



Interim Results Presentation

November 2005

Disclaimer



This presentation is being made only to and is directed only at (a) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the "Order") or (b) persons falling within Article 49(2) (a) to (d) (high net worth companies etc) of the Order or (c) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons").

Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

The views expressed here may contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of this information. Any forward looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Vedanta Resources PLC.

Nothing in this presentation constitutes either an offer to sell or a solicitation of an offer to buy any securities in the United States or any other jurisdiction.



Anil Agarwal

Executive Chairman

Delivering Our Growth Strategy



IPO growth pipeline



- Copper project – Tuticorin fully commissioned
- Zinc project – Chanderiya fully commissioned
- Aluminium project – Korba smelter and captive power plants half-way commissioned
- Alumina project – Orissa refinery on track

Strong financial results



- EBITDA +110%
- Robust balance sheet
- Strong return on capital

New growth pipeline



- 170 ktpa Zinc smelter at Chanderiya
- 300 ktpa Copper smelter at Konkola
- 6 million tpa Konkola Deep ore expansion project

Our vision



- 1 mtpa volume in each of our businesses
- Top decile cost of production



Kuldip Kaura

Chief Executive Officer

H1 Performance Snapshot



Financial performance

- Group Revenue up 104% to \$1,384.6m and Group EBITDA up 110% to \$336.5m, driven by better prices and strong volume growth
- Operating profit up 114% to \$258.2m
- Strong balance sheet with net assets of \$1.9bn and gearing of 20%
- ROCE (excluding project capital work in progress) at 28%
- Basic EPS up 213% at 37.6 cents
- Interim dividend declared at 5.7 cents per share

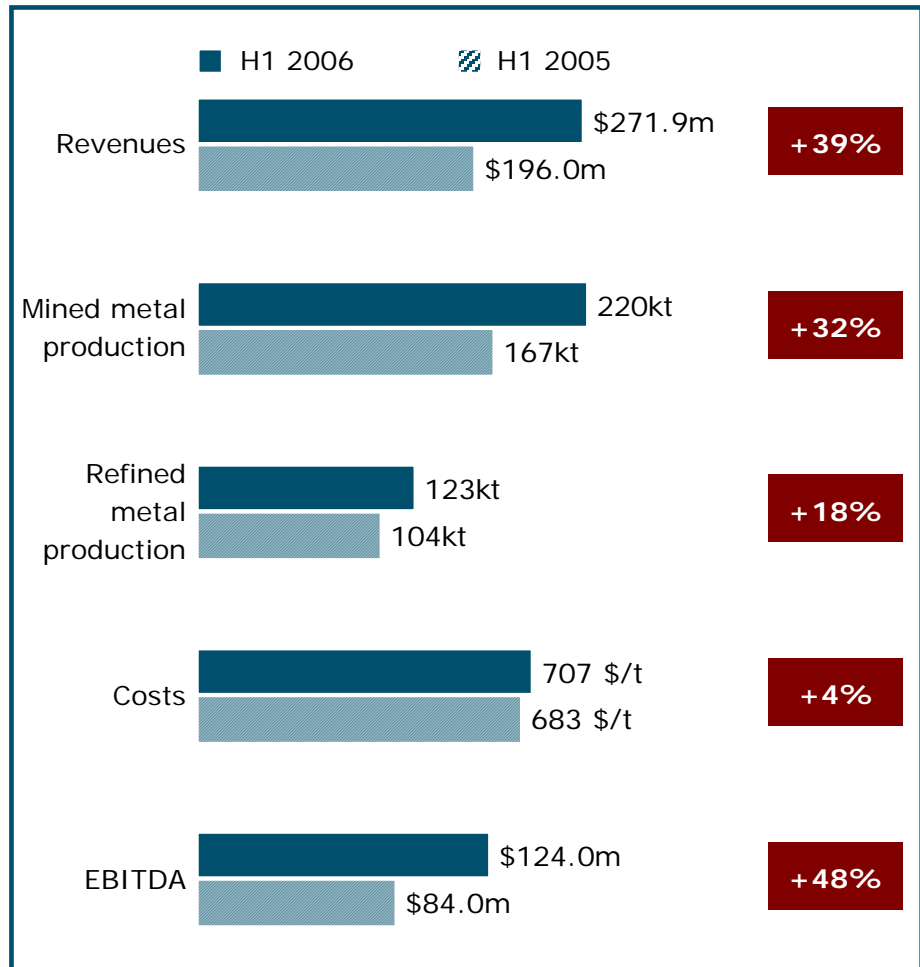
Operations

- Production of all key metals significantly higher
- Copper expansion fully ramped up ahead of schedule
- Zinc expansion ramp up on schedule
- Commissioning of new Korba aluminium smelter on track and contributing to half-year production
- Orissa alumina refinery on track

