



Transforming Sterlite: A Global Natural Resource Major

September 2012

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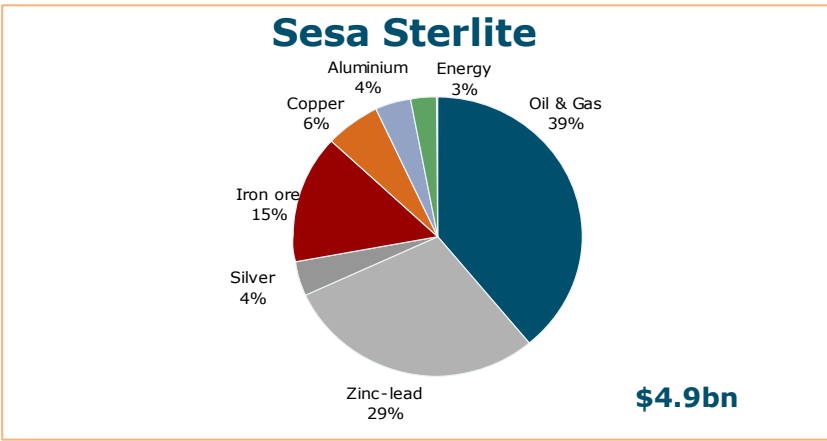
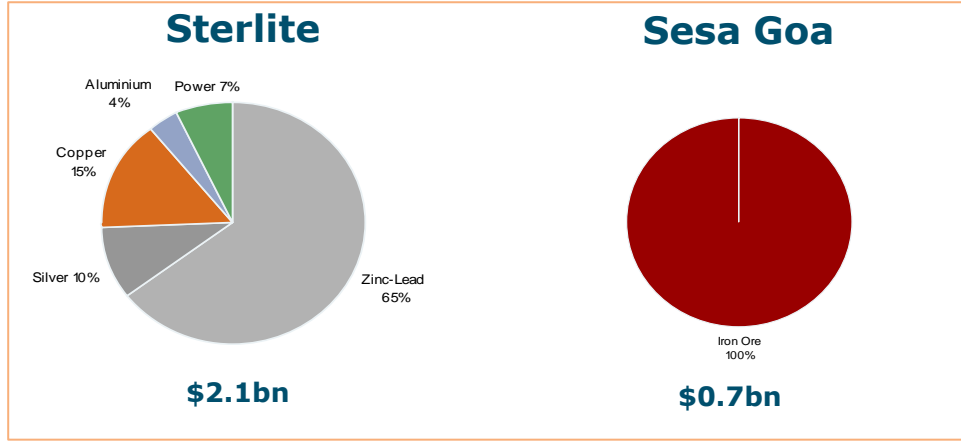
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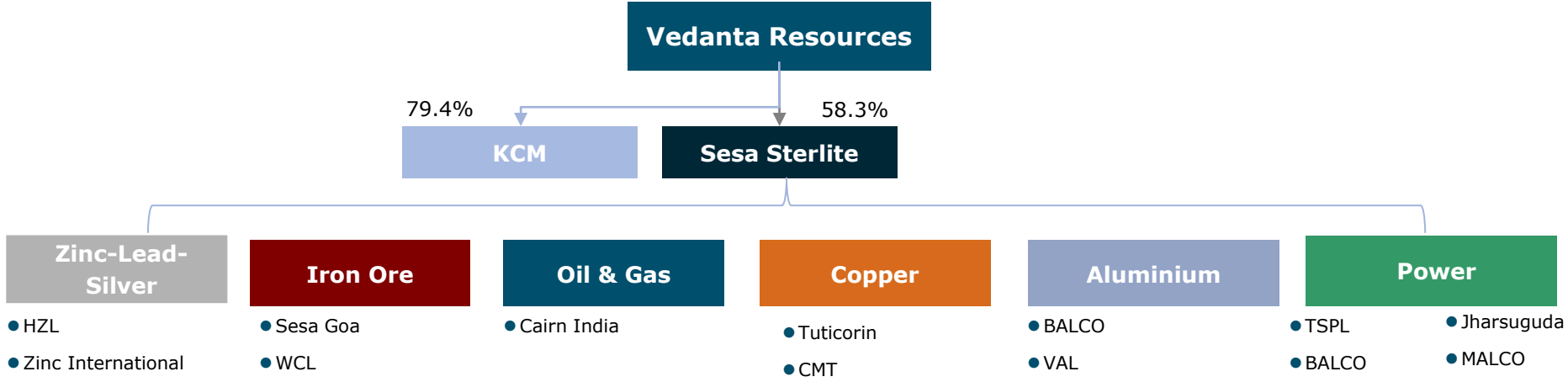
Transforming Sterlite: Creating a Global Natural Resource Major

