



CREDIT INVESTOR UPDATE

January 2010

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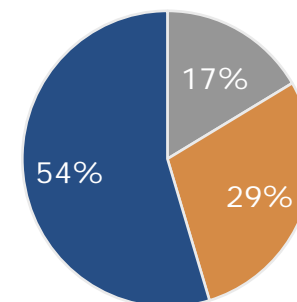
Introduction to Vedanta

- Market capitalization of \$11.5bn
- London listing since 2003, #41 in the FTSE 100
- Revenues / EBITDA for FY 2009 of \$6.6bn / \$1.6bn
- Strong and liquid balance sheet, cash of c.\$7bn⁽¹⁾
- Over 30,000 employees globally, including 8,000 professionals
- Sterlite listed on the NYSE/BSE/NSE, market capitalization of \$15.3bn
- Industry leading organic growth pipeline – half of capex already spent

⁽¹⁾ c.\$6bn at 30 Sept 2009, and further US\$1bn convertible debt of Sesa Goa and Sterlite issued October 2009

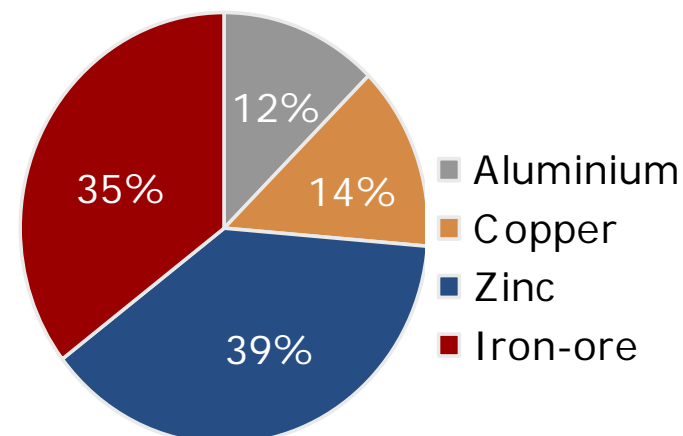
***One of the World's Largest
Diversified Mining Companies***

EBITDA: 2004 US\$322.7mn



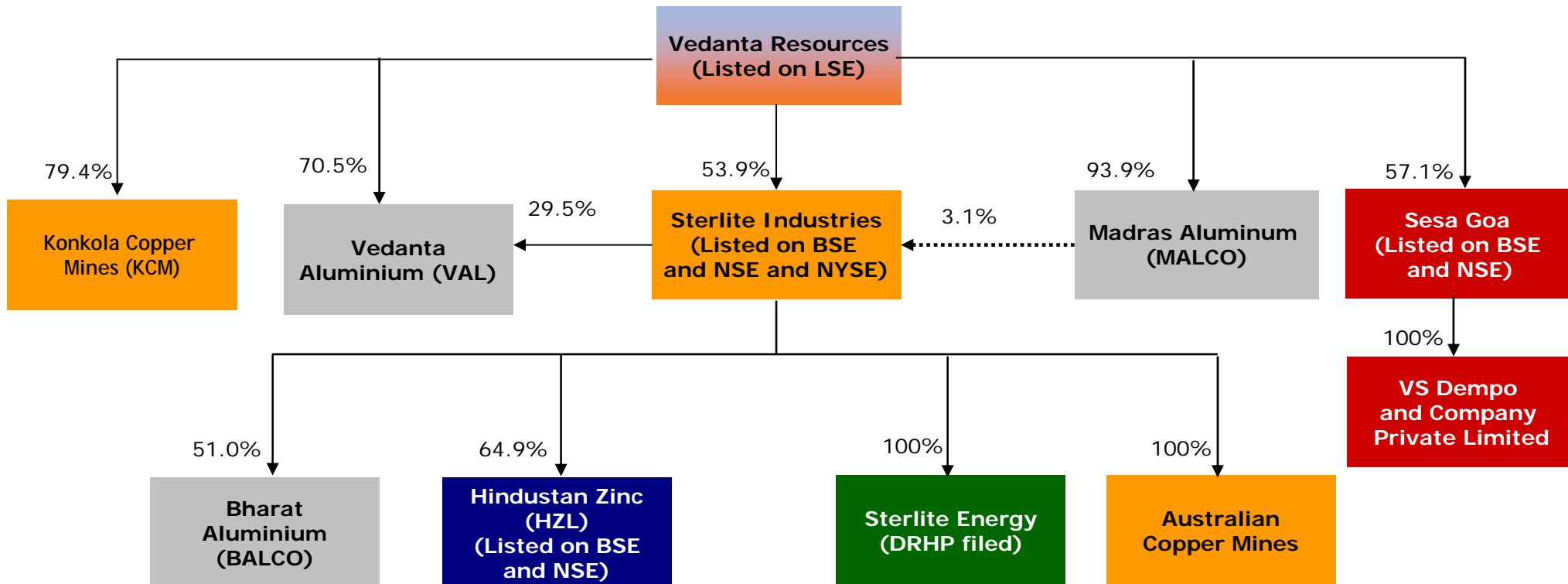
■ Aluminium ■ Copper ■ Zinc

EBITDA: 2009 US\$1.6bn



■ Aluminium
■ Copper
■ Zinc
■ Iron-ore

Group Structure



■ Aluminum ■ Copper ■ Zinc ■ Power ■ Iron ore

Key Strategy Highlights

Corporate and Financial Strategy

Corporate Strategy

Optimise performance of existing assets

Rationalise group structure

Pursue organic growth opportunities

Leverage established skills and seek additional investment opportunities

Financial Strategy

Maintain robust liquidity and balanced debt maturity profile

Fund raising through combination of equity and debt from diverse sources

Robust financial discipline to work within investment grade rating metrics

India's Mining Potential

Vedanta Positioning

- World class assets and long-life resource base
- Structurally low cost producer
- Integrated model including captive energy
- **Zinc-Lead-Silver:** to become world's largest integrated zinc player; top 10 producer of Silver
- **Aluminium:** to become top 5 producer
- **Copper** 1.25 mt refined copper– to become top 3 producer
 - India: 800 kt custom smelting
 - Zambia: 435 kt fully integrated
- **Iron Ore:** to become top 10 iron ore producer
- **Power:** one of India's largest power producers

