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## Vedanta Resources Plc Production Results for the Fourth Quarter and Full Year Ended 31 March 2007

### Highlights

- Significant increase in full year ("FY 2007") production across all metals in India
- Substantial contribution to aluminium, copper and zinc volumes from completed phase 1 projects, with plants now operating at near-rated capacities in the fourth quarter ("Q4")
- Commissioning process commenced at Lanjigarh alumina refinery with bauxite charging
- 38.4 MW wind power plant commissioned out of 125 MW ordered

### Performance Summary

Finished metal production across all metals was higher than the preceding quarter and the corresponding quarter in the previous period, mainly because of increased contribution from stabilisation of phase 1 projects and successful de-bottlenecking activities.

### Aluminium

Production of 351,000 tonnes of aluminium in FY 2007 was significantly higher than that of the previous year at 210,000 tonnes as a result of increase in production due to the full ramp-up of the new Korba smelter, which produced 208,000 tonnes during the year. The stabilisation process of the new Korba smelter was quicker than estimated and as a result the plant has consistently achieved rated capacity in the last two quarter with the fourth quarter output at 62,000 tonnes, taking the total aluminium production in Q4 to 98,000 tonnes.

Production from existing smelters at BALCO and MALCO was 143,000 tonnes in FY 2007, marginally higher than their rated capacity, as a result of continuous improvement efforts.

### Copper

Copper cathode production at our Indian operations in FY 2007 and Q4 was 313,000 tonnes and 89,000 tonnes as compared to 273,000 tonnes and 75,000 tonnes respectively, representing an increase of 15% and 19% over the corresponding prior periods due to de-bottlenecking of our facility at Tuticorin. Production after successful debottlenecking is steadily ramping up and contributing towards additional volumes in Q4, with production close to rated capacity in March 2007. The Tuticorin smelter was under planned shutdown for eight days in the first week of April 2007 for carrying out modifications and improvements, at the sulphuric acid plant.

Mined metal production at our Australian mines of 6,000 tonnes in Q4 is lower than that of the corresponding period in the previous year due to a temporary two-week disruption in the mining activities as a result of minor rockfall incident. Post investigation of the incident by an independent expert, the site was declared safe and mining activities were restored in the month of March 2007, which are expected to pick up to normal levels in the current quarter.

Our Zambian operations produced 37,000 tonnes of copper cathode as compared with 35,000 tonnes in the immediately preceding quarter. Our efforts to stabilise tail leach plant have shown positive trends with a production of 4,000 tonnes in March 2007. Smelter output has also shown an improvement with the anode production at 12,000 tonnes in the month of March 2007. Consistent output from the smelter requires plant reliability, which is sought through a series of measures including a partial plant shutdown in April 2007 for 20 days for major overhauling.

## **Zinc**

Refined zinc production during FY 2007 was 348,000 tonnes, compared with 284,000 tonnes in FY 2006, up by 23% due to the ramp-up of new hydro smelter at Chanderiya. The total zinc production in Q4 was 95,000 tonnes. Surplus zinc concentrate of 70,000 dry metric tonnes was sold in Q4.

Mined zinc metal production was 505,000 tonnes for FY 2007 representing an increase of 7% over the corresponding previous year. The increase in production was primarily due to improved production from Rampura Agucha mines.

## **Gold**

The lower output during the quarter at Sterlite Gold Limited is due to the suspension of mining operations pending resolution of some of the key clauses in the implementation agreement entered into with the Government of the Republic of Armenia.

## **Pricing Environment**

While sales volumes across all three metals - aluminium, copper and zinc - were higher, prices of copper and zinc have witnessed a downward trend in Q4 compared with the third quarter of FY 2007. Additionally, import tariffs on metals in India were reduced from 7.5% to 5.0% in the last week of January 2007.

## **Projects Update**

### **Aluminium**

Progressive commissioning of the alumina refinery at Lanjigarh has commenced with the charging of sourced bauxite, in the last week of March 2007 in the first of the two streams. One unit of the captive power plant was commissioned in February 2007 and is under stabilisation. After completion of the processing cycle, output of alumina will commence by the end of the first quarter of FY 2008.

