

Vale S.A.  
Form 6-K  
October 22, 2015  
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**United States  
Securities and Exchange Commission**

Washington, D.C. 20549

**FORM 6-K**

**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16  
of the  
Securities Exchange Act of 1934**

**For the month of**

**October, 2015**

**Vale S.A.**

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

(Address of principal executive office)

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

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

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

(Check One) Yes  No

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

(Check One) Yes  No

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

(Check One) Yes  No

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

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**Interim Financial Statements**

**September 30, 2015**

**IFRS**

Filed with the CVM, SEC and HKEx on

October 22, 2015

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Vale S.A.

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**Report of independent registered public accounting firm**

To the Board of Directors and Stockholders of

Vale S.A.

Rio de Janeiro - RJ

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

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

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

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

KPMG Auditores Independentes

Rio de Janeiro, Brazil

October 21, 2015

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ( "KPMG International" ), uma entidade suíça.

*KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ( "KPMG International" ), a Swiss entity.*

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States dollars

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

Table of Contents**Condensed Consolidated Balance Sheet**

In millions of United States dollars

(continued)

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



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

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

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

In millions of United States dollars, except as otherwise stated

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

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

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

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

In millions of United States dollars

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

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

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

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

In millions of United States dollars

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

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

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

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

In millions of United States dollars

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



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

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

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

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**Selected Notes to Interim Financial Statements**

**Expressed in millions of United States dollar, unless otherwise stated**

**1. Corporate information**

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

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

**2. Summary of the main accounting practices and accounting estimates**

**a) Basis of presentation**

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

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

The principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented on the financial statements for the year ended December 31, 2014. These interim financial statements were prepared by Vale to update users about relevant information presented in the period and should be read in conjunction with the financial statements for the year ended December 31, 2014.

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

**b) Functional currency and presentation currency**

The interim financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ( functional currency ), which in the case of the Parent Company is the Brazilian real ( BRL or R\$ ). For presentation purposes, these interim financial statements are presented in United States dollar ( USD or US\$ ) as the Company believes that this is how international investors analyze the interim financial statements.

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

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

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

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

### 3. Critical accounting estimates and judgment

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

### 4. Accounting standards issued but not yet effective

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

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

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

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

## 5. Risk management

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

## 6. Non-current assets and liabilities held for sale

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

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**Australian assets - Integra and Isaac Plains mining complexes**

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

**Nacala logistic corridor ( Nacala )**

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

**Energy generation assets**

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

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

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

**7. Acquisitions and divestitures**

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

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

**b) Divestiture of shipping assets**

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

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



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

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

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

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

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

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

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

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

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

### 8. Cash and cash equivalents

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

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

Table of Contents**9. Accounts receivable**

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

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

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

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

**10. Inventories**

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

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

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

Changes in inventories are as follows:

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

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

## 11. Recoverable taxes

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

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

## 12. Investments

Changes in investments are as follows:

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

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

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

Table of Contents**Investments (continued)**

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

Thyssenkrupp Companhia  
Siderúrgica do Atlântico  
Ltd.

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

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

(ii) Pre-operational stage.

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



Table of Contents**13. Intangible assets**

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

Changes in intangible assets are as follows:

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

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

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

**Balance on September 30, 2014**  
(unaudited)

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

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

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

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

Changes in property, plant and equipment are as follows:

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

	Three-month period ended (unaudited)							Total
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	
<b>Balance on June 30, 2015</b>	<b>999</b>	<b>12,064</b>	<b>10,087</b>	<b>9,379</b>	<b>13,143</b>	<b>10,330</b>	<b>15,275</b>	<b>71,277</b>
Additions (i)							2,592	2,592
Disposals			(30)	(13)		(583)	(6)	(632)

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Depreciation and amortization	(125)	(154)	(240)	(175)	(176)		(870)
Transfer to non-current assets held for sale				(127)			(127)
Translation adjustment	(168)	(1,791)	(1,818)	(1,137)	(1,721)	(1,132)	(2,620)
Transfers	(55)	455	933	128	198	563	(2,222)
<b>Balance on September 30, 2015</b>	<b>776</b>	<b>10,603</b>	<b>9,018</b>	<b>8,117</b>	<b>11,318</b>	<b>9,002</b>	<b>13,019</b>

(i) Includes interest capitalized and ARO, see cash flow.

	Nine-month period ended							
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	Total
<b>Balance on December 31, 2013</b>	<b>945</b>	<b>7,785</b>	<b>10,937</b>	<b>8,404</b>	<b>16,276</b>	<b>10,519</b>	<b>26,799</b>	<b>81,665</b>
Additions (i)							8,044	8,044
Disposals		(48)	(3)	(5)	(99)	(31)	(145)	(331)
Depreciation and amortization		(365)	(587)	(633)	(710)	(722)		(3,017)
Impairment (note 15)			(1)		(767)	(2)	(4)	(774)
Translation adjustment	(6)	(420)	(1,808)	(402)	(491)	(49)	(1,045)	(4,221)
Transfers	149	1,664	3,293	1,727	286	1,068	(8,187)	
<b>Balance on September 30, 2014 (unaudited)</b>	<b>1,088</b>	<b>8,616</b>	<b>11,831</b>	<b>9,091</b>	<b>14,495</b>	<b>10,783</b>	<b>25,462</b>	<b>81,366</b>

	Nine-month period ended							
	Land	Building	Facilities	Equipment	Mineral properties	Others	Constructions in progress	Total
<b>Balance on December 31, 2014</b>	<b>1,069</b>	<b>11,654</b>	<b>10,813</b>	<b>9,287</b>	<b>14,929</b>	<b>10,954</b>	<b>19,416</b>	<b>78,122</b>
Additions (i)							6,399	6,399
Disposals		(5)	(37)	(33)	(151)	(1,101)	(8)	(1,335)
Depreciation and amortization		(402)	(548)	(816)	(636)	(555)		(2,957)
Transfer to non-current assets held for sale					(127)			(127)
Translation adjustment	(300)	(3,320)	(3,178)	(2,006)	(2,881)	(2,244)	(4,440)	(18,369)
Transfers	7	2,676	1,968	1,684	184	1,829	(8,348)	
Acquisition of subsidiary (note 7(e))				1		119		120
<b>Balance on September 30, 2015 (unaudited)</b>	<b>776</b>	<b>10,603</b>	<b>9,018</b>	<b>8,117</b>	<b>11,318</b>	<b>9,002</b>	<b>13,019</b>	<b>61,853</b>

(i) Includes interest capitalized and ARO, see cash flow.

