vedanta

FY 2010 Results Presentation

May 6, 2010

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Overview

Navin Agarwal

Deputy Chairman

FY 2010 Highlights

Strong performance across businesses

- ☑ Record volumes in Iron Ore, Aluminium, Zinc, Lead and Silver
- ☑ Continue to maintain low cost of production
- ☑ Dempo iron ore assets acquired and successfully integrated

Excellent project delivery

- ☑ Commissioned mid-shaft loading at KDMP
- ☑ Achieved 1 mtpa capacity in Zinc-Lead
- ☑ Coal linkage secured for power plants
- ☑ Invested US$3.5 billion in organic growth programme during the year

Continued focus on long-term value

- ☑ Reserve and resource addition of 64 mt of Iron Ore and 3.4 mt of contained Zinc & Lead
- ☑ Repurchased equity and bonds of US$ 895m and bought subsidiary shares of US$ 311 million
- ☑ Revived 1,980 MW Independent Power Plant at Talwandi in Punjab state
- ☑ Announced 400 ktpa copper smelter expansion with 160 MW Captive Power Plant at Tuticorin

Delivering Strong Results

- EBITDA up 42% to US$2.3 billion for FY 2010, H2 EBITDA up 4.5x to US$1.5 billion, over H2 FY 2009
- EPS up 187% to US$2.20
- Attributable profit increased from 24% to 39%
- Free cash flow of US$1.8 billion, 79% of EBITDA
- Strong and liquid balance sheet
  - US$7.2 billion of cash and liquid investments
  - Low net gearing of 7.5%
- Redeemed US$1.2 billion of bonds, raised US$4.2 billion of capital
- S&P raised Vedanta outlook to stable; CRISIL upgraded Sterlite to AA+

Benefiting from investing through the cycle

Unlocking India's Resource Potential

Iron Ore

India

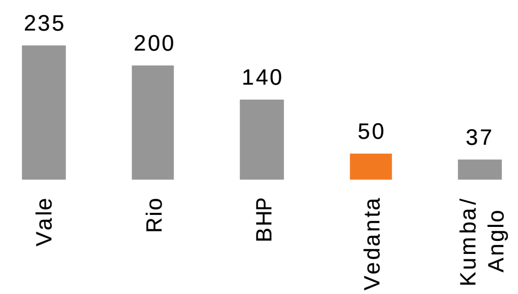
- 24bnt of reserves
- #5 in world

Vedanta

- 50 mtpa by 2012-13
- Goa CoP: Lowest decile; Overall: Lowest quartile

Top 5 Global Iron Ore Producers[1]

Seaborne Iron Ore (Mt), 2009



Aluminium

India

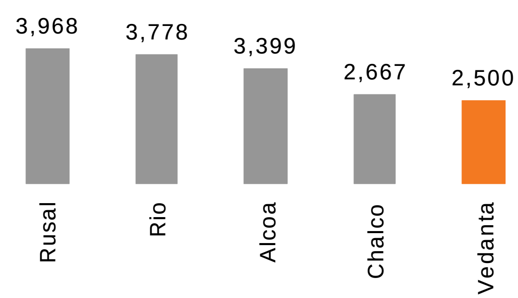
- 2.4bnt of bauxite reserves
- 253bnt of coal reserves
- #4 in world for coal and bauxite

Vedanta

- 2,500 ktpa by 2012-13
- CoP: Lowest quartile

Top 5 Global Aluminium Producers[1]

Integrated Aluminium Production (kt), 2009



Zinc

India

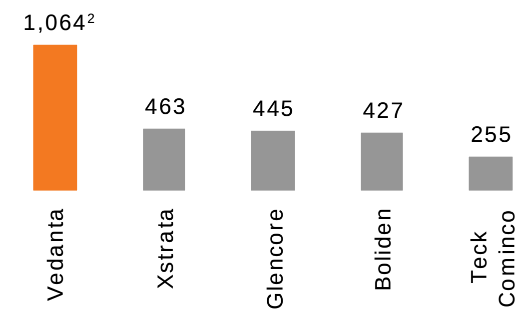
- 37 Mt of zinc reserves
- #4 in world

Vedanta

- 1,064 ktpa by 2010-11
- CoP: Lowest quartile

Top 5 Global Zinc Producers[1]

Refined Integrated Production (kt), 2009



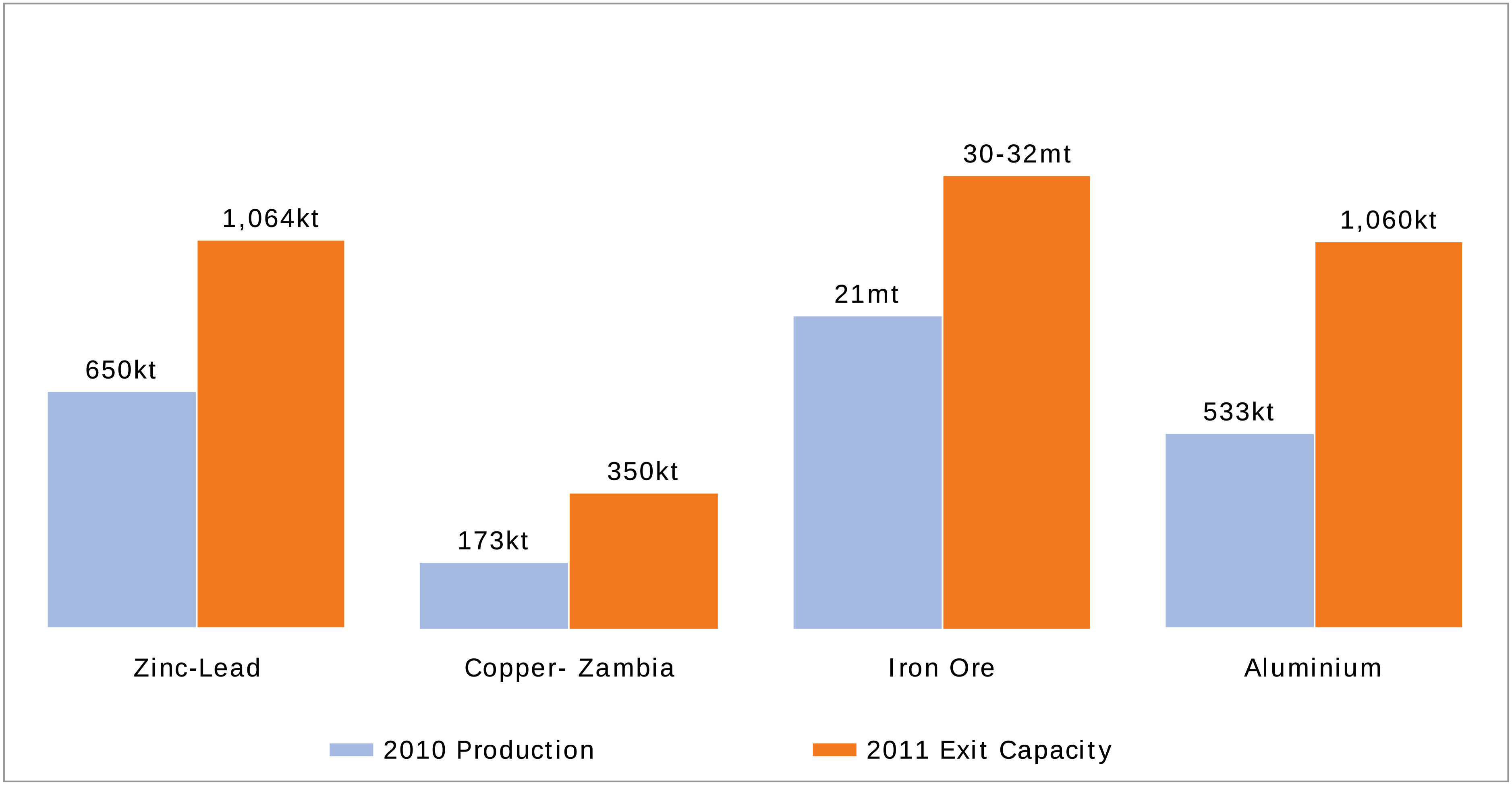
Notes: 1. Vedanta numbers refer to post-expansion capacity
2. Zinc plus lead
Source: IBM and Investment Commission of India, CRU

Delivering Growth

	2010 production	Diversified, Near-Term Capacity Growth: Exit capacity	Sustainable cost	Completion
Zinc & Lead	769 kt[1]	1,064 ktpa	Lowest quartile	2010-11
Silver	5.67 moz	16 moz	Co-product	2012-13
Iron Ore	21.4 mt	50 mtpa	Lowest half	2012-13
Aluminium	533 kt	2,500 ktpa	Lowest quartile	2012-13
Copper-Zambia	173 kt	400+ ktpa	Lower half	2011-12
Copper- India	334 kt	800 ktpa	Lower quartile	2011-12
Commercial Energy	394 MW[2]	5,500 MW[3]		2013-14

Notes: 1. Mined metal
2. Equivalent MW
3. Includes 2400MW at Jharsuguda, 1980MW at Talwandi Sabo and 1,120MW surplus at BALCO, MALCO and HZL wind power

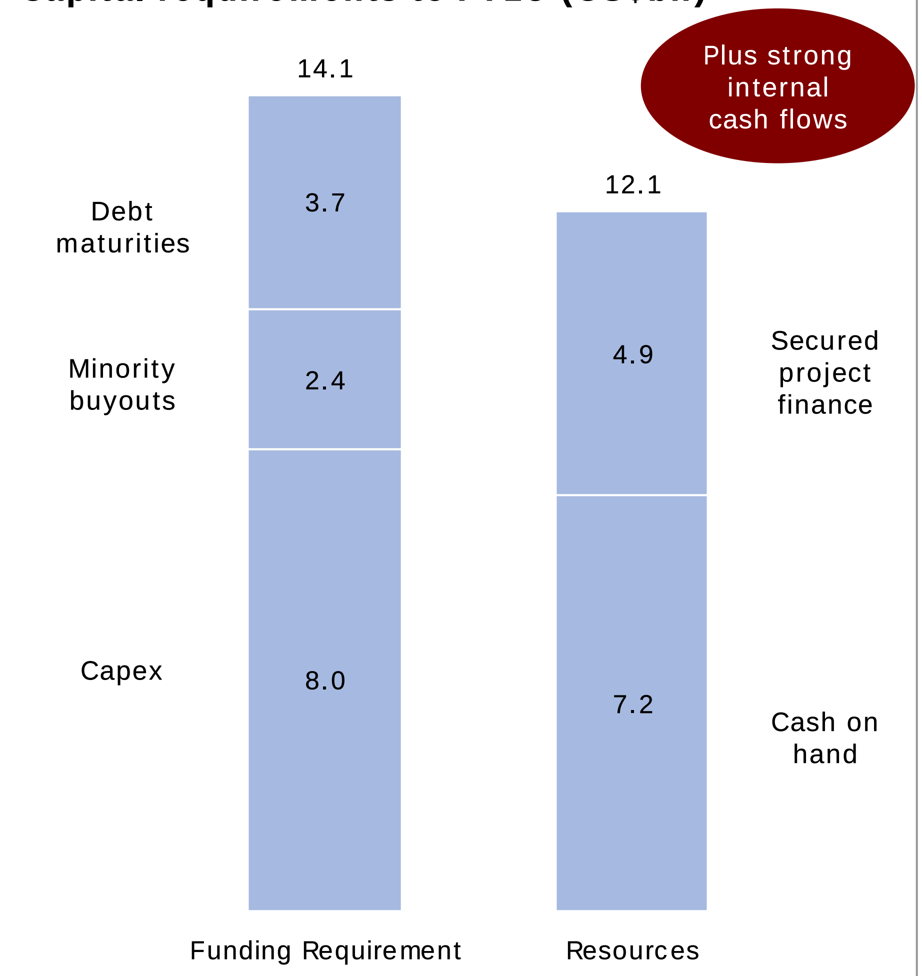
Significant Capacity Addition in 2010-11



