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31 July 2013

Vedanta Resources Plc
Production Release for the First Quarter Ended 30 June 2013

Q1 Highlights

- Mined metal production up 27% and integrated zinc production up 10% at Zinc India
- Continued production ramp-up at Rajasthan oil & gas operations
- Tuticorin copper smelter recommenced operations following a temporary shutdown
- Supreme court has cleared iron ore mining in Karnataka, and we expect to resume mining in Q2
- Power generation up 34% at the 2,400MW Jharsuguda power plant, driving substantial increase in commercial power sales
- Group Structure consolidation and simplification received approval from the High Court of Madras on July 25, 2013

Zinc India

	Q1			Q4	Full Year
Particulars *(in'000 tonnes, or as stated)*	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY2013**
Mined metal content	238	187	27%	260	870
Refined Zinc - Total	**174**	**161**	**8%**	**182**	**677**
Refined Zinc - Integrated	173	157	10%	181	660
Refined Zinc - Custom	1	4	(78%)	-	17
Refined Lead - Total [1]	**33**	**31**	**5%**	**35**	**125**
Refined Lead - Integrated	29	29	1%	32	107
Refined Lead - Custom	3	2	70%	3	18
Saleable Silver - Total (in '000 ounces) [2]	**3,090**	**2,351**	**31%**	**3,480**	**12,021**
Saleable Silver - Integrated (in '000 ounces)	2,475	2,274	9%	2,924	9,267
Saleable Silver - Custom (in '000 ounces)	614	77	700%	556	2,754
Revenue (US$ million)	**513.7**	**487.2**	**5%**	**704.4**	**2,263.3**
EBITDA (US$ million)	**257.6**	**252.0**	**2%**	**388.0**	**1,165.3**

During Q1, mined metal production was 27% higher than the corresponding prior quarter, in line with our plan to deliver 1 million tonnes of mined metal production during the year.

Integrated production of refined zinc was 10% higher due to higher smelter utilization. Integrated production of refined lead was in line with the corresponding prior quarter. Integrated saleable silver production was 9% higher driven by higher volumes from Sindesar Khurd and Zawar mines.

The cost of production (COP) of zinc excluding royalty was 1% lower at US$836 per tonne as compared with US$844 per tonne in the corresponding prior quarter due to lower specific consumption and price of coal, higher volumes and the depreciation of the Indian Rupee, partially offset by lower sulphuric acid credits and higher excavation costs.

EBITDA was marginally higher at US$258 million as the favourable impact of higher zinc sales was partially offset by lower LME and lower by-product realizations.

Zinc International

	Q1			Q4	Full Year
Particulars *(in'000 tonnes, or as stated)*	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY2013**
Zinc International	**90**	**106**	***(15%)***	**102**	**426**
Refined Zinc - Skorpion	34	36	*(4%)*	36	145
Mined metal content - BMM and Lisheen	56	70	*(21%)*	65	280
Revenue(US$ million)	**167.4**	**186.8**	***(10%)***	**209.1**	**797.2**
EBITDA(US$ million)	**53.5**	**62.4**	***(14%)***	**79.3**	**294.5**

Zinc-Lead Metal in Concentrate (MIC) production was lower than the corresponding prior quarter on account of disruptions in production caused by accidents at Lisheen and BMM. COP was $1,162 per tonne as compared with $1,126 per tonne earlier. EBITDA was 14% lower due to lower volumes, lower LME and higher COP.

Oil and Gas

	Q1			Q4	Full Year
Particulars	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY 2013**
OIL AND GAS (boepd)					
Average Daily Gross Operated Production (boepd)	212,442	206,963	3%	202,014	205,323
Rajasthan	173,517	167,146	4%	168,594	169,390
Ravva	28,253	32,589	(13%)	27,205	29,161
Cambay	10,672	7,228	48%	6,215	6,772
Average Daily Working Interest Production (boepd)	132,087	127,226	4%	126,623	127,843
Rajasthan	121,462	117,002	4%	118,016	118,573
Ravva	6,357	7,333	(13%)	6,121	6,561
Cambay	4,269	2,891	48%	2,486	2,709
Total Oil and Gas Production (million boe)					
Oil & Gas- Gross	19.33	18.83	*3%*	18.18	74.94
Oil & Gas-Working Interest	12.02	11.58	*4%*	11.40	46.66
Revenue(US$ million)	726.0	822.7	*(12%)*	804.6	3,223.4
EBITDA(US$ million)	545.7	655.5	*(17%)*	539.0	2,439.7

