

Vale S.A.
Form 6-K
February 28, 2013
[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

February, 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- .

Table of Contents

Financial Statements

December 31, 2012

BR GAAP/IFRS

Filed with the CVM, SEC and HKEx on

February 27, 2013

Table of Contents

Vale S.A.

Index to the Financial Statements

	Page
<u>Report of Independent Registered Public accounting Firm</u>	2
<u>Consolidated Statement of Financial Position as December 31, 2012, 2011 and 2010 and Parent Company as December 31, 2012 and 2011</u>	4
<u>Consolidated Statement of Income for the year ended December 31, 2012 and 2011</u>	6
<u>Parent Company Statement of income for the year ended December 31, 2012 and 2011</u>	7
<u>Consolidated and Parent Company Statement of Other Comprehensive Income for the year ended December 31, 2012 and 2011</u>	8
<u>Statement of Changes in Equity for the year ended December 31, 2012 and 2011</u>	9
<u>Consolidated Statement of Cash Flows for the year ended December 31, 2012 and 2011</u>	10
<u>Parent Company Statement of Cash Flows for the year ended December 31, 2012 and 2011</u>	11
<u>Consolidated Statement of Added Value for the year ended December 31, 2012 and 2011</u>	12
<u>Parent Company Statement of Added Value for the year ended December 31, 2012 and 2011</u>	13
<u>Notes to the Consolidated Financial Statements</u>	14

Table of Contents

Independent auditor's report

To the Board of Directors and Shareholders

Vale S.A.

We have audited the accompanying consolidated financial statements of Vale S.A. and its subsidiaries (the Company), which comprise the consolidated balance sheet as at December 31, 2012 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for
the consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Vale S.A. and its subsidiaries as at December 31, 2012, and their financial performance and their cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Rio de Janeiro, February 27, 2012

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 F RJ

João César de Oliveira Lima Júnior
Contador CRC 1RJ077431/O-8

Table of Contents**Balance Sheet**

In millions of Brazilian reais

	Notes	December 31, 2012	Consolidated December 31, 2011	January 1, 2011	Parent Company December 31, 2012	December 31, 2011
Assets						
Current assets						
Cash and cash equivalents	7	11,918	6,593	12,636	688	575
Short-term investments	8	506	-	2,987	43	-
Derivatives at fair value	25	575	1,112	87	500	574
Accounts receivable	9	13,885	15,889	13,681	21,839	15,809
Related parties	30	786	154	160	1,347	2,561
Inventories	10	10,320	9,833	7,161	3,283	3,183
Recoverable taxes	12	4,620	4,190	2,671	2,071	2,317
Advances to suppliers		523	733	313	242	382
Others		1,973	1,647	1,010	574	183
		45,106	40,151	40,706	30,587	25,584
Non-current Assets held for sale	11	935	-	11,877	-	-
		46,041	40,151	52,583	30,587	25,584
Non-current assets						
Related parties	30	833	904	48	864	446
Loans and financing agreements to receive		502	399	273	188	158
Judicial deposits	18	3,095	2,735	2,884	2,474	2,091
Deferred income tax and social contribution	20	8,134	3,539	2,263	5,558	2,109
Recoverable taxes	12	1,343	1,097	601	255	201
Derivatives at fair value	25	93	112	502	3	96
Reinvestment tax incentive		327	429	238	302	429
Others		1,234	1,095	788	458	389
		15,561	10,310	7,597	10,102	5,919
Investments	13	13,044	14,984	7,321	123,871	113,150
Intangible assets	14	18,822	17,789	16,829	14,664	13,974
Property, plant and equipment, net	15	173,455	153,855	126,656	61,231	55,503
		220,882	196,938	158,403	209,868	188,546
Total assets		266,923	237,089	210,986	240,455	214,130

Table of Contents**Balance Sheet**

In millions of Brazilian reais

(continued)

