



Vale's performance in 2015

February 25, 2016

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.”

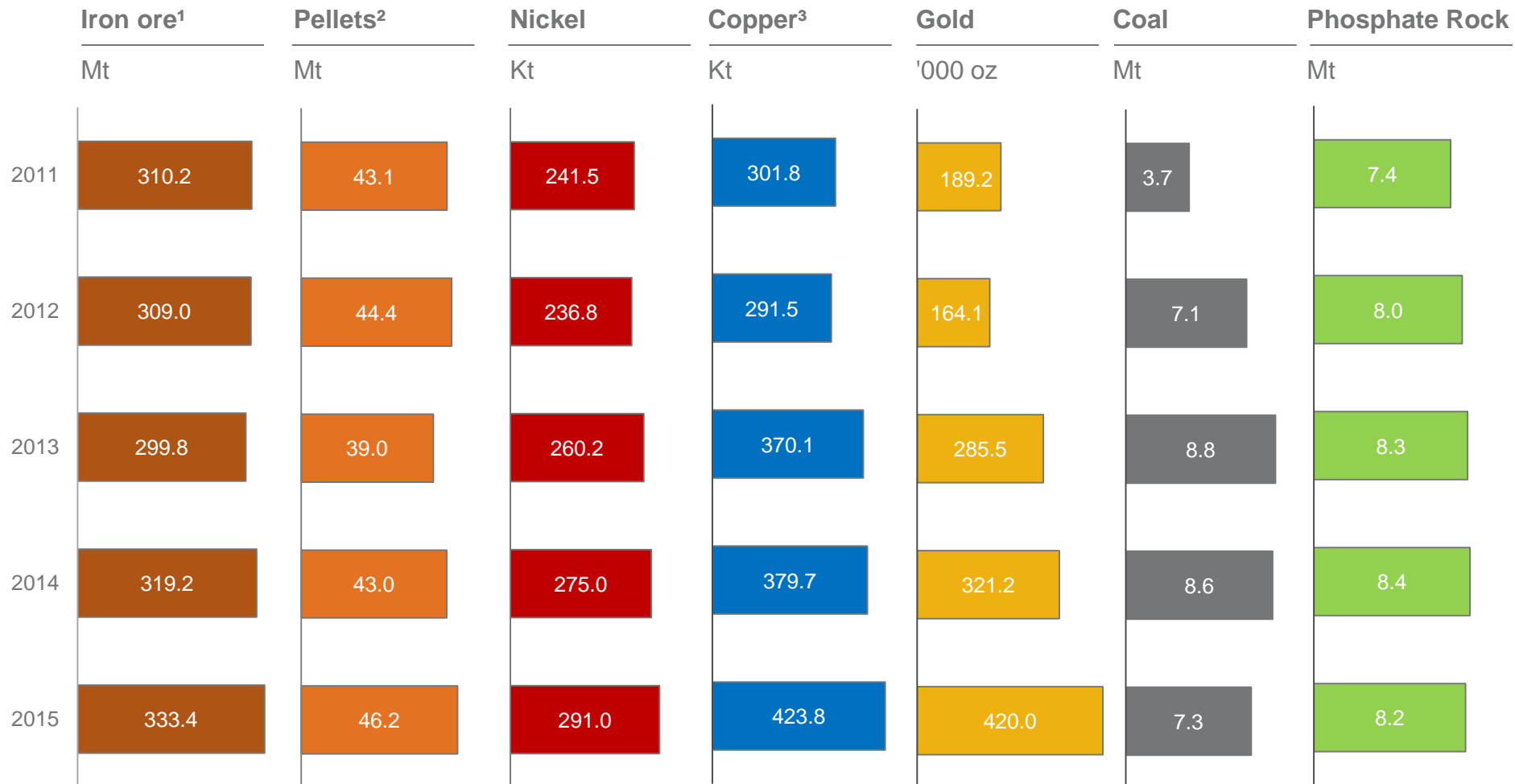
DOCUMENT CONTENT

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

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PRODUCTION VOLUMES



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

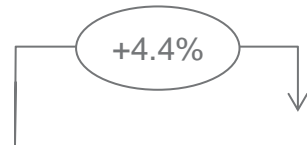
² Excludes Samarco's attributable production.

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

PRODUCTION VOLUMES YEAR-ON-YEAR

Iron Ore^{1 2}

Mt



319.2



2014

333.4



2015

Nickel

Kt



275.0



2014

291.0



2015

Copper³

Kt



379.7



2014

423.8



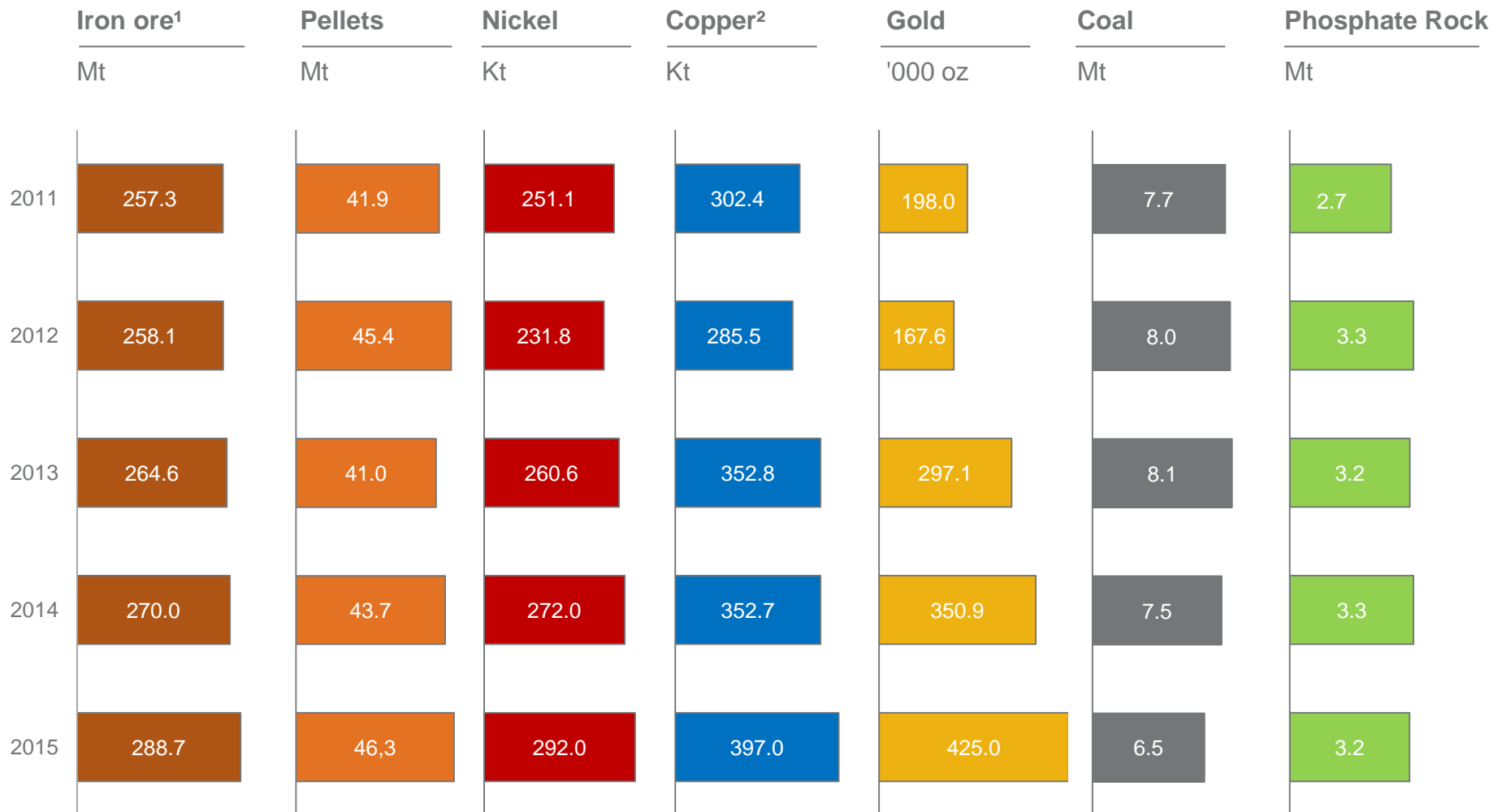
2015

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

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

³ Includes Lubambe's attributable production.

SALES VOLUMES



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

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

SALES VOLUMES YEAR-ON-YEAR

Iron Ore

Mt



270.0

288.7

2014

2015

Pellets

Mt



43.7

46.3

2014

2015

Nickel

Kt



272.0

292.0

2014

2015

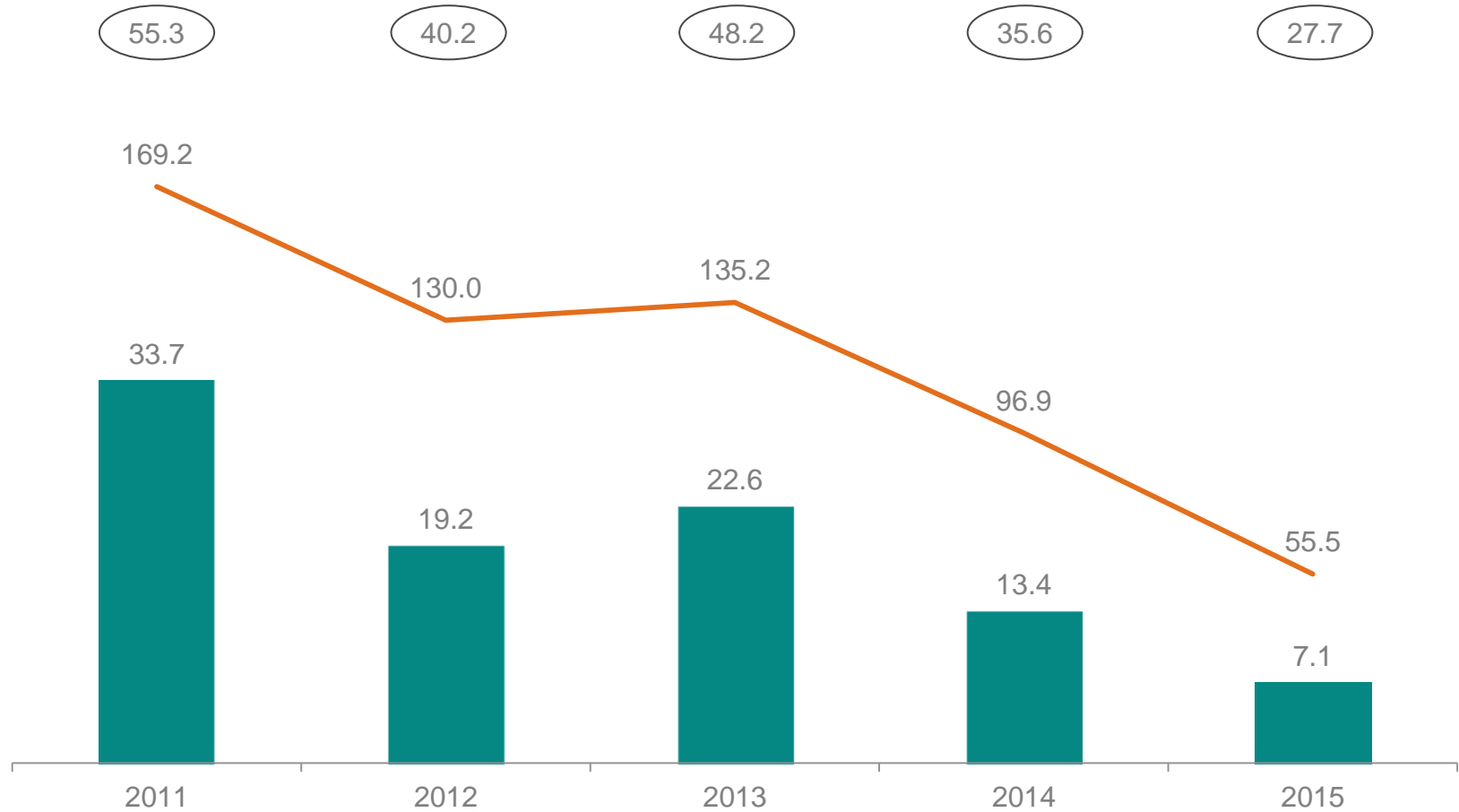
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ADJUSTED EBITDA¹

