



Vedanta Resources plc
16 Berkeley Street
London W1J 8DZ
Tel: +44 (0) 20 7499 5900
Fax: +44 (0) 20 7491 8440
www.vedantaresources.com

19 January 2006

Vedanta Resources plc Unaudited Results for the Third Quarter and Nine Months Ended 31 December 2005

Highlights

- Third quarter and nine month revenues of \$974.7 million and \$2,359.3 million, up 78% and 92%, respectively
- Third quarter and nine month EBITDA of \$264.6 million and \$601.1 million, up 121% and 115%, respectively
- Higher production volumes across all metals in Q3
 - Aluminium: 60,000 tonnes, up 77%
 - Copper - India: 75,000 tonnes, up 60%
 - Zinc: 69,000 tonnes, up 26%
- Third quarter revenue and EBITDA 25% and 46% higher respectively than the preceding quarter.

"Higher production volumes together with rising metal prices have contributed to the strong set of third quarter results." said Anil Agarwal, Executive Chairman, Vedanta Resources plc. "Our growth projects are all on track and we continue to improve on our volumes and efficiencies."

Performance Summary

For the third quarter and the nine months period ended 31 December 2005, group revenues were \$974.7 million and \$2,359.3 million respectively, an increase of 78% and 92%, compared with revenues of \$548.6 million and \$1,226.0 million during the corresponding periods in the prior year.

EBITDA was \$264.6 million and \$601.1 million for the third quarter and the nine months period ended 31 December 2005 respectively, an increase of 121% and 115%, compared with EBITDA of \$120.0 million and \$280.0 million during the corresponding periods in the prior year.

Revenues and EBITDA rose primarily due to higher prices and volume growth across all our metals.

A total of 144 pots have been commissioned at the new aluminium smelter at Korba. Three out of four captive power plant units are online and the fourth unit is expected to be online in the fourth quarter. The ramp up of the 170,000 tpa zinc smelter at Chanderiya is progressing on schedule.

During the quarter, our Board approved a US\$2.1 billion green-field 500,000 tpa aluminium smelter project together with an associated 1,215 MW captive thermal power plant in

Jharsuguda, Orissa as well as a \$125 million expansion of KCM's Nkana smelter to increase smelting capacity in Zambia to 300,000 tpa.

Aluminium Business

During the quarter, the existing production facilities at BALCO and MALCO continued to operate at their rated capacities. The total production of 60,000 tonnes during the quarter was 14,000 tonnes higher than the preceding quarter and 26,000 tonnes higher than the corresponding period in the prior year. Third quarter production included 24,000 tonnes produced from the new Korba smelter, where a total of 144 out of 288 pots have been commissioned by December 2005.

Revenues were \$117.0 million and \$272.8 million for the third quarter and the nine months period ended 31 December 2005 respectively, an increase of 61% and 40%, compared with revenues of \$72.5 million and \$195.3 million during the corresponding periods in the prior year. The increase in revenue is attributable to higher metal prices and increased volumes.

EBITDA was \$32.1 million and \$69.7 million for the third quarter and the nine months period ended 31 December 2005 respectively, an increase of 95% and 39%, compared with EBITDA of \$16.5 million and \$50.3 million during the corresponding periods in the prior year. The increase in EBITDA is due to the increase in revenues, partly offset by higher energy and certain other input costs.

The 1-1.4 mtpa alumina refinery project in Lanjigarh, Orissa is proceeding well with mechanical completion expected by mid 2006. Out of the budgeted \$800 million, an amount of \$326 million has been spent by December 2005. Further to the report submitted by the committee appointed by the Supreme Court of India, the Government of Orissa and other concerned parties are in the process of submitting their responses, which will lead to further directions in this matter.

Copper Business

The strong ramp up of the Tuticorin smelter was evidenced by higher copper production of 75,000 tonnes during the current quarter which was 7,000 tonnes higher than the preceding quarter and 28,000 tonnes higher than the corresponding period in the prior year.

Despite closure of the Thalanga Copper Mines, production levels have largely remained unaffected due to improved operational efficiencies at the Copper Mines of Tasmania's Mt. Lyell operations which continues to be the source of approximately 11% of total concentrate requirement in India.

Revenues for Copper - India/Australia operations were \$448.0 million and \$1,044.4 million for the third quarter and the nine months period ended 31 December 2005 respectively, an increase of 98% and 93%, compared with revenues of \$225.7 million and \$542.5 million during the corresponding periods in the prior year. The increase in revenue is attributable to higher metal prices and increased volumes.

EBITDA for Copper - India/Australia operations was \$56.9 million and \$138.4 million for the third quarter and the nine months period ended 31 December 2005 respectively, an increase of 95% and 99%, compared with EBITDA of \$29.2 million and \$69.7 million during the

corresponding periods in the prior year. EBITDA has increased during the current quarter due to improved TC/RCs together with better metal recoveries and by-product management, partly offset by an increase in energy costs and a reduction in tariffs.

Revenues for Copper - Zambia¹ operations were \$188.1 million and \$493.1 million for the third quarter and the nine months period ended 31 December 2005 respectively. EBITDA for Copper - Zambia operations was \$56.8 million and \$147.1 million for the third quarter and the nine months period ended 31 December 2005 respectively. Q3 revenues and EBITDA were 25% and 40% higher than the preceding quarter.

