

Vale S.A.
Form 6-K
October 22, 2015
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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

October, 2015

Vale S.A.

**Avenida Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil**

(Address of principal executive office)

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

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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

September 30, 2015

IFRS

Filed with the CVM, SEC and HKEx on

October 22, 2015

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Vale S.A.

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Report of independent registered public accounting firm

To the Board of Directors and Stockholders of

Vale S.A.

Rio de Janeiro - RJ

We have reviewed the accompanying condensed consolidated balance sheet of Vale S.A. (the Company) and its subsidiaries as of September 30, 2015 and the related condensed consolidated statements of income/(loss), comprehensive income/(loss) and cash flows for the three-month and nine-month periods ended on September 30, 2015 and 2014 and the condensed consolidated statements of changes in stockholders' equity for the nine-month period ended on September 30, 2015 and 2014. These condensed consolidated financial statements are responsibility of Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express an audit opinion.

Based on our review, we are not aware of any material modification that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Vale S.A. and its subsidiaries as of December 31, 2014 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the year then ended, and in our report dated February 25, 2015, we expressed an unqualified opinion on those consolidated financial statements.

KPMG Auditores Independentes

Rio de Janeiro, Brazil

October 21, 2015

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.

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States dollars

	Notes	September 30, 2015 (unaudited)	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	8	4,397	3,974
Financial investments		65	148
Derivative financial instruments	24	158	166
Accounts receivable	9	2,028	3,275
Related parties	31	343	579
Inventories	10	3,808	4,501
Prepaid income taxes		904	1,581
Recoverable taxes	11	1,364	1,700
Others		746	670
		13,813	16,594
Non-current assets held for sale			
	6	3,888	3,640
		17,701	20,234
Non-current assets			
Related parties	31	23	35
Loans and financing		194	229
Judicial deposits	18(c)	838	1,269
Prepaid income taxes		417	478
Deferred income taxes	20	7,982	3,976
Recoverable taxes	11	527	401
Derivative financial instruments	24	133	87
Others		743	705
		10,857	7,180
Investments	12	3,101	4,133
Intangible assets, net	13	5,513	6,820
Property, plant and equipment, net	14	61,853	78,122
		81,324	96,255
Total		99,025	116,489

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States dollars

(continued)

	Notes	September 30, 2015 (unaudited)	December 31, 2014
Liabilities			
Current liabilities			
Suppliers and contractors		3,482	4,354
Payroll and related charges		455	1,163
Derivative financial instruments	24	1,422	1,416
Loans and financing	16	3,030	1,419
Related parties	31	141	306
Income taxes - Settlement program	19	330	457
Taxes payable		261	550
Provision for income taxes		217	353
Employee postretirement obligations	21(a)	69	67
Asset retirement obligations	17	81	136
Redeemable noncontrolling interest		135	
Others		323	405
		9,946	10,626
Liabilities associated with non-current assets held for sale	6	280	111
		10,226	10,737
Non-current liabilities			
Derivative financial instruments	24	2,808	1,610
Loans and financing	16	25,645	27,388
Related parties	31	76	109
Employee postretirement obligations	21(a)	1,881	2,236
Provisions for litigation	18(a)	858	1,282
Income taxes - Settlement program	19	3,992	5,863
Deferred income taxes	20	2,896	3,341
Asset retirement obligations	17	2,648	3,233
Participative stockholders' debentures	30(b)	603	1,726
Redeemable noncontrolling interest			243
Deferred revenue - Gold stream	29	1,785	1,323
Others		1,106	1,077
		44,298	49,431
Total liabilities		54,524	60,168
Stockholders' equity	25		
		23,089	23,089

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Preferred class A stock 7,200,000,000 no-par-value shares authorized and 2,027,127,718 shares issued		
Common stock 3,600,000,000 no-par-value shares authorized and 3,217,188,402 shares issued	38,525	38,525
Treasury stock 59,405,792 preferred and 31,535,402 common shares	(1,477)	(1,477)
Results from operations with noncontrolling stockholders	(269)	(449)
Results on conversion of shares	(152)	(152)
Unrealized fair value gain (losses)	(1,171)	(1,713)
Cumulative translation adjustments	(26,084)	(22,686)
Profit reserves	9,798	19,985
Total company stockholders equity	42,259	55,122
Noncontrolling stockholders interests	2,242	1,199
Total stockholders equity	44,501	56,321
Total liabilities and stockholders equity	99,025	116,489

