

Vale S.A.
Form 6-K
April 30, 2014
Table of Contents

**United States
Securities and Exchange Commission**

Washington, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the
Securities Exchange Act of 1934**

For the month of

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.

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

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

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

(Check One) Yes No

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

(Check One) Yes No

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

(Check One) Yes No

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

Table of Contents

Interim Financial Statements

March 31, 2014

IFRS

Filed with the CVM, SEC and HKEx on

April 30, 2014

Table of Contents

Vale S.A.

Index to the Interim Financial Statements

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	2
<u>Condensed Balance Sheet as at March 31, 2014 and December 31, 2013</u>	3
<u>Condensed Statement of Income for the Three-month period ended March 31, 2014 and March 31, 2013</u>	5
<u>Condensed Statement of Comprehensive Income for the Three-month period ended March 31, 2014 and March 31, 2013</u>	6
<u>Condensed Statement of Changes in Stockholder's Equity for the Three-month period ended March 31, 2014 and March 31, 2013</u>	7
<u>Condensed Statement of Cash Flow for the Three-month period ended March 31, 2014 and March 31, 2013</u>	8
<u>Selected Notes to the Interim Financial Statements</u>	9
<u>Board of Directors, Fiscal Council, Advisory Committees and Executive Officers</u>	47

Table of Contents

Report of independent registered

public accounting firm

To the Board of Directors and Stockholders

Vale S.A.

We have reviewed the accompanying condensed consolidated balance sheet of Vale S.A. (the Company) and its subsidiaries as of March 31, 2014, and the related condensed consolidated statements of income, of comprehensive income, of cash flows and of stockholders' equity for the three-month periods ended March 31, 2014 and March 31, 2013. 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 the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Rio de Janeiro, April 30, 2014

/S/ PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 F RJ

/S/ Ivan Michael Clark
Contador CRC 1MG061100/O-3 S RJ

Table of Contents**Condensed Balance Sheet**

In millions of United States Dollars

	Notes	March 31, 2014 (unaudited)	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents	7	7,182	5,321
Derivative financial instruments	22	186	201
Accounts receivable	8	4,103	5,703
Related parties	29	719	261
Inventories	9	4,754	4,125
Prepaid income taxes		1,594	2,375
Recoverable taxes	10	1,632	1,579
Advances to suppliers		126	125
Receivable from sale of investment		1,197	
Others		833	921
		22,326	20,611
Non-current assets held for sale and discontinued operation	6	665	3,766
		22,991	24,377
Non-current assets			
Related parties	29	115	108
Loans and financing agreements receivable		261	241
Judicial deposits	16	1,552	1,490
Recoverable income taxes		414	384
Deferred income taxes	18	4,690	4,523
Recoverable taxes	10	289	285
Derivative financial instruments	22	169	140
Deposit on incentive and reinvestment		197	191
Others		788	738
		8,475	8,100
Investments	11	5,315	3,584
Intangible assets, net	12	7,094	6,871
Property, plant and equipment, net	13	83,762	81,665
		104,646	100,220
Total		127,637	124,597

Table of Contents**Condensed Balance Sheet**

In millions of United States Dollars

(continued)

	Notes	March 31, 2014 (unaudited)	December 31, 2013
Liabilities			
Current liabilities			
Suppliers and contractors		3,473	3,772
Payroll and related charges		800	1,386
Derivative financial instruments	22	490	238
Loans and financing	14	1,769	1,775
Related parties	29	328	205
Income Taxes Settlement Program	17	499	470
Taxes and royalties payable		445	327
Provision for income taxes		267	378
Employee postretirement obligations	19	96	97
Asset retirement obligations	15	161	96
Others		634	420
		8,962	9,164
Liabilities directly associated with non-current assets held for sale and discontinued operation	6		448
		8,962	9,612
Non-current liabilities			
Derivative financial instruments	22	1,122	1,492
Loans and financing	14	28,085	27,670
Related parties	29	164	5
Employee postretirement obligations	19	2,086	2,198
Provisions for litigation	16	1,373	1,276
Income Taxes Settlement Program	17	6,773	6,507
Deferred income taxes	18	3,210	3,228
Asset retirement obligations	15	2,632	2,548
Stockholders' Debentures	28(e)	1,860	1,775
Redeemable noncontrolling interest		276	276
Gold stream transaction	27	1,481	1,497
Others		1,714	1,577
		50,776	50,049
Total liabilities		59,738	59,661
Stockholders' equity			
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (2,108,579,618 in 2013) issued	23	22,907	22,907
		37,671	37,671

