Vale S.A.

(*incorporated in Brazil as a Sociedade por Ações*)

(Stock code: 6210 for Common Depositary Receipts)

(Stock code: 6230 for Class A Preferred Depositary Receipts)

VALE'S PERFORMANCE IN 1Q16 (IFRS)

The following sets out the main text of the announcement published by Vale S.A. on April 28, 2016.

Chief Financial
and
Investor Relations Officer
of
Vale S.A.
Luciano Siani Pires

Hong Kong, April 28, 2016

VALE'S PERFORMANCE IN 1Q16

VALE

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Except where otherwise indicated the operational and financial information in this release is based on the consolidated figures in accordance with IFRS and, with the exception of information on investments and behavior of markets, quarterly financial statements are reviewed by the company's independent auditors. The main subsidiaries that are consolidated are the following: Compañia Minera Miski Mayo S.A.C., Mineração Corumbaense Reunida S.A., PT Vale Indonesia Tbk (formerly International Nickel Indonesia Tbk), Salobo Metais S.A, Vale Australia Pty Ltd., Vale International Holdings GMBH, Vale Canada Limited (formely Vale Inco Limited), Vale Fertilizantes S.A., Vale International S.A., Vale Manganês S.A., Vale Moçambique S.A., Vale Nouvelle-Calédonie SAS, Vale Oman Pelletizing Company LLC and Vale Shipping Holding PTE Ltd.

Contents

Vale’s performance in 1Q16

Rio de Janeiro, April 28, 2016 – Vale S.A. (Vale) delivered a sound operational performance in 1Q16, reaching several production records for a first quarter, namely: (i) total iron ore production[1] of 77.5 Mt; (ii) Carajás iron ore production of 32.4 Mt; (iii) Tubarão pellet production of 7.2 Mt; (iv) nickel production of 73,500 t; and (v) copper production of 109,900 t.

Net revenues totaled US$ 5.719 billion in 1Q16, decreasing US$ 180 million vs. 4Q15 as a result of seasonally lower sales volumes of iron ore fines (US$ 612 million), base metals (US$ 107 million), and fertilizers (US$ 48 million), which were partly offset by higher sales prices for iron ore fines (US$ 584 million).

Costs and expenses, net of depreciation charges, totaled US$ 3.715 billion in 1Q16, decreasing by US$ 880 million vs. 4Q15. Costs decreased US$ 805 million (19%), mainly driven by lower sales volumes, and expenses decreased US$ 75 million (21%) as a result of lower SG&A, R&D and pre-operating and stoppage expenses.

SG&A[2] totaled US$ 96 million in 1Q16, decreasing US$ 33 million (26%) from the US$ 129 million recorded in 4Q15, with reductions in personnel, services, selling expenses and others. R&D[2] totaled US$ 60 million in 1Q16, decreasing US$ 59 million (50%) from the US$ 119 million recorded both in 4Q15 and in 1Q15, with reductions across all business segments. Pre-operating and stoppage expenses[2] totaled US$ 102 million in 1Q16, decreasing US$ 136 million (57%) from the US$ 238 million recorded in 4Q15, mainly due to the absence of pre-operating expenses for VNC and the Nacala Logistics Corridor in 1Q16.

Adjusted EBITDA was US$ 2.005 billion in 1Q16, 44% higher than in 4Q15 mainly as a result of the improvement in the EBITDA for Ferrous Minerals (US$ 329 million) and Base Metals (US$ 218 million). Adjusted EBITDA margin was 35.1% in 1Q16, increasing from the 23.6% recorded in 4Q15.

Capital expenditures totaled US$ 1.449 billion in 1Q16, decreasing by US$ 744 million vs. 4Q15. Investments in project execution totaled US$ 920 million in 1Q16, with expenditures associated with the S11D project accounting for 69% of this total. Sustaining capex totaled US$ 529 million in 1Q16, decreasing US$ 298 million from the US$ 827 million recorded in 4Q15.

Net income totaled US$ 1.776 billion in 1Q16 vs. a net loss of US$ 8.569 billion in 4Q15. The US$ 10.345 billion increase in net income was mostly driven by the higher EBITDA, the impairment charges recorded in 4Q15 and the positive effect on financial results of the 8.7%

[1] Excluding Samarco’s attributable production and including iron ore acquired from third parties.