Zinc Operations Review



- Mined metal production up 32%
 - Expansion and ramp up of Agucha mine
- Refined metal production up 18%
 - Ramp up of new 170 ktpa Chanderiya smelter
- 21kt contribution from new Chanderiya smelter
- Revenues up 39% due to better prices and strong volume growth
- Marginal increase in unit costs to \$707/t
- EBITDA up 48%
 - Improved prices and volumes, partially offset by tariff reductions
- Domestic demand growth of ~12% per annum



Zinc Projects



Projects delivered

- Chanderiya I (170 ktpa zinc smelter, 154MW power plant) delivered ahead of time and 15% lower than budget
- Rampura Agucha expansion already delivering increased production
- 154MW power plant fully operational
- Commissioning of 50 ktpa lead expansion in Q4

New projects announced

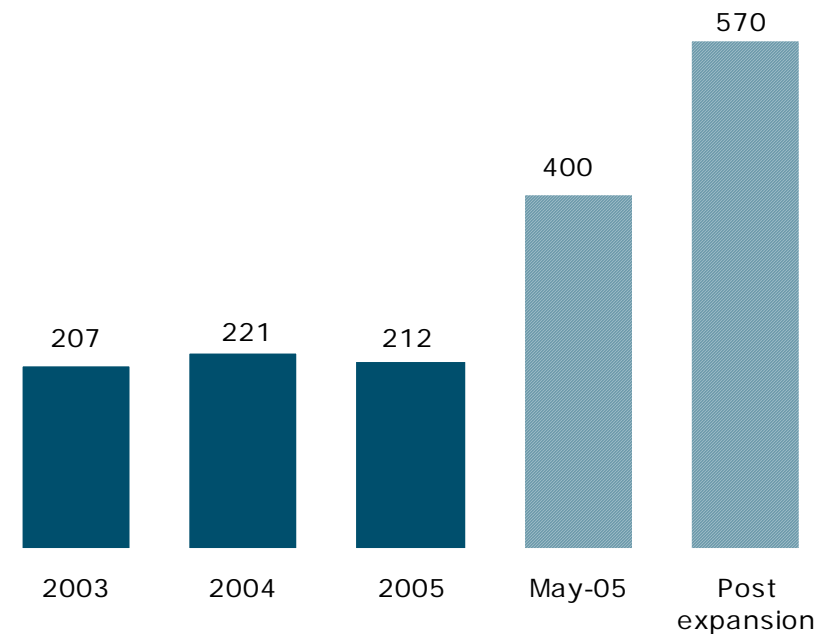
- Chanderiya II: 170 ktpa zinc smelter and 77MW captive power plant
- Scheduled for completion early 2008
- Budgeted cost of \$300m
 - Construction to begin March 2006

Production and capacity

(ktpa)

