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Vale S.A.

(incorporated in Brazil as a Sociedade por Ações)

(Stock code: 6210 for Common Depositary Receipts)

(Stock code: 6230 for Class A Preferred Depositary Receipts)

PERFORMANCE OF VALE IN 4Q12/2012 (USGAAP)

The following sets out the main text of the announcement published by Vale S.A. on February 27, 2013.

Chief Financial
and
Investor Relations Officer
of
Vale S.A.
Luciano Siani Pires

Hong Kong, February 27, 2013



STARTING TO DELIVER THE TURNAROUND

VALE'S PERFORMANCE IN 2012

BM&F BOVESPA: VALE3, VALE5
NYSE: VALE, VALE.P
HKEx: 6210, 6230
EURONEXT PARIS: VALE3, VALE5
LATIBEX: XVALO, XVALP

Rio de Janeiro, February 27, 2013 – Vale S.A. (Vale) presents its financial performance for the full year of 2012 and its fourth quarter (4Q12).

2012 was challenging for the global economy, which amid heightened uncertainty expanded for the second consecutive year at below trend pace. One of the consequences of the adverse macroeconomic environment was a generalized decline in minerals and metals prices, with the exception of gold, a precious metal whose price performance is influenced by other drivers. Iron ore prices became much more volatile, particularly showing large downward volatility in the third quarter of the year.

Against this backdrop, our financial performance was negatively impacted. Its main indicators dropped significantly in relation to 2011, a year when Vale achieved its best financial results since its incorporation in 1942. Our underlying earnings¹ reached US\$ 11.2 billion against US\$ 23.2 billion in 2011, and adjusted EBITDA was US\$ 19.1 billion, falling 43.3%, but being the third highest in our history. Almost all of the reduction was caused by the lower prices in 2012, given their negative impact of US\$ 13.8 billion on the adjusted EBITDA.

We distributed dividends to shareholders of US\$ 6.0 billion, the second largest ever made by Vale and the largest among big miners. Pursuant to our policy, we announced last month a proposal to the Board of Directors to pay a minimum dividend of US\$ 4.0 billion in 2013, still a fair amount.

Even faced with a decrease in cash flow, in addition to the dividend distribution we were able to finance US\$ 17.7 billion of capital and R&D expenditures while maintaining a capital structure and a low-risk debt portfolio consistent with the requirements for the A credit rating.

The ramp up of Moatize, Oman I & II and Bayóvar allowed for record output of coal, pellets and phosphate rock. Iron ore production in 4Q12 was the biggest for a fourth quarter, contributing to amplify our exposure to the V-shaped recovery of iron ore prices that has been taking place since mid September 2012.

Our iron ore and pellet shipments reached an all-time high figure of 303.4 million metric tons. In addition to the sales increase, our iron ore marketing strategy based on the utilization of a global distribution network is contributing to capture more value through higher sales prices.

We have begun to deliver on the commitments we made.

Immense progress was achieved in environmental permitting, with more than 100 licenses obtained in Brazil. These will allow for the continuation of our operations on a regular basis and the execution of important projects, such as Carajás Serra Sul S11D, which will mean an increased supply of iron ore at lower costs and higher

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¹ Net earnings excluding the effect of non-cash non-recurring items.



quality, the best in the world, creating more value and strengthening our undisputed leadership in the global market.

Simultaneously, we have been gradually solving issues related to tax litigations, an important step change, as it eliminates financial risks and frees resources to focus our attention on managing the business.

Two new copper projects commenced operations in 2012: Salobo and Lubambe. Salobo, in Carajás, a copper with gold operation, is a world-class asset, in the first quartile of the industry cost curve. Lubambe, developed through a joint venture, is our first copper mine in the heart of the rich African copper belt, the area with the largest growth potential in the world for copper supply expansion.

VNC, our nickel & cobalt project in New Caledonia, is ramping up and proving to be technically feasible. The operation of the second line began this month and within a month we will be able to assess its economic viability.

The successful ramp up of projects will be critical to realize the large upside in the performance of our base metals business, alongside various initiatives being developed to extract maximum value from the existing operations.

The transaction involving the sale of 25% of the gold by-product of Salobo for the life of the mine and 70% of the gold by-product of Sudbury for the next 20 years will generate US\$ 1.9 billion in cash in the very short term. Moreover, we will receive warrants valued at US\$ 100 million and US\$ 400 per ounce of gold will be paid to Vale against delivery to our counterpart during the life of the contract. This unlocks part of the substantial value hidden in our base metals assets, demonstrating our firm commitment and capacity to maximize shareholder value on a sustainable basis.

Discipline in capital allocation, a key factor in shareholder value creation, is reflected in the cut in research & development expenditures: they decreased 12% in relation to 2011 and were 35% less than budgeted for 2012. We are refocusing our R&D effort to invest in opportunities with real potential to significantly reward the resources allocated. This will imply a smaller portfolio of projects in the future, taking advantage of our wealth of high quality mineral resources and using technology as a tool to maximize value and to pursue sustainability.

Innovation is becoming an important driver of competitiveness in the global mining industry. The CORE project was implemented at the Sudbury operations, involving a simpler flowsheet with lower operating costs and higher metal recovery. This year, Long Harbour, in Canada, is coming on stream, with a new technological concept for nickel production. It has an integrated hydrometallurgical flowsheet, which entails lower costs, higher efficiency and elimination of emission of SO₂ and particulates. The use of truckless mining in our future operations at Serra Sul S11D is another major technological change that also reconciles the goals of cost minimization and sustainability.

The divestment program of non-core assets is another component of the greater focus on discipline in capital allocation. It produced US\$ 1.5 billion, and simplifies the asset portfolio and concentrates management attention on what is really important for maximizing value.



Several measures were adopted to minimize working capital needs to liberate more capital to help finance the execution of our projects, bringing more efficiency to capital management.

Initiatives to produce a lower cost structure, on a permanent basis, are being actively pursued though some time will be needed to show a material difference from the past. We strongly believe that we are on track to deliver and some early progress can already be seen in the SG&A expenses – which fell by 4.0% against 2011 and by 30.3% in 4Q12 when compared to 4Q11 – and the behavior of materials and outsourced services, two important cost items, that dropped US\$ 251 million in 4Q12 on a quarter-on-quarter basis.

At Vale, passion for people comes first. Health and safety is a key company priority as well as sustainability and support for the communities where we operate. The frequency of accidents remains on a declining trend but we continue to pursue a much safer environment for our employees. In 2012, we invested US\$ 1.0 billion in environmental protection and conservation and US\$ 318 million in social projects, destined to improve quality of life and to provide opportunities for social and economic mobility.

Table 1 - SELECTED FINANCIAL INDICATORS

<i>US\$ million</i>	2008	2009	2010	2011	2012
Operating revenues	38,509	23,939	46,481	60,389	46,454
Adjusted EBIT ¹	15,698	6,057	21,695	28,599	14,279
Adjusted EBIT margin ¹ (%)	41.9	26.0	47.9	48.5	31.5
Adjusted EBITDA ¹	19,018	9,165	26,116	33,759	19,135
Underlying earnings	13,716	4,885	17,550	23,234	11,236
Underlying earnings per share on a fully diluted basis (US\$ / share)	2.71	0.91	3.30	4.43	2.20
Total debt/ adjusted LTM EBITDA ¹ (x)	1.0	2.5	1.0	0.7	1.6
ROIC (%)	33.8	11.6	30.8	36.1	24.4
Capital and R&D expenditures (excluding acquisitions)	10,191	9,013	12,705	17,994	17,729

<i>US\$ million</i>	4Q11	3Q12	4Q12
Operating revenues	14,755	10,963	12,002
Adjusted EBIT ¹	6,023	3,189	2,940
Adjusted EBIT margin ¹ (%)	41.7	29.7	25.1
Adjusted EBITDA ¹	7,396	4,280	4,394
Underlying earnings	4,853	2,233	1,933
Capital and R&D expenditures (excluding acquisitions)	6,686	4,289	5,476

