

**30 July 2010**

**Vedanta Resources Plc**  
**Production Release for the First Quarter Ended 30 June 2010**

**Highlights of the Quarter**

- Achieved boiler light-up of the first unit of the 2,400 MW Independent power plant at Jharsuguda
- Highest ever commercial power sales
- Record Q1EBITDA of \$794 million

**Zinc-Lead-Silver**

Mined metal production in Q1 FY2011 was 182,000 tonnes, in line with production in the corresponding prior quarter. Production from the Rampura Agucha mine during the quarter was impacted by lower grades and repair and maintenance of one of the mills.

Refined zinc production in Q1 was 165,000 tonnes, an increase of 18.7% compared with the corresponding prior quarter. The 210 ktpa Zinc smelter at Rajpura Dariba commissioned in Q4 FY2010 is ramping up well and contributed 33,000 tonnes in Q1. Lead production was 16.7% lower at 15,000 tonnes compared to the corresponding prior quarter. Silver production in Q1 was 1.39 million ounces, 4% higher compared to the corresponding prior quarter. Overall production in Q1 was impacted due to a temporary water shortage, which is expected to normalize with the onset of the monsoon.

EBITDA from our Zinc-Lead-Silver business in Q1 was 41.6% higher than the corresponding prior quarter at \$219.1 million, due to higher volumes and higher metal prices.

Project activity at the 100 ktpa lead smelter at Rajpura Dariba is progressing as planned, and is on schedule for completion by Q2 FY2011. One 80 MW unit of the 160MW captive power plant was synchronized in June 2010 and the second unit is expected to be synchronized in September 2010.

Primary mine development activity at Sindesar Khurd mine project is on schedule, with production expected to commence from Q2 FY2011.

**Iron Ore**

During Q1, Sesa Goa Limited produced and sold 6.4 million tonnes and 5.4 million tonnes of iron ore, an increase of 30.6% and 15% respectively as compared with the corresponding prior quarter. The increase was due to the contribution from Dempo's operations, of 1.3 million tonnes in production and 1.2 million tonnes in sales.

During the quarter, the Government of India raised export duty on iron ore lumps from 10% to 15% while maintaining a duty on iron ore fines at 5%.

EBITDA for Q1 was \$338.8 million, over four times compared to the corresponding prior quarter due to higher volumes and higher iron ore prices, partially off-set by increased royalty rates, export duty and an increase in railway freight.

The expansion of our iron ore capacity to 50mtpa by FY2013 is on track, along with an expansion of logistics capacity. Expansion of the pig iron plant capacity and associated metallurgical coke plant capacity to 625,000 tonnes and 560,000 tonnes respectively is on schedule for commissioning by Q1 FY2012.

## **Copper – India and Australia**

During Q1, copper cathode production at the Tuticorin smelter was 77,000 tonnes, broadly in line with the corresponding prior quarter. Cathode production was 4% lower compared to Q4 FY2010 on account of a planned maintenance shutdown for 22 days beginning 22 June 2010.

Mined metal production at our Australian mines was stable at 7,000 tonnes in Q1.

EBITDA for the quarter was \$65.2 million, over 2.5 times the EBITDA in the corresponding prior quarter. EBITDA benefited from recovering copper prices in 2010 at our Australian mining operations and higher by-product credits at our Indian smelting operations at Tuticorin.

Work on the new 400ktpa copper smelter and associated 160 MW captive power plant is progressing on schedule.

## **Copper – Zambia**

During Q1, KCM produced 55,000 tonnes of copper cathodes, 27.9% higher compared to the corresponding prior quarter. Integrated production was 11% lower at 34,000 tonnes, however the mined metal production increased by 26% to 24,000 tonnes. In June 2010 the production was affected by a national grid failure in Zambia; the operations have now recovered from the effect of the power outage. During the quarter the feed grades at the tailings leach plant were low, however the feed grades have improved considerably towards the end of the quarter, on commissioning of COP-A mine.

EBITDA in Q1 was \$72.1 million, more than double the EBITDA in the corresponding prior quarter, mainly on account of higher realizations reflecting recovering global commodity prices.

At the Konkola Deep Mine, we commissioned the mid-shaft loading station in March and mine development has commenced. Construction work on the bottom shaft sinking is on schedule.

## **Aluminium**

Aluminium production in the quarter was 141,000 tonnes, an increase of 13% over the corresponding prior quarter as we completed commissioning of the 500ktpa smelter at

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Jharsuguda. Production in the quarter was impacted by remedial work on 171 pots following a power failure in April 2010. The Korba II smelter continues to operate above its rated capacity.

The Lanjigarh alumina refinery produced 204,000 tonnes of calcined alumina compared with 188,000 tonnes in the corresponding prior quarter, using bauxite from both BALCO and third party purchases.

EBITDA from the Aluminium business was \$43.2 million, more than double the corresponding prior quarter reflecting higher volumes and higher commodity prices, partially off-set by residual overhead cost of closed Balco 1 Smelter and increased cost of coal.

The 1.25 mtpa Jharsuguda aluminium smelter project is in progress. First metal tapping is now expected in Q3 FY2011 and final completion is on schedule by Q2 FY 2013.

