This summary aims to give you an overview of the information contained in this Listing Document. As this is a summary, it does not contain all the information that might be important to you. You should read this Listing Document in its entirety, including the Appendices hereto which constitute an integral part of this Listing Document, before coming to any decision in respect of the Depositary Receipts.

There are risks associated with any investment. Some of the particular risks relevant to the Depositary Receipts are summarised in the section in this Listing Document headed "Risk factors". You should read that section carefully before you come to any decision in respect of the Depositary Receipts.

OVERVIEW

We are the second largest metals and mining company in the world and the largest in the Americas, based on market capitalisation as at 29 November 2010.[1] We are the world's largest producer by volume of iron ore and iron ore pellets. We are a leading producer of nickel. We are also among the leading producers of manganese ore and ferroalloys. We also produce copper, coal, fertilizer nutrients, cobalt, platinum group metals and other products.

Iron ore represents the largest contributor to our earnings, amounting to 53.6% of revenues in 2009. Nickel, copper and coal contributed to 13.6%, 4.7% and 2.1% of our revenues in 2009, respectively. In terms of geographical breakdown, China is our single largest market, contributing to 37.6% of sales in 2009. Sales to other Asian countries, including Japan and South Korea, contributed to 19.3% of sales in 2009. Outside of Asia, Europe and South America also remain important regions, contributing to 16.9% and 16.7% of our revenues in 2009, respectively.

Headquartered in Brazil and operating across five continents, we employ over 115,000 people including direct employees and contractors. To sustain our growth strategy, we are actively engaged in mineral exploration in twenty-three countries around the world. As at 30 June 2010, the Group owned and operated more than 60 mining sites and projects in different locations worldwide, of which approximately 44% were iron ore mines.

We operate large logistics systems in Brazil integrated with our mining operations, including railroads, maritime terminals and a port. In addition, we are building a portfolio of maritime freight to transport iron ore to Asia. We also have investments in the energy and steel sectors directly or through subsidiaries and companies under joint control.

SECONDARY LISTING OF DEPOSITARY RECEIPTS BY WAY OF INTRODUCTION

The Common Shares and Class A Preferred Shares are presently listed on BM&FBOVESPA in São Paulo, Brazil and traded on LATIBEX of the Madrid Stock Exchange. The Common Shares and Class A Preferred Shares in the form of ADRs are also presently listed on NYSE and traded on NYSE Euronext Paris.

We are seeking the admission of the Common Depositary Receipts and Class A Preferred Depositary Receipts to secondary listing on the Main Board of the Stock Exchange by way of introduction. For further details, see the section in this Listing Document headed "Listings, terms of Depositary Receipts and Depositary Agreements, registration, dealings and settlement."

The grant of the admission of the Common Depositary Receipts and Class A Preferred Depositary Receipts to secondary listing on the Main Board of the Stock Exchange will be conditional on us maintaining the primary listing of our Shares on BM&FBOVESPA and the listing of our ADRs on NYSE.

[1] Source: Bloomberg

The Depositary Receipts are divided into the Common Depositary Receipts and the Class A Preferred Depositary Receipts, representing the Common Shares and the Class A Preferred Shares, respectively, in the ratio of one Common Depositary Receipt to one Common Share and one Class A Preferred Depositary Receipt to one Class A Preferred Share. For the differences between the Common Shares and the Class A Preferred Shares, please see the section in this Listing Document headed "Share capital".

In recent years, we have significantly increased our business activities in Asia, China in particular, and we expect this trend to continue in the near term. We are a major supplier of minerals and metals to China and our sales to China reached US$9.0 billion, representing 37.6% of our total revenue, in 2009. We are also a major buyer of machinery, mining and power generation equipment and ships from China. We have made substantial investments in China, having set up several joint venture companies with Chinese partners which engage in the coal, iron ore and nickel businesses.

The further expansion of our business presence in China (as well as in other parts of Asia) forms a key part of our development strategies. We have planned to invest approximately US$12.9 billion this year with respect to the maintenance of existing assets, research and development and project execution. A major part of the planned capacity expansion for our various business lines has been and will continue to be dedicated to meeting growth in demand for minerals and metals in Asia, particularly in China. Hence, we believe a secondary listing in Hong Kong is a significant step in raising our profile in, and demonstrating our commitment to, Asia.

