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Vale pays second tranche of 2010 dividend

Vale announces that the Board of Directors has approved the payment of the second tranche of its minimum dividend for 2010, amounting to US\$ 1.250 billion, and an additional dividend of US\$ 500 million. Thus, the second tranche of the 2010 dividend will total US\$ 1.75 billion, equal to US\$ 0.335359493 per common or preferred share in circulation.

Given the first tranche of minimum dividend paid as from April 30, 2010, Vale will pay out to its shareholders a total of US\$ 3 billion this year. This is largest dividend distribution ever made by Vale, being 10.1% higher than 2009.

The dividend distribution is consistent with our cash flow and complies with Vale's dividend policy and the Brazilian corporate law.

Dividend payment

The dividend payment will be made as follows:

1. Dates of payment - As of Friday, October 29, 2010, in Brazil. As of Friday, November 5, 2010, for ADR holders, who will be paid through JP Morgan Chase Bank, N.A., depositary bank for Vale ADRs.
2. Conversion to Brazilian reais (R\$) - The dividend in Brazilian reais (R\$) is calculated using the exchange rate for the sale of US dollars as informed by the Central Bank of Brazil on October 13, 2010 (Ptax - option 5) - R\$ 1.6554 per US dollar - as per the procedure disclosed on January 26, 2010.
3. Total amount - Distribution of R\$ 2,896,950,000.00 equivalent to R\$ 0.555154105 per common or preferred share in circulation, will be paid in the form of interest on capital.
4. Taxation - A withholding income tax will be levied on the amount distributed as interest on capital, in accordance with prevailing tax code in Brazil.
5. Record dates - All investors who hold Vale shares at the record dates will have the right to this dividend payment. The record date for the owners of shares traded on the BM&FBovespa is Thursday, October 14, 2010. The record date for holders of ADRs traded on the New York Stock Exchange (NYSE) and Euronext Paris is Tuesday, October 19, 2010.
6. Ex-dividend trading - Vale shares will be traded ex-dividend on BM&FBovespa, NYSE and Euronext Paris stock exchanges from Friday, October 15, 2010.

More information

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