
Buildings	23,585	(5,065)	18,520	23,228	(4,992)	18,236
Facilities	39,653	(11,335)	28,318	36,683	(11,061)	25,622
Computer equipment	1,536	(1,001)	535	1,592	(1,163)	429
Mineral properties	48,641	(11,986)	36,655	50,608	(12,479)	38,129
Other	64,037	(20,386)	43,651	63,600	(19,698)	43,902
Construction in progress	59,378		59,378	62,775		62,775
	239,326	**(49,773)**	**189,553**	**240,701**	**(49,393)**	**191,308**

	Parent Company					
	March 31, 2014 (unaudited)			December 31, 2013		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	1,328		1,328	1,322		1,322
Buildings	11,623	(1,811)	9,812	11,167	(1,718)	9,449
Facilities	22,343	(4,696)	17,647	18,884	(4,534)	14,350
Computer equipment	633	(449)	184	695	(512)	183
Mineral properties	2,914	(623)	2,291	3,188	(822)	2,366
Other	23,883	(9,111)	14,772	22,953	(8,815)	14,138
Construction in progress	26,627		26,627	28,897		28,897
	89,351	**(16,690)**	**72,661**	**87,106**	**(16,401)**	**70,705**

	Consolidated							
	Land	**Building**	**Facilities**	**Computer equipment**	**Mineral properties**	**Other**	**Constructions in progress**	**Total**
Balance as at December 31, 2012	**1,381**	**12,451**	**24,024**	**769**	**38,553**	**37,147**	**59,130**	**173,455**
Acquisitions (i)							7,030	7,030
Disposals		(1)	(75)	(1)	(680)	(242)	(141)	(1,140)
Depreciation and amortization		(121)	(431)	(41)	(487)	(1,228)		(2,308)
Translation adjustment		(78)	(207)	(5)	(1,037)	(213)	(611)	(2,151)
Transfers	366	636	415	23	(1,143)	1,635	(1,932)	
Net effect of discontinued operation in the period		(1)		(1)		231	(264)	(35)
Balance as at March 31, 2013 (unaudited)	**1,747**	**12,886**	**23,726**	**744**	**35,206**	**37,330**	**63,212**	**174,851**
Balance as at December 31, 2013	**2,215**	**18,236**	**25,622**	**429**	**38,129**	**43,902**	**62,775**	**191,308**
Acquisitions (i)							5,224	5,224
Disposals		(24)	(8)	(4)	(136)	(75)	(44)	(291)
Depreciation and amortization		(179)	(632)	(33)	(526)	(1,124)		(2,494)
Translation adjustment	145	(204)	(694)	34	(1,522)	(318)	(1,635)	(4,194)
Transfers	136	691	4,030	109	710	1,266	(6,942)	
Balance as at March 31, 2014 (unaudited)	**2,496**	**18,520**	**28,318**	**535**	**36,655**	**43,651**	**59,378**	**189,553**

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	Parent Company							
	Land	Building	Facilities	Computer equipment	Mineral properties	Others	Constructions in progress	Total
Balance as at December 31, 2012	**1,162**	**4,376**	**12,300**	**218**	**3,814**	**9,288**	**30,073**	**61,231**
Acquisitions (i)							3,096	3,096
Disposals						(19)	(113)	(132)
Depreciation and amortization		(42)	(157)	(23)	(77)	(335)		(634)
Transfers	82	522	638	10	(1,462)	936	(726)	
Balance as at March 31, 2013 (unaudited)	**1,244**	**4,856**	**12,781**	**205**	**2,275**	**9,870**	**32,330**	**63,561**
Balance as at December 31, 2013	**1,322**	**9,449**	**14,350**	**183**	**2,366**	**14,138**	**28,897**	**70,705**
Acquisitions (i)							2,799	2,799
Disposals		(23)	(2)	(3)		(15)	(42)	(85)
Amortization		(77)	(174)	(19)	(81)	(407)		(758)
Others	6	463	3,473	23	6	1,056	(5,027)	
Balance as at March 31, 2014 (unaudited)	**1,328**	**9,812**	**17,647**	**184**	**2,291**	**14,772**	**26,627**	**72,661**

(i) The total amount of Capital Expenditures recognized as additions of consolidated construction in progress in the period of Three-month ended March 31, 2014 and March 31, 2013 correspond to R$4,092 and R$5,444, respectively. To the parent company in March 31, 2014 and March 31, 2013 correspond to R$3,472 and R$2,098.

The property, plant and equipment (net book value) given as guarantees for judicial claims in March 31, 2014 and December 31, 2013 2012 correspond to R$143 and R$180 in consolidated. To the parent company at March 31, 2014 and December 31, 2013 correspond to R$142 and R$147 respectively.

In March 31, 2014, R$2.5 billion refers to iron ore Project Guinea (Note 28d).

14. Loans and Financing

a) Total debt

	Consolidated		Parent Company	
	Current Liabilities			
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013

	(unaudited)		(unaudited)	
Debt contracts abroad				
Loans and financing in:				
United States Dollars	783	783	550	536
Others currencies	5	4		
Fixed rates:				
Notes indexed in United Stated Dollars	23	28		
Accrued charges	514	820	84	312
	1,325	**1,635**	**634**	**848**
Debt contracts in Brazil				
Loans and financing in:				
Indexed to TJLP, TR, IGP-M e CDI	1,815	1,756	1,663	1,603
Basket of currencies, LIBOR	402	411	396	405
Fixed rates:				
Loans in United States Dollars	13	14	13	14
Loans in Reais	115	111	110	106
Accrued charges	333	231	305	205
	2,678	**2,523**	**2,487**	**2,333**
	4,003	**4,158**	**3,121**	**3,181**