We are primarily governed by Brazilian laws and are principally subject to the Corporations Act and CVM Rules. Brazilian laws and regulations differ in a number of respects from comparable laws and regulations of Hong Kong. Please see further details in the section in this Listing Document headed "Waivers". There are residual differences between the shareholder protection regimes in Brazil and Hong Kong. For further details, please see Appendix V to this Listing Document.

We have obtained a ruling from the SFC that we will not be treated as a public company in Hong Kong for the purposes of the Takeovers Code and the Share Repurchases Code and hence, those codes will not apply to our Company. We have also obtained a partial exemption from the SFC in respect of the disclosure of interest provisions set out in the SFO. In addition, we have applied for, and been granted, waivers or exemptions by the Stock Exchange from certain requirements under the Listing Rules. Neither our Shareholders nor the HDR Holders will have the benefit of those Hong Kong laws, regulations and Listing Rules for which we have applied, and been granted, waivers or exemptions by the Stock Exchange and the SFC.

Additionally, if any of those waivers were to be revoked in circumstances including our non-compliance with applicable undertakings for any reason, additional legal and compliance obligations might be costly and time consuming, and might result in issues of inter-jurisdictional compliance, which could adversely affect us and HDR Holders.

As the SFC does not have extra-territorial jurisdiction on any of its powers of investigation and enforcement, it will also have to rely on the regulatory regimes of CVM and SEC to enforce any corporate governance breaches committed by us in Brazil or the United States. Investors should be aware that it could be difficult to enforce any judgment obtained outside Brazil against us or any of our associates.

SUMMARY OF HISTORICAL FINANCIAL AND OPERATING INFORMATION

Selected Audited Financial Data

You should read the summary financial and operating information set forth below in conjunction with the financial statements set forth in Appendix I to this Listing Document and the section in this Listing Document headed "Financial information".

Statement of income data

	For the year ended 31 December			For the six months ended 30 June
	2007	2008	2009	2010
	(US$ million)			
Net operating revenues	32,242	37,426	23,311	16,262
Cost of products and services	(16,463)	(17,641)	(13,621)	(7,661)
Selling, general and administrative expenses	(1,245)	(1,748)	(1,130)	(636)
Research and development	(733)	(1,085)	(981)	(361)
Impairment of goodwill	—	(950)	—	—
Other expenses	(607)	(1,254)	(1,522)	(912)
Operating income	13,194	14,748	6,057	6,692
Non-operating (expenses) income:				
Financial (expenses) income	(1,291)	(1,975)	351	(1,204)
Exchange and monetary gains, net[1]	2,553	364	675	36
Gain on sale of investments[2]	777	80	40	—
Subtotal	2,039	(1,531)	1,066	(1,168)
Income before discontinued operations, income taxes and equity results	15,233	13,217	7,123	5,524
Income taxes charge	(3,201)	(535)	(2,100)	(422)
Equity in results of affiliates and joint ventures and change in provision for gains on equity investments	595	794	433	379
Net income from continuing operations	12,627	13,476	5,456	5,481
Discontinued operations, net of tax	—	—	—	(151)
Net income	12,627	13,476	5,456	5,330
Net income attributable to non-controlling interests	802	258	107	21
Net income attributable to Company's stockholders	11,825	13,218	5,349	5,309
Total cash paid to shareholders[3]	1,875	2,850	2,724	1,250

(1) The aggregate foreign currency transaction gain or loss (both realised and unrealised) included in determining net income for the reporting period.

(2) The net realised gain or loss on investments sold during the period, which, for cash flow reporting, is a component of proceeds from investing activities.

(3) Consists of total cash paid to Shareholders during the period, whether classified as dividends or interest on shareholders' equity (dividends attributed to stockholders).

Basic and diluted earnings per share

	For the year ended 31 December			For the six months ended 30 June
	2007	2008[4]	2009	2010
	(US$)			
Earnings per share[1]:				
Basic				
Per common share	2.41	2.58	0.97	0.99
Per preferred share	2.41	2.58	0.97	0.99
Diluted				
Per common share	2.42	2.61	1.00	1.00
Per preferred share	2.42	2.61	1.00	1.01
Weighted average number of shares outstanding (in thousands)[2]:				
Common shares	2,943,216	3,028,817	3,181,706	3,186,018
Preferred shares	1,889,171	1,946,454	2,030,700	2,033,272
Treasury common shares underlying convertible notes	34,510	56,582	74,998	18,416
Treasury preferred shares underlying convertible notes	18,478	30,295	77,580	47,285
Total	4,885,375	5,062,148	5,364,984	5,284,991
Distributions to shareholders per share[3]:				
In US$	0.39	0.56	0.53	
In R$	0.74	1.09	1.01	

(1) Diluted earnings per share for 2007, 2008 and 2009 include Class A Preferred Shares and Common Shares underlying the mandatorily convertible notes issued in June 2007. Diluted earnings per share for 2009 also include Class A Preferred Shares and Common Shares underlying the mandatorily convertible notes issued in July 2009.

