Vale S.A.
Form 6-K
April 02, 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

March 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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Financial Statements

December 31, 2017

BRGAAP in R$ (English)

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Vale S.A. Financial Statements

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KPMG Auditores Independentes

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Independent auditor s report on the financial statements

To The Stockholders, Board Members and Management of

Vale S.A.

Rio de Janeiro - RJ

Opinion

We have audited the individual and consolidated financial statements of Vale S.A. (the Company), identified as Parent Company and Consolidated, respectively, which comprise the individual and consolidated balance sheet as of December 31, 2017, the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information. In our opinion, the aforementioned financial statements present fairly, in all material respects, the individual and consolidated financial position of Vale S.A. as of December 31, 2017, and of its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board - IASB.

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the individual and consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements of Ethics Standards Boards for Accountants and Professional Standard issued by Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment - Individual and consolidated financial statements

As per Notes 17,18 and 19 to the financial statements

Matter

The assessment with respect to the recoverability of property, plant and equipment (PP&E), intangible assets and goodwill, and definition of Cash-Generating Units (CGUs) encompasses significant judgments concerning factors related to the level of future production, commodities price, production cost and economic assumptions such as discount rates, inflation rates and exchange rates of the countries where the Company operates. Due to the materiality of PP&E, intangible assets and goodwill, and to the level of uncertainty for determining the related impairment, which may impact the value of those assets in the individual and consolidated financial statements and the value of the investment recorded under the equity pick-up method in the parent company s financial statements, we considered this subject as a significant matter for the audit.

Our procedures included, among others:

- Design, implementation and operating effectiveness testing of the relevant internal controls on the valuation of the Company s assets, including those aimed at identifying the need for recording or reversing impairment;

- Assessment of the Company s assumptions and estimates to determine the recoverable value of its assets, including the ones related to production, production cost, capital investments, discount rates and exchange rates;

- Assessment of the definition and identification criteria for Cash-Generating Units (CGUs);

- Assessment, with the support of our specialists in economic and financial assumptions, of the cash flow forecast, reasonableness and consistency of the assumptions used in the preparation of the cash flow forecasts and comparison of those assumptions with market information. Based on our knowledge of the Company and Industry, preparation of sensitivity analysis;

- Arithmetic checking of the economic models regarding future cash flows and forecast results, combining them with accounting information and management reports and approved business plans; and

- Appropriateness assessment of the disclosure in relation to the testing of the value in use and the comparison of the latter with the fair value, net of costs to sell, in the applicable cases.

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Based on the evidence obtained through the summarized procedures above, we considered acceptable the balances presented for property, plant and equipment, intangible assets and goodwill, as well as the respective disclosures in the accompanying notes, in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2017.

2. Asset Retirement Obligation (ARO) - Individual and consolidated financial statements

As per Notes 25 and 26 to the financial statements

Matter

As a result of its operations, the Company incurs in obligations to restore and rehabilitate the environment on retiring the areas. The areas and environment rehabilitation is required by the combination of both the legislation in force and the Company s policies. Estimating costs related to those future activities requires considerable judgment in relation to factors such as how long a certain area will be used, the time required to rehabilitate and certain economic assumptions such as the discount rate and foreign currency exchange rates. Due to the relevance of the asset retirement obligations and the level of uncertainty for the determination of its estimate, which may impact the amount of this provision in the individual and consolidated financial statements and the amount of the investment recorded under the equity pick-up method in the financial statements of the parent company, we consider this subject as a significant matter for the audit.

Our procedures included, among others:

- Design, implementation and operating effectiveness testing of the relevant internal controls related to the determination of estimates for the asset retirement obligation provision to restore and rehabilitate areas commercially exploited by the Company;

- Analysis of assumptions used, including the base cost of the areas to be left, inflation rates, discount rates and risk rates;

- Analysis of the provision movement for the year related to the retired, restored/rehabilitated areas, and the relevant environmental obligation, aiming at verifying the primary inputs such as costs, inflation and discount rates, as well as an approved retirement plan; and

- Evaluate, with the support of our corporate finance specialists, the reasonableness and consistency of the assumptions used in preparation of the estimative of the asset retirement obligation provision in the areas commercially exploited by the Company;

- Arithmetic review of the estimative results, comparing them with the accounting information and management reports; and

- Appropriateness assessment of the disclosure in relation to the obligations to rehabilitate the environment on retiring the areas.

