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16 November 2006

Vedanta Resources plc Interim Results for the Six Months Ended 30 September 2006

Highlights

- **Record Financial Performance**
 - Group Revenue up 117% to \$3.0 billion, driven by better prices and strong volume growth
 - Group EBITDA up 284% to \$1.3 billion, driven by better prices and operational efficiencies
 - Operating profit up 355% to \$1.2 billion
 - Attributable profit up 315% to \$448 million
 - Basic EPS up 315% at 156.1 US cents, EPS on the basis of Underlying Profit up 330% to 161.5 US cents
 - Interim dividend proposed at 15.0 US cents per share
 - Free cash flows of \$606 million
 - Strong balance sheet with net assets of \$3.1 billion and nil gearing
 - ROCE (excluding project capital work in progress) significantly higher at 86% (annualised), up from 28%
- **Strong Operational Performance**
 - Higher Aluminium, Zinc and Indian Copper production volumes
 - 245,000 tpa smelter at Korba fully restored
 - Lanjigarh refinery in final run up for commissioning by March 2007
 - Ongoing exploration at Hindustan Zinc increases reserves
- **Strategic Initiatives**
 - Entry into commercial energy business: \$1.9 billion 2,400MW power project approved

(in US\$ millions, except as stated)

Consolidated Group Results	H1 2007	H1 2006	Change
Revenue	3,004.5	1,384.6	117.0%
EBITDA	1,290.5	336.5	283.5%
<i>EBITDA Margin</i>	43.0%	24.3%	
Operating Profit	1,174.1	258.2	354.7%
Attributable Profit	447.6	107.9	314.8%
Basic Earnings per Share (<i>US cents</i>)	156.1	37.6	315.2%
ROCE (<i>excluding project capital work in progress</i>)	86.0%	27.8%	NA
Interim Dividend (US cents per share)	15.0	5.70	163.2%

“These strong results demonstrate the benefits of Vedanta’s unique growth profile, our low cost base and our success in delivering on our expansions since the IPO,” said Mr. Anil Agarwal, Chairman, Vedanta Resources plc. “The success of our strategy supports our move to continue expanding our business both in our existing metals, where we are implementing projects to develop a million tonnes of each metal and in commercial energy, where we are announcing our first major project.”

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About Vedanta Resources plc

Vedanta Resources plc is a London listed diversified metals and mining group. Its principal operations are located throughout India, with further operations in Zambia, Australia and Armenia. The major metals produced are Aluminium, copper, zinc, lead and gold. For further information, please visit www.vedantaresources.com.

Disclaimer

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of the securities described herein, in any jurisdiction, including the United States, in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Sterlite has filed a registration statement in the United States under the Securities Act of 1933, as amended, in connection with the offer and sale of securities described herein. Any public offering of the securities referred to herein to be made in the United States will be made by means of a prospectus that forms a part of this registration statement and that contains detailed information about Sterlite and its management, as well as financial statements.

This press release contains "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

Chairman's Statement

The last six months has been a period of continuing growth for Vedanta. The majority of our Phase I projects are complete, delivering a significant increase in capacity which coupled with firm metal prices are yielding unparalleled growth. Our continuing Phase II initiatives are on track to continue delivering this growth.

EBITDA has more than trebled compared with the corresponding period last year and attributable profits have increased by over 300%. Substantially higher volumes, increased metal prices and tight cost control continue to be the drivers of this growth.

Our clear roadmap continues to be to enhance shareholder value significantly by achieving annual production levels of 1 million tonnes in each of our primary metals. An amount of \$1.7 billion has already been either spent or committed as part of our Phase II growth programme due to be completed by 2010. These Phase II projects, most of which are close replicas of projects that we have undertaken already, remain on track. Volumes have been increased substantially across our Aluminium, Zinc and Indian Copper Businesses.

I am also pleased to announce our plans to enter the commercial energy business in India. The growth and development of India's electricity sector is a critical component of growth in the Indian economy. As part of our strategy to play a leading role in this growth and given our level of expertise in developing power assets, the Group proposes to set up a 2,400MW coal based thermal power plant at Jharsuguda, Orissa at a total cost of approximately \$1.9 billion. This also allows us to bid for and participate in developing Ultra Mega Power Projects tendered by the Government of India.

Throughout the first half, the domestic Indian economy and the economies of our other main markets in Asia have continued to register healthy growth in demand and the outlook remains good.

At this important half year stage, I would like once again to acknowledge the leading contribution of our employees to our continued growth. I would also like to thank the communities in which we operate for their continued support. With the outlook being positive for the remainder of the year, I look forward to communicating further progress at the year-end.

Anil Agarwal
Chairman

London
16 November 2006

Business Review

Summary

Production volumes for the Aluminium, Zinc and Indian Copper Businesses during the six months ended 30 September 2006 ("H1 2007") were higher than in the corresponding six months of the previous year ("H1 2006") due to the progressive commissioning and ramp up of our Phase I expansion projects at Korba, Chanderiya and Tuticorin. While mined metal production at KCM improved as compared to the preceding two quarters, refined copper production was lower primarily due to a planned shutdown of our Nkana smelter.

The de-bottlenecking project at our Tuticorin copper smelter to enhance capacity to 400,000 tpa is progressing well. The alumina refinery at Lanjigarh is in the final stages of commissioning. Our Phase II expansion projects are progressing on schedule with orders for critical equipment and packages placed and with preconstruction activities having been commenced.

Group revenues have more than doubled from the corresponding previous period and have passed the \$3.0 billion mark in H1 2007, with EBITDA at \$1.3 billion and operating profit at \$1.2 billion surpassing the full previous year's EBITDA of \$1.1 billion and operating profit of \$0.9 billion. The key drivers of higher revenue and EBITDA were the increase in volumes across the Aluminium, Copper and Zinc Businesses due to capacity expansions and a significant increase in commodity prices, with ongoing focus operational efficiencies in reducing unit costs.

The EBITDA margin increased to 43.0% in H1 2007 from 24.3% in H1 2006, with an increase in margins across all the Group's Businesses, on account of higher commodity prices and tight control on costs.

Segmental revenues and EBITDA are presented in the table below.

(in US\$ millions, except as stated)

	H1 2007	H1 2006	Change
Revenue			
Aluminium	396.2	155.8	154.3%
Copper			
– India/Australia	1190.2	596.5	99.5%
– Zambia	488.2	304.9	60.1%
Zinc	881.5	271.9	224.2%
Others	48.4	55.5	(12.8%)
	<u>3004.5</u>	<u>1384.6</u>	<u>117.0%</u>
EBITDA			
Aluminium	136.4	37.6	262.8%
Copper			
– India/Australia	211.7	81.5	159.8%
– Zambia	244.4	90.3	170.7%
Zinc	703.5	124.0	467.3%
Others	(5.5)	3.1	NA
	<u>1290.5</u>	<u>336.5</u>	<u>283.5%</u>

Effective Interest/Minorities

There has been no change in the Group's ownership in subsidiaries other than in respect of newly acquired subsidiaries during H1 2007. The decrease in Vedanta shareholders' share of profits from 57.1% at 31 March 2006 to 52.9% at 30 September 2006 is entirely due to a change in profit mix with higher contribution to profits from subsidiaries where minority ownership is higher than that in the previous full year.

We are continuing to focus on increasing the Group's shareholding in subsidiaries. In the case of BALCO, Vedanta has exercised its call option to buy the 49% stake held by Government of India in BALCO and the independent valuer's report has been submitted to the Government. A dispute has arisen between the Government of India and Sterlite and both parties are currently in discussion to resolve the dispute.

In the case of KCM, a notice expressing Vedanta's interest to acquire ZCI's stake of 28.4% has been sent, and the process of appointing an independent valuer is under way. A dispute has arisen as part of this process and ZCI have submitted a notice of arbitration.

Dividend

Vedanta has a progressive dividend policy in place, as announced at the time of the Group's IPO in December 2003. Taking account of the fact that, as a result of the Group's exceptional performance, the dividend payout ratio has been decreasing rapidly, the Board is proposing a half year dividend of 15.0 US cents per ordinary share.

Outlook

Demand for commodities is expected to remain healthy in the second half of FY 2007.

We expect volumes in our Indian Copper Businesses to increase progressively with the additional debottlenecking of capacity. Additionally, mine production at CMT is expected to remain steady for the rest of the year. The ongoing stabilisation efforts at KCM are expected to yield results in the second half of FY 2007 and we expect production levels to increase progressively. Zinc and lead production volumes are expected to increase in the second half of the year due to the ramp up of the Chanderiya smelter. Aluminium production is expected to improve marginally in the second half on the back of the full commissioning of the Korba II smelter.

TC/RCs are showing signs of softening globally due to low mine supply forecasts, which may affect smelter margins going forward.

While there is pressure on input costs, we expect that unit costs of production will remain steady or show a slight improvement due to production efficiencies and continuous improvement measures.