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

Table of Contents**Condensed Consolidated Statement of Income**

In millions of United States dollars, except as otherwise stated

	Notes	(unaudited)			
		Three-month period ended September 30, 2015	September 30, 2014	Nine-month period ended September 30, 2015	September 30, 2014
Net operating revenue	26(c)	6,505	9,062	19,710	28,467
Cost of goods sold and services rendered	27(a)	(5,040)	(6,501)	(15,394)	(18,172)
Gross profit		1,465	2,561	4,316	10,295
Operating (expenses) income					
Selling and administrative expenses	27(b)	(131)	(274)	(485)	(793)
Research and evaluation expenses		(121)	(194)	(358)	(499)
Pre operating and stoppage operation		(266)	(284)	(789)	(796)
Other operating expenses, net	27(c)	(113)	(184)	(270)	(566)
		(631)	(936)	(1,902)	(2,654)
Impairment of non-current assets	15				(774)
Gain (loss) on measurement or sale of non-current assets	6 and 7	(48)		90	
Operating income		786	1,625	2,504	6,867
Financial income	28	2,556	1,121	6,375	3,668
Financial expenses	28	(9,732)	(4,489)	(17,529)	(6,946)
Equity results from joint ventures and associates	12	(349)	35	(402)	474
Results on sale or disposal of investments from joint ventures and associates	6 and 7		(43)	97	(61)
Net income (loss) before income taxes		(6,739)	(1,751)	(8,955)	4,002
Income taxes					
	20				
Current tax		(100)	65	(237)	(1,414)
Deferred tax		4,603	258	5,415	(255)
		4,503	323	5,178	(1,669)
Net income (loss)		(2,236)	(1,428)	(3,777)	2,333
Loss attributable to noncontrolling stockholders interests		(119)	9	(217)	(173)
Net income (loss) attributable to the Company's stockholders		(2,117)	(1,437)	(3,560)	2,506
Earnings per share attributable to the Company's stockholders:					

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Basic and diluted earnings per share:	25(b)				
Preferred share (US\$)		(0.41)	(0.28)	(0.69)	0.49
Common share (US\$)		(0.41)	(0.28)	(0.69)	0.49

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

Table of Contents**Condensed Consolidated Statement of Comprehensive Income**

In millions of United States dollars

	(unaudited)			
	Three-month period ended September 30, 2015	September 30, 2014	Nine-month period ended September 30, 2015	September 30, 2014
Net income (loss)	(2,236)	(1,428)	(3,777)	2,333
Other comprehensive income				
Items that will not be reclassified subsequently to income				
Cumulative translation adjustments	(10,966)	(7,093)	(18,869)	(2,895)
Retirement benefit obligations				
Gross balance for the period	(7)	4	(14)	110
Effect of taxes	2	(3)	25	(24)
Equity results from joint ventures and associates, net taxes				1
	(5)	1	11	87
Total items that will not be reclassified subsequently to income	(10,971)	(7,092)	(18,858)	(2,808)
Items that will be reclassified subsequently to income				
Cumulative translation adjustments				
Gross balance for the period	6,632	3,591	10,345	1,218
Available-for-sale financial instruments				
Gross balance for the period		(4)		(4)
Transfer of realized results to income, net of taxes		4		4
Cash flow hedge				
Gross balance for the period	148	(55)	689	10
Effect of taxes	(2)	2	(5)	(2)
Equity results from joint ventures and associates, net taxes	(3)	(2)	(5)	5
Transfer of realized results to income, net of taxes	(119)	(12)	(362)	(43)
	24	(67)	317	(30)
Total of items that will be reclassified subsequently to income	6,656	3,524	10,662	1,188
Total comprehensive income (loss)	(6,551)	(4,996)	(11,973)	713
Comprehensive income (loss) attributable to noncontrolling stockholders' interests	(162)	13	(266)	(161)
	(6,389)	(5,009)	(11,707)	874

**Comprehensive income (loss) attributable to the
Company's stockholders**

(6,551)	(4,996)	(11,973)	713
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The accompanying notes are an integral part of these interim financial statements.

