

Vale S.A.  
Form 6-K  
July 27, 2017  
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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, 2017**

**Vale S.A.**

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

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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(Check One) Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

(Check One) Yes  No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7)

(Check One) Yes  No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

(Check One) Yes  No

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

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**Interim Financial Statements**

**June 30, 2017**

BRGAAP in R\$ (English)

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

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<b>KPMG Auditores Independentes</b>	Central Tel	55 (21) 2207-9400
Rua do Passeio, 38 Setor 2 17º andar	Fax	55 (21) 2207-9000
20021-290 - Rio de Janeiro, RJ - Brasil	Internet	www.kpmg.com.br

**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 accounting 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, 2017, which comprises the individual and consolidated balance sheet as of June 30, 2017 and the respective statements of income and comprehensive income for three and six months periods ended on June 30, 2017, the individual and consolidated statements of changes in equity for the six-month period and the individual statement of cash flows for the six-month period and the consolidated statement of cash flows for the three and six month periods then ended, including the explanatory notes.

2. The Company`s Management is responsible for the preparation of these interim accounting 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 accounting information based on our review.

**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.

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**Conclusion on the interim accounting 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 accounting 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 statements of value added for the quarter ended June 30, 2017, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were 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 these statements were 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 statements of value added were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, July 26, 2017

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,	
		2017	2016 (i)	2017	2016 (i)
<b>Continuing operations</b>					
Net operating revenue	3(c)	23,363	21,576	50,105	42,150
Cost of goods sold and services rendered	4(a)	(16,462)	(15,102)	(31,327)	(30,171)
<b>Gross profit</b>		<b>6,901</b>	<b>6,474</b>	<b>18,778</b>	<b>11,979</b>
<b>Operating expenses</b>					
Selling and administrative expenses	4(b)	(426)	(449)	(814)	(865)
Research and evaluation expenses		(257)	(257)	(463)	(468)
Pre operating and operational stoppage		(286)	(385)	(650)	(767)
Other operating expenses, net	4(c)	(271)	(503)	(518)	(644)
		<b>(1,240)</b>	<b>(1,594)</b>	<b>(2,445)</b>	<b>(2,744)</b>
Impairment and other results on non-current assets	12 and 15	(726)	(228)	877	(228)
<b>Operating income</b>		<b>4,935</b>	<b>4,652</b>	<b>17,210</b>	<b>9,007</b>
Financial income	5	1,482	13,300	4,489	24,926
Financial expenses	5	(5,823)	(6,280)	(10,724)	(13,185)
Equity results in associates and joint ventures	13	(83)	656	142	1,242
Impairment and other results in associates and joint ventures	17	(110)	(3,999)	(301)	(3,999)
<b>Income before income taxes</b>		<b>401</b>	<b>8,329</b>	<b>10,816</b>	<b>17,991</b>
<b>Income taxes</b>					
	6				
Current tax		(222)	(1,415)	(1,807)	(2,692)
Deferred tax		378	(3,203)	(253)	(5,305)
		<b>156</b>	<b>(4,618)</b>	<b>(2,060)</b>	<b>(7,997)</b>
<b>Net income from continuing operations</b>		<b>557</b>	<b>3,711</b>	<b>8,756</b>	<b>9,994</b>
Net income attributable to noncontrolling interests		99	54	147	51
<b>Net income from continuing operations attributable to Vale's stockholders</b>		<b>458</b>	<b>3,657</b>	<b>8,609</b>	<b>9,943</b>
<b>Discontinued operations</b>					
	11				
Loss from discontinued operations		(388)	(72)	(645)	(27)
Net income attributable to noncontrolling interests		10		13	20

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<b>Loss from discontinued operations attributable to Vale's stockholders</b>	<b>(398)</b>	<b>(72)</b>	<b>(658)</b>	<b>(47)</b>
<b>Net income</b>	<b>169</b>	<b>3,639</b>	<b>8,111</b>	<b>9,967</b>
Net income attributable to noncontrolling interests	109	54	160	71
<b>Net income attributable to Vale's stockholders</b>	<b>60</b>	<b>3,585</b>	<b>7,951</b>	<b>9,896</b>
<b>Earnings per share attributable to Vale's stockholders:</b>				
<b>Basic and diluted earnings per share:</b>	<b>7</b>			
Preferred share (R\$)	0.01	0.70	1.54	1.92
Common share (R\$)	0.01	0.70	1.54	1.92

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(i) Period restated according to Note 11.

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

	Parent company			
	Three month period ended June 30,		Six month period ended June 30,	
	2017	2016	2017	2016
<b>Continuing operations</b>				
Net operating revenue	15,502	12,210	32,664	20,374
Cost of goods sold and services rendered	(8,338)	(7,085)	(16,089)	(14,047)
<b>Gross profit</b>	<b>7,164</b>	<b>5,125</b>	<b>16,575</b>	<b>6,327</b>
<b>Operating expenses</b>				
Selling and administrative expenses	(235)	(249)	(461)	(489)
Research and evaluation expenses	(152)	(136)	(273)	(255)
Pre operating and operational stoppage	(212)	(175)	(404)	(339)
Equity results from subsidiaries	(1,449)	580	1,616	3,457
Other operating expenses, net	(257)	(91)	(85)	(518)
	<b>(2,305)</b>	<b>(71)</b>	<b>393</b>	<b>1,856</b>
Impairment and other results on non-current assets	(27)		(68)	
<b>Operating income</b>	<b>4,832</b>	<b>5,054</b>	<b>16,900</b>	<b>8,183</b>
Financial income	1,029	12,348	3,515	23,710
Financial expenses	(5,285)	(5,938)	(9,679)	(12,658)
Equity results in associates and joint ventures	(83)	656	142	1,242
Impairment and other results in associates and joint ventures	(101)	(3,999)	(292)	(3,999)
<b>Income before income taxes</b>	<b>392</b>	<b>8,121</b>	<b>10,586</b>	<b>16,478</b>
<b>Income taxes</b>				
Current tax	166	(1,281)	(1,066)	(2,298)
Deferred tax	(100)	(3,183)	(911)	(4,237)
	<b>66</b>	<b>(4,464)</b>	<b>(1,977)</b>	<b>(6,535)</b>
<b>Net income from continuing operations</b>	<b>458</b>	<b>3,657</b>	<b>8,609</b>	<b>9,943</b>
Loss from discontinued operations	(398)	(72)	(658)	(47)
<b>Net income</b>	<b>60</b>	<b>3,585</b>	<b>7,951</b>	<b>9,896</b>
<b>Earnings per share attributable to Vale's stockholders:</b>				
<b>Basic and diluted earnings per share:</b>				
Preferred share (R\$)	0.01	0.70	1.54	1.92
Common share (R\$)	0.01	0.70	1.54	1.92

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	
	2017	June 30, 2016	2017	June 30, 2016
<b>Net income</b>	<b>169</b>	<b>3,639</b>	<b>8,111</b>	<b>9,967</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified subsequently to the income statement</b>				
Retirement benefit obligations	(933)	(641)	(1,026)	(972)
Tax recognized within other comprehensive income	289	193	311	297
<b>Total items that will not be reclassified subsequently to the income statement</b>	<b>(644)</b>	<b>(448)</b>	<b>(715)</b>	<b>(675)</b>
<b>Items that may be reclassified subsequently to the income statement</b>				
Cumulative translation adjustments	4,532	(7,793)	2,356	(14,222)
Cash flow hedge		2		23
Net investments hedge	(1,267)		(420)	
Equity results in associates and joint ventures, net of taxes		16		16
Transfer of realized results to net income, net of taxes		(266)		(276)
Tax recognized within other comprehensive income	244	27	(104)	(525)
<b>Total of items that may be reclassified subsequently to the income statement</b>	<b>3,509</b>	<b>(8,014)</b>	<b>1,832</b>	<b>(14,984)</b>
<b>Total comprehensive income (loss)</b>	<b>3,034</b>	<b>(4,823)</b>	<b>9,228</b>	<b>(5,692)</b>
Comprehensive income attributable to noncontrolling interests	275	(434)	192	(901)
<b>Comprehensive income (loss) attributable to Vale's stockholders</b>	<b>2,759</b>	<b>(4,389)</b>	<b>9,036</b>	<b>(4,791)</b>

