Vedanta Resources plc
16 Berkeley Street
London W1J 8DZ
Tel: +44 (0) 20 7499 5900
Fax: +44 (0) 20 7491 8440
www.vedantaresources.com

5 May 2011

Vedanta Resources Plc
Full Year Results For The Year Ended 31 March 2011

Financial Highlights

- Group Revenue of US$11.4 bn, up 44%
- EBITDA of US$3.6 bn, up 55%
- Basic EPS of US$2.83, up 29%
- Final dividend proposed at 32.5 US cents per share, up 18%
- Strong balance sheet, with US$7.8 bn of cash, cash equivalents and liquid investments, and net debt of US$1.97 bn
- Invested US$2.5bn in organic growth programme during the year

Business Highlights

- Record volumes at Zinc-India, Copper-Zambia and Aluminium operations
- Strong iron ore sales and power sales
- 1.5 mtpa mill at silver-rich Sindesar Khurd mine commissioned, mine ramping up well
- Two 600 MW units of the 2,400 MW Jharsuguda Independent Power Plant operational
- Completed acquisition of Anglo American's zinc assets
- Announced acquisition of majority stake in Cairn India, transaction awaiting government approval
- Reserves & Resources growth at Zinc- India, Copper–Zambia and Iron Ore Operations

Consolidated Group Results (in US$ million, except as stated)	**FY 2011**	**FY 2010**	***% Change***
Revenue	11,427.2	7,930.5	*44.1*
EBITDA	3566.8	2,295.9	*55.4*
EBITDA margin (%)	*31.2%*	*29.0%*	-
Operating profit	2,534.3	1,665.6	*52.2*
Attributable Profit	770.8	602.3	*28.0*
Basic Earnings per Share (US cents)	283.2	219.6	*29.0*
Earnings per Share on Underlying Profit (US cents)	262.8	199.2	*31.9*
ROCE (excluding project capital work in progress)	*21.0%*	*19.9%*	
Final Dividend (US cents per share)	32.5	27.5	*18.2*
Total Dividend (US cents per share)	52.5	45.0	*16.7*

***Mr Anil Agarwal, Chairman of Vedanta Resources plc said**, "Against a background of robust demand for commodities, we have delivered an exceptional financial performance, achieving record levels of production and record sales of power. Our industry-leading organic growth programme, supplemented by strategic acquisitions, places Vedanta in a strong position to capitalise on the growing demand for commodities, and will underpin our objective to deliver growth and long-term value for our shareholders."*

For further information, please contact:

Investors	
Ashwin Bajaj	ir@vedanta.co.in
Senior Vice President – Investor Relations	Tel: +44 20 7659 4732 / +91 22 6646 1531
Vedanta Resources plc	
Media	
Gordon Simpson	Tel: +44 20 7251 3801
Faeth Birch	
Finsbury	

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, South Africa, Ireland 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.

Disclaimer

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward–looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements

CHAIRMAN'S STATEMENT

It's been a good year for Vedanta. We have achieved record levels of production, record sales of power, and an impressive 55% increase in EBITDA as we continue our focus on delivering growth and creating long-term value for our shareholders.

Our extensive investment in organic growth projects continues, driving strong EBITDA and cash flow growth. We announced two strategic acquisitions, expanding and diversifying both our geographic and commodity footprint.

Financial Performance

Against a background of recovering economic conditions in the developed world and continued strong demand from emerging economies, we have delivered a robust financial performance. Strengthening prices, increased volumes and a continued strong focus on operational efficiency contributed to a substantial growth in revenues to US$11.4 billion, up 44% on last year, and in a record EBITDA of US$3.6 billion. EPS was up 29% during the year. We continued to deliver volume growth, with significant increases achieved in Zinc-Lead, Aluminium, Commercial Power and Copper from our Zambian operations.

The balance sheet remained strong and liquid, with net debt remaining low at US$2.0 billion and cash and liquid investments position at the end of the year of US$ 7.8 billion. Gearing was at a conservative 12.6%, after capital expenditure of US$2.5 billion on growth projects and the acquisition of Anglo American's zinc assets; our proposed acquisition of Cairn India is fully funded. Our free cash flow demonstrated a healthy growth to US$2.4 billion.

On behalf of the Board, I would like to thank all our 31,000 employees for their contribution to these excellent results. Their commitment and hard work are critical to our performance and ensures we deliver the quality that underpins our reputation.

Operational performance

The ramp up of our various expansion projects contributed to record production volumes in the year.

Zinc production at our operations in India rose significantly as the 210ktpa smelter at Dariba commissioned at the end of FY 2009-10 ramped up. We are also well on the way to becoming one of the world's largest integrated silver producers as we ramp up production at the Sindesar Khurd (SK) mine. Once the SK mine reaches full capacity by the end of FY 2011-12, we will have a capacity of 16 million ounces of refined silver per annum.

We started two 600MW units of the 2400MW power plant at Jharsuguda and also announced the addition of a fourth 660MW unit at the Talwandi Sabo power project. The power generated by this new unit will be largely sold in the merchant market, significantly enhancing the overall return of this project. The first phase of our 150MW wind power expansion project has been commissioned: when complete, this project will make us one of the largest wind power producers in India.

We remain committed to an integrated aluminium strategy, and we continue to engage in discussions with the Government of Orissa regarding access to alternative sources of bauxite.

Mergers and Acquisitions

We completed the acquisition of the zinc assets of Anglo American in the second half of the financial year, increasing our zinc-lead capacity to 1.5 mtpa. This acquisition makes us the largest producer in the world and extends our geographic footprint in Africa.

We also announced the acquisition of a majority stake in Cairn India Limited. Cairn India represents a unique opportunity for Vedanta to develop its presence in the attractive oil and gas sector. With our strong track record of integrating acquisitions over the years, we will seek to accelerate its growth and harness its substantial resource base. Acquisition funding has been secured, shareholder approvals granted and the open offer for shares of Cairn India has been completed. The transaction is currently awaiting approval from the Government of India.

Reserves and Resources

Exploration continues to be a major focus, and this year too, we have successfully added reserves and resources in our Zinc-India, Iron Ore and Copper-Zambia businesses, increasing the life of our mines. The additional zinc reserves from the promising Gamsberg project acquired from Anglo American further reinforce this firm foundation.

Markets

Commodity prices began rising again in the second half of the year, as euro - zone debt fears receded and developed economies stabilised. Demand from the Asian economies remained robust, although Chinese markets cooled, and the on-going Indian growth story remains a key contributor to our success. The long-term trend of urbanisation and accelerated infrastructure development will continue to drive strong demand for our products.

Sustainability

We remain committed to sustainable development, focusing on the priorities of good governance, environmental footprint reduction and creating value for all our stakeholders. The international consulting firm, Scott Wilson, was engaged last year to review our sustainability practices. Some of its key recommendations were to deliver an improved Code of Conduct and Practices, to widen the remit of the Health, Safety and Environment Committee and reconstitute it as the “Sustainability Committee” and to enhance the scope of Environmental Impact Assessments (EIAs) for large new projects in line with international best practice. We are progressing well on implementing their recommendations while retaining our focus on continuing to improve our safety performance; contributing further to local communities; continuing to manage and minimise our impact on air, water and land; and maintaining a dialogue with stakeholders on an ongoing basis.

Dividends

In line with our policy to progressively increase our dividend payments to shareholders, the Board has recommended a final dividend of 32.5 US cents per share, an increase of 18% that will be paid on 3 August 2011 to shareholders on the register on 8 July 2011. This takes the total dividend for the year to 52.5 US cents per share, 17% above last year.

Outlook

Looking forward, we anticipate continued growth in metal consumption led by India and China, with tight supply in specific markets - particularly for copper and zinc.

FY 2011-12 is an important year for Vedanta, with significant growth in our production capacities as we ramp up many of our organic expansion projects. Higher commodity prices are driving up input costs in our industry; we believe that our structurally low-cost assets, combined with our continuous improvement culture, will enable us to mitigate the effects of this phenomenon.

With our industry leading organic growth programme and the successful integration of our recent strategic acquisitions, Vedanta is very well placed to capitalise on the positive outlook for commodities demand and to continue to deliver growth and long-term value for our shareholders..

Anil Agarwal

Chairman

5 May 2011

INTRODUCTION TO BUSINESS REVIEW

Summary

Global economic growth exceeded our expectations in the Financial Year (FY) 2010-11, although the global economy remained volatile. Commodity prices declined at the start of the year but recovered in the second half, as European Sovereign debt concerns receded and developed economies stated to stabilise. Demand from the Asian economies remained robust and was the key driver of growth.

The strong growth story in India continued with consumption of basic commodities increasing throughout the year. From Vedanta's perspective this meant our sustained investment in the down turn of 2008-09, reaped rewards. Against the backdrop of this favourable increase in demand and strong prices, we delivered record production and a very strong set of results across our businesses as we focused on delivering operational excellence and sustained volume growth.

During FY 2010-11 we completed the acquisition of the zinc assets of Anglo American Plc. ("Zinc International"). These assets comprises of Skorpion mines in Namibia, Lisheen mines in Ireland and 74% ownership of the Black Mountain mines in South Africa, which includes the Gamsberg project. Vedanta is the world's largest integrated zinc-lead producer and has significant operating expertise with zinc and lead. The zinc assets acquisition from Anglo American is an excellent operational and strategic fit and is expected to create significant long term value.

As a result of improved operational performance, and higher prices, we achieved record EBITDA of US$3.6 billion in 2010-11, a 55.4% increase compared to the US$2.3 billion achieved in 2009-10. Most of our businesses delivered volume growth, with significant increases in Zinc, Aluminium, Commercial Power and Copper from our Zambian operation. The volume growth, combined with the higher prices, largely contributed to the increase in EBITDA during the year. Our focus on continued asset optimisation and reduction of controllable costs remains key to delivering excellent results and long term value.

EBITDA by businesses

(in US$ million, except otherwise stated)	**FY2010-11**	**FY2009-10**	***% Change***
Aluminium	258.2	154.9	*66.7*
Copper	681.4	317.7	*114.5*
India/Australia	241.5	165.9	*45.6*
Zambia	439.9	151.8	*189.8*
Zinc	1,321.5	982.8	*34.5*
India	1,220.2	982.8	*24.2*
International	101.3	-	-
Iron Ore	1,174.1	673.0	*74.5*
Energy	137.8	170.7	*(19.3)*
Others	(6.2)	(3.2)	-
Total	**3,566.8**	**2,295.9**	***55.4***

Key factors influencing EBITDA increase in FY2010-11

- Higher London Metal Exchange (LME) prices of copper, aluminium, zinc, lead and higher Net Sales Realisation (NSR) of iron ore increased EBITDA by ~US$ 1,450 million;
- Higher volumes resulted in EBITDA gain of ~US$ 250 million;
- Additional EBITDA resulting from the acquisition of zinc assets from Anglo American US$ 101 million;
- Higher operating costs mainly due to the increase in input prices, rail freight, coal and higher stripping costs negatively impacting EBITDA by ~$350 million;
- EBITDA negatively impacted by adverse net foreign exchange movement of ~US$110 million; and
- Increase in royalty costs reduced EBITDA by ~US$ 110 million;
- Others items reduced EBITDA by ~US$ 40 million.

Group Results

Group revenues in FY2010-11 grew strongly to US$11,427.2 million, up 44.1% as compared with the previous year. EBITDA was also significantly higher, up 55.4% at US$3,566.8 million (FY2009-10: US$2,295.9 million). The increase in revenues and EBITDA reflected higher volumes, higher prices, and higher by-products credit. This was partially offset by higher operating costs resulting from rising energy costs, higher royalties and export duty rates and a new green tax on coal.

EBITDA margin was 31.2% in FY2010-11 compared with 29.0% in FY2009-10. Excluding copper custom smelting operations, our EBITDA margin in FY2010-11 was 44.6%, (FY 2009-10, 42.8%) .

Conversion of EBITDA to free cash flow for the financial year was lower at 67.9% compared with 79.0% in FY2009-10. This was mainly impacted by higher tax outflow due to increased tax rates as well as increased levels of working capital largely due to higher commodity prices and to support higher levels of production.

We maintained our strong balance sheet and funding position, with cash and liquid investments totalling US$7.8 billion. We generated free cash flow of US$2.42 billion which broadly met the growth capex of $2.47 billion. After investing US$1.04 billion net of cash available with acquired entities, on Zinc International, the net debt as at 31 March 2011 was US$1.97 billion (31 March 2010: US$0.95 billion) and our gearing ratio was 12.6%.

We continue to deliver on our strategy of adding more resources in excess of mining depletion. Exploration focus yielded excellent results during the year as follows:

- 1.4 mt contained metal added to Reserves and Resources (R&R) in the zinc business, extending the mine life to 31 years at planned production capacity.
- 17.7 mt contained metal added to zinc R&R with the acquisition of Anglo Zinc assets.
- 53 mt added to R&R in the Iron Ore business, extending the mine life to 9 years at planned production capacity.
- Continued exploration success at KCM with addition of c.10mt (excluding tailings and refractory ore stockpiles) in R&R, extending mine life to 35 years at planned production capacity.

Strategy

Our strategy of focusing on growth, long term value creation and sustainability remained consistent throughout and has helped us generate strong returns and create value for our shareholders. The business wise strategic priorities has been discussed in the respective business sections.

Organic Growth

Our organic growth programme continues to deliver results during the financial year generating increases in volume across our businesses. During the year, we spent $2,471 million on our organic growth programme and good progress was made on other ongoing expansion projects. The highlights of the year include:

- 1.5 mt silver rich Sindesar Khurd (SK) zinc-lead mine along with associated mill was commissioned, a year ahead of schedule. Mine production is ramping up well.
- One unit out of 4 x 600 MW power plant units at Jharsuguda came on stream during the year and a second unit is under trial. Balance 2 unit's construction is progressing well and scheduled to be commissioned in Q3 FY 2011-12 & Q1 FY2012-13, coinciding with commissioning of additional power evacuation facilities.
- To further enhance the returns from the power plant project being set up at Talwandi Sabo in the state of Punjab, we signed a MoU with the Punjab State Government to add a fourth 660 MW super critical power unit. The power generated by this additional unit will largely be sold in the merchant market and will help significantly enhance returns from the Talwandi Sabo power project as a whole. Overall, the 2,640 MW (4 x 660 MW) power project is progressing as planned.
- Construction of a 1,200 MW power plant at BALCO is progressing well and the first unit is expected to commence power generation in Q2 FY2011-12, followed by commissioning of the units by Q3 FY2011-12, Q1 FY2012-13 and Q2 FY 2012-13.

- We also announced 150 MW expansion of wind power generation capacity at Hindustan Zinc, at a capital cost of $190 million. The first phase of 48 MW was commissioned in the last quarter of FY2010-11 and the balance of 102 MW is scheduled for commissioning in the Q2 FY2011-12.
- The 100 ktpa lead smelter at Dariba is expected to be commissioned by end of Q1 FY2011-12.
- The construction of a 160 MW power plant at Tuticorin is progressing well and the first unit is now scheduled for commissioning in Q4 FY2011-12. The 400 ktpa copper smelter expansion project at Tuticorin has been re-scheduled awaiting approval from the State Pollution Control Board.
- As already announced, we have put on hold any further construction at Lanjigarh Alumina Refinery Expansion Project, while we continue to work on completing the smelter expansions, 1.25 mt at Jharsuguda and 0.325 mt at Korba.

We believe all these initiatives will create significant long term value for all stake-holders.

Inorganic Growth

In line with our acquisitions strategy, we successfully completed the acquisition of zinc assets from Anglo American (“Zinc International") during the year. These assets are an excellent operational strategic fit and will create significant long term value for shareholders. This acquisition will consolidate our position as the world’s largest zinc-lead producer underpinned by a long mine life, in addition to creating opportunities for further growth with the development of the 186 mt Gamsberg deposit.

