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Analyst & Investor Tour 2014

Itabira, August 6th 2014

DISCLAIMER

“This presentation may include statements that present Vale's expectations about future events or results. All statements, when based upon expectations about the future and not on historical facts, involve various risks and uncertainties. Vale cannot guarantee that such statements will prove correct. These risks and uncertainties include factors related to the following: (a) the countries where we operate, especially Brazil and Canada; (b) the global economy; (c) the capital markets; (d) the mining and metals prices and their dependence on global industrial production, which is cyclical by nature; and (e) global competition in the markets in which Vale operates. To obtain further information on factors that may lead to results different from those forecast by Vale, please consult the reports Vale files with the U.S. Securities and Exchange Commission (SEC), the Brazilian Comissão de Valores Mobiliários (CVM), the French Autorité des Marchés Financiers (AMF) and The Stock Exchange of Hong Kong Limited, and in particular the factors discussed under “Forward-Looking Statements” and “Risk Factors” in Vale’s annual report on Form 20-F.”

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Investor Tour – Strategic Overview

José Carlos Martins

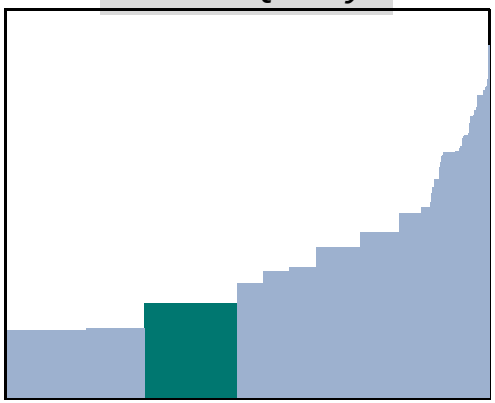
Analyst & Investor
Tour 2014

VALE'S STRATEGY IN IRON ORE

Extended Enterprise

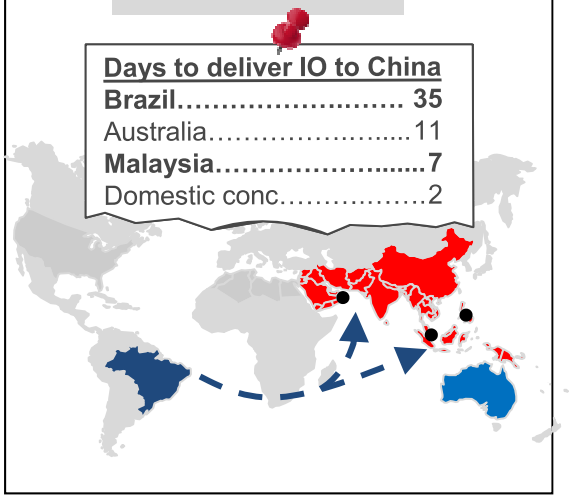
Production

Cost & Quality



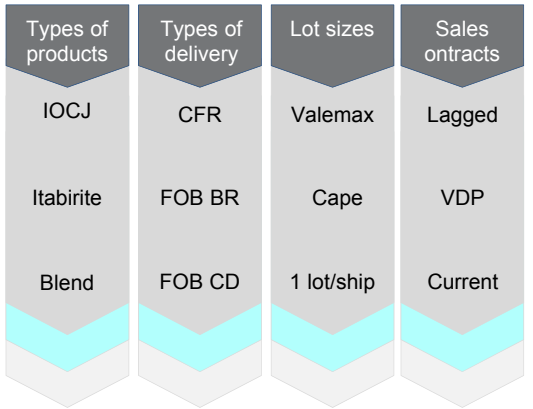
Distribution

Time to Market



Commercialization

Tailor to Market



Example of initiatives

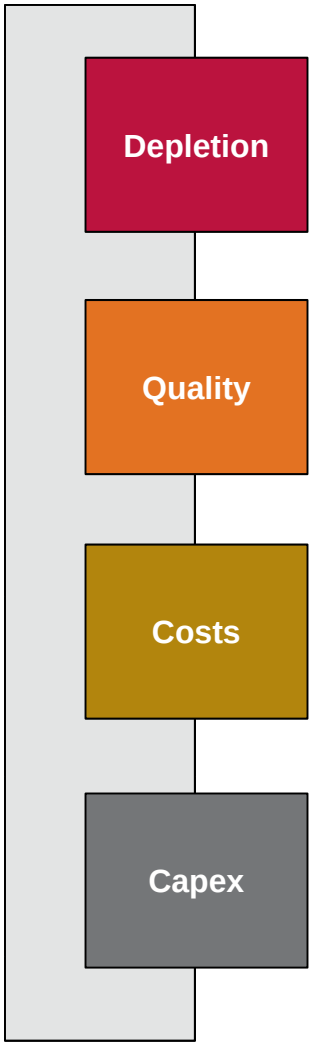
- Itabiritos projects
- Pico Fábrica
- S11D
- Serra Leste

- Malaysia DC
- Valemax berth adaptation
- FTS
- DC's China

- Green ore
- Single product (TUB)
- Blended products

Fonte: Análise Estratégia, WEO-EIA 2013, China Daily USA, Forbes, The Wall Street Journal, Siemens

COMMON MISUNDERSTANDINGS ON THE ITABIRITOS PROJECT



Common misunderstandings	Facts
• Vale's depletion in the Southern and Southeastern systems is severe	• Vale's resources in the Southern and Southeastern systems are of over 60Bt and can be processed for many decades once the selected plants are upgraded
• Products from the Southern and Southeastern systems are of lower quality	• Products from the new Itabirites plants will be best in class for both the Southern and Southearstern systems with Fe higher than 65% and low contaminants
• Production out of the new Itabiritos plants will be higher costs due to the additional processing	• Costs will not increase since additional beneficiation will be off-set by lower mining costs a result of lower strip ratios, reduced transportations distances and beneficiation of ore previously treated as waste • Quality premiums will cover any additional costs
• Vale's capital intensity will will be very high with the Itabiritos project	• Investments in the Itabirites projects are "one-off events" per processing plant on as needed basis • Capex for the complete and ongoing Itabiritos projects range from US$60-100/t, being on the lower limit for the brownfield ones

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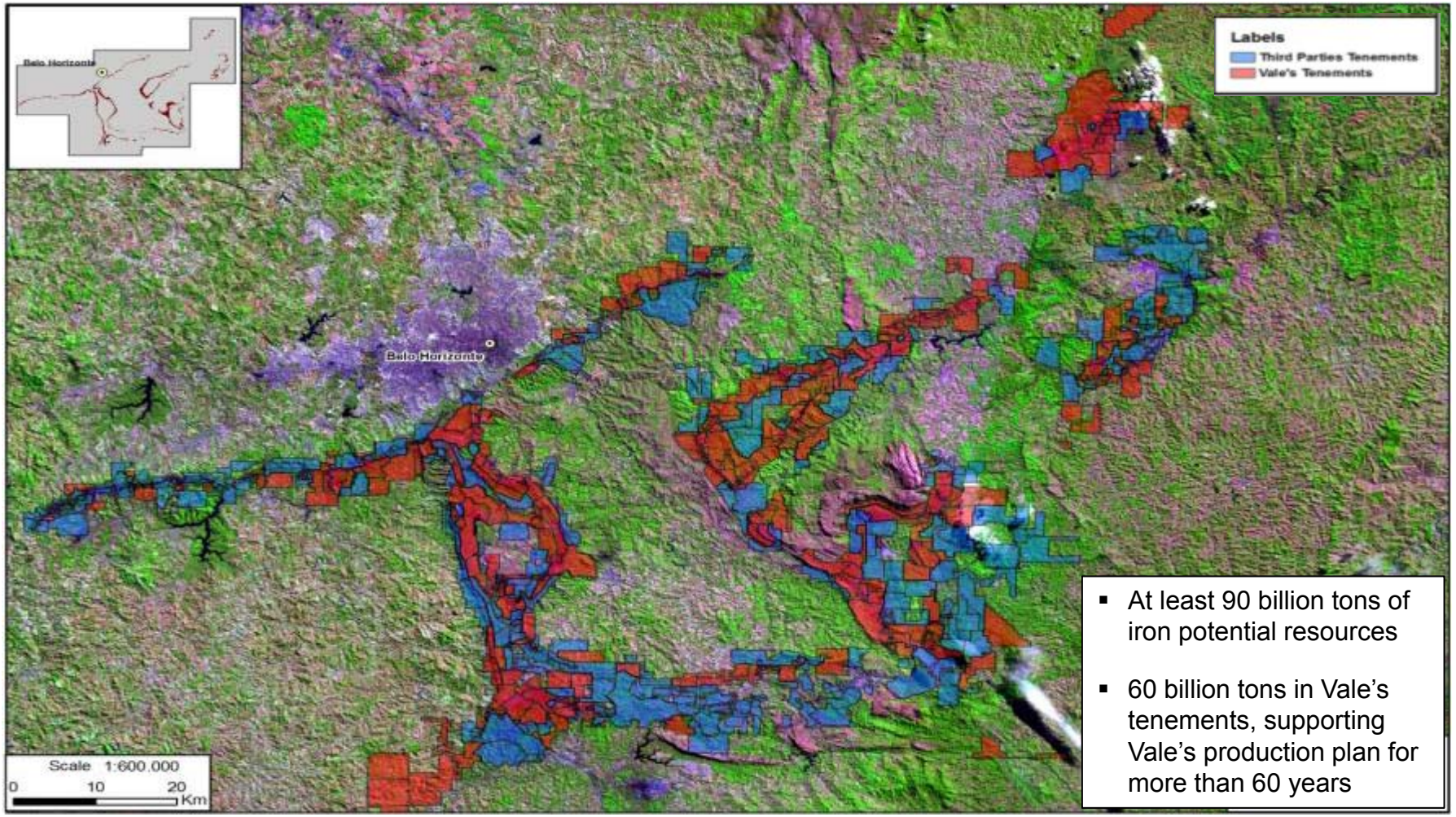
VALE'S IRON ORE RESOURCES IN THE IRON ORE QUADRANGLE



- At least 90 billion tons of iron potential resources
- 60 billion tons in Vale's tenements, supporting Vale's production plan for more than 60 years

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VALE'S CURRENT SALES MIX AND EVOLUTION OF QUALITY

Current Situation

- Vale sells lower margin products (e.g. ROM, high silica etc.), leveraging its existing logistics infra-structure
- The Itabiritos projects will contribute to reduce the sales of these lower margin products and improve product quality

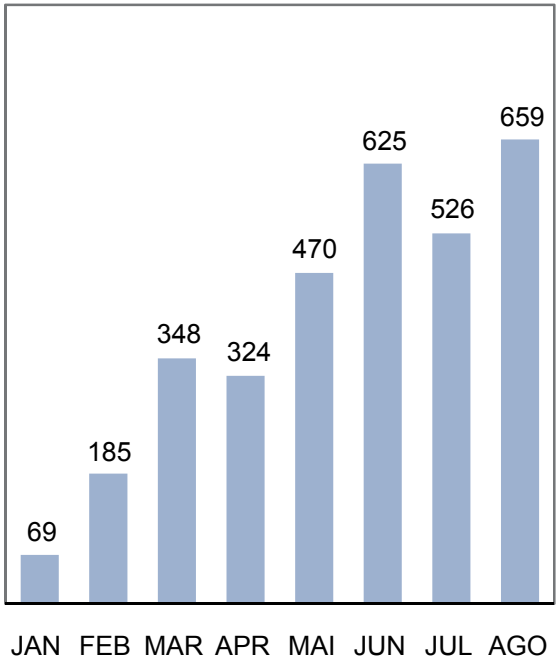
Evolution of product quality

	2014	2018
Production[1] (Mt)	321	453
Fe	63.9	64.9
$SiO_2 + Al_2O_3$	5.8	4.1
P	0.055	0.050
Share of Production (SiO_2 > 5%)	60%	0%

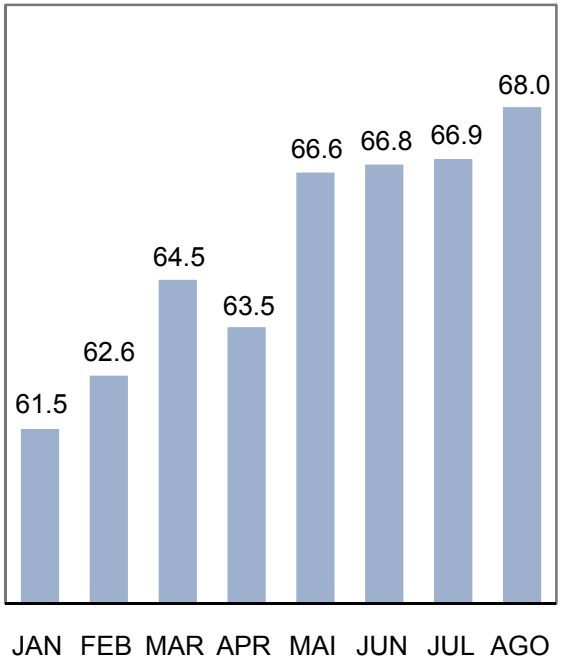
[1] Includes sales of third parties iron ore

CONCEIÇÃO ITABIRITOS 2014 PERFORMANCE

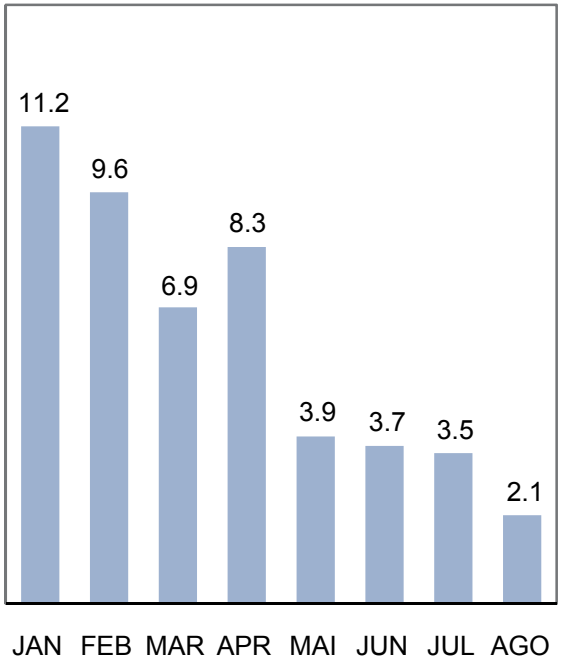
Production (Kt)



Fe content (%)



SiO2 content (%)



OVERALL BENEFITS OF THE ITABIRITOS PROJECTS

Costs

- Stable costs as mining costs decrease with lower strip ratios and short transportation distances while processing costs increase marginally due to lower mass recovery and additional beneficiation phases

Logistics Infrastructure

- Full utilization of the logistic infra-structure already in place

Resources

- Improved life of mine in the southern and southeastern systems with additional 60 years of production

Use of sterile piles

- Flexibility to use a range of ores, including ore previously treated as waste

Productive Capacity

- Production capacity increased such as in:
  - Itabira Complex from 33Mt in 2014 to 55Mt in 2018
  - Vargem Grande Complex from 24Mt in 2014 to 33Mt in 2018

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Iron ore – From Hematite to Itabirite

