



FY2011 Interim Results

11 November 2010

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Overview

Navin Agarwal

Deputy Executive Chairman

H1 FY2011 Highlights

Focused on Delivery

- ✓ Record volumes in Zinc-Lead, Aluminium, Iron Ore, Silver, Commercial Power, and Copper Zambia
- ✓ 600MW unit of the 2,400MW Jharsuguda IPP synchronized, a 1st in the Indian private sector
- ✓ Continued asset optimization and cost reduction at KCM

Focused on Growth

- ✓ Announced acquisitions of majority stake in Cairn India and Anglo's Zinc assets
- ✓ Additional 660MW unit at Talwandi Sabo IPP
- ✓ Ramp-up to 16 moz of silver production ahead of schedule

Focused on Shareholder Value

- ✓ EBITDA up 81% to US\$1,349mn, EPS up 81% to US\$1.24
- ✓ Invested US\$249mn in H1 FY2011 out of a total of approx. US\$1bn to date on buyback and share purchases of subsidiaries
- ✓ Progressive dividend policy: Interim Dividend of 20 USc per share

Strategy Focused On Value And Growth

Organic growth focused strategy

- Leverage unique position in India
- Structural low cost advantage
- Exploration focus

Selective, value accretive M&A

- Large brownfield assets
- Embedded growth options
- High quality long life assets
- Leverage core asset development & operational skills

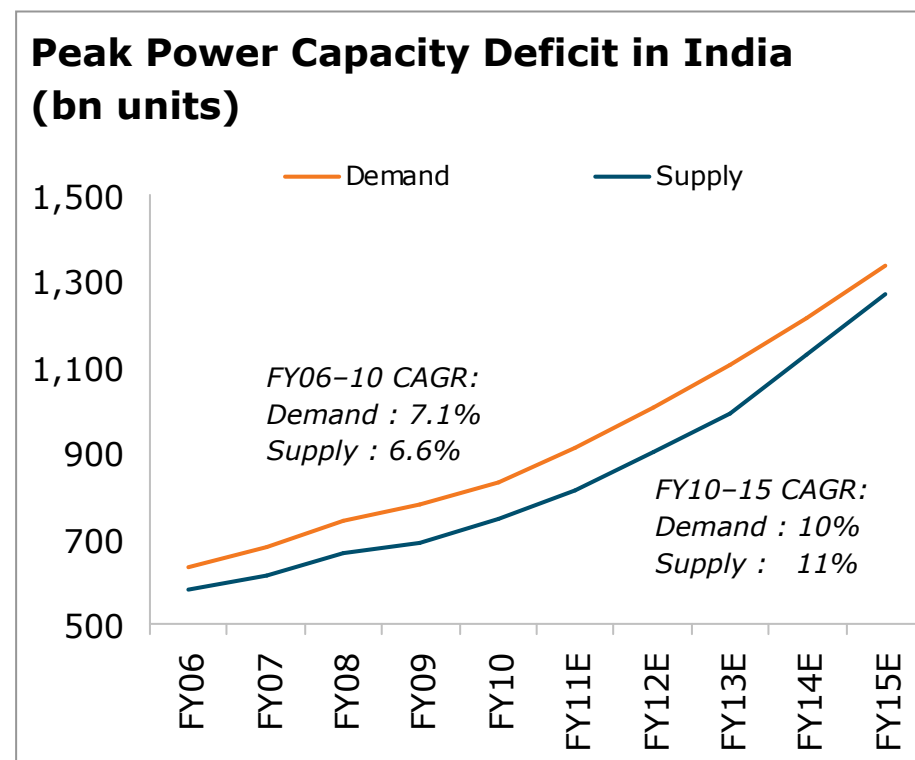
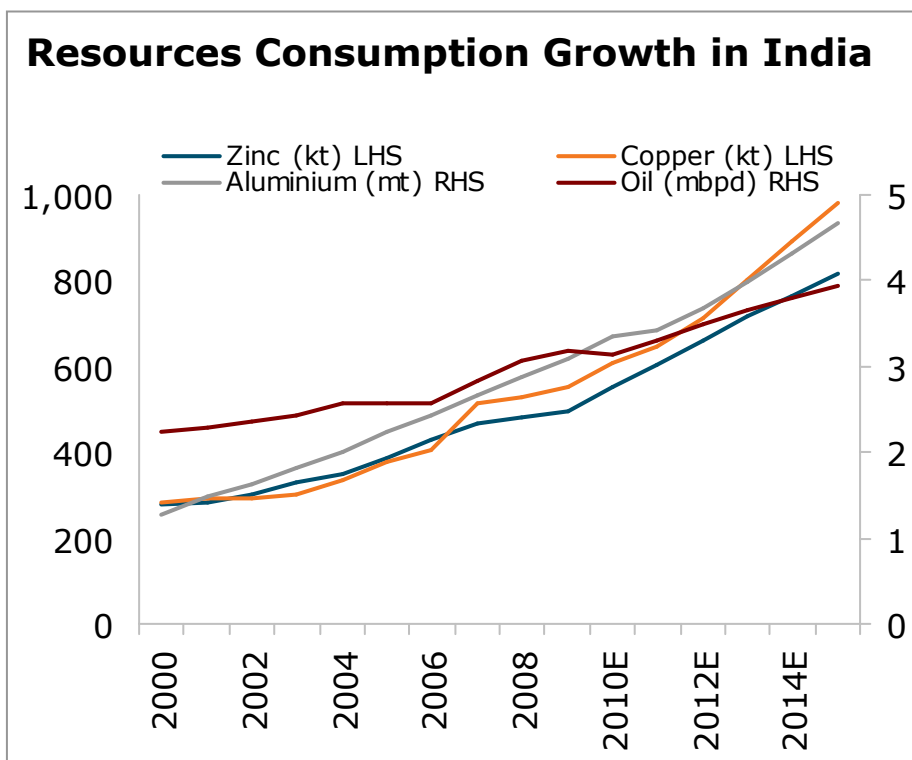


**Asset
optimisation**

Unlocking value

- World class assets
- Opportunity to list vertical business lines (including the IPO of Sterlite Energy and KCM)
- Inherent value in Silver business

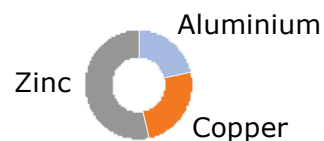
Strong Metals and Energy Growth in India



Source: Deutsche Bank, World Development Indicators, IIFL Research, BMI: India Oil & Gas Report 2010
Notes: Metal and oil consumption are calendar year based

