

Vale S.A.  
Form 6-K  
July 25, 2018  
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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**

**July 2018**

**Vale S.A.**

**Avenida das Américas, No. 700 Bloco 8, Sala 218  
22640-100 Rio de Janeiro, RJ, Brazil**

(Address of principal executive office)

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(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

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(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- .)

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**Interim Financial Statements**

**June 30, 2018**

BRGAAP in R\$ (English)

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**Vale S.A. Interim Financial Statements**

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Report on the review of quarterly information ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards - IFRS)

**To the Board of Directors and Stockholders of**

**Vale S.A.**

Rio de Janeiro - RJ

**Introduction**

1. We have reviewed the interim financial information, individual and consolidated, of Vale S.A. ( the Company ), identified as Parent Company and Consolidated, respectively, included in the quarterly information form - ITR for the quarter ended June 30, 2018, which comprises the individual and consolidated statement of financial position as of June 30, 2018 and the respective statements of income and comprehensive income for the three and six months periods ended on June 30, 2018, the statements of changes in equity for the six-month period then ended and of the individual statement of cash flows for the six-month period and the consolidated statements of cash flows for the three and six months periods then ended, including the explanatory notes.

2. The Company's Management is responsible for the preparation of these interim financial information in accordance with the CPC 21(R1) Demonstração Intermediária and the IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board IASB, as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of quarterly information - ITR. Our responsibility is to express our conclusion on this interim financial information based on our review.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ( KPMG International ), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ( KPMG International ), a Swiss entity.

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**Scope of the review**

3. We conducted our review in accordance with Brazilian and International Interim Information Review Standards (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries primarily of the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

**Conclusion on the interim financial information**

4. Based on our review, we are not aware of any fact that might lead us to believe that the individual and consolidated interim financial information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, issued by the IASB, applicable to the preparation of the quarterly review - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

**Other matters**

**Statements of added value**

5. The individual and consolidated interim financial information related to the statement of value added for the six-month period ended June 30, 2018, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, was submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our conclusion, we evaluated whether this statement was reconciliated to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement of value added was not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, July 25, 2018

KPMG Auditores Independentes

CRC SP-014428/O-6 F-RJ

*(Original report in Portuguese signed by)*

Manuel Fernandes Rodrigues de Sousa

Accountant CRC RJ-052428/O-2



Table of Contents**Income Statement**

In millions of Brazilian reais, except earnings per share data

	Notes	Consolidated			
		Three-month period ended June 30,		Six-month period ended June 30,	
		2018	2017	2018	2017
<b>Continuing operations</b>					
Net operating revenue	3(c)	31,234	23,363	59,166	50,105
Cost of goods sold and services rendered	5(a)	(19,463)	(16,462)	(36,433)	(31,327)
<b>Gross profit</b>		<b>11,771</b>	<b>6,901</b>	<b>22,733</b>	<b>18,778</b>
<b>Operating expenses</b>					
Selling and administrative expenses	5(b)	(440)	(426)	(842)	(814)
Research and evaluation expenses		(330)	(257)	(553)	(463)
Pre operating and operational stoppage		(242)	(286)	(495)	(650)
Other operating expenses, net	5(c)	(392)	(271)	(798)	(518)
		<b>(1,404)</b>	<b>(1,240)</b>	<b>(2,688)</b>	<b>(2,445)</b>
Impairment and other results on non-current assets	4	10	(726)	(42)	877
<b>Operating income</b>		<b>10,377</b>	<b>4,935</b>	<b>20,003</b>	<b>17,210</b>
Financial income	6	608	600	1,367	1,803
Financial expenses	6	(4,153)	(2,835)	(6,355)	(6,444)
Other financial items	6	(7,385)	(2,106)	(8,013)	(1,594)
Equity results in associates and joint ventures	13	177	(83)	450	142
Impairment and other results in associates and joint ventures	17	(1,547)	(110)	(1,591)	(301)
<b>Income (loss) before income taxes</b>		<b>(1,923)</b>	<b>401</b>	<b>5,861</b>	<b>10,816</b>
<b>Income taxes</b>					
	7				
Current tax		(460)	(222)	(755)	(1,807)
Deferred tax		2,753	378	709	(253)
		<b>2,293</b>	<b>156</b>	<b>(46)</b>	<b>(2,060)</b>
<b>Net income from continuing operations</b>		<b>370</b>	<b>557</b>	<b>5,815</b>	<b>8,756</b>
Net income attributable to noncontrolling interests		25	99	87	147
<b>Net income from continuing operations attributable to Vale's stockholders</b>		<b>345</b>	<b>458</b>	<b>5,728</b>	<b>8,609</b>
<b>Discontinued operations</b>					
	12				
Loss from discontinued operations		(39)	(388)	(310)	(645)
Net income attributable to noncontrolling interests			10		13
		<b>(39)</b>	<b>(398)</b>	<b>(310)</b>	<b>(658)</b>

**Loss from discontinued operations  
attributable to Vale's stockholders**

<b>Net income</b>	<b>331</b>	<b>169</b>	<b>5,505</b>	<b>8,111</b>
Net income attributable to noncontrolling interests	25	109	87	160
<b>Net income attributable to Vale's stockholders</b>	<b>306</b>	<b>60</b>	<b>5,418</b>	<b>7,951</b>

**Earnings per share attributable to Vale's stockholders:**

<b>Basic and diluted earnings per share (restated):</b>	<b>8</b>				
Common share (R\$)	0.06	0.01	1.04	1.54	

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

Table of Contents**Income Statement**

In millions of Brazilian reais, except earnings per share data

	Notes	Parent company		Parent company	
		Three-month period ended June 30,	Three-month period ended June 30,	Six-month period ended June 30,	Six-month period ended June 30,
		2018	2017	2018	2017
<b>Continuing operations</b>					
Net operating revenue	3(c)	18,427	15,502	34,132	32,664
Cost of goods sold and services rendered	5(a)	(9,605)	(8,338)	(17,981)	(16,089)
<b>Gross profit</b>		<b>8,822</b>	<b>7,164</b>	<b>16,151</b>	<b>16,575</b>
<b>Operating (expenses) income</b>					
Selling and administrative expenses	5(b)	(226)	(235)	(452)	(461)
Research and evaluation expenses		(192)	(152)	(339)	(273)
Pre operating and operational stoppage		(182)	(212)	(383)	(404)
Equity results from subsidiaries		1,346	(1,449)	3,573	1,616
Other operating expenses, net	5(c)	(287)	(257)	(550)	(85)
		<b>459</b>	<b>(2,305)</b>	<b>1,849</b>	<b>393</b>
Impairment and other results on non-current assets	4	(144)	(27)	(224)	(68)
<b>Operating income</b>		<b>9,137</b>	<b>4,832</b>	<b>17,776</b>	<b>16,900</b>
Financial income	6	122	252	441	1,097
Financial expenses	6	(3,872)	(2,563)	(5,796)	(5,844)
Other financial items	6	(7,162)	(1,945)	(7,722)	(1,417)
Equity results in associates and joint ventures	13	177	(83)	450	142
Impairment and other results in associates and joint ventures	17	(1,547)	(101)	(1,591)	(292)
<b>Income (loss) before income taxes</b>		<b>(3,145)</b>	<b>392</b>	<b>3,558</b>	<b>10,586</b>
<b>Income taxes</b>					
	7				
Current tax		1	166		(1,066)
Deferred tax		3,489	(100)	2,170	(911)
		<b>3,490</b>	<b>66</b>	<b>2,170</b>	<b>(1,977)</b>
<b>Net income from continuing operations</b>		<b>345</b>	<b>458</b>	<b>5,728</b>	<b>8,609</b>
<b>Discontinued operations</b>					
	12				
Loss from discontinued operations		(39)	(398)	(310)	(658)
<b>Net income</b>		<b>306</b>	<b>60</b>	<b>5,418</b>	<b>7,951</b>
<b>Earnings per share attributable to Vale's stockholders:</b>					
<b>Basic and diluted earnings per share (restated):</b>					
Common share (R\$)		0.06	0.01	1.04	1.54

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

Table of Contents**Statement of Comprehensive Income**

In millions of Brazilian reais

	Consolidated				
	Three-month period ended		Six-month period ended		
	2018	June 30, 2017	2018	June 30, 2017	2017
<b>Net income</b>	<b>331</b>	<b>169</b>	<b>5,505</b>		<b>8,111</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified subsequently to the income statement</b>					
Retirement benefit obligations	(208)	(644)	(32)		(715)
Fair value adjustment to investment in equity securities	285		171		
Transfer to retained earnings	16		(51)		
<b>Total items that will not be reclassified subsequently to the income statement, net of tax</b>	<b>93</b>	<b>(644)</b>	<b>88</b>		<b>(715)</b>
<b>Items that may be reclassified subsequently to the income statement</b>					
Translation adjustments	14,908	4,345	14,969		2,109
Net investments hedge	(1,934)	(836)	(2,030)		(277)
Transfer of realized results to net income			(257)		
<b>Total of items that may be reclassified subsequently to the income statement, net of tax</b>	<b>12,974</b>	<b>3,509</b>	<b>12,682</b>		<b>1,832</b>
<b>Total comprehensive income</b>	<b>13,398</b>	<b>3,034</b>	<b>18,275</b>		<b>9,228</b>
Comprehensive income attributable to noncontrolling interests	240	275	318		192
<b>Comprehensive income attributable to Vale's stockholders</b>	<b>13,158</b>	<b>2,759</b>	<b>17,957</b>		<b>9,036</b>
From continuing operations	13,158	2,731	17,941		9,036
From discontinued operations		28	16		
	<b>13,158</b>	<b>2,759</b>	<b>17,957</b>		<b>9,036</b>

	Parent company				
	Three-month period ended		Six-month period ended		
	2018	June 30, 2017	2018	June 30, 2017	2017
<b>Net income</b>	<b>306</b>	<b>60</b>	<b>5,418</b>		<b>7,951</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified subsequently to the income statement</b>					
Retirement benefit obligations	(28)	(14)	(37)		(27)
Fair value adjustment to investment in equity securities	235		149		
Equity results in associates and joint ventures	(130)	(630)	27		(688)
Transfer to retained earnings	16		(51)		
	<b>93</b>	<b>(644)</b>	<b>88</b>		<b>(715)</b>

**Total items that will not be reclassified subsequently to the income statement, net of tax****Items that may be reclassified subsequently to the income statement**

Translation adjustments	14,693	4,179	14,593	2,077
Net investments hedge	(1,934)	(836)	(2,030)	(277)
Transfer of realized results to net income			(112)	
<b>Total of items that may be reclassified subsequently to the income statement, net of tax</b>	<b>12,759</b>	<b>3,343</b>	<b>12,451</b>	<b>1,800</b>
<b>Total comprehensive income</b>	<b>13,158</b>	<b>2,759</b>	<b>17,957</b>	<b>9,036</b>

Items above are stated net of tax and the related taxes are disclosed in note 7.

