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**Company Data / Capital Ownership**

<b>Number of Shares (thousand)</b>	<b>Current Quarter 6/30/2019</b>
<b>Paid-in Capital</b>	
<b>Common shares</b>	122,171
<b>Preferred shares</b>	225,863
<b>Total</b>	348,034
<b>Treasury shares</b>	
<b>Common shares</b>	0
<b>Preferred shares</b>	0
<b>Total</b>	0

**Company Data / Cash Proceeds**

<b>Event</b>	<b>Approval</b>	<b>Proceeds</b>	<b>Date of Payment</b>	<b>Type of Share</b>	<b>Class of Share</b>	<b>Earnings per Share (BRL / Share)</b>
Annual Shareholders' Meeting	April 30, 2019	Dividend	May 15, 2019	Common shares		0.11660
Annual Shareholders' Meeting	April 30, 2019	Dividend	May 15, 2019	Preferred shares		0.12826
Annual Shareholders' Meeting	April 30, 2019	Interest on Equity	May 15, 2019	Common shares		0.42423
Annual Shareholders' Meeting	April 30, 2019	Interest on Equity	May 15, 2019	Preferred shares		0.46665

**Individual Financial Statements / Statement of Financial Position - Assets****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Current Quarter 6/30/2019</b>	<b>Previous Fiscal Year 12/31/2018</b>
1	Total Assets	9,807,632	10,634,336
1.01	Current Assets	186,196	563,277
1.01.01	Cash and Cash Equivalents	185,882	458,227
1.01.03	Accounts Receivable	0	105,050
1.01.03.02	Other Accounts Receivable	0	105,050
1.01.03.02.02	Receivables	0	105,050
1.01.08	Other Current Assets	314	0
1.02	Non-Current Assets	9,621,436	10,071,059
1.02.01	Long-Term Assets	182,700	224,769
1.02.01.10	Other Non-Current Assets	182,700	224,769
1.02.01.10.03	Judicial Deposits	7,659	7,504
1.02.01.10.04	Recoverable Taxes	175,041	217,265
1.02.02	Investments	9,437,602	9,846,285
1.02.03	Property, Plant and Equipment	117	5
1.02.04	Intangible Assets	1,017	0

**Individual Financial Statements / Statement of Financial Position - Liabilities****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Current Quarter 6/30/2019</b>	<b>Previous Fiscal Year 12/31/2018</b>
2	Total Liabilities	9,807,632	10,634,336
2.01	Current Liabilities	30,172	457,966
2.01.03	Tax Liabilities	194	43,157
2.01.05	Other Liabilities	29,978	414,809
2.01.05.02	Other	29,978	414,809
2.01.05.02.01	Dividends and Interest on Equity Payable	4,245	387,966
2.01.05.02.04	Other Liabilities	25,671	26,843
2.01.05.02.05	Right-of-use leases	62	0
2.02	Non-Current Liabilities	224,395	216,526
2.02.01	Loans and Financing	216,638	209,861
2.02.01.02	Debentures	216,638	209,861
2.02.02	Other Liabilities	974	0
2.02.02.02	Other	974	0
2.02.02.02.03	Right-of-use leases	974	0
2.02.04	Provisions	6,783	6,665
2.03	Shareholders' Equity	9,553,065	9,959,844
2.03.01	Paid-up Share Capital	4,100,000	4,100,000
2.03.04	Profit Reserve	2,779,080	2,779,080
2.03.04.01	Legal Reserve	227,610	227,610
2.03.04.02	Statutory Reserve	2,551,470	2,551,470
2.03.05	Retained Earnings/Accumulated Losses	-376,643	0
2.03.06	Equity Valuation Adjustments	3,050,628	3,080,764

**Individual Financial Statements / Statement of Income****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Current Quarter 4/1/2019 to 6/30/2019</b>	<b>Accumulated in the Current Fiscal Year 1/1/2019 to 6/30/2019</b>	<b>Same Quarter Previous Fiscal Year 4/1/2018 to 6/30/2018</b>	<b>Accumulated in the Previous Fiscal Year 1/1/2018 to 6/30/2018</b>
3.04	Operating Income/Expenses	-25,405	-385,727	-615,831	-864,761
3.04.02	General and Administrative Expenses	-3,701	-6,376	-3,647	-5,877
3.04.05	Other Operating Expenses	-313	-803	-631,685	-1,203,179
3.04.05.01	Tax Expenses	-313	-765	-883	-17,265
3.04.05.02	Other Operating Expenses	0	-38	-630,802	-1,185,914
3.04.06	Equity Income	-21,391	-378,548	19,501	344,295
3.05	Income before Earnings and Taxes	-25,405	-385,727	-615,831	-864,761
3.06	Financial Result	3,152	9,212	-5,409	-5,683
3.06.01	Earnings	6,647	16,346	18,368	47,073
3.06.02	Financial Expenses	-3,495	-7,134	-23,777	-52,756
3.07	Earnings before Income Taxes	-22,253	-376,515	-621,240	-870,444
3.08	Income Tax and Social Contribution	701	-128	2,304	-32,006
3.09	Net Income from Continuing Operations	-21,552	-376,643	-618,936	-902,450
3.11	Income/Loss for the Period	-21,552	-376,643	-618,936	-902,450
3.99	Earnings per Share (BRL/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	-0.05815	-1.01625	-1.67000	-2.43497
3.99.01.02	Preferred Shares	-0.06397	-1.11788	-1.83700	-2.67847
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	-0.05815	-1.01625	-1.67000	-2.43497
3.99.02.02	Preferred Shares	-0.06397	-1.11788	-1.83700	-2.67847

**Individual Financial Statements / Statement of Comprehensive Income****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Current Quarter 4/1/2019 to 6/30/2019</b>	<b>Accumulated in the Current Fiscal Year 1/1/2019 to 6/30/2019</b>	<b>Same Quarter Previous Fiscal Year 4/1/2018 to 6/30/2018</b>	<b>Accumulated in the Previous Fiscal Year 1/1/2018 to 6/30/2018</b>
4.01	Net Income of the Period	-21,552	-376,643	-618,936	-902,450
4.02	Other Comprehensive Incomes	-87,228	-30,136	809,814	790,086
4.02.02	Impacts from Companies with Significant Influence	-87,228	-30,136	809,814	790,086
4.03	Comprehensive Income for the Period	-108,780	-406,779	190,878	-112,364

**Individual Financial Statements / Statement of Cash Flows – Indirect Method****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Accumulated in the Current Fiscal Year 1/1/2019 to 6/30/2019</b>	<b>Accumulated in the Previous Fiscal Year 1/1/2018 to 6/30/2018</b>
6.01	Operating Activities Net Cash	107,413	234,169
6.01.01	Cash from Operations	3,362	-28,279
6.01.01.01	Net income before Income Tax and Social Contribution Tax	-376,515	-870,444
6.01.01.02	Equity Income	378,548	-344,295
6.01.01.04	Monetary Variations and Interest, Net	723	135
6.01.01.06	Provisioning	0	1,185,386
6.01.01.07	Other	606	939
6.01.02	Changes in Assets and Liabilities	104,051	262,448
6.01.02.01	Decrease/(Increase) in Other Assets	164,612	-11,031
6.01.02.02	Decrease/(Increase) in Other Liabilities	-60,237	34,852
6.01.02.03	Interest on Equity and Dividends Received	0	257,103
6.01.02.05	Income Tax and Social Contribution Paid	-324	-18,476
6.02	Investment Activities Net Cash	-117	0
6.02.01	Acquisition of Property, Plant and Equipment	-117	0
6.03	Financing Activities Net Cash	-379,641	-1,819,392
6.03.01	Interest on Shareholders' Equity and Dividends Paid	-379,641	-719,392
6.03.04	Settlement of Debentures	0	-1,100,000
6.05	Increase (Decrease) in Cash and Cash Equivalents	-272,345	-1,585,223
6.05.01	Opening Balance of Cash and Cash Equivalents	458,227	1,670,323
6.05.02	Closing Balance of Cash and Cash Equivalents	185,882	85,100



**Individual Financial Statements / Statement of Changes in Equity/ SCE - 1/1/2019 to 6/30/2019****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Paid-up Share Capital</b>	<b>Capital Granted Options and Treasury Shares</b>	<b>Reserves,</b>	<b>Profit Reserve</b>	<b>Profit or Loss Accumulated</b>	<b>Other Incomes Comprehensive</b>	<b>Shareholders' Equity</b>
5.01	Opening Balances	4,100,000		0	2,779,080	0	3,080,764	9,959,844
5.03	Adjusted Opening Balances	4,100,000		0	2,779,080	0	3,080,764	9,959,844
5.05	Total Comprehensive Income	0		0	0	-376,643	-30,136	-406,779
5.05.01	Net Income of the Period	0		0	0	-376,643	0	-376,643
5.05.02	Other Comprehensive Incomes	0		0	0	0	-30,136	-30,136
5.05.02.06	Impacts from Companies with Significant Influence	0		0	0	0	-30,136	-30,136
5.07	Closing Balances	4,100,000		0	2,779,080	-376,643	3,050,628	9,553,065

**Individual Financial Statements / Statement of Changes in Equity/ SCE - 1/1/2018 to 6/30/2018****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Paid-up Share Capital</b>	<b>Capital Granted Options and Treasury Shares</b>	<b>Reserves,</b>	<b>Profit Reserve</b>	<b>Profit or Loss Accumulated</b>	<b>Other Incomes Comprehensive</b>	<b>Shareholders' Equity</b>
5.01	Opening Balances	4,100,000		-20,310	2,026,339	0	2,699,979	8,806,008
5.03	Adjusted Opening Balances	4,100,000		-20,310	2,026,339	0	2,699,979	8,806,008
5.04	Capital Transactions with Shareholders	0		20,310	-20,310	0	0	0
5.04.08	Cancellation of Treasury Shares	0		20,310	-20,310	0	0	0
5.05	Total Comprehensive Income	0		0	0	-902,450	790,086	-112,364
5.05.01	Net Income of the Period	0		0	0	-902,450	0	-902,450
5.05.02	Other Comprehensive Incomes	0		0	0	0	790,086	790,086
5.05.02.06	Impacts from Companies with Significant Influence	0		0	0	0	790,086	790,086
5.07	Closing Balances	4,100,000		0	2,006,029	-902,450	3,490,065	8,693,644

**Individual Financial Statements / Statement of Value Added****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Accumulated in the Current Fiscal Year 1/1/2019 to 6/30/2019</b>	<b>Accumulated in the Previous Fiscal Year 1/1/2018 to 6/30/2018</b>
7.02	Inputs Acquired from Third Parties	-2,188	-1,189,078
7.02.02	Materials, Electricity, Outsourced Services and Others	-1,596	-2,249
7.02.04	Other	-592	-1,186,829
7.02.04.01	Other General Expenses	-592	-1,443
7.02.04.02	Provisions	0	-1,185,386
7.03	Gross Added Value	-2,188	-1,189,078
7.05	Net Added Value Produced	-2,188	-1,189,078
7.06	Added Value Received in Transfer	-362,202	391,368
7.06.01	Equity Income	-378,548	344,295
7.06.02	Earnings	16,346	47,073
7.07	Added Value to be Allocated	-364,390	-797,710
7.08	Distribution of Added Value	-364,390	-797,710
7.08.01	Personnel	3,789	2,339
7.08.02	Taxes, Charges and Contributions	1,330	49,570
7.08.03	Compensation of Third-Party Capital	7,134	52,831
7.08.04	Compensation of Own Capital	-376,643	-902,450
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	-376,643	-902,450