[2] Net of depreciation charges.

end-to-end appreciation of the BRL against the USD in 1Q16. Underlying earnings were positive US$ 514 million in 1Q16, against negative US$ 1.032 billion in 4Q15.

Free cash flow (FCF) was negative US$ 1.919 billion in 1Q16, despite the US$ 2.005 billion adjusted EBITDA in the quarter, being negatively impacted mainly by the settlement of derivatives in the quarter (US$ 510 million) and by the increase in working capital in 1Q16 vs. 4Q15 stemming mostly from higher accounts receivable (US$ 1.016 billion)[3] and lower supplier and contractor liabilities (US$ 383 million)[4]. Accounts receivable increased, mainly driven by the concentration of iron ore sales volumes (sales not yet collected) at higher provisional prices at the end of the quarter. Working capital changes should have a positive impact on cash flows in 2Q16 as sales collections increase throughout the quarter.

Gross debt totaled US$ 31.470 billion as of March 31st 2016, increasing US$ 2.617 billion vs. the US$ 28.853 billion as of December 31st 2015, mainly as a result of the: (i) net addition to loans and financing of US$ 2.042 billion and (ii) impact of the exchange rate on the translation of BRL denominated debt into USD[5].

Net debt totaled US$ 27.661 billion on March 31st, 2016 vs. US$ 25.234 billion as of December 31st, 2015, with a cash balance of US$ 3.809 billion. The increase in net debt was mainly driven by the: (i) impact of the exchange rate on the translation of BRL denominated debt into USD and (ii) negative free cash flow in 1Q16.

EBITDA from the Ferrous Minerals business segment increased 23% in 1Q16 driven by higher realized prices and lower landed cash cost in China, despite the effects of seasonally lower sales volumes

- Adjusted EBITDA for Ferrous Minerals was US$ 1.738 billion in 1Q16, US$ 329 million higher than the US$ 1.409 billion achieved in 4Q15, mainly as a result of higher realized sales prices (US$ 565 million) and lower costs[6] (US$ 244 million), which were partially offset by seasonally lower sales volumes (US$ 209 million) and the positive one-off effect of the Asset Retirement Obligation (ARO) recorded in 4Q15 (US$ 322 million).

- Cash flow generation, simply measured by adjusted EBITDA less sustaining and growth capex, was US$ 829 million in 1Q16, increasing by US$ 1.299 billion from the negative US$ 470 million recorded in 1Q15, despite the 23% drop in the Platts IODEX 62% reference price.

[3] This figure represents the accounts receivable variation in 1Q16 vs. 4Q15.

[4] This figure represents the supplier and contractor liabilities variation in 1Q16 vs. 4Q15.

[5] In 1Q16, from end-to-end, the BRL appreciated 8.7% against the USD.

[6] Net effect on costs, after adjusting for volume and exchange rate impacts.

- CFR dmt reference price for iron ore fines (ex-ROM) increased by US$ 9.6/t from US$ 45.1/t in 4Q15 to US$ 54.7/t in 1Q16, equivalent to a price realization 13% higher than the average Platts IODEX 62% of US$ 48.3/t in 1Q16, whereas the CFR/FOB wmt price for iron ore fines (ex-ROM)[7] increased by US$ 9.3/t from US$ 37.2/t in 4Q15 to US$ 46.5/t in 1Q16.

- Average Fe content on iron ore fines decreased slightly from 63.7% in 4Q15 to 63.5% in 1Q16, driven mostly by mine plan adjustments in the Southern and Southeastern systems in response to market demand and better pricing for higher silica ores.

- C1 cash cost FOB port per metric ton for iron ore fines, ex-royalties, totaled US$ 12.3/t in 1Q16, remaining practically in line with the US$ 12.2/t[8] recorded in 4Q15, despite the reduced fixed costs dilution on seasonally lower production volumes.

- C1 Cash cost FOB port per metric ton of iron ore fines in Brazilian Reais was R$ 47.5/t in 1Q16, practically in line with the R$ 47.0/t[9] recorded in 4Q15, mainly due to increases in operational productivity and the ongoing cost-cutting initiatives, despite less fixed-costs dilution on seasonally lower production volumes and higher inflationary pressures in Brazil.

- Unit maritime freight cost of iron ore fines per metric ton was US$ 11.3/t in 1Q16, US$ 2.8/t lower than the US$ 14.1/t recorded in 4Q15[10].

