



SHAREHOLDERS DEBENTURES 2H17



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Any additional information about the shareholders debentures, including the Prospectus for Public Trading of Shareholders Debentures, can be obtained on our website, www.vale.com/Investors/Equity and Debt/Shareholders debentures, from GDC Partners Serviços Fiduciários DTVM Ltda. as fiduciary agent for the debentures, www.gcdtvm.com.br, and from the CVM (Brazilian Securities and Exchange Commission).

Second half of 2017 (2H17)

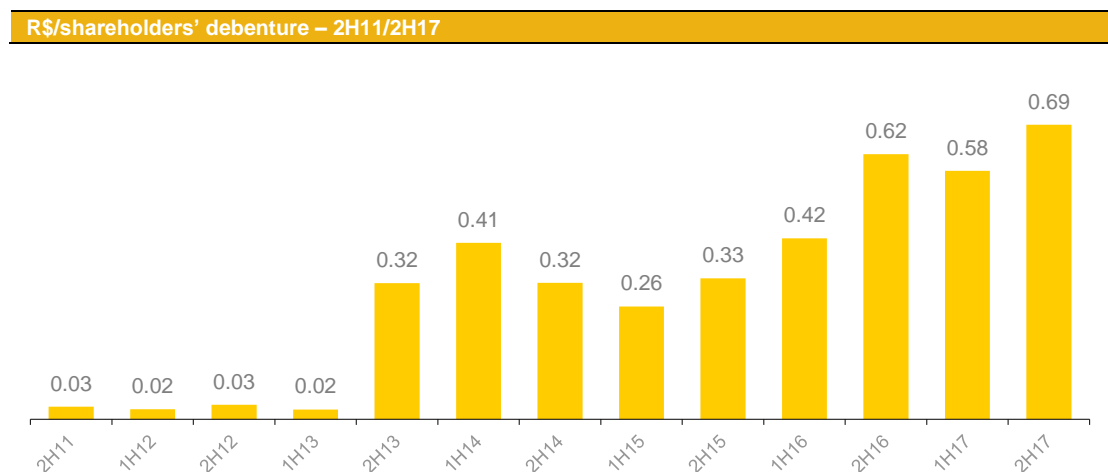
Rio de Janeiro, March 29th, 2018 – Vale will pay today, R\$ 267,730,369.59, equivalent to R\$ 0.689033920 per shareholder debenture, related to the total remuneration for the period between July and December of 2017 (2H17). The financial settlement will occur on April 3rd, 2018.

The total remuneration for 2H17 refers to (i) 1.25% of the net revenues from the sale of copper concentrate from the Sossego mine; (ii) 1.80% of the net revenues from the sale of iron ore from the Northern System; and (iii) R\$ 17,700.00 related to 6 (six) areas from the research blocks of Tapira and Salitre, located in Minas Gerais.

Shareholders debentures remuneration

6-month period ending on December 29 th , 2017 (R\$)	
Remuneration on copper concentrate	12,677,773.84
Remuneration on iron ore from the Northern System	255,034,895.75
Remuneration on disposal of mining rights	17,700.00
Total remuneration	267,730,369.59
Remuneration per debenture	0.689033920

Remuneration of shareholders' debentures



Income tax will be charged on the amount to be paid to debenture holders, as fixed-income investments, applying the rate in relation to the individual situation of the beneficiary, with the exception of those who can provide legal, unequivocal, and proof that they are exempt or subject to a differentiated taxation.

Annual remuneration of shareholders debentures

YEAR	Per debenture (R\$)	Total amount (R\$)
2011	0.057	22,372,791.36
2012	0.057	22,260,404.79
2013	0.341	132,642,793.33
2014	0.732	284,859,604.30
2015	0.594	230,899,093.47
2016	1.043	405,149,990.84
2017	1.270	493,550,875.87

Iron ore

In 2H17, sales of iron ore totaled 156.0 Mt out of which 92.6 Mt correspond to the sales volumes in the Northern System. Sales of Vale's iron ore, net of maritime freight costs, totaled R\$ 27.0 billion in 2H17, out of which R\$ 16.4 billion corresponds to the Northern System. After applying the discounts provided in the Deed of Debentures to calculate the net revenues and the percentage of 1.8%, the value of the remuneration related to net revenues of iron ore from the Northern System is R\$ 255.0 million.

Remuneration on iron ore

R\$ million	2H17	1H17	2H16	1H16	2017
Net sales revenues from the Northern System ^{1,2}	14,168.6	11,923.6	12,466.2	8,576.1	26,092.2
% basis for calculation	1.8%	1.8%	1.8%	1.8%	1.8%
Remuneration on iron ore (R\$ million)	255.0	214.6	224.4	154.4	469.7

¹ Gross sales minus expenses with transport and insurance and taxes on sales, which include taxes and contributions levied on sales separately, or on billing or gross revenues from sales, as well as the financial compensation due to the Brazilian Federal Government, States and Municipalities.

² Include retroactive net revenues from Serra Leste from April 2015 to June 2016.

In Vale's Southeastern System, iron ore sales from the mineral deposits covered by the Private Deed for Shareholder Debentures totaled 1,316 million metric tons until December 31st, 2017. Should the annual sales volumes of iron ore from the Southeastern System covered by the Private Deed for Shareholder Debentures remain the same as the volumes reached in 2H17, the accumulated level of 1.7 billion metric tons, the threshold by which the sales of the Southern System may result in the payment of remuneration, is expected to be reached by December 2021. However, this forecast may not be confirmed, resulting on either the anticipation or the delay of the aforementioned dates for reaching the accumulated sales levels.

