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Sesa Goa Limited

Unaudited Consolidated Results for the Third Quarter and Nine Months Ended 31 December 2011

25 January 2012

Highlights for the Quarter

- **Financial Performance**
  - PBDT at ₹ 852 crore
  - PAT (Incl. income from associate) at ₹ 692 crore
  - EPS at ₹ 7.96
  - Acquired additional 1.5% of Cairn India, taking total holding to 20%.
  - Agreed to acquire 100% equity stake in Goa Energy Private Limited ("GEPL") which owns a 30 MW waste heat recovery power plant in Goa
- **Interim Dividend**
  - Interim dividend of ₹ 2.0 per share of ₹ 1 each.
- **Awards**
  - Ranked Amongst the *"Top Ten Leaders"* for CDLI (Carbon Disclosure Leadership Index) in the CDP 2011, India 200 Report.
  - Received "*Silver Certificate of Merit at India Manufacturing Excellence Awards (IMEA) 2011*" presented by ET in partnership with Frost & Sullivan to Pig Iron & Met Coke Divisions.

Goa, 25 January 2012: Sesa Goa Limited ("SGL" or the "Company") today announced its unaudited consolidated results for the third quarter ("Q3") and nine months ("nine months period") ended 31 December 2011.

Unaudited Consolidated Financial Summary

(in ₹ crore, except as stated)

	Quarter ended 31-Dec			Nine months ended 31-Dec		
	2011	2010	*Change*	**2011**	2010	*Change*
Net Sales/Income from operations	**2617**	2,250	*16%*	**5,516**	5,581	*(1%)*
Cash Profit (PBDT)	**852**	1,346	*(37%)*	**2,126**	3,379	*(37%)*
Net Profit (PAT)*	**570**	1,065	*(46%)*	**1,411**	2,752	*(49%)*
Net Profit (PAT) Incl. Associate Income**	**692**	1,065	*(35%)*	**1,533**	2,752	*(44%)*
Earnings Per Share (₹.)#						
Basic	**7.96**	12.41	*(36%)*	**17.64**	32.07	*(45%)*
Diluted	**7.96**	12.18	*(35%)*	**17.64**	32.06	*(45%)*
Sales						
Iron Ore (million tonnes)	**5.04**	4.78	*5%*	**10.83**	11.49	*(6%)*
Pig Iron ('000 tonnes)	**68**	63	*8%*	**191**	201	*(5%)*

- *#Non annualised*
- **Excluding attributable profit from associate.*
- ***Associate Income from Cairn India Limited of ₹122 crores has been taken from December 08, 2011.*
- *Iron ore sales is inclusive of captive consumption in Pig Iron Division (0.06 million tonnes in Q3 as compared to 0.11 million tonnes in the corresponding prior quarter)*

Operating Performance

During Q3, iron ore sales were 5.04 mt compared with 4.78 mt (4.36 mt excluding Orissa) in the corresponding prior quarter. During nine months period, sales were 10.83 mt compared with 11.49 mt (10.02 mt excluding Orissa) in the corresponding prior period.

At Karnataka, we sold 0.64 mt of iron ore in Q3 via e-auctions, and 2.45 mt of iron ore for the nine months period, as compared with 0.63 mt and 1.57 mt in the corresponding prior periods. At Goa, we sold 4.40 mt of iron ore in Q3, and 8.38 mt of iron ore in the nine months period, as compared with 3.74 mt and 8.44 mt in the corresponding prior periods.

During Q3, iron ore production was 3.33 mt compared with 4.70 mt (4.29 mt excluding Orissa) in the corresponding prior quarter. During nine months period, production was 8.84 mt as compared with 13.31 mt (11.90 mt excluding Orissa) in the corresponding prior period. The decline is mainly on account of the ban on mining operations in Karnataka and planned reduction in inventories. The ban was imposed by the Hon'ble Supreme Court of India on 26 August 2011 and continues to be in force.

During Q3, pig iron production was at 64,108 tonnes a marginal decline of 6% and sales volumes were at 68,020 tonnes, an increase of 8% as compared with the corresponding prior quarter. Production and sales volumes of pig iron during nine months period was at 189,615 tonnes and 190,710 tonnes. The production & sales volumes were affected on account of low availability of iron ore from Karnataka and decline in the demand from foundries.

Financial Performance

Cash Profit (PBDT) for Q3 and nine months period were ₹ 852 crores and ₹ 2,126 crores, a decline of 37% on both periods compared with the corresponding prior periods. The profit was impacted on account of higher export duty, lower income from investments; higher interest cost, and mark to market loss on foreign currency borrowings.

During Q3, Sesa Goa Limited acquired 24,307,241 equity shares of Cairn India Limited ("CIL") and 4,500,000 equity shares of CIL were acquired by its subsidiary Sesa Resources Limited aggregating to approximately 1.5% of total paid up share capital of CIL from Cairn UK Holding Limited at an average price of ₹ 325 per share on the open market.

With this acquisition Sesa Goa Limited along with its subsidiary, Sesa Resources Limited holds 20% of the share capital of CIL effective 08 December 2011, and has accounted for CIL as an associate effective from this date.

Goa Energy Private Limited ("GEPL")

During the quarter, Sesa Goa Limited and Videocon Industries Limited along with other Shareholders of GEPL have signed a definitive Share Purchase Agreement under which Sesa has agreed to acquire 100% of the outstanding common shares of GEPL for a cash consideration of ₹ 53.72 crores on a cash free basis, including net working capital of ₹ 2.75 crores and taking over an existing debt of ₹ 47.28 crores.

GEPL owns and operates a 30 MW waste heat recovery power plant in Goa which utilizes the Waste heat and gases from SGL's Coke making and Pig Iron facilities.

Interim Dividend

Board of Directors has recommended an interim dividend of 200% i.e. ₹ 2.0 per share on equity share of ₹ 1.00 each. The record date for the payment of interim dividend is 02 February 2012.

Liquidity and Investment

As at 31 December 2011, the Company had a total debt of ₹ 4,381 crores with cash and cash equivalents of ₹ 451 crores consisting of ₹ 442 crores in debt mutual funds and ₹ 9 crores in fixed deposits and cash with banks.

Expansion Progress

Expansion of the pig iron capacity to 625 ktpa and the associated expansion of metallurgical coke capacity to 560 ktpa are nearing completion for commissioning in current quarter, marginally behind expected timelines on account of construction delays.

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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.