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	Consolidated		Parent Company	
	Non-current Liabilities			
	March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014 (unaudited)	December 31, 2013
Debt contracts abroad				
Loans and financing in:				
United States Dollars	10,253	10,921	8,400	8,930
Others currencies	6	6		
Fixed rates:				
Notes indexed in United Stated Dollars	31,233	32,347	3,395	3,514
Euro	4,676	4,840	4,676	4,840
	46,168	**48,114**	**16,471**	**17,284**
Debt contracts in Brazil				
Loans and financing in:				
Indexed to TJLP, TR, IGP-M e CDI	11,551	11,714	11,379	11,529
Basket of currencies, LIBOR	3,037	3,198	3,021	3,180
Non-convertible debentures into shares	1,917	870	1,010	
Fixed rates:				
Loans in United States Dollars	177	186	177	186
Loans in Reais	707	737	689	717
	17,389	**16,705**	**16,276**	**15,612**
	63,557	**64,819**	**32,747**	**32,896**

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

The long-term portion as at March 31, 2014 (unaudited) has maturities as follows:

	Consolidated	Parent Company
2015	2,279	1,347
2016	4,492	2,012
2017	5,481	2,046
2018	9,222	8,872
2019 onwards	42,083	18,470
	63,557	**32,747**

As at March 31, 2014 (unaudited), the annual interest rates on the long-term debts were as follows:

	Consolidated	Parent Company
Up to 3%	7,776	6,172
3,1% to 5% (a)	19,909	11,866
5,1% to 7% (b)	28,379	10,445

7,1% to 9% (b)	2,596	
9,1% to 11% (b)	319	
Over 11% (b)	8,309	7,385
Variable	272	
	67,560	**35,868**

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

(b) Includes Brazilian Real denominated debt that bears interest at the CDI and TJLP, plus spread. For these operations, we have entered into derivative transactions to mitigate our exposure to the floating rate debt denominated in Brazilian Real, totaling R$14,954 of which R$14,237 has an original interest rate above 5.1% per year. The average cost of debts not denominated in U.S. Dollars after entering derivatives transactions is 2.38% per year.

	As at March 31, 2014 (unaudited)				**Balance**	
Non-convertible Debentures	**Issued**	**Outstanding**	**Maturity**	**Interest**	**March 31, 2014 (unaudited)**	**December 31, 2013**
Tranche B - Salobo			No date	6.5% p.a + IGP-DI	907	870
Infrastructure Debenture 1st serie	Feb/14	600	Jan/21	6,46%p.a+IPCA	611	
Infrastructure Debenture 2st serie	Feb/14	150	Jan/24	6,57%p.a+IPCA	152	
Infrastructure Debenture 3st serie	Feb/14	100	Jan/26	6,71%p.a+IPCA	102	
Infrastructure Debenture 4st serie	Feb/14	150	Jan/29	6,78%p.a+IPCA	152	
					1,924	**870**
Long-term portion					1,917	870
Accrued charges					7	
					1,924	**870**

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b) Funding

On February 2014, Vale issued infrastructure debentures in the total amount of R$1 billion.

In April, 2014 (subsequent event), the BNDES approved a new financing of R$6.2 billion (approx. US$2.7 billion) to implement the iron ore project S11D and CLN S11D. The disbursement will occur within three years.

c) Revolving credit lines

				Credit line		
					Amounts drawn on	
Type	**Contractual Currency**	**Date of agreement**	**Available until**	**Total amount available**	**March 31, 2014 (unaudited)**	**December 31, 2013**
Revolving Credit Lines						
Revolving Credit Facility - Vale/ Vale International/ Vale Canada	US$	April 2011	5 years	6,789		
Revolving Credit Facility - Vale/ Vale International/ Vale Canada	US$	July 2011	5 years	4,526		
Credit Lines						
Export-Import Bank of China e Bank of China Limited	US$	September 2010**(a)**	13 years	2,781	2,229	2,308
BNDES	R$	April 2008**(b)**	10 years	7,300	4,626	4,626
Loans						
BNDES - CLN 150	R$	September 2012**(c)**	10 years	3,883	3,079	3,079
BNDES - Investment Sustenance Program (PSI) 3.0%	R$	June 2013**(d)**	10 years	109	87	87
BNDES - Tecnored 3.5%	R$	December 2013**(e)**	8 years	136		
Canadian Agency Export Development (EDC)	US$	January 2014**(f)**	5 and 7 years	1,754		

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

(b) Memorandum of Understanding signature date, however projects financing is considered from the signature date of each projects contrast amendments.

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

(d) Acquisition of a domestic equipment.

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

(f) General corporate purpose.

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

d) Guarantee

On March 31, 2014 (unaudited), R$3,103 of the total aggregate outstanding debt was secured by property, plant and equipment and receivables.

15. Asset retirement obligation

The Company uses various judgments and assumptions when measuring its obligations related to the retirement of assets. The accrued amounts of these obligations are not deducted from the potential costs covered by insurance or indemnities, because their recovery is considered uncertain.

Long term interest rates used to discount these obligations to their present values and to update the provisions as at March 31, 2014 and December 31, 2013 were 5.03% p.a. The liability is periodically updated based on these discount rates plus the inflation index (IGPM) for the period in reference.

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

	Consolidated		Parent Company	
	March 31, 2014 (unaudited)	**December 31, 2013**	**March 31, 2014 (unaudited)**	**December 31, 2013**
Balance at beginning of period	**6,194**	**5,615**	**1,946**	**1,625**
Increase expense(i)	158	414	75	174
Settlement in the current period	(8)	(90)	(3)	(35)
Revisions in estimated cash flows	120	102		182

Translation adjustments	(144)	162		
Transfer held for sale		(9)		
Balance at end of period	**6,320**	**6,194**	**2,018**	**1,946**
Current	364	225	87	90
Non-current	5,956	5,969	1,931	1,856
	6,320	**6,194**	**2,018**	**1,946**

(i) For the first quarter of 2013, R$92 for consolidated and R$32 for parent company.

