vedanta

Sterlite Industries

Sesa Sterlite: A Global Natural Resource Major

FEBRUARY 2013

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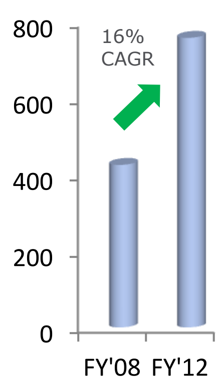
Sesa Sterlite – Investment Highlights

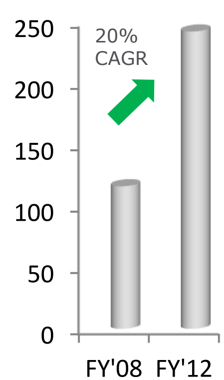
- One of the world's largest diversified natural resource majors
  - Operations across Base Metals, Iron Ore, Silver, Oil & Gas and Commercial Power
- Portfolio of scalable tier-1 assets generating strong and consistent profitability
  - EBITDA margin[1] of 50% (9M FY2013)
- Strong and liquid balance sheet
- Industry-leading production growth driven by substantially invested projects
- Sesa Goa-Sterlite merger on track for completion

Production growth

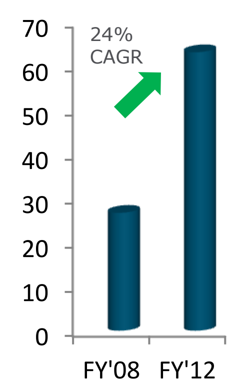
Zinc[2] (Kt)



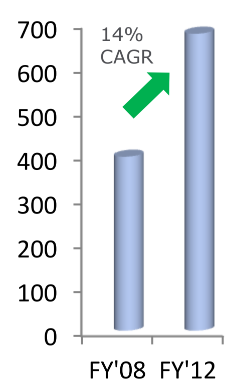
Silver ('000 Kgs)



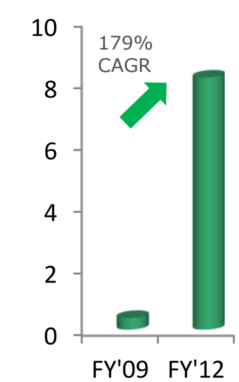
Oil & Gas (mboe)



Aluminium (Kt)



Power (bn units)



Notes: 1. Excludes custom smelting at Copper and Zinc-India operations, which represents c.3% of Group EBITDA
2. At Zinc India

Tier-1 Diversified Asset Portfolio

Zinc-Lead-Silver

- ☑ Largest integrated zinc-lead producer globally, major silver producer
- ☑ Assets in India, Namibia, South Africa and Ireland
- ☑ Gamsberg - one of the largest undeveloped zinc deposits

Oil & Gas

- ☑ India's largest private-sector crude oil producer - Produces c.25% of India's domestic crude
- ☑ Rajasthan block basin potential of 300kbopd[1]
- ☑ Exploration in various blocks – India, Sri Lanka and South Africa

Iron Ore

- ☑ Largest Indian iron ore producer-exporter
- ☑ Developing large deposits in Liberia (>1bn tonnes R&R)

Copper

- ☑ Largest single location custom smelter
- ☑ One of the most efficient custom smelter globally

Aluminium

- ☑ Largest integrated aluminum producer in India
- ☑ Strategically located large-scale, integrated assets
- ☑ Costs in lower half of cost curve, even without captive bauxite

Power

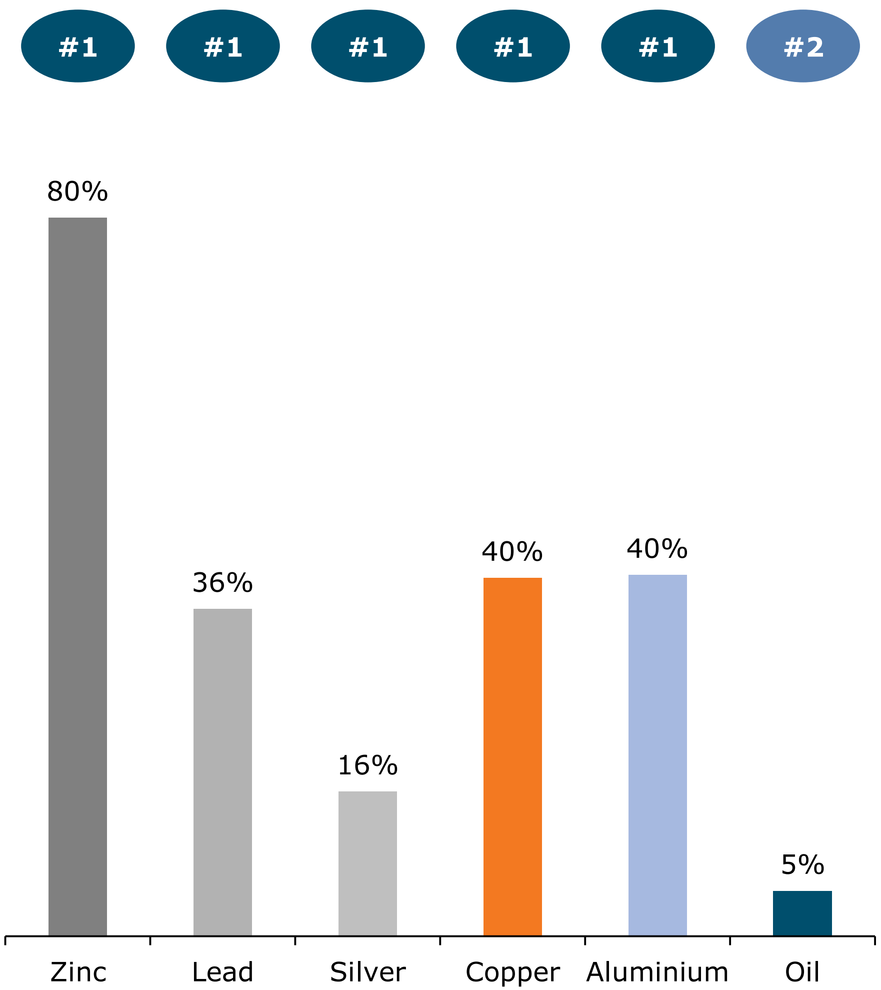
- ☑ One of the largest commercial power producers in India
- ☑ Expanding from 4.8 GW to 8.6 GW (3.9 GW commercial)[1]