EBITDA FY2012

PROFORMA EBITDA FY2012



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

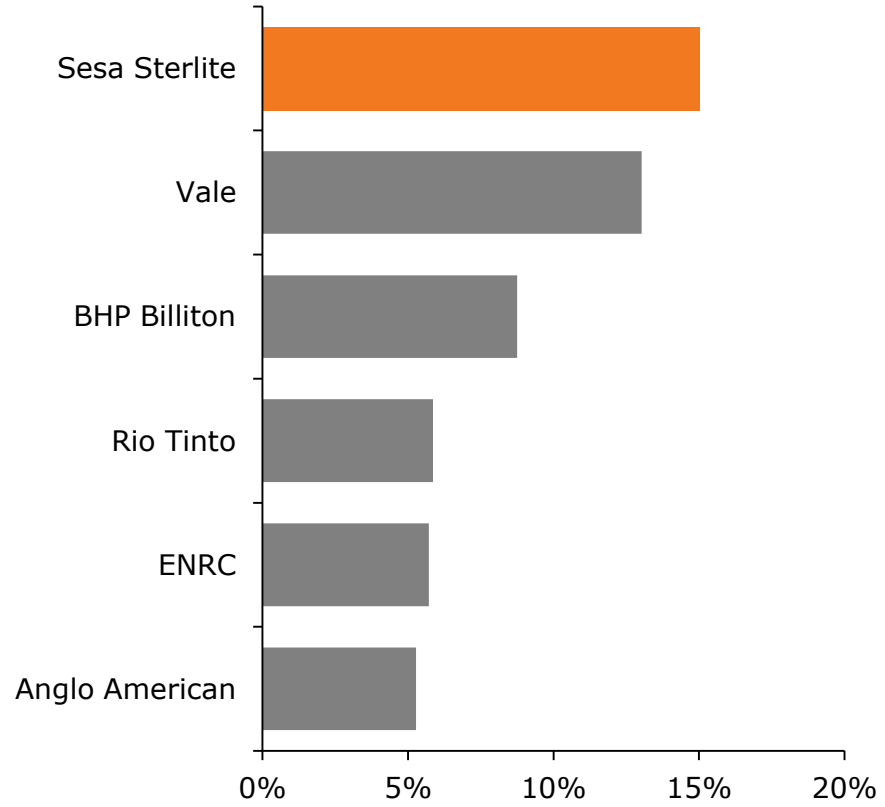


Sesa Sterlite: Amongst the World's Largest Natural Resource Majors

Top Global Diversified Natural Resources Companies

	EBITDA (CY11 - \$bn)	Market cap (\$bn)
BHP Billiton	38.5	183.5
Vale	33.8	102.1
Rio Tinto	28.5	101.1
Anglo American	13.3	46.9
Teck	5.5	19.9
Sesa Sterlite¹	5.3	-
ENRC	3.4	7.6

Industry-Leading Growth (Copper Equivalent FY2012 to FY2015 CAGR)²



Source: Company filings and broker reports. Market data as of 14 September 2012
 Note: 1. Pro forma EBITDA for the twelve months ended December 2011, including Cairn India for full year
 2. 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

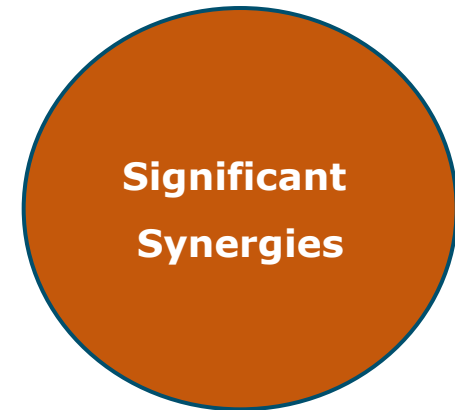
- Procurement
- Economies of scale
- Leveraging technical expertise

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 	<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



Sesa Sterlite: Tier-1 Assets

	FY2012 Production	Capacity	R&R Life¹	Sustainable Cost Position⁵
Zinc India	830kt	1mtpa	25+	Lowest Quartile
Zinc Intl.	444kt	400ktpa	20+ ⁴	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