■ Production

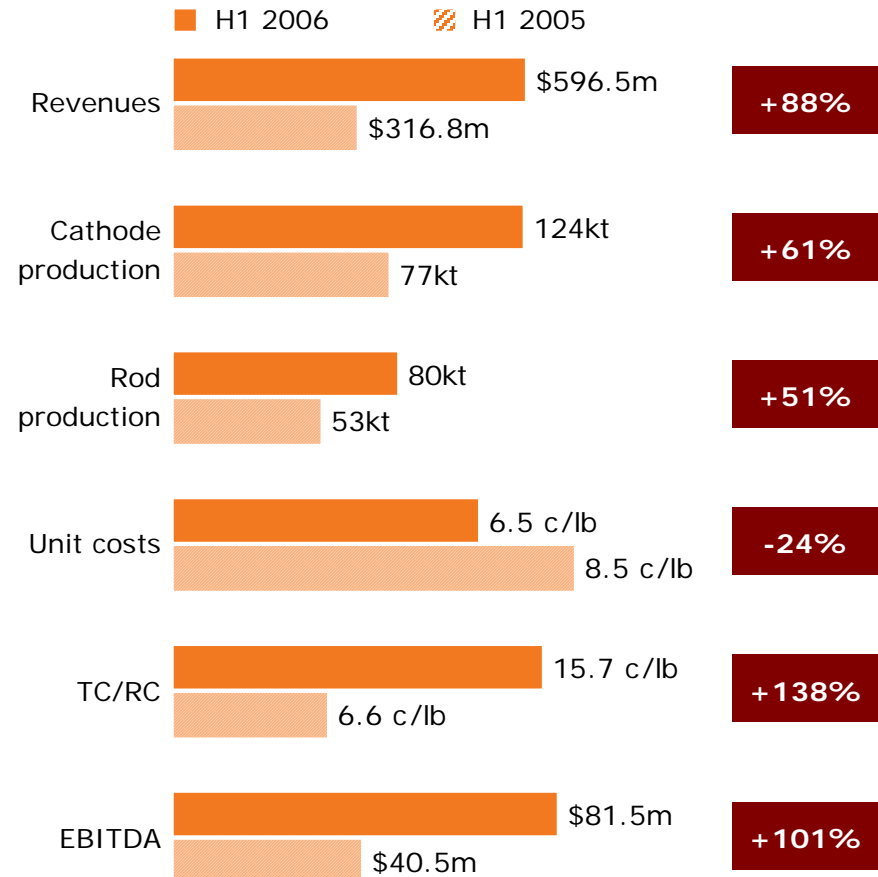
■ Capacity



Copper India Operations Review



- Significant growth in production volumes
- Ramp up of new smelter completed
- Revenue growth due to higher volumes and strong LME prices
 - Favourable TC/RC
- Unit costs reduced to 6.5 cents
 - Additional volumes
 - Improved by-product management
 - Better metal recovery of 98.2%
- EBITDA up 101%
 - Increased TC/RC
 - Lower costs of production
- Domestic demand growth ~7% per annum



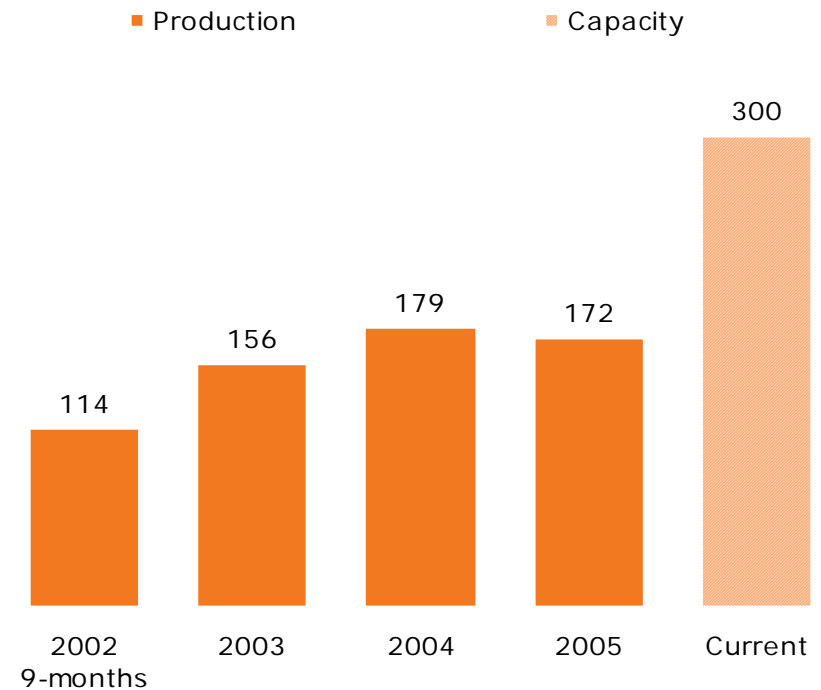
Copper India Expansion



- New 120 ktpa smelter and 100 ktpa rod plant commissioned in April 2005
 - Smelter and refining capacity increased to 300 ktpa
 - Rod capacity increased to 240 ktpa
- Potential to debottleneck additional 100 ktpa
 - Very low incremental cost
- Productivity at global benchmarks