Lucio Cavalli

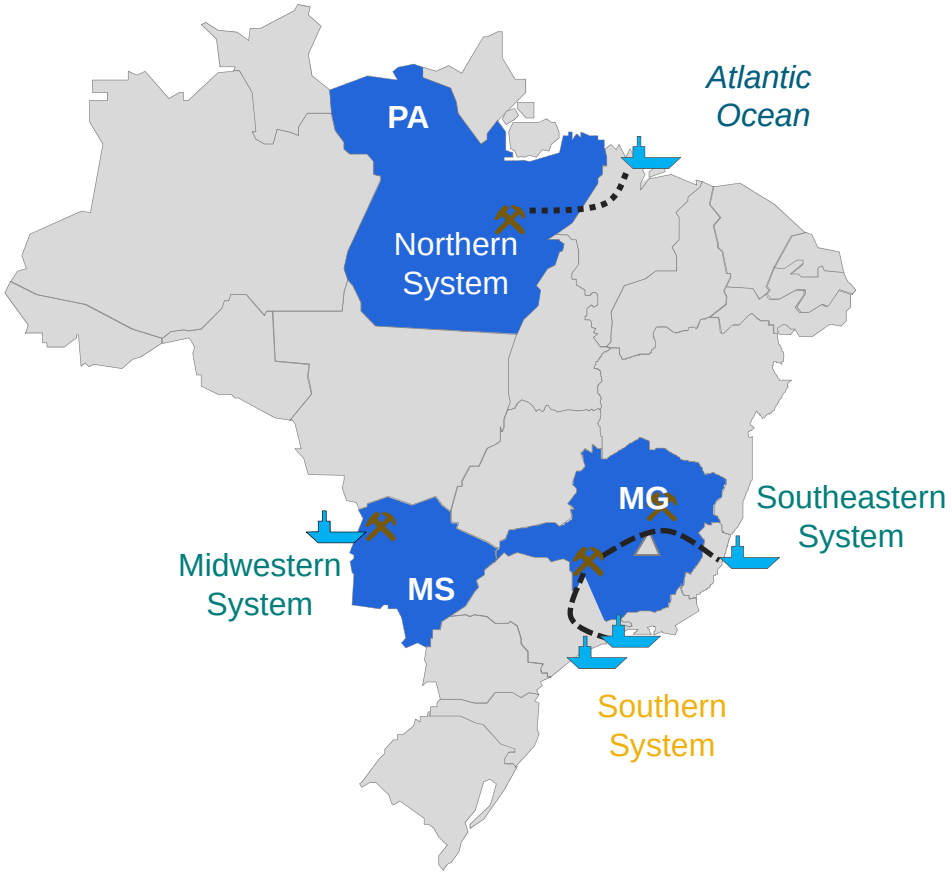
Analyst & Investor
Tour 2014

1. Systems Overview
2. Evolution – From Hematite to Itabirite
3. Production Plan – Example of Itabira
4. Extension of Itabira in the Future

Agen

Systems Overview

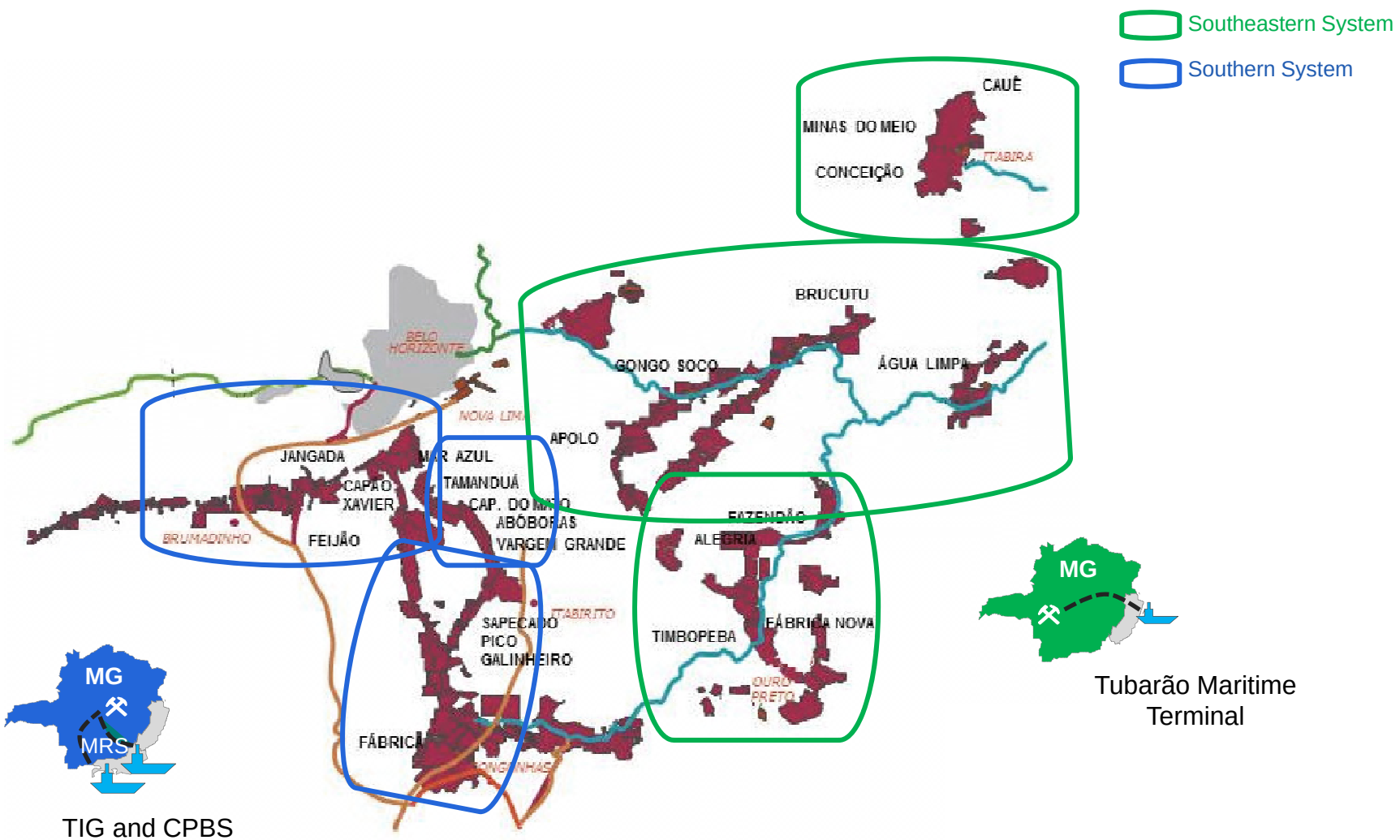
VALE'S IRON ORE IN KEY FIGURES



- Four integrated iron ore production systems in Brazil, comprising of mines, railway and port facilities.
  - 22 iron ore mines currently form Vale's production systems[1]
  - Production of 300 Mt[2] in 2013
  - 11 pelletizing plants[3] with production of 39 Mt in 2013
- Southeastern system composed of the EFVM railway and the Tubarao port
- Southern system composed of the MRS railway and both TIG and CPBS ports

[1] Excluding manganese mines
[2] Excluding Samarco
[3] Excluding Samarco, Annyang and Zhuhai

VALE'S SOUTH SYSTEM AND SOUTHEASTERN SYSTEM

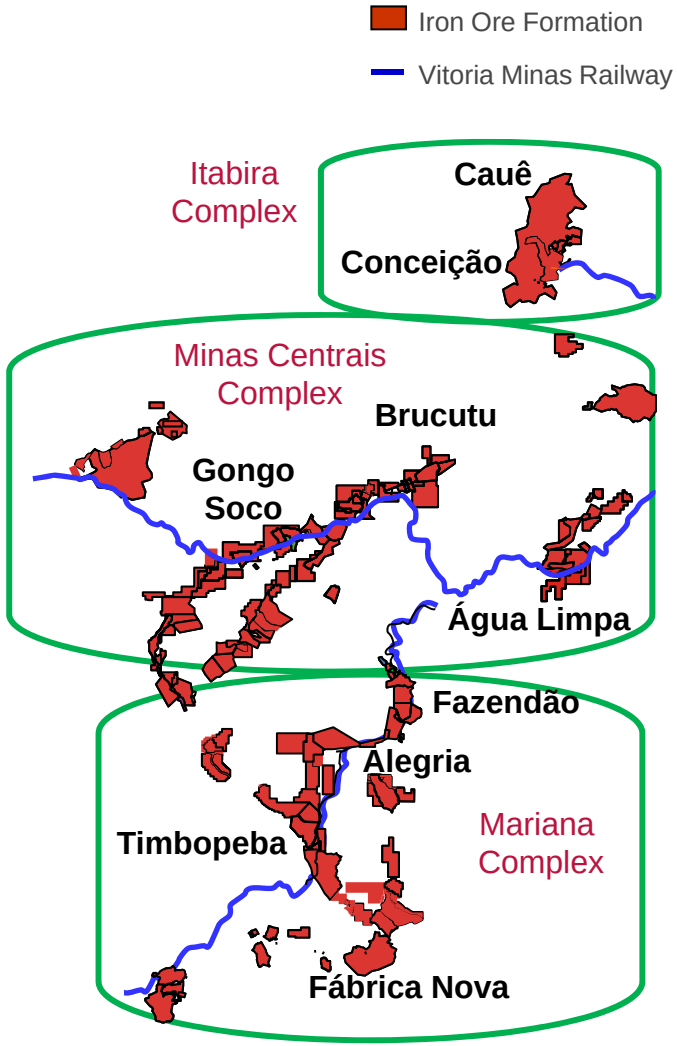


TIG and CPBS maritime terminals

Tubarão Maritime Terminal

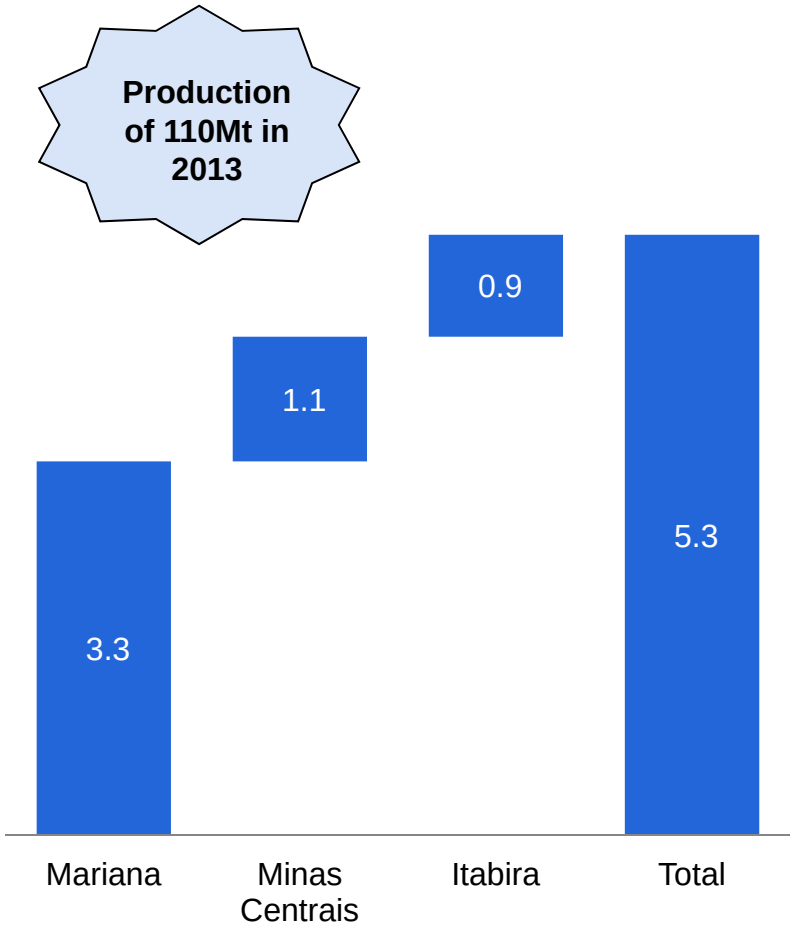
VALE'S SOUTHEASTERN SYSTEM – RESERVES AND PRODUCTION

Production complexes



Reserves[1]

Bt



[1] Ex-Samarco

Fonte : 20-F

SOUTHEASTERN SYSTEM – EFVM RAILWAY AND TUBARÃO PORT

Vitória-Minas Railway (EFVM)

- Extension of 905 km[1]
- Transportation of 40% of all railway cargoes in Brazil, carrying 60 products other than iron ore

Tubarão Port

- 18 km² with 3 terminals
  - Iron ore
  - Praia Mole (mainly coal)
  - Other products (General cargo)
- Iron Ore terminal with 20 meters draft, stockyard capacity of 3.4 Mt and 2 piers[2]

[1] 601 km of double track and 304 km of single track

[2] Pier I: 2 vessels at a time (170,000 DWT on the southern side and 200,000 DWT on the northern side) and 2 ship loaders; Pier II: one vessel up to 405,000 DWT at a time and 2 ship loaders

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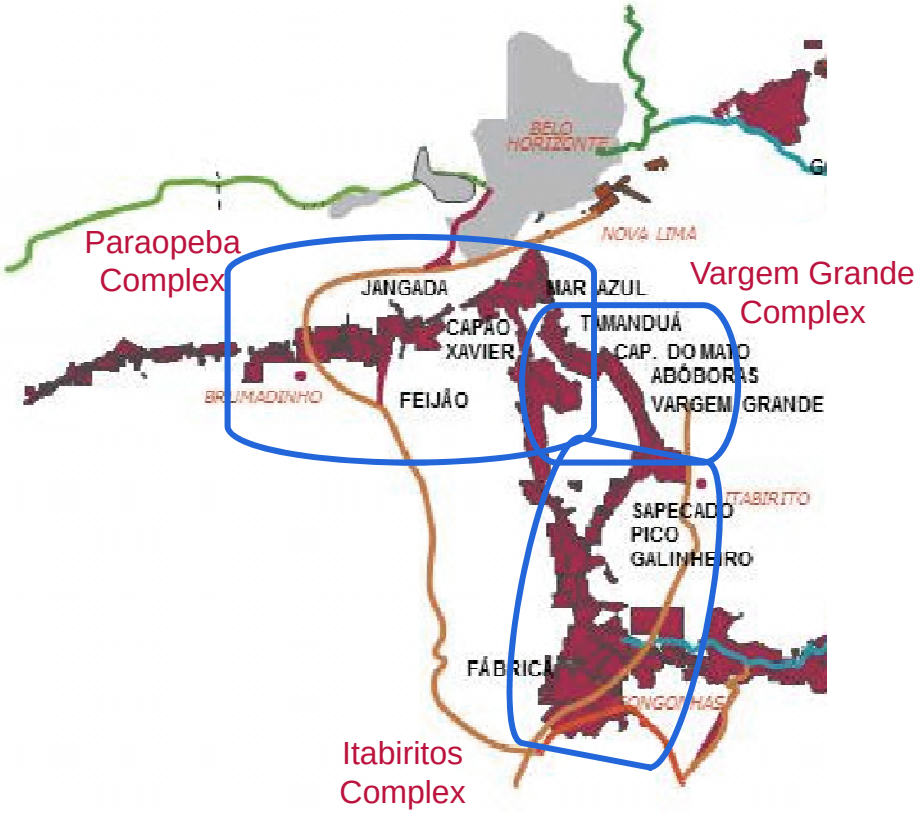
VALE'S SOUTHERN SYSTEM – RESERVES AND PRODUCTION

