

Vale S.A.
Form 6-K
August 08, 2013
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**United States
Securities and Exchange Commission**

Washington, D.C. 20549

FORM 6-K

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

For the month of

August, 2013

Vale S.A.

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

(Address of principal executive office)

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

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(Check One) Form 20-F ☒ Form 40-F ☐

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

(Check One) Yes ☐ No ☒

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

(Check One) Yes ☐ No ☒

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

(Check One) Yes ☐ No ☒

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

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Interim Financial Statements

June 30, 2013

BR GAAP

Filed with the CVM, SEC and HKEx on

August 7, 2013

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Report on review of condensed interim financial statements

To the Board of Directors and Stockholders

Vale S.A.

Introduction

We have reviewed the accompanying condensed interim balance sheet of Vale S.A. (the Company) as at June 30, 2013 and the related condensed statements of income and comprehensive income for the quarter and six-month period then ended, and the condensed statements of changes in equity and cash flows for the six-month period then ended.

We have also reviewed the accompanying consolidated condensed interim balance sheet of Vale S.A. and its subsidiaries (Consolidated) as at June 30, 2013 and the related consolidated condensed statements of income and comprehensive income for the quarter and six-month period then ended, and the consolidated condensed statements of changes in equity and cash flows for the six-month period then ended.

Management is responsible for the preparation and fair presentation of these parent company condensed interim financial statements in accordance with accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and for the consolidated condensed interim financial statements in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review

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is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company condensed interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21.

Conclusion on the consolidated condensed interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.

Emphasis of matter

As discussed in Note 4 to the accompanying condensed interim financial statements, the Company changed its method of accounting to reflect the revised employee benefits standard effective January 1, 2013 and, retrospectively adjusted the financial statements as of December 31, 2012 and for the period ended June 30, 2012.

Other matters

Condensed statements of value added

We have also reviewed the parent company and consolidated condensed statements of value added for the six-month period ended June 30, 2013. These statements are the responsibility of the Company's management, and are presented as supplementary information. These statements have been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in a manner consistent with the condensed interim financial statements taken as a whole.

Rio de Janeiro, August 7, 2013

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 F RJ

João César de Oliveira Lima Júnior

Contador CRC 1RJ077431/O-8

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Balance Sheet**In thousands of Brazilian Reais**

	Notes	June 30, 2013 (unaudited)	Consolidated December 31, 2012 (i)	January 1st, 2012 (i)	June 30, 2013 (unaudited)	Parent Company December 31, 2012 (i)	January 1st, 2012 (i)
Assets							
Current assets							
Cash and cash equivalents	7	13,126,350	11,917,717	6,593,177	2,249,717	688,434	574,787
Short-term investments		823,245	505,857		22,556	43,428	
Derivative financial instruments	24	495,557	575,173	1,111,744	436,988	500,293	573,732
Accounts receivable	9	10,952,344	13,884,663	15,888,807	18,749,566	21,838,539	15,808,849
Related parties	30	1,933,350	786,202	153,738	1,977,980	1,347,488	2,561,308
Inventories	10	11,192,221	10,319,973	9,833,050	3,691,259	3,282,531	3,182,738
Prepaid income tax		1,626,642	1,472,186	867,549	93,375	168,428	169,101
Recoverable taxes	11	3,561,443	3,147,715	3,307,994	1,916,123	1,902,190	2,147,431
Advances to suppliers		938,930	523,220	733,382	230,834	241,671	381,768
Others		2,287,341	1,972,360	1,646,824	531,061	574,348	183,394
		46,937,423	45,105,066	40,136,265	29,899,459	30,587,350	25,583,108
Non-current Assets held for sale							
	7		934,551				
		46,937,423	46,039,617	40,136,265	29,899,459	30,587,350	25,583,108
Non-current assets							
Related parties	30	558,749	832,571	904,172	952,440	863,990	445,769
Loans and financing agreements to receive		543,861	501,726	399,277	190,609	187,862	158,195
Judicial deposits	17	3,296,624	3,094,977	2,734,599	2,638,374	2,474,077	2,091,492
Recoverable income tax		899,829	899,198	628,735			
Deferred income tax and social contribution	19	9,468,064	8,291,074	3,549,328	5,967,039	5,714,932	2,119,056
Recoverable taxes	11	360,162	443,478	482,997	243,864	255,264	201,226
Financial instruments - investments	12	3,981,748	14,378	13,738			
Derivative financial instruments	24	222,210	92,567	112,253		2,928	96,262
Deposit on incentive and reinvestment		437,464	326,837	428,750	412,625	301,998	428,750
Others		1,356,989	985,937	1,081,454	161,002	222,358	388,263
		21,125,700	15,482,743	10,335,303	10,565,953	10,023,409	5,929,013
Investments	13	8,416,677	13,044,460	14,984,038	127,288,170	121,628,958	111,953,695

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Intangible assets	14	19,378,603	18,822,027	17,788,581	15,159,049	14,664,435	13,973,730
Property, plant and equipment, net	15	186,262,573	173,454,620	153,854,863	66,329,185	61,231,322	55,503,193
		235,183,553	220,803,850	196,962,785	219,342,357	207,548,124	187,359,631
Total assets		282,120,976	266,843,467	237,099,050	249,241,816	238,135,474	212,942,739

(i) Period adjusted according to note 4.