US\$ billion

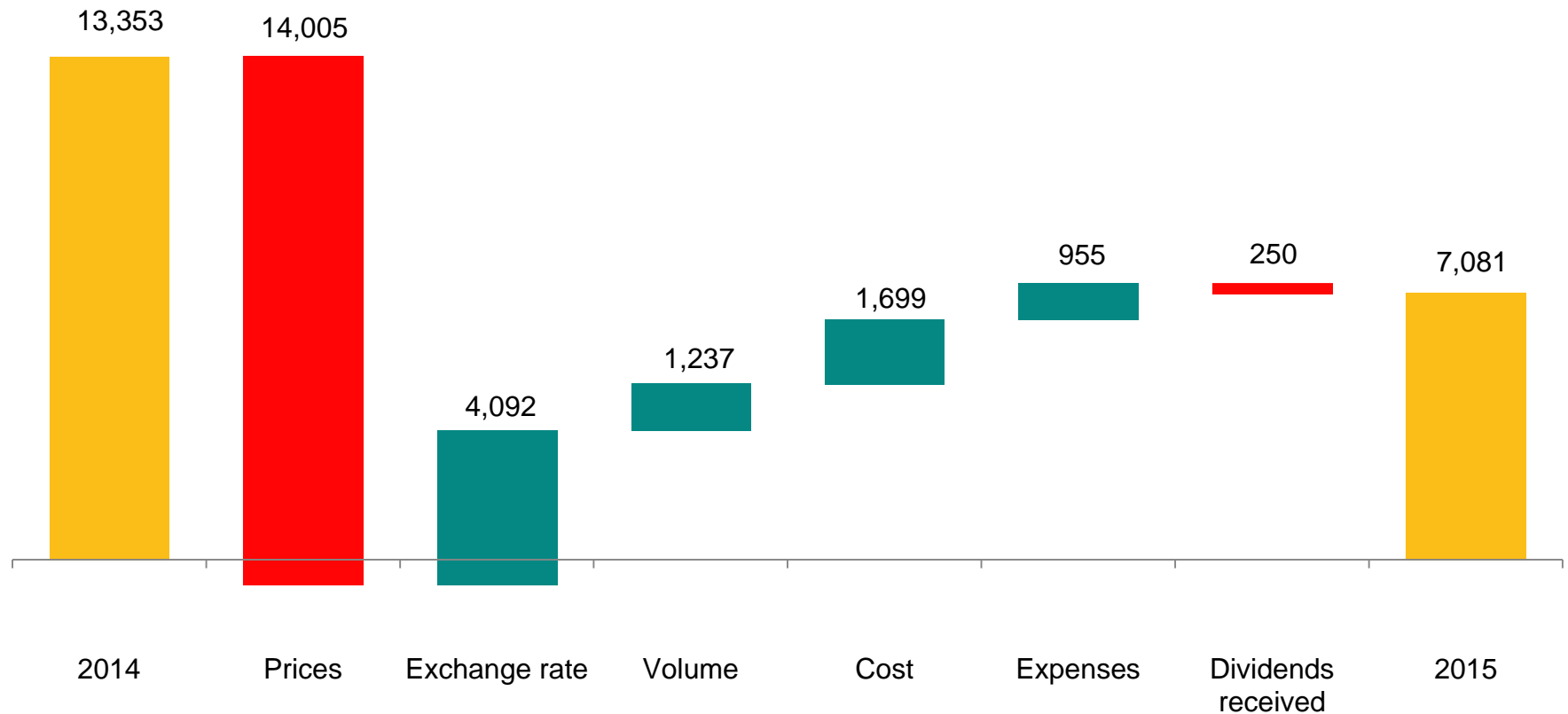
○ Adjusted EBITDA margin (%)
— Platts IODEX Iron Ore Price Average (US\$/t)



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

ADJUSTED EBITDA¹

2014 - 2015, US\$ million

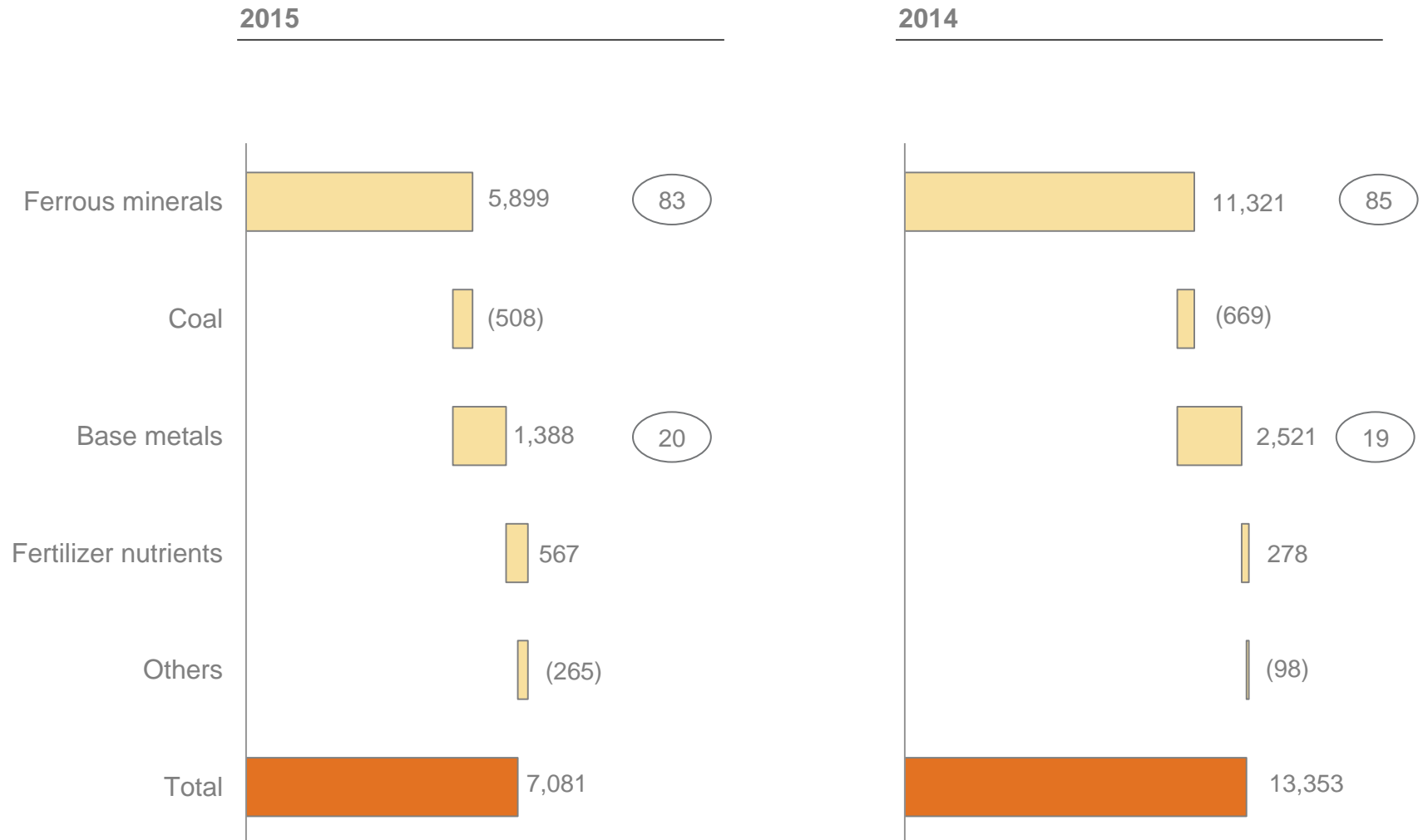


¹ Adjusted EBITDA excludes gains and/or losses on sales of assets and non-recurring expenses and includes dividends received from non-consolidated affiliates

ADJUSTED EBITDA BY BUSINESS SEGMENT

US\$ million

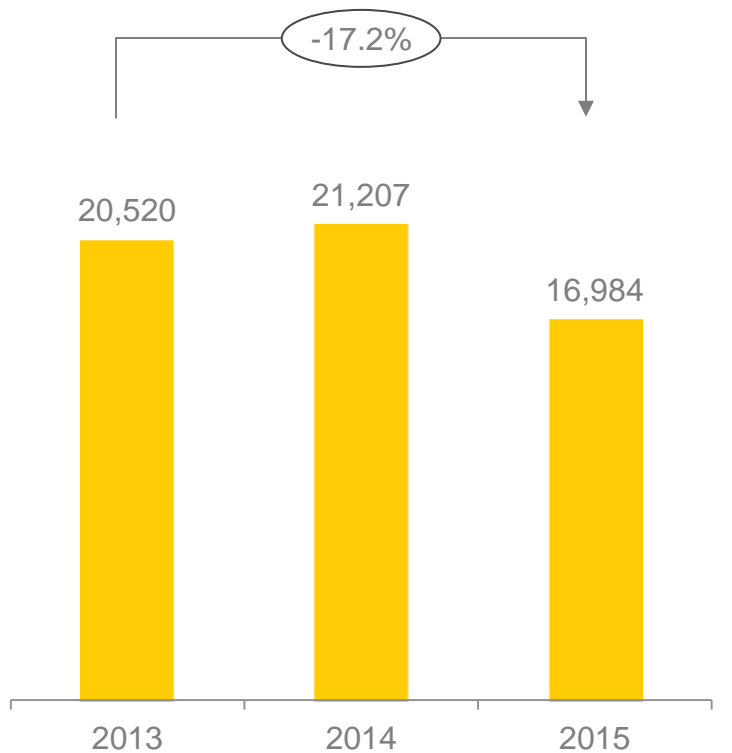
○ Share of Total EBITDA (%)



