



## Vale proposes payment of dividend to shareholders

Rio de Janeiro, September 26, 2011 – Vale S.A. (Vale) informs that its Executive Board has approved and will submit to the Board of Directors the proposal for payment of the second installment of the minimum dividend of US\$ 2.0 billion, as publicly announced on January 31, 2011, and an additional dividend of US\$ 1.0 billion. Thus, the proposal entails a distribution of US\$ 3.0 billion to shareholders, equal to US\$ 0.579472982 per common or preferred share in circulation, as of August 31, 2011 (5,177,117,992).

The proposal will be submitted for approval to the Board of Directors in the meeting scheduled for October 14, 2011 and, if approved, the payment of US\$ 3.0 billion will be made on October 31, 2011. The amount in Brazilian reais will be computed using the Brazilian real/US dollar exchange rate (Ptax-Option 5) published by the Central Bank of Brazil on October 13, 2011.

Once the proposal is approved by the Board, all investors who hold Vale shares at the record dates will have the right to the dividend payment. The record date for the owners of shares traded on the BM&FBovespa is October 14, 2011. The record date for the holders of ADRs traded on the New York Stock Exchange (NYSE) and Euronext Paris is October 19, 2011 Eastern Standard Time and for the holders of HDRs traded on the Hong Kong Stock Exchange (HKEx) is at the close of the business day in Hong Kong on October 19, 2011.

Vale shares will be traded ex-dividend on BM&FBovespa, NYSE and Euronext Paris as of October 17, 2011 and on the HKEx as of October 18, 2011.

If the proposal is approved by the Board of Directors Vale will distribute to its shareholders US\$ 9.0 billion in 2011 –including the extraordinary amount paid as of January 31, the first tranche of minimum dividend paid as of April 29 and the additional remuneration paid as of August 26 – which implies a relatively high dividend yield. The amount of US\$ 9.0 billion is the largest ever distributed to shareholders and it is three times last year's US\$ 3.0 billion.

In addition to the dividend distribution, there is an ongoing share buyback program of up to US\$ 3.0 billion, expected to run until November 25, 2011. The return of cash to shareholders of up US\$ 12.0 billion shows our commitment to the optimization of capital allocation and maximization of shareholders return.

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**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

Christian Perlingiere: christian.perlingiere@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



## *Press Release*



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