Growth & Diversification of EBITDA

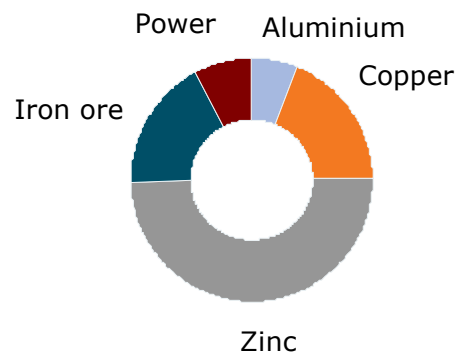
H1 FY 2005



EBITDA: US\$160 mn

Base metals

H1 FY 2010



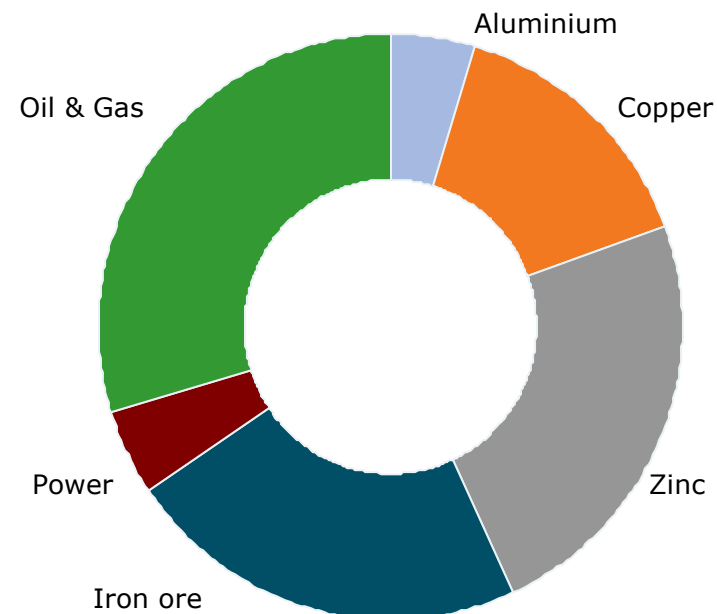
EBITDA: US\$746 mn

Base metals

Bulk commodities

Power

Pro Forma H1 FY 2011



Proforma EBITDA¹: US\$1,919 mn

Base metals

Bulk commodities

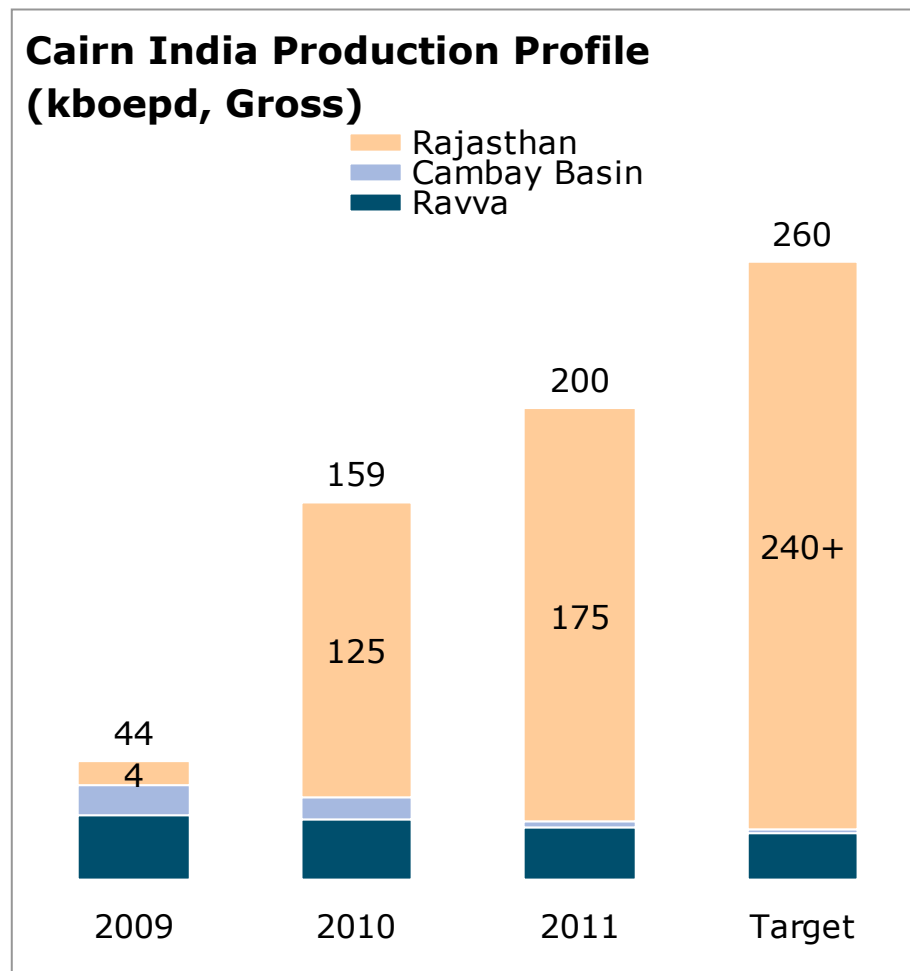
Power

Oil and Gas

Notes: 1. Vedanta EBITDA: US\$1,349mn; Cairn India EBITDA: US\$570mn

Cairn India: Compelling Growth Opportunity

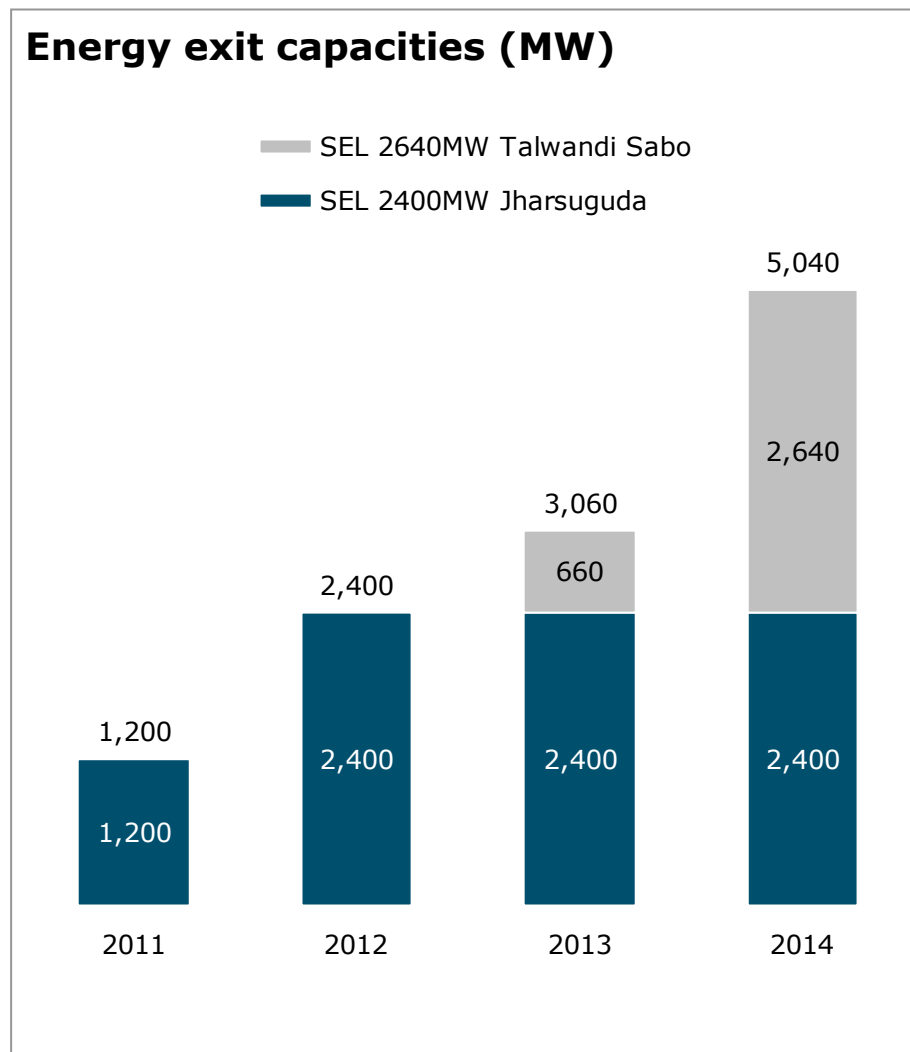
- Entry into attractive Indian oil & gas sector
- Gross 6.5 bn barrels of oil in place
- Significant exploration acreage, 35+ prospects identified
- Doubling production in short term to 240,000 bopd at Rajasthan
- Completion expected in Q1 2011



Source: Wood Mackenzie, Company data

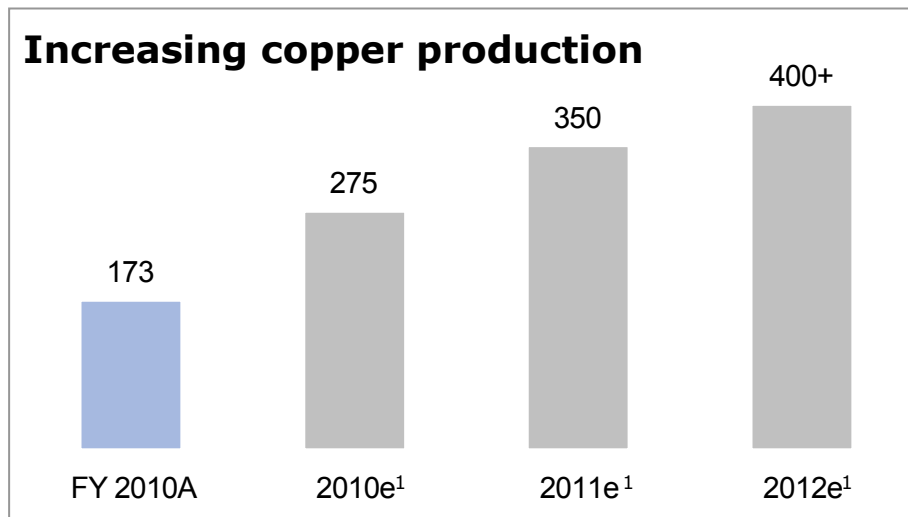
Creating Value at Sterlite Energy

- Proven execution skills with experience in building and operating large power projects
- 5,040MW to be commissioned in the near future
- Opportunity to sell power in spot market in near term
- Strategic location of projects with a high proportion of coal linkages tied up
- High EBITDA margin and sustainable low unit costs
- Attractive supply/demand dynamics

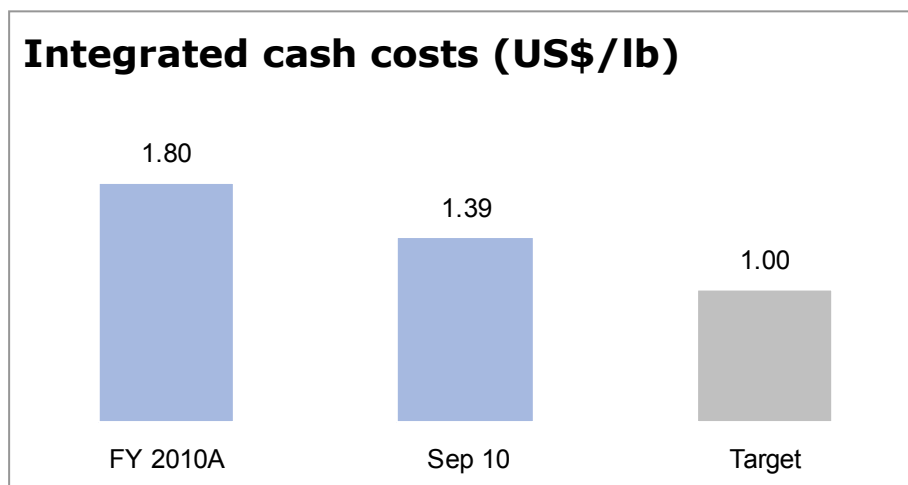


Creating Value at KCM

- Pre Vedanta ownership
 - Long operating history with quality asset base, but limited mine life
 - Significantly underinvested
- Development under Vedanta
- \$1.8bn capital investment
 - Significant reserves and resources added
 - New smelter utilising latest technology
 - Konkola Deeps Mining Project
 - Asset optimisation
- Delivering future value
 - Substantial high grade R&R
 - Integrated, well invested assets
 - Production growth
 - Improved cost performance
 - Valued local partner



Notes: 1 Exit capacity



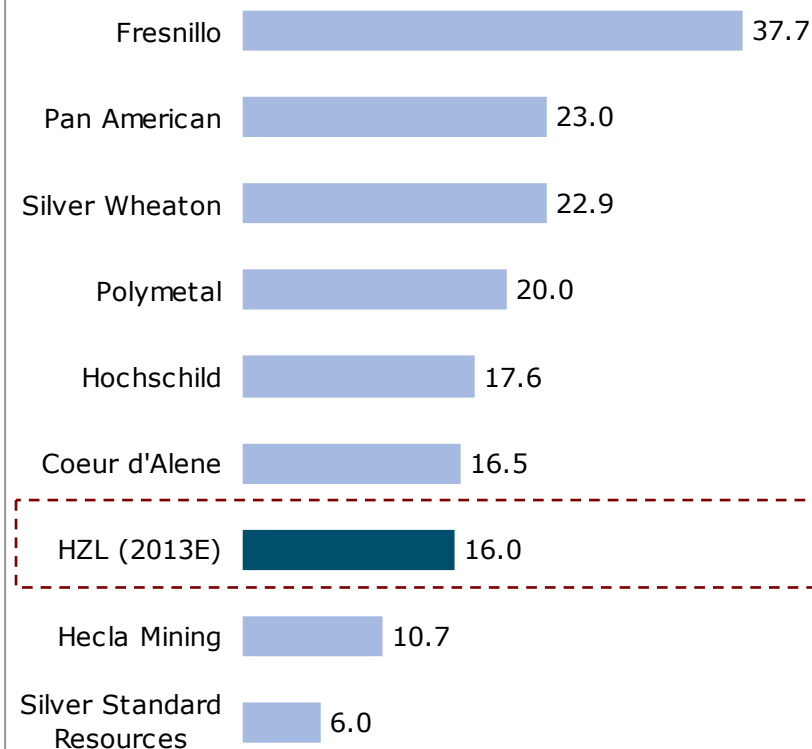
Creating Value: Silver

- On track to becoming one of the world’s top silver producers by FY2012 at 16moz

- 100% EBITDA margin – production costs included in Zinc-Lead CoP
 - EBITDA potential of US\$400mn+ at current Silver prices

- Long mine life of 25+ years
 - High quality mine at Sindesar Khurd

Largest Pure-play silver producers (moz)¹

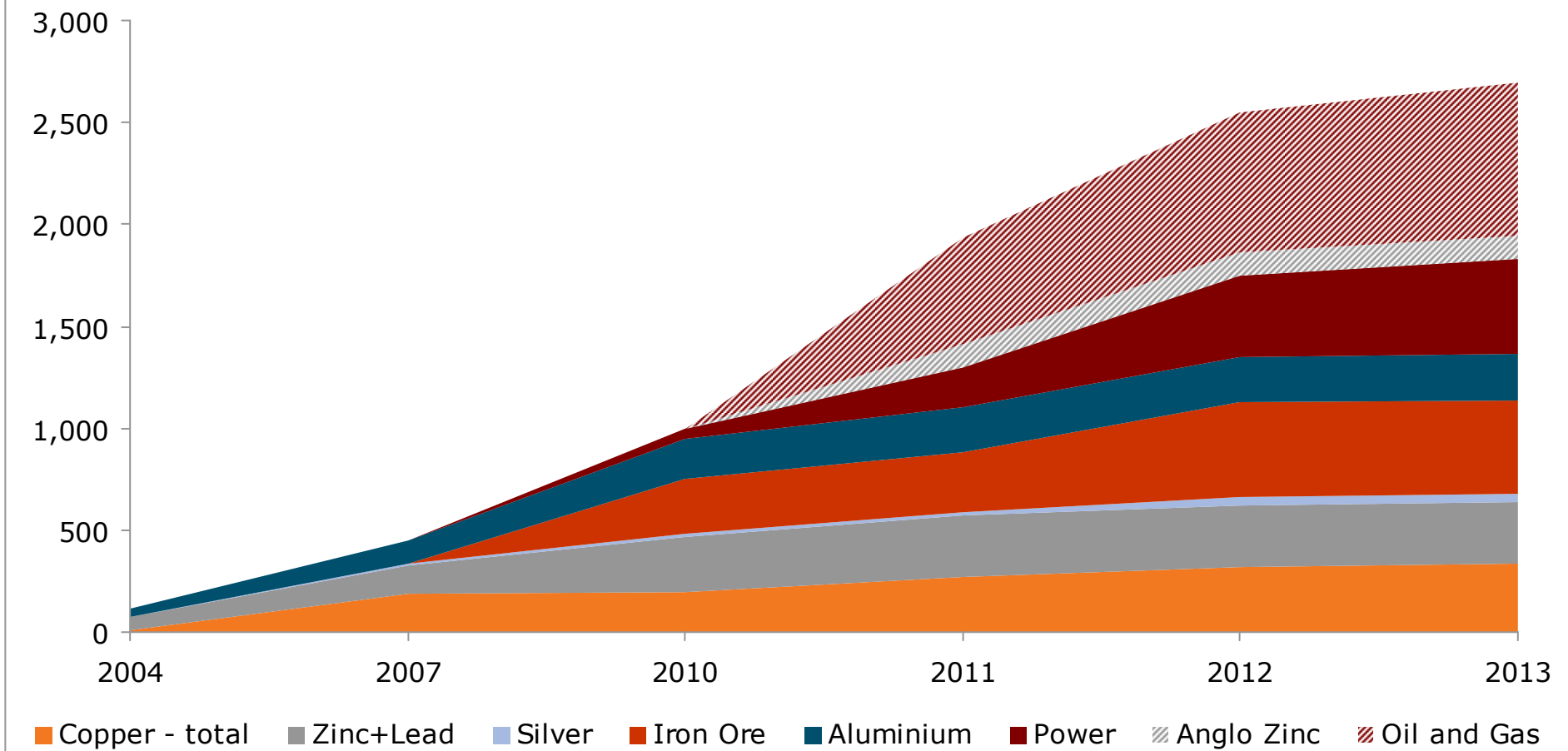


Source: Broker reports, I/B/E/S consensus estimates, Factset as of October 28, 2010
 Notes: 1. Peers production and EBITDA is as per 2010E

Industry Leading Organic Growth Programme



Vedanta Copper Equivalent Exit Capacity (kt)



Notes: All metal, power, and oil and gas capacities rebased using Copper LME and average Commodity prices for H1 2010
Copper custom smelting capacities rebased at TC/RC

Diversified Portfolio – through Organic Growth

	2011e ¹		Diversified, Near-Term Capacity Growth	
			Target capacity	Sustainable cost
Zinc & Lead	1,064 kt	▶	1,064 ktpa	Lowest quartile
Anglo – Zinc and Lead	400 kt ²	▶	800 ktpa	
Silver	5.67 moz	▶	16 moz	Co-product
Iron Ore	25-28mt	▶	40 mtpa	Lowest quartile
Aluminium	760 kt	▶	2,500 ktpa	Lowest quartile
Copper - Zambia	350 kt	▶	400+ ktpa	Lower half
Copper - India	400 kt	▶	800 ktpa	Lowest quartile
Commercial Energy	2,000 MW	▶	6,100 MW ³	