**Consolidated Financial Statements / Statement of Financial Position - Assets****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Current Quarter 6/30/2019</b>	<b>Previous Fiscal Year 12/31/2018</b>
1	Total Assets	9,807,632	10,634,336
1.01	Current Assets	187,769	564,861
1.01.01	Cash and Cash Equivalents	187,455	459,811
1.01.03	Accounts Receivable	0	105,050
1.01.03.02	Other Accounts Receivable	0	105,050
1.01.03.02.02	Receivables	0	105,050
1.01.08	Other Current Assets	314	0
1.02	Non-Current Assets	9,619,863	10,069,475
1.02.01	Long-Term Assets	182,700	224,769
1.02.01.10	Other Non-Current Assets	182,700	224,769
1.02.01.10.03	Judicial Deposits	7,659	7,504
1.02.01.10.04	Recoverable Taxes	175,041	217,265
1.02.02	Investments	9,436,029	9,844,701
1.02.03	Property, Plant and Equipment	117	5
1.02.04	Intangible Assets	1,017	0

**Consolidated Financial Statements / Statement of Financial Position - Liabilities****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Current Quarter 6/30/2019</b>	<b>Previous Fiscal Year 12/31/2018</b>
2	Total Liabilities	9,807,632	10,634,336
2.01	Current Liabilities	30,172	457,966
2.01.03	Tax Liabilities	194	43,157
2.01.05	Other Liabilities	29,978	414,809
2.01.05.02	Other	29,978	414,809
2.01.05.02.01	Dividends and Interest on Equity Payable	4,245	387,966
2.01.05.02.04	Other Liabilities	25,671	26,843
2.01.05.02.05	Right-of-use leases	62	0
2.02	Non-Current Liabilities	224,395	216,526
2.02.01	Loans and Financing	216,638	209,861
2.02.01.02	Debentures	216,638	209,861
2.02.02	Other Liabilities	974	0
2.02.02.02	Other	974	0
2.02.02.02.03	Right-of-use leases	974	0
2.02.04	Provisions	6,783	6,665
2.03	Consolidated Equity	9,553,065	9,959,844
2.03.01	Paid-up Share Capital	4,100,000	4,100,000
2.03.04	Profit Reserve	2,779,080	2,779,080
2.03.04.01	Legal Reserve	227,610	227,610
2.03.04.02	Statutory Reserve	2,551,470	2,551,470
2.03.05	Retained Earnings/Accumulated Losses	-376,643	0
2.03.06	Equity Valuation Adjustments	3,050,628	3,080,764

**Consolidated Financial Statements / Statement of Income****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Current Quarter 4/1/2019 to 6/30/2019</b>	<b>Accumulated in the Current Fiscal Year 1/1/2019 to 6/30/2019</b>	<b>Same Quarter Previous Fiscal Year 4/1/2018 to 6/30/2018</b>	<b>Accumulated in the Previous Fiscal Year 1/1/2018 to 6/30/2018</b>
3.04	Operating Income/Expenses	-25,387	-385,727	-616,053	-864,992
3.04.02	General and Administrative Expenses	-3,712	-6,387	-3,653	-5,883
3.04.05	Other Operating Expenses	-313	-803	-631,685	-1,203,179
3.04.05.01	Tax Expenses	-313	-765	-883	-17,265
3.04.05.02	Other Operating Expenses	0	-38	-630,802	-1,185,914
3.04.06	Equity Income	-21,362	-378,537	19,285	344,070
3.05	Income before Earnings and Taxes	-25,387	-385,727	-616,053	-864,992
3.06	Financial Result	3,134	9,212	-5,187	-5,452
3.06.01	Earnings	6,629	16,346	18,590	47,304
3.06.02	Financial Expenses	-3,495	-7,134	-23,777	-52,756
3.07	Earnings before Income Taxes	-22,253	-376,515	-621,240	-870,444
3.08	Income Tax and Social Contribution	701	-128	2,304	-32,006
3.09	Net Income from Continuing Operations	-21,552	-376,643	-618,936	-902,450
3.11	Consolidated Income/Loss for the Period	-21,552	-376,643	-618,936	-902,450
3.11.01	Attributed to Parent Company Shareholders	-21,552	-376,643	-618,936	-902,450
3.99	Earnings per Share (BRL/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	-0.05815	-1.01625	-1.67000	-2.43497
3.99.01.02	Preferred Shares	-0.06397	-1.11788	-1.83700	-2.67847
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	-0.05815	-1.01625	-1.67000	-2.43497
3.99.02.02	Preferred Shares	-0.06397	-1.11788	-1.83700	-2.67847

**Consolidated Financial Statements / Statement of Comprehensive Income****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Current Quarter 4/1/2019 to 6/30/2019</b>	<b>Accumulated in the Current Fiscal Year 1/1/2019 to 6/30/2019</b>	<b>Same Quarter Previous Fiscal Year 4/1/2018 to 6/30/2018</b>	<b>Accumulated in the Previous Fiscal Year 1/1/2018 to 6/30/2018</b>
4.01	Consolidated Net Income for the Period	-21,552	-376,643	-618,936	-902,450
4.02	Other Comprehensive Incomes	-87,228	-30,136	809,814	790,086
4.02.02	Impacts from Companies with Significant Influence	-87,228	-30,136	809,814	790,086
4.03	Consolidated Comprehensive Income for the Period	-108,780	-406,779	190,878	-112,364
4.03.01	Attributed to Parent Company Shareholders	-108,780	-406,779	190,878	-112,364

**Consolidated Financial Statements / Statement of Cash Flows – Indirect Method****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Accumulated in the Current Fiscal Year 1/1/2019 to 6/30/2019</b>	<b>Accumulated in the Previous Fiscal Year 1/1/2018 to 6/30/2018</b>
6.01	Operating Activities Net Cash	107,402	234,394
6.01.01	Cash from Operations	3,368	-28,054
6.01.01.01	Net income before Income Tax and Social Contribution Tax	-376,515	-870,444
6.01.01.02	Equity Income	378,537	-344,070
6.01.01.04	Monetary Variations and Interest, Net	740	135
6.01.01.06	Provisioning	0	1,185,386
6.01.01.07	Other	606	939
6.01.02	Changes in Assets and Liabilities	104,034	262,448
6.01.02.01	Decrease/(Increase) in Other Assets	164,595	-11,031
6.01.02.02	Decrease/(Increase) in Other Liabilities	-60,237	34,852
6.01.02.03	Interest on Equity and Dividends Received	0	257,103
6.01.02.05	Income Tax and Social Contribution Paid	-324	-18,476
6.02	Investment Activities Net Cash	-117	0
6.02.01	Acquisition of Property, Plant and Equipment	-117	0
6.03	Financing Activities Net Cash	-379,641	-1,819,392
6.03.01	Interest on Shareholders' Equity and Dividends Paid	-379,641	-719,392
6.03.04	Settlement of Debentures	0	-1,100,000
6.05	Increase (Decrease) in Cash and Cash Equivalents	-272,356	-1,584,998
6.05.01	Opening Balance of Cash and Cash Equivalents	459,811	1,671,661
6.05.02	Closing Balance of Cash and Cash Equivalents	187,455	86,663



**Consolidated Financial Statements / Statement of Changes in Equity/ SCE - 1/1/2019 to 6/30/2019****(R\$ thousand)**

Code of the Account	Account Description	Paid-up Share Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserve	Profit or Loss Accumulated	Other Incomes Comprehensive	Shareholders' Equity	Participation of Non-Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	4,100,000	0	2,779,080	0	3,080,764	9,959,844	0	9,959,844
5.03	Adjusted Opening Balances	4,100,000	0	2,779,080	0	3,080,764	9,959,844	0	9,959,844
5.05	Total Comprehensive Income	0	0	0	-376,643	-30,136	-406,779	0	-406,779
5.05.01	Net Income of the Period	0	0	0	-376,643	0	-376,643	0	-376,643
5.05.02	Other Comprehensive Incomes	0	0	0	0	-30,136	-30,136	0	-30,136
5.05.02.06	Impacts from Companies with Significant Influence	0	0	0	0	-30,136	-30,136	0	-30,136
5.07	Closing Balances	4,100,000	0	2,779,080	-376,643	3,050,628	9,553,065	0	9,553,065

**Consolidated Financial Statements / Statement of Changes in Equity/ SCE - 1/1/2018 to 6/30/2018****(R\$ thousand)**

Code of the Account	Account Description	Paid-up Share Capital	Capital Granted Options and Treasury Shares	Reserves,	Profit Reserve	Profit or Loss Accumulated	Other Incomes Comprehensive	Shareholders' Equity	Participation of Non-Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	4,100,000	-20,310		2,026,339	0	2,699,979	8,806,008	0	8,806,008
5.03	Adjusted Opening Balances	4,100,000	-20,310		2,026,339	0	2,699,979	8,806,008	0	8,806,008
5.04	Capital Transactions with Shareholders	0	20,310		-20,310	0	0	0	0	0
5.04.08	Cancellation of Treasury Shares	0	20,310		-20,310	0	0	0	0	0
5.05	Total Comprehensive Income	0	0		0	-902,450	790,086	-112,364	0	-112,364
5.05.01	Net Income of the Period	0	0		0	-902,450	0	-902,450	0	-902,450
5.05.02	Other Comprehensive Incomes	0	0		0	0	790,086	790,086	0	790,086
5.05.02.06	Impacts from Companies with Significant Influence	0	0		0	0	790,086	790,086	0	790,086
5.07	Closing Balances	4,100,000	0		2,006,029	-902,450	3,490,065	8,693,644	0	8,693,644

**Consolidated Financial Statements / Statement of Value Added****(R\$ thousand)**

<b>Code of the Account</b>	<b>Account Description</b>	<b>Accumulated in the Current Fiscal Year 1/1/2019 to 6/30/2019</b>	<b>Accumulated in the Previous Fiscal Year 1/1/2018 to 6/30/2018</b>
7.02	Inputs Acquired from Third Parties	-2,199	-1,189,084
7.02.02	Materials, Electricity, Outsourced Services and Others	-1,607	-2,255
7.02.04	Other	-592	-1,186,829
7.02.04.01	Other General Expenses	-592	-1,443
7.02.04.02	Provisions	0	-1,185,386
7.03	Gross Added Value	-2,199	-1,189,084
7.05	Net Added Value Produced	-2,199	-1,189,084
7.06	Added Value Received in Transfer	-362,191	391,374
7.06.01	Equity Income	-378,537	344,070
7.06.02	Earnings	16,346	47,304
7.07	Added Value to be Allocated	-364,390	-797,710
7.08	Distribution of Added Value	-364,390	-797,710
7.08.01	Personnel	3,789	2,339
7.08.02	Taxes, Charges and Contributions	1,330	49,570
7.08.03	Compensation of Third-Party Capital	7,134	52,831
7.08.04	Compensation of Own Capital	-376,643	-902,450
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	-376,643	-902,450

## Comments on the Financial Information

### MANAGEMENT'S COMMENTS ON THE COMPANY'S PERFORMANCE

The table below shows the consolidated results, in accordance with accounting practices adopted in Brazil.

