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Vedanta Resources plc
Production Release for the Third Quarter Ended 31 December 2015

Q3 Highlights

- EBITDA of US$494 million and 23% EBITDA margin[1] in a weak commodity price environment
- Zinc-India: Strong refined metal production; record quarterly refined silver production of 3.7 million ounces
- Oil & Gas: Stable production q-o-q with 19 kboepd contribution from Mangala EOR; Rajasthan water flood operating costs continue to improve
- Copper :
    - Zambia: Strong mined metal production at 32,000 tonnes with improvement of hoisting capacity and equipment availability at Konkola; continued improvement in cost of production despite higher power costs
    - India: 89% utilization, affected by floods and unplanned shutdowns
- Aluminium: Record metal production; 7% lower cost of production q-o-q driven by the cost optimisation programme; received approval for conversion of 3 units of 2,400 MW Jharsuguda IPP to CPP
- Power: Second 660 MW unit of 1,980 MW Talwandi Sabo plant capitalised; 85% availability for unit - I and II
- Iron ore: Stable operations in Karnataka; slower ramp up in Goa due to transportation issues
- Actively managing balance sheet, with a focus on optimizing opex and capex to maximize free cash flow; refinancing and terming out maturing debt; and simplifying the group structure
    - Robust financial position with total cash and liquid investments of US$8.9 billion and undrawn committed facilities of US$0.8 billion

Tom Albanese, Chief Executive Officer, Vedanta Resources plc, said: "In the weak commodity price environment, we remain committed to optimising our operations, leveraging our high quality asset base, and proactively managing our balance sheet. I am encouraged to see the positive results of our cost reduction programme gaining momentum, and believe that this relentless focus on efficiency will not only make our business more resilient through the cycle but position us favourably for any future improvement in market conditions. Despite challenging market conditions, these efforts have allowed us to generate a robust EBITDA margin of 23%."

Oil & Gas

	Q3			Q2		Nine months period		
Particulars	**FY2016**	**FY2015**	*% change YoY*	**FY2016**	*% change QoQ*	**FY2016**	**FY2015**	*% change YoY*
OIL AND GAS (boepd)								
Average Daily Total Gross Operated Production²	211,843	228,622	(7)%	214,247	(1)%	214,663	219,757	(2)%
Average Daily Gross Operated Production (boepd)	202,668	218,900	(7)%	205,361	(1)%	205,909	210,399	(2)%
Rajasthan	170,444	180,010	(5)%	168,126	1%	170,258	175,451	(3)%
Ravva	21,703	27,783	(22)%	26,064	(17)%	25,430	24,107	5%
Cambay	10,521	11,107	(5)%	11,172	(6)%	10,221	10,842	(6)%
Average Daily Working Interest Production (boepd)	128,402	136,701	(6)%	128,021	0%	128,991	132,576	(3)%
Rajasthan	119,311	126,007	(5)%	117,688	1%	119,180	122,815	(3)%
Ravva	4,883	6,251	(22)%	5,864	(17)%	5,722	5,424	5%
Cambay	4,208	4,443	(5)%	4,469	(6)%	4,089	4,337	(6)%
Total Oil and Gas (million boe)								
Oil & Gas- Gross	18.65	20.14	(7)%	18.89	(1)%	56.62	57.86	(2)%
Oil & Gas-Working Interest	11.81	12.58	(6)%	11.78	0%	35.47	36.46	(3)%
Brent ($/boe)	44	77	*(43)%*	50	(12)%	52	96	*(46)%*
Average Price Realisation ($/boe)	35.2	68.1	(48)%	43.7	(19)%	45.0	85.2	(47)%
Oil - $/bbl	35.0	68.7	(49)%	43.7	(20)%	45.1	86.2	(48)%
Gas - $/mscf	7.2	6.3	14%	7.0	3%	6.9	6.4	8%
Revenue (US $ million)	**307.8**	**565.0**	**(46)%**	**342.3**	**(10)%**	**1,063.1**	**1,968.7**	**(46)%**
EBITDA (US $ million)	**95.5**	**346.0**	**(72)%**	**158.4**	**(40)%**	**469.2**	**1358.2**	**(65)%**

Third quarter FY 2016 vs. second quarter FY 2016

Average gross production for Q3 FY2016 was 202,668 barrels of oil equivalent per day (boepd), 1% lower, primarily due to lower volumes from offshore assets. Rajasthan production increased 1.4% to 170,444 boepd as volumes from Mangala Enhanced Oil Recovery (EOR) continue to ramp up, as expected. Aishwariya recorded strengthening of volumes on account of five more infill wells coming online. Bhagyam production was largely steady as execution of work-over activities in the last quarter helped us arrest the natural decline.

