

Vale S.A.
Form 6-K
July 30, 2015
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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

July, 2015

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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Interim Financial Statements

June 30, 2015

IFRS

Filed with the CVM, SEC and HKEx on

July 30, 2015

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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 of

Vale S.A.

Rio de Janeiro - RJ

We have reviewed the accompanying condensed consolidated balance sheet of Vale S.A. (the Company) and its subsidiaries as of June 30, 2015 and the related condensed consolidated statements of (loss)/income, comprehensive (loss)/income and cash flows for the three-month and six-month periods ended on June 30, 2015 and 2014 and the condensed consolidated statements of changes in stockholders' equity for the six-month period ended on June 30, 2015 and 2014. These condensed consolidated financial statements are responsibility of 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 an audit opinion.

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

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Vale S.A. and its subsidiaries as of December 31, 2014 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the year then ended, and in our report dated February 25, 2015, we expressed an unqualified opinion on those consolidated financial statements.

KPMG Auditores Independentes

Rio de Janeiro, Brazil

July 29, 2015

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative (KPMG International), uma entidade suíça. *KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity.*

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States dollars

| | Notes | June 30, 2015 (unaudited) | December 31, 2014 |
|---|-------|------------------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 3,158 | 3,974 |
| Financial investments | | 106 | 148 |
| Derivative financial instruments | 24 | 244 | 166 |
| Accounts receivable | 9 | 2,788 | 3,275 |
| Related parties | 31 | 392 | 579 |
| Inventories | 10 | 4,429 | 4,501 |
| Prepaid income taxes | | 1,147 | 1,581 |
| Recoverable taxes | 11 | 1,554 | 1,700 |
| Others | | 642 | 670 |
| | | 14,460 | 16,594 |
| Non-current assets held for sale | | | |
| | 6 | 3,607 | 3,640 |
| | | 18,067 | 20,234 |
| Non-current assets | | | |
| Related parties | 31 | 21 | 35 |
| Loans and financing | | 220 | 229 |
| Judicial deposits | 18(c) | 1,063 | 1,269 |
| Prepaid income taxes | | 422 | 478 |
| Deferred income taxes | 20 | 4,300 | 3,976 |
| Recoverable taxes | 11 | 669 | 401 |
| Derivative financial instruments | 24 | 25 | 87 |
| Others | | 736 | 705 |
| | | 7,456 | 7,180 |
| Investments | 12 | 4,208 | 4,133 |
| Intangible assets, net | 13 | 6,340 | 6,820 |
| Property, plant and equipment, net | 14 | 71,277 | 78,122 |
| | | 89,281 | 96,255 |
| Total | | 107,348 | 116,489 |

Table of Contents**Condensed Consolidated Balance Sheet****In millions of United States dollars****(continued)**

| | Notes | June 30, 2015 (unaudited) | December 31, 2014 |
|--|-------|------------------------------|-------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Suppliers and contractors | | 3,832 | 4,354 |
| Payroll and related charges | | 526 | 1,163 |
| Derivative financial instruments | 24 | 837 | 1,416 |
| Loans and financing | 16 | 3,190 | 1,419 |
| Related parties | 31 | 194 | 306 |
| Income taxes - Settlement program | 19 | 411 | 457 |
| Taxes payable and royalties | | 391 | 550 |
| Provision for income taxes | | 178 | 353 |
| Employee postretirement obligations | 21(a) | 77 | 67 |
| Asset retirement obligations | 17 | 114 | 136 |
| Redeemable noncontrolling interest | | 140 | |
| Others | | 315 | 405 |
| | | 10,205 | 10,626 |
| Liabilities associated with non-current assets held for sale | 6 | 154 | 111 |
| | | 10,359 | 10,737 |
| Non-current liabilities | | | |
| Derivative financial instruments | 24 | 2,285 | 1,610 |
| Loans and financing | 16 | 26,583 | 27,388 |
| Related parties | 31 | 94 | 109 |
| Employee postretirement obligations | 21(a) | 2,061 | 2,236 |
| Provisions for litigation | 18(a) | 1,147 | 1,282 |
| Income taxes - Settlement program | 19 | 5,071 | 5,863 |
| Deferred income taxes | 20 | 3,089 | 3,341 |
| Asset retirement obligations | 17 | 3,033 | 3,233 |
| Participative stockholders' debentures | 30(b) | 852 | 1,726 |
| Redeemable noncontrolling interest | | | 243 |
| Deferred revenue - Gold stream | 29 | 1,806 | 1,323 |
| Others | | 1,097 | 1,077 |
| | | 47,118 | 49,431 |
| Total liabilities | | 57,477 | 60,168 |
| Stockholders' equity | | | |
| Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,027,127,718 shares issued | 25 | 23,089 | 23,089 |
| | | 38,525 | 38,525 |

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| | | |
|---|----------------|----------------|
| Common stock 3,600,000,000 no-par-value shares authorized and 3,217,188,402 shares issued | | |
| Treasury stock 59,405,792 preferred and 31,535,402 common shares | (1,477) | (1,477) |
| Results from operations with noncontrolling stockholders | (453) | (449) |
| Results on conversion of shares | (152) | (152) |
| Unrealized fair value gain (losses) | (1,316) | (1,713) |
| Cumulative translation adjustments | (24,110) | (22,686) |
| Profit reserves | 14,694 | 19,985 |
| Total company stockholders equity | 48,800 | 55,122 |
| Noncontrolling stockholders interests | 1,071 | 1,199 |
| Total stockholders equity | 49,871 | 56,321 |
| Total liabilities and stockholders equity | 107,348 | 116,489 |

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

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

In millions of United States dollars, except as otherwise stated

| | Notes | (unaudited) | | | |
|---|---------|---------------------------|----------------|-------------------------|----------------|
| | | Three-months period ended | | Six-months period ended | |
| | | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Net operating revenue | 26(c) | 6,965 | 9,902 | 13,205 | 19,405 |
| Cost of goods sold and services rendered | 27(a) | (5,186) | (6,081) | (10,354) | (11,671) |
| Gross profit | | 1,779 | 3,821 | 2,851 | 7,734 |
| Operating (expenses) income | | | | | |
| Selling and administrative expenses | 27(b) | (159) | (237) | (354) | (519) |
| Research and evaluation expenses | | (118) | (160) | (237) | (305) |
| Pre operating and stoppage operation | | (259) | (264) | (523) | (512) |
| Other operating expenses, net | 27(c) | (203) | (165) | (157) | (382) |
| | | (739) | (826) | (1,271) | (1,718) |
| Impairment of non-current assets | 15 | | (774) | | (774) |
| Gain (loss) on measurement or sale of non-current assets | 6 and 7 | (55) | | 138 | |
| Operating income | | 985 | 2,221 | 1,718 | 5,242 |
| Financial income | 28 | 1,471 | 1,208 | 3,819 | 2,547 |
| Financial expenses | 28 | (939) | (1,267) | (7,797) | (2,457) |
| Equity results from joint ventures and associates | 12 | 218 | 244 | (53) | 439 |
| Results on sale or disposal of investments from joint ventures and associates | 6 and 7 | 79 | (18) | 97 | (18) |
| Net income (loss) before income taxes | | 1,814 | 2,388 | (2,216) | 5,753 |
| Income taxes | | | | | |
| | 20 | | | | |
| Current tax | | (67) | (551) | (137) | (1,479) |
| Deferred tax | | (118) | (452) | 812 | (513) |
| | | (185) | (1,003) | 675 | (1,992) |
| Net income (loss) | | 1,629 | 1,385 | (1,541) | 3,761 |
| Loss attributable to noncontrolling stockholders interests | | (46) | (43) | (98) | (182) |
| Net income (loss) attributable to the Company's stockholders | | 1,675 | 1,428 | (1,443) | 3,943 |
| Earnings per share attributable to the Company's stockholders: | | | | | |
| Basic and diluted earnings per share: | 25(b) | | | | |

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| | | | | |
|------------------------|------|------|--------|------|
| Preferred share (US\$) | 0.33 | 0.28 | (0.28) | 0.77 |
| Common share (US\$) | 0.33 | 0.28 | (0.28) | 0.77 |

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

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

In millions of United States dollars

| | (unaudited) | | | |
|---|--|---------------|--|----------------|
| | Three-months period ended June 30, 2015 | June 30, 2014 | Six-months period ended June 30, 2015 | June 30, 2014 |
| Net income (loss) | 1,629 | 1,385 | (1,541) | 3,761 |
| Other comprehensive income | | | | |
| Items that will not be reclassified subsequently to income | | | | |
| Cumulative translation adjustments | 1,591 | 1,887 | (7,903) | 4,198 |
| Retirement benefit obligations | | | | |
| Gross balance for the period | 94 | 82 | (7) | 106 |
| Effect of taxes | (27) | (18) | 23 | (21) |
| Equity results from joint ventures and associates, net taxes | | | | 1 |
| | 67 | 64 | 16 | 86 |
| Total items that will not be reclassified subsequently to income | 1,658 | 1,951 | (7,887) | 4,284 |
| Items that will be reclassified subsequently to income | | | | |
| Cumulative translation adjustments | | | | |
| Gross balance for the period | (880) | (608) | 3,713 | (2,373) |
| Cash flow hedge | | | | |
| Gross balance for the period | 281 | 69 | 541 | 65 |
| Effect of taxes | (3) | (7) | (3) | (4) |
| Equity results from joint ventures and associates, net taxes | | 3 | (2) | 3 |
| Transfer of realized results to income, net of taxes | (98) | (15) | (243) | (31) |
| | 180 | 50 | 293 | 33 |
| Total of items that will be reclassified subsequently to income | (700) | (558) | 4,006 | (2,340) |
| Total comprehensive income (loss) | 2,587 | 2,778 | (5,422) | 5,705 |
| Comprehensive loss attributable to noncontrolling stockholders' interests | (48) | (33) | (104) | (174) |
| Comprehensive income (loss) attributable to the Company's stockholders | 2,635 | 2,811 | (5,318) | 5,879 |
| | 2,587 | 2,778 | (5,422) | 5,705 |

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

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

In millions of United States dollars

| | Six-months period ended | | | | | | Retained earnings | Total Company stockholders' equity | Noncontrolling stockholders' interests | Total stockholders' equity |
|---|-------------------------|---------------------------------|---|-----------------|-----------------|-------------------------------------|-------------------|------------------------------------|--|----------------------------|
| | Capital | Results on conversion of shares | Results from operation with noncontrolling stockholders | Profit reserves | Treasury stocks | Unrealized fair value gain (losses) | | | | |
| December 31, 2013 | 60,578 | (152) | (400) | 29,566 | (4,477) | (1,202) | (20,588) | 63,325 | 1,611 | 64,936 |
| Net income (loss) | | | | | | | 3,943 | 3,943 | (182) | 3,761 |
| Other comprehensive income: | | | | | | | | | | |
| Retirement benefit obligations | | | | | | 86 | | 86 | | |
| Cash flow hedge Translation adjustments | | | | 2,561 | | (30) | (898) | 184 | 1,817 | 8 |
| Contribution and distribution to stockholders: | | | | | | | | | | |
| Acquisitions and disposal of participation of noncontrolling stockholders | | | | | | | | | (248) | (248) |
| Capitalization of reserves | 1,036 | | | (1,036) | | | | | | |
| Capitalization of noncontrolling stockholders advances | | | | | | | | | 65 | 65 |
| Cancellation of treasury stock | | | | (3,000) | 3,000 | | | | | |
| Dividends of noncontrolling stockholders | | | | | | | | | (6) | (6) |
| Dividends and interest on | | | | | | | (2,100) | (2,100) | | (2,100) |

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capital of
Company's
stockholders

June 30, 2014

(unaudited) 61,614 (152) (400) 28,091 (1,477) (1,113) (21,486) 2,027 67,104 1,248 68,3

| | Capital | Results on conversion of shares | Results from operation with noncontrolling stockholders | Profit reserves | Treasury stocks | Unrealized fair value gain (losses) | Cumulative translation adjustments | Retained earnings | Total Company stockholders equity | Noncontrolling stockholders interests | Total stockholders equity |
|---|---------------|---------------------------------|---|-----------------|-----------------|-------------------------------------|------------------------------------|-------------------|-----------------------------------|---------------------------------------|---------------------------|
| December 31, 2014 | 61,614 | (152) | (449) | 19,985 | (1,477) | (1,713) | (22,686) | | 55,122 | 1,199 | 56,3 |
| Loss | | | | | | | | (1,443) | (1,443) | (98) | (1,5 |
| Other comprehensive income: | | | | | | | | | | | |
| Retirement benefit obligations | | | | | | 16 | | | 16 | | |
| Cash flow hedge | | | | | | 293 | | | 293 | | 2 |
| Translation adjustments | | | | (2,875) | | 88 | (1,424) | 27 | (4,184) | (6) | (4,1 |
| Contribution and distribution to stockholders: | | | | | | | | | | | |
| Acquisitions and disposal of participation of noncontrolling stockholders | | | (4) | | | | | | (4) | (35) | (|
| Capitalization of noncontrolling stockholders advances | | | | | | | | | | 16 | |
| Dividends of noncontrolling stockholders | | | | | | | | | | (5) | |
| Dividends and interest on capital of Company's stockholders | | | | (1,000) | | | | | (1,000) | | (1,0 |
| June 30, 2015 | 61,614 | (152) | (453) | 16,110 | (1,477) | (1,316) | (24,110) | (1,416) | 48,800 | 1,071 | 49,8 |

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

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

In millions of United States dollars

| | (unaudited) | | | |
|---|--|---------------|--|---------------|
| | Three-months period ended June 30, 2015 | June 30, 2014 | Six-months period ended June 30, 2015 | June 30, 2014 |
| Cash flow from operating activities: | | | | |
| Net income (loss) | 1,629 | 1,385 | (1,541) | 3,761 |
| Adjustments for: | | | | |
| Equity results from joint ventures and associates | (218) | (244) | 53 | (439) |
| Loss (gain) on measurement or sale of non-current assets | 55 | | (138) | |
| Results on sale or disposal of investments of joint ventures and associates | (79) | 18 | (97) | 18 |
| Gain on disposal of property, plant and equipment and intangibles | (15) | | (230) | |
| Impairment of non-current assets | | 774 | | 774 |
| Depreciation, amortization and depletion | 988 | 901 | 2,023 | 1,927 |
| Deferred income taxes | 118 | 452 | (812) | 513 |
| Foreign exchange and indexation, net | (374) | (163) | 2,916 | (474) |
| Unrealized derivative loss (gain), net | (249) | (282) | 554 | (477) |
| Participative stockholders' debentures | (361) | 268 | (636) | 290 |
| Others | 47 | (20) | (301) | (10) |
| Decrease (increase) in assets: | | | | |
| Accounts receivable | (474) | (28) | 343 | 1,794 |
| Inventories | (89) | 211 | 100 | (600) |
| Recoverable taxes | (332) | 413 | (481) | 1,178 |
| Others | 116 | 65 | 57 | 118 |
| Increase (decrease) in liabilities: | | | | |
| Suppliers and contractors | 214 | 72 | (173) | 92 |
| Payroll and related charges | (10) | 205 | (577) | (389) |
| Taxes and contributions | (54) | 309 | 94 | 210 |
| Deferred revenue - Gold stream | | | 532 | |
| Income taxes - Settlement program | 32 | 46 | 67 | 93 |
| Others | 52 | 213 | (226) | 299 |
| Net cash provided by operating activities | 996 | 4,595 | 1,527 | 8,678 |
| Cash flow from investing activities: | | | | |
| Financial investments redeemed | 107 | | 252 | 1 |
| Loans and advances received (granted) | (13) | 165 | (18) | 68 |
| Guarantees and deposits granted | (22) | (16) | (48) | (48) |
| Additions to investments | (36) | (76) | (46) | (197) |

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| | | | | |
|---|----------------|----------------|----------------|----------------|
| Acquisition of subsidiary (note 7(b)) | | | (90) | |
| Additions to property, plant and equipment and intangible | (2,111) | (2,712) | (4,311) | (5,095) |
| Dividends and interest on capital received from joint ventures and associates | 185 | 208 | 212 | 219 |
| Proceeds from disposal of assets and investments | 454 | 317 | 561 | 317 |
| Proceeds from gold stream transaction | | | 368 | |
| Net cash used in investing activities | (1,436) | (2,114) | (3,120) | (4,735) |
| Cash flow from financing activities: | | | | |
| Loans and financing | | | | |
| Additions | 1,542 | 10 | 2,884 | 661 |
| Repayments | (585) | (237) | (886) | (531) |
| Repayments to stockholders: | | | | |
| Dividends and interest on capital paid to stockholders | (1,000) | (2,100) | (1,000) | (2,100) |
| Dividends and interest on capital attributed to noncontrolling stockholders | (9) | | (12) | |
| Transactions with noncontrolling stockholders | (40) | | (40) | |
| Net cash provided by (used in) financing activities | (92) | (2,327) | 946 | (1,970) |
| Increase (decrease) in cash and cash equivalents | (532) | 154 | (647) | 1,973 |
| Cash and cash equivalents in the beginning of the period | 3,684 | 7,182 | 3,974 | 5,321 |
| Effect of exchange rate changes on cash and cash equivalents | 6 | (271) | (169) | (229) |
| Cash and cash equivalents at end of the period | 3,158 | 7,065 | 3,158 | 7,065 |
| Cash paid during the period for (i): | | | | |
| Interest on loans and financing | (305) | (345) | (776) | (798) |
| Income taxes | (74) | (67) | (318) | (226) |
| Income taxes - Settlement program | (103) | (128) | (209) | (247) |
| Derivatives received (paid), net | (102) | 86 | (759) | 103 |
| Non-cash transactions: | | | | |
| Additions to property, plant and equipment - interest capitalization | 177 | 178 | 373 | 193 |

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

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

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Selected Notes to Interim Financial Statements

Expressed in millions of United States dollar, unless otherwise stated

1. Corporate information

Vale S.A. (the Parent Company) is a public company headquartered at 26, Av. Graça Aranha, Rio de Janeiro, Brazil with securities traded on the stock exchanges of São Paulo (BM&F BOVESPA), New York (NYSE), Paris (NYSE Euronext) and Hong Kong (HKEx).

Vale S.A. and its direct and indirect subsidiaries (Vale , Group or Company) 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 26.

2. Summary of the main accounting practices and accounting estimates

a) Basis of presentation

The consolidated interim financial statements of the Company (interim financial statements) have been prepared in accordance with IAS 34 Interim Financial Reporting of the International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB).

The interim financial statements have been prepared under the historical cost convention as adjusted to reflect: (i) the fair value of held for trading financial instruments measured at fair value through the statement of income or available-for-sale financial instruments measured at fair value through the statement of comprehensive income; and (ii) impairment of assets.

These interim financial statements have been reviewed, not audited. However, principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented on the financial statements for the year ended December 31, 2014. These interim financial statements were prepared by Vale to update users about relevant information presented in the period and should be read in conjunction

with the financial statements for the year ended December 31, 2014.

The Company evaluated subsequent events through July 29, 2015, which is the date the interim financial statements were approved by the Board of Directors.

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 dollar (USD or US\$) as the Company believes that this is how international investors analyze the interim financial statements.

