

Vale S.A.
Form 6-K
October 26, 2011
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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

October 2011

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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Financial Statements - September 30, 2011

BR GAAP/IFRS

Filed at CVM, SEC and HKEx on 26/10/2011

Gerência Geral de Controladoria - GECOL

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Report on Review of Interim Financial Information

To the Board of Directors and Stockholders

Vale S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Vale S.A. (the Company), comprising the balance sheet at September 30, 2011 and the statements of income, comprehensive income and cash flows for the quarter and nine-month period then ended, and the statements of changes in equity, for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with accounting standard CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this interim accounting information 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 - 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 persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review 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 interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information referred to above is not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the interim financial information.

PricewaterhouseCoopers, Av. José Silva de Azevedo Neto 200, 1º e 2º, Torre Evolution IV, Barra da Tijuca, Rio de Janeiro, RJ, Brasil 22775-056

T: (21) 3232-6112, F: (21) 3232-6113, www.pwc.com/br

PricewaterhouseCoopers, Rua da Candelária 65, 20º, Rio de Janeiro, RJ, Brasil 20091-020, Caixa Postal 949,

T: (21) 3232-6112, F: (21) 2516-6319, www.pwc.com/br

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Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the interim financial information.

Other matters Interim statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the quarter and nine-month period ended September 30, 2011, which are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM) and are considered supplementary information under IFRS, which does not require the presentation of the statement of value added. These statements have been submitted 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 properly prepared, in all material respects, in relation to the interim accounting information taken as a whole.

Rio de Janeiro, October 26, 2011

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

Marcos Donizete Panassol
Contador CRC 1SP155975/O-8 S RJ

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Balance Sheet**In thousands of reais**

	Notes	Consolidated September 30, 2011 (unaudited)	December 31, 2010	Parent Company September 30, 2011 (unaudited)	December 31, 2010
Assets					
Current assets					
Cash and cash equivalents	7	14,674,488	13,468,958	4,180,831	4,823,377
Short-term investments	8		2,987,497		
Derivatives at fair value	23	1,556,520	87,270	853,722	36,701
Financial assets available for sale		13,545	20,897		
Accounts receivable	9	16,577,820	13,962,306	18,287,322	18,378,124
Related parties	27	67,250	90,166	2,730,547	1,123,183
Inventories	10	9,983,148	7,592,024	2,949,377	2,316,971
Recoverable taxes	12	3,999,775	2,869,340	2,253,134	1,960,606
Advances to suppliers		1,155,015	410,426	264,768	273,414
Others		2,281,059	903,916	423,478	178,655
		50,308,620	42,392,800	31,943,179	29,091,031
Assets held for sale		113,448	11,875,931		
		50,422,068	54,268,731	31,943,179	29,091,031
Non-current assets					
Related parties	27	15,711	8,032	451,038	1,936,328
Loans and financing agreements to receive		534,796	274,464	155,345	163,775
Prepaid expenses		278,409	254,366	16,643	
Judicial deposits	17	3,177,704	3,062,337	2,361,105	2,312,465
Deferred income tax and social contribution	18	3,815,613	2,439,984	2,491,683	1,788,980
Recoverable taxes	12	949,426	612,384	160,436	124,834
Derivatives at fair value	23	103,793	501,722		284,127
Reinvestment tax incentive		540,240	239,269	540,240	239,269
Others		1,595,907	695,638	262,037	283,180

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		11,011,599	8,088,196	6,438,527	7,132,958
Investments	13	10,810,285	3,944,565	108,611,359	92,111,361
Intangible assets	14	18,754,629	18,273,788	13,820,641	13,563,108
Property, plant and equipment, net	15	148,098,749	130,086,834	51,937,678	44,461,771
		188,675,262	160,393,383	180,808,205	157,269,198
Total assets		239,097,330	214,662,114	212,751,384	186,360,229

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Balance Sheet**In thousands of reais, except number of shares****(Continued)**

