



Vale's performance in 2015

February 25, 2016

Disclaimer

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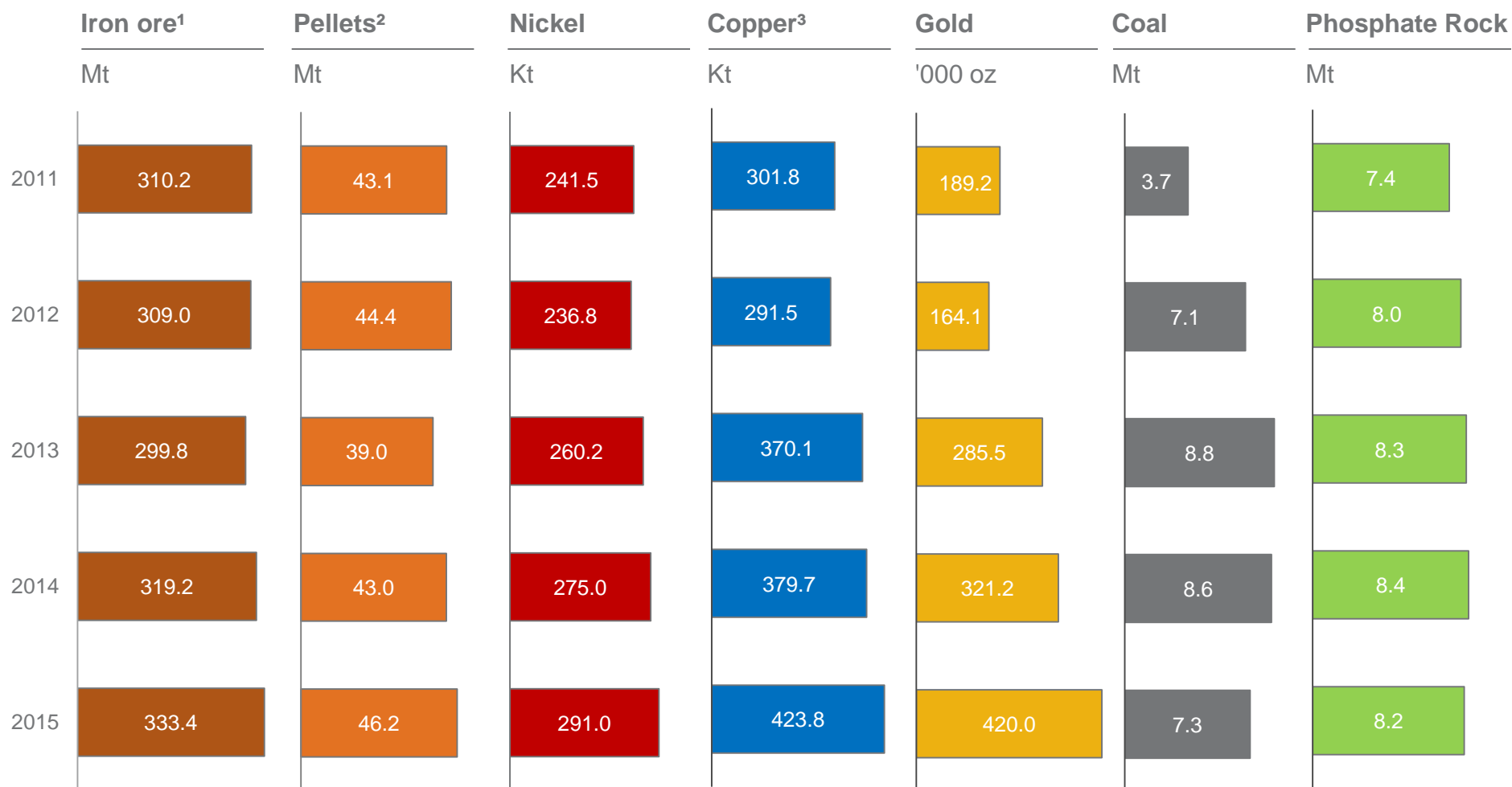
DOCUMENT CONTENT

- Highlights 2015
 - Operational performance
 - Financial performance
- Highlights 4Q15
 - Operational performance
 - Financial performance
- Capital expenditures
- Capital structure

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PRODUCTION VOLUMES



¹ Includes iron ore fines, lump, ROM and iron ore feed for Vale's pellet plants. Excludes third party purchases and Samarco's attributable production.

² Excludes Samarco's attributable production.

³ 2013 figures include Tres Valles production (1Q13: 3.7 Kt, 2Q13: 3.6 Kt, 3Q13: 2.9 Kt and 4Q13: 0.8 Kt). Includes Lubambe's attributable production.

PRODUCTION VOLUMES YEAR-ON-YEAR

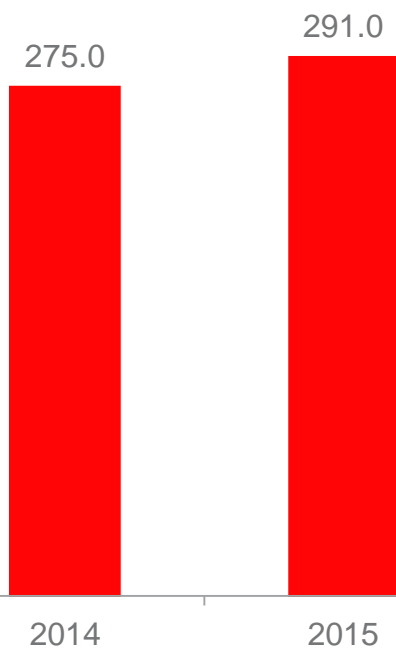
Iron Ore^{1 2}

Mt



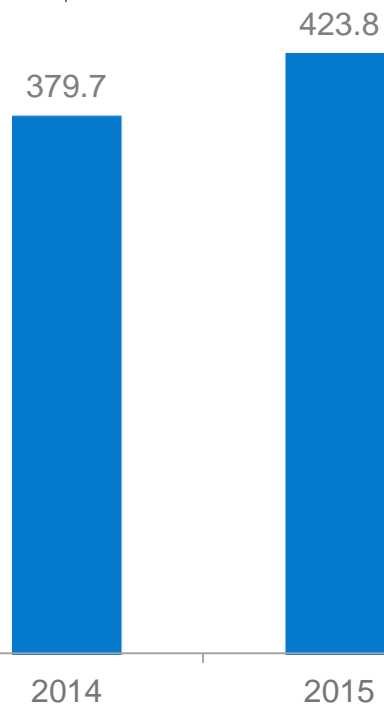
Nickel

Kt



Copper³

Kt

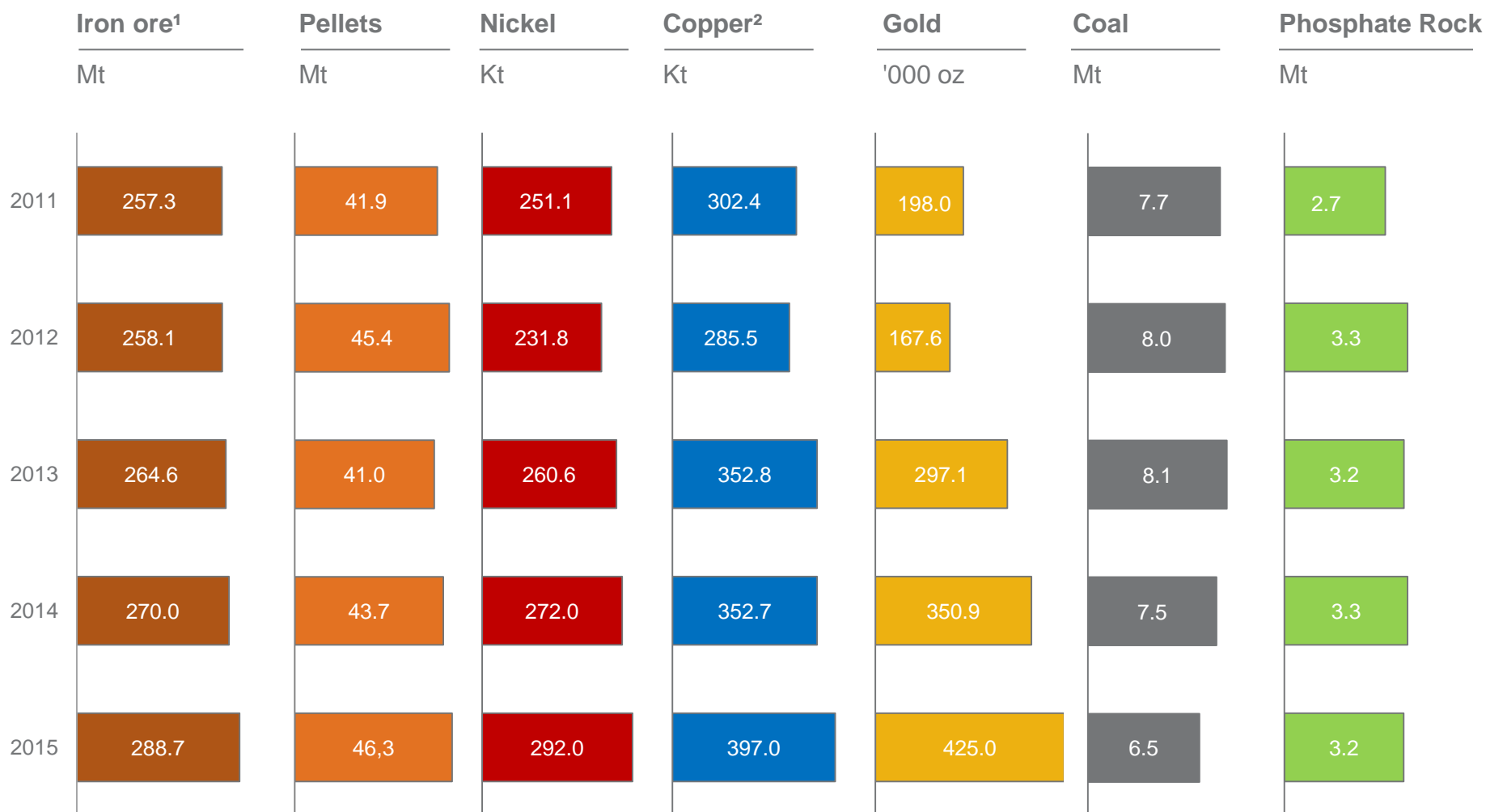


¹ Includes iron ore fines, lump, ROM and iron ore feed for Vale's pellet plants.

² Excludes third party purchases and Samarco's attributable production.

³ Includes Lubambe's attributable production.

SALES VOLUMES



¹ 2015 figure includes 276.4 Mt of iron ore ex-ROM and 12.3 Mt of ROM. Excludes Samarco's attributable production.

² 3Q13 and 4Q13 figures include Tres Valles sales volume. Excludes Lubambe's attributable production.

