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1 August 2016

Vedanta Resources Plc
Production Release for the First Quarter ended 30 June 2016

Operations

- Oil & Gas:
  - Production stable; contribution from Mangala EOR, world's largest polymer EOR program, increased to 42kboepd
  - Rajasthan water flood opex at $4.4/boe, blended cost at $6.4/boe
- Zinc India:
  - Silver production up 20% y-o-y
  - Lower mined metal production as per plan, H2 production expected to be substantially higher than H1
  - Maintained first decile cost of production
- Copper Zambia: Konkola underground production up 2% y-o-y due to improved equipment availability; overall cost of production 8% lower
- Aluminium:
  - Exit production run-rate of 1.1mtpa
  - Ramp-up of first line of 1.25mt Jharsuguda-II smelter completed, second line commenced in July; 325kt BALCO-II smelter nearing completion
- Iron ore: Production at Goa ramped up; produced 40% of allocated annual capacity at Goa in Q1
- Power:
  - TSPL: Two units operated at 72% availability, third unit to be capitalized in Q2
  - BALCO: Second 300 MW IPP unit capitalized

Corporate

- Gross Debt for the Group reduced by c.US$ 0.3 billion during the quarter
- FY 2017 bond maturities at Vedanta Plc paid; focused on future maturities
  - Repaid US$ 680 million of 6.75% bonds due in June 2016 and US$ 515 million of 5.5% convertible bonds due in July 2016
- Announced revised and final terms for Vedanta Ltd and Cairn India merger on 22 July 2016, transaction expected to complete in the current financial year

Tom Albanese, Chief Executive Officer, Vedanta Resources plc, said: *"We have made good progress on the ramp up of capacities at our Aluminium, Power and Iron Ore businesses during the quarter. These would be significant contributors to earnings as the year progresses. Zinc-India was impacted by lower mined metal production as per the mine plan, and the second half is expected to be substantially higher. We are making good progress towards optimising costs at Copper-Zambia. We are focused on generating stronger free cash flow and de-levering the balance sheet, in line with our strategic priorities. Another of these priorities, the simplification of the group structure, is also on track following the recent announcement of the revised and final terms for the Vedanta Ltd-Cairn India merger."*

Oil & Gas

	Q1			Q4		Full Year
Particulars	**FY2017**	**FY2016**	*% change YoY*	**FY2016**	*% change QoQ*	**FY2016**
OIL AND GAS						
Average Daily Total Gross Operated Production (boepd) [1]	206,455	217,935	(5)%	206,170	0%	212,552
Average Daily Gross Operated Production (boepd)	196,861	209,738	(6)%	197,039	0%	203,703
Rajasthan	166,943	172,224	(3)%	167,650	0%	169,609
Ravva	19,637	28,556	(31)%	19,058	3%	23,845
Cambay	10,281	8,958	15%	10,331	0%	10,249
Average Daily Working Interest Production (boepd)	125,391	130,565	(4)%	125,775	0%	128,191
Rajasthan	116,860	120,557	(3)%	117,355	0%	118,726
Ravva	4,418	6,425	(31)%	4,288	3%	5,365
Cambay	4,113	3,583	15%	4,133	0%	4,100
Total Oil and Gas (million boe)						
Oil & Gas- Gross	17.91	19.09	(6)%	17.93	0%	74.56
Oil & Gas-Working Interest	11.41	11.88	(4)%	11.45	0%	46.92
Brent (US$/bbl)	45.6	61.9	(26)%	34.3	33%	47.6
Average Price Realisation (US$/boe)	38.0	56.0	(32)%	28.2	35%	40.9
Oil - US$/bbl	37.9	56.3	(33)%	27.8	36%	40.8
Gas - US$/mscf	7.1	6.6	8%	7.4	(4)%	7.1
Revenue(US$ million)	281.5	413.0	(32)%	259.2	9%	1,322.3
EBITDA(US$ million)	119.2	215.4	(45)%	101.2	18%	570.4

During Q1 FY2017, average gross production remained stable compared to Q4 FY2016 at 196,861. Production was 6% lower y-o-y primarily due to a natural decline from the Bhagyam field and the offshore Ravva block.

Gross production from Rajasthan averaged 166,943 boepd, supported by increased volumes from Mangala Enhanced Oil Recovery (EOR), and stable performance from Aishwariya. Production optimization and maximization of liquid handling capacity helped maintain strong performance from Aishwariya. Production from Rajasthan was 3% lower y-o-y mainly due to the natural decline and under-performance of the

Bhagyam reservoir, which continues to be addressed through efficient reservoir management activities. Gross production from Development Area-1 and Development Area-2 averaged 150,699 boepd and 16,244 boepd, respectively.