(2) Each common ADS represents one Common Share and each preferred ADS represents one Class A Preferred Share.

(3) Our distributions to Shareholders may be classified as either dividends or interest on shareholders' equity. Since 2005, part of each distribution has been classified as interest on shareholders' equity and part as dividends.

(4) In July 2008, we issued 80,079,223 common ADSs, 176,847,543 Common Shares, 63,506,751 preferred ADSs and 100,896,048 Class A Preferred Shares in a global equity offering. In August 2008, we issued an additional 24,660,419 Class A Preferred Shares. In October 2008, the Board of Directors approved a share buy-back programme, which was terminated on May 27, 2009. While the programme was in effect, our Company acquired 18,415,859 Common Shares and 47,284,800 Class A Preferred Shares, corresponding respectively to 1.5% and 2.4% of the outstanding Shares of each class on the date the programme was launched.

Balance sheet data

	At 31 December			At 30 June
	2007	2008	2009	2010
	(US$ million)			
Current assets	11,380	23,238	21,294	25,039
Property, plant and equipment, net	54,625	49,329	68,810	73,749
Investments in affiliated companies and joint ventures and other investments	2,922	2,408	4,585	4,444
Other assets	7,790	5,017	7,590	7,571
Total assets	76,717	79,992	102,279	110,803
Current liabilities	10,083	7,237	9,181	12,213
Long-term liabilities(1)	13,195	10,173	12,703	15,045
Long-term debt(2)	17,608	17,535	19,898	19,125
Total liabilities	40,886	34,945	41,782	46,383
Redeemable non-controlling interests(3)	375	599	731	724
Stockholders' equity:				
Capital stock	12,306	23,848	23,839	25,726
Additional paid-in capital	498	393	411	1,790
Mandatorily convertible notes — common ADSs	1,288	1,288	1,578	290
Mandatorily convertible notes — preferred ADSs	581	581	1,225	644
Reserves and retained earnings	18,603	16,446	29,882	31,761
Total Company shareholders' equity	33,276	42,556	56,935	60,211
Non-controlling interests	2,180	1,892	2,831	3,485
Total shareholders' equity	35,456	44,448	59,766	63,696
Total liabilities and shareholders' equity	76,717	79,992	102,279	110,803

(1) Excludes long-term debt.
(2) Excludes current portion of long-term debt.
(3) The aggregate amount to be paid by the entity upon redemption of the security that is classified as temporary equity.

The following table presents the breakdown of our total operating revenues attributable to each of our main lines of business:

	Year ended 31 December						Six months ended 30 June	
	2007		2008		2009		2010	
	(US$ million)	(% of total)	(US$ million)	(% of total)	(US$ million)	(% of total)	(US$ million)	(% of total)
Bulk materials:								
Ferrous minerals:								
Iron ore	11,908	36.0	17,775	46.2	12,831	53.6	9,182	54.7
Iron ore pellets	2,738	8.3	4,301	11.2	1,352	5.6	2,393	14.3
Manganese ore	69	0.2	266	0.7	145	0.6	147	0.9
Ferroalloys	719	2.2	1,211	3.1	372	1.6	312	1.9
Pig iron	81	0.2	146	0.4	45	0.2	9	0
Total for ferrous minerals	15,515	46.9	23,699	61.6	14,745	61.6	12,043	71.8
Coal	178	0.5	577	1.5	505	2.1	312	1.9
Base metals:								
Nickel	10,043	30.3	5,970	15.5	3,260	13.6	1,621(3)	9.7
Copper	1,985	6.0	2,029	5.3	1,130	4.7	387	2.3
PGMs	314	1.0	401	1.0	132	0.6	0	0
Precious metals	113	0.3	111	0.3	65	0.3	0	0
Other non-ferrous minerals(1)	374	1.1	420	1.1	215	0.9	0	0
Aluminium(2)	2,722	8.2	3,042	7.9	2,050	8.6	1,254	7.5
Total for Base metals	15,551	47.0	11,973	31.1	6,852	28.6	3,262	19.5
Fertilizer nutrients	178	0.5	295	0.8	413	1.7	275	1.6
Logistics services	1,525	4.6	1,607	4.2	1,104	4.6	723	4.3
Other investments	168	0.5	358	0.8	320	1.3	163	1.0
Total operating revenues	33,115	100.0	38,509	100.0	23,939	100.0	16,778	100.0

