Vale S.A.
Form 6-K
February 18, 2010

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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 February 2010
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.)

(Check One) Form 20-F þ Form 40-F o

(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 o No þ

(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 o No þ

(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 o No þ

(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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Press Release

Filed at CVM and SEC on 02/10/2010

Gerência Geral de Controladoria GECOL

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A- Financial Statements

(A free translation from the original in Portuguese, accounting practices adopted in Brazil)

1- Balance Sheet

Years ended December, 31 — **In millions of Reais**

		Consolidated		**Parent Company**	
	Notes	**2009**	**2008**	**2009**	**2008**
Assets					
Current assets					
Cash and cash equivalents	6.4	13,221	24,639	1,250	6,713
Short term investments	6.5	6,525	5,394		
Accounts receivable from customers	6.6	5,643	7,933	3,360	9,827
Related parties	6.7	144	28	4,360	2,232
Inventories	6.8	5,913	9,686	1,881	2,913
Deferred income tax and social contribution	6.10	1,492	1,305	1,219	1,220
Taxes to recover or offset	6.9	2,685	4,886	1,881	3,312
Derivatives at fair value	6.26	183			
Advances for suppliers		872	946	751	813
Others		1,580	1,242	155	186
		38,258	**56,059**	**14,857**	**27,216**
Non-current assets					
Related parties	6.7	64		1,842	3,398
Loans and financing		286	180	136	128
Prepaid expenses		295	632		
Judicial deposits		2,478	1,794	1,370	1,299
Advances to energy suppliers		889	953		
Deferred income tax and social contribution	6.10			747	640
Taxes to recover or offset	6.9	1,540	1,067	158	189
Derivatives at fair value	6.26	1,506	85	1,098	5
Others		546	414	358	245
		7,604	**5,125**	**5,709**	**5,904**
Investments	6.11	**4,590**	**2,442**	**87,711**	**91,543**
Intangibles	6.12	**10,127**	**10,727**	**7,852**	**8,386**
Property, plant and equipment	6.14	**115,160**	**110,494**	**43,628**	**38,711**
		129,877	**123,663**	**139,191**	**138,640**
		175,739	**184,847**	**159,757**	**171,760**
Liabilities, and stockholders equity					

Current liabilities					
Payable to suppliers and contractors		3,849	5,248	2,383	2,145
Payroll and related charges		1,556	1,428	1,010	881
Current portion of long-term debt	6.15	5,305	1,583	2,053	711
Short-term debt	6.15	646	1,088		
Related parties	6.7	33	162	7,343	9,578
Taxes, contributions and royalties		256	188	97	56
Provision for income tax		366	1,423		
Pension Plan		243	239	111	86
Ferrovia Norte Sul subconcession		496	934		
Derivatives at fair value	6.26	264			
Provision for asset retirement obligations	6.17	157	113	122	44
Dividends and interest on stockholders equity	6.24	2,907	4,834	2,907	4,834
Others		1,338	1,399	466	400
		17,416	**18,639**	**16,492**	**18,735**
Non-current liabilities					
Pension Plan		3,334	3,563	440	523
Long-term debt	6.15	36,126	42,694	12,072	11,602
Related parties	6.7	103	125	28,111	38,011
Provisions for contingencies	6.16	3,571	2,989	1,667	1,730
Deferred income tax and social contribution	6.10	7,673	7,105	1,320	
Derivatives at fair value	6.26	40	1,345		1,084
Provision for asset retirement obligations	6.17	1,844	1,997	724	848
Debêntures		1,308	886	1,308	886
Others		2,779	3,148	1,886	2,066
		56,778	**63,852**	**47,528**	**56,750**
Minority interest		**5,808**	**6,081**		
Stockholders equity					
Paid-up capital	6.20	47,434	47,434	47,434	47,434
Cost with capital increase		(161)	(161)	(161)	(161)
Resources linked to the future mandatory conversion in shares	6.21	4,587	3,064	4,587	3,064
Equity adjustments		(21)	8	(21)	8
Cumulative translation Adjustments		(2,904)	5,982	(2,904)	5,982
Revenue reserves		46,802	39,948	46,802	39,948
		95,737	**96,275**	**95,737**	**96,275**
		175,739	**184,847**	**159,757**	**171,760**

The notes and annex I are an integral part of the financial statements

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(A free translation from the original in Portuguese, accounting practices adopted in Brazil)

2- Statement of Income

Period ended in **In millions of Reais (except as otherwise stated)**

		Consolidated					Parent Company	
			(Unaudited)		Accumulated		Accumulated	
	Notes	**4Q/09**	**3Q/09**	**3Q/08**	**2009**	**2008**	**2009**	**2008**
Operating revenues								
Ore and metals		9,633	11,217	14,193	40,478	59,892	24,979	31,645
Aluminum-related products		1,108	1,027	1,824	4,217	5,843	483	390
Transport services		726	791	914	2,843	3,666	1,267	2,027
Steel products		133	136	304	546	1,348		
Other products and services		448	412	711	1,728	2,017	556	383
		12,048	**13,583**	**17,946**	**49,812**	**72,766**	**27,285**	**34,445**
Added Value taxes		(367)	(374)	(563)	(1,316)	(2,225)	(855)	(1,545)
Net operating revenues		**11,681**	**13,209**	**17,383**	**48,496**	**70,541**	**26,430**	**32,900**
Cost of products and services								
Ores and metals		(4,952)	(4,950)	(5,890)	(19,498)	(23,804)	(11,877)	(14,006)
Aluminum-related products		(1,030)	(1,018)	(1,099)	(4,203)	(3,873)	(559)	(399)
Transport services		(543)	(506)	(568)	(2,040)	(2,215)	(816)	(955)
Steel products		(129)	(123)	(278)	(510)	(1,177)		
Other products and services		(545)	(366)	(276)	(1,469)	(1,087)	(397)	(143)
		(7,199)	**(6,963)**	**(8,111)**	**(27,720)**	**(32,156)**	**(13,649)**	**(15,503)**
Gross profit		**4,482**	**6,246**	**9,272**	**20,776**	**38,385**	**12,781**	**17,397**
Gross margin		**38.4%**	**47.3%**	**53.3%**	**42.8%**	**54.4%**	**48.4%**	**52.9%**
Operating expenses								
Selling and Administrative	6.27	(704)	(577)	(1,716)	(2,369)	(3,618)	(1,244)	(1,412)
Research and development		(522)	(438)	(718)	(1,964)	(2,071)	(1,314)	(1,233)

Impairment	6.13			(2,447)		(2,447)		
Other operating expenses, net	6.27	(996)	(647)	(1,626)	(3,262)	(2,849)	(927)	(832)
		(2,222)	**(1,662)**	**(6,507)**	**(7,595)**	**(10,985)**	**(3,485)**	**(3,477)**
Operating profit before financial results and equity results		**2,260**	**4,584**	**2,765**	**13,181**	**27,400**	**9,296**	**13,920**
Equity results	6.11	**22**	**30**	**(59)**	**116**	**104**	**(3,744)**	**19,036**
Amortization of goodwill	6.12			(351)		(1,429)		(1,429)
		22	**30**	**(410)**	**116**	**(1,325)**	**(3,744)**	**17,607**
Financial results, net	6.25	**(460)**	**199**	**(2,343)**	**1,952**	**(3,838)**	**9,960**	**(11,706)**
Gain (loss) on disposal of assets	6.27	**(330)**	**128**		**93**	**139**	**284**	
Income before income tax and social contribution		**1,492**	**4,941**	**12**	**15,342**	**22,376**	**15,796**	**19,821**
Income tax and social contribution	6.10	**1,206**	**(1,840)**	**2,465**	**(4,925)**	**(665)**	**(5,547)**	**1,458**
Current		**849**	**(1,397)**	**2,028**	**(4,991)**	**(2,057)**	**(4,813)**	**12**
Deferred		**357**	**(443)**	**437**	**66**	**1,392**	**(734)**	**1,446**
Minority interest		**(69)**	**(98)**	**(36)**	**(168)**	**(432)**		
Net income for the period		**2,629**	**3,003**	**2,441**	**10,249**	**21,279**	**10,249**	**21,279**
Number of shares outstanding at the end of the period (in thousands) (a)		**5,212,724**	**5,212,724**	**5,213,512**	**5,212,724**	**5,213,512**	**5,212,724**	**5,213,512**
Net income per share outstanding at the end of the period (R$)		**0.50**	**0.58**	**0.47**	**1.97**	**4.08**	**1.97**	**4.08**

(a) Includes 77,580,256 and 74,997,899 preferred and common shares, respectively, linked to issue of convertible notes, (see note 6.21).

The notes and annex I are an integral part of the financial statements

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(A free translation from the original in Portuguese, accounting practices adopted in Brazil)

3- Statement of Changes in Stockholders Equity

Periods ended **In millions of Reais**

			Profit reserves										
	Notes	Paid-up capital	Expansion/ Investments	Treasury stock	Unrealized income	Legal	Fiscal Incentives	Transaction cost	Resources linked to mandatory conversion in shares	Equity adjustments	Cumulative translation Adjustments	Retained earnings	Total
December 31, 2007		**28,000**	**24,284**	**(790)**	**61**	**2,320**	**91**		**3,064**				**57,030**
Net income for the year												21,279	21,279
Treasury stock				(1,658)									(1,658)
Cumulative translation Adjustments											5,982		5,982
Unrealized gain on available for sale securities										8			8
Capital increase	6.20	19,434						(161)					19,273
Additional distribution 2007			(580)										(580)
Appropriation of net income													
Interest on stockholders equity paid												(225)	(225)
Stockholder s remuneration proposed												(4,834)	(4,834)
Apropriation to profit reserves			15,179		(23)	1,064						(16,220)	
December 31, 2008		**47,434**	**38,883**	**(2,448)**	**38**	**3,384**	**91**	**(161)**	**3,064**	**8**	**5,982**		**96,275**
												10,249	10,249

Net income for the year												
Treasury stock			(22)									(22)
Resources linked to mandatory conversion in shares								1,523				1,523
Cumulative translation Adjustments										(8,886)		(8,886)
Unrealized result of changes in market value									(29)			(29)
Additional distribution 2008		(371)										(371)
Appropriation of net income												
Interest on stockholders equity paid											(95)	(95)
Stockholder s remuneration proposed											(2,907)	(2,907)
Apropriation to profit reserves		6,653		(38)	512	120					(7,247)	
December 31, 2009	**47,434**	**45,165**	**(2,470)**		**3,896**	**211**	**(161)**	**4,587**	**(21)**	**(2,904)**		**95,737**

The notes and annex I are an integral part of the financial statements

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(A free translation from the original in Portuguese, accounting practices adopted in Brazil)

4- Statement of Cash Flows

Period ended **In millions of Reais**

	Consolidated					Parent Company	
	(Unaudited)			Accumulated		Accumulated	
	4Q/09	3Q/09	3Q/08	2009	2008	2009	2008
Cash flows from operating activities:							
Net income for the period	2,629	3,003	2,441	10,249	21,279	10,249	21,279
Adjustments to reconcile net income for the period with cash provided by operating activities:							
Results of equity investments	(22)	(30)	410	(116)	1,325	3,744	(17,607)
Disposal of assets	330	(128)		(93)	(139)	(284)	
Depreciation, amortization and depletion	1,449	1,448	1,322	5,447	5,112	1,931	1,641
Deferred income tax and social contribution	(357)	443	(437)	(66)	(1,392)	734	(1,446)
Inflation and exchange rate variations on assets and liabilities, net	(1,808)	(1,157)	4,050	(6,604)	3,184	(9,980)	11,793
Impairment			2,447		2,447		
Disposal of property, plant and equipment	177	173	28	653	740	343	579
Net unrealized losses (gains) on derivatives	(366)	(611)	1,470	(2,649)	1,832	(2,140)	1,475
Minority interest	69	98	36	168	432		
Dividends/interest on stockholders equity received			25	21	63	734	1,121
Others	4	137	57	(47)	233	(113)	76
	2,105	**3,376**	**11,849**	**6,963**	**35,116**	**5,218**	**18,911**
Decrease (increase) in assets:							
Accounts receivable	565	(529)	3,434	2,287	(449)	6,378	(7,448)
Inventories	(186)	1,216	(1,112)	2,766	(2,413)	1,091	(638)
Taxes to recover or offset	(820)	(2,743)		(1,151)		733	
Others	81	4	(780)	(559)	(886)	395	(2,344)
	(360)	**(2,052)**	**1,542**	**3,343**	**(3,748)**	**8,597**	**(10,430)**
Increase (decrease) in liabilities:							
Suppliers and contractors	1,375	(243)	836	(51)	1,586	238	136
Payroll and related charges	179	192	75	112	125	129	95
Taxes and contributions	(292)	1,139	208	736	380	693	(16)
Others	(320)	239	(480)	435	(1,272)	468	413
	942	**1,327**	**639**	**1,232**	**819**	**1,528**	**628**
Net cash provided by operating activities	**2,687**	**2,651**	**14,030**	**11,538**	**32,187**	**15,343**	**9,109**