- Iron ore and pellets EBITDA break-even, measured by unit cash costs and expenses on a landed-in-China basis (and adjusted for quality, pellets margins differential and moisture, excluding ROM), decreased from US$ 31.0/dmt in 4Q15 to US$ 28.0/dmt in 1Q16, mainly driven by the US$ 2.80/t reduction on maritime freight costs.

- Sustaining capex for iron ore fines and pellets totaled US$ 208 million in 1Q16, US$ 18 million higher than in 4Q15 mainly driven by the impact of carryover of payments of mining equipment acquired in 2015.

- Physical progress reached 85% at the S11D mine and plant, 64% at the S11D logistic sites, and 85% at the S11D railway spur.

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[7] After adjusting for moisture and the effect of the lower FOB sales prices on 35% of the total sales volumes.

[8] US$ 12.2/t is equivalent to the US$11.9/t reported in 4Q15 after adjusting for the new allocation criteria for ICMS (US$ 0.57/t) and Distribution Costs (-US$ 0.33/t) as described in the box "Managerial Allocation Changes" in pages 45-46 of the 4Q15 Earnings Release. Additional adjustment was made to include the cost of Third Party Ore Purchases to our C1 costs.

[9] R$ 47.0/t is equivalent to the R$45.5/t reported in 4Q15 after adjusting for the new allocation criteria for ICMS and Distribution Costs as described in the box "Managerial Allocation Changes" in pages 45-46 of the 4Q15 Earnings Release. Additional adjustment was made to include the cost of Third Party Ore Purchases (US$ 0.13/t) to our C1 costs.

[10] Excluding the negative impact of the bunker oil hedge in 4Q15.

EBITDA from the Base Metals business segment increased 196% despite lower nickel and copper LME prices

- Sales revenues totaled US$ 1.353 billion in 1Q16, US$ 105 million lower than in 4Q15 as a result of lower sales volumes (US$ 107 million) and lower nickel realized prices (US$ 42 million), which were partly offset by better copper realized prices (US$ 46 million).

- Nickel realized prices were favorably impacted by improving premiums over the LME, decreasing only 6% in 1Q16 vs. 4Q15 vs. the 10% reduction on LME nickel prices in the same period.

- Copper realized prices increased 13% in 1Q16 vs. 4Q15 vs. the 4% reduction on LME copper prices in the same period, mainly due to the positive impact of the provisional pricing system on sales revenues of US$ 14 million in 1Q16 vs. negative US$ 60 million in 4Q15.

- Adjusted EBITDA was US$ 329 million in 1Q16, US$ 218 million higher than in 4Q15, as a result of the reduction in costs and expenses throughout all operations, with the highlight for the improvements in VNC and Salobo.

- Adjusted EBITDA for VNC totaled negative US$ 48 million in 1Q16, increasing US$ 59 million (55%) from the negative US$ 107 million recorded in 4Q15, mainly as a result of the good operational performance and the achievement of significant cost savings which enabled a reduction in the unit costs and pre-operating expenses net of by-product credits from US$ 17,380/t in 4Q15 to US$ 12,711/t in 1Q16.

- Salobo´s EBITDA totaled US$ 131 million in 1Q16, increasing US$ 56 million (75%) from the US$ 75 million recorded in 4Q15, mainly driven by a 41% decrease in unit COGS[11] due to higher copper grades and higher by-product credits.

- Salobo achieved a monthly production record of 14,100 t of copper in concentrates in 1Q16 and is expected to reach its full production capacity in 2H16.

EBITDA from the Coal business segment improved by 38% as a result of lower costs

- Adjusted EBITDA was negative US$ 93 million in 1Q16, compared to negative US$ 149 million in 4Q15, mainly driven by lower costs.

- Costs in Mozambique[12] decreased US$ 45 million in 1Q16 vs. 4Q15, mainly as a result of the ramp-up of the Nacala Logistic Corridor, while costs decreased US$ 108

[11] Net of depreciation charges and net of by-products credit.

million in Australia[13] in 1Q16 vs. 4Q15 due to the good operational performance at Carborough Downs, after the longwall move in 4Q15.

- Ramp-up of the Nacala Logistics Corridor continued as planned, with 747,000 t being transported on the railway in 1Q16 vs. 241,000 t in 4Q15 and with thirteen shipments concluded in 1Q16 vs. one shipment concluded in 4Q15.

