



Sterlite Industries (India) Ltd
Corporate Presentation
February 2011

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Key Trends in Mining Sector

2008–2009 themes

- ✓ Surviving the crisis
- ✓ Build fortress balance sheets and liquidity
- ✓ Capital markets access and capacity
- ✓ High cost of capital
- ✓ Survival of banking partners
- ✓ Fear

Raise capital and maximize liquidity

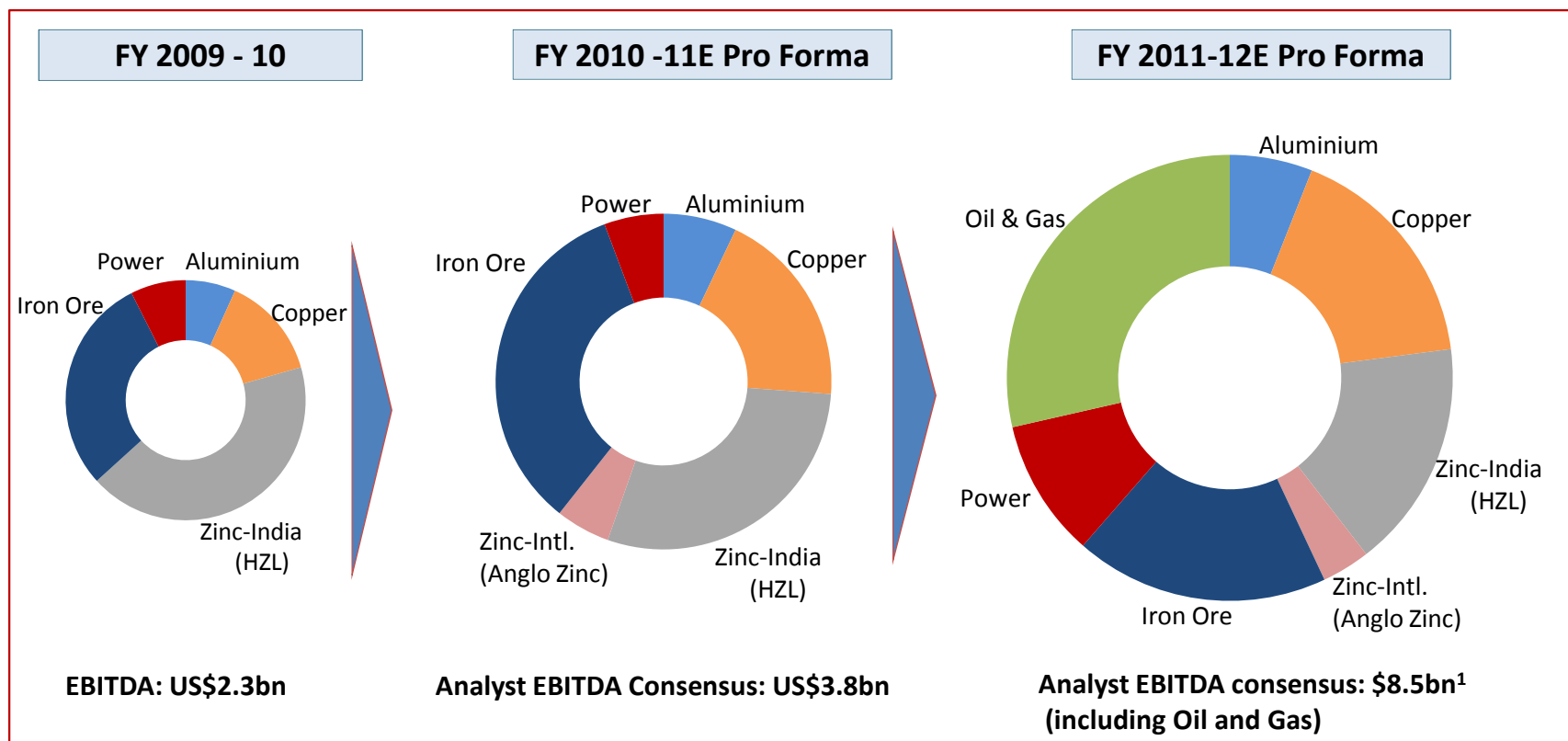
2011 themes

- ✓ Strong supply/demand in-balance driving near record high commodity prices and strong cash flows
- ✓ Capital allocation dilemma
 - Capex/R&D?
 - M&A?
 - Dividend/buyback?
- ✓ Organic growth a differentiator
- ✓ Geographical shift
 - Demand from Asia
 - New sources of supply emerging
- ✓ Cautious optimism

Is there a clear action plan?



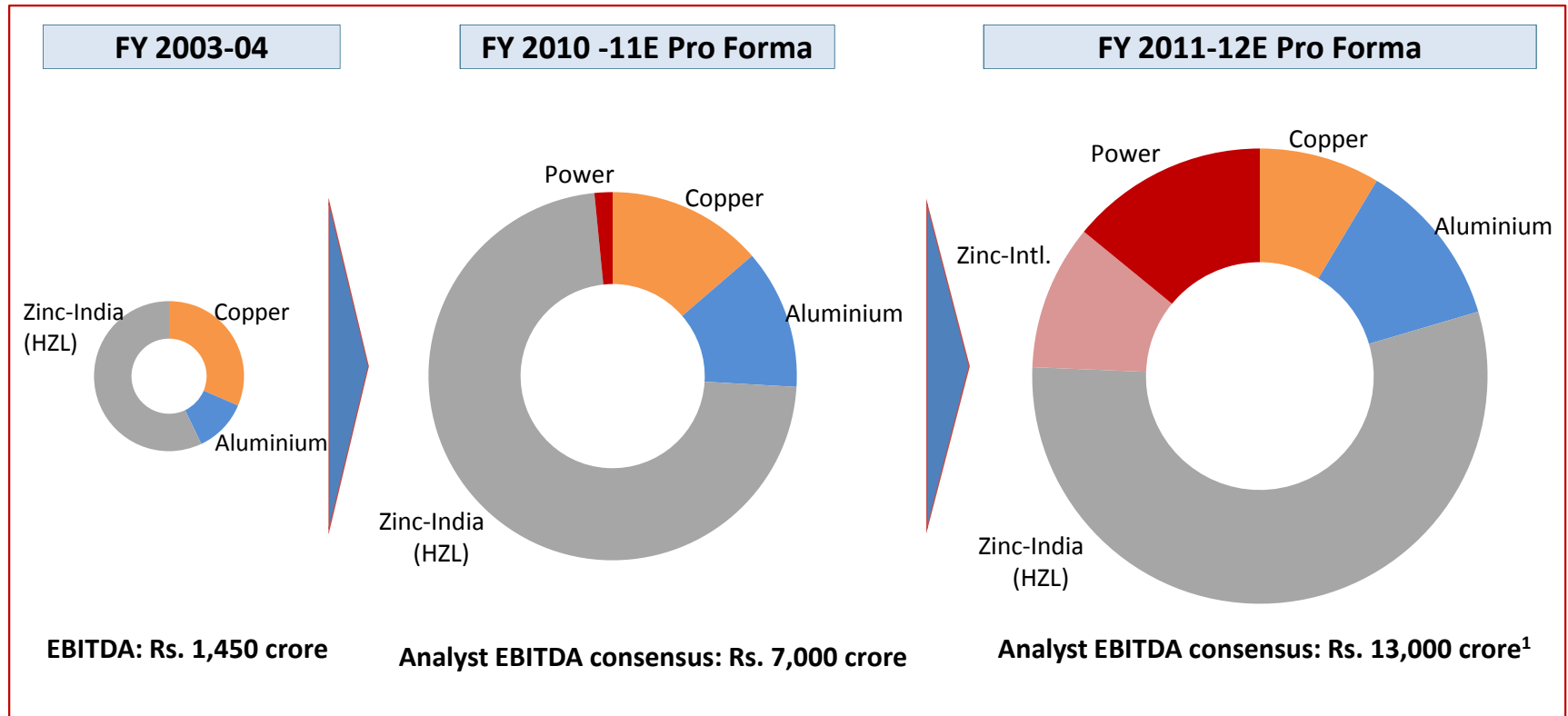
Vedanta: A Diversified Natural Resources Group