	Notes	Consolidated September 30, 2011 (unaudited)	December 31, 2010	Parent Company September 30, 2011 (unaudited)	December 31, 2010
Liabilities and stockholders equity					
Current liabilities					
Suppliers and contractors		8,732,002	5,803,709	3,599,334	2,863,317
Payroll and related charges		2,098,625	1,965,833	1,305,226	1,270,360
Derivatives at fair value	23	10,318	92,182		
Current portion of long-term debt	16	3,333,911	4,866,399	828,851	616,153
Short-term debt	16	753,790	1,144,470		
Related parties	27	34,031	24,251	4,864,492	5,325,746
Taxes payable and royalties		357,413	441,609	84,456	203,723
Provision for income taxes		2,129,322	1,309,630	1,106,299	413,985
Employee postretirement benefits obligations		357,321	311,093	215,376	175,564
Provision for asset retirement obligations	17	98,357	128,281	45,122	44,427
Dividends and interest on capital		3,292,734	8,104,037	3,292,734	8,104,037
Others		2,219,179	1,852,688	827,561	705,227
		23,417,003	26,044,182	16,169,451	19,722,539
Liabilities directly associated with assets held for sale					
		56,444	5,339,989		
		23,473,447	31,384,171	16,169,451	19,722,539
non-current liabilities					
Derivatives at fair value	23	1,013,805	102,680	778,879	
Long-term debt	16	41,831,690	37,779,484	17,881,744	15,907,762
Related parties	27		3,362	28,985,546	27,597,237
Employee post retirement benefits obligations		2,700,401	3,224,893	331,877	503,639

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Provisions for contingencies	17	3,814,727	3,712,341	2,298,666	2,107,773
Deferred income tax and social contribution	18	10,703,256	12,947,141		3,574,271
Provision for asset retirement obligations	17	2,543,547	2,463,154	839,251	760,838
Stockholders Debentures		2,366,965	2,139,923	2,366,965	2,139,923
Redeemable non-controlling interest		1,031,046	1,186,334		
Others		3,931,800	3,391,768	2,038,827	1,928,244
		69,937,237	66,951,080	55,521,755	54,519,687
Stockholders equity	22				
Preferred class A stock - 7,200,000,000 no-par-value shares authorized and 2,108,579,618 (2010 - 2,108,579,618) issued		29,475,211	19,650,141	29,475,211	19,650,141
Common stock - 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (2010 - 3,256,724,482) issued		45,524,789	30,349,859	45,524,789	30,349,859
Mandatorily convertible votes - common shares		412,379	445,095	412,379	445,095
Mandatorily convertible votes - preferred shares		913,301	996,481	913,301	996,481
Treasury stock - 99,649,562 (2010 - 99,646,571) preferred and 47,375,394 (2010 - 47,375,394) common shares		(8,146,252)	(4,826,127)	(8,146,252)	(4,826,127)
Results from operations with non-controlling stockholders		685,035	685,035	685,035	685,035
Results in the translation/issuance of shares			1,867,210		1,867,210
Valuation adjustment		470,306	(25,383)	470,306	(25,383)
Cumulative translation adjustments		(2,234,096)	(9,512,225)	(2,234,096)	(9,512,225)
Retained earnings		73,959,505	72,487,917	73,959,505	72,487,917
Total company stockholders equity		141,060,178	112,118,003	141,060,178	112,118,003
non-controlling interests		4,626,468	4,208,860		
Total stockholders equity		145,686,646	116,326,863	141,060,178	112,118,003
Total liabilities and stockholders equity		239,097,330	214,662,114	212,751,384	186,360,229

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

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Statement of Income Consolidated**(unaudited)****In thousands of reais, except as otherwise stated**

	Notes	Three-month period ended			Nine-month period ended	
		September 30, 2011	June 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Net operating revenue		28,009,193	25,063,251	25,678,324	76,057,727	56,731,761
Cost of goods solds and services rendered	25	(10,443,229)	(9,396,840)	(9,003,915)	(29,353,840)	(23,371,489)
Gross profit		17,565,964	15,666,411	16,674,409	46,703,887	33,360,272
Operating (expenses) income						
Selling and administrative expenses	25	(1,139,328)	(744,168)	(780,217)	(2,639,550)	(2,009,557)
Research and development expenses	25	(728,098)	(585,726)	(387,064)	(1,887,361)	(1,059,635)
Other operating expenses, net	25	(1,254,316)	(1,171,529)	(891,994)	(3,141,677)	(2,643,524)
Realized gain on assets available for sales (Equity results on the parent company)					2,492,175	
		(3,121,742)	(2,501,423)	(2,059,275)	(5,176,413)	(5,712,716)
Operating profit		14,444,222	13,164,988	14,615,134	41,527,474	27,647,556
Financial income	25	1,006,170	2,211,077	2,966,362	2,993,556	3,339,775
Financial expenses	25	(7,135,293)	(1,286,166)	(2,901,637)	(8,465,651)	(5,627,547)
Equity results from associates	13	28,414	81,176	(56,183)	127,264	(12,015)
Income before income tax and social contribution		8,343,513	14,171,075	14,623,676	36,182,643	25,347,769
Current		(1,990,713)	(2,852,317)	(4,724,053)	(7,599,604)	(6,458,621)
Deferred		1,497,244	(1,138,707)	753,800	647,943	1,543,473
Income tax and social contribution	18	(493,469)	(3,991,024)	(3,970,253)	(6,951,661)	(4,915,148)
Income from continuing operations		7,850,044	10,180,051	10,653,423	29,230,982	20,432,621
Results on discontinued operations				14,610		(221,708)

