Holding the Depositary Receipts is subject to a number of risks. Investors should consider carefully all of the information set out in this Listing Document and, in particular, should evaluate the following risks and special considerations associated with: our business and the industry we operate in; the Introduction; our secondary listing; our Company; and the Depositary Receipts. The occurrence of any of the following risks could have a material adverse effect on the business, results of operations, financial condition and future prospects of the Group and cause the market price of Shares and/or the Depositary Receipts representing them to fall significantly.

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.

This information is given as of the date of this Listing Document.

I. 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.

(a) ECONOMIC RISKS

The mining industry is highly exposed to the cyclicality of global economic activity and requires significant investments of capital.

The mining industry is primarily a supplier of industrial raw materials. Industrial production tends to be the most cyclical and volatile component of global economic activity, which might be reflected in instability of demand for minerals and metals. Furthermore, investment in mining requires a substantial amount of funds in order to replenish reserves, expand production capacity, build infrastructure and preserve the environment. Our ability to continue such significant investment, to raise additional financing and to maintain ongoing operations; the market price of the Shares, ADRs and/or Depositary Receipts; and our financial condition and results of operations are all directly related to the demand for, and price of, our mineral and metals products.

A decline in the demand for steel would adversely affect our business

Demand for our most important products depends on global demand for steel. Iron ore and iron ore pellets, which together accounted for approximately 59% of our operating revenues in 2009, are used to produce carbon steel. Nickel, which accounted for approximately 14% of our operating revenues in 2009, is used mainly to produce stainless and alloy steels. Demand for steel depends heavily on global economic conditions and it also depends on a variety of regional and sectoral factors. The prices of different steels and the performance of the global steel industry are highly cyclical and volatile, and these business cycles in the steel industry affect demand and prices for our products. In addition, consolidation in the steel industry could result in vertical backward integration of the steel industry which in turn could reduce the global seaborne trade of iron ore.

We might not be able to adjust production volume in a timely or cost-efficient manner in response to changes in demand.

During periods of high demand, our ability rapidly to increase production capacity is limited, which could render us unable to satisfy our clients' demand for our products. Moreover, we might be unable to complete expansions and greenfield projects in time to take advantage of rising demand for iron ore. When demand exceeds our production capacity, we might meet excess customer demand by purchasing iron ore, iron ore pellets or nickel from joint ventures or unrelated parties and reselling it, which would increase our costs and narrow our operating margins. If we are unable to satisfy excess customer demand in this way, we could lose customers. In addition, operating close to full capacity might expose us to higher costs, including demurrage fees due to capacity restraints in our logistics systems.

Conversely, we might have to operate at significant idle capacity during periods of weak demand. By way of example, during parts of 2009 we suspended iron ore operations in some mines in the Southern and Southeastern Systems in the Brazilian state of Minas Gerais and at our Itabrasco, Hispanobras, Fabrica and São Luis pelletising plants. Operating at significant idle capacity might expose us to higher unit production costs since a significant portion of our cost structure is fixed in the short-term due to the high capital intensity of mining operations. In addition, efforts to reduce costs during periods of weak demand could be limited by labour regulations or previous labour or government agreements.

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.

We have reached agreements, permanent or provisional, with all our iron ore clients around the globe, involving 100% of the sales volumes under contracts, to move from annual benchmark contracts to index-based contracts.

Since the late nineties a notable change started to take place. Emerging economies, those which are involved in structural changes and consequently large metals-intensive expansion in manufacturing, housing and infrastructure, took the lead on a rapid global economic growth path. In particular, China, a high-growth economy, began to bring about significant changes in the global demand for minerals and metals.

The new global growth pattern produced a major change in the dynamics of the iron ore market. Reflecting the structural change in the demand for metals, iron ore seaborne trade grew by an annual average rate of 7.7%, well above the pace of 4.0% per annum for global GDP growth, in the period between 2000 and 2009, and China's share increased to 68% in 2009 from only 2.5% in 1985 and 12% in 1999.

Transactions on a CFR basis increased and a spot market for iron ore developed, expanding continuously and reaching an estimated share of 40% of global seaborne trade in 2009. It now stands at about US$40 billion, twice the size of the global nickel market.

The old benchmark price system for iron ore, based on annual bilateral negotiations, has been replaced by a new system, as agreed with our clients, which establishes a quarterly iron ore price based on a three-month average of price indices for the period ending one month before the onset of the new quarter.

While the new pricing system presently allows us to exploit rising prices for iron ore at a time of increased demand, in a time of decreased demand, iron ore price decline would be reflected in the results of our operations more quickly than under the old annual benchmarking system.

