



Vedanta Resources plc

Preliminary Results Presentation
for the Full Year ended 31 March 2011

5 May 2011

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Overview

Navin Agarwal

Deputy Executive Chairman

FY2010-11 Highlights

Growth

- Record volumes at Zinc-India, Copper-Zambia and Aluminium operations
- Strong iron ore sales and power sales
- 1.5mtpa mill at silver-rich SK mine commissioned, mine ramping up well
- Two 600 MW unit of the 2,400MW Jharsuguda IPP operational
- Completed acquisition of Anglo zinc assets; Cairn India acquisition awaiting Government approval
- Continued growth in R&R

Financial Results

- EBITDA up 55% to US\$3.6bn
- EPS up 29% to US\$2.83
- Final Dividend up 18% to 32.5 USc per share
- Strong EBITDA to FCF conversion of 68%

Sustainability

- Continued reduction in LTIFR – 28% during the year
- Expanded community programmes covering 2.7 million people

Vedanta Positioning in the Resources Universe

Sector theme	Vedanta positioning
<ul style="list-style-type: none">● Consolidation especially in copper, iron ore, zinc, coal, and oil	<ul style="list-style-type: none">● Konkola, Sesa Goa, Dempo, Anglo Zinc, Cairn India● Scarcity of high quality large assets
<ul style="list-style-type: none">● Organic growth pipeline	<ul style="list-style-type: none">● Industry leading organic growth profile● \$18bn investment with 'through the cycle' approach
<ul style="list-style-type: none">● Asia as demand driver for commodities	<ul style="list-style-type: none">● One of the largest diversified metals and mining asset portfolios in Asia
<ul style="list-style-type: none">● Africa emerging as a key investment destination	<ul style="list-style-type: none">● Growing presence in Zambia, Namibia, South Africa
<ul style="list-style-type: none">● Commodity-linked inflationary cost pressure	<ul style="list-style-type: none">● Economies of scale – growing volumes● Structurally low cost producer/developer – world class assets and geographic advantage

Strategic Priorities



Organic Growth + Selective and Value Accretive M&A

- Deliver total volume growth of 95%¹ by FY2012-13
- Integrate Anglo Zinc and develop Gamsberg
- Complete Cairn India acquisition
- Seek further organic growth opportunities



Optimise Returns + Unlock Value

- Grow R&R through exploration
- Re-invest strong free cash flow and maintain strong balance sheet
- Focus on cost optimization
- Rationalise group structure



Commitment to Sustainability

- Comprehensive approach to sustainability
- Implement Scott-Wilson recommendations
- Continue to improve our health, safety, and environment performance
- High quality pool of technical talent

Note: ¹ On a copper equivalent basis

Cairn India: Unique Opportunity to Create Value

Acquisition adds another world class asset to Vedanta portfolio

- Immediately earnings accretive
- Further diversifies Vedanta into an attractive natural resource

Strong organic growth programme with upside potential

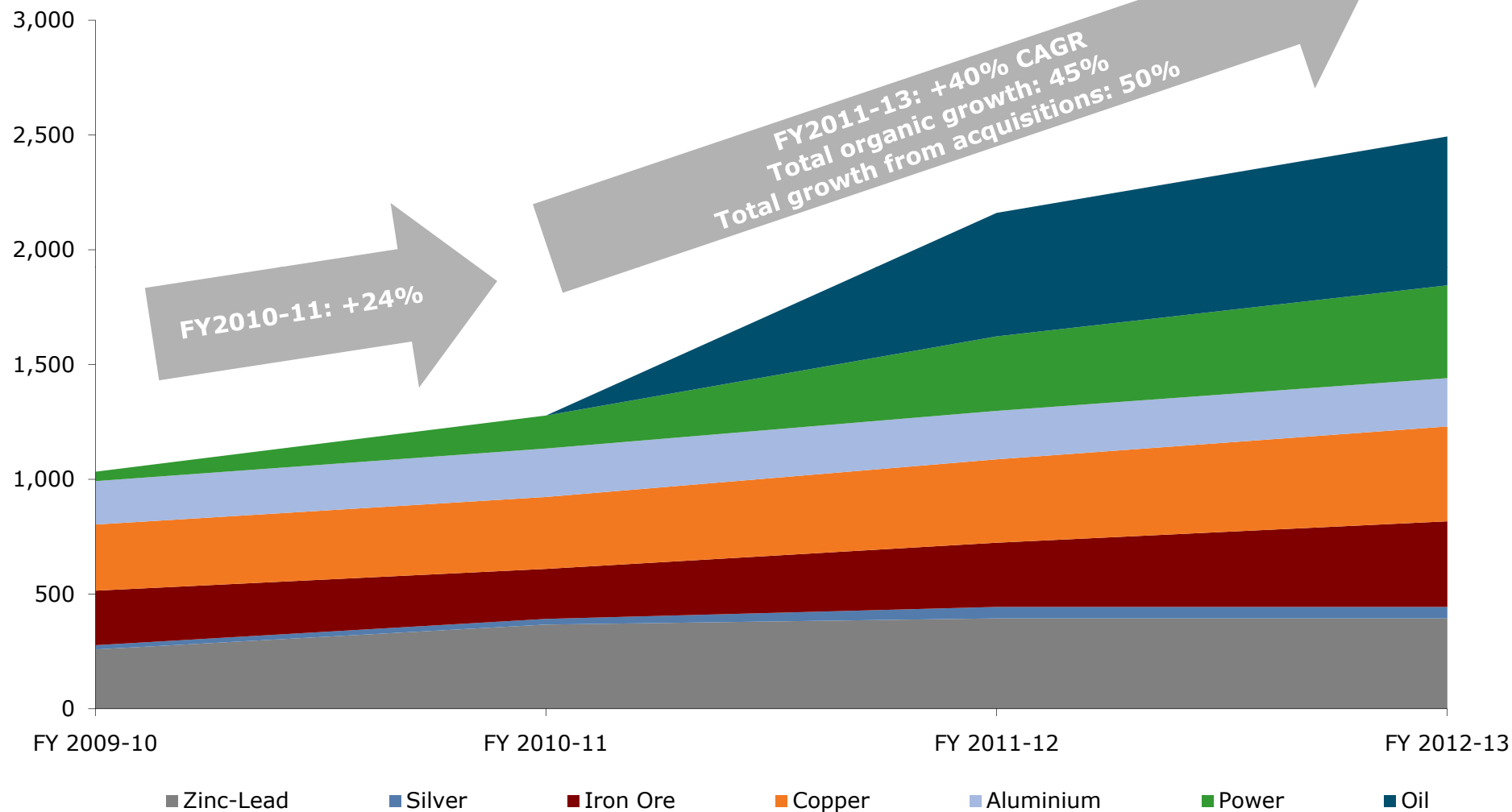
- Cairn is delivering on its strategy

Substantial progress made on the acquisition

- Open offer closed on 30 April, 8.1% shares were tendered at Rs.355/share
- Purchased 10.4% stake from Petronas in April at Rs. 331/share
- Will acquire 40% from Cairn Energy and will own 58.5% on completion, for a total consideration of US\$9.4 billion
- Acquisition awaiting final approval from Indian Government

Delivering Growth

Copper Equivalent Exit Capacity (kt)



Notes: 1. All metal and power capacities rebased using average Copper LME and Commodity prices for FY2010-11
 2. Copper custom smelting capacities rebased at TC/RC for FY2010-11
 3. Zinc Lead includes Zinc-India and Zinc-International



