

29 July 2011

**Vedanta Resources Plc**  
**Production Release for the First Quarter Ended 30 June 2011**

**Highlights**

- Record Q1 EBITDA, up 33% at US\$ 1,055 million
- Refined Zinc production up 17% at Zinc-India
- Commenced commissioning of 100 ktpa Dariba lead smelter
- Aluminium production up 46% at Jharsuguda

**Zinc – India**

Mined metal production was 3% higher at 188,000 tonnes in Q1 FY2011-12 as compared with the corresponding prior quarter due to higher contribution from Sindesar Khurd mine, partially offset by lower volumes from Rampura Agucha mine. Agucha had an unplanned maintenance shutdown of the primary crusher, which is back on-line, and we expect to recover the shortfall in volumes over the course of the year.

Refined zinc production was 17% higher at 193,000 tonnes due to higher volumes from the 210ktpa Dariba zinc smelter commissioned in March 2010, which is now operating at capacity, and improved utilization rates across our smelters. Refined lead production was 7% higher at 16,000 tonnes.

Refined silver production was 8% higher at 1.50 million ounces due to the ramp-up of the silver-rich SK mine. Sales during Q1 FY2011-12 were augmented by the sale of surplus lead concentrate of 10,000 dry metric tonnes, containing an additional 0.55 million ounces of payable Silver.

EBITDA was 58% higher at US\$ 346.9 million due to higher volumes and metal prices, partially offset by higher cost of coal and petroleum products.

Commissioning of the 100 ktpa Dariba lead smelter has commenced, and we are targeting production of saleable metal by mid Q2 FY2011-12. The new silver refinery will commence production by the end of Q2 FY2011-12. Our silver capacity will reach 16 million ounces by the second half of FY2011-12.

**Zinc – International**

Total equivalent zinc-lead production was 12% higher at 119,000 tonnes in Q1 FY2011-12 as compared with 106,000 tonnes in the corresponding prior quarter due to higher utilization rates. This comprised 80,000 tonnes MIC at BMM and Lisheen, and 39,000 tonnes of refined zinc metal at Skorpion. EBITDA for Q1 FY2011-12 was US\$ 113.2 million.

---

## Iron Ore

Production of iron ore was 4.4 million tonnes (DMT) in Q1 FY2011-12 as compared to 5.7 million tonnes in the corresponding prior quarter, due to discontinuation of mining operations at Orissa in November 2010 (Orissa produced 0.5 million tonnes in the previous period), reduced production in Karnataka to match sales, and logistics constraints for despatch in Goa.

Sale of iron ore was 4.3 million tonnes as compared to 4.9 million tonnes in the corresponding prior quarter (sale from Orissa was 0.6 million tonnes in the previous period). Higher sales in the domestic market compensated for lower exports due to the state-wide restriction on iron ore exports from Karnataka.

EBITDA was lower at US\$ 253.8 million due to an increase in export duty to 20%, and lower volumes.

Plans to expand iron ore capacity to 36 mtpa by the end of FY2012-13 are progressing well. Work on enhancing mining, processing and logistics capacity, including the addition of barges and transhippers, is progressing well. Approvals for expansion at Karnataka are at a relatively advanced stage, and expansion at Goa is awaiting regulatory clearances.

Work on expanding our pig iron plant capacity to 625 ktpa and associated expansion of capacity at the metallurgical coke plant to 560 ktpa is on track for commissioning by Q3 FY2011-12.

## Copper – India and Australia

Copper cathode production during Q1 FY2011-12 at the Tuticorin smelter was 74,000 tonnes, which was lower than the corresponding prior quarter primarily due to lower concentrate grade and reduced utilization rate. Mined metal production at our Australian mines was 6,000 tonnes.

EBITDA was 22% higher at US\$ 79.6 million primarily due to higher copper prices and significantly higher by-product realizations. TC/RC was marginally higher at 13.9 USc/lb.

The first unit of the captive power plant at Tuticorin is on track for commissioning in Q4 FY2011-12. The 400 ktpa copper smelter expansion project at Tuticorin is awaiting consent from the State Pollution Control Board.

