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**9 April 2009**

## **Vedanta Resources plc**

### **Production Release for the Fourth Quarter and Year Ended 31 March 2009**

#### **Highlights**

- Significant increase in full year production of aluminium, iron ore and zinc
- Highest ever quarterly production of aluminium and zinc
- Strong focus on delivering attractive growth projects, reducing costs and cash generation
- Expansion projects progressing on/ahead of schedule and within budget
- Shutdown of higher cost aluminium smelters at MALCO and part of BALCO Plant I
- Shutdown of high cost Nkana copper smelter at KCM

#### **Aluminium**

Aluminium production in the quarter ended 31 March 2009 ("Q4 2009") was at a record 134,000 tonnes, a 31.4% increase over the corresponding quarter in FY 2008 primarily due to a 49,000 tonne contribution from the new Jharsuguda aluminium smelter. As part of our focus on improving profitability and cash flow, we completely ramped down the MALCO smelter in mid December 2008 and shut down a part of the BALCO Plant I smelter in Q4 2009 due to higher operational costs. Consequently, we are selling surplus power to maximise returns.

Aluminium production of 462,000 tonnes in the full year 2009 ("FY 2009") was 16.7% higher than the previous year primarily on account of an 82,000 tonne contribution from the new Jharsuguda aluminium smelter.

The first phase of the 500,000 tonne per annum ("tpa") Jharsuguda I aluminium smelter is progressing well and at present, 228 pots have been brought in line. The remaining 76 pots in the first phase are ready for commissioning, awaiting power stabilisation. With this, the first 250,000 tpa phase is expected to be fully operational by the first quarter of FY 2010, six months ahead of the original schedule. Work on the second 250,000 tpa phase is on schedule. We plan to commence phased commissioning from June 2009 and become fully operational by end FY 2010.

The first stream of the alumina refinery at Lanjigarh is fully operational and produced 171,000 tonnes in Q4 2009, close to its rated capacity. The second stream of the alumina refinery has also recently commenced operations. We expect to start progressive feeding of the Lanjigarh alumina refinery with our own Niyamgiri bauxite by mid FY 2010.

The new 1.25 million tpa Jharsuguda II aluminium smelter project is progressing well with civil construction activities in progress in all major areas of the four pot lines and associated plants. All major packages have been ordered and the overall project is on schedule for phased commissioning from March 2010, as previously announced.

Construction on the new 325,000 tpa aluminium smelter at BALCO has commenced. Construction of the 1,200MW captive power plant is also in full swing. The project is on schedule for first metal tapping from October 2010, as earlier announced.

Work on the 600,000 tpa debottlenecking project at our Lanjigarh alumina refinery is progressing on schedule for completion by March 2010, as earlier announced. Ordering of critical items has commenced for the new 3mtpa Lanjigarh alumina refinery expansion project and work is progressing on schedule.

## **Copper – India and Australia**

During Q4 2009, copper cathode production at the Tuticorin smelter was 88,000 tonnes, broadly the same as the corresponding quarter in FY 2008. Cathode production for FY 2009 was 313,000 tonnes, 7.7% lower than the previous year due to planned maintenance in Q1 2009 and to repair damage in the cooling tower structure in Q3 2009.

Mined metal production at our Australian mines was 8,000 tonnes in Q4 2009 with FY 2009 production at 27,000 tonnes, both in line with our expectations.

## **Copper – Zambia**

Cathode production at our Zambian operations was 35,000 tonnes during Q4 2009, in line with the corresponding quarter in FY 2008 and 40.0% higher than Q3 2009. FY 2009 cathode production was 133,000 tonnes, 11.3% lower compared with the previous year, primarily due to teething issues during the commissioning of the new Nchanga smelter.

We produced 20,000 tonnes and 81,000 tonnes of mined metal in Q4 2009 and FY 2009, up 33.3% and 6.6% respectively compared with the corresponding prior periods, reflecting better open pit management during monsoons and higher through-put recoveries in the tailings leach plant.

Following the commissioning of the 300,000 tonne Nchanga smelter, we have begun to derive improved cost efficiencies through better recoveries of copper, sulphur and cobalt.

