Vale S.A.
Form 6-K
October 28, 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
October 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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BR GAAP
Filed at CVM and SEC on 10/27/10
Gerência Geral de Controladoria GECOL

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(A free translation of the original in Portuguese)

Report of Independent Accountants
on the Limited Review

To the Board of Directors and Stockholders
Vale S.A.

1 We have carried out a limited review of the interim condensed financial information individual and consolidated of Vale S.A. and its subsidiaries, for the period of nine-months ended September 30, 2010, comprising the condensed balance sheet in September 30, 2010 and the condensed statements of operations, changes in stockholders equity, comprehensive income, cash flows, value added and notes, related to the period ended September 30, 2010 and 2009, prepared under the responsibility of the Company s management.

2 Our review was carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (Instituto de Auditures Independentes do Brasil IBRACON, and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the quarterly information and (b) a review of the relevant information and of the subsequent events which have, or could have, significant effects on the financial position and operations of the Company and its subsidiaries.

3 Based on our limited review, we are not aware of any significant adjustments which should be made to the interim condensed financial information referred to above for it to be in accordance with the Technical Pronouncement CPC 21 Interim Financial Reporting, applicable to the preparation of interim financial information.

4 As mentioned in Note 3, the Brazilian Securities Commission (Comissão de Valores Mobiliários CVM) approved several Technical Pronouncements, Interpretations and Orientations issued by the Comité de Pronunciamentos Técnicos CPC, valid for 2010, that has changed the accounting practices adopted in Brazil. These changes were adopted and disclosed by the Company in the preparation of the interim condensed financial information for the period of nine-months ended

PricewaterhouseCoopers, Rua da Candelária 65, 11°, 14°, 15° e 16°, Cjs. 1302 a 1304, Rio de Janeíro, RJ, Brasil 20091-020 Caixa Postal 949, T: (21) 3232-6112, F: (21) 2516-6319, www.pwc.com/br

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September 30, 2010. The interim condensed information for the preceding periods, presented for comparative purposes, were adjusted to include the changes in accounting practices adopted in Brazil for 2010 and are being restated in accordance with CPC 23 Accounting Policies, Changes in Accounting Estimates and Correction of Errors (Políticas Contábeis, Mudança de Estimativa e Retificação de Erros).
Rio de Janeiro, October 27, 2010

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

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

Condensed Financial Statements

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

Condensed Balance Sheets

Balances as of **In thousands of Reais**

	Notes	Consolidated September 30, 2010 (unaudited)	Consolidated December 31, 2009 (I)	Parent Company September 30, 2010 (unaudited)	Parent Company December 31, 2009 (I)
Assets					
Current assets					
Cash and cash equivalents	6	16,949,476	13,220,599	4,628,686	1,249,980
Short term investments	7		6,524,906		
Accounts receivable from customers		13,181,545	5,642,820	16,663,629	3,360,426
Related parties	8	162,491	144,029	1,558,529	4,359,807
Inventories	9	7,773,317	5,913,024	2,201,480	1,881,583
Recovarable taxes		2,489,145	2,684,662	1,902,274	1,880,888
Unrealized gains on derivative instruments		39,773	182,932		
Advances to suppliers		551,895	872,287	525,421	751,409
Others		1,474,038	1,579,687	312,393	154,816
		42,621,680	**36,764,946**	**27,792,412**	**13,638,909**
Assets held for sale	10	11,473,777			
		54,095,457	**36,764,946**	**27,792,412**	**13,638,909**
Non-current assets					
Long-term receivables					
Related parties	8	859	63,710	2,156,232	1,842,485
Loans and financing		258,454	285,894	160,392	135,906
Prepaid expenses		267,567	294,550		
Judicial deposits	15	2,930,331	3,108,522	2,065,269	2,433,036
Advances to suppliers energy			889,227		
Deferred income tax and social contribution		2,301,551	2,760,226	1,639,250	2,049,677
Recovarable taxes		503,333	1,539,910	127,911	157,993
Unrealized gains on derivative instruments	23	1,806,798	1,506,084	1,480,965	1,097,690
Others		800,398	546,933	510,452	357,632
		8,869,291	**10,995,056**	**8,140,471**	**8,074,419**
Investments		4,699,889	4,589,890	88,912,744	87,894,653
Intangible assets	12	24,326,695	22,604,578	18,871,403	17,312,970
Property, plant and equipment	13	117,686,814	102,495,433	36,090,912	33,882,584
Biological assets		261,255	288,286	21,708	285,117
		146,974,653	**129,978,187**	**143,896,767**	**139,375,324**

Total of assets		**209,939,401**	**177,738,189**	**179,829,650**	**161,088,652**
Liabilities, and stockholders equity					
Current liabilities					
Treasury stock payable		901,499		901,499	
Suppliers		6,140,599	3,848,855	3,434,042	2,382,899
Payroll and related charges		1,603,608	1,556,360	1,051,497	1,009,912
Current portion of long-term debt		6,310,847	5,310,606	2,213,232	2,053,280
Short-term debt		928,661	646,325		
Related parties	8	12,711	33,468	5,760,837	7,342,680
Taxes payable and royalties		495,467	255,915	139,745	97,317
Provision for income taxes		1,249,331	366,132	772,497	
Employees postretirement benefits		378,636	292,756	223,524	160,740
Railway sub-concession agreement payable		550,174	496,262		
Unrealized losses on derivative instruments	23	155,606	263,595		
Provision for asset retirement obligations	16	137,659	157,048	101,212	121,485
Dividends payable		711,148	2,907,283	711,148	2,907,283
Interest on mandatorily convertible notes		237,288	275,527		
Others		1,912,683	1,063,145	556,536	466,129
		21,725,917	**17,473,277**	**15,865,769**	**16,541,725**
Liabilities directly associated with assets held for sale	10	5,141,878			
		26,867,795	**17,473,277**	**15,865,769**	**16,541,725**
Non-current liabilities					
Pension Plan	17	3,060,371	3,099,313	471,865	636,496
Long-term debt	14	36,489,046	36,132,427	14,727,587	12,071,905
Related parties	8	109,474	103,164	25,101,024	28,110,935
Provisions for contingencies	15	3,760,896	4,201,617	2,212,688	2,730,560
Deferred income tax and social contribution		12,847,032	9,306,370	2,880,736	1,320,215
Unrealized losses on derivative instruments	23	70,246	39,676		
Provision for asset retirement obligations	16	2,127,078	1,930,752	797,410	724,037
Debentures		1,671,340	1,306,258	1,671,340	1,306,258
Others		3,414,607	2,579,794	1,875,204	1,888,406
		63,550,090	**58,699,371**	**49,737,854**	**48,788,812**
Redeemable noncontroling interest		1,128,337	1,272,314		
		64,678,427	**59,971,685**	**49,737,854**	**48,788,812**
Stockholders equity					
Preferred class A stock 7,200,000,000 no-par-value shares authorized and		19,650,141	18,469,222	19,650,141	18,469,222