The Mangala Polymer injection ramp-up is on track as it has been increased from 200,000 barrels of polymer solution per day in Q2 FY2016 to 330,000 barrels of polymer solution per day in Q3 FY2016. A further increase in injection volume to 400,000 barrels per day is expected by March 2016. In-line with our plan, average production from Mangala EOR increased to 19,000 boepd in the quarter and is expected to ramp-up further to support Rajasthan production in Q4.

During the quarter, the Salaya Bhogat Pipeline (SBPL), storage terminal and the marine export facilities at Bhogat were commissioned and consequently the first cargo of Rajasthan crude oil was successfully loaded through the terminal for Mangalore Refinery Petroleum Ltd, realizing superior pricing.

Rajasthan water flood operating cost reduced by 6% from US$5.5 per boe to US$ 5.1 per boe through improvement in operational efficiency and re-negotiations with vendors. Ramp-up in the polymer injection volumes has increased the blended operating cost including the cost of polymer injection by 7.8% to US$ 6.9 per boe, in line with guidance.

EBITDA for the quarter was lower by 40% at US$ 96 million, primarily due to the lower oil price and a higher discount of 19%.

Third quarter FY 2016 vs. third quarter FY 2015

Gross production from Rajasthan declined 5%, primarily due to underperformance of the Bhagyam reservoir and natural decline in the Mangala and Aishwariya fields. This has been partly offset by the ramp up of volumes from the Mangala EOR, infill wells at Aishwariya and reservoir management initiatives at Bhagyam. Production from Ravva and Cambay declined by 22% and 5% respectively, due to natural decline in the respective fields.

Zinc - India

Particulars	Q3			Q2		Nine months period		
	FY2016	FY2015	% change YoY	FY2016	% change QoQ	FY2016	FY2015	% change YoY
Zinc India (kt)								
Mined metal content	228	242	(6)%	240	(5)%	700	618	13%
Refined Zinc – Total	206	196	5%	211	(2)%	605	517	17%
Refined Zinc – Integrated	206	192	8%	211	(2)%	605	504	20%
Refined Zinc – Custom	-	4	-	-	-	-	13	-
Refined Lead – Total [3]	35	30	17%	40	(13)%	107	91	17%
Refined Lead – Integrated	35	25	42%	39	(10)%	102	72	42%
Refined Lead – Custom	-	5	-	1	-	5	19	(76)%
Silver - Total (in million ounces) [4]	3.73	2.72	37%	3.59	4%	9.73	7.94	23%
Silver - Integrated (in million ounces)	3.73	2.24	67%	3.54	5%	9.64	6.19	56%
Silver - Custom (in million ounces)	-	0.48	-	0.05	-	0.09	1.75	(95)%
Average LME – Zinc ($/t)	1,613	2,235	(28)%	1,847	(13)%	1,878	2,209	(15)%
Average LME – Lead ($/t)	1,681	2,000	(16)%	1,714	(2)%	1,776	2,093	(15)%
Average Silver Prices ($/oz.)	14.8	16.5	(10)%	14.9	(1)%	15.3	18.6	(18)%
Zinc CoP [5]	796	809	(2)%	771	3%	789	869	9%
Revenue (US$ million)	**508.7**	**612.0**	**(17)%**	**592.3**	**(14)%**	**1,659.2**	**1,706.0**	**(3)%**
EBITDA (US$ million)	**217.8**	**336.0**	**(35)%**	**326.4**	**(33)%**	**799.7**	**887.2**	**(10)%**

Third quarter FY 2016 vs. second quarter FY 2016

Mined metal production in Q3 was 5% lower at 228,000 tonnes, primarily on account of a change in mining mix with an increased contribution from the Sindesar Khurd and Kayad mines, resulting in lower average grades.

The cost of production (CoP) was US$796 tonne, up 3% on account of lower volume & lower acid realisation.

EBITDA was 33% lower at US$218 million on account of lower LME, volumes and additional regulatory cost.

Third quarter FY 2016 vs. third quarter FY 2015

Mined metal production was 6% lower y-o-y. Refined metal production during the quarter was higher than mined metal production primarily on account of conversion of existing inventory and enhanced smelter efficiency. Integrated zinc, lead and silver metal production during the quarter increased by 8%, 42% and 67% respectively y-o-y. Record refined silver production was due to higher volumes from the Sindesar Khurd (SK) mine.

The **CoP** was lower at US$796 per tonne compared to US$809 per tonne in the corresponding prior quarter, primarily due to cost reduction initiatives, higher volumes of refined metals and currency depreciation.

