

Sesa Goa Limited

Results for the First Quarter Ended 30 June 2012

24 July 2012

Goa, 24 July 2012: Sesa Goa Limited (“SGL” or the “Company”) today announced its unaudited consolidated results for the first quarter (“Q1”) ended 30 June 2012.

Unaudited Consolidated Financial Summary

(in ₹ crore, except as stated)

	Quarter ended		% Change
	30- June		
	2012	2011	
Net Sales/Income from operations	1,733	2,109	(18)
Net Profit (PAT) Incl. Associate Income	964	841	15
Earnings Per Share (₹)#			
Basic	11.09	9.67	15
Diluted	11.09	9.67	15

Non annualised

Consolidated Production and Sales Summary (Unaudited)

	UOM	Quarter ended		% Change
		30- June		
		2012	2011	
Sales - Iron ore*	(Mt)	2.9	4.3	(33)
Goa		2.8	3.2	(13)
Karnataka#		0.0	1.1	-
Production - Saleable Ore	(Mt)	3.4	4.4	(23)
Goa		3.4	3.9	(13)
Karnataka		-	0.5	-
Production	(Kt)			
Pig Iron		39	62	(37)
Met Coke		64	64	-
Sales	(Kt)			
Pig Iron		45	58	(22)
Met Coke		53	60	(12)

* Iron Ore sales include internal sales of 0.06 million tonnes in Q1 FY 2013 vs 0.07 million tonnes in Q1 FY 2012

Sold 0.05 million tonnes of iron ore from Karnataka through the court sponsored e-auctions of inventory

Operating Performance

During Q1, iron ore production and sales were 3.4 million tonnes and 2.9 million tonnes respectively. The decrease in production and sales volumes was primarily on account of Karnataka mining ban and continued logistical constraints in Goa. The South Goa District Collector imposed a temporary restriction on transportation of iron ore from mid-June 2012 until mid-September 2012.

In July 2012, the Central Empowered Committee gave its concurrence to Reclamation and Rehabilitation plan for Sesa Goa's mine in Chitradurga, Karnataka for a provisional annual permissible production capacity of 2.29 million tonnes. The approval of commencement of mining from the Supreme Court is awaited.

During Q1, pig iron sales and production volumes were at 44,800 tonnes and 39,248 tonnes, a decline of 22% and 37% respectively, as compared with the corresponding prior quarter. The decline in production and sales volumes is on account of planned relining of the blast furnace and low availability of iron ore from Karnataka.

Expansion of the pig iron capacity to 625 ktpa and the associated expansion of metallurgical coke capacity to 560 ktpa are undergoing commissioning trials.

Western Cluster Project, Liberia

Exploration in Liberia is in full swing with over 15,000 meters of drilling already completed till date. The aeromagnetic survey confirmed the existence of many kilometers of prospective strike which needs to be further confirmed by drilling. The analysis results of initial drill samples are very encouraging. Additional drills are being mobilized and all steps are being taken for first shipment in FY2014. Various surveys are being contracted and mineralogy mapping of first mining area is expected to be available in next quarter for determining scope of 1st phase of the project.

Financial Performance

During Q1, net profit including associate income was at ₹ 964 crores, an increase of 15% as compared to the prior quarter.

Net Profit before associate income for Q1 was at ₹ 199 crores, a decrease of 76% as compared to the corresponding prior quarter. The profit declined due to lower volumes, higher export duty, higher interest cost, foreign exchange losses, and decline in iron ore price, which was partly offset by rupee depreciation.

Scheme of Amalgamation and Arrangement (Sesa-Sterlite Merger)

Further to the approval received from the stock exchanges and the Competition Commission of India; during Q1, SGL received the approval of the Foreign Investment Promotion Board and the shareholder approvals at the Court Convened Meeting held on 19 June 2012.

The Petition for the Schemes have been filed with and admitted by the High Court of Madras and High Court of Bombay at Goa. The Scheme(s) is now subject to the approval of High Court of Madras, High Court of Bombay at Goa and Supreme Court of Mauritius.

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About Sesa

Sesa is India's largest producer and exporter of iron ore in the private sector. The company is a majority owned and controlled subsidiary of Vedanta Resources plc, the London listed FTSE 100 diversified metals and mining major. For more than five decades, Sesa has been involved in iron ore exploration, mining, beneficiation and exports. Sesa has iron ore mining operations in Goa and Karnataka. It has recently acquired 51% stake in Western Cluster Limited, a Liberia based company engaged in developing the Western Cluster Iron Ore Deposits into a large integrated Iron Ore Project. Sesa is also into manufacturing pig iron and metallurgical coke, with a 0.28 mtpa metallurgical coke plant and a 0.25 mtpa pig iron plant in Goa.

Disclaimer

This press release contains "forward-looking statements" - that is, statements related to future, not past, events and may be interpreted as 'forward looking statements' within the meaning of applicable laws and regulations. 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. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the steel, pig iron & met coke industry - global or domestic or both, significant changes in political, economic, business, competitive or regulatory environment in India or key markets abroad and from numerous other matters of national, regional & global scale including but not limited to natural calamity, tax laws, litigations, Government policies & regulations, fluctuations in interest and or exchange rates of Indian Rupee, etc. Any forward-looking information in this press release has been prepared on the basis of a number of assumptions, which may prove to be incorrect. This press release should not be relied upon as a recommendation or forecast by Sesa Goa Ltd. The views expressed herein may contain information derived from publicly available sources that have not been independently verified; no representation or warranty is made as to the accuracy, completeness or reliability of this information. We do not undertake to update our forward-looking statements.