SALES VOLUMES YEAR-ON-YEAR

Iron Ore

Mt



270.0

288.7

2014

2015

Pellets

Mt



43.7

46.3

2014

2015

Nickel

Kt



272.0

292.0

2014

2015

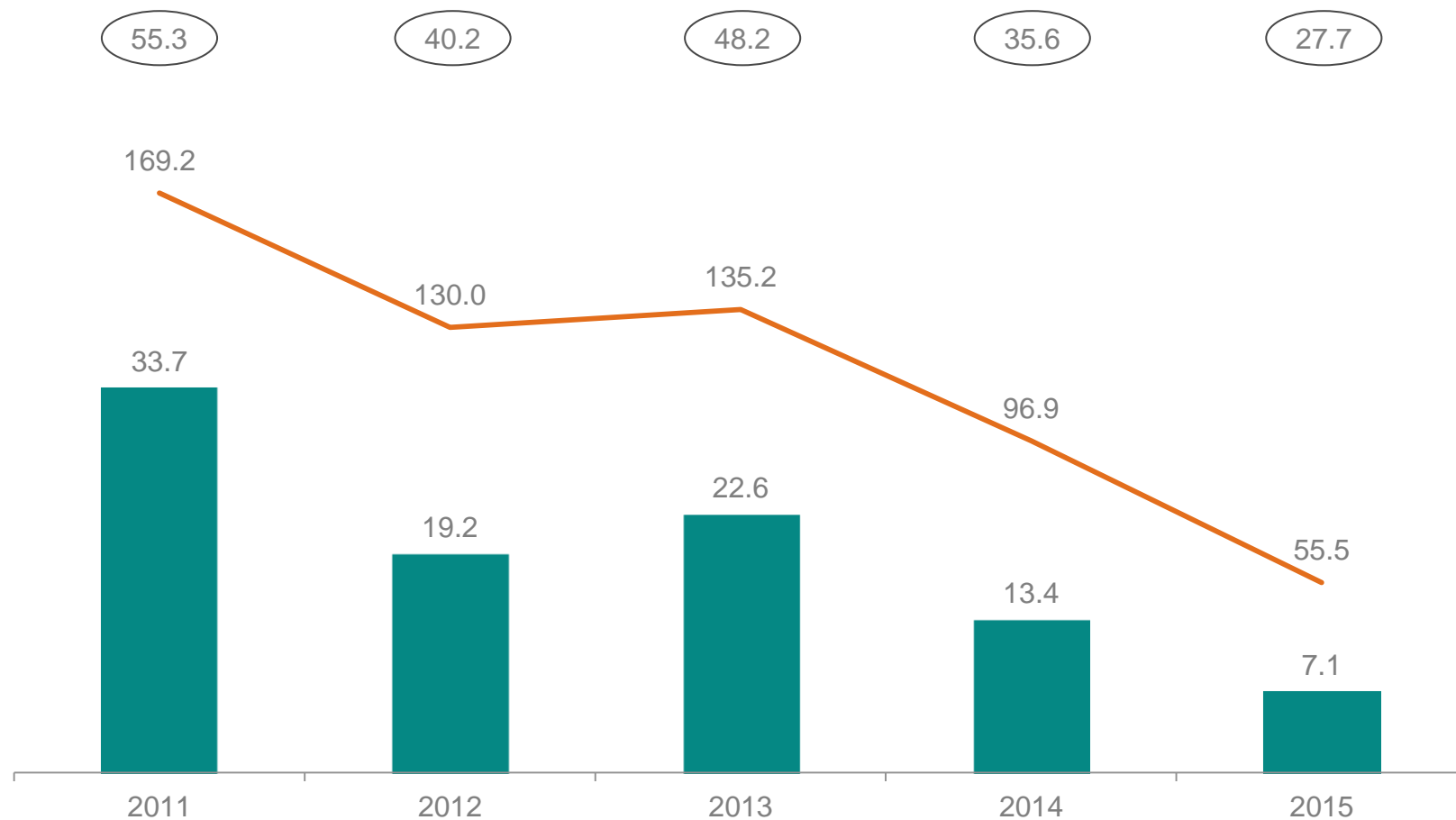
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ADJUSTED EBITDA¹

US\$ billion

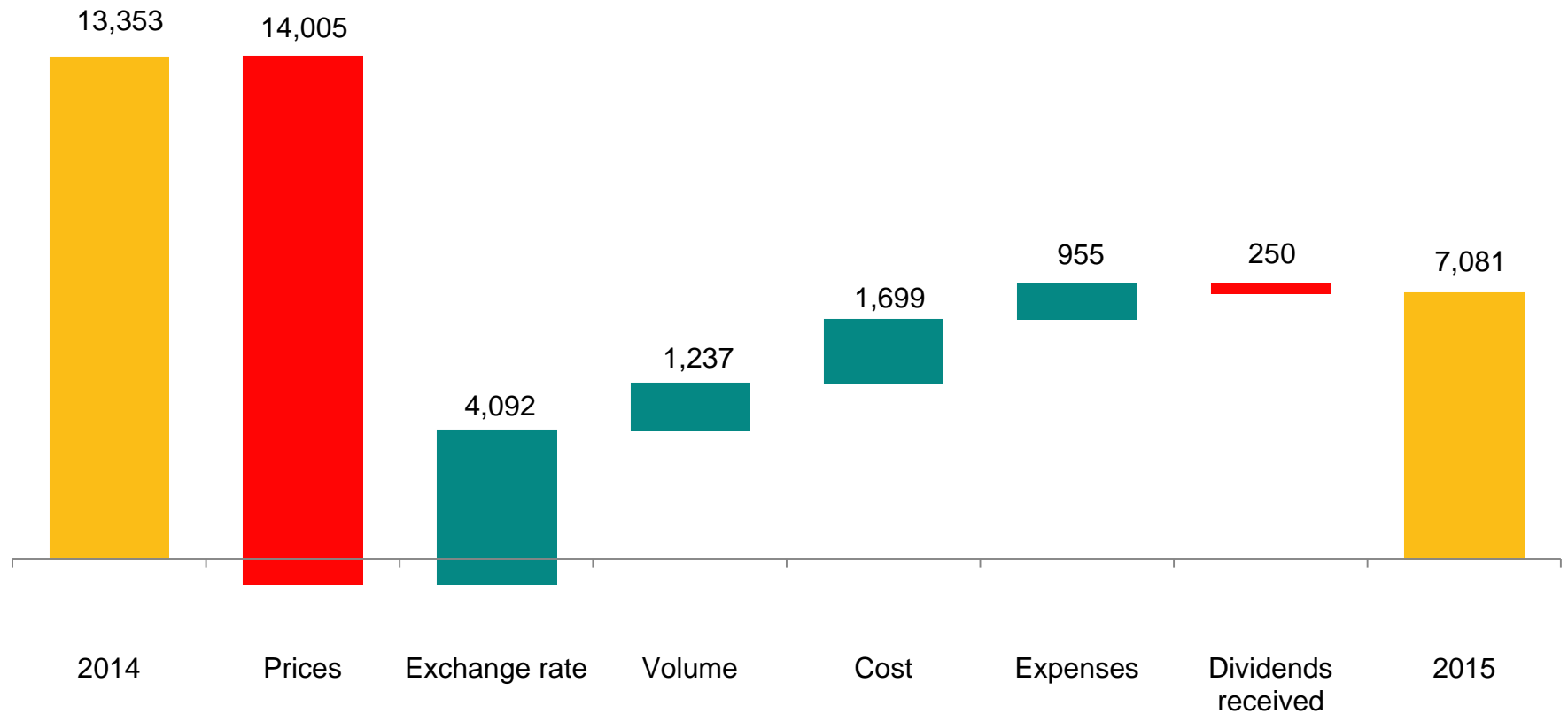
○ Adjusted EBITDA margin (%)
 — Platts IODEX Iron Ore Price Average (US\$/t)



¹ Adjusted EBITDA excludes gains and/or losses on sales of assets and non-recurring expenses and includes dividends received from non-consolidated affiliates

ADJUSTED EBITDA¹

2014 - 2015, US\$ million

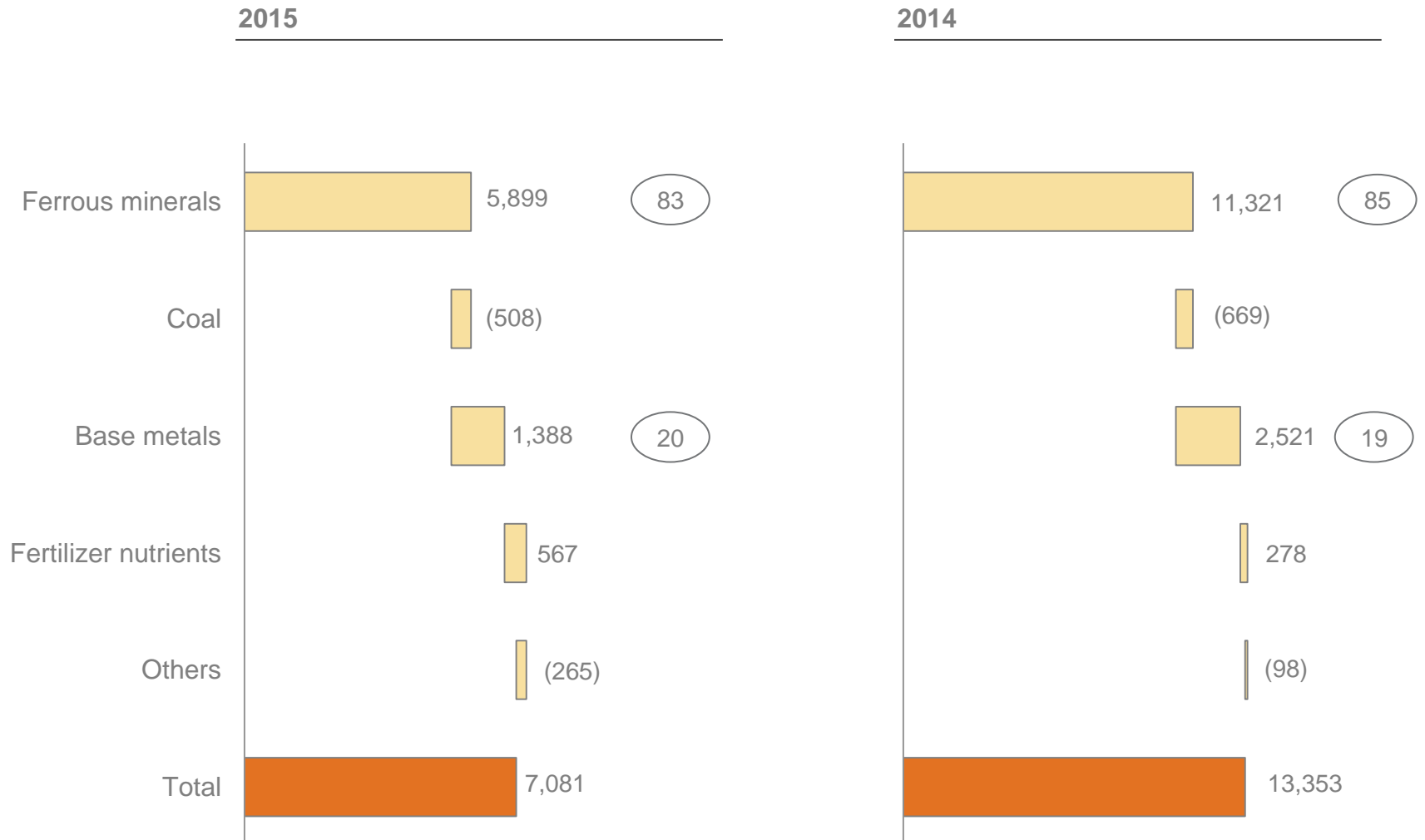


¹ Adjusted EBITDA excludes gains and/or losses on sales of assets and non-recurring expenses and includes dividends received from non-consolidated affiliates

ADJUSTED EBITDA BY BUSINESS SEGMENT

US\$ million

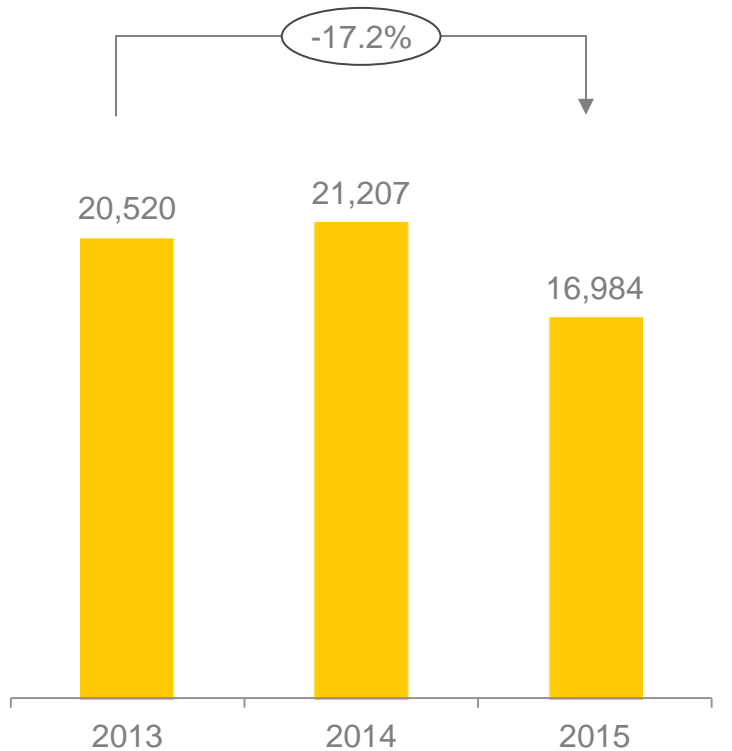
○ Share of Total EBITDA (%)



