
Vedanta EBITDA rises to record USD 3.01 billion

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Vedanta Resources Plc has reported an 11% YoY rise in full year EBITDA, beating market expectations, boosted by higher production from its key divisions and the contribution from its new iron ore business. EBITDA rose to a record USD 3.01 billion in 2007-08 from USD 2.70 billion in 2006-07, exceeding the USD 2.81 billion consensus of 10 analysts. Sales grew by 26% YoY to a record USD 8.2 billion.

However, EBITDA from its non iron ore businesses was lower by USD 278.2 million, mainly due to the 11% appreciation of the Indian rupee against the US dollar, lower zinc prices and lower tolling and refining charge realizations. It also had a USD 134.2 million hedging loss but said it has no strategic hedges in the current year.

Mr Kuldip Kaura CEO of Vedanta Resources said he expects a significant increase in production growth across all metals in the current year and anticipates costs declining even amid industry wide inflationary pressures. He added that "The next year financial year will be a step change in production as we move towards out 1 million tonne target. Almost all of the company's projects are on track to meet that target."

Mr Anil Agarwal chairman of Vedanta Resource said that "The abundance of bauxite and coal in India, combined with our proven track record in project delivery, presents an exciting growth opportunity."

Vedanta said that it anticipates a positive resolution soon regarding the acquisition of the Indian government's stakes in BALCO and Hindustan Zinc. It is also hopeful of a positive early resolution concerning environmental clearances for the bauxite mines at the Lanjigarh alumina refinery.

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