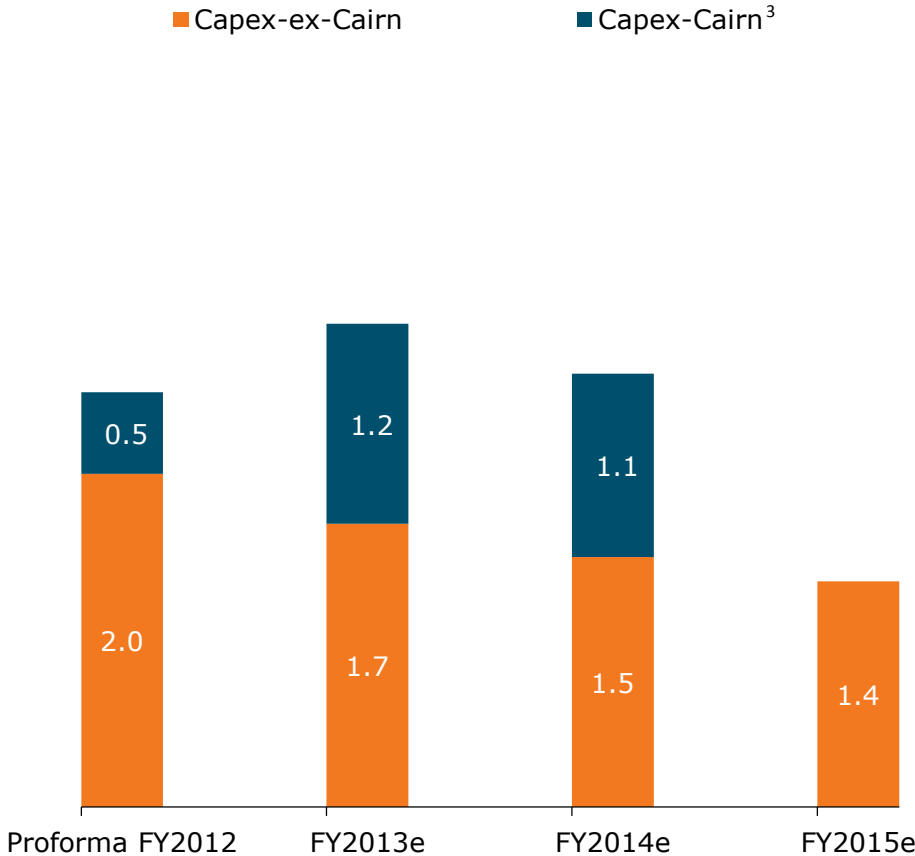
Large, Low-Cost, Long-Life, Scalable Assets

- Note:
1. At capacity
 2. Capacity expected for the current producing assets, subject to approvals
 3. Excluding Liberia
 4. Includes Gamsberg
 5. Cost curves for base metals from Wood-Mackenzie, Iron ore from Metalytics and Company Study for Oil & Gas

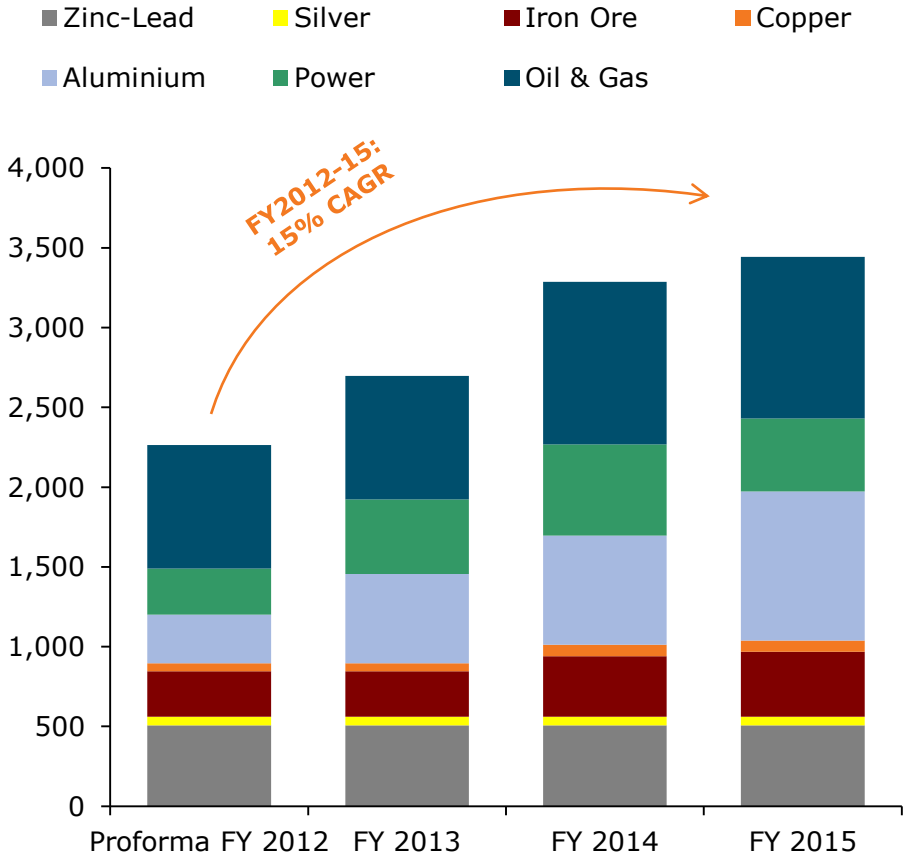


Sesa Sterlite: Industry Leading Growth

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
 3. Capex net to Cairn India; part of FY2014e capex is subject to Government of India approval



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.\$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