EVOLUTION OF COSTS AND EXPENSES¹

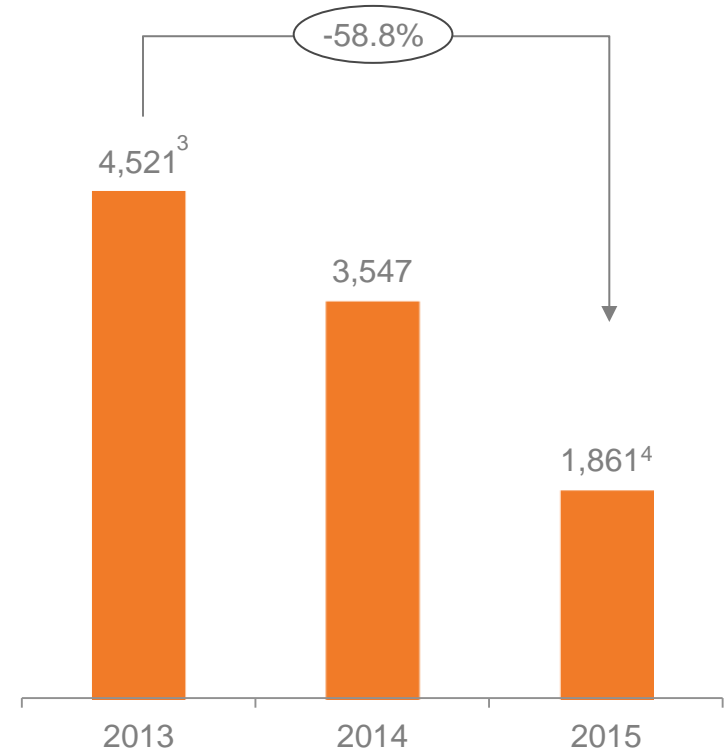
Costs¹

US\$ million



Expenses^{1,2}

US\$ million



¹ Net of depreciation and amortization.

² Includes SG&A, R&D, Pre-operating and stoppage and Other expenses.

³ Favorably impacted by US\$ 244 million due to the one-off effect of the goldstream transaction in 1Q13

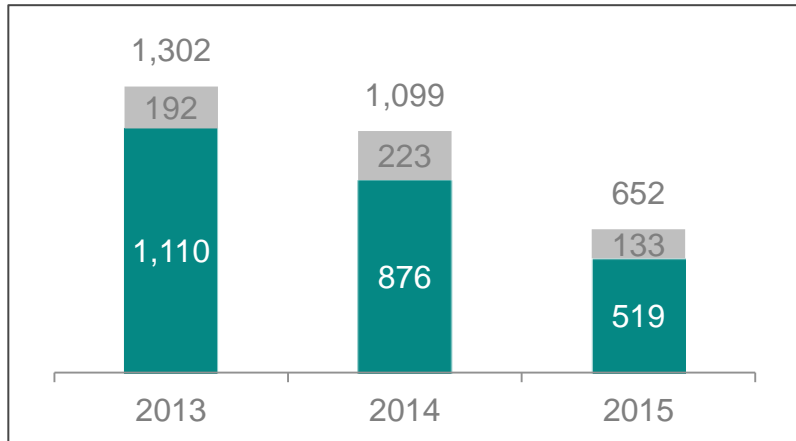
⁴ Favorably impacted by the following one-off effects: US\$ 230 million of the goldstream transaction in 1Q15 and US\$ 331 million of the revision of the asset retirement obligations in 4Q15

EVOLUTION OF EXPENSES

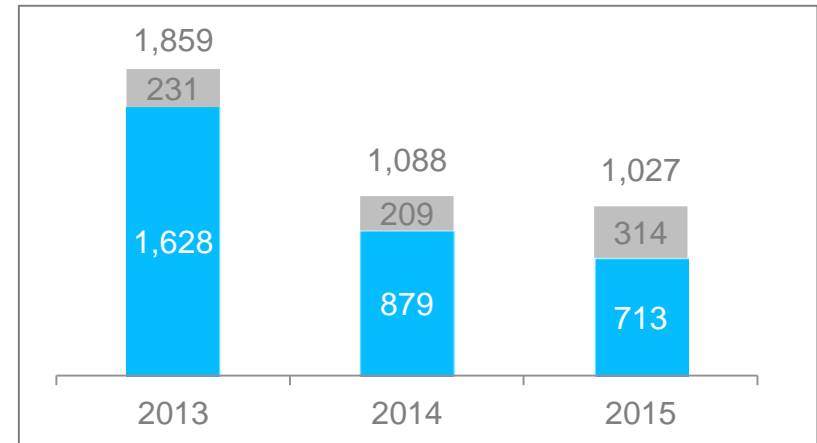
US\$ million

■ Depreciation

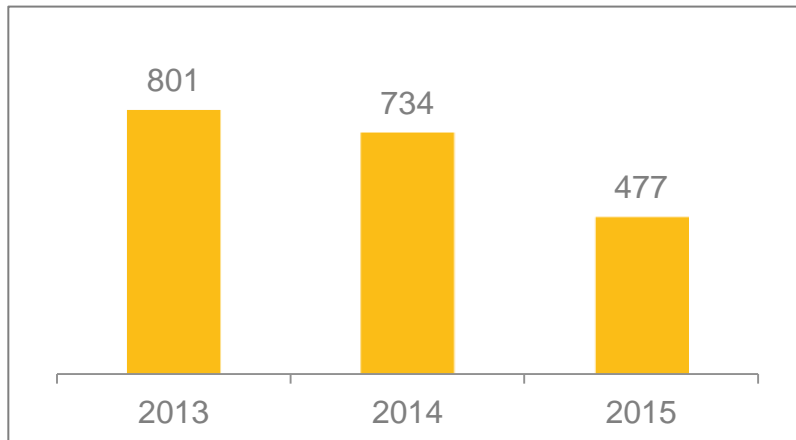
SG&A



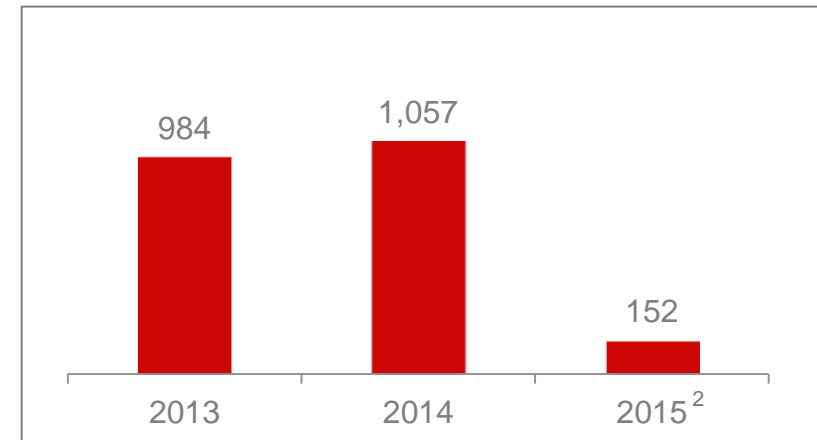
Pre-operating and stoppage expenses



R&D



Other expenses¹



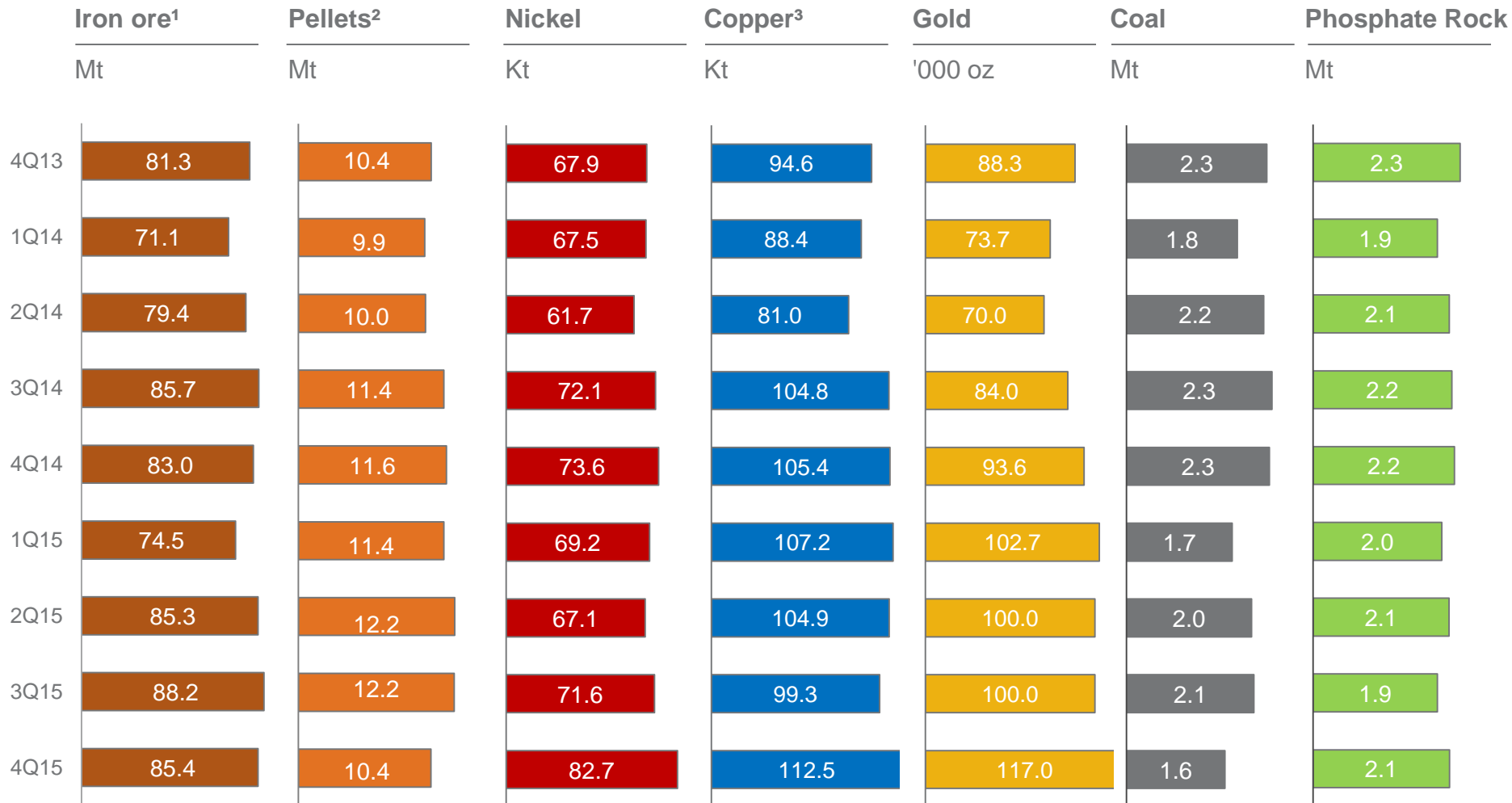
¹ Includes contingencies, provisions, profit sharing

² Favorably impacted by the following one-off effects: US\$ 230 million of the goldstream transaction in 1Q15 and US\$ 331 million of the revision of the asset retirement obligations in 4Q15

