

Vale S.A.  
Form 6-K  
February 16, 2012  
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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**

**February, 2012**

**Vale S.A.**

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

(Address of principal executive office)

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

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

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

(Check One) Yes  No

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

(Check One) Yes  No

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

(Check One) Yes  No

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

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**Financial Statements**

**December 31, 2011**

**US GAAP**

Filed at CVM, SEC and HKEx on

February 15, 2012

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**Vale S.A.**

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**Report of independent registered**

**public accounting firm**

To the Board of Directors and Stockholders

Vale S.A.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of comprehensive income, of cash flows and of changes in stockholders' equity present fairly, in all material respects, the financial position of Vale S.A. and its subsidiaries (the Company) at December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Rio de Janeiro, February 15, 2012

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 F RJ

Marcos Donizete Panassol

Contador CRC 1SP155975/O-8 S RJ

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**Management's Report on Internal Control over Financial Reporting**

The management of Vale S.A (Vale) is responsible for establishing and maintaining adequate internal control over financial reporting.

The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, and that the degree of compliance with the policies or procedures may deteriorate.

Vale's management has assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2011 based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission - COSO. Based on such assessment and criteria, Vale's management has concluded that the company's internal control over financial reporting was effective as of December 31, 2011.

The effectiveness of the company's internal control over financial reporting as of December 31, 2011 has been audited by PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, as stated in their report which appears herein.

February 15, 2012

Murilo Ferreira

Chief Executive Officer

Tito Martins

Chief Financial Officer

Table of Contents**Consolidated Balance Sheets**

Expressed in millions of United States dollars

	As of December 31,	
	2011	2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,531	7,584
Short-term investments		1,793
Accounts receivable		
Related parties	288	435
Unrelated parties	8,217	7,776
Loans and advances to related parties	82	96
Inventories	5,251	4,298
Deferred income tax	203	386
Unrealized gains on derivative instruments	595	52
Advances to suppliers	393	188
Recoverable taxes	2,230	1,603
Assets held for sale		6,987
Others	946	593
	<b>21,736</b>	<b>31,791</b>
<b>Non-current assets</b>		
Property, plant and equipment, net	88,895	83,096
Intangible assets	1,135	1,274
Investments in affiliated companies, joint ventures and others investments	8,093	4,497
Other assets:		
Goodwill on acquisition of subsidiaries	3,026	3,317
Loans and advances		
Related parties	509	29
Unrelated parties	210	165
Prepaid pension cost	1,666	1,962
Prepaid expenses	321	222
Judicial deposits	1,464	1,731
Recoverable taxes	587	361
Deferred income tax	594	
Unrealized gains on derivative instruments	60	301
Deposit on incentive / reinvestment	229	144
Others	203	249
	<b>106,992</b>	<b>97,348</b>
<b>Total</b>	<b>128,728</b>	<b>129,139</b>

Table of Contents**Consolidated Balance Sheets**

Expressed in millions of United States dollars

(Except number of shares)

	(Continued) As of December 31,	
	2011	2010
<b>Liabilities and stockholders equity</b>		
<b>Current liabilities</b>		
Suppliers	4,814	3,558
Payroll and related charges	1,307	1,134
Minimum annual remuneration attributed to stockholders	1,181	4,842
Current portion of long-term debt	1,495	2,823
Short-term debt	22	139
Loans from related parties	24	21
Provision for income taxes	507	751
Taxes payable and royalties	524	264
Employees postretirement benefits	147	168
Railway sub-concession agreement payable	66	76
Unrealized losses on derivative instruments	73	35
Provisions for asset retirement obligations	73	75
Liabilities associated with assets held for sale		3,152
Others	810	874
	<b>11,043</b>	<b>17,912</b>
<b>Non-current liabilities</b>		
Employees postretirement benefits	2,446	2,442
Loans from related parties	91	2
Long-term debt	21,538	21,591
Provisions for contingencies (Note 20 (b))	1,686	2,043
Unrealized losses on derivative instruments	663	61
Deferred income tax	5,654	8,085
Provisions for asset retirement obligations	1,697	1,293
Debentures	1,336	1,284
Others	2,460	1,985
	<b>37,571</b>	<b>38,786</b>
<b>Redeemable noncontrolling interest</b>	505	712
<b>Commitments and contingencies (Note 20)</b>		
<b>Stockholders equity</b>		
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (2010 - 2,108,579,618) issued	16,728	10,370