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**15. Impairment**

The Company did not identify any impairment indicators for the period ended September 30, 2015.

During the second quarter of 2014, the Company identified evidence and recognized impairment in relation to certain of the Company's operations as presented below.

**Property plant and equipment**

**i. Iron ore**

**VGB - Vale BSGR Limited**

Vale's former 51%-owned subsidiary VGB-Vale BSGR Limited ( VGB ) held iron ore concession rights in Simandou South (Zogota) and iron ore exploration permits in Simandou North (Blocks 1 & 2) in Guinea. On April 25, 2014 the government of Guinea revoked VGB's mining concessions, based on the recommendation of a technical committee established pursuant to Guinean legislation. The decision was based on the allegations of fraudulent conduct in connection with the acquisition of licenses by BSGR (Vale's former partner in VGB) more than one year before Vale had made any investment at VGB. The decision does not indicate any involvement by Vale and therefore does not prohibit Vale from participating in any future concession of the mining titles. Due to the uncertainties at that time US\$500 was recognized as impairment. During the first quarter of 2015, the investment was sold (note 7d).

**ii. Coal**

**Australian assets**

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In May 2014, the Company announced that Integra and Isaac Plains mining complex, both in Australia, were put into care and maintenance since the operation were not considered economically feasible under current market conditions. As a consequence, the Company recognized an impairment of US\$274 in the second quarter of 2014. During the third quarter of 2015, the Company signed an agreement to sell its participation in the Integra and Isaac Plains mining complexes (note 6).

16. Loans and financing

a) Total debt

	Current liabilities		Non-current liabilities	
	September 30, 2015 (unaudited)	December 31, 2014	September 30, 2015 (unaudited)	December 31, 2014
<b>Debt contracts in the international markets</b>				
<b>Floating rates in:</b>				
US\$	343	358	5,394	5,095
Others currencies	14		183	2
<b>Fixed rates in:</b>				
US\$	1,751	69	12,464	13,239
EUR			1,674	1,822
Accrued charges	261	334		
	<b>2,369</b>	<b>761</b>	<b>19,715</b>	<b>20,158</b>
<b>Debt contracts in Brazil</b>				
<b>Floating rates in:</b>				
R\$, indexed to TJLP, TR, IPCA, IGP-M and CDI	203	296	4,123	5,503
Basket of currencies and US\$ indexed to LIBOR	267	211	1,420	1,364
<b>Fixed rates in:</b>				
R\$	57	48	265	363
Accrued charges	134	103	122	
	<b>661</b>	<b>658</b>	<b>5,930</b>	<b>7,230</b>
	<b>3,030</b>	<b>1,419</b>	<b>25,645</b>	<b>27,388</b>

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Below are the future flows of debt payments (principal and interest) per nature of funding:

	Bank loans (i)	Capital market (i)	Development agencies (i)	Debt principal (i)	Estimated future payments of interest (ii)
2015	562		161	723	304
2016	264	951	889	2,104	1,438
2017	544	1,212	992	2,748	1,358
2018	1,637	837	1,038	3,512	1,249
2019	505	1,000	1,211	2,716	1,085
2020	1,604	1,277	782	3,663	967
Between 2021 and 2025	1,025	3,368	1,610	6,003	3,093
2026 onwards	57	6,482	150	6,689	5,806
	<b>6,198</b>	<b>15,127</b>	<b>6,833</b>	<b>28,158</b>	<b>15,300</b>

(i) Does not include accrued charges.

(ii) Consists of estimated future payments of interest on loans, financings and debentures, calculated based on interest rate curves and foreign exchange rates applicable as of September 30, 2015 and considering that all amortization payments and payments at maturity on loans, financings and debentures will be made on their contracted payments dates. The amount includes the estimated values of future interest payments (not yet accrued), in addition to interest already recognized in the financial statements.

At September 30, 2015, the average annual interest rates by currency are as follows:

	Average interest rate (i)	Total debt
Loans and financing in US\$	4.44%	21,862
Loans and financing in R\$ (ii)	10.73%	4,895
Loans and financing in EUR (iii)	4.06%	1,722
Loans and financing in others currencies	6.03%	196
		<b>28,675</b>

(i) In order to determine the average interest rate for debt contracts with floating rates, the Company used the last renegotiated rate at September 30, 2015.

(ii) R\$ denominated debt that bears interest at IPCA, CDI or TJLP, plus spread. For a total of US\$3,650, the Company entered into derivative transactions to mitigate the exposure to the cash flow variations of the floating rate debt denominated in R\$, resulting in an average cost of 2.01% per year in US\$.

(iii) Eurobonds, for which the Company entered into derivatives to mitigate the exposure to the cash flow variations of the debt denominated in EUR, resulting in an average cost of 4.42% per year in US\$.

**b) Credit and financing lines**

Type	Contractual currency	Date of agreement	Available for	Total amount	Amounts drawn on September 30, 2015 (unaudited)
<b>Credit lines</b>					
Revolving credit facility	US\$	May 2015	5 years	3,000	
Revolving credit facility	US\$	July 2013	5 years	2,000	
<b>Financing lines</b>					
BNDES (i)	R\$	April 2008	10 years	1,837	1,396
BNDES - CLN 150 (ii)	R\$	September 2012	10 years	977	881
BNDES - Tecnoled 3.5% (iii)	R\$	December 2013	8 years	34	27
BNDES - S11D e S11D Logística (iv)	R\$	May 2014	10 years	1,551	678

(i) Memorandum of understanding signature date, however term is considered from the signature date of each contract amendment.