Income Statement	(R\$ thousand)					
	2Q19	2Q18	Chg %	1H19	1H18	Chg %
Equity Income	(21,362)	19,285	-	(378,537)	344,070	-
<b>Operating Revenue</b>	<b>(21,362)</b>	<b>19,285</b>	<b>-</b>	<b>(378,537)</b>	<b>344,070</b>	<b>-</b>
General and Administrative Expenses	(1,075)	(2,182)	-50.7%	(2,236)	(3,317)	-32.6%
Payroll Expenses	(2,637)	(1,471)	79.3%	(4,151)	(2,566)	61.8%
Financial Revenues (Expenses)	3,134	(5,187)	-	9,212	(5,452)	-
Tax Expenses	(313)	(883)	-64.6%	(765)	(17,265)	-95.6%
Other Operational Expenses	-	(630,802)	-	(38)	(1,185,914)	-
<b>Operational Result before Income Tax/Social Contribution</b>	<b>(22,253)</b>	<b>(621,240)</b>	<b>-</b>	<b>(376,515)</b>	<b>(870,444)</b>	<b>-</b>
Income Tax / Social Contribution	701	2,304	-69.6%	(128)	(32,006)	-99.6%
<b>Results for the Period</b>	<b>(21,552)</b>	<b>(618,936)</b>	<b>-</b>	<b>(376,643)</b>	<b>(902,450)</b>	<b>-</b>

## Operating Income

As an investment company, BRADESPAR's financial revenue originates from the equity income and interest on its equity stake in VALE.

BRADESPAR closed the 2Q19 with a negative operating result of R\$ 21.4 million. It is worth noting that this result was impacted by the provision of R\$ 5.9 billion made by investee VALE, as a result of the failure of the Dam I of the Córrego do Feijão Mine, in the city of Brumadinho, Minas Gerais state, on January 25, 2019. This impact was partially offset by better prices and higher sales volume of iron ore and nickel.

Also note that VALE continues committed to repairing the damage caused to the families, infrastructure, communities and the environment quickly and fairly, as well as taking all the measures to ensure the safety of people and operations, with the consequent reduction of uncertainties as to the delivery of sustainable results and value for shareholders.

## Finance Income (LOSS)

At the end of the quarter, net finance income was R\$ 3.1 million chiefly due to BRADESPAR's income from financial investments and lower indebtedness, with the total early redemption of the Third Issue of Promissory Notes in the amount of R\$ 2.458 billion and the partial early amortization of the Seventh Public Issue of Simple Debentures totaling R\$ 512.7 million at the end of 2018.

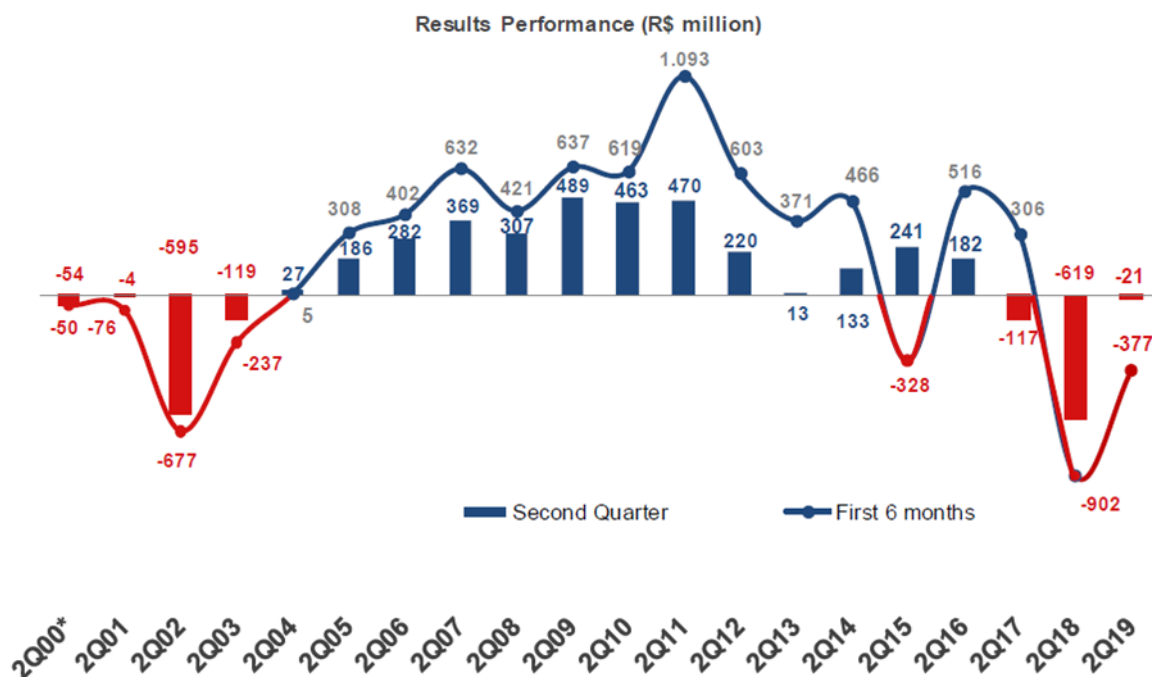
## Comments on the Financial Information

### Payroll, General and Administrative Expenses

In the second quarter of 2019, BRADESPAR's payroll, general and administrative expenses totaled R\$ 3.7 million. Year to date, payroll, general and administrative expenses came to R\$ 6.4 million.

### Results of the Quarter

In the second quarter of 2019, BRADESPAR posted a negative result of R\$ 21.6 million, due to the results recorded by VALE, as referred to above.



\*Corresponds to four months of operations

## Comments on the Financial Information

### DIVIDENDS AND INTEREST ON CAPITAL

In accordance with its “Annual Compensation Policy” and as set forth in its Bylaws, which provides for the minimum distribution of 30% of adjusted net project, BRADESPAR informed its shareholders about the following: (i) on December 28, 2018, the payment of interest on capital, as at January 31, 2019, in the amount of R\$ 217.0 million, at the value of R\$ 0.585504889 per common share (net value of R\$ 0.497679155) and R\$ 0.644055377 per preferred share (net value of R\$ 0.547447070); and (ii) on April 30, 2019, the approval of the supplementary compensation, at the Board of Directors’ meeting, held on March 28, 2019, payable on May 15, 2019, for purposes of compliance with minimum management compensation, composed of the following:

- interest on capital, in the amount of R\$157.2 million, at the value of R\$ 0.424234718 per common share (net value of R\$ 0.360599510) and R\$0.466658189 per preferred share (net value of R\$0.396659461); and

- dividends, in the amount of R\$43.2 million, at the value of R\$ 0.116601815 per common share and R\$ 0.128261996 per preferred share, not subject to withholding income tax, as set forth in Article 10 of Law 9249/95.

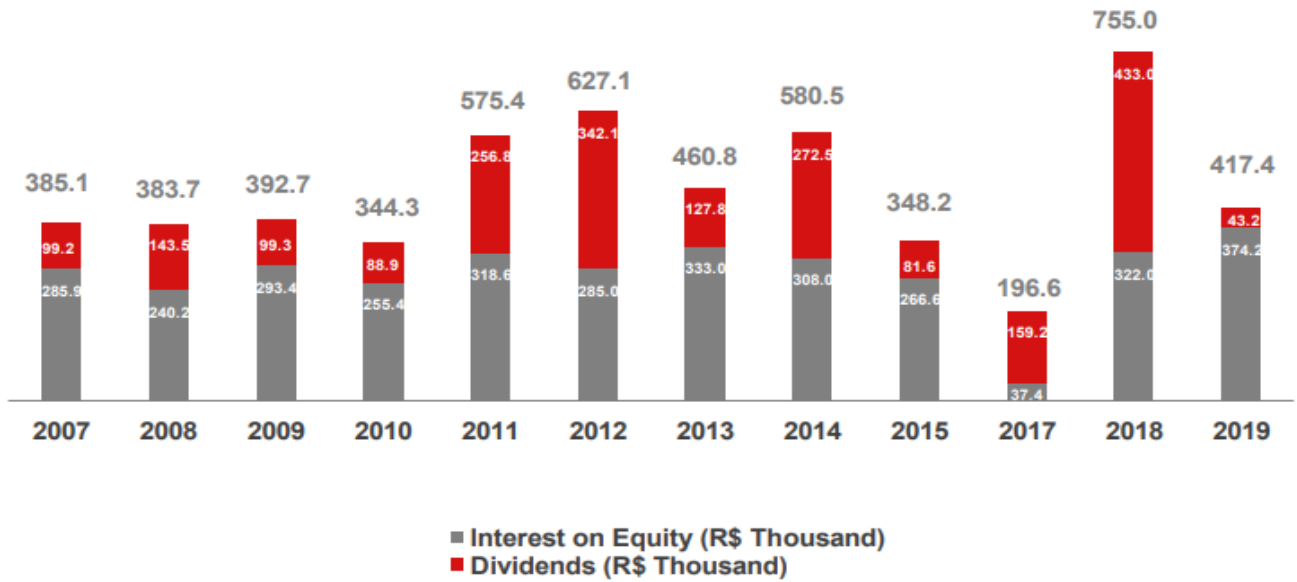
Thus, interest on equity and dividends paid in 2019 for fiscal year 2018 totaled R\$ 417.4 million.

It should be noted that due to the failure of the Dam I of the Córrego do Feijão Mine on January 25, 2019 in the city of Brumadinho, Minas Gerais state, the Board of Directors of VALE, among other measures, resolved to suspend its Shareholder Compensation Policy and consequently not to pay dividends and interest on equity until the Company’s situation is normalized. The decision will have a direct impact on the dividends of BRADESPAR shareholders

BRADESPAR is following the matter up and will keep its shareholders and the market duly informed of the consequences for its Shareholder Compensation Policy.

**Comments on the Financial Information**

**Payment History of Interest on Equity and Dividends**



## Comments on the Financial Information

### COMMENTS ON INVESTEE

#### VALE

VALE is the largest mining company in the Americas and one of the largest in the world, the leader in the global market of iron ore, iron ore pellets and nickel. The company also produces manganese, iron alloys, metallurgy and thermal coal, copper, platinum-group metals, gold, silver and cobalt. VALE also operates robust logistics systems in Brazil and abroad, including railways, maritime and port terminals that are integrated to its operations.

It is worth noting that since the failure of the Dam I of the Córrego do Feijão Mine, in the city of Brumadinho, Minas Gerais state, between January and late July, VALE paid 171 individual indemnifications and that it will continue assessing the cases of victims who wish to request this right. In July, the company also entered into a definite agreement with the Minas Gerais State Public Ministry of Labor to indemnify families of the deceased employees and contractors. In the environmental sphere, 750 thousand cubic meters of tailings from the dam were removed to an area authorized by the competent authorities.

The main aspects of VALE's performance, in the second quarter of 2019, were the following:

- Adjusted EBITDA of R\$12.2 billion;
- Net income of R\$ 384.0 million; and
- Investments totaling US\$730.0 million, US\$130.0 million of which in project execution and US\$600.0 million in maintenance operation.



## Comments on the Financial Information

### SERVICES PROVIDED BY INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/03, BRADESPAR informs that, on September 1, 2019, it did not engage the independent auditor – PricewaterhouseCoopers Auditores Independentes – in activities not related to external audit.

With regards to engaging services not related to external audit, BRADESPAR complies with the regulations that assure the independence of the external auditor, maintaining consistency with international standards, pursuant to the procedures established by the Company, which include, among others: (a) the auditor should not audit its own work; (b) the auditor should not have management duties at the client; and (c) the auditor should not promote the interests of its client. Additionally, in case of engaging other services, the scope and the procedures of the referred services are discussed with the independent auditors, so that they do not affect the rules set forth.