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Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (2010 - 3,256,724,482) issued	25,837	16,016
Treasury stock - 181,099,814 (2010 - 99,649,571) preferred and 86,911,207 (2010 - 47,375,394) common shares	(5,662)	(2,660)
Additional paid-in capital	(61)	2,188
Mandatorily convertible notes - common shares	290	290
Mandatorily convertible notes - preferred shares	644	644
Other cumulative comprehensive loss	(5,673)	(333)
Undistributed retained earnings	41,130	42,218
Unappropriated retained earnings	4,482	166
<b>Total Company stockholders equity</b>	<b>77,715</b>	<b>68,899</b>
<b>Noncontrolling interests</b>	<b>1,894</b>	<b>2,830</b>
<b>Total stockholders equity</b>	<b>79,609</b>	<b>71,729</b>
<b>Total</b>	<b>128,728</b>	<b>129,139</b>

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

Table of Contents**Consolidated Statements of Income**

Expressed in millions of United States dollars

(Except per share amounts)

	Three-month period ended (unaudited)			Year ended as of December 31,		
	December 31, 2011	September 30, 2011	December 31, 2010	2011	2010	2009
<b>Operating revenues, net of discounts, returns and allowances</b>						
Sales of ores and metals	13,015	14,783	13,021	53,200	39,422	19,502
Aluminum products			691	383	2,554	2,050
Revenues from logistic services	420	503	334	1,726	1,465	1,104
Fertilizer products	856	1,037	768	3,547	1,845	413
Others	464	418	393	1,533	1,195	870
	<b>14,755</b>	<b>16,741</b>	<b>15,207</b>	<b>60,389</b>	<b>46,481</b>	<b>23,939</b>
Taxes on revenues	(328)	(380)	(278)	(1,399)	(1,188)	(628)
<b>Net operating revenues</b>	<b>14,427</b>	<b>16,361</b>	<b>14,929</b>	<b>58,990</b>	<b>45,293</b>	<b>23,311</b>
<b>Operating costs and expenses</b>						
Cost of ores and metals sold	(4,699)	(4,737)	(4,258)	(17,898)	(13,326)	(9,853)
Cost of aluminum products			(565)	(289)	(2,108)	(2,087)
Cost of logistic services	(346)	(391)	(285)	(1,402)	(1,040)	(779)
Cost of fertilizer products	(592)	(788)	(674)	(2,701)	(1,556)	(173)
Others	(388)	(335)	(258)	(1,283)	(784)	(729)
	<b>(6,025)</b>	<b>(6,251)</b>	<b>(6,040)</b>	<b>(23,573)</b>	<b>(18,814)</b>	<b>(13,621)</b>
Selling, general and administrative expenses	(827)	(654)	(647)	(2,334)	(1,701)	(1,130)
Research and development expenses	(529)	(440)	(301)	(1,674)	(878)	(981)
Gain on sale of assets				1,513		
Others	(1,023)	(643)	(774)	(2,810)	(2,205)	(1,522)
	<b>(8,404)</b>	<b>(7,988)</b>	<b>(7,762)</b>	<b>(28,878)</b>	<b>(23,598)</b>	<b>(17,254)</b>
<b>Operating income</b>	<b>6,023</b>	<b>8,373</b>	<b>7,167</b>	<b>30,112</b>	<b>21,695</b>	<b>6,057</b>
<b>Non-operating income (expenses)</b>						
Financial income	139	188	117	718	290	381
Financial expenses	(547)	(822)	(926)	(2,465)	(2,646)	(1,558)
Gains (losses) on derivatives, net	46	(568)	473	75	631	1,528
Foreign exchange and indexation gains (losses), net	(108)	(2,191)	51	(1,641)	344	675
Gain (loss) on sale of investments						40
	<b>(470)</b>	<b>(3,393)</b>	<b>(285)</b>	<b>(3,313)</b>	<b>(1,381)</b>	<b>1,066</b>
	<b>5,553</b>	<b>4,980</b>	<b>6,882</b>	<b>26,799</b>	<b>20,314</b>	<b>7,123</b>