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Net income of the period		7,850,044	10,180,051	10,668,033	29,230,982	20,210,913
Net income (loss) attributable to non-controlling interests		(42,892)	(95,308)	114,345	(228,296)	143,098
Net income attributable to the Company's stockholders		7,892,936	10,275,359	10,553,688	29,459,278	20,067,815
Basic earnings per share:						
Continuing operations						
Preferred share	22	1.49	1.94	1.97	5.56	3.82
Common share	22	1.49	1.94	1.97	5.56	3.82
Discontinued operations						
Preferred share	22					(0.04)
Common share	22					(0.04)
Diluted earnings per share:						
Continuing operations						
Preferred share	22	2.49	2.45	1.97	7.32	3.84
Common share	22	2.53	2.43	1.97	7.34	3.84
Discontinued operations						
Preferred share	22					(0.04)
Common share	22					(0.04)

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

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**Statement of Income Parent Company
(unaudited)****In thousands of reais, except as otherwise stated**

		Three-month period ended		September 30,	Nine-month period ended	
	Notes	September 30, 2011	June 30, 2011	2010	September 30, 2011	September 30, 2010
Net operating revenue		18,521,131	16,497,509	17,298,907	48,561,618	36,071,847
Cost of goods solds and services rendered	25	(5,360,402)	(5,030,782)	(4,801,862)	(15,069,148)	(12,784,049)
Gross profit		13,160,729	11,466,727	12,497,045	33,492,470	23,287,798
Operating (expenses) income						
Selling and administrative expenses	25	(525,722)	(433,573)	(418,096)	(1,328,649)	(1,066,646)
Research and development expenses	25	(358,314)	(341,029)	(270,531)	(978,218)	(774,338)
Other operating expenses, net	25	(420,289)	(485,315)	(254,152)	(1,061,783)	(678,078)
Equity results from subsidiaries	13	1,205,595	2,043,259	1,445,544	6,120,224	5,456,332
Realized gain on assets available for sales (Equity results on the parent company)					2,492,175	
		(98,730)	783,342	502,765	5,243,749	2,937,270
Operating profit		13,061,999	12,250,069	12,999,810	38,736,219	26,225,068
Financial income	25	543,785	1,737,590	2,127,547	1,949,115	2,673,845
Financial expenses	25	(5,788,313)	(620,869)	(971,690)	(6,715,022)	(3,995,210)
Equity results from associates	13	28,414	81,176	(56,183)	127,264	(12,015)
Income before income tax and social contribution		7,845,885	13,447,966	14,099,484	34,097,576	24,891,688
Current		(1,265,834)	(2,348,035)	(3,779,713)	(5,329,343)	(5,165,830)
Deferred		1,312,885	(824,572)	219,307	691,045	563,665
Income tax and social contribution	18	47,051	(3,172,607)	(3,560,406)	(4,638,298)	(4,602,165)

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Income from continuing operations		7,892,936	10,275,359	10,539,078	29,459,278	20,289,523
Results on discontinued operations				14,610		(221,708)
Net income of the period		7,892,936	10,275,359	10,553,688	29,459,278	20,067,815
Basic earnings per share:						
Continuing operations						
Preferred share	22	1.49	1.94	1.97	5.56	3.82
Common share	22	1.49	1.94	1.97	5.56	3.82
Discontinued operations						
Preferred share	22					(0.04)
Common share	22					(0.04)
Diluted earnings per share:						
Continuing operations						
Preferred share	22	2.49	2.45	1.97	7.32	3.84
Common share	22	2.53	2.43	1.97	7.34	3.84
Discontinued operations						
Preferred share	22					(0.04)
Common share	22					(0.04)