FINANCIAL RESULTS

D D Jalan

Chief Financial Officer

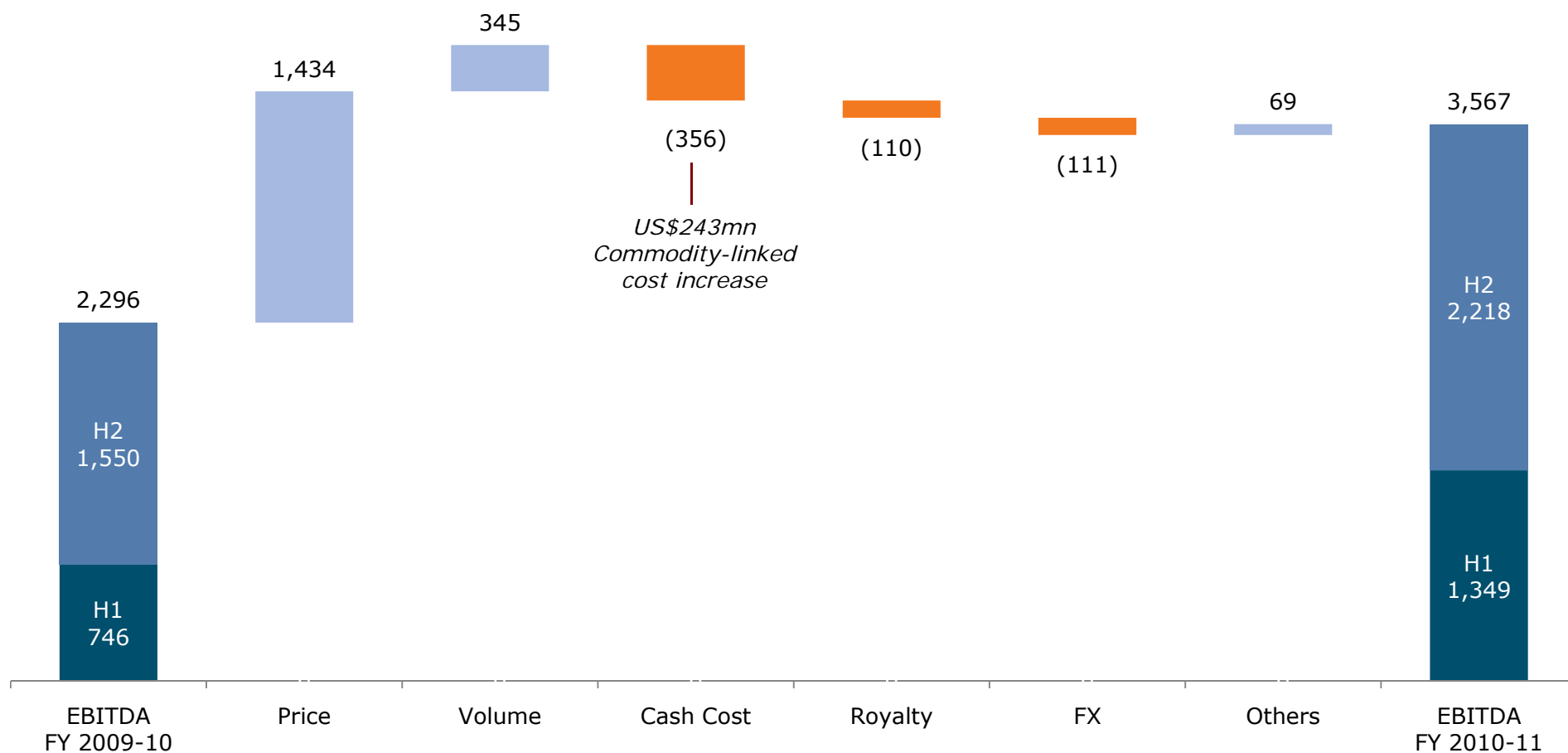
Financial Highlights

\$ mn	FY2010-11	FY2009-10	Change
EBITDA	3,567	2,296	+ 55%
EBITDA margin ¹ (%)	44.6%	42.8%	-
Total Profit After Tax	2,034	1,511	+ 35%
Attributable Profit	771	602	+ 28%
EPS (US\$/share)	2.83	2.20	+ 29%
Free Cash Flow	2,423	1,814	+ 34%
Net Gearing ² (%)	12.6%	7.5%	-
Total Dividend (USc/share)	52.5	45.0	+ 17%
ROCE ³	21.0%	19.9%	-

Note: 1. Excludes custom smelting operations
 2. Net debt / (total equity plus net debt)
 3. Excludes project capital work in progress

EBITDA Reconciliation

FY2010-11 vs. FY2009-10 (US\$ mn)



Cash Flow Growth

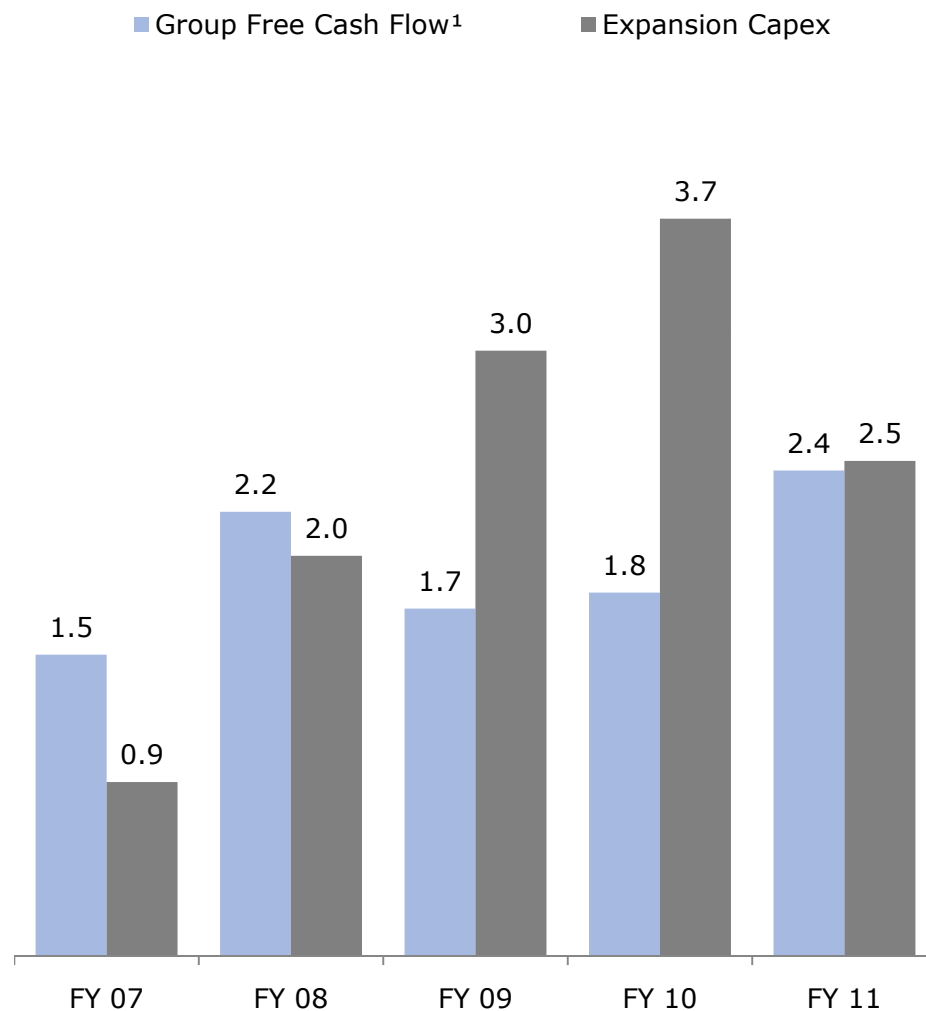
Strong free cash flow growth

- Production growth
- High underlying free cash flow conversion

Organic growth programme funded from cash flow

- FY12: \$3.0bn
- FY13-14: \$4.0bn

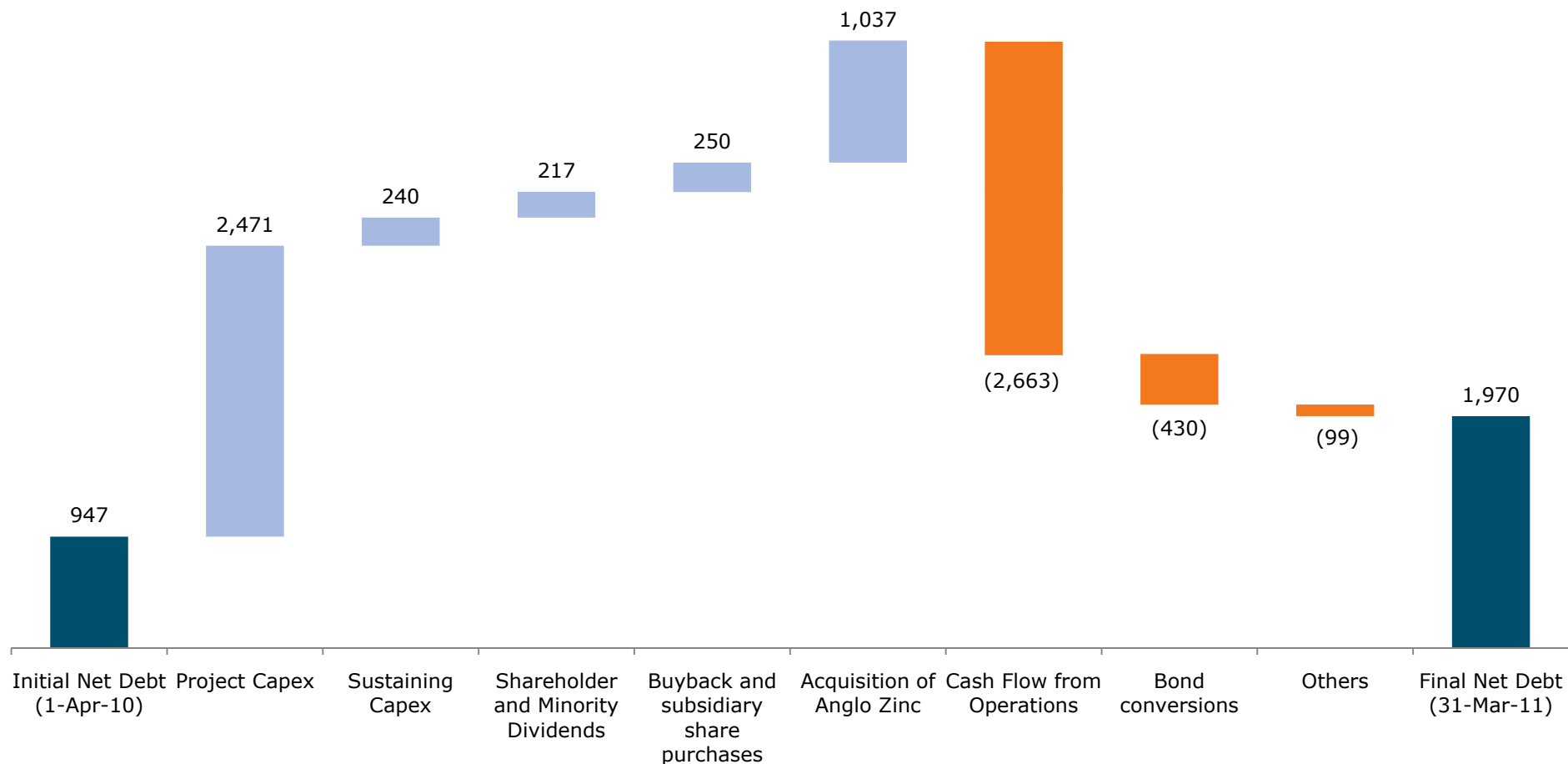
Free Cash Flow and Capex (\$ bn)



Note: 1. Free cash flow before growth capex

Net Debt Reconciliation

FY2010-11 (US\$ mn)



Finance Strategy

- Objective to achieve investment grade rating while maintaining strong and liquid balance sheet
 - S&P reaffirmed BB credit rating
 - US\$8.9bn of liquidity available¹
- Continuing focus on maximising free cash flow
- Vedanta has a robust balance sheet and strong underlying cash flows
 - US\$6bn Cairn India acquisition financing in place
 - Proforma FY2011-12 estimated Net Debt/EBITDA < 1x and net gearing² < 25%