- Vedanta is one of the world’s leading diversified Natural Resources group
- First Indian group to be listed on LSE; ranked 51 in FTSE 100
- Over 34,000 employees globally, including 9,600 professionals
- Industry-leading organic growth programme – \$19 billion capex, c. 2/3 already spent

1. Company estimate for Zinc-International. Vedanta: US\$6.0bn; Cairn India:US\$2.5bn

Sterlite: India's Leading Metals and Mining Company



- Indian flagship company of the Vedanta group
- Listed on BSE, NSE, NYSE - Component of Nifty and Sensex Indices
- Strong and liquid balance sheet- cash and liquid investments of c. Rs. 21,000 crore as at 31/12/2010
- Over 15,000 employees globally, including 3,700 professionals

Note: Excludes VAL

1. Company estimate for Zinc-International



Strategy : Growth and Value Creation



- Leverage unique position in India
- Structural low cost advantage
- Exploration focus
- Accelerated growth of acquired assets



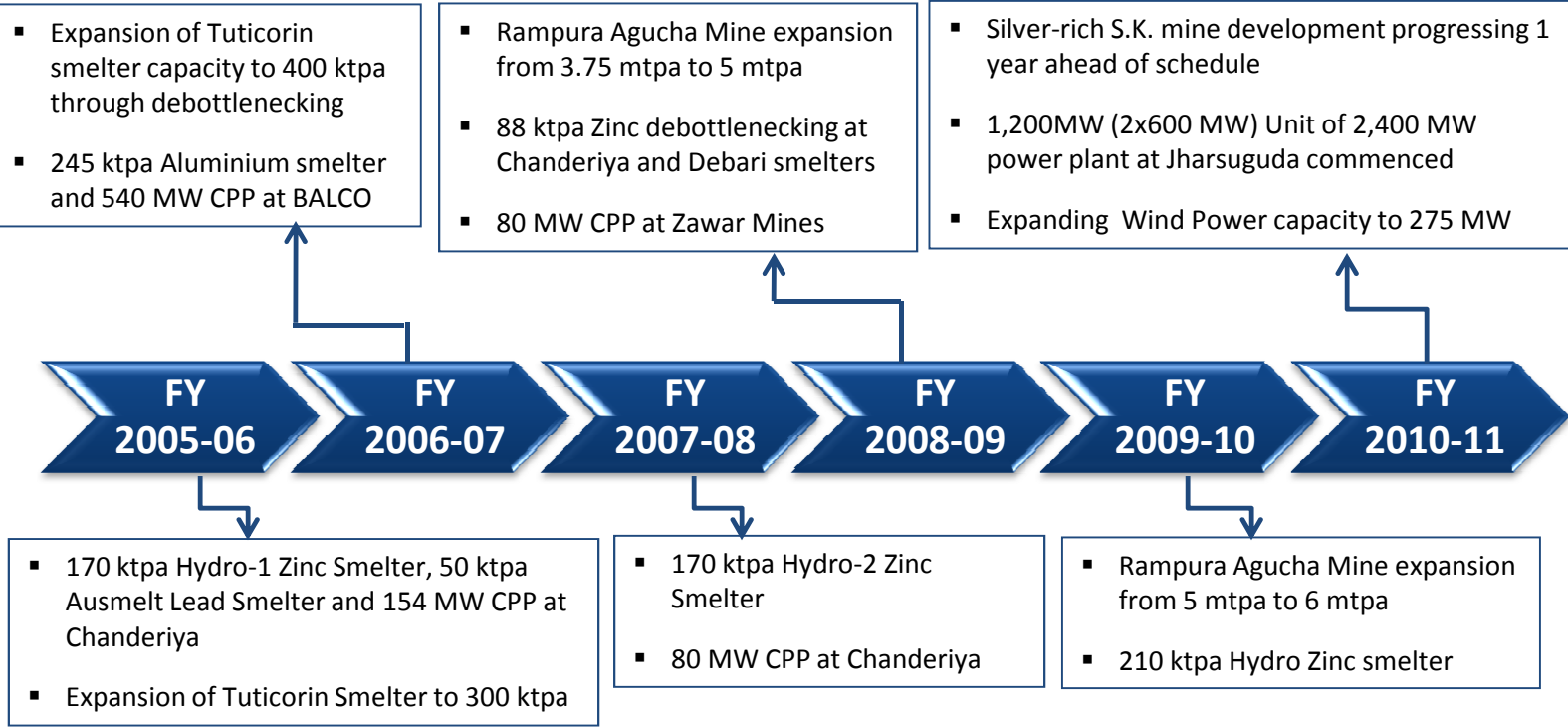
- Brown field assets with embeded growth options
- High quality assets
- Leverage core asset development and operational skills



- Continuous Improvement culture
- Benchmark project execution – time and cost
- Efficient recovery and by-product management



Track Record of Execution



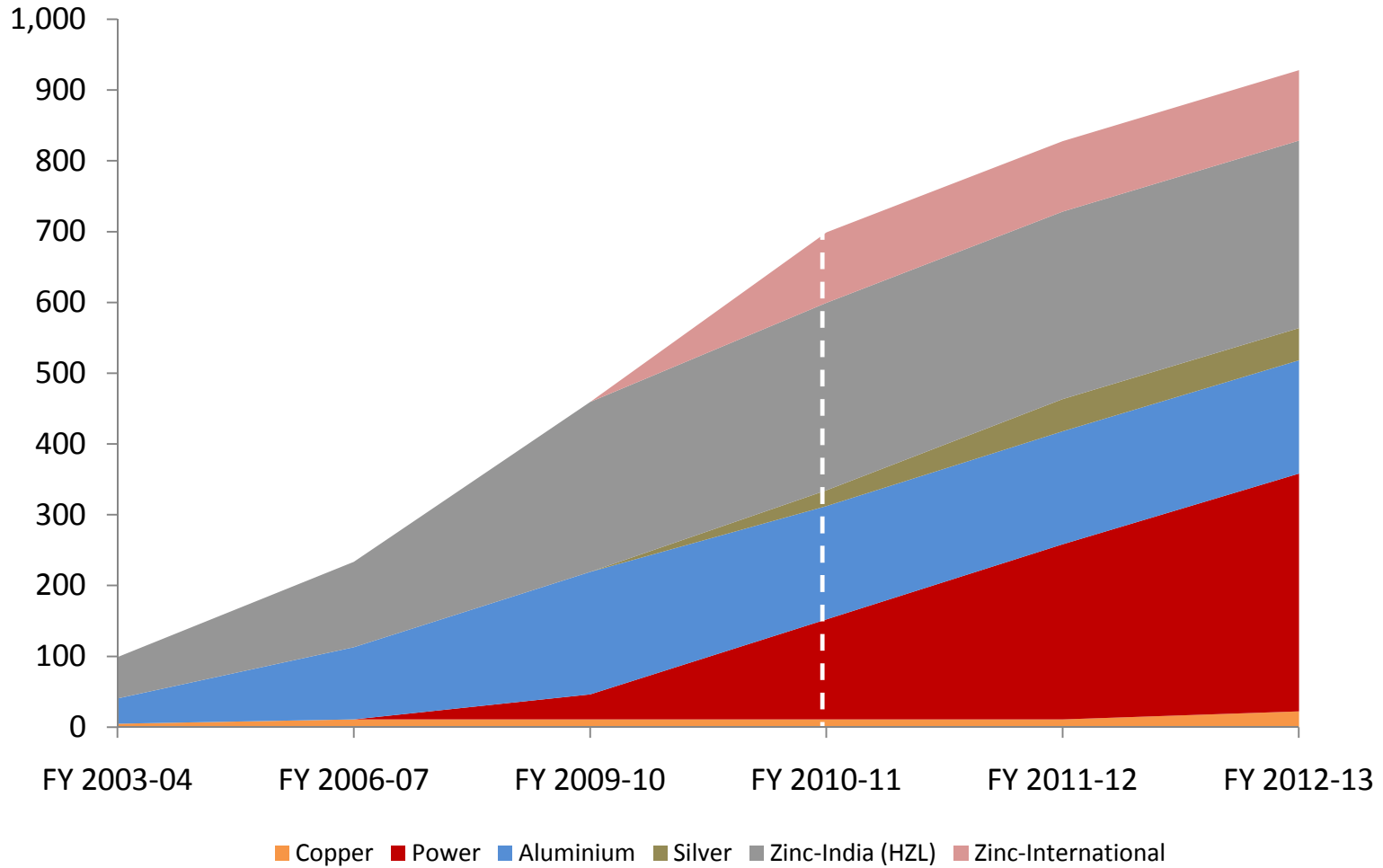
Projects under Implementation:

- 325 kt Aluminium Smelter at BALCO
- 1,200 MW Power Plant at BALCO
- 2,640 MW Power Plant at Talwandi Sabo

\$8.5 billion Capex Programme

Industry - Leading Growth

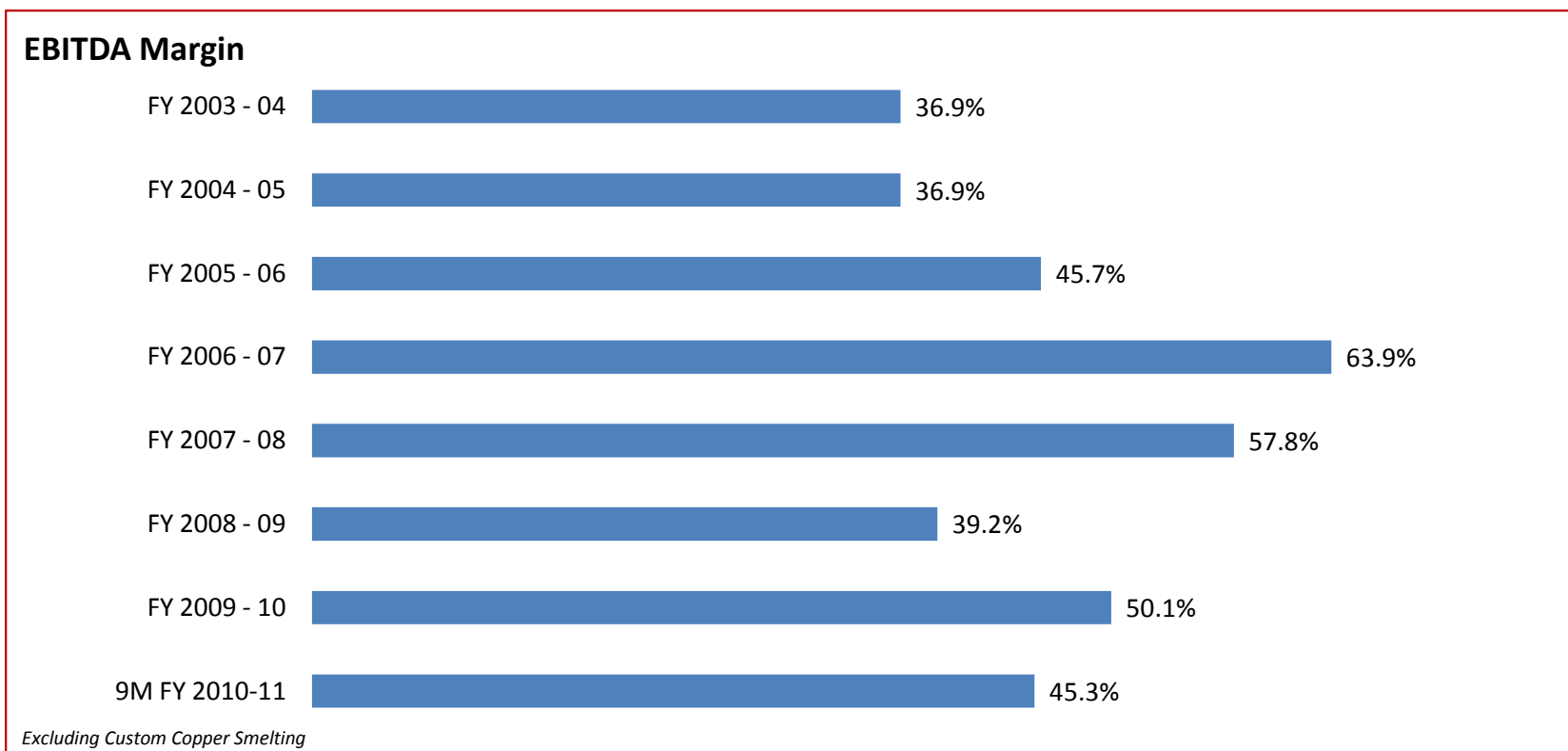
Copper Equivalent Capacity (kt)



- Notes:
1. All metal and power capacities rebased using Copper LME and Commodity prices as on 3 February 2011
 2. Copper custom smelting capacities rebased at TC/RC for H1 FY 2010-11
 3. Includes capacity at VAL