Cash flows from investing activities:							
Short term investments	1,585	(2,255)	(4,180)	(1,131)	(5,394)		
Loans and advances receivable	(73)	(337)	20	(1,067)	(4)	(101)	(1,660)
Guarantees and deposits	12	(53)	(166)	(153)	(295)	(142)	(248)
Additions to investments	(2,032)	(601)	(148)	(3,422)	(327)	(9,037)	(7,685)
Additions to property, plant and equipment	(4,895)	(3,364)	(9,024)	(16,108)	(18,716)	(7,481)	(7,259)
Proceeds from disposal of property, plant and equipment/investments	293	305		1,200	371	692	
Net cash used in acquisitions and increase of funds to subsidiaries, net of the cash of subsidiary		(1,452)		(4,246)			
Net cash used in investing activities	**(5,110)**	**(7,757)**	**(13,498)**	**(24,927)**	**(24,365)**	**(16,069)**	**(16,852)**
Cash flows from (used in) financing activities:							
Short-term debt additions	761	2,127	120	3,940	2,660	1,785	4,393
Short-term debt repayments	(756)	(1,363)	(313)	(3,624)	(2,669)	(5,888)	(5,042)
Long-term debt	2,874	2,069	935	6,286	4,053	5,254	4,242
Issue of convertible notes, in common share s		577		577			
Issue of convertible notes, in preferred share s		1,281		1,281			
Repayments:							
Related parties						(129)	
Financial institutions	(118)	(264)	(181)	(808)	(1,725)	(438)	(1,366)
Dividends and interest on stockholders equity paid to stockholders	(2,647)		(3,579)	(5,381)	(5,827)	(5,299)	(5,558)
Capital increase					19,273		19,273
Treasury stock		1	(1,658)	(22)	(1,658)	(22)	(1,658)
Net cash provided by (used in) financing activities	**114**	**4,428**	**(4,676)**	**2,249**	**14,107**	**(4,737)**	**14,284**
Increase (decrease) in cash and cash equivalents	**(2,309)**	**(678)**	**(4,144)**	**(11,140)**	**21,929**	**(5,463)**	**6,541**
Cash and cash equivalents at beginning of the period	15,560	16,333	28,385	24,639	2,128	6,713	120
Foreign exchange effects on cash and cash equivalents	(30)	(95)	398	(278)	582		
Initial cash in new consolidated subsidiary							52
Cash and cash equivalents, end of the period	**13,221**	**15,560**	**24,639**	**13,221**	**24,639**	**1,250**	**6,713**

Cash paid during the period for:

Short-term interest	(23)	(28)	(72)	(110)	(138)	(108)	(166)
Long-term interest	(513)	(463)	(744)	(2,277)	(2,321)	(2,370)	(2,784)
Income tax and social contribution	(1,795)	(276)	(977)	(2,698)	(6,383)	(1,535)	(1,707)
Non-cash transactions:							
Additions to property, plant and equipment interest capitalization	(103)	(90)	(307)	(384)	(673)	(11)	(527)
Transfer of advance for future capital increase to investments						(268)	(316)

The notes and annex I are an integral part of the financial statements

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(A free translation from the original in Portuguese, accounting practices adopted in Brazil)

5- Statement of Added Value

Period ended				**In millions of Reais**
	Consolidated		**Parent Company**	
	2009	**2008**	**2009**	**2008**
Generation of added value				
Gross revenue				
Revenue from products and services	**49,812**	**72,766**	**27,285**	**34,445**
Revenue from the construction of own assets	13,919	17,706	7,493	7,259
Allowance for doubtful accounts	(23)	(32)	(17)	(27)
Less: Acquisition of products	(1,219)	(2,805)	(363)	(1,565)
Outsourced services	(6,242)	(8,244)	(3,117)	(3,734)
Materials	(20,653)	(23,958)	(11,808)	(11,493)
Fuel oil and gas	(2,777)	(3,761)	(1,128)	(1,477)
Energy	(1,776)	(2,052)	(758)	(648)
Impairment		(2,447)		
Other costs	(6,920)	(6,829)	(3,279)	(2,518)
Gross added value	**24,121**	**40,344**	**14,308**	**20,242**
Depreciation, amortization and depletion	(5,447)	(5,112)	(1,931)	(1,641)
Net added value	**18,674**	**35,232**	**12,377**	**18,601**
Received from third parties				
Financial revenue	866	1,221	437	903
Equity results	116	(1,325)	(3,744)	17,607
Total added value to be distributed	**19,656**	**35,128**	**9,070**	**37,111**
Personnel	5,086	5,046	2,540	2,240
Taxes, rates and contribution	5,810	5,267	6,336	2,704
Taxes paid recover	(571)	(1,955)	(532)	(1,672)
Remuneration on third party s capital	3,433	4,157	3,342	3,422
Inflation and exchange rate variation, net	(4,519)	902	(12,865)	9,138
Remuneration on stockholders equity				
Stockholders	3,373	5,640	3,373	5,640
Reinvested	6,876	15,639	6,876	15,639
Minority interest	168	432		
Distribution of added value	**19,656**	**35,128**	**9,070**	**37,111**

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(A free translation from the original in Portuguese, accounting practices adopted in Brazil)

6- Notes To The Financial Statements for the years ended December 31, 2009 And 2008

(In millions of Brazilian Reais, except as otherwise stated)

6.1- Operational Context

Vale S.A, previously named Companhia Vale do Rio Doce (Vale , the Company) is a Public Limited Liability Company with its headquarters in municipality of Rio de Janeiro, Rio de Janeiro, Brazil, whose main activities are mining, processing and sale of iron ore, pellets, copper concentrate and potash, as well as logistic services, power generation and mineral research and development. In addition, through its direct and indirect subsidiaries and jointly controlled companies, operates in nickel, copper, precious metals, cobalt (sub product), manganese, ferroalloys, kaolin, coal, steel and aluminum-related products.

On December 31, 2009 the principal operational consolidated subsidiaries and jointly controlled companies that we proportionally consolidate are:

Company	% ownership	% voting capital	Head office location	Principal activity
Parent Company				
Alumina do Norte do Brasil S.A. Alunorte	57.03	59.02	Brazil	Alumina
Alumínio Brasileiro S.A. Albras	51.00	51.00	Brazil	Aluminium
CADAM S.A	61.48	100.00	Brazil	Kaolin
CVRD Overseas Ltd.	100.00	100.00	Cayman Islands	Trading
Ferrovia Centro-Atlântica S. A.	99.99	99.99	Brazil	Logistic
Ferrovia Norte Sul S.A.	100.00	100.00	Brazil	Logistic
Mineração Corumbá Reunidas S.A.	100.00	100.00	Brazil	Iron ore
Pará Pigmentos S.A.	86.17	85.57	Brazil	Caulim
PT International Nickel Indonesia Tbk	59.09	59.09	Indonesia	Nickel
Vale Australia Pty Ltd.	100.00	100.00	Australia	Coal
Vale Colômbia Ltd.	100.00	100.00	Colombia	Coal
Vale Inco Limited	100.00	100.00	Canada	Nickel
Vale International S.A	100.00	100.00	Switzerland	Trading
Vale Manganês S.A	100.00	100.00	Brazil	Manganese and Ferroalloys
Vale Manganèse France	100.00	100.00	France	Ferroalloys
Vale Manganese Norway	100.00	100.00	Norway	Ferroalloys
Subsidiaries and jointly controlled companies				
California Steel Industries, Inc.	50.00	50.00	EUA	Steel
Mineração Rio do Norte S.A.	40.00	40.00	Brazil	Bauxite
MRS Logística S.A	41.50	37.86	Brazil	Logistic
Samarco Mineração S.A.	50.00	50.00	Brazil	Iron ore

6.2- Summary of the Principal Accounting Practices

(a) Basis of Presentation

These financial statements were approved by the Board of Directors in February 10, 2010, and there were not events subsequent to the balance sheet date that should be recognized.

The financial statements were prepared under the accounting practices adopted in Brazil, based on the Brazilian Corporate Law (amended by Law 11.638), and the rules and guidelines issued by the Federal Accounting Board CFC and Securities and Exchange Commission of Brazil CVM . These statements followed uniform principles, methods and criteria in relation to the ones adopted on year ending closing as of and for the year ended December 31, 2008, except for the goodwill amortization.

As required by the pronouncement CPC 13 First-time adoption of Law 11.638 and Law 11.941, the amount of goodwill on expected future results resulting from the acquisition of other company is no longer amortized as from 2009. On December 31, 2008 the amount recorded was R$ 1,429 (R$ 351 as of 4Q08).

The preparation of the financial statements requires the management to use estimates and assumptions that affect the amounts of assets and liabilities and the disclosure of assets and contingent liabilities on the date of the reported financial statements as well as the amounts of revenues and expenses recognized during the fiscal year. The estimates are used but not limited to the selection of useful lives of property, plant and equipment, contingent liabilities, fair value of assets and liabilities in businesses combinations, provisions for losses on income tax credits, post retirement benefits and other similar evaluations. Actual results may vary from these estimates.

Vale presents as supplemental information to the financial statements the calculation of income before financial income, results of equity investments, income tax and social contribution, depreciation, amortization and depletion (EBITDA). Although it does not provide a measure of operating cash flow according to accounting practices adopted in Brazil, it is often used by financial analysts in evaluating business, and the Company s Management uses this indicator to measure operating performance.

Certain figures on the Financial Statements of 2008 have been reclassified in order to better comparability.

(b) Translation of Foreign Exchange Transactions

The monetary rights and obligations denominated in foreign currencies are translated at the prevailing exchange rates at the time the balance sheet date, of which US$ 1,00 equal to R$ 1,7412 on December 31, 2009 (US$ 1,00 equal to R$ 2,3370 on December 31, 2008).

Revenues, costs and expenses denominated in foreign currencies are translated at the average rate of the month when they occur.

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(c) Consolidation

The consolidated financial statements reflect the balances of assets and liabilities on December 31, 2009 and 2008 and the operations for years then ended of the Parent Company, its direct and indirect subsidiaries and its jointly controlled companies, the latest based on interest held. For the jointly controlled companies in which Vale has significant influence but not control, investments are accounted for at equity method. Overseas operations are translated into the financial statements reporting currency for in Brazil to account for equity investments, whole and proportional consolidation of the financial statements. The accounting practices of the subsidiaries and jointly controlled companies are adjusted to assure the consistence with the accounting practices adopted by the Parent Company. The operations between the consolidated companies, as well as their balances, unrealized gains and losses on those operations are eliminated.

The participation in hydroelectric projects is made via consortium contracts under undivided interests in the assets and liable for its proportionate share of liabilities, which are based on our proportionate share of power output. The Company does not have joint liability for any obligations. Since there is no legal entity related to the project, there are no separate financial statements, income tax statement, income or stockholder s equity statements. No separate legal or tax status is granted to consortia under Brazilian law. Accordingly, the company recognizes its proportionate share of costs and its undivided interest in assets relating to hydroelectric projects.