As prices are now on a landed basis, they recognise differences in geographical distance to our operations. Landed prices put us at a competitive disadvantage to those of our competitors who share a closer geographical proximity to our principal target markets, Asia in particular. In order to mitigate this competitive disadvantage, we are building a low-cost portfolio of maritime freight, entailing among other things the launch of a new and more efficient class of ore carriers, with the objective of reducing the level of freight prices and mitigating freight price volatility for our clients.

The prices of nickel and copper, which are actively traded on world commodity exchanges, are subject to significant volatility.

Nickel and copper are sold in an active global market and traded on commodity exchanges, such as LME and NYMEX. Prices for these metals are subject to significant fluctuations and are affected by many factors, including actual and expected global macroeconomic and political conditions, levels of supply and demand, the availability and substitution costs, inventory levels, investments by commodity funds and others and actions of participants in the commodity markets.

Increased availability of alternative nickel sources or substitution of nickel from end use applications could adversely affect our nickel business.

Demand for nickel could be adversely impacted by the substitution of nickel by other materials in present applications. Scrap nickel competes directly with primary nickel as a source of nickel for use in the production of stainless steel, and the choice between them is largely driven by their relative prices and availability. In 2009, the stainless steel scrap ratio fell from 49% to 43%. Nickel pig iron, a product developed by Chinese steel and alloy makers that utilises lateritic nickel ores, competes with other nickel sources in the production of stainless steel. In 2009, estimated nickel pig iron production increased 17%, representing 7% of global nickel output. Demand for primary nickel might be negatively affected by the direct substitution of primary nickel with other materials in current applications. In response to high nickel prices or other factors, producers and consumers of stainless steel could partially shift from stainless steel with high nickel content (series 300) to stainless steel with either lower nickel content (series 200) or no nickel content (series 400), which would adversely affect demand for nickel.

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.

China has been the main driver of global demand for minerals and metals over the last few years. In 2009, Chinese demand represented 68% of global demand for seaborne iron ore, 44% of global demand for nickel and 40% of global demand for copper. The percentage of our operating revenues attributable to sales to consumers in China was 37.6% in 2009. Although China largely withstood the recent global recession, a contraction of Chinese economic growth could result in lower demand for our products, leading to lower revenues, cash flow and profitability. Poor performance in the Chinese real estate sector, one of the largest consumers of carbon steel in China, could also negatively impact our results.

Higher energy costs or energy shortages would adversely affect our business.

Energy costs are a significant component of our production costs, representing 15.6% of our total cost of goods sold in 2009. To fulfil our energy needs, we depend on the following, all measured in percentage proportion of energy needs by tons of oil equivalent (TOE): oil by-products, which represented 39% of total energy needs in 2009; electricity (38%); coal (15%); and natural gas (6%).

Fuel costs represented 9.4% of our cost of goods sold in 2009. Increases in oil and gas prices would adversely affect margins in our logistics services, mining, iron ore pellets and nickel businesses.

Electricity costs represented 6.2% of our total cost of goods sold in 2009. If we are unable to secure reliable access to electricity at acceptable prices, we could be forced to curtail production or could experience higher production costs, either of which would adversely affect our results of operations.

Electricity shortages have occurred in Brazil in the past and could reoccur in the future, and there can be no assurance that the Brazilian Government's policies will succeed in encouraging enough growth in power generation capacity to meet future consumption increases. Future shortages, and government efforts to respond to or prevent shortages, might adversely impact the cost or supply of electricity for our Brazilian operations not relying on our own power generation capacity, which can be electricity-intensive. Changes in the laws, regulations or governmental policies regarding the power sector or concession requirements could reduce our expected returns from our investments in power generation.

Through our subsidiary PTI, we process lateritic nickel ores using a pyrometallurgical process, which is electricity-intensive. Although PTI currently generates the majority of the electricity for its operations from its own hydroelectric power plants, low rainfall or other hydrological factors could adversely affect electricity production at PTI's plants in the future, which could significantly increase the risk of higher costs or lower production volume.

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.

A substantial portion of our revenues and debt is denominated in U.S. Dollars, and changes in exchange rates could result in:

- losses or gains on our net U.S. Dollar-denominated indebtedness and accounts payable; and
- fair value losses or gains on our currency derivatives used to stabilise our cash flow in U.S. Dollars.

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. In addition, the price volatility of the Real, the Canadian Dollar, the Indonesian Rupiah and other currencies against the U.S. Dollar affect our results since most of our costs of goods sold are denominated in currencies other than the U.S. Dollar, principally the Real (64% in 2009) and the Canadian Dollar (16% in 2009), while our revenues are mostly U.S. Dollar-denominated. We expect currency fluctuations to continue to affect our financial income, expense and cash flow generation. For details of historic fluctuations in exchange rates, see the section in this Listing Document headed "Industry overview — Exchange rate fluctuations."

