

Vale S.A.
Form 6-K
January 27, 2010

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**United States
Securities and Exchange Commission
Washington, D.C. 20549
FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the
Securities Exchange Act of 1934
For the month of
January 2010
Vale S.A.**

Avenida Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil
(Address of principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F ☐ Form 40-F ☐

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes ☐ No ☐

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7))

(Check One) Yes ☐ No ☐

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes ☐ No ☐

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-____.)

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Vale proposes US\$2.5 billion for 2010 minimum dividend

Rio de Janeiro, January 26, 2010 Vale S.A. (Vale) announces that its senior management has approved and will submit to the Board of Directors a proposal for the distribution of a minimum dividend of US\$2.5 billion in 2010. The dividend per share will be US\$0.479595670, for both common and preferred shares. Once approved by our Board of Directors, the payment will be made in two installments, on April 30 and October 29, 2010.

The Board of Directors will evaluate the proposal submitted by senior management, regarding each installment, in the meetings scheduled for April 14 and October 14, 2010.

Once the proposal is approved by our Board of Directors, payment will be made in Brazilian reais, calculated on the basis of the Brazilian real/US dollar exchange rate (Ptax Option 5) published by the Central Bank of Brazil on the business day prior to the Board of Directors meeting that approves the dividend proposal.

The minimum dividend proposed for 2010, US\$2.5 billion, is equal to the minimum dividend distributed in 2009 and 24.1% higher than the average annual dividend distribution over the last five years, 2005-2009. At the same time, it is consistent with Vale's financial policy, which aims to provide a strong support to the exploitation of profitable growth opportunities alongside the preservation of a sound balance sheet.

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This press release may include declarations that present Vale's expectations in relation to future events or results. All declarations, when based upon future expectations and not on historical facts involve various risks and uncertainties. Vale cannot guarantee that such declarations will come to be correct. These risks and uncertainties include factors related to the following: (a) countries where we operate, mainly Brazil and Canada; (b) global economy; (c) capital markets; (d) iron ore and nickel businesses and their dependence upon the global steel industry, which is cyclical by nature; (e) high degree of global competition in the markets which Vale operates. To obtain further information on factors that may give origin to results different from those forecasted by Vale, please consult the reports filed with the Brazilian Securities and Exchange Commission (CVM), the Autorité des Marchés Financiers (AMF), and with the U.S. Securities and Exchange Commission (SEC), including the most recent Annual Report Vale Form 20F and 6K forms.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Vale S.A.
(Registrant)

Date: January 26, 2010

By: /s/ Roberto Castello Branco
Roberto Castello Branco
Director of Investor Relations