Operations in other currencies are translated into the functional currency 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 financial income. The exceptions are transactions for which gains and losses are recognized in the comprehensive income.

The statement of income and balance sheet of the Group's entities which 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)) are translated at the closing rate at the balance sheet date; (ii) income and expenses are translated at the average exchange rates, except for specific transactions that, considering their significance, are translated at the rate at the transaction date and; (iii) capital, capital reserves and treasury stock are translated at the rate at the date of each transaction. All resulting exchange differences are recognized in comprehensive income as cumulative translation adjustment, and transferred to the statement of income when the operations are realized.

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The exchange rates of the major currencies that impact the operations are as follows:

| | Exchange rates used for conversions into R\$ | | | |
|---------------------------|--|-------------------|--|------------------------------|
| | Closing rate as of June 30, 2015 (unaudited) | December 31, 2014 | Average rate for the six-months period ended June 30, 2015 (unaudited) | June 30, 2014 (unaudited) |
| US dollar (US\$) | 3.1026 | 2.6562 | 2.9715 | 2.2974 |
| Canadian dollar (CAD) | 2.4877 | 2.2920 | 2.4060 | 2.0954 |
| Australian dollar (AUD) | 2.3906 | 2.1765 | 2.3228 | 2.1008 |
| Euro (EUR or) | 3.4603 | 3.2270 | 3.3111 | 3.1485 |

3. Critical accounting estimates and judgment

The critical accounting estimates and judgment are the same as those adopted when preparing the financial statements for the year ended December 31, 2014.

4. Accounting standards issued but not yet effective

The standards and interpretations issued by IASB but not yet effective are disclosed below:

IFRS 9 Financial instruments - In July 2014 the IASB issued IFRS 9 Financial instruments, sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This Standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The adoption will be required from January 1, 2018 and the Company is currently analyzing potential impacts regarding this pronouncement on the financial statements.

IFRS 15 Revenue from contracts with customers - In May 2014 the IASB issued IFRS 15 statement - Revenue from Contracts with customers, sets out the requirements for revenue recognition that apply to all contracts with customer (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments), and replaces the current pronouncements IAS 18 - revenue, IAS 11 - Construction contracts and

interpretations related to revenue recognition. The principle core in that framework is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The adoption will be required from January 1, 2018 and the Company is currently analyzing potential impacts regarding this pronouncement on the financial statements.

5. Risk management

There was no significant change in relation to risk management policies disclosed in the financial statements for the year ended December 31, 2014.

6. Non-current assets and liabilities held for sale

| | June 30, 2015 Nacala (unaudited) | Energy | December 31, 2014 Nacala | Total |
|---|--|------------|-----------------------------|--------------|
| Non-current assets held for sale | | | | |
| Accounts receivable | 2 | | 8 | 8 |
| Other current assets | 176 | | 157 | 157 |
| Investments | | 88 | | 88 |
| Intangible assets, net | 21 | | | |
| Property, plant and equipment, net | 3,408 | 477 | 2,910 | 3,387 |
| Total assets | 3,607 | 565 | 3,075 | 3,640 |
| Liabilities associated with non-current assets held for sale | | | | |
| Suppliers and contractors | 139 | | 54 | 54 |
| Other current liabilities | 15 | | 57 | 57 |
| Total liabilities | 154 | | 111 | 111 |
| Net assets held for sale | 3,453 | 565 | 2,964 | 3,529 |

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Nacala logistic corridor (Nacala)

In December 2014, the Company signed an agreement with Mitsui & Co., Ltd. (Mitsui) to sell 50% of its stake of 70% in the Nacala corridor, Nacala is a combination of railroad and port concessions under construction located in Mozambique and Malawi.

After completion of the transaction, Vale will share control of Nacala with Mitsui and therefore will not consolidate the assets, liabilities and results of those entities. The net assets were transferred to assets held for sale with no impact in the statement of income.

Energy generation assets

In December 2013, the Company signed agreements with CEMIG Geração e Transmissão S.A. (CEMIG GT), as follows:

(a) A new entity Aliança Norte Participações S.A., was incorporated and Vale contributed its 9% investment in Norte Energia S.A. (Norte Energia), which is the company in charge of construction and operation of the Belo Monte Hydroelectric facility. Vale committed to sell 49% and share control of the new entity to CEMIG GT. In the first quarter of 2015, after receiving all regulatory approvals and other customary precedent conditions the Company concluded the transaction and received cash proceeds of US\$97, recognizing a gain of US\$18 as result on sale or disposal of investment from joint ventures and associates in the statement of income.

(b) A new entity Aliança Geração de Energia S.A. (Aliança Geração) was incorporated and Vale committed to contribute its shares over several power generation assets which use to supply energy for the Company s operations. In exchange CEMIG GT committed to contribute its stakes in some of its power generation assets. In the first quarter of 2015, after receiving all regulatory approvals and other customary precedent conditions, the exchange of assets was completed and Vale holds 55% and shares control of the new entity with CEMIG GT. A long term contract was signed between Vale and Aliança Geração for the energy supply. Due to the completion of this transaction, the Company (i) derecognized the assets held for sale related to this transaction; (ii) recognized as investment its share in the joint venture Aliança Geração; and (iii) recognized US\$193 in the income statement as gain (loss) on measurement or sales of non-current asset based on the fair value of the assets transferred by CEMIG GT. This transaction has no cash proceeds or disbursements.

7. Acquisitions and divestitures

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In July 29, 2015 (subsequent event), the Company signed a Contract of Purchase and Sale of Shares with Fundo de Investimento em Participações Multisetorial Plus II (FIP Multisetorial), whose shares are held by Banco Bradesco BBI S.A., through which it promised to sell class A preferred shares, representing 36.4% of the share capital of Minerações Brasileiras Reunidas S.A. (MBR), for R\$4 billion, subject to the condition precedent of a prior approval of the sell by the Conselho Administrativo de Defesa Econômica (CADE). MBR is a subsidiary of which Vale holds, directly and indirectly, 98.9% of the total capital.

After the completion of the transaction, the Company will keep a stake of 62.5% of the total capital of MBR and will maintain its stake in ordinary capital at 98.9%. The participation and rights of the new shareholder will be recognized as noncontrolling stockholders' equity.

Vale will also hold a call option on FIP Multisetorial's shares with a right to exercise it in the period that ranges from the beginning of the 3rd year until the end of the 10th year (inclusive) from the completion of the transaction. FIP multisetorial may sell its shares to third parties after the 8th year following the completion of the transaction, in which case, Vale may exercise its pre-emptive rights to purchase the shares at the price and conditions presented by the potential buyer.

a) **Divestiture of VBG-Vale BSGR Limited (VBG)**

VBG is the holding company which held the Simandou mining rights located in Guinea. In April 2014, the Government of Guinea revoked VBG mining rights, without any finding of wrongdoing by Vale. During 2014, as a result of the loss of the mining rights, Vale recognized full impairment of the assets related to VBG. During the first quarter of 2015, the Company sold its stake in VBG to its partner in the project and kept the right to any recoverable amount it may derive from the Simandou project. The transaction had no impact on cash or in the statement of income.

Table of Contents**b) Acquisition of Facon Construção e Mineração S.A. (Facon)**

During the first quarter of 2015, the Company acquired all shares of Facon, a wholly owned subsidiary of Fagundes Construção e Mineração S.A. (FCM). FCM is a logistic service provider for Vale Fertilizantes S.A. The Facon business was carved out from FCM with assets and liabilities directly related to the fertilizer business being transferred to Vale Fertilizantes S.A. The purchase price allocation based on the fair value of acquired assets and liabilities was calculated based on studies performed by the Company. Subsequently, Facon was merged into Vale Fertilizantes S.A.

| | June 30, 2015 (unaudited) |
|---|----------------------------------|
| Purchase price | 90 |
| Book value of property, plant and equipment | 77 |
| Book value of other assets acquired and liabilities assumed, net | (69) |
| Adjustment to fair value of property, plant and equipment and mining rights | 43 |
| Goodwill | 39 |

c) Divestiture of shipping assets

In the second quarter of 2015, the Company and China Ocean Shipping Company (Cosco), the largest dry bulk carrier in China and one of the largest dry bulk shipping operators worldwide, completed the sale of four very large ore carriers with capacity of 400,000 tons. The Company received cash proceeds of US\$445 and recognized a loss of US\$55 as gain (loss) on measurement or sale of non-current assets.

d) Divestiture of Shandong Yankuang International Coking Co., Ltd. (Yankuang)

In the second quarter of 2015, the Company concluded the sale of its participation in Yankuang, a producer of coke, methanol and other products. In this transaction, Vale recognized a gain of US\$79 as results on sale or disposal of investments from joint ventures and associates.

e) Divestiture of Vale Florestar Fundo de Investimento em Participações (Vale Florestar)

In the second quarter of 2014, the Company signed an agreement with a subsidiary of Suzano Papel e Celulose S.A. for the sale of its entire stake in Vale Florestar. A loss on this transaction of US\$18 was recorded as results on sale or disposal of investments from joint ventures and

associates in 2014.

8. Cash and cash equivalents

| | June 30, 2015 (unaudited) | December 31, 2014 |
|------------------------|------------------------------|-------------------|
| Cash and bank deposits | 1,806 | 2,109 |
| Short-term investments | 1,352 | 1,865 |
| | 3,158 | 3,974 |

Cash and cash equivalents includes cash, immediately redeemable deposits and short-term investments with an insignificant risk of changes in value. They are readily convertible to cash, part in R\$, indexed to the Brazilian Interbank Interest rate (DI Rate or CDI) and part denominated in US\$, mainly time deposits.

Table of Contents**9. Accounts receivable**

| | June 30, 2015 (unaudited) | December 31, 2014 |
|------------------------------|------------------------------|-------------------|
| Ferrous minerals | 1,891 | 2,155 |
| Coal | 65 | 122 |
| Base metals | 636 | 777 |
| Fertilizers | 134 | 136 |
| Others | 135 | 172 |
| | 2,861 | 3,362 |
| Provision for doubtful debts | (73) | (87) |
| | 2,788 | 3,275 |

Accounts receivable related to the steel sector represented 75.06% and 77.97% of total receivables on June 30, 2015 and December 31, 2014, respectively.

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

The provision for doubtful debts recorded in the consolidated statement of income for the three-months period ended on June 30, 2015 and 2014 totaled US\$1 and US\$21 and for the six-months period ended on June 30, 2015 and 2014 totaled US\$1 and US\$(2), respectively. The Company recognized write-offs for the three-months period ended on June 30, 2015 and 2014 in the amount of US\$0 and US\$42 and for the six-months period ended totaled US\$7 and US\$44, respectively.

10. Inventories

| | June 30, 2015 (unaudited) | December 31, 2014 |
|---------------------------|------------------------------|-------------------|
| Product inventory | | |
| Ferrous minerals | | |
| Iron ore | 1,134 | 1,110 |
| Pellets | 135 | 187 |
| Manganese and ferroalloys | 65 | 69 |
| | 1,334 | 1,366 |

| | | |
|--------------------------------|--------------|--------------|
| Coal | 154 | 155 |
| Base metals | | |
| Nickel and other products | 1,333 | 1,435 |
| Copper | 31 | 26 |
| | 1,364 | 1,461 |
| Fertilizers | | |
| Potash | 21 | 12 |
| Phosphates | 371 | 309 |
| Nitrogen | 25 | 23 |
| | 417 | 344 |
| Other products | 4 | 4 |
| Total product inventory | 3,273 | 3,330 |
| Consumable inventory | 1,156 | 1,171 |
| Total | 4,429 | 4,501 |

As at June 30, 2015 product inventory is stated net of provisions for nickel, coal, phosphate and pig iron in the amount of US\$49 (US\$19 as of December 31, 2014), US\$345 (US\$285 as of December 31, 2014), US\$4 (US\$0 as of December 31, 2014) and US\$1 (US\$0 as of December 31, 2014), respectively.

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Changes in inventories are as follows:

| | (unaudited) | | | |
|---|---------------------------|---------------|-------------------------|---------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Product inventory | | | | |
| Balance at beginning of the period | 2,938 | 3,446 | 3,330 | 2,896 |
| Production and acquisition | 4,694 | 5,121 | (9,258) | 10,230 |
| Transfer from consumable inventory | 622 | 804 | 1,347 | 1,594 |
| Cost of goods sold | (5,047) | (5,863) | (10,069) | (11,189) |
| Provision for market value adjustment | (32) | (17) | (95) | (150) |
| Translation adjustments | 98 | 95 | (498) | 205 |
| Balance at end of the period | 3,273 | 3,586 | 3,273 | 3,586 |

| | (unaudited) | | | |
|---|---------------------------|---------------|-------------------------|---------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Consumable inventory | | | | |
| Balance at beginning of the period | 1,126 | 1,308 | 1,171 | 1,229 |
| Acquisition | 615 | 859 | 1,508 | 1,683 |
| Transfer to product inventory | (622) | (804) | (1,347) | (1,594) |
| Transfer to held for sale | (1) | | (1) | |
| Translation adjustments | 38 | 37 | (175) | 82 |
| Balance at end of the period | 1,156 | 1,400 | 1,156 | 1,400 |

11. Recoverable taxes

Recoverable taxes are presented net of provisions for losses on tax credits.

| | June 30, 2015 (unaudited) | December 31, 2014 |
|---------------------------------|------------------------------|-------------------|
| Value-added tax | 934 | 1,057 |
| Brazilian federal contributions | 1,265 | 1,010 |
| Others | 24 | 34 |
| Total | 2,223 | 2,101 |
| Current | 1,554 | 1,700 |
| Non-current | 669 | 401 |
| Total | 2,223 | 2,101 |

12. Investments

Changes in investments are as follows:

| | (unaudited) | | | |
|---|---------------------------|---------------|-------------------------|---------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Balance at beginning of the period | 3,812 | 5,315 | 4,133 | 3,584 |
| Aquisitions (i) | | | 579 | |
| Additions | 8 | 68 | 18 | 189 |
| Disposals (ii) | 79 | | 79 | |
| Transfer due to acquisition of control | | | | 79 |
| Translation adjustment | 110 | 115 | (495) | 236 |
| Equity results on statement of income | 218 | 244 | (53) | 439 |
| Equity results on statement of comprehensive income | (1) | | (3) | 2 |
| Dividends declared | (56) | (536) | (83) | (578) |
| Other transfers | 38 | | 38 | |
| Transfer to held for sale - Others | | (98) | (5) | (98) |
| Transfer to held for sale - VLI S.A. | | | | 1,255 |
| Balance at end of the period | 4,208 | 5,108 | 4,208 | 5,108 |

(i) Refers to Aliança Geração de Energia S.A., see note 6.

(ii) Refers to Shandong Yankuang International Coking Co., Ltd., see note 7(d).

Table of Contents**Investments (continued)**

| (unaudited) | | | | | | | | | |
|---|-------|-------|--------------|--------------|-------------|------------|-------------|-------------|------------|
| Ferrous minerals | | | | | | | | | |
| Baovale Mineração S.A. | 50.00 | 50.00 | 23 | 16 | | | 1 | 1 | |
| Companhia Coreano-Brasileira de Pelotização | 50.00 | 50.00 | 68 | 86 | 7 | 8 | 11 | 16 | 11 |
| Companhia Hispano-Brasileira de Pelotização (i) | 50.89 | 51.00 | 66 | 80 | 2 | 5 | 6 | 8 | 3 |
| Companhia Ítalo-Brasileira de Pelotização (i) | 50.90 | 51.00 | 59 | 61 | 5 | 4 | 10 | 8 | |
| Companhia Nipo-Brasileira de Pelotização (i) | 51.00 | 51.11 | 117 | 142 | 13 | 21 | 24 | 34 | 17 |
| Minas da Serra Geral S.A. | 50.00 | 50.00 | 16 | 20 | (1) | (2) | (1) | (1) | |
| MRS Logística S.A. | 47.59 | 46.75 | 451 | 510 | 15 | 21 | 24 | 35 | |
| Samarco Mineração S.A. | 50.00 | 50.00 | 127 | 200 | 126 | 177 | (47) | 351 | 146 |
| VLI S.A. | 37.60 | 37.60 | 961 | 1,109 | 22 | 19 | 19 | 19 | 8 |
| Zhuhai YPM Pellet Co. | 25.00 | 25.00 | 25 | 24 | | | | | |
| Others | | | | | | | | (1) | |
| | | | 1,913 | 2,248 | 189 | 253 | 47 | 470 | 185 |
| Coal | | | | | | | | | |
| Henan Longyu Energy Resources Co., Ltd. | 25.00 | 25.00 | 364 | 355 | 3 | 8 | 3 | 20 | |
| Base metals | | | | | | | | | |
| Korea Nickel Corp. | 25.00 | 25.00 | 19 | 21 | (1) | | (2) | | |
| Teal Minerals Inc. | 50.00 | 50.00 | 172 | 194 | (17) | (7) | (21) | (12) | |
| | | | 191 | 215 | (18) | (7) | (23) | (12) | |
| Others | | | | | | | | | |
| Aliança Geração de Energia S.A. (i) | 55.00 | 55.00 | 605 | | 18 | | 19 | | |
| Aliança Norte Energia Participações S.A. (i) | 51.00 | 51.00 | 91 | | | | 2 | | |
| California Steel Industries, Inc. | 50.00 | 50.00 | 190 | 184 | (9) | 6 | (14) | 8 | |
| Companhia Siderúrgica do Pecém (ii) | 50.00 | 50.00 | 558 | 725 | 54 | (6) | (66) | (9) | |
| Mineração Rio Grande do Norte S.A. | 40.00 | 40.00 | 87 | 91 | 13 | 2 | 10 | 8 | |
| Norte Energia S.A. (ii) (iii) | | | | 91 | | | | | |
| Thyssenkrupp Companhia Siderúrgica do Atlântico | 26.87 | 26.87 | 113 | 205 | (31) | (10) | (31) | (28) | |

| | | | | | | |
|--------------|--------------|--------------|------------|-------------|-------------|-------------|
| Ltd. | | | | | | |
| Others | 96 | 19 | (1) | (2) | (18) | |
| | 1,740 | 1,315 | 44 | (10) | (80) | (39) |
| Total | 4,208 | 4,133 | 218 | 244 | (53) | 439 |

(i) Although the Company held majority of the voting capital, the entities are accounted under equity method due to existing veto rights held by other stockholders.

(ii) Pre-operational stage.

(iii) The Company's interest in Norte Energia S.A. is indirectly owned by Aliança Norte Energia Participações S.A. (note 6).

