Vale S.A.
Form 424B2
September 09, 2009

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As filed pursuant to Rule 424(b)(2)
Registration Nos. 333-138617 and 333-138617-01

CALCULATION OF REGISTRATION FEE

Class of securities offered	Aggregate offering price	Amount of registration fee
Debt Securities	US$992,320,000	US$55,371(1)
Guaranty		(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 guaranty.

PROSPECTUS SUPPLEMENT
(To prospectus dated November 13, 2006)

Vale Overseas Limited

US$1,000,000,000 55/8% Guaranteed Notes due 2019

Unconditionally Guaranteed by

Vale S.A.

Vale Overseas Limited is offering US$1,000,000,000 aggregate principal amount of its 55/8% Guaranteed Notes due September 15, 2019. Vale Overseas will pay interest on the notes semi-annually on September 15 and March 15 of each year, beginning March 15, 2010. 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 Notes Optional Redemption in this prospectus supplement plus accrued and unpaid interest on such notes 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 unsecured senior indebtedness. 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 any integral multiple of US$1,000 in excess thereof.

Vale Overseas will apply to list the notes on the New York Stock Exchange.

Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-8 of this prospectus supplement.

	Per Note	Total
Public offering price[(1)]	99.232%	US$992,320,000
Underwriting discount	0.30%	US$3,000,000
Proceeds, before expenses, to Vale Overseas	98.932%	US$989,320,000

(1) Plus accrued interest from September 15, 2009, if settlement occurs after that date.

Neither the Securities and Exchange Commission 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 only through The Depository Trust Company on or about September 15, 2009.

Goldman, Sachs & Co. **HSBC** **Santander**

The date of this prospectus supplement is September 8, 2009.

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Prospectus Supplement

Prospectus

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.

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 previously 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 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 was authenticated by a Brazilian consulate in the State of New York;
- the judgment was 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 that Brazilian courts may enforce such liabilities in such actions against Vale (provided that 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 provisions of Brazilian law. In addition, a Brazilian or foreign plaintiff who resides abroad or is abroad during the course of the suit in Brazil must post a bond to cover legal fees and court expenses of the defendant, should there be no 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 such confirmation 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, Harney Westwood & Riegels, 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 the defendant according to Cayman Islands conflict of law rules. To be so enforced the foreign judgment must be final and for a liquidated sum not in respect of taxes or a fine or penalty 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

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justice, statute or the 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 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.

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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 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. (formerly known as Companhia Vale do Rio Doce, or CVRD), 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 business is to issue debt securities to finance Vale s activities. Vale Overseas was registered and incorporated as a Cayman Islands exempted company with limited liability on April 3, 2001. The issue of the notes will be the seventh borrowing by Vale Overseas.

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, ferroalloys and kaolin. We also produce bauxite, alumina, aluminum, copper, coal, cobalt, precious metals, potash and other products. To support our growth strategy, we are actively engaged in mineral exploration efforts in 22 countries around the globe. We operate large logistics systems in Brazil, including railroads, maritime terminals and a port, which are integrated with our mining operations. Directly and through affiliates and joint ventures, we have investments in the energy and steel businesses.

The following table presents the breakdown of our total gross revenues attributable to each of our main lines of business, each of which is described following the table.

	Year Ended December 31,				Six months ended June 30, 2009
	2006	2006(1)	2007	2008	(unaudited)
			(%)		
Ferrous minerals:					
Iron ore	49.2%	39.0%	36.0%	46.2%	52.8%
Iron ore pellets	9.7	7.7	8.3	11.2	4.3
Manganese	0.3	0.2	0.2	0.7	0.6
Ferroalloys	2.5	2.0	2.1	3.1	1.4
Pig iron			0.2	0.4	0.1
Subtotal	61.7	48.9	46.8	61.6	59.2

Non-ferrous minerals:					
Nickel[2]	11.6	25.6	30.3	15.5	17.3
Aluminum	11.7	9.3	8.2	7.9	8.7
Copper	5.3	7.1	6.0	5.3	2.6
PGMs[2]	0.4	1.0	1.0	1.0	1.0
Other precious metals[2]	0.1	0.7	0.3	0.3	0.5
Other non-ferrous minerals	1.9	1.6	1.7	1.3	2.5
Subtotal	31.0	45.3	47.5	31.3	32.6
Coal			0.5	1.5	2.2
Logistics	6.8	5.4	4.6	4.2	4.6
Other investments	0.5	0.4	0.6	1.4	1.4
Total	100%	100%	100%	100%	100%

(1) Including Vale Inco s 2006 gross revenues prior to its acquisition.

(2) Revenues included in the nickel product segment in our consolidated financial statements.

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Ferrous minerals:

Iron ore and iron ore pellets. We operate three systems in Brazil for producing and distributing iron ore. 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 complexes and two maritime terminals. We operate 10 pellet-producing facilities in Brazil, one of which is a joint venture. We also have a 50% stake in a joint venture that owns three pelletizing plants in Brazil and a 25% stake in a pellet company 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.

