Vale S.A.
Form 6-K
April 25, 2018

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

April 2018

Vale S.A.

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

(Address of principal executive office)

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

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

(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 o No x

(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 o No x

(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 o No x

(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

March 31, 2018

IFRS in US$

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Vale S.A. Interim Financial Statements

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KPMG Auditores Independentes

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Report of independent registered public accounting firm

To the Stockholders and Board of Directors of

Vale S.A.

Rio de Janeiro - RJ

Results of review of interim financial information

We have reviewed the accompanying condensed consolidated statement of financial position of Vale S.A. and subsidiaries (the Company)as of March 31, 2018, the related condensed consolidated statements of income and comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2018 and 2017, and the related notes (collectively, the consolidated interim financial information). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial information for it to be in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of the Company as of December 31, 2017, and the related consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended (not presented herein); and in our report dated February 27, 2018, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated statement of financial position as of December 31, 2017, is fairly stated, in all material respects, in relation to the consolidated statement of financial position from which it has been derived.

Basis for review results

This consolidated interim financial information is the responsibility of the Company s management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of consolidated 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 PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

KPMG Auditores Independentes

Rio de Janeiro, Brazil

April 25, 2018

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Consolidated Income Statement

In millions of United States dollars, except earnings per share data

	Notes	Three-month period ended March 31, 2018	2017
Continuing operations			
Net operating revenue	3(c)	8,603	8,515
Cost of goods sold and services rendered	5(a)	(5,224)	(4,734)
Gross profit		**3,379**	**3,781**
Operating expenses			
Selling and administrative expenses	5(b)	(124)	(124)
Research and evaluation expenses		(69)	(65)
Pre operating and operational stoppage		(78)	(115)
Other operating expenses, net	5(c)	(125)	(77)
		(396)	**(381)**
Impairment and other results on non-current assets	4	(18)	512
Operating income		**2,965**	**3,912**
Financial income	6	237	379
Financial expenses	6	(676)	(1,150)
Other financial items	6	(185)	158
Equity results in associates and joint ventures	13	85	73
Impairment and other results in associates and joint ventures	17	(14)	(61)
Income before income taxes		**2,412**	**3,311**
Income taxes	7		
Current tax		(93)	(501)
Deferred tax		(628)	(222)
		(721)	**(723)**
Net income from continuing operations		**1,691**	**2,588**
Net income attributable to noncontrolling interests		19	15
Net income from continuing operations attributable to Vale s stockholders		**1,672**	**2,573**
Discontinued operations	12		
Loss from discontinued operations		(82)	(82)
Net income attributable to noncontrolling interests			1
Loss from discontinued operations attributable to Vale s stockholders		**(82)**	**(83)**
Net income		**1,609**	**2,506**
Net income attributable to noncontrolling interests		19	16
Net income attributable to Vale s stockholders		**1,590**	**2,490**
Earnings per share attributable to Vale s stockholders:			

Basic and diluted earnings per share (restated):	8		
Common share (US$)		0.30	0.48

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

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Consolidated Statement of Comprehensive Income

In millions of United States dollars

	Three-month period ended March 31, 2018	2017
Net income	**1,609**	**2,506**
Other comprehensive income:		
Items that will not be reclassified subsequently to the income statement		
Translation adjustments	(230)	1,114
Retirement benefit obligations	53	(23)
Fair value adjustment to investment in equity securities	(35)	
Transfer to retained earnings	(20)	
Total items that will not be reclassified subsequently to the income statement, net of tax	**(232)**	**1,091**
Items that may be reclassified subsequently to the income statement		
Translation adjustments	(11)	(617)
Net investments hedge	(27)	157
Transfer of realized results to net income	(78)	
Total of items that may be reclassified subsequently to the income statement, net of tax	**(116)**	**(460)**
Total comprehensive income	**1,261**	**3,137**
Comprehensive income attributable to noncontrolling interests	17	37
Comprehensive income attributable to Vale s stockholders	**1,244**	**3,100**
From continuing operations	1,239	3,109
From discontinued operations	5	(9)
	1,244	**3,100**

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

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

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Consolidated Statement of Cash Flows

