

2 February 2018

Vedanta Resources Plc
Production and Financial Results Release
for the Third Quarter ended 31 December 2017

Q3 Highlights

Operations

Zinc India:

- Refined zinc-lead metal production at 245kt, up 7% q-o-q
- On track for ramp up to 1.2mt by FY 2020

Zinc International:

- Strong production of 47kt at Black Mountain and Skorpion
- Gamsberg project on track for first production in mid-CY2018

Oil & Gas:

- Contracts awarded for growth projects announced in November 2017, drilling rigs being mobilized at site

Aluminium:

- Continued ramp-up at Jharsuguda
- Production at 445kt, up 40% y-o-y; exit run-rate of 1.8mtpa

Copper India

- 400kt expansion project on track, EPC contract awarded

Copper Zambia

- Mined metal production at 24kt, up 12% y-o-y
- Custom production at 32kt, up 96% y-o-y

Iron ore:

- Commenced shipments of higher quality ore from Goa
- Granted additional mining allocation in Goa; increase in mining cap at Karnataka

Power:

- 1,980 MW TSPL plant achieved record availability of 97%

Financial

- EBITDA of US\$ 1,068 million, up 21% y-o-y, driven by higher volumes and commodity prices, partially offset by input commodity inflation
- Robust EBITDA margin¹ of 34%
- Moodys upgraded the Company's Corporate Family Rating (CFR) by one notch from B1 to Ba3 in November

¹ Excluding custom smelting at copper operations

Kuldip Kaura, Chief Executive Officer, Vedanta Resources plc, said: “We have delivered a robust quarter with EBITDA significantly higher than last year, while the EBITDA margin remained strong. Our ramp-up plans across our well-invested assets are on track and are delivering industry-leading growth. We are looking forward to a strong Q4 which will enable us to end the year with healthy cash generation. With the continued strength in the commodity markets, combined with Vedanta’s attractive commodity mix and exposure to Indian growth, we will deliver superior shareholder returns, while maintaining a strong balance sheet.”

Oil & Gas

Particulars	Q3			Q2		Nine months ended		
	FY2018	FY2017	% change YoY	FY2018	% change QoQ	FY2018	FY2017	% change YoY
OIL AND GAS								
Average Daily Total Gross Operated Production (boepd) ¹	193,647	191,230	1%	190,389	2%	193,553	201,286	(4)%
Average Daily Gross Operated Production (boepd)	184,133	181,818	1%	180,955	2%	184,086	191,674	(4)%
Rajasthan	157,096	154,272	2%	153,238	3%	156,552	162,957	(4)%
Ravva	16,876	18,172	(7)%	17,266	(2)%	17,498	18,874	(7)%
Cambay	10,161	9,375	8%	10,452	(3)%	10,036	9,843	2%
Average Daily Working Interest Production (boepd)	117,828	115,829	2%	115,332	2%	117,538	122,254	(4)%
Rajasthan	109,967	107,990	2%	107,267	3%	109,586	114,070	(4)%
Ravva	3,797	4,089	(7)%	3,885	(2)%	3,937	4,247	(7)%
Cambay	4,064	3,750	8%	4,181	(3)%	4,015	3,937	2%
Total Oil and Gas (million boe)								
Oil & Gas- Gross	16.94	16.73	1%	16.65	2%	50.62	52.71	(4)%
Oil & Gas-Working Interest	10.84	10.66	2%	10.61	2%	32.32	33.62	(4)%
Brent (US\$/bbl)	61.26	49.33	24%	52.08	18%	54.36	46.91	16%
Average Price Realisation (US\$/boe)	52.8	46.0	15%	44.9	18%	47.6	41.9	13%
Oil - US\$/bbl	53.0	46.2	16%	45.1	18%	47.8	41.9	14%
Gas - US\$/mscf	7.6	5.9	28%	6.4	18%	6.9	7.0	(1)%
Revenue(US\$ million)	373	319	17%	326	14%	1052	905	16%
EBITDA(US\$ million)	209	158	32%	183	14%	610	432	41%

Third quarter FY 2018 vs. previous quarters

Average gross production during Q3 FY2018 across our assets was 184,133 barrels of oil equivalent per day (boepd), higher by 2% q-o-q and 1% y-o-y. The increase in volume was primarily driven by Mangala Infill wells, ramp up of Raageshwari Deep Gas (RDG) Phase I and continued prudent reservoir management practices.

Gross production from the Rajasthan block averaged 157,096 boepd for the quarter, 3% higher q-o-q. Gross production from Development Area-1 (DA-1), Development Area-2 (DA-2) and Development Area-3 (DA-3) averaged 140,584 boepd, 16,445 boepd and 67 boepd respectively. The Rajasthan block continued to record plant uptime of over 99%.

The Ravva block produced at an average rate of 16,876 boepd for the quarter, down 7% y-o-y and 2% q-o-q due to the natural field decline. The Ravva block continued to record an uptime of over 99%.

The Cambay block reported an average production rate of 10,161 boepd for the quarter, up 8% y-o-y on account of well intervention and production optimization activities

carried out during the quarter. The Cambay block continued to record an uptime of over 99%.