2,108,579,618 (2009 2,108,579,618) issued				
Common stock 3,600,000,000 no-par-value shares authorized and 3,256,724,482 (2009 3,256,724,482) issued	30,349,859	28,964,971	30,349,859	28,964,971
Mandatorily convertible notes common shares	453,275	2,584,393	453,275	2,584,393
Mandatorily convertible notes preferred shares	1,017,172	2,002,618	1,017,172	2,002,618
Treasury stock 72,577,171 (2009 77,581,904) preferred and 35,722,394 (2009 74,997,899) common shares	(2,921,658)	(2,470,698)	(2,921,658)	(2,470,698)
Results of noncontrolling operations	685,035		685,035	
Transaction cost of issuance of shares	1,867,210	(160,771)	1,867,210	(160,771)
Equity adjustments	202,713	81,485	202,713	81,485
Cumulative translation adjustments	(9,753,003)	(8,886,380)	(9,753,003)	(8,886,380)
Undistributed retained earnings	72,675,283	55,173,275	72,675,283	55,173,275
Total Company stockholders equity	**114,226,027**	**95,758,115**	**114,226,027**	**95,758,115**
Noncontrolling interests	**4,167,152**	**4,535,112**		
Total stockholders equity	**118,393,179**	**100,293,227**	**114,226,027**	**95,758,115**
Total liabilities and stockholders equity	**209,939,401**	**177,738,189**	**179,829,650**	**161,088,652**

(I) period adjusted by new CPC s accounting pronouncements, for comparative purposes, according to note 3.

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

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

Condensed Statements of Income

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

		Consolidated				Parent Company	
		Three-month		Nine-month		Nine-month	
	Notes	September 30, 2010	September 30, 2009 (I)	September 30, 2010	September 30, 2009 (I)	September 30, 2010	September 30, 2009 (I)
Operating revenues, net of discounts, returns and allowances							
Ore and metals		21,350,712	10,800,999	46,974,316	29,758,033	34,014,050	18,732,013
Aluminum products		1,082,163	1,010,237	3,377,973	3,036,091	384,679	327,460
Logistic services		1,119,516	665,965	2,514,710	1,784,198	1,079,011	803,404
Fertilizer products		1,242,237	218,833	1,765,059	621,166	346,990	218,833
Steel products		274,634	135,770	754,447	412,798		
Others		609,062	376,225	1,345,256	1,203,087	247,117	257,905
Net operating revenues		**25,678,324**	**13,208,029**	**56,731,761**	**36,815,373**	**36,071,847**	**20,339,615**
Cost of products and services							
Ores and metals		(5,783,566)	(4,929,263)	(15,734,755)	(14,548,061)	(10,871,176)	(8,378,247)
Aluminum products		(901,806)	(1,017,784)	(2,859,346)	(3,173,012)	(833,487)	(395,167)
Logistic services		(540,888)	(444,552)	(1,551,511)	(1,295,437)	(751,531)	(592,986)
Fertilizer products		(1,170,830)	(91,194)	(1,554,178)	(228,199)	(221,046)	(91,194)
Steel products		(274,377)	(122,845)	(703,457)	(381,080)		
Others		(332,448)	(366,029)	(968,242)	(924,428)	(106,809)	(218,891)
		(9,003,915)	**(6,971,667)**	**(23,371,489)**	**(20,550,217)**	**(12,784,049)**	**(9,676,485)**
Gross profit		**16,674,409**	**6,236,362**	**33,360,272**	**16,265,156**	**23,287,798**	**10,663,130**
Operating expenses							
Selling, general and administrative expenses		(780,217)	(569,799)	(2,009,557)	(1,651,796)	(1,066,646)	(833,849)
Research and development expenses		(387,064)	(438,163)	(1,059,635)	(1,441,322)	(774,338)	(940,906)
Others	22	(891,994)	(647,102)	(2,643,524)	(2,266,572)	(678,078)	(641,084)
		(2,059,275)	**(1,655,064)**	**(5,712,716)**	**(5,359,690)**	**(2,519,062)**	**(2,415,839)**

Operating profit		**14,615,134**	**4,581,298**	**27,647,556**	**10,905,466**	**20,768,736**	**8,247,291**
Equity results		**(56,183)**	**30,262**	**(12,015)**	**93,733**	**5,444,317**	**(4,076,787)**
Financial results, net		**64,725**	**190,181**	**(2,287,772)**	**2,444,273**	**(1,321,365)**	**9,217,358**
Gain (loss) on disposal of assets			**128,555**		**424,277**		**406,622**
Income before income tax and social contribution		**14,623,676**	**4,930,296**	**25,347,769**	**13,867,749**	**24,891,688**	**13,794,484**
Income tax and social contribution							
Current		(4,724,053)	(1,396,582)	(6,458,621)	(5,840,420)	(5,165,830)	(5,607,208)
Deferred		753,800	(448,936)	1,543,473	(298,110)	563,665	(557,497)
	11	**(3,970,253)**	**(1,845,518)**	**(4,915,148)**	**(6,138,530)**	**(4,602,165)**	**(6,164,705)**
Net income from continuing operations		**10,653,423**	**3,084,778**	**20,432,621**	**7,729,219**	**20,289,523**	**7,629,779**
Net income from discontinued operations	5	**14,610**		**(221,708)**		**(221,708)**	
Net income		**10,668,033**	**3,084,778**	**20,210,913**	**7,729,219**	**20,067,815**	**7,629,779**
Net income attributable to noncontrolling interests		**114,345**	**97,949**	**143,098**	**99,440**		
Net income attributable to the Company s stockholders		**10,553,688**	**2,986,829**	**20,067,815**	**7,629,779**	**20,067,815**	**7,629,779**
Basic and diluted earnings per share attributable to Company s stockholders:							
Earnings per preferred share		1.97	0.56	3.80	1.43	3.80	1.43
Earnings per common share		1.97	0.56	3.80	1.43	3.80	1.43

Earnings per preferred share linked to convertible mandatorily notes (*)	1.97	0.56	3.80	0.90	3.80	0.90
Earnings per common share linked to convertible mandatorily notes (*)	1.97	0.56	3.80	1.22	3.80	1.22

(*) basic earnings per share only, as dilution assumes conversion.

(I) period adjusted by new CPC s accounting pronouncements, for comparative purposes, according to note 3.