Table of Contents**13. Intangible assets**

| | Cost | Amortization | Net | Cost | Amortization | Net |
|-------------------------------|--------------|----------------|--------------|--------------|----------------|--------------|
| Indefinite useful life | | | | | | |
| Goodwill | 3,464 | | 3,464 | 3,760 | | 3,760 |
| Finite useful life | | | | | | |
| Concessions | 3,248 | (1,102) | 2,146 | 3,421 | (1,208) | 2,213 |
| Right of use | 517 | (263) | 254 | 518 | (221) | 297 |
| Software | 1,247 | (771) | 476 | 1,356 | (806) | 550 |
| | 5,012 | (2,136) | 2,876 | 5,295 | (2,235) | 3,060 |
| Total | 8,476 | (2,136) | 6,340 | 9,055 | (2,235) | 6,820 |

Changes in intangible assets are as follows:

| | Three-months period ended (unaudited) | | | | | Total |
|----------------------------------|---------------------------------------|--------------|--------------|------------|--|--------------|
| | Goodwill | Concessions | Right of use | Software | | |
| Balance on March 31, 2014 | 4,176 | 2,116 | 241 | 561 | | 7,094 |
| Additions | | 77 | | 1 | | 78 |
| Amortization | | (106) | (1) | (35) | | (142) |
| Translation adjustment | 109 | 57 | 1 | 16 | | 183 |
| Balance on June 30, 2014 | 4,285 | 2,144 | 241 | 543 | | 7,213 |

| | Three-months period ended (unaudited) | | | | | Total |
|----------------------------------|---------------------------------------|--------------|--------------|------------|--|--------------|
| | Goodwill | Concessions | Right of use | Software | | |
| Balance on March 31, 2015 | 3,394 | 1,892 | 257 | 483 | | 6,026 |
| Additions | | 236 | | 17 | | 253 |
| Disposals | | (4) | | | | (4) |
| Amortization | | (40) | (11) | (42) | | (93) |
| Translation adjustment | 70 | 62 | 8 | 18 | | 158 |
| Balance on June 30, 2015 | 3,464 | 2,146 | 254 | 476 | | 6,340 |

| | Six-months period ended | | | | | Total |
|-------------------------------------|-------------------------|--------------|--------------|------------|--|--------------|
| | Goodwill | Concessions | Right of use | Software | | |
| Balance on December 31, 2013 | 4,140 | 1,907 | 253 | 571 | | 6,871 |
| Additions | | 261 | | 6 | | 267 |
| Disposals | | (3) | | | | (3) |
| Amortization | | (151) | (8) | (49) | | (208) |
| Translation adjustment | 145 | 130 | (4) | 15 | | 286 |

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Balance on June 30, 2014 (unaudited) 4,285 2,144 241 543 7,213

| | Six-months period ended | | | | |
|---|-------------------------|--------------|--------------|------------|--------------|
| | Goodwill | Concessions | Right of use | Software | Total |
| Balance on December 31, 2014 | 3,760 | 2,213 | 297 | 550 | 6,820 |
| Additions | | 358 | | 91 | 449 |
| Disposals | | (17) | | | (17) |
| Amortization | | (82) | (22) | (86) | (190) |
| Translation adjustment | (335) | (326) | (21) | (79) | (761) |
| Acquisition of subsidiary (note 7(b)) | 39 | | | | 39 |
| Balance on June 30, 2015 (unaudited) | 3,464 | 2,146 | 254 | 476 | 6,340 |

Table of Contents**14. Property, plant and equipment**

| | June 30, 2015 (unaudited) | | | December 31, 2014 | | |
|--------------------------|---------------------------|-----------------------------|---------------|-------------------|-----------------------------|---------------|
| | Cost | Accumulated Depreciation | Net | Cost | Accumulated Depreciation | Net |
| Land | 999 | | 999 | 1,069 | | 1,069 |
| Buildings | 14,663 | (2,599) | 12,064 | 14,144 | (2,490) | 11,654 |
| Facilities | 15,135 | (5,048) | 10,087 | 15,749 | (4,936) | 10,813 |
| Equipment | 14,461 | (5,082) | 9,379 | 14,381 | (5,094) | 9,287 |
| Mineral properties | 19,091 | (5,948) | 13,143 | 20,965 | (6,036) | 14,929 |
| Others | 14,549 | (4,219) | 10,330 | 14,888 | (3,934) | 10,954 |
| Construction in progress | 15,275 | | 15,275 | 19,416 | | 19,416 |
| | 94,173 | (22,896) | 71,277 | 100,612 | (22,490) | 78,122 |

Property, plant and equipment (net book value) pledged to secure judicial claims on June 30, 2015 and December 31, 2014 were to US\$52 and US\$63, respectively.

Changes in property, plant and equipment are as follows:

| | Three-months period ended | | | | | | | Total |
|----------------------------------|---------------------------|--------------|---------------|--------------|-----------------------|---------------|------------------------------|---------------|
| | Land | Building | Facilities | Equipment | Mineral properties | Others | Constructions in progress | |
| Balance on March 31, 2014 | 1,103 | 8,184 | 12,514 | 8,407 | 16,198 | 11,119 | 26,237 | 83,762 |
| Additions (i) | | | | | | | 2,812 | 2,812 |
| Disposals | | (38) | | (1) | (30) | (2) | (97) | (168) |
| Depreciation and amortization | | (207) | (47) | (296) | (171) | (98) | | (819) |
| Impairment (note 15) | | | (1) | | (767) | (2) | (4) | (774) |
| Translation adjustment | 27 | 54 | (490) | 260 | 135 | (304) | 1,014 | 696 |
| Transfers | 33 | 274 | 416 | 472 | 983 | 430 | (2,608) | |
| Balance on June 30, 2014 | 1,163 | 8,267 | 12,392 | 8,842 | 16,348 | 11,143 | 27,354 | 85,509 |

| | Three-months period ended | | | | | | | Total |
|----------------------------------|---------------------------|---------------|--------------|--------------|-----------------------|--------------|------------------------------|---------------|
| | Land | Building | Facilities | Equipment | Mineral properties | Others | Constructions in progress | |
| Balance on March 31, 2015 | 923 | 11,342 | 9,820 | 8,966 | 12,675 | 9,981 | 16,001 | 69,708 |

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| | | | | | | | | |
|---------------------------------|------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Additions (i) | | | | | | | 1,710 | 1,710 |
| Disposals | | (6) | (15) | | (512) | | | (533) |
| Depreciation and amortization | | (142) | (186) | (268) | (243) | (181) | | (1,020) |
| Translation adjustment | 24 | 94 | 198 | 66 | 268 | 173 | 589 | 1,412 |
| Transfers | 52 | 770 | 261 | 630 | 443 | 869 | (3,025) | |
| Balance on June 30, 2015 | 999 | 12,064 | 10,087 | 9,379 | 13,143 | 10,330 | 15,275 | 71,277 |

(i) Includes interest capitalized and ARO, see cash flow.

| | Land | Building | Facilities | Equipment | Six-months period ended Mineral properties | Others | Constructions in progress | Total |
|---|--------------|--------------|---------------|--------------|--|---------------|------------------------------|---------------|
| Balance on December 31, 2013 | 945 | 7,785 | 10,937 | 8,404 | 16,276 | 10,519 | 26,799 | 81,665 |
| Additions (i) | | | | | | | 5,021 | 5,021 |
| Disposals | | (48) | (2) | (5) | (90) | (31) | (116) | (292) |
| Depreciation and amortization | | (283) | (314) | (600) | (393) | (283) | | (1,873) |
| Impairment (note 15) | | | (1) | | (767) | (2) | (4) | (774) |
| Translation adjustment | 127 | 246 | (377) | 287 | 39 | 210 | 1,230 | 1,762 |
| Transfers | 91 | 567 | 2,149 | 756 | 1,283 | 730 | (5,576) | |
| Balance on June 30, 2014 (unaudited) | 1,163 | 8,267 | 12,392 | 8,842 | 16,348 | 11,143 | 27,354 | 85,509 |

| | Land | Building | Facilities | Equipment | Six-months period ended Mineral properties | Others | Constructions in progress | Total |
|---|--------------|---------------|---------------|--------------|--|---------------|------------------------------|---------------|
| Balance on December 31, 2014 | 1,069 | 11,654 | 10,813 | 9,287 | 14,929 | 10,954 | 19,416 | 78,122 |
| Additions (i) | | | | | | | 3,807 | 3,807 |
| Disposals | | (5) | (7) | (20) | (151) | (518) | (2) | (703) |
| Depreciation and amortization | | (277) | (394) | (576) | (460) | (379) | | (2,086) |
| Translation adjustment | (132) | (1,529) | (1,360) | (869) | (1,161) | (1,112) | (1,820) | (7,983) |
| Transfers | 62 | 2,221 | 1,035 | 1,556 | (14) | 1,266 | (6,126) | |
| Acquisition of subsidiary (note 7(b)) | | | | 1 | | 119 | | 120 |
| Balance on June 30, 2015 (unaudited) | 999 | 12,064 | 10,087 | 9,379 | 13,143 | 10,330 | 15,275 | 71,277 |

(i) Includes interest capitalized and ARO, see cash flow.

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15. Impairment

The Company did not identify any impairment indicators for the period ended June 30, 2015.

During the second quarter of 2014, the Company identified evidence and recognized impairment in relation to certain of the Company's operations as presented below.

Property plant and equipment

i. Coal

Australian assets

In May 2014, the Company announced that Integra and Isaac Plains mining complex, both in Australia, were put into care and maintenance since the operation is not economically feasible under current market conditions. As a consequence, the Company recognized an impairment of US\$274 in the second quarter of 2014.

ii. Iron ore projects

VGB - Vale BSGR Limited

Vale's former 51%-owned subsidiary VBG-Vale BSGR Limited (VBG) held iron ore concession rights in Simandou South (Zogota) and iron ore exploration permits in Simandou North (Blocks 1 & 2) in Guinea. On April 25, 2014 the government of Guinea revoked VBG's mining concessions, based on the recommendation of a technical committee established pursuant to Guinean legislation. The decision was based on the allegations of fraudulent conduct in connection with the acquisition of licenses by BSGR (Vale's former partner in VBG) more than one year before Vale had made any investment at VBG. The decision does not indicate any involvement by Vale and therefore does not prohibit Vale

from participating in any future concession of the mining titles. Due to the uncertainties at that time US\$500 was recognized as impairment. During the first quarter of 2015, the investment was sold (note 7a).

16. Loans and financing

a) Total debt

| | Current liabilities | | Non-current liabilities | |
|--|------------------------------|-------------------|------------------------------|-------------------|
| | June 30, 2015 (unaudited) | December 31, 2014 | June 30, 2015 (unaudited) | December 31, 2014 |
| Debt contracts in the international markets | | | | |
| Floating rates in: | | | | |
| US\$ | 226 | 358 | 5,941 | 5,095 |
| Others currencies | | | 2 | 2 |
| Fixed rates in: | | | | |
| US\$ | 2,015 | 69 | 12,146 | 13,239 |
| EUR | | | 1,673 | 1,822 |
| Accrued charges | 290 | 334 | | |
| | 2,531 | 761 | 19,762 | 20,158 |
| Debt contracts in Brazil | | | | |
| Floating rates in: | | | | |
| R\$, indexed to TJLP, TR, IPCA, IGP-M and CDI | 257 | 296 | 4,766 | 5,503 |
| Basket of currencies and US\$ indexed to LIBOR | 245 | 211 | 1,498 | 1,364 |
| Fixed rates in: | | | | |
| R\$ | 56 | 48 | 557 | 363 |
| Accrued charges | 101 | 103 | | |
| | 659 | 658 | 6,821 | 7,230 |
| | 3,190 | 1,419 | 26,583 | 27,388 |

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Below are the future flows of debt payments (principal and interest) per nature of funding:

| | Bank loans (i) | Capital market (i) | Development agencies (i) | Debt principal (i) | Estimated future payments of interest (ii) |
|-----------------------|----------------|--------------------|--------------------------|--------------------|--|
| 2015 | 978 | | 407 | 1,385 | 714 |
| 2016 | 35 | 951 | 912 | 1,898 | 1,489 |
| 2017 | 186 | 1,212 | 1,004 | 2,402 | 1,400 |
| 2018 | 1,780 | 836 | 1,140 | 3,756 | 1,385 |
| 2019 | 511 | 1,000 | 1,310 | 2,821 | 1,209 |
| 2020 | 1,442 | 1,106 | 843 | 3,391 | 1,084 |
| Between 2021 and 2025 | 1,311 | 3,286 | 2,072 | 6,669 | 3,367 |
| 2026 onwards | 380 | 6,497 | 183 | 7,060 | 5,827 |
| | 6,623 | 14,888 | 7,871 | 29,382 | 16,475 |

(i) Does not include accrued charges.

(ii) Consists of estimated future payments of interest on loans, financings and debentures, calculated based on interest rate curves and foreign exchange rates applicable as of June 30, 2015 and considering that all amortization payments and payments at maturity on loans, financings and debentures will be made on their contracted payments dates. The amount includes the estimated values of future interest payments (not yet accrued), in addition to interest already recognized in the financial statements.

At June 30, 2015, the average annual interest rates by currency are as follows:

| | Average interest rate (i) | Total debt |
|--|---------------------------|---------------|
| Loans and financing in US\$ | 4.86% | 22,079 |
| Loans and financing in R\$ (ii) | 10.09% | 5,728 |
| Loans and financing in EUR (iii) | 4.06% | 1,701 |
| Loans and financing in others currencies | 6.36% | 265 |
| | | 29,773 |

(i) In order to determine the average interest rate for debt contracts with floating rates, the Company used the last renegotiated rate at June 30, 2015.

(ii) R\$ denominated debt that bears interest at IPCA, CDI or TJLP, plus spread. For a total of US\$4,445, the Company entered into derivative transactions to mitigate the exposure to the cash flow variations of the floating rate

debt denominated in R\$, resulting in an average cost of 2.27% per year in US\$.

(iii) Eurobonds, for which the Company entered into derivatives to mitigate the exposure to the cash flow variations of the debt denominated in EUR, resulting in an average cost of 4.42% per year in US\$.

b) Credit lines

| Type | Contractual currency | Date of agreement | Available for | Total amount | Amounts drawn on | |
|---|----------------------|---------------------|---------------|--------------|---------------------------|-------------------|
| | | | | | June 30, 2015 (unaudited) | December 31, 2014 |
| Revolving credit lines | | | | | | |
| Revolving credit facility | US\$ | May 2015 | 5 years | 3,000 | | |
| Revolving credit facility | US\$ | July 2013 | 5 years | 2,000 | | |
| Credit lines | | | | | | |
| Export-Import Bank of China and Bank of China Limited | US\$ | September 2010(i) | 13 years | 1,229 | 1,076 | 1,062 |
| BNDES | R\$ | April 2008(ii) | 10 years | 2,353 | 1,787 | 1,568 |
| Financing | | | | | | |
| BNDES - CLN 150 | R\$ | September 2012(iii) | 10 years | 1,252 | 1,120 | 1,076 |
| BNDES - Tecnorede 3.5% | R\$ | December 2013(iv) | 8 years | 44 | 30 | 24 |
| BNDES - S11D e S11D Logística | R\$ | May 2014(v) | 10 years | 1,986 | 806 | 602 |

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

(ii) Memorandum of understanding signature date, however term is considered from the signature date of each contract amendment.

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

(iv) Support to Tecnorede's investment plan from 2013 to 2015.

(v) Iron ore project S11D and S11D Logística implementation.

Total amounts and amounts disbursed, when not contracted in the reporting currency, are affected by exchange rate variation.

c) Guarantees

As of June 30, 2015 and December 31, 2014 financing and loans in the amount of US\$1,173 and US\$1,312, respectively, are secured by property, plant and equipment and receivables.

Table of Contents**17. Asset retirement obligations**

The Company applies judgment and assumptions when measuring its asset retirement obligation. The accrued amounts of these obligations are not deducted from the potential costs covered by insurance or indemnities.

The long term interest rates used to discount these obligations to present value and to update the provisions at June 30, 2015 was of 5.51% p.a. in Brazil, 2.05% p.a. in Canada and between 1.61% - 8.81% p.a. for the others locations.

Changes in asset retirement obligations are as follows:

| | Three-months period ended | | Six-months period ended | |
|---|---------------------------|---------------|-------------------------|---------------|
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Balance at beginning of the period | 3,012 | 2,793 | 3,369 | 2,644 |
| Interest expense | 84 | 40 | 155 | 107 |
| Settlements | (25) | (7) | (48) | (11) |
| Revisions on cash flows estimates | 4 | (30) | 11 | 22 |
| Translation adjustment | 72 | 75 | (340) | 109 |
| Balance at end of the period | 3,147 | 2,871 | 3,147 | 2,871 |
| Current | 114 | 162 | 114 | 162 |
| Non-current | 3,033 | 2,709 | 3,033 | 2,709 |
| | 3,147 | 2,871 | 3,147 | 2,871 |

18. Litigation**a) Provision for litigation**

Vale is party to labor, civil, tax and other ongoing lawsuits, at administrative and court levels. Provisions for losses resulting from lawsuits are estimated and updated by the Company, based by legal consultants.

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Changes in provision for litigation are as follows:

| | Three-months period ended (unaudited) | | | | Total of litigation provision |
|----------------------------------|---------------------------------------|------------------|------------------|--------------------------|-------------------------------|
| | Tax litigation | Civil litigation | Labor litigation | Environmental litigation | |
| Balance on March 31, 2014 | 348 | 216 | 767 | 42 | 1,373 |
| Additions | 58 | 4 | 56 | | 118 |
| Reversals | | (15) | (34) | | (49) |
| Payments | (6) | (3) | (7) | (2) | (18) |
| Indexation and interest | | 18 | 25 | | 43 |
| Translation adjustment | 6 | 5 | 22 | 1 | 34 |
| Balance on June 30, 2014 | 406 | 225 | 829 | 41 | 1,501 |

| | Three-months period ended (unaudited) | | | | Total of litigation provision |
|----------------------------------|---------------------------------------|------------------|------------------|--------------------------|-------------------------------|
| | Tax litigation | Civil litigation | Labor litigation | Environmental litigation | |
| Balance on March 31, 2015 | 305 | 114 | 596 | 72 | 1,087 |
| Additions | 13 | 31 | 37 | | 81 |
| Reversals | (6) | (19) | (15) | | (40) |
| Payments | (5) | (1) | (22) | (5) | (33) |
| Indexation and interest | 8 | 2 | 9 | 1 | 20 |
| Translation adjustment | 7 | 4 | 20 | 1 | 32 |
| Balance on June 30, 2015 | 322 | 131 | 625 | 69 | 1,147 |

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| | Six-months period ended | | | | |
|---|-------------------------|------------------|------------------|--------------------------|-------------------------------|
| | Tax litigation | Civil litigation | Labor litigation | Environmental litigation | Total of litigation provision |
| Balance on December 31, 2013 | 330 | 209 | 709 | 28 | 1,276 |
| Additions | 98 | 13 | 109 | 18 | 238 |
| Reversals | (27) | (24) | (58) | (4) | (113) |
| Payments | (7) | (6) | (13) | (2) | (28) |
| Indexation and interest | (4) | 20 | 35 | (4) | 47 |
| Translation adjustment | 16 | 13 | 47 | 5 | 81 |
| Balance on June 30, 2014 (unaudited) | 406 | 225 | 829 | 41 | 1,501 |

| | Six-months period ended | | | | |
|---|-------------------------|------------------|------------------|--------------------------|-------------------------------|
| | Tax litigation | Civil litigation | Labor litigation | Environmental litigation | Total of litigation provision |
| Balance on December 31, 2014 | 366 | 118 | 706 | 92 | 1,282 |
| Additions | 158 | 46 | 72 | | 276 |
| Reversals | (180) | (30) | (42) | | (252) |
| Payments | (3) | (1) | (26) | (20) | (50) |
| Indexation and interest | 17 | 15 | 16 | 4 | 52 |
| Translation adjustment | (36) | (17) | (101) | (7) | (161) |
| Balance on June 30, 2015 (unaudited) | 322 | 131 | 625 | 69 | 1,147 |

b) **Contingent liabilities**

Contingent liabilities consist of administrative and judicial claims, which expectation of loss is classified as possible, and for which the recognition of a provision is not considered necessary by the Company, based on legal support.

| | June 30, 2015 (unaudited) | December 31, 2014 |
|---------------------------|------------------------------|-------------------|
| Tax litigations | 6,261 | 6,094 |
| Civil litigations | 1,372 | 1,406 |
| Labor litigations | 2,087 | 1,955 |
| Environmental litigations | 1,269 | 1,122 |
| Total | 10,989 | 10,577 |

c) **Judicial deposits**

In addition to the provisions and contingent liabilities, the Company is required by law to make judicial deposits to secure a potential adverse outcome of certain lawsuits. These court-ordered deposits are monetarily adjusted and reported as non-current assets until a judicial decision to draw the deposit occurs.

| | June 30, 2015 (unaudited) | December 31, 2014 |
|---------------------------|--|--------------------------|
| Tax litigations | 280 | 354 |
| Civil litigations | 73 | 126 |
| Labor litigations | 698 | 789 |
| Environmental litigations | 12 | |
| Total | 1,063 | 1,269 |

d) Others

On April 30, 2014, Rio Tinto plc (Rio Tinto) filed a lawsuit against Vale, BSGR, and other defendants in the United States District Court for the Southern District of New York, alleging violations of the U.S. Racketeer Influenced and Corrupt Organizations Act (RICO) in relation to Rio Tinto's loss of certain Simandou mining rights, the Government of Guinea's assignment of those rights to BSGR, and Vale's subsequent investment in VBG. Discovery has begun and under the current schedule will be completed in March 2016. Vale intends to vigorously defend the action, which it believes to be without merit.

