

Vale S.A.
Form 424B2
March 30, 2012

Table of Contents

CALCULATION OF REGISTRATION FEE

Class of securities offered	Aggregate offering price	Amount of registration fee
Debt securities	US\$1,250,000,000.00	US\$143,250.00(1)
Guaranties		(2)

(1) The registration fee is calculated in accordance with Rule 457(r) of the Securities Act of 1933.

(2) Pursuant to Rule 457(n) under the Securities Act of 1933, no separate fee is payable with respect to the guaranties.

PROSPECTUS SUPPLEMENT
(To prospectus dated November 3, 2009)**VALE OVERSEAS LIMITED****US\$1,250,000,000 4.375% GUARANTEED NOTES DUE 2022****UNCONDITIONALLY GUARANTEED BY****VALE S.A.**

Vale Overseas Limited is offering US\$1,250,000,000 aggregate principal amount of its 4.375% Guaranteed Notes due 2022 (the "notes"). This offering is a reopening of Vale Overseas's US\$1,000,000,000 4.375% Guaranteed Notes due 2022 issued on January 11, 2012, and the notes offered hereby will be consolidated with and form a single series with the original notes. Vale Overseas will pay interest on the notes semi-annually on January 11 and July 11 of each year, with the next payment being scheduled for July 11, 2012. Vale Overseas will pay additional amounts related to the deduction of certain withholding taxes in respect of certain payments on the notes.

Vale Overseas may redeem the notes, in whole at any time or in part from time to time, at a redemption price equal to the greater of 100% of the principal amount of the notes to be redeemed and a "make-whole" amount described under "Description of the Notes Optional Redemption" in this prospectus supplement, plus accrued and unpaid interest to the date of redemption. Upon the imposition of certain withholding taxes, Vale Overseas may also redeem the notes in whole, but not in part, at a price equal to 100% of their principal amount plus accrued interest to the redemption date.

The notes will be unsecured obligations of Vale Overseas and will rank equally with Vale Overseas's unsecured senior indebtedness. Vale S.A. may assume the obligations of Vale Overseas under the notes under certain circumstances described under "Description of the Notes Assumption by Guarantor of Issuer's Obligations under the Notes". The guaranty will rank equally in right of payment with all other unsecured and unsubordinated debt obligations of Vale S.A. The notes will be issued only in registered form in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof.

Vale Overseas will apply to list the notes issued hereby on the New York Stock Exchange. The original notes are listed on the New York Stock Exchange.

Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page S-9 of this prospectus supplement.

	Per 2022 note	Total
Public offering price(1)	101.345%	US\$1,266,812,500
Underwriting discount	0.30%	US\$ 3,750,000
Proceeds, before expenses, to Vale Overseas(1)	101.045%	US\$1,263,062,500

(1) Plus accrued interest from January 11, 2012 (as if the notes had been issued on such date). The total amount of accrued interest on April 4,

2012 will be US\$10.09 per US\$1,000 principal amount of the notes.

Edgar Filing: Vale S.A. - Form 424B2

Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form through The Depository Trust Company and its participants, including Euroclear and Clearstream, Luxembourg, on or about April 4, 2012.

Joint Lead Managers and Joint Bookrunners

Barclays

Citigroup

Deutsche Bank Securities

The date of this prospectus supplement is March 28, 2012.

Table of Contents**TABLE OF CONTENTS****Prospectus Supplement**

<u>Enforcement of Civil Liabilities</u>	<u>S-1</u>
<u>Prospectus Supplement Summary</u>	<u>S-3</u>
<u>Recent Developments</u>	<u>S-9</u>
<u>Risk Factors</u>	<u>S-9</u>
<u>Use of Proceeds</u>	<u>S-11</u>
<u>Capitalization of Vale</u>	<u>S-11</u>
<u>Description of the Notes</u>	<u>S-12</u>
<u>Certain Tax Considerations</u>	<u>S-20</u>
<u>Underwriting</u>	<u>S-25</u>
<u>Experts</u>	<u>S-34</u>
<u>Validity of the Notes</u>	<u>S-34</u>
<u>Incorporation of Certain Documents by Reference</u>	<u>S-35</u>

Prospectus

About this Prospectus	1
Forward Looking Statements	2
Vale S.A.	3
Vale Overseas Limited	3
Use of Proceeds	3
Legal Ownership of Debt Securities	4
Description of the Debt Securities	6
Description of the Guarantees	19
Experts	19
Validity of the Securities	19
Where You Can Find More Information	19
Incorporation of Certain Documents by Reference	20

