
Vedanta H1 net down by 46pct

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Vedanta Resources Plc announced that the company's net profit for the half year ended September dipped 46.2% due to weak metal prices. It reported a net profit of USD 188.2 million against USD 350 million in the corresponding period last year.

The company's revenues during the period stood at USD 2978.6 million down by 25% as compared to USD 3,973.2 million in the first half of FY09. It, however, anticipates recovery in metal prices in the next few months on the back of demand generated by economic and industrial growth in India.

Vedanta's operating profit for the six months ended dipped 51.7% to USD 490.2 million. Its net debt at end of September was USD 969 million with the group cash position, including liquid investments at USD 6.0 billion. Vedanta has raised USD 3.35 billion during the 2010 financial year so far by issuing equity and convertible bonds to support its growth initiatives.

Mr Anil Agarwal chairman of Vedanta in a statement said that "Our financial results in the first half demonstrate the resilience of our business in very challenging market conditions. Our low cost, diversified operations generated solid returns and cash flows in a period of lower commodity prices."

Vedanta had last month announced its Q2 production figures, with growth in iron ore production by 27% at 3.3 million tonnes and aluminum production by 13% at 120,000 metric tonnes. The company's refined zinc production rose 15.6% to 1,41,000 tonnes due to improved smelter performance during the quarter ended September, while saleable iron ore output gained 27%.

Vedanta said that "The second quarter production broadly met our expectations. Our zinc, copper and aluminum operations in India operated at their rated capacity, while our iron ore business performed well considering the seasonal monsoons."

(Sourced from financialexpress.com)

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