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

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

3- Condensed Statements of Comprehensive Income (deficit) **In thousands of Reais**
Period ended in (unaudited) **(Except as otherwise stated)**

	Consolidated			
	Three-month		Nine-month	
	September 30, 2010	September 30, 2009 (I)	September 30, 2010	September 30, 2009 (I)
Comprehensive income (deficit) is comprised as follows:				
Company s stockholders:				
Net income attributable to Company s stockholders	10,553,688	2,986,829	20,067,815	7,629,779
Cumulative translation adjustments	(1,022,347)	(1,834,961)	(866,623)	(8,253,507)
Unrealized gain (loss) available-for-sale securities				
Gross balance as of the period/year end	(72,625)	(109,222)	(66,756)	(1,842)
Tax (expense) benefit			(6,327)	
	(72,625)	**(109,222)**	**(73,083)**	**(1,842)**
Cash flow hedge				
Gross balance as of the period/year end	7,201	28,122	313,666	30,121
Tax (expense) benefit	(50,289)	(5,926)	(119,355)	(5,926)
	(43,088)	**22,196**	**194,311**	**24,195**
Total comprehensive income attributable to Company s stockholders	**9,415,628**	**1,064,842**	**19,322,420**	**(601,375)**
Noncontrolling interests:				
Net income attributable to noncontrolling interests	114,345	97,949	143,098	99,440
Cumulative translation adjustments	(72,302)	96,629	(78,948)	(1,373,247)
Cash flow hedge			63,033	
Total comprehensive income (deficit) attributable to Noncontrolling interests	**42,043**	**194,578**	**127,183**	**(1,273,807)**
Total comprehensive income (deficit)	**9,457,671**	**1,259,420**	**19,449,603**	**(1,875,182)**

(I) period adjusted by new CPC s accounting

pronouncements, for comparative purposes, according to note 3.

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

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

Condensed Statements of Changes in Stockholders Equity

Period ended in (unaudited) **In thousands of Reais**

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st of ance hare	Gain on conversion in shares	Treasury stock	Mandatorily convertible notes	Expansion / Investments	Unrealized profit	Legal	Tax incentives	Equity adjustments	Cumulative translation adjustments	Retained earnings	s
0,771)		**(2,448,490)**	**3,063,833**	**38,883,814**	**38,521**	**3,383,677**	**89,844**	**7,945**	**5,982,074**		
										33,431	
									(5,982,074)	5,982,074	
0,771)		**(2,448,490)**	**3,063,833**	**38,883,814**	**38,521**	**3,383,677**	**89,844**	**7,945**		**6,015,505**	
										7,629,779	
		(22,208)									
										(101,357)	
			1,523,178								
								(1,842)			
									(8,253,507)		
								24,195			

0,771)		**(2,470,698)**	**4,587,011**	**38,883,814**	**38,521**	**3,383,677**	**89,844**	**30,298**	**(8,253,507)**	**13,543,927**
0,771)		**(2,470,698)**	**4,587,011**	**45,166,589**		**3,896,124**	**209,497**	**81,485**	**(8,886,380)**	**5,901,065**
										20,067,815
				(2,434,824)			(130,983)			
7,981		1,035,852	(3,063,833)							
		(1,486,812)								
									(866,623)	
								194,311		
								(73,083)		
			(52,731)							
	685,035									
7,210	**685,035**	**(2,921,658)**	**1,470,447**	**42,731,765**		**3,896,124**	**78,514**	**202,713**	**(9,753,003)**	**25,968,880**

(I) period adjusted by new CPC s accounting

pronouncements, for comparative purposes, according to note 3.

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

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

Condensed Statements of Cash Flows

Period ended in (unaudited) **In thousands of Reais**

	Consolidated Accumulated		**Parent Company Accumulated**	
	September 30, 2010	**September 30, 2009 (I)**	**September 30, 2010**	**September 30, 2009 (I)**
Cash flows from operating activities:				
Net income for the period	20,210,913	7,729,219	20,067,815	7,629,779
Adjustments to reconcile net income to cash from operations:				
Equity in results of investment	12,015	(93,733)	(5,444,317)	4,076,787
Sale of assets		(424,277)		(406,622)
Discontinued operations, net of tax	221,708		221,708	
Depreciation, amortization and depletion	3,946,919	3,997,975	1,497,304	1,499,413
Deferred income tax and social contribution	(1,543,473)	298,110	(563,665)	557,497
Foreing indexation and exchange losses (gains), net	821,615	(4,795,107)	(348,728)	(8,746,041)
Loss on disposal of property, plant and equipment	704,871	476,317	2,344,905	337,521
Unrealized derivative losses (gains), net	115,332	(2,282,105)	(97,025)	(2,001,749)
Dividends/interest received	146,938	21,318	783,033	293,817
Others	548,127	(90,256)	618,094	(10,667)
Decrease (increase) in assets:				
Accounts receivable	(7,365,036)	1,721,651	(14,346,295)	3,912,881
Inventories	(1,565,057)	2,951,592	(56,553)	698,936
Advances to energy suppliers		15,879		
Recovarable taxes	209,495	(331,011)	235,298	2,081,476
Others	6,144	(640,762)	(444,070)	234,532
Increase (decrease) in liabilities:				
Suppliers and contractors	2,205,528	(1,426,540)	1,298,118	195,374
Payroll and related charges	10,061	(67,180)	41,585	9,269
Income taxes	2,495,232	1,028,632	1,599,406	1,257,908
Others	611,094	759,934	669,502	777,228
Net cash provided by operating activities	**21,792,426**	**8,849,656**	**8,076,115**	**12,397,339**
Cash flows from investing activities:				
Short term investments	6,524,906	(2,716,256)		
Loans and advances receivable	(96,474)	(994,478)	3,125,108	(31,935)
Guarantees and deposits	(354,910)	(164,546)	(287,506)	(103,794)
Additions to investments	(105,150)	(1,389,689)	(1,621,069)	(6,581,411)
Additions to property, plant and equipment	(14,349,844)	(11,212,848)	(6,262,726)	(5,157,284)

Proceeds from disposal of investments/property, plant and equipment		907,543	4,432,517	602,683
Acquisition of subsidiaries, net of cash acquired	(11,377,793)	(4,245,775)		
Net cash used in investing activities	**(19,759,265)**	**(19,816,049)**	**(613,676)**	**(11,271,741)**
Cash flows from financing activities:				
Short-term debt, additions	4,040,104	3,178,808	3,938,815	56,817
Short-term debt, repayments	(3,992,613)	(2,867,603)	(7,890,936)	(4,711,339)
Long-term debt	6,408,147	3,412,486	3,032,339	1,276,710
Issue of convertible notes, in common share s		577,056		
Issue of convertible notes, in preferred share s		1,281,035		
Repayments:				
Related parties				(120,416)
Financial institutions	(2,951,102)	(689,676)	(380,639)	(406,341)
Transaction of noncontrolling interest	1,118,172			
Dividends and interest attributed to Company s stockholders	(2,303,638)	(2,734,500)	(2,198,000)	(2,734,500)
Treasury stock	(585,313)	(22,208)	(585,313)	(22,208)
Net cash provided by (used in) financing activities	**1,733,757**	**2,135,398**	**(4,083,734)**	**(6,661,277)**
Increase (decrease) in cash and cash equivalents	**3,766,918**	**(8,830,995)**	**3,378,706**	**(5,535,679)**
Cash and cash equivalents of cash, beginning of the period	13,220,599	24,639,245	1,249,980	6,712,705
Effect of exchange rate changes on cash and cash equivalents	(38,041)	(247,654)		
Cash and cash equivalents, end of the period	**16,949,476**	**15,560,596**	**4,628,686**	**1,177,026**
Cash paid during the period for:				
Interest on short-term debt	(28,704)	(87,238)	(63,345)	(108,045)
Interest on long-term debt	(1,436,031)	(1,763,626)	(1,193,866)	(1,770,525)
Income tax and social contribution	(1,685,322)	(894,254)	(1,559,906)	(217,065)
Non-cash transactions:				
Additions to property, plant and equipment interest capitalized	(462,253)	(281,678)	(70,605)	(10,617)
Transfer of advance for future capital increase to investments				(291,950)
Conversion of mandatorily convertible notes using 75,435,238 treasury stock (see notes 20 and 21)				

(I) period adjusted by new CPC s accounting pronouncements, for comparative purposes, according to note 3.

