

26<sup>th</sup> July 2004

**Vedanta Resources plc**  
**Q1 Results**

This is the first quarterly announcement with financials prepared under UK GAAP. There are no financial numbers for the individual divisions available under this basis for the first quarter of last year.

Results for the quarter ended  
30<sup>th</sup> June 2004

| <u>Financial summary</u><br>(US\$m) | Q1           |              | % change                   |
|-------------------------------------|--------------|--------------|----------------------------|
|                                     | 2004-05      | 2003-04      | Q1 2004-05<br>v Q1 2003-04 |
| <u>Turnover:</u>                    |              |              |                            |
| Aluminium                           | 61.2         |              |                            |
| Copper                              | 148.6        |              |                            |
| Zinc                                | 93.8         |              |                            |
| Other                               | 20.0         |              |                            |
| <b>Total</b>                        | <b>323.6</b> | <b>278.6</b> | <b>16.2%</b>               |
| <u>EBITDA:</u>                      |              |              |                            |
| Aluminium                           | 16.5         |              |                            |
| Copper                              | 20.7         |              |                            |
| Zinc                                | 42.4         |              |                            |
| Other                               | (0.8)        |              |                            |
| <b>Total</b>                        | <b>78.8</b>  | <b>65.5</b>  | <b>20.3%</b>               |

Summary

We made good progress in the quarter, with an overall increase in EBITDA of 20% to US\$78.8m, in line with our expectations. All areas benefited from higher metal prices, compared to the corresponding quarter, with the exception of the copper division where TC/RC's (treatment charge / refining charge) remained tight. We continue to implement our programme of improving efficiency and delivering higher returns across the business.

As mentioned at our annual results in June, there were planned shutdowns in the quarter at the Tuticorin Copper smelter and the Chanderiya Zinc smelter and the impact of this is clearly seen in the production data for these divisions.

The Indian government reduced tariff levels across all metals in January 2004, which reduced EBITDA compared to the previous year.

Progress continues to be made on all of our expansion projects. The expanded copper smelter at Tuticorin is ready to start commissioning and we are now waiting for final approval from the central Government.

There was net cash held of US\$334m at the end of the quarter, after capital expenditure of US\$132m in the period.

The outlook for metal demand in India continues to be positive and the new Government has indicated its commitment to foster an environment that is positive for economic growth. The further tariff cuts in July, just after the period end, will reduce our EBITDA for the year by some US\$30m, as previously indicated, but we remain confident of delivering good progress on last year.

### Aluminium

Our aluminium plants continue to operate close to capacity, but production was slightly ahead of the corresponding quarter in the previous year. We have made progress on EBITDA as a result of higher realisations, continued improvements in product mix and productivity gains. These benefits were partly offset by increased input costs, notably in energy. We continue to make increased efficiencies at our existing plants ahead of the introduction of significant new capacity in 2006.

### Copper

The smelter at Tuticorin underwent a planned shutdown of around 20 days, after a campaign life of some 24 months. As a result of the shutdown, production declined by 24% to 33,867 tonnes. Due to our focus on higher value products, we limited the decline in rod production, to 17%. During the quarter, TC/RC's remained tight at just under USc 7 per lb, a sharp decline on the corresponding quarter and just below the average of the last year. We are now starting to see improvements in TC/RC prices after a prolonged period in which the market has been tight.

### Zinc

Output of zinc concentrate was up by 10% to 82,367 tonnes, as a result of increased efficiencies. Zinc metal production was lower by 9% to 50,042 tonnes, due to the 11 day planned shut down at the Chanderiya Smelter. In addition to domestic sales, some small parcels of concentrate were sold for export. The expansion of production at Chanderiya remains on track and the benefits will be seen this time next year.

| Production summary<br>(Tonnes)       | Quarter       |               | % change                   |
|--------------------------------------|---------------|---------------|----------------------------|
|                                      | 2004-05<br>Q1 | 2003-04<br>Q1 | Q1 2004-05<br>v Q1 2003-04 |
| Alumina                              | 66,573        | 70,362        | -5.4%                      |
| Aluminium                            | 33,310        | 32,689        | 1.9%                       |
| Copper - Mined metal<br>content      | 11,138        | 11,015        | 1.1%                       |
| Copper - Cathode                     | 33,867        | 45,103        | -24.9%                     |
| Copper - Rods                        | 26,406        | 31,723        | -16.8%                     |
| Zinc Metal content in<br>concentrate | 82,367        | 74,814        | 10.1%                      |
| Refined Zinc                         | 50,042        | 55,094        | -9.2%                      |
|                                      |               |               |                            |

US\$:INR average rate, 44.95, compared to 47.13 in Q1 04 and an average of 45.92 over 2003-04.

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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").