¹ Excluding non-recurring and non-cash items

Except where otherwise indicated the operational and financial information in this release is based on the consolidated figures in accordance with US GAAP and, with the exception of information on investments and behavior of markets, quarterly financial statements are reviewed by the company's independent auditors. The main subsidiaries that are consolidated are the following: Compañía Minera Miski Mayo S.A.C., Ferrovia Centro-Atlântica S.A.(FCA), Ferrovia Norte Sul S.A, Mineração Corumbaense Reunida S.A., PT Vale Indonesia Tbk (formerly International Nickel Indonesia Tbk), Sociedad Contractual Minera Tres Valles, Vale Australia Pty Ltd., Vale International Holdings GMBH, Vale Canada Limited (formerly Vale Inco Limited), Vale Fertilizantes S.A., Vale International S.A., Vale Manganês S.A., Vale Mina do Azul S.A., Vale Moçambique S.A., Vale Nouvelle-Calédonie SAS, Vale Oman Pelletizing Company LLC and Vale Shipping Holding PTE Ltd..

REVENUES

Table 2 - OPERATING REVENUE BY BUSINESS AREAS

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	%	2012	%
Bulk materials	10,983	7,565	8,624	44,948	74.4	33,362	71.8
Ferrous minerals	10,620	7,340	8,422	43,890	72.7	32,270	69.5
Iron ore	8,483	5,541	6,939	35,008	58.0	24,972	53.8
Pellets	1,980	1,687	1,361	8,112	13.4	6,688	14.4
Manganese ore	32	57	72	171	0.3	234	0.5
Ferroalloys	115	55	50	557	0.9	358	0.8
Pellet plant operation services	10	-	-	38	0.1	19	-
Others	-	-	-	4	-	-	-
Coal	363	225	202	1,058	1.8	1,092	2.4
Thermal coal	181	21	21	510	0.8	258	0.6
Metallurgical coal	182	204	181	548	0.9	834	1.8
Base metals	2,363	1,766	1,811	9,628	15.9	7,133	15.4
Nickel	1,265	908	1,015	5,720	9.5	4,145	8.9
Copper	874	650	593	2,547	4.2	2,168	4.7
PGMs	87	90	75	493	0.8	383	0.8
Gold	94	83	90	173	0.3	294	0.6
Silver	19	13	14	218	0.4	63	0.1
Cobalt	23	11	11	94	0.2	55	0.1
Others	-	11	13	-	-	24	0.1
Fertilizer nutrients	856	1,095	930	3,547	5.9	3,777	8.1
Potash	77	78	79	287	0.5	308	0.7
Phosphates	563	783	622	2,395	4.0	2,583	5.6
Nitrogen	199	208	208	782	1.3	801	1.7
Others	17	26	21	83	0.1	85	0.2
Logistics services	420	449	384	1,726	2.9	1,644	3.5
Railroads	300	308	268	1,265	2.1	1,135	2.4
Ports	120	141	116	461	0.8	509	1.1
Others	133	88	253	540	0.9	537	1.2
Total	14,755	10,963	12,002	60,389	100.0	46,454	100.0

Table 3 - OPERATING REVENUE BY DESTINATION

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	%	2012	%
North America	751	468	547	3,177	5.3	2,378	5.1
USA	341	238	277	1,672	2.8	1,334	2.9
Canada	382	229	256	1,403	2.3	1,015	2.2
Mexico	27	-	13	103	0.2	29	0.1
South America	2,749	2,518	2,196	12,022	19.9	9,813	21.1
Brazil	2,487	2,350	2,112	10,914	18.1	9,125	19.6
Others	262	168	84	1,107	1.8	688	1.5
Asia	8,151	5,738	6,818	31,858	52.8	24,614	53.0
China	4,614	3,504	4,926	19,571	32.4	15,783	34.0
Japan	2,002	1,223	960	7,238	12.0	4,790	10.3
South Korea	888	518	458	2,643	4.4	2,099	4.5
Taiwan	422	196	177	1,281	2.1	900	1.9
Others	224	297	297	1,125	1.9	1,042	2.2
Europe	2,567	1,973	1,953	11,437	18.9	8,135	17.5
Germany	774	654	869	3,792	6.3	2,933	6.3
France	191	201	202	801	1.3	657	1.4
Netherlands	113	73	109	627	1.0	371	0.8
UK	363	222	243	1,351	2.2	917	2.0
Italy	415	280	210	1,908	3.2	1,302	2.8
Turkey	65	125	48	413	0.7	362	0.8

Spain	93	100	66	467	0.8	381	0.8
Others	552	317	206	2,078	3.4	1,213	2.6
Middle East	299	141	340	1,075	1.8	1,023	2.2
Rest of the World	238	125	148	820	1.4	492	1.1
Total	14,755	10,963	12,002	60,389	100.0	46,454	100.0

COSTS AND EXPENSES

Table 4 - COGS AND EXPENSES

COGS

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	%	2012	%
Outsourced services	1,044	1,236	1,153	4,244	18.0	4,769	19.6
Cargo freight	293	295	294	1,240	5.3	1,191	4.9
Maintenance of equipment and facilities	214	203	179	790	3.4	792	3.3
Operational Services	194	339	296	877	3.7	1,131	4.7
Others	343	398	385	1,337	5.7	1,656	6.8
Material	887	1,163	995	3,758	15.9	4,263	17.5
Spare parts and maintenance equipment	299	394	301	1,396	5.9	1,417	5.8
Inputs	421	538	514	1,611	6.8	2,018	8.3
Tires and conveyor belts	49	59	59	206	0.9	233	1.0
Others	118	173	121	545	2.3	595	2.4
Energy	756	747	749	3,149	13.4	2,937	12.1
Fuel and gases	536	530	530	2,181	9.3	2,071	8.5
Electric energy	220	217	218	967	4.1	866	3.6
Acquisition of products	563	259	334	2,274	9.6	1,368	5.6
Iron ore and pellets	425	136	115	1,411	6.0	699	2.9
Base metals products	90	91	70	606	2.6	339	1.4
Other products	48	32	148	257	1.1	330	1.4
Personnel	891	885	923	3,138	13.3	3,545	14.6
Depreciation and exhaustion	1,057	932	1,074	3,735	15.8	3,896	16.0
Shared services	97	77	73	399	1.7	303	1.2
Others	731	829	1,159	2,877	12.2	3,211	13.2
Total	6,025	6,128	6,459	23,573	100.0	24,292	100.0

SG&A, R&D and other expenses

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	%	2012	%
Total administrative	742	472	517	1,998	29.3	1,951	26.5
Personnel	228	195	216	717	10.5	806	10.9
Services	238	118	144	527	7.7	489	6.6
Depreciation	53	64	68	211	3.1	240	3.3
Others	223	95	89	543	8.0	416	5.6
Selling	85	47	59	336	4.9	288	3.9
SG&A	827	519	577	2,334	34.2	2,240	30.4
Research and development	529	360	460	1,674	24.6	1,478	20.1
Pre-operating, stoppage and start up expenses	488	364	585	1,293	19.0	1,592	21.6
Others	535	707	702	1,517	22.2	2,055	27.9
Total¹	2,379	1,950	2,323	6,818	100.0	7,365	100.0

¹ Does not include gain/loss on sale of assets

CASH GENERATION

Adjusted EBITDA reconciliation

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Adjusted EBITDA¹	7,396	4,280	4,394	33,759	19,135
Impairment on assets	-	-	(4,023)	-	(4,023)
Loss(gain) on sale of assets	-	-	(114)	1,513	(491)
CFEM provision		(542)			(542)
Adjusted EBITDA, including non-recurring items	7,396	3,738	257	35,272	14,079