Production and Capacity

(ktpa)



Copper Zambia Operations Review



- Strong management team, with excellent turn-around track record, in place
 - Transfer of best practices underway
- Commissioning acid plant next month
- Refurbishment of tankhouse completion - Q4
- Production marginally down in Q2 but improving
 - Industrial action resolved quickly

• Production volumes (000's)	
– Cathode	81.0
– Mined mineral content	54.0

• Revenues (\$m)	304.9
• EBITDA (\$m)	90.3
• <i>EBITDA margin</i>	29.6%

• Unit costs (c/lb)	113.2
---------------------	-------

Copper Zambia Expansion



Konkola Deep Mining Project

- Realises potential of one of world's most important copper deposits
 - 215 MT of resources at 3.8% Grade
- Copper ore output at the mine to increase from 2m tpa to 6m tpa
- Envisages sinking of a new shaft and construction of a 3m tpa concentrator
- All government approvals received
- Key project bids under evaluation
- Due for completion in late 2009 at a budgeted cost of \$400m

KCM smelter expansion

- Expansion of smelter capacity to 300 ktpa
- Ability to treat expanded output from KDMP after 6m tpa expansion
- New primary smelting stream, and modernisation and augmentation of balancing facilities
- Budgeted cost of \$125m
- Due for completion mid 2008

Total planned investment: \$525 m

Aluminium Operations Review

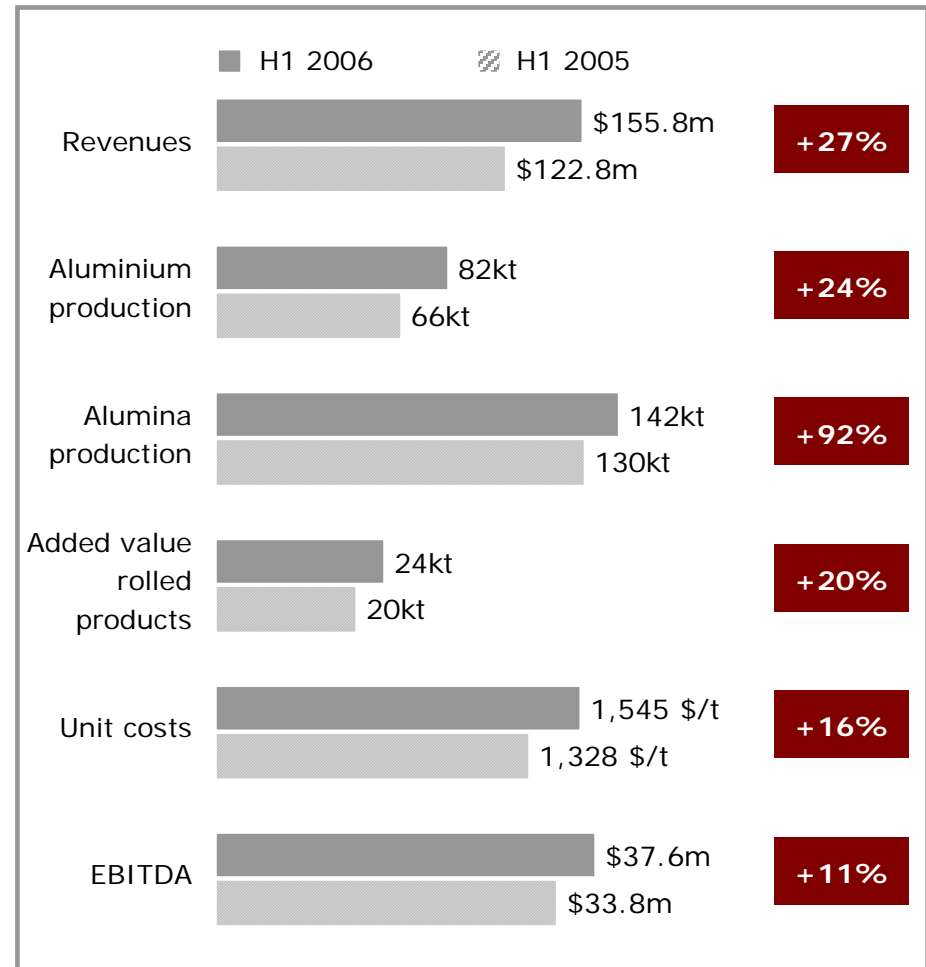


- Higher production volumes
 - Existing facilities at capacity and improving
 - Includes 12 kt from Korba expansion