Zinc – International

	Q3			Q2		Nine months period		
Particulars *(in'000 tonnes, or as stated)*	**FY2016**	**FY2015**	**%** ***change YoY***	**FY2016**	**% change QoQ**	**FY2016**	**FY2015**	**%** ***change YoY***
Zinc International	51	80	(36)%	63	(19)%	184	242	(24)%
Zinc -refined –Skorpion	13	26	(49)%	17	(24)%	55	86	(35)%
Mined metal - Lisheen	21	41	*(50)%*	30	(32)%	81	113	*(29)%*
Mined metal - BMM	17	13	*34%*	16	6%	48	44	*10%*
Average LME – Zinc (US$/tonne)	1,613	2,235	(28)%	1,847	(13)%	1,878	2,209	(15)%
CoP including royalty	1,579	1,364	16%	1,477	7%	1,475	1,339	10%
Revenue(US$ million)	**64.3**	**178.3**	**(64)%**	**105.2**	**(39)%**	**308.8**	**485.3**	**(36)%**
EBITDA(US$ million)	**(0.2)**	**63.2**	**(100)%**	**19.2**	**(101)%**	**56.4**	**156.2**	**(64)%**

Third quarter FY 2016 vs. second quarter FY 2016

Production at Zinc International was lower at 51,000 tonnes as a result of closure of the Lisheen mine in November 2015 and lower production from Skorpion.

Skorpion produced 13,000 tonnes during the quarter, lower than the prior quarter due to the extended planned 30-day maintenance shutdown and a delay in start-up. The plant commenced operations on 20th November 2015 and has been producing Special High Grade (SHG) zinc since December 2015.

Q3 CoP was at US$1,579 per tonne compared with US$1,477 per tonne in Q2 FY2016, higher on account of lower volumes and shutdown expense at Skorpion. Q4 CoP is expected to be in the range of US$1,100–1,200/tonne, driven by higher grades, increased volumes, and procurement initiatives.

EBITDA for Q3 was lower due to lower LME prices, lower volumes and maintenance cost at Skorpion.

At Gamsberg, we achieved 365 LTIFR-free days to date. Pre-stripping continues in line with plan and to date 4 million tonnes of waste has been excavated. Based on the modular approach adopted to project development, the capital expenditure programme for FY2017 is currently in the process of being reviewed in light of current market conditions. Capital expenditure at Gamsberg stands at US$13 million for 9M FY2016, of which US$5 million was spent in the current quarter.

Third quarter FY 2016 vs. third quarter FY 2015

Mined metal production at BMM was at 17,000 tonnes, up 34% due to higher feed grade.

EBITDA was lower compared to the corresponding prior quarter, primarily due to lower LME and volumes following the closure of Lisheen mine and extended shutdown at Skorpion.

Iron Ore

	Q3			Q2		Nine months period		
Particulars *(in million dry metric tonnes, or as stated)*	**FY2016**	**FY2015**	*% change YoY*	**FY2016**	% change QoQ	**FY2016**	**FY2015**	*% change YoY*
IRON ORE								
Sales	1.5	0.1	-	0.6	138%	2.7	1.2	126%
Goa	0.6	-	-	-	-	0.6	-	-
Karnataka	0.9	0.1	-	0.6	48%	2.1	1.2	78%
Production of Saleable Ore	1.4	-	-	0.8	63%	2.4	0.3	-
Goa	0.3	-	-	-	-	0.3	-	-
Karnataka	1.1	-	-	0.8	43%	2.1	0.3	-
Production (‘000 tonnes)								
Pig Iron	146	166	(12)%	150	(3)%	466	465	-
Revenue(US$ million)	**81.7**	**90.8**	**(10)%**	**62.2**	**31%**	**219.5**	**265.0**	**(17)%**
EBITDA(US$ million)	**11.1**	**7.0**	**59%**	**3.8**	**192%**	**18.3**	**34.6**	**(47)%**

Third quarter FY 2016 vs. second quarter FY 2016

At Goa, mining and shipments commenced in Q3 post receipt of approvals. We produced 0.3 million tonnes and sold 0.6 million tonnes during the quarter. Production was impacted due to transportation issues and we are currently working on a resolution. Sales were higher as we participated in e-auction trading, wherein we dispatched 0.54 million tonnes ore purchased from the auction. We expect to achieve sales of c.3.5 million tonnes in FY 2016 from Goa.

At Karnataka production was 1.1 million tonnes and sales were 0.9 million tonnes.

Production of pig iron was lower at 146,000 tonne primarily due to temporary curtailment of production in November due to lower demand & unplanned stoppage at one of the blast furnace. Production has since been restored to capacity.

We are engaging with respective state government for enhancing mining cap in Goa and Karnataka and are receiving positive responses from them.

The company is working with the Government for removal of export duty on low grade iron ore exported from Goa. Besides, we continue to work towards resolving the matter on duplication of taxes (Goa Permanent Fund and District Mineral Foundation) which is currently being heard by the Honourable Supreme Court.

EBITDA was at US$11 million in the quarter, up 192% primarily due to increase in sales.