	Notes	December 31, 2012	Consolidated December 31, 2011	January 1, 2011	Parent Company December 31, 2012	December 31, 2011
Liabilities						
Current liabilities						
Suppliers and contractors		9,255	8,851	5,928	4,178	3,504
Payroll and related charges		3,025	2,442	1,889	2,001	1,582
Derivatives at fair value	25	710	136	58	558	117
Current portion of long-term debt	17	7,093	2,807	4,707	5,328	892
Short-term debt	17		40	232		
Related parties	30	423	43	35	6,434	4,959
Taxes payable and royalties		664	979	440	333	330
Provision for income taxes		1,310	955	1,251	370	
Employee post retirement benefits obligations	21	420	316	313	220	141
Railway sub-concession agreement payable		133	123	125		
Asset retirement obligations	19	143	136			21
Dividends and interest on capital			2,207	8,068		2,207
Others		2,168	1,650	1,582	751	400
		25,344	20,685	24,628	20,173	14,153
Liabilities directly associated with assets held for sale	11	327		5,340		
		25,671	20,685	29,968	20,173	14,153
Non-current liabilities						
Derivatives at fair value	25	1,601	1,239	102	1,410	953
Long-term debt	17	54,763	40,225	35,978	26,867	18,596
Related parties	30	146	171	3	29,363	28,654
Employee post retirement benefits obligations	21	3,390	2,846	3,337	544	406
Provisions for contingencies	18	4,218	3,145	3,409	2,867	1,928
Deferred income tax and social contribution	20	7,754	10,614	12,828		
Asset retirement obligations	19	5,472	3,427	2,404	1,625	1,095
Stockholders' Debentures	29	3,379	2,496	2,139	3,379	2,496
Redeemable noncontrolling interest		995	943	1,186		
Others		3,901	4,617	3,306	1,839	2,374
		85,619	69,723	64,692	67,894	56,502
Total liabilities		111,290	90,408	94,660	88,067	70,655

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Stockholders equity	24				
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (2011 - 2,108,579,618) issued	29,475	29,475	19,650	29,475	29,475
Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (2011 - 3,256,724,482) issued	45,525	45,525	30,350	45,525	45,525
Mandatorily convertible votes - common shares		360	445		360
Mandatorily convertible votes - preferred shares		796	996		796
Treasury stock - 140,857,692 (2011 - 181,099,814) preferred and 71,071,482 (2011 - 86,911,207) common shares	(7,838)	(9,917)	(4,826)	(7,838)	(9,919)
Results from operations with noncontrolling stockholders	(840)	(71)	685	(840)	(71)
Results in the translation/issuance of shares	50		1,867	50	
Unrealized fair value gain (losses)	(1,126)	220	(25)	(1,126)	220
Cumulative translation adjustments	8,692	(1,017)	(9,512)	8,692	(1,017)
Retained earnings	78,450	78,105	72,487	78,450	78,106
Total company stockholders equity	152,388	143,476	112,117	152,388	143,475
Noncontrolling interests	3,245	3,205	4,209		
Total stockholders equity	155,633	146,681	116,326	152,388	143,475
Total liabilities and stockholders equity	266,923	237,089	210,986	240,455	214,130

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

Table of Contents**Consolidated Statement of Income**

In millions of Brazilian reais, except as otherwise stated

	Notes	Year ended	
		December 31, 2012	December 31, 2011
Net operating revenue		93,511	102,019
Cost of goods solds and services rendered	27	(51,997)	(42,451)
Gross profit		41,514	59,568
Operating (expenses) income			
Selling and administrative expenses	27	(4,381)	(3,985)
Research and development expenses	27	(2,912)	(2,822)
Other operating expenses, net	27	(7,216)	(4,836)
Impairment of assets		(8,211)	
Realized gain (loss) on non-current assets held for sales		(1,036)	2,492
		(23,756)	(9,151)
Operating profit		17,758	50,417
Financial income	28	2,619	4,494
Financial expenses	28	(11,024)	(10,846)
Equity results from associates	13	1,241	1,857
Impairment of investment		(4,002)	
Income before income tax and social contribution		6,592	45,922
Income tax and social contribution			
Current tax	20	(4,987)	(9,077)
Deferred			
Deferred of year	20	1,776	563
Reversal of Deferred Income Tax liabilities (see note 6.b.)		2,533	
Effect of income tax on impairment		3,319	
		2,641	(8,514)
Net income of the year		9,233	37,408
Loss attributable to non-controlling interests		(501)	(406)
Net income attributable to the Company's stockholders		9,734	37,814
Earnings per share attributable to the Company's stockholders:			
Basic and diluted earnings per share:			
Preferred share and Common (in Brazilian reais)		1.91	7.21

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

Table of Contents**Parent Company Statement of Income**

In millions of Brazilian reais, except as otherwise stated

	Notes	Year ended	
		December 31, 2012	December 31, 2011
Net operating revenue		57,429	66,082
Cost of goods sold and services rendered	27	(24,245)	(20,958)
Gross profit		33,184	45,124
Operating (expenses) income			
Selling and administrative expenses	27	(2,339)	(2,176)
Research and development expenses	27	(1,619)	(1,460)
Other operating expenses, net	27	(3,023)	(1,704)
Impairment of assets		(5,968)	
Equity results from subsidiaries	13	(350)	5,647
Realized gain (loss) on non-current assets held for sales (equity on parent company) (*)		(1,036)	2,492
Operating profit		18,849	47,923
Financial income	28	1,566	2,958
Financial expenses	28	(10,084)	(8,552)
Equity results from joint controlled entities and associates	13	1,241	1,857
Impairment of investments		(1,804)	
Income before income tax and social contribution		9,768	44,186
Income tax and social contribution			
Current	20	(3,492)	(6,671)
Deferred	20	816	299
Effect of income tax on impairment		2,642	
		(34)	(6,372)
Net income of the exercise		9,734	37,814
Earnings per share:			
Basic and diluted earnings per share:			
Preferred share and Common (in brazilian reais)		1.91	7.21

(*) Except for the loss of R\$ 722 in 2012 about coal assets sale, recorded in other operating expenses.

