

23 August 2017

Vedanta Resources Plc
Production and Financial Results Release for the First Quarter
ended 30 June 2017

Production results were announced on 26th July 2017. This release contains additional financial and other updates.

Highlights

Financial

- Revenue and EBITDA significantly higher y-o-y driven by higher commodity prices and volumes
- Gross debt (excluding Zinc India temporary borrowing) reduced by \$1.3 billion in Q1 FY2018, further reduction of \$385 million post June 30 2017

Corporate

- Proactive refinancing of \$1.84 billion announced in August at Vedanta Resources Plc through a combination of bond and bank debt; extends average debt maturity by 1.5 years, lowers the average cost of borrowing and results in no significant debt maturities until December 2018

Tom Albanese, Chief Executive Officer, Vedanta Resources plc, said: "We have made a positive start to the year with both revenue and EBITDA significantly up year on year. In particular, our Zinc and Oil & Gas businesses have delivered a strong quarter. Vedanta is a world leader in zinc, and zinc prices have strengthened since the quarter end on continued global supply deficits. The Gamsberg zinc project remains on course to commence production in mid-CY2018. We remain committed to improvements at Copper-Zambia, while our continued ramp-up in the Aluminium business has helped us exit the quarter with a strong production run rate of 1.4 mtpa. Our recent comprehensive refinancing exercise of \$1.84 billion further helps to optimise our balance sheet and create value for all our stakeholders."

Oil & Gas

Particulars	Q1			Q4		Full Year
	FY2018	FY2017	% change YoY	FY2017	% change QoQ	FY2017
OIL AND GAS						
Average Daily Total Gross Operated Production (boepd) ¹	196,656	206,455	(5)%	194,343	1%	199,574
Average Daily Gross Operated Production (boepd)	187,203	196,861	(5)%	184,585	1%	189,926
Rajasthan	159,351	166,943	(5)%	157,338	1%	161,571
Ravva	18,361	19,637	(6)%	17,769	3%	18,602
Cambay	9,491	10,281	(8)%	9,477	0%	9,753
Average Daily Working Interest Production (boepd)	119,473	125,391	(5)%	117,926	1%	121,186
Rajasthan	111,546	116,860	(5)%	110,137	1%	113,100
Ravva	4,131	4,418	(6)%	3,998	3%	4,185
Cambay	3,796	4,113	(8)%	3,791	0%	3,901
Total Oil and Gas (million boe)						
Oil & Gas- Gross	17.0	17.9	(5)%	16.6	3%	69.3
Oil & Gas-Working Interest	10.9	11.4	(5)%	10.6	2%	44.2
Brent (\$/bbl)	49.6	45.6	9%	53.7	(8)%	48.6
Average Price Realisation (\$/boe)	44.7	38.0	18%	47.7	(6)%	43.3
Oil - \$/bbl	44.9	37.9	18%	47.7	(6)%	43.3
Gas - \$/mmscf	6.7	7.1	(6)%	6.0	12%	6.9
Revenue(\$ million)	353.1	281.5	25%	318.1	11%	1,222.7
EBITDA(\$ million)	218.0	119.2	83%	165.1	32%	597.2

Oil & Gas delivered a consistent quarterly performance during Q1 FY2018, with average gross production across assets at 187,203 barrels of oil equivalent per day (boepd), 1% higher q-o-q on account of continued reservoir management practices and production optimization activities. Average gross production declined 5% y-o-y primarily due to natural decline in the fields, partially offset by Enhanced Oil Recovery (EOR) and other interventions.

Gross production from the Rajasthan block averaged 159,351 boepd for the quarter, 1% higher q-o-q. Mangala EOR continued to demonstrate strong performance with average volumes of 56 kboepd during the quarter, at the same level as Q4 FY2017 (Q1 FY2017: 42 kboepd). During the quarter, we commenced production from two satellite fields, Kaam West-2 and Guda. Gross production from Development Area-1 (DA-1), Development Area-2 (DA-2) and Development Area-3 (DA-3) averaged 142,148 boepd, 16,988 boepd and 215 boepd respectively

Gas production from RDG increased to an average of 35.4 million standard cubic feet per day (mmscfd) in Q1 FY2018 with gas sales at 20.4 mmscfd (Q4 FY2017: RDG Gas production 20.9 mmscfd and sales 3.6 mmscfd).

The Ravva block produced at an average rate of 18,361 boepd for the quarter. Lining up of new oil producing zones in two wells and re-activation of a few gas wells through well intervention activities have helped in generating additional production from the field.

Maintaining strong focus on safe operations, the asset has been awarded the prestigious Golden Peacock Award for HSE performance.

The Cambay block reported at an average production rate of 9,491 boepd for the quarter. Targeting incremental production opportunities, an oil well has been re-activated and a gas zone has been lined up by adding new perforations in a well, to offset the natural decline.

