

Vale S.A.
Form 6-K
October 24, 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

October 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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Vale presents this 6-K in order to provide supplemental financial information furnished to the SEC on October 24, 2012.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 24, 2012

By:

Vale S.A.
(Registrant)

/s/ Roberto Castello Branco
Roberto Castello Branco
Director of Investor Relations

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Exhibit No:	Exhibit Description
101	The following materials from the Financial Statement of Vale S.A. for the quarter ended September 30, 2012, filed on October 24, 2012: (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Income; (iii) Condensed Consolidated Statement of Comprehensive Income; (iv) Condensed Consolidated Statements of Cash Flow; (v) Condensed Consolidated Statements of Changes in Shareholders' Equity and (vi) Note to the Condensed Consolidated Financial Statement.

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Financial Statements

September 30, 2012

US GAAP

Filed at CVM, SEC and HKEx on

October 24, 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.

We have reviewed the accompanying condensed consolidated balance sheet of Vale S.A. (the Company) and its subsidiaries as of September 30, 2012, and the related condensed consolidated statements of income, of comprehensive income, of cash flows and of changes in stockholders equity, for the three-month periods ended September 30, 2012, June 30, 2012 and September 30, 2011 and for the nine-month periods ended September 30, 2012 and September 30, 2011. This interim financial information is the responsibility of the Company's management.

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

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2011, and the related consolidated statements of income, of comprehensive income, of cash flows and of stockholders' equity for the year then ended (not presented herein), and in our report dated February 15, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2011, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers

Audiores Independentes

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Rio de Janeiro, Brazil

October 24, 2012

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

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

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

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

Table of Contents**Condensed Consolidated Balance Sheets**

Expressed in millions of United States dollars

	September 30, 2012 (unaudited)	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	7,951	3,531
Short-term investments	685	
Accounts receivable		
Related parties	114	288
Unrelated parties	6,511	8,217
Loans and advances to related parties	295	82
Inventories	5,144	5,251
Deferred income tax	279	203
Unrealized gains on derivative instruments	281	595
Advances to suppliers	240	393
Recoverable taxes	1,793	2,230
Assets held for sale	789	
Others	1,234	946
	25,316	21,736
Non-current assets		
Property, plant and equipment, net	92,095	88,895
Intangible assets	1,043	1,135
Investments in affiliated companies, joint ventures and others investments	8,305	8,093
Other assets		
Goodwill on acquisition of subsidiaries	2,973	3,026
Loans and advances		
Related parties	544	509
Unrelated parties	175	210
Prepaid pension cost	2,392	1,666
Prepaid expenses	182	321
Judicial deposits	1,530	1,464
Recoverable taxes	685	587
Deferred income tax	893	594
Unrealized gains on derivative instruments	15	60
Deposit on incentive / reinvestment	149	229
Others	157	203
	111,138	106,992
Total	136,454	128,728

Table of Contents**Condensed Consolidated Balance Sheets**

Expressed in millions of United States dollars

(Except number of shares)

	September 30, 2012 (unaudited)	(Continued)	December 31, 2011
Liabilities and stockholders equity			
Current liabilities			
Suppliers	4,556		4,814
Payroll and related charges	1,062		1,307
Minimum annual remuneration attributed to stockholders			1,181
Current portion of long-term debt	1,532		1,495
Short-term debt	505		22
Loans from related parties	197		24
Provision for income taxes	544		507
Taxes payable and royalties	662		524
Employees postretirement benefits	112		147
Railway sub-concession agreement payable	65		66
Unrealized losses on derivative instruments	119		73
Provisions for asset retirement obligations	64		73
Liabilities associated with assets held for sale	39		
Others	888		810
	10,345		11,043
Non-current liabilities			
Employees postretirement benefits	2,438		2,446
Loans from related parties	83		91
Long-term debt	26,894		21,538
Provisions for contingencies (Note 17 (b))	2,292		1,686
Unrealized losses on derivative instruments	968		663
Deferred income tax	3,953		5,654
Provisions for asset retirement obligations	1,803		1,697
Debentures	1,717		1,336
Others	1,877		2,460
	42,025		37,571
Redeemable noncontrolling interest	367		505
Commitments and contingencies (Note 17)			
Stockholders equity			
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (2011 - 2,108,579,618) issued	16,728		16,728

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Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (2011 - 3,256,724,482) issued	25,837	25,837
Treasury stock - 140,857,692 (2011 - 181,099,814) preferred and 71,071,482 (2011 - 86,911,207) common shares	(4,477)	(5,662)
Additional paid-in capital	(367)	(61)
Mandatorily convertible notes - common shares		290
Mandatorily convertible notes - preferred shares		644
Other cumulative comprehensive loss	(7,513)	(5,673)
Undistributed retained earnings	38,588	41,130
Unappropriated retained earnings	13,354	4,482
Total Company stockholders equity	82,150	77,715
Noncontrolling interests	1,567	1,894
Total stockholders equity	83,717	79,609
Total	136,454	128,728

