

Vale S.A.
Form 6-K
March 26, 2010

Table of Contents

**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
March 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 Form 40-F

(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 No

(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 No

(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 No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-____.)

TABLE OF CONTENTS

Press Release
Signature Page

Table of Contents

Press Release

Filed at CVM and SEC on 02/10/2010

Gerência Geral de Controladoria GECOL

Table of Contents**Contents**

A- Financial Statements	3
1- Balance Sheet	3
2- Statement of Income	4
3- Statement of Changes In Stockholders' Equity	5
4- Statement of Cash Flows	6
5- Statement of Added Value	7
6- Notes To The Financial Statements for the years ended December 31, 2009 And 2008	8
6.1- Operational Context	8
6.2- Summary of the Principal Accounting Practices	8
6.3- Acquisitions and Divestments	11
6.4- Cash and Cash Equivalents	11
6.5- Short-Term Investments	11
6.6- Accounts Receivable from Customers	12
6.7- Related Parties	12
6.8- Inventories	15
6.9- Taxes to recover or to offset	15
6.10- Deferred Income Tax and Social Contribution	15
6.11- Investments	17
6.12- Intangible	18
6.13- Impairment of Assets	18
6.14- Property, Plant and Equipment	18
6.15- Loans and Financing	19
6.16- Contingent Liabilities and Commitments	21
6.17- Provision for Asset Retirement Obligations	22
6.18- Pension Plan	23
6.19- Long-term Incentive Compensation Plan	28
6.20- Paid-up Capital	28
6.21- Funds linked to Future Mandatory Conversion into Shares	29
6.22- ADR Program - American Depositary Receipts	29
6.23- Treasury Stock	29
6.24- Compensation of Stockholders	30
6.25- Financial Results	30
6.26- Derivatives Financial Instruments	31
6.27- Selling, Administrative, Other Operating Expenses and Results from disposal of Assets	46
6.28- Concessions, Sub concessions and Leases	47
6.29- Insurance	48
6.30- Profit Sharing Plan	48
6.31- Information by Segment	49
6.32- Social Report (unaudited)	51
6.33- Subsequent events	52

Table of Contents

7- REPORT OF THE INDEPENDANT ACOUNTANTS	53
8- Opinion Of The Fiscal Council On The Annual Report And Financial Statements of Vale S.A. on December 31, 2009	54
9- Opinion Of The Board Of Directors On The Annual Report And Financial Statements On December 31, 2009	55
10- ANNEX I STATEMENT OF INVESTMENTS IN SUBSIDIARIES AND JOINTLY-CONTROLLED COMPANIES	56
B- Additional Information	57
11- Cash Generation (UNAUDITED)	57
12- Board Of Directors, Fiscal Council, Advisory Committees And Executive Officers	58

Table of Contents**A- Financial Statements**

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

1- Balance Sheet**Years ended December, 31****In millions of Reais**

	Notes	Consolidated		Parent Company	
		2009	2008	2009	2008
Assets					
Current assets					
Cash and cash equivalents	6.4	13,221	24,639	1,250	6,713
Short term investments	6.5	6,525	5,394		
Accounts receivable from customers	6.6	5,643	7,933	3,360	9,827
Related parties	6.7	144	28	4,360	2,232
Inventories	6.8	5,913	9,686	1,881	2,913
Deferred income tax and social contribution	6.10	1,492	1,305	1,219	1,220
Taxes to recover or offset	6.9	2,685	4,886	1,881	3,312
Derivatives at fair value	6.26	183			
Advances for suppliers		872	946	751	813
Others		1,580	1,242	155	186
		38,258	56,059	14,857	27,216
Non-current assets					
Related parties	6.7	64		1,842	3,398
Loans and financing		286	180	136	128
Prepaid expenses		295	632		
Judicial deposits		2,478	1,794	1,370	1,299
Advances to energy suppliers		889	953		
Deferred income tax and social contribution	6.10			747	640
Taxes to recover or offset	6.9	1,540	1,067	158	189
Derivatives at fair value	6.26	1,506	85	1,098	5
Others		546	414	358	245
		7,604	5,125	5,709	5,904
Investments	6.11	4,590	2,442	87,711	91,543
Intangibles	6.12	10,127	10,727	7,852	8,386
Property, plant and equipment	6.14	115,160	110,494	43,628	38,711
		129,877	123,663	139,191	138,640
		175,739	184,847	159,757	171,760
Liabilities, and stockholders equity					
Current liabilities					
Payable to suppliers and contractors		3,849	5,248	2,383	2,145
Payroll and related charges		1,556	1,428	1,010	881
Current portion of long-term debt	6.15	5,305	1,583	2,053	711