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Balance Sheet**In thousands of Brazilian Reais****(continued)**

	Notes	June 30, 2013 (unaudited)	Consolidated December 31, 2012 (i)	January 1, 2012 (i)	June 30, 2013 (unaudited)	Parent Company December 31, 2012 (i)	January 1, 2012 (i)
Liabilities							
Current							
Suppliers and contractors		9,238,012	9,255,150	8,851,220	3,630,136	4,178,494	3,503,577
Payroll and related charges		2,182,004	3,024,651	2,442,255	1,322,449	2,001,090	1,581,782
Derivative financial instruments	24	1,486,754	709,722	135,697	787,159	558,161	117,470
Current portion of long-term debt	16	7,136,323	7,092,878	2,807,280	5,607,740	5,327,849	891,654
Short-term debt	16			40,044			
Related parties	30	260,242	423,336	42,907	4,468,405	6,433,629	4,959,017
Taxes and royalties payable		590,340	664,387	978,915	275,269	332,955	329,680
Provision for taxes and social contribution		876,945	1,309,821	955,342	275,710	369,658	
Employee post retirement benefits obligations	20	407,876	421,241	316,061	227,200	219,396	140,508
Railway sub-concession agreement payable		135,299	133,275	123,059			
Asset retirement obligations	18	148,178	142,831	136,416	63,424		20,507
Dividends and interest on capital				2,207,101			2,207,101
Others		2,306,156	2,164,455	1,650,463	614,757	752,098	400,023
		24,768,129	25,341,747	20,686,760	17,272,249	20,173,330	14,151,319
Liabilities directly associated with non-current assets held for sale							
	7		368,378				
		24,768,129	25,710,125	20,686,760	17,272,249	20,173,330	14,151,319
Non-current							
Derivative financial instruments	24	3,142,185	1,600,656	1,238,542	2,858,819	1,409,568	953,357
Long-term debt	16	59,043,565	54,762,976	40,224,674	28,632,255	26,867,240	18,595,793
Related parties	30	147,705	146,440	170,616	33,278,019	29,362,525	28,654,132
Employee post retirement benefits obligations	20	7,238,916	6,627,195	4,485,687	1,102,986	745,653	411,766
Provisions for litigation	17	3,695,646	4,218,193	3,144,740	2,350,340	2,867,052	1,927,686
Deferred income tax and social contribution	19	7,167,256	6,918,372	10,175,546			
Asset retirement obligations	18	5,187,300	5,472,452	3,427,294	1,629,765	1,625,324	1,094,824
Stockholders' Debentures	29d)	3,885,389	3,378,845	2,495,995	3,885,389	3,378,845	2,495,995

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Redeemable noncontrolling interest		1,116,997	994,776	942,668			
Goldstream transaction	28	3,146,327					
Others		3,700,515	3,901,949	4,617,145	1,569,478	1,839,474	2,373,706
		97,471,801	88,021,854	70,922,907	75,307,051	68,095,681	56,507,259
Total liabilities		122,239,930	113,731,979	91,609,667	92,579,300	88,269,011	70,658,578
Stockholders equity	23						
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (in 2012 - 2,108,579,618) issued		29,475,211	29,475,211	29,475,211	29,475,211	29,475,211	29,475,211
Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (in 2012 - 3,256,724,482) issued		45,524,789	45,524,789	45,524,789	45,524,789	45,524,789	45,524,789
Mandatorily convertible notes - common shares				359,649			359,649
Mandatorily convertible notes - preferred shares				796,162			796,162
Treasury stock - 140,857,692 (in 2012 - 140,857,692) preferred and 71,071,482 (in 2012 - 71,071,482) common shares		(7,839,512)	(7,839,512)	(9,918,541)	(7,839,512)	(7,839,512)	(9,918,541)
Results from operations with noncontrolling stockholders		(789,637)	(839,155)	(70,706)	(789,637)	(839,155)	(70,706)
Results in the translation/issuance of shares			49,518			49,518	
Unrealized fair value gain (losses)		(5,034,563)	(3,796,910)	(977,441)	(5,034,563)	(3,796,910)	(977,441)
Cumulative translation adjustments		14,146,537	8,692,782	(1,016,711)	14,146,537	8,692,782	(1,016,711)
Retained earnings		81,179,691	78,599,740	78,111,749	81,179,691	78,599,740	78,111,749
Total company stockholders equity		156,662,516	149,866,463	142,284,161	156,662,516	149,866,463	142,284,161
Noncontrolling interests		3,218,530	3,245,025	3,205,222			
Total stockholders equity		159,881,046	153,111,488	145,489,383	156,662,516	149,866,463	142,284,161
Total liabilities and stockholders equity		282,120,976	266,843,467	237,099,050	249,241,816	238,135,474	212,942,739