Significant volatility in currency prices might also result in disruption of foreign exchange markets and might limit our ability to transfer or to convert certain currencies into U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal on our indebtedness. The central banks and governments of some of the countries in which we operate do, and might continue to, institute restrictive exchange policies.

Information in this Listing Document regarding future plans reflects current intentions and is subject to change.

Whether we ultimately implement the business plans described in this Listing Document, and whether we achieve the objectives described in this Listing Document, will depend on a number of factors including, but not limited to:

- the availability and cost of capital;
- current and projected prices;
- markets;
- costs and availability of drilling services;
- costs and availability of heavy equipment, supplies and personnel;
- success or failure of activities in similar areas to those in which our projects are situated; and
- changes in estimates of project completion costs.

We will continue to gather information about our projects, and it is possible that additional information will cause us to alter our schedule or determine that a project should not be pursued at all. Accordingly, our plans and objectives might change from those described in this Listing Document. See also the section in this Listing Document headed "Forward-looking statements".

(b) 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.

Some of our mining concessions outside Brazil are subject to fixed expiry dates and might only be renewed a limited number of times for a limited period of time. Apart from mining concessions, we may need to obtain various authorisations, licences and permits from governmental or other regulatory bodies in connection with the operation of our mines, which may be subject to fixed expiry dates or periodic review or renewal. While we anticipate that renewals will be given as and when sought, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith. Fees for mining concessions might increase substantially due to the passage of time from the original issuance of each individual exploration licence. If so, our business objectives might be impeded by the costs of holding and/or renewing our mining concessions. Accordingly, we need to assess continually the mineral potential of each mining concession, particularly at the time of renewal, to determine if the costs of maintaining the mining concessions are justified by the results of operations to date, and might elect to let some of our concessions lapse. There can be no assurance that such concessions will be obtained on terms favourable to us, or at all, for our future intended mining and/or exploration targets.

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.

Our reported ore reserves are estimated quantities of ore and minerals that we have determined can be economically mined and processed under present and anticipated conditions to extract their mineral content.

There are numerous uncertainties inherent in estimating quantities of reserves and in projecting potential future rates of mineral production, including factors beyond our control. Reserve engineering involves estimating deposits of minerals that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgment. As a result, no assurance can be given that the indicated amount of ore will be recovered or that it will be recovered at the rates we anticipate. Estimates may vary, and results of our mining and production subsequent to the date of an estimate may lead to revisions of estimates. Reserve estimates and estimates of mine life may require revisions based on actual production experience and other factors. For example, fluctuations in the market prices of minerals and metals, reduced recovery rates or increased operating and capital costs due to inflation, exchange rates or other factors may render proven and probable reserves uneconomic to exploit and may ultimately result in a restatement of reserves.

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.

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 the reporting standard constituted by SEC's Industry Guide 7. This standard differs in material respects from other reporting standards with which investors might be familiar, including NI 43-101 (being one of the reporting standards accepted under Rule 18.29 of the Listing Rules). The differences between Industry Guide 7 and NI 43-101 include feasibility study requirements; government permit requirements; commodity pricing; the possibility for disclosure of mineral resources as well as mineral reserves; and the qualifications required of those reporting the reserves.

Drilling and production risks could adversely affect the mining process.

Once mineral deposits are discovered, it can take a number of years from the initial phases of drilling until production is possible, during which the economic feasibility of production may change. Substantial time and expenditures are required to:

- establish mineral reserves through drilling;
- determine appropriate mining and metallurgical processes for optimising the recovery of metal contained in ore;
- obtain environmental and other licences;
- construct mining, processing facilities and infrastructure required for greenfield projects; and
- obtain the ore or extract the minerals from the ore.

If a project proves not to be economically feasible by the time we are able to exploit it, we may incur substantial write-offs. In addition, potential changes or complications involving metallurgical and other technological processes arising during the life of a project may result in cost overruns that may render the project not economically feasible.

We face rising extraction costs over time as reserves deplete.

Reserves are gradually depleted in the ordinary course of a given mining operation. As mining progresses, distances to the primary crusher and to waste deposits become longer, pits become steeper and underground operations become deeper. As a result, over time, we usually experience rising unit extraction costs with respect to each mine. Several of our mines have been operating for long periods and we will likely experience rising extraction costs per unit in the future at these operations in particular.

We might face shortages of equipment, services and skilled personnel.