Notes: 1. Exit capacity
 2. On 100% basis
 3. Includes 2,400MW at Jharsuguda, 2,640MW at Talwandi Sabo and 493 MW from power segment and 600 MW surplus from BALCO 1,200 MW CPP

Business Update

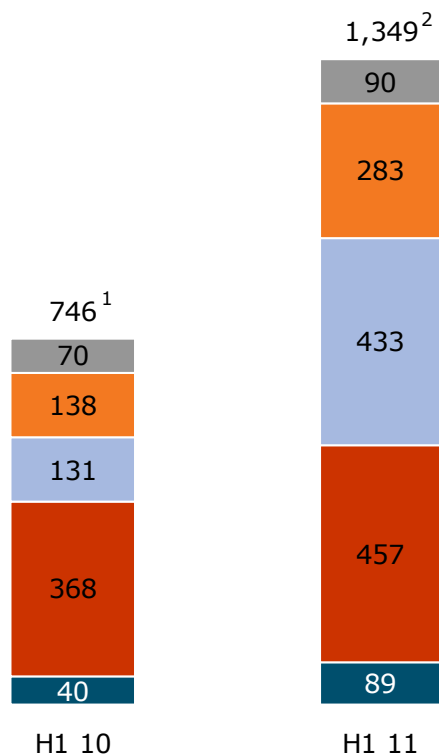
M.S. Mehta

Chief Executive Officer

Strong Growth in EBITDA

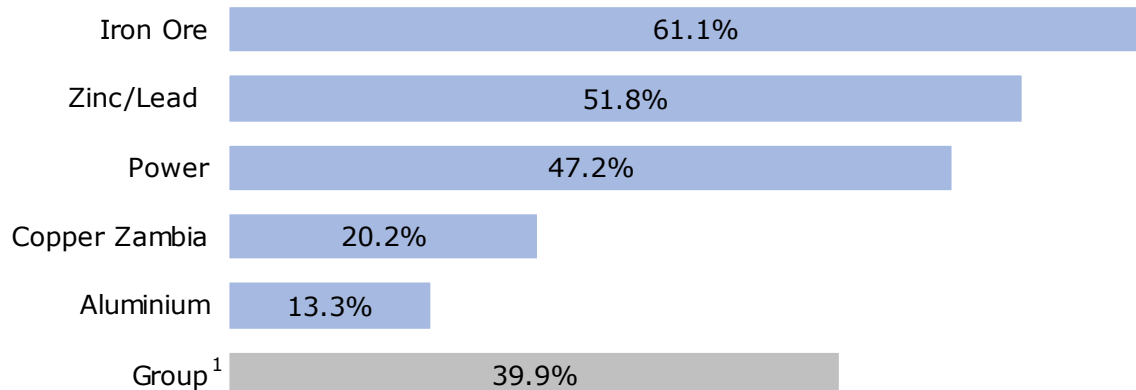
EBITDA (US\$mn)

- Aluminium
- Zinc-Lead-Silver
- Iron Ore
- Copper
- Commercial Energy



Notes: 1. Including unallocated corporate expenses of US\$(0.8)mn
 2. Including unallocated corporate expenses of US\$(2.6)mn

EBITDA Margin H1 FY2011



Notes: 1. Excluding custom smelting

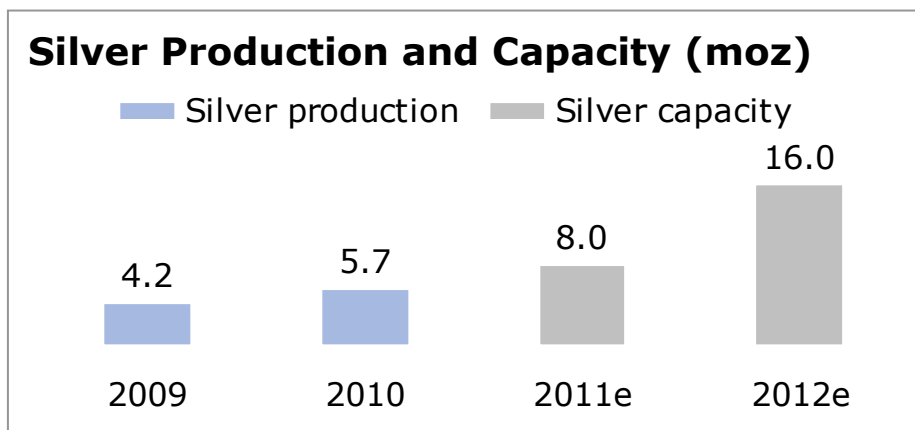
EBITDA Margin¹



Notes: 1. Excluding custom smelting

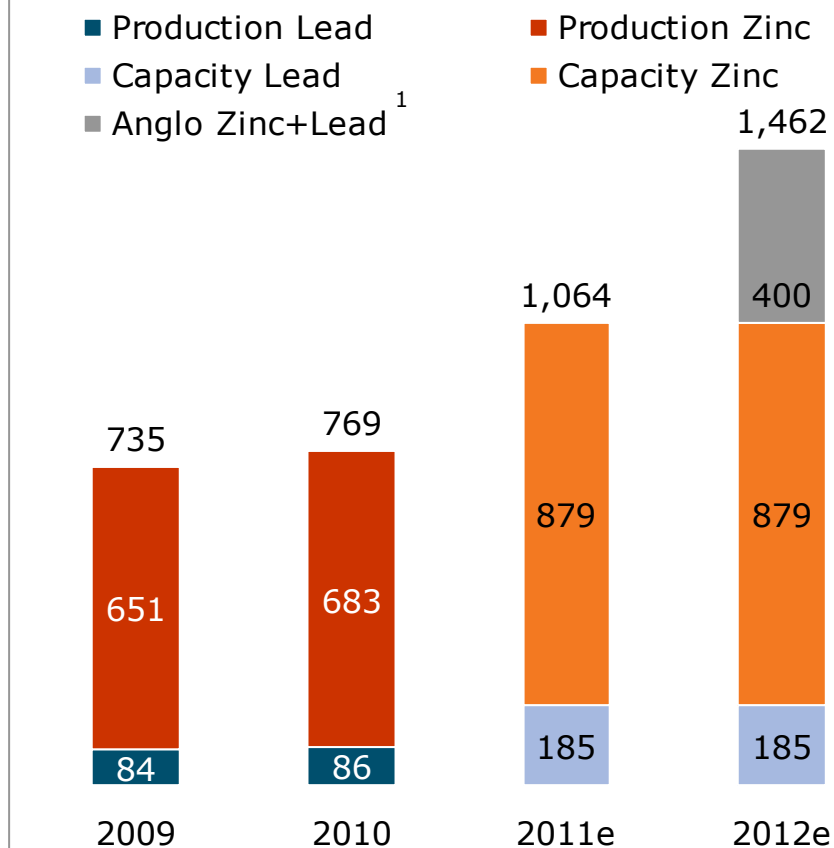
Zinc-Lead-Silver Expansion

- Delivered 1mtpa capacity
- 16moz silver exit capacity by FY 2012 – one year ahead of schedule
 - Accelerated capacity ramp up at Sindesar Khurd mine
- Lowest quartile CoP in spite of excluding silver credit
- Mine life expanded to 30 years+ with Anglo R&R



Source: Brookhunt

Zinc-Lead Production and Capacity (kt)



Notes: 1. On 100% basis
Capacities in 2011e and beyond refer to exit rates

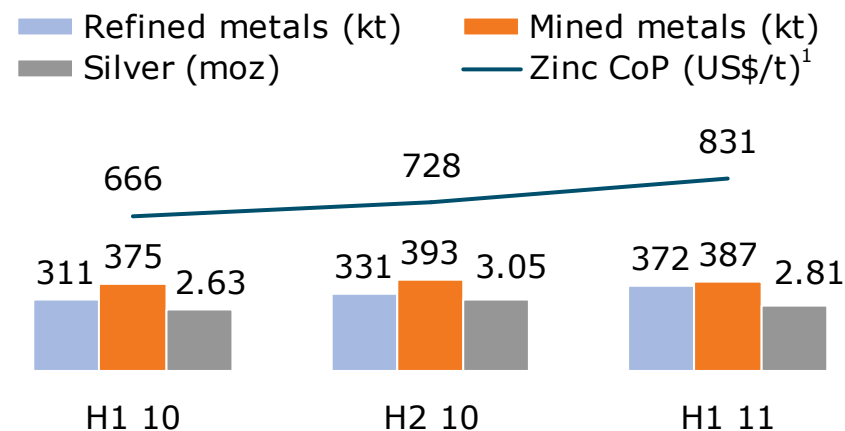
Zinc-Lead-Silver Operations

- Record production
 - Dariba smelter ramp up (+72kt)
 - Silver +7%

- Zinc CoP (excluding royalty) impacted by:
 - Higher stripping ratio (US\$67/t)
 - Increase in cost of coal (US\$43/t)
 - One time cost of retirement benefit (US\$27/t)
 - Appreciation of Rupee (US\$42/t)
 - Partially offset by better acid realisations (US\$62/t)

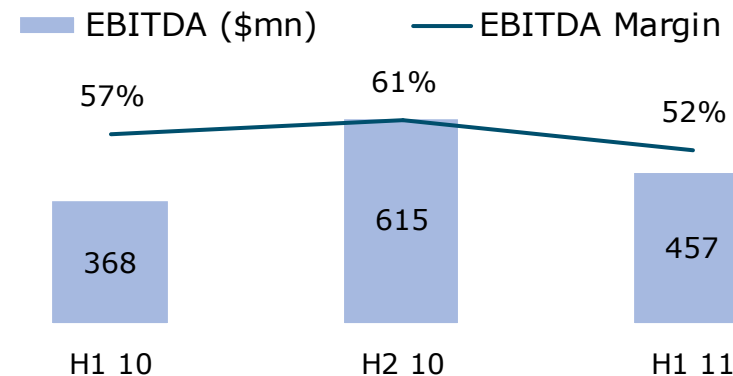
- Strong performance delivered despite water shortage

Production and Cash Costs



Notes: 1. Excluding royalty

EBITDA



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

Anglo Zinc Acquisition: Significant Growth Upside

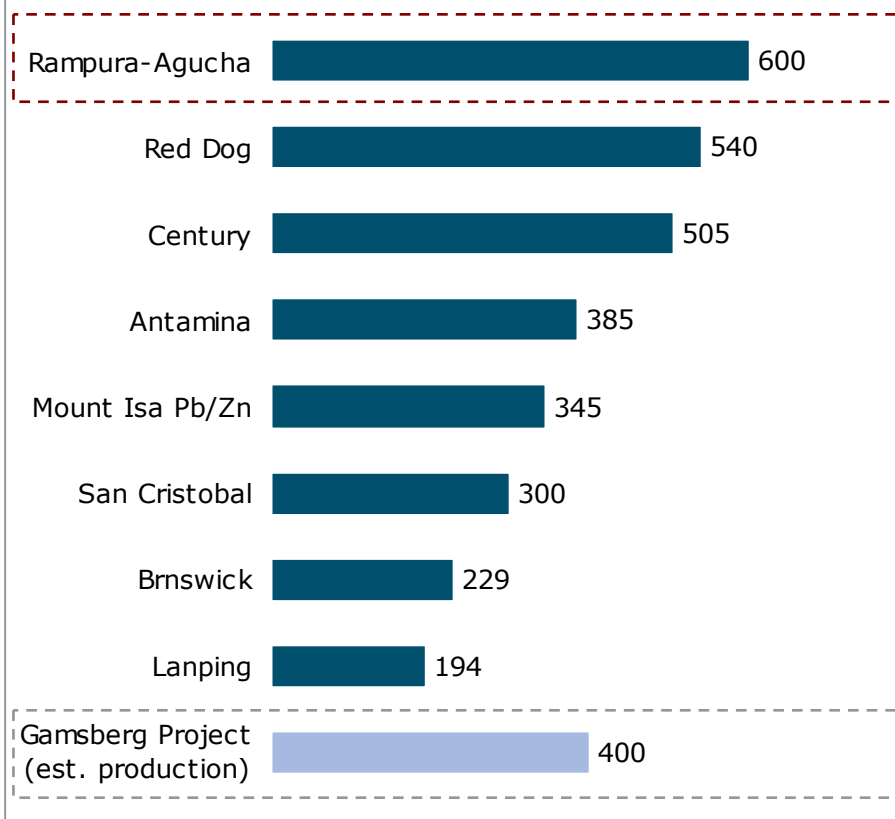
- Strong operational and strategic fit
 - Consolidates global leadership position
 - World class assets
 - Leverages core asset development skills