## Notes to the Financial Information

### Notes to the Financial Statements

(In thousands of reais, unless otherwise specified)

#### 1. OPERATIONAL BACKGROUND

BRADESPAR S.A. (BRADESPAR, Company or Parent Company), a publicly-held corporation headquartered at Avenida Paulista, nº 1.450, 9º andar, São Paulo - SP, Brazil, is to acquire shareholding interest in other companies. - -

The authorization to issue these interim financial statements was granted by the Board of Directors on August 12, 2019.

**The direct equity interests are as follows:**

##### a) Millennium Security Holdings Corp. (MILLENNIUM)

The corporate purpose of MILLENNIUM is to engage in any act or activity permitted by any law prevailing in the British Virgin Islands.

##### b) VALE S.A. (VALE)

VALE S.A. is a publicly-held company headquartered in the city of Rio de Janeiro-Brazil, with its securities traded on the Stock Exchanges of São Paulo - B3 S.A. (VALE3), Nova York – NYSE (VALE), Paris – NYSE Euronext (VALE3) and Madri – LATIBEX (XVALO).

VALE S.A. and its direct and indirect subsidiaries are the world's largest producer of iron ore and pellets, key raw materials for the steel industry and nickel producers, with applications in the stainless steel and metal alloys industry. The company also produces copper, thermal and metallurgical charcoal, manganese, iron alloys, metals of the group of platinum, gold, silver and cobalt (Note 18).

#### 2. PRESENTATION OF FINANCIAL STATEMENTS

We present the condensed, Individual (Parent Company) and Consolidated interim financial statements of BRADESPAR, which includes the subsidiary MILLENNIUM, on June 30, 2019.

The Company's parent company and consolidated financial statements were prepared in accordance with CPC 21 (R1) – "Interim Financial Reporting", equivalent to the international standard IAS 34 – "Interim Financial Reporting", presented in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), implemented in Brazil through the Brazilian Accounting Pronouncements Committee (CPC) and its technical pronouncements (CPCs), interpretations (ICPCs) and guidelines (OCPCs), approved by the Brazilian Securities and Exchange Commission (CVM).

Management states that the disclosures in BRADESPAR's individual and consolidated financial statements show all material information used in its management and the accounting practices described above have been consistently used between the periods presented.

The accounting estimates applied the preparation of the financial statements, related to deferred tax assets and liabilities, liability provisions and contingencies, consider the best evidence available and are based on assumptions applicable at the end of the reporting periods. The final results, when realized, may differ from the estimated values.

BRADESPAR evaluates the subsequent events until the date on which the Board of Directors approves the financial statements.

## Notes to the Financial Information

### 3. MAIN ACCOUNTING PRACTICES

The condensed interim financial statements follow the principles, methods and uniform criteria in relation to those adopted for the annual financial statements for the year ended December 31, 2018 and should be analyzed together with those financial statements.

#### a) Principles of Consolidation

The consolidated financial statements reflect the balances and transactions of the parent company and its subsidiary. Investments with significant influence are accounted for using the equity method.

BRADESPAR's consolidated financial statements include its direct subsidiary MILLENNIUM.

#### b) Segment Reporting

BRADESPAR is a holding company whose corporate purpose and sole business segment is to hold interest as partner or shareholder in other companies.

### 4. KEY ACCOUNTING JUDGMENTS AND ESTIMATES

The accounting estimates are the same as those used when preparing the financial statements for the year ended December 31, 2018.

### 5. ACCOUNTING PRONOUNCEMENTS

#### a) Standards, amendments or interpretations of applicable standards as of January 1, 2019:

##### • CPC 06 (R2) - Leasing Transactions

CPC 06 (R2), issued in January 2016 to replace CPC 06 (R1) Business Leasing Transactions, ICPC 03 - Additional Aspects of Leasing Transactions, establishes that the leaseholders account for all leases according to a single model, similar to the accounting of financial leases in compliance with CPC 06 (R1). CPC 06 (R2) is mandatory for fiscal years as of January 1, 2019.

Bradespar adopted CPC 06 (R2) on January 1, 2019, using the simplified modified retrospective approach, which does not require the disclosure of comparative information.

The new standard was adopted for lease agreements that were previously identified as leases that adopted CPC 06 (R1) and ICPC 03 - Additional Aspects of Leasing Operations. Therefore, the Company did not apply the standard to agreements that have not been previously identified as agreements with a lease feature under CPC 06 (R1) and ICPC 03.

#### b) Standards, changes and interpretations of standards applicable to future periods:

No new standards have been identified that are not yet effective or that may have a material impact on the Company's accounting statements for this period or future periods.

## Notes to the Financial Information

### 6. RISK MANAGEMENT

In the period, there was no change in relation to the risk management policies disclosed in the year ended December 31, 2018.

### 7. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	6.30.2019	12.31.2018	6.30.2019	12.31.2018
Available funds in domestic currency	34	56,042	1,607	57,626
Financial investment funds <sup>(1)</sup>	185,848	402,185	185,848	402,185
<b>TOTAL</b>	<b>185,882</b>	<b>458,227</b>	<b>187,455</b>	<b>459,811</b>

(1) Refer to fixed income investments in Financial Investment Funds, allocated to members of the Organization or associated Companies, which are considered as qualified investors, managed by Bradesco.

### 8. INVESTMENTS

a) The adjustments resulting from the parent company's equity method are as follows:

Companies	Share Capital	Adjusted Equity	Adjusted Income	Number of Common Shares Held (thousand) Common Shares	Share Capital Interest %	Total Investments		Adjustment due to Valuation (1)			
						6.30.2019	12.31.2018	2Q19	2Q18	1H19	1H18
MILLENNIUM	11,919	1,573	(11)	-	100.00	1,573	1,584	(29)	216	(11)	225
VALE (2) (3) (4)	77,300,000	169,660,508	(6,806,122)	293,907	5.56	9,436,029	9,844,701	(21,362)	19,285	(378,537)	344,070
<b>Total</b>						<b>9,437,602</b>	<b>9,846,285</b>	<b>(21,391)</b>	<b>19,501</b>	<b>(378,548)</b>	<b>344,295</b>

(1) Considers the results recorded by the companies, including investees' equity variations not deriving from income, as well as adjustments due to harmonization of the accounting practices, when applicable;

(2) The company's June 30, 2019 information was audited by the same independent auditors of BRADESPAR;

(3) Investment with significant influence guaranteed by the Shareholders' Agreement; and

(4) For more information on the direct investment in VALE, see Note 18.

b) Breakdown of investments measured by equity accounting method in the Consolidated:

Company	Total Investments		Adjustments due to Valuation <sup>(1)</sup>			
	6.30.2019	12.31.2018	2Q19	2Q18	1H19	1H18
VALE	6,385,401	6,763,937	(21,362)	19,285	(378,537)	344,070
VALE – adjustment effect <sup>(2)</sup>	3,050,628	3,080,764	-	-	-	-
<b>Total</b>	<b>9,436,029</b>	<b>9,844,701</b>	<b>(21,362)</b>	<b>19,285</b>	<b>(378,537)</b>	<b>344,070</b>

(1) Considers the results recorded by the companies, including investees' equity variations not deriving from income, as well as adjustments due to harmonization of the accounting practices, when applicable; and

(2) Equity valuation adjustments, as per Law 11638/07 and CPCs 2 and 8, which are recorded against equity, basically refer to forex differences when translating foreign currency into the functional currency of the operations performed by VALE.

### 9. DEBENTURES PAYABLE

On July 28, 2018, BRADESPAR carried out its seventh public issue of 70,000 non-convertible debentures, at the unit par value of ten thousand reais (R\$10,000), totaling R\$700,000, maturing on June 28, 2021 as of the issue date. With interest corresponding to 103.95% of the accumulated variation of the DI over extra group daily average rate - One-day Interbank Deposits, calculated and disclosed by B3 and available on CETIP's webpage, on a year of 252 business days, expressed as annual percentage ("DI-Over Rate"), incurring on the unit par value or on the balance of the unit par valued of the debentures, calculated from the issue date or from the actual payment date of the compensation, until the end of the capitalization period, *pro rata temporis*.

## Notes to the Financial Information

On July 2, 2018, BRADESPAR received the amount of R\$700,358 thousand from the seventh public issue of 70,000 non-convertible debentures, at the unit par value of R\$10,000, issued on June 28, 2018. The funds obtained had the purpose of fully settling the debentures of the single series of the sixth issue.

On December 27, 2018, BRADESPAR notified the holders of debentures of its seventh issue on the extraordinary early amortization of 70% (seventy percent) of the unit par value of the debentures, according to contractual prerogative that allows the early amortization, limited to 90% of the nominal unit value or the balance of the nominal unit value of the debentures, an interest bearing bond, calculated *pro rata temporis* from the issue date up to the actual payment date in the amount of R\$512,734.

On June 30, 2019 and December 31, 2018, BRADESPAR did not identify any non-compliance event that could cause the early maturity of the debt.

On June 30, 2019, the updated payable balance of the debentures totaled R\$216,638 (December 31, 2018 – R\$209,861).

### 10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS - TAX

#### a) Contingent assets

No contingent assets were recognized; however, there are proceedings with probable chances of success, mainly:

- COFINS – R\$12,052 (December 31, 2018 – R\$11,937): The Company pleads COFINS refund or offset, collected pursuant to Law 9,718/98, between January and October 2001, regarding all due invoicing surplus; and
- Social Integration Program (PIS) – R\$2,611 (December 31, 2018 – R\$2,587): The Company pleads the PIS refund or offset, collected pursuant to Law 9,718/98, between January and October 2001, regarding all surplus due amounts based on the requirements set out by Supplementary Law 7/70 (Pis Repique), or at least regarding all due invoicing surplus.

#### b) Provisions classified as probable losses and legal obligations - Tax

The companies included in the Consolidated Financial Statements are parties in tax lawsuits arising from the regular course of their activities.

When recording provisions, Management takes into account the legal counsel's opinion, nature of lawsuits, similarity with previous proceedings, complexity, and court jurisprudence, whenever losses are classified as probable.

BRADESPAR's Management understands that the provision recorded is sufficient to cover all losses arising from such proceedings.

Liabilities regarding legal obligations under legal dispute are maintained until the lawsuit is granted relief, represented by favorable court decisions over which no further appeals shall apply or time by law.

#### l) Tax Provisions

By virtue of the Private Share Purchase Agreement representing Bradesplan Participações Ltda. (BRADESPLAN's) share capital, executed with Banco Bradesco S.A. (BRADESCO) in May 2006, BRADESPAR is responsible for tax court proceedings (PIS and COFINS) involving the former subsidiary BRADESPLAN. On June 30, 2019, the updated amount totaled R\$6,783 (December 31, 2018 – R\$6,665).

## Notes to the Financial Information

The balance of judicial deposits on June 30, 2019, in the amount of R\$7,659 (December 31, 2018 – R\$7,504) is related to COFINS, which must be refunded by the Brazilian Federal Revenue Service (RFB) pursuant to the aforementioned proceedings.

### II) Changes in Tax Provisions:

	Parent Company and Consolidated	
	1H19	1H18
<b>Opening Balance of the Period</b>	<b>6,665</b>	<b>40,073</b>
Monetary restatement	118	497
<b>Closing Balance of the Period</b>	<b>6,783</b>	<b>40,570</b>

### c) Contingent liabilities classified as possible loss

BRADESPAR has a system to monitor all legal and administrative proceedings in which the company appears as a “plaintiff” or “defendant” and, supported by the opinion of its legal advisors, the proceedings are classified based on the loss prospect: remote, possible and likely.