As directed by the Supreme Court, the National Environmental Engineering Research Institute (NEERI) inspected the Tuticorin smelter and has submitted its report, which is being reviewed by the court.

## Copper – Zambia

Our integrated production during Q1 FY2011-12 was 3% higher at 35,000 tonnes as compared with the corresponding prior quarter. Production from the tailings leach plant was 16% higher at 13,000 tonnes. Total copper cathode production was 50,000 tonnes, as compared with 55,000 tonnes in the corresponding prior quarter, because production from custom smelting was lower by 6,000 tonnes due to limited availability of the appropriate blend of copper concentrate. Mined metal production was 24,000 tonnes, in line with the corresponding prior quarter.

EBITDA was significantly higher at US\$ 131.8 million on account of higher LME prices and higher integrated production, partially offset by increases in wages and other input costs.

At KDMP, a significant milestone was achieved with the completion of sinking of Shaft 4 to its ultimate depth. At Nchanga, work on the new concentrators, the Upper Ore Body project, the TLP Debottlenecking project and the second cobalt recovery furnace is progressing as planned.

## **Aluminium**

Aluminium production was 23% higher at 173,000 tonnes in Q1 FY2011-12 as compared with the corresponding prior quarter primarily due to 46% higher production at the 500 ktpa Jharsuguda-I smelter. The Korba-II smelter continues to operate at its rated capacity.

Due to a power outage at the Jharsuguda-I smelter in June 2011, around 170 pots were affected. Production will be lower in Q2 and Q3 FY2011-12 and the plant is expected to return to normal capacity by the end of Q3 FY2011-12.

The Lanjigarh refinery produced 224,000 tonnes of alumina as compared with 204,000 tonnes in the corresponding prior quarter, with bauxite from BALCO and third party purchases.

EBITDA was significantly higher at US\$ 101.9 million due to higher volumes and prices, partially offset by increased prices of bought-out alumina, coal and petroleum.

The first unit of the BALCO 1,200 MW (4x300 MW) captive power plant project at Korba is expected to be synchronized in Q2 FY2011-12. Work at the 325 kt aluminium smelter project at Korba is progressing well, and we are targeting first metal tapping in Q4 FY2011-12.

The 1.25 mtpa Jharsuguda-II smelter project is in final stages of completion, and we continue to evaluate the option of selling power versus producing aluminium at this smelter.

## **Energy**

We sold 1,415 million units of power in Q1 FY2011-12, significantly higher than 286 million units in the corresponding prior quarter, mainly driven by sales from the two 600 MW units of the 2,400 MW Jharsuguda power plant. The power sold includes 140 million units generated under trial run in April at the second unit at Jharsuguda, which was capitalized in May 2011.

In accordance with IFRS 8, the Energy segment has been reclassified and now comprises power plants at Sterlite Energy, MALCO, and wind power at HZL, while the surplus power sold from captive power plants is now included in the respective business segments. Prior period numbers have been reclassified accordingly.

EBITDA was US\$ 29.1 million in Q1 FY2011-12 as compared with US\$ 14.2 million in the corresponding prior quarter, primarily due to higher volumes, partially offset by higher coal costs and lower realizations.

Work on the third and fourth units of the 2,400 MW Jharsuguda power plant is progressing well and the units are expected to be synchronized in Q3 and Q4 of FY2011-12, respectively.

Work at the Talwandi Sabo power project is progressing as scheduled, with the first unit targeting synchronization by Q4 FY2012-13. Piling has been completed and construction of the boiler foundation, coal handling plant, switchyard and other areas is in progress.