EVOLUTION OF COSTS AND EXPENSES¹

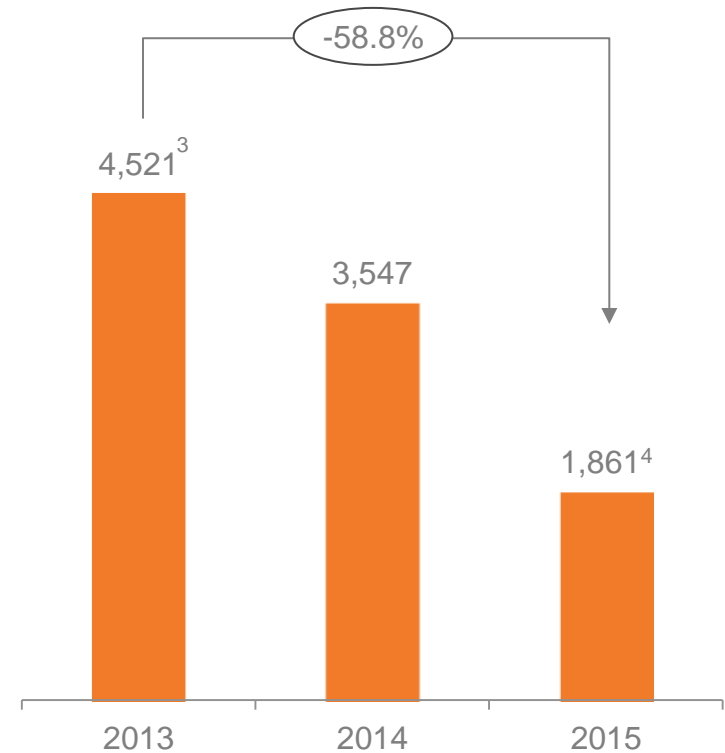
Costs¹

US\$ million



Expenses^{1,2}

US\$ million



¹ Net of depreciation and amortization.

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

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

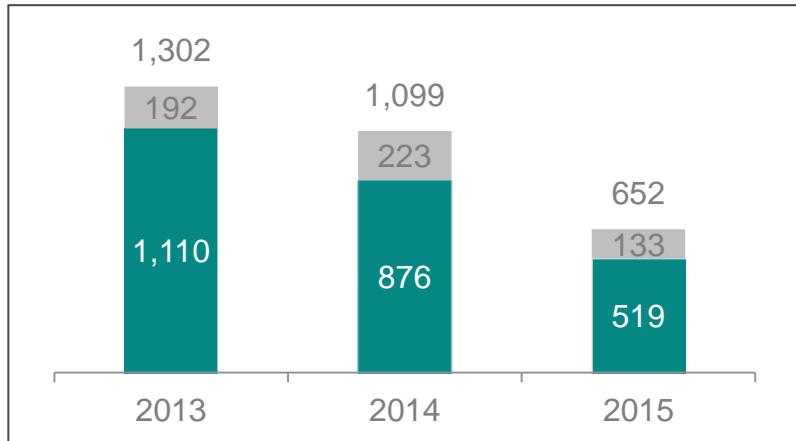
⁴ Favorably impacted by the following one-off effects: US\$ 230 million of the goldstream transaction in 1Q15 and US\$ 331 million of the revision of the asset retirement obligations in 4Q15

EVOLUTION OF EXPENSES

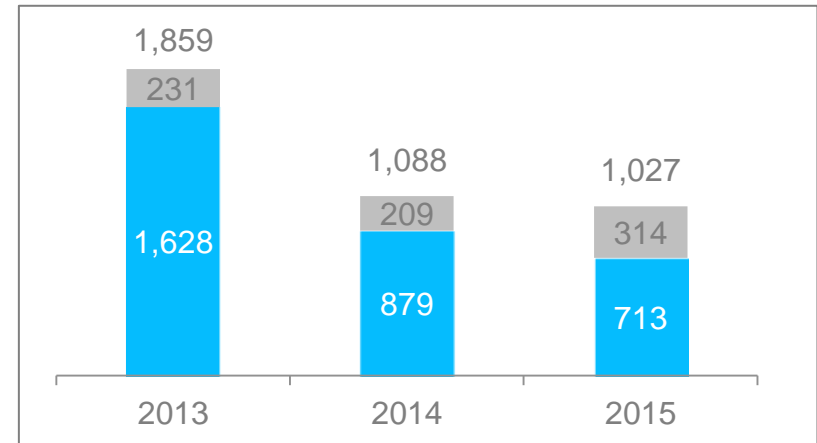
US\$ million

■ Depreciation

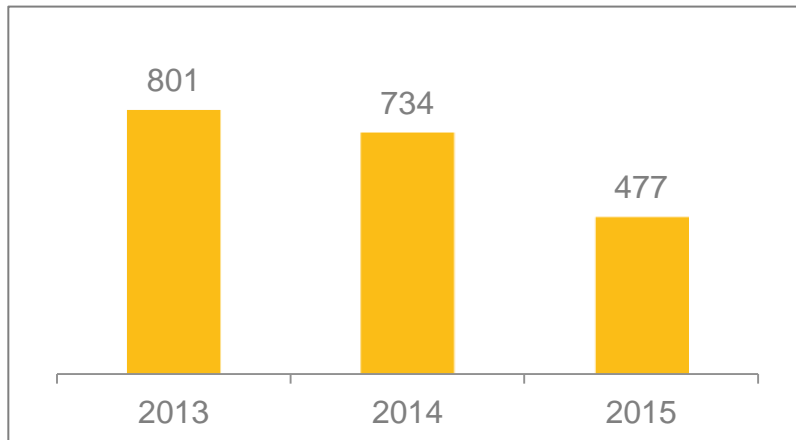
SG&A



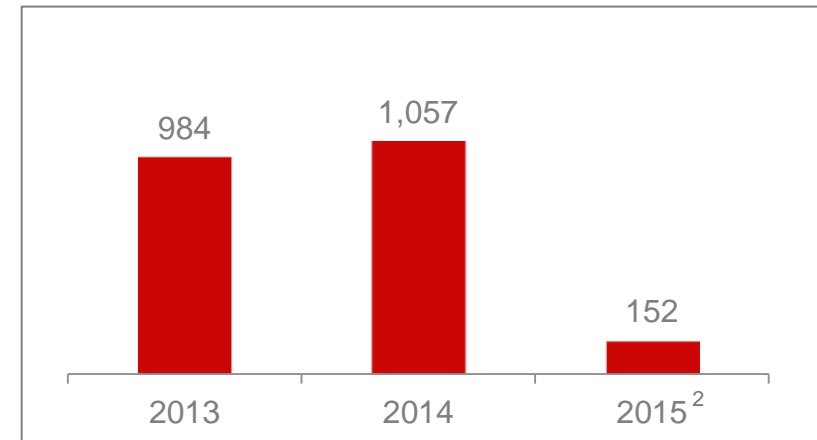
Pre-operating and stoppage expenses



R&D



Other expenses¹



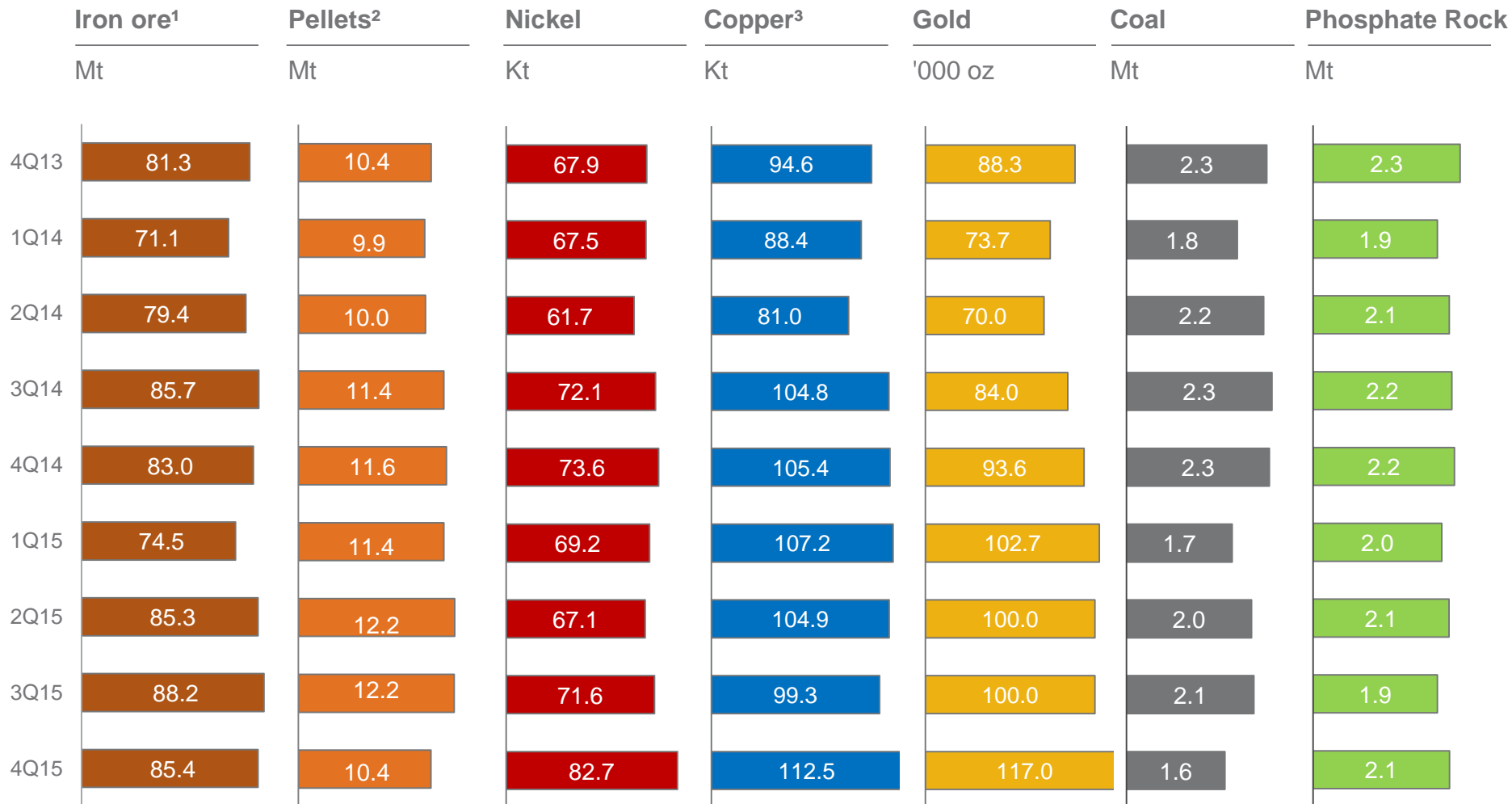
¹ Includes contingencies, provisions, profit sharing