Notes:

(1) Includes kaolin and cobalt. We propose to transfer all of our interests in the kaolin business. Hence, we entered into an agreement with Imerys S.A. in July 2010 for the transfer of our interest in Pará Pigmentos S.A. (PPSA) and propose to transfer our other kaolin mineral rights located in Northern Brazil.

(2) We have entered into the following agreements to transfer our interests in the aluminium business:

(a) an agreement with Norsk Hydro ASA in May 2010 for the transfer of our stakes in three aluminium companies, together with certain contractual rights; and

(b) an agreement with Alumínio Nordeste S.A., a company of the Metalis group, in January 2010 for the transfer of the aluminium assets of Valesul Aluminio S.A.

(3) For the purposes of this figure only, nickel revenues were aggregated with those for its co-products and by-products, including cobalt and precious metals.

The following table presents the breakdown of our total operating revenues attributable to the destination from which they originated:

	Year ended 31 December						Six months ended 30 June	
	2007		2008		2009		2010	
	(US$ million)	(%)	(US$ million)	(%)	(US$ million)	(%)	(US$ million)	(%)
North America	**4,922**	**14.9**	**4,236**	**11**	**1,742**	**7.3**	**706**	**4.2**
USA	2,966	9.0	2,466	6.4	832	3.5	298	1.8
Canada	1,761	5.3	1,517	3.9	886	3.7	390	2.3
Others	195	0.6	253	0.7	24	0.1	18	0.1
South America	**6,181**	**18.7**	**7,725**	**20.1**	**3,997**	**16.7**	**3,328**	**19.8**
Brazil	5,288	16.0	6,675	17.3	3,655	15.3	3,014	18.0
Others	893	2.7	1,050	2.7	342	1.4	314	1.9

	Year ended 31 December						Six months ended 30 June	
	2007		2008		2009		2010	
	(US$ million)	(%)	(US$ million)	(%)	(US$ million)	(%)	(US$ million)	(%)
Asia	**13,346**	**40.3**	**15,761**	**40.9**	**13,633**	**56.9**	**8,319**	**49.6**
China	5,865	17.7	6,706	17.4	9,003	37.6	4,955	29.5
Japan	3,827	11.6	4,737	12.3	2,412	10.1	1,904	11.3
South Korea	1,473	4.4	1,474	3.8	883	3.7	548	3.3
Taiwan	1,665	5.0	954	2.5	681	2.8	447	2.7
Others	516	1.6	1,890	4.9	654	2.7	464	2.8
Europe	**7,325**	**22.1**	**9,450**	**24.5**	**4,036**	**16.9**	**3,738**	**22.3**
Germany	1,856	5.6	2,511	6.5	1,085	4.5	1,169	7.0
Belgium	683	2.1	910	2.4	336	1.4	100	0.6
France	722	2.2	815	2.1	336	1.4	174	1.0
UK	1,066	3.2	1,261	3.3	492	2.1	498	3.0
Italy	632	1.9	821	2.1	335	1.4	436	2.6
Others	2,366	7.1	3,132	8.1	1,452	6.1	1,362	8.1
Rest of the World	**1,340**	**4.0**	**1,337**	**3.5**	**531**	**2.2**	**687**	**4.1**
Total	**33,115**	**100.0**	**38,509**	**100**	**23,939**	**100**	**16,778**	**100.0**

SUMMARY OF MATERIAL RESERVES AS AT 30 JUNE 2010

The following tables constitute a summary of the Material Reserves (for further details, see Appendix III to this Listing Document):