<b>Income before discontinued operations, income taxes and equity results</b>						
<b>Income taxes</b>						
Current	(1,038)	(1,197)	(1,549)	(5,547)	(4,996)	(2,084)
Deferred	(109)	846	412	265	1,291	(16)
	<b>(1,147)</b>	<b>(351)</b>	<b>(1,137)</b>	<b>(5,282)</b>	<b>(3,705)</b>	<b>(2,100)</b>
Equity in results of affiliates, joint ventures and other investments	167	282	303	1,135	987	433
<b>Net income from continuing operations</b>	<b>4,573</b>	<b>4,911</b>	<b>6,048</b>	<b>22,652</b>	<b>17,596</b>	<b>5,456</b>
<b>Discontinued operations, net of tax</b>					(143)	
<b>Net income</b>	<b>4,573</b>	<b>4,911</b>	<b>6,048</b>	<b>22,652</b>	<b>17,453</b>	<b>5,456</b>
<b>Net income (loss) attributable to noncontrolling interests</b>	(99)	(24)	131	(233)	189	107
<b>Net loss attributable to redeemable noncontrolling interests</b>						
<b>Net income attributable to the Company's stockholders</b>	<b>4,672</b>	<b>4,935</b>	<b>5,917</b>	<b>22,885</b>	<b>17,264</b>	<b>5,349</b>
<b>Earnings per share attributable to Company's stockholders:</b>						
Earnings per preferred share	0.89	0.93	1.12	4.33	3.23	0.97
Earnings per common share	0.89	0.93	1.12	4.33	3.23	0.97
Earnings per convertible note linked to preferred share	1.21	1.78	1.61	6.39	4.76	1.71
Earnings per convertible note linked to common share	2.82	1.79	1.68	8.15	6.52	2.21

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

Table of Contents**Consolidated Statements of Comprehensive Income (deficit)**

Expressed in millions of United States dollars

	Three-month period ended (unaudited)			Year ended as of December 31,		
	December 31, 2011	September 30, 2011	December 31, 2010	2011	2010	2009
<b>Comprehensive income is comprised as follows:</b>						
<b>Company's stockholders:</b>						
Net income attributable to Company's stockholders	4,672	4,935	5,917	22,885	17,264	5,349
Cumulative translation adjustments	(267)	(7,486)	12	(4,985)	1,519	9,721
<b>Available-for-sale securities</b>						
Gross balance as of the period/year end			7	(13)	12	(47)
Tax (expense) benefit	1		(5)	11	(9)	30
	<b>1</b>		<b>2</b>	<b>(2)</b>	<b>3</b>	<b>(17)</b>
<b>Surplus (deficit) accrued pension plan</b>						
Gross balance as of the period/year end	(261)	(467)	(306)	(740)	(53)	10
Tax (expense) benefit	82	150	93	232	32	(14)
	<b>(179)</b>	<b>(317)</b>	<b>(213)</b>	<b>(508)</b>	<b>(21)</b>	<b>(4)</b>
<b>Participation on other comprehensive income from affiliated company</b>						
<b>Cash flow hedge</b>						
Gross balance as of the period	(145)	123	(190)	130	(16)	11
Tax (expense) benefit	5	26	57	25	(10)	(9)
	<b>(140)</b>	<b>149</b>	<b>(133)</b>	<b>155</b>	<b>(26)</b>	<b>2</b>
<b>Total comprehensive income attributable to Company's stockholders</b>	<b>4,087</b>	<b>(2,719)</b>	<b>5,585</b>	<b>17,545</b>	<b>18,739</b>	<b>15,051</b>
<b>Noncontrolling interests:</b>						
Net income attributable to noncontrolling interests	(99)	(24)	131	(233)	189	107
Cumulative translation adjustments	73	(269)	(85)	(210)	104	823
Pension plan		(1)		4		
Cash flow hedge			5	1	40	(18)
<b>Total comprehensive income (deficit) attributable to Noncontrolling interests</b>	<b>(26)</b>	<b>(294)</b>	<b>51</b>	<b>(438)</b>	<b>333</b>	<b>912</b>