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

Table of Contents**Condensed Consolidated Statements of Income**

Expressed in millions of United States dollars

(Except per share amounts)

	Three-month period ended		(unaudited)		
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Operating revenues, net of discounts, returns and allowances					
Sales of ores and metals	9,104	10,452	14,783	29,198	40,185
Aluminum products					383
Revenues from logistic services	449	408	502	1,260	1,306
Fertilizer products	1,095	923	1,037	2,847	2,691
Others	315	367	419	1,147	1,069
	10,963	12,150	16,741	34,452	45,634
Taxes on revenues	(238)	(257)	(380)	(780)	(1,071)
Net operating revenues	10,725	11,893	16,361	33,672	44,563
Operating costs and expenses					
Cost of ores and metals sold	(4,567)	(4,568)	(4,737)	(13,391)	(13,199)
Cost of aluminum products					(289)
Cost of logistic services	(338)	(331)	(391)	(1,022)	(1,056)
Cost of fertilizer products	(858)	(734)	(788)	(2,258)	(2,109)
Others	(365)	(382)	(335)	(1,162)	(895)
	(6,128)	(6,015)	(6,251)	(17,833)	(17,548)
Selling, general and administrative expenses	(519)	(615)	(654)	(1,663)	(1,507)
Research and development expenses	(360)	(359)	(440)	(1,018)	(1,145)
Gain (loss) on sale of assets		(377)		(377)	1,513
Others	(1,071)	(604)	(643)	(2,361)	(1,787)
	(8,078)	(7,970)	(7,988)	(23,252)	(20,474)
Operating income	2,647	3,923	8,373	10,420	24,089
Non-operating income (expenses)					
Financial income	88	120	188	327	579
Financial expenses	(682)	(559)	(822)	(1,854)	(1,918)
Gains (losses) on derivatives, net	(12)	(416)	(568)	(132)	29
Foreign exchange gains (losses), net	(214)	(1,748)	(2,043)	(1,725)	(1,398)
Indexation gains (losses), net	(14)	55	(148)	231	(135)
	(834)	(2,548)	(3,393)	(3,153)	(2,843)
Income before discontinued operations, income taxes and equity results	1,813	1,375	4,980	7,267	21,246

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Income taxes					
Current	(1,077)	(25)	(1,197)	(1,915)	(4,509)
Deferred					
Deferred of period	697	(151)	846	806	374
Reversal of Deferred Income Tax liabilities (see note 5.a.)		1,236		1,236	
	(380)	1,060	(351)	127	(4,135)
Equity in results of affiliates, joint ventures and other investments	154	158	282	555	968
Net income	1,587	2,593	4,911	7,949	18,079
Losses attributable to noncontrolling interests					
	(82)	(69)	(24)	(209)	(134)
Net income attributable to the Company's stockholders	1,669	2,662	4,935	8,158	18,213
Earnings per share attributable to Company's stockholders:					
Earnings per preferred share	0.32	0.51	0.93	1.59	3.43
Earnings per common share	0.32	0.51	0.93	1.59	3.43
Earnings per convertible note linked to preferred share			1.78		5.16
Earnings per convertible note linked to common share			1.79		5.32

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

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

Expressed in millions of United States dollars

	(unaudited)				
	September 30, 2012	Three-month period ended June 30, 2012	September 30, 2011	Nine-month period ended September 30, 2012	September 30, 2011
Comprehensive income is comprised as follows:					
Company's stockholders:					
Net income attributable to Company's stockholders	1,669	2,662	4,935	8,158	18,213
Cumulative translation adjustments	(238)	(2,820)	(7,486)	(2,231)	(4,718)
Unrealized gain (loss) available-for-sale securities					
Gross balance as of the period/year end	2	(2)			(14)
Tax (expense) benefit	(1)			(1)	11
	1	(2)		(1)	(3)
Surplus (deficit) accrued pension plan					
Gross balance as of the period/year end	653	(69)	(467)	720	(479)
Tax (expense) benefit	(246)	50	150	(240)	150
	407	(19)	(317)	480	(329)
Cash flow hedge					
Gross balance as of the period/year end	31	(142)	123	(87)	275
Tax (expense) benefit	(16)	30	26	(1)	20
	15	(112)	149	(88)	295
Total comprehensive income (deficit) attributable to Company's stockholders	1,854	(291)	(2,719)	6,318	13,458
Noncontrolling interests:					
Losses attributable to noncontrolling interests	(82)	(69)	(24)	(209)	(134)
Cumulative translation adjustments	5	24	(269)	43	(283)
Pension plan			(1)		4
Cash flow hedge					1
Total comprehensive deficit attributable to Noncontrolling interests	(77)	(45)	(294)	(166)	(412)
Total comprehensive income (deficit)	1,777	(336)	(3,013)	6,152	13,046