Global Ranking of India's Natural Resources



Bauxite
(2.4 Billion tonnes)

4



Iron Ore
(24 Billion tonnes)

5



Coal
(253 Billion tonnes)

4

Source: Investment Commission of India

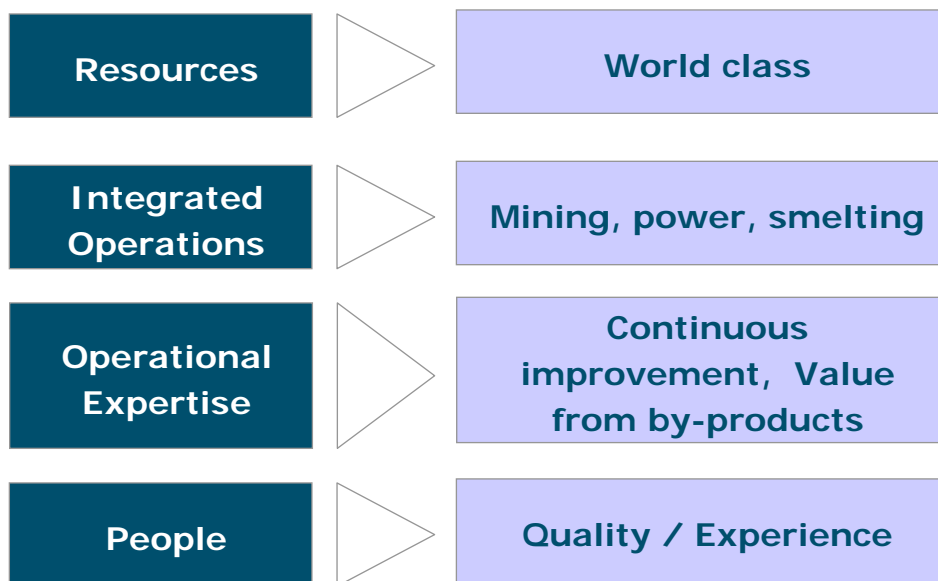
Exploration remains a key focus area

Low Risk Organic Growth

	2008-09 production		Target		
			Exit capacity	Sustainable cost	Completion
Zinc-Lead	617 ktpa	▶	1,065 ktpa	Lowest quartile	2010-11
Silver	3.38 m oz	▶	16 moz	Co-product	2012-13
Copper India	313 ktpa	▶	800 ktpa	Lowest quartile	2011-12
Copper Zambia	133 ktpa	▶	435 ktpa	Lower half	2011-12
Aluminium	462 ktpa	▶	2,500 ktpa	Lowest quartile	2012-13
Iron Ore	16 mtpa	▶	50 mtpa	Lowest quartile	2012-13
Commercial Energy	376 mu	▶	4,900 MW		2013-14

Structurally Low Cost Business

Low cost operations



Low project costs

Projects	Capex (\$mm)	Capacity	Vedanta Average	Global Average
Alumina	1,570	3,000 kt	\$523/t	\$900/t
Aluminium	3,640	1,575kt	\$2,311/t	\$3,900/t
Commercial Power	4,050	4,380Mw	\$925/kw	\$1,500/Kw to \$2,000/Kw

Source : Brookhunt and IEA OECD Report

Combination of low operating and project costs

Disciplined Approach to Acquisitions

Acquisition Philosophy

- Very selective approach to acquisitions in similar lines of business
- Screen for undervalued/underperforming assets that offer Vedanta opportunity to add value by reducing cost structure and/or growing production

Sesa Goa Acquisition - Iron Ore

- Acquired 51% stake in Sesa Goa in 2007 for US\$ 981 million
- Natural fit for Vedanta - leverage mining and project management skills to grow production and reduce costs
- Increased production from 10 mt in FY 2007 to 16 mt in FY 2009 with nominal capex
- Leveraging the platform to become 50mt iron ore producer by FY 2013

Dempo - Bolt-on Iron Ore Acquisition

- \$368m acquisition of Dempo's iron ore assets completed in June 2009
- Mines, mining leases and related infrastructure in Goa is complementary to existing assets
- Significant scope for synergies with Sesa operations, especially in transportation and logistics

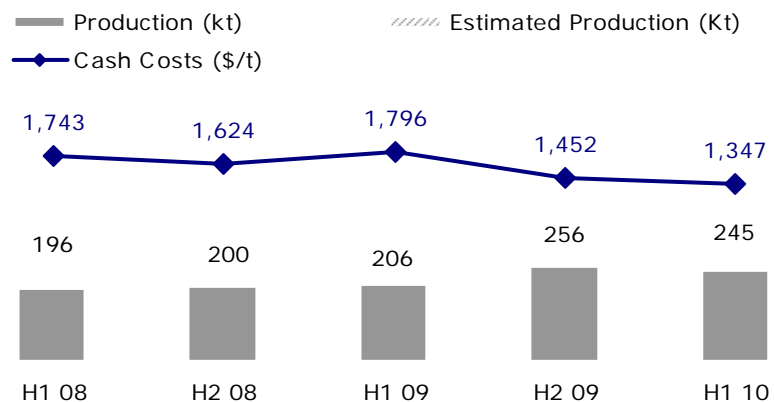
Konkola Copper Mines, Zambia

- 180 kt integrated copper producer acquired in 2004
- Opportunity - unlock potential of KDMP and upgrade smelter
- Investing \$1.1bn to increase production to 435kt by FY 2012, and lower costs to c. \$1/lb