The Mangala EOR is the world's largest polymer injection project, and has been successfully stabilized, yielding positive results. In Q1 FY2017, polymer injection was maintained at planned levels of 400,000 barrels of polymerized liquid per day. The contribution of Mangala EOR increased in Q1 to an average of 42,000 bopd from 32,000 bopd in Q4 FY 2016. Successful execution at Mangala EOR gives us the confidence for the Bhagyam and Aishwariya EOR projects.

Cambay production remained steady q-o-q at an average rate of 10,281 boepd as our effective reservoir management practices and production optimization measures helped offset the natural decline. Cambay block production increased by 15% y-o-y, driven by commissioning of an artificial gas lift system and better reservoir performance.

In Q1 FY2017, Ravva production increased 3% q-o-q to 1.8 mmboe at an average rate of 19,637 boepd on the back of improvement in well productivity after the well stimulation program was carried out in Q4 FY2016. Production were 31% lower y-o-y as strong volumes in Q1 FY2016 was due to bringing in additional wells online through an infill program.

During Q1 FY2017, average gas production from RDG was steady q-o-q at 28 mmscfd. We have made good progress on the phased ramp-up of gas production through a disciplined capital allocation approach while ensuring sustained production growth. As part of Phase-1, 15 wells have been fracced and are being put to production. We expect to increase gas production to 40-45 mmscfd by H1 CY2017 in Phase-1. For Phase-2, tendering for the new gas processing terminal's long lead items, drilling rig and services is progressing as planned. Tendering activity for the EPC contract for the gas evacuation pipeline from Raageshwari to Pali and Pali to Mehsana to be constructed by GSPL India Gasnet Limited is also progressing well. The completion of Phase-2 will further increase the gas production to 100 mmscfd.

The water-flood operating cost at Rajasthan was further reduced to US$ 4.4/boe from US$ 4.8/boe in Q4 FY2016 and US$ 5.2/boe in FY2016. Reduction in well maintenance expenses through continuous optimization of work-over activities and lower crude processing charges due to savings on chemical costs and gas compressor rentals resulted in lower operating cost. The blended operating cost for Rajasthan was also lower at US$ 6.4/boe in Q1 FY2017 from US$ 6.5/boe in FY2016 even with the polymer injection being maintained at the target level of 400 kblpd. Continuous interventions to reduce the polymer cost resulted in 25% lower polymer injection cost.

A routine operational and statutory maintenance shutdown at the Mangala Processing Terminal is planned in the latter half of September. While this will have an impact on production, the opportunity will be used to create tie-ins for ongoing facility enhancements, development projects and future growth projects.

In Q1 FY2017, revenue increased by 9% q-o-q due to a significant rise in Brent prices. Brent was up 33% during the quarter, resulting in a 35% q-o-q increase in the overall realization to US$ 38.0/boe. A relatively lower increase was due to a higher amount of profit petroleum. EBITDA was 18% higher q-o-q due to improved oil prices, lower operating cost and lower cess charges on an ad-valorem basis (cess earlier was Rs. 4,500 per tonne).

FY2017 production at Rajasthan is expected to be broadly at FY2016 level.

Zinc India

Particulars	Q1			Q4		Full Year
	FY2017	**FY2016**	*% change YoY*	**FY2016**	*% change QoQ*	**FY2016**
Zinc India(kt)						
Mined metal content	127	232	(45)%	188	(33)%	889
Refined Zinc – Total	102	187	(45)%	154	(34)%	759
Refined Zinc – Integrated	101	187	(46)%	154	(34)%	759
Refined Zinc – Custom	1	-	-	-	-	-
Refined Lead - Total [2]	25	31	(20)%	38	(36)%	145
Refined Lead – Integrated	25	27	(11)%	38	(36)%	140
Refined Lead – Custom	-	3	-	0	-	5
Silver - Total (in mn ounces) [3]	2.85	2.42	18%	3.92	(27)%	13.65
Silver- Integrated (in mn ounces)	2.85	2.38	20%	3.92	(27)%	13.56
Silver- Custom (in mn ounces)	-	0.05	-	-	-	0.09
Average LME - Zinc ($/t)	1,918	2,190	(12)%	1,679	14%	1,829
Average LME - Lead ($/t)	1,719	1,942	(11)%	1,744	(1)%	1,768
Average Silver Prices ($/oz)	16.8	16.4	2%	14.9	13%	15.2
Revenue (US$ million)	364.8	558.2	(35)%	451.8	(19)%	2,111.0
EBITDA (US$ million)	160.3	255.4	(37)%	195.3	(18)%	995.0

Mined metal production in Q1 was significantly lower at 127,000 tonnes, in line with the mine plan of the Rampura Agucha open cast mine as more waste was excavated than ore, in accordance with the waste-ore sequence, resulting in lower mined metal production. This was marginally offset by higher production from all the underground mines especially Sindesar Khurd and Kayad. The production plan for the year envisages that second half volumes will be substantially higher than in the first half; Q2 will be much stronger than Q1.

Refined zinc and lead volumes during the quarter were lower in line with the mined metal production.