During Q1, average daily gross production was 212,442 barrels of oil equivalent (boe), 3% higher than the corresponding prior year period, driven primarily by the production ramp-up of the Rajasthan block fields. The CB-OS/2 (Cambay Field) has increased its oil production by 48% with the help of two new infill wells and one work over well. Production from Ravva, a mature field, declined as expected.

During the quarter, as a part of the exploration program in the Rajasthan block, Cairn India has drilled two exploration wells and one appraisal well and has made its latest oil discovery, the 26th discovery so far in the Rajasthan block. The initial results have strengthened the belief in the prospectivity of the block.

During Q1 FY2014, revenues and EBITDA were affected by lower realizations and higher profit petroleum payout at Rajasthan block Development Area 1, partially offset by higher volumes and the depreciation of the Indian Rupee.

Iron Ore

	Q1			Q4	Full Year
Particulars *(in million dry metric tonnes, or as stated)*	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY2013**
IRON ORE [3]					
Sales	0.0	2.9	-	0.0	3.1
Goa	-	2.8	-	-	3.0
Karnataka[4]	0.0	0.0	-	0.0	0.1
Production of Saleable Ore	-	3.4	-	-	3.7
Goa	-	3.4	-	-	3.7
Karnataka	-	-	-	-	-
Production ('000 tonnes)					
Pig Iron	110	39	*179%*	104	308
Met Coke	85	64	*33%*	94	331
Revenue (US$ million)	**64.7**	**313.5**	***(79%)***	**54.7**	**442.5**
EBITDA (US$ million)	**(8.4)**	**125.6**	***(107%)***	**(16.9)**	**84.2**

During Q1, iron ore operations in both the states of Goa and Karnataka continued to remain suspended. Our Karnataka mine has received clearance from the Supreme Court, and is now awaiting final statutory clearances in order to restart mining. We expect to resume mining at Karnataka in Q2.

Regarding the suspension of mining in Goa, a date for hearing is yet to be fixed by the Supreme Court. Earlier, the State Government and major miners, including Sesa Goa, had filed their responses to the report submitted by the Central Empowered Committee. Separately, we have filed an application to the Supreme Court for a modification or vacation of the Court's existing order on the suspension of mining and restrictions on ore transportation.

Production of pig iron and metallurgical coke were 179% and 33% higher at 110,000 tonnes and 85,000 tonnes, respectively as compared with the corresponding prior period, due to the new capacities commissioned in Q2 FY2013.

At our Liberia iron ore project, exploration activities are progressing well with c.91,500 meters of drilling completed as of 30 June 2013 across the three deposits – Bomi, Bea and Mano River. We are working to complete the first phase of 2mtpa by December 2014, and remain on track to deliver the first shipment by March 2014.

Copper - India and Australia

	Q1			Q4	Full Year
Particulars *(in'000 tonnes, or as stated)*	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY2013**
Copper - Mined metal content	6	7	*(13%)*	7	26
Copper - Cathodes	16	88	*(82%)*	86	353
Revenue (US$ million)	**440.2**	**977.3**	***(55%)***	**1,080.8**	**3,991.1**
EBITDA (US$ million)	**4.0**	**45.4**	***(91%)***	**68.6**	**219.1**

During Q1, mined metal production at Australia was 13% lower than the corresponding prior quarter due to lower grades. Copper cathode production at the Tuticorin smelter was lower due to a temporary closure of the smelter for most of the quarter, and revenues and EBITDA were not comparable to prior periods.

EBITDA was lower due to fixed expenses of the Tuticorin smelter, offset by gains on sale of surplus power from the Tuticorin power plant. EBITDA contribution from Australian mining operations was affected by lower sales, lower LME and higher cost.