Business Overview

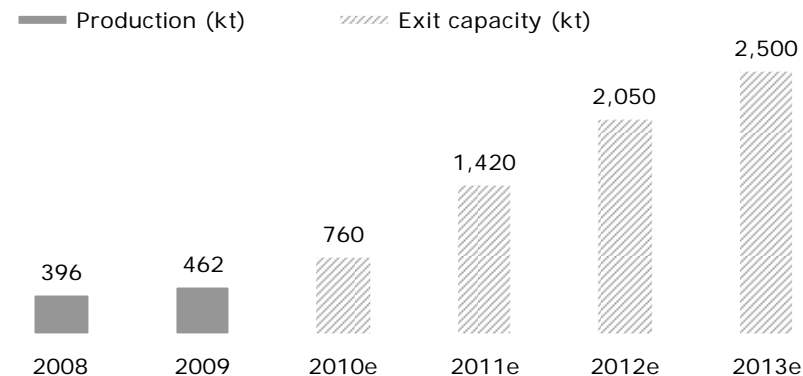
Aluminium

Production and cash costs



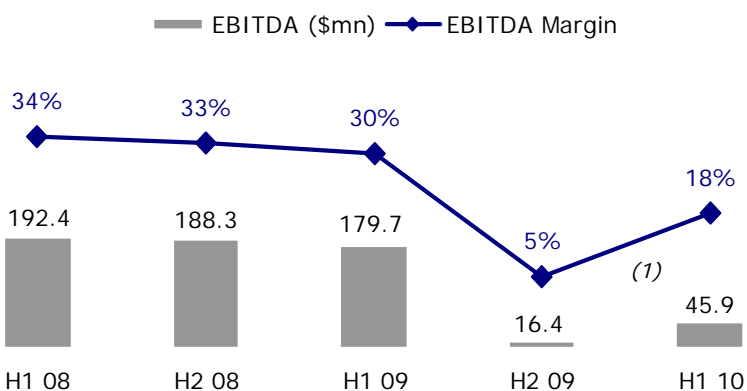
Notes: (1) Production includes contribution from ramp-up of Jharsuguda smelter
(2) Cash costs refer to costs for Balco 2

Production and proposed capacity



Note: (1) Capacities in 2010e and beyond refer to exit rates, includes debottlenecking of 80kt at BALCO

EBITDA



Note: (1) From H1 10 sale of surplus power is part of power segment

Expansion projects

Expected completion

Lanjigarh

- 1.4mtpa alumina refinery Q4 FY2009
- 0.6mtpa debottlenecking Q4 FY2010
- 3.0mtpa expansion Mid 2011

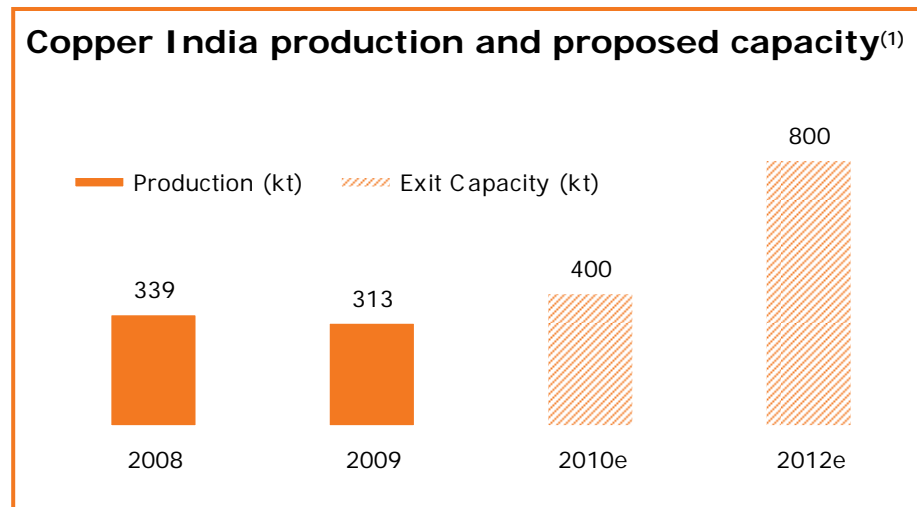
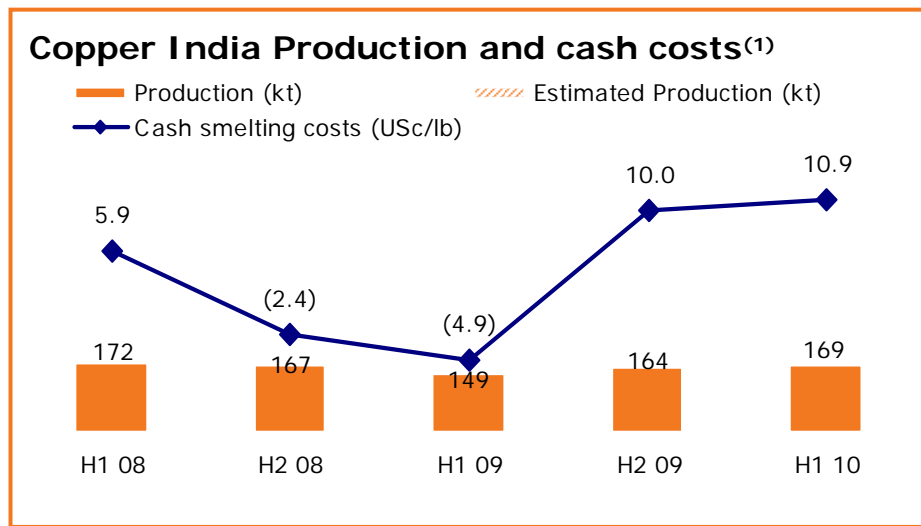
Jharsuguda

- 500ktpa smelter Q4 FY2010
- 1,215 MW CPP Q4 FY2010
- 1.25mtpa smelter Q2 FY2013