Table 5 - ADJUSTED EBITDA¹

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Net operating revenues	14,427	10,725	11,723	58,990	45,395
COGS	(6,025)	(6,128)	(6,459)	(23,573)	(24,292)
SG&A	(827)	(519)	(577)	(2,334)	(2,240)
Research and development	(529)	(360)	(460)	(1,674)	(1,478)
Other operational expenses	(1,023)	(529)	(1,287)	(2,810)	(3,106)
Adjusted EBIT ¹	6,023	3,189	2,940	28,599	14,279
Depreciation, amortization & exhaustion	1,168	1,066	1,191	4,122	4,396
Dividends received	205	25	263	1,038	460
Adjusted EBITDA ¹	7,396	4,280	4,394	33,759	19,135

¹ Excluding non-recurring effects**Table 6 - ADJUSTED EBITDA BY BUSINESS AREA¹**

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Bulk materials	7,044	4,309	4,415	31,462	19,059
Ferrous minerals	7,154	4,375	4,587	31,630	19,333
Coal	(110)	(66)	(172)	(168)	(274)
Base metals	700	168	213	3,329	1,052
Fertilizer nutrients	203	201	188	794	741
Logistics	34	35	12	259	53
Others	(585)	(433)	(434)	(2,085)	(1,770)
Total	7,396	4,280	4,394	33,759	19,135

¹ Excluding non-recurring effects

INVESTMENTS

Table 7 - TOTAL INVESTMENT BY CATEGORY

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	%	2012	%
Organic growth	4,692	3,161	3,863	13,426	74.6	13,113	74.0
Projects	4,112	2,797	3,386	11,684	64.9	11,580	65.3
R&D	579	364	477	1,742	9.7	1,533	8.6
Stay-in-business	1,995	1,128	1,614	4,568	25.4	4,616	26.0
Total	6,686	4,289	5,476	17,994	100.0	17,729	100.0

Table 8 - TOTAL INVESTMENT BY BUSINESS AREA

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	%	2012	%
Bulk materials	3,805	2,376	2,970	9,504	52.8	9,705	54.7
Ferrous minerals	3,415	2,084	2,556	8,307	46.2	8,453	47.7
Coal	391	292	414	1,197	6.7	1,252	7.1

Base metals	1,293	1,019	1,241	4,081	22.7	4,179	23.6
Fertilizer nutrients	590	531	607	1,346	7.5	1,981	11.2
Logistics services	161	135	239	1,190	6.6	600	3.4
Power generation	315	69	175	820	4.6	388	2.2
Steel	299	36	68	460	2.6	366	2.1
Others	224	123	177	592	3.3	511	2.9
Total	6,686	4,289	5,476	17,994	100.0	17,729	100.0

TOTAL INVESTMENT BY BUSINESS AREA - 2012

	Projects		R&D		Stay-in-business		Total	
	US\$ million	%	US\$ million	%	US\$ million	%	US\$ million	%
Bulk materials	6,690	57.8	672	43.9	2,342	50.7	9,704	54.7
Ferrous minerals	5,747	49.6	570	37.2	2,135	46.2	8,452	47.7
Coal	943	8.1	102	6.6	207	4.5	1,252	7.1
Base metals	2,491	21.5	485	31.7	1,202	26.0	4,179	23.6
Fertilizer nutrients	1,467	12.7	144	9.4	370	8.0	1,981	11.2
Logistics services	298	2.6	8	0.5	293	6.4	600	3.4
Power generation	286	2.5	96	6.3	6	0.1	388	2.2
Steel	348	3.0	18	1.2	-	-	366	2.1
Others	(0)	(0.0)	109	7.1	403	8.7	512	2.9
Total	11,580	100.0	1,533	100.0	4,616	100.0	17,729	100.0

- **Main approved projects under construction**

The pipeline of main projects approved by the Board of Directors, and under construction, is detailed in this section. Estimated start-up dates may be revised due to changes caused by several factors, including delays in environmental permits.

Project	Estimated start-up	Executed capex US\$ million		Expected capex US\$ million		Status ¹
		2012	Total	2013	Total	
IRON ORE MINING AND LOGISTICS						
Carajás Additional 40 Mtpy	2H13	957	2,473	548	3,475	Final stage of electromechanical assembly of the processing plant and loading line. Assembly of the steel structure for the screening phase. Issuance of operation license (LO) expected for 2H13. 85% of physical progress of mine and plant.
Construction of an iron ore dry processing plant, located in Carajás, Pará, Brazil. Estimated nominal capacity of 40 Mtpy.						
CLN 150 Mtpy	1H13 to 2H14	1,013	3,261	498	4,114	First ship berthed and first ship loader test of Pier IV done. Performed operational tests with the car dumpers, reclaimers and a
Increase Northern system railway and port capacity, including the construction of a fourth pier at						

Project	Estimated start-up	Executed capex US\$ million		Expected capex US\$ million		Status ¹
		2012	Total	2013	Total	
<p>the Ponta da Madeira maritime terminal, located in Maranhão, Brazil.</p> <p>Increase EFC's estimated nominal logistics capacity to approximately 150 Mtpy.</p>						<p>stacker. Concluded the rail access to the car dumpers.</p> <p>Required railway installation licenses (LI) issued. Operation license (LO) for the port onshore and offshore expected for 1H13.</p> <p>86% of physical progress.</p>
<p>Carajás Serra Sul S11D</p> <p>Development of a mine and processing plant, located in the Southern range of Carajás, Pará, Brazil.</p> <p>Estimated nominal capacity of 90 Mtpy.</p>	2H16	739	1,813	658	8,039	<p>Finished construction of the access road. Continuing the off-site assembly of modules and still receiving equipment for the truckless mining system.</p> <p>Issuance of installation license (LI) expected for 1H13.</p> <p>41% of physical progress.</p>
<p>Conceição Itabiritos</p> <p>Construction of a concentration plant, in the Southeastern System, Minas Gerais, Brazil.</p> <p>Estimated additional nominal capacity of 12 Mtpy. 100% pellet feed, with 67.7% Fe content and 0.8% silica.</p>	2H13	228	781	208	1,174	<p>Project in the final phase of electromechanical assembly.</p> <p>Operational license (LO) for the plant expected for 1H13.</p> <p>95% of physical progress.</p>
<p>Vargem Grande Itabiritos</p> <p>Construction of new iron ore processing plant, in the Southern System, Minas Gerais, Brazil.</p> <p>Estimated additional nominal capacity of 10 Mtpy. 100% pellet feed, with 67.8% Fe content and 1.2% silica.</p>	1H14	487	916	518	1,645	<p>The civil engineering work of the main areas was finalized and the installation of steel structures for the screening building is in progress.</p> <p>Operation license expected for 2H13.</p> <p>76% of physical progress.</p>
<p>Conceição Itabiritos II</p> <p>Adaptation of the plant to process low-grade itabirites from Conceição, located in the Southeastern system, Minas Gerais, Brazil.</p> <p>Estimated nominal capacity of 19 Mtpy, without additional capacity. 31.6% sinter feed, with 66.5% Fe content and 3.8% of silica, and 68.4% pellet feed, with 68.8% Fe content and 0.9% silica.</p>	2H14	265	424	197	1,189	<p>Mills assembly in progress. Commissioning of the hematite primary crushing concluded.</p> <p>Installation licenses (LI) issued.</p> <p>58% of physical progress.</p>