During Q4 FY2018, production is expected to ramp up as planned, with progress on our key projects set out below:

- At Rajasthan, the drilling program of fifteen infill wells at the Mangala field had commenced during Q2 FY2018. Eight wells have been brought online with the balance seven wells to be drilled in Q4 FY2018.
- In order to boost volumes from satellite fields, we have commenced an eight well drilling campaign.
- The RDG Phase I has fully ramped up to 45 million standard cubic feet per day (mmscfd) during the quarter. Gas production from RDG averaged 36 mmscfd in Q3FY2018, with gas sales, post captive consumption, at 21 mmscfd.
- Infrastructure upgrade at MPT to increase liquid handling capacity by around 30% to support incremental volumes
- At Cambay, we have commenced the three wells infill campaign to enhance production volumes.

The execution of growth projects announced in November 2017 is progressing well. We have a rich set of options in our portfolio ranging from enhanced oil recovery, tight oil, tight gas and exploration prospects. Progress on individual projects is set out below:

- Enhanced Oil Recovery: Contract awarded for Bhagyam EOR and Aishwariya EOR. Drilling rigs to be mobilized in Q4 FY2018
- Tight Oil & Gas Project: Contract awarded for Tight Oil & Gas wells. Drilling rigs to be mobilized in Q4 FY2018. Contract for RDG tight gas facilities to be awarded in Q4 FY2018.
- Rajasthan Exploration: Prospects identified to drill in FY2019. Drilling contract to be awarded in Q4 FY2018
- KG Offshore: Drilling of two exploration wells to commence in Q4 FY2018. Drilling contract has been awarded.

In Q3 FY2018, revenue increased by 17% y-o-y and 14% q-o-q, primarily on account of higher realisations due to higher brent prices and improved volumes. Overall oil price realization increased by 18% q-o-q to US\$ 53.0/bbl.

The water-flood operating cost in Rajasthan was at US\$ 4.3/boe in Q3 FY2018 compared to US\$ 4.4/boe in the previous quarter. Q3 FY2018 blended operating cost for Rajasthan including polymer was US\$ 6.4/boe compared to US\$ 6.3/boe in Q2 FY2018.

EBITDA was up 32% y-o-y and 14% q-o-q mainly on account of higher brent prices and higher entitlement sales.

Nine months FY 2018 vs. nine months FY 2017

Gross production declined 4% y-o-y primarily due to natural field decline, partially offset by volume ramp up from Mangala Infill wells and continued effective reservoir management across assets.

Revenue and EBITDA were higher 16% and 41% respectively, mainly due to higher brent prices and higher entitlement sales.

We expect Rajasthan to produce around 165,000 boepd in Q4 FY2018.

Zinc India

Particulars (in '000 tonnes, or as stated)	Q3			Q2		Nine months ended		
	FY2018	FY2017	% change YoY	FY2018	% change QoQ	FY2018	FY2017	% change YoY
Zinc India(kt)								
Mined metal content	240	276	(13)%	219	10%	693	595	16%
Refined Zinc Integrated	200	205	(3)%	192	4%	585	457*	28%
Refined Lead - Integrated ²	46	39	18%	38	20%	118	94	26%
Silver - Integrated (in million ounces) ³	4.3	3.8	12%	4.5	(6)%	12.5	10.1	24%
Average LME - Zinc (\$/t)	3,236	2,517	29%	2,963	9%	2,935	2,230	32%
Average LME - Lead (\$/t)	2,492	2,149	16%	2,334	7%	2,331	1,913	22%
Average Silver Prices (\$/oz)	16.73	17.19	(3)%	16.84	(1)%	16.92	17.88	(5)%
Revenue (US\$ million)	905	731	24%	808	12%	2,408	1,604	50%
EBITDA (US\$ million)	502	406	24%	467	8%	1,336	863	55%

* Including customs production of 1kt.

Third quarter FY 2018 vs. previous quarters

Mined metal production in Q3 was 240,000 tonnes, up 10% q-o-q on account of higher ore treatment. The y-o-y decrease of 13% was primarily driven by decline in overall ore grades due to mine mix and lower production from Rampura Agucha open-cast mine.

Integrated zinc metal production was 200,000 tonnes, 4% higher q-o-q and 3% lower y-o-y. Integrated lead metal production was 46,000 tonnes, 20% higher q-o-q and 18% higher y-o-y. This was in line with the availability of mined metal and smelters. Integrated silver production was at 4.3 million ounces (132 tonnes), 6% lower q-o-q on account of build up of work-in-progress inventories, and up 12% y-o-y in line with higher lead production.

Rampura Agucha underground mine achieved the highest quarterly mine development at 5,958 meters. The underground mine has crossed ore production run-rate of 2.0 mtpa. Off shaft development is on track and production is expected to start from Q3 FY2019, which will take the total production capacity to 4.5 mtpa.

Sindesar Khurd mine crossed the 4.5 mtpa run-rate for ore production during the quarter. Main shaft equipping is progressing as per schedule and is on track for completion in Q4 FY2018. Production from the shaft is expected to start as per schedule in Q3 FY2019, to take total capacity to 6 mtpa. Civil and structure erection for the new 1.5 mtpa mill is ongoing and expected to be commissioned in Q2 FY 2019.

Post completion of the Zawar mill debottlenecking to 2.7 mtpa, detailed engineering and site construction work for the new 2.0 mtpa mill has commenced. The new mill is expected to be commissioned in Q3 FY2019.