- R&R increase to 49mt from 34mt contained metal – 30years+ mine-life¹

- Significant growth upside
 - Gamsberg: approx. 400 ktpa project
 - Gergarub and Black Mountain Deeps

- Completion on track

2010e Top Zinc Mines



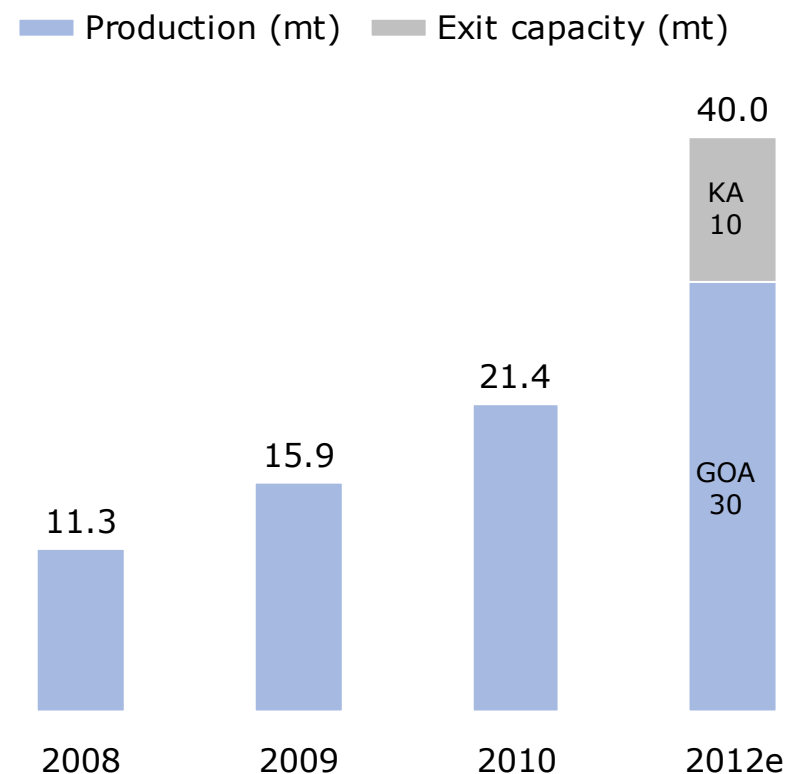
Notes: 1. Attributable, adjusted for 26% ownership of Exxaro in Black Mountain Mining

Source: Brook Hunt, Company estimates
Notes: Targeted Zinc Concentrate Production Capacity

Iron Ore Expansion

- Doubled volume since acquisition in 2007
- Lowest quartile producer
 - Goa continues to be in lowest decile
- Logistics and infrastructure key to achieving 40mtpa
 - Goa and Karnataka expansions on track, subject to clearances
- Pig iron expansion on track for Q1 2012
 - 250ktpa to 625ktpa
- Orissa expansion to 10mtpa linked to renewal of third party mine contract

Iron Ore Production and Proposed Capacity



Notes: Capacities in 2012e refer to exit rates

Iron Ore Operations

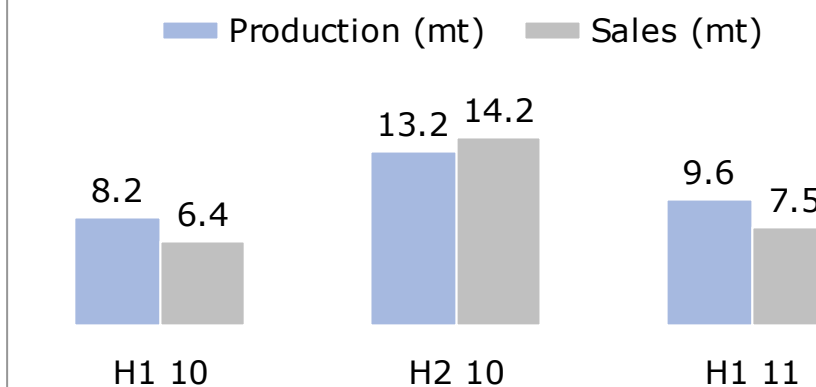
- Record production and sales
 - 1.5mt contribution from Dempo
 - Karnataka affected by export restriction

- Strong iron ore prices
 - Sold approx. 85% at spot index price

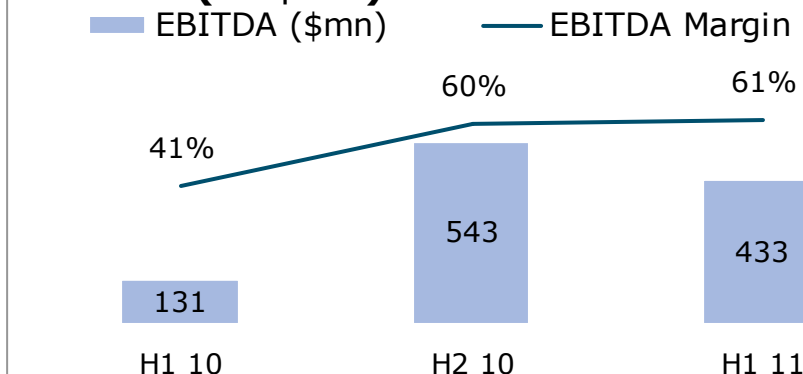
- Continued focus on operational excellence and cost control
 - Reduced controllable cost at Goa by US\$2/mt
 - Higher royalty cost – 10% ad valorem
 - Rail freight increase impacting Karnataka and Orissa – US\$15/mt

- Goa/Dempo shipments highest ever in wet season

Iron Ore Production (mt)

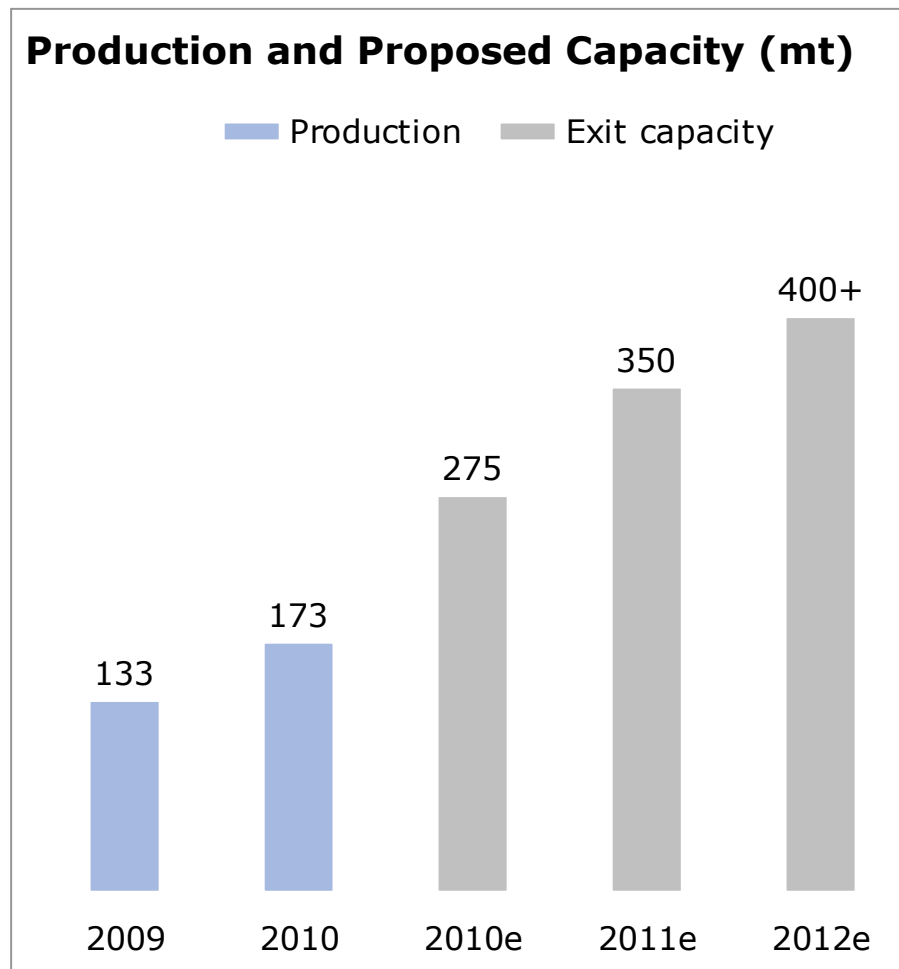


EBITDA (US\$m)



Copper-Zambia Expansion

- Expansion to 400ktpa on track
 - KDMP progressing well
 - 50ktpa CRO pilot plant testing underway
 - Nchanga concentrator expansion completion expected in Q3 FY2012
 - TLP debottlenecking on schedule for completion in Q1 FY2012
 - Ordered backup diesel generator sets



Notes: Capacities in 2011e and beyond refer to exit rates

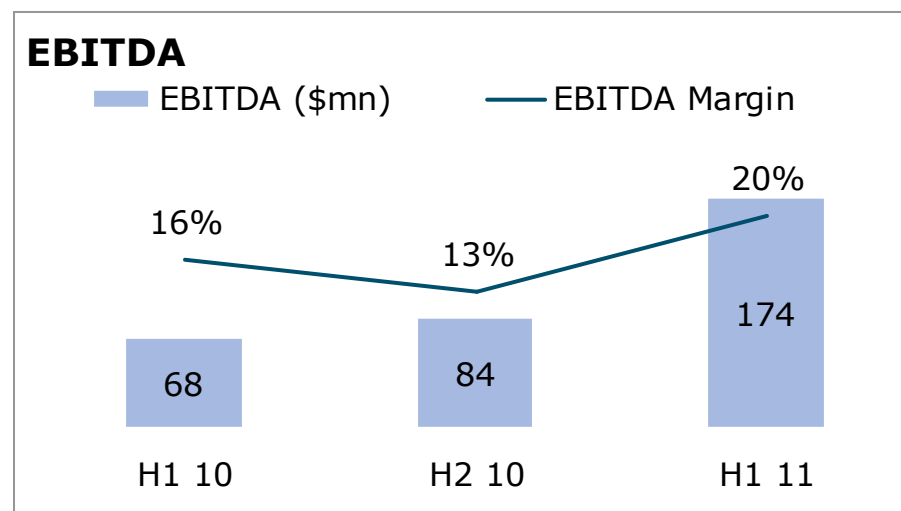
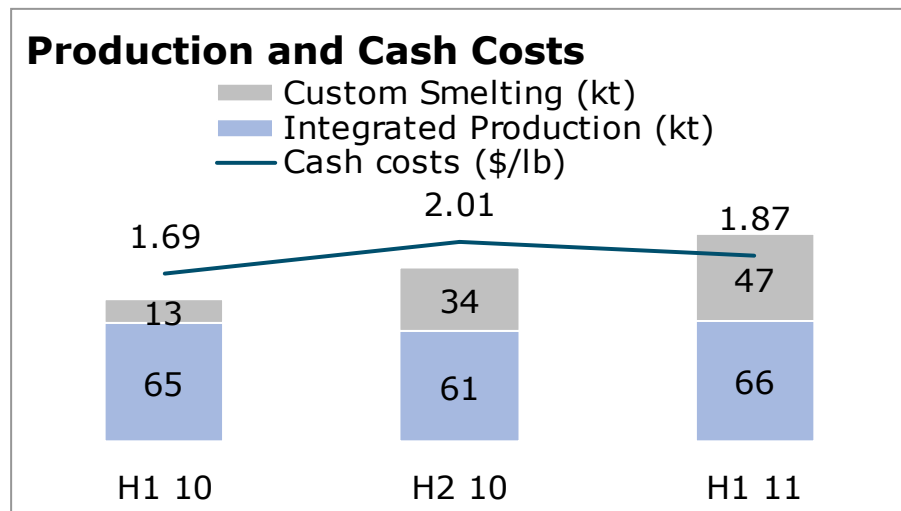
Copper-Zambia Operations

- Record production

- Improved EBITDA margin
 - Higher volumes
 - Higher smelter recoveries of 98.5%
 - Marginal increase in CoP - planned maintenance of Nchanga concentrator
 - Higher LME prices