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PRODUCTION VOLUMES

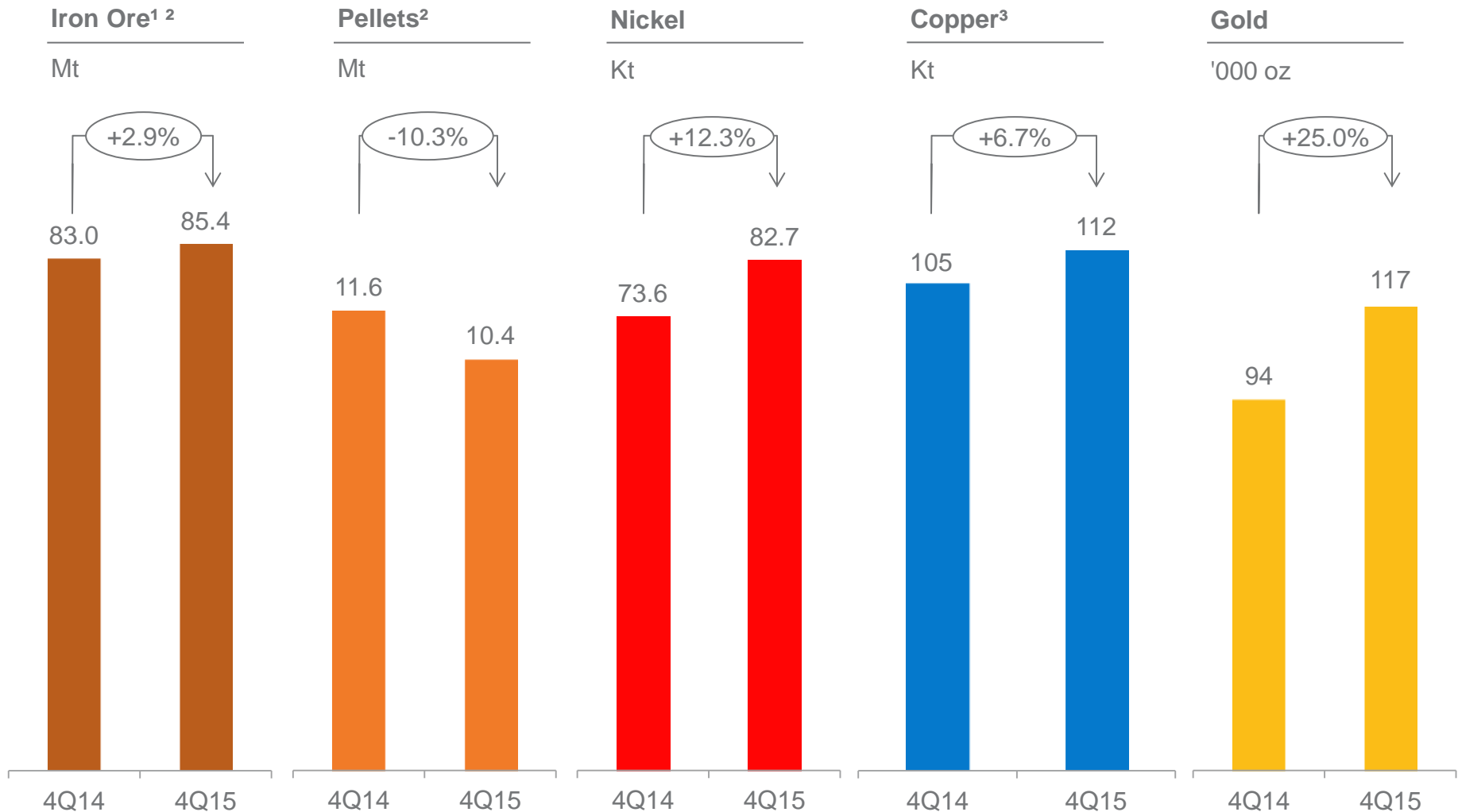


¹ Includes iron ore fines, lump, ROM and iron ore feed for Vale's pellet plants. Excludes Samarco's attributable production and third party purchases.

² Excludes Samarco's attributable production.

³ 4Q13 figures include Tres Valles production 0.8 Kt). Includes Lubambe's attributable production.

PRODUCTION VOLUMES YEAR-ON-YEAR

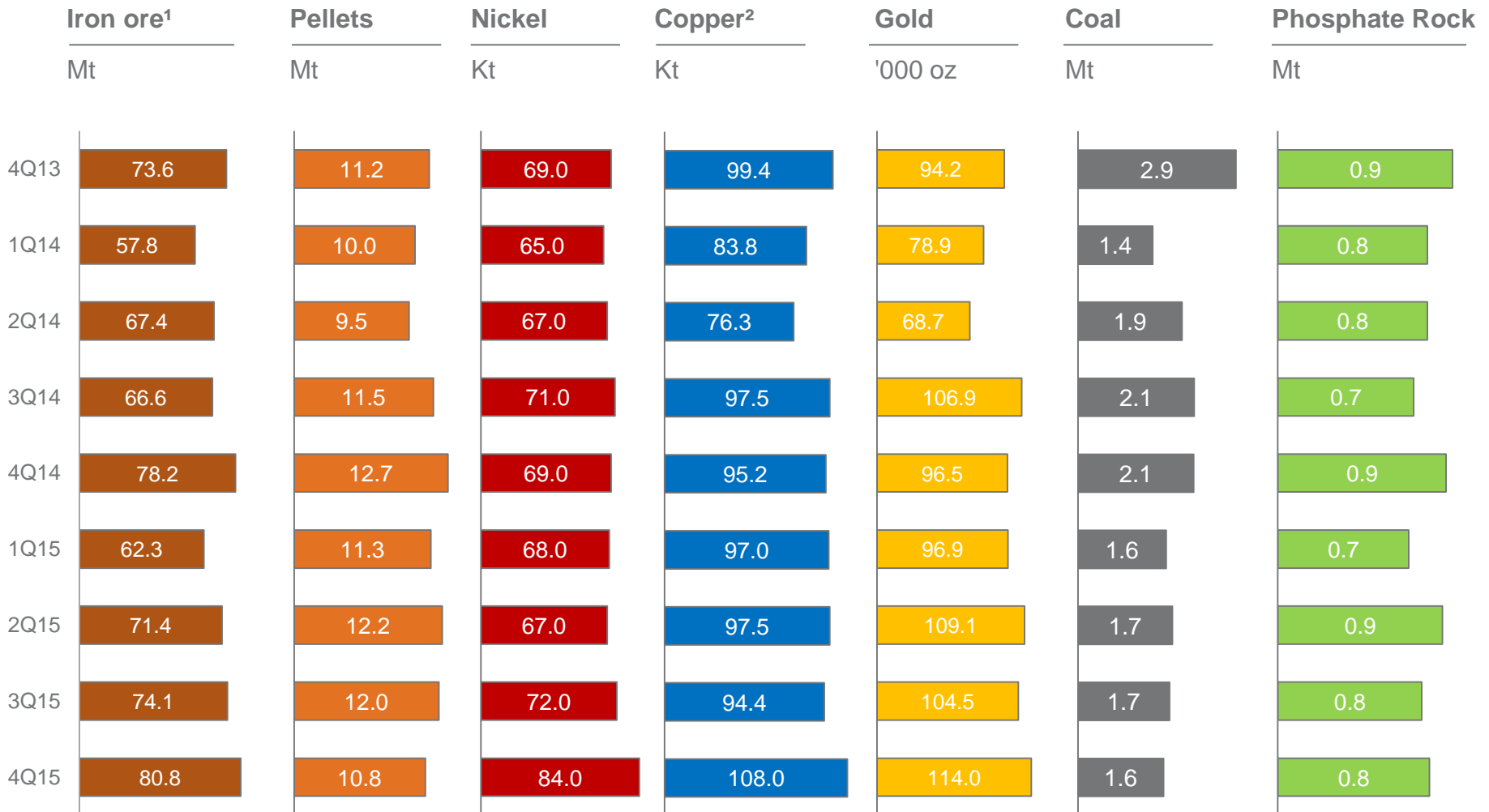


¹ Includes iron ore fines, lump, ROM and iron ore feed for Vale's pellet plants.

² Excludes Samarco's attributable production and third party purchase.

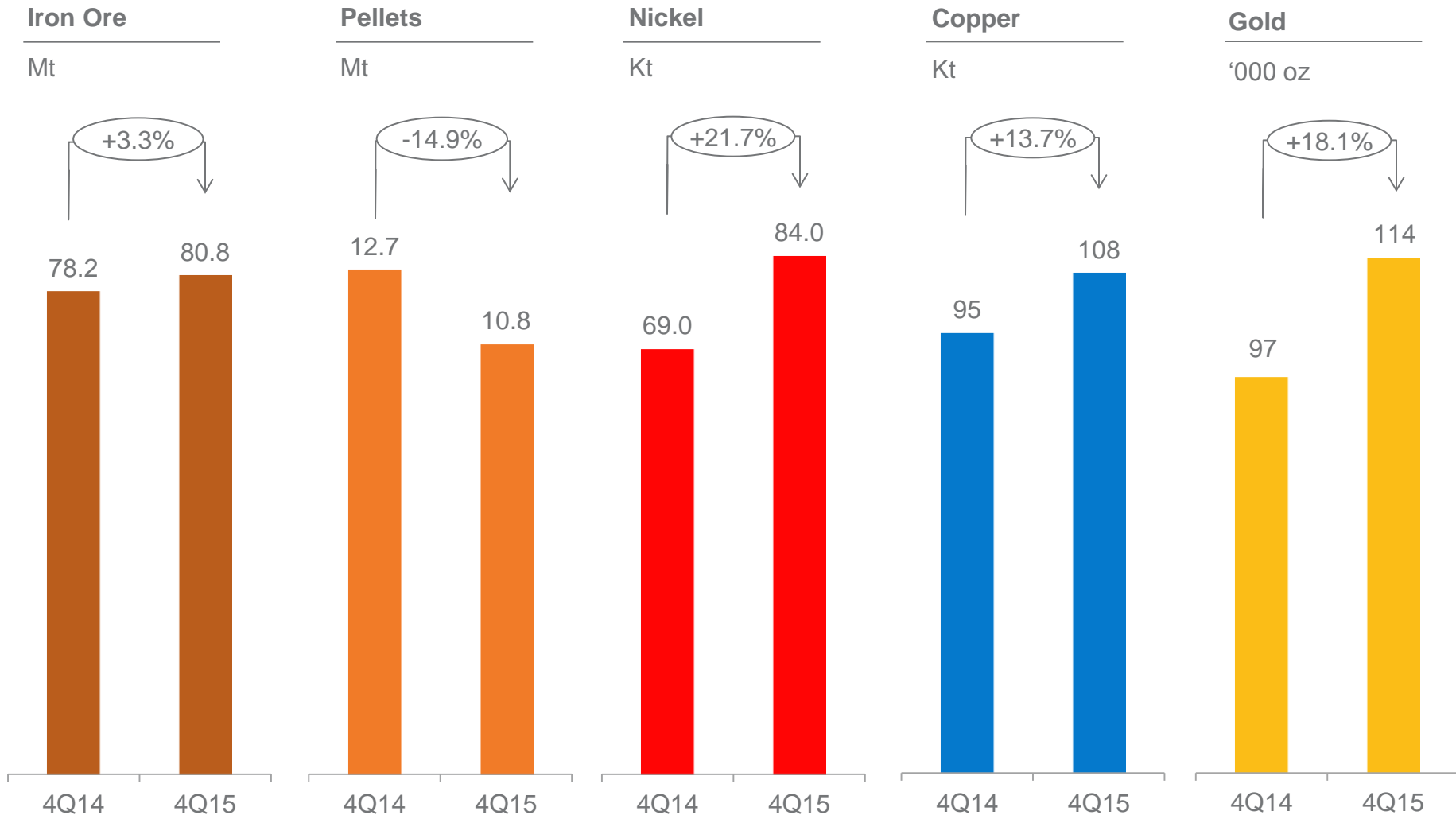
³ Includes Lubambe's attributable production.

SALES VOLUMES



¹ 4Q15 figure includes 79.2 Mt of iron ore ex-ROM and 1.6 Mt of ROM. Excludes Samarco's attributable production.
4Q13 figures include Tres Valles sales volume. Excludes Lubambe's attributable production.