Well Funded Growth Programme

Project Capex	US$bn
Original Cost	**19.6**
(Savings)/ Overruns	(1.0)
Project Deferral (1,980 MW Jharsuguda CPP)	(2.0)
Additional Capex	0.7
Total Capex	**17.3**
Less: Spent up to 31st March 2010	9.3
Balance to be spent	**8.0**

Capital requirements to FY13 (US$bn)



Our Strategic Priorities

Organic Growth	■ Delivery of industry leading growth programme ■ Realise KCM potential and reduce costs ■ R&R addition to enhance mine life
Optimise Returns	■ Niyamgiri bauxite approval ■ Ramping up of silver production ■ Leveraging Dempo acquisition to realise synergies
Group Structure	■ Complete BALCO and HZL minority buyouts ■ Sterlite Energy IPO
Additional Investment Opportunities	■ Selectively pursue value-enhancing opportunities

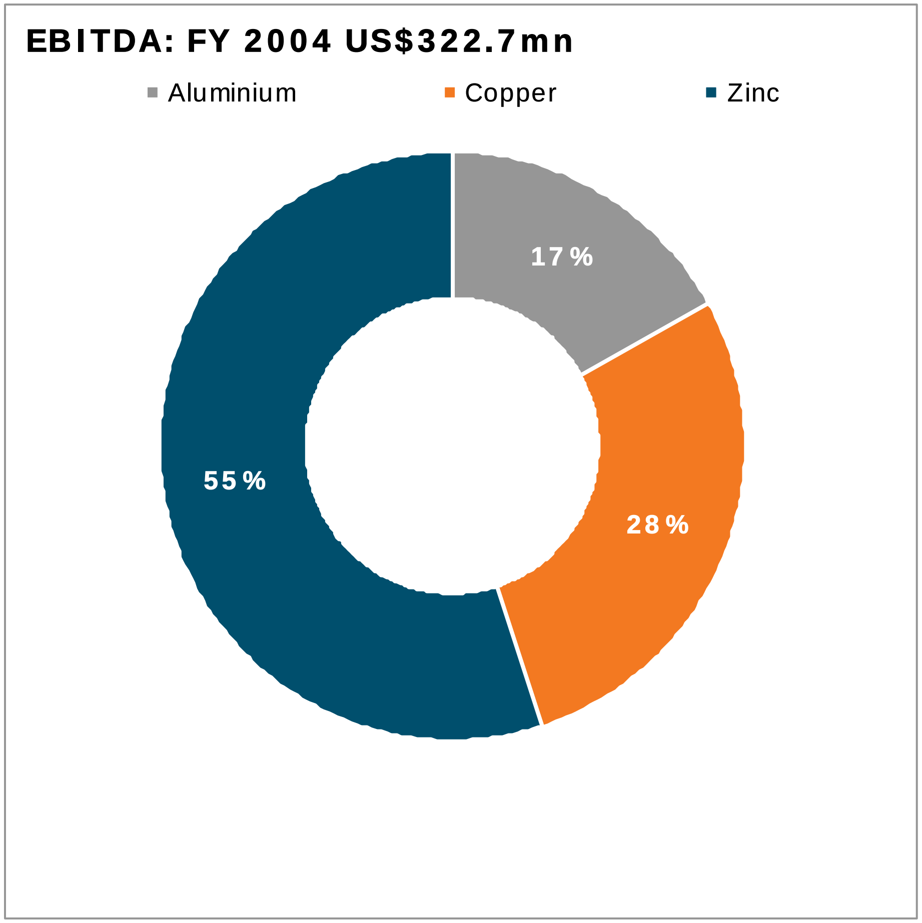
Unlocking value across our businesses

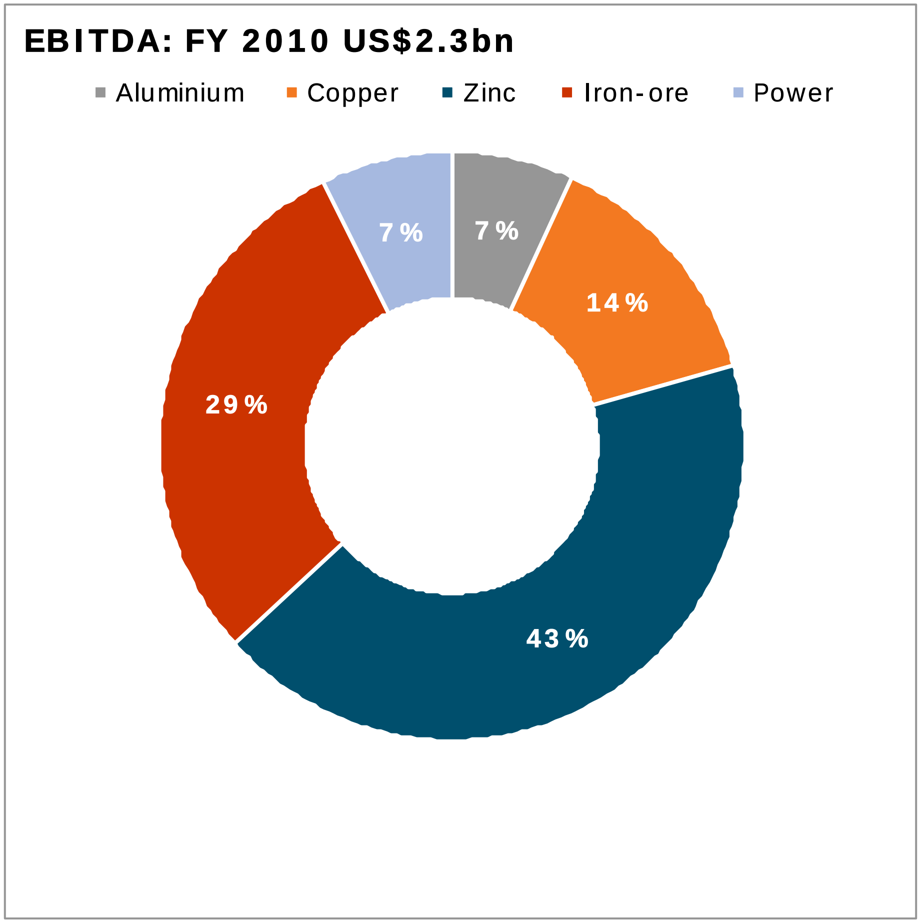
Operations

M.S. Mehta

Chief Executive Officer

Diversified Operations

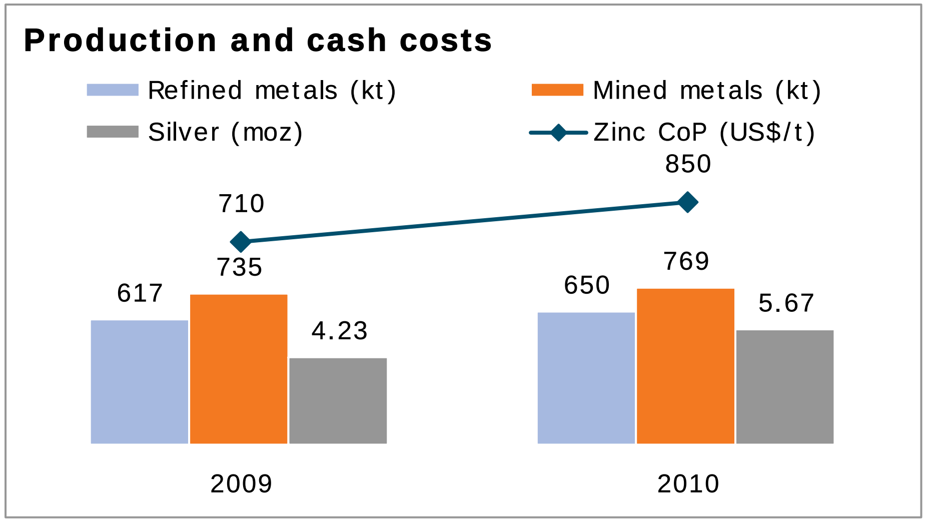


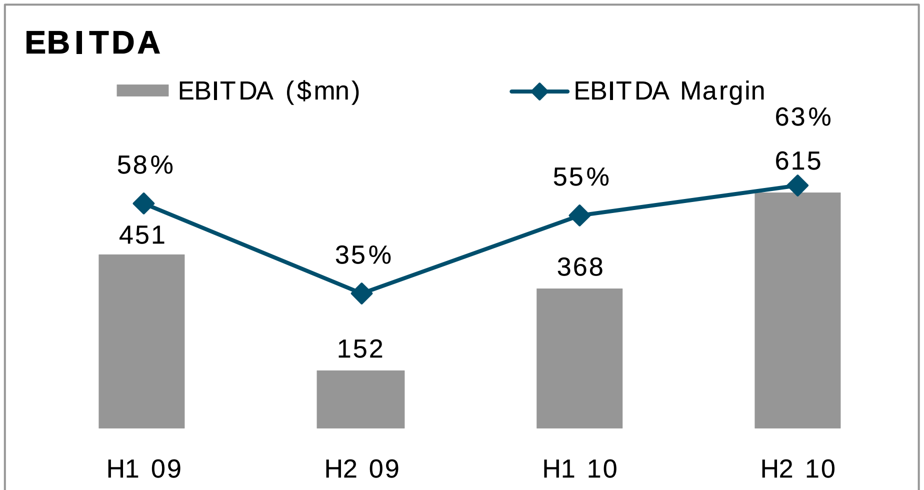


Growth and diversification of EBITDA

Zinc-Lead-Silver Operations

- Record production of Zinc, Lead and Silver. Mined metal production at near full capacity
- Zinc LME increase from US$1,563 to US$1,936
- Reduction in FY controllable cost by 5% offset by
  - Royalty cost up by US$51 per tonne
  - Acid credit reduced by US$123 per tonne
- Acid realisation recovered since year end
- 254 kt of concentrate sales





2009 numbers reinstated to exclude power sales, now included in power segment from 2010

