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Vedanta Resources Plc Unaudited Results for the Third Quarter and Nine Months Ended 31 December 2006

Highlights

- Revenues and EBITDA of \$1,760 million and \$724 million, up 81% and 174%, respectively
- Record EBITDA of over \$2 billion in the nine months ended 31 December 2006
- New BALCO smelter achieves production at full capacity levels
- Aluminium, zinc and copper production in India significantly higher than in preceding quarter and in the corresponding period last year

Performance Summary

Third quarter ("Q3") revenues were \$1,760.4 million, up 80.6% compared to the corresponding quarter last year, driven by higher volumes and better price realisations. EBITDA achieved a record high of \$724.3 million in Q3 and \$2,014.8 million in the nine months ended 31 December 2006, representing an increase of 173.7% quarter-on-quarter and 235.2% year-to-date.

Production across all metals in India was significantly higher than the preceding quarter and in the corresponding prior quarter mainly because of contribution from newly commissioned projects.

Aluminium

Production at the new Korba II smelter has fully stabilised and reached its full capacity, after the temporary disruption of pots in May last year due to the tripping of the power plant. The plant produced over 61,000 tonnes of cast metal this quarter compared to 44,000 tonnes in the immediately preceding quarter, equivalent to an annual capacity of 245,000tpa. The existing smelters at BALCO and MALCO produced about 37,000 tonnes this quarter, in line with their rated capacity. The captive power plant at Korba continues to operate satisfactorily and has achieved its highest level of generation in the current quarter, which had a positive impact on costs.

Q3 revenues were \$279.7 million as compared with \$117.0 million in the corresponding period last year on account of higher volumes and better price realisations. We continue to develop the export market, mainly in South East Asia and the Middle East, supported by additional volumes from the new smelter.

Q3 EBITDA was \$128.8 million, an increase of 301.2% over the corresponding prior quarter. Unit cash costs in both plants of BALCO have improved over the immediately preceding quarter mainly due to higher production volumes and reduced power costs, which offset increases in other input costs. The decline in global alumina prices has started having a positive impact on costs.

We have obtained the LME registration for the aluminium ingots of the new Korba smelter under the brand "BHARATAL".

Copper - India and Australia

Copper cathode production during Q3 was the highest ever at 86,000 tonnes an increase of 6,000 tonnes from the immediately preceding quarter mainly due to the debottlenecking initiatives at the Tuticorin smelter, which has increased capacity to 400,000 tpa. Production is being steadily ramped up and we expect to realise rated capacity volumes in the fourth quarter. Mined metal production at our Australian mines of about 7,000 tonnes is almost at the same level as the corresponding prior period.

Q3 revenues were \$717.5 million as compared with \$448.0 million in the corresponding prior period, primarily due to higher volumes and higher metal prices. Q3 EBITDA was \$92.4 million as compared with \$56.9 million in the corresponding prior quarter, an increase of 62.4% due to higher volumes, improved TCRC realisation and higher LME prices.

As reported earlier, the reduction in TCRC realisations has started having a negative impact on EBITDA due to global softening and we expect further reduction in TCRCs in the fourth quarter

The Indian copper operations have been awarded the "Best performance award in non-ferrous metals" by the Indian Institute of Metals. It has also won the Corporate Silver Award for Manufacturing Excellence in the Metals Category (Large Facilities) at the India Manufacturing Excellence Awards 2006 awarded by Frost & Sullivan.

Copper - Zambia

During the quarter, KCM produced 35,000 tonnes of copper cathode as compared with 31,000 tonnes in the immediately preceding quarter but lower than our expectations. Cathode production at the leaching plant and mining production from Nchanga were affected by unforeseen environmental issues. While these issues have now been satisfactorily resolved, steady and cautious steps are now being taken to bring the leaching plant back to its normal levels of production. Several debottlenecking measures at the Nkana smelter have enabled us to achieve a record anode production of about 12,000 tonnes in December 2006.

Q3 revenues were \$211.4 million as compared with \$188.1 million in the corresponding prior quarter primarily due to higher prices. Q3 EBITDA was \$79.4 million as compared with \$56.8 million, an increase of 39.8%. Operating costs are still high primarily due to lower mine output and its consequent impact on production volumes, together with higher maintenance costs incurred due to the unforeseen shutdown.

Zinc

The production of mined metal of 128,000 tonnes in Q3 was maintained at the levels achieved in the corresponding prior period and higher than that of the immediately preceding quarter by 4,000 tonnes. Production of refined zinc at 93,000 tonnes was up from 79,000 tonnes in the preceding quarter an increase of 17.7% and was significantly higher than the corresponding prior quarter by 24,000 tonnes an increase of 34.8%. Volumes have increased mainly from the ramping up of the new hydro smelter and going forward in the fourth quarter, we expect to produce close to our rated capacity of 400,000 tpa.

While production levels have improved significantly over the immediately preceding quarter, sales of refined zinc have remained at similar levels compared with Q2, primarily due to a liquidation of Q1 inventories in Q2.

In view of better metal production during the current quarter, sale of zinc concentrate was restricted to 38,000 dry metric tonnes. We sold 29,000 dry metric tonnes of lead concentrate.