SALES VOLUMES YEAR-ON-YEAR



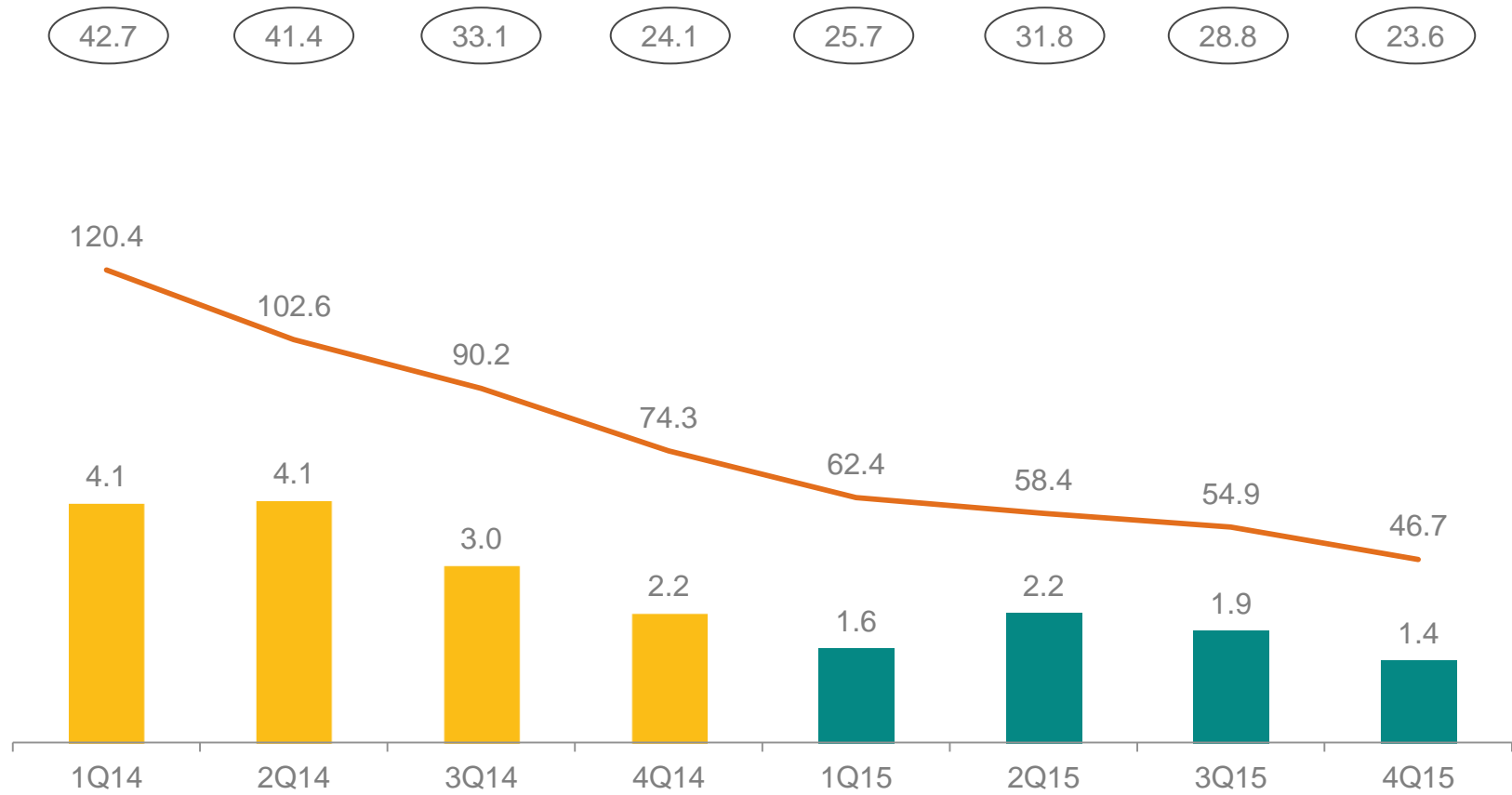
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ADJUSTED EBITDA¹

US\$ billion

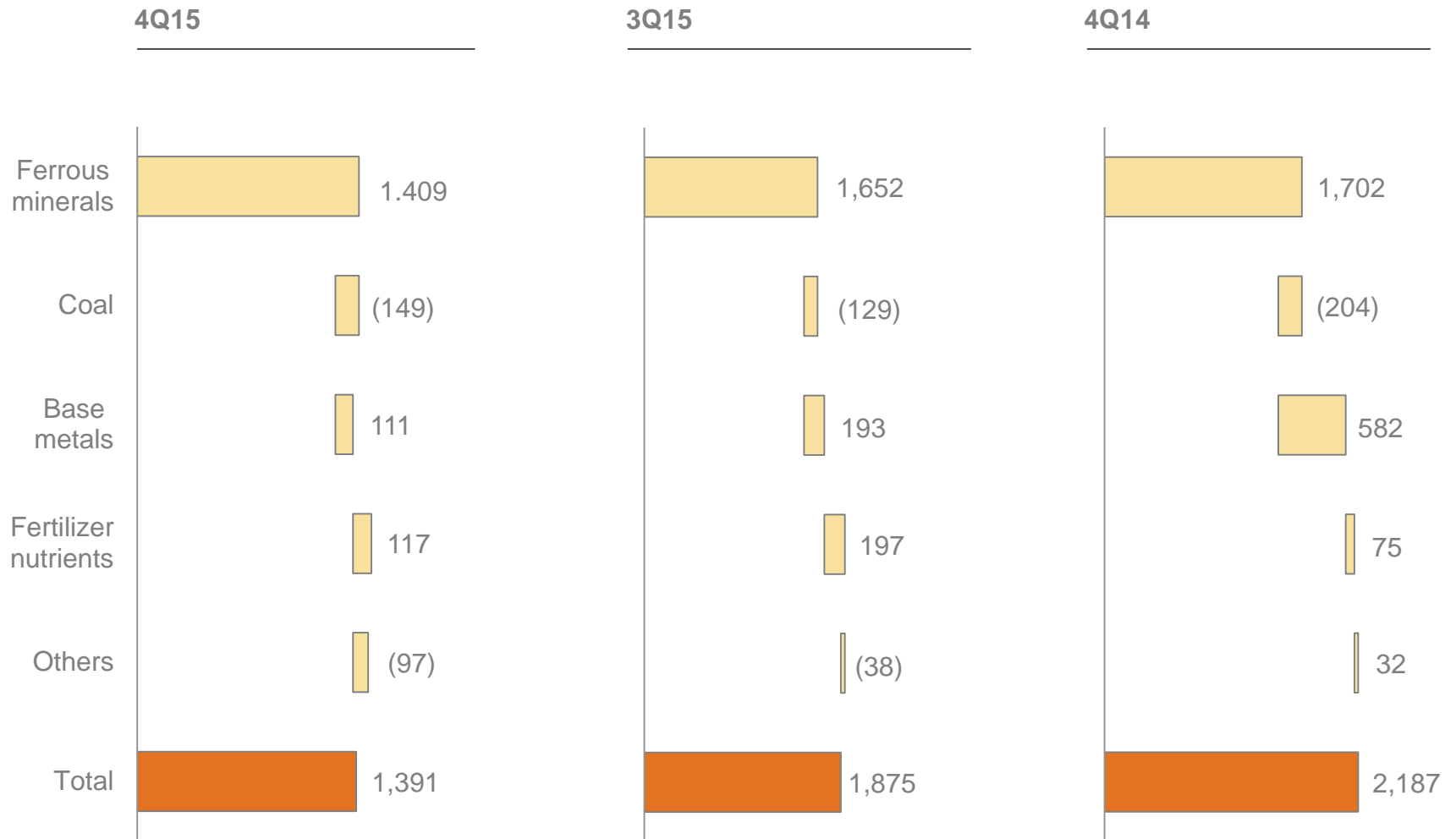
○ Adjusted EBITDA margin (%)
 — Platts IODEX Iron Ore Price Average (US\$/t)



¹ Adjusted EBITDA excludes gains and/or losses on sales of assets and non-recurring expenses and includes dividends received from non-consolidated affiliates


ADJUSTED EBITDA BY BUSINESS SEGMENT¹

US\$ million



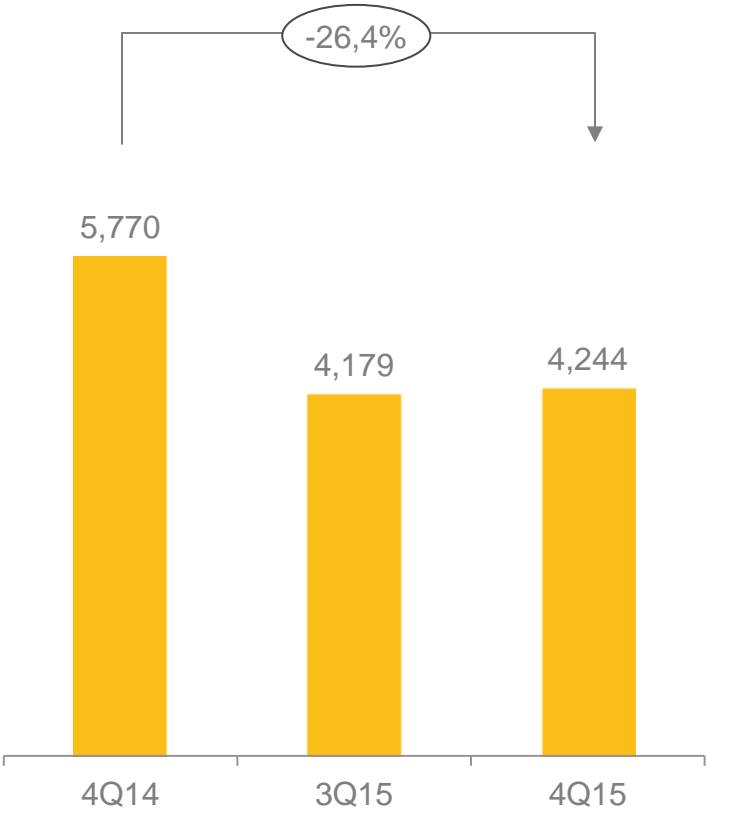
¹ Adjusted EBITDA excludes gains and/or losses on sales of assets and non-recurring expenses and includes dividends received from non-consolidated affiliates

EVOLUTION OF COSTS AND EXPENSES¹

 Adjustment in Asset Retirement Obligations

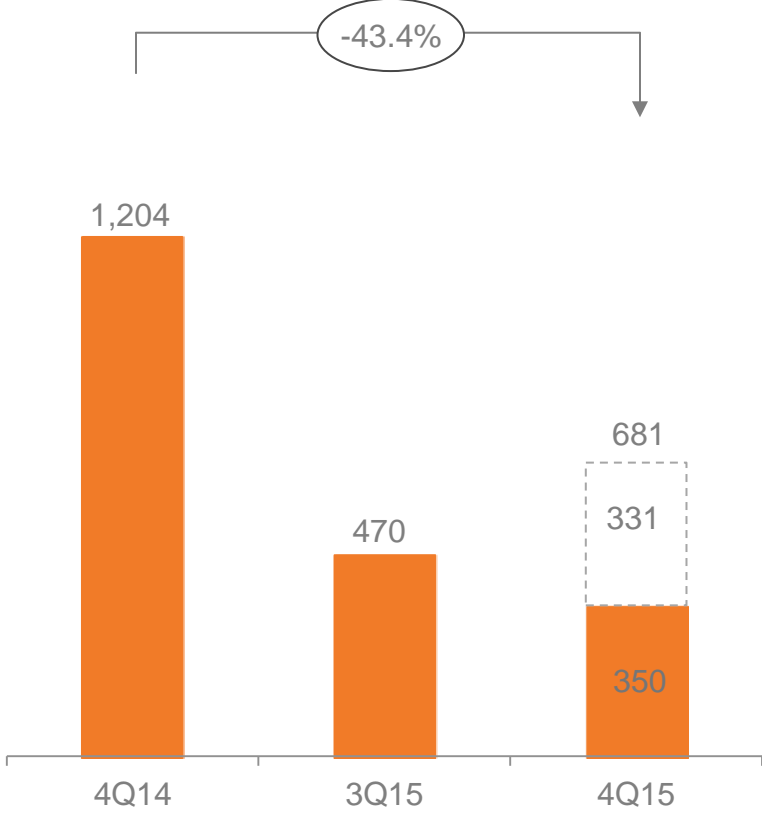
Costs¹

US\$ million



Expenses^{1,2}

US\$ million



¹ Net of depreciation and amortization

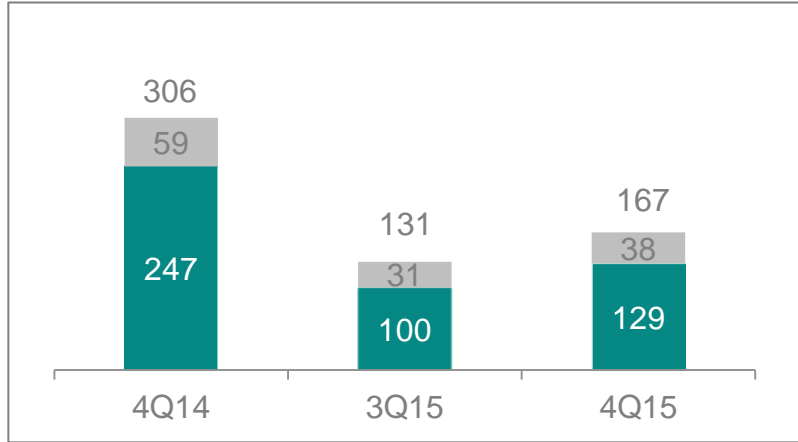
² Includes SG&A, R&D, Pre-operating and stoppage and other expenses. Does not include gain/loss on sale of assets