Note: 1. Subject to approvals

Sesa Sterlite - Delivering for India

- Contributing to India's energy security
  - c.25% of India's domestic crude oil production
- One of the largest contributors to the Indian exchequer
  - Contribution of c. INR 14,300 Crore ($2.6bn) in H1 FY2013
- Raised c. INR 62,500 Crore ($12.5bn) capital overseas for investment in India
- Environmental and social responsibility
  - Green energy: 274 MW wind power capacity (INR 1,500 Crore invested)
  - Educational, healthcare and community programmes covering 3mn people across 1006 villages[1]

Strong Market Positioning in India



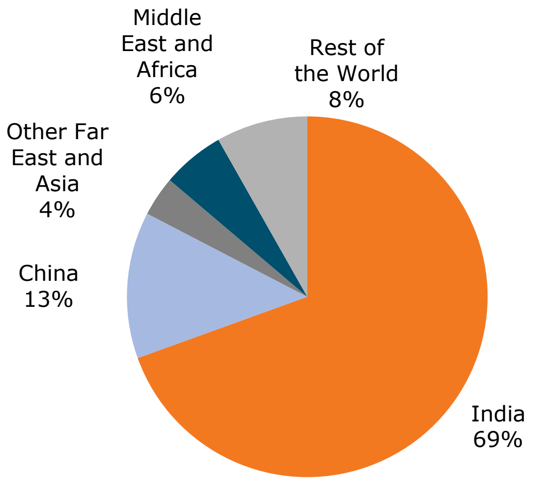
Notes: Represents H1 FY2013 market share. Rank excludes imports. Oil & Gas production numbers considered instead of sales.