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

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PRODUCTION VOLUMES

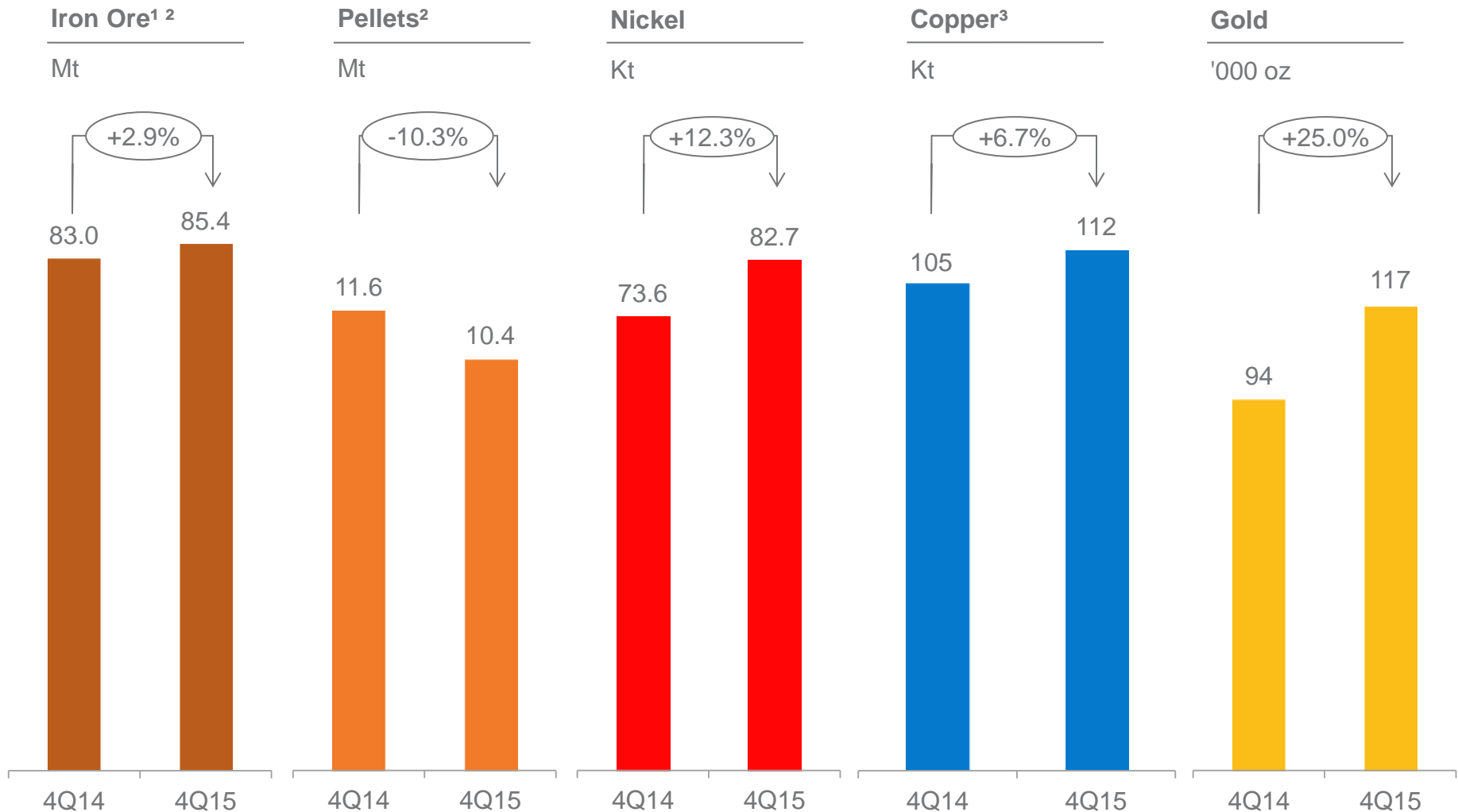


¹ Includes iron ore fines, lump, ROM and iron ore feed for Vale's pellet plants. Excludes Samarco's attributable production and third party purchases.

² Excludes Samarco's attributable production.

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

PRODUCTION VOLUMES YEAR-ON-YEAR



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

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

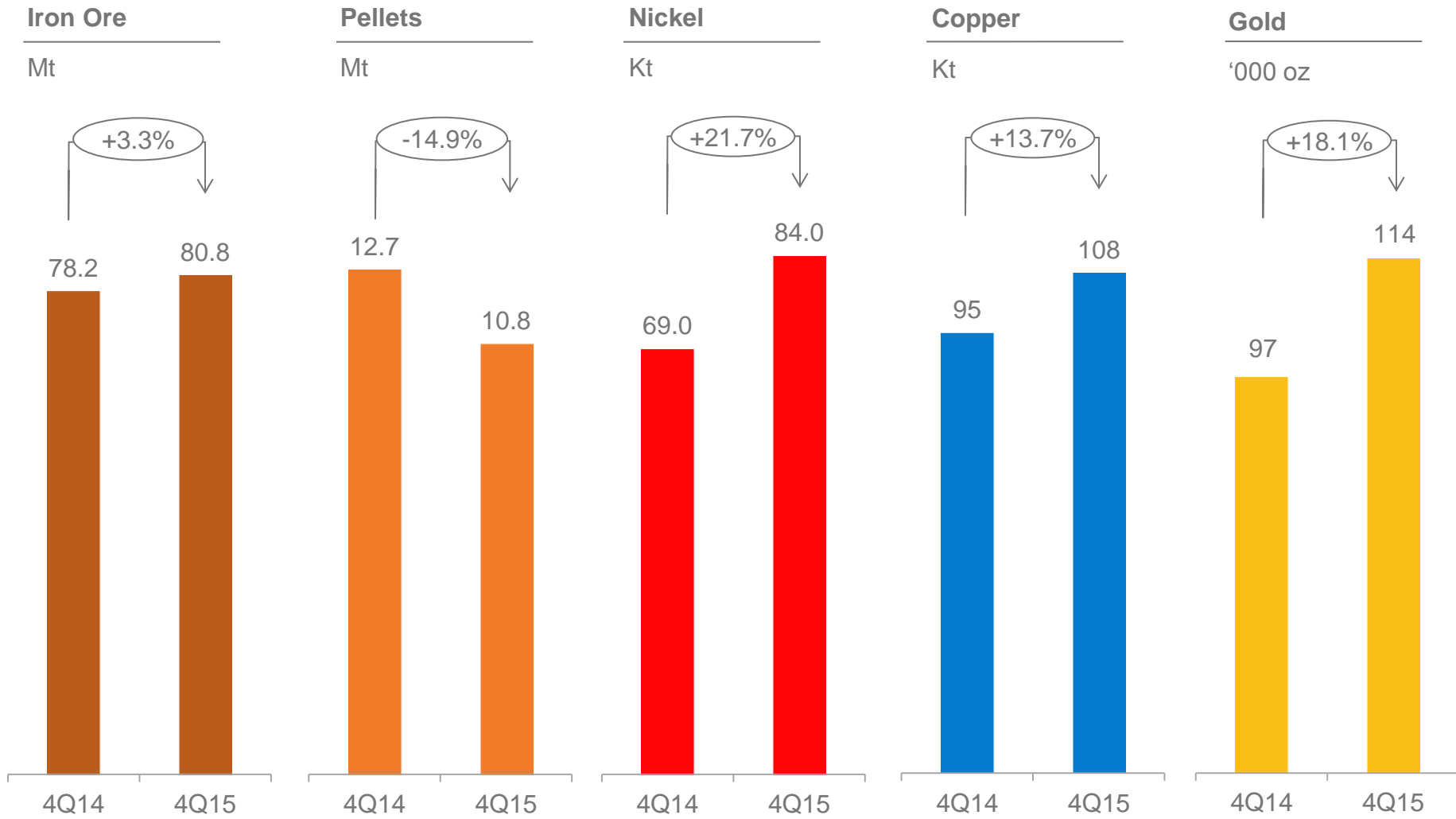
³ Includes Lubambe's attributable production.

SALES VOLUMES



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

SALES VOLUMES YEAR-ON-YEAR



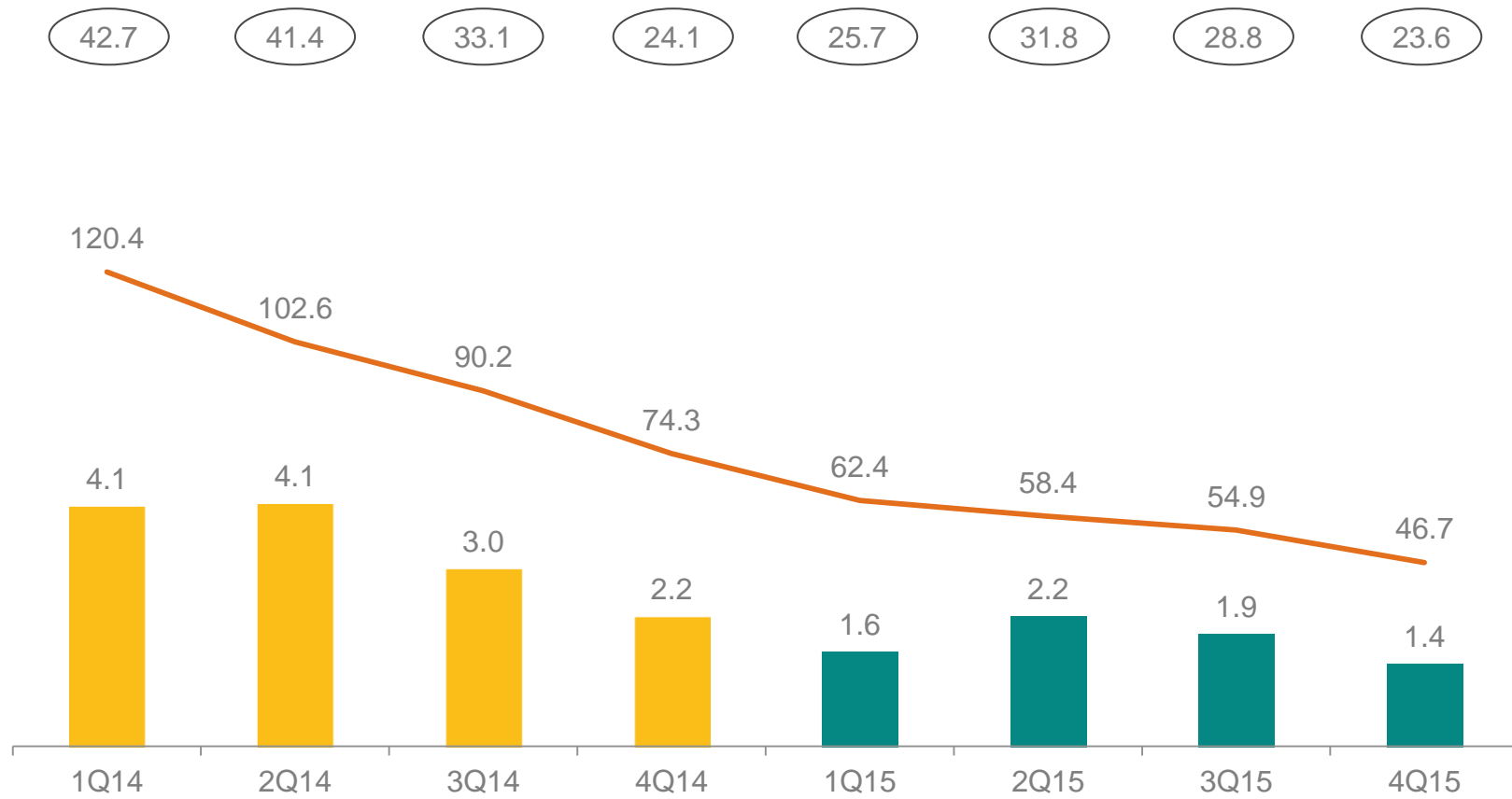
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ADJUSTED EBITDA¹