	Iron ore reserves per mine in the Southeastern System as at 30 June 2010[1]						Projected exhaustion date
	Proven		Probable		Total		
	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	
Itabira complex							
Conceição	267.3	51.4	26.4	58.8	293.7	52.1	2023
Minas do Meio	301.6	53.8	172.0	56.1	473.6	54.7	2023
Minas Centrais complex							
Água Limpa/Cururu[2]	37.0	41.4	5.5	42.0	42.5	41.5	2019
Gongo Soco	43.3	65.9	11.9	64.6	55.2	65.6	2019
Brucutu	410.0	50.2	250.3	47.2	660.4	49.1	2023
Apolo	292.4	57.4	339.7	55.1	632.1	56.2	2029
Mariana complex							
Alegria	150.7	49.7	27.1	46.8	177.8	49.2	2024
Fábrica Nova	480.1	46.0	349.6	44.1	829.6	45.2	2033
Fazendão	233.4	49.6	92.6	50.0	326.0	49.7	2040
Corumbá complex							
Urucum	7.4	62.6	25.4	62.1	32.8	62.2	2023
Total Southeastern System	2,223.2	51.0	1,300.6	50.5	3,523.8	50.8	

Iron ore reserves per mine in the Southern System as at 30 June 2010[1]

	Proven		Probable		Total		Projected exhaustion date
	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	
Minas Itabiritos complex							
Segredo	172.1	52.0	168.7	48.5	340.8	50.2	2034
João Pereira	202.3	42.2	287.7	41.7	490.0	41.9	2034
Sapecado	90.2	52.7	120.3	53.2	210.5	53.0	2030
Galinheiro	114.1	54.7	180.7	54.0	294.8	54.3	2030
Vargem Grande complex							
Tamanduá	280.3	56.1	203.8	51.3	484.0	54.1	2039
Capitão do Mato	200.2	55.6	558.3	50.6	758.5	51.9	2040
Abóboras	227.4	45.3	217.1	43.3	444.5	44.3	2029
Paraopeba complex							
Jangada	39.1	66.7	14.6	66.3	53.8	66.6	2018
Córrego do Feijão	27.5	67.0	3.3	63.7	30.8	66.7	2014
Capão Xavier	79.8	65.1	8.1	64.3	87.9	65.0	2021
Mar Azul	17.0	58.2	1.5	58.6	18.5	58.2	2016
Total Southern System	1,450.0	52.6	1,764.0	48.9	3,214.0	50.6	

(1) Tonnage is stated in millions of metric tons of run-of-mine. Grade is % of Fe.
(2) Our Company has a 50% equity interest in the Água Limpa/Cururu mine.

Iron ore reserves per mine in the Northern System as at 30 June 2010[3]

	Proven		Probable		Total		Projected exhaustion date
	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	
Serra Norte complex							
N4W	1,212.3	66.5	286.9	66.1	1,499.2	66.4	2028
N4E	285.4	66.5	86.3	66.0	371.7	66.4	2024
N5	381.0	66.8	724.7	67.2	1,105.7	67.1	2028
Serra Sul							
S11	3,045.8	66.8	1,193.7	66.7	4,239.6	66.8	2059
Serra Leste							
SL1	55.7	66.2	5.2	66.4	60.9	66.2	2039
Total Northern System	4,980.3	66.7	2,296.8	66.7	7,277.2	66.7	

Iron ore reserves per mine in Samarco as at 30 June 2010[3]

	Proven		Probable		Total		Projected exhaustion date
	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	
Samarco Norte Centro	706.0	44.2	554.7	40.7	1,260.7	42.7	2052
Samarco Sul	440.0	39.7	382.0	38.5	822.0	39.2	2052
Total Samarco[4]	1,146.0	42.5	936.7	39.8	2,082.7	41.3	

(3) Tonnage is stated in millions of metric tons of run-of-mine. Grade is % of Fe.
(4) Our Company has a 50% equity interest in the Samarco mines.

	Nickel ore reserves as at 30 June 2010 (5)						Projected exhaustion date
	Proven		Probable		Total		
	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	
Canada							
Sudbury	69.5	1.22	47.0	1.15	116.5	1.19	2025
Thompson	8.0	1.93	17.0	1.63	24.9	1.72	2010 - 47
Voisey's Bay	21.4	3.00	3.2	0.66	24.6	2.70	2022
New Caledonia							
Vale New Caledonia (Goro)	100.8	1.35	23.5	1.91	124.3	1.46	2041
Brazil							
Onça Puma	55.1	1.79	27.6	1.62	82.7	1.73	2040
Total	254.8	1.57	118.3	1.47	373.0	1.53	

	Indonesia nickel ore reserves as at 30 June 2010 (5)		Projected exhaustion date
	Proven and Probable		
	Tonnage	Grade	
Indonesia (6)			
Sorowako, Sulawesi	119.0	1.79	2035 (7)
Total	119.0	1.79	

(5) Tonnage is stated in millions of dry metric tons. Grade is % of nickel.
(6) Disclosure is made separately from other nickel reserves to reflect the particular aggregation of proven and probable reserves for Indonesia.
(7) Subject to duration of Contract of Work (as to which see the section of this Listing Document headed "Business-Mining concessions and other related rights").

