



Transforming Sterlite: A Global Natural Resource Major

JUNE 2012

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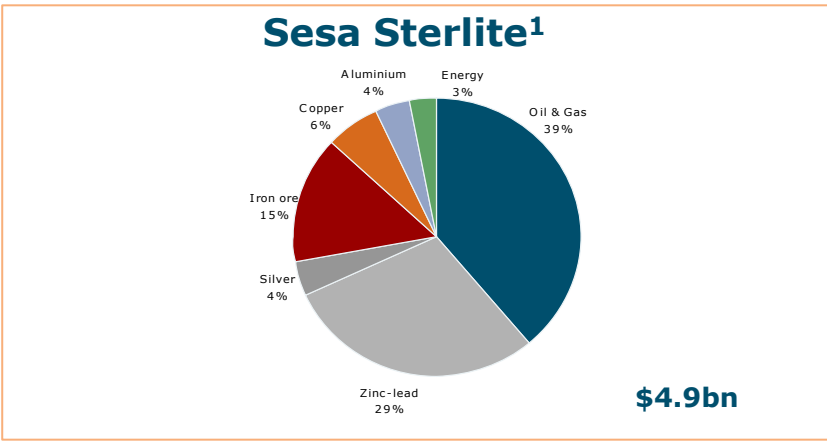
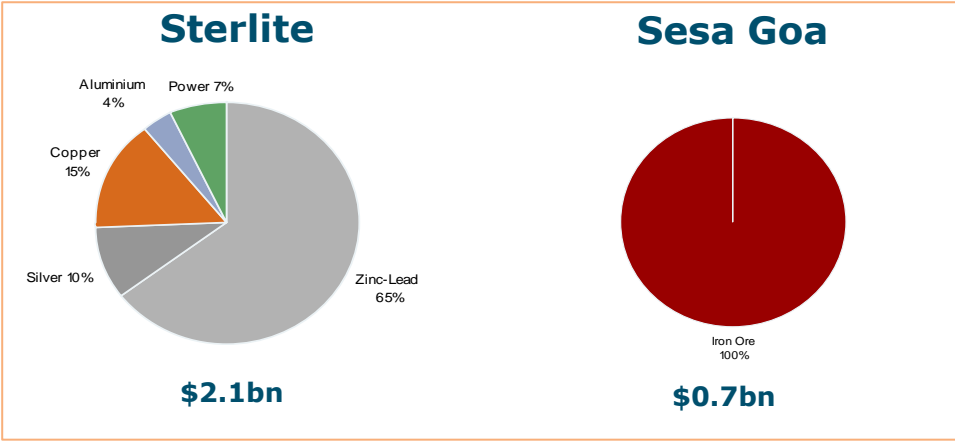
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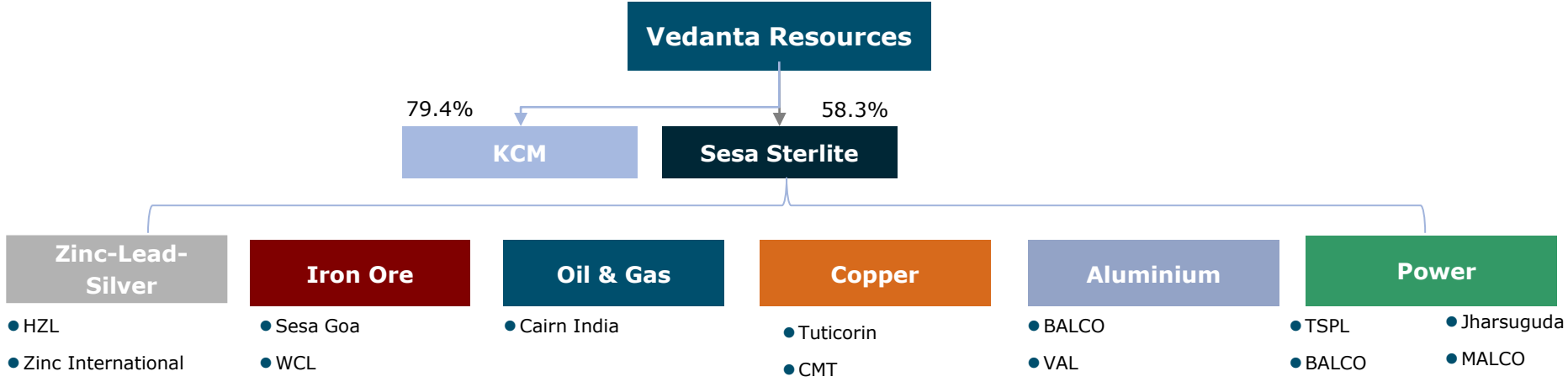
Transforming Sterlite: Creating a Global Natural Resource Major

EBITDA FY2012

PROFORMA EBITDA FY2012



- Greater scale and diversification
- Expected to be earnings accretive for Sterlite, Sesa Goa and Vedanta