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

Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (3,256,724,482 in 2013) issued		
Treasury stock - 140,857,692 (140,857,692 in 2013) preferred and 71,071,482 (71,071,482 in 2013) common shares	(4,477)	(4,477)
Results from operations with noncontrolling stockholders	(400)	(400)
Results on conversion of shares	(152)	(152)
Unrealized fair value gain (losses)	(1,219)	(1,202)
Cumulative translation adjustments	(21,154)	(20,588)
Retained earnings and revenue reserves	33,217	29,566
Total company stockholders equity	66,393	63,325
Noncontrolling interests	1,506	1,611
Total stockholders equity	67,899	64,936
Total liabilities and stockholders equity	127,637	124,597

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

Table of Contents**Condensed Statement of Income**

In millions of United States Dollars, except as otherwise stated

	Notes	Three-month period ended (unaudited)	
		March 31, 2014	March 31, 2013
Continuing operations			
Net operating revenue	24	9,503	10,646
Cost of goods sold and services rendered	25	(5,590)	(5,404)
Gross profit		3,913	5,242
Operating (expenses) income			
Selling and administrative expenses	25	(282)	(352)
Research and evaluation expenses		(145)	(171)
Pre operating and stoppage operation		(248)	(375)
Other operating expenses, net	25	(217)	(135)
		(892)	(1,033)
Operating income		3,021	4,209
Financial income	26	1,339	626
Financial expenses	26	(1,190)	(972)
Equity results from joint venture entities and associates	11	195	172
Net income before income taxes		3,365	4,035
Income taxes			
	18		
Current tax		(928)	(1,095)
Deferred tax		(61)	168
		(989)	(927)
Income from continuing operations		2,376	3,108
Loss attributable to noncontrolling interests		(139)	(57)
Net income attributable to the Company's stockholders		2,515	3,165
Discontinued Operations			
Loss from discontinued operations			(56)
Loss attributable to the Company's stockholders			(56)
Net income		2,376	3,052
Loss attributable to noncontrolling interests		(139)	(57)
Net income attributable to the Company's stockholders		2,515	3,109
Earnings per share attributable to the Company's stockholders:			
Basic and diluted earnings per share:	23		
Common share		0.49	0.60
Preferred share		0.49	0.60

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

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

In millions of United States Dollars

	Three-month period ended (unaudited)	
	March 31, 2014	March 31, 2013
Net income	2,376	3,052
Other comprehensive income		
Item that will not be reclassified subsequently to income		
Cumulative translation adjustments	2,311	936
Retirement benefit obligations		
Gross balance for the period	24	28
Effect of taxes	(3)	(3)
Equity results from associates and joint ventures, net taxes	1	
	22	25
Total items that will not be reclassified subsequently to income	2,333	961
Item that will be reclassified subsequently to income		
Cumulative translation adjustments		
Gross balance for the period	(1,765)	(1,162)
Unrealized results on available-for-sale investments		
Gross balance for the period		(205)
Cash flow hedge		
Gross balance for the period	(4)	(65)
Effect of taxes	3	5
Equity results from associates and joint ventures, net taxes		3
Transfer of realized results to income, net taxes	(16)	17
	(17)	(40)
Total of items that will be reclassified subsequently to income	(1,782)	(1,407)
Total comprehensive income	2,927	2,606
Comprehensive income attributable to noncontrolling interests	(141)	(59)
Comprehensive income attributable to the Company's stockholders	3,068	2,665