Integrated silver production was up 20% y-o-y as a result of higher volumes from the silver-rich Sindesar Khurd mine. Production was 27% lower q-o-q due to accretion of inventories and lower volumes from the Rampura Agucha mine.

Ore production from the Sindesar Khurd decline reached the original designed capacity of 3.75mtpa during the quarter. The main shaft sinking work has already been completed to the final depth of 1,052 metres and off shaft development work continues to be ahead of schedule, while ramp-up work commenced during the quarter. The new 1.5 mtpa capacity mill and power up-gradation projects continue to progress at full pace and are set to be commissioned by the end of FY2017.

At Rampura Agucha, the transition to the underground mine is progressing well and mined metal production for the full year will be higher than the previous year. The Rampura Agucha underground mine crossed 1mtpa and all three surface ventilation fans of 250 kW each were commissioned for the north decline. Main shaft sinking crossed 900 meters against the final depth of 950 meters. Winder erection and supply of shaft equipment also commenced during the quarter.

The cost of production excluding royalty was higher at US$ 928 per tonne compared to prior quarters (Q1 FY2016 at US$ 799; Q4 FY2016 at US$ 852). The increase in cost was due to lower volumes, which was partially offset by lower coal and other input prices, cost optimization in the procurement and commercial functions, higher by-product credits and depreciation of the rupee.

Revenue during the quarter was US$ 365 million, 35% lower y-o-y. The decrease was due to lower volumes, primarily zinc, and lower LME prices partly offset by higher silver price. On a q-o-q basis, revenue decreased by 19% due to lower volumes, partly offset by higher zinc and silver prices. EBITDA in Q1 FY2017 was US$160 million, a decrease of 37% and 18% compared to Q1 FY2016 and Q4 FY2016 respectively, primarily due to the lower revenue.

While zinc-lead production for the quarter was lower as per the plan, FY2017 mined metal production is expected to be higher than FY2016 wherein H2 will be substantially higher than H1. Silver production is also expected to be higher, at 15-16 million ounces.

Zinc – International

	Q1			Q4		Full Year
Particulars *(in'000 tonnes, or as stated)*	**FY2017**	**FY2016**	*% change YoY*	**FY2016**	*% change QoQ*	**FY2016**
Zinc International	43	70	(39)%	42	2%	226
Zinc -refined –Skorpion	24	26	(8)%	27	(11)%	82
Mined metal content - BMM	19	15	28%	15	25%	63
Mined metal content – Lisheen	-	29	-	-	-	81
Revenue (US$ million)	67.7	139.3	(51)%	82.7	(18)%	391.5
EBITDA (US$ million)	37.4	37.3	0%	11.7	-	68.1

Total production for Q1 FY2017 was 43,000 tonnes, lower than in corresponding prior quarter primarily due to the closure of the Lisheen mine in November 2015 after 17 years of successful operations.

Skorpion production during the quarter was 24,000 tonnes, 8% lower y-o-y and 11% lower q-o-q, due to lower feed grade and lower recoveries. The shortfall in volumes at Skorpion was more than offset by higher production from Black Mountain (BMM). BMM production for the quarter was 19,000 tonnes, 28% higher y-o-y and 25% higher q-o-q, primarily due to improved feed grades.

At the Gamsberg Project, pre-stripping commenced in July 2015 in line with the re-phased plan, with pre-stripping and surface work to access the ore body progressing as scheduled. To date, we have excavated over 8 million tonnes of waste rock. Discussions are at an advanced stage with various EPC vendors for the concentrator plant and other mining and infrastructure packages. The first production is expected in early CY2018 followed by 9-12 months to ramp up to full production of 250 ktpa. The expected COP at Gamsberg is $1,000-$1,150 per tonne.

During Q1 FY2017, the cost of production including royalty was US$1,226 per tonne compared with US$1,409 per tonne in Q1 FY2016 (US$1,504 excluding Lisheen). This was primarily driven by improved volumes at BMM and depreciation of the local currency.

EBITDA was US$37 million in line with Q1 FY2016.

Skorpion and Black mountain are expected to produce 170-190kt of zinc and lead at a COP of c. $1200/tonne in FY2017.

Iron Ore

	Q1			Q4		Full Year
Particulars *(in million dry metric tonnes, or as stated)*	**FY2017**	**FY2016**	*% change YoY*	**FY2016**	*% change QoQ*	**FY2016**
IRON ORE						
Sales	2.6	0.5	-	2.6	3%	5.3
Goa	2.1	-	-	1.6	29%	2.2
Karnataka	0.5	0.5	-	1.0	(48)%	3.1
Production of Saleable Ore	3.2	0.2	-	2.8	14%	5.2
Goa	2.4	-	-	1.9	27%	2.2
Karnataka	0.8	0.2	-	0.9	(11)%	3.0
Production ('000 tonnes)						
Pig Iron	181	170	7%	188	(4)%	654
Revenue(US$ million)	145.0	75.6	92%	130.5	11%	350.0
EBITDA(US$ million)	54.0	3.4	-	55.1	(2)%	73.4

At Goa, production was 2.4 million tonnes and sales were 2.1 million tonnes during the quarter. Production was maintained at the FY2016 exit run rate of 0.8 million tonnes per month during the quarter. At Karnataka, production was 0.8 million tonnes and sales were 0.5 million tonnes. Sales were lower due to lower e-auction sales. We are engaged with the Goa and Karnataka governments to increase the mining caps in the respective states.