- September 2010 cash cost at 139USc/lb

- 1.8mt ore stock pile ahead of monsoon



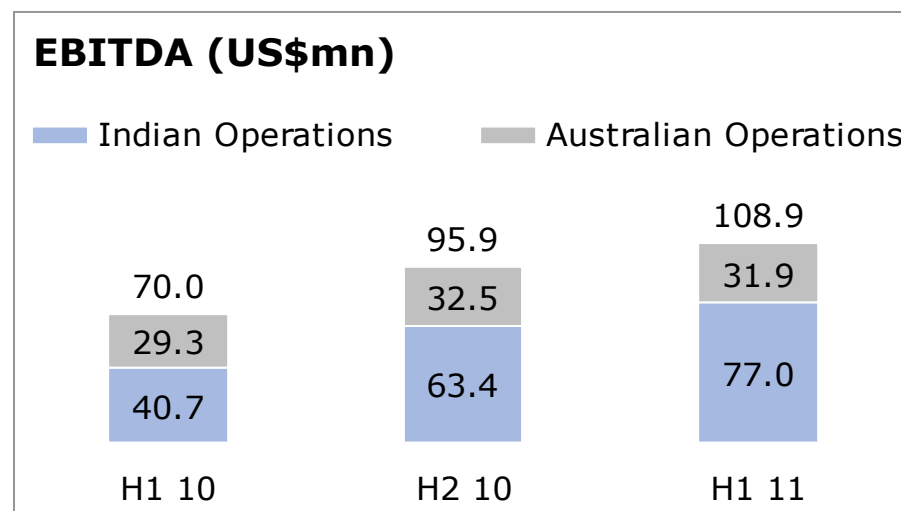
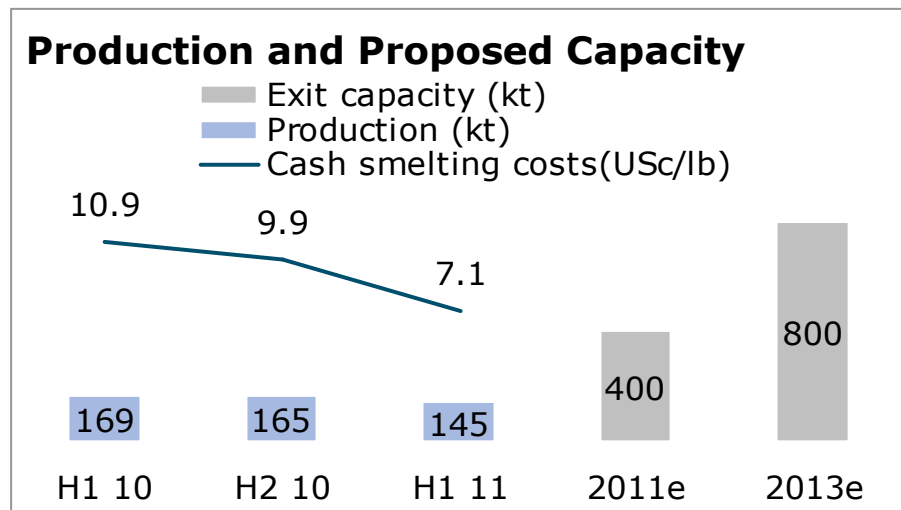
Copper-India and Australia

- EBITDA up approx. 55%
 - Bi-annual maintenance shutdown at Tuticorin
 - 35% reduction in net cash cost
 - Higher acid credit
 - TcRc flat at 12.7 USc

- First unit of captive power plant to be commissioned in Q4 2012

- 400 ktpa smelter expansion temporarily deferred

- Stable performance at Australian operations



Aluminium: Optimising Returns

- Post Niyamgiri decision, seeking alternative bauxite deposit under 150mt MOU with Orissa State Government
- Lanjigarh Refinery to operate at 1mtpa, expansion on hold
- Temporary deferral of first metal tapping at VAL (1.25mtpa) & BALCO (325ktpa)

Surplus power to be sold on spot market to optimise returns

- 2,400 MW additional power available for spot sales in near term
- Total power from Jharsuguda and Korba: 3,870MW
- Strong pricing environment

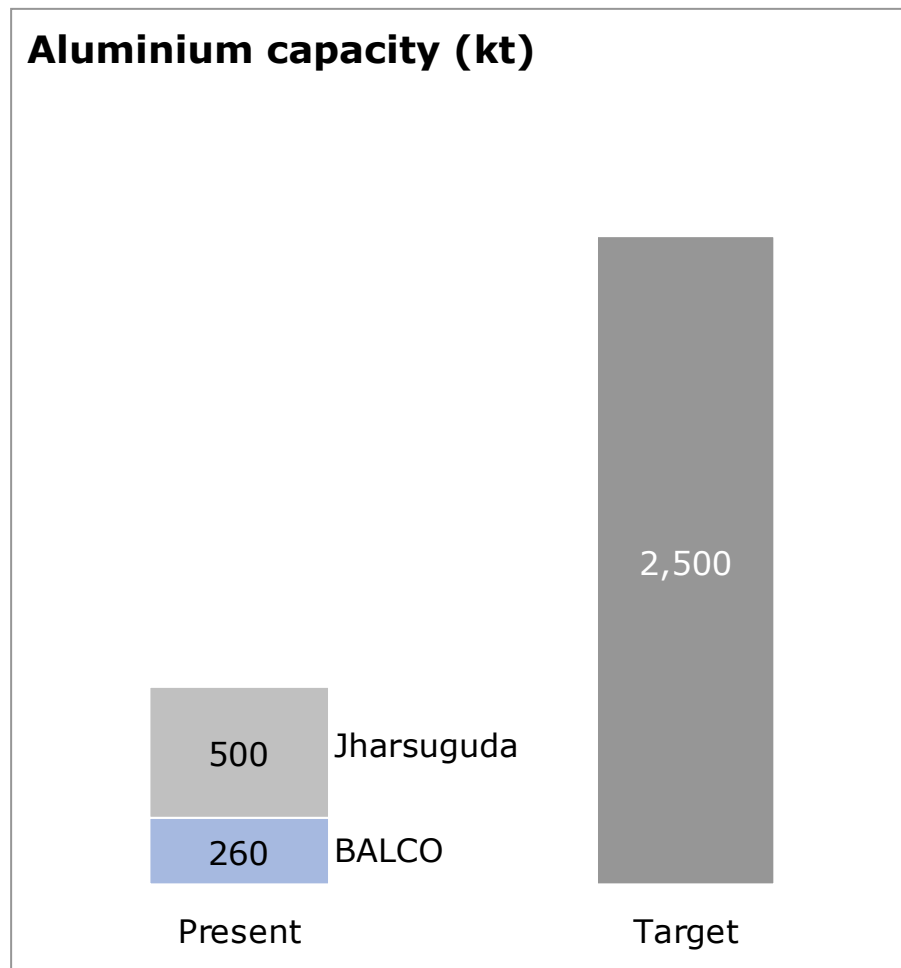
Power for sale (MW)

Unit	Pre Deferral	Post Deferral
1200MW CPP at BALCO	600	1,200
2400MW IPP at Jharsuguda	600	2,400
BALCO-1 CPP	270	270
Total	1,470	3,870



Aluminium Expansion

- Jharsuguda 500kt smelter: commissioning of all remaining pots by Q3 FY2011
- Near term Aluminium capacity: 760kt
 - BALCO: 260kt
 - Jharsuguda: 500kt
- Lanjigarh refinery to operate at 1mt capacity
 - Bauxite from BALCO and third party sources
 - 0.5mt Alumina import for balancing
- BALCO 4 x 300MW power plant schedule
 - Unit 1: Q4 2011
 - Unit 2: Q1 2012
 - Unit 3: Q4 2012
 - Unit 4: Q4 2012



Aluminium Operations

- Record production
 - BALCO operating above rated capacity

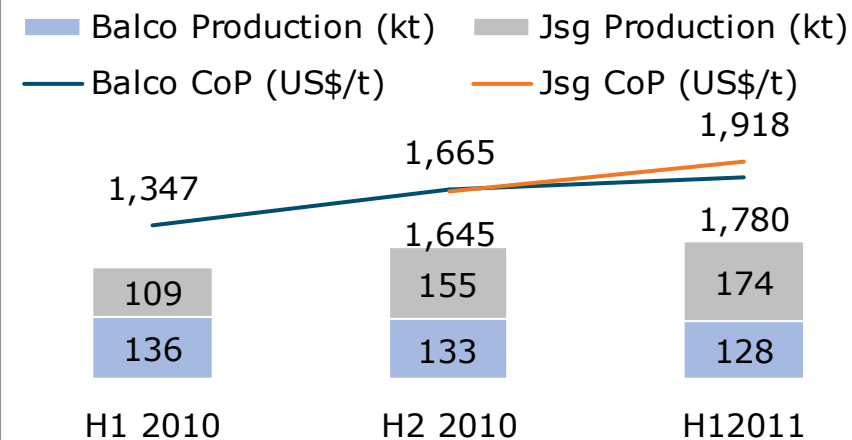
- Improved sales mix

- Unit CoP impacted by:
 - Green tax levy on coal
 - One time increase in retirement benefit
 - Jharsuguda pot recommissioning
 - Higher overhead of US\$100/t due to BALCO plant 1 closure

- Higher Lanjigarh capacity utilization expected in H2

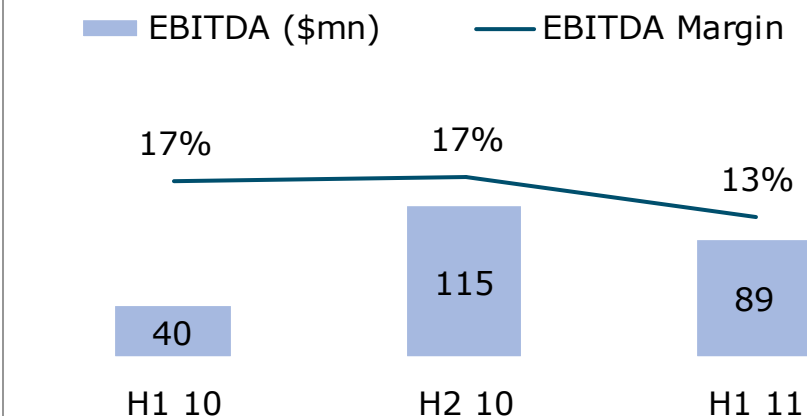
- Logistics infrastructure being upgraded

Production and cash costs



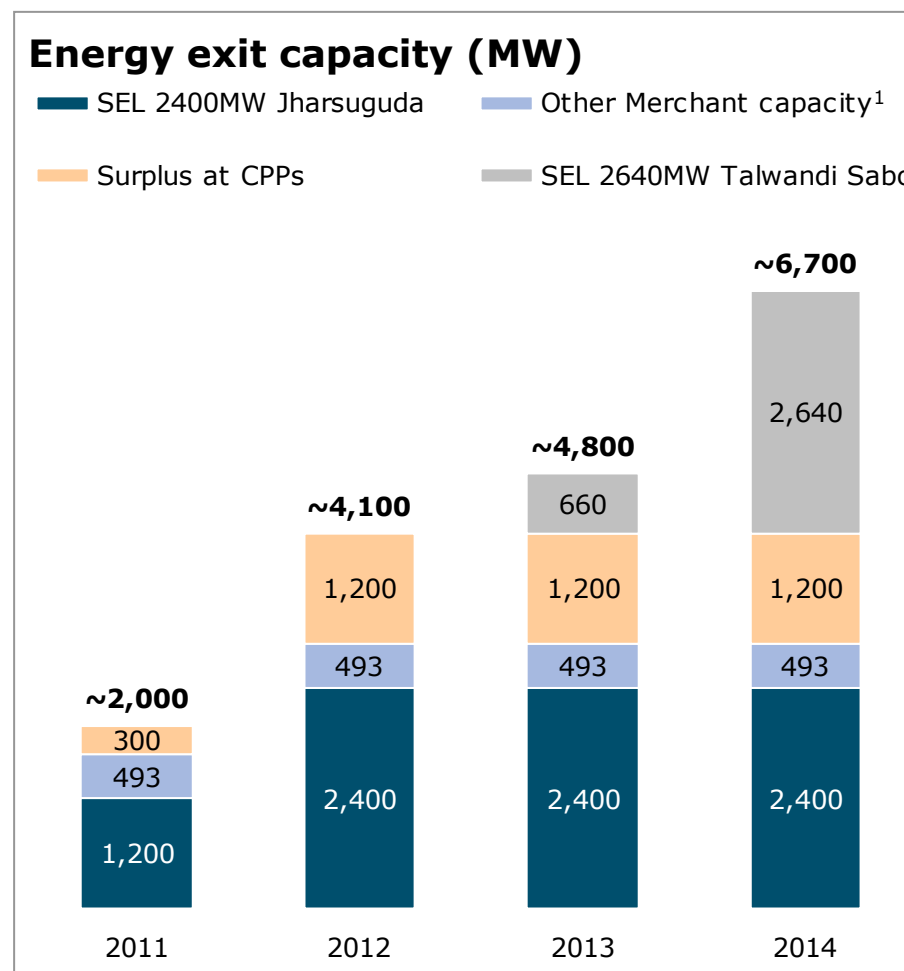
Notes: Production includes contribution from ramp-up of Jharsuguda smelter

