

Vale S.A.
Form 6-K
October 24, 2018
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United States
Securities and Exchange Commission

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

of the

Securities Exchange Act of 1934

For the month of

October 2018

Vale S.A.

Praia de Botafogo, 186
22250-145 Rio de Janeiro, RJ, Brazil

(Address of principal executive office)

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

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

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

(Check One) Yes No

(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, 2018

BRGAAP in R\$ (English)

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Vale S.A. Interim Financial Statements

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Report on the review of quarterly information ITR

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

To the Board of Directors and Stockholders of

Vale S.A.

Rio de Janeiro - RJ

Introduction

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

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

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative (KPMG International), uma entidade suíça. *KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity.*

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Scope of the review

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

Conclusion on the interim financial information

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

Other matters

Statements of added value

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

Rio de Janeiro, October 24, 2018

KPMG Auditores Independentes

CRC SP-014428/O-6 F-RJ

(Original report in Portuguese signed by)

Bernardo Moreira Peixoto Neto

Accountant CRC RJ-064887/O-8

Table of Contents**Income Statement**

In millions of Brazilian reais, except earnings per share data

	Notes	Consolidated			
		Three-month period ended September 30,		Nine-month period ended September 30,	
		2018	2017	2018	2017
Continuing operations					
Net operating revenue	3(c)	37,862	28,600	97,028	78,705
Cost of goods sold and services rendered	5(a)	(22,827)	(17,099)	(59,260)	(48,426)
Gross profit		15,035	11,501	37,768	30,279
Operating expenses					
Selling and administrative expenses	5(b)	(535)	(409)	(1,377)	(1,223)
Research and evaluation expenses		(346)	(285)	(899)	(748)
Pre operating and operational stoppage		(241)	(265)	(736)	(915)
Other operating expenses, net	5(c)	(244)	(484)	(1,042)	(1,002)
		(1,366)	(1,443)	(4,054)	(3,888)
Impairment and other results on non-current assets	4	(707)	(532)	(749)	345
Operating income		12,962	9,526	32,965	26,736
Financial income	6	445	482	1,114	1,054
Financial expenses	6	(1,479)	(2,393)	(6,320)	(7,959)
Other financial items	6	(3,924)	2,665	(12,753)	1,424
Equity results in associates and joint ventures	13	134	367	584	509
Impairment and other results in associates and joint ventures	17	(80)	(78)	(1,671)	(379)
Income before income taxes		8,058	10,569	13,919	21,385
Income taxes					
	7				
Current tax		280	(1,654)	(475)	(3,461)
Deferred tax		(2,730)	(1,407)	(2,021)	(1,660)
		(2,450)	(3,061)	(2,496)	(5,121)
Net income from continuing operations		5,608	7,508	11,423	16,264
Net income (loss) attributable to noncontrolling interests		(145)	19	(58)	166
Net income from continuing operations attributable to Vale's stockholders		5,753	7,489	11,481	16,098
Discontinued operations					
	12				
Loss from discontinued operations			(338)	(310)	(983)
Net income attributable to noncontrolling interests			8		21
Loss from discontinued operations attributable to Vale's stockholders			(346)	(310)	(1,004)

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Net income	5,608	7,170	11,113	15,281	
Net income (loss) attributable to noncontrolling interests	(145)	27	(58)	187	
Net income attributable to Vale's stockholders	5,753	7,143	11,171	15,094	
Earnings per share attributable to Vale's stockholders:					
Basic and diluted earnings per share (restated):					
Common share (R\$)	8	1.11	1.37	2.15	2.90