Project	Estimated start-up	Executed capex US\$ million		Expected capex US\$ million		Status ¹
		2012	Total	2013	Total	
<p>Serra Leste</p> <p>Construction of new processing plant, located in Carajás, Pará, Brazil.</p> <p>Estimated nominal capacity of 6 Mtpy.</p>	2H14	149	292	166	478	<p>Continuing the civil engineering and assembly of steel structures of the beneficiation plant. Road and railroad construction are in progress.</p> <p>Re-sequenced start-up to alleviate pressure on resources.</p> <p>Installation licenses (LI) issued.</p> <p>59% of physical progress.</p>
<p>Cauê Itabiritos</p> <p>Adaptation of the plant to process low-grade itabirites from Minas do Meio, located in the Southeastern system, Minas Gerais, Brazil.</p> <p>Estimated nominal capacity of 24 Mtpy, with net additional capacity of 4 Mtpy in 2017. 29% sinter feed, with 65.3% Fe content and 4.4% of silica, and 71% pellet feed, with 67.8% Fe content and 2.8% silica.</p>	2H15	98	119	206	1,504	<p>Ongoing earthworks and civil engineering work.</p> <p>Preliminary and installation licenses (LP/LI) for new primary crusher expected for 1H14.</p> <p>15% of physical progress.</p>
<p>Simandou I – Zogota</p> <p>Development of the Zogota mine and processing plant in Simandou South, Guinea.</p> <p>Estimated nominal capacity of 15Mtpy.</p>	Under review	298	507	9	1,260	Scope and schedule under review.
<p>Teluk Rubiah</p> <p>Construction of a maritime terminal with enough depth for the 400,000 dwt vessels and a stockyard. Located in Teluk Rubiah, Malaysia.</p> <p>Stockyard capable of handling up to 30 Mtpy of iron ore products.</p>	1H14	298	513	443	1,371	<p>Earthworks in final stage. Continuing the main jetty construction, with majority of the piles driven.</p> <p>Issuance of operation license expected for 1H14.</p> <p>54% of physical progress.</p>
PELLET PLANTS						
<p>Tubarão VIII</p> <p>Eighth pellet plant at our existing site at the Tubarão Port, Espírito Santo, Brazil.</p> <p>Estimated nominal capacity of 7.5 Mtpy.</p>	1H13	277	889	158	1,088	<p>The assembly of furnace refractory was finalized. Commissioning of the equipment in progress.</p> <p>Issuance of operation license (LO) expected for 1H13.</p> <p>91% of physical progress.</p>

Project	Estimated start-up	Executed capex US\$ million		Expected capex US\$ million		Status ¹
		2012	Total	2013	Total	
<p>Samarco IV²</p> <p>Construction of Samarco's fourth pellet plant, and expansion of mine, pipeline and maritime terminal infrastructure. Vale has a 50% stake in Samarco.</p> <p>Estimated nominal capacity of 8.3 Mtpy, increasing Samarco's capacity to 30.5 Mtpy.</p>	1H14	-	-	-	1,693	<p>Mechanical equipment and steel structure assembly, and civil engineering work in progress.</p> <p>71% of physical progress of the pellet plant. Budget fully sourced by Samarco.</p>
COAL MINING AND LOGISTICS						
<p>Moatize II</p> <p>New pit and duplication of the Moatize CHPP, as well as all related infrastructure, located in Tete, Mozambique.</p> <p>Nominal capacity of 11 Mtpy (70% coking coal and 30% thermal).</p>	2H15	383	456	344	2,068	<p>Ongoing civil engineering work in the stockyard and primary crusher.</p> <p>27% of physical progress.</p>
<p>Nacala corridor</p> <p>Railway and port infrastructure connecting Moatize site to the Nacala-à-Velha maritime terminal, located in Nacala, Mozambique.</p> <p>Estimated nominal capacity of 18 Mtpy.</p>	2H14	371	409	1,079	4,444	<p>Ongoing earthwork services on rail spur and on onshore port. Receiving offshore equipment for the port construction.</p> <p>12% and 15% of physical progress in railway and port respectively.</p>
COPPER MINING						
<p>Salobo II</p> <p>Salobo expansion, raising height of tailing dam and increase in mine capacity, located in Marabá, Pará, Brazil.</p> <p>Additional estimated nominal capacity of 100,000 tpy of copper in concentrate.</p>	1H14	407	760	401	1,707	<p>Civil engineering work of floating, milling and crushing is completed. Electromechanical assembly of equipment in these areas is in progress.</p> <p>Issuance of plant operation license (LO) expected for 1H14.</p> <p>68% of physical progress.</p>
NICKEL MINING AND REFINING						
<p>Long Harbour</p> <p>Hydrometallurgical facility. Located in Long Harbour, Newfoundland and Labrador, Canada.</p> <p>Estimated nominal capacity for refining 50,000 tpy of finished</p>	2H13	1,457	3,156	1,094	4,250	<p>Infrastructure and civil engineering work are substantially complete. Project is moving towards final stages of electromechanical assembly and commissioning.</p> <p>84% of physical progress.</p>

Project	Estimated start-up	Executed capex US\$ million		Expected capex US\$ million		Status ¹
		2012	Total	2013	Total	
nickel, and associated copper and cobalt.						
Totten Nickel mine (re-opening) in Sudbury, Ontario, Canada. Estimated nominal capacity of 8,200 tpy.	2H13	138	540	171	759	Return air raise and mine dewatering systems completed. 76% of physical progress.
POTASH MINING AND LOGISTICS						
Rio Colorado Investments in a solution mining system, located in Mendoza, Argentina, renovation of railway tracks (440 km), construction of a railway spur (350 km) and a maritime terminal in Bahia Blanca, Argentina. Estimated nominal capacity of 4.3 Mtpy of potash (KCl).	Under review	1,403	2,229	611	5,915	Project under review. 45% of physical progress.
ENERGY						
Biodiesel Project to produce biodiesel from palm oil. Plantation of 80,000 ha of palm trees. Located in Pará, Brazil. Estimated nominal capacity of 360,000 tpy of biodiesel.	2H15	83	427	75	633	Conducting earthworks for biodiesel plant and second palm oil plant. First palm oil plant commissioned and operating. Installation license (LI) expected for 2H13 and operation license for 2H15.
STEELMAKING						
CSP² Development of a steel slab plant in partnership with Dongkuk and Posco, located in Ceará, Brazil. Vale holds 50% of the joint venture. Estimated nominal capacity of 3.0 Mtpy.	1H15	294	576	439	2,648	Earthworks on site in final stage. Pile driving in progress. 20% of physical progress.

¹ as of December 2012.

² Realized and expected capex are relative to Vale's stake in the projects.

DEBT INDICATORS

Table 9 - DEBT INDICATORS

US\$ million 4Q11 3Q12 4Q12

Total debt	23,143	29,211	30,546
Net debt	19,612	20,575	24,468
Total debt / adjusted LTM EBITDA ¹ (x)	0.7	1.3	1.6
Adjusted LTM EBITDA ¹ / LTM interest expenses (x)	29.5	18.7	14.6
Total debt / EV (%)	17.4	25.3	22.5

¹ Excluding non-recurring and non-cash items

PERFORMANCE OF THE BUSINESS SEGMENTS

Bulk materials

Ferrous minerals

**Table 10 - FERROUS MINERALS BUSINESS PERFORMANCE
VOLUME SOLD BY DESTINATION – IRON ORE AND PELLETS**

<i>'000 metric tons</i>	4Q11	3Q12	4Q12	2011	%	2012	%
Americas	10,646	9,677	9,618	47,056	15.7	41,342	13.6
Brazil	8,856	8,066	8,729	40,212	13.4	35,612	11.7
Steel mills and pig iron producers	7,947	8,001	8,729	35,741	11.9	33,235	11.0
JVs pellets	909	65	-	4,471	1.5	2,376	0.8
USA	268	181	-	571	0.2	880	0.3
Others	1,522	1,430	889	6,273	2.1	4,851	1.6
Asia	54,077	52,269	59,550	186,523	62.4	200,895	66.2
China	38,023	38,344	46,706	131,870	44.1	148,746	49.0
Japan	9,011	8,487	7,352	32,991	11.0	30,227	10.0
South Korea	5,044	3,868	4,147	15,187	5.1	16,136	5.3
Others	1,999	1,570	1,345	6,474	2.2	5,786	1.9
Europe	12,949	14,007	12,510	56,508	18.9	51,805	17.1