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

Table of Contents**Statement of Cash Flows**

In millions of Brazilian reais

	Consolidated			
	Three-month period ended June 30, 2018	2017	Six-month period ended June 30, 2018	2017
<b>Cash flow from operating activities:</b>				
Income (loss) before income taxes from continuing operations	(1,923)	401	5,861	10,816
<b>Continuing operations adjustments for:</b>				
Equity results in associates and joint ventures	(177)	83	(450)	(142)
Impairment and other results on non-current assets and associates and joint ventures	1,537	836	1,633	(576)
Depreciation, amortization and depletion	3,112	2,907	5,946	5,758
Financial results, net	10,930	4,341	13,001	6,235
<b>Changes in assets and liabilities:</b>				
Accounts receivable	589	4,377	630	5,347
Inventories	(885)	(787)	(732)	(1,495)
Suppliers and contractors	(205)	791	(1,377)	1,101
Provision - Payroll, related charges and others remunerations	626	568	(1,027)	(153)
Proceeds from cobalt stream transaction	2,603		2,603	
Other assets and liabilities, net	(1,512)	(360)	(1,815)	(964)
	<b>14,695</b>	<b>13,157</b>	<b>24,273</b>	<b>25,927</b>
Interest on loans and borrowings paid	(994)	(1,351)	(2,231)	(2,946)
Derivatives paid, net	37	(15)	(43)	(353)
Interest on participative stockholders debentures paid	(245)	(221)	(245)	(221)
Income taxes	(168)	(101)	(941)	(1,257)
Income taxes - Settlement program	(409)	(387)	(813)	(766)
<b>Net cash provided by operating activities from continuing operations</b>	<b>12,916</b>	<b>11,082</b>	<b>20,000</b>	<b>20,384</b>
<b>Cash flow from investing activities:</b>				
Financial investments redeemed (invested)	(28)	115	(80)	(52)
Loans and advances - net receipts (payments) (note 25)	(355)	(314)	8,296	(769)
Additions to property, plant and equipment, intangibles and investments	(2,558)	(3,933)	(5,501)	(7,449)
Proceeds from disposal of assets and investments (note 12)	925	28	4,461	1,642
Dividends and interest on capital received from associates and joint ventures	505	266	538	266
Others investments activities	(59)	(64)	(8)	(68)
<b>Net cash provided by (used in) investing activities from continuing operations</b>	<b>(1,570)</b>	<b>(3,902)</b>	<b>7,706</b>	<b>(6,430)</b>
<b>Cash flow from financing activities:</b>				

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<b>Loans and borrowings</b>				
Additions	2,814	963	2,814	4,539
Repayments	(9,365)	(5,899)	(16,813)	(9,432)
<b>Transactions with stockholders:</b>				
Dividends and interest on capital paid to stockholders		(4,660)	(4,721)	(4,660)
Dividends and interest on capital paid to noncontrolling interest	(20)	(14)	(310)	(23)
Transactions with noncontrolling stockholders			(56)	799
<b>Net cash used in financing activities from continuing operations</b>	<b>(6,571)</b>	<b>(9,610)</b>	<b>(19,086)</b>	<b>(8,777)</b>
<b>Net cash used in discontinued operations (note 12)</b>	<b>(7)</b>	<b>(152)</b>	<b>(157)</b>	<b>(167)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>4,768</b>	<b>(2,582)</b>	<b>8,463</b>	<b>5,010</b>
Cash and cash equivalents in the beginning of the period	17,841	21,279	14,318	13,891
Effect of exchange rate changes on cash and cash equivalents	2,002	225	2,161	65
Effects of disposals of subsidiaries and merger, net on cash and cash equivalents	(54)		(385)	(44)
<b>Cash and cash equivalents at end of the period</b>	<b>24,557</b>	<b>18,922</b>	<b>24,557</b>	<b>18,922</b>
<b>Non-cash transactions:</b>				
Additions to property, plant and equipment - capitalized loans and borrowing costs	160	265	354	587

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



Table of Contents**Statement of Cash Flows**

In millions of Brazilian reais

	Parent company	
	Six-month period ended June 30,	
	2018	2017
	(Restated)	
<b>Cash flow from operating activities:</b>		
Income before income taxes from continuing operations	3,558	10,586
<b>Continuing operations adjustments for:</b>		
Equity results in subsidiaries, associates and joint ventures	(4,023)	(1,758)
Impairment and other results on non-current assets and associates and joint ventures	1,815	360
Depreciation, amortization and depletion	2,903	2,693
Financial results, net	13,077	6,164
<b>Changes in assets and liabilities:</b>		
Accounts receivable	1,547	12,695
Inventories	(60)	(373)
Suppliers and contractors	698	28
Provision - Payroll, related charges and others remunerations	(577)	(54)
Other assets and liabilities, net	151	(779)
	<b>19,089</b>	<b>29,562</b>
Interest on loans and borrowings paid	(1,028)	(2,978)
Derivatives paid, net	(112)	(132)
Interest on participative stockholders debentures paid	(245)	(221)
Income taxes	(30)	(678)
Income taxes - Settlement program	(796)	(750)
<b>Net cash provided by operating activities</b>	<b>16,878</b>	<b>24,803</b>
<b>Cash flow from investing activities:</b>		
Financial investments redeemed (invested)	(74)	(97)
Loans and advances - net receipts (payments)	(1,752)	(4,528)
Additions to property, plant and equipment, intangibles and investments	(4,527)	(4,650)
Proceeds from disposal of assets and investments (note 12)	414	15
Dividends and interest on capital received from subsidiaries, associates and joint ventures	1,998	424
Others investments activities	(55)	(54)
<b>Net cash used in investing activities</b>	<b>(3,996)</b>	<b>(8,890)</b>
<b>Cash flow from financing activities:</b>		
<b>Loans and borrowings</b>		
Additions	2,814	321
Repayments	(8,433)	(8,897)
<b>Transactions with stockholders:</b>		
Dividends and interest on capital paid to stockholders	(4,721)	(4,660)
<b>Net cash used in financing activities</b>	<b>(10,340)</b>	<b>(13,236)</b>
<b>Increase in cash and cash equivalents</b>	<b>2,542</b>	<b>2,677</b>

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Cash and cash equivalents in the beginning of the period	1,876	1,203
<b>Cash and cash equivalents at end of the period</b>	<b>4,418</b>	<b>3,880</b>
<b>Non-cash transactions:</b>		
Additions to property, plant and equipment - capitalized loans and borrowing costs	353	585

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

Table of Contents**Statement of Financial Position**

In millions of Brazilian reais

	Notes	Consolidated June 30, 2018	December 31, 2017	Parent company June 30, 2018	December 31, 2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	16	24,557	14,318	4,418	1,876
Accounts receivable	9	9,052	8,602	10,207	9,560
Other financial assets	11	1,850	6,689	368	409
Inventories	10	15,418	12,987	4,807	4,601
Prepaid income taxes		2,534	2,584	2,159	2,378
Recoverable taxes		3,944	3,876	2,065	2,091
Others		2,284	1,780	1,252	1,542
		<b>59,639</b>	<b>50,836</b>	<b>25,276</b>	<b>22,457</b>
Non-current assets held for sale	12		11,865		7,082
		<b>59,639</b>	<b>62,701</b>	<b>25,276</b>	<b>29,539</b>
<b>Non-current assets</b>					
Judicial deposits	22(c)	6,726	6,571	6,313	6,110
Other financial assets	11	11,728	10,690	4,988	1,865
Prepaid income taxes		1,948	1,754		
Recoverable taxes		2,174	2,109	2,128	2,062
Deferred income taxes	7(a)	25,199	21,959	17,454	14,200
Others		1,170	882	1,420	810
		<b>48,945</b>	<b>43,965</b>	<b>32,303</b>	<b>25,047</b>
Investments	13	12,441	11,802	138,699	117,387
Intangibles	14	30,805	28,094	15,201	13,471
Property, plant and equipment	15	187,816	181,535	101,335	102,978
		<b>280,007</b>	<b>265,396</b>	<b>287,538</b>	<b>258,883</b>
<b>Total assets</b>		<b>339,646</b>	<b>328,097</b>	<b>312,814</b>	<b>288,422</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Suppliers and contractors		13,832	13,367	7,826	7,503
Loans and borrowings	16	7,027	5,633	5,655	4,378
Other financial liabilities	11	3,070	3,260	5,073	4,413
Taxes payable	7(c)	2,469	2,307	2,081	1,991
Provision for income taxes		982	1,175		
Liabilities related to associates and joint ventures	17	1,051	1,080	1,051	1,080
Provisions	21	3,875	4,610	2,203	2,904
Dividends and interest on capital			4,742		4,439
Others		3,115	3,284	2,881	2,552

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		<b>35,421</b>	<b>39,458</b>	<b>26,770</b>	<b>29,260</b>
Liabilities associated with non-current assets held for sale	12		3,899		
		<b>35,421</b>	<b>43,357</b>	<b>26,770</b>	<b>29,260</b>
<b>Non-current liabilities</b>					
Loans and borrowings	16	62,016	68,759	25,076	28,966
Other financial liabilities	11	11,539	9,575	65,406	54,955
Taxes payable	7(c)	15,696	16,176	15,383	15,853
Deferred income taxes	7(a)	6,472	5,687		
Provisions	21	25,317	23,243	7,798	6,900
Liabilities related to associates and joint ventures	17	3,449	2,216	3,449	2,216
Deferred revenue - Gold stream		6,649	6,117		
Others		7,749	4,861	7,217	6,514
		<b>138,887</b>	<b>136,634</b>	<b>124,329</b>	<b>115,404</b>
<b>Total liabilities</b>		<b>174,308</b>	<b>179,991</b>	<b>151,099</b>	<b>144,664</b>
<b>Stockholders equity</b>					
	24				
Equity attributable to Vale's stockholders		161,715	143,758	161,715	143,758
Equity attributable to noncontrolling interests		3,623	4,348		
<b>Total stockholders equity</b>		<b>165,338</b>	<b>148,106</b>	<b>161,715</b>	<b>143,758</b>
<b>Total liabilities and stockholders equity</b>		<b>339,646</b>	<b>328,097</b>	<b>312,814</b>	<b>288,422</b>