The processes classified as possible are:

- I) ANTARES, incorporated by BRADESPAR, is a party to a lawsuit filed with RFB, as successor of the spun-off portion of VBC Participações S.A. (VBC), concerning the compensation in this company for tax losses and negative calculation base of social contribution on net profit, during its total spin-off and consequent extinction, in an amount higher than the limit of 30% set forth by Law No. 8:981/95. The total amount, on June 30, 2019, corresponded to R\$276,895 (December 31, 2018 - R\$272,828), of which R\$203,943 was recorded as income tax (December 31, 2018 - R\$200,948) and R\$72,952 was recorded as social contribution on net income (December 31, 2018 - R\$71,880).
- II) Bradespar is a party to a lawsuit filed by Litel Participações S.A. (“Litel”), which is filed in court under legal confidentiality, Case 0281248-69.2018.8.19.0001 at the 10th Civil Court of Rio de Janeiro. In this lawsuit, Litel seeks the conviction of Bradespar for the payment of R\$1.4 billion as reimbursement of the amount that Litel had to pay to Elétron S.A. (“Elétron”), in an agreement entered into in the records of a lawsuit to comply with an arbitration decision, converted into losses and damages, filed against Litel and Bradespar. Litel alleged a noncompliance with the Indemnification Agreement entered into between the parties on January 5, 2001, signed due to the acquisition of shares of Valepar S/A (“Agreement”).

Bradespar disagrees with Litel’s lawsuit and its grounds, which are duly addressed in the defense filed on March 8, 2019. The proceeding is currently in the discovery phase.

The office that represents Bradespar in the lawsuit classifies as possible the likelihood of loss of Bradespar.

In addition to contesting the lawsuit, Bradespar filed a counterclaim seeking indemnification from Litel, based on the terms of the Agreement.

- d) The Company has no labor contingencies classified as probable and possible and that should be provisioned or disclosed.

## Notes to the Financial Information

### 11. SHAREHOLDERS' EQUITY

#### a) Ownership structure in number of shares

Share capital is divided into non-par, book-entry, registered shares.

	6.30.2019	12.31.2018
Common shares	122,171,449	122,171,449
Preferred shares	225,862,596	225,862,596
<b>Total Outstanding</b>	<b>348,034,045</b>	<b>348,034,045</b>

#### b) Interest on equity and/or dividends

On December 28, 2018, BRADESPAR informed the market, in accordance with the relevant matter disclosed on December 21, 2018, after reviewing the cash flows generation and the distribution of income of its investee and in accordance with the flows and the "Indicative Policy for Annual Remuneration", BRADESPAR paid interest on equity on January 31, 2019, as follows:

- R\$217,000 as interest on equity - R\$0.585504889 per common share and R\$0.644055377 per preferred share.

On April 30, 2019, BRADESPAR informed the market that it approved the payment of additional dividends and interest on shareholders' equity in the amount of R\$200,445, which were paid on May 15, 2019, as follows:

- R\$43,215 as dividends - R\$0.116601815 per common share and R\$0.128261996 per preferred share; and
- R\$157,230 as interest on equity - R\$0.424234718 per common share and R\$0.466658189 per preferred share.

### 12. FINANCIAL RESULT

	Parent Company			
	2Q19	2Q18	1H19	1H18
<b>Earnings</b>				
Total financial investments	3,860	16,196	9,896	43,042
Interest rate on recoverable taxes	2,699	1,527	6,279	3,298
Others	88	645	171	733
	<b>6,647</b>	<b>18,368</b>	<b>16,346</b>	<b>47,073</b>
<b>Financial expenses</b>				
Debenture interest expenses	(3,413)	(23,530)	(6,718)	(52,264)
Others	(82)	(247)	(416)	(492)
	<b>(3,495)</b>	<b>(23,777)</b>	<b>(7,134)</b>	<b>(52,756)</b>
<b>Net earnings</b>	<b>3,152</b>	<b>(5,409)</b>	<b>9,212</b>	<b>(5,683)</b>

	Consolidated			
	2Q19	2Q18	1H19	1H18
<b>Earnings</b>				
Total financial investments	3,852	16,201	9,896	43,050
Interest rate on recoverable taxes	2,699	1,527	6,279	3,298
Others	78	862	171	956
	<b>6,629</b>	<b>18,590</b>	<b>16,346</b>	<b>47,304</b>
<b>Financial expenses</b>				
Debenture interest expenses	(3,413)	(23,530)	(6,718)	(52,264)
Others	(82)	(247)	(416)	(492)
	<b>(3,495)</b>	<b>(23,777)</b>	<b>(7,134)</b>	<b>(52,756)</b>
<b>Net earnings</b>	<b>3,134</b>	<b>(5,187)</b>	<b>9,212</b>	<b>(5,452)</b>

## Notes to the Financial Information

### 13. INCOME TAX AND SOCIAL CONTRIBUTION

#### a) Taxes to Offset and Recover

Taxes to Offset and Recover, in the Parent Company and Consolidated Financial Statements, totaling R\$175,041 (December 31, 2018 - R\$217,265), basically refer to income tax and social contribution from previous fiscal years and withholding income tax over financial investments and interest on equity received.

#### b) Statement of calculation of charges with income tax and social contribution:

	Parent Company			
	2Q19	2Q18	1H19	1H18
<b>Earnings before taxes (Income Tax and Social Contribution)</b>	<b>(22,253)</b>	<b>(621,240)</b>	<b>(376,515)</b>	<b>(870,444)</b>
Total income tax and social contribution at the rates of 25% and 9%, respectively	7,566	211,222	128,015	295,951
<b>Effect of additions and exclusions in tax calculations:</b>				
Shareholding interest in subsidiary and investment with substantial influence, taxed in the corresponding companies	(7,273)	6,630	(128,706)	117,060
Non-deductible provisions and expenses, net of nontaxable income	(279)	(214,569)	(306)	(403,448)
Interest on equity received and receivable	-	-	-	(55,303)
Other	687	(979)	869	13,734
<b>Income Tax and Social Contribution Tax in the Period</b>	<b>701</b>	<b>2,304</b>	<b>(128)</b>	<b>(32,006)</b>

	Consolidated			
	2Q19	2Q18	1H19	1H18
<b>Earnings before taxes (Income Tax and Social Contribution)</b>	<b>(22,253)</b>	<b>(621,240)</b>	<b>(376,515)</b>	<b>(870,444)</b>
Total income tax and social contribution at the rates of 25% and 9%, respectively	7,566	211,222	128,015	295,951
<b>Effect of additions and exclusions in tax calculations:</b>				
Shareholding interest in subsidiary and investment with substantial influence, taxed in the corresponding companies	(7,262)	6,557	(128,702)	116,984
Non-deductible provisions and expenses, net of nontaxable income	(290)	(214,496)	(310)	(403,372)
Interest on equity received and receivable	-	-	-	(55,303)
Other	687	(979)	869	13,734
<b>Income Tax and Social Contribution Tax in the Period</b>	<b>701</b>	<b>2,304</b>	<b>(128)</b>	<b>(32,006)</b>

#### c) Unused tax credits

On June 30, 2019, in the Parent Company and in the Consolidated Financial Statements, unused income tax and social contribution tax credits, calculated on temporary additions and tax losses and social contribution tax loss carryforwards, totaled R\$356,137 (December 31, 2018 – R\$357,419).



## Notes to the Financial Information

### 14. RELATED PARTIES

- I) Related-party transactions (direct and indirect) are performed based on conditions and fees compatible with third-party averages transactions on the date of such transactions. The main transactions are detailed below:

#### a) Parent Company and Consolidated

	Investment with significant influence <sup>(1)</sup>		Total	
	2Q19	2Q18	1H19	1H18
Revenue from Interest on Shareholders' Equity	-	162,657	-	162,657

(1) VALE S.A.

#### II) Compensation of Key Management Personnel

Each year, the Annual Shareholders' Meeting establishes:

- Management's overall annual compensation, which is defined at the Board of Directors' meeting, to be paid to the members of the Board of Directors and Executive Officers, as provided for by the Company's Bylaws; and
- The amount allocated to fund the supplementary pension plans of the Management, within the Pension Plan for BRADESPAR's Management.

For 2019, the maximum of R\$9,000 was established for the remuneration of the Management. Part of this refers to the social security contribution to INSS, which is a liability to the Company, and R\$4,600 to cover private pension plans.

#### Management short-term and medium-term compensation

	2Q19	2Q18	1H19	1H18
Compensation and Social Security Contribution to INSS	1,282	738	1,827	1,125
<b>Total</b>	<b>1,282</b>	<b>738</b>	<b>1,827</b>	<b>1,125</b>

#### Post-employment benefits

	2Q19	2Q18	1H19	1H18
Additional Pension Plans with Fixed Contribution	1,149	603	1,977	1,206
<b>Total</b>	<b>1,149</b>	<b>603</b>	<b>1,977</b>	<b>1,206</b>

#### Other benefits

BRADESPAR does not have long-term benefits upon employment contract termination or share-based compensation, pursuant to CPC 10 - Share-based Compensation, for its Management's key personnel.

#### III) Equity interest

The members of the Board of Directors and of the Executive Board jointly hold the following shareholding in BRADESPAR:

	6.30.2019	12.31.2018
• Common shares	0.4626%	0.4626%
• Preferred shares	0.5405%	0.5346%
<b>• Total Shares</b>	<b>0.5131%</b>	<b>0.5093%</b>

## Notes to the Financial Information

### 15. FINANCIAL INSTRUMENTS

#### a) The financial instruments are classified below:

- I) Financial Assets - Loans and receivables in the Parent Company, refer to Cash and Cash Equivalent, totaling R\$185,882 (December 31, 2018 – R\$458,227), and, in the Consolidated, totaling R\$187,455 (December 31, 2018 – R\$459,811); and
- II) Financial Liabilities - Amortized Cost at the Parent Company and Consolidated, refer to Payable Debentures totaling R\$216,638 (December 31, 2018 - R\$209,861) and Other Liabilities totaling R\$25,468 (December 31, 2018 - R\$25,718).

#### b) Non-discounted cash flow for financial liabilities

The non-discounted contractual cash flow payable, based on non-derivative financial liabilities, refers to Payable Debentures in the amount of R\$246,334 (December 31, 2018 - R\$246,548), due on June 28, 2021.

Cash flows are estimates prepared by the Company and may vary in relation to this analysis due to oscillations in the index to which it's linked.

#### c) Sensitivity analysis

In compliance with CVM Instruction 475/08, the following chart provides the sensitivity of positions subject to variations in market rates or prices:

Risk Factors	Definition	Scenarios					
		June 30, 2019			December 31, 2018		
		1	2	3	1	2	3
		Interest rate in Reais	Exposures subject to variations of fixed interest rates and interest rate coupon	(1)	(149)	(296)	(4)
<b>Total without Correlation</b>		<b>(1)</b>	<b>(149)</b>	<b>(296)</b>	<b>(4)</b>	<b>(707)</b>	<b>(1,402)</b>
<b>Total with Correlation</b>		<b>(1)</b>	<b>(149)</b>	<b>(296)</b>	<b>(4)</b>	<b>(707)</b>	<b>(1,402)</b>

The sensitivity analysis was performed based on the scenarios developed for the respective dates, always considering the market information of the time and scenarios that would negatively affect our positions.

**Scenario 1:** Based on the market information (B3, Anbima, etc.), 1-basis point shocks were applied for the interest rate and 1% variation for prices. For example, for a 1-year fixed interest rate of 5.86%, a 5.87% p.a. scenario was used.

**Scenario 2:** Shocks of 25% were applied based on the market. For example, for a 1-year fixed interest rate of 5.86%, a 7.33% p.a. scenario was used.