We also announced the acquisition of a majority stake in Cairn India Ltd. in August 2010. The proposed acquisition of Cairn India Ltd. will provide us with an entry into the attractive oil and gas sector in India and a strong platform for growth. With de-risked assets and operations ramping-up at Cairn India Ltd., the acquisition will further strengthen our position as a growing diversified natural resources major. Facilities to finance the transaction have been put in place. Post receipt of approval from the Securities & Exchange Board of India (SEBI), the open offer at Rs.355 per share has been conducted by our subsidiary, Sesa Goa Ltd., for 20% of the outstanding shares of Cairn India. The open offer closed on 30 April 2011, and ~8.1% shares were tendered. Sesa Goa also acquired 10.4% of shares of Cairn India from Petronas in a block transaction at Rs. 331 per share for a total consideration of $1,478 million.

Sustainable Development

Over the last three years, our business at Vedanta has more than doubled in size, with a strong performance in 2010-11. We recognise that this kind of success also brings with it significant challenges.

With 53 operations across four continents and increasingly demanding requirements for transparency and disclosure, it is now more vital than ever that we further strengthen our global approach to sustainable development.

An international agency, Scott Wilson was commissioned last year, to review our sustainability practices. Its recommendations now provide the cornerstone we need to deliver a fully integrated, consistent and global approach to sustainable development reporting that fully reflects industry best practice.

The key recommendations included an improved code of conduct, widening the remit of the Health, Safety and Environment Committee (HSE) and renaming it Sustainability Committee, and enlarging the scope of Environmental Impact Assessments (EIAs) for large projects in line with international best practices. We have progressed well on all these key recommendations. We have also taken steps to further strengthen the sustainability team, which includes the appointment of a Chief Sustainability Officer with global experience.

Zinc-Lead-Silver

Market overview

Global zinc demand rebounded strongly in 2010, growing by 14.8% following a fall of 9.4% in 2009, at 11.6 mt. Urbanisation and increased spending on infrastructure in developing countries have continued to be the key driver of demand growth. While long-term global demand is expected to grow at 3-4% per annum, the near term demand growth in Asia (excluding China), our key export market, is poised to grow at 7%. India, where our main zinc facilities are located, continues to present a promising growth trajectory on the back of low per capita zinc consumption at 0.45 kg as compared to the global average zinc consumption of 1.8 kg per capita zinc.

Hindustan Zinc Limited (HZL), our Indian zinc-lead-silver business, has been successful in maintaining around 82% market share in the local zinc market, registering a 7% year-on-year growth.

Strategic Priorities

- Retain and further sharpen our relative cost competitiveness.
- Continue to focus on adding reserves and resources in excess of mining depletion.
- Deliver ramp-up of silver production.
- Develop Gamsberg project in South Africa.

Key Achievements

- Record zinc-lead mined metal production volumes of 840 kt, up 9% over previous year.
- Record refined zinc metal production of 712 kt, up 23% over previous year.
- Record silver metal production of 4.76 moz, up 7% over previous year.
- New 1.5 mtpa mill at the silver rich Sindesar Khurd mine, India.
- New 160 MW captive power plant commissioned at Dariba, India.

Review of performance

The performance of our Zinc business in FY2010-11 is set out in the table below.

Zinc India

(in US$ millions, except as stated)	FY2010-11	FY2009-10	% Change
Production– Zinc (kt)			
Mined metal content	752	683	*10.1*
Refined metal	712	578	*23.2*
Production– Lead (kt)			
Mined metal content	88	86	*2.3*
Saleable metal	57	64	*(10.9)*
Production– Saleable silver (m. oz)	4.76	4.46	*6.7*
Average LME zinc cash settlement prices (US$ per tonne)	2,185	1,936	*12.9*
Average LME lead cash settlement prices (US$ per tonne)	2,244	1,990	*12.8*
Unit costs			
Zinc (US$ per tonne)	990	850	*16.5*
Zinc (Other than Royalty) (US$ per tonne)	808	698	*15.8*
Revenue	2,152.8	1,651.7	*30.3*
EBITDA	1,220.2	982.8	*24.2*
EBITDA Margin	*56.7%*	*59.5%*	*-*
Operating Profit	1,117.8	918.4	*21.7*

Production Performance Zinc India

Improved operational performance and ramp up of enhanced capacity at our mines contributed to an increase in mined metal production of zinc and lead in FY2010-11, up 9.0% to 840 kt. The new mill at the mine achieved 84% capacity utilisation in March 2011.

Refined zinc production also rose substantially to 712 kt, an increase of 23.2%, primarily due to additional volumes from the newly commissioned zinc smelter at Dariba. Lead production was 57 kt, a decrease of 7 kt over the previous year. Higher silver content in the ore was the key factor behind the record silver production of 4.76 million ounces in FY2010-11, 6.7% higher than the 4.46 million ounces produced in FY2009-10.

Unit Costs

The unit cost of production in FY2010-11, excluding royalties, rose 16.5% to US$808 per tonne compared with US$698 per tonne in FY2009-10, primarily due to higher coal costs, higher strip ratio at mines and one-off gratuity (retirement benefits) costs. Royalties were also higher at US$30 per tonne linked with LME prices.

Sales

Our domestic sales of zinc metal at 412 kt were up 6.7% (FY2009-10: 386 kt) maintaining 82% market share. The rest of the metal produced was exported to neighbouring markets like Taiwan, Indonesia, Malaysia and Middle East. Revenues were further augmented by the sale of 66,000 dry metric tonnes of surplus zinc and 39,000 dry metric tonnes of lead concentrate.

Financial Performance

Increased production volumes, higher prices and by-product credit contributed to a strong increase in EBITDA for FY2010-11, up 24.2% to US$1,220.2 million, compared with FY2009-10. Higher volumes contributed approximately US$150 million and an increase in LME zinc, lead and silver prices contributed approximately US$200 million. This increase was partially off-set by higher operating costs as discussed earlier.

Projects

The 1.5mtpa SK mine expansion project was completed one year ahead of schedule and the new mill was commissioned in Q3 FY2010-11.

At Dariba, both units of the 2x80MW power plant were commissioned in FY2010-11. The 100 ktpa lead smelter at Rajpura Dariba is expected to be completed by Q1 FY 2011-12.

Exploration

Ongoing exploration activities at HZL have yielded significant success with 1.4 mt contained metal added to gross R&R, prior to 0.8 mt mined out in FY 2010-11. Total R&R at 31 March 2011 was 34.7 mt of contained zinc-lead metal and 885 moz of silver.

Production Performance Zinc International Post acquisition

(in US$ millions, except as stated)	FY2010-11	CY 2010*
Production– Zinc (kt)		
Mined metal content BMM and Lisheen	30	211
Refined metal Skorpion	50	152
Production– Lead (kt)		
Mined metal content	14	71
Average LME zinc cash settlement prices (US$ per tonne)	2,185	1,936
Average LME lead cash settlement prices (US$ per tonne)	2,244	1,990
Zinc (US$ per tonne) C1 cost (c/lb):		
Skorpion	52.7	49.4
Black Mountain	59.4	64.6
Lisheen	41.6	57.0
Revenue	218.9	805.7
EBITDA	101.3	353.2
EBITDA Margin	*46.3%*	*43.8%*
Operating Profit	47.2	286.0

** Unaudited for Information only, going forward there will be additional amortisation charge on mining reserves.*

Post the acquisition at Zinc International we have produced 44 kt of mined metal and 50 kt of refined Zinc metal, a total of 94 kt metal units.

Outlook

Zinc India continues to be on a volume growth path having recently reached its targeted mining capacity, equivalent to 1 mt of refined metal, and the ramp-up of the SK mine is expected to increase silver content in concentrate. Commissioning of the lead smelter at Dariba will help conversion of lead concentrate to lead metal.

The outlook for demand remains positive in our target markets and globally and our new acquisition, Zinc International, is expected to deliver steady performance.

IRON ORE

Market Overview

Steel consumption in both China (even after the significant demand increase seen in the past) and India still lags significantly behind the developed world. In the long term, this continues to bode well for the fundamentals of steel and iron ore demand. The seaborne iron ore market continues to be impacted by supply constraints. The ban on export of iron ore in the State of Karnataka, India and some logistics bottleneck in Goa, India dampened the export of iron ore from India. The recent Supreme Court directive on the lifting of the export ban is expected to increase export from India, however the end of fair season for export from Goa in Q2 will soon slow down exports from Goan ports in monsoon season.

According to the China Iron & Steel Association, China's daily crude steel output rose to an estimated 1.91Mt in the first 10 days of March 2011, up 14% year-on-year - an all-time record high. In recent months, iron ore prices have traded within a defined range, however, the outlook for the current calendar year and looking forward to 2012, points towards a strong demand, suggesting that prices corrections will be limited and there will be strong support for iron ore prices over the next couple of years.

Strategic Priorities

- Continue to expand R&R by active exploration and selective acquisitions.
- Complete ongoing logistic and debottlenecking improvement programme

Key Achievements

- Record EBITDA of $1.2 billion, up 75% as compared to previous year
- Sustained volume despite adverse external developments
- Gross addition of 53 mt R&R above mining depletion

Review of performance

The performance of our Iron Ore business in FY2010-11 is set out in the table below.

(in US$ millions, except as stated)	FY2010-11	FY2009-10	*% Change*
Production (kt)			
Saleable ore	18,801	19,219	*(2.2)*
Pig iron	276	280	*(1.4)*
Sales (kt)			
Iron ore	18,137	18,393	*(1.4)*
Pig iron	266	279	*(4.7)*
NSR	95	59	*61.0*
Revenue	1,979.5	1,222.5	*61.9*
EBITDA	1,174.1	673.0	*74.5*
EBITDA Margin	*59.3%*	*55.1%*	-
Operating Profit	757.6	453.0	*67.2*

Production Performance

Production of salelable iron ore was flat at 18.8 mt in FY 2010-11, despite a number of factors that restricted activity. These included a state-wide ban on exports in Karnataka imposed by the Karnataka State Government since July 2010 and the termination of our third party mining agreement in Orissa in November 2010. In fact, like-for-like volume increased marginally.

The production of pig iron of 276 kt during FY2010-11, marginally lower than FY 2009-10 by 1%.

Unit Costs

While mining continued to deliver improved operational performance, certain external factors increased the costs such as increased royalty rates and increases in rail and road freight costs.

Sales

Despite a state-wide export restriction imposed by the State Government of Karnataka at the end of July 2009-10 on iron ore sales, transport bottlenecks, the extended monsoon in Goa and the termination of our third party mining agreement at the Orissa mine, we were able to sell 18.1 mt of iron ore in line with FY 2009-10.

81% of the total sales during FY2010-11 were iron ore fines with the remainder 19% being iron ore lumps.

During the current financial year, the annual benchmark pricing system has been replaced by quarterly pricing system under long term contract agreements.

On 30 November 2010, we announced the cessation of Sesa Goa's third party mining contract in Orissa. As the commercial terms were not viable on a sustained basis, the contract was not renewed resulting in an impairment of Thakurani mine in an amount of US$ 118.3 million.

Financial Performance

EBITDA in FY2010-11 grew significantly to US$ 1,174.1 million, 74.5 % higher compared to the prior year. Higher sales contributed approximately US$740.7 to the strong EBITDA performance. This was partially off-set by higher rail logistic costs and increased export duties, as the Government of India increased the export duties on fines to 20% on 28 February 2011.

Operating profit was US$ 757.6 million in FY 2010-11 as compared with US$ 453.0 million in FY 2009-10, in line with the increase in EBITDA.

Projects

Expansion of iron ore mining capacity

Plans to expand iron ore mine capacity to 36 mtpa (40 mtpa on wet tonnes basis) are progressing well. Work on adding capacity for mining, processing and logistics operations, including barges and transhippers is progressing well. Railway siding at Karnataka has been commissioned, and dedicated road corridors are being developed at Karnataka and Goa.

Expanding pig iron production capacity

Work on expanding our pig iron plant capacity to 625 ktpa and associated expansion of capacity at the metallurgical coke plant to 560 ktpa is progressing well for commissioning by Q3 FY 2011-12.

Exploration

We had significant exploration success in Sesa Goa and Dempo, adding 53 mt R&R, prior to production of 21.1 mt in FY2010-11. Total R & R as at 31 March 2011 were 306.2 mt.

Acquisition of Bellary steel assets

We have acquired the assets of the upcoming Steel Plant Unit of Bellary Steel & Alloys Limited in March 2011 for a consideration of $49 million. These assets comprise of 700 acres of land and semi-finished project assets.

Outlook

We expect the Karnataka export ban to be resolved soon, in line with the observations made by the Supreme Court. A multi-faceted approach covering mining, infrastructure upgrade initiatives and securing regulatory approvals is progressing well and should result in a healthy growth rate.

COPPER - INDIA/AUSTRALIA

Market Overview

Global refined copper production in 2010 was reported as 19.1 million tonnes, an increase of about 4% over 2009 figure of 18.4 million tonnes. Global refined consumption exceeded supply by about 250,000 tonnes. Global mine production growth slowed to 0.8% in 2010, hampered by falling copper grades and labour disputes. Global copper consumption is estimated to increase by about 5% during 2011.

Similar to last year, overall Indian copper consumption grew by 4% in FY11, constrained by increased imports of finished electrical machinery. We sold 68% of production in our local market and the remaining 32% was exported to China, South East Asia and the Middle East.

Growth in the power sector in India, and increased spending on infrastructure including housing, continued to drive the growth of copper consumption. Over the medium to long term it is expected to grow at about 8-9% per annum.

Strategic Priorities

- Double the copper smelting capacity to meet growing regional demand
- Continue to retain and further sharpen cost efficiency
- Commission captive power plant and continue to drive operational excellence initiatives

Key Achievements

- Record EBITDA of $241 million, up 46% from the previous year
- Operating Profit up 198% to $197 million

Review of performance

The performance of our Copper—India/Australia business in FY2010-11 is set out below.

(in US$ millions, except as stated)	FY2010-11	FY2009-10	*% Change*
Production (kt)			
Australia - Mined metal content	23	24	*(4.2)*
India – Cathode	304	334	*(9.0)*
Average LME cash settlement prices (US$ per tonne)	8,138	6,112	*33.1*
Unit conversion costs – (US cents per lb)	4.0	10.4	*(61.5)*
Realised TC-RCs (US cents per lb)	11.9	13.6	*(12.5)*
Revenue	3,428.2	2,741.4	*25.1*
EBITDA	241.5	165.9	*45.6*
EBITDA Margin	*7.0%*	*6.1%*	-
Operating Profit	196.6	65.9	*198.3*

Production Performance

Production of cathodes at our Copper—India business was 304 kt in FY2010-11, down 9.0% year on year reflecting the impact of a 22 day bi-annual maintenance shutdown undertaken during the first half of the year and of a temporary shutdown due to a High Court order in September 2010. During the year we also stabilised the precious metal refinery and rod plant at Fujairah.

Mined metal production at our Australian mines was 4.2% lower at 23 kt in FY2010-11.

Unit Costs

Benefiting from improved by-product sales and improved operational performance, Copper India performed well delivering a reduction in unit conversion cost from 10.4 USc per lb to 4.0 USc per lb. Treatment and refining charges ("TC/RCs") received in FY2010-11 were marginally lower at 11.9 US cents per lb compared with 13.6 US cents per lb in FY2009-10.

The unit cost of production at our Australian operations, including TC/RCs and freight, in 2010-11 was 190 USc per lb up from 160 USc per lb in FY2009-10, mainly due to higher mining cost and strong Australian dollar.

Sales

Total copper sales were 303 kt in FY 2010-11. Copper sales in our local market were 207 kt: 75% of these were value added copper rods, supplied largely to the rapidly growing power sector.

Based on a writ petition filed over ten years earlier, the Honourable Madras High Court ordered the closure of the Tuticorin smelter on 28 September 2010. Following an appeal by, the Company to the Honourable Supreme Court, a stay of execution on the order was granted allowing the plant to operate in the interim.

The Tuticorin Smelter has been operating for more than 12 years in compliance with applicable regulations and meeting and surpassing the global standards. It employs the ISA Smelt process which is considered globally as an environmentally advanced technology.