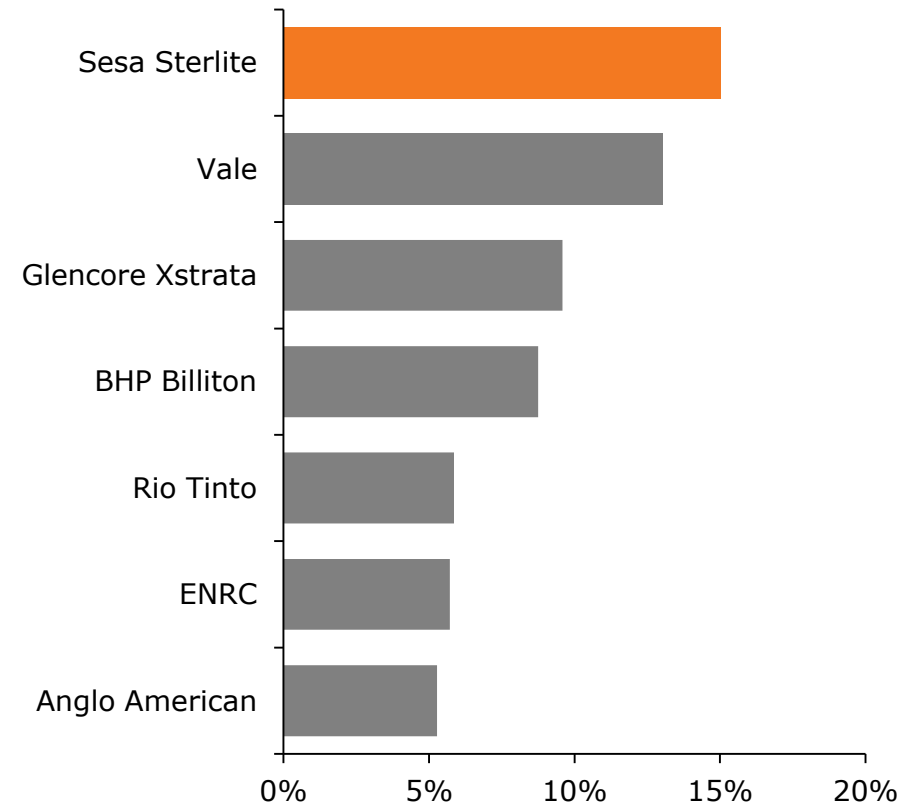


Sesa Sterlite: Amongst the World's Largest Natural Resource Majors

Top Global Diversified Natural Resources Companies

	EBITDA (CY11 - \$bn)	Market cap (\$bn)
BHP Billiton	38.5	156.5
Vale	33.8	95.4
Rio Tinto	28.5	85.4
Glencore Xstrata ¹	16.2	80.6
Anglo American	13.3	42.7
Teck	5.5	17.2
Sesa Sterlite²	5.3	-
ENRC	3.4	8.7

Industry-Leading Growth (Copper Equivalent FY2012 to FY2015 CAGR)³



Source: Company filings and broker reports. Market data as of 30 May 2012

Note: 1. Assumes proposed merger completes

2. Pro forma EBITDA for the twelve months ended December 2011, including Cairn India for full year

3. Sesa Sterlite based on year-end capacity growth, peers based on equity research production estimates. Converted into copper equivalent using Long Term commodity price estimates. Power rebased using FY2012 Realisations and Copper custom smelting capacities rebased at TC/RC for FY2012.



Sesa Sterlite: Delivering Synergies

Operational

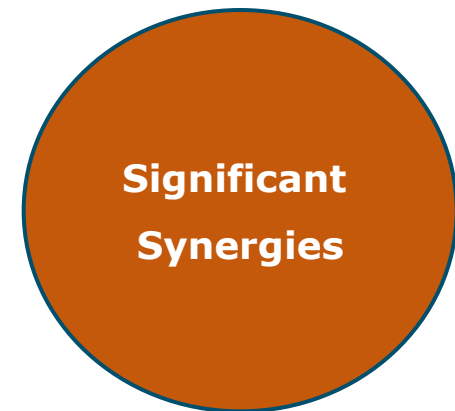
- Procurement
- Economies of scale
- Leveraging technical expertise

Capital

- Lower cost of capital
- More efficient movement of Group cash
- Flexibility to allocate capital

Corporate

- Elimination of reporting entities
- Elimination of joint functions
- Tax efficiency



Expected to be Earnings Accretive for Sesa Goa, Sterlite and Vedanta



Sesa Sterlite: World-Class Asset Portfolio

Zinc-Lead-Silver	Copper	Aluminium & Power	Iron Ore	Oil & Gas
<ul style="list-style-type: none"> ✓ Largest integrated zinc-lead producer <p>India</p> <ul style="list-style-type: none"> ✓ World-leading silver producer - capacity of 16Moz <p>International</p> <ul style="list-style-type: none"> ✓ Gamsberg - one of the largest undeveloped zinc deposits: 186 mt at 6.9% grade ✓ 20+ years mine life at 400ktpa 	<p>Copper India</p> <ul style="list-style-type: none"> ✓ One of the most cost-efficient custom smelters globally ✓ 400ktpa expansion pending approval along with additional 160 MW captive power 	<p>VAL & BALCO</p> <ul style="list-style-type: none"> ✓ Strategically located large-scale assets ✓ Total aluminium: 0.75 mtpa to 2.3 mtpa ✓ VAL alumina: 1 mtpa to 5 mtpa ✓ 211 mt captive coal block at BALCO ✓ One of the largest power producers in India ✓ 3.8 GW to 8.6 GW (3.9 GW commercial) 	<p>India</p> <ul style="list-style-type: none"> ✓ Largest iron ore producer-exporter in India ✓ 36mtpa capacity expansion: Goa 27mt, Karnataka 9mt <p>Liberia</p> <ul style="list-style-type: none"> ✓ West-Africa - an emerging iron ore hub ✓ Targeting first shipment in FY 2014 	<p>Cairn India</p> <ul style="list-style-type: none"> ✓ One of the largest private-sector crude oil producers in India ✓ Operates ~20% of India's domestic crude oil production ✓ Near-term growth to 260+ kboepd¹ driven by Rajasthan ✓ Large reserve base provides further upside ✓ Resource base supports basin potential to produce 300kboepd¹ ✓ Exploration success at Sri Lanka and Nagayalanka

Note: 1. Subject to approvals

Well Invested Asset Base



Creating Long Term Value Through Exploration

Zinc India

- Added 3x times mined out in FY2012
- Added 4.8x times mined out since IPO
- R&R increased to 332mt, from 144mt at Vedanta IPO
- 25+year mine life with 10%+grades

Zinc International

- Added mine life at all three assets
- Current mine life: Skorpion: 5+years¹, BMM: 10+years, Lisheen: 3years
- 186mt Gamsberg deposit feasibility study underway

Iron Ore

- **India:** Added net 68mt in FY2012, 18 year mine life at current capacity
- R&R increased from 190mt² at acquisition to 374mt – added 3.4x times mined out
- **Liberia:** 1bn tonnes R&R. Aeromagnetic study completed.
- Initial drilling indicates potential upside

Oil & Gas

- R&R replacement ratio of 1.75x in FY2012
- Potential resource increased to 7.3 billion boe gross in place from 6.5 billion boe gross in place at Rajasthan
- Exploration success at Sri Lanka and Nagayalanka
- 17 year R&R life