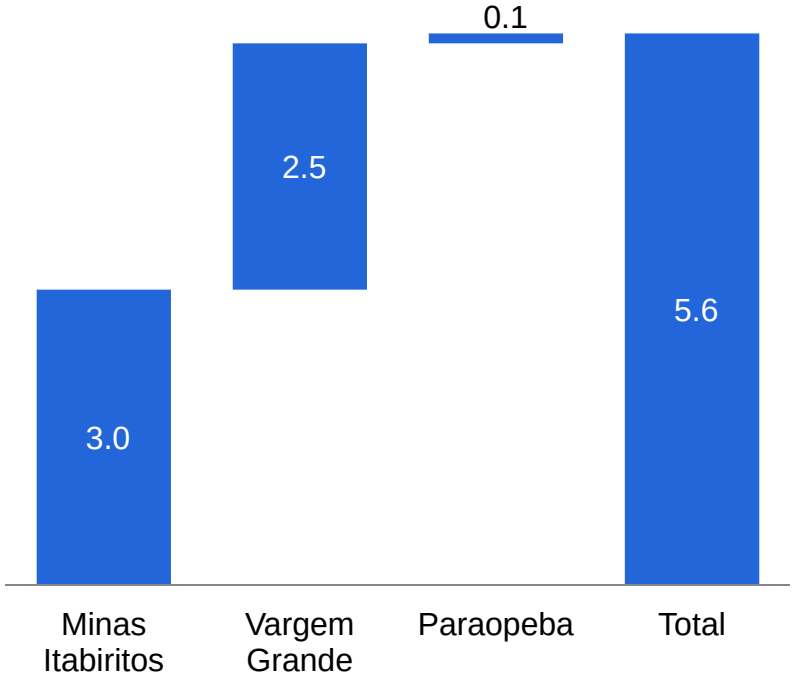
Production complexes



Reserves

Bt

Production of 79Mt in 2013



SOUTHERN SYSTEM LOGISTIC – MRS AND GUAÍBA/ITAGUAÍ

MRS Railway

- Extension of 1,643 km
- Controlled by Vale, CSN, Usiminas and Gerdau
  - Vale has a 47.6% controlling stake in MRS

Itaguaí Maritime Terminal

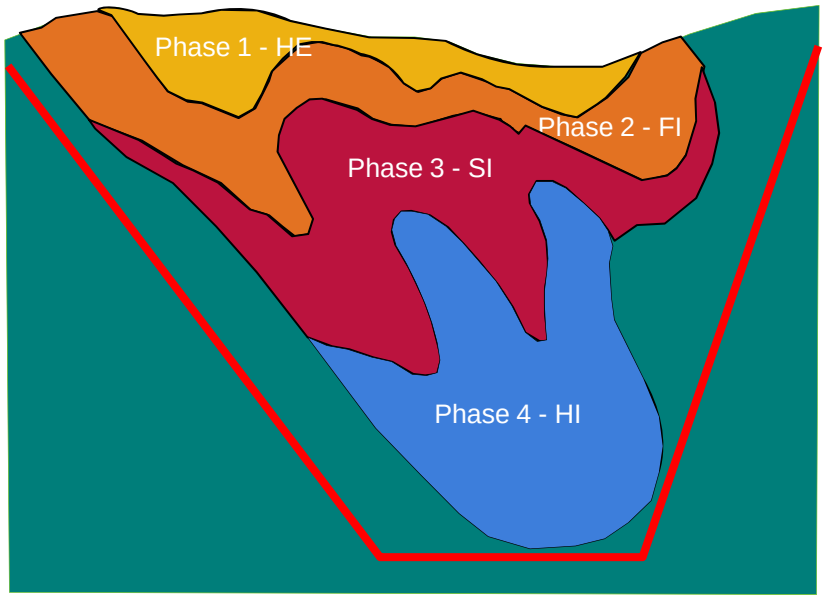
- Cia Portuária Baía de Sepetiba (CPBS) is a wholly-owned subsidiary that operates the Itaguaí terminal
- Composed of 1 pier with 1 berth
- Capable of receiving vessels of up to 200,000 DWT (18 meters of draft)

Guaíba Maritime Terminal

- Composed of 1 pier with 2 berths
- Capable of receiving vessels of up to 350,000 DWT (20 meters of draft)

Evolution – From Hematite to Itabirite

EXPLOTATION PHASES - FROM HEMATITE TO ITABIRITES



Phase	1	2	3	4
Ore type	Hematite (HE)	Friable Itabirite (FI)	Soft Itabirite (SI)	Hard Itabirite (HI)
Fe grade (%)	> 60 %	50-58%	40-50%	30-40%
Mass recovery (%)	75-100 %	70-75 %	50-60%	40-50 %
Tailings	-	25-30%	40-50%	50-60%
Final product	Lump ore Sinter feed	Sinter feed Pellet feed	Sinter feed Pellet feed	Pellet feed
Time line	1940-1960	1970-2000	2010	2012

Phases & Processes

Phase 1	Mining	Crushing	Screening/ Size Selection				
Phase 2	Mining	Crushing	Screening/ Size Selection	Dewatering	Flotation	Magnetic Separation	
Phase 3	Mining	Crushing	Screening/ Size Selection	Dewatering	Flotation	Magnetic Separation	
Phase 4	Mining	Crushing	Screening/ Size Selection	Grinding *	Dewatering	Flotation	Magnetic Separation

* New Phase

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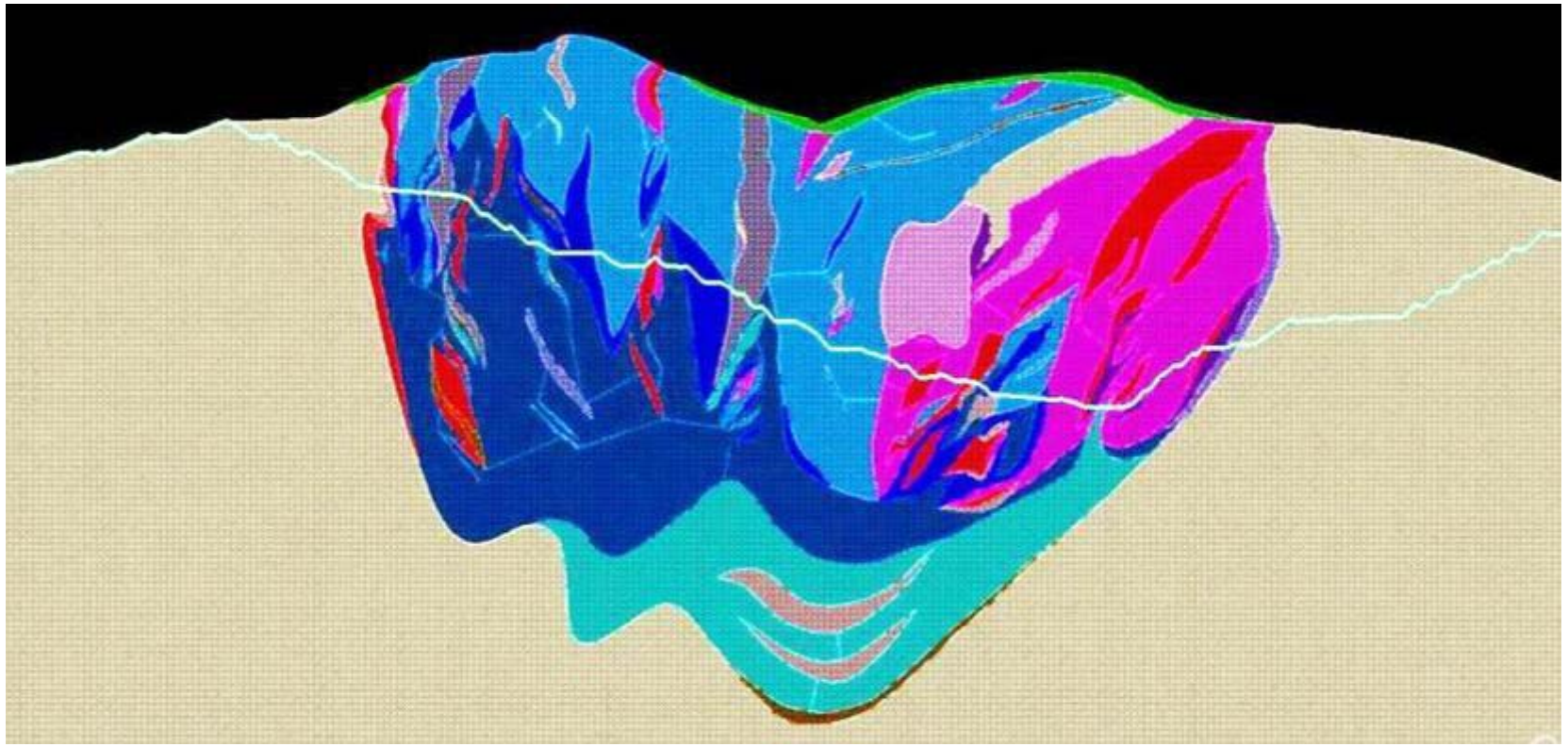
CROSS SECTION FROM CONCEIÇÃO FINAL PIT 2008

Example



Hematite

Friable Itabirite

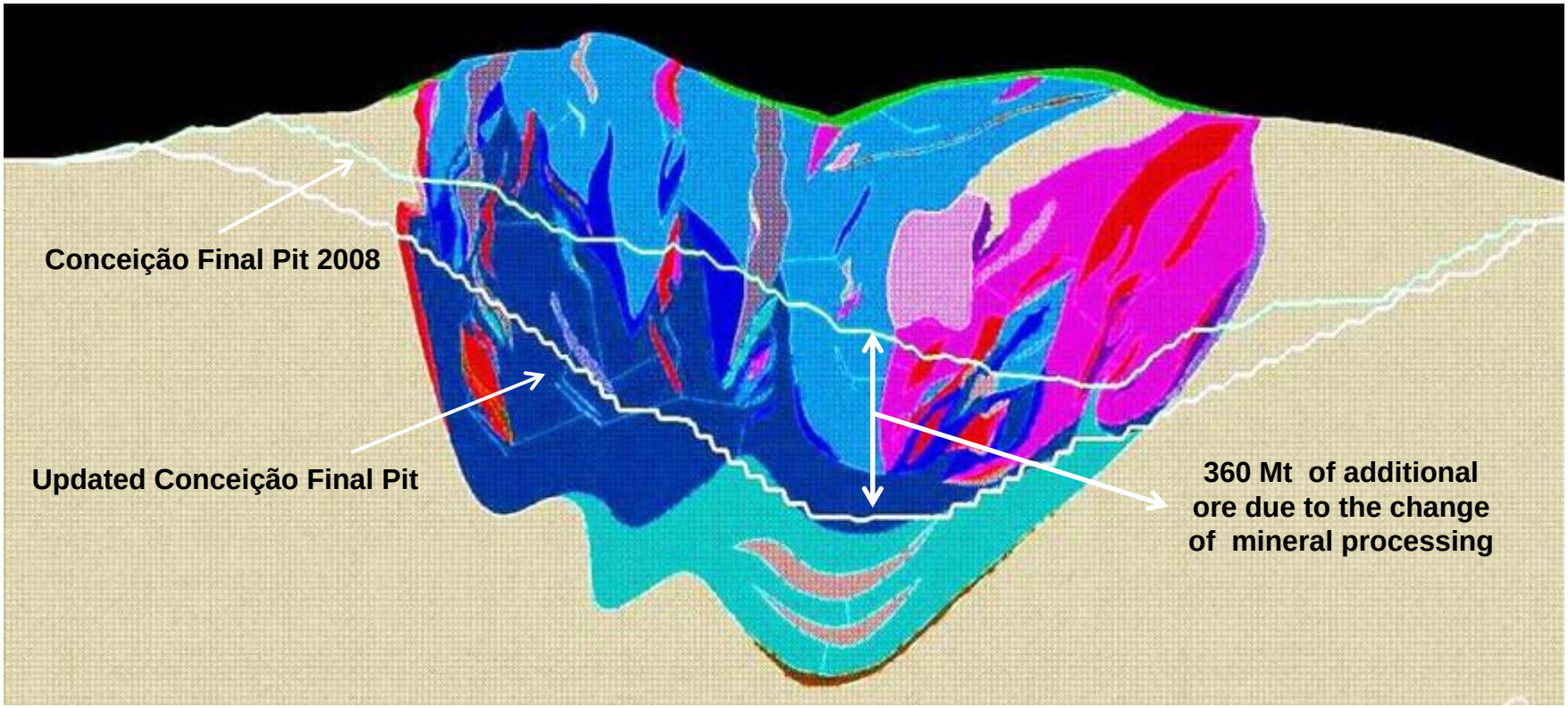
Lower grade / soft Itabirite

Lower grade / more compact Itabirite

Conceição final pit estimated in 2008 did not optimize the mineral ore body due to the lack of processing capacity of more compact and lower grade itabirites

CROSS SECTION FROM UPDATED CONCEIÇÃO FINAL PIT

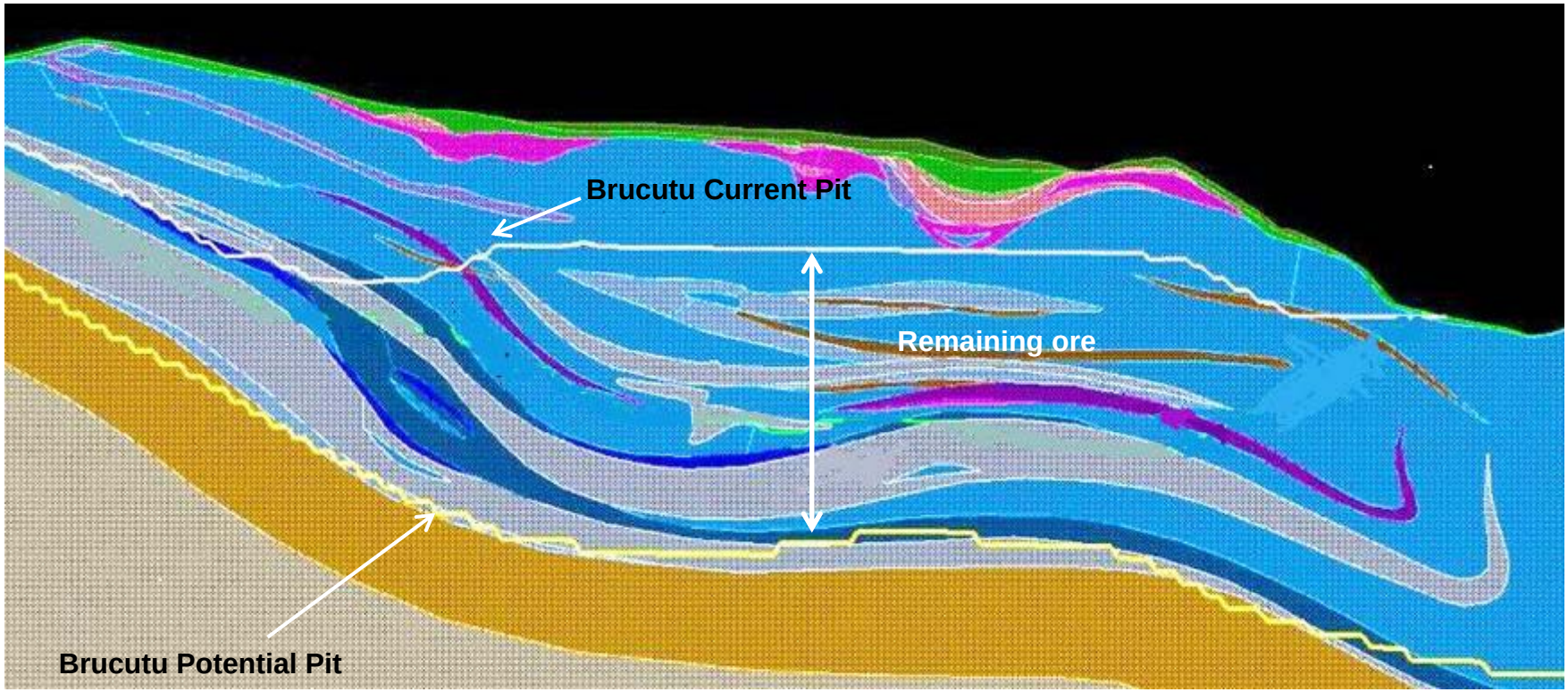
Example



The new Itabiritos plants are able to process ore previously considered waste, increasing the life span of Vale's mineral assets