Aluminium

(in US\$ millions, except as stated)

	H1 2007	H1 2006	Change	FY 2006
Revenue	396.2	155.8	154.3%	453.0
EBITDA	136.4	37.6	262.8%	135.3
EBITDA margin	34.4%	24.1%	NA	29.9%
Operating profit	109.6	27.8	294.2%	102.8
Production volumes ('000 mt)				
– Alumina	150	142	5.6%	211
– Aluminium	155	82	89.0%	296
Average LME cash settlement prices (\$/mt)	2,565	1,810	41.7%	2,028
Unit costs(\$/mt)				
– BALCO	1,555	1,551	0.3%	1,497
– MALCO	1,633	1,530	6.7%	1,671

Note: BALCO unit costs represents costs of old Korba plant only

The existing plants at BALCO and MALCO continue to operate at their rated capacity and produced 70,000 tonnes in H1 2007.

The new Korba smelter achieved production of 85,000 tonnes in H1 2007 with progressive commissioning of pots that were disrupted in May 2006. All of the pots taken out of line as a result of the power tripping incident are now fully restored. As at 30 September 2006, a total of 265 pots were commissioned. The performance of all pots has been improving steadily and are expected to reach full capacity of 245,000 tpa by the end of this financial year. All four units of the new 540 MW captive power plant continue to operate well.

In spite of a sharp increase in input costs, mainly carbon and fluoride, the unit costs of BALCO 1 smelter were steady at \$1,555 per tonne in H1 2007 compared with \$1,551 per tonne in H1 2006, primarily due to savings from improved operational efficiencies and a reduction in power generation costs. Unit costs at MALCO have also been affected by similar factors and together with the impact of a planned power plant shutdown that required power to be drawn from the State grid, have increased costs to \$1,633 per tonne.

The unit costs of BALCO's new Korba smelter were \$2,051 per tonne. We sourced alumina from third party vendors, at an average cost of \$1,239 per tonne of aluminium metal produced in H1 2007. Other manufacturing costs were \$812 per tonne. These costs are progressively reducing with increases in volumes and the stabilisation of pots, despite the increase in carbon and fluoride costs. With international spot alumina prices softening and now below \$300 per tonne levels, a reduction in overall costs is expected in the second half of the financial year.

Revenues in the Aluminium business increased by 154.3% to \$396.2 million, with EBITDA at \$136.4 million, an increase of 262.8% from the previous corresponding period. The increase in revenue and profitability was mainly as a result of an increase in production volumes from BALCO's new Korba plant, higher LME prices and operational efficiencies achieved. This was achieved despite the higher prices of the alumina sourced for the new Korba smelter from third party vendors during the period. The EBITDA margin for the Aluminium business was 34.4% in H1 2007 compared with 24.1% in H1 2006.

The alumina refinery at Lanjigarh is in the final commissioning stage and is expected to be commissioned before March 2007. As regards the issue of environmental clearances for developing the Lanjigarh bauxite deposits, the Ministry of Environment and Forestry has now received reports from the various subcommittees and is expected to shortly give its recommendations on this matter to the Supreme Court. We are hopeful of a positive resolution of this matter in the near future.

Our greenfield 500,000 tpa aluminium smelter in Jharsuguda, Orissa, is being constructed in two phases. Phase I is due for commissioning in mid 2009 and Phase II in late 2010, at a total cost of \$2.1bn. Each phase will involve the construction of a 250,000 tpa smelter and captive power plant (five units in the first phase and four in the second). Preconstruction activities are progressing well and two-thirds of the orders have been awarded.

Copper - India and Australia

(in US\$ millions, except as stated)

	H 1 2007	H 1 2006	Change %	FY 2006
Revenue	1,190.2	596.5	99.5%	1,537.9
EBITDA	211.7	81.5	159.8%	219.0
EBITDA margin	17.8%	13.7%	NA	14.2%
Operating profit	175.2	62.3	181.2%	175.6
Production volumes ('000 mt)				
– Mined metal content	15	18	(16.7%)	34
– Cathode	137	124	10.5%	273
– Rod	87	80	8.8%	167
Average LME cash settlement prices (USc/lb)	338.6	162.3	108.6%	185.9
Unit costs(USc/lb)	5.2	6.5	(20.0%)	6.1
Realised TC/RCs (USc/lb)	37.1	15.7	136.3%	23.1

Copper cathode production in the second quarter of 80,000 tonnes was the highest ever produced. Together with the first quarter cathode production of 57,000 tonnes due to a planned maintenance shutdown in April 2006, the copper smelter at Tuticorin has performed well and has produced 137,000 tonnes of cathode in H1 2007. De-bottlenecking of the smelter to expand its capacity to 400,000 tpa, is now mechanically complete with trial runs beings conducted. We expect this to be fully operational by December 2006, as scheduled. Mined metal production at our Australian mine was 15,000 tonnes in HI 2007, lower than the corresponding half of the previous year, due to the planned closure of Thalanga Copper Mines in the second quarter of the previous year.

Despite an increase in energy prices, copper unit costs were further reduced to 5.2 USc/lb in H1 2007 compared with 6.5 USc/lb in H1 2006, primarily on account of improved productivity and improved by-product management together with the higher realisation for free metal.

TC/RCs in H1 2007 improved significantly to 37.1 USc/lb from 15.7 USc/lb in H1 2006 on the back of strong market conditions.

Revenues at the Copper business in India/Australia have nearly doubled to \$1,190.2 million, with an EBITDA of \$211.7 million. The increase in revenues was primarily due to a significant increase in LME prices. The increase in profitability was mainly due to better TC/RC realisation, an increase in LME prices for the Australian mining business and a reduction in unit costs. This was despite the reduction in import tariffs from 10.0% to 7.5% affecting realisation in domestic markets. The EBITDA margin for the Copper business in India/Australia has improved to 17.8% in H1 2007 compared with 13.7% in H1 2006.

Copper - Zambia

(in US\$ millions, except as stated)

	H 1 2007	H 1 2006	Change %	FY 2006
Revenue	488.2	304.9	60.1%	703.4
EBITDA	244.4	90.3	170.7%	206.3
EBITDA margin	50.1%	29.6%	NA	29.3%
Operating profit	216.8	63.3	242.5%	163.0
Production volumes ('000 mt)				
– Mined metal content	43	54	(20.4%)	99
– Cathode	70	81	(13.6%)	164
Average LME cash settlement prices (USc/lb)	338.6	162.3	108.6%	185.9
Unit costs(USc/lb)	143.9	113.2	27.1%	127.9

Mined metal output at KCM continued to show an improving trend with production in the second quarter at 25,000 tonnes compared with 18,000 tonnes in the first quarter. Mined metal production at 43,000 tonnes in H1 2007 was lower than H1 2006, due to low head-grade ore and lower recoveries due to changes in mineralogy.

Copper cathode production in H1 2007 was at 70,000 tonnes, lower than H1 2006, primarily due to a planned shutdown of the Nkana smelter for process improvements. Production also fell due to a small fire at the tailings leach plant that caused one of the circuits to be taken out of line to restabilise operations. The circuit is now back to normal. There was also a leak in a pipeline at the tailings leach plant, as a result of which the plant was shut down. The pipeline was promptly repaired and related remedial work was carried out. We are awaiting authorisation from the authorities to resume production at the earliest opportunity. We continue our efforts to improve the operational efficiencies in a planned and phased manner and expect to achieve a production run rate of 200,000 tpa by December 2006.

Unit costs of production were at 143.9 c/lb in H1 2007, an increase from 113.2 c/lb in H1 2006. The increase in costs is due to an increase in wage costs, higher input prices and lower output.

Revenues at the Copper business in Zambia increased by 60.1% to \$488.2 million due to significant increase in commodity prices. The EBITDA of \$244.4 million, increased by 170.7% from the previous corresponding period, primarily due to an increase in the LME prices, despite the reduction in volumes and increase in unit costs of production. The EBITDA margin of the Copper business in Zambia was improved at 50.1%, as compared to 29.6% in the corresponding period for the previous year.

Under the Phase II programme, there are two major expansion projects in Zambia underway totalling \$680 million in capex. The first is the Konkola Deeps mine at a cost of \$400 million, which is currently being expanded by sinking a new shaft, widening an existing shaft, installing a concentrator, major equipment changes and the establishment of a pumping station. The Konkola mine expansion is scheduled to be completed in late 2009. The second major expansion project is the construction of a new 250,000 smelter at Nchanga, expected to be completed in mid 2008. The concentrate feed for this smelter will come from the Konkola mine.