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

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**OTHER COMPREHENSIVE
INCOME**

CUMULATIVE TRANSLATION ADJUSTMENTS	10,708,417	(2,725,674)	(1,022,347)	7,278,129	(866,623)
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**UNREALIZED GAIN (LOSS)
ON AVAILABLE-FOR-SALE
SECURITIES**

GROSS BALANCE AS OF THE PERIOD/YEAR END	(299)	5,397	(72,625)	4,285	(66,756)
TAX (EXPENSE) BENEFIT					(6,327)
	(299)	5,397	(72,625)	4,285	(73,083)

CASH FLOW HEDGE

GROSS BALANCE AS OF THE PERIOD/YEAR END	214,528	241,177	7,201	479,746	313,666
TAX (EXPENSE) BENEFIT	43,659	(18,602)	(50,289)	11,658	(119,355)
	258,187	222,575	(43,088)	491,404	194,311

TOTAL COMPREHENSIVE INCOME OF THE PERIOD	23	18,859,241	7,777,657	9,415,628	37,233,096	19,322,420
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The accompanying notes are an integral part of these financial statements.

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Statement of Changes in Stockholders Equity**In thousands of reais**

	NOTES	CAPITAL	RESULTS IN THE TRANSLATION/ ISSUANCE OF SHARES	MANDATORILY CONVERTIBLE NOTES	REVENUE RESERVES	TREASURY STOCK	VALUATION ADJUSTMENT	NINE-MONTH PERIOD ENDED INCOME FROM OPERATIONS WITH NON- CONTROLLING STOCKHOLDERS	CUMULATIVE TRANSLATION ADJUSTMENTS
JANUARY 01, 2010		47,434,193	(160,771)	4,587,011	49,272,210	(2,470,698)	(20,665)		(8,000,000)
NET INCOME OF THE PERIOD									
CAPITALIZATION OF RESERVES		2,565,807			(2,565,807)				
GAIN ON CONVERSION OF SHARES			2,027,981	(3,063,833)		1,035,852			
REPURCHASE OF STOCK						(1,486,812)			
ADDITIONAL REMUNERATION TO MANDATORILY CONVERTIBLE NOTES				(52,731)					
CASH FLOW HEDGE, NET OF TAXES	23						194,311		
UNREALIZED RESULTS ON VALUATION AT MARKET							(73,083)		
TRANSLATION ADJUSTMENTS FOR THE PERIOD									
DIVIDENDS TO NON-CONTROLLING STOCKHOLDERS									
ASSETS AND LIABILITIES HELD FOR SALE									
ACQUISITIONS AND DISPOSAL OF NON-CONTROLLING INTEREST									685,035

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SEPTEMBER 30, 2010	50,000,000	1,867,210	1,470,447	46,706,403	(2,921,658)	100,563	685,035	(9,
JANUARY 01, 2011	50,000,000	1,867,210	1,441,576	72,487,917	(4,826,127)	(25,383)	685,035	(9,
NET INCOME OF THE PERIOD								
CAPITALIZATION OF RESERVES	25,000,000	(1,867,210)		(23,132,790)				
CAPITALIZATION OF NON-CONTROLLING STOCKHOLDERS ADVANCES								
REPURCHASE OF SHARES					(3,320,125)			
ADDITIONAL REMUNERATION TO MANDATORILY CONVERTIBLE NOTES								
			(115,896)					
CASH FLOW HEDGE, NET OF TAX	23					491,404		
UNREALIZED RESULTS ON VALUATION AT MARKET								
						4,285		
TRANSLATION ADJUSTMENTS FOR THE PERIOD								
								7,
DIVIDENDS TO NON-CONTROLLING STOCKHOLDERS								
INTERMEDIARY DIVIDENDS								
TRANSFER TO ASSETS HELD FOR SALE OF NON-CONTROLLING STOCKHOLDERS								
ACQUISITIONS AND DISPOSAL OF NON-CONTROLLING INTEREST								
SEPTEMBER 30, 2011	75,000,000		1,325,680	49,355,127	(8,146,252)	470,306	685,035	(2,