CROSS SECTION - BRUCUTU PIT POTENTIAL

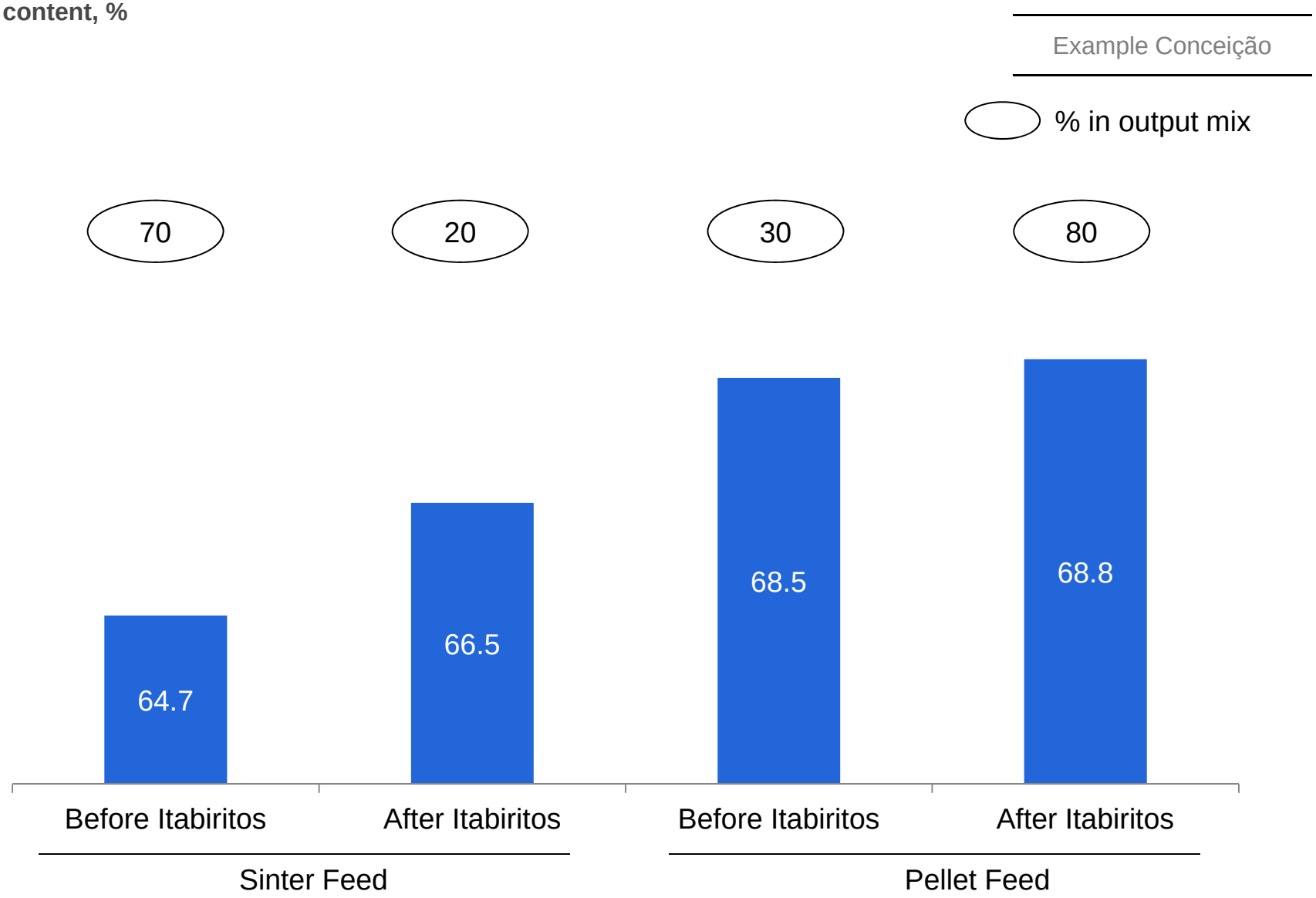
Example



Additional volumes can be exploited in all mines with the Itabiritos projects

PRODUCT QUALITY IMPACT OF THE ITABIRITOS PROJECTS

Fe content, %

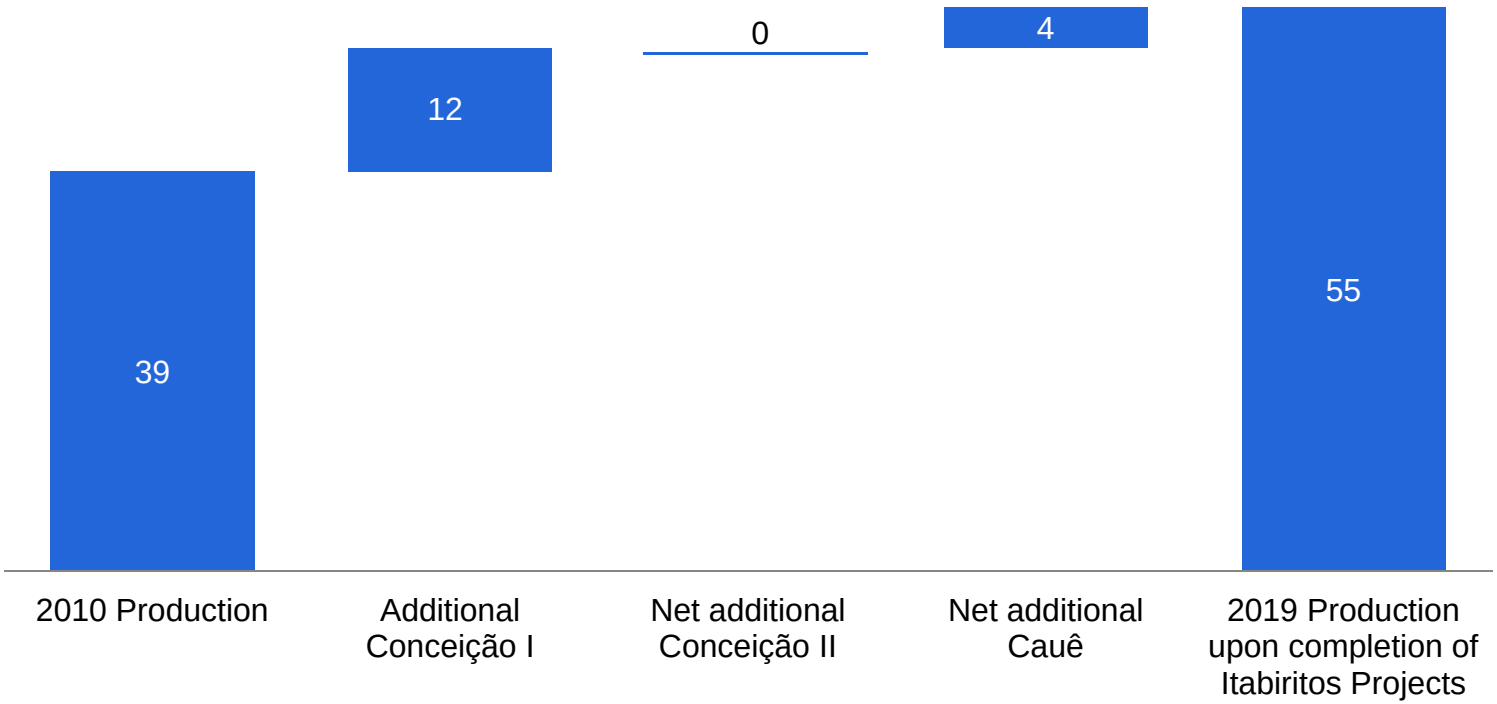


Production Plan - Example of Itabira

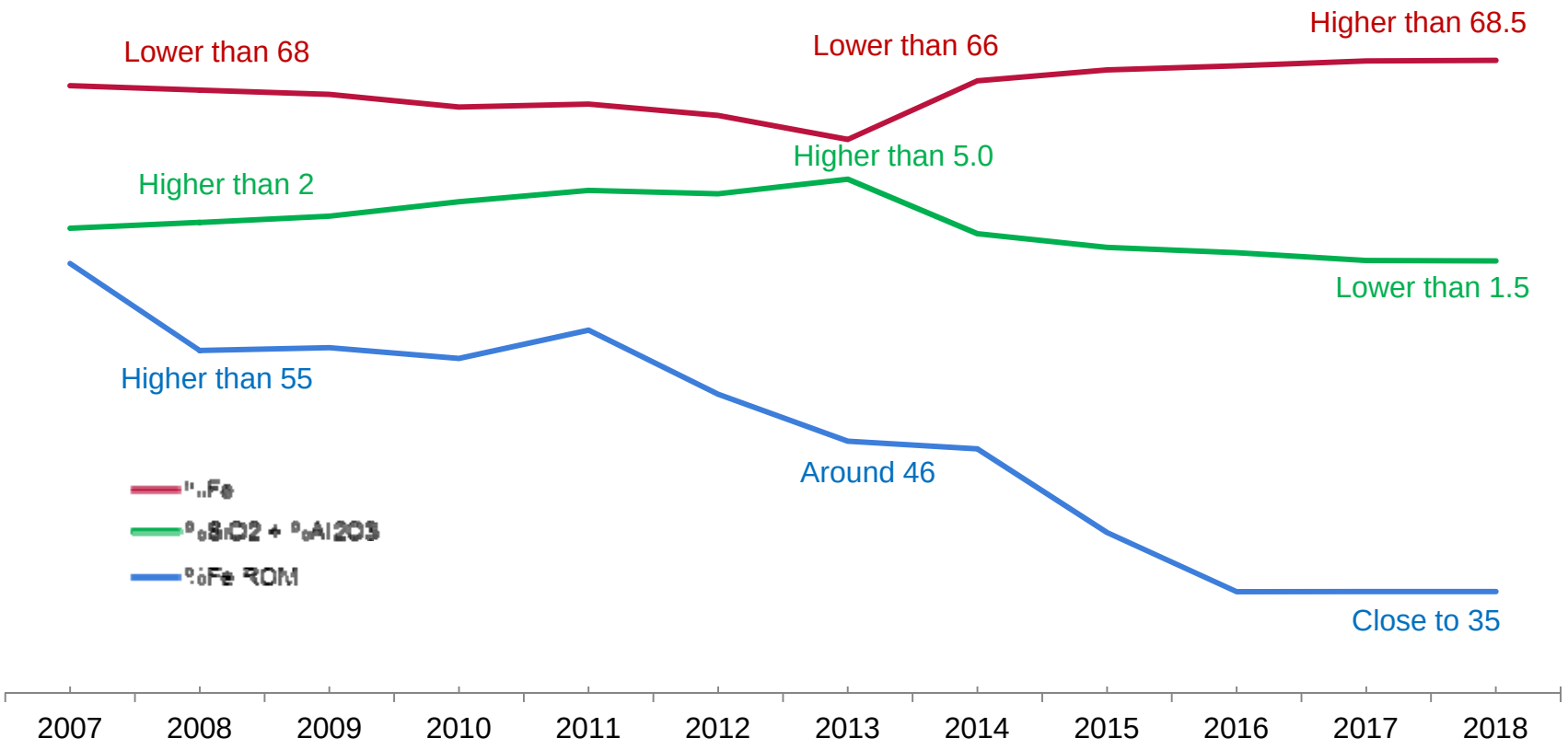
NET CAPACITY INCREASE WITH THE ITABIRITOS PROJECT