Germany	5,017	4,185	5,247	22,213	7.4	19,321	6.4
United Kingdom	1,091	1,169	1,223	3,653	1.2	3,527	1.2
France	1,385	1,840	1,945	5,333	1.8	5,760	1.9
Italy	2,715	2,771	1,513	11,399	3.8	9,870	3.3
Turkey	509	1,202	338	2,702	0.9	3,080	1.0
Spain	419	656	390	2,643	0.9	2,798	0.9
Netherlands	847	767	791	3,983	1.3	2,754	0.9
Others	967	1,417	1,063	4,582	1.5	4,695	1.5
Middle East	1,925	1,577	2,177	5,258	1.8	6,732	2.2
Rest of the World	1,149	641	969	3,803	1.3	2,669	0.9
Total	80,746	78,171	84,824	299,148	100.0	303,443	100.0

OPERATING REVENUE BY PRODUCT

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Iron ore	8,483	5,541	6,939	35,008	24,972
Pellet plant operation services	10	-	-	38	19
Pellets	1,980	1,687	1,361	8,112	6,688
Manganese ore	32	57	72	171	234
Ferroalloys	115	55	50	557	358
Others	-	-	-	4	-
Total	10,620	7,340	8,422	43,890	32,270

AVERAGE SALE PRICE

<i>US\$/ metric ton</i>	4Q11	3Q12	4Q12	2011	2012
Iron ore	121.38	83.69	93.66	136.07	96.77
Pellets	182.39	140.98	126.73	193.79	147.37
Manganese ore	180.79	127.80	152.22	165.70	134.10
Ferroalloys	1,474.36	1,774.19	1,470.59	1,443.01	1,340.82

VOLUME SOLD

<i>'000 metric tons</i>	4Q11	3Q12	4Q12	2011	2012
Iron ore	69,890	66,205	74,085	257,287	258,061
Pellets	10,856	11,966	10,739	41,861	45,382
Manganese ore	177	446	473	1,032	1,745
Ferroalloys	78	31	34	386	267

NEW FREIGHT ACCOUNTING PRACTICE

In the last decade, our iron ore and pellet sales were sold mostly on an FOB basis. However, the Great Recession resulted in a fundamental shift in Vale's commercial strategy. Transactions on cost and freight basis increased and the spot market for iron ore developed, expanding continuously.

In 2009, we started to implement a new marketing policy, involving among other things a more flexible stance towards iron ore pricing, sales on a CFR basis and the enlargement of our client base in China. This also included the development of a low-cost portfolio of maritime freight that will continue to increase through very large ore carriers (VLOCs) and long-term affreightment contracts with shipping companies. Additionally, iron ore blending and distribution centers (DCs) and floating transfer stations (FTS) are another element of the distribution strategy.

So to reach capacity to negotiate products delivered in the clients' ports - the current point of sale - our role evolved from being just an agent to becoming the manager of hired freight. Therefore, we decided to reflect this new condition and adjust the accounting treatment for the freight cost of hired vessels in our financial statements. Operating revenues will no longer be net of this freight cost, and consequently it will be added

to COGS, in the same way our own vessels and transportation to DCs and FTSs have been treated.

For comparison consistency, the current press release was not adjusted for the new accounting practice, although it is applied to the financial statements as of December 31st, 2012. The new accounting practice for freight cost will be fully incorporated in our Financial Performance Report starting in 1Q13, along with the adoption of IFRS as the sole reporting standard.

In order to understand the changes we will present the 2011 and 2012 figures before and after the new practice.

SELECTED FINANCIAL INDICATORS						
	2011			2012		
	Before new practice	New practice adjustments	After new practice	Before new practice	New practice adjustments	After new practice
<i>US\$ million</i>						
Operating revenues	60,389	1,956	62,345	46,454	2,299	48,753
Adjusted EBIT margin excluding non-recurring items(%)	48.5	-	46.9	31.5	-	29.9

REVENUES BY PRODUCT						
	2011			2012		
	Before new practice	New practice adjustments	After new practice	Before new practice	New practice adjustments	After new practice
<i>US\$ million</i>						
Bulk materials	44,948	1,956	46,904	33,362	2,299	35,662
Ferrous minerals	43,890	1,956	45,846	32,270	2,299	34,570
Iron ore	35,008	1,902	36,910	24,972	2,230	27,202
Pellets	8,112	54	8,166	6,688	69	6,757
Manganese ore	171	-	171	234	-	234
Ferroalloys	557	-	557	358	-	358
Pellet plant operation services	38	-	38	19	-	19
Others	4	-	4	0	-	0
Coal	1,058	-	1,058	1,092	-	1,092
Base metals	9,628	-	9,628	7,133	-	7,133
Fertilizer nutrients	3,547	-	3,547	3,777	-	3,777
Logistics services	1,726	-	1,726	1,644	-	1,644
Others	540	-	540	537	-	537
Total	60,389	1,956	62,345	46,454	2,299	48,753

SELECTED FINANCIAL INDICATORS						
	2011			2012		
	Before new practice	New practice adjustments	After new practice	Before new practice	New practice adjustments	After new practice
<i>US\$ million</i>						
Personnel	3,138	-	3,138	3,545	-	3,545

Material	3,758	-	3,758	4,263	-	4,263
Gas and Energy	3,149	-	3,149	2,937	-	2,937
Acquisition of products	2,274	-	2,274	1,368	-	1,368
Outsourced services	4,244	-	4,244	4,769	-	4,769
Freight	295	1,956	2,251	502	2,299	2,801
Depreciation	3,735	-	3,735	3,896	-	3,896
Shared services	399	-	399	303	-	303
Others	2,581	-	2,581	2,710	-	2,710
Total COGS	23,573	1,956	25,529	24,292	2,299	26,591

Coal

**Table 11 - COAL BUSINESS PERFORMANCE
OPERATING REVENUE BY PRODUCT**

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Thermal coal	181	21	21	510	258
Metallurgical coal	182	204	181	548	834
Total	363	225	202	1,058	1,092

AVERAGE SALE PRICE

<i>US\$/ metric ton</i>	4Q11	3Q12	4Q12	2011	2012
Thermal coal	100.71	90.91	93.57	95.54	82.39
Metallurgical coal	220.27	177.97	132.49	235.27	171.38

VOLUME SOLD

<i>'000 metric tons</i>	4Q11	3Q12	4Q12	2011	2012
Thermal coal	1,796	229	228	5,342	3,134
Metallurgical coal	829	1,148	1,364	2,330	4,864

Table 12 - BULK MATERIALS: SELECTED FINANCIAL INDICATORS

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Adjusted EBIT margin¹ (%)					
Bulk materials					
Ferrous minerals	60.5	51.9	44.6	66.1	52.2
Coal	(61.4)	(52.4)	(146.0)	(45.7)	(59.2)
Adjusted EBIT¹					
Bulk materials	6,090	3,637	3,399	27,987	15,923
Ferrous minerals	6,313	3,755	3,694	28,471	16,570
Coal	(223)	(118)	(295)	(484)	(647)
Adjusted EBITDA¹					

Bulk materials	7,044	4,309	4,415	31,462	19,059
Ferrous minerals	7,154	4,375	4,587	31,630	19,333
Coal	(110)	(66)	(172)	(168)	(274)
Costs and expenses¹					
Bulk materials	(4,180)	(3,362)	(4,552)	(14,299)	(14,897)
Ferrous minerals	(3,678)	(3,043)	(4,129)	(12,921)	(13,356)
Coal	(502)	(319)	(423)	(1,378)	(1,541)