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of each of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

ENFORCEMENT OF CIVIL LIABILITIES

Brazil

A final conclusive judgment for the payment of money rendered by any New York State or federal court sitting in New York City in respect of the notes would be recognized in the courts of Brazil and such courts would enforce such judgment without any retrial or reexamination of the merits of the original action only if such judgment has been ratified by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*). This ratification is available only if:

the judgment fulfills all formalities required for its enforceability under the laws of the State of New York;

the judgment was issued by a competent court either after proper service of process on the parties, which service of process if made in Brazil must comply with Brazilian law, or after sufficient evidence of the parties' absence has been given, as established pursuant to applicable law;

the judgment is not subject to appeal;

the judgment has been authenticated by a Brazilian consulate in the State of New York;

the judgment has been translated into Portuguese by a certified sworn translator; and

the judgment is not against Brazilian public policy, good morals or national sovereignty.

In addition:

Civil actions may be brought before Brazilian courts in connection with this prospectus supplement based on the federal securities laws of the United States, and Brazilian courts may enforce such liabilities in such actions against Vale (provided that the relevant provisions of the federal securities laws of the United States do not contravene Brazilian public policy, good morals or national sovereignty and provided further that Brazilian courts can assert jurisdiction over the particular action).

The ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant is limited by Brazilian law. In addition, a Brazilian or foreign plaintiff who resides abroad or is abroad during the course of a suit in Brazil must post a bond to cover the legal fees and court expenses of the defendant, unless there are real estate assets in Brazil to assure payment thereof, except in case of execution actions or counterclaims as established under Article 836 of the Brazilian Code of Civil Procedure.

Notwithstanding the foregoing, no assurance can be given that ratification would be obtained, that the process described above could be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the U.S. securities laws with respect to the notes.

Cayman Islands

Vale Overseas has been advised by its Cayman Islands counsel, Walkers, that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will, based on the principle that a judgment by a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given, recognize and enforce a foreign judgment of a court having jurisdiction over a defendant according to Cayman Islands conflict of law rules. To be so enforced the foreign judgment must be final and conclusive and for a liquidated sum not in respect of taxes or a fine or penalty or similar fiscal or revenue obligations or of a kind inconsistent with a Cayman Islands judgment in respect of the same matters or obtained in a manner, and is not of a kind

the enforcement of which is, contrary to natural justice, statute or the

S-1

Edgar Filing: Vale S.A. - Form 424B2

Table of Contents

public policy of the Cayman Islands. There is doubt, however, as to whether the courts of the Cayman Islands will:

recognize or enforce judgments of U.S. courts based on the civil liability provisions of the securities laws of the United States or any state thereof; or

in original actions brought in the Cayman Islands, impose liabilities upon the civil liability provisions of the securities laws of the United States or any state thereof, in each case, on the grounds that such provisions are penal in nature.

A Cayman Islands court may stay proceedings if concurrent proceedings are being brought elsewhere.

S-2

Table of Contents**PROSPECTUS SUPPLEMENT SUMMARY**

This summary highlights key information described in greater detail elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein before making an investment decision. In this prospectus supplement, unless the context otherwise requires, references to "Vale," "we," "us" and "our" refer to Vale S.A., its consolidated subsidiaries, its joint ventures and other affiliated companies, taken as a whole, and references to "Vale Overseas" mean Vale Overseas Limited, a wholly-owned finance subsidiary of Vale.

Vale Overseas Limited

Vale Overseas is a finance company wholly-owned by Vale. Vale Overseas's business is to issue debt securities to finance Vale's activities. Vale Overseas was incorporated as a Cayman Islands exempted company with limited liability on April 3, 2001.

Vale S.A.

We are the second-largest metals and mining company in the world and the largest in the Americas, based on market capitalization. We are the world's largest producer of iron ore and iron ore pellets and the world's second-largest producer of nickel. We are one of the world's largest producers of manganese ore and ferroalloys. We also produce copper, thermal and metallurgical coal, phosphates, potash, cobalt and platinum group metals ("PGMs"). To support our growth strategy, we are actively engaged in mineral exploration efforts in 27 countries around the globe. We operate large logistics systems in Brazil and other regions of the world, including railroads, maritime terminals and ports, which are integrated with our mining operations. In addition, we have a maritime freight portfolio to transport iron ore. Directly and through affiliates and joint ventures, we have investments in energy and steel businesses.