## Production Summary (Unaudited)

Particulars (in kt, except as stated)	Quarter ended 30 June			Full Year
	2012	2011	Change	2010-11
<b>Zinc India</b>				
Mined metal MIC	188	182	3%	840
Refined Zinc	193	165	17%	712
Refined Lead <sup>1</sup>	16	15	7%	63
Silver (in '000 ounces) <sup>2</sup>	1,504	1,392	8%	5,758
<b>Zinc International</b>				
BMM and Lisheen - mined metal MIC	80	-	-	44*
Skorpion - refined zinc	39	-	-	50*
<b>Iron Ore</b> <sup>3</sup> (in million dry metric tonnes)				
Saleable Ore	4.4	5.7	(23%)	18.8
Saleable Ore excluding Orissa	4.4	5.2	(15%)	17.4
<b>Copper - India/ Australia</b>				
Mined copper MIC	6	7	(14%)	23
Copper cathodes	74	77	(4%)	304
<b>Copper - Zambia</b>				
Total copper cathodes	50	55	(9%)	217
Integrated production	35	34	3%	133
Custom production	15	21	(29%)	84
<b>Alumina</b>	224	204	10%	707
<b>Aluminium</b>				
Total aluminium	173	141	23%	641
Jharsuguda smelter aluminium	112	77	46%	386
Korba II smelter aluminium	61	64	(5%)	255
BALCO 270 MW power sales (in million units)	424	412	3%	1,623
<b>Energy (in million units)</b>	1,415	286	395%	1,879
SEL <sup>4</sup>	1,138	-	-	856
MALCO and HZL Wind Power	278	286	(3%)	1,022

1. Includes captive consumption of 1,391 tonnes in Q1 FY2011-12 vs 1,166 tonnes in Q1 FY2010-11
  2. Includes captive consumption of 231,000 ounces in Q1 FY2011-12 vs 197,000 ounces in Q1 FY2010-11
  3. Production and sales of iron ore include captive consumption of 0.07 million tonnes each in Q1 FY2011-12 and Q1 FY2010-11 for the production of Pig Iron
  4. Includes 140 mu produced under trial run in Q1 FY 2011-12
- \* For the period post acquisition

## Financial Summary (Unaudited)

(in US\$ million, except as stated)

Particulars	Quarter ended 30 June			Full Year 2010-11
	2011	2010	Change	
<b>Revenue</b>				
Aluminium	513.8	404.9	27%	1,779.6
Copper	1,493.1	1,050.0	42%	5,253.2
<i>India/Australia</i>	1,033.5	677.3	53%	3,428.2
<i>Zambia</i>	459.6	372.7	23%	1,825.0
Zinc	857.6	422.1	-	2,378.4
<i>India</i>	621.4	422.1	47%	2,159.5
<i>International</i>	236.2	-	-	218.9
Iron Ore	453.9	524.0	(13%)	1,979.5
Energy	122.1	31.8	74%	124.0
Elimination	(9.4)	(49.5)	-	(87.5)
<b>Total</b>	<b>3,431.1</b>	<b>2,383.3</b>	<b>44%</b>	<b>11,427.3</b>
<b>EBITDA</b>				
Aluminium	101.9	85.6	19%	352.7
Copper	211.4	137.2	54%	681.4
<i>India/Australia</i>	79.6	65.2	22%	241.5
<i>Zambia</i>	131.8	72.1	83%	439.9
Zinc	460.1	219.1	-	1,320.9
<i>India</i>	346.9	219.1	58%	1,219.6
<i>International</i>	113.2	-	-	101.3
Iron Ore	253.8	338.8	(25%)	1,174.1
Energy	29.1	14.2	105%	43.9
Elimination and Others	(1.6)	(1.0)	-	(6.2)
<b>Total</b>	<b>1,054.7</b>	<b>793.9</b>	<b>33%</b>	<b>3,566.8</b>

For further information, please contact:

**Investors:**

Ashwin Bajaj  
Senior Vice President - Investor Relations  
Vedanta Resources plc

ir@vedanta.co.in  
Tel: +44 20 7659 4732 / +91 22 6646 1531

**Media:**

Gordon Simpson  
Faeth Birch  
Finsbury

Tel: +44 20 7251 3801

**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, silver, iron ore and commercial energy. Vedanta has operations in India, Zambia, Namibia, South Africa, Ireland and Australia and a strong organic growth pipeline of projects. With an empowered talent pool of 31,000 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, 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.