



Vale pays extraordinary dividend

Rio de Janeiro, January 14, 2011 – Vale S.A. (Vale) informs that its Board of Directors approved today the payment of the extraordinary dividend to shareholders amounting to US\$ 1 billion (R\$ 1,670,100,000.00), equivalent to US\$ 0.191634056 (R\$ 0.320048038) per outstanding common or preferred share (5,218,279,144).

Vale's Executive Board proposal for the dividend to be paid to its shareholders was publicly disclosed on September 23 and December 30, 2010.

Form of payment

The extraordinary dividend will be made as follows:

1. Distribution of R\$ 1,670,100,000.00 equivalent to R\$ 0.320048038 per outstanding common or preferred share, in the form of interest on capital.

The values were obtained from the conversion of the US dollar value into Brazilian reais using the exchange rate for the sale of US dollar (Ptax – option 5 code), as informed by the Central Bank of Brazil on January 13, 2011, of R\$ 1.6701 per US dollar, as announced on September 23 and December 30, 2010.

2. The payment will be made from January 31, 2011 onwards. The holders of American Depositary Receipts (ADRs) and Hong Kong Depositary Receipts (HDRs) will receive the payment through JP Morgan, as the depositary agent, on February 7 and 9, 2011, respectively. A withholding income tax will be levied on the amount distributed as interest on capital, in accordance with prevailing tax code in Brazil.
3. The record date for the owners of shares traded on the BM&F Bovespa is January 14, 2011. The record date for the holders of ADRs traded on the New York Stock Exchange (NYSE) and Euronext Paris is January 19, 2011 and for the holders of HDRs traded on the Hong Kong Stock Exchange (HKEx) is at the close of business in Hong Kong on January 19, 2011. All shareholders on these respective record dates will have the right to the dividend payment.
4. Vale shares will start trading ex-dividend on NYSE and Euronext Paris as of January 14, 2011, on BM&F Bovespa as of January 17, 2011, and on HKEx as of January 18, 2011.

For further information, please contact:

+55-21-3814-4540

Roberto Castello Branco: roberto.castello.branco@vale.com

Viktor Moszkowicz: viktor.moszkowicz@vale.com

Carla Albano Miller: carla.albano@vale.com

Andrea Gutman: andrea.gutman@vale.com

Fernando Frey: fernando.frey@vale.com

Marcio Loures Penna: marcio.penna@vale.com

Samantha Pons: samantha.pons@vale.com

Thomaz Freire: thomaz.freire@vale.com

This press release may contain statements that express management's expectations about future events or results rather than historical facts. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements, and Vale cannot give assurance that such statements will prove correct. These risks and uncertainties include factors: relating to the Brazilian and Canadian economy and securities markets, which exhibit volatility and can be adversely affected by developments in other countries; relating to the iron ore and nickel business and its dependence on the global steel industry, which is cyclical in nature; and relating to the highly competitive industries in which Vale operates. For additional information on factors that could cause Vale's



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actual results to differ from expectations reflected in forward-looking statements, please see Vale's reports filed with the Brazilian Comissão de Valores Mobiliários and the U.S. Securities and Exchange Commission.