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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(A free translation of the original in Portuguese)

Statement of Income**In thousands of Brazilian Reais, except as otherwise stated**

	Notes	Consolidated (unaudited)			
		Three-month period ended		Six-month period ended	
		June 30, 2013	June 30, 2012 (i)	June 30, 2013	June 30, 2012 (i)
Net operating revenue	25	22,871,305	24,582,872	44,672,270	45,043,963
Cost of goods solds and services rendered	26	(12,865,323)	(12,845,513)	(24,303,450)	(23,762,349)
Gross profit		10,005,982	11,737,359	20,368,820	21,281,614
Operating (expenses) income					
Selling and administrative expenses	26	(671,154)	(1,206,725)	(1,417,524)	(2,141,128)
Research and development expenses	26	(323,193)	(707,938)	(676,875)	(1,234,495)
Pre-operation and stoppage operation		(950,848)	(637,002)	(1,699,740)	(1,201,130)
Other operating expenses, net	26	(551,429)	(586,386)	(787,956)	(1,213,576)
Realized gain (loss) on non-current assets held for sales			(768,236)		(768,236)
		(2,496,624)	(3,906,287)	(4,582,095)	(6,558,565)
Operating profit		7,509,358	7,831,072	15,786,725	14,723,049
Financial income	27	1,776,133	421,320	3,054,196	1,901,475
Financial expenses	27	(8,779,539)	(5,558,369)	(10,723,605)	(6,833,459)
Equity results from joint controlled and associates	13	104,406	309,600	445,945	746,620
Income before income tax and social contribution		610,358	3,003,623	8,563,261	10,537,685
Income tax and social contribution					
Current income tax	19	(559,187)	(99,724)	(2,755,478)	(1,535,454)
Deferred income tax	19	712,604	(250,183)	1,042,545	259,955
Reversal of deferred income tax liabilities	19		2,533,411		2,533,411
		153,417	2,183,504	(1,712,933)	1,257,912
Net income for the period		763,775	5,187,127	6,850,328	11,795,597
Loss attributable to noncontrolling interests		(68,296)	(133,401)	(182,373)	(236,472)
Net income attributable to the Company's stockholders		832,071	5,320,528	7,032,701	12,032,069
Earnings per share attributable to the Company's stockholders:					
Basic and diluted earnings per share:					
Common share and (in Brazilian reais)	23(c)	0.16	1.04	1.36	2.36
Preferred share (in Brazilian reais)	23(c)	0.16	1.04	1.36	2.36

Parent company (unaudited)
Three-month period ended **Six-month period ended**

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	Notes	June 30, 2013	June 30, 2012 (i)	June 30, 2013	June 30, 2012 (i)
Net operating revenue		15,179,600	15,814,484	28,565,854	27,703,716
Cost of goods solds and services rendered	26	(5,235,479)	(6,152,652)	(9,783,905)	(11,514,493)
Gross profit		9,944,121	9,661,832	18,781,949	16,189,223
Operating (expenses) income					
Selling and administrative expenses	26	(376,874)	(585,409)	(762,429)	(1,144,203)
Research and development expenses	26	(169,398)	(377,991)	(379,089)	(665,696)
Pre-operating and stoppage operation		(284,214)	(92,897)	(528,916)	(213,033)
Other operating expenses, net	26	(126,450)	(155,617)	(354,828)	(553,429)
Equity results from subsidiaries		(1,084,097)	2,545,122	(954,523)	4,567,123
Realized gain (loss) on non-current assets held for sales			(768,236)		(768,236)
		(2,041,033)	564,972	(2,979,785)	1,222,526
Operating profit		7,903,088	10,226,804	15,802,164	17,411,749
Financial income	27	1,721,865	125,001	2,872,019	1,249,005
Financial expenses	27	(8,352,247)	(4,900,809)	(9,725,526)	(6,194,951)
Equity results from joint controlled entities and associates	13	104,406	309,600	445,945	746,620
Income before income tax and social contribution		1,377,112	5,760,596	9,394,602	13,212,423
Income tax and social contribution					
Current income tax	19	(391,490)	(11,346)	(2,463,293)	(1,203,271)
Deferred income tax	19	(153,551)	(428,722)	101,392	22,917
		(545,041)	(440,068)	(2,361,901)	(1,180,354)
Net income attributable to the Company's stockholders		832,071	5,320,528	7,032,701	12,032,069
Earnings per share attributable to the Company's stockholders:					
Basic and diluted earnings per share:					
Common share and (in Brazilian reais)	23(c)	0.16	1.04	1.36	2.36
Preferred share (in Brazilian reais)	23(c)	0.16	1.04	1.36	2.36

(*) Except the loss of R\$ 721,808 in 2012 related to the sale of coal assets.