Notes: 1. Includes US\$7.8bn of cash and liquid investments and US\$1.1bn of undrawn project financing
2. Net gearing is defined as Net Debt divided by the sum of Equity and Net Debt



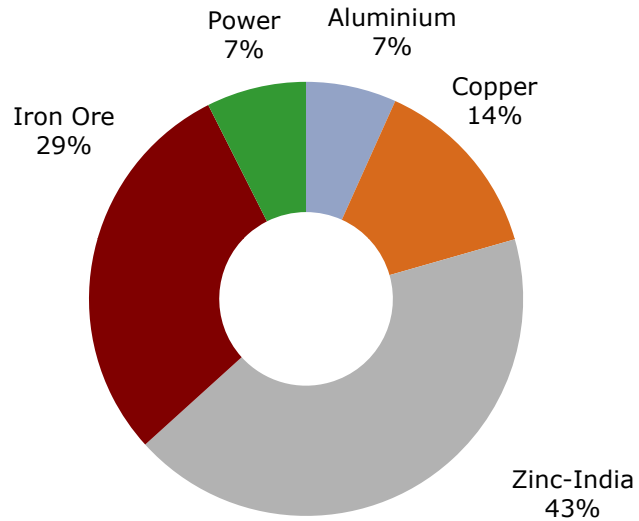
OPERATIONAL REVIEW

M.S. Mehta

Chief Executive Officer

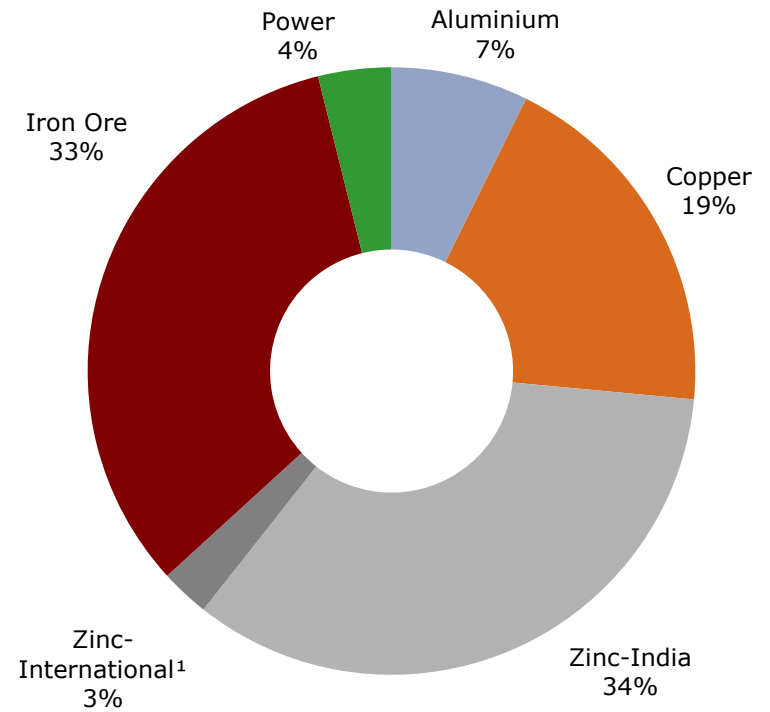
EBITDA Diversification and Growth

FY2009-10



EBITDA: US\$2.3bn

FY2010-11



EBITDA: US\$3.6bn

+55%

Continued Growth and Diversification

Note: 1. Refers to the period post-acquisition by Vedanta

Zinc - India

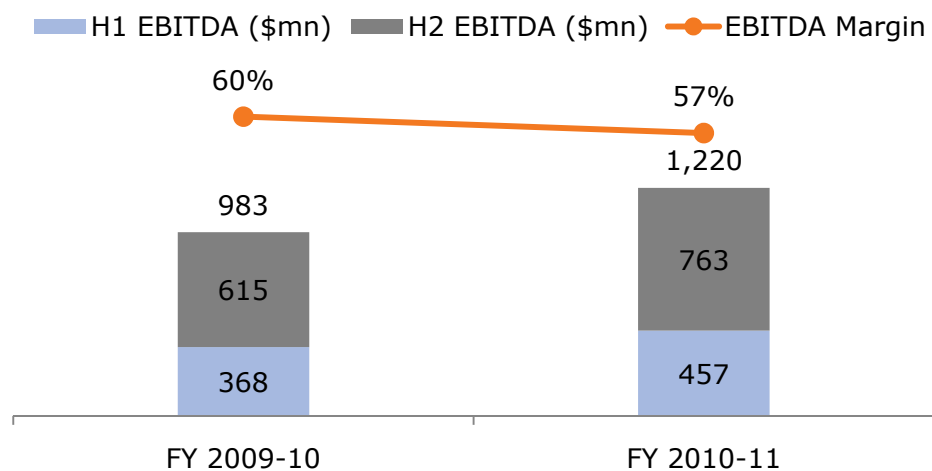
- Record production
- Maintained lowest quartile cost position
- Zinc and Lead concentrate sales (DMT) of 66kt and 39kt respectively
 - Higher silver content in lead concentrate due to SK mine ramp-up
- Silver: exit capacity of 8moz. achieved
- Increased R&R – 31 year mine life
 - Added 1.2mt contained metal in FY2010-11
 - Added 18mt contained metal in five years, against 3.5mt mined out

Production and Cash Costs

Production	FY 2009-10	FY 2010-11	% change
Mined Metal (kt)	769	840	9%
Refined Zinc (kt)	578	712	23%
Refined Lead (kt) ¹	72	63	(13%)
Silver (moz) ¹	5.67	5.75	2%
Zinc CoP ² (\$/t)	698	808	16%

Notes: 1. Includes captive consumption
2. Excluding royalty

EBITDA and EBITDA Margins



Zinc-Lead-Silver Expansion

Zinc-Lead

- Achieved targeted mining capacity of 1mtpa equivalent refined metal
- Refined Zinc-Lead capacity at 964ktpa
 - 100ktpa Dariba lead smelter commissioning in Q1 FY2011-12 will take total metal capacity to 1,064ktpa

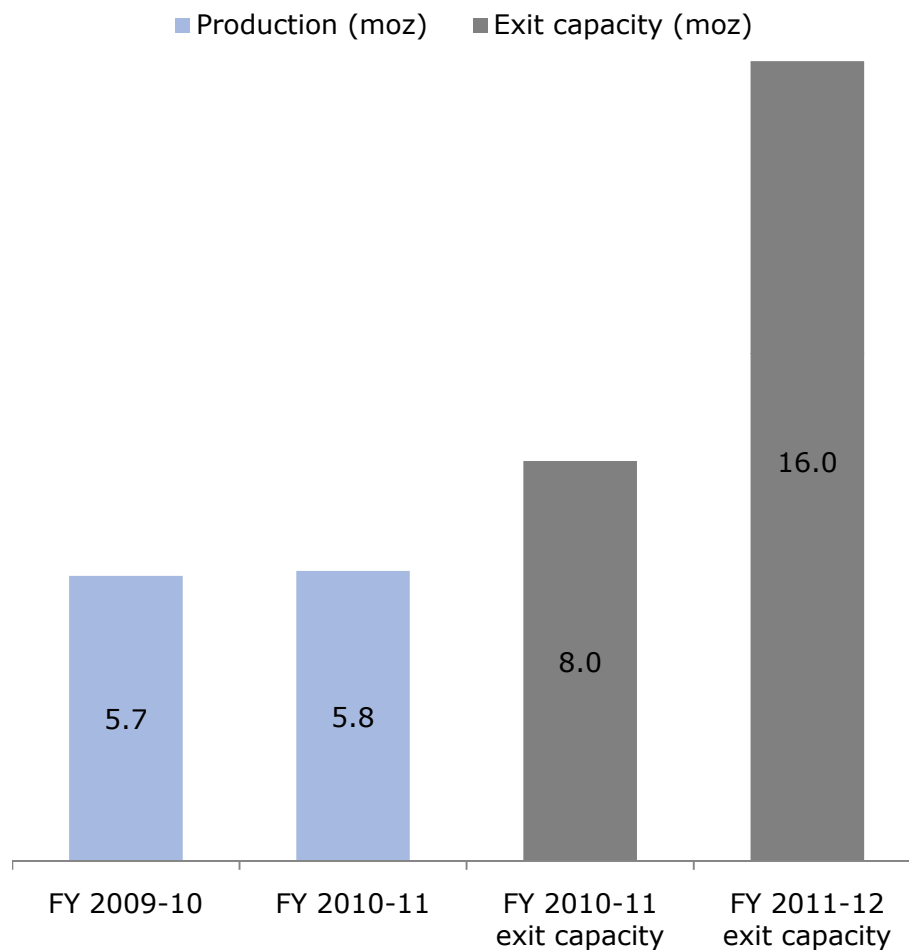
Silver

- On track to become one of the world's top silver producers at 16moz
 - EBITDA potential of US\$650mn+ at 16moz capacity and current Silver prices
- Sindesar Khurd mine commissioning one year ahead of earlier schedule

Wind Power

- Added 48MW wind power capacity
- On completion 40% of HZL's power capacity will be green energy

Silver Production and Capacity (moz)