Financial Performance

EBITDA for FY2010-11 was US$ 241.5 million, up 45.6 % over the previous year (FY2009-10: US$165.9 million). This was primarily due to higher LME prices and lower unit costs at Copper India. With the improvement in fertiliser industry fundamentals, our phosphoric acid plant was able to deliver additional EBITDA of ~$10 million.

Operating profit was US$196.6 million in FY 2010-11 as compared with US$65.9 million in FY2009-10, mainly due to a significant increase in EBITDA, reflecting the write-off of an abortive acquisition in the previous year, with related expenses of US$58 million..

Projects

160 MW captive power plant and 400 ktpa copper smelter

The construction of the captive power plant at Tuticorin is in progress and the first unit is now scheduled for commissioning in Q4 FY2011-12. Whilst MoEF clearance is in place for the 400 ktpa copper smelter expansion project at Tuticorin, this project is being rescheduled awaiting consent from the State Pollution Control Board.

Outlook

The global market is expected to grow at around 5% in current year with higher demand from developing countries to support the infrastructure growth. We expect stable operating performance at our smelters in India and our mines in Australia.

COPPER – ZAMBIA

Market Overview

The Zambian copper belt has recently attracted substantial, high profile investment interest with its large, higher grade deposits with growth opportunities in a stable political environment. This is against the global backdrop of declining production and continued strong demand. Since our acquisition of KCM we have invested US$2 billion principally on developing the Konkola Deep project and the new 300ktpa capacity Nchanga smelter. With this renewed investment focus by major players including Konkola, the Zambia copper production is on a trajectory to reach a record production of one million tonnes per year by 2013. This growth will contribute to Africa achieving the fastest growth rate in mined metal production over the next few years.

Strategic objectives

- Deliver multi-source production growth
- Drive cost reduction through productivity enhancement and by-product strategy
- Create optionalities through brownfield and greenfield exploration

Key Achievements

- Record production
  - Mined metal production increased from 119mt to 144mt
  - Ore production from open pits increased by 96%
- Record EBITDA of $439.9 million achieved, up 190%
- Cost efficiencies through new global alliance contracts with key suppliers
- Key infrastructure for KDMP completed including commissioning of the mid-shaft loading station
- Continued exploration success with addition of c.10mt (excluding tailings and refractory ore stockpiles) in R&R

Review of performance

The performance of our Copper—Zambia business in FY2010-11 is set out below.

(in US$ millions, except as stated)	**FY2010-11**	**FY2009-10**	***% Change***
Production (kt)	217	173	*25.4*
Integrated	133	126	*5.6*
Custom	84	47	*78.7*
Average LME cash settlement prices (US$ per tonne)	8,138	6,112	*33.1*
Unit costs (US cents per lb)	197.5	184.4	*7.1*
Revenue	1,825.0	1,083.7	*68.4*
EBITDA	439.9	151.8	*189.8*
EBITDA Margin	*24.1%*	*14.0%*	-
Operating (Loss) / Profit	309.1	32.5	*851.1*

Production Performance

Integrated production rose to 133 kt in FY2010-11 as compared with 126 kt in FY 2009-10 driven by a 28% increase in TLP production to 59,000 tonnes in FY10-11 as compared with FY09-10.

Finished copper production at our Zambian operations was significantly higher, up by 25%, reaching 217 kt in FY2010-11 compared with 173 kt in FY2009-10, supported by increased custom smelting volume.

Unit Costs

Unit cost of production was 197 USc per lb in FY2010-11, up 7.1% compared with FY2009-10. A significant driver was the increase in contained copper in ore stockpiles at Nchanga Open pits from 11kmt to 34kmt during the year. Other factors include increased pre-stripping in line with the new life of mine plan, commodity inflation and manpower costs. The ramp-up of production from development projects and productivity initiatives are expected to reduce unit costs.

Financial Performance

EBITDA in FY2010-11 was US$439.9 million (FY2009-10: US$151.8 million), mainly due to increased production and higher average LME copper prices. Operating profit for the financial year was US$309.0 million (FY2009-10: US$32.5 million) due to the increase in EBITDA, partially off-set by higher amortisation and depreciation on the new Nchanga smelter.

Projects

Konkola Deep Mine

All seventeen planned milestones for the year were achieved on schedule. The development of the service decline is progressing well and nearing completion ahead of schedule. The mid-shaft loading station is fully operational and ramp-up of ore hoisting is on track. All supporting infrastructure such as ventilation shafts, pipe shaft, backfill plant have been commissioned. The emergency power back-up generators of 24MW is on plan for completion in the first quarter of FY2011-12.

Upper Ore Body

The Upper Ore body project to enhance the life of mine of the Nchanga Underground is progressing on target. The trial mining and development schedules have all been met in line with the company's plans.

Nchanga Concentrator Projects

The construction of the new East (7.5mtpa) and West (3mtpa) Mills are in line with the project plans for completion by September and December 2011, respectively.

Exploration

The company's aggressive exploration programme continued resulting in a net addition of 10mt of ore in R&R (excluding tailings and refractory stockpiles). The ore bodies at Kakosa and Mimbula have been well defined to add optionalities in open pit mining. The company is also seeking new large prospecting licenses for additional exploration.

Outlook

Given the strong outlook of the copper market fundamentals and the investments in Konkola, the company is well poised to deliver results in line with expectations. In line with the announcement made by Vedanta in November 2010, Vedanta continues to evaluate the possibility of a public listing of KCM and intends to pursue such listing during 2011.

ALUMINIUM

Market overview

The global aluminium industry recorded a 12.8% growth in production and 16.7% growth in consumption during the year after a turbulent period. Globally the industry is facing the challenge of rise in costs and other input costs. This is also reflected in the increase in aluminium LME prices.

Our aluminium facilities are located in India in the state of Orissa and Chhattisgarh where there are abundant bauxite and coal deposits. This underscores India's unique advantage of being rich in natural resources required to produce aluminium at a competitive cost.

Vedanta emerged as the largest producer of aluminium in India and, within a short period, acquired industry leading market share of 39% in the local Indian market. The Indian aluminium market is dominated by growing demand from the power sector. Over time, the relative share of aluminium applications in other segments is expected to pick up with rapid urbanisation and construction sector growth.

Vedanta's plants had focused on value added products like wire rods, rolled product and billets to capitalise on market growth and optimize returns.

Strategic Priorities

- Secure captive bauxite mine
- Complete expansion projects
- Expedite development of coal block.

Key Achievements

- Record Aluminium production of 641 kt up 20% from previous year
- Value added product volume increase from 231 kt to 325 kt
- Significant growth in EBITDA, up 67% at $258.2 million

Review of performance

The performance of our Aluminium Business in FY2010-11 is set out in the table below

(in US$ millions, except as stated)	FY2010-11	FY2009-10	*% Change*
Production (kt)			
Alumina – Lanjigarh	707	762	*(7.2)*
Alumina – Korba I and Mettur 1	-	43	-
Total Alumina	707	805	*(12.2)*
Aluminium – Jharsuguda	386	264	*46.2*
Aluminium – Korba & Mettur	255	269	*(5.2)*
Total Aluminium	641	533	*20.3*
Average LME cash settlement prices (US$ per tonne)	2,257	1,868	*20.8*
Unit costs			
Jharsuguda (Production Cost) (US$ per tonne)	1,820	1,645	*10.6*
Jharsuguda (Smelting Cost) (US$ per tonne)	1,173	925	*26.8*
BALCO Plant 2 (Production cost) (US$ per tonne)	1,784	1,534	*16.3*
BALCO Plant 2 (Smelting cost) (US$ per tonne)	1,007	862	*16.8*
Revenue	1,571.6	915.8	*71.6*
EBITDA	258.2	154.9	*66.7*
EBITDA Margin	*16.4%*	*16.9%*	-
Operating Profit	31.2	50.4	*(38.1)*

1 *Plants Korba I and Mettur are no longer operational*

Production Performance

Aluminium production in FY2010-11 was a record 641 kt, an increase of 20.3%. This strong growth is primarily due to the increase in production from the new 500 ktpa Jharsuguda aluminium smelter. The BALCO Korba II Smelter continues to operate above its rated capacity. Almost 51% of aluminium production was delivered as value added products such as wire rods, rolled products and billets with volume increasing from 231,000 tonnes to 325,000 tonnes. The captive power plants performance has improved during the year, the Plant Load Factor (PLF) was higher and good operational performance overall helped to partially compensate for the increase in coal costs.

The alumina refinery at Lanjigarh continues to operate at a capacity of ~1 mtpa with bauxite sourced from BALCO and other third parties i.e. from eastern, central and western India.

Unit Costs

The unit cost of production at the BALCO Korba II smelter was US$1,784 per tonne for FY2010-11, 16% higher than last year primarily due to increases in alumina, coal and carbon costs and a one-off increase in gratuity (retirement benefits) cost. Following the power outage in Q1 FY2010-11 at Jharsuguda, pots were re-stabilised and relined contributing to an increase in costs. Alumina imports also contributed to higher alumina costs.

The unit cost of production at the VAL Jharsuguda smelter was US$1,820 per tonne for FY2010-11, higher than previous year mainly due to increase in alumina, coal and carbon cost. The alumina cost of production was US$326 per ton, marginally higher compared with previous year, primarily due to higher input prices for caustic soda and coal.

Overall, the cost of production for aluminium was US$ 1,806 per tonne.

Sales

Our domestic aluminium sales at 501 kt in FY 2010-11 were up 22% year- on- year benefiting from a 16% growth in aluminium consumption in India. Profitability also improved reflecting increases in prices and a 38% increase in sales of value added products such as rods, rolled products and billets.

Financial Performance

EBITDA for FY2010-11 was US$258.2 million, 67% higher than FY2009-10. This improved performance was primarily driven by rising volumes and LME prices, partially off-set by higher carbon and coal costs, which were further increased by around 30% by Coal India in March 2011 and a new green tax on coal. Operating profit was lower at US$31.2 million, largely due to higher depreciation on the new Jharsuguda smelter.

Projects

The 1,200MW (4x300MW) captive thermal power plant at Korba, Chhattisgarh is progressing well, and we expect to commence power generation from the first unit by Q2 FY 2011-12.

The approval process for BALCO's 217mt coal block progressing well, and we expect to commence coal mining by Q4 FY 2011-12, subject to statutory approvals.

Post the MOEF directive in August 2010, further work on the refinery expansion project at Lanjigarh has been put on hold.

The new 1.25 mtpa aluminium smelter in Jharsuguda and 325 Kt aluminium smelter at Korba are making good progress.

Outlook

We expect to increase volumes at our alumina refinery in Lanjigarh and improve operating performance at the new Jharsuguda smelter post stabilization. We will continue to focus on value added products to optimize returns.

ENERGY

Indian power sector is best characterised by a historical gap between demand and supply due to slow project development, lagging behind the increase in consumption led by robust economic growth. This gap is expected to remain in near to medium term, creating an attractive market for the supply of energy commercially.

Strategic Priorities

- Complete 2,640 MW project at Talwandi Sabo
- Complete 2,400 MW project at Jharsuguda
- Develop Sterlite Energy Limited (SEL) coal block
- Participating in any new coal block auctions/allotments

Key Achievements

- Record sales of 4,782 million units, up 46% from previous year
- One 600MW unit from the 2,400 MW (600 MW x 4) Independent Power Plant (IPP) at Jharsuguda commissioned and a second unit under trial
- Added 48 MW Wind Power Plant commissioned at HZL

The performance of our Energy business in FY2010-11 is set out in the table below.

(in US$ millions, except as stated)	**FY2010-11**	**FY2009-10**	***% Change***
Power Sales (MU)	4,782	3,279	*45.8*
Balco, MALCO, Wind Energy	2,646	2,187	*21.0*
SEL	856		
Surplus from CPP's	1,280	1,092	*17.2*
Revenue	338.7	330.7	*2.4*
EBITDA	137.8	170.7	*(19.3)*
EBITDA Margin	*40.7%*	*51.6%*	-
Operating Profit	111.9	147.5	*(24.1)*

Production Performance

4,782 million units of power were sold in FY2010-11 compared with 3,279 million units in the last financial year, primarily due to new 600 MW unit commencing power generation at Jharsuguda, including trial run power generation.

Financial Performance

EBITDA in FY2010-11 was US$137.8 million, lower than the EBITDA of US$170.7 million in FY2009-10. EBITDA was lower primarily due to higher operating costs, primarily coal and lower sales prices.

Unit Costs

Average power generation cost in FY2010-11 was Rs. 2.20 per unit compared with Rs. 1.94 per unit in FY2009-10, largely reflecting higher coal costs which were increased by 30% in February 11, in addition to a new green tax on coal.

Projects

Jharsuguda IPP

One 600 MW unit of the 2,400 MW SEL Jharasuguda power plant was successfully commissioned in March 2011. Second unit is under trial. The remaining two units are expected to be commissioned in Q3 and Q4 FY2011-12, respectively. Transmission lines are being set up to enhance existing transmission capacity to meet the requirements for new units to be commissioned, and are expected to be completed by Q3 FY2011-12.

Talwandi Sabo IPP

Work at the 2,640 MW power project at Talwandi Sabo is progressing as scheduled. Seven shipments have been received, and construction of the first boiler structure is in progress.

Outlook

We plan to complete the ongoing projects on schedule and to continue to focus on improving coal logistics and expediting coal block development at SEL.

Vedanta has a long history of developing and operating captive power plants at benchmark capital expenditure cost and industry leading operating efficiency and we plan to exploit this track record in the construction of the IPP at Talwandi Sabo in the Punjab and the IPP at Jharsuguda, in addition to constructing a) captive power plant at Korba. We will continue to sell surplus power in the commercial energy market, capitalizing on the accelerating demand for power in our home market.

OTHER BUSINESS

Vizag Coal Berth

To support our entry into the growing port and infrastructure sector in India we have secured a tender from Government of India's Vizag Port Company. We will be constructing a coal berth on a revenue sharing basis in a joint venture with Leighton Contractors (India) Pvt. Ltd. The estimated cost of the project is US$150 million and it is scheduled for completion by mid 2012.

OVERALL BUSINESS OUTLOOK

The medium and long term outlook for the resource sector remains positive. We have a strong growth pipeline and all our expansion projects are on track to deliver industry leading organic growth. We remain confident that we are on track to deliver superior results going forward.

FINANCIAL REVIEW

HIGHLIGHTS

- Revenues up 44.1% to US$11.4 billion, increased diversification and reduced dependence to any specific sector
- EBITDA up 55.4% to US$3.6 billion
- Q4 EBITDA at US$ 2.3 million
- Free cash flow of US$2.43 billion, 68.2% EBITDA conversion
- Investment of US$2.47 billion in growth projects, strong project execution capabilities
- Strong balance sheet, with conservative financial policies
  - Net debt of US$1.97 billion
  - Cash and liquid investments of US$7.8 billion
- Acquisition of Zinc assets from Anglo American completed during the year
- Investment of US$250.1 million in buyback of Vedanta shares and purchase of shares in subsidiaries
- EPS increased by 29.0% to 283.2 US cents per share

(in US$ million except as stated)	FY2010-11	FY2009-10	FY2008-09	FY2007-08	FY2006-07
EBITDA	3,566.8	2,295.9	1,612.2	3,010.4	2,703.0
Underlying EPS (US cents per share)	262.8	199.2	108.0	303.9	327.0
Free cash flow	2,423.2	1,814.3	1,733.8	2,216.9	1,504.2
ROCE (excluding project capital WIP) (%)	21.2	19.9	24.4	45.6	78.5
Net (cash)/debt	1,970.3	947.2	200.8	(2,142.7)	(432.7)

We have delivered excellent financial results in this year with record EBITDA of $3.6 billion, growth of 55% over previous year. Improvements in the global economy, recovering demand, strengthening prices and increased volumes from our projects have helped us to achieve this strong financial performance. Improved operational efficiency and cost reduction measures, partially offset by inflation were also key contributors. We continue to benefit from a strong balance sheet with low net debt of US$1.97 billion. We have cash and liquid investments of US$7.8 billion. During the year we generated strong free cash flows at US$2.43 billion. We invested US$2.47 billion on expansion projects during the year. Total shareholders' funds at 31 March 11 were US$13.68 billion, up from US$11.44 billion at 31 March 10.