Mt

Example Itabira Complex

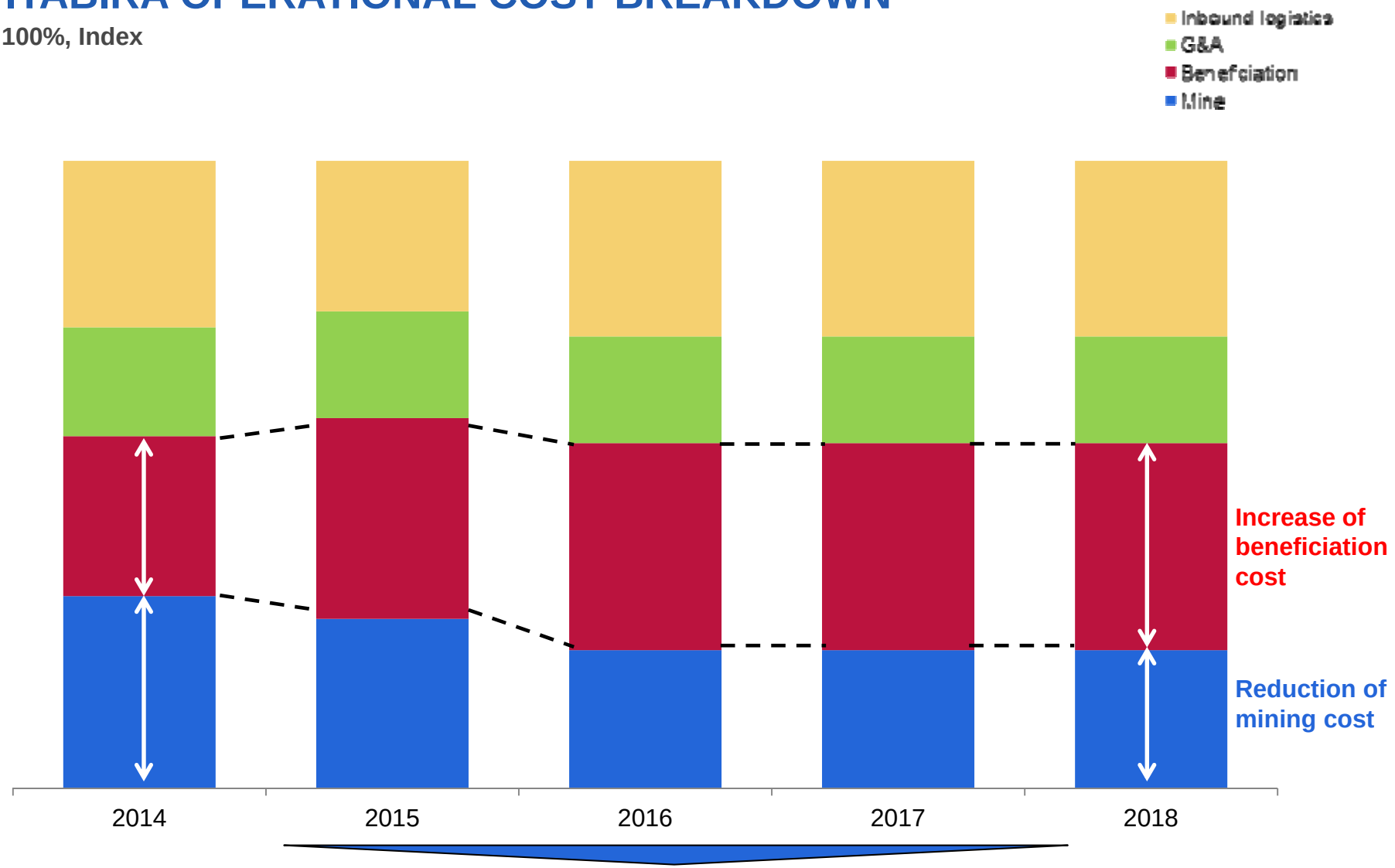


ITABIRA OPERATIONAL QUALITY EVOLUTION



ITABIRA OPERATIONAL COST BREAKDOWN

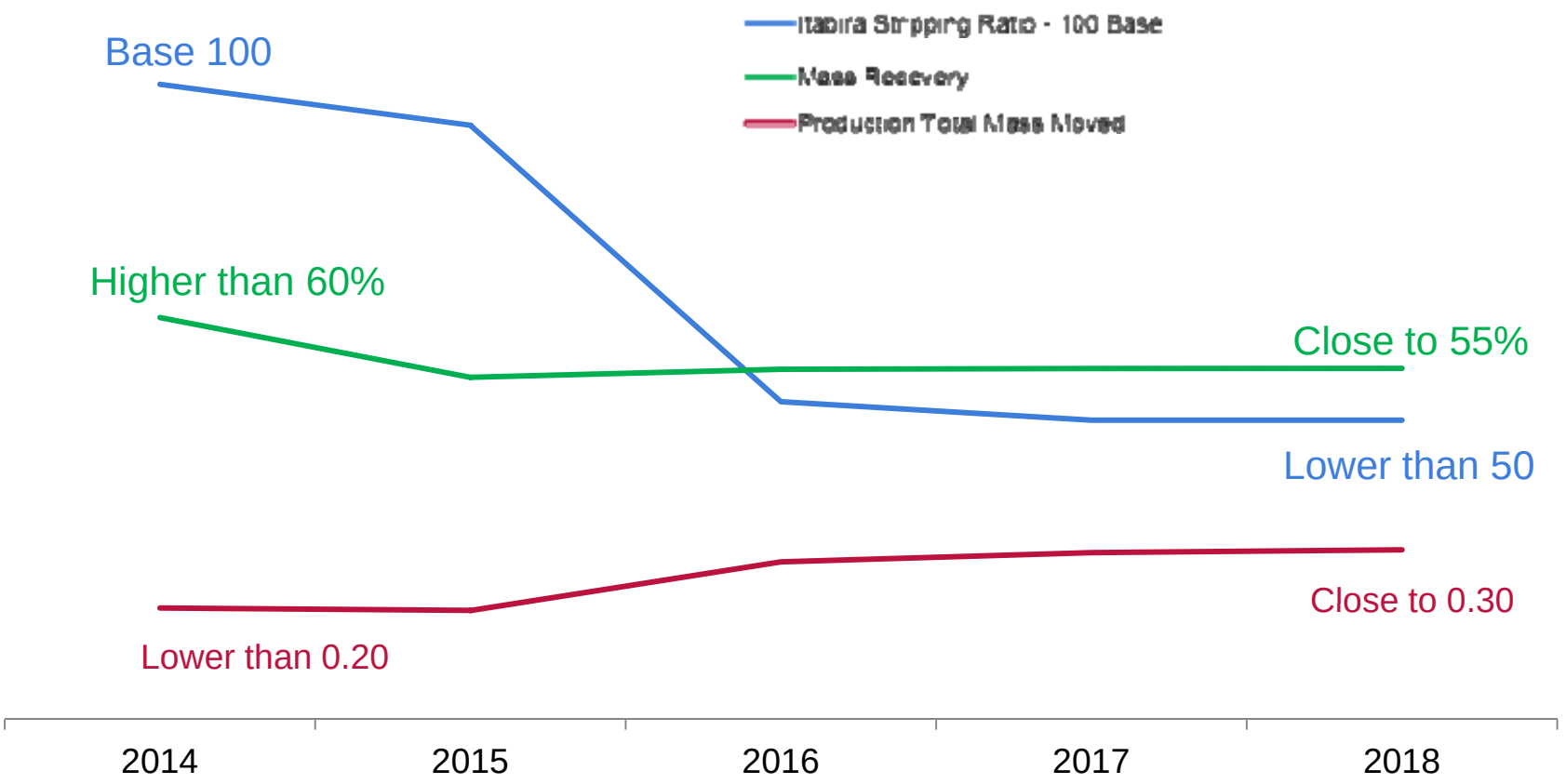
100%, Index



There is no significant impact in the total iron ore costs due to the Itabiritos projects

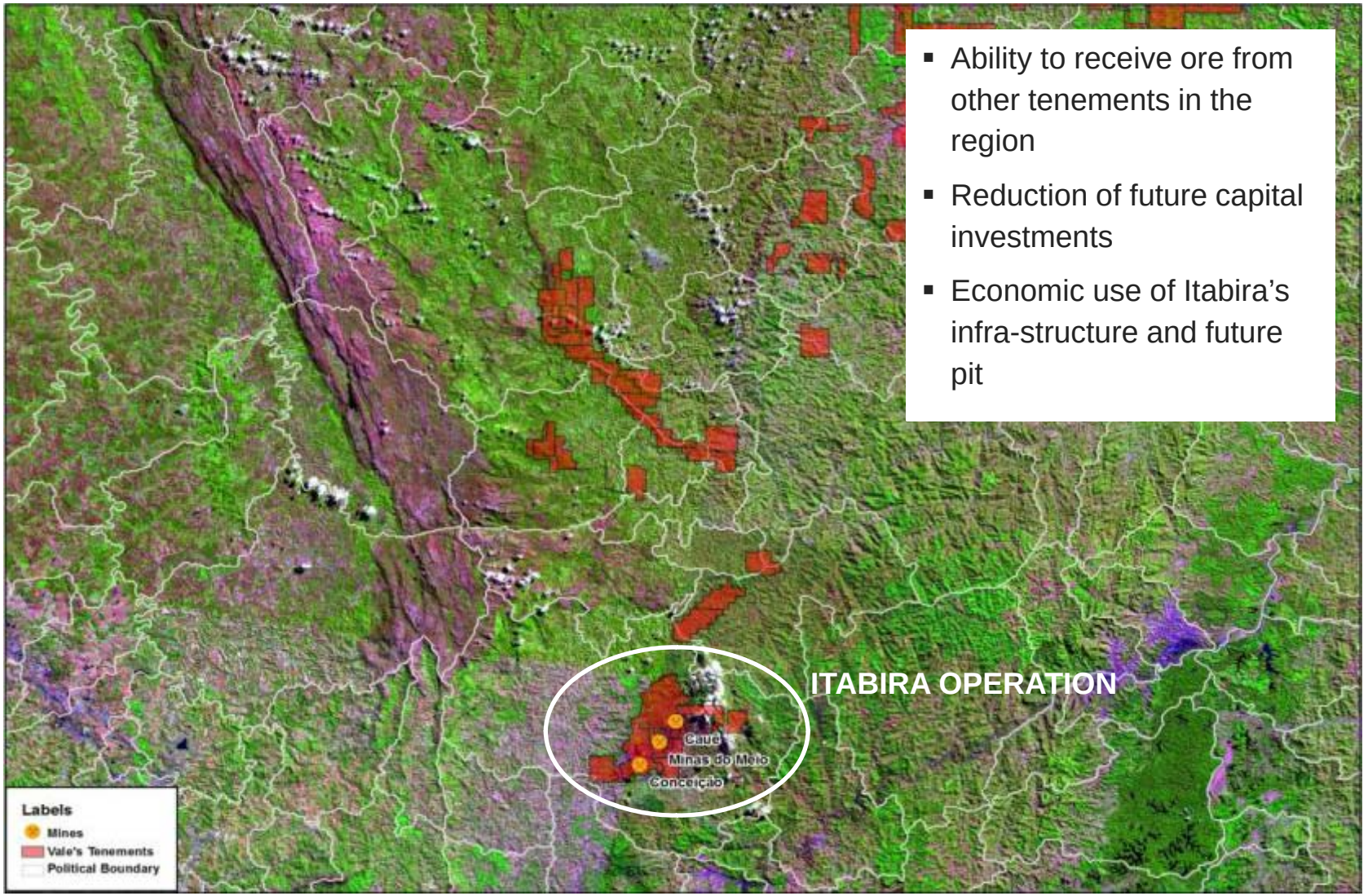
EVOLUTION OF COST DRIVES - ITABIRA COMPLEX

Non-Exhaustive



Extension of Itabira in the Future

HUB ITABIRA – A NEW LONG MINING CYCLE IS JUST STARTING…



- Ability to receive ore from other tenements in the region
- Reduction of future capital investments
- Economic use of Itabira's infra-structure and future pit

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Investor Tour – Itabiritos Projects

Ivan Montenegro

Analyst & Investor
Tour 2014

Itabiritos Projects

A total investment of US$ 5.8 billion aiming at increasing the output capacity of the mines in Itabira and Vargem Grande, as well as improving the life cycle of those mines

Our values

Life matters most

Investing in training and behavior programs that contribute to the awareness of employees

Investing in new methods and technologies focusing on the prevention of risks and accidents

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Life matters most

Support facilities

Volunteer actions

Improving together

In total, about **34,000 people** have already worked in the projects, **26,000 from Minas Gerais**

6,050 people were trained for **first employment** with the partnership of SENAI

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Improving together

About **R$ 750 million** already contracted from local suppliers

About **R$ 72 million** already paid in local taxes

Prize our planet

New plants provide for recirculation of approximately **80% of the water** used during the operation

Reuse of waste from construction and demolished structures

Timeline

Project	Beginning of construction phase	Startup
Conceição Itabiritos I	2009	2H2013
Vargem Grande Itabiritos	2010	2H2014
Conceição Itabiritos II	2011	1H2015
Cauê Itabiritos	2012	2H2015

Conceição Itabiritos I

Construction of a new compact itabirite processing plant with low content of iron

- ✓ Capacity : 12 Mtpy
- ✓ Product Quality: 68.8% PF
- ✓ Capex: US$ 1.173 billion
- ✓ Start-up: 2H/13
- ✓ Physical Progress: 100%
- ✓ Financial Progress: US$ 1.061 billion

* Date from June 30/14

Product Pile

General View – Dry Process

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General View – Wet Process

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Grinding Stockyard

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Grinding

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High Frequency Screening

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Product Thickener

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Tailings Thickener

Filtering

Product Stockyard

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Conceição Itabiritos II

Construction of new facilities and revamp of the existing plant in Conceição for the processing of compact itabirite

- Capacity: 19 Mtpy (13 Mtpy PF / 6 Mtpy SF)
- Product Quality: 68.9% PF and 66.3% SF
- Capex: US$ 1.188 billion
- Mechanical Completion: 2H/14
- Startup: 1H/15
- Physical Progress: 90%
- Financial Progress: US$ 780 million

* Date from June 30/14

Conceição Itabiritos II Project
Macro Schedule

PROJECT PHASE	Phys. Prog. June/14	2010		2011		2012		2013		2014		2015	
		1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Project Approval in DCA	-			◇									
Detailed Engineering	100,0%			●	———	———	———	———	———	●			
Procurement	97,1%			●	———	———	———	———	———	———	———	●	
Construction	70,2%				●	———	———	———	———	———	———	●	
Commissioning	0,9%						●	———	———	———	———	●	
Start-up	-											◇	

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Project Plant 3D
Conceição Itabiritos II

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General View – Conceição Itabiritos II

Grinding

Product Thickener

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Tailings Thickener

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Flotation

VALE

Screening

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Cauê Itabiritos

Construction of new facilities and revamp of the existing plant in Cauê for the processing of compact Itabirite

- Capacity: 24 Mtpy (17 Mtpy PF and 7 Mtpy SF)
- Product Quality: 68.6% PF and 65.3% SF
- Capex: US$ 1.504 billion
- Startup: 2H/15
- Physical Progress: 63%
- Financial Progress: US$ 494 million

* Date from June 30/14

Cauê Itabiritos Project
Macro Schedule

PROJECT PHASE	Phys. Prog. June/14	2011		2012		2013		2014		2015		2016	
		1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Project Approval in DCA	-			◇									
Detailed Engineering	99,9%		●	———	———	———	———	●					
Procurement	85,7%			●	———	———	———	———	———	———	●		
Construction	43,2%				●	———	———	———	———	———	●		
Commissioning	0,0%						●	———	———	———	———	●	
Startup	-										◇		

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Project Plant 3D - Cauê Itabiritos

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Project Plant 3D -
Cauê Itabiritos

Crushing

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Screening

VALE

Grinding

Main Substation

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Flotation

Tailings Thickener

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Vargem Grande Itabiritos

Construction of a processing plant composed by grinding, concentration plant and stockyard, interconnected with the Vargem Grande Pelletizing Plant

- Capacity : 10 Mtpy
- Product Quality: 68% PF
- Capex: US$ 1.621 billion (ITM)
- Capex US$ 289 million (TFA)
- Start-up: 2H/14
- Physical Progress: 92%
- Financial Progress: US$ 1.506 billion

* Date from June 30/14

Vargem Grande Itabiritos Project
Macro Schedule

PROJECT PHASE	Phys. Prog. June/14	2010		2011		2012		2013		2014		2015	
		1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Project Approval in DCA	-	◇											
Detailed Engineering	100%	●	———	———	———	———	———	———	●				
Procurement	97,2%	●	———	———	———	———	———	———	———	———	●		
Construction	90,3%		●	———	———	———	———	———	———	———	●		
Commissioning	15,2%								●	———	●		
Startup TCLD											◇		
Startup ITM	-											◇	

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Primary Crushing

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Primary Crushing Product

Screening

VALE

Crushing

VALE

Grinding

Filtering

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Long Distance Conveyor

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Main Substation

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General View - Vargem Grande Itabiritos

Product Reclaimer

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Product Pile

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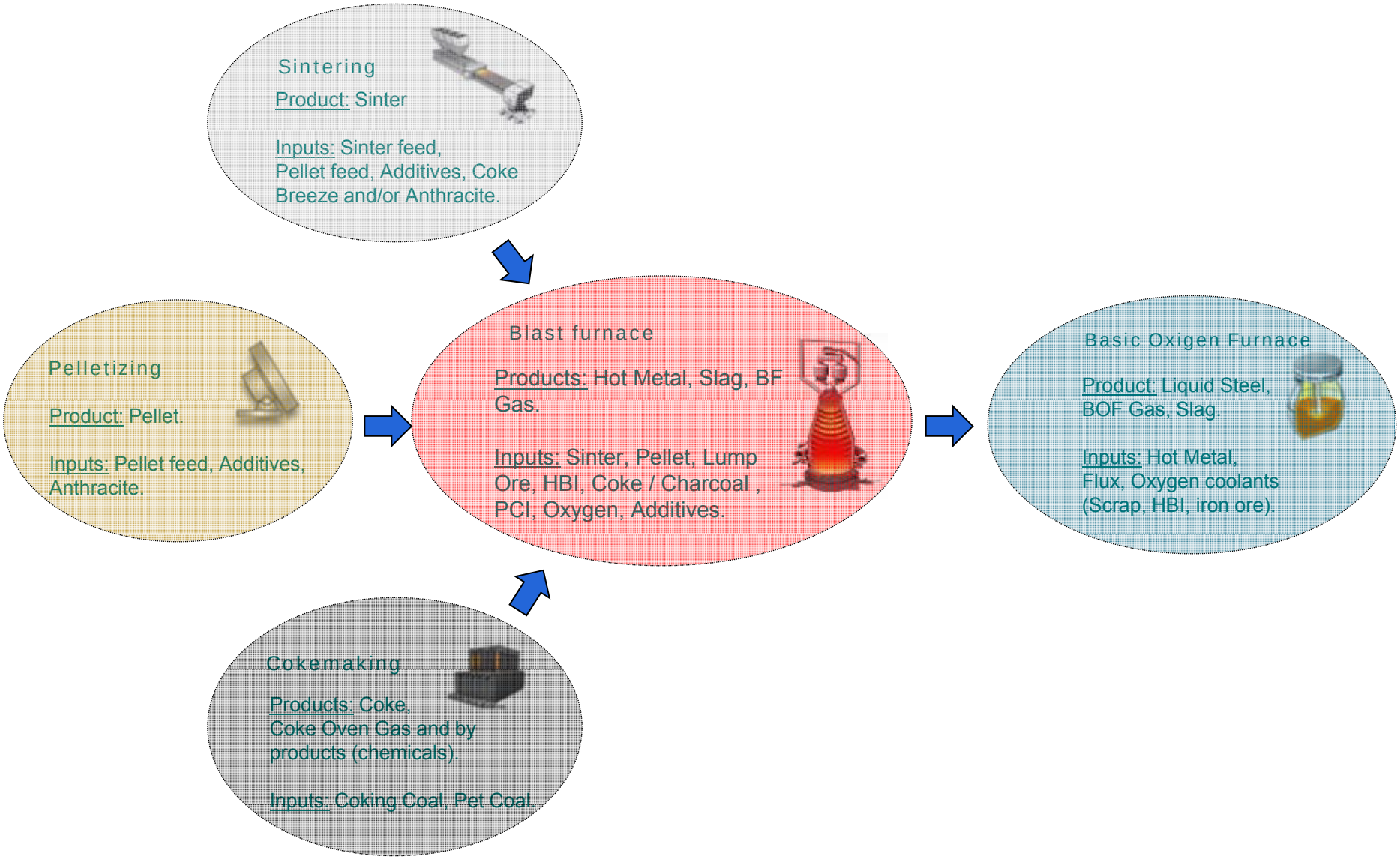
The impact of iron ore quality in the steelmaking process