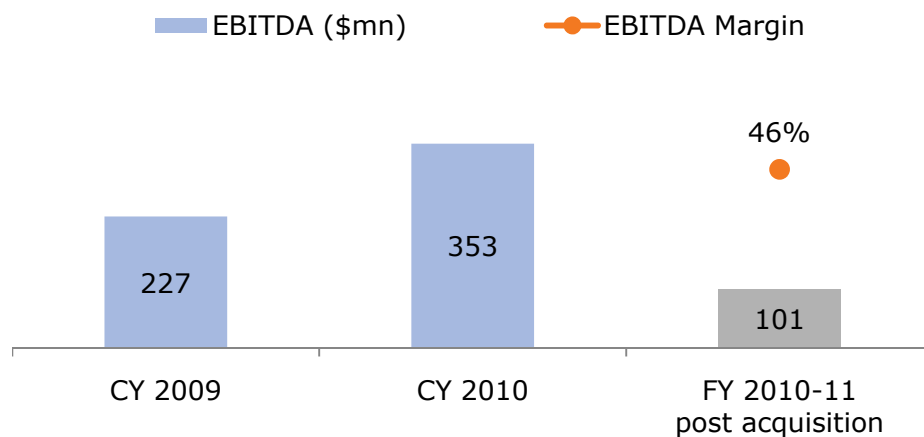
Zinc - International

- Completed acquisition of Anglo's zinc assets in Q4 FY2010-11
- Stable operational performance
- Priorities
 - Complete integration
 - Exploration and mine life extension
 - Multiple operating efficiency opportunities
 - Gamsberg project

Production and Cash Costs

Production	CY2009	CY2010	FY2010-11 post acquisition
Mined Metal (kt) – Lisheen & BMM	268	282	44
Refined Zinc (kt) – Skorpion	150	152	50
Cash costs (\$/t)	1,119	1,226	1,129

EBITDA and EBITDA Margins



Iron Ore

- Stable sales volumes
 - Orissa third-party mining contract discontinued in November 2010
 - Karnataka state export ban imposed end-July 2010

- Export duty raised to 20% from 1 March 2011

- Added 53mt of R&R in FY2010-11
 - Added 184mt gross since acquisition

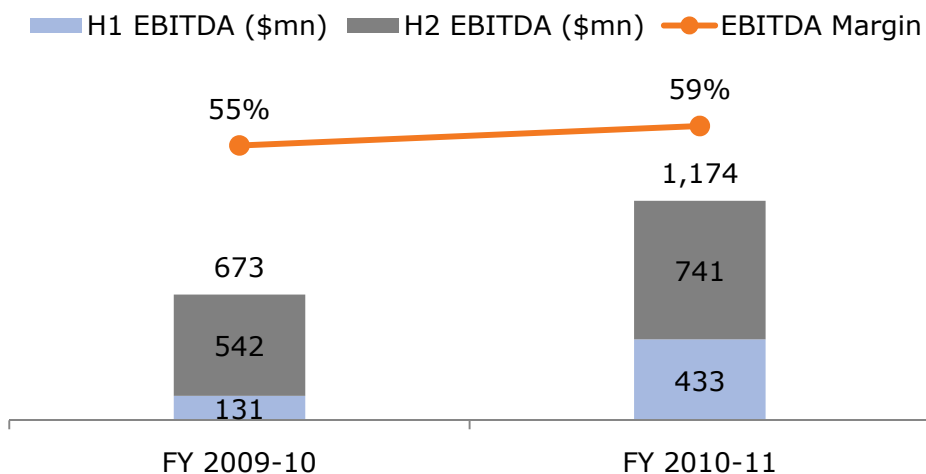
- Acquired assets of Bellary Steel in Karnataka for US\$49mn

Iron Ore Production and Sales (mn DMT)

	FY 2009-10	FY 2010-11	% change
Production	19.2	18.8	(2%)
Sales ¹	18.4	18.1	(2%)
Pig iron - Production (kt)	280	276	(1%)

Note: 1. Iron ore sales includes captive consumption of 0.3 mt and 0.31 mt in FY2010-11 and 2009-10 respectively by the Pig Iron Division

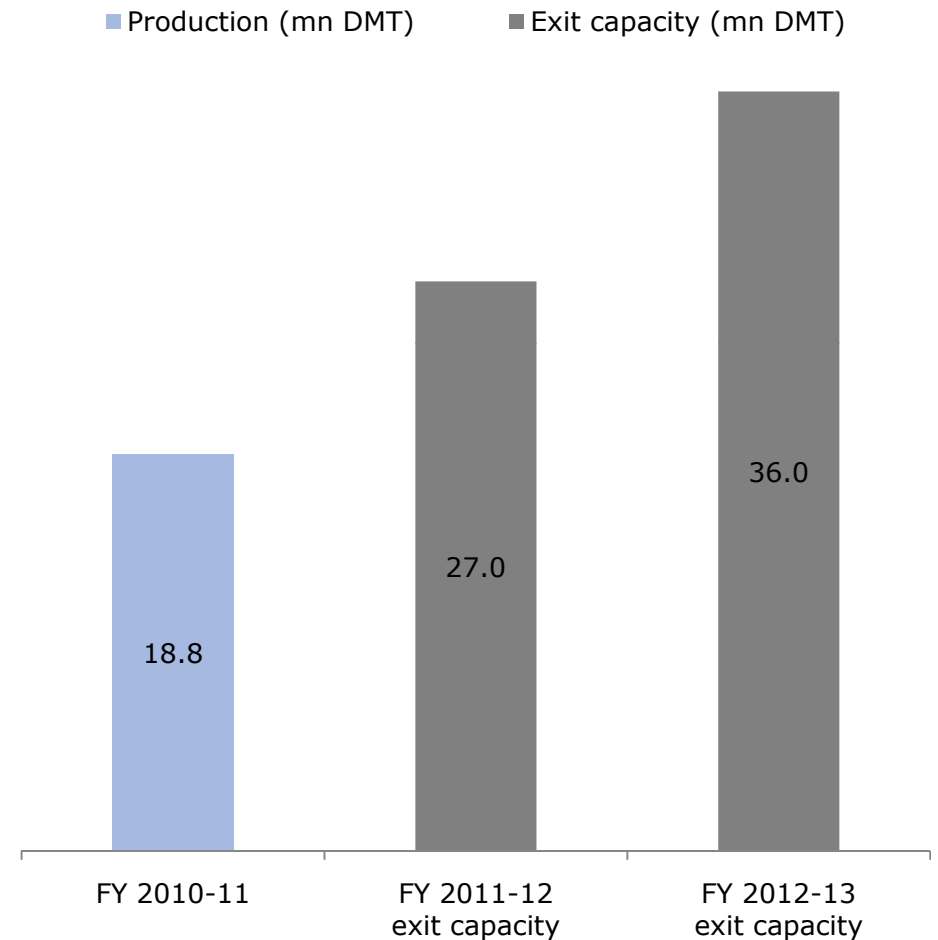
EBITDA



Iron Ore Expansion

- 36mt capacity
 - Goa approximately 27mt
 - Karnataka approximately 9mt
- Logistics and infrastructure initiatives to increase production capacity
 - Railway siding at Karnataka commissioned
 - Dedicated road corridor being developed at Karnataka and Goa
 - Widening of road at Goa
 - Additional barges and transshipper in Goa
- Expansions subject to environmental clearances
- Pig iron and met coke expansion
 - +150 % to 625ktpa - Pig iron
 - +100 % to 560ktpa - Met coke
 - Completion by Q3 FY2011-12

Iron Ore Production and Exit Capacity



Copper- Zambia

- Record production
 - Mined metal production higher
 - Ore production from open pits increased by 96%
 - Contained copper in ore stockpile increased from 11kt to 34kt awaiting processing de-bottlenecking
 - Increased stripping with new LOM plan

- Continued focus on cost reduction
 - Impact of ore stockpiling/stripping
 - Commodity inflation
 - Manpower costs

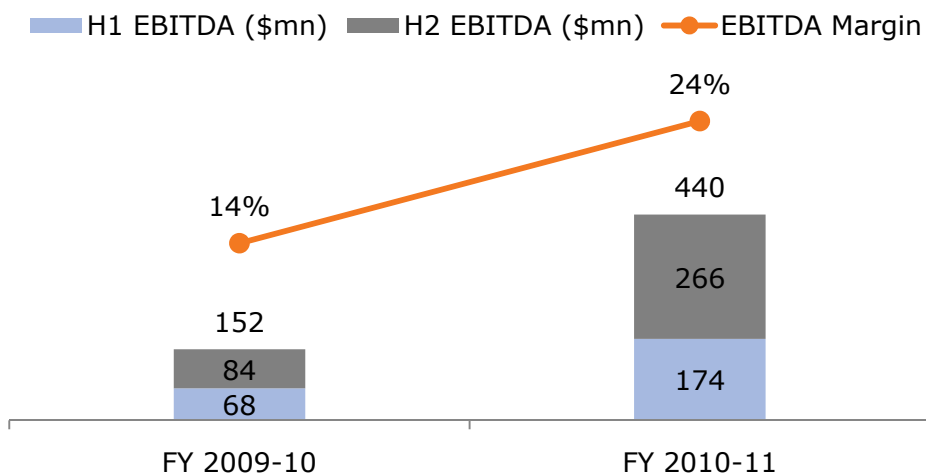
- Continued exploration success
 - Addition of c. 10mt R&R¹
 - Greenfield open pit additions

Note: 1. Excluding Tailings and Refractory Ore

Production and Cash Costs

Production (kt)	FY 2009-10	FY 2010-11	% change
Integrated Operations	126	133	6%
Custom Operations	47	84	79%
CoP – Integrated Operations (\$/lb)	1.84	1.97	7%

EBITDA



Copper – Zambia Expansion driven by multiple sources

KDMP

- All milestones met
- Sinking 1450/1500m completed
- Pumping/power infrastructure in place
- All ventilation and back-fill complete

Nchanga

- Engineering/ordering for mills complete
- Flotation for east mill commissioned
- Major equipment on track for November commissioning