Source: Indian Ministry of Petroleum and Natural Gas, IBIS, company sources

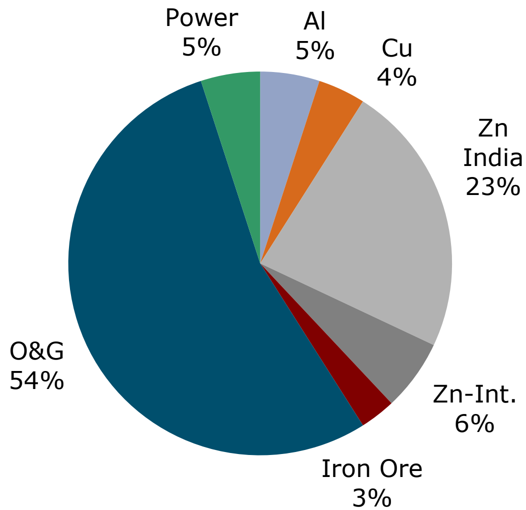
Note: 1. Excludes Cairn India

Diversified Portfolio driving Strong Profitability

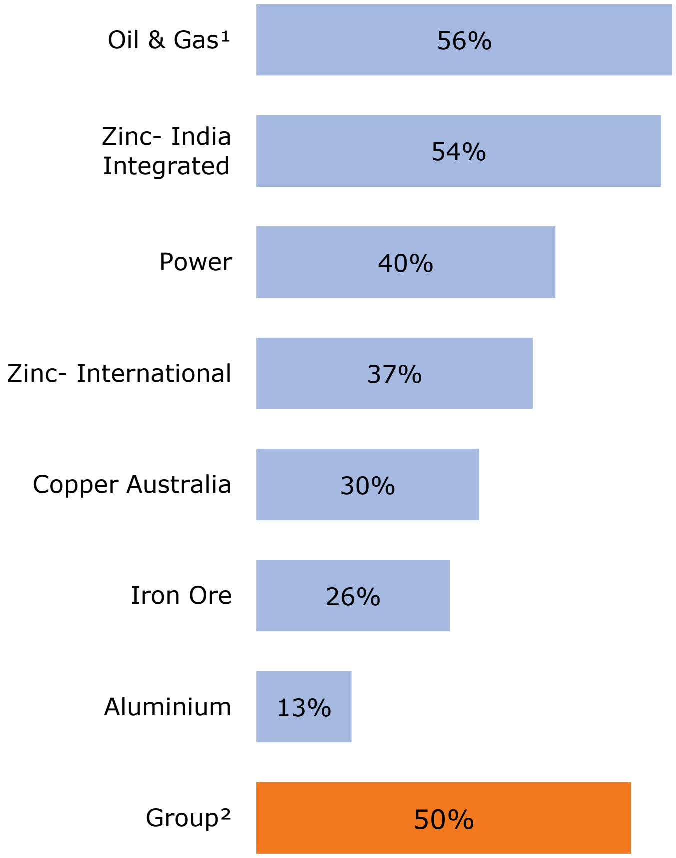
Revenue by Geography
H1 FY2013



Share of EBITDA
9M FY2013



EBITDA Margins by Segment
9M FY2013

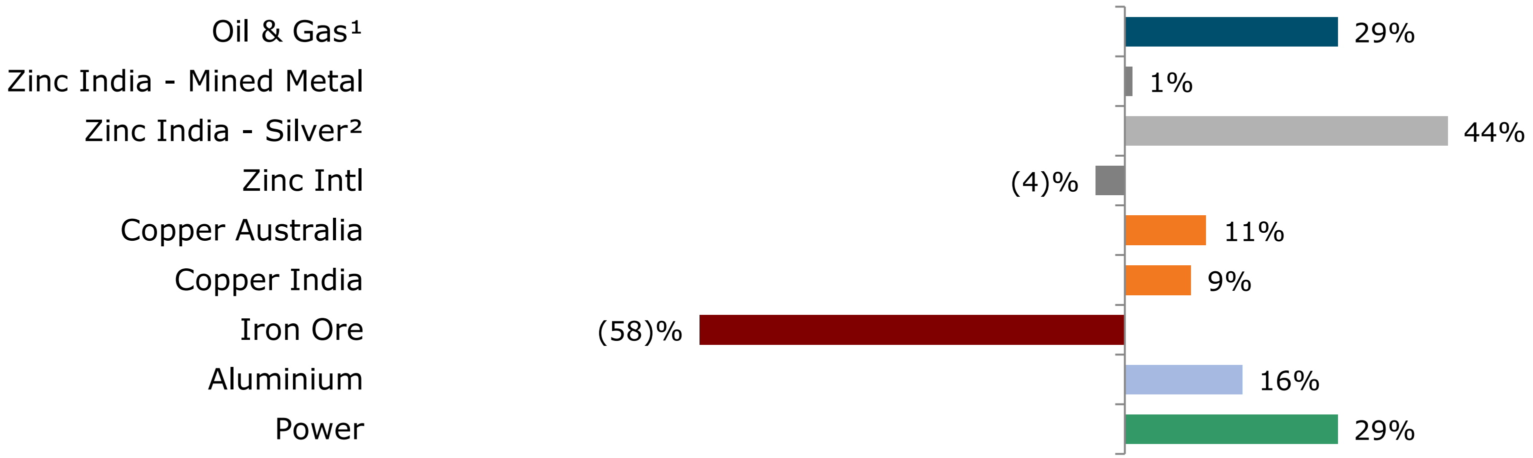


EBITDA: $3.5 bn

Notes: 1. Oil & Gas EBITDA margins have been calculated after adding back Rajasthan royalties and profit sharing with government to revenues. EBITDA margin based on reported revenues was 77%
2. Excludes custom smelting at Copper and Zinc-India operations, which represents c.3% of Group EBITDA

9M FY2013 Operational Performance

Production (% change YoY)



Dollar Unit Costs (% change YoY)

Delivering significant production growth and cost reduction across the portfolio

Notes: 1. Working Interest
2. Integrated silver production

Oil & Gas

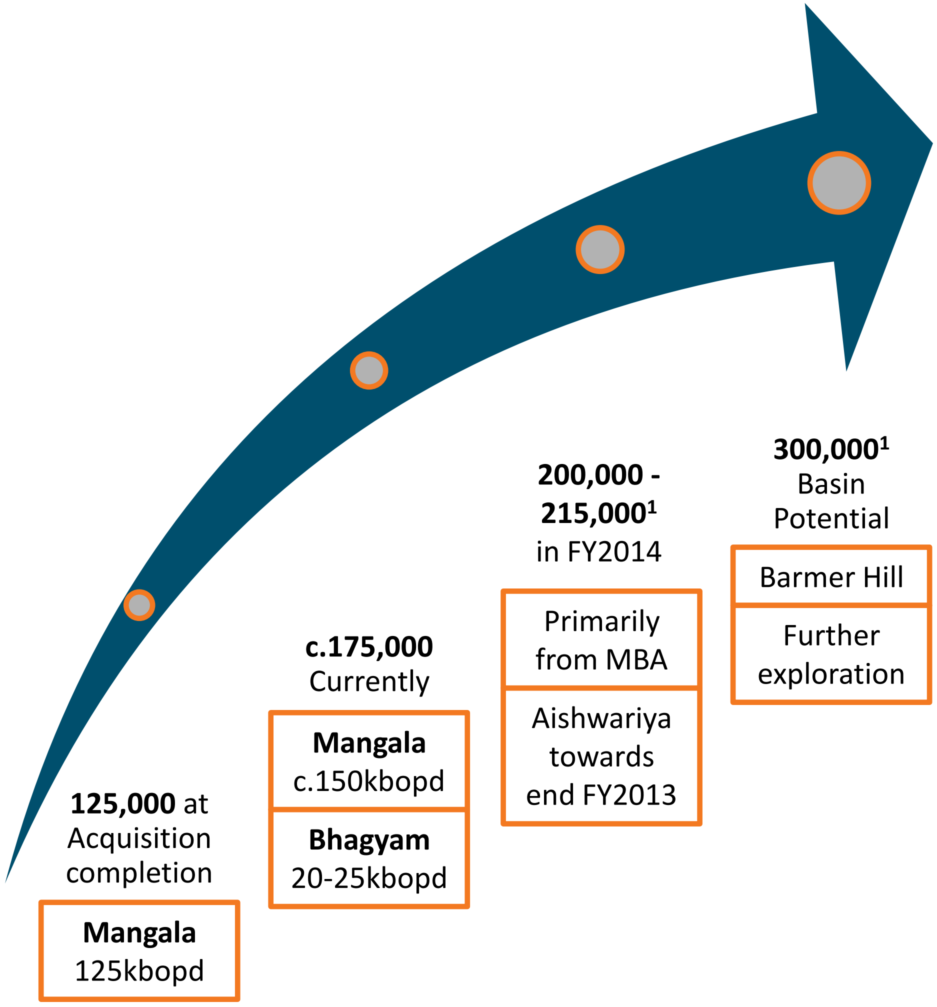
Achieved

- Rajasthan block producing at c.175kbopd
- Potential resource estimated at 7.3 bn boe gross in-place
- Exploration success ratio c.50%
  - Exploration success at Sri Lanka, KG Basin
- FY2012 R&R replacement ratio of 175%
- 9M FY2013 EBITDA - $1,859mn

