

Vale S.A.
Form 6-K
April 30, 2015
Table of Contents

**United States
Securities and Exchange Commission**

Washington, D.C. 20549

FORM 6-K

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

For the month of

April, 2015

Vale S.A.

**Avenida Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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

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

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

(Check One) Yes No

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

(Check One) Yes No

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

(Check One) Yes No

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

Table of Contents

Interim Financial Statements

March 31, 2015

BR GAAP

Filed with the CVM, SEC and HKEx on

April 30, 2015

Table of Contents

Vale S.A.

Index to the Interim Financial Statements

	Page
<u>Independent auditor's report on the review of the quarterly information - ITR</u>	3
<u>Condensed Consolidated and Parent Company Balance Sheets as at March 31, 2015 and December 31, 2014</u>	5
<u>Condensed Consolidated and Parent Company Statements of Income for the three-months period ended March 31, 2015 and 2014</u>	7
<u>Condensed Consolidated and Parent Company Statements of Comprehensive Income for the three-months period ended March 31, 2015 and 2014</u>	8
<u>Condensed Statement of Changes in Stockholder's Equity for the three-months period ended March 31, 2015 and 2014</u>	9
<u>Condensed Consolidated and Parent Company Statement of Cash Flow for the three-months period ended March 31, 2015 and 2014</u>	10
<u>Condensed Consolidated and Parent Company Statement of Added Value for the three-months period ended March 31, 2015 and 2014</u>	11
<u>Selected Notes to the Interim Financial Statements</u>	12
<u>Board of Directors, Fiscal Council, Advisory Committees and Executive Officers</u>	54

Table of Contents

Report on the review of quarterly information - ITR

KPMG Auditores Independentes	Central Tel	55 (21)
Av. Almirante Barroso, 52 - 4º	3515-9400	
20031-000 - Rio de Janeiro, RJ - Brasil	Fax	
Caixa Postal 2888	55 (21) 3515-9000	
20001-970 - Rio de Janeiro, RJ - Brasil	Internet	
	www.kpmg.com.br	

Report on the review of quarterly information - ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards - IFRS)

To

The Board of Directors and Stockholders of

Vale S.A.

Rio de Janeiro - RJ

Introduction

1. We have reviewed the individual and consolidated interim accounting information of Vale S.A. (the Company), included in the quarterly information form - ITR for the quarter ended March 31, 2015, which comprises the balance sheet as of March 31, 2015 and the respective statements of income, comprehensive income, changes in stockholders' equity and cash flows for the three-month period then ended, including the explanatory notes.

2. The Company's Management is responsible for the preparation of the individual interim accounting information in accordance with the Accounting Pronouncement CPC 21(R1) *Demonstração Intermediária* and consolidated interim accounting information in accordance with CPC 21(R1) and the international accounting rule IAS 34 - Interim Financial Reporting, issued by the IASB, as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of quarterly information - ITR. Our responsibility is to express our conclusion on this interim accounting information based on our review.

Scope of the review

3. We conducted our review in accordance with Brazilian and International Interim Information Review Standards (*NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity), respectively. A review of interim information consists of making inquiries primarily of the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual and consolidated interim accounting information

4. Based on our review, we are not aware of any fact that might lead us to believe that the individual and consolidated interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of the quarterly review - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Table of Contents

Other matters

Statements of added value

5. We have also reviewed the individual and consolidated interim information of added value for the three-month period ended March 31, 2015, prepared under the responsibility of the Company's Management, for which presentation is required in the interim information in accordance with the standards issued by the CVM applicable to the preparation of quarterly information - ITR, and considered as supplementary information by IFRS, which does not require the presentation of the statements of added value. These statements were submitted to the same review procedures described previously and, based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information, taken as a whole.

Previous quarter accounting information

6. The individual and consolidated interim accounting information corresponding to the quarter ended March 31, 2014, presented for comparison purposes, were previously reviewed by other independent auditors who issued report April 30, 2014, without any change.

Rio de Janeiro, April 29, 2015

KPMG Auditores Independentes

CRC SP-014428/O-6 F-RJ

(Original report in portuguese signed by)

Manuel Fernandes Rodrigues de Sousa

Accountant CRC RJ-052428/O-2

Table of Contents**Condensed Balance Sheet**

In millions of Brazilian Reais

	Notes	Consolidated March 31, 2015 (unaudited)	December 31, 2014	Parent Company March 31, 2015 (unaudited)	December 31, 2014
Assets					
Current assets					
Cash and cash equivalents	8	11,818	10,555	1,038	685
Financial investments		4	392	4	392
Derivative financial instruments	23	606	441	397	370
Accounts receivable	9	7,349	8,700	35,090	30,599
Related parties	30	1,676	1,537	1,776	2,227
Inventories	10	13,037	11,956	3,819	3,655
Prepaid income taxes		4,119	4,200	3,705	3,782
Recoverable taxes	11	4,964	4,515	2,727	2,687
Others		2,373	1,780	1,001	1,169
		45,946	44,076	49,557	45,566
Non-current assets held for sale	6	10,842	9,669		1,501
		56,788	53,745	49,557	47,067
Non-current assets					
Related parties	30	72	93	1,030	902
Loans and financing		695	609	97	104
Judicial deposits	17(c)	3,536	3,370	2,783	2,721
Recoverable income taxes		1,461	1,271		
Deferred income taxes	19	14,036	10,560	9,721	6,430
Recoverable taxes	11	1,393	1,064	896	566
Derivative financial instruments	23	109	231		29
Others		2,123	1,873	423	349
		23,425	19,071	14,950	11,101
Investments	12	12,230	10,978	130,126	118,628
Intangible assets, net	13	19,332	18,114	18,635	17,454
Property, plant and equipment, net	14	223,623	207,507	89,199	87,321
		278,610	255,670	252,910	234,504
Total		335,398	309,415	302,467	281,571

Table of Contents**Condensed Balance Sheet**

In millions of Brazilian Reais

(continued)

	Notes	Consolidated March 31, 2015 (unaudited)	December 31, 2014	Parent Company March 31, 2015 (unaudited)	December 31, 2014
Liabilities					
Current liabilities					
Suppliers and contractors		11,001	11,566	5,221	6,818
Payroll and related charges		1,687	3,089	962	2,017
Derivative financial instruments	23	2,899	3,760	826	948
Loans and financing	15	10,250	3,768	6,216	2,853
Related parties	30	856	813	6,908	5,622
Income taxes - Settlement program	18	1,243	1,213	1,218	1,189
Taxes payable and royalties		1,511	1,461	511	376
Provision for income taxes		548	937		
Employee postretirement obligations	20(a)	218	177	64	66
Asset retirement obligations	16	398	361	87	89
Others		1,093	1,074	551	690
		31,704	28,219	22,564	20,668
Liabilities associated with non-current assets held for sale	6	460	294		
		32,164	28,513	22,564	20,668
Non-current liabilities					
Derivative financial instruments	23	8,007	4,276	6,443	3,866
Loans and financing	15	81,135	72,749	43,264	38,542
Related parties	30	290	288	51,085	43,606
Employee postretirement obligations	20(a)	6,805	5,941	468	466
Provisions for litigation	17(a)	3,486	3,405	2,383	2,448
Income taxes - Settlement program	18	15,643	15,572	15,323	15,254
Deferred income taxes	19	9,942	8,874		
Asset retirement obligations	16	9,265	8,588	3,214	3,106
Participative stockholders debentures	29(c)	3,738	4,584	3,738	4,584
Redeemable noncontrolling interest		628	645		
Deferred revenue - Gold stream	28	5,906	3,516		
Others		3,388	2,863	2,666	2,617
		148,233	131,301	128,584	114,489

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

Total liabilities		180,397	159,814	151,148	135,157
Stockholders equity	24				
Preferred class A stock 7,200,000,000 no-par-value shares authorized and 2,027,127,718 shares issued		47,421	47,421	47,421	47,421
Common stock 3,600,000,000 no-par-value shares authorized and 3,217,188,402 shares issued		29,879	29,879	29,879	29,879
Treasury stock 59,405,792 preferred and 31,535,402 common shares		(2,746)	(2,746)	(2,746)	(2,746)
Results from operations with noncontrolling stockholders		(975)	(970)	(975)	(970)
Results on conversion of shares		50	50	50	50
Unrealized fair value gain (losses)		(4,962)	(4,553)	(4,962)	(4,553)
Cumulative translation adjustments		39,105	24,248	39,105	24,248
Profit reserves		43,547	53,085	43,547	53,085
Total company stockholders equity		151,319	146,414	151,319	146,414
Noncontrolling stockholders interests		3,682	3,187		
Total stockholders equity		155,001	149,601	151,319	146,414
Total liabilities and stockholders equity		335,398	309,415	302,467	281,571

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

Table of Contents**Condensed Statement of Income**

In millions of Brazilian Reais, except as otherwise stated

	Notes	Three-months period ended (unaudited)			
		Consolidated		Parent Company	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Net operating revenue	25(c)	18,027	22,409	10,237	16,034
Cost of goods sold and services rendered	26(a)	(14,988)	(13,172)	(6,424)	(5,965)
Gross profit		3,039	9,237	3,813	10,069
Operating (expenses) income					
Selling and administrative expenses	26(b)	(555)	(667)	(293)	(322)
Research and evaluation expenses		(344)	(344)	(167)	(189)
Pre operating and stoppage operation		(758)	(586)	(113)	(104)
Equity results from subsidiaries	12			(3,774)	(2,115)
Other operating expenses, net	26(c)	179	(506)	39	(338)
		(1,478)	(2,103)	(4,308)	(3,068)
Gain on measurement or sale of non-current assets	6	546		546	
Operating income		2,107	7,134	51	7,001
Financial income	27	6,953	3,130	6,923	2,937
Financial expenses	27	(20,631)	(2,802)	(19,030)	(2,286)
Equity results from joint ventures and associates	12	(825)	459	(825)	459
Results on sale or disposal of investments from joint ventures and associates	6	55		55	
Net income (loss) before income taxes		(12,341)	7,921	(12,826)	8,111
Income taxes					
	19				
Current tax		(200)	(2,191)		(2,038)
Deferred tax		2,850	(146)	3,288	(164)
		2,650	(2,337)	3,288	(2,202)
Net income (loss)		(9,691)	5,584	(9,538)	5,909
Loss attributable to noncontrolling interests		(153)	(325)		
Net income (loss) attributable to the Company's stockholders		(9,538)	5,909		
Earnings per share attributable to the Company's stockholders:					
Basic and diluted earnings per share:	24(b)				
Preferred share (R\$)		(1.85)	1.15	(1.85)	1.15

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

Common share (R\$)	(1.85)	1.15	(1.85)	1.15
--------------------	--------	------	--------	------

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

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

In millions of Brazilian Reais

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Net income (loss)	(9,691)	5,584	(9,538)	5,909
Other comprehensive income				
Items that will not be reclassified subsequently to income				
Retirement benefit obligations				
Gross balance for the period	(318)	55	(10)	(62)
Effect of taxes	157	(6)	3	21
Equity results from entities, net taxes		3	(154)	93
	(161)	52	(161)	52
Total items that will not be reclassified subsequently to income	(161)	52	(161)	52
Items that will be reclassified subsequently to income				
Cumulative translation adjustments				
Gross balance for the period	14,938	(4,147)	14,309	(4,018)
Cash flow hedge				
Gross balance for the period	724	(13)		
Effect of taxes		8		
Equity results from entities, net taxes	(7)	1	300	(41)
Transfer of realized results to income, net of taxes	(417)	(37)		
	300	(41)	300	(41)
Total of items that will be reclassified subsequently to income	15,238	(4,188)	14,609	(4,059)
Total comprehensive income (loss)	5,386	1,448	4,910	1,902
Comprehensive income (loss) attributable to noncontrolling interests	476	(454)		
Comprehensive income (loss) attributable to the Company's stockholders	4,910	1,902		

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

Table of Contents

Condensed Statement of Changes in Stockholders' Equity

In millions of Brazilian Reals

	Three-months period ended							Retained earnings	Total Company stockholders' equity	Noncontrolling stockholders' interests	Total stockholders' equity
	Capital	Results on conversion of shares	Results from operation with noncontrolling stockholders	Profit reserves	Treasury stocks	Unrealized fair value gain (losses)	Cumulative translation adjustments				
December 31, 2013	75,000	50	(840)	69,262	(7,838)	(2,815)	15,527		148,346	3,775	152,121
Net income (loss)								5,909	5,909	(325)	5,584
Other comprehensive income:											
Retirement benefit obligations						52			52		
Cash flow hedge						(41)			(41)		(41)
Translation adjustments						46	(4,064)		(4,018)	(129)	(4,147)
Contribution and distribution to stockholders:											
Capitalization of noncontrolling stockholders advances										90	90
Dividends of noncontrolling stockholders										(4)	(4)
March 31, 2014 (unaudited)	75,000	50	(840)	69,262	(7,838)	(2,758)	11,463	5,909	150,248	3,407	153,655

	Three-months period ended							Retained earnings	Total Company stockholders' equity	Noncontrolling stockholders' interests	Total stockholders' equity
	Capital	Results on conversion of shares	Results from operation with noncontrolling stockholders	Profit reserves	Treasury stocks	Unrealized fair value gain (losses)	Cumulative translation adjustments				
December 31, 2014	77,300	50	(970)	53,085	(2,746)	(4,553)	24,248		146,414	3,187	149,601

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

Loss								(9,538)	(9,538)	(153)	(9,691)
Other comprehensive income:											
Retirement benefit obligations				(161)					(161)		(161)
Cash flow hedge				300					300		300
Translation adjustments				(548)	14,857				14,309	629	14,940
Contribution and distribution to stockholders:											
Acquisitions and disposal of participation of noncontrolling stockholders				(5)					(5)	4	(1)
Capitalization of noncontrolling stockholders advances										20	20
Dividends of noncontrolling stockholders										(5)	(5)
March 31, 2015 (unaudited)	77,300	50	(975)	53,085	(2,746)	(4,962)	39,105	(9,538)	151,319	3,682	155,000

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

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

In millions of Brazilian Reais

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash flow from operating activities:				
Net income (loss)	(9,691)	5,584	(9,538)	5,909
Adjustments for:				
Equity results from entities	825	(459)	4,599	1,656
Gain on measurement or sale of non-current assets	(601)		(601)	
Loss (gain) on disposal of property, plant and equipment and intangibles	(683)		58	
Depreciation, amortization and depletion	3,000	2,412	988	753
Deferred income taxes	(2,850)	146	(3,288)	164
Foreign exchange and indexation, net	9,852	(702)	14,633	(1,535)
Unrealized derivative losses, net	2,606	(458)	2,458	(414)
Dividends and interest on capital received from subsidiaries			209	19
Participative stockholders' debentures	(722)	49	(722)	49
Others	(1,139)	41	(97)	55
Decrease (increase) in assets:				
Accounts receivable	2,221	3,962	(4,481)	(5,304)
Inventories	753	(2,071)	114	(242)
Recoverable taxes	(388)	1,781	(175)	1,882
Others	(201)	157	104	(12)
Increase (decrease) in liabilities:				
Suppliers and contractors	(1,150)	40	(621)	124
Payroll and related charges	(1,581)	(1,420)	(1,054)	(1,022)
Taxes and contributions	463	35	347	(17)
Deferred revenue - Gold stream	1,670			
Income taxes - Settlement program	90	111	98	
Others	(824)	(50)	(633)	176
Net cash provided by operating activities	1,650	9,158	2,398	2,241
Cash flow from investing activities:				
Financial investments redeemed	402	3	388	3
Loans and advances received (granted)	(6)	(226)	205	(272)
Guarantees and deposits granted	(70)	(76)	(65)	(161)
Additions to investments	(30)	(286)	(740)	(973)
Acquisition of subsidiary (note 7(b))	(237)			
	(6,259)	(5,634)	(4,167)	(3,238)