Revenue was \$549.6 million as compared with \$202.5 million in the corresponding quarter last year, primarily due to higher volumes from the new plant and higher metal prices. EBITDA was \$425.2 million as compared with \$117.7 million, an increase of 261.3% over the corresponding quarter last year primarily due to higher volumes and higher prices.

The National Energy Conservation Award, awarded by the Ministry of Power, Government of India, in the mineral sector has been awarded to one of the zinc mines.

Projects Update

The alumina refinery at Lanjigarh is in the final commissioning stage and is expected to be commissioned by March 2007. The Central Ministry of Environment and Forests have received reports from its various sub-committees and is expected to give its recommendations shortly to the Supreme Court on the issue of environmental clearances for developing the Lanjigarh bauxite deposits. We are hopeful of a positive resolution of this matter in the near future.

The debottlenecking project of the Tuticorin smelter to increase its capacity from 300,000 tpa to 400,000 tpa has been completed and the smelter is steadily ramping up. We expect to realise full volumes from the smelter in the fourth quarter.

Progress on both the Konkola Deep Mining Project and the 250,000 tpa Nchanga smelter project is satisfactory and are on course for completion as scheduled. All major orders have been placed, basic engineering has been completed and site work is progressing in full swing.

Work on the new 170,000 tpa zinc smelter at Chanderiya is progressing well with orders for all major lead items placed and construction activity is in full swing. The project is on track and is expected to be completed by early 2008. We have also initiated a debottlenecking project at the Chanderiya and Debari zinc smelters to enhance their capacity by an additional 88,000 tpa. This project is estimated to cost \$169 million and is scheduled for completion by mid 2008.

The greenfield 500,000 tpa smelter at Jharsuguda is progressing well with all major orders placed and is on schedule for completion as announced.

Preliminary work on the new \$1.9 billion greenfield 2400 MW integrated power project at Jharsuguda has recently commenced. The progress on the project is satisfactory and a major EPC order for the construction of the power plant has been placed.

Hindustan Zinc Limited is investing in a Wind Power project with a capacity of 75 MW at an approximate cost of \$87 million. Orders have been placed for major equipment. The project will be progressively commissioned towards end of this calendar year.

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

	Q3 ¹			Q2 ¹			Nine Months ¹		
	2006-07	2005-06	Change	2006-07	2006-07	2005-06	Change		
Alumina	69	78	-11.5%	77	220	220	-		
Aluminium	98	60	63.3%	79	253	142	78.2%		
Copper India/Australia									
Mined metal content	7	8	-12.5%	7	22	26	-15.4%		
Copper - Cathode	86	75	14.7%	80	224	198	13.1%		
Copper - Rods	41	41	-	47	127	121	5.0%		
Copper Zambia									
Mined metal content	21	28	-25.0%	25	65	83	-21.7%		
Copper - Cathode	35	46	-23.9%	31	105	127	-17.3%		
Zinc - Mined Metal Content	128	127	0.8%	124	384	347	10.7%		
Refined Zinc	93	69	34.8%	79	253	192	31.8%		
Equivalent Gold (oz)²	12,911			2,828					

1. Q3 - third quarter ended 31 December 2006 and 2005, respectively, Q2 - Second quarter ended 30 September 2006, Nine Months - Nine month period ended 31 December 2006 and 2005, respectively
2. Quantities of equivalent gold represent production in Q3 and in Q2 for the post acquisition period of one month to 30 September 2006, and are not directly comparable with the corresponding prior periods

Financial Summary (Unaudited)

(in \$ million, except as stated)

	Q3 ¹			Q2 ¹			Nine Months ¹		
	2006-07	2005-06	Change	2006-07	2006-07	2005-06	Change		
Revenue									
Aluminium	279.7	117.0	139.1%	238.4	675.9	272.8	147.8%		
Copper									
Copper - India/ Australia	717.5	448.0	60.2%	717.5	1,907.7	1,044.4	82.7%		
Copper Zambia	211.4	188.1	12.4%	235.1	699.6	493.1	41.9%		
Zinc	549.6	202.5	171.4%	527.9	1,431.1	474.4	201.7%		
Others	2.2	19.1	(88.5%)	0.1	50.6	74.6	(32.2%)		
Total	1,760.4	974.7	80.6%	1,719.0	4,764.9	2,359.3	102.0%		
EBITDA									
Aluminium	128.8	32.1	301.2%	70.3	265.2	69.7	280.5%		
Copper									
Copper - India/ Australia	92.4	56.9	62.4%	96.5	304.1	138.4	119.7%		
Copper Zambia	79.4	56.8	39.8%	118.4	323.8	147.1	120.1%		
Zinc	425.2	117.7	261.3%	424.1	1,128.7	241.7	367.0%		
Others	(1.5)	1.1	-	(7.9)	(7.0)	4.2	-		
Total	724.3	264.6	173.7%	701.4	2,014.8	601.1	235.2%		

1. Q3 - third quarter ended 31 December 2006 and 2005, respectively, Q2 - Second quarter ended 30 September 2006, Nine Months - Nine month period ended 31 December 2006 and 2005, respectively

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About Vedanta Resources plc

Vedanta Resources plc is a London listed diversified metals and mining group. Its principal operations are located throughout India, with further operations in Zambia, Australia and Armenia. The major metals produced are aluminium, copper, zinc, lead and gold. For further 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.