The mining industry has faced worldwide shortages of mining and construction equipment, spare parts, contractors and other skilled personnel during periods of high demand for minerals and metals and intense development of mining projects. We might experience longer lead-times for mining equipment and problems with the quality of contracted engineering, construction and maintenance services. Recruiting, retaining and training qualified personnel is critical to our success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition within the mining industry for such personnel is intense. We compete with other mining companies for highly skilled executives and staff with relevant industry and technical experience, and we might not be able to attract and retain such people. Shortages during peak periods could negatively impact our operations, resulting in higher production or capital expenditure costs, production interruptions, higher inventory costs, project delays and potentially lower production and revenues.

Labour disputes might disrupt our operations from time to time.

A substantial number of our employees, and some of the employees of our subcontractors, are represented by labour unions and are covered by collective bargaining or other labour agreements, which are subject to periodic negotiation. Negotiation might become more difficult in times of higher commodity prices.

The right to strike is recognised in almost all of the countries where we have operations, so that plants in operation or essential projects, both ours and those of our service providers, could be affected by strikes and other stoppages.

A number of our employees at our Canadian nickel operations in Sudbury and Port Colborne, Ontario were on strike in the period from July 2009 to July 2010. Striking employees returned to work in Ontario in the last week of July and the first week of August 2010. A substantial number of employees working in mining and mill operations at Voisey's Bay, Canada have been on strike since August 2009 and continue to be on strike, which had resulted in reduced production from these operations prior to our resumption of full production by June 2010 utilising management, unionised employees who were not on strike and non-unionised staff. For further details, see the section in this Listing Document headed "Business — Employees and labour relations".

Ineffective project management, operational problems or prolonged periods of severe weather conditions could materially and adversely affect our business and results of operations.

Ineffective project management, operational breakdowns or severe weather conditions might require us to suspend or curtail operations, which could generally reduce our productivity. Ineffective project management could mean that the logistics, including plant, machinery and transport, are not in place for continuous operation of our activities. Operational breakdowns could entail failure of critical plant and machinery. For an example of severe weather conditions, in 2009 intense rainfall caused rainwater to leak from our drainage system at the Conceição mine, requiring us to reconstruct the drainage system so as to obtain approval from the state environmental agency. There can be no assurance that ineffective project management, operational problems or severe weather will not occur. Any damages to our projects or delays in our operations caused by ineffective project management, breakdowns or prolonged periods of severe weather could materially and adversely affect our business and results of operations.

We may not have adequate insurance coverage for some business risks.

Our businesses are generally subject to a number of risks and hazards, which could result in damage to, or destruction of, mineral properties, facilities and equipment. The insurance we maintain against risks that are typical in our business may not provide adequate coverage. Insurance against some risks (including liabilities for environmental pollution or certain hazards or interruption of certain business activities) may not be available at a reasonable cost, or at all. As a result, accidents or other negative developments involving our mining, production or transportation facilities could have a material adverse effect on our operations.

We might not be able to replenish our reserves, which could adversely affect our mining prospects.

We engage in mineral exploration, which is highly speculative in nature, involves many risks and frequently is non-productive. Our exploration programmes, which involve significant capital expenditures, might fail to result in the expansion or replacement of reserves depleted by current production. If we do not develop new reserves, we will not be able to sustain our current level of production beyond the remaining lives of our existing mines.

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.

We currently operate important parts of our pelletising, coal and steel businesses through joint ventures with other companies. Important parts of our electricity investments and all of our oil and gas projects are operated through consortia. Our forecasts and plans for these joint ventures and consortia assume that our partners will observe their obligations to make capital contributions, purchase products and, in some cases, provide skilled and competent managerial personnel. If any of our partners fails to observe its commitments, the affected joint venture or consortium might not be able to operate in accordance with its business plans, or we might have to increase the level of our investment to implement these plans. For example, the joint venture company that owns our Vale New Caledonia, formerly Goro, project in New Caledonia has a minority shareholder, Sumic Nickel Netherlands B.V., with a put option to sell us 25%, 50%, or 100% of its shares. Sumic Nickel Netherlands B.V. may exercise the put option if the cost of the project exceeds a certain value agreed between the shareholders and certain other conditions are met.

(c) 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.

We are involved in various legal proceedings in which adverse parties have claimed substantial amounts. Although we are vigorously contesting them, the outcomes of these proceedings are uncertain and may result in obligations that could materially adversely affect our business and the value of the Shares, ADRs and Depositary Receipts. For additional information, please see the section in this Listing Document headed "Business — Legal proceedings". In our consolidated financial statements for the period of nine months ended 30 September 2010 we made an aggregate provision in respect of litigation of US$2,028 million, which represents our Company's view of prudent allowance for the contingencies of outstanding litigation based on the current progress of actions against us and legal advice on the relevant claims. In addition to the contingencies for which we have made provisions, we were defendants in claims as at 30 September 2010 where in our opinion, and based on the advice of our legal counsel, the likelihood of loss was possible but not probable, in the total amount of US$4,343 million and for which no provision has been made.