Production of pig iron was 7% higher y-o-y at 181,000 tonnes due to higher available capacity. Production was lower q-o-q due to a maintenance shutdown for re-alignment at one of the blast furnaces.

Revenue for the quarter was at US$ 145 million, 11% higher q-o-q, primarily due to a production ramp up at Goa, and higher iron ore prices. Price realization at Goa in Q1 FY2017 was US$ 36 per tonne compared to US$ 30 per tonne in Q4 FY2016 due to the removal of the 10% export duty on <58% Fe ore, effective 1st March 2016 and higher iron ore prices. Price realization at Karnataka was at US$ 13 per tonne in Q1 compared with US$ 10 per tonne in Q4 last year due to higher domestic prices.

EBITDA was US$ 54 million, 2% lower q-o-q, mainly due to higher sales from Goa and higher iron ore prices.

Our current annual mining allocations are 5.5mt and 2.3mt for Goa and Karnataka respectively. We are engaged with the respective state governments for increases in these mining caps.

Copper - India

	Q1			Q4		Full Year
Particulars *(in'000 tonnes, or as stated)*	**FY2017**	**FY2016**	***% change YoY***	**FY2016**	***% change QoQ***	**FY2016**
COPPER- INDIA						
Copper – Cathodes	100	98	2%	102	(2)%	384
Tuticorin Power Sales (MU)	60	175	(66)%	68	(12)%	402
Realized TC/RC (USc/lb)	22.9	22.9	0%	24.8	(8)%	24.1
Revenue(US$ million)	695.5	877.4	(21)%	813.8	(15)%	3,197.2
EBITDA(US$ million)	65.7	82.4	(20)%	75.1	(12)%	336.6

Production from the Tuticorin smelter remained stable at 100,000 tonnes of cathodes during the quarter.

The 160 MW power plant at Tuticorin operated at a lower Plant Load Factor (PLF) of 60% during Q1 FY2017 (PLF of 94% in Q1 FY2016 and 63% in Q4 FY2016). The PLF was lower due to continued lower off-take by the Tamil Nadu Electricity Board (TNEB). However, we received compensatory payment at the rate of 20% of the contracted rate for the off-take below 85% of the contracted quantity. Our Power Purchase Agreement (PPA) with TNEB ended on 31st May 2016 and we then entered into an agreement with the Telangana State Electricity Board (TSEB) for supply of power starting from 1st June 2016. TSEB too has resorted to supply restrictions. In view of this, the Company is entitled to a compensation at the rate 20% of the contracted rate for the off-take below 85% of the contracted quantity as per terms of PPA.

Tc/Rc's were at USc 22.9 per lb, 8% lower compared to Q4 FY2016. This was in line with reduction in global benchmark Tc/Rc rates.

The net unit cost of conversion in Q1 FY2017 was USc 5.9 per lb, compared to USc 2.5 per lb in Q1 FY2016 and USc 3.4 per lb in Q4 FY2016. The increase was primarily due to lower prices of sulphuric acid.

Revenue for the quarter was US$ 696 million, lower by 21% on y-o-y basis and 15% compared to Q4. EBITDA for the quarter was lower at US$ 66 million mainly due to lower TcRc and lower acid credits.

The Tuticorin smelter is expected to produce 400kt of cathodes during FY2017. The smelter has a planned maintenance shutdown for three days in Q2.

Copper – Zambia

	Q1			Q4		Full Year
Particulars *(in'000 tonnes, or as stated)*	**FY2017**	**FY2016**	*% change YoY*	**FY2016**	*% change QoQ*	**FY2016**
COPPER –ZAMBIA						
Mined Metal	29	29	(2)%	29	0%	123
Copper – Total	45	43	5%	46	(3)%	182
Integrated	28	28	(1)%	29	(4)%	117
Custom	17	15	15%	17	(1)%	64
Average LME - Copper (US$/t)	4,729	6,043	(22)%	4,672	1%	5,211
Revenue(US$ million)	194.8	289.2	(33)%	251.9	(23)%	972.5
EBITDA(US$ million)	3.7	6.0	(38)%	(4.4)	-	(17.9)

During Q1, mined metal production was stable at 29,000 tonnes compared to the prior quarter, and lower by 2% compared on y-o-y basis, mainly due to the Nchanga underground mine being placed on managed care and maintenance in Q3 FY2016. Nchanga underground contributed a production of c. 4,000 tonnes in FY2016 (FY2015 production was at 7,871 tonne).