**Scenario 3:** Shocks of 50% were applied based on the market. For example, for a 1-year fixed interest rate of 5.86%, an 8.79% p.a. scenario was used.

## Notes to the Financial Information

### 16. FAIR VALUE ESTIMATE

The Company considered the same assumptions and calculation methodology presented in the financial statements of December 31, 2018 to measure the fair value of the assets and liabilities of the period.

- I) Financial Liabilities - Measured at Fair Value, at the Parent Company and Consolidated, on June 30, 2019, Payable Debentures reached R\$216,638 (December 31, 2018 - R\$209,861) classified at level 2; and
- II) The Company does not have assets measured at fair value based on levels 1, 2 and 3 and liabilities measured at fair value based on levels 1 and 3.

### 17. OTHER INFORMATION

- a) The Company did not operate with derivative financial instruments on June 30, 2019 and December 31, 2018;
- b) Amounts receivable on December 31, 2018, in the Parent Company and Consolidated, reaching R\$105,050, refer to the sale of VALE's shares, traded on B3 on December 26 and 27, 2018, with financial settlement on January 2 and 3, 2019;
- c) Intangible Assets on June 30, 2019, in the Parent Company and in the Consolidated, totaling R\$1,017, refers to a property lease;
- d) Other Liabilities, in the Parent Company and Consolidated Financial Statements, in the Current, Liabilities totaling R\$25,733 (December 31, 2018 - R\$26,843) mainly referring to fractions of shares from the reverse split, resolved at the Extraordinary Shareholders' Meeting ("ESM") of April 2004, which were traded at B3 in July 2004. The amounts credited or made available to shareholders;
- e) On June 30, 2018, Other Operating Expenses, in the Parent Company and in the Consolidated, totaling R\$1,185,386, refer to a restated provision for losses related to Elétron's lawsuit, given that the classification was changed from possible to probable; and
- f) General and Administrative Expenses, in the Parent Company and in the Consolidated, refer to Personnel Expenses, totaling R\$4,151 (1H18 - R\$2,566) and R\$2,637 in the second quarter of 2019 (2Q18 - R\$1,471) and Other General and Administrative Expenses, totaling R\$2,236 (1H18 - R\$3,317) and R\$1,075 in the second quarter of 2019 (2Q18 - R\$2,182).

## Notes to the Financial Information

### 18. ADDITIONAL INFORMATION ON INVESTMENTS WITH SIGNIFICANT INFLUENCE

Below, the summary of the Statement of Financial Position Consolidated and Income Consolidated published by VALE, not representing BRADESPAR's proportional interest:

STATEMENT OF FINANCIAL POSITION - R\$ Million	6.30.2019	12.31.2018
<b>ASSETS</b>		
Current	60,988	59,256
Non-Current		
Long-term Receivables	66,773	51,631
Investments	11,938	12,495
Property, Plant and Equipment	194,052	187,481
Intangible Assets	33,118	30,850
<b>TOTAL</b>	<b>366,869</b>	<b>341,713</b>
<b>LIABILITIES AND EQUITY</b>		
Current	49,176	35,285
Non-Current	151,710	132,745
Shareholders' Equity	165,983	173,683
<b>TOTAL</b>	<b>366,869</b>	<b>341,713</b>
Direct Interest	5.56%	5.56%

STATEMENT OF INCOME - R\$ Million				
	2Q19	2Q18	1H19	1H18
Sales Revenue, Net	36,005	31,233	66,957	59,165
Cost of Sold Goods and Services Rendered	(20,282)	(19,462)	(38,032)	(36,433)
<b>Gross Profit</b>	<b>15,723</b>	<b>11,771</b>	<b>28,925</b>	<b>22,732</b>
Operating Expenses	(8,587)	(1,394)	(28,502)	(2,730)
Financial Result	(2,836)	(10,930)	(5,424)	(13,001)
Equity Income	(2,861)	(1,371)	(2,548)	(1,141)
<b>Earnings before Income Taxes</b>	<b>(1,439)</b>	<b>(1,924)</b>	<b>(7,549)</b>	<b>5,860</b>
Income Taxes	(1,858)	2,294	585	(45)
<b>Net Income from Continuing Operations</b>	<b>(419)</b>	<b>370</b>	<b>(6,964)</b>	<b>5,815</b>
<b>Net Income from Discontinued Operations</b>	<b>-</b>	<b>(39)</b>	<b>-</b>	<b>(310)</b>
<b>Net income</b>	<b>(419)</b>	<b>331</b>	<b>(6,964)</b>	<b>5,505</b>
<b>Attributed to VALE's shareholders</b>	<b>(384)</b>	<b>306</b>	<b>(6,806)</b>	<b>5,418</b>
<b>Attributed to non-controlling interests</b>	<b>(35)</b>	<b>25</b>	<b>(158)</b>	<b>87</b>

#### a) Contingencies related to Samarco's accident

(i) Public civil lawsuit filed by the Federal Government and others and public civil lawsuit filed by the Federal Public Prosecutor ("MPF")

In 2016, the Federal Government, the states of Espírito Santo and Minas Gerais and other governmental authorities filed a public civil lawsuit against Samarco and its shareholders. The amount indicated by the plaintiffs is of R\$20.2 billion. In the same year, the MPF filed a public civil lawsuit against Samarco and its shareholders, including several requests, as follows: (i) adopting measures to mitigate social, economic and environmental impacts resulting from the dam's rupture, as well as other emergency measures; (ii) paying compensation to the community; and (iii) paying collective moral damages. The amount indicated by the MPF is of R\$155 billion.

## Notes to the Financial Information

In June 2018, an Adjustment of Conduct Agreement was signed between the parties, which extinguished (i) the public civil lawsuit of R\$20.2 billion filed by the Federal Government and others; and (ii) part of the requests in the public civil lawsuit of R\$155 billion filed by the MPF.

### (ii) Class Action Suits in the United States of America

In March 2017, holders of securities issued by Samarco Mineração S.A. filed a class action suit in the Federal Court of New York against Samarco Mineração S.A., Vale S.A., BHP Billiton Limited, BHP Billiton PLC and BHP Brasil Ltda., based on the U.S. Federal Law on Securities. The plaintiffs claim that Vale S.A. made false and misleading statements or did not disclose information on the risks and hazards of the operations of Samarco's Fundão dam and the compliance of related programs and procedures.

In June 2019, a decision was rendered by the Court, which accepted the preliminary defense presented by the defendants and deemed the lawsuit groundless. The plaintiffs may file an appeal against the decision, given that the deadline has not yet been reached. According to the Company's legal counsel, the defendants have good arguments for defense in case the plaintiffs file an appeal.

### (iii) Criminal complaint

In 2016, Samarco and its shareholders, VogBr Recursos Hídricos e Geotecnia Ltda. and 22 individuals were criminally charged by the MPF due to the consequences related to the rupture of the Fundão dam. Currently, the progress of the criminal suit is paralyzed due to the Habeas Corpus trial, still awaiting a decision.

On April 23, 2019, the Federal Regional Court of the 1st Region ("TRF1") granted a Habeas Corpus order to remove the accusations of homicide and bodily injury committed by one of the defendants in the criminal suit. At the same time, the Court extended the order to all defendants in the suit, since the criminal information does not describe the crimes of homicide and bodily injury. The information details the flood crime qualified by the result of death and bodily injury due to the rupture of the Fundão dam. Therefore, the Court withdrew the accusations of homicide and bodily injury of all accused.

The court of Ponte Nova, Minas Gerais, aware of TRF1's decision, reclassified the lawsuit from a jury trial to an ordinary proceeding. At the same time, the judge issued an order to determine that the parties make a statement regarding the reclassification of the lawsuit and, given that the statements of the Public Prosecutor's Office and the defendants have been included in the record, the criminal proceeding is currently awaiting judicial analysis and a new decision. This new decision, pursuant to the law, shall necessarily include the assessment of legal cases of acquittal in law.

### (iv) Tax lawsuits

In 2018, the Office of the General Counsel for the Federal Treasury (PGFN) filed a remedy to guarantee alleged federal and social security tax debts, totaling approximately R\$10 billion, related to Samarco. In May 2019, a favorable judgment was rendered, determining the dismissal of the case without prejudice, due to lack of interest in the suit. This decision will still be confirmed by the appellate courts.

## **b) Rupture of Brumadinho's Dam**

On January 25, 2019, there was the rupture of Dam I of the Córrego do Feijão Mine, which belongs to the Paraopeba Complex in the South System, located in Brumadinho, Minas Gerais, Brazil ("Brumadinho Dam"). This dam, built by the upstream upwelling method, was inactive since 2016 (i.e. without additional disposal of waste), with no other operational activity at the structure.

## Notes to the Financial Information

In the upstream method, dams are built through the construction of successive layers (“upwelling”) on the tailings accumulated in the reservoir. There are two other upwelling methods, the “downstream” method and the “center line” method. Each of these methods has a different risk profile.

Due to the rupture of the Brumadinho Dam (“event”), 270 people lost their lives or are missing. Around 11.7 million tons of iron ore tailings were deposited at the Brumadinho Dam, but the exact volume of iron ore tailings that was released from the dam at the rupture is not yet known. The tailings that were released had an impact of around 270 km, destroying some of Vale’s facilities, affecting local communities and affecting the environment. The Paraopeba River and its ecosystems were also impacted by the event.

The Company has been taking the necessary actions to protect the victims and to mitigate and repair the social and environmental damages resulting from the rupture of the dam. Vale provided support through several fronts, with the purpose of ensuring all the necessary humanitarian assistance to those affected by the dam’s rupture.

The Company has established three Independent Advisory Committees to support the Board of Directors. All members of these committees are independent and not related to the Company’s management or operations. This will ensure the impartiality of the initiatives and actions. The committees are listed below:

- a) The Independent and Special Advisory Investigation Committee (“CIAEA”), dedicated to investigating the causes and responsibilities for the rupture of the Brumadinho Dam;
- b) The Independent and Special Advisory Committee for Support and Repair (“CIAEAR”), dedicated to monitoring the measures taken to support and repair those affected and to recover the areas affected by the Brumadinho Dam’s rupture, ensuring that all necessary resources will be applied; and
- c) The Independent and Special Advisory Committee on Dam Safety (“CIAESB”), dedicated to advising the Board of Directors on matters related to the diagnosis of safety, management and mitigation conditions related to Vale’s tailings dams, as well as recommend measures to be taken to strengthen the safety conditions of the dams used by the Company.

In addition, Vale established the suspension (i) of the variable remuneration of its executives; (ii) the Remuneration Policy to Shareholders and (iii) any other resolution related to shares buyback.

Due to the rupture of the dam, the Company recognized in profit or loss a total impact of R\$5,921 and R\$23,236 in the three- and six-month periods ended June 30, 2019, to meet the commitments undertaken by Vale, including indemnity payments and donations to those affected by the event, expenses with the remediation of affected areas and compensation to society. The financial impacts from this event recognized in the statement of financial position and statement of income for the period are presented below:

### a) De-characterization of dams

On January 29, 2019, the Company informed the market and the Brazilian authorities its decision to accelerate the de-characterization plan for all its tailings dams built by the upstream upwelling method (the same method as the Brumadinho Dam) in Brazil. De-characterization means that the structure will be demobilized and will fully lose the original characteristics of a dam. After the event, the National Agency of Mining (“ANM”) established new safety criteria for dams, determining the de-characterization of structures built by the upstream upwelling method.