	Parent company			
	Three month period ended		Six month period ended	
	2017	June 30, 2016	2017	June 30, 2016
<b>Net income</b>	<b>60</b>	<b>3,585</b>	<b>7,951</b>	<b>9,896</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified subsequently to the income statement</b>				
Retirement benefit obligations	(20)	(19)	(40)	(40)
Tax recognized within other comprehensive income	6	6	13	13
Equity results in subsidiaries, associates and joint ventures, net of taxes	(630)	(435)	(688)	(648)

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<b>Total items that will not be reclassified subsequently to the income statement</b>	<b>(644)</b>	<b>(448)</b>	<b>(715)</b>	<b>(675)</b>
<b>Items that may be reclassified subsequently to the income statement</b>				
Cumulative translation adjustments	4,179	(7,278)	2,077	(13,772)
Net investments hedge	(1,267)		(420)	
Equity results in associates and joint ventures, net of taxes		18		26
Transfer of realized results to net income, net of taxes		(266)		(266)
Tax recognized within other comprehensive income	431		143	
<b>Total of items that may be reclassified subsequently to the income statement</b>	<b>3,343</b>	<b>(7,526)</b>	<b>1,800</b>	<b>(14,012)</b>
<b>Total comprehensive income (loss)</b>	<b>2,759</b>	<b>(4,389)</b>	<b>9,036</b>	<b>(4,791)</b>

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,		Six month period ended June 30,	
	2017	2016 (i)	2017	2016 (i)
<b>Cash flow from operating activities:</b>				
Income before income taxes from continuing operations	401	8,329	10,816	17,991
<b>Continuing operations adjustments for:</b>				
Equity results in associates and joint ventures	83	(656)	(142)	(1,242)
Impairment and other results on non-current assets	726	228	(877)	228
Impairment and other results in associates and joint ventures	110	3,999	301	3,999
Depreciation, amortization and depletion	2,907	2,945	5,758	5,998
Financial results, net	4,341	(7,020)	6,235	(11,741)
<b>Changes in assets and liabilities:</b>				
Accounts receivable	4,377	256	5,347	(3,546)
Inventories	(787)	81	(1,495)	(239)
Suppliers and contractors	791	1,305	1,101	139
Payroll and related charges	568	133	(153)	136
Other assets and liabilities, net	(360)	916	(964)	1,485
	<b>13,157</b>	<b>10,516</b>	<b>25,927</b>	<b>13,208</b>
Interest on loans and borrowings paid	(1,351)	(1,276)	(2,946)	(3,134)
Derivatives paid, net (note 20)	(15)	(1,236)	(353)	(3,212)
Interest on participative stockholders debentures paid	(221)	(117)	(221)	(117)
Income taxes	(101)	(250)	(1,257)	(858)
Income taxes - Settlement program	(387)	(351)	(766)	(694)
<b>Net cash provided by operating activities from continuing operations</b>	<b>11,082</b>	<b>7,286</b>	<b>20,384</b>	<b>5,193</b>
Net cash provided by operating activities from discontinued operations	4	121	294	132
<b>Net cash provided by operating activities</b>	<b>11,086</b>	<b>7,407</b>	<b>20,678</b>	<b>5,325</b>
<b>Cash flow from investing activities:</b>				
Financial investments redeemed (invested)	115	(384)	(52)	(6)
Loans and advances - Net receipts (payments)	(314)		(769)	(15)
Additions to investments	(1,081)	(476)	(1,110)	(838)
Additions to property, plant and equipment and intangible (note 3(b))	(2,852)	(4,078)	(6,339)	(9,279)
Proceeds from disposal of assets and investments (note 12)	28	40	1,642	87
Dividends and interest on capital received from associates and joint ventures	266	403	266	405
Others investments activities	(64)	(75)	(68)	(163)
<b>Net cash used in investing activities from continuing operations</b>	<b>(3,902)</b>	<b>(4,570)</b>	<b>(6,430)</b>	<b>(9,809)</b>

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Net cash used in investing activities from discontinued operations	(263)	(209)	(460)	(393)
<b>Net cash used in investing activities</b>	<b>(4,165)</b>	<b>(4,779)</b>	<b>(6,890)</b>	<b>(10,202)</b>
<b>Cash flow from financing activities:</b>				
<b>Loans and borrowings</b>				
Additions	963	5,005	4,539	17,955
Repayments	(5,899)	(6,215)	(9,432)	(10,934)
<b>Transactions with stockholders:</b>				
Dividends attributed to stockholders	(4,660)		(4,660)	
Dividends and interest on capital paid to noncontrolling interest	(14)	(252)	(23)	(269)
Transactions with noncontrolling stockholders (note 12)			799	(69)
<b>Net cash provided by (used in) financing activities from continuing operations</b>	<b>(9,610)</b>	<b>(1,462)</b>	<b>(8,777)</b>	<b>6,683</b>
Net cash provided by (used in) financing activities from discontinued operations	107	(12)	(1)	(16)
<b>Net cash provided by (used in) financing activities</b>	<b>(9,503)</b>	<b>(1,474)</b>	<b>(8,778)</b>	<b>6,667</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(2,582)</b>	<b>1,154</b>	<b>5,010</b>	<b>1,790</b>
Cash and cash equivalents in the beginning of the period	21,279	13,461	13,891	14,022
Effect of exchange rate changes on cash and cash equivalents	225	(1,238)	65	(2,435)
Cash and cash equivalents from disposals subsidiaries			(44)	
<b>Cash and cash equivalents at end of the period</b>	<b>18,922</b>	<b>13,377</b>	<b>18,922</b>	<b>13,377</b>
<b>Non-cash transactions:</b>				
Additions to property, plant and equipment - capitalized loans and borrowing costs	265	749	587	1,439

(i) Period restated according to Note 11.