- Higher unit costs
 - Energy costs

- EBITDA up 11%
 - Higher LME prices and volumes

- Domestic demand growth of ~10% per annum



Aluminium Expansion



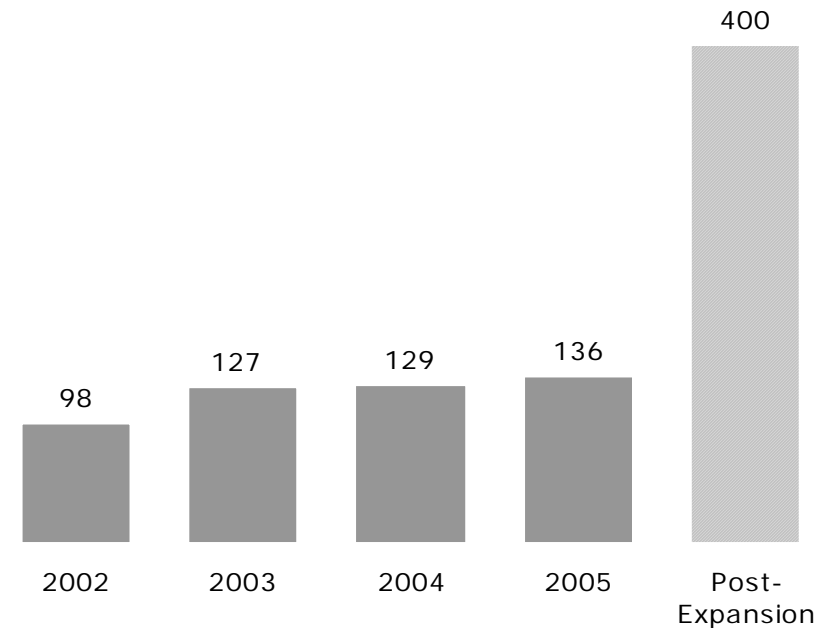
- 250 ktpa smelter at Korba comprising 288 pots
 - 144 pots commissioned to date
 - Remaining 144 pots to be progressively commissioned by March 2006
- Green anode, carbon plant and cast house commissioned and operational in May 2005
- 540 MW (4 x 135MW) captive power plant
 - 3 units commissioned to date
 - Last unit expected to be commissioned by December 2005

Production and capacity

(ktpa)

■ Production

■ Capacity



Total planned investment: \$900m

Spend so far: \$706m

Alumina Project



Project	<ul style="list-style-type: none">• Construction of a 1.4m tpa alumina refinery at Lanjigarh, Orissa, with captive power plant and infrastructure• Development of bauxite mines with resources of 150 mt; JV with Orissa Mining Corporation
----------------	--

Status Update Bauxite Mine	<ul style="list-style-type: none">• Mining plan approved by Orissa government• Forest clearance approved by Orissa government• Public interest submission ongoing• Completion as scheduled
---	---

Status Update Refinery	<ul style="list-style-type: none">• Major equipment deliveries well advanced• Mechanical completion of refinery by mid 2006• On track for March 2007 completion
---	---

Total planned investment: \$800m, completion March 2007	Spend so far: \$247m
--	-----------------------------



D D Jalan

Chief Financial Officer

Summary Income Statement



- Strong growth in revenues
 - Increased volumes
 - Increased prices
- Strong growth in EBITDA
 - Mix benefit
 - KCM contribution
- Effective tax rate for the year expected to be 27%
 - Reduction in corporate tax rates in India
 - Change in business mix
- Attributable profit improved
 - Minorities down ~10%
- Interim dividend in line with policy