At the Konkola underground mine, production was higher by 2% y-o-y on account of improved recoveries. Equipment availability at Konkola has increased by 10% in the quarter, as the trackless engineering and maintenance team at Konkola has been strengthened through external recruitment and this is showing a positive impact on equipment reliability. At the Tailings Leach Plant, production continues to increase, and was 5% higher during the quarter at 14,000 tonnes compared on y-o-y basis.

Custom volumes at 17,000 tonnes were 15% higher on a y-o-y basis and stable compared to the prior quarter. The smelter will undergo a biennial shutdown in Q2 FY2017 after which the feed-rate will increase from 70 to more than 80 tonnes per hour.

In Q1 FY 2017, Cost of production excluding royalty was USc 198/lb compared to USc 213/lb for Q1 FY2016.

Excluding the exceptional items of increased power tariff in January 2016 and unrealized gains on Kwacha denominated VAT receivables, the COP for Q1 FY2017 was USc 195 /lb which is lower by 8% on y-o-y basis. Factors contributing to this include improved production at TLP, sustained cost-saving initiatives, renegotiation of commercial contracts and alternate sourcing for major bulk supplies.

The power tariffs were increased in January 2016 resulted in an adverse impact of US$ 3 million per month on the cost of production. In Q1 FY2017, the impact of power cost increase was USc 15/lb y-o-y. The company is exploring a range of possible solutions to reduce the cost of power including technical interventions to use oil-fired boilers as an alternate to power for electrolyte heating and ramping up refinery capacity.

Amendments to The Zambia's Mines & Mineral Development Act 2015 were formalized on 6 June 2016. This provides for a 'sliding scale' royalty rate with effect from 1 June 2016. Accordingly, there is a 4% royalty at a copper LME of < US$4,500 per tonne, 5% royalty at a copper LME between US$4,500 and US$6,000 per tonne and 6% royalty at a copper LME >US$6,000 per tonne.

The elevated temperature leach project is under commissioning and the initial recovery results are encouraging.

Revenue for the quarter is lower y-o-y at US$ 195 mn mainly due to lower copper prices.

We expect to produce 130-140kt of integrated volumes at C1 cost of 150-170c/lb in FY2017.

This past week the English Court of Appeal, in response to the application by Vedanta Resources and KCM, granted permission to both Vedanta Resources and KCM to appeal a lower court ruling which had held that English courts have jurisdiction to hear and adjudicate claims made by Zambian residents in relation to KCM's operations in Zambia. The Court of Appeal stated as its reasons that "the issues raised are important and the arguments raised on both appeals have a sufficient prospect of success to justify the grant of permission". The timing of the appeal hearing remains to be determined, but the window provided by the court extends up to 31 October 2017.

Aluminium

	Q1			Q4		Full Year
Particulars(*in'000 tonnes, or as stated*)	**FY2017**	**FY2016**	*% change YoY*	**FY2016**	*% change QoQ*	**FY2016**
Aluminum						
Alumina-Lanjigarh	275	269	2%	211	30%	971
Total Aluminum Production	244	232	6%	226	9%	923
Jharsuguda-I	129	132	(2)%	123	5%	516
Jharsuguda-II[4]	28	20	46%	19	49%	76
Korba-I	63	62	2%	64	(2)%	257
Korba-II[5]	24	18	31%	19	26%	75
Power Sales (million units)						
BALCO270 MW *, [6]	-	99	-	-	-	169
Jharsuguda 1800 MW (Surplus Power Sales) *, [6]	355	-	-	-	-	-
Average LME - Aluminium (US$/tonne)	1,572	1,765	(11)%	1,516	4%	1,590
Revenue(US$ million)	412.0	430.4	(4)%	423.8	(3)%	1,694.3
EBITDA(US$ million)	39.3	(1.9)	-	64.1	(39)%	106.7

** Jharsuguda 1,800MW and Balco 270 MW power plants have been moved from the Power to the Aluminium segment from 1st April 2016. Sales and EBITDA from these plants for FY 2016 continue to be reported under Power segment and therefore previous period numbers are not comparable.*

We have commenced ramp-up of pots at the Jharsuguda-II 1.25mt smelter from 1st April 2016. The first line of the 1.25mt Jharsuguda-II smelter ramp-up is completed and the ramp-up at the second line has commenced in July 2016. At the 325kt Korba II smelter, ramp-up commenced in mid-April 2016 and is progressing well with 277 pots commissioned. Production of 244 kt in Q1 was a quarterly record and we achieved an exit run-rate of 1.1 mn tonnes in June 2016.