US\$ billion

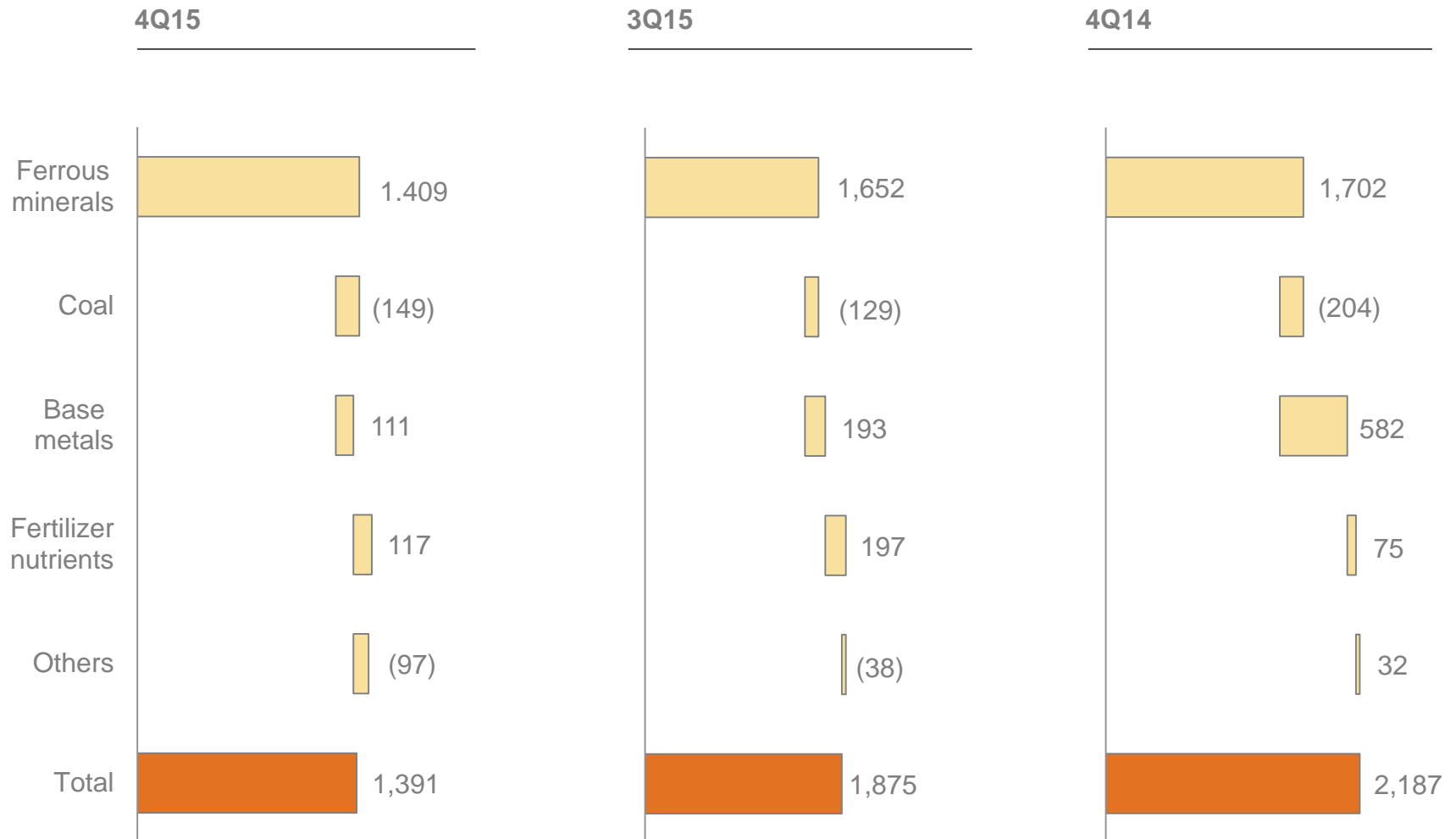
○ Adjusted EBITDA margin (%)
 — Platts IODEX Iron Ore Price Average (US\$/t)



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


ADJUSTED EBITDA BY BUSINESS SEGMENT¹

US\$ million



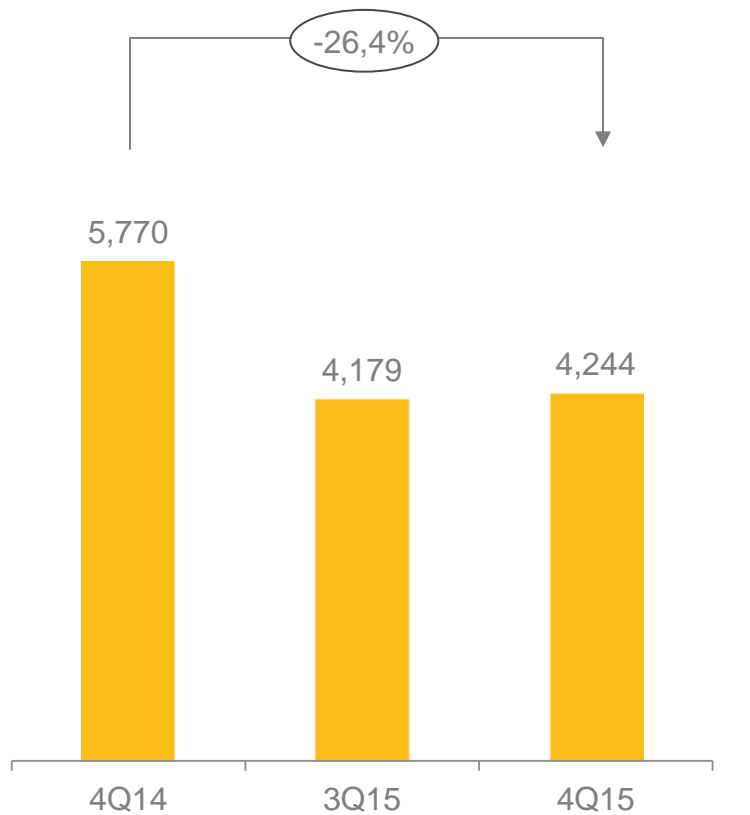
¹ Adjusted EBITDA excludes gains and/or losses on sales of assets and non-recurring expenses and includes dividends received from non-consolidated affiliates

EVOLUTION OF COSTS AND EXPENSES¹

 Adjustment in Asset Retirement Obligations

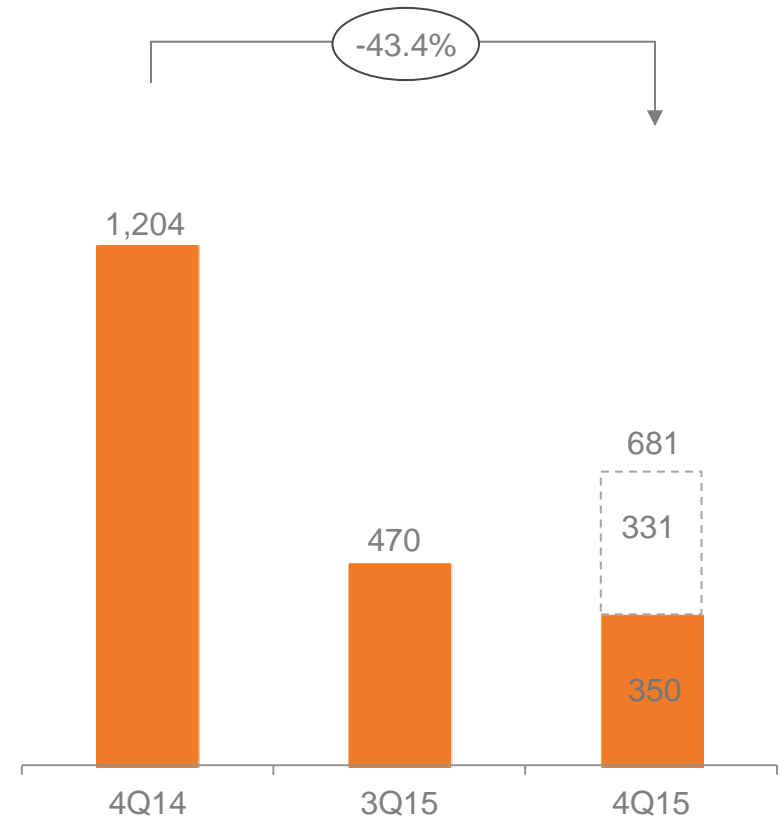
Costs¹

US\$ million



Expenses^{1,2}

US\$ million



¹ Net of depreciation and amortization

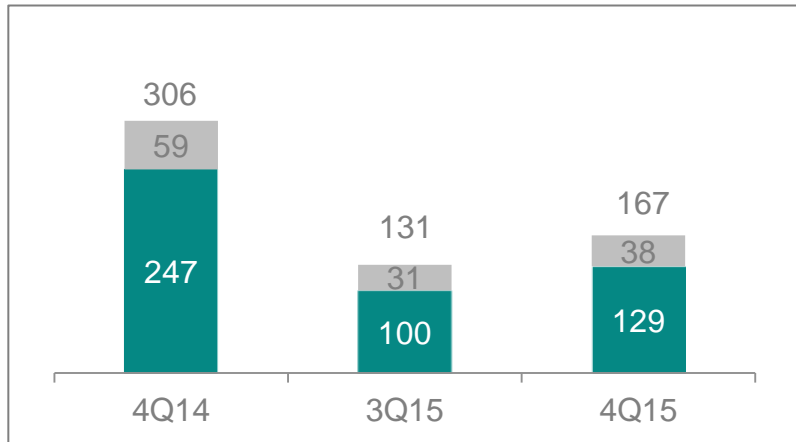
² Includes SG&A, R&D, Pre-operating and stoppage and other expenses. Does not include gain/loss on sale of assets