Environmental, health and safety regulation might adversely affect our business.

Our operations involve the use, handling, discharge and disposal of hazardous materials into the environment and the use of natural resources, and nearly all aspects of our activities, products, services and projects around the world are subject to environmental, health and safety regulations, which may expose us to increased litigation or increased costs. Such regulations require us to obtain environmental licences, permits and authorisations for our operations, and to conduct environmental impact assessments in order to get the approval for our projects and permission for initiating construction. Additionally, all significant changes to existing operations must also undergo the same procedure. Difficulties in obtaining permits may lead to construction delays or cost increases, and in some cases may lead us to postpone or even abandon a project.

Environmental regulation also imposes standards and controls on activities relating to mineral research, mining, pelletising activities, railway and marine services, decommissioning, refining, distribution and marketing of our products. Such regulation may give rise to significant costs and liabilities. In addition, community activist groups and other stakeholders may increase demands for socially responsible and environmentally sustainable practices, which could entail significant costs and reduce our profitability. Private litigation relating to these or other matters may adversely affect our financial condition or cause harm to our reputation.

Environmental regulation in many countries in which we operate has become stricter in recent years and it is possible that more regulation or more aggressive enforcement of existing regulations will adversely affect us by imposing restrictions on our activities and products, creating new requirements for the issuance or renewal of environmental licences, raising our costs or requiring us to engage in expensive reclamation efforts. Concern over climate change and efforts to comply with international undertakings under the Kyoto Protocol could lead governments to impose limits on carbon emissions applicable to our operations, which could adversely affect our operating costs or our capital expenditure requirements. For example, the Brazilian Government passed a carbon emissions law (*Política Nacional de Mudanças Climáticas)* in December 2009 although it has not yet promulgated rules establishing specific limits on carbon emissions from mining activities.

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.

Our financial performance might be negatively affected by regulatory, political, economic and social conditions in countries in which we have significant operations or projects, particularly Argentina, Australia, Brazil, Canada, Colombia, Indonesia, Mozambique, New Caledonia and Peru.

Our operations depend on authorisations and concessions from governmental regulatory agencies of the countries in which we operate. For details about some of the authorisations and concessions upon which our operations depend, see Appendix VII to this Listing Document. We are subject to laws and regulations in many jurisdictions that can change at any time, and changes in laws and regulations might require modifications to our technologies and operations and result in unanticipated capital expenditures.

Actual or potential political changes and changes in economic policy might undermine investor confidence, result in economic slowdowns and otherwise adversely affect the economic and other conditions under which we operate in ways which could have a material adverse affect on our business.

Protesters have taken actions to disrupt our operations and projects and they might continue to do so in future. Although we vigorously defend ourselves from illegal acts, while supporting the communities living near our operations, future attempts by protesters to harm our operations could adversely affect our business.

As the world's largest producer by volume of iron ore and iron ore pellets and a leading producer of nickel, manganese ore and ferroalloys, our Company's mergers and acquisitions activity, together with ordinary contractual arrangements for off-take of our commodities, could be subject to regulatory or anti-trust supervision in many jurisdictions. This could curtail our ability to execute our strategies, whether for acquisitive growth or exploiting our market position in the ordinary course.

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

Mining activities are subject to governmental regulation in the form of, among other obligations, taxes and royalties, which can have an important financial impact on our operations. In the countries which we operate, governments may impose taxes, raise existing taxes and royalties, or change the basis on which they are calculated, in a manner that is unfavourable to us. For details of the present position, please see Appendix VII to this Listing Document.

II. 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.

Following the completion of the Introduction, we cannot assure you that an active trading market for the Depositary Receipts on the Stock Exchange will develop or be sustained. If an active trading market of the Depositary Receipts on the Stock Exchange does not develop or is not sustained after the Introduction, the market price and liquidity of the Depositary Receipts could be materially and adversely affected. As a result, the market price for Depositary Receipts in Hong Kong following the completion of the Introduction might not be indicative of the trading prices of Common Shares and Class A Preferred Shares on BM&FBOVESPA or of the trading prices of ADRs on NYSE or NYSE Euronext Paris, even allowing for currency differences.