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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Statement of Other Comprehensive Income**In thousands of Brazilian Reais**

	Consolidated (unaudited)			
	Three-month period ended June 30, 2013	June 30, 2012 (i)	Six-month period ended June 30, 2013	June 30, 2012 (i)
Net income of the period	763,775	5,187,127	6,850,328	11,795,597
Other comprehensive income				
Item will not be reclassified subsequently for income				
Cumulative translation adjustments of equity	7,706,896	7,316,663	5,389,075	6,236,991
Retirement benefit obligations				
Gross balance as of the period	(398,836)	(110,435)	(327,024)	101,874
Effect of tax	130,481	23,868	123,693	(38,620)
	(268,355)	(86,567)	(203,331)	63,254
Total items will not be reclassified subsequently for income	7,438,541	7,230,096	5,185,744	6,300,245
Item will be reclassified subsequently for income				
Unrealized loss on available-for-sale investments				
Gross balance as of the period	(176,167)	(3,946)	(581,733)	(4,644)
Cash flow hedge				
Gross balance as of the period	(154,000)	(274,755)	(243,380)	(233,670)
Effect of tax	20,820	57,284	30,856	30,386
	(133,180)	(217,471)	(212,524)	(203,284)
Total items will be reclassified subsequently for income	(309,347)	(221,417)	(794,257)	(207,928)
Total comprehensive income of the period	7,892,969	12,195,806	11,241,815	17,887,914
Comprehensive income attributable to noncontrolling interests	199,268	188,907	(6,988)	26,203
Comprehensive income attributable to the Company's stockholders	7,693,701	12,006,899	11,248,803	17,861,711
	7,892,969	12,195,806	11,241,815	17,887,914

	Parent company (unaudited)			
	Three-month period ended June 30, 2013	June 30, 2012 (i)	Six-month period ended June 30, 2013	June 30, 2012 (i)
Net income of the period	832,071	5,320,528	7,032,701	12,032,069
Other comprehensive income				

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Item will not be reclassified subsequently for income				
Cumulative translation adjustments	7,439,332	6,994,355	5,213,690	5,974,316
Retirement benefit obligations				
Gross balance as of the period	(398,836)	(110,435)	(327,024)	101,874
Effect of tax	130,481	23,868	123,693	(38,620)
	(268,355)	(86,567)	(203,331)	63,254
Total items will not be reclassified subsequently for income	7,170,977	6,907,788	5,010,359	6,037,570
Item will be reclassified subsequently for income				
Unrealized loss on available-for-sale investments				
Gross balance as of the period	(176,167)	(3,946)	(581,733)	(4,644)
	(176,167)	(3,946)	(581,733)	(4,644)
Cash flow hedge				
Gross balance as of the period	(154,000)	(274,755)	(243,380)	(233,670)
Effect of tax	20,820	57,284	30,856	30,386
	(133,180)	(217,471)	(212,524)	(203,284)
Total items will be reclassified subsequently for income	(309,347)	(221,417)	(794,257)	(207,928)
Total comprehensive income of the period	7,693,701	12,006,899	11,248,803	17,861,711

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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Statement of condensed Changes in Equity**In thousands of Brazilian Reais**

					Six-month period ended (unaudited)						
	Capital	Results in the translation of shares	Mandatorily convertible notes	Revenue reserves	Treasury stock	Unrealized fair value gain (losses)	Results from operation with noncontrolling stockholders	Cumulative translation adjustment	Retained earnings	Total Company stockholder equity	Noncontrolling stockholders interest
January 1, 2013 (i)	75,000,000	49,518		78,451,185	(7,839,512)	(3,796,910)	(839,155)	8,692,782	148,555	149,866,463	3,245,191
Net income of the period									7,032,701	7,032,701	(182,000)
Retirement benefit obligations, net						(203,331)				(203,331)	
Cash flow hedge, net of taxes						(212,524)				(212,524)	
Unrealized results on valuation at market						(581,733)				(581,733)	
Translation adjustments for the period						(240,065)		5,453,755		5,213,690	175,000
Capitalization of noncontrolling stockholders advances											19,000
Redeemable noncontrolling stockholders interest											61,000
Dividends to noncontrolling stockholders											(100,000)
Additional remuneration									(4,452,750)	(4,452,750)	
June 30, 2013	75,000,000	49,518		78,451,185	(7,839,512)	(5,034,563)	(839,155)	14,146,537	2,728,506	156,662,516	3,218,191
January 1, 2012 (i)	75,000,000		1,155,811	78,105,988	(9,918,541)	(977,441)	(70,706)	(1,016,710)	5,760	142,284,161	3,205,000
									12,032,069	12,032,069	(236,000)