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

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

Table of Contents

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

2- Statement Of Income

Period ended in		In millions of Reais (except as otherwise stated)						
		Notes	Consolidated			Accumulated		Parent Company
	4Q/09		(Unaudited) 3Q/09	3Q/08	2009	2008	2009	2008
Operating revenues								
Ore and metals		9,633	11,217	14,193	40,478	59,892	24,979	31,645
Aluminum-related products		1,108	1,027	1,824	4,217	5,843	483	390
Transport services		726	791	914	2,843	3,666	1,267	2,027
Steel products		133	136	304	546	1,348		
Other products and services		448	412	711	1,728	2,017	556	383
		12,048	13,583	17,946	49,812	72,766	27,285	34,445
Added Value taxes		(367)	(374)	(563)	(1,316)	(2,225)	(855)	(1,545)
Net operating revenues		11,681	13,209	17,383	48,496	70,541	26,430	32,900
Cost of products and services								
Ores and metals		(4,952)	(4,950)	(5,890)	(19,498)	(23,804)	(11,877)	(14,006)
Aluminum-related products		(1,030)	(1,018)	(1,099)	(4,203)	(3,873)	(559)	(399)
Transport services		(543)	(506)	(568)	(2,040)	(2,215)	(816)	(955)
Steel products		(129)	(123)	(278)	(510)	(1,177)		
Other products and services		(545)	(366)	(276)	(1,469)	(1,087)	(397)	(143)
		(7,199)	(6,963)	(8,111)	(27,720)	(32,156)	(13,649)	(15,503)
Gross profit		4,482	6,246	9,272	20,776	38,385	12,781	17,397
Gross margin		38.4%	47.3%	53.3%	42.8%	54.4%	48.4%	52.9%
Operating expenses								
Selling and Administrative	6.27	(704)	(577)	(1,716)	(2,369)	(3,618)	(1,244)	(1,412)
Research and development		(522)	(438)	(718)	(1,964)	(2,071)	(1,314)	(1,233)
Impairment	6.13			(2,447)		(2,447)		
	6.27	(996)	(647)	(1,626)	(3,262)	(2,849)	(927)	(832)

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

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

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

Table of Contents

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

3- STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

Periods ended

In millions of Reais

	Notes	Paid-up capital	Expansion Investments	Treasury stock	Profit reserves Unrealized income	Legal	Incentive	Fiscal Cost	Transaction Cost	Resources linked to mandatory conversion in shares and justified equity adjustments	Cumulative translation Adjustments	Retained earnings	Total
December 31, 2007		28,000	24,284	(790)	61	2,320	91			3,064			57,030
Net income for the year												21,279	21,279
Treasury stock				(1,658)									(1,658)
Cumulative translation Adjustments											5,982		5,982
Unrealized gain on available for sale securities										8			8
Capital increase	6.20	19,434						(161)					19,273
Additional distribution 2007			(580)										(580)
Appropriation of net income													
Interest on stockholders equity paid												(225)	(225)
Stockholders remuneration proposed												(4,834)	(4,834)
Apropriation to profit reserves			15,179		(23)	1,064							(16,220)
December 31, 2008		47,434	38,883	(2,448)	38	3,384	91	(161)		3,064	8	5,982	96,275
Net income for the year												10,249	10,249
Treasury stock				(22)									(22)
Resources linked to mandatory conversion in shares									1,523				1,523
Cumulative translation Adjustments											(8,886)		(8,886)
										(29)			(29)

Unrealized result of changes in market value										
Additional distribution 2008		(371)								(371)
Appropriation of net income										
Interest on stockholders equity paid									(95)	(95)
Stockholders remuneration proposed									(2,907)	(2,907)
Apropriation to profit reserves		6,653	(38)	512	120				(7,247)	
December 31, 2009	47,434	45,165	(2,470)	3,896	211	(161)	4,587	(21)	(2,904)	95,737

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

Edgar Filing: Vale S.A. - Form 6-K

Others	(320)	239	(480)	435	(1,272)	468	413
	942	1,327	639	1,232	819	1,528	628
Net cash provided by operating activities	2,687	2,651	14,030	11,538	32,187	15,343	9,109
Cash flows from investing activities:							
Short term investments	1,585	(2,255)	(4,180)	(1,131)	(5,394)		
Loans and advances receivable	(73)	(337)	20	(1,067)	(4)	(101)	(1,660)
Guarantees and deposits	12	(53)	(166)	(153)	(295)	(142)	(248)
Additions to investments	(2,032)	(601)	(148)	(3,422)	(327)	(9,037)	(7,685)
Additions to property, plant and equipment	(4,895)	(3,364)	(9,024)	(16,108)	(18,716)	(7,481)	(7,259)
Proceeds from disposal of property, plant and equipment/investments	293	305		1,200	371	692	
Net cash used in acquisitions and increase of funds to subsidiaries, net of the cash of subsidiary		(1,452)		(4,246)			
Net cash used in investing activities	(5,110)	(7,757)	(13,498)	(24,927)	(24,365)	(16,069)	(16,852)
Cash flows from (used in) financing activities:							
Short-term debt additions	761	2,127	120	3,940	2,660	1,785	4,393
Short-term debt repayments	(756)	(1,363)	(313)	(3,624)	(2,669)	(5,888)	(5,042)
Long-term debt	2,874	2,069	935	6,286	4,053	5,254	4,242
Issue of convertible notes, in common shares		577		577			
Issue of convertible notes, in preferred shares		1,281		1,281			
Repayments:							
Related parties						(129)	
Financial institutions	(118)	(264)	(181)	(808)	(1,725)	(438)	(1,366)
Dividends and interest on stockholders' equity paid to stockholders	(2,647)		(3,579)	(5,381)	(5,827)	(5,299)	(5,558)
Capital increase					19,273		19,273
Treasury stock		1	(1,658)	(22)	(1,658)	(22)	(1,658)
Net cash provided by (used in) financing activities	114	4,428	(4,676)	2,249	14,107	(4,737)	14,284
Increase (decrease) in cash and cash equivalents	(2,309)	(678)	(4,144)	(11,140)	21,929	(5,463)	6,541
	15,560	16,333	28,385	24,639	2,128	6,713	120

Cash and cash equivalents at beginning of the period					
Foreign exchange effects on cash and cash equivalents	(30)	(95)	398	(278)	582
Initial cash in new consolidated subsidiary					