In millions of United States dollars

	Three-month period ended March 31,	
	2018	**2017**
Cash flow from operating activities:		
Income before income taxes from continuing operations	2,412	3,311
Continuing operations adjustments for:		
Equity results in associates and joint ventures	(85)	(73)
Impairment and other results on non-current assets and associates and joint ventures	32	(451)
Depreciation, amortization and depletion	873	908
Financial results, net	624	613
Changes in assets and liabilities:		
Accounts receivable	17	298
Inventories	56	(221)
Suppliers and contractors	(340)	82
Provision - Payroll, related charges and others remunerations	(541)	(242)
Other assets and liabilities, net	(105)	(169)
	2,943	**4,056**
Interest on loans and borrowings paid	(381)	(515)
Derivatives paid, net	(25)	(107)
Income taxes	(240)	(368)
Income taxes - Settlement program	(125)	(121)
Net cash provided by operating activities from continuing operations	**2,172**	**2,945**
Cash flow from investing activities:		
Financial investments redeemed (invested)	(16)	(53)
Loans and advances - net receipts (payments) (note 25)	2,640	(144)
Additions to property, plant and equipment, intangibles and investments	(907)	(1,116)
Proceeds from disposal of assets and investments (note 12)	1,101	515
Dividends and interest on capital received from associates and joint ventures	10	
Others investments activities	15	(2)
Net cash provided by (used in) investing activities from continuing operations	**2,843**	**(800)**
Cash flow from financing activities:		
Loans and borrowings		
Additions		1,150
Repayments	(2,277)	(1,118)
Transactions with stockholders:		
Dividends and interest on capital paid to stockholders	(1,437)	
Dividends and interest on capital paid to noncontrolling interest	(91)	(3)
Transactions with noncontrolling stockholders	(17)	255
Net cash provided by (used in) financing activities from continuing operations	**(3,822)**	**284**
Net cash used in discontinued operations (note 12)	**(44)**	**(5)**

Increase in cash and cash equivalents	**1,149**	**2,424**
Cash and cash equivalents in the beginning of the period	4,328	4,262
Effect of exchange rate changes on cash and cash equivalents	(6)	44
Effects of disposals of subsidiaries and merger, net on cash and cash equivalents	(103)	(14)
Cash and cash equivalents at end of the period	**5,368**	**6,716**
Non-cash transactions:		
Additions to property, plant and equipment - capitalized loans and borrowing costs	60	103

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

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Consolidated Statement of Financial Position

In millions of United States dollars

	Notes	March 31, 2018	December 31, 2017
Assets			
Current assets			
Cash and cash equivalents	16	5,368	4,328
Accounts receivable	9	2,689	2,600
Other financial assets	11	376	2,022
Inventories	10	3,967	3,926
Prepaid income taxes		722	781
Recoverable taxes		1,055	1,172
Others		602	538
		14,779	**15,367**
Non-current assets held for sale	12	460	3,587
		15,239	**18,954**
Non-current assets			
Judicial deposits	22(c)	1,993	1,986
Other financial assets	11	3,047	3,232
Prepaid income taxes		587	530
Recoverable taxes		667	638
Deferred income taxes	7(a)	6,106	6,638
Others		282	267
		12,682	**13,291**
Investments in associates and joint ventures	13	3,722	3,568
Intangibles	14	8,592	8,493
Property, plant and equipment	15	54,149	54,878
		79,145	**80,230**
Total assets		**94,384**	**99,184**
Liabilities			
Current liabilities			
Suppliers and contractors		3,598	4,041
Loans and borrowings	16	1,966	1,703
Other financial liabilities	11	1,008	986
Taxes payable	7(c)	703	697
Provision for income taxes		227	355
Liabilities related to associates and joint ventures	17	369	326
Provisions	21	868	1,394
Dividends and interest on capital			1,441
Others		1,038	992
		9,777	**11,935**
Liabilities associated with non-current assets held for sale	12	213	1,179

		9,990	**13,114**
Non-current liabilities			
Loans and borrowings	16	18,310	20,786
Other financial liabilities	11	2,901	2,894
Taxes payable	7(c)	4,796	4,890
Deferred income taxes	7(a)	1,704	1,719
Provisions	21	6,984	7,027
Liabilities related to associates and joint ventures	17	633	670
Deferred revenue - Gold stream		1,793	1,849
Others		1,466	1,463
		38,587	**41,298**
Total liabilities		**48,577**	**54,412**
Stockholders equity	24		
Equity attributable to Vale s stockholders		44,702	43,458
Equity attributable to noncontrolling interests		1,105	1,314
Total stockholders equity		**45,807**	**44,772**
Total liabilities and stockholders equity		**94,384**	**99,184**

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

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Consolidated Statement of Changes in Equity

In millions of United States dollars

	Share capital	Results on conversion of shares	Capital reserve	Results from operation with noncontrolling interest	Profit reserves	Treasury stocks	Unrealized fair value gain (losses)	Cumulative translation adjustments	Retained earnings	Equity attributable to Vale s stockholders	E attri nonc in
Balance at December 31, 2017	**61,614**	**(152)**	**1,139**	**(954)**	**7,419**	**(1,477)**	**(1,183)**	**(22,948)**		**43,458**	
Net income									**1,590**	**1,590**	
Other comprehensive income:											
Retirement benefit obligations							53		(20)	33	
Net investments hedge (note 20c)								(27)		(27)	
Fair value adjustment to investment in equity securities							(35)			(35)	
Translation adjustments					(35)			(282)		(317)	
Transactions with stockholders:											
Dividends of noncontrolling interest											
Acquisitions and disposal of noncontrolling interest											
Balance at March 31, 2018	**61,614**	**(152)**	**1,139**	**(954)**	**7,384**	**(1,477)**	**(1,165)**	**(23,257)**	**1,570**	**44,702**	