Focus

- Rajasthan Block – 300 kbopd basin potential[1]
  - Exploration approval obtained – target to drill first well by end FY2013
  - Development - Bhagyam, Aishwariya; EOR pilot
- Exploration – 10 blocks in diverse basins
  - Exploration Drilling planned in Sri Lanka, KG-ONN-2003/1, Ravva
- South Africa JV2 : c. 20,000 sq km acreage, 60% stake as operator, completed 3D seismic data acquisition tendering

Rajasthan Gross Production (bopd)



Notes. 1. Subject to approvals
2. Closure of transaction is subject to South African regulatory approvals

Zinc India

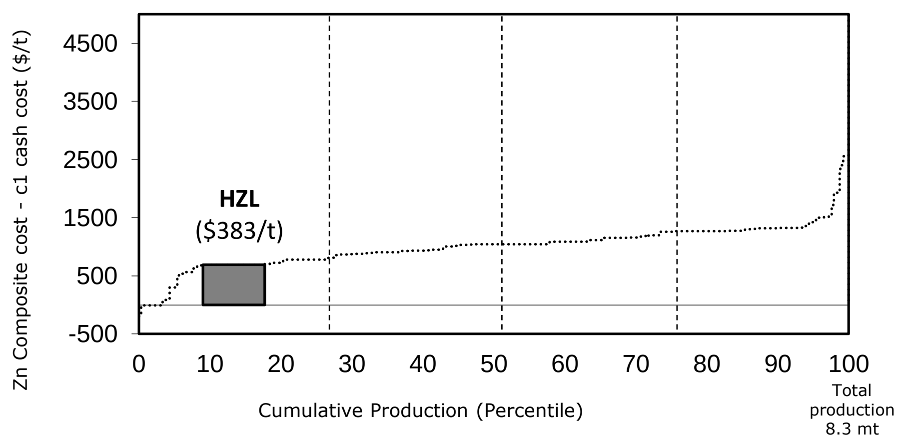
Achieved

- Organic growth: 1mtpa zinc-lead, 16moz silver capacity
- Sustained lowest quartile cost position
- 25+year mine life with 10%+ grades
- 9M FY2013 EBITDA - $778mn

Focus

- Announced next phase of mining growth to 1.2mtpa zinc-lead progressively by FY2019
- Operational efficiency and capacity utilization
  - Significant near term upside in silver and lead
- Continue to add more R&R than depletion at existing mines
- Additionally, large-scale exploration across India covering over 20,000 sq km

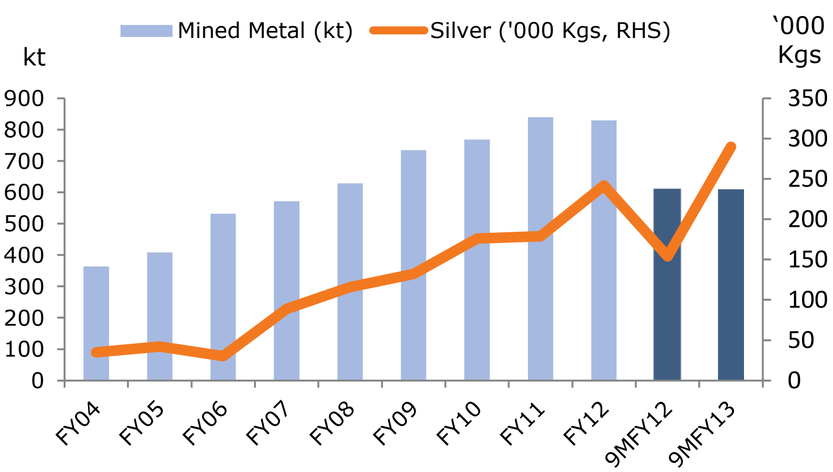
Refined Zinc – Lowest Quartile Cost Position