EBITDA from the Fertilizers business segment decreased, driven by lower market prices and seasonally lower volumes

- Adjusted EBITDA for the Fertilizer business segment decreased to US$ 70 million in 1Q16 from US$ 117 million in 4Q15, as a result of lower prices (US$ 48 million) and seasonally lower volumes (US$ 18 million), being partly offset by lower expenses (US$ 25 million).

- SG&A and other expenses, R&D and Pre-operating and stoppage expenses[14] decreased US$ 4 million, US$ 17 million and US$ 5 million, respectively, in 1Q16 vs. 4Q15.

We successfully reduced our costs and expenses in all business segments, despite the seasonally lower production and sales volumes, and progressed with the implementation of our most important projects in 1Q16.

We remain focused on maximizing our margins by leveraging our iron ore supply chain flexibility (22 mines, 11 pelletizing plants, 5 railways, 4 ports, 2 distribution centers etc.) to have a responsible and sustainable reaction to various market conditions.

Together with Samarco and BHP Billiton, we reached an agreement with the Brazilian authorities which provides a long-term remedial and compensation framework for responding to the impact of the Samarco dam failure and accelerates both the environmental remediation measures and the reparations for the people affected.

Finally, we acknowledge the recent improvement in iron ore prices but are cognizant of market volatility, thus remaining fully committed to strengthening our balance sheet through the reduction of our net debt as previously informed. We remain focused on our operating and capital allocation discipline and on progressing our divestment and asset optimization program.

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[12] After adjusting for the effects of higher volumes.

[13] After adjusting for the effects of higher volumes and exchange rate.

[14] Net of depreciation charges.

Selected financial indicators

US$ million	1Q16 (A)	4Q15 (B)	1Q15 (C)	% (A/B)	% (A/C)
Net operating revenues	5,719	5,899	6,240	(3.1)	(5.5)
Adjusted EBIT	1,154	320	540	260.6	(40.7)
Adjusted EBIT margin (%)	20.2	5.4	8.7		
Adjusted EBITDA	2,005	1,391	1,602	44.1	(13.2)
Adjusted EBITDA margin (%)	35.1	23.6	25.7		
Net income (loss)	1,776	(8,569)	(3,119)		
Underlying earnings	514	(1,032)	(679)		
Underlying earnings per share on a fully diluted basis (US$ / share)	0.10	(0.20)	(0.13)		
Total gross debt	31,470	28,853	28,487	9.1	1.3
Cash and cash equivalent	3,809	3,619	3,685	5.3	(1.8)
Total Net Debt	27,661	25,234	24,802	9.6	1.7
Total gross debt/ adjusted EBITDA (x)	4.2	4.1	2.6		
Capital expenditures	1,449	2,193	2,210	(33.9)	(0.7)

FINANCIAL INDICATORS OF NON-CONSOLIDATED COMPANIES

For selected financial indicators of the main non-consolidated companies, see our quarterly financial statements on www.vale.com / Investors / Information for the market / Financial statements.

CONFERENCE CALL AND WEBCAST

Vale will host two conference calls and webcasts on Thursday, April 28th. The first, in Portuguese (without translation), will begin at 10:00 a.m. Rio de Janeiro time. The second, in English, at 12:00 p.m. Rio de Janeiro time, 11:00 a.m. US Eastern Daylight Time, 4:00 p.m. British Standard Time, and 11:00 p.m. Hong Kong time.

Dial in to conference calls/webcasts:

In Portuguese:
Participants from Brazil: (55 11) 3193-1001 or (55 11) 2820-4001
Participants from the US: (1 888) 700-0802
Participants from other countries: (1 786) 924-6977
Access code: VALE

In English:
Participants from Brazil: (55 11) 3193-1001 or (55 11) 2820-4001
Participants from the U.S.: (1 866) 262-4553
Participants from other countries: (1 412) 317-6029
Access code: VALE

Instructions for participation will be available on the website: www.vale.com/Investors. A recording will be available on Vale's website for 90 days as of April 28th, 2016.

This press release 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.