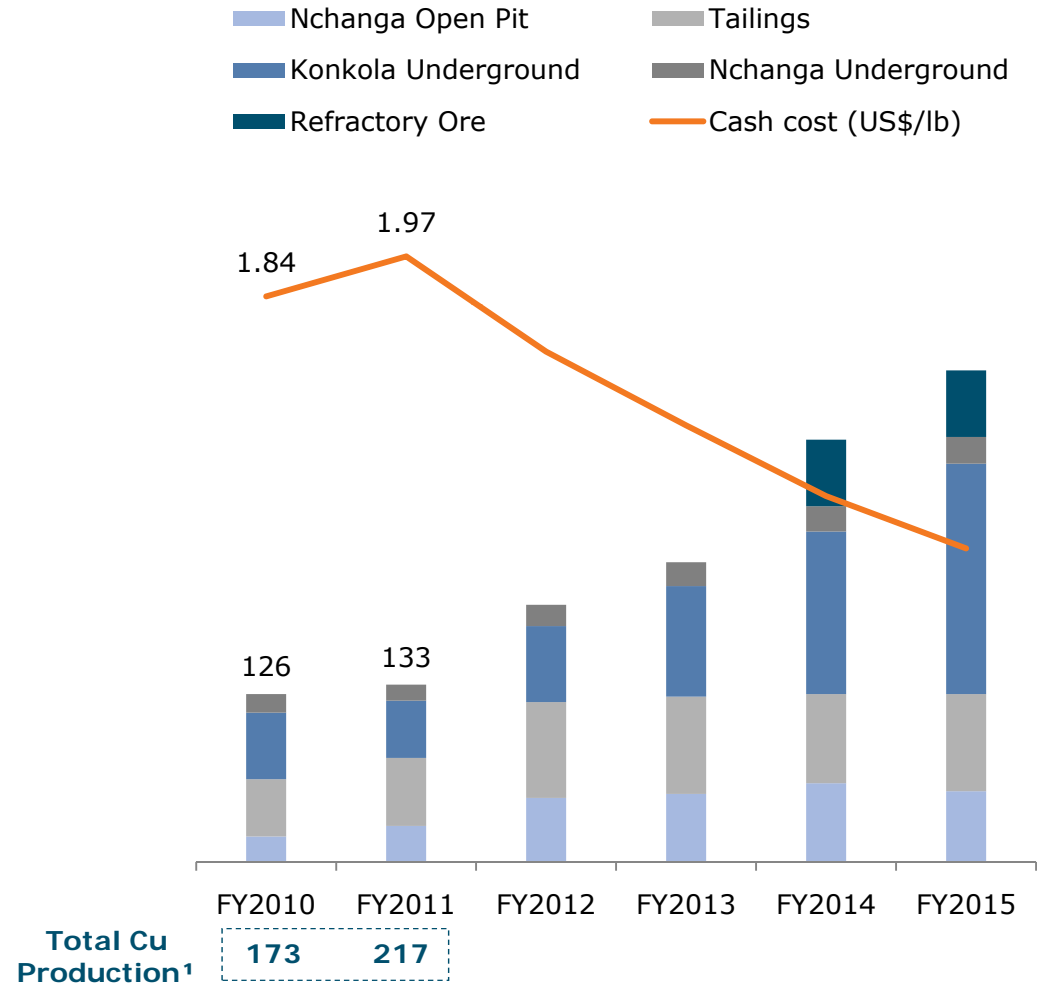
Cobalt recovery furnace

- On track for September commissioning

Upper Ore Body

- Significant progress in trial mining/development

Integrated Production (ktpa) (for Illustrative Purposes)



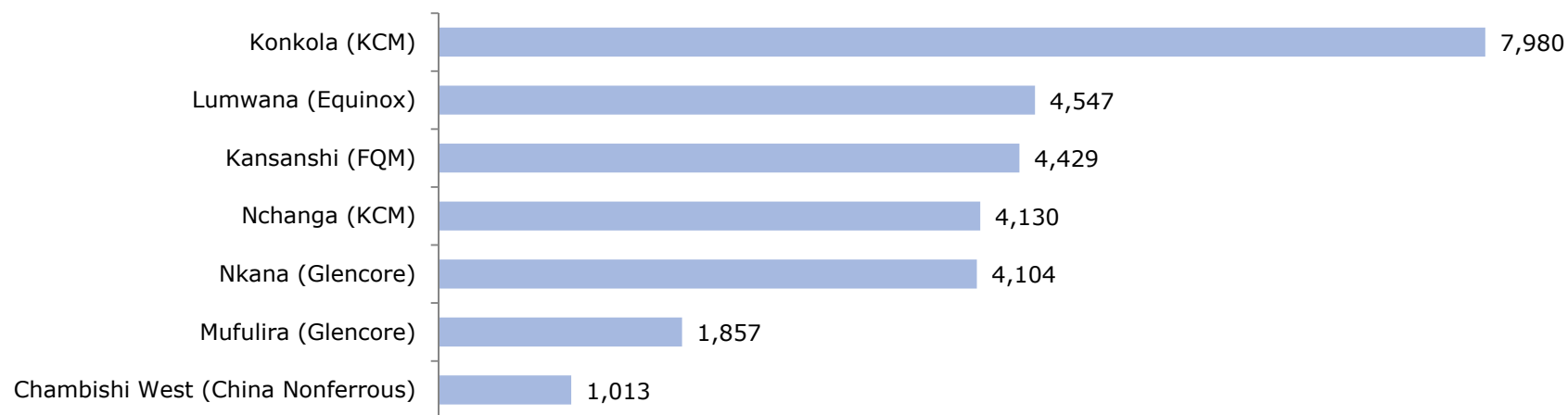
Note: 1. Includes volumes processed from third parties

Zambia – large, high grade copper resources in a stable environment

Forecast Integrated Production Profile (ktpa) of Zambian Copper Mines¹

Producer	Controlling Interest	FYE-December ²			Integrated
		2011	2013	2015	
Konkola/Nchanga	Vedanta Resources 79.4% / ZCCM 20.6%	183	299	386	√
Kansanshi	FQM 80%/ ZCCM 20%	234	256	238	
Lumwana	Equinox 100%	145	185	150	
Mufulira/Nkana	Mopani 100%	114	119	112	√
Others		149	142	176	
Zambia Total		825	1,001	1,062	
Africa Total		1,570	1,939	1,986	
KCM % Zambia Total		25%	31%	40%	
KCM % Africa Total		13%	16%	21%	
KCM's Position in Zambia (by Production)		#2	#1	#1	

Zambian R&R by selected large-scale mines (contained copper kt)



Notes: 1. Source: Brook Hunt and KCM
2. Includes volumes processed from third parties.

Copper - India and Australia

- EBITDA up 46% due to focus on costs and by-product management
 - Volume impacted by planned bi-annual shutdown of smelter
 - TC/RC at USc 11.9

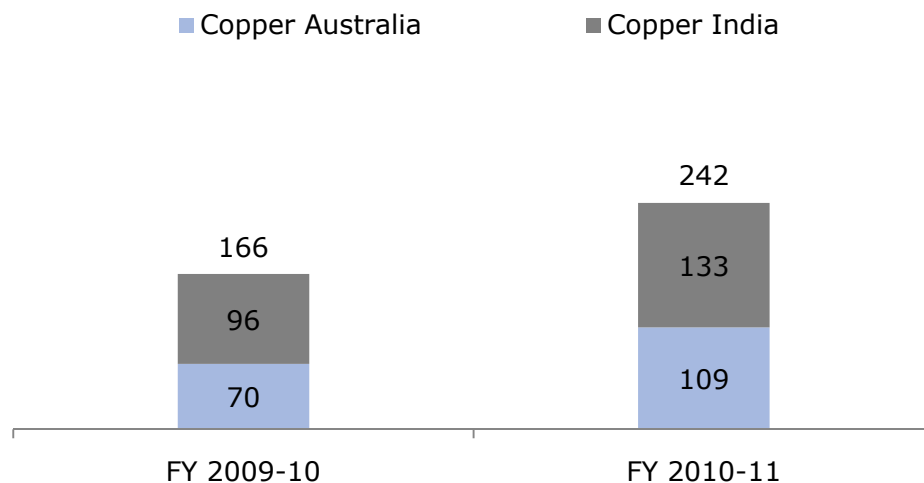
- Significant reduction in COP
 - Improved by-product credit
 - Maintained lowest decile cost

- Expansion update
 - First 80MW unit of 160MW CPP by Q4 FY2011-12
 - 400ktpa smelter expansion awaiting clearance

Production and Cash Costs

Production (kt)	FY 2009-10	FY 2010-11	% change
Mined Metal - Australia (kt)	24	23	(4%)
Refined Metal - India (kt)	334	304	(9%)
Conversion cost - India (c/lb)	10.4	4.0	(62%)

EBITDA



Aluminium

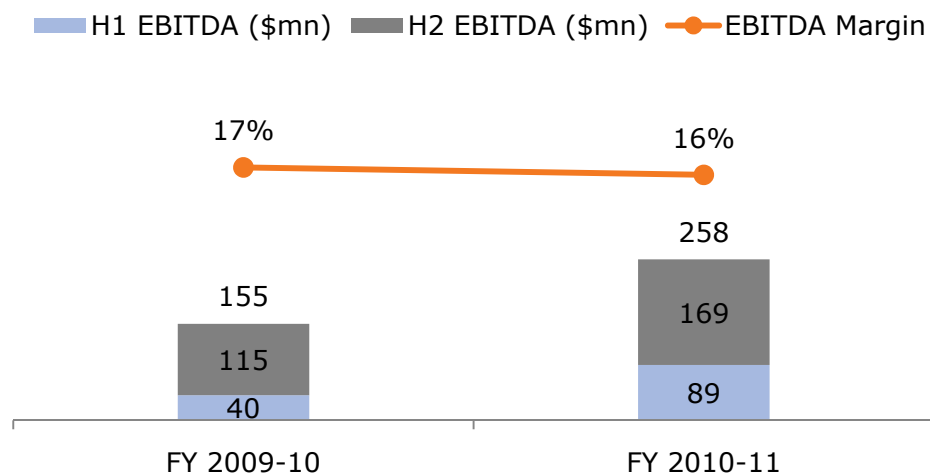
- Record production
- 38% increase in sale of value added products
- CoP US\$1,806 per tonne, in 2nd quartile of the cost curve
 - 56% own Alumina