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<b>Total comprehensive income</b>	<b>4,061</b>	<b>(3,013)</b>	<b>5,636</b>	<b>17,107</b>	<b>19,072</b>	<b>15,963</b>
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The accompanying notes are an integral part of these financial statements.

Table of Contents**Consolidated Statements of Cash Flows**

Expressed in millions of United States dollars

	Three-month period ended (unaudited)			Year ended as of December 31,		
	December 31, 2011	September 30, 2011	December 31, 2010	2011	2010	2009
<b>Cash flows from operating activities:</b>						
<b>Net income</b>	<b>4,573</b>	<b>4,911</b>	<b>6,048</b>	<b>22,652</b>	<b>17,453</b>	<b>5,456</b>
Adjustments to reconcile net income to cash from operations:						
Depreciation, depletion and amortization	1,168	1,018	1,073	4,122	3,260	2,722
Dividends received	205	240	629	1,038	1,161	386
Equity in results of affiliates, joint ventures and other investments	(167)	(282)	(303)	(1,135)	(987)	(433)
Deferred income taxes	109	(846)	(412)	(265)	(1,291)	16
Loss on disposal of property, plant and equipment	15	17	248	223	623	293
Gain on sale of assets available for sale				(1,513)		(40)
Discontinued operations, net of tax					143	
Foreign exchange and indexation gains, net	808	2,218	(595)	2,879	(787)	(1,095)
Unrealized derivative losses (gains), net	290	642	532	490	594	(1,382)
Unrealized interest (income) expense, net	150	78	(43)	194	187	(25)
Others	(68)	(37)	(27)	(183)	58	20
<b>Decrease (increase) in assets:</b>						
Accounts receivable	456	(730)	(639)	(821)	(3,800)	616
Inventories	(203)	(324)	404	(1,343)	(425)	530
Recoverable taxes	20	(392)	(70)	(563)	42	108
Others	(16)	(219)	709	(315)	307	(455)
<b>Increase (decrease) in liabilities:</b>						
Suppliers	(156)	829	(445)	1,076	928	121
Payroll and related charges	225	212	204	285	214	159
Income taxes	(185)	(2,745)	(93)	(2,478)	1,311	(234)
Others	288	(379)	(35)	153	192	373
<b>Net cash provided by operating activities</b>	<b>7,512</b>	<b>4,211</b>	<b>7,185</b>	<b>24,496</b>	<b>19,183</b>	<b>7,136</b>

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**Cash flows from investing activities:**

Short term investments	(1,793)	1,793	1,954	(1,439)
Loans and advances receivable				
Related parties				
Loan proceeds			(28)	(181)
Repayments				7
Others	(58)	57	(17)	(178)
Judicial deposits	(59)	(239)	96	(186)
Investments	(345)	(18)	(36)	(504)
Additions to property, plant and equipment	(6,071)	(3,711)	(4,742)	(16,075)
Proceeds from disposal of investments			1,081	606
Acquisition (sale) of subsidiaries				(6,252)
<b>Net cash used in investing activities</b>	<b>(6,533)</b>	<b>(3,911)</b>	<b>(6,492)</b>	<b>(14,069)</b>
<b>Cash flows from financing activities:</b>				
Short-term debt				
Additions	21	20	229	859
Repayments	(36)	(63)	(147)	(955)
Loans				
Related parties				
Proceeds			2	19
Repayments			(22)	(1)
Issuances of long-term debt				
Third parties				
Proceeds	214	479	891	1,564
Repayments	(82)	(769)	(958)	(2,621)
Treasury stock	(1,001)	(2,001)	(1,132)	(3,002)
Mandatorily convertible notes				934
Transactions of noncontrolling interest	(1,134)			(1,134)
Dividends and interest attributed to Company's stockholders	(3,000)	(3,000)	(1,750)	(9,000)
Dividends and interest attributed to noncontrolling interest	(40)		(81)	(100)
<b>Net cash provided by (used in) financing activities</b>	<b>(5,058)</b>	<b>(5,334)</b>	<b>(2,968)</b>	<b>(14,371)</b>
Increase (decrease) in cash and cash equivalents	(4,079)	(5,034)	(2,275)	(3,944)
Effect of exchange rate changes on cash and cash equivalents	45	(628)	136	(109)
Cash and cash equivalents, beginning of period	7,565	13,227	9,723	7,584
<b>Cash and cash equivalents, end of period</b>	<b>3,531</b>	<b>7,565</b>	<b>7,584</b>	<b>3,531</b>
Cash paid during the period for:				
Interest on short-term debt	(1)		(2)	(3)
Interest on long-term debt	(198)	(234)	(314)	(1,143)
Income tax	(1,060)	(4,097)	(1,100)	(7,293)
Non-cash transactions				
Income tax paid with credits	(681)			(681)
Interest capitalized	78	54	38	234
Conversion of mandatorily convertible notes using				164
				266