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**Net income of
the period**

Retirement benefit obligations, net					63,254					63,254	
Cash flow hedge, net of taxes					(203,284)					(203,284)	
Unrealized results on valuation at market					(4,644)					(4,644)	
Translation adjustments for the period					(64,139)			6,038,455		5,974,316	262
Results on conversion of shares	49,518	(1,027,580)		2,079,018	(1,100,956)						
Capitalization of noncontrolling stockholders advances											39
Repurchase of convertible notes					11					11	
Remuneration for mandatorily convertible notes										(128,231)	
Redeemable noncontrolling stockholders interest											172
Acquisitions and disposal of noncontrolling stockholders										(436,981)	(262)
Dividends to noncontrolling stockholders											(65)
Additional remuneration									(3,273,899)	(3,273,899)	
June 30, 2012											
(i)	75,000,000	49,518	78,105,988	(7,839,512)	(2,287,210)	(507,687)	5,021,745	8,763,930	156,306,772	3,115	

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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(A free translation of the original in Portuguese)

Statement of Cash Flows

In thousands of Brazilian Reais

	Six-month period ended (unaudited)			
	Consolidated		Parent Company	
	June 30, 2013	June 30, 2012 (i)	June 30, 2013	June 30, 2012 (i)
Cash flow from operating activities:				
Net income of the period	6,850,328	11,795,597	7,032,701	12,032,069
Adjustments to reconcile net income to cash from operations				
Equity results from associates	(445,945)	(746,620)	508,578	(5,267,315)
Realized gains on assets	(483,813)	768,236		721,808
Depreciation, amortization and depletion	4,322,945	3,837,745	1,197,538	1,211,907
Deferred income tax and social contribution	(1,042,545)	(259,955)	(101,392)	(22,917)
Reversal of deferred income tax		(2,533,411)		
Foreign exchange and indexation, net	1,233,378	493,205	4,359,866	2,942,693
Loss on disposal of property, plant and equipment	278,458	441,695	205,324	78,918
Unrealized derivative losses, net	2,167,936	1,063,919	1,744,480	808,403
Dividends and interest on capital received from subsidiaries			1,276,232	333,686
Stockholders Debentures	506,544	(370,351)	506,544	(370,351)
Others	43,638	(342,209)	(111,717)	(436,649)
Decrease (increase) in assets:				
Accounts receivable from customers	2,852,071	1,822,122	1,863,013	(1,846,493)
Inventories	99,625	(395,005)	628,230	(370,799)
Recoverable taxes	(224,056)	(99,569)	72,286	403,991
Others	241,305	(142,782)	476,483	432,033
Increase (decrease) in liabilities:				
Suppliers and contractors	(238,208)	(222,090)	(526,802)	976,709
Payroll and related charges	(896,391)	(481,134)	(678,641)	(419,745)
Taxes and contributions	131,316	(1,206,678)	(151,635)	(231,415)
Gold stream transaction	2,899,450			
Others	(409,049)	928,481	(1,231,218)	727,352
Net cash provided by operating activities	17,886,987	14,351,196	17,069,870	11,703,885
Cash flow from investing activities:				
Short-term investments	(317,388)		20,872	
Loans and advances	(133,872)	(47,009)	326,463	853,090
Guarantees and deposits	(85,794)	(175,863)	(93,271)	(189,938)
Additions to investments	(586,823)	(457,176)	(3,892,962)	(3,318,023)
Additions to property, plant and equipment	(13,291,361)	(11,777,379)	(7,051,664)	(6,486,167)
Dividends and interest on capital received from Joint controlled entities and associates	553,605	333,004		
Proceeds from disposals of fixed assets/investments	189,777	745,028		745,028