Summary : Transforming Sterlite

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



Appendix



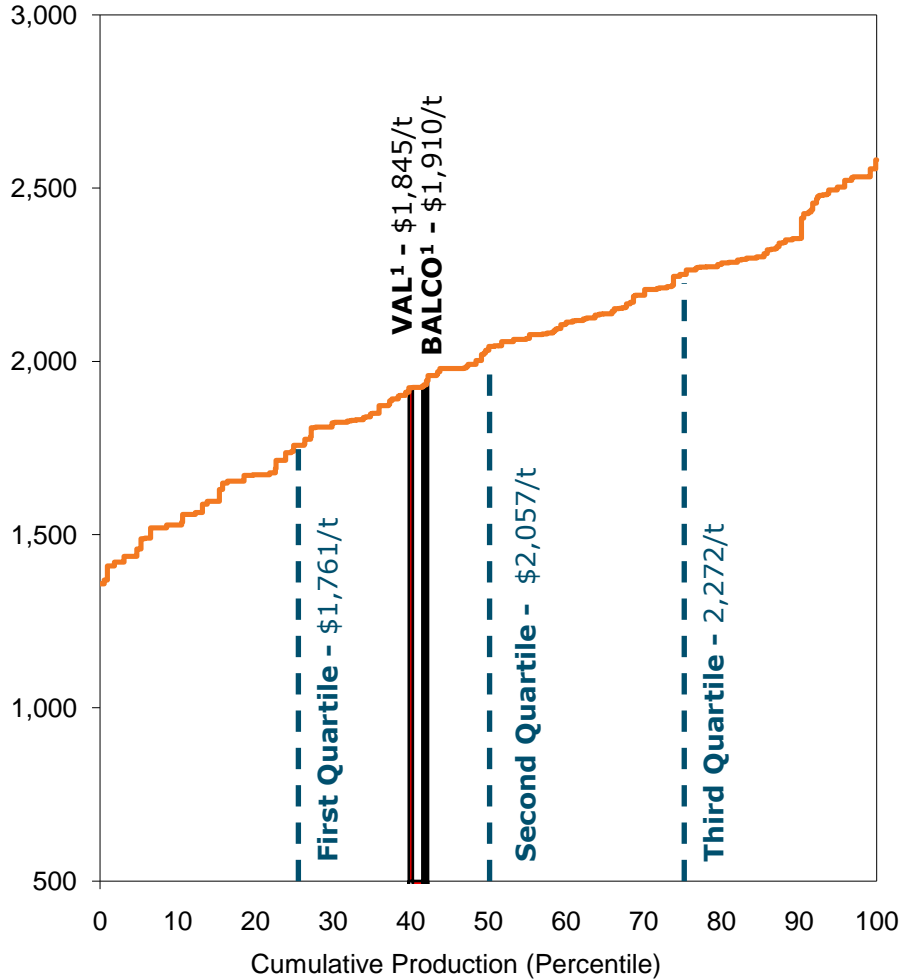
Aluminium Industry Dynamics

- 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 Q1FY2013
 - EBITDA margin 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. Q1 FY2013 COP