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Based on the evidence obtained through the procedures described above, we considered acceptable the balance of the asset retirement obligation provision to restore and rehabilitate areas commercially exploited by the Company, in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2017.

3. Income taxes - Individual and consolidated financial statements

As per Note 8 to the financial statements.

Matter

The Company has operations in various countries, each one with its own taxation regime. The nature of the Company s activities triggers various tax liabilities, including tax on income, and social contributions. The nature of the Company s commodities export operations also create complexities related to international transfer pricing issues. Applying tax legislation is a complex and highly specialized activity, which requires judgment for the assessment of tax exposure estimates and for quantification of contingent liabilities. Due to the level of uncertainty and judgment involved in determining this estimate that may impact the amount recorded in the individual and consolidated financial statements and the amount of the investment recorded under the equity pick-up method in the parent company s financial statements, we consider this subject as a significant matter for the audit.

Our procedures included, among others:

- Design, implementation and operating effectiveness testing of the relevant internal controls related to the determination of estimates for recording the amounts of provisions for taxes and contributions payable and taxes to be offset by the Company;

- With the support of our specialists from the tax department, we assess the criteria used for determining and paying taxes and contributions and the assumptions used by the Company to determine the provisions and amounts disclosed as tax exposure and contingencies;

- We compare the assumptions used by the Company with the tax legislation applicable to each jurisdiction, and in relation to market practices and assessments performed by ourselves, based on our knowledge of and experience in the Company s operations in the use of the aforementioned legislation and on applicable precedents and sentences; and

- Assessment of the appropriateness of the Company s disclosures, particularly disclosures regarding current and deferred taxes and contributions and possible tax exposure.

Based on the evidence obtained through the summarized procedures above, we considered acceptable the balance of deferred taxes and contributions payable on income in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2017.

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4. Provisions for litigation and disclosures of contingent liabilities - Individual and consolidated financial statements

As per Note 27 to the financial statements

Matter

The Company is a party (as defendant) to various litigation of tax, civil and labor nature deriving from the ordinary course of its activities. The measurement, accounting recognition of a provision, and the disclosures of Provisions and Contingent Liabilities, related to the aforementioned litigation, require judgment from the Company s professionals and from its legal advisors with respect to the integrity of the existing cases, the appropriateness of the provisions recorded and their corresponding disclosures. Due to the materiality, complexity and judgment involved in the assessment and measurement of the Provisions and Contingent Liabilities, which may impact the amount recorded in the individual and consolidated financial statements and the amount of the investment recorded under the equity pick-up method in the financial statements of the parent company and, the disclosures of contingent liabilities, we consider this subject as a significant matter for the audit.

Our procedures included, among others:

- Design, implementation and operating effectiveness testing of the internal control related to the determination of estimates for recording the amounts in accordance with the loss prognosis for the lawsuits;

- Assessment of the sufficiency of provisions recognized and the amount of contingent liabilities disclosed, by means of analysis of criteria and assumptions used for measuring amounts recorded as provision and/or amounts disclosed, and took into account the assessments prepared by the Company s internal and external legal advisors, and comparison with the existing precedents;

- Assess the analysis of chances of loss regarding existing documentation and information related to the principal proceedings and complaints involving the Company through external confirmation of balances with their internal and external legal advisors;

- Assessment of the appropriateness of the Company s disclosures in relation to lawsuits provision and contingent liabilities.

Based on the evidence obtained through the procedures summarized above, we considered acceptable the balances of the provision for litigation and disclosures of contingent liabilities in the context of the individual and consolidated financial statements taken as a whole for the year ended December 31, 2017.