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,	
	2017	2016
<b>Cash flow from operating activities:</b>		
Income before income taxes from continuing operations	10,586	16,478
<b>Continuing operations adjustments for:</b>		
Equity results in associates, subsidiaries and joint ventures	(1,758)	(4,699)
Results on measurement or sale of non-current assets	68	
Impairment and other results in associates and joint ventures	292	3,999
Depreciation, amortization and depletion	2,693	2,398
Financial results, net	6,164	(11,052)
<b>Changes in assets and liabilities:</b>		
Accounts receivable	12,695	2,896
Inventories	(373)	19
Suppliers and contractors	28	925
Payroll and related charges	(54)	106
Other assets and liabilities, net	(779)	442
	<b>29,562</b>	<b>11,512</b>
Interest on loans and borrowings paid	(2,978)	(2,847)
Derivatives paid, net	(132)	(672)
Interest on participative stockholders' debentures paid	(221)	(117)
Dividends received from interest on capital and associates		59
Income taxes	(678)	(81)
Income taxes - Settlement program	(750)	(681)
<b>Net cash provided by operating activities</b>	<b>24,803</b>	<b>7,173</b>
<b>Cash flow from investing activities:</b>		
Financial investments redeemed (invested)	(97)	6
Loans and advances - Net receipts (payments)	(432)	85
Additions to investments	(913)	(1,282)
Additions to property, plant and equipment and intangible (note 27)	(3,737)	(6,276)
Proceeds from disposal of assets and investments	15	13
Dividends and interest on capital received from associates and joint ventures	424	403
Others investments activities	(54)	(188)
<b>Net cash used in investing activities</b>	<b>(4,794)</b>	<b>(7,239)</b>
<b>Cash flow from financing activities:</b>		
<b>Loans and borrowings</b>		
Additions	6,742	6,315
Repayments	(19,414)	(6,750)
<b>Transactions with stockholders:</b>		
Dividends and interest on capital paid to noncontrolling interest	(4,660)	

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Transactions with noncontrolling stockholders		447
<b>Net cash provided by (used in) financing activities</b>	<b>(17,332)</b>	<b>12</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>2,677</b>	<b>(54)</b>
Cash and cash equivalents in the beginning of the period	1,203	518
<b>Cash and cash equivalents at end of the period</b>	<b>3,880</b>	<b>464</b>
<b>Non-cash transactions:</b>		
Additions to property, plant and equipment - capitalized loans and borrowing costs	585	827

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, 2017	December 31, 2016	Parent company June 30, 2017	December 31, 2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	16	18,922	13,891	3,880	1,203
Accounts receivable	8	5,654	11,937	13,761	26,223
Other financial assets	10	7,255	1,184	2,409	1,231
Inventories	9	12,783	10,913	4,420	3,982
Prepaid income taxes		718	518	634	312
Recoverable taxes		4,306	5,296	2,895	3,962
Others		1,412	1,814	461	406
		<b>51,050</b>	<b>45,553</b>	<b>28,460</b>	<b>37,319</b>
Non-current assets held for sale	11	14,654	27,994	8,808	8,936
		<b>65,704</b>	<b>73,547</b>	<b>37,268</b>	<b>46,255</b>
<b>Non-current assets</b>					
Judicial deposits	22(c)	3,107	3,135	2,676	2,681
Other financial assets	10	11,032	2,046	2,281	2,178
Prepaid income taxes		1,815	1,718		
Recoverable taxes		2,424	2,368	2,300	2,223
Deferred income taxes	6(a)	23,473	23,931	14,545	15,299
Others		1,053	894	722	618
		<b>42,904</b>	<b>34,092</b>	<b>22,524</b>	<b>22,999</b>
Investments	13	11,926	12,046	109,893	107,539
Intangibles	14	23,856	22,395	12,566	11,314
Property, plant and equipment	15	180,821	180,616	102,318	102,056
		<b>259,507</b>	<b>249,149</b>	<b>247,301</b>	<b>243,908</b>
<b>Total assets</b>		<b>325,211</b>	<b>322,696</b>	<b>284,569</b>	<b>290,163</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Suppliers and contractors		12,393	11,830	7,179	7,116
Loans and borrowings	16	6,823	5,410	5,470	4,171
Other financial liabilities	10	2,900	3,539	6,304	10,845
Taxes payable		2,122	2,144	1,895	1,883
Provision for income taxes		850	556		
Liabilities related to associates and joint ventures	17	975	951	975	951
Provisions	21	2,761	3,103	1,589	1,792
Dividends and interest on capital			2,602		2,602
Others		2,581	2,921	1,231	353

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		<b>31,405</b>	<b>33,056</b>	<b>24,643</b>	<b>29,713</b>
Liabilities associated with non-current assets held for sale	11	3,604	3,554		
		<b>35,009</b>	<b>36,610</b>	<b>24,643</b>	<b>29,713</b>
<b>Non-current liabilities</b>					
Loans and borrowings	16	85,318	90,154	38,332	47,877
Other financial liabilities	10	10,400	6,932	62,225	59,681
Taxes payable		16,083	16,170	15,753	15,838
Deferred income taxes	6(a)	5,179	5,540		
Provisions	21	20,021	18,730	4,388	4,396
Liabilities related to associates and joint ventures	17	2,394	2,560	2,394	2,560
Deferred revenue - Gold stream		6,563	6,811		
Others		5,632	5,487	2,951	2,857
		<b>151,590</b>	<b>152,384</b>	<b>126,043</b>	<b>133,209</b>
<b>Total liabilities</b>		<b>186,599</b>	<b>188,994</b>	<b>150,686</b>	<b>162,922</b>
<b>Stockholders equity</b>					
	24				
Equity attributable to Vale's stockholders		133,883	127,241	133,883	127,241
Equity attributable to noncontrolling interests		4,729	6,461		
<b>Total stockholders equity</b>		<b>138,612</b>	<b>133,702</b>	<b>133,883</b>	<b>127,241</b>
<b>Total liabilities and stockholders equity</b>		<b>325,211</b>	<b>322,696</b>	<b>284,569</b>	<b>290,163</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	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 interests	Total stockholders' equity
<b>Balance at December 31, 2016</b>	77,300	50	(1,870)	13,698	(2,746)	(3,739)	44,548		127,241	6,461	133,702
<b>Net income</b>								7,951	7,951	160	8,262
<b>Other comprehensive income:</b>											
Retirement benefit obligations						(715)			(715)		(715)
Net investments hedge							(277)		(277)		(277)
Translation adjustments						(30)	2,107		2,077	32	2,107
<b>Transactions with stockholders:</b>											
Dividends and interest on capital of Vale s stockholders				(2,065)					(2,065)		(2,065)
Dividends of noncontrolling interest										(336)	(336)
Acquisitions and disposal of participation of noncontrolling interest (note 12)			(329)						(329)	(1,672)	(2,001)
Capitalization of noncontrolling interest advances										84	84
<b>Balance at June 30, 2017</b>	77,300	50	(2,199)	11,633	(2,746)	(4,484)	46,378	7,951	133,883	4,729	138,612

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	Share capital	Results on conversion of shares	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 interests	Total stockholders' equity
<b>Balance at December 31, 2015</b>	<b>77,300</b>	<b>50</b>	<b>(1,881)</b>	<b>3,846</b>	<b>(2,746)</b>	<b>(3,873)</b>	<b>58,464</b>		<b>131,160</b>	<b>8,259</b>	<b>139,419</b>
<b>Net income</b>								<b>9,896</b>	<b>9,896</b>	<b>71</b>	<b>9,967</b>
<b>Other comprehensive income:</b>											
Retirement benefit obligations						(675)			(675)		(675)
Cash flow hedge Translation adjustments						26			26		26
						453	(14,491)		(14,038)	(972)	(15,057)
<b>Transactions with stockholders:</b>											
Dividends of noncontrolling interest										(641)	(641)
Acquisitions and disposal of participation of noncontrolling interest (note 12)			4						4		4
Capitalization of noncontrolling interest advances										61	61
<b>Balance at June 30, 2016</b>	<b>77,300</b>	<b>50</b>	<b>(1,877)</b>	<b>3,846</b>	<b>(2,746)</b>	<b>(4,069)</b>	<b>43,973</b>	<b>9,896</b>	<b>126,373</b>	<b>6,778</b>	<b>133,151</b>