Creating Long Term Value through Exploration

Notes: 1. With some additional work for conversion of resources to reserves
2. 120mt excluding Orissa from Sesa Goa acquisition, and 70mt from Dempo acquisition



Sesa Sterlite: Tier-1 Assets

	FY2012 Production	Capacity	R&R Life¹	Sustainable Cost Position
Zinc India	830kt	1mtpa	25+	Lowest Quartile
Zinc Intl.	444kt	400ktpa	20+	Lower Half
Silver	242 tonnes	500 tonnes	25+	By-product
Oil & Gas	173kboepd	260kboepd ²	17	Lowest Quartile
Iron Ore³	13.8mt	20.5mtpa	18	Lowest Quartile
Aluminium	675kt	2.3mtpa		Currently Lower Half; Lowest Quartile with Captive Bauxite

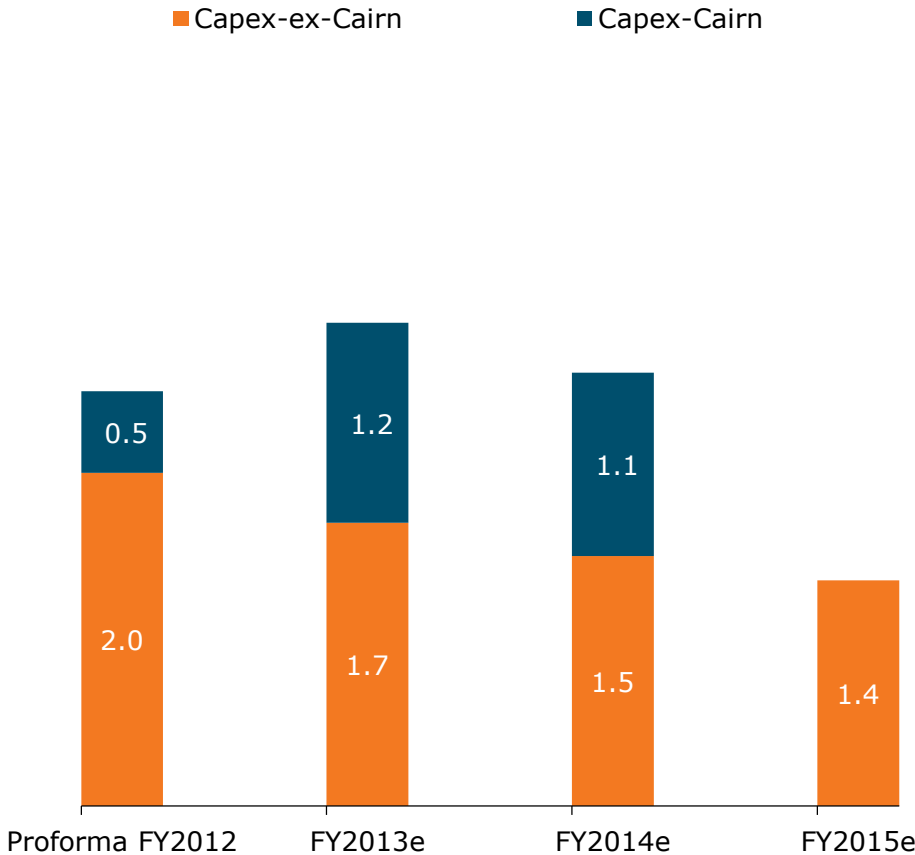
Large, Low-Cost, Long-Life, Scalable Assets

Note: 1. At capacity
2. Capacity expected for the current producing assets, subject to approvals
3. Excluding Liberia

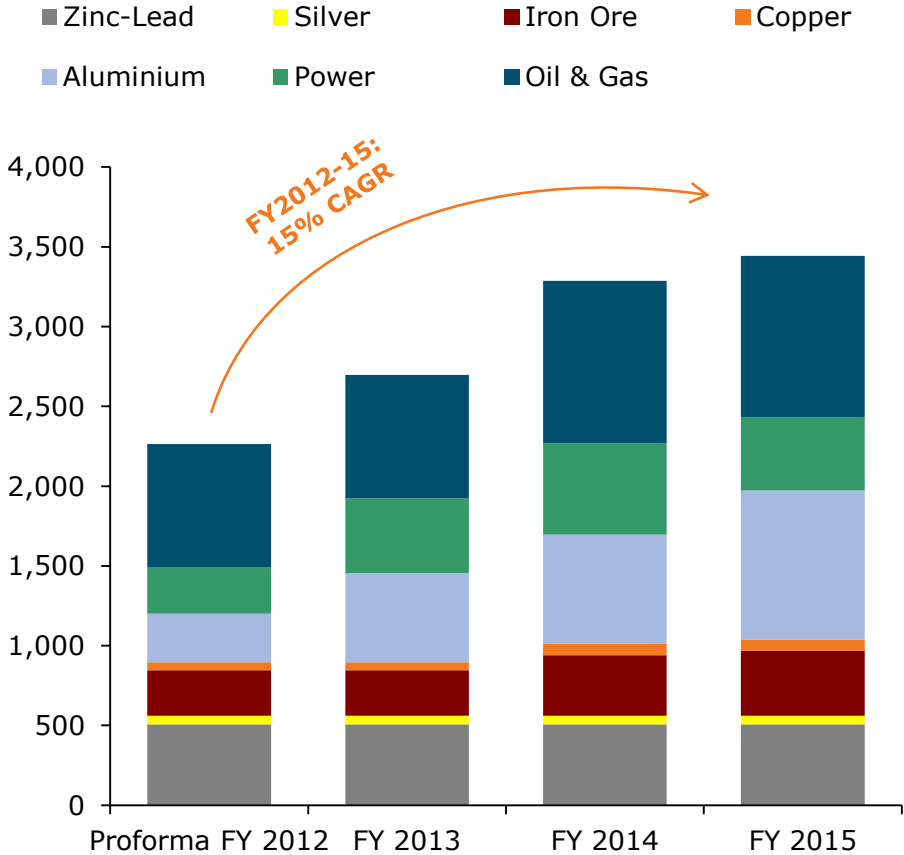


Sesa Sterlite: Industry Leading Growth

Capex Profile - \$bn¹



Year-end Capacity (in Copper Equivalent - kt)²



Growth Capital Largely Invested

Notes: 1. Refers to organic growth capex. Cairn India has not announced capex for FY2015
 2. All metal and power capacities rebased to copper equivalent capacity (defined as production x commodity price / copper price) using Long Term commodity price estimates. Power rebased using FY2012 Realisations. Copper custom smelting capacities rebased at TC/RC for FY2012