Table of Contents**19. Income taxes - Settlement program (REFIS)**

In November 2013, the Company elected to participate in the REFIS, a federal tax settlement program, to settle most of the claims related to the collection of income tax and social contribution on equity gain of foreign subsidiaries and affiliates from 2003 to 2012.

On June 30, 2015, the balance of US\$5,482 (US\$411 in current and US\$5,071 in non-current) is due in 160 monthly installments, bearing interest at the SELIC rate.

20. Income taxes**a) Deferred income tax**

| | Three-months period ended (unaudited) | | |
|----------------------------------|---------------------------------------|--------------|--------------|
| | Assets | Liabilities | Total |
| Balance on March 31, 2014 | 4,690 | 3,210 | 1,480 |
| Net income effect | (396) | 56 | (452) |
| Translation adjustment | 86 | 62 | 24 |
| Other comprehensive income | 10 | 35 | (25) |
| Balance on June 30, 2014 | 4,390 | 3,363 | 1,027 |

| | Assets | Liabilities | Total |
|---------------------------------|----------------------------------|--------------|--------------|
| | Balance on March 31, 2015 | 4,374 | 3,099 |
| Net income effect | (163) | (45) | (118) |
| Translation adjustment | 73 | (11) | 84 |
| Other comprehensive income | 16 | 46 | (30) |
| Balance on June 30, 2015 | 4,300 | 3,089 | 1,211 |

| | Six-months period ended | | |
|-------------------------------------|-------------------------|--------------|--------------|
| | Assets | Liabilities | Total |
| Balance on December 31, 2013 | 4,523 | 3,228 | 1,295 |
| Net income effect | (425) | 88 | (513) |

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| | | | |
|---|--------------|--------------|--------------|
| Translation adjustment | 273 | 3 | 270 |
| Other comprehensive income | 19 | 44 | (25) |
| Balance on June 30, 2014 (unaudited) | 4,390 | 3,363 | 1,027 |

| | Assets | Liabilities | Total |
|---|--------------|--------------|--------------|
| Balance on December 31, 2014 | 3,976 | 3,341 | 635 |
| Loss effect | 760 | (52) | 812 |
| Translation adjustment | (442) | (197) | (245) |
| Other comprehensive income | 17 | (3) | 20 |
| Acquisition of subsidiary | (11) | | (11) |
| Balance on June 30, 2015 (unaudited) | 4,300 | 3,089 | 1,211 |

Deferred tax assets arising from tax losses, negative social contribution basis and temporary differences are registered taking into consideration the analysis of future performance, based on economic and financial projections, prepared based on internal assumptions and macroeconomic, trade and tax scenarios that may be subject to changes in future.

The income tax in Brazil comprises taxation on income and social contribution on profit. The statutory rate applicable in the period presented is 34%. In other countries where the Company has operations, it is subject to various rates, depending on jurisdiction.

Table of Contents**b) Income tax reconciliation**

The total amount presented as income taxes in the statement of income is reconciled to the rate established by law, as follows:

| | (unaudited) | | | |
|---|---------------------------|----------------|-------------------------|----------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Net income (loss) before income taxes | 1,814 | 2,388 | (2,216) | 5,753 |
| Income taxes at statutory rates - 34% | (617) | (812) | 753 | (1,956) |
| Adjustments that affect the basis of taxes: | | | | |
| Income tax benefit from interest on stockholders equity | 166 | 296 | 356 | 575 |
| Tax incentives | 25 | 46 | 25 | 179 |
| Results of overseas companies taxed by different rates which differs from the parent company rate | 286 | (136) | (63) | (418) |
| Equity results on statement of income | 74 | 83 | (18) | 149 |
| Undeductible effect of impairment | | (171) | | (171) |
| Provision or reversal of tax loss carryforward | | (120) | | (113) |
| Others | (119) | (189) | (378) | (237) |
| Income taxes | (185) | (1,003) | 675 | (1,992) |

21. Employee benefits obligations

At June 30, 2015 the Company contributed US\$136 and does not expect significant changes in relation to the estimate disclosed in the financial statements for the year ended December 31, 2014.

a) Employee postretirements obligations**i. Reconciliation of assets and liabilities in balance sheet**

June 30, 2015 (unaudited)

December 31, 2014

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| | Overfunded pension plans | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans | Underfunded pension plans | Others underfunded pension plans |
|--|--------------------------|---------------------------|----------------------------------|--------------------------|---------------------------|----------------------------------|
| Balance at beginning of the period | 1,301 | | | 1,191 | | |
| Interest income | 72 | | | 142 | | |
| Changes on asset ceiling and onerous liability | 19 | | | 140 | | |
| Translation adjustment | (185) | | | (172) | | |
| Balance at end of the period | 1,207 | | | 1,301 | | |
| Amount recognized in the balance sheet | | | | | | |
| Present value of actuarial liabilities | (3,277) | (4,256) | (1,414) | (3,728) | (4,521) | (1,498) |
| Fair value of assets | 4,484 | 3,532 | | 5,029 | 3,716 | |
| Effect of the asset ceiling | (1,207) | | | (1,301) | | |
| Liabilities provisioned | | (724) | (1,414) | | (805) | (1,498) |
| Current liabilities | | (19) | (58) | | (16) | (51) |
| Non-current liabilities | | (705) | (1,356) | | (789) | (1,447) |
| Liabilities provisioned | | (724) | (1,414) | | (805) | (1,498) |

ii. Costs recognized in the statement of income

| | Three-months period ended (unaudited) | | | | | |
|---|---------------------------------------|--|----------------------------------|--------------------------|--|----------------------------------|
| | Overfunded pension plans | June 30, 2015 Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans | June 30, 2014 Underfunded pension plans | Others underfunded pension plans |
| Current service cost | 5 | 38 | 9 | 8 | 16 | 8 |
| Interest expense on liabilities | 96 | 49 | 17 | 125 | 52 | 25 |
| Interest income on plan assets | (131) | (41) | | (165) | (39) | |
| Interest expense on effect of asset (ceiling) and onerous liability | 35 | | | 38 | | |
| Total of cost, net | 5 | 46 | 26 | 6 | 29 | 33 |

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| | Six-months period ended (unaudited) | | | | | |
|---|-------------------------------------|---------------------------|----------------------------------|--------------------------|---------------------------|----------------------------------|
| | June 30, 2015 | | June 30, 2014 | | Others | |
| | Overfunded pension plans | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans | Underfunded pension plans | Others underfunded pension plans |
| Current service cost | 10 | 53 | 16 | 15 | 31 | 16 |
| Interest expense on liabilities | 191 | 93 | 34 | 243 | 105 | 48 |
| Interest income on plan assets | (263) | (78) | | (285) | (77) | |
| Interest expense on effect of asset (ceiling) and onerous liability | 70 | | | 38 | | |
| Total of cost, net | 8 | 68 | 50 | 11 | 59 | 64 |

iii. Costs recognized in the statement of comprehensive income

| | Three-months period ended (unaudited) | | | | | |
|---|---------------------------------------|---------------------------|----------------------------------|--------------------------|---------------------------|----------------------------------|
| | June 30, 2015 | | June 30, 2014 | | Others | |
| | Overfunded pension plans | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans | Underfunded pension plans | Others underfunded pension plans |
| Balance at beginning of the period | (120) | (566) | (176) | (115) | (356) | (198) |
| Return on plan assets (excluding interest income) | 81 | 45 | 61 | 34 | 130 | |
| Changes on asset ceiling and onerous liability | (93) | | | (43) | (39) | |
| Gross balance for the period | (12) | 45 | 61 | (9) | 91 | |
| Deferred income tax | 4 | (12) | (19) | 3 | (21) | |
| Other comprehensive income | (8) | 33 | 42 | (6) | 70 | |
| Translation adjustment | (4) | | (1) | (3) | | (1) |
| Accumulated comprehensive income | (132) | (533) | (135) | (124) | (286) | (199) |

| | Six-months period ended (unaudited) | | | | | |
|---|-------------------------------------|---------------------------|----------------------------------|--------------------------|---------------------------|----------------------------------|
| | June 30, 2015 | | June 30, 2014 | | Others | |
| | Overfunded pension plans | Underfunded pension plans | Others underfunded pension plans | Overfunded pension plans | Underfunded pension plans | Others underfunded pension plans |
| Balance at beginning of the period | (143) | (570) | (132) | (94) | (395) | (196) |
| | | 25 | (17) | 16 | 180 | |

| | | | | | | |
|--|--------------|--------------|--------------|--------------|--|---------------------------|
| Return on plan assets (excluding interest income) | | | | | | |
| Changes on asset ceiling and onerous liability | (15) | | | (51) | | (39) |
| Gross balance for the period | (15) | 25 | (17) | (35) | | 141 |
| Deferred income tax | 5 | 10 | 8 | 12 | | (33) |
| Other comprehensive income | (10) | 35 | (9) | (23) | | 108 |
| Translation adjustment | 21 | 2 | 6 | (7) | | 1 (3) |
| Accumulated comprehensive income | (132) | (533) | (135) | (124) | | (286) (199) |

b) **Profit sharing program (PLR)**

The Company recorded as cost of goods sold and services rendered and other operating expenses related to PLR US\$58 as at June 30, 2015 (US\$255 in June 30, 2014).

c) **Long-term compensation plan**

In order to promote stockholder culture, in addition to increasing the ability to retain executives and to strengthen the culture of sustainability performance, Vale has a long-term incentive programs (Matching plan and long-term incentive plan - ILP) for some executives of the Company, covering 3 to 4 year cycles.

Liabilities of the plans are measured at fair value on the date of each issuance of the report, based on market rates. Compensation costs incurred are recognized by the defined vesting period of three years. At June 30, 2015 and December 31, 2014 the Company recorded a liability with the same impact in the statement of income of US\$44 and US\$61, respectively.

Table of Contents**22. Classification of financial instruments**

| | Loans and receivables (i) | At fair value through profit or loss (ii) | Derivatives designated as hedge (iii) | Total |
|---------------------------------------|---------------------------|---|---------------------------------------|---------------|
| Financial assets | | | | |
| Current | | | | |
| Cash and cash equivalents | 3,158 | | | 3,158 |
| Financial investments | 106 | | | 106 |
| Derivative financial instruments | | 244 | | 244 |
| Accounts receivable | 2,788 | | | 2,788 |
| Related parties | 392 | | | 392 |
| | 6,444 | 244 | | 6,688 |
| Non-current | | | | |
| Related parties | 21 | | | 21 |
| Loans and financing | 220 | | | 220 |
| Derivative financial instruments | | 25 | | 25 |
| Others | 57 | | | 57 |
| | 298 | 25 | | 348 |
| Total of financial assets | 6,742 | 269 | | 7,036 |
| Financial liabilities | | | | |
| Current | | | | |
| Suppliers and contractors | 3,832 | | | 3,832 |
| Derivative financial instruments | | 647 | 190 | 837 |
| Loans and financing | 3,190 | | | 3,190 |
| Related parties | 194 | | | 194 |
| | 7,216 | 647 | 190 | 8,053 |
| Non-current | | | | |
| Derivative financial instruments | | 2,285 | | 2,285 |
| Loans and financing | 26,583 | | | 26,583 |
| Related parties | 94 | | | 94 |
| Participative stockholders debentures | | 852 | | 852 |
| Others (iv) | | 114 | | 114 |
| | 26,677 | 3,251 | | 29,928 |
| Total of financial liabilities | 33,893 | 3,898 | 190 | 37,981 |

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(i) Non-derivative financial instruments with determinable cash flow.

(ii) Financial instruments for trading in short-term.

(iii) See note 24(a).

(iv) See note 23(a).

| | December 31, 2014 | | | |
|---------------------------------------|---------------------------|---|---------------------------------------|---------------|
| | Loans and receivables (i) | At fair value through profit or loss (ii) | Derivatives designated as hedge (iii) | Total |
| Financial assets | | | | |
| Current | | | | |
| Cash and cash equivalents | 3,974 | | | 3,974 |
| Financial investments | 148 | | | 148 |
| Derivative financial instruments | | 166 | | 166 |
| Accounts receivable | 3,275 | | | 3,275 |
| Related parties | 579 | | | 579 |
| | 7,976 | 166 | | 8,142 |
| Non-current | | | | |
| Related parties | 35 | | | 35 |
| Loans and financing | 229 | | | 229 |
| Derivative financial instruments | | 87 | | 87 |
| | 264 | 87 | | 351 |
| Total of financial assets | 8,240 | 253 | | 8,493 |
| Financial liabilities | | | | |
| Current | | | | |
| Suppliers and contractors | 4,354 | | | 4,354 |
| Derivative financial instruments | | 956 | 460 | 1,416 |
| Loans and financing | 1,419 | | | 1,419 |
| Related parties | 306 | | | 306 |
| | 6,079 | 956 | 460 | 7,495 |
| Non-current | | | | |
| Derivative financial instruments | | 1,609 | 1 | 1,610 |
| Loans and financing | 27,388 | | | 27,388 |
| Related parties | 109 | | | 109 |
| Participative stockholders debentures | | 1,726 | | 1,726 |
| Others (iv) | | 115 | | 115 |
| | 27,497 | 3,450 | 1 | 30,948 |
| Total of financial liabilities | 33,576 | 4,406 | 461 | 38,443 |

(i) Non-derivative financial instruments with determinable cash flow.

(ii) Financial instruments for trading in short-term.

(iii) See note 24(a).

(iv) See note 23(a).

Table of Contents**23. Fair value estimate**

The Company considered the same assumptions and calculation methods as presented on the financial statements for the year ended December 31, 2014, to measure the fair value of assets and liabilities for the period.

a) Assets and liabilities measured and recognized at fair value

| | June 30, 2015 (unaudited) | | | December 31, 2014 | | |
|--|---------------------------|------------|--------------|-------------------|------------|--------------|
| | Level 2 | Level 3 | Total | Level 2 | Level 3 | Total (i) |
| Financial assets | | | | | | |
| Current | | | | | | |
| Derivatives at fair value through profit or loss | 244 | | 244 | 166 | | 166 |
| | 244 | | 244 | 166 | | 166 |
| Non-current | | | | | | |
| Derivatives at fair value through profit or loss | 25 | | 25 | 87 | | 87 |
| | 25 | | 25 | 87 | | 87 |
| Total of financial assets | 269 | | 269 | 253 | | 253 |
| Financial liabilities | | | | | | |
| Current | | | | | | |
| Derivatives at fair value through profit or loss | 647 | | 647 | 956 | | 956 |
| Derivatives designated as hedge | 190 | | 190 | 460 | | 460 |
| | 837 | | 837 | 1,416 | | 1,416 |
| Non-current | | | | | | |
| Derivatives at fair value through profit or loss | 2,285 | | 2,285 | 1,609 | | 1,609 |
| Derivatives designated as hedge | | | | 1 | | 1 |
| Participative stockholders' debentures | 852 | | 852 | 1,726 | | 1,726 |
| Others (minimum return instrument) | | 114 | 114 | | 115 | 115 |
| | 3,137 | 114 | 3,251 | 3,336 | 115 | 3,451 |
| Total of financial liabilities | 3,974 | 114 | 4,088 | 4,752 | 115 | 4,867 |

b) Fair value measurement compared to book value

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The fair value estimate for level 1 is based on market approach considering the secondary market contracts. For loans allocated to level 2, the income approach is adopted and the fair value for both fixed-indexed rate debt and floating rate debt is determined on a discounted cash flows basis using LIBOR future values and Vale's bonds curve.

The fair values and carrying amounts of non-current loans (net of interest) are as follows:

| | Balance | Fair value (ii) | Level 1 | Level 2 |
|----------------------------------|---------|-----------------|---------|---------|
| Financial liabilities | | | | |
| June 30, 2015 (unaudited) | | | | |
| Loans (long term) (i) | 29,382 | 28,421 | 14,953 | 13,468 |
| December 31, 2014 | | | | |
| Loans (long term) (i) | 28,370 | 29,479 | 15,841 | 13,638 |

(i) Net interest of US\$391 on June 30, 2015 and US\$437 on December 31, 2014.