(ii) Capacitação Logística Norte 150 Project ( CLN 150 ).

(iii) Support to Tecnoled's investment plan from 2013 to 2015.

(iv) Iron ore project S11D and S11D Logística implementation.

Total amounts and amounts disbursed, when not contracted in the reporting currency, are affected by exchange rate variation.

**c) Funding**

On August 2015, Vale issued infrastructure debentures in the total amount of R\$1,350 (US\$349).

**d) Guarantees**

As of September 30, 2015 and December 31, 2014 financing and loans in the amount of US\$775 and US\$1,312, respectively, are secured by property, plant and equipment and receivables.

The securities issued through Vale's 100%-owned finance subsidiary Vale Overseas Limited are fully and unconditionally guaranteed by Vale.





Table of Contents**17. Asset retirement obligations**

The Company applies judgment and assumptions when measuring its asset retirement obligation. The accrued amounts of these obligations are not deducted from the potential costs covered by insurance or indemnities.

The long term interest rates used to discount these obligations to present value and to update the provisions at September 30, 2015 was 5,51% p.a. in Brazil, 2,05% p.a. in Canada and between 1,61% - 8,8% p.a. for the others locations.

Changes in asset retirement obligations are as follows:

	(unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
<b>Balance at beginning of the period</b>	<b>3,147</b>	<b>2,871</b>	<b>3,369</b>	<b>2,644</b>
Interest expense	54	26	209	134
Settlements	(22)	(14)	(70)	(25)
Revisions on cash flows estimates	10	5	21	27
Translation adjustment	(460)	(191)	(800)	(83)
<b>Balance at end of the period</b>	<b>2,729</b>	<b>2,697</b>	<b>2,729</b>	<b>2,697</b>
Current	81	143	81	143
Non-current	2,648	2,554	2,648	2,554
	<b>2,729</b>	<b>2,697</b>	<b>2,729</b>	<b>2,697</b>

**18. Litigation****a) Provision for litigation**

Vale is party to labor, civil, tax and other ongoing lawsuits, at administrative and court levels. Provisions for losses resulting from lawsuits are estimated and updated by the Company, based on analysis from the Company's legal consultants.

Changes in provision for litigation are as follows:

	Three-month period ended (unaudited)				Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	
<b>Balance on June 30, 2014</b>	<b>406</b>	<b>225</b>	<b>829</b>	<b>41</b>	<b>1,501</b>
Additions	60	20	62	5	147
Reversals	(25)	(103)	(38)		(166)
Payments	(4)		(19)	(1)	(24)
Indexation and interest	(53)	24	30	40	41
Translation adjustment	(27)	(17)	(88)	(5)	(137)
<b>Balance on September 30, 2014</b>	<b>357</b>	<b>149</b>	<b>776</b>	<b>80</b>	<b>1,362</b>

	Three-month period ended (unaudited)				Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	
<b>Balance on June 30, 2015</b>	<b>322</b>	<b>131</b>	<b>625</b>	<b>69</b>	<b>1,147</b>
Additions	19	8	59		86
Reversals	(9)	(9)	(72)		(90)
Payments	(16)	(39)	(6)	(10)	(71)
Indexation and interest	17	5	(23)	8	7
Translation adjustment	(60)	(23)	(131)	(7)	(221)
<b>Balance on September 30, 2015</b>	<b>273</b>	<b>73</b>	<b>452</b>	<b>60</b>	<b>858</b>

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	Nine-month period ended				Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	
<b>Balance on December 31, 2013</b>	<b>330</b>	<b>209</b>	<b>709</b>	<b>28</b>	<b>1,276</b>
Additions	106	28	174	23	331
Reversals	(41)	(97)	(83)	(4)	(225)
Payments	(11)	(7)	(33)	(3)	(54)
Indexation and interest	(15)	22	48	38	93
Translation adjustment	(12)	(6)	(39)	(2)	(59)
<b>Balance on September 30, 2014 (unaudited)</b>	<b>357</b>	<b>149</b>	<b>776</b>	<b>80</b>	<b>1,362</b>

	Nine-month period ended				Total of litigation provision
	Tax litigation	Civil litigation	Labor litigation	Environmental litigation	
<b>Balance on December 31, 2014</b>	<b>366</b>	<b>118</b>	<b>706</b>	<b>92</b>	<b>1,282</b>
Additions	177	55	124		356
Reversals	(182)	(39)	(114)	(1)	(336)
Payments	(19)	(38)	(20)	(21)	(98)
Indexation and interest	29	18	(19)	2	30
Translation adjustment	(98)	(41)	(225)	(12)	(376)
<b>Balance on September 30, 2015 (unaudited)</b>	<b>273</b>	<b>73</b>	<b>452</b>	<b>60</b>	<b>858</b>

b) **Contingent liabilities**

Contingent liabilities consist of administrative and judicial claims, which expectation of loss is classified as possible, and for which the recognition of a provision is not considered necessary by the Company, based on legal support.

	September 30, 2015 (unaudited)	December 31, 2014
Tax litigations	4,858	6,094
Civil litigations	1,268	1,406
Labor litigations	1,912	1,955
Environmental litigations	1,304	1,122
<b>Total</b>	<b>9,342</b>	<b>10,577</b>

c) **Judicial deposits**

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In addition to the provisions and contingent liabilities, the Company is required by law to make judicial deposits to secure a potential adverse outcome of certain lawsuits. These court-ordered deposits are monetarily adjusted and reported as non-current assets until a judicial decision to draw the deposit occurs.