Sesa Sterlite: Delivering for India

- Contributing to India's energy security
 - c.20% of India's domestic crude oil production
- Fuelling India's growth story by providing access to metals domestically
 - c.80% of India's market share by sales volume for zinc
 - c.40% of India's aluminium, copper and lead consumption
- One of the largest private sector contributors to the exchequer
 - Tax contribution to exchequer of c.INR 11,500 Crore (\$2.5bn)¹ in FY 2011 – 1.5% of country's total collection
 - Contributed 1.7% to country's total income tax collection
 - Raised c.INR 62,500 Crore (\$12.5bn) capital overseas for investments in India
- Environmental and social responsibility
 - Green energy: 274 MW wind power capacity (INR 1,500 Crore invested)
 - Educational, healthcare and community programmes covering 3 million people across 1,006 villages²

1) Includes Cairn India
2) Does not include Cairn India



Management Team



Anil Agarwal
Chairman



Navin Agarwal
Deputy Chairman



M. S. Mehta
Group CEO



P. K. Mukherjee
*CEO, Sesa Goa
Iron Ore*



S.K. Roongta
*CEO, Aluminium
and Power*



P. Ramanath
CEO, Sterlite Copper



Tarun Jain
*Group Director -
Finance*



D. Jalan
Group CFO



Dilip Golani
*Director - Management
Assurance*



Kishore Kumar
CEO, Zinc International



Rahul Dhir
*CEO, Cairn India
Oil & Gas*



Akhilesh Joshi
*CEO, Hindustan Zinc
Zinc-India*



Summary

- Creation of Sesa Sterlite: expected to be one of the largest global diversified natural resource majors¹
- Industry leading growth profile and world class assets
- Simplifies group structure
- Proven management team
- Earnings accretive for Sterlite, Sesa Goa and Vedanta

1) Ranked by EBITDA in the twelve months ended December 2011 from public filings



Appendix



Zinc Business

Zinc-India

- Record production of refined Zinc, Lead and Silver
 - Maintained lowest quartile cost position
- Strong ramp-up of lead and silver production
 - Silver rich 2mtpa SK mine at 90% utilization
 - Silver contributed Rs. 1,014 Crore to EBITDA
 - 350 tonnes Integrated silver production in FY2013
- 27mt gross addition to R&R in FY12
 - More than 25 years mine life

Zinc-International

- Stable operating performance
- Exploration: Mine life extended at all three assets
 - Skorpion: 5+ year mine life¹
 - BMM: 10+ year mine life
 - Lisheen: 3 year mine life
- 186mt Gamsberg project:
 - Feasibility study to complete in current quarter
 - Targeting mine production in 2 years

Note: 1. With some additional work for conversion of resources to reserves

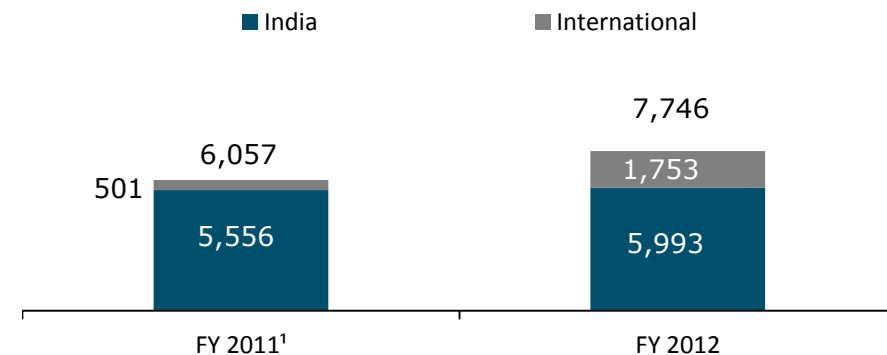
Production and Cash Costs

Zinc-India	FY2011	FY2012
Mined Metal (kt)	840	830
Refined Zinc (kt)	712	759
Refined Lead (kt) ¹	63	99
Integrated Silver (kg) ¹	179	237
Zinc CoP ² (\$/t)	808	834

Zinc-International	FY2011 post acq'n	FY2012
Mined Metal – Lisheen & BMM (kt)	44	299
Refined Zinc – Skorpion (kt)	50	145
CoP (\$/t)	1,129	1,253

Notes: 1. Includes captive consumption
2. Excluding royalty

EBITDA (Rs. Cr)



Note: 1. For the period post acquisition



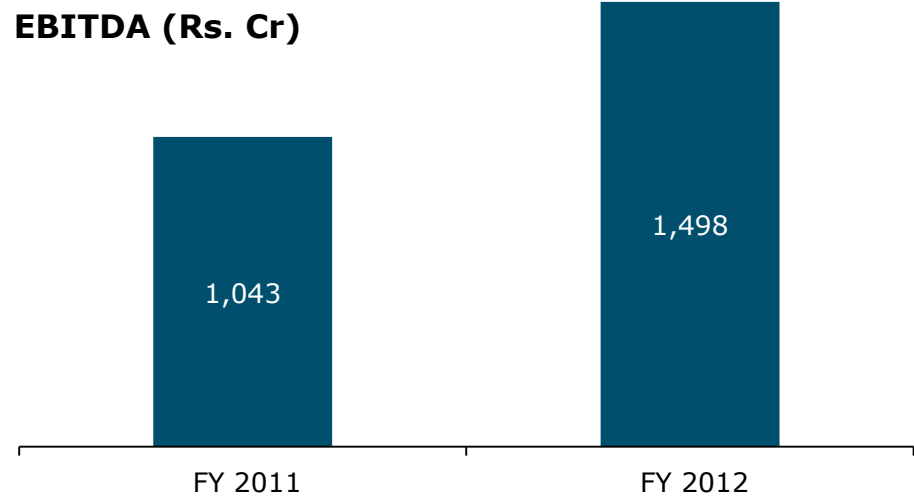
Copper Business

India/Australia

- Strong volume and cost performance
- EBITDA up 43% - driven by higher volumes, better by-product credits, and higher Tc/Rc
- Higher smelter availability through technology and process improvements
- 160MW CPP Project - mechanical completion of first 80MW achieved