Table of Contents**Condensed Consolidated Statement of Changes in Stockholders' Equity**

In millions of United States dollars

	Nine-month period ended							Total Company stockholders equity	Noncontrolling stockholders interests	Total stockholders equity	
	Capital	Results on conversion of shares	Results from operation with noncontrolling stockholders	Profit reserves	Treasury stocks	Unrealized fair value gain (losses)	Cumulative translation adjustments				Retained earnings
December 31, 2013	60,578	(152)	(400)	29,566	(4,477)	(1,202)	(20,588)	63,325	1,611	64,936	
Net income (loss)								2,506	2,506	(173)	2,333
Other comprehensive income:											
Retirement benefit obligations						87		87			
Cash flow hedge						(30)		(30)			
Translation adjustments				(287)		45	(1,483)	36	(1,689)	12	(1,677)
Contribution and distribution to stockholders:											
Acquisitions and disposal of participation of noncontrolling stockholders										(248)	(248)
Capitalization of reserves	1,036			(1,036)							
Capitalization of noncontrolling stockholders advances										90	90
Cancellation of treasury stock				(3,000)	3,000						
Dividends of noncontrolling stockholders										(7)	(7)
Dividends and interest on								(2,100)	(2,100)		(2,100)

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capital of Company's stockholders											
September 30, 2014											
(unaudited)											
	61,614	(152)	(400)	25,243	(1,477)	(1,100)	(22,071)	442	62,099	1,285	63,3
	Nine-month period ended										
	Capital	Results on conversion of shares	Results from operation with noncontrolling stockholders	Profit reserves	Treasury stocks	Unrealized fair value gain (losses)	Cumulative translation adjustments	Retained earnings	Total Company stockholders equity	Noncontrolling stockholders interests	Total stockholders equity
December 31, 2014	61,614	(152)	(449)	19,985	(1,477)	(1,713)	(22,686)		55,122	1,199	56,3
Loss								(3,560)	(3,560)	(217)	(3,7
Other comprehensive income:											
Retirement benefit obligations						11			11		
Cash flow hedge						317			317		3
Translation adjustments				(6,404)		214	(3,062)	777	(8,475)	(49)	(8,5
Contribution and distribution to stockholders:											
Acquisitions and disposal of participation of noncontrolling stockholders			180				(336)		(156)	1,289	1,1
Capitalization of noncontrolling stockholders advances										26	
Dividends of noncontrolling stockholders										(6)	
Dividends and interest on capital of Company's stockholders				(1,000)					(1,000)		(1,0
September 30, 2015	61,614	(152)	(269)	12,581	(1,477)	(1,171)	(26,084)	(2,783)	42,259	2,242	44,5

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

Table of Contents**Condensed Consolidated Statement of Cash Flow**

In millions of United States dollars

	(unaudited)			
	Three-month period ended September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Cash flow from operating activities:				
Net income (loss)	(2,236)	(1,428)	(3,777)	2,333
Adjustments for:				
Equity results from joint ventures and associates	349	(35)	402	(474)
Loss (gain) on measurement or sale of non-current assets	48		(90)	
Results on sale or disposal of investments of joint ventures and associates		43	(97)	61
Gain on disposal of property, plant and equipment and intangibles	44	39	(186)	334
Impairment of non-current assets				774
Depreciation, amortization and depletion	1,022	1,119	3,045	3,046
Deferred income taxes	(4,603)	(258)	(5,415)	255
Foreign exchange and indexation, net	5,123	839	8,066	365
Unrealized derivative loss (gain), net	1,753	863	2,280	386
Participative stockholders debentures	(75)	87	(711)	377
Others	(155)	43	(456)	373
Decrease (increase) in assets:				
Accounts receivable	343	645	686	2,439
Inventories	(331)	128	(231)	(472)
Recoverable taxes	(118)	(474)	(599)	704
Others	(159)	444	(102)	560
Increase (decrease) in liabilities:				
Suppliers and contractors	422	418	249	510
Payroll and related charges	53	259	(524)	(130)
Taxes and contributions	28	(220)	122	(334)
Deferred revenue - Gold stream			532	
Income taxes - Settlement program	53	51	120	144
Others	68	379	(158)	367
	1,629	2,942	3,156	11,618