	September 30, 2015 (unaudited)	December 31, 2014
Tax litigations	200	354
Civil litigations	89	126
Labor litigations	539	789
Environmental litigations	10	
<b>Total</b>	<b>838</b>	<b>1,269</b>

### d) Others

In the third quarter of 2015, the Company filed an enforceable action in the amount of R\$524 (US\$132) referring to the final court decision in favor of the Company of the accrued interest of compulsory deposits from 1987 to 1993. Currently it is not possible to estimate the economic benefit inflow as the counterparty can appeal on the calculation. Consequently, the asset was not recognized in the financial statements.

On April 30, 2014, Rio Tinto plc ( Rio Tinto ) filed a lawsuit against Vale, BSGR, and other defendants in the United States District Court for the Southern District of New York, alleging violations of the U.S. Racketeer Influenced and Corrupt Organizations Act (RICO) in relation to Rio Tinto's loss of certain Simandou mining rights, the Government of Guinea's assignment of those rights to BSGR, and Vale's subsequent investment in VBG. Discovery has begun and under the current schedule will be completed in March 2016. Vale intends to vigorously defend the action, which it believes to be without merit.

Table of Contents**19. Income taxes - Settlement program ( REFIS )**

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

On September 30, 2015, the balance of US\$4,322 (US\$330 in current and US\$3,992 in non-current) is due in 157 remaining monthly installments, bearing interest at the SELIC rate.

**20. Income taxes****a) Deferred income tax**

	Three-month period ended (unaudited)		
	Assets	Liabilities	Total
<b>Balance on June 30, 2014</b>	<b>4,390</b>	<b>3,363</b>	<b>1,027</b>
Effect on statement of income	244	(14)	258
Translation adjustment	(338)	(104)	(234)
Other comprehensive income	9	10	(1)
<b>Balance on September 30, 2014</b>	<b>4,305</b>	<b>3,255</b>	<b>1,050</b>

	Three-month period ended (unaudited)		
	Assets	Liabilities	Total
<b>Balance on June 30, 2015</b>	<b>4,300</b>	<b>3,089</b>	<b>1,211</b>
Effect on statement of income	4,605	2	4,603
Translation adjustment	(934)	(206)	(728)
Other comprehensive income	11	11	
<b>Balance on September 30, 2015</b>	<b>7,982</b>	<b>2,896</b>	<b>5,086</b>

	Nine-month period ended		
	Assets	Liabilities	Total
<b>Balance on December 31, 2013</b>	<b>4,523</b>	<b>3,228</b>	<b>1,295</b>
Effect on statement of income	(181)	74	(255)
Transfers	63		63
Translation adjustment	(128)	(101)	(27)

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Other comprehensive income	28	54	(26)
<b>Balance on September 30, 2014 (unaudited)</b>	<b>4,305</b>	<b>3,255</b>	<b>1,050</b>

	Nine-month period ended		
	Assets	Liabilities	Total
<b>Balance on December 31, 2014</b>	<b>3,976</b>	<b>3,341</b>	<b>635</b>
Effect on statement of income	5,364	(51)	5,415
Translation adjustment	(1,375)	(402)	(973)
Other comprehensive income	28	8	20
Acquisition of subsidiary	(11)		(11)
<b>Balance on September 30, 2015 (unaudited)</b>	<b>7,982</b>	<b>2,896</b>	<b>5,086</b>

Brazilian corporate tax law was amended at the end of 2014 by the Law 12,973 and became effective for the fiscal year 2015. The change was to provide that profits from foreign subsidiaries will be taxed in Brazil, on an accrual basis, applying the differential between the nominal local tax rate and the Brazilian tax rates (34%). In accordance with paragraph 77 of the referred law, the accumulated losses of those subsidiaries, as of December 31, 2014, will be available to offset their future profits.

On September 30, 2015, the Company filed the tax return and completed the review of the income tax loss carry-forwards available in each foreign subsidiary as of December 31, 2014. Accordingly, a deferred tax asset related to accumulated losses in certain of those foreign subsidiaries of US\$2,952, was recognized as deferred income tax in the statement of income.

Deferred tax assets arising from tax losses, negative social contribution basis and temporary differences are registered taking into consideration the analysis of future performance, based on economic and financial projections, prepared based on internal assumptions and macroeconomic, trade and tax scenarios that may be subject to changes in future.

Table of Contents**b) Income tax reconciliation**

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

	(unaudited)			
	Three-month period ended		Nine-month period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
<b>Net income (loss) before income taxes</b>	<b>(6,739)</b>	<b>(1,751)</b>	<b>(8,955)</b>	<b>4,002</b>
<b>Income taxes at statutory rates - 34%</b>	<b>2,291</b>	<b>595</b>	<b>3,045</b>	<b>(1,361)</b>
<b>Adjustments that affect the basis of taxes:</b>				
Income tax benefit from interest on stockholders' equity		290	356	865
Tax incentives	12	(42)	37	137
Results of overseas companies taxed by different rates which differs from the parent company rate		(511)		(1,155)
Equity results on statement of income	(119)	12	(137)	161
Unrecognized current year losses, net	(387)		(579)	
Additions (reversals) of tax loss carryforward	2,848		2,848	(113)
Others	(142)	(21)	(392)	(203)
<b>Income taxes</b>	<b>4,503</b>	<b>323</b>	<b>5,178</b>	<b>(1,669)</b>

**21. Employee benefits obligations**

At September 30, 2015 the Company contributed US\$196 and does not expect significant changes in relation to the estimate disclosed in the financial statements for the year ended December 31, 2014.