EVOLUTION OF EXPENSES

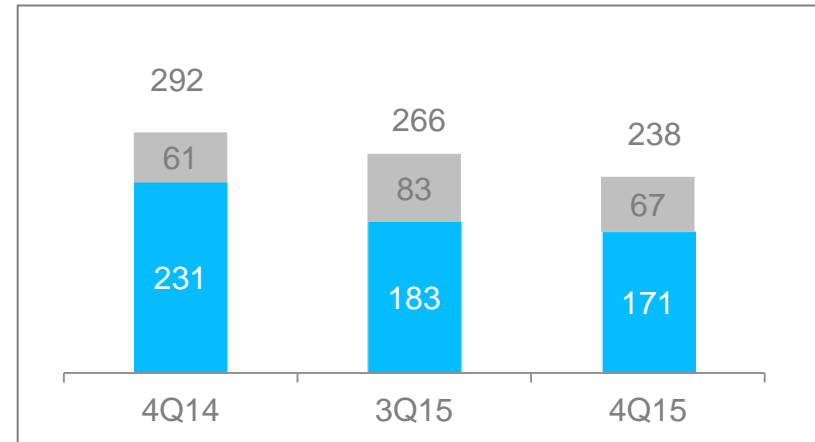
US\$ million

■ Depreciation

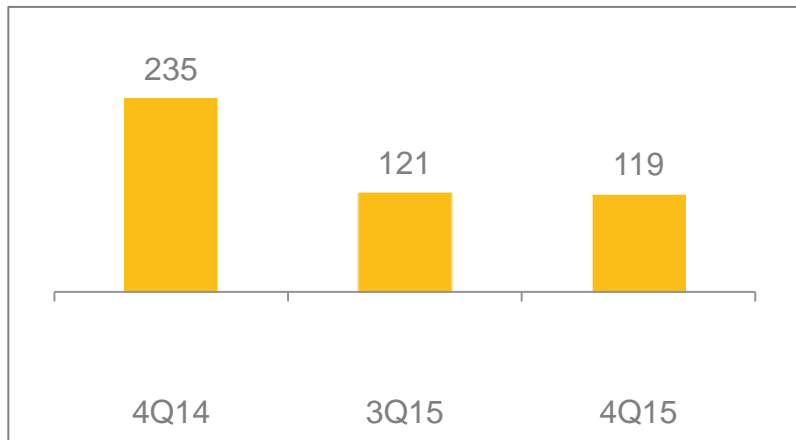
SG&A



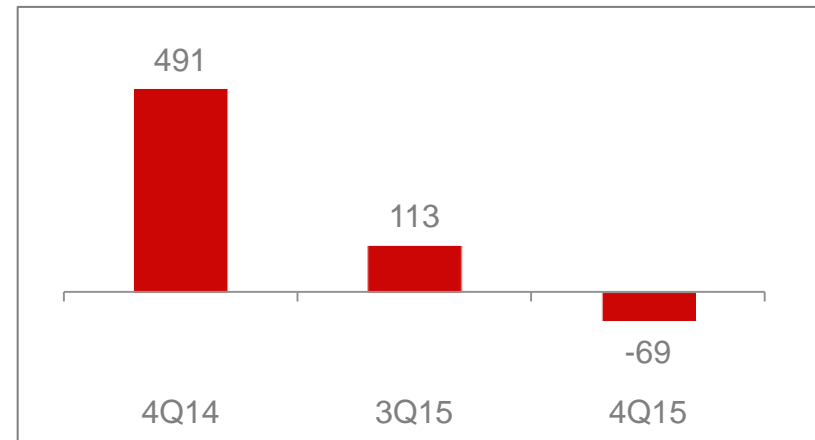
Pre-operating and stoppage expenses



R&D



Other expenses¹

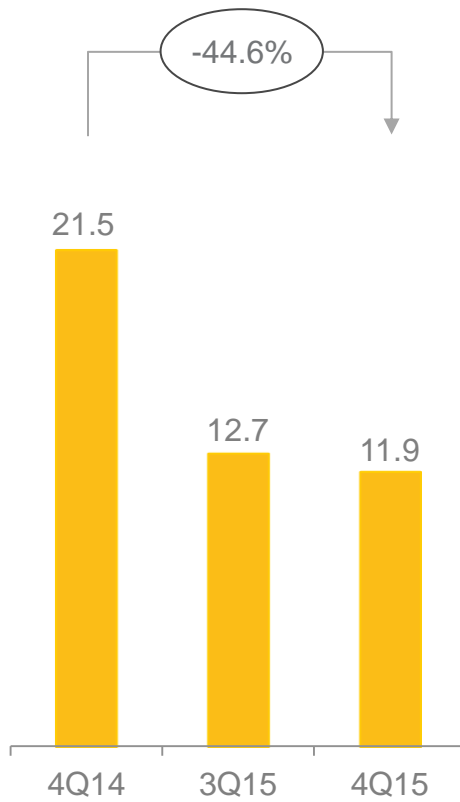


¹ Includes contingencies, provisions, profit sharing.

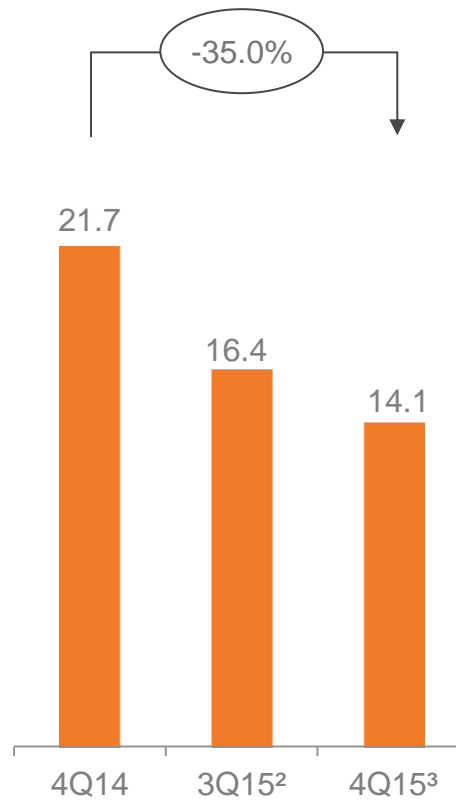
EVOLUTION OF IRON ORE FINES CASH COST, FREIGHT AND EXPENSES

US\$/t

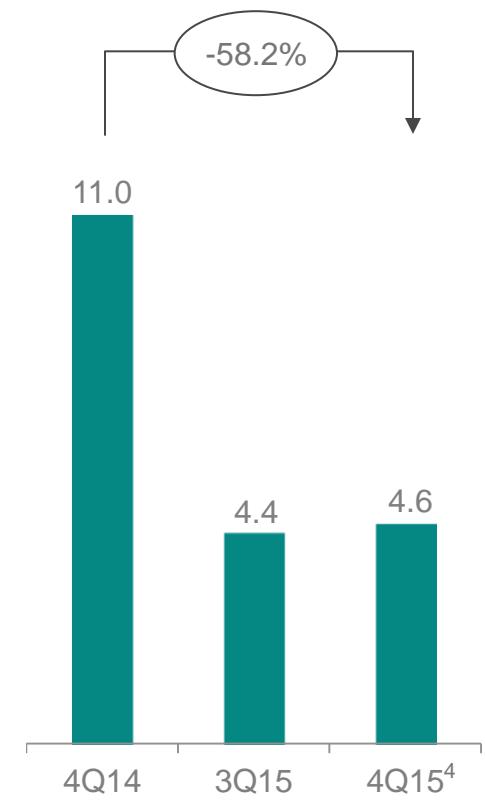
C1 Cash Cost FOB Port¹



Freight



Expenses & Royalties



¹ Ex-ROM. Excludes royalties

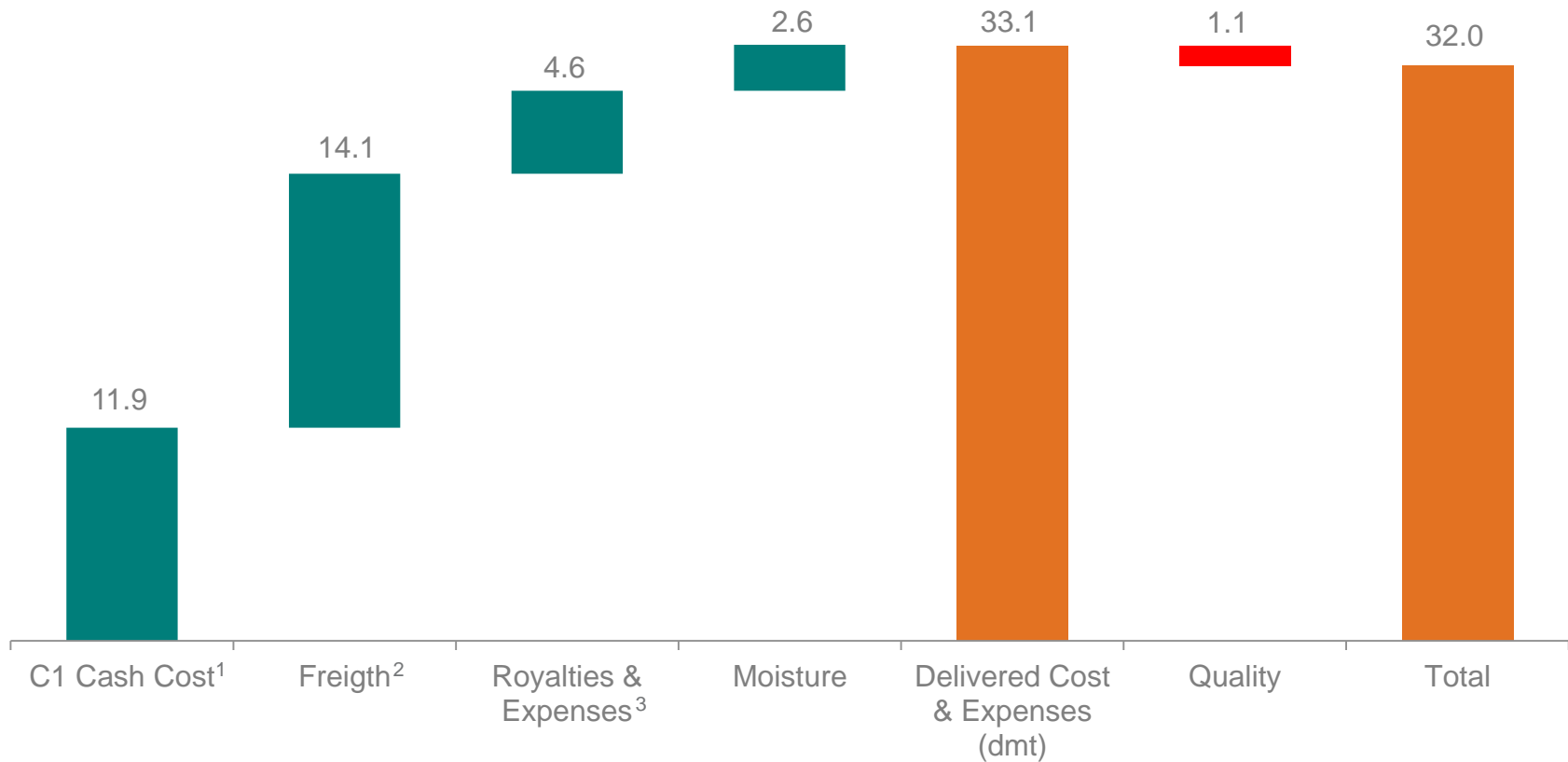
² Excludes US\$ 2.4/t of the bunker oil hedge treated as hedge account

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

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

COST AND EXPENSES LANDED IN CHINA FOR IRON ORE FINES

US\$/t



¹ Ex-ROM.