EBITDA



Commercial Energy Projects

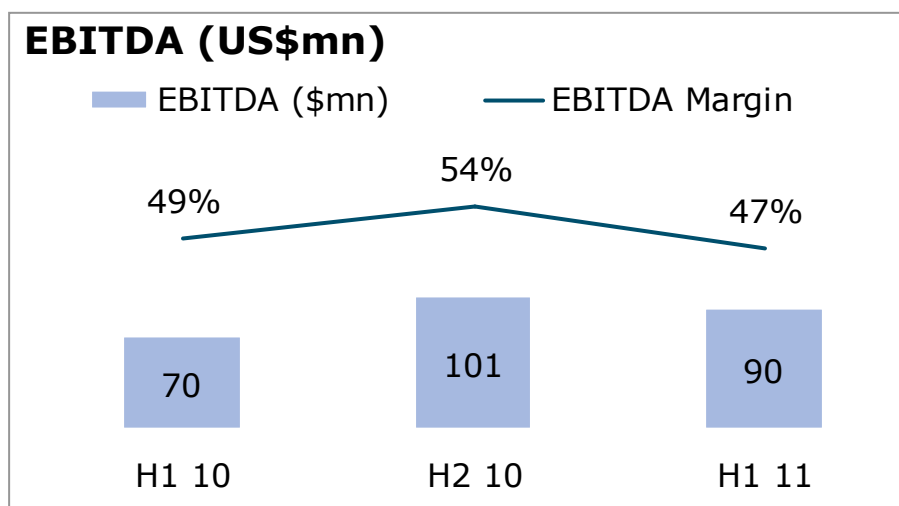
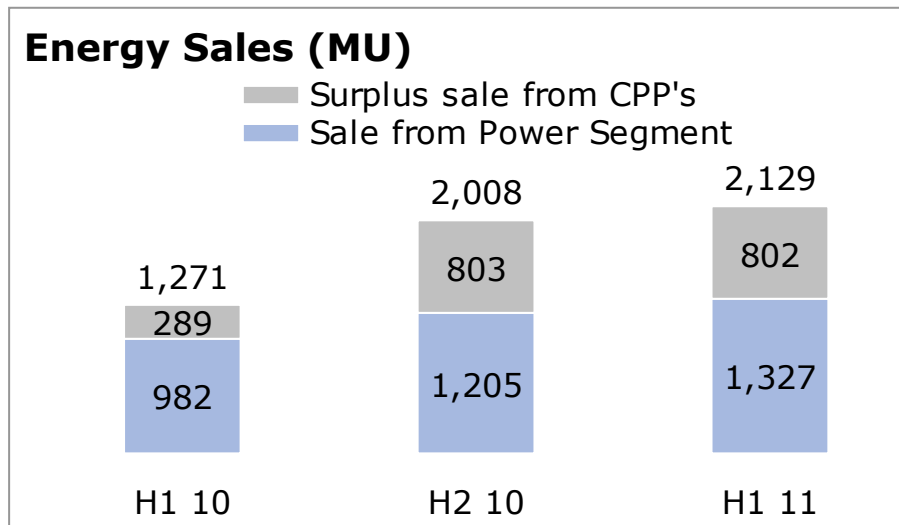
- Approx. 5,000MW under construction, largest in Indian private sector
- First unit of the 4x600MW Jharsuguda IPP achieved commercial operation
 - Remaining units progressively commissioned by Q2 2012
 - First unit of 600MW in private sector
- Additional 660MW merchant unit at Talwandi Sabo IPP will enhance overall project returns
- Coal linkages secured



Notes: 1. Balco, Malco and Wind Power

Commercial Energy Operations

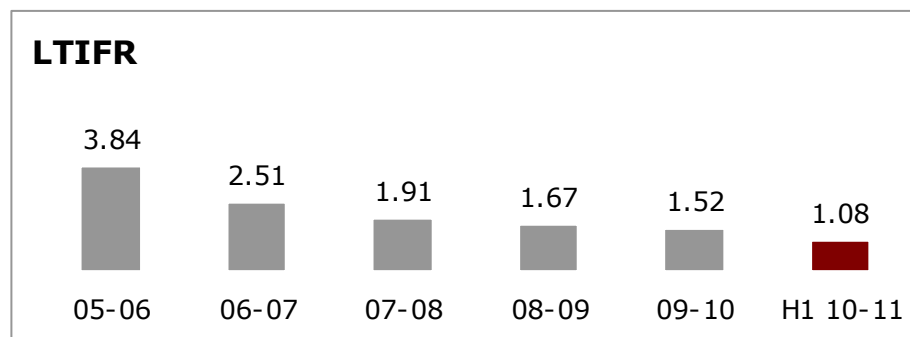
- 70% increase in Energy sales mainly because of surplus from Jharsuguda CPP
- Strong spot market
 - 8.8 USc average realisation
- Average unit CoP impacted by rise in coal cost
 - 4.5 USc



Health, Safety and Environment

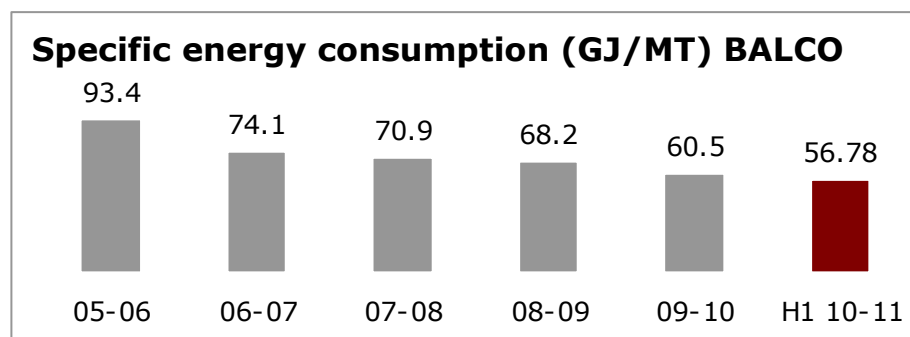
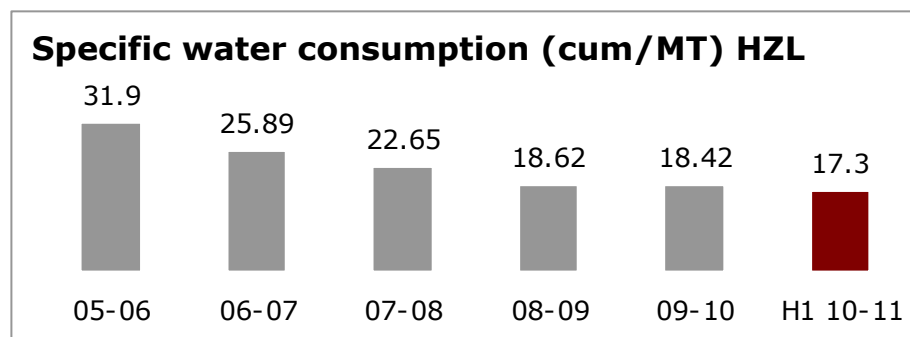
Safety

- LTIFR at 1.08, a 72% reduction since 2006
- Robust system of near miss reporting and review of all accidents followed by corrective steps



Environment

- Continuous reduction in specific water and energy consumption
- Most of solid waste (fly ash, slag and gypsum) being used in cement manufacturing and construction
- CDM
 - 5 registered CDM projects, potential 400,000 CERs per annum
 - CDM registration for supercritical power plant at Talwandi progressing well



Notes: *LTIFR: Number of lost time injuries per million man-hours worked
LTIFR figures are for operation including contract employees*

Corporate Social Responsibility

Case Study: Health Update

General Health Outreach

- 36,041 people benefited through 28 company run hospitals
- 35,990 people reached by mobile health units
- 42,750 people benefited through 229 health awareness camps
- 867 patients screened and benefited by Vedanta Cancer Hospital outreach

Nutrition

- 230,000 children at 2,232 government schools benefited through 8 mid-day meal kitchens
- 129,630 children covered through 2,546 pre-school centres under the Vedanta Bal Chetna Anganwadi programme

Impact: H1 2010-11

- 552 villages, 2.7 million people positively impacted
- 145 villages under the Integrated Village Development Program
- Health care services outreach to over 308,000 people
- 20,000 children enrolled for computer education in 200 government schools
- 770 Self Help Groups, 27,100 members earnings supplemented
- 5,578 farmers, 1039 acres covered under the agriculture and watershed program
- 81 NGO partners, 77 CSR personnel and 199 extension workers