**a) Employee postretirements obligations****i. Reconciliation of assets and liabilities in balance sheet**



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	September 30, 2015 (unaudited)			December 31, 2014		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
<b>Balance at beginning of the period</b>	<b>1,301</b>			<b>1,191</b>		
Interest income	102			142		
Changes on asset ceiling and onerous liability	(273)			140		
Translation adjustment	(421)			(172)		
<b>Balance at end of the period</b>	<b>709</b>			<b>1,301</b>		
<b>Amount recognized in the balance sheet</b>						
Present value of actuarial liabilities	(2,585)	(3,833)	(1,257)	(3,728)	(4,521)	(1,498)
Fair value of assets	3,294	3,140		5,029	3,716	
Effect of the asset ceiling	(709)			(1,301)		
<b>Liabilities provisioned</b>		<b>(693)</b>	<b>(1,257)</b>		<b>(805)</b>	<b>(1,498)</b>
Current liabilities		(18)	(51)		(16)	(51)
Non-current liabilities		(675)	(1,206)		(789)	(1,447)
<b>Liabilities provisioned</b>		<b>(693)</b>	<b>(1,257)</b>		<b>(805)</b>	<b>(1,498)</b>

Table of Contentsii. **Costs recognized in the statement of income**

	Three-month period ended (unaudited)					
	September 30, 2015			September 30, 2014		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Current service cost	5	25	6	7	20	8
Interest expense on liabilities	83	43	16	123	30	25
Interest income on plan assets	(114)	(36)		(162)	(39)	
Interest expense on effect of asset (ceiling) and onerous liability	30			37		
<b>Total of cost, net</b>	<b>4</b>	<b>32</b>	<b>22</b>	<b>5</b>	<b>11</b>	<b>33</b>

	Nine-month period ended (unaudited)					
	September 30, 2015			September 30, 2014		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
Current service cost	15	78	22	22	51	23
Interest expense on liabilities	281	137	51	366	134	75
Interest income on plan assets	(386)	(115)		(446)	(116)	
Interest expense on effect of asset (ceiling) and onerous liability	102			75		
<b>Total of cost, net</b>	<b>12</b>	<b>100</b>	<b>73</b>	<b>17</b>	<b>69</b>	<b>98</b>

iii. **Costs recognized in the statement of comprehensive income**

	Three-month period ended (unaudited)					
	September 30, 2015			September 30, 2014		
	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	Underfunded pension plans	Others underfunded pension plans
<b>Balance at beginning of the period</b>	<b>(132)</b>	<b>(533)</b>	<b>(135)</b>	<b>(124)</b>	<b>(284)</b>	<b>(199)</b>
Return on plan assets (excluding interest income)	(304)	(34)	36	(10)	14	12

and others

Changes on asset ceiling and onerous liability	295			1	(13)	
<b>Gross balance for the period</b>	<b>(9)</b>	<b>(34)</b>	<b>36</b>	<b>(9)</b>	<b>1</b>	<b>12</b>
Deferred income tax	3	10	(11)	3	(3)	(3)
<b>Other comprehensive income</b>	<b>(6)</b>	<b>(24)</b>	<b>25</b>	<b>(6)</b>	<b>(2)</b>	<b>9</b>
Translation adjustment	29	10	9	13		4
<b>Accumulated comprehensive income</b>	<b>(109)</b>	<b>(547)</b>	<b>(101)</b>	<b>(117)</b>	<b>(286)</b>	<b>(186)</b>

	Nine-month period ended (unaudited)					
	Overfunded pension plans	September 30, 2015 Underfunded pension plans	Others underfunded pension plans	Overfunded pension plans	September 30, 2014 Underfunded pension plans	Others underfunded pension plans
<b>Balance at beginning of the period</b>	<b>(143)</b>	<b>(570)</b>	<b>(132)</b>	<b>(94)</b>	<b>(395)</b>	<b>(196)</b>
Return on plan assets (excluding interest income) and others	(310)	(8)	19	7	194	12
Changes on asset ceiling and onerous liability	285			(50)	(53)	
<b>Gross balance for the period</b>	<b>(25)</b>	<b>(8)</b>	<b>19</b>	<b>(43)</b>	<b>141</b>	<b>12</b>
Deferred income tax	8	20	(3)	15	(36)	(3)
<b>Other comprehensive income</b>	<b>(17)</b>	<b>12</b>	<b>16</b>	<b>(28)</b>	<b>105</b>	<b>9</b>
Translation adjustment	51	11	15	5	4	1
<b>Accumulated comprehensive income</b>	<b>(109)</b>	<b>(547)</b>	<b>(101)</b>	<b>(117)</b>	<b>(286)</b>	<b>(186)</b>

Table of Contents**b) Profit sharing program ( PLR )**

The Company recorded as cost of goods sold and services rendered and other operating expenses related to the PLR US\$64 and US\$429 for the nine-month period ended on September 30, 2015 and 2014, respectively.

**c) Long-term compensation plan**

In order to promote stockholder culture, in addition to increasing the ability to retain executives and to strengthen the culture of sustainability performance, Vale has a long-term incentive programs (Matching plan and long-term incentive plan ILP) for some executives of the Company, covering 3 to 4 year cycles.

Liabilities of the plans are measured at fair value on the date of each issuance of the report, based on market rates. Compensation costs incurred are recognized by the defined vesting period of three years. At September 30, 2015 and December 31, 2014 the Company recorded a liability with the same impact in the statement of income in the amount of US\$37 and US\$61, respectively.

**22. Classification of financial instruments**

	September 30, 2015 (unaudited)			Total
	Loans and receivables (i)	At fair value through profit or loss (ii)	Derivatives designated as hedge (iii)	
<b>Financial assets</b>				
<b>Current</b>				
Cash and cash equivalents	4,397			4,397
Financial investments	65			65
Derivative financial instruments		158		158
Accounts receivable	2,028			2,028
Related parties	343			343
	<b>6,833</b>	<b>158</b>		<b>6,991</b>
<b>Non-current</b>				
Related parties	23			23
Loans and financing	194			194
Derivative financial instruments		133		133

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	217	133	350
<b>Total of financial assets</b>	<b>7,050</b>	<b>291</b>	<b>7,341</b>
<b>Financial liabilities</b>			
<b>Current</b>			
Suppliers and contractors	3,482		3,482
Derivative financial instruments		1,242	180
Loans and financing	3,030		3,030
Related parties	141		141
	<b>6,653</b>	<b>1,242</b>	<b>180</b>
<b>Non-current</b>			
Derivative financial instruments		2,808	2,808
Loans and financing	25,645		25,645
Related parties	76		76
Participative stockholders debentures		603	603
Others (iv)		61	61
	<b>25,721</b>	<b>3,472</b>	<b>29,193</b>
<b>Total of financial liabilities</b>	<b>32,374</b>	<b>4,714</b>	<b>180</b>

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(i) Non-derivative financial instruments with determinable cash flow.

