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7th July 2004

Sterlite Industries (India) Limited – Rights Issue

Vedanta Resources plc (“Vedanta”) is pleased to announce that the Securities and Exchange Board of India (“SEBI”) has approved the revised terms of the rights issue put forward by Vedanta’s Indian listed principal subsidiary, Sterlite Industries (India) Limited (“Sterlite”).

Under these terms one new share will be issued for every 2 existing shares, at a price of INR 550. This will raise approximately INR 19,500 million (circa US\$430 m) for Sterlite. The record date has been set for July 23rd 2004. The allocation of new shares and completion of the issue should take place in September.

Vedanta will fully support the issue of new Sterlite shares and has undertaken to take up its entire pro-rata entitlement under the rights issue.

Peter Sydney-Smith, Vedanta’s Finance Director, said:

"The rights issue is an important part of funding our investment programme and developing our substantial growth projects. It is positive news for Vedanta’s shareholders that we can press ahead with this."

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Notes to Editor

Vedanta is a diversified metals and mining group with zinc, copper and aluminium operations in India and two copper mines in Australia.

Vedanta holds its interests in these operations through two Indian-listed subsidiaries, Sterlite and the Madras Aluminium Company ("Malco").

Sterlite is Vedanta's principal subsidiary and is currently listed on the Bombay Stock Exchange. Vedanta, through its wholly owned subsidiaries, currently owns 62.4 per cent. of the issued share capital of Sterlite. In addition, Malco owns a further 7.13 per cent. of Sterlite. As a result, Vedanta currently has an effective interest of 68.1 per cent. in Sterlite.

Vedanta's copper operations are owned and operated by Sterlite. Sterlite also holds a 64.9% stake in the group's zinc business, Hindustan Zinc Ltd ("HZL"), and 51% of the Bharat Aluminium Company ("Balco").