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16. Provision for litigation

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

			Consolidated		
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	Total of litigation provision
Balance as at December 31, 2012	**2,039**	**575**	**1,534**	**70**	**4,218**
Additions	28	13	108	7	156
Reversals	(44)	(41)	(49)		(134)
Payments	(448)	(44)	(56)		(548)
Indexation and interest/ Translation adjustments	(112)	3	19	1	(89)
Transfer to held for sale		2	(3)		(1)
Balance as at March 31, 2013 (unaudited)	**1,463**	**508**	**1,553**	**78**	**3,602**
Balance as at December 31, 2013	**771**	**498**	**1,653**	**67**	**2,989**
Additions	95	21	124	42	282
Reversals	(62)	(20)	(57)	(9)	(148)
Payments	(2)	(6)	(14)		(22)
Indexation and interest/ Translation adjustments	(23)	(32)	42	19	6
Balance as at March 31, 2014 (unaudited)	**779**	**461**	**1,748**	**119**	**3,107**

			Parent Company		
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	Total of litigation provision
Balance at December 31, 2012	**1,213**	**247**	**1,364**	**43**	**2,867**
Additions	17	7	65	2	91
Reversals	(33)	(12)	(45)		(90)
Payments	(444)		(29)		(473)
Monetary adjustment / Translation adjustments	18	(1)	16	1	34
Balance at March 31, 2013 (unaudited)	**771**	**241**	**1,371**	**46**	**2,429**
Balance at December 31, 2013	**280**	**221**	**1,472**	**35**	**2,008**
Additions	36	19	118	38	211
Reversals	(1)	(20)	(43)	(9)	(73)
Payments		(6)	(9)		(15)

Monetary adjustment / Translation adjustments	2	(38)	47	(6)	5
Balance at March 31, 2014 (unaudited)	**317**	**176**	**1,585**	**58**	**2,136**

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

Provisions for civil litigation - They are related to the demands that involve contracts between Vale and unrelated companies with their service providers, requiring differences in values due to alleged losses that have occurred due to various economic plans, other demands are related to accidents, actions damages and still others related to monetary compensation in action vindicatory.

Provisions for labor and social security litigation - Consist of lawsuits filed by employees and service providers, from employment relationship. The most recurring claims are payment of overtime, hours *in intinere*, and health and safety. The social security contingencies are from legal and administrative disputes between the INSS and the Vale companies, relating to compulsory social security or not.

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In addition to those provisions, there are judicial deposits. These court-ordered deposits are accruing interest and are reported in noncurrent assets. Judicial deposits are as follows:

	Consolidated		Parent Company	
	March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014 (unaudited)	December 31, 2013
Tax litigations	869	1,014	586	590
Civil litigations	498	411	446	359
Labor litigations	2,118	2,039	1,990	1,913
Environmental litigations	28	27	26	26
Total	**3,513**	**3,491**	**3,048**	**2,888**

The Company is challenging 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.

These possible contingent liabilities are split between tax, civil, labor and social security, and are as follows:

	Consolidated		Parent Company	
	March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014 (unaudited)	December 31, 2013
Tax litigations	6,995	8,877	5,127	4,842
Civil litigations	2,507	2,855	2,211	2,701
Labor litigations	3,478	5,320	3,357	3,579
Environmental litigations	2,873	3,146	2,861	3,135
Total	**15,853**	**20,198**	**13,556**	**14,257**

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

17. Income Taxes Settlement Program (REFIS)

In November 2013, The Company elected to participate in the 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.

In March 31, 2014, the amount of R$16,456 in the consolidated and R$16,119 parent company will be paid in 175 monthly installments, bearing interest at the selic rate.

18. Deferred Income Tax

We analyze the potential tax impact associated with undistributed earnings of each our subsidiaries and affiliates. For those subsidiaries in which undistributed earnings are intended to be reinvested indefinitely, no deferred tax is recognized. Undistributed earnings of foreign consolidated subsidiaries and affiliates totaled approximately R$54,651 (US$24,150) on March 31, 2014. As described in Note 17, in 2013 we entered in the Brazilian REFIS program to pay the amounts relating to the collection of income taxes on equity gain on foreign subsidiaries and affiliates from 2003 to 2012 and therefore, the repatriation of these earnings would have no Brazilian tax consequences.

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

		Consolidated	
	Assets	Liabilities	Total
Balance at December 31, 2012	**8,291**	**6,918**	**1,373**
Net income effect	305	(23)	328
Translation adjustment for the period	(63)	129	(192)
Other comprehensive income	45	53	(8)
Net effect of discontinued operations of the period		(3)	3
Balance at March 31, 2013 (unaudited)	**8,578**	**7,074**	**1,504**
Balance at December 31, 2013	**10,596**	**7,562**	**3,034**
Net income effect	(68)	78	(146)
Translation adjustment for the period	64	(396)	460
Other comprehensive income	22	20	2
Balance at March 31, 2014 (unaudited)	**10,614**	**7,264**	**3,350**

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	Parent Company Assets
Balance at December 31, 2012	**5,715**
Net income effect	255
Other comprehensive income	45
Balance at March 31, 2013 (unaudited)	**6,015**
Balance at December 31, 2013	**7,418**
Net income effect	(164)
Other comprehensive income	21
Balance at March 31, 2014 (unaudited)	**7,275**

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

The income taxes in Brazil comprise the taxation on income and social contribution on profit. The composite 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 is reconciled with the rates established by law, as follows:

	Consolidated		Parent Company	
	Three-month period ended (unaudited)			
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Net income before income taxes	**7,921**	**8,059**	**8,111**	**8,017**
Income taxes at statutory rates - 34%	**(2,693)**	**(2,740)**	**(2,758)**	**(2,726)**
Adjustments that affects the basis of taxes:				
Income taxes benefit from interest on stockholders equity	659	627	659	627
Tax incentive	311	260	311	260
Results of overseas companies taxed by different rates which differs from the parent company rate	(667)	161		
Constitution/Reversal for tax loss carryfoward	17	(64)		
Results of equity investments	156	116	(563)	160
Other	(120)	(217)	149	(137)
Income taxes on the profit for the period	**(2,337)**	**(1,857)**	**(2,202)**	**(1,816)**

19. Employee Benefits Obligations

In its 2013 financial statements the Company had announced that it expects to contribute R$829 (parent R$ 350) to its pension plan in 2013. Through March 31, 2014 it had contributed R$216 (parent R$88). No significant changes are expected in relation to the estimative disclosed in December 31, 2013 financial statement.