(ii) Financial instruments for trading in short-term.

(iii) See note 24(a).

(iv) See note 23(a).

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	December 31, 2014			
	Loans and receivables (i)	At fair value through profit or loss (ii)	Derivatives designated as hedge (iii)	Total
<b>Financial assets</b>				
<b>Current</b>				
Cash and cash equivalents	3,974			3,974
Financial investments	148			148
Derivative financial instruments		166		166
Accounts receivable	3,275			3,275
Related parties	579			579
	<b>7,976</b>	<b>166</b>		<b>8,142</b>
<b>Non-current</b>				
Related parties	35			35
Loans and financing	229			229
Derivative financial instruments		87		87
	<b>264</b>	<b>87</b>		<b>351</b>
<b>Total of financial assets</b>	<b>8,240</b>	<b>253</b>		<b>8,493</b>
<b>Financial liabilities</b>				
<b>Current</b>				
Suppliers and contractors	4,354			4,354
Derivative financial instruments		956	460	1,416
Loans and financing	1,419			1,419
Related parties	306			306
	<b>6,079</b>	<b>956</b>	<b>460</b>	<b>7,495</b>
<b>Non-current</b>				
Derivative financial instruments		1,609	1	1,610
Loans and financing	27,388			27,388
Related parties	109			109
Participative stockholders debentures		1,726		1,726
Others (iv)		115		115
	<b>27,497</b>	<b>3,450</b>	<b>1</b>	<b>30,948</b>
<b>Total of financial liabilities</b>	<b>33,576</b>	<b>4,406</b>	<b>461</b>	<b>38,443</b>

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(i) Non-derivative financial instruments with determinable cash flow.

(ii) Financial instruments for trading in short-term.

(iii) See note 24(a).

(iv) See note 23(a).

## 23. Fair value estimate

The Company considered the same assumptions and calculation methods as presented on the financial statements for the year ended December 31, 2014, to measure the fair value of assets and liabilities for the period.

## a) Assets and liabilities measured and recognized at fair value

	September 30, 2015 (unaudited)			December 31, 2014		
	Level 2	Level 3	Total	Level 2	Level 3	Total (i)
<b>Financial assets</b>						
<b>Current</b>						
Derivatives at fair value through profit or loss	158		158	166		166
	<b>158</b>		<b>158</b>	<b>166</b>		<b>166</b>
<b>Non-current</b>						
Derivatives at fair value through profit or loss	133		133	87		87
	<b>133</b>		<b>133</b>	<b>87</b>		<b>87</b>
<b>Total of financial assets</b>	<b>291</b>		<b>291</b>	<b>253</b>		<b>253</b>
<b>Financial liabilities</b>						
<b>Current</b>						
Derivatives at fair value through profit or loss	1,242		1,242	956		956
Derivatives designated as hedge	180		180	460		460
	<b>1,422</b>		<b>1,422</b>	<b>1,416</b>		<b>1,416</b>
<b>Non-current</b>						
Derivatives at fair value through profit or loss	2,808		2,808	1,609		1,609
Derivatives designated as hedge				1		1
Participative stockholders debentures	603		603	1,726		1,726
Others (minimum return instrument)		61	61		115	115
	<b>3,411</b>	<b>61</b>	<b>3,472</b>	<b>3,336</b>	<b>115</b>	<b>3,451</b>
<b>Total of financial liabilities</b>	<b>4,833</b>	<b>61</b>	<b>4,894</b>	<b>4,752</b>	<b>115</b>	<b>4,867</b>

Table of Contents**b) Fair value measurement compared to book value**

The fair value estimate for level 1 is based on market approach considering the secondary market contracts. For loans allocated to level 2, the income approach is adopted and the fair value for both fixed-indexed rate debt and floating rate debt is determined on a discounted cash flows basis using LIBOR future values and Vale's bonds curve.

The fair values and carrying amounts of non-current loans (net of interest) are as follows:

	Balance	Fair value (ii)	Level 1	Level 2
<b>Financial liabilities</b>				
<b>September 30, 2015 (unaudited)</b>				
Loans (long term) (i)	28,158	26,629	12,833	13,796
<b>December 31, 2014</b>				
Loans (long term) (i)	28,370	29,479	15,841	13,638

(i) Net interest of US\$517 on September 30, 2015 and US\$437 on December 31, 2014.

**24. Derivative financial instruments****a) Derivatives effects on balance sheet**

	September 30, 2015 (unaudited)		Assets	
	Current	Non-current	Current	December 31, 2014 Non-current
<b>Derivatives not designated as hedge accounting</b>				
<b>Foreign exchange and interest rate risk</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap	116		137	11
IPCA swap	1	11	7	
Eurobonds swap				41



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Pre dollar swap	1		2	
	<b>118</b>	<b>11</b>	<b>146</b>	<b>52</b>
<b>Commodities price risk</b>				
Nickel	40	9	20	3
Bunker oil		1		
	<b>40</b>	<b>10</b>	<b>20</b>	<b>3</b>
<b>Others</b>		112		32
		<b>112</b>		<b>32</b>
<b>Total</b>	<b>158</b>	<b>133</b>	<b>166</b>	<b>87</b>