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

Table of Contents**Statement of Changes in Equity**

In millions of Brazilian reais

	Share capital	Results on conversion of shares	Capital reserve	Results from operation with noncontrolling interest	Profit reserves	Treasury stocks	Unrealized fair value gain (losses)	Cumulative translation adjustments	Retained earnings	Equity attributable to Vale s stockholders	Equity attributable to noncontrolling interest
<b>Balance at December 31, 2017</b>	<b>77,300</b>	<b>50</b>	<b>3,634</b>	<b>(2,663)</b>	<b>24,539</b>	<b>(2,746)</b>	<b>(3,912)</b>	<b>47,556</b>		<b>143,758</b>	<b>4</b>
<b>Net income</b>									<b>5,418</b>	<b>5,418</b>	
<b>Other comprehensive income:</b>											
Retirement benefit obligations							(32)		(51)	(83)	
Net investments hedge (note 20c)								(2,030)		(2,030)	
Translation adjustments							(257)	14,738		14,481	
Fair value adjustment to investment in equity securities							171			171	
<b>Transactions with stockholders:</b>											
Dividends of noncontrolling interest											
Acquisitions and disposal of noncontrolling interest											
Capitalization of noncontrolling interest advances											
<b>Balance at June 30, 2018</b>	<b>77,300</b>	<b>50</b>	<b>3,634</b>	<b>(2,663)</b>	<b>24,539</b>	<b>(2,746)</b>	<b>(4,030)</b>	<b>60,264</b>	<b>5,367</b>	<b>161,715</b>	<b>3</b>

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			noncontrolling interest				stockholders		interest	
<b>Balance at December 31, 2016</b>	<b>77,300</b>	<b>50</b>	<b>(1,870)</b>	<b>13,698</b>	<b>(2,746)</b>	<b>(3,739)</b>	<b>44,548</b>	<b>7,951</b>	<b>127,241</b>	<b>6</b>
<b>Net income</b>								<b>7,951</b>	<b>7,951</b>	
<b>Other comprehensive income:</b>										
Retirement benefit obligations						(715)			(715)	
Net investments hedge (note 20c)							(277)		(277)	
Translation adjustments						(30)	2,107		2,077	
<b>Transactions with stockholders:</b>										
Dividends and interest on capital of Vale's stockholders									(2,065)	(2,065)
Dividends of noncontrolling interest										
Acquisitions and disposal of noncontrolling interest						(329)			(329)	(1)
Capitalization of noncontrolling interest advances										
<b>Balance at June 30, 2017</b>	<b>77,300</b>	<b>50</b>	<b>(2,199)</b>	<b>11,633</b>	<b>(2,746)</b>	<b>(4,484)</b>	<b>46,378</b>	<b>7,951</b>	<b>133,883</b>	<b>4</b>

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

Table of Contents**Value Added Statement**

In millions of Brazilian Reais

	Consolidated		Parent company	
	Six-month period ended June 30,			
	2018	2017	2018	2017
<b>Generation of value added from continuing operations</b>				
<b>Gross revenue</b>				
Revenue from products and services	59,952	50,800	34,678	33,172
Impairment and other results on non-current assets	(42)	877	(224)	(68)
Revenue from the construction of own assets	5,023	3,144	3,422	2,875
Allowance for doubtful accounts	(17)	(14)	(4)	6
Other revenues	7,057	264	3,107	195
<b>Less:</b>				
Acquisition of products	(781)	(1,027)	(356)	(343)
Material, service and maintenance	(15,474)	(12,423)	(8,917)	(8,165)
Oil and gas	(2,523)	(1,967)	(1,652)	(1,348)
Energy	(1,661)	(1,434)	(839)	(674)
Freight	(6,353)	(4,566)	(75)	(42)
Impairment and other results in associates and joint ventures	(1,591)	(301)	(1,591)	(292)
Other costs and expenses	(8,430)	(3,051)	(4,980)	(1,085)
<b>Gross value added</b>	<b>35,160</b>	<b>30,302</b>	<b>22,569</b>	<b>24,231</b>
Depreciation, amortization and depletion	(5,946)	(5,758)	(2,903)	(2,693)
<b>Net value added</b>	<b>29,214</b>	<b>24,544</b>	<b>19,666</b>	<b>21,538</b>
<b>Received from third parties</b>				
Equity results from entities	450	142	4,023	1,758
Financial income	669	571	105	212
Monetary and exchange variation of assets	2,276	156	2,623	18
<b>Total value added from continuing operations to be distributed</b>	<b>32,609</b>	<b>25,413</b>	<b>26,417</b>	<b>23,526</b>
Value added from discontinued operations to be distributed	63	251		
<b>Total value added to be distributed</b>	<b>32,672</b>	<b>25,664</b>	<b>26,417</b>	<b>23,526</b>
Personnel	4,385	3,651	2,289	1,720
Taxes and contributions	5,142	4,247	2,688	3,045
Current income tax	755	1,807		1,066
Deferred income tax	(709)	253	(2,170)	911
Financial expense (excludes capitalized interest)	5,614	5,138	5,397	6,165
Monetary and exchange variation of liabilities	10,289	1,750	10,344	1,009
Other remunerations of third party funds	1,628	469	2,451	1,659
Reinvested net income	5,418	7,951	5,418	7,951
Net income attributable to noncontrolling interest	87	147		
<b>Distributed value added from continuing operations</b>	<b>32,609</b>	<b>25,413</b>	<b>26,417</b>	<b>23,526</b>
Distributed value added from discontinued operations	63	251		
<b>Distributed value added</b>	<b>32,672</b>	<b>25,664</b>	<b>26,417</b>	<b>23,526</b>

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



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**Selected Notes to the Interim Financial Statements**

**Expressed in millions of Brazilian reais, unless otherwise stated**

**1. Corporate information**

Vale S.A. (the Parent Company) is a public company headquartered in the city of Rio de Janeiro, Brazil with securities traded on the stock exchanges of São Paulo B3 S.A. (Vale3), New York - NYSE (VALE), Paris - NYSE Euronext (Vale3) and Madrid LATIBEX (XVALO).

Vale S.A. and its direct and indirect subsidiaries (Vale or Company) are global producers of iron ore and iron ore pellets, key raw materials for steelmaking, and producers of nickel, which is used to produce stainless steel and metal alloys employed in the production of several products. The Company also produces copper, metallurgical and thermal coal, manganese ore, ferroalloys, platinum group metals, gold, silver and cobalt. The information by segment is presented in note 3.

**2. Basis for preparation of the interim financial statements**

**a) Statement of compliance**

The condensed consolidated and individual interim financial statements of the Company (interim financial statements) have been prepared and are being presented in accordance with IAS 34 Interim Financial Reporting (CPC 21) of the International Financial Reporting Standards (IFRS) as implemented in Brazil by the Brazilian Accountant Pronouncements Committee (CPC), approved by the Brazilian Securities Exchange Commission (CVM) and by the Brazilian Federal Accounting Council (CFC). All relevant information from its own interim financial statements, and only this information, are being presented and correspond to those used by the Company's Management.

The selected notes of the Parent Company are presented in a summarized form in note 26.

**b) Basis of presentation**

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The interim financial statements have been prepared to update users about relevant events and transactions occurred in the period and should be read in conjunction with the financial statements for the year ended December 31, 2017. The accounting policies, accounting estimates and judgments, risk management and measurement methods are the same as those applied when preparing the last annual financial statements, except for new accounting policies related to the application of IFRS 9 Financial instrument (CPC 48) and IFRS 15 Revenue from contracts with customers (CPC 47), which are adopted by the Company from January 1, 2018. The accounting policy for recognizing and measuring income taxes in the interim period is described in note 7.

The interim financial statements of the Company and its associates and joint ventures are measured using the currency of the primary economic environment in which the entity operates ( functional currency ), which in the case of the Parent Company is the Brazilian real ( R\$ ). For presentation purposes, these interim financial statements are presented in Brazilian Reais.

The exchange rates used by the Company to translate its foreign operations are as follows:

	Closing rate		Average rate		Average rate	
	June 30, 2018	December 31, 2017	Three-month period ended June 30, 2018	Three-month period ended June 30, 2017	Six-month period ended June 30, 2018	Six-month period ended June 30, 2017
US Dollar ( US\$ )	3.8558	3.3080	3.6056	3.2174	3.4274	3.1807
Canadian dollar ( CAD )	2.9344	2.6344	2.7928	2.3937	2.6807	2.3847
Australian dollar ( AUD )	2.8529	2.5849	2.7280	2.4154	2.6407	2.3986
Euro ( EUR or )	4.5032	3.9693	4.2944	3.5480	4.1430	3.4479

The issue of these interim financial statements was authorized by the Board of Directors on July 25, 2018.

Table of Contents**c) Accounting standards issued but not yet effective**

The standards and interpretations issued by IASB relevant to the Company but not yet effective are the same as those applicable when preparing the financial statements for the year ended December 31, 2017.

**d) Restatement of corresponding figures**

The amounts corresponding to the Parent Company's statements of cash flows, for the six-month period ended June 30, 2017, originally presented in the interim financial statements for that period, have been restated for reclassification from financing activities in the amount of R\$4,096 to investing activities. This amount relates to intercompany loans between the Parent Company and its subsidiary and was presented as cash flows from financing activities in the aforementioned period. This reclassification aligns the Company's accounting practice with its cash management policy, which aims to manage at the Parent Company the cash generated by its subsidiaries, including sale of investments and planning for future investments.

The effects of these restatements are as follows:

	<b>Parent company</b>		
	<b>Six-month period ended June 30, 2017</b>		
	<b>Original balance</b>	<b>Reclassification</b>	<b>Restated</b>
<b>Statement of cash flows</b>			
<b>Net cash provided by operating activities</b>	24,803		24,803
<b>Cash flow from investing activities</b>			
Loans and advances - net receipts (payments)	(432)	(4,096)	(4,528)
<b>Net cash used in investing activities</b>	<b>(4,794)</b>	<b>(4,096)</b>	<b>(8,890)</b>
<b>Cash flow from financing activities</b>			
<b>Loans and borrowings</b>			
Additions	6,742	(6,421)	321
Repayments	(19,414)	10,517	(8,897)
<b>Net cash used in financing activities</b>	<b>(17,332)</b>	<b>4,096</b>	<b>(13,236)</b>
<b>Increase in cash and cash equivalents</b>	<b>2,677</b>		<b>2,677</b>

Table of Contents**3. Information by business segment and by geographic area**

The information presented to the Executive Board on the performance of each segment is derived from the accounting records, adjusted for reclassifications between segments.

**a) Adjusted LAJIDA (EBITDA)**

Management uses adjusted *LAJIDA* (EBITDA) to assess each segment's contribution to the Company's performance and to support the decision making process. Adjusted *LAJIDA* (EBITDA) is calculated for each segment using operating income or loss plus dividends received and interest from associates and joint ventures, and adding back the amounts charged as (i) depreciation, depletion and amortization and (ii) special events (additional information can be found in note 4).