Delivering Consistent EBITDA Margins

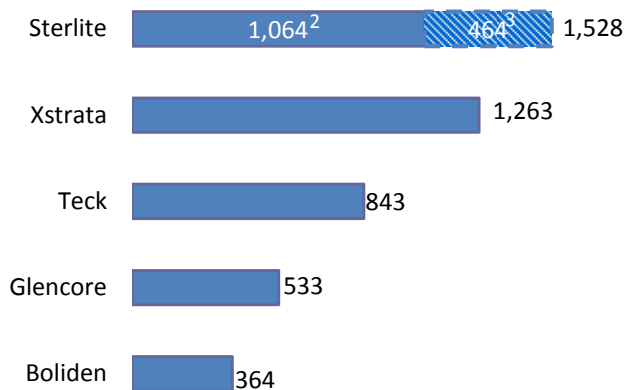


Delivering consistent margins through efficient operations

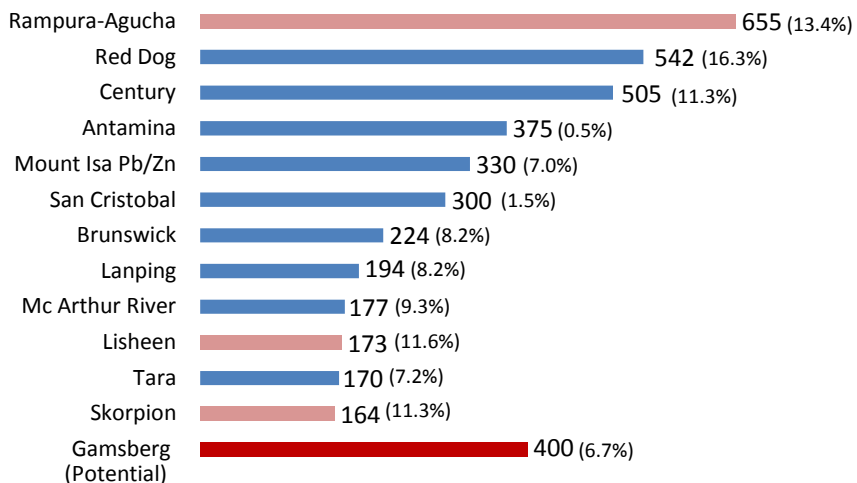


World's Largest Zinc-Lead Producer

Global Zinc and Lead Mine Production (kt) - 2010E¹



Top Zinc Mines MIC (kt) – 2010E

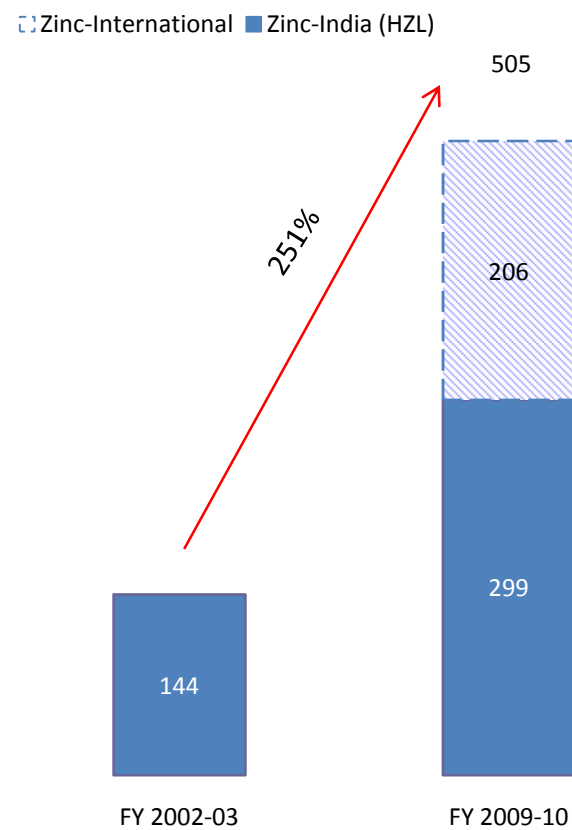


Data in bracket represents Zinc grade based on proved and probable reserves

- Note:
1. Based on production of metal contained in concentrate.
 2. Targeted production capacity on 100% basis
 3. Actual Production of CY 2010 on 100% basis

Source: Brook Hunt, Company Data

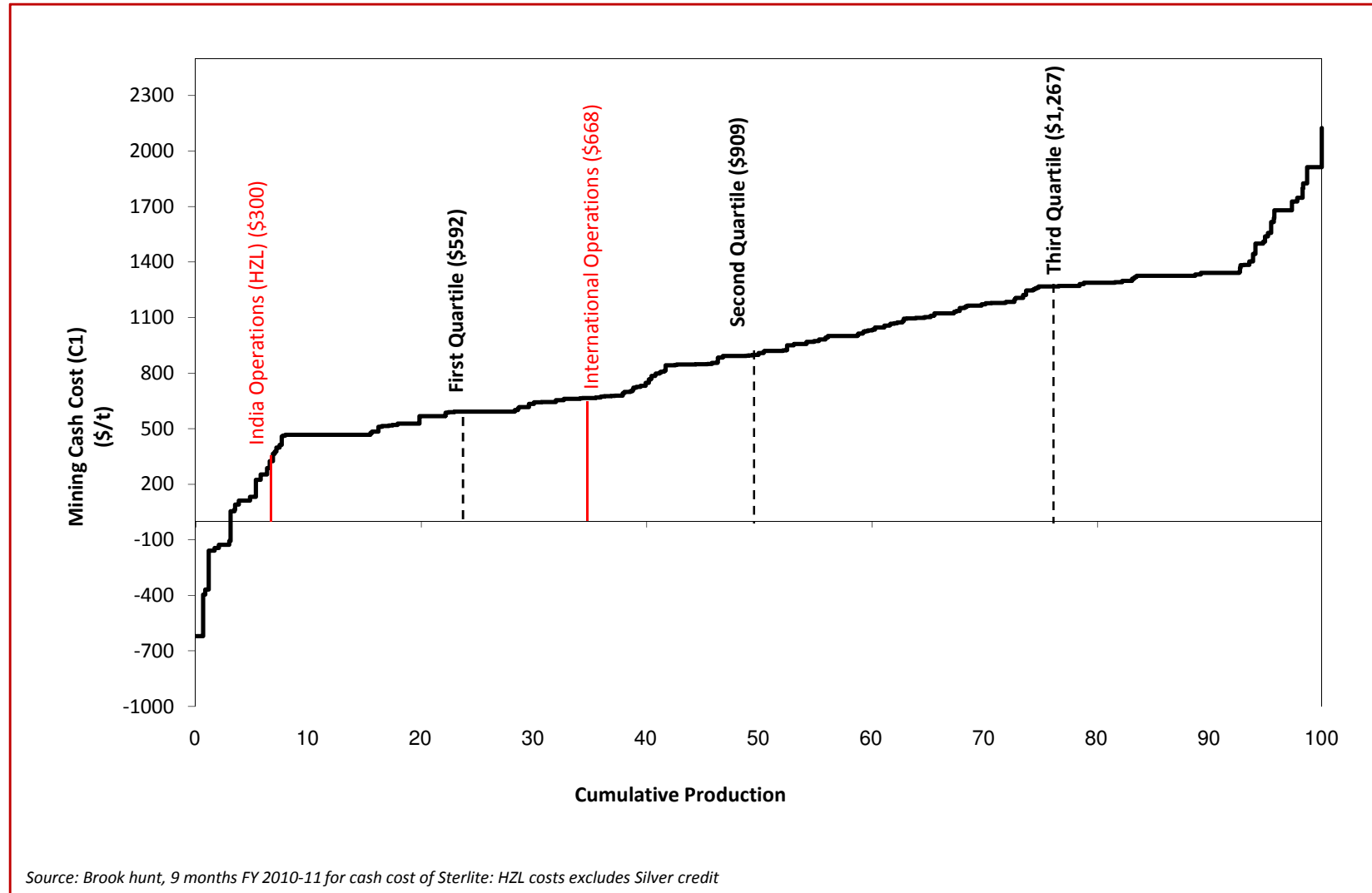
Zinc - Lead R&R (Mt): 25+ Years Mine Life



Zinc International R&R as on 31 December 2009, Zinc India as on 31 March 2010



Zinc Mining Cost: Sterlite Competitively Positioned on Global Cost Curve



Note : Cost of International operations is weighted average mining cost of Lisheen and Black Mountain for CY2009



Zinc-International: Skorpion Mine, Namibia

Overview

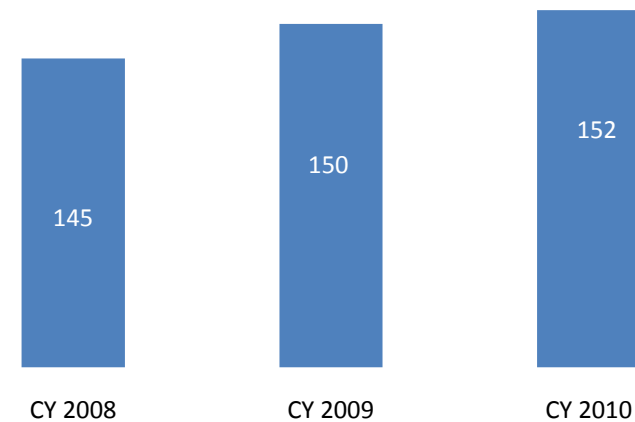
Skorpion

- Acquisition completed on 3 December 2010
- Integrated zinc refining: Unique technology to extract zinc metal from zinc oxide ore
- Reserves & Resources: 8.3 Mt
- 11.3% Zinc