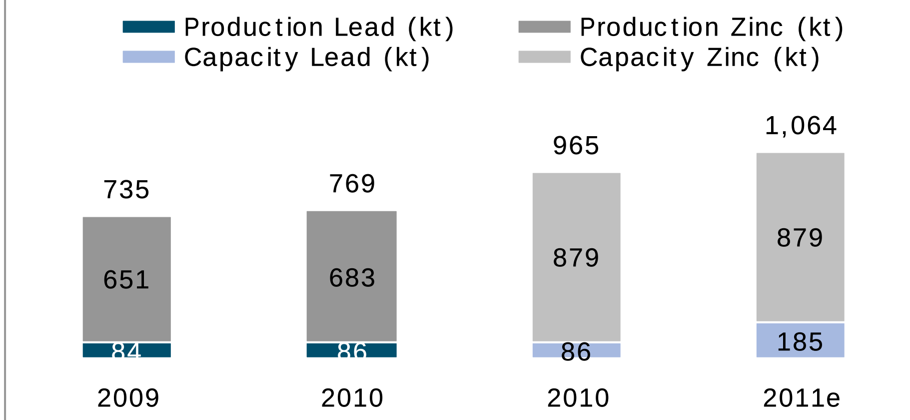
Zinc-Lead-Silver Expansion Projects

- Commissioned three months ahead of schedule
  - 210 ktpa Zinc Smelter at Dariba
  - 1 mtpa concentrator at Rampura Agucha
- Other projects on track
- FY 2010 exit capacity – 964 kt

	Completion
Mine Expansions	
Rampura Agucha (5 to 6mtpa)	Completed
Sindesar Khurd (0.3 to 1.5mtpa)	2012[1]
Kayar Mine	2013
Smelter Expansions	
210ktpa zinc smelter	Completed
100ktpa lead smelter	Q2 FY 2011
160MW CPP	Q2 FY 2011

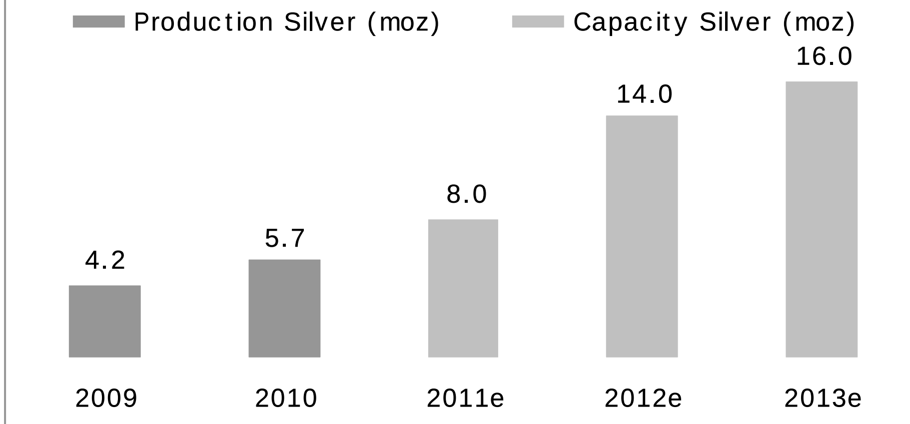
Notes: 1. First production from Q1 FY 2011

Mined Metal Production and proposed capacity



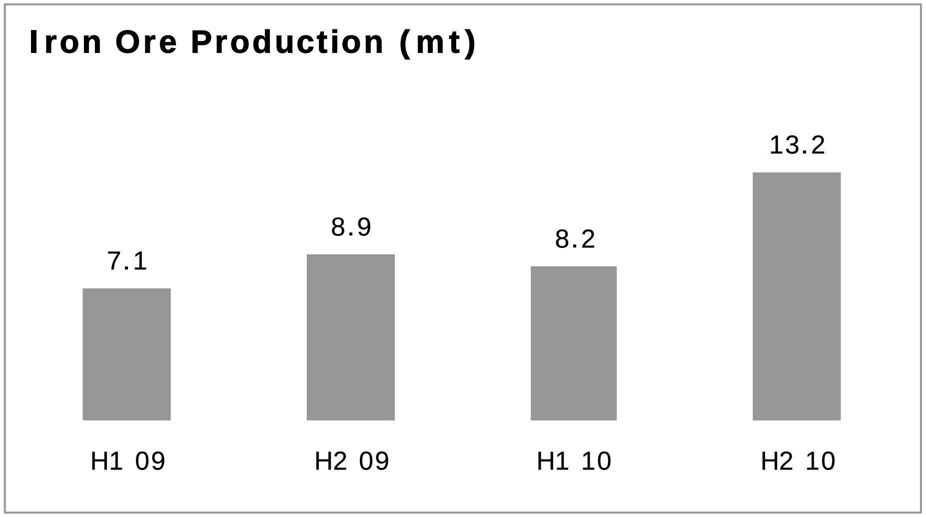
Capacities in 2011e and beyond refer to exit rates

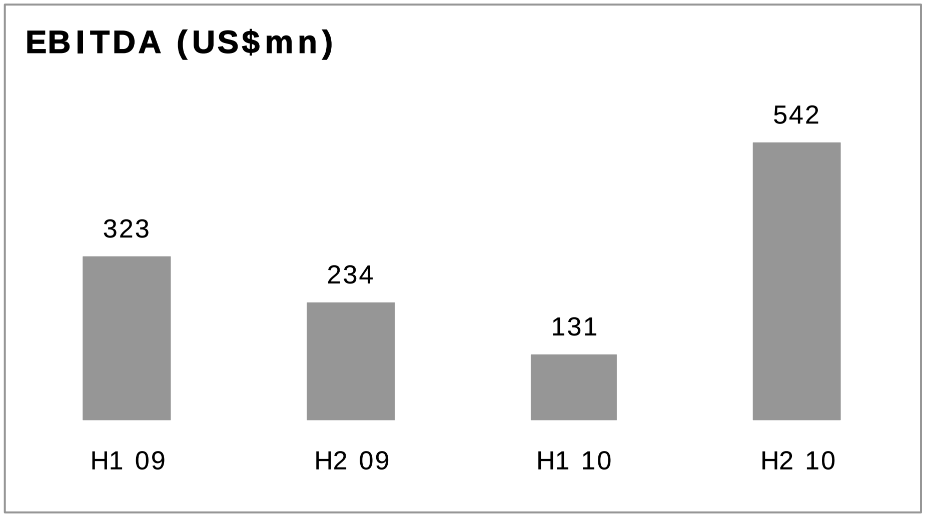
Silver Production and proposed capacity



Iron Ore Operations

- 21.4mt record iron ore production in FY 2010
  - 3.6mt contribution from Dempo acquisition (9 months)
- EBITDA performance reflects benefit of volume growth & increase in price
- 80:20 mix of Spot/Index vs. Long term benchmark based sales
- Record production of Pig Iron 280kt and Metcoke 262kt





Iron Ore Expansion: Path to 50 mtpa

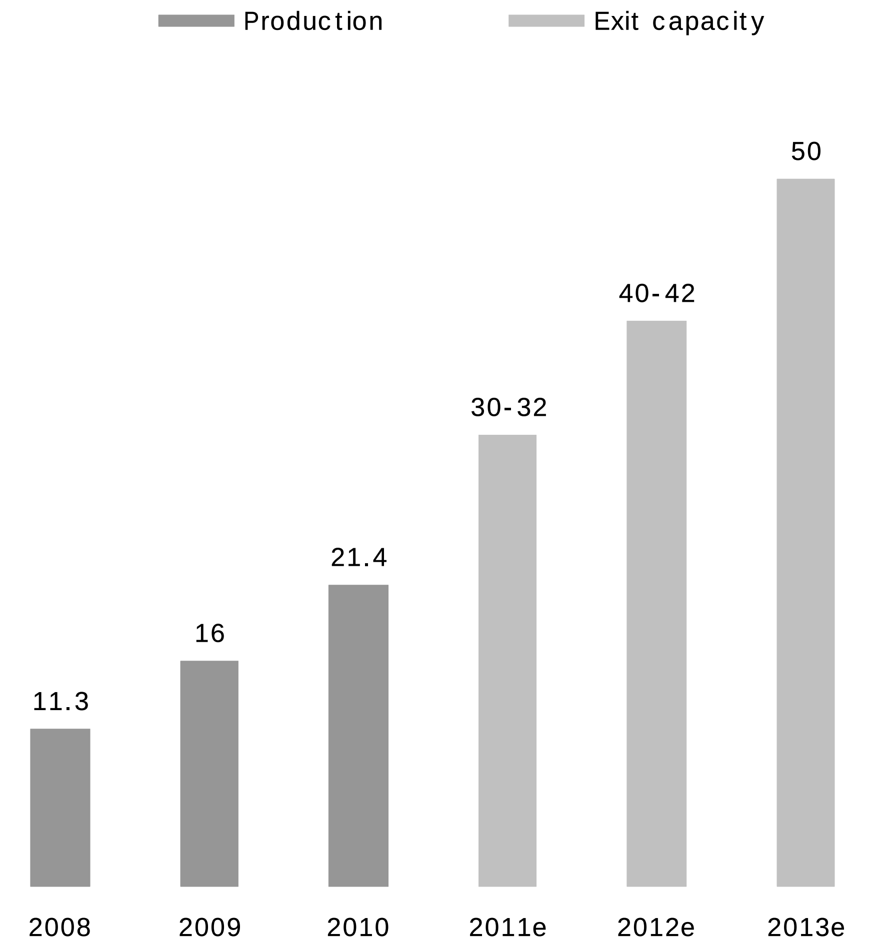
- Strategic initiatives in logistics and operations to achieve 50mt iron ore volume; capex of US$500 million
  - Goa: 30mt, Karnataka: 10mt, Orissa: 10 mt
- Mining and Processing expansion
  - 200 mining equipments
  - 12 processing plants
- Land logistics

  Goa
  - Widening of mine to jetty routes & deployment of high capacity trucks
  - New partially and fully dedicated road corridors

  Karnataka
  - New railway siding,
  - Dedicated road corridor

  Orissa
  - New railway siding
- River logistics/Sea loading
  - Addition of 20 new 2300/2500 DWT barges
  - High capacity floating crane terminal to add 16 mtpa of transhipment capacity
- Capacity expansion of Pig Iron by 375kt and Metcoke by 280kt along with Sinter Plant and Power Plant are on track for completion by Q1 FY2012

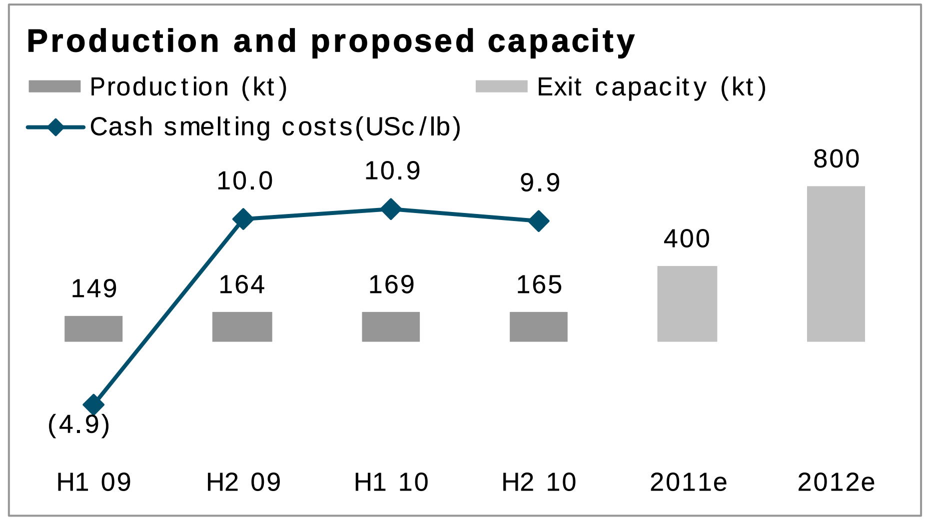
Iron Ore Production and proposed capacity (mt)