In 2018, the Company has allocated general and corporate expenses to *Others* as these expenses are not directly related to the performance of each business segment. Therefore, *Others* includes unallocated corporate expenses. The comparative period was restated in order to reflect this change in the criteria for allocation.

	<b>Consolidated</b>						<b>Adjusted LAJIDA (EBITDA)</b>
	<b>Three-month period ended June 30, 2018</b>						
	<b>Net operating revenue</b>	<b>Cost of goods sold and services rendered</b>	<b>Sales, administrative and other operating expenses (i)</b>	<b>Research and evaluation</b>	<b>Pre operating and operational stoppage</b>	<b>Dividends received and interest from associates and joint ventures</b>	
<b>Ferrous minerals</b>							
Iron ore	16,608	(7,785)	(96)	(91)	(98)	2	8,540
Iron ore Pellets	5,469	(2,910)	(21)	(20)	(21)	391	2,888
Ferroalloys and manganese	415	(237)	(5)	(2)			171
Other ferrous products and services	428	(304)	4	(2)	(1)		125
	<b>22,920</b>	<b>(11,236)</b>	<b>(118)</b>	<b>(115)</b>	<b>(120)</b>	<b>393</b>	<b>11,724</b>
<b>Coal</b>	<b>1,287</b>	<b>(1,186)</b>	<b>(25)</b>	<b>(21)</b>		<b>105</b>	<b>160</b>
<b>Base metals</b>							
Nickel and other products	4,858	(2,923)	(62)	(33)	(25)		1,815
Copper	1,916	(883)	(2)	(14)			1,017
	<b>6,774</b>	<b>(3,806)</b>	<b>(64)</b>	<b>(47)</b>	<b>(25)</b>		<b>2,832</b>

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Others	253	(247)	(480)	(147)	(20)	112	(529)
<b>Total of continuing operations</b>	<b>31,234</b>	<b>(16,475)</b>	<b>(687)</b>	<b>(330)</b>	<b>(165)</b>	<b>610</b>	<b>14,187</b>
<b>Discontinued operations (Fertilizers)</b>	<b>109</b>	<b>(121)</b>	<b>(11)</b>				<b>(23)</b>
<b>Total</b>	<b>31,343</b>	<b>(16,596)</b>	<b>(698)</b>	<b>(330)</b>	<b>(165)</b>	<b>610</b>	<b>14,164</b>

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(i) Adjusted for the special events occurred in the period, which represents a loss of R\$98.

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	Consolidated Three-month period ended June 30, 2017						Adjusted LAJIDA (EBITDA)
	Net operating revenue	Cost of goods sold and services rendered	Sales, administrative and other operating expenses	Research and evaluation	Pre operating and operational stoppage	Dividends received and interest from associates and joint ventures	
<b>Ferrous minerals</b>							
Iron ore	11,484	(6,104)	(79)	(72)	(130)		5,099
Iron ore Pellets	4,285	(2,293)	10	(16)	(4)	119	2,101
Ferroalloys and manganese	373	(258)	(4)		(3)		108
Other ferrous products and services	394	(246)	43	(2)	(1)		188
	<b>16,536</b>	<b>(8,901)</b>	<b>(30)</b>	<b>(90)</b>	<b>(138)</b>	<b>119</b>	<b>7,496</b>
<b>Coal</b>	<b>1,544</b>	<b>(980)</b>	<b>(7)</b>	<b>(11)</b>	<b>(15)</b>		<b>531</b>
<b>Base metals</b>							
Nickel and other products	3,251	(2,640)	(27)	(36)	(36)		512
Copper	1,622	(794)	(4)	(7)			817
	<b>4,873</b>	<b>(3,434)</b>	<b>(31)</b>	<b>(43)</b>	<b>(36)</b>		<b>1,329</b>
Others	410	(407)	(558)	(111)	(3)	147	(522)
<b>Total of continuing operations</b>	<b>23,363</b>	<b>(13,722)</b>	<b>(626)</b>	<b>(255)</b>	<b>(192)</b>	<b>266</b>	<b>8,834</b>
<b>Discontinued operations (Fertilizers)</b>	<b>1,291</b>	<b>(1,194)</b>	<b>(62)</b>	<b>(11)</b>	<b>(34)</b>		<b>(10)</b>
<b>Total</b>	<b>24,654</b>	<b>(14,916)</b>	<b>(688)</b>	<b>(266)</b>	<b>(226)</b>	<b>266</b>	<b>8,824</b>

	Consolidated Six-month period ended June 30, 2018						Adjusted LAJIDA (EBITDA)
	Net operating revenue	Cost of goods sold and services rendered	Sales, administrative and other operating expenses (i)	Research and evaluation	Pre operating and operational stoppage	Dividends received and interest from associates and joint ventures	
<b>Ferrous minerals</b>							
Iron ore	31,886	(14,541)	(137)	(156)	(211)	2	16,843
Iron ore Pellets	10,611	(5,548)	(26)	(36)	(31)	391	5,361
Ferroalloys and manganese	821	(479)	(8)	(3)			331
Other ferrous products and services	800	(541)	(5)	(2)	(1)		251
	<b>44,118</b>	<b>(21,109)</b>	<b>(176)</b>	<b>(197)</b>	<b>(243)</b>	<b>393</b>	<b>22,786</b>
<b>Coal</b>	<b>2,521</b>	<b>(2,272)</b>	<b>(19)</b>	<b>(32)</b>		<b>298</b>	<b>496</b>
<b>Base metals</b>							
Nickel and other products	8,533	(5,214)	(110)	(62)	(52)		3,095

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Copper	3,543	(1,687)	(5)	(26)			1,825
	<b>12,076</b>	<b>(6,901)</b>	<b>(115)</b>	<b>(88)</b>	<b>(52)</b>		<b>4,920</b>
Others	451	(472)	(981)	(236)	(38)	145	(1,131)
<b>Total of continuing operations</b>	<b>59,166</b>	<b>(30,754)</b>	<b>(1,291)</b>	<b>(553)</b>	<b>(333)</b>	<b>836</b>	<b>27,071</b>
<b>Discontinued operations (Fertilizers)</b>	<b>397</b>	<b>(393)</b>	<b>(15)</b>				<b>(11)</b>
<b>Total</b>	<b>59,563</b>	<b>(31,147)</b>	<b>(1,306)</b>	<b>(553)</b>	<b>(333)</b>	<b>836</b>	<b>27,060</b>

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(i) Adjusted for the special events occurred in the period, which represents a loss of R\$244.

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	Consolidated						Adjusted LAJIDA (EBITDA)
	Six-month period ended June 30, 2017						
	Net operating revenue	Cost of goods sold and services rendered	Sales, administrative and other operating expenses	Research and evaluation	Pre operating and operational stoppage	Dividends received and interest from associates and joint ventures	
<b>Ferrous minerals</b>							
Iron ore	26,629	(11,361)	133	(123)	(257)		15,021
Iron ore Pellets	8,870	(4,343)	10	(26)	(8)	119	4,622
Ferrous alloys and manganese	646	(397)	(7)		(12)		230
Other ferrous products and services	789	(485)	33	(3)	(1)		333
	<b>36,934</b>	<b>(16,586)</b>	<b>169</b>	<b>(152)</b>	<b>(278)</b>	<b>119</b>	<b>20,206</b>
<b>Coal</b>	<b>2,564</b>	<b>(1,759)</b>	<b>(19)</b>	<b>(21)</b>	<b>(15)</b>		<b>750</b>
<b>Base metals</b>							
Nickel and other products	6,809	(5,352)	(68)	(65)	(157)		1,167
Copper	3,086	(1,515)	(6)	(12)			1,553
	<b>9,895</b>	<b>(6,867)</b>	<b>(74)</b>	<b>(77)</b>	<b>(157)</b>		<b>2,720</b>
Others	712	(714)	(1,247)	(211)	(6)	147	(1,319)
<b>Total of continuing operations</b>	<b>50,105</b>	<b>(25,926)</b>	<b>(1,171)</b>	<b>(461)</b>	<b>(456)</b>	<b>266</b>	<b>22,357</b>
<b>Discontinued operations (Fertilizers)</b>	<b>2,453</b>	<b>(2,260)</b>	<b>(111)</b>	<b>(16)</b>	<b>(67)</b>		<b>(1)</b>
<b>Total</b>	<b>52,558</b>	<b>(28,186)</b>	<b>(1,282)</b>	<b>(477)</b>	<b>(523)</b>	<b>266</b>	<b>22,356</b>

Adjusted LAJIDA (EBITDA) is reconciled to net income (loss) as follows:

**From continuing operations**

	Consolidated			
	Three-month period ended June 30,		Six-month period ended June 30,	
	2018	2017	2018	2017
<b>Net income from continuing operations</b>	<b>370</b>	<b>557</b>	<b>5,815</b>	<b>8,756</b>
Depreciation, depletion and amortization	3,112	2,907	5,946	5,758
Income taxes	(2,293)	(156)	46	2,060
Financial results, net	10,930	4,341	13,001	6,235
<b>LAJIDA (EBITDA)</b>	<b>12,119</b>	<b>7,649</b>	<b>24,808</b>	<b>22,809</b>



<b>Items to reconciled adjusted LAJIDA (EBITDA)</b>				
Special events (note 4)	88	726	286	(877)
Equity results in associates and joint ventures	(177)	83	(450)	(142)
Impairment and other results in associates and joint ventures	1,547	110	1,591	301
Dividends received and interest from associates and joint ventures	610	266	836	266
<b>Adjusted LAJIDA (EBITDA) from continuing operations</b>	<b>14,187</b>	<b>8,834</b>	<b>27,071</b>	<b>22,357</b>

**From discontinued operations**

	Consolidated			
	Three-month period ended June 30,		Six-month period ended June 30,	
	2018	2017	2018	2017
<b>Loss from discontinued operations</b>	<b>(39)</b>	<b>(388)</b>	<b>(310)</b>	<b>(645)</b>
Depreciation, depletion and amortization		3		3
Income taxes	(30)	(493)	(134)	(588)
Financial results, net	6	12	18	26
<b>LAJIDA (EBITDA)</b>	<b>(63)</b>	<b>(866)</b>	<b>(426)</b>	<b>(1,204)</b>

<b>Items to reconciled underlying LAJIDA (EBITDA)</b>				
Equity results in associates and joint ventures		(1)		(2)
Impairment of non-current assets	40	857	415	1,205
<b>Underlying LAJIDA (EBITDA) from discontinued operations</b>	<b>(23)</b>	<b>(10)</b>	<b>(11)</b>	<b>(1)</b>