Zinc

(in US\$ millions, except as stated)

	H 1 2007	H 1 2006	Change	FY 2006
Revenue	881.5	271.9	224.2%	875.5
EBITDA	703.5	124.0	467.3%	532.9
EBITDA margin	79.8%	45.6%	NA	60.9%
Operating profit	681.4	102.0	568.0%	489.5
Production volumes ('000 mt)				
– Mined metal content	256	220	16.4%	472
– Refined metal	161	123	30.9%	284
Average LME cash settlement prices (\$/mt)	3,333	1,286	159.2%	1,614
Unit costs(\$/mt)	838	707	18.5%	691

Mined metal production was 256,000 tonnes in H1 2007, an increase of 16.4% as compared with H1 2006 and in line with our expectations, primarily due to an increase in output from the Rampura Agucha mines. Refined zinc production was 161,000 tonnes in H1 2007, an increase of 30.9% as compared with H1 2006, primarily due to production from the new hydro smelter. The new hydro smelter produced 61,000 tonnes in H1 2007. With the stabilisation of the new hydro smelter, we expect it to reach its rated capacity by the end of December 2006. During the first half of the year, we sold zinc concentrate of 146,000 dry metric tonnes and lead concentrate of 30,000 dry metric tonnes.

Unit costs of production excluding royalties were marginally lower at \$600 per tonne in H1 2007 as compared with \$608 per tonne in H1 2006, primarily due to an increase in volumes, various productivity improvement initiatives and savings in procurement costs. Royalties, which are LME-linked, amounted to \$238 per tonne in H1 2007 compared with \$99 per tonne in H1 2006, leading to total unit costs of production of \$838 per tonne in H1 2007 as against \$707 per tonne in H1 2006.

Revenues for the Zinc business more than trebled to \$881.5 million, primarily due to an increase in metal volumes as a result of higher metal and mined production and significant increase in commodity prices. The EBITDA in H1 2007 was \$703.5 million, an increase of 467.3% over \$124.0 million in H1 2006, primarily due to an increase in revenues and operational efficiencies. The EBITDA margin in H1 2007 was 79.8%, compared with 45.6% in H1 2006.

HZL continues to expand its exploration programme, focusing on the area immediately around its current mining operations in Rajasthan. As a result, its reserves have been re-assessed at 31 March 2006 at 53.4 million tonnes at an average grade of 12.8%.

Work on the new 170,000 tpa Chanderiya hydro smelter is moving forward as planned, with basic and process engineering activities now completed and all major and critical orders placed. The project is progressing well, and the smelter is on schedule for completion in early-2008.

Financial Review

Background

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the European Union. The reporting currency of Vedanta Resources plc is the US dollar.

Key Financial Performance Indicators

(in \$ million, except as stated)

	30 September 2006	30 September 2005	31 March 2006
EBITDA	1,290.5	336.5	1,101.5
Underlying EPS (USc per share)	161.5	37.6	130.2
Free Cash Flows	606.0	(38.6)	634.8
ROCE* (excluding project capital work-in-progress)	86.0%	27.8%	37.9%
Net Debt / (Cash)	(216.0)	(455.7)	11.9

*Annualised basis

Key Financial Highlights

- Underlying earnings of \$463.2 million and operating profit of \$1,174.1 million in H1 2007, an increase of 329.3% and 354.7%, respectively
- Net Debt reduced significantly from under \$12 million at 31 March 2006 to net cash of \$216 million at 30 September 2006
- Record Free Cash Flow of \$606.0 million due to higher operational earnings sustained by the efficient management of working capital
- Underlying EPS of 161.5 US cents (non annualized) up from 37.6 US cents (non annualized) in September 2005
- ROCE (adjusted for project capital work in progress) significantly improves to 86.0% in H1 2007 from 37.9% in FY 2006

Summary of Financial Performance

Successful completion of our Phase I projects in copper, aluminum and zinc has resulted in strong growth in volumes in H1 2007 compared with H1 2006. Such increases in volumes in all the metals on the back of strong metal prices resulted in an increase in profit before tax of 1,189.2 million (before special items) in H1 2007 from \$257.1 million (before special items) in the comparative period, representing a growth of 362.5%. Similarly, Underlying Earnings per Share grew to 161.5 US cents, up from 37.6 US cents, an increase of 329.5%. Cost pressures continued in all operations, a consistent trend across the mining sector. However, Vedanta has been able to minimise the impact of the cost increases by effective use of its capital and maximising its productivity.

Net Cash at 30 September 2006 was \$216.0 million, up from \$11.9 million of Net Debt at 31 March 2006, as a result of record Free Cash Flow of \$606.0 million and expansion capital expenditure of \$285.8 million. Free Cash Flow for period ended 30 September 2006 increased by over \$644.6 million in the comparative period primarily due to good operating results and effective management of working capital balances, partially offset by income taxes.

Vedanta's Phase I capital investments of \$2.2 billion are largely complete and at levels of 15% to 20% below budgeted amounts for completed projects. Ramping up of Chanderiya (zinc) is almost complete and the Korba (aluminium) project is now back on track. The alumina refinery project at Orissa is also progressing well with bauxite feed scheduled to commence in January 2007.

Phase II of the expansion programme with \$3.1 billion of projects announced last year, is now well under way and a significant proportion of funding for this programme will be from operational cash flows. We have committed an amount of \$1,652.4 million, which is 50% of the total capital outlay. Of this, \$201.5 million has already been spent and \$1450.9 million remains committed but as yet unspent, as of 30 September 2006.

We also plan to enter into commercial generation of energy and have announced a 2,400 MW project in Jharsuguda, Orissa at a total cost of approximately \$1.9 billion in this important venture. Power is an exciting opportunity for the Group, given the demand-supply gap in India. The Government of India's initiatives to make available coal-blocks to private enterprises has made this an attractive proposition. A new company, Sterlite Energy Limited, a 100% subsidiary of Sterlite, will be the vehicle for driving the Group's expansion into the power business.

A detailed discussion on the financial performance of the Group is set out below.

Income Statement

	<i>(in \$ million, except as stated)</i>		
	H1 2007	H1 2006	Change
Revenue	3004.5	1384.6	117.0%
EBITDA	1290.5	336.5	283.5%
<i>EBITDA margin</i>	43.0%	24.3%	NA
Operating special items	(22.6)	-	NA
Depreciation and amortisation	(93.8)	(78.3)	19.8%
Operating profit	1,174.1	258.2	354.7%
Share of loss of associate	(1.2)	(0.3)	300.0%
Profit before interest and tax	1,172.9	257.9	354.8%
Net interest (charge) / income	(6.3)	(0.8)	687.5%
Profit before tax	1,166.6	257.1	353.8%
Income tax expense	(320.5)	(71.6)	347.6%
<i>Tax rate</i>	27.5%	27.8%	NA
Minority interest	(398.5)	(77.6)	413.5%
<i>Minority interest rate</i>	47.1%	41.8%	NA
Attributable to equity shareholders in parent	447.6	107.9	314.8%
Basic earnings per share (US cents)	156.1	37.6	315.2%
Underlying earnings per share (US cents)	161.5	37.6	329.5%

Revenue

Vedanta's revenue in H1 2007 grew by 117.0% to \$3,004.5 million (2005: \$1,384.6 million) on account of higher metal prices and additional metal produced by Zinc and Aluminium Businesses. In addition to overall sales volume growth, the proportion of sales made up of value-added products in the Aluminium and Copper Businesses, which commanded a higher premium, increased.

Segmental revenues are set out in the table below.

(in US\$ millions, except as stated)

Revenue by segment	30 September 2006	30 September 2005	Change
Aluminium	396.2	155.8	154.3%
Copper			
– India/ Australia	1190.2	596.5	99.5%
– Zambia	488.2	304.9	60.1%
Zinc	881.5	271.9	224.2%
Others	48.4	55.5	(12.8%)
	<u>3004.5</u>	<u>1384.6</u>	<u>117.0%</u>

EBITDA and Operating Profit

Increases in volumes from new projects in Zinc and Aluminium and sustained higher metal prices have led to EBITDA growth of 283.5% to \$1,290.5 million in H1 2007 (H1 2006: \$336.5 million). While costs have been contained in our Indian Copper and Aluminium Businesses, unit costs in the Zinc business have increased mainly due to increase in royalty which is linked to LME prices. Unit costs at our Zambian copper operations increased due to increase in wage costs, higher input prices and low production levels. Tariff reductions in India, from 10% to 7.5% with effect from March 2006 and applicable to all metals other than lead, also adversely affected the profits for H1 2007.

The EBITDA margin increased to 43.0% from 24.3% as a result of better prices, improved TC/RCs, a product mix skewed towards the higher margin Zinc business and the management of costs in the Indian Businesses.

(in US\$ millions, except as stated)

EBITDA by segment	30 September 2006	30 September 2005	Change
Aluminium	136.4	37.6	262.8%
Copper			
– India/ Australia	211.7	81.5	159.8%
– Zambia	244.4	90.3	170.7%
Zinc	703.5	124.0	467.3%
Others	(5.5)	3.1	NA
	<u>1290.5</u>	<u>336.5</u>	<u>283.5%</u>

The increase in EBITDA of \$954 million was primarily on account of an increase in average metal prices achieved and volume gains to amounting to \$1,085.3 million, primarily offset by cost increases including higher royalties.

Sales of zinc concentrate having zinc metal content of approximately 77,000 tonnes and lead concentrate having lead metal content of approximately 14,000 tonnes generated EBITDA of \$205.2 million in H1 2007.