Table of Contents**24. Derivative financial instruments****a) Derivatives effects on balance sheet**

| | June 30, 2015 (unaudited) | | December 31, 2014 | |
|--|---------------------------|-------------|-------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Assets | | | | |
| Derivatives not designated as hedge | | | | |
| Foreign exchange and interest rate risk | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | 160 | | 137 | 11 |
| IPCA swap | 5 | | 7 | |
| Eurobonds swap | | | | 41 |
| Pre dollar swap | 6 | | 2 | |
| | 171 | | 146 | 52 |
| Commodities price risk | | | | |
| Nickel | 37 | 6 | 20 | 3 |
| Bunker oil | 36 | 3 | | |
| | 73 | 9 | 20 | 3 |
| Warrants | | | | |
| SLW options (note 29) | | 16 | | 32 |
| | | 16 | | 32 |
| Total | 244 | 25 | 166 | 87 |

| | June 30, 2015 (unaudited) | | December 31, 2014 | |
|--|---------------------------|--------------|-------------------|--------------|
| | Current | Non-current | Current | Non-current |
| Liabilities | | | | |
| Derivatives not designated as hedge | | | | |
| Foreign exchange and interest rate risk | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | 172 | 1,883 | 442 | 1,355 |
| IPCA swap | | 113 | | 63 |
| Eurobonds swap | 142 | 27 | 9 | 90 |
| Pre dollar swap | 98 | 88 | 30 | 98 |
| | 412 | 2,111 | 481 | 1,606 |
| Commodities price risk | | | | |
| Nickel | 33 | 6 | 23 | 3 |
| Bunker oil | 202 | 113 | 452 | |
| | 235 | 119 | 475 | 3 |
| Others | | | | |
| VLI option | | 55 | | |
| | | 55 | | |
| Derivatives designated as cash flow hedge | | | | |

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| | | | | |
|------------------|------------|--------------|--------------|--------------|
| Bunker oil | 174 | | 434 | |
| Foreign exchange | 16 | | 26 | 1 |
| | 190 | | 460 | 1 |
| Total | 837 | 2,285 | 1,416 | 1,610 |

Table of Contents**b) Effects of derivatives on the statement of income, cash flow and other comprehensive income**

| | Amount of gain (loss) recognized in the statement of income | | Three-months period ended (unaudited) Financial settlement inflows(outflows) | | Amount of gain(loss) recognized in OCI | |
|--|--|---------------|--|---------------|---|---------------|
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Derivatives not designated as hedge | | | | | | |
| Foreign exchange and interest rate risk | | | | | | |
| CDI & TJLP vs. US\$ fixed and floating rate swap | 178 | 331 | 9 | 95 | | |
| IPCA swap | 24 | 9 | 3 | | | |
| Eurobonds swap | 28 | 1 | (13) | | | |
| Pre dollar swap | 13 | 22 | (2) | 3 | | |
| | 243 | 363 | (3) | 98 | | |
| Commodities price risk | | | | | | |
| Nickel | (11) | (3) | (11) | 3 | | |
| Bunker oil | 79 | 15 | 10 | | | |
| | 68 | 12 | (1) | 3 | | |
| Warrants | | | | | | |
| SLW options (note 29) | (11) | 7 | | | | |
| | (11) | 7 | | | | |
| Others | | | | | | |
| VLI option | (55) | | | | | |
| | (55) | | | | | |
| Embedded derivatives | | | | | | |
| Gas - Oman | | 1 | | | | |
| | | 1 | | | | |
| Derivatives designated as cash flow hedge | | | | | | |
| Bunker oil | (88) | (6) | (88) | (6) | 170 | 26 |
| Foreign exchange | (10) | (9) | (10) | (9) | 10 | 21 |
| | (98) | (15) | (98) | (15) | 180 | 47 |
| Total | 147 | 368 | (102) | 86 | 180 | 47 |

| | Amount of gain (loss) recognized in the statement of income | | Six-months period ended (unaudited) Financial settlement inflows(outflows) | | Amount of gain(loss) recognized in OCI | |
|--|--|---------------|--|---------------|---|---------------|
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Derivatives not designated as hedge | | | | | | |
| Foreign exchange and interest rate risk | | | | | | |

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| | | | | | | |
|--|----------------|-------------|--------------|-------------|------------|-----------|
| CDI & TJLP vs. US\$ fixed and floating rate swap | (772) | 525 | (335) | 123 | | |
| IPCA swap | (49) | 16 | 7 | | | |
| Eurobonds swap | (123) | 7 | (13) | 10 | | |
| Pre dollar swap | (76) | 33 | (4) | 5 | | |
| | (1,020) | 581 | (345) | 138 | | |
| Commodities price risk | | | | | | |
| Nickel | (19) | (4) | (26) | 4 | | |
| Bunker oil | 30 | 18 | (145) | (8) | | |
| | 11 | 14 | (171) | (4) | | |
| Warrants | | | | | | |
| SLW options (note 29) | (16) | 15 | | | | |
| | (16) | 15 | | | | |
| Others | | | | | | |
| VLI option | (55) | | | | | |
| | (55) | | | | | |
| Embedded derivatives | | | | | | |
| Gas - Oman | | 1 | | | | |
| | | 1 | | | | |
| Derivatives designated as cash flow hedge | | | | | | |
| Bunker oil | (208) | (9) | (218) | (9) | 288 | 19 |
| Foreign exchange | (25) | (22) | (25) | (22) | 7 | 11 |
| | (233) | (31) | (243) | (31) | 295 | 30 |
| Total | (1,313) | 580 | (759) | 103 | 295 | 30 |

Related to the effects of derivatives in the statement of income, the Company recognized US\$181 as cost of goods sold and services rendered and US\$1,105 as financial expense for the six-months period ended on June 30, 2015.

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The maturities dates of the derivative financial instruments are as follows:

| | Maturity dates |
|-------------------------------|-----------------------|
| Currencies and interest rates | July 2023 |
| Gas - Oman | April 2016 |
| Nickel | August 2017 |
| Copper | September 2015 |
| Warrants | February 2023 |
| Others | December 2027 |
| Bunker oil | December 2016 |

Additional information about derivatives financial instruments

In millions of United States dollars, except as otherwise stated

The risk of the derivatives portfolio is measured using the delta-Normal parametric approach, which considers that the future distribution of the risk factors and its correlations tends to present the same statistic properties verified in the historical data. The value at risk estimate considers a 95% confidence level for a one business day time horizon.

There was no cash amount deposited as margin call regarding derivative positions on June 30, 2015. The contracts subject to margin calls refer only to part of nickel trades executed by the wholly-owned subsidiary Vale Canada Ltd.

The derivative positions described in this document didn't have initial costs associated.

The following tables detail the derivatives positions for Vale and its controlled companies as of March 31, 2015, with the following information: notional amount, fair value including credit risk, gains or losses in the period, value at risk and the fair value breakdown by year of maturity.

a) **Foreign exchange and interest rates derivative positions**

(i) Protection programs for the R\$ denominated debt instruments

In order to reduce cash flow volatility, swap transactions were implemented to convert into US\$ the cash flows from certain debt instruments denominated in R\$ with interest rates linked mainly to CDI, TJLP and IPCA. In those swaps, Vale pays fixed or floating rates in US\$ and receives payments in R\$ linked to the interest rates of the protected debt instruments.

The swap transactions were negotiated over-the-counter and the protected items are the cash flows from debt instruments linked to R\$. These programs transform into US\$ the obligations linked to R\$ to achieve a currency offset in the Company's cash flows, by matching its receivables - mainly linked to US\$ - with its payables.

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| | | | | | | | | | |
|--|------|-------|------|-------|------------|--------|----------------|--------------|-------------------------------|
| CDI vs. US\$ fixed rate swap | | | | | | | | | |
| Payable | US\$ | 2,199 | US\$ | 2,284 | US\$ + | 3.35% | (2,268) | (2,327) | (807) |
| Net adjusted for credit risk | | | | | | | (607) | (547) | 72 (399) (50) (230) |
| CDI vs. US\$ floating rate swap | | | | | | | | | |
| Payable | | | US\$ | 250 | Libor + | 0.99% | | (251) | (252) |
| Net adjusted for credit risk | | | | | | | | (83) | |
| TJLP vs. US\$ fixed rate swap | | | | | | | | | |
| Payable | US\$ | 2,810 | US\$ | 3,051 | USD + | 1.71% | (2,739) | (2,937) | (330) |
| Net adjusted for credit risk | | | | | | | (1,210) | (953) | (38) (189) (290) (692) |
| TJLP vs. US\$ floating rate swap | | | | | | | | | |
| Payable | US\$ | 164 | US\$ | 173 | Libor + | -1.21% | (151) | (155) | (8) |
| Net adjusted for credit risk | | | | | | | (78) | (66) | (0) (3) (6) (69) |
| R\$ fixed rate vs. US\$ fixed rate swap | | | | | | | | | |
| Payable | US\$ | 371 | US\$ | 395 | US\$ + | -1.69% | (424) | (366) | (29) |
| Net adjusted for credit risk | | | | | | | (181) | (127) | (30) (84) (7) (60) |

**IPCA vs.
US\$ fixed rate
swap**

| | | | | | | | | | | | |
|-------------------------------------|------|-----|------|-----|--------|-------|--------------|-------------|----------|----------|--------------|
| Payable | US\$ | 434 | US\$ | 434 | US\$ + | 3.98% | (471) | (474) | (14) | | |
| Net adjusted for credit risk | | | | | | | (109) | (56) | 5 | 4 | (117) |

(ii) Protection program for EUR denominated debt instruments

In order to reduce the cash flow volatility, swap transactions were implemented to convert into US\$ the cash flows from certain debt instruments denominated issued in Euros by Vale. In those swaps, Vale receives fixed rates in EUR and pays fixed rates in US\$.

The swap transactions were negotiated over-the-counter and the protected items are the cash flows from debt instruments linked to EUR. The gain or loss shown below is offset by the protected items gain or loss due to EUR/US\$ exchange rate.

| | | | | | | | | | | | |
|------------|-------|-------|-----|-------|--------------|-------------|-------------|-----------|--------------|------------|-------------|
| Receivable | 1,000 | 1,000 | EUR | 4.06% | 1,265 | 1,431 | 46 | | | | |
| Net | | | | | (167) | (53) | (13) | 22 | (142) | (6) | (20) |

(iii) Foreign exchange hedging program for disbursements in CAD

In order to reduce the cash flow volatility, forward transactions were implemented to mitigate the foreign exchange exposure that arises from the currency mismatch between revenues denominated in US\$ and disbursements denominated in CAD.

The forward transactions were negotiated over-the-counter and the protected item is part of the CAD denominated disbursements. The gain or loss shown below is offset by the protected items gain or loss due to CAD/US\$ exchange rate. This program is classified under the hedge accounting requirements.

| | | | | | | | | | | | |
|----------|-----|----|-----|-----|---|-------|------|------|---|------|-----|
| Forwards | CAD | 90 | CAD | 230 | B | 1.023 | (16) | (27) | 1 | (14) | (2) |
|----------|-----|----|-----|-----|---|-------|------|------|---|------|-----|

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b) Commodities derivative positions

(i) Bunker Oil purchase cash flows protection program

In order to reduce the impact of bunker oil price fluctuation on maritime freight hiring/supply and, consequently, reducing the company's cash flow volatility, bunker oil derivatives were implemented. These transactions are usually executed through forward purchases and zero cost-collars.

The derivative transactions were negotiated over-the-counter and the protected item is part of the Vale's costs linked to bunker oil prices. The gain or loss shown below is offset by the protected items' gain or loss due to bunker oil prices changes. Part of this program is classified under the hedge accounting requirements.

| | | | | | | |
|---------------------------------------|-----------|---|-----|-------|-------|----------|
| [REDACTED] | | | | | | |
| Bunker Oil protection | | | | | | |
| Call options | 1,501,500 | B | 394 | 8 | 2 | 1 7 |
| Total adjusted for credit risk | | | | (283) | (363) | 19 (301) |
| Bunker Oil hedge | | | | | | |
| Total adjusted for credit risk | | | | (147) | (371) | (147) |

(ii) Protection programs for base metals raw materials and products

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In the operational protection program for nickel sales at fixed prices, derivatives transactions were implemented to convert into floating prices the contracts with clients that required a fixed price in order to keep nickel revenues exposed to nickel price fluctuations. Those operations are usually implemented through the purchase of nickel forwards, which are unwind before the original maturity in order to match the settlement dates of the commercial contracts in which the prices were fixed.

In the operational protection program for the purchase of raw materials and products, derivatives transactions were implemented, usually through the sale of nickel and copper forward or futures, in order to eliminate the mismatch between the pricing period of purchases (concentrate, cathode, sinter, scrap and others) and the pricing period of the final product sales to the clients.

The derivative transactions are negotiated at London Metal Exchange or over-the-counter and the protected item is part of the Vale's revenues and costs linked to nickel and copper prices. The gain or loss shown below is offset by the protected items' gain or loss due to nickel and copper prices changes.

| | | | | | | | | | | |
|---|-----|-----|---|-------|------|------|-----|------|------|-----|
| | | | | | | | | | | |
| Fixed price sales protection | | | | | | | | | | |
| | | | | | | | | | | |
| Total adjusted for credit risk | | | | | | | | | | |
| | | | | | (39) | (24) | | (23) | (14) | (2) |
| Raw material purchase protection | | | | | | | | | | |
| | | | | | | | | | | |
| Copper forwards | 311 | 360 | S | 6,162 | 0.1 | 0.1 | 0.2 | 0.0 | 0.1 | |
| | | | | | | | | | | |

c) **Silver Wheaton Corp. warrants**

The company owns warrants of Silver Wheaton Corp. (SLW), a Canadian company with stocks negotiated in Toronto Stock Exchange and New York Stock Exchange. Such warrants configure American call options and were received as part of the payment regarding the sale of 25% of gold payable flows produced as a sub product from Salobo copper mine during its life and 70% of gold payable flows produced as a sub product from some nickel mines in Sudbury during 20 years.

| | | | | | | | | | | |
|--------------|------------|------------|---|----|----|----|--|---|----|--|
| | | | | | | | | | | |
| Call options | 10,000,000 | 10,000,000 | B | 65 | 16 | 33 | | 2 | 16 | |



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d) Call options from debentures

The company has debentures in which lenders have call options of an specified amount of Ferrovia Norte Sul SA ordinary shares, later changed to VLI SA shares. The call option's strike price is given by the debentures' remaining notional in each exercise date.

| | | | | | | |
|--------------|---------|---|-------|------|---|------|
| Call options | 140,239 | S | 8,560 | (54) | 2 | (54) |
|--------------|---------|---|-------|------|---|------|

e) Embedded derivatives in commercial contracts, insurance and debt instruments

The Company has some nickel concentrate and raw materials purchase agreements in which there are provisions based on nickel and copper future prices behavior. These provisions are considered as embedded derivatives.

| | | | | | | | |
|-----------------|-------|-------|---|--------|------------|------------|------------|
| Nickel forwards | 5,237 | 4,491 | S | 13,061 | 1.5 | (0.6) | 1.5 |
| Total | | | | | 2.4 | 0.6 | 2.3 |

The Company has also a natural gas purchase agreement in which there's a clause that defines that a premium can be charged if the Company's pellet sales prices trade above a pre-defined level. This clause is considered an embedded derivative and both its fair value and value at risk were not material as of June 30, 2015.

f) **Sensitivity analysis of derivative financial instruments**

The table below presents the potential value of the instruments given hypothetical stress scenarios for the market risk factors that impact the derivatives positions. The scenarios were defined as follows:

- *Scenario I*: fair value calculation considering market curves and prices as of June 30, 2015
- *Scenario II*: fair value estimated considering a 25% deterioration in the market curves of the main market risk factors
- *Scenario III*: fair value estimated considering a 50% deterioration in the market curves of the main market risk factors

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| Instrument | Instrument's main risks | Scenario I | Scenario II | Scenario III |
|--|---|------------|-------------|--------------|
| CDI vs. US\$ fixed rate swap | R\$ depreciation | (607) | (1,175) | (1,742) |
| | US\$ interest rate inside Brazil decrease | (607) | (625) | (644) |
| | Brazilian interest rate increase | (607) | (614) | (620) |
| Protected item: R\$ denominated debt | R\$ depreciation | n.a. | | |
| TJLP vs. US\$ fixed rate swap | R\$ depreciation | (1,210) | (1,895) | (2,579) |
| | US\$ interest rate inside Brazil decrease | (1,210) | (1,254) | (1,300) |
| | Brazilian interest rate increase | (1,210) | (1,315) | (1,408) |
| | TJLP interest rate decrease | (1,210) | (1,269) | (1,328) |
| Protected item: R\$ denominated debt | R\$ depreciation | n.a. | | |
| TJLP vs. US\$ floating rate swap | R\$ depreciation | (78) | (115) | (153) |
| | US\$ interest rate inside Brazil decrease | (78) | (81) | (85) |
| | Brazilian interest rate increase | (78) | (84) | (89) |
| | TJLP interest rate decrease | (78) | (81) | (85) |
| Protected item: R\$ denominated debt | R\$ depreciation | n.a. | | |
| R\$ fixed rate vs. US\$ fixed rate swap | R\$ depreciation | (181) | (287) | (393) |
| | US\$ interest rate inside Brazil decrease | (181) | (186) | (191) |
| | Brazilian interest rate increase | (181) | (193) | (204) |
| Protected item: R\$ denominated debt | R\$ depreciation | n.a. | | |
| IPCA vs. US\$ fixed rate swap | R\$ depreciation | (109) | (226) | (344) |
| | US\$ interest rate inside Brazil decrease | (109) | (118) | (128) |
| | Brazilian interest rate increase | (109) | (146) | (179) |
| | IPCA index decrease | (109) | (129) | (148) |
| Protected item: R\$ denominated debt | R\$ depreciation | n.a. | | |
| EUR fixed rate vs. US\$ fixed rate swap | EUR depreciation | (169) | (485) | (801) |
| | Euribor increase | (169) | (178) | (187) |
| | US\$ Libor decrease | (169) | (194) | (221) |
| Protected item: EUR denominated debt | EUR depreciation | n.a. | 485 | 801 |
| CAD Forward | CAD depreciation | (16) | (38) | (60) |
| Protected item: Disbursement in CAD | CAD depreciation | n.a. | 38 | 60 |

| Instrument | Instrument's main risks | Scenario I | Scenario II | Scenario III |
|---|---------------------------|------------|-------------|--------------|
| Bunker Oil protection | | | | |
| Forwards and options | Bunker Oil price decrease | (283) | (644) | (1,027) |
| Protected item: Part of costs linked to bunker oil prices | Bunker Oil price decrease | n.a. | 644 | 1,027 |
| Bunker Oil hedge | | | | |
| Forwards | Bunker Oil price decrease | (147) | (231) | (316) |
| Protected item: Part of costs linked to bunker oil prices | Bunker Oil price decrease | n.a. | 231 | 316 |
| Nickel sales fixed price protection | | | | |
| Forwards | Nickel price decrease | (39) | (79) | (119) |
| Protected item: Part of nickel revenues with fixed prices | Nickel price fluctuation | n.a. | 79 | 119 |
| Purchase protection program | | | | |

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| | | | | |
|---|--------------------------|------|-------|-------|
| Nickel forwards | Nickel price increase | 0.2 | (0.2) | (0.7) |
| Protected item: Part of costs linked to nickel prices | Nickel price increase | n.a. | 0.2 | 0.7 |
| Copper forwards | Copper price increase | 0.1 | (0.3) | (0.8) |
| Protected item: Part of costs linked to copper prices | Copper price increase | n.a. | 0.3 | 0.8 |
| SLW warrants | SLW stock price decrease | 16 | 8 | 3 |
| VLI call options | VLI stock value increase | (54) | (82) | (114) |

| Instrument | Main risks | Scenario I | Scenario II | Scenario III |
|---|-----------------------|-------------------|--------------------|---------------------|
| Embedded derivatives - Raw material purchase (nickel) | Nickel price increase | 1 | (15) | (32) |
| Embedded derivatives - Raw material purchase (copper) | Copper price increase | 1 | (5) | (11) |

Table of Contents**Financial counterparties ratings**

The transactions of derivative instruments, cash and cash equivalents as well as investments are held with financial institutions whose exposure limits are periodically reviewed and approved by the delegated authority. The financial institutions credit risk is performed through a methodology that considers, among other information, ratings provided by international rating agencies.