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## b) Assets by segment

	Consolidated					
	Product inventory	June 30, 2018 Investments in associates and joint ventures	Property, plant and equipment and intangible (i)	Product inventory	December 31, 2017 Investments in associates and joint ventures	Property, plant and equipment and intangible (i)
Ferrous minerals	6,860	6,617	121,084	5,859	6,357	119,429
Coal	526	1,264	7,079	271	1,048	5,686
Base metals	4,391	54	84,550	3,336	43	78,080
Others	55	4,506	5,908	20	4,354	6,434
<b>Total</b>	<b>11,832</b>	<b>12,441</b>	<b>218,621</b>	<b>9,486</b>	<b>11,802</b>	<b>209,629</b>

	Three-month period ended			Six-month period ended		
	June 30, 2018			June 30, 2018		
	Additions to property, plant and equipment and intangible (ii)			Additions to property, plant and equipment and intangible (ii)		
	Sustaining investments	Capital expenditures	Depreciation, depletion and amortization (iii)	Sustaining investments	Capital expenditures	Depreciation, depletion and amortization (iii)
Ferrous minerals	1,050	612	1,532	2,095	1,689	2,938
Coal	67	53	200	146	81	412
Base metals	682	69	1,328	1,271	118	2,465
Others	7		52	10	15	131
<b>Total</b>	<b>1,806</b>	<b>734</b>	<b>3,112</b>	<b>3,522</b>	<b>1,903</b>	<b>5,946</b>

	Three-month period ended			Six-month period ended		
	June 30, 2017			June 30, 2017		
	Additions to property, plant and equipment and intangible (ii)			Additions to property, plant and equipment and intangible (ii)		
	Sustaining investments	Capital expenditures	Depreciation, depletion and amortization (iii)	Sustaining investments	Capital expenditures	Depreciation, depletion and amortization (iii)
Ferrous minerals	790	1,188	1,376	1,744	2,849	2,684
Coal	26	21	238	104	120	567
Base metals	796	16	1,279	1,430	46	2,477
Others	5	10	14	7	39	30
<b>Total</b>	<b>1,617</b>	<b>1,235</b>	<b>2,907</b>	<b>3,285</b>	<b>3,054</b>	<b>5,758</b>

(i) Goodwill is allocated mainly to ferrous minerals and base metals segments in the amount of R\$7,133 and R\$7,316 in June 30, 2018 and R\$7,133 and R\$6,460 in December 31, 2017, respectively.

(ii) Includes only cash outflows.

(iii) Refers to amounts recognized in the income statement.

**Base Metals**

**(i) Onça Puma**

In September 2017, the Federal Court granted an injunction suspending certain of nickel mining operations at Onça Puma. The Company has appealed this decision to seek a suspension of this injunction, but it is not possible to anticipate when Onça Puma activities will resume. In December 31, 2017, the Company has calculated the recoverable amount and no losses were identified. The Company has assessed the impairment risk related to this specific cash-generating unit and concluded that no significant changes occurred that could lead to a loss that should be recognized in the income statement for the period ended June 30, 2018.

Table of Contents**(ii) Cobalt streaming transactions**

In June 2018, the Company entered into two different agreements, one with Wheaton Precious Metals Corp ( Wheaton ) and other with Cobalt 27 Capital Corp. ( Cobalt 27 ), to sell a stream equivalent to 75% of the cobalt extracted as a by-product from the Voisey's Bay mine, in Canada, starting on January 1, 2021. Furthermore, the Company restarted the Voisey's Bay underground mine expansion project, which is going to increase the expected useful life of Voisey's Bay mine from 2023 to 2034. The first year of underground production is expected to be 2021, when the current operations on the open pit mine begins to ramp down.

Upon completion of the transaction, the Company received an upfront payment of R\$2,603 (US\$690 millions) in cash, R\$1,471 (US\$390 millions) from Wheaton and R\$1,132 (US\$300 millions) from Cobalt 27, has been recorded as others non-current liabilities. Vale will receive additional payments of 20%, on average, of the market reference price for cobalt, for each pound of finished cobalt delivered.

Thus, from January 1, 2021 onwards, Wheaton and Cobalt 27 will be entitled to receive 42.4% and 32.6%, respectively, of cobalt equivalent to the production from the Voisey's Bay mine, while Vale remains exposed to approximately 40% of the cobalt economic exposure, as Vale retains the rights to 25% of the future cobalt production and will receive 20% additional payments for the cobalt stream. The result of the sale of the mineral rights will be accounted for once certain production thresholds have been met at Voisey's Bay mine and is not expected to be significant.

**c) Net operating revenue by geographic area**

	<b>Consolidated</b>				
	<b>Three-month period ended June 30, 2018</b>				
	<b>Ferrous minerals</b>	<b>Coal</b>	<b>Base metals</b>	<b>Others</b>	<b>Total</b>
Americas, except United States and Brazil	702		659		1,361
United States of America	315		957	1	1,273
Germany	1,028		519		1,547
Europe, except Germany	2,078	322	1,665		4,065
Middle East/Africa/Oceania	1,814	119	21		1,954
Japan	2,225		524		2,749
China	11,131		755		11,886
Asia, except Japan and China	1,523	797	1,420		3,740
Brazil	2,104	49	254	252	2,659
<b>Net operating revenue</b>	<b>22,920</b>	<b>1,287</b>	<b>6,774</b>	<b>253</b>	<b>31,234</b>

**Consolidated**  
**Three-month period ended June 30, 2017**

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	<b>Ferrous minerals</b>	<b>Coal</b>	<b>Base metals</b>	<b>Others</b>	<b>Total</b>
Americas, except United States and Brazil	445		609	174	1,228
United States of America	392		609	42	1,043
Germany	625		279		904
Europe, except Germany	1,578	360	1,392	45	3,375
Middle East/Africa/Oceania	1,142	118	9		1,269
Japan	1,412	142	289		1,843
China	8,044		278		8,322
Asia, except Japan and China	960	790	1,265		3,015
Brazil	1,938	134	143	149	2,364
<b>Net operating revenue</b>	<b>16,536</b>	<b>1,544</b>	<b>4,873</b>	<b>410</b>	<b>23,363</b>

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**Consolidated**  
**Six-month period ended June 30, 2018**

	Ferrous minerals	Coal	Base metals	Others	Total
Americas, except United States and Brazil	1,413		1,168		2,581
United States of America	582		1,749	25	2,356
Germany	2,081		748		2,829
Europe, except Germany	3,606	653	3,285		7,544
Middle East/Africa/Oceania	3,738	259	35		4,032
Japan	3,708	107	897		4,712
China	22,137		1,432		23,569
Asia, except Japan and China	2,647	1,284	2,226		6,157
Brazil	4,206	218	536	426	5,386
<b>Net operating revenue</b>	<b>44,118</b>	<b>2,521</b>	<b>12,076</b>	<b>451</b>	<b>59,166</b>

**Consolidated**  
**Six-month period ended June 30, 2017**

	Ferrous minerals	Coal	Base metals	Others	Total
Americas, except United States and Brazil	887		1,565	174	2,626
United States of America	558		1,193	182	1,933
Germany	1,593		443	51	2,087
Europe, except Germany	3,405	642	2,818	45	6,910
Middle East/Africa/Oceania	2,486	280	18		2,784
Japan	2,639	246	566		3,451
China	19,526		781		20,307
Asia, except Japan and China	1,759	1,106	2,242		5,107
Brazil	4,081	290	269	260	4,900
<b>Net operating revenue</b>	<b>36,934</b>	<b>2,564</b>	<b>9,895</b>	<b>712</b>	<b>50,105</b>

**Provisionally priced commodities sales** As at June 30, 2018, there were 21 million metric tons of iron ore (2017: 26 million metric tons) and 71 thousand metric tons of copper (2017: 106 thousand metric tons) provisionally priced based on forward prices. The final price of these sales will be determined during the third quarter of 2018. A 10% change in the realized prices compared to the provisionally priced sales, all other factors held constant, would increase or reduce iron ore net income by R\$544 and copper net income by R\$204.

#### 4. Special events occurred during the period

The special events occurred during the period are those that, in the Company's judgment, have non-operational effect on the performance of the period due to their size and nature. To determine whether an event or transaction should be disclosed as special events, the Company considers quantitative and qualitative factors, such as frequency and magnitude.

The special events identified by the Company are as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2018	2017	2018	2017
Gain (loss) with disposals of assets	10	(298)	(42)	(305)
Provision for litigation	(98)		(244)	
Nacala Logistic Corridor				1,610
Impairment of non-current assets		(428)		(428)
<b>Total</b>	<b>(88)</b>	<b>(726)</b>	<b>(286)</b>	<b>877</b>

**Result in disposals of assets** - The Company recognized a gain of R\$10 and a loss of R\$42 in the income statement during the three and six-month periods ended June 30, 2018, respectively, as Impairment and other results on noncurrent assets due to non-viable projects and operating assets written off through sale or obsolescence.

**Provision for litigation** During the three and six month-periods ended June 30, 2018, the Company's assessment of the likelihood of loss for various litigations have been updated and a net impact of R\$98 and R\$244, respectively, was charged to the income statement.

**Nacala Logistic Corridor** In March 2017, the Company concluded the transaction with Mitsui to sell 15% of its stake in Vale Moçambique and 50% of its stake in the Nacala Logistics Corridor and recognized a gain in the income statement of R\$1,610.

**Impairment of non-current assets** In the second quarter of 2017, the Company placed an underground mine in Sudbury in care and maintenance and an impairment of R\$428 was recognized in the income statement.