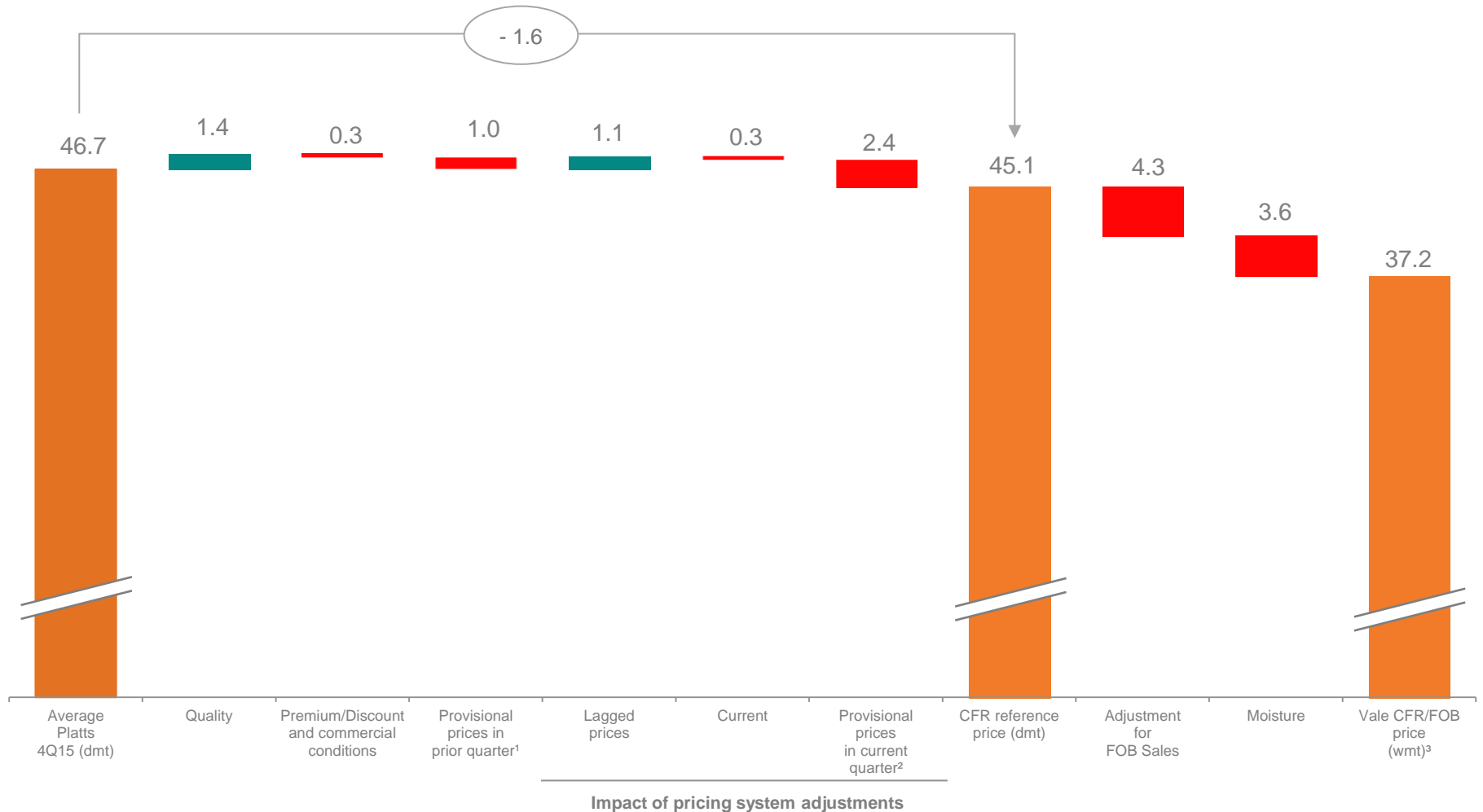
² Excludes US\$ 2.5/t of the bunker oil hedge treated as hedge account

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

PRICE REALIZATION – IRON ORE

US\$/t, 4Q15

○ US\$/t



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

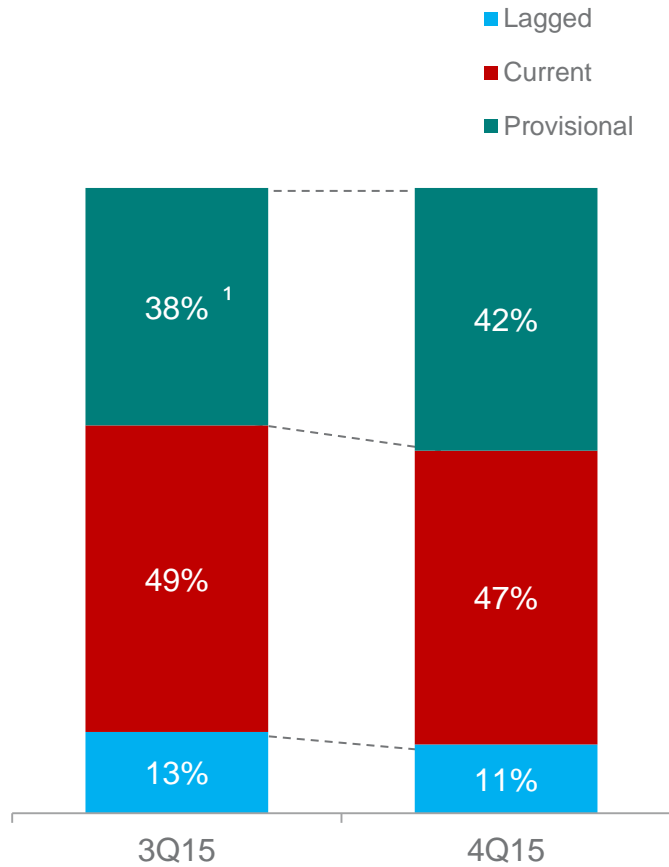
² Weighted average difference between prices provisionally set at the end of 4Q15 at US\$/t 41,0 based on *forward curves* and US\$/t 46,7 from the 3Q15 IODEX.

³ Vale price is net of taxes.

IRON ORE PRICING SYSTEMS

Pricing System Breakdown

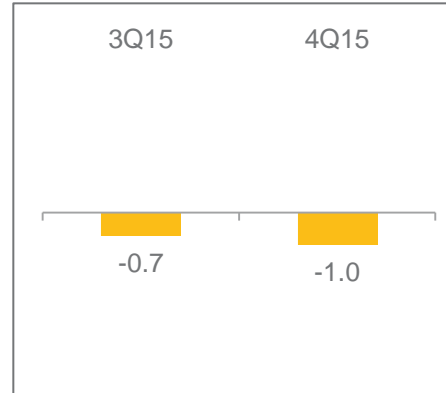
%



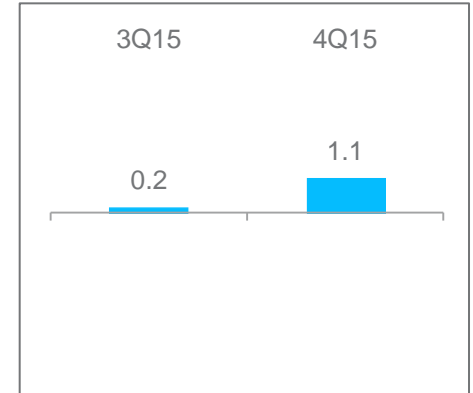
Impact of Pricing Mechanisms

US\$ / t

Provisional - prior quarter



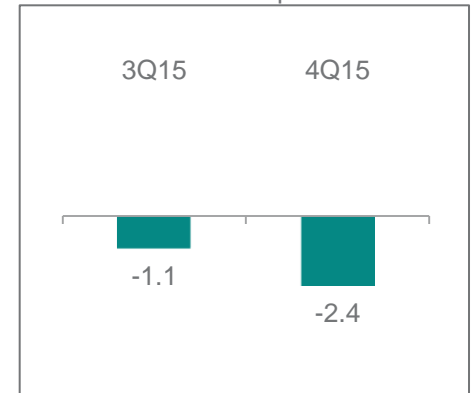
Lagged



Current



Provisional - current quarter



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

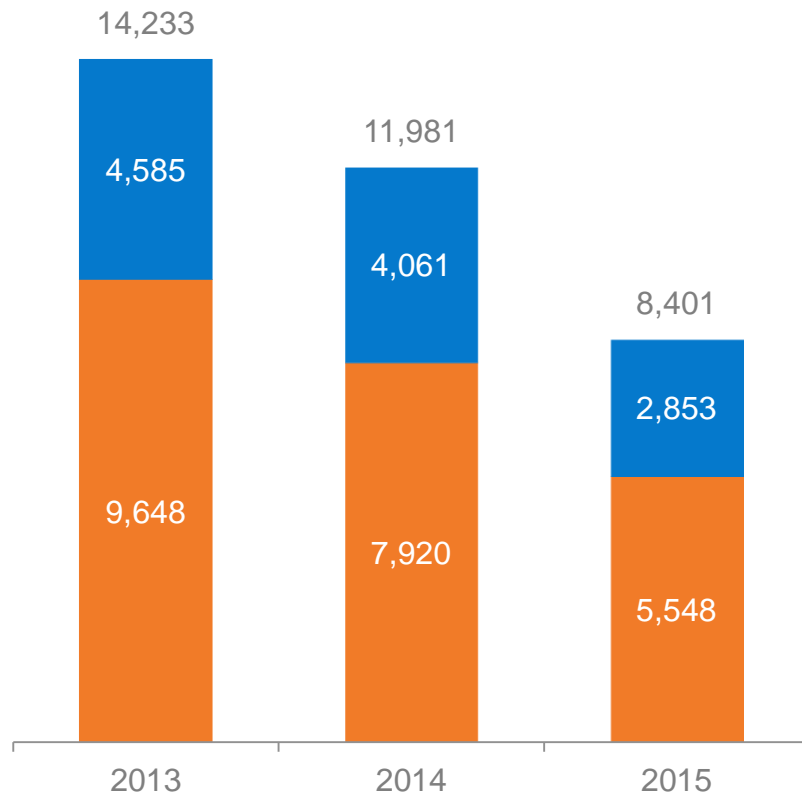
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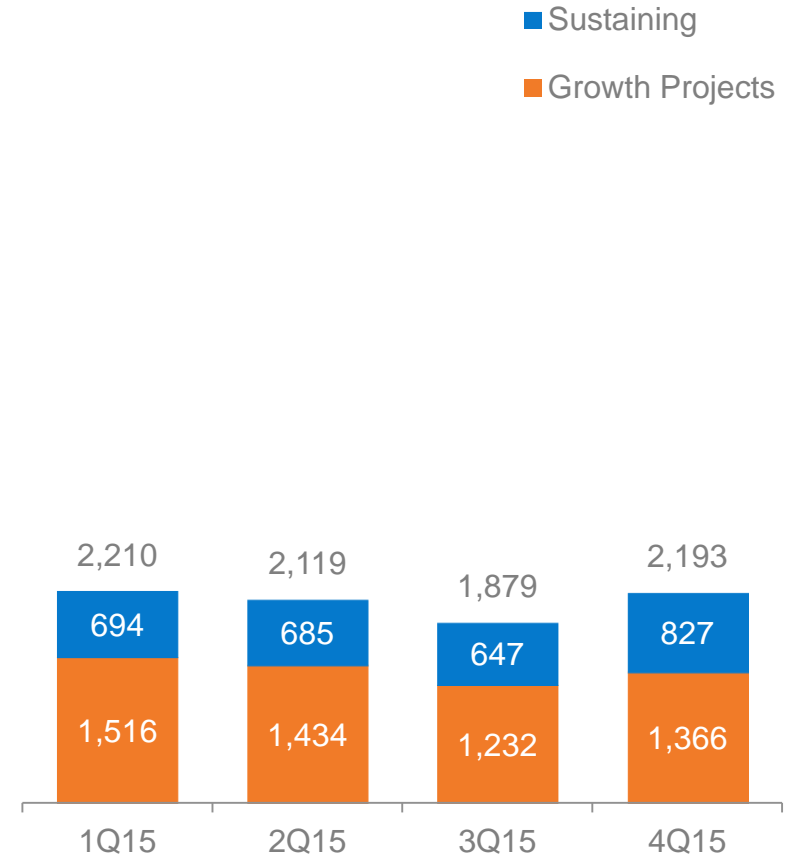
EVOLUTION OF CAPITAL EXPENDITURES

US\$ billion

Annual evolution



Quarterly evolution



PROJECT PROGRESS INDICATORS

4Q15

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

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

² - Net additional capacity.