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

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

Expressed in millions of United States dollars

	(unaudited)				
	September 30, 2012	Three-month period ended June 30, 2012	September 30, 2011	Nine-month period ended September 30, 2012	September 30, 2011
Cash flows from operating activities:					
Net income	1,587	2,593	4,911	7,949	18,079
Adjustments to reconcile net income to cash from operations:					
Depreciation, depletion and amortization	1,066	1,084	1,018	3,205	2,954
Dividends received	25	112	240	197	833
Equity in results of affiliates, joint ventures and other investments	(154)	(158)	(282)	(555)	(968)
Deferred income taxes	(697)	151	(846)	(806)	(374)
Reversal of deferred income tax		(1,236)		(1,236)	
Loss on disposal of property, plant and equipment	103	207	17	354	208
Loss (gain) on sale of assets available for sale		377		377	(1,513)
Foreign exchange and indexation gains, net	442	82	2,218	342	2,371
Unrealized derivative losses (gains), net	95	642	642	622	200
Unrealized interest (income) expense, net	(10)	(29)	78	8	44
Others	(117)	(73)	(37)	(227)	(115)
Decrease (increase) in assets:					
Accounts receivable	705	425	(730)	1,775	(1,277)
Inventories	(311)	292	(324)	(464)	(1,140)
Recoverable taxes	336	(287)	(392)	404	(583)
Others	453	(42)	(219)	390	(299)
Increase (decrease) in liabilities:					
Suppliers	407	92	829	108	1,232
Payroll and related charges	80	284	212	(237)	60
Income taxes	863	(166)	(2,745)	225	(2,293)
Others	796	29	(379)	872	(135)
Net cash provided by operating activities	5,669	4,379	4,211	13,303	17,284
Cash flows from investing activities:					
Short term investments	(685)			(685)	1,793
Loans and advances receivable					
Related parties					

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Others	317	8	57	287	(120)
Judicial deposits	(10)	(76)	(239)	(98)	(427)
Investments	(31)	(53)	(18)	(301)	(159)
Additions to property, plant and equipment	(4,984)	(3,228)	(3,711)	(11,173)	(10,004)
Proceeds from disposal of investments		366		366	1,081
Net cash used in investing activities	(5,393)	(2,983)	(3,911)	(11,604)	(7,836)
Cash flows from financing activities:					
Short-term debt					
Additions	65	21	20	593	838
Repayments			(63)	(43)	(919)
Loans					
Related parties					
Proceeds					19
Repayments					(1)
Issuances of long-term debt					
Third parties					
Proceeds	3,898	1,809	479	6,721	1,350
Repayments	(364)	(502)	(769)	(929)	(2,539)
Treasury stock			(2,001)		(2,001)
Transactions of noncontrolling interest					
Dividends and interest attributed to Company's stockholders		(3,000)	(3,000)	(3,000)	(6,000)
Dividends and interest attributed to noncontrolling interest		(35)		(35)	(60)
Net cash provided by (used in) financing activities	3,599	(2,134)	(5,334)	2,804	(9,313)
Increase (decrease) in cash and cash equivalents	3,875	(738)	(5,034)	4,503	135
Effect of exchange rate changes on cash and cash equivalents	(7)	(101)	(628)	(83)	(154)
Cash and cash equivalents, beginning of period	4,083	4,922	13,227	3,531	7,584
Cash and cash equivalents, end of period	7,951	4,083	7,565	7,951	7,565
Cash paid during the period for:					
Interest on short-term debt				(1)	(2)
Interest on long-term debt	(312)	(350)	(234)	(987)	(945)
Income tax	(53)	(282)	(4,097)	(991)	(6,233)
Non-cash transactions					
Interest capitalized	33	70	54	159	156
Conversion of mandatorily convertible notes using 56,081,560 treasury stock (see note 14).					

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

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

Expressed in millions of United States dollars

(Except number of shares)

	Three-month period ended		(unaudited) September 30, 2011	Nine-month period ended	
	September 30, 2012	June 30, 2012		September 30, 2012	September 30, 2011
Preferred class A stock (including twelve golden shares)					
Beginning of the period	16,728	16,728	16,728	16,728	10,370
Capital increase					6,358
End of the period	16,728	16,728	16,728	16,728	16,728
Common stock					
Beginning of the period	25,837	25,837	25,837	25,837	16,016
Capital increase					9,821
End of the period	25,837	25,837	25,837	25,837	25,837
Treasury stock					
Beginning of the period	(4,477)	(5,662)	(2,660)	(5,662)	(2,660)
Sales (acquisitions)		1,185	(2,001)	1,185	(2,001)
End of the period	(4,477)	(4,477)	(4,661)	(4,477)	(4,661)
Additional paid-in capital					
Beginning of the period	(369)	(71)	318	(61)	2,188
Change in the period	2	(298)		(306)	(1,870)
End of the period	(367)	(369)	318	(367)	318
Mandatorily convertible notes - common shares					
Beginning of the period		290	290	290	290
Change in the period		(290)		(290)	
End of the period			290		290
Mandatorily convertible notes - preferred shares					
Beginning of the period		644	644	644	644
Change in the period		(644)		(644)	
End of the period			644		644
Other cumulative comprehensive income (deficit)					
Cumulative translation adjustments					
Beginning of the period	(7,231)	(4,411)	2,515	(5,238)	(253)
Change in the period	(238)	(2,820)	(7,486)	(2,231)	(4,718)
End of the period	(7,469)	(7,231)	(4,971)	(7,469)	(4,971)
Unrealized gain (loss) - available-for-sale securities, net of tax					
Beginning of the period	(1)	1		1	3
Change in the period	1	(2)		(1)	(3)
End of the period		(1)			