	September 30, 2015 (unaudited)		December 31, 2014	
	Current	Non-current	Current	Non-current
<b>Derivatives not designated as hedge accounting</b>				
<b>Foreign exchange and interest rate risk</b>				
CDI & TJLP vs. US\$ fixed and floating rate swap	278	2,142	442	1,355
IPCA swap	23	188		63
Eurobonds swap	143	39	9	90
Pre dollar swap	119	194	30	98
	<b>563</b>	<b>2,563</b>	<b>481</b>	<b>1,606</b>
<b>Commodities price risk</b>				
Nickel	32	9	23	3
Bunker oil (i)	647	131	452	
	<b>679</b>	<b>140</b>	<b>475</b>	<b>3</b>
<b>Derivatives designated as cash flow hedge</b>				
Bunker oil (i)	170		434	
Foreign exchange	10		26	1
	<b>180</b>		<b>460</b>	<b>1</b>
<b>Others</b>		105		
		<b>105</b>		
<b>Total</b>	<b>1,422</b>	<b>2,808</b>	<b>1,416</b>	<b>1,610</b>

(i) As at September 30, 2015 and December 31, 2014, includes US\$76 and US\$152, respectively, related to matured transactions with no financial settlement.

Table of Contents**b) Effects of derivatives on the statement of income, cash flow and other comprehensive income**

	Amount of gain (loss) recognized in the statement of income		Three-month period ended (unaudited) Financial settlement inflows(outflows)		Amount of gain(loss) recognized in OCI	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
<b>Derivatives not designated as hedge accounting</b>						
<b>Foreign exchange and interest rate risk</b>						
CDI & TJLP vs. US\$ fixed and floating rate swap	(891)	(565)	2	37		
IPCA swap	(110)	(40)				
Eurobonds swap	(14)	(99)				
Pre dollar swap	(181)	(36)	(3)	2		
	<b>(1,196)</b>	<b>(740)</b>	<b>(1)</b>	<b>39</b>		
<b>Commodities price risk</b>						
Nickel	(19)	8	(22)	3		
Bunker oil	(530)	(58)	(30)	6		
	<b>(549)</b>	<b>(50)</b>	<b>(52)</b>	<b>9</b>		
<b>Derivatives designated as cash flow hedge</b>						
Bunker oil	(121)	(2)	(104)	(2)	22	(60)
Foreign exchange	(11)	(10)	(10)	(10)	5	(5)
	<b>(132)</b>	<b>(12)</b>	<b>(114)</b>	<b>(12)</b>	<b>27</b>	<b>(65)</b>
<b>Others</b>						
	(43)	(25)				
	<b>(43)</b>	<b>(25)</b>				
<b>Total</b>	<b>(1,920)</b>	<b>(827)</b>	<b>(167)</b>	<b>36</b>	<b>27</b>	<b>(65)</b>

	Amount of gain (loss) recognized in the statement of income		Nine-month period ended (unaudited) Financial settlement inflows(outflows)		Amount of gain(loss) recognized in OCI	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
<b>Derivatives not designated as hedge accounting</b>						
<b>Foreign exchange and interest rate risk</b>						
CDI & TJLP vs. US\$ fixed and floating rate swap	(1,662)	(40)	(334)	160		
IPCA swap	(159)	(24)	7			
Eurobonds swap	(137)	(92)	(13)	10		
Pre dollar swap	(257)	(3)	(7)	7		
	<b>(2,215)</b>	<b>(159)</b>	<b>(347)</b>	<b>177</b>		
<b>Commodities price risk</b>						

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Nickel	(38)	4	(48)	7		
Bunker oil	(500)	(40)	(175)	(2)		
	<b>(538)</b>	<b>(36)</b>	<b>(223)</b>	<b>5</b>		
<b>Derivatives designated as cash flow hedge</b>						
Bunker oil	(305)	(11)	(322)	(11)	310	(41)
Foreign exchange	(35)	(32)	(35)	(32)	12	6
	<b>(340)</b>	<b>(43)</b>	<b>(357)</b>	<b>(43)</b>	<b>322</b>	<b>(35)</b>
<b>Others</b>	(114)	(9)				
	<b>(114)</b>	<b>(9)</b>				
<b>Total</b>	<b>(3,207)</b>	<b>(247)</b>	<b>(927)</b>	<b>139</b>	<b>322</b>	<b>(35)</b>

Related to the effects of derivatives in the statement of income, the Company recognized as cost of goods sold and services rendered and financial expense the amounts of US\$118 and US\$1,799 for the three-month period ended on September 30, 2015, respectively, and the amounts of US\$299 and US\$2,902 for the nine-month period ended on September 30, 2015, respectively.

The maturities dates of the derivative financial instruments are as follows:

	<b>Maturity dates</b>
Currencies and interest rates	July 2023
Bunker oil	December 2016
Nickel	October 2017
Others	December 2027

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**Additional information about derivatives financial instruments**

**(As at September 30, 2015, unaudited)**

The risk of the derivatives portfolio is measured using the delta-Normal parametric approach, which considers that the future distribution of the risk factors and its correlations tends to present the same statistic properties verified in the historical data. The value at risk estimate considers a 95% confidence level for a one business day time horizon.

There was no cash amount deposited as margin call regarding derivative positions on September 30, 2015. The contracts subject to margin calls refer only to part of nickel trades executed by the wholly-owned subsidiary Vale Canada Ltd.

The derivative positions described in this document didn't have initial costs associated.

The following tables detail the derivatives positions for Vale and its controlled companies as of September 30, 2015, with the following information: notional amount, fair value including credit risk, gains or losses in the period, value at risk and the fair value breakdown by year of maturity.

**a) Foreign exchange and interest rates derivative positions**

**(i) Protection programs for the R\$ denominated debt instruments**

In order to reduce cash flow volatility, swap transactions were implemented to convert into US\$ the cash flows from certain debt instruments denominated in R\$ with interest rates linked mainly to CDI, TJLP and IPCA. In those swaps, Vale pays fixed or floating rates in US\$ and receives payments in R\$ linked to the interest rates of the protected debt instruments.