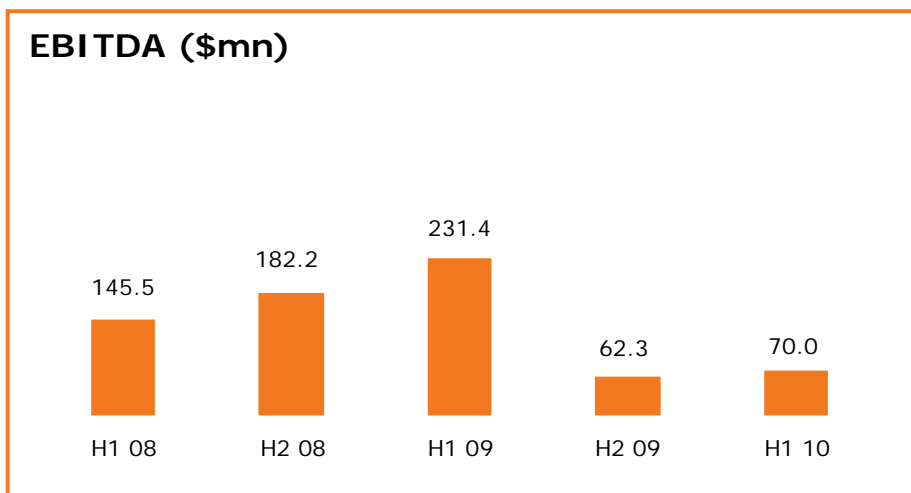
BALCO

- 325ktpa smelter Q2 FY2012
- 1,200 MW CPP Q2 FY2012

Copper-India and Australia



Note: (1) Capacities in 2010e and beyond refer to exit rates



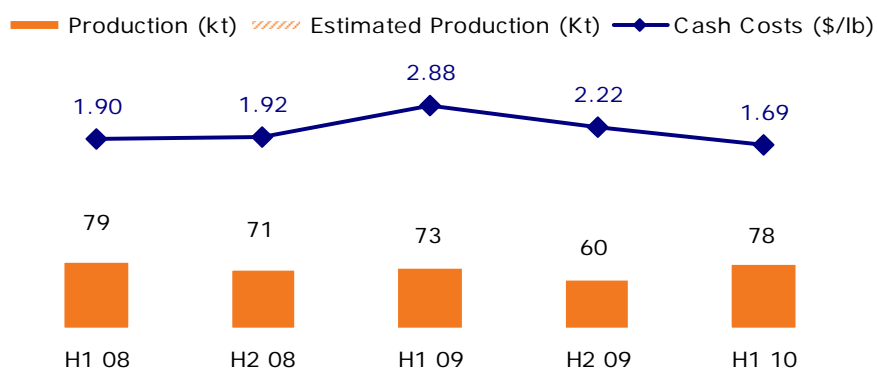
Copper India Expansion

400 ktpa Smelter and 160 MW captive power plant

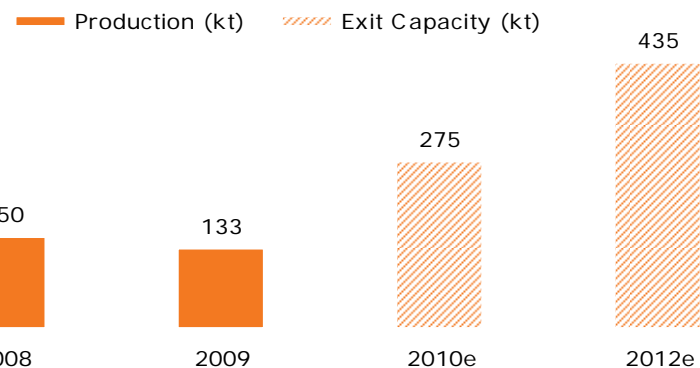
- ISA Technology – Same as existing Smelter
- Project Cost ~\$500 million
- Completion by mid 2011

Copper-Zambia

Production and cash costs

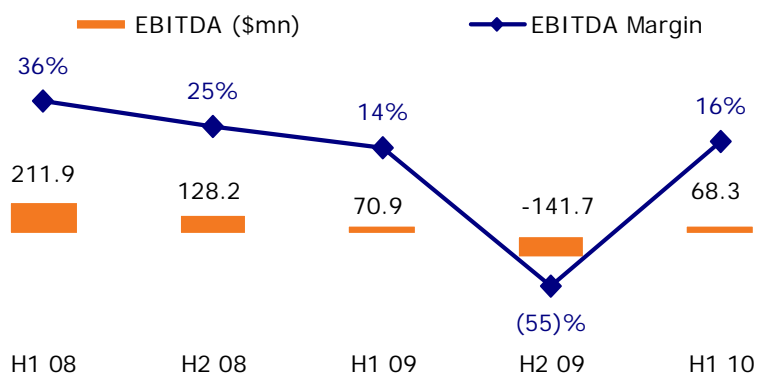


Production and proposed capacity



Note: (1) Capacities in 2010e and beyond refer to exit rates

EBITDA



KDMP Expansion project

Mid-shaft loading by end FY2010

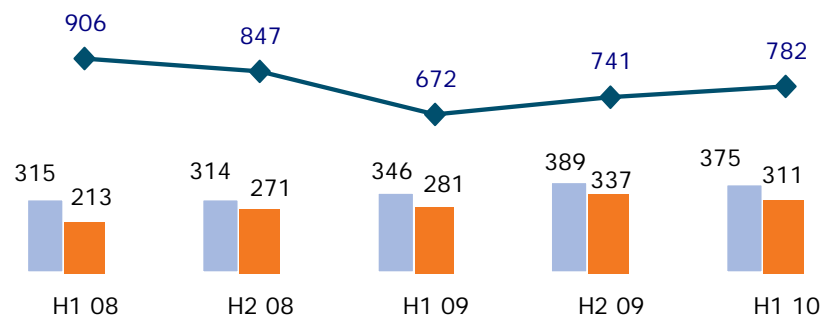
- Will increase mine hoisting capacity
- Will support production from existing mining operations