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

Additions to property, plant and equipment and intangible				
Dividends and interest on capital received from joint ventures and associates	74	26	71	26
Proceeds from disposal of assets and investments	339		309	
Proceeds from gold stream transaction	1,156			
Net cash used in investing activities	(4,631)	(6,193)	(3,999)	(4,615)
Cash flow from financing activities:				
Loans and financing				
Additions	3,676	1,552	3,687	1,057
Repayments	(819)	(697)	(1,733)	(1,209)
Repayments to stockholders:				
Dividends and interest on capital attributed to noncontrolling interest	(7)			
Net cash provided by (used in) financing activities	2,850	855	1,954	(152)
Increase (decrease) in cash and cash equivalents	(131)	3,820	353	(2,526)
Cash and cash equivalents in the beginning of the period	10,555	12,465	685	3,635
Effect of exchange rate changes on cash and cash equivalents	1,394	(33)		
Cash and cash equivalents at end of the period	11,818	16,252	1,038	1,109
Cash paid during the period for (i):				
Interest on loans and financing	(1,321)	(1,069)	(950)	(690)
Income taxes	(759)	(380)		
Income taxes - Settlement program	(308)	(274)	(302)	(269)
Derivatives settlement	(1,785)	41	(600)	52
Non-cash transactions:				
Additions to property, plant and equipment - interest capitalization	556	36	283	7

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

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

Table of Contents**Condensed Statement of Added Value**

In millions of Brazilian Reais

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Generation of added value				
Gross revenue				
Revenue from products and services	18,363	22,832	10,552	16,288
Gain on measurement or sale of non-current assets	601		601	
Other revenues	1,636	84	396	55
Revenue from the construction of own assets	6,845	4,520	4,450	2,224
Allowance for doubtful accounts		(54)	(2)	10
Less:				
Acquisition of products	(704)	(976)	(167)	(306)
Material, service and maintenance	(10,288)	(7,842)	(6,262)	(4,232)
Oil and gas	(902)	(986)	(574)	(629)
Energy	(421)	(343)	(209)	(165)
Freight	(2,269)	(1,211)		
Other costs and expenses	(3,024)	(2,426)	(861)	(539)
Gross added value	9,837	13,598	7,924	12,706
Depreciation, amortization and depletion	(3,000)	(2,412)	(988)	(753)
Net added value	6,837	11,186	6,936	11,953
Received from third parties				
Equity results from entities	(825)	459	(4,599)	(1,656)
Financial income	161	242	92	155
Monetary and exchange variation of assets	6,227	(557)	6,583	(572)
Total added value to be distributed	12,400	11,330	9,012	9,880
Personnel	2,074	2,151	1,033	1,139
Taxes and contributions	2,118	1,456	1,683	1,232
Current income tax	200	2,191		2,038
Deferred income tax	(2,850)	146	(3,288)	164
Financial expense (includes capitalized interest)	4,734	1,227	3,487	931
Monetary and exchange variation of liabilities	15,468	(1,757)	15,172	(2,000)
Other remunerations of third party funds	347	332	463	467
Reinvested net income (absorbed loss)	(9,538)	5,909	(9,538)	5,909
Net income (loss) attributable to noncontrolling interest	(153)	(325)		
Distribution of added value	12,400	11,330	9,012	9,880

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

Table of Contents

Selected Notes to Interim Financial Statements

Expressed in millions of Brazilian Reais, unless otherwise stated

1. Corporate information

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

Vale S.A. and its direct and indirect subsidiaries (Vale , Group or Company) are principally engaged in the research, production and sale of iron ore and pellets, nickel, fertilizer, copper, coal, manganese, ferroalloys, cobalt, platinum group metals and precious metals. The Company also operates in the segments of energy and steel. The information by segment is presented in note 25.

2. Summary of the main accounting practices and accounting estimates

a) Basis of presentation

The condensed consolidated interim financial statements of the Company (interim financial statements) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as implemented in Brazil by the Brazilian Accountant Pronouncements Committee (CPC), approved by the Brazilian Securities Exchange Commission (CVM) and by the Brazilian Federal Accounting Council (CFC).

The individual interim financial statements of the Parent Company (individual financial statements) has been prepared in accordance with accounting practices adopted in Brazil issued by CPC and approved by CVM and CFC, and they are disclosed with the interim financial statements.

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

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

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

b) Functional currency and presentation currency

The interim financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency), which in the case of the Parent Company is the Brazilian Real (BRL or R\$). For presentation purposes, these financial statements are presented in Brazilian Real.

Operations in other currencies are translated into the functional currency using the actual exchange rates in force on the respective transactions dates. The foreign exchange gains and losses resulting from the translation at the exchange rates in force at the end of the period are recognized in the statement of income as financial expense or financial income. The exceptions are transactions for which gains and losses are recognized in the comprehensive income.

The statement of income and balance sheet of the Group's entities which functional currency is different from the presentation currency are translated into the presentation currency as follows: (i) assets, liabilities and stockholders' equity (except components described in item (iii)) are translated at the closing rate at the balance sheet date; (ii) income and expenses are translated at the average exchange rates, except for specific transactions that, considering their significance, are translated at the rate at the transaction date and; (iii) capital, capital reserves and treasury stock are translated at the rate at the date of each transaction. All resulting exchange differences are recognized in comprehensive income as cumulative translation adjustment, and transferred to the statement of income when the operations are realized.

Table of Contents

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

	Exchange rates used for conversions into Brazilian reais			
	March 31, 2015 (unaudited)	Closing rate as of December 31, 2014	Average rate for the three-months period ended March 31, 2015 (unaudited)	March 31, 2014 (unaudited)
US dollar (US\$)	3.2080	2.6562	2.8702	2.3652
Canadian dollar (CAD)	2.5292	2.2920	2.3120	2.1456
Australian dollar (AUD)	2.4464	2.1765	2.2543	2.1222
Euro (EUR or)	3.4457	3.2270	3.2212	3.2399

3. Critical accounting estimates and judgment

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

4. Accounting standards issued but not yet effective

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

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

IFRS 15 Revenue from contracts with customers - In May 2014 the IASB issued IFRS 15 statement - Revenue from Contracts with customers, sets out the requirements for revenue recognition that apply to all contracts with customer (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments), and replaces the current pronouncements IAS 18 - revenue, IAS 11 - Construction contracts and interpretations related to revenue recognition. The principle core in that framework is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The adoption will be required from January 1, 2017 and the Company is currently analyzing potential impacts regarding this pronouncement on the financial statements.

5. Risk management

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

6. Non-current assets and liabilities held for sale

	March 31, 2015 Nacala (unaudited)	Energy	Consolidated December 31, 2014 Nacala	Total
Non-current assets held for sale				
Accounts receivable	18		21	21
Other current assets	542		417	417
Investments		233		233
Property, plant and equipment, net	10,282	1,268	7,730	8,998
Total assets	10,842	1,501	8,168	9,669
Liabilities associated with non-current assets held for sale				
Suppliers and contractors	410		143	143
Other current liabilities	50		151	151
Total liabilities	460		294	294
Net assets held for sale	10,382	1,501	7,874	9,375

Table of Contents

Nacala logistic corridor (Nacala)

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

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

Energy generation assets

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

(a) A new entity Aliança Norte Participações S.A., was incorporated and Vale contributed its 9% investment in Norte Energia S.A. (Norte Energia), which is the company in charge of construction and operation of the Belo Monte Hydroelectric facility. Vale committed to sell 49% and share control of the new entity to CEMIG GT. In the first quarter of 2015, after receiving all regulatory approvals and other customary precedent conditions the Company concluded the transaction and received cash proceeds of R\$306, recognizing R\$55 as a result on sale of investment in associates in the income statement.

(b) A new entity Aliança Geração de Energia S.A. (Aliança Geração) was incorporated and Vale committed to contribute its shares over several power generation assets which use to supply energy for the Company's operations. In exchange CEMIG GT committed to contribute its stakes in some of its power generation assets. In the first quarter of 2015, after receiving all regulatory approvals and other customary precedent conditions, the exchange of assets was completed and Vale holds 55% and shares control of the new entity with CEMIG GT. A long term contract was signed between Vale and Aliança Geração for the energy supply. Due to the completion of this transaction, the Company (i) derecognized the assets held for sale related to this transaction; (ii) recognized as investment its share in the joint venture Aliança Geração; and (iii) recognized R\$546 in the income statement as a gain on measurement or sales of non-current asset based on the fair value of the transferred by CEMIG GT. This transaction has no cash proceeds or disbursements.

7. Acquisitions and divestitures

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

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

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

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

Purchase price	237
Book value of property, plant and equipment	203
Book value of other assets acquired and liabilities assumed, net	(181)
Adjustment to fair value of property, plant and equipment and mining rights	114
Goodwill	101

Table of Contents**8. Cash and cash equivalents**

	Consolidated		Parent Company	
	March 31, 2015 (unaudited)	December 31, 2014	March 31, 2015 (unaudited)	December 31, 2014
Cash and bank deposits	7,530	5,601	115	41
Short-term investments	4,288	4,954	923	644
	11,818	10,555	1,038	685

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

9. Accounts receivable

	Consolidated		Parent Company	
	March 31, 2015 (unaudited)	December 31, 2014	March 31, 2015 (unaudited)	December 31, 2014
Ferrous minerals	4,198	5,724	32,724	28,809
Coal	334	324		
Base metals	2,350	2,064	2,375	1,790
Fertilizers	520	361	17	18
Others	185	457	49	58
	7,587	8,930	35,165	30,675
Provision for doubtful debts	(238)	(230)	(75)	(76)
	7,349	8,700	35,090	30,599

The consolidated accounts receivable related to the steel sector represented 74.17% and 77.97% of total receivables on March 31, 2015 and December 31, 2014, respectively. In the parent company, accounts receivable of the steel sector represents 86.60% and 93.98% on March 31, 2015 and December 31, 2014, respectively.

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

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

The provision for doubtful debts recorded in the consolidated statement of income as at March 31, 2015 and 2014 totaled R\$0 and R\$54, respectively. The Company recognized write-offs as at March 31, 2015 and 2014 in the amount of R\$5 and R\$5, respectively.

Table of Contents**10. Inventories**

Inventories are comprised as follows:

	Consolidated		Parent Company	
	March 31, 2015 (unaudited)	December 31, 2014	March 31, 2015 (unaudited)	December 31, 2014
Inventories of products				
Ferrous minerals				
Iron ore	3,001	2,949	1,856	1,842
Pellets	261	498	247	183
Manganese and ferroalloys	178	183	46	51
	3,440	3,630	2,149	2,076
Coal	462	411		
Base metals				
Nickel and other products	4,234	3,811	305	334
Copper	93	70	30	26
	4,327	3,881	335	360
Fertilizers				
Potash	53	31		
Phosphates	1,081	822		
Nitrogen	47	62		
	1,181	915		
Other products	14	8		
Total of inventories of products	9,424	8,845	2,484	2,436
Inventories of consumables	3,613	3,111	1,335	1,219
Total	13,037	11,956	3,819	3,655

As of March 31, 2015 consolidated inventories are stated net of provisions for nickel and coal products in the amount of R\$135 (R\$50 as of December 31, 2014) and R\$1,042 (R\$757 as of December 31, 2014), respectively.

Consolidated	Three-months period ended (unaudited)		Parent Company
	March 31, 2015	March 31, 2014	
			March 31, 2014

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

Inventories of products				
Balance at beginning of the period	8,845	6,784	2,436	2,114
Production and acquisition	12,028	11,870	5,376	4,992
Transfer from inventories of consumables	2,057	1,915	827	937
Cost of goods sold	(14,568)	(12,547)	(6,155)	(5,499)
Provision for market value adjustment	(185)	(34)		
Translation adjustments	1,247	(192)		
Balance at end of the period	9,424	7,796	2,484	2,544

Three-months period ended (unaudited)

	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Inventories of consumables				
Balance at beginning of the period	3,111	2,878	1,219	1,173
Acquisition	2,168	2,062	943	939
Transfer to inventories of products	(2,057)	(1,915)	(827)	(937)
Transfer to held for sale	(2)			
Translation adjustments	393	(64)		
Balance at end of the period	3,613	2,961	1,335	1,175

Table of Contents**11. Recoverable taxes**

The recoverable taxes, net of provision for losses on tax credits, are as follows:

	Consolidated		Parent Company	
	March 31, 2015 (unaudited)	December 31, 2014	March 31, 2015 (unaudited)	December 31, 2014
Value-added tax	3,215	2,806	1,288	1,189
Brazilian federal contributions	3,055	2,682	2,278	2,006
Others	87	91	57	58
Total	6,357	5,579	3,623	3,253
Current	4,964	4,515	2,727	2,687
Non-current	1,393	1,064	896	566
Total	6,357	5,579	3,623	3,253

12. Investments

The changes of investments in subsidiaries, associates and joint ventures are as follow:

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Balance at beginning of the period	10,978	8,397	118,628	123,370
Aquisitions (i)	1,819	286	1,819	973
Additions	30		750	
Transfer due to acquisition of control		181		
Translation adjustment	326	(44)	13,506	(3,758)
Equity results on statement of income	(825)	459	(4,599)	(1,656)
Equity results on statement of comprehensive income	(7)	4	142	52
Dividends declared	(76)	(94)	11	(254)
Other transfers			(101)	
Transfer to held for sale	(15)		(30)	
Transfer to held for sale - VLI S.A.		2,840		2,840
Balance at end of the period	12,230	12,029	130,126	121,567