Reconciliation of assets and liabilities in balance sheet

	Total Consolidated					
	March 31, 2014 (unaudited)			December 31, 2013		
	Overfunded pension plans	Underfunded pension plans	Other underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Other 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	78			911		
Ended of the period	**2,868**			**2,790**		
Amount recognized in the balance sheet						
Present value of actuarial liabilities	(9,689)	(9,807)	(3,842)	(9,557)	(10,320)	(3,966)
Fair value of assets	12,557	8,711		12,347	8,911	
Effect of the asset ceiling	(2,868)			(2,790)		
Assets (liabilities) to be provisioned		**(1,096)**	**(3,842)**		**(1,409)**	**(3,966)**
Current liabilities		(21)	(197)		(22)	(205)
Non-current liabilities		(1,075)	(3,645)		(1,387)	(3,761)
Assets (liabilities) to be provisioned		**(1,096)**	**(3,842)**		**(1,409)**	**(3,966)**

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Costs recognized in the income statements for the period:

	Consolidated Three-month period ended (unaudited)					
	March 31, 2014			March 31, 2013		
	Overfunded pension plans	Underfunded pension plans	Other underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Other underfunded pension plans
Current service cost	17	36	18		65	23
Interest on expense on liabilities	279	124	54	159	181	51
Interest income on plan assets	(283)	(90)		(195)	(180)	
Effect of the asset ceiling				36		
Total costs, net	**13**	**70**	**72**		**66**	**74**

Costs recognized in the statement of comprehensive income for the period

	Consolidated Three-month period ended (unaudited)					
	March 31, 2014			March 31, 2013		
	Overfunded pension plans	Underfunded pension plans	Other underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Other underfunded pension plans
Beginning of the period	**(219)**	**(926)**	**(460)**	**(7)**	**(1,970)**	**(778)**
Return on plan assets (excluding interest income)	(42)	117		(414)	72	
Change of asset ceiling / costly liabilities (excluding interest income)	(20)			414		
	(62)	**117**			**72**	
Income tax	21	(27)			(7)	
Others comprehensive income	**(41)**	**90**			**65**	
Effect of conversion		31	12		15	5
Accumulated other comprehensive income	**(260)**	**(805)**	**(448)**	**(7)**	**(1,890)**	**(773)**

Incentive Plan in Results

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

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

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

	Consolidated		Parent Company	
	Three-month period ended (unaudited)			
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Operational expenses	94	106	78	91
Cost of goods sold and services rendered	217	197	184	153
Total	**311**	**303**	**262**	**244**

Long-term stock option compensation plan

The terms, assumptions, calculation methods and the accounting treatment applied to the long-term incentive plan (LTI) is the same as presented in the financial statements of December 31, 2013. The total number of shares subject to the long term compensation plan on March 31, 2014 and December 31, 2013 are 4,427,375 and 6,214,288, and total liability recorded of R$195 and R$198, respectively.

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20. Classification of financial instruments

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

	Consolidated					Parent Company		
	March 31, 2014 (unaudited)							
Financial assets	**Loans and receivables (a)**	**At fair value through profit or loss (b)**	**Derivatives designated as hedge (c)**	**Available for sale**	**Total**	**Loans and receivables (a)**	**At fair value through profit or loss (b)**	**Total**
Current								
Cash and cash equivalents	16,252				16,252	1,109		1,109
Derivative financial instruments		419	3		422		384	384
Accounts receivable	9,284				9,284	19,471		19,471
Related parties	1,626				1,626	2,184		2,184
	27,162	**419**	**3**		**27,584**	**22,764**	**384**	**23,148**
Non-Current								
Related parties	260				260	818		818
Loans and financing agreements	591				591	195		195
Derivative financial instruments		382			382		8	8
Others				11	11			
	851	**382**		**11**	**1,244**	**1,013**	**8**	**1,021**
Total of Assets	**28,013**	**801**	**3**	**11**	**28,828**	**23,777**	**392**	**24,169**
Financial liabilities								
Current								
Suppliers and contractors	7,859				7,859	3,764		3,764
Derivative financial instruments		985	125		1,110		761	761
Loans and financing agreements	4,003				4,003	3,121		3,121
Related parties	743				743	6,729		6,729
	12,605	**985**	**125**		**13,715**	**13,614**	**761**	**14,375**
Non-Current								
Derivative financial instruments		2,510	29		2,539		2,462	2,462
Loans and financing agreements	63,557				63,557	32,747		32,747
Related parties	372				372	29,942		29,942
Stockholders Debentures		4,208			4,208		4,208	4,208
	63,929	**6,718**	**29**		**70,676**	**62,689**	**6,670**	**69,359**
Total of Liabilities	**76,534**	**7,703**	**154**		**84,391**	**76,303**	**7,431**	**83,734**

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

(b) Financial instruments for trading in short term.

(c) See Note 22a.

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[redacted]

Current								
Cash and cash equivalents	12,465				12,465	3,635		3,635
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
	26,436	**459**	**12**		**29,907**	**19,486**	**378**	**19,864**
Non-Current								
Related parties	253				253	864		864
Loans and financing agreements	564				564	192		192
Derivative financial instruments		329			329			
Other				11	11			
	817	**329**		**11**	**1,157**	**1,056**		**1,056**
Total of Assets	**27,253**	**788**	**12**	**11**	**28,064**	**20,542**	**378**	**20,920**
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 22a.

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21. Fair Value Estimative

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

The tables below present the assets and liabilities measured at fair value:

	Consolidated	
	March 31, 2014 (unaudited) Level 2 (i)	December 31, 2013 Level 2 (i)
Financial Assets		
Current		
Derivatives at fair value through profit or loss	419	459
Derivatives designated as hedges	3	12
	422	**471**
Non-Current		
Derivatives at fair value through profit or loss	382	329
	382	**329**
Total of Assets	**804**	**800**
Financial Liabilities		
Current		
Derivatives at fair value through profit or loss	985	464
Derivatives designated as hedges	125	92
	1,110	**556**
Non-Current		
Derivatives at fair value through profit or loss	2,510	3,469
Derivatives designated as hedges	29	27
Stockholders debentures	4,208	4,159
	6,747	**7,655**
Total of Liabilities	**7,857**	**8,211**

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

	Parent Company	
	March 31, 2014 (unaudited) Level 2 (i)	December 31, 2013 Level 2 (i)
Financial Assets		
Current		