The table below presents the ratings in foreign currency published by agencies Moody's and S&P regarding the main financial institutions that we had outstanding positions as of June 30, 2015.

| Long term ratings by counterparty | Moody's | S&P |
|--|----------------|----------------|
| ANZ Australia and New Zealand Banking | Aa2 | AA- |
| Banco Bradesco | Baa2 | BBB- |
| Banco de Credito del Peru | Baa1 | BBB+ |
| Banco do Brasil | Baa2 | BBB- |
| Banco do Nordeste | Baa3 | BBB- |
| Banco Safra | Baa2 | BBB- |
| Banco Santander | Baa2 | BBB- |
| Banco Votorantim | Baa3 | BB+ |
| Bank of America | Baa1 | A- |
| Bank of Nova Scotia | Aa2 | A+ |
| Banpara | Ba3 | BB |
| Barclays | Baa3 | BBB |
| BBVA | A3 | BBB |
| BNP Paribas | A1 | A+ |
| BTG Pactual | Baa3 | BB+ |
| Caixa Economica Federal | Baa2 | BBB- |
| Citigroup | Baa1 | A- |
| Credit Agricole | A2 | A |
| Deutsche Bank | A3 | BBB+ |
| Goldman Sachs | A3 | A- |
| HSBC | A1 | A |
| Intesa Sanpaolo Spa | Baa1 | BBB- |
| Itau Unibanco | Baa3 | BBB- |
| JP Morgan Chase & Co | A3 | A |
| Morgan Stanley | A3 | A- |
| National Australia Bank NAB | Aa2 | AA- |
| Royal Bank of Canada | Aa3 | AA- |
| Societe Generale | A2 | A |
| Standard Bank Group | Baa3 | |
| Standard Chartered | Aa3 | A- |

g) **Market curves**

The curves used on the pricing of derivatives instruments were developed based on data from BM&F, Central Bank of Brazil, London Metals Exchange and Bloomberg.

(i) **Products****Nickel**

| Maturity | Price (US\$/ton) | Maturity | Price (US\$/ton) | Maturity | Price (US\$/ton) |
|----------|------------------|----------|------------------|----------|------------------|
| SPOT | 11,680.00 | DEC15 | 12,025.28 | JUN16 | 12,107.78 |
| JUL15 | 11,947.01 | JAN16 | 12,038.89 | JUN17 | 12,220.57 |
| AUG15 | 11,963.75 | FEB16 | 12,055.50 | JUN18 | 12,264.01 |
| SEP15 | 11,977.52 | MAR16 | 12,069.80 | JUN19 | 12,264.19 |
| OCT15 | 11,992.28 | APR16 | 12,082.50 | | |
| NOV15 | 12,010.00 | MAY16 | 12,098.50 | | |

Copper

| Maturity | Price (US\$/lb) | Maturity | Price (US\$/lb) | Maturity | Price (US\$/lb) |
|----------|-----------------|----------|-----------------|----------|-----------------|
| SPOT | 2.62 | DEC15 | 2.62 | JUN16 | 2.63 |
| JUL15 | 2.61 | JAN16 | 2.62 | JUN17 | 2.65 |
| AUG15 | 2.61 | FEB16 | 2.62 | JUN18 | 2.66 |
| SEP15 | 2.61 | MAR16 | 2.63 | JUN19 | 2.66 |
| OCT15 | 2.62 | APR16 | 2.63 | | |
| NOV15 | 2.62 | MAY16 | 2.63 | | |

Bunker Oil

| Maturity | Price (US\$/ton) | Maturity | Price (US\$/ton) | Maturity | Price (US\$/ton) |
|----------|------------------|----------|------------------|----------|------------------|
| SPOT | 338.18 | DEC15 | 355.93 | JUN16 | 369.23 |
| JUL15 | 341.04 | JAN16 | 359.31 | JUN17 | 390.57 |
| AUG15 | 344.36 | FEB16 | 361.43 | JUN18 | 419.85 |
| SEP15 | 348.10 | MAR16 | 363.67 | JUN19 | 456.55 |
| OCT15 | 350.97 | APR16 | 365.58 | | |
| NOV15 | 353.60 | MAY16 | 367.49 | | |

Table of Contents**(ii) Foreign exchange and interest rates****US\$-Brazil Interest Rate**

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| 08/03/15 | 0.74 | 06/01/16 | 1.75 | 07/02/18 | 2.73 |
| 09/01/15 | 0.83 | 07/01/16 | 1.80 | 10/01/18 | 2.82 |
| 10/01/15 | 0.97 | 10/03/16 | 2.02 | 01/02/19 | 2.91 |
| 11/03/15 | 1.04 | 11/01/16 | 2.09 | 04/01/19 | 2.97 |
| 12/01/15 | 1.11 | 01/02/17 | 2.24 | 07/01/19 | 3.05 |
| 01/04/16 | 1.33 | 04/03/17 | 2.34 | 10/01/19 | 3.12 |
| 02/01/16 | 1.34 | 07/03/17 | 2.43 | 01/02/20 | 3.20 |
| 03/01/16 | 1.44 | 10/02/17 | 2.50 | 04/01/20 | 3.25 |
| 04/01/16 | 1.57 | 01/02/18 | 2.61 | 07/01/20 | 3.31 |
| 05/02/16 | 1.64 | 04/02/18 | 2.67 | 10/01/20 | 3.36 |

US\$ Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| 1M | 0.19 | 6M | 0.44 | 11M | 0.51 |
| 2M | 0.23 | 7M | 0.46 | 12M | 0.52 |
| 3M | 0.28 | 8M | 0.48 | 2Y | 0.91 |
| 4M | 0.36 | 9M | 0.49 | 3Y | 1.28 |
| 5M | 0.41 | 10M | 0.50 | 4Y | 1.60 |

TJLP

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|-----------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| 08/03/15 | 6.00 | 06/01/16 | 6.00 | 07/02/18 | 6.00 |
| 09/01/15 | 6.00 | 07/01/16 | 6.00 | 10/01/18 | 6.00 |
| 10/01/15 | 6.00 | 10/03/16 | 6.00 | 01/02/19 | 6.00 |
| 11/03/15 | 6.00 | 11/01/16 | 6.00 | 04/01/19 | 6.00 |
| 12/01/15 | 6.00 | 01/02/17 | 6.00 | 07/01/19 | 6.00 |
| 01/04/16 | 6.00 | 04/03/17 | 6.00 | 10/01/19 | 6.00 |
| 02/01/16 | 6.00 | 07/03/17 | 6.00 | 01/02/20 | 6.00 |
| 03/01/16 | 6.00 | 10/02/17 | 6.00 | 04/01/20 | 6.00 |

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| | | | | | |
|----------|------|----------|------|----------|------|
| 04/01/16 | 6.00 | 01/02/18 | 6.00 | 07/01/20 | 6.00 |
| 05/02/16 | 6.00 | 04/02/18 | 6.00 | 10/01/20 | 6.00 |

BRL Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|----------|---------------|----------|---------------|----------|---------------|
| 08/03/15 | 13.68 | 06/01/16 | 14.28 | 07/02/18 | 13.07 |
| 09/01/15 | 13.87 | 07/01/16 | 14.27 | 10/01/18 | 12.99 |
| 10/01/15 | 14.03 | 10/03/16 | 14.16 | 01/02/19 | 12.92 |
| 11/03/15 | 14.10 | 11/01/16 | 14.08 | 04/01/19 | 12.88 |
| 12/01/15 | 14.20 | 01/02/17 | 13.94 | 07/01/19 | 12.85 |
| 01/04/16 | 14.24 | 04/03/17 | 13.76 | 10/01/19 | 12.81 |
| 02/01/16 | 14.27 | 07/03/17 | 13.60 | 01/02/20 | 12.77 |
| 03/01/16 | 14.29 | 10/02/17 | 13.45 | 04/01/20 | 12.74 |
| 04/01/16 | 14.30 | 01/02/18 | 13.26 | 07/01/20 | 12.72 |
| 05/02/16 | 14.29 | 04/02/18 | 13.16 | 10/01/20 | 12.70 |

Implicit Inflation (IPCA)

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|----------|---------------|----------|---------------|----------|---------------|
| 08/03/15 | 7.29 | 06/01/16 | 7.71 | 07/02/18 | 6.31 |
| 09/01/15 | 7.47 | 07/01/16 | 7.63 | 10/01/18 | 6.23 |
| 10/01/15 | 7.62 | 10/03/16 | 7.37 | 01/02/19 | 6.17 |
| 11/03/15 | 7.69 | 11/01/16 | 7.28 | 04/01/19 | 6.13 |
| 12/01/15 | 7.78 | 01/02/17 | 7.13 | 07/01/19 | 6.10 |
| 01/04/16 | 7.82 | 04/03/17 | 6.93 | 10/01/19 | 6.06 |
| 02/01/16 | 7.85 | 07/03/17 | 6.55 | 01/02/20 | 6.02 |
| 03/01/16 | 7.87 | 10/02/17 | 6.65 | 04/01/20 | 6.00 |
| 04/01/16 | 7.88 | 01/02/18 | 6.48 | 07/01/20 | 5.98 |
| 05/02/16 | 7.79 | 04/02/18 | 6.39 | 10/01/20 | 5.95 |

EUR Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|----------|---------------|----------|---------------|----------|---------------|
| 1M | 0.07 | 6M | 0.07 | 11M | 0.07 |
| 2M | 0.07 | 7M | 0.07 | 12M | 0.07 |
| 3M | 0.07 | 8M | 0.07 | 2Y | 0.12 |
| 4M | 0.07 | 9M | 0.07 | 3Y | 0.22 |
| 5M | 0.07 | 10M | 0.07 | 4Y | 0.35 |

CAD Interest Rate

| Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) | Maturity | Rate (% p.a.) |
|----------|---------------|----------|---------------|----------|---------------|
| 1M | 0.99 | 6M | 1.03 | 11M | 0.89 |
| 2M | 0.99 | 7M | 0.99 | 12M | 0.87 |
| 3M | 0.99 | 8M | 0.95 | 2Y | 0.90 |
| 4M | 1.01 | 9M | 0.93 | 3Y | 1.04 |
| 5M | 1.02 | 10M | 0.91 | 4Y | 1.20 |

Currencies - Ending rates

| | | | | | |
|----------|--------|----------|--------|----------|--------|
| CAD/US\$ | 0.8014 | US\$/BRL | 3.1026 | EUR/US\$ | 1.1153 |
|----------|--------|----------|--------|----------|--------|

Table of Contents**25. Stockholders equity****a) Capital**

Stockholders equity is represented by common shares (ON) and preferred non-redeemable shares (PNA) without par value. Preferred shares have the same rights as common shares, with the exception of voting rights to elect members of the Board of Directors. The Board of Directors may, regardless of changes to bylaws, issue new shares (authorized capital), including the capitalization of profits and reserves to the extent authorized.

At June 30, 2015, the capital was US\$61,614 corresponding to 5,244,316,120 shares without par value.

| | ON | June 30, 2015 (unaudited) PNA | Total |
|---|----------------------|----------------------------------|----------------------|
| Stockholders | | | |
| Valepar S.A. | 1,716,435,045 | 20,340,000 | 1,736,775,045 |
| Brazilian Government (Golden Share) | | 12 | 12 |
| Foreign investors - ADRs | 828,004,184 | 664,276,831 | 1,492,281,015 |
| FMP - FGTS | 80,340,725 | | 80,340,725 |
| PIBB - BNDES | 1,540,182 | 1,934,936 | 3,475,118 |
| BNDESPar | 206,378,882 | 66,185,272 | 272,564,154 |
| Foreign institutional investors in local market | 239,400,587 | 625,819,715 | 865,220,302 |
| Institutional investors | 77,190,974 | 172,874,325 | 250,065,299 |
| Retail investors in Brazil | 36,362,421 | 416,290,835 | 452,653,256 |
| Treasury stock | 31,535,402 | 59,405,792 | 90,941,194 |
| Total | 3,217,188,402 | 2,027,127,718 | 5,244,316,120 |

b) Basic and diluted earnings per share

Basic and diluted earnings per share are as follows:

| | | |
|---------------------------|-------------|-------------------------|
| | (unaudited) | |
| Three-months period ended | | Six-months period ended |

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| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
|---|------------------|------------------|------------------|------------------|
| Net income (loss) attributable to the Company's stockholders | 1,675 | 1,428 | (1,443) | 3,943 |
| Basic and diluted earnings per share: | | | | |
| Income (loss) available to preferred stockholders | 640 | 546 | (551) | 1,506 |
| Income (loss) available to common stockholders | 1,035 | 882 | (892) | 2,437 |
| Total | 1,675 | 1,428 | (1,443) | 3,943 |
| Weighted average number of shares outstanding | | | | |
| (thousands of shares) - preferred shares | 1,967,722 | 1,967,722 | 1,967,722 | 1,967,722 |
| (thousands of shares) - common shares | 3,185,653 | 3,185,653 | 3,185,653 | 3,185,653 |
| Total | 5,153,375 | 5,153,375 | 5,153,375 | 5,153,375 |
| Basic and diluted earnings per share | | | | |
| Preferred share | 0.33 | 0.28 | (0.28) | 0.77 |
| Common share | 0.33 | 0.28 | (0.28) | 0.77 |

c) **Remuneration to Company's stockholders**

| | Dividends | Interest on capital | Total | Amount per share |
|-----------------------------|-----------|---------------------|--------------|--------------------|
| Amounts paid in 2014 | | | | |
| First installment - April | | 2,100 | 2,100 | 0.407499945 |
| Total | | 2,100 | 2,100 | 0.407499945 |
| Amounts paid in 2015 | | | | |
| First installment - April | | 1,000 | 1,000 | 0.194047593 |
| Total | | 1,000 | 1,000 | 0.194047593 |

Table of Contents**26. Information by business segment and by geographic area**

The information presented to the Executive Board on the performance of each segment is derived from the accounting records, adjusted for reallocations between segments.

a) Operating income (loss) and adjusted EBITDA

Adjusted EBITDA is used by management to support the decision making process for segments. The definition of adjusted EBITDA for the Company is the operating income or loss added by dividends received from joint ventures and associates and excluded by depreciation, depletion and amortization, impairment and results on measurement or sales of non-current assets.

| | Three-months period ended (unaudited) | | | | | | | | | | |
|--------------------------------------|---------------------------------------|----------------|----------------------------------|--------------------------------------|---------------------------------|-------------------------|---|--|---|-----------------|--|
| | June 30, 2015 | | | | | | | | | | |
| | Statement of income | | | | | | | Adjusted by | | | |
| Net operating revenue | Costs | Expenses, net | Research and evaluation expenses | Pre operating and stoppage operation | Depreciation and others results | Operating income (loss) | Dividends received from joint ventures and associates | Depreciation, depletion and amortization | Gain on measurement or sale of non-current assets | Adjusted EBITDA | |
| Ferrous minerals | | | | | | | | | | | |
| Iron ore | 3,391 | (1,944) | (188) | (36) | (24) | (348) | 851 | | 293 | 55 | |
| Pellets | 972 | (569) | | (1) | (9) | (88) | 305 | 177 | 88 | | |
| Ferroalloys and manganese | 53 | (52) | | | (4) | (5) | (8) | | 5 | | |
| Others ferrous products and services | 136 | (96) | (1) | (1) | (1) | (23) | 14 | 8 | 23 | | |
| | 4,552 | (2,661) | (189) | (38) | (38) | (464) | 1,162 | 185 | 409 | 55 | |
| Coal | 146 | (186) | (44) | (6) | (12) | (48) | (150) | | 48 | | |
| Base metals | | | | | | | | | | | |
| Nickel and other products (i) | 1,240 | (834) | (27) | (23) | (120) | (398) | (162) | | 398 | | |
| Copper (ii) | 408 | (222) | (14) | (2) | | (52) | 118 | | 52 | | |

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| | | | | | | | | | | |
|-----------------------------|--------------|----------------|--------------|--------------|--------------|----------------|-------------|------------|------------|-----------|
| Others base metals products | 1,648 | (1,056) | (41) | (25) | (120) | (450) | (44) | 450 | | |
| Fertilizers | | | | | | | | | | |
| Potash | 31 | (20) | 6 | (13) | (4) | (7) | (7) | 7 | | |
| Phosphates | 445 | (298) | (4) | (7) | (13) | (65) | 58 | 65 | | |
| Nitrogen | 78 | (51) | | | (1) | (5) | 21 | 5 | | |
| Others fertilizers products | 14 | | | | | | 14 | | | |
| | 568 | (369) | 2 | (20) | (18) | (77) | 86 | 77 | | |
| Others | 51 | (32) | (55) | (29) | | (4) | (69) | 4 | | |
| Total | 6,965 | (4,304) | (327) | (118) | (188) | (1,043) | 985 | 185 | 988 | 55 |

(i) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).

(ii) Includes copper concentrate and does not include the copper by-product of nickel.

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| | Three-months period ended (unaudited) June 30, 2014 | | | | | | | | | | |
|--|--|----------------|---------------|--|--|---------------------------------------|----------------------------|--|--|------------|-------------------|
| | Statement of income | | | | | | | Adjusted by | | | |
| | Net operating revenue | Costs | Expenses, net | Research and evaluation expenses | Pre operating and stoppage operation | Depreciation and others results | Operating income (loss) | Dividends received from joint ventures and associates | Depreciation, depletion and amortization | Impairment | Adjusted EBITD |
| Ferrous minerals | | | | | | | | | | | |
| Iron ore | 5,351 | (2,359) | (212) | (68) | (33) | (804) | 1,875 | | 304 | 500 | 2,6 |
| Pellets | 1,254 | (623) | (15) | | (6) | (56) | 554 | 208 | 56 | | 8 |
| Ferroalloys and manganese | 109 | (67) | (8) | | (8) | (10) | 16 | | 10 | | |
| Others ferrous products and services | 226 | (149) | 4 | | | (25) | 56 | | 25 | | |
| | 6,940 | (3,198) | (231) | (68) | (47) | (895) | 2,501 | 208 | 395 | 500 | 3,6 |
| Coal | 200 | (302) | (41) | (2) | (9) | (288) | (442) | | 14 | 274 | (1) |
| Base metals | | | | | | | | | | | |
| Nickel and other products (i) | 1,538 | (937) | 16 | (34) | (145) | (333) | 105 | | 333 | | 4 |
| Copper (ii) | 351 | (176) | | (1) | (3) | (34) | 137 | | 34 | | 1 |
| | 1,889 | (1,113) | 16 | (35) | (148) | (367) | 242 | | 367 | | 6 |
| Fertilizers | | | | | | | | | | | |
| Potash | 34 | (35) | (2) | (4) | (3) | (9) | (19) | | 9 | | (|
| Phosphates | 468 | (399) | (16) | (12) | (8) | (95) | (62) | | 95 | | |
| Nitrogen | 86 | (57) | (1) | (3) | (2) | (12) | 11 | | 12 | | |
| Others fertilizers products | 26 | | | | | | 26 | | | | |
| | 614 | (491) | (19) | (19) | (13) | (116) | (44) | | 116 | | |
| Others | 259 | (175) | (75) | (36) | | (9) | (36) | | 9 | | (|
| Total | 9,902 | (5,279) | (350) | (160) | (217) | (1,675) | 2,221 | 208 | 901 | 774 | 4,1 |

(i) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).