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

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

In millions of United States Dollars

	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 stockholders' equity	Noncontrolling stockholders' interests	Total stockholders' equity
December 31, 2012	60,578	(152)	(400)	38,389	(4,477)	(2,044)	(18,663)	8	73,239	1,588	74,827
Net income								3,109	3,109	(57)	3,052
Other comprehensive income:											
Retirement benefit obligations						25			25		
Cash flow hedge						(40)			(40)		
Unrealized fair value results						(205)			(205)		
Translation adjustments				474		(21)	(640)	(37)	(224)	(2)	
Contribution and distribution to stockholders:											
Capitalization of noncontrolling stockholders advances										4	
Redeemable noncontrolling stockholders interest										(12)	
March 31, 2013 (unaudited)	60,578	(152)	(400)	38,863	(4,477)	(2,285)	(19,303)	3,080	75,904	1,521	77,425
December 31, 2013	60,578	(152)	(400)	29,566	(4,477)	(1,202)	(20,588)		63,325	1,611	64,936
Net income								2,515	2,515	(139)	2,376
Other comprehensive income:											

22

22

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

Retirement benefit obligations											
Cash flow hedge						(17)			(17)		
Translation adjustments	1,040					(22)	(566)	96	548	(2)	
Contribution and distribution to stockholders:											
Capitalization of noncontrolling stockholders advances											38
Dividends to noncontrolling stockholders										(2)	
March 31, 2014 (unaudited)	60,578	(152)	(400)	30,606	(4,477)	(1,219)	(21,154)	2,611	66,393	1,506	67

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

Table of Contents**Condensed Statement of Cash Flow**

In millions of United States Dollars

	Three-month period ended (unaudited)	
	March 31, 2014	March 31, 2013
Cash flow from continuing operating activities:		
Net income from continuing operations	2,376	3,109
Adjustments to reconcile net income with cash from continuing operations		
Equity results from associates and joint venture	(195)	(172)
Loss on disposal of property, plant and equipment	127	78
Depreciation, amortization and depletion	1,026	1,007
Deferred income taxes	61	(168)
Foreign exchange and indexation, net	(311)	(321)
Unrealized derivative losses, net	(195)	(9)
Stockholders' Debentures	22	167
Other	9	(50)
Decrease (increase) in assets:		
Accounts receivable	1,822	421
Inventories	(811)	(349)
Recoverable taxes	755	34
Other	63	188
Increase (decrease) in liabilities:		
Suppliers and contractors	20	(340)
Payroll and related charges	(594)	(642)
Taxes and contributions	(208)	(17)
Gold stream transaction		1,319
Other	115	(292)
Net cash provided by operating activities from continuing operations	4,082	3,963
Net cash used in operating activities from discontinued operations		(95)
Net cash provided by operating activities	4,082	3,868
Cash flow from continuing investing activities:		
Short-term investments	1	(321)
Loans and advances	(97)	24
Guarantees and deposits	(32)	(24)
Additions to investments	(121)	(182)
Additions to property, plant and equipment and intangible	(2,383)	(3,348)
Dividends and interest on capital received from associates and joint venture	11	
Proceeds from disposal of assets\ Investments		95
Proceeds from Gold stream transaction		581
Net cash used in investing activities from continuing operations	(2,621)	(3,175)
Net cash used in investing activities from discontinued operations		(199)
Net cash used in investing activities	(2,621)	(3,374)
Cash flow from continuing financing activities:		

Financial institutions - Loans and financing		
Loans and financing		
Additions	651	129
Repayments	(293)	(424)
Net cash provided by (used in) financing activities from continuing operations	358	(295)
Net cash provided by (used in) used in financing activities	358	(295)
Increase in cash and cash equivalents	1,819	199
Cash and cash equivalents of cash, beginning of the period	5,321	5,832
Effect of exchange rate changes on cash and cash equivalents	42	11
Cash and cash equivalents, end of the period	7,182	6,042
Cash paid during the period for (i):		
Interest on loans and financing	(453)	(434)
Income taxes	(159)	(824)
Income taxes - settlement program	(116)	
Inflows during the period:		
Non-cash transactions:		
Additions to property, plant and equipment - interest capitalization	15	117

(i) Amounts paid are classified as cash flows from operating activities.