	Copper ore reserves as at 30 June 2010 (8)						Projected exhaustion date
	Proven		Probable		Total		
	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	
Brazil							
Sossego	100.8	0.97	39.8	0.88	140.6	0.95	2021
Salobo	569.2	0.75	554.1	0.64	1,123.3	0.70	2040
Total	670.0	0.78	593.9	0.66	1,263.9	0.73	

(8) Tonnage is stated in millions of metric tons of run-of-mine. Grade is % of copper.

	Coal ore reserves as at 30 June 2010 (9)					Projected exhaustion date
	Coal type	Proven	Probable	Total		
		(tonnage)		(tonnage)	(calorific value)	
Moatize	Metallurgical & thermal	422	532	954	27.2 (thermal)	2046

(9) Tonnage is stated in millions of metric tons. Reserves are based on in-situ moisture. Calorific value of product coal derived from beneficiation of ROM coal is typically stated in megajoule per kilogramme. Calorific value is used in marketing thermal coal.

STRENGTHS

We believe our success and potential for future growth can be attributed to a combination of the following competitive strengths:

- we have world-class iron ore operations;
- we have integrated logistics systems to strengthen our competitiveness;

- we have a solution-oriented marketing policy with a strong focus on customer service;
- we have a diversified and high-quality portfolio of assets;
- we have a long and successful track record of project operation and development with an experienced management team;
- we have a well-planned long-term growth strategy with a strong project pipeline;
- we have superior financial strength with disciplined capital allocation; and
- we have fully leveraged the strong long-term fundamentals of minerals and metals.

STRATEGIES

Our mission is to transform mineral resources into prosperity and sustainable development. Our vision is to become the largest mining company in the world and to surpass established standards of excellence in research, development, project implementation and business operations. We plan to accomplish our vision through the following strategies:

- maintaining our leadership position in the global iron ore market;
- achieving leadership in the nickel business;
- investing in fertilizer nutrients;
- developing our copper resources;
- investing in coal;
- diversifying and expanding our resource base;
- enhancing our logistics capacity to support our iron ore business; and
- developing energy projects.

FUTURE PLANS AND PROSPECTS

On 28 October 2010, we announced that the Board of Directors had approved the investment budget for 2011, including capital expenditures of US$24,000 million dedicated to sustaining existing operations, research and development and project execution.[(1)]

The capital expenditure budget for 2011 represents an increase of 125.1% over the US$10,662 million invested in the last twelve-month period ended on 30 September 2010. Our investment plan reinforces the focus on organic growth as a priority: 81.3% of the budget is allocated to finance research and development and greenfield and brownfield projects against an average of 74.4% over the last five years.

During 2011 we will invest in the development of a large number of major projects, fifteen of which have already been approved by the Board of Directors. The approved projects include Carajás Additional 30 Mtpy, Conceição Itabiritos, Vargem Grande Itabiritos, Oman, Tubarão VIII, CLN 150, Salobo, Salobo II, Konkola North, Long Harbour, Totten, Moatize, Biofuels, Estreito and Karebbe. We will continue to make sizeable investments in our railroads, maritime terminals, shipping fleet and power generation facilities.

18 large projects are coming on stream between 2010 and 2012, generating cash flow from the US$26,000 million of capital invested over time in their development. The completion of these projects will enhance our capacity to finance our plans for future growth and provide the

(1) The total capital expenditures announced in the investment budget for 2011 cannot be broken down in their entirety by project in this Listing Document on the basis it also includes expenditure dedicated to sustaining existing operations and research and development.

foundation for building new business platforms through the development of low capital expenditure brownfield projects.

