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## **Vedanta Resources plc Comments on Indian Budget**

Vedanta Resources plc ("Vedanta") notes that in yesterday's Union Budget 2006-2007 (the "Budget") presented to the Indian Parliament, the Government of India announced certain changes that will have an impact on the company and its markets.

Import duties on aluminium, copper and zinc were reduced from 10% to 7.5%. Import duties on finished metals were brought further in line with those in other ASEAN countries and this had largely been anticipated. These duties only impact domestic sales. Import duties on alumina have been reduced from 10% to 7.5% and on ores and concentrates from 5% to 2%, a move that will positively impact Vedanta's aluminium and Indian copper operations. Vedanta anticipates that for the year to 31 March 2006, these changes will not have a material impact on reported results.

The Budget promises a continuation of policies to grow the economy and encourage inward investment, by increasing spending on infrastructure. We expect that this will ensure continuing and accelerating Indian demand growth for base metals. Measures have also been announced to de-block nearly 20 billion tonnes of coal for power projects. Vedanta will be well positioned to meet this demand and anticipates that these coal initiatives will positively impact the company's recently announced green field 500,000 tpa \$2.1 billion aluminium smelter project in Jharsuguda, Orissa.

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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 and Australia. The major metals produced are aluminium, copper, zinc and lead. 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,” 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.