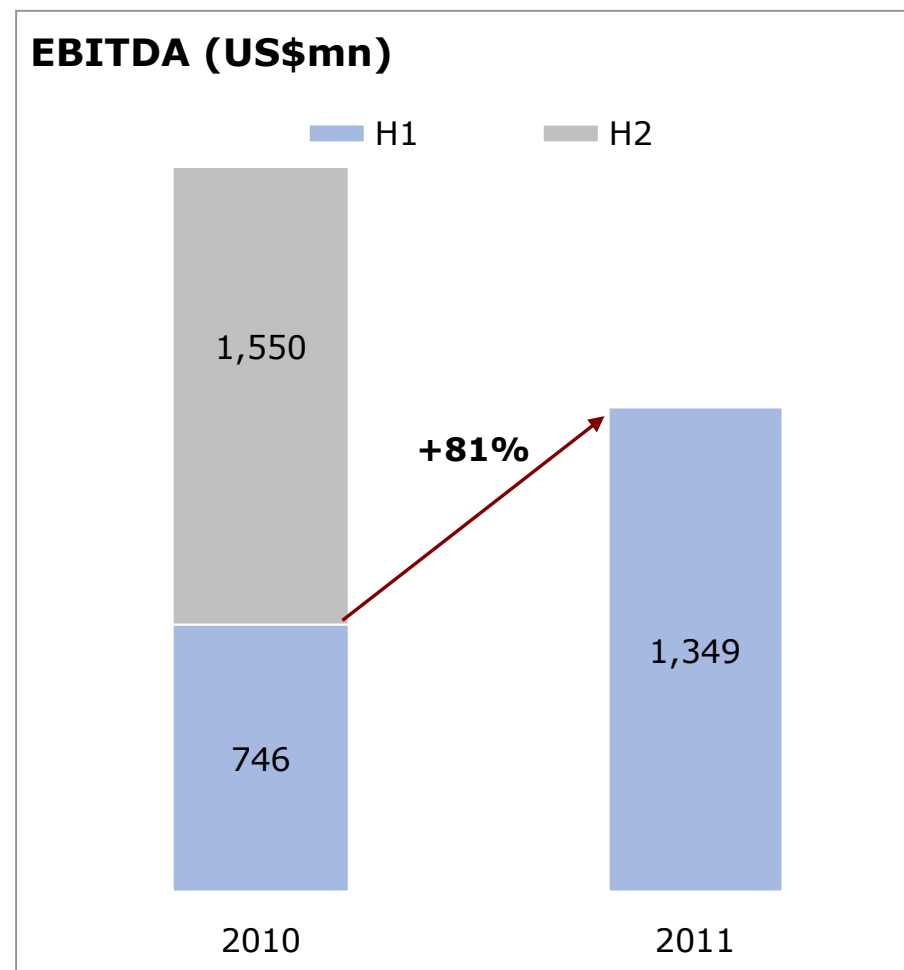
Financials

DD Jalan

Chief Financial Officer

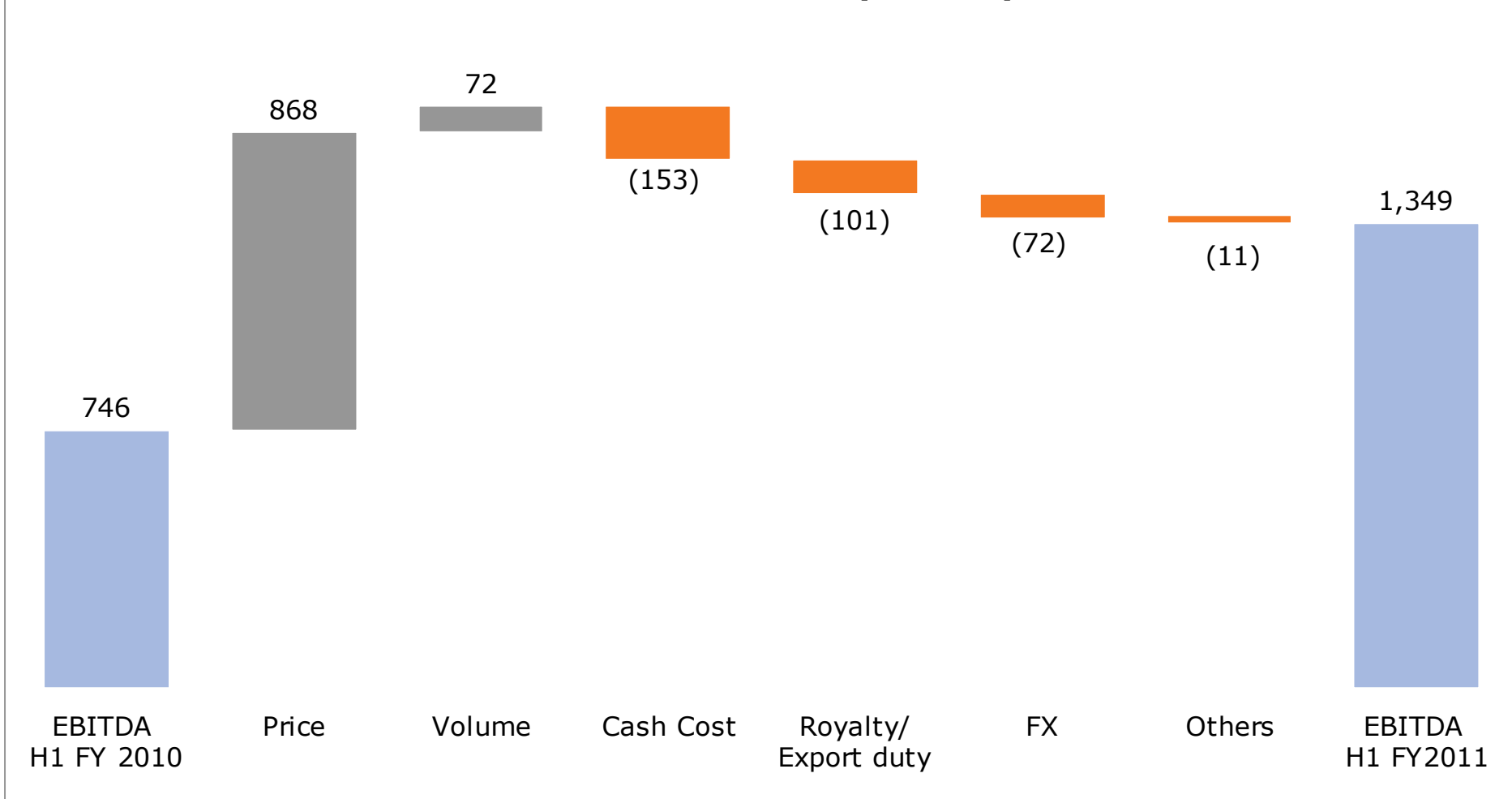
Financial Highlights

- EBITDA of US\$1,349mn, up 81%
- Attributable profit of US\$337mn, up 79%
- EPS of US\$1.24, up 81%
- Free cash flow of US\$479mn, up 105%
- Interim dividend of 20USc, up 14.3%
- Robust balance sheet & liquidity
 - Net gearing of 11.6 %



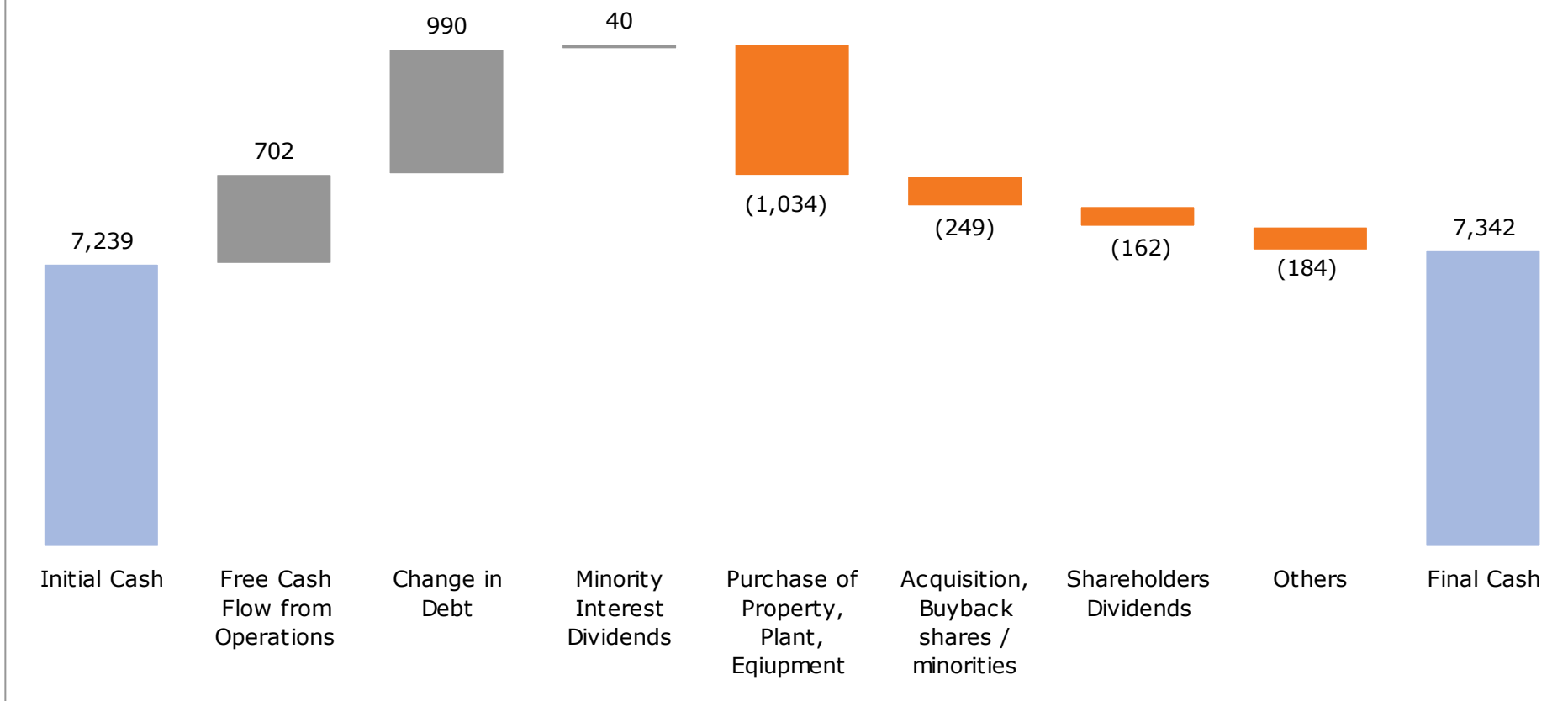
EBITDA

EBITDA reconciliation H1 FY2011 vs. H1 FY2010 (US\$ mn)



Cash Flow

Cash Movement H1 FY2011 (US\$mn)



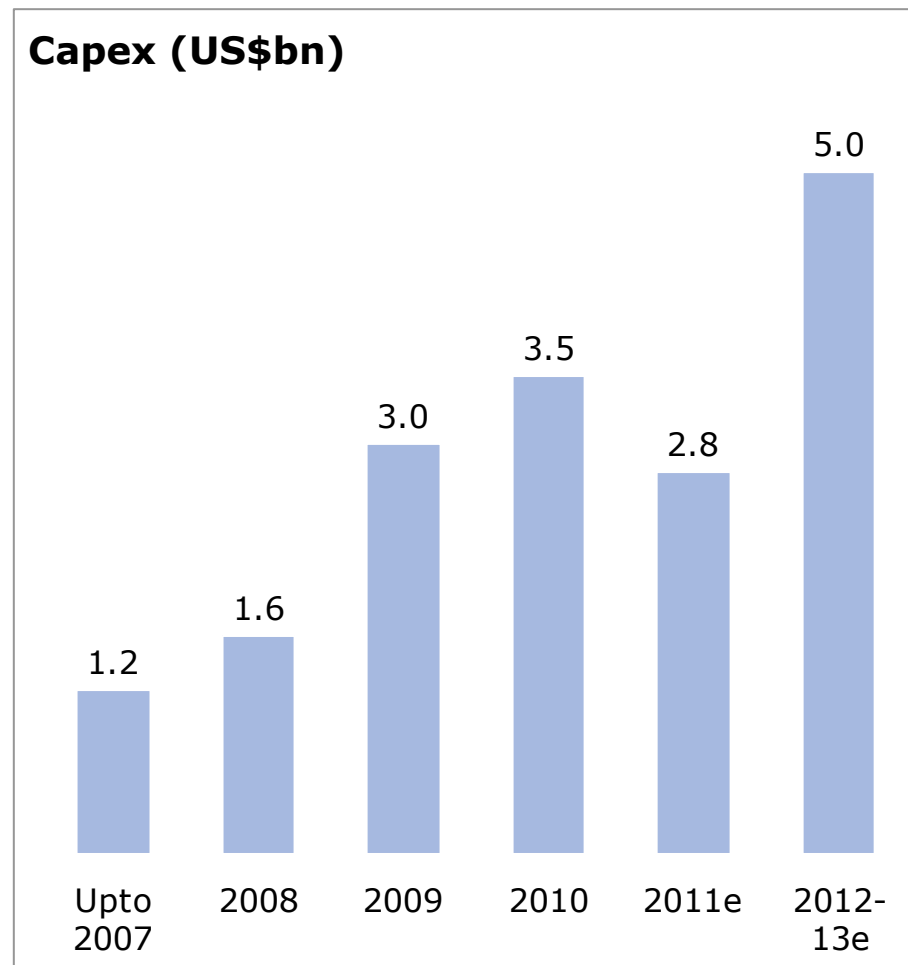
- 105% increase in free cash flow
- Working capital impacted by seasonality and higher LME prices

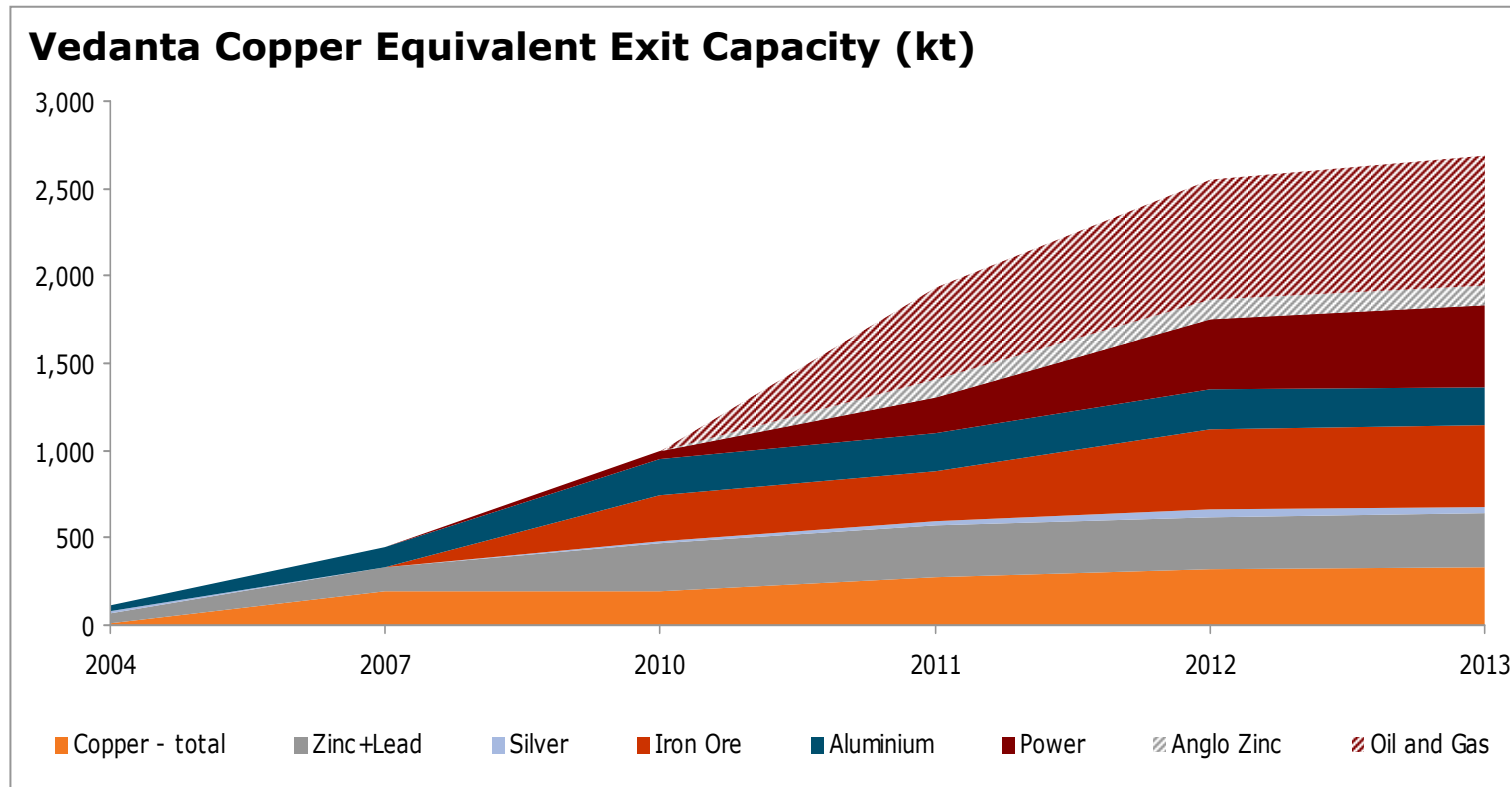
Funding Growth

- Strong free cash flow growth forecast
 - Approx. 60% of organic growth capex spent
 - Strong production growth 2010-12