Source: Wood-Mackenzie for Zinc C1 cost curve of Q4 CY2012

1 Zinc India 9M FY2013 COP of $383/t has been calculated considering credit for lead and silver

Operating Performance



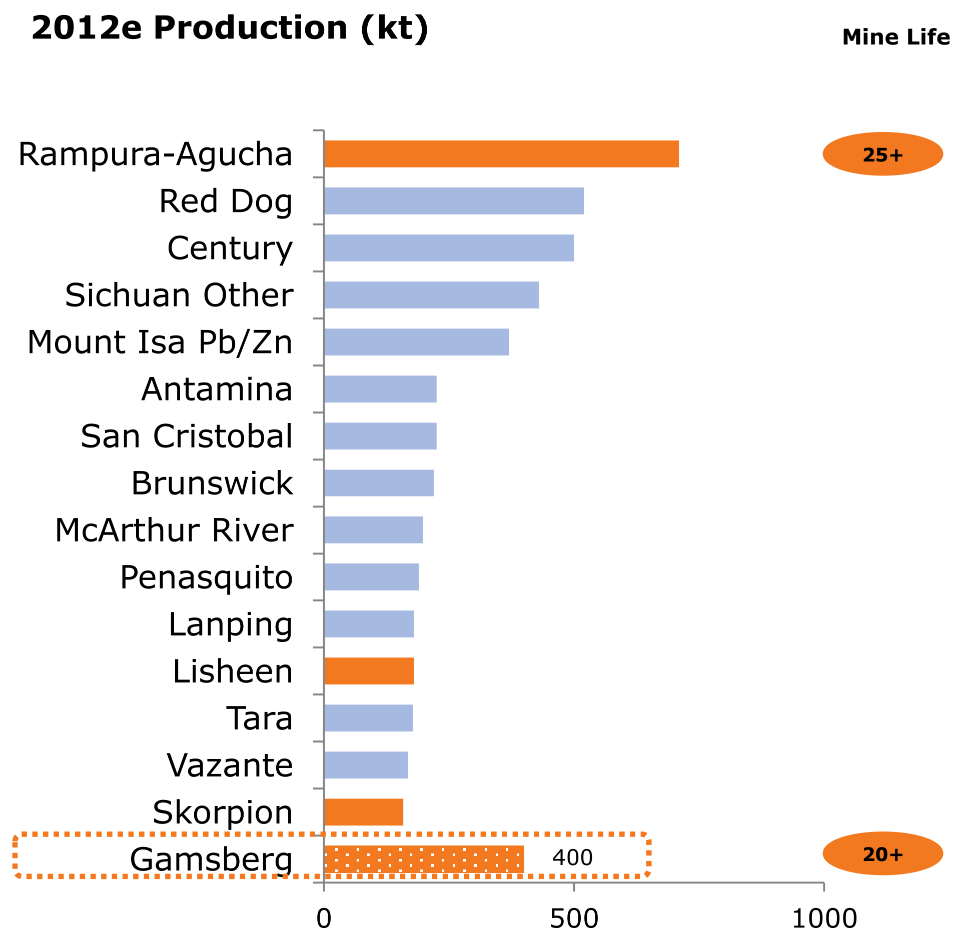
Zinc International

Achieved

- Business acquired in FY2011, stable operating performance
- R&R: Mine life extended at all three assets
- 9M FY2013 EBITDA - $214mn

Focus

- Further mine life extension at existing operations
- Gamsberg project (186mt)
  - 20 year mine life at 400ktpa zinc production
  - Feasibility study underway



Source: Wood-Mackenzie

Iron Ore

Achieved

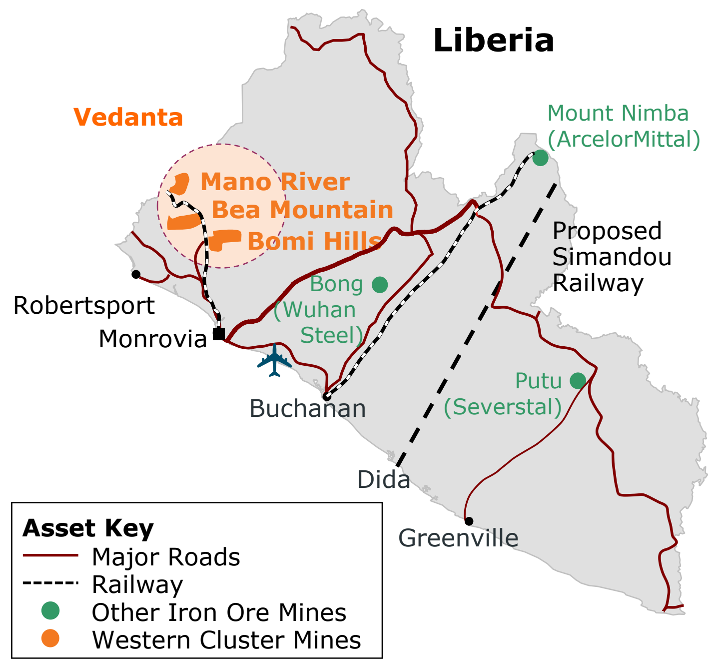
- **India**
  - 374mt total R&R, 68mt net addition in FY2012
  - Significant expansion since acquisition in FY2007
  - Sustained lowest quartile cost position
  - Pig Iron & Met Coke Plant expansions completed in FY2013 along with associated 30 MW Power Plant & Sinter Plant
- 9M FY2013 EBITDA - $101mn
- **Liberia**
  - 48,000 meters exploratory drilling completed
  - c.3x upside to earlier 1bn tonnes R&R est.
  - Potential for ramp-up to 27mtpa

Focus

- Goa and Karnataka – regulatory reviews underway to allow mining to resume
- Provisional capacity of 2.29 mtpa approved for Karnataka
- Liberia - First shipment in FY2014

Vedanta Liberia Iron Ore

Asset	Type
Mano River	Brownfield
Bea Mountain	Greenfield
Bomi Hills	Brownfield



Aluminium

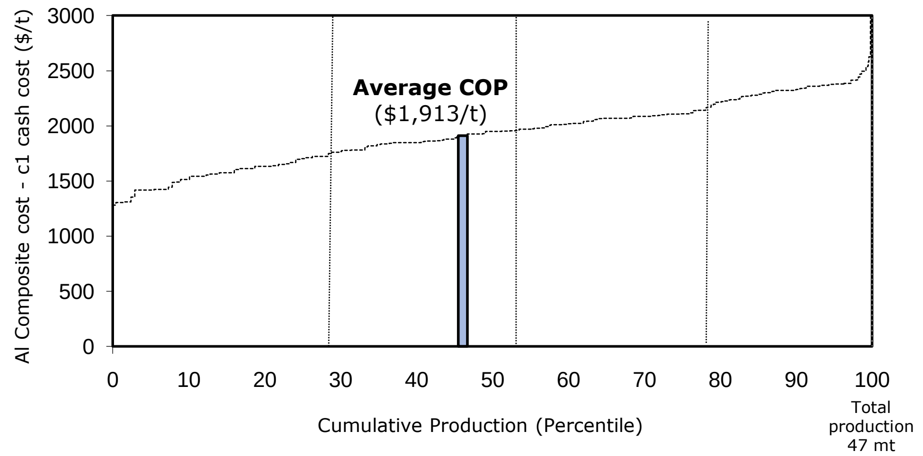
Achieved

- 2nd quartile cost position without captive bauxite for last 4 quarters
  - Smelters operating above rated capacity
  - Improving trend in power consumption
  - VAL achieved best operational efficiency in Q3
- 9M FY2013 EBITDA - $175mn ($300+ per tonne)
  - 63% of metal converted into value added products during Q3
  - Increase in premiums supporting realization
- Well invested plants with world-class technology, captive power and infrastructure at benchmark project costs