Completion of shaft by end 2011

Zinc-Lead-Silver

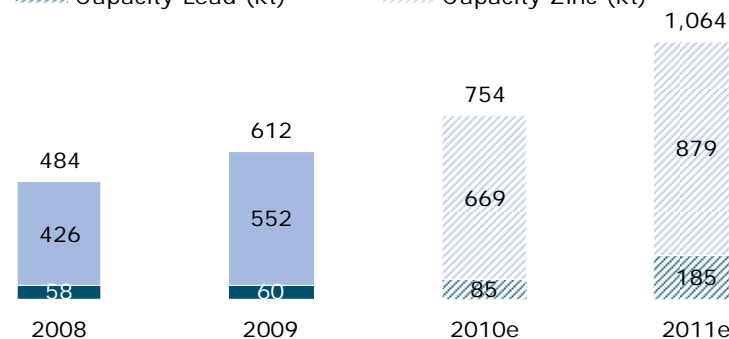
Production and cash costs

■ Mined Metal (kt)
 ■ Refined Metal (kt)
 ◆ Zinc Cash Cost (\$/t)



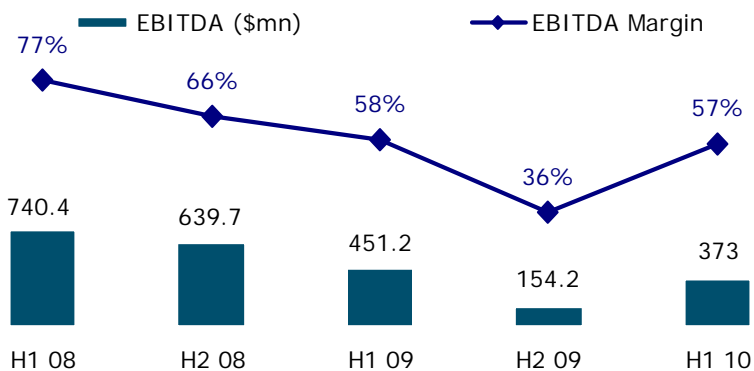
Production and proposed capacity

■ Production Lead (kt)
 ■ Production Zinc (kt)
▨ Capacity Lead (kt)
 ▨ Capacity Zinc (kt)



Note: (1) Capacities in 2010e and beyond refer to exit rates

EBITDA



Expansion projects

Expected Completion

Mine Expansions

- Rampura Agucha (5 to 6mtpa) Mid 2010
- Sindesar Khurd (0.3 to 1.5mtpa) 2012¹
- Kayar Mine 2013

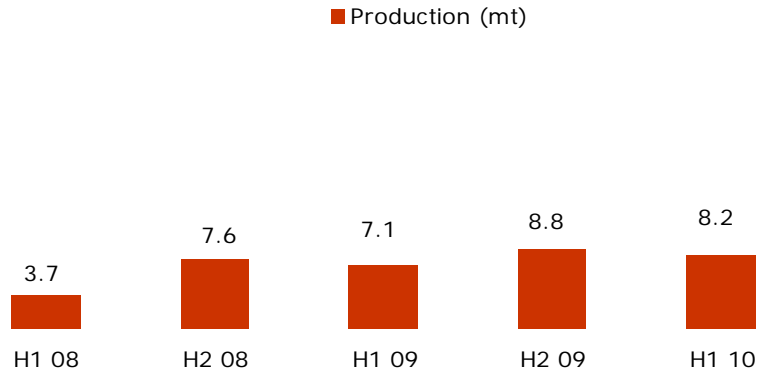
Smelter Expansions

- 210ktpa zinc smelter Mid 2010
- 100ktpa lead smelter Mid 2010
- 160MW CPP Mid 2010
- Silver refinery Mid 2010

Note: (1) First production from mid 2010

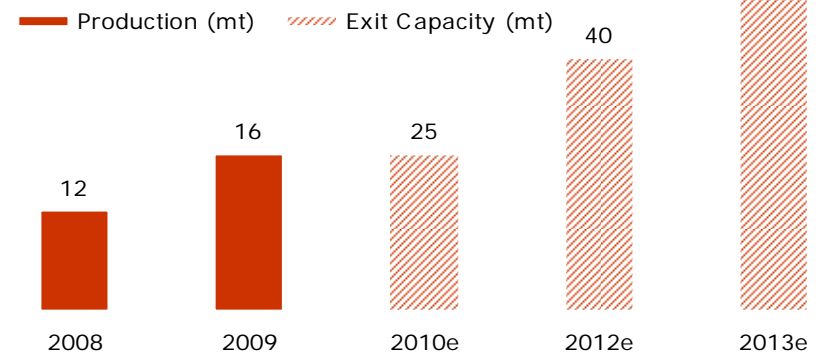
Iron Ore Operations

Production



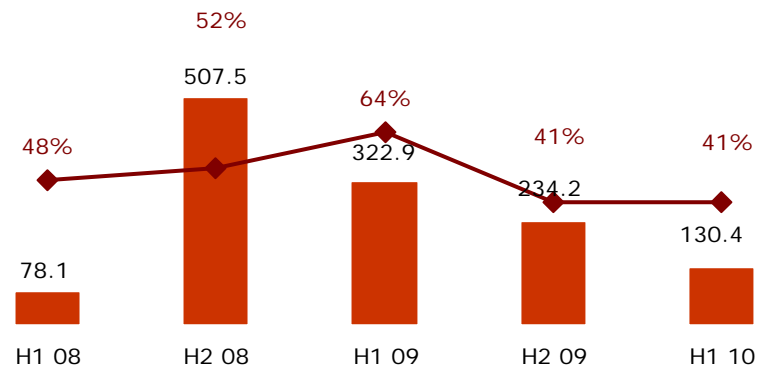
Notes: (1) Capacities for H1 2008 represents capacity for post acquisition period of five months
(2) Capacities in 2010e refer to exit rate

