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

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Vedanta Resources plc
Unaudited Results for the First Quarter ended 30 June 2006

Highlights

- Revenues and EBITDA of $1,285.5 million and $589.1 million, respectively
- Record production of aluminium and zinc
- Expansion projects on schedule

Performance Summary

First quarter revenues were $1,285.5 million, up 113% compared to the corresponding quarter last year, driven by better price realisations and an increase in volumes. EBITDA increased to $589.1 million, up 280%. The increase in EBITDA was partially offset by increased costs due to high input prices and royalties which are linked to LME prices. Sales across all metals were lower than production during the quarter due to the seasonal build up of inventory by domestic customers. Underlying demand for all our commodities remains strong and we expect current stocks to be liquidated during the year. Our phase 2 expansion projects are progressing on schedule with orders for critical equipment and packages being placed. We continue to experience challenges at KCM and measures to address plant availability and related issues are being progressed.

Aluminium

The existing plants at BALCO and MALCO continue to operate near rated capacity, in line with our expectations. The new Korba smelter (Plant II) produced 42,000 tonnes during the quarter as compared with 33,000 tonnes in the immediately preceding quarter.

Revenues were $157.8 million as compared to $73.3 million in the corresponding period last year on account of plant II metal availability and higher price realisations. EBITDA was $66.1 million as compared to $17.7 million in the corresponding period last year. However, as experienced by other producers, higher prices of alumina, caustic and carbon have increased costs marginally. There was an inventory build-up of 13,000 tonnes of metal during the quarter.

As previously announced in May, production at Plant II was temporarily affected due to the power plant being tripped. The process of re-commissioning is well established and good progress is being made. We expect to complete commissioning of all pots by the end of September 2006. While production for the year is estimated to be lower by approximately 25,000 tonnes than originally envisaged, the financial impact for FY 2007 is marginal due to the export of additional surplus power.

The 1-1.4 mtpa alumina refinery at Lanjigarh, Orissa is progressing well and we expect to achieve mechanical completion by the end of the second quarter of the current financial year. As previously stated, in respect of the bauxite mine, the matter is still under the consideration of the Ministry of Environment and Forests.

Engineering work for the green-field 500,000 tpa aluminium smelter and associated 1,215 MW captive power plant in Jharsuguda, Orissa is progressing well and orders for critical equipments have been awarded.

During the quarter, MALCO won a prestigious award from the Tata Energy Research Institute in recognition of its environmental management practices and innovative initiatives.

Copper – India & Australia

The Tuticorin smelter is performing at close to rated capacity and in line with our expectations. Copper cathode production during the quarter was 57,000 tonnes as compared to 56,000 tonnes in the corresponding quarter last year. Production was lower than rated capacity due to a planned maintenance shutdown of 21 days in April 2006.

Mined metal production at our Australian mines was 8,000 tonnes as per plan during the quarter as compared with 10,000 tonnes in the corresponding quarter last year due to the planned closure of Thalanga Copper Mines in the second quarter of FY 2006.

Revenue was $472.7 million as compared to $234.4 million in the corresponding prior quarter, primarily due to higher metal prices. EBITDA was $115.2 million as compared to $33.2 million in the corresponding prior quarter, due to higher LME prices and improved TC/RC realisation, partially offset by higher input prices of fuel.

During the quarter, cathodes produced by the Tuticorin smelter were approved as a brand by the LME, making us the first Indian company with the LME registration on all our Indian copper brands.

Copper – Zambia

During the quarter, we produced 39,000 tonnes of copper cathode at KCM as compared with 43,000 tonnes in the corresponding quarter last year, which was lower than our expectations. Copper production at KCM was lower because of low head-grade ore, lower recoveries due to a change in mineralogy and equipment availability. This together with high input prices continues to have an unfavourable impact on operating costs.

Revenue was $253.1 million as compared to $154.2 million in the corresponding prior quarter, primarily due to higher metal prices. EBITDA was $126.0 million as compared to $49.8 million in the corresponding prior quarter as higher metal prices were partially offset by the impact of lower production volumes and higher operating costs.

The Nkana smelter will be partially shutdown for planned routine maintenance in August 2006.

Progress on the KDMP expansion project and the Nchanga smelter remains satisfactory with orders for major packages such as the concentrator, shafts and other long-lead items having been placed.

Zinc

Mined metal production was 131,000 tonnes for the quarter, an increase of 15% over output in the corresponding quarter last year, primarily due to the increased output from Rampura Agucha mines. Refined zinc production was 82,000 tonnes during the quarter as compared with 57,000 tonnes produced in the corresponding quarter last year, mainly due to production from the new hydro smelter. There was an inventory build-up of 15,000 tonnes during the quarter.

Sales during the quarter were augmented by the export of 56,000 dry metric tonnes of surplus zinc concentrate.

Revenue was $353.6 million as compared to $120.9 million in the corresponding quarter last year, primarily due to higher metal prices and higher volumes from the new plant. EBITDA was $279.4 million as compared to $53.1 million in the corresponding quarter last year, primarily due to higher prices and metal volumes, as well as a reduction in unit operating costs mainly due to operating efficiencies achieved at the new captive power plant which more than offset higher royalties linked to LME prices.

During the month of July 2006, the Chanderiya pyro smelter was under shutdown for a period of 11 days for planned routine maintenance and has now recommenced production.

Work on the new 170,000 tpa Chanderiya Phase II hydro smelter is progressing satisfactorily. Basic engineering and 80% of the ordering is now complete and the plant is on course for expected completion early in 2008.

Production Summary (Unaudited)

(in 000'tonnes, except as stated)

	Q1 FY 2007	Q1 FY 2006	% Change Q1 FY 2007 vs. Q1 FY 2006	FY 2006
Alumina	73	71	*2.8%*	296
Aluminium	76	36	*111.1%*	210
Copper – India/Australia				
Mined metal content	8	10	*(20.0)%*	34
Copper – Cathode	57	56	*1.8%*	273
Copper – Rods	40	39	*2.6%*	167
Copper – Zambia				
Mined metal content	18	25	*(28.0)%*	99
Copper – Cathode	39	43	*(9.3)%*	164
Zinc – Mined Metal Content	131	114	*14.9%*	472
Refined Zinc	82	57	*43.9%*	284

Financial Summary (Unaudited)

(in $ million, except as stated)

	Q1 FY 2007	Q1 FY 2006	% Change Q1 FY 2007 vs. Q1 FY 2006	FY 2006
Revenue				
Aluminium	157.8	73.3	115.3%	453.0
Copper				
India/Australia	472.7	234.4	101.7%	1,537.9
Zambia	253.1	154.2	64.1%	703.4
Zinc	353.6	120.9	192.5%	875.5
Others	48.3	20.6	134.5%	132.0
Total	**1,285.5**	**603.4**	**113.0%**	**3,701.8**
EBITDA				
Aluminium	66.1	17.7	273.4%	135.3
Copper				
India/Australia	115.2	33.2	247.0%	219.0
Zambia	126.0	49.8	153.0%	206.3
Zinc	279.4	53.1	426.2%	532.9
Others	2.4	1.3	84.6%	8.0
Total	**589.1**	**155.1**	**279.8%**	**1,101.5**

For further information, please contact:

Sumanth Cidambi — sumanth.cidambi@vedanta.co.in
Associate Director – Investor Relations — Tel: +44 20 7659 4732 / +91 22 6646 1531
Vedanta Resources plc

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.

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.