Focus

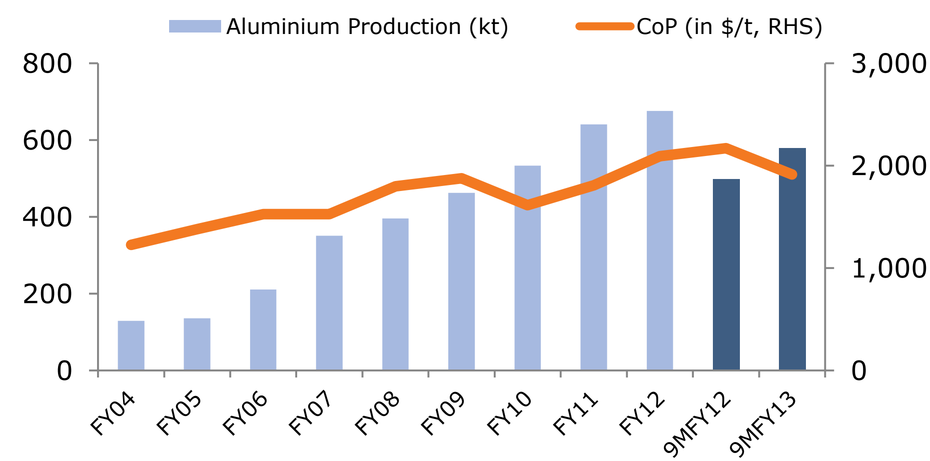
- Committed to an integrated aluminium strategy - working with government on bauxite allocation
- First metal tapping at 325 ktpa BALCO smelter in Q1 FY2014 - To initially draw power from existing 810 MW power plants

Aluminium - Lower Half Cost Position



Source: *Wood-Mackenzie for Q4 2012 Aluminium C1 cost curve, Aluminium COP shown is weighted average of Balco and VAL reported costs for 9M FY2013*

Operating Performance



Power

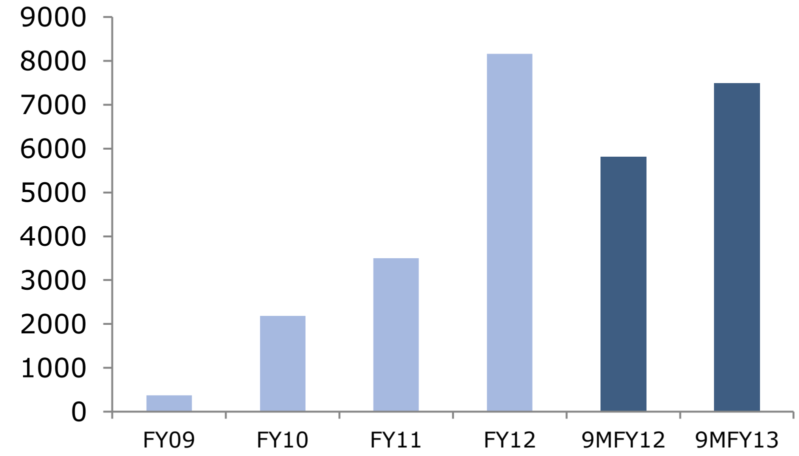
Achieved

- Sales growth driven by 2,400MW Jharsuguda power plant ramp-up
  - Three 600MW units operating, 4th unit under trial run
  - Strong cost performance: Cost of generation trend reflects benefits of plant stabilisation and improving coal scenario
- 9M FY2013 EBITDA - $164mn

Focus

- Jharsuguda PLF constrained by transmission
  - Working with transmission authorities to overcome restriction
  - Additional shared 1,000MW transmission line to improve PLF
- 211mt BALCO coal block received Stage-II forest clearance- expect to commence mining in Q1 FY2014
- 1,980MW Talwandi Sabo plant: 1st 660 MW unit on track for synchronisation by Q2 FY2014
- Commence BALCO 1,200MW power plant[1]

Power Generation (in million units)



Notes. 1. Subject to approval

Sustainability – Integral to our Business

- **Health and Safety**
  - Focus on safety culture to eliminate fatalities due to low-probability high-impact events
- **Climate Change**
  - Adopt and maintain global best practices on carbon and energy management and to minimise greenhouse gas emissions throughout our operations
- **Sustainability Framework**
  - New Sustainability framework rolled out
- **Communities**
  - 3 million people benefited through community development programmes in collaboration with NGOs and government administration
  - Focus: Health and Nutrition, Education, Women Empowerment, Water & Sanitation, and Sustainable Livelihood