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5. Financial Instruments - Individual and consolidated financial statements

As per Notes 22, 23, 24 and 33 to the financial statements.

Matter

The Company contracts financial instruments which much be measured and assessed at their fair value - including derivative financial instruments, forward operations, swap operations, futures operations and zero cost-collars - as a strategy to hedge equity. Additionally, beginning on January 1st, 2017, the Company adopted hedge accounting for investments in foreign operations, designating its foreign currency loans as an instrument in a hedge transaction for its net investments in foreign operations, in order to mitigate exchange rate risk in its individual and consolidated financial statements.Estimating the fair value of financial instruments not traded on active markets requires considerable judgment from the Company when determining prices or parameters and assumptions such as the classification of fair value hierarchy, discount rates for calculating present value, taking the existing market conditions into account as of the reporting date. Due to the materiality, complexity and judgment involved in assessing and measuring the financial instruments, whether derivative financial instruments or not, which may impact the amount recorded in the individual and consolidated financial statements and the amount of the investment recorded under the equity pick-up method in the financial statements of the parent company, we consider this subject as a significant matter for the audit.

Our procedures included, among others:

- Design, implementation and operating effectiveness testing of the relevant internal controls related to the process of identifying and valuing financial instruments;

- We tested the models developed by the Company, with the support of our specialists in financial instruments, to determine fair values and reasonableness of data, parameters and information included in the pricing models used, recalculated the amount of operations, and compared the assumptions used to determine fair values with similar operations performed in the marketplace;

- With support of our specialists, we obtained an understanding of the hedge strategies adopted by the Company including those related to hedge accounting for net investments in foreign operations. We evaluated the adequacy of the documentation prepared by the Company that supports the designation as hedge accounting, specifically the formal designations containing the descriptions of all strategies and methodologies used to measure effectiveness. We also recalculated the effectiveness test of prospective and retrospective coverage prepared by the Company. In addition, we compared the amounts measured with those presented in the note disclosures.

- Assessment of the appropriateness of the Company s disclosures, regarding sensitivity analyses, interest rate risk and foreign exchange risk, and the classification of instruments, among others.

Based on the evidence obtained through the procedures described above, we considered acceptable the balances of financial instruments including hedge accounting for net investments in foreign operations, in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2017.

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Other Information - Statement of Added Value

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2017, prepared under the responsibility of the Company s management, and presented as supplementary information for IFRS purposes, was submitted for the auditing procedures jointly with audit of the Company s financial statements. For the purposes of forming our opinion, we evaluate whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria as defined in Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, this statement of value added have been properly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and is consistent with the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor s report

Management is responsible for the other information, which comprises the Management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Management Report, we are required to report that fact. We have nothing to report regarding this matter.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) , and for such internal control as management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company s and its subsidiaries financial reporting process.

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Auditors responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the (consolidated) financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors report unless law or regulation precludes public disclosure about the matter, or, when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, February 27, 2018

KPMG Auditores Independentes

CRC SP-014428/O-6 F-RJ

(Original report in Portuguese signed by)

