

Vale on CFEM taxes

Rio de Janeiro, August 24, 2010 – Vale S. A. (Vale) stresses that as a policy it is permanently in compliance with its social obligations, including the payment of all taxes, including the CFEM, the Brazilian royalty tax on mineral exploration.

However, the company considers that DNPM, the Brazilian agency responsible for the mineral royalty taxes, has been charging CFEM taxes according to some inappropriate interpretation of the tax code. Thus, Vale has been exercising its legitimate right contesting on the administrative and judicial spheres some of the tax debits imposed by DNPM.

At the moment, Vale does not have information about the debits recently included in the Cadastro Informativo de Créditos não-Quitados do Setor Público Federal (Cadin). Once the company receives the information which was requested to DNPM it will take the necessary measures in order to eliminate such registration.

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