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Surplus (deficit) of accrued pension plan					
Beginning of the period	(494)	(475)	(71)	(567)	(59)
Change in the period	407	(19)	(317)	480	(329)
End of the period	(87)	(494)	(388)	(87)	(388)
Cash flow hedge					
Beginning of the period	28	140	122	131	(24)
Change in the period	15	(112)	149	(88)	295
End of the period	43	28	271	43	271
Total other cumulative comprehensive income (deficit)					
	(7,513)	(7,698)	(5,088)	(7,513)	(5,088)
Undistributed retained earnings					
Beginning of the period	39,300	42,007	30,082	41,130	42,218
Transfer from unappropriated retained earnings	(712)	(2,707)	(4,397)	(2,542)	(2,224)
Transfer to capitalized earnings					(14,309)
End of the period	38,588	39,300	25,685	38,588	25,685
Unappropriated retained earnings					
Beginning of the period	10,973	7,416	11,211	4,482	166
Net income attributable to the Company's stockholders	1,669	2,662	4,935	8,158	18,213
Remuneration of mandatorily convertible notes					
Preferred class A stock		(33)	(40)	(44)	(82)
Common stock		(14)	(16)	(19)	(34)
Dividends and interest attributed to stockholders' equity					
Preferred class A stock		(722)	(1,231)	(722)	(1,231)
Common stock		(1,043)	(1,769)	(1,043)	(1,769)
Appropriation to undistributed retained earnings	712	2,707	4,397	2,542	2,224
End of the period	13,354	10,973	17,487	13,354	17,487
Total Company stockholders equity					
	82,150	80,294	77,240	82,150	77,240
Noncontrolling interests					
Beginning of the period	1,613	1,846	2,905	1,894	2,830
Disposals (acquisitions) of noncontrolling interests	2	(205)		(265)	117
Cumulative translation adjustments	5	24	(269)	43	(283)
Cash flow hedge					1
Losses attributable to noncontrolling interests	(82)	(69)	(24)	(209)	(134)
Net income attributable to redeemable noncontrolling interests	45	42	22	138	155
Dividends and interest attributable to noncontrolling interests	(25)	(35)		(64)	(65)
Capitalization of stockholders advances	9	10	11	30	19
Pension plan			(1)		4
End of the period	1,567	1,613	2,644	1,567	2,644
Total stockholders' equity	83,717	81,907	79,884	83,717	79,884
Number of shares issued and outstanding:					
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
Common stock	3,256,724,482	3,256,724,482	3,256,724,482	3,256,724,482	3,256,724,482
Buy-backs					
Beginning of the period	(211,929,174)	(268,010,734)	(147,024,956)	(268,011,021)	(147,024,965)
Acquisitions			(79,094,780)		(79,094,780)
Conversions		56,081,560	267	56,081,847	276
End of the period	(211,929,174)	(211,929,174)	(226,119,469)	(211,929,174)	(226,119,469)
	5,153,374,926	5,153,374,926	5,139,184,631	5,153,374,926	5,139,184,631

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

Table of Contents**Notes to the Condensed 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.

Our principal consolidated operating subsidiaries are the following:

Subsidiary	% ownership	% voting capital	Location	Principal activity
Compañia Minera Miski Mayo S.A.C.	40.00	51.00	Peru	Fertilizer
Ferrovía Centro-Atlántica S. A.	99.99	99.99	Brazil	Logistics
Ferrovía Norte Sul S.A.	100.00	100.00	Brazil	Logistics
Mineração Corumbaense Reunida S.A.	100.00	100.00	Brazil	Iron Ore and Manganese
PT Vale Indonesia Tbk	59.20	59.20	Indonesia	Nickel
Sociedad Contractual Minera Tres Valles	90.00	90.00	Chile	Copper
Vale Australia Pty Ltd.	100.00	100.00	Australia	Coal
Vale Canada Limited	100.00	100.00	Canada	Nickel
Vale Fertilizantes S.A	100.00	100.00	Brazil	Fertilizer
Vale International Holdings GMBH	100.00	100.00	Austria	Holding and Exploration
Vale International S.A	100.00	100.00	Switzerland	Trading
Vale Manganês S.A.	100.00	100.00	Brazil	Manganese and Ferroalloys
Vale Mina do Azul S. A.	100.00	100.00	Brazil	Manganese
Vale Moçambique S.A.	95.00	95.00	Mozambique	Coal
Vale Nouvelle-Calédonie SAS	74.00	74.00	New Caledonia	Nickel
Vale Oman Pelletizing Company LLC (a)	100.00	100.00	Oman	Pellets
Vale Shipping Holding PTE Ltd.	100.00	100.00	Singapore	Logistics