Copper concentrate

In 2H17, sales of copper concentrate from Sossego totaled 181 thousand metric tons, 3.7% lower than the 188 thousand metric tons in 1H17.

Sales of this product generated net revenues of R\$ 1,014.2 million, a 13.3% increase when compared to the R\$ 895.4 million in 1H17.

The remuneration related to the sales of copper concentrate of R\$ 12,677,773.84, is calculated from the application of the 1.25% percentage on the net sales revenue of R\$ 1,014.2 million.

Remuneration on copper concentrate

R\$ million	2H17	1H17	2H16	1H16	2017
Net sales revenue ¹	1,014.2	895.4	810.5	785.9	1,909.7
% basis for calculation ²	1.25%	1.25%	1.25%	1.25%	1.25%
Remuneration on copper concentrate	12.7	11.2	10.1	9.8	23.9

¹ Gross sales minus expenses with transport and insurance and taxes on sales, which include taxes and contributions levied on sales separately, or on billing or gross revenues from sales, as well as the financial compensation due to the Brazilian Federal Government, States and Municipalities.

² On April 15, 1997, Vale only had a 50% stake in Mineração Serra do Sossego S.A. (Sossego). In 2001 Vale bought the remaining 50% of Sossego from Phelps Dodge do Brasil Mineração Ltda. Hence, the percentage basis for calculating remuneration is 2.5%, as described in the Deed of Issue of Debentures, multiplied by the Vale's share in the project at the time, 50%, and therefore, equal to 1.25%.

Sales and leasing of mining rights

In 2H17 there was no leasing of mining rights contained in the Deed of Debentures.

In 2H17 there was the sale of 06 (six) areas from the research blocks of Tapira and Salitre, in Minas Gerais, related to the fertilizer assets sale to Mosaic.

Losses of mining rights

In 2H17, there was a small change on the number of areas compared to the previous period. There were movements of exits which decrease the areas by 5,863.56 hectares totaling 1,652,399.00 hectares. This movement occurred because of the exit of 07 (seven) areas, including the sale of the 06 (six) areas before mentioned.

The mining rights in force on December 31st, 2017, covered by the Deed of Issue of Debentures, amount 314 processes, equivalent to 1,652,399.00 hectares and are shown on the maps and lists in the attached Inventory of Mining Rights.

Projects under development

On February 27th, 2018, Vale announced its 4Q17 financial results, which is available on our website:

<http://www.vale.com/EN/investors/information-market/quarterly-results/Pages/default.aspx>

Production from S11D reached 22.1 Mt in 2017. Vale estimates that S11D will reach its nominal capacity of 90 Mtpy in 2020.

The following table presents the evolution of the announced project related to future income from shareholders debentures.

Project	Status	Related future remuneration
Carajás Serra Sul S11D Development of a mine and processing plant, located in the Southern range of Carajás, Pará, Brazil. Estimated nominal capacity of 90 Mtpy.	<ul style="list-style-type: none">• The duplication of the railway reached 80% physical progress with 505 Km duplicated.• The product stockyard moved more than 22 Mt of ore and over 200 thousand wagons loaded until December.• The Port expansion reached 97% physical progress, with the onshore stockyard expansion still under construction but all the remaining onshore infrastructure completed.	Payment of 1.8% of net sales as from the beginning of sales volumes from S11D.

Attachment – Inventory of Mining Rights

Block	Municipality	State	Substance(s)	Hectares	Stage ¹
Cachoeiro	Cachoeiro do Itapemirim	ES	Limestone	683.23	Mining concession
Carajás	São Félix do Xingu, Parauapebas, Canaã dos Carajás, Marabá, Tucumã, Curionópolis e Água Azul do Norte	PA	Gold, silver, copper, iron, manganese, nickel, quartzito, granite, beryl, tin, tantalum	287,121.52	Mining concession
Corumbá	Ladário e Corumbá	MT	Iron	7,182.22	Mining concession
Espinhaço	Guanhães, Morro do Pilar, Sabinópolis, Senhora do Porto e Conceição do Mato Dentro	MG	Gold, iron	23,312.99	Mining concession
Gradaús	Rio Maria, Bannach, Cumarú do Norte, Ourilândia do Norte e Tucumã	PA	Tungsten, chromium, silver	53,488.17	Application to mine
Parú Jari Sul	Almeirim, Mazagão e Monte Alegre	AP, PA	Saprolite, sulphur, phosphate, manganese, gold, titanium	1,225,062.00	Application to carry out research
Quadrilátero Ferrífero	Santa Bárbara, Mariana, Nova Lima, Itabira, Brumadinho, Ouro Preto, São Gonçalo do Rio Abaixo, Barão de Cocais, Caeté, Rio Piracicaba e Catas Altas	MG	Dolomite, iron, gold, arsenic, vanadium, quartz, manganese, silver, nickel	35,304.65	Mining concession
Riacho dos Machados	Rio Pardo de Minas e Riacho dos Machados	MG	Iron	9,890.50	Application to mine
Vazante	Vazante, Coromandel e Lagamar	MG	Zinc	10,353.72	Research permit

¹ Most advanced stage of all areas in the block