Investment budget data

By category	Investment budget (US$ million) 2011	%
Organic growth	19,521	81.3
Projects	17,535	73.0
Research and development	1,986	8.3
Support of existing operations	4,479	18.7
Total	**24,000**	**100.0**

By business area	Investment budget (US$ million) 2011	%
Bulk materials	10,110	42.1
Ferrous minerals	8,522	35.5
Coal	1,588	6.6
Base metals	4,310	18.0
Fertilizers	2,505	10.4
Logistics	5,014	20.9
Power generation	794	3.3
Steel	677	2.8
Others	590	2.5
Total	**24,000**	**100.0**

DIVIDENDS AND DIVIDEND POLICY

Under our dividend policy, the Board of Executive Officers shall announce, no later than 31 January in each year, a proposal to be submitted to the Board of Directors regarding the minimum dividend, expressed in U.S. Dollars, that will be declared according to our Company's expected performance in the year of distribution. The proposal will comprise payment in two semi-annual instalments, in the form of dividends and/or interest on shareholders' equity, to be paid in April and October, respectively in the year of distribution. If approved by the Board of Directors, dividends are converted from U.S. Dollars into and paid in Reais at the Real/U.S. Dollar exchange rate (Ptax – option 5) announced by the Central Bank of Brazil on the last business day in Brazil before the Board meeting that will decide upon the declaration and payment of dividends. The Board of Executive Officers can also propose to the Board of Directors, depending on our cash flow performance, an additional payment to Shareholders of an amount over and above the minimum dividend initially declared. If approved by the Board of Directors, this extra instalment will be paid together with either of the other two instalments previously declared.

Under Brazilian law and the By-laws, we are required to distribute to Shareholders an annual amount equal to not less than 25% of the distributable amount, which is referred to as the minimum dividend, unless the Board of Directors advises Shareholders at our Shareholders' meeting that payment of that amount is inadvisable in light of our financial condition. Under Brazilian law, we are required to hold an annual Shareholders' meeting by April 30 of each year at which an annual dividend can be declared. Additionally, the Board of Directors may declare interim dividends.

HDR Holders should note that cash distributions in respect of Shares underlying the Depositary Receipts might be subject to adjustments for taxes and deductions for certain of the HDR Depositary's expenses. In addition, HDR Holders will also incur charges on any cash distribution made pursuant to the Depositary Agreements. For further details, see the sections in this Listing

Document headed "Listings, terms of Depositary Receipts and Depositary Agreements, registration, dealings and settlement — Share Dividends and Other Distributions and Fees and Expenses."

EXCHANGE RATE FLUCTUATIONS

In the financial years ended 31 December 2007 and 31 December 2009 and the six-month period ended 30 June 2010, we had currency gains of US$1,639 million, US$665 million and US$3 million, respectively; in the financial year ended 31 December 2008, we had currency losses of US$1,011 million. We expect currency fluctuations to continue to affect our financial income, expense and cash flow generation. For details of historic fluctuations in exchange rates, please see the section in this Listing Document headed "Industry overview — Exchange rate fluctuations."

RISK FACTORS

We believe that there are certain risks involved in our operations, some of which are beyond our control. These risks can be broadly categorised into:

(I) risks relating to our business and the industry we operate in;

(II) risks relating to the Introduction;

(III) risks relating to our secondary listing;

(IV) risks relating to our Company; and

(V) risks relating to the Depositary Receipts.

Set out below is a summary of the risks set out above. For further details, please see the section in this Listing Document headed "Risk factors".

Risks relating to our business and the industry we operate in

We believe risks relating to our business and the industry we operate in can be broadly categorised into:

(a) economic risks;

(b) project risks; and

(c) legal, regulatory and political risks.

Economic risks

- The mining industry is highly exposed to the cyclicality of global economic activity and requires significant investments of capital.
- A decline in the demand for steel would adversely affect our business.
- We might not be able to adjust production volume in a timely or cost-efficient manner in response to changes in demand.
- The shift to quarterly pricing based on short-term market references and consequent price volatility for iron ore could adversely affect our iron ore business.
- The prices of nickel and copper, which are actively traded on world commodity exchanges, are subject to significant volatility.
- Increased availability of alternative nickel sources or substitution of nickel from end use applications could adversely affect our nickel business.