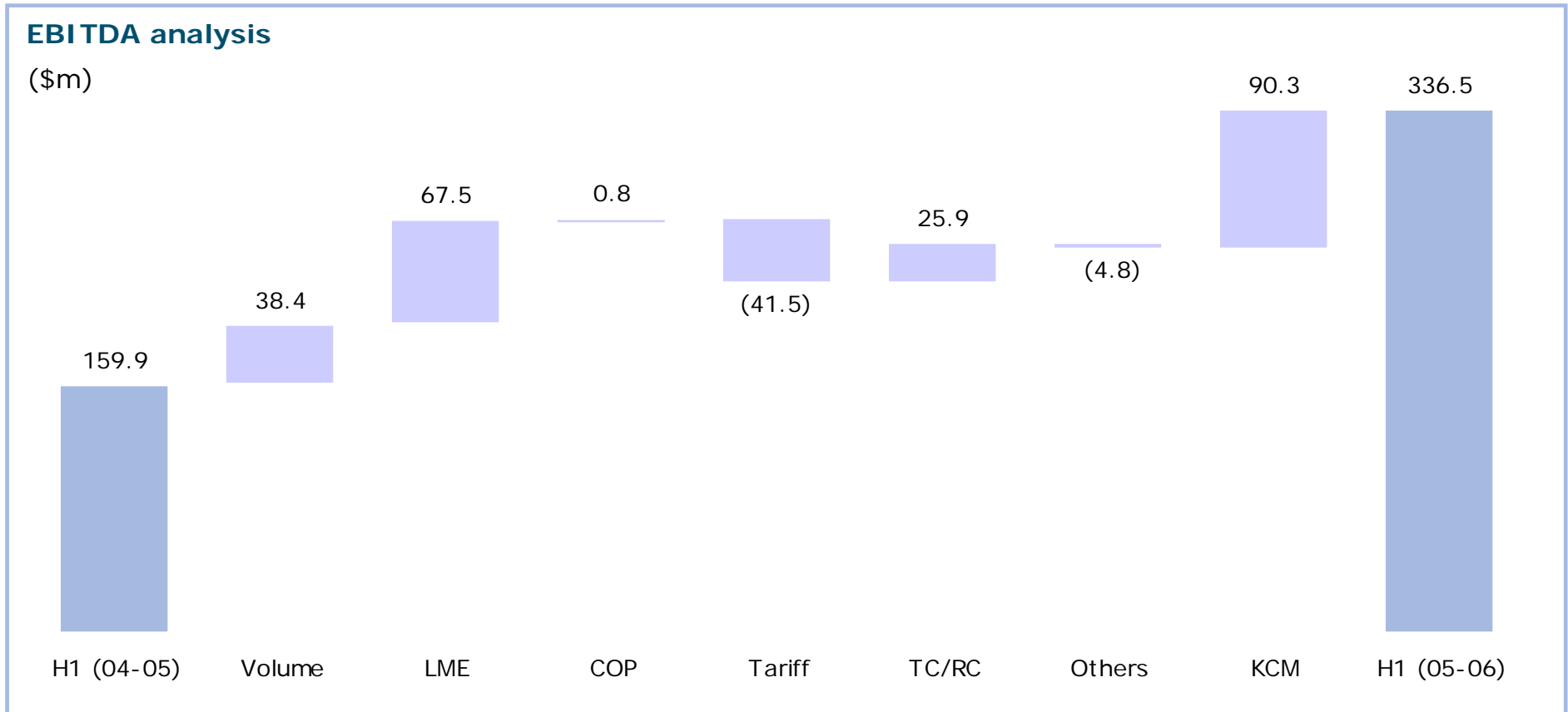
	H1 2006	H1 2005	% change
Revenues	1,384.6	677.4	104.4%
EBITDA	336.5	159.9	110.4%
<i>EBITDA margin</i>	<i>24.3%</i>	<i>23.6%</i>	
Operating profit	258.2	120.7	113.9%
Profit before tax	257.1	111.9	129.8%
Effective tax rate	27.7%	36.9%	
Minority share of profit taken by minority interests	41.8%	51.4%	
Attributable profit	107.9	34.3	214.6%
Basic EPS (cents)	37.6	12.0	213.3%
Dividend per share (cents)	5.70	5.50	

EBITDA Reconciliation



EBITDA analysis

(\$m)