Table of Contents5. **Costs and expenses by nature**a) **Cost of goods sold and services rendered**

	Consolidated			
	Three-month period ended June 30,		Six-month period ended June 30,	
	2018	2017	2018	2017
Personnel	2,076	1,791	3,870	3,512
Materials and services	3,500	2,894	6,369	5,350
Fuel oil and gas	1,362	997	2,509	1,966
Maintenance	2,438	2,430	4,831	4,700
Energy	865	747	1,639	1,423
Acquisition of products	364	512	763	1,027
Depreciation and depletion	2,988	2,740	5,679	5,401
Freight	3,422	2,500	6,353	4,566
Others	2,448	1,851	4,420	3,382
<b>Total</b>	<b>19,463</b>	<b>16,462</b>	<b>36,433</b>	<b>31,327</b>
Cost of goods sold	18,877	15,960	35,368	30,387
Cost of services rendered	586	502	1,065	940
<b>Total</b>	<b>19,463</b>	<b>16,462</b>	<b>36,433</b>	<b>31,327</b>

b) **Selling and administrative expenses**

	Consolidated			
	Three-month period ended June 30,		Six-month period ended June 30,	
	2018	2017	2018	2017
Personnel	145	199	347	367
Services	63	60	126	99
Depreciation and amortization	57	72	114	162
Others	175	95	255	186
<b>Total</b>	<b>440</b>	<b>426</b>	<b>842</b>	<b>814</b>

c) **Other operating expenses, net**

	Consolidated	
	Three-month period ended June 30,	Six-month period ended June 30,



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	2018	2017	2018	2017
Provision for litigation	98	55	244	93
Profit sharing program	216	98	370	221
Others	78	118	184	204
<b>Total</b>	<b>392</b>	<b>271</b>	<b>798</b>	<b>518</b>

6. Financial result

	Consolidated			
	Three-month period ended June 30, 2018	2017	Six-month period ended June 30, 2018	2017
<b>Financial income</b>				
Short-term investments	182	166	264	277
Derivative financial instruments	321	229	698	1,232
Others	105	205	405	294
	<b>608</b>	<b>600</b>	<b>1,367</b>	<b>1,803</b>
<b>Financial expenses</b>				
Loans and borrowings gross interest	(1,059)	(1,447)	(2,149)	(3,026)
Capitalized loans and borrowing costs	160	265	354	587
Derivative financial instruments	(1,422)	(513)	(1,514)	(852)
Participative stockholders debentures	(1,032)	(285)	(1,622)	(1,581)
Expenses of REFIS	(185)	(347)	(372)	(742)
Others	(615)	(508)	(1,052)	(830)
	<b>(4,153)</b>	<b>(2,835)</b>	<b>(6,355)</b>	<b>(6,444)</b>
<b>Other financial items</b>				
Net foreign exchange losses on loans and borrowings	(8,522)	(2,387)	(8,938)	(790)
Other net foreign exchange gains (losses)	1,532	420	1,714	(410)
Net indexation losses	(395)	(139)	(789)	(394)
	<b>(7,385)</b>	<b>(2,106)</b>	<b>(8,013)</b>	<b>(1,594)</b>
<b>Financial results, net</b>	<b>(10,930)</b>	<b>(4,341)</b>	<b>(13,001)</b>	<b>(6,235)</b>

Table of Contents7. **Income taxes**a) **Deferred income tax assets and liabilities**

Changes in deferred tax are as follows:

	Assets	Consolidated Liabilities	Deferred taxes, net
<b>Balance at March 31, 2018</b>	<b>20,298</b>	<b>5,665</b>	<b>14,633</b>
Effect in income statement	2,813	60	2,753
Transfers between asset and liabilities	2	2	
Translation adjustment	1,033	795	238
Other comprehensive income	1,044	(50)	1,094
<b>Effect of discontinued operations</b>			
Effect in income statement	30		30
Transfer to net assets held for sale	(21)		(21)
<b>Balance at June 30, 2018</b>	<b>25,199</b>	<b>6,472</b>	<b>18,727</b>

	Assets	Consolidated Liabilities	Deferred taxes, net
<b>Balance at March 31, 2017</b>	<b>22,582</b>	<b>5,314</b>	<b>17,268</b>
Effect in income statement	202	(176)	378
Translation adjustment	438	323	115
Other comprehensive income	251	(282)	533
<b>Effect of discontinued operations</b>			
Effect in income statement	493		493
Transfer to net assets held for sale	(493)		(493)
<b>Balance at June 30, 2017</b>	<b>23,473</b>	<b>5,179</b>	<b>18,294</b>

	Assets	Consolidated Liabilities	Deferred taxes, net
<b>Balance at December 31, 2017</b>	<b>21,959</b>	<b>5,687</b>	<b>16,272</b>
Effect in income statement	768	59	709
Transfers between asset and liabilities	29	29	
Translation adjustment	1,016	718	298
Other comprehensive income	1,333	(21)	1,354
<b>Effect of discontinued operations</b>			
Effect in income statement	134		134
Transfer to net assets held for sale	(40)		(40)
<b>Balance at June 30, 2018</b>	<b>25,199</b>	<b>6,472</b>	<b>18,727</b>

	Assets	Consolidated Liabilities	Deferred taxes, net
<b>Balance at December 31, 2016</b>	<b>23,931</b>	<b>5,540</b>	<b>18,391</b>
Effect in income statement	(517)	(264)	(253)
Translation adjustment	145	196	(51)
Other comprehensive income	(86)	(293)	207
<b>Effect of discontinued operations</b>			
Effect in income statement	588		588
Transfer to net assets held for sale	(588)		(588)
<b>Balance at June 30, 2017</b>	<b>23,473</b>	<b>5,179</b>	<b>18,294</b>

Table of Contents**b) Income tax reconciliation Income statement**

The total amount presented as income taxes in the income statement is reconciled to the rate established by law, as follows:

	Three-month period ended June 30,		Consolidated Six-month period ended June 30,	
	2018	2017	2018	2017
<b>Income (loss) before income taxes</b>	<b>(1,923)</b>	<b>401</b>	<b>5,861</b>	<b>10,816</b>
<b>Income taxes at statutory rates - 34%</b>	<b>654</b>	<b>(136)</b>	<b>(1,993)</b>	<b>(3,677)</b>
<b>Adjustments that affect the basis of taxes:</b>				
Income tax benefit from interest on stockholders equity	1,372	396	1,588	793
Tax incentives	563	3	651	561
Equity results	60	(28)	153	49
Unrecognized tax losses of the period	(398)	(297)	(875)	(852)
Gain on sale of subsidiaries (note 4)				548
Others	42	218	430	518
<b>Income taxes</b>	<b>2,293</b>	<b>156</b>	<b>(46)</b>	<b>(2,060)</b>

Income tax expense is recognized based on the estimate of the weighted average effective tax rate expected for the full year, adjusted for the tax effect of certain items recognized in full in the interim period. Therefore, the effective tax rate in the interim financial statement may differ from management's estimate of the effective tax rate for the annual financial statement.

**c) Income taxes - Settlement program ( REFIS )**

The balance mainly relates to REFIS to settle most of the claims related to the collection of income tax and social contribution on equity gains of foreign subsidiaries and affiliates from 2003 to 2012. As at June 30, 2018, the balance of R\$17,335 (R\$1,638 as current and R\$15,696 as non-current) is due in 124 remaining monthly installments, bearing interest at the SELIC rate (Special System for Settlement and Custody).

**8. Basic and diluted earnings (loss) per share**

The basic and diluted earnings (loss) per share are presented below:

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	Three-month period ended June 30,		Six-month period ended June 30,	
	2018	2017 (i)	2018	2017 (i)
<b>Net income (loss) attributable to Vale's stockholders:</b>				
Net income from continuing operations	345	458	5,728	8,609
Loss from discontinued operations	(39)	(398)	(310)	(658)
<b>Net income</b>	<b>306</b>	<b>60</b>	<b>5,418</b>	<b>7,951</b>
<b>Thousands of shares</b>				
Weighted average number of shares outstanding common shares	5,197,432	5,197,432	5,197,432	5,197,432
<b>Basic and diluted earnings per share from continuing operations:</b>				
Common share (R\$)	0.07	0.09	1.10	1.67
<b>Basic and diluted loss per share from discontinued operations:</b>				
Common share (R\$)	(0.01)	(0.08)	(0.06)	(0.13)
<b>Basic and diluted earnings per share:</b>				
Common share (R\$)	0.06	0.01	1.04	1.54

(i) Restated to reflect the conversion of the class A preferred shares into common shares.

The Company does not have potential outstanding shares or other instruments with dilutive effect on the earnings per share.

Table of Contents**9. Accounts receivable**

	Consolidated	
	June 30, 2018	December 31, 2017
Accounts receivable	9,278	8,802
Impairment of accounts receivable	(226)	(200)
	<b>9,052</b>	<b>8,602</b>
<b>Accounts receivable related to the steel sector - %</b>	<b>75.20%</b>	<b>82.90%</b>

	Consolidated			
	Three-month period ended June 30,		Six-month period ended June 30,	
	2018	2017	2018	2017
Impairment of trade receivables recorded in the income statement	(17)	(14)	(17)	(14)

There is no customer that individually represents over 10% of accounts receivable or revenues.

**10. Inventories**

	Consolidated	
	June 30, 2018	December 31, 2017
Finished products	9,283	7,324
Work in progress	2,549	2,162
Consumable inventory	3,586	3,501
<b>Total</b>	<b>15,418</b>	<b>12,987</b>

	Consolidated			
	Three-month period ended June 30,		Six-month period ended June 30,	
	2018	2017	2018	2017
Reversal (Provision) for net realizable value	(61)	50	(67)	186

Finished and work in progress product inventory by segments is presented in note 3(b).

**11. Other financial assets and liabilities**

	Consolidated			
	June 30, 2018	Current December 31, 2017	June 30, 2018	Non-Current December 31, 2017
<b>Other financial assets</b>				
Financial investments	68	61		
Loans			593	498
Derivative financial instruments (note 20)	484	351	1,368	1,497
Investments in equity securities (note 12)			3,689	
Related parties - Loans (note 25)	1,298	6,277	6,078	8,695
	<b>1,850</b>	<b>6,689</b>	<b>11,728</b>	<b>10,690</b>
<b>Other financial liabilities</b>				
Derivative financial instruments (note 20)	967	344	2,382	2,269
Related parties - Loans (note 25)	2,103	2,916	3,713	3,226
Participative stockholders debentures			5,444	4,080
	<b>3,070</b>	<b>3,260</b>	<b>11,539</b>	<b>9,575</b>

Table of Contents**12. Non-current assets and liabilities held for sale and discontinued operations**

	<b>Consolidated December 31, 2017 Fertilizers</b>
<b>Assets</b>	
Accounts receivable	297
Inventories	1,522
Other current assets	363
Investments in associates and joint ventures	274
Property, plant and equipment and Intangible	7,110
Other non-current assets	2,299
<b>Total assets</b>	<b>11,865</b>
<b>Liabilities</b>	
Suppliers and contractors	1,070
Other current liabilities	711
Other non-current liabilities	2,118
<b>Total liabilities</b>	<b>3,899</b>
<b>Net non-current assets held for sale</b>	<b>7,966</b>

**a) Fertilizers (discontinued operations)**

In December 2016, the Company entered into an agreement with The Mosaic Company ( Mosaic ) to sell (i) the phosphate assets located in Brazil, except for the assets located in Cubatão, Brazil; (ii) the control of Compañía Minera Miski Mayo S.A.C., in Peru; (iii) the potassium assets located in Brazil; and (iv) the potash projects in Canada.

In January 2018, the Company and Mosaic concluded the transaction and the Company received R\$3,495 (US\$1,080 million) in cash and 34.2 million common shares, corresponding to 8.9% of Mosaic s equity after the issuance of these shares (R\$2,907 (US\$899 million), based on the Mosaic s quotation at closing date of the transaction) and a loss of R\$184 was recognized in the income statement from discontinued operations.

Mosaic shares received was accounted for an equity investment measured at fair value through other comprehensive income. For the three and six-month period ended June 30, 2018, the Company recognized a gain of R\$285 and R\$171 in other comprehensive income as Fair value adjustment to investment in equity securities .