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

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Statement of Cash Flow Consolidated

Period ended in (unaudited)

In thousands of reais

NOTES	THREE-MONTH PERIOD ENDED			NINE-MONTH PERIOD ENDED	
	SEPTEMBER 30, 2011	JUNE 30, 2011	SEPTEMBER 30, 2010	SEPTEMBER 30, 2011	SEPTEMBER 30, 2010
CASH FLOW FROM OPERATING ACTIVITIES:					
NET INCOME OF THE PERIOD	7,850,044	10,180,051	10,668,033	29,230,982	20,210,913
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH FROM OPERATIONS					
RESULTS OF EQUITY INVESTMENTS	(28,414)	(81,176)	56,183	(127,264)	12,015
REALIZED GAIN ON ASSETS HELD FOR SALE			(14,610)	(2,492,175)	
RESULTS FROM DISCONTINUED OPERATIONS					221,708
DEPRECIATION, AMORTIZATION AND DEPLETION	1,666,180	1,553,128	1,230,753	4,818,346	3,946,919
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	(1,497,244)	1,138,707	(753,800)	(647,943)	(1,543,473)
MONETARY AND EXCHANGE RATE CHANGES, NET	3,494,664	(349,856)	1,343,867	3,638,994	821,615
LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	64,812	74,077	417,505	440,409	704,871
NET UNREALIZED LOSSES (GAINS) ON DERIVATIVES	23	1,094,454	(368,678)	(687,030)	372,224
OTHERS	110,846	(197,208)	363,932	(134,798)	548,127
DECREASE (INCREASE) IN ASSETS:					
ACCOUNTS RECEIVABLE FROM	(1,370,973)	(955,191)	(3,322,076)	(2,037,229)	(7,365,036)

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CUSTOMERS					
INVENTORIES	(538,101)	(181,222)	(768,261)	(2,009,442)	(1,565,057)
RECOVERABLE TAXES	(230,525)	(183,484)	321,143	(542,756)	209,495
OTHERS	(231,279)	(629,657)	(438,698)	(408,969)	6,144
INCREASE (DECREASE)					
IN LIABILITIES:					
SUPPLIERS AND CONTRACTORS	1,313,866	548,093	1,273,946	2,200,202	2,205,528
PAYROLL AND RELATED CHARGES	435,831	328,896	294,603	140,726	10,061
TAXES AND CONTRIBUTIONS	(4,393,045)	(49,202)	2,035,469	(3,914,873)	2,495,232
OTHERS	(708,723)	(559,478)	465,850	(372,281)	611,094
NET CASH PROVIDED BY OPERATING ACTIVITIES					
	7,032,393	10,267,800	12,486,809	28,154,153	21,645,488
CASH FLOW FROM INVESTING ACTIVITIES:					
SHORT-TERM INVESTMENTS		869,017		2,987,497	6,524,906
LOANS AND ADVANCES RECEIVABLE	395,239	(52,577)	(140,924)	53,462	(96,474)
GUARANTEES AND DEPOSITS	(280,238)	(268,821)	(184,220)	(598,609)	(354,910)
ADDITIONS TO INVESTMENTS	(30,539)		(6,781)	(133,950)	(105,150)
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT	(5,830,008)	(5,888,218)	(6,842,069)	(16,610,429)	(14,349,844)
DIVIDENDS/INTEREST ON CAPITAL RECEIVED	13	84,079	76,483	84,079	146,938
PROCEEDS FROM DISPOSAL OF INVESTMENTS HELD FOR SALE				1,794,985	
ACQUISITIONS/SALES OF SUBSIDIARIES			(1,740,164)		(11,377,793)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES					
	(5,745,546)	(5,256,520)	(8,837,675)	(12,422,965)	(19,612,327)
CASH FLOW FROM FINANCING ACTIVITIES:					
SHORT-TERM DEBT					
ADDITIONS	44,563	368,694	502,961	1,977,559	4,040,104
REPAYMENTS	(324,574)	(316,392)	(468,197)	(2,281,244)	(3,992,613)
LONG-TERM DEBT					
ADDITIONS	1,350,662	558,412	3,331,619	2,868,145	6,408,147
REPAYMENTS	(1,240,830)	(82,589)	(2,358,823)	(4,249,464)	(2,951,102)
FINANCIAL INSTITUTIONS					
DIVIDENDS AND INTEREST ON CAPITAL PAID TO STOCKHOLDERS					
	(4,854,900)	(3,174,000)		(9,699,000)	(2,303,638)
DIVIDENDS AND INTEREST STOCKHOLDERS'					
		(93,476)		(93,476)	