EVOLUTION OF EXPENSES

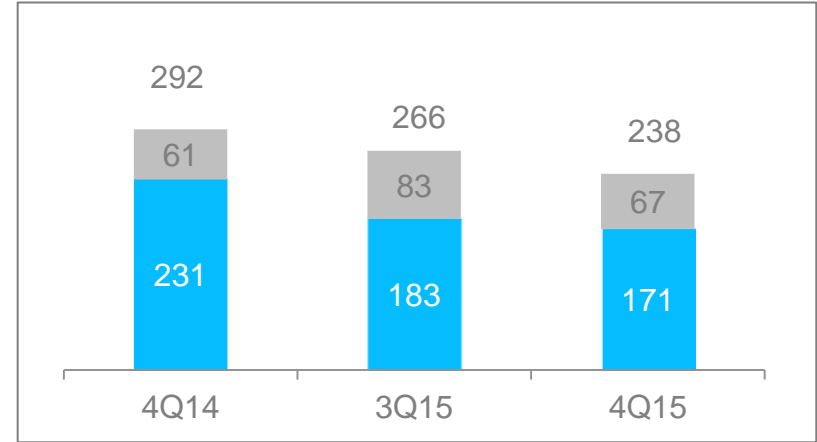
US\$ million

■ Depreciation

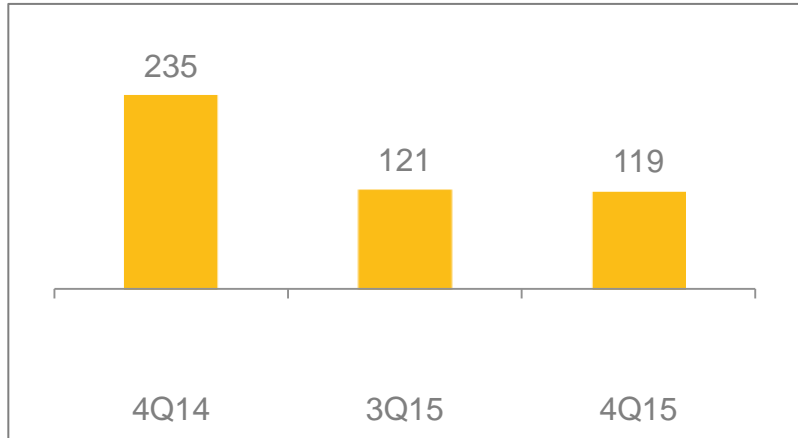
SG&A



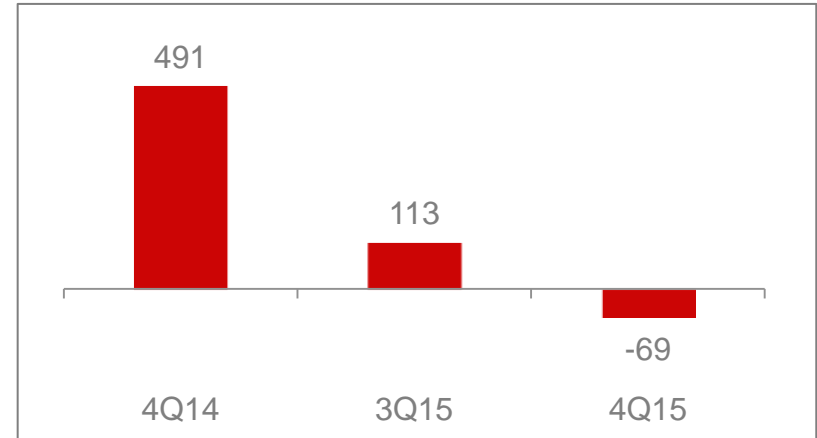
Pre-operating and stoppage expenses



R&D



Other expenses¹

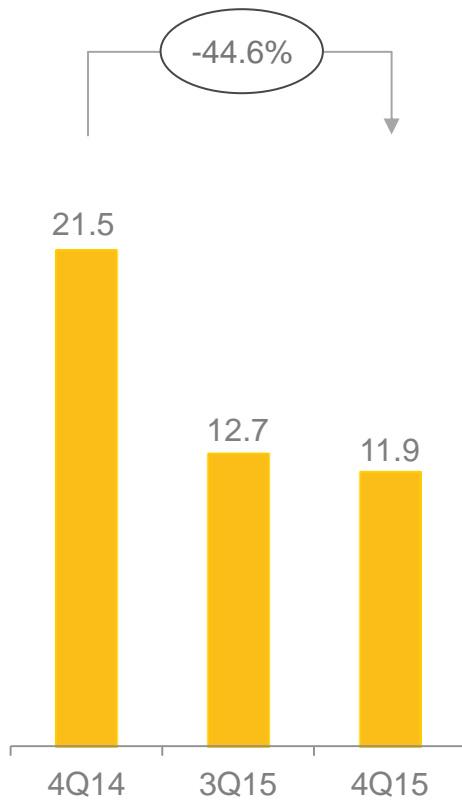


¹ Includes contingencies, provisions, profit sharing.

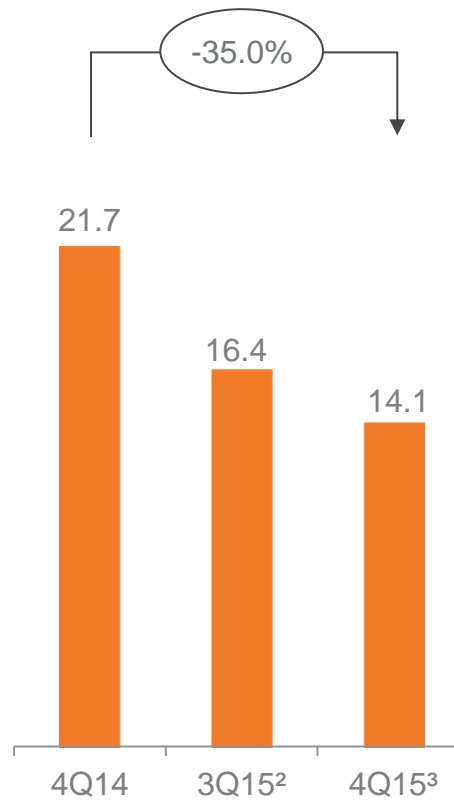
EVOLUTION OF IRON ORE FINES CASH COST, FREIGHT AND EXPENSES

US\$/t

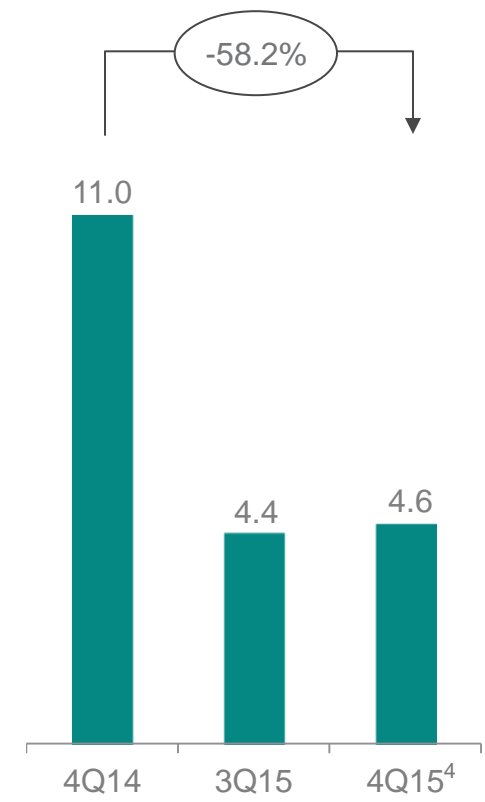
C1 Cash Cost FOB Port¹



Freight



Expenses & Royalties



¹ Ex-ROM. Excludes royalties

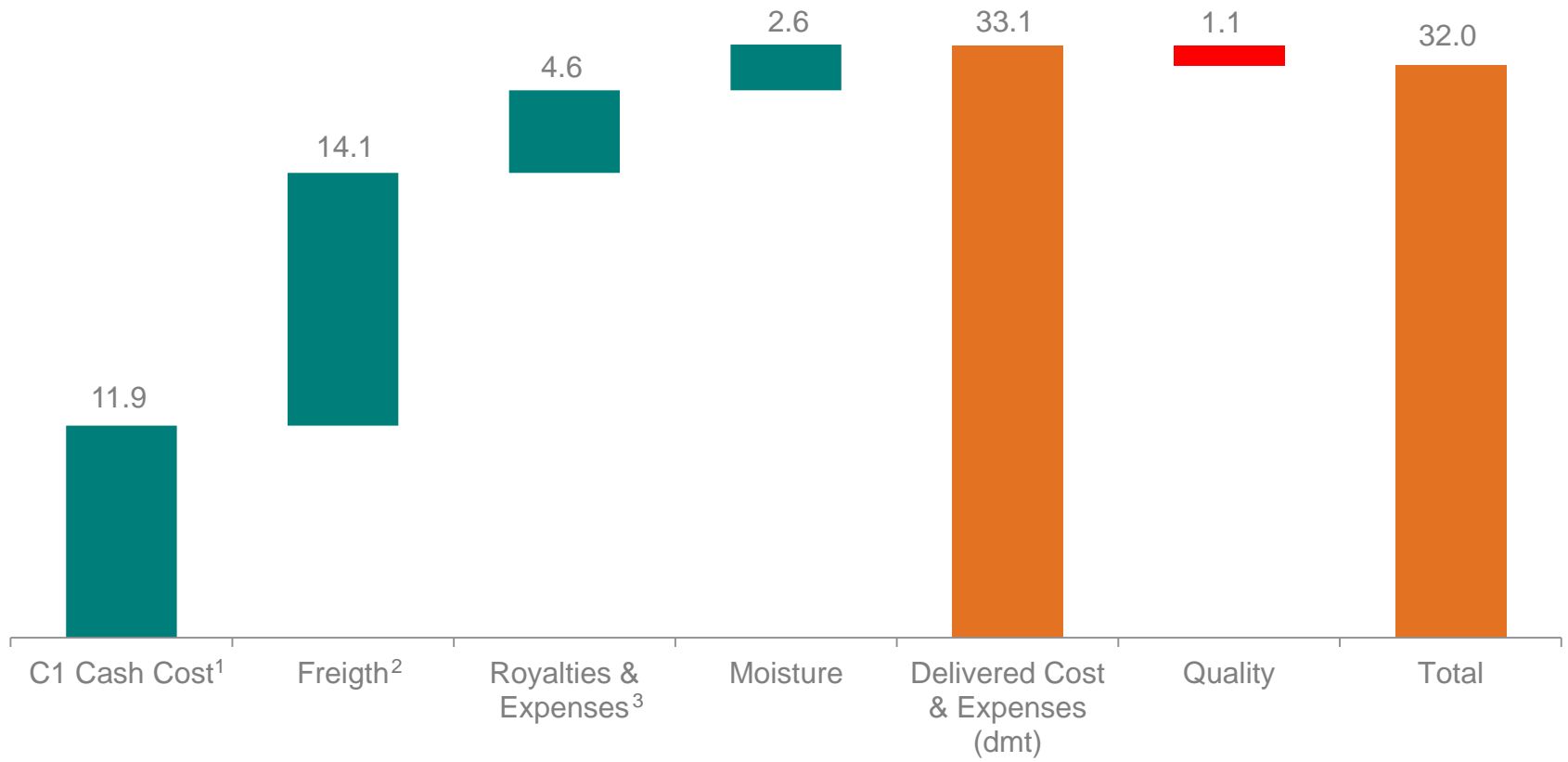
² Excludes US\$ 2.4/t of the bunker oil hedge treated as hedge account

³ Excludes US\$ 2.5/t of the bunker oil hedge treated as hedge account

⁴ Exclude the positive effect of the adjustment in Asset Retirement Obligations (ARO)

COST AND EXPENSES LANDED IN CHINA FOR IRON ORE FINES

US\$/t



¹ Ex-ROM.