Production and Cash Costs

	FY 2009-10	FY 2010-11	% change
Production (kt)	533	641	20%
Balco (kt)	269 ¹	255	(5)%
VAL (kt)	264 ²	386	46%
COP (\$/t)	1,591	1,806	14%
CoP - Balco (\$/t)	1,534	1,784	16%
CoP -VAL(\$/t)	1,645 ³	1,820	11%
Alumina Production (kt)	805	707	(12%)
Lanjigarh (kt)	762	707	(7%)
COP-Alumina Lanjigarh (\$/t)	316	326	5%

Notes: 1. Includes production from BALCO-1 plant, which is no longer operational
 2. Production of 174kt under trial run in FY2009-10

EBITDA



Commercial Power

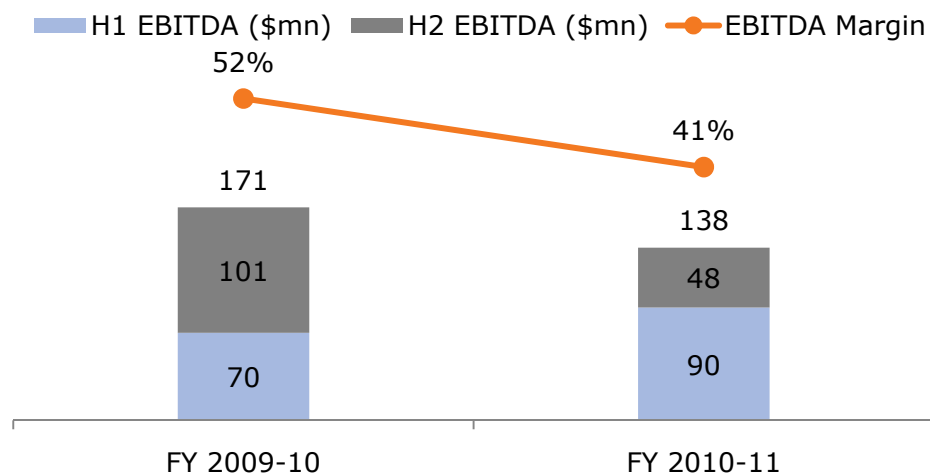
- Record power sales
 - Improved PLF at BALCO by 5%, VAL by 4%, MALCO by 3%
- Two 600MW units of 2,400MW operational
 - 1st unit capitalised on 1 March 2011
 - 2nd unit under trial run
 - 1,050MW transmission capacity in place, further additions scheduled in Q3 FY2011-12
- Coal sourcing through linkage and e-auction
 - c.30% increase in coal prices from March 2011
 - 39% coal sourced under linkage, balance largely through e auction

Sales

	FY 2009-10	FY 2010-11	% change
Total Sales (MU)	3,279	4,782	46%
SEL (MU)	-	856	-
Others ¹	2,187	2,646	21%
Surplus from CPP	1,092	1,280	17%
Average realisation (USc/u)	9.4	8.1	(14%)
Average cost of generation (USc/u)	4.1	4.8	17.1%

Note: 1. BALCO 270MW, MALCO 100MW & WPP171MW

EBITDA



Power Projects

Jharsuguda 2,400MW (4 x 600MW)

- 3rd and 4th unit synchronization by Q3 and Q4 FY2011-12 respectively

BALCO 1,200MW (4 x 300MW)

- Synchronization schedule:
 - Unit 1: Q2 FY2011-12
 - Unit 2: Q3 FY2011-12
 - Unit 3: Q4 FY2011-12
 - Unit 4: Q1 FY2012-13
- 217mt coal block development by Q4 FY2011-12, subject to approval

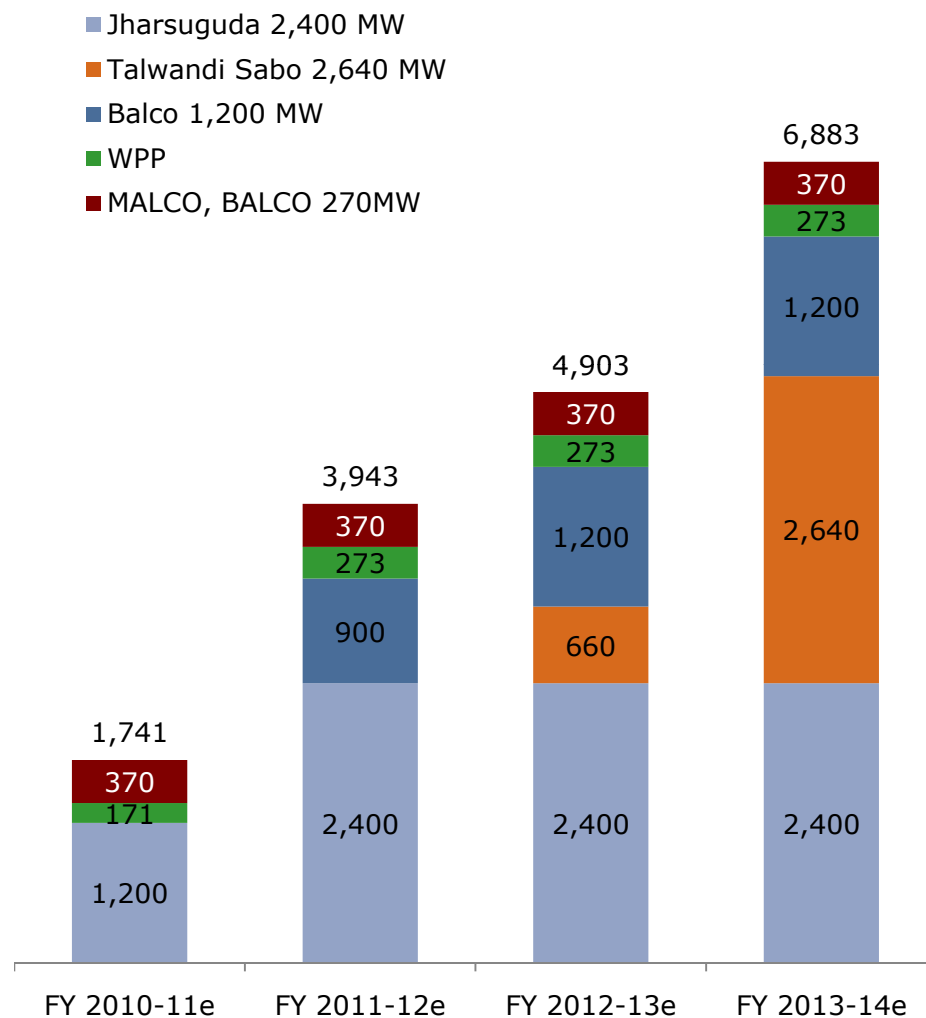
Talwandi-Sabo 2,640MW (4 x 660MW)

- Erection of first boiler structure and railway infrastructure in progress
- Synchronization schedule:
 - Unit 1: Q4 FY2012-13
 - Unit 2: Q1 FY2013-14
 - Unit 3: Q2 FY2013-14
 - Unit 4: Q3 FY2013-14

Wind Power 150MW expansion

- 48 MW commissioned in March 2011
- Balance expected by Q2 FY2011-12
 - Total capacity post expansion of 273MW

Commercial power capacity (MW)



Sustainable Development

Priorities

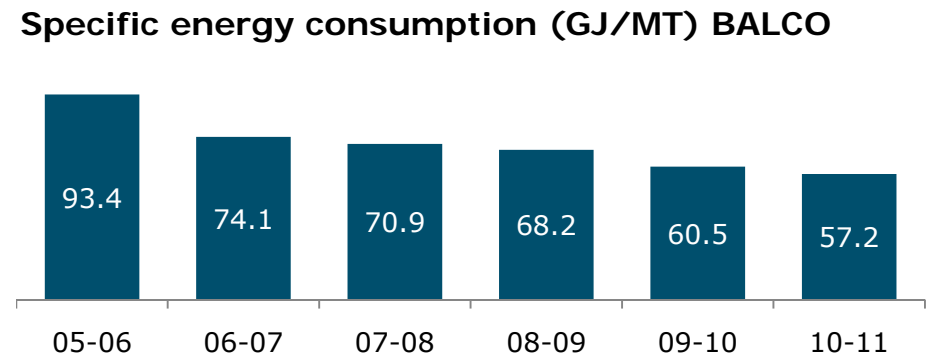
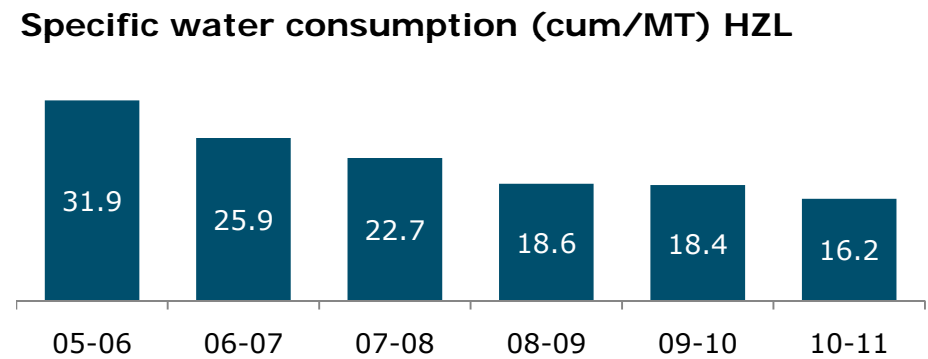
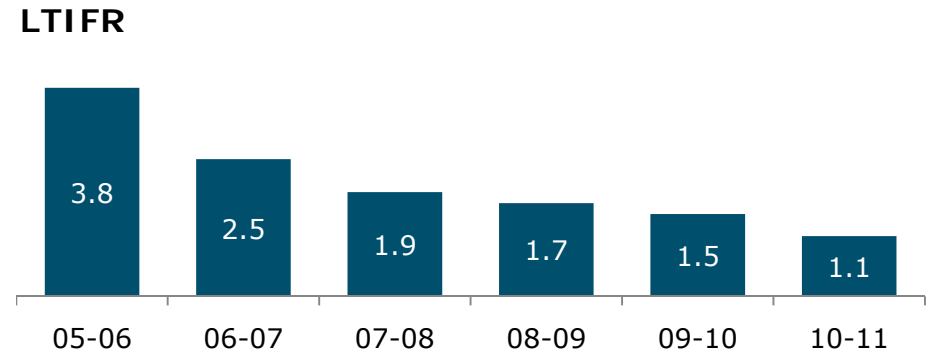
- Comprehensive approach to sustainability
- Further improve our health and safety performance
- Continue to manage and minimise our impact on air, water and land
- Use technology and innovation to address global concern for climate change
- Maintain a dialogue with all stakeholders
- Contribute further for development of local communities
- Implementation of the Scott Wilson Report recommendations