(d) Cash and cash equivalents and short-term investments

The cash flows from short-term investments are reported net (inflows and outflows). Short-term investments which have immediate liquidity and original maturity up to 90 days are considered as Cash and cash equivalents . The remaining investments, with maturities over 90 days, are measured at fair value and recorded as Short-term investments .

(e) Accounts receivable

Accounts receivable are recorded and stated on the balance sheet at their nominal value plus monetary or exchange variations and reduced by provisions to cover extraordinary loss on realization as applicable.

The allowance for doubtful accounts is set up at an amount considered sufficient by the Management to cover possible loss on the realization of these credits. The estimated value of the allowance for doubtful accounts is modified based on the expectations of the Management with respect to the possibility of recovery of the amounts as well as changes in the financial situation of the customers.

(f) Non-current

Realizable assets and liabilities due more than 12 months after the financial statements date are classified as non-current.

(g) Revenues and expenses

Sales revenues are recognized when title to the products are transferred or when the services are provided. The transport revenues are recognized when the service is provided.

(h) Inventories

Inventories are presented at the lower of average cost of acquisition or production and replacement or completion values. When applicable, a provision for loss for obsolete or slow-moving inventory is constituted to reflect our regular estimative of recovering.

When ore is physically extracted, this is no longer part of the calculation of proven reserves and becomes part of the stockpiled ore inventories and, therefore these are not part of the calculation of depreciation, depletion and amortization per unit of output.

(i) Property, plant and equipment

Property, plant and equipment are recorded at historical cost (of which the assets acquired in Brazil are also increased by inflation restatement up to 1995) including interest incurred during the construction period. Properties are depreciated using the straight-line method, based on the estimated useful lives. Depletion of mineral reserves is based on the ratio between effective production and the total proven and probable reserves.

(j) Programed maintenance policies

Relevant cost for maintenance of industrial areas and ships, including replacement parts, assembly services among others, are registered in assets and depreciated over the period that benefits are continued until the next stop.

(k) Intangibles

Intangibles are recorded at acquisition cost, less accumulated amortization and impairment, when applicable. The intangibles assets that have definite useful life are amortized considering their effective use or a method that reflect the economic benefit of the asset, while the indefinite useful life assets are tested annually for impairment.

(l) Impairment of long-term assets

The Company analyses annually if there are evidences that the carrying value of an asset is not recoverable. In case of such evidence, the Company estimates the asset recoverable value. Irrespective of the indication of recovery of carrying values, goodwill balances resulting from business combinations and intangible assets with indefinite useful lives are tested for recovery at least annually. When the residual value of the asset exceeds its recoverable value, the Company recognizes a reduction on the asset (impairment or deterioration) book value. If the recoverable amount of an individual asset is not able to be determined, analysis is performed for the recoverable value of the cash-generating unit to which the asset belongs.

(m) Research and Development Costs

Mineral research and development costs are recognized as operating expenses until the economic feasibility to commercially exploit a mine is proven. Once proven, the costs are capitalized as mine development costs.

During the start-up phase of a mine, before the start of production, costs of removal of overburden (for example, costs associated with removal of overburden and all other waste materials) are included as part of the depreciable cost of development. Subsequently, these costs are amortized during the life of the mine based on proven and probable reserves. After the beginning of production of the mine, the ore removal expenses are treated as a cost of production.

(n) Leasing

Leases in which a significant part of the benefits and risks of ownership remain with the lessor are classified as operating leases. Payments for operating leases are included in the results over the term of the lease using the linear method.

(o) Asset Retirement Obligation

Costs related to closing a mine, due to the ending of activities are recognized as asset retirement obligations. The obligations consist primarily of costs associated with termination activities. The cost of assets retirement related is capitalized as part of the carrying value of the asset and subsequently depreciated over the useful life of the asset.

(p) Employee Benefits

Payments of benefits such as salary, won vacation or proportional, as well as their payroll taxes levied on these benefits are recognized on a monthly basis through the provision in compliance with the accrual basis.

(q) Pension Fund and Post-Retirement Benefits

The Company adopts the accounting rules due to the Resolution CVM 371/00 for the recognition of liabilities and results sourced from actuarial assessment of its employee s pension plans and health care of its retired employees. Gains and losses due to actuarial adjustments in assumptions and changes to pension benefits, retirement and actuarial commitments related to health plan are recognized in the results, according to the corridor method.

(r) Profit Sharing

Amounts payable to employees on profits sharing, in the following year is monthly recognized at the accrual basis and are classified as cost of products and services or operational expenses according to the employee department in operational or administrative activities, respectively.

(s) Long-term Incentives

The Company accounts for the incentive cost according to the Long Term Remuneration Plan, following the requirements of Deliberation CVM no. 562/2008. The obligations are measured at each reporting date based on market quotations. The compensation costs are recognized during the three years defined as acquisition period.

(t) Derivatives and hedging operations

Derivatives financial instruments are recognized as assets or liabilities in the financial statements and are measured at fair value. Changes in fair value of derivatives are registered in each period as gains or losses in results or in other comprehensive income, when the transaction is characterized as an effective hedge and if it has been effective during the year.

(u) Deferred Taxes

The recognition of deferred taxes are based on the temporary differences between the accounting value and the tax bases of our assets and liabilities, income tax losses and on the negative base of the social contribution calculation to the extent that is probable their realization against future taxable profits. If the Company generates future loss, or if it is not able to generate future taxable profit, or if there is a significant change in the effective tax rates or in the necessary time for these deferred taxes to be taxable or deductible. Management may evaluate the need to constitute a provision for losses of these deferred assets.

(v) Present Value

Long term assets and liabilities of the Company and its subsidiaries are adjusted to present value when applicable, based on a discount rate that reflects the Company s best estimate.

(w) Appropriation of results

At year end the Company appropriates its results between dividends and reserves as provided for the Brazilian Corporate Law. With respect to dividends the Company can use the tax benefit through the interest on capital method respecting the criteria and limits set by Brazilian Legislation. The benefit attributed to shareholders in this mode is legally considered as part of the minimum annual dividend and therefore is recorded for accounting purposes as dividends payable with the offset on retained earnings.

The financial statements of the Parent Company reflect the proposal of the Board for the allocation of net income assuming its approval by the Annual General Meeting.

(x) Contingent Liabilities

Contingent liabilities are recognized whenever the loss is considered probable, which would cause an outflow of resources likely to settlement of liabilities and when the amounts involved are measurable with sufficient certainty, taking into consideration the opinion of legal counsel, the nature of actions, the similarity to previous cases, complexity, and the positioning of the courts. The contingent liabilities classified as possible losses are not recognized, and only disclosed in the financial statements, and those classified as remote and do not require provision or disclosure.

Judicial deposits are updated and presented as deduction of the corresponding liability incurred when there is no possibility to recover these deposits, unless there is a favorable outcome of the issue to the entity.

6.3- Acquisitions and Divestments

(a) Mineração Corumbá Reunidas S.A.

In September 2009, Vale acquired from Rio Tinto, the Company Mineração Corumbá Reunidas, holder of the assets related to the ore operations in Corumbá by R$ 1,473 (including working capital change of the period payment). In the acquisition, the assets and liabilities were measured at market value resulting in an increase of R$ 788 compared to the carrying amount, with no goodwill recognition.

(b) Diamond Coal Ltd.

In March 2009, Vale acquired from Cement Argos the company Diamond Coal Ltd., which owns thermal coal assets in Colombia by R$ 695. In the acquisition, the assets and liabilities were measured at market value resulting in an increase of R$ 475 compared to the carrying amount, with no goodwill recognition.

(c) Green Mineral Resources

In February 2009, Vale acquired the Green Mineral Resources, the owner of mineral rights of Project Regina (Canada) and Project Colorado (Argentina) from Rio Tinto by R$ 1,995. In the acquisition, the assets and liabilities were measured at market value resulting in an increase of R$ 1,745 compared to the carrying amount, with no goodwill recognition.

(d) Other transactions

In September 2009, Vale concluded an agreement with ThyssenKrupp Steel AG to increase of its interest in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. (CSA) to 26.87%, from the current 10% interest, through a capital increase of R$ 2,532.

In July 2009, Vale signed an agreement which involves the sale of some its forest assets, totaling 84, 7 thousand hectares including preservation areas and eucalyptus forests in southwest of Maranhão, by approximately R$ 235, obtaining a gain of R$ 111 (see note 6.27).

In April 2009, Vale sold its remaining interest in Usiminas for R$ 595 obtaining a gain of R$ 288.

In March 2009, the Company acquired 50% of Teal Minerals Incorporated, a joint venture with African Rainbow Minerals Limited by R$ 139. In the acquisition, the assets and liabilities were measured at market value resulting in an increase of R$ 254 compared to the carrying amount, with no goodwill recognition.

In February 2008, the Company sold its interests of 4.83% in common shares of Jubilee Mines N.L., held by Vale Inco, by R$ 232 obtaining a gain of R$ 139 (see note 6.27).

6.4- Cash and Cash Equivalents

	Consolidated		**Parent Company**	
	2009	**2008**	**2009**	**2008**
Cash and bank accounts	1,405	1,814	86	59
Time deposits	11,816	22,825	1,164	6,654
	13,221	**24,639**	**1,250**	**6,713**

All the above mentioned time deposits represent low risk investments. Part of them is denominated in Brazilian Reais indexed to the CDI rate, and part denominated in US dollars comprised of time deposits, with maturity of up to 90 days.

6.5- Short-Term Investments

	Consolidated	
	2009	**2008**
Time deposit	6,525	5,394

Represent low risk investments with redemption between 91 and 360 days.

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6.6- Accounts Receivable from Customers

	Consolidated		Parent Company	
	2009	2008	2009	2008
Domestic	1,538	1,135	1,211	825
Export	4,327	6,997	2,234	9,071
	5,865	**8,132**	**3,445**	**9,896**
Allowance for doubtful accounts	(222)	(199)	(85)	(69)
	5,643	**7,933**	**3,360**	**9,827**

6.7- Related Parties

In the Company s normal course of business, Vale enters into transactions with related parties regarding the sale and purchase of products and services, including the leasing of assets, loans under normal market conditions, marketing of raw material and rail transport services.