Following the Tamil Nadu Pollution Control Board's (TNPCB) order for closure of the Tuticorin copper smelter on March 29, 2013, the National Green Tribunal (NGT) heard our appeal and passed an interim order on May 31, 2013 conditionally allowing the smelter to recommence operations, and the plant restarted on June 23, 2013. On July 15, 2013, an expert committee confirmed that the plant meets the prescribed standards, and the NGT permitted us to continue operations and has reserved its final order. Separately, the TNPCB has filed an appeal against the NGT's interim order before the Supreme Court and the appeal is being heard. The Supreme Court has not granted a stay on the NGT's interim order and has allowed the smelter to continue to operate.

Copper - Zambia

	Q1			Q4	Full Year
Particulars *(in'000 tonnes, or as stated)*	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY2013**
Mined metal	36	41	*(12%)*	33	159
Copper - Total	**43**	**49**	***(12%)***	**54**	**216**
Integrated	29	36	*(21%)*	36	160
Custom	15	13	*12%*	17	56
Revenue (US$ million)	**312.0**	**355.4**	***(12%)***	**443.8**	**1,742.8**
EBITDA (US$ million)	**48.8**	**87.7**	***(44%)***	**35.6**	**257.3**

During Q1, mined metal production was 36,000 tonnes, 12% lower than the corresponding prior quarter mainly due to lower production at the Nchanga open pits on account of temporary suspension of mining operations at COP F&D since January 2013, which was partially offset by higher output from Konkola mines and Tailings Leach Plant.

Integrated copper production was lower at 29,000 tonnes and total copper production was 12% lower at 43,000 tonnes due to a temporary shutdown of the Nchanga smelter, resulting in a build up of concentrate inventory that will be processed in Q2 and Q3.

Cost of integrated production excluding royalty was in line with earlier guidance at USc223/lb and 23% lower than Q4, when COP F&D was suspended. The benefit of stable costs was outweighed by lower volumes and lower LME, resulting in an EBITDA of US$48.8 million.

We now expect to deliver integrated production of around 160kt at a cost of c. USc230/lb for the full year, FY2014, primarily due to the suspension of mining at COP F&D.

Aluminium

	Q1			Q4	Full Year
Particulars *(in'000 tonnes, or as stated)*	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY2013**
Alumina – Lanjigarh	0	218	-	0	527
Total Aluminium Production	**195**	**185**	***5%***	**195**	**774**
Jharsuguda-I	134	124	*8%*	133	527
Korba-II	61	60	*1%*	62	247
BALCO 270MW Power Sales (mu)	187	338	*(45%)*	282	1,241
Revenue (US$ million)	**436.9**	**447.3**	***(2%)***	**502.4**	**1,920.8**
EBITDA (US$ million)	**50.8**	**49.3**	***3%***	**62.3**	**214.0**

During Q1, aluminium production was 195,000 tonnes, 5% higher than the corresponding prior quarter as the Jharsuguda-I 500kt smelter operated at 7% above its rated capacity. This was driven by significant improvements in specific power consumption and other operational parameters and the depreciation of the Indian Rupee, resulting in a lower cost of production (COP) of US$1,675 per tonne, as compared to US$1,845 per tonne earlier, despite running the smelter with third-party alumina feed as operations of the Lanjigarh alumina refinery were temporarily suspended. The refinery has subsequently recommenced operations in July.

The Korba-II aluminium smelter continues to operate at its rated capacity. Aluminium COP at Balco was higher at US$1,934 per tonne, primarily on account of further tapering of coal linkage (around $70/tonne of aluminium) as per the Coal Block policy and a maintenance shutdown of one of our captive power units.

Revenues were marginally lower on account of lower LME. Premiums were US$445 per tonne at BALCO and US$320 per tonne at VAL Jharsuguda. EBITDA for the quarter was 3% higher at US$51 million despite the temporary suspension of operations of the Lanjigarh refinery and lower LME.

The BALCO 1,200MW captive power plant is awaiting consent to operate. We expect to tap first metal at 325 ktpa BALCO-III Aluminium smelter in Q3 FY2014. Having obtained the forest clearance for the BALCO coal block, we are working on obtaining other approvals which are taking longer than expected, and we expect to commence mining in Q1 FY2015.

We continue to evaluate the potential start-up date of the 1.25 mtpa Jharsuguda smelter. In the meantime, we have stopped capitalising the interest cost related to this smelter and have started to expense this from Q1 FY2014, in compliance with the relevant accounting standard. This interest cost was $46 mn for Q1.