Drilling of 15 infill wells at the Mangala field has commenced from July 2017. Aishwariya Barmer Hill Phase I has been approved and the production from existing appraisal wells has commenced from July 2017. The multi-well polymer injection test at Bhagyam EOR and Aishwariya EOR has been successfully completed and the Field Development Plans are under discussion with JV Partner. RDG Phase I is on track to complete in Q2 FY2018 and would increase gas production to 40-45 mmscfd. For Phase II, the drilling rig contract has been awarded. Tendering activity for new gas terminal is progressing well. Phase II is expected to increase the gas production to over 100 mmscfd and condensate production to about 5,000 boepd by H1 CY2019.

In Q1 FY2018, revenue increased by 11% q-o-q mainly due to the impact of higher entitlement sales which were partly offset by lower realization on account of lower crude oil prices. Overall oil realization decreased by 6% q-o-q to \$44.9 per bbl, primarily due to lower Brent prices which declined by 8% q-o-q. EBITDA was 32% higher q-o-q due to an increase in entitlement sales and lower operating costs.

The water-flood operating cost in Rajasthan was \$4.3 per boe in Q1 FY2018 compared to \$4.5 per boe in the previous quarter, primarily due to cost optimization. Q1 FY2018 blended operating cost for Rajasthan, including polymer, was \$6.2 per boe compared to \$6.3 per boe in Q4 FY2017, despite an increase in polymer injection activities.

Revenue and EBITDA were 25% and 83% higher y-o-y respectively, largely due to higher Brent prices, higher entitlement sales and optimized spend.

As guided previously, we expect Rajasthan production volumes to remain steady at 165 kboepd in FY2018, with potential upside from execution of growth projects. We expect production from Ravva and Cambay to be 16 kboepd and 10 kboepd respectively in FY2018.

Zinc India

Particulars	Q1			Q4		Full Year
	FY2018	FY2017	% change YoY	FY2017	% change QoQ	FY2017
Zinc India(kt)						
Mined metal content	233	127	84%	312	(25)%	907
Refined Zinc - Total	194	102	90%	215	(10)%	672
Refined Zinc - Integrated	194	101	92%	215	(10)%	670
Refined Zinc - Custom	-	1	-	-	-	2
Refined Lead - Total ²	35	25	42%	45	(23)%	139
Refined Lead - Integrated	35	25	42%	45	(23)%	139
Refined Lead - Custom	-	-	-	-	-	-
Silver - Total (in mn ounces) ³	3.70	2.85	30%	4.47	(17)%	14.55
Silver- Integrated (in mn ounces)	3.70	2.85	30%	4.47	(17)%	14.55
Silver- Custom (in mn ounces)	-	-	-	-	-	-
Average LME - Zinc (\$/t)	2,596	1,918	35%	2,780	(7)%	2,368
Average LME - Lead (\$/t)	2,161	1,719	26%	2,278	(5)%	2,005
Average Silver Prices (\$/oz)	17.2	16.8	2%	17.4	(1)%	17.8
Revenue (\$ million)	694.6	364.8	90%	920.9	(25)%	2,525.0
EBITDA (\$ million)	367.2	160.3	-	560.7	(35)%	1,423.2

Mined metal production in Q1 was at 233kt, up 84% higher y-o-y. The increase was primarily on account of higher volumes from all mines, higher zinc grades and depletion of opening ore stock. Q-o-q production was 25% lower as Q4 FY2017 performance was exceptionally high as per mine plan in line with previously provided guidance.

Integrated zinc metal production during the quarter was at 194kt, up 92% y-o-y. Integrated saleable lead metal production during the quarter was at 35kt, up 42% y-o-y. The increase was in line with availability of mined metal, supported by smelter efficiencies. Integrated saleable silver production during the quarter was 3.7 mn ounces (115 metric tonnes), up 30% y-o-y due to higher grades and volumes from Sindesar Khurd mine.

At Rampura Agucha during the quarter, the equipping of the main shaft was completed and winder will be commissioned in the current quarter. We expect the production from the shaft to start in Q3 FY2019.

Sindesar Khurd mine main shaft headgear erection was completed and preparatory work for equipping is in progress. We expect the production from the shaft to start in Q2 FY2019. In Q1, we have awarded an order for a new mill of 1.5 mtpa capacity, to take total capacity to 5.8 mtpa.

Zawar mill debottlenecking project, upgraded to 2.7 mtpa, will be completed by Q2 FY2018. Based on the encouraging exploratory drilling results, we believe that the Zawar group of mines has potential far beyond its existing R&R. We have hence increased our focus on the exploration program for Zawar.

The fumer project is progressing as per schedule and expected to complete by mid FY 2019. All long lead items are ordered and civil works are in full swing.

Revenue for the quarter was \$695 million, up 90% y-o-y on account of strong zinc and lead prices as well as higher volumes.