Third quarter FY 2016 vs. third quarter FY 2015

EBITDA in Q3 was US$11 million as compared to US$7 million, primarily due to the ramp up of iron ore volumes post resumption of mine production both at Goa and Karnataka. The Pig Iron business continues to face pricing pressure due to depressed market condition, in part offset by weakness in iron ore and coking coal prices.

Copper - India

	Q3			Q2		Nine months period		
Particulars *(in'000 tonnes, or as stated)*	**FY2016**	**FY2015**	*% change YoY*	**FY2016**	*% Change QoQ*	**FY2016**	**FY2015**	*% change YoY*
COPPER- INDIA								
Copper - Cathodes	89	99	(11)%	94	(5)%	282	266	6%
Tuticorin Power Plant Sales (MU)	40	164	(75)%	118	(66)%	334	483	(31)%
Realized TC/RC (USc/lb)	**23.5**	**22.6**	**4%**	**25.2**	**(7)%**	**23.9**	**21.0**	**14%**
Conversion cost – India (USc/lb)	4.4	3.3	34%	2.2	100%	3.1	4.6	(32)%
Revenue(US$ million)	**686.9**	**947.2**	**(27)%**	**819.1**	**(16)%**	**2,383.4**	**2,797.4**	**(15)%**
EBITDA(US$ million)	**91.3**	**84.6**	**8%**	**87.8**	**4%**	**261.5**	**194.6**	**34%**

Third quarter FY 2016 vs. second quarter FY 2016

The Tuticorin smelter produced 89,000 tonnes of cathodes during the quarter. Production was lower due to flooding in the state and unplanned shutdowns.

The 160MW power plant at Tuticorin operated at a lower Plant Load Factor (PLF) of 52% due to lower off-take by the Tamil Nadu Electricity Board (TNEB). However, we have received compensation at Rs1.1/unit for shortfall of off-take below 80% of contracted capacity.

Tc/Rc was marginally lower at USc23.5/lb in Q3. CY2016 Tc/Rc's are expected to be slightly lower, in line with global prices.

EBITDA was 4% higher q-o-q on account of a one-time benefit regarding the export incentive schemes based on the Supreme Court judgement in October 2015.

Net unit cost of conversion in Q3 was USc4.4/lb compared to USc2.2/lb in Q2 FY2016. Cost of conversion was higher y-o-y due to lower recovery credit and sulphur acid credit in falling commodity price scenario.

Third quarter FY 2016 vs. third quarter FY 2015

Tuticorin smelter production decreased 11% to 89,000 tonnes, while the EBITDA has increased by 8% due to the one-time benefit of export incentive scheme as mentioned above.

Copper – Zambia

Particulars *(in'000 tonnes, or as stated)*	Q3 FY2016	Q3 FY2015	Q3 % change YoY	Q2 FY2016	Q2 % Change QoQ	Nine months period FY2016	Nine months period FY2015	Nine months period % change YoY
COPPER –ZAMBIA								
Mined metal	32	29	11%	33	(3)%	94	88	7%
Copper – Total	45	45	1%	47	(2)%	136	121	13%
Integrated	28	30	(6)%	32	(13)%	89	85	4%
Custom	17	15	15%	15	13%	47	35	35%
Average LME – Copper (US$/t)	4,892	6,624	(26)%	5,259	(7)%	5,387	6,803	(21)%
C1 cash cost (USc/lb)	175	267	(34)%	208	(16)%	199	271	(27)%
Revenue(US$ million)	**195.5**	**294.3**	**(34)%**	**235.9**	**(17)%**	**720.6**	**819.0**	**(12)%**
EBITDA(US$ million)	**10.8**	**0.0**	**-**	**(30.4)**	**136%**	**(13.5)**	**16.2**	**(183)%**

Third quarter FY 2016 vs. second quarter FY 2016

During Q3, mined metal was stable at 32,000 tonne.

During the quarter, the Nchanga underground (NUG) operations were put under managed care and maintenance. The resulting production losses will be compensated by additional CRO feed for the concentrators and purchased concentrates for smelting. Placing the NUG operations under care and maintenance will reduce operating costs by approximately US$1 million per month.

At the Tailings Leach Plant, production continued to improve and was at 14,500 tonnes.

Q3 integrated CoP (C1) was significantly lower by 16% q-o-q at USc175/lb, primarily due to higher volumes, cost saving initiatives and reduced power consumption. The company achieved a 12% reduction in power consumption during the quarter, following the placement of NUG under care and maintenance, refinery optimization and measures to reduce power consumption at administrative units.

Power tariffs were increased by 25% from 1 January 2016. This will have a US$3 million per month adverse impact on the cost of production. The company is exploring a range of possible solutions, as discussions with interested parties, including the government, are underway.