Power

	Q1			Q4	Full Year
Particulars *(in million units)*	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY2013**
Total Power Sales	**2,990**	**2,329**	*28%*	2,356	8,888
SEL [5]	2,604	1,938	*34%*	2,073	7,530
MALCO	224	209	*7%*	204	847
HZL Wind Power	162	182	*(11%)*	78	511
Revenue (US$ million)	**211.7**	**157.8**	***34%***	**156.9**	**576.1**
EBITDA (US$ million)	**76.9**	**64.2**	***20%***	**60.9**	**215.0**

Note: Unit refers to kWh

During Q1, power sales were 28% higher than the corresponding prior period due to higher power generation from Jharsuguda 2,400MW plant, which operated at PLF of 54% for all four units as compared with 50% for three units during the corresponding prior period.

Average power realization increased to Rs. 3.65 per unit due to higher sales volume from open access. The power generation cost at Jharsuguda during the quarter was Rs. 2.21 per unit as compared with Rs. 2.14 per unit in corresponding prior quarter.

Revenues were 34% higher at US$ 212 million and EBITDA was 20% higher, primarily on account of higher power generation at Jharsuguda 2,400MW plant.

The first unit of the 1,980MW Talwandi Sabo power project is expected to be synchronized in Q3 FY2014.

Vedanta Group Consolidation and Simplification

The proposed Vedanta Group Consolidation and Simplification has received the approval of the High Court of Madras on July 25, 2013 and the approval of the High Court of Bombay at Goa on 3 April 2013.

One of the shareholders of Sesa Goa has filed an appeal against the order passed by the High Court of Bombay at Goa before the Division Bench of the same court. The hearings before the Division Bench have been completed and the order is awaited.

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

	Q1			Q4	Full Year
Particulars	**FY2014**	**FY2013**	**%** *change YoY*	**FY2013**	**FY2013**
ZINC INDIA					
Mined metal content	238	187	27%	260	870
Refined Zinc - Total	**174**	**161**	*8%*	**182**	**677**
Refined Zinc - Integrated	173	157	*10%*	181	660
Refined Zinc - Custom	1	4	*(78%)*	0	17
Refined Lead - Total [1]	**33**	**31**	*5%*	**35**	**125**
Refined Lead - Integrated	29	29	*1%*	32	107
Refined Lead - Custom	3	2	*70%*	3	18
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Saleable Silver - Custom (in '000 ounces)	614	77	*700%*	556	2,754
ZINC INTERNATIONAL	90	106	*(15%)*	102	426
–Refined Zinc- Skorpion	34	36	*(4%)*	36	145
Mined metal content- BMM and Lisheen	56	70	*(21%)*	65	280
OIL AND GAS (boepd)					
Average Daily Gross Operated Production	**212,442**	**206,963**	**3%**	**202,014**	**205,323**
Rajasthan	173,517	167,146	4%	168,594	169,390
Ravva	28,523	32,589	(13%)	27,205	29,161
Cambay	10,672	7,228	48%	6,215	6,772
Average Daily Working Interest Production	**132,087**	**127,226**	**4%**	**126,623**	**127,843**
Rajasthan	121,462	117,002	4%	118,016	118,573
Ravva	6,357	7,333	(13%)	6,121	6,561
Cambay	4,269	2,891	48%	2,486	2,709
Total Oil and Gas Production (million boe)					
Oil & Gas - Gross	19.33	18.83	*3%*	18.18	74.94
Oil & Gas - Working Interest	12.02	11.58	*4%*	11.40	46.66
IRON ORE [3] *(in million dry metric tonnes, or as stated)*					
Sales	**0.0**	**2.9**	**-**	**0.0**	**3.1**
Goa	-	2.8	-	-	3.0
Karnataka [4]	0.0	0.0	-	0.0	0.1
Production of Saleable Ore	**-**	**3.4**	**-**	**-**	**3.7**
Goa	-	3.4	-	-	3.7
Karnataka	-	-	-	-	-
Production ('000 tonnes)					
Pig Iron	110	39	*179%*	104	308
Met Coke	85	64	*33%*	94	331

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Production Summary (Unaudited)