¹ Excluding non-recurring items

Base metals

**Table 13 - BASE METALS BUSINESS PERFORMANCE
OPERATING REVENUE BY PRODUCT**

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Nickel	1,265	908	1,015	5,720	4,145
Copper	874	650	593	2,547	2,168
PGMs	87	90	75	493	383
Gold	94	83	90	173	294
Silver	19	13	14	218	63
Cobalt	23	11	11	94	55
Others	-	11	13	-	24
Total	2,363	1,766	1,811	9,628	7,133
AVERAGE SALE PRICE					
<i>US\$/ metric ton</i>	4Q11	3Q12	4Q12	2011	2012
Nickel	18,333.33	16,509.09	17,500.00	22,680.41	17,866.38
Copper	7,711.71	7,351.83	7,510.35	8,420.73	7,595.44
Platinum (US\$/oz)	1,489.93	1,539.61	1,670.11	1,716.81	1,590.87
Gold (US\$/oz)	1,686.20	1,717.42	1,736.23	1,558.55	1,755.52
Silver (US\$/oz)	26.66	32.31	36.83	31.64	33.82
Cobalt (US\$/lb)	12.96	11.55	10.97	15.63	12.27
VOLUME SOLD					
<i>'000 metric tons</i>	4Q11	3Q12	4Q12	2011	2012
Nickel	69	55	58	252	232
Copper	113	88	79	302	285
Gold ('000 oz)	56	48	52	198	168
Silver ('000 oz)	720	411	391	2,626	1,862
PGMs ('000 oz)	110	98	77	446	386
Cobalt (metric ton)	805	432	455	2,721	2,033
SELECTED FINANCIAL INDICATORS					
<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012

Adjusted EBIT margin ¹ (%)	3.1	(19.8)	(17.9)	13.5	(14.6)
Adjusted EBIT ¹	73	(350)	(324)	1,292	(1,044)
Adjusted EBITDA ¹	700	168	213	3,329	1,052
Costs and expenses ¹	(1,797)	(1,706)	(1,674)	(6,735)	(6,528)

¹ Excluding non-recurring items

Fertilizer nutrients

Table 14 - FERTILIZER NUTRIENTS BUSINESS PERFORMANCE
OPERATING REVENUE BY PRODUCT

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Potash	77	78	79	287	308
Phosphates	563	783	622	2,395	2,583
Nitrogen	199	208	208	782	801
Others	17	26	21	83	85
Total	856	1,095	930	3,547	3,777

AVERAGE SALE PRICE

<i>US\$/ metric ton</i>	4Q11	3Q12	4Q12	2011	2012
Potash	534.72	534.25	552.45	505.28	530.12
Phosphates					
MAP	664.45	656.50	646.89	679.65	646.58
TSP	531.61	532.93	526.59	585.98	526.67
SSP	275.74	288.87	299.00	281.53	268.58
DCP	638.51	599.98	593.50	679.63	628.36
Phosphate rock	119.45	135.34	116.35	112.80	124.82
Nitrogen	654.25	624.62	624.62	612.01	597.01

VOLUME SOLD

<i>'000 metric tons</i>	4Q11	3Q12	4Q12	2011	2012
Potash	144	146	143	568	581
Phosphates					
MAP	294	362	310	907	1,221
TSP	111	245	142	594	713
SSP	458	753	501	2,501	2,446
DCP	128	120	124	556	474
Phosphate rock	754	798	954	2,652	3,314
Others phosphates	39	76	43	164	194
Nitrogen	304	333	333	1,278	1,342

SELECTED FINANCIAL INDICATORS

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Adjusted EBIT margin ¹ (%)	10.2	4.3	3.7	7.0	4.7
Adjusted EBIT ¹	82	45	33	232	169
Adjusted EBITDA ¹	203	201	188	794	741
Costs and expenses ¹	(640)	(867)	(736)	(2,632)	(2,938)

¹ Excluding non-recurring items

Logistics services

Table 15 - LOGISTICS BUSINESS PERFORMANCE

OPERATING REVENUE BY PRODUCT

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Railroads	300	308	268	1,265	1,135
Ports	120	141	116	461	509
Total	420	449	384	1,726	1,644

VOLUME SOLD

<i>'000 metric tons</i>	4Q11	3Q12	4Q12	2011	2012
Railroads (million ntk)	5,192	8,036	7,336	23,248	26,229
Ports	6,811	5,481	4,022	25,922	21,236

SELECTED FINANCIAL INDICATORS

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Adjusted EBIT margin (%)	(17.2)	(6.6)	(17.0)	(6.3)	(14.2)
Adjusted EBIT	(60)	(25)	(54)	(91)	(197)
Adjusted EBITDA	34	35	12	259	53
Costs and expenses	(347)	(349)	(310)	(1,318)	(1,346)

FINANCIAL INDICATORS OF NON-CONSOLIDATED COMPANIES

For selected financial indicators of the main non-consolidated companies, see our quarterly financial statements on www.vale.com/investors/Quarterly-results-reports/Financial-statements-BR-GAAP-IFRS-US-GAAP

CONFERENCE CALL AND WEBCAST

Vale will host two conference calls and webcasts on Thursday, February 28. The first, in Portuguese (without translation), will begin at 10:00 a.m. Rio de Janeiro time. The second, in English, at 12:00 p.m. Rio de Janeiro time, 10:00 a.m. US Eastern Standard Time, 3:00 p.m. British Standard Time, and 11:00 p.m. Hong Kong time.

Dial in to conference calls/webcasts:

In Portuguese:

Participants from Brazil: (55 11) 4688-6361

Participants from the USA: (1 855) 281-6021

Participants from other countries: (1 786) 924-6977

Access code: VALE

In English:

Participants from Brazil: (55 11) 4688-6361

Participants from USA: (1 866) 262-4553

Participants from other countries: (1 412) 317-6029

Access code: VALE

Instructions for participation will be available on the website www.vale.com/Investors. A recording will be available on Vale's website for 90 days as of February 28, 2012.

IFRS – RECONCILIATION WITH USGAAP

Since December 2010, the convergence of the full year financial statements has been completed and therefore IFRS is now the accounting standard adopted in Brazil. During the intermediate periods of 2010, we already adopted all pronouncements issued by the Brazilian Accounting Practice Committee (CPC) which are in conformity with the IFRS.

The net income reconciliation between the net income according to Brazilian rules (in conformity with the IFRS) and US GAAP is as follows:

<i>US\$ million</i>	4Q12
Net income IFRS	(2,704)
Depletion of assets on business acquired	(36)
Income tax	(12)
Pension plan	60
Other adjustments	45
Net income US GAAP	(2,647)

Depletion of assets on business acquired: Refers to additional depletion of the adjustments to fair value of property, plant and equipment on business acquired before the new rules issued by CPC in respect of business combinations. This difference will cease by the end of the useful life of these assets.

Pension Plan: This adjustment reflects the return on the overfunded plans, which under IFRS recognition is more restricted.

Income tax: Income tax related to the previously described adjustments.

Beginning with the year of 2013, we will also adopt the IFRS for preparing our reports and financial statements filed with the U.S. Securities and Exchanges Commission (SEC), and therefore will cease following the US GAAP.