	Share capital	Results on conversion of shares	Capital reserve	Results from operation with noncontrolling interest	Profit reserves	Treasury stocks	Unrealized fair value gain (losses)	Cumulative translation adjustments	Retained earnings	Equity attributable to Vale s stockholders	E attrib nonco int
Balance at December 31, 2016	**61,614**	**(152)**		**(699)**	**4,203**	**(1,477)**	**(1,147)**	**(23,300)**		**39,042**	

Net income								**2,490**	**2,490**
Other comprehensive income:									
Retirement benefit obligations						(23)			(23)
Net investments hedge (note 20c)							174		174
Translation adjustments				120		(18)	356	1	459
Transactions with stockholders:									
Dividends of noncontrolling interest									
Acquisitions and disposal of noncontrolling interest			(105)						(105)
Capitalization of noncontrolling interest advances									
Balance at March 31, 2017	**61,614**	**(152)**	**(804)**	**4,323**	**(1,477)**	**(1,188)**	**(22,770)**	**2,491**	**42,037**

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 United States dollar, unless otherwise stated

1. Corporate information

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

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

2. Basis for preparation of the interim financial statements

a) Statement of compliance

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

b) Basis of presentation

The interim financial statements have been prepared to update users about relevant events and transactions occurred in the period and should be read in conjunction with the financial statements for the year ended December 31, 2017. The accounting policies, accounting estimates and judgments, risk management and measurement methods are the same as those applied when preparing the last annual financial statements, except for new accounting policies related to the application of IFRS 9 Financial instrument and IFRS 15 Revenue from contracts with customers, which are described in note 2(c). The accounting policy for recognizing and measuring income taxes in the interim period is described in note 7.

The interim financial statements of the Company and its associates and joint ventures are measured using the currency of the primary economic environment in which the entity operates (functional currency), which in the case of the Parent Company is the Brazilian real (R$). For presentation purposes, these interim financial statements are presented in United States dollars (US$) as the Company believes that this is the relevant currency used by international investors.

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

	Closing rate		Average rate Three-month period ended	
	March 31, 2018	December 31, 2017	March 31, 2018	March 31, 2017
US Dollar (US$)	3.3238	3.3080	3.2433	3.1451
Canadian dollar (CAD)	2.5778	2.6344	2.5649	2.3760
Australian dollar (AUD)	2.5497	2.5849	2.5505	2.3824
Euro (EUR or)	4.0850	3.9693	3.9866	3.3510

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

c) Changes in significant accounting policies

(i) IFRS 9 Financial instrument The Company has adopted IFRS 9 *Financial Instruments* starting January 1, 2018. This standard addresses the classification and measurement of financial assets and liabilities, new impairment model and new rules for hedge accounting. The main changes are described below:

- Classification and measurement - Under IFRS 9, the Company s financial assets are initially measured at fair value (plus transaction costs if is not measured at fair value through profit or loss).

The investments in debt financial instruments are subsequently measured at fair value through profit or loss (FVTPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two conditions: the Company´s business model in which the asset is held; and whether the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

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The FVOCI category only includes equity instruments, which is not held for trading and the Company has irrevocably elected to designate upon initial recognition. The gains or losses from equity instruments at FVOCI are not recycled to income statement on derecognition and these financial assets are not subject to an impairment assessment under IFRS 9.

The Company has assessed its business models as of the date of IFRS 9 initial application, 1 January 2018, and no significant impact were identified in the financial statements.

• Impairment - IFRS 9 has replaced the IAS 39 s incurred loss approach with a forward-looking expected credit loss (ECL) approach.

For accounts receivables, the Company has applied the standard s simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment and by any financial guarantees related to these accounts receivables.

For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company s historical experience and informed credit assessment including forward-looking information.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

There is no significant impact on its financial statements resulting from this new impairment approach given Vale s credit rating and risk management policies in place.

• Hedge accounting - The Company has elected to adopt the new general hedge accounting model in IFRS 9. The changes introduced by IFRS 9 relating to hedge accounting currently have no impact, as the Company does not currently apply cash flow or fair value hedge accounting. The Company currently applies the net investment hedge for which there are no changes introduced by this new standard.

(ii) IFRS 15 Revenue from contracts with customers - The Company has adopted IFRS 15 *Revenue from contracts with customers* starting January 1, 2018. IFRS 15 establishes a comprehensive framework for revenue recognition and replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Company has adopted IFRS 15 using the modified retrospective method. Accordingly, the information presented for 2017 has not been restated.

• Sales of commodities - IFRS 15 introduced the five-step model for revenue recognition from contracts with customers. The new standard is based on the core principle that revenue is recognized when the control of a good or service transfers to a customer of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

There is no significant impact on the timing of commodities revenue recognition under IFRS 15, since usually the transfer of risks and rewards and the transfer of control under the sales contracts are at the same point in time.

The disaggregated revenue information is disclosed in note 3.

• Shipping services - A proportion of Vale s sales are under Cost and Freight (CFR) or Cost, Insurance and Freight (CIF) Incoterms, in which the Company is responsible for providing shipping services after the date that Vale transfers control of the goods to the customers. According to the previous standard (IAS 18), the revenue from shipping services was recognized upon loading, as well as the related costs, and was not considered a separate service.