The Expert Appraisal Committee of the Ministry of Environment, Forest and Climate Change (MoEF) has approved the expansion of ore production at Rajpura Dariba mine from 0.9 to 1.08 mtpa and at Kayad mine from 1.0 to 1.2 mtpa.

The fumer project is progressing as per schedule. Civil construction work is 70% complete and the project is on track for commissioning by mid-FY 2019.

Revenues during the quarter was US\$ 905 million, up 12% q-o-q and 24% y-o-y. The y-o-y increase was due to higher lead & silver volume and strong zinc & lead LME prices, partly offset by lower zinc volume and rupee appreciation.

Zinc cost of production (CoP) before royalties during the quarter was at US\$ 1,022 per tonne, 19% higher y-o-y primarily on account of increase in prices of metcoke, imported coal and other input commodities, rupee appreciation and lower overall grade. CoP was 4% higher q-o-q due to increased input commodities prices.

EBITDA was US\$ 502 million for Q3 FY2018, up 24% y-o-y and 8% q-o-q driven by higher realised LMEs, partially offset by higher CoP.

Nine months FY 2018 vs. nine months FY 2017

Mined metal production during the nine month period was at 693kt, 16% higher y-o-y. This was driven by higher ore production from underground mines, partly offset by lower open-cast mine production.

Integrated zinc, lead and silver production were higher by 28% y-o-y, 26% y-o-y and 24% y-o-y respectively, in line with higher availability of mined metal.

Revenue for the nine month period was US\$ 2,408 million, 50% higher y-o-y and EBITDA was US\$ 1,336 million, 55% higher y-o-y, primarily due to higher volumes and LME prices.

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 950,000 tonnes. Silver production is expected to be over 15 million ounces (500 metric tonnes). Zinc CoP for FY 2018 is expected to be in the range of US\$ 950 to US\$ 975 per tonne as a result of higher input commodity prices. Q4 mine production to be higher than Q3 due to higher production from Rampura Agucha open cast mine and higher overall grades. Q4 CoP should be lower than Q3 due to higher production & cost efficiencies like increase in linkage coal consumption.

We are on track to achieve 1.2 mtpa of mined metal production capacity by FY2020.

Zinc - International

Particulars (in'000 tonnes, or as stated)	Q3			Q2		Nine months ended		
	FY2018	FY2017	% change YoY	FY2018	% change QoQ	FY2018	FY2017	% change YoY
Zinc International	47	33	43%	42	10%	121	115	6%
Zinc -refined -Skorpion	26	17	50%	23	15%	62	64	(3)%
Mined metal content - BMM	21	15	36%	20	5%	59	51	17%
Revenue (US\$ million)	150	87	72%	133	13%	407	257	58%
EBITDA (US\$ million)	70	30	-	60	16%	180	118	52%

Third quarter FY 2018 vs. previous quarters

Total production for Q3 FY2018 was 47,000 tonnes, 43% higher y-o-y and 10% higher q-o-q.

Skorpion recorded the highest quarterly production in the last six quarters at 26,000 tonnes, 15% higher q-o-q and 50% higher y-o-y, on account of effective treatment and blending to achieve higher and consistent plant grades. Improved refinery reliability after the Q1 FY2018 planned maintenance shutdown enabled consistent performance throughout the quarter.

BMM recorded the highest quarterly MIC production in the last four years at 21,000 tonnes, 5% higher q-o-q and 36% higher y-o-y. This was due to higher grades driven by more accurate drilling and blasting. The plant improvement projects resulted in better than expected recoveries even at the higher grades.

At Gamsberg, we have completed 70% of pre-stripping with record 12.3 million tonnes of waste excavation in the quarter, in line with the plan. 500kt of ore stockpile is targeted ahead of first feed. Construction of the concentrator is underway, with the ball mill shell and crusher mechanical erection completed in Q3 FY2018. Power and water pipeline infrastructure is c.90% complete. Cold commissioning of the concentrator plant is expected in Q1 FY2019. First production from Gamsberg 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 waste stripping has ramped up to its peak run-rate. 25% of waste stripping has been completed by the end of Q3 FY2018 and is expected to be fully complete by Q4 FY2019. We extracted first ore in November 2017, ahead of schedule. This project will increase Skorpion's mine life by another 2.5 years and contribute 250,000 tonnes of metal over this period.

During Q3 FY2018, the CoP including royalties was US\$ 1,383 per tonne, lower 6% q-o-q and 14% y-o-y primarily driven by higher volumes, improved operational and cost efficiencies, partially offset by local currency appreciation.

EBITDA was at US \$70 million, higher q-o-q and y-o-y, driven by higher volumes, higher LME prices and lower CoP.

Nine months FY 2018 vs. nine months FY 2017

Total production was 121,000 tonnes, 6% higher y-o-y mainly due to higher grades and improved recoveries at BMM, partially offset by lower volume at Skorpion due to the planned shutdown at the acid plant in Q1 FY2018.

During the period, revenue and EBITDA were 58% and 52% higher respectively, primarily on account of higher sales volumes and higher LME prices.

As guided previously, production volumes are expected to be around 160 ktpa in FY2018. The CoP for Q4 FY2018 is expected to be temporarily high at around US\$ 1,700 per tonne (CoP year-to-date: US\$ 1,495 per tonne), due to re-allocation of stripping costs of Pit 112 at Skorpion as we had early ore production, and local currency appreciation.