Production and Cash Costs

	FY2011	FY2012
Mined Metal	23	23
Refined Metal – India (kt)	304	326
Conversion cost – India (c/lb)	4.0	0.0



Aluminium Business

BALCO and VAL

- Record Alumina and Aluminium production
 - Value added product sales up 25%, at c.400kt

- Resumed efficient operations at VAL in H2, following a power outage in H1
 - Reduced specific consumption of power and carbon
 - Significantly lower COP in H2, with Q4 COP at \$1,930/t despite input cost pressures
 - Q4 COP in second quartile of cost curve, without bauxite linkage

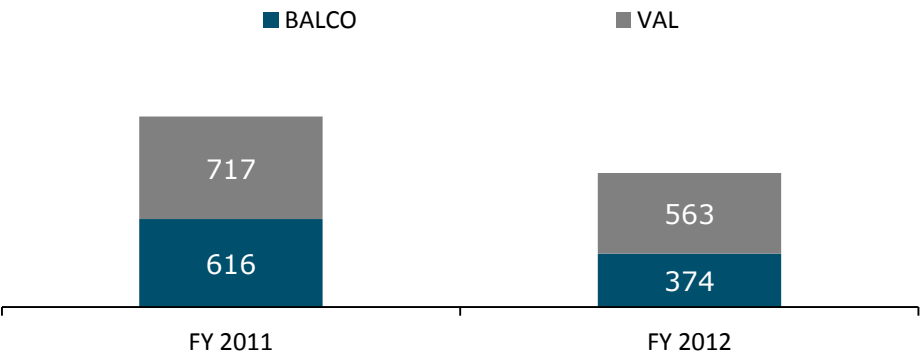
- Working with government on bauxite allocation

- BALCO 325ktpa smelter – first metal in Q3 FY2013

Volumes and Cash Costs

Aluminium and Alumina	FY2011	FY2012
Aluminium Production (kt)	641	675
BALCO	255	246
VAL	385	430
Aluminium COP (\$/t)		
BALCO	1,784	1,997
VAL	1,940	2,188
Alumina Production (kt)	707	928
Alumina COP (\$/t)	326	350

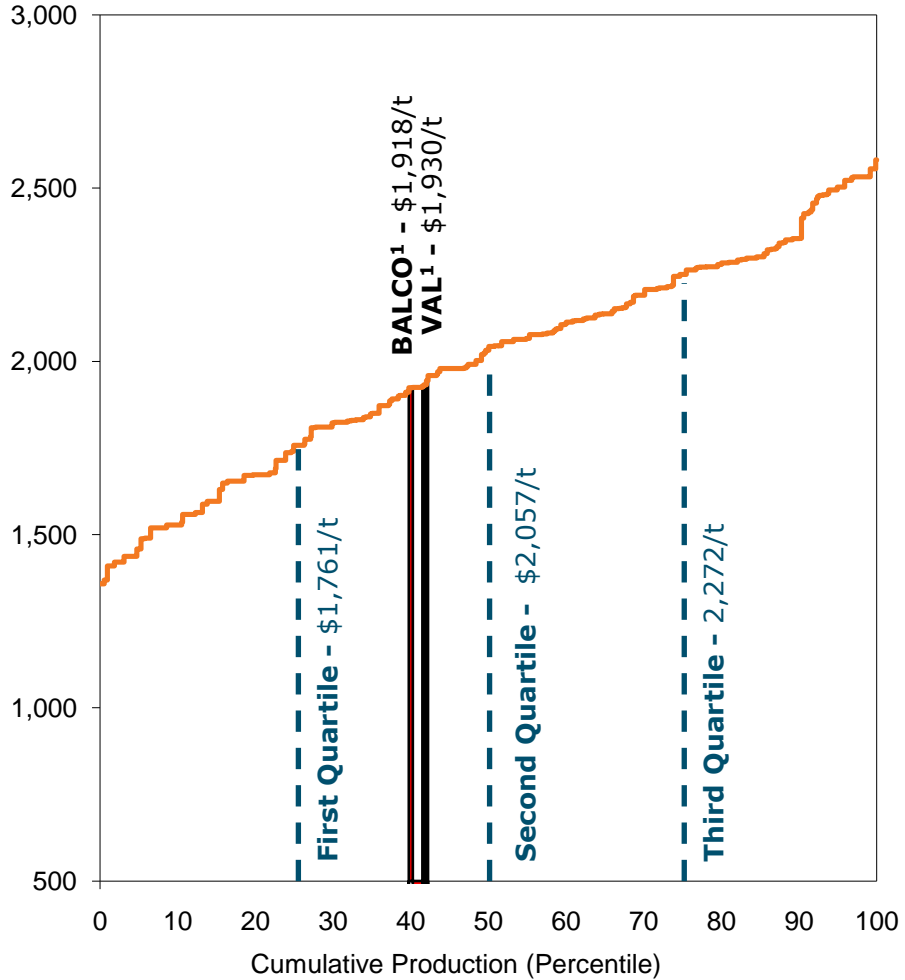
EBITDA (Rs. Cr)



Aluminium Industry Dynamics

- Input cost inflation globally in 2011
 - LME below c1 costs of c.50% of global capacity
 - Capacity cuts by several marginal cost smelters
 - Correction in input prices seems inevitable
- VAL and BALCO are in 2nd quartile of cost curve in Q4FY2012
 - EBITDA margin in Q4, in-line with peers
 - Cost efficient even without bauxite linkage
- Committed to an integrated Aluminium strategy
 - Well invested plant with world-class technology and infrastructure at benchmark project costs
 - Strategic location in Eastern India: Proximity to Bauxite and Coal deposits

Aluminium Cost Curve (\$/t)



Source: Wood-Mackenzie CY2012Q1 C1 Cost Estimates, Company sources for VAL and BALCO
 Note: 1. Q4 FY2012 COP