Group operating profit before special items increased to \$1,196.7 million up from \$258.2 million in the corresponding period of the previous year, representing an increase of 363.5%. Depreciation charges increased to \$93.8 million from \$78.3 million mainly due to commissioning of the new Korba aluminium smelter.

Vedanta has entered into strategic hedging of some quantities of copper and zinc. The outstanding hedged quantities as of 30 September 2006 were copper – 81,625 tonnes and zinc – 78,525 tonnes, for the remainder of FY 2007 and for FY 2008.

Special items

During H1 2007, we reviewed our financial exposure to IFL, an associate company, taking into consideration the financial condition of IFL. Sterlite had issued corporate guarantees on behalf of IFL and during the six month period, we estimated the fair value of these guarantees. We have recognised a provision of \$17.1 million on the basis of our estimate of the probable future liability.

Additionally in H1 2007, the Power Transmission Line division of Sterlite was sold to Sterlite Optical Technologies Limited, a company under the control of Volcan for a consideration of \$32.3 million based on valuation by an independent valuer. This was identified as a non-core business at the time of our IPO in December 2003, and the sale of the division has now been concluded, thereby enabling us to focus on mining and metals. The transaction resulted in a loss of \$2.3 million which has been recognized as a special item in the income statement. The sale of this non-core business does not materially impact our revenues or profits.

During the six month period, HZL and MALCO announced a voluntary separation scheme for its employees and 179 employees accepted the package under the scheme. A total cost of \$2.5 million was incurred.

Net Finance Costs

Net finance costs in H1 2007 were \$6.3 million compared to net finance costs of \$0.8 million in H1 2006. General interest rate rises and the convertible bond issue of \$725 million in the second half of FY 2006 have resulted in higher finance costs compared with the prior period. In addition, borrowing costs attributable to expansion projects which were commissioned in the period have been charged to the income statement, whereas previously they were capitalised.

Taxation

The effective tax rate in H1 2007 has been brought down to 27.5% from the FY 2006 rate of 30.0%. The lower projected effective tax rate, as compared to the full year rate, reflects the likely impact of tax planning measures undertaken by us in some of our major operating subsidiaries. Of the overall tax charge, current tax has remained relatively constant at around 20%. The tax rate is however sensitive to the availability of various incentives which differ from subsidiary to subsidiary, due to differing tax rates in India and Zambia and also to change in the profit mix among subsidiaries.

Attributable Profit

Attributable profit for H1 2007 was \$447.6 million against \$107.9 million in the corresponding period in the previous year, an increase of 314.8%. This has been the result of strong performances across all Group Businesses. The increase in underlying earnings over the previous period was \$355.3 million, an increase of 329.3% over the previous period. Underlying earnings exclude the effects of special items and their tax and minority impact and is an important tool for measuring the recurring performance of the Group.

Earnings per Share

EPS for the period increased to 156.1 US cents per share in H1 2007, a growth of 315.2%. EPS on underlying profit rose by 329.5%. The higher EPS reflects the good performance of all the Businesses in returning higher value to the shareholders.

Dilutive elements include adjustments for the convertible bond of 27.9 million shares and 3.5 million shares to be issued under the LTIP. On this basis, the fully diluted EPS was 144.7 US cents, an increase of 287.9% compared with the fully diluted EPS of 37.3 US cents in the corresponding previous period.

Balance Sheet

Shareholders' equity as at 30 September 2006 stood at \$1,809.3 million, up from \$1,417.1 million as at 31 March 2006. Minority interests increased to \$1,301.5 million from \$921.7 million as at 31 March 2006. Net Debt of \$11.9 million as at 31 March 2006 moved to net cash of \$216.0 million as at 30 September 2006. Cash and cash equivalents including liquid investments as at 30 September 2006 were \$2,219.8 million.

As a result of capital expenditure during the six months period, capital employed increased by \$544.1 million to \$2,894.8 million. The net book value of the Group's property, plant and equipment increased from \$2,763.0 million at the end of previous year to \$3,054.7 million as at 30 September 2006. Thus, approximately half the increase in capital employed was attributable to fixed assets and the remainder to increases in working capital. Working capital increased in absolute terms for the reasons mentioned earlier.

ROCE on an adjusted capital employed basis (capital employed reduced by project capital work-in-progress) rose to 86.0% (annualised basis) from the previous year of 37.9% due principally to higher operational results aided by higher metal prices and higher volumes. ROCE is affected by the timing of expansion projects being delivered during the year due to the time lag in capturing the full benefit of additional capacities.

Cash Flow and Debt

(in US\$ millions, except as stated)

	30 September 2006	30 September 2005
EBITDA	1,290.5	336.5
Special items	(22.6)	-
Working capital movements	(340.2)	(270.1)
Changes in long term creditors and non-cash items	(28.1)	(20.9)
Sustaining capital expenditure	(94.5)	(40.2)
Sale of tangible fixed assets	1.7	-
Net interest paid	(25.2)	(6.0)
Tax paid	(175.6)	(37.9)
Free Cash Flow	606.0	(38.6)
Expansion Capital Expenditure	(285.8)	(315.1)
Acquisitions	(36.6)	-
Dividends paid	(55.1)	(42.1)
Foreign exchange	(5.0)	(1.4)
Other movements	4.4	15.8
Movement in net(debt)/cash	227.9	(381.4)

The Group delivered strong Free Cash Flow of \$606.0 million, an increase of \$644.6 million over the comparative period, reflecting improved operating cash and working capital management. Working capital expressed as percentage of turnover has reduced to 7.3% down from 9.4% in the comparative period.

Free cash flow expressed as percentage of EBITDA increased to 47% as compared to negative free cash flows in the comparative period. Working capital in absolute terms increased due to higher inventories at the new Korba smelter and at the expanded Copper business at Tuticorin. In addition, higher metal prices and strong second quarter sales have led to higher levels of trade receivables. The cash tax rate has been consistent with last year's levels.

The Group has invested \$94.5 million in Sustaining Capital Expenditure in H1 2007 to improve operational efficiencies.

Gross debt as at 30 September 2006 was \$2,003.8 million which was lower than the gross debt of \$2,103.6 million as at 31 March 2006.

Cash and cash equivalents, together with liquid investments were \$2,219.8 million as at 30 September 2006 compared with \$2,091.7 million as at 31 March 2006. Strong cash flows, resulting from good operational profits and better working capital management, have resulted in generation of free cash of \$606.0 million which has been used partly to fund the Group's expansion projects, partly to retire debt, and to acquire a majority stake in Sterlite Gold. Vedanta continues to remain focused on maintaining a strong balance sheet.

External debt held by subsidiaries, not including Vedanta Finance (Jersey) Limited was \$808.3 million on 30 September 2006 compared with \$908.2 million on 31 March 2006. Cash flows generated from operations have been utilised to repay part of the subsidiaries' debt, particularly in Sterlite and BALCO.

Acquisitions

During H1 2007, we completed the acquisition of a majority stake in Sterlite Gold Limited, a company listed in Canada with its main operations in Armenia. Sterlite Gold is engaged in gold mining and processing.

We first acquired 55% of the equity shareholding in Sterlite Gold Limited at a cost of \$33.7 million and then acquired an additional 25% stake through an open offer to existing shareholders at a cost of \$15.8 million. Acquisition costs of \$2.9 million were incurred in the transaction. As at 30 September 2006, we held 80.9% of the outstanding equity of Sterlite Gold Limited.

We have accounted for this acquisition in accordance with IFRS 3 "Business Combinations". The fair value of the assets and liabilities of the acquired business has resulted in creating assets in the form of mining properties and leases of \$71 million. We believe that this acquisition gives us a highly prospective gold mining asset in Armenia. We intend to carry out major exploration activity in Armenia to tap the full potential of this asset.

Projects

Total capital expenditure in H1 2007 on Phase II expansion projects was \$152.6 million. Additionally, we spent \$143.6 million on Phase I expansion projects announced at the time of our IPO. Amounts committed but not yet spent on Phase II expansion projects at 30 September 2006 were \$1,450.9 million.