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

Table of Contents**Value Added Statement**

In millions of Brazilian Reais

Generation of value added from continuing operations	Consolidated		Parent company	
	2017	Six month period ended June 30, 2016 (i)	2017	2016
<b>Gross revenue</b>				
Revenue from products and services	50,800	42,771	33,172	20,715
Results on measurement or sale of non-current assets	868	(228)	(68)	
Revenue from the construction of own assets	3,144	6,829	2,875	5,275
Allowance for doubtful accounts	(14)	(4)	6	
Other revenues	264	264	195	125
<b>Less:</b>				
Acquisition of products	(1,027)	(835)	(343)	(347)
Material, service and maintenance	(12,423)	(15,157)	(8,165)	(9,650)
Oil and gas	(1,967)	(2,144)	(1,348)	(1,337)
Energy	(1,434)	(1,147)	(674)	(489)
Freight	(4,566)	(4,052)	(42)	(24)
Impairment of non-current assets and other results	(292)	(3,999)	(292)	(3,999)
Impairment of discontinued operations			(658)	
Other costs and expenses	(3,051)	(2,727)	(427)	(478)
<b>Gross value added</b>	<b>30,302</b>	<b>19,571</b>	<b>24,231</b>	<b>9,791</b>
Depreciation, amortization and depletion	(5,758)	(5,998)	(2,693)	(2,398)
<b>Net value added</b>	<b>24,544</b>	<b>13,573</b>	<b>21,538</b>	<b>7,393</b>
<b>Received from third parties:</b>				
Equity results from entities	142	1,242	1,758	4,699
Equity results from discontinued operations				(47)
Financial income	571	329	212	169
Monetary and exchange variation of assets	156	(7,037)	18	(7,181)
<b>Total value added from continuing operations to be distributed</b>	<b>25,413</b>	<b>8,107</b>	<b>23,526</b>	<b>5,033</b>
Value added from discontinued operations to be distributed	251	843		
<b>Total value added to be distributed</b>	<b>25,664</b>	<b>8,950</b>	<b>23,526</b>	<b>5,033</b>
Personnel	3,651	3,628	1,720	1,377
Taxes and contributions	4,247	3,665	3,045	3,232
Current income tax	1,807	2,692	1,066	2,298
Deferred income tax	253	5,305	911	4,237
Financial expense (excludes capitalized interest)	5,138	1,045	6,165	2,004
Monetary and exchange variation of liabilities	1,346	(18,959)	1,009	(19,547)
Other remunerations of third party funds	873	784	1,659	1,536
Reinvested net income	7,951	9,896	7,951	9,896
Net income attributable to noncontrolling interest	147	51		

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<b>Distributed value added from continuing operations</b>	<b>25,413</b>	<b>8,107</b>	<b>23,526</b>	<b>5,033</b>
Distributed value added from discontinued operations	251	843		
<b>Distributed value added</b>	<b>25,664</b>	<b>8,950</b>	<b>23,526</b>	<b>5,033</b>

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(i) Period restated according to Note 11.

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 - BM&F BOVESPA (Vale3 and Vale5), New York - NYSE (VALE and VALE.P), Paris - NYSE Euronext (Vale3 and Vale5) and Madrid - LATIBEX (XVALO and XVALP).

Vale 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 in accordance with 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 consolidated interim financial statements present the accounts of the Company.

The selected notes of the Parent Company are presented in a summarized form in note 27.

**b) Basis of presentation**

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The interim financial statements have been prepared under the historical cost convention as adjusted to reflect: (i) the fair value of financial instruments measured at fair value through the income statement or available-for-sale financial instruments measured at fair value through the statement of comprehensive income; and (ii) impairment of assets.

The accounting practices, accounting estimates and judgments, risk management and measurement methods are the same as those adopted when preparing the financial statements for the year ended December 31, 2016. The accounting policy for recognizing and measuring income taxes in the interim period is described in note 6. These interim financial statements were prepared to update users about relevant information presented in the period and should be read in conjunction with the financial statements for the year ended December 31, 2016.

The comparative information for the period ended June 30, 2016 was restated for the purposes of applying IFRS 5 Non-current assets held for sale and discontinued operations after approval by the Board of Directors of the sale of the fertilizers assets, as presented in Note 11.

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 ( BRL or R\$ ). For presentation purposes, these interim financial statements are presented in R\$.

The exchange rates used by the Company for major currencies to translate its operations for R\$ are as follows:

	Closing rate		Average rate for the			
	December 31,		Three month period ended		Six month period ended	
	June 30, 2017	2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
US Dollar ( US\$ )	3.3082	3.2591	3.2174	3.5076	3.1807	3.7017
Canadian dollar ( CAD )	2.5485	2.4258	2.3937	2.7217	2.3847	2.7809
Australian dollar ( AUD )	2.5394	2.3560	2.4154	2.6153	2.3986	2.7142
Euro ( EUR or )	3.7750	3.4384	3.5480	3.9624	3.4479	4.1288

Subsequent events were evaluated through July 26, 2017, which is the date the interim financial statements were approved by the Board of Directors.

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 adopted when preparing the financial statements for the year ended December 31, 2016.

**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 reallocations between segments.

**a) Adjusted LAJIDA (EBITDA)**

Adjusted LAJIDA (EBITDA) is used by management to support the decision making process for segments. The definition of adjusted LAJIDA (EBITDA) for the Company is the operating income or loss excluding (i) the depreciation, depletion and amortization, (ii) results on measurement or sales of non-current assets, (iii) impairment, (iv) onerous contracts and plus (v) dividends received from associates and joint ventures.

	<b>Consolidated</b>						
	<b>Three month period ended June 30, 2017</b>						
	<b>Net operating revenue</b>	<b>Cost of goods sold and services rendered</b>	<b>Sales, administrative and other operating expenses</b>	<b>Research and evaluation</b>	<b>Pre operating and operational stoppage</b>	<b>Dividends received from associates and joint ventures</b>	<b>Adjusted LAJIDA (EBITDA)</b>
<b>Ferrous minerals</b>							
Iron ore	11,484	(6,104)	(299)	(72)	(130)		4,879
Iron ore Pellets	4,285	(2,293)	(33)	(16)	(4)	119	2,058
Ferroalloys and manganese	373	(258)	(8)		(3)		104
Other ferrous products and services	394	(246)	41	(2)	(1)		186
	<b>16,536</b>	<b>(8,901)</b>	<b>(299)</b>	<b>(90)</b>	<b>(138)</b>	<b>119</b>	<b>7,227</b>

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<b>Coal</b>	<b>1,544</b>	<b>(980)</b>	<b>(35)</b>	<b>(11)</b>	<b>(15)</b>		<b>503</b>
<b>Base metals</b>							
Nickel and other products	3,251	(2,640)	(102)	(36)	(36)		437
Copper	1,622	(794)	(13)	(7)			808
	<b>4,873</b>	<b>(3,434)</b>	<b>(115)</b>	<b>(43)</b>	<b>(36)</b>		<b>1,245</b>
<b>Others</b>	<b>410</b>	<b>(407)</b>	<b>(177)</b>	<b>(111)</b>	<b>(3)</b>	<b>147</b>	<b>(141)</b>
<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</b>							
(Fertilizers)	1,291	(1,194)	(62)	(11)	(34)		(10)
<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>

