

11 November 2010

Vedanta Resources Plc

Interim Results for the Six Months Ended 30 September 2010

Financial Performance

- Group Revenue up 54% to US\$4.6 billion
- EBITDA of US\$1.3 billion with an EBITDA margin of c. 40% (excluding custom smelting).
- Basic EPS at 123.8 US cents up 14.3% supporting proposed Interim dividend of 20 US cents per share
- Strong balance sheet with net debt of US\$1.6 billion and cash, cash equivalents and liquid investments of US\$7.3 billion

Operational and Strategic Highlights

- Record production in Zinc-Lead, Aluminium, Iron Ore, Silver, Commercial Power, and Copper Zambia
- 600 MW of the 2,400 MW Jharsuguda IPP operational, the largest in the Indian private sector
- Announced acquisitions of majority stake in Cairn India and Anglo American's Zinc assets
- Announced additional 660 MW merchant unit at the Talwandi Sabo IPP Project
- Ramp-up to 16 million ounces of silver production progressing ahead of schedule

Consolidated Group Results

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	% Change
Revenue	4,581.5	2,978.6	53.8
EBITDA	1,348.6	746.3	80.7
<i>EBITDA margin (%)</i>	29.4%	25.0%	-
<i>EBITDA margin excluding custom Smelting (%)</i>	39.9%	40.1%	-
Operating profit	985.3	490.2	101.0
Attributable Profit	337.0	188.2	79.1
Basic Earnings per Share (US cents)	123.8	68.5	80.7
Earnings per Share on Underlying Profit (US cents)	104.3	41.8	149.5
<i>ROCE (excluding project capital work in progress)</i>	20.1%	18.8%	-
Interim Dividend (US cents per share)	20.0	17.5	14.3

Mr Anil Agarwal, Chairman of Vedanta Resources plc said, "Vedanta has delivered strong financial results and record production in the first half of the year. We remain focused on delivering our strong organic growth programme and are well placed to benefit from the India's tremendous growth prospects. The announced acquisitions of Anglo American's Zinc Assets and a majority stake in Cairn India have embedded growth options, and will create significant long term value for our shareholders."

For further information, please contact:

Ashwin Bajaj
Vice President - Investor Relations
Vedanta Resources plc

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

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, 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

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.

CHAIRMAN'S STATEMENT

Dear Shareholder,

Your company continues to leverage its technical expertise and home advantage in India as part of its strategy to become a global, diversified leader in natural resources. With increasing urbanisation, growing consumer spending and focus on infrastructure development in India and China, your company is uniquely positioned to fulfil the increasing demand for natural resources in the two largest emerging markets.

True to your company's values of entrepreneurship and value accretive growth, your company has identified a unique platform in Cairn India to develop its presence in oil and gas early in the cycle. It diversifies earnings into another commodity, in a market where demand is forecasted to more than double in the next 20 years¹. With Cairn India's strong management team, we will seek to accelerate its growth plans as we have demonstrated in previous acquisitions.

It is with a sense of accomplishment you will note that the company has achieved its vision of a 1mtpa capacity in Zinc-Lead through organic growth. This will be enhanced further upon completion of the acquisition of Anglo American's Zinc assets, which also include the promising Gamsberg Zinc Project in South Africa.

The combination of record volumes and higher metals prices led to a rise in revenues and profitability during the first half of this year. The group extends its gratitude to all its employees for their continued efforts and commitment to achieve these results.

Financial Performance

The company reported revenues of US\$4.6 billion and an EBITDA of US\$1.3 billion in the first half of this year due to higher volumes and realisations across all operations as compared with the corresponding prior period. Operating profit was US\$985 million and attributable profit was US\$337 million, a 39.4% share of net income.

US\$479 million of free cash flow was generated after investing c. \$1.1 billion in growth capex. Net debt and gearing were \$1.6 billion and 11.6% respectively. Gearing is expected to be less than 40% after completion of the Cairn India acquisition, and is expected to reduce quickly given the inherent cash generation of the group. Your company has maintained a strong balance sheet while using its strength to capitalize on growth opportunities consistent with its long term strategy.

Operational Performance

During H1 FY2011, production at the Zinc-Lead and Aluminium Smelters were at record levels. Iron ore volumes have been enhanced by the integration of operations at Dempo that were acquired last year. With increasing growth in demand for power in India and supply shortages contributing to higher power tariffs, the company's power operations have scaled up significantly and are becoming a major player in India. I am pleased to announce that the first 600MW unit of the 2,400MW independent power plant at Jharsuguda was synchronised in H1 FY2011, a first in the Indian private sector. The other units will be progressively commissioned by middle of next year. The company has announced an additional 660MW unit at the Talwandi Sabo power project which will sell power in the lucrative commercial power market.

¹ International Energy Agency forecast in November 2009

Nevertheless, the company has faced some challenges this year. A significant disappointment was the denial of Niyamgiri bauxite mining approval by the central government, after an earlier favourable ruling from the apex judiciary body. The company continues to engage in discussions with the Orissa State Government for access to alternative bauxite mines, in accordance with the existing memorandum of understanding for supply of 150mt of bauxite. As a consequence, the Group has deferred first metal tapping at two of its Aluminium Smelter projects until such time when there is greater visibility into a captive bauxite source. In the meantime, surplus power will be sold commercially to optimise returns.

Group Structure

The company bought back shares amounting to US\$128 million. In addition, an investment of US\$121 million was made in purchases of subsidiary shares to increase its holding in its subsidiaries Sterlite and Sesa to 57.5% and 55.7% respectively.

In addition, and in line with our stated strategy, we continue to evaluate the possibility of public listings of certain Group subsidiaries, including Sterlite Energy and KCM.

Corporate Social Responsibility

The company remains committed to Sustainability as one of its key values. Vedanta positively impacts 2.7 million people across 552 villages in communities around our operations, through healthcare, education, water and sanitation, and livelihood generation programmes. The company continues to work with communities through a 4P model of Public-Private-People-Partnership involving the government, NGO's and the communities themselves.

Our safety performance has shown considerable improvement in the first half, with lost time injury rates down by c. 30%. We will continue to strive to improve this further.

The company remains committed to working with all stakeholders and creating a positive impact on communities and the environment.

Dividend

The company remains committed to its progressive dividend policy. An interim dividend of 20.0 US cents will be payable to shareholders on the share register on 10 December 2010.

Outlook

The Directors remain confident of achieving a good performance for the full year with a significant increase in output across all major segments of the Vedanta Group. May your continued partnership with Vedanta result in realized visions for the company and shareholders, and prosperity for all fellow shareholders, communities and stakeholders

Anil Agarwal

Chairman

11 November 2010

BUSINESS REVIEW

Summary

Emerging markets continue to drive the global economic recovery, with strong prices across most commodities during the six months ended September 30, 2010 ("H1 FY2011"). We remain positive that our portfolio of businesses have attractive supply/demand fundamentals in the medium to long term. Resilient growth in India is expected to continue to deliver strong demand for the rest of 2011. With this backdrop, we are pleased to report a strong set of results across our businesses.

Operating results for H1 FY 2011 were strong, reflecting strong production growth, high plant availability and a more favourable commodity price environment. Vedanta's EBITDA in H1 FY2011 was 81% higher than the corresponding prior period at US\$1.3 billion. With an improving global economic outlook, we continue to focus on our core strengths of sustained volume growth and high operational efficiency.

During H1 FY2011, we spent US\$1,134 million on our organic growth expansion programmes. We completed synchronization of one 600MW unit of the 4x600MW Sterlite Energy thermal power project at Jharsuguda, a first in the Indian private sector. The 210 ktpa zinc smelter project at Dariba is ramping up well and currently operating at 85% of capacity. The 100 ktpa lead smelter at Dariba is expected to be commissioned by the end of Q4 FY2011.

We have started progressive commissioning of the Sindesar Khurd mine with operations commencing at the newly developed ramp. The 1.5 mtpa mill at Sindesar Khurd mine will begin production by the end of Q3 FY2011, and process ore from the expanded mine capacity. Though Sindesar Khurd is a zinc-lead mine, the ore is rich in silver, and once it is fully commissioned, our integrated silver capacity will reach 16 million ounces per annum, making us one of the world's largest integrated silver producers.

We have recently signed an MoU with the Punjab State Government for a fourth unit of 660MW at the Talwandi Sabo power project. The power generated by this unit will be sold in the commercial market at prevailing market rates and will significantly enhance overall project returns. Overall, the 2640 MW (4x660 MW) power project is progressing as scheduled and is expected to be completed by FY2014.

We have reviewed our capital expenditure plan for the aluminium business in light of the recent decision on Niyamgiri, where final clearance for bauxite mining was declined. Further work on the Lanjigarh refinery expansion project has been put on hold, the first metal tapping at the 1.25 mtpa Jharsuguda-II smelter and the 325 ktpa Korba smelter projects have been temporarily deferred, and surplus power will be sold in the merchant market. This is being done to optimize returns from the assets and will be periodically reviewed considering visibility on bauxite availability from alternative mines. We are in talks with the Orissa Government for alternative sources of bauxite, based on the existing MoU with them for the supply of 150mt of bauxite. We remain committed to an integrated aluminium strategy.

The copper smelter at Tuticorin continues to operate post the order from the Honourable Supreme Court staying the closure of operations ordered by the Honourable Madras High Court. This smelter uses the environmentally advanced ISA-smelt technology and has been in operation for twelve years.

We increased our holdings in our major subsidiaries in H1 FY2011 with the purchase of a 0.25% stake in Sesa and a 0.64% stake in Sterlite for a total consideration of US\$121 million. This increased our shareholding in Sesa to 55.7% and in Sterlite to 57.5%.

During H1 FY2011, we announced two potential acquisitions – the acquisition of Anglo American’s Zinc assets, and a majority stake in Cairn India Ltd. The Zinc assets of Anglo American comprise facilities across Namibia, South Africa and Ireland, and consolidate Vedanta’s position as the world’s largest integrated Zinc-Lead producer. It is expected, subject to certain regulatory approvals, that these transactions will be completed prior to 31 March 2011. The proposed acquisition of Cairn’s operations in India will provide us with an entry into the oil and gas sector and a strong platform for growth. With de-risked assets and operations ramping-up, the acquisition of Cairn India will further strengthen our position as a growing diversified natural resources major. We have successfully integrated the Dempo iron ore operations that were acquired in the previous financial year.

Sustainable development continues to be a key area of focus. Our operations and projects aim to improve livelihood, health and nutrition, education, and community infrastructure, and bring about a long-term sustainable change in the socio-economic condition of the communities in and around our operating areas. We have also taken an important initiative to construct a cancer hospital at Raipur, Chhattisgarh, at a cost of US\$80 million. The hospital will provide a wide group of people with access to quality cancer treatment.

Group Results

Group revenues in H1 FY2011 were US\$4,582 million, an increase of 54% as compared with the corresponding prior period. EBITDA was 81% higher at US\$1,349 million in H1 FY2011. Higher revenues and EBITDA were due to higher volumes, higher commodity prices, and higher by-product realizations, which were partially offset by higher operating costs due to an increase in energy costs, higher royalty and export duty rates, increase in gratuity provision (a part of retirement benefits) in Aluminium and Zinc segments and levy of green cess tax on coal.

Higher volumes in most of our businesses contributed around US\$72 million to EBITDA, higher commodity prices contributed a further \$868 million. These were partially offset by a \$254 million impact due to higher cost of production (COP) and \$72 million of foreign exchange losses on account of appreciation of the Indian rupee against the US dollar.

EBITDA margin was 29.4% in H1 FY2011 compared with 25.0% in H1 FY2010. Our EBITDA margin excluding copper custom smelting operations was 39.9% in H1 FY2011, in line with H1 FY2010.

Conversion of EBITDA to free cash flow for H1 FY2011 was higher at 35.5% compared with 31.2% in H1 FY2010. Free cash flow conversion was affected by increased working capital levels, mainly in the form of inventory at Copper-India operations, and working capital at the new zinc and aluminium operations at Dariba and Jharsuguda, respectively.

We have maintained our strong balance sheet and funding position, with cash and liquid investments totalling US\$7,342 million as at 30 September 2010 compared to US\$5,950 million as at 30 September 2009. We generated free cash flows pre-expansion capex in H1 FY2011 of US\$479 million. Net debt was at US\$1,638 million and our gearing ratio was at 11.6% after spending US\$1,134.5 billion on project expansions and c.US\$249 million on share buy-back and purchases of subsidiary shares.