- Adverse economic developments in China could have a negative impact on our revenues, cash flow and profitability. Our results of operations are subject, to a significant extent, to political and social developments in China.
- Higher energy costs or energy shortages would adversely affect our business.
- Price volatility, relative to the U.S. Dollar, of the currencies in which we conduct operations could adversely affect our financial condition and results of operations.
- Information in this Listing Document regarding future plans reflects current intentions and is subject to change.

Project risks

- Concessions, authorisations, licences and permits are subject to renewal and various uncertainties and we might only renew some of our mining concessions a limited number of times and for limited periods of time.
- Our reserve estimates might materially differ from mineral quantities that we might actually be able to recover; our estimates of mine life might prove inaccurate; and market price fluctuations and changes in operating and capital costs might render certain reserves uneconomical to mine.
- We report our iron ore reserves in this Listing Document and will report our iron ore and other mineral reserves on a continuing basis after completion of the Introduction under reporting standards which are not one of the prescribed standards under the Listing Rules.
- Drilling and production risks could adversely affect the mining process.
- We face rising extraction costs over time as reserves deplete.
- We might face shortages of equipment, services and skilled personnel.
- Labour disputes might disrupt our operations from time to time.
- Ineffective project management, operational problems or prolonged periods of severe weather conditions could materially and adversely affect our business and results of operations.
- We may not have adequate insurance coverage for some business risks.
- We might not be able to replenish our reserves, which could adversely affect our mining prospects.
- Some of our operations depend on joint ventures or consortia and our business could be adversely affected if our partners fail to observe their commitments.

Legal, regulatory and political risks

- We are involved in various legal proceedings that could have a material adverse effect on our business in the event of an outcome that is unfavourable to us.
- Environmental, health and safety regulation might adversely affect our business.
- Regulatory, political, economic and social conditions in the countries in which we have operations or projects could adversely affect our business and the market prices of our securities.

- We could be adversely affected by changes in government policies, including, but not limited to, the imposition of new taxes, charges or mining royalties.

Risks relating to the Introduction

- An active trading market for the Depositary Receipts on the Stock Exchange might not develop or be sustained, their trading prices might fluctuate significantly and the effectiveness of the liquidity arrangements might be limited.
- Certain of the information and statistics set out in the section in this Listing Document headed "Industry overview" has been extracted from various official sources. No independent verification has been carried out on such information and statistics.

Risks relating to our secondary listing

- The characteristics of the Brazilian and US capital markets and the Hong Kong capital markets are different.
- We are a Brazilian company principally governed by Brazilian laws and regulations.

Risks relating to our Company

- Our controlling shareholder (as defined in the Listing Rules) has control over some actions of our Company and the Brazilian Government has certain veto rights in respect of our Company.
- The By-laws authorise the issue of Shares forming part of the authorised share capital of our Company by the Board without any additional Shareholders' approval.
- Our governance and compliance processes might fail to prevent regulatory penalties and reputational harm.
- It could be difficult for investors to enforce any judgment obtained outside Brazil against us or any of our associates.
- The integration between our Company and those acquisition targets which are a key part of our Company's strategies might prove more difficult than anticipated.

Risks relating to the Depositary Receipts

- **HDR Holders do not have the rights of Shareholders and must rely on the HDR Depositary to exercise on their behalf the rights of a Shareholder.**
- **HDR Holders will experience dilution in their indirect interest in our Company in the event of a private offering which is not extended to them.**
- If HDR Holders exchange Depositary Receipts for Common Shares or Class A Preferred Shares, they may not be able to remit foreign currency from Brazil.
- HDR Holders will be reliant upon the performance of several service providers. Any breach by those service providers of their contractual obligations could have adverse consequences for an investment in Depositary Receipts.
- Withdrawals and exchanges of Depositary Receipts into Common Shares or Class A Preferred Shares traded on BM&FBOVESPA or exchanges of Common Shares and Class A Preferred Shares into ADRs traded on NYSE or NYSE Euronext Paris might adversely affect the liquidity of the Depositary Receipts.

- The time required for Depositary Receipts to be exchanged into Common Shares or Class A Preferred Shares (and vice versa) or for exchange of Common Shares or Class A Preferred Shares into ADRs (and vice versa) might be longer than expected and investors might not be able to settle or effect any sales of their securities during this period.
- Investors are subject to exchange rate risk between *Reais*, Hong Kong Dollars and U.S. Dollars.

Information in this Listing Document regarding future plans reflects current intentions, but is subject to change and should be considered accordingly. See the section in this Listing Document headed "Forward-looking statements".