ANNEX 1 – FINANCIAL STATEMENTS

Table 16 - INCOME STATEMENT

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Gross operating revenues	14,755	10,963	12,002	60,389	46,454
Taxes	(328)	(238)	(279)	(1,399)	(1,059)
Net operating revenue	14,427	10,725	11,723	58,990	45,395
Cost of goods sold	(6,025)	(6,128)	(6,459)	(23,573)	(24,292)
Gross profit	8,402	4,597	5,264	35,417	21,103
Gross margin (%)	58.2	42.9	44.9	60.0	46.5
Selling, general and administrative expenses	(827)	(519)	(577)	(2,334)	(2,240)
Research and development expenses	(529)	(360)	(460)	(1,674)	(1,478)
Gain (loss) from sale of assets	-	-	(114)	1,513	(491)
Impairment	-	-	(4,023)	-	(4,023)
Others	(1,023)	(1,071)	(1,287)	(2,810)	(3,648)
Operating profit	6,023	2,647	(1,197)	30,112	9,223
Financial revenues	139	88	74	718	401
Financial expenses	(547)	(682)	(560)	(2,465)	(2,414)
Gains (losses) on derivatives, net	46	(12)	12	75	(120)
Monetary and exchange variation	(108)	(228)	(174)	(1,641)	(1,668)
Tax and social contribution (Current)	(1,038)	(1,077)	(614)	(5,547)	(2,529)
Tax and social contribution (Deferred)	(109)	697	1,320	265	2,126
Reversal of deferred income tax	-	-	-	-	1,236
Impairment on investments	-	-	(1,641)	-	(1,641)
Equity income and provision for losses	167	154	85	1,135	640
Minority shareholding participation	99	82	48	233	257
Net earnings	4,672	1,669	(2,647)	22,885	5,511
Earnings per share (US\$)	0.91	0.32	(0.51)	4.42	1.08

Table 17 - FINANCIAL RESULTS

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Gross interest	(374)	(271)	(315)	(1,388)	(1,249)
Debt with third parties	(374)	(264)	(311)	(1,381)	(1,238)
Debt with related parties	-	(7)	(4)	(7)	(11)
Tax and labour contingencies	(13)	(12)	(19)	(41)	(79)
Others	(160)	(399)	(226)	(1,036)	(1,086)
Financial expenses	(547)	(682)	(560)	(2,465)	(2,414)
Financial income	139	88	74	718	401
Derivatives	46	(12)	12	75	(120)
Exchange and monetary gain (losses), net	(108)	(228)	(174)	(1,641)	(1,668)
Financial result, net	(470)	(834)	(648)	(3,313)	(3,801)

Table 18 - EQUITY INCOME BY BUSINESS SEGMENT

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	%	2012	%
Ferrous minerals	230	189	129	1,019	89.8	722.0	112.8
Coal	14	7	8	71	6.3	43.0	6.7
Base metals	(12)	(56)	-	101	8.9	(19.0)	(3.0)
Logistics	25	42	26	126	11.1	112.0	17.5
Steel	(87)	(19)	(69)	(162)	(14.3)	(160.0)	(25.0)
Others	(3)	(9)	(9)	(20)	(1.8)	(58.0)	(9.1)
Total	167	154	85	1,135	100.0	640.0	100.0

Table 19 - BALANCE SHEET

<i>US\$ million</i>	12/31/2011	9/30/2012	12/31/2012
Assets			
Current	21,736	25,316	22,897
Long-term	8,869	9,695	10,323
Fixed	98,123	101,443	98,258
Total	128,728	136,454	131,478
Liabilities			
Current	11,043	10,345	12,585
Long term	38,076	42,392	43,017
Shareholders' equity	79,609	83,717	75,876
Paid-up capital	36,842	37,721	37,559
Reserves	39,939	44,429	36,682
Non controlling interest	1,894	1,567	1,635
Mandatory convertible notes	934	-	-
Total	128,728	136,454	131,478

Table 20 - CASH FLOW

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Cash flows from operating activities:					
Net income	4,573	1,587	(2,695)	22,652	5,254
Adjustments to reconcile net income with cash provided by operating activities:					
Depreciation, depletion and amortization	1,168	1,066	1,191	4,122	4,396
Dividends received	205	25	263	1,038	460
Equity in results of affiliates and joint ventures and change in provision for losses on equity investments	(167)	(154)	(85)	(1,135)	(640)
Deferred income taxes	109	(697)	(1,320)	(265)	(3,362)
Impairment	-	-	5,664	-	5,664
Loss on sale of property, plant and equipment	15	103	14	223	216
Gain on sale of investment	-	-	114	-	491
Gain on sale of assets	-	-	-	(1,513)	-
Exchange and monetary losses	808	515	247	2,879	1,012
Net unrealized derivative losses	290	95	(9)	490	613
Net interest payable	150	(10)	(32)	194	(24)
Debentures	86	336	(48)	246	109
Others	(68)	(75)	(75)	(183)	(310)
Decrease (increase) in assets:					
Accounts receivable	456	705	125	(821)	1,900
Inventories	(203)	(311)	168	(1,343)	(296)
Recoverable taxes	20	336	(227)	(563)	177
Others	(16)	472	454	(315)	530
Increase (decrease) in liabilities:					
Suppliers	(156)	407	(276)	1,076	(168)
Payroll and related charges	225	80	422	285	185
Income tax	(185)	863	(368)	(2,478)	(143)
Others	202	326	(83)	(93)	531
Net cash provided by operating activities	7,512	5,669	3,444	24,496	16,595
Cash flows from investing activities:					
Short term investments	-	(685)	439	1,793	(246)
Loans and advances receivable	(58)	317	5	(178)	292
Guarantees and deposits	(59)	(10)	(18)	(186)	(116)

Additions to investments	(345)	(31)	(173)	(504)	(474)
Additions to property, plant and equipment	(6,071)	(4,984)	(4,756)	(16,075)	(15,777)
Proceeds from disposals of investment	-	-	608	1,081	974
				(14,069)	(15,347)
Net cash used in investing activities	(6,533)	(5,393)	(3,895)))
Cash flows from financing activities:					
Short-term debt, net issuances (repayments)	(15)	65	(483)	(96)	67
Loans	-	-	-	18	-
Long-term debt	214	3,898	2,019	1,564	8,740
Repayment of long-term debt	(82)	(364)	(257)	(2,621)	(1,186)
Treasury stock	(1,001)	-	-	(3,002)	-
Transactions of noncontrolling interest	(1,134)	-	92	(1,134)	(411)
Interest attributed to shareholders	(3,000)	-	(3,000)	(9,000)	(6,000)
Dividends to minority interest	(40)	-	(10)	(100)	(45)
				(14,371)	
Net cash used in financing activities	(5,058)	3,599	(1,639))	1,165
Increase (decrease) in cash and cash equivalents	(4,079)	3,875	(2,090)	(3,944)	2,413
Effect of exchange rate changes on cash and cash equivalents	45	(7)	(29)	(109)	(112)
Cash and cash equivalents, beginning of period	7,565	4,083	7,951	7,584	3,531
Cash and cash equivalents, end of period	3,531	7,951	5,832	3,531	5,832
Cash paid during the period for:					
Interest on short-term debt	(1)	-	(7)	(3)	(8)
Interest on long-term debt	(198)	(312)	(321)	(1,143)	(1,308)
Income tax	(1,060)	(53)	(247)	(7,293)	(1,238)
Non-cash transactions					
Interest capitalized	78	33	176	234	335

ANNEX 2 – VOLUMES SOLD, PRICES, MARGINS AND CASH FLOWS

Table 21 - VOLUME SOLD - MINERALS AND METALS

<i>'000 metric tons</i>	4Q11	3Q12	4Q12	2011	2012
Iron ore	69,890	66,205	74,085	257,287	258,061
Pellets	10,856	11,966	10,739	41,861	45,382
Manganese ore	177	446	473	1,032	1,745
Ferroalloys	78	31	34	386	267
Thermal coal	1,796	229	228	5,342	3,134
Metallurgical coal	829	1,148	1,364	2,330	4,864
Nickel	69	55	58	252	232
Copper	113	88	79	302	285
Gold ('000 oz)	56	48	52	198	168
Silver ('000 oz)	776	459	443	2,824	2,029
PGMs ('000 oz)	110	98	77	446	386
Cobalt (metric ton)	805	432	455	2,721	2,033
Potash	144	146	143	568	581
Phosphates					
MAP	294	362	310	907	1,221
TSP	111	245	142	594	713
SSP	458	753	501	2,501	2,446
DCP	128	120	124	556	474
Phosphate rock	754	798	954	2,652	3,314
Others phosphates	39	76	43	164	194
Nitrogen	304	333	333	1,278	1,342
Railroads (million ntk)	5,192	8,036	7,336	23,248	26,229
Ports	6,811	5,481	4,022	25,922	21,236

