

27 January 2011

Vedanta Resources Plc Production Report for the Third Quarter and Nine Months Ended 31 December 2010

Q3 Highlights

- Record mined metal production volumes at Zinc-Lead and Copper-Zambia operations, up 11% and 18% respectively
- Record quarterly EBITDA of \$895m, up 35%
- 1.5 mtpa mill at silver-rich SK Mine commissioned
- Second 600 MW unit of 2,400 MW Jharsuguda power plant synchronised
- Completed acquisition of Anglo American Zinc's Skorpion Mine in Namibia

Zinc-Lead-Silver, India

Mined metal production in Q3 was a record 222,000 tonnes, 11% higher than the corresponding prior period. Refined zinc production was 20% higher in Q3 at a record 178,000 tonnes. Zinc production for the nine months ended 31 December 2010 was 519,000 tonnes, 21% higher than the corresponding prior period. The 210 ktpa Zinc smelter at Dariba Smelting Complex contributed 46,000 tonnes and 119,000 tonnes during Q3 and the nine month period, respectively.

Lead production in Q3 was 14,000 tonnes as compared with 21,000 tonnes in the corresponding prior period, 33% lower due to a maintenance shutdown at the Ausmelt and Pyro Smelters. Lead production for the nine month period was 46,000 tonnes compared with 52,000 tonnes during the corresponding prior period.

Silver production during Q3 and the nine month period was 1.35 million ounces and 4.16 million ounces, respectively. The new 1.5 mtpa mill at the silver-rich SK mine has been commissioned.

Sales in Q3 were augmented by sales of 36,000 and 13,000 dry metric tonnes of surplus zinc and lead concentrate, respectively.

EBITDA for the quarter increased to \$332.3 million from \$286.7 million in the corresponding prior period. Increased volumes, higher LME prices and operational efficiencies were partially offset by higher coal cost and higher stripping ratio.

Commissioning of the 100 ktpa Lead smelter at Dariba Smelting Complex is expected in Q4 FY 2010-11, and will take the zinc-lead capacity of our India operations to 1,064 ktpa.

Skorpion Zinc, Namibia

The acquisition of Skorpion Zinc, Namibia was completed in early December 2010. During December 2010, Skorpion produced 13,200 tonnes of refined Zinc and generated an EBITDA of \$13.7 million.

Iron Ore

Iron ore production and sales during Q3 were 5.29 mt and 5.38 mt, respectively. Sales were impacted by the extended monsoon and restrictions on road transport timings in Goa, a temporary state-wide export restriction imposed by the Karnataka State Government at the end of July 2010, and continued logistics constraints in Orissa.

EBITDA in Q3 was 30% higher at \$280.2 million primarily due to higher realizations, partially offset by lower sales volume, higher logistics costs and higher export duty.

On 30 November 2010, we announced the closure of Sesa Goa's third party mining contract in Orissa. We did not renew the contract because of unviable commercial terms on a long-term basis.

Copper - India/Australia

During Q3, copper cathode production at the Tuticorin smelter was 7% lower at 79,000 tonnes due to a temporary shutdown following the High Court order issued at the end of September 2010.

Mined metal production at CMT Australia was 4,000 tonnes and 18,000 tonnes in Q3 and the nine month period, respectively.

EBITDA for Q3 was 31% higher at \$51.5 million, primarily on account of higher acid realizations, partly offset by lower Tc/Rc's and lower volumes.

Copper - Zambia

During Q3, the integrated copper cathode production was 34,000 tonnes, 21% higher than the corresponding prior period. This was primarily on account of improvement at the Nchanga operations with higher production at the open pits and higher throughput at the tailings leach operations. We continue to work on further improving operational efficiencies across all operations.

Integrated copper production during the nine month period was 100,000 tonnes, 8% higher than the corresponding prior period. During the same period, the total copper production including custom operations was 169,000 tonnes.

Mined metal production for Q3 and the nine month period was 26,000 tonnes and 73,000 tonnes, higher by 18% and 22%, respectively, as compared with the corresponding prior periods.

EBITDA in Q3 was \$143.4 million, significantly higher compared with \$35.6 million in the corresponding prior quarter on account of higher LME prices, higher volumes, and lower operating costs.

Work at the Konkola Deep Mining Project, the new concentrators at Nchanga and the CRO project continues to progress on schedule.

Aluminium

Aluminium production in Q3 was 29% higher at 168,000 tonnes, which includes production of 103,000 tonnes from Jharsuguda-I and 65,000 tonnes from BALCO.

Alumina production at Lanjigarh was 147,000 tonnes and 522,000 tonnes during Q3 and the nine month period. The refinery continues to operate at a capacity of 1 mtpa with bauxite sourced from BALCO and third parties.

EBITDA in Q3 was \$66.2 million as compared with \$28.3 million in the corresponding prior quarter. The increase was primarily on account of higher LME prices and sales volumes, partly offset by increased cost of alumina, coal and carbon.

Energy

Sale of power in Q3 was 7% higher at 1,126 million units, including 245 million units generated by the first 600 MW unit of the Sterlite Energy 2,400 MW power plant, which is under trial run.

EBITDA in Q3 was \$17.8 million as compared with \$57.4 million in the corresponding prior quarter, mainly on account of lower realisations.

The second 600 MW unit of the 2,400 MW SEL power plant was successfully synchronized in December 2010.