Iron Ore

Particulars (in million dry metric tonnes, or as stated)	Q3			Q2		Nine months ended		
	FY2018	FY2017	% change YoY	FY2018	% change QoQ	FY2018	FY2017	% change YoY
IRON ORE								
Sales	1.8	3.7	(52)%	0.7	-	4.8	7.1	(32)%
Goa	1.0	2.7	(63)%	0.1	-	3.0	5.1	(42)%
Karnataka	0.8	1.0	(20)%	0.6	29%	1.8	2.0	(8)%
Production of Saleable Ore	0.9	2.6	(64)%	1.2	(21)%	5.4	7.3	(26)%
Goa	0.8	2.3	(64)%	0.4	-	3.4	5.2	(35)%
Karnataka	0.1	0.4	(61)%	0.9	(84)%	2.1	2.1	0%
Production ('000 tonnes)								
Pig Iron	165	154	7%	137	20%	465	526	(12)%
Revenue (US\$ million)	130	209	(38)%	84	55%	321	427	(25)%
EBITDA (US\$ million)	32	63	(49)%	(10)	-	29	135	(78)%

Third quarter FY 2018 vs. previous quarters

At Goa, production was 0.8 million tonnes and sales were 1.0 million tonnes during the quarter. Production was lower y-o-y primarily due to the extended monsoon and sales were lower due to the low pricing environment. During the quarter, we commenced production of a higher quality ore at Goa through beneficiation and blending to improve our realizations per tonne.

At Karnataka, we achieved full production of our annual mining allocation of 2.29 million tonnes. Sales were at 0.8 million tonnes, lower y-o-y, due to lower overall e-auction sales. We have inventory of 0.5 million tonnes, which will be sold in Q4FY 2018.

We have been engaged with the respective state governments for an increase in mining caps. Our initial production allocation for FY2018 was 5.5 million tonnes in Goa and 2.29 million tonnes in Karnataka. The Goa government has granted additional 3 million tonnes of mining allocation to us for FY2018, and we expect to produce saleable high

quality ore of c.2 million tonnes in Q4 FY2018. At Karnataka, the Honorable Supreme Court has increased the cap on production of iron ore for the state from 30 to 35 million tonnes. Company-wise allocations are in process.

Pig iron production was at 165,000 tonnes, higher by 7% y-o-y and 20% q-o-q.

Revenue and EBITDA for the quarter was lower by 38% and 49% y-o-y respectively. This was mainly due to the lower pricing environment and lower sales at Goa. With commencement of production of the higher quality ore, sales and margins will improve going forward.

At Karnataka, price realisation continued to remain strong at US\$ 28 per tonne in Q3 FY2018 compared with US\$ 24 per tonne in Q2 FY2018 and US\$ 17 per tonne in Q3 FY2017.

Nine months FY 2018 vs. nine months FY 2017

Production at Goa was 3.4 million tonnes and sales were 3.0 million tonnes. At Karnataka, production was 2.1 million tonnes and sales were 1.8 million tonnes. Production of pig iron was 12% lower y-o-y at 465,000 tonnes due to lower metallurgical coke availability and local contractors strike in Q1 FY2018.

Revenue for the nine month period FY2018 was US\$ 321 million with EBITDA at US\$ 29 million, down 25% and 78% y-o-y respectively due to the lower pricing environment and lower sales volume at Goa.

Copper - India

Particulars (in'000 tonnes, or as stated)	Q3			Q2		Nine months ended		
	FY2018	FY2017	% change YoY	FY2018	% change QoQ	FY2018	FY2017	% change YoY
COPPER- INDIA								
Copper - Cathodes	101	102	(1)%	106	(5)%	297	300	(1)%
Tuticorin Power Sales (MU)	3	46	(93)%	4	(14)%	36	136	(73)%
Realized TC/RC (USc/lb)	20.8	22.2	(6)%	21.6	(4)%	21.1	21.9	(4)%
Revenue(US\$ million)	911	769	18%	970	(6)%	2,664	2,164	23%
EBITDA(US\$ million)	46	67	(31)%	58	(21)%	140	193	(28)%

Third quarter FY 2018 vs. previous quarters

The Tuticorin smelter produced 101,000 tonnes of cathodes during Q3 FY2018, stable y-o-y and 5% lower q-o-q due to an unplanned shutdown of around 8 days during the quarter on account of a boiler leakage.

The 160 MW power plant at Tuticorin operated at a Plant Load Factor (PLF) of 41% during Q3 FY2018 (PLF of 56% in Q3 FY2017 and 43% in Q2 FY2018) due to low power

demand in Southern India. We are currently exploring available options to enter into long term power purchase agreements.

Revenue for the quarter was US\$ 911 million, higher 18% y-o-y and lower 6% q-o-q. Treatment Charges and Refining Charges (Tc/Rc's) were at USc 20.8 per lb in Q3 FY2018, 6% and 4% lower y-o-y and q-o-q respectively.

The net unit cost of conversion in Q3 FY2018 was USc 5.6/lb, compared to USc 3.9/lb in Q3 FY2017 and USc 4.5/lb in Q2 FY2018. The increase was mainly on account of higher coal prices and lower volume.

EBITDA for the quarter was US\$ 46 million, 31% lower y-o-y and 21% lower q-o-q mainly due to lower volume, Tc/Rc's and higher CoP.