Segmental revenue and EBITDA are presented in the table below.

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	% change
Revenue			
Aluminium	666.6	240.6	177.1%
Copper	2,182.6	1,637.2	33.3%
India/Australia	1,322.2	1,207.2	9.5%
Zambia	860.4	429.9	100.1%
Zinc	880.6	649.7	35.5%
Iron ore	707.6	316.2	123.8%
Energy*	191.7	143.5	33.6%
Eliminations	(47.6)	(8.5)	-
Total Revenues	4,581.5	2,978.6	53.8%
EBITDA			
Aluminium	88.8	40.1	121.5%
Copper	282.8	138.3	104.5%
India/Australia	108.9	70.0	55.6%
Zambia	173.9	68.3	154.6%
Zinc	456.5	368.2	24.0%
Iron ore	432.7	130.5	231.6%
Energy*	90.4	70.1	29.0%
Others**	(2.6)	(0.8)	-
Total EBITDA	1,348.6	746.3	80.7%

* Includes revenues and EBITDA of US\$61.2 million and US\$31.1 million, respectively, generated from the sale of surplus power by power plants at the aluminium business in H1 FY2011

** Including unallocated corporate expenses

ZINC

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	Change	FY 2010	H2 2010
Production - zinc (kt)					
Mined metal content	350	335	4.5%	683	348
Refined metal	341	280	21.8%	578	298
Production - lead (kt)					
Mined metal content	37	40	(7.5%)	86	46
Refined metal ¹	31	31	0.0%	64	33
Production - Silver (in m oz) ²	2.81	2.63	6.8%	5.68	3.05
Average Zinc LME cash settlement prices (\$ per tonne)	2,015	1,621	24.3%	1,936	2,251
Exchange rate - INR per USD	46.09	48.54	(5.0%)	47.42	47.02
Unit costs					
Zinc (\$ per tonne)	997	782	27.5%	850	914
Zinc except royalty (\$ per tonne)	831	666	24.8%	698	728
Revenue	880.6	649.7	35.5%	1,651.7	1,002.0
EBITDA	456.5	368.2	24.0%	982.8	614.6
EBITDA margin	51.8%	56.7%	-	59.5%	61.3%
Operating profit	405.7	339.9	19.4%	918.4	578.5

1. Including captive consumption of 3kt vs. 4kt in H1 FY11 vs. H1 FY10

2. Including captive consumption of 474,000 oz vs. 710,000 oz in H1 FY11 vs. H1 FY10

Production and Sales

Mined metal production in H1 FY2011 was 387,000 tonnes, 3.2% higher than the corresponding prior period. As reported earlier, our Zinc operations experienced temporary water shortages, and lower recoveries and production volumes at Rampura Agucha mine. These issues have been addressed and operations normalised.

Zinc refined metal production in H1 FY2011 was a record 341,000 tonnes, an increase of 21.8%, primarily on account of additional volumes from the newly commissioned zinc smelter at Dariba. Production of refined lead remained stable at 31,000 tonnes in H1 FY2011. There were no zinc concentrate sales in H1 FY2011, as compared with 96,000 dmt in H1 FY2010. Sales of surplus lead concentrate were at 7,400 dmt in H1 FY2011, lower as compared with 21,000 dmt in H1 FY2010.

We achieved record first half silver production of 2.81 million ounces in H1 FY2011, 6.8% higher than the 2.63 million ounces produced in H1 FY2010. The increase was primarily due to higher metal content in ore. Silver production is expected to increase substantially with the progressive commissioning of the Sindesar Khurd mine. Silver revenues in H1 FY2011 were US\$44.5 million, all of which translated into EBITDA as silver is treated as a co-product, and its production costs are included in the COP of Lead.

We sold 368,000 tonnes of Zinc-Lead during the period. Out of this, 229,000 tonnes were sold in the domestic market.

Unit Costs

Unit cost of production excluding royalties was 24.8% higher at US\$831 per tonne in H1 FY2011, as compared with H1 FY2010, primarily due to higher strip ratio at mines, higher coal costs, higher one-time gratuity costs and appreciation of Indian Rupee against the US dollar. These factors were partially offset by improved by-product realisations.

LME-linked royalties increased from US\$116 per tonne in H1 FY2010 to US\$166 per tonne in H1 FY2011 due to higher LME prices and an increase in royalty rates during the previous financial year. Effective 13 August 2009, royalty rates for zinc increased to 8.4% from 6.6% and royalty rates for lead increased to 12.7% from 5.0%. We expect operating costs to reduce in H2 FY2011, post stabilisation of the new zinc smelter at Dariba and improved recoveries at Rampura Agucha.

Financial Performance

EBITDA for H1 FY2011 was US\$457 million, 24.0% higher than the corresponding prior period. This was largely due to a 24.3% increase in LME prices and higher by-product realizations, which were partly offset by higher operating costs and an appreciation of the Indian rupee.

Projects

The Sindesar Khurd 1.5mtpa mine expansion project is progressing on schedule. Primary mine development is 60% complete. The ramp has been completed and secondary level development has commenced. The new mill is nearing mechanical completion and is expected to be commissioned in Q3 FY2011.

At Dariba, the first 80MW unit of the 2x80MW power plant was commissioned in Q1 FY2011 and the second 80MW unit is expected to be completed in Q3 FY2011. Construction of the 100 ktpa lead smelter at Rajpura Dariba is nearing completion and the smelter is expected to be commissioned in Q4 FY2011.

IRON ORE

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	Change	FY 2010	H2 2010
Production volumes (kt)					
Saleable ore	9,551	8,204	16.4%	21,412	13,208
Pig iron	140	139	0.7%	280	141
Sales (kt)					
Iron Ore	7,461	6,354	17.4%	20,523	14,169
Pig iron	138	137	0.7%	279	142
Revenue	707.6	316.2	123.8%	1222.5	906.3
EBITDA	432.7	130.5	231.6%	673	542.5
EBITDA Margin	61.1%	41.3%	-	55.1%	59.9%
Operating Profit	326.3	40.9	697.8%	453	412.1

* Production and sales of iron ore includes from Dempo 1,534 kt and 1,326 kt in H1 FY2011 vs 246 kt and 160 kt in H1 FY2010

Production and Sales

We had record production of iron ore for the first half of the year at 9.55 mt, 16.4% higher than the corresponding prior period, primarily due to additional volumes from Dempo.

Iron ore sales in H1 FY2011 were 17.4% higher at 7.46 mt despite 31% lower volumes from Karnataka operations during Q2 FY2011 due to a state-wide temporary export restriction imposed by the State Government at the end of July 2010. The lower sales from Karnataka during Q2 FY2011 were offset by substantially higher sales volumes from Goa despite the seasonal impact of the monsoon rains.

Export sales were 6.7 million tonne in H1 FY2011, higher by 15.5% as compared to 5.8 million tonnes in H1 FY2010. Domestic sales were 0.7 million tonnes in H1 FY2011, compared to 0.5 million tonnes in H1 FY2010.

From the current financial year, the annual benchmark pricing system has been replaced by quarterly pricing system in long term contract agreements with various buyers. On average the long term contract price has increased approximately 90% from the previous year which were under annual benchmark price system. Spot sales were at 6.40 mt while long-term contract sales were at 1.06 mt in H1 FY2011.

In Orissa, our third-party mining contract is being renewed periodically and the current contract is due for renewal at the end of November 2010. We are in negotiations for the renewal with the mine owner.

Financial Performance

Revenues in H1 FY2011 were US\$708 million and EBITDA was US\$433 million, 123.8% and 231.6% higher respectively than in H1 FY2010, largely due to higher production and iron ore realizations. These were partly offset by a higher cost of sales primarily driven by an increase in the royalty rate and export duty.

Projects

The iron ore mine expansion is progressing well and targeted for completion by FY2013. We are in an advance stage of adding capacity for mining, processing and logistics operations, including barges and transhippers. We are building end-to-end evacuation capacity both in Goa and Karnataka through dedicated infrastructure. The expansion programme is well supported by ongoing CSR and community development initiatives, duly augmented by external advisory support where-ever required.

Progress of expansion projects in Goa is pending environmental clearances, for which we have a dedicated team working to address matters. The Orissa expansion programme is awaiting renewal of the mining contract.

The 375ktpa pig iron expansion project is progressing as per schedule.

COPPER

Copper-India/Australia

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	Change	FY 2010	H2 2010
Production (kt)					
Australia - mined metal content	14	12	16.7%	24	12
India - cathode	145	169	(14.2%)	334	165
Average LME cash settlement prices (US\$ per tonne)	7,131	5,276	35.1%	6,112	6,941
Unit conversion costs - US cents per lb	7.1	10.9	(34.9%)	10.4	9.9
Realised TC/RCs (US cents per lb)	12.7	13.2	(3.8%)	13.6	13.9
Revenue	1,322.2	1,207.2	9.5%	2,741.4	1534.2
EBITDA	108.9	70.0	55.5%	165.9	95.9
EBITDA margin	8.2%	5.8%	-	6.1%	6.3%
Operating profit	88.3	49.2	79.5%	65.9	16.7

Production and Sales

Production of cathodes at Copper-India was 145,000 tonnes in H1 FY2011, a decrease of 14.2% compared with the corresponding prior period. This was primarily due to a 22 day bi-annual maintenance shutdown during H1 FY2011.

Mined metal production at our Australian mine was 16.7% higher at 14,000 tonnes during H1 FY2011, as compared to the prior period which was impacted due to an unprecedented mud rush in the mine.

Sales in the domestic Indian market increased to 110,000 tonnes in H1 FY2011, an increase of 4.8% as compared with H1 FY2010. We sold a total of 143,000 tonnes of copper during H1 FY2011.

Based on a writ petition filed over ten years earlier, the Honourable Madras High Court ordered the closure of the Tuticorin smelter on 28 September 2010. Subsequently, the company had appealed to the Honourable Supreme Court, and was granted a stay on the order, allowing the plant to operate in the interim.

The Tuticorin Smelter has been operating for more than 12 years in compliance with applicable regulations and global standards. It employs the ISA Smelt process which is considered globally as an environmentally advanced technology.

Unit Costs and TC/RCs

Net unit conversion was 7.1 US cents per lb in H1 FY2011, a 34.9% decrease from 10.9 US cents per lb in H1 FY2010, on account of improved by-product realisations (mainly sulphuric acid) and higher LME prices. We expect further improvement in operating costs during H2 FY2011 as the plant returns to normal production levels post the scheduled maintenance.

TC/RCs received in H1 FY2011 were marginally lower at 12.7 US cents per lb compared with 13.2 US cents per lb in H1 FY2010 in line with the market. TC/RC's in H2 FY2011 are expected to be lower at c. 10 US cents per lb.

Financial Performance

EBITDA for H1 FY2011 was US\$109 million, 56% higher than the comparable prior period primarily due to higher LME prices, lower unit costs, and higher mined metal production at Australia, partially offset by lower TC/RCs received.

Projects

The construction of the captive power plant at Tuticorin is in progress and the first unit is now scheduled for commissioning in Q4 FY2012. While the MoEF clearance is in place for the 400 ktpa copper smelter expansion project at Tuticorin, the project is being rescheduled awaiting consent from the State Pollution Control Board, and is now targeted for completion in FY 2013.

Copper-Zambia

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	Change	FY 2010	H2 2010
Production(kt)					
Mined metal	47	38	23.7%	79	41
Cathode	113	78	44.9%	173	95
Integrated	66	65	1.5%	126	61
Custom	47	13	261.5%	47	34
Average LME cash settlement prices (US\$ per tonne)	7,131	5,276	35.2%	6,112	6,941
Unit costs (US cents per lb)	187.0	169.1	10.6%	184.4	201.2
Revenue	860.4	429.9	100.1%	1,083.7	653.8
EBITDA	173.9	68.3	154.6%	151.8	83.5
EBITDA margin	20.2%	15.9%	-	14.0%	12.8%
Operating profit	106.6	10.6	905.7%	32.5	21.9

Production Performance

Production of copper cathode in H1 FY2011 was 113,000 tonnes, 44.9% higher than the corresponding prior period primarily due to an increase in custom smelting. Mined metal production was 24% higher at 47,000 tonnes and production from the tailings leach plant was 13% higher at 28,000 tonnes. Integrated production was flat in H1 FY2011 due to a planned shutdown of the Nchanga concentrator.