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

Table of Contents**Statement of Other Comprehensive Income**

In millions of Brazilian reais

	Consolidated Year ended	
	December 31, 2012	December 31, 2011
Net income	9,233	37,408
Cumulative translation adjustments	10,073	8,828
Unrealized gain (loss) on available-for-sale investments		
Gross balance as of the year end	(3)	6
	(3)	6
Cash flow hedge		
Gross balance as of the year end	(230)	219
Effect of tax	(12)	21
	(242)	240
Total comprehensive income of the year	19,061	46,482
Comprehensive income attributable to noncontrolling interests	(137)	(72)
Comprehensive income attributable to the Company's stockholders	19,198	46,554
	19,061	46,482

	Parent Company Year ended	
	December 31, 2012	December 31, 2011
Net income	9,734	37,814
Other comprehensive income		
Cumulative translation adjustments	9,709	8,495
Unrealized gain (loss) on available-for-sale investments		
Gross balance as of the year end	(2)	6
Effect of tax	(1)	
	(3)	6
Cash flow hedge		
Gross balance as of the year end	(229)	218
Effect of tax	(13)	21
	(242)	239
Total comprehensive income of the year	19,198	46,554

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

Table of Contents**Statement of Changes in Equity**

In millions of Brazilian reais

	Capital	Results in the translation of shares	Mandatorily convertible notes	Revenue reserves	Treasury stock	Unrealized fair value gain (losses)	Year ended Gain (loss) from operation with noncontrolling stockholders	Cumulative translation adjustment	Retained earnings	Total Company stockholders equity	Noncontrolling stockholders equity
January 01, 2011	50,000	1,867	1,441	72,487	(4,826)	(25)	685	(9,512)		112,117	
Net income of the year									37,814		37,814
Capitalization of reserves	25,000	(1,867)		(23,133)							
Capitalization of noncontrolling stockholders advances											
Gain on conversion of shares					(5,091)						(5,091)
Additional remuneration for mandatorily convertible notes			(285)								(285)
Cash flow hedge, net of taxes						239					239
Unrealized results on valuation at market						6					6
Translation adjustments for the year								8,495			8,495
Dividends to noncontrolling stockholders											
Redeemable noncontrolling stockholders interest											
Acquisitions and disposal of noncontrolling stockholders							(756)				(756)

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Destination of earnings:									
Interim dividends								(2,207)	(2,207)
Additional remuneration proposed								(6,856)	(6,856)
Appropriation to undistributed retained earnings			28,751					(28,751)	
December 31, 2011	75,000	1,156	78,105	(9,917)	220	(71)	(1,017)		143,476
Net income of the year								9,734	9,734
Capitalization of noncontrolling stockholders advances									
Remuneration for mandatorily convertible notes		(128)							(128)
Cash flow hedge, net of taxes					(242)				(242)
Unrealized results on valuation at market					(3)				(3)
Translation adjustments for the year							9,709		9,709
Dividends to noncontrolling stockholders									
Redeemable noncontrolling stockholders interest									
Acquisitions and disposal of noncontrolling stockholders							(769)		(769)
Gain on conversion of shares	50	(1,028)		2,079	(1,101)				
Realization of expansion and investment reserve			(740)					740	
Destination of earnings:									
Appropriation to undistributed retained earnings			1,085					(1,085)	
Remuneration intermediate								(9,389)	(9,389)
December 31, 2012	75,000	50	78,450	(7,838)	(1,126)	(840)	8,692		152,388