(in US\$ millions, except as stated)

Expansion projects announced in earlier years	Original estimated cost	Committed at 30 September 2006	Spent to 30 September 2006	Committed but not yet spent
Lanjigarh alumina refinery	800.0	569.2	549.1	20.1
Korba aluminium smelter	550.0	486.1	474.6	11.5
Korba power plant (aluminium)	350.0	295.3	295.3	-
Tuticorin copper smelter	87.0	87.0	87.0	-
Chanderiya zinc lead smelter	335.0	267.6	267.6	-
Rampura Agucha zinc lead mine	90.0	45.2	45.2	-
Total	2,212.0	1,750.4	1,718.8	31.6

(in US\$ millions, except as stated)

Expansion projects announced during the year	Original estimated cost	Committed at 30 September 2006	Spent to 30 September 2006	Committed but not yet spent
Jharsuguda aluminium smelter	2,100.0	1,070.1	93.2	976.9
Konkola Deep copper mine	400.0	211.0	32.0	179.0
Nchanga copper smelter	280.0	165.0	34.0	131.0
Chanderiya zinc smelter	300.0	206.3	42.3	164.0
Total	3,080.0	1,652.4	201.5	1,450.9

Consolidated Income Statement

	Note	Six months ended 30 September 2006 \$ million	Six months ended 30 September 2005 \$ million	Year ended 31 March 2006 \$ million
Revenue		3,004.5	1,384.6	3,701.8
Cost of sales		(1,723.6)	(1,055.2)	(2,591.4)
Gross profit		1,280.9	329.4	1,110.4
Other operating income		57.6	16.2	41.5
Distribution costs		(52.5)	(30.2)	(81.1)
Administrative expenses		(89.3)	(57.2)	(127.0)
Administrative expenses – special items	4	(22.6)	-	-
Operating profit	3	1,174.1	258.2	943.8
Investment revenues		60.8	22.3	51.6
Finance costs		(67.1)	(23.1)	(59.3)
Share of loss of associate		(1.2)	(0.3)	(1.4)
Profit before taxation		1,166.6	257.1	934.7
Income tax expense	5	(320.5)	(71.6)	(280.4)
Profit for the period/year		846.1	185.5	654.3
Attributable to:				
Equity holders of the parent		447.6	107.9	373.5
Minority interests		398.5	77.6	280.8
		846.1	185.5	654.3
Earnings per share				
Basic (US Cents) (not annualised)	6a	156.1	37.6	130.2
Diluted (US Cents) (not annualised)	6a	144.7	37.3	128.2

Consolidated Balance Sheet

	Note	As at 30 September 2006 \$ million	As at 30 September 2005 \$ million	As at 31 March 2006 \$ million
ASSETS				
Non-current assets				
Goodwill		11.7	12.1	12.1
Property, plant and equipment		3,054.7	2,550.9	2,763.0
Interest in associate		-	2.9	1.8
Financial asset investments		34.4	27.3	27.1
Other non-current assets		24.7	21.0	27.3
Other financial assets (derivatives)		68.3	37.5	63.2
Deferred tax assets		28.8	87.7	71.9
		3,222.6	2,739.4	2,966.4
Current assets				
Inventories		941.2	646.8	535.0
Trade and other receivables		740.5	441.1	593.0
Other current financial assets (derivatives)		72.1	-	49.0
Liquid investments		205.7	292.9	244.4
Cash and cash equivalents	10	2,014.1	1,166.3	1,847.3
		3,973.6	2,547.1	3,268.7
TOTAL ASSETS		7,196.2	5,286.5	6,235.1
LIABILITIES				
Current liabilities				
Short term borrowings		(179.3)	(516.5)	(239.8)
Convertible loan notes		-	(5.9)	-
Trade and other payables		(1,160.5)	(817.0)	(942.5)
Other current financial liabilities (derivatives)		(66.1)	(46.6)	(114.7)
Provisions		(29.7)	(12.8)	(12.2)
Current tax liabilities		(93.9)	(19.6)	(34.7)
		(1,529.5)	(1,418.4)	(1,343.9)
Net current assets		2,444.1	1,128.7	1,924.8
Non-current liabilities				
Medium and long term borrowings		(1,205.1)	(1,349.8)	(1,236.0)
Convertible loan notes		(601.5)	-	(600.4)
Trade and other payables		(11.6)	(12.1)	(15.6)
Other financial liabilities (derivatives)		(92.1)	(76.9)	(93.4)
Deferred tax liabilities		(335.6)	(245.8)	(286.9)
Retirement benefits		(39.3)	(40.8)	(38.2)
Provisions		(211.3)	(226.0)	(222.5)
Non equity minority interests		(59.4)	(59.4)	(59.4)
		(2,555.9)	(2,010.8)	(2,552.4)
Total liabilities		(4,085.4)	(3,429.2)	(3,896.3)
Net Assets		3,110.8	1,857.3	2,338.8
EQUITY				
Share capital		28.7	28.7	28.7
Share premium account		18.8	18.6	18.6
Share based payment reserves		7.1	3.1	4.1
Convertible bond reserve		123.1	-	123.3
Hedging reserve		(23.7)	(19.9)	(29.1)
Other reserves		501.9	164.3	213.1
Retained earnings		1,153.4	957.6	1,058.4
Equity attributable to equity holders of the parent		1,809.3	1,152.4	1,417.1
Minority interests		1,301.5	704.9	921.7
Total Equity		3,110.8	1,857.3	2,338.8

Consolidated cash flow statement

Note	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
	\$ million	\$ million	\$ million
Operating activities			
Profit before taxation	1,166.6	257.1	934.7
Adjustments for:			
Depreciation	93.8	78.3	157.7
Investment revenues	(60.8)	(22.3)	(51.6)
Finance costs	67.1	23.1	59.3
Other non-cash items	(24.1)	(6.0)	8.5
Share of loss in associate	1.2	0.3	1.4
Operating cash flows before movements in working capital	1,243.8	330.7	1,110.0
Increase in inventories	(447.7)	(304.1)	(190.1)
Increase in receivables	(159.3)	(96.2)	(236.8)
Increase in payables	262.8	106.9	231.6
Cash generated from operations	899.6	37.3	914.7
Dividend received	5.5	-	7.0
Interest income received	72.2	20.5	58.5
Interest paid	(103.0)	(26.6)	(112.1)
Income taxes paid	(175.6)	(37.9)	(186.5)
Dividends paid	(41.0)	(33.1)	(49.4)
Net cash from operating activities	657.7	(39.8)	632.2
Cash flows from investing activities			
Acquisition of subsidiary	8	(36.6)	-
Cash acquired with subsidiary	8	0.8	-
Disposal on non core business	9	1.1	-
Purchases of property, plant and equipment	(410.4)	(270.7)	(656.2)
Proceeds on disposal of property, plant and equipment	1.8	-	0.7
Dividends paid to minority interests of subsidiaries	(14.1)	(9.0)	(8.9)
Disposal / (purchase) of liquid investments	39.3	(32.3)	12.8
Investment in associate	-	-	0.1
Deconsolidation of cash held by SEWT	-	-	(19.5)
Net cash used in investing activities	(418.1)	(312.0)	(671.0)
Cash flows from financing activities			
Proceeds from issue of convertible loan notes	-	-	719.7
(Decrease)/increase in short term borrowings	(11.8)	258.9	28.4
Redemption of preference shares in subsidiary	(42.1)	-	-
Increase/(decrease) in long-term borrowings	7.8	80.8	(20.9)
Net cash from financing activities	(46.1)	339.7	727.2
Net (decrease)/increase in cash and cash equivalents	193.5	(12.1)	688.4
Effect of foreign exchange rate changes	(26.7)	(7.2)	(26.7)
Cash and cash equivalents at beginning of period/year	1,847.3	1,185.6	1,185.6
Cash and cash equivalents at end of period/year	10	2,014.1	1,166.3
		1,166.3	1,847.3

Consolidated statement of changes in equity

\$ million	Attributable to equity holders of the Company								Total	Minority interests	Total equity
	Share capital	Share premium	Share based payment reserves	Hedging reserve	Other reserve*	Retained earnings					
As at 31 March 2005	28.7	18.6	2.5	-	43.9	1,016.8	1,110.5	636.2	1,746.7		
Adjustment for adoption of IAS 39	-	-	-	(3.2)	0.9	(9.8)	(12.1)	(2.1)	(14.2)		
As at 1 April 2005	28.7	18.6	2.5	(3.2)	44.8	1,007.0	1,098.4	634.1	1,732.5		
Profit for the period	-	-	-	-	-	107.9	107.9	77.6	185.5		
Movement on increase in minority interests	-	-	-	-	-	0.2	0.2	16.8	17.0		
Exchange differences on translation of foreign operations	-	-	-	-	(5.5)	-	(5.5)	(4.0)	(9.5)		
Transfers	-	-	-	-	125.0	(125.0)	-	-	-		
IPO related credit	-	-	-	-	-	0.6	0.6	-	0.6		
Movement in fair value of cash flow hedges and financial investments	-	-	-	(16.7)	-	-	(16.7)	(10.6)	(27.3)		
Dividends paid	-	-	-	-	-	(33.1)	(33.1)	(9.0)	(42.1)		
Recognition of share based payment	-	-	0.6	-	-	-	0.6	-	0.6		
As at 30 September 2005	28.7	18.6	3.1	(19.9)	164.3	957.6	1,152.4	704.9	1,857.3		