## Notes to the Financial Information

As a result of this decision and pursuant to the new standards established by ANM, the Company assessed its dams and recognized a provision in the first quarter of 2019 related to the de-characterization of the upstream structures that were then identified. In the current quarter, Vale concluded that other smaller structures will also be de-characterized, thus recognizing an additional provision of R\$378 in the statement of income for the three-month period ended June 30, 2019.

Vale prepared engineering projects for its upstream structures and total expected costs to carry out all the de-characterization projects resulted in a provision of R\$7,733, discounted at present value using a discount rate of 3.61%. In addition, the Company recognized a provision of R\$993 related to the de-characterization of the Germano tailings dam, owned by Samarco.

### (i) Company's Dams

Before the event, the plans to decommission these dams were hitherto based on methods that ensured the physical and chemical stability of structures without necessarily foreseeing, for all cases, the full removal and eventual processing of the tailings in the dams. Since the event, the Company has been working to develop a detailed plan of engineering for the de-characterization of each of these dams.

The updated plans indicate that, for some of these "upstream" dams, the Company will first have to reinforce downstream massifs of these structures, to then complete the de-characterization, according to the geotechnical and geographic conditions of each dam. The need to build additional containments for some of the structures, according to their safety level, was also considered. The conceptual projects for the de-characterization were filed and the conceptual development of the projects is expected to be concluded in 2019.

The Company is currently developing engineering solutions to de-characterize all these structures, the detailed projects of which will be filed this year and may result in significant changes to the amount provisioned. The plans that were filed during the year are subject to additional review and approval by the due authorities.

The measurement of costs and recognition of such provision consider several assumptions and estimates that depend on factors, some of which are not under the Company's control. The main critical estimates and assumptions applied consider, among others: (i) the volume of waste to be removed, which was based on the historical information available and on the interpretation of laws and regulations in force; (ii) availability of waste disposal sites; and (iii) approval of the engineering methods and solutions presented to the due authorities. Therefore, relevant changes in the assumptions and estimates may result in a significant change in the amount provisioned on June 30, 2019.

### (ii) Dams of affiliates and joint ventures

Some of our investees also operate similar dam structures and, as detailed in the notes to the financial statements, the Company recognized a provision of R\$993 under "Income from equity and other results in affiliates and joint ventures" in the current period, related to the de-characterization of the Germano tailings dam.

## **b) Provision for compensation and agreements**

The Company has been working with the relevant authorities and society to repair the environmental and social impacts of the event. In this sense, the Company held negotiations and entered into agreements with the due authorities, as well as with persons affected by the event. Vale also entered into donation agreements with the city of Brumadinho, institutions, families with missing or deceased dear ones and families who lived and developed productive activities in the areas of the Self-Saving Zone close to the Brumadinho dam.

## Notes to the Financial Information

The agreements entered into with the due authorities were signed in order to indemnify those affected by the event. As a result, the Company recognized in profit or loss provisions of R\$331 and R\$9,648 in the three- and six-month periods ended June 30, 2019, respectively.

Vale is also developing studies and projects to recover the vegetation in the area and ensure the geotechnical safety of the remaining structures in the Córrego do Feijão mine, including the proper removal and disposal of tailings, especially along the Paraopeba river. In addition, Vale has dedicated structures for the treatment of rescued animals, enabling emergency care and recovery.

These projects and initiatives to repair the environment and compensate society resulted in a provision of R\$4,482 recognized in the three-month period ended June 30, 2019.

The amount of this provision may vary due to the preliminary stage of the negotiations underway, the deadlines and the scope of the programs, which are subject to approval and consent by the due authorities.

### (i) Public Defender's Office

On April 5, 2019, Vale and the Public Prosecutor's Office of the State of Minas Gerais formalized a commitment, establishing that the individuals affected by the Brumadinho Dam's rupture may opt for negotiating with Vale and signing agreements out of court, individual or by family group, to establish the indemnification due to the material and moral damages suffered. This commitment establishes the basis for a wide variety of indemnity payments, which were based on the best practices and jurisprudence of Brazilian Courts.

### (ii) Public Ministry of Labor

On July 15, 2019, Vale entered into a final agreement with the Ministry of Labor to indemnify the direct and outsourced employees of the Córrego do Feijão mine that were affected by the end of the operation.

Under the final agreement, Vale will maintain the jobs of its direct and outsourced employees until January 25, 2023 or convert this benefit into financial compensation. The agreement also includes indemnity payments to relatives of the fatal victims, the amount of which may vary depending on their kinship to the victims, in addition to lifelong health insurance for widowed spouses and the victims' dependents until the age of 25.

In addition, the agreement established an indemnity payment for collective moral damages in the amount of R\$400, which will be settled by August 6, 2019.

### (iii) Federal Government, State of Minas Gerais and Public Prosecutor's Office

On February 20, 2019, Vale entered into a preliminary agreement with the State of Minas Gerais, the Federal Government and representatives from the Public Prosecutor's Office and the Public Defender's Office. Under this agreement, the Company undertook to make, by prior registration, emergency indemnity payments to the residents of Brumadinho and communities that are located up to one kilometer from the Paraopeba riverbed, from Brumadinho to the city of Pompéu. As a result of this agreement, the Company has been anticipating the indemnities with monthly payments for each member of the family during a period of 12 months. The payments vary according to the age of beneficiaries, among other factors.

### (iv) Environmental remediation and compensation

On July 8, 2019, Vale entered into an agreement with Companhia de Saneamento de Minas Gerais ("COPASA") to implement several initiatives in order to clean the affected areas and improve the water collection system in the Paraopeba river and other water collection points close to the affected area.



## Notes to the Financial Information

In addition, the Company mobilized resources to dredge part of the released material, including the cleaning and the desorption of the Paraopeba river channel.

### c) Incurred Expenses

The Company incurred expenses that do not qualify for the recognition of provision. Therefore, the amounts of R\$621 and R\$1,013 were recognized directly in profit or loss for the three- and six-month periods ended June 30, 2019, respectively. These expenses refer to services related to communication, accommodations and humanitarian assistance, equipment, legal services, water, food aid and taxes, among others.

### d) Operating stops

The Company has some operations that are suspended due to court decisions or technical analyses carried out by the Company in its upstream dams. These operating stops are currently impacting the Company's iron ore production capacity by 50 Mtpa, of which 20 Mtpa should be recovered by the end of this fiscal year. The Company is working on legal and technical measures to resume these operations as soon as possible.

The Company recorded a loss referring to the operating stop and idle capacity of the ferrous minerals segment recognized in the result as "Pre-operating and operating stops" in the amounts of R\$939 and R\$1,544 in the three- and six-month periods ended June 30, 2019.

### e) Write-off of assets

As a result of the event and together with the decision to accelerate the de-characterization plan for upstream dams, the Company recognized a loss of R\$251 and R\$836 as "Impairment and write-off of non-current assets" in the three- and six-month periods ended June 30, 2019, due to the write-off of the assets of the Córrego do Feijão mine and those related to the dams upstream in Brazil.

### f) Contingencies and other legal issues

Vale is subject to significant contingencies due to the rupture of Brumadinho Dam. Vale is already a party to several investigations and judicial and administrative proceedings filed by authorities and affected persons. Vale is evaluating these contingencies and may make provisions, based on the evolution of these processes.

Due to these processes, approximately R\$12.8 billion of the Company's assets were blocked on June 30, 2019, of which R\$366 was blocked in the Company's bank accounts and R\$12.4 billion was converted into judicial deposits on June 30, 2019.

For the event in Brumadinho, the Company granted additional guarantees in the amount of R\$5.3 billion, of which only R\$500 was submitted to court and used to release the respective judicial deposit during the period ended June 30, 2019.

After entering into the final agreement with the Ministry of Labor on July 15, 2019 (subsequent event), the judicial deposit totaling R\$1.6 billion related to the event in Brumadinho was refunded to the Company.

On July 9, 2019 (subsequent event), the 6th Tax Court of Minas Gerais authorized the replacement of R\$5 billion, comprised of R\$2.5 billion from each of the two main lawsuits filed by the Public Prosecutor's Office of Minas Gerais regarding the rupture of the Brumadinho dam I, as collateral. Until the disclosure of this interim financial information, these funds were still at the release phase.

## Notes to the Financial Information

### (i) Lawsuits

On January 27, 2019, after injunctions granted on the requirements at the request of the Public Prosecutor's Office of the State of Minas Gerais and the State of Minas Gerais, the Company suffered blocks and judicial transfers to ensure the adoption of the due measures for the stability of other dams in the Córrego do Feijão mine complex, provide accommodation and assistance to affected people, repair environmental and social impacts and other obligations.

On January 31, 2019, the Ministry of Labor filed a Public Civil Lawsuits and two preliminary decisions were granted establishing the block in the Company's bank accounts to ensure the indemnification of direct and outsourced employees working in the Córrego do Feijão mine at the time of the Brumadinho dam's rupture. After entering into the final agreement with the Ministry of Labor on July 15, 2019 (subsequent event), the amount was refunded to the Company.

On March 18, 2019, the Public Prosecutor's Office of the State of Minas Gerais filed a Public Civil Lawsuit, which granted an injunction to block the Company's bank accounts to ensure the compensation for losses suffered as a result of the removal of the population of the area of Sebastião de Águas Claras - community of Macacos.

On March 25, 2019, the Public Prosecutor's Office of the State of Minas Gerais filed a Public Civil Lawsuit, which granted injunctions to block assets of the Company to ensure the compensation for losses suffered as a result of the removal of the population of the area of Barão de Cocais. On July 11, 2019 (subsequent event), these decisions were suspended and the amount was refunded to the Company.

### (ii) Administrative sanctions

The Company was notified of administrative fines by the Brazilian Institute of Environment and Renewable Natural Resources ("IBAMA"), totaling R\$250, which the Company expects to settle through environmental projects. In addition, the Municipal Office of Environment (SEMA) of Brumadinho imposed administrative fines totaling R\$109. Both amounts were provisioned for on June 30, 2019.

### (iii) Class Action Suits in the United States

The Company has been made aware, from publicly available information, that Vale and some of its current executives were allegedly indicted as defendants in potential class actions suits at the Federal Courts of New York, filed by holders of American Depositary Receipts ("ADRs") issued by Vale, based on the US Federal Law on Securities. However, neither the Company nor its executives were officially notified. The initial claims state that Vale made false and misleading statements or failed to make the due disclosures regarding the risks and potential damages of a rupture of the dam of the Córrego do Feijão mine. The plaintiffs did not specify the amounts of the alleged losses in these claims. Vale intends to defend itself from these proceedings and to prepare a complete defense against all claims. Based on the evaluation of the Company's legal counsel, although still the very early stage, this lawsuit is classified as possible loss.

Considering that no official notice has been received so far, the initial phase of the aforementioned alleged class action suit and the fact that no amount has been claimed by the plaintiffs against the defendants, it's not possible to safely estimate the potential amount involved at this time.

### **g) Insurance**

The Company is negotiating with insurance companies based on its operational risk insurance policies, general civil liability and engineering risks, but these negotiations are still at an early stage. Any indemnity payments will depend on the definition of insurance coverage, based on these policies and on the assessment of the amount of the loss. Due to the uncertainties related to the matter, no indemnification for the Company was recognized in Vale's interim financial statements.

## Notes to the Financial Information

VALE is a publicly-held company and, accordingly, it files its information with the CVM. Therefore, more information, as of June 30, 2019 and December 31, 2018, is available on [www.cvm.gov.br](http://www.cvm.gov.br).