Derivatives at fair value through profit or loss	384	378
	384	**378**
Non-Current		
Derivatives at fair value through profit or loss	8	
	8	
Total of Assets	**392**	**378**
Financial Liabilities		
Current		
Derivatives at fair value through profit or loss	761	435
	761	**435**
Non-Current		
Derivatives at fair value through profit or loss	2,462	3,188
Stockholders debentures	4,208	4,159
	6,670	**7,347**
Total of Liabilities	**7,431**	**7,782**

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

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Fair value measurement compared to book value

For the loans allocated to Level 1, the evaluation method used to estimate the fair value of debt is the market approach to the contracts listed on the secondary market. For the loans allocated Level 2, the fair value for both fixed-indexed rate debt and floating rate is determined from the discounted cash flow using the future values of the LIBOR rate 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								
March 31, 2014 (unaudited)								
Loans (long term)(ii)	66,713	70,685	38,881	31,804	35,480	36,833	9,265	27,568
December 31, 2013								
Loans (long term)(ii)	67,926	70,289	37,397	32,892	35,560	36,377	7,889	28,488

(i) No classification according to the level 3.

(ii) Net interest of R$847 in consolidated and R$388 for parent company in March 31, 2014 and net interest of R$1,051 in consolidated and R$517 for parent company in December 31, 2013.

22. Derivative financial instruments

a) Derivatives effects on Balance Sheet

	Consolidated Assets			
	March 31, 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	367		408	

IPCA swap	9	8		
Eurobonds Swap	1	266	30	236
Pre dollar swap	12		12	
	389	**274**	**450**	**236**
Commodities price risk				
Fixed price program	24	1	9	
Bunker Oil	6			
	30	**1**	**9**	
Warrants				
SLW options (Note 27)		107		93
		107		**93**
Derivatives designated as hedge				
Bunker Oil Hedge	3		12	
	3		**12**	
Total	**422**	**382**	**471**	**329**

	Consolidated Liabilities			
	March 31, 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	951	2,252	434	3,207
Eurobonds Swap	6	15	2	
Pre dollar swap	1	238	1	259
	958	**2,505**	**437**	**3,466**
Commodities price risk				
Fixed price program	26	1	6	
Bunker Oil			20	
	26	**1**	**26**	
Embedded derivatives				
Gas Oman	1	4	1	3
	1	**4**	**1**	**3**
Derivatives designated as hedge				
Bunker Oil Hedge	36		29	
Foreign exchange cash flow hedge	89	29	63	27
	125	**29**	**92**	**27**
Total	**1,110**	**2,539**	**556**	**3,496**

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	Parent Company Assets			
	March 31, 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	364		366	
IPCA swap	9	8		
Pre dollar swap	11		12	
	384	**8**	**378**	
Total	**384**	**8**	**378**	

	Parent Company Liabilites			
	March 31, 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	760	2,224	434	2,929
Pre dollar swap	1	238	1	259
	761	**2,462**	**435**	**3,188**
Total	**761**	**2,462**	**435**	**3,188**

b) Effects of derivatives in the statement of income

	Consolidated		Parent Company	
	Three-month period ended (unaudited)			
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US$ fixed and floating rate swap	456	290	423	249
IPCA swap	17		17	
Eurobonds Swap	15	(78)		
Pre dollar swap	26	17	26	17
	514	**229**	**466**	**266**
Commodities price risk				
Nickel:				
Fixed price program	(2)	3		
Purchased scrap protection program		1		
Bunker Oil	6	(30)		
	4	**(26)**		
Warrants				
SLW Options (Note 27)	19	(14)		

	19	**(14)**		
Embedded derivatives				
Gas Oman	(1)	(1)		
	(1)	**(1)**		
Derivatives designated as hedge				
Bunker Oil Hedge	(6)			
Strategic Nickel		26		
Foreign exchange cash flow hedge	(31)	8		11
	(37)	**34**		**11**
Total	**499**	**222**	**466**	**277**

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c) Effects of derivatives as Cash Flow hedge

	Consolidated		Parent Company	
	(Inflows)/ Outflows Three-month period ended (unaudited)			
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Derivatives not designated as hedges				
Exchange risk and interest rates				
CDI & TJLP vs. US$ fixed and floating rate swap	(67)	(167)	(48)	(137)
EuroBonds Swap	(24)	10		
Pre dollar swap	(5)	(10)	(4)	(10)
	(96)	**(167)**	**(52)**	**(147)**
Risk of product prices				
Fixed price program	(3)	5		
Bunker Oil Hedge	21	(1)		
	18	**4**		
Derivatives designated as hedges				
Bunker Oil Hedge	6			
Strategic Nickel		(26)		
Foreign exchange cash flow hedge	31	(8)		(11)
	37	**(34)**		**(11)**
Total	**(41)**	**(197)**	**(52)**	**(158)**
Gains (losses) unrealized derivative	**458**	**25**	**414**	**119**

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					
	Currency	Nickel	Others	Total	noncontrolling stockholders	Consolidated Total
Fair value measurements	(54)		(24)	(78)		(78)
Reclassification to results due to realization	31		6	37		37
Net change in March 31, 2014	**(23)**		**(18)**	**(41)**		**(41)**

Fair value measurements	(18)		(27)	(45)	(45)
Reclassification to results due to realization	(8)	(26)		(34)	(34)
Net change in March 31, 2013	**(26)**	**(26)**	**(27)**	**(79)**	**(79)**

	Maturities dates
Currencies/ Interest Rates (LIBOR)	July 2023
Gas	April 2016
Nickel	November 2015
Copper	June 2014
Warrants	February 2023
Bunker Oil	December 2014

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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 Ltd. There was not cash amount subject to margin calls on March 31, 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 March 31, 2014, the derivatives positions for Vale and controlled companies with the following information: notional amount, fair value (considering counterparty (credit) risk)(1), value at risk, gains or losses in the period 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. USD 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 Brazilian Reais linked to CDI to U.S. Dollars. In those swaps, Vale pays fixed rates in U.S. Dollars and receives payments linked to CDI.

- **CDI vs. USD 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 Brazilian Reais linked to CDI to U.S. Dollars. In those swaps, Vale pays floating rates in U.S. Dollars (Libor London Interbank Offered Rate) and receives payments linked to CDI.