Production and Capacities



Note: (1) Capacities in 2010e and beyond refer to exit rates

EBITDA (\$mn)



Note: (1) EBITDA for H1 2008 represents EBITDA for post acquisition period of 5 months

Expansion projects

Iron Ore Expansion

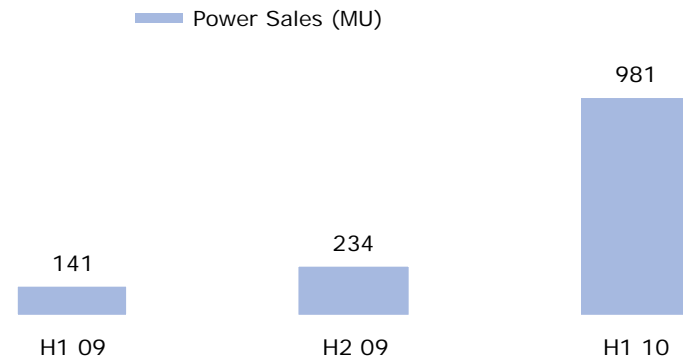
- Expand to 50mt by 2013

Pig Iron Expansion

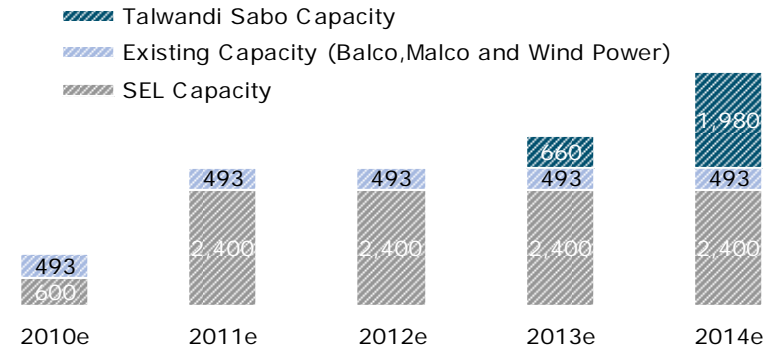
- 375 kt; c\$150 million cost
- Completion by Mid 2011

Commercial Energy

Energy Sales

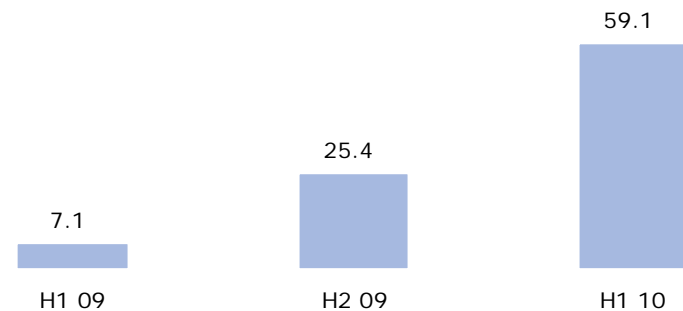


Energy capacity (MW)



Note: (1) Capacities in 2010e and beyond refer to exit rates

EBITDA (\$mn)



Expansion projects

Expected Completion

Jharsuguda

2,400 MW Thermal IPP
- first unit to be commissioned by Q4 FY 2010

Q3 FY2011

Talwandi Sabo

1,980 MW Thermal IPP
- first unit to be commissioned by Q4 FY2013; 660 MW*3, Super-critical