It is intended to implement liquidity arrangements (as set out in the section of this Listing Document headed "Listings, terms of Depositary Receipts and Depositary Agreements, registration, dealings and settlement — Liquidity arrangements"). Whilst such arrangements are expected to contribute towards liquidity to meet demand for Depositary Receipts (and therefore, avoid a disorderly market in the Depositary Receipts arising from excess demand for Depositary Receipts not fulfilled in Hong Kong upon and during the initial period following the Introduction), investors should be aware that such liquidity arrangements are subject to the ability to obtain sufficient numbers of Shares underlying Depositary Receipts to meet demand. There is no guarantee that such liquidity arrangements will attain and/or maintain liquidity in the Depositary Receipts at any particular level on the Stock Exchange, nor is there any assurance that the price of the Depositary Receipts in Hong Kong will not exhibit significant volatility.

The liquidity arrangements do not create any obligation to undertake any stock borrowing, trades or other transactions in the Depositary Receipts. Accordingly, there is no guarantee that during the Designated Period, the price at which the Depositary Receipts are traded on the Stock Exchange will reflect the price at which the Common Shares or Class A Preferred Shares are traded on BM&FBOVESPA or at which the ADRs are traded on NYSE or NYSE Euronext Paris, or that any particular volume of Depositary Receipts will trade on the Stock Exchange. The liquidity arrangements are not equivalent to price stabilisation activities which may be undertaken in connection with an initial public offering. The liquidity arrangements will also terminate and cease to continue beyond the Designated Period. Accordingly, there may be volatility in the Hong Kong market after the Designated Period.

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.

We believe that the sources of the information and statistics quoted by reference to those sources in the section in this Listing Document headed "Industry overview" are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading. The information, however, has not been independently verified by us, the Sponsor or any other party involved in the Introduction and no representation is given as to its accuracy.

III. RISKS RELATING TO OUR SECONDARY LISTING

The characteristics of the Brazilian and US capital markets and the Hong Kong capital markets are different.

BM&FBOVESPA, NYSE and the Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of Common Shares and Class A Preferred Shares, and ADRs and Depositary Receipts representing them, might not be the same, even allowing for currency differences. Fluctuations in the price of Common Shares and Class A Preferred Shares due to circumstances peculiar to their local capital markets could materially and adversely affect the price of the Depositary Receipts, and vice versa. Because of the different characteristics of the Brazilian, US and Hong Kong equity markets, the historic market prices of Common Shares, Class A Preferred Shares and ADRs might not be indicative of the performance of our securities (including the Depositary Receipts) after the Introduction.

We are a Brazilian company principally governed by Brazilian laws and regulations.

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 in 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, these 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 rules, regulations and Listing Rules for which we have applied, and been granted, waivers or exemptions by the Stock Exchange and SFC.

Additionally, if any of these waivers or exemptions 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 US. Investors should be aware that it could be difficult to enforce any judgment obtained outside Brazil against us or any of our associates.

IV. 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.

As at the Latest Practicable Date, Valepar was interested in approximately 52.7% of our total Common Shares in issue and 32.4% of our total issued share capital. As a result of its share ownership, Valepar can control the outcome of some actions that require shareholder approval.

For a description of our ownership structure and the Valepar shareholders' agreement, please see the section in this Listing Document headed "Relationship with Valepar".

The Brazilian Government owns all of our 12 Golden Shares, granting it limited veto power over certain corporate actions. For a detailed description of the Brazilian Government's veto powers, see Appendix V to this Listing Document.

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.

As at the Latest Practicable Date, we had 3,256,724,482 Common Shares and 2,108,579,606 Class A Preferred Share in issue (including Shares in treasury). The By-laws authorise the issue of 343,275,518 Common Shares and 5,091,420,394 Class A Preferred Shares additional to those then in issue by the Board without any additional Shareholders' approval. Investors in Depositary Receipts should note the potential dilution to the rights attached to the Common Shares and/or Class A Preferred Shares underlying their Depositary Receipts if the Board should decide to issue any or all of the Shares comprised in the authorised share capital of our Company.

Our governance and compliance processes might fail to prevent regulatory penalties and reputational harm.

We operate in a global environment, and our activities straddle multiple jurisdictions and complex regulatory frameworks with increased enforcement activities worldwide. Our governance and compliance processes, which include the review of internal control over financial reporting, might not prevent future breaches of law, accounting or governance standards. We might be subject to breaches of our Code of Ethical Conduct, business conduct protocols and instances of fraudulent behaviour and dishonesty by our employees, contractors or other agents. Our failure to comply with applicable laws and other standards could subject us to fines, loss of operating licences, concessions, authorisations and permits, and reputational harm.