ANNEX 1 – SIMPLIFIED FINANCIAL STATEMENTS

Income statement

US$ million	1Q16	4Q15	1Q15
Gross operating revenues	**5,799**	**5,986**	**6,358**
Net operating revenue	**5,719**	**5,899**	**6,240**
Cost of goods sold	(4,249)	(5,119)	(5,168)
Gross profit	**1,470**	**780**	**1,072**
Gross margin (%)	25.7	13.2	17.2
Selling, general and administrative expenses	(119)	(167)	(195)
Research and development expenses	(60)	(119)	(119)
Pre-operating and stoppage expenses	(102)	(238)	(264)
Other operational expenses	(35)	64	46
Gain (loss) from sale of assets	-	(29)	193
Impairment of non-current assets	-	(8,926)	-
Operating profit	**1,154**	**(8,635)**	**733**
Financial revenues	60	80	68
Financial expenses	(630)	(326)	(219)
Gains (losses) on derivatives, net	440	426	(1,340)
Monetary and exchange variation	1,555	173	(3,019)
Equity income	156	(37)	(271)
Results on sale or write-off of investments from associates and joint ventures	-	-	18
Impairment on investments from association and joint ventures	-	(446)	-
Income (loss) before taxes	**2,735**	**(8,765)**	**(4,030)**
Current tax	(345)	(152)	(70)
Deferred tax	(610)	74	930
Net Earnings (loss) from continuing operations	**1,780**	**(8,843)**	**(3,170)**
Loss attributable to noncontrolling interest	(4)	274	52
Net earnings (attributable to the Company's stockholders)	**1,776**	**(8,569)**	**(3,118)**
Earnings (loss) per share (attributable to the Company's stockholders - US$)	0.34	(1.66)	(0.61)
Diluted earnings (loss) per share (attributable to the Company's stockholders - US$)	0.34	(1.66)	(0.61)

Equity income (loss) by business segment

US$ million	1Q16	%	4Q15	%	1Q15	%
Ferrous minerals	39	25.0	44	(118.9)	(142)	52.4
Coal	(10)	(6.4)	3	(8.1)	-	-
Fertilizers	1	0.6	2	(5.4)	2	(0.7)
Base metals	(2)	(1.3)	(99)	267.6	(5)	1.8
Steel	111	71.2	(21)	56.8	(125)	46.1
Others	17	10.9	34	(91.9)	(1)	0.4
Total	**156**	**100.0**	**(37)**	**100.0**	**(271)**	**100.0**

Balance sheet

US$ million	3/31/2016	12/31/2015	3/31/2015
Assets			
Current assets	**17,225**	**15,473**	**17,703**
Cash and cash equivalents	3,782	3,591	3,684
Financial investments	27	28	1
Derivative financial instruments	141	121	189
Accounts receivable	2,553	1,476	2,291
Related parties	100	70	522
Inventories	3,801	3,528	4,064
Prepaid income taxes	625	900	1,284
Recoverable taxes	1,523	1,404	1,548
Others	582	311	740
Non-current assets held for sale and discontinued operation	4,091	4,044	3,380
Non-current assets	**10,707**	**10,653**	**7,301**
Related parties	-	1	23
Loans and financing agreements receivable	194	188	217
Judicial deposits	984	882	1,102
Recoverable income taxes	517	471	455
Deferred income taxes	7,675	7,904	4,374
Recoverable taxes	544	501	434
Derivative financial instruments	170	93	34
Others	623	613	662
Fixed assets	67,340	62,366	79,546
Total assets	**95,272**	**88,492**	**104,550**
Liabilities			
Current liabilities	**11,399**	**10,545**	**10,026**
Suppliers and contractors	3,147	3,365	3,429
Payroll and related charges	413	375	526
Derivative financial instruments	1,629	2,076	904
Loans and financing	3,255	2,506	3,195
Related parties	732	475	267
Income taxes settlement program	389	345	388
Taxes payable and royalties	223	250	471
Provision for income taxes	167	241	(171)
Employee postretirement obligations	71	68	68
Asset retirement obligations	88	89	124
Others	1,191	648	(339)
Liabilities directly associated with non-current assets held for sale and discontinued operations	94	107	144
Non-current liabilities	**45,101**	**42,243**	**46,207**
Derivative financial instruments	1,225	1,429	2,496
Loans and financing	28,215	26,347	25,292
Related parties	123	213	90
Employee postretirement obligations	1,957	1,750	2,121
Provisions for litigation	851	822	1,087
Income taxes settlement program	4,502	4,085	4,876
Deferred income taxes	1,817	1,670	3,099
Asset retirement obligations	2,622	2,385	2,888
Participative stockholders' debentures	502	342	1,165
Redeemable noncontrolling interest	-	-	196
Gold stream transaction	1,715	1,749	1,841
Others	1,572	1,451	1,056
Total liabilities	**56,500**	**52,788**	**56,233**
Stockholders' equity	**38,772**	**35,704**	**48,317**
Total liabilities and stockholders' equity	**95,272**	**88,492**	**104,550**