Table 22 - AVERAGE SALE PRICES

<i>US\$/ton</i>	4Q11	3Q12	4Q12	2011	2012
Iron ore	121.38	83.69	93.66	136.07	96.77
Pellets	182.39	140.98	126.73	193.79	147.37
Manganese ore	180.79	127.80	152.22	165.70	134.10
Ferroalloys	1,474.36	1,774.19	1,470.59	1,443.01	1,340.82
Thermal coal	100.71	90.91	93.57	95.54	82.39
Metallurgical coal	220.27	177.97	132.49	235.27	171.38
Nickel	18,333.33	16,509.09	17,500.00	22,680.41	17,866.38
Copper	7,711.71	7,351.83	7,510.35	8,420.73	7,595.44
Platinum (US\$/oz)	1,489.93	1,539.61	1,670.11	1,716.81	1,590.87
Gold (US\$/oz)	1,686.20	1,717.42	1,736.23	1,558.55	1,755.52
Silver (US\$/oz)	26.66	32.31	36.83	31.64	33.82
Cobalt (US\$/lb)	12.96	11.55	10.97	15.63	12.27
Potash	534.72	534.25	552.45	505.28	530.12
Phosphates					
MAP	664.45	656.50	646.89	679.65	646.58
TSP	531.61	532.93	526.59	585.98	526.67
SSP	275.74	288.87	299.00	281.53	268.58
DCP	638.51	599.98	593.50	679.63	628.36
Phosphate rock	119.45	135.34	116.35	112.80	124.82
Nitrogen	654.25	624.62	624.62	612.01	597.01

Table 23- OPERATING MARGIN BY SEGMENT (EBIT ADJUSTED MARGIN)

%	4Q11	3Q12	4Q12	2011	2012
Bulk materials¹					
Ferrous minerals	60.5	51.9	44.6	66.1	52.2
Coal	(61.4)	(52.4)	(146.0)	(45.7)	(59.2)
Base metals	3.1	(19.8)	(17.9)	13.5	(14.6)
Fertilizer nutrients	10.2	4.3	3.7	7.0	4.7
Logistics	(17.2)	(6.6)	(17.0)	(6.3)	(14.2)
Total¹	41.7	29.7	25.1	48.5	31.5

¹ excluding non-recurring effects

ANNEX 3 – RECONCILIATION OF US GAAP and “NON-GAAP” INFORMATION

(a) Adjusted EBIT					
<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Net operating revenues	14,427	10,725	11,723	58,990	45,395
COGS	(6,025)	(6,128)	(6,459)	(23,573)	(24,292)
SG&A	(827)	(519)	(577)	(2,334)	(2,240)
Research and development	(529)	(360)	(460)	(1,674)	(1,478)
Other operational expenses	(1,023)	(529)	(1,287)	(2,810)	(3,106)
Adjusted EBIT¹	6,023	3,189	2,940	28,599	14,279

¹ Excluding non-recurring effects

(b) Adjusted EBITDA

EBITDA defines profit or loss before interest, tax, depreciation and amortization. Vale uses the term adjusted EBITDA to reflect exclusion, also, of: monetary variations; equity income from the profit or loss of affiliated companies and joint ventures, less the dividends received from them; provisions for losses on investments; adjustments for changes in accounting practices; minority interests; and non-recurrent expenses. However our adjusted EBITDA is not the measure defined as EBITDA under US GAAP, and may possibly not be comparable with indicators with the same name reported by other companies. Adjusted EBITDA should not be considered as a substitute for operational profit or as a better measure of liquidity than operational cash flow, which are calculated in accordance with GAAP. Vale provides its adjusted EBITDA to give additional information about its capacity to pay debt, carry out investments and cover working capital needs. The following table shows the reconciliation between adjusted EBITDA and operational cash flow, in accordance with its statement of changes in financial position:

RECONCILIATION BETWEEN ADJUSTED EBITDA AND OPERATIONAL CASH FLOW					
<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Operational cash flow	7,512	5,669	3,444	24,496	16,595
Income tax	1,038	1,077	614	5,547	2,529
FX and monetary losses	(700)	(287)	(73)	(1,238)	656
Financial expenses	212	616	506	1,478	2,157
Net working capital	(429)	(2,878)	(215)	4,006	(2,716)
Other	(237)	(459)	(4,019)	983	(5,142)
Adjusted EBITDA, including non-recurring items	7,396	3,738	257	35,272	14,079

(c) Net debt

RECONCILIATION BETWEEN Total debt AND NET DEBT					
<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Total debt	23,143	29,211	30,546	23,143	30,546
Cash and cash equivalents	3,531	8,636	6,078	3,531	6,078
Net debt	19,612	20,575	24,468	19,612	24,468

(d) Total debt / LTM Adjusted EBITDA

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Total debt / LTM Adjusted EBITDA ¹ (x)	0.7	1.3	1.6	0.7	1.6
Total debt / LTM operational cash flow (x)	0.9	1.4	1.8	0.9	1.8

¹ excluding non-recurring items

(e) Total debt / Enterprise value

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Total debt / EV (%)	17.4	25.3	22.5	17.4	22.5
Total debt / total assets (%)	18.0	21.4	23.2	18.0	23.2

Enterprise value = Market capitalization + Net debt

(f) LTM Adjusted EBITDA / LTM interest payments

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
LTM adjusted EBITDA ¹ / LTM interest payments (x)	29.5	18.7	14.6	29.5	14.6
LTM operational profit / LTM interest payments (x)	25.0	14.7	10.9	25.0	10.9

¹ excluding non-recurring items

(G) UNDERLYING EARNINGS

<i>US\$ million</i>	4Q11	3Q12	4Q12	2011	2012
Underlying earnings	4,853	2,233	1,933	23,234	11,236
Impairment on assets	-	-	(4,023)	-	(4,023)
Gain(loss) on sale of assets	-	-	(114)	1,513	(491)
Deferred Income Tax of Impairment	-	-	1,327	-	1,327
Reversal of Deferred Income tax	-	-	-	-	1,236
Impairment on investments	-	-	(1,641)	-	(1,641)
Shareholders Debentures	(73)	(336)	45	(221)	(465)
Foreign exchange gains (losses) , net	(108)	(245)	(160)	(1,492)	(1,896)
Indexation gains (losses), net	-	17	(14)	(149)	228
Net Income	4,672	1,669	(2,647)	22,885	5,511

This press release may include statements that present Vale's expectations about future events or results. All statements, when based upon expectations about the future and not on historical facts, involve various risks and uncertainties. Vale cannot guarantee that such statements will prove correct. These risks and uncertainties include factors related to the following: (a) the countries where we operate, especially Brazil and Canada; (b) the global economy; (c) the capital markets; (d) the mining and metals prices and their dependence on global industrial production, which is cyclical by nature; and (e) global competition in the markets in which Vale operates. To obtain further information on factors that may lead to results different from those forecast by Vale, please consult the reports Vale files with the U.S. Securities and Exchange Commission (SEC), the Brazilian Comissão de Valores Mobiliários (CVM), the French Autorité des Marchés Financiers (AMF), and The Stock Exchange of Hong Kong Limited, and in particular the factors discussed under "Forward-Looking Statements" and "Risk Factors" in Vale's annual report on Form 20-F.