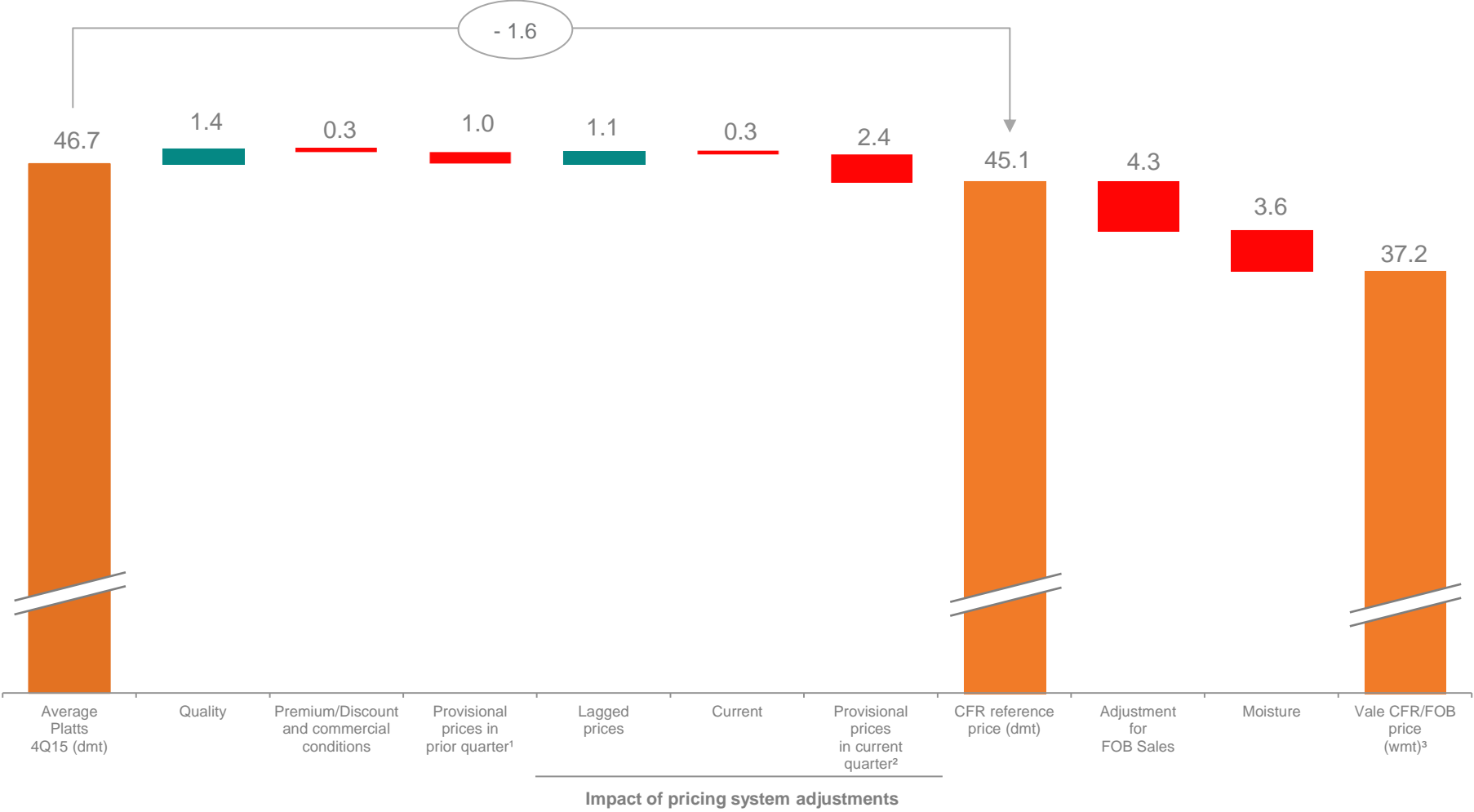
² Excludes US\$ 2.5/t of the bunker oil hedge treated as hedge account

³ Exclude the positive effect of the adjustment in Asset Retirement Obligations (ARO)

PRICE REALIZATION – IRON ORE

US\$/t, 4Q15

○ US\$/t



¹ Adjustment as a result of provisional prices booked in 3Q15 at US\$/t 51.5.

² Weighted average difference between prices provisionally set at the end of 4Q15 at US\$/t 41,0 based on *forward curves* and US\$/t 46,7 from the 3Q15 IODEX.

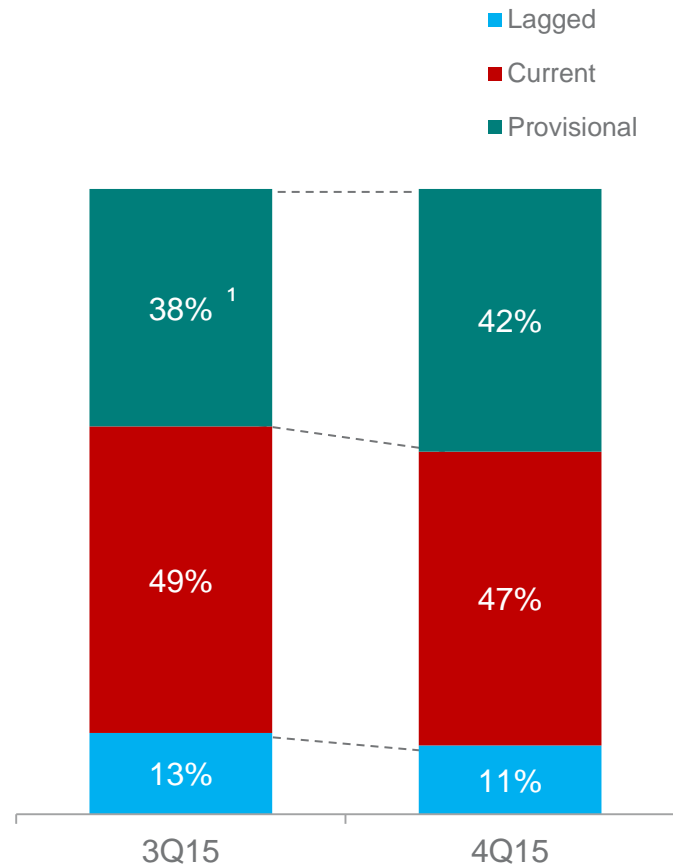
³ Vale price is net of taxes.



IRON ORE PRICING SYSTEMS

Pricing System Breakdown

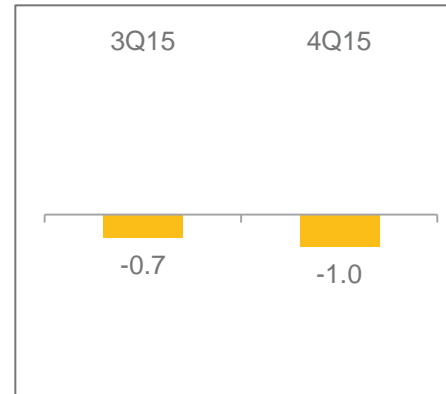
%



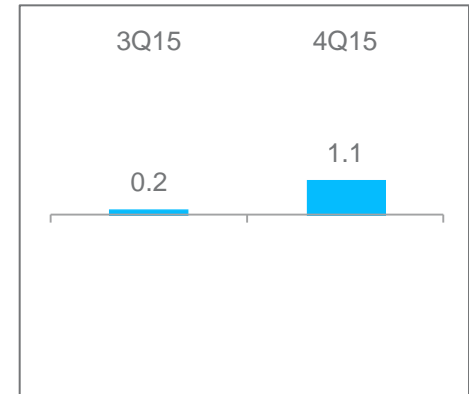
Impact of Pricing Mechanisms

US\$ / t

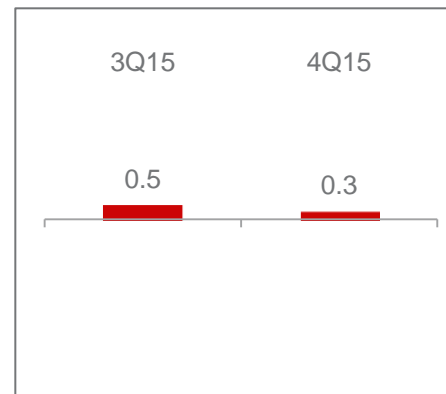
Provisional - prior quarter



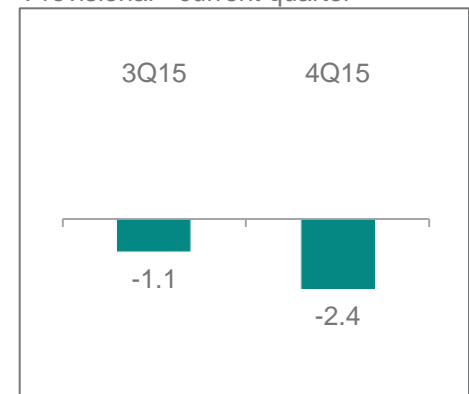
Lagged



Current



Provisional - current quarter



¹ Provisional prices were settled at US\$ 51.5 /t at the end of 3Q15.

DOCUMENT CONTENT

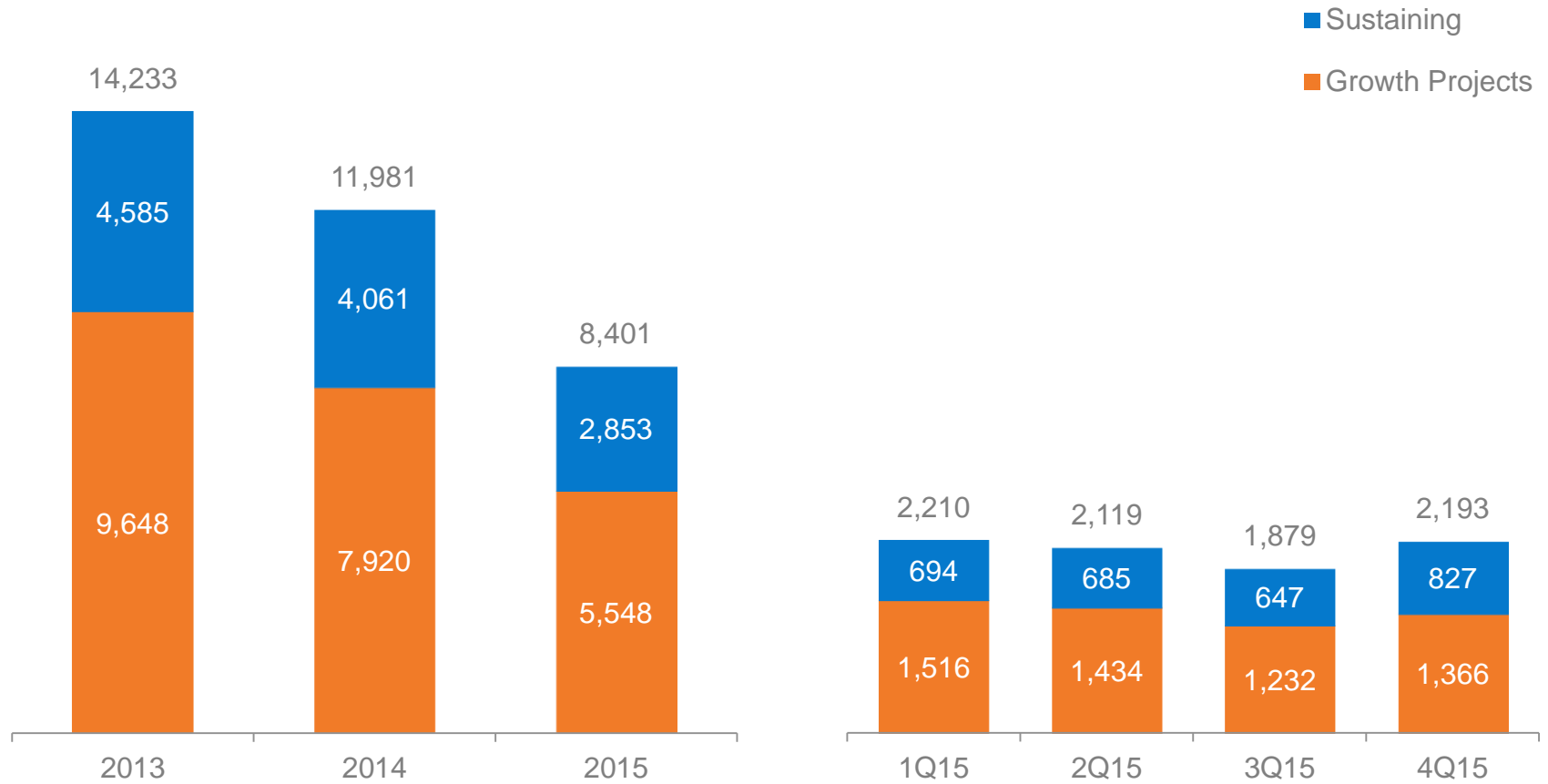
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EVOLUTION OF CAPITAL EXPENDITURES

