



## Sesa Goa Limited

### Unaudited Results for the Second Quarter and Six Months Ended 30 September 2009

**Goa, 20 October 2009:** Sesa Goa Limited (“SGL” or the “Company”) today announced its unaudited consolidated results for the second quarter (“Q2”) and six months (“H1”) ended 30 September 2009. Consolidated revenues and net profit for Q2 were Rs. 538.72 crore and Rs. 169.44 crore respectively.

#### Unaudited Consolidated Financial Summary

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

	Quarter ended 30 September <sup>#</sup>			Six months ended 30 September <sup>#</sup>		
	2009	2008	Change	2009	2008	Change
Net Sales/Income from operations	538.72	875.67	(38%)	1,550.24	2,155.71	(28%)
Cash Profit (PBDT)	240.01	465.93	(48%)	766.23	1,332.07	(42%)
Net Profit (PAT)	169.44	339.80	(50%)	593.54	975.84	(39%)
Earnings Per Share (Rs.) *	2.05	4.28	(52%)	7.27	12.31	(41%)
<b>Sales</b>						
Iron Ore (million tonnes)	1.619	1.389	17%	6.354	4.639	37%
Pig Iron ('000 tonnes)	67	61	10%	138	117	18%

\* Non annualized basic and diluted

# Figures for Q2 and H1 for 2009-10 include attributable data (post acquisition) in respect of VS Dempo and therefore are not directly comparable with the prior period.

Iron ore sales, during Q2 and H1, were at 1.619 million tonnes and 6.354 million tonnes, an increase of 17% and 37% respectively, compared with the corresponding prior periods. Production and sales in this period are normally impacted by the seasonal monsoon. The positive impact of higher volumes was offset by the decline in iron ore sales realisations on account of depressed international market conditions and higher royalty costs.

During the quarter, the Government of India changed the basis of royalty-charges on iron ore to ad-valorem (10%) basis from specific duty being levied earlier. This change in duty is effective from 13 August 2009.

During Q2 and H1, Pig iron sales volumes increased by 10% and 18% to 67,000 tonnes, and 138,000 tonnes respectively as compared with the corresponding prior periods. The profitability during Q2 was, however, adversely impacted on account of lower sales realisations of pig iron and metallurgical coke, which was partly off-set by lower input costs.

During the quarter, the Company announced an expansion project to increase the capacity of Pig Iron plant from 0.25mtpa to 0.625mtpa, along with expansion of the metallurgical coke plant and a sinter plant. The company will also set up a new waste heat recovery power plant as a part of this expansion programme. The total investment in these projects is estimated at

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Rs. 605 crore (equivalent to US\$125 million). The investment will be funded through a combination of debt and internal accruals. The project is expected to be completed by Q2 FY12.

During the quarter, the Company raised US\$500 million through foreign currency convertible bonds. Proceeds from the offering will be used to expand the Company's mining operations, for exploration for new resources, and to further develop its pig iron and metallurgical coke operations. Use of proceeds will be in accordance with end-use restrictions specified in the External Commercial Borrowing regulations issued by the Reserve Bank of India.

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#### **About Sesa**

Sesa is India's largest 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 recently acquired the shares of V.S. Dempo & Co. Pvt. Ltd, which in turn holds 100% equity shares of Dempo Mining Corp. Pvt. Ltd.

#### **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.