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

Table of Contents

Notes to Condensed Consolidated Financial Statements

Expressed in millions of United States Dollars, 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 condensed consolidated interim financial statements of the Company (Interim Financial Statements) have been prepared in accordance with the IAS 34 of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 Interim financial statements are presented in United States Dollars (USD or US\$) as we understand this is how our international investors are used to analyze our interim financial statements in order to take their decisions.

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.

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.

Table of Contents

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

	Exchange rates used for conversions in Brazilian Reais			
	Exchange rate as at March 31, 2014 (unaudited)	December 31, 2013	Average rate for the Three-months period ended 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). 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. 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.

Table of Contents**6. Non-current assets and liabilities held for sale and discontinued operations**

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

	March 31, 2014 (unaudited)	General Cargo - Logistic	December 31, 2013	Total
	Energy		Energy	
Assets held for sale and discontinued operation				
Accounts receivable		141		141
Other current assets		271		271
Investment	89		79	79
Intangible, net		1,687		1,687
Property, plant and equipment, net	576	1,027	561	1,588
Total assets	665	3,126	640	3,766
Liabilities associated with assets held for sale and discontinued operation				
Suppliers and contractors		85		85
Payroll and related charges		61		61
Other current liabilities		112		112
Other non-current Liabilities		190		190
Total Liabilities		448		448
Assets and liabilities with discontinued operation	665	2,678	640	3,318

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 US\$667 and 15.9% for Fundo de Garantia de Tempo de Serviço (FGTS) by amount US\$530. In a second stage we entered into agreement to transfer 26.5% to investment fund managed by Brookfield Asset Management by an amount of US\$884. 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 US\$884 of the total amount of transaction will be contributed directly on the VLI.

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

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 Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica or ANEEL). The assets were transferred to assets held for sale with no impact in the Statement of Income.

7. Cash and Cash Equivalents

	March 31, 2014 (unaudited)	December 31, 2013
Cash and bank deposits	2,062	1,558
Short-term investments	5,120	3,763
	7,182	5,321

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.

Table of Contents**8. Accounts Receivables**

	March 31, 2014 (unaudited)	December 31, 2013
Denominated in BRL	891	509
Denominated in other currencies, mainly US\$	3,325	5,283
	4,216	5,792
Allowance for doubtful accounts	(113)	(89)
	4,103	5,703

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.

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

The estimated losses for accounts receivable recorded in the Statement of Income as at March 31, 2014 and December 31, 2013 totaled US\$23 and US\$4, respectively. Write offs as at March 31, 2014 and 2013, totaled US\$2 and US\$7, respectively.

9. Inventory

Inventories are comprised as follows:

	March 31, 2014 (unaudited)	December 31, 2013
Inventories of products		
Bulk Material		
Iron ore	1,061	646
Pellets	82	88
Manganese and ferroalloys	100	75
Coal	339	318
	1,582	1,127
Base Metals		
Nickel and other products	1,469	1,398
Copper	28	23

	1,497	1,421
Fertilizers		
Potash	9	8
Phosphates	325	313
Nitrogen	21	19
	355	340
Other products	12	8
Total of inventories of products	3,446	2,896
Materials supplies	1,308	1,229
Total of inventories	4,754	4,125

As at March 31, 2014 and December 31, 2013 inventory balances included a provision to adjust at market value of nickel, amounting to US\$0 and US\$14, respectively, manganese in the amount of US\$1 and US\$1, respectively, and coal in the amount of US\$131 and US\$117, respectively.