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Proceeds from Gold stream	1,160,635			
Net cash used in investing activities	(12,511,221)	(11,379,395)	(10,690,562)	(8,396,010)
Cash flow from financing activities:				
Short-term debt				
Additions	1,007,958	953,698	1,021,703	967,991
Repayments	(1,136,838)	(75,814)	(2,126,306)	(2,308,857)
Long-term debt				
Additions	1,345,853	5,245,531	1,376,510	3,575,398
Repayments	(997,304)	(1,108,106)	(637,182)	(226,595)
Repayments:				
Dividends and interest on capital paid to stockholders	(4,452,750)	(5,481,000)	(4,452,750)	(5,481,000)
Dividends and interest on capital attributed to noncontrolling interest	(23,267)	(69,773)		
Transactions with noncontrolling stockholders		(980,406)		
Net cash used in financing activities	(4,256,348)	(1,515,870)	(4,818,025)	(3,473,063)
Increase (decrease) in cash and cash equivalents	1,119,418	1,455,931	1,561,283	(165,188)
Cash and cash equivalents of cash, beginning of the period	11,917,717	6,593,177	688,434	574,787
Effect of exchange rate changes on cash and cash equivalents	89,215	68,561		
Cash and cash equivalents, end of the period	13,126,350	8,117,669	2,249,717	409,599
Cash paid during the period for:				
Interest on Short-term debt	(611)	(2,438)	(4,313)	(1,860)
Interest on Long-term debt	(1,608,888)	(1,277,088)	(1,512,636)	(1,524,350)
Income tax and social contribution	(2,418,373)	(1,702,799)	(1,965,938)	(311,766)
Inflows during the period:				
Non-cash transactions:				
Additions to property, plant and equipment - interest capitalization	(319,146)	(248,376)	12,753	(18,253)

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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Statement of Added Value**In thousands of Brazilian Reais**

	Six-month period ended (unaudited)			
	Consolidated June 30, 2013	June 30, 2012 (i)	Parent Company June 30, 2013	June 30, 2012 (i)
Generation of added value				
Gross revenue				
Revenue from products and services	45,705,405	46,052,731	29,167,582	28,276,229
Gain on sale of assets	483,813	(768,236)		(721,808)
Other revenue	(4,608)	4,668		
Revenue from the construction of own assets	13,368,989	9,639,233	7,051,664	6,952,104
Allowance for doubtful accounts	12,050	(19,265)	(6,353)	(8,344)
Less:				
Acquisition of products	(1,420,536)	(1,506,135)	(360,077)	(870,853)
Outsourced services	(8,065,756)	(7,839,283)	(4,377,129)	(5,135,205)
Materials	(9,262,521)	(8,973,971)	(2,650,589)	(5,376,751)
Oil and gas	(1,935,214)	(1,888,091)	(1,097,743)	(1,105,678)
Energy	(624,784)	(815,003)	(357,553)	(540,039)
Freight	(2,622,075)	(2,047,898)		
Other costs and expenses	(5,067,714)	(5,204,831)	(1,999,047)	(2,400,367)
Gross added value	30,567,049	26,633,919	25,370,755	19,069,288
Depreciation, amortization and depletion	(4,322,945)	(3,837,745)	(1,197,538)	(1,211,907)
Net added value	26,244,104	22,796,174	24,173,217	17,857,381
Received from third parties				
Financial income	922,676	1,082,358	445,581	549,513
Equity results	445,945	746,620	(508,578)	5,267,315
Total added value to be distributed	27,612,725	24,625,152	24,110,220	23,674,209
Personnel	3,909,067	4,105,484	1,726,317	2,172,572
Taxes, rates and contribution	6,548,312	3,967,640	5,690,213	2,793,755
Current income tax	2,755,478	1,535,454	2,463,293	1,203,271
Deferred income tax	(1,042,545)	(2,793,366)	(101,392)	(22,917)
Remuneration of debt capital	4,591,464	3,125,129	3,751,703	2,590,636
Monetary and exchange changes, net	4,000,621	2,889,214	3,547,385	2,904,823
Net income attributable to the Company's stockholders	7,032,701	12,032,069	7,032,701	12,032,069
Loss attributable to noncontrolling interest	(182,373)	(236,472)		
Distribution of added value	27,612,725	24,625,152	24,110,220	23,674,209

(i) Period adjusted according to note 4.

The accompanying selected notes are an integral part of these Interim Financial Statements.

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Notes to Financial Statements

Expressed in thousands of Brazilian Reais, unless otherwise stated

1. Operational Context

Vale S.A. (Vale or Parent Company) is a publicly-listed company with its headquarters at number 26 of Graça Aranha avenue, downtown of Rio de Janeiro, Brazil with shares traded on the stock exchanges of Sao Paulo (BM&F BOVESPA), New York (NYSE), Paris (NYSE Euronext) and Hong Kong (HKEx).

Company and its direct and indirect subsidiaries (Group , Company or we) is 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. Company also operates with energy, General Cargo logistics and steel.

Information by business segment is presented in note 25.

2. Summary of the Main Accounting Practices and Accounting Estimates

a) Basis of preparation

The condensed consolidated interim financial statements of Vale (Interim financial statements) has been prepared in accordance with the standard IAS 34 - Interim Financial Reporting issued by the International Financial Reporting Standards (IFRS), whose counterpart in Brazil is the CPC 21(R1), issued by the Brazilian Accountant Standards Committee (*Comitê de Pronunciamentos Contábeis* or CPC) and approved by the Brazilian Securities Exchange Commission (Comissão de Valores Mobiliários or CVM).

