

Sesa Sterlite Limited

Investor Presentation

February 2014



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Sesa Sterlite: Investment Highlights

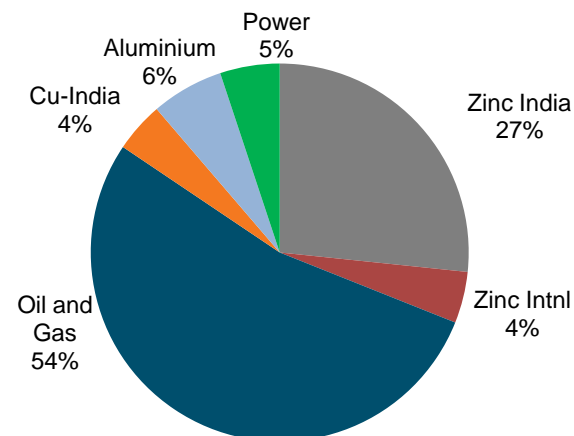
- One of the world's largest diversified natural resource majors
 - Operations across Base Metals, Iron Ore, Silver, Oil & Gas and Commercial Power
- Portfolio of scalable tier-1 assets generating strong and consistent profitability and free cash flow
- Strong and liquid balance sheet
 - Cash and liquid investments of c.Rs. 50,000 crore
 - Net debt to EBITDA⁴: 1.3x
- One of the largest CSR programmes in India
 - Educational, healthcare and community programmes covering 3mn people across 1,006 villages

Financial Highlights

In Rs. crore except as stated

	Q3 FY2014	FY2013 ¹
EBITDA	6,565	25,232
EBITDA Margin ²	48%	48%
Attributable PAT	1,868	7,252

9M FY2014 EBITDA Breakup³



Rs. 18,999 crore
(US\$ 3.1 bn)

Note:

1: Adjusted Proforma numbers

2: Excludes custom smelting

3: 9M FY2014 EBITDA Breakup excludes Iron Ore

4: Annualised EBITDA on Proforma basis

5: 9M FY USD: INR – Average : 60.08, closing: 61.90

Portfolio of Tier -1 Assets



Business Oil & Gas: India's largest private sector crude oil producer

R&R 15 years

Capacity 225+kboepd



Zinc India: World's 2nd largest integrated zinc producer, one of the largest silver producers

25+ years

Zinc -Lead 1.2 mtpa; Silver: 500 tpa



Zinc International: Assets in South Africa, Namibia and Ireland

20+ years

400 ktpa



Business Iron Ore: Largest private sector exporter in India; large deposits in Liberia

R&R 20+ years

Capacity 16.8 mtpa



Aluminium: Strategically located large scale assets with integrated power

-

2.3 mtpa



Power: One of India's largest thermal power producers

-

8.8 GW (c.3.3 GW commercial)

Notes : R&R as at 31 March 2013; Zinc International includes Gamsberg deposit in R&R; Capacity Includes announced expansions; Iron ore shown at existing EC capacity of 14.5mt in Goa and 2.3mt provisional capacity in Karnataka & excludes Liberia

Vision and Strategy

To deliver growth, long-term value and sustainable development through our diversified portfolio of large, long-life, low-cost assets.

Our Strategy is based on the following three pillars:

Growth

Organic Growth

Selective and Value
Accretive M&A

Long Term Value

Optimise Returns

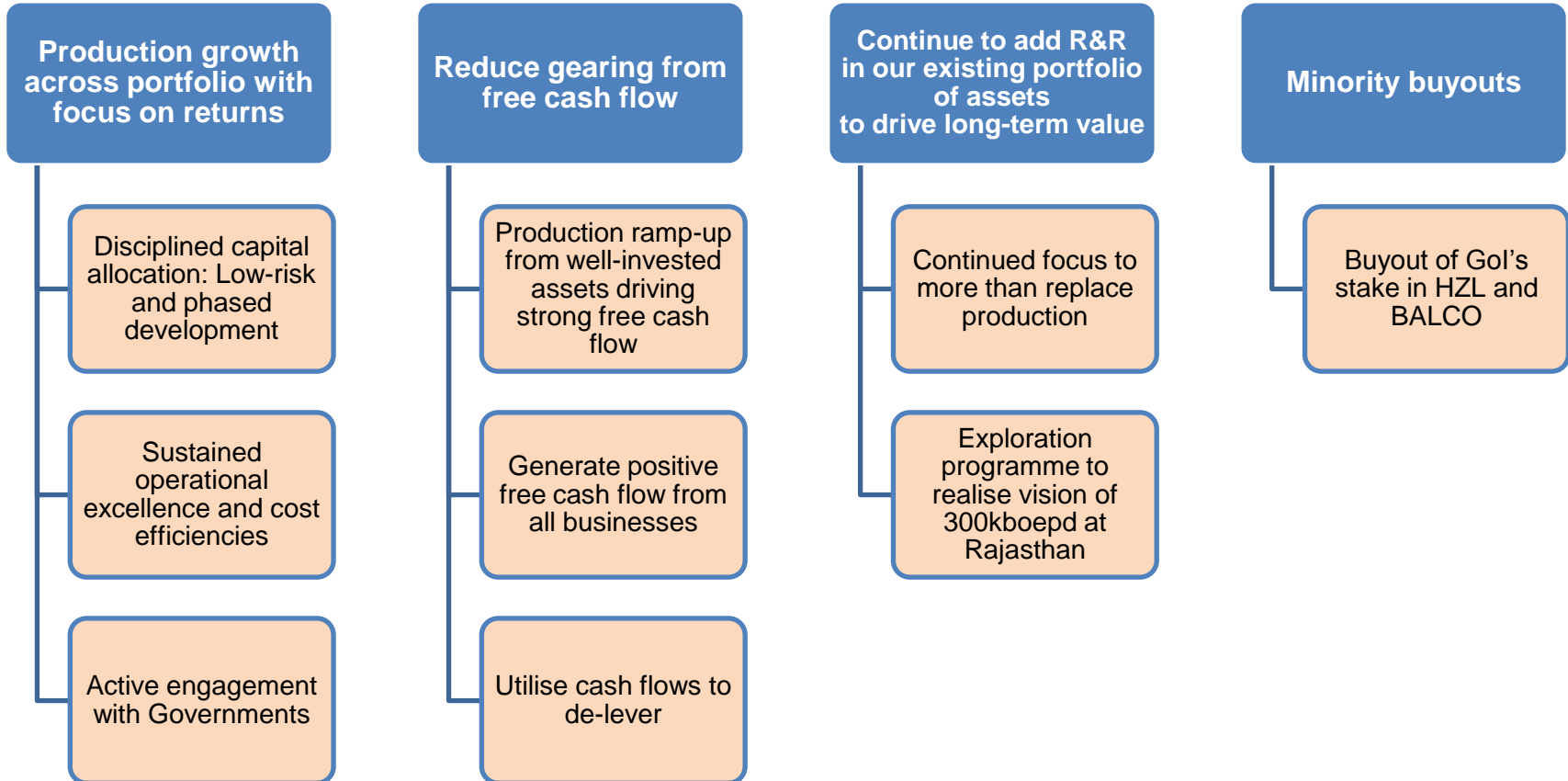
Add R&R

Sustainability

Responsible
Stewardship & Building
Strong Relationships

Adding and Sharing
Value

Key Priorities

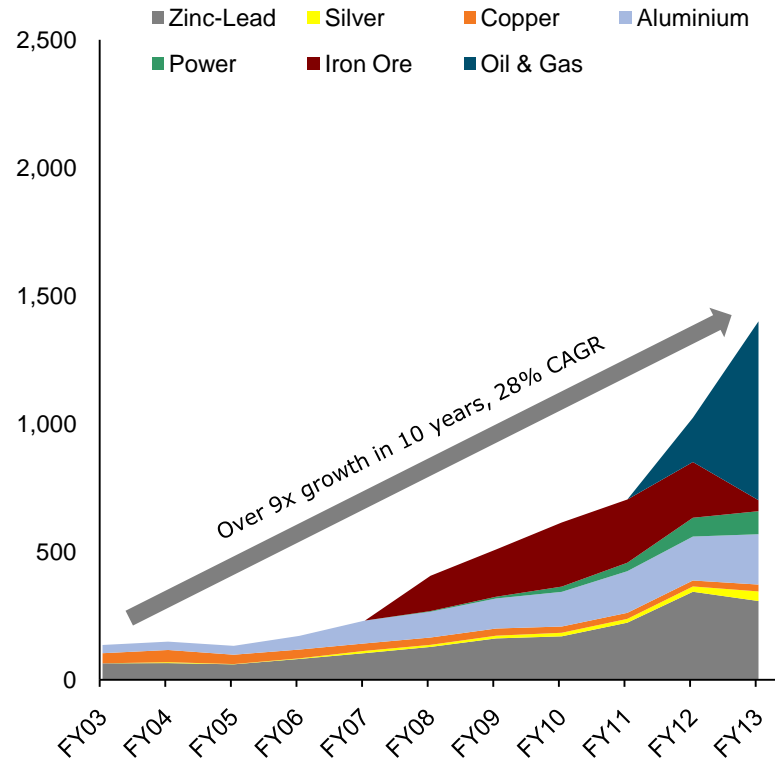


Opportunities and Challenges

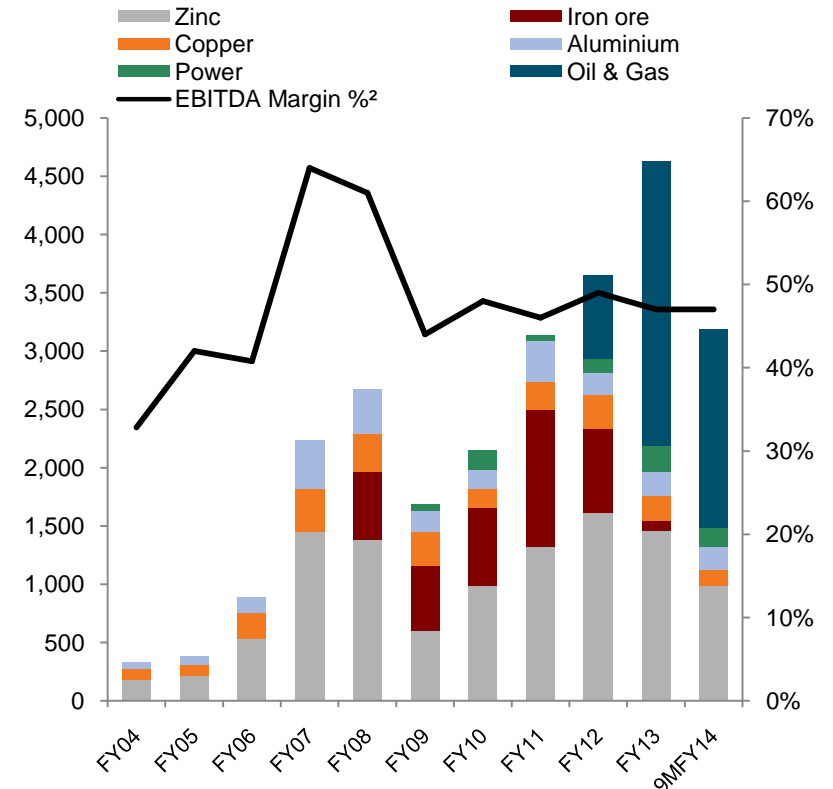
Group Structure	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Merger Completed <input type="checkbox"/> Buyout of GoI's stake in HZL and BALCO
Zinc India	<ul style="list-style-type: none"> <input type="checkbox"/> Mining Expansion: 1.2mtpa by FY2017
Oil & Gas	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 225+ kboepd by FY2014 <input checked="" type="checkbox"/> GoI issued policy on Integrated Block Development <input type="checkbox"/> Re-commenced exploration in Rajasthan
Iron Ore	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Karnataka: Final clearance received, mining restarted in December 2013 <input type="checkbox"/> Goa: Inventory sales expected to commence shortly; next hearing scheduled in February 2014 <input type="checkbox"/> Liberia: Phased approach, 1st phase of 2mtpa under review
Aluminium and Power	<ul style="list-style-type: none"> <input type="checkbox"/> Power: Increase utilization of Jharsuguda 2,400MW; start-up Talwandi Sabo 1,980MW <input type="checkbox"/> Bauxite: Pursuing multiple options for captive source
Copper	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Tuticorin Smelter: Restarted with fast ramp-up to full capacity