Our expansion plan to double smelter capacity from 400kt to 800kt p.a, is progressing well. The EPC contract has been awarded and site mobilization and civil work activities have commenced. Contracts for the balance of construction activities will be awarded by March 2018. The project has an execution timeline of 24 months and is therefore expected to be completed by Q3 FY2020. Completion of this project will make the Tuticorin smelter one of the world's largest single-location copper smelting complexes.

Nine months FY 2018 vs. nine months FY 2017

Production volume from the Tuticorin smelter was 297,000 tonnes of cathodes, stable as compared to the corresponding prior period. The 160MW power plant at Tuticorin operated at a PLF of 44% in the first nine months of FY2018 compared to 62% in corresponding prior period, primarily due to lower demand.

Revenue for the nine month period FY2018 was US\$ 2,664 million, 23% higher y-o-y, primarily on account of higher LME prices. During the period, EBITDA was US\$ 140 million, 28% lower primarily due to lower volumes and lower Tc/Rc.

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

Copper - Zambia

Particulars (in'000 tonnes, or as stated)	Q3			Q2		Nine months ended		
	FY2018	FY2017	% change YoY	FY2018	% change QoQ	FY2018	FY2017	% change YoY
COPPER -ZAMBIA								
Mined Metal	24	21	12%	25	(2)%	69	79	(13)%
Copper - Total	54	37	43%	54	-	155	130	20%
Integrated	22	21	3%	22	-	65	77	(15)%
Custom	32	16	96%	32	-	90	53	71%
Average LME - Copper (US\$/t)	6,808	5,277	29%	6,349	7%	6,280	4,924	28%
Revenue(US\$ million)	352	206	71%	346	2%	975	610	60%
EBITDA(US\$ million)	18	1	-	21	(16)%	35	18	96%

Third quarter FY 2018 vs. previous quarters

Mined metal production was 24,000 tonnes during Q3 FY2018, up 12% y-o-y primarily on account of improved mined output from Konkola driven by higher equipment availability and positive results from focussed OEM supervision of trackless equipments. The mined metal production was lower by 2% q-o-q, primarily on account of lower copper recoveries at the Tailing Leach Plant (TLP) and the impact of heavy rains in Zambia on the Nchanga open pit operations.

Custom volumes at 32,000 tonnes were significantly higher y-o-y due to improved third party concentrate availability and higher throughput post a biennial shutdown of 40 days in Q3 FY2017.

Q3 FY2018 unit CoP (excluding royalties and unrealized gains/losses on Kwacha denominated VAT receivables) of USc 251/lb was 9% and 43% higher on a q-o-q and y-o-y basis. The higher cost in comparison to the previous quarter was as a result of lower cobalt credits due to lower cobalt input grade from open pit, higher secondary development at Konkola mine which will pave way for future production ramp up and one off costs associated with pump chamber maintenance as part of improvement in dewatering efficiencies, silt removal from TLP downstream as part of our rainy season preparedness & zero discharge norms.

Revenue for the quarter was at US\$ 352 million, higher 2% q-o-q and 71% y-o-y, primarily due to higher copper prices and increased custom sales volumes. Water levels at the Kariba Dam have improved following the monsoon season. Power cuts in the country have been stopped but the force majeure declared by ZESCO and CEC continues.

Integrated volume is expected to improve sequentially in Q4 FY2018 as a result of sustained secondary developments and production from a new area at Konkola through Business Partners, enhanced access to high grade ore body post waste mining at open-pits and improved plant availabilities resulting from focused preventive maintenance programmes.

Nine months FY2018 vs nine months FY2017

Mined metal production was at 69,000 tonnes, 13% lower y-o-y and integrated volume was at 65,000 tonnes, lower compared to mined metal production due to an increase in the concentrate and cobalt alloy inventory which was liquidated in January 2018. Custom volumes were at 90,000 tonnes, 71% higher y-o-y.

Revenue for the period was US\$ 975 million, 60% higher mainly due to higher realized LME prices and increased custom sales volumes. As a result, EBITDA was at US\$ 35 million, 96% higher y-o-y.

Full-year production is expected at around 95-100kt of integrated production and 100-110 kt of custom production. CoP (excluding royalties and unrealized gains/losses on

Kwacha denominated VAT receivables) for Q4 FY2018 is expected at US cents 200-220 per pound.

Aluminium

Particulars (in '000 tonnes, or as stated)	Q3			Q2		Nine months ended		
	FY2018	FY2017	% change YoY	FY2018	% change QoQ	FY2018	FY2017	% change YoY
ALUMINIUM								
Alumina-Lanjigarh	287	328	(12)%	269	7%	859	895	(4)%
Total Aluminium Production	445	319	40%	401	11%	1,198	860	39%
Jharsuguda-I	116	132	(12)%	99	18%	307	393	(22)%
Jharsuguda-II ⁴	187	84	-	157	19%	464	161	-
Korba-I	65	65	-	65	-	194	192	1%
Korba-II ⁵	77	38	-	79	(3)%	233	115	-
Power Sales (million units)								
Jharsuguda 1800 MW (Surplus Power Sales) *	-	-	-	-	-	-	511	-
Average LME - Aluminium (US\$/tonne)	2,102	1,710	23%	2,012	4%	2,009	1,634	23%
Revenue (US\$ million)	1,007	532	89%	811	24%	2,475	1,396	77%
EBITDA (US\$ million)	93	95	(2)%	69	34%	246	197	25%

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

Third quarter FY 2018 vs. previous quarters

The Lanjigarh refinery produced 287,000 tonnes of alumina in Q3 FY2018, 7% higher q-o-q driven by improvement in operational performance. This was 12% lower y-o-y due to a temporary issues with rail logistics.