Non-ferrous minerals:

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

Aluminum. We are engaged in bauxite mining, alumina refining, and aluminum metal smelting. In Brazil, we own a bauxite mine, an alumina refinery and two aluminum smelters. We have a 40% interest in Mineração Rio do Norte S.A., a bauxite producer, operations of which are also located in Brazil.

Copper. We have copper mining operations in Brazil and Canada. In Brazil, we produce copper concentrates at Sossego in Carajás, in the state of Pará. In Canada, we produce copper concentrate, copper anode and copper cathode in conjunction with our nickel mining operations at Sudbury, Thompson and Voisey s Bay.

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.

Other precious metals. We produce gold and silver as by-products of our nickel mining and processing operations in Canada. Some of these precious metals are upgraded at our facilities in Port Colborne, Ontario, and all are refined by unrelated parties in Canada.

Other non-ferrous minerals. We are the world s fourth-largest producer of kaolin for the paper industry and Brazil s sole producer of potash. We produce cobalt as a by-product of our nickel mining and processing operations in Canada and refine it at our Port Colborne facilities.

Coal. We produce metallurgical and thermal coal through Vale Australia Holdings, which operates coal assets in Australia through wholly-owned subsidiaries and unincorporated joint ventures. We also have minority interests in Chinese coal and coke producers and we have recently acquired thermal coal assets in Colombia.

Logistics. We are a leading provider of logistics services in Brazil, with railroads, maritime terminals and a port. Two of our three 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 have a 31.3% interest in Log-In Logística Intermodal S.A., which provides container-based logistics services in Brazil, and a 41.5% 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.

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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 Notes in this prospectus supplement and the sections entitled Description of 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$1,000,000,000 aggregate principal amount of 55/8% Guaranteed Notes due 2019
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	99.232% of the principal amount
Maturity	September 15, 2019
Interest rate	The notes will bear interest at the rate of 55/8% per annum from September 15, 2009 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 September 15 and March 15 of each year, beginning March 15, 2010.
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 assets; and equal with the rights of creditors under all of Vale Overseas other unsecured and unsubordinated debt.
Guaranty	

The guaranty 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.

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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 ability to: merge or transfer assets, incur liens, incur additional indebtedness, and pay dividends. For a more complete description of Vale s and Vale Overseas covenants, see Description of Notes Covenants in this prospectus supplement and Description of 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 of any series 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 relevant series of 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.
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 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 Notes Optional Redemption in this prospectus supplement plus accrued and unpaid interest on such notes to the date of redemption.

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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 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	The net proceeds of this offering will be used for general corporate purposes.
Listing	Application will be made to list the notes on the New York Stock Exchange.
Rating	The notes have been assigned a foreign currency rating of Baa2 by Moody s, BBB+ by Standard & Poor s, BB by Fitch Ratings and BBB(high) by DBRS. Ratings are not a recommendation to purchase, hold or sell notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor. The ratings are based upon current information furnished to the rating agencies by Vale and information obtained by the rating agencies from other sources. The ratings are only accurate as of the date thereof and may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, and therefore a prospective purchaser should check the current ratings before purchasing the notes. Each rating should be evaluated independently of any other rating.
Risk factors	See Risk Factors and the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before investing in the notes.

RISK FACTORS

Our annual report on Form 20-F for the year ended December 31, 2008, which is incorporated by reference in 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 into this prospectus supplement and 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. In the first six months of 2009, the subsidiaries were responsible for approximately 30% of Vale s consolidated U.S. GAAP revenues from operations and approximately 15% 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 June 30, 2009, 16% 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 markets. 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.

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 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.

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We would be required to pay amounts only in reais in case of bankruptcy.

Any judgment obtained against Vale in the courts of Brazil in respect of any of Vale s payment obligations under the guarantees will be expressed in *reais* equivalent to the U.S. dollar amount of such sum at the commercial exchange rate on the date at which a judicial decision declaring our bankruptcy is rendered. Accordingly, in case of bankruptcy, all credits held against Vale denominated in foreign currency will be converted into *reais* at the prevailing exchange rate on the date of declaration of bankruptcy by the judge. In any case, further authorization by the Central Bank of Brazil shall 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.

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USE OF PROCEEDS

The net proceeds of this offering are expected to be US$987 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 June 30, 2009 on an actual basis and as adjusted 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 into this prospectus supplement and the accompanying prospectus.

	At June 30, 2009			
	Actual		As adjusted[(1)]	
	(US$ million) (Unaudited)			
Debt included in current liabilities:				
Current portion of long-term debt	US $	610	US $	610
Short-term debt		38		38
Loans from related parties		19		19
Total debt included in current liabilities	US $	667	US $	667
Debt included in long-term liabilities:				
Long-term debt (excluding current portion):				
Secured	US $	382	US $	382
Unsecured		18,444		19,431
Total long-term debt (excluding current portion)		18,826		19,813
Total debt included in long-term liabilities		18,826		19,813
Stockholders equity:				
Preferred shares 7,200,000,000 shares authorized and 2,108,590,250 issued		9,727		9,727
Common shares 3,600,000,000 shares authorized and 3,256,724,482 issued		15,262		15,262
Treasury shares 74,997,899 common and 77,625,704 preferred shares		(1,151)		(1,151)
Additional paid-in capital		393		393