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Consolidated Three month period ended June 30, 2016							
	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 from associates and joint ventures	Adjusted LAJIDA (EBITDA)
<b>Ferrous minerals</b>							
Iron ore	12,263	(5,767)	(525)	(58)	(120)		5,793
Iron ore Pellets	3,049	(1,614)	(65)	(13)	(30)	213	1,540
Ferrous alloys and manganese	214	(184)	2		(11)		21
Other ferrous products and services	364	(224)	(8)	(1)	(4)		127
	<b>15,890</b>	<b>(7,789)</b>	<b>(596)</b>	<b>(72)</b>	<b>(165)</b>	<b>213</b>	<b>7,481</b>
<b>Coal</b>	<b>511</b>	<b>(831)</b>	<b>(29)</b>	<b>(10)</b>	<b>(30)</b>		<b>(389)</b>
<b>Base metals</b>							
Nickel and other products	3,682	(2,719)	(18)	(76)	(89)		780
Copper	1,393	(832)	(32)	(3)			526
	<b>5,075</b>	<b>(3,551)</b>	<b>(50)</b>	<b>(79)</b>	<b>(89)</b>		<b>1,306</b>
<b>Others</b>	<b>100</b>	<b>(197)</b>	<b>(166)</b>	<b>(96)</b>	<b>(1)</b>	<b>190</b>	<b>(170)</b>
<b>Total of continuing operations</b>	<b>21,576</b>	<b>(12,368)</b>	<b>(841)</b>	<b>(257)</b>	<b>(285)</b>	<b>403</b>	<b>8,228</b>
<b>Discontinued operations (Fertilizers)</b>							
	<b>1,627</b>	<b>(1,388)</b>	<b>(102)</b>	<b>(19)</b>	<b>(15)</b>	<b>10</b>	<b>113</b>
<b>Total</b>	<b>23,203</b>	<b>(13,756)</b>	<b>(943)</b>	<b>(276)</b>	<b>(300)</b>	<b>413</b>	<b>8,341</b>

Consolidated 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 from associates and joint ventures	Adjusted LAJIDA (EBITDA)
<b>Ferrous minerals</b>							
Iron ore	26,629	(11,361)	(296)	(123)	(257)		14,592
Iron ore Pellets	8,870	(4,343)	(69)	(26)	(8)	119	4,543

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Ferroalloys and manganese	646	(397)	(14)		(12)		223
Other ferrous products and services	789	(485)	27	(3)	(1)		327
	<b>36,934</b>	<b>(16,586)</b>	<b>(352)</b>	<b>(152)</b>	<b>(278)</b>	<b>119</b>	<b>19,685</b>
<b>Coal</b>	2,564	(1,759)	(72)	(21)	(15)		697
<b>Base metals</b>							
Nickel and other products	6,809	(5,352)	(234)	(65)	(157)		1,001
Copper	3,086	(1,515)	(24)	(12)			1,535
	<b>9,895</b>	<b>(6,867)</b>	<b>(258)</b>	<b>(77)</b>	<b>(157)</b>		<b>2,536</b>
Others	712	(714)	(489)	(211)	(6)	147	(561)
<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</b>							
(Fertilizers)	2,453	(2,260)	(111)	(16)	(67)		(1)
<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>

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	Consolidated						
	Six month period ended June 30, 2016						
	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 from associates and joint ventures	Adjusted LAJIDA (EBITDA)
<b>Ferrous minerals</b>							
Iron ore	23,451	(10,805)	(1,123)	(100)	(246)		11,177
Iron ore Pellets	5,967	(3,309)	(124)	(15)	(45)	213	2,687
Ferroalloys and manganese	396	(359)	8		(21)		24
Other ferrous products and services	703	(454)	10	(2)	(7)		250
	<b>30,517</b>	<b>(14,927)</b>	<b>(1,229)</b>	<b>(117)</b>	<b>(319)</b>	<b>213</b>	<b>14,138</b>
<b>Coal</b>	<b>1,110</b>	<b>(1,964)</b>	<b>162</b>	<b>(18)</b>	<b>(37)</b>		<b>(747)</b>
<b>Base metals</b>							
Nickel and other products	7,565	(5,692)	(107)	(132)	(213)	1	1,422
Copper	2,764	(1,579)	(27)	(5)			1,153
	<b>10,329</b>	<b>(7,271)</b>	<b>(134)</b>	<b>(137)</b>	<b>(213)</b>	<b>1</b>	<b>2,575</b>
<b>Others</b>	<b>194</b>	<b>(372)</b>	<b>(144)</b>	<b>(196)</b>	<b>(1)</b>	<b>191</b>	<b>(328)</b>
<b>Total of continuing operations</b>	<b>42,150</b>	<b>(24,534)</b>	<b>(1,345)</b>	<b>(468)</b>	<b>(570)</b>	<b>405</b>	<b>15,638</b>
<b>Discontinued operations</b>							
(Fertilizers)	3,120	(2,530)	(142)	(40)	(30)	10	388
<b>Total</b>	<b>45,270</b>	<b>(27,064)</b>	<b>(1,487)</b>	<b>(508)</b>	<b>(600)</b>	<b>415</b>	<b>16,026</b>

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

**From Continuing operations**

Consolidated

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	Three month period ended June 30,		Six month period ended June 30,	
	2017	2016	2017	2016
<b>Net income from continuing operations</b>	<b>557</b>	<b>3,711</b>	<b>8,756</b>	<b>9,994</b>
Depreciation, depletion and amortization	2,907	2,945	5,758	5,998
Income taxes	(156)	4,618	2,060	7,997
Financial results, net	4,341	(7,020)	6,235	(11,741)
<b>LAJIDA (EBITDA)</b>	<b>7,649</b>	<b>4,254</b>	<b>22,809</b>	<b>12,248</b>

**Items to reconciled LAJIDA (EBITDA) adjusted**

Impairment and other results on non-current assets	726	228	(877)	228
Equity results in associates and joint ventures	83	(656)	(142)	(1,242)
Impairment and other results in associates and joint ventures	110	3,999	301	3,999
Dividends received from associates and joint ventures	266	403	266	405
<b>Adjusted LAJIDA (EBITDA) from continuing operations</b>	<b>8,834</b>	<b>8,228</b>	<b>22,357</b>	<b>15,638</b>

**From Discontinued operations**

	Consolidated Three month period ended June 30,		Six month period ended June 30,	
	2017	2016	2017	2016
<b>Loss from discontinued operations</b>	<b>(388)</b>	<b>(72)</b>	<b>(645)</b>	<b>(27)</b>
Depreciation, depletion and amortization	3	308	3	569
Income taxes	(493)	(78)	(588)	(54)
Financial results, net	12	(53)	26	(105)
<b>LAJIDA (EBITDA)</b>	<b>(866)</b>	<b>105</b>	<b>(1,204)</b>	<b>383</b>

**Items to reconciled LAJIDA (EBITDA) adjusted**

Equity results in associates and joint ventures	(1)	(2)	(2)	(5)
Impairment of non-current assets (note 11a)	857		1,205	
Dividends received from associates and joint ventures		10		10
<b>Adjusted LAJIDA (EBITDA) from discontinued operations</b>	<b>(10)</b>	<b>113</b>	<b>(1)</b>	<b>388</b>

Table of Contents**b) Assets by segment**

	Consolidated							
	June 30, 2017			Three month period ended		June 30, 2017		Six month period ended
Product inventory	Investments in associates and joint ventures	Property, plant and equipment and intangible (i)	Additions to property, plant and equipment and intangible (ii)	Depreciation, depletion and amortization (iii)	Additions to property, plant and equipment and intangible (ii)	Depreciation, depletion and amortization (iii)		
Ferrous minerals	5,430	6,185	114,934	1,978	1,376	4,593		2,684
Coal	312	995	5,931	47	238	224		567
Base metals	3,667	42	76,715	812	1,279	1,476		2,477
Others	86	4,704	7,097	15	14	46		30
<b>Total</b>	<b>9,495</b>	<b>11,926</b>	<b>204,677</b>	<b>2,852</b>	<b>2,907</b>	<b>6,339</b>		<b>5,758</b>

	Consolidated							
	December 31, 2016			Three month period ended		June 30, 2016		Six month period ended
Product inventory	Investments in associates and joint ventures	Property, plant and equipment and intangible (i)	Additions to property, plant and equipment and intangible (ii)	Depreciation, depletion and amortization (iii)	Additions to property, plant and equipment and intangible (ii)	Depreciation, depletion and amortization (iii)		
Ferrous minerals	3,697	5,894	113,526	2,676	1,337	6,269		2,678
Coal	412	929	6,216	559	54	1,080		150
Base metals	3,617	40	76,173	815	1,537	1,870		3,131
Others	7	5,183	7,096	28	17	60		39
<b>Total</b>	<b>7,733</b>	<b>12,046</b>	<b>203,011</b>	<b>4,078</b>	<b>2,945</b>	<b>9,279</b>		<b>5,998</b>

(i) Goodwill is allocated mainly in iron ore and nickel segments in the amount of R\$4,060 and R\$6,265 in June 30, 2017 and R\$4,060 and R\$5,981 in December 31, 2016, respectively.