Under IFRS 15, the provision of shipping services for CFR and CIF contracts should be considered as a separate performance obligation in which a proportion of the transaction price would be allocated and recognized over time as the shipping services are provided. The impact on the timing of revenue recognition of the proportion allocated to the shipping service is not significant to the Company s quarter-end results ended March 31, 2018. Therefore, such revenue has not been presented separately in these interim financial statements.

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• Provisionally priced commodities sales - Under IFRS 9 and 15, the treatment of the provisional pricing mechanisms embedded within the provisionally priced commodities sales remains unmodified. Therefore, these revenues are recognized based on the estimated fair value of the total consideration receivable, and the provisionally priced sales mechanism embedded within these sale arrangements has the character of a derivative.

The Company is mostly exposed to the fluctuations in the iron ore and copper price.

The selling price of these products can be measured reliably at each period, since the price is quoted on an active market. The fair value of the sales price adjustment, in the amount of US$162 in the period ended March 31, 2018, were recognized as operational revenue in the income statement.

d) Accounting standards issued but not yet effective

The standards and interpretations issued by IASB relevant to the Company but not yet effective are the same as those applicable when preparing the financial statements for the year ended December 31, 2017. The other new standards effective from January 1, 2018 do not have a material effect on the Company s interim financial statements.

3. Information by business segment and by geographic area

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

a) Adjusted EBITDA

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

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

	Three-month period ended March 31, 2018						
	Net operating revenue	Cost of goods sold and services rendered	Sales, administrative and other operating expenses (i)	Research and evaluation	Pre operating and operational stoppage	Dividends received and interest from associates and joint ventures	Adjusted EBITDA
Ferrous minerals							
Iron ore	4,703	(2,078)	(13)	(20)	(35)		2,557
Iron ore Pellets	1,585	(813)	(1)	(5)	(3)		763
Ferroalloys and manganese	124	(74)	(1)				49
Other ferrous products and services	115	(73)	(3)				39
	6,527	**(3,038)**	**(18)**	**(25)**	**(38)**		**3,408**
Coal	**380**	**(335)**	**2**	**(3)**		**60**	**104**
Base metals							
Nickel and other products	1,132	(705)	(15)	(9)	(8)		395
Copper	502	(248)	(1)	(4)			249
	1,634	**(953)**	**(16)**	**(13)**	**(8)**		**644**
Others	62	(70)	(153)	(28)	(6)	10	(185)
Total of continuing operations	**8,603**	**(4,396)**	**(185)**	**(69)**	**(52)**	**70**	**3,971**
Discontinued operations (Fertilizers)	**89**	**(84)**	**(1)**				**4**
Total	**8,692**	**(4,480)**	**(186)**	**(69)**	**(52)**	**70**	**3,975**

(i) Adjusted for the special events occurred in the period.

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	Three-month period ended March 31, 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**	**Adjusted EBITDA**
Ferrous minerals						
Iron ore	4,826	(1,677)	69	(16)	(41)	3,161
Iron ore Pellets	1,459	(652)		(3)	(1)	803
Ferroalloys and manganese	86	(44)	(1)		(3)	38
Other ferrous products and services	126	(76)	(3)	(1)		46
	6,497	**(2,449)**	**65**	**(20)**	**(45)**	**4,048**
Coal	**324**	**(248)**	**(4)**	**(3)**		**69**
Base metals						
Nickel and other products	1,132	(862)	(14)	(9)	(38)	209
Copper	465	(230)		(2)		233
	1,597	**(1,092)**	**(14)**	**(11)**	**(38)**	**442**
Others	97	(99)	(217)	(31)	(1)	(251)
Total of continuing operations	**8,515**	**(3,888)**	**(170)**	**(65)**	**(84)**	**4,308**
Discontinued operations (Fertilizers)	**370**	**(339)**	**(15)**	**(2)**	**(11)**	**3**
Total	**8,885**	**(4,227)**	**(185)**	**(67)**	**(95)**	**4,311**

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

From Continuing operations

	Three-month period ended March 31,	
	2018	**2017**
Adjusted EBITDA from continuing operations	**3,971**	**4,308**
Depreciation, depletion and amortization	(873)	(908)
Dividends received and interest from associates and joint ventures	(70)	
Special events (note 4)	(63)	512
Operating income	**2,965**	**3,912**
Financial results, net	(624)	(613)

Equity results in associates and joint ventures	85	73
Impairment and other results in associates and joint ventures	(14)	(61)
Income taxes	(721)	(723)
Net income from continuing operations	**1,691**	**2,588**
Net income attributable to noncontrolling interests	19	15
Net income attributable to Vale s stockholders	**1,672**	**2,573**

From Discontinued operations

	Three-month period ended March 31,	
	2018	**2017**
Adjusted EBITDA from discontinued operations	**4**	**3**
Impairment of non-current assets	(113)	(111)
Operating loss	**(109)**	**(108)**
Financial results, net	(4)	(4)
Income taxes	31	30
Loss from discontinued operations	**(82)**	**(82)**
Net income attributable to noncontrolling interests		1
Loss attributable to Vale s stockholders	**(82)**	**(83)**

b) Assets by segment

	March 31, 2018			Three-month period ended March 31, 2018	
	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)**
Ferrous minerals	1,723	1,988	36,078	654	432
Coal	70	336	1,683	33	65
Base metals	1,146	14	23,136	197	350
Others	16	1,384	1,844	6	26
Total	**2,955**	**3,722**	**62,741**	**890**	**873**