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

Table of Contents**Consolidated Statement of Cash Flows**

In millions of Brazilian reais

	Year ended	
	December 31, 2012	December 31, 2011
Cash flow from operating activities:		
Net income	9,233	37,408
Adjustments to reconcile net income to cash from operations		
Results of equity investments and associates	(1,241)	(1,857)
Realized losses (gains) on assets held for sale	1,036	(2,492)
Depreciation, amortization and depletion	8,397	6,638
Deferred income tax and social contribution	(1,776)	(563)
Reversal of deferred income tax	(2,533)	
Deferred Income Tax of impairment	(3,319)	
Foreign exchange and indexation (gain) losses, net	3,590	5,156
Impairment on assets	12,213	
Loss on disposal of property, plant and equipment	422	435
Unrealized derivative (gains) losses, net	1,236	957
Stockholders' Debentures	212	412
Others	218	(208)
Decrease (increase) in assets:		
Accounts receivable from customers	3,704	(1,940)
Inventories	(451)	(2,364)
Recoverable taxes	425	(900)
Others	441	(862)
Increase (decrease) in liabilities:		
Suppliers and contractors	47	2,288
Payroll and related charges	550	502
Taxes and contributions	(301)	(3,026)
Others	978	105
Net cash provided by operating activities	33,081	39,689
Cash flow from investing activities:		
Short-term investments	(506)	2,987
Loans and advances	609	(177)
Guarantees and deposits	(232)	(363)
Additions to investments	(892)	(1,362)
Additions to property, plant and equipment	(31,993)	(26,311)
Dividends/interest on capital received from Joint controlled entities and associates	932	1,766
Proceeds from disposal of investments held for sale	1,989	1,795
Acquisitions/sales of subsidiaries		
Net cash used in investing activities	(30,093)	(21,665)
Cash flow from financing activities:		
Short-term debt		

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Additions	1,067	2,313
Repayments	(1,106)	(1,601)
Long-term debt	16,812	2,407
Repayments:		
Financial institutions	(2,054)	(4,659)
Dividends and interest on capital paid to stockholders	(11,596)	(15,053)
Dividends and interest on capital attributed to noncontrolling interest	(90)	(72)
Transactions with noncontrolling stockholders	(793)	(2,084)
Capital increase		
Repurchase of treasury stock		(5,092)
Net cash provided by (used in) financing activities	2,240	(23,841)
Increase (decrease) in cash and cash equivalents	5,228	(5,817)
Cash and cash equivalents of cash, beginning of the year	6,593	12,175
Effect of exchange rate changes on cash and cash equivalents	97	235
Cash and cash equivalents from new incorporated subsidiary		
Cash and cash equivalents, end of the year	11,918	6,593
Cash paid during the year for:		
Short-term interest	(16)	(5)
Long-term interest	(2,572)	(1,893)
Income tax and social contribution	(2,320)	(11,662)
Non-cash transactions:		
Additions to property, plant and equipment - interest capitalization	684	289

Conversion of mandatory convertible notes using 56,081,560 treasury stocks. (Note 24c.)

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

Table of Contents**Parent Company Statement of Cash Flows****In millions of Brazilian reais**

	Year ended	
	December 31, 2012	December 31, 2011
Cash flow from operating activities:		
Net income	9,734	37,814
Adjustments to reconcile net income to cash from operations		
Results of equity investments	(891)	(7,504)
Realized gain on assets held for sale	1,036	(2,492)
Depreciation, amortization and depletion	2,563	1,964
Deferred income tax and social contribution	(816)	(299)
Deferred Income Tax of impairment	(2,642)	
Foreign exchange and indexation (gain) losses, net	4,363	7,003
Impairment on assets	7,772	
Loss on disposal of property, plant and equipment	372	383
Unrealized derivative (gains) losses, net	1,089	661
Dividends / interest on capital received from subsidiaries		2,196
Stockholders debentures	212	412
Others	(141)	(26)
Decrease (increase) in assets:		
Accounts receivable from customers	(6,030)	2,569
Inventories	267	(630)
Recoverable taxes	927	(433)
Others	932	(43)
Increase (decrease) in liabilities:		
Suppliers and contractors	675	640
Payroll and related charges	419	311
Taxes and contributions	349	(4,583)
Others	964	(463)
Net cash provided by operating activities	21,154	37,480
Cash flow from investing activities:		
Short-term investments	(43)	
Loans and advances	1,141	(33)
Guarantees and deposits	(226)	(72)
Additions to investments	(7,324)	(5,985)
Additions to property, plant and equipment	(15,699)	(14,615)
Dividends/interest on capital received from joint controlled entities and associates	1,190	
Proceeds from disposal of investments held for sale	745	
Net cash used in investing activities	(20,216)	(20,705)
Cash flow from financing activities:		
Short-term debt		
Additions	1,007	1,092

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Repayments	(4,604)	(5,064)
Long-term debt		
Additions	15,023	3,891
Repayments:		
Financial institutions	(655)	(891)
Dividends and interest on capital attributed to noncontrolling interest	(11,596)	(14,960)
Treasury stock		(5,091)
Net cash provided by (used in) financing activities	(825)	(21,023)
Increase (decrease) in cash and cash equivalents	113	(4,248)
Cash and cash equivalents of cash, beginning of the year	575	4,823
Cash and cash equivalents, end of the year	688	575
Cash paid during the year for:		
Short-term interest	(2)	(1)
Long-term interest	(1,892)	(1,904)
Income tax and social contribution	(312)	(9,638)
Non-cash transactions:		