US\$ billion

Annual evolution

Quarterly evolution



PROJECT PROGRESS INDICATORS

4Q15

Project	Capacity Mtpy	Estimated start-up	Executed capex US\$ million		Estimated capex US\$ million		Physical progress
			2015	Total	2016	Total	
Carajás Serra Sul S11D	90	2H16	1,163	4,655	921	6,405 ³	80%
CLN S11D	230 (80) ²	1H14 to 2H18	1,814	4,467	1,372	7,850 ⁴	57%
CSP¹	1.5	1H16	-	1,055	188	1,224 ⁵	97%
Moatize II	11	1H16	558	1,942	105	2,068 ⁶	99%

¹ - Relative to Vale's stake in the project.

² - Net additional capacity.

³ - Original Capex budget of US\$ 8.089 billion.

⁴ - Original Capex budget of US\$ 11.582 billion.

⁵ - Original Capex of US\$2.734 billion; Out of the original Capex – US\$ 1.491 billion financed directly by the CSP project.

⁶ - Original Capex of US\$ 2.068 billion plus US\$ 0.45 billion of rolling stock.

DOCUMENT CONTENT

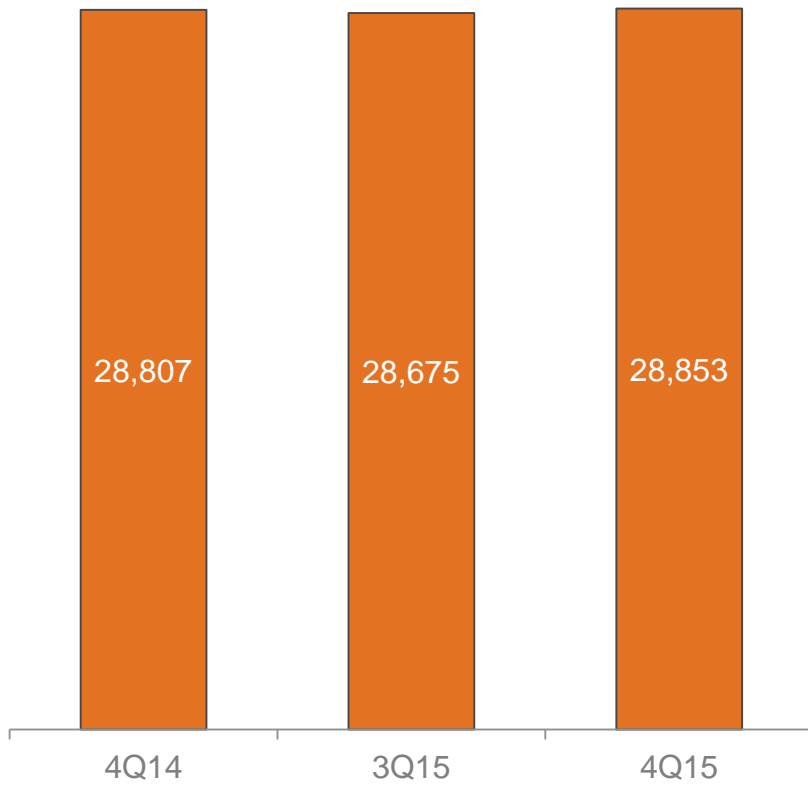
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DEBT POSITION

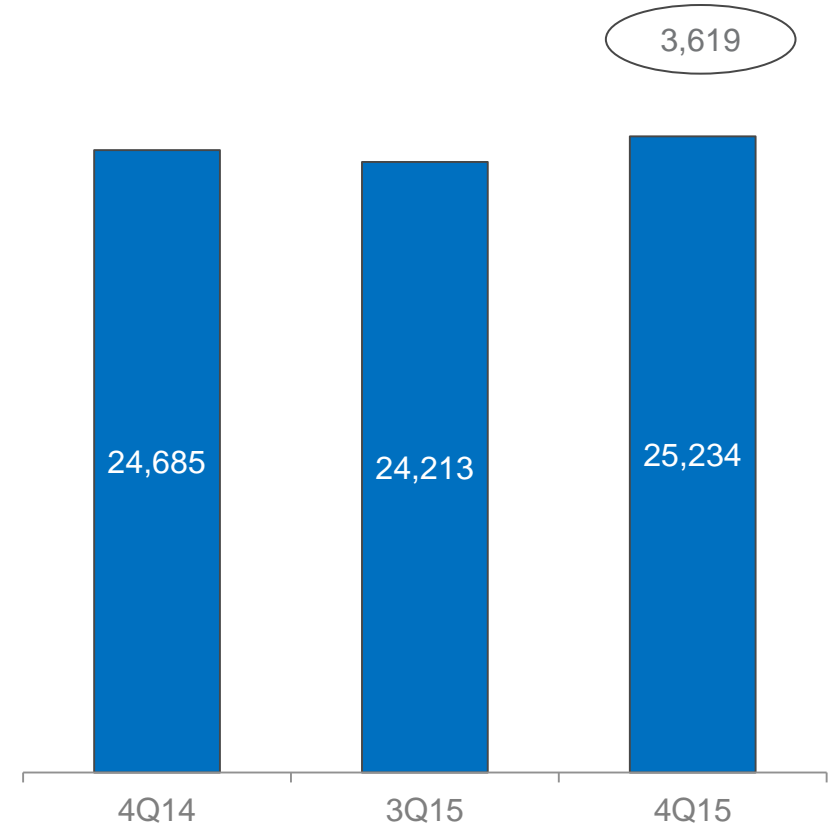
US\$ million

○ Cash position
December 31, 2015

Gross Debt

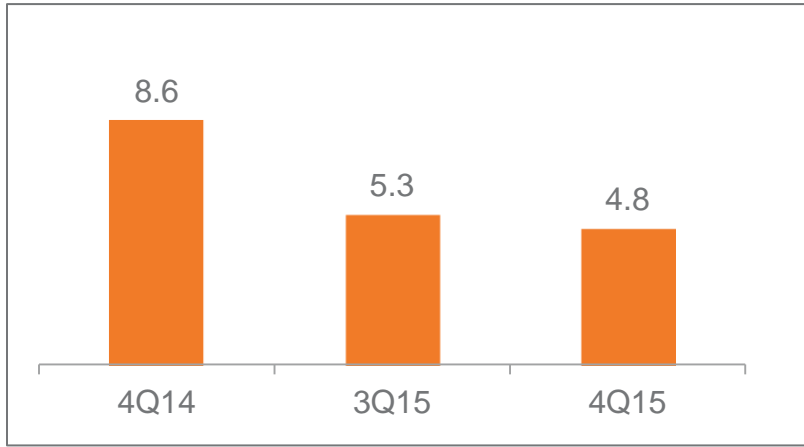


Net Debt

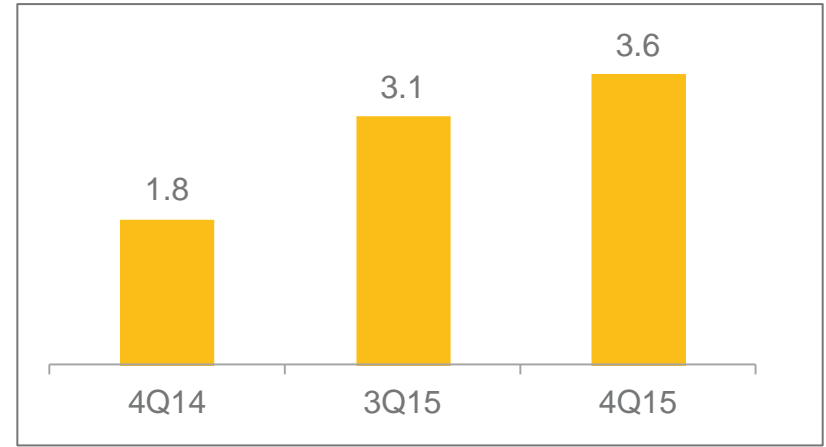


FINANCIAL INDICATORS¹

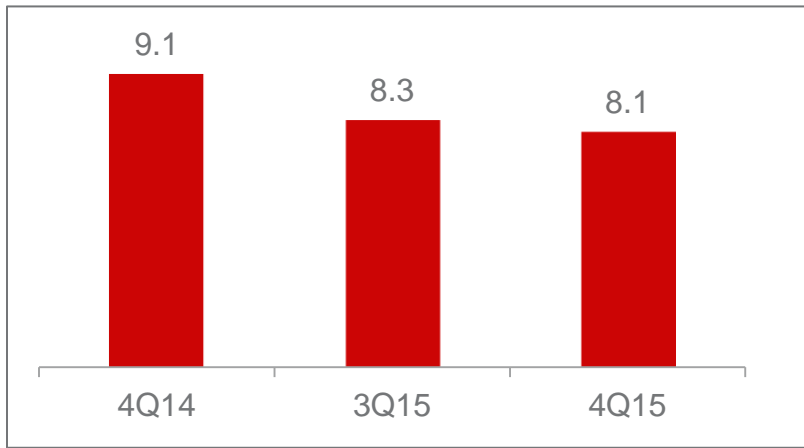
Interest coverage - Ratio



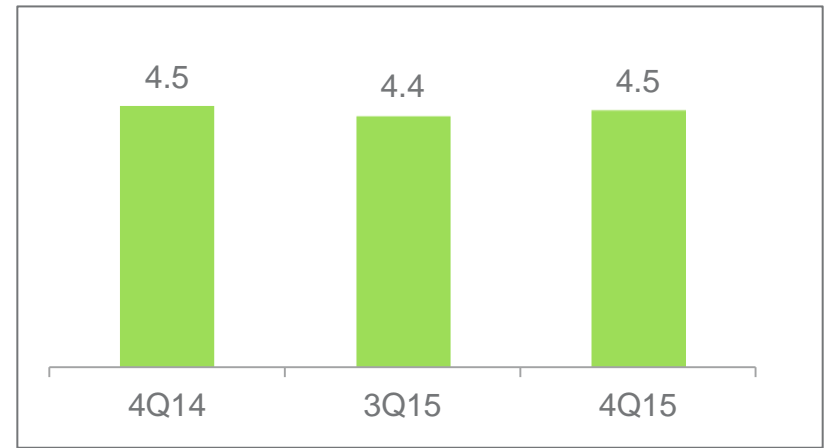
Net Debt / LTM² EBITDA - Ratio



Maturity - years



Cost of Debt - %



¹ Ex-Refis

² LTM – last twelve months. Excluding non-recurring items.