Aluminium production in Q3 FY2018 was at 445,000 tonnes, up 40% y-o-y and 11% q-o-q as a result of ramp up at the Jharsuguda-II smelter, following complete ramp of the Balco II smelter in Q1 FY2018. Stabilised aluminium production (i.e. production excluding trial run) was 427,000 tonnes in Q3 FY2018 with an exit monthly run rate of 1.8 mtpa.

At Jharsuguda-I, all the 228 pots, affected by the April 2017 outage are fully ramped up and are currently operational. At Jharsuguda-II, out of four lines, ramp-up of line-1 and line-2 was completed in Q3 FY2018 and Q4 FY2017 respectively. At line-3, 193 pots are operational and will be fully ramped-up by Q4 FY2018 as per guidance. Line-4 continues to be under evaluation.

The CoP of hot metal in Q3 FY2018 was US\$ 1,945 per tonne, 36% higher y-o-y. The increase was primarily due to input commodity inflation across imported alumina, coal, caustic and carbon, currency appreciation and one-off revival costs related to pot outage in Q1 FY2018. The CoP of hot metal was 5% higher q-o-q (Q2 FY2018 US\$ 1,857 per tonne) primarily due to continued input commodity inflation.

The ash dyke incident in Q2 FY2018 had resulted in the State Pollution Control Board (SPCB) directing temporary closure of five power units in Jharsuguda (3x135MW, 2x600MW). This had resulted in temporary power import and impacted the power costs. Orders to restart two of the power plants was issued on 20 September 2017, followed by order to restart remaining two units on 13 November 2017.

The demand-supply imbalance on domestic coal supplies resulted in continued disruptions in domestic coal availability for the captive power plants during the quarter and low coal linkage realisation, due to restrictions imposed by Coal India. Domestic coal situation is a key focus area for the management and we are engaging with the concerned stakeholders towards better materialisation of our coal linkages.

EBITDA for the quarter was US\$ 93 million, 2% lower y-o-y due to increased CoP, partially offset by higher LME prices and premia. This was 34% higher q-o-q, on account of volume ramp up, higher LME prices and premia, partially offset by higher CoP.

Nine months FY2018 vs nine months FY2017

We achieved a record aluminium production of 1,198 kt, 39% higher y-o-y on account of ramp up of additional pots at the Jharsuguda-II smelter and complete ramp up of BALCO-II smelter in Q1 FY2018. Alumina production was 4% lower at 859 kt, due to lower bauxite dispatches.

During this period, revenue was US\$ 2,475 million, 77% higher compared to corresponding prior period. EBITDA was at US\$ 246 million, 25% higher driven by volume ramp-up, higher realized LME prices and premia, partially offset by higher CoP.

Recently, Coal India increased the coal prices for various grades, effective 9 January. Better coal linkage realization and third party quality control will help to marginally reduce the coal costs.

We expect to produce 1.5 to 1.6 million tonnes of aluminium (excluding trial run production) in FY2018, in line with previous guidance. With the ramp-up in refinery and expected improvement in logistics for bauxite, alumina production for the full year is expected at 1.2-1.3 million tonnes, slightly lower than previous guidance. Q4 FY2018 CoP is expected to be in the range of \$1,850-1,900 per tonne, as input commodity prices continue to be high, however lower than Q3 as a result of absence of one-off charges and anticipated better domestic coal situation.

Power

Particulars (in million units)	Q3			Q2		Nine months ended		
	FY2018	FY2017	% change YoY	FY2018	% change QoQ	FY2018	FY2017	% change YoY
Power								
Total Power Sales	3,146	3,413	(8)%	2,950	7%	7,933	9,453	(16)%
Jharsuguda 600 MW	111	879	(87)%	93	20%	768	2,376	(68)%
TSPL	2,512	1,792	40%	2,582	(3)%	5,657	4,743	19%
BALCO 600 MW	466	660	(29)%	132	-	1,148	1,817	(37)%
MALCO*	-	29	-	-	-	4	144	(97)%
HZL Wind Power	57	53	8%	143	(60)%	356	373	(5)%
TSPL - Availability	97%	77%	-	87%	-	68%	76%	-
Revenue(US\$ million)	267	227	17%	222	20%	603	611	(1)%
EBITDA(US\$ million)	92	67	36%	57	62%	166	175	(5)%

*under care & maintenance w.e.f 26th May 2017

Third quarter FY 2018 vs. previous quarters

During Q3 FY2018, power sales were 3,146 million units. TSPL power sales were 2,512 million units with record availability of 97%. The Power Purchase Agreement with the Punjab State Electricity Board compensates us based on the availability of the plant. Availability in the first nine months was 68%; we are targeting an average availability of around 75% for the full year.

The 600MW Jharsuguda power plant operated at a lower plant load factor (PLF) of 5% in Q3 FY2018 (PLF of 7% in Q2 FY2018, 72% in Q3 FY2017). Power sales from this plant was mainly impacted due to temporary coal shortage and the ash dyke incident.