It could be difficult for investors to enforce any judgment obtained outside Brazil against us or any of our associates.

Our Company is a Brazilian incorporated company and the majority of our officers and the Directors are residents of Brazil. The vast majority of our assets and the assets of our officers and Directors, at any one time, are, and might continue to be, located in jurisdictions outside Hong Kong. As such, it might not be possible for the investors to effect service of process within Hong Kong on the Directors and officers who reside outside Hong Kong. In addition, foreign court orders will be enforceable in the courts of Brazil without a re-examination of the merits only if previously confirmed by the Brazilian Superior Court of Justice, which confirmation will only be granted if such judgment: (a) fulfils all formalities required for its enforceability under the laws of the country where it was issued; (b) was issued by a competent court (x) after due service of process on our Company or (y) after sufficient evidence of our Company's absence has been given, as required under applicable law; (c) is not subject to appeal; (d) was authenticated by a Brazilian consulate in the country in which it was issued and is accompanied by a sworn translation into the Portuguese language; (e) is for a payment of a sum certain; and (f) is not contrary to Brazilian national sovereignty, public policy or good morals. Therefore you might not be able to recover against us or our Directors and officers on judgments of Hong Kong courts predicated upon the laws of Hong Kong.

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.

We may not be able successfully to integrate our acquired businesses. We have grown our business in part through acquisitions, and some of our future growth could depend on acquisitions.

The integration process following the completion of any acquisition by the Company might prove more difficult than anticipated. In addition, if the focus on this process after acquisitions impacts upon the performance of the Group's existing businesses, the results and operations of the Group may be adversely affected. Integration of acquisition targets might take longer than expected and the costs associated with integration of acquisition targets might be higher than anticipated. Completed acquisitions could fail to achieve the increased revenues, costs savings or operational benefits that were anticipated at the time of their conception. Acquisitions could lead to the incurrence of substantial costs as a result of, for example, inconsistencies in standards, controls, procedures and policies between the Group and the acquisition target which could negatively affect our financial condition and results of operations. Management attention could be diverted from ordinary responsibilities to integration issues. The success of any acquisition could also be affected by external factors that are outside the control of the Group, such as competitors' responses to our acquisition strategy.

V. 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 do not have the rights of Shareholders. They only have the contractual rights set forth for their benefit under the Depositary Agreements. HDR Holders are not permitted to vote at Shareholders' meetings, and they may only vote by providing instructions to the HDR Depositary. There is no guarantee that HDR Holders will receive voting materials in time to instruct the HDR Depositary to vote and it is possible that HDR Holders, or persons who hold their HDSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote, although our Company and the HDR Depositary will endeavour to make arrangements to ensure as far as practicable that all HDR Holders will be able to vote. As the HDR Depositary or its nominee will be the registered owner of the Common Shares and Class A Preferred Shares underlying their Depositary Receipts, HDR Holders must rely on the HDR Depositary (or its nominee) to exercise the rights of a Shareholder on their behalf. In addition, HDR Holders will also incur charges on any cash distribution made pursuant to the Depositary Agreements and on transfers of certificated or direct registration Depositary Receipts. For further details, see the section in this Listing Document headed "Listings, terms of Depositary Receipts and Depositary Agreements, registration, dealings and settlement — Fees and Expenses."

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 at any time after the listing of the Depositary Receipts on the Stock Exchange, our Company decides to undertake a private offering (being similar to a rights issue in Hong Kong), it may, based on an assessment of the complexity of the compliance requirements which are applicable in Hong Kong, the time and costs likely to be involved in meeting those requirements, the number of HDR Holders involved and the size of their holdings, decide not to extend the offer of the rights entitlements to the HDR Holders through the HDR Depositary, in which case the HDR Depositary will, if the sale of the rights entitlements is practicable, sell them on BM&FBOVESPA and distribute to the HDR Holders the cash proceeds realised from the sale, or if the sale is not practicable for any reason, such rights entitlements will lapse. In such case, the HDR Holders will suffer a dilution in their indirect ownership and voting interest in the Common Shares or Class A Preferred Shares, as the case may be, as represented by their holding of the Common Depositary Receipts or Class A Preferred Depositary Receipts immediately following the private offering. Even if the HDR Holders receive the cash proceeds realised from the sale of the rights entitlements by the HDR Depositary where such sale is practicable, the proceeds they receive may not be sufficient to compensate them fully for the dilution of their indirect percentage ownership of our Company that may be caused as a result of the private offering.

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.