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	December 31, 2017			Three-month period ended March 31, 2017	
	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)
Ferrous minerals	1,770	1,922	36,103	830	417
Coal	82	317	1,719	56	105
Base metals	1,009	13	23,603	211	381
Others	6	1,316	1,946	10	5
Total	**2,867**	**3,568**	**63,371**	**1,107**	**908**

(i) Goodwill is allocated mainly to ferrous minerals and base metals segments in the amount of US$2,146 and US$1,906 in March 31, 2018 and US$2,157 and US$1,953 in December 31, 2017, respectively.

(ii) Includes only cash outflows.

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

In September 2017, the Federal Court granted an injunction suspending certain of nickel mining operations at Onça Puma (base metals segment). The Company has appealed this decision to seek a suspension of this injunction, but it is not possible to antecipate when Onça Puma activities will resume. The Company has assessed the impairment risk related to this specific cash-generating unit and concluded that no loss should be recognized in the income statement for the period ended March 31, 2018.

c) Net operating revenue by geographic area

	Three-month period ended March 31, 2018				
	Ferrous minerals	Coal	Base metals	Others	Total
Americas, except United States and Brazil	219		157		376
United States of America	82		244	8	334
Germany	325		71		396
Europe, except Germany	471	102	499		1,072
Middle East/Africa/Oceania	593	43	4		640
Japan	457	33	115		605
China	3,386		208		3,594
Asia, except Japan and China	346	150	249		745
Brazil	648	52	87	54	841
Net operating revenue	**6,527**	**380**	**1,634**	**62**	**8,603**

	Three-month period ended March 31, 2017				
	Ferrous minerals	**Coal**	**Base metals**	**Others**	**Total**
Americas, except United States and Brazil	142		304		446
United States of America	53		186	45	284
Germany	309		52	16	377
Europe, except Germany	581	89	453		1,123
Middle East/Africa/Oceania	427	51	3		481
Japan	390	33	88		511
China	3,658		160		3,818
Asia, except Japan and China	255	101	311		667
Brazil	682	50	40	36	808
Net operating revenue	**6,497**	**324**	**1,597**	**97**	**8,515**

Provisionally priced commodities sales - As at March 31, 2018, there were 29 million metric tons of iron ore (2017: 33 million metric tons) and 73 thousand metric tons of copper (2017: 106 thousand metric tons) provisionally priced based on forward prices. The final price of these sales will be determined during the second quarter of 2018. A 10% change in the realized prices compared to the provisionally priced sales, all other factors held constant, would increase or reduce iron ore net income by US$183 and copper net income by US$58.

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4. Special events occurred during the period

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

The special events identified by the Company are as follows:

	Three-month period ended March 31,	
	2018	**2017**
Disposals of assets	(18)	(3)
Provision for litigation	(45)	
Nacala Logistic Corridor		515
Total	**(63)**	**512**

Disposals of assets - The Company recognized a loss of US$18 in the income statement during the period ended March 31, 2018 as Impairment and other results on noncurrent assets due to non-viable projects and operating assets written off through sale or obsolescence.

Provision for litigation During the period ended March 31, 2018, the Company s assessment of the likelihood of loss for various labor litigations have been updated and a net impact of US$45 was charged to the income statement.

Nacala Logistic Corridor In March 2017, the Company concluded the transaction with Mitsui to sell 15% of its stake in Vale Moçambique and 50% of its stake in the Nacala Logistics Corridor and recognized a gain in the income statement of US$515.

5. Costs and expenses by nature

a) Cost of goods sold and services rendered

	Three-month period ended March 31, 2018	2017
Personnel	553	547
Materials and services	884	782
Fuel oil and gas	353	309
Maintenance	737	723
Energy	238	215
Acquisition of products	123	164
Depreciation and depletion	828	846
Freight	901	659
Others	607	489
Total	**5,224**	**4,734**
Cost of goods sold	5,077	4,595
Cost of services rendered	147	139
Total	**5,224**	**4,734**

b) Selling and administrative expenses

	Three-month period ended March 31, 2018	2017
Personnel	62	54
Services	19	12
Depreciation and amortization	19	29
Others	24	29
Total	**124**	**124**

c) Other operating expenses, net

	Three-month period ended March 31, 2018	2017
Provision for litigation	45	12
Profit sharing program	47	39
Others	33	26
Total	**125**	**77**

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6. Financial result

	Three-month period ended March 31, 2018	2017
Financial income		
Short-term investments	25	36
Derivative financial instruments	119	315
Others	93	28
	237	**379**
Financial expenses		
Loans and borrowings gross interest	(336)	(452)
Capitalized loans and borrowing costs	60	103
Derivative financial instruments	(29)	(106)
Participative stockholders debentures	(183)	(412)
Expenses of REFIS	(58)	(126)
Others	(130)	(157)
	(676)	**(1,150)**
Other financial items		
Net foreign exchange gain (losses) on loans and borrowings	(117)	499
Other net foreign exchange gains (losses)	53	(264)
Net indexation losses	(121)	(77)
	(185)	**158**
Financial results, net	**(624)**	**(613)**