Strong Production Growth with Consistent EBITDA Margin

Production Growth
(in Copper Equivalent kt)¹



Consistent Margins driven by Diversification
(EBITDA by Segment in USD mn)



Consistent Margins through the Cycle

Note All the numbers used in the charts above are proforma numbers calculated by taking Vedanta numbers excluding KCM

1. All metal and power capacities rebased to copper equivalent production using commodity prices for H1 FY2014. Copper custom smelting capacities rebased at TC/RC for H1 FY2014.

2. Excludes custom smelting at Copper and Zinc-India operations

Sesa Sterlite Limited

One of the World's Largest Diversified Natural Resource Companies

World's fastest growing Energy company*

World's 2nd largest integrated Zinc producer

Owens one of the World's largest undeveloped Zinc deposits

One of the World's largest Aluminium capacities with captive power

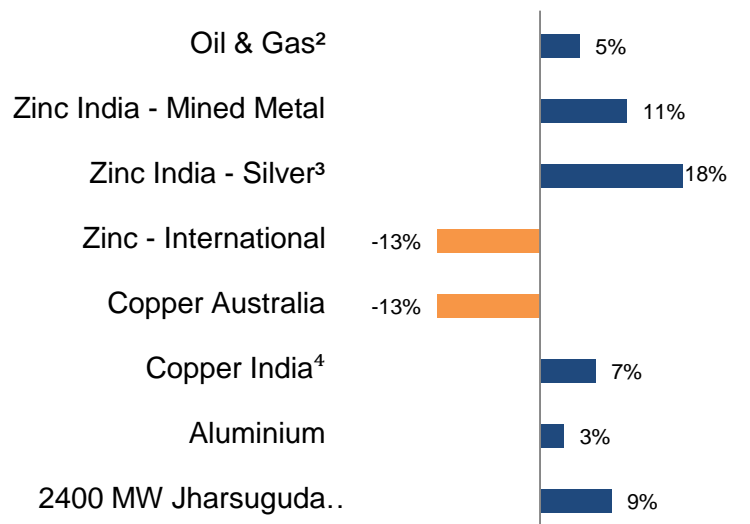
One of the World's largest custom Copper Smelter

**Platts ranking 2013*

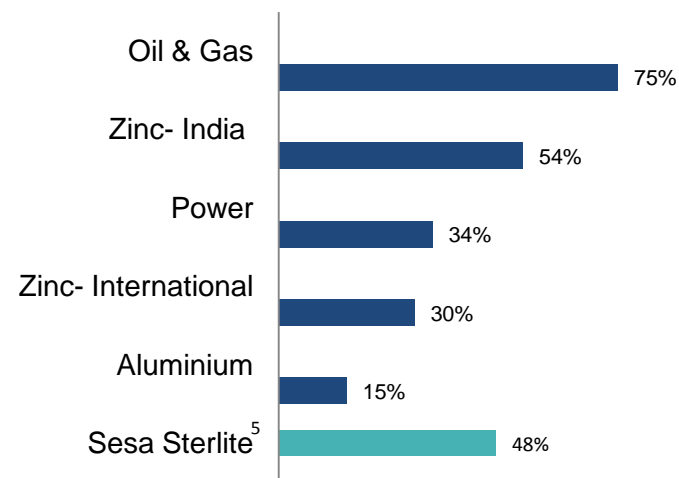
Appendix

9M FY2014 performance

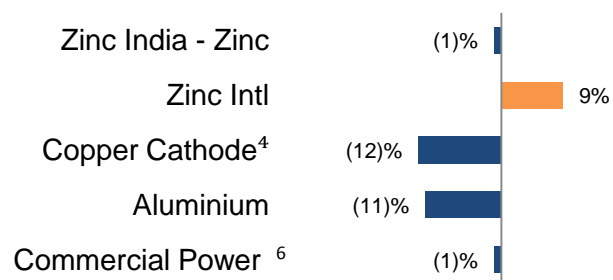
Production¹
(% change 9M FY2014 Vs. 9M FY2013)



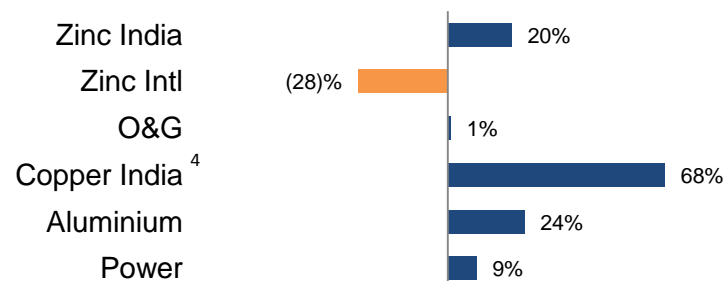
EBITDA Margin by Segment¹



Unit Costs¹
(% change 9M FY2014 Vs. 9M FY2013)