Cash flow

US$ million	1Q16	4Q15	1Q15
Cash flows from operating activities:			
Net income (loss) before taxes on income	2,735	(8,765)	(4,030)
Adjustments to reconcile			
Depreciation, depletion and amortization	850	984	1,035
Equity Income	(156)	37	271
Other items from non-current assets	9	9,376	(426)
Items of the financial result	(1,425)	(353)	4,510
Variation of assets and liabilities			
Accounts receivable	(1,016)	985	817
Inventories	(62)	(73)	189
Suppliers and contractors	(383)	491	(387)
Payroll and related charges	-	(79)	(567)
Tax assets and liabilities, net	(47)	91	173
Goldstream transaction	-	-	532
Others	191	(505)	(68)
Net cash provided by operations	**696**	**2,189**	**2,049**
Interest on loans and financing	(460)	(305)	(471)
Derivatives received (paid), net	(510)	(275)	(658)
Remuneration paid to debentures	-	(26)	(39)
Income taxes	(146)	(162)	(244)
Income taxes - settlement program	(88)	(86)	(106)
Net cash provided by operating activities	**(508)**	**1,335**	**531**
Cash flows from investing activities:			
Additions to investments	(90)	(12)	(10)
Acquisition of subsidiary	5	-	(90)
Additions to property, plant and equipment	(1,366)	(2,190)	(2,200)
Proceeds from disposal of assets and investments	12	423	107
Dividends and interest on capital received from joint ventures and associates	1	87	27
Proceeds from goldstream transaction	-	-	368
Others	48	(36)	114
Net cash used in investing activities	**(1,390)**	**(1,728)**	**(1,684)**
Cash flows from financing activities:			
Loans and financing			
Additions	3,200	1,045	1,342
Repayments	(1,158)	(1,012)	(301)
Payments to shareholders:			
Dividends and interest on capital attributed to shareholders	-	(500)	-
Dividends and interest on capital attributed to noncontrolling interest	(4)	(3)	(3)
Other transactions with noncontrolling interest	(17)	-	-
Net cash provided by (used in) financing activities	**2,021**	**(470)**	**1,038**
Increase (decrease) in cash and cash equivalents	123	(863)	(115)
Cash and cash equivalents in the beginning of the period	3,591	4,397	3,974
Effect of exchange rate changes on cash and cash equivalents	68	57	(175)
Cash and cash equivalents, end of period	**3,782**	**3,591**	**3,684**
Non-cash transactions:			
Additions to property, plant and equipment - interest capitalization	177	193	196

ANNEX 2 – VOLUMES SOLD, PRICES AND MARGINS

Volume sold – minerals and metals

'000 metric tons	1Q16	4Q15	1Q15
Iron ore fines	62,744	79,213	59,420
ROM	520	1,627	2,915
Pellets	11,130	10,837	11,255
Manganese ore	515	568	363
Ferroalloys	25	12	30
Thermal coal	1,299	226	257
Metallurgical coal	1,367	1,329	1,314
Nickel	74	84	68
Copper	101	108	98
Gold ('000 oz)	115	114	97
Silver ('000 oz)	623	761	610
PGMs ('000 oz)	153	140	144
Cobalt (metric ton)	1,178	1,433	1,009
Potash	104	114	91
Phosphates			
MAP	259	266	259
TSP	92	113	84
SSP	262	317	267
DCP	109	119	124
Phosphate rock	690	811	732
Others phosphates	46	68	83
Nitrogen	146	154	152