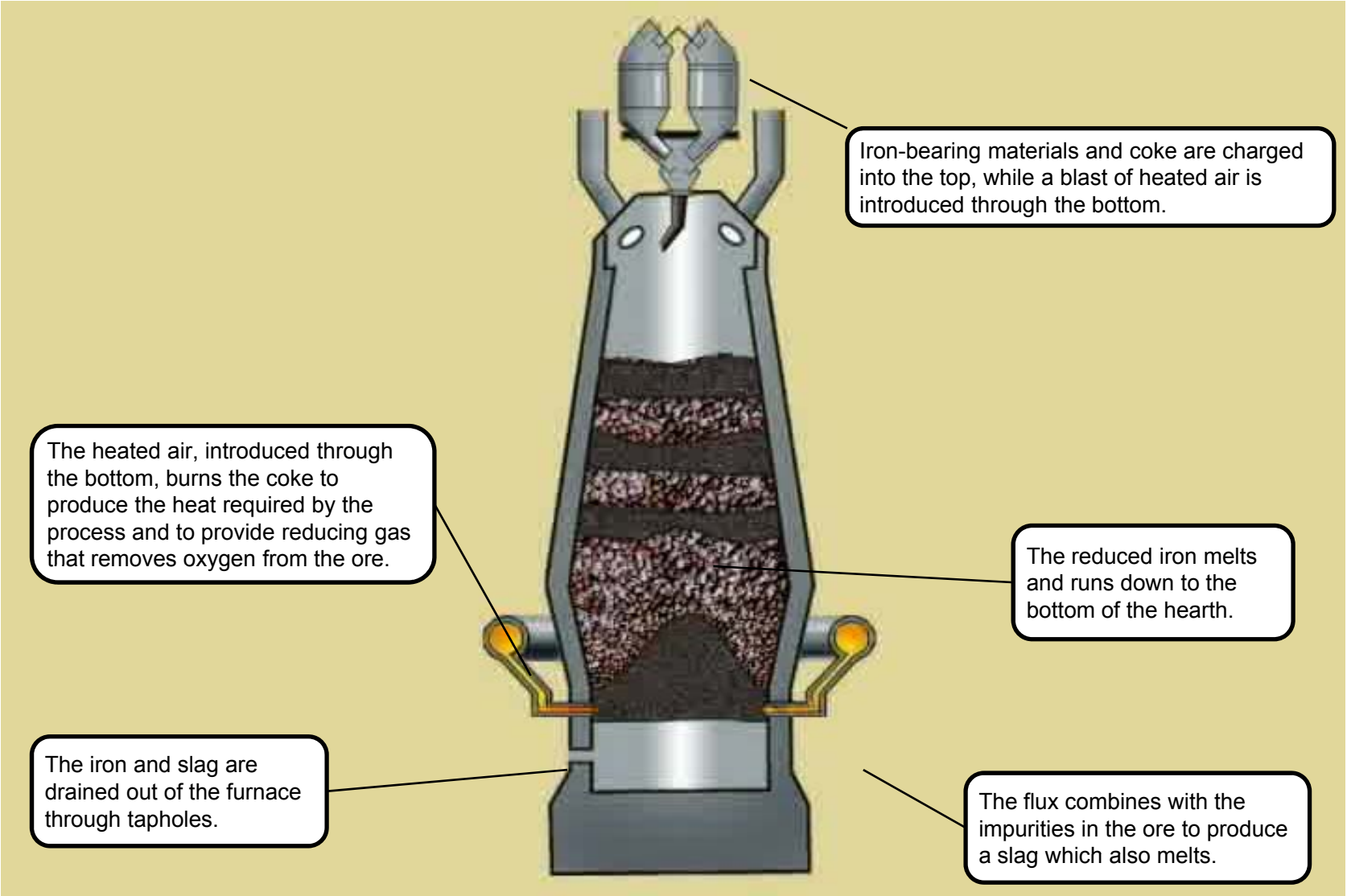
Paulo Freitas Nogueira

Analyst & Investor Tour 2014

THE BLAST FURNACE ROUTE FOR STEEL MAKING

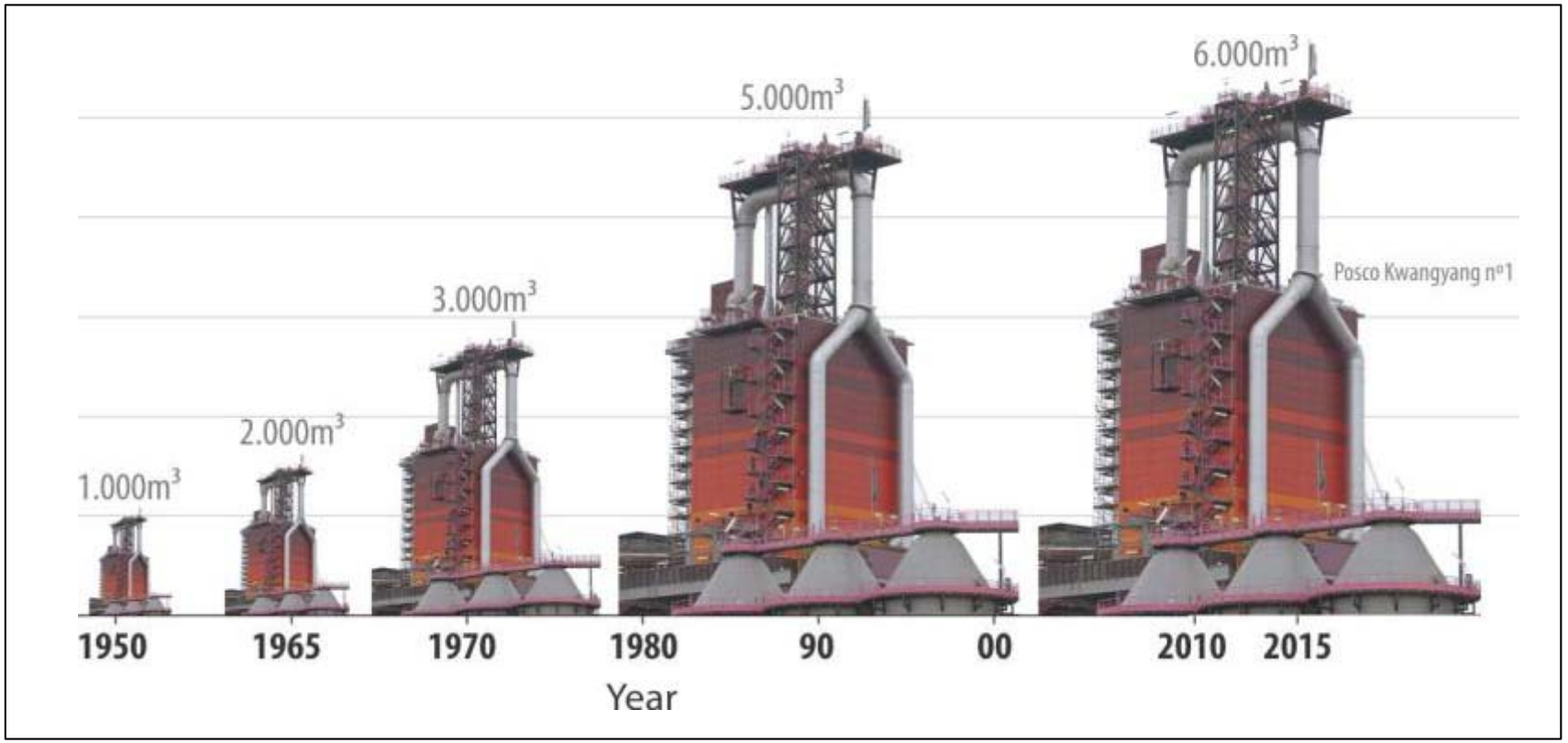


OVERVIEW OF A BLAST FURNACE PRODUCTION PROCESS



Source: The Making, Shaping and Treating of Steel, 11th Edition.

THE EVOLUTION OF THE BLAST FURNACE



- Blast furnace efficiency improved due to the development in sintering, pelletizing and cokemaking
- Coke and metallic burden improvement allowed blast furnace volume to increase and Opex to decrease

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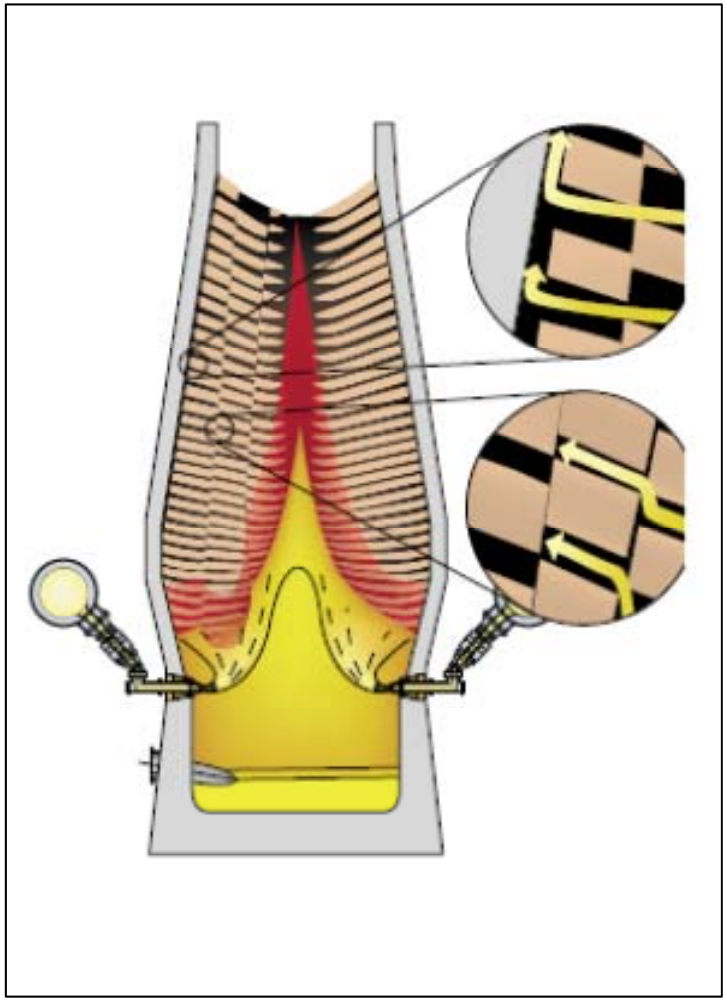
COKING COAL IN THE BLAST FURNACE

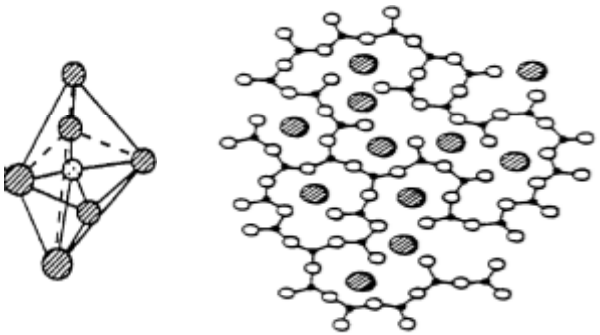
Coking coal in the blast furnace



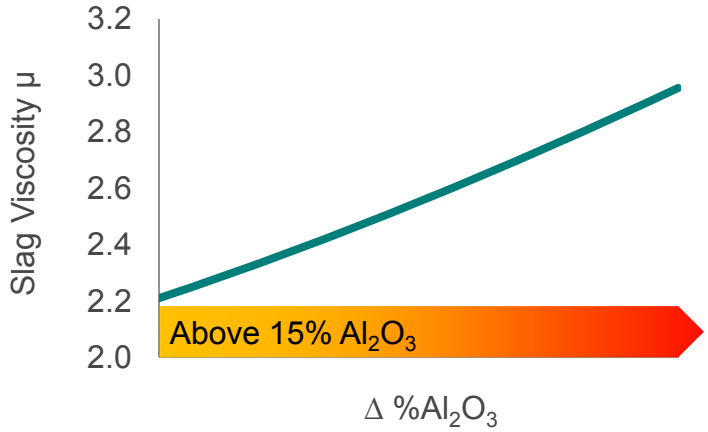
The role of coking coal

- **Reduction of ore**
  - Carbon removes oxygen from iron ore, producing metallic iron
- **Provision of structural support**
  - Coke retains its strength at temperatures above the melting point of pig iron and slag, providing the structural support that keeps the solid burden materials from falling into the hearth
  - Coke creates a lattice through which gas flows
- **Generation of heat**
  - Carbon in coke (and PCI) is burnt at the tuyeres with oxygen from the blast to generate the heat required by the blast furnace and subsequent processes

THE IMPACT OF ALUMINA AL_2O_3 (1/2)



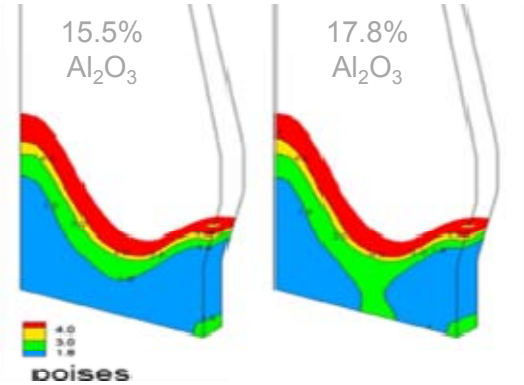
Slag is similar to glass in terms of atomic structure.



The higher the Al_2O_3 content in the iron ore, the higher the blast furnace slag viscosity restricting gas flow and demanding more coke to preserve process stability.