(a) In a subsequent period, pursuant a contract with the Sultanate of Oman, we transferred 30 % of our shares to Oman Oil Company for US\$ 71.

2 Basis of consolidation

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 affiliates and joint ventures are accounted under the equity method (Note 11).

We evaluate the carrying value of our equity investments in relation to publicly quoted market prices when available. If the quoted market price is lower than book value, and such decline is considered other than temporary, we write-down our equity investments to the level of the quoted market value.

We define joint ventures as businesses in which we and a small group of other partners each participate actively in the overall entity management, based on a stockholders agreement. We define affiliates as businesses in which we participate as a noncontrolling interest but with significant influence over the operating and financial policies of the investee.

Our participation in hydroelectric projects in Brazil is made via consortium contracts under which we have undivided interests in the assets, and are liable for our proportionate share of liabilities and expenses, which are based on our proportionate share of power output. We do not have joint liability for any obligations. No separate legal or tax status is granted to consortia under the Brazilian law. Accordingly, we recognize our proportionate share of costs and our undivided interest in assets relating to hydroelectric projects.

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3 Basis of presentation

Our condensed consolidated interim financial statements for the three-month periods ended September 30, 2012, June 30, 2012 and September 30, 2011 and nine-month ended September 30, 2012 and 2011, prepared in accordance with accounting principles generally accepted in the United States of America (USGAAP), which differ in certain respects from the accounting practices adopted in Brazil (BRGAAP), and the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB), which are the basis for our annual statutory financial statements, are unaudited. However, in our opinion, these condensed consolidated financial statements includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for interim periods. The results of operations for the three-month periods ended September 30, 2012, June 30, 2012 and September 30, 2011 and the Nine-month period ended September 30, 2012 and September 30, 2011, are not necessarily indicative of the actual results expected for the full fiscal year ending December 31, 2012.

These condensed consolidated interim financial statement should be read in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2011, prepared in accordance with US GAAP.

In preparing the condensed consolidated financial statements, we are required to use estimates to account for certain assets, liabilities, revenues and expenses. Our condensed consolidated financial statements therefore include various estimates concerning the selection of useful lives of property, plant and equipment, impairment, provisions necessary for contingent liabilities, fair values assigned to assets and liabilities acquired and assumed in business combinations, income tax uncertainties, employee post-retirement benefits and other similar evaluations. Actual results may vary from our estimates.

The Brazilian real is the parent Company s functional currency. We have selected the US dollar as our reporting currency.

All assets and liabilities have been translated into US dollars at the closing rate of exchange at each balance sheet date (or, if unavailable, the first available exchange rate). All statement of income accounts have been translated to US dollars at the average exchange rates prevailing during the respective periods. Capital accounts are recorded at historical exchange rates. Translation gains and losses are recorded in the Cumulative Translation Adjustments account (CTA) in stockholders equity.

The results of operations and financial position of our entities that have a functional currency other than the US dollar have been translated into US dollars and adjustments to translate those statements into US dollars are recorded in the CTA in stockholders equity.

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The exchange rates used to translate the assets and liabilities of the Brazilian operations at September 30, 2012 and December 31, 2011, were R\$2.0260 and R\$1.8683, respectively.

4 Accounting pronouncements

a) Newly issued accounting pronouncements

Accounting Standards Update - ASU number 2012-04: Technical Corrections and Improvements. This ASU represent changes to clarify the codifications, correct unintended application of guidance, or make minor improvements to the codifications. The amendments in this ASU are effective for public entities for fiscal periods beginning after December 15, 2012.

ASU number 2012-03: Technical Amendments and Corrections to SEC Sections. This ASU update SEC paragraphs pursuant to SEC Staff Accounting Bulletin No. 114, technical amendments pursuant to SEC Release No. 33-9250, and corrections related to FASB Accounting Standards Update 2010-22.

ASU number 2012-02: Intangibles Goodwill and Other (Topic 350). The objective of this ASU is to reduce the cost and complexity of performing an impairment test for indefinite-lived intangible assets by simplifying how an entity tests those assets for impairment and to improve consistency in impairment testing guidance among long-lived asset categories. The amendments in this ASU are effective for annual and interim impairment tests performed for public entities for fiscal years and interim periods beginning after September 15, 2012.