Average sale prices

US$/ton	1Q16	4Q15	1Q15
Iron ore fines CFR reference price (dmt)	54.67	45.10	58.20
Iron ore fines CFR/FOB realized price	46.50	37.18	45.71
ROM	8.02	7.99	10.98
Pellets CFR/FOB (wmt)	67.61	71.98	85.78
Manganese ore	60.56	7.04	112.95
Ferroalloys	648.96	750.00	966.67
Thermal coal	38.57	44.19	62.26
Metallurgical coal	75.93	73.75	98.17
Nickel	8,787.00	9,309.52	14,279.41
Copper	4,323.00	3,823.90	4,757.67
Platinum (US$/oz)	898.41	817.60	1,155.59
Gold (US$/oz)	1,131.60	1,064.48	1,163.08
Silver (US$/oz)	14.14	10.00	13.75
Cobalt (US$/lb)	8.61	8.55	9.12
Potash	223.36	264.47	329.87
Phosphates			
MAP	391.88	486.00	509.76
TSP	305.48	375.17	391.70
SSP	170.82	205.13	191.31
DCP	465.54	458.46	509.15
Phosphate rock	83.06	81.73	90.20

Operating margin by segment (EBIT adjusted margin)

%	1Q16	4Q15	1Q15
Ferrous minerals	36.6	25.5	13.7
Coal	(75.3)	(201.9)	(104.1)
Base metals	(5.8)	(25.6)	12.2
Fertilizer nutrients	0.8	10.4	4.8
Total[1]	**20.2**	**5.4**	**8.7**

[1] Excluding non-recurring effects

Annex 3 – reconciliation of IFRS and "NON-GAAP" information

(a) Adjusted EBIT[1]

US$ million	**1Q16**	**4Q15**	**1Q15**
Net operating revenues	5,719	5,899	6,240
COGS	(4,249)	(5,119)	(5,168)
SG&A	(119)	(167)	(195)
Research and development	(60)	(119)	(119)
Pre-operating and stoppage expenses	(102)	(238)	(264)
Other operational expenses	(35)	64	46
Adjusted EBIT	**1,154**	**320**	**540**

[1] Excluding non-recurring effects.

(b) Adjusted EBITDA

EBITDA defines profit or loss before interest, tax, depreciation and amortization. Vale uses the term adjusted EBITDA to reflect exclusion of gains and/or losses on sale of assets, non-recurring expenses and the inclusion of dividends received from non-consolidated affiliates. However our adjusted EBITDA is not the measure defined as EBITDA under IFRS, and may possibly not be comparable with indicators with the same name reported by other companies. Adjusted EBITDA should not be considered as a substitute for operational profit or as a better measure of liquidity than operational cash flow, which are calculated in accordance with IFRS. Vale provides its adjusted EBITDA to give additional information about its capacity to pay debt, carry out investments and cover working capital needs. The following table shows the reconciliation between adjusted EBITDA and operational cash flow, in accordance with its statement of changes in financial position:

Reconciliation between adjusted EBITDA and operational cash flow

US$ million	**1Q16**	**4Q15**	**1Q15**
Adjusted EBITDA	**2,005**	**1,391**	**1,602**
Working capital:			
Accounts receivable	(532)	985	817
Inventories	(62)	(73)	189
Suppliers	(383)	491	(387)
Payroll and related charges	-	(79)	(567)
Gold stream transaction	-	-	532
Others	(344)	(414)	104
Adjustment for non-recurring items and other effects	12	(112)	(242)
Cash provided from operations	**696**	**2,189**	**2,048**
Income taxes paid - current	(146)	(162)	(244)
Income taxes paid - settlement program	(88)	(86)	(106)
Interest paid for third parties	(460)	(305)	(471)
Participative stockholders' debentures paid	-	(26)	(39)
Derivatives received (paid), net	(510)	(275)	(657)
Net cash provided by (used in) operating activities	**(508)**	**1,335**	**531**

(c) Net debt

Reconciliation between total debt and net debt

US$ million	**1Q16**	**4Q15**	**1Q15**
Total debt	31,470	28,853	28,487
Cash and cash equivalents[1]	3,809	3,619	3,685
Net debt	27,661	25,234	24,802

[1] Including financial investments

(d) Total debt / LTM Adjusted EBITDA

US$ million	**1Q16**	**4Q15**	**1Q15**
Total debt / LTM Adjusted EBITDA (x)	4.2	4.1	2.6
Total debt / LTM operational cash flow (x)	10.9	6.8	4.8

(e) LTM Adjusted EBITDA / LTM interest payments

US$ million	**1Q16**	**4Q15**	**1Q15**
LTM adjusted EBITDA / LTM interest payments (x)	9.8	9.1	6.9
LTM operational profit / LTM interest payments (x)	(7.7)	(8.1)	3.2