Q2 FY 2014

Financial Overview

Financial Highlights

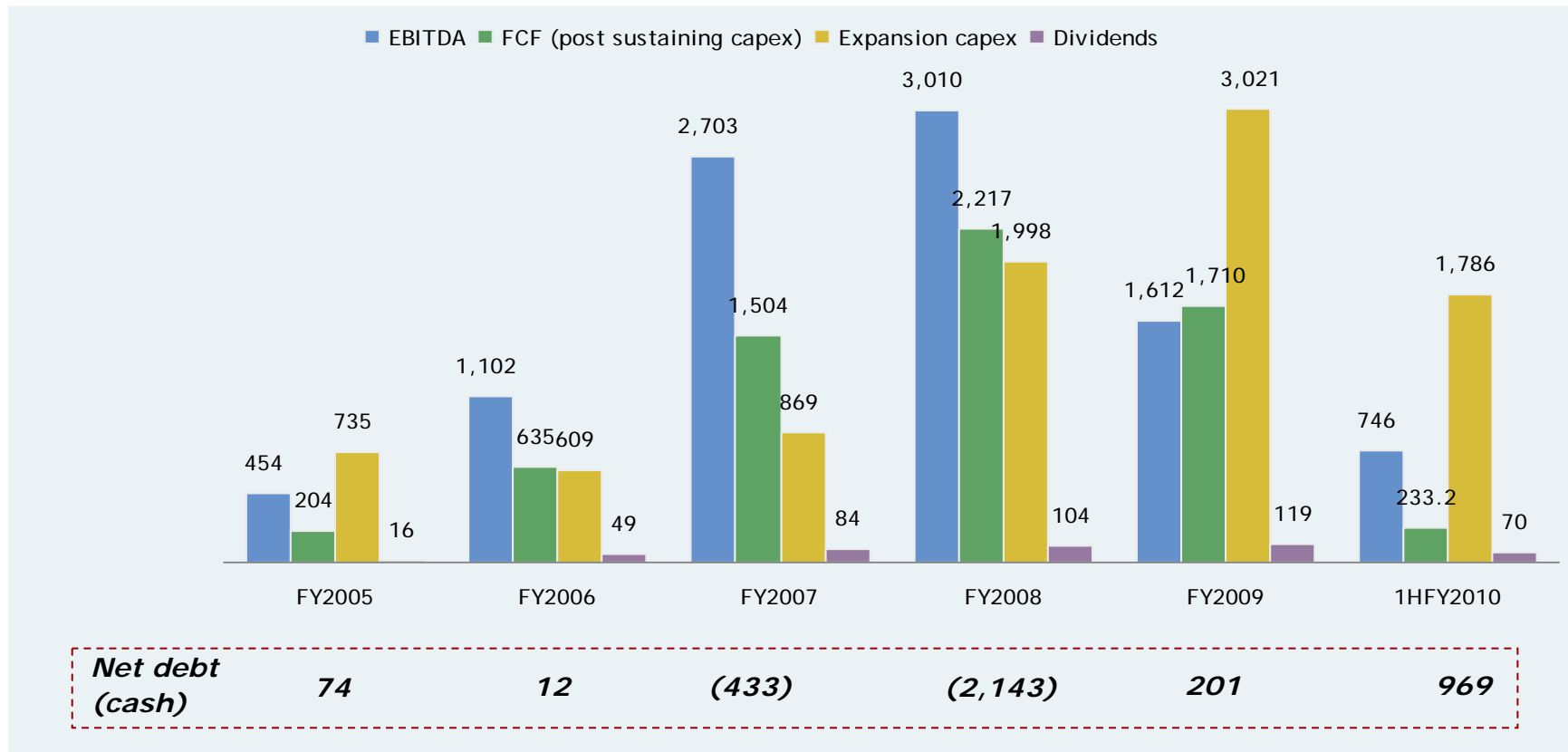
Key financial highlights

(US\$mm), YE March 31	FY2008	FY2009	1H FY2009	1H FY2010	LTM 1HFY10
Revenues	8,204	6,579	3,973	2,979	5,584
EBITDA	3,010	1,612	1,272	746	1,086
% margin	37%	24.5%	32.0%	25.1%	19.4%
Finance costs	(151)	(250)	(109)	(105)	(246)
Sustaining capex	257	306	144	78	241
Free cash flow	2,217	1,710	816	233	1,128
Expansion capex	1,998	3,021	1,416	1,786	3,392
Cash and liquid investments	5,107	4,913	5,383	5,951	5,951
Total debt	2,974	5,115	4,587	6,922	6,922
Net debt (cash)	(2,133)	202	(796)	971	971
Total equity	9,208	7,571	8,432	9,792	9,792
Credit statistics					
Net debt / EBITDA	net cash	0.1x	net cash	0.7x	0.9x
EBITDA / gross interest expense	20.0x	6.4x	11.7x	7.1x	4.4x
Gearing ¹	net cash	2.6%	net cash	9.0%	9.0%

¹ Gearing ratio = net debt / (total equity + net debt)

Growth and Reinvestment of Cashflows

Cash flow profile (US\$mm)



Disciplined Financial Policies

Financial discipline

Funding	<ul style="list-style-type: none"> ■ Pre funding of capex ■ Retain access to diverse capital markets
Liquidity	<ul style="list-style-type: none"> ■ c.\$6bn of Group cash at 30 Sept '09 ■ Well balanced debt maturity profile
Conservative Financial Metrics	<ul style="list-style-type: none"> ■ Net debt to EBITDA \leq 2.5x ■ Gearing¹ ratio of not more than 40%
Project	<ul style="list-style-type: none"> ■ Benchmark capital costs and timeframes ■ Conservative approach to capital allocation
Acquisition	<ul style="list-style-type: none"> ■ Very selective acquisitions in the same line of Business ■ Underperforming assets with transformational opportunity
Response to Downturn	<ul style="list-style-type: none"> ■ Project Deferral/cost reduction of \$5.3bn ■ Closed down high cost aluminium smelters at BALCO and MALCO ■ Sale of surplus energy at attractive merchant tariff

As of LTM 30 Sep 2009:

- Net debt to EBITDA of 0.9x
- Gearing of 9.0%
- EBITDA interest coverage of 4.4x
- FCF to total debt of 16%

Note : (1) net debt / total equity plus net debt

Well-Funded Capex Plans

Capital requirement to FY 2012

	US\$bn
Project capex*	8.5
Minority buyouts	2.4
Debt maturities	2.4
Total requirement	13.4

*Project Capex	US\$bn
Original cost	19.6
Savings	(1.5)
Deferral (1980MW Jharsuguda CPP)	(2.0)
Total Capex	16.1
Less: Spent to 30 Sept '09	(7.6)
Balance to be spent	8.5