Gergarub

- Zinc-lead sulphide deposit
- Discovered in 2008

Zinc Production (kt)



Zinc-International: Black Mountain Mine, South Africa

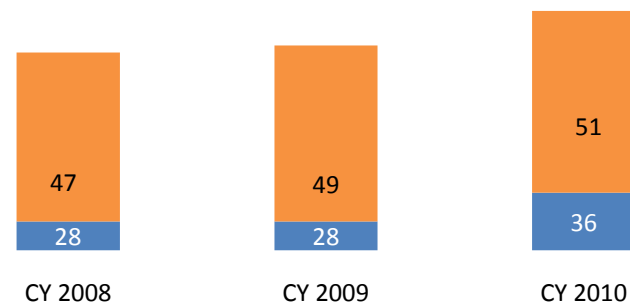
Overview

Black Mountain

- Acquisition completed on 4 February 2011
- Underground mine producing zinc and lead
- New mining infrastructure related to deep shaft coming online mid-2010
- Reserves & Resources: 51.7Mt
- 1.5% Zinc and 2.9% Lead
- By Products: Copper and Silver

Production (kt)

■ Zinc ■ Lead



Gamsberg Project

- One of the world's largest undeveloped zinc deposits, located near the Black Mountain mine
- Total resources of 186mt, located in two ore bodies
- Grade: 6.9% Zinc and 0.4% Lead
- Potential to produce 400 ktpa of zinc



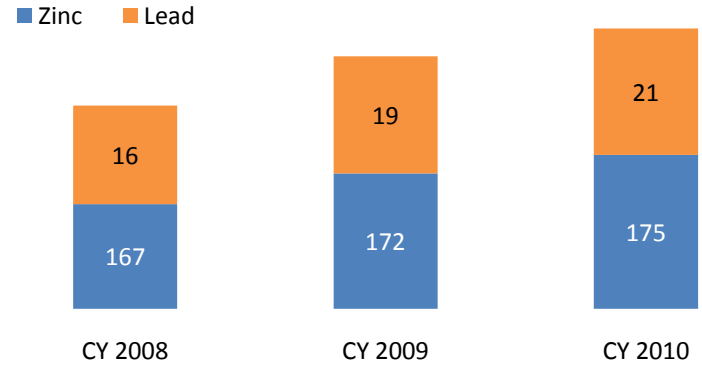
Zinc-International: Lisheen Mine, Ireland

Overview

Lisheen

- Acquisition completed on 15 February 2011
- Underground Mine
- Reserves & Resources: 8.7 Mt
- 11.9% Zinc and 1.9% Lead

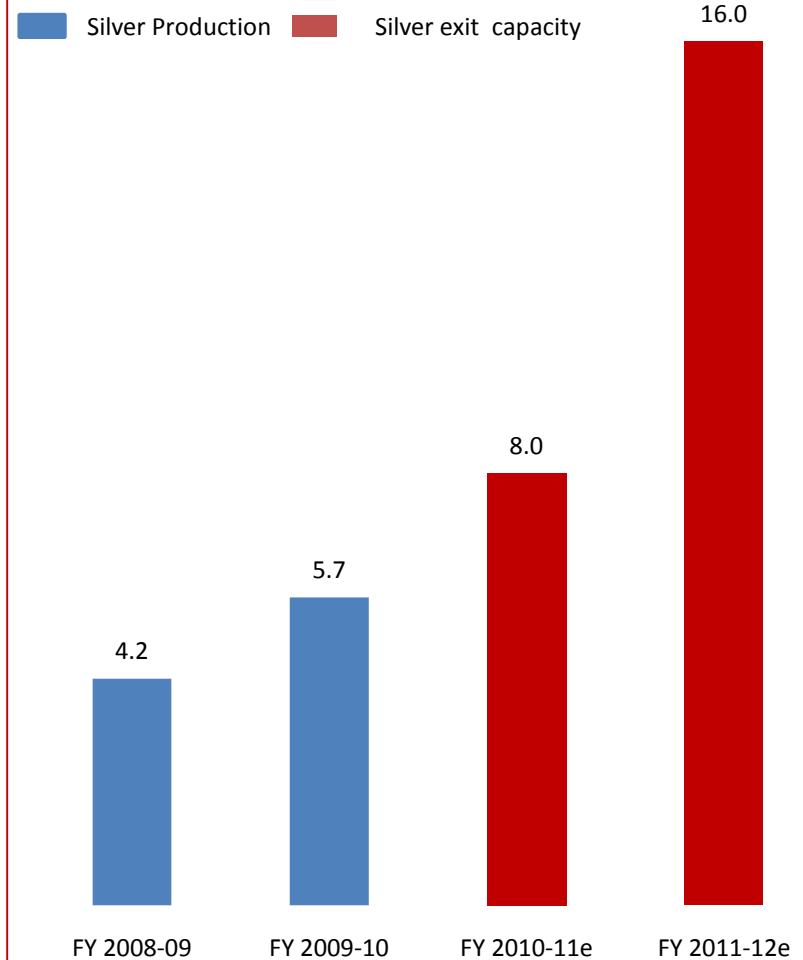
Production (kt)



Value Creation Opportunity: Silver

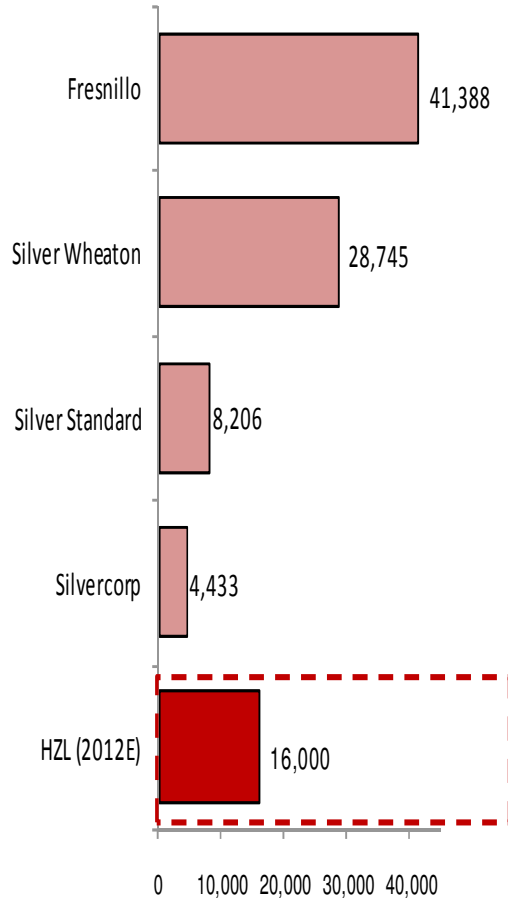
- On track to become one of the world's top silver producers at 16moz
 - Sindesar Khurd mine – Commissioning one year ahead of schedule, FY 2011-12
- 100% EBITDA margin – production costs included in Zinc-Lead CoP
 - EBITDA potential of US\$450mn+ at current Silver prices
- Long mine life of 25+ years

Silver Production and Capacity (moz)