7. Income taxes

a) Deferred income tax assets and liabilities

Changes in deferred tax are as follows:

	Assets	Liabilities	Total
Balance at December 31, 2017	**6,638**	**1,719**	**4,919**
Effect in income statement	(628)		(628)
Transfers between asset and liabilities	8	8	
Translation adjustment	(24)	(32)	8
Other comprehensive income	86	9	77
Effect of discontinued operations			
Effect in income statement	31		31

Transfer to net assets held for sale	(5)		(5)
Balance at March 31, 2018	**6,106**	**1,704**	**4,402**

	Assets	Liabilities	Total
Balance at December 31, 2016	**7,343**	**1,700**	**5,643**
Effect in income statement	(251)	(29)	(222)
Translation adjustment	139	10	129
Other comprehensive income	(104)	(4)	(100)
Effect of discontinued operations			
Effect in income statement	30		30
Transfer to net assets held for sale	(30)		(30)
Balance at March 31, 2017	**7,127**	**1,677**	**5,450**

b) Income tax reconciliation Income statement

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

	Three-month period ended March 31,	
	2018	2017
Income before income taxes	**2,412**	**3,311**
Income taxes at statutory rates - 34%	**(820)**	**(1,126)**
Adjustments that affect the basis of taxes:		
Income tax benefit from interest on stockholders equity	67	126
Tax incentives	27	178
Equity results	29	25
Unrecognized tax losses of the period	(147)	(176)
Gain on sale of subsidiaries (note 4)		175
Others	123	75
Income taxes	**(721)**	**(723)**

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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)

The balance mainly relates to REFIS to settle most of the claims related to the collection of income tax and social contribution on equity gains of foreign subsidiaries and affiliates from 2003 to 2012. As at March 31, 2018, the balance of US$5,284 (US$488 as current and US$4,796 as non-current) is due in 127 remaining monthly installments, bearing interest at the SELIC rate (Special System for Settlement and Custody).

8. Basic and diluted earnings (loss) per share

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

	Three-month period ended March 31,	
	2018	**2017 (i)**
Net income attributable to Vale s stockholders:		
Net income from continuing operations	1,672	2,573
Loss from discontinued operations	(82)	(83)
Net income	**1,590**	**2,490**
Thousands of shares		
Weighted average number of shares outstanding - common shares	5,197,432	5,197,432
Basic and diluted earnings per share from continuing operations :		
Common share (US$)	0.32	0.50
Basic and diluted loss per share from discontinued operations :		
Common share (US$)	(0.02)	(0.02)
Basic and diluted earnings per share:		
Common share (US$)	0.30	0.48

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

The Company does not have potential outstanding shares with dilutive effect on the earnings (loss) per share.

9. Accounts receivable

	March 31, 2018	December 31, 2017
Accounts receivable	2,784	2,660
Impairment of accounts receivable	(95)	(60)
	2,689	**2,600**
Accounts receivable related to the steel sector - %	**77.80%**	**82.90%**

There are no significant amounts recognized in the income statement related to impairment of accounts receivables for the three-month period ended March 31, 2018 and 2017.

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

10. Inventories

	March 31, 2018	December 31, 2017
Product inventory	2,218	2,219
Work in progress	737	648
Consumable inventory	1,012	1,059
Total	**3,967**	**3,926**

There are no significant amounts recognized in income statement related as a provision in respect of the net realizable value of product inventory for the three-month period ended on March 31, 2018 (reversal of US$37 for the three-month period ended March 31, 2017).

Product inventory by segments is presented in note 3(b).

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11. Other financial assets and liabilities

	Current		Non-Current	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Other financial assets				
Financial investments	7	18		
Loans			150	151
Derivative financial instruments (note 20)	74	106	487	453
Investments in equity securities (note 12)			830	
Related parties - Loans (note 25)	295	1,898	1,580	2,628
	376	**2,022**	**3,047**	**3,232**
Other financial liabilities				
Derivative financial instruments (note 20)	159	104	521	686
Related parties - Loans (note 25)	849	882	975	975
Participative stockholders debentures			1,405	1,233
	1,008	**986**	**2,901**	**2,894**

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

	March 31, 2018 Fertilizers	December 31, 2017 Fertilizers
Assets		
Accounts receivable	27	90
Inventories	86	460
Other current assets	17	110
Investments in associates and joint ventures		83
Property, plant and equipment and Intangible	322	2,149
Other non-current assets	8	695
Total assets	**460**	**3,587**
Liabilities		
Suppliers and contractors	69	324
Other current liabilities	29	215
Other non-current liabilities	115	640
Total liabilities	**213**	**1,179**
Net non-current assets held for sale	**247**	**2,408**

a) Fertilizers (Discontinued operations)

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

In January 2018, the Company and Mosaic concluded the transaction and the Company received US$1,080 in cash and 34.2 million common shares, corresponding to 8.9% of Mosaic s equity after the issuance of these shares (US$899, based on the Mosaic s quotation at closing date of the transaction) and a loss of US$55 was recognized in the income statement from discontinued operations.