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

Table of Contents**Investments (Continued)**

	% ownership	% voting capital	Investments As of		Equity results Three-months period ended (unaudited)		Received dividends Three-months period ended (unaudited)	
			March 31, 2015 (unaudited)	December 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Subsidiaries								
Aços Laminados do Pará S.A.	100.00	100.00	334	332				
Biopalma da Amazônia S.A.	87.70	87.70	499	646	(221)	(4)		
Companhia Portuária da Baía de Sepetiba	100.00	100.00	475	385	90	71		
Companhia Mineradora Miski Mayo S.A.C.	40.00	51.00	680	563	12	(7)		
Mineração Corumbaense Reunida S.A.	100.00	100.00	1,233	1,150	85	42		
Minerações Brasileiras Reunidas S.A.	98.32	98.32	6,118	5,201	(38)	(49)	205	
Potássio Rio Colorado S.A.	100.00	100.00	1,467	1,474	(13)	(5)		
Salobo Metais S.A.	100.00	100.00	7,795	7,591	169	49		
Tecnored Desenvolvimento Tecnológico S.A.	100.00	100.00	71	86	(13)	(4)		
Vale International Holdings GmbH	100.00	100.00	11,260	7,283	2,502	(66)		
Vale Canada Holdings Inc.	100.00	100.00	5,660	5,127	(10)	(4)		
Vale Canada Limited	100.00	100.00	21,926	16,182	(677)	(31)		
Vale Fertilizantes S.A.	100.00	100.00	13,326	13,236	(523)	(70)		
Vale International S.A.	100.00	100.00	33,441	20,978	(4,685)	(1,920)		
Vale Malaysia Minerals Sdn. Bhd.	100.00	100.00	3,667	3,251	(218)	12		
Vale Mangangês S.A.	100.00	100.00	696	721	(25)	(25)		
Vale Mina do Azul S.A.	100.00	100.00				3		19
Vale Moçambique S.A.	100.00	100.00	(1,561)	14,480	(372)	28		

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

Vale Shipping Holding Pte. Ltd.	100.00	100.00	9,199	7,432	150	84		
Others			1,610	1,532	13	(219)	4	
			117,896	107,650	(3,774)	(2,115)	209	19
Joint ventures								
Aliança Geração de Energia S.A.	55.00	55.00	1,822		4			
Aliança Norte Energia Participações S.A.	51.00	51.00	260		6			
California Steel Industries, Inc.	50.00	50.00	575	489	(14)	5		
Companhia Coreano-Brasileira de Pelotização	50.00	50.00	239	228	11	18		
Companhia Hispano-Brasileira de Pelotização (i)	50.89	51.00	205	213	11	8	36	25
Companhia Ítalo-Brasileira de Pelotização (i)	50.90	51.00	139	162	13	10	36	
Companhia Nipo-Brasileira de Pelotização (i)	51.00	51.11	410	378	31	29		
Companhia Siderúrgica do Pecém (ii)	50.00	50.00	1,565	1,925	(361)	(7)		
MRS Logística S.A.	47.59	46.75	1,381	1,355	26	32		
Norte Energia S.A. (ii) (iii)				241		(1)		
Samarco Mineração S.A.	50.00	50.00	7	533	(525)	409		
Others			103	96	1	5		1
			6,706	5,620	(797)	508	72	26
Associates								
Henan Longyu Energy Resources Co., Ltd.	25.00	25.00	1,142	943	(1)	28		
Mineração Rio Grande do Norte S.A.	40.00	40.00	232	243	(11)	13		
Teal Minerals Inc.	50.00	50.00	607	514	(12)	(12)		
Thyssenkrupp Companhia Siderúrgica do Atlântico Ltd.	26.87	26.87	495	545		(42)		
VLI S.A.	37.61	37.61	2,911	2,945	(9)	(2)		
Zhuhai YPM Pellet Co.	25.00	25.00	68	64		1		
Others			69	104	5	(35)	2	
			5,524	5,358	(28)	(49)	2	
Total of joint ventures and associates			12,230	10,978	(825)	459	74	26
Total			130,126	118,628	(4,599)	(1,656)	283	45

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

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

Table of Contents**13. Intangible assets**

	Consolidated			Consolidated		
	Cost	March 31, 2015 (unaudited) Amortization	Net	Cost	December 31, 2014 Amortization	Net
Indefinite useful life						
Goodwill	10,889		10,889	9,987		9,987
Finite useful life						
Concessions	9,382	(3,313)	6,069	9,086	(3,210)	5,876
Right of use	1,494	(670)	824	1,375	(586)	789
Software	3,815	(2,265)	1,550	3,603	(2,141)	1,462
	14,691	(6,248)	8,443	14,064	(5,937)	8,127
Total	25,580	(6,248)	19,332	24,051	(5,937)	18,114

	Parent Company			Parent Company		
	Cost	March 31, 2015 (unaudited) Amortization	Net	Cost	December 31, 2014 Amortization	Net
Indefinite useful life						
Goodwill	10,889		10,889	9,987		9,987
Finite useful life						
Concessions	9,382	(3,313)	6,069	9,086	(3,210)	5,876
Right of use	223	(96)	127	223	(94)	129
Software	3,815	(2,265)	1,550	3,603	(2,141)	1,462
	13,420	(5,674)	7,746	12,912	(5,445)	7,467
Total	24,309	(5,674)	18,635	22,899	(5,445)	17,454

The table below shows the changes of intangible assets:

	Consolidated					Total
	Goodwill	Concessions	Right of use	Software	Three-months period ended (unaudited)	
Balance on December 31, 2013	9,698	4,466	594	1,338		16,096
Additions		435		11		446
Disposals		(7)				(7)
Amortization		(105)	(17)	(80)		(202)
Translation adjustment	(247)		(32)			(279)
Balance on March 31, 2014 (unaudited)	9,451	4,789	545	1,269		16,054

Consolidated

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

	Three-months period ended (unaudited)				Total
	Goodwill	Concessions	Right of use	Software	
Balance on December 31, 2014	9,987	5,876	789	1,462	18,114
Additions		349		213	562
Disposals		(37)			(37)
Amortization		(119)	(30)	(125)	(274)
Translation adjustment	801		65		866
Acquisition of subsidiary (note 7(b))	101				101
Balance on March 31, 2015 (unaudited)	10,889	6,069	824	1,550	19,332

Table of Contents

	Parent Company					Total
	Three-months period ended (unaudited)					
	Goodwill	Concessions	Right of use	Software		
Balance on December 31, 2013	9,698	4,466	134	1,338	15,636	
Additions		435		11	446	
Disposals		(7)			(7)	
Amortization		(105)	(2)	(80)	(187)	
Translation adjustment	(247)				(247)	
Balance on March 31, 2014 (unaudited)	9,451	4,789	132	1,269	15,641	

	Parent Company					Total
	Three-months period ended (unaudited)					
	Goodwill	Concessions	Right of use	Software		
Balance on December 31, 2014	9,987	5,876	129	1,462	17,454	
Addition	101	349		213	663	
Disposals		(37)			(37)	
Amortization		(119)	(2)	(125)	(246)	
Translation adjustment	801				801	
Balance on March 31, 2015 (unaudited)	10,889	6,069	127	1,550	18,635	

14. Property, plant and equipment

	Consolidated					
	March 31, 2015 (unaudited)			December 31, 2014		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	2,960		2,960	2,839		2,839
Buildings	44,164	(7,777)	36,387	37,569	(6,614)	30,955
Facilities	46,956	(15,451)	31,505	41,831	(13,110)	28,721
Equipment	43,983	(15,221)	28,762	38,200	(13,531)	24,669
Mineral properties	58,668	(18,006)	40,662	55,687	(16,033)	39,654
Others	44,433	(12,414)	32,019	39,543	(10,448)	29,095
Construction in progress	51,328		51,328	51,574		51,574
	292,492	(68,869)	223,623	267,243	(59,736)	207,507

	Parent Company					
	March 31, 2015 (unaudited)			December 31, 2014		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	1,479		1,479	1,452		1,452
Buildings	17,709	(2,303)	15,406	15,631	(2,267)	13,364
Facilities	23,094	(5,235)	17,859	22,367	(5,030)	17,337
Equipment	11,782	(4,379)	7,403	11,368	(4,271)	7,097
Mineral properties	3,987	(900)	3,087	5,278	(882)	4,396

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

Others	16,448	(6,371)	10,077	16,016	(6,196)	9,820
Construction in progress	33,888		33,888	33,855		33,855
	108,387	(19,188)	89,199	105,967	(18,646)	87,321

Consolidated property, plant and equipment (net book value) pledged as guarantees for judicial claims on March 31, 2015 and December 31, 2014 were R\$163 and R\$179, respectively. For the parent company, the amount were R\$162 and R\$179 at March 31, 2015 and December 31, 2014, respectively.

Table of Contents

The table below shows the movement of property, plant and equipment:

	Consolidated Three-months period ended							Total
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	
Balance on December 31, 2013	2,215	18,236	25,622	19,689	38,129	24,642	62,775	191,308
Additions (i)							5,224	5,224
Disposals		(24)	(8)	(10)	(136)	(69)	(44)	(291)
Depreciation and amortization		(179)	(632)	(719)	(526)	(438)		(2,494)
Translation adjustment	145	(204)	(694)	43	(1,522)	(327)	(1,635)	(4,194)
Transfers	136	691	4,030	670	710	705	(6,942)	
Balance on March 31, 2014 (unaudited)	2,496	18,520	28,318	19,673	36,655	24,513	59,378	189,553

	Consolidated Three-months period ended							Total
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	
Balance on December 31, 2014	2,839	30,955	28,721	24,669	39,654	29,095	51,574	207,507
Additions (i)							6,019	6,019
Disposals		(14)	(3)	(14)	(434)	(18)	(5)	(488)
Depreciation and amortization		(387)	(596)	(883)	(624)	(568)		(3,058)
Translation adjustment	93	1,667	1,162	2,331	3,378	2,028	2,667	13,326
Transfers	28	4,166	2,221	2,658	(1,312)	1,166	(8,927)	
Acquisition of subsidiary (note 7(b))				1		316		317
Balance on March 31, 2015 (unaudited)	2,960	36,387	31,505	28,762	40,662	32,019	51,328	223,623

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

	Parent Company Three-months period ended							Total
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	
Balance on December 31, 2013	1,322	9,449	14,350	5,641	2,366	8,680	28,897	70,705

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

Additions (i)							2,799	2,799
Disposals		(23)	(2)	(10)		(8)	(42)	(85)
Depreciation and amortization		(77)	(174)	(194)	(81)	(232)		(758)
Transfers	6	463	3,473	319	6	760	(5,027)	
Balance on March 31, 2014 (unaudited)	1,328	9,812	17,647	5,756	2,291	9,200	26,627	72,661

	Parent Company Three-months period ended							Total
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	
Balance on December 31, 2014	1,452	13,364	17,337	7,097	4,396	9,820	33,855	72,661
Additions (i)							2,780	2,780
Disposals		(14)	(1)	(10)				(25)
Depreciation and amortization		(111)	(213)	(228)	(44)	(281)		(877)
Transfers	27	2,167	736	544	(1,265)	538	(2,747)	
Balance on March 31, 2015 (unaudited)	1,479	15,406	17,859	7,403	3,087	10,077	33,888	89,199

(i) includes capitalized and ARO, see cash flow.

Table of Contents**15. Loans and financing****a) Total debt**

	Consolidated		Parent Company	
	March 31, 2015 (unaudited)	December 31, 2014	March 31, 2015 (unaudited)	December 31, 2014
Current liabilities				
Debt contracts in the international markets				
Floating rates in:				
US dollars	839	950	815	670
Fixed rates in:				
US dollars	6,786	183	3,400	159
Accrued charges	677	887	122	338
	8,302	2,020	4,337	1,167
Debt contracts in Brazil				
Floating rates in:				
Brazilian Reais, indexed to TJLP, TR, IPCA, IGP-M and CDI	792	785	740	734
Basket of currencies and US dollars indexed to LIBOR	713	561	705	554
Fixed rates in:				
Brazilian Reais	143	128	136	123
Accrued charges	300	274	298	275
	1,948	1,748	1,879	1,686
	10,250	3,768	6,216	2,853

	Consolidated		Parent Company	
	March 31, 2015 (unaudited)	December 31, 2014	March 31, 2015 (unaudited)	December 31, 2014
Non-current liabilities				
Debt contracts in the international markets				
Floating rates in:				
US dollars	16,678	13,531	14,175	11,721
Others currencies	8	7		
Fixed rates in:				
US dollars	38,945	35,166	4,812	3,984
Euro	5,169	4,841	5,169	4,841
	60,800	53,545	24,156	20,546
Debt contracts in Brazil				
Floating rates in:				
Brazilian Reais, indexed to TJLP, TR, IPCA, IGP-M and CDI	14,488	14,617	13,369	13,511

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

Basket of currencies and US dollars indexed to LIBOR	4,917	3,623	4,903	3,609
Fixed rates in:				
Brazilian Reais	930	964	836	876
	20,335	19,204	19,108	17,996
	81,135	72,749	43,264	38,542

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

	Consolidated				Estimated future payments of interest(ii)	Parent Company Debt principal (i)
	Bank loans (i)	Capital market (i)	Development agencies (i)	Debt principal (i)		
2015	3,458		2,027	5,485	3,195	5,796
2016	114	3,050	2,986	6,150	4,616	1,946
2017	595	3,888	3,230	7,713	4,326	2,874
2018	5,643	2,584	3,614	11,841	4,039	11,367
2019	1,637	3,208	4,166	9,011	3,484	5,379
2020	1,418	3,530	2,674	7,622	3,088	4,211
Between 2021 and						
2025	3,206	10,411	6,405	20,022	10,264	12,047
2026 onwards	1,157	20,832	575	22,564	18,669	5,440
	17,228	47,503	25,677	90,408	51,681	49,060

(i) Does not include accrued charges.

(ii) Consists of estimated future payments of interest on loans, financings and debentures, calculated based on interest rate curves and foreign exchange rates applicable as of March 31, 2015 and considering that all amortization payments and payments at maturity on loans, financings and debentures will be made on their contracted payments dates. The amount includes the estimated values of future interest payments (not yet accrued), in addition to interest already recognized in the financial statements.

Table of Contents

At March 31, 2015, the average annual interest rates by currency are as follows:

	Consolidated		Parent Company	
	Average interest rate (i)	Total debt	Average interest rate (i)	Total debt
Loans and financing in US dollars	4.36%	68,697	2.54%	28,929
Loans and financing in Brazilian Reais (ii)	10.06%	16,630	9.92%	15,356
Loans and financing in Euros (iii)	4.06%	5,195	4.06%	5,195
Loans and financing in others currencies	6.36%	863		
		91,385		49,480

- (i) In order to determine the average interest rate for debt contracts with floating rates, the Company used the last renegotiated rate at March 31, 2015.
- (ii) Brazilian Real denominated debt that bears interest at IPCA, CDI or TJLP, plus spread. For a total of R\$13,923, the Company entered into derivative transactions to mitigate the exposure to the cash flow variations of the floating rate debt denominated in Brazilian Real, resulting in an average cost of 2.2% per year in US dollars.
- (iii) Eurobonds, for which the Company entered into derivatives to mitigate the exposure to the cash flow variations of the debt denominated in Euros, resulting in an average cost of 4.42% per year in US dollars.

b) Credit lines

Type	Contractual currency	Date of agreement	Available until	Total amount	Amounts drawn on	
					March 31, 2015 (unaudited)	December 31, 2014
Revolving credit lines						
Revolving credit facility	US\$	April 2011	5 years	9,624		
Revolving credit facility	US\$	July 2013	5 years	6,416		
Credit lines						
Export-Import Bank of China and Bank of China Limited	US\$	September 2010(i)	13 years	3,942	3,451	3,406
BNDES	R\$	April 2008(ii)	10 years	7,300	5,545	4,864
Financing						
BNDES - CLN 150	R\$	September 2012(iii)	10 years	3,883	3,339	3,339
BNDES - Tecnored 3.5%	R\$	December 2013(iv)	8 years	136	84	74
BNDES - S11D e S11D Logística	R\$	May 2014(v)	10 years	6,164	1,866	1,866

- (i) Acquisition of twelve large ore carriers from chinese shipyards.
- (ii) Memorandum of understanding signature date, however term is considered from the signature date of each contract amendment.
- (iii) Capacitação Logística Norte 150 Project (CLN 150).