Power Business

- Sales significantly higher reflecting commissioning of new capacity at 2,400MW Jharsuguda power plant
 - Three 600MW units operational
 - 4th unit under trial runs, to be commissioned in current quarter
 - 65% average plf expected for all units in FY2013

- Continuous operational improvement at Jharsuguda
 - Q4 cost lower at INR2.28/unit
 - On track to further reduce specific coal consumption

- 1st 660 MW unit of 1,980MW Talwandi Sabo on track for commissioning by Q4 FY2013

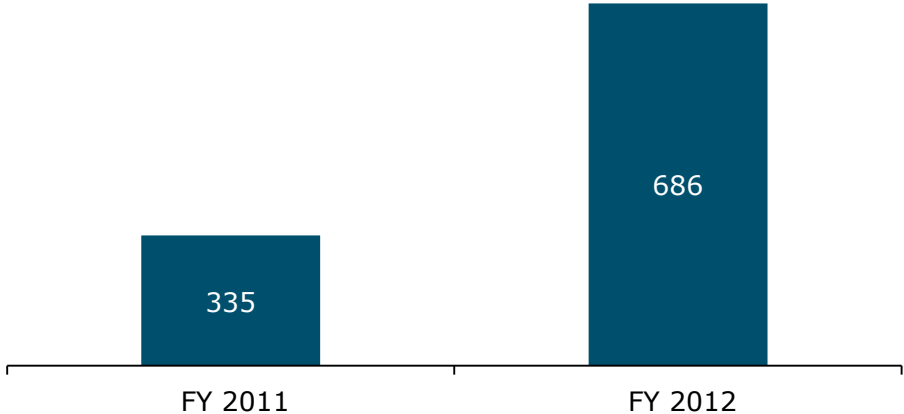
- BALCO projects
 - 1200MW CPP: 1st Unit synchronization in Q1FY2013
 - Captive coal mining in FY2013*

Sales and Cash Costs

	FY2011	FY2012
Total Sales (mu)	2,681	7,578
SEL (mu)	856 ¹	5,638 ²
Others	1,825	1,940
Average realisation (INR/u)	3.38	3.39
Average cost of generation (INR/u)	1.77	2.40

Notes: 1. Includes 646mu generated under trial run
 2. Includes 926mu generated under trial run

EBITDA (Rs. Cr)



Note: *. Subject to approvals



Iron Ore

India

- Net addition of 68mt of R&R
 - Total R&R of 374mt, implying 18 year mine life
- Operating performance affected by
 - Logistics bottlenecks at Goa: Expanding roads and developing new corridors
 - Karnataka mining ban: process underway to resuming mining
- Margins affected by 30% export duty from Dec 2011
- Commissioning of 375kt Pig Iron expansion project in current quarter

Liberia

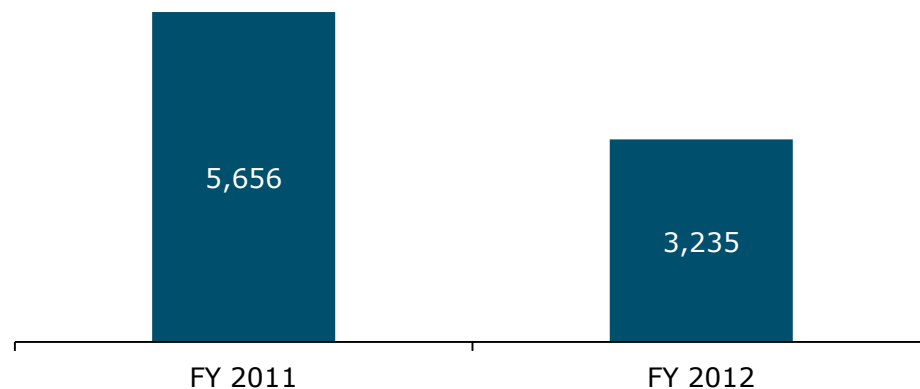
- Aeromagnetic survey completed and scoping study near completion
 - Indicates significant upside to earlier estimated resource base of 1bn tonne
- Targeting first shipment in FY2014

Production and Sales (mn DMT)

Iron Ore	FY2011	FY2012
Sales ¹	18.1	16.0
Goa	14.4	13.3
Karnataka	2.1	2.7
Orissa	1.7	-
Production	18.8	13.8
Pig iron - Production (kt)	276	249

Note: 1. Iron ore sales includes captive consumption of 0.30 mt each in FY2011 and FY2012

PBDT (Rs. Cr)