Mosaic shares received was accounted for an equity investment measured at fair value through other comprehensive income. For the three-month period ended March 31, 2018 a loss of US$35 was recognized in other comprehensive income as Fair value adjustment to investment in equity securities .

b) Cubatão (part of the fertilizer segment)

In November 2017, the Company entered into an agreement with Yara International ASA (Yara) to sell its assets located in Cubatão, Brazil. The agreed consideration is US$255 to be paid in cash. The Company expects to complete the transaction by the end of 2018, subject to compliance with usual precedent conditions, including approval by the Brazilian anti-trust authority (CADE) and other authorities.

These assets were adjusted to reflect their fair value less cost to sell and a loss of US$58 was recognized for the three-month period ended March 31, 2018, in the income statement from discontinued operations.

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The results and cash flows of discontinued operations of the Fertilizer segment for the three-month period ended March 31, 2018 and 2017 are presented as follows:

Income statement

	Three-month period ended March 31, 2018	2017
Discontinued operations		
Net operating revenue	89	370
Cost of goods sold and services rendered	(84)	(339)
Operating expenses	(1)	(28)
Impairment of non-current assets	(113)	(111)
Operating loss	**(109)**	**(108)**
Financial Results, net	(4)	(4)
Loss before income taxes	**(113)**	**(112)**
Income taxes	31	30
Loss from discontinued operations	**(82)**	**(82)**
Net income attributable to noncontrolling interests		1
Loss attributable to Vale s stockholders	**(82)**	**(83)**

Statement of cash flow

	Three-month period ended March 31, 2018	2017
Discontinued operations		
Cash flow from operating activities		
Loss before income taxes	(113)	(112)
Adjustments:		
Impairment of non-current assets	113	111
Increase (decrease) in assets and liabilities	(35)	93
Net cash provided by operating activities	**(35)**	**92**
Cash flow from investing activities		
Additions to property, plant and equipment	(9)	(63)
Net cash used in investing activities	**(9)**	**(63)**
Cash flow from financing activities		
Loans and borrowings		
Repayments		(34)
Net cash used in financing activities		**(34)**
Net cash used in discontinued operations	**(44)**	**(5)**

13. Investments in associates and joint ventures

a) Changes during the period

Changes in investments in associates and joint ventures as follows:

	Associates	Joint ventures	Total
Balance at December 31, 2017	**1,441**	**2,127**	**3,568**
Additions		17	17
Translation adjustment	8	(12)	(4)
Equity results in income statement	(3)	88	85
Dividends declared		(27)	(27)
Transfer from non-current assets held for sale (i)	87	(4)	83
Balance at March 31, 2018	**1,533**	**2,189**	**3,722**

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

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	Associates	Joint ventures	Total
Balance at December 31, 2016	**1,437**	**2,259**	**3,696**
Additions		31	31
Translation adjustment	33	58	91
Equity results in income statement	(5)	78	73
Dividends declared	(8)		(8)
Balance at March 31, 2017	**1,457**	**2,426**	**3,883**

b) Guarantees provided

As of March 31, 2018, corporate guarantees provided by Vale (within the limit of its direct or indirect interest) for the companies Norte Energia S.A. and Companhia Siderúrgica do Pecém S.A. were US$380 and US$1,473, respectively.

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	Investments in associates and joint ventures March 31, 2018	Investments in associates and joint ventures December 31, 2017	Equity results in the income statement Three-month period ended March 31, 2018	Equity results in the income statement Three-month period ended March 31, 2017	Dividends received Three-month period ended March 31, 2018	Dividends received Three-month period ended March 31, 2017
Ferrous minerals								
Baovale Mineração S.A.	50.00	50.00	28	26	2	2		
Companhia Coreano-Brasileira de Pelotização	50.00	50.00	104	89	15	12		
Companhia Hispano-Brasileira de Pelotização (i)	50.89	51.00	95	82	15	11		
Companhia Ítalo-Brasileira de Pelotização (i)	50.90	51.00	95	80	16	7		
Companhia Nipo-Brasileira de Pelotização (i)	51.00	51.11	166	137	30	22		
MRS Logística S.A.	48.16	46.75	526	517	12	16		
VLI S.A.	37.60	37.60	950	968	(13)	(13)		
Zhuhai YPM Pellet Co.	25.00	25.00	24	23				
			1,988	**1,922**	**77**	**57**		
Coal								
Henan Longyu Energy Resources Co., Ltd.	25.00	25.00	336	317	4	10		
			336	**317**	**4**	**10**		
Base metals								
Korea Nickel Corp.	25.00	25.00	14	13	1	1		
			14	**13**	**1**	**1**		
Others								
Aliança Geração de Energia S.A. (i)	55.00	55.00	561	571	19	7	10	
Aliança Norte Energia Participações S.A. (i)	51.00	51.00	173	160	7	3		
California Steel Industries, Inc.	50.00	50.00	221	200	21	9		
Companhia Siderúrgica do Pecém	50.00	50.00	219	262	(42)	(10)		
Mineração Rio do Norte S.A.	40.00	40.00	103	101	3	(1)		
Others			107	22	(5)	(3)		
			1,384	**1,316**	**3**	**5**	**10**	
Total			**3,722**	**3,568**	**85**	**73**	**10**	