GROUP OPERATING RESULTS

Group operating results for FY2010-11 are set out below.

(in US$ million, except as stated)	FY 2010-11	FY 2009-10	% Change
Revenue	11,427.2	7,930.5	44.1
EBITDA	3,566.8	2,295.9	55.4
EBITDA margin (%)	31.2%	29.0%	-
EBITDA margin without custom smelting (%)	44.6%	42.8%	-
Special items	(163.4)	(67.3)	-
Depreciation and amortisation	(869.0)	(563.0)	54.4
OPERATING PROFIT	2,534.3	1,665.6	52.2
Net interest income	149.0	176.0	(15.3)
Profit before Taxation	2,683.3	1,841.6	45.7
Income Tax Expense	(649.5)	(330.4)	96.6
Effective Tax Rate (%)	24.2%	17.9%	-
Minority Interest	1,263.0	908.9	39.0
Minority Interest (%)	62.1%	60.1%	-
Attributable profit	770.8	602.3	28.0
Basic earnings per share (us cents per share)	283.2	219.6	29.0
Underlying earnings per share (us cents per share)	262.8	199.2	31.9

Revenues were US$11.4 billion in FY2010-11, up 44.1% from US$7.9 billion in FY2009-10, and EBITDA was also up significantly at US$3.6 billion up 55.4% over the previous year (FY2009-10: US$2.3 billion). This excellent operating performance was the result of higher volumes across all our businesses, higher LME and iron ore prices, and improved efficiencies in our operations. Continued focus on cost control and asset optimisation has helped us to mitigate the inflationary pressure of input prices during the period. Profit after tax increased 34.6% to US$2.0 billion. Our Return on Capital Employed (ROCE) (excluding capital work-in-progress) in FY2010-11 was 21.0%as compared to 19.9% in FY 2009-10.

During the year we spent US$12.5 million on voluntary redundancy charges at some of our operations. Impairment losses recognised in the FY2010-11 income statement were US$118.3 million, reflecting the full write down of the Thakurani iron ore mine in Orissa following the decision not to renew the mining lease from December 2010. We also spent US$32.6 million on costs relating to the acquisition of zinc assets of Anglo American and the proposed Cairn India acquisition. All these expenses are shown as part of Special Items.

During the year depreciation has increased by US$306.0 million, 54.4% higher at US$869 million reflecting the amortisation of mining reserves at the newly acquired zinc international assets together with the depreciation on the newly commissioned plants i.e. the Jharsuguda Aluminium smelter, SEL power plant, and the Dariba Zinc Smelter and captive power plant.

Net interest income in FY2010-11 was US$149.0 million compared with US$176.0 million in FY2009-10. Investment income was higher at US$431.6 million in the financial year (FY 2009-10: US$272.8 million) primarily due to higher cash balances and a higher yield on investments. Also, in the previous financial year there were exchange losses on translation of USD deposits at our Australian entity.

Gross finance costs have increased to US$718.0 million in FY2010-11, up from US$537.9 million in FY2009-10. Costs increased as a result of higher average debt at US$8,895.7 million in FY2010-11, up from US$7,253 million in the previous year, and the effective interest rate charged on our new US$883.0 million convertible bonds, in addition to a higher interest rate regime in general in rupee market in India. Of the total interest cost, US$183.3 million relating to capital expansion projects was capitalized as compared with US$301.3 million in FY2009-10, reflecting the start of commercial production at the Jharsuguda smelter.

The gain on mark-to-market of our embedded derivatives, primarily on the foreign currency convertible bond at Sterlite and Sesa Goa, was US$143.4 million. Since inception of these bonds the cumulative gain has been US$113.9 million. The gain is primarily correlated with the movement in the respective subsidiary's share price and may reverse in the future. The gain on the mark-to-market of embedded derivatives for US$883 million convertible bond was US$44.9 million.

The tax charge increased to US$649.5 million in FY2010-11, up from US$330.4 million in FY2009-10 mainly due to increased profitability and a higher Minimum Alternate Tax (MAT) rate. The effective tax rate for FY2010-11 increased to 24.2% compared with 17.9% in the previous financial year reflecting the rise in MAT rate from 17.0% to 19.9% and losses in VAL where no deferred tax assets are recognised due to the uncertainty of its utilisation in future.

Basic Earnings per Share (EPS) for FY2010-11 was 283.2US cents as against 219.6US cents per share in FY2009-10. Fully diluted EPS was 270.2US cents (FY2009-10: 203.2US cents).

BALANCE SHEET AND CASH FLOW

We continue to maintain a strong balance sheet with capital employed of US$13.68 billion and net debt of US$1.97 billion. Net debt comprises US$7,777 million of cash and liquid investments offset by debt of US$9,753 million.

During the year we raised debt of around US$2.0 billion of which US$330 million was raised by the parent company and the rest by our subsidiaries, primarily for capital expansion projects. At 31 March 2011, our balance sheet gearing was 12.6%.

Cash and liquid investments as at 31 March 2011 were US$7.8 billion, the majority of which are denominated in Indian rupees. Of this US$ 911.6 million was cash and cash equivalents and US$6,865 million was liquid investments. Our investments are consistent with our policy of investing in funds and banks with a low credit risk and high credit ratings. The investment portfolios of our Indian subsidiaries have been independently reviewed by CRISIL (Rating Agency) and were rated as "Very Good".

The movement in net (debt)/cash in FY2010-11 is set out below.

(in US$ million, except as stated)	**FY2010-11**	**FY2009-10**
EBITDA	3,566.8	2,295.9
Operating exceptional items	(163.4)	(67.3)
Working capital movements	(304.2)	(27.9)
Changes in long term creditors and non-cash items	128.8	59.7
Sustaining capital expenditure	(239.5)	(184.4)
Sale of tangible fixed assets	28.3	12.1
Net interest paid and dividend received	163.0	134.0
Tax paid	(756.6)	(407.8)
Free cash flow	2,423.2	1,814.3
Expansion capital expenditure [1]	(2,471.3)	(3,543.4)
Semi expansion capital expenditure	(45.9)	(136.2)
Sale /(Purchase) of fixed assets investments	(25.9)	17.9
Acquisition of minorities	(122.0)	(189.7)
Acquisitions, net of cash & liquid investments acquired	(1,036.7)	(300.4)
Buyback of shares of Vedanta Resources plc	(128.0)	(348.6)
ADR Sterlite	-	1,090.1
Dividends paid to equity shareholders	(129.9)	(117.9)
Dividends paid to minority shareholders	(87.4)	(68.4)
Convertible Bond transfer and conversion	430.2	330.2
Other movement [2]	170.6	705.4
Movement in net (debt)/cash	(1,023.1)	(746.7)

1 *On an accrual basis*

2 *Includes foreign exchange movements*

Finance Strategy

Vedanta has international credit ratings from Fitch, Standard & Poor's and Moody's of BB+, BB and Ba1, respectively that support our debt raising capability. Vedanta has a clear aim to improve these ratings to investment grade. We have been very selective in deployment of capital and post acquisition of Cairn India would prioritise reducing the debt at the holding company. We are committed to maintain a Net Debt to EBITDA at less than 2.75 times and Net Gearing below 40% through the cycle as prudent measure in our cyclical industry. We have a strong focus on maximising the free cash flow from operations relative to EBITDA. To achieve this, we are streamlining operational costs and reviewing capital expenditure, to ensure each of our businesses is largely self-sustaining at the operational level whilst at the same time converting a significant part of EBITDA into cash. The conversion of EBITDA to free cash was 67.9% in FY 2010-11 as compared to 79.0% in FY 2009-10. This was lower than in the previous year due to higher tax outgoings, additional working capital requirements at our newly commissioned plants and our copper custom smelting operations. Gross working capital, represented by inventory and receivables, increased from US$2,184.2 million as at 31 March 2010 to US$3,253.2 million at 31 March 2011. Specific actions are being taken to reduce the gross working capital.

Investing in organic growth

We have signed an MOU with the Punjab State Government for a fourth unit of 660 MW at the Talwandi Sabo power project with an estimated capital expenditure of US$880 million. The power generated by this unit will be sold on the commercial market and is expected to enhance the overall project return.

In Q3 FY2010-11, we announced 150MW expansion of wind power generation capacity, at HZL at an estimated cost of US$190 million. At the end of March 2011, 48 MW of this has already been commissioned.

The Board approved setting up of CRO project at KCM with a capacity of 50ktpa at a cost of $320 million to be completed by end of FY 2012-13.

We have spent US$239.5 million on sustaining capital expenditure in FY2010-11, higher than the previous year's expenditure of US$184.4 million, to modernise our plant and equipment, to continually optimise and improve operational standards and to increase the scale of our operations.

ROCE without project capital work in progress in FY2010-11 was 21.0%, higher as compared to 19.9% in FY2009-10. ROCE is an important Key Performance Indicator (KPI) for our businesses. Capital productivity is a high priority and we plan to enhance this ratio by optimising asset performance.

Project capex

Sector	Project	Production Volume	Country	Completion Date	Project Cost US$ mn	Spent to 31 Mar 11 US$ mn	Unspent Capex on 31 Mar 11 US$ mn
Alumina	Lanjigarh I Alumina Refinery	1.0 mtpa	India	Completed	1,015.3	982.0	33.3
	Debottlenecking Lanjigarh I	1.0 mtpa	India	On hold	150.0	72.3	77.7
	Lanjigarh II Alumina Refinery	3.0 mtpa	India	On hold	1,570.0	804.6	765.4
Aluminium	Korba III Smelter	325 KT	India	Q2 FY 2013	720.0	347.6	372.4
		1200 MW CPP		Q2 FY 2013	1,100.0	680.3	419.7
	Jharsuguda I Smelter	0.5 mtpa & 1215 MW CPP	India	Completed	2,400.0	2,324.4	75.6
	Jharsuguda II Smelter	1.25 mtpa	India	Progressively by Q3 FY 2014	2,920.0	1,975.4	944.6
Power	Talwandi Sabo Power Project	2,640 MW	India	FY 2014	3,030.0	361.6	2,668.4
	HZL WPP Project	150MW	India	Q2 FY 2012	190.0	76.1	113.9
	SEL IPP	2,400 MW	India	600 MW Completed, 600 MW under trial, 600 MW by Q3 FY 2012, 600 MW by Q4 FY 2012	1,900.0	1,515.6	384.4
Zinc	Smelting	210 ktpa Zinc	India	Completed	900.0	753.1	146.9
		100 ktpa Lead	India	Q1 FY 2012			
		160 MW CPP	India	Completed			
	Mining	RA 5 to 6 mtpa	India	Completed			
		SK - 1.5 mtpa	India	Progressive started			
		Kayar - 1 mtpa	India	End 2013			
Copper	KCM KDMP Project	7.5 mtpa	Zambia	Q3 FY 2013	973.0	796.8	176.2
	KCM Nchanga Smelter	250 ktpa	Zambia	Completed	470.0	460.5	9.5
	CRO project	50 ktpa	Zambia	Q4 FY2013	320.0	-	320.0
-	SIIL Expansion Project	400 ktpa	India	EC Awaited	367.0	107.1	259.9
		CPP	India		133.0	48.8	84.2
Iron Ore	Pig Iron Expansion	375 ktpa	India	Q3 FY 2012	150.0	84.4	65.6
	Sesa Iron Ore Mine Expansion	36 mt	India	FY 2013	500.0	77.0	423.0
Infrastructure	Vizag Coal Berth		India		150.0	19.6	130.4
	Paradeep Port		India		150.0	-	150.0
	Total				19,108.3	11,487.3	7,621.0

Based on the expansion projects currently underway, approximately US$ 7.5 billion of funds are required to complete these projects over the next three years. The same would be funded from existing cash resources, internal accruals and project financing.

Our debt maturity now averages three years as at 31 March 2011, as compared with four years as at 31 March 2010. In the next one year, US$3,045 million of debt falls due for repayment of which US$1,847.0 million will be refinanced from committed project funding available and the remainder out of cash from operations and normal operational borrowings. Our cash and liquid investments, free cash generation and funds ties up are sufficient to meet our capital and debt commitments. We have cash and liquid investments of US$ 7,777.0 million as at 31 March 2011 along with unused funding facilities of US$3,407.6 million, providing good liquidity, after excluding the facilities of US$6.0 billion for the acquisition of Cairn India.

ACQUISITIONS

On 10 May 2010, Vedanta agreed to acquire the zinc assets of Anglo American and paid for a total consideration of US$1,513.1 million. These zinc assets comprise the wholly-owned Skorpion mine in Namibia, a 74% stake in Black Mountain Mining (Pty) Ltd and the wholly-owned Lisheen mine in Ireland. On 3 December 2010, Vedanta completed the acquisition of the Skorpion mine by Sterlite Infra Limited, a wholly-owned subsidiary of Sterlite. On 4 February 2011, Vedanta completed the acquisition of the 74% stake in Black Mountain Mining, acquiring assets including the zinc mine at Black Mountain and the Gamsberg project, in South Africa. The acquisition of the Lisheen mine was completed on 15 February 2011. These assets are earnings accretive, and have production capacity of around 400 kt of Zinc and Lead, with further potential through development of the Gamsberg Project at Black Mountain.

During the first half of FY2010-11, Vedanta announced its intention to acquire 51% to 60% stake in Cairn India Limited for an aggregate consideration of between approximately US$8.5-9.6 billion in cash. Cairn India represents a unique oil and gas exploration and production platform with the second largest reserves in India among private sector oil companies, a proven management team, and low-cost production. SEBI has approved the open offer and it was opened to shareholders on 11 April 2011. The open offer closed on 30 April 2011 and the numbers of equity shared tendered in the open offer are approximately 155 million equity shares representing 8.1% stake in Cairn India Limited. The approval for the acquisition is currently pending with the Government of India and is expected to be cleared soon. The acquisition funding has been tied up by Vedanta Plc. In a recent development, we also acquired 10.4% of shares of Cairn India from Petronas on the floor of the market at a consideration of US$1,478 million equivalent to Rs.331/- per share. Sesa Goa will hold 18.5% in Cairn India post this acquisition and open offer.

SHARE BUYBACK AND ACQUISITION OF SUBSIDIARY SHARES

We continue to focus on enhancing the shareholder value through buy back and subsidiary shares acquisition. During FY 2010-11 we spent US$128.0 million buying back Vedanta shares and US$122.1 million purchasing of shares in our subsidiaries — Sesa Goa, Sterlite and MALCO.

Out of the total purchase of treasury shares of US$ 128.0 million, US$ 66.4 million were made by Gorey Investments Limited (GIL) and funded by a wholly owned subsidiary; Vedanta Jersey Investment Limited. GIL is a Jersey-registered entity, owned by a trust and independent of the Vedanta Group.

Regarding our option to acquire the minority stake held by the Government of India in BALCO, the Arbitration Tribunal in its majority award dated 25th January 2011 has rejected the claims of Sterlite. Sterlite has on 23rd April 2011, filed an application under section 34 of the Arbitration and Conciliation Act, 1996 in the High Court of Delhi for setting aside the award dated 25th January, 2011. The outcome of the application is awaited.

In the case of HZL, we have exercised our call option, but the Government has responded by stating that it does not believe this is valid under company law. The Government of India and our subsidiary and the holding company of HZL i.e. Sterlite Opportunities and Venture Limited have both appointed mediator and arbitration will commence following the outcome of the mediation process.

RISKS AND UNCERTAINTIES

Risks and Risk Management Practices

Our businesses and operations are subject to a variety of risks and uncertainties which are no different from any other company in general and our competitors in particular. Such risks are the result of both the business environment within which we operate and other factors over which we have little or no control. These risks can be categorised as operational, financial, environmental, health and safety, political, market-related and strategic risks. We have well documented and practised risk management policies that act as an effective tool in minimising the various risks that our businesses are exposed to during the course of their day-to-day operations as well as in their strategic actions.