The balances of related parties operations, and its effects in the quarterly information s, can be identified as follows:

	Consolidated Assets			
	2009		2008	
	Customers	Related party	Customers	Related party
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	29		8	
Companhia ítalo-Brasileira de Pelotização ITABRASCO	1		35	7
Companhia Nipo-Brasileira de Pelotização NIBRASCO			10	1
Korea Nickel Corporation	19		90	
Samarco Mineração S.A	10	37	1	11
Teal Minerals Incorporated		146		
Others	33	25	117	9
Total	**92**	**208**	**261**	**28**
Registered as:				
Current	92	144	261	28
Non-current		64		
	92	**208**	**261**	**28**

Consolidated
Liabilities

	2009		2008	
	Suppliers	Related party	Suppliers	Related party
Baovale Mineração S.A	19		23	
Companhia Coreano-Brasileira de Pelotização KOBRASCO	5	2	18	8
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	28	1	15	51
Companhia ítalo-Brasileira de Pelotização ITABRASCO	5		46	27
Companhia Nipo-Brasileira de Pelotização NIBRASCO	8	10	23	58
Minas da Serra Geral	8	14	8	7
Mineração Rio do Norte S.A.	26		53	
MRS Logistica S.A.	310	109	168	125
Mitsui & CO, LTD	45			
Others	55		49	11
Total	**509**	**136**	**403**	**287**
Registered as:				
Current	509	33	403	162
Non-current		103		125
	509	**136**	**403**	**287**

	Parent Company Assets			
	2009		2008	
	Customers	Related party	Customers	Related party
ALUNORTE Alumina do Norte do Brasil S.A.	33	72	65	127
Baovale Mineração S.A	3	3	3	2
CVRD OVERSEAS Ltd.	545			30
Ferrovia Centro Atlântica S.A.	59	68	61	30
Companhia Coreano-Brasileira de Pelotização KOBRASCO	1		2	
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	60			
Minerações Brasileiras Reunidas S.A. MBR	6	687	10	678
MRS Logistica S.A.	1	6	1	17
Companhia Nipo-Brasileira de Pelotização NIBRASCO			20	47
Salobo Metais S.A.	3	234	2	234
Samarco Mineração S.A	21	75	1	378
Vale International S.A.	1,672	4,652	7,857	3,102
Vale Manganês S.A.	36	181	7	597
Others	166	224	1,415	388
Total	**2,606**	**6,202**	**9,444**	**5,630**
Registered as:				
Current	2,606	4,360	9,444	2,232
Non-current		1,842		3,398
	2,606	**6,202**	**9,444**	**5,630**

	Parent Company Liabilities			
	2009		2008	
	Suppliers	Related party	Suppliers	Related party
ALUNORTE Alumina do Norte do Brasil S.A.	16		13	
Baovale Mineração S.A	39		46	
Companhia Portuária Baía de Sepetiba CPBS	30	2		80
CVRD OVERSEAS Ltd.		491		790
Ferrovia Centro Atlântica S.A.	14	2	13	57
Companhia Coreano-Brasileira de Pelotização KOBRASCO	9		36	12
	57			

Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS				
Minerações Brasileiras Reunidas S.A. MBR	30	88	28	22
MRS Logistica S.A.	433		224	
Companhia Nipo-Brasileira de Pelotização NIBRASCO	17	21	47	139
Salobo Metais S.A.	16			
Vale International S.A.	42	34,808	30	46,117
Vale Manganês S.A.				54
Mitsui & CO, LTD	45			
Others	97	42	182	318
Total	**845**	**35,454**	**619**	**47,589**
Registered as:				
Current	845	7,343	619	9,578
Non-current		28,111		38,011
	845	**35,454**	**619**	**47,589**

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	Income (Unaudited)			Consolidated Expense / Cost (Unaudited)			Financial (Unaudited)		
	4Q/09	**3Q/09**	**3Q/08**	**4Q/09**	**3Q/09**	**3Q/08**	**4Q/09**	**3Q/09**	**3Q/08**
Baovale Mineração S.A.	2			4	5	5			
Companhia Coreano-Brasileira de Pelotização KOBRASCO				33					
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	49	17	34	49	18	56	(2)	2	(2)
Companhia ítalo-Brasileira de Pelotização ITABRASCO			7	5	5	73	36	(2)	29
Companhia Nipo-Brasileira de Pelotização NIBRASCO				10	9	125	(36)		(42)
Log-in S.A.	14					21			
Mineração Rio do Norte S.A				48	55	97			
MRS Logistica S.A.	4	4	1	138	150	428	26	(26)	
Samarco Mineração S.A.	42	21	63						
Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS (*)			292						
Others	22	2	27	7	5	30	5	1	
	133	**44**	**424**	**294**	**247**	**835**	**29**	**(25)**	**(15)**

	Income		Consolidated Expense / Cost		Financial	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Baovale Mineração S.A.	5		18	17		
Companhia Coreano-Brasileira de Pelotização KOBRASCO		85	33			
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	75	270	68	433	(2)	(3)
Companhia ítalo-Brasileira de Pelotização ITABRASCO		184	17	256		34
Companhia Nipo-Brasileira de Pelotização NIBRASCO		45	44	404	(1)	(37)
Log-in S.A.	28				1	
Mineração Rio do Norte S.A			240	276		
MRS Logistica S.A.	13	9	526	936	(30)	
Samarco Mineração S.A.	92	234				
Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS (*)		1,198				
Others	2	27	11	38		6
	215	**2,052**	**957**	**2,360**	**(32)**	

	Income		Parent Company Expense / Cost		Financial	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
ALBRAS Alumínio Brasileiro S.A.	130	26				
ALUNORTE Alumina do Norte do Brasil S.A.	368	384	131	53	(22)	

Baovale Mineração S.A.	10		37			
Companhia Coreano-Brasileira de Pelotização KOBRASCO		175	66	409		(1)
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	161	579	130	617	(3)	(9)
Companhia ítalo-Brasileira de Pelotização ITABRASCO		391	35	277	(1)	6
Companhia Nipo-Brasileira de Pelotização NIBRASCO		162	89	642	63	(54)
Companhia Portuária Baia de Sepetiba CPBS			291	282	(7)	(14)
CVRD Overseas Ltd.	2,551	4,262			131	(53)
Ferrovia Centro Atlântica S.A.	182	206	9	43	5	(7)
MRS Logistica S.A.	19	38	899	1,312		
Samarco Mineração S.A.	184	467				
Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS (*)		1,025				
Vale Energia S.A.			217	118		
Vale International S.A.	19,002	18,975			8,370	(11,422)
Vale Manganês S.A.	72	83				(13)
Others	18	92	22	89	26	(10)
	22,697	**26,865**	**1,926**	**3,842**	**8,562**	**(11,577)**

(*) Investment disposed in April 2009.

Additionally, Vale has outstanding balances with Banco Nacional de Desenvolvimento Social and BNDES Participações S.A. in the amounts of R$ 2,945 and R$ 1,153 respectively on December 31, 2009, related to loans with charges at market interest rates, maturing up to September, 2029. These operations generated R$ 183 of interest expenses.

Vale also has short-term investments with Bradesco in the amount of R$ 185 in December 31, 2009. The effect of these operations on results was R$ 77.

Remuneration of key management personnel	**2009**
Short-term benefits to management	41
Other long-term benefits to management	11
Total	**52**

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6.8- Inventories

	Consolidated		Parent Company	
	2009	2008	2009	2008
Finished products				
Nickel, co-products and sub products Inco	1,886	3,537	56	33
Iron ore and pellets	1,324	1,917	999	1,677
Manganese and ferroalloys	290	518		
Aluminum products	251	365	1	22
Kaolin	73	94		
Coal	89	101		
Copper	61	60	61	60
Steel products	25	55		
Other	13	77	30	39
	4,012	**6,724**	**1,147**	**1,831**
Spare parts and maintenance supplies	1,901	2,962	734	1,082
	5,913	**9,686**	**1,881**	**2,913**

On December 31, 2009, inventory balances include adjustment to net realizable for steel in the amount of R$ 4,6 (R$ 150 in 2008). For nickel, there was no such adjustment in 2009 (R$ 184 in 2008).

6.9- Taxes to recover or to offset

	Consolidated		Parent Company	
	2009	2008	2009	2008
Income tax	1,577	3,957	402	2,581
Value-added tax ICMS	570	733	466	538
PIS and COFINS	1,898	1,057	1,105	328
Others	180	206	66	54
Total	**4,225**	**5,953**	**2,039**	**3,501**
Current	2,685	4,886	1,881	3,312
Non-current	1,540	1,067	158	189
	4,225	**5,953**	**2,039**	**3,501**

6.10- Deferred Income Tax and Social Contribution

Company s income is subjected to the normal tax system applicable to Companies in general. Net balances of deferred assets and liabilities are presented as follows:

	Net Deferred			
	Consolidated		Parent Company	
	2009	2008	2009	2008
Tax loss carryforward	1,373	725	799	
Temporary differences:				
Pension Plan	1,238	430	187	235
Contingent liabilities	781	687	667	654

Provision for losses on assets	750	1,167	400	1,047
Goodwill from propety, plan and equipments acquired	(9,039)	(8,518)		
Others	36	(291)	(88)	(76)
Total	**(6,234)**	**(6,525)**	**1,166**	**1,860**
Social contribution	(1,320)		(1,320)	
Total	**(6,181)**	**(5,800)**	**645**	**1,860**
Current	1,492	1,305	1,219	1,220
Non-current			747	640
ASSETS	**1,492**	**1,305**	**1,966**	**1,860**
LIABILITIES	**(7,673)**	**(7,105)**	**(1,320)**	

Deferred assets and liabilities related to income tax and social contribution arising from tax losses, negative social contribution bases and temporary differences are recognized from an accounting standpoint considering an analysis of likely future results, based on economic and financial projections prepared based on internal assumptions and macroeconomic, commercial and fiscal scenarios which could change in the future.

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These temporary differences that will be realized upon the occurrence of the corresponding taxable events are presented as follows:

	Net amount of credits	
Years	Consolidated	Parent Company
2010	1,492	1,219
2011	(243)	109
2012	(286)	109
2013	(301)	109
2014	(305)	109
2015	(372)	41
2016	(362)	41
2017	(359)	40
2018	(359)	40
2019	(3,765)	149
	(4,860)	**1,966**

The Income Tax in Brazil comprises the taxation on income and the social contribution on profit. The composite statutory rate applicable in the periods presented is 34%. In other countries where we have operations, the applicable tax rate varies from 1,67% to 40%.

The total amount presented as income tax and social contribution results in the financial statements is reconciled with the rates established by law, as follows:

	Consolidated					Parent Company	
	Quarter (Unaudited)			Accumulated		Accumulated	
	4Q/09	3Q/09	3Q/08	2009	2008	2009	2008
Income before income tax and social contribution	1,492	4,941	12	15,342	22,376	15,796	19,821
Results of equity investment e amortização de ágio	(22)	(30)	410	(116)	1,325	3,744	(17,607)
Exchange variation Not taxable	866	1,458	(5,315)	10,577	(6,992)		
	2,336	**6,369**	**(4,893)**	**25,803**	**16,709**	**19,540**	**2,214**
Income tax and social contribution at combined tax rates	34%	34%	34%	34%	34%	34%	34%
Federal income tax and social contribution at statutory rates	**(794)**	**(2,165)**	**1,664**	**(8,773)**	**(5,681)**	**(6,644)**	**(753)**
Adjustments that affects the basis of taxes:							
Income tax benefit from interest on stockholders equity	872		446	872	1,315	872	1,315
Fiscal incentives	113	62	(25)	368	227	184	
Results of overseas companies taxed by different rates wich diference than	769	273	(17)	2,126	3,046		

the parent company rate							
Others	246	(10)	397	482	428	41	896
Income tax and social contribution	**1,206**	**(1,840)**	**2,465**	**(4,925)**	**(665)**	**(5,547)**	**1,458**

Vale in Brazil has a tax incentive for partial reduction of income tax due for the amount equivalent to the amount assigned by tax law to transactions in the north and northeast, such as rail, railway, manganese, copper, bauxite, alumina, aluminum, kaolin and potash. The incentive is calculated based on the profit tax of the activity (called operating income), takes into consideration the allocation of operating profit for the level of production encouraged during the periods indicated as a benefit for each product, and generally expire in 2018. Part of railroad operations and iron in the north region has been recognized as encouraged by 10 years from 2009. An amount equal to the tax saving must be appropriated in a reserve account of profits in equity, and may not be distributed as dividends to shareholders.

Vale can benefit from allocation of part of the income tax to be reinvested in purchase of equipment on an encouraged operation; subject to be approved by the regulatory agency in the encouraged area, Superintendência de Desenvolvimento da Amazônia Sudam and Superintendência de Desenvolvimento do Nordeste SUDENE . Once the reinvestment is approved, the tax benefit is also appropriate in a profit reserve, prevented to de distributed as dividends to shareholders.

Vale also has tax incentives related to Goro, in New Caledonia (Goro). These tax incentives include temporary full exemption of income tax during the construction phase of the project and also for a 15-year period beginning in the first year of commercial production, as defined by the applicable law, followed by a 5-year period with 50% of temporary tax incentives. Besides the, Goro Project also qualifies for certain exemptions of indirect taxes such as import tax during the construction phase and during all the commercial life of the project. Some of these tax benefits, including temporary tax incentives, are subject to an earlier phase out in case the project achieves a specified cumulative rate of return. Goro is subject to taxation on part of the income commencing in the first year in which commercial production is achieved, as defined by the applicable law. To date, we have not recorded any taxable income for New Caledonian tax purposes. The benefits of this legislation are expected to apply with respect to taxes payable once the Goro project is in operation. Vale obtained fiscal benefit for projects in Mozambique, Oman and Malaysia, which will have effect when the projects begin their commercial operation.