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

Table of Contents**Income Statement**

In millions of Brazilian reais, except earnings per share data

	Parent company			
	Three-month period ended September 30,		Nine-month period ended September 30,	
	2018	2017	2018	2017
Continuing operations				
Net operating revenue	22,728	14,369	56,860	47,033
Cost of goods sold and services rendered	(10,318)	(8,335)	(28,299)	(24,424)
Gross profit	12,410	6,034	28,561	22,609
Operating (expenses) income				
Selling and administrative expenses	(242)	(229)	(694)	(690)
Research and evaluation expenses	(210)	(171)	(549)	(444)
Pre operating and operational stoppage	(179)	(256)	(562)	(660)
Equity results from subsidiaries	531	3,224	4,104	4,840
Other operating expenses, net	(286)	(438)	(836)	(523)
	(386)	2,130	1,463	2,523
Impairment and other results on non-current assets	(81)	(258)	(305)	(326)
Operating income	11,943	7,906	29,719	24,806
Financial income	95	89	209	302
Financial expenses	(1,508)	(1,968)	(6,079)	(7,477)
Other financial items	(3,316)	2,988	(11,936)	2,120
Equity results in associates and joint ventures	134	367	584	509
Impairment and other results in associates and joint ventures	(80)	(78)	(1,671)	(370)
Income before income taxes	7,268	9,304	10,826	19,890
Income taxes				
Current tax	774	(1,278)	774	(2,344)
Deferred tax	(2,289)	(537)	(119)	(1,448)
	(1,515)	(1,815)	655	(3,792)
Net income from continuing operations	5,753	7,489	11,481	16,098
Discontinued operations				
Loss from discontinued operations		(346)	(310)	(1,004)
Net income	5,753	7,143	11,171	15,094
Earnings per share attributable to Vale's stockholders:				
Basic and diluted earnings per share (restated):				
Common share (R\$)	1.11	1.37	2.15	2.90

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

Table of Contents**Statement of Comprehensive Income**

In millions of Brazilian reais

	Consolidated			
	Three-month period ended September 30,		Nine-month period ended September 30,	
	2018	2017	2018	2017
Net income	5,608	7,170	11,113	15,281
Other comprehensive income (loss):				
Items that will not be reclassified subsequently to the income statement				
Retirement benefit obligations	144	142	112	(573)
Fair value adjustment to investment in equity securities	702		873	
Transfer to retained earnings			(51)	
Total of items that will not be reclassified subsequently to the income statement, net of tax	846	142	934	(573)
Items that may be reclassified subsequently to the income statement				
Translation adjustments	4,854	(2,523)	19,823	(414)
Net investments hedge	(308)	616	(2,338)	339
Transfer of realized results to net income			(257)	
Total of items that may be reclassified subsequently to the income statement, net of tax	4,546	(1,907)	17,228	(75)
Total comprehensive income	11,000	5,405	29,275	14,633
Comprehensive income (loss) attributable to noncontrolling interests	(176)	(118)	142	74
Comprehensive income attributable to Vale's stockholders	11,176	5,523	29,133	14,559
From continuing operations	11,176	5,571	29,117	14,607
From discontinued operations		(48)	16	(48)
	11,176	5,523	29,133	14,559

	Parent company			
	Three-month period ended September 30,		Nine-month period ended September 30,	
	2018	2017	2018	2017
Net income	5,753	7,143	11,171	15,094
Other comprehensive income:				
Items that will not be reclassified subsequently to the income statement				
Retirement benefit obligations	32	(26)	(5)	(53)
Fair value adjustment to investment in equity securities	621		770	
Equity results in associates and joint ventures	193	168	220	(520)
Transfer to retained earnings			(51)	
Total of items that will not be reclassified subsequently to the income statement, net of tax	846	142	934	(573)

Items that may be reclassified subsequently to the income statement

Translation adjustments	4,885	(2,378)	19,478	(301)
Net investments hedge	(308)	616	(2,338)	339
Transfer of realized results to net income			(112)	
Total of items that may be reclassified subsequently to the income statement, net of tax	4,577	(1,762)	17,028	38
Total comprehensive income	11,176	5,523	29,133	14,559