Risks are identified through a formal risk management programme with the active involvement of business managers and senior management personnel at both the subsidiary level as well as at the corporate level. Each significant risk has an 'owner' within the Group at a senior level, and the impact to the Group if a risk materialises, and its likelihood of occurrence, is regularly reviewed. A risk register and matrix is maintained, which is regularly updated in consultation with business managers. The risk management process is coordinated by our management assurance function and is regularly reviewed by our Audit Committee. Key business decisions are discussed at the monthly meetings of the Executive Committee and senior managers address risk management issues when presenting initiatives to the Executive Committee. The overall internal control environment and risk management programme is reviewed by our Audit Committee on behalf of the Board.

We have a strong internal control culture throughout the Group. Regular management assurance visits to our operations and holding companies are undertaken to ensure that the Group's high standards of internal control are maintained. The strength of a business's internal control environment forms a component of senior managers' performance appraisals. The audit process and audit plan cover the key risks identified through the 'risk management programme' and the existence and effectiveness of control measures against each risks are verified. Control measures stated in the risk matrix are also verified by the business managers. Further details on the Group's internal control environment are provided in the annual Corporate Governance Report.

During the year, the Group risk matrix has been updated through a comprehensive and holistic exercise carried out at each operating subsidiary level and at corporate level. The updated risk matrix and risk registers were then reviewed in the light of changes in nature and extent of risks, controls and actions required.

Commodity Price Risks

Of the Group's principal commodities, aluminium, copper, zinc and lead are priced with reference to LME prices. LME prices are influenced by global demand and supply for these metals which in turn is influenced by global economic scenarios, regional growth, infrastructure spending by governments and also by hedge fund activities.

In the case of iron ore, prices are not linked to any exchange but are generally influenced by all other factors outlined above. Recently industry price structures are becoming aligned to the "iron ore price index" reported by some agencies based on an average of several current transactions. We sell a large part of our output on spot and price index linked price formula and the rest at fixed benchmark price levels. Price fluctuations can affect our operational and financial performance.

While the Group aims to achieve average LME prices for the year, average realised prices may not necessarily reflect the exact LME price movements due to a variety of reasons including uneven sales during the year. Any fluctuation in the prices of the metals that we produce and sell will have a direct impact upon the profitability of our businesses.

TC-RCs are a major source of income for the copper smelting operations in India. They are susceptible to fluctuations caused by factors such as demand and supply conditions prevailing in the market.

The Group's principal commodity prices had increased substantially during the year. The recent improvement in prices and demand may not be sustained. As a general policy, we aim commodities are approved by the Executive Committee (EXCO) with clearly laid down guidelines for their implementation by the subsidiaries.

Our copper custom smelting operations at Tuticorin enjoy a natural hedge except when a possible mismatch in quotation periods between the purchase of copper in concentrate and the sale of finished copper occurs. The Group's policy on custom smelting is to generate its margins mainly from TC-RCs, premiums and sale of by-products. As a result, quotation period mismatches are actively managed to ensure that the gains or losses are minimised. The copper smelting business actively reviews its procurement strategy to strike a judicious balance between copper concentrate procured at spot TC-RCs and those which are sourced at long-term contractual TC-RCs.

KCM is largely an integrated copper producer and our Group strategy to protect it from copper price fluctuations is to focus on controlling its costs.

Set out below are the key commodity price sensitivities on EBITDA resulting from a change of US$ 100 per tonne in LME prices.

	Average market price in FY2010-11 (US$ /tonne)	**Effect on EBITDA of US$ 100 per tonne change in LME (US$ million)**
Copper	8,138	16
Aluminium	2,257	66
Zinc	2,185	72
Lead	2,244	7

The above sensitivities are based on FY2010-11 volumes, costs and exchange rates and provide the estimated impact on EBITDA of changes in prices assuming that all other variables remain constant.

Political, Legal, Economic and Regulatory Risks

Our mining and smelting operations are located in India, Zambia, Namibia, South Africa, Ireland and Australia and our holding and investment companies are located in jurisdictions including the United Kingdom, Mauritius, Netherlands and Cyprus.

The political, legal, fiscal and other regulatory regimes in these countries may result in higher operating cost or restrictions such as the imposition or increase in royalties, mining rights, taxation rates, legislation pertaining to repatriation of money and so on. Changes to government policies such as changes in royalty rates, reduction in import tariffs in India, reduction in assistance given by Government of India for exports and the reduction or curtailment of income tax benefits available to some of our operations in India, Namibia and Zambia are some of the examples of risks under this category.

The majority of our Group revenues and profits are derived from commodities sold to customers in India. Any downturn in overall health of the Indian economy, any political or regional instability may impact revenue margins arising out of import tariffs prevailing in India.

We may also be affected by the political acts of governments in these countries over which we have no control.

We continue to access our mineable reserves and resources using the latest available techniques and also get them periodically verified by independent experts. Our technical team continuously monitor the mineralogy of our future mineable resources and back it up with required technological inputs to address any adverse changes in mineralogy.

The third party mining contracts have been renewed periodically over many years and currently we do not foresee any concerns for further renewals.

Reserves and Resources

T The ore reserves stated in this report are estimates and represent the quantities of copper, zinc, iron ore, lead and bauxite that we believe could be mined, processed, recovered and sold at prices sufficient to cover the estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Our future profitability and operating margins depend upon our ability to access mineral reserves that have geological characteristics enabling mining at competitive costs. Replacement reserves may not be available when required, or, if available, may not be of a quality capable of being mined at costs comparable to the existing or exhausted mines.

Moreover, these estimates are subject to numerous uncertainties inherent in estimating quantities of reserves and could vary in the future as a result of actual exploration and production results, depletion or new information on geology. Fluctuations in production, operating and other costs and economic parameters such as metal prices, smelter treatment charges and exchange rates are also factors that may influence the estimating of reserves, many of which are beyond our control.

The Group conducts some mining operations of iron ore at mines leased by the Government of India to third parties, through a long-term mining contract, which is renewed periodically. The production from such mines for year ended 31 March 2011 was around 15% of total iron ore production.

The contract in respect of the Thakurani mine was not extended on 30 November 10 as the renewal terms were not commercially favourable.

We continue to access our mineable reserves and resources using the latest available techniques and also get them periodically verified by independent experts. Our technical team continuously monitor the mineralogy of our future mineable resources and back it up with required technological inputs to address any adverse changes in mineralogy.

The third party mining contract had been renewed periodically since last many years and currently we do not foresee any concerns for further renewals.

Delivery of Expansion Projects On Time and Within Budget

We have a strong pipeline of green field and brown field expansion projects and we have committed funds for these projects. These projects have achieved various stages of completion. Our plans to generate sufficient cash flows from these projects to repay our long-term debt and our ability to raise further debt are dependent upon the successful completion of these projects on time and under budgeted cost and subsequent increase in production.

Our current and future projects may be significantly delayed by failures to receive regulatory approvals or renewal of approvals in a timely manner, failure to obtain sufficient funding, technical difficulties, human resources constraints, technological or other resource constraints or for other unforeseen reasons, events or circumstances.

As a result, these projects may incur significant cost overruns and may not be completed on time, or at all.

During the year ended 31 March 2011, the group has been issued with show cause notices with respect to the current operation of the Lanjigarh refinery as well as the proposed expansion of that operation. The sourcing of bauxite from Niyamgiri mine is under litigation. The resolution of these matters depends on the outcome from Supreme Court of India and the High Court of Orissa. Any adverse outcomes to these ongoing proceedings may impact the future operation of the Lanjigarh refinery.

We continue to invest in ensuring we have best in class human resources to maintain our track record of completing large projects on time and within budgeted cost. We also have rigorous monitoring systems in place to track the projects progress and over time, we have developed the skills necessary to overcome any challenges.

Asset Use Continuity and Insurance

Productive assets used in mining and smelting operations and the associated power plants may face break downs in the normal course of operations or due to abnormal events such as fire, explosion, environmental hazards or other natural calamities. Our insurance policies may not cover all forms of risks due to certain exclusions and limitations. It may also not be commercially feasible to cover all such risks.

Consequently, our insurance coverage may not cover all the claims including for environmental or industrial accidents or pollution.

We regularly carry out extensive review on the adequacy of our insurance coverage by engaging consultants and specialists and decide on the optimal levels of insurance coverage typical of our industry in respective Geographies.

Safety, Health and Environment Risks

We are engaged in mining activities which are inherently hazardous and any accident or explosion may cause personal injury or death, property damage or environmental damage at or to our mines, smelters, refineries or related facilities and also to communities that live near the mines and plants.

Such incidents may not only result in expensive litigation, damage claims and penalties but also cause loss of reputation. We also operate in Zambia which has a high incidence of HIV/AIDS – a threat to economic development.

We accord very high priority to safety, health and environment matters and these are regularly monitored and reviewed by the senior management team.

Simultaneously we continue to invest on training our people on these matters besides seeking advice on improvements from experts from time to time

Operational Risks

Our operations are subject to conditions and events beyond our control that could, among other matters, increase our mining, transportation or production costs, disrupt or halt operations at our mines, smelters and power plants and production facilities for varying lengths of time or even permanently. These conditions and events include disruptions in mining and production due to equipment failures, unexpected maintenance problems and other interruptions, non-availability of raw materials of appropriate quantity and quality for our energy requirements, disruptions to or increased cost of transport services or strikes and industrial actions or disputes. While many of these risks are beyond our control, we have adequate and competent experience in these areas and have consistently demonstrated our ability to actively manage these problems proactively.

It is our policy to realise market prices for our commodities and the profitability of our operations is dependent upon our ability to produce metals at a low cost which in turn is a factor of our commercial and operational efficiencies and productivity. The prices of many of our input materials are influenced by a variety of factors including demand and supply as well as inflation.

An increase in the cost of such input materials would adversely impact our competitiveness.

We have consistently demonstrated our ability to manage our costs and most of our operations are situated in the lowest quartile of the cost curve. We have a strong commercial function and we identify the best opportunities for cost reduction and quickly implement them. We are highly focussed on costs and volumes. All operational and cost efficiencies are discussed regularly at the business review meetings as well as at the Group Executive Committee meetings.

Financial Risks and Sensitivities

Within the areas of financial risk, our Board has approved policies which encompass liquidity, currency, interest rate, counterparty and commodity risks and is strictly monitored at our Executive Committee meetings.

Our core philosophy in treasury management revolves around three main pillars, namely (a) capital protection, (b) liquidity maintenance, and (c) yield maximisation. Day-to-day treasury operations of our Group subsidiaries are managed by the respective subsidiary finance teams within the framework of the overall Group treasury policies. Long-term fund raising including strategic treasury initiatives is handled by a central team while short-term funding for routine working capital requirements is delegated to subsidiary companies. Each of our subsidiaries has a strong internal control system including segregation of front office and back office functions with a separate reporting structure. We have a strong system of internal control which enables effective monitoring of adherence to Group policies. The internal control measures are effectively supplemented by regular management assurance audits.

We do not purchase or issue derivative financial instruments for trading or speculative purposes and neither do we enter into complex derivative transactions to manage our treasury and commodity risks. Derivative transactions in both treasury and commodities are normally in the form of forward contracts and interest rate swaps and currency swaps, which are subject to strict guidelines and policies.

These conservative financial policies have enabled us to minimise, where possible, the negative impact of the recent global recession

Liquidity Risks

We require funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The recent global financial crisis has led to banks and financial institutions tightening lending norms.

We aim to minimise these risk by generating sufficient cash flows from our current operations which, combined with available cash and cash equivalents, liquid financial asset investments and sufficient committed funding facilities, will provide liquidity both in the short-term as well as in the long-term. As at 31 March 2011, we had cash and liquid investments of US$ 7.8 billion as well as US$ 3.4 billion of committed funding facilities from our lenders. Long-term borrowings are supplemented by short- to medium-term finance wherever required.

Our balance sheet is strong and gives us sufficient headroom for raising further debt should the need arise. We generally maintain a healthy debt-equity ratio as well as retain the flexibility in our financing structure to alter this ratio when the need arises.

Our credit is strong. We have raised US$0.8 billion of long term funds from the global financial market, at an attractive terms in the financial year 2010-2011.

Our contractual cash obligations, excluding convertible bonds (on an undiscounted basis), by remaining maturity of our financial liabilities arising in the ordinary course of business as at 31 March 2011 are set out below.

As at 31 March 2011, we had access to funding facilities of US$13,160.1 million (excluding facilities of US$6,000 million for Cairn acquisition) of which US$3,407.6 million was yet to be drawn as set out below.

Remaining maturities *(in US$ million)*	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**	**Total**
Bank and other borrowings	3,045.1	1,914.2	1,324.4	1,197.3	7,481.0
Capital commitments	2,292.7	1,444.5	-	-	3,737.2
Convertible bonds	-	-	651.5	1,620.0	2,271.5
Total	5,337.8	3,358.7	1,975.9	2,817.3	13,489.7

Funding facilities *(in US$ million)*	**Total facility**	**Drawn**	**Yet to be drawn**
Less than 1 year	10,946.7	3,045.1	7,901.6
1-2 Years	3,336.3	1,914.2	1,422.1
2-5 years and above	4,871.8	4,793.2	83.8
Total	19,154.8	9,752.5	9,407.6

Currency Risks

Our presentation currency is the US dollar. A majority of our assets are located in India where the Indian rupee is the functional currency for our subsidiaries. Operating costs are influenced by the currencies of host countries where our Group's mines and plants are located. Currency exposures also exist in the nature of capital expenditure and services denominated in currencies other than the Indian rupee. KCM's functional currency is the US dollar with its cost base having a mix of the Zambian kwacha and the US dollar.

Our Group borrowings are predominantly denominated in US dollars while a large portion of cash and liquid investments are held in other currencies, mainly in the Indian rupee. Some financial assets and liabilities are not held in the functional currency of the respective subsidiary.

We also hold some intra-Group balances in currencies which are not the functional currency of the respective subsidiary exposing the Group to movements in the functional currency of those entities and the currencies in which these balances are held.

Consequently, currency fluctuations may have a large impact on our Group financial results. We are subject to currency risks affecting the underlying cost base in the operating subsidiary companies and also the translation of unit cash costs, income statement and the balance sheet (including non-US dollar denominated borrowings) in the consolidated financial statements, where the functional currency is not the US dollar.

Foreign currency exposures are managed through a Group-wide hedging policy. The policy is reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

Foreign exchange exposures on imports, net of natural hedges in place, are hedged based on their maturity. Short term foreign exchange exposures relating to capital expenditure are hedged, whilst medium to long term exposures are not hedged.

Key foreign currency sensitivities on EBITDA resulting from a 10.0% movement in exchange rates are set out in the table below.

(in US$ million)	**Closing US dollar exchange rate as at 31 March 2011**	**Average US dollar exchange rate in FY2010-11**	**Impact of a 10% movement in currency on EBITDA**
CURRENCY			
Indian Rupee	44.65	45.58	449
Australian Dollar	0.968	1.069	10
Zambian Kwacha	4,770	4,906	22.8

The above sensitivities are based on FY 2010-11 volumes, costs and prices and give the estimated impact on EBITDA of changes in exchange rates assuming that all other variables remain constant.

USD:INR exchange rate has moved from 45.14 on 31 March 2010 to 44.65 on 31 March 2011.

Interest Risks

As at 31 March 2011, our net debt of approximately US$1,970.3 million comprised cash and liquid investments of US$ 7.8 billion offset by debt of US$9.7 billion.

We are exposed to the interest rate risk on short-term and long-term floating rate instruments and also on the refinancing of fixed rate debt. Our policy is to maintain a balance of fixed and floating interest rate borrowings. The proportion of fixed and floating rate debt is determined by current market interest rates. As at 31 March 2011, US$6.7 billion of our total debt was at a fixed rate and the balance was at a floating rate.

Considering our net debt position at 31 March 2011 and our investments in bank deposits and debt mutual funds, any decrease in interest rates would result in a net gain and any increase in interest rates would result in a net loss. Based on our gross debt as at 31 March 2011, with all other variables remaining constant, a one percentage point increase in the US dollar LIBOR would impact our profit before tax by US$ 36 million.