(ii) Includes only cash effect.

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

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

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

	<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
Europe	2,203	360	1,671	45	4,279
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>

**Consolidated**  
**Three month period ended June 30, 2016**

	<b>Ferrous minerals</b>	<b>Coal</b>	<b>Base metals</b>	<b>Others</b>	<b>Total</b>
Americas, except United States and Brazil	260	35	988		1,283
United States of America	185		619		804
Europe	2,086	77	1,733		3,896
Middle East/Africa/Oceania	1,003	81	13		1,097
Japan	1,059	110	258		1,427
China	9,009	24	396		9,429
Asia, except Japan and China	798	184	918		1,900
Brazil	1,490		150	100	1,740
<b>Net operating revenue</b>	<b>15,890</b>	<b>511</b>	<b>5,075</b>	<b>100</b>	<b>21,576</b>

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**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
Europe	4,998	642	3,261	96	8,997
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>

**Consolidated**  
**Six month period ended June 30, 2016**

	Ferrous minerals	Coal	Base metals	Others	Total
Americas, except United States and Brazil	615	50	2,068		2,733
United States of America	316		1,290	14	1,620
Europe	3,968	103	3,370		7,441
Middle East/Africa/Oceania	1,637	152	48		1,837
Japan	2,053	247	460		2,760
China	17,687	119	1,009		18,815
Asia, except Japan and China	1,404	439	1,865		3,708
Brazil	2,837		219	180	3,236
<b>Net operating revenue</b>	<b>30,517</b>	<b>1,110</b>	<b>10,329</b>	<b>194</b>	<b>42,150</b>

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

	<b>Consolidated</b>			
	<b>Three month period ended June 30,</b>		<b>Six month period ended June 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Personnel	1,791	1,850	3,512	3,611
Materials and services	2,894	3,279	5,350	5,702
Fuel oil and gas	997	1,020	1,966	2,142
Maintenance	2,430	2,187	4,700	4,550
Energy	747	579	1,423	1,143
Acquisition of products	512	511	1,027	837
Depreciation and depletion	2,740	2,734	5,401	5,637

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Freight	2,500	2,132	4,566	4,052
Others	1,851	810	3,382	2,497
<b>Total</b>	<b>16,462</b>	<b>15,102</b>	<b>31,327</b>	<b>30,171</b>
Cost of goods sold	15,960	14,691	30,387	29,344
Cost of services rendered	502	411	940	827
<b>Total</b>	<b>16,462</b>	<b>15,102</b>	<b>31,327</b>	<b>30,171</b>

b) Selling and administrative expenses

	Consolidated			
	Three month period ended June 30,		Six month period ended June 30,	
	2017	2016	2017	2016
Personnel	199	189	367	373
Services	60	57	99	110
Depreciation and amortization	72	113	162	199
Taxes and rents	6	9	27	24
Selling expenses	64	34	106	64
Others	25	47	53	95
<b>Total</b>	<b>426</b>	<b>449</b>	<b>814</b>	<b>865</b>

Table of Contents**c) Others operational expenses (incomes), net**

	Consolidated			
	Three month period ended June 30,		Six month period ended June 30,	
	2017	2016	2017	2016
Provision for litigation	55	203	93	318
Profit sharing program	98	19	221	34
Disposals (reversals) of materials and inventories	12	(3)	20	(32)
Others	106	284	184	324
<b>Total</b>	<b>271</b>	<b>503</b>	<b>518</b>	<b>644</b>

**5. Financial result**

	Consolidated			
	Three month period ended June 30,		Six month period ended June 30,	
	2017	2016	2017	2016
<b>Financial expenses</b>				
Loans and borrowings gross interest	(1,447)	(1,583)	(3,026)	(3,191)
Capitalized loans and borrowing costs	265	749	587	1,439
Derivative financial instruments	(513)	(575)	(852)	(803)
Indexation and exchange rate variation (a)	(2,814)	(3,610)	(3,876)	(7,873)
Participative stockholders debentures	(285)	(312)	(1,581)	(763)
Expenses of REFIS	(347)	(454)	(742)	(902)
Others	(682)	(495)	(1,234)	(1,092)
	<b>(5,823)</b>	<b>(6,280)</b>	<b>(10,724)</b>	<b>(13,185)</b>
<b>Financial income</b>				
Short-term investments	166	83	277	234
Derivative financial instruments	229	3,148	1,232	4,802
Indexation and exchange rate variation (b)	882	10,044	2,686	19,795
Others	205	25	294	95
	<b>1,482</b>	<b>13,300</b>	<b>4,489</b>	<b>24,926</b>
<b>Financial results, net</b>	<b>(4,341)</b>	<b>7,020</b>	<b>(6,235)</b>	<b>11,741</b>
<b>Summary of indexation and exchange rate variation</b>				
Loans and borrowings	(2,356)	9,509	(754)	19,101
Others	424	(3,075)	(436)	(7,179)
<b>Net (a) + (b)</b>	<b>(1,932)</b>	<b>6,434</b>	<b>(1,190)</b>	<b>11,922</b>

As from January 1, 2017, the Company started to apply net investment hedge accounting in foreign operation, for more information see note 16.

## 6. Income taxes

### a) Deferred income tax assets and liabilities

Changes in deferred tax are as follows:

	Assets	Consolidated Liabilities	Total
<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>Balance at June 30, 2017</b>	<b>23,473</b>	<b>5,179</b>	<b>18,294</b>

	Assets	Consolidated Liabilities	Total
<b>Balance at March 31, 2016</b>	<b>27,317</b>	<b>6,467</b>	<b>20,850</b>
Effect in income statement	(3,239)	(36)	(3,203)
Transfers between asset and liabilities	225	225	
Translation adjustment	(944)	(892)	(52)
Other comprehensive income	37	(183)	220
<b>Balance at June 30, 2016</b>	<b>23,396</b>	<b>5,581</b>	<b>17,815</b>

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	Assets	Consolidated Liabilities	Total
<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>Balance at June 30, 2017</b>	<b>23,473</b>	<b>5,179</b>	<b>18,294</b>

	Assets	Consolidated Liabilities	Total
<b>Balance at December 31, 2015</b>	<b>30,867</b>	<b>6,520</b>	<b>24,347</b>
Effect in income statement	(5,518)	(213)	(5,305)
Transfers between asset and liabilities	575	575	
Translation adjustment	(2,045)	(1,046)	(999)
Other comprehensive income	(483)	(255)	(228)
<b>Balance at June 30, 2016</b>	<b>23,396</b>	<b>5,581</b>	<b>17,815</b>