Net cash provided by operating activities				
Cash flow from investing activities:				
Financial investments redeemed	51	(450)	303	(447)
Loans and advances received (granted)	3	295	(15)	363
Guarantees and deposits granted	22	(57)	(26)	(105)
Additions to investments	(8)	(23)	(54)	(220)
Acquisition of subsidiary (note 7(e))			(90)	
Additions to property, plant and equipment and intangible	(1,870)	(3,269)	(6,181)	(8,364)
Dividends and interest on capital received from joint ventures and associates	19	260	231	479
Proceeds from disposal of assets and investments	472	929	1,033	1,246
Proceeds from gold stream transaction			368	
Net cash used in investing activities	(1,311)	(2,315)	(4,431)	(7,048)
Cash flow from financing activities:				
Loans and financing				
Additions	1,066	718	3,950	1,379
Repayments	(928)	(563)	(1,814)	(1,094)
Repayments to stockholders:				
Dividends and interest on capital paid to stockholders			(1,000)	(2,100)
Dividends and interest on capital attributed to noncontrolling stockholders		(11)	(12)	(11)
Transactions with noncontrolling stockholders	1,089		1,049	
Net cash provided by (used in) financing activities	1,227	144	2,173	(1,826)
Increase (decrease) in cash and cash equivalents	1,545	771	898	2,744
Cash and cash equivalents in the beginning of the period	3,158	7,065	3,974	5,321
Effect of exchange rate changes on cash and cash equivalents	(306)	46	(475)	(183)
Cash and cash equivalents at end of the period	4,397	7,882	4,397	7,882
Cash paid during the period for (i):				
Interest on loans and financing	(381)	(438)	(1,157)	(1,236)
Derivatives received (paid), net	(167)	36	(927)	139
Income taxes	(47)	(81)	(365)	(307)
Income taxes - Settlement program	(89)	(136)	(298)	(383)
Non-cash transactions:				
Additions to property, plant and equipment - interest capitalization	195	211	568	404

(i) Amounts paid are classified as cash flows from operating activities.

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

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Selected Notes to Interim Financial Statements

Expressed in millions of United States dollar, unless otherwise stated

1. Corporate information

Vale S.A. (the Parent Company) is a public company headquartered at 26, Av. Graça Aranha, Rio de Janeiro, Brazil with securities traded on the stock exchanges of São Paulo (BM&F BOVESPA), New York (NYSE), Paris (NYSE Euronext) and Hong Kong (HKEx).

Vale S.A. and its direct and indirect subsidiaries (Vale , Group or Company) are principally engaged in the research, production and sale of iron ore and pellets, nickel, fertilizer, copper, coal, manganese, ferroalloys, cobalt, platinum group metals and precious metals. The Company also operates in the segments of energy and steel. The information by segment is presented in note 26.

2. Summary of the main accounting practices and accounting estimates

a) Basis of presentation

The consolidated interim financial statements of the Company (interim financial statements) have been prepared in accordance with IAS 34 Interim Financial Reporting of the International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board (IASB).

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

The principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented on the financial statements for the year ended December 31, 2014. These interim financial statements were prepared by Vale 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, 2014.

The Company evaluated subsequent events through October 21, 2015, which is the date the interim financial statements were approved by the Board of Directors.

b) Functional currency and presentation currency

The interim financial statements of each of the Group's entities 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 United States dollar (USD or US\$) as the Company believes that this is how international investors analyze the interim financial statements.

Operations in other currencies are translated into the functional currency using the actual exchange rates in force on the respective transactions dates. The foreign exchange gains and losses resulting from the translation at the exchange rates in force at the end of the period are recognized in the statement of income as financial expense or financial income. The exceptions are transactions for which gains and losses are recognized in the comprehensive income.

The statement of income and balance sheet of the Group's entities which functional currency is different from the presentation currency are translated into the presentation currency as follows: (i) assets, liabilities and stockholders' equity (except components described in item (iii)) are translated at the closing rate at the balance sheet date; (ii) income and expenses are translated at the average exchange rates, except for specific transactions that, considering their significance, are translated at the rate at the transaction date and; (iii) capital, capital reserves and treasury stock are translated at the rate at the date of each transaction. All resulting exchange differences are recognized in comprehensive income as cumulative translation adjustment, and transferred to the statement of income when the operations are realized.

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The exchange rates of the major currencies that impact the operations are as follows:

	Exchange rates used for conversions into R\$			
	Closing rate as of September 30, 2015 (unaudited)	December 31, 2014	Average rate for the nine-month period ended September 30, 2015 (unaudited)	September 30, 2014 (unaudited)
US dollar (US\$)	3.9729	2.6562	3.1684	2.2893
Canadian dollar (CAD)	2.9657	2.2920	2.5090	2.0933
Australian dollar (AUD)	2.7898	2.1765	2.4067	2.1016
Euro (EUR or)	4.4349	3.2270	3.5285	3.1010

3. Critical accounting estimates and judgment

The critical accounting estimates and judgment are the same as those adopted when preparing the financial statements for the year ended December 31, 2014.

4. Accounting standards issued but not yet effective

The standards and interpretations issued by IASB but not yet effective are disclosed below:

IFRS 9 Financial instruments - In July 2014 the IASB issued IFRS 9 Financial instruments, sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This Standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The adoption will be required from January 1, 2018 and the Company is currently analyzing potential impacts regarding this pronouncement on the financial statements.