Zinc cost of production before royalties during the quarter was at \$973 per tonne, 6% higher y-o-y. The increase was due to a significant rise in coal and input commodity prices and lower acid realization, partly offset by higher volumes. EBITDA for the quarter was \$367 million.

As previously guided, mined metal production in FY2018 is expected to be higher than FY2017. Refined zinc-lead metal production is expected to be around 950kt. Silver production is expected to be over 15 million ounces (500 metric tonnes). We are on track to reach mined metal capacity of 1.2 mtpa in FY 2020. The cost of production excluding royalties is expected to be slightly higher than FY 2017, due to higher coal and input commodity prices.

Zinc - International

Particulars (in '000 tonnes, or as stated)	Q1			Q4		Full Year
	FY2018	FY2017	% change YoY	FY2017	% change QoQ	FY2017
Zinc International	32	43	(25)%	41	(22)%	156
Zinc -refined -Skorpion	14	24	(42)%	21	(36)%	85
Mined metal content - BMM	18	19	(4)%	20	(7)%	70
Revenue (\$ million)	124.2	67.7	83%	75.3	65%	332.4
EBITDA (\$ million)	49.9	37.4	33%	20.2	-	138.3

Total production for Q1 FY2018 was 32,000 tonnes, 25% lower y-o-y and 22% lower q-o-q. The decrease was mainly due to the planned shutdown at the acid plant, and lower recoveries at Skorpion.

Production at Skorpion during the quarter was 14,000 tonnes, 42% lower y-o-y and 36% lower q-o-q, mainly on account of a planned shutdown at the acid plant, and lower recoveries. BMM production for the quarter was 18,000 tonnes, 4% lower y-o-y and 7% lower q-o-q, largely due to lower feed grades.

At the Gamsberg project, pre-start activities and waste-stripping at the project have progressed well. The completion of the North Access Ramp - critical milestone and part of the open pit development has been achieved to schedule and the north pit pre-stripping has fully ramped up in Q1 FY2018. As of July end, we have excavated over 22.5 million tonnes of waste rock. All major orders for the integrated process plant, water and power, mining and other prestart activities have already been placed. Manufacturing of critical machinery such as Mills, Crusher, and Transformers is progressing well. Major contractors have been mobilised to the site and site activities including civil works, power lines and water lines are in full swing.

The first phase of the project is expected to have a mine life of 13 years, replacing the production lost by the closure of the Lisheen mine and restoring volumes to over 300,000

tonnes per annum (tpa) at Zinc International. There is also significant potential for further optimization at the Gamsberg North deposit. First production is on track for mid-CY2018, with 9-12 months to ramp-up to full production of 250 ktpa.

At Skorpion, the Pit 112 extension project is progressing well and most equipment is in place. Waste mining has started in April 2017. This project, which involves push back of the high wall of the existing pit, will increase the mine life from 0.5 years to 3 years and increase current reserves from 0.9 million tonnes (at 6.5% grade) to 4.2 million tonnes (at 9.9% grade).

During Q1 FY2018, the cost of production including royalty was \$1,690 per tonne compared with \$1,226 per tonne in Q1 FY2017. This was primarily driven by lower volumes at Skorpion and appreciation of ZAR.

EBITDA was \$50 million, up 33% compared to Q1 FY2017 largely due to higher sales volume and higher realized LME partly offset by higher cost of production.

As guided previously, production volumes are expected to be around 160 ktpa in FY2018. The cost of production is expected to be around \$1,500 per tonne, due to appreciating local currency, higher throughput and significant investment in exploration.

Iron Ore

Particulars (in million dry metric tonnes, or as stated)	Q1			Q4		Full Year
	FY2018	FY2017	% change YoY	FY2017	% change QoQ	FY2017
IRON ORE						
Sales	2.3	2.6	(12)%	3.0	(24)%	10.2
Goa	1.9	2.1	(11)%	2.3	(19)%	7.4
Karnataka	0.4	0.5	(15)%	0.7	(40)%	2.7
Production of Saleable Ore	3.2	3.2	1%	3.7	(12)%	10.9
Goa	2.2	2.4	(10)%	3.7	(42)%	8.8
Karnataka	1.1	0.8	36%	-	-	2.1
Production ('000 tonnes)						
Pig Iron	163	181	(10)%	182	(10)%	708
Revenue (\$ million)	106.6	145.0	(26)%	188.5	(43)%	615.4
EBITDA (\$ million)	7.5	54.0	(86)%	59.6	(87)%	194.2

At Goa, production was 2.2 million tonnes and sales were 1.9 million tonnes during the quarter. Production was lower y-o-y primarily due to the early onset of the monsoon as well as a temporary halt of mining in some areas by the Goa government, which is expected to be resolved in Q3 FY2018. Q-o-q production at Goa is not comparable due to seasonality as well as additional allocation granted to us in Q4 FY2017.