					R$ Million							
	Notional ($ million)				**Fair value**		**Realized Gain/Loss**	**Value at Risk**	**Fair value by year**			
Flow	**March 31, 2014**	**December 31, 2013**	**Index**	**Average rate**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**March 31, 2014**	**2014**	**2015**	**2016**	**2017**
CDI vs. fixed rate swap												
Receivable	R$ 5,596	R$ 5,096	**CDI**	108.35%	5,926	5,601	64					
Payable	US$ 2,816	US$ 2,603	**US$+**	3.71%	(6,663)	(6,557)	(44)					
Net					**(737)**	**(956)**	**20**	**79**	**161**	**(210)**	**(562)**	**(126)**
Adjusted Net for credit risk					**(744)**	**(963)**			**160**	**(212)**	**(565)**	**(127)**
CDI vs. floating rate swap												
Receivable	R$ 428	R$ 428	**CDI**	103.50%	436	446	20					
Payable	US$ 250	US$ 250	**Libor +**	0.99%	(572)	(596)	(4)					
Net					**(136)**	**(150)**	**16**	**6**	**18**	**(154)**		
Adjusted Net for credit risk					**(136)**	**(150)**			**18**	**(154)**		

Type of contracts: OTC Contracts

Protected Item: Debts linked to BRL

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

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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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Protection program for the real denominated debt indexed to TJLP

• **TJLP vs. USD 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 U.S. Dollars. In those swaps, Vale pays fixed rates in U.S. Dollars and receives payments linked to TJLP.

• **TJLP vs. USD 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 U.S. Dollars. In those swaps, Vale pays floating rates in U.S. Dollars and receives payments linked to TJLP.

					R$ Million							
	Notional ($ million)				**Fair value**		**Realized Gain/Loss**	**Value at Risk**	**Fair value by year**			
Flow	**March 31, 2014**	**December 31, 2013**	**Index**	**Average rate**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**March 31, 2014**	**2014**	**2015**	**2016**	**2017-2023**
Swap TJLP vs. fixed rate swap												
Receivable	R$ 6,351	R$ 6,456	**TJLP +**	1.37%	5,568	5,626	193					
Payable	US$ 3,230	US$ 3,310	**USD +**	1.99%	(7,213)	(7,431)	(162)					
Net					**(1,645)**	**(1,805)**	**31**	**257**	**(37)**	**(130)**	**(260)**	**(1,218)**
Adjusted Net for credit risk					**(1,741)**	**(1,881)**			**(37)**	**(131)**	**(265)**	**(1,308)**
Swap TJLP vs. floating rate swap												
Receivable	R$ 613	R$ 615	**TJLP +**	0.89%	535	525	3					
Payable	US$ 349	US$ 350	**Libor +**	-1.15%	(747)	(760)	(3)					
Net					**(212)**	**(235)**	**0**	**21**	**(78)**	**4**	**(4)**	**(134)**
Adjusted Net for credit risk					**(215)**	**(238)**			**(79)**	**4**	**(4)**	**(136)**

Type of contracts: OTC Contracts

Protected Item: Debts linked to BRL

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

Protection program for the Real denominated fixed rate debt

- **BRL fixed rate vs. USD fixed rate swap**: In order to hedge the cash flow volatility, Vale entered into a swap transaction to convert the cash flows from loans rate with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) in Brazilian Reais linked to fixed rate to U.S. Dollars linked to fixed. In those swaps, Vale pays fixed rates in U.S. Dollars and receives fixed rates in Reais.

					R$ Million							
	Notional ($ million)				**Fair value**		**Realized Gain/Loss**	**Value at Risk**	**Fair value by year**			
Flow	**March 31, 2014**	**December 31, 2013**	**Index**	**Average rate**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**March 31, 2014**	**2014**	**2015**	**2016**	**2017 - 2023**
R$ fixed rate vs. US$ fixed rate swap												
Receivable	R$ 821	R$ 824	**Fix**	4.49%	705	723	34					
Payable	US$ 442	US$ 446	**US$-**	-1.14%	(924)	(963)	(30)					
Net					**(219)**	**(240)**	**4**	**23**	**10**	**(46)**	**(135)**	**(48)**
Adjusted Net for credit risk					**(228)**	**(249)**			**10**	**(47)**	**(138)**	**(53)**

Type of contracts: OTC Contracts

Protected Item: Debts linked to BRL

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

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

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Protection program for the Real denominated debt indexed to IPCA

• **IPCA vs. USD 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 Brazilian Reais linked to IPCA to U.S. Dollars. In those swaps, Vale pays fixed rates in U.S. Dollars and receives payments linked to IPCA.

					R$ Million							
	Notional ($ million)				Fair value		Realized Gain/Loss	Value at Risk	Fair value by year			
Flow	**March 31, 2014**	**December 31, 2013**	**Index**	**Average rate**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**March 31, 2014**	**2014**	**2015**	**2016**	**2017 - 20**
IPCA vs. US$ fixed rate swap												
Receivable	R$ 450		**Fix**	6.46%	461							
Payable	US$ 187		**US$+**	4.02%	(443)							
Net					**18**			**72**		**10**	**10**	
Adjusted Net for credit risk					**17**					**10**	**10**	

Type of contracts: OTC Contracts

Protected Item: Debts linked to BRL

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

Protection program for Euro denominated debt

• **EUR fixed rate vs. USD 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 U.S. Dollars 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 U.S. Dollars.

Flow	Notional ($ million) March 31, 2014	Notional ($ million) December 31, 2013	Index	Average rate	R$ million Fair value March 31, 2014	R$ million Fair value December 31, 2013	R$ million Realized Gain/Loss March 31, 2014	R$ million Value at Risk March 31, 2014	R$ million Fair value by year 2014	R$ million Fair value by year 2015	R$ million Fair value by year 2016 - 2023
Receivable	1,000	1,000	**EUR**	4.063%	3,517	3,585	1,731				
Payable	US$ 1,302	US$ 1,288	**US$**	4.511%	(3,259)	(3,306)	(1,707)				
Net					**258**	**279**	**24**	**28**		**(6)**	**264**
Adjusted Net for credit risk					**245**	**264**				**(6)**	**251**

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/USD exchange rate.