IFRS 15 Revenue from contracts with customers - In May 2014 the IASB issued IFRS 15 statement - Revenue from Contracts with customers, sets out the requirements for revenue recognition that apply to all contracts with customer (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments), and replaces the current pronouncements IAS 18 - revenue, IAS 11 - Construction contracts and interpretations related to revenue recognition. The principle core in that framework is that a company should

recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The adoption will be required from January 1, 2018 and the Company is currently analyzing potential impacts regarding this pronouncement on the financial statements.

5. Risk management

There was no significant change in relation to risk management policies disclosed in the financial statements for the year ended December 31, 2014.

6. Non-current assets and liabilities held for sale

	Australian assets	September 30, 2015 Nacala	Total (unaudited)	Energy	December 31, 2014 Nacala	Total
Non-current assets held for sale						
Accounts receivable		2	2		8	8
Other current assets		151	151		157	157
Investments				88		88
Intangible assets, net		21	21			
Property, plant and equipment, net	127	3,587	3,714	477	2,910	3,387
Total assets	127	3,761	3,888	565	3,075	3,640
Liabilities associated with non-current assets held for sale						
Suppliers and contractors		137	137		54	54
Other current liabilities	127	16	143		57	57
Total liabilities	127	153	280		111	111
Net assets held for sale		3,608	3,608	565	2,964	3,529

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Australian assets - Integra and Isaac Plains mining complexes

In 2015, the Company signed agreements to sell its participation in the Integra and Isaac Plains mining complexes which were put into care and maintenance in 2014 (note 15). The completion of the transaction is subject to precedent conditions. The non-current assets and liabilities were transferred to assets held for sale with no impact in the statement of income.

Nacala logistic corridor (Nacala)

In December 2014, the Company signed an agreement with Mitsui & Co., Ltd. (Mitsui) to sell 50% of its stake of 70% in the Nacala corridor, Nacala is a combination of railroad and port concessions under construction located in Mozambique and Malawi. After completion of the transaction, Vale will share control of Nacala with Mitsui and therefore will not consolidate the assets, liabilities and results of those entities. The non-current assets and liabilities were transferred to assets held for sale with no impact in the statement of income.

Energy generation assets

In December 2013, the Company signed agreements with CEMIG Geração e Transmissão S.A. (CEMIG GT), as follows:

(a) A new entity Aliança Norte Participações S.A., was incorporated and Vale contributed its 9% investment in Norte Energia S.A. (Norte Energia), which is the company in charge of construction and operation of the Belo Monte Hydroelectric facility. Vale committed to sell 49% and share control of the new entity to CEMIG GT. In the first quarter of 2015, after receiving all regulatory approvals and other customary precedent conditions the Company concluded the transaction and received cash proceeds of US\$97, recognizing a gain of US\$18 as result on sale or disposal of investment from joint ventures and associates in the statement of income.

(b) A new entity Aliança Geração de Energia S.A. (Aliança Geração) was incorporated and Vale committed to contribute its shares over several power generation assets which use to supply energy for the Company's operations. In exchange CEMIG GT committed to contribute its stakes in some of its power generation assets. In the first quarter of 2015, after receiving all regulatory approvals and other customary precedent conditions, the exchange of assets was completed and Vale holds 55% and shares control of the new entity with CEMIG GT. A long term contract was signed between Vale and Aliança Geração for the energy supply. Due to the completion of this transaction, the Company (i) derecognized the assets held for sale related to this transaction; (ii) recognized as investment its share in the joint venture Aliança Geração; and (iii) recognized a gain of US\$193 in the income statement as gain (loss) on measurement or sales of non-current asset based on the fair value of the assets transferred by CEMIG GT. This transaction has no cash proceeds or disbursements.

7. Acquisitions and divestitures

a) Divestiture of participation in Minerações Brasileiras Reunidas S.A. (MBR)

In the third quarter of 2015, the Company and Fundo de Investimento em Participações Multisetorial Plus II, whose shares are held by Banco Bradesco BBI S.A. (related party), completed the sale of class A preferred shares of MBR, representing 36.4% of its share capital. The Company received cash proceeds of R\$4 billion (US\$1,089) and will keep a stake of 62.5% of the total capital of MBR, maintaining its stake in ordinary capital at 98.3%. The participation and rights of the new shareholder were recognized as noncontrolling stockholders' equity.

b) Divestiture of shipping assets

In the third quarter of 2015, the Company and China Merchants Energy Shipping Co. Ltd. (China Merchants), a state-owned enterprise and one of the largest shipping operators worldwide, completed the sale of four very large ore carriers with capacity of 400,000 tons each. The Company received cash proceeds of US\$448 and recognized a loss of US\$48 as a gain (loss) on measurement or sale of non-current assets.