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5 Major acquisitions and Disposals

a) Fertilizer Business

In 2010, through our wholly owned subsidiary Mineração Naque S.A. (Naque), we acquired 78.92% of the total capital (being 99.83% of the voting capital) of Vale Fertilizantes S.A. and 100% of the total capital of Vale Fosfatados. In 2011 and beginning of 2012, we concluded several transactions including a public offer to acquire the free floating of Vale Fertilizantes and its delisting which resulted in the current ownership of 100% of the total capital of this subsidiary.

The purchase consideration of the business combination effected in 2010, when control was obtained, amounted to US\$5,795. The purchase price allocation exercise was concluded in 2011 and generated a deferred tax liability on the fair value adjustments, determined based on the temporary differences between the accounting basis of those assets and liabilities at fair values and their tax basis represented by the historical carrying values at the acquired entity. According to current Brazilian tax regulations, goodwill generated in connection with a business combination as well as the fair values of assets and liabilities acquired are only tax deductible post a legal merger between the acquirer and the acquiree.

In June 2012, we have decided to legally merge Naque and Vale Fertilizantes. As a result, the carrying amounts of acquired assets and liabilities accounted for at Naque s consolidated financial statements, represented by their amortized fair values from acquisition date, became their tax basis.

Therefore, upon concluding the merger, there are no longer differences between tax basis and carrying amounts of the net assets acquired, and consequently there is no longer deferred tax liability amount to be recognized. The outstanding balance of the initially recognized deferred tax liability (accounted for in connection with the purchase accounting) totaling US\$ 1,236 was entirely recycled through P&L for the nine-month period ended September 30, 2012, in connection with the legal merger of Vale Fertilizantes into Naque.

In addition, Naque was then renamed as Vale Fertilizantes S.A.

b) Sale of coal

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In June 2012, we have concluded the sale of our thermal coal operations in Colombia to CPC S.A.S., an affiliate of Colombian Natural Resources S.A.S. (CNR), a privately held company.

The thermal coal operations in Colombia constitute a fully-integrated mine-railway-port system consisting of a coal mine and a coal deposit; a coal port facility; and an equity participation in a railway connecting the coal mines to the port.

The loss on this transaction, of US\$355 was recorded in the income statement in the line Gain (loss) on sale of assets

c) Acquisition of EBM shares

Continuing the process of optimization its corporate structure, during the second quarter 2012 Vale acquired additional 10.46% of Empreendimentos Brasileiros de Mineração S. A. (EBM), whose main asset is the participation in Minerações Brasileiras Reunidas S. A. (MBR), which owns mines sites Itabirito, Vargem Grande and Paraopeba. As a result of the acquisition, we increased our share of the capital of EBM to 96.7% and of MBR to 98.3%, and the amount of US\$62 are recognized as a result from operations with non-controlling interest in Stockholders Equity .

Table of Contents**6 Income taxes**

We analyze the potential tax impact associated with undistributed earnings of each of 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 for which no deferred income tax has been recognized for possible future remittances to the parent company totaled approximately US\$ 27,711 on September 30, 2012 and US\$26,300 at December 31, 2011. These amounts are considered to be permanently reinvested in the Company's international business. It is not practicable to determine the amount of the unrecognized deferred tax liability associated with these amounts. If we did determine to repatriate these earnings, there would be various methods available to us, each with different tax consequences. There would also be uncertainty as to the timing and amount, if any, of foreign tax credits that would be available, as the calculation of the available foreign tax credit is dependent upon the timing of the repatriation and projections of significant future uncertain events. The wide range of potential outcomes that could result due to these factors, among others, makes it impracticable to calculate the amount of tax that hypothetically would be recognized on these earnings if they were repatriated.

There were no changes in the rates of taxes in the countries where we operate in the period. The total amount presented as income tax and social contribution results in the financial statements is reconciled with the rates established by law, as follows:

	September 30, 2012			Three-month period ended (unaudited) June 30, 2012			September 30, 2011		
	Brazil	Foreign	Total	Brazil	Foreign	Total	Brazil	Foreign	Total
Income before discontinued operations, income taxes, equity results and noncontrolling interests	2,534	(721)	1,813	1,613	(238)	1,375	4,187	793	4,980
Exchange variation (not taxable) or not deductible		(25)	(25)		368	368		(188)	(188)
	2,534	(746)	1,788	1,613	130	1,743	4,187	605	4,792
Tax at Brazilian composite rate	(861)	254	(607)	(548)	(44)	(592)	(1,424)	(207)	(1,631)
Adjustments to derive effective tax rate:									
Tax benefit on interest attributed to stockholders	313		313	341		341	578		578
Difference on tax rates of foreign income		(171)	(171)		164	164		331	331
Tax incentives	84		84				67		67
Social contribution contingency payment							506		506
Other non-taxable, income/non deductible expenses	15	(14)	1	(46)	(43)	(89)	36	(238)	(202)

