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24 September 2004

Conclusion of Rights Issue at Sterlite Industries (India) Limited

Vedanta Resources plc ("Vedanta") announces that the rights issue, launched on 12th August by its principal subsidiary Sterlite Industries (India) Limited ("Sterlite"), has now closed. The total proceeds of the rights issue to Sterlite were US$427.8m, of which Vedanta paid US$426.1m. Vedanta's effective interest in Sterlite has increased from 68.1% to 78.8%.

These funds remain within the Vedanta group and are available to use for the significant growth projects being carried out. The increased interest in Sterlite, as a result of the rights issue, will enhance the attributable earnings of Vedanta.

Chief Executive Anil Agarwal said, "The rights issue is a further step in simplifying the group structure and funding our growth projects. Both of these are major parts of the strategy we set out at the time of listing. We will continue to focus on the delivery of this strategy going forwards."

- ends -

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Notes to Editors

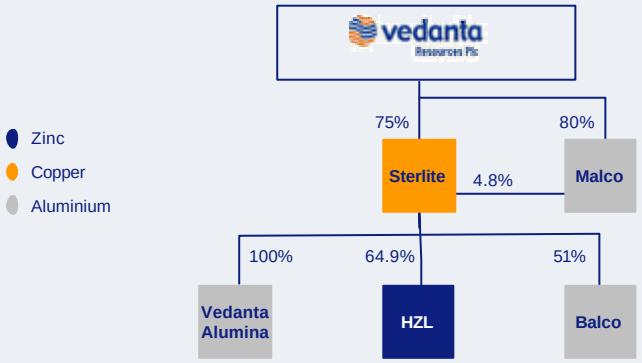
Vedanta is a London listed diversified metals and mining group with zinc, copper and aluminium operations in India and two copper mines in Australia.

Vedanta holds its interests in these operations through two Indian-listed subsidiaries, Sterlite and the Madras Aluminium Company ("Malco").

Sterlite is Vedanta's principal subsidiary and is currently listed on the Bombay Stock Exchange. Following today's announcement Vedanta, through its wholly owned subsidiaries, currently owns 75% per cent. of the issued share capital of Sterlite. In addition, Malco owns a further 4.76% per cent. of Sterlite. As a result, Vedanta currently has an effective interest of 78.8% per cent. in Sterlite.

Vedanta's copper operations are owned and operated by Sterlite. Sterlite also holds a 64.9% stake in the group's zinc business, Hindustan Zinc Ltd ("HZL"), and 51% of the Bharat Aluminium Company ("Balco").

Vedanta structure – Post Sterlite Rights Issue



Shares (million)	Pre Rights Issue	Post Rights Issue	% Post Rights Issue
Vedanta	45.0	80.7	75.0
Malco	5.1	5.1	4.8
Sterlite Shares in Issue	71.8	107.7	100

- **Current effective ownership of Sterlite is 78.8%.**
  The effective interest that Vedanta has in Sterlite is a combination of the 75% direct interest and 80% of Malco's 4.8% holding.

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