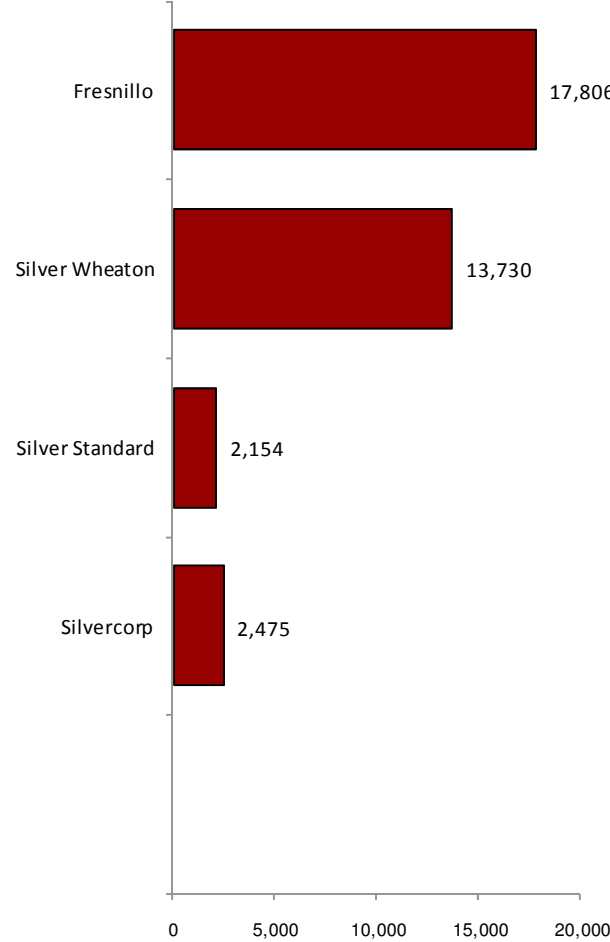


Silver : Unlocking Accumulated Value

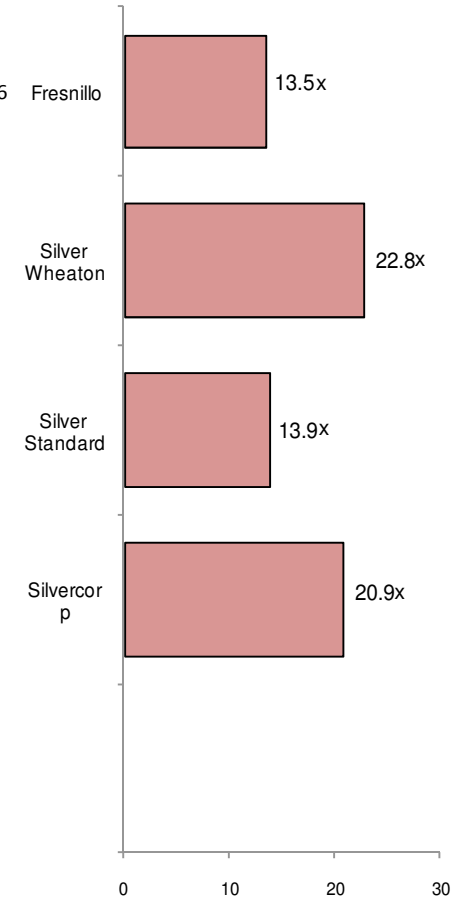
HZL vs pure-play silver producers (koz)¹



EV of pure-play silver producers (\$mn)



EV/EBITDA²



Source: Broker reports, Factset, Bloomberg as of February 21, 2011

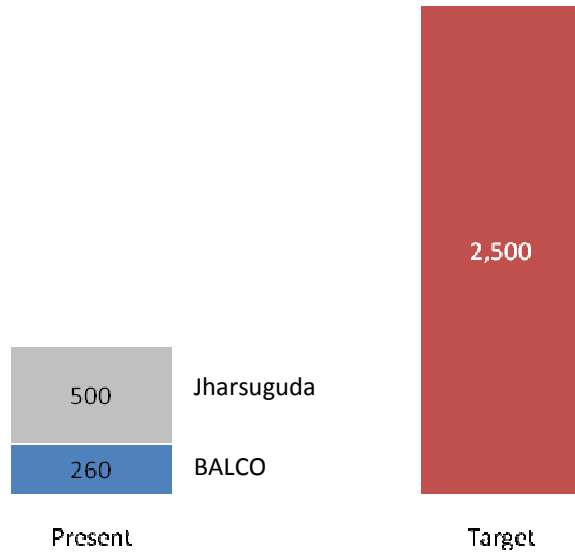
¹Peers production is as per 2011E

² EBITDA based on CY 2011 estimates for peers



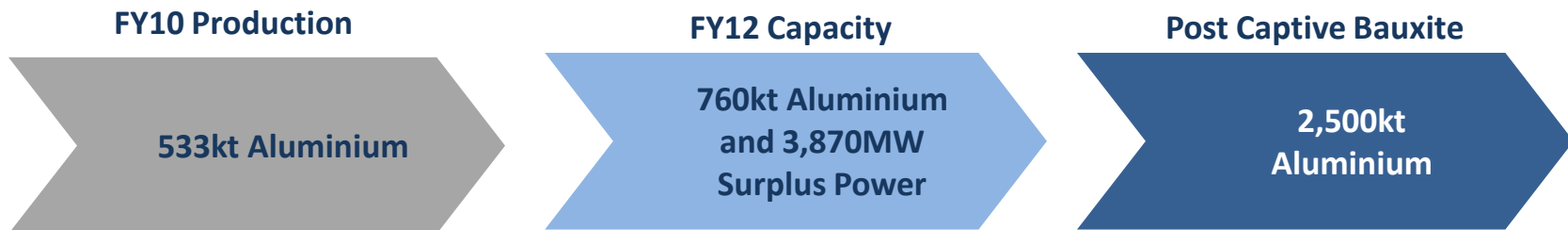
Aluminium: Optimising Returns

Aluminium capacity (kt)



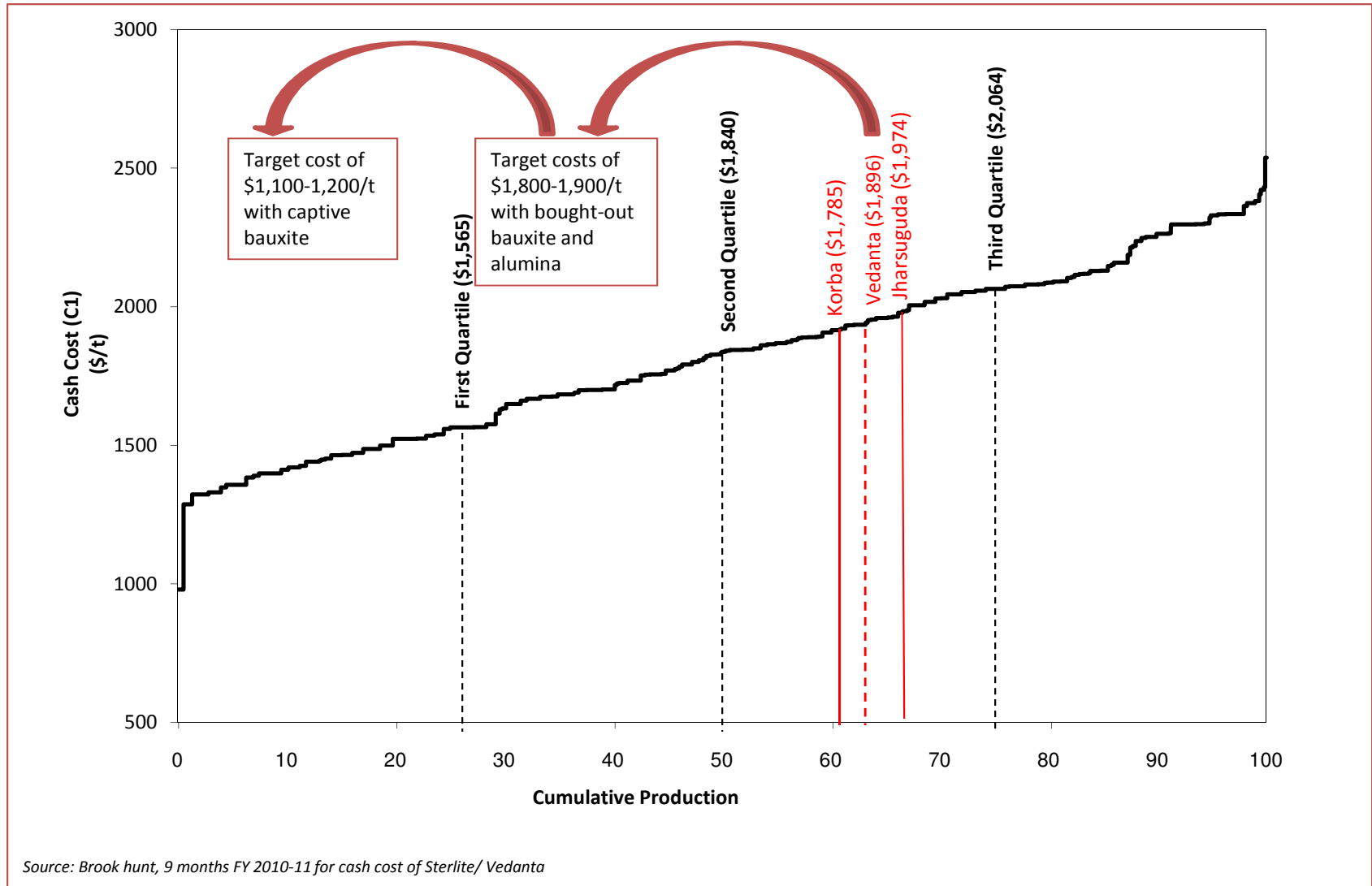
Power for sale (MW)