The following table presents the breakdown of our total gross operating revenues attributable to each of our main lines of business.

	Year ended December 31,					
	2009		2010		2011	
	US\$ million					
Bulk materials:						
Iron ore	US\$	12,831	US\$	26,384	US\$	35,008
Iron ore pellets		1,352		6,402		8,150
Manganese		145		258		171
Ferroalloys		372		664		561
Coal		505		770		1,058
Subtotal bulk materials	US\$	15,205	US\$	34,478	US\$	44,948
Base metals:						
Nickel	US\$	3,260	US\$	3,835	US\$	5,720
Copper		1,130		1,608		2,692
PGMs		132		101		492
Other precious metals		65		72		246
Cobalt		42		30		94
Aluminum		2,050		2,554		383
Subtotal base metals	US\$	6,679	US\$	8,200	US\$	9,627
Fertilizer nutrients		413		1,846		3,547
Logistics services		1,104		1,465		1,726
Other products and services(1)		538		492		541
Total gross operating revenues	US\$	23,939	US\$	46,481	US\$	60,389

- (1) Includes kaolin, pig iron and energy.

Table of Contents

Bulk materials:

Iron ore and iron ore pellets. We operate four systems in Brazil for producing and distributing iron ore, which we refer to as the Northern, Southeastern, Southern and Midwestern systems. The Northern and the Southeastern Systems are fully integrated, consisting of mines, railroads, a maritime terminal and a port. The Southern System consists of three mining sites and two maritime terminals. We operate 10 pellet plants in Brazil and two in Oman, one of which has been ramping up since November 2011. We also have a 50% stake in a joint venture that owns three integrated pellet plants in Brazil and 25% stakes in two pellet companies in China.

Manganese and ferroalloys. We conduct our manganese mining operations through subsidiaries in Brazil, and we produce several types of manganese ferroalloys through subsidiaries in Brazil, France and Norway.

Coal. We produce coal through Vale Moçambique S.A., which operates assets in Mozambique, Vale Australia Holdings Pty Ltd, which operates coal assets in Australia through wholly-owned subsidiaries and unincorporated joint ventures. Through our subsidiary Vale Coal Colombia Ltd. Sucursal Colombia we produce thermal coal in the Cesar department of Colombia. In Mozambique, we are ramping up the Moatize coal operation, which includes both metallurgical and thermal coal. We also have minority interests in Chinese coal and coke producers.

Base metals:

Nickel. Our principal nickel mines and processing operations are conducted by our wholly-owned subsidiary Vale Canada Limited (formerly Vale Inco Limited), which has mining operations in Canada and Indonesia. We are ramping up nickel operations at Onça Puma in Brazil and nickel operations in New Caledonia. We own and operate, or have interests in, nickel refining facilities in the United Kingdom, Japan, Taiwan, South Korea and China.

Copper. In Brazil, we produce copper concentrates at Sossego in Carajás, in the state of Pará. In Canada, we produce copper concentrates, copper anodes and copper cathodes in conjunction with our nickel mining operations at Sudbury and Voisey Bay. In Chile, we produce copper cathodes at the Tres Valles operation, located in the Coquimbo region.

Aluminum. We hold a 22.0% interest in Norsk Hydro ASA ("Hydro"), a major aluminum producer. In the past, we engaged in bauxite mining, alumina refining and aluminum smelting through subsidiaries in Brazil, our interests in which we transferred to Hydro in February 2011. We still own minority interests in two bauxite mining businesses, Mineração Rio do Norte S.A. ("MRN") and Mineração Paragominas S.A. ("Paragominas"). We will transfer our remaining interest in Paragominas to Hydro in two equal tranches in 2014 and 2016. Both MRN and Paragominas are located in Brazil.

Cobalt. We produce cobalt as a by-product of our nickel mining and processing operations in Canada and refine the majority of it at our Port Colborne facilities, in the Province of Ontario, Canada. We also produce cobalt as a by-product of our nickel operations in New Caledonia, currently in the final ramp up phase.

PGMs. We produce platinum-group metals as by-products of our nickel mining and processing operations in Canada. The PGMs are concentrated at our Port Colborne facilities, in the Province of Ontario, Canada, and refined at our precious metals refinery in Acton, England.