\$ million	Attributable to equity holders of the Company									
	Share capital	Share premium	Share based payment reserves	Convertible bond reserve	Hedging reserve	Other reserves*	Retained earnings	Total	Minority interests	Total equity
As at 31 March 2005	28.7	18.6	2.5	-	-	43.9	1,016.8	1,110.5	636.2	1,746.7
Adjustment for adoption of IAS 39	-	-	-	-	(3.2)	0.9	(9.8)	(12.1)	(2.1)	(14.2)
As at 1 April 2005	28.7	18.6	2.5	-	(3.2)	44.8	1,007.0	1,098.4	634.1	1,732.5
Profit for the year	-	-	-	-	-	-	373.5	373.5	280.8	654.3
Issue of convertible bond	-	-	-	123.3	-	-	-	123.3	-	123.3
Deconsolidation of SEWT	-	-	-	-	-	-	(88.2)	(88.2)	29.5	(58.7)
Movement on decrease in minority interests	-	-	-	-	-	-	(0.4)	(0.4)	24.6	24.2
Exchange differences on translation of foreign operations	-	-	-	-	0.2	(16.1)	-	(15.9)	(14.1)	(30.0)
Transfers	-	-	-	-	-	184.7	(184.7)	-	-	-
IPO related credit	-	-	-	-	-	-	0.6	0.6	-	0.6
Movement in fair value of cash flow hedges and financial investments	-	-	-	-	(26.1)	(0.3)	-	(26.4)	(24.3)	(50.7)
Dividends paid	-	-	-	-	-	-	(49.4)	(49.4)	(8.9)	(58.3)
Recognition of share based payment	-	-	1.6	-	-	-	-	1.6	-	1.6
As at 31 March 2006	28.7	18.6	4.1	123.3	(29.1)	213.1	1,058.4	1,417.1	921.7	2,338.8

Consolidated statement of changes in equity (continued)

Attributable to equity holders of the Company										
\$ million	Share capital	Share premium	Share based payment reserves	Convertible bond reserve	Hedging reserve	Other reserves*	Retained earnings	Total	Minority interests	Total equity
As at 1 April 2006	28.7	18.6	4.1	123.3	(29.1)	213.1	1,058.4	1,417.1	921.7	2,338.8
Profit for the period	-	-	-	-	-	-	447.6	447.6	398.5	846.1
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	12.4	12.4
Conversion of convertible bond	-	0.2	-	(0.2)	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	(0.6)	(23.9)	-	(24.5)	(22.4)	(46.9)
Transfers	-	-	-	-	-	311.6	(311.6)	-	-	-
Movement in fair value of cash flow hedges and financial investments	-	-	-	-	6.0	1.1	-	7.1	5.4	12.5
Dividends paid	-	-	-	-	-	-	(41.0)	(41.0)	(14.1)	(55.1)
Recognition of share based payment	-	-	3.0	-	-	-	-	3.0	-	3.0
As at 30 September 2006	28.7	18.8	7.1	123.1	(23.7)	501.9	1,153.4	1,809.3	1,301.5	3,110.8

* Other reserves comprise 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.

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'). The interim condensed consolidated financial information does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

The financial information for the full preceeding financial year has been derived from the statutory accounts for the financial year ended 31 March 2006 as filed with the Registrar of Companies. The auditors' report on the statutory accounts for the year ended 31 March 2006 was unqualified and did not contain statements under section 237(2) of the Companies Act 1985 (regarding adequacy of accounting records and returns) or under section 237(3) (regarding provision of necessary information and explanations).

The financial information prepared under IFRS in respect of the six months ended 30 September 2006 and 30 September 2005 is unaudited but has been reviewed by the auditors and their report is set out on page 33.

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 2006 as published by the Company. These financial statements are covered by IFRS 1 First-time adoption of International Financial Reporting Standards, because they form part of the period included in the Group's first IFRS financial statements for the year ending 31 March 2006. In addition, this interim report for the six month period ended 30 September 2006 has been prepared under International Accounting Standard ('IAS') 34 Interim financial reporting.

IFRS and International Financial Reporting Interpretations Committee ('IFRIC') interpretations are subject to ongoing review and possible amendment or interpretative guidance which may affect the financial statements for the year ending 31 March 2007.

Foreign exchange rates

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

	Average rate to six months ended 30 September 2006	Average rate to six months ended 30 September 2005	Average rate to year ended 31 March 2006	As at 30 September 2006	As at 30 September 2005	As at 31 March 2006
Indian Rupees	45.96	43.65	44.28	45.96	43.99	44.61
Australian dollar	1.33	1.31	1.32	1.34	1.31	1.40

3. Segmental analysis

(a) Business segments

The following tables present revenue and profit information regarding the Group's business segments for the six months ended 30 September 2006 and 30 September 2005 and for the year ended 31 March 2006. Items after operating profit are not allocated by segment.

Six months ended 30 September 2006

	Aluminium	Copper	Zinc	Other	Elimination	Total Operations
Revenue						
Sales to external customers	396.2	1,678.4	881.5	48.4	-	3,004.5
Inter-segment sales	27.1	-	-	-	(27.1)	-
Segment revenue	423.3	1678.4	881.5	48.4	(27.1)	3,004.5
Result						
Operating profit	109.2	392.0	679.3	(6.4)		1,174.1

Six months ended 30 September 2005

	Aluminium	Copper	Zinc	Other	Elimination	Total Operations
Revenue						
Sales to external customers	155.8	1,010.9	271.9	55.5	-	1,384.6
Inter-segment sales	14.5	-	-	-	(14.5)	-
Segment revenue	170.3	1,010.9	271.9	55.5	(14.5)	1,384.6
Result						
Operating profit	27.8	125.6	102.0	2.8		258.2

Year ended 31 March 2006

	Aluminium	Copper	Zinc	Other	Elimination	Total Operations
Revenue						
Sales to external customers	453.0	2,241.3	875.5	132.0	-	3,701.8
Inter-segment sales	40.1	-	-	-	(40.1)	-
Segment revenue	493.1	2,241.3	875.5	132.0	(40.1)	3,701.8
Result						
Operating profit	102.8	338.6	489.5	12.9		943.8

(b) EBITDA⁽¹⁾ by Segment

	Six months ended 30 September 2006 \$ million	Six months ended 30 September 2005 \$ million	Year ended 31 March 2006 \$ million
Aluminium	136.4	37.6	135.3
Copper	456.1	171.8	425.3
- India/Australia	211.7	81.5	219.0
- Zambia	244.4	90.3	206.3
Zinc	703.5	124.0	532.9
Others	(5.5)	3.1	8.0
Group EBITDA	1,290.5	336.5	1,101.5
Depreciation	(93.8)	(78.3)	(157.7)
Operating special items	(22.6)	-	-
Group operating profit	1,174.1	258.2	943.8

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

4. Special items

Administrative expenses

	Six months ended 30 September 2006 \$ million	Six months ended 30 September 2005 \$ million	Year ended 31 March 2006 \$ million
Restructuring and redundancies	(2.5)	-	-
Impairment of investment in associate	(0.4)	-	-
Provision for guarantees given on behalf of associate	(17.1)	-	-
Loss on sale of property, plant and equipment	(0.3)	-	-
Loss on disposal of non core business (note 9)	(2.3)	-	-
	(22.6)	-	-

5. Income tax expense

	Six months ended 30 September 2006 \$ million	Six months ended 30 September 2005 \$ million	Year ended 31 March 2006 \$ million
Current tax:			
UK Corporation tax	-	0.4	-
Foreign tax:			
- India	227.7	40.3	177.8
- Zambia	1.2	0.4	1.1
- Others	14.4	1.6	7.1
	243.3	42.7	186.0
Deferred tax:			
Current year	77.2	28.9	94.4
	77.2	28.9	94.4
Total income tax expense	320.5	71.6	280.4
Effective tax rate	27.5%	27.8%	30.0%

6. Earnings per share

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).

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

	Six months ended 30 September 2006 \$ million	Six months ended 30 September 2005 \$ million	Year ended 31 March 2006 \$ million
Net profit attributable to equity holders of the parent	447.6	107.9	373.5

6. Earnings per share (continued)

	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
	million	million	million
Weighted average number of Ordinary Shares for basic earnings per share	286.8	286.8	286.8
Effect of dilution:			
Convertible loan notes	27.9	-	3.1
Share options	3.5	1.4	3.6
Adjusted weighted average number of Ordinary Shares for diluted earnings per share	318.2	288.2	293.5

(a) Earnings per share based on profit for the period/year

Basic earnings per share on the profit for the period/year	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
Profit for the period attributable to equity holders of the parent (\$ million)	447.6	107.9	373.5
Weighted average number of Ordinary Shares of the Company in issue (million)	286.8	286.8	286.8
Earnings per share on profit for the period/year (US cents per share)	156.1	37.6	130.2

Diluted earnings per share on the profit for the period/year	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
Profit for the period/year attributable to equity holders of the parent (\$ million)	447.6	107.9	373.5
Adjustment in respect of convertible bonds of Vedanta (\$ million)	12.8	-	2.7
Adjustment in respect of convertible bonds of Sterlite (\$ million)	-	(0.4)	-
Profit for the period/year after dilutive adjustment	460.4	107.5	376.2
Adjusted weighted average number of Ordinary Shares of the Company in issue (million)	318.2	288.2	293.5
Diluted earnings per share on profit for the period/year (US cents per share)	144.7	37.3	128.2

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.