EBITDA¹
(% change 9M FY2014 Vs. 9M FY2013)



Notes:

1. Excludes Iron Ore
2. Working interest
3. Integrated Production

4. Copper India numbers taken for Q4 since the 9M numbers are not comparable due to shutdown
5. Excludes custom smelting at Copper - India and Zinc - India
6. 2,400 MW power plant at Jharsuguda

Zinc-Lead-Silver

Zinc India

Production & COP

- Ramp-up in mined metal volumes
- Operational efficiencies drove strong refined volumes
- Lowest quartile cost position

FY2014 Outlook

- Mined metal volume: approx. 900 kt
- Refined Saleable Silver: 290 -300 tonnes

Projects

- Expansion to 1.2mtpa mined metal progressing well
- Kayad mine became operational in Q3 FY2014

Zinc International

Production & COP

- Affected by unplanned shutdown in Q3

FY2014 Outlook

- Production of c.390kt

Zinc-India

	9M FY2013	9M FY2014
Mined Metal (kt)	610	680
Refined Zinc – Integrated (kt)	479	564
Refined Lead – Integrated (kt) ¹	75	87
Saleable Silver – Integrated (tonnes)	197	233
Average Zinc LME (\$/t)	1,920	1,869
Zinc CoP ² (\$/t)	838	828

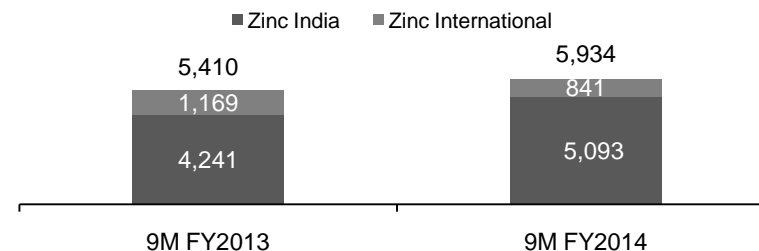
Zinc-International

	9M FY2013	9M FY2014
Mined Metal – Lisheen & BMM (kt)	215	189
Refined Zinc – Skorpion (kt)	109	92
CoP (\$/t)	1,071	1,169

Notes: 1. Includes captive consumption
 2. Excluding royalty. Revenues from silver not credited to CoP.

FY2013 numbers are on proforma basis

EBITDA (Rs. Crore)



2nd Largest
 Integrated zinc
 producer

25+ Years
 Mine life

>50%
 Zinc India's EBITDA
 margin

1.2mtpa
 Mining
 expansion
 underway

\$988 million
 9M FY2014 EBITDA
 (Zinc India & International)

Oil & Gas

Robust production growth and Operational efficiency

- 5% Y-o-Y production growth during 9M FY 2014
- Cumulative production of ~560 mmmboe till 31st December 2013
- Facility Uptime >99% with a low field direct opex of <\$5/bbl
- Infill drilling continues across assets to support production and increase recovery rates
- 2nd phase of growth to be driven by low permeability Barmer Hill formation
- On track for FY2014 exit production of over 225kboepd

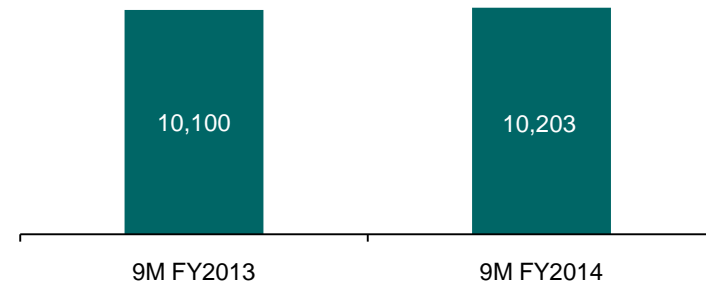
Active exploration and appraisal of diverse asset portfolio*

- Rajasthan
 - achieved over 50% success rate, established 3 new play types, adding oil in place resources of 500-600 mmbbls.
 - on track to drill out 50% of gross risked prospective resources.
- KG Onshore
 - declaration of Commerciality for Nagayalanka submitted
 - expected Production in 2017 in excess of 10,000 bopd
- Ravva
 - high value, high risk prospect spudded, testing to start in Q4
- Other Blocks
 - Sri Lanka gas monetization plans under discussion with the government
 - acquisition of seismic data is ongoing at South Africa, KG Offshore & Mumbai Offshore
- Plans to evaluate blocks in NELP-X

*Subject to approvals

Oil & Gas	9M FY2013	9M FY2014
Average Daily Gross Operated Production (boepd)	206,405	216,760
Rajasthan	169,651	178,469
Ravva	29,801	28,421
Cambay	6,954	9,870
Average Daily Working Interest Production (boepd)	128,242	135,271
Rajasthan	118,756	124,928
Ravva	6,705	6,395
Cambay	2,781	3,948
Average realizations – oil & gas (US\$/boe)	96.9	94.5

EBITDA (Rs. Crore)



