



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

**24 April 2007**  
**Mumbai and London**

## **Vedanta Resources Plc Acquires Sesa Goa Limited**

### **Highlights**

- Substantial entry into highly attractive iron ore business
- Natural fit for Vedanta delivering further diversification
- Strong growth potential
- Immediately earnings and cash flow accretive

Vedanta Resources plc ("Vedanta") announces that it has acquired 100% of Finsider International Ltd, UK, (which owns a 51% controlling stake in Sesa Goa Limited ("Sesa")) from Mitsui & Co. Limited, Japan ("Mitsui") for US\$981 million, implying a price of Rs. 2,036 per share.

*"This acquisition provides us with an industry leadership position in the attractive iron ore business in India." said Mr. Anil Agarwal, Chairman, Vedanta Resources plc. "Sesa is a natural fit for Vedanta; it is an efficient, low cost miner with growth opportunities in one of the world's fastest growing economies. This transaction is immediately earnings and cash flow accretive and we believe it will create significant long term value for all our stakeholders."*

Vedanta will also make an open offer to the public shareholders of Sesa to acquire an additional 20% of Sesa (the "Open Offer") as per Indian regulations. Completion of the Open Offer is expected by July 2007.

The total cash consideration for 71% of Sesa is US\$ 1.37 billion. The acquisition will be financed through a mix of newly committed bank debt facilities of US\$1.1 billion and existing cash resources.

Sesa is India's largest private sector iron ore producer-exporter and is globally cost-competitive. A well established company for over 50 years, Sesa was previously under Italian management before being acquired by Mitsui in 1996. Its mining operations are located in the iron ore rich states of Goa, Karnataka and Orissa. It currently sells c10 million tonnes of iron ore, of which over 95% is exported to leading global steel companies in China, Europe and Japan. At current production rates, Sesa's iron ore reserves and resources of 207 million tons will support over 20 years of mined production. Sesa's fully integrated pig iron and metallurgical coke facilities each have the capacity to produce c250,000 tonnes per annum.

Sesa is a highly profitable and debt free company. It reported group turnover of US\$ 423.2 million, EBITDA of US\$ 194.8 million and Profit Before Tax of US\$ 193.8 million at 31 March 2006, with a net cash position of US\$120.4 million on that date. Its gross assets as at 31 March 2006 were US\$ 276.2 million.

Vedanta believes this acquisition will create significant long term value for all stakeholders through:

- the creation of India's largest diversified mining group, with leading market positions in aluminium, copper, zinc and iron ore together with an industry leading pipeline of expansion projects;
- further diversification through a substantial entry into the attractive iron ore business with industry leadership in India;
- an ideal position to capitalise on India's huge iron ore reserves, the world's third largest;
- access to long life, low cost, cash generative assets;
- excellent debottlenecking/expansion opportunities at a low cost to significantly increase production of iron ore and pig iron by leveraging Vedanta's proven mining and project management skills;
- longer term organic growth opportunities to increase production and resources by exploiting existing and accessing additional prospecting and mining licences;
- optionality to participate in industry consolidation in India's highly fragmented iron ore industry; and
- financial flexibility provided by a cash generative asset and a strong balance sheet.

NOMURA, the Japan headquartered investment bank are the exclusive financial advisors and Khaitan and Co., India and Travers Smith, United Kingdom are the legal advisors to Vedanta in this transaction.

For further information, please contact:

Sumanth Cidambi

Associate Director - Investor Relations

**Vedanta Resources plc**

[sumanth.cidambi@vedanta.co.in](mailto:sumanth.cidambi@vedanta.co.in)

Tel: +44 20 7659 4732 / +91 22 6646 1531

Faeth Birch

Robin Walker

**Finsbury**

Tel: +44 20 7251 3801

### **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 and Australia. The major metals produced are aluminium, copper, zinc and lead. For further information, please visit [www.vedantaresources.com](http://www.vedantaresources.com).

### **About Sesa Goa Limited**

Sesa Goa Limited is India's largest exporter of iron ore in the private sector. For the past five decades, the Group has been involved in iron ore mining, beneficiation and exports. Over the last decade, it has diversified into the manufacture of pig iron and metallurgical coke. Sesa Goa Limited has mining operations in Goa, Karnataka and Orissa. For further information, please visit [www.sesagoa.com](http://www.sesagoa.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.