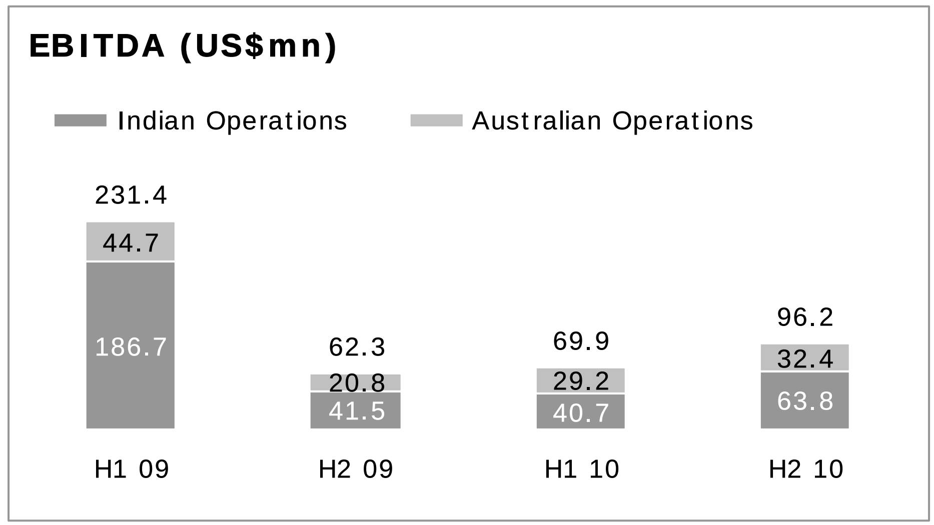


Capacities in 2012e refer to exit rates

Copper-India and Australia Operations

- 7% reduction in gross cash cost to 16.6USc/lb
  - 7.7 cents fall in acid credit
  - Net COP at 10.4cents/lb
- TcRc 16% higher at 13.6c
- Improving sulphuric and phosphoric acid markets since Q4 FY 2010
- Mined metal production of 24 kt metal in concentrate from Australian Mine
- 400 ktpa copper smelter project and associated 160 MW captive power plant at Tuticorin
- Will achieve savings in power cost of 5c/lb besides meeting India's growing Copper demand
- Engineering and procurement activities underway and project on schedule for commissioning by mid 2011

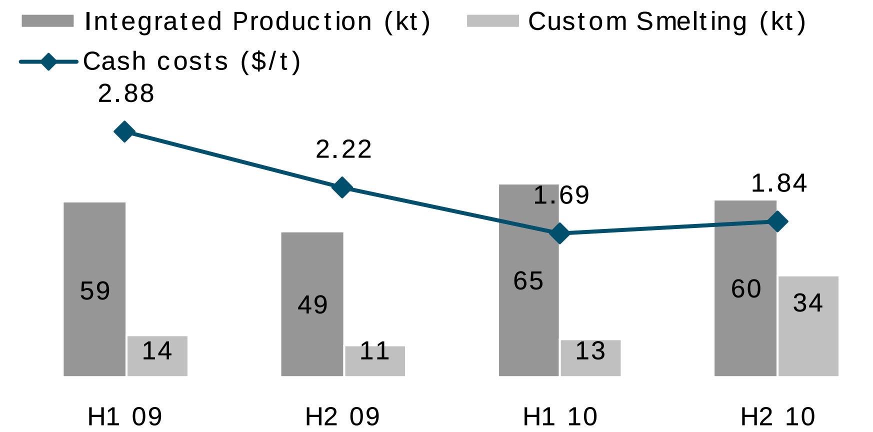




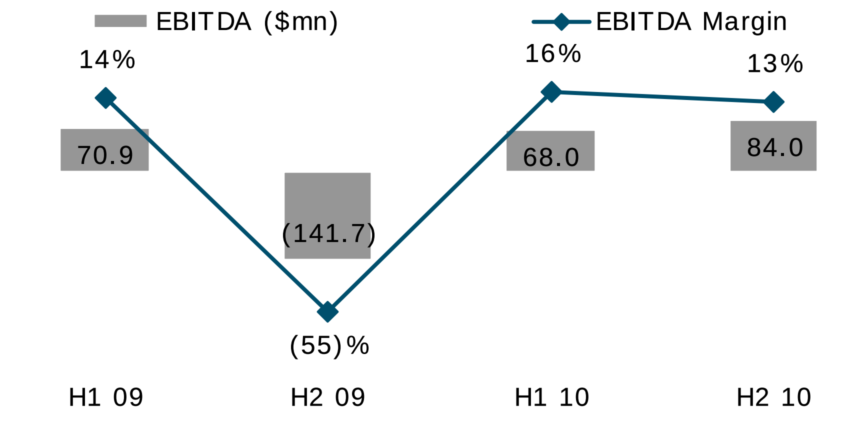
Copper-Zambia Operations

- Cathode production up 30%, Integrated production up 17%
- Nchanga smelter operating at design parameters of recovery etc.
- Unit COP reduced by 29 % to 184c/lb
  - Higher integrated production
  - Strategy for more efficient procurement and outsourcing
  - Manpower rationalisation
  - Kwacha depreciation
- Going forward, operational improvements and volume growth expected to enable lowest quartile CoP
  - TLP: Operation now stable and opening of COP-A and Fitwaola to improve pit feed grades
  - Konkola new shaft to augment waste/ore hoisting, resulting in higher and stable volumes
  - Improved cobalt credit

Production and cash costs

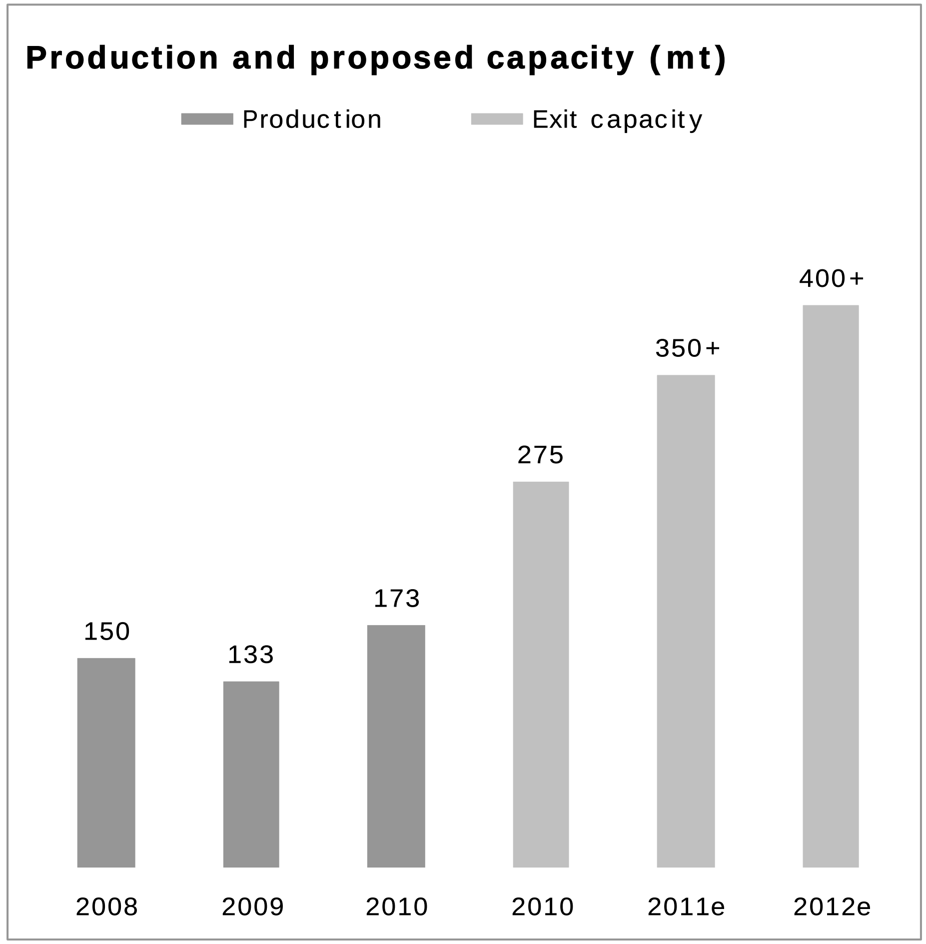


EBITDA



Copper-Zambia Expansion Project

- Commissioning of KDMP mid shaft loading station
  - Increase mine hoisting capacity to speed up mine development
- Bottom shaft completion expected by Q3 FY 2012
- Implementing several debottlenecking and improvement initiatives
- 50ktpa CRO plant basic engineering nearing completion

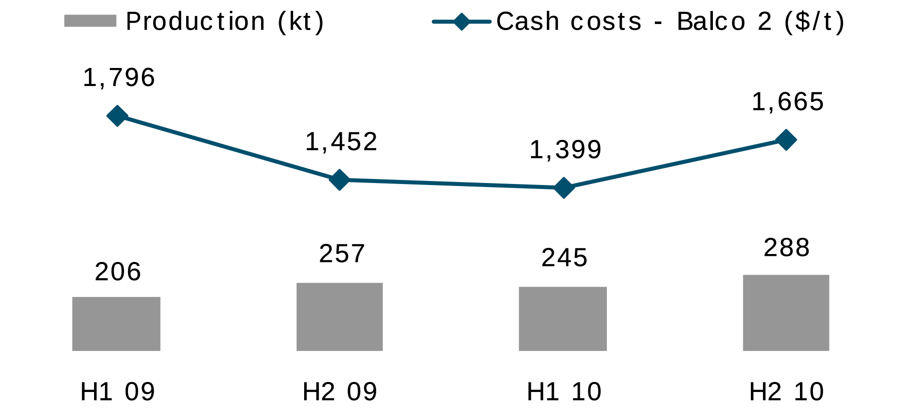


Capacities in 2011e and beyond refer to exit rates

Aluminium Operations

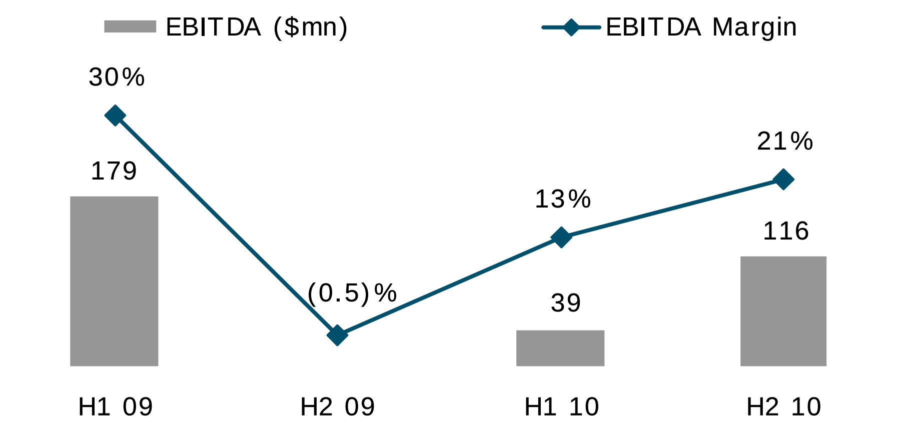
- Record production of 533 kt in FY 2010
- Aluminium LME decreased from US$2,234 to US$1,868
- First 250 ktpa capacity at Jharsuguda stabilised
- BALCO II - 6% reduction in FY CoP to US$1,534 per tonne reflects
  - Reduced cost of Alumina by US$93 per tonne of Aluminium
  - Reduced carbon cost US$66 per tonne
  - BALCO Plant I overheads of US$77 per tonne
- Additional US$52 million contribution from improved sales mix and premium
  - 16% sales growth in domestic market
  - 9% increase in sales of value added products