In the second quarter of 2015, the Company and China Ocean Shipping Company (Cosco), the largest dry bulk carrier in China and one of the largest dry bulk shipping operators worldwide, completed the sale of four very large ore carriers with capacity of 400,000 tons each. The Company received cash proceeds of US\$445 and recognized a loss of US\$55 as a gain (loss) on measurement or sale of non-current assets.

Table of Contents**c) Divestiture of Shandong Yankuang International Coking Co., Ltd. (Yankuang)**

In the second quarter of 2015, the Company concluded the sale of its participation in Yankuang, a producer of coke, methanol and other products. In this transaction, Vale recognized a gain of US\$79 as a result of sale or disposal of investments from joint ventures and associates.

d) Divestiture of VBG-Vale BSGR Limited (VBG)

VBG is the holding company which held the Simandou mining rights located in Guinea. In April 2014, the Government of Guinea revoked VBG mining rights, without any finding of wrongdoing by Vale. During 2014, as a result of the loss of the mining rights, Vale recognized full impairment of the assets related to VBG. During the first quarter of 2015, the Company sold its stake in VBG to its partner in the project and kept the right to any recoverable amount it may derive from the Simandou project. The transaction had no impact on cash or in the statement of income.

e) Acquisition of Facon Construção e Mineração S.A. (Facon)

During the first quarter of 2015, the Company acquired all shares of Facon, a wholly owned subsidiary of Fagundes Construção e Mineração S.A. (FCM). FCM is a logistic service provider for Vale Fertilizantes S.A. The Facon business was carved out from FCM with assets and liabilities directly related to the fertilizer business being transferred to Vale Fertilizantes S.A. The purchase price allocation based on the fair value of acquired assets and liabilities was calculated based on studies performed by the Company. Subsequently, Facon was merged into Vale Fertilizantes S.A.

Purchase price	90
Book value of property, plant and equipment	77
Book value of other assets acquired and liabilities assumed, net	(69)
Adjustment to fair value of property, plant and equipment and mining rights	43
Goodwill	39

f) Divestiture of Vale Florestar Fundo de Investimento em Participações (Vale Florestar)

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In the second quarter of 2014, the Company signed an agreement with a subsidiary of Suzano Papel e Celulose S.A. for the sale of its entire stake in Vale Florestar. A loss on this transaction of US\$18 was recorded as a results on sale or disposal of investments from joint ventures and associates in 2014.

8. Cash and cash equivalents

	September 30, 2015 (unaudited)	December 31, 2014
Cash and bank deposits	1,429	2,109
Short-term investments	2,968	1,865
	4,397	3,974

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.

Table of Contents**9. Accounts receivable**

	September 30, 2015 (unaudited)	December 31, 2014
Ferrous minerals	1,435	2,155
Coal	69	122
Base metals	393	777
Fertilizers	123	136
Others	66	172
	2,086	3,362
Provision for doubtful debts	(58)	(87)
	2,028	3,275

Accounts receivable related to the steel sector represented 75.13% and 77.97% of total receivables on September 30, 2015 and December 31, 2014, respectively.

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

The provision for doubtful debts recorded in the consolidated statement of income for the three-month period ended on September 30, 2015 and 2014 totaled US\$(10) and US\$2 and for the nine-month period ended on September 30, 2015 and 2014 totaled US\$(11) and US\$27, respectively. The Company recognized write-offs for the three-month period ended on September 30, 2015 and 2014 in the amount of US\$1 and US\$5 and for the nine-month period ended totaled US\$(6) and US\$24, respectively.

10. Inventories

	September 30, 2015 (unaudited)	December 31, 2014
Product inventory		
Ferrous minerals		
Iron ore	963	1,110
Pellets	152	187
Manganese and ferroalloys	72	69
	1,187	1,366

Coal	84	155
Base metals		
Nickel and other products	1,246	1,435
Copper	23	26
	1,269	1,461
Fertilizers		
Potash	10	12
Phosphates	197	309
Nitrogen	14	23
	221	344
Other products	4	4
Total product inventory	2,765	3,330
Consumable inventory	1,043	1,171
Total	3,808	4,501

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As at September 30, 2015 product inventory is stated net of provisions for nickel, coal, phosphate and pig iron in the amount of US\$69 (US\$19 as of December 31, 2014), US\$403 (US\$285 as of December 31, 2014), US\$2 (US\$0 as of December 31, 2014) and US\$1 (US\$0 as of December 31, 2014), respectively.