Cairn India - Delivering Growth and Cash Flows

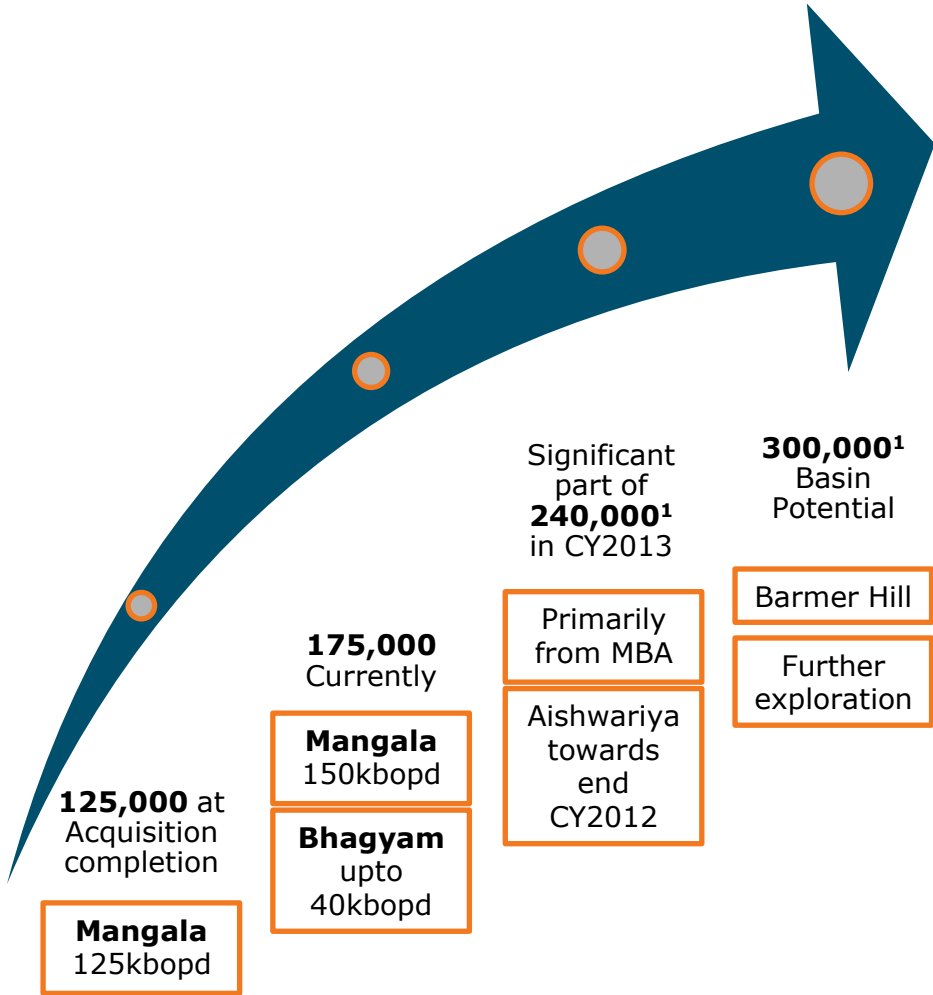
Production Growth - Rajasthan

- Since acquisition, output has been enhanced from 125kbopd to 175kbopd
- Mangala field producing since Aug 2009; currently at 150kbopd
- Bhagyam field producing since Jan 2012; currently at 25kbopd
- Resource base supports basin potential to produce 300kbopd¹

Exploration Growth

- Diversity of basin, plays and environments
 - Exploration success ratio ~50%
- Achieved reserve & resource replacement ratio of 175% during the year
- Net unrisked exploration potential for the portfolio at 2.1bn boe
- Significant exploration upside at Rajasthan
- Successful discoveries at Sri Lanka and KG-ONN-2003/1

Rajasthan Gross Production (bopd)



Note: 1. Subject to approvals



Cairn India

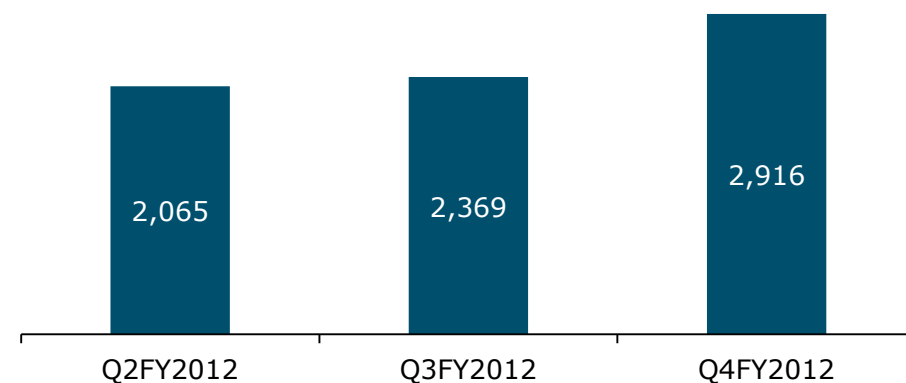
- Acquisition completed in December 2011
 - Integration completed
 - Announced Dividend Policy of ~20% payout of net income
- Cairn India production and contribution
 - Average daily gross operated production in FY2012 at 172,887 boe
 - Reduced India's crude oil import dependency by ~US\$6bn on a gross basis
- Rajasthan potential increased to 7.3bn boe gross in place from 6.5 billion boe gross in place since acquisition announcement
 - Recoverable risked prospective resource estimated at 530 mmmboe gross
- Development
 - Rajasthan EOR Pilot on track; booked 70 mm bbls as Proved & Probable Reserves
 - Barmer to Salaya section of the pipeline being debottlenecked and augmented
 - Ravva infill drilling completed, decline rate slowed