Production and cash costs



Production includes contribution from ramp-up of Jharsuguda smelter

EBITDA

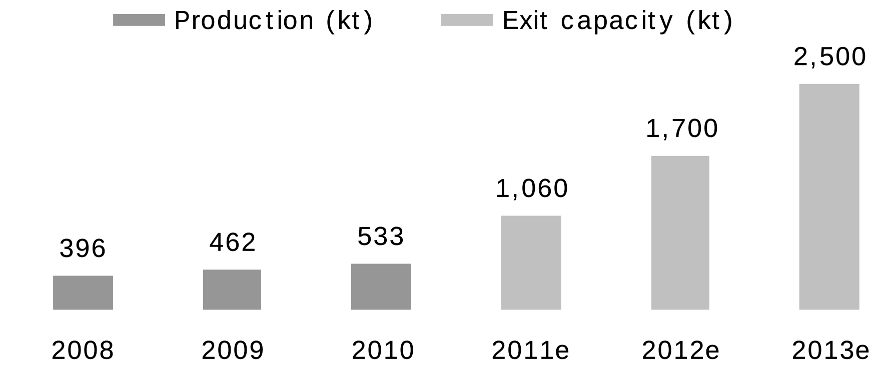


2009 numbers reinstated to exclude power sales, now included in power segment from 2010

Aluminium Expansion Projects

- Progressive commissioning of Jharsuguda second 250 ktpa smelter by Q1 FY 2011. All nine units of 1,215 MW CPP operational
- Jharsuguda
  - 1.25mtpa smelter first metal tapping now in Q2 FY 2011, completion time maintained at Q2 FY 2013
- Lanjigarh
  - Aim to commission 0.6mt in Q3 FY 2011 and 3mt progressively from Q4 FY2011 to Q3 FY 2012
- Niyamgiri Bauxite Mining to start within 3-4 months from receipt of final permit
- BALCO:
  - 325 ktpa smelter progress on track
  - 1,200MW power plant on track despite disruption
- 210mt coal block development progressing well for completion in early 2011

Aluminium production and proposed capacity



Notes: Capacities in 2011e and beyond refer to exit rates.
Includes debottlenecking at BALCO and VAL

	First Production	Completion
Lanjigarh		
1.4mtpa alumina refinery	Completed	Completed
0.6mtpa debottlenecking	-	Q3 FY2011
3.0mtpa expansion	Q4 FY2011	Q3 FY2012
Jharsuguda		
500ktpa smelter	Commenced	Q1 FY2011
1,215 MW CPP	Completed	Completed
1.25mtpa smelter	Q2 FY2011	Q2 FY2013
BALCO		
325ktpa smelter	Q4 FY2011	Q2 FY2012
1,200 MW CPP	Q3 FY2011	Q2 FY2012

Lanjigarh Update

Refinery project

- Zero discharge, state of the art technology
- About c.2,000 local people working at the site

Mining project

- Supreme Court permission received in August 2008
- Mining awaiting final forest approval
- No displacement caused from mining project
- Community consultation carried out
- Specialist agencies have carried out multidimensional impact assessment
- Pipe conveyor in place of usual truck transportation

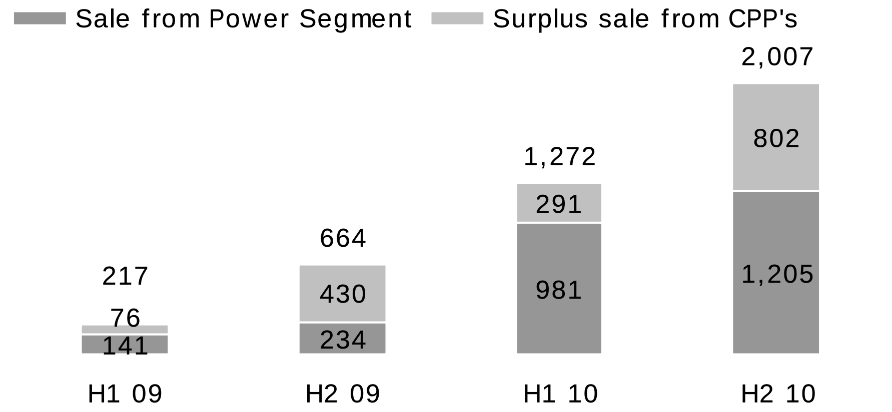
Community engagement

- Need based holistic programmes in health, education, and livelihood, in consultation and partnership with communities, NGO’s, and Administration
- SPV formed and funded as per Supreme Court order

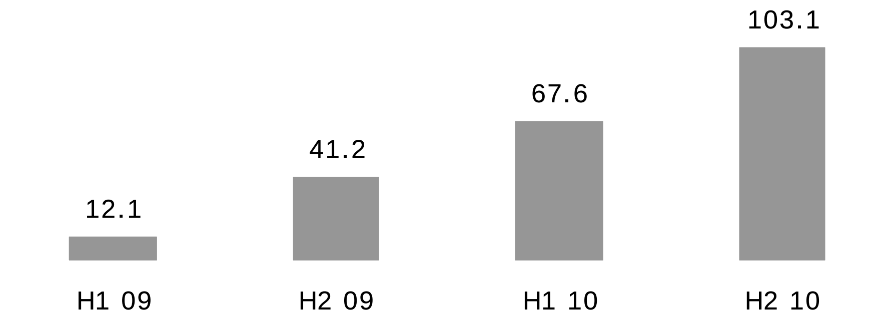
Commercial Energy Operations

- 271% increase in Energy sales
  - Closure of high cost aluminium operation at BALCO-I
  - Surplus at Jharsuguda CPP
- Average realisation was 10 USc
- Sales (in million units):
  - MALCO: 771
  - BALCO: 1,354
  - HZL wind: 430
  - VAL: 725
  - **Total: 3,280**

Energy Sales[1] (MU)



EBITDA[1] (US$mn)



Notes: 1 Reclassified to include temporary surplus power sales from various captive power plants in addition to the sales from power plants of 100 MW at MALCO, 270MW at BALCO-1, and 123 MW wind power plant at HZL

Commercial Energy Projects

2,400MW Jharsuguda IPP (600 MW x 4)

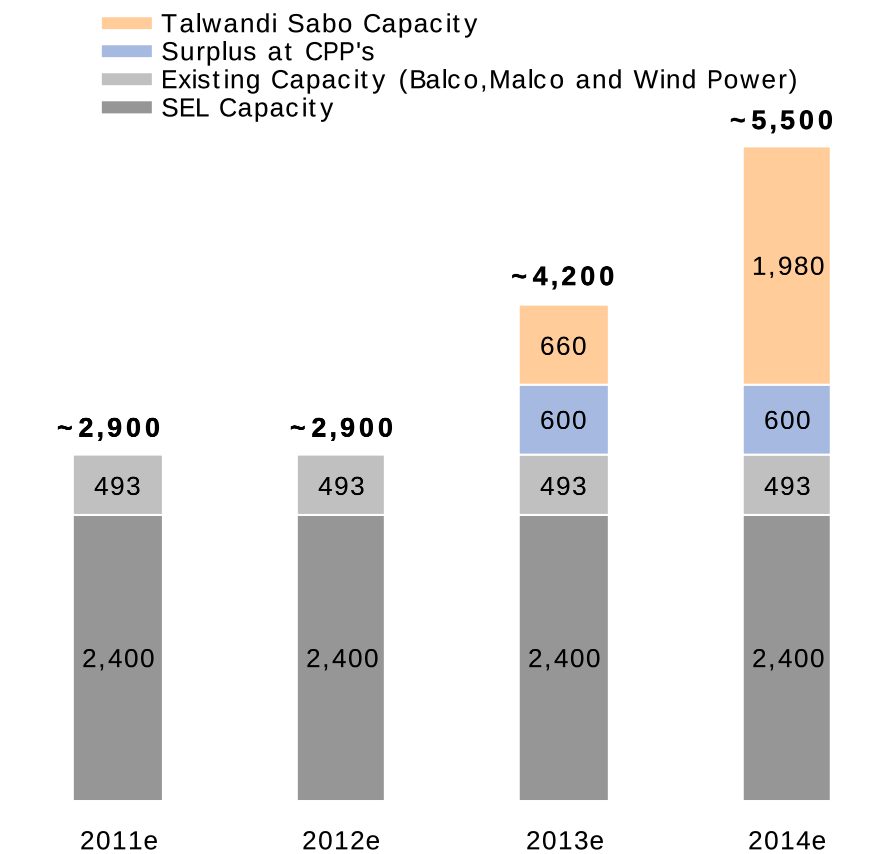
- Unit 1 (600 MW) to be commissioned in Q1 FY2011
- Balance three units to be progressively commissioned by end of FY2011
- Operation and maintenance outsourced
- Coal linkages tied up

1,980 MW Talwandi Sabo IPP (660 MW x 3, super critical)

- EPC order placed
- Site mobilised, pre construction activities started
- Coal linkages in place
- First generation in Q4 FY 2013 . Progressive completion by Q2 FY 2014
- Evaluating opportunity of adding 660MW unit at Talwandi

	First Production	Completion
Jharsuguda		
2,400 MW Thermal IPP	Q1 FY2011	Q4 FY2011
Talwandi Sabo		
1,980 MW Thermal IPP	Q4 FY2013	Q2 FY2014