During the FY 2010-11, interest rates, specially for debts denominated in INR have hardened reflecting tightening monetary policy by the Government of India

Our deposits are in mutual funds with a floating interest rate. Most of the floating rate deposits are in INR. With an increase in interest rates, the return on INR deposits has also increased during the year.

We have borrowings with a blend of fixed and floating rates in US dollars.

	Interest Paid fixed %	Investment income average yield %
CURRENCY		
Indian Rupee	9.2%	8.2%
US Dollar	6.1%	0.5%

Counterparty Risks

We are exposed to counterparty credit risks on our investments and receivables	We have clearly defined policies to mitigate counterparty risks. Cash and high quality liquid investments are held primarily in debt mutual funds and banks with high credit ratings. Emphasis is given to the security of investments. Limits are defined for exposure to individual counterparties in the case of mutual fund houses and banks. Most of the surplus cash is invested in banks and mutual funds in India where there is a well developed financial market. We also review the underlying investment portfolio of mutual fund houses to ensure that indirect exposures or latent exposures are minimised. The investment portfolio is monthly being reviewed by an external agency i.e. CRISIL (a subsidiary of Standard & Poor). A large majority of receivables due from third parties are secured either as advance receipt of money or by use of trade financial instruments such as letters of credit. Moreover, given the diverse nature of our businesses, trade receivables are spread over a number of customers with no significant concentration of credit risk. Our history of the collection of trade receivables shows a negligible provision for bad and doubtful debts. Therefore we do not expect any material risk on account of non-performance by any of the counterparties.

Employees

People are one of our key assets and we derive our strengths and maintain our competitive position from our people. Therefore, people in general and key personnel in particular leaving the organisation is a risk. Additionally, if we were unable to recruit and retain good talent, this would adversely affect us.	Our vision is to build a fast, flexible and flat organisation with world class capabilities and a high performance culture across all of our businesses. We believe in nurturing leaders from within and providing opportunities for growth across all levels and geographies. We have robust processes and systems in place for leadership development, training and growth to deliver value to the organisation and society. We provide superior rewards for outstanding performance and have a long term incentive plan which covers a large number of employees in the group. A large proportion of our workforces are members of a trade union. We actively communicate and enter into dialogue with our workforce and believe in maintaining a positive atmosphere by being proactive with respect to resolution of labour issues. We have long term agreements with the trade unions, with the exception of KCM where these are more frequent, but concluded amicably.

Critical accounting judgements and estimation uncertainty

In the course of applying accounting policies outlined in Note 2.a i) of Notes to the Consolidated Financial Statements, management necessarily makes estimations and assumptions that can have impact on the financial statements.

Key Relationships

The Group has several significant relationships which are critical to its business. These include, but are not limited to, the Group's relationship with its majority shareholders, customers, lenders, employees and governments in the jurisdictions in which it operates.

Majority Shareholder

The majority shareholder of the Group is Volcan Investments Ltd. As at 31 March 2011 Volcan held 60% of the Company's total ordinary share capital.

Employees

People are one of our key assets and we derive our strengths and maintain our competitive position from our people. Further details described above in Risks and Uncertainties section.

Customers

The majority of the metal production from our Indian operations is sold in the Indian market and the rest is exported to growing countries in proximity to our operations. We produce globally required common commodities and with effective optimisation of freight and supply chain ensure that we meet customers' need at competitive price and create value by providing best in class service.

Vendors

Most of the supplies needed to operate the Group's mines and smelters are secured through expression of interest (EOI), a transparent procurement process giving ample opportunity to new participants and the Group is not materially dependent on any single vendor.

Lenders

The Group has entered into several loan arrangements. The principal loans held by Group companies are given in Notes to the Consolidated Financial Statements.

Consolidated Income Statement

US$ million	Note	Year ended 31 March 2011	Year ended 31 March 2010
Continuing operations			
Revenue	3	11,427.2	7,930.5
Cost of sales		(8,107.0)	(5,761.1)
Gross profit		**3,320.2**	**2,169.4**
Other operating income		73.9	87.8
Distribution costs		(319.6)	(229.5)
Administrative expenses		(376.7)	(294.8)
Special items	5	(163.5)	(67.3)
Operating profit	3	**2,534.3**	**1,665.6**
Investment revenues	6	431.6	272.8
Finance costs	7	(534.7)	(236.6)
Other gains and losses (net)	8	252.1	139.8
Profit before taxation		**2,683.3**	**1,841.6**
Tax expense	9	(649.5)	(330.4)
Profit for the year		**2,033.8**	**1,511.2**
Attributable to:			
Equity holders of the parent		770.8	602.3
Minority interests		1,263.0	908.9
		2,033.8	**1,511.2**
Basic earnings per ordinary share (US Cents)	10	283.2	219.6
Diluted earnings per ordinary share (US Cents)	10	270.2	203.2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Profit for the year		
Income and expenses recognised directly in equity:	162.6	1,308.6
Exchange differences arising on translation of foreign operations	59.1	111.0
Gains in fair value of available-for-sale financial assets	5.4	70.9
Gains in fair value of cash flow hedges deferred in reserves	(1.7)	(24.1)
Tax effects arising on cash flow hedges deferred in reserves	**225.4**	**1,466.5**
Total income recognised in equity	(1.6)	56.8
Losses/(gains) in fair value of cash flow hedges transferred to income statement	0.5	(19.2)
Tax effects arising on cash flow hedges transferred to income statement	**(1.1)**	**37.6**
Total transferred (from) / to the income statement	**2,258.1**	**3,015.3**
Total comprehensive income for the year		
Attributable to:		
Equity holders of the parent	886.9	1,406.2
Non-controlling interests	1,371.2	1,609.1

CONSOLIDATED BALANCE SHEET

US$ million	**Note**	**As at 31 March 2011**	**As at 31 March 2010**
ASSETS			
Non-current assets			
Goodwill		12.2	12.2
Intangible assets		162.1	-
Property, plant and equipment		17,189.5	14,326.7
Financial asset investments		304.2	201.2
Other non-current assets		24.6	18.3
Other financial assets (derivatives)		99.4	43.7
Deferred tax assets		18.2	8.9
		17,810.2	**14,611.0**
Current assets			
Inventories		1,924.6	1,260.6
Trade and other receivables		1,328.6	923.6
Other current financial assets (derivatives)		40.9	10.4
Liquid investments		6,865.4	6,849.4
Cash and cash equivalents		911.6	390.0
Current tax assets		18.6	15.0
		11,089.7	**9,449.0**
TOTAL ASSETS		**28,899.9**	**24,060.0**
LIABILITIES			
Current liabilities			
Short term borrowings	12	(3,045.1)	(1,012.6)
Trade and other payables		(3,407.5)	(2,559.2)
Other current financial liabilities (derivatives)		(9.3)	(38.5)
Provisions		(22.8)	(0.9)
Current tax liabilities		(68.2)	(71.7)
		(6,552.9)	**(3,682.9)**
Net current assets		**4,536.8**	**5,766.1**
Non-current liabilities			
Medium and long term borrowings	12	(4,435.9)	(4,383.2)
Convertible bonds		(2,271.5)	(2,777.8)
Trade and other payables		(148.1)	(306.4)
Other financial liabilities (derivatives)		(94.2)	(44.7)
Deferred tax liabilities		(1,348.1)	(1,209.3)
Retirement benefits		(56.8)	(36.6)
Provisions		(301.5)	(167.6)
Non equity Non-controlling interests		(11.9)	(11.9)
		(8,668.0)	**(8,937.5)**
TOTAL LIABILITIES		**(15,220.9)**	**(12,620.4)**
NET ASSETS		**13,679.0**	**11,439.6**
EQUITY			
Share capital		29.7	29.6
Share premium account		196.8	196.8
Share based payment reserves		20.5	25.5
Convertible bond reserve		453.3	305.9
Hedging reserves		38.2	27.8
Other reserves		1,452.4	2,463.8
Treasury shares		(556.9)	(428.9)
Retained earnings		4,014.9	2,090.0
Equity attributable to equity holders of the parent		**5,648.9**	**4,710.5**
Non-controlling interests		8,030.1	6,729.1
TOTAL EQUITY		**13,679.0**	**11,439.6**

This preliminary announcement of Vedanta Resources Plc was approved by the Board on 4 May 2011
MS Mehta - Director

CONSOLIDATED CASH FLOW STATEMENT

US$ million	**Note**	**Year ended 31March2011**	**Year ended 31March2010**
Operating activities			
Profit before taxation		**2,683.3**	**1,841.6**
Adjustments for:			
Depreciation		869.0	563.0
Investment revenues		(431.6)	(272.8)
Finance costs, including foreign exchange		282.6	96.8
Share based payment charge		18.4	15.6
Impairment of asset		118.3	2.7
Other non-cash items		(7.7)	41.3
Operating cash flows before movements in working capital		**3,532.3**	**2,288.2**
(Increase) in inventories		(534.5)	(249.4)
(Increase)/decrease in receivables		(398.5)	16.4
Increase in payables		585.7	205.2
Cash generated from operations		**3,185.0**	**2,260.4**
Dividends received		160.4	142.7
Interest income received		194.7	150.1
Interest paid		(625.7)	(455.3)
Income taxes paid		(756.5)	(407.8)
Dividends paid		(129.9)	(117.9)
Net cash from operating activities		**2,028.0**	**1,572.2**
Cash flows from investing activities			
Net cash on acquisition of subsidiary *		(1,124.4)	(300.4)
Purchases of property, plant and equipment		(2,491.4)	(2,362.1)
Proceeds on disposal of property, plant and equipment		28.3	12.1
Sale/(Purchase) of liquid investments	13	178.4	(1,663.4)
(Purchase)/sale of financial asset investments		(25.9)	17.9
Net cash used in investing activities		**(3,435.0)**	**(4,295.9)**
Cash flows from financing activities			
Issue of ordinary shares		0.1	0.7
Issue of depository receipts by subsidiary		-	1,090.1
Dividends paid to Non-controlling interests of subsidiaries		(87.4)	(68.4)
Buyback of shares		(128.0)	(348.6)
Buy out of Non-controlling interest		(122.1)	(189.7)
Increase/(decrease) in short term borrowings	13	1,863.2	(360.6)
Increase in long-term borrowings	13	161.6	2,859.0
Net cash from financing activities		**1,687.4**	**2,982.5**
Net Increase/(decrease) in cash and cash equivalents	13	280.4	258.8
Effect of foreign exchange rate changes	13	241.2	(249.3)
Cash and cash equivalents at beginning of year		390.0	380.5
Cash and cash equivalents at end of year	13	**911.6**	**390.0**

* *Includes cash paid for acquisition $1,513.0 million, settlement of shareholder's loan $87.7 million and cash acquired on acquisition $476.3 million*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
US$ million	**Share capital**	**Share premium**	**Treasury Shares**	**Share based payment reserves**	**Convertible bond reserve**	**Hedging reserves**	**Other reserves(1)**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
At 1 April 2009	**28.9**	**21.1**	**(80.3)**	**14.0**	**111.5**	**(39.6)**	**1,168.9**	**1,888.1**	**3,112.6**	**4,458.7**	**7,571.3**
Total Comprehensive income for the period	-	-	-	-	-	67.4	736.5	602.3	1,406.2	1,609.1	3,015.3
Issue of convertible bond	-	-	-	-	330.2	-	-	-	330.2	-	330.2
Issue of depository receipts by subsidiary(5	-	-	-	-	-	-	-	300.1	300.1	790.0	1,090.1
Conversion of convertible bonds	0.7	175.7	-	-	(109.5)	-	-	42.2	109.1	32.6	141.7
Convertible bond transfers	-	-	-	-	(26.3)	-	-	26.3	-	-	-
Transfers (2)	-	-	-	-	-	-	558.4	(558.4)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(117.9)	(117.9)	(68.4)	(186.3)
Exercise of LTIP /STIP awards	-	-	-	(4.1)	-	-	-	4.1	-	-	-
Purchase of Treasury Shares(3)	-	-	(348.6)	-	-	-	-	-	(348.6)	-	(348.6)
Additional Investment in Subsidiaries	-	-	-	-	-	-	-	(96.8)	(96.8)	(92.9)	(189.7)
Recognition of share based payment	-	-	-	15.6	-	-	-	-	15.6	-	15.6
At 31 March 2010	**29.6**	**196.8**	**(428.9)**	**25.5**	**305.9**	**27.8**	**2,463.8**	**2,090.0**	**4,710.5**	**6,729.1**	**11,439.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to equity holders of the Company										
US$ million	Share capital	Share premium	Treasury Shares	Share based payment reserves	Convertible bond reserve	Hedging reserves	Other reserves[1]	Retained earnings	Total	Non-controlling interest	Total equity
At 1 April 2010	**29.6**	**196.8**	**(428.9)**	**25.5**	**305.9**	**27.8**	**2,463.8**	**2,090.0**	**4,710.5**	**6,729.1**	**11,439.6**
Total Comprehensive income for	-	-	-	-	-	10.4	105.7	770.8	886.9	1,371.2	2,258.12
the period	-	-	-	-	211.6	-	-	-	211.6	-	211.6
Issue of Convertible Bond [4]	-	-	-	-	-	-	-	163.6	163.6	55.0	218.6
Conversion of convertible bond	-	-	-	-	-	-	-	(21.4)	(21.4)	21.4	-
Merger of subsidiaries	-	-	-	-	(64.2)	-	-	64.2	-	-	-
Convertible bond transfers	-	-	-	-	-	-	(1,117.1)	1,117.1	-	-	-
Transfers [2]	-	-	-	-	-	-	-	(129.9)	(129.9)	(87.4)	(217.3)
Dividends paid	0.1	-	-	(23.4)	-	-	-	23.4	0.1	-	0.1
Exercise of LTIP/STIP awards	-	-	(128.0)	-	-	-	-	-	(128.0)	-	(128.0)
Purchase of Treasury Shares [3]	-	-	-	-	-	-	-	(62.9)	(62.9)	(59.2)	(122.1)
Additional Investment in Subsidiaries	-	-	-	18.4	-	-	-	-	18.4	-	18.4
At 31 March 2011	**29.7**	**196.8**	**(556.9)**	**20.5**	**453.3**	**38.2**	**1,452.4**	**4,014.9**	**5,648.9**	**8,030.1**	**13,679.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(1) Other reserves comprise:

	Currency translation reserve	Merger reserve	Investment revaluation reserve	General reserves	Other	Total
At 1 April 2009	**(746.2)**	**4.4**	**(12.6)**	**1,923.3**	**1,168.9**	**(746.2)**
Exchange differences on translation of foreign operations	625.5	-	-	-	625.5	625.5
Revaluation of available-for-sale investments	-	-	111.0	-	111.0	-
Transfer from retained earnings (2)	-	-	-	558.4	558.4	-
At 31 March 2010	(120.7)	4.4	98.4	2,481.7	2,463.8	(120.7)
Exchange differences on translation of foreign operations	46.6	-	-	-	46.6	46.6
Revaluation of available-for-sale investments	-	-	59.1	-	59.1	-
Transfer from retained earnings (2)	-	-	-	(1,117.1)	(1,117.1)	-
At 31 March 2011	**(74.1)**	**4.4**	**157.5**	**1,364.6**	**1,452.4**	**(74.1)**

(1) *Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve and the general reserves established in the statutory accounts of the Group's Indian subsidiaries. General reserve also includes $44.3 million of debenture redemption reserve.*

(2) *Under Indian law, a general reserve is created through an annual transfer of net income at a specified percentage in accordance with applicable regulations The purpose of these transfers is to ensure that if a dividend distribution in a given year is more than 10.0 % of the paid-up capital of the company for that year, then the total dividend distribution is less than the total distributable results for that year. The transfer is to reflect the general reserve at the cumulative amount attributable to the equity holder's of the parent, offset by the current period transfer of $ 596.0 million.*

(3 *Includes buy back of $ 66.4 million made by an independent company Gorey Investments Ltd., funded by a wholly owned subsidiary of Vedanta.*

(4) *This relates to the recognition of the equity component of the $ 883 million convertible bond on the removal of the cash settlement option on 28 July 2010.*

(5) *In June 2009, Sterlite raised US$ 1090.1 million via the issuance of American Depository Receipts. This resulted in a reduction of Vedanta's shareholding in Sterlite from 61.35% to 56.62%. This reduction has not resulted in any change in control and hence Sterlite continues to be consolidated in Vedanta's consolidated financial statements. This reduction has been accounted in Vedanta's consolidated financial statement as an equity transaction. The carrying amount of the minority interest has been adjusted to reflect the change in Vedanta's interest in Sterlite's net assets. The difference between the amount by which the minority interest is adjusted and the net consideration received of $ 298.2 million is recognised directly in equity and attributed to equity holders of Vedanta.*

Notes to Preliminary Announcement

1. General information and accounting policies

This preliminary results announcement is for the year ended 31 March 2011. While the financial information contained in this preliminary results announcement has been computed in accordance with International Financial Reporting Standards ("IFRS"), this announcement does not itself contain sufficient information to comply with IFRS. For these purposes, IFRS comprise the Standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") that have been endorsed by the European Union.