In early April 2009, there was a furnace leak at the Nchanga smelter causing a production disruption. Based on our initial assessment, production is expected to be resumed in a three-four week timeframe. The incident did not cause any human injury.

As part of our measures to reduce costs, we have shutdown the Nkana smelter and reduced manpower at this operation by 700 people.

Construction activity at the Konkola Deeps mine expansion project is progressing well. We achieved a major milestone in Q4 2009 by sinking the production shaft to a depth of c950 meters, supported by a satisfactory orientation between the two sub-shafts. We are on course for mid-shaft commissioning by mid FY 2010.

## **Zinc and Lead**

Mined zinc metal production for Q4 2009 and FY 2009 was a record 175,000 tonnes and 651,000 tonnes, up 26.8% and 18.1% respectively compared with the corresponding prior periods. The increase in production is the result of the successful commissioning and ramp-up of the stream III concentrator at the Rampura Agucha mine.

Refined zinc production was 151,000 tonnes and 552,000 tonnes in Q4 2009 and FY 2009, an increase of 11.9% and 29.6%, compared with the corresponding prior periods. Sales in Q4 2009 were also augmented by sales of 25,000 dry metric tonnes of surplus lead concentrate.

Refined lead production was 16,000 tonnes in Q4 2009, a decrease of 5.9% compared with the corresponding quarter in FY 2008. FY 2009 lead production was 60,000 tonnes, up 3.5% compared with the previous year.

Silver production during Q4 2009 and FY 2009 was 1.1 m. oz and 3.4 m. oz, an increase of 47.6% and 30.7% respectively compared with the corresponding prior periods.

Construction activities at the 210,000 tpa zinc smelter and 100,000 lead smelter at Rajpura Dariba is progressing well and on schedule for completion by mid 2010. Work at the mining projects at Rampura Agucha, Sindesar Khurd and Kayar are also progressing on schedule for progressive commissioning from mid-2010.

## **Iron Ore**

During Q4 2009, we shipped a record 5.01 million tonnes of iron ore. Production in Q4 2009 was 4.9 million tonnes, up 4.1% compared with the corresponding quarter in FY 2008. Iron ore production in FY 2009 was 15.9 million tonnes, an increase of 28.5% compared with full year production in FY 2008.

## **Commercial Energy**

Work on 2,400 MW (4x600 MW) coal based Independent thermal power plant at Jharsuguda is progressing well and overall the project is on schedule for progressive commissioning from late 2009 as expected.

## Production Summary (Unaudited)

(in '000 tonnes)

Particulars	Q4 <sup>1</sup>			Year ended 31 March		
	2008-09	2007-08	Change	2008-09	2007-08	Change
<b>Alumina</b>						
Korba/Mettur	42	78	(46.2%)	241	291	(17.2%)
Lanjigarh	171	124	37.9%	586	267	119.5%
<b>Aluminium</b>	134	102	31.4%	462	396	16.7%
<b>Copper India / Australia</b>						
Mined metal content	8	6	33.3%	27	28	(3.6%)
Cathodes	88	90	(2.2%)	313	339	(7.7%)
Rods	56	62	(9.7%)	220	225	(2.2%)
<b>Copper - Zambia</b>						
Mined metal content	20	15	33.3%	81	76	6.6%
Cathodes	35	34	2.9%	133	150	(11.3%)
<b>Zinc</b>						
Mined metal content	175	138	26.8%	651	551	18.1%
Refined metal	151	135	11.9%	552	426	29.6%
<b>Lead</b>						
Refined metal	16	17	(5.9%)	60	58	3.5%
<b>Iron Ore <sup>2</sup></b>						
Saleable Ore <sup>3</sup>	4,880	4,688	4.1%	15,986	11,469	—

1. Q4 – fourth quarter ended 31 March 2009 and 2008, respectively.
2. For 2007-08, saleable ore represents production in post acquisition period of 11 months to 31 March 2008, and is not directly comparable with the current period
3. Iron ore is reported on wet tonnes basis

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### 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, iron ore and commercial energy. Vedanta has operations in India, Zambia and Australia and a strong organic growth pipeline of projects. With an empowered talent pool of 29,000 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 visit [www.vedantaresources.com](http://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.