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

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

Table of Contents**Statement of Cash Flows**

In millions of Brazilian reais

	Consolidated			
	Three-month period ended September 30,		Nine-month period ended September 30,	
	2018	2017	2018	2017
Cash flow from operating activities:				
Income before income taxes from continuing operations	8,058	10,569	13,919	21,385
Continuing operations adjustments for:				
Equity results in associates and joint ventures	(134)	(367)	(584)	(509)
Impairment and other results on non-current assets and associates and joint ventures	787	610	2,420	34
Depreciation, amortization and depletion	3,376	2,916	9,322	8,674
Financial results, net	4,958	(754)	17,959	5,481
Changes in assets and liabilities:				
Accounts receivable	(708)	(3,075)	(78)	3,420
Inventories	(721)	(173)	(1,453)	(1,488)
Suppliers and contractors	1,295	113	(82)	1,162
Provision - Payroll, related charges and other remunerations	789	632	(238)	539
Proceeds from cobalt stream transaction			2,603	
Other assets and liabilities, net	81	(855)	(1,734)	(2,824)
	17,781	9,616	42,054	35,874
Interest on loans and borrowings paid	(972)	(1,289)	(3,203)	(4,235)
Derivatives paid, net	(84)	(361)	(127)	(714)
Interest on participative stockholders' debentures paid			(245)	(221)
Income taxes	(867)	(282)	(1,808)	(1,539)
Income taxes - Settlement program	(412)	(393)	(1,225)	(1,159)
Net cash provided by operating activities from continuing operations	15,446	7,291	35,446	28,006
Cash flow from investing activities:				
Financial investments invested	(76)	(124)	(156)	(176)
Loans and advances - net receipts (payments) (note 25)	(341)	(324)	7,955	(1,059)
Additions to property, plant and equipment, intangibles and investments	(2,737)	(2,930)	(8,238)	(9,275)
Proceeds from disposal of assets and investments (note 12 and 13)	476	624	4,937	2,266
Dividends and interest on capital received from associates and joint ventures	28	64	566	330
Other investing activities	(97)	7	(105)	(95)
Net cash provided by (used in) investing activities from continuing operations	(2,747)	(2,683)	4,959	(8,009)
Cash flow from financing activities:				
Loans and borrowings				
Additions	827	1,115	3,641	5,654

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Repayments	(4,537)	(8,895)	(21,350)	(18,327)
Transactions with stockholders:				
Dividends and interest on capital paid to stockholders	(7,694)		(12,415)	(4,660)
Dividends and interest on capital paid to noncontrolling interests	(315)	(372)	(625)	(395)
Share buyback program (note 24)	(1,939)		(1,939)	
Transactions with noncontrolling stockholders			(56)	(305)
Net cash used in financing activities from continuing operations	(13,658)	(8,152)	(32,744)	(18,033)
Net cash used in discontinued operations (note 12)		(56)	(157)	(554)
Increase (decrease) in cash and cash equivalents	(959)	(3,600)	7,504	1,410
Cash and cash equivalents in the beginning of the period	24,557	18,922	14,318	13,891
Effect of exchange rate changes on cash and cash equivalents	826	(380)	2,987	(315)
Effects of disposals of subsidiaries and merger, net of cash and cash equivalents		7	(385)	(37)
Cash and cash equivalents at end of the period	24,424	14,949	24,424	14,949
Non-cash transactions:				
Additions to property, plant and equipment - capitalized loans and borrowing costs	197	351	551	938

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

Table of Contents**Statement of Cash Flows**

In millions of Brazilian reais

	Parent company	
	Nine-month period ended September 30,	2017
	2018	(Restated)
Cash flow from operating activities:		
Income before income taxes from continuing operations	10,826	19,890
Continuing operations adjustments for:		
Equity results in subsidiaries, associates and joint ventures	(4,688)	(5,349)
Impairment and other results on non-current assets and associates and joint ventures	1,976	696
Depreciation, amortization and depletion	4,464	4,124
Financial results, net	17,806	5,055
Changes in assets and liabilities:		
Accounts receivable	(5,094)	13,517
Inventories	(254)	(346)
Suppliers and contractors	1,448	81
Provision - Payroll, related charges and other remunerations	(6)	483
Other assets and liabilities, net	1,274	80
	27,752	38,231
Interest on loans and borrowings paid	(1,440)	(4,311)
Derivatives paid, net	(288)	(439)
Interest on participative stockholders debentures paid	(245)	(221)
Dividends received from interest on capital and associates	1,913	1,602
Income taxes	(72)	(735)
Income taxes - Settlement program	(1,200)	(1,136)
Net cash provided by operating activities	26,420	32,991
Cash flow from investing activities:		
Financial investments (invested)	(230)	(195)
Loans and advances - net receipts (payments)	3,667	(7,468)
Additions to property, plant and equipment, intangibles and investments	(6,293)	(7,511)
Proceeds from disposal of assets and investments (note 12)	466	21
Dividends and interest on capital received from subsidiaries, associates and joint ventures	566	300
Others investing activities	(128)	(87)
Net cash used in investing activities	(1,952)	(14,940)
Cash flow from financing activities:		
Loans and borrowings		
Additions	3,641	1,452
Repayments	(12,825)	(12,705)
Transactions with stockholders:		
Dividends and interest on capital paid to stockholders	(12,416)	(4,660)
Stock buy-back program	(1,939)	
Net cash used in financing activities	(23,539)	(15,913)
Increase in cash and cash equivalents	929	2,138