Sales in Goa were lower than production due to the low pricing environment and widening of discount for our c. 56% grade as compared to the benchmark price of 62% iron grade. We are working on beneficiation and blending with high grades, to narrow the

discounts and improve our realisations per tonne. We currently have inventory of 2.4 million tonnes, which will be sold in the future quarters post beneficiation.

At Karnataka, we achieved c.50% of our annual mining cap, with production of 1.1 million tonnes, during the quarter. Sales were lower at 0.4 million tonnes due to muted e-auction sales. We have inventory of 0.8 million tonnes, which will be sold in the coming quarters.

Production of pig iron was lower y-o-y as well as q-o-q at 163,000 tonnes due to lower metallurgical coal availability on account of weather-related supply disruptions in Australia. Coal supplies have now normalized and production will pick up in the coming quarters.

Revenue for the quarter was \$107 million, 26% lower y-o-y and 43% lower q-o-q. The decrease was mainly due to lower realization at Goa and lower volumes. Price realization at Goa in Q1 FY2018 was \$17 per tonne compared to \$36 per tonne in Q1 FY2017 and \$38 per tonne in Q4 FY2017 due to the widening of discounts for our grades. Price realization at Karnataka, where we sell in the domestic market, was stronger at c.\$25 per tonne in Q1 FY2018 compared with \$23 per ton in Q4 FY2017 and \$13 per tonne in Q1 FY2017.

EBITDA was \$8 million, 86% lower y-o-y and 87% q-o-q mainly due to lower price realization and lower sales.

We remain confident of achieving our allocations of 5.5 million tonnes and 2.3 million tonnes at Goa and Karnataka, respectively, well ahead of the end of the financial year, and continue to engage with the respective State governments for increased mining allocations in both states.

Copper - India

Particulars (in'000 tonnes, or as stated)	Q1			Q4		Full Year
	FY2018	FY2017	% change YoY	FY2017	% change QoQ	FY2017
COPPER- INDIA						
Copper - Cathodes	90	100	(10)%	103	(12)%	402
Tuticorin Power Sales (MU)	30	60	(51)%	64	(54)%	200
Realized TC/RC (US\$/lb)	20.8	22.9	(9)%	23.8	(13)%	22.4
Revenue(\$ million)	783.2	695.5	13%	969.5	(19)%	3,133.7
EBITDA(\$ million)	35.2	65.7	(46)%	59.1	(40)%	252.2

The Tuticorin smelter produced 90,000 tonnes of cathodes during Q1 FY2018, 10% lower y-o-y and 12% lower q-o-q. Production was lower primarily due to a planned shutdown for eleven days, as well as an unplanned shutdown for four days due to a boiler leakage at the smelter. The planned shutdown was advanced to balance the concentrate market disruptions experienced in Q1. Global concentrate supply has recovered, as the affected mines have ramped up production. The smelter is now operating at a high efficiency following the shutdown.

The 160 MW power plant at Tuticorin operated at a lower Plant Load Factor (PLF) of 48% during Q1 FY2018 (PLF of 60% in Q1 FY2017 and 62% in Q4 FY2017). PLF was lower due to low off-take by the Telangana State Electricity Board (TSEB) during the contract period, which ended on 25th May 2017. Due to the current demand supply situation of power, we are yet to enter into a new power purchase agreement and will continue to explore viable supply agreement options. Under the earlier contract, we are entitled to compensation at the rate of 20% of the contracted rate for the off-take below 85% of the contracted quantity as per terms of PPA.

Treatment Charges & Refining Charges (Tc/Rc) were USc 20.8 per lb in Q1 FY2018, lower y-o-y and q-o-q. This decrease was on account of the reduction in global benchmark Tc/Rc rates and lower spot Tc/Rc. More than 80% of our concentrate requirement is sourced through long-term agreements.

The net unit cost of conversion in Q1 FY2018 was USc 8.4 per lb, compared to USc 5.9 per lb in Q1 FY2017 and USc 4.8 per lb in Q4 FY2017. The increase was mainly on account of higher coal and input commodity prices, lower acid credits and lower volumes due to the maintenance shut down.

EBITDA for the quarter decreased to \$35 million mainly due to lower volumes, lower Tc/Rc and higher cost of production.

The smelter is expected to produce around 400,000 tonnes of cathodes during FY2018.

We continue to evaluate the expansion of the Tuticorin smelter by a further 400,000 tonnes per annum, and expect to provide further updates during the course of the year.