Governance

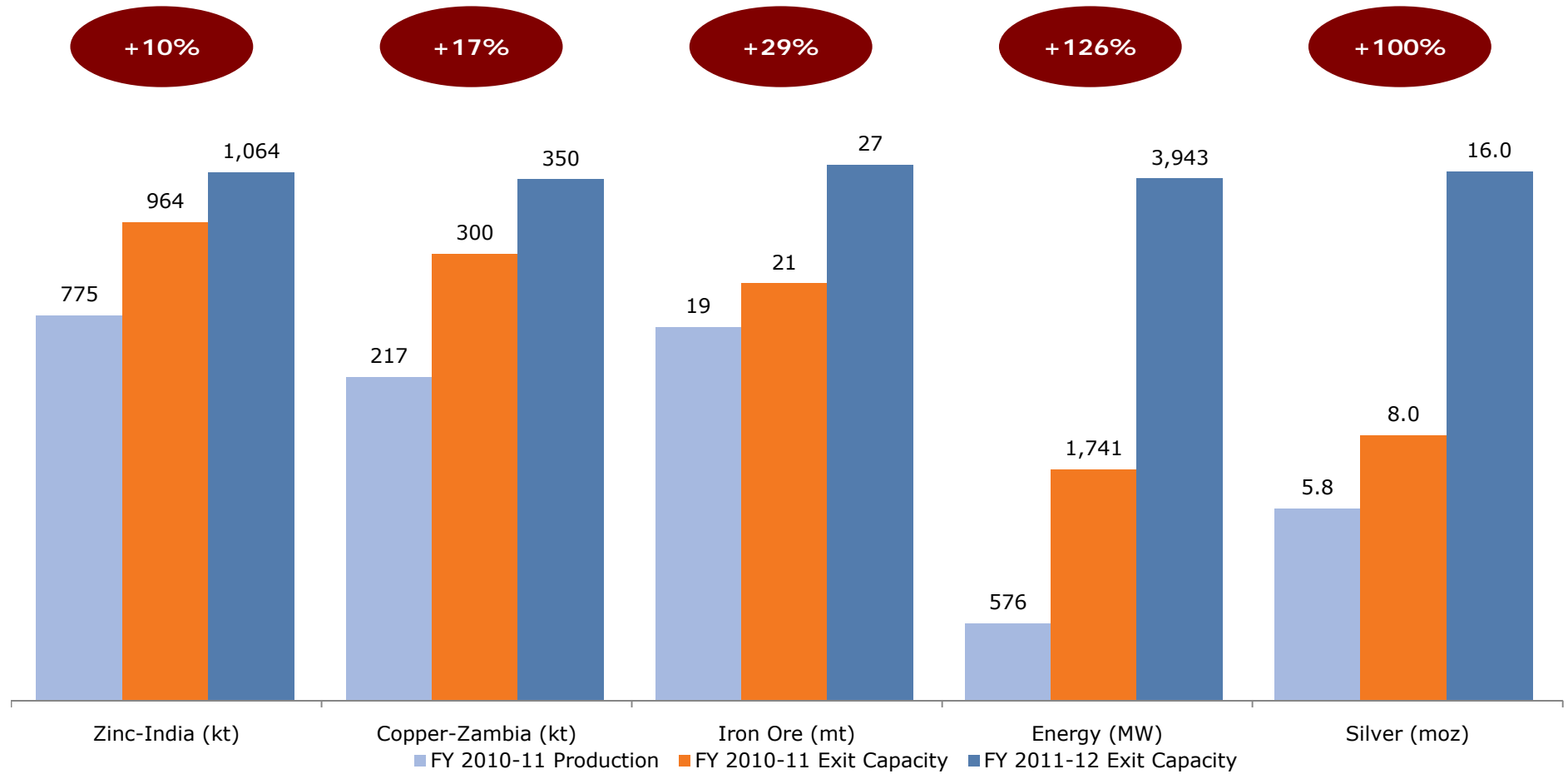
- The implementation of the Scott Wilson Report recommendations are on target:
 - Expanded remit of HSE committee, now reconstituted as Sustainability Committee
 - Improved Code of Conduct in place

Sustainable Development – Significant Achievements

- 28% reduction in LTIFR
- Continued reduction in specific energy and water consumption
- Green energy
 - 405kt of CDM projects approved
 - 273MW of wind power capacity by Q2 FY2011-12
- 4.2mt of solid waste put to beneficial use
- Ongoing community relations projects in 1,713 villages
 - 2.7 million people positively impacted in India and Zambia
 - 99 NGO partners, 74 CSR personnel and 157 extension workers



Summary and Outlook: Significant Capacity Growth in FY 2011-12



- Significant production growth across commodity portfolio in the near term
- Earnings diversified across 6-7 commodities and 4 continents
- Strong cash flow growth



APPENDIX

Zinc-International: Highlights

Skorpion

	CY 2009	CY 2010	FY 2010-11 ¹
Production - Refined Zinc (kt)	150	151	50
EBITDA (\$mn)	97	165	61
CoP (\$/t)	882	1,080	1,162
Tax rate (%)	<5%	<5%	6%
Mine Life (years)			4

Black Mountain

	CY 2009	CY 2010	FY 2010-11 ¹
Production - Mined metal (kt MIC)	57	89	17
EBITDA (\$mn)	55	73	18
CoP (\$/t)	1,235	1,411	1,309
Tax rate (%)	Nil	27%	28%
Mine Life (years)			> 10

Lisheen

	CY 2009	CY 2010	FY 2010-11 ¹
Production - Mined metal (kt MIC)	191	196	27
EBITDA (\$mn)	31	115	23
CoP (\$/t)	1,279	1,279	917
Tax rate (%)	7%	13%	20%
Mine Life (years)			3.5

Note: 1. Refers to the period within FY2010-11 and post acquisition by Vedanta

Sales Summary

Sales volume	FY 2009-10	FY 2010-11	% change
Zinc-India Sales			
Refined Zinc (kt)	577.7	713.1	
Refined Lead (kt)	64.4	56.9	
Zinc Concentrate (DMT)	223.5	66.0	
Lead Concentrate (DMT)	30.9	38.5	
Total Zinc (Refined+Conc) kt	801.2	779.1	(3%)
Total Lead (Refined+Conc) kt	95.3	95.3	0%
Total Zinc-Lead (kt)	896.5	874.5	(2%)
Silver (moz)	4.5	4.7	
Zinc-International Sales¹			
Refined Zinc (kt)		47.3	
Zinc Concentrate (MIC)		28.8	
Total Zinc (Refined+Conc)		76.1	
Lead Concentrate (MIC)		19.4	
Total Zinc-Lead (kt)		95.5	
Aluminium			
Sales - Wire rods (kt)	152.5	219.7	
Sales -Rolled products (kt)	66.4	60.1	
Sales -Busbar and Billets (kt)	12.8	38.3	
Total Value added products (kt)	231.8	318.1	
Sales -Ingots (kt)	301.5	315.0	
Sales - Total (kt)	531.0	633.0	19%

