

10 April 2008

## **Production Results for the Fourth Quarter and Full Year Ended 31 March 2008**

### **Highlights**

- Significant increase in full year ("FY 2008") production across all metals and iron ore
- Highest ever quarterly iron ore shipment from Sesa Goa of c5 million tonnes
- Highest ever quarterly aluminium production at 102,000 tonnes
- Chanderiya Hydro II zinc smelter achieves rated capacity in first quarter after commissioning
- LME registration of the zinc metal from Chanderiya Hydro I smelter
- Costs of production in rupee terms stable, despite challenging operating environment

### **Iron Ore**

During Q4, we had the highest ever quarterly shipment of Iron ore of c5 million tonnes, consistent with production of c4.7 million tonnes during the quarter. The Iron ore production for the 12 months period ended 31 March 2008 was 12.44 million tonnes, an increase of 17% compared with the previous year.

### **Aluminium**

Aluminium production of 102,000 tonnes in Q4 was the highest ever quarterly production. This increase in production is attributable to a gradual increase in current density and current efficiency at our Balco II smelter. Full year Aluminium production of 396,000 tonnes was 12.8% higher than the previous year.

The Alumina production, out of single stream operation, at the Lanjigarh refinery was 124,000 tonnes in Q4, the highest achieved so far in a quarter and meeting our captive requirement.

### **Zinc**

Mined Zinc metal production for Q4 was 138,000 tonnes, consistent with the normal quarterly production, taking the full year production to 551,000 tonnes, an increase of 9.1% compared with the previous year.

The production ramp-up at the new Chanderiya Hydro II zinc smelter has been excellent and achieved its rated capacity in the very first quarter of commissioning. This enabled us to achieve our highest ever quarterly Zinc metal production of 135,000 tonnes, an increase of 29.8% as compared with preceding quarter. This takes the FY 2008 Zinc metal production to 426,000 tonnes, an increase of 22.4% compared with the previous year.

Our ongoing exploration efforts are yielding good results, which are presently under certification.

During the quarter, we received the LME registration for Zinc metal produced from Chanderiya Hydro I smelter.

### **Copper – India and Australia**

During Q4, the Copper cathode production at the Tuticorin smelter was 90,000 tonnes, higher than the output in the immediately preceding quarter and in line with our expectations. Cathode production for FY2008 was 339,000 tonnes, an increase of 8.3% compared with the previous year.

Mined metal production at our Australian mines was 6,000 tonnes in Q4, taking the FY2008 production to 28,000 tonnes, in line with our expectations.

### **Copper – Zambia**

Cathode production at our Zambian operation was 34,000 tonnes during Q4. Production during the quarter suffered a setback due to a power grid failure in Zambia in January 2008, which took three weeks for all mines and operations to progressively return to normal levels of activity. FY 2008 cathode production was 150,000 tonnes, 5.6% higher compared with the previous year.

### **Projects Update**

#### **Aluminium**

The first phase of the 500,000 tpa Aluminium smelter at Jharsuguda and the associated captive power plant is in the final stages of commissioning with first metal tapping expected shortly, more than a year ahead of schedule.

With regard to the environmental clearances for the Lanjigarh bauxite mines, we are now progressing as per the directions provided by the Honourable Supreme Court of India and are hopeful of a positive resolution of the matter soon.

#### **Zinc**

Work on the 88,000 tonnes debottlenecking project and the associated captive power plant is on track for commissioning by mid-2008.

#### **Copper**

Work on the Konkola Deeps mine expansion project is progressing well and is on track to achieve our target of completing the mid-shaft loading station by mid-2009. Work at the Nchanga smelter expansion project remains on track with the erection and pre-commissioning activities in full swing for commissioning by mid-2008.

## Commercial Energy

Work on our 2400 MW (4x600 MW) coal based independent thermal power plant is progressing well with equipment deliveries on schedule. Construction activities are in full swing and the project is on schedule for progressive commissioning from December 2009.

As part of our green energy initiative, we have commissioned 107.2 MW wind power plants as of March 2008 and we expect to take this to 124 MW by mid-2008.

## Production Summary (Unaudited)

(in '000 tonnes, except as stated)

	Q4 <sup>1</sup>		Change	Year ended 31 March		Change
	2007-08	2006-07		2007-08	2006-07	
<b>Iron Ore<sup>2</sup></b>						
Saleable Ore <sup>3</sup>	4,688	-	-	11,469	-	-
<b>Aluminium</b>	102	98	4.1%	396	351	12.8%
<b>Alumina</b>						
Korba / Mettur	79	80	(1.3%)	291	299	(2.7%)
Lanjigarh	124	-	-	267	-	-
<b>Zinc</b>						
Mined Metal Content	138	121	14.0%	551	505	9.1%
Refined metal	135	95	42.1%	426	348	22.4%
<b>Copper India/Australia</b>						
Mined metal content	6	6	-	28	28	-
Cathodes	90	89	1.1%	339	313	8.3%
Rods	62	51	21.6%	225	178	26.4%
<b>Copper Zambia</b>						
Mined metal content	15	19	(21.1%)	76	84	(9.5%)
Cathodes	34	37	(8.1%)	150	142	5.6%

1. Q4 – fourth quarter ended 31 March 2008 and 2007, respectively.
2. Saleable ore represents production in the post – acquisition period of 11 months to 31 March 2008, and are not directly comparable with the corresponding prior periods. The saleable ore production for the 12 months period ended 31 March 2008 was 12.44 million tonnes
3. Saleable ore is reported on wet tonne basis.

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## About Vedanta Resources plc

Vedanta Resources plc is a London listed FTSE 100 diversified metals and mining group. Its principal operations are located throughout India, with further operations in Zambia and Australia. The major metals produced are aluminium, copper, zinc, lead and iron ore. For further information, please 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 than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.