Cairn India - Delivering Growth and Cash Flows

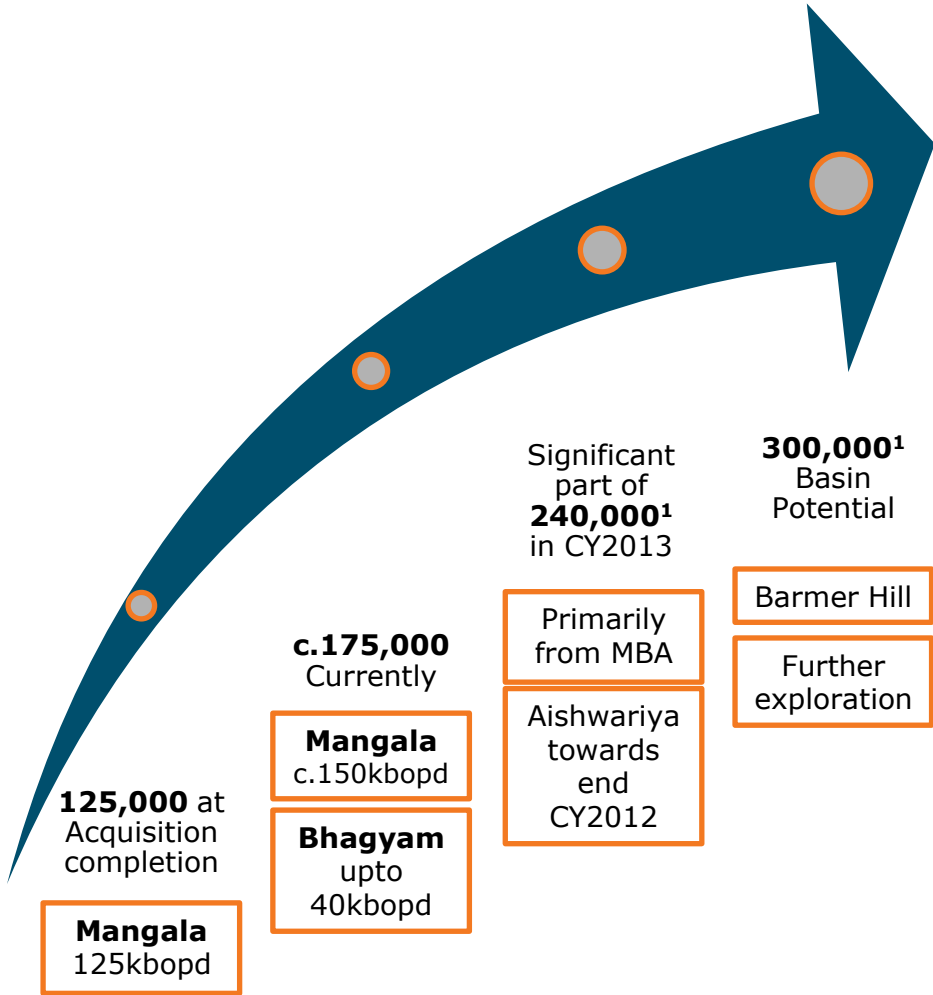
Production Growth - Rajasthan

- Since acquisition, output has been enhanced from 125kbopd to c.175kbopd
- Mangala field producing since Aug 2009; currently at c.150kbopd
- Bhagyam field producing since Jan 2012; currently at c.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

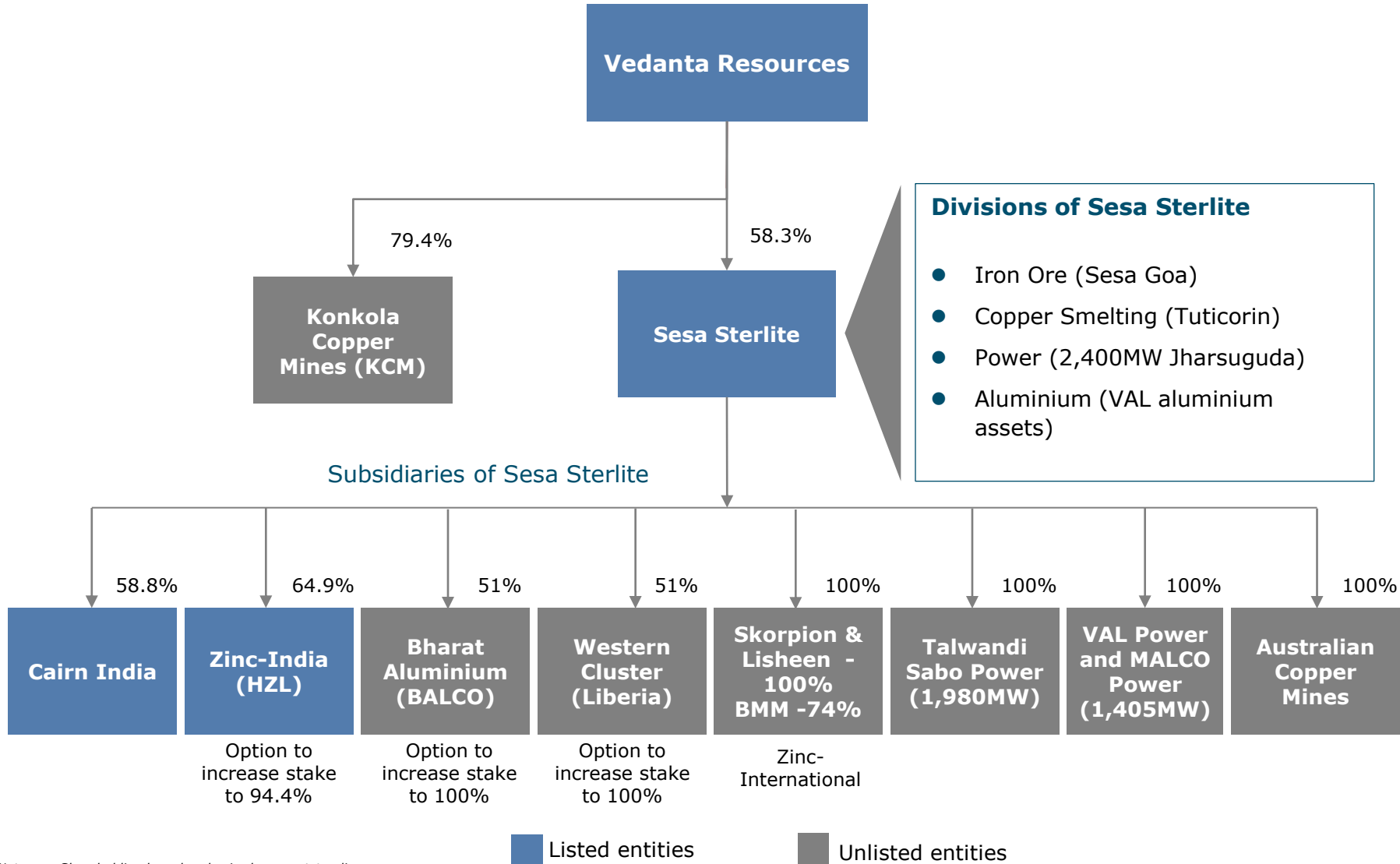
Rajasthan Gross Production (bopd)