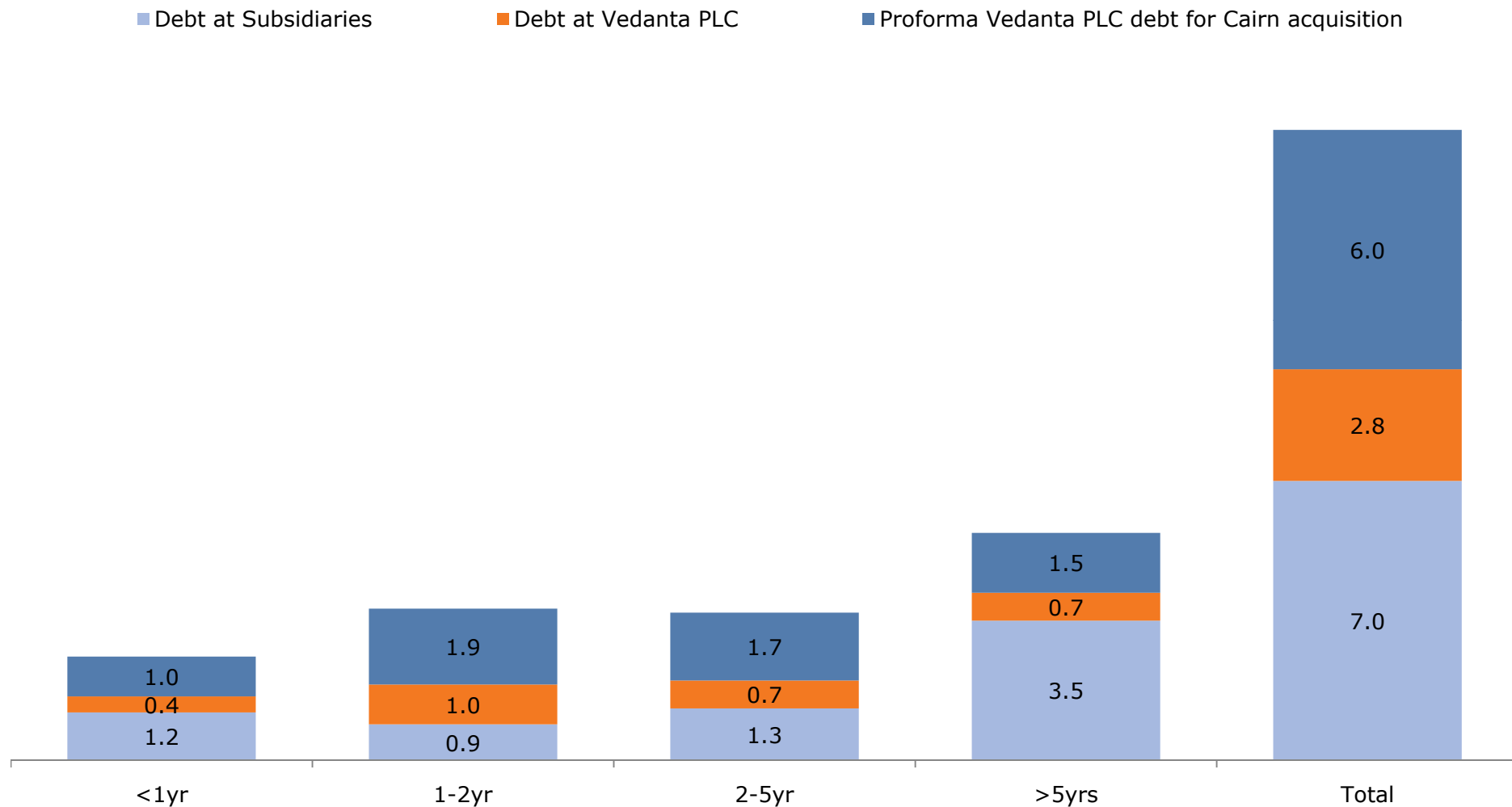
Sales volume	FY 2009-10	FY 2010-11	% change
Iron-Ore Sales			
Goa (mn DMT)	13.5	14.4	7%
Karnataka (mn DMT)	3.1	2.1	(35%)
Orissa (mn DMT)	1.8	1.7	(3%)
Total Iron Ore (mn DMT)	18.4	18.1	(1%)
MetCoke (kt)	265.3	265.7	0%
Pig Iron (kt)	278.7	266.1	(5%)
Iron-Ore Sales			
Goa (mn WMT)	15.2	16.3	7%
Karnataka (mn WMT)	3.4	2.2	(34%)
Orissa (mn WMT)	1.9	1.9	(3%)
Total Iron Ore (mn WMT)	20.5	20.4	(1%)
Copper-India			
Copper Cathodes (kt)	136.4	116.6	(14%)
Copper Rods (kt)	196.9	186.7	
Sulphuric Acid (kt)	484.5	520.8	8%
Phosphoric Acid (kt)	205.8	158.7	(23%)
Copper-Zambia			
Copper Cathodes (kt)	175.1	214.5	22%

Note: 1. For the period post-acquisition by Vedanta

Sales Summary

Power Usc/mu	FY2009-10	FY2010-11	% change
Sales			
SEL	-	856	-
Non-SEL	3,279	3,926	20%
Total sales	3,279	4,782	46%
Realizations			
SEL	-	6.8	-
Non-SEL	9.4	8.2	(13%)
Average realizations	9.4	8.1	(14%)
Costs			
SEL	-	4.9	-
Non-SEL	4.1	4.8	18%
Average costs	4.1	4.8	18%

Debt Maturity Profile (US\$ bn)



Notes: 1. Includes \$336 million of VAL debt that is currently in the process of being refinanced
 2. Includes \$1.1 billion of VAL debt that was refinanced in April 2011, and is shown in the >5 yrs column

Entity wise Cash and Debt Details

Net Debt Summary (in \$ mn)	31-Mar-10			30-Sep-10			31-Mar-11		
Company	Debt	Cash & LI ¹	Net Debt	Debt	Cash & LI ¹	Net Debt	Debt	Cash & LI ¹	Net Debt
Vedanta plc ²	4,603	850	3,753	4,187	184	4,003	4,557	265	4,292
Sterlite standalone incl CMT	562	1,846	(1,284)	531	2,413	(1,882)	746	1,139	(394)
Zinc-India	2	2,631	(2,629)	5	2,755	(2,750)	0	3,403	(3,403)
Zinc-International							32	392	(360)
BALCO	412	160	251	494	140	354	518	68	451
Sterlite Energy Ltd	413	80	334	334	32	303	597	92	505
Others	0	4	(4)	28	0	27	24	27	(4)
Sterlite Consolidated	1,389	4,721	(3,332)	1,393	5,340	(3,947)	1,917	5,122	(3,205)
Vedanta Aluminium Ltd	1,419	50	1,369	2,856	31	2,825	2,810	115	2,695
Copper Zambia	292	0	291	314	33	282	256	6	250
Sesa Goa	483	1,554	(1,071)	224	1,698	(1,475)	212	2,194	(1,982)
MALCO	0	63	(63)	9	57	(48)	0	74	(74)
Total (in \$ mn)	8,186	7,239	947	8,983	7,342	1,638³	9,753	7,777	1,970⁴

- Notes: 1. Liquid Investments
2. Includes Investment Companies
3. Includes US\$2 million debt related derivative
4. Includes US\$5 million debt related derivative

EBITDA Sensitivities

Foreign currency

(Impact of a 10% change in Foreign Exchange)

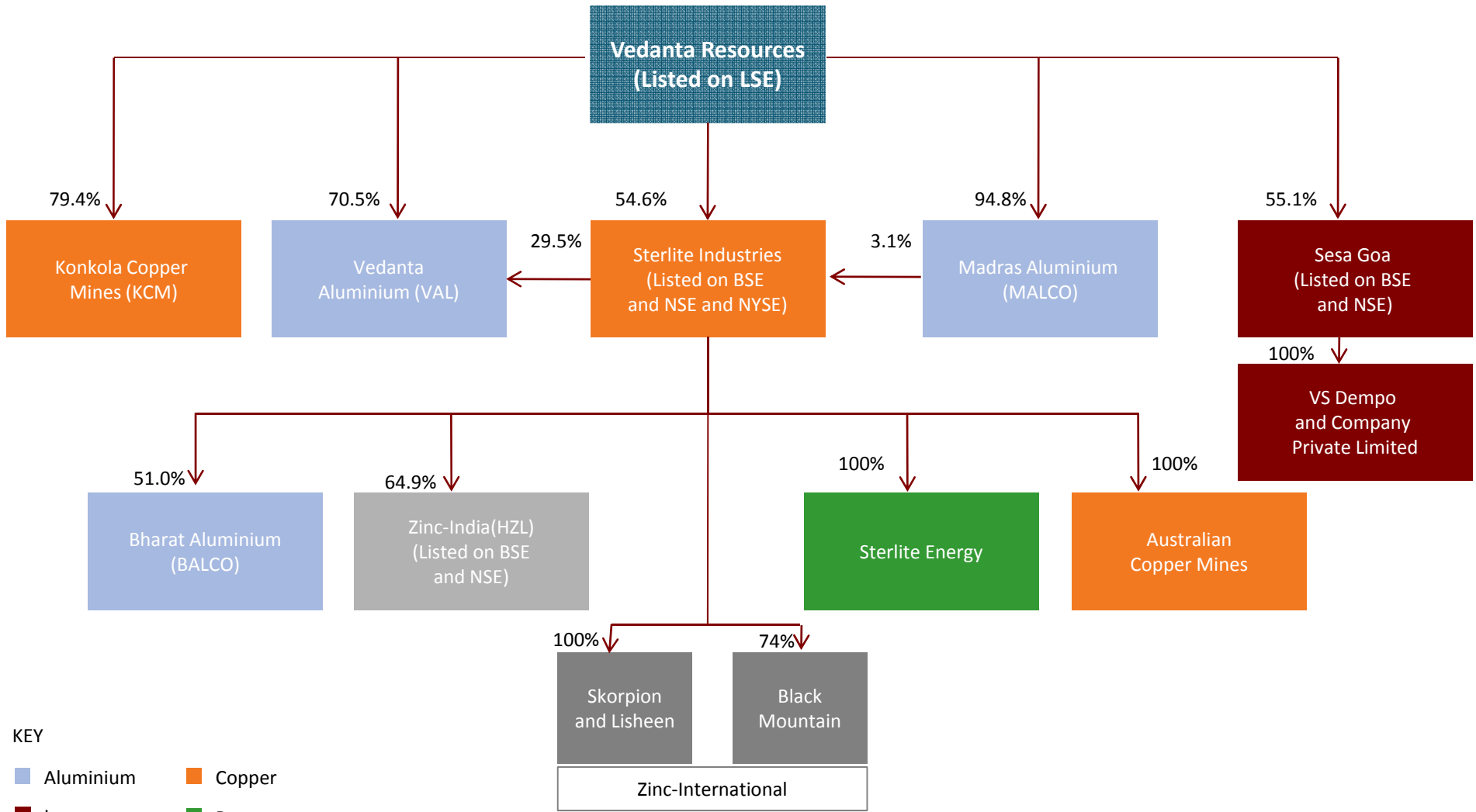
Currency	Closing rate	Average rate	EBITDA (US\$mn)
INR/USD	44.65	45.58	449
AUS\$/USD	0.968	1.069	10
ZKA/USD	4,770	4,906	23

Commodity prices

(Impact of a US\$100/t change in LME)

Commodity	Average price (\$/t)	EBITDA (US\$mn)
Copper	8,138	16
Aluminium	2,257	66
Zinc	2,185	72
Lead	2,244	7

Vedanta Group Structure



Structure as at 31 March 2011, Zinc-International acquisition completed – February 2011