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

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

6-Condensed Statements of Added Value

Period ended in (unaudited) **In thousands of Reais**

	Consolidated Accumulated		Parent Company Accumulated	
	September 30, 2010	**September 30, 2009 (I)**	**September 30, 2010**	**September 30, 2009 (I)**
Generation of added value				
Gross revenue				
Revenue from products and services	58,386,558	37,774,919	37,228,333	20,945,442
Revenue from the construction of own assets	13,353,753	8,321,656	6,285,530	4,885,567
Allowance for doubtful accounts	(18,433)	(10,463)	(11,972)	(6,273)
Less: Acquisition of products	(1,319,220)	(888,062)	(924,213)	(191,069)
Outsourced services	(7,761,990)	(4,861,705)	(4,774,368)	(1,865,700)
Materials	(13,776,301)	(13,241,594)	(6,701,128)	(8,229,215)
Fuel oil and gas	(2,717,325)	(2,011,291)	(1,203,320)	(814,000)
Energy	(1,589,920)	(1,277,608)	(835,136)	(508,295)
Other costs	(6,786,420)	(4,827,805)	(2,930,159)	(2,126,997)
Gross added value	**37,770,702**	**18,978,047**	**26,133,567**	**12,089,460**
Depreciation, amortization and depletion	(3,946,919)	(3,997,975)	(1,497,304)	(1,499,413)
Net added value	**33,823,783**	**14,980,072**	**24,636,263**	**10,590,047**
Received from third parties				
Financial revenue	368,819	740,145	598,877	532,077
Equity results	(12,015)	93,733	5,444,317	(4,076,787)
Total added value to be distributed	**34,180,587**	**15,813,950**	**30,679,457**	**7,045,337**
Personnel	3,776,264	3,728,670	2,188,928	1,721,878
Taxes, rates and contribution	2,621,671	(78,341)	1,900,307	214,256
Current income tax	6,458,621	5,840,420	5,165,830	5,607,208
Deffered income tax	(1,543,473)	298,110	(563,665)	557,497
Remuneration on third party s capital	2,889,901	2,368,828	2,184,012	2,422,807
Foreign indexation and exchange gain, net	(233,310)	(4,072,956)	(263,770)	(11,108,088)
Net income attributable to the company s stockholders	20,067,815	7,629,779	20,067,815	7,629,779
Net income attributable to noncontrolling interests	143,098	99,440		

Distribution of added value	**34,180,587**	**15,813,950**	**30,679,457**	**7,045,337**

(I) period adjusted by new CPC s accounting pronouncements, for comparative purposes, according to note 3.

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

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

Notes to the Condensed Financial Statements

(In thousands of Reais, except as otherwise stated)

1- Operational Context

Vale S.A, (Vale or the Company) is a Public Limited Liability Company with its headquarters in the city of Rio de Janeiro, state of Rio de Janeiro, Brazil, whose main activities through Vale, its direct and indirect subsidiaries and jointly controlled companies are mining, base metals production, fertilizers, logistics and steel activities.

At September 30, 2010, our principal consolidated operating subsidiaries are the following:

Companies	% ownership	% voting capital	Location	Principal activity
Subsidiaries				
Alumina do Norte do Brasil S.A. Alunorte (*)	57.03	59.02	Brazil	Alumina
Alumínio Brasileiro S.A. Albras (*)	51.00	51.00	Brazil	Aluminum
Compañia Mienera Misky Mayo S.A.C	40.00	51.00	Peru	Fertilizers
Ferrovia Centro-Atlântica S. A	99.99	99.99	Brazil	Logistic
Ferrovia Norte Sul S.A	100.00	100.00	Brazil	Logistic
Mineração Corumbaense Reunida S.A	100.00	100.00	Brazil	Iron ore
PT International Nickel Indonesia Tbk	59.14	59.14	Indonesia	Nickel
Vale Australia Pty Ltd.	100.00	100.00	Australia	Coal
Vale Colombia Ltd	100.00	100.00	Colombia	Coal
Vale Fertilizantes S.A (formely Fosfértil)	78.90	99.81	Brazil	Fertilizers
Vale Fosfatados S.A	100.00	100.00	Brazil	Fertilizers
Vale Canada Limited (formely Vale Inco)	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 Manganese France	100.00	100.00	France	Ferroalloys
Vale Manganese Norway	100.00	100.00	Norway	Ferroalloys
Vale Nouvelle-Caledonie SAS	74.00	74.00	New Caledonia	Nickel
Jointly-controlled companies				
California Steel Industries, Inc.	50.00	50.00	Estados Unidos	Steel
Mineração Rio do Norte S.A.	40.00	40.00	Brazil	Bauxita
MRS Logística S.A	41.50	37.86	Brazil	Logistic
Samarco Mineração S.A.	50.00	50.00	Brazil	Minério de ferro

(*) Classified as current assets held for sale.

2- Summary of the Condensed Financial Statements and of the Principal Accounting Principles

The condensed quarterly financial statements were prepared under CPC 21 Interim Financial Reporting and based on the Brazilian Corporate Law (new wording by Law 11.638), Law 11.941, the standards, guidelines and interpretations issued by the Accounting Standards Committee CPC and by the Securities and Exchange Commission of Brazil CVM .

On January 1, 2010, the Company adopted from retrospectively to January 1, 2009, for comparison purposes all the Accounting Standards issued by CPC and approved by CVM. So, financial results previously disclosed have being revised as if the accounting principles had been applied in all prior periods. Except as described in note 3, the quarterly financial statements followed the principles, methods and uniform criteria in relation to those adopted in the last fiscal year ended in December 31, 2009 and therefore should be read together with these.

In preparing the financial statements, we are required to use estimates to account for certain assets, liabilities revenues and expenses. The condensed financial statements therefore include various estimates concerning the selection of useful lives of property, plant and equipment, impairment, provisions necessary for contingent liabilities and other similar evaluations. The actual amounts for the quarter periods are not necessarily indicative of the actual results expected for the full fiscal year ending December 31, 2010.

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$ 1,6942 on September 30, 2010 (US$ 1,00 equal to R$ 1,7412 on December 31, 2009), for monetary items. For non monetary items valued at cost, Vale uses the exchange rate at the day of the transaction or average exchange rate of the month and for non monetary items measured at fair value, Vale uses the exchange rate at the day of the transaction. Monetary rights and obligations in Brazilian currency are financially updated using contractual indexes.

Vale evaluated subsequent events until October 27, 2010, report of the condensed financial statements.