	Three-month period ended (unaudited)	
	March 31, 2014	March 31, 2013
Inventories of product		
Balance at beginning of the period	2,896	3,597
Production/acquisition	5,433	4,803
Transfer from materials supplies inventory	810	949
Sales	(5,590)	(5,404)
Provision/ reversal of the write-off by inventory adjustment (a)	(132)	(123)
Translation adjustments	29	41
Balance at ended of period	3,446	3,863

(a) Include provision for adjustments to market value

	Three-month period ended (unaudited)	
	March 31, 2014	March 31, 2013
Materials supplies		
Balance at beginning of period	1,229	1,413
Acquisition	872	987
Transfer to use	(810)	(949)
Translation adjustments	17	15
Balance at ended of period	1,308	1,466

Table of Contents**10. Recoverable Taxes**

	March 31, 2014 (unaudited)	December 31, 2013
Value-added tax	1,197	1,129
Brazilian Federal Contributions	674	680
Others	50	55
Total	1,921	1,864
Current	1,632	1,579
Non-current	289	285
Total	1,921	1,864

11. Investments

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

	Three-month period ended (unaudited)	
	March 31, 2014	March 31, 2013
Balance at beginning of period	3,584	6,384
Additions	121	182
Transfer - Control acquisition	79	
Translation adjustment for the period	121	(108)
Equity results	195	172
Equity other comprehensive income	2	(201)
Dividends declared	(42)	(27)
Transfers from held for sale (a)	1,255	
Balance at end of period	5,315	6,402

(a) The transfers from held for sale refers to investments in VLI US\$1,255.

Table of Contents**Investments (Continued)**

	Location	Relationship	% ownership	% voting capital	Investments As of		Equity results (unaudited) Three-month period ended		Received dividends (unaudited) Three-month period ended	
					March 31, 2014 (unaudited)	December 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Bulk Material										
Iron Ore and pellets										
Baovale Mineração S.A. - BAOVALE Companhia Nipo-Brasileira de Pelotização - NIBRASCO (c) Companhia Hispano-Brasileira de Pelotização - HISPANOBRÁS (c) Companhia Coreano-Brasileira de Pelotização - KOBRASCO Companhia Ítalo-Brasileira de Pelotização - ITABRASCO (c) MRS Logística S.A. (f) Minas da Serra Geral S.A. - MSG Samarco Mineração S.A. (d) Tecnoed Desenvolvimento Tecnológico S.A. (b), (h) Zhuhai YPM Pellet Co	Brazil	Joint venture	50.00	50.00	26	24	1	3		
	Brazil	Joint Venture	51.00	51.11	177	159	13	2		
	Brazil	Joint Venture	50.89	51.00	79	83	3	(4)	11	
	Brazil	Joint Venture	50.00	50.00	103	91	8	1		
	Brazil	Joint Venture	50.90	51.00	69	62	4			
	Brazil	Joint Venture	47.59	46.75	576	564	14	13		
	Brazil	Joint Venture	50.00	50.00	24	22	1	1		
	Brazil	Joint Venture	50.00	50.00	633	437	174	161		
	Brazil					38	(1)	(2)		
	China	Associate	25.00	25.00	24	25				
					1,711	1,505	217	175	11	
Coal										
Henan Longyu Energy Resources CO., LTD.	China	Associate	25.00	25.00	368	357	12	9		
					368	357	12	9		
Base Metals										
Copper										

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

Teal Minerals Incorporated	Zambia	Associate	50.00	50.00	223	228	(5)	(3)
----------------------------	--------	-----------	-------	-------	-----	-----	-----	-----

Nickel

Korea Nickel Corp	Korea	Associate	25.00	25.00	20	22	(1)	(1)
-------------------	-------	-----------	-------	-------	----	----	-----	-----

Others