Sale of copper cathodes was in line with production at 111,000 tonnes in H1 FY2011 as compared to 78,000 tonnes in H1 FY2010.

Unit Costs

Unit costs of integrated production in H1 FY2011 were 187.0 US cents per lb, an increase of 10.6% primarily on account of increases in wages and prices of other inputs. With the planned scaling up of integrated production in the forthcoming quarters, we expect a reduction in operating costs.

Financial Performance

EBITDA in H1 FY2011 of US\$174 million, 154.6% higher than EBITDA of US\$68 million in H1 FY2010, primarily due to higher LME prices and higher volumes in the custom smelting operations.

Project

At the Konkola Deep Mine Project, mine development has started through the mid-shaft loading station that was commissioned in March 2010, and the construction work on the bottom shaft sinking is progressing as scheduled.

ALUMINIUM

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	Change	FY 2010	H2 2010
Production volumes (kt)					
Alumina - Lanjigarh	376	378	(0.5%)	762	384
Alumina - Korba	-	40	-	43	3
Total Alumina	376	418	(10.0%)	805	387
Aluminium - Jharsuguda ¹	174	109	59.6%	264	155
Aluminium - Korba	128	136	(5.9%)	269	133
Total Aluminium	302	245	23.3%	533	288
Average LME cash settlement prices (US\$ per tonne)	2,090	1,652	26.5%	1,868	2,083
Exchange Rate (INR per US\$)	46.09	48.54	(5.0%)	47.42	47.02
Unit costs (US\$ per tonne)					
Aluminium Business	1,860	1,421	30.9%	1,589	1,654
BALCO Plant 2 Production Cost	1,780	1,347	32.1%	1,534	1,665
BALCO Plant 2- Smelting Cost ²	991	762	30.1%	862	908
Jharsuguda Production Cost ²	1,918	-	-	1,645	1,645
Jharsuguda Smelting Cost ¹	1,124	-	-	925	925
Revenue	666.6	240.6	177.1%	915.8	675.2
EBITDA	88.8	40.1	121.5%	154.9	114.8
EBITDA Margin	13.3%	16.7%	-	16.9%	17.0%
Operating (Loss)/Profit	(19.3)	(8.0)	(141.3%)	50.3	59.3

1. Includes aluminium production of 109 kt and 19 kt from Jharsuguda under trial run in H1 FY2010 and H1 FY2011 respectively.

2. Smelting cost comprises production cost excluding alumina cost

3. Cost of production for 250 ktpa smelter in FY10 post commencement of commercial production in December 2009

Production Performance

Production of aluminium in H1 FY2011 was 302,000 tonnes, a record half year performance, and an increase of 23.3% as compared with the corresponding prior period. This increase is primarily attributable to the production of 174,000 tonnes from the new Jharsuguda 500ktpa aluminium smelter. The BALCO Plant 2 continued to operate above its rated capacity.

Work on re-commissioning the damaged pots at the 500 ktpa aluminium smelter at Jharsuguda, following the power outage in April 2010, is progressing well. Around 80% of the pots have been brought online and we expect to get the remaining pots online during Q3 FY2011.

The Lanjigarh alumina refinery produced 376,000 tonnes of alumina H1 FY2011, in line with 378,000 tonnes in H1 FY2010.

Total sales of aluminium were 21.8% higher at 293,000 tonnes in H1 FY2011. Sales of aluminium in the domestic Indian market increased 27% to 238,000 tonnes in H1 FY2011. Sales of wire rods, a value added product increased by 14% as compared with corresponding prior period. We continue to focus on increasing our domestic sales, as our sales realisation in the domestic market is higher than that of exports.

Unit Costs

Unit costs of production increased to US\$1,860 per tonne in H1 FY2011 compared with US\$1,421 in H1 FY2010 primarily on account of higher cost of alumina, coal and carbon, higher operating costs at Jharsuguda due to the pots being re-stabilized post the power outage in Q1 FY2011, a one-time increase in gratuity cost and appreciation of Indian Rupee against US dollar. We expect the smelting costs to reduce in H2 FY2011 post stabilisation of the 500ktpa aluminium smelter at Jharsuguda.

Financial Performance

Revenue in H1 FY2011 was US\$667 million, a significant increase when compared with US\$241 million in H1 FY2010. EBITDA in the period was \$89 million, significantly higher compared with \$40.1 million in H1 FY2010.

At present the Aluminium captive power plant has excess capacity and it is expected that whilst the first metal tapping at the Aluminium smelter expansion activities are deferred, this excess power will continue to be sold in the commercial market.

The revenue and EBITDA of the sales of surplus power from power plants in the aluminium business was US\$61.2 million and US\$31.1 million, respectively. If the surplus power sale was to be considered as part of the aluminium business instead of the power segment, the revenue and EBITDA of the aluminium business would have been US\$727.8 million and US\$119.9 million, respectively.

Projects

The 1,200MW (4x300MW) captive thermal power plant at Korba, Chhattisgarh is progressing well, and we expect to synchronise the first unit by Q4 FY 2011.

Further work on the refinery expansion project at Lanjigarh has been put on hold, and the first metal tapping at the 1.25 mtpa Jharsuguda-II smelter and the 325 ktpa Korba smelter projects is also being temporarily deferred in light of the adverse decision regarding Niyamgiri. The surplus power from the associated power plants will be sold in the commercial market at the prevailing market rate. We remain committed to our Indian integrated aluminium strategy, and are working with the Orissa State Government on identification of alternative bauxite deposits.

ENERGY

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	Change	FY 2010	H2 2010
Power Sales (MU)*	2,129	1,271	67.5%	3,279	2,008
BALCO, MALCO, SEL, Wind Energy	1,327	982	35.1%	2,187	1,205
Surplus From CPPs	802	289	177.5%	1092	803
Sales Realization (US cents/kwh)*	8.8	9.7	(9.3%)	9.2	8.9
Revenue	191.7	143.5	33.6%	330.7	187.2
EBITDA	90.4	70.1	29.0%	170.7	100.6
EBITDA Margin	47.2%	48.8%	-	51.6%	53.7%
Operating Profit	79.5	57.9	37.3%	147.5	89.6

* Includes SEL trial run wheeling of 48 million units in H1 FY 2011

Production Performance

Our current operations in the energy business include 270 MW and 100 MW of thermal power at Korba and Mettur respectively, as well as 123 MW of wind power generators in the States of Gujarat and Karnataka. The energy segment also includes surplus power sales from various captive power plants at the mining and metal operations.

We sold 2,129 million units of power in H1 FY2011 compared with 1,271 million units in the corresponding prior period, primarily due to higher surplus power from the Jharsuguda CPP of 1215MW.

Financial Performance

The energy business EBITDA in H1 FY2011 was US\$90 million, 29.0% higher than the EBITDA of US\$70 million in the corresponding prior period, primarily due to higher power sales, which was partially offset by lower realisations and higher cost of power generation.

Unit Costs

Average power generation cost in H1 FY2011 was 4.5 US cents per unit compared with 3.8 US cents per unit in H1 FY2010, reflecting largely higher coal costs.

Projects

The first 600MW unit of the 2,400 MW (600 MW x 4) IPP at Jharsuguda has been synchronized and is operating at full load now. The second unit is expected to be synchronised by the end of Q3 FY2011. The remaining two units are expected to be progressively commissioned by mid FY2012.

At the 1,980 MW (660 MW*3) Talwandi Sabo supercritical independent power plant, we have recently signed MOU with the Punjab State government for a 4th unit of 660 MW at Talwandi Sabo thus increasing the power generation capacity to 2,640 MW, wherein the power from 4th unit will be sold in commercial market at the prevailing market rate and will thus significantly enhance the overall project return. The first unit is expected to be commissioned by Q4 FY 2013 and overall project completion for first three units by Q2 FY 2014 and fourth unit by FY 2014.

Sustainable Development

Vedanta Resources embraces the responsibility that comes with our position as an international resources operator. We are committed to the highest operating standards and respect for the environment and communities in which we operate. As such, the Company has in place a robust sustainable development framework, vigorous review processes, and comprehensive CSR programmes that positively touch the lives of thousands of people.

Scott Wilson, on behalf of prospective lenders is conducting an independent comprehensive review of our sustainable development policies and practices at the corporate level and a specific review of the VAL Alumina Refinery, Lanjigarh in line with international standards and best practice.

The review will cover our existing Health, Safety and Environment (HSE) and Social policies and our Business Code of Conduct and make recommendations towards further aligning our existing and new policies in a phased manner to the IFC Performance Standards and IFC EHS Guidelines for mining & thermal power; a summary of the review, including findings and recommended actions, will be made publicly available in due course.

In line with our commitment to sustainable development, we will implement the recommendations made in the review. As a first step we are pleased to announce the appointment of Antony Henshaw as the Chief Sustainability Officer.

As part of our existing robust procedures we will also continue to conduct periodic audits and review of the same and report publicly to our stakeholders on our progress through our annual Sustainable Development Report and website.

FINANCE REVIEW

We reported EBITDA of \$1,349 million in the first half of the financial year, on the back of volume growth and higher realizations. We have a strong balance sheet with \$7.3 billion of cash and liquid investments, which along with our various funding arrangements, are sufficient to fund our organic growth projects. Basic Attributable Earnings per Share was US cents 123.8, up 81% as compared to the corresponding period of the prior year. The Group's net gearing ratio at the period end was 11.6%.

Background

Our interim financial report is prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted for use in the European Union. Our reporting currency is the US dollar.

Key Financial Performance Indicators

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	% change	FY2010
EBITDA	1,348.6	746.3	80.7%	2,295.9
Attributable Profit	337.0	188.2	79.1%	602.3
Basic EPS (US cents per share)	123.8	68.5	81.7%	219.6
Underlying EPS (US cents per share)	104.3	41.8	149.5%	199.2
Free Cash Flows	479.2	233.2	105.5%	1,814.3
ROCE* (excluding project capital WIP) (%)	20.1	18.8	-	19.9
Net Debt/(Cash)	1,638.5	969.4	69.0%	947.2

* Annualised basis

Key Financial Highlights

- EBITDA of US\$ 1,349 million, up 81%
- Attributable¹ Profit of US\$ 337.0 million, up 79%
- Attributable EPS of US \$1.24, up 81%
- Attributable profit up at 39.4% of profit after tax, as compared to 37.5%
- Free cash flow of US\$479 million
- Capital investment of US\$1,134 million on growth projects
- Cash and liquid investments of US\$ 7,342 million and net debt of US\$ 1,638 million at 30 September 2010
- Investment of US\$249 million in buyback of Vedanta shares and purchases of shares of subsidiaries
- ROCE (adjusted for project capital work in progress) continues to be strong at 20.1% (annualised).

We have delivered strong operating performance with higher volumes across the businesses. Continued focus on cost control and operational excellence has helped us contain the impact of substantial increases in input prices during the period. We continue to focus on improving operational efficiency. Our balance sheet continues to remain strong with cash and liquid investments of \$7.34 billion. Our gearing ratio at the period end was 11.6%.

¹ Attributable to shareholders of the parent entity.

Income Statement

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	% change	FY2010
Revenue	4,581.5	2,978.6	53.8%	7,930.5
EBITDA	1,348.6	746.3	80.7%	2,295.9
<i>EBITDA margin (%)</i>	29.4%	25.0%	-	29.0%
<i>EBITDA margin (excluding custom smelting) (%)</i>	39.9%	39.9%	-	42.8%
Operating special items	(4.6)	(6.8)	32.4%	(67.3)
Depreciation and amortisation	(358.6)	(249.3)	43.8%	(563.0)
Operating profit	985.3	490.2	101.0%	1,665.6
Net interest income	121.0	114.4	5.8%	176.0
Profit before tax	1,106.3	604.6	83.0%	1,841.6
Income tax expense	(250.1)	(103.4)	141.9%	(330.4)
<i>Tax rate (%)</i>	22.6%	17.1%	32.2%	17.9%
Minority Interest	(519.2)	(313.0)	65.9%	908.9
<i>Minority Interest rate (%)</i>	60.6%	62.5%	(3.0%)	60.1%
Attributable to equity shareholders in parent	337.0	188.2	79.1%	602.3
Basic earnings per share (US cents per share)	123.8	68.5	80.7%	219.6
Underlying earnings per share (US cents per share)	104.3	41.8	149.5%	199.2

Revenue

Higher volumes and realisations in most of our businesses in H1 FY2011 helped in achieving record revenues at US\$4,582 million, an increase of 53.8% from US\$2,979 million in H1 FY2010.