Copper - Zambia

Particulars (in'000 tonnes, or as stated)	Q1			Q4		Full Year
	FY2018	FY2017	% change YoY	FY2017	% change QoQ	FY2017
COPPER -ZAMBIA						
Mined Metal	20	29	(30)%	15	35%	94
Copper - Total	47	45	5%	51	(7)%	180
Integrated	21	28	(26)%	19	9%	96
Custom	27	17	56%	32	(17)%	84
Average LME - Copper (\$/t)	5,662	4,729	20%	5,831	(3)%	5,152
Revenue(\$ million)	276.8	194.8	42%	263.9	5%	874.3
EBITDA(\$ million)	(3.4)	3.7	n/m	(12.0)	(72)%	5.9

Mined metal production was 20,000 tonnes during Q1 FY2018, up by 35% q-o-q as a result of improvement in equipment availability at the Konkola mine, increased throughput at the Nchanga operations and improvement in Tailings Leach Plant availability.

Fleet availability at the Konkola mine improved to 53% in the current quarter compared with 23% in Q4 FY2017. Productivity improvement at Nchanga open pits along with

concentrator plant availability of 88% and Tailing Leach Plant availability of 86% has led to an exit integrated production of 8,000 tonnes in the month of June 2017, with the trend continuing into July.

Mined metal production was 30% lower on a y-o-y basis mainly due to lower equipment availability at Konkola mine and availability at Tailings Leach Plant compared to last year, which have now improved significantly.

Custom volumes at 27,000 tonnes were 56% higher on a y-o-y basis due to improved third party concentrate availability and our ability to handle feed rates greater than 70 tonnes per hour at the smelter, following the biennial shutdown during Q3 FY 2017. Custom volumes were 17% lower q-o-q due to relatively lower availability of local concentrate.

In Q1 FY2018, the cost of production (excluding royalty) was higher by 30% at USc 258/lb on a y-o-y basis mainly due to lower volumes and by-product credits, whilst this was partly offset by cost optimisation initiatives. On a q-o-q basis, there was a 13% improvement in unit cost, mainly driven by higher volumes and cost savings programmes initiated in the current quarter.

Phase I of the elevated temperature leaching project targeted at improving TLP recoveries is under stabilization and we are in the process of appointing an engineering consultant for Phase II. Construction of Heap Leach pilot test pads is progressing well and commissioning is expected before Q3 FY 2018.

On the Cobalt project, preliminary proposals have been received and the process of identifying an off-take and techno-economic partner through an RFP led process is underway, which is expected to be completed before Q3 FY 2018.

Water level at the Kariba Dam are improving and are currently at 56% compared with 34% y-o-y. Power cuts in the country have been stopped but the force majeure declared by ZESCO and CEC continues.

Revenue for the quarter was \$277 million, 42% higher y-o-y mainly due to higher custom sales volumes and higher metal prices partially offset by lower by-product credits.

The outlook on volumes for FY 2018 is 95-110kt of integrated production with cost of production revised upwards to USc 200-220/lb. Custom smelting production is expected at 80-90kt. We expect c.25kt of integrated production in Q2 FY2018.

Aluminium

Particulars (in '000 tonnes, or as stated)	Q1			Q4		Full Year
	FY2018	FY2017	% change YoY	FY2017	% change QoQ	FY2017
Aluminium						
Alumina-Lanjigarh	303	275	10%	313	(3)%	1,208
Total Aluminium Production	352	244	44%	353	0%	1,213
Jharsuguda-I	92	129	(29)%	132	(30)%	525
Jharsuguda-II ⁴	120	28	-	100	20%	261
Korba-I	63	63	0%	64	(2)%	256
Korba-II ⁵	77	24	-	57	35%	171
Power Sales (million units)						
BALCO 270 MW *	-	-	-	-	-	-
Jharsuguda 1800 MW (Surplus Power Sales) *	-	355	-	-	-	511
Average LME - Aluminium (\$/tonne)	1,909	1,572	21%	1,851	3%	1,688
Revenue(\$ million)	657.2	412.0	60%	644.0	2%	2,040.0
EBITDA(\$ million)	83.7	39.3	-	147.1	(43)%	344.2

* Jharsuguda 1,800MW and BALCO 270 MW power plants have been moved from the Power to the Aluminium segment from 1st April 2016.

The Lanjigarh refinery produced 303,000 tonnes of alumina in Q1 FY2018, 10% higher y-o-y but 3% lower q-o-q.

Aluminium production in Q1 was at 352,000 tonnes, 44% higher y-o-y driven by ramp ups at the Jharsuguda-II and BALCO-II smelters. The BALCO-II smelter was ramped up and capitalised during the quarter. Aluminium production was flat q-o-q, as the continued ramp up at Jharsuguda-II & BALCO-II was offset by lower production from the Jharsuguda-I smelter due to the pot outage in early April 2017.

At Jharsuguda-I, out of the 228 pots that were affected in the April outage, 35 pots are operational as of mid-July, and the balance will be operational by Q3 FY2018.

Stabilised production (i.e. production excluding trial run) was c.320,000 tonnes in Q1 FY2018. We exited the quarter at a run rate of 1.4 million tonnes per annum of stabilised production.