2. Compliance with applicable law and IFRS

The financial information contained in this preliminary results announcement has been prepared on the going concern basis. This preliminary results announcement does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act") but is derived from those accounts. The statutory accounts for the year ended 31 March 2011 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 27 July 2011. The auditors have reported on those accounts and their report was unqualified, with no matters by way of emphasis, and did not contain statements under section 498(2) of the Act (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

The information contained in this announcement for the year ended 31 March 2010 also does not constitute statutory accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, with no matters by way of emphasis, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

3. Segment information

The Group's primary format for segmental reporting is based on business segments. The business segments consist of aluminium, copper, zinc, iron ore and energy with residual components being reported as "Other". Business segment data includes an allocation of certain corporate costs, allocated on an appropriate basis. The risks and returns of the Group's operations are primarily determined by the nature of the different activities in which the Group is engaged. Inter-segment sales are charged based on prevailing market prices. The Group's activities are organised on a global basis.

The Group's reportable segments under IFRS 8 are as follows:

- Aluminium
- Copper-India/Australia
- Copper-Zambia
- Zinc- India
- Zinc-International
- Iron Ore
- Energy

The Energy segment includes the sales of and related costs of generating surplus power from Captive Power Plants for which the related asset carrying values are located within the other business segments. These sales and costs are allocated on a proportionate basis from the segment that owns the captive power plants.

Management monitors the operating results of reportable segments for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on the Adjusted EBITDA of each segment.

During the year ended 31 March 2011, the Zinc assets acquired from Anglo American Plc comprising the Skorpion mine in Namibia, the Black Mountain mine in South Africa and the Lisheen mine in Ireland. These assets are monitored together in one segment and therefore has been categorised as a separate reportable segment 'Zinc- International'.

(a) Reportable segments

The following tables present revenue and profit information and certain asset and liability information regarding the Group's reportable segments for the years ended 31 March 2011 and 2010.

	Continuing Operations								
Year ended 31 March 2011 *(US$ million)*	**Aluminium**	**Copper-India/ Australia**	**Copper-Zambia**	**Zinc-India**	**Zinc-Inter national**	**Iron Ore**	**Energy**	**Elimination/ Others**	**Total Operations**
REVENUE									
Sales to external customers	1,570.1	3,428.2	1,741.3	2,152.8	218.9	1,977.9	338.0	-	11,427.2
Inter-segment sales	1.5	-	83.7	-	-	1.6	0.7	(87.5)	-
Segment revenue	**1,571.6**	**3,428.2**	**1,825.0**	**2,152.8**	**218.9**	**1,979.5**	**338.7**	**(87.5)**	**11,427.2**
RESULT									
EBITDA[1]	258.2	241.5	439.9	1,220.2	101.3	1,174.1	137.8	(6.2)	3,566.8
Depreciation	(219.2)	(45.0)	(130.8)	(97.8)	(54.1)	(298.2)	(25.7)	1.8	(869.0)
Segment result before special items	**39.0**	**196.5**	**309.1**	**1,122.4**	**47.2**	**875.9**	**112.1**	**(4.4)**	**2,697.8**
Special items (note 5)	(7.8)	-	-	(4.6)	-	(118.3)	(0.1)	(32.7)	(163.5)
Segment result after special items	**31.2**	**196.5**	**309.1**	**1,117.8**	**47.2**	**757.6**	**112.0**	**(37.1)**	**2,534.3**
Net finance income									149.0
PROFIT BEFORE TAXATION									**2683.3**
Tax expense									(649.5)
PROFIT AFTER TAXATION									**2,033.8**
Segments Assets	8,776.5	2859.3	2,243.5	5,641.0	1,906.0	4,709.5	2,259.4		28,395.2
Unallocated Assets									504.7
TOTAL ASSETS									**28,899.9**
Segment liabilities	(4,577.0)	(2,157.4)	(827.8)	(415.1)	(479.1)	(1,113.8)	(908.2)		(10,478.4)
Unallocated liabilities									(4,742.5)
TOTAL LIABILITIES									(15,220.9)
Other segment information									
Additions to property, plant and equipment	1,371.1	132.5	295.9	297.1	1,204.7	249.8	396.7	13.6	3,961.4
Depreciation	(219.2)	(45.0)	(130.8)	(97.8)	(54.1)	(298.2)	(25.7)	1.8	(869.0)

(1) EBITDA represents operating profit before special items, depreciation and amortization

(a) Reportable segments (continued)

	Continuing Operations							
Year ended 31 March 2010 *(US$ million)*	**Aluminium**	**Copper-India/ Australia**	**Copper-Zambia**	**Zinc-India**	**Iron Ore**	**Energy**	**Elimination/ Others**	**Total Operations**
REVENUE								
Sales to external customers	914.2	2,741.4	1,070.8	1,651.7	1,221.7	330.7	-	7,930.5
Inter-segment sales	1.6	-	12.9	-	0.8	-	(15.3)	-
Segment revenue	**915.8**	**2,741.4**	**1,083.7**	**1,651.7**	**1,222.5**	**330.7**	**(15.3)**	**7,930.5**
RESULT								
EBITDA	154.9	165.9	151.8	982.8	673.0	170.7	(3.2)	2,295.9
Depreciation	(99.6)	(42.3)	(119.3)	(64.4)	(217.3)	(21.2)	1.1	(563.0)
Segment result before special items	55.3	123.6	32.5	918.4	455.7	149.5	(2.1)	1,732.9
Special items (note 5)	(4.9)	(57.7)	-	-	(2.7)	(2.0)	-	(67.3)
Segment result after special items	**50.4**	**65.9**	**32.5**	**918.4**	**453.0**	**147.5**	**(2.1)**	**1,665.6**
Net finance income								176.0
PROFIT BEFORE TAXATION								1,841.6
Tax expense								(330.4)
PROFIT AFTER TAXATION								**1,511.2**
Segments Assets	7,590.2	2,921.8	2,065.2	4,488.0	4,078.5	1,964.5		23,108.2
Unallocated Assets								951.8
TOTAL ASSETS								**24,060.0**
Segment liabilities	(3,603.9)	(1,550.5)	(828.1)	(433.2)	(2,425.1)	(729.9)	-	(9,570.7)
Unallocated liabilities								(3,049.4)
TOTAL LIABILITIES								**(12,620.1)**
Other segment information								
Additions to property, plant and equipment	2,385.9	87.6	307.4	505.6	32.0	546.0	-	3,864.5
Depreciation	(99.7)	(42.3)	(119.2)	(64.4)	(217.3)	(20.1)	-	(563.0)

3. Segment information (continued)

(b) Segment result after special items

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Aluminium	258.2	154.9
Copper	681.4	317.7
India/Australia	241.5	165.9
Zambia	439.9	151.8
Zinc	1,321.5	982.8
India	1,220.2	982.8
International (1)	101.3	-
Iron Ore	1,174.1	673.0
Energy	137.8	170.7
Other	(6.1)	(3.2)
EBITDA	**3,566.8**	**2,295.9**
Depreciation	(869.0)	(563.0)
Special items	(163.5)	(67.3)
Segment result after special items	**2,534.3**	**1,665.6**

(1) Acquired during the year ended 31 March 2011

(c) Geographical segmental analysis

The Group's operations are located in India, Zambia and Australia. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods:

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
India	4,924.4	3,900.5
China	2,157.0	1,838.0
Far East Others	1,354.6	633.5
UK	23.8	119.5
Africa	172.3	108.7
Europe	1,047.3	378.9
Middle East	1,068.9	834.6
Asia Others	648.7	113.8
Other	30.2	3.0
Total	**11,427.2**	**7,930.5**

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amount of non-current assets*		**Additions to property, plant and equipment**	
US$ million	**As at 31 March 2011**	**As at 31 March 2010**	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Australia	15.3	14.6	1.7	4.4
India	14,278.1	12,701.4	2,309.2	3,540.2
Zambia	1,803.5	1,644.7	295.9	307.4
Namibia	578.0	-	628.2	-
Ireland	275.2	-	279.0	-
South Africa	476.7	-	297.5	-
Other	265.95	197.7	149.9	12.5
Total	**17,692.7**	**14,558.4**	**3,961.4**	**3,864.5**

* *Non-current assets does not include deferred tax assets and derivative receivables.*

** *Includes acquired on acquisition of Zinc International*

4. Total revenue

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Revenue from sales of goods	11,427.2	7,930.5
Other operating income	73.9	87.8
Investment revenue	431.6	272.8
Gains/(losses) in fair value of cash flow hedge transferred to income statement	(1.6)	56.8
	11,931.1	**8,347.9**

5. Special items

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Asarco transaction costs*	-	(57.7)
Voluntary retirement schemes	(12.5)	(6.9)
Acquisition related costs**	(32.7)	-
Impairment of mining reserves***	(118.3)	(2.7)
	(163.5)	**(67.3)**

* *Asarco transaction costs include the loss of a $50 million deposit used as security for a letter of credit which has been encashed by the counterparty.*

** *Acquisition related costs include costs related to the acquisition of the Anglo Zinc assets and the proposed Cairn India acquisition.*

*** *The impairment of mining reserves relates to mines at Sesa Goa operated on a lease basis which have expired and have not been renewed during the year.*

6. Investment revenue

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Interest income on loans and receivables	19.7	17.2
Interest income on cash and bank balances	131.6	75.5
Change in fair value of financial assets held for trading	78.8	27.7
Profit on disposal of financial assets held for trading	35.4	47.8
Profit on sale of available for sale investment	5.9	7.6
Dividend income on financial assets held for trading	160.4	142.7
Expected return on defined benefit arrangements	2.1	1.8
Foreign exchange loss on cash and liquid investments	(0.5)	(42.7)
Capitalisation of interest income	(1.8)	(4.8)
	431.6	**272.8**

7. Finance costs

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Interest on bank loans and overdrafts	365.7	308.5
Coupon interest on convertible bonds	138.6	96.9
Accretive interest on convertible Bond	101.8	48.2
Interest on financial liability measured at fair value	-	21.7
Interest on other loans	97.3	52.3
Total interest cost	**703.4**	**527.6**
Unwinding of discount on provisions	7.9	4.4
Interest on defined benefit arrangements	6.7	5.9
Capitalisation of borrowing costs	(183.3)	(301.3)
	534.7	**236.6**

8. **Other gains and losses (Net)**

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Exchange gains on borrowings and capital creditors	75.9	260.2
Qualifying borrowing costs capitalised	(11.0)	(46.4)
Change in fair value of financial liabilities measured at fair value	0.4	17.5
Change in fair value of embedded derivative on convertible bonds	188.4	(35.7)
Loss arising on qualifying hedges and non-qualifying hedges	(1.6)	(55.8)
	252.1	**139.8**

9. Tax

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Current tax:		
UK Corporation tax	-	-
Foreign tax		
- India	689.4	404.1
- Zambia	-	0.1
- Australia	21.3	20.3
- Other	18.7	4.9
	729.4	**429.4**
Deferred tax:		
Current year movement in deferred tax	(79.9)	(99.0)
	(79.9)	**(99.0)**
Total tax expense	**649.5**	**330.4**
Effective tax rate	***24.2%***	***17.9%***

Deferred tax recycled from equity to income statement is a charge of $ 10.6 million (2010: charge of $8.5 million).

10. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and the Group's Convertible Bonds).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Net profit attributable to equity holders of the parent	770.8	602.3

	Year ended 31 March 2011	**Year ended 31 March 2010**
Weighted average number of ordinary shares for basic earnings per share (million)	272.2	274.3
Effect of dilution:		
Convertible bonds	34.3	46.7
Share options	2.2	3.7
Adjusted weighted average number of ordinary shares for diluted earnings per share	**308.7**	**324.7**

A) Earnings per share based on profit for the year

Basic earnings per share on the profit for the year	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Profit for the year attributable to equity holders of the parent ($ million)	770.8	602.3
Weighted average number of shares of the Company in issue (million)	272.2	274.3
Earnings per share on profit for the year (US cents per share)	**283.2**	**219.6**

Diluted earnings per share on the profit for the year	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Profit for the year attributable to equity holders of the parent ($ million)	770.8	602.3
Adjustment in respect of convertible bonds of Vedanta ($ million)	63.4	57.6
Profit for the year after dilutive adjustment ($ million)	834.3	659.9
Adjusted weighted average number of shares of the Company in issue (million)	308.7	324.7
Diluted earnings per share on profit for the year (US cents per share)	**270.2**	**203.2**

During the year ended 31 March 2011, 738,248 options issued under the Long Term Incentive Plan were converted to equity shares pursuant to vesting and exercise of the options (2010: 393,292 options).

Profit for the year would be increased if holders of the convertible bonds in Vedanta exercised their right to convert their bond holdings into Vedanta equity. The impact on profit for the year of this conversion would be the reduction in interest payable on the convertible bond net of any amount capitalised. This has been taken into account in determining diluted EPS.

The outstanding awards under the LTIP are reflected in the diluted EPS figure through an increased number of weighted average shares.

Earnings per share based on Underlying Profit for the year

The Group's Underlying Profit is the profit for the year after adding back special items, other gains and losses (see note 8) and their resultant tax and non-controlling interest effects, as shown in the table below:

US$ million	**Note**	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Profit for the year attributable to equity holders of the parent		770.8	602.3
Special items	5	163.5	67.3
Other gains		(252.1)	(139.9)
Non-controlling interest effect of special items and other losses		33.1	16.8
Underlying Profit for the year		**715.3**	**546.5**

Basic earnings per share on Underlying Profit for the year	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Underlying profit for the year ($ million)	715.3	546.5
Weighted average number of shares of the Company in issue (million)	272.2	274.3
Earnings per share on Underlying Profit for the year (US cents per share)	**262.8**	**199.2**

Diluted earnings per share on Underlying Profit for the year	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Underlying profit for the year ($ million)	715.3	546.5
Adjustment in respect of convertible bonds of Vedanta ($ million)	63.4	57.6
Underlying profit for the year after dilutive adjustment ($ million)	778.7	604.1
Adjusted weighted average number of shares of the Company (million)	308.7	324.7
Diluted earnings per share on Underlying Profit for the Year (US cents per share)	**252.3**	**186.0**

11. Dividends

US$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Amounts recognised as distributions to equity holders:		
Equity dividends on ordinary shares:		
Final dividend for 2009-10:27.5 US cents per share (2008-09:25 US cents per share)	75.2	70.2
Interim dividend paid during the year: 20US cents per share (2009-10:17.5 US cents per share)	54.7	47.7
	129.9	**117.9**
Proposed for approval at AGM		
Equity dividends on ordinary shares:		
Final dividend for 2010-11: 32.5 US cents per share (2009-10: 27.5 US cents per share)	89.2	75.2

12. Borrowings

US$ million	**As at 31 March 2011**	**As at 31 March 2010**
Bank loans	5,654.9	3,597.4
Bonds	1,244.7	1,243.7
Other loans	581.4	554.7
Total	**7,481.0**	**5,395.8**
Borrowings are repayable as:		
Within one year (shown as current liabilities)	3,045.1	1,012.6
In the second year	1,914.2	759.7
In two to five years	1,324.4	2,669.9
After five years	1,197.3	953.6
Total borrowings	**7,481.0**	**5,395.8**
Less: payable within one year	(3,045.1)	(1,012.6)
Medium and long term borrowings	**4,435.9**	**4,383.2**

13. Movement in Net Debt (1)

			Debt due within one year		Debt due after one year		
US$ million	**Cash and cash equivalents**	**Liquid investments**	**Debt carrying value**	**Debt- related derivatives(2)**	**Debt carrying value**	**Debt-related derivatives(2)**	**Total Net Debt**
At 1 April 2009	**380.5**	**4,532.1**	**(1,298.5)**	**8.4**	**(3,816.4)**	**(6.9)**	**(200.8)**
Cash flow	258.8	1,663.4	360.6	-	(2,859.0)	-	(576.2)
Acquisition of Subsidiaries	-	-	(12.4)	-	-	-	(12.4)
Other non-cash changes (3)	-	27.6	25.0	(9.3)	(351.7)	(5.1)	(313.5)
Foreign exchange differences	(249.3)	626.3	(87.3)	-	(133.9)	-	155.8
At 1 April 2010	**390.0**	**6,849.4**	**(1,012.6)**	**(0.9)**	**(7,161.0)**	**(12.1)**	**(947.2)**
Cash flow	(108.2)	(178.4)	(1,863.2)	-	(161.6)	-	(2,311.4)
Net cash flows arising on acquisition of a subsidiary	388.6	37.3	(29.4)	-	-	-	396.5
Other non-cash changes (3)		78.8	(96.1)	0.9	635.6	17.3	636.5
Foreign exchange differences	241.2	78.3	(43.8)	-	(20.4)	-	255.3
At 31 March 2011	**911.6**	**6,865.4**	**(3,045.1)**	**-**	**(6,707.4)**	**5.2**	**(1,970.3)**

(1) Net (debt)/ cash being total debt after fair value adjustments under IAS 32 and 39 as reduced by cash and cash equivalents and liquid investments.