- (iv) Support to Tecored's investment plan from 2013 to 2015.
- (v) Iron ore project S11D and S11D Logistica implementation.

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

c) Guarantees

As of March 31, 2015 and December 31, 2014 financing and loans in the amount of R\$4,023 and R\$3,485, respectively, were secured by property, plant and equipment and receivables.

16. Asset retirement obligations

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

The long term interest rates used to discount these obligations to present value and to update the provisions at March 31, 2015 was of 5.51% p.a. in Brazil, 2.05% p.a. in Canada and between 1.61% - 8.81% p.a. for the others locations.

Changes in the provision for asset retirement obligation are as follows:

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Balance at beginning of the period	8,949	6,194	3,195	1,946
Increase expense	214	158	108	75
Settlements	(71)	(8)	(2)	(3)
Revisions on cash flows estimates	20	120		
Translation adjustment	551	(144)		
Balance at end of the period	9,663	6,320	3,301	2,018

Table of Contents**17. Litigation****a) Provision for litigation**

Vale is party to labor, civil, tax and other ongoing lawsuits and is discussing these issues both at administrative and court levels. When applicable, lawsuits are supported by judicial deposits. Provisions for losses resulting from processes are estimated and updated by the Company, supported by legal consultants.

	Consolidated Three-months period ended				Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	
Balance on December 31, 2013	771	498	1,653	67	2,989
Additions	95	21	124	42	282
Reversals	(62)	(20)	(57)	(9)	(148)
Payments	(2)	(6)	(14)		(22)
Indexation and interest	(13)	(32)	41	24	20
Translation adjustment	(10)		1	(5)	(14)
Balance on March 31, 2014 (unaudited)	779	461	1,748	119	3,107

	Consolidated Three-months period ended				Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	
Balance on December 31, 2014	972	311	1,876	246	3,405
Additions	402	47	101		550
Reversals	(496)	(33)	(74)		(603)
Payments	(9)	7	(13)	(35)	(50)
Indexation and interest	56	34	20	(7)	103
Translation adjustment	55	1		25	81
Balance on March 31, 2015 (unaudited)	980	367	1,910	229	3,486

	Parent Company Three-months period ended				Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	
Balance on December 31, 2013	280	221	1,472	35	2,008
Additions	36	19	118	38	211

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

Reversals	(1)	(20)	(43)	(9)	(73)
Payments		(6)	(9)		(15)
Indexation and interest	2	(38)	47	(6)	5
Balance on March 31, 2014 (unaudited)	317	176	1,585	58	2,136

	Parent Company Three-months period ended				Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	
Balance on December 31, 2014	436	186	1,732	94	2,448
Additions	289	46	92		427
Reversals	(494)	(30)	(51)		(575)
Payments	(9)	(7)	(12)	(35)	(63)
Indexation and interest	129	45	(31)	3	146
Balance on March 31, 2015 (unaudited)	351	240	1,730	62	2,383

Table of Contents**b) Contingent liabilities**

The Company discusses, at administrative and judicial levels, claims where the expectation of loss is classified as possible and accordingly no provision was recorded.

These possible contingent liabilities are as follows:

	Consolidated		Parent Company	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
	(unaudited)		(unaudited)	
Tax litigations	20,022	16,187	16,113	13,084
Civil litigations	3,965	3,734	3,248	2,962
Labor litigations	5,166	5,194	4,808	4,491
Environmental litigations	3,071	2,981	2,924	2,881
Total	32,224	28,096	27,093	23,418

c) Judicial deposits

In addition to those provisions and contingent liabilities, there are also judicial deposits. These court-ordered deposits are legally required and are monetarily updated and reported in non-current assets until a judicial decision to draw the deposit occurs.

Judicial deposits are as follows:

	Consolidated		Parent Company	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
	(unaudited)		(unaudited)	
Tax litigations	954	940	675	664
Civil litigations	434	333	122	115
Labor litigations	2,146	2,096	1,986	1,942
Environmental litigations	2	1		
Total	3,536	3,370	2,783	2,721

18. Income taxes - Settlement program (REFIS)

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

On March 31, 2015, the balance of R\$16,886 (R\$1,243 in current and R\$15,643 in non-current) is due in 163 monthly installments, bearing interest at the SELIC rate.

Table of Contents**19. Income taxes**

The balances were as follows:

	Assets	Consolidated Liabilities	Total
Balance on December 31, 2013	10,596	7,562	3,034
Net income effect	(68)	78	(146)
Translation adjustment	64	(396)	460
Other comprehensive income	22	20	2
Balance on March 31, 2014 (unaudited)	10,614	7,264	3,350

	Ativo	Consolidated Passivo	Total
Balance on December 31, 2014	10,560	8,874	1,686
Net income effect	2,828	(22)	2,850
Translation adjustment	676	1,244	(568)
Other comprehensive income	3	(154)	157
Acquisition of subsidiary	(31)		(31)
Balance on March 31, 2015 (unaudited)	14,036	9,942	4,094

	Parent Company Assets
Balance on December 31, 2013	7,418
Net income effect	(164)
Other comprehensive income	21
Balance on March 31, 2014 (unaudited)	7,275

	Parent Company Assets
Balance on December 31, 2014	6,430
Net income effect	3,288
Other comprehensive income	3
Balance on March 31, 2015 (unaudited)	9,721

Deferred tax assets arising from tax losses, negative social contribution basis and temporary differences are registered taking into consideration the analysis of future performance, based on economic and financial projections, prepared based on internal assumptions and macroeconomic,

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

trade and tax scenarios that may be subject to changes in future.

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

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

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Net income before income taxes	(12,341)	7,921	(12,826)	8,111
Income taxes at statutory rates - 34%	4,196	(2,693)	4,361	(2,758)
Adjustments that affect the basis of taxes:				
Income tax benefit from interest on stockholders equity	545	659	545	659
Results of overseas companies taxed by different rates which differs from the parent company rate	(985)	(667)		
Equity results on statement of income	(281)	156	(1,564)	(563)
Tax loss not recognized	(206)	(192)		
Constitution or reversal for tax loss carryforward		17		
Others	(619)	383	(54)	460
Income taxes	2,650	(2,337)	3,288	(2,202)

Table of Contents**20. Employee benefits obligations**

At March 31, 2015 the Company contributed R\$133 and do not expects significant changes in relation to the estimate disclosed in the financial statements for the year ended December 31, 2014.

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

	March 31, 2015 (unaudited)			December 31, 2014		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Ceiling recognition of an asset (ceiling) and onerous liability						
Balance at beginning of the period	3,455			2,790		
Interest income	107			335		
Changes on asset ceiling and onerous liability	(228)			330		
Balance at end of the period	3,334			3,455		
Amount recognized in the balance sheet						
Present value of actuarial liabilities	(10,028)	(13,788)	(4,620)	(9,902)	(12,009)	(3,981)
Fair value of assets	13,362	11,385		13,357	9,872	
Effect of the asset ceiling	(3,334)			(3,455)		
Liabilities provisioned		(2,403)	(4,620)		(2,137)	(3,981)
Current liabilities		(57)	(161)		(42)	(135)
Non-current liabilities		(2,346)	(4,459)		(2,095)	(3,846)
Liabilities provisioned		(2,403)	(4,620)		(2,137)	(3,981)

ii. Costs recognized in the statement of income

	Consolidated					
	Three-months period ended (unaudited)					
	March 31, 2015				March 31, 2014	
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Current service cost	16	42	20	17	36	18
Interest on expense on liabilities	294	128	51	279	124	54
Interest income on plan assets	(404)	(108)		(368)	(90)	
Interest expense on effect of asset (ceiling) and onerous liability	107			84		
Total of cost, net	13	62	71	12	70	72

iii. Costs recognized in the statement of comprehensive income

	Consolidated					
	Three-months period ended (unaudited)					
	March 31, 2015				March 31, 2014	
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Balance at beginning of the period	(380)	(1,515)	(350)	(219)	(926)	(460)
Return on plan assets (excluding interest income)	(250)	(62)	(246)	(42)	117	
Changes on asset ceiling and onerous liability	240			(20)		
Gross balance for the period	(10)	(62)	(246)	(62)	117	
Deferred income tax	3	70	84	21	(27)	
Other comprehensive income	(7)	8	(162)	(41)	90	
Translation adjustment		(308)	(52)		31	12
Accumulated comprehensive income	(387)	(1,815)	(564)	(260)	(805)	(448)

Table of Contents**b) Profit sharing program (PLR)**

The Company accrued as cost of goods sold and services rendered and other operating expenses related to PLR R\$165 in March 31, 2015 (R\$311 in March 31, 2014) in consolidated and R\$98 in March 31, 2015 (R\$262 in March 31, 2014) in parent company.

c) Long-term compensation plan

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

Liabilities of the plans are measured at fair value on the date of each issuance of the report, based on market rates. Compensation costs incurred are recognized by the defined vesting period of three years. At March 31, 2015 and December 31, 2014 the Company recorded a liability with impact of R\$132 and R\$163 respectively, in the statement of income.

21. Classification of financial instruments

The classification of financial assets and liabilities is as follows:

	Consolidated			Parent Company			
	Loans and receivables (i)	At fair value through profit or loss (ii)	Derivatives designated as hedge (iii)	Total	Loans and receivables (i)	At fair value through profit or loss (ii)	Total
Financial assets							
Current							
Cash and cash equivalents	11,818			11,818	1,038		1,038
Financial investments	4			4	4		4
Derivative financial instruments		606		606		397	397

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

Accounts receivable	7,349		7,349	35,090		35,090
Related parties	1,676		1,676	1,776		1,776
	20,847	606	21,453	37,908	397	38,305
Non-current						
Related parties	72		72	1,030		1,030
Loans and financing	695		695	97		97
Derivative financial instruments		109	109			
	767	109	876	1,127		1,127
Total of financial assets	21,614	715	22,329	39,035	397	39,432
Financial liabilities						
Current						
Suppliers and contractors	11,001		11,001	5,221		5,221
Derivative financial instruments		1,787	1,112	2,899	826	826
Loans and financing	10,250		10,250	6,216		6,216
Related parties	856		856	6,908		6,908
	22,107	1,787	1,112	25,006	18,345	826
Non-current						
Derivative financial instruments		8,007	8,007		6,443	6,443
Loans and financing	81,135		81,135	43,264		43,264
Related parties	290		290	51,085		51,085
Participative stockholders debentures		3,738	3,738		3,738	3,738
Others (iv)		301	301		301	301
	81,425	12,046	93,471	94,349	10,482	104,831
Total of financial liabilities	103,532	13,833	1,112	118,477	112,694	124,002

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

(ii) Financial instruments for trading in short term.

(iii) See note 23(a).

(iv) See note 22(a).

Table of Contents

	Consolidated				Parent Company		
	December 31, 2014						
	Loans and receivables (i)	At fair value through profit or loss (ii)	Derivatives designated as hedge (iii)	Total	Loans and receivables (i)	At fair value through profit or loss (ii)	Total
Financial assets							
Current							
Cash and cash equivalents	10,555			10,555	685		685
Financial investments	392			392	392		392
Derivative financial instruments		441		441		370	370
Accounts receivable	8,700			8,700	30,599		30,599
Related parties	1,537			1,537	2,227		2,227
	21,184	441		21,625	33,903	370	34,273
Non-current							
Related parties	93			93	902		902
Loans and financing	609			609	104		104
Derivative financial instruments		231		231		29	29
	702	231		933	1,006	29	1,035
Total of financial assets	21,886	672		22,558	34,909	399	35,308
Financial liabilities							
Current							
Suppliers and contractors	11,566			11,566	6,818		6,818
Derivative financial instruments		2,539	1,221	3,760		948	948
Loans and financing	3,768			3,768	2,853		2,853
Related parties	813			813	5,622		5,622
	16,147	2,539	1,221	19,907	15,293	948	16,241
Non-current							
Derivative financial instruments		4,273	3	4,276		3,866	3,866
Loans and financing	72,749			72,749	38,542		38,542
Related parties	288			288	43,606		43,606
Participative stockholders debentures		4,584		4,584		4,584	4,584
Others (iv)		303		303		303	303
	73,037	9,160	3	82,200	82,148	8,753	90,901
Total of financial liabilities	89,184	11,699	1,224	102,107	97,441	9,701	107,142

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

(ii) Financial instruments for trading in short term.

(iii) See note 23(a).

(iv) See note 22(a).

22. Fair value estimate

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

a) Assets and liabilities measured and recognized at fair value

	March 31, 2015 (unaudited)		Consolidated		December 31, 2014	
	Level 2	Level 3	Total	Level 2	Level 3	Total
Financial assets						
Current						
Derivatives at fair value through profit or loss	606		606	441		441
	606		606	441		441
Non-current						
Derivatives at fair value through profit or loss	109		109	231		231
	109		109	231		231
Total of financial assets	715		715	672		672
Financial liabilities						
Current						
Derivatives at fair value through profit or loss	1,787		1,787	2,539		2,539
Derivatives designated as hedge	1,112		1,112	1,221		1,221
	2,899		2,899	3,760		3,760
Non-current						
Derivatives at fair value through profit or loss	8,007		8,007	4,273		4,273
Derivatives designated as hedge				3		3
Participative stockholders' debentures	3,738		3,738	4,584		4,584
Others (minimum return instrument)		301	301		303	303
	11,745	301	12,046	8,860	303	9,163
Total of financial liabilities	14,644	301	14,945	12,620	303	12,923

Table of Contents

	March 31, 2015 (unaudited)		Parent Company		December 31, 2014		Total
	Level 2	Level 3	Total	Level 2	Level 3	Total	
Financial assets							
Current							
Derivatives at fair value through profit or loss	397		397	370			370
	397		397	370			370
Non-current							
Derivatives at fair value through profit or loss				29			29
				29			29
Total of financial assets	397		397	399			399
Financial liabilities							
Current							
Derivatives at fair value through profit or loss	826		826	948			948
	826		826	948			948
Non-current							
Derivatives at fair value through profit or loss	6,443		6,443	3,866			3,866
Participative stockholders debentures	3,738		3,738	4,584			4,584
Others (minimum return instrument)		301	301		303		303
	10,181	301	10,482	8,450	303		8,753
Total of financial liabilities	11,007	301	11,308	9,398	303		9,701

b) **Fair value measurement compared to book value**

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

The fair values and carrying amounts of non-current loans (net of interest) are shown in the table below:

	Balance	Consolidated		Level 2	Balance	Parent Company		Level 2
		Fair value (ii)	Level 1			Fair value (ii)	Level 1	
Financial liabilities								
March 31, 2015								
(unaudited)								

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

Loans (long term) (i)	90,408	91,552	47,899	43,653	49,060	49,605	10,804	38,801
December 31, 2014								
Loans (long term) (i)	75,356	78,302	42,077	36,225	40,782	46,886	9,953	36,933

(i) Net interest of US\$977 on consolidated and US\$420 on parent company at March 31, 2015 and US\$1,161 on consolidated and US\$613 on parent company at December 31, 2014.