Key Strategic Priorities

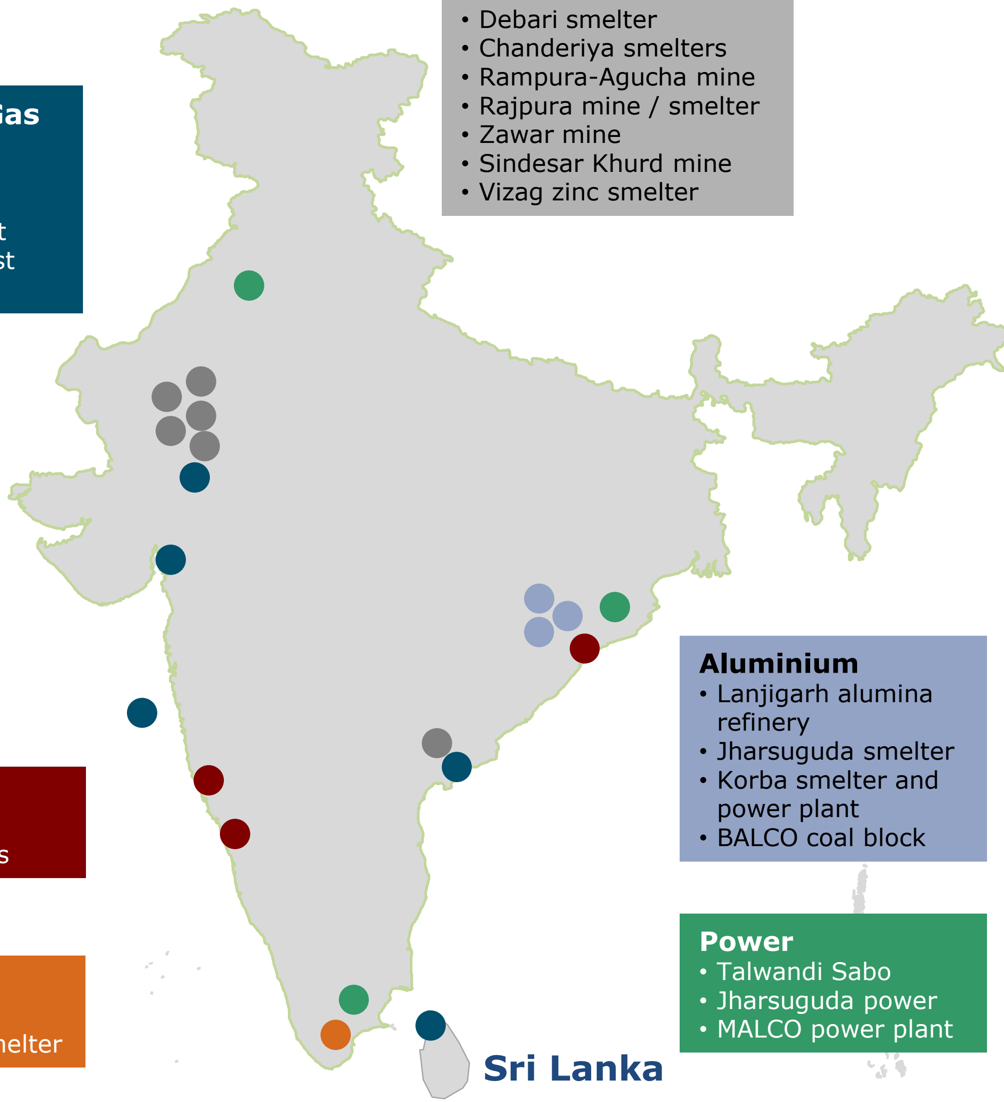
- Complete Sesa Sterlite merger
- Deliver industry-leading production growth across our portfolio
- Continue to add reserves and resources to drive long-term value
- Free cash flow to reduce gearing
- Minority buyouts of HZL and BALCO

Long-Term Value Creation with a Focus on Sustainability

Appendix

Wide Geographic Footprint

India



Oil and Gas
- Rajasthan
- Cambay
- Ravva
- East Coast
- West Coast
- Sri Lanka

Zinc-lead-silver
- Debari smelter
- Chanderiya smelters
- Rampura-Agucha mine
- Rajpura mine / smelter
- Zawar mine
- Sindesar Khurd mine
- Vizag zinc smelter

Iron ore
- Sesa Goa operations

Copper
- Tuticorin copper smelter

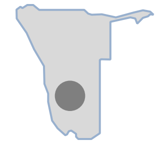
Aluminium
- Lanjigarh alumina refinery
- Jharsuguda smelter
- Korba smelter and power plant
- BALCO coal block

Power
- Talwandi Sabo
- Jharsuguda power
- MALCO power plant

South Africa

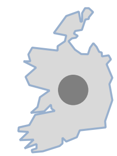
Zinc-lead-silver
- Black Mountain
- Gamsberg