Third quarter FY 2016 vs. second quarter FY 2015

During Q3, mined metal production was at 32,000 tonnes, 11% higher than the corresponding prior quarter.

At Konkola, production was 48% higher due to improved efficiency, higher equipment availability and higher copper grade. Trackless equipment availability has improved and developed reserves have increased to 4 months of production. Hoisting from Shaft 1 resumed in Q1 FY2016, while hoisting from Shaft 4 is expected to recommence in Q4 FY2016.

Aluminium

	Q3			Q2		Nine months period		
Particulars*(in'000 tonnes, or as stated)*	**FY2016**	**FY2015**	*% change YoY*	**FY2016**	**% Change QoQ**	**FY2016**	**FY2015**	*% change YoY*
Aluminium								
Alumina-Lanjigarh	218	244	(10)%	272	(20)%	760	703	8%
Total Aluminum Production	234	224	5%	233	-	697	648	8%
Jharsuguda-I	131	133	(2)%	130	1%	392	403	(3)%
Jharsuguda-II [6]	19	5	-	19	-	57	5	-
Korba-I	65	65	0%	65	-	192	190	1%
Korba-II[7]	19	20	(7)%	19	-	56	50	12%
Average CoP – Aluminium (US$/tonne)	1,528	1,741	(12)%	1,648	(7)%	1,620	1,789	(9)%
Revenue(US$ million)	1,495	1,966	(24)%	1,591	(6)%	1,615	1,920	(16)%
Revenue(US$ million)	**418.9**	**563.7**	**(26)%**	**421.1**	**(1)%**	**1,270.4**	**1,538.2**	**(17)%**
EBITDA(US$ million)	**20.9**	**134.1**	**(84)%**	**23.6**	**(11)%**	**42.6**	**313.8**	**(86)%**

Third quarter FY 2016 vs. second quarter FY 2015

In Q3, production was stable at the 500kt Jharsuguda-I smelter. The 1.25 million tonnes Jharsuguda II smelter produced 19,000 tonnes during the quarter with 80 pots capitalised on 1st December. CoP at Jharsuguda was at US$1,485 per tonne compared to US$1,599 per tonne in Q2, primarily due to lower alumina cost and lower power cost driven by coal prices.

245kt Korba-I smelter produced 65,000 tonne during the quarter. The 325kt Korba-II smelter produced 19,000 tonnes during the quarter with 82 pots operational. CoP at the Korba has improved significantly to US$1,599 per tonne, compared to US$1,725 per tonne. The significant cost improvement was on account of lower alumina price and reduced power cost driven by improved coal mix & lower coal prices.

The Alumina price index has moved further lower in the quarter from US$ 292 per tonne in Q2 to US$ 234 per tonne. We expect further benefit of lower alumina and bauxite price to be realized in Q4.

In order to optimize costs, the Lanjigarh alumina refinery operated a single stream and produced 218,000 tonnes during Q3. The alumina cost during Q3 FY2016 was US$293 per tonne compared with US$323 per tonne in Q2 FY2016. We have received approvals for expansion of the Lanjigarh refinery to 6 mtpa, which will be considered when we have further visibility on bauxite sources.

On 27th January, we received the approval from the regulatory authorities (Orissa Electricity Regulatory Commission) to use the power generated from three units of the 2,400 MW (4 x 600 MW) Jharsuguda power plant for captive use and will commence ramp up of the pot lines at Jharsuguda-II smelter from 1 April 2016. One unit of 600 MW will continue to sell power externally.

The first 300 MW CPP unit of BALCO 1,200 MW power plant at Korba, was capitalized on 1st December 2015 and the second unit is expected to be synchronized in Q4 FY2016.

Third quarter FY 2016 vs. third quarter FY 2015

Production was 5% higher compared to Q3 FY2015 due to ramp up at Jharsuguda – II. EBITDA was lower by 84% primarily due to lower LME and premiums.

Power

	Q3			Q2		Nine months period		
Particulars *(in million units)*	**FY2016**	**FY2015**	*% change YoY*	**FY2016**	*% Change QoQ*	**FY2016**	**FY2015**	*% change YoY*
Power								
Total Power Sales	**2,934**	**2,663**	**10%**	**2,718**	**8%**	**8,728**	**7,312**	**19%**
Jharsuguda 2400 MW	1,593	1,873	(15)%	1,554	3%	5,413	5,681	(5)%
MALCO	26	233	(89)%	127	(80)%	345	666	(48)%
TSPL	839	502	67%	693	21%	1,922	523	267%
HZL Wind Power	67	55	22%	158	(58)%	353	371	(5)%
Balco 270 MW power Sales	41	-	-	28	46%	169	71	137%
Balco 600 MW	368	-	-	158	133%	526	-	-
Revenue(US$ million)	**175.0**	**181.1**	**(3)%**	**152.3**	**15%**	**517.5**	**492.3**	**5%**
EBITDA(US$ million)	**45.4**	**41.6**	**9%**	**49.1**	**(8)%**	**138.1**	**150.5**	**(8)%**

Third quarter FY 2016 vs. second quarter FY 2016

The second 660MW unit of TSPL was capitalized on 1st December after successful completion of trial runs. The two units operated at a PLF of 47% and an average availability of 85% during the quarter. TSPL's Power Purchase Agreement with the Punjab State Electricity Board (PSEB) compensates based on the availability of the plant. The third unit is expected to be synchronised by the end of FY2016.