The 600 MW BALCO IPP operated at a PLF of 43% in Q3 FY2018 compared to 28% in Q2 FY2018 (Q3 FY2017: 55%). The PLF remained low impacted by the high coal cost environment.

Average power realisation for Q3 FY2018, excluding TSPL, was INR 2.97 per unit (USc 4.6 per unit) higher compared to INR 2.77 per unit (USc 4.1 per unit) in Q3 FY2017. Average power CoP excluding TSPL, for Q3 FY2018 was INR 2.74 per unit (USc 4.2 per unit) compared to INR 2.10 per unit (USc 3.1 per unit) in Q3 FY2017.

Realisation and CoP of TSPL was at INR 3.49 per unit (USc 5.4 per unit) and INR 2.40 per unit (USc 3.7 per unit) respectively based on declared plant availability of 97% in Q3 FY 2018.

For the quarter, revenue was US\$ 267 million, 17% higher y-o-y and 20% higher q-o-q due to higher availability and price realisations. EBITDA was US\$ 92 million, higher 36% y-o-y and 62% q-o-q. Revenue and EBITDA include US\$ 23 million of one-off relating to correction in escalation index retrospectively from October 2014 at BALCO.

Nine months FY2018 vs nine months FY2017

Power sales was lower 16% y-o-y due to temporary coal shortage and a 65 days shutdown of TSPL power plant in Q1 FY2018 due to fire.

Revenue for the period was US\$ 603 million, 1% lower y-o-y and EBITDA was US\$ 166 million, 5% lower driven by lower sales.

Financial Update and Balance Sheet Management

Our financial position remains robust, with total cash and liquid investments of US\$ 6.0 billion and undrawn committed facilities of US\$ 0.6 billion as at 31 December 2017. Gross debt and net debt were at US\$ 15.3 billion and US\$ 9.3 billion, respectively, at 31 December 2017 compared to US\$ 15.1 billion and US\$ 9.0 billion, respectively, as at 30 September 2017. During the quarter, Vedanta Limited's wholly owned subsidiary, Cairn India Holdings Limited acquired AvanStrate Inc. (ASI), a Japanese manufacturer of LCD glass substrate for US\$ 158 million. The increase in debt is primarily on account of the acquisition and consolidation of debt of ASI.

During the nine months ended 31 December 2017, gross debt reduced by c.US\$ 2.9 billion. This includes repayment of US\$ 1.2 billion of temporary borrowing at Zinc India.

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	Q3			Q2		Nine months ended		
	FY 2018	FY 2017	% Change YoY	FY 2018	% Change QoQ	FY 2018	FY2017	% Change YoY
OIL AND GAS								
Average Daily Total Gross Operated Production (boepd) ¹	193,647	191,230	1%	190,389	2%	193,553	201,286	(4)%
Average Daily Gross Operated Production (boepd)	184,133	181,818	1%	180,955	2%	184,086	191,674	(4)%
Rajasthan	157,096	154,272	2%	153,238	3%	156,552	162,957	(4)%
Ravva	16,876	18,172	(7)%	17,266	(2)%	17,498	18,874	(7)%
Cambay	10,161	9,375	8%	10,452	(3)%	10,036	9,843	2%
Average Daily Working Interest Production (boepd)	117,828	115,829	2%	115,332	2%	117,538	122,254	(4)%
Rajasthan	109,967	107,990	2%	107,267	3%	109,586	114,070	(4)%
Ravva	3,797	4,089	(7)%	3,885	(2)%	3,937	4,247	(7)%
Cambay	4,064	3,750	8%	4,181	(3)%	4,015	3,937	2%
Total Oil and Gas (million boe)								
Oil & Gas- Gross	16.94	16.73	1%	16.65	2%	50.62	52.71	(4)%
Oil & Gas-Working Interest	10.84	10.66	2%	10.61	2%	32.32	33.62	(4)%
Zinc India								
Mined metal content	240	276	(13)%	219	10%	693	595	16%
Refined Zinc - Integrated	200	205	(3)%	192	4%	585	457*	28%
Refined Lead - Total ²	46	39	18%	38	20%	118	94	26%
Silver - Total (in mn ounces) ³	4.3	3.8	12%	4.5	(6)%	12.5	10.1	24%
Zinc International	47	33	43%	42	10%	121	115	6%
Zinc -Refined - Skorpion	26	17	50%	23	15%	62	64	(3)%
Mined metal content - BMM	21	15	36%	20	5%	59	51	17%
IRON ORE (in million dry metric tonnes, or as stated)								
Sales	1.8	3.7	(52)%	0.7	-	4.8	7.1	(32)%
Goa	1.0	2.7	(63)%	0.1	-	3.0	5.1	(42)%
Karnataka	0.8	1.0	(20)%	0.6	29%	1.8	2.0	(8)%
Production of Saleable Ore	0.9	2.6	(64)%	1.2	(21)%	5.4	7.3	(26)%
Goa	0.8	2.3	(64)%	0.4	-	3.4	5.2	(35)%
Karnataka	0.1	0.4	(61)%	0.9	(84)%	2.1	2.1	0%
Pig Iron	165	154	7%	137	20%	465	526	(12)%

(In '000 tonnes, except as stated)

