

Sesa Goa Limited

Unaudited Consolidated Results for the Third Quarter and Nine Months Ended 31 December 2009

Highlights

- Strong operating performance - record iron ore production and sales
- Strong financial performance - Revenues and net profit up by 39% and 76% respectively
- Strong balance sheet with cash and cash equivalents of Rs 5,505 crore
- Sesa Industries awarded the National Award for Excellence in Water Management 2009 by CII-Sohrabji Godrej Green Business Centre

Goa, 18 January 2010: Sesa Goa Limited ("SGL" or the "Company") today announced its unaudited consolidated results for the third quarter ("Q3") and nine months ended ("nine months period") 31 December 2009.

Unaudited Consolidated Financial Summary

(in Rs. crore, except as stated)

	Quarter ended 31 December [#]			Nine months ended 31 December [#]		
	2009	2008	Change	2009	2008	Change
Net Sales/Income from operations	1,889	1,360	39%	3,439	3,516	(2%)
Cash Profit (PBDT)	1,143	620	84%	1,910	1,953	(2%)
Net Profit (PAT)	830	471	76%	1,424	1,446	(2%)
Earnings Per Share (Rs.) *						
Basic	10.21	5.98	71%	17.48	18.30	(4%)
Diluted	9.46	5.98	58%	16.47	18.30	(10%)
Sales						
Iron Ore (million tonnes)	6.792	5.438	25%	13.146	10.077	30%
Pig Iron ('000 tonnes)	71	36	97%	209	153	37%

* Non annualized basic and diluted

Figures for Q3 and nine months period for FY2010 include attributable data (post acquisition) in respect of VS Dempo and therefore are not directly comparable with the prior period.

Operating Performance

Saleable iron ore production, during Q3 and the nine months period was 5.562 million tonnes and 13.600 million tonnes, an increase of 56% and 30% respectively compared with the corresponding prior periods. The increase in production was primarily on account of the additional volumes from Dempo's mining operations and the improved production from Sesa's existing mines.

Iron ore sales, during Q3 and nine months period, were 6.792 million tonnes and 13.146 million tonnes, an increase of 25% and 30% respectively compared with the corresponding prior periods.

Financial Performance

Cash Profit (PBDT) for Q3 was Rs 1,143 crore, an increase of 84% compared with the corresponding prior quarter. The positive impact of higher volumes and improved realisations, on profitability, was partly offset by the increase in royalty rates.

Liquidity and Investment

As at 31 December 2009, the Company had cash and cash equivalents of Rs. 5,505 crore, this includes Rs. 3,100 crore in debt mutual funds and Rs. 2,405 crores in fixed deposits/cash with banks. The Company follows conservative investment policy and invests in high quality debt instruments. All mutual fund investments are based on advice from CRISIL.

Outcome of EGM

In Q3, the Company raised US\$500 million through foreign currency convertible bonds (FCCB). 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 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 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.