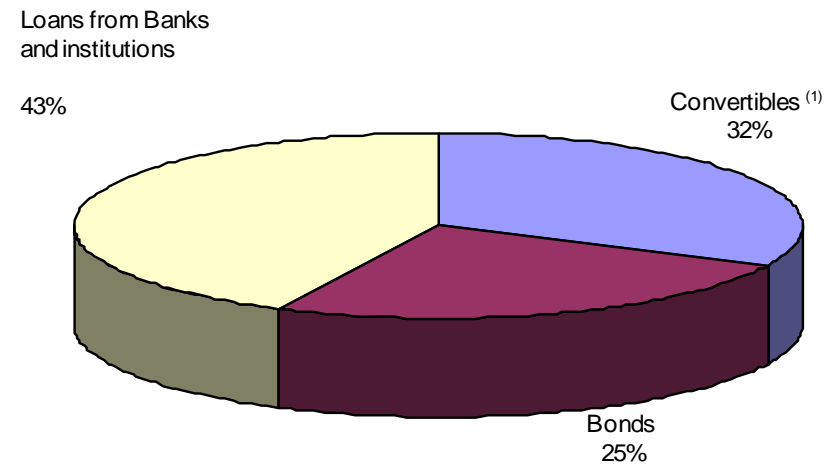
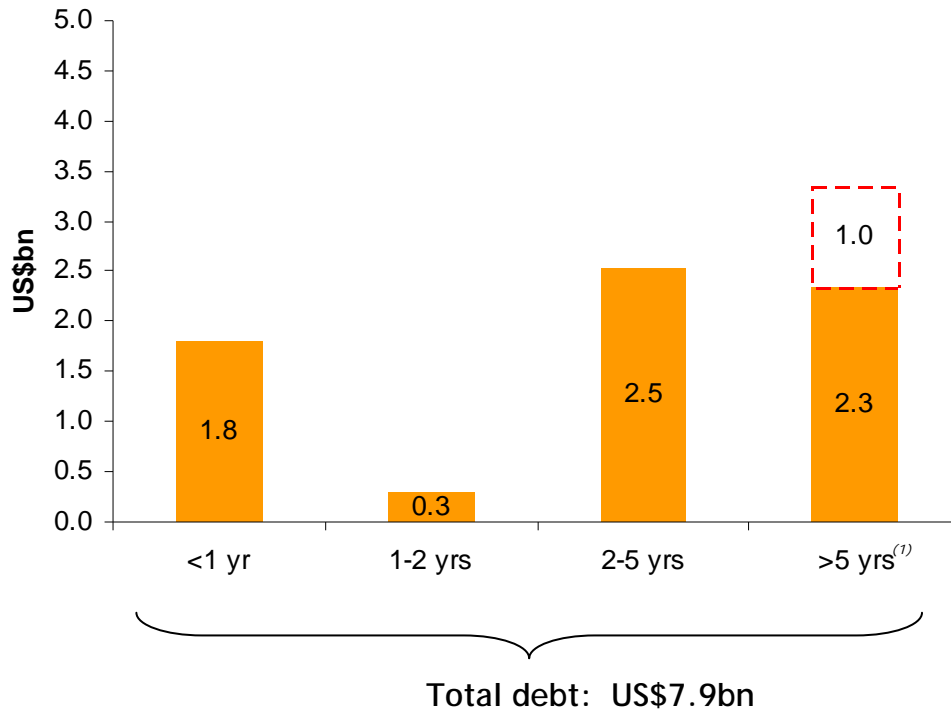
Sources

	US\$bn
Undrawn non-recourse long-term project financing	4.0
Cash in hand	6.0
Sterlite and Sesa Convertibles (issued in Oct 09)	1.0
Sterlite Energy IPO (prospectus filed)	1.1
Total sources	12.1

*Supported by
strong internal cash-flows*

Financials as of 30 September 2009 unless otherwise stated

Maturity Profile and Funding Sources



Balanced Debt Maturity Profile

Diversified Debt Funding Sources

¹ Includes \$725m of Convertible Bonds called on 8 January 2010

Note : As of 30 Sept 2009, and including further \$1.0bn convertible debt of Sesa Goa and Sterlite issued October 2009

Summary



Global metals and mining player with a major presence in India

- Diversified portfolio



Robust financial profile

- Strong balance sheet and liquidity position
- Investment grade credit metrics accompanied by strong cash flow



Structural low cost advantage

- High quality assets
- Continuous improvement culture



Track record of on-time and within budget project delivery

- Experienced management team



Value accretive growth

- Leveraging cost advantage
- Will drive strong EBITDA and free cash flows

Appendix

Details on Expansion Projects

in US\$million, except as stated

Sector	Project	Capacity	Country	Expected completion date	Project cost	Spent to 30 September 2009
Alumina	Lanjigarh I Alumina Refinery	1.4 mtpa	India	Q4 FY2009	1,015.3	874.6
	Debottlenecking Lanjigarh I	0.6 mtpa	India	March-2010	150.0	35.6
	Lanjigarh II Alumina Refinery	3.0 mtpa	India	Mid 2011	1,570.0	411.5
Aluminium	Korba III Smelter	325 KT	India	September-2011	1,820.0	483.5
	Jharsuguda I Smelter	0.5 mtpa 1,215 MW CPP	India	FY 2010	2,112.8	2,103.0
	Jharsuguda II Smelter	1.25 mtpa	India	September-2012	2,920.0	960.4
Zinc	Smelting	2.1 ltpa Zinc	India	Mid 2010	720.0	432.0
		1.0 ltpa Lead	India	Mid 2010		
		160 MW CPP	India	Mid 2010		
	Mining	RA 5 to 6 mtpa	India	Mid 2010		
		SK - 1.5 mtpa Kayar - 1 mtpa	India	Progressive from mid 2010 End 2013		
Copper	KCM KDMP Project	7.5 mtpa	Zambia	End 2011	674.0	577.8
	KCM Nchanga Smelter	2.5 LTPA	Zambia	Q4 FY 2009	470.0	438.4
	SIIL Expansion Project	4.0 LTPA	India	Mid 2011	500.0	5.8
Power	Talwandi Saboo Power Project	1,980 MW	India	Q3 2014	2,150.0	77.9
	SELIPP	2,400 MW	India	Q3 FY 2011	1,900.0	1,215.5
Iron Ore	Pig Iron Expansion	375 ktpa	India	Mid 2011	150.0	-
Total					16,152.1	7,616.0

Continued focus on exploration

- Use of best available technology & expertise
- Engaged best available high speed drilling rigs & deployed Australian drilling contractor

Hindustan Zinc

- Added 46.3mt of reserves and resources with 4.0mt contained metal in FY2009
- Current total reserves and resources of 272mt with 31.5mt contained metal, mine life of 25 yrs
- Added 152mt of gross reserves and resources against 26.3mt mined out in last 5 years
- Drilling of 70,300 meters carried out in FY 2009

Sesa Goa

- Added 57.8mt (+26%) reserves and resources prior to production depletion of 15.8mt in FY2009
- Current total reserves and resources of approximately 240mt
- Drilling of 28,000 meters carried out in FY 2009

KCM

- Addition of 16mt reserves and resources
- 470mt of reserves and resources as at 30 September 2009