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The individual interim financial statements of the Parent Company have been prepared in accordance with accounting practices adopted in Brazil issued by CPC and approved by CVM, and they are published with the consolidated interim financial statements.

In the case of Vale, the accounting practices adopted in Brazil applicable to individual financial statements differ from IFRS applicable to separate financial statements, only for the measurement of investments at equity method in subsidiaries, joint controlled entities and affiliates, as under the rules of IFRS would be the cost or fair value.

The interim financial statements has been prepared under the historical cost convention adjusted to reflect the fair value of available for sale financial assets, and financial assets and liabilities (including derivative financial instruments) measured at fair value through the profit or loss.

These condensed interim financial statements have been reviewed, not audited. However, principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented in the financial statements as of December 31, 2012, except as otherwise disclosed. These condensed interim financial statements were prepared by Vale to update users about relevant information presented in the period and should be read with the annual financial statements for the year ended December 31, 2012.

We evaluated subsequent events through August 05, 2013, which is the date of approval by the executive board, the interim financial statements.

b) Functional currency and presentation currency

The financial statements of each 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 (R\$ or BRL).

Transactions in foreign currencies are translated into the functional currency of the Parent Company, using the rate of exchange prevailing on the date of the transaction or the measurements. Gains and losses resulting from the settlement of such transactions and from the translation at the exchange rate of the end of the period of monetary assets and liabilities in foreign currencies are recognized in the income statement, as financial income or expense.

The net income and balance sheet of all Group entities whose functional currency is different from the presentation currency are translated into the presentation currency as follows: (i) The assets and liabilities for each Statement of Balance Sheet presented are translated at the closing rate at the Statement of Balance Sheet date; (ii) income and expenses for each Statement of Income are translated at the average exchange rates, except in specific transactions that, considering their relevance, are translated at the rate at the dates of transactions and; (iii) The components for each Stockholders' equity are translated at the rate at the dates of

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transactions. All resulting exchange differences are recognized in a separate component of the Stockholder's equity, named Cumulative Translation Adjustment, transferred to the income statement when the sale of investments.

For purposes of presentation these interim financial statements are presented in Brazilian Real. The exchange rates most impact our operations against the presentation currency were:

	Exchange rates used for conversions in Brazilian Reais	
	June 30, 2013	December 31, 2012
US dollar - US\$	2.2297	2.0435
Canadian dollar - CAD	2.1079	2.0546
Australian dollar - AUD	2.0321	2.1197
Euro - EUR or	2.9122	2.6954

3. Critical Accounting Estimates

The critical accounting estimates are the same as those adopted in preparing the financial statements for the year ended December 31, 2012.

4. Changes in accounting policies

From January 1, 2013, the Company adopted the revised pronouncement IAS 19 - Employee benefits, correlate with CPC 33 (R1), whose changes eliminate the method of corridor; simplify the changes between the assets and liabilities of plans, recognizing in the income statement the financial cost and the expected return on plan assets and remeasurement of gains and losses, and return on assets in Other comprehensive income (excluding the amount of interest on return of assets recognized in income); and the effect of change on the ceiling of the plan.

The impact on the Company has been presented as follow:

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		Consolidated December 31, 2012 Effect of changes IAS 19 (CPC33R) revised	
Balance Sheet	Original balance		Adjusted balance
Assets			
Current			
Cash and cash equivalents	11,917,717		11,917,717
Others	34,121,900		34,121,900
	46,039,617		46,039,617
Non-current			
Deferred income tax and social contribution	8,134,034	157,040	8,291,074
Others	212,748,003	(235,227)	212,512,776
	220,882,037	(78,187)	220,803,850
Total Assets	266,921,654	(78,187)	266,843,467
Liabilities and Stockholders equity			
Current			
Employee post retirement benefits obligations	421,241		421,241
Liabilities directly associated with non-current assets held for sale	326,551	41,827	368,378
Others	24,920,506		24,920,506
	25,668,298	41,827	25,710,125
Non-current			
Employee post retirement benefits obligations	3,389,962	3,237,233	6,627,195
Deferred income tax and social contribution	7,753,893	(835,521)	6,918,372
Others	74,476,287		74,476,287
	85,620,142	2,401,712	88,021,854
Stockholders equity			
Capital	75,000,000		75,000,000
Unrealized fair value gain (losses)	(1,126,628)	(2,670,282)	(3,796,910)
Cumulative translation adjustments	8,692,782		8,692,782
Retained earnings	78,451,184	148,556	78,599,740
Noncontrolling interests	3,245,025		3,245,025
Others	(8,629,149)		(8,629,149)
	155,633,214	(2,521,726)	153,111,488
Total Liabilities and Stockholders equity	266,921,654	(78,187)	266,843,467