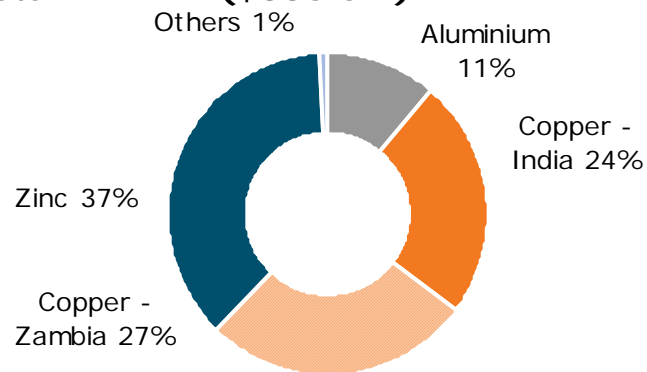
EBITDA

Segmental analysis



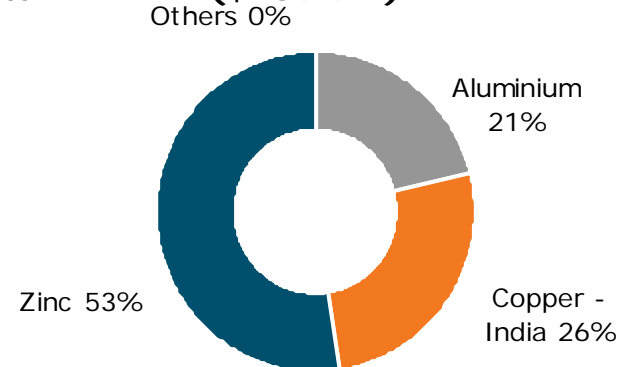
H1 2006

% of total EBITDA (\$336.5m)



H1 2005

% of total EBITDA (\$159.9m)



(\$m)	H1 2006
Aluminium	37.6
Copper	
India	81.5
Zambia	90.3
Zinc	124.0
Others	3.1
Total	336.5

(\$m)	H1 2005
Aluminium	33.8
Copper	
India	42.0
Zambia	-
Zinc	84.0
Others	0.1
Total	159.9

Cash flows and balance sheet



(\$m)	H1 2006	H1 2005	Summary balance sheet (\$m)	As at 30 Sep 2005	As at 30 Sep 2004	As at 31 Mar 2005
EBITDA	336.5	159.9	Property, plant and equipment	2,550.9	1,533.6	2,288.6
Working capital	(290.4)	(63.1)	Net assets	1,857.3	1,338.7	1,746.7
Sustaining capital expenditure	(40.2)	(10.3)	Net (debt)/cash	(455.7)	113.7	(74.3)
Net interest	(6.0)	1.3	<i>Gearing</i>	19.7%	NA	4.1%
Taxes paid	(37.9)	(15.0)	<i>ROCE</i>	27.8%	26.4%	32.0%
Operating exceptional/others	(0.6)	-				
Free cash flows	(38.6)	72.8				
Expansion capital expenditure	(315.1)	(357.6)				
Dividend including to internal minorities	(42.1)	(17.5)				
FX and other	14.4	6.3				
Movement in net debt	381.4	308.6				

Projects



IPO Pipeline	Budget	Spent Sep-05	New projects	Budget	Spent Sep-05
Aluminium			Copper		
Korba	900	706	Nkana Smelter	125	-
Alumina			Konkola Deep Mining	400	-
Lanjigarh	800	247			
Copper			Zinc		
Tuticorin	87	87	Chanderiya II	300	-
Zinc					
Chanderiya I and Rampura Agucha	425	304			
TOTAL	2,212	1,344			

Demand

- Indian GDP growth ~8% pa, Industrial production ~9% pa in H1 2006
- Increased activity in the manufacturing sector
- Continuing liberalisation
- Infrastructure growth

Outlook

- Additional volumes delivered through projects
- Price environment remains favourable
- Cost reduction and efficiency measures ongoing