Pursuant to the approvals received for the expansion of the Lanjigarh refinery to 4 million tonnes per annum, the second stream of the refinery has re-commenced operations during the quarter and we expect to produce 1.4mt in FY2017. Further ramp up to 4 million tonne will be considered when we have further visibility on bauxite sources. In Q1 FY2017, the Lanjigarh alumina refinery produced 275,000 tonnes, up 30% q-o-q.

Power sales from the Jharsuguda 2,400MW (4x600MW) power plant were considered in the Power segment until Q4 FY2016. However, from 1 April 2016, onwards the surplus power sales from the 1800MW of this plant, which has been converted to CPP for the Jharsuguda-II smelter, will be reported in the Aluminium segment. The one unit (600MW) which is committed to the grid will continue to be reported in the Power segment.

Similarly, the 270 MW CPP at BALCO, has been moved to the Aluminium segment from 1 April 2016. This power unit will be used as a backup power source for the smelters, and will remain on standby, hence sales were nil during Q1.

The cost of production of hot metal was $1,476 per tonne with Jharsuguda at US$1,459 per tonne and Korba at US$1,504 per tonne, significantly y-o-y (Q1 FY 2016 was US$1,689 per tonne). The decrease was primarily due to lower alumina and coal prices, rupee depreciation, and the implementation of various cost-saving initiatives which were partially offset by regulatory headwinds of Clean Energy Cess and electricity duty. However, the cost has increased compared to US$1,431 per tonne in Q4 FY2016 due to one-off power purchases from the grid during a power outage at our power plants, increased clean energy cess and electricity duty. This was partially offset by continued cost-saving initiatives.

The EBITDA margin during the quarter maintained at $200 per tonne in line with the last quarter.

EBITDA for the quarter was US$39 million, significantly higher y-o-y due to a one-off Renewable Power Obligation charge of US$37 million in Q1 FY2016.

We expect to produce c.1.2 million tonnes of Aluminium production at a COP of c. $1,400 per tonne in FY2017.

Power

	Q1			Q4		Full Year
Particulars *(in million units)*	**FY2017**	**FY2016**	*% change YoY*	**FY2016**	*% change QoQ*	**FY2016**
Power						
Total Power Sales	3,010	3,070	*nm*	3,391	*nm*	12,121
Jharsuguda 600 MW*	892	2,266	*nm*	1,906	*nm*	7,319
TSPL	1,272	384	-	869	46%	2,792
BALCO 600 MW[7]	607	-	-	499	22%	1,025
MALCO	90	193	(53)%	56	-	402
HZL Wind Power	148	127	17%	61	142%	414
Balco 270 MW *, [6]	-	99	-	-	-	169
TSPL – Availability	72%	56%	-	86%	-	80%
Revenue(US$ million)	176.7	190.2	*nm*	190.0	*nm*	707.5
EBITDA(US$ million)	51.3	43.6	*nm*	58.0	*nm*	196.3

** Jharsuguda 1,800MW and Balco 270 MW has been moved from the Power to the Aluminium segment from 1st April 2016. Power sales and EBITDA from these plants continue to be reported under Power segment and therefore previous period numbers are not comparable.*

Power Sales from TSPL were significantly higher in Q1 FY2017, with two units in operation. Both units operated at an availability of 72% in Q1 compared to 86% in Q4 FY 2016, mainly due to a planned statutory shutdown at one of the units. The Power Purchase Agreement with the Punjab State Electricity Board (PSEB) compensates us based on the availability of the plant. The third unit was synchronized in March 2016 and is expected to be capitalised in Q2 FY2017. The TSPL plant is expected to operate at an availability of 80% post capitalisation of all the units.

As mentioned in the Aluminium segment, three units of the Jharsuguda 2,400MW power plant have been moved to the Aluminium segment as they have been converted to CPP. The one unit committed to the grid remains in the Power segment. Overall, power sales from this plant were significantly lower due to a weak power market and power evacuation constraints for open access power sales.

The MALCO power plant operated at a lower PLF of 44% in Q1 FY2017 (93% in Q1 FY 2016 and 29% in Q4 FY2016) due to lower power off-take by the Tamil Nadu Electricity Board (TNEB) against payment of compensation at the rate 20% of the contracted rate for the off-take below 85% of the contracted quantity. The Power Purchase Agreement (PPA) with TNEB ended on 31st May 2016, and we have entered into a PPA with the Telangana State Electricity Board (TSEB) commencing 1st June 2016.

The 600 MW BALCO IPP (2x300MW) operated at a PLF of 64% in Q1 (the second 300 MW was capitalized on 1st May 2016).

EBITDA for the quarter was US$ 51 million.

Financial Update and Balance Sheet Management

Our financial position remains robust, with total cash and liquid investments of c.US$7.7 billion and undrawn committed facilities of US$1.1 billion as at 30 June 2016. Gross debt and net debt were at US$16.0 billion and US$8.3 billion, respectively, at 30 June 2016 compared to US$16.3 billion and US$7.3 billion, respectively, as at 31 March 2016.