Note: 1. Subject to approvals



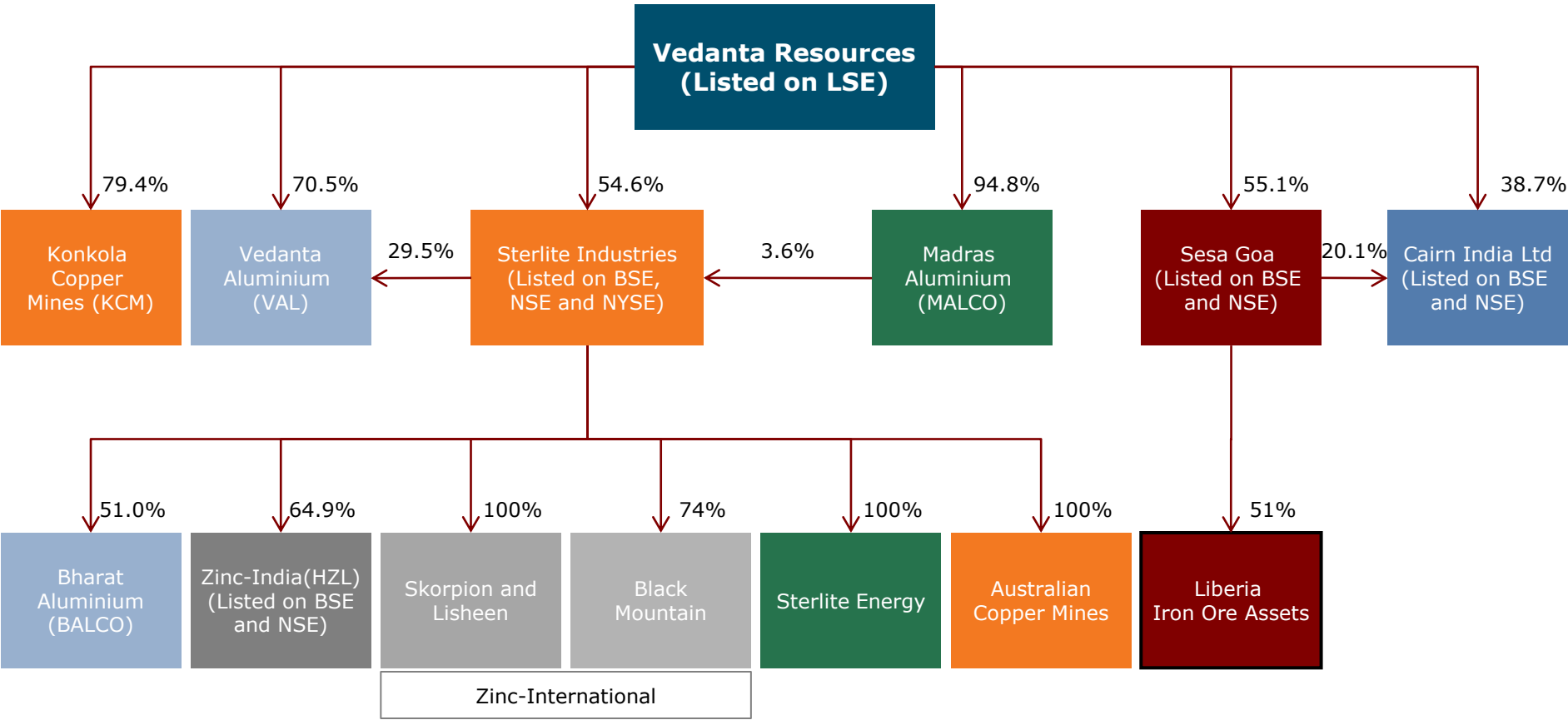
Proposed New Group Structure



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



Zinc Business

Zinc-India

- Record production of refined Zinc, Lead and Silver in FY2012
 - 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 in FY2012
 - 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

