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Vedanta Resources plc
Results for the 1st quarter ended 30 June 2005

Highlights

- Group EBITDA almost doubled to US \$155 million
- Higher production volumes and EBITDA across all metals
- Zinc and copper expansions ramping up well with increased production this quarter
- Expansions at Korba and Orissa remain on schedule

Summary

EBITDA increased to \$155 million compared to \$79 million for the first quarter of 2004, an increase of 97 % (an increase of 32 % excluding KCM). This strong growth has been driven by higher production and higher prices across all metals, which have more than offset tariff reductions and higher energy costs. During this quarter our copper and zinc expansion projects were brought on stream and production is building at both. The 250,000 tpa Aluminium smelter project at Korba is on course for its completion in March 2006 and the first 72 pots out of 288 will be fully online in August 2005.

Anil Agarwal, Executive Chairman of Vedanta commented:

"We are delivering increased production and are continuing to make good progress on our expansion pipeline. Vedanta continues with its established strategy of growth in each of our core metals and our growth projects will create substantial additional value for shareholders. The long-term outlook for demand in India remains positive."

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Aluminium

The existing plants at BALCO and MALCO continue to operate at full capacity. Production in the first quarter of the current financial year was higher than the corresponding quarter of the previous year as a result of productivity enhancement measures. Better metal prices and product mix have outweighed the impact of higher energy and input costs, resulting in a 7% increase in EBITDA. Input costs have risen mainly as a consequence of our decision to improve availability of coal by blending imported coal with domestic coal.

The production of 36,000 tonnes during this quarter includes 2,000 tonnes from pots at the new Korba smelter. Since the commissioning of the first unit of the power plant in June, pots have been progressively commissioned and the first cluster of 72 pots is planned to be fully operational by Aug 2005. The phased introduction of the next three units of the power plant will enable commissioning of all the 288 pots by the scheduled date of March 2006.

The alumina refinery in Orissa is proceeding according to plan, with orders for all major packages placed with suppliers and the civil engineering and construction work progressing satisfactorily. We continue to address public interest submissions concerning the environmental clearances for the bauxite mining to a Supreme Court of India sub-committee.

Copper – India & Australia

The strong ramp up of the new 300,000 tpa smelter has increased production by about 8,000 tonnes over the preceding quarter bringing total production to 56,000 tonnes. The new furnace at Tuticorin has already achieved maximum through-put and the refinery ramp up is progressing well and will achieve full capacity in the second half of the financial year.

The 60% increase in EBITDA of the copper business over the corresponding period of the previous year has been driven by higher volumes, prices and TCRCs. As expected, TC/RC levels have improved considerably over both the corresponding quarter of the previous year and on the overall levels of last year. These positive factors have more than offset the negative impact of tariff reductions since July 2004.

The Australian copper mines continue to benefit from better metal prices. As planned, operations at Thalanga Copper Mines are expected to close in the second quarter of the current financial year. The estimated closure costs have been fully provided for in the accounts.

Copper – Zambia

The various management actions initiated at KCM since the acquisition in November 2004 have started to yield results, with production of copper in this quarter higher than the preceding quarter in spite of a planned shutdown at the smelter. The improvements made during this shutdown, will further enhance performance. The new acid plant, due to be commissioned in November 2005, is on schedule and will also support the achievement of cost reduction targets. Since the end of the quarter industrial action lasting 8 days resulted in the loss of around 7,500 tonnes of production.

Zinc

There has been a substantial increase in the production of raw material for zinc due to the expansion of Rampura Agucha mine. Total production of zinc was 57,000 tonnes in the quarter, an increase of 13% over the comparable period last year. The new 170,000 tpa smelter at Chanderiya was commissioned in May 2005 and ramp up of production is progressing well, adding over 3,000 tonnes of zinc over the preceding quarter.

The EBITDA of the zinc business increased by 25% over the corresponding period of the previous year. Higher metal prices and volumes have more than off set the negative impact of tariff reductions and higher energy costs. While production has been strong, sales have lagged because of sluggish demand from the domestic steel sector, which is expected to recover in the second half of the year.

Financials:

Financial Summary (US\$m)	Q1			12 months
	2005-06	2004-05	% change	2004-05
<u>Turnover:</u>				
Aluminium	73.3	61.2	19.8%	281.7
Copper – India	234.4	148.6	57.7%	765.5
Copper – Zambia ⁽¹⁾	154.2	-		249.2
Zinc	120.9	93.8	28.9%	486.4
Other	20.6	20.0	3.0%	101.4
Total	603.4	323.6	86.5%	1884.2
<u>EBITDA:</u>				
Aluminium	17.7	16.5	7.3%	75.6
Copper – India/Australia	33.2	20.7	60.4%	85.2
Copper - Zambia ⁽¹⁾	49.8	-		76.0
Zinc	53.1	42.4	25.2%	218.8
Other	1.3	(0.8)		(0.6)
Total (existing)	155.1	78.8	96.8%	455.0

US\$: INR average rates, 43.60 for 3 months ended 06/05 and an average of 44.96 in 2004-05.

Operations:

Production summary (mt, 000's)	Q1			12 months
	2005-06	2004-5	% change	2004-05
Alumina	71	67	6.1%	279
Aluminium	36	33	9.0%	136
Copper – India/Australia				
Mined metal content	10	11	-8.1%	36
Copper – Cathode	56	34	64.0%	172
Copper – Rods	39	26	46.3%	125
Copper – Zambia ⁽¹⁾				
Mined metal content	25	-	-	46
Copper – Cathode	43	-	-	68
Zinc Metal content in concentrate	114	82	38.3%	355
Refined Zinc	57	50	13.4%	212

⁽¹⁾ There is no comparative data for KCM as these were acquired in November 2004. The 12 month numbers includes data for the five months from November 2004 to March 2005.