The first 300 MW IPP unit of BALCO 1200 MW operated at a PLF of 65% in Q3. The second 300 MW IPP unit is expected to be synchronised in Q4 FY2016.

The 100MW MALCO power plant operated at lower PLF due to lower power off-take by Tamil Nadu Electricity Board (TNEB). However, we have received compensation at Rs 1.10 per unit for shortfall of off-take below 80% of contracted capacity.

Third quarter FY 2016 vs third quarter FY 2015

The Jharsuguda 2,400MW power plant operated at a PLF of 35% in Q3, lower than corresponding prior period, primarily due to lower demand and softer power rates.

EBITDA has increased 9% to US$45 million, primarily due to higher volumes contributed by TSPL.

Average realisation for Q3 excluding TSPL was INR 2.88 per unit (USc4.37 per unit) compared with INR 3.36 per unit (USc 5.42 per unit) in Q3 FY2015. The NSR was lower compared to corresponding prior quarter on account of weaker demand, resulting in a lower power price environment in India. Average power CoP excluding TSPL for Q3 was INR 2.21 per unit (USc3.35 per unit) compared to INR 2.25 per unit (USc 3.64 per unit) in Q3 FY2015, primarily due to lower volumes.

Realisation and CoP of TSPL was at INR 5.46 per unit and INR 3.62 per unit respectively for 47% PLF. We are also compensated capacity charge by c. Rs. 1.35/unit for a declared capacity of 85% which is included in above realisation.

Balance Sheet Management

The Company is actively managing its balance sheet in light of the current commodity price environment, with a focus on maximizing free cash flow, refinancing and terming out maturing debt, and simplifying the group structure. Our financial position remains robust, with total cash and liquid investments of c. US$8.9 billion and undrawn committed facilities of US$0.8 billion as at 31 December 2015. Gross debt and net debt was at US$16.8 billion and US$7.9 billion, respectively, at 31 December 2015, higher than US$16.5 billion and US$7.5 billion at 30 September 2015. Gross and net debt, compared with 30 September 2015, was higher primarily on account of project capex, unwinding of working capital as guided earlier, payment of dividends by subsidiaries, and translation of INR-denominated cash balances at subsidiaries on account of rupee depreciation. The Net Debt is expected to go back to 30 September levels in the current quarter, with further working capital initiatives.

As at 31 December 2015, FY2016 debt maturities at Vedanta plc are US$0.3 billion, for which refinancing is in place. The FY2016 maturities at the subsidiaries are US$ 1.1 billion, which we intend to meet through committed term loans of c. $0.6 billion, cash and liquid investments of $0.25 billion, and the balance would be funded through a combination of undrawn committed facilities and further term loans that are in the process of being tied up.

Regarding the FY2017 maturities at Vedanta plc, we have tied up term loans of $0.3 billion at Vedanta plc, and $0.8 billion of the inter-company loan has been repaid by Vedanta Limited till date. The balance amount will be repaid by further term loans being tied up at Vedanta plc and/or further repayment of inter-company loan from Vedanta Limited (inter-company loan outstanding as on date is $1.8 billion).

On 20 January, Vedanta plc completed the buyback of part of its outstanding convertible bonds issued by Vedanta Resources Jersey Limited maturing in July 2016, through a modified Dutch auction. We purchased outstanding convertible bonds of $227.4 million through the tender offer at a price of $91,000 for the $100,000 par value of the bonds paying a total purchase value of $201 million. Following this buyback, the FY2017 Vedanta plc debt maturities are US$1.8 billion.