Work on the 2,640 MW (4x660MW) supercritical power project at Talwandi Sabo is progressing as scheduled. Around 90% of the piling has been completed and foundation work is in progress. Erection of boiler structure has commenced and 5 shiploads of material have been received.

We recently announced a 150 MW expansion of wind power generation capacity at HZL at a cost of approximately \$190 million. The project is scheduled for completion in two phases - 50 MW by March 2011, and 100 MW by Q2 FY 2011-12. The power generated will be sold to State utilities under green power purchase agreements. Upon completion of the expansion, we will be the second largest wind energy generator in India, with a generation capacity of 273 MW.

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

Particulars	Quarter ended 31 December			Nine Months ended 31 December		
	2010	2009	% Change	2010	2009	% Change
Zinc						
Mined metal content	222	200	11.3	609	575	5.9
Zinc - refined	178	148	20.3	519	428	21.3
Lead - refined ¹	14	21	(33.3)	46	52	(11.5)
Silver (in '000 ounces) ²	1,351	1,384	(2.4)	4,156	4,018	3.4
Skorpion Zinc	13.2	-	-	13.2	-	-
Iron Ore						
Saleable Ore (in mt) ³	5.3	5.4	(1.9)	14.8	13.6	8.8
Copper- India / Australia						
Copper - Mined metal content	4	4	-	18	17	5.9
Copper - Cathodes	79	85	(7.1)	224	255	(12.2)
Copper - Zambia	55	42	31.0	169	120	40.8
Integrated	34	28	21.4	100	93	7.5
Custom	21	14	50.0	69	27	155.6
Alumina						
Korba I ⁴	0	3	-	0	43	-
Lanjigarh	147	181	(18.8)	522	559	(6.6)
Aluminium	168	130	29.2	470	375	25.3
Jharsuguda	103	65	58.5	277	174	59.2
Korba II	65	63	3.2	193	186	3.8
Korba I ⁴	0	2	-	0	15	-
Energy (in million units)	1,126	1,051	7.1	3,256	2,322	40.2
SEL ⁵	245	-	-	294	-	-
BALCO, MALCO, HZL Wind	669	589	13.6	1,948	1,570	24.1
Surplus from CPP's	212	462	(54.1)	1,014	752	34.8

1. Including captive consumption of 1,746 tonnes vs 1,450 tonnes in Q3 FY 2010-11 vs Q3 FY 2009-10.
2. Including captive consumption of 297,000 ounces vs 238,000 ounces in Q3 FY 2010-11 vs Q3 FY 2009-10.
3. Iron ore is reported on wet metric tonnes basis
4. Plants no longer operational
5. Represents production under trial run

Financial Summary (Unaudited)

(in \$ million, except as stated)

Particulars	Quarter ended 31 December			Nine Months ended 31 December		
	2010	2009	% Change	2010	2009	% Change
Revenue						
Aluminium	426.9	213.0	100.4	1,093.5	453.6	141.1
Copper	1,497.7	1,018.0	47.1	3,680.2	2,655.1	38.6
- India/Australia	1,019.7	753.4	35.3	2,342.0	1,960.6	19.5
- Zambia	478.0	264.6	80.7	1,338.2	694.5	92.7
Zinc	602.8	452.9	33.1	1,483.4	1,102.6	34.5
- India	573.6	452.9	26.7	1,454.2	1,102.6	31.9
- Namibia	29.2	-	-	29.2	-	-
Iron ore	489.9	389.3	25.8	1,197.6	705.5	69.8
Energy	64.5	85.2	(24.3)	256.3	228.7	12.1
Eliminations	(4.1)	(13.1)	-	(51.8)	(21.6)	-
Total	3,077.7	2,145.3	43.5	7,659.2	5,123.9	49.5
EBITDA						
Aluminium	66.2	28.3	133.9	155.0	68.4	126.6
Copper	194.9	74.9	160.2	477.7	213.2	124.1
- India/Australia	51.5	39.3	31.0	160.4	109.3	46.8
- Zambia	143.4	35.6	302.8	317.3	103.9	205.4
Zinc	346.0	286.7	20.7	802.5	654.9	22.5
- India	332.3	286.7	15.9	788.8	654.9	20.4
- Namibia	13.7	-	-	13.7	-	-
Iron ore	280.2	216.1	29.7	712.9	346.5	105.7
Energy	17.8	57.4	(69.0)	108.2	127.4	(15.1)
Others	(9.7)	(0.9)	-	(12.3)	(1.6)	-
Total	895.4	662.5	35.2	2,244.0	1,408.8	59.3

Note: Previous year numbers have been regrouped as necessary to present Energy as a separate segment

For further information, please contact:

Investors:

Ashwin Bajaj
Senior Vice President – Investor Relations
Vedanta Resources plc

ir@vedanta.co.in
Tel: +44 20 7659 4732 / +91 22 6646 1531

Media:

Gordon Simpson
Faeth Birch
Finsbury

Tel: +44 20 7251 3801

About Vedanta Resources plc

Vedanta Resources plc (“Vedanta”) is a London listed FTSE 100 diversified metals and mining major. The group produces aluminium, copper, zinc, lead, silver, iron ore and commercial energy. Vedanta has operations in India, Zambia, Namibia and Australia and a strong organic growth pipeline of projects. With an empowered talent pool of 30,000 employees globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of entrepreneurship, excellence, trust, inclusiveness and growth. For more information, please visit: www.vedantaresources.com.

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