EQUITY ATTRIBUTED TO NON-CONTROLLING INTEREST					
TRANSACTIONS WITH NON-CONTROLLING STOCKHOLDERS			1,118,172		1,118,172
TREASURY STOCK	(3,320,125)		(585,313)	(3,320,125)	(585,313)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(8,345,204)	(2,739,351)	1,540,419	(14,797,605)	1,733,757
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,058,357)	2,271,929	5,189,554	933,583	3,766,918
CASH AND CASH EQUIVALENTS OF CASH, BEGINNING OF THE PERIOD	21,323,361	19,138,882	11,847,271	13,468,958	13,220,599
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	409,484	(87,450)	(87,349)	271,947	(38,041)
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	7 14,674,488	21,323,361	16,949,476	14,674,488	16,949,476
CASH PAID DURING THE PERIOD FOR:					
SHORT-TERM INTEREST	(5,587)	(9,954)	(8,978)	(21,675)	(28,704)
LONG-TERM INTEREST	(389,903)	(617,826)	(439,822)	(1,588,984)	(1,436,031)
INCOME TAX AND SOCIAL CONTRIBUTION	(6,496,055)	(1,933,124)	(1,312,390)	(10,126,443)	(1,685,322)
INFLOWS DURING THE PERIOD:					
NON-CASH TRANSACTIONS:					
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT - INTEREST CAPITALIZATION	(89,576)	(100,621)	(75,506)	(253,695)	(462,253)

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

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(A free translation from the original in Portuguese)

Statement of Cash Flow Parent Company

Period ended in (unaudited)

In thousands of reais

	NOTES	NINE-MONTH PERIOD ENDED	
		SEPTEMBER 30, 2011	SEPTEMBER 30, 2010
CASH FLOW FROM OPERATING ACTIVITIES:			
NET INCOME OF THE PERIOD		29,459,278	20,067,815
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH FROM OPERATIONS			
RESULTS OF EQUITY INVESTMENTS		(6,247,488)	(5,444,317)
REALIZED GAIN ON ASSETS HELD FOR SALE		(2,492,175)	
RESULTS FROM DISCONTINUED OPERATIONS			221,708
DEPRECIATION, AMORTIZATION AND DEPLETION		1,433,620	1,497,304
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION		(691,045)	(563,665)
MONETARY AND EXCHANGE RATE CHANGES, NET		6,629,779	(348,728)
LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		290,142	2,344,905
NET UNREALIZED LOSSES (GAINS) ON DERIVATIVES	23	211,696	(97,025)
DIVIDENDS / INTEREST ON CAPITAL RECEIVED	13	1,538,190	783,033
OTHERS		218,858	618,094
DECREASE (INCREASE) IN ASSETS:			
ACCOUNTS RECEIVABLE FROM CUSTOMERS		90,803	(14,346,295)
INVENTORIES		(450,263)	(56,553)
RECOVERABLE TAXES		(328,130)	235,298
OTHERS		45,715	(444,070)
INCREASE (DECREASE) IN LIABILITIES:			
SUPPLIERS AND CONTRACTORS		736,017	1,298,118
PAYROLL AND RELATED CHARGES		34,866	41,585
TAXES AND CONTRIBUTIONS		(5,428,372)	1,599,406
OTHERS		31,131	669,502
NET CASH PROVIDED BY OPERATING ACTIVITIES		25,082,622	8,076,115
CASH FLOW FROM INVESTING ACTIVITIES:			
LOANS AND ADVANCES RECEIVABLE		204,681	3,125,108
GUARANTEES AND DEPOSITS		55,293	(287,506)
ADDITIONS TO INVESTMENTS		(2,329,209)	(1,621,069)
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		(9,615,362)	(6,262,726)
PROCEEDS FROM DISPOSAL OF INVESTMENTS HELD FOR SALE			4,432,517
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(11,684,597)	(613,676)