During the quarter, we experienced increased labour and energy costs in KCM compared with the preceding quarter. Labour costs were higher due to a recently concluded wage settlement reached with employees during the period. Energy costs increased due to fuel imports during the quarter. The commissioning of the sulphur-based acid plant in the fourth quarter, the ongoing monitoring of controllable costs and the gradual increase in production volumes are expected to have a favourable impact on unit costs going forward.

Zinc Business

Total zinc produced was 69,000 tonnes during the current quarter which was 3,000 tonnes higher than the preceding quarter and 14,000 tonnes higher than the corresponding period in the prior year. Production in the current quarter includes production of 15,000 tonnes from the newly commissioned smelter. Sales during the quarter were augmented by exports of 65,000 tonnes of zinc concentrate.

Revenues were \$202.5 million and \$474.4 million for the third quarter and the nine months period ended 31 December 2005 respectively, an increase of 60% and 47%, compared with revenues of \$126.4 million and \$322.4 million during the corresponding periods in the prior year. The increase in revenue is attributable to higher metal prices and increased volumes.

EBITDA was \$117.7 million and \$241.7 million for the third quarter and the nine months period ended 31 December 2005 respectively, an increase of 129% and 77%, compared with EBITDA of \$51.5 million and \$135.3 million during the corresponding periods in the prior year. The increase in EBITDA is due to the increase in revenues combined with a marginal decrease in unit costs of production. Unit costs of production were lower during the quarter on account of savings in energy costs arising from our captive power facilities, in part offset by an increase in royalties due to higher metal prices.

Work on our new 50,000 tpa lead plant is progressing satisfactorily and is expected to be completed in the fourth quarter of the current financial year.

Growth Projects

During the quarter, our Board also approved a \$2.1 billion green-field 500,000 tpa aluminium smelter project together with an associated 1,215 MW captive thermal power plant in

¹ Prior period comparatives for Copper - Zambia relate to the eight week period post acquisition of KCM on 5 November 2004. Changes over prior period are not disclosed as the comparison will not be meaningful.

Jharsuguda, Orissa in India. Preparatory work in terms of vendor selection and ordering equipment has commenced.

Preliminary work on the \$400 million Konkola Deep Mines expansion project to increase copper ore output at KCM commenced during the third quarter. Short listing of vendors for civil and mechanical contracts for the \$125 million Nkana smelter expansion project has also started.

Preliminary work on the new 170,000 zinc smelter project at Chanderiya has commenced with construction orders currently being placed with suppliers.

Financial Summary (Unaudited)

(in \$ million, except as stated)

	Q 3			Q 2		9 months	
	2005-06	2004-05**	% change	2005-06	2005-06	2004-05**	% change
Revenue							
Aluminium	117.0	72.5	61.4%	82.5	272.8	195.3	39.7%
Copper							
Copper - India/Australia	448.0	225.7	98.5%	362.1	1,044.4	542.5	92.5%
Copper - Zambia*	188.1	100.0	NA	150.7	493.1	100.0	NA
Zinc	202.5	126.4	60.2%	151.0	474.4	322.4	47.1%
Other	19.1	24.0	(20.4%)	34.9	74.6	65.8	13.4%
Total	974.7	548.6	77.7%	781.2	2,359.3	1,226.0	92.4%
EBITDA							
Aluminium	32.1	16.5	94.5%	19.9	69.7	50.3	38.6%
Copper							
Copper - India/Australia	56.9	29.2	94.9%	48.3	138.4	69.7	98.6%
Copper - Zambia*	56.8	26.0	NA	40.5	147.1	26.0	NA
Zinc	117.7	51.5	128.5%	70.9	241.7	135.3	78.6%
Other	1.1	(3.2)	NA	1.8	4.2	(1.3)	NA
Total	264.6	120.0	120.5%	181.4	601.1	280.0	114.7%

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

	Q 3			Q 2		9 months	
	2005-06	2004-05	% change	2005-06	2005-06	2004-05	% change
Alumina	78	79	(1.3%)	71	220	209	5.3%
Aluminium	60	34	76.5%	46	142	100	42.0%
Copper - India/Australia							
Mined metal content	8	8	-	8	26	28	(7.1%)
Copper - Cathode	75	47	59.6%	68	198	125	58.4%
Copper - Rods	41	34	20.6%	41	121	86	40.7%
Copper - Zambia *							
Mined metal content	28	16	NA	29	83	16	NA
Copper - Cathode	46	29	NA	38	127	29	NA
Zinc - Mined Metal Content	127	89	42.7%	106	347	256	35.5%
Refined Zinc	69	55	25.5%	66	192	158	21.5%

* Prior period comparatives for Copper - Zambia relate to the eight week period post acquisition of KCM on 5 November 2004. Changes over prior period are not disclosed as the comparison will not be meaningful.

** amounts for 2004-05 are presented on a UK GAAP basis

For further information, please contact:

Sumanth Cidambi

Associate Director - Investor Relations

Vedanta Resources plc

sumanth.cidambi@vedanta.co.in

Tel: +91 22 5646 1531

Faeth Birch

Robin Walker

Finsbury

Tel: +44 20 7251 3801

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 and Australia. The major metals produced are aluminium, copper, zinc and lead. For further information, please 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," 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.