During Q1 FY2018, there were no external sales from the 1,800 MW Jharsuguda power plant due to a weak power market. However, the PLF's will continue to increase as we ramp up the Jharsuguda-II smelter.

On coal supplies, domestic linkages contribute to the long-term security of our coal requirements at a competitive price. We experienced temporary disruptions in domestic coal supply from Coal India during the quarter. This resulted in an increase in captive power cost.

From the coal linkages of 6mtpa, which were secured through auctions in Q2 FY2017 for the captive power plants at BALCO and Jharsuguda, 1.8 mn tonnes of coal were received

during the quarter compared to 1.4 mn tonnes in Q4 FY2017. In addition to this, we secured further linkages of 2 mtpa in July. Coal imports continue to be minimal for Aluminium business.

The cost of production of hot metal was \$1,727 per tonne, higher y-o-y (Q1 FY2017: \$1,476 per tonne, Q4 FY 2017: \$1,492 per tonne). The increase was primarily due to input commodity inflation, currency appreciation and pot outages. About \$40 per tonne of the Q1 FY2017 cost of production pertains to pot revival costs which will be phased out by Q3 FY2018 as the pots are repaired and Jharsuguda-I smelter ramps up. Q2 FY2018 COP is likely to be at c. \$1,700 per tonne. COP for H2 FY2018 is estimated at c. \$1,575-1,600 per tonne.

EBITDA for the quarter was \$84 million, significantly higher y-o-y on account of higher realized prices, higher premia and volume ramp up.

We expect to produce c.1.5 to 1.6 million tonnes of aluminium (excluding trial run production) in FY2018.

Power

Particulars (in million units)	Q1			Q4		Full Year
	FY2018	FY2017	% change YoY	FY2017	% change QoQ	FY2017
Power						
Total Power Sales	1,838	3,010	(39)%	3,462	(45)%	12,916
Jharsuguda 600 MW	564	892	(37)%	952	(41)%	3,328
TSPL	563	1,272	(56)%	1,596	(61)%	6,339
BALCO 600 MW	551	607	(9)%	793	(31)%	2,609
MALCO	4	90	(96)%	46	(93)%	190
HZL Wind Power	156	148	5%	75	-	448
TSPL - Availability	20%	72%	-	85%	-	79%
Revenue(\$ million)	113.8	176.7	(36)%	225.1	(49)%	835.9
EBITDA(\$ million)	17.2	51.3	(66)%	69.5	(75)%	244.8

During Q1 FY2018, power sales were 1,838 million units, lower y-o-y and q-o-q, primarily due to the TSPL plant being out of operation for most of quarter following the fire incident in April, announced earlier.

The TSPL plant was shut for around 65 days during the quarter. The plant was restarted at the end of June and is now running at an availability of above 90%. Consequently, the availability of the plant was lower at 20% in Q1 FY2018 compared to 85% in Q4 FY2017. The Power Purchase Agreement with the Punjab State Electricity Board (PSEB) compensates us based on the availability of the plant. We are targeting an average availability of over 70% for the full year.

The 600MW Jharsuguda power plant operated at a plant load factor (PLF) of 47% in Q1 FY2018 (PLF of 78% in Q4 FY2017, 74% in Q1 FY2017). Power sales from this plant were significantly lower due to a temporary coal shortage.

The 100MW MALCO power plant operated at a lower PLF of 2% in Q1 FY2018. The plant has been put under care and maintenance effective from 26th May 2017 due to low demand in Southern India. The plant has been selling commercial power for the last 8 years, and has generated a significant cumulative EBITDA of c. \$ 170 million over these years.

The 600 MW BALCO IPP (2x300MW) operated at a PLF of 68% in Q1 FY2018 compared to 72% Q4 FY2017 (Q1 FY2017: 64%).

Average power realisation for Q1 FY2018, excluding TSPL, was INR 2.71 per unit (USc 4.20 per unit), lower compared to INR 2.77 per unit (USc 4.14 per unit) in Q1 FY2017. Realizations were lower compared to the corresponding prior quarter on account of weaker demand, resulting in a lower power price environment in India. Average power CoP, excluding TSPL, for Q1 FY2018 was INR 1.87 per unit (USc 2.90 per unit) compared to INR 1.99 per unit (USc 2.97 per unit) in Q1 FY2017.

For the quarter, revenue was \$114 million, lower 36% y-o-y and 49% q-o-q. EBITDA was \$17 million, lower 66% y-o-y and 75% q-o-q due to lower volume and realization.

Financial Update and Balance Sheet Management

Our financial position remains robust, with total cash and liquid investments of \$7.4 billion and undrawn committed facilities of \$1.1 billion as at 30 June 2017.

At 30 June 2017, gross debt and net debt were at \$16.8 billion and \$9.4 billion, respectively compared to \$18.2 billion and \$8.5 billion, respectively, as at 31 March 2017. Gross Debt is inclusive of temporary borrowing at Zinc India which amounted to \$1.1 billion as at 30 June 2017 (\$1.2 billion at 31 March 2017). Increase in Net Debt was on account of dividends paid out from Vedanta Ltd and HZL in Q1 FY2018.