**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:

	Consolidated		Consolidated	
	Three month period ended June 30, 2017	2016	Six month period ended June 30, 2017	2016
<b>Income before income taxes</b>	<b>401</b>	<b>8,329</b>	<b>10,816</b>	<b>17,991</b>
<b>Income taxes at statutory rates - 34%</b>	<b>(136)</b>	<b>(2,832)</b>	<b>(3,677)</b>	<b>(6,117)</b>
<b>Adjustments that affect the basis of taxes:</b>				
Income tax benefit from interest on stockholders equity	396		793	
Tax incentives	3	336	561	347
Equity results	(28)	217	49	431
Unrecognized tax losses of the period	(297)	(568)	(852)	(1,291)
Gain on sale of subsidiaries (note 12)			548	
Other results in associates and joint ventures		(1,269)		(1,269)
Others	218	(502)	518	(98)
<b>Income taxes</b>	<b>156</b>	<b>(4,618)</b>	<b>(2,060)</b>	<b>(7,997)</b>

Income tax expense is recognized at an amount determined by the estimated tax rate, 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 )**

In 2013, the Company elected to participate in the REFIS, a federal tax settlement program, to settle most of the claims related to the collection of income tax and social contribution on equity gains of foreign subsidiaries and associates from 2003 to 2012.

At June 30, 2017, the balance of R\$17,639 (R\$1,556 as current and R\$16,083 as non-current) is due in 136 remaining monthly installments, bearing interest at the SELIC rate of 10.25% per year.

Table of Contents**7. Basic and diluted earnings per share**

The values of basic and diluted earnings per share are as follows:

	Consolidated			
	Three month period ended June 30,		Six month period ended June 30,	
	2017	2016	2017	2016
<b>Basic and diluted earnings per share from continuing operations:</b>				
Income available to preferred stockholders	175	1,396	3,287	3,797
Income available to common stockholders	283	2,261	5,322	6,146
<b>Total</b>	<b>458</b>	<b>3,657</b>	<b>8,609</b>	<b>9,943</b>
<b>Basic and diluted loss per share from discontinued operations:</b>				
Loss available to preferred stockholders	(152)	(27)	(251)	(18)
Loss available to common stockholders	(246)	(45)	(407)	(29)
<b>Total</b>	<b>(398)</b>	<b>(72)</b>	<b>(658)</b>	<b>(47)</b>
<b>Basic and diluted earnings per share:</b>				
Income available to preferred stockholders	23	1,369	3,036	3,779
Income available to common stockholders	37	2,216	4,915	6,117
<b>Total</b>	<b>60</b>	<b>3,585</b>	<b>7,951</b>	<b>9,896</b>
<b>Thousands of shares</b>				
Weighted average number of shares outstanding - preferred shares	1,967,722	1,967,722	1,967,722	1,967,722
Weighted average number of shares outstanding - common shares	3,185,653	3,185,653	3,185,653	3,185,653
<b>Total</b>	<b>5,153,375</b>	<b>5,153,375</b>	<b>5,153,375</b>	<b>5,153,375</b>
<b>Basic and diluted earnings per share from continuing operations:</b>				
Preferred share (R\$)	0.09	0.71	1.67	1.93
Common share (R\$)	0.09	0.71	1.67	1.93
<b>Basic and diluted loss per share from discontinued operations:</b>				
Preferred share (R\$)	(0.08)	(0.01)	(0.13)	(0.01)
Common share (R\$)	(0.08)	(0.01)	(0.13)	(0.01)
<b>Basic and diluted earnings per share:</b>				
Preferred share (R\$)	0.01	0.70	1.54	1.92
Common share (R\$)	0.01	0.70	1.54	1.92

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The Company does not hold dilutive potential ordinary shares outstanding that could result in dilution of earnings (loss) per share.

**8. Accounts receivable**

	June 30, 2017	Consolidated December 31, 2016
Trade receivables	5,856	12,131
Impairment of trade receivables	(202)	(194)
	<b>5,654</b>	<b>11,937</b>
<b>Trade receivables related to the steel sector - %</b>	<b>77.17%</b>	<b>83.44%</b>

	Consolidated			
	Three month period ended June 30, 2017	June 30, 2016	Six month period ended June 30, 2017	June 30, 2016
Impairment of trade receivables recorded in the income statement	(14)		(14)	(8)

No individual customer represents over 10% of receivables or revenues.

Table of Contents**9. Inventories**

	Consolidated	
	June 30, 2017	December 31, 2016
Product inventory	9,495	7,733
Consumable inventory	3,288	3,180
<b>Total</b>	<b>12,783</b>	<b>10,913</b>

Product inventories by segments are presented in note 3(b).

**10. Other financial assets and liabilities**

	Consolidated			
	June 30, 2017	Current December 31, 2016	June 30, 2017	Non-Current December 31, 2016
<b>Other financial assets</b>				
Financial investments	35	59		
Loans			597	587
Derivative financial instruments (note 20)	526	892	1,639	1,454
Related parties (note 25)	6,694	233	8,796	5
	<b>7,255</b>	<b>1,184</b>	<b>11,032</b>	<b>2,046</b>
<b>Other financial liabilities</b>				
Derivative financial instruments (note 20)	1,199	1,349	3,225	3,991
Related parties (note 25)	1,701	2,190	3,289	415
Participative stockholders' debentures			3,886	2,526
	<b>2,900</b>	<b>3,539</b>	<b>10,400</b>	<b>6,932</b>

**11. Non-current assets and liabilities held for sale and discontinued operations**

	Consolidated						
	Fertilizers assets	June 30, 2017 Shipping assets	Total	Fertilizers assets	December 31, 2016		Total
					Nacala	Shipping assets	
<b>Assets</b>							
Accounts receivable	277		277	279	21		300

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Inventories	1,497		1,497	1,261	7		1,268
Other current assets	339		339	348	370		718
Investments in associates and joint ventures	295		295	295			295
Property, plant and equipment and Intangible	8,161	1,181	9,342	8,779	13,246	1,164	23,189
Other non-current assets	2,904		2,904	2,216	8		2,224
<b>Total assets</b>	<b>13,473</b>	<b>1,181</b>	<b>14,654</b>	<b>13,178</b>	<b>13,652</b>	<b>1,164</b>	<b>27,994</b>
<b>Liabilities</b>							
Suppliers and contractors	791		791	913	134		1,047
Other current liabilities	756		756	626	44		670
Other non-current liabilities	2,057		2,057	1,821	16		1,837
<b>Total liabilities</b>	<b>3,604</b>		<b>3,604</b>	<b>3,360</b>	<b>194</b>		<b>3,554</b>
<b>Net non-current assets held for sale</b>	<b>9,869</b>	<b>1,181</b>	<b>11,050</b>	<b>9,818</b>	<b>13,458</b>	<b>1,164</b>	<b>24,440</b>

a) **Discontinued operations (Fertilizers assets)**

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

In December 2016, the agreed transaction price was R\$8,270 (US\$2.5 billion), of which R\$4,135 (US\$1.25 billion) will be paid in cash and R\$4,135 (US\$1.25 billion) with 42.3 million common shares to be issued by Mosaic, which at the agreement signature date represented around 11% of Mosaic's total outstanding common shares.

The spin-off of the nitrogen assets located in Cubatão from the remaining Vale Fertilizantes S.A.'s assets was concluded in July 2017 (subsequent event). The completion of this milestone was one of the requirements for the conclusion of the transaction which is expected to be completed until the end of 2017 and, still, is subject to the fulfillment of usual precedent conditions, including the approval of the Administrative Council of Economic Defense (CADE) and other antitrust authorities; and other operational and regulatory matters.