EBITDA and Operating Profit

We posted record EBITDA of US\$ 1,349 million in H1 FY2011, an 80.7% increase compared with \$746 million in H1 FY2010 mainly due to higher volumes and increase in commodity prices. EBITDA margins in H1 FY2011 increased to 29.4% from 25.0% in H1 FY2010.

Zinc contributed the majority of EBITDA at c. 33.9%, followed by Iron ore at 32.1%, Copper Zambia at 12.9%, Copper India/Australia at 8.1%, Aluminium at 6.6% and Energy at 6.7%.

Group operating profit in H1 FY2011 was US\$ 985 million, 101% higher than the US\$490 million achieved in H1 FY2010. The depreciation charge in H1 FY2011 was US\$359 million compared to depreciation of \$249 million in H1 FY2010, reflecting the impact of additional depreciation from the newly commissioned facilities and higher amortisation of mining reserves in line with higher production.

Net Interest Income

Net interest income including other gains and losses was US\$121 million in H1 FY2011 compared with US\$114 million in H1 FY2010.

Finance costs including other gains and losses increased to US\$69 million in H1 FY2010 up from US\$9 million in H1 2010, primarily on account of higher average debt and higher effective interest rate charged on the new convertible bonds, and were partly offset by the mark-to-market of embedded derivatives and exchange gains on foreign currency loans due to the appreciation of Indian rupee against the US dollar. The gain on mark-to-market of embedded derivatives, primarily on the foreign currency convertible bond at Sterlite and Sesa Goa, was US\$105 million and cumulatively since inception of such bonds was US\$75 million. The gain is primarily correlated with the movement in the respective entity's share price and thus may reverse in the future. Gain on mark-to-market of embedded derivatives of our US\$ 883 million convertible bond was \$ 45 million.

Investment income increased significantly to US\$190 million in H1 FY2011, up from US\$123 million in H1 FY2010, on account of a higher interest rate environment and higher cash and liquid investment balances.

The average debt in H1 FY2011 was US\$8,579 million, compared with H1 FY2010 levels of US\$6,018 million. This is due to additional debt facilities taken out in some of our project companies to fund their expansion projects. The average debt maturity at 30 September 2010 was 3.2 years.

Taxation

The effective tax rate for H1 FY2011 is 22.6%, higher than 17.1% in H1 FY2010. The effective tax rate is higher primarily due to higher Minimum Alternate Tax (MAT) rate and losses at VAL wherein no deferred tax asset is recognised due to uncertainty on utilisation of such tax losses, thus effectively reducing PBT and consequently impacted increase in the effective tax rate.

The cash tax rate was 27.5% in H1 FY2011 as compared with 23.3% in H1 FY2010, primarily on account of the increase in the MAT rate in India in the current financial year from 17.0% to 19.9%.

The effective tax rate differs for each subsidiary, due to differing tax rates in India, Australia and Zambia and also due to changes in the profit mix between subsidiaries.

Attributable Profit

Attributable profit in H1 FY2011 was US\$337 million, significantly higher as compared with US\$188 million in H1 FY2010. The profit attributable to equity shareholders increased from 37.5% to 39.4%, primarily due to the higher operating profit from KCM and VAL which have lower minorities.

Earnings Per Share ('EPS') and Dividend

Basic EPS in H1 FY2011 was 123.8 US cents per share compared with 68.5 US cents per share in H1 FY2010, primarily due to the increase in attributable profit.

Diluted EPS in H1 FY2011 was 122.2 US cents per share against 61.4 US cents per share in H1 FY2010.

In line with our progressive dividend policy, the Board proposes an interim dividend of 20 US cents per share.

Balance Sheet

<i>(in US\$ million, except as stated)</i>	30 September 2010	30 September 2009	31 March 2010
Goodwill	12.2	12.2	12.2
Tangible assets	15,309.6	12,019.1	14,326.7
Other non-current assets	431.8	343.3	272.1
Cash and liquid investments	7,342.3	5,950.8	7,239.4
Other current assets	2,718.5	2,232.5	2,209.6
Debt	(8,983.3)	(6,921.7)	(8,173.6)
Other current and non-current liabilities	(4,372.2)	(3,844.7)	(4,446.8)
Net assets	12,458.9	9,791.5	11,439.6
Shareholders' equity	5,246.5	4,074.0	4,710.5
Minority interests	7,212.4	5,717.5	6,729.1
Total equity	12,458.9	9,791.5	11,439.6

Shareholders' equity at 30 September 2010 was US\$5,246 million compared with US\$4,710 million at 31 March 2010. The increase is primarily on account of the US\$337 million profit during H1 and US\$211.4 from the classification of the derivative portion of the US\$883 million convertible bond into equity, upon approval obtained from shareholders for issuance of additional shares.

Minority interests increased to US\$7,212 million at 30 September 2010 from US\$6,729 million as at 31 March 2010, primarily due to profits accrued in H1 FY2011 and the appreciation of the Indian rupee against the US dollar.

Tangible Fixed Assets

During H1 FY2011, we added approximately US\$ 1.2 billion to property, plant and equipment, which was primarily spent on our expansion projects amounting to US\$ 1.1 billion and on maintenance and semi-expansion capex amounting to US\$161 million. Details of expenditure on expansion projects are set out in the table below.

Commitments towards expansion projects at 30 September 2010 were US\$3.9 billion. Our cash and liquid investments position at 30 September 2010 was US\$7.3 billion and we expect to further add to this by maintaining a high EBITDA to cash flow conversion in future periods.

PROJECTS

Projects under execution

(in US\$ million, except as stated)

Sector	Project	Capacity	Country	Completion Date	Project Cost	Spent to 30 Sep 10
Alumina	Lanjigarh I Alumina Refinery	1.0 mtpa	India	Completed	1,015.3	976.5
	Debottlenecking Lanjigarh I	1.0 mtpa	India	On Hold	150.0	69.1
	Lanjigarh II Alumina Refinery	3.0 mtpa	India	On Hold	1,570.0	781.7
Aluminium	Korba III Smelter & 1200 MW CPP	325 KT	India	Temporarily deferred*	1,820.0	865.9
	Jharsuguda I Smelter	0.5 mtpa	India	Q3 FY2011	2,400.0	2,347.9
	Jharsuguda II Smelter	1.25 mtpa	India	Temporarily deferred first metal tapping	2,920.0	1,820.5
Zinc	Smelting	2.1 ltpa Zinc 1.0 ltpa Lead 160 MW CPP	India	Completed Q4 FY 2011 80 MW completed, 80 MW by Q3 FY 2011	720.0	699.6
	Mining	RA 5 to 6 mtpa SK - 1.5 mtpa Kayar- 1 mtpa		Completed Progressive started End 2013		
Copper	KCM KDMP Project	7.5 MTPA	Zambia	Q3 FY 2012	973.0	731.4
	KCM Nchanga Smelter	250 KT PA	Zambia	Completed	470.0	455.1
	SIIL Expansion +CPP	400 KTPA	India	EC awaited	500.0	108.2
Energy	SEL IPP	2,400 MW	India	Q4 FY 2011	1,900.0	1,387.5
	Talwandi Saboo Power Project	2,640 MW	India	FY 2014	3030.0	242.7
Iron Ore	Pig Iron Expansion	375 ktpa	India	Q1 FY 2012	150.0	31.5
	Sesa Iron Ore Expansion	40 mtpa	India	FY 2013	500.0	12.9
Infrastructure	Vizag Coal Berth		India		150.0	-
	Paradeep Port		India		150.0	-
Total					18,418.3	10,530.6

* Temporarily deferred first metal tapping. However power plant will be fully run to sell power in the commercial market

Net Debt

At 30 September 2010, net debt was US\$1,638 million, an increase from net debt of US\$947 million at 31 March 2010. Net debt comprises US\$7,342 million of cash and liquid investments offset by debt of US\$8,983 million. The net debt position has increased by US\$691 million in H1 FY2011, due to US\$1.2 billion spent on funding our project expansions and US\$249 million on purchasing an additional stake in Sesa and Sterlite (US\$121 million), and buy-back of our own shares (US\$128 million). Our cash and liquid investments portfolios is conservatively invested in debt mutual funds and in cash and fixed deposits with the banks. Additionally, the investments portfolio at our Indian entities is independently reviewed by CRISIL (Credit Rating Agency) and our investment portfolio has been rated as "Very Good".

We are currently evaluating the opportunity to raise equity funds at KCM and Sterlite Energy, which currently has 5,040 MW of power projects under construction.

External debt at operating subsidiaries was US\$4,796 million and debt at Vedanta Resources Plc was US\$ 4,187 million as at 30 September 2010 compared with US\$3,583 million at 31 March 2010, primarily due to additional non-recourse project financing at some of our subsidiaries that are engaged in large capacity expansions. Of the \$8.9 billion total debt, \$2.3 billion consists of convertible bonds.

Cash Flows

<i>(in US\$ million, except as stated)</i>	H1 2011	H1 2010	FY 2010
EBITDA	1,348.6	746.3	2,295.9
Special items	(4.6)	(6.8)	(67.3)
Working capital movements	(634.9)	(436.0)	(27.9)
Changes in long term creditors and non-cash items	10.2	37.2	59.7
Sustaining capital expenditure*	(131.1)	(78.4)	(184.4)
Sale of tangible fixed assets	26.0	-	12.1
Net interest received including gains on liquid investments	95.9	73.7	(8.7)
Dividend received	71.0	58.2	142.7
Tax paid	(301.9)	(161.0)	(407.8)
Free Cash Flow	479.2	233.2	1,814.3
Expansion capital expenditure*	(1,134.5)	(1,786.3)	(3,543.4)
Semi-expansion capital expenditure**	(30.2)	(58.2)	(136.2)
Purchase of fixed asset investments	(30.7)	(0.7)	17.9
Acquisition of minorities	(121.0)	(108.1)	(189.7)
Acquisitions, net of cash and liquid investments acquired	-	(300.5)	(300.4)
Buy-back of shares of Vedanta Resources plc	(128.0)	(146.5)	(348.6)
ADS Sterlite	-	1,081.8	1,090.1
Convertible Bond transfer and conversion***	427.7	327.6	330.2
Dividends paid to equity shareholders	(75.1)	(70.2)	(117.9)
Dividends paid to minority shareholders	(86.8)	(65.8)	(68.4)
Other movements***	8.1	124.9	705.4
Movement in net cash	(691.3)	(768.8)	(746.7)

* On an accruals basis.

** Non-project capital expenditure.

*** Includes \$216.3 million of conversion of FCCB into equity and \$211.4 million of classification of convertible bond into equity in H1 FY 11

**** Includes foreign exchange movements.

Free cash flow in H1 FY2011 was US\$479 million, an increase of 105.5% over the corresponding prior period. This includes an investment of \$30 million in additional working capital at our new operations at Jharsuguda and Dariba. We have invested US\$131 million in sustaining capital expenditure during H1 FY2011 to modernise our plants and refurbish equipment, and help us sustain and continually improve on operational parameters.

Gross debt was US\$8,983 million at 30 September 2010 up from US\$8,173 million at 31 March 2010, primarily due to the debts raised at our subsidiaries primarily to fund their capex requirements. The overall debt was reduced by the accounting for the equity portion of the convertible debt subsequent to the removal of the cash settlement option in an amount of US\$ 211 million into equity post approval for issuing additional underlying shares by the shareholders, which had been previously disclosed as debt. Cash and cash equivalents together with liquid investments were US\$7,342 million at 30 September 2010.

Acquisitions

In Q1 FY2011, Vedanta announced its intention to acquire the Zinc assets of Anglo American for a total consideration of US\$1,338 million on an attributable, debt and cash free basis, with economic ownership transferred from 1 January 2010. Anglo American Zinc is one of the top five global zinc producers. Its assets include the 100 per cent owned Skorpion mine in Namibia, the 100 per cent owned Lisheen mine in Ireland and the 74 per cent owned Black Mountain Mining, which includes the Black Mountain mine and Gamsberg project in South Africa. Of the total consideration, US\$698 million relates to the Skorpion mine, US\$308 million relates to the Lisheen mine and US\$332 million relates to Anglo American's 74% interest in Black Mountain Mining. We intend to complete the acquisition through our Zinc Business subsidiary, Hindustan Zinc Ltd. (HZL), which is subject to the approval of the Government of India. HZL will fund the acquisition cost from cash reserves. The necessary approvals are under way and we expect to complete the same by the end of FY2011.