FY2013 and FY2014 numbers are on proforma basis

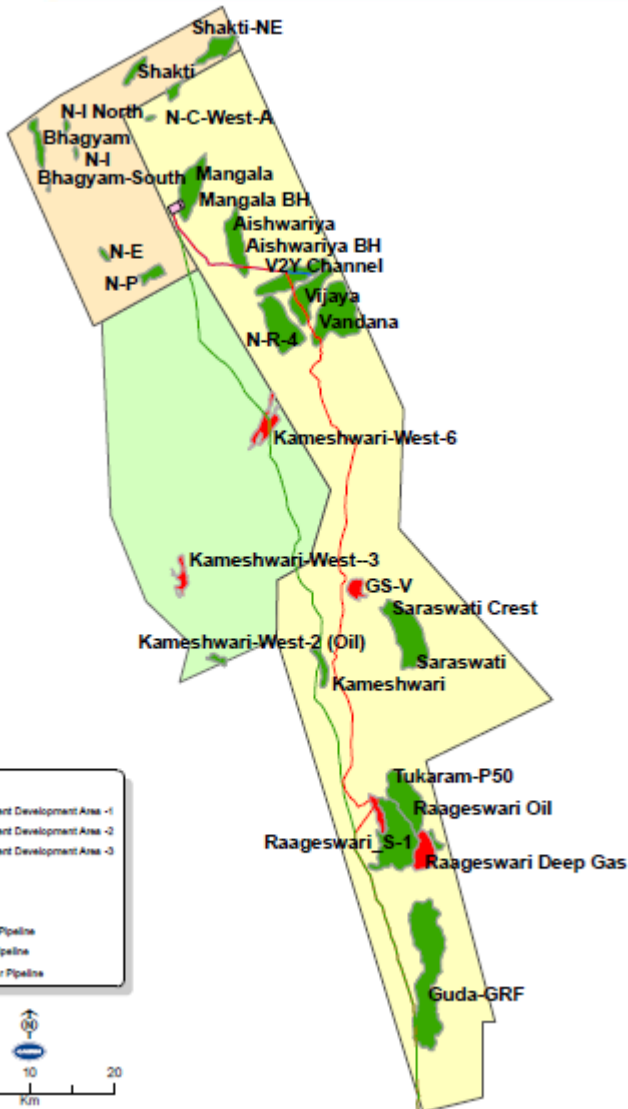
Fastest Growing
Energy Company in the world
(Platts Ranking 2013)

>70%
EBITDA Margin
during Q3 FY2014

224,493 boepd
Record Gross Average
Daily Production in Q3

c.\$1,700 million
9M FY2014 EBITDA

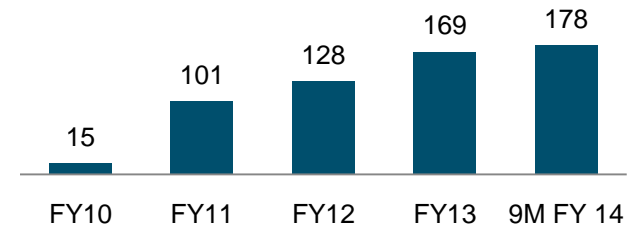
Oil & Gas: Rajasthan - A World Class Asset



Excellence in execution

- Top quartile HSE performance
- Discovery to production in 4 years
- Onshore, low cost asset with primarily liquids
- Leveraging technology
 - World's longest heated pipeline
 - Modular well pad concept
 - One of the largest polymer flood EOR project in the world at Mangala field

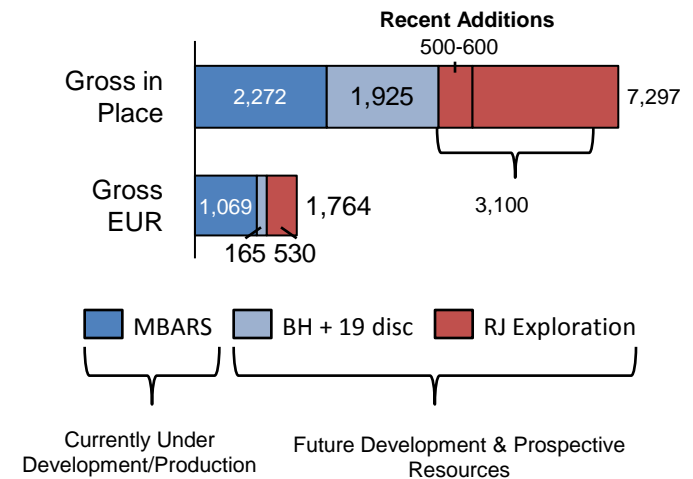
Production Growth (kboepd)



Active exploration and appraisal

- 28 discoveries to date - Made 3 discoveries since resumption of exploration in 2013
- Prospective pay zones in 5 out of the 9 E&A wells
- Established 3 new play types
- Added oil in place resources of 500-600 mmbbls
- Commenced ~1,900 sq km of additional 3D seismic data

Significant Resource Potential (Mmboe)



Copper – India/Australia

Production

- Smelter restarted in end June 2013
 - record copper cathode production in Q3
- Australian Mine production affected due to an accident in Q3

COP

- 9M net COP higher due to lower sulphuric acid credits

Realisations

- Tc/Rc higher by 34% in Q3
 - contract settlement at c.25c/lb for CY2014

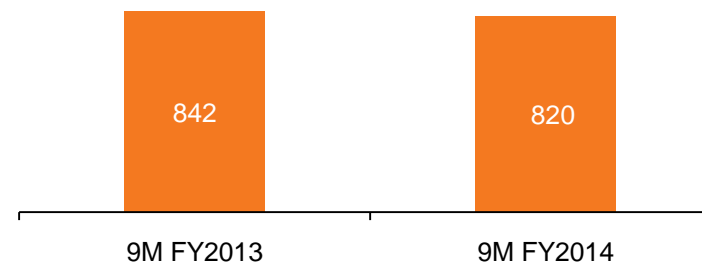
Outlook

- Stable smelter production expected during Q4 Smelter maintenance shutdown planned in Q1 FY2015 for 21 days

Copper-India/Australia	9M FY2013	9M FY2014
Mined Metal – Australia (kt)	19	17
Copper Cathodes– India (kt)	267	197
Tuticorin Power Plant (mu)	7	457
Average Copper LME (\$/t)	7,827	7,124
Copper Tc/Rc	12.0	15.6
Conversion cost – India (c/lb)	7.8	11.7

· FY2013 numbers are on proforma basis

EBITDA (Rs. Crore)