The Lanjigarh refinery de-bottlenecking and expansion project is progressing well. Our bauxite mining project is awaiting final approval.

The first metal tapping from the 325 ktpa aluminium smelter project at BALCO is expected in Q4 FY 2011. Construction of the 1,200MW captive power plant is progressing well and the first unit is expected to be synchronised in Q3 FY2011, with the remaining three units progressively synchronised by Q2 FY2012.

## **Energy**

We sold 1,156 million units of power in Q1 compared with 585 million units in the corresponding prior quarter. Higher power sale was mainly on account of surplus power sales from the Jharsuguda CPP.

EBITDA in Q1 from the energy business was \$56.5 million compared with \$38.7 million in the corresponding prior quarter due to higher volumes, partially offset by lower realizations and increased cost of coal.

The boiler light-up for the first 600MW unit of the 2400 MW coal based commercial power plant at Jharsuguda was done on 26 June 10, and is scheduled to be commissioned in September 2010. The remaining three units are expected to be progressively synchronized by end of Q1 FY 2012.

At the 1,980 MW supercritical IPP project at Talwandi Sabo, the EPC contract has been signed and ordering of major equipment packages have been completed by the EPC contractor. Activities have commenced on site and piling work is currently under progress. The first unit is expected to be commissioned by Q4 FY 2013 and overall project completion by Q2 FY 2014.

## Production Summary (Unaudited)

( in '000 tonnes, except as stated)

Particulars	Q1 FY 2011	Q1 FY 2010	Change	Full year 2009-10
<b>Zinc-Lead-Silver</b>				
Mined metal content	182	183	(0.5)%	769
Zinc -refined	165	139	18.7%	578
Lead -refined <sup>2</sup>	15	18	(16.7)%	72
Silver (in '000 ounces) <sup>3</sup>	1,392	1333	4.4%	5,671
<b>Iron Ore</b>				
Saleable Ore <sup>4</sup>	6.4	4.9	30.6%	21.4
<b>Copper- India / Australia</b>				
Copper - Mined metal content	7	7	-	24
Copper - Cathodes	77	78	(1.3)%	334
<b>Copper - Zambia</b>	55	43	27.9%	173
Integrated	34	38	(10.5)%	126
Custom	21	5	320.0%	47
<b>Alumina</b>				
Korba I/Mettur <sup>1</sup>	-	29	-	43
Lanjigarh	204	188	8.5%	762
<b>Aluminium</b>	141	125	12.8%	533
Jharsuguda	77	53	45.3%	264
Korba II	64	59	8.5%	250
Korba I/Mettur <sup>1</sup>	-	13	-	18
<b>Energy (in million units)</b>	1,156	585	97.6%	3,279
BALCO, MALCO, HZL Wind	698	470	48.5%	2,187
Surplus from CPP's <sup>5</sup>	458	115	298.3%	1,092

1. Plants no longer operational
2. Including captive consumption of 1,166 tonnes vs. 2,312 tonnes in Q1 FY2011 vs. Q1 FY2010.
3. Including captive consumption of 197,000 ounces vs. 384,000 ounces in Q1 FY2011 vs. Q1 FY2010.
4. Iron ore is reported on wet tonnes basis
5. Power sold from various CPP's

## Financial Summary (Unaudited)

Particulars	<i>(in \$ million, except as stated)</i>			
	Q1			Full Year 2009-10
	2010-2011	2009-2010	Change	
<b>Revenue</b>				
Zinc	422.0	299.7	40.8%	1,651.7
Iron Ore	524.0	205.1	155.5%	1,222.5
Copper	1,050.0	665.5	57.8%	3,825.1
India/ Australia	677.3	472.1	43.5%	2,741.4
Zambia	372.7	193.4	92.7%	1,083.7
Aluminium	321.7	123.2	161.1%	915.8
Energy*	115.1	65.5	75.7%	330.7
Elimination	(49.5)	(0.8)	-	(15.3)
<b>Total</b>	<b>2,383.3</b>	<b>1,358.2</b>	<b>75.5%</b>	<b>7,930.5</b>
<b>EBITDA</b>				
Zinc	219.1	154.7	41.6%	982.8
Iron Ore	338.8	83.6	305.3%	673.0
Copper	137.3	57.6	138.4%	317.7
India/ Australia	65.2	25.8	152.7%	165.9
Zambia	72.1	31.8	126.7%	151.8
Aluminium	43.2	20.5	110.7%	154.9
Energy	56.5	38.7	46.0%	170.7
Others	(1.0)	(0.4)	-	(3.2)
<b>Total</b>	<b>793.9</b>	<b>354.7</b>	<b>123.8%</b>	<b>2,295.9</b>
<i>Previous year numbers have been re-grouped as necessary to present Energy as a separate segment.</i>				

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### About Vedanta Resources plc

Vedanta Resources plc ("Vedanta") is a London listed FTSE 100 diversified metals and mining major. The group produces aluminium, copper, zinc, lead, iron ore and commercial energy. Vedanta has operations in India, Zambia and Australia and a strong organic growth pipeline of projects. With an empowered talent pool of 30,000 employees globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of entrepreneurship, excellence, trust, inclusiveness and growth. For more information 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,” “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 than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.