	Q1			Q4	Full Year
Particulars	**FY2014**	**FY2013**	*% change YoY*	**FY2013**	**FY2013**
COPPER- INDIA / AUSTRALIA					
Copper - Mined metal content	6	7	*(13%)*	7	26
Copper - Cathodes	**16**	**88**	***(82%)***	**86**	**353**
Tuticorin power sales (million units)	137	-	-	-	-
COPPER –ZAMBIA					
Mined metal	36	41	*(12%)*	33	159
Copper - Total	**43**	**49**	***(12%)***	**54**	**216**
Integrated	29	36	*(21%)*	36	160
Custom	15	13	*12%*	17	56
ALUMINIUM					
Alumina - Lanjigarh	0	218	-	0	527
Total Aluminium Production	**195**	**185**	***5%***	**195**	**774**
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POWER (in million units)					
Total Power Sales	**2,990**	**2,329**	*28%*	2,356	8,888
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MALCO	224	209	*7%*	204	847
HZL Wind Power	162	182	*(11%)*	78	511

1. *Including captive consumption of 1,644 tonnes in Q1 FY2014 vs. 1,641 tonnes in Q1 FY2013.*
2. *Excluding captive consumption of 284,000 ounces in Q1 FY2014 vs. 278,000 ounces in Q1 FY2013.*
3. *Iron Ore sales include internal consumption of nil million tonnes in Q1 FY2014 vs. 0.06 million tonnes in Q1 FY2013.*
4. *Sales of iron ore from Karnataka were 0.2 million tonnes in Q1 FY 2014 vs 0.05 million tonnes in Q1 FY 2013 through court sponsored e-auction of inventory*
5. *Includes production under trial run of nil million units in Q1 FY2014 vs.202 million units in Q1 FY2013*

Financial Summary (Unaudited)

(in US$ million, except as stated)

Group REVENUE	Q1			Q4	Full Year
Particulars	**FY2014**	**FY2013**	**% change YoY**	**FY2013**	**FY2013**
Zinc	681.1	674.0	1%	913.5	3,060.5
- India	513.7	487.2	5%	704.4	2,263.3
- International	167.4	186.8	(10%)	209.1	797.2
Oil and Gas	726.0	822.7	(12%)	804.6	3,223.4
Iron Ore	64.7	313.5	(79%)	54.7	442.5
Copper	752.3	1,332.7	(44%)	1,524.6	5,733.9
- India/ Australia	440.2	977.3	(55%)	1,080.8	3,991.1
- Zambia	312.0	355.4	(12%)	443.8	1,742.8
Aluminium	436.9	447.3	(2%)	502.4	1,920.8
Power	211.7	157.8	34%	156.9	576.1
Others	2.0	(1.5)	(233%)	6.2	32.6
Total Revenue	**2,874.6**	**3,746.5**	**(23%)**	**3,962.9**	**14,989.8**

(in US$ million, except as stated)

Group EBITDA	Q1			Q4	Full Year
Particulars	**FY2014**	**FY2013**	**% change YoY**	**FY2013**	**FY2013**
Zinc	311.1	314.4	(1%)	467.3	1,459.8
- India	257.6	252.0	2%	388.0	1,165.3
- International	53.5	62.4	(14%)	79.3	294.5
Oil and Gas	545.7	655.5	(17%)	539.0	2,439.7
Iron Ore	(8.4)	125.6	(107%)	(16.9)	84.2
Copper	52.8	133.1	(60%)	104.1	476.4
- India/ Australia	4.0	45.4	(91%)	68.6	219.1
- Zambia	48.8	87.7	(44%)	35.6	257.3
Aluminium	50.8	49.3	3%	62.3	214.0
Power	76.9	64.2	20%	60.9	215.0
Others	1.7	(2.1)	181%	(0.4)	(0.8)
Total EBITDA	**1,030.7**	**1,340.0**	**(23%)**	**1,216.4**	**4,888.3**

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About Vedanta Resources plc

Vedanta Resources plc ("Vedanta") is a London listed FTSE 100 diversified global natural resources major. The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas and commercial energy. Vedanta has operations in India, Zambia, Namibia, South Africa, Ireland, Liberia, Australia and Sri Lanka. With an empowered talent pool 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.