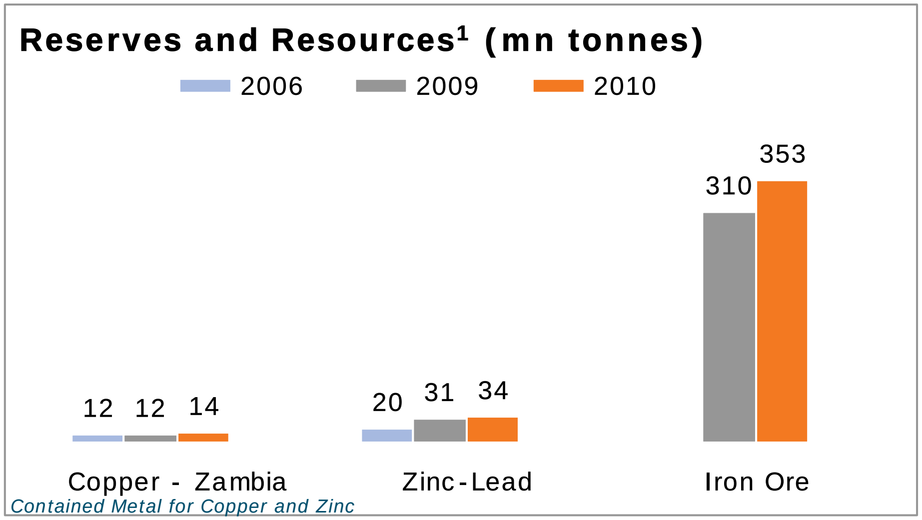
Energy capacity (MW)

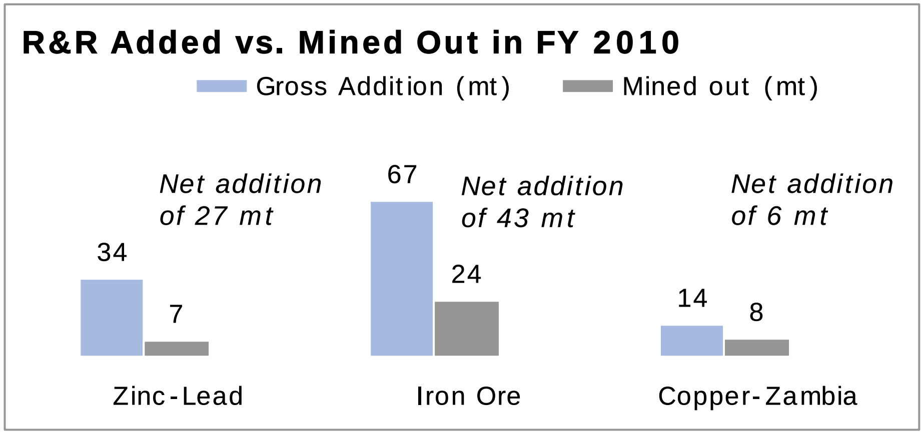


Capacities in 2010e and beyond refer to exit rates

Continued Focus on Exploration

- Added 6 times more resources than mined out at HZL and 3 times at Sesa
- Use of best available technology and high speed drilling rigs has been very rewarding





Adding much more than mining at an accelerated pace

Safety and Environment Performance

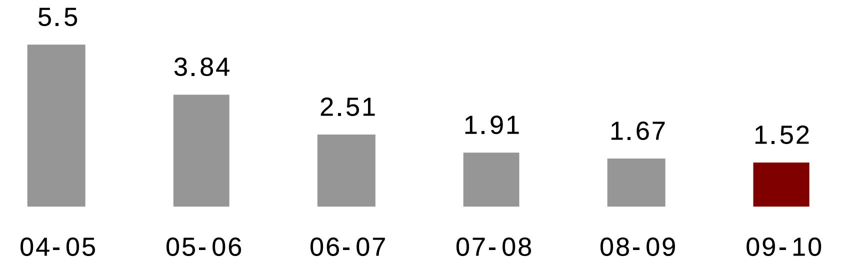
Safety

- 72% reduction in LTIFR over 5 years
- Accident at BALCO–SEPCO CPP Project site under EPC contract
- Remain committed to best in class safety practices
- Association with safety consultants - DuPont, British Safety Council, Chilworth, IRCA

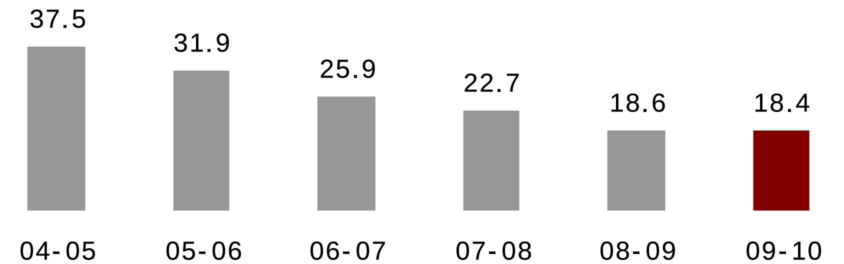
Environment

- Continuous reduction in specific water and energy consumption across all businesses
- Beneficial use of solid wastes in sectors like cement, construction, etc
- Green energy ~ 123 MW wind power, 76 MW of waste recovery based energy generation

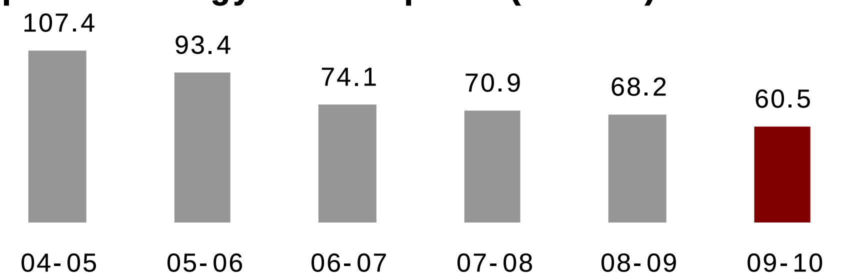
LTIFR



Specific water consumption (m3/MT) HZL



Specific energy consumption (GJ/MT) BALCO



Corporate Social Responsibility

Our Approach

Well defined governing structure and policy

Focus

- Social Investment: Health, Education and Livelihood
- Bio Investment: Water Harvesting, Agriculture and Social Forestry
- Integrated Village Development
- Stakeholder engagement and consultation
- Planned and result-oriented approach
- Base line study, monitoring, impact measurement and social audits
- Resources: Partnering with government, NGO, communities and CSR team

Impact

- 552 villages, 2.7 million people positively impacted
- 100 villages under the Integrated Village Development Program
- Health care services outreach to over 730,000 people
- 2,547 Anganwadi centres (preschool centres) reaching out to over 132,000 children (up to 6 years)
- 250,000 children,2955 government schools, 8 kitchens under the Mid-Day meal programme
- 20,000 children enrolled for computer education in 200 government schools
- 2,050 Self Help Groups, 27,100 members earnings supplemented
- 3,100 farmers, 4900 acres covered under the agriculture and watershed program
- 4.2 million vocational training hours generated for the unemployed rural youth & SHG members
- 92 NGO partners, 76 CSR personnel and 342 extension workers

Financials

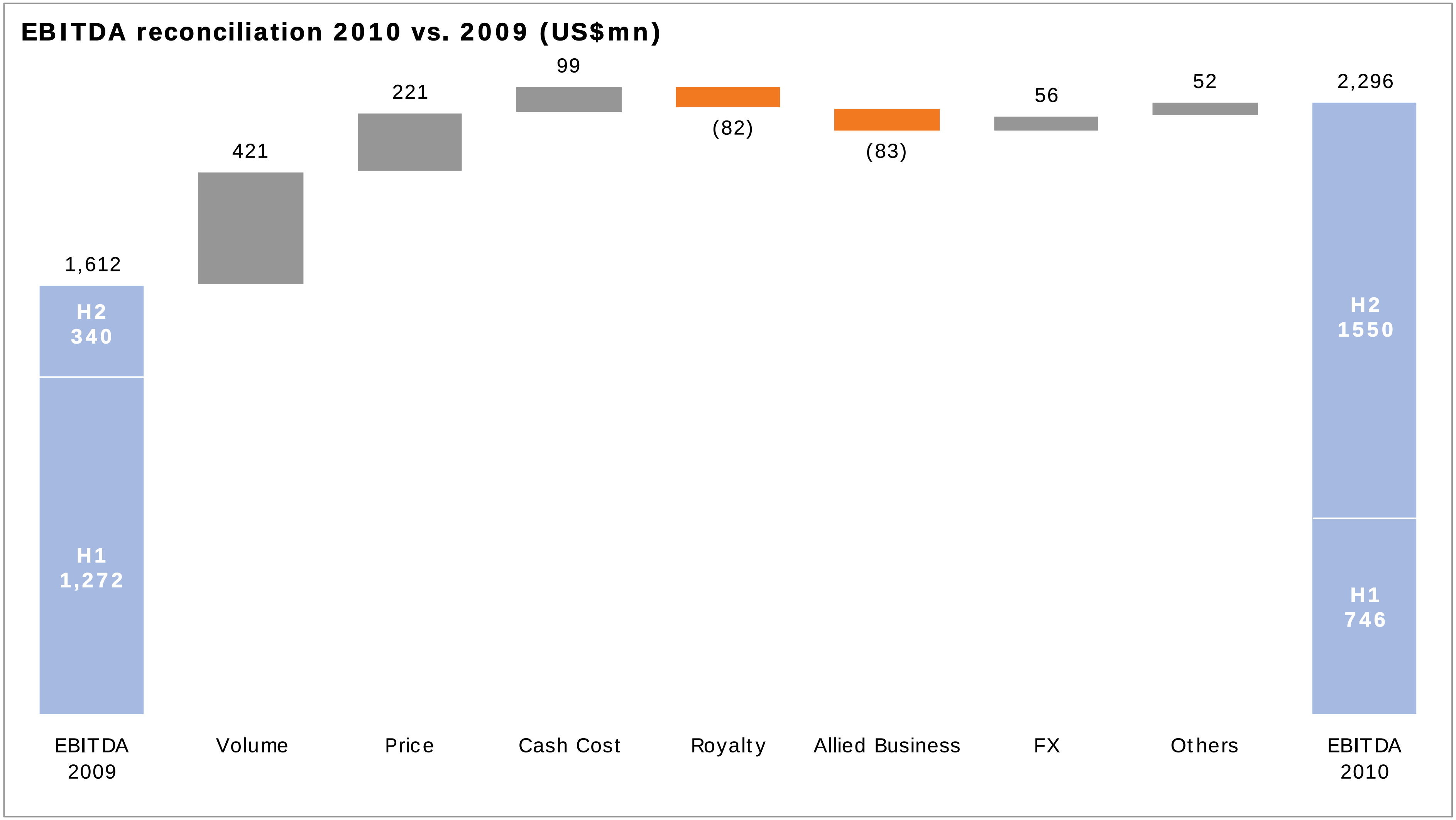
DD Jalan

Chief Financial Officer

Financial highlights

FY Ended 31 March (US$mn)	**2010**	2009	*Change*
EBITDA	**2,296**	1,612	*42%*
Attributable Profit	**602**	219	*175%*
EPS	**US$2.20**	US$0.76	*189%*
Free Cash Flow	**1,814**	1,734	*5%*
Capex spent	**3,496**	3,021	*16%*
Net Debt	**947**	200	–
Dividend (USc)	**45.0**	41.5	*8%*