75,435,238 treasury stock (see note 17).

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

Table of Contents**Consolidated Statements of Changes in Stockholders' Equity**

Expressed in millions of United States dollars

(Except number of shares)

	Three-month period ended (unaudited)			Year ended as of December 31,		
	December 31, 2011	September 30, 2011	December 31, 2010	2011	2010	2009
<b>Preferred class A stock (including twelve golden shares)</b>						
<b>Beginning of the period</b>	16,728	16,728	10,370	10,370	9,727	9,727
Capital increase				6,358		
Transfer from undistributed retained earnings					643	
<b>End of the period</b>	<b>16,728</b>	<b>16,728</b>	<b>10,370</b>	<b>16,728</b>	<b>10,370</b>	<b>9,727</b>
<b>Common stock</b>						
<b>Beginning of the period</b>	25,837	25,837	16,016	16,016	15,262	15,262
Capital increase				9,821		
Transfer from undistributed retained earnings					754	
<b>End of the period</b>	<b>25,837</b>	<b>25,837</b>	<b>16,016</b>	<b>25,837</b>	<b>16,016</b>	<b>15,262</b>
<b>Treasury stock</b>						
<b>Beginning of the period</b>	(4,661)	(2,660)	(1,528)	(2,660)	(1,150)	(1,141)
Sales (acquisitions)	(1,001)	(2,001)	(1,132)	(3,002)	(1,510)	(9)
<b>End of the period</b>	<b>(5,662)</b>	<b>(4,661)</b>	<b>(2,660)</b>	<b>(5,662)</b>	<b>(2,660)</b>	<b>(1,150)</b>
<b>Additional paid-in capital</b>						
<b>Beginning of the period</b>	318	318	2,188	2,188	411	393
Change in the period	(379)			(2,249)	1,777	18
<b>End of the period</b>	<b>(61)</b>	<b>318</b>	<b>2,188</b>	<b>(61)</b>	<b>2,188</b>	<b>411</b>
<b>Mandatorily convertible notes - common shares</b>						
<b>Beginning of the period</b>	290	290	290	290	1,578	1,288
Change in the period					(1,288)	290
<b>End of the period</b>	<b>290</b>	<b>290</b>	<b>290</b>	<b>290</b>	<b>290</b>	<b>1,578</b>
<b>Mandatorily convertible notes - preferred shares</b>						
<b>Beginning of the period</b>	644	644	644	644	1,225	581
Change in the period					(581)	644
<b>End of the period</b>	<b>644</b>	<b>644</b>	<b>644</b>	<b>644</b>	<b>644</b>	<b>1,225</b>
<b>Other cumulative comprehensive income (deficit)</b>						
<b>Cumulative translation adjustments</b>						
<b>Beginning of the period</b>	(4,971)	2,515	(265)	(253)	(1,772)	(11,493)
Change in the period	(267)	(7,486)	12	(4,985)	1,519	9,721
<b>End of the period</b>	<b>(5,238)</b>	<b>(4,971)</b>	<b>(253)</b>	<b>(5,238)</b>	<b>(253)</b>	<b>(1,772)</b>
<b>Unrealized gain (loss) - available-for-sale securities, net of tax</b>						