The Custodian will maintain a registration with the Central Bank of Brazil entitling it to remit only U.S. Dollars outside Brazil for payments of dividends and other distributions relating to the Common HDSs or Class A Preferred HDSs or upon the disposition of the underlying Common Shares or Class A Preferred Shares. If a HDR Holder exchanges its Depositary Receipts for the underlying Shares, it will be entitled to rely on the Custodian's registration for U.S. Dollars for only five Brazilian business days from the date of exchange. Thereafter, a HDR Holder may not be able to obtain and remit foreign currency abroad upon the disposition of, or distributions relating to, the underlying Shares unless it obtains its own registration under Resolution No. 2,689 of the Brazilian National Monetary Council, which permits qualifying institutional foreign investors to buy and sell securities on BM&FBOVESPA. If a HDR Holder attempts to obtain its own registration, it might incur expenses or suffer delays in the application process, which could delay the receipt of dividends or other distributions relating to the underlying Common Shares and Class A Preferred Shares or the return of capital in a timely manner.

We cannot assure HDR Holders that the Custodian's registration, or any other registration, will not be affected by future legislative changes, or that additional restrictions applicable to HDR Holders, the disposition of the underlying Common Shares or Class A Preferred Shares, or the repatriation of the proceeds from disposition, will not be imposed in the future.

HDR Holders will be reliant upon the performance of several service providers. Any breach of those service providers of their contractual obligations could have adverse consequences for an investment in Depositary Receipts.

An investment in Depositary Receipts will depend for its continuing viability on the performance of several service providers, including but not limited to the HDR Depositary, the HDR Registrar, the Custodian and any sub-custodian appointed in respect of the underlying Shares. A failure by any of those service providers to meet their contractual obligations, whether or not by culpable default, could detract from the continuing viability of the Depositary Receipts as an investment. The Company will not have direct contractual recourse against the Custodian, any sub-custodian or the HDR Registrar, hence the potential for redress in circumstances of default will be limited. However, our Company and the HDR Depositary have executed the Deeds Poll in favour of HDR Holders in relation to the exercise by them of their rights as HDR Holders under the Depositary Agreements against our Company or the HDR Depositary. For further details, see the section in this Listing Document headed "Listings, terms of Depositary Receipts and Depositary Agreements, registration, dealings and settlement — The rights accrued to the HDR Holders pursuant to the Deeds Poll."

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 Common Shares and Class A Preferred Shares are presently traded on BM&FBOVESPA and LATIBEX. In addition, the ADRs are presently traded on NYSE and NYSE Euronext Paris. Any HDR Holder may at any time request that the Depositary Receipts it holds be withdrawn and exchanged into Common Shares or Class A Preferred Shares for trading on BM&FBOVESPA and such Common Shares or Class A Preferred Shares can be further exchanged into ADRs for trading on NYSE or NYSE Euronext Paris. Upon the exchange of Depositary Receipts into Common Shares and Class A Preferred Shares or ADRs, the relevant Depositary Receipts will be cancelled. For further details on the procedures for the withdrawal of Depositary Receipts, please see the section in this Listing Document headed "Listings, terms of Depositary Receipts and Depositary Agreements, registration, dealings and settlement — Deposit, withdrawal and cancellation". In the event that a substantial number of Depositary Receipts are withdrawn and exchanged into Common Shares or Class A Preferred Shares or further exchanged into ADRs and subsequently cancelled, the liquidity of the Depositary Receipts on the Stock Exchange might be adversely affected.

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.

There is no direct trading or settlement among the various stock exchanges on which the Common Shares and Class A Preferred Shares, the Depositary Receipts and ADRs are traded. In addition, there are time differences between Brazil, France, Hong Kong, Spain and New York. There might be unforeseen market circumstances or other factors which delay the exchange of Depositary Receipts into Common Shares or Class A Preferred Shares (and vice versa) and the exchange of Common Shares or Class A Preferred Shares into ADRs (and vice versa) and investors will be prevented from settling or effecting the sale of their securities across the various stock exchanges during such periods of delay. In addition, there is no assurance that any exchange of Depositary Receipts into Common Shares or Class A Preferred Shares (and vice versa) and any exchange of Common Shares or Class A Preferred Shares into ADRs (and vice versa) will be completed in accordance with the timelines investors might anticipate.

Investors are subject to exchange rate risk between Reais, Hong Kong Dollars and U.S. Dollars.

The value of an investment in the Depositary Receipts quoted in Hong Kong Dollars and the value of dividend payments in respect of the Depositary Receipts could be affected by fluctuations in the Real/Hong Kong Dollar, the Real/U.S. Dollar and the U.S. Dollar/Hong Kong Dollar exchange rates. For details of historic fluctuations in exchange rates, see the section in this Listing Document headed "Industry overview — Exchange rate fluctuations."