(ii) Includes copper concentrate and does not include the copper by-product of nickel.

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| | Six-months period ended (unaudited) June 30, 2015 | | | | | | | | | | |
|--|--|----------------|---------------|--|--|---------------------------------------|----------------------------|--|---|---|----------|
| | Statement of income | | | | | | | Dividends received from joint ventures and associates | Adjusted by Depreciation, depletion and amortization | Gain on measurement or sale of non- current assets | Adj |
| | Net operating revenue | Costs | Expenses, net | Research and evaluation expenses | Pre operating and stoppage operation | Depreciation and others results | Operating income (loss) | | | | |
| Ferrous minerals | | | | | | | | | | | |
| Iron ore | 6,107 | (3,842) | (357) | (69) | (51) | (707) | 1,081 | | 652 | 55 | 1 |
| Pellets | 1,937 | (1,160) | 3 | (2) | (14) | (173) | 591 | 203 | 173 | | |
| Ferroalloys and manganese | 123 | (99) | | | (10) | (11) | 3 | | 11 | | |
| Others ferrous products and services | 253 | (196) | 7 | (2) | (1) | (43) | 18 | 8 | 43 | | |
| | 8,420 | (5,297) | (347) | (73) | (76) | (934) | 1,693 | 211 | 879 | 55 | 2 |
| Coal | 291 | (372) | (114) | (11) | (24) | (71) | (301) | | 71 | | |
| Base metals | | | | | | | | | | | |
| Nickel and other products (i) | 2,575 | (1,681) | (88) | (50) | (225) | (820) | (289) | | 820 | | |
| Copper (ii) | 783 | (446) | (10) | (3) | (1) | (100) | 223 | | 100 | | |
| Others base metals products | | | 230 | | | | 230 | | | | |
| | 3,358 | (2,127) | 132 | (53) | (226) | (920) | 164 | | 920 | | 1 |
| Fertilizers | | | | | | | | | | | |
| Potash | 61 | (41) | 5 | (23) | (8) | (13) | (19) | | 13 | | |
| Phosphates | 802 | (559) | (20) | (13) | (22) | (120) | 68 | | 120 | | |
| Nitrogen | 157 | (106) | (3) | (1) | (2) | (11) | 34 | | 11 | | |
| Others fertilizers products | 26 | | | | | | 26 | | | | |
| | 1,046 | (706) | (18) | (37) | (32) | (144) | 109 | | 144 | | |
| Others | 90 | (59) | (99) | (63) | | 184 | 53 | 1 | 9 | (193) | |
| Total | 13,205 | (8,561) | (446) | (237) | (358) | (1,885) | 1,718 | 212 | 2,023 | (138) | 3 |

(i) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).

(ii) Includes copper concentrate and does not include the copper by-product of nickel.

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| | Six-months period ended (unaudited) June 30, 2014 | | | | | | | | | | |
|--|--|----------------|---------------|--|--|---------------------------------------|----------------------------|--|--|------------|-------------------|
| | Statement of income | | | | | | | Adjusted by | | | |
| | Net operating revenue | Costs | Expenses, net | Research and evaluation expenses | Pre operating and stoppage operation | Depreciation and others results | Operating income (loss) | Dividends received from joint ventures and associates | Depreciation, depletion and amortization | Impairment | Adjusted EBITD |
| Ferrous minerals | | | | | | | | | | | |
| Iron ore | 10,473 | (4,298) | (536) | (129) | (57) | (1,170) | 4,283 | | 670 | 500 | 5,4 |
| Pellets | 2,685 | (1,235) | (18) | | (28) | (107) | 1,297 | 219 | 107 | | 1,6 |
| Ferroalloys and manganese | 178 | (122) | (10) | | (13) | (16) | 17 | | 16 | | |
| Others ferrous products and services | 422 | (328) | 5 | | | (55) | 44 | | 55 | | |
| | 13,758 | (5,983) | (559) | (129) | (98) | (1,348) | 5,641 | 219 | 848 | 500 | 7,2 |
| Coal | 337 | (539) | (94) | (3) | (17) | (327) | (643) | | 53 | 274 | (3) |
| Base metals | | | | | | | | | | | |
| Nickel and other products (i) | 2,938 | (1,746) | (9) | (65) | (260) | (724) | 134 | | 724 | | 8 |
| Copper (ii) | 679 | (378) | 7 | (1) | (7) | (72) | 228 | | 72 | | 3 |
| | 3,617 | (2,124) | (2) | (66) | (267) | (796) | 362 | | 796 | | 1,1 |
| Fertilizers | | | | | | | | | | | |
| Potash | 70 | (65) | (2) | (8) | (10) | (14) | (29) | | 14 | | (|
| Phosphates | 871 | (742) | (36) | (23) | (30) | (178) | (138) | | 178 | | 4 |
| Nitrogen | 164 | (113) | (3) | (5) | (3) | (24) | 16 | | 24 | | 4 |
| Others fertilizers products | 42 | | | | | | 42 | | | | 4 |
| | 1,147 | (920) | (41) | (36) | (43) | (216) | (109) | | 216 | | 1 |
| Others | 546 | (362) | (108) | (71) | | (14) | (9) | | 14 | | |
| Total | 19,405 | (9,928) | (804) | (305) | (425) | (2,701) | 5,242 | 219 | 1,927 | 774 | 8,1 |

(i) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).

(ii) Includes copper concentrate and does not include the copper by-product of nickel.

Table of Contents**b) Adjusted EBITDA and information of assets by segment**

| | Three-months period ended (unaudited) June 30, 2015 | | | |
|--------------------------------------|--|--------------|---|--|
| | Adjusted EBITDA | Investments | Property, plant and equipment and intangible assets | Additions to property, plant and equipment and intangible (iii) |
| Ferrous minerals | | | | |
| Iron ore | 1,199 | 490 | 32,395 | 1,259 |
| Pellets | 570 | 462 | 1,413 | 15 |
| Ferrous alloys and manganese | (3) | | 219 | 6 |
| Others ferrous products and services | 45 | 961 | 260 | 3 |
| | 1,811 | 1,913 | 34,287 | 1,283 |
| Coal | (102) | 364 | 4,671 | 392 |
| Base metals | | | | |
| Nickel and other products (i) | 236 | 19 | 27,773 | 292 |
| Copper (ii) | 170 | 172 | 2,946 | 73 |
| Others base metals products | | | | |
| | 406 | 191 | 30,719 | 365 |
| Fertilizers | | | | |
| Potash | | | 143 | |
| Phosphates | 123 | | 4,846 | 50 |
| Nitrogen | 26 | | | |
| Others fertilizers products | 14 | | | |
| | 163 | | 4,989 | 50 |
| Others | (65) | 1,740 | 2,951 | 21 |
| Total | 2,213 | 4,208 | 77,617 | 2,111 |

(i) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).

(ii) Includes copper concentrate and does not include the copper by-product of nickel.

(iii) Includes only acquisitions realized with cash and cash equivalents.

| Adjusted EBITDA | Three-months period ended (unaudited) June 30, 2014 | | | Additions to property, plant and equipment and |
|-----------------|--|--------------------------------------|--|--|
| | Investments | Property, plant and equipment and | Additions to property, plant and equipment and | |

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| | | | intangible assets | intangible (iii) |
|--------------------------------------|--------------|--------------|-------------------|------------------|
| Ferrous minerals | | | | |
| Iron ore | 2,679 | 636 | 38,640 | 1,141 |
| Pellets | 818 | 817 | 1,919 | 33 |
| Ferrous alloys and manganese | 26 | | 299 | 7 |
| Others ferrous products and services | 81 | 1,307 | 358 | 18 |
| | 3,604 | 2,760 | 41,216 | 1,199 |
| Coal | | | | |
| | (154) | 376 | 6,031 | 798 |
| Base metals | | | | |
| Nickel and other products (i) | 438 | 21 | 29,385 | 351 |
| Copper (ii) | 171 | 217 | 4,029 | 107 |
| | 609 | 238 | 33,414 | 458 |
| Fertilizers | | | | |
| Potash | (10) | | 168 | |
| Phosphates | 33 | | 7,651 | 19 |
| Nitrogen | 23 | | | |
| Others fertilizers products | 26 | | | |
| | 72 | | 7,819 | 19 |
| Others | | | | |
| | (27) | 1,734 | 4,242 | 238 |
| Total | 4,104 | 5,108 | 92,722 | 2,712 |

(i) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).

(ii) Includes copper concentrate and does not include the copper by-product of nickel.

(iii) Includes only acquisitions realized with cash and cash equivalents.

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| | Six-months period ended (unaudited) June 30, 2015 | | | |
|--------------------------------------|--|--------------|---|--|
| | Adjusted EBITDA | Investments | Property, plant and equipment and intangible assets | Additions to property, plant and equipment and intangible (iii) |
| Ferrous minerals | | | | |
| Iron ore | 1,788 | 490 | 32,395 | 2,719 |
| Pellets | 967 | 462 | 1,413 | 26 |
| Ferroalloys and manganese | 14 | | 219 | 8 |
| Others ferrous products and services | 69 | 961 | 260 | 6 |
| | 2,838 | 1,913 | 34,287 | 2,759 |
| Coal | (230) | 364 | 4,671 | 746 |
| Base metals | | | | |
| Nickel and other products (i) | 531 | 19 | 27,773 | 509 |
| Copper (ii) | 323 | 172 | 2,946 | 144 |
| Others base metals products | 230 | | | |
| | 1,084 | 191 | 30,719 | 653 |
| Fertilizers | | | | |
| Potash | (6) | | 143 | |
| Phosphates | 188 | | 4,846 | 106 |
| Nitrogen | 45 | | | |
| Others fertilizers products | 26 | | | |
| | 253 | | 4,989 | 106 |
| Others | (130) | 1,740 | 2,951 | 47 |
| Total | 3,815 | 4,208 | 77,617 | 4,311 |

(i) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).

(ii) Includes copper concentrate and does not include the copper by-product of nickel.

(iii) Includes only acquisitions realized with cash and cash equivalents.

| | Six-months period ended (unaudited) June 30, 2014 | | | |
|---------------------------|--|-------------|---|--|
| | Adjusted EBITDA | Investments | Property, plant and equipment and intangible assets | Additions to property, plant and equipment and intangible (iii) |
| Ferrous minerals | | | | |
| Iron ore | 5,453 | 636 | 38,640 | 2,457 |
| Pellets | 1,623 | 817 | 1,919 | 108 |
| Ferroalloys and manganese | 33 | | 299 | 35 |

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| | | | | |
|--------------------------------------|--------------|--------------|---------------|--------------|
| Others ferrous products and services | 99 | 1,307 | 358 | 31 |
| | 7,208 | 2,760 | 41,216 | 2,631 |
| Coal | (316) | 376 | 6,031 | 1,194 |
| Base metals | | | | |
| Nickel and other products (i) | 858 | 21 | 29,385 | 619 |
| Copper (ii) | 300 | 217 | 4,029 | 217 |
| | 1,158 | 238 | 33,414 | 836 |
| Fertilizers | | | | |
| Potash | (15) | | 168 | |
| Phosphates | 40 | | 7,651 | 99 |
| Nitrogen | 40 | | | |
| Others fertilizers products | 42 | | | |
| | 107 | | 7,819 | 99 |
| Others | 5 | 1,734 | 4,242 | 335 |
| Total | 8,162 | 5,108 | 92,722 | 5,095 |

(i) Includes nickel by-products and by-products (copper, precious metal, cobalt and others).

(ii) Includes copper concentrate and does not include the copper by-product of nickel.

(iii) Includes only acquisitions realized with cash and cash equivalents.

Table of Contentsc) **Results by segment and revenues by geographic area**

| | Three-months period ended (unaudited) | | | | | |
|---|---------------------------------------|--------------|--------------|-------------|-------------|--------------|
| | June 30, 2015 | | | | | |
| | Ferrous minerals | Coal | Base metals | Fertilizers | Others | Total |
| Results | | | | | | |
| Net operating revenue | 4,552 | 146 | 1,648 | 568 | 51 | 6,965 |
| Cost and expenses | (2,926) | (248) | (1,242) | (405) | (116) | (4,937) |
| Gain on measurement or sale of non-current assets | (55) | | | | | (55) |
| Depreciation, depletion and amortization | (409) | (48) | (450) | (77) | (4) | (988) |
| Operating income (loss) | 1,162 | (150) | (44) | 86 | (69) | 985 |
| Financial result | 615 | 16 | (103) | 3 | 1 | 532 |
| Results on sale or disposal of investments from joint ventures and associates | | | | | 79 | 79 |
| Equity results from joint ventures and associates | 189 | 3 | (18) | | 44 | 218 |
| Income taxes | (210) | 47 | 11 | (26) | (7) | (185) |
| Net income (loss) | 1,756 | (84) | (154) | 63 | 48 | 1,629 |
| Income (loss) attributable to noncontrolling interests | 10 | (19) | (38) | 2 | (1) | (46) |
| Income (loss) attributable to the Company's stockholders | 1,746 | (65) | (116) | 61 | 49 | 1,675 |
| Sales classified by geographic area: | | | | | | |
| America, except United States and Brazil | 102 | 4 | 332 | 18 | | 456 |
| United States of America | 5 | | 229 | | 7 | 241 |
| Europe | 632 | 38 | 573 | 34 | | 1,277 |
| Middle East/Africa/Oceania | 283 | 33 | 17 | | | 333 |
| Japan | 358 | 10 | 49 | | | 417 |
| China | 2,392 | 12 | 180 | | | 2,584 |
| Asia, except Japan and China | 330 | 43 | 218 | 26 | | 617 |
| Brazil | 450 | 6 | 50 | 490 | 44 | 1,040 |
| Net operating revenue | 4,552 | 146 | 1,648 | 568 | 51 | 6,965 |

| | Three-months period ended (unaudited) | | | | | |
|--|---------------------------------------|-------|-------------|-------------|--------|---------|
| | June 30, 2014 | | | | | |
| | Ferrous minerals | Coal | Base metals | Fertilizers | Others | Total |
| Results | | | | | | |
| Net operating revenue | 6,940 | 200 | 1,889 | 614 | 259 | 9,902 |
| Cost and expenses | (3,544) | (354) | (1,280) | (542) | (286) | (6,006) |
| Impairment of non-current assets | (500) | (274) | | | | (774) |
| Depreciation, depletion and amortization | (395) | (14) | (367) | (116) | (9) | (901) |

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| | | | | | | |
|---|--------------|--------------|--------------|-------------|-------------|--------------|
| Operating income (loss) | 2,501 | (442) | 242 | (44) | (36) | 2,221 |
| Financial result | (24) | 32 | (68) | 7 | (6) | (59) |
| Results on sale or disposal of investments from joint ventures and associates | | | | | (18) | (18) |
| Equity results from joint ventures and associates | 253 | 8 | (6) | | (11) | 244 |
| Income taxes | (833) | (101) | (63) | 7 | (13) | (1,003) |
| Net income (loss) | 1,897 | (503) | 105 | (30) | (84) | 1,385 |
| Income (loss) attributable to noncontrolling interests | (9) | (13) | (11) | (2) | (8) | (43) |
| Income (loss) attributable to the Company's stockholders | 1,906 | (490) | 116 | (28) | (76) | 1,428 |
| Sales classified by geographic area: | | | | | | |
| America, except United States and Brazil | 183 | | 257 | 12 | 12 | 464 |
| United States of America | | | 263 | | 108 | 371 |
| Europe | 1,010 | 23 | 687 | 25 | 6 | 1,751 |
| Middle East/Africa/Oceania | 389 | 27 | 42 | | | 458 |
| Japan | 723 | 38 | 231 | | 3 | 995 |
| China | 3,355 | 35 | 165 | | | 3,555 |
| Asia, except Japan and China | 516 | 68 | 242 | 12 | | 838 |
| Brazil | 764 | 9 | 2 | 565 | 130 | 1,470 |
| Net operating revenue | 6,940 | 200 | 1,889 | 614 | 259 | 9,902 |

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| | Six-months period ended (unaudited) | | | | | |
|---|-------------------------------------|--------------|--------------|--------------|-----------|----------------|
| | June 30, 2015 | | | | | |
| | Ferrous minerals | Coal | Base metals | Fertilizers | Others | Total |
| Results | | | | | | |
| Net operating revenue | 8,420 | 291 | 3,358 | 1,046 | 90 | 13,205 |
| Cost and expenses | (5,793) | (521) | (2,274) | (793) | (221) | (9,602) |
| Gain on measurement or sale of non-current assets | (55) | | | | 193 | 138 |
| Depreciation, depletion and amortization | (879) | (71) | (920) | (144) | (9) | (2,023) |
| Operating income (loss) | 1,693 | (301) | 164 | 109 | 53 | 1,718 |
| Financial result | (3,815) | 99 | (204) | (65) | 7 | (3,978) |
| Results on sale or disposal of investments from joint ventures and associates | | | | | 97 | 97 |
| Equity results from joint ventures and associates | 47 | 3 | (23) | | (80) | (53) |
| Income taxes | 838 | 24 | (22) | (152) | (13) | 675 |
| Net income (loss) | (1,237) | (175) | (85) | (108) | 64 | (1,541) |
| Income (loss) attributable to noncontrolling interests | 4 | (30) | (70) | 8 | (10) | (98) |
| Income (loss) attributable to the Company's stockholders | (1,241) | (145) | (15) | (116) | 74 | (1,443) |
| Sales classified by geographic area: | | | | | | |
| America, except United States and Brazil | 197 | 4 | 637 | 33 | | 871 |
| United States of America | 15 | | 468 | | 15 | 498 |
| Europe | 1,281 | 51 | 1,010 | 62 | | 2,404 |
| Middle East/Africa/Oceania | 578 | 67 | 56 | 3 | | 704 |
| Japan | 766 | 39 | 194 | | | 999 |
| China | 4,026 | 12 | 322 | | | 4,360 |
| Asia, except Japan and China | 639 | 102 | 494 | 37 | | 1,272 |
| Brazil | 918 | 16 | 177 | 911 | 75 | 2,097 |
| Net operating revenue | 8,420 | 291 | 3,358 | 1,046 | 90 | 13,205 |

| | Six-months period ended (unaudited) | | | | | |
|---|-------------------------------------|--------------|-------------|--------------|------------|--------------|
| | June 30, 2014 | | | | | |
| | Ferrous minerals | Coal | Base metals | Fertilizers | Others | Total |
| Results | | | | | | |
| Net operating revenue | 13,758 | 337 | 3,617 | 1,147 | 546 | 19,405 |
| Cost and expenses | (6,769) | (653) | (2,459) | (1,040) | (541) | (11,462) |
| Impairment of non-current assets | (500) | (274) | | | | (774) |
| Depreciation, depletion and amortization | (848) | (53) | (796) | (216) | (14) | (1,927) |
| Operating income (loss) | 5,641 | (643) | 362 | (109) | (9) | 5,242 |
| Financial result | 221 | 74 | (199) | 9 | (15) | 90 |
| Results on sale or disposal of investments from joint ventures and associates | | | | | (18) | (18) |

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| | | | | | | |
|---|---------------|--------------|--------------|--------------|-------------|---------------|
| Equity results from joint ventures and associates | 470 | 20 | (12) | | (39) | 439 |
| Income taxes | (1,830) | (75) | (97) | 26 | (16) | (1,992) |
| Net income (loss) | 4,502 | (624) | 54 | (74) | (97) | 3,761 |
| Income (loss) attributable to noncontrolling interests | | | | | | |
| | (20) | (22) | (124) | (7) | (9) | (182) |
| Income (loss) attributable to the Company's stockholders | 4,522 | (602) | 178 | (67) | (88) | 3,943 |
| Sales classified by geographic area: | | | | | | |
| America, except United States and Brazil | 383 | 3 | 605 | 22 | 12 | 1,025 |
| United States of America | 2 | | 525 | | 232 | 759 |
| Europe | 2,187 | 34 | 1,280 | 52 | 6 | 3,559 |
| Middle East/Africa/Oceania | 824 | 41 | 77 | | | 942 |
| Japan | 1,389 | 87 | 396 | | 3 | 1,875 |
| China | 6,408 | 40 | 320 | | | 6,768 |
| Asia, except Japan and China | 1,049 | 123 | 411 | 15 | | 1,598 |
| Brazil | 1,516 | 9 | 3 | 1,058 | 293 | 2,879 |
| Net operating revenue | 13,758 | 337 | 3,617 | 1,147 | 546 | 19,405 |

d) **Investment, intangible and property, plant and equipment by geographic area**

There was no significant change in relation to the information of assets by geographic area disclosed in the financial statements for the year ended December 31, 2014.