Vale is subject to examination of income tax by tax authorities for up to five years for Companies in operations in Brazil, ten years for operations in Indonesia, and up to six years for Companies with operations in Canada.

In Brazil, the compensation of tax loss carry-forwards has no expiration date, though its offset is restricted to 30% of annual and quarter taxable income.

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6.11- Investments

	Investments		Equity Results				
			Quarter (Unaudited)			Accumulated	
	2009	**2008**	**4Q/09**	**3Q/09**	**3Q/08**	**2009**	**2008**
Investments carried at market value (a)							
Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS (b)		384				17	33
Mirabela Nickel Ltd (b)		19					
Skye Resources (e)					(83)		(83)
Hudbay Minerals Inc. (b)		20					
Heron Resources Inc	14	5					
Others	14	33					
	28	**461**			**(83)**	**17**	**(50)**
Investments valued by equity method of accounting							
Henan Longyu Energy Resources Co. Ltd.	435	411	33	32	35	148	145
Korea Nickel Corp.	22	49	1		4	1	7
Log-In Logistica Intermodal S/A.	218	221			12	4	37
Shandong Yankuang International Company Ltd (d)		58	(7)	(3)	(33)	(35)	(33)
ThyssenKrupp CSA Cia Siderúrgica do Âtlantico (c)	3,546	1,034	(11)			(11)	
Vale Soluções em Energia	172	98					
Zhuhai YPM Pellet e Co.,Ltd.	22		6	2		3	
Others	147	110		(1)	6	(11)	(2)
	4,562	**1,981**	**22**	**30**	**24**	**99**	**154**
	4,590	**2,442**	**22**	**30**	**(59)**	**116**	**104**

(a) Investments measured at market value, or similar, with their reflects recorded in Other Comprehensive Income.

(b) Investiment disposed in 2009.

(c) Investiment measured at fair value until Sep, 2009.

(d) Company with negative net equity in 2009.

(e) The amount registered as equity equivalence refer to a loss of a non-temporary mark-to-market.

Parent Company	**Partici-tion %**	**Adjusted stockholders equity**	**Adjusted net income (loss) for the year**	**Investments 2009**	**Investments 2008**	**Results of equity investments 2009**	**Results of equity investments 2008**	**Dividends received 2009**
Avaliados pelo método de equivalência patrimonial								
ALBRAS Alumínio Brasileiro S.A.	51.00	2,035	154	1,038	992	78	76	6
ALUNORTE Alumina do Norte do Brasil S.A.	57.03	4,557	243	2,599	2,479	139	137	8
Belém Administrações e Participações LTDA.	100.00	1	(15)	1	232	(15)	22	
Cadam S.A.	61.48	229	(24)	141	156	(15)	(33)	
Companhia Coreano-Brasileira de Pelotização KOBRASCO	50.00	301	45	150	127	23	78	
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	50.89	286	(47)	146	170	(24)	103	
Companhia ítalo-Brasileira de Pelotização ITABRASCO	50.90	312	45	159	136	22	55	
Companhia Nipo-Brasileira de Pelotização NIBRASCO	51.00	500	(4)	255	257	(2)	149	46
Companhia Portuária da Baía de Sepetiba CPBS	100.00	347	155	347	325	155	140	46
Ferrovia Norte Sul S.A.	100.00	1,291	14	1,291	820	14	26	6
Green Mineral Resources Inc (a)	100.00	1,433	(74)	1,433		(74)		
LOG-IN Logística Intermodal S/A	31.33	695	12	218	221	4	37	6
Minas da Serra Geral S.A. MSG	50.00	102	6	51	49	3	2	
Mineração Rio do Norte S.A.	40.00	640	46	256	237	19	88	86
Mineração Tacumã Ltda	100.00	(84)	3	(84)	(88)	3	56	
AFAC Mineração Tacumã Ltda				1,788	1,788			
	87.94	4,258	(325)	3,744	4,129	(286)	420	

Minerações Brasileiras Reunidas S.A. MBR (b)								
Mineração Corumbá Reunidas S.A	100.00	1,426	(28)	1,426		(28)		
MRS Logística S.A. (b)	10.89	1,958	643	213	200	70	69	54
Salobo Metais S.A.	100.00	917	(60)	917	417	(60)		
AFAC Salobo Metais S.A.				682	415			
Samarco Mineração S.A.	50.00	1,804	1,179	902	300	590	553	346
Thyssenkrupp CSA Companhia Siderúrgica do Atlântico	26.87	13,200	(42)	3,547	1,034	(11)		
Vale Manganês S.A.	100.00	689	194	689	600	194	657	
Valesul Alumínio S.A. (b)	56.44	556	(100)	313	370	(56)	12	
Vale International S.A. (a)	100.00	64,203	(4,236)	64,203	75,583	(4,236)	16,162	
Vale Colombia Ltd (a)	100.00	678	(26)	678		(26)		
Urucum Mineração	100.00	68	8	68	38	8	163	100
Others				540	172	(233)	64	30
Carried at market value								
Usinas Siderúrgicas de Minas Gerais S.A. USIMINAS					384			
				87,711	**91,543**	**(3,744)**	**19,036**	**734**

(a) The foreign company equity was translated to the Brazilian currency according to the prevailing exchange rates at balance sheet date.

(b) This percentage comprises only Vale s direct ownership.

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6.12- Intangible

	Consolidated/Parent Company		
	2009	**2008**	**End amortization**
Intangible by segment			
Iron ore and pellets			
Goodwill of Minerações Brasileiras Reunidas MBR (Includes goodwill Caemi) (b)	4,060	4,060	Indefinite
Goodwill other companies (a, b)	5	5	Indefinite
Right of use of the actions of the EBM	656	679	May 2037
	4,721	**4,744**	
Nickel			
Goodwill of Inco Limited (a, b, d)	2,948	3,471	Indefinite
Other rights Vale Inco	609	667	September 2046
	3,557	**4,138**	
Coal			
Goodwill of Vale Australia (a, b)	168	171	Indefinite
Logistic			
Subconcessions Ferrovia Norte Sul FNS	1,666	1,660	December 2037
Other	15	14	
Total consolidated	**10,127**	**10,727**	
Intangible not recorded at the parent company	(2,275)	(2,341)	
Total parent company	**7,852**	**8,386**	

(a) Goodwill not recorded in the parent company; and

(b) Goodwill paid due to the expectation of future profitability.

(*) Goodwill amortization

was ceased in
December 2008
(see note 6.2-a)

Changes in intangibles during the fiscal year ended on December 31, 2009 of R$ 10,727 as of December 31, 2008 to R$ 10,127 on December 31, 2008, were as follows: decrease of amortization in the amount of R$ 43, decrease of translation adjustment in the amount of R$ 582, increase of exchange monetary variation by R$ 25.

6.13- Impairment of Assets

As described in note 6.2 (l), Vale tests the recoverable value of long-lived assets if there is evidence that their book values are not recoverable, and regardless of the existence of evidence. Vale tests annually the recoverability of intangibles with indefinite useful lives, which are mainly comprised of goodwill based on estimated future results arising from business combination.

No Impairment expense was recognized in 2009 as a result of the annual impairment test of goodwill. In 2008, an impairment loss for the non-recoverability related to the operations of nickel was recognized in the amount of R$ 2,447.

Management determines its cash flows based on approved budgets. The gross margin projections are based on past performance and expectations of management about the development of the markets. Information about sales prices are consistent with projections used in reports published by the industry, considering the quoted price when available and appropriate. The discount rates used reflect specific risks related to assets to each individual cash-generating unit, depending on their composition and location.

The assets recoverability based on the criterion of discounted cash flow, depends on several estimates which are influenced by current market conditions at the time that recoverability is tested and thus can not determine if further impairment losses will occur in the future, and whether occurs, if would be material.

6.14- Property, Plant and Equipment

		Consolidated				Parent Company			
	Average depreciation rates	2009			2008	2009			2008
		Cost	Accumulated depreciation	Net	Net	Cost	Accumulated depreciation	Net	Net
Lands		506		506	425	300		300	170
Buildings	1.50%	9,094	(2,407)	6,687	6,885	3,904	(1,010)	2,894	2,439
Installations	4.23%	30,227	(10,304)	19,923	19,371	14,306	(4,491)	9,815	9,495
Equipment	7.73%	14,722	(4,998)	9,724	9,587	5,509	(1,975)	3,534	2,916
Computer Equipment	20.00%	2,287	(1,425)	862	948	1,870	(1,163)	707	721
Railroads	3.73%	13,439	(4,667)	8,772	7,558	11,451	(4,114)	7,337	6,224
Mining Assets	5.09%	27,342	(3,475)	23,867	25,734	1,976	(445)	1,531	1,445
Others	6.57%	15,182	(3,757)	11,425	8,651	3,463	(1,681)	1,782	1,855
		112,799	**(31,033)**	**81,766**	**79,159**	**42,779**	**(14,879)**	**27,900**	**25,265**
Construction in progress		33,394		33,394	31,335	15,728		15,728	13,446
Total		**146,193**	**(31,033)**	**115,160**	**110,494**	**58,507**	**(14,879)**	**43,628**	**38,711**

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(b) By business area:

	Consolidated			
	2009			2008
	Cost	Accumulated depreciation	Net	Net
Ferrous				
In operation	41,245	(14,184)	27,061	20,732
Construction in Progress	9,403		9,403	9,068
	50,648	**(14,184)**	**36,464**	**29,800**
Non Ferrous				
In operation	47,302	(8,119)	39,183	43,304
Construction in Progress	18,756		18,756	18,121
	66,058	**(8,119)**	**57,939**	**61,425**
Logistics				
In operation	10,071	(3,376)	6,695	6,170
Construction in Progress	1,369		1,369	837
	11,440	**(3,376)**	**8,064**	**7,007**
Holdings				
In operation	12,113	(4,192)	7,921	8,065
Construction in Progress	1,843		1,843	1,265
	13,956	**(4,192)**	**9,764**	**9,330**
Corporate Center				
In operation	2,068	(1,162)	906	888
Construction in Progress	2,023		2,023	2,044
	4,091	**(1,162)**	**2,929**	**2,932**
Total	**146,193**	**(31,033)**	**115,160**	**110,494**

The depreciation in the period allocated to the production cost and the expenses amount R$ 5,447 in 2009 (R$ 5,112 in 2008) in the consolidated and R$ 1,931 in 2009 (R$ 1,647 in 2008) in the Parent Company financial statements.

6.15- Loans and Financing

Current

	Consolidated		Parent Company	
	2009	2008	2009	2008
Trade finance	546	958		
Working capital	100	130		

	646	**1,088**

Relates to short-term financing for export denominated in US dollars, with average annual interest rate of 2,02% per year.