Following the repayment of US$ 680 million of the outstanding 6.75% bonds due in June 2016 and US$ 515 million of the 5.5% convertible bonds due in July 2016, the remaining debt maturities for FY2017 at Vedanta Plc are US$0.1 billion.

The outstanding inter-company loan to Vedanta Limited as of 30th June 2016 was US$1.0 billion, which was reduced further in July. The current balance of the inter-company loan is US$0.4 billion, which is expected to be paid in FY2017.

The Group continues to actively manage its maturities and evaluate various options to optimise its balance sheet, extend its maturity profile and reduce financing costs. The company remains committed to its stated Group strategy of deleveraging and strengthening the balance sheet.

Revised and Final terms for Vedanta Limited Cairn India merger announced

On 22 July 2016, the Boards of Vedanta Resources Plc, Vedanta Limited and Cairn India Limited approved the revised and final terms for the merger, taking into account prevailing market conditions and taking into account underlying commercial factors. As per the revised terms, Cairn India minority shareholders will receive one equity share and four redeemable preference shares with a face value of INR 10 per preference share in Vedanta Limited. Redeemable preference shares will carry a coupon of 7.5% and will have a tenure of 18 months from issuance. Upon completion of the transaction, Vedanta Plc ownership in Vedanta Limited is expected to decrease to 50.1% from its current 62.9% shareholding.

The transaction is conditional on Vedanta Limited, Cairn India and Vedanta Plc shareholder approvals and other customary approvals. The transaction is expected to be completed by the end of FY2017.

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

Particulars	Q1			Q4		Full Year
	FY 2017	FY 2016	% Change YoY	FY 2016	% Change QoQ	FY 2016
OIL AND GAS						
Average Daily Total Gross Operated Production (boepd) [1]	206,455	217,935	(5)%	206,170	0%	212,552
Average Daily Gross Operated Production (boepd)	196,861	209,738	(6)%	197,039	0%	203,703
Rajasthan	166,943	172,224	(3)%	167,650	0%	169,609
Ravva	19,637	28,556	(31)%	19,058	3%	23,845
Cambay	10,281	8,958	15%	10,331	0%	10,249
Average Daily Working Interest Production (boepd)	125,391	130,565	(4)%	125,775	0%	128,191
Rajasthan	116,860	120,557	(3)%	117,355	0%	118,726
Ravva	4,418	6,425	(31)%	4,288	3%	5,365
Cambay	4,113	3,583	15%	4,133	0%	4,100
Total Oil and Gas (million boe)						
Oil & Gas- Gross	17.91	19.09	(6)%	17.93	0%	74.56
Oil & Gas-Working Interest	11.41	11.88	(4)%	11.45	0%	46.92
Zinc India						
Mined metal content	127	232	(45)%	188	(33)%	889
Refined Zinc – Total	102	187	(45)%	154	(34)%	759
Refined Zinc – Integrated	101	187	(46)%	154	(34)%	759
Refined Zinc – Custom	1	-	-	-	-	-
Refined Lead - Total [2]	25	31	(20)%	38	(36)%	145
Refined Lead – Integrated	25	27	(11)%	38	(36)%	140
Refined Lead – Custom	-	3	-	0	-	5
Silver - Total (in mn ounces) [3]	2.85	2.42	18%	3.92	(27)%	13.65
Silver- Integrated (in mn ounces)	2.85	2.38	20%	3.92	(27)%	13.56
Silver- Custom (in mn ounces)	-	0.05	-	-	-	0.09
Zinc International	43	70	(39)%	42	2%	226
Zinc -Refined –Skorpion	24	26	(8)%	27	(11)%	82
Mined metal content - BMM	19	15	28%	15	25%	63
Mined metal content – Lisheen	-	29	-	-	-	81
IRON ORE (in million dry metric tonnes, or as stated)						
Sales	2.6	0.5	-	2.6	3%	5.3
Goa	2.1	-	-	1.6	29%	2.2
Karnataka	0.5	0.5	-	1.0	(48)%	3.1
Production of Saleable Ore	3.2	0.2	-	2.8	14%	5.2
Goa	2.4	-	-	1.9	27%	2.2
Karnataka	0.8	0.2	-	0.9	(11)%	3.0