## Other Relevant Company Information

### SHAREHOLDERS WITH OVER 5% OF THE SHARES OF EACH TYPE AND CLASS - ITR

SHAREHOLDING POSITION OF HOLDERS OF OVER 5% OF THE SHARES OF EACH TYPE AND CLASS OF THE COMPANY, TO THE LEVEL OF INDIVIDUALS						
Company: BRADESPAR S.A.						Position on 6/28/2019 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Cidade de Deus - Cia. Cial de Participações	44,883,224	36.7379	301,410	0.1334	45,184,634	12.9828
NCF Participações S.A.	30,388,376	24.8735	2,235,627	0.9898	32,624,003	9.3738
Fundação Bradesco	18,179,304	14.8802	-	-	18,179,304	5.2234
BlackRock, Inc. (Funds)	-	-	11,614,474	5.1423	11,614,474	3.3372
Aberdeen (Funds)	-	-	11,605,128	5.1381	11,605,128	3.3345
Fundo de Investimento Geração Futuro LPAR	-	-	13,069,600	5.7865	13,069,600	3.7553
Treasury Shares	-	-	-	-	-	-
Other Shareholders	28,720,545	23.5084	187,036,357	82.8098	215,756,902	61.9930
<b>Total</b>	<b>122,171,449</b>	<b>100.00</b>	<b>225,862,596</b>	<b>100.00</b>	<b>348,034,045</b>	<b>100.00</b>

DISTRIBUTION OF THE SHARE CAPITAL OF THE LEGAL ENTITY (SHAREHOLDER OF THE COMPANY), TO THE LEVEL OF THE INDIVIDUAL						
Name: CIDADE DE DEUS CIA. COMERCIAL DE PARTICIPAÇÕES						Position on 6/28/2019 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Nova Cidade de Deus Particip. S.A	3,755,570,512	47.8907	-	-	3,755,570,512	47.8907
Fundação Bradesco	2,776,765,252	35.4091	-	-	2,776,765,252	35.4091
Maria Ângela Aguiar	411,197,692	5.2436	-	-	411,197,692	5.2436
Other	898,426,068	11.4567	-	-	898,426,068	11.4567
<b>Total</b>	<b>7,841,959,524</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>7,841,959,524</b>	<b>100.00</b>

DISTRIBUTION OF THE SHARE CAPITAL OF THE LEGAL ENTITY (SHAREHOLDER OF THE COMPANY), TO THE LEVEL OF THE INDIVIDUAL						
Name: NOVA CIDADE DE DEUS PARTICIPAÇÕES S.A.						Position on 6/28/2019 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Fundação Bradesco	157,710,559	46.3016	360,928,543	100.00	518,639,102	73.9282
BBD Participações S.A.	182,904,922	53.6984	-	-	182,904,922	26.0718
<b>Total</b>	<b>340,615,481</b>	<b>100.00</b>	<b>360,928,543</b>	<b>100.00</b>	<b>701,544,024</b>	<b>100.00</b>

DISTRIBUTION OF THE SHARE CAPITAL OF THE LEGAL ENTITY (SHAREHOLDER OF THE COMPANY), TO THE LEVEL OF THE INDIVIDUAL						
Name: NCF PARTICIPAÇÕES S.A.						Position on 6/28/2019 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Fundação Bradesco	300,379,172	25.1288	1,065,350,875	100.0000	1,365,730,047	60.4116
Cidade de Deus - Cia. Cial de Participações	893,190,142	74.7216	0	0.0000	893,190,142	39.5093
Nova Cidade de Deus Particip. S.A.	1,788,311	0.1496	0	0.0000	1,788,311	0.0791
<b>Total</b>	<b>1,195,357,625</b>	<b>100.00</b>	<b>1,065,350,875</b>	<b>100.00</b>	<b>2,260,708,500</b>	<b>100.00</b>

## Other Relevant Company Information

DISTRIBUTION OF THE SHARE CAPITAL OF THE LEGAL ENTITY (SHAREHOLDER OF THE COMPANY), TO THE LEVEL OF THE INDIVIDUAL						
Name: BBD PARTICIPAÇÕES S.A.						Position on 6/28/2019 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
NCD Participações Ltda	0	0.0000	74,784,306	49.3801	74,784,306	24.1960
Treasury	57,870,816	36.7129	21,771,821	14.3760	79,642,637	25.7679
Luiz Carlos Trabuco Cappi	9,098,453	5.7720	213,671	0.1411	9,312,124	3.0129
Carlos Alberto Rodrigues Guilherme	8,975,829	5.6942	180,154	0.1190	9,155,983	2.9624
Milton Matsumoto	8,927,056	5.6633	180,106	0.1189	9,107,162	2.9466
Other	72,758,623	46.1576	54,316,075	35.8649	127,074,698	41.1143
<b>Total</b>	<b>157,630,777</b>	<b>100.00</b>	<b>151,446,133</b>	<b>100.00</b>	<b>309,076,910</b>	<b>100.00</b>

### POSITION OF CONTROLLING PARTIES, MANAGEMENT AND OUTSTANDING SHARES

CONSOLIDATED SHAREHOLDING OF CONTROLLING PARTIES AND MANAGEMENT AND OUTSTANDING SHARES Position on 6/28/2019						
Shareholder	Number of Common Shares (In Units)	%	Number of Preferred Shares (In Units)	%	Total Number of Shares (In Units)	%
<b>Parent company</b>	95,125,912	77.8626	2,537,037	1.1233	97,662,949	28.0613
<b>Management</b>						
Board of Directors	565,120	0.4626	1,220,742	0.5405	1,785,862	0.5131
Executive Board	-	-	-	-	-	-
<b>Fiscal Council</b>	-	-	-	-	-	-
<b>Treasury Shares</b>	-	-	-	-	-	-
<b>Other Shareholders</b>	26,480,417	21.6748	222,104,817	98.3363	248,585,234	71.4256
<b>Total</b>	<b>122,171,449</b>	<b>100.00</b>	<b>225,862,596</b>	<b>100.00</b>	<b>348,034,045</b>	<b>100.00</b>
<b>Outstanding Shares</b>	26,480,417	21.6748	222,104,817	98.3363	248,585,234	71.4256

CONSOLIDATED SHAREHOLDING OF CONTROLLING PARTIES AND MANAGEMENT AND OUTSTANDING SHARES Position on 6/29/2018 (12 months before)						
Shareholder	Number of Common Shares (In Units)	%	Number of Preferred Shares (In Units)	%	Total Number of Shares (In Units)	%
<b>Parent company</b>	95,125,912	77.8626	2,537,037	1.1233	97,662,949	28.0613
<b>Management</b>						
Board of Directors	565,120	0.4626	1,182,971	0.5238	1,748,091	0.5023
Executive Board	-	-	-	-	-	-
<b>Fiscal Council</b>	-	-	-	-	-	-
<b>Treasury Shares</b>	-	-	-	-	-	-
<b>Other Shareholders</b>	26,480,417	21.6748	222,142,588	98.3530	248,623,005	71.4364
<b>Total</b>	<b>122,171,449</b>	<b>100.00</b>	<b>225,862,596</b>	<b>100.00</b>	<b>348,034,045</b>	<b>100.00</b>
<b>Outstanding Shares</b>	26,480,417	21.6748	222,142,588	98.3530	248,623,005	71.4364

## **Unqualified Special Review Report**

### **Report on review of quarterly information**

To the Board of Directors and Stockholders  
Bradespar S.A.

#### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Bradespar S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2019, comprising the statement of financial position at that date and the statements of income and comprehensive income for the quarter and semester then ended and the statement of changes in equity and cash flows for the semester then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

#### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion on the interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

## Unqualified Special Review Report

### Emphasis of matter

#### **Brumadinho's dam failure in the investee, Vale S.A.**

We draw attention to Note 18(b) to the consolidated and parent company interim accounting information that describes the actions taken by the investee, Vale S.A., and the impacts on its interim accounting information as a consequence of the Brumadinho's Dam failure. As disclosed by management of Vale S.A., the investee has incurred costs and recorded provisions based on its best estimates and assumptions. Given the nature and uncertainties inherent in this type of event, the amounts recognized and/or disclosed by the investee will be reassessed and may be adjusted significantly in future periods, as new facts and circumstances become known. Our conclusion is not qualified in relation to this matter.

### Other matters

#### **Statements of value added**

We have also reviewed the parent company and consolidated statements of value added for the semester ended June 30, 2019. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole

#### **Audit and review of prior-year information**

The Quarterly Information Form (ITR) mentioned in the first paragraph includes accounting information, presented for comparison purposes, related to the income statement and statements of comprehensive income for the quarter and semester ended June 30, 2018 and changes in equity and cash flows for the semester then ended, obtained from the Quarterly Information Form (ITR) for that quarter, and also to the statement of financial position as at December 31, 2018, obtained from the financial statements at December 31, 2018. The review of the Quarterly Information (ITR) for the quarter ended June 30, 2018 and the audit of the financial statements for the year ended December 31, 2018 were conducted by other independent auditors, who issued, respectively, an unqualified review report, dated August 10, 2018, and an unqualified audit report dated March 28, 2019, which included an emphasis of matter paragraph related to a subsequent event resulting from the Brumadinho's dam failure occurred in the investee's operational facilities, Vale S.A. on January 25, 2019.

São Paulo, August 12, 2019

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

Luís Carlos Matias Ramos  
Contador CRC 1SP171564/O-1

## **Report of the Fiscal Council or Similar body**

### **FISCAL COUNCIL REPORT**

The Fiscal Council's members of Bradespar S.A., in the exercise of their legal and statutory attributions, analyzed the Management Comments on the Company's performance and Individual and Consolidated Financial Statements for the first half of 2019, based on the Auditor's Report on Review of Financial Statements prepared PricewaterhouseCoopers Auditores Independentes, which report was issued without exceptions, and, in the opinion of the Fiscal Council's members, such financial information, reviewed in the light of the accounting practices adopted in Brazil and applicable legislation, was prepared and presented in compliance with the rules issued by the Brazilian Securities and Exchange Commission, and fairly reflect the Company's financial position.

Osasco, SP, August 12, 2019

- Ariovaldo Pereira
- Domenica Eisenstein Noronha
- João Batista de Moraes
- João Carlos de Oliveira
- Wilfredo João Vicente Gomes



## **Officers` Statement on the Financial Statementes**

### **Declaration of the CEO and Investor Relations Officer**

I, Fernando Jorge Buso Gomes, hereby declare that:

1. Based on my knowledge, the planning presented by the auditors and subsequent discussions on the audit results, I agree with the conclusions provided for in the Report prepared by PricewaterhouseCoopers Auditores Independentes, there being no disagreement; and

2. I reviewed Bradespar's Financial Statements for the period ended on June 30, 2019 and, based on subsequent discussions, I agree that said Statements reflect fairly all material respects and the Company's financial position for the period presented.

São Paulo, SP, August 12, 2019.

**Fernando Jorge Buso Gomes**  
**CEO and Investor Relations Officer**

## **Officers` Statement on the Independent Auditor`s Report**

### **Declaration of the Executive Officer**

I, Johan Albino Ribeiro, hereby declare that:

1. Based on my knowledge, the planning presented by the auditors and subsequent discussions on the audit results, I agree with the conclusions provided for in the Report prepared by PricewaterhouseCoopers Auditores Independentes, there being no disagreement; and

2. I reviewed Bradespar's Financial Statements for the period ended on June 30, 2019 and, based on subsequent discussions, I agree that said Statements reflect fairly all material respects and the Company's financial position for the period presented.

São Paulo, SP, August 12, 2019.

**Johan Albino Ribeiro**  
**Executive Officer**