Largest Copper producer in India

c.25 c/lb Tc/Rc contracted for CY2014

Record Cathode Production In Q3 FY2014

\$135 million 9M FY2014 EBITDA

Iron Ore

Karnataka

- Resumed mining in Dec 2013
 - provisional capacity of 2.29 mtpa
- Ramping up production to a run-rate of 0.5 mt/month

Goa

- Inventory sales to commence shortly
- Report on mining cap to be submitted by a separate committee to the Honourable Supreme Court on 15 Feb 2014

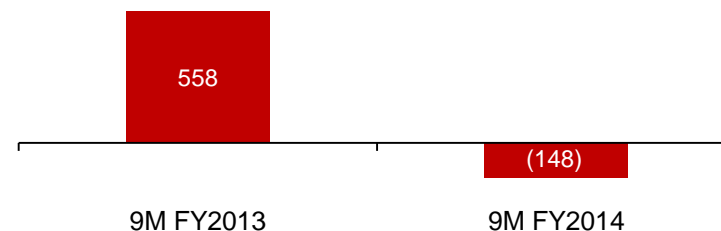
Liberia

- Drilling confirmed 1 bn tonnes deposits with further upside
- Reviewing phased options

Iron Ore and Pig Iron

	9M FY2013	9M FY2014
Sales (mt)	3.1	-
Goa	3.0	-
Karnataka	0.1	-
Production	3.7	-
Average Net Sales Realizations (\$/t)	70	-
Pig iron - Production (kt)	204	377
Met coke – Production (kt)	237	289

EBITDA (Rs. Crore)



20+ Years
Mine life in India*

1 bn tonnes
deposits in Liberia with
further upside

Karnataka
mine resumed operation in
Dec 2013

Goa
Inventory sale to
commence shortly

* Based on production of 16.8 mtpa

Aluminium

Production & COP

- BALCO and Jharsuguda smelters operated above rated capacity
- Lanjigarh refinery operating at 72% utilisation
 - expected to ramp-up to full capacity in Q4FY2015
- Lower half cost positioning, without captive bauxite
 - \$270 per tonne Y-o-Y COP improvement in the nine month period at Jharsuguda plant

Realisation

- \$338/t of realisation over LME
- c.60% of production converted to value added products

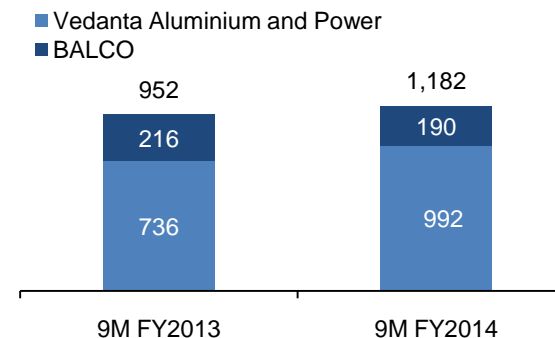
Projects

- **BALCO**
 - 325kt smelter: First metal in H1 FY2015
 - 1200 MW power plant : Synchronisation in Q1 FY2015, post obtaining all required approvals
- **Jharsuguda 1.25 mt smelter**
 - evaluating commissioning of first of four lines

Aluminium and Alumina	9M FY2013	9M FY2014
Aluminium Production (kt)	579	595
BALCO	185	187
Jharsuguda-I	394	407
Aluminium LME (\$/t)	1,964	1,794
Aluminium COP (\$/t)	1,893	1,678
BALCO	1,893	1,798
Jharsuguda-I	1,892	1,621
Alumina Production (kt)	527	297
Alumina COP (\$/t)	353	355

FY2013 numbers are on proforma basis

EBITDA (Rs. Crore)



Largest
aluminium producer
in India

2nd Quartile
cost positioning without
captive bauxite

\$370 per tonne
EBITDA margin

\$197 million
9MFY2014 EBITDA

Power

Production & COP

- PLF impacted due to lower demand and evacuation constraints
- Stable COP on account of improvement in coal quality and lower auxiliary consumption

Outlook

- PLFs to remain moderate

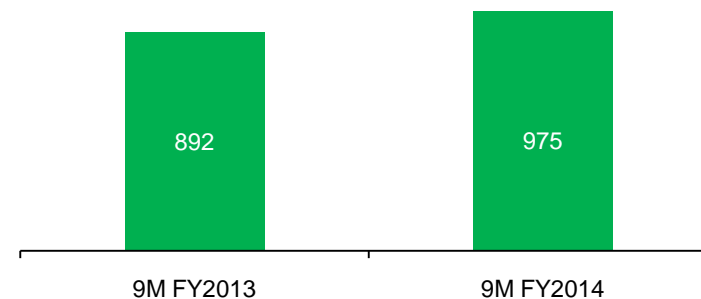
Projects / Expansions

- 1,980 MW Talwandi Sabo power plant
 - boiler light up of first 660 MW unit achieved in Q3
 - expected to be synchronized in the next few months.

Power	9M FY2013	9M FY2014
Total Sales (mu)	7,491	7,282
Jharsuguda 2,400 MW ¹	5,457	5,924
BALCO 270 MW	959	306
MALCO 100 MW	643	681
HZL WPP 274 MW	432	372
Realisation (Rs/u)	3.6	3.6
Cost of generation (Rs/u)	2.3	2.3

Notes: 1. Includes trial run generation of 795 million units in 9M FY2013
 FY2013 numbers are on proforma basis

EBITDA (Rs. Crore)