6. Earnings per share (continued)

(b) Earnings per share based on Underlying Profit for the period/year

The Group's Underlying Profit is the profit for the period/year after adding back special items and their resultant tax and minority interest effects, as shown in the table below:

	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
	\$ million	\$ million	\$ million
Profit for the period/year attributable to equity holders of the parent	447.6	107.9	373.5
Administrative expenses - special items	22.6	-	-
Tax effect of special items	(1.7)	-	-
Minority interest effect of special items	(5.3)	-	-
Underlying profit for the period/year	463.2	107.9	373.5

Basic earnings per share on Underlying Profit for the period/year	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
Underlying profit for the period/year (\$ million)	463.2	107.9	373.5
Weighted average number of Ordinary Shares of the Company in issue (million)	286.8	286.8	286.8
Earnings per share on Underlying Profit for the period/year (US cents per share)	161.5	37.6	130.2

Diluted earnings per share on Underlying Profit for the period/year	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
Underlying profit for the period/year (\$ million)	463.2	107.9	373.5
Adjustment in respect of convertible bonds of Vedanta (\$ million)	12.8	-	2.7
Adjustment in respect of convertible bonds of Sterlite (\$ million)	-	(0.4)	-
Underlying profit for the period/year after dilutive adjustment (\$ million)	476.0	107.5	376.2
Adjusted weighted average number of Ordinary Shares of the Company in issue (million)	318.2	288.2	293.5
Diluted earnings per share on Underlying Profit/year for the period (US cents per share)	149.6	37.3	128.2

7. Dividends

	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
	\$ million	\$ million	\$ million
Amounts paid as distributions to equity holders:			
Final dividend paid for 2005-06 : 14.3 US cents per share (2004-05 : 11.55 US cents per share)	41.0	33.1	33.1
Interim dividend paid for 2005-06 : 5.7 US cents per share	-	-	16.3

8. Business combination

The Group acquired the following companies during the period ended 30 September 2006:

Names of company acquired	Principal activity	Date of acquisition	Proportion of shares acquired	Cost of acquisition (\$ million)
Welter Trading Limited	Investment holding company	22 May 2006	100.0%	-
Twinstar International Limited	Investment holding company	23 August 2006	100.0%	33.7*

* \$2.9 million of acquisition expenses were additionally incurred in the acquisition of Twinstar International Limited and its subsidiaries.

Vedanta acquired 100% of Welter Trading Limited, a company incorporated in Cyprus, on 22 May 2006. On 23 August 2006, Welter Trading Limited acquired 100% of Twinstar International Limited ('TSI'), a company incorporated in Mauritius and 100.0% owned by Volcan Investments Limited ('Volcan'). Volcan holds 54% of the equity of Vedanta.

TSI held 55.09% of Sterlite Gold Limited ('Sterlite Gold'), a company incorporated in Canada and listed on the Toronto Stock Exchange. By virtue of Welter Trading Limited acquiring 100% of TSI, Sterlite Gold became a subsidiary of Vedanta with an effective date of 23 August 2006, being the date at which control passed to Vedanta. As a result, the financial information of TSI and Sterlite Gold has been consolidated from 23 August 2006.

From the date of acquisition, Sterlite Gold held 100.0% interests in the following companies:

- First Dynasty Mines (USA) LLC
- First Dynasty Mines Armenia Limited
- AGRC Services Limited
- First Dynasty Mines Holding Company Limited
- Myanmar First Dynasty Mines Limited
- Ararat Gold Recovery Company LLC ('AGRC')

AGRC is a company involved in gold mining activities and is incorporated in Armenia. All other companies listed above are non-operating.

On 30 September 2006, the Group acquired a further 25.8% interest in the equity of Sterlite Gold for \$16.7 million (inclusive of \$0.9 million of acquisition expenses). The Group's total holding in Sterlite Gold following this transaction and at 30 September 2006 was 80.89%.

There was no material change in the consolidated net assets of TSI between 31 August and the acquisition of the further 25.8% interest in Sterlite Gold on 30 September 2006.

8. Business combination (continued)

The consolidated net assets of TSI acquired are detailed in the table below.

\$ million	Book value	Fair value adjustments	Fair value
Assets			
Non-current assets			
Property, plant and equipment	11.4	71.7	83.1
Financial asset investments	4.7	-	4.7
	16.1	71.7	87.8
Current assets			
Inventories	2.7	-	2.7
Trade and other receivables	2.7	-	2.7
Cash and cash equivalents	0.8	-	0.8
	6.2		6.2
Liabilities			
Current liabilities			
Trade and other payables	(2.9)	-	(2.9)
	(2.9)	-	(2.9)
Non current liabilities			
Borrowings from Vedanta Resources Plc	(10.2)	-	(10.2)
Deferred tax liabilities	-	(14.3)	(14.3)
Provisions	(1.8)	-	(1.8)
	(12.0)	(14.3)	(26.3)
Net assets	7.4	57.4	64.8
Less : minority interests recognised on first acquisition			(29.1)
Add: Reduction in minority interests on second acquisition			16.7
			52.4
Satisfied by :			
Cash consideration on first acquisition			33.7
Cash consideration on second acquisition (payable at 30 September 2006)			15.8
Acquisition expenses			2.9
			52.4

Since the date of acquisition, Sterlite Gold has contributed \$0.6 million to the revenue and \$(0.5) million to the net profit of the Group for the period ended 30 September 2006. If TSI Group had been acquired at the beginning of the period, the revenues of the Group would have been \$3,009.0 million and the net profit of the Group would have been \$845.9 million.

9. Disposal of non core business

The Board of Sterlite passed a resolution on 21 August 2006 to divest its non core aluminum conductor business, a reporting unit classified in the Group's 'Other' segment. The Group sold the business to SOTL, a company owned and controlled by Volcan Investments Limited and a related party, for \$32.3 million. The loss on this sale was \$ 2.3 million. The carrying values of the assets and liabilities disposed of were as follows:

	\$ million
Property, plant and equipment	18.6
Current assets	83.4
Total assets	102.0
Debt	23.1
Current liabilities	44.3
Total liabilities	67.4
Net assets disposed	34.6
Less: consideration received	(32.3)
Loss on disposal (note 4)	2.3

10. Movement in net debt ⁽¹⁾

\$ million	Cash and cash equivalents	Debt due within one year		Debt due after one year		Liquid investments	Total net (debt)/cash
		Debt carrying value	Debt related derivatives ⁽²⁾	Debt carrying value	Debt related derivatives ⁽²⁾		
Opening balance at 1 April 2005	1,185.6	(218.4)	-	(1,303.5)	-	262.0	(74.3)
IAS 32 and IAS 39 adjustments	1.0	5.4	(15.1)	15.8	(17.5)	-	(10.4)
Adjusted opening balance sheet at 1 April 2005	1,186.6	(213.0)	(15.1)	(1,287.7)	(17.5)	262.0	(84.7)
Cash flow	688.4	(28.4)	-	(704.1)	-	(12.8)	(56.9)
Other non-cash changes	(1.0)	(2.0)	17.9	135.2	(12.7)	-	137.4
Exchange difference	(26.7)	3.6	-	20.2	-	(4.8)	(7.7)
Opening balance at 1 April 2006	1,847.3	(239.8)	2.8	(1,836.4)	(30.2)	244.4	(11.9)
Cash flow	193.5	53.9	-	(7.8)	-	(39.3)	200.3
Disposal of non core business	-	23.1	-	-	-	-	23.1
Other non-cash changes	-	(20.9)	2.9	20.4	6.6	0.5	9.5
Foreign exchange differences	(26.7)	4.4	-	17.2	-	0.1	(5.0)
As at 30 September 2006	2,014.1	(179.3)	5.7	(1,806.6)	(23.6)	205.7	216.0

\$ million	Cash and cash equivalents	Debt due within one year		Debt due after one year		Liquid investments	Total net debt
		Debt carrying value	Debt related derivatives ⁽²⁾	Debt carrying value	Debt related derivatives ⁽²⁾		
Opening balance at 1 April 2005	1,185.6	(218.4)	-	(1,303.5)	-	262.0	(74.3)
IAS 32 and IAS 39 adjustments	1.0	5.4	(15.1)	15.8	(17.5)	-	(10.4)
Adjusted opening balance sheet at 1 April 2005	1,186.6	(213.0)	(15.1)	(1,287.7)	(17.5)	262.0	(84.7)
Cash flow	(12.1)	(258.9)	-	(80.8)	-	32.3	(319.5)
Other non-cash changes	(1.0)	(52.7)	11.7	14.0	(21.9)	-	(49.9)
Exchange difference	(7.2)	2.2	-	4.8	-	(1.4)	(1.6)
As at 30 September 2005	1,166.3	(522.4)	(3.4)	(1,349.7)	(39.4)	292.9	(455.7)

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

⁽²⁾ Debt related derivatives exclude commodity related derivative financial assets and liabilities.

11. Other disclosures

Capital commitments

Contractual commitments to acquire fixed assets were \$1,813.0 million at 30 September 2006 (30 September 2005: \$ 434.2 million; 31 March 2006: \$1,233.4 million).