Non-current

	Consolidated				**Parent Company**			
	Current liabilities		**Non-current**		**Current liabilities**		**Non-current**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Foreign operations								
Loans and financing in:								
U.S. dollars	2,846	568	10,683	15,287	276	380	1,095	1,046
Other currencies	51	54	715	390	6	8	6	15
Notes in U.S. dollars			12,851	15,214				
Export securitization (*)	261	129		348				
Perpetual notes			136	194				
Accrued charges	346	507			7	24		
	3,504	**1,258**	**24,385**	**31,433**	**289**	**412**	**1,101**	**1,061**
Local operations								
Indexed by TJLP, TR, IGP-M and CDI	145	103	6,233	4,879	108	76	5,976	4,645
Basket of currencies	2	2	5	9	2	3	5	10
Loans in U.S. dollars			990	386			990	386
Non-convertible debentures	1,500		4,513	5,987	1,500		4,000	5,500
Accrued charges	154	220			154	220		
	1,801	**325**	**11,741**	**11,261**	**1,764**	**299**	**10,971**	**10,541**
	5,305	**1,583**	**36,126**	**42,694**	**2,053**	**711**	**12,072**	**11,602**

(*) Refers to, debt securities collateralized by future receivables arising from certain exports sales. (Securities settled in 2010, see note 6.33)

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Long-term portions as of December 31, 2009 mature as follows:

	Consolidated		Parent Company	
2011	4,697	13%	392	3%
2012	2,544	7%	433	4%
2013	5,973	17%	4,428	37%
2014	1,861	5%	1,474	12%
2015 onwards	20,402	56%	5,345	44%
No due date (Perpetual notes and non-convertible debentures)	649	2%		0%
	36,126	**100%**	**12,072**	**100%**

As of December 31, 2009, annual interest rates on long-term debt were as follows:

	Consolidated	Parent Company
Up to 3%	11,928	2,375
3.1% to 5%	202	
5.1% to 7%(*)	15,060	1,166
7.1% to 9%(*)	10,276	6,995
9.1% to 11%	1,746	1,514
Over 11% (*)	2,077	2,075
Variable (Perpetual notes)	142	
	41,431	**14,125**

(*) Includes non-convertible debentures and other loans denominated in Brazilian Reais which interest is equal to the accumulated variation of CDI and TJLP;(Brazilian interbank certificate of deposit and Long-term interest rate) plus spread. For these operations were contracted derivatives instruments to protect the Company from the exposure of variations of floating debt denominated in Reais. The total contracted amount for these operations is R$ 11,623, where R$ 6,876 has an original interest rate between 7,1% and 9%, and the major balance has original interest rate above 9%. After the derivatives contracts the average cost of these operations is equivalent to 4,47%.

Vale has non-convertible debentures denominated in Reais presented as follows:

	Quantity as of December 31, 2009				**Balances in**	
	Issued	**Outstanding**	**Maturity**	**Annual Fees**	**2009**	**2008**
Emissões						
1st Series 7th Public Offering	150,000	150,000	Nov. 20, 2010	101,75% CDI	1,514	1,522
2nd Series 7th Public Offering	400,000	400,000	Nov. 20, 2010	100% CDI + 0,25%	4,037	4,057
Salobo Tranche B	5	5	No due date	6,5% a.a + IGPDI	513	487
					6,064	6,066
Short-term portion					1,500	
Long-term portion					4,513	5,987
Accrued chages					51	79
					6,064	6,066

The percentage variations related applied to the debt were as follows:

	2009	2008	2007
TJLP Long-Term Interest Rate (effective rate)	6.2	6.3	6.4
IGP-M General Price Index Market	(1.7)	9.8	7.8
Devaluation of Real against United States Dollar	34.2	(24.2)	20.7

In November 2009, Vale issued US$ 1 billion (corresponding to R$ 1,7 billion) of 30-year Bonds through its wholly-owned subsidiary Vale Overseas. The notes due to November 2039 have a coupon of 6.875% per year, payable semiannually at a price of 98.564% of the face value of the title.

In September, 2009, Vale issued US$ 1 billion (corresponding to R$ 1,8 billion) of 10-year bonus through its wholly-owned subsidiary Vale Overseas. The notes due 2019 will bear a coupon of 5 5/8% per year, payable semiannually, at a price of 99.23% of the principal amount.

On January, 2008 the Company entered into a transaction with Brazilian bank to finance working capital in the amount of R$ 2 billions with final maturity in 2018.

Credit Lines

In November 2009, Vale signed a credit line of US$ 300 (corresponding to R$ 522), through its subsidiary PT International Nickel Indonesia Tbk (PTI), with Japanese financial institutions, using insurance from Nippon Export and Investment Insurance (NEXI) from Japan, to finance the construction of the hydroelectric plant Karebbe, at Indonesia. Until December 31, 2009 PT International withdrew US$ 150 (corresponding to R$ 261) from this credit line.

In 2008, Vale entered into agreements with Banco Nacional de Desenvolvimento Econômico e Social (BNDES) of R$ 7,300 and with Japanese credit facility agencies granting long-term financials of US$ 5 billion (corresponding to R$ 8,706) of which US$ 3 billion (corresponding to R$ 5,224) with Japan Bank for International Cooperation (JBIC) and US$ 2 billion (corresponding to R$ 3,482) with Nippon Export and Investment Insurance (NEXI) for the financing of the mining, logistics and power generation projects developed under Vale s investment program for 2008-2012. Until December 31, 2009 Vale had draw down R$ 1,554 from the credit facility granted by BNDES.

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Additionally, Vale has revolving credit lines available under which amounts can be disbursed and paid at the option of the borrower. At December 31, 2009, the total amount available under revolving credit lines was US$ 1,900 (corresponding to R$ 3,308), of which US$ 1,150 (corresponding to R$ 2,002) was granted to Vale International and the balance to Vale Inco. Up to December 31,2009 no amount were draw down by Vale International or by Vale Inco, however letters of credit were issued in the amount of US$ 115 (corresponding to R$ 200) related to credit line of Vale Inco.

Guarantees

At December 31, 2009 , R$ 1,311 (December 31, 2008 R$ 1,299) of the outstanding debt was guaranteed, of which R$ 265 (December 31, 2008 R$ 487) of which guaranteed by receivables from the subsidiary CVRD Overseas Ltd. R$ 59 (December 31, 2008 R$ 133) guaranteed by Brazilian Federal Government and R$ 987 (December 31, 2008 R$ 689) guaranteed by other receivables. The remaining balance of R$ 40,120 (December 31, 2008 R$ 42,978) have no guarantees.

Some long-term debt instruments have financial coverage. The main financial coverage relates to certain ratios that must be maintained, such as debt versus EBITDA and interest coverage. Vale is in full compliance with financial coverage required.

6.16- Contingent Liabilities and Commitments

Vale and its subsidiaries are parties to labor, civil, tax and other suits and have been contesting these matters both administratively and in court, which, when applicable, these are backed by judicial deposits. Provisions for losses are estimated and inflation restated by Management based on the opinion of the Legal Department and its external legal counsels.

In addition to the provisions recorded, there are other contingent liabilities, split between taxes, labor and civil claims, estimated as possible losses in the amount of R$ 9.242 (R$ 4.009 in the parent Company).

Contingent Liabilities

Provisions for contingencies net of judicial deposits, considered by Management and its legal counsel as sufficient to cover probable losses from, are detailed as follows:

	Consolidated		**Parent Company**	
	2009	**2008**	**2009**	**2008**
I) Tax contingencies	1,933	2,299	404	1,203
(-) Judicial deposits	(495)	(1,082)	(245)	(862)
	1,438	**1,217**	**159**	**341**
II) Civil contingencies	935	687	539	475
(-) Judicial deposits	(41)	(44)	(2)	
	894	**643**	**537**	**475**
III) Labor contingencies	1,273	1,097	993	905
(-) Judicial deposits	(95)		(48)	
	1,178	**1,097**	**945**	**905**
IV) Environmental contingencies	61	32	26	9
Total accrued liabilities	**3,571**	**2,989**	**1,667**	**1,730**

	2009	**2008**	**2009**	**2008**

Balance at the beginning of the period	2,989	3,189	1,730	1,979
Provisions, net of reversals	536	(1,234)	192	(747)
Payment	(377)	(30)	(237)	(30)
Monetary update	(10)	568	184	385
Judicial deposits	433	496	(202)	143
Balance at the end of period	**3,571**	**2,989**	**1,667**	**1,730**

I) Tax Contingencies:

Main tax causes refer substantially to discussions about the calculation basis of the Financial Compensation by Exploration of Mineral Resources (CFEM) and on denials of applications for compensation claims in the settlement of federal taxes. Others refer to collections of Additional Compensation Labor Ports (AITP) and questions about the location for Tax Services (ISS) incidence.

In 2009, accrued values related to discussion of compensation for losses and negative basis of social contribution above 30% were wrote down, due to withdrawal of the action and therefore the extinction process with release of funds deposited in escrow in favor of the Union.

II) Civil Contingencies:

The civil lawsuits are mainly related to claims made against the Company by contractors in connection with losses allegedly incurred by them as a result of several economic plans, accidents and return of land.

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III) Labor Contingencies:

Labor and social security contingencies it refers mainly to claims for (a) payment of time spent traveling from their residences to the work-place, (b) additional health and safety related payments, and (c) disputes about the amount of indemnities paid upon dismissal and one-third extra holiday pay.

Other commitments

(a) In connection with a tax benefit for lease financing arrangement sponsored by the French Government, Vale provided certain guarantees on behalf of Vale Inco New Caledonia (VINC) pursuant to which it was guaranteed payments due from VINC of up to a maximum amount of R$ 174 (US$ 100 million) (Maximum Amount) in connection with an indemnity. The Company also provided an additional guarantee covering the payments due from VINC of (a) amounts exceeding the Maximum Amount in connection with the indemnity and (b) other amounts payable by VINC under a lease agreement covering certain assets.

During the second quarter two new bank guarantees totaling R$ 108 (43 million) were established by the Company on behalf of VINC in favor of the South Province of New Caledonia in order to guarantee the performance of VINC with respect to certain environmental obligations in relation to the metallurgical plant and the Kwe West residue storage facility.

Sumic Nickel Netherlands B.V., a 21% shareholder of VINC, has a put option to sell to Vale 25%, 50%, or 100% of the shares they own of VINC. The put option can be exercised if the defined cost of the nickel-cobalt development project exceeds the agreed value with the shareholders and an agreement cannot be reached on how to proceed with the project.

Vale provided a guarantee covering certain termination payments due from VINC (Vale Inco New Caledonia) to the supplier under an electricity supply agreement (ESA) entered into in October 2004 for the VINC project. The amount of the termination payments guaranteed depends upon a number of factors, including whether any termination of the ESA is a result of a default by VINC and the date on which an early termination of the ESA were to occur. If VINC defaults under the ESA prior to the anticipated start date for supply of electricity to the project, the termination payment, which currently is at its maximum, would be R$ 364 (145 million). Once the supply of electricity under the ESA to the project begins, the guaranteed amounts will decrease over the life of the ESA.

In February 2009, Vale Inco Newfoundland and Labrador Limited (VINL), Vale s subsidiary, entered into a fourth amendment to the Voisey s Bay Development agreement with the Government of Newfoundland and Labrador Canada, which permits VINL to ship up to 55,000 metric tones of nickel concentrate from the Voisey s Bay area mines. As part of the agreement, VINL agreed to provide the Government of Newfoundland and Labrador financial assurance in the form of letters of credit each in the amount of R$ 27 (CAD$ 16 million) for each shipment of nickel concentrate shipped out of the province from January 1, 2009 to August 31, 2009. The maximum amount of this financial assurance is R$ 186 (CAD$ 112 million) based on seventh shipment of nickel concentrate. As at December 31, 2009, all letters of credit had been issued, remaining R$ 102 (CAD$ 61,6 million) opened.

(b) At the time of our privatization in 1997, Vale issued debentures to its then-existing stockholders, including the Brazilian Government. The terms of the debentures, were set to ensure that the pre-privatization stockholders, including the Brazilian Government would participate in possible future financial benefits that could be obtained from exploiting certain mineral resources.

Vale has 388,559,056 Debentures were issued at a par value of R$ 0.01 (one cent), whose value will be restated in accordance with the variation in the General Market Price Index (IGP-M), as set forth in the Issue Deed.

The debentures holders has the right to receive premiums, paid semiannually, corresponding to a percentage of net revenues from specific mine resources as set forth in the indenture.

In April and in September, 2009, the Company paid interest on debentures in the amount of R$ 8 and R$ 7 respectively.