CASH FLOW FROM FINANCING ACTIVITIES:**SHORT-TERM DEBT**

ADDITIONS	1,054,457	3,938,815
REPAYMENTS	(4,682,177)	(7,890,936)

LONG-TERM DEBT

ADDITIONS	3,375,976	3,032,339
FINANCIAL INSTITUTIONS	(769,702)	(380,639)
DIVIDENDS AND INTEREST ON CAPITAL PAID TO STOCKHOLDERS	(9,699,000)	(2,198,000)
TREASURY STOCK	(3,320,125)	(585,313)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(14,040,571)	(4,083,734)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(642,546)	3,378,706
CASH AND CASH EQUIVALENTS OF CASH, BEGINNING OF THE PERIOD	4,823,377	1,249,980
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	7	4,180,831

CASH PAID DURING THE PERIOD FOR:

SHORT-TERM INTEREST	(1,173)	(63,345)
LONG-TERM INTEREST	(1,517,800)	(1,193,866)
INCOME TAX AND SOCIAL CONTRIBUTION	(8,443,748)	(1,559,906)

NON-CASH TRANSACTIONS:

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT - INTEREST CAPITALIZATION	(63,029)	(70,605)
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The accompanying notes are an integral part of these financial statements.

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(A free translation from the original in Portuguese.)

Statement of Added Value

Period ended in (unaudited)

In thousands of reais

	Consolidated				
	September 30, 2011	Three-month period ended June 30, 2011	September 30, 2010	Nine-month period ended September 30, 2011	September 30, 2010
Generation of added value					
Gross revenue					
Revenue from products and services	28,516,595	25,613,887	26,376,233	77,703,788	58,386,558
Gain on realization of assets available for sale				2,492,175	
Other revenue	11,254			11,254	
Revenue from the construction of own assets	10,038,908	5,898,396	5,731,098	20,025,863	13,353,753
Allowance for doubtful accounts	(18,640)	(9,569)	(11,836)	(16,316)	(18,433)
Less:					
Acquisition of products	(862,832)	(695,207)	(464,960)	(2,115,421)	(1,319,220)
Outsourced services	(5,130,085)	(3,589,771)	(3,221,413)	(11,577,432)	(7,761,990)
Materials	(9,301,409)	(5,968,970)	(4,353,335)	(20,014,059)	(13,776,301)
Fuel oil and gas	(988,982)	(866,930)	(1,031,685)	(2,837,277)	(2,717,325)
Energy	(412,833)	(378,298)	(606,666)	(1,301,405)	(1,589,920)
Other costs (expenses)	(2,931,095)	(2,534,102)	(2,820,894)	(7,713,190)	(6,786,420)
Gross added value	18,920,881	17,469,436	19,596,542	54,657,980	37,770,702
Depreciation, amortization and depletion	(1,666,180)	(1,553,128)	(1,230,753)	(4,818,346)	(3,946,919)
Net added value	17,254,701	15,916,308	18,365,789	49,839,634	33,823,783
Financial income	705,466	1,032,995	1,176,623	1,381,765	918,866
Equity results	28,414	81,176	(56,183)	127,264	(12,015)
Total added value to be distributed	17,988,581	17,030,479	19,408,716	51,348,663	35,461,641
Personnel	1,765,420	1,791,336	1,392,476	5,255,441	3,776,264
Taxes, rates and contribution	1,045,059	959,984	2,343,569	3,056,719	2,621,671
Current income tax	1,990,713	2,852,317	4,724,053	7,599,604	6,458,621
Deferred income tax	(1,497,244)	1,138,707	(753,800)	(647,943)	(1,543,473)
Remuneration of debt capital	2,763,842	955,377	1,427,173	3,682,316	3,409,704
Monetary and exchange changes, net	4,070,747	(847,293)	(315,275)	3,171,544	(203,066)

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Net income attributable to the company's stockholders	7,892,936	10,275,359	10,553,688	29,459,278	20,067,815
Net income (loss) attributable to non-controlling interest	(42,892)	(95,308)	114,345	(228,296)	143,098
Distribution of added value	17,988,581	17,030,479	19,408,716	51,348,663	35,461,641