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 U.S. Dollars and the disbursements denominated in Canadian Dollars.

Flow	Notional ($ million) March 31, 2014	Notional ($ million) December 31, 2013	Buy/ Sell	Average rate (CAD/USD)	R$ million Fair value March 31, 2014	R$ million Fair value December 31, 2013	R$ million Realized Gain/Loss March 31, 2014	R$ million Value at Risk March 31, 2014	R$ million Fair value by year 2014	R$ million Fair value by year 2015	R$ million Fair value by year 2016
Forward	CAD 638	CAD 786	**B**	1.020	**(118)**	**(90)**		**9**	**(74)**	**(42)**	**(2)**
Adjusted total for credit risk					**(118)**	**(90)**			**(74)**	**(42)**	**(2)**

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/USD exchange rate.

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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)			Average Strike	Fair value		Realized Gain/Loss	Value at Risk	Fair value by yea
Flow	March 31, 2014	December 31, 2013	Buy/ Sell	(US$/ton)	March 31, 2014	December 31, 2013	March 31, 2014	March 31, 2014	2014
Nickel Futures	1,020	0	**B**	16,147	(0.6)				(0.
Nickel Futures	1,036	168	**S**	15,925	0.1	0.08	(0.1)		0.
Adjusted total for credit risk					**(0.5)**	**0.08**	**(0.1)**	**1.55**	**(0.**

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 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)			Average Strike	Fair value		Realized Gain/Loss	Value at Risk	Fair value by year	
Flow	**March 31, 2014**	**December 31, 2013**	**Buy/ Sell**	**(US$/ton)**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**March 31, 2014**	**2014**	**2015**
Nickel Futures	7,184	6,317	**B**	14,767	**21**	**(5)**	**(8)**	**5**	**18**	**3**
Adjusted total for credit risk					**21**	**(5)**			**18**	**3**

Type of contracts: LME Contracts and OTC contracts

Protected Item: part of Vale s revenues linked to fixed price sales of Nickel.

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	585,326	1,101,029	**S**	3.22	**0.26**	**(0.34)**	**(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.

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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.

					R$ million				
	Notional (ton)			Average Strike	Fair value		Realized Gain/Loss	Value at Risk	Fair value by yea
Flow	**March 31, 2014**	**December 31, 2013**	**Buy/ Sell**	**(US$/mt)**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**March 31, 2014**	**2014**
Forward	1,108,500		**B**	591	**6**			**21**	
Adjusted total for credit risk					**6**				

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.

					R$ million				
	Notional (ton)			Average Strike	Fair value		Realized Gain/Loss	Value at Risk	Fair value by yea
Flow	**March 31, 2014**	**December 31, 2013**	**Buy/ Sell**	**(US$/mt)**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**March 31, 2014**	**2014**
Forward	2,110,500	1,590,000	**B**	600	**(31)**	**(8)**	**(0.4)**	**39**	**(3**
Adjusted total for credit risk					**(31)**	**(8)**			**(3**

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.

Sell of part of future gold production (subproduct) from Vale

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 with strike price of US$ 65 and 10 years term, where this last part configures an American call option.

					R$ million				
	Notional ($ million)			Average Strike	Fair value		Realized Gain/Loss	Value at Risk	Fair value by year
Flow	**March 31, 2014**	**December 31, 2013**	**Buy/ Sell**	**(US$/stock)**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**March 31, 2014**	**2023**
Call Option	US$ 10	US$ 10	**B**	65	**108**	**93**		**9**	**108**
Adjusted total for credit risk					**107**	**93**			**107**

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 March 31, 2014:

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Flow	Notional (ton) March 31, 2014	Notional (ton) December 31, 2013	Buy/ Sell	Average Strike (US$/ton)	R$ million Fair value March 31, 2014	R$ million Fair value December 31, 2013	Realized Gain/Loss March 31, 2014	Value at Risk March 31, 2014	Fair value by ye 2014
Nickel Forwards	3,413	2,111		14,753	7.0	0.1	0.8		[illegible]
Copper Forwards	5,296	6,277	S	6,979	(4.0)	0.8	0.9		[illegible]
Total					**3.0**	**0.9**	**1.7**	**3.2**	[illegible]

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.

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.

Flow	Notional (volume/month) March 31, 2014	Notional (volume/month) December 31, 2013	Buy/ Sell	Average Strike (US$/ton)	R$ million Fair value March 31, 2014	R$ million Fair value December 31, 2013	Realized Gain/Loss March 31, 2014	Value at Risk March 31, 2014	Fair value by year 2014	2015	2016
Call Options	746,667	746,667	S	179.36	**(4.7)**	**(3.6)**		**5.2**	**(0.6)**	**(3.0)**	**(1.1**

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.

1. Commodities

Nickel

Maturity	Price (US$/ton)	Maturity	Price (US$/ton)	Maturity	Price (US$/ton)
SPOT	15,735.00	SEP14	15,925.21	MAR15	15,950.61
APR14	15,879.29	OCT14	15,931.09	MAR16	15,996.08
MAY14	15,894.63	NOV14	15,936.79	MAR17	16,016.98
JUN14	15,905.08	DEC14	15,940.00	MAR18	16,010.22
JUL14	15,912.91	JAN15	15,940.00		
AUG14	15,918.79	FEB15	15,943.43		

Copper

Maturity	Price (US$/lb)	Maturity	Price (US$/lb)	Maturity	Price (US$/lb)
SPOT	3.02	SEP14	3.01	MAR15	3.02
APR14	3.02	OCT14	3.02	MAR16	3.02
MAY14	3.02	NOV14	3.02	MAR17	3.03
JUN14	3.02	DEC14	3.02	MAR18	3.03
JUL14	3.01	JAN15	3.02		
AUG14	3.01	FEB15	3.02		

Bunker Oil

Maturity	Price (US$/ton)	Maturity	Price (US$/ton)	Maturity	Price (US$/ton)
SPOT	604.38	SEP14	592.00	MAR15	587.74
APR14	598.55	OCT14	591.44	MAR16	572.01
MAY14	592.83	NOV14	590.85	MAR17	561.70
JUN14	593.07	DEC14	590.28	MAR18	558.05
JUL14	592.93	JAN15	589.66		
AUG14	592.53	FEB15	589.05		