3- Adoption of new principles and accounting estimates

During 2009, The Company adopted the Standards issued by Accounting Standards Committee CPC that became mandatory for adoption for the reporting statements ending on December 31, 2010 and for the parent Company since the first quarter of 2010. The Company made the necessary adjustments in the financial statements for the quarters ended September 30, 2009 and December 31, 2009, as follows:

CPC 15 Business Combinations which aims to improve the relevance, reliability and comparability of information that an entity provides in its financial statements about a business combination and its effect on the assets acquired and liabilities assumed. During the initial adoption process we did not identify any significant adjustment.

CPC 16 Inventories the objective of this Standard is to determine the measurement of inventories purchased for resale, the ones held for consumption or industrial use or in services rendered, work in-process and finished goods ready for sale. During the initial adoption process we did not identify any significant adjustment.

CPC 18 Investment in subsidiaries and affiliates the objective of this Standard is to specify how the investments in affiliates should be accounted in the consolidated financial statements and in the financial statements of the Parent Company. During the initial adoption process we did not identify any significant adjustment.

CPC 19 Investment in Controlled Joint Venture the objective of this Standard is to specify how to account for interests in jointly controlled ventures (joint ventures) and the distribution of assets, liabilities, revenues and expenses of these enterprises in the financial statements of the investees. During the initial adoption process we did not identify any significant adjustment.

CPC 20 Borrowing Costs the objective of this Standard is the capitalization of the borrowing costs that are directly attributable to the acquisition, construction or production of assets, taking part of the cost of such assets. During the initial adoption process we did not identify any significant adjustment.

CPC 21 Interim Financial Statements the objective of this Standard is to establish the minimum disclosure of an interim financial statement and the principles for recognition and measurement of complete and condensed interim financial statements. The Company has adopted this standard in January 1, 2010, according to note 2.

CPC 22 Segment Information the objective of this Standard is to provide the disclosure that will enable users of the financial statements to assess the nature and financial effects of business activities in which the Company is involved and the economic environments in which it operates. The Company discloses in their annual statements the segment information and on March 31, 2010, the Company started disclosing comparative information, having no material change in relation to accounting records.

CPC 23 Accounting Policies Changes in Estimates and Error Correction, the objective of this standard is to define criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of change in accounting policies, changes in accounting estimates and correction of error, as well as to improve the relevance and reliability of financial statements of the entity, and to enable comparability over time with the financial statements of other entities. The Company discloses in its financial statements at the end of each fiscal year, all accounting policies adopted by it, and any change or new address, follow all the decisions and guidelines for adoption. Therefore, in line with CPC 21 and CPC 23, the Company is disclosing all policies that have being changed with the adoption of CPCs.

CPC 24 Subsequent Events the objective of this Statement is to determine when the entity must adjust its financial statements with respect to the subsequent events to the accounting period which refers these statements, the information that the entity must disclose about the date on which the authorization is granted to issue the financial statements and the subsequent events following the accounting period related to these statements, and establish that the entity should not prepare its financial statements based on the continuity assumption if events after the accounting period related to the statements indicate that the continuity assumption is not appropriate. The Company has adopted this approach in their statements.

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CPC 25 Provisions, Contingent Liabilities and Contingent Assets the goal is to establish criteria to be applied for recognition and measurement basis to correct measurement of provisions, liabilities and contingent assets and that sufficient information is disclosed in the notes to allow users to understand their nature, timeliness and value. The Company adopts this standard in their financial statements.

CPC 26 Presentation of Financial Statements the goal is to define the basis for presentation of the financial statements to ensure comparability both with the financial statements for prior periods with the same entity as the financial statements of other entities. In this scenario, this standard establishes general requirements for the submission of financial statements, establishes guidelines for their structure and minimum requirements of content. The Company will adopt this standard for the complete annual financial statements in December 31, 2010.

CPC 27 Properties, Plant and Equipment the goal is to establish the accounting treatment for fixed assets, so that users of financial statements can differentiate information about the entity s investment in its fixed assets, and its variances. The main points to consider in accounting for fixed assets are the recognition of assets, the determination of their carrying amount, their depreciation (useful life) and assessing the need for recognition of impairment for losses to be recognized. The Company and its subsidiaries have been practicing the guidance in this standard.

CPC 29 Biological Assets and Agricultural Product the goal is to establish the accounting treatment, and their disclosures relating to biological assets and agricultural products. The Company has in its financial records these assets, and during the initial adoption process we did not identify any significant adjustment.

CPC 30 Revenue the objective of this Standard is to establish criteria for the accounting treatment of revenue from certain types of transactions and events. It must be recognized when it is probable that future economic benefits will flow to the entity and these benefits can be reliably measured. The Company adopts this standard in their financial statements.

CPC 31 Non-Current Assets Held for Sale and Discontinued Operations the objective of this Standard is to establish the accounting of non-current assets held for sale with the presentation and disclosure of discontinued operations. In particular, the Standard requires that assets which meet the criteria for classification as held for sale are measured at lower of book value or the fair value less cost to sell. The depreciation or amortization of the assets ceases and the assets are presented separately in the balance sheet and the results of discontinued operations are presented separately in the income statement. The Company adopted this guidance.

CPC 32 Income Taxes the objective of this Technical Standard is to prescribe the accounting treatment for taxes on income. The term tax on profit and includes all taxes and foreign national contributions are based on taxable profits. The term tax on profit also includes income taxes, such as withholding, which are due by the entity itself, through a subsidiary, affiliate or joint venture in which it participates. The effects relating to changes of due to the standard are the table of adjustment for adoption of new practices and accounting estimates.

CPC 33 Employee Benefits the objective of this Standard is to address the accounting and disclosure for employee benefits. This requires the entity to recognize a liability when the employee renders service in exchange for benefits to be paid in the future, and an expense when the entity uses the economic benefit from the service received by the employee. The Company has in its financial statements, accounting records relating to events related to employee benefits, including events related to post-employment benefits and other post-employment benefits. The effects relating to changes of the standard are presented in the table of adjustments for adoption of new practices and accounting estimates.

CPC 36 Consolidated Financial Statements the objective of this Standard is to increase the relevance, reliability and comparability of information that the parent Company provides in its financial statements, and the entities that are under control. It specifies the circumstances in which the entity should consolidate the financial statements of another entity (a subsidiary), the treatment in changes in ownership, in loss of controlling interest and the information that must be evidenced to enable users of financial statements to assess the nature of the relationship between the entity and its subsidiaries. The effects relating to changes of this standard are presented in the table of adjustments for adoption of new practices and accounting estimates.

CPC 37 Initial adoption of International Accounting Standards the objective of this Standard, basically applied to the consolidated financial statements, is to ensure that the first consolidated financial statements of an entity in accordance with International Accounting Standards issued by the IASB International Accounting Standards Board (IFRSs - International Financial Reporting Standards) and the disclosures accounting for the interim periods covered by such financial statements contain high quality information and have the same net income and stockholders equity, except in exceptional situations. The Company is adopting this standard in January 1, 2010, and comparing to January 1, 2009. The statements (note for the first adoption, with the appropriate reconciliations) will be released on December 31, 2010, compared to 2009.