During Q2 FY2011, Vedanta announced its intention to acquire 51% to 60% stake in Cairn India Limited for an aggregate consideration of between approximately US\$8.5-9.6 billion in cash. Cairn India represents a unique oil and gas exploration and production platform with the second largest reserves in India among private sector oil companies, a proven management team, and low-cost production. Shareholder approval will be sought at an Extraordinary General Meeting, which we expect to convene shortly. The required regulatory approvals are being sought. Full details of the transaction, including the debt financing facilities, will be disclosed in the shareholder circular.

Other matters

Off-Balance Sheet Arrangements and Transactions, Contingent Liabilities and Commitments

We have no off-balance sheet entities. In the normal course of business, we enter into certain commitments for capital and other expenditure and certain performance guarantees. The aggregate amount of indemnities and other guarantees was US\$1,264 million at 30 September 2010. Details of related party transactions, contingent liabilities and commitments are set out in note 9 of the accompanying interim financial statements.

Risks and Uncertainties

Our businesses are subject to a variety of risks and uncertainties which are no different from any other company in general and our competitors in particular. Such risks are the result of not only the business environment in which we operate but also of other factors over which we have little or no control. These risks may be categorised as operational, financial, environmental, health and safety, political, market-related and strategic. Details of the principal risks affecting our business and our actions to mitigate them have been detailed in our most recent Annual Report for the year ended 31 March 2010 and include: internal controls, treasury, commodity, political, legal, economic and regulatory, reserves and resources, delivery of expansion projects, asset use and continuity insurance, safety, health and environment, operational, liquidity, foreign currency, interest rate, counterparty and employee risk.

In addition to regular controls, we have introduced additional controls to monitor the quality of investments which are primarily in highly rated instruments issued by mutual funds. We do not foresee any specific risk on our investments. We regularly monitor our financial assets for exposures and believe they are not subject to any major risk.

More specifically for the second half of FY 2011, the risks which our Directors believe could have a material impact on the financial performance and position of our businesses include: a decline in the LME prices of copper, zinc, aluminium, lead and silver; a decline in iron ore prices, a strengthening of the Indian rupee against US dollar; a reduction in treatment and refining charges received in our custom copper smelting operations at India and Zambia; and unexpected delays in the completion of our expansion projects and ramping up of production in newly expanded capacities.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Operational Review in our last annual report on pages 8 to 31. These activities and factors have not materially changed since the issue of the last annual report.

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group generates sufficient cash flows from its current operations which, together with the available cash and cash equivalents and liquid financial asset investments, provide liquidity both in the short term as well as in the long term. Anticipated future cash flows and undrawn committed facilities of US\$ 3,446 million, together with cash and liquid investments of US\$7,342 million as at 30 September 2010, are expected to be sufficient to meet the ongoing capital investment programme and liquidity requirement of the Group in the foreseeable future.

The Group has a strong Balance Sheet that gives sufficient headroom to raise further debt should the need arise. The Group's current ratings from Standard & Poor's and Moody's are BB and Ba1 respectively. These ratings support the necessary financial leverage and access to debt or equity markets at competitive terms, taking into consideration current market conditions. The Group generally maintains a healthy net debt-equity ratio and retains flexibility in the financing structure to alter the ratio when the need arises. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, we have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, we continue to adopt the going concern basis in preparing the Interim Financial Report.

Responsibility Statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34, Interim Financial Reporting;
- the interim management report includes a fair view of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair view of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

MS MEHTA

Chief Executive Officer

10 November 2010

DD JALAN

Chief Financial Officer

10 November 2010

Condensed Consolidated Income Statement

For the period ended 30 September 2010

<i>(US \$ million except as stated)</i>	Notes	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Revenue	3	4,581.5	2,978.6	7,930.5
Cost of sales		(3,357.7)	(2,334.1)	(5,786.7)
Gross profit		1,223.8	644.5	2,143.8
Other operating income		24.7	43.1	87.8
Distribution costs		(102.9)	(59.0)	(229.5)
Administrative expenses		(155.7)	(131.6)	(269.2)
Special items	4	(4.6)	(6.8)	(67.3)
Operating profit	3	985.3	490.2	1,665.6
Investment revenues		189.8	123.4	272.8
Finance costs		(248.3)	(104.7)	(236.6)
Other gains		179.5	95.7	139.8
Profit before taxation	3	1,106.3	604.6	1,841.6
Tax expense	5	(250.1)	(103.4)	(330.4)
Profit for the period/year from continuing activities		856.2	501.2	1,511.2
Attributable to:				
Equity holders of the parent		337.0	188.2	602.3
Non-controlling interests		519.2	313.0	908.9
		856.2	501.2	1,511.2
Earnings per share				
Basic (US Cents) - Continuing operations	6a	123.8	68.5	219.6
Diluted (US Cents) - Continuing operations	6a	122.2	61.4	203.2

Condensed Consolidated Statement Of Comprehensive Income

For the period ended 30 September 2010

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Profit for the period/year	856.2	501.2	1,511.2
Income and expenses recognised directly in equity:			
Exchange differences arising on translation of foreign operations	85.7	564.7	1,308.6
Gain in fair value of available-for-sale financial assets	23.7	99.0	111.1
Gain in fair value of cash flow hedges deferred in reserves	20.8	14.2	70.9
Tax effects arising on cash flow hedges deferred in reserves	(6.8)	(5.0)	(24.1)
Total income recognised in equity	123.4	672.9	1,466.5
Losses in fair value of cash flow hedges transferred to income statement	19.8	34.3	56.8
Tax effects arising on cash flow hedges transferred to income statement	(6.5)	(12.0)	(19.2)
Total transferred to the income statement	13.3	22.3	37.6
Total comprehensive income for the period/year	992.9	1,196.4	3,015.3
Attributable to:			
Equity holders of the parent	418.1	600.4	1,406.2
Non-controlling interests	574.8	596.0	1,609.1

Condensed Consolidated Balance Sheet

At 30 September 2010

<i>(US \$ million except as stated)</i>	Notes	At 30 September 2010	At 30 September 2009	At 31 March 2010
ASSETS				
Non-current assets				
Goodwill		12.2	12.2	12.2
Property, plant and equipment		15,309.6	12,019.1	14,326.7
Financial asset investments		258.0	197.8	201.2
Other non-current assets		24.6	18.8	18.3
Other financial assets (derivatives)		85.2	118.0	43.7
Deferred tax assets		64.0	8.7	8.9
		15,753.6	12,374.6	14,611.0
Current assets				
Inventories		1,688.3	1,275.6	1,260.6
Trade and other receivables		1,006.5	848.1	923.6
Other current financial assets (derivatives)		23.7	108.8	10.4
Liquid investments	8	7,086.5	5,595.8	6,849.4
Cash and cash equivalents	8	255.9	355.0	390.0
Current tax assets		-	-	15.0
		10,060.9	8,183.3	9,449.0
Total assets		25,814.5	20,557.9	24,060.0
LIABILITIES				
Current liabilities				
Short-term borrowings	8	(2,523.4)	(4,043.9)	(1,012.6)
Convertible loan notes	8	-	(1,515.6)	-
Trade and other payables		(2,567.0)	(2,091.5)	(2,589.1)
Other current financial liabilities (derivatives)		(13.5)	(128.5)	(38.5)
Provisions		(17.9)	(14.4)	(0.9)
Current tax liabilities		(33.3)	(26.2)	(41.8)
		(5,155.1)	(7,820.1)	(3,682.9)
Net current assets		4,905.8	363.2	5,766.1
Non-current liabilities				
Medium and long-term borrowings	8	(4,205.3)	(1,362.2)	(4,383.2)
Convertible loan notes	8	(2,254.6)	-	(2,777.8)
Trade and other payables		(216.7)	(76.3)	(306.4)
Other financial liabilities (derivatives)		(82.8)	(117.1)	(44.7)
Deferred tax liabilities		(1,227.0)	(1,192.5)	(1,209.3)
Retirement benefits		(47.3)	(20.9)	(36.6)
Provisions		(154.9)	(165.4)	(167.6)
Non-equity Non-controlling interests		(11.9)	(11.9)	(11.9)
		(8,200.5)	(2,946.3)	(8,937.5)
Total liabilities		(13,355.6)	(10,766.4)	(12,620.4)
Net assets		12,458.9	9,791.5	11,439.6
Equity				
Share capital		29.6	28.9	29.6
Share premium account		196.8	21.3	196.8
Share-based payment reserves		35.1	19.0	25.5
Convertible bond reserve		486.0	432.5	305.9
Hedging reserve		50.3	(18.6)	27.8
Other reserves		1,402.2	2,040.8	2,463.8
Treasury shares		(556.9)	(226.8)	(428.9)
Retained earnings		3,603.4	1,776.9	2,090.0
Equity attributable to equity holders of the parent		5,246.5	4,074.0	4,710.5
Non-controlling interests		7,212.4	5,717.5	6,729.1
Total equity		12,458.9	9,791.5	11,439.6

Condensed Consolidated Cash Flow Statement

For the period ended 30 September 2010

<i>(US \$ million except as stated)</i>	Notes	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Operating activities				
Profit before taxation		1,106.3	604.6	1,841.6
Adjustments for:				
Depreciation		358.6	249.3	563.0
Investment revenues		(189.8)	(123.4)	(272.9)
Finance costs, including foreign exchange		68.9	9.0	96.8
Share-based payment charge		9.6	5.0	15.6
Other non-cash items		0.6	32.3	44.1
Operating cash flows before movements in working capital		1,354.2	776.8	2,288.2
(Increase) in inventories		(415.0)	(303.5)	(249.4)
(Increase) / decrease in receivables		(94.8)	(36.8)	16.4
(Decrease)/increase in payables		(143.3)	(95.6)	205.2
Cash generated from operations		701.1	340.9	2,260.4
Dividend received		71.0	58.2	142.7
Interest income received		97.4	91.7	150.1
Interest paid		(77.9)	(136.8)	(455.3)
Income taxes paid		(301.9)	(161.0)	(407.8)
Dividends paid		(75.1)	(70.2)	(117.9)
Net cash from operating activities		414.6	122.8	1,572.2
Cash flows from investing activities				
Acquisition of subsidiary		-	(335.0)	(335.0)
Cash acquired with subsidiary		-	34.6	34.6
Purchases of property, plant and equipment		(1,059.6)	(1,332.8)	(2,362.1)
Proceeds on disposal of property, plant and equipment		26.0	-	12.1
Dividends paid to Non-controlling interests of subsidiaries		(86.8)	(65.8)	(68.4)
Purchases of liquid investments	8	(167.4)	(780.2)	(1,663.4)
Purchases of treasury shares		(128.0)	(146.5)	(348.6)
Buyout of Non-controlling interest		(121.0)	(108.1)	(189.7)
(Purchase)/Sale of financial asset investments		(30.7)	(0.7)	17.9
Net cash used in investing activities		(1,567.5)	(2,734.5)	(4,902.6)
Cash flows from financing activities				
Issue of ordinary shares		-	-	0.7
Issue of depository receipts by subsidiary		-	1,081.8	1,090.1
Increase / (decrease) in short term borrowings	8	1,452.5	454.2	(360.6)
(Decrease)/ increase in long-term borrowings	8	(462.2)	1,226.8	2,859.0
Net cash from financing activities		990.3	2,762.8	3,589.2
Net (decrease)/increase in cash and cash equivalents	8	(162.6)	151.1	258.8
Effect of foreign exchange rate changes	8	28.5	(176.6)	(249.3)
Cash and cash equivalents at beginning of period/year	8	390.0	380.5	380.5
Cash and cash equivalents at end of period/year	8	255.9	355.0	390.0

Condensed Consolidated Statement of Changes in Equity

For the period ended 30 September 2010

US\$ million	Attributable to equity holders of the Company										
	Share capital	Share premium	Treasury Shares	Share based payment reserves	Convertible bond reserve	Hedging reserve	Other reserves*	Retained earnings	Total	Non-controlling interests	Total equity
At 1 April 2010	29.6	196.8	(428.9)	25.5	305.9	27.8	2,463.8	2,090.0	4,710.5	6,729.1	11,439.6
Total Comprehensive income for the period	-	-	-	-	-	22.5	58.6	337.0	418.1	574.8	992.9
Issue of Convertible Bond****	-	-	-	-	211.4	-	-	-	211.4	-	211.4
Convertible Bond Transfer	-	-	-	-	(31.3)	-	-	31.3	-	-	-
Conversion of convertible bond	-	-	-	-	-	-	-	163.5	163.5	52.8	216.3
Transfers **	-	-	-	-	-	-	(1,120.2)	1,120.2	-	-	-
Dividends paid	-	-	-	-	-	-	-	(75.1)	(75.1)	(86.8)	(161.9)
Purchase of Treasury Shares***	-	-	(128.0)	-	-	-	-	-	(128.0)	-	(128.0)
Additional Investment in Subsidiaries	-	-	-	-	-	-	-	(63.5)	(63.5)	(57.5)	(121.0)
Recognition of share based payment	-	-	-	9.6	-	-	-	-	9.6	-	9.6
At 30 September 2010	29.6	196.8	(556.9)	35.1	486.0	50.3	1,402.2	3,603.4	5,246.5	7,212.4	12,458.9

* Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve and the general reserves established in the statutory accounts of the Group's Indian subsidiaries.