**b) Cubatão (part of the fertilizer segment)**



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In November 2017, the Company entered into an agreement with Yara International ASA ( Yara ) to sell its assets located in Cubatão, Brazil. In May 2018, the transaction was concluded and the Company received R\$882 (US\$255 million) in cash and a loss of R\$231 was recognized for the six-month period ended June 30, 2018, in the income statement from discontinued operations.

The results and cash flows of discontinued operations of the Fertilizer segment for the three and six-month period ended June 30, 2018 and 2017 are presented as follows:

### Income statement

	Consolidated			
	Three-month period ended June 30, 2018	2017	Six-month period ended June 30, 2018	2017
<b>Discontinued operations</b>				
Net operating revenue	109	1,291	397	2,453
Cost of goods sold and services rendered	(121)	(1,194)	(393)	(2,260)
Operating expenses	(11)	(110)	(15)	(197)
Impairment of non-current assets	(40)	(857)	(415)	(1,205)
<b>Operating loss</b>	<b>(63)</b>	<b>(870)</b>	<b>(426)</b>	<b>(1,209)</b>
Financial Results, net	(6)	(12)	(18)	(26)
Equity results in associates and joint ventures		1		2
<b>Loss before income taxes</b>	<b>(69)</b>	<b>(881)</b>	<b>(444)</b>	<b>(1,233)</b>
Income taxes	30	493	134	588
<b>Loss from discontinued operations</b>	<b>(39)</b>	<b>(388)</b>	<b>(310)</b>	<b>(645)</b>
Net income attributable to noncontrolling interests		10		13
<b>Loss attributable to Vale s stockholders</b>	<b>(39)</b>	<b>(398)</b>	<b>(310)</b>	<b>(658)</b>

Table of Contents**Statement of cash flow**

	Consolidated			
	Three-month period ended June 30, 2018	2017	Six-month period ended June 30, 2018	2017
<b>Discontinued operations</b>				
<b>Cash flow from operating activities</b>				
Loss before income taxes	(69)	(881)	(444)	(1,233)
<b>Adjustments:</b>				
Equity results in associates and joint ventures		(1)		(2)
Depreciation, amortization and depletion		3		3
Impairment of non-current assets	40	857	415	1,205
Others	18		18	
Increase (decrease) in assets and liabilities	4	26	(110)	321
<b>Net cash provided by (used in) operating activities</b>	<b>(7)</b>	<b>4</b>	<b>(121)</b>	<b>294</b>
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment		(263)	(36)	(460)
<b>Net cash used in investing activities</b>		<b>(263)</b>	<b>(36)</b>	<b>(460)</b>
<b>Cash flow from financing activities</b>				
<b>Loans and borrowings</b>				
Additions (Repayments)		107		(1)
<b>Net cash provided by (used in) financing activities</b>		<b>107</b>		<b>(1)</b>
<b>Net cash used in discontinued operations</b>	<b>(7)</b>	<b>(152)</b>	<b>(157)</b>	<b>(167)</b>

**13. Investments in associates and joint ventures****a) Changes during the period**

Changes in investments in associates and joint ventures are as follows:

	Associates	Consolidated Joint ventures	Total
<b>Balance at December 31, 2017</b>	<b>4,774</b>	<b>7,028</b>	<b>11,802</b>
Additions		76	76
Translation adjustment	219	124	343
Equity results in income statement	10	440	450
Dividends declared		(525)	(525)

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Transfer from non-current assets held for sale (i)	280		280
Others	21	(6)	15
<b>Balance at June 30, 2018</b>	<b>5,304</b>	<b>7,137</b>	<b>12,441</b>

(i) Refers to 18% interest held by Vale Fertilizantes at Ultrafertil which was transferred to Vale as part of the final settlement in January 2018 (note 12).

	Associates	Consolidated Joint ventures	Total
<b>Balance at December 31, 2016</b>	<b>4,683</b>	<b>7,363</b>	<b>12,046</b>
Additions		103	103
Translation adjustment	17	14	31
Equity results in income statement	63	79	142
Dividends declared	(134)	(265)	(399)
Others	3		3
<b>Balance at June 30, 2017</b>	<b>4,632</b>	<b>7,294</b>	<b>11,926</b>

**b) Guarantees provided**

As of June 30, 2018, corporate guarantees provided by Vale (within the limit of its direct or indirect interest) for the companies Norte Energia S.A. and Companhia Siderúrgica do Pecém S.A. were R\$1,272 and R\$5,603, respectively.

The investments by segments are presented in note 3(b).

Table of Contents**Investments in associates and joint ventures (continued)**

Associates and joint ventures	% ownership	% voting capital	Consolidated										
			Investments in associates and joint ventures		Equity results in the income statement				Dividends received				
			June 30, 2018	December 31, 2017	Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended		
					June 30,	June 30,	June 30,	June 30,	June 30,	June 30,			
<b>Ferrous minerals</b>													
Baovale Mineração S.A. Companhia Coreano-Brasileira de Pelotização	50.00	50.00	97	87	5	6	10	12	2		2		
Hispano-Brasileira de Pelotização (i) Companhia Ítalo-Brasileira de Pelotização (i) Companhia Nipo-Brasileira de Pelotização (i)	50.89	51.00	261	270	30	35	78	68	87	18	87	18	
MRS Logística S.A.	50.90	51.00	308	263	54	42	106	63	122	54	122	54	
VLI S.A.	51.00	51.11	556	453	113	76	211	145	127	47	127	47	
Zhuhai YPM Pellet Co.	48.16	46.75	1,764	1,711	67	70	105	118					
	37.60	37.60	3,207	3,202	48	61	5	21					
	25.00	25.00	89	76	1		1						
			<b>6,617</b>	<b>6,357</b>	<b>381</b>	<b>331</b>	<b>629</b>	<b>505</b>	<b>394</b>	<b>119</b>	<b>394</b>	<b>119</b>	
<b>Coal</b>													
Henan Longyu Energy Resources Co., Ltd.	25.00	25.00	1,264	1,048	28	20	41	51					
			<b>1,264</b>	<b>1,048</b>	<b>28</b>	<b>20</b>	<b>41</b>	<b>51</b>					
<b>Base metals</b>													
Korea Nickel Corp.	25.00	25.00	54	43	1	(1)	4	1					
			<b>54</b>	<b>43</b>	<b>1</b>	<b>(1)</b>	<b>4</b>	<b>1</b>					
<b>Others</b>													
Aliança Geração de Energia S.A. (i)	55.00	55.00	1,882	1,889	19	26	81	47	55	36	88	36	
Aliança Norte Energia Participações S.A. (i)	51.00	51.00	605	529	11	1	33	11					
California Steel Industries, Inc.	50.00	50.00	868	663	74	52	141	79	56	43	56	43	
Companhia Siderúrgica do Pecém	50.00	50.00	461	867	(267)	(423)	(407)	(456)					
Mineração Rio do Norte S.A.	40.00	40.00	334	333	(31)	4	(21)	2		68		68	
Others			356	73	(39)	(93)	(51)	(98)					
			<b>4,506</b>	<b>4,354</b>	<b>(233)</b>	<b>(433)</b>	<b>(224)</b>	<b>(415)</b>	<b>111</b>	<b>147</b>	<b>144</b>	<b>147</b>	
<b>Total</b>			<b>12,441</b>	<b>11,802</b>	<b>177</b>	<b>(83)</b>	<b>450</b>	<b>142</b>	<b>505</b>	<b>266</b>	<b>538</b>	<b>266</b>	

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(i) Although the Company held a majority of the voting capital, the entities are accounted under equity method due to the stockholders agreement where relevant decisions are shared with other parties.

Table of Contents**14. Intangibles**

Changes in intangibles are as follows:

	Goodwill	Concessions	Consolidated Right of use	Software	Total
<b>Balance at December 31, 2017</b>	<b>13,593</b>	<b>13,236</b>	<b>506</b>	<b>759</b>	<b>28,094</b>
Additions		2,167		15	2,182
Disposals		(35)			(35)
Amortization		(224)	(12)	(205)	(441)
Translation adjustment	856	77	53	19	1,005
<b>Balance at June 30, 2018</b>	<b>14,449</b>	<b>15,221</b>	<b>547</b>	<b>588</b>	<b>30,805</b>
Cost	14,449	18,920	827	5,250	39,446
Accumulated amortization		(3,699)	(280)	(4,662)	(8,641)
<b>Balance at June 30, 2018</b>	<b>14,449</b>	<b>15,221</b>	<b>547</b>	<b>588</b>	<b>30,805</b>

	Goodwill	Concessions	Consolidated Right of use	Software	Total
<b>Balance at December 31, 2016</b>	<b>10,041</b>	<b>10,759</b>	<b>480</b>	<b>1,115</b>	<b>22,395</b>
Additions		1,614		58	1,672
Disposals		(7)			(7)
Amortization		(284)	(3)	(233)	(520)
Translation adjustment	286	3	18	9	316
<b>Balance at June 30, 2017</b>	<b>10,327</b>	<b>12,085</b>	<b>495</b>	<b>949</b>	<b>23,856</b>
Cost	10,327	16,110	762	5,119	32,318
Accumulated amortization		(4,025)	(267)	(4,170)	(8,462)
<b>Balance at June 30, 2017</b>	<b>10,327</b>	<b>12,085</b>	<b>495</b>	<b>949</b>	<b>23,856</b>

**15. Property, plant and equipment**

Changes in property, plant and equipment are as follows:

	Land	Building	Facilities	Equipment	Consolidated Mineral properties	Others	Constructions in progress	Total
<b>Balance at December 31, 2017</b>	<b>2,375</b>	<b>40,028</b>	<b>38,986</b>	<b>22,803</b>	<b>29,999</b>	<b>27,104</b>	<b>20,240</b>	<b>181,535</b>
Additions (i)							3,443	3,443

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Disposals	(1)	(121)	(125)	(52)	(15)	(185)	(26)	(525)
Assets retirement obligation					(50)			(50)
Depreciation, amortization and depletion		(1,035)	(1,210)	(1,490)	(993)	(1,177)		(5,905)
Translation adjustment	87	1,707	1,372	1,795	2,660	993	704	9,318
Transfers	24	1,372	3,837	1,999	913	2,177	(10,322)	
<b>Balance at June 30, 2018</b>	<b>2,485</b>	<b>41,951</b>	<b>42,860</b>	<b>25,055</b>	<b>32,514</b>	<b>28,912</b>	<b>14,039</b>	<b>187,816</b>
Cost	2,485	68,696	66,957	47,677	61,175	42,264	14,039	303,293
Accumulated depreciation		(26,745)	(24,097)	(22,622)	(28,661)	(13,352)		(115,477)
<b>Balance at June 30, 2018</b>	<b>2,485</b>	<b>41,951</b>	<b>42,860</b>	<b>25,055</b>	<b>32,514</b>	<b>28,912</b>	<b>14,039</b>	<b>187,816</b>