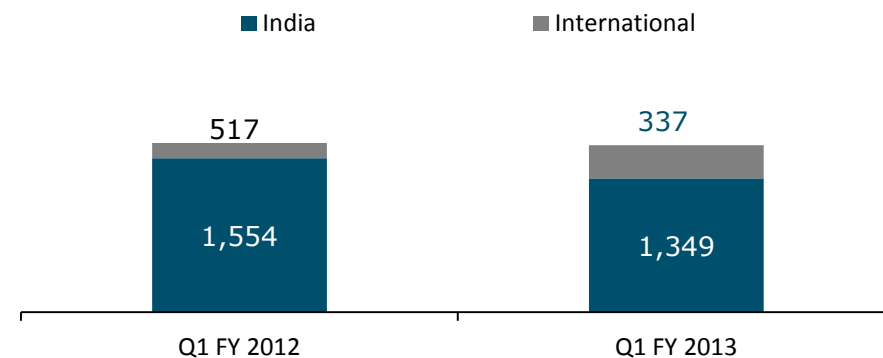
Production and Cash Costs

Zinc-India	FY2012	Q1FY2012	Q1FY2013
Mined Metal (kt)	830	188	187
Refined Zinc (kt)	759	193	161
Refined Lead (kt) ¹	99	16	31
Integrated Silver (tonnes) ¹	237	47	79
Zinc CoP ² (\$/t)	834	874	844

Zinc-International	FY2012	Q1FY2012	Q1FY2013
Mined Metal – Lisheen & BMM (kt)	299	80	70
Refined Zinc – Skorpion (kt)	145	39	36
CoP (\$/t)	1,165	1,189	1,111

Notes: 1. Includes captive consumption
2. Excluding royalty

EBITDA (Rs. Cr)



Note: 1. For the period post acquisition



Copper Business

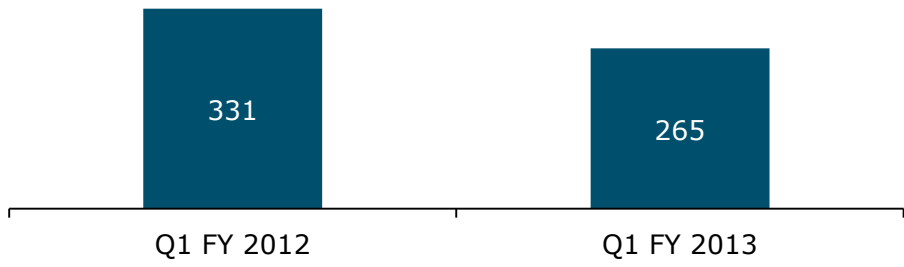
India/Australia

- EBITDA for Q1 FY2013 lower due to higher net cost of production and lower Tc/Rc, partially offset by higher volume
- 160MW CPP Project - First 80 MW unit is expected to be synchronized in the current quarter.

Production and Cash Costs

	FY2012	Q1 FY2012	Q1 FY2013
Mined Metal	23	6	7
Refined Metal – India (kt)	326	74	88
Conversion cost – India (c/lb)	0.0	(2.9)	5.4

EBITDA (Rs. Cr)



Aluminium Business

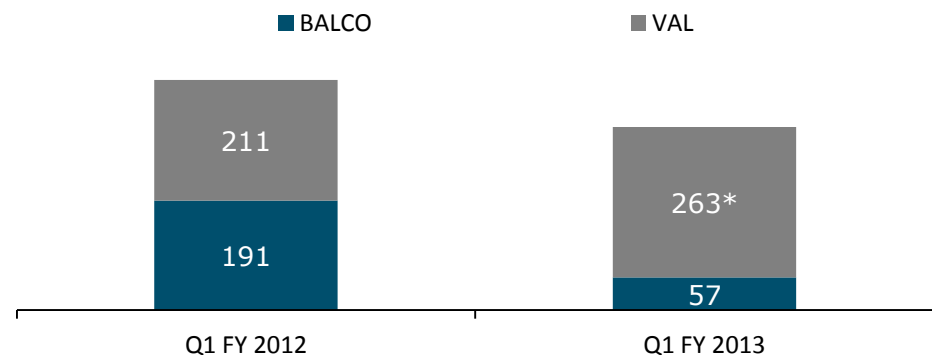
BALCO and VAL

- Significantly improved cost performance at VAL
 - Aluminium COP in second quartile of cost curve, without bauxite linkage
- Working with Government on bauxite allocation
- BALCO 325ktpa smelter – first metal in Q3 FY2013
- Received Environment Clearance for 211 MT BALCO coal block in May 2012
 - Stage II Forest Clearance awaited

Volumes and Cash Costs

Aluminium and Alumina	FY2012	Q1FY2012	Q1FY2013
Aluminium Production (kt)	675	173	184
BALCO	246	61	60
VAL	430	112	124
Aluminium COP (\$/t)			
BALCO	1,997	1,981	1,910
VAL	2,188	2,344	1,845
Alumina Production (kt)	928	224	218
Alumina COP (\$/t)	350	347	334

EBITDA (Rs. Cr)



* EBITDA excluding Rs. 100 crore of adverse impact on account of interest differential as per AS 16 and Rs. 80 crore of mark to market loss on creditors and loans due to foreign exchange fluctuation.