** Under Indian law, a general reserve is created through a year-on-year transfer from the income statement. The purpose of these transfers is to ensure that distributions in a year are less than the total distributable results for that year. This general reserve becomes fully distributable in future periods. The transfer is to reflect the general reserve at the cumulative amount attributable to the equity holder's of the parent, offset by the current period transfer of \$305.0 million.

*** Includes buy back of \$ 66.4 million made by an independent company Gorey Investments Ltd., funded by a wholly owned subsidiary of Vedanta.

**** This relates to the recognition of the equity component of the \$ 883 million convertible bond on the removal of the cash settlement option of 28 July 2010.

Condensed Consolidated Statement of Changes in Equity (Continued)

For the period ended 30 September 2009

US\$ million	Attributable to equity holders of the Company										
	Share capital	Share premium	Treasury Shares	Share based payment reserves	Convertible bond reserve	Hedging reserve	Other reserves*	Retained earnings	Total	Non-controlling interests	Total equity
At 1 April 2009	28.9	21.1	(80.3)	14.0	111.5	(39.6)	1,168.9	1,888.1	3,112.6	4,458.7	7,571.3
Total Comprehensive income for the period	-	-	-	-	-	21.0	391.2	188.2	600.4	596.0	1,196.4
Issue of depository receipts by subsidiary***	-	-	-	-	-	-	-	298.2	298.2	783.6	1,081.8
Issue of Convertible Bond	-	0.2	-	-	327.6	-	-	-	327.8	-	327.8
Conversion of convertible bond	-	-	-	-	(0.2)	-	-	-	(0.2)	-	(0.2)
Convertible bond transfer	-	-	-	-	(6.4)	-	-	6.4	-	-	-
Transfers **	-	-	-	-	-	-	480.7	(480.7)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(70.2)	(70.2)	(65.8)	(136.0)
Purchase of Treasury Shares	-	-	(146.5)	-	-	-	-	-	(146.5)	-	(146.5)
Additional Investment in Subsidiaries	-	-	-	-	-	-	-	(53.1)	(53.1)	(55.0)	(108.1)
Recognition of share based payment	-	-	-	5.0	-	-	-	-	5.0	-	5.0
At 30 September 2009	28.9	21.3	(226.8)	19.0	432.5	(18.6)	2,040.8	1,776.9	4,074.0	5,717.5	9,791.5

* Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve and the general reserves established in the statutory accounts of the Group's Indian subsidiaries.

** Under Indian law, a general reserve is created through a year-on-year transfer from the income statement. The purpose of these transfers is to ensure that distributions in a year are less than the total distributable results for that year. This general reserve becomes fully distributable in future periods.

*** In June 2009, Sterlite raised US\$ 1081.8 million via the issuance of American Depository Receipts. This resulted in a reduction of Vedanta's shareholding in Sterlite from 61.35% to 56.62%. This reduction has not resulted in any change in control and hence Sterlite continues to be consolidated in Vedanta's consolidated financial statements. This reduction has been accounted in Vedanta's consolidated financial statement as an equity transaction. The carrying amount of the Non-controlling interest has been adjusted to reflect the change in Vedanta's interest in Sterlite's net assets. The difference between the amount by which the Non-controlling interest is adjusted and the net consideration received of \$ 298.2 million is recognised directly in equity and attributed to equity holders of Vedanta.

Condensed Consolidated Statement of Changes in Equity (Continued)

For the period ended 31 March 2010

US\$ million	Attributable to equity holders of the Company										
	Share capital	Share premium	Treasury Shares	Share based payment reserves	Convertible bond reserve	Hedging reserve	Other reserves*	Retained earnings	Total	Non-controlling interests	Total equity
At 1 April 2009	28.9	21.1	(80.3)	14.0	111.5	(39.6)	1,168.9	1,888.1	3,112.6	4,458.7	7,571.3
Total Comprehensive income for the period	-	-	-	-	-	67.4	736.5	602.3	1,406.2	1,609.1	3,015.3
Issue of depository receipts by subsidiary***	-	-	-	-	-	-	-	300.1	300.1	790.0	1,090.1
Issue of Convertible Bond	-	-	-	-	330.2	-	-	-	330.2	-	330.2
Conversion of convertible bond	0.7	175.7	-	-	(109.5)	-	-	42.2	109.1	32.6	141.7
Exercise of LTIP /STIP awards	-	-	-	(4.1)	-	-	-	4.1	-	-	-
Convertible bond transfer	-	-	-	-	(26.3)	-	-	26.3	-	-	-
Transfers **	-	-	-	-	-	-	558.4	(558.4)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(117.9)	(117.9)	(68.4)	(186.3)
Purchase of Treasury Shares	-	-	(348.6)	-	-	-	-	-	(348.6)	-	(348.6)
Additional Investment in Subsidiaries	-	-	-	-	-	-	-	(96.8)	(96.8)	(92.9)	(189.7)
Recognition of share based payment	-	-	-	15.6	-	-	-	-	15.6	-	15.6
At 31 March 2010	29.6	196.8	(428.9)	25.5	305.9	27.8	2,463.8	2,090.0	4,710.5	6,729.1	11,439.6

* Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve and the general reserves established in the statutory accounts of the Group's Indian subsidiaries.

** Under Indian law, a general reserve is created through a year-on-year transfer from the income statement. The purpose of these transfers is to ensure that distributions in a year are less than the total distributable results for that year. This general reserve becomes fully distributable in future periods.

*** In June 2009, Sterlite raised US\$ 1081.8 million via the issuance of American Depository Receipts. This resulted in a reduction of Vedanta's shareholding in Sterlite from 61.35% to 56.62%. This reduction has not resulted in any change in control and hence Sterlite continues to be consolidated in Vedanta's consolidated financial statements. This reduction has been accounted in Vedanta's consolidated financial statement as an equity transaction. The carrying amount of the Non-controlling interest has been adjusted to reflect the change in Vedanta's interest in Sterlite's net assets. The difference between the amount by which the Non-controlling interest is adjusted and the net consideration received of \$ 298.2 million is recognised directly in equity and attributed to equity holders of Vedanta.

Notes to the Financial Information

1. Basis of preparation

The financial information in this interim financial report is prepared under International Financial Reporting Standards ('IFRS') as adopted by the European Union. The interim condensed consolidated financial information for the period ended 30 September 2010 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial information for the full preceding financial year has been derived from the statutory accounts for the financial year ended 31 March 2010 as filed with the Registrar of Companies. The auditors' report on the statutory accounts for the year ended 31 March 2010 was unqualified, did not draw attention by way of emphasis of matter and did not contain statements under section 498(2) (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations) of the Companies Act 2006.

The financial information prepared under IFRS in respect of the six months ended 30 September 2010 and 30 September 2009 is unaudited but has been reviewed by the auditors and their report is set out on page 24.

This interim financial report for the half-year ended 30 September 2010 is unaudited and has been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the EU.

The half-year financial statements represent a "condensed set of financial statements" as referred to in the UK Disclosure and Transparency Rules issued by the Financial Services Authority. Accordingly, they do not include all of the information required for a full annual report and are to be read in conjunction with the most recent annual financial report.

The Company published full financial statements that comply with IFRS as adopted by the European Union for the year ended 31 March 2010.

The condensed set of financial statements included in the interim financial report has been prepared using the going concern basis of accounting for the reasons set out in the Going Concern section of the Financial Review.

2. Accounting policies

This interim financial report, including all comparatives, has been prepared using the same accounting policies and methods of computation as followed in the annual financial statements for the year ended 31 March 2010 as published by the Company.

The comparative information for the period ended 30 September 2009 included in Note 3 - Segment Reporting, has been restated to reflect the change in the composition of the energy segment that was reflected in the 31 March 2010 financial statements.

The accounting policies applied are consistent with those adopted and disclosed in the Group's financial statements for the year ended 31 March 2010 with the exception of adoption of IAS 27 (Revised) Consolidated and Separate Financial Statements.

Adoption of New Standards

In the current financial period Group has adopted the following new standards:

IAS 27 (Revised) – Consolidated and Separate financial statements. IAS 27 (Revised) requires the effect of all transactions with non-controlling interests to be recognised in equity where there is no change in control.

The adoption of the revised standard has resulted in reference to minority interests being amended to non-controlling interests. There has been no impact on the Group apart from terminology.

Other amendments to accounting standards or new interpretations issued by International Accounting Standards Board, which were applicable from 1 April 2010, do not have an impact on the Group.

Foreign Exchange Rates

The following exchange rates to US dollar (\$) have been applied:

	Average rate for six months ended 30 September 2010	Average rate for six months ended 30 September 2009	Average rate for year ended 31 March 2010	As at 30 September 2010	As at 30 September 2009	As at 31 March 2010
Indian rupee	46.09	48.54	47.42	44.92	48.04	45.14
Australian dollar	1.11	1.25	1.17	1.03	1.14	1.09

3. Segmental Reporting

The Group's primary format for segmental reporting is based on business segments. The business segments consist of aluminium, copper, zinc, iron ore and energy with residual components being reported as "Other". Business segment data includes an allocation of certain corporate costs, allocated on an appropriate basis. The risks and returns of the Group's operations are primarily determined by the nature of the different activities in which the Group is engaged. Inter-segment sales are charged based on prevailing market prices. The Group's activities are organised on a global basis.

The Group's reportable segments under IFRS 8 are as follows:

- Aluminium
- Copper-India/Australia
- Copper-Zambia
- Zinc
- Iron Ore
- Energy

The Energy segment includes the sales of surplus power from Captive Power Plants for which the related asset carrying values are located within the other business segments. This classification was applied for the first time in the 31 March 2010 financial statements, accordingly the comparative information for 30 September 2009 has been restated for this change.

Management monitors the operating results of reportable segments for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on the EBITDA of each segment.

The following tables present revenue and profit information and certain asset and liability information regarding the Group's reportable segments for the six months ended 30 September 2010 and 30 September 2009 and for the year ended 31 March 2010. Items after operating profit are not allocated by segment.

EBITDA¹ by Operating Segment

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009 (restated)	Year ended 31 March 2010
Aluminium	88.8	40.1	154.9
Copper	282.8	138.3	317.7
India/Australia	108.9	70.0	165.9
Zambia	173.9	68.3	151.8
Zinc	456.5	368.2	982.8
Iron Ore	432.7	130.5	673.0
Energy	90.4	70.1	170.7
Other	(2.6)	(0.8)	(3.2)
Group EBITDA	1,348.6	746.3	2,295.9
Depreciation	(358.6)	(249.3)	(563.0)
Special items	(4.6)	(6.8)	(67.3)
Group operating profit	985.4	490.2	1,665.6

1. EBITDA being Earnings before interest, taxation, depreciation and amortisation, and special items (note 4).

4. Special items

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Voluntary retirement schemes	(4.6)	(6.8)	(6.9)
Asarco transaction costs*	-	-	(57.7)
Impairment of mining reserves**	-	-	(2.7)
	(4.6)	(6.8)	(67.3)

* Asarco transaction costs include the loss of a \$50 million deposit used as security for a letter of credit which has been encashed by the counterparty.

** The impairment of mining reserves relates to mines at Sesa Goa operated on a lease basis which have expired and have not been renewed.

5. Income tax expense

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Current tax:			
Foreign tax:			
India	292.0	129.4	404.1
Zambia	-	-	0.1
Australia	11.0	10.4	20.3
Others	1.2	1.2	4.9
	304.2	141.0	429.4
Deferred tax:			
Current year movement in deferred tax	(54.1)	(37.6)	(99.0)
	(54.1)	(37.6)	(99.0)
Total income tax expense	250.1	103.4	330.4
<i>Effective tax rate</i>	22.6%	17.1%	17.9%

6. Earnings per share

(a) Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period (adjusted for the effects of dilutive options and convertible loan notes).