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



1: The first metal tapping from the 325 ktpa smelter at BALCO and 1.25 mtpa Smelter at Jharsuguda has been deferred

Aluminium : Positioning on Global Cost Curve



Commercial Energy - Sterlite Energy Limited

Jharsuguda 2,400 MW

■ Synchronisation

- Unit 1: Q2 FY 2010-11
- Unit 2: Q3 FY 2010-11
- Unit 3: Q2 FY 2011-12
- Unit 4: Q3 FY 2011-12

■ Fuel arrangements

- 65% Coal linkage
- 25-30% E-Auction/ Forward E-Auction
- 5-10% Imported Coal

■ Off Take arrangements

- First unit to Grid
- Balance in Merchant Market - 60% under Short term sales agreement, 40% spot

Talwandi Sabo 2,640 MW

■ Synchronisation

- Unit 1: Q4 FY 2012-13
- Unit 2: Q1 FY 2013-14
- Unit 3: Q2 FY 2013-14
- Unit 4: Q3 FY 2013-14

■ Fuel arrangements

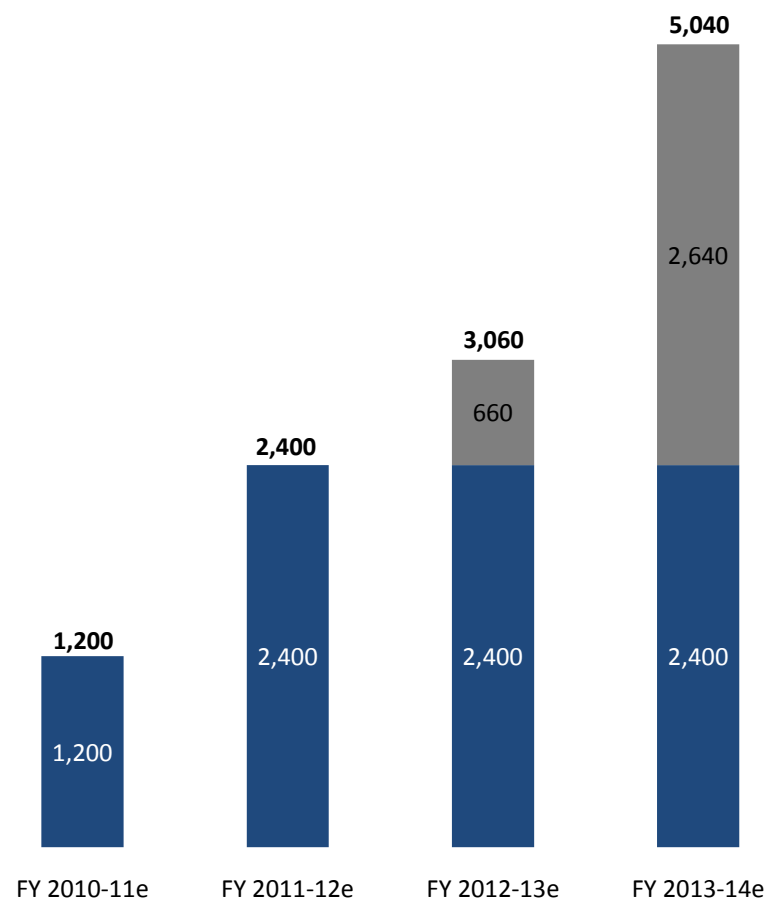
- Coal linkage in place for 1,980 MW

■ Off Take arrangements

- 1,980 MW to Grid
- 85% of balance 660 MW in Merchant Market and 15% to Grid

SEL capacity (MW)

- Jharsuguda 2,400 MW
- Talwandi Sabo 2,640 MW



Commercial Energy - Others

BALCO 1,200 MW

■ Synchronisation

- Unit 1: Q1 FY 2011-12
- Unit 2: Q2 FY 2011-12
- Unit 3: Q4 FY 2011-12
- Unit 4: Q1 FY2012-13

■ Fuel arrangements

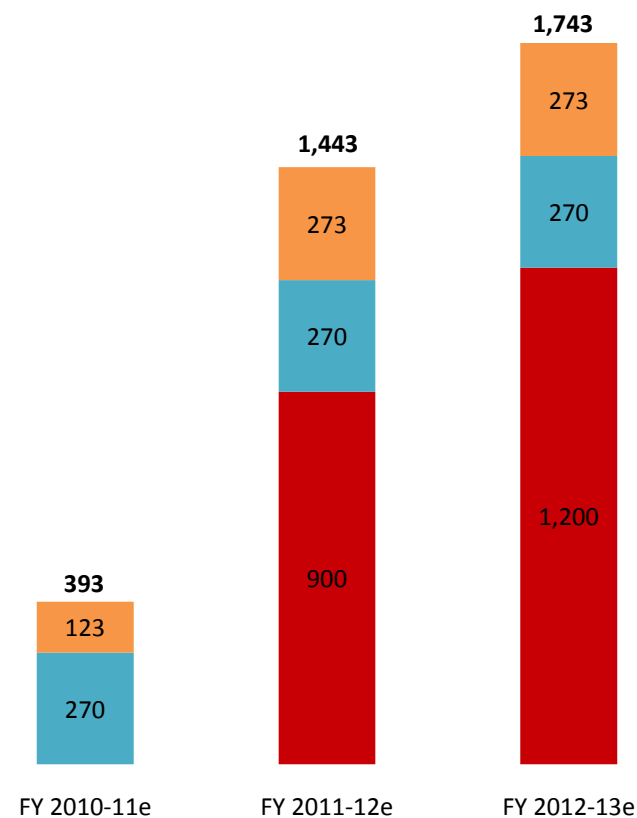
- 65% Coal linkage for two units
- Coal Block under development- September 2011

■ Off-Take arrangements

- 600 MW to be sold under long term PPA
- Balance 600 MW on spot, will serve the 325kt smelter when commissioned

Other power capacity(MW)