	Land	Building	Facilities	Equipment	Consolidated Mineral properties	Others	Constructions in progress	Total
<b>Balance at December 31, 2016</b>	<b>2,360</b>	<b>34,790</b>	<b>30,866</b>	<b>22,141</b>	<b>27,312</b>	<b>24,494</b>	<b>38,653</b>	<b>180,616</b>
Additions (i)							4,098	4,098
Disposals	(1)	(2)	(112)	(22)	(401)	(247)	(50)	(835)
Assets retirement obligation					4			4
Depreciation, amortization and depletion		(846)	(1,099)	(1,259)	(990)	(1,104)		(5,298)
Translation adjustment	12	357	270	238	931	405	23	2,236
Transfers	54	3,788	5,269	2,258	2,074	3,410	(16,853)	
<b>Balance at June 30, 2017</b>	<b>2,425</b>	<b>38,087</b>	<b>35,194</b>	<b>23,356</b>	<b>28,930</b>	<b>26,958</b>	<b>25,871</b>	<b>180,821</b>
Cost	2,425	59,442	56,072	41,700	55,342	40,159	25,871	281,011
Accumulated depreciation		(21,355)	(20,878)	(18,344)	(26,412)	(13,201)		(100,190)
<b>Balance at June 30, 2017</b>	<b>2,425</b>	<b>38,087</b>	<b>35,194</b>	<b>23,356</b>	<b>28,930</b>	<b>26,958</b>	<b>25,871</b>	<b>180,821</b>

(i) Includes capitalized borrowing costs.

There are no material changes to the net book value of consolidated property, plant and equipment pledged to secure judicial claims and loans and borrowings (note 16(c)) compared to those disclosed in the financial statements as at December 31, 2017.

Table of Contents**16. Loans, borrowings, cash and cash equivalents and financial investments****a) Net debt**

The Company evaluates the net debt with the objective of ensuring the continuity of its business in the long term.

	June 30, 2018	Consolidated	December 31, 2017
Debt contracts in the international markets	53,410		57,187
Debt contracts in Brazil	15,633		17,205
<b>Total of loans and borrowings</b>	<b>69,043</b>		<b>74,392</b>
(-) Cash and cash equivalents	24,557		14,318
(-) Financial investments (note 11)	68		61
<b>Net debt</b>	<b>44,418</b>		<b>60,013</b>

**b) Cash and cash equivalents**

Cash and cash equivalents includes cash, immediately redeemable deposits and short-term investments with an insignificant risk of change in value. They are readily convertible to cash, part in R\$, indexed to the Brazilian Interbank Interest rate ( DI Rate or CDI ) and part denominated in US\$, mainly time deposits.

**c) Loans and borrowings****i) Total debt**

	Consolidated		Non-current liabilities	
	Current liabilities		Current liabilities	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
<b>Debt contracts in the international markets</b>				
<b>Floating rates in:</b>				



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US\$	2,355	1,027	9,198	9,142
EUR			900	794
<b>Fixed rates in:</b>				
US\$	24		36,011	41,642
EUR			3,377	2,977
Other currencies	130	57	639	682
<b>Accrued charges</b>	<b>776</b>	<b>866</b>		
	<b>3,285</b>	<b>1,950</b>	<b>50,125</b>	<b>55,237</b>
<b>Debt contracts in Brazil</b>				
<b>Floating rates in:</b>				
R\$, indexed to TJLP, TR, IPCA, IGP-M and CDI	1,464	1,478	9,196	10,570
Basket of currencies and US\$ indexed to LIBOR	1,186	1,121	2,196	2,341
<b>Fixed rates in:</b>				
R\$	222	225	462	572
<b>Accrued charges</b>	<b>870</b>	<b>859</b>	<b>37</b>	<b>39</b>
	<b>3,742</b>	<b>3,683</b>	<b>11,891</b>	<b>13,522</b>
	<b>7,027</b>	<b>5,633</b>	<b>62,016</b>	<b>68,759</b>

The future flows of debt payments principal, per nature of funding and interest are as follows:

	Bank loans	Capital markets	Consolidated		Total	Estimated future interest payments (i)
			Principal	Development agencies		
2018	360			1,510	1,870	4,491
2019	2,285			2,721	5,006	3,715
2020	2,223	1,100		2,826	6,149	3,552
2021	1,470	1,383		2,844	5,697	3,212
Between 2022 and 2026	5,285	17,628		3,944	26,857	11,376
2027 onwards	306	21,163		312	21,781	16,182
	<b>11,929</b>	<b>41,274</b>		<b>14,157</b>	<b>67,360</b>	<b>42,528</b>

(i) Estimated future payments of interest, calculated based on interest rate curves and foreign exchange rates applicable as at June 30, 2018 and considering that all amortization payments and payments at maturity on loans and borrowings will be made on their contracted payments dates. The amount includes the estimated values of future interest payments (not yet accrued), in addition to interest already recognized in the financial statements.

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At June 30, 2018, the average annual interest rates by currency are as follows:

	Consolidated Average interest rate (i)	Total debt
<b>Loans and borrowings</b>		
US\$	5.58%	51,699
R\$ (ii)	8.12%	12,219
EUR (iii)	3.34%	4,346
Other currencies	2.93%	779
		<b>69,043</b>

(i) In order to determine the average interest rate for debt contracts with floating rates, the Company used the rate applicable at June 30, 2018.

(ii) R\$ denominated debt that bears interest at IPCA, CDI, TR or TJLP, plus spread. For a total of R\$5,795 the Company entered into derivative transactions to mitigate the exposure to the cash flow variations of the floating rate debt denominated in R\$, resulting in an average cost of 2,548% per year in US\$.

(iii) Eurobonds, for which the Company entered into derivatives to mitigate the exposure to the cash flow variations of the debt denominated in EUR, resulting in an average cost of 4,291% per year in US\$.

## ii) Reconciliation of debt to cash flows arising from financing activities

	December 31, 2017	Additions	Cash flow Repayments	Interest paid	Consolidated Transferences	Non-cash changes Effect of exchange rate	Interest accretion	June 30, 2018
<b>Loans and borrowings</b>								
Current	5,633		(16,813)	(2,231)	17,111	522	2,805	7,027
Non-current	68,759	2,814			(17,111)	7,543	11	62,016
<b>Total</b>	<b>74,392</b>	<b>2,814</b>	<b>(16,813)</b>	<b>(2,231)</b>		<b>8,065</b>	<b>2,816</b>	<b>69,043</b>

## iii) Credit and financing lines

Type	Contractual currency	Date of agreement	Period of the agreement	Total amount	Available amount June 30, 2018
<b>Credit lines</b>					
Revolving credit facilities	US\$	May 2015	5 years	11,567	11,567

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Revolving credit facilities	US\$	June 2017	5 years	7,712	7,712
<b>Financing lines</b>					
BNDES - CLN 150	R\$	September 2012	10 years	3,883	
BNDES - S11D e S11D Logística	R\$	May 2014	10 years	6,163	1,008

### iv) Repayments

During the first half of 2018, the Company conducted a cash tender offer for Vale Overseas 5.875% guaranteed notes due 2021, 4.375% guaranteed notes due 2022 and a cash tender offer for Vale S.A. 5.625% guaranteed notes due 2042 and repurchased a total of R\$9,431 (US\$2,730 million). The Company also redeemed all of Vale Overseas 4.625% guaranteed notes due 2020 totaling R\$1,698 (US\$499 million).

### v) Guarantees

As at June 30, 2018 and December 31, 2017, loans and borrowings are secured by property, plant and equipment in the amount of R\$868 and R\$910, respectively.

The securities issued through Vale's 100%-owned finance subsidiary Vale Overseas Limited are fully and unconditionally guaranteed by Vale.

### vi) Covenants

Some of the Company's debt agreements with lenders contain financial covenants. The primary financial covenants in those agreements require maintaining certain ratios, such as debt to EBITDA (Earnings before Interest Taxes, Depreciation and Amortization) and interest coverage. The Company has not identified any instances of noncompliance as at June 30, 2018.

Table of Contents**17. Liabilities related to associates and joint ventures**

The movements of the provision to comply with the obligations under the agreement related to the dam failure of Samarco Mineração S.A. ( Samarco ), which is a Brazilian joint venture between Vale S.A. and BHP Billiton Brasil Ltda. ( BHPB ), in the six-month periods ended June 30, 2018 and 2017 are as follows:

	2018	2017
<b>Balance at January 01,</b>	<b>3,296</b>	<b>3,511</b>
Payments	(431)	(441)
Present value valuation	159	299
Provision increase	1,476	
<b>Balance at June 30,</b>	<b>4,500</b>	<b>3,369</b>
Current liabilities	1,051	975
Non-current liabilities	3,449	2,394
<b>Liabilities</b>	<b>4,500</b>	<b>3,369</b>

During the second quarter of 2018, the Fundação Renova reviewed the estimates for the expenditures required to mitigate and compensate for the impacts of the disruption from Samarco's tailing dam. As a result of this revision, Vale S.A. recognized an additional provision of R\$1,476, which amounts to the present value of Vale's new estimated secondary responsibility to support the Renova Foundation works and is equivalent to 50% of Samarco's additional obligations over the next 12 years.

In addition to the provision above, Vale S.A. made available in the three and six-month period ended June 30, 2018 the amount of R\$71 and R\$115, respectively, which was fully used to fund Samarco's working capital and was recognized in Vale's income statement as Impairment and other results in associates and joint ventures. Vale S.A. intends to make available until December 31, 2018 up to R\$204 to support Samarco's working capital requirements, without any binding obligation to Samarco in this regard. Such amounts will be released by the shareholders, simultaneously and pursuant to the same terms and conditions, subject to the fulfillment of certain milestones.

Under Brazilian legislation and the terms of the joint venture agreement, Vale does not have an obligation to provide funding to Samarco. Therefore, Vale's investment in Samarco was impaired in full and no provision was recognized in relation to the Samarco's negative reserves.

The contingencies related to the Samarco dam failure are disclosed in note 22.



Table of Contents**18. Financial instruments classification**

	Consolidated				December 31, 2017		
	June 30, 2018				December 31, 2017		
Financial assets	Amortized cost	At fair value through OCI	At fair value through profit or loss	Total	Amortized cost	At fair value through profit or loss	Total
<b>Current</b>							
Cash and cash equivalents	24,557			24,557	14,318		14,318
Financial investments	68			68	61		61
Derivative financial instruments			484	484		351	351
Accounts receivable	9,680		(628)	9,052	8,025	577	