

## Sesa Goa Limited

### Unaudited Consolidated Results for the First Quarter Ended 30 June 2010

19 July 2010

#### Highlights

- Strong operating performance – produced and sold 6.4 million tonnes and 5.4 million tonnes of iron ore respectively.
- Sesa Goa received the “**Best Performer**” award in the Metals & Mining category at the FE-EVI Green Business Leadership Awards 2009-10.
- Strong balance sheet with cash and cash equivalents of Rs. 8,054 crores

**Goa, 19 July 2010:** Sesa Goa Limited (“SGL” or the “Company”) today announced its unaudited consolidated results for the first quarter (“Q1”) ended 30 June 2010. Consolidated revenues and profit after tax were Rs 2,413.08 crores and Rs 1,304.50 crores respectively for Q1.

#### Unaudited Consolidated Financial Summary

*(in Rs. crore, except as stated)*

	Quarter Ended 30 June#		Change
	2010	2009	
Net Sales/Income from operations	2,413.08	1,011.52	139%
Cash Profit (PBDT)	1,606.83	526.22	205%
Net Profit (PAT)	1,304.50	424.10	208%
Earnings Per Share (Rs.) *			
Basic	15.17	5.36	183%
Diluted	15.17	5.36	183%
<b>Sales</b>			
Iron Ore (million tonnes)	5.442	4.736	15%
Pig Iron ('000 tonnes)	54	71	(24%)

\* Non annualized

# Figures for Q1 FY2011 include attributable data (post acquisition) in respect of VS Dempo and therefore are not directly comparable with the prior quarter.

#### Operating Performance

During Q1, the Company produced and sold 6.4 million tonnes and 5.4 million tonnes of iron ore, an increase of 36% and 15% respectively as compared with the corresponding prior quarter. The increase in production was on account of contribution from Dempo’s operations (which contributed 1.3 million tonnes in production and 1.2 million tonnes in sales). Sales volumes were negatively affected by forest permit related issues in Karnataka and logistics constraints in Orissa.

During the quarter, Government of India raised export duty on iron ore lumps from 10% to 15% while keeping the duty on iron ore fines unchanged at 5%.

During the quarter, Pig iron production was at 70,000 tonnes and sales volumes decreased by 24% to 54,000 tonnes compared with the corresponding prior quarter, due to lower demand from foundries. However, demand has picked up since the end of the quarter and the Company has since booked an export order to reduce inventory in Q2.

### **Financial Performance**

Cash Profit (PBDT) for Q1 was Rs 1,606.83 crores, an increase of 205% as compared with the corresponding prior quarter. The positive impact of increased iron ore spot prices in Q1 and the higher sales volumes was partly offset by the increase in export levies, railway freight and royalty rates.

### **Liquidity and Investment**

As at 30 June 2010, the Company had cash and cash equivalents of Rs. 8,054 crores (excluding inter corporate deposit of Rs 1,000 crores), consisting Rs. 6,495 crores in debt mutual funds and Rs. 1,559 crores in fixed deposits and cash with banks. The Company follows a conservative investment policy and invests in high quality debt instruments. All mutual fund investments are based on advice from CRISIL.

### **Pig Iron Capacity Expansion**

Expansion of the pig iron plant capacity to 625 ktpa and the associated expansion of the metallurgical coke plant capacity to 560 ktpa along with a new sinter plant and power plant of 30 MW are progressing well, for scheduled commissioning by Q1 FY2012.

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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 over five decades, Sesa has been involved in iron ore mining, beneficiation and exports. Over the last two decades, it has diversified into the manufacture of pig iron and metallurgical coke. Sesa has mining operations in Goa, Karnataka and Orissa while it also operates a 280,000 TPY metallurgical coke plant and a 250,000 TPY pig iron plant in Goa. The Company acquired the shares of V.S. Dempo & Co. Pvt. Ltd, which in turn holds 100% equity shares of Dempo Mining Corp. Pvt. Ltd. during FY '10.

### **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

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