Contingent liabilities

There were no material changes in contingent liabilities during the period except in case of certain guarantees issued on behalf of IFL against which a provision of \$17.1 million has been made (note 4).

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 Optical Technologies Limited ('SOTL'), which is related by virtue of having the same controlling party as the Group, namely Volcan. As India Foils Limited ('IFL') is an associate of the Group, it is also regarded as a related party.

The Group acquired TSI and Sterlite Gold on 22 August 2006. As a result, with an effective date of 23 August 2006, TSI and Sterlite Gold became subsidiaries of the Group and ceased to be related parties.

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

SOTL

	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
	\$ million	\$ million	\$ million
Sale of goods to SOTL	20.5	2.6	3.0
Sale of aluminium conductor division	32.3	-	-
Amounts receivable at period/year end	31.1	1.9	5.6

Volcan

	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
	\$ million	\$ million	\$ million
Reimbursement of bank charges	(0.1)	0.2	(0.5)
Amounts receivable/(payable) at period/year end	(0.1)	-	0.1

IFL

	Six months ended 30 September 2006	Six months ended 30 September 2005	Year ended 31 March 2006
	\$ million	\$ million	\$ million
Sales to IFL	20.7	16.2	34.1
Net interest received	-	0.3	0.5
Trade receivables	6.9	2.9	0.6
Loan balance receivable	-	6.2	6.2
Amounts receivable at period/year end	6.9	9.1	6.8

11. Other disclosures (continued)

Related party transactions (continued)

In addition, a limited number of employees are seconded from Sterlite to IFL, SOTL and Sterlite Gold and similarly from IFL, SOTL and Sterlite Gold to Sterlite. The company which benefits from the seconded employee bears their employment costs.

During the year ended 31 March 2005, Sterlite advanced loans to IFL amounting to \$6.2 million for working capital purposes. The loans were advanced from 2 April 2004 to 7 February 2005 and are repayable within two years. The loans bear interest at 7% per annum and interest accrued during the period ended 30 September 2006 amounted to \$ nil million (30 September 2005: \$ nil; 31 March 2006: \$0.6 million). The loan was classified as an investment in associate and has been fully impaired. During the period ended 30 September 2006, Sterlite advanced no further loans to IFL.

The Group has given corporate guarantees to certain banks and financial institutions in relation to IFL, an associate of the Group, against which a provision of \$ 17.1 million has been recognised (30 September 2005 : \$ nil, 31 March 2006 : \$ nil).

Transactions with Volcan

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. The amount receivable/ (payable) for the period ended was \$ 0.1 million (30 September 2005: \$ nil; 31 March 2006: \$(0.1) million).

Transactions with Sterlite Gold and SOTL

Pursuant to the terms of the Shared Services Agreement dated 5 December 2003 entered into by the Company, Sterlite, SOTL and Sterlite Gold, the Company and Sterlite provide various commercial services in relation to SOTL's and Sterlite Gold's businesses on an arms length basis and at normal commercial terms.

For the period from 1 April 2005 to 31 March 2006, the commercial services provided to SOTL and Sterlite Gold were performed by certain senior employees of the Group on terms set out in the Shared Services Agreement. The services provided to SOTL and Sterlite Gold during this period amounted to \$20,895 and \$16,700, respectively. There was no material charge during the six months ended 30 September 2006 (30 September 2005: \$ nil).

Political and Public Awareness Trust

During the period, the Group did not contribute to the Political and Public Awareness Trust (30 September 2005: \$ nil, 31 March 2006: \$0.1 million). This trust makes contributions to political parties and related causes. The trust is a related party as it is controlled by members of the Agarwal family.

Sterlite Foundation

During the period, \$0.3 million was paid by the Group to the Sterlite Foundation (30 September 2005: \$0.3 million, 31 March 2006: \$0.6 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.

Vedanta Foundation

During the period, \$ nil (30 September 2005: \$ nil; 31 March 2006: \$ 0.1 million) was paid by Sterlite to the Vedanta Foundation. The Vedanta Foundation is a registered not-for-profit entity engaged in social and charitable activities and is a related party as it is controlled by members of the Agarwal family.

11. Other disclosures (continued)

Related party transactions (continued)

Twin Star International (TSI)

During the period, the Group advanced a loan of \$ 10.3 million (30 September 2005: \$ nil; 31 March 2006: \$ 5.0 million) to TSI. The loan carries an interest rate of LIBOR plus 100 basis points and the interest accrued was \$ 0.2 million (30 September 2005: \$ nil; 31 March 2006: \$ 32,688)

Sterlite Energy Limited

During the period, the Group advanced \$ nil million (30 September 2005: \$ nil; 31 March 2006: \$ 0.4 million) to Sterlite Energy Limited. Sterlite Energy is a related party as it is controlled by the members of the Agarwal family.

Twinstar Overseas Limited

As part of the acquisition of TSI and its subsidiaries, the Group acquired a balance of \$0.2 million payable to Twinstar Overseas Limited. Twinstar Overseas Limited is a related party as it is controlled by the members of the Agarwal family.

Twinstar International Investments Limited

As part of the acquisition of TSI and its subsidiaries, the Group acquired a balance of \$0.1 million payable to Twinstar Investments Limited. Twinstar Investments Limited is a related party as it is controlled by the members of the Agarwal family

Independent review report to Vedanta Resources plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 September 2006 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and related notes 1 to 11. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 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 interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority and the requirements of IAS 34 which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2006.

(Signature)

Deloitte & Touche LLP
Chartered Accountants
London
15 November 2006

Glossary and definitions

Adjusted profit

Profit before write back of negative goodwill to income statement

Aluminium Business

The aluminium business of the Group comprising its fully-integrated bauxite mining, alumina refining and aluminium smelting in India

Attributable Profit

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

BALCO

Bharat Aluminium Company Limited, a company incorporated in India

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

Cash Tax Rate

Current taxation as a percentage of profit on ordinary activities before taxation

CMT

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

Company or Vedanta

Vedanta Resources plc

Copper Business

The copper business of the Group comprising a copper smelter, a refinery and two copper rod plants in India, a copper mine in Australia and an integrated operation in Zambia consisting of three mines, a leaching plant and a smelter

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 and special items (see note 3)

EBITDA Margin

EBITDA as a percentage of turnover

Economic Holdings or Economic Interest

The economic holdings/interest are derived by combining the Group's direct and indirect shareholdings in the operating companies. The Group's Economic Holdings/Interest is the basis on which the Attributable Profit and net assets are determined in the consolidated accounts

Glossary and definitions (continued)

EPS

Earnings per Ordinary Share

Executive Directors

The executive directors of the Company

Expansion Capital Expenditure

Capital expenditure that increases the Group's operating capacity

Free Cash Flow

Cash flow arising from EBITDA after net interest, taxation, Sustaining Capital Expenditure and working capital movements (see Financial Review)

GAAP

Generally Accepted Accounting Principles

Gearing

Net debt as a percentage of Capital Employed

Government

The Government of the Republic of India

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

IFL

India Foils Limited, a company incorporated in India

IFRS

International Financial Reporting Standards

Interest Cover

EBITDA divided by finance cost

KCM or Konkola Copper Mines

Konkola Copper Mines PLC, a company incorporated in Zambia

LIBOR

London Inter Bank Offered Rate

Listing

The listing of the Company's Ordinary Shares on the London Stock Exchange on 10 December 2003

Listing Particulars

The listing particulars dated 5 December 2003 issued by the Company in connection with its Listing

LME

London Metals Exchange

Glossary and definitions (continued)

London Stock Exchange

London Stock Exchange plc

LTIP

Vedanta Resources Long Term Incentive Plan

MALCO

The Madras Aluminium Company Limited, a company incorporated in India

mt or tonnes

Metric tonnes

MW

Megawatts of electrical power

Non-executive Directors

The non-executive directors of the Company

Ordinary Shares

Ordinary shares of \$0.10 each in the Company

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

Reward Plan

Vedanta Resources Share Reward Plan

SEWT

Sterlite Employee Welfare Trust, a long-term investment plan for Sterlite senior management, not controlled by the Group.

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

Sustaining Capital Expenditure

Capital expenditure to maintain the Group's operating capacity

TC/RC

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

tpa

Metric tonnes per annum

Glossary and definitions (continued)

TCM

Thalanga Copper Mines Pty Limited, a company incorporated in Australia

Twin Star

Twin Star Holdings Limited, a company incorporated in Mauritius

Twin Star Holdings Group

Twin Star and its subsidiaries and associated undertaking

Underlying Profit

Profit for the year after adding back special items and their resultant tax and minority interest effects

VAL

Vedanta Alumina Limited, a company incorporated in India

Volcan

Volcan Investments Limited, a company incorporated in the Bahamas

VRHL

Vedanta Resources Holdings Limited, a company incorporated in the United Kingdom

ZCI

Zambia Copper Investment Limited, a company incorporated in Bermuda

ZCCM

ZCCM Investments Holdings plc, a company incorporated in Zambia

Zinc Business

The zinc-lead business of the Group comprising its fully integrated zinc-lead mining and smelting operations in India