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2. Rates

US$-Brazil Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
05/02/14	0.58	07/01/16	1.75	01/02/19	3.09
06/02/14	0.61	10/03/16	1.86	04/01/19	3.22
07/01/14	0.68	01/02/17	1.98	07/01/19	3.33
10/01/14	0.87	04/03/17	2.10	10/01/19	3.46
01/02/15	1.09	07/03/17	2.23	01/02/20	3.61
04/01/15	1.20	10/02/17	2.36	07/01/20	3.85
07/01/15	1.34	01/02/18	2.51	01/04/21	4.07
10/01/15	1.43	04/02/18	2.68	07/01/21	4.25
01/04/16	1.55	07/02/18	2.82	01/03/22	4.41
04/01/16	1.62	10/01/18	2.96	01/02/23	4.74

US$ Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	0.15	6M	0.26	11M	0.27
2M	0.19	7M	0.26	12M	0.27
3M	0.23	8M	0.27	2Y	0.55
4M	0.25	9M	0.27	3Y	1.03
5M	0.25	10M	0.27	4Y	1.50

TJLP

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
05/02/14	5.00	07/01/16	5.00	01/02/19	5.00
06/02/14	5.00	10/03/16	5.00	04/01/19	5.00
07/01/14	5.00	01/02/17	5.00	07/01/19	5.00
10/01/14	5.00	04/03/17	5.00	10/01/19	5.00
01/02/15	5.00	07/03/17	5.00	01/02/20	5.00
04/01/15	5.00	10/02/17	5.00	07/01/20	5.00
07/01/15	5.00	01/02/18	5.00	01/04/21	5.00
10/01/15	5.00	04/02/18	5.00	07/01/21	5.00
01/04/16	5.00	07/02/18	5.00	01/03/22	5.00
04/01/16	5.00	10/01/18	5.00	01/02/23	5.00

BRL Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
05/02/14	10.76	07/01/16	12.35	01/02/19	12.73
06/02/14	10.77	10/03/16	12.42	04/01/19	12.76
07/01/14	10.82	01/02/17	12.47	07/01/19	12.78
10/01/14	10.97	04/03/17	12.50	10/01/19	12.80
01/02/15	11.12	07/03/17	12.56	01/02/20	12.78
04/01/15	11.39	10/02/17	12.63	07/01/20	12.84
07/01/15	11.68	01/02/18	12.67	01/04/21	12.83
10/01/15	11.91	04/02/18	12.69	07/01/21	12.87
01/04/16	12.08	07/02/18	12.71	01/03/22	12.91
04/01/16	12.23	10/01/18	12.72	01/02/23	12.97

Implicit Inflation (IPCA)

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
05/02/14	6.13	07/01/16	6.36	01/02/19	6.16
06/02/14	6.13	10/03/16	6.31	04/01/19	6.16
07/01/14	6.18	01/02/17	6.28	07/01/19	6.16
10/01/14	6.33	04/03/17	6.23	10/01/19	6.16
01/02/15	6.47	07/03/17	6.23	01/02/20	6.12
04/01/15	6.71	10/02/17	6.25	07/01/20	6.14
07/01/15	6.56	01/02/18	6.24	01/04/21	6.09
10/01/15	6.48	04/02/18	6.22	07/01/21	6.10
01/04/16	6.41	07/02/18	6.20	01/03/22	6.10
04/01/16	6.38	10/01/18	6.18	01/02/23	6.11

EUR Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	0.21	6M	0.37	11M	0.41
2M	0.25	7M	0.39	12M	0.42
3M	0.28	8M	0.39	2Y	0.49
4M	0.33	9M	0.40	3Y	0.62
5M	0.35	10M	0.41	4Y	0.80

CAD Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	1.23	6M	1.36	11M	1.28
2M	1.25	7M	1.34	12M	1.28
3M	1.27	8M	1.32	2Y	1.39

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Sensitivity Analysis

We present below the sensitivity analysis for all derivatives outstanding positions as of March 31, 2014 given predefined scenarios for market risk factors behavior. The scenarios were defined as follows:

- Fair Value: the fair value of the instruments as at March 31, 2014;
- Scenario I: Potential change in fair value of Vale s financial instruments positions considering a 25% depreciation of market curves for underlying market risk factors;
- Scenario II: Potential change in fair value of Vale s financial instruments positions considering a 25% appreciation of market curves for underlying market risk factors;
- Scenario III: Potential change in fair value of Vale s financial instruments positions considering a 50% depreciation of market curves for underlying market risk factors;
- Scenario IV: Potential change in fair value of Vale s financial instruments positions considering a 50% appreciation of market curves for underlying market risk factors;

Sensitivity Analysis Summary of the USD/BRL fluctuation Debt, Cash Investments and Derivatives

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

Program	Instrument	Risk	Scenario I	Scenario II	Scenario III	Scenario IV
Funding	Debt denominated in BRL	USD/BRL fluctuation				
Funding	Debt denominated in USD	USD/BRL fluctuation	11,516	(11,516)	23,032	(23,032)
Cash Investments	Cash denominated in BRL	USD/BRL fluctuation	2	(2)	5	(5)
Cash Investments	Cash denominated in USD	USD/BRL fluctuation	0	0	0	0
Derivatives*	Consolidated derivatives portfolio	USD/BRL fluctuation	(4,141)	4,141	(8,280)	8,280
Net result			7,377	(7,377)	14,757	(14,757)

(*) Detailed information of derivatives block is described below.

Sensitivity Analysis Consolidated Derivative Position

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

Program	Instrument	Risk	Fair Value	Scenario I	Scenario II	Scenario III	Scenario IV
Protection program for the Real denominated debt indexed to CDI		USD/BRL fluctuation		(1,666)	1,666	(3,331)	3,331
		USD interest rate inside Brazil variation	(744)	(50)	48	(100)	96
	CDI vs. USD fixed rate swap	Brazilian interest rate fluctuation		(24)	22	(51)	43
		USD Libor variation		(0.1)	0.1	(0.3)	0.3
		USD/BRL fluctuation		(143)	143		