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	(449)	69	(380)	(253)	77	(176)	(237)	(114)	(351)
Reversal of deferred tax (see note 5.a)				1,236		1,236			
Income tax per consolidated statements of income	(449)	69	(380)	983	77	1,060	(237)	(114)	(351)

	Nine-month period ended (unaudited)					
	September 30, 2012			September 30, 2011		
	Brazil	Foreign	Total	Brazil	Foreign	Total
Income before discontinued operations, income taxes, equity results and noncontrolling interests	7,104	163	7,267	16,008	5,238	21,246
Exchange variation (not taxable) or not deductible		143	143		(70)	(70)
	7,104	306	7,410	16,008	5,168	21,176
Tax at Brazilian composite rate	(2,415)	(103)	(2,518)	(5,443)	(1,758)	(7,201)
Adjustments to derive effective tax rate:						
Tax benefit on interest attributed to stockholders	1,033		1,033	1,272		1,272
Difference on tax rates of foreign income		289	289		1,298	1,298
Tax incentives	174		174	430		430
Social contribution contingency payment				506		506
Reversal/Constitution of provisions for loss of tax loss carryforward					(141)	(141)
Other non-taxable, income/non deductible expenses	(3)	(84)	(87)	(14)	(285)	(299)
	(1,211)	102	(1,109)	(3,249)	(886)	(4,135)
Reversal of deferred tax (see note 5a)	1,236		1,236			
Income tax per consolidated statements of income	25	102	127	(3,249)	(886)	(4,135)

Whereas published on December 31, 2011, there were no changes in tax incentives received by the company.

The Company's income taxes are subject to examination by the tax authorities for up to five years with respect to Brazil, up to ten years in Indonesia and up to seven years in Canada.

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The reconciliation of the beginning and end of period amount of the uncertain income tax positions is as follows: (see note 17(b) tax related actions)

	September 30, 2012	Three-month period ended June 30, 2012	(unaudited) September 30, 2011	Nine-month period ended September 30, 2012	September 30, 2011
Beginning of the period	271	272	372	263	2,555
Increase resulting from tax positions taken	8	4	1	16	1,075
Decrease resulting from tax positions taken	(26)		(2)	(26)	(3,319)
Cumulative translation adjustments	10	(5)	(33)	10	27
End of the period	263	271	338	263	338

For the three-month periods ended September 30, 2012, June 30, 2012 and September 30, 2011, there were US\$ 10, US\$ 1 and US\$ 0, respectively, and for the nine-month periods ended September 30, 2012 and September 30, 2011 there were US\$ 11 and US\$ 11, respectively, of unrecognized tax benefits that, if recognized, would affect the Company's annual effective tax rate.

The Company recognizes interest accrued related to unrecognized tax benefits in financial expense and penalties in other operating expenses. The interest and penalties recognized in the statement of income in September 30, 2012, June 30, 2012 and September 30, 2011 were US\$(2), US\$3 and US\$1, respectively and for the nine-month periods ended September 30, 2012 and September 30, 2011 there were US\$ 5 and US\$ (16), respectively. The Company had accrued US\$81 at September 30, 2012 and US\$73 at December 31, 2011 for the payment of interest and penalties.

7 Cash and cash equivalents

	September 30, 2012 (unaudited)	December 31, 2011
Cash	1,084	945
Short-term investments	6,867	2,586
	7,951	3,531

All the above mentioned short-term investments are made through the use of low risk fixed income securities, in a way that those denominated in Brazilian Reais are concentrated in investments indexed to the Brazilian Interbank Certificate of Deposit (CDI), and those denominated in US dollars are mainly time deposits, with the original due date less than three months.

The increase in cash equivalents during the 2012, is mainly related to the cash provided by operating activities and the notes issued during 2012 (note 13).

Table of Contents**8 Short-term investment**

	September 30, 2012 (unaudited)	December 31, 2011
Time Deposits	685	
	685	

9 Inventories

	September 30, 2012 (unaudited)	December 31, 2011
Products		
Nickel (co-products and by-products)	1,655	1,771
Iron ore and pellets	1,289	1,137
Manganese and ferroalloys	94	240
Fertilizer	370	387
Copper concentrate	85	72
Coal	297	277
Others	47	91
Spare parts and maintenance supplies	1,307	1,276
	5,144	5,251

On September 30, 2012 the inventory includes provision for adjustment to market value for manganese in the amount of US\$ 9.

10 Assets and liabilities held for sale

In July 2012, we have signed a share purchase agreement to sell our manganese ferroalloys operations in Europe to subsidiaries of Glencore International Plc., a company listed on the London and Hong Kong Stock Exchanges, for US\$ 160 in cash, subject to the fulfillment of certain precedent conditions. We recognized a loss of US\$ 22 presented in our statement of income as gain (loss) on sale of assets .