The following reflects the income and share data used in the basic and diluted earning per share computations:

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Net profit attributable to equity holders of the parent	337.0	188.2	602.3

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Weighted average number of Ordinary Shares for basic earnings per share	272.3	274.9	274.3
Effect of dilution:			
Convertible loan notes	-	62.1	46.7
Share options	3.5	4.0	3.7
Adjusted weighted average number of Ordinary Shares for diluted earnings per share	275.8	341.0	324.7

Basic earnings per share on the profit for the period/year

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Profit for the period/year attributable to equity holders of the parent (\$ million)	337.0	188.2	602.3
Weighted average number of Ordinary Shares of the Company in issue (million)	272.3	274.9	274.3
Earnings per share on profit for the period/year (US cents per share)	123.8	68.5	219.6

Diluted earnings per share on the profit for the period/year

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Profit for the period/year attributable to equity holders of the parent (\$ million)	337.0	188.2	602.3
Adjustment in respect of convertible bonds of Vedanta (\$ million)*	-	21.2	57.6
Profit for the period/year after dilutive adjustment	337.0	209.4	659.9
Adjusted weighted average number of Ordinary Shares of the Company in issue for basic EPS (million)	275.8	341.0	324.7
Diluted earnings per share on profit for the period/year (US cents per share)	122.2	61.4	203.2

* The adjustment in respect of the convertible bonds has an anti-dilutive impact on the number of shares and earnings and is thus not disclosed.

Profit for the period would be diluted if holders of the convertible bonds in Vedanta exercised their right to convert their bond holdings into Vedanta equity. The impact on profit for the period of this conversion would be the interest payable on the convertible bond.

The outstanding awards under the Long-Term Incentive Plan ('LTIP') are reflected in the diluted EPS figure through an increased number of weighted average shares.

There have been no other transactions involving Ordinary Shares or potential Ordinary Shares since the reporting date and before the completion of this financial information.

(b) Earnings per Share Based on Underlying Profit for the period/year

The Group's Underlying Profit is the attributable profit for the period/year after adding back special items, exchange (gains)/losses on borrowings and capital creditors and their resultant tax and Non-controlling interest effects:

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Profit for the period/year attributable to equity holders of the parent	337.0	188.2	602.3
Special items	4.6	6.8	67.3
Other (gains)- net of tax	(135.6)	(95.7)	(139.9)
Non-controlling interest effect of special items and exchange losses	78.0	15.5	16.8
Underlying Profit for the period/year	284.0	114.8	546.5

Basic earnings per share on Underlying Profit for the period/year

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Underlying profit for the period/year (\$ million)	284.0	114.8	546.5
Weighted average number of Ordinary Shares of the Company in issue (million)	272.3	274.9	274.3
Earnings per share on Underlying Profit for the period/year (US cents per share)	104.3	41.8	199.2

Diluted earnings per share on Underlying Profit for the period/year

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Underlying profit for the period/year (\$ million)	284.0	120.9	546.5
Adjustment in respect of convertible bonds of Vedanta (\$ million)	-	-	57.6
Underlying profit for the year after dilutive adjustment (\$ million)	284.0	120.9	604.1
Adjusted weighted average number of shares of the Company (million)	275.8	306.7	324.7
Diluted earnings per share on Underlying Profit for the year (US cents per share)	103.0	39.4	186.0

7. Dividends

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Amounts paid as distributions to equity holders:			
Final dividend paid			-
2009-10 : 27.5 US cents per share	75.2	-	70.2
2008-09 : 25.0 US cents per share	-	70.2	
Interim dividend paid			
2009-10 : 17.5 US cents per share	-	-	47.7
Total	75.2	70.2	117.9

The proposed interim dividend for the six months ended 30 September 2010 was 20 US cents per share.

8. Movement in net debt¹

<i>US\$ million</i>	Cash and cash equivalents	Liquid investments	Debt due within one year		Debt due after one year		Total net (debt)/cash
			Debt carrying value	Debt-related derivatives ²	Debt carrying value	Debt-related derivatives ²	
At 1 April 2009	380.5	4,532.1	(1,298.5)	8.4	(3,816.4)	(6.9)	(200.8)
Cash flow	151.1	780.2	(454.2)	-	(1,226.8)	-	(749.7)
Acquisition of Subsidiaries	-	-	(12.4)	-	-	-	(12.4)
Reclassification due to covenant test*	-	-	(3,741.6)	-	3,741.6	-	-
Other non-cash changes ³	-	10.6	(13.7)	-	(4.7)	-	(7.8)
Foreign exchange differences	(176.6)	272.9	(39.1)	-	(55.9)	-	1.3
As at 30 September 2009	355.0	5,595.8	(5,559.5)	8.4	(1,362.2)	(6.9)	(969.4)

<i>US\$ million</i>	Cash and cash equivalents	Liquid investments	Debt due within one year		Debt due after one year		Total net (debt)/cash
			Debt carrying value	Debt-related derivatives ²	Debt carrying value	Debt-related derivatives ²	
At 1 April 2009	380.5	4,532.1	(1,298.5)	8.4	(3,816.4)	(6.9)	(200.8)
Cash flow	258.8	1,663.4	360.6	-	(2,859.0)	-	(576.2)
Acquisition of Subsidiaries	-	-	(12.4)	-	-	-	(12.4)
Other non-cash changes ³	-	27.6	25.0	(9.3)	(351.7)	(5.1)	(313.5)
Foreign exchange differences	(249.3)	626.3	(87.3)	-	(133.9)	-	155.8
As at 31 March 2010	390.0	6,849.4	(1,012.6)	(0.9)	(7,161.0)	(12.0)	(947.1)

8. Movement in net debt¹ (cont)

<i>US\$ million</i>	Cash and cash equivalents	Liquid investments	Debt due within one year		Debt due after one year		Total net (debt)/cash
			Debt carrying value	Debt-related derivatives ²	Debt carrying value	Debt-related derivatives ²	
At 1 April 2010	390.0	6,849.4	(1,012.6)	(0.9)	(7,161.0)	(12.1)	(947.2)
Cash flow	(162.6)	167.4	(1,452.5)	-	462.2	-	(985.5)
Other non-cash changes ³	-	20.8	(23.0)	3.3	252.7	12.1	265.9
Foreign exchange differences	28.5	48.9	(35.3)	-	(13.8)	-	28.3
As at 30 September 2010	255.9	7,086.5	(2,523.4)	2.4	(6,459.9)	-	(1,638.5)

¹ Net debt being total debt after fair value adjustments under IAS 32 and 39 as reduced by cash and cash equivalents and liquid investments.

² Debt-related derivatives exclude commodity-related derivative financial assets and liabilities

³ Other non-cash changes comprised \$ 119.3 million (March 2010: \$ 326.7 million, September 2009: \$ 351.0 million) of project buyers credit obtained from banks, for which there is no cash movement as it represents the re-financing of amounts previously owed to suppliers. It also includes \$ 211.4 million of non cash movement relating to the equity portion of the \$ 883 million convertible bond. It also includes \$20.8 million (March 2010 : \$ 27.6 million, September 2009 : \$ 10.6 million) of fair value movement in liquid investments. A movement of \$ 15.4 million (March 2010 : \$ 14.4 million, September 2009 : \$ Nil million) which pertains to fair value of debt related derivatives is also included in other non-cash changes.

* At 30 September 2009, the ratio covenant of one of the Group's term loans was breached. Certain other loan agreements included cross-default clauses which in accordance with IFRS, have been reclassified as current liabilities since as at 30 September 2009. The Group did not have an unconditional right to defer settlement for at least 12 months. Subsequent to 30 September 2009, the covenant has reset and as a result, the loan has been classified to non-current in accordance with their maturity terms.

9. Other disclosures

Capital commitments

Contractual commitments to acquire fixed assets were \$4,012.3 million at 30 September 2010 (31 March 2010: \$4,065.4 million, 30 September 2009: \$4,387.2 million).

Subject to receiving appropriate approvals, the Group is committed to acquiring the Anglo-Zinc assets for a consideration of US\$1,338 million adjusted for profits since 1 January 2010. The Group will fund this amount from existing cash reserves.

Contingent liabilities and guarantees

A summary of the most significant matters is set out below:

Guarantees

As at 30 September 2010, \$293.5 million of guarantees had been issued to banks in the normal course of business (31 March 2010: \$133.3 million, 30 September 2009: \$515.1 million). The Group has also entered into guarantees advanced to the customs authorities in India of \$971.0 million (31 March 2010: \$908.3 million, 30 September 2009: \$121.5 million) relating to payment of import duty.

Export Obligations

The Indian entities of the Group have export obligations of \$5,847.2 million (31 March 2010: \$5,091.2 million, 30 September 2009: \$4,874.7 million) over eight years, on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme laid down by the Government of India. In the event of the Group's inability to meet its obligations, the Group's liability would be \$821.4 million (31 March 2010: \$723.0 million, 30 September 2009: \$691.9 million) reduced in proportion to actual exports.

This liability is backed by a bond executed in favour of the customs department amounting to \$1,406.2 million (31 March 2010: \$958.2 million, 30 September 2009: \$664.5 million).

Guarantees to Suppliers

The Group has given corporate guarantees to certain suppliers of concentrate. The value of these guarantees was \$170.0 million at 30 September 2010 (31 March 2010: \$170.0 million, 30 September 2009: \$120 million).

Miscellaneous Disputes

The Indian excise and related indirect tax authorities have made several claims against the Group companies for additional excise and indirect duties. The claims mostly relate either to the assessable values of sales and purchases or to incomplete documentation supporting the companies' returns.

The approximate value of claims against these companies total \$489.6 million (31 March 2010: \$380.4 million, 30 September 2009: \$306.1 million) of which \$5.6 million (31 March 2010: \$10.4 million, 30 September 2009: \$5.2 million) is included as a provision in the balance sheet as at 30 September 2010. In the view of the Directors, there are no significant unprovided liabilities arising from these claims.

Related party transactions

The information below sets out transactions and balances between the Group and various related parties for the period. These related parties include Sterlite Technologies Limited ('STL'), which is related by virtue of having the same controlling party as the Group, namely Volcan.

The tables below set out transactions with related parties that occurred in the normal course of trading.

STL

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Sales to STL	76.0	64.6	165.0
Reimbursement of expenses	-	0.1	0.1
Net Interest Received	-	-	0.1
Amounts receivable at period/year end	12.0	7.7	4.4

Other transactions with STL

Pursuant to the terms of the Shared Services Agreement dated 5 December 2003 entered into by the Company, Sterlite and STL, the Company and Sterlite provided various commercial services in relation to STL's businesses on an arm's length basis and at normal commercial terms. For the half year ended 30 September 2010, the commercial services provided to STL were performed by certain senior employees of the Group on terms set out in the Shared Services Agreement. The services provided to STL during the six months ended 30 September 2010 amounted to \$18,115 (31 March 2010: \$ 27,154, 30 September 2009: \$14,386).

Sterlite Foundation

During the period ended 30 September 2010, \$0.4 million was paid to Sterlite Foundation (30 September 2009: \$0.3 million, 31 March 2010: \$1.1 million).

The Sterlite Foundation is a registered not-for-profit entity engaged in computer education and other related social and charitable activities. The major activity of the Sterlite Foundation is providing computer education for disadvantaged students. The Sterlite Foundation is a related party as it is controlled by members of the Agarwal family.

Sesa Community Foundation Limited

During the period, \$0.4 million (30 September 2009: \$0.3 million, 31 March 2010: \$0.7 million) was paid to the Sesa Community Foundation Limited. The Sesa Community Foundation Limited is controlled by the directors of Sesa Goa.

The Anil Agarwal Foundation (formerly the Vedanta Foundation)

During the period, \$0.1 million was received from the Anil Agarwal Foundation towards reimbursement of expenses (30 September 2009: \$0.2 million; 31 March 2010: \$0.6 million). During the period ended 30 September 2010, \$0.3 million was paid to Anil Agarwal Foundation.

The Anil Agarwal Foundation is a registered not-for-profit entity engaged in social and charitable activities. The Anil Agarwal Foundation is controlled by members of the Agarwal family.