THE IMPACT OF ALUMINA AL_2O_3 (2/2)

Blast furnace slag viscosity

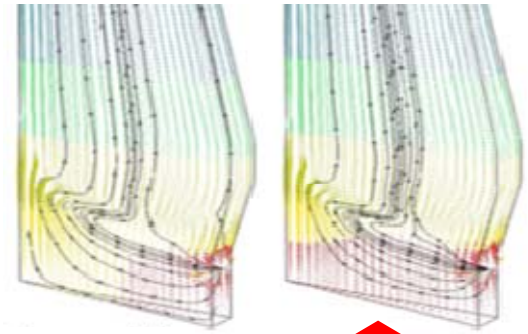


Higher Hot Metal Cost

	Base case	Higher Al_2O_3 after coke rate adjust
Sinter % Al_2O_3	1.5%	2.1%
BF Slag % Al_2O_3	15.5%	17.8%
Temperature	1617 °C	1622 °C
Coke rate (kg / t hot metal)	342	**344**

+ 2 kg coke / t hot metal

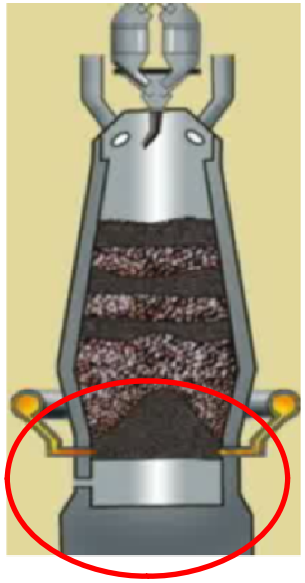
Blast furnace gas flow



Impact of Al_2O_3 in Blast Furnace

- ↑ Slag viscosity
- ↓ Permeability
- ↑ Coke rate
- ↓ Productivity
- ↑ CO_2 emissions

THE IMPACT OF SILICA SiO_2 (1/2)



Less slag in the burden

More slag in the burden

- The higher the SiO2 content, the higher the blast furnace slag rate
- Slag occupies hot metal's volume in the furnace, therefore, the more silica charged, the less hot metal is produced

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THE IMPACT OF SILICA SiO_2 (2/2)

Hypothetical case

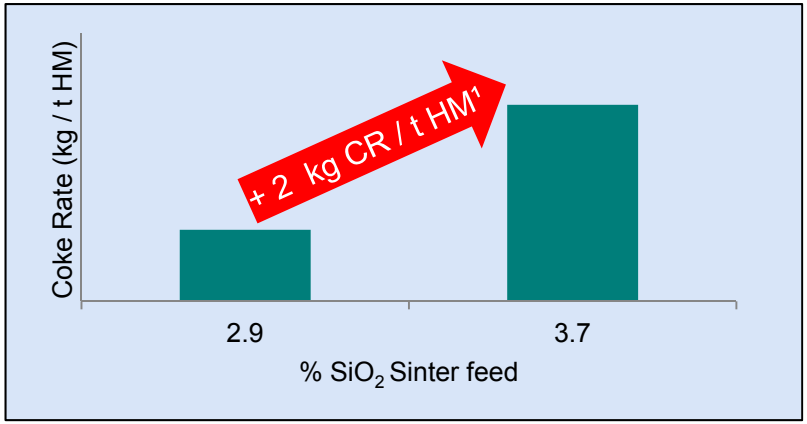
Hypothetical Comparison

	Sinter feed 65	Sinter feed 62
Sinter feed (% SiO_2)	2.9	3.7
Additives	175 kg / t	202 kg / t
Sinter (% Fe)	55.9	54.9

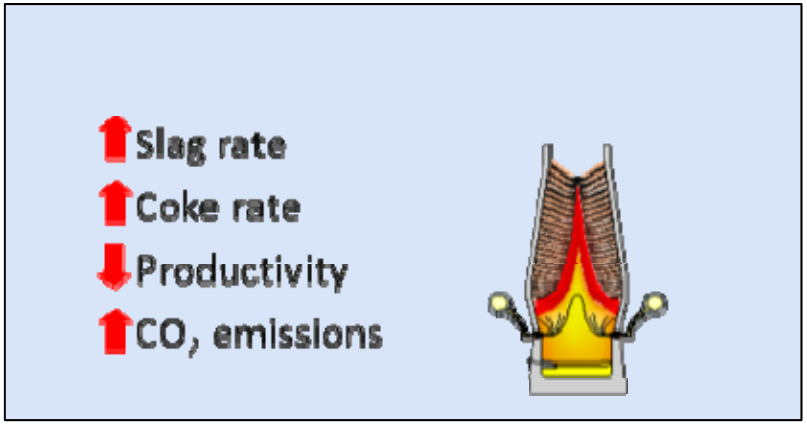
Messages

- As silica content increases, demand for additives in sintering increases to keep basicity constant, increasing consumption of fuel
- Vale's iron ores have the lowest average SiO2 content among the main global producers

Coke Rate



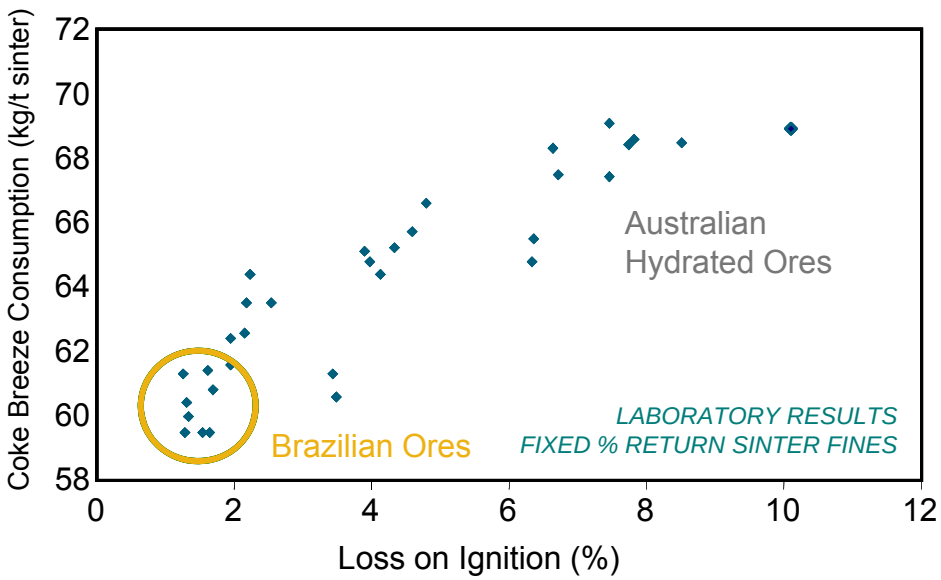
Impact of silica in the blast furnace



¹ HM = Hot Metal
Source: Vale

THE IMPACT OF "LOSS ON IGNITION" (LOI)

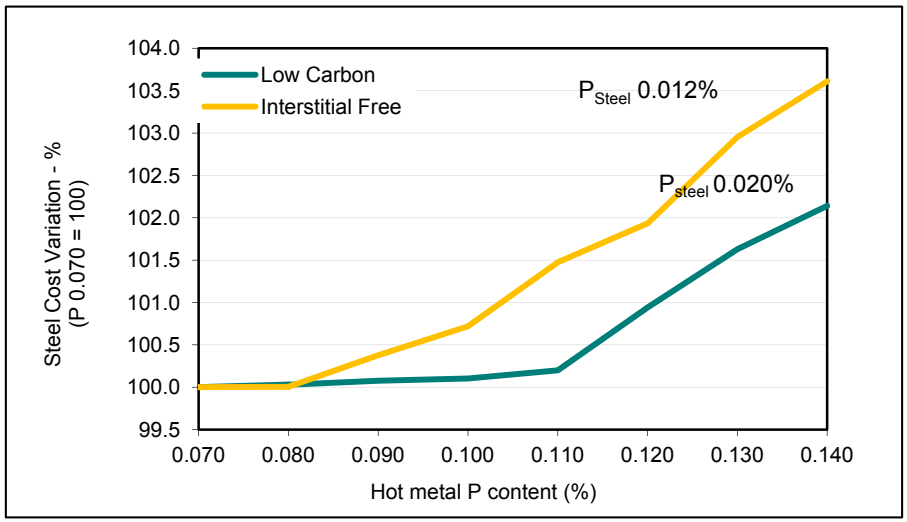
Coke Breeze Consumption



- Vale ores have lower “loss on ignition (LOI)”, which decreases sinter plant fuel consumption and emissions
- Loss on ignition is related to the iron ore hydration degree
- The higher hydrated the ore, the higher the combined water content
- Increase in LOI leads to more coke breeze / anthracite demand

Source: Vale

THE IMPACT OF PHOSPHOROUS (P)



Impact of Phosphorous

- ↓ Productivity
- ↑ Additives and gases consump.
- ↑ BOF Slag volume
- ↑ BOF temperature

- Vale's Iron Ores have the lowest phosphorous (P) content among the main global producers
- Higher Hot Metal P content demands:
  - Higher additions of fluxing agents, resulting in a highly basic and fluid liquid slag
  - Higher consumption of oxygen – as consequence, productivity decreases

Source: Vale

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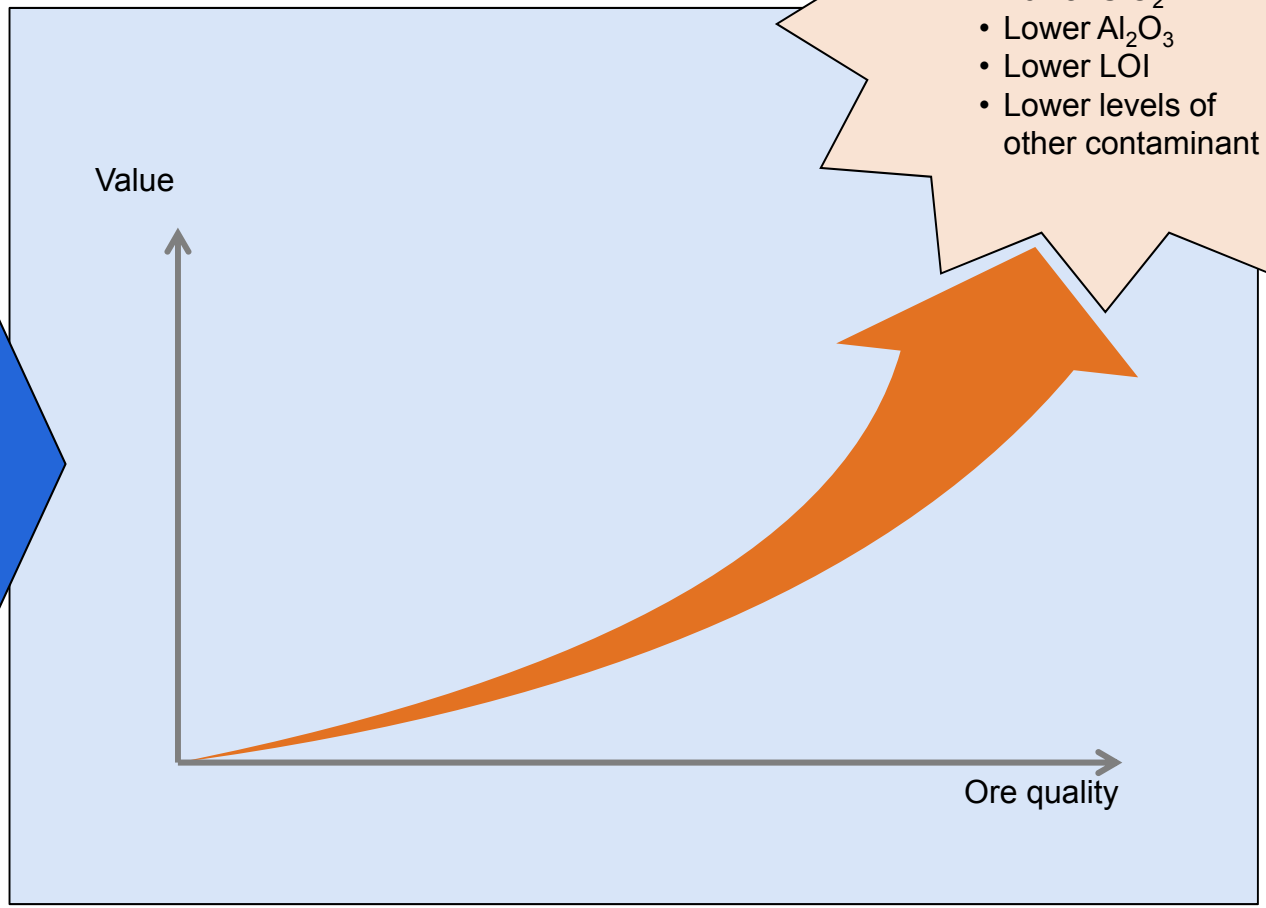
THE IMPACT OF IRON ORE QUALITY

Value is not a linear game - It increases at an exponential rate



Driven by:
- Higher Fe
- Lower SiO_2
- Lower Al_2O_3
- Lower LOI
- Lower levels of other contaminant

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For a world with new values.

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Investor Tour – Closing Remarks