Edgar Filing: Vale S.A. - Form 424B2

Other precious metals. We produce gold and silver as by-products of our nickel and copper mining and processing operations in Canada, and gold as a by-product of our copper mining

S-4

Table of Contents

in Brazil. Some of the precious metals from our Canadian operations are upgraded at our in Port Colborne facilities, and all such precious metals are refined by unrelated parties in Canada.

Fertilizer nutrients: We produce potash in Brazil, with operations in Rosario do Catete, in the state of Sergipe. Our main phosphate operations are conducted by our subsidiary Vale Fertilizantes S.A. ("Vale Fertilizantes"), which holds the majority of our fertilizer assets in Brazil and is the largest Brazilian producer of phosphate rock, phosphate and nitrogen fertilizers. In addition, we are ramping up operations at Bayóvar, a phosphate rock mine in Peru.

Logistics: We are a leading operator of logistics services in Brazil and other regions of the world, with railroads, maritime terminals and ports. Two of our four iron ore systems incorporate an integrated railroad network linked to automated port and terminal facilities, which provide rail transportation for our mining products, general cargo and passengers, bulk terminal storage, and ship loading services for our mining operations and for customers. We also own a majority stake in Sociedade de Desenvolvimento do Corredor de Nacala S.A., with railroad concessions in Malawi and Mozambique, and have plans to construct a world-class logistics infrastructure to support our operations in Central and Eastern Africa. In addition, since 2010 we have an agreement for partial assignment, subject to government approvals, of a 756-kilometer railroad concession to provide support to our Rio Colorado potash project in Argentina. We conduct seaborne dry bulk shipping and provide tug boat services. We own and charter vessels to transport our iron ore, which we sell on a cost and freight basis to customers. Our tug boat services provide an efficient and safe towing service at our terminals in Brazil. We also own a 31.3% interest in Log-In Logística Intermodal S.A., which provides intermodal logistics services in Brazil, Argentina and Uruguay, and a 45.8% interest in MRS Logística S.A., which transports our iron ore products from the Southern System mines to our Guaíba Island and Itaguaí maritime terminals, in the state of Rio de Janeiro.

Table of Contents

The Offering

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, please refer to the section entitled "Description of the Notes" in this prospectus supplement and the sections entitled "Description of the Debt Securities" and "Description of the Guarantees" in the accompanying prospectus. In this description of the offering, references to Vale mean Vale S.A. only and do not include Vale Overseas or any of Vale's other subsidiaries or affiliated companies.

Issuer	Vale Overseas Limited
Guarantor	Vale S.A.
Notes offered	US\$1,250,000,000 aggregate principal amount of Vale Overseas's 4.375% Guaranteed Notes due 2022 (the "notes"). The notes issued hereby will be fungible with the US\$1,000,000,000 4.375% Guaranteed Notes due 2022 issued on January 11, 2012, and will be consolidated with and form a single series under the indenture governing such notes. The aggregate principal amount of the notes offered hereby and the notes issued on January 11, 2012 will be US\$2,250,000,000.
Guaranty	Vale will irrevocably and unconditionally guarantee the full and punctual payment of principal, interest, additional amounts and all other amounts that may become due and payable in respect of the notes.
Issue price	101.345% of the principal amount, plus accrued interest from January 11, 2012 (as if they had been issued on such date).
Maturity	January 11, 2022.
Interest rate	The notes will bear interest at the rate of 4.375% per annum from January 11, 2012 based upon a 360-day year consisting of twelve 30-day months.
Interest payment dates	Interest on the notes will be payable semi-annually on January 11 and July 11 of each year, beginning July 11, 2012. Purchasers of the notes issued hereby will be entitled to receive the full amount of the next semi-annual regular interest payment on July 11, 2012.
Ranking Notes	The notes are general obligations of Vale Overseas and are not secured by any collateral. Your right to payment under these notes will be: junior to the rights of secured creditors of Vale Overseas to the extent of their interest in Vale Overseas's assets; and equal with the rights of creditors under all of Vale Overseas's other unsecured and unsubordinated debt.

Edgar Filing: Vale S.A. - Form 424B2

Table of Contents

Guaranty

The guaranty of the notes will be a general obligation of Vale and is not secured by any collateral. Your right to payment under the guaranty will be:

junior to the rights of secured creditors of Vale to the extent of their interest in Vale's assets;

equal with the rights of creditors under all of Vale's other unsecured and unsubordinated debt; and

effectively subordinated to the rights of any creditor of a subsidiary of Vale over the assets of that subsidiary.