Further, in line with its deleveraging strategy, gross debt was reduced by \$385 million post 30 June 2017 taking total gross debt reduction to \$1.7 billion till date.

In August 2017, Vedanta Resources plc announced a comprehensive refinancing plan of \$1.84 billion funded through a mix of bank loans and bonds. The transaction is leverage neutral and extends the company's average debt maturity by 1.5 years, lowers its average cost of borrowing and results in no significant debt maturities until December, 2018. The transaction comprised of a seven year \$1 billion bond issuance at a coupon of 6.125% and \$840 million bank loan commitments secured from global and Indian banks with final maturity of 5 years.

The company received strong investor interest for its bond issuance. The bond coupon of 6.125% for a seven year maturity compares favourably to Vedanta's previous bond offering in January 2017 of 6.375% for a 5.5 year maturity.

Proceeds from the bond issuance were utilized towards part refinancing of the 2019 and 2021 bonds. \$752.4 million of face value of the 2019 and 2021 bonds were tendered (2019: \$522.5 million, 2021: \$229.8 million). The balance proceeds from bond issue and term loans shall be applied towards addressing other near-term maturities of the company.

The Group continues to actively manage its maturities and evaluate various options to optimise and strengthen its balance sheet, extend its maturity profile and reduce financing costs

Production Summary (Unaudited)

(In '000 tonnes, except as stated)

Particulars	Q1			Q4		Full Year
	FY 2018	FY 2017	% Change YoY	FY 2017	% Change QoQ	FY 2017
OIL AND GAS						
Average Daily Total Gross Operated Production (boepd) ¹	196,656	206,455	(5)%	194,343	1%	199,574
Average Daily Gross Operated Production (boepd)	187,203	196,861	(5)%	184,585	1%	189,926
Rajasthan	159,351	166,943	(5)%	157,338	1%	161,571
Ravva	18,361	19,637	(6)%	17,769	3%	18,602
Cambay	9,491	10,281	(8)%	9,477	0%	9,753
Average Daily Working Interest Production (boepd)	119,473	125,391	(5)%	117,926	1%	121,186
Rajasthan	111,546	116,860	(5)%	110,137	1%	113,100
Ravva	4,131	4,418	(6)%	3,998	3%	4,185
Cambay	3,796	4,113	(8)%	3,791	0%	3,901
Total Oil and Gas (million boe)						
Oil & Gas- Gross	17.0	17.9	(5)%	16.6	3%	69.3
Oil & Gas-Working Interest	10.9	11.4	(5)%	10.6	2%	44.2
Zinc India						
Mined metal content	233	127	84%	312	(25)%	907
Refined Zinc - Total	194	102	90%	215	(10)%	672
Refined Zinc - Integrated	194	101	92%	215	(10)%	670
Refined Zinc - Custom	-	1	-	-	-	2
Refined Lead - Total ²	35	25	42%	45	(23)%	139
Refined Lead - Integrated	35	25	42%	45	(23)%	139
Refined Lead - Custom	-	-	-	-	-	-
Silver - Total (in mn ounces) ³	3.70	2.85	30%	4.47	(17)%	14.55
Silver- Integrated (in mn ounces)	3.70	2.85	30%	4.47	(17)%	14.55
Silver- Custom (in mn ounces)	-	-	-	-	-	-
Zinc International	32	43	(25)%	41	(22)%	156
Zinc -Refined -Skorpion	14	24	(42)%	21	(36)%	85
Mined metal content - BMM	18	19	(4)%	20	(7)%	70
IRON ORE (in million dry metric tonnes, or as stated)						
Sales	2.3	2.6	(12)%	3.0	(24)%	10.2
Goa	1.9	2.1	(11)%	2.3	(19)%	7.4
Karnataka	0.4	0.5	(15)%	0.7	(40)%	2.7
Production of Saleable Ore	3.2	3.2	1%	3.7	(12)%	10.9
Goa	2.2	2.4	(10)%	3.7	(42)%	8.8
Karnataka	1.1	0.8	36%	-	-	2.1
Pig Iron	163	181	(10)%	182	(10)%	708