Changes in inventories are as follows:

	(unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Product inventory				
Balance at beginning of the period	3,273	3,586	3,330	2,896
Production and acquisition	4,601	5,799	13,892	16,039
Transfer from consumable inventory	644	785	1,992	2,379
Cost of goods sold	(4,925)	(6,232)	(14,994)	(17,421)
Provision for market value adjustment	(76)	(19)	(171)	(170)
Translation adjustments	(752)	(389)	(1,284)	(193)
Balance at end of the period	2,765	3,530	2,765	3,530

	(unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Consumable inventory				
Balance at beginning of the period	1,156	1,400	1,171	1,229
Acquisition	803	826	2,035	2,509
Transfer to product inventory	(644)	(785)	(1,992)	(2,379)
Transfer to held for sale	(1)		(1)	
Translation adjustments	(271)	(145)	(170)	(63)
Balance at end of the period	1,043	1,296	1,043	1,296

11. Recoverable taxes

Recoverable taxes are presented net of provisions for losses on tax credits.

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	September 30, 2015 (unaudited)	December 31, 2014
Value-added tax	827	1,057
Brazilian federal contributions	1,052	1,010
Others	12	34
Total	1,891	2,101
Current	1,364	1,700
Non-current	527	401
Total	1,891	2,101

12. Investments

Changes in investments are as follows:

	(unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Balance at beginning of the period	4,208	5,108	4,133	3,584
Aquisitions (i)			579	
Additions	8	19	26	208
Disposals (ii)		(31)	79	(31)
Transfer due to acquisition of control				79
Translation adjustment	(750)	(448)	(1,245)	(212)
Equity results on statement of income	(349)	35	(402)	474
Equity results on statement of comprehensive income and others	(3)		(6)	2
Dividends declared	(8)	(12)	(91)	(590)
Other transfers	(5)		33	
Transfer to held for sale - Others		(12)	(5)	(110)
Transfer to held for sale - VLI S.A.				1,255
Balance at end of the period	3,101	4,659	3,101	4,659

(i) Refers to Aliança Geração de Energia S.A., see note 6.

(ii) Refers to Shandong Yankuang International Coking Co., Ltd., see note 7(c).

Table of Contents**Investments (continued)**

Joint ventures and associates	% ownership	% voting capital	Investments		Equity results (unaudited)				Three-month period ended September 30, 2015
			As of September 30, 2015	December 31, 2014	Three-month period ended September 30, 2015	September 30, 2014	Nine-month period ended September 30, 2015	September 30, 2014	
Ferrous minerals									
Baovale Mineração S.A. Companhia	50.00	50.00	22	16	5	2	6	3	
Coreano-Brasileira de Pelotização Companhia	50.00	50.00	60	86	7	6	18	22	
Hispano-Brasileira de Pelotização (i) Companhia	50.89	51.00	56	80	5	5	11	13	
Companhia Ítalo-Brasileira de Pelotização (i) Companhia	50.90	51.00	52	61	6	6	16	14	
Companhia Nipo-Brasileira de Pelotização (i) Minas da Serra Geral S.A.	51.00	51.11	101	142	11	22	35	56	
MRS Logística S.A.	50.00	50.00	13	20		1	(1)		
Samarco Mineração S.A.	48.16	46.75	363	510	8	20	32	55	
VLI S.A.	50.00	50.00	200		(120)	34	(167)	385	
Zhuhai YPM Pellet Co.	37.60	37.60	761	1,109	13	13	32	32	
Others	25.00	25.00	21	24					(1)
			1,449	2,248	(65)	109	(18)	579	
Coal									
Henan Longyu Energy Resources Co., Ltd.	25.00	25.00	338	355	(9)	7	(6)	27	
Base metals									
Korea Nickel Corp.	25.00	25.00	18	21	(1)		(3)		
Teal Minerals Inc.	50.00	50.00	164	194	(9)	(13)	(30)	(25)	
			182	215	(10)	(13)	(33)	(25)	
Others									
Aliança Geração de Energia S.A. (i)	55.00	55.00	465		7		26		15
Aliança Norte Energia Participações S.A. (i)	51.00	51.00	76		(1)		1		
California Steel Industries, Inc.	50.00	50.00	163	184	(8)	3	(22)	11	
Companhia Siderúrgica do Pecém (ii)	50.00	50.00	218	725	(245)	(42)	(311)	(51)	
Mineração Rio Grande do Norte S.A.	40.00	40.00	78	91	10	(3)	20	5	3
Norte Energia S.A. (ii) (iii)				91					
	26.87	26.87	36	205	(29)	(21)	(60)	(49)	

Thyssenkrupp Companhia
Siderúrgica do Atlântico
Ltd.