Particulars	Q3			Q2		Nine months ended		
	FY 2018	FY 2017	% Change YoY	FY 2018	% Change QoQ	FY2018	FY2017	% Change YoY
COPPER - INDIA								
Copper - Cathodes	101	102	(1)%	106	(5)%	297	300	(1)%
Tuticorin Power Plant Sales (MU)	3	46	(93)%	4	(14)%	36	136	(73)%
COPPER - ZAMBIA								
Mined metal	24	21	12%	25	(2)%	69	79	(13)%
Copper - Total	54	37	43%	54	-	155	130	20%
Integrated	22	21	3%	22	(3)%	65	77	(15)%
Custom	32	16	96%	32	1%	90	53	71%
Aluminum								
Alumina-Lanjigarh	287	328	(12)%	269	7%	859	895	(4)%
Total Aluminum Production	445	319	40%	401	11%	1,198	860	39%
Jharsuguda-I	116	132	(12)%	99	18%	307	393	(22)%
Jharsuguda-II ⁴	187	84	-	157	19%	464	161	-
Korba-I	65	65	-	65	-	194	192	1%
Korba-II ⁵	77	38	-	79	(3)%	233	115	-
Jharsuguda 1800 MW (Surplus Power Sales)	-	-	-	-	-	-	511	-
POWER (in million units)								
Total Power Sales	3,146	3,413	(8)%	2,950	7%	7,933	9,453	(16)%
Jharsuguda 600 MW	111	879	(87)%	93	20%	768	2,376	(68)%
TSPL	2,512	1,792	40%	2,582	(3)%	5,657	4,743	19%
BALCO 600 MW	466	660	(29)%	132	-	1,148	1,817	(37)%
MALCO	-	29	-	-	-	4	144	(97)%
HZL Wind Power	57	53	8%	143	(60)%	356	373	(5)%
TSPL - Availability	97%	77%	-	87%	-	68%	76%	-
Ports - VGCB (in million tonnes)⁶								
Cargo Discharge	1.7	0.6	-	1.1	60%	4.0	3.5	15%
Cargo Dispatches	1.6	0.7	-	1.2	37%	3.9	3.6	8%

* includes custom production of 1kt

1. Including Internal Gas consumption

2. Excluding Captive consumption of 1,786 tonnes in Q3 FY2018 vs 1,731 tonnes in Q3 FY 2017 & 1,634 tonnes in Q2 FY 2018. For 9M, it was 5,376 tonnes as compared with 3,652 tonnes a year ago.

3. Excluding Captive consumption of 9,275 tonnes in Q3 FY2018 vs 8,918 tonnes in Q3 FY 2017 & 8,750 tonnes in Q2 FY 2018. For 9M, it was 28,229 tonnes as compared with 18,745 tonnes a year ago.

4. Including Trial Run production of 18 kt in Q3 FY2018 vs 36 kt in Q3 FY 2017 and 15 kt in Q2 FY2018. For 9M, it was 52 kt as compared with 67 kt a year ago.

5. Including Trial Run production of 56 tonnes in Q3 FY2018 vs 270 tonnes in Q3 FY 2017 and 1000 tonnes in Q2 FY2018. For 9M, it was 16.1 kt as compared to 28 kt a year ago.

6. VGCB refers to Vizag General Cargo Berth

Financial Summary (Unaudited)

(in US\$ million, except as stated)

Group Revenue	Q3			Q2		Nine months ended		
	FY 2018	FY 2017	% Change YoY	FY 2018	% Change YoY	FY 2018	FY2017	% Change YoY
Zinc	1,055	819	29%	941	12%	2,815	1,861	51%
India	905	731	24%	808	12%	2,408	1,604	50%
International	150	87	72%	133	13%	407	257	58%
Oil and Gas	373	319	17%	326	14%	1,052	905	16%
Iron Ore	130	209	(38)%	84	55%	321	427	(25)%
Copper	1,263	975	30%	1,315	(4)%	3,639	2,775	31%
India/ Australia	911	769	18%	970	(6)%	2,664	2,164	23%
Zambia	352	206	71%	346	2%	975	610	60%
Aluminium	1,007	532	89%	811	24%	2,475	1,396	77%
Power	267	227	17%	222	20%	603	611	(1)%
Others	(31)	(13)	-	(21)	49%	(74)	(39)	92%
Total	4,064	3,067	32%	3,679	10%	10,831	7,935	36%

(in US\$ million, except as stated)

Group EBITDA	Q3			Q2		Nine months ended		
	FY 2018	FY 2017	% Change YoY	FY 2018	% Change YoY	FY2018	FY2017	% Change YoY
Zinc	572	436	31%	527	9%	1,516	981	55%
India	502	406	24%	467	8%	1,336	863	55%
International	70	30	-	60	16%	180	118	52%
Oil and Gas	209	158	32%	183	14%	610	432	41%
Iron Ore	32	63	(49)%	(10)	-	29	135	(78)%
Copper	64	68	(6)%	79	(19)%	175	211	(17)%
India/ Australia	46	67	(31)%	58	(21)%	140	193	(28)%
Zambia	18	1	-	21	(16)%	35	18	96%
Aluminium	93	95	(2)%	69	34%	246	197	25%
Power	92	67	36%	57	62%	166	175	(5)%
Others	7	(5)	-	11	(40)%	20	(15)	-
Total	1,068	882	21%	916	17%	2,762	2115	31%

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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 than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.