Table of Contents**23. Derivative financial instruments****a) Derivatives effects on balance sheet**

	Consolidated Assets			
	March 31, 2015 (unaudited)		December 31, 2014	
	Current	Non-current	Current	Non-current
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US\$ fixed and floating rate swap	443		364	29
IPCA swap	11		18	
Eurobonds swap				109
Pre dollar swap	20		5	
	474		387	138
Commodities price risk				
Nickel	132	22	54	7
	132	22	54	7
Warrants				
SLW options (note 28)		87		86
		87		86
Total	606	109	441	231

	Consolidated Liabilities			
	March 31, 2015 (unaudited)		December 31, 2014	
	Current	Non-current	Current	Non-current
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US\$ fixed and floating rate swap	493	6,339	1,173	3,599
IPCA swap		420		167
Eurobonds swap	528	144	24	238
Pre dollar swap	336	286	81	262
	1,357	7,189	1,278	4,266
Commodities price risk				
Nickel	116	21	60	7
Bunker oil	314	797	1,201	
	430	818	1,261	7
Derivatives designated as cash flow hedge				
Bunker oil	1,020		1,152	
Foreign exchange	92		69	3

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

	1,112		1,221	3
Total	2,899	8,007	3,760	4,276

	Parent Company Assets			
	March 31, 2015 (unaudited)		December 31, 2014	
	Current	Non-current	Current	Non-current
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US\$ fixed and floating rate swap	371		354	29
IPCA swap	6		11	
Pre dollar swap	20		5	
Total	397		370	29

	Parent Company Liabilites			
	March 31, 2015 (unaudited)		December 31, 2014	
	Current	Non-current	Current	Non-current
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US\$ fixed and floating rate swap	490	5,941	867	3,535
IPCA swap		216		70
Pre dollar swap	336	286	81	261
Total	826	6,443	948	3,866

Table of Contentsb) **Effects of derivatives in the statement of income**

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
CDI & TJLP vs. US\$ fixed and floating rate swap	(2,893)	456	(2,647)	423
IPCA swap	(224)	17	(139)	17
Eurobonds swap	(426)	15		
Pre dollar swap	(272)	26	(272)	26
	(3,815)	514	(3,058)	466
Commodities price risk				
Nickel	(23)	(2)		
Bunker oil	(151)	6		
	(174)	4		
Warrants				
SLW options (note 28)	(18)	19		
	(18)	19		
Embedded derivatives				
Gas - Oman		(1)		
		(1)		
Derivatives designated as cash flow hedge				
Bunker oil	(343)	(6)		
Foreign exchange	(41)	(31)		
	(384)	(37)		
Total	(4,391)	499	(3,058)	466

Related to the effects of derivatives in the statement of income, the Company recognized R\$343 as cost of goods sold and services rendered and R\$4,048 as financial expense, net.

c) **Effects of derivatives in the cash flow**

	Inflows/(outflows)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Derivatives not designated as hedge				
Foreign exchange and interest rate risk				
	(915)	67	(605)	48

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

CDI & TJLP vs. US\$ fixed and floating rate swap				
IPCA swap	11		11	
Eurobonds swap		24		
Pre dollar swap	(6)	5	(6)	4
	(910)	96	(600)	52
Commodities price risk				
Nickel	(46)	3		
Bunker oil	(412)	(21)		
	(458)	(18)		
Derivatives designated as cash flow hedge				
Bunker oil	(376)	(6)		
Foreign exchange	(41)	(31)		
	(417)	(37)		
Total	(1,785)	41	(600)	52
Gains (losses) unrealized derivatives	2,606	(458)	2,458	(414)

Table of Contents**d) Effects of derivatives designated as hedge****i. Cash flow hedge**

The effects of cash flow hedge impact the stockholders' equity and are presented in the following tables:

	Foreign exchange	Consolidated Bunker oil	Total
Fair value measurements	(42)	(68)	(110)
Transfer of realized results to income	41	376	417
Net change as of March 31, 2015 (unaudited)	(1)	308	307
Fair value measurements	(55)	(24)	(79)
Transfer of realized results to income	31	6	37
Net change as of March 31, 2014 (unaudited)	(24)	(18)	(42)

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

	Maturity dates
Currencies and interest rates	July 2023
Gas - Oman	April 2016
Nickel	March 2017
Copper	June 2015
Warrants	February 2023
Bunker oil	December 2016

Additional information about derivatives financial instruments**Value at risk computation methodology**

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

The value at risk of the positions was measured using a delta-Normal parametric approach, which considers that the future distribution of the risk factors - and its correlations - tends to present the same statistic properties verified in the historical data. The value at risk of Vale's derivatives current positions was estimated considering one business day time horizon and a 95% confidence level.

Contracts subjected to margin calls

Vale has contracts subject to margin calls only for part of nickel trades executed by its wholly-owned subsidiary Vale Canada Ltd. There was not cash amount deposited for margin call on March 31, 2015.

Initial cost of contracts

The financial derivatives negotiated by Vale and its controlled companies described in this document didn't have initial costs (initial cash flow) associated.

The following tables show as of March 31, 2015, the derivatives positions for Vale and controlled companies with the following information: notional amount, fair value including credit risk(1), gains or losses in the period, value at risk and the fair value for the remaining years of the operations per each group of instruments.

(1) The Adjusted net/total for credit risk considers the adjustments for credit (counterparty) risk calculated for the instruments, in accordance with International Financial Reporting Standard 13 (CPC 46).

Table of Contents

Foreign exchange and interest rates derivative positions

Protection program for the Real denominated debt indexed to CDI

In order to reduce the cash flow volatility, Vale entered into swap transactions to convert into US\$ the cash flows from debt instruments denominated in BRL linked to CDI. In those swaps, Vale pays fixed rates in US\$ and receives payments linked to CDI.

Flow	Notional (\$ million)		Index	Average rate	R\$ Million		Realized Gain/Loss	Value at Risk	Fair value by year			
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			March 31, 2015	2015	2016	2017
CDI vs. fixed rate swap												
Receivable	R\$ 4,939	R\$ 4,511	CDI	109.03%	5,240	4,736	1,442					
Payable	US\$ 2,199	US\$ 2,284	US\$ +	3.35%	(7,238)	(6,180)	(2,057)					
Net					(1,998)	(1,444)	(615)	86	324	(1,382)	(164)	(776)
Net adjusted for credit risk					(2,027)	(1,453)			322	(1,393)	(169)	(787)
CDI vs. floating rate swap												
Receivable	R\$ 0	R\$ 428	CDI	103.50%		448	460					
Payable	US\$ 0	US\$ 250	Libor +	0.99%		(668)	(663)					
Net						(220)	(203)					
Net adjusted for credit risk						(220)						

Type of contracts: OTC Contracts

Protected item: Debt instruments linked to BRL

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

The protected items are the debt instruments linked to BRL once the objective of this program is to transform into US\$ the obligations linked to BRL so as to achieve a currency offset by matching Vale's receivables - mainly linked to US\$ - with Vale's payables.

Protection program for the real denominated debt indexed to TJLP

In order to reduce the cash flow volatility, Vale entered into swap transactions to convert into US\$ the cash flows linked to TJLP of the loans with Banco Nacional de Desenvolvimento Econômico e Social (BNDES). In those swaps, Vale pays fixed or floating rates in US\$ and receives payments linked to TJLP.

Flow	Notional (\$ million)		Index	Average rate	R\$ Million		Realized Gain/Loss	Value at Risk	Fair value by year			
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			March 31, 2015	2015	2016	2017
Swap TJLP vs. fixed rate swap												
Receivable	TJLP											
	R\$ 6,083	R\$ 6,247	+	1.33%	5,350	5,444	356					
Payable	USD											
	US\$ 2,948	US\$ 3,051	+	1.71%	(9,126)	(7,802)	(423)					
Net					(3,776)	(2,358)	(67)	243	(326)	(658)	(902)	(1,890)
Adjusted Net for credit risk					(4,111)	(2,531)			(328)	(671)	(955)	(2,157)
Swap TJLP vs. floating rate swap												
Receivable	TJLP											
	R\$ 293	R\$ 295	+	0.94%	248	243	3					
Payable	Libor											
	US\$ 172	US\$ 173	+	-1.21%	(494)	(413)	(4)					
Net					(246)	(170)	(1)	15	(3)	(12)	(19)	(212)
Adjusted Net for credit risk					(251)	(175)			(6)	(12)	(19)	(214)

Type of contracts: OTC Contracts

Protected item: Debt instruments linked to BRL

The protected items are the debt instruments linked to BRL once the objective of this program is to transform into US\$ the obligations linked to BRL so as to achieve a currency offset by matching Vale's receivables - mainly linked to US\$ - with Vale's payables.

Table of Contents**Protection program for the Real denominated fixed rate debt**

In order to reduce the cash flow volatility, Vale entered into a swap transactions to convert into US\$ the cash flows from loans in BRL linked to fixed rates with BNDES. In those swaps, Vale pays fixed rates in US\$ and receives fixed rates in BRL.

Flow	Notional (\$ million)		Average index rate	Fair value		Realized Gain/Loss	Value at Risk	Fair value by year			
	March 31, 2015	December 31, 2014		March 31, 2015	December 31, 2014			March 31, 2015	2015	2016	2017
R\$ fixed rate vs. US\$ fixed rate swap											
Receivable	R\$ 728	R\$ 735	Fix	3.92%	826	649	37				
Payable	US\$ 387	US\$ 395	US\$ +	-1.67%	(1,388)	(972)	(43)				
Net					(562)	(323)	(6)	31	(112)	(272)	(23)
Net adjusted for credit risk					(603)	(337)		(113)	(278)	(25)	(187)

Type of contracts: OTC Contracts

Protected item: Debt instruments linked to BRL

The protected items are the debt instruments linked to BRL once the objective of this program is to transform into US\$ the obligations linked to BRL so as to achieve a currency offset by matching Vale's receivables - mainly linked to US\$ - with Vale's payables.

Protection program for the Real denominated debt indexed to IPCA

In order to reduce the cash flow volatility, Vale entered into swap transactions to convert into US\$ the cash flows from debt instruments denominated in BRL linked to IPCA on debenture contracts issued by Vale in 2014 with a notional amount of BRL 1 billion. In those swaps, Vale pays fixed rates in US\$ and receives payments linked to IPCA.

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

Flow	Notional (\$ million)				Average rate	R\$ Million		Realized Gain/Loss	Value at Risk	Fair value by year			
	March 31, 2015	December 31, 2014	Index	Fixed		March 31, 2015	December 31, 2014			March 31, 2015	March 31, 2015	2015	2016
IPCA vs. US\$ fixed rate swap													
Receivable	R\$ 1,000	R\$ 1,000	Fix		6.55%	1,097	1,113	57					
Payable	US\$ 434	US\$ 434	US\$ +		3.98%	(1,498)	(1,259)	(38)					
Net						(401)	(146)	19	28	11	9	(421)	
Net adjusted for credit risk						(409)	(150)			11	9	(429)	

Type of contracts: OTC Contracts

Protected item: Debt instruments linked to BRL

The protected items are the debt instruments linked to BRL once the objective of this program is to transform into US\$ the obligations linked to BRL so as to achieve a currency offset by matching Vale's receivables - mainly linked to US\$ - with Vale's payables.

Protection program for Euro denominated debt

In order to reduce the cash flow volatility, Vale entered into swap transactions to convert into US\$ the cash flow from debt instruments issued in Euros by Vale in 2010 and 2012 with a notional amount of 750 million each. In those swaps, Vale receives fixed rates in Euros and pays fixed rates in US\$.

Flow	Notional (\$ million)				Average rate	R\$ million		Realized Gain/Loss	Value at Risk	Fair value by year			
	March 31, 2015	December 31, 2014	Index	Fixed		March 31, 2015	December 31, 2014			March 31, 2015	March 31, 2015	2015	2016
Receivable	1,000	1,000	EUR		4.063%	3,965	3,800	133					
Payable	US\$ 1,302	US\$ 1,302	US\$		4.511%	(4,634)	(3,941)	(171)					
Net						(669)	(141)	(38)	69	(527)	(142)		
Net adjusted for credit risk						(672)	(154)			(528)	(144)		

Type of contracts: OTC Contracts

Protected item: Vale's debt instruments linked to EUR

Table of Contents

The P&L shown in the table above is offset by the hedged items P&L due to EUR/US\$ exchange rate.

Foreign exchange hedging program for disbursements in Canadian dollars

In order to reduce the cash flow volatility, Vale entered into forward transactions to mitigate the foreign exchange exposure that arises from the currency mismatch between revenues denominated in US\$ and disbursements denominated in Canadian Dollars.

Flow	Notional (\$ million)			Average rate (CAD/USD)	R\$ million Fair value		Realized Gain/Loss March 31, 2015	Value at Risk Fair value by year		
	March 31, 2015	December 31, 2014	Buy / Sell		March 31, 2015	December 31, 2014		March 31, 2015	2015	2016
Forward	CAD 150	CAD 230	B	1.023	(92)	(73)		3	(86)	(6)
Total adjusted for credit risk					(92)	(73)			(86)	(6)

Type of contracts: OTC Contracts

Hedged item: part of disbursements in Canadian Dollars

The P&L shown in the table above is offset by the hedged items P&L due to CAD/US\$ exchange rate.

Commodity derivative positions

The Company's cash flow is also exposed to several market risks associated to global commodities price volatilities. To offset these volatilities, Vale entered into the following derivatives transactions:

Nickel purchase protection program

In order to reduce the cash flow volatility and eliminate the mismatch between the pricing of the purchased nickel (concentrate, cathode, sinter and others) and the pricing of the product sold to our clients, protection transactions were implemented. The trades are usually implemented through the sale and/or buy of nickel forward or future contracts at LME or over-the-counter.

Flow	R\$ million									
	Notional (ton)		Buy / Sell	Average Strike (US\$/ton)	Fair value		Realized Gain/Loss March 31, 2015	Value at Risk March 31, 2015	Fair value by year	
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			2015	2016
Nickel Futures	90	140	S	14,331	0.6	0.4	0.7	0.1	0.6	
Total adjusted for credit risk					0.6	0.4			0.6	

Type of contracts: LME contracts and OTC contracts

Protected item: part of Vale's revenues linked to nickel price.