Production Summary (Unaudited)

(in '000 tonnes, except as stated)

Particulars	Q3 FY 2016	Q3 FY 2015	Q3 % Change YoY	Q2 FY 2016	Q2 % Change QoQ	Nine months period FY 2016	Nine months period FY 2015	Nine months period % Change YoY
OIL AND GAS (boepd)								
Average Daily Total Gross Operated Production[2]	211,843	228,622	(7)%	214,247	(1)%	214,663	219,757	(2)%
Average Daily Gross Operated Production (boepd)	202,668	218,900	(7)%	205,361	(1)%	205,909	210,399	(2)%
Rajasthan	170,444	180,010	(5)%	168,126	1%	170,258	175,451	(3)%
Ravva	21,703	27,783	(22)%	26,064	(17)%	25,430	24,107	5%
Cambay	10,521	11,107	(5)%	11,172	(6)%	10,221	10,842	(6)%
Average Daily Gross Operated Production (boepd)	128,402	136,701	(6)%	128,021	0%	128,991	132,576	(3)%
Rajasthan	119,311	126,007	(5)%	117,688	1%	119,180	122,815	(3)%
Ravva	4,883	6,251	(22)%	5,864	(17)%	5,722	5,424	5%
Cambay	4,208	4,443	(5)%	4,469	(6)%	4,089	4,337	(6)%
Total Oil and Gas Production (million boe)								
Oil & Gas – Gross	18.65	20.14	(7)%	18.89	(1)%	56.62	57.86	(2)%
Oil & Gas – Working Interest	11.81	12.58	(6)%	11.78	0%	35.47	36.46	(3)%
ZINC INDIA								
Mined metal content	228	242	(6)%	240	(5)%	700	618	13%
Refined Zinc – Total	206	196	5%	211	(2)%	605	517	17%
Refined Zinc – Integrated	206	192	8%	211	(2)%	605	504	20%
Refined Zinc – Custom	-	4	-	-	-	-	13	-
Refined Lead – Total[3]	35	30	17%	40	(13)%	107	91	17%
Refined Lead – Integrated	35	25	42%	39	(10)%	102	72	42%
Refined Lead – Custom	-	5	-	1	-	5	19	(76)%
Saleable Silver – Total (in '000 ounces)[4]	3.73	2.72	37%	3.59	4%	9.73	7.94	23%
Saleable Silver – Integrated (in '000 ounces)	3.73	2.24	67%	3.54	5%	9.64	6.19	56%
Saleable Silver – Custom (in '000 ounces)	-	0.48	-	0.05	-	0.09	1.75	(95)%
ZINC INTERNATIONAL	51	80	(36)%	63	(19)%	184	242	(24)%
Zinc –refined	13	26	(49)%	17	(24)%	55	86	(35)%
Mined metal – Lisheen	21	41	(50)%	30	(32)%	81	113	(29)%
Mined metal – BMM	17	13	34%	16	6%	48	44	10%
IRON ORE (in million dry metric tonnes, or as stated)								
Sales	1.5	0.1	-	0.6	138%	2.7	1.2	126%
Goa	0.6	-	-	-	-	0.6	-	-
Karnataka	0.9	0.1	-	0.6	48%	2.1	1.2	78%
Production of Saleable Ore	1.4	-	-	0.8	63%	2.4	0.3	-
Goa	0.3	-	-	-	-	0.3	-	-
Karnataka	1.1	-	-	0.8	43%	2.1	0.3	-

Particulars	FY 2016	FY 2015	% Change YoY	FY 2016	% Change QoQ	FY 2016	FY 2015	% Change YoY
Pig Iron	146	166	(12)%	150	(3)%	466	465	-
COPPER – INDIA/AUSTRALIA								
Copper - Mined metal content	-	-	-	-	-	-	-	-
Copper - Cathodes	89	99	(11)%	94	(5)%	282	266	6%
Tuticorin power sales (million units)	40	164	(75)%	118	(66)%	334	483	(31)%
COPPER – ZAMBIA								
Mined Metal	32	29	11%	33	(3)%	94	88	7%
Copper – Total	**45**	**45**	**1%**	**47**	**(2)%**	**136**	**121**	**13%**
Integrated	28	30	(6)%	32	(13)%	89	85	4%
Custom	17	15	15%	15	13%	47	35	35%
ALUMINIUM								
Alumina – Lanjigarh	218	244	(10)%	272	(20)%	760	703	8%
Total Aluminum Production	**234**	**224**	**5%**	**233**	**-**	**697**	**648**	**8%**
Jharsuguda-I	131	133	(2)%	130	1%	392	403	(3)%
Jharsuguda-II [6]	19	5	-	19	-	57	5	-
Korba I	65	65	0%	65	-	192	190	1%
Korba II [7]	19	20	(7)%	19	6%	56	50	12%
POWER (in million units)								
Total Power Sales	**2,934**	**2,663**	**10%**	**2,718**	**8%**	**8,728**	**7,312**	**19%**
SEL	1,593	1,873	-15%	1,554	3%	5,413	5,681	-5%
MALCO	26	233	-89%	127	(80)%	345	666	-48%
TSPL	839	502	67%	693	21%	1,922	523	267%
HZL Wind Power	67	55	22%	158	(58)%	353	371	-5%
Balco 270 MW power Sales	41	-	-	28	46%	169	71	137%
Balco 600 MW	368	-	-	158	133%	526	-	-
Ports – VGCB (in million tonnes) [8]								
Cargo Discharge	1.8	1.8	2%	2.1	(14)%	5.5	5.3	3%
Cargo Dispatches	1.9	1.8	5%	2.1	(10)%	5.7	5.3	7%