Particulars	Q1			Q4		Full Year
	FY 2018	FY 2017	% Change YoY	FY 2017	% Change QoQ	FY 2017
COPPER - INDIA						
Copper - Cathodes	90	100	(10)%	103	(12)%	402
Tuticorin Power Plant Sales (MU)	30	60	(51)%	64	(54)%	200
COPPER - ZAMBIA						
Mined metal	20	29	(30)%	15	35%	94
Copper - Total	47	45	5%	51	(7)%	180
Integrated	21	28	(26)%	19	9%	96
Custom	27	17	56%	32	(17)%	84
Aluminum						
Alumina-Lanjigarh	303	275	10%	313	(3)%	1,208
Total Aluminum Production	352	244	44%	353	0%	1,213
Jharsuguda-I	92	129	(29)%	132	(30)%	525
Jharsuguda-II ⁴	120	28	-	100	20%	261
Korba-I	63	63	0%	64	(2)%	256
Korba-II ⁵	77	24	-	57	35%	171
Balco 270 MW	-	-	-	-	-	-
Jharsuguda 1800 MW (Surplus Power Sales)	-	355	-	-	-	511
POWER (in million units)						
Total Power Sales	1,838	3,010	(39)%	3,462	(45)%	12,916
Jharsuguda 600 MW	564	892	(37)%	952	(41)%	3,328
TSPL	563	1,272	(56)%	1,596	(61)%	6,339
BALCO 600 MW	551	607	(9)%	793	(31)%	2,609
MALCO	4	90	(96)%	46	(93)%	190
HZL Wind Power	156	148	5%	75	-	448
TSPL - Availability	20%	72%	-	85%	-	79%
Ports - VGCB (in million tonnes) ⁶						
Cargo Discharge	1.2	1.6	(23)%	0.8	53%	4.3
Cargo Dispatches	1.1	1.5	(28)%	0.8	34%	4.4

1. Including Internal Gas consumption
2. Excluding Captive consumption of 1,956 tonnes in Q1 FY2018 vs 1,084 tonnes in Q1 FY 2017 & 1,633 tonnes in Q4 FY 2017.
3. Excluding Captive consumption of 3,28,077 ounces in Q1 FY2018 vs 1,77,000 ounces in Q1 FY 2017 & 2,78,000 ounces in Q4 FY 2017
4. Including Trial Run production of 19 kt in Q1 FY2018 vs 13 kt in Q1 FY 2017 and 28 kt in Q4 FY2017
5. Including Trial Run production of 15 kt in Q1 FY2018 vs 6 kt in Q1 FY 2017 and 19 kt in Q4 FY2017
6. VGCB refers to Vizag General Cargo Berth

Financial Summary (Unaudited)

(in \$ million, except as stated)

Group Revenue	Q1			Q4		Full Year
	FY 2018	FY 2017	% Change YoY	FY 2017	% Change YoY	FY 2017
Zinc	818.9	432.5	89%	996.2	(18)%	2,857.4
India	694.6	364.8	90%	920.9	(25)%	2,525.0
International	124.2	67.7	83%	75.3	65%	332.4
Oil and Gas	353.1	281.5	25%	318.1	11%	1,222.7
Iron Ore	106.6	145.0	(26)%	189	(43)%	615.4
Copper	1,060.1	890.3	19%	1,233	(14)%	4,008.0
India/ Australia	783.2	695.5	13%	969.5	(19)%	3,133.7
Zambia	276.8	194.8	42%	263.9	5%	874.3
Aluminium	657.2	412.0	60%	644.0	2%	2,040.0
Power	113.8	176.7	(36)%	225.1	(49)%	835.9
Others	(21.6)	2.7	-	(20.5)	5%	(59.3)
Total	3,087.9	2,340.7	32%	3,584.8	(14)%	11,520.1

(in \$ million, except as stated)

Group EBITDA	Q1			Q4		Full Year
	FY 2018	FY 2017	% Change YoY	FY 2017	% Change YoY	FY 2017
Zinc	417.1	197.7	-	580.9	(28)%	1,561.5
India	367.2	160.3	-	560.7	(35)%	1,423.2
International	49.9	37.4	33%	20.2	-	138.3
Oil and Gas	218.0	119.2	83%	165.1	32%	597.2
Iron Ore	7.5	54.0	(86)%	59.6	(87)%	194.2
Copper	31.8	69.4	(54)%	47.1	(32)%	258.1
India/ Australia	35.2	65.7	(46)%	59.1	(40)%	252.2
Zambia	(3.4)	3.7	-	(12.0)	(72)%	5.9
Aluminium	83.7	39.3	-	147.1	(43)%	344.2
Power	17.2	51.3	(66)%	69.5	(75)%	244.8
Others	2.3	(3.7)	-	6.5	(65)%	(8.9)
Total	777.8	527.1	48%	1,075.8	(28)%	3,191.1

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About Vedanta Resources

Vedanta Resources plc (“Vedanta”) is a London listed diversified global natural resources company. The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas and commercial energy. Vedanta has operations in India, Zambia, Namibia, South Africa, Ireland and Australia. With an empowered talent pool globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of trust, sustainability, growth, entrepreneurship, integrity, respect and care. To access the Vedanta Sustainable Development Report 2017, please visit http://www.vedantaresources.com/media/214366/vedanta_sd_report_2016-17.pdf. For more information on Vedanta Resources, 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,” “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.