	Parent company	
	September 30, 2011	September 30, 2010
Generation of added value		
Gross revenue		
Revenue from products and services	49,724,402	37,228,333
Gain on realization of assets available for sale	2,492,175	
Revenue from the construction of own assets	9,770,160	6,285,530
Allowance for doubtful accounts	(3,465)	(11,972)
Less:		
Acquisition of products	(1,655,293)	(924,213)
Outsourced services	(6,418,130)	(4,774,368)
Materials	(9,303,777)	(6,701,128)
Fuel oil and gas	(1,461,639)	(1,203,320)
Energy	(602,904)	(835,136)
Other costs (expenses)	(3,350,269)	(2,930,159)
Gross added value	39,191,260	26,133,567
Depreciation, amortization and depletion	(1,433,620)	(1,497,304)
Net added value	37,757,640	24,636,263
Financial income	889,790	1,056,843
Equity results	6,247,488	5,444,317
Total added value to be distributed	44,894,918	31,137,423
Personnel	2,790,348	2,188,928
Taxes, rates and contribution	2,351,297	1,900,307
Current income tax	5,329,343	5,165,830
Deferred income tax	(691,045)	(563,665)
Remuneration of debt capital	2,762,037	2,648,825
Monetary and exchange changes, net	2,893,660	(270,617)
Net income attributable to the company's stockholders	29,459,278	20,067,815
Net income (loss) attributable to non-controlling interest		
Distribution of added value	44,894,918	31,137,423

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

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Notes to the Interim Financial Statements

In thousands of real, unless otherwise stated.

1- Operational Context

Vale S.A. (Vale or Company) is a Public Limited Liability Company with its headquarters in the city of Rio de Janeiro, Brazil. The initial public offering was in October 1943 on the Rio de Janeiro Stock Exchange and now has its securities traded on the stock exchanges in Sao Paulo (BM&F and BOVESPA), New York (NYSE), Paris (NYSE Euronext) and Hong Kong (HKEx).

The Company and its direct and indirect subsidiaries (Group) is principally engaged in the research, production and marketing of iron ore and pellets, nickel, fertilizer, copper, coal, manganese, iron alloys, cobalt, metals platinum group metals and precious metals. In addition, it operates in the segments of energy, logistics and steel.

In September 30, 2011, the main consolidated operating subsidiaries and jointly-controlled entities proportionately consolidated are:

Entities	% participation	% voting capital	Head office location	Main activity
Subsidiaries				
Compañia Minera Miski Mayo S.A.C	40.00	51.00	Peru	Fertilizers
Ferrovia Centro-Atlântica S. A.	99.99	99.99	Brazil	Logistic
Ferrovia Norte Sul S.A.	100.00	100.00	Brazil	Logistic
Mineração Corumbaense Reunida S.A.	100.00	100.00	Brazil	Iron ore
PT International Nickel Indonesia Tbk	59.14	59.14	Indonesia	Nickel
Vale Australia Pty Ltd.	90.00	90.00	Chile	Chile
Vale Coal Colombia Ltd.	100.00	100.00	Austria	Coal
Vale Fertilizantes S.A	100.00	100.00	Austria	Holding and Research
Vale Canada Limited	100.00	100.00	Canada	Nickel
Vale International S.A	100.00	100.00	Colombia	Coal
Vale Oman Pelletizing	84.27	99.90	Brazil	Fertilizers
Vale Manganês S.A.	100.00	100.00	Switzerland	Trading

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Vale Moçambique, Limitada	100.00	100.00	Brazil	Manganese and Ferroalloys
Vale Nouvelle-Calédonie SAS	100.00	100.00	Mozambique	Coal
Vale Shipping Holding	74.00	74.00	New Caledonia	Nickel
Sociedad Contractual Minera Tres Valles	100.00	100.00	Oman	Pellet
Vale Austria Holdings GMBH	100.00	100.00	Singapore	Logistic
Jointly-controlled entities:				
California Steel Industries, Inc.	50.00	50.00	United States	Steel industry
MRS Logística S.A	41.50	37.86	Brazil	Logistic
Samarco Mineração S.A.	50.00	50.00	Brazil	Iron ore

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2 Summary of the Main Accounting Practices and Accounting Estimates

a) Basis of presentation

- **Interim consolidated financial statements**

The Company's interim financial statements has been prepared and are being presented in accordance with *Comitê de Pronunciamentos Contábeis* (Accounting Pronouncements Committee) CPC 21 *Demonstrações Intermediárias* that is equivalent to International Accounting Standards (IAS 34) Interim Financial Information.