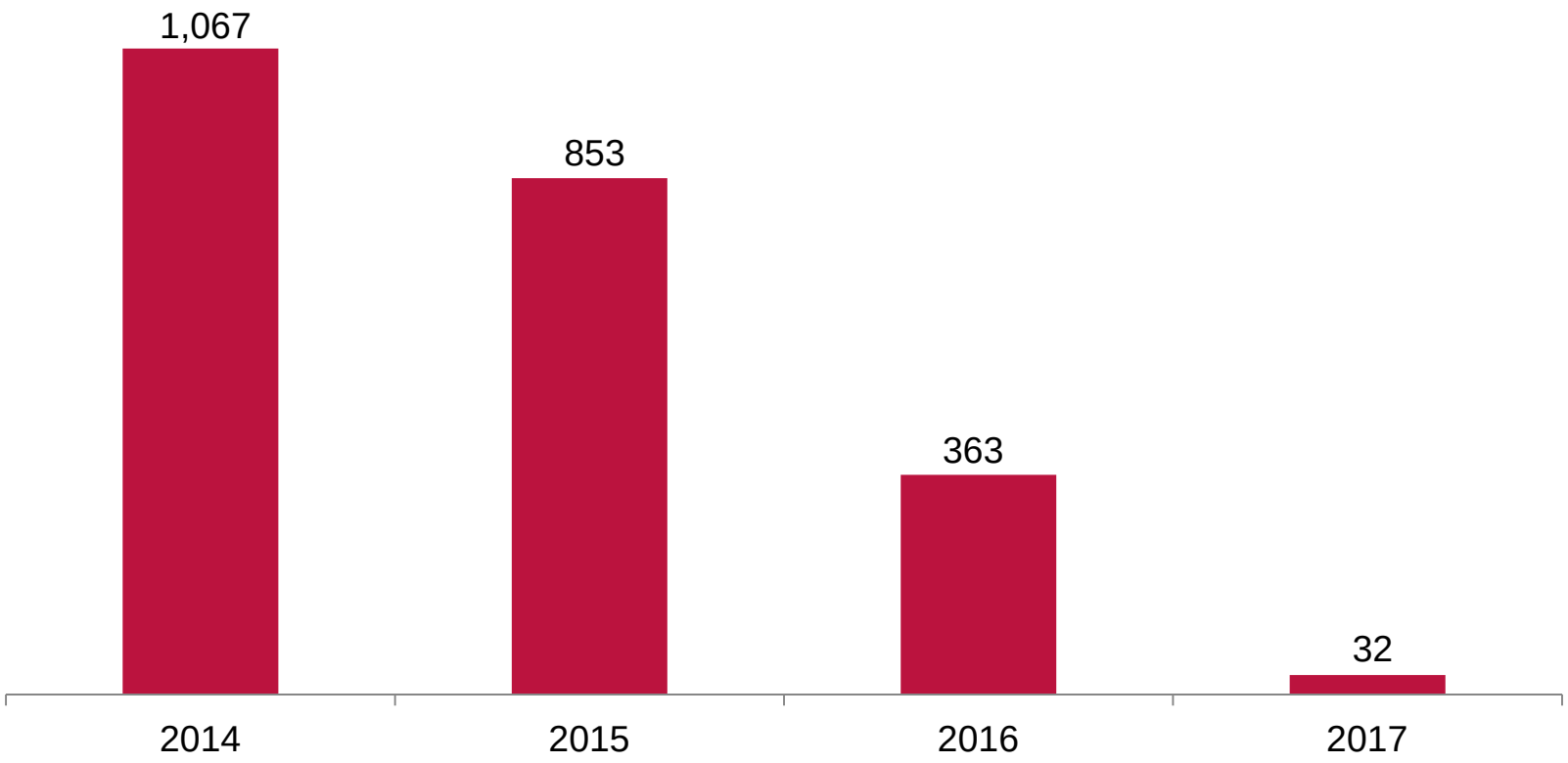
Luciano Siani

Analyst & Investor
Tour 2014

CAPEX PROFILE OF THE APPROVED ITABIRITOS PROJECTS

US$ million

Approved projects only

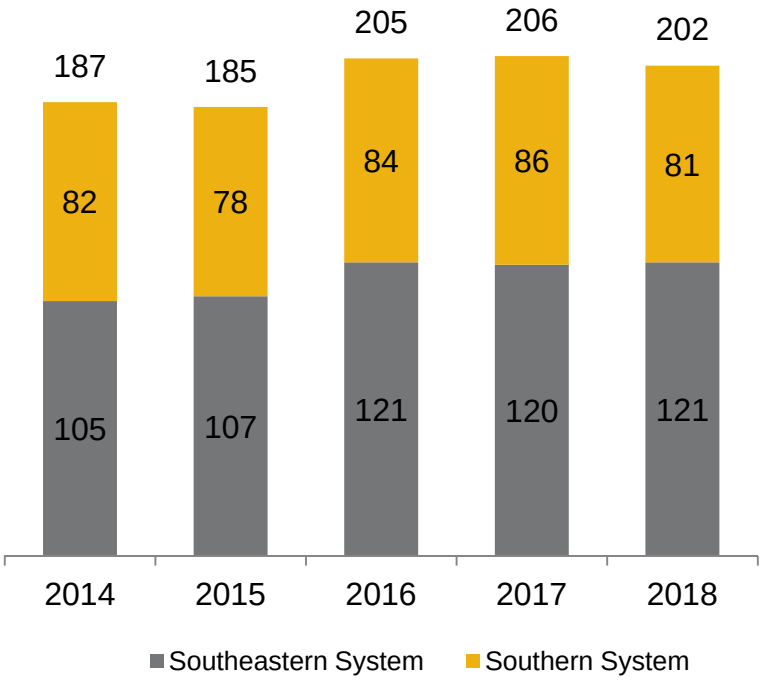


PRODUCTION AND QUALITY AFTER THE ITABIRITOS PROJECTS

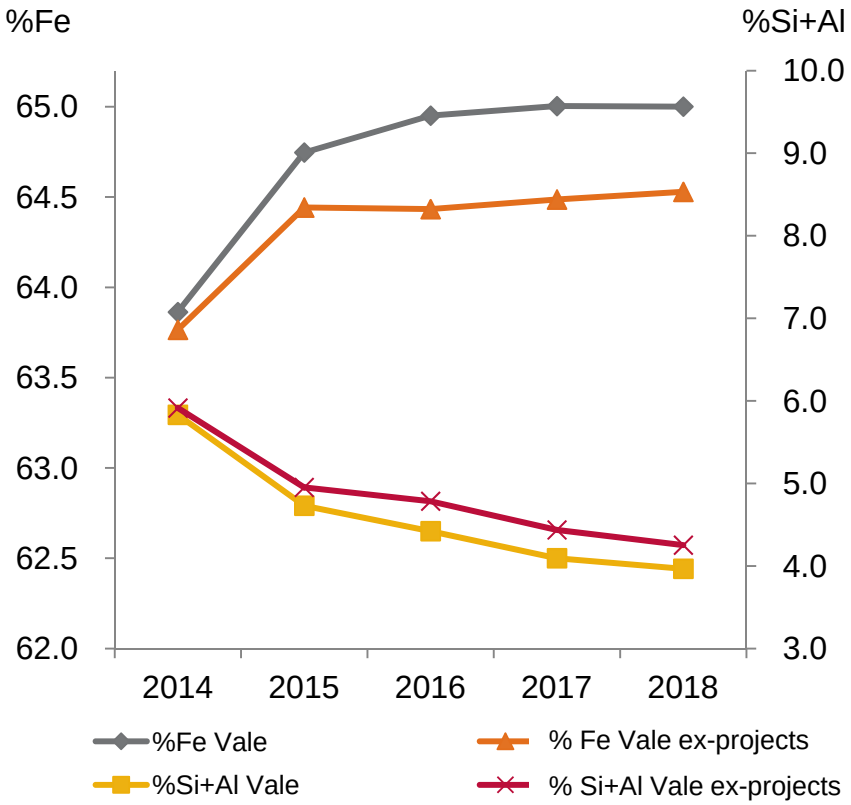
Southern and Southeastern Systems

Production plan

Mt

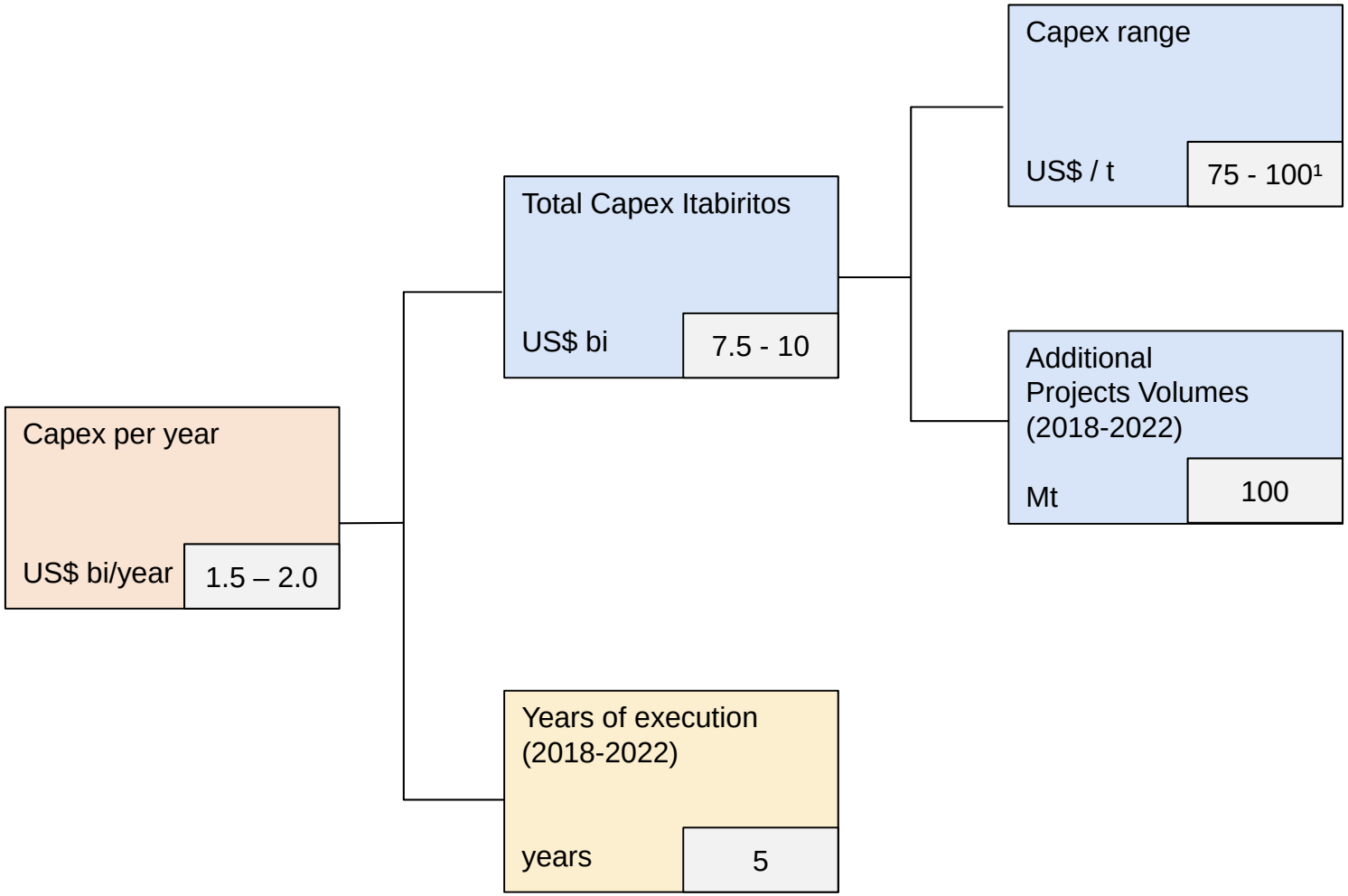


Quality impact of the Itabiritos projects



CAPEX PER YEAR – ITABIRITOS PROJECTS

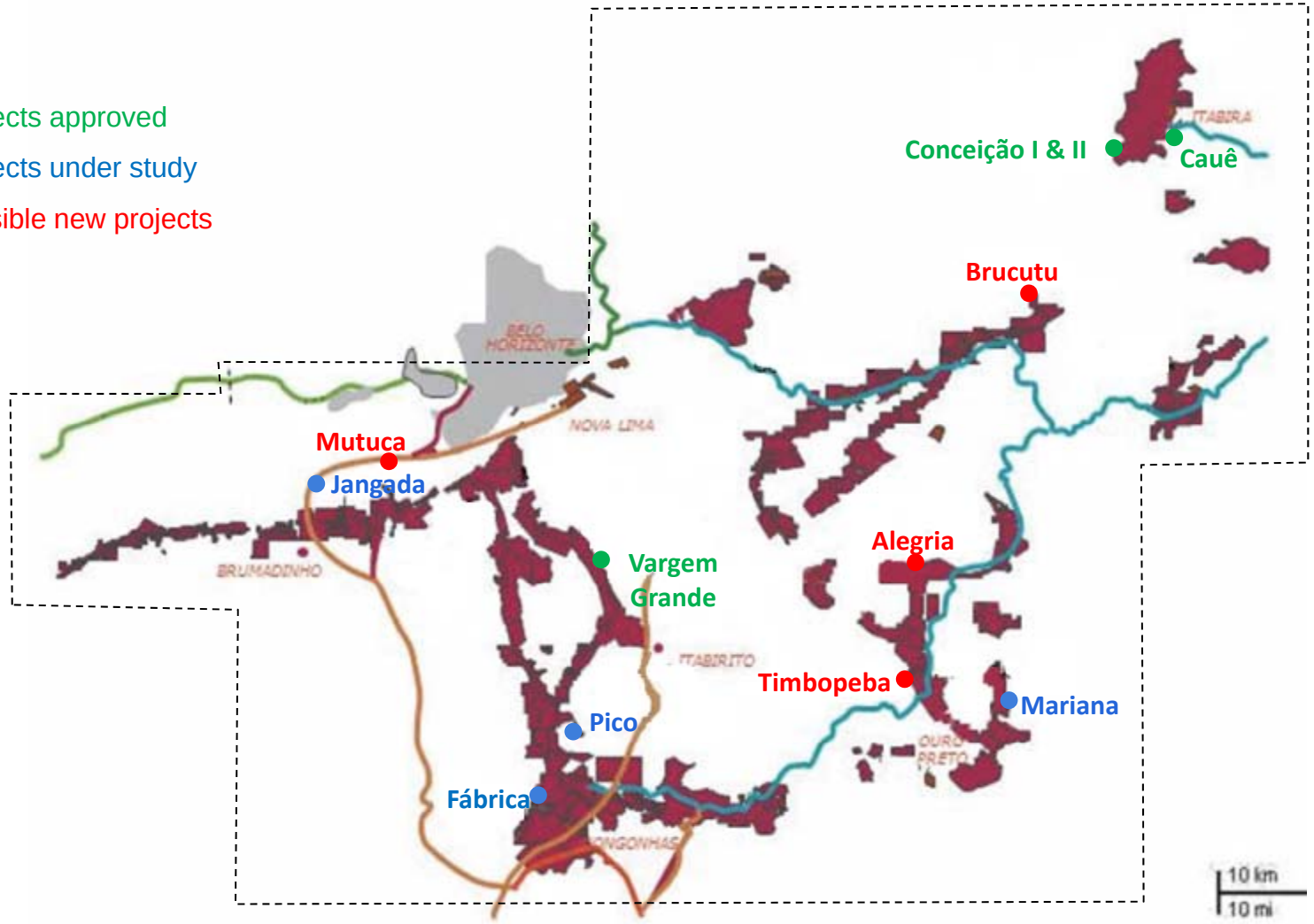
Rough Estimate



[1] Ongoing projects have capex of US$ 63/t for both Conceição Itabiritos II and Cauê brownfield projects, and of US$ 98/t for the Conceição Itabiritos I greenfield project.

ITABIRITOS PROJECTS OPTIONS

- Projects approved
- Projects under study
- Possible new projects



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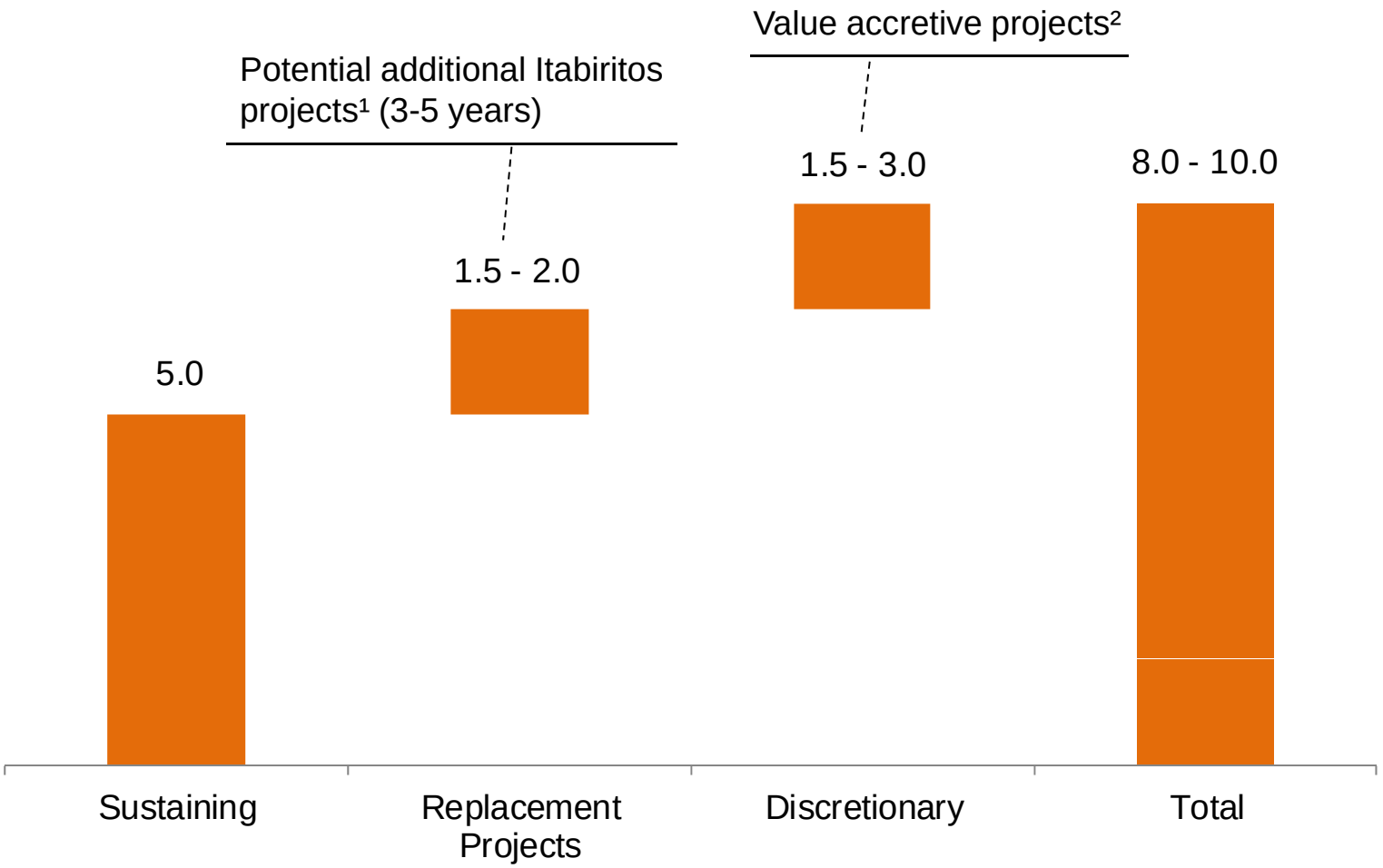
PERSPECTIVE ON FUTURE CAPEX (POST-2018)

US$ bi



¹ Fábrica (26 Mtpy), Jangada (15 Mtpy), Mariana (27 Mtpy) and ITM S Pico (27 Mtpy)
² Additional cash flow generation should be considered alongside the above referred capex

For a world with new values.

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Analyst & Investor Tour 2014