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27. **Cost of goods sold and services rendered, and selling and administrative expenses and other operating expenses (income), net, by nature**

a) **Cost of goods sold and services rendered**

| | (unaudited) | | | |
|----------------------------|---------------------------|---------------|-------------------------|---------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Personnel | 631 | 668 | 1,173 | 1,345 |
| Material and service | 987 | 1,184 | 1,974 | 2,470 |
| Fuel oil and gas | 352 | 439 | 659 | 855 |
| Maintenance | 689 | 689 | 1,343 | 1,115 |
| Energy | 172 | 133 | 313 | 279 |
| Acquisition of products | 251 | 435 | 505 | 856 |
| Depreciation and depletion | 882 | 802 | 1,794 | 1,743 |
| Freight | 855 | 895 | 1,626 | 1,587 |
| Others | 367 | 836 | 967 | 1,421 |
| Total | 5,186 | 6,081 | 10,354 | 11,671 |
| Cost of goods sold | 5,047 | 5,863 | 10,069 | 11,189 |
| Cost of services rendered | 139 | 218 | 285 | 482 |
| Total | 5,186 | 6,081 | 10,354 | 11,671 |

b) **Selling and administrative expenses**

| | (unaudited) | | | |
|--|---------------------------|---------------|-------------------------|---------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Personnel | 74 | 100 | 156 | 210 |
| Services (consulting, infrastructure and others) | 26 | 48 | 54 | 92 |
| Advertising and publicity | 3 | 6 | 6 | 11 |
| Depreciation and amortization | 34 | 52 | 64 | 96 |
| Travel expenses | 3 | 9 | 6 | 11 |
| Taxes and rents | 4 | 3 | 10 | 9 |
| Others | 15 | 19 | 58 | 90 |
| Total | 159 | 237 | 354 | 519 |

c) **Others operational expenses (incomes), net**

| | (unaudited) | | | |
|---|---------------------------|---------------|-------------------------|---------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Provision for litigation | 41 | 69 | 24 | 125 |
| Provision for loss with VAT credits (ICMS) | 61 | 36 | 102 | 81 |
| Provision for profit sharing program | (2) | 8 | 19 | 48 |
| Provision for disposal of materials and inventories | 31 | 21 | 94 | 41 |
| Gold stream transaction | | | (230) | |
| Scrap sales | 24 | 11 | 33 | 24 |
| Others | 48 | 20 | 115 | 63 |
| Total | 203 | 165 | 157 | 382 |

Table of Contents**28. Financial result**

| | (unaudited) | | | |
|--|---------------------------|----------------|-------------------------|----------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Financial expenses | | | | |
| Interest | (228) | (400) | (423) | (784) |
| Labor, tax and civil lawsuits | (17) | (35) | (50) | (42) |
| Derivative financial instruments | (87) | (22) | (1,427) | (41) |
| Indexation and exchange rate variation (a) | (637) | (262) | (5,938) | (751) |
| Participative stockholders debentures | 361 | (268) | 636 | (290) |
| Expenses of REFIS | (144) | (175) | (288) | (336) |
| Others | (187) | (105) | (307) | (213) |
| | (939) | (1,267) | (7,797) | (2,457) |
| Financial income | | | | |
| Short-term investments | 21 | 39 | 47 | 94 |
| Derivative financial instruments | 322 | 390 | 322 | 621 |
| Indexation and exchange rate variation (b) | 1,119 | 746 | 3,401 | 1,751 |
| Others | 9 | 33 | 49 | 81 |
| | 1,471 | 1,208 | 3,819 | 2,547 |
| Financial results, net | 532 | (59) | (3,978) | 90 |
| Summary of indexation and exchange rate variation | | | | |
| Loans and financing | 897 | 639 | (4,117) | 1,495 |
| Related parties | (2) | (3) | (1) | 1 |
| Others | (413) | (152) | 1,581 | (496) |
| Net (a) + (b) | 482 | 484 | (2,537) | 1,000 |

29. Deferred revenue - Gold stream

In 2013, the Company entered into a gold stream transaction (original transaction) with Silver Wheaton Corp. (SLW) to sell 25% of the gold extracted during the life of the mine as a by-product of Salobo copper mine (Salobo transaction) and 70% of the gold extracted during the next 20 years as a by-product of the Sudbury nickel mines (Sudbury transaction).

The original transaction was amended in March, 2015 to include an additional 25% of gold extracted during the life of the mine as a by-product of Salobo copper mine (amended transaction). The Company received up-front cash proceeds of US\$900. The Company may also receive an additional cash payment contingent on its decision to expand the capacity to process Salobo copper ores until 2036. The additional amount could range from US\$88 million to US\$720 million depending on timing and size of the expansion.

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As the gold is delivered to SLW, Vale receives a payment equal to the lesser of: (i) US\$400 per ounce of refined gold delivered (which payment will be subject to an annual increase of 1% per year commencing on January 1, 2017 for the original and amended transactions and each January 1 thereafter) and (ii) the reference market price on the date of delivery.

This transaction was bifurcated into two identifiable components: (i) the sale of the mineral rights and, (ii) the services for gold extraction on the portion in which Vale operates as an agent for SLW gold extraction.

The result of the sale of the mineral rights of US\$230 was recognized in the statement of income under other operating expenses, net. The portion related to the provision of future services for gold extraction was recorded as deferred revenue (liability) in the amount of US\$532 and will be recognized in the statement of income as the service is rendered and the gold extracted. During the three-months period ended June 30, 2015 and 2014, the Company recognized US\$33 and US\$24, respectively, and during the six-months period ended June 30, 2015 and 2014, US\$48 and US\$46, respectively, in statement of income related to rendered services related to the original and amended transactions.

The deferred revenue is recognized based on the units of gold extracted compared to the total of proven and probable gold reserves negotiated with SLW. Defining the gain on sale of mineral interest and the deferred revenue portion of the transaction requires the use of critical accounting estimates as follow:

- Discount rates used to measure the present value of future inflows and outflows;
- Allocation of costs between copper and gold based on relative prices;
- Expected margin for the independent elements (sale of mineral rights and service for gold extraction) based on Company's best estimate.

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30. Commitments

a) Base metals operations

There has been no material changes to the commitments of the base metals operations disclosed in the financial statements as at December 31, 2014, except for letters of credit and guarantees in the amount of US\$1,095 (US\$1,007 at December 31, 2014) associated with items such as environment reclamation, asset retirement obligation commitments, insurance, electricity commitments, post-retirement benefits, community service commitments and import and export duties.

b) Participative stockholders debentures

During the period, there was no issuance of new debentures, or any change in the par value or the indicators affecting debentures issued. The Company paid as semiannual remuneration the amount of US\$39 and US\$52, respectively, for the six-months period ended June 30, 2015 and 2014.

c) Operating lease

The total amount of operational leasing expenses for the three-months period ended on June 30, 2015 and 2014 are US\$67 and US\$83, respectively, and for the six-months period ended on June 30, 2015 and 2014 are US\$135 and US\$174, respectively.

d) Concession agreements

The contractual basis and deadlines for completion of concessions railways and port terminals are unchanged in the period.

e) Guarantees provided

At June 30, 2015, corporate guarantees provided by Vale (within the limit of its direct or indirect interest) for the companies Norte Energia S.A. and Companhia Siderúrgica do Pecém S.A. totaled US\$274 and US\$754, respectively. Due to the conclusion of the energy generation assets transaction (note 6), the guarantee of Norte Energia S.A. is shared with Cemig GT.

Table of Contents**31. Related parties**

Transactions with related parties are made by the Company at arm's-length, observing the price and usual market conditions and therefore do not generate any undue benefit to their counterparties or loss to the Company.

In the normal course of operations, Vale enters into contracts with related parties (associates, joint ventures and stockholders), related to the sale and purchase of products and services, leasing of assets, sale of raw material and railway transportation services.

The balances of these related party transactions and their effects on the financial statements are as follows:

| | June 30, 2015 (unaudited) | | December 31, 2014 | |
|-------------------------------|---------------------------|-----------------|---------------------|-----------------|
| | Accounts receivable | Related parties | Accounts receivable | Related parties |
| Baovale Mineração S.A. | 3 | | 4 | 9 |
| Ferrovias Norte Sul | 10 | | 9 | |
| Mitsui & Co., Ltd. | 12 | | 9 | |
| MRS Logística S.A. | 3 | 29 | 3 | 24 |
| Samarco Mineração S.A. | 55 | 105 | 24 | 310 |
| Teal Minerals Inc. | | 232 | | 216 |
| VLI Multimodal S.A. | 6 | | 25 | |
| VLI Operações Portuárias S.A. | 13 | | 26 | |
| VLI S.A. | 158 | | 9 | |
| Others | 54 | 47 | 56 | 55 |
| Total | 314 | 413 | 165 | 614 |
| Current | 314 | 392 | 165 | 579 |
| Non-current | | 21 | | 35 |
| Total | 314 | 413 | 165 | 614 |

| | June 30, 2015 (unaudited) | | December 31, 2014 | |
|---|---------------------------|-----------------|-------------------|-----------------|
| | Suppliers | Related parties | Suppliers | Related parties |
| Baovale Mineração S.A. | 28 | | 4 | |
| Companhia Coreano-Brasileira de Pelotização | 35 | 31 | 1 | 86 |
| Companhia Hispano-Brasileira de Pelotização | 21 | 8 | 32 | |
| | 23 | 12 | 1 | 47 |

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| | | | | |
|---|------------|------------|------------|------------|
| Companhia Ítalo-Brasileira de Pelotização | | | | |
| Companhia Nipo-Brasileira de Pelotização | 53 | 58 | 2 | 147 |
| Ferrovias Centro-Atlântica S.A. | | 85 | | 98 |
| Mitsui & Co., Ltd. | 12 | | 11 | |
| MRS Logística S.A. | 19 | | 25 | |
| VLI S.A. | | 84 | | |
| Others | 23 | 10 | 32 | 37 |
| Total | 214 | 288 | 108 | 415 |
| Current | 214 | 194 | 108 | 306 |
| Non-current | | 94 | | 109 |
| Total | 214 | 288 | 108 | 415 |

| | Three-months period ended (unaudited) | | | | | |
|--|---------------------------------------|-------------------------------------|-------------------|-----------------------|-------------------------------------|-------------------|
| | Net operating revenue | June 30, 2015 Costs and expenses | Financial results | Net operating revenue | June 30, 2014 Costs and expenses | Financial results |
| Baovale Mineração S.A. | | (15) | | | (5) | |
| California Steel Industries, Inc. | | | | 88 | | |
| Companhia Coreano-Brasileira de Pelotização | | (19) | | | (23) | |
| Companhia Hispano-Brasileira de Pelotização | | (9) | | | (13) | |
| Companhia Ítalo-Brasileira de Pelotização | | (14) | | | (13) | |
| Companhia Nipo-Brasileira de Pelotização | | (25) | | | (35) | |
| Ferrovias Centro Atlântica S.A. | 12 | (9) | | 19 | (12) | |
| Mitsui & Co., Ltd. | 50 | | | 20 | (3) | |
| MRS Logística S.A. | | (141) | | | (110) | |
| Samarco Mineração S.A. | 58 | | | 61 | | |
| Thyssenkrupp Companhia Siderúrgica do Atlântico Ltd. | | | | | (99) | |
| VLI S.A. | 68 | | | 94 | | 3 |
| Others | 12 | (12) | (2) | 28 | (1) | 3 |
| Total | 200 | (244) | (2) | 310 | (314) | 6 |

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| | Six-months period ended (unaudited) | | | | | |
|--|-------------------------------------|-------------------------------------|-------------------|-----------------------|-------------------------------------|-------------------|
| | Net operating revenue | June 30, 2015 Costs and expenses | Financial results | Net operating revenue | June 30, 2014 Costs and expenses | Financial results |
| Baovale Mineração S.A. | | (20) | | | (10) | |
| California Steel Industries, Inc. | | | | 183 | | |
| Companhia Coreano-Brasileira de Pelotização | | (34) | | | (48) | |
| Companhia Hispano-Brasileira de Pelotização | | (21) | | | (29) | |
| Companhia Ítalo-Brasileira de Pelotização | | (28) | | | (23) | |
| Companhia Nipo-Brasileira de Pelotização | | (50) | | | (74) | |
| Ferrovias Centro Atlântica S.A. | 24 | (21) | | 34 | (28) | |
| Mitsui & Co., Ltd. | 109 | | | 64 | (3) | |
| MRS Logística S.A. | | (260) | | | (248) | |
| Samarco Mineração S.A. | 89 | | | 123 | | |
| Thyssenkrupp Companhia Siderúrgica do Atlântico Ltd. | | | | | (215) | |
| VLI S.A. | 130 | | | 180 | | 9 |
| Others | 33 | (24) | 1 | 43 | (17) | 10 |
| Total | 385 | (458) | 1 | 627 | (695) | 19 |

| | Balance sheet | | Statement of income (unaudited) | | Statement of income (unaudited) | |
|------------------------------------|------------------------------|-------------------|--|--|--|--|
| | June 30, 2015 (unaudited) | December 31, 2014 | Three-months period ended June 30, 2015 | Three-months period ended June 30, 2014 | Six-months period ended June 30, 2015 | Six-months period ended June 30, 2014 |
| Cash and cash equivalents | | | | | | |
| Bradesco | 16 | 34 | 1 | | 1 | |
| | 16 | 34 | 1 | | 1 | |
| Loans and financing payable | | | | | | |
| BNDES | 4,299 | 4,511 | (19) | (49) | (36) | (97) |
| BNDESPar | 484 | 589 | (1) | (11) | (11) | (21) |
| | 4,783 | 5,100 | (20) | (60) | (47) | (118) |

Remuneration of key management personnel

| | (unaudited) | | | |
|----------------------------|---------------------------|---------------|-------------------------|---------------|
| | Three-months period ended | | Six-months period ended | |
| | June 30, 2015 | June 30, 2014 | June 30, 2015 | June 30, 2014 |
| Short-term benefits | 3 | 4 | 17 | 22 |
| Wages or pro-labor | 2 | 3 | 4 | 6 |

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| | | | | |
|--------------------------------|---|---|----|----|
| Direct and indirect benefits | 1 | 1 | 5 | 5 |
| Bonus | | | 8 | 11 |
| Long-term benefits | | | 1 | 1 |
| Based on stock | | | 1 | 1 |
| Termination of position | 2 | | 6 | |
| | 5 | 4 | 24 | 23 |

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Board of Directors, Fiscal Council, Advisory Committees and Executive Officers

Board of Directors

Dan Antonio Marinho Conrado

Chairman

Sérgio Alexandre Figueiredo Clemente

Vice-President

Marcel Juviniانو Barros

Gueitiro Matsuo Genso

Tarcísio José Massote de Godoy

Fernando Jorge Buso Gomes

Hirolyuki Kato

Oscar Augusto de Camargo Filho

Luciano Galvão Coutinho

Lucio Azevedo

Alberto Guth

Alternate

Arthur Prado Silva

Moacir Nachbar Junior

Francisco Ferreira Alexandre

Gilberto Antonio Vieira

Robson Rocha

Luiz Mauricio Leuzinger

Yoshitomo Nishimitsu

Eduardo de Oliveira Rodrigues Filho

Victor Guilherme Tito

Carlos Roberto de Assis Ferreira

Advisory Committees of the Board of Directors

Controlling Committee

Eduardo Cesar Pasa

Moacir Nachbar Junior

Oswaldo Mário Pego de Amorim Azevedo

Marcos Paulo Pereira da Silva

Executive Development Committee

Oscar Augusto de Camargo Filho

Marcel Juviniانو Barros

Fernando Jorge Buso Gomes

Tatiana Boavista Barros Heil

Governance and Sustainability Committee

Fernando Jorge Buso Gomes

Arthur Prado Silva

Eduardo de Oliveira Rodrigues Filho

Ricardo Rodrigues Morgado

Ricardo Simonsen

Fiscal Council

Marcelo Amaral Moraes

Chairman

Marcelo Barbosa Saintive

Cláudio José Zucco

Aníbal Moreira dos Santos

Raphael Manhães Martins

Alternate

Paulo Fontoura Valle

Marcos Tadeu Siqueira

Oswaldo Mário Pego de Amorim Azevedo

Pedro Paulo de Souza

Executive Officers

Murilo Pinto de Oliveira Ferreira

Chief Executive Officer

Vânia Lucia Chaves Somavilla

Executive Officer (Human Resources, Health & Safety, Sustainability and Energy)

Luciano Siani Pires

Executive Officer (Finance and Investors Relations)

Roger Allan Downey

Executive Officer (Fertilizers, Coal and Strategy)

Gerd Peter Poppinga

Executive Officer (Ferrous)

Galib Abrahão Chaim

Strategic Committee

Murilo Pinto de Oliveira Ferreira
Dan Antonio Marinho Conrado
Gueitiro Matsuo Genso
Luiz Carlos Trabuco Cappi
Oscar Augusto de Camargo Filho
Luciano Galvão Coutinho

Finance Committee

Gilmar Dalilo Cezar Wanderley
Fernando Jorge Buso Gomes
Eduardo de Oliveira Rodrigues Filho
Tatiana Boavista Barros Heil

Executive Officer (Capital Projects Implementation)

Humberto Ramos de Freitas

Executive Officer (Logistics and Mineral Research)

Vacant

Executive Officer (Base Metals)

Marcelo Botelho Rodrigues

Global Controller Director

Murilo Muller

Chief Accountant and Controllershship Director

CRC-PR - 046788/O-5 S RJ

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: July 30, 2015

By:

Vale S.A.
(Registrant)

/s/ Rogerio T. Nogueira
Rogerio T. Nogueira
Director of Investor Relations