Covenants

The indenture governing the notes contains restrictive covenants that, among other things and subject to certain exceptions, limit Vale's ability to:

merge or transfer assets, and

incur liens,

and, among other things and subject to certain exceptions, limit Vale Overseas's ability to:

merge or transfer all or substantially all of its mining properties or assets,

incur liens,

incur additional indebtedness, and

pay dividends.

For a more complete description of Vale's and Vale Overseas's covenants, see "Description of the Notes Covenants" in this prospectus supplement and "Description of the Debt Securities Certain Covenants" in the accompanying prospectus.

Further issuances

Vale Overseas reserves the right, from time to time, without the consent of the holders of the notes, to issue additional notes on terms and conditions identical to those of the notes, which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the notes. Vale Overseas may also issue other securities under the indenture which have different terms and conditions from the notes. Likewise, Vale has the right, without the consent of the holders, to guarantee any such additional securities, to guarantee debt of its other subsidiaries and to issue its own debt.

Assumption by Vale of Vale Overseas's obligations under the notes

Vale may assume, without the consent of the holders of the notes, the obligations of Vale Overseas for the due and punctual payment of the principal of (and premium, if any), interest on and any other payments with respect to the notes and for the performance of every applicable covenant of the

Table of Contents

	relevant supplemental indenture pertaining to the notes on the part of Vale Overseas to be performed or observed, as described under "Description of the Notes Assumption by Guarantor of Issuer's Obligations under the Notes".
Payment of additional amounts	Vale Overseas and Vale will pay additional amounts in respect of any payments under the notes so that the amount you receive after Brazilian or Cayman Islands withholding tax will equal the amount that you would have received if no withholding tax had been applicable, subject to some exceptions as described under "Description of the Debt Securities Payment of Additional Amounts" in the accompanying prospectus.
Optional redemption	Vale Overseas may redeem the notes, in whole at any time or in part from time to time, at a redemption price equal to the greater of 100% of the principal amount of the notes to be redeemed and a "make whole" amount described under "Description of the Notes Optional Redemption" in this prospectus supplement, plus accrued and unpaid interest to the date of redemption.
Tax redemption	If, due to changes in Brazilian or Cayman Islands laws relating to withholding taxes applicable to payments of interest, Vale Overseas or Vale is obligated to pay additional amounts on the notes in respect of Brazilian or Cayman Islands withholding taxes at a rate in excess of 15%, Vale Overseas or Vale may redeem the notes in whole, but not in part, at any time, at a price equal to 100% of their principal amount plus accrued interest to the redemption date.
Use of proceeds	We intend to use the net proceeds from this offering for general corporate purposes.
Listing	Application will be made to list the notes on the New York Stock Exchange. The original notes are listed on the New York Stock Exchange.
Risk factors	See "Risk Factors" and the other information included and incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before investing in the notes.
Governing Law	New York.
Trustee	The Bank of New York Mellon.
CUSIP	The notes issued hereby will have the same CUSIP as the original notes, which is 91911TAM5.
ISIN	The notes issued hereby will have the same ISIN as the original notes, which is US91911TAM53.
Common Code	The notes issued hereby will have the same Common Code as the original notes, which is 063344524.

Table of Contents

RECENT DEVELOPMENTS

For a discussion of our results of operations for the year ended December 31, 2011, see our report on Form 6-K furnished to the SEC on the date hereof, which is incorporated by reference in this prospectus supplement and other reports on Form 6-K listed under "Incorporation of Certain Documents by Reference".

RISK FACTORS

Our annual report on Form 20-F for the year ended December 31, 2010, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, includes extensive risk factors relating to our business. You should carefully consider those risks and the risks described below, as well as the other information included or incorporated by reference in this prospectus supplement or the accompanying prospectus, before making a decision to invest in the notes.

Risks Relating to the Notes

Vale's subsidiaries, affiliated companies and joint ventures are not obligated under the notes or the guaranty, and these companies' obligations to their own creditors will effectively rank ahead of Vale's obligations under the guaranty.

Vale Overseas is the obligor under the notes and only its parent company, Vale, is obligated under the guaranty of the notes.