(2) Debt related derivatives exclude derivative financial assets and liabilities relating to commodity contracts and forward foreign currency contracts.

(3) Other non-cash changes comprises of $462.4 million (2010: $326.7 million) of project buyers credit obtained from banks, for which there is no cash movement as it represents the refinancing of amounts previously owed to suppliers and excluded from debt. It also includes $ 59.1 million (2010 $ 27.6 million) of fair value movement in investments. A movement of $ 18.2 million (2010: $ 14.4 million) which pertains to fair value of debt related derivatives is also included in other non-cash changes.

GLOSSARY AND DEFINITIONS

5S

A Japanese concept laying emphasis on housekeeping and occupational safety in a sequential series of steps as Sort (Seiri); Set in Order (Seiton); Shine (Selso); Standardise (Seiketsu); and Sustain (Shitsuke)

Adapted Comparator Group

The new comparator group of companies used for the purpose of comparing TSR performance in relation to the LTIP, adopted by the Remuneration Committee on 1 February 2006 and replacing the previous comparator group comprising companies constituting the FTSE Worldwide Mining Index (excluding precious metals)

AGM or Annual General Meeting

The annual general meeting of the Company which is scheduled to be held at 3.00 pm, UK time, on 27 July 2011.

AE

Anode effects

AGRC

Ararat Gold Recovery Company incorporated in Armenia, engaged in gold mining and processing

AIDS

Acquired immune deficiency syndrome

Aluminium Business

The aluminium business of the Group, comprising its fully-integrated bauxite mining, alumina refining and aluminium smelting operations in India, and trading through the Bharat Aluminium Company Limited and Vedanta Aluminium Limited, companies incorporated in India

Articles of Association

The articles of association of Vedanta Resources plc

Attributable Profit

Profit for the financial year before dividends attributable to the equity shareholders of Vedanta Resources plc

BALCO

Bharat Aluminium Company Limited, a company incorporated in India

BMM

Black Mountain Mining Pty

Board or Vedanta Board

The board of directors of the Company

Board Committees

The committees reporting to the Board: Audit, Remuneration, Nominations, and Health, Safety and Environment, each with its own terms of reference

Businesses

The Aluminium Business, the Copper Business and the Zinc Business together

Capital Employed

Net assets before Net (Debt)/Cash

Capex

Capital expenditure

Cash Tax Rate

Current taxation as a percentage of profit before taxation

CEO

Chief executive officer

CII

Confederation of Indian Industries

CLZS

Chanderiya lead and zinc smelter

CO2

Carbon dioxide

CMT

Copper Mines of Tasmania Pty Limited, a company incorporated in Australia

Combined Code or the Code

The Combined Code on Corporate Governance published by the Financial Reporting Council in June 2008

Company or Vedanta

Vedanta Resources plc

Company financial statements

The audited financial statements for the Company for the year ended 31 March 2011 as defined in the Independent Auditors' Report on the individual Company Financial Statements to the members of Vedanta Resources plc

Convertible Bonds

$725 million 4.60% guaranteed convertible bonds due 2026, issued by a wholly-owned subsidiary of the Company, Vedanta Finance (Jersey) Limited ('VFJL'), and guaranteed by the Company, the proceeds of which are to be applied towards re-financing subsidiary indebtedness, the Company's capital expenditure programme including the Jharasaguda aluminium smelter project and other general corporate purposes

$1,250 million 5.5% guaranteed convertible bonds due 2016, issued by a wholly owned subsidiary of the Company, Vedanta Resource Jersey Limited ("VRJL") and guaranteed by the Company, the proceeds of which are to be applied for to support its organic growth pipeline, to increase its ownership interest in its subsidiaries and for general corporate purposes.

$883 million 4.0% guaranteed convertible bonds due 2017, issued by a wholly owned subsidiary of the Company, Vedanta Resource Jersey II Limited ("VRJL-II") and guaranteed by the Company, the proceeds of which are to be applied for to refinance debt redemptions and for general corporate purposes.

$500 million 4.0% guaranteed convertible bonds due 2014, issued by a subsidiary of the Company, Sterlite Industries (India) Limited ("SIIL"), the proceeds of which are to be applied for to for expansion of copper business, acquisition of complementary businesses outside of India and any other permissible purpose under, and in compliance with, applicable laws and regulations in India, including the external commercial borrowing regulations specified by the RBI.

$500 million 5.0% guaranteed convertible bonds due 2014, issued by a subsidiary of the Company, Sesa Goa Limited ("Sesa"), the proceeds of which are to be applied for to expand the Issuer's mining operations, for exploration for new resources, and to further develop its pig iron and metallurgical coke operation

Copper Business

The copper business of the Group, comprising:

a copper smelter, two refineries and two copper rod plants in India, trading through Sterlite Industries (India) Limited, a company incorporated in India;

one copper mine in Australia, trading through Copper Mines of Tasmania Pty Limited, a company incorporated in Australia; and

an integrated operation in Zambia consisting of three mines, a leaching plant and a smelter, trading through Konkola Copper Mines PLC, a company incorporated in Zambia

CREP

Corporate responsibility for environmental protection

Cents/lb

US cents per pound

CRRI

Central Road Research Institute

CSR

Corporate social responsibility

CTC

Cost to company, the basic remuneration of executives in India, which represents an aggregate figure encompassing basic pay, pension contributions and allowances

CY

Calendar year

Deferred Shares

Deferred shares of £1.00 each in the Company

DGMS

Director General of Mine Safety in the Government of India

Directors

The Directors of the Company

Dollar or $

United States dollars, the currency of the United States of America

DRs

Depositary receipts of 10 US cents, issuable in relation to the US$725 million 4.6% guaranteed convertible bonds due 2026

EBITDA

Earnings before interest, taxation, depreciation, goodwill amortisation/impairment and special items

EBITDA Margin

EBITDA as a percentage of turnover

Economic Holdings or Economic Interest

The economic holdings/interest are derived by combining the Group's direct and indirect shareholdings in the operating companies. The Group's Economic Holdings/Interest is the basis on which the Attributable Profit and net assets are determined in the consolidated accounts

E&OHSAS

Environment and occupational health and safety assessment standards

E&OHSEnvironment and occupational health and safety management system

EPS

Earnings per ordinary share

ESOP

Employee share option plan

ESP

Electrostatic precipitator

Executive Committee

The Executive Committee to whom the Board delegates operational management and comprising the Executive Directors and the senior management within the Group

Executive Directors

The Executive Directors of the Company

Expansion Capital Expenditure

Capital expenditure that increases the Group's operating capacity

Financial Statements or Group financial statements

The consolidated financial statements for the Company and the Group for the year ended 31 March 2011 as defined in the Independent Auditors' Report to the members of Vedanta Resources plc

Free Cash Flow

Cash flow arising from EBITDA after net interest (including gains on liquid investments and adjusted for net interest capitalised), taxation, Sustaining Capital Expenditure and working capital movements

FY

Financial year

GAAP , including UK GAAP and Indian GAAP

Generally Accepted Accounting Principles, the common set of accounting principles, standards and procedures that companies use to compile their financial statements in their respective local territories

GDP

Gross domestic product

Gearing

Net Debt as a percentage of Capital Employed

GJ

Giga joule

Government or Indian Government

The Government of the Republic of India

Gratuity

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Group

The Company and its subsidiary undertakings and, where appropriate, its associate undertaking

HSE

Health, safety and environment

HZL

Hindustan Zinc Limited, a company incorporated in India

IAS

International Accounting Standards

ICMM

International Council on Mining and Metals

IFRI C

International Financial Reporting Interpretations Committee

IFRS

International Financial Reporting Standards

INR

Indian Rupees

Interest Cover

EBITDA divided by finance costs

ISO 9001

An international quality management system standard published by the International Organisation for Standardisation

ISO 14001

An international environmental management system standard published by the International Organisation for Standardisation

KCM or Konkola Copper Mines

Konkola Copper Mines PLC, a company incorporated in Zambia

KDMP

Konkola deep mining project

Key Result Areas or KRA s

For the purpose of the remuneration report, specific personal targets set as an incentive to achieve short-term goals for the purpose of awarding bonuses, thereby linking individual performance to corporate performance

KLD

Kilo litres per day

KPI s

Key performance indicators

Kwh

Kilo-watt hour

Kwh/d

Kilo-watt hour per day

LIBOR

London inter bank offered rate

LIC

Life Insurance Corporation

Listing or IPO (Initial Public Offering)

The listing of the Company’s ordinary shares on the London Stock Exchange on 10 December 2003

Listing Particulars

The listing particulars dated 5 December 2003 issued by the Company in connection with its Listing

Listing Rules

The listing rules of the Financial Services Authority, with which companies with securities that are listed in the UK must comply

LME

London Metals Exchange

London Stock Exchange
London Stock Exchange plc

Lost time injury
An accident/injury forcing the employee/contractor to remain away from his/her work beyond the day of the accident

LTIFR
Lost time injury frequency rate: the number of lost time injuries per million man hours worked

LTIP
The Vedanta Resources Long-Term Incentive Plan or Long-Term Incentive Plan

MAL CO
The Madras Aluminium Company Limited, a company incorporated in India

Management Assurance Services
The function through which the Group's internal audit activities are managed

MAT
Minimum alternative tax

MIS
Management information system

MOEF
The Ministry of Environment & Forests of the Government of the Republic of India

mt or tonnes
Metric tonnes

MU
Million Units

MW
Megawatts of electrical power

NCCBM
National Council of Cement and Building Materials

Net (Debt)/Cash
Total debt after fair value adjustments under IAS 32 and 39, cash and cash equivalents and liquid investments

NGO
Non-governmental organisation

NIHL
Noise induced hearing loss

Non-executive Directors
The Non-Executive Directors of the Company

OHSAS 18001
Occupational Health and Safety Assessment Series (standards for occupational health and safety management systems)

Ordinary Shares
Ordinary shares of 10 US cents each in the Company

PBT

Profit before tax

PF C

Per fluorocarbons

PH C

Primary health centre

PPE

Personal protective equipment

Provident Fund

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Recycled water

Water released during mining or processing and then used in operational activities

Relationship Agreement

The agreement dated 5 December 2003 between the Company, Volcan Investments Limited and members of the Agarwal family that regulates the ongoing relationship between them, the principal purpose of which is to ensure that the Group is capable of carrying on business independently of Volcan, the Agarwal family and their associates

Return on Capital Employed or ROCE

Profit before interest, taxation, special items, tax effected at the Group's effective tax rate as a percentage of Capital Employed

The Reward Plan

The Vedanta Resources Share Reward Plan, a closed plan approved by shareholders on Listing in December 2003 and adopted for the purpose of rewarding employees who contributed to the Company's development and growth over the period leading up to Listing in December 2003

RO

Reverse osmosis

SA 8000

Standard for Social Accountability based on international workplace norms in the International Labour Organisation ('ILO') conventions and the UN's Universal Declaration of Human Rights and the Convention on Rights of the Child

Senior Management Group

For the purpose of the remuneration report, the key operational and functional heads within the Group

Sesa Goa

Sesa Goa Limited, a company incorporated in India engaged in the business of mining iron ore

SEWT

Sterlite Employee Welfare Trust, a long-term investment plan for Sterlite senior management

The Share Option Plan

The Vedanta Resources Share Option Plan, a closed plan approved by shareholders on Listing in December 2003 and adopted to provide maximum flexibility in the design of incentive arrangements over the long term

SHGs

Self help groups

SID

Senior Independent Director

SO2

Sulphur dioxide

SBU
Strategic Business Unit

SOTL
Sterlite Optical Technologies Limited, a company incorporated in India

SOVL
Sterlite Opportunities and Ventures Limited, a company incorporated in India

Special items
Items which derive from events and transactions that need to be disclosed separately by virtue of their size or nature

SPM
Suspended particulate matter. Fine dust particles suspended in air

Sterling, GBP or £
The currency of the United Kingdom

Sterlite
Sterlite Industries (India) Limited, a company incorporated in India

Sterlite Energy Limited (SEL)
Sterlite Energy Limited, a company incorporated in India

Sterlite Gold
Sterlite Gold Limited, a company incorporated in Canada which has its main subsidiary in Armenia

Superannuation Fund
A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Sustaining Capital Expenditure
Capital expenditure to maintain the Group's operating capacity

TCM
Thalanga Copper Mines Pty Limited, a company incorporated in Australia

TC/RC
Treatment charge/refining charge being the terms used to set the smelting and refining costs

TGS
Tail gas scrubber

TGT
Tail gas treatment

TLP
Tail Leaching Plant

tpa
Metric tonnes per annum

TPM
Tonne per month

TSR
Total shareholder return, being the movement in the Company's share price plus reinvested dividends

Turnbull Guidance

The revised guidance on internal control for directors on the Combined Code issued by the Turnbull Review Group in October 2005

Twin Star

Twin Star Holdings Limited, a company incorporated in Mauritius

Twin Star Holdings Group

Twin Star and its subsidiaries and associated undertaking

Underlying EPS

Underlying earnings per ordinary share

Underlying Profit

Profit for the year after adding back special items and other gains and losses and their resultant tax and Non-controlling interest effects

US cents

United States cents

VAL

Vedanta Aluminium Limited, a company incorporated in India

VFD

Variable frequency drive

VFJL

Vedanta Finance (Jersey) Limited, a company incorporated in Jersey

Volcan

Volcan Investments Limited, a company incorporated in the Bahamas

VRCL

Vedanta Resources Cyprus Limited, a company incorporated in Cyprus

VRFL

Vedanta Resources Finance Limited, a company incorporated in the United Kingdom

VRHL

Vedanta Resources Holdings Limited, a company incorporated in the United Kingdom

VSS

Vertical Stud Söderberg

Water Used for Primary Activities

Total new or make-up water entering the operation and used for the operation's primary activities; primary activities are those in which the operation engages to produce its product

WBCSD

World Business Council for Sustainable Development

ZCI

Zambia Copper Investment Limited, a company incorporated in Bermuda

ZCCM

ZCCM Investments Holdings plc, a company incorporated in Zambia

Zinc Business

The zinc-lead business of the Group, comprising its fully-integrated zinc-lead mining and smelting operations in India, and trading through the Hindustan Zinc Limited, a company incorporated in India