The swap transactions were negotiated over-the-counter and the protected items are the cash flows from debt instruments linked to R\$. These programs transform into US\$ the obligations linked to R\$ to achieve a currency offset in the Company's cash flows, by matching its receivables - mainly linked to US\$ - with its payables.

**CDI vs.  
US\$ fixed rate  
swap**

Payable	US\$	2,199	US\$	2,284	Fix	3.35%	(2,188)	(2,327)	(944)
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<b>Net adjusted for credit risk</b>							<b>(902)</b>	<b>(547)</b>	<b>32 (547) (66) (321)</b>
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**CDI vs.  
US\$ floating  
rate swap**

Payable			US\$	250	Libor +	0.00%	(251)	(252)	
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<b>Net adjusted for credit risk</b>							<b>(83)</b>		
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**TJLP vs.  
US\$ fixed rate  
swap**

Payable	US\$	2,721	US\$	3,051	Fix	1.70%	(2,521)	(2,937)	(330)
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<b>Net adjusted for credit risk</b>							<b>(1,319)</b>	<b>(953)</b>	<b>(46) (267) (333) (673)</b>
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**TJLP vs.  
US\$ floating  
rate swap**

Payable	US\$	163	US\$	173	Libor +	-1.21%	(138)	(155)	(8)
---------	------	-----	------	-----	------------	--------	-------	-------	-----

<b>Net adjusted for credit risk</b>							<b>(84)</b>	<b>(66)</b>	<b>(2) (5) (7) (70)</b>
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**R\$ fixed rate  
vs. US\$ fixed  
rate swap**

Payable	US\$	604	US\$	395	Fix	-0.77%	(583)	(366)	(29)
---------	------	-----	------	-----	-----	--------	-------	-------	------

<b>Net adjusted for credit risk</b>							<b>(312)</b>	<b>(127)</b>	<b>(38) (107) (13) (155)</b>
---	--	--	--	--	--	--	--------------	--------------	------------------------------

**IPCA vs.  
US\$ fixed rate  
swap**

Payable	US\$	434	US\$	434	Fix	3.98%	(456)	(474)	(14)
---------	------	-----	------	-----	-----	-------	-------	-------	------

<b>Net adjusted for credit risk</b>							<b>(185)</b>	<b>(56)</b>	<b>1 0 (186)</b>
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**IPCA vs. CDI  
swap**

Payable	US\$ 1,350	US\$ 0	CDI	98.58%	(339)			
<b>Net adjusted for credit risk</b>					<b>(15)</b>	<b>(22)</b>	<b>(21)</b>	<b>29</b>

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**(ii) Protection program for EUR denominated debt instruments**

In order to reduce the cash flow volatility, swap transactions were implemented to convert into US\$ the cash flows from certain debt instruments issued in Euros by Vale. In those swaps, Vale receives fixed rates in EUR and pays fixed rates in US\$.

The swap transactions were negotiated over-the-counter and the protected items are the cash flows from debt instruments linked to EUR. The financial settlement inflows/outflows are offset by the protected items losses/gains due to EUR/US\$ exchange rate.

Receivable	1,000	1,000	Fix	4.06%	1,280	1,431	46		
<b>Net</b>					<b>(178)</b>	<b>(53)</b>	<b>(13)</b>	<b>20</b>	<b>(141) (6) (31)</b>

**(iii) Foreign exchange hedging program for disbursements in CAD**

In order to reduce the cash flow volatility, forward transactions were implemented to mitigate the foreign exchange exposure that arises from the currency mismatch between revenues denominated in US\$ and disbursements denominated in CAD.

The forward transactions were negotiated over-the-counter and the protected item is part of the CAD denominated disbursements. The financial settlement inflows/outflows are offset by the protected items losses/gains due to CAD/US\$ exchange rate. This program is classified under the hedge accounting requirements.

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Forwards	CAD 42	CAD 230	B	0.996	(9)	(27)	0	(7)	(2)
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**b) Commodities derivative positions**

**(i) Bunker Oil purchase cash flows protection program**

In order to reduce the impact of bunker oil price fluctuation on maritime freight hiring/supply and, consequently, reducing the company's cash flow volatility, bunker oil derivatives were implemented. These transactions are usually executed through forward purchases and zero cost-collars.

The derivative transactions were negotiated over-the-counter and the protected item is part of the Vale's costs linked to bunker oil prices. The financial settlement inflows/outflows are offset by the protected items' losses/gains due to bunker oil prices changes. Part of this program is classified under the hedge accounting requirements.

**Bunker Oil protection**

Call options	2,356,500	B	386	1	(21)	0
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**Total adjusted for credit risk**

(747)	(363)
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**Bunker Oil hedge**

**Total adjusted for credit risk**

(125)	(371)
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**(ii) Protection programs for base metals raw materials and products**

In the operational protection program for nickel sales at fixed prices, derivatives transactions were implemented to convert into floating prices the contracts with clients that required a fixed price in order to keep nickel revenues exposed to nickel price fluctuations. Those operations are usually implemented through the purchase of nickel forwards, which are unwind before the original maturity in order to match the settlement



dates of the commercial contracts in which the prices were fixed.

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In the operational protection program for the purchase of raw materials and products, derivatives transactions were implemented, usually through the sale of nickel and copper forward or futures, in order to eliminate the mismatch between the pricing period of purchases (concentrate, cathode, sinter, scrap and others) and the pricing period of the final product sales to the clients.

The derivative transactions are negotiated at London Metal Exchange or over-the-counter and the protected item is part of Vale's revenues and costs linked to nickel and copper prices. The financial settlement inflows/outflows are offset by the protected items' losses/gains due to nickel and copper prices changes.

**Fixed  
price sales  
protection**