Vale Overseas has no operations or assets, other than holding unsecured obligations from other Vale subsidiaries to repay loans. These other subsidiaries are not liable under the notes or the guaranty, and they may not have the ability to repay their loans from Vale Overseas.

Vale conducts a significant amount of business through subsidiaries, affiliated companies and joint ventures, none of which are obligated under the notes or the guaranty. At December 31, 2011, the subsidiaries were responsible for approximately 26% of Vale's consolidated U.S. GAAP revenues from operations and approximately 9% of Vale's consolidated U.S. GAAP net cash flows provided by operating activities. The claims of any creditor of a subsidiary, affiliated company or joint venture of Vale would rank ahead of Vale's ability to receive dividends and other cash flows from these companies. As a result, claims of these creditors would rank ahead of Vale's ability to access cash from these companies in order to satisfy its obligations under the guaranty. In addition, these subsidiaries, affiliated companies and joint ventures may be restricted by their own loan agreements, governing instruments and other contracts from distributing cash to Vale to enable Vale to perform under its guaranty. At December 31, 2011, 11% of Vale's consolidated U.S. GAAP liabilities were owed by subsidiaries of Vale, which is the only obligor under the guaranty, meaning that the creditors under these liabilities would rank ahead of investors in the notes in the event of Vale's insolvency.

The indenture governing the notes contains restrictions on the conduct of business by Vale Overseas and Vale, including limits on their ability to grant liens over their assets for the benefit of other creditors. These restrictions do not apply to Vale's other subsidiaries, affiliated companies and joint ventures, and these companies are not limited by the indenture in their ability to pledge their assets to other creditors.

There may not be a liquid trading market for the notes.

The notes are an issuance of new securities with no established trading market. There can be no assurance that a liquid trading market for the notes will develop or, if one develops, that it will be maintained. If an active market for the notes does not develop, the price of the notes and the ability of a holder of notes to find a ready buyer will be adversely affected.

Table of Contents

We may not be able to make payments in U.S. dollars.

In the past, the Brazilian economy has experienced balance of payment deficits and shortages in foreign exchange reserves, and the government has responded by restricting the ability of Brazilian or foreign persons or entities to convert *reais* into foreign currencies generally, and U.S. dollars in particular. The government may institute a restrictive exchange control policy in the future. Any restrictive exchange control policy could prevent or restrict our access to U.S. dollars, and consequently our ability to meet our U.S. dollar obligations and could also have a material adverse effect on our business, financial condition and results of operations. We cannot predict the impact of any such measures on the Brazilian economy.

In case of bankruptcy, we would be required to pay amounts only in reais.

Any judgment obtained against Vale in the courts of Brazil in respect of any of Vale's payment obligations under the guaranty would be expressed in the *real* equivalent of the U.S. dollar amount of such sum. Accordingly, in case of bankruptcy, all credits held against Vale denominated in foreign currency would be converted into *reais* at the prevailing exchange rate on the date of declaration of bankruptcy by the judge. Further authorization by the Central Bank of Brazil would be required for the conversion of such *real*-denominated amount into foreign currency and for its remittance abroad.

Developments in other countries may affect prices for the notes.

The market value of securities of Brazilian companies is, to varying degrees, affected by economic and market conditions in other countries. Although economic conditions in such countries may differ significantly from economic conditions in Brazil, investors' reactions to developments in any of these other countries may have an adverse effect on the market value of securities of Brazilian issuers. For example, in October 1997, prices of both Brazilian debt securities and Brazilian equity securities dropped substantially, precipitated by a sharp drop in the value of securities in Asian markets. The market value of the notes could be adversely affected by events elsewhere, especially in emerging market countries.

Table of Contents

USE OF PROCEEDS

The net proceeds of this offering are expected to be US\$1,260 million after deducting underwriting fees and estimated expenses payable by us. We intend to use the net proceeds for general corporate purposes.

CAPITALIZATION OF VALE

The table below sets forth Vale's consolidated capitalization at December 31, 2011 on an actual basis and as adjusted to reflect additional indebtedness incurred by Vale after December 31, 2011 as described below, and to give effect to the issuance of the notes offered hereby. You should read this table together with our consolidated financial statements and the notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus.

	At December 31, 2011	
	Actual	As adjusted
	(US\$ million)	
	(unaudited)	
Debt included in current liabilities:		
Current portion of long-term debt	US\$ 1,495	US\$