The P&L shown in the table above is offset by the protected items' P&L due to nickel price.

Nickel fixed price program

In order to maintain the revenues exposure to nickel price fluctuations, the Company entered into derivatives to convert to floating prices all contracts with clients that required a fixed price. These trades aim to guarantee that the prices of these operations would be the same of the average prices negotiated in LME in the date the product is delivered to the client. It normally involves buying nickel forwards (over-the-counter) or futures (exchange negotiated). Those operations are usually reverted before the maturity in order to match the settlement dates of the commercial contracts in which the prices are fixed.

Flow	R\$ million									
	Notional (ton)		Buy / Sell	Average Strike (US\$/ton)	Fair value		Realized Gain/Loss March 31, 2015	Value at Risk March 31, 2015	Fair value by year	
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			2015	2016
Nickel Futures	11,384	11,264	B	16,085	(134)	(65)	(42)	12	(99)	(33)
Total adjusted for credit risk					(134)	(65)			(99)	(33)

Type of contracts: LME contracts and OTC contracts

Protected item: part of Vale's revenues linked to fixed price sales of nickel.

The P&L shown in the table above is offset by the protected items' P&L due to nickel price.

Table of Contents**Copper scrap purchase protection program**

In order to reduce the cash flow volatility and eliminate the quotation period mismatch between the pricing period of copper scrap purchase and the pricing period of final products sale to the clients, protection transactions were implemented. This program is usually implemented through the sale of forwards or futures at LME or over-the-counter operations.

Flow	Notional (lbs)		Buy / Sell	Average Strike (US\$/lbs)	R\$ million		Realized Gain/Loss March 31, 2015	Value at Risk March 31, 2015	Fair value by year 2015
	March 31, 2015	December 31, 2014			Fair value				
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			
Forward	357,149	793,665	S	2.61	(0.2)	0.3	0.7	0.1	(0.2)
Total adjusted for credit risk					(0.2)	0.3			(0.2)

Type of contracts: OTC contracts

Protected item: part of Vale's revenues linked to copper price.

The P&L shown in the table above is offset by the protected items' P&L due to copper price.

Bunker Oil purchase protection program

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

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

Flow	Notional (ton)		Buy / Sell	Average Strike (US\$/mt)	R\$ million Fair value		Realized Gain/Loss March 31, 2015	Value at Risk March 31, 2015	Fair value by year	
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			2015	2015
Forward	3,204,000	2,205,000	B	434	(1,104)	(964)	(177)	58	(57)	(1,047)
Total adjusted for credit risk					(1,106)	(964)			(57)	(1,049)

Type of contracts: OTC Contracts

Protected item: part of Vale's costs linked to bunker oil price

The P&L shown in the table above is offset by the protected items' P&L due to bunker oil price.

Bunker Oil purchase hedging program

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

Flow	Notional (ton)		Buy / Sell	Average Strike (US\$/mt)	R\$ million Fair value		Realized Gain/Loss March 31, 2015	Value at Risk March 31, 2015	Fair value by year 2015
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			
Forward	1,485,000	1,950,000	B	505	(916)	(986)	(289)	26	(916)
Total adjusted for credit risk					(917)	(987)			(917)

Type of contracts: OTC contracts

Protected item: part of Vale's costs linked to bunker oil price

The P&L shown in the table above is offset by the protected items' P&L due to bunker oil price.

Table of Contents**Silver Wheaton Corp. warrants**

The company owns 10 million warrants of Silver Wheaton Corp. (SLW), a Canadian company with stocks negotiated in Toronto Stock Exchange and New York Stock Exchange. Such warrants configure American call options and were received as part of the payment regarding the sale of 25% of gold payable flows produced as a sub product from Salobo copper mine during its life and 70% of gold payable flows produced as a sub product from some nickel mines in Sudbury during 20 years.

Flow	Notional (quantity)		Buy / Sell	Average Strike (US\$/share)	R\$ million Fair value		Realized Gain/Loss March 31, 2015	Value at Risk March 31, 2015	Fair value by year 2023
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			
Call Option	10,000,000	10,000,000	B	65	87	86		8	87
Total adjusted for credit risk					87	86			87

Embedded derivative positions

The Company's cash flow is also exposed to several market risks associated to contracts that contain embedded derivatives or derivative-like features. From Vale's perspective, it may include, but is not limited to, commercial contracts, procurement contracts, rental contracts, bonds, insurance policies and loans. The following embedded derivatives were observed as of March 31, 2015.

Raw material and intermediate products purchase

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

Notional (ton)	Average Strike	R\$ million Fair value		Realized Gain/Loss March 31,	Value at Risk March 31,	Fair value by year
		March 31,	December 31,			

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

Flow	2015	2014	Buy / Sell	(US\$/ton)	2015	2014	2015	2015	2015
Nickel Forwards	5,507	4,491	S	14,248	9	(2)			9
Copper Forwards	4,599	6,310		5,761	(2)	3			(2)
Total					7	1		8	7

Gas purchase for pelletizing company in Oman

Our subsidiary Vale Oman Pelletizing Company LLC has a natural gas purchase agreement in which there is a clause that defines that a premium can be charged if pellet prices trade above a pre-defined level. This clause is considered as an embedded derivative.

Flow	Notional (volume/month)		Buy / Sell	Average Strike (US\$/ton)	R\$ million Fair value		Realized Gain/Loss March 31, 2015	Value at Risk March 31, 2015	Fair value by year		
	March 31, 2015	December 31, 2014			March 31, 2015	December 31, 2014			2015	2015	2016
	Call Options	746,667			746,667	S			179.36	(0.02)	(0.54)

Table of Contents**Sensitivity analysis(2)**

The Company present below the sensitivity analysis for all derivatives outstanding positions as of March 31, 2015 given predefined scenarios for market risk factors behavior. The scenarios were defined as follows:

- Fair Value: the fair value of the financial instruments position as at March 31, 2015;
- Scenario I: Potential change in fair value considering a 25% deterioration of market curves for main underlying market risk factors;
- Scenario II: Potential change in fair value considering a 25% evolution of market curves for main underlying market risk factors;
- Scenario III: Potential change in fair value considering a 50% deterioration of market curves for main underlying market risk factors;
- Scenario IV: Potential change in fair value considering a 50% evolution of market curves for main underlying market risk factors;

Sensitivity analysis Summary of the US\$/BRL fluctuation: Debt, cash investments and derivatives

Program	Instrument	Risk	R\$ million			
			Scenario I	Scenario II	Scenario III	Scenario IV
Funding	Debt denominated in BRL	BRL fluctuation				
Funding	Non hedged debt denominated in US\$	BRL fluctuation	19,516	(19,516)	39,032	(39,032)
Cash Investments	Cash denominated in BRL	BRL fluctuation				
Cash Investments	Cash denominated in US\$	BRL fluctuation				
Derivatives	Consolidated derivatives portfolio	BRL fluctuation	(4,937)	4,937	(9,872)	9,872
Net result			14,579	(14,579)	29,160	(29,160)

Sensitivity analysis Consolidated derivatives portfolio

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

Program	Instrument	Main Risks	R\$ million					
			Fair Value	Scenario I	Scenario II	Scenario III	Scenario IV	
Protection program for the Real denominated debt indexed to CDI	CDI vs. US\$ fixed rate swap	BRL fluctuation		(1,810)	1,810	(3,619)	3,619	
		USD interest rate inside Brazil variation		(85)	83	(174)	163	
		Brazilian interest rate fluctuation	(2,027)	(21)	20	(44)	38	
		USD Libor variation		(8)	8	(16)	15	
	Protected Items - Real denominated debt	BRL fluctuation	n.a.					
Protection program for the Real denominated debt indexed to TJLP	TJLP vs. US\$ fixed rate swap	BRL fluctuation		(2,282)	2,282	(4,563)	4,563	
		USD interest rate inside Brazil variation		(172)	163	(354)	318	
		Brazilian interest rate fluctuation	(4,111)	385	(339)	824	(639)	
		TJLP interest rate fluctuation		(179)	171	(360)	342	
Protection program for the Real denominated debt indexed to TJLP	TJLP vs. US\$ floating rate swap	BRL fluctuation		(123)	123	(247)	247	
		USD interest rate inside Brazil variation		(14)	13	(28)	25	
		Brazilian interest rate fluctuation	(251)	23	(20)	50	(38)	
		TJLP interest rate fluctuation		(11)	10	(22)	21	
	Protected Items - Real denominated debt	USD Libor variation		7	(7)	13	(13)	
Protection program for the Real denominated fixed rate debt	BRL fixed rate vs. US\$ fixed rate swap	BRL fluctuation		(347)	347	(694)	694	
		USD interest rate inside Brazil variation		(603)	(20)	19	(42)	37
		Brazilian interest rate fluctuation		48	(42)	104	(80)	
		Protected Items - Real denominated debt		n.a.				
Protection program for the Real denominated debt indexed to IPCA	IPCA vs. US\$ fixed rate swap	BRL fluctuation		(375)	375	(749)	749	
		USD interest rate inside Brazil variation		(32)	30	(67)	58	
		Brazilian interest rate fluctuation	(409)	140	(120)	305	(222)	
		IPCA index fluctuation		(64)	67	(125)	139	
Protection Program for the Euro denominated debt	EUR fixed rate vs. US\$ fixed rate swap	USD Libor variation		(9)	9	(18)	17	
		BRL fluctuation		n.a.				
		EUR fluctuation		(991)	991	(1,983)	1,983	
		EUR Libor variation		(672)	16	(16)	33	(32)
Foreign Exchange hedging program for disbursements in Canadian dollars (CAD)	CAD Forward	USD Libor variation		(74)	70	(153)	135	
		Protected Items - Euro denominated debt		n.a.				
		EUR fluctuation		991	(991)	1,983	(1,983)	
		CAD fluctuation		(118)	118	(236)	236	
Foreign Exchange hedging program for disbursements in Canadian dollars (CAD)	CAD Forward	CAD Libor variation	(92)	0	(0)	1	(1)	
		Protected Items - Disbursement in Canadian dollars						
		USD Libor variation		(0.2)	0.2	(0.4)	0.4	
		CAD fluctuation		n.a.	118	(118)	236	(236)

(2) The deterioration scenario of BRL fluctuation on the tables of this section means the depreciation of BRL against the USD. The same is applicable for the other currencies fluctuations as risk factors. Specifically on Sensitivity analysis - cash investments in other currencies table, The Company have the depreciation of each currency as a risk factor against another currencies in general, not only USD.

Table of Contents

Program	Instrument	Main Risks	R\$ million				
			Fair Value	Scenario I	Scenario II	Scenario III	Scenario IV
Nickel purchase protection program	Purchase / sale of nickel future/forward contracts	Nickel price fluctuation		1	(1)	2	(2)
		CAD fluctuation	0.6	0.1	(0.1)	0.3	(0.3)
	Protected Item: Part of Vale's revenues linked to Nickel price	Nickel price fluctuation	n.a.	(1)	1	(2)	2
Nickel fixed price program	Purchase of nickel future/forward contracts	Nickel price fluctuation		(116)	116	(232)	232
		CAD fluctuation	(134)	(34)	34	(67)	67
	Protected Item: Part of Vale's nickel revenues from sales with fixed prices	Nickel price fluctuation	n.a.	116	(116)	232	(232)
Copper Scrap Purchase Protection Program	Sale of copper future/forward contracts	Copper price fluctuation		1	(1)	2	(2)
		CAD fluctuation	(0.2)	(0.0)	0.0	(0.1)	0.1
	Protected Item: Part of Vale's revenues linked to Copper price	Copper price fluctuation	n.a.	(1)	1	(2)	2
Bunker Oil Protection Program	Bunker Oil forward Protected Item: part of Vale's costs linked to Bunker Oil price	Bunker Oil price fluctuation	(1,106)	(833)	833	(1,665)	1,665
		Bunker Oil price fluctuation	n.a.	833	(833)	1,665	(1,665)
Bunker Oil Hedge Program	Bunker Oil forward Protected Item: part of Vale's costs linked to Bunker Oil price	Bunker Oil price fluctuation	(917)	(372)	372	(743)	743
		Bunker Oil price fluctuation	n.a.	372	(372)	743	(743)
	SLW warrants	Call options	SLW stock price fluctuation	87	(41)	51	(69)
		Libor USD fluctuation		(3)	3	(7)	7
Program	Instrument	Main Risks	R\$ million				
			Fair Value	Scenario I	Scenario II	Scenario III	Scenario IV
Embedded derivatives - Raw material purchase (Nickel)	Embedded derivatives - Raw material purchase	Nickel price fluctuation		61	(61)	121	(121)
		CAD fluctuation	9	(2)	2	(4)	4
Embedded derivatives - Raw material purchase (Copper)	Embedded derivatives - Raw material purchase	Copper price fluctuation	(2.1)	22	(22)	44	(44)

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

		CAD fluctuation		0.5	(0.5)	1.1	(1.1)
Embedded derivatives - Gas purchase	Embedded derivatives - Gas purchase	Pellet price fluctuation	(0.02)	0.02	(0.13)	0.02	(0.61)

Sensitivity analysis - Cash investments

The cash investments are subjected to foreign exchange risk when the investment currency is other than the functional currency of the investor company.

Program	Instrument	Risk	R\$ million			
			Scenario I	Scenario II	Scenario III	Scenario IV
Cash Investments	Cash denominated in EUR	EUR	(12)	12	(25)	25
Cash Investments	Cash denominated in CAD	CAD	(1)	1	(1)	1
Cash Investments	Cash denominated in GBP	GBP	(0)	0	(0)	0
Cash Investments	Cash denominated in AUD	AUD	(5)	5	(10)	10
Cash Investments	Cash denominated in Other Currencies*	Others	(20)	20	(41)	41

(*) Includes investments in other currencies and investments in USD as the functional currency of the investor is not USD or BRL.

Table of Contents**Financial counterparties ratings**

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

The table below presents the ratings in foreign currency published by agencies Moody's and S&P regarding the main financial institutions that the Company had outstanding trades as of March 31, 2015.