Manuel Fernandes Rodrigues de Sousa

Accountant CRC RJ-052428/O-2

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Income Statement

In millions of Brazilian reais, except earnings per share data

		Year ended December 31				
			Consolidated		Parent company	
	Notes	2017	2016	2015	2017	2016
Continuing operations						
Net operating revenue	3(d)	108,532	94,633	78,057	64,037	46,424
Cost of goods sold and services rendered	5(a)	(67,257)	(61,143)	(62,780)	(33,327)	(29,663)
Gross profit		**41,275**	**33,490**	**15,277**	**30,710**	**16,761**
Operating (expenses) income						
Selling and administrative expenses	5(b)	(1,697)	(1,755)	(2,009)	(959)	(1,021)
Research and evaluation expenses		(1,086)	(1,098)	(1,326)	(679)	(677)
Pre operating and operational stoppage		(1,317)	(1,570)	(3,127)	(941)	(684)
Equity results from subsidiaries					5,277	6,503
Other operating expenses, net	5(c)	(1,338)	(937)	(588)	(893)	(1,166)
		(5,438)	**(5,360)**	**(7,050)**	**1,805**	**2,955**
Impairment and other results on non-current assets	15, 18 and 19	(1,025)	(4,168)	(33,893)	(549)	205
Operating income (loss)		**34,812**	**23,962**	**(25,666)**	**31,966**	**19,921**
Financial income	6	11,074	27,657	25,968	8,864	25,656
Financial expenses	6	(20,724)	(21,355)	(62,021)	(18,225)	(19,900)
Equity results in associates and joint ventures	15	302	1,111	(1,526)	302	1,111
Impairment and other results in associates and joint ventures	15, 19 and 21	(579)	(4,353)	(1,431)	(579)	(4,233)
Income (loss) before income taxes		**24,885**	**27,022**	**(64,676)**	**22,328**	**22,555**
Income taxes	8					
Current tax		(2,664)	(3,307)	(1,148)	(1,158)	(2,186)
Deferred tax		(1,943)	(6,260)	20,487	(957)	(2,908)
		(4,607)	**(9,567)**	**19,339**	**(2,115)**	**(5,094)**
Net income (loss) from continuing operations		**20,278**	**17,455**	**(45,337)**	**20,213**	**17,461**
Net income (loss) attributable to noncontrolling interests		65	(6)	(1,815)		
Net income (loss) from continuing operations attributable to Vale s stockholders		**20,213**	**17,461**	**(43,522)**	**20,213**	**17,461**
Discontinued operations	14					
Loss from discontinued operations		(2,608)	(4,159)	(660)	(2,586)	(4,150)
Net income (loss) attributable to noncontrolling interests		(22)	(9)	31		
Loss from discontinued operations attributable to Vale s stockholders		**(2,586)**	**(4,150)**	**(691)**	**(2,586)**	**(4,150)**

Net income (loss)		**17,670**	**13,296**	**(45,997)**	**17,627**	**13,311**
Net income (loss) attributable to noncontrolling interests		43	(15)	(1,784)		
Net income (loss) attributable to Vale s stockholders		**17,627**	**13,311**	**(44,213)**	**17,627**	**13,311**
Earnings (loss) per share attributable to Vale s stockholders:						
Basic and diluted earnings (loss) per share (restated):	9					
Common share (R$)		3.39	2.56	(8.51)	3.39	2.56

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

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Statement of Comprehensive Income

In millions of Brazilian reais

	Year ended December 31				
	Consolidated			Parent company	
	2017	2016	2015	2017	2016
Net income (loss)	**17,670**	**13,296**	**(45,997)**	**17,627**	**13,311**
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to the income statement					
Retirement benefit obligations	(164)	(266)	257	(125)	(107)
Equity results in associates and joint ventures				(39)	(156)
Total items that will not be reclassified subsequently to the income statement, net of tax	**(164)**	**(266)**	**257**	**(164)**	**(263)**
Items that may be reclassified subsequently to the income statement					
Translation adjustments	3,337	(14,188)	35,944	3,309	(13,283)
Cash flow hedge		20	2,632		
Net investments hedge	(310)	4	2	(310)	
Equity results in associates and joint ventures		16	(17)		30
Transfer of realized results to net income	(34)	(276)	(1,157)		(266)
Total of items that may be reclassified subsequently to the income statement, net of tax	**2,993**	**(14,424)**	**37,404**	**2,999**	**(13,519)**
Total comprehensive income (loss)	**20,499**	**(1,394)**	**(8,336)**	**20,462**	**(471)**
Comprehensive income (loss) attributable to noncontrolling interests	37	(923)	(252)		
Comprehensive income (loss) attributable to Vale s stockholders	**20,462**	**(471)**	**(8,084)**		
From continuing operations	20,568	(13)	(8,439)		
From discontinued operations	(106)	(458)	355		
	20,462	**(471)**	**(8,084)**		

Items above are stated net of tax and the related taxes are disclosed in note 8.