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The fertilizer segment, including Cubatão, is presented as a discontinued operation and the related assets and liabilities were classified as assets and liabilities held for sale.

On June 30, 2017, the net assets of the fertilizers segment were adjusted to reflect the fair value less cost to sell and a loss of R\$1,205 was recognized in the income statement as Impairment of non-current assets from discontinued operations for the six-month period ended June 30, 2017. The loss derived basically from the variation of the market value of Mosaic shares that will be received on the closing.

The results for the period and the cash flows of discontinued operations of the Fertilizer segment for the period ended June 30, 2017 are presented as follows, and includes the corresponding restated period ended June 30, 2016, as described in note 2(b).

	Consolidated			
	Three month period ended June 30, 2017	2016	Six month period ended June 30, 2017	2016
<b>Discontinued operations</b>				
Net operating revenue	1,291	1,627	2,453	3,120
Cost of goods sold and services rendered	(1,194)	(1,689)	(2,260)	(3,087)
Operating expenses	(110)	(143)	(197)	(224)
Impairment of non-current assets	(857)		(1,205)	
<b>Operating loss</b>	<b>(870)</b>	<b>(205)</b>	<b>(1,209)</b>	<b>(191)</b>
Financial Results, net	(12)	53	(26)	105
Equity results in associates and joint ventures	1	2	2	5
<b>Loss before income taxes</b>	<b>(881)</b>	<b>(150)</b>	<b>(1,233)</b>	<b>(81)</b>
Income taxes	493	78	588	54
<b>Loss from discontinued operations</b>	<b>(388)</b>	<b>(72)</b>	<b>(645)</b>	<b>(27)</b>
Net income attributable to noncontrolling interests	10		13	20
<b>Loss attributable to Vale's stockholders</b>	<b>(398)</b>	<b>(72)</b>	<b>(658)</b>	<b>(47)</b>

	Consolidated			
	Three month period ended June 30, 2017	2016	Six month period ended June 30, 2017	2016
<b>Discontinued operations</b>				
<b>Cash flow from operating activities</b>				
Loss before income taxes	(881)	(150)	(1,233)	(81)
<b>Adjustments:</b>				
Equity results in associates and joint ventures	(1)	(2)	(2)	(5)
Depreciation, amortization and depletion	3	308	3	569
Impairment of non-current assets	857		1,205	
Increase (decrease) in assets and liabilities	26	(35)	321	(351)
<b>Net cash provided by operating activities</b>	<b>4</b>	<b>121</b>	<b>294</b>	<b>132</b>

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<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment	(263)	(246)	(460)	(399)
Others		37		6
<b>Net cash used in investing activities</b>	<b>(263)</b>	<b>(209)</b>	<b>(460)</b>	<b>(393)</b>
<b>Cash flow from financing activities</b>				
<b>Loans and borrowings</b>				
Additions (Repayments)	107	(12)	(1)	(16)
<b>Net cash provided by (used in) financing activities</b>	<b>107</b>	<b>(12)</b>	<b>(1)</b>	<b>(16)</b>
<b>Net cash used in discontinued operations</b>	<b>(152)</b>	<b>(100)</b>	<b>(167)</b>	<b>(277)</b>

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**12. Acquisitions and divestitures**

**a) Coal - Nacala Logistic Corridor**

In December 2014 and as amended in November 2016, the Company signed an agreement with Mitsui & Co., Ltd. ( Mitsui ) to transfer 50% of its stake of 66.7% in Nacala Logistic Corridor, which comprises entities that holds railroads and port concessions located in Mozambique and Malawi. Also, Mitsui committed to acquire 15% participation in the entity that owns Vale Moçambique, which hold the Moatize Coal Project.

In March 2017, the transaction was concluded, and consideration of R\$2,186 (US\$690) was received by Vale. After the completion of the transaction, the Company (i) holds 81% of Vale Moçambique and retains the control of the Moatize Coal Project and (ii) shares control of the Nacala Logistic Corridor structure (Nacala BV), with Mitsui.

Nacala Logistic Corridor is in negotiations for a project finance, which the completion is expected to occur during the course of 2017. Upon the completion an additional amount of R\$189 (US\$57) will be paid by Mitsui. Mitsui has certain rights, based on the execution of the project finance, to sell their participation in the Moatize Coal Project and Nacala BV, back to Vale, based on the original amounts and the same number of shares. The fair value of these put options is non-significant.

As a consequence of sharing control of Nacala BV, the Company:

(i) derecognized the assets and liabilities classified as held for sale in the total amount of R\$13,130 (US\$4,144), from which R\$12,874 (US\$4,063) refers to property, plant and equipment and intangibles;

(ii) derecognized R\$44 (US\$14) related to cash and cash equivalents;

(iii) recognized a gain of R\$1,576 (US\$504) in the income statement related to the sale and the re-measurement at fair value, of its remaining interest at Nacala BV based on the consideration received;

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(iv) reclassified the gain related to cumulative translation adjustments to income statements in the amount of R\$34 (US\$11);

The result of the transaction regarding the assets from Nacala's corridor was recognized in the income statement as Impairment and other results on non-current assets .

The results of the transaction with the Moatize Coal Project was recognized in Results from operation with noncontrolling interest in the amount of R\$329 (US\$105), directly in Stockholders' Equity.

The consideration received was recognized in the statement of cash flows in Proceeds from disposal of assets and investments in the amount of R\$1,387 (US\$435) and Transactions with noncontrolling stockholders in the amount of R\$799 (US\$255).

Due to deconsolidation of Nacala Logistic Corridor, Vale has after the transaction, outstanding loan balances with Nacala BV and Pangea Emirates Ltd stated as Related parties, as described in note 25. The use of proceeds of the project finance is expected to settle part of this debt.

### **b) Floating Transfer Stations ( FTS )**

In June 2017, the Company completed the sale of one of its Floating Transfer Stations in Philippines in the amount of R\$49. In this transaction, Vale recognized a loss of R\$180 as Impairment and other results on non-current assets .

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

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

	Consolidated					
	2017			2016		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
<b>Balance at March 31,</b>	<b>4,619</b>	<b>7,684</b>	<b>12,303</b>	<b>4,978</b>	<b>7,113</b>	<b>12,091</b>
Additions		7	7		490	490
Translation adjustment	40	30	70	(151)	(55)	(206)
Equity results in income statement	79	(162)	(83)	126	530	656
Equity results from discontinued operations				2		2
Dividends declared	(109)	(265)	(374)	(15)	(296)	(311)
Others	3		3	1	(2)	(1)
<b>Balance at June 30,</b>	<b>4,632</b>	<b>7,294</b>	<b>11,926</b>	<b>4,941</b>	<b>7,780</b>	<b>12,721</b>

	Consolidated					
	2017			2016		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
<b>Balance at January 1st,</b>	<b>4,683</b>	<b>7,363</b>	<b>12,046</b>	<b>5,166</b>	<b>6,315</b>	<b>11,481</b>
Additions		103	103		825	825
Translation adjustment	17	14	31	(258)	(109)	(367)
Equity results in income statement	63	79	142	121	1,121	1,242
Equity results from discontinued operations				5		5
Dividends declared	(134)	(265)	(399)	(92)	(327)	(419)
Others	3		3	(1)	(45)	(46)
<b>Balance at June 30,</b>	<b>4,632</b>	<b>7,294</b>	<b>11,926</b>	<b>4,941</b>	<b>7,780</b>	<b>12,721</b>

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



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**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			
				Three month period ended	Six month period ended	Three month period ended	Six month period ended		
				June 30,	June 30,	June 30,	June 30,		