The manganese ferroalloys operations in Europe consist of: (a) 100% of Vale Manganèse France SAS, located in Dunkerque, France; and (b) 100% of Vale Manganese Norway AS, located in Mo I Rana, Norway.

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In the third quarter we decided to sell and further charter 10 large ore carriers with Polaris Shipping Co. Ltd. (Polaris). The transaction in addition to unlocking capital preserves Vale's capacity of maritime transportation of iron ore, since the vessels will be available but without the ownership and operational risks. At September, 30 this assets are recognized in Assets Held for Sale, in the subgroup property, plant and equipment.

	September 30, 2012 (unaudited)
Assets held for sale	
Accounts receivable	47
Recoverable taxes	5
Inventories	107
Property, plant and equipment	627
Other	3
Total	789
Liabilities related to assets held for sale	
Suppliers	22
Deferred income tax	8
Others	9
Total	39

Table of Contents**11 Investments in affiliated companies and joint ventures**

	September 30, 2012 (unaudited)		Net equity		Net income (loss) of the period	Investments		Equity in earnings (losses) of investee adjustments (unaudited)				
	Participation in capital Voting	Total	%	of the period		September 30, 2012 (unaudited)	December 31, 2011	Three-month period ended September 30, 2012	June 30, 2012	September 30, 2011	Nine-month period ended September 30, 2012	September 30, 2011
Bulk Material												
Iron ore and pellets												
Companhia Nipo-Brasileira de Pelotização - NIBRASCO (1)	51.11	51.00	351	42	179	173	13	3	16	21	39	
Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (1)	51.00	50.89	200	67	102	115	3	29	(14)	34	(6)	
Companhia Coreano-Brasileira de Pelotização - KOBRASCO (1)	50.00	50.00	208	44	104	78	7	8	5	22	23	
Companhia Ítalo-Brasileira de Pelotização - ITABRASCO (1)	51.00	50.90	124	14	63	80		1	16	7	41	
Minas da Serra Geral SA - MSG SAMARCO	50.00	50.00	52	7	26	29	1	(3)	1	1	(3)	
Mineração SA - SAMARCO (2)	50.00	50.00	1,470	1,037	788	528	169	140	207	519	692	
Baovale Mineração SA - BAOVALE	50.00	50.00	61	8	31	35	2	2	2	4	6	
Zhuhai YPM Pellet e Co,Ltd - ZHUHAI	25.00	25.00	93	2	23	23			(1)		(1)	
Tecnored Desenvolvimento Tecnológico SA	43.04	43.04	98	(32)	44	48	(6)	(7)	(2)	(15)	(3)	
					1,360	1,109	189	173	230	593	788	
Coal												
Henan Longyu Resources Co Ltd Shandong Yankuang International Company Ltd	25.00	25.00	1,297	177	324	282	10	16	26	45	68	
	25.00	25.00	(208)	(40)	(51)	(43)	(3)	(3)	(2)	(10)	(11)	
					273	239	7	13	24	35	57	
Base Metals												

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Bauxite

Mineração Rio do Norte SA - MRN	40.00	40.00	327	47	130	144	8	4	(1)	19	2
					130	144	8	4	(1)	19	2

Copper

Teal Minerals Incorporated	50.00	50.00	478	(6)	239	234		(2)	(2)	(3)	(9)
					239	234		(2)	(2)	(3)	(9)

Nickel

Heron Resources Inc (3)					5	6					
Korea Nickel Corp	25.00	25.00	100		25	4	(1)	1			
Others (3)					1	1					
					31	11	(1)	1			

Aluminum

Norsk Hydro ASA (4)	21.65	21.65	14,439	(162)	3,126	3,227	(63)		70	(35)	120
					3,126	3,227	(63)		70	(35)	120

Logistic

LOG-IN Logística Intermodal SA	31.33	31.33	286	(26)	96	114	6	(4)		(9)	(2)
MRS Logística SA	46.75	47.59	1,237	203	588	551	36	19	32	95	103
					684	665	42	15	32	86	101

Others

Steel											
California Steel Industries Inc - CSI Companhia Siderúrgica do PECEM - CSP	50.00	50.00	352	36	178	161	2	9	2	17	15
THYSSENKRUPP CSA Companhia Siderúrgica do Atlântico	50.00	50.00	930	(8)	465	267	(2)	(1)		(4)	
	26.87	26.87	5,468	(388)	1,469	1,607	(19)	(46)	(72)	(104)	(90)
					2,112	2,035	(19)	(38)	(70)	(91)	(75)

Other affiliates and joint ventures

Norte Energia S.A.	9.00	9.00	848	(19)	77	75	(1)	(1)		(2)	
Vale Soluções em Energia S.A.(1)	52.77	52.77	190	(91)	100	145	(8)	(8)	(1)	(48)	(16)
Others					173	209		1		1	
					350	429	(9)	(8)	(1)	(49)	(16)
Total					8,305	8,093	154	158	282	555	968