	Q1			Q4		Full Year
Particulars	**FY 2017**	**FY 2016**	**% Change YoY**	**FY 2016**	**% Change QoQ**	**FY 2016**
Pig Iron	181	170	7%	188	(4)%	654
COPPER – INDIA						
Copper - Cathodes	100	98	2%	102	(2)%	384
Tuticorin Power Plant Sales (MU)	60	175	(66)%	68	(12)%	402
COPPER – ZAMBIA						
Mined metal	29	29	(2)%	29	0%	123
Copper – Total	45	43	5%	46	(3)%	182
Integrated	28	28	(1)%	29	(4)%	117
Custom	17	15	15%	17	(1)%	64
Aluminum						
Alumina-Lanjigarh	275	269	2%	211	30%	971
Total Aluminum Production	244	232	6%	226	9%	923
Jharsuguda-I	129	132	(2)%	123	5%	516
Jharsuguda-II[4]	28	20	46%	19	49%	76
Korba-I	63	62	2%	64	(2)%	257
Korba-II[5]	24	18	31%	19	26%	75
Balco 270 MW [6]	-	99	-	-	-	169
Jharsuguda 1800 MW (Surplus Power Sales)[6]	355	-	-	-	-	-
POWER (in million units)						
Total Power Sales	3,010	3,070	*nm*	3,391	*nm*	12,121
Jharsuguda 600 MW[6]	892	2,266	*nm*	1,906	*nm*	7,319
TSPL	1,272	384	-	869	46%	2,792
Balco 600 MW [7]	607	-	-	499	22%	1,025
MALCO	90	193	(53)%	56	-	402
HZL Wind Power	148	127	17%	61	142%	414
TSPL – Availability	72%	56%	-	86%	-	80%
Ports – VGCB (in million tonnes) [8]						
Cargo Discharge	1.6	1.6	(1)%	1.5	10%	6.9
Cargo Dispatches	1.5	1.7	(12)%	1.4	6%	7.1

1. *Including Internal Gas consumption*
2. *Excluding Captive consumption of 1,084 tonnes in Q1 FY 2017 vs 2,184 tonnes in Q1 FY 2016 & 908 tonnes in Q4 FY 2016.*
3. *Excluding Captive consumption of 1,77,000 ounces in Q1 FY 2017 vs 3,62,000 ounces in Q1 FY 2016 & 1,52,000 ounces in Q4 FY 2016*
4. *Including Trial Run production of 13 Kt in Q1 FY 2017 vs 20 Kt in Q1 FY 2016*
5. *Including Trial Run production of 6 Kt in Q1 FY 2017*
6. *Jharsuguda 1,800 MW (3x600MW) and Balco 270MW shifted from power to Aluminum segment from 1st April 2016.*
7. *87 million units were consumed in Q1 FY2016 for captive purposes*
8. *VGCB refers to Vizag General Cargo Berth*

Financial Summary (Unaudited)

(in US$ million, except as stated)

Group Revenue	Q1			Q4		Full Year
	FY 2017	FY 2016	% Change YoY	FY 2016	% Change YoY	FY 2016
Zinc	432.5	697.5	(38)%	534.5	(19)%	2,502.5
India	364.8	558.2	(35)%	451.8	(19)%	2,111.0
International	67.7	139.3	(51)%	82.7	(18)%	391.5
Oil and Gas	281.5	413.0	(32)%	259.2	9%	1,322.3
Iron Ore	145.0	75.6	92%	130.5	11%	350.0
Copper	890.3	1,166.6	(24)%	1,065.7	(16)%	4,169.7
India/ Australia	695.5	877.4	(21)%	813.8	(15)%	3,197.2
Zambia	194.8	289.2	(33)%	251.9	(23)%	972.5
Aluminium	412.0	430.4	(4)%	423.8	(3)%	1,694.3
Power	176.7	190.2	*nm*	190.0	*nm*	707.5
Others	2.7	(22.0)	-	(0.7)	-	(8.4)
Total	**2,340.7**	**2,951.3**	**(21)%**	**2,603.0**	**(10)%**	**10,737.9**

(in US$ million, except as stated)

Group EBITDA	Q1			Q4		Full Year
	FY 2017	FY 2016	% Change YoY	FY 2016	% Change YoY	FY 2016
Zinc	197.7	292.8	(32)%	207.1	(5)%	1,063.1
India[1]	160.3	255.4	(37)%	195.3	(18)%	995.0
International	37.4	37.3	0%	11.7	218%	68.1
Oil and Gas	119.2	215.4	(45)%	101.2	18%	570.4
Iron Ore	54.0	3.4	-	55.1	(2)%	73.4
Copper	69.4	88.4	(21)%	70.7	(2)%	318.7
India/ Australia	65.7	82.4	(20)%	75.1	(12)%	336.6
Zambia	3.7	6.0	(38)%	(4.4)	-	(17.9)
Aluminium[2]	39.3	(1.9)	-	64.1	(39)%	106.7
Power	51.3	43.6	*nm*	58.0	*nm*	196.3
Others	(3.7)	2.9	-	0.9	-	7.8
Total	**527.1**	**644.6**	**(18)%**	**557.1**	**(5)%**	**2,336.4**

1. *EBITDA after providing for one-time expense of $28 million on account of RPO in Q1 FY2016*
2. *EBITDA after providing for one-time expense of $37 million on account of RPO in Q1 FY2016*

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About Vedanta Resources plc

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. For more information, please visit www.vedantaresources.com.

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