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<b>Beginning of the period</b>			1	3		17
Change in the period	1		2	(2)	3	(17)
<b>End of the period</b>	<b>1</b>		<b>3</b>	<b>1</b>	<b>3</b>	
<b>Surplus (deficit) of accrued pension plan</b>						
<b>Beginning of the period</b>	(388)	(71)	154	(59)	(38)	(34)
Change in the period	(179)	(317)	(213)	(508)	(21)	(4)
<b>End of the period</b>	<b>(567)</b>	<b>(388)</b>	<b>(59)</b>	<b>(567)</b>	<b>(59)</b>	<b>(38)</b>
<b>Participation on other comprehensive income of subsidiaries</b>						
<b>Cash flow hedge</b>						
<b>Beginning of the period</b>	271	122	109	(24)	2	
Change in the period	(140)	149	(133)	155	(26)	2
<b>End of the period</b>	<b>131</b>	<b>271</b>	<b>(24)</b>	<b>131</b>	<b>(24)</b>	<b>2</b>
<b>Total other cumulative comprehensive income (deficit)</b>	<b>(5,673)</b>	<b>(5,088)</b>	<b>(333)</b>	<b>(5,673)</b>	<b>(333)</b>	<b>(1,808)</b>
<b>Undistributed retained earnings</b>						
<b>Beginning of the period</b>	25,685	30,082	27,730	42,218	28,508	18,340
Transfer from/to unappropriated retained earnings	15,445	(4,397)	14,488	13,221	15,107	10,168
Transfer to capitalized earnings				(14,309)	(1,397)	
<b>End of the period</b>	<b>41,130</b>	<b>25,685</b>	<b>42,218</b>	<b>41,130</b>	<b>42,218</b>	<b>28,508</b>
<b>Unappropriated retained earnings</b>						
<b>Beginning of the period</b>	17,487	11,211	13,612	166	3,182	9,616
Net income attributable to the Company's stockholders	4,672	4,935	5,917	22,885	17,264	5,349
Remuneration of mandatorily convertible notes						
Preferred class A stock	(15)	(40)	(23)	(97)	(72)	(58)
Common stock	(36)	(16)	(10)	(70)	(61)	(93)
Dividends and interest attributed to stockholders' equity						
Preferred class A stock	(912)	(1,231)	(1,863)	(2,143)	(1,940)	(570)
Common stock	(1,269)	(1,769)	(2,979)	(3,038)	(3,100)	(894)
Appropriation from/to undistributed retained earnings	(15,445)	4,397	(14,488)	(13,221)	(15,107)	(10,168)
<b>End of the period</b>	<b>4,482</b>	<b>17,487</b>	<b>166</b>	<b>4,482</b>	<b>166</b>	<b>3,182</b>
<b>Total Company stockholders equity</b>	<b>77,715</b>	<b>77,240</b>	<b>68,899</b>	<b>77,715</b>	<b>68,899</b>	<b>56,935</b>
<b>Noncontrolling interests</b>						
<b>Beginning of the period</b>	2,644	2,905	2,826	2,830	2,831	1,892
Disposals (acquisitions) of noncontrolling interests	(748)			(631)	1,629	83
Cumulative translation adjustments	73	(269)	(85)	(210)	104	823
Cash flow hedge			5	1	40	(18)
Net income (loss) attributable to noncontrolling interests	(99)	(24)	131	(233)	189	107
Net income (loss) attributable to redeemable noncontrolling interests	52	22		207		
Dividends and interest attributable to noncontrolling interests	(40)		(18)	(105)	(104)	(56)
Capitalization of stockholders advances	12	11	27	31	27	
Pension plan		(1)		4		
Assets and liabilities held for sale			(56)		(1,886)	
<b>End of the period</b>	<b>1,894</b>	<b>2,644</b>	<b>2,830</b>	<b>1,894</b>	<b>2,830</b>	<b>2,831</b>
<b>Total stockholders' equity</b>	<b>79,609</b>	<b>79,884</b>	<b>71,729</b>	<b>79,609</b>	<b>71,729</b>	<b>59,766</b>
<b>Number of shares issued and outstanding:</b>						
Preferred class A stock (including twelve golden shares)	2,108,579,618	2,108,579,618	2,108,579,618	2,108,579,618	2,108,579,618	2,108,579,618
Common stock	3,256,724,482	3,256,724,482	3,256,724,482	3,256,724,482	3,256,724,482	3,256,724,482
<b>Beginning of the period</b>	<b>(226,119,469)</b>	<b>(147,024,956)</b>	<b>(108,299,565)</b>	<b>(147,024,965)</b>	<b>(152,579,803)</b>	<b>(151,792,203)</b>