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

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

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

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

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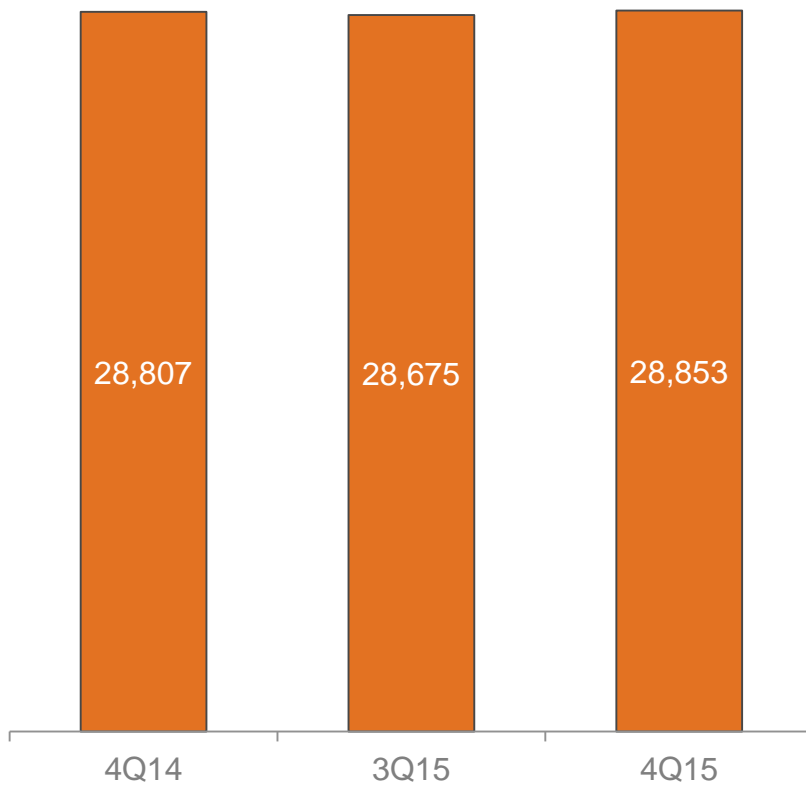
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DEBT POSITION

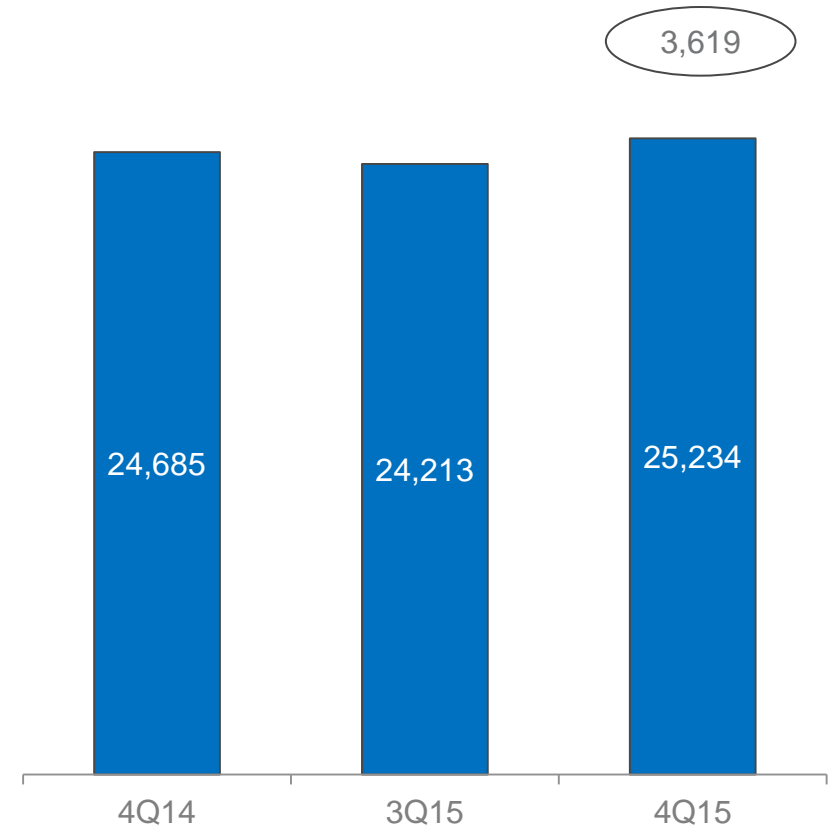
US\$ million

○ Cash position
December 31, 2015

Gross Debt

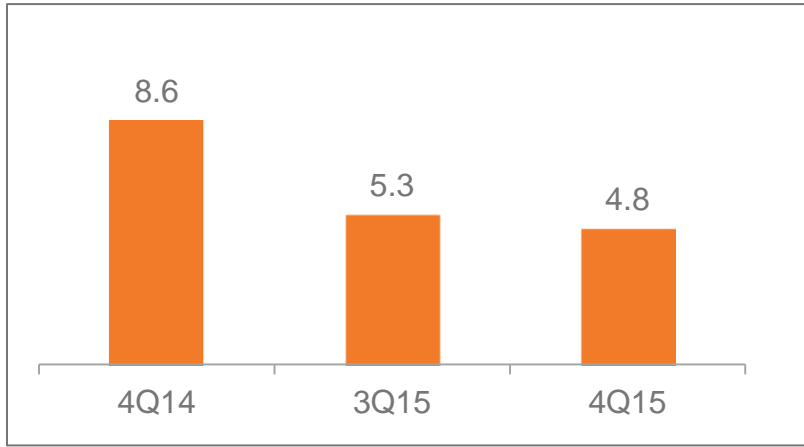


Net Debt

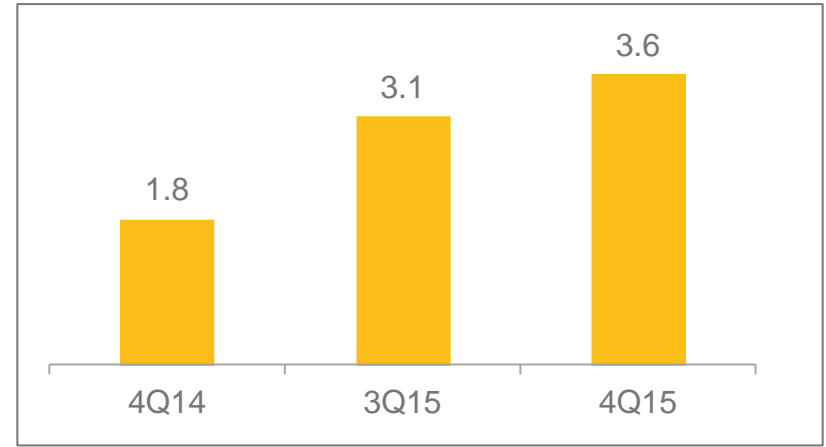


FINANCIAL INDICATORS¹

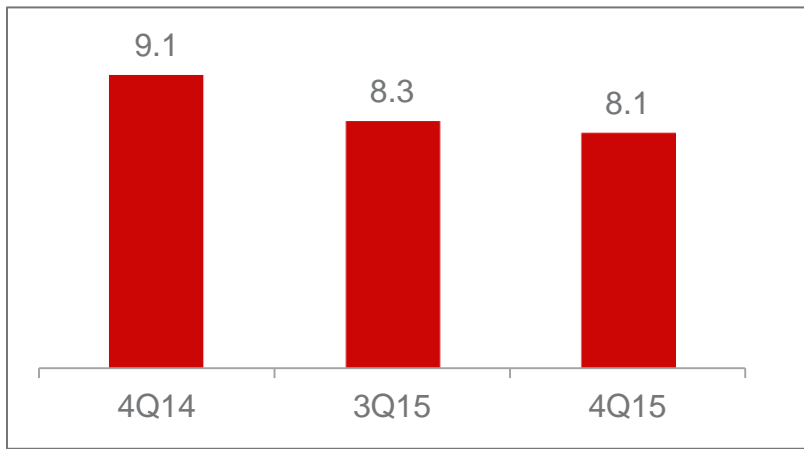
Interest coverage - Ratio



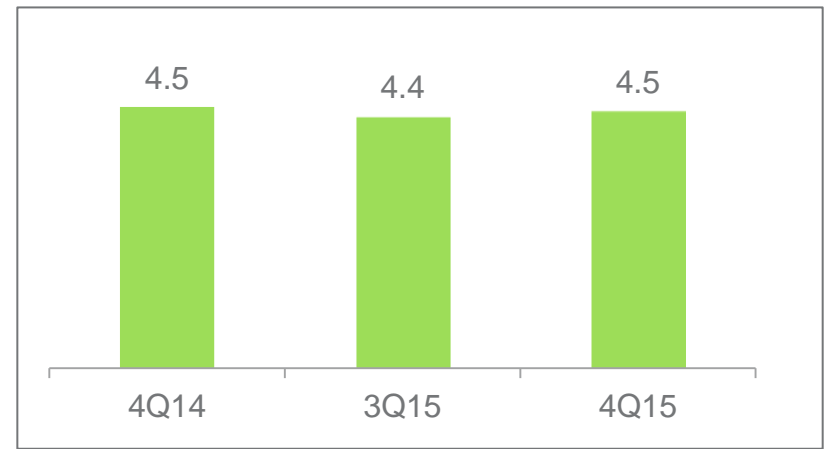
Net Debt / LTM² EBITDA - Ratio



Maturity - years



Cost of Debt - %



¹ Ex-Refis

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

