



## Press Release

### Vale on ICMS

Rio de Janeiro, December 19, 2012 – Vale S.A. (Vale) informs that it decided to adhere to the new legislation on the value-added tax on services and circulation of goods (ICMS) recently enacted by the Brazilian state of Minas Gerais – Law 20.540 and Decree 46.110. Therefore, the existing legal proceedings described in Vale’s annual report Form 20-F will cease. Additionally, there will be no new tax assessments related to the utilization of market value versus cost of production as the base for ICMS taxation on interstate movement of mineral products.

The existing legal proceedings, relative to 2006 and 2007, involve tax assessments of R\$ 2.1 billion, will be terminated with the payment of R\$ 168 million in 2012. Furthermore, new tax assessments referring to 2008/2012 will be avoided with the payment of R\$ 495 million, of which R\$ 92 million in 2012 and R\$ 403 million over the next couple of years.

Given an existing provision of R\$ 135 million, Vale’s financial statement for the fourth quarter of 2012 will suffer a negative impact of R\$ 528 million. The effect on cash flow will reach R\$ 260 million in 4Q12 and R\$ 403 million in 2013/2014.

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This press release may include statements that present Vale’s expectations about future events or results. All statements, when based upon expectations about the future and not on historical facts, involve various risks and uncertainties. Vale cannot guarantee that such statements will prove correct. These risks and uncertainties include factors related to the following: (a) the countries where we operate, especially Brazil and Canada; (b) the global economy; (c) the capital markets; (d) the mining and metals prices and their dependence on global industrial production, which is cyclical by nature; and (e) global competition in the markets in which Vale operates. To obtain further information on factors that may lead to results different from those forecast by Vale, please consult the reports Vale files with the U.S. Securities and Exchange Commission (SEC), the Brazilian Comissão de Valores Mobiliários (CVM), the French Autorité des Marchés Financiers (AMF), and The Stock Exchange of Hong Kong Limited, and in particular the factors discussed under “Forward-Looking Statements” and “Risk Factors” in Vale’s annual report on Form 20-F.