EBITDA Reconciliation



Summary Cash Flow Statement

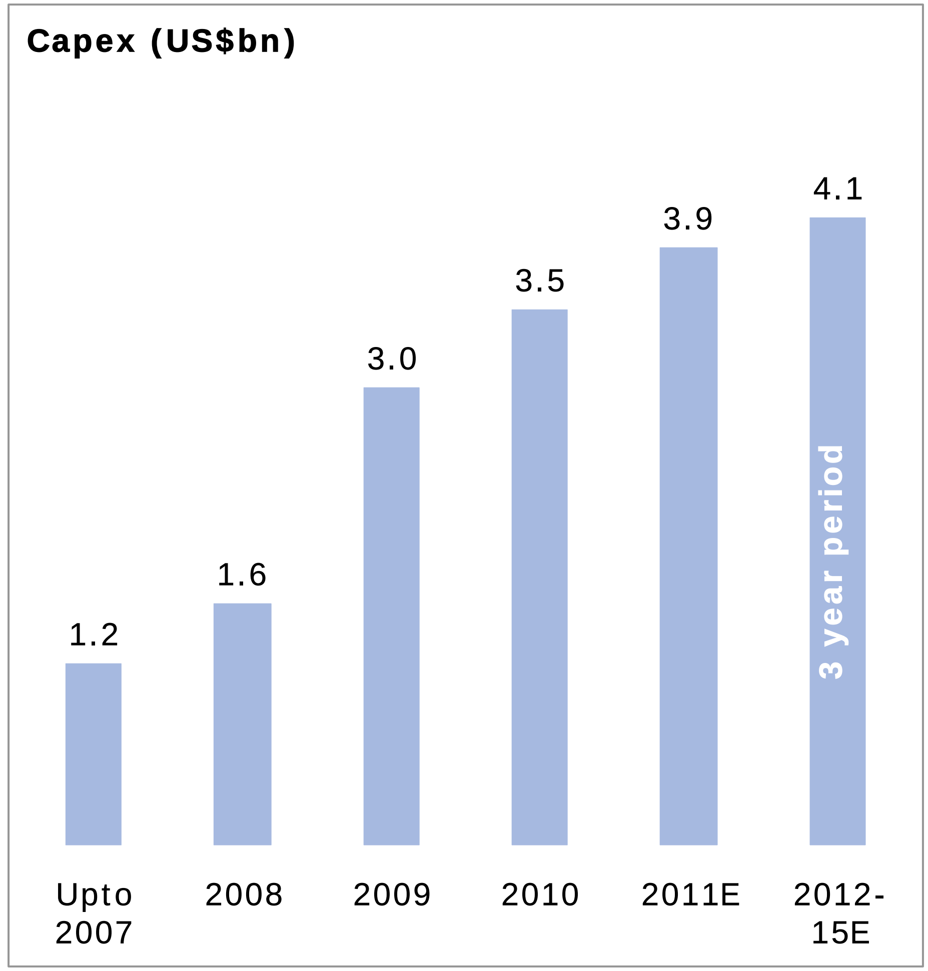
US$mn	FY 2010	FY 2009
EBITDA	**2,295.9**	**1,612.2**
Special items	(67.3)	(31.9)
Working capital movements	(27.9)	620.6
Non-cash items and others	59.7	104.7
Sustaining capital expenditure[1]	(184.4)	(282.9)
Sale of tangible fixed assets	12.1	7.9
Net interest	134.0	33.2
Tax paid	(407.8)	(330.8)
Free Cash Flow	**1814.3**	**1,733.8**
Expansion capital expenditure[1]	(3,543.4))	(3,021.3)
Semi-expansion capital expenditure	(136.2)	(24.2)
Sale /(Purchase) of fixed assets investments	17.9	(85.4)
Acquisition of minorities	(189.7)	(316.8)
Acquisitions, net of cash and liquid investments acquired	(300.4)	0.0
Buy-back of shares of Vedanta Resources plc	(348.6)	(80.3)
Issue of ADS: Sterlite	1,090.1	-
Dividends paid to equity shareholders	(117.9)	(118.8)
Dividends paid to minority shareholders	(68.4)	(56.1)
Capital Creditors	401.2	207.0
Other movements[2]	634.4	(581.4)
Movement in net cash	**(746.7)**	**(2,343.5)**

Notes: 1. On an accruals basis.
2. Includes foreign exchange movements.

- Focus on free cash flow generation
- Investment of US$349 million in buy-backs and US$311 million in subsidiary share purchases
- Investment of US$3.5 billion on organic growth programme

Strong Balance Sheet

- Robust balance sheet
- Strong liquidity of US$7.2 billion
- Continued strong operating cash flows on back of increased production in next three years
- High free cash flow conversion at 79% of EBITDA
- Investment grade equivalent credit metrics
- Capex programme of US$17.3 billion
- Spent US$3.5 billion in FY 2010, US$9.3 billion up to March 2010
- Net gearing has remained conservative through the capex programme
- Secured project financing of US$4.9 billion



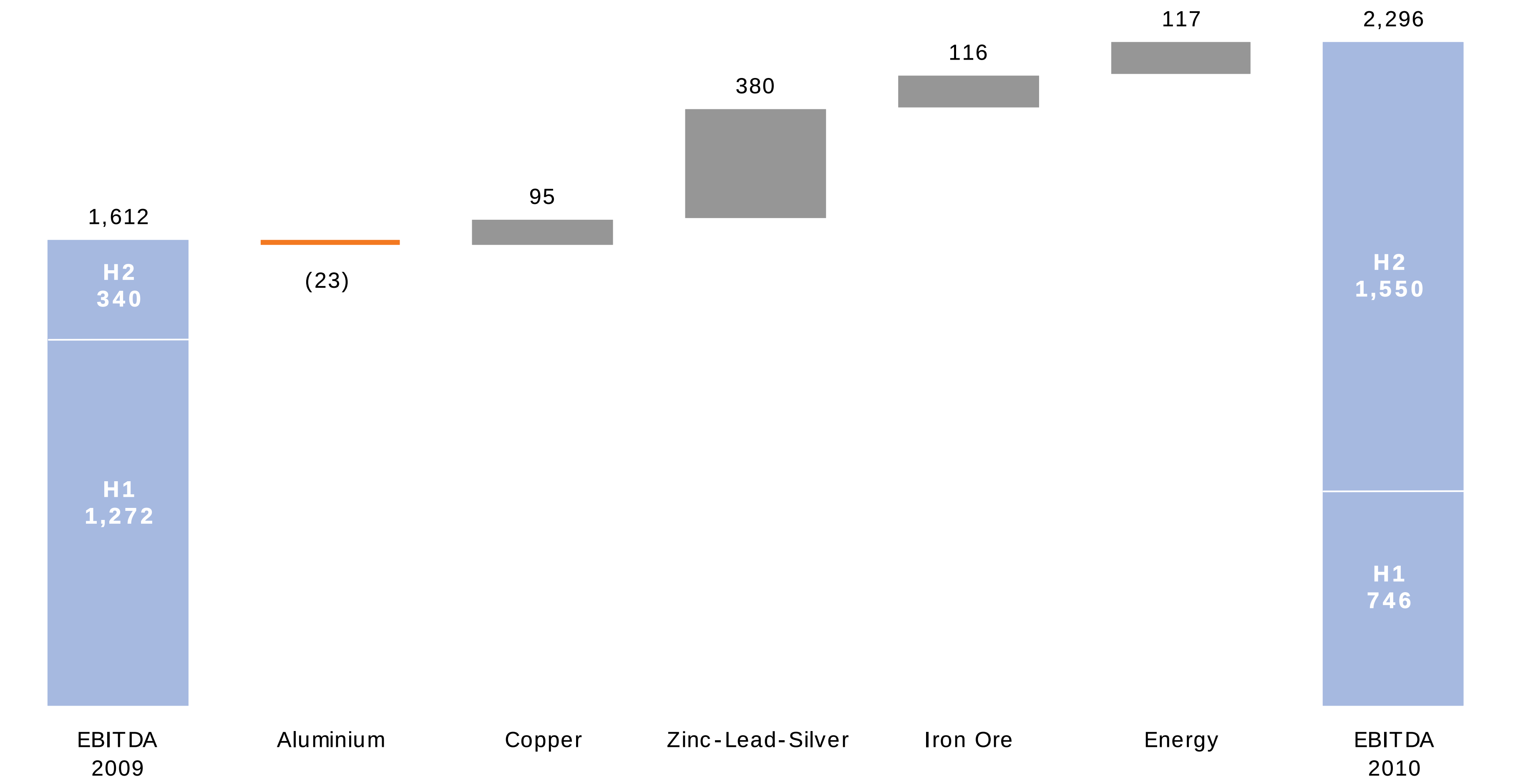
Summary

- ☑ Strong operational and financial performance
- ☑ Industry leading organic growth programme – excellent project delivery
- ☑ Structural low cost advantage
- ☑ Continued focus on exploration
- ☑ Robust balance sheet and liquidity