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

Table of Contents**Market curves**

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

1. Commodities**Nickel**

Maturity	Price (US\$/ton)	Maturity	Price (US\$/ton)	Maturity	Price (US\$/ton)
SPOT	12,460.00	SEP15	12,441.59	MAR16	12,522.40
APR15	12,356.96	OCT15	12,460.07	MAR17	12,625.99
MAY15	12,374.64	NOV15	12,478.50	MAR18	12,627.47
JUN15	12,392.18	DEC15	12,491.34	MAR19	12,610.51
JUL15	12,407.31	JAN16	12,501.32		
AUG15	12,424.00	FEB16	12,513.50		

Copper

Maturity	Price (US\$/lb)	Maturity	Price (US\$/lb)	Maturity	Price (US\$/lb)
SPOT	2.75	SEP15	2.73	MAR16	2.73
APR15	2.75	OCT15	2.73	MAR17	2.72
MAY15	2.75	NOV15	2.73	MAR18	2.71
JUN15	2.74	DEC15	2.73	MAR19	2.70
JUL15	2.74	JAN16	2.73		
AUG15	2.74	FEB16	2.73		

Bunker Oil

Maturity	Price (US\$/ton)	Maturity	Price (US\$/ton)	Maturity	Price (US\$/ton)
SPOT	305.80	SEP15	314.04	MAR16	331.56
APR15	307.60	OCT15	316.50	MAR17	362.57

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

MAY15	309.47	NOV15	318.97	MAR18	394.38
JUN15	310.90	DEC15	322.21	MAR19	433.39
JUL15	310.67	JAN16	325.46		
AUG15	311.78	FEB16	328.71		

Table of Contents**2. Rates****US\$-Brazil Interest Rate**

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
05/04/15	1.98	03/01/16	2.55	04/02/18	3.24
06/01/15	1.72	04/01/16	2.66	07/02/18	3.32
07/01/15	1.70	06/01/16	2.80	10/01/18	3.34
08/03/15	1.78	07/01/16	2.84	01/02/19	3.34
09/01/15	1.89	10/03/16	2.99	04/01/19	3.35
10/01/15	2.02	01/02/17	3.03	07/01/19	3.42
11/03/15	2.16	04/03/17	3.07	10/01/19	3.44
12/01/15	2.28	07/03/17	3.09	01/02/20	3.46
01/04/16	2.44	10/02/17	3.14	04/01/20	3.47
02/01/16	2.48	01/02/18	3.18	07/01/20	3.48

US\$ Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	0.18	6M	0.40	11M	0.46
2M	0.22	7M	0.42	12M	0.47
3M	0.27	8M	0.44	2Y	0.83
4M	0.34	9M	0.45	3Y	1.15
5M	0.38	10M	0.46	4Y	1.41

TJLP

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
05/04/15	5.50	03/01/16	5.50	04/02/18	5.50
06/01/15	5.50	04/01/16	5.50	07/02/18	5.50
07/01/15	5.50	06/01/16	5.50	10/01/18	5.50
08/03/15	5.50	07/01/16	5.50	01/02/19	5.50
09/01/15	5.50	10/03/16	5.50	04/01/19	5.50
10/01/15	5.50	01/02/17	5.50	07/01/19	5.50
11/03/15	5.50	04/03/17	5.50	10/01/19	5.50
12/01/15	5.50	07/03/17	5.50	01/02/20	5.50

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

01/04/16	5.50	10/02/17	5.50	04/01/20	5.50
02/01/16	5.50	01/02/18	5.50	07/01/20	5.50

BRL Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
05/04/15	12.64	03/01/16	13.51	04/02/18	13.16
06/01/15	12.84	04/01/16	13.52	07/02/18	13.17
07/01/15	13.02	06/01/16	13.53	10/01/18	13.14
08/03/15	13.16	07/01/16	13.53	01/02/19	13.12
09/01/15	13.30	10/03/16	13.47	04/01/19	13.09
10/01/15	13.38	01/02/17	13.38	07/01/19	13.07
11/03/15	13.46	04/03/17	13.33	10/01/19	13.05
12/01/15	13.48	07/03/17	13.31	01/02/20	13.03
01/04/16	13.50	10/02/17	13.26	04/01/20	13.00
02/01/16	13.51	01/02/18	13.19	07/01/20	12.98

Implicit Inflation (IPCA)

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
05/04/15	6.31	03/01/16	7.14	04/02/18	6.39
06/01/15	6.50	04/01/16	7.14	07/02/18	6.40
07/01/15	6.67	06/01/16	7.00	10/01/18	6.37
08/03/15	6.80	07/01/16	6.93	01/02/19	6.36
09/01/15	6.93	10/03/16	6.72	04/01/19	6.33
10/01/15	7.01	01/02/17	6.60	07/01/19	6.31
11/03/15	7.09	04/03/17	6.53	10/01/19	6.29
12/01/15	7.11	07/03/17	6.51	01/02/20	6.27
01/04/16	7.12	10/02/17	6.47	04/01/20	6.24
02/01/16	7.13	01/02/18	6.41	07/01/20	6.22

EUR Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	0.00	6M	0.06	11M	0.08
2M	0.00	7M	0.07	12M	0.08
3M	0.02	8M	0.07	2Y	0.09
4M	0.04	9M	0.07	3Y	0.12
5M	0.05	10M	0.08	4Y	0.18

CAD Interest Rate

Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)	Maturity	Rate (% p.a.)
1M	1.00	6M	1.01	11M	0.90
2M	1.00	7M	0.98	12M	0.88
3M	1.00	8M	0.95	2Y	0.88
4M	1.01	9M	0.93	3Y	0.96
5M	1.01	10M	0.91	4Y	1.08

Currencies - Ending rates

CAD/US\$	0.7882	US\$/BRL	3.2080	EUR/US\$	1.0728
----------	--------	----------	--------	----------	--------

Table of Contents**24. Stockholders equity****a) Capital**

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

At March 31, 2015, the capital was R\$77,300 corresponding to 5,244,316,120 shares without par value.

	ON	March 31, 2015 (unaudited) PNA	Total
Stockholders			
Valepar S.A.	1,716,435,045	20,340,000	1,736,775,045
Brazilian Government (Golden Share)		12	12
Foreign investors - ADRs	800,208,384	638,736,050	1,438,944,434
FMP - FGTS	81,160,587		81,160,587
PIBB - BNDES	1,661,382	2,483,236	4,144,618
BNDESPar	206,378,882	66,185,272	272,564,154
Foreign institutional investors in local market	265,476,598	619,231,763	884,708,361
Institutional investors	78,475,932	213,176,592	291,652,524
Retail investors in Brazil	35,856,190	407,569,001	443,425,191
Treasury stock	31,535,402	59,405,792	90,941,194
Total	3,217,188,402	2,027,127,718	5,244,316,120

b) Basic and diluted earnings per share

Basic and diluted earnings per share were calculated as follows:

Three-months period ended (unaudited)	
March 31, 2015	March 31, 2014

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

Net income (loss) attributable to the Company's stockholders	(9,538)	5,909
Basic and diluted earnings per share:		
Income (loss) available to preferred stockholders	(3,642)	2,256
Income (loss) available to common stockholders	(5,896)	3,653
Total	(9,538)	5,909
Weighted average number of shares outstanding (thousands of shares) - preferred shares	1,967,722	1,967,722
Weighted average number of shares outstanding (thousands of shares) - common shares	3,185,653	3,185,653
Total	5,153,375	5,153,375
Basic and diluted earnings per share		
Preferred share	(1.85)	1.15
Common share	(1.85)	1.15

Table of Contents**25. Information by business segment and by geographic area**

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

a) Operating income (loss) and adjusted EBITDA

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

	Consolidated										
	Three-months period ended (unaudited)										
March 31, 2015											
Statement of income											
	Net operating			Research and	Pre operating and	Depreciation		Operating	Dividends	Depreciation,	Gain on
	revenue	Costs	Expenses, net	evaluation	stoppage operation	and others	income (loss)	received from	depletion and	amortization	measurement
				expenses		results		joint ventures	and associates	or sale of non-	current assets
Ferrous minerals											
Iron ore	7,859	(5,548)	(488)	(94)	(75)	(1,058)	596			1,058	
Pellets	2,778	(1,703)	10	(4)	(16)	(246)	819	72		246	
Ferroalloys and manganese	206	(138)			(16)	(17)	35			17	
Others ferrous products and services	335	(284)	30	(3)	(1)	(58)	19			58	
	11,178	(7,673)	(448)	(101)	(108)	(1,379)	1,469	72		1,379	
Coal	419	(544)	(195)	(14)	(36)	(67)	(437)			67	
Base metals											
Nickel and other	3,855	(2,434)	(187)	(80)	(306)	(1,214)	(366)			1,214	

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

products (i)										
Copper (ii)	1,102	(647)	13	(4)	(2)	(137)	325		137	
Others base metals products			722				722			
	4,957	(3,081)	548	(84)	(308)	(1,351)	681		1,351	
Fertilizers										
Potash	85	(59)	(2)	(29)	(13)	(17)	(35)		17	
Phosphates	1,020	(742)	(47)	(18)	(25)	(157)	31		157	
Nitrogen	223	(158)	(8)	(2)	(2)	(17)	36		17	
Others fertilizers products			34				34			
	1,362	(959)	(57)	(49)	(40)	(191)	66		191	
Others	111	(79)	(141)	(96)	(1)	534	328	2	12	(546)
Total	18,027	(12,336)	(293)	(344)	(493)	(2,454)	2,107	74	3,000	(546)

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

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

Table of Contents

Consolidated Three-months period ended (unaudited) March 31, 2014										
Statement of income										
	Net operating revenue	Costs	Expenses, net	Research and evaluation expenses	Pre operating and stoppage operation	Depreciation and others results	Operating income (loss)	Dividends received from joint ventures and associates	Depreciation, depletion and amortization	Adjusted EBITDA
Ferrous minerals										
Iron ore	12,212	(4,595)	(764)	(142)	(56)	(867)	5,788	1	867	6,656
Pellets	3,380	(1,446)	(6)	(1)	(52)	(120)	1,755	25	120	1,900
Ferroalloys and manganese	163	(129)	(5)	(1)	(12)	(15)	1		15	16
Others ferrous products and services	317	(384)	2			(63)	(128)		63	(65)
	16,072	(6,554)	(773)	(144)	(120)	(1,065)	7,416	26	1,065	8,507
Coal	323	(557)	(126)	(3)	(19)	(93)	(475)		93	(382)
Base metals										
Nickel and other products (i)										
Nickel and other products (i)	3,304	(1,917)	(58)	(73)	(273)	(914)	69		914	983
Copper (ii)	773	(476)	16		(9)	(89)	215		89	304
	4,077	(2,393)	(42)	(73)	(282)	(1,003)	284		1,003	1,287
Fertilizers										
Potash	85	(72)	(1)	(10)	(15)	(13)	(26)		13	(13)
Phosphates	952	(810)	(46)	(26)	(53)	(197)	(180)		197	17
Nitrogen	185	(132)	(6)	(4)	(3)	(29)	11		29	40
Others fertilizers products	37						37			37
	1,259	(1,014)	(53)	(40)	(71)	(239)	(158)		239	81
Others	678	(444)	(72)	(83)		(12)	67		12	79
Total	22,409	(10,962)	(1,066)	(343)	(492)	(2,412)	7,134	26	2,412	9,572

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

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

Table of Contents

b) Adjusted EBITDA and information of assets by segment

	Three-months period ended (unaudited)			
	March 31, 2015			
	Adjusted EBITDA	Investments	Property, plant and equipment and intangible assets	Additions to property, plant and equipment and intangible (iii)
Ferrous minerals				
Iron ore	1,654	1,486	99,656	4,154
Pellets	1,137	1,065	4,411	31
Ferroalloys and manganese	52		687	6
Others ferrous products and services	77	2,913	808	9
	2,920	5,464	105,562	4,200
Coal	(370)	1,142	14,497	1,007
Base metals				
Nickel and other products (i)	848	61	88,335	617
Copper (ii)	462	606	9,201	202
Others base metals products	722			
	2,032	667	97,536	819
Fertilizers				
Potash	(18)		449	
Phosphates	188		15,193	159
Nitrogen	53			
Others fertilizers products	34			
	257		15,642	159
Others	(204)	4,957	9,718	74
Total	4,635	12,230	242,955	6,259

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

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

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

	Three-months period ended (unaudited)			
	March 31, 2014			
	Adjusted EBITDA	Investments	Property, plant and equipment and intangible assets	Additions to property, plant and equipment and

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

				intangible (iii)
Ferrous minerals				
Iron ore	6,656	1,417	89,020	3,129
Pellets	1,900	2,455	4,103	170
Ferrous alloys and manganese	16		656	67
Others ferrous products and services	(65)	2,840	871	30
	8,507	6,712	94,650	3,396
Coal				
	(382)	833	10,292	937
Base metals				
Nickel and other products (i)	983	45	65,396	632
Copper (ii)	304	505	8,887	258
	1,287	550	74,283	890
Fertilizers				
Potash	(13)		414	
Phosphates	17		17,088	189
Nitrogen	40			
Others fertilizers products	37			
	81		17,502	189
Others				
	79	3,934	8,880	222
Total	9,572	12,029	205,607	5,634

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

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

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

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

	Consolidated Three-months period ended (unaudited) March 31, 2015					
	Ferrous minerals	Coal	Base metals	Fertilizers	Others	Total
Results						
Net operating revenue	11,178	419	4,957	1,362	111	18,027
Cost and expenses	(8,330)	(789)	(2,925)	(1,105)	(317)	(13,466)
Gain on measurement or sale of non-current assets					546	546
Depreciation, depletion and amortization	(1,379)	(67)	(1,351)	(191)	(12)	(3,000)
Operating income (loss)	1,469	(437)	681	66	328	2,107
Financial result	(13,458)	240	(272)	(204)	16	(13,678)
Results on sale or disposal of investments from joint ventures and associates					55	55
Equity results from joint ventures and associates	(455)	(1)	(17)		(352)	(825)
Income taxes	3,242	(73)	(109)	(398)	(12)	2,650
Net income (loss)	(9,202)	(271)	283	(536)	35	(9,691)
Income (loss) attributable to noncontrolling interests	(15)	(33)	(95)	18	(28)	(153)
Income (loss) attributable to the Company's stockholders	(9,187)	(238)	378	(554)	63	(9,538)
Sales classified by geographic area:						
America, except United States and Brazil	269		867	41		1,177
United States of America	28		684		22	734
Europe	1,856	35	1,254	82		3,227
Middle East/Africa/Oceania	859	99	115	9		1,082
Japan	1,171	83	417			1,671
China	4,792		419			5,211
Asia, except Japan and China	877	172	816	29		1,894
Brazil	1,326	30	385	1,201	89	3,031
Net operating revenue	11,178	419	4,957	1,362	111	18,027

	Consolidated Three-months period ended (unaudited) March 31, 2014					
	Ferrous minerals	Coal	Base metals	Fertilizers	Others	Total
Results						
Net operating revenue	16,072	323	4,077	1,259	678	22,409
Cost and expenses	(7,591)	(705)	(2,790)	(1,178)	(599)	(12,863)

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

Depreciation, depletion and amortization	(1,065)	(93)	(1,003)	(239)	(12)	(2,412)
Operating income (loss)	7,416	(475)	284	(158)	67	7,134
Financial result	556	93	(310)	3	(14)	328
Equity results from joint ventures and associates	509	28	(11)		(67)	459
Income taxes	(2,353)	61	(82)	45	(8)	(2,337)
Net income (loss)	6,128	(293)	(119)	(110)	(22)	5,584
Income (loss) attributable to noncontrolling interests	(26)	(22)	(263)	(11)	(3)	(325)
Income (loss) attributable to the Company's stockholders	6,154	(271)	144	(99)	(19)	5,909
Sales classified by geographic area:						
America, except United States and Brazil	473	7	821	24		1,325
United States of America	5		620		293	918
Europe	2,790	24	1,400	62		4,276
Middle East/Africa/Oceania	1,023	34	83			1,140
Japan	1,577	116	388			2,081
China	7,171	12	365			7,548
Asia, except Japan and China	1,258	130	399	8		1,795
Brazil	1,775		1	1,165	385	3,326
Net operating revenue	16,072	323	4,077	1,259	678	22,409