One of the largest
power producers
in India

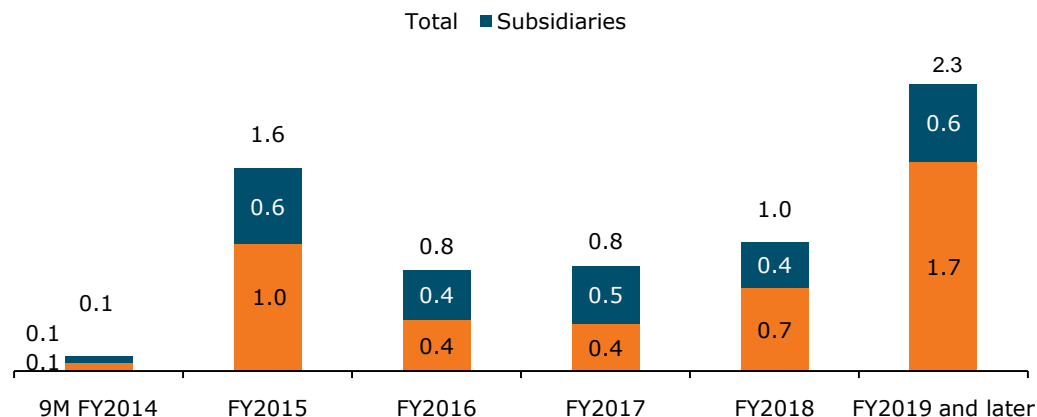
c.8.8 GW
power generation capacity
under implementation
(c.3 GW commercial)

\$163 million
9MFY2014 EBITDA

Maturity Profile

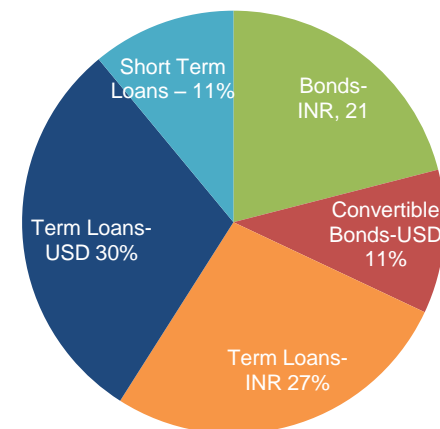
Term Debt Maturity Profile (in \$bn)

(as of 31 December 2013)



Diversified Funding Sources

(as of 31 December 2013)



Total External Term Debt of \$6.6bn

- Debt of \$4.1bn at Standalone and \$2.5bn at Subsidiaries, total consolidated \$6.6bn
- Above maturity profile excludes working capital debt of c.\$3bn and inter-company loan from Vedanta Plc of \$3.9bn.
- Maturity profile shows external debt at face value
- **Cash and Liquid Investments of \$8bn, with additional \$1.2 bn undrawn lines of credit**
- **Healthy net Debt/EBITDA of 1.3x¹**
- **Net Gearing ratio of 25%²**

Note:

1. Annualised EBITDA on Proforma basis

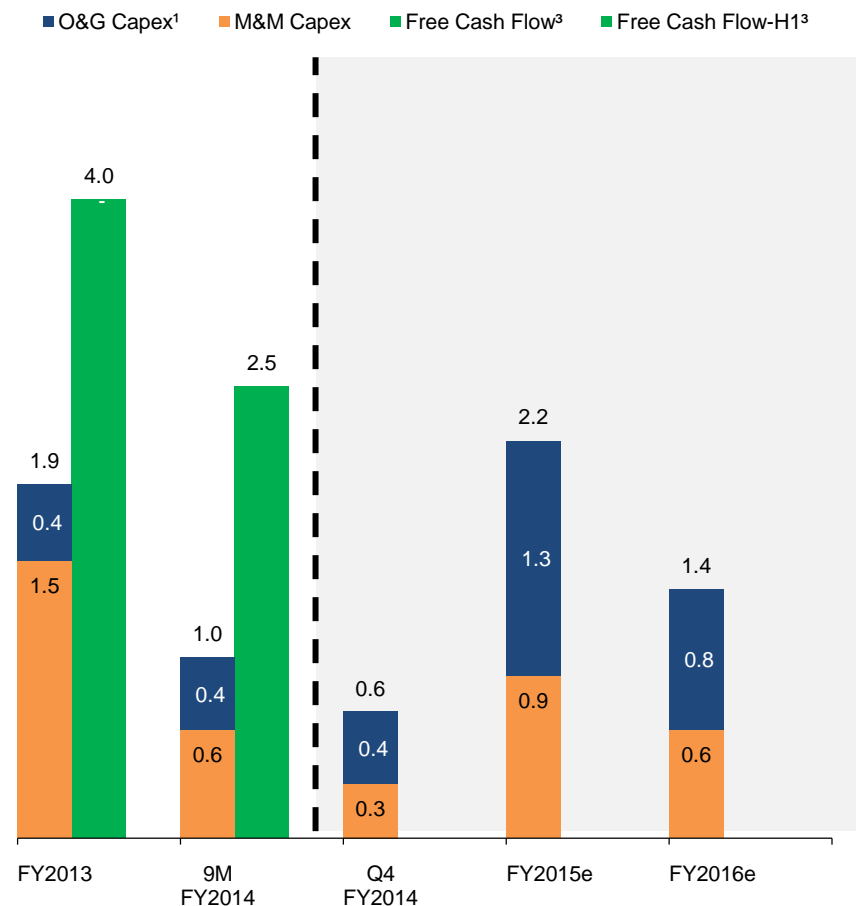
2. Proforma basis

Exchange Rate : INR 61.9 per USD at 31 Dec 2013

Well-Invested Assets Driving Positive Cash Flow

- Positive Free Cash Flow with production ramp-up \$1.6 bn free cash flow (post growth capex) in H1
- Actively managing and reviewing our capex requirements
- Capex to be spent up to FY2016
- **Oil & Gas: c.\$2.5bn¹**
 - 80% of capex on proven and high-margin Rajasthan block
- **Metals & Mining ² : c.\$1.8bn**
 - \$0.6bn for expansion at Zinc India
 - Remaining \$1.2bn on Talwandi Sabo, Aluminium smelters and other ongoing projects