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Cash and cash equivalents in the beginning of the period	1,876	1,203
Effects of disposals of subsidiaries and merger, net of cash and cash equivalents		7
Cash and cash equivalents at end of the period	2,805	3,348
Non-cash transactions:		
Additions to property, plant and equipment - capitalized loans and borrowing costs	548	938

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

Table of Contents**Statement of Financial Position**

In millions of Brazilian reais

	Notes	Consolidated		Parent company	
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Assets					
Current assets					
Cash and cash equivalents	16	24,424	14,318	2,805	1,876
Accounts receivable	9	9,807	8,602	17,111	9,560
Other financial assets	11	1,656	6,689	350	409
Inventories	10	16,238	12,987	4,855	4,601
Prepaid income taxes		2,583	2,584	2,418	2,378
Recoverable taxes		3,799	3,876	1,818	2,091
Others		2,079	1,780	944	1,542
		60,586	50,836	30,301	22,457
Non-current assets held for sale	12		11,865		7,082
		60,586	62,701	30,301	29,539
Non-current assets					
Judicial deposits	22(c)	6,730	6,571	6,290	6,110
Other financial assets	11	12,880	10,690	5,648	1,865
Prepaid income taxes		2,246	1,754		
Recoverable taxes		2,173	2,109	2,093	2,062
Deferred income taxes	7(a)	22,875	21,959	15,409	14,200
Others		1,084	882	1,308	810
		47,988	43,965	30,748	25,047
Investments	13	12,598	11,802	144,521	117,387
Intangibles	14	31,190	28,094	15,254	13,471
Property, plant and equipment	15	189,917	181,535	101,521	102,978
		281,693	265,396	292,044	258,883
Total assets		342,279	328,097	322,345	288,422
Liabilities					
Current liabilities					
Suppliers and contractors		16,169	13,367	9,369	7,503
Loans and borrowings	16	5,498	5,633	4,027	4,378
Other financial liabilities	11	3,545	3,260	4,855	4,413
Taxes payable	7(c)	2,525	2,307	2,168	1,991
Provision for income taxes		637	1,175		
Liabilities related to associates and joint ventures	17	1,171	1,080	1,171	1,080
Provisions	21	4,697	4,610	2,788	2,904
Dividends and interest on capital			4,742		4,439
Others		2,476	3,284	2,717	2,552
		36,718	39,458	27,095	29,260
	12		3,899		

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Liabilities associated with non-current assets held for sale					
		36,718	43,357	27,095	29,260
Non-current liabilities					
Loans and borrowings	16	61,808	68,759	23,625	28,966
Other financial liabilities	11	11,284	9,575	74,882	54,955
Taxes payable	7(c)	15,448	16,176	15,140	15,853
Deferred income taxes	7(a)	6,852	5,687		
Provisions	21	25,492	23,243	7,901	6,900
Liabilities related to associates and joint ventures					
	17	3,045	2,216	3,045	2,216
Deferred revenue - Gold stream		6,684	6,117		
Others		8,254	4,861	7,399	6,514
		138,867	136,634	131,992	115,404
Total liabilities		175,585	179,991	159,087	144,664
Stockholders equity					
	24				
Equity attributable to Vale's stockholders		163,258	143,758	163,258	143,758
Equity attributable to noncontrolling interests		3,436	4,348		
Total stockholders equity		166,694	148,106	163,258	143,758
Total liabilities and stockholders equity		342,279	328,097	322,345	288,422

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

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Statement of Changes in Equity

In millions of Brazilian reais

	Share capital	Results on conversion of shares	Capital reserve	Results from operation with noncontrolling interest	Profit reserves	Treasury stocks	Unrealized fair value gains (losses)	Cumulative translation adjustments	Retained earnings	Equity attributable to Vale stockholders	Equity attributable to noncontrolling interests	Total stockholders equity
Balance at December 31, 2017	77,300	50										