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

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

Table of Contents**26. Cost of goods sold and services rendered, and selling and administrative expenses and other operating expenses (income), net, by nature****a) Cost of goods sold and services rendered**

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Personnel	1,521	1,606	759	836
Material and service	2,776	3,035	1,275	1,572
Fuel oil and gas	886	983	564	628
Maintenance	1,909	1,006	1,282	714
Energy	414	343	206	165
Acquisition of products	704	976	167	306
Depreciation and depletion	2,653	2,210	889	684
Freight	2,269	1,623		
Others	1,856	1,390	1,282	1,060
Total	14,988	13,172	6,424	5,965
Cost of goods sold	14,568	12,547	6,155	5,499
Cost of services rendered	420	625	269	466
Total	14,988	13,172	6,424	5,965

b) Selling and administrative expenses

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Personnel	239	263	137	145
Services (consulting, infrastructure and others)	81	110	47	63
Advertising and publicity	8	12	7	10
Depreciation and amortization	82	105	81	69
Travel expenses	8	5	5	
Taxes and rents	17	13	7	3
Others	120	159	9	32
Total	555	667	293	322

c) Others operational expenses (incomes), net

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

Three-months period ended (unaudited)

	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for litigation	(53)	134	(148)	138
Provision for loss with VAT credits (ICMS)	119	103	119	105
Provision for profit sharing program	61	94	32	78
Provision for disposal of materials and inventories	185	49	(3)	15
Loss on tax credits		2		2
Gold stream transaction	(722)			
Others	231	124	(39)	
Total	(179)	506	(39)	338

Table of Contents**27. Financial result**

The financial results, by nature, are as follows:

	Three-months period ended (unaudited)			
	Consolidated		Parent Company	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Financial expenses				
Interest	(562)	(906)	(745)	(828)
Labor, tax and civil lawsuits	(95)	(18)	(95)	(16)
Derivative financial instruments	(4,049)	(44)	(3,058)	
Indexation and exchange rate variation (a)	(15,913)	(1,144)	(15,296)	(888)
Participative stockholders debentures	722	(49)	722	(49)
Expenses of REFIS	(408)	(391)	(400)	(383)
Others	(326)	(250)	(158)	(122)
	(20,631)	(2,802)	(19,030)	(2,286)
Financial income				
Short-term investments	73	129	38	115
Derivative financial instruments	1	543		466
Indexation and exchange rate variation (b)	6,779	2,344	6,831	2,316
Others	100	114	54	40
	6,953	3,130	6,923	2,937
Financial results, net	(13,678)	328	(12,107)	651
Summary of indexation and exchange rate variation				
Loans and financing	(15,081)	1,998	(5,201)	723
Related parties	(3)	9	(9,420)	668
Others	5,950	(807)	6,156	37
Net (a) + (b)	(9,134)	1,200	(8,465)	1,428

28. Deferred revenue - Gold stream

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

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

The original transaction was amended in March, 2015 to include an additional 25% of gold extracted during the life of the mine as a by-product of Salobo copper mine (amended transaction). The Company received up-front cash proceeds of US\$900 (R\$2,826). The Company may also receive an additional cash payment contingent on its decision to expand the capacity to process Salobo copper ores until 2036. The additional amount could range from US\$ 88 million to US\$ 720 million depending on timing and size of the expansion.

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

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

The result of the sale of the mineral rights of R\$722 was recognized in the statement of income under other operating expenses, net. The portion related to the provision of future services for gold extraction was recorded as deferred revenue (liability) in the amount of R\$1,670 and will be recognized in the statement of income as the service is rendered and the gold extracted. During the three-months period ended March 31, 2015 and 2014, the Company recognized R\$44 and R\$53, respectively, in statement of income related to rendered services related to the original and amended transactions..

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

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

Table of Contents

29. Commitments

a) Base metals operations

There have been no material changes to commitments of base metals operations disclosed in the financial statements as at December 31, 2014, except for letters of credit and guarantees in the amount of R\$3,070 (R\$2,675 at December, 2014) associated with items such as environment reclamation, asset retirement obligation commitments, insurance, electricity commitments, post-retirement benefits, community service commitments and import and export duties.

b) VBG - Guinea

On April 30, 2014, Rio Tinto plc (Rio Tinto) filed a lawsuit against Vale, BSGR, and other defendants in the United States District Court for the Southern District of New York, alleging violations of the U.S. Racketeer Influenced and Corrupt Organizations Act (RICO) in relation to Rio Tinto's loss of certain Simandou mining rights, the Government of Guinea's assignment of those rights to BSGR, and Vale's subsequent investment in VBG. Discovery, a pre-trial evidentiary procedure in which the parties are required to disclose information and produce documents to each other and can depose potential witnesses or take other steps to obtain relevant information, has begun and under the current schedule will be completed in March 2016. Vale intends to vigorously defend the action, which it believes to be without factual or legal merit.

c) Participative stockholders debentures

During the period, there was no issuance of new debentures, or any change in the par value or the indicators affecting debentures issued. At March 2015, the Company made available for withdrawal the amount of R\$124 as semiannual compensation.

d) Operating lease - pelletizing operations

Vale has operating lease agreements with its joint ventures Companhia Coreano-Brasileira de Pelotização, Companhia Hispano-Brasileira de Pelotização, Companhia Ítalo-Brasileira de Pelotização and Companhia Nipo-Brasileira de Pelotização (together pelletizing companies), in which Vale leases their pelletizing plants. These renewable operating lease agreements have last between 3 and 10 years.

The total amount of operational leasing expenses related to pelletizing operations for the three-month period ended on March 31, 2015 and 2014 were R\$198 and R\$217, respectively.

e) Concession agreements

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

f) Guarantees provided

At March 31, 2015, corporate guarantees provided by Vale (within the limit of its direct or indirect interest) for the companies Norte Energia S.A. and Companhia Siderúrgica do Pecém S.A. totaled R\$706 and R\$1,925, respectively. Due to the conclusion of the energy generation assets transaction (note 6), the guarantee of Norte Energia S.A. is shared with Cemig GT.

Table of Contents**30. Related parties**

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

In the normal course of operations, Vale contracts rights and obligations with related parties (subsidiaries, associates, joint ventures and stockholders), derived from operations of sale and purchase of products and services, leasing of assets, sale of raw material and railway transportation services.

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

	Consolidated				Assets			
	March 31, 2015 (unaudited)		December 31, 2014		March 31, 2015 (unaudited)		December 31, 2014	
	Accounts receivable	Related parties	Accounts receivable	Related parties	Accounts receivable	Related parties	Accounts receivable	Related parties
Baovale Mineração S.A.	10	18	10	24	10	18	10	24
Biopalma da Amazônia Mineração Brasileiras Reunidas S.A.						1,169		992
Mineração Corumbaense Reunidas S.A.					48	227	37	226
Mitsui & Co., Ltd.	45		25					
MRS Logística S.A.	9	65	9	64	9	28	9	28
Ferrovias Norte Sul	30		24					
Samarco Mineração S.A.	89	822	63	822	89	822	63	822
Teal Minerals Inc.		706		573				
Vale International S.A.					33,960	191	30,019	276
VLI Multimodal S.A.	19		67				67	
VLI S.A.	544	25	25		544	25	25	

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

VLI Operações								
Portuárias S.A.	56		69		56		69	
Others	128	112	278	147	347	230	267	409
Total	930	1,748	570	1,630	35,063	2,806	30,566	3,129
Current	930	1,676	570	1,537	35,063	1,776	30,566	2,227
Non-current		72		93		1,030		902
Total	930	1,748	570	1,630	35,063	2,806	30,566	3,129

	Consolidated				Parent Company			
	March 31, 2015 (unaudited)		December 31, 2014		March 31, 2015 (unaudited)		December 31, 2014	
	Suppliers	Related parties	Suppliers	Related parties	Suppliers	Related parties	Suppliers	Related parties
Baovale Mineração S.A.	23		10		23		10	
Companhia Coreano-Brasileira de Pelotização	49	175	3	227	49		3	
Companhia Hispano-Brasileira de Pelotização	37	23	85		37		85	
Companhia Ítalo-Brasileira de Pelotização	33	37	2	125	33		2	
Companhia Nipo-Brasileira de Pelotização	84	315	5	389	84		5	
Companhia Portuária Baía de Sepetiba					197		148	
Ferrovia Centro-Atlântica S.A.		262		261		262		261
Mitsui & Co., Ltd.	28		25				28	
MRS Logística S.A.	32		67		32		67	
Vale International S.A.					3	57,061	314	48,532
VLI Multimodal S.A.	12							
VLI S.A.		307				307		
Others	73	27	89	99	133	363	93	435
Total	371	1,146	286	1,101	591	57,993	755	49,228
Current	371	856	286	813	591	6,908	755	5,622
Non-current		290		288		51,085		43,606
Total	371	1,146	286	1,101	591	57,993	755	49,228

Table of Contents

	Consolidated					
	Three-months period ended (unaudited)					
	March 31, 2015		March 31, 2014			
Net operating revenue	Cost/Expenses	Financial results	Net operating revenue	Cost/Expenses	Financial results	
Baovale Mineração S.A.		(13)			(12)	
California Steel Industries, Inc.				223		
Thyssenkrupp Companhia Siderúrgica do Atlântico Ltd.					(274)	
Companhia Coreano-Brasileira de Pelotização		(45)			(61)	
Companhia Hispano-Brasileira de Pelotização		(36)			(39)	
Companhia Ítalo-Brasileira de Pelotização		(40)			(24)	
Companhia Nipo-Brasileira de Pelotização		(72)			(93)	
Ferrovia Centro Atlântica S.A.	35	(33)		35	(38)	
Mitsui & Co., Ltd.	171			93		
MRS Logística S.A.		(342)			(325)	
Samarco Mineração S.A.	90			145		
VLI S.A.	178		5	203		15
Others	63	(34)	5	41	(44)	16
Total	537	(615)	10	740	(910)	31

	Parent Company					
	Three-months period ended (unaudited)					
	March 31, 2015		March 31, 2014			
Net operating revenue	Cost/Expenses	Financial results	Net operating revenue	Cost/Expenses	Financial results	
Baovale Mineração S.A.		(13)			(12)	
Companhia Coreano-Brasileira de Pelotização		(45)			(61)	
Companhia Hispano-Brasileira de Pelotização		(36)			(39)	
Companhia Ítalo-Brasileira de Pelotização		(40)			(24)	
Companhia Nipo-Brasileira de Pelotização		(72)			(93)	
Companhia Portuária Baía de Sepetiba		(172)			(165)	

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

Ferrovias Centro Atlântica S.A.	35	(33)		35	(36)	
Mineração Brasileira Reunidas S.A.		(180)			(200)	
MRS Logística S.A.		(342)			(325)	
Samarco Mineração S.A.	90			146		
Vale International	8,972		(485)	14,278		(304)
VLI S.A.	177		5	211		
Others	65	(88)	225	37	(12)	(8)
Total	9,339	(1,021)	(255)	14,707	(967)	(312)

	Balance sheet		Statement of income	
	March 31, 2015 (unaudited)	December 31, 2014	March 31, 2015 Three-months period ended (unaudited)	March 31, 2014
Cash and cash equivalents				
Bradesco	59	89	1	1
	59	89	1	1
Loans and financing payable				
BNDES	13,050	11,981	(50)	(112)
BNDESPar	1,561	1,564	(28)	(24)
	14,611	13,545	(78)	(136)

Remuneration of key management personnel

	Three-months period ended (unaudited)	
	March 31, 2015	March 31, 2014
Short-term benefits:	41	41
Wages or pro-labor	6	6
Direct and indirect benefits	11	8
Bonus	24	27
Long-term benefits:	2	2
Based on stock	2	2
Termination of position	11	43
	54	43

Table of Contents

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

Board of Directors

Dan Antonio Marinho Conrado

Chairman

Sérgio Alexandre Figueiredo Clemente

Vice-President

Marcel Juvinião Barros

Gueitiro Matsuo Genso

Tarcísio José Massote de Godoy

Fernando Jorge Buso Gomes

Hirofuki Kato

Oscar Augusto de Camargo Filho

Luciano Galvão Coutinho

Lucio Azevedo

Alternate

Marco Geovanne Tobias da Silva

Moacir Nachbar Junior

Francisco Ferreira Alexandre

Gilberto Antonio Vieira

Robson Rocha

Luiz Mauricio Leuzinger

Yoshitomo Nishimitsu

Eduardo de Oliveira Rodrigues Filho

Victor Guilherme Tito

Carlos Roberto de Assis Ferreira

Advisory Committees of the Board of Directors

Controlling Committee

Eduardo Cesar Pasa

Moacir Nachbar Junior

Oswaldo Mário Pego de Amorim Azevedo

Marcos Paulo Pereira da Silva

Executive Development Committee

Oscar Augusto de Camargo Filho

Marcel Juvinião Barros

Fernando Jorge Buso Gomes

Tatiana Boavista Barros Heil

Governance and Sustainability Committee

Fernando Jorge Buso Gomes

Arthur Prado

Eduardo de Oliveira Rodrigues Filho

Ricardo Rodrigues Morgado

Ricardo Simonsen

Fiscal Council

Vacant

Chairman

Marcelo Barbosa Saintive

Marcelo Amaral Moraes

Cláudio José Zucco

Aníbal Moreira dos Santos

Raphael Manhães Martins

Alternate

Marcos Tadeu Siqueira

Oswaldo Mário Pego de Amorim Azevedo

Paulo Fontoura Valle

Pedro Paulo de Souza

Executive Officers

Murilo Pinto de Oliveira Ferreira

Chief Executive Officer

Vânia Lucia Chaves Somavilla

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

Luciano Siani Pires

Chief Financial Officer and Investors Relations

Roger Allan Downey

Executive Officer (Fertilizers and Coal)

Gerd Peter Poppinga

Executive Officer (Ferrous)

Galib Abrahão Chaim

Executive Officer (Capital Projects Implementation)

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

Strategic Committee

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

Finance Committee

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

Humberto Ramos de Freitas
Executive Officer (Logistics and Mineral Research)

Vacant
Executive Officer (Base Metals)

Marcelo Botelho Rodrigues
Global Controller Director

Murilo Muller
Chief Accountant and Controllershship Director
CRC-PR - 046788/O-5 S RJ

Table of Contents

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Vale S.A. (Registrant)
Date: April 30, 2015	By:	/s/ Rogerio T. Nogueira Rogerio T. Nogueira Director of Investor Relations