Appendices

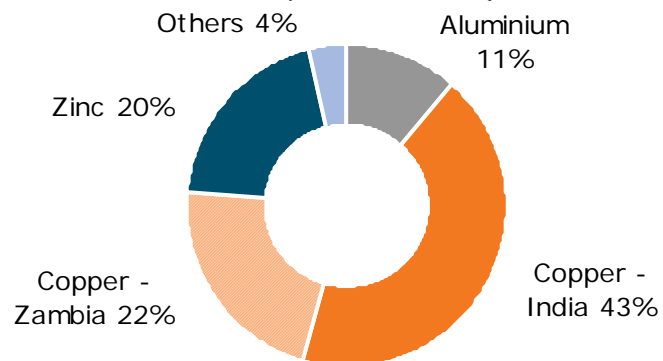
Revenues

Segmental analysis



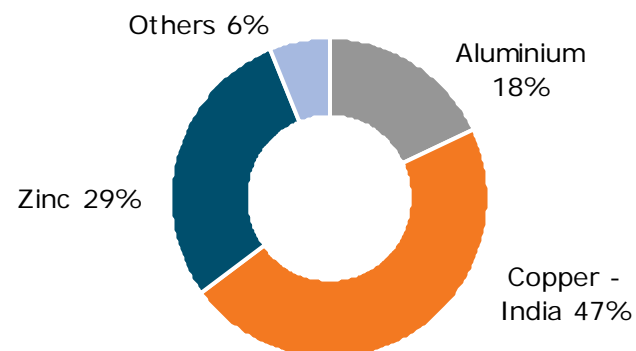
H1 2006

% of total Revenues (\$1,384.6m)



H1 2005

% of total Revenues (\$677.4m)



(\$m)	H1 2006
Aluminium	155.8
Copper	
India	596.5
Zambia	304.9
Zinc	271.9
Others	55.5
Total	1,384.6

(\$m)	H1 2005
Aluminium	122.8
Copper	
India	316.8
Zambia	-
Zinc	196.0
Others	41.8
Total	677.4

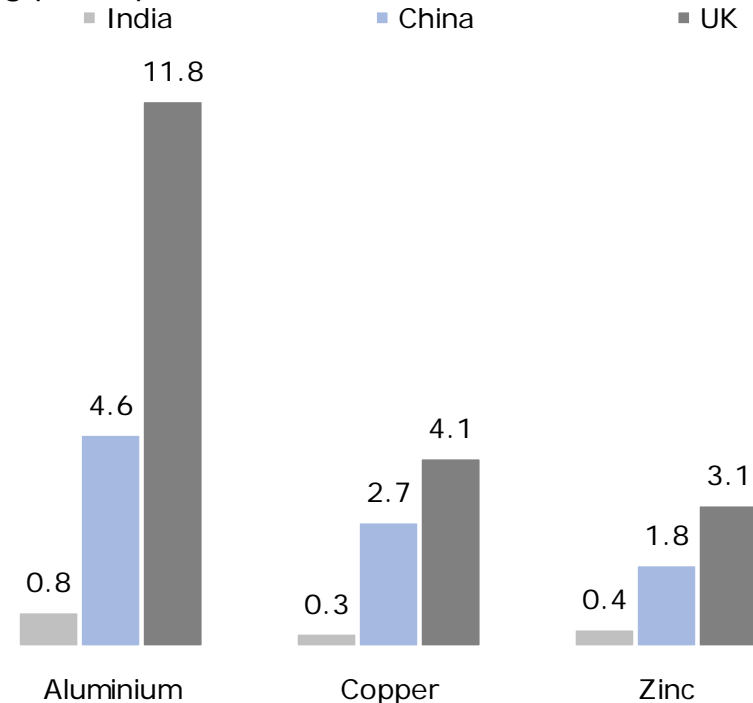
The Indian Economy Today



- World's fourth largest economy (on PPP basis)
 - GDP growth at the rate of 8% plus p.a.
 - Industrial production growth of 10% plus p.a.
- Accelerated investment in infrastructure
- Good investment climate resulting in increased foreign investment
 - India ranks 3rd after China and US in 2004 FDI Confidence Index¹
 - F/X reserves at \$144bn, up from \$119bn a year ago
- India Business Confidence Index up at 73.5²
 - Up from 71.6 in Q4 Fiscal 2005

2004 Consumption Patterns

(kg per capita)



¹ Source: AT Kearney

² Source: FICCI Survey, August 2005