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

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Statement of Cash Flows

In millions of Brazilian reais

	Year ended December 31				
		Consolidated		Parent company	
	2017	**2016**	**2015**	**2017**	**2016**
Cash flow from operating activities:					
Income (loss) before income taxes from continuing operations	24,885	27,022	(64,676)	22,328	22,555
Continuing operations adjustments for:					
Equity results in investees	(302)	(1,111)	1,526	(5,579)	(7,614)
Impairment and other results on non-current assets	1,025	4,168	33,893	549	(205)
Impairment and other results in associates and joint ventures	587	4,353	1,431	579	4,233
Depreciation, amortization and depletion	11,842	12,107	12,450	5,604	5,209
Financial results, net	9,650	(6,302)	36,053	9,361	(5,756)
Changes in assets and liabilities:					
Accounts receivable	3,983	(9,863)	5,212	15,301	4,503
Inventories	(1,030)	616	(749)	(612)	(135)
Suppliers and contractors	691	768	2,143	670	243
Provision - Payroll, related charges and others remunerations	1,236	435	(1,713)	980	714
Other taxes assets and liabilities, net	(976)	(371)	(687)	(514)	(227)
Deferred revenue - Gold stream		1,683	1,670		
Other assets and liabilities, net	(1,734)	2,225	(896)	677	(1,923)
	49,857	**35,730**	**25,657**	**49,344**	**21,597**
Interest on loans and borrowings paid	(5,373)	(5,894)	(4,812)	(5,911)	(5,905)
Derivatives paid, net	(763)	(5,604)	(3,771)	(577)	(2,215)
Interest on participative stockholders debentures paid	(428)	(268)	(209)	(428)	(268)
Income taxes	(1,763)	(1,401)	(1,790)	(824)	(69)
Income taxes - Settlement program	(1,559)	(1,426)	(1,284)	(1,527)	(1,397)
Net cash provided by operating activities from continuing operations	**39,971**	**21,137**	**13,791**	**40,077**	**11,743**
Cash flow from investing activities:					
Financial investments redeemed (invested)	(256)	45	932	(255)	15
Loans and advances - net receipts (payments) (note 21)	(1,421)	(698)	(34)	(8,037)	3,069
Guarantees and deposits - net receipts (payments)	(150)	(141)	(246)	(143)	(127)
Additions to investments	(292)	(875)	(332)	(1,895)	(1,918)
Additions to property, plant and equipment and intangible	(12,236)	(17,343)	(26,931)	(8,413)	(11,494)
Proceeds from disposal of assets and investments (note 15)	2,926	1,785	5,211	23	169
Dividends and interest on capital received from associates and joint ventures	739	669	1,064	2,645	1,591
Proceeds from gold stream transaction		885	1,156		
Net cash used in investing activities from continuing operations	**(10,690)**	**(15,673)**	**(19,180)**	**(16,075)**	**(8,695)**

Cash flow from financing activities:					
Loans and borrowings					
Additions	6,223	25,667	16,603	2,014	10,126
Repayments	(28,878)	(26,630)	(9,949)	(21,058)	(11,651)
Transactions with stockholders:					
Dividends and interest on capital attributed to stockholders	(4,667)	(857)	(5,026)	(4,667)	(857)
Dividends and interest on capital paid to noncontrolling interest	(404)	(972)	(46)		
Transactions with noncontrolling stockholders (note 15)	(305)	(69)	3,875		19
Net cash provided by (used in) financing activities from continuing operations	**(28,031)**	**(2,861)**	**5,457**	**(23,711)**	**(2,363)**
Net cash provided by (used in) discontinued operations (note 14)	**(817)**	**(527)**	**785**		
Increase in cash and cash equivalents	**433**	**2,076**	**853**	**291**	**685**
Cash and cash equivalents in the beginning of the period	13,891	14,022	10,555	1,203	518
Effect of exchange rate changes on cash and cash equivalents	38	(2,207)	2,614		
Effects of disposals of subsidiaries and merger, net on cash and cash equivalents	(44)			382	
Cash and cash equivalents at end of the period	**14,318**	**13,891**	**14,022**	**1,876**	**1,203**
Non-cash transactions:					
Additions to property, plant and equipment - capitalized loans and borrowing costs	1,179	2,291	2,531	1,176	1,679