Capex and Free Cash Flows (\$bn)



Notes: M&M refers to Metals and Mining, O&G refers to Oil & Gas

1. Capex net to Cairn India; subject to Government of India approval

2. Flexible capex of a further 1.4bn (Lanjigarh Refinery, Tuticorin Smelter, and India Iron Ore Expansions); Awaiting regulatory approvals and subject to review

3. Free cash flow after sustaining capex but before growth capex

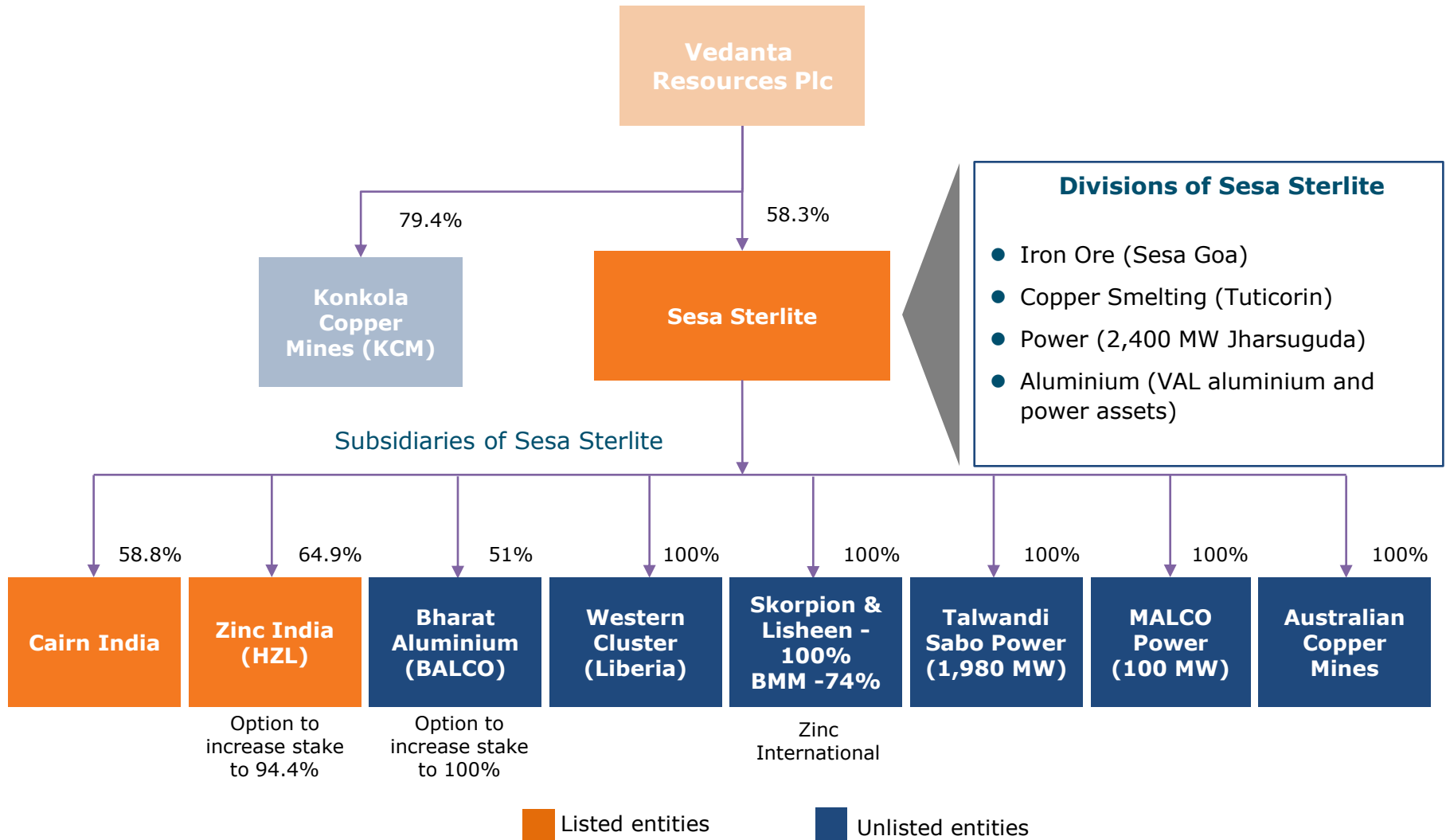
Free Cashflow and capex are IFRS numbers on proforma basis

Entity wise Debt and Cash

Net Debt Summary (\$ mn)	31 March 2013 (Proforma)			31 December 2013		
	Debt	Cash & LI	Net Debt	Debt	Cash & LI	Net Debt
Sesa Sterlite Standalone	6,830	494	6,336	6,617	592	6,025
Zinc India	-	3,929	(3,929)	-	3,689	(3,689)
Zinc International	-	197	(197)	-	184	(184)
Cairn India	-	3,093	(3,093)	91	3,572	(3,481)
BALCO	790	0	790	810	7	803
Talwandi Sabo	706	1	705	807	4	803
Cairn acquisition SPV ¹	5,108	10	5,098	5,094	17	5,077
Others ²	114	10	104	154	22	132
Sesa Sterlite Consolidated	13,548	7,734	5,814	13,573	8,087	5,486

- Notes:
- Debt numbers at Book Value
- Exchange Rate : INR 54.4 per USD as on 31 March 2013; INR 61.9 per USD as on 31 December 2013
1. Includes inter-company loan from Vedanta Plc to Sesa Sterlite of \$3.9 bn as on 31 December 2013 for Cairn acquisition. There was an accrued interest payable of \$388 mn on the inter-company debt.
 2. Others includes CMT, VGCB, Fujairah Gold, and Sesa Sterlite investment companies.

Group Structure



Note: Shareholding based on basic shares outstanding as on 31 December 2013