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

- Transmission capacity developed
 - Commissioned an additional 700MW transmission capacity at SEL, taking total capacity to 1,850MW
 - In Q4 FY2013, we expect to commission an additional 1,000MW transmission capacity
 - Will help achieve higher capacity PLF

- Stable plant operations at Jharsuguda
 - Q1FY2013 cost lower at INR2.14/unit

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

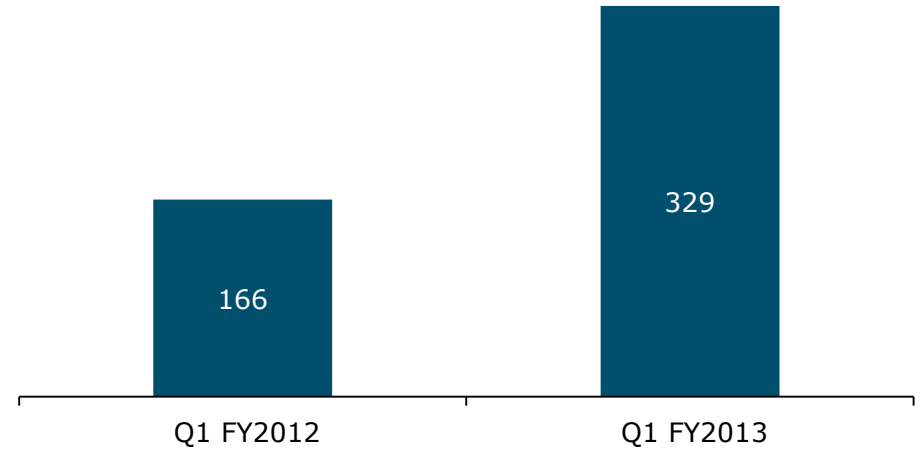
- BALCO projects
 - 1200MW CPP: 1st Unit synchronization in Q2FY2013

Sales and Cash Costs

	FY2012	Q1 FY2012	Q1FY2013
Total Sales (mu)	7,578	1,652	2,458
SEL (mu)*	5,638	1,123	1,938
Others	1,940	529	520
Average realisation (INR/u)	3.39	3.55	3.44
SEL CoP (INR/u)	2.62	2.86	2.14
Average cost of generation (INR/u)	2.40	2.57	2.02

Notes: * Includes 926mu in FY2012, 202 MU in Q1 FY2013 and 140 MU in Q1 FY2012 generated under trial run

EBITDA (Rs. Cr)



Note: *. Subject to approvals



Iron Ore

India

- 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
- Commissioned 375kt Pig Iron expansion project in current quarter

Liberia

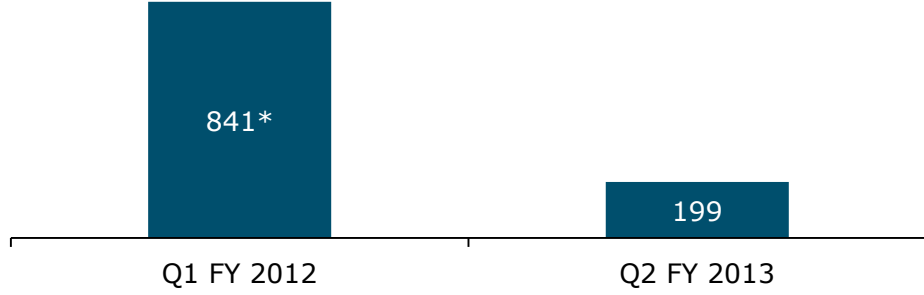
- Aeromagnetic survey completed and scoping study near completion
 - Indicates significant upside to earlier estimated resource base of 1bn tonne
- Targeting first shipment in FY2014

Production and Sales (mn DMT)

Iron Ore	FY2012	Q1 FY2012	Q1 FY2013
Sales ¹	16.0	4.3	2.9
Goa	13.3	3.2	2.8
Karnataka	2.7	1.1	0.0
Production	13.8	4.4	3.4
Pig iron - Production (kt)	249	62	39

Note: 1. Iron ore sales includes captive consumption of 0.30 mt in FY2012, 0.06 million tonnes in Q1 FY 2013 vs 0.07 million tonnes in Q1 FY 2012

PAT (Rs. Cr)



*Excluding associate income from Cairn India



Cairn India

- Cairn India production and contribution
 - Average daily gross operated production in Q1 FY2013 at 206,963 boe
 - Reduced India's crude oil import dependency by ~US\$9bn
- 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 mmboe 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
- Announced Dividend Policy of ~20% payout of net income

Production

	FY2012	Q1 FY2012	Q1 FY2013
Average Daily Gross Operated Production (boepd)	172,887	171,801	206,963
Rajasthan	128,267	125,127	167,146
Ravva	36,379	37,819	32,589
Cambay	8,242	8,855	7,228
Average Daily Working Interest Production (boepd)	101,268	99,640	127,226
Rajasthan	89,787	87,589	117,002
Ravva	8,185	8,509	7,333
Cambay	3,297	3,542	2,891
EBITDA ¹ (Rs. Cr)	3,348	-	3,457

Note: 1. Numbers post acquisition

EBITDA (Rs. Cr)