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

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Statement of Financial Position

In millions of Brazilian reais

		Consolidated		Parent company	
	Notes	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Assets					
Current assets					
Cash and cash equivalents	20	14,318	13,891	1,876	1,203
Accounts receivable	10	8,602	11,937	9,560	26,223
Other financial assets	13	6,689	951	409	665
Inventories	11	12,987	10,913	4,601	3,982
Prepaid income taxes		2,584	518	2,378	312
Recoverable taxes	12	3,876	5,296	2,091	3,962
Others		1,780	2,047	1,542	972
		50,836	**45,553**	**22,457**	**37,319**
Non-current assets held for sale	14	11,865	27,994	7,082	8,936
		62,701	**73,547**	**29,539**	**46,255**
Non-current assets					
Judicial deposits	27(c)	6,571	3,135	6,110	2,681
Other financial assets	13	10,690	2,041	1,865	2,178
Prepaid income taxes		1,754	1,718		
Recoverable taxes	12	2,109	2,368	2,062	2,223
Deferred income taxes	8(a)	21,959	23,931	14,200	15,299
Others		882	899	810	618
		43,965	**34,092**	**25,047**	**22,999**
Investments	15	11,802	12,046	117,387	107,539
Intangibles	17	28,094	22,395	13,471	11,314
Property, plant and equipment	18	181,535	180,616	102,978	102,056
		265,396	**249,149**	**258,883**	**243,908**
Total assets		**328,097**	**322,696**	**288,422**	**290,163**
Liabilities					
Current liabilities					
Suppliers and contractors		13,367	11,830	7,503	7,116
Loans and borrowings	20	5,633	5,410	4,378	4,171
Other financial liabilities	13	1,237	2,499	4,413	9,956
Taxes payable	8(d)	2,307	2,144	1,991	1,883
Provision for income taxes		1,175	556		
Liabilities related to associates and joint ventures	21	1,080	951	1,080	951
Provisions	25	4,610	3,103	2,904	1,792
Dividends and interest on capital	29(d)	4,742	2,660	4,439	2,602
Others		5,307	3,903	2,552	1,242
		39,458	**33,056**	**29,260**	**29,713**
Liabilities associated with non-current assets held for sale	14	3,899	3,554		

		43,357	**36,610**	**29,260**	**29,713**
Non-current liabilities					
Loans and borrowings	20	68,759	90,154	28,966	47,877
Other financial liabilities	13	9,575	6,804	54,955	56,802
Taxes payable	8(d)	16,176	16,170	15,853	15,838
Deferred income taxes	8(a)	5,687	5,540		
Provisions	25	23,243	18,730	6,900	4,396
Liabilities related to associates and joint ventures	21	2,216	2,560	2,216	2,560
Deferred revenue - Gold stream		6,117	6,811		
Others		4,861	5,615	6,514	5,736
		136,634	**152,384**	**115,404**	**133,209**
Total liabilities		**179,991**	**188,994**	**144,664**	**162,922**
Stockholders equity	29				
Equity attributable to Vale s stockholders		143,758	127,241	143,758	127,241
Equity attributable to noncontrolling interests		4,348	6,461		
Total stockholders equity		**148,106**	**133,702**	**143,758**	**127,241**
Total liabilities and stockholders equity		**328,097**	**322,696**	**288,422**	**290,163**

The accompanying notes are an integral part of these 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 gain (losses)	Cumulative translation adjustments	Retained earnings	Equity attributable to Vale s stockholders	Equity attributabl noncontrol interests
Balance at December 31, 2014	**77,300**	**50**		**(970)**	**53,085**	**(2,746)**	**(4,553)**	**24,248**		**146,414**	**3,**
Loss									**(44,213)**	**(44,213)**	