- Balco 1,200 MW
- Balco 270 MW
- WPP



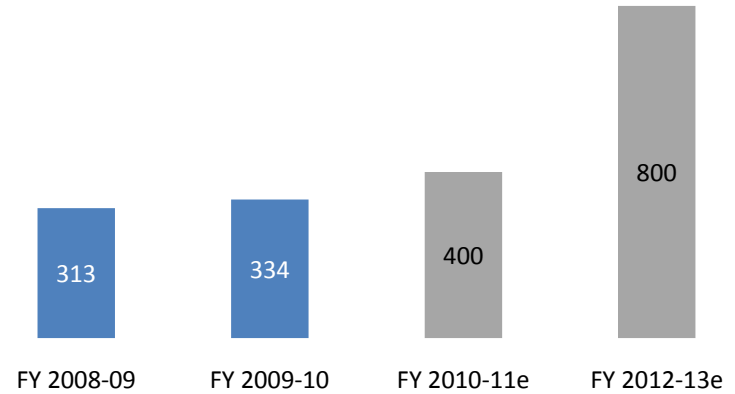
Copper – India/Australia

Overview

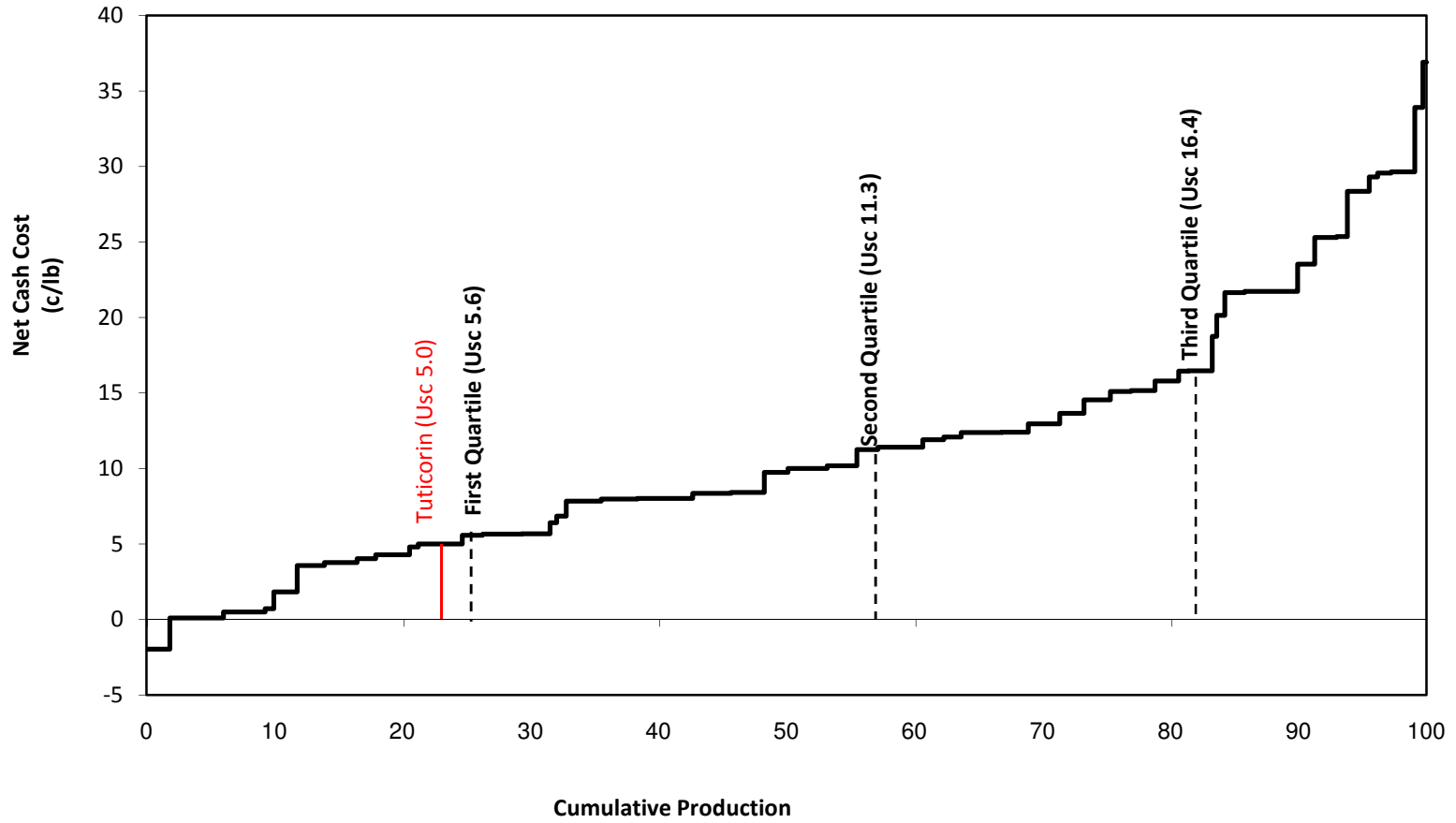
- One of the world’s largest single location copper custom smelter
- LME registered Cathodes and value added rods capacity of 240,000 tpa
- Efficient by-product management
- Captive power plant under construction
- Doubling capacity to 800 ktpa to further improve the market share
- Stable operations at CMT copper mines Australia – 30,000

Production and Capacity (kt)

■ Production (kt) ■ Exit capacity (kt)



Copper Smelting : Lowest Decile



Source: Brook hunt, 9 months FY 2010-11 for cash cost of Sterlite



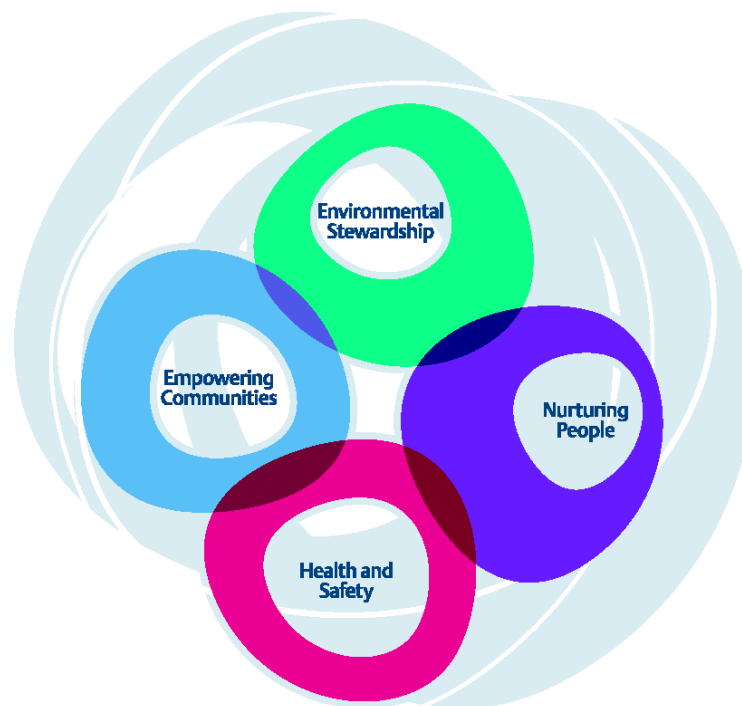
Sustainable Development – Vedanta Way

Environmental Stewardship

Respect for nature, enhanced resource conservation and use of environment friendly technology are embodied in our working

Empowering Communities

Communities are integral to our business. Committed to enhancing the quality of life of the communities near our operations and creating self sustaining communities. We work to gain and nurture our social license to operate in the host communities



Nurturing People

People are our key assets. We are committed to build a flexible, flat and learning organization with an engaged and high performing work force. We believe in nurturing and mentoring leaders from within. Growth based on meritocracy, performance and integrity

Health and Safety

We are committed to providing a safe, secure and healthy workplace by using the best technology and practices

Our 5 Immediate Sustainable Development Priorities

- Review our Sustainability Governance Structure to make sure Sustainable Development is fully embedded into the way we do business.
- Improve our Health and Safety Performance to providing a safe, secure and healthy work environment