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		Consolidated January 1, 2012 Effect of changes IAS 19 (CPC33R) revised	
Balance Sheet	Original balance		Adjusted balance
Assets			
Current			
Cash and cash equivalents	6,593,177		6,593,177
Others	33,543,088		33,543,088
	40,136,265		40,136,265
Non-current			
Deferred income tax and social contribution	3,538,830	10,498	3,549,328
Others	193,413,457		193,413,457
	196,952,287	10,498	196,962,785
Total Asset	237,088,552	10,498	237,099,050
Liabilities and Stockholders' equity			
Current			
Employee post retirement benefits obligations	316,061		316,061
Others	20,370,699		20,370,699
	20,686,760		20,686,760
Non-current			
Employee post retirement benefits obligations	2,845,725	1,639,962	4,485,687
Deferred income tax and social contribution	10,613,773	(438,227)	10,175,546
Others	56,261,674		56,261,674
	69,721,172	1,201,735	70,922,907
Stockholders' equity			
Capital	75,000,000		75,000,000
Unrealized fair value gain (losses)	219,556	(1,196,997)	(977,441)
Cumulative translation adjustments	(1,016,711)		(1,016,711)
Retained earnings	78,105,989	5,760	78,111,749
Noncontrolling interests	3,205,222		3,205,222
Others	(8,833,436)		(8,833,436)
	146,680,620	(1,191,237)	145,489,383
Total Liabilities and Stockholders' equity	237,088,552	10,498	237,099,050

		Consolidated (unaudited) Three-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) revised	
Statement of income	Original balance		Adjusted balance
Net operating revenue	24,582,872		24,582,872
Cost of goods solds and services rendered	(12,848,273)	2,760	(12,845,513)
Gross operating profit	11,734,599	2,760	11,737,359
Operational expenses	(3,906,287)		(3,906,287)
Financial expenses, net	(5,144,383)	7,334	(5,137,049)
Equity results	309,600		309,600

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Earnings before taxes	2,993,529	10,094	3,003,623
Current and deferred Income tax and social contribution, net	2,186,736	(3,232)	2,183,504
Net income of the period	5,180,265	6,862	5,187,127
Loss attributable to noncontrolling interests	(133,401)		(133,401)
Net income attributable to stockholders	5,313,666	6,862	5,320,528

		Consolidated (unaudited) Six-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) revised	
Statement of income	Original balance		Adjusted balance
Net operating revenue	45,043,963		45,043,963
Cost of goods solds and services rendered	(23,767,573)	5,224	(23,762,349)
Gross operating profit	21,276,390	5,224	21,281,614
Operational expenses	(6,558,565)		(6,558,565)
Financial expenses, net	(4,922,994)	(8,990)	(4,931,984)
Equity results	746,620		746,620
Earnings before taxes	10,541,451	(3,766)	10,537,685
Current and deferred Income tax and social contribution, net	1,256,143	1,769	1,257,912
Net income of the period	11,797,594	(1,997)	11,795,597
Loss attributable to noncontrolling interests	(236,472)		(236,472)
Net income attributable to stockholders	12,034,066	(1,997)	12,032,069

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		Consolidated (unaudited) Three-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R) revised	
Other comprehensive income	Original balance		Adjusted balance
Net income of the period	5,180,265	6,862	5,187,127
Translation adjustments for the period	7,403,029	(86,366)	7,316,663
	12,583,294	(79,504)	12,503,790
Unrealized results on valuation at market	(3,946)		(3,946)
Retirement benefit obligations, net		(86,567)	(86,567)
Cash flow hedge, net	(217,471)		(217,471)
Total comprehensive income of the year, net	12,361,877	(166,071)	12,195,806
Comprehensive income attributable to noncontrolling interests, net	188,907		188,907
Comprehensive income attributable to the Company's stockholders, net	12,172,970	(166,071)	12,006,899

		Consolidated (unaudited) Six-month period ended June 30, 2012 Effect of changes IAS 19 (CPC33R)	
Other comprehensive income	Original balance		Adjusted balance
Net income of the period	11,797,594	(1,997)	11,795,597
Translation adjustments for the period	6,301,130	(64,139)	6,236,991
	18,098,724	(66,136)	18,032,588
Unrealized results on valuation at market	(4,644)		(4,644)
Retirement benefit obligations, net		63,254	63,254
Cash flow hedge, net	(203,284)		(203,284)
Total comprehensive income of the year, net	17,890,796	(2,882)	17,887,914
Comprehensive income attributable to noncontrolling interests, net	26,203		26,203
Comprehensive income attributable to the Company's stockholders, net	17,864,593		