Namibia



Zinc-lead-silver
- Skorpion

Ireland



Zinc-lead-silver
- Lisheen

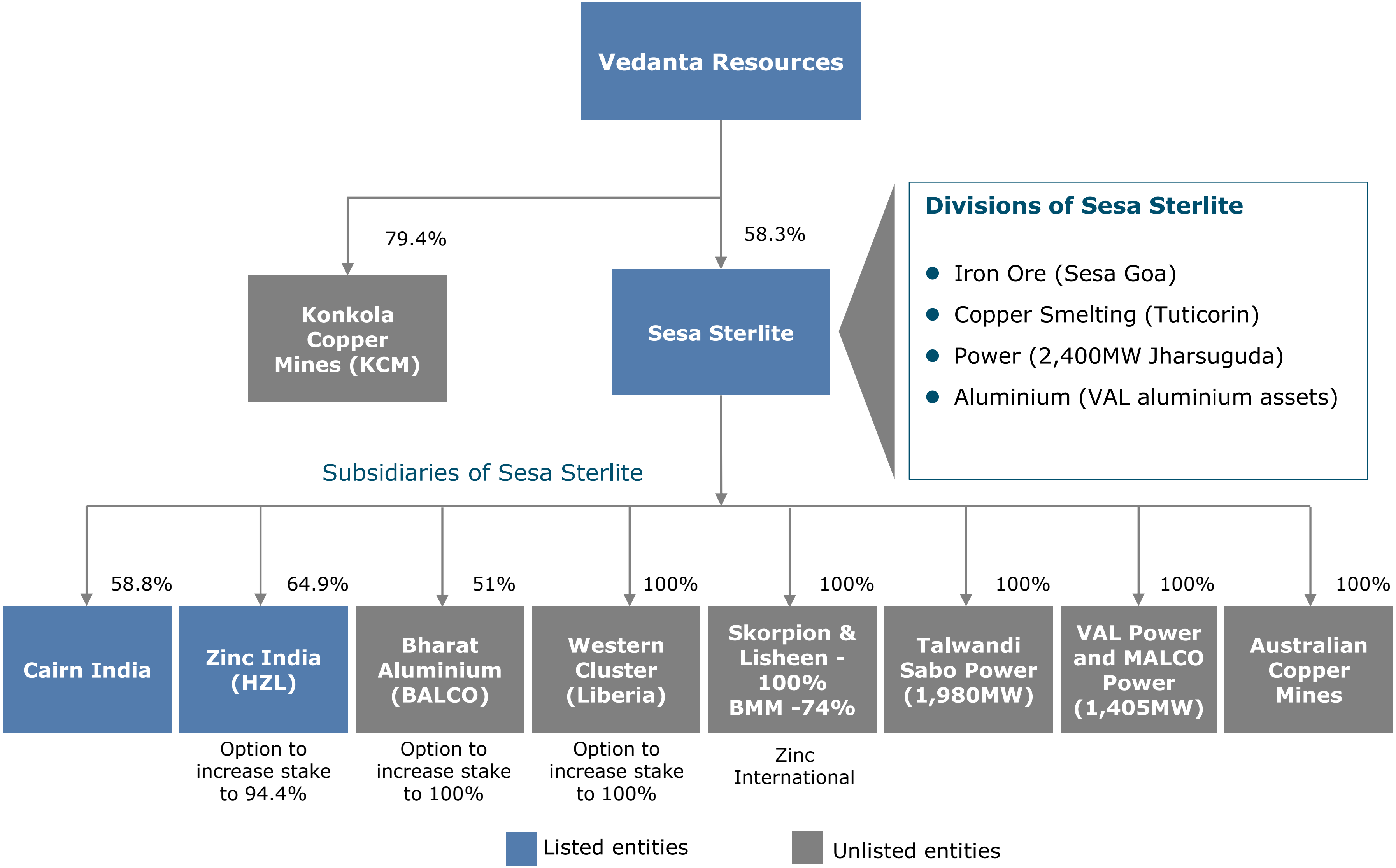
Liberia

Iron ore
- Western Cluster

Australia

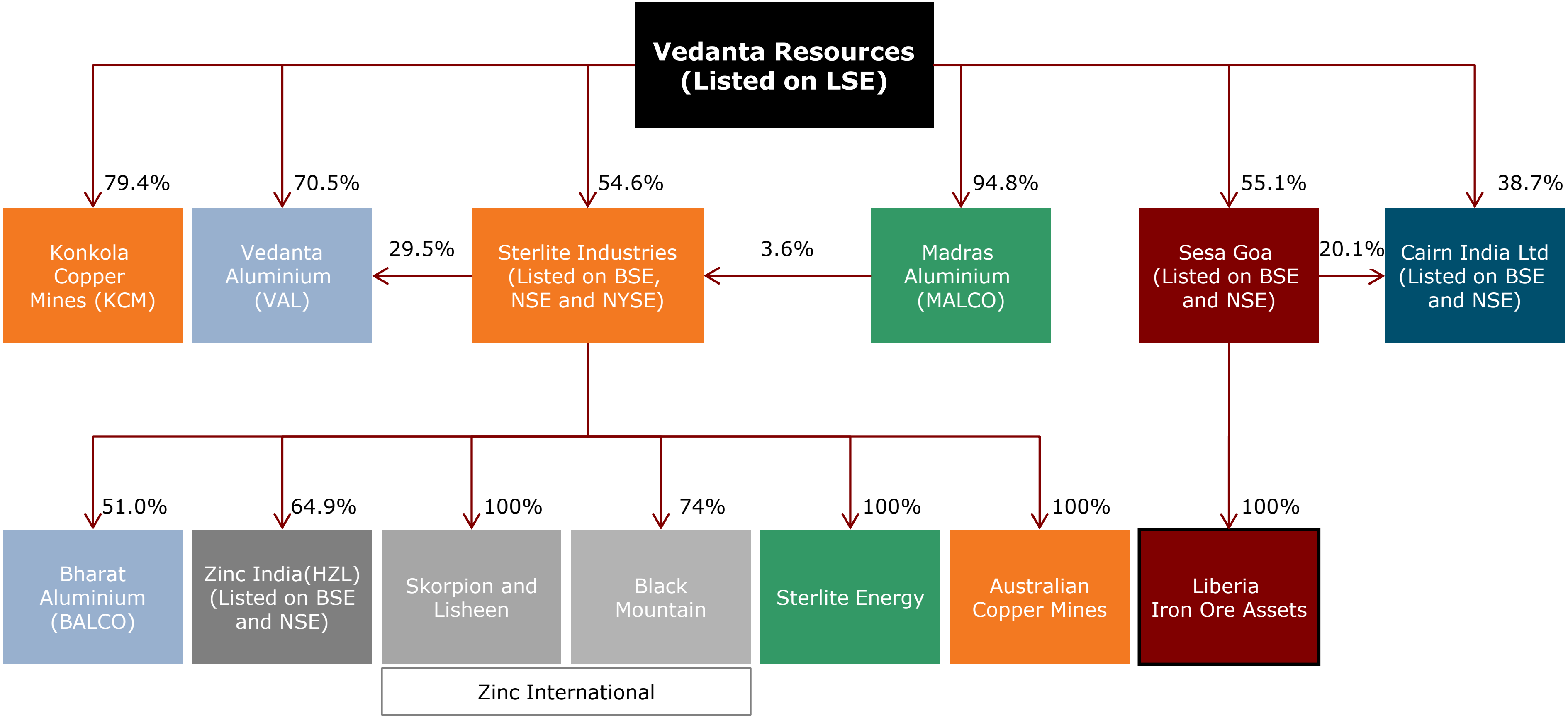
Copper
- CMT

Proposed New Group Structure



Note: Shareholding based on basic shares outstanding

Vedanta Group Structure



KEY

Aluminium · Copper · Iron ore · Power · Zinc India · Zinc International · Oil & Gas

Note: Structure as at 31 December 2012