- Strong liquidity
 - US\$7.3bn of cash and equivalents
 - additional US\$2.7bn of project finance

- Pro forma FY2011 gearing
 - Net debt: EBITDA <2.4x
 - Net gearing <35%





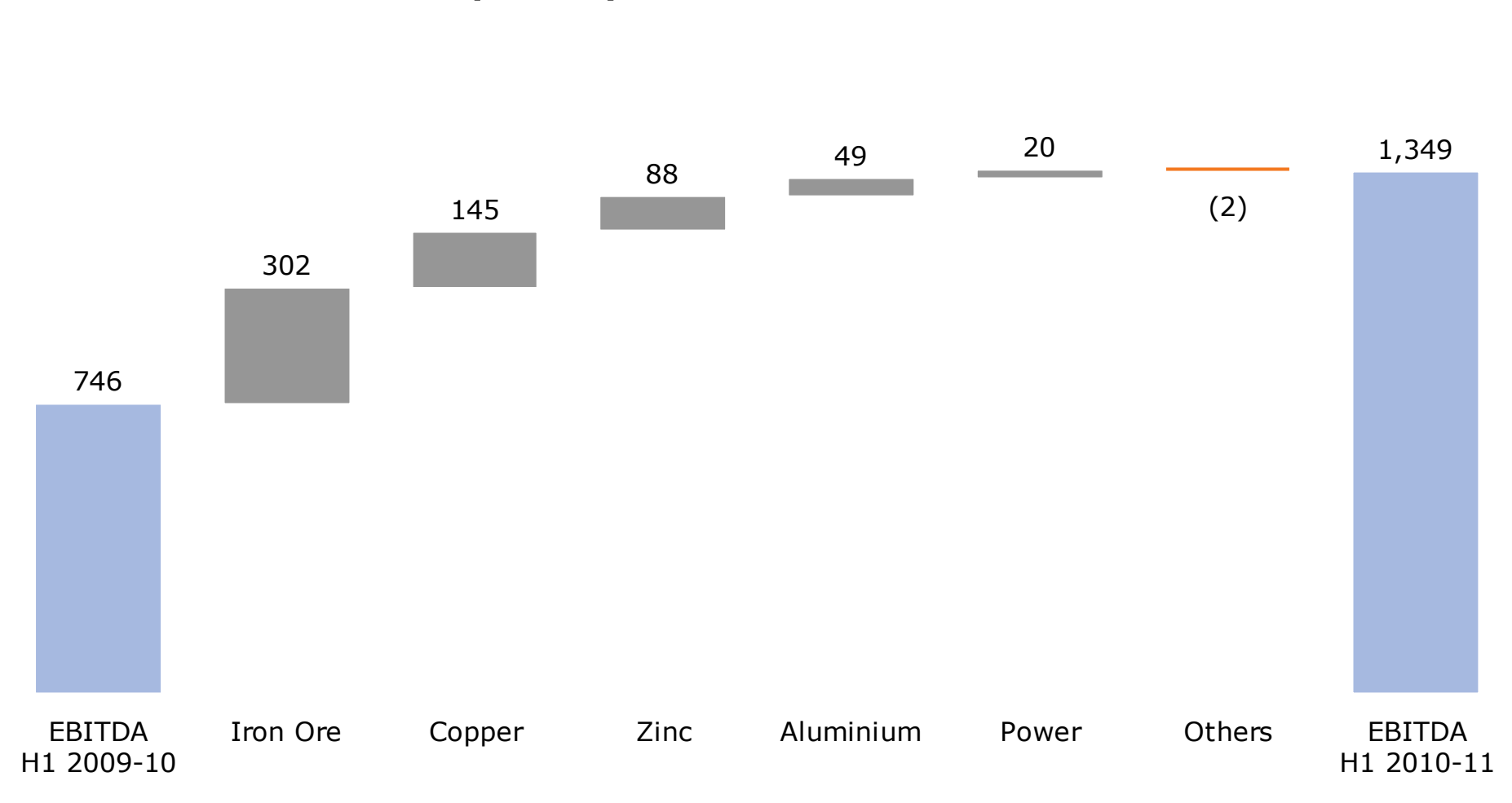
Notes: All metal, power, and oil and gas capacities rebased using Copper LME and average Commodity prices for H1 2010
Copper custom smelting capacities rebased at TC/RC

- Significant near term production growth across attractive commodity portfolio
- Diversified earnings
- Strong cash flow growth

Appendix

Business Performance

H1 FY2011 vs. H1 FY2010 (US\$mn)



Summary Income Statement and Balance Sheet



Summary Income Statement

(US\$m, except as stated)	H1 FY2011	H1 FY2010
Revenues	4,581.5	2,978.6
EBITDA	1,348.6	746.3
<i>EBITDA margin</i>	<i>29.4%</i>	<i>25.0%</i>
Profit before tax	1,106.3	604.6
Depreciation and amortisation	358.6	249.3
Profit for the period	856.2	501.2
Base EPS (USc)	123.8	68.5
Underlying EPS (USc)	104.3	41.8
<i>Effective tax rate</i>	<i>22.6%</i>	<i>17.1%</i>
Minority interests	519.2	313.0
Dividend per share (USc) ¹	20.0	17.5

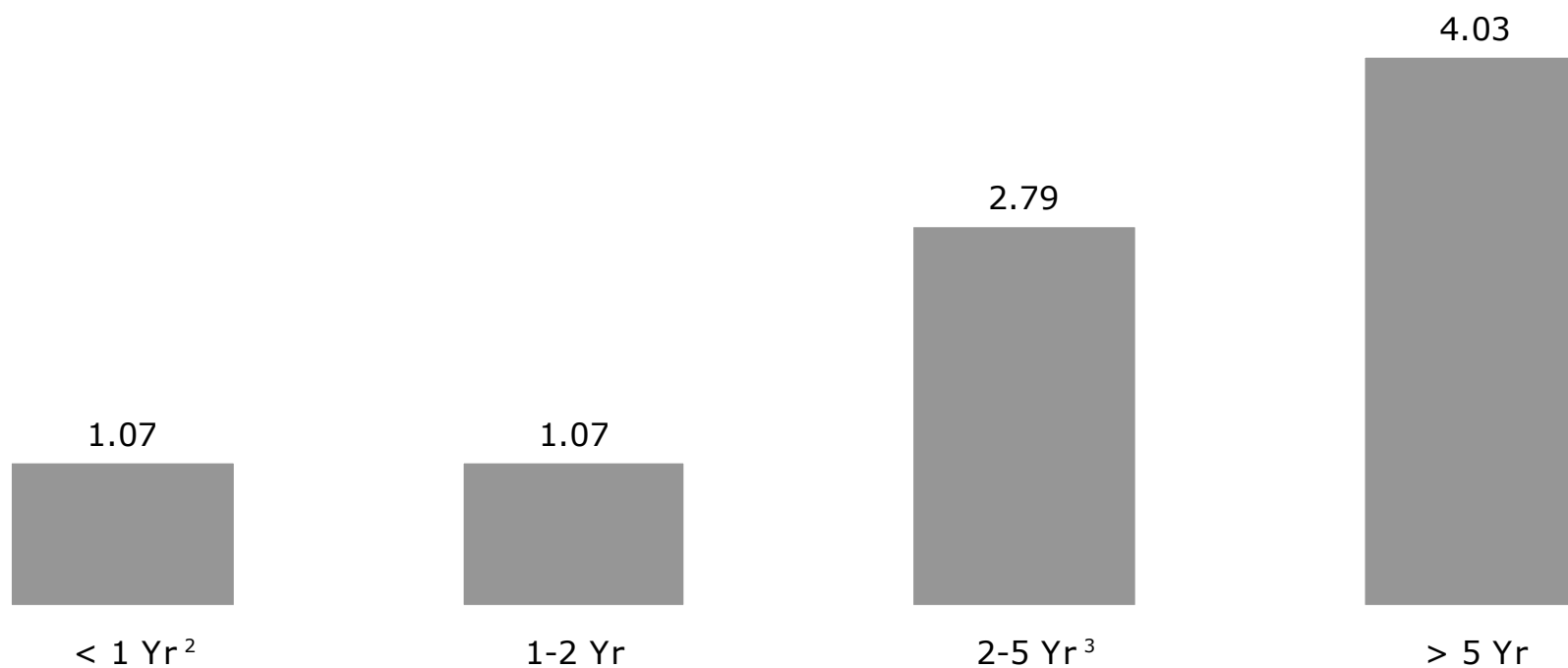
Notes: 1. Proposed for H1 FY 2011

Balance sheet

(US\$m, except as stated)	H1 FY2011	H1 FY2010
Property, plant and equipment	15,309.6	12,019.1
Net assets	12,458.9	9,791.5
Net (debt)/cash	(1,638.5)	(969.4)
<i>Gearing</i>	<i>11.6%</i>	<i>9.0%</i>
<i>ROCE (excluding CWIP)</i>	<i>20.1%</i>	<i>18.8%</i>

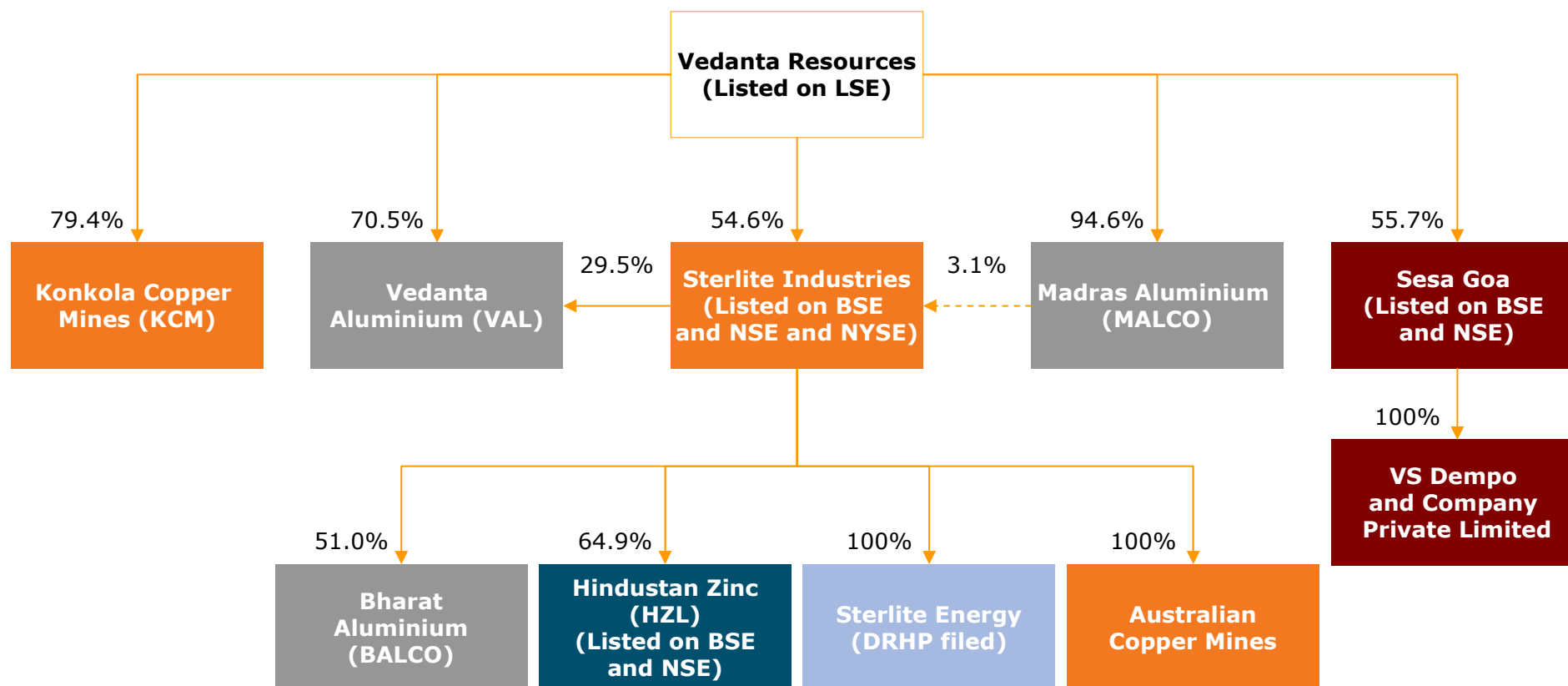
Debt Maturity Profile

Debt maturity profile (US\$bn)¹



- Notes:
1. Includes non-recourse project debt and working capital facilities at subsidiaries
 2. Considering refinancing of existing project borrowing in VAL, SEL, TSPL, from proposed project financing
 3. FY 2013 includes maturity of US\$1 billion loan taken to acquire Sesa Goa

Group Structure



KEY

- Aluminium ■ Copper ■ Zinc
- Iron ore ■ Power

Notes: Structure as at 30 September 2010