Appendix

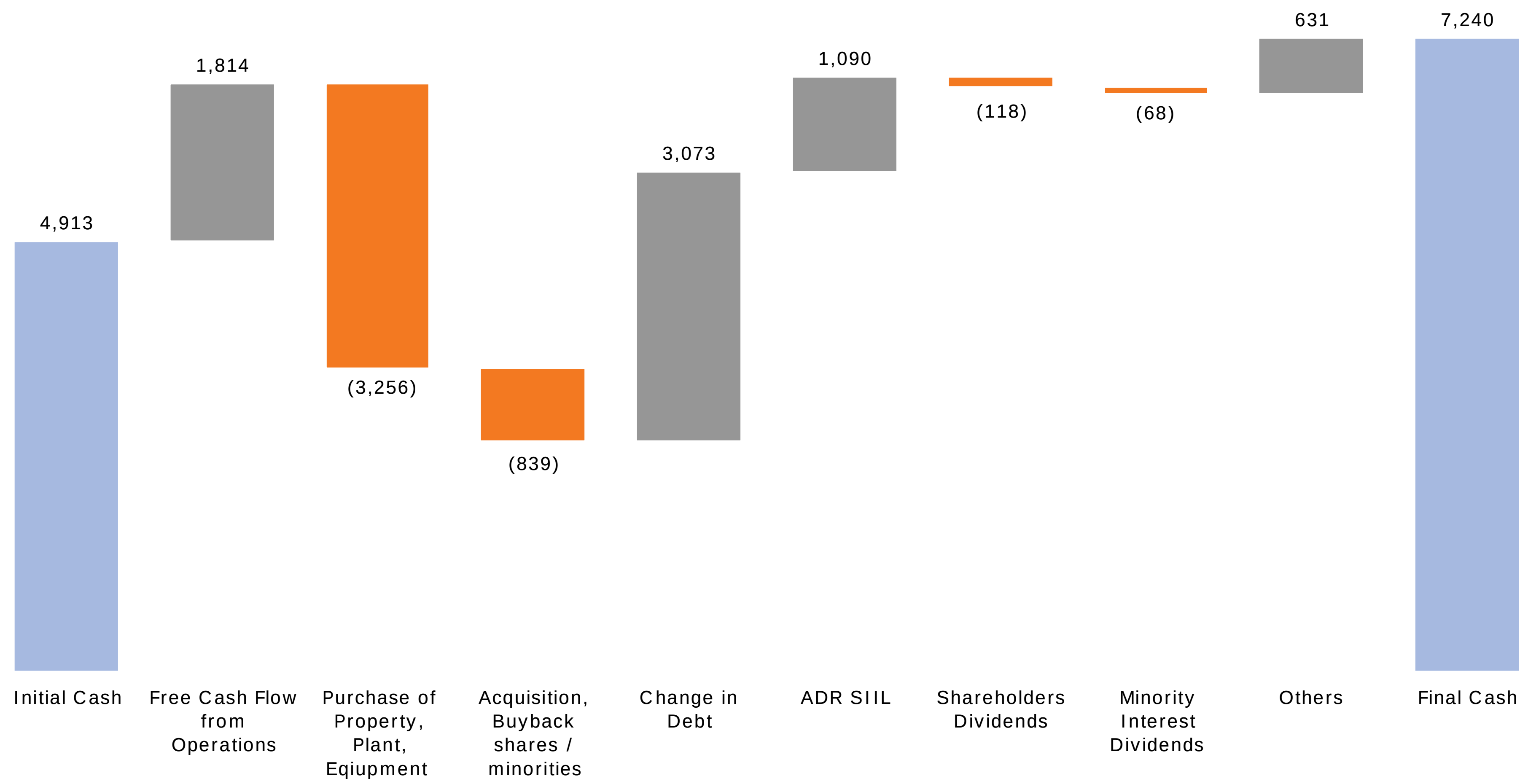
Business-wise EBITDA

2010 vs. 2009 (US$mn)



Cash Flow

Cash Reconciliation 2010 vs. 2009 (US$mn)



Summary Income Statement and Balance Sheet

Summary Income Statement

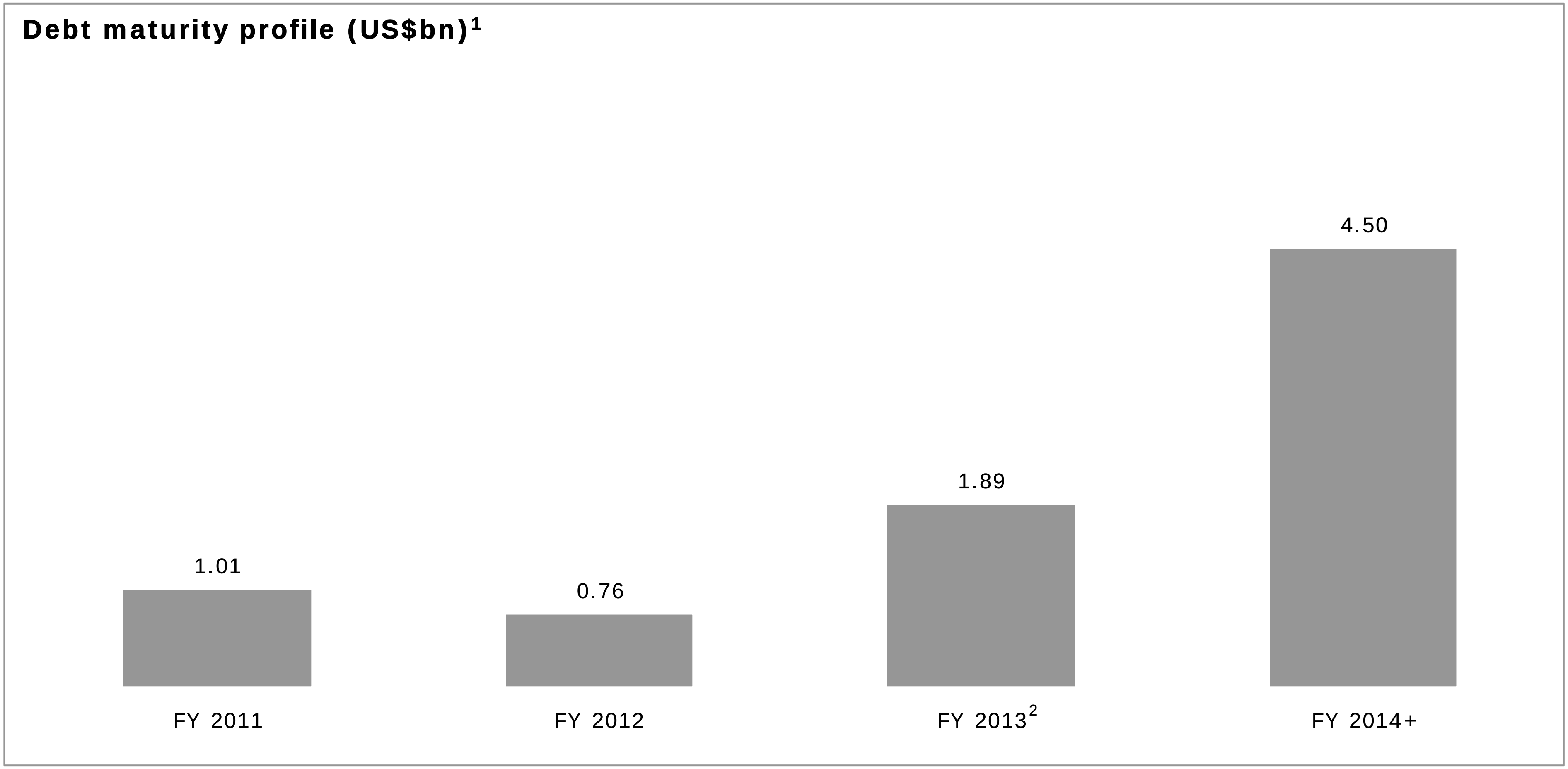
(US$m, except as stated)	FY2010	FY2009
Revenues	7,930.5	6,578.9
EBITDA	2,295.9	1,612.2
EBITDA margin	*29.0%*	*24.5%*
Profit before tax	1,841.6	1,181.0
Depreciation and amortisation	563.0	473.2
Profit for the period	1,511.2	900.5
Base EPS (USc)	219.6	76.4
Underlying EPS (USc)	199.2	108.0
Effective tax rate	*17.9%*	*23.8%*
Minority interests	908.9	681.1
Dividend per share (USc)[1]	45.0	41.5

Notes: 1. Proposed for FY 2010

Balance sheet

(US$m, except as stated)	FY 2010	FY 2009
Property, plant and equipment	14,326.7	9,348.4
Net assets	11,439.6	7,571.3
Net (debt)/cash	(947.1)	(200.8)
Gearing	*7.5%*	*2.6%*
ROCE (excluding CWIP)	*19.9%*	*24.4%*

Debt maturity profile



Notes: 1. Includes non-recourse project debt and working capital facilities at subsidiaries
2. FY 2013 includes maturity of US$1 billion loan taken to acquire Sesa Goa

Sensitivities

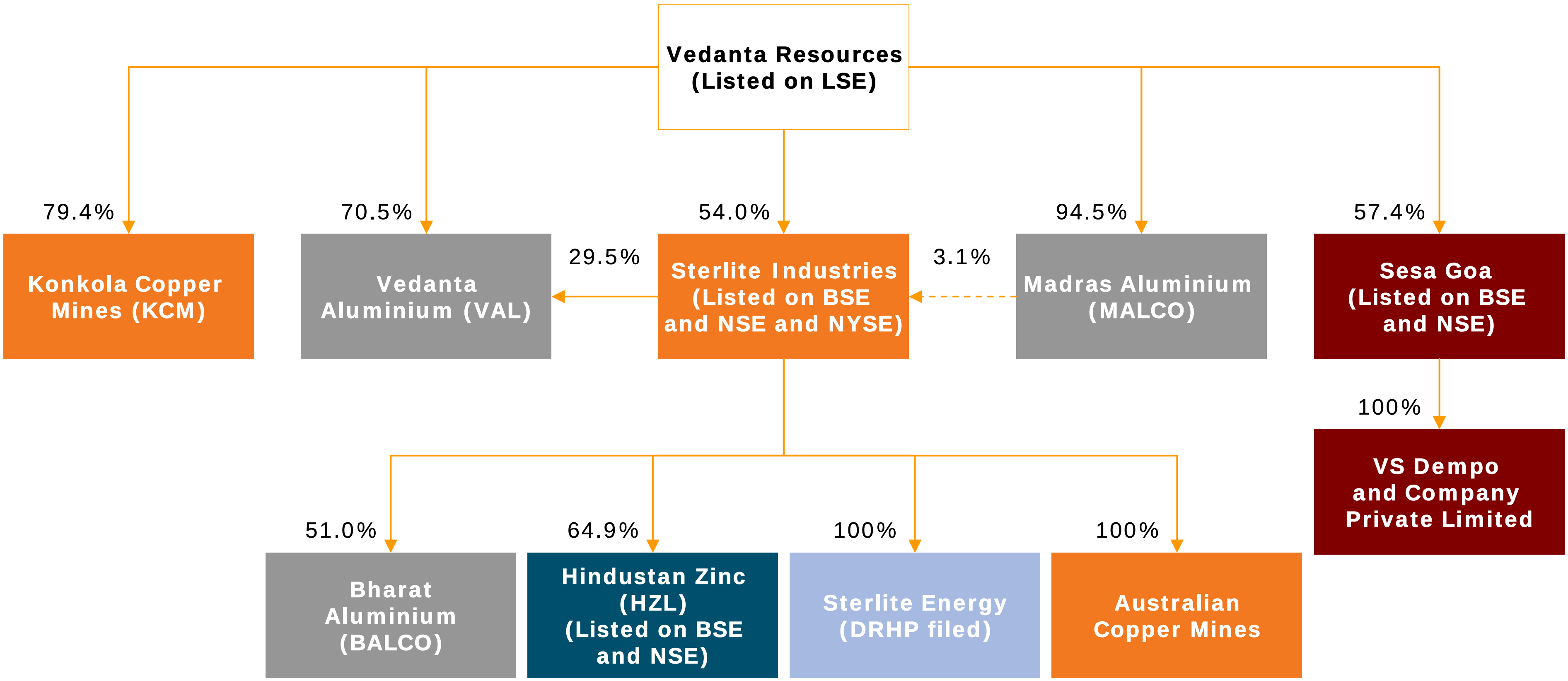
Foreign currency sensitivities on EBITDA

Impact on Group of a 10% change in FX	EBITDA (US$mn)
INR/USD	332.4
AUS$/USD	8.4
ZKA/USD	41.7

Commodity price sensitivities on EBITDA

Impact on Group of a US$100/t change in LME	EBITDA (US$mn)
Copper price	15.5
Aluminium price	55.3
Zinc price	66.4
Lead price	7.8

Group Structure



KEY

Aluminium Copper Zinc

Iron ore Power

Structure as at 31 March 2010