6.17- Provision for Asset Retirement Obligations

	Consolidated		Parent Company	
	2009	**2008**	**2009**	**2008**
Provisions in the beginning of year	**2,110**	**1,763**	**892**	**790**
Ac cretion expense	136	294	90	163
Liabilities settled in the current period	(86)	(16)	(74)	(11)
Revisions in estimated cash flows	(48)	(153)	(62)	(50)
Cumulative translation adjustment	(111)	222		
Provisions in the end of year	**2,001**	**2,110**	**846**	**892**
Current	157	113	122	44
Non-current	1,844	1,997	724	848
	2,001	**2,110**	**846**	**892**

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6.18- Pension Plan

Since 1973, Vale sponsors a supplementary social security plan with characteristics of a defined benefit plan (the Old Plan) covering substantially all Brazilian employees, with benefits calculated based on years of service, age, contribution salary and supplementary social security benefits. This plan is administered by Fundação Vale do Rio Doce de Seguridade Social VALIA and was funded by monthly contributions made by the sponsor and employees, calculated based on periodic actuarial appraisals.

In May 2000 was implemented a new supplementary social security plan with characteristics of variable contribution, comprising the earnings of programmed retirements and risk benefits (death pension, physical invalidity, and sickness assistance). At the launch of this New Plan (a Benefit Mix Plan Vale Mais), was offered to the employees the opportunity to migrate to it. Over 98% of our employees opted for the transference. The old plan continues to exist, covering almost exclusively retired participants and their beneficiaries.

Additionally a specific group of former employees has the right of supplementary payments in addition to the regular benefits from VALIA, though *Abono Complementação* plus a post retirement benefit plan which covers health and dental care and pharmaceutical benefits to this specific group. Upon the acquisition of Inco, we assumed benefits through defined benefit pension plans that cover essentially all its employees and post retirement benefits other than pensions that also provide certain health care and life insurance benefits for retired employees.

Vale did not register in the Balance Sheet the asset from actuarial valuation on overfunded pension plan, because there is no evidence of realization, according to item 49 of NPC 26. However, in order to provide a better understanding, the granted assets of those plans were disclosed in notes.

The following information details the status of the defined benefit elements of all plans in accordance with Deliberação CVM 371/00, as well as their related costs.

The results of the actuarial valuation are presented as follows:

Pension Plans

(a) Development of Assets Present Value

	Consolidated					
	2009			2008		
	Overfunded pension	Underfunded pension	Underfunded other benefits	Overfunded pension	Underfunded pension	Underfunded other benefits
Fair value of plan assets at beginning of year	5,666	7,084	2,499	5,629	7,127	2,668
Cost of current service	22	86	33	20	110	42
Cost of interest	614	495	176	556	379	127
Benefits paid	(443)	(555)	(129)	(512)	(467)	(97)
Plan amendment					29	
Hypotheses changes	498	28	19	(712)		
Actuarial (gain) loss	17	615	248	685	(1,207)	(684)
Effect of exchange rate changes		(922)	(354)		383	143
Fair value of plan assets at end of year	**6,374**	**6,831**	**2,492**	**5,666**	**6,354**	**2,199**

	Parent Company					
	2009			2008		
	Overfunded pension	Underfunded pension	Underfunded	Overfunded pension	Underfunded pension	Underfunded

			other benefits			other benefits
Fair value of plan assets at beginning of year	5,666	730	300	5,629	732	292
Cost of current service	22		3	20		3
Cost of interest	614	78	32	556	71	29
Benefits paid	(443)	(73)	(27)	(512)	(67)	(31)
Plan amendment						
Hypotheses changes	498	28	19	(712)	(63)	(34)
Actuarial (gain) loss	17	(5)	(3)	685	57	41
Effect of exchange rate changes						
Fair value of plan assets at end of year	**6,374**	**758**	**324**	**5,666**	**730**	**300**

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(b) Development of Assets Fair Value

	Consolidated					
	2009			2008		
	Overfunded pension	Underfunded pension	Underfunded other benefits	Overfunded pension	Underfunded pension	Underfunded other benefits
Fair value of assets at the begining of the year	7,111	5,859	21	7,417	6,405	18
Actual return of assets	1,952	788	2	132	(1,147)	2
Contribution from sponsor	78	308	129	74	399	97
Benefits paid	(443)	(555)	(129)	(512)	(467)	(97)
Effect of exchange rate changes		(777)	(4)		328	1
Fair value of assets at the end of the year	**8,698**	**5,623**	**19**	**7,111**	**5,518**	**21**

	Parent Company					
	2009			2008		
	Overfunded pension	Underfunded pension	Underfunded other benefits	Overfunded pension	Underfunded pension	Underfunded other benefits
Fair value of assets at the begining of the year	7,111	341		7,417	259	
Actual return of assets	1,952	90		132	49	
Contribution from sponsor	78	111	27	74	100	31
Benefits paid	(443)	(73)	(27)	(512)	(67)	(31)
Effect of exchange rate changes						
Fair value of assets at the end of the year	**8,698**	**469**		**7,111**	**341**	

Plans assets on December 31, 2009 include R$ 1,022 (R$ 439 on December 31, 2008) and R$ 120 (R$ 124 in 31 December 2008) relating to portfolio investments in our own shares and debentures, respectively and R$ 111 (R$ 103 on December 31, 2008) of shares from related parties, respectively. They also include R$ 5,678 of securities of the Federal Government (R$ 5,777 on 31 December 2008) and R$ 681 of securities from Canada Government (R$ 811 on December 31, 2008).

(c) Reconciliation of assets and liabilities recognized in the balance sheet

Consolidated					
2009			2008		
(*) Overfunded pension	Underfunded pension	Underfunded other benefits	(*) Overfunded pension	Underfunded pension	Underfunded other benefits
(6,374)	(6,831)	(2,492)	(5,666)	(6,354)	(2,199)

Fair value of plan assets at the end of the year						
Fair value of assets at the end of the year	8,698	5,623	19	7,111	5,518	21
Net (gains) and losses not recognized on the balance sheet	(45)	602	(498)	545	231	(410)
Total	**2,279**	**(606)**	**(2,971)**	**1,990**	**(605)**	**(2,588)**
Actuarial assets / (liabilities) recorded in the balance sheet:						
Short-term		(108)	(135)		(26)	(127)
Long-term	2,279	(498)	(2,836)	1,990	(579)	(2,461)
Actuarial assets / (liabilities) recorded in the balance sheet	**2,279**	**(606)**	**(2,971)**	**1,990**	**(605)**	**(2,588)**

	Parent Company					
	2009			**2008**		
	(*) Overfunded pension	**Underfunded pension**	**Underfunded other benefits**	**(*) Overfunded pension**	**Underfunded pension**	**Underfunded other benefits**
Fair value of plan assets at the end of the year	(6,374)	(758)	(324)	(5,666)	(730)	(300)
Fair value of assets at the end of the year	8,698	469		7,111	341	
Net (gains) and losses not recognized on the balance sheet	(45)	22	40	545	49	31
Total	**2,279**	**(267)**	**(284)**	**1,990**	**(340)**	**(269)**
Actuarial assets / (liabilities) recorded in the balance sheet:						
Short-term		(84)	(27)		(62)	(24)
Long-term	2,279	(183)	(257)	1,990	(278)	(245)
Actuarial assets / (liabilities) recorded in the balance sheet	**2,279**	**(267)**	**(284)**	**1,990**	**(340)**	**(269)**

(*)

The Company has not recorded the actuarial asset on its balance sheet, since there is no clear evidence to its realization, as established by item 49 of NPC 26.

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(d) Costs recognized in the income statement

	Consolidated					
	2009			2008		
	Overfunded pension plans (*)	Underfunded pension plans	Other pension benefits	Overfunded pension plans (*)	Underfunded pension plans	Other pension benefits
Current period service cost	22	85	34	20	110	45
Interest on projected benefit obligation	614	494	178	556	450	153
Expected return on assets	(846)	(390)	(4)	(926)	(483)	(9)
Amortization and (gains) and losses, net		36	(74)	18	20	
Total costs, net	**(210)**	**225**	**134**	**(332)**	**97**	**189**

	Parent Company					
	2009			2008		
	Overfunded pension plans (*)	Underfunded pension plans	Other pension benefits	Overfunded pension plans (*)	Underfunded pension plans	Other pension benefits
Current period service cost	22		4	20		3
Interest on projected benefit obligation	614	77	32	556	71	26
Expected return on assets	(846)	(45)		(926)	(49)	
Amortization and (gains) and losses, net				(11)		
Total costs, net	**(210)**	**32**	**36**	**(361)**	**22**	**29**

(*) The Company did not recognized the actuarial valuation on overfunded pension plan, because there is no evidence of realization, as established by item 49 of NPC 26.

(e) Actuarial and economic hypotheses

All calculations include future projections in relation to certain parameters, for example: salaries, interest, inflation, benefits from social security, mortality, invalidity and others. No actuarial results can be analyzed without previous knowledge of the scenarios hypotheses used in the evaluation.

The actuarial economic hypotheses were formulated considering the long-term for their maturity, and should therefore be analyzed from this point of view. Thus, in short period of time, they cannot be necessarily realized.

The evaluation was based on the following economic hypotheses:

	Brasil					
	2009			2008		
	Overfunded pension	Underfunded pension	Underfunded other benefits	Overfunded pension	Underfunded pension	Underfunded other benefits
Discount rate	11.08% p.a.	11.08% p.a.	11.08% p.a.	11.28% p.a.	11.28% p.a.	11.28% p.a.
Rate expected return of assets	12.00% p.a.	11.50% p.a.	N/A	12.22% p.a.	13.00% p.a.	N/A
Rate of compensation increase up to 47 years	7.64% p.a.	7.64% p.a.	N/A	7.12% p.a.	N/A	N/A
Rate of compensation increase over 47 years	4.50% p.a.	4.50% p.a.	N/A	4.00% p.a.	N/A	N/A
Inflation	4.50% p.a.	4.50% p.a.	4.50% p.a.	4.00% p.a.	4.00% p.a.	4.00% p.a.
Health care cost trend rate	N/A	N/A	7.63% p.a.	N/A	N/A	7.12% p.a.

	Exterior					
	2009			2008		
	Overfunded pension	Underfunded pension	Underfunded other benefits	Overfunded pension	Underfunded pension	Underfunded other benefits
Discount rate	N/A	6.21% p.a.	6.20% p.a.	N/A	5.58% p.a.	7.32% p.a.
Rate expected return of assets	N/A	7.00% p.a.	6.23% p.a.	N/A	6.99% p.a.	7.35% p.a.
Rate of compensation increase up to 47 years	N/A	4.11% p.a.	3.58% p.a.	N/A	4.12% p.a.	3.58% p.a.
Rate of compensation increase over 47 years	N/A	4.11% p.a.	3.58% p.a.	N/A	4.12% p.a.	3.58% p.a.
Inflation	N/A	2.00% p.a.	2.00% p.a.	N/A	2.00% p.a.	2.00% p.a.
Health care cost trend rate	N/A	N/A	6.04% p.a.	N/A	N/A	6.19% p.a.

All assumptions were revised in 2009.

(f) Plan assets

Brazilian Plans

Pension Plans Investment Policy Statements sponsored for Brazilian employees are based on a long term macroeconomic scenario and expected returns presented in the Asset Liability Modeling study prepared by the actuarial consulting. The definition for Investment Policy Statement was established for each obligation, and the following results of this strategic asset allocation study are presented for 2009.

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Plans asset allocations comply with pension funds local regulation issued by CMN Conselho Monetário Nacional (Resolução CMN 3792/09). Allowing investing in six different asset classes, defined as segments by the law, as follows: fixed income, equity, structured investments (alternative investments and infra-structure projects), international investments, real estate and loans to participants.
The Investment Policy Statements are approved by the Board, the Executive Directors and two Investments Committees. The internal and external portfolio managers are allowed to exercise the investment discretion under the limitations imposed by the Board and the Investment Committees.
The pension fund has a risk management process with established policies that intend to identify measure and control all kind of risks faced by our plans, such as: market, liquidity, credit, operational, systemic and legal.