Detailed engineering of the 500,000 tpa of the green-field aluminium smelter at Jharsuguda is largely complete and orders for critical equipment for the smelter and captive power placed with vendors. Construction work both at the smelter and associated captive power plant of Phase I of the project are in full swing and are on track to commissioning by mid-2009.

## Copper

The work on the Konkola Deeps expansion project is progressing well with orders for all major long-lead items placed. Work on the head gear foundation and collar for the main shaft has been completed. Shaft sinking is progressing as per schedule and the main shaft has been sunk to a level of 34 metres. Work on the concentrator is also progressing well according to the planned schedule. The basic engineering and ordering activities for the 250,000 tpa Nchanga smelter expansion project are largely complete with construction activities in full swing to meet the scheduled completion date in 2008.

## Zinc

The construction activities of the new 170,000 tpa Chanderiya hydro smelter and associated captive power plant are progressing on schedule, to be commissioned by early 2008. Work on the debottlenecking project at HZL to increase the capacity by 88,000 tonnes and new captive power plant of 80 MW at Zavar is progressing well and will be completed as per schedule in early 2008.

As regards the green energy project undertaken by HZL, a turnkey contract for 125 MW wind power plant had been placed, of which the first phase of 38.4 MW was commissioned in March 2007 in the State of Gujarat in India. The remaining capacity is expected to be commissioned progressively during FY 2008.

## Power

Basic engineering work on the new \$1.9 billion greenfield 2,400 MW integrated power project at Jharsuguda has recently commenced. The project is progressing as per schedule.

## Production Summary (Unaudited)

*(in '000 tonnes, except as stated)*

|   | Q4 <sup>(1)</sup> |         | Change | Q3 <sup>(1)</sup> |         | Year ended<br>31 March |         | Change |
|---|-------------------|---------|--------|-------------------|---------|------------------------|---------|--------|
|   | 2006-07           | 2005-06 |        | 2006-07           | 2005-06 | 2006-07                | 2005-06 |        |
| <b>Alumina</b>                            | 80                | 77      | 3.9%   | 69                | 299     | 296                    | 1.0%    |        |
| <b>Aluminium</b>                          | 98                | 68      | 44.1%  | 98                | 351     | 210                    | 67.1%   |        |
| <b>Copper India/Australia</b>             |                   |         |        |                   |         |                        |         |        |
| Mined metal content                       | 6                 | 8       | -25.0% | 7                 | 28      | 34                     | -17.6%  |        |
| Copper - Cathode                          | 89                | 75      | 18.7%  | 86                | 313     | 273                    | 14.7%   |        |
| Copper - Rods                             | 51                | 46      | 10.9%  | 41                | 178     | 167                    | 6.6%    |        |
| <b>Copper Zambia</b>                      |                   |         |        |                   |         |                        |         |        |
| Mined metal content                       | 19                | 17      | 11.8%  | 21                | 84      | 99                     | -15.2%  |        |
| Copper - Cathode                          | 37                | 37      | -      | 35                | 142     | 164                    | -13.4%  |        |
| <b>Zinc - Mined Metal Content</b>         | 121               | 125     | -3.2%  | 128               | 505     | 472                    | 7.0%    |        |
| <b>Refined Zinc</b>                       | 95                | 92      | 3.3%   | 93                | 348     | 284                    | 22.5%   |        |
| <b>Equivalent Gold (oz)<sup>(2)</sup></b> | 1,923             | -       | -      | 12,911            | 17,662  | -                      | -       |        |

1. Q4 - fourth quarter ended 31 March 2007 and 2006, respectively, Q3 - Third quarter ended 31 December 2006, respectively
2. Quantities of equivalent gold represent production for the year ended 31 March 2007 represents post acquisition period of seven months to 31 March 2007, and are not directly comparable with the corresponding prior periods

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### **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, Australia and Armenia. The major metals produced are aluminium, copper, zinc, lead and gold. For further information, please 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 that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.