Others	96	19	1	(5)	1	(23)	1
	1,132	1,315	(265)	(68)	(345)	(107)	19
Total	3,101	4,133	(349)	35	(402)	474	19

(i) Although the Company held majority of the voting capital, the entities are accounted under equity method due to existing veto rights held by other stockholders.

(ii) Pre-operational stage.

(iii) The Company's interest in Norte Energia S.A. is indirectly owned by Aliança Norte Energia Participações S.A. (note 6).

Table of Contents**13. Intangible assets**

	September 30, 2015 (unaudited)			December 31, 2014		
	Cost	Amortization	Net	Cost	Amortization	Net
Indefinite useful life						
Goodwill	3,154		3,154	3,760		3,760
Finite useful life						
Concessions	2,663	(892)	1,771	3,421	(1,208)	2,213
Right of use	476	(253)	223	518	(221)	297
Software	998	(633)	365	1,356	(806)	550
	4,137	(1,778)	2,359	5,295	(2,235)	3,060
Total	7,291	(1,778)	5,513	9,055	(2,235)	6,820

Changes in intangible assets are as follows:

	Three-month period ended (unaudited)				
	Goodwill	Concessions	Right of use	Software	Total
Balance on June 30, 2014	4,285	2,144	241	543	7,213
Additions		228		229	457
Amortization		(1)	(8)	(77)	(86)
Translation adjustment	(330)	(278)	(7)	(67)	(682)
Balance on September 30, 2014	3,955	2,093	226	628	6,902

	Three-month period ended (unaudited)				
	Goodwill	Concessions	Right of use	Software	Total
Balance on June 30, 2015	3,464	2,146	254	476	6,340
Additions		129		28	157
Amortization		(34)	(10)	(36)	(80)
Translation adjustment	(310)	(470)	(21)	(103)	(904)
Balance on September 30, 2015	3,154	1,771	223	365	5,513

	Nine-month period ended				
	Goodwill	Concessions	Right of use	Software	Total
Balance on December 31, 2013	4,140	1,907	253	571	6,871
Additions		489		235	724
Disposals		(4)			(4)
Amortization		(151)	(16)	(126)	(293)
Translation adjustment	(185)	(148)	(11)	(52)	(396)
	3,955	2,093	226	628	6,902

Balance on September 30, 2014
(unaudited)

	Nine-month period ended				
	Goodwill	Concessions	Right of use	Software	Total
Balance on December 31, 2014	3,760	2,213	297	550	6,820
Additions		487		119	606
Disposals		(17)			(17)
Amortization		(116)	(32)	(122)	(270)
Translation adjustment	(645)	(796)	(42)	(182)	(1,665)
Acquisition of subsidiary (note 7(e))	39				39
Balance on September 30, 2015 (unaudited)	3,154	1,771	223	365	5,513

Table of Contents**14. Property, plant and equipment**

	September 30, 2015 (unaudited)			December 31, 2014		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	776		776	1,069		1,069
Buildings	13,384	(2,781)	10,603	14,144	(2,490)	11,654
Facilities	13,213	(4,195)	9,018	15,749	(4,936)	10,813
Equipment	12,676	(4,559)	8,117	14,381	(5,094)	9,287
Mineral properties	16,918	(5,600)	11,318	20,965	(6,036)	14,929
Others	12,542	(3,540)	9,002	14,888	(3,934)	10,954
Construction in progress	13,019		13,019	19,416		19,416
	82,528	(20,675)	61,853	100,612	(22,490)	78,122

Property, plant and equipment (net book value) pledged to secure judicial claims on September 30, 2015 and December 31, 2014 were US\$40 and US\$68, respectively.

Changes in property, plant and equipment are as follows:

	Three-month period ended (unaudited)							
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	Total
Balance on June 30, 2014	1,163	8,267	12,392	8,842	16,348	11,143	27,354	85,509
Additions (i)							3,023	3,023
Disposals			(1)		(9)		(29)	(39)
Depreciation and amortization		(82)	(273)	(33)	(317)	(439)		(1,144)
Translation adjustment	(133)	(666)	(1,431)	(689)	(530)	(258)	(2,276)	(5,983)
Transfers	58	1,097	1,144	971	(997)	338	(2,611)	
Balance on September 30, 2014	1,088	8,616	11,831	9,091	14,495	10,784	25,461	81,366

	Three-month period ended (unaudited)							
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	Total
Balance on June 30, 2015	999	12,064	10,087					