Henry Davis York

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Consultancy services	0.3	0.1	0.4

Henry Davis York provides consultancy services to a subsidiary of the Group. The executive management of Henry Davis York hold office at CMT & TCM.

Volcan

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Reimbursement of bank charges	(0.1)	(0.2)	-

In relation to the shares of Sterlite held by Twin Star, MALCO issued guarantees to the Income Tax Department of India, at the request of Volcan.

Sterlite Iron and Steel Limited

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Reimbursement of bank charges	0.1	-	0.1

Sterlite Iron and Steel Limited is a related party by virtue of having the same controlling party as the Group, namely Volcan.

Sterlite Shipping Venture Limited

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Reimbursement of bank charges	-	-	0.01

Sterlite Shipping Venture Limited is controlled by members of the Agarwal family.

Vedanta Medical Research Association

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Loan balance receivable	-	-	3.5
Other amount receivable at year end	-	-	4.5
Reimbursement of expenses	6.7	-	-

Vedanta Medical Research Association is a related party of the Group on the basis that key management personnel of the Group exercise significant influence.

The Vedanta Medical Research Association is a registered not-for-profit entity under which the cancer hospital is being constructed to support social health infrastructure in India.

Vedanta University

<i>(US \$ million except as stated)</i>	Six months ended 30 September 2010	Six months ended 30 September 2009	Year ended 31 March 2010
Reimbursement of bank charges	-	-	(0.1)

Vedanta University is a related party of the Group on the basis that key management personnel of the Group exercise significant influence.

10. Share Transactions

Call option – BALCO

The Company purchased a 51.0% holding in BALCO from the Government of India on 2 March, 2001. Under the terms of this shareholder's agreement ("SHA") for BALCO, the Company has a call option that allows it to purchase the Government of India's remaining ownership interest in BALCO at any point from 2 March, 2004. The Company exercised this option on 19 March, 2004. However, the Government of India has contested the validity of the option and the valuation. The Company sought an interim order from the High Court of Delhi to restrain the Government of India from transferring or disposing of its shareholding pending resolution of the dispute. The High Court directed on 7 August, 2006 that the parties attempt to settle the dispute by way of a mediation process as provided for in the SHA. However, as the dispute could not be settled through mediation, it has been referred to arbitration as provided for in the SHA. Arbitration proceedings commenced on 16 February 2009 and final hearing was held between 27 August 2010 and 29 August 2010. In view of the Judgement delivered by the Division Bench of the Bombay High Court on section 111A of the Companies Act, 1956 in a similar matter in some other case, an additional hearing was held on 9 October 2010 giving opportunity to the parties to make their submissions on the same before the Arbitration Tribunal. The arbitration proceedings now stand closed and are reserved for award.

Call option – HZL

The Company's wholly-owned subsidiary, Sterlite Opportunities and Ventures Limited ("SOVL"), had two call options to purchase all of the Government of India's shares in HZL at fair market value. SOVL exercised the first call option on August 29, 2003 and acquired an additional 18.9% of HZL's issued share capital, increasing its shareholding to 64.9%. As of March 31, 2009 and 2010, the Government of India's holding in HZL was 29.5%. The second call option provides SOVL the right to acquire the Government of India's remaining 29.5% share in HZL. This call option is subject to the right of the Government of India to sell 3.5% of HZL to HZL employees. This call option is also subject to the Government of India's right, prior to the exercise of this call option, to sell its shares in HZL through a public offer. From April 11, 2007, SOVL has the right to exercise the second call option. The option has no expiry date. The Company has exercised the second call option vide its letter dated July 21, 2009. The Government has stated that they are maintaining the same stand as in BALCO on the validity of the call option and has refused to act upon the second call option. The Company has invoked the Arbitration clause for referring the matter to arbitration and has appointed its arbitrator, and has requested the Government to nominate its arbitrator nominee so that Arbitral Tribunal is constituted. As Government of India has not appointed its arbitrator, the Company had filed Arbitration application u/s 11(6) of the arbitration and conciliation act 1996 in the Delhi High Court for constitution of arbitral tribunal. The Delhi High Court has vide its order dated 18th May 2010 directed the parties to appoint mediators for mediation of the dispute and if mediation fails, arbitration will commence. The Government of India and SOVL had appointed mediators, respectively. Depending upon the outcome of the mediation process the arbitration would commence.

Share Purchases

During the six months ended 30 September 2010, the Group increased its holding in certain of its subsidiaries through open market purchases. The details of such purchases are as follows:

- 5,344,702 shares of Sterlite Industries India Limited accounting for 0.64% of SIIL's total equity.
- 2,045,000 shares of Sesa Goa accounting for 0.25% of Sesa's total equity.
- 11,904 shares of Malco accounting for 0.01% of Malco's total equity.
- The aggregate loss arising on these transactions of \$63.8 million was recorded within equity.
- 3,126,133 shares of Vedanta Resources Plc purchased as treasury shares for 1.1% of total equity.

INDEPENDENT REVIEW REPORT TO VEDANTA RESOURCES PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2010 which comprises the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and related notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and statutory Auditors

London, UK

GLOSSARY AND DEFINITIONS

Aluminium Business

The aluminium business of the Group, comprising its fully-integrated bauxite mining, alumina refining and aluminium smelting operations in India, and trading through the Bharat Aluminium Company Limited and The Madras Aluminium Company Limited, companies incorporated in India

Attributable Profit

Profit for the financial year before dividends attributable to the equity shareholders of Vedanta Resources plc

BALCO

Bharat Aluminium Company Limited, a company incorporated in India

Board or Vedanta Board

The board of directors of the Company

Businesses

The Aluminium Business, the Copper Business and the Zinc Business together

Capital Employed

Net assets before Net (Debt)/Cash

Capex

Capital expenditure

Cash Tax Rate

Current taxation as a percentage of profit before taxation

CMT

Copper Mines of Tasmania Pty Limited, a company incorporated in Australia

Company or Vedanta

Vedanta Resources plc

Convertible Bonds

- \$725 million 4.60% guaranteed convertible bonds due 2026, issued by a wholly-owned subsidiary of the Company, Vedanta Finance (Jersey) Limited ("VFJL"), and guaranteed by the Company, the proceeds of which are to be applied towards re-financing subsidiary indebtedness, the Company's capital expenditure programme including the Jharsuguda Aluminium smelter project and other general corporate purposes
- \$1,250 million 5.5% guaranteed convertible bonds due 2016, issued by a wholly-owned subsidiary of the Company, Vedanta Resource Jersey Limited ("VRJL") and guaranteed by the Company, the proceeds of which are to be applied for to support its organic growth pipeline, to increase its ownership interest in its subsidiaries and for general corporate purposes.
- \$883 million 4.0% guaranteed convertible bonds due 2017, issued by a wholly-owned subsidiary of the Company, Vedanta Resource Jersey II Limited ("VRJL-II") and guaranteed by the Company, the proceeds of which are to be applied for to refinance debt redemptions and for general corporate purposes.
- \$500 million 4.0% guaranteed convertible bonds due 2014, issued by a subsidiary of the Company, Sterlite Industries (India) Limited ("SIIL"), the proceeds of which are to be applied for the expansion of copper business, acquisition of complementary businesses outside of India and any other permissible purpose under, and in compliance with, applicable laws and regulations in India, including the external commercial borrowing regulations specified by the RBI.

\$500 million 5.0% guaranteed convertible bonds due 2014, issued by a subsidiary of the Company, Sesa Goa Limited (“Sesa”), the proceeds of which are to be applied for to expand the Issuer’s mining operations, for exploration for new resources, and to further develop its pig iron and metallurgical coke operation

Copper Business

The copper business of the Group, comprising:

- a copper smelter, two refineries and two copper rod plants in India, trading through Sterlite Industries (India) Limited, a company incorporated in India;
- one copper mine in Australia, trading through Copper Mines of Tasmania Pty Limited, a company incorporated in Australia; and
- an integrated operation in Zambia consisting of three mines, a leaching plant and a smelter, trading through Konkola Copper Mines PLC, a company incorporated in Zambia

Cents/lb

US cents per pound

CRISIL

Credit rating information services of India limited

CSR

Corporate social responsibility

Directors

The Directors of the Company

Dollar or \$

United States dollars, the currency of the United States of America

EBITDA

Earnings before interest, taxation, depreciation, goodwill amortisation/impairment and special items

EBITDA Margin

EBITDA as a percentage of turnover

Economic Holdings or Economic Interest

EPS

Earnings per ordinary share

Expansion Capital Expenditure

Capital expenditure that increases the Group’s operating capacity

Financial Statements or Group financial statements

The consolidated financial statements for the Company and the Group for the year ended 31 March 2010 as defined in the Independent Auditors’ Report to the members of Vedanta Resources plc

Free Cash Flow

Cash flow arising from EBITDA after net interest (including gains on liquid investments and adjusted for net interest capitalised), taxation, Sustaining Capital Expenditure and working capital movements

FY

Financial year

GAAP, including UK GAAP and Indian GAAP

Generally Accepted Accounting Principles, the common set of accounting principles, standards and procedures that companies use to compile their financial statements in their respective local territories

Gearing

Net Debt as a percentage of Capital Employed

Government or Indian Government

The Government of the Republic of India

Gratuity

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Group

The Company and its subsidiary undertakings and, where appropriate, its associate undertaking

HSE

Health, safety and environment

HZL

Hindustan Zinc Limited, a company incorporated in India

IAS

International Accounting Standards

IFRIC

International Financial Reporting Interpretations Committee

IFRS

International Financial Reporting Standards

INR

Indian Rupees

Interest Cover

EBITDA divided by finance costs

IPP

Independent power producer

KCM or Konkola Copper Mines

Konkola Copper Mines PLC, a company incorporated in Zambia

KDMP

Konkola deep mining project

KPI s

Key performance indicators

Kwh

Kilo-watt hour

Listing or IPO (Initial Public Offering)

The listing of the Company's ordinary shares on the London Stock Exchange on 10 December 2003

LME

London Metals Exchange

Lost time injury

An accident/injury forcing the employee/contractor to remain away from his/her work beyond the day of the accident

LTIP

The Vedanta Resources Long-Term Incentive Plan or Long-Term Incentive Plan

MALCO

The Madras Aluminium Company Limited, a company incorporated in India

MAT

Minimum alternative tax

MOEF

The Ministry of Environment & Forests of the Government of the Republic of India

mt or tonnes

Metric tonnes

MW

Megawatts of electrical power

Net (Debt)/Cash

Total debt after fair value adjustments under IAS 32 and 39, cash and cash equivalents and liquid investments

Ordinary Shares

Ordinary shares of 10 US cents each in the Company

PBT

Profit before tax

Return on Capital Employed or ROCE

Profit before interest, taxation, special items, tax effected at the Group's effective tax rate as a percentage of Capital Employed

Sesa Goa

Sesa Goa Limited, a company incorporated in India engaged in the business of mining iron ore

The Share Option Plan

The Vedanta Resources Share Option Plan, a closed plan approved by shareholders on Listing in December 2003 and adopted to provide maximum flexibility in the design of incentive arrangements over the long term

SOTL

Sterlite Optical Technologies Limited, a company incorporated in India

SOVL

Sterlite Opportunities and Ventures Limited, a company incorporated in India

Special items

Items which derive from events and transactions that need to be disclosed separately by virtue of their size or nature

Sterlite

Sterlite Industries (India) Limited, a company incorporated in India

Sterlite Energy Limited (SEL)

Sterlite Energy Limited, a company incorporated in India

Sterlite Gold

Sterlite Gold Limited, a company incorporated in Canada which has its main subsidiary in Armenia

Sustaining Capital Expenditure

Capital expenditure to maintain the Group's operating capacity

TCM

Thalanga Copper Mines Pty Limited, a company incorporated in Australia

TC/RC

Treatment charge/refining charge being the terms used to set the smelting and refining costs

tpa

Metric tonnes per annum

Twin Star

Twin Star Holdings Limited, a company incorporated in Mauritius

Underlying EPS

Underlying earnings per ordinary share

Underlying Profit

Profit for the year after adding back special items and other gains and losses and their resultant tax and Non-controlling interest effects

US cents

United States cents

VAL

Vedanta Aluminium Limited, a company incorporated in India

Volcan

Volcan Investments Limited, a company incorporated in the Bahamas

Zinc Business

The zinc-lead business of the Group, comprising its fully-integrated zinc-lead mining and smelting operations in India, and trading through the Hindustan Zinc Limited, a c