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

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14. Intangibles

Changes in intangibles are as follows:

	Goodwill	Concessions	Right of use	Software	Total
Balance at December 31, 2017	**4,110**	**4,002**	**152**	**229**	**8,493**
Additions		256		1	257
Disposals		(7)			(7)
Amortization		(33)	(3)	(31)	(67)
Translation adjustment	(58)	(25)	(1)		(84)
Balance at March 31, 2018	**4,052**	**4,193**	**148**	**199**	**8,592**
Cost	4,052	5,275	231	1,549	11,107
Accumulated amortization		(1,082)	(83)	(1,350)	(2,515)
Balance at March 31, 2018	**4,052**	**4,193**	**148**	**199**	**8,592**

	Goodwill	Concessions	Right of use	Software	Total
Balance at December 31, 2016	**3,081**	**3,301**	**147**	**342**	**6,871**
Additions		365		8	373
Disposals		(1)			(1)
Amortization		(49)		(37)	(86)
Translation adjustment	50	86	2	11	149
Balance at March 31, 2017	**3,131**	**3,702**	**149**	**324**	**7,306**
Cost	3,131	4,938	226	1,594	9,889
Accumulated amortization		(1,236)	(77)	(1,270)	(2,583)
Balance at March 31, 2017	**3,131**	**3,702**	**149**	**324**	**7,306**

15. Property, plant and equipment

Changes in property, plant and equipment are as follows:

	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	Total
Balance at December 31, 2017	**718**	**12,100**	**11,786**	**6,893**	**9,069**	**8,193**	**6,119**	**54,878**
Additions (i)							519	519
Disposals		(36)	(15)	(2)	(4)	(1)	(3)	(61)
					38			38

Assets retirement obligation								
Depreciation, amortization and depletion		(156)	(184)	(235)	(140)	(189)		(904)
Translation adjustment	(4)	(69)	(80)	(28)	(152)	(62)	74	(321)
Transfers	4	(1)	363	181	201	213	(961)	
Balance at March 31, 2018	**718**	**11,838**	**11,870**	**6,809**	**9,012**	**8,154**	**5,748**	**54,149**
Cost	718	18,947	18,436	12,922	17,375	12,503	5,748	86,649
Accumulated depreciation		(7,109)	(6,566)	(6,113)	(8,363)	(4,349)		(32,500)
Balance at March 31, 2018	**718**	**11,838**	**11,870**	**6,809**	**9,012**	**8,154**	**5,748**	**54,149**

	Land	**Building**	**Facilities**	**Equipment**	**Mineral properties**	**Others**	**Constructions in progress**	**Total**
Balance at December 31, 2016	**724**	**10,674**	**9,471**	**6,794**	**8,380**	**7,515**	**11,861**	**55,419**
Additions (i)							503	503
Disposals			(6)	(3)		(2)	(5)	(16)
Assets retirement obligation					36			36
Depreciation, amortization and depletion		(147)	(167)	(193)	(153)	(173)		(833)
Translation adjustment	17	229	194	97	109	195	323	1,164
Transfers	14	831	1,432	273	639	771	(3,960)	
Balance at March 31, 2017	**755**	**11,587**	**10,924**	**6,968**	**9,011**	**8,306**	**8,722**	**56,273**
Cost	755	17,746	17,413	12,424	16,803	12,310	8,722	86,173
Accumulated depreciation		(6,159)	(6,489)	(5,456)	(7,792)	(4,004)		(29,900)
Balance at March 31, 2017	**755**	**11,587**	**10,924**	**6,968**	**9,011**	**8,306**	**8,722**	**56,273**

(i) Includes capitalized borrowing costs.

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

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16. Loans, borrowings, cash and cash equivalents and financial investments

a) Net debt

The Company evaluates the net debt with the objective of ensuring the continuity of its business in the long term, being able to generate value to its stockholders, through the payment of dividends and capital gain.

	March 31, 2018	December 31, 2017
Debt contracts in the international markets	15,337	17,288
Debt contracts in Brazil	4,939	5,201
Total of loans and borrowings	**20,276**	**22,489**
(-) Cash and cash equivalents	5,368	4,328
(-) Financial investments	7	18
Net debt	**14,901**	**18,143**

b) Cash and cash equivalents

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

c) Loans and borrowings

i) Total debt

	Current liabilities		Non-current liabilities	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Debt contracts in the international markets				
Floating rates in:				
US$	622	310	2,306	2,764

EUR			246	240
Fixed rates in:				
US$	5		10,839	12,588
EUR			922	900
Other currencies	25	17	181	206
Accrued charges	**191**	**263**		