Foreign Plans

The strategy for each of the pension plans sponsored by Vale Inco is based upon a combination of local practices and the specific characteristics of the pension plans in each country, including the structure of the liabilities, the risk versus reward trade-off between different asset classes and the liquidity required to meet benefit payments.

Overfunded pension plans

Brazilian Plans

The Defined Benefit Plan (the Old Plan) has the most part of its assets allocated in fixed income, mainly in Brazilian government (like TIPS) and corporate long term inflation linked bonds with the objective to reduce the asset-liability volatility. The target is 55% of the total assets. This LDI (Liability Driven Investments) strategy, when considered together with Loans to Participants segment, aims to hedge plan s liabilities against inflation risk and volatility. Other segments or asset classes have their targets, as follows: Equity Investments- 28%; Structured Investments 5%; International Investments 2%; Real estate 6% and Loans to Participants 4%. Structured Investments segment has invested only in Private Equity Funds in an amount of R$ 151 and R$ 156 at the end of December 31, 2009 and 2008, respectively.
The Investment Policy has the objective to achieve the adequate diversification, current income and long term capital growth through the combination of all asset classes described above to fulfill its obligations with the adequate level of risk. This plan has an average nominal return of 21.3% per year, in dollars terms in the last 10 years.
The Vale Mais Plan (the New Plan) has obligations with characteristics of defined benefit and defined contribution plans, as mentioned. The most part of its investments is in fixed income. It was also implemented a LDI (Liability Driven Investments) strategy to reduce asset-liability volatility of the defined benefits plan s component by using inflation linked bonds (like TIPS). The target allocation is 60% in fixed income. Other segments or asset classes have their targets, as follows: Equity 24%; Structured Investments 2%; International Investments 2%; Real estate 3% and Loans to Participants 10%. Structured Investments segment has invested only in Private Equity Funds in an amount of R$ 43 and R$ 11 at the end of December 31, 2009 and 2008, respectively.
The Defined Contribution Vale Mais offers three options of asset classes mix that can be chosen by participants. The options are: Fixed Income 100%; 80% Fixed Income and 20% Equities and 65% Fixed Income and 35% Equities. Equity option is an indexed- fund that has Bovespa Index as a benchmark.
The Investment Policy Statement has the objective to achieve the adequate diversification, current income and long term capital growth through the combination of all asset classes described above to fulfill its obligations and targets with the adequate level of risk. This plan has an average nominal return of 20% p.a. in dollars terms in the last 10 years.

Overfunded plans by asset category

	Parent Company	
Assets by category	**2009**	**2008**
Cash and cash equivalents	2	2
Accounts Receivable	29	
Equity securities liquid	2,270	1,078
Equity securities non-liquid	112	281
Debt securities Corporate bonds	250	353

Debt securities Financial Institutions	394	342
Debt securities Government bonds	3,036	2,592
Investment funds Fixed Income	3,546	3,180
Investment funds Equity	1,004	515
Investment funds Private Equity	169	167
Real estate	433	364
Loans to Participants	491	535
Total	**11,736**	**9,409**
Funds not related to risk plans	(3,038)	(2,298)
Fair value of plan assets at end of year	**8,698**	**7,111**

Overfunded plans assets in the Parent Company and in Consolidated are equal, therefore were only disclosed in the Parent Company.
The target return for private equity assets in 2010 is 10,20%. The target allocation is 5%, varying between 2% and 10%. Those investments have a longer investment horizon and low liquidity that aim to profit from economic growth, especially in the infra-structure sector of the Brazilian economy. Usually non-liquid assets fair value is established considering: the acquisition cost or book value. For some private equity funds we have alternatively the following methodologies: discounted cash flows analysis or analysis based on multiples.

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The target return for loans to participants in 2010 is11,90%. The fair value pricing of these assets includes provisions for non-paid loans, according to the local pension fund regulation.
The target return for real estate assets in 2010 is 9,90%. Fair value for these assets is considered book value. The pension fund hires companies specialized in real estate valuation that do not act in the market as brokers. All valuation techniques follow the local regulation.

Underfunded pension plans

Brazilian Obligation

This obligation has an exclusive allocation in fixed income. It was also used a LDI (Liability Driven Investments) strategy for this plan. Most of the resources were invested in long term government and corporate inflation linked bonds with the objective to minimize asset-liability volatility and reduce inflation risk.
The Investment Policy Statement has the objective to achieve the adequate diversification, current income and long term capital growth through the combination of all asset classes described above to fulfill its obligations with the adequate level of risk. This obligation has an average nominal return of 22,8% per year, in dollars terms in the last 8 years.

Foreign plans

For all pension plans except PT Inco, this has resulted in a target asset allocation of 60% in equity investments and 40% in fixed income investments, with all securities being traded in the public markets. Fixed income investments are in domestic bonds for each plan s market and involve a mixture of government and corporate bonds. Equity investments are primarily global in nature and involve a mixture of large, mid and small capitalization companies with a modest explicit investment in domestic equities for each plan. The Canadian plans also use a currency hedging strategy (each developed currency s exposure is 50% hedged) due to the large exposure to foreign securities. For PT Inco, the target allocation is 20% equity investment and the remainder in fixed income, with the vast majority of these investments being made within the domestic market.

Underfunded plans by asset category

	Consolidated	
Assets by category	**2009**	**2008**
Cash and cash equivalents	58	84
Equity securities liquid	2,345	1,955
Debt securities Corporate bonds	21	21
Debt securities Financial Institutions	34	30
Debt securities Government bonds	776	915
Investment funds Fixed Income	1,719	1,961
Investment funds Equity	712	944
Total	**5,665**	**5,910**
Funds not related to risk plans	(42)	(51)
Fair value of plan assets at end of year	**5,623**	**5,859**

	Consolidated	
Assets by category	**2009**	**2008**
Debt securities Corporate bonds	21	21
Debt securities Financial Institutions	34	30
Debt securities Government bonds	48	45
Investment funds Fixed Income	408	296

Total	**511**	**392**
Funds not related to risk plans	(42)	(51)
Fair value of plan assets at end of year	**469**	**341**

Other underfunded benefits
Foreign Plans
Other underfunded benefits by assets category

	Consolidated	
Assets by category	**2009**	**2008**
Cash and cash equivalent	19	21
Fair value of plan assets at end of year	**19**	**21**

(g) Disbursement of future cash flows

In 2010, Vale expects to disburse with pension plans and other benefits, R$ 522 and R$ 210 for the consolidated and parent company respectively.

(h) Estimated future benefit payment

The following table presents the expected benefit payments, which reflect future services, as follows:

	Consolidated			
	Overfunded pension plans	Underfunded pension plans	Other pension benefits	Total
2010	482	542	143	1,167
2011	509	549	153	1,211
2012	536	550	161	1,247
2013	564	548	168	1,280
2014	592	541	175	1,308
2015 and thereafter	3,404	2,647	878	6,929

	Parent Company			
	Overfunded pension plans	Underfunded pension plans	Other pension benefits	Total
2010	482	86	28	596
2011	509	89	31	629
2012	536	90	34	660
2013	564	90	37	691
2014	592	90	41	723
2015 and thereafter	3,404	441	168	4,013

6.19- Long-term Incentive Compensation Plan

In 2008, with the purpose of introducing a stockholders vision to some of the Company s executives, as well as improving the retention of these executives and reinforcing a sustainable performance culture, the Board of Directors approved a long-term incentive compensation plan, which was implemented with a three-year cycle.

According to the plan terms, the participants may elect to allocate part of their annual bonuses to the plan to purchase Vale s preferred shares through a previously defined financial institution at market conditions and with no benefit provided by Vale.

The shares purchased by each executive have no restrictions and may, at the participant s discretion, be sold at any time. However, in order to be entitled to the long-term incentive compensation plan to be provided by Vale, the amount of shares initially purchased by the executives on the plan s adoption must be held for a three-year period and the executive must retain their employment relationship with Vale during that period. By meeting the two conditions described above (keeping the number of shares purchased and remaining a Vale employee over the three-year period), the participant becomes entitled to receive from Vale, at the end of each cycle, a cash payment equivalent to the total amount of the shares held, based on the their market quotations. As of December 31, 2009, 1,809,117 shares (711,005 shares as of December, 31, 2008) were covered by that benefit.

Additionally, certain executives eligible to the long-term incentive have the opportunity to receive at the end of the three-year cycle an amount equal to the market value of a certain number of shares, based on an evaluation of their career and Vale s performance factor as measured by the indicator of total return to stockholders.

As of December 31, 2009, the amount accrued to support this plan is R$ 125 (R$ 17 as of December 31, 2008), fully recognized in the statement of income.

6.20- Paid-up Capital

Class A preferred shares have the same rights as common shares, except for the right to elect the members of the Board of Directors. They have priority to a minimum annual dividend of 6% on the portion of capital represented by this class of share or 3% on the book net equity value of the share, whichever is greater.

In May, 04 2009, Vale changed the code for negotiation of its ADR s negotiated in New York Stock Exchange (NYSE) from RIO e RIO P to VALE and VALE P, respectively.

In July and August 2008, Vale issued 256,926,766 common shares and 189,062,948 preferred shares through a global offering, in Brazil and abroad. In the end of the transaction the capital stock increased by R$ 19,434 and additionally the transaction costs of R$ 161 was recorded in rectifying account of the stockholder s equity.

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On December 31, 2009, the Company s capital is R$ 47,434, corresponding to 5,365,304,100 shares (3,256,724,482 common and 2,108,579,618 preferred), without par value.

	Number of shares					
Stockholders	**Commom**	**%**	**Preferred**	**%**	**Total**	**%**
Valepar S.A.	1,716,435,045	52	20,340,000	1	1,736,775,045	32
Brazilian Government (National Treasury / BNDES/ INSS / FPS)	56,712		12		56,724	
American Depositary Receipts ADRs	723,543,045	22	771,781,814	37	1,495,324,859	28
FMP FGTS	114,442,258	4			114,442,258	2
PIBB BNDES	3,823,246		4,570,779		8,394,025	
BNDESPar	218,386,481	7	69,432,771	3	287,819,252	5
Foreign Institutional investors in Brazilian market	134,549,803	4	344,681,659	16	479,231,462	9
Brazil Institutional investors	212,945,027	7	429,824,078	20	642,769,105	12
Brazil Retail investors in Brazilian market	57,544,966	2	390,366,601	19	447,911,567	8
Treasury stock in Brazil	74,997,899	2	77,581,904	4	152,579,803	4
Total	**3,256,724,482**	**100**	**2,108,579,618**	**100**	**5,365,304,100**	**100**

The members of the Board of Directors and the Executive Board together own 157,340 common shares and 1,007,420 preferred shares.

The Board of Directors may, regardless of statutory amendment, decide the emission of new shares (authorized capital), even through the capitalization of profits and reserves up to the limit of 3,600,000,000 common shares and 7,200,000,000 preferred shares, all without par value.

6.21- Funds linked to Future Mandatory Conversion into Shares

Vale issued mandatory convertible notes, according to the table below:

	Date		Value (In thousands of reais)		
Headings	**Emission**	**Expiration**	**Gross**	**Net of charges**	**Coupon**
Tranches RIO e RIO P.	June/2007	June/2010	3,601	3,064	5,50% a.a.
Tranches VALE - 2012 Tranches VALE P- 2012	July/2009	June/2012	1,858	1,523	6,75% a.a.

The securities have coupons payable quarterly and give the right to receive additional remuneration equivalent to the distribution of money paid to ADS holders. These were classified as equity instruments, mainly due to the fact that neither Vale nor the holders have the option to settle the operation, in whole or part of the transactions with financial resources, and therefore, mandatory conversion into shares and payments thus been recognized, net of finance charges, and specific component of equity.

The mandatory conversion in shares will be settled to the maximum of common and preferred shares, as presented below. All the shares are currently held in treasury (see note 6.23).

Headings	Maximum amount of shares Common