Production

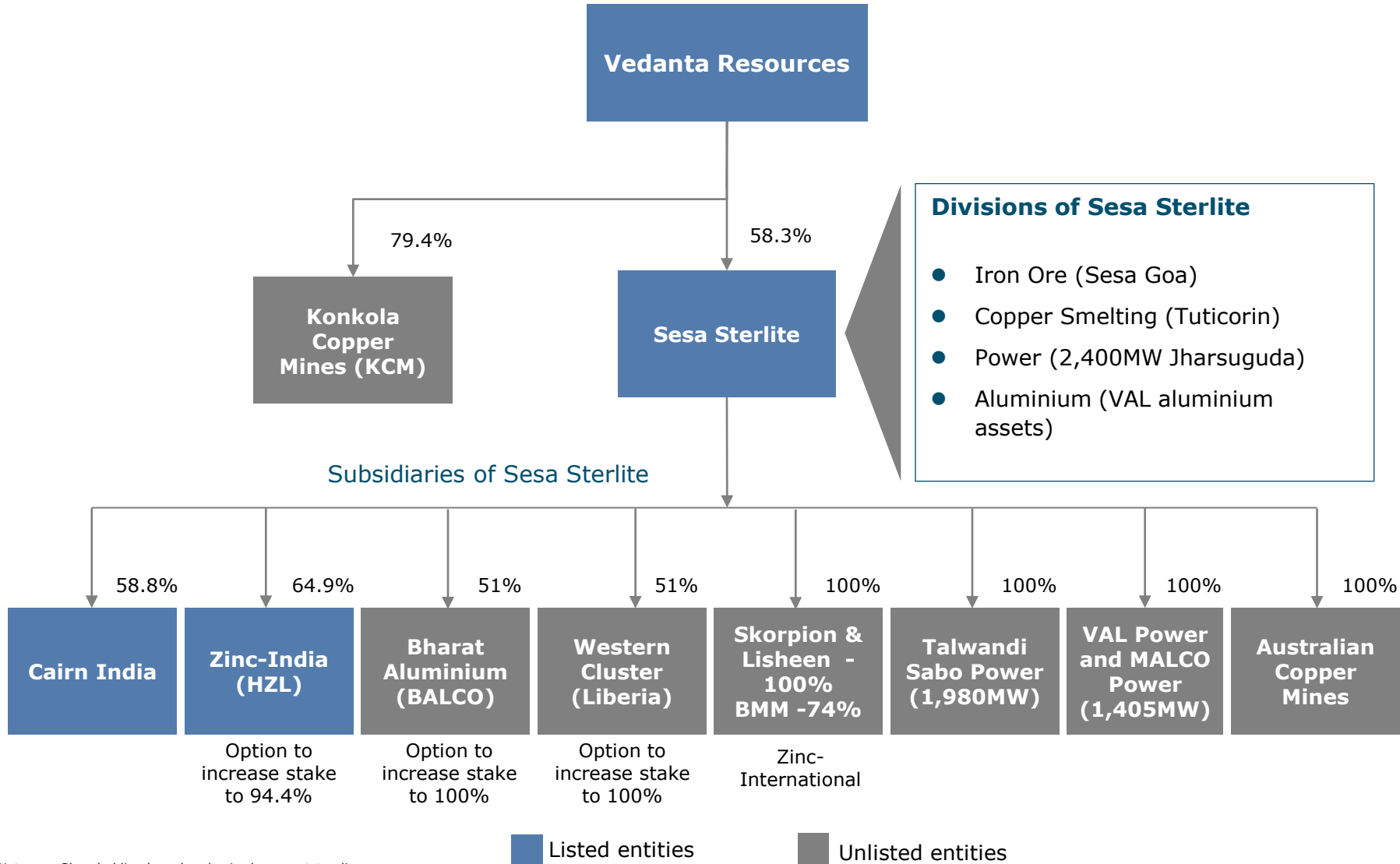
	FY2011	FY2012
Average Daily Gross Operated Production (boepd)	149,103	172,887
Rajasthan	100,993	128,267
Ravva	36,942	36,379
Cambay	11,169	8,242
Average Daily Working Interest Production (boepd)	83,474	101,268
Rajasthan	70,695	89,787
Ravva	8,312	8,185
Cambay	4,468	3,297
EBITDA ¹ (Rs. Cr)	-	3,348

Note: 1. Numbers post acquisition

EBITDA (Rs. Cr)



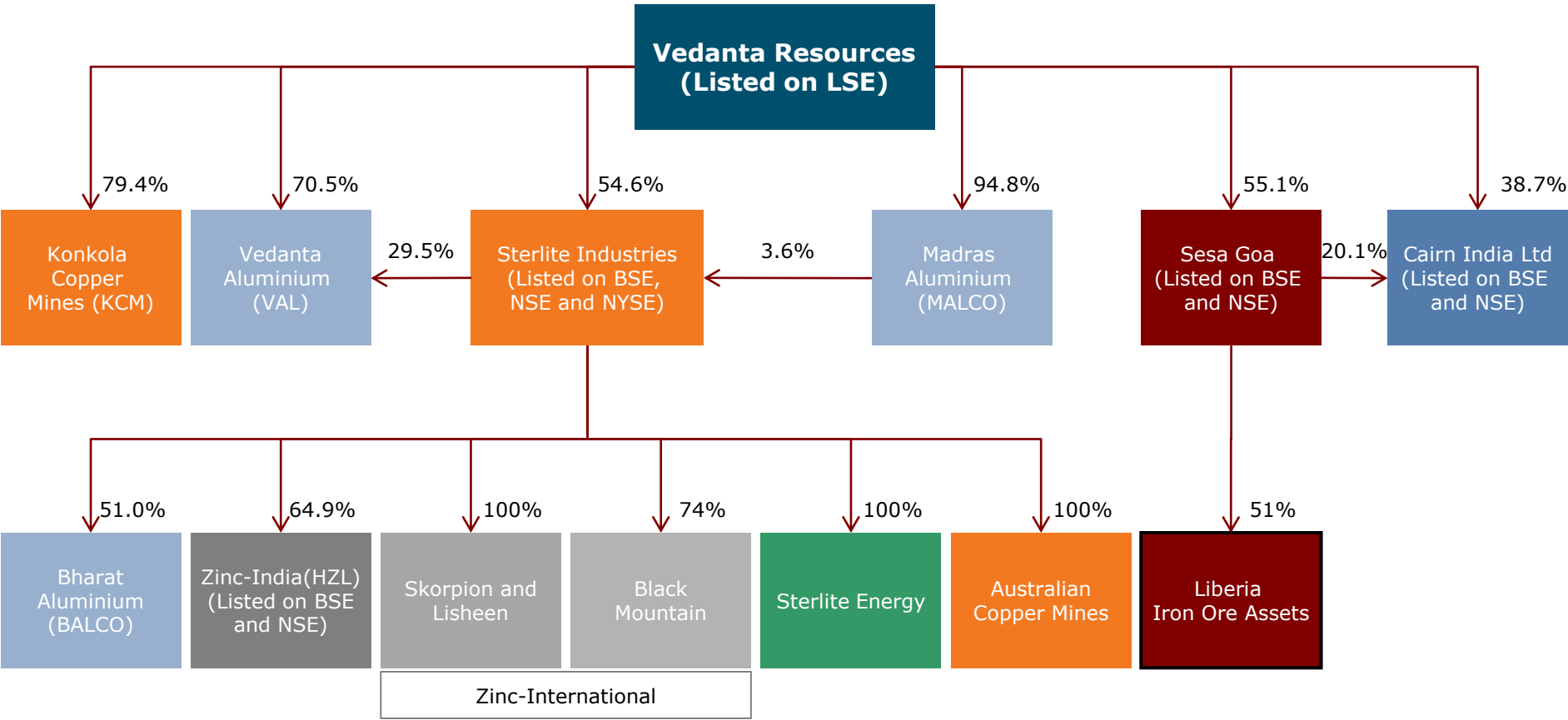
Proposed New Group Structure



Note: Shareholding based on basic shares outstanding



Current Group Structure



- KEY**
- Aluminium
 - Copper
 - Iron ore
 - Power
 - Zinc-India
 - Zinc-International
 - Oil & Gas

Note: Structure as at 31 March 2012