1. *EBITDA margin excluding custom smelting*
2. *Including Internal Gas Consumption*
3. *Excluding captive consumption of 2,051 tonnes in Q3 FY2016 vs 2,394 tonnes in Q3 FY2015,1,514 tonnes in Q2 FY 2016 and 5,749 tonnes in nine months period FY2016 vs 5,845 tonnes in nine months period FY2015*
4. *Excluding captive consumption of 3,44,000 ounces in Q3 FY2016 vs 4,02,000 ounces in Q3 FY2015, 2,51,000 ounces in Q2 FY 2016and 956,000 ounces in nine months period FY2016 vs 9,75,000 ounces in nine months period FY2015*
5. *Revenues from silver not credited to CoP with IFRIC adjustment, w/o royalty. Without IFRIC adjustment, the CoP was $795/t in Q3 FY 2016 and $771/t in Q2 FY 2016.*
6. *Includes trial run production of 12 Kt in Q3 FY 2016 vs 5Kt in Q3 FY 2015,19Kt in Q2 FY 2016 and 51Kt in nine months period in FY 2016 vs 5Kt in nine months period in FY 2015*
7. *Includes trial production of Nil in 9M FY 2016 vs 24Kt in 9M FY 2015*
8. *VGCB refers to Vizag General Cargo Berth*

Financial Summary (Unaudited):

(in US$ milllion, except as stated)

Group Revenue	Q3 FY 2016	Q3 FY 2015	Q3 % Change YoY	Q2 % Change YoY	Q2 % Change QoQ	Nine months period FY 2016	Nine months period FY 2015	Nine months period % Change YoY
Zinc	573.0	790.3	(27)%	697.5	(18)%	1,968.0	2,191.3	(10)%
India	508.7	612.0	(17)%	592.3	(14)%	1,659.2	1,706.0	(3)%
International	64.3	178.3	(64)%	105.2	(39)%	308.8	485.3	(36)%
Oil and Gas	307.8	565.0	(46)%	342.3	(10)%	1,063.1	1,968.7	(46)%
Iron Ore	81.7	90.8	(10)%	62.2	31%	219.5	265.0	(17)%
Copper	882.4	1,241.5	(29)%	1,055.0	(16)%	3,104.0	3,616.4	(14)%
India/ Australia	686.9	947.2	(27)%	819.1	(16)%	2,383.4	2,797.4	(15)%
Zambia	195.5	294.3	(34)%	235.9	(17)%	720.6	819.0	(12)%
Aluminium	418.9	563.7	(26)%	421.1	(1)%	1,270.4	1,538.2	(17)%
Power	175.0	181.1	(3)%	152.3	15%	517.5	492.3	5%
Others	(3.5)	(76.6)	-	17.8	-	(7.7)	(260.2)	-
Total Group Revenue	2,435.3	3,355.8	(27)%	2,748.2	(11)%	8,134.8	9,811.7	(17)%

(in US$ milllion, except as stated)

Group EBITDA	Q3 FY 2016	Q3 FY 2015	Q3 % Change YoY	Q2 FY 2016	Q2 % Change QoQ	Nine months period FY 2016	Nine months period FY 2015	Nine months period % Change YoY
Zinc	217.6	399.2	(45)%	345.6	(37)%	856.1	1043.4	(18)%
India	217.8	336.0	(35)%	326.4	(33)%	799.7	887.2	(10)%
International	(0.2)	63.2	(100)%	19.2	(101)%	56.4	156.2	(64)%
Oil and Gas	95.5	346.0	(72)%	158.4	(40)%	469.2	1358.2	(65)%
Iron Ore	11.1	7.0	59%	3.8	192%	18.3	34.6	(47)%
Copper	102.1	84.6	21%	57.4	78%	248.0	210.8	18%
India/ Australia	91.3	84.6	8%	87.8	4%	261.5	194.6	34%
Zambia	10.8	0.0	-	(30.4)	136%	(13.5)	16.2	(183)%
Aluminium	20.9	134.1	(84)%	23.6	(11)%	42.6	313.8	(86)%
Power	45.4	41.6	9%	49.1	(8)%	138.1	150.5	(8)%
Others	1.0	2.7	-	3.1	-	6.9	8.9	-
Total Group EBITDA	493.6	1015.2	(51)%	641.0	(23)%	1779.2	3120.2	(43)%

There will be a **conference call at 9:00 a.m. UK time (2:30 p.m. India time)** where senior management will discuss the results.

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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, Liberia, Australia and Sri Lanka. 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.

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.