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Acquisitions	(41,893,200)	(79,094,780)	(38,725,400)	(120,987,980)	(69,880,400)	(831,400)
Conversions	1,648	267		1,924	75,435,238	43,800
<b>End of the period</b>	<b>(268,011,021)</b>	<b>(226,119,469)</b>	<b>(147,024,965)</b>	<b>(268,011,021)</b>	<b>(147,024,965)</b>	<b>(152,579,803)</b>
	5,097,293,079	5,139,184,631	5,218,279,135	5,097,293,079	5,218,279,135	5,212,724,297

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

Table of Contents**Notes to the Consolidated Financial Statements**

Expressed in millions of United States dollars, unless otherwise stated

**1 The Company and its operations**

Vale S.A., ( Vale , Company or we ) is a limited liability company incorporated in Brazil. Operations are carried out through Vale and our subsidiary companies, joint ventures and affiliates, and mainly consist of mining, basic metals production, fertilizers, logistics and steel activities.

At December 31, 2011, our principal consolidated operating subsidiaries are the following:

<b>Subsidiary</b>	<b>% ownership</b>	<b>% voting capital</b>	<b>Location</b>	<b>Principal activity</b>
Compañia Minera Miski Mayo S.A.C.	40.00	51.00	Peru	Fertilizer
Ferrovias Centro-Atlântica S. A.	99.99	99.99	Brazil	Logistics
Ferrovias Norte Sul S.A.	100.00	100.00	Brazil	Logistics
Mineração Corumbaense Reunida S.A. - MCR	100.00	100.00	Brazil	Iron Ore and Manganese
PT International Nickel Indonesia Tbk	59.20	59.20	Indonesia	Nickel
Sociedad Contractual Minera Tres Valles	90.00	90.00	Chile	Copper
Vale Australia Pty Ltd.	100.00	100.00	Australia	Coal
Vale Austria Holdings GMBH	100.00	100.00	Austria	Holding and Exploration
Vale Canada Limited	100.00	100.00	Canada	Nickel
Vale Coal Colombia Ltd.	100.00	100.00	Colombia	Coal
Vale Fertilizantes S.A	99.05	99.98	Brazil	Fertilizer
Vale International S.A	100.00	100.00	Switzerland	Trading
Vale Manganês S.A.	100.00	100.00	Brazil	Manganese and Ferroalloys
Vale Mina do Azul S. A.	100.00	100.00	Brazil	Manganese
Vale Moçambique S.A.	100.00	100.00	Mozambique	Coal
Vale Nouvelle-Calédonie SAS	74.00	74.00	New Caledonia	Nickel
Vale Oman Pelletizing Company LLC	100.00	100.00	Oman	Pellets
Vale Shipping Holding PTE Ltd.	100.00	100.00	Singapore	Logistics

**2 Basis of consolidation**

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All majority-owned subsidiaries in which we have both share and management control are consolidated. All significant intercompany accounts and transactions are eliminated. Subsidiaries over which control is achieved through other means, such as stockholders agreement, are also consolidated even if we hold less than 51% of voting capital. Our variable interest entities in which we are the primary beneficiary are consolidated. Investments in unconsolidated