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CPC 38 Financial Instruments: Recognition and Measurement, CPC 39 Financial Instruments: Presentation and CPC 40 Financial Instruments: Disclosure. The goal of the CPC 38 is to establish principles for recognizing and measuring financial assets, financial liabilities and some contracts of buy and sell non-financial items. The goal of the CPC 39 is to establish principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and liabilities. Applying the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments, the classification of their interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities should be offset. The goal of the CPC 40 is to require the entity to disclose in its financial statements what allows users to evaluate the significance of the financial instrument for the financial position and performance of the entity and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and the end of the accounting period, and how the entity manages those risks. The Company already adopted the concepts and requirements in accordance with this standard. During the initial adoption process, the relevant effects were identified, and described in the table of adjustments for adoption of new practices and accounting estimates.

CPC 41 Earning per Share the objective of this standard is to establish principles for measurement and disclosure of earnings per share, in order to improve performance comparisons between different companies in the same period, as well as for the same Company at different periods. Even tough earnings per share information has been limited because of different accounting principles used to determine the results of the period, a consistent denominator improve the presentation of the financial reports. The standard focuses on the denominator of the earning per share calculation. The standard shoul be applied to the consolidated and individual financial statements of the Company in which common shares or potential common shares are publicly traded (national and foreign stock exchange or informal trade market, including local and regional market), or Companies that had been registered or that are in process of registering in the CVM or other official regulator, with the purpose of distribute common shares or potential common shares in the formal market. Normally, earning per share is calculated in a common shares context and so is deliberate by deducing the earnings attributable to the preferred shares owners from the results of the period. However certain preferred shares are equivalent to common shares in the Brazilian scenario (even in others countries), the standard establish that everything related to calculation and disclosure of the basic and diluted earning per common share is applicable to the calculation and disclosure of the basic and diluted earning per preferred share, by class, independent of your categorization as capital or debt, if the shares are being traded or in process to be traded at formal markets. The Company adopted this guidance.

In addition to these standards, we also adopt the respective interpretations, instructions and guidelines applicable as follows:

CVM 485 instruction (alter the CVM 457 instruction) provides for the preparation and disclosure of consolidate financial statements, according to the international accounting standards issued by the International Accounting Standards Board IASB. The consolidated financial statements to the public companies should be prepared in accordance with the international pronouncements and standards issued by the Account Standard Committee (Comite de Pronunciamentos Contabeis CPC) and Securities and Exchange Commission (Comissao de Valores Mobiliarios CVM). The public Companies should disclosure into the explanatory notes to the consolidated financial statements an explicit note and without reserves that the financial statements are in accordance with the international accounting standards issue by IASB and also in accordance with the accounting principles adopted in Brazil. The Company adopted this guidance.

ICPC 01 Grant Contracts the objective of this interpretation is to guide the grantee about the accounting for public services concession to private entities. This interpretation is applicable to concession if the grantor has the control over which services the grantee has to provide regarding infrastructure, to whom must provide the services, its price or whatever relevant residual interest existing up to concession deadline. Also is applicable to the existing or acquired infrastructure by the grantee from third parties. The Company begun to recognize those assets into intangible assets, not recording, in this moment, any financial asset for understanding that there is no unconditional evidence of receiving from the Grantor for those assets.

ICPC 13 Participation Rights from Decommissioning, Restoration and Environmental Rehabilitation Funds the purpose of the decommissioning fund is to segregate assets for defray any or all costs of assets decommissioning. The contributions to the fund can be voluntaries or required by law or regulation. The funds can present established structure by a single or multiple payers to pay its individual or joint obligations. The payer should record a liability for your obligation to pay decommissioning expenses and must record your fund interest separately, except if the payer is not responsible for paying the decommissioning expenses even if the fund fails to pay. If the payer does not has the control, joint control or any significant influence over the fund, should recognize the rights to receive reimbursement from the fund as reimbursement and to measure at the lower between the obligation and the portion of the payer recognized the fair value of net assets of the fund attributable to payers. The changes in book value of the rights to receive reimbursement, except the fund contributions, should be recorded in the results for the period that changes occurred. The Company does not have this kind of fund, and its assets are accounted under other accounting pronouncements.

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For the periods covered by the first financial statements in accordance with the new principles, the Company has evaluated the new rules and as a result of the adoption of the standards relevant to their initial balances has made adjustments in the intermediate and comparative statements as follows:

Employee benefits (CPC 33) the Company made early records in employee benefit plans immediately recognized an increase in liabilities with the offset in deferred income tax assets and in equity. In these adjustments also are included gains and losses relating to previous accounting policy, which would fall within the limits of the corridor practices adopted by the Company for recognition of actuarial gains and losses from employees benefit plans in the previous principles, which continued to being adopted for new principles.

Provision for assets retirement obligation (CPC 25) the entries made for the initial adoption of this statement; refer to the differences between the historical interest rates on long-term used in previous and use in new items for the calculation of the discounted present value of obligations for asset retirement.

Financial instruments (CPC 38) the entries made for the initial adoption of this standard are related to the additional remuneration of mandatorily convertible securities, debt remuneration, and additional dividends.

Leasing the Company recognized as fixed assets with an offset in loans and financing, the amount due to leasing contracts previously classified as operational leasing.

Deferred income tax the adjustments in this account refer basically a transfer of the shares recorded as current assets to non-current liabilities, according to CPC 26. The amount comprises with a tax loss of the parent Company of R$397,109 September 30, 2010 against R$799,243 December 31, 2009, and expects to realize it even in 2010.

Minority interest this line is now called Non-controlling shareholders participation and was assigned to Equity in accordance with CPC 26 and CPC 36. The participation of non-controlling shareholders, recorded in Equity requires that the movement of items of those shareholders occur in a similar way as those submitted to the controlling shareholders.

Redeemable non-controlling shareholders the participation of non-controlling shareholders that is redeemable upon the occurrence of certain events beyond the control of the Company was classified as shares of redeemable non-controlling shareholders in non-current liabilities.

Adjustments of the Adoption of New Accounting Practices and Estimates

	Consolidated				Parent Company		
	Assets	**Liabilities**	**Minority interest**	**Stockholders equity**	**Assets**	**Liabilities**	**Stockholders equity**
Opening balance of new international accounting principles on January 1, 2009							
Balance prior to the adoption of new principles	**184,845,948**	**82,489,987**	**6,081,319**	**96,274,640**	**171,759,376**	**75,484,736**	**96,274,640**
Employee Benefits	102,817	108,208		(5,391)	102,817	302,402	(199,585)
Assets Retirement Obligation	(48,169)	(87,843)		39,674			

Leasing	18,437	19,289		(852)			
Deferred Income Taxes	(429,936)	(429,936)					
Investments					233,016		233,016
Judicial deposits	1,126,238	1,126,238			861,791	861,791	
Adjustments to the new accounting practices on January 1, 2009	**769,387**	**735,956**		**33,431**	**1,197,624**	**1,164,193**	**33,431**
Equity of controlled shareholders				**96,308,071**			
Noncontrolling shareholders participation OCI			(4,691,278)	4,691,278			
Redeemable noncontrolling shareholders		1,390,041	(1,390,041)				
Balance on January 1, 2009 with the new principles	**185,615,335**	**84,615,984**		**100,999,349**	**172,957,000**	**76,648,929**	**96,308,071**

mber 30, 2009 arter of 2009	**Consolidated**					**Parent Company**			
	Assets	**Liabilities**	**Minority interest**	**Stockholders equity**	**Net result**	**Assets**	**Liabilities**	**Stockholders equity**	**N**
prior to the of new s	**175,305,572**	**73,541,419**	**4,598,841**	**97,165,312**	**3,003,301**	**159,333,942**	**62,168,630**	**97,165,312**	**3.**
ated prior justments	920,541	975,495		(54,954)		1,214,449	1,269,403	(54,954)	
	176,226,113	**74,516,914**	**4,598,841**	**97,110,358**	**3,003,301**	**160,548,391**	**63,438,033**	**97,110,358**	**3.**
e Benefits	(2,167)	(8,615)		6,448	(9,242)	(2,167)	(6,373)	4,206	
etirement n	86,305	96,764		(10,459)	(7,185)				
	(1,555)	(1,517)		(38)	(45)				
Income Taxes	70,809	70,809							
nts						(8,255)		(8,255)	
eposits	4,017	4,017				62,077	62,077		

ents to the new ng principles	**157,409**	**161,458**		**(4,049)**	**(16,472)**	**51,655**	**55,704**	**(4,049)**	
f controlled ders				**97,106,309**	**2,986,829**				
ated prior justments			(3,213,495)	3,213,495					
olling ers ion OCI			(202,909)	202,909	97,949				
ble olling ers		1,182,437	(1,182,437)						
on 09/30/09 new principles	**176,383,522**	**75,860,809**		**100,522,713**	**3,084,778**	**160,600,046**	**63,493,737**	**97,106,309**	**2.**

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	Consolidated					**Parent Company**		
er 31, 2009 4Q09	**Assets**	**Liabilities**	**Minority interest**	**Stockholders equity**	**Net result**	**Assets**	**Liabilities**	**Stockholders equity**
2/31/09 prior to n of new principles	**175,738,728**	**74,194,328**	**5,807,426**	**95,736,974**	**2,628,094**	**159,757,929**	**64,020,955**	**95,736,974**
to prior quarters	1,077,950	1,136,953		(59,003)		1,266,104	1,325,107	(59,003)
	176,816,678	**75,331,281**	**5,807,426**	**95,677,971**	**2,628,094**	**161,024,033**	**65,346,062**	**95,677,971**
enefits	(11,537)	(108,509)		96,972	3,824	(11,537)	(33,932)	22,395
ement Obligation	(67,200)	(49,846)		(17,354)	16,651			
emuneration of Convertible					59,062			
	(1,323)	(1,849)		526	(25)			
ome Taxes	1,537,654	1,537,654						
						57,749		57,749
sits	(536,083)	(536,083)				18,407	18,407	
s to the new practices of 4Q09	**921,511**	**841,367**		**80,144**	**79,512**	**64,619**	**(15,525)**	**80,144**
ntrolled s				**95,758,115**	**2,707,606**			
			(3,416,404)	3,416,404				
ng shareholders OCI			(1,118,708)	1,118,708	68,489			
noncontrolling		1,272,314	(1,272,314)					
12/31/09 with the les	**177,738,189**	**77,444,962**		**100,293,227**	**2,776,095**	**161,088,652**	**65,330,537**	**95,758,115**

4- Principles and Consolidation Practices

The quarterly condensed consolidated financial statements reflect the balances of assets, liabilities and shareholders equity at September 30, 2010 and December 31, 2009 and the operations for the quarters ended September 30, 2010 and 2009 of the parent Company and its direct and indirect subsidiaries and shared control. Overseas operations are translated into the reporting currency of financial statements in Brazil and are accounted for under equity, full or proportional consolidation of financial statements.

Vale participation in hydroelectric projects in Brazil is done through consortium contracts under which the Company participates in assets and liabilities of enterprises in proportion to the share holding of the power generated. The Company has no joint liability for any obligation. Since there is no legal entity for the project, there are no stand alone, income tax, net income and equity. Brazilian law clearly states that no separate entity as a result of the consortium contract. Thus, Vale recognizes the proportionate share of costs and undivided interests in assets related to hydroelectric projects.

5- Acquisitions and Disposals

a) Fertilizars Business

In line with the strategy of the Company to become a leading global player in the fertilizer business, on May 27, 2010, Vale acquired 58.6% of the equity capital of Vale Fertilizantes S.A. (formely Fosfértil) and the Brazilian fertilizer assets of Bunge Participações e Investimentos S.A. (BPI) for a total of R$ 8,692,537 in cash. An additional payment was done in July 2010 in the amount of R$ 102,845 as an add to purchase price of Vale Fosfatados.

Information about the purchase price allocation presented below based on the fair values of identified assets acquired and liabilities assumed is preliminary. Such allocation, currently being performed internally by the Company, will be finalized during future periods, and accordingly, the preliminary purchase price allocation information set forth below is subject to revision, which may be material.

Purchase price	8,692,537
Noncontrolling interest (*)	3,316,930
Book value of assets acquired and liabilities assumed, net	(4,395,902)
Adjustment to fair value of property, plant and equipment	(9,307,406)
Adjustment to fair value of inventories	(180,761)
Deferred taxes on the above adjustments	3,225,977
Goodwill	**1,351,375**

(*) Noncontrolling interests consideration is caculated based on the option contract and maket prices for the remaning noncontrolling interest.

As part of this acquisition, on September 29, 2010, the Company exercised an option contract to acquire additional 20.27% stake in Fosfertil, for US$1.0 billion (equivalent in September 30, 2010 to R$ 1,753 million). Also, Vale launched a mandatory offer to acquire the 0.19% of the common shares held by the noncontrolling shareholders.

If the acquisition of these assets had been completed on January 1, 2010, our net income would increased by R$ 80.159 and our net revenues would increase by R$ 829.010.

The goodwill balance arises primarily due to the synergies between the acquired assets and the potash operations in Taquari-Vassouras, Caranalita, Rio Colorado and Neuquém and phosphates in is Bayóvar I and II, in Peru, and Evate, in Mozambique. The future development of our projects combined with the acquisition of the portfolio of fertilizer assets will allow Vale to be one of the top players in the world fertilizer business.

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b) Other transactions

In September 2010, Vale required 51% state in Sociedade de Desenvolvimento do Corredor Norte S.A. (SDCN) for US$20 million (equivalent to R$34 million in September 30, 2010). The SDCN has the concession to create a logistic infrastructure necessary for production flow resulting from the second phase of our Moatize Project.

As part of the Company efforts to meet the future production targets, the Company acquired 51% interest on iron ore concession rights in Simandou South (Zogota), Guinea and iron ore exploration permits in Simandou North. From this amount, R$ 900,750 is payable immediately and the remaining US$ 2 billion (equivalent to R$ 3,388 million in September 30, 2010) upon achievement of specific milestones. This joint venture is also committed to renovate 660 km of the Trans-Guinea railway for passenger transportation and light commercial use.

In July, 2010, Vale concluded the sale of minority stakes in the Bayóvar project in Peru through the newly-formed company MVM Resources International B.V. (MVM). The Company sold 35% of the total capital of MVM to Mosaic for R$ 682,181 and 25% to Mitsui for R$ 487,272 Vale retains control of the Bayóvar project, holding 40% stake of the total capital of the newly-formed company. The capital amount invested as at June 30, 2010 was approximately US$550,000 (equivalent to R$ 931,810 million in September 30, 2010). The gain on this transaction will be accounted for in equity in accordance with the accounting rules related to the gains/losses when control is retained.

In June, 2010, Vale acquired an additional 24.5% stake in the Belvedere coal project (Belvedere) for R$ 167,946 from AMCI Investments Pty Ltd (AMCI). As an outcome of this transaction, the Company increased its participation in Belvedere from 51.0% to 75.5%.

In May, 2010, Vale entered into agreement with Oman Oil Company S.A.O.C. (OOC), a company wholly-owned by the Government of the Sultanate of Oman, to sell 30% of Vale Oman Pelletizing Company LLC (VOPC), for US$ 125 million (equivalent to R$ 212 million in September 30, 2010). The transaction remains subject to the terms set forth in the definite share purchase agreement to be signed after the fulfillment of precedent conditions.

Vale has entered into negotiations and agreements to sell Kaolin, aluminum and alumina assets. For further details see note 10.

6- Cash and cash equivalents

	Consolidated		Parent Company	
	September 30, 2010 (unaudited)	December 31, 2009	September 30, 2010 (unaudited)	December 31, 2009
Cash	1,199,262	1,405,352	30,800	85,693
Short-term investments	15,750,214	11,815,247	4,597,886	1,164,287
	16,949,476	**13,220,599**	**4,628,686**	**1,249,980**

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.

7- Short-Term Investments

	Consolidated	
	September 30, 2010 (unaudited)	December 31, 2009
Time deposits (*)		6,524,906

(*) Represent low-risk

investments, with redemption date between 91 and 360 days, investments with less time are classified as cash and cash equivalents.

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8- Related parties

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

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

	Consolidated Assets			
	September 30, 2010 (unaudited)		December 31, 2009	
	Customers	Related Parties	Customers	Related Parties
Baovale Mineração S.A	3,188			
Companhia Coreano-Brasileira de Pelotização KOBRASCO	324	210		
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	79,913	134	29,297	136
Companhia Ítalo-Brasileira de Pelotização ITABRASCO	339		1,042	
Korea Nickel Corporation			18,922	
MRS Logistica S.A.	829	360		
Samarco Mineração S.A	43,527	6,343	10,298	37,418
Teal Minerals Incorporated		79,419		140,000
Others	102,996	76,884	32,431	30,185
Total	**231,116**	**163,350**	**91,990**	**207,739**
Registered as:				
Current	231,116	162,491	91,990	144,029
Long-term		859		63,710
	231,116	**163,350**	**91,990**	**207,739**

	Consolidated Liabilities			
	September 30, 2010 (unaudited)		December 31, 2009	
	Suppliers	Related Parties	Suppliers	Related Parties
Baovale Mineração S.A	23,034			
Companhia Coreano-Brasileira de Pelotização KOBRASCO	82,654	1,069	4,712	1,912
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	71,935	1,102	27,861	1,051
Companhia Ítalo-Brasileira de Pelotização ITABRASCO	2,724		4,783	
Companhia Nipo-Brasileira de Pelotização NIBRASCO	115,293		8,307	9,518

Minas da Serra Geral	5,378	10,540	8,068	14,236
Mineração Rio do Norte S.A.	13,341		25,839	
MRS Logistica S.A.	218,800	109,355	309,783	109,376
Others	90,460	119	119,496	539
Total	**623,619**	**122,185**	**508,849**	**136,632**
Current	623,619	12,711	508,849	33,468
Long-term		109,474		103,164
	623,619	**122,185**	**508,849**	**136,632**

	Parent Company Asset			
	September 30, 2010 (unaudited)		**December 31, 2009**	
	Customers	**Related Parties**	**Customers**	**Related Parties**
ALUNORTE Alumina do Norte do Brasil S.A.	24,900	48,909	33,071	71,526
Baovale Mineração S.A	6,376	3,323		
Companhia Portuária Baía de Sepetiba CPBS	1,867	155,940		
CVRD OVERSEAS Ltd.	1,933,964	146	544,802	174
Ferrovia Centro Atlântica S.A.	29,117	118,002	59,134	68,075
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	79,325	273	59,555	12
Minerações Brasileiras Reunidas S.A. MBR	1,968	551,052	6,033	686,804
MRS Logistica S.A.	1,065	22,317	1,277	6,018
Salobo Metais S.A.	2,585	233,555	3,499	233,555
Samarco Mineração S.A	87,054	167,847	20,596	74,836
Vale International S.A.	13,568,126	1,586,965	1,672,019	4,652,712
Vale Manganês S.A.	18,137	182,059	36,022	181,205
Others	154,285	644,373	169,792	227,375
Total	**15,908,769**	**3,714,761**	**2,605,800**	**6,202,292**
Current	15,908,769	1,558,529	2,605,800	4,359,807
Non-current		2,156,232		1,842,485
	15,908,769	**3,714,761**	**2,605,800**	**6,202,292**

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	Parent Company Liabilitie			
	September 30, 2010 (unaudited)		December 31, 2009	
	Suppliers	Related Parties	Suppliers	Related Parties
ALUNORTE Alumina do Norte do Brasil S.A.	13,208		15,732	
Baovale Mineração S.A	46,068		38,790	
Companhia Portuária Baía de Sepetiba CPBS	218,273	2,522	30,185	2,319
CVRD OVERSEAS Ltd.	4	220,799	4	490,955
Ferrovia Centro Atlântica S.A.	15,454		14,101	1,583
Companhia Coreano-Brasileira de Pelotização KOBRASCO	165,308		9,424	
Companhia Hispano-Brasileira de Pelotização HISPANOBRÁS	63,979	2,245	56,732	2,140
Minerações Brasileiras Reunidas S.A. MBR	26,667	264,044	30,203	87,628
MRS Logistica S.A.	262,296		433,122	
Companhia Nipo-Brasileira de Pelotização NIBRASCO	214,090	21,203	16,953	21,199
Salobo Metais S.A.	10,000		16,200	
Vale International S.A.	3,488	30,330,813	41,740	34,807,832
Others	82,937	20,235	142,400	39,959
Total	**1,121,772**	**30,861,861**	**845,586**	**35,453,615**
Current	1,121,772	5,760,837	845,586	7,342,680
Non-current		25,101,024		28,110,935
	1,121,772	**30,861,861**	**845,586**	**35,453,615**