



Vale proposes US\$ 4 billion for 2011 minimum dividend

Rio de Janeiro, January 31, 2011 – Vale S.A. (Vale) announces that its Executive Board has approved and will submit to the Board of Directors a proposal for the distribution of a minimum dividend of US\$ 4 billion in 2011, equivalent to US\$ 0.766536226 per share for both common and preferred shares outstanding, to be distributed in two installments, on April 29 and October 31, 2011.

The Board of Directors will evaluate the proposal submitted by senior management, regarding each installment, in the meetings scheduled for April 13 and October 14, 2011.

If the proposal is approved by our Board of Directors, the payment of each installment will be made in Brazilian reais, calculated on the basis of the Brazilian real/US dollar exchange rate (Ptax – option 5) published by the Central Bank of Brazil on the business day prior to the Board of Directors meeting that approves the dividend proposal.

The minimum dividend of US\$ 4 billion represents an increase of 60% compared to the minimum dividend announced in 2010. Considering the extraordinary dividend of US\$ 1 billion being distributed today, the total minimum dividend in 2011 will be 66.7% higher than the amount distributed last year, US\$ 3.0 billion.

The proposed minimum dividend is consistent with Vale's financial policy, which aims to provide a strong support to the exploitation of profitable growth opportunities alongside the preservation of a sound balance sheet.

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This press release may include declarations about Vale's expectations regarding future events or results. All declarations based upon future expectations, rather than historical facts, are subject to various risks and uncertainties. Vale cannot guarantee that such declarations will prove to be correct. These risks and uncertainties include factors related to the following: (a) the countries where Vale operates, mainly Brazil and Canada; (b) the global economy; (c) capital markets; (d) the mining and metals businesses and their dependence upon global industrial production, which is cyclical by nature; and (e) the high degree of global competition in the markets in which Vale operates. To obtain further information on factors that may give rise to results different from those forecast by Vale, please consult the reports filed with the Brazilian Comissão de Valores Mobiliários (CVM), the French Autorité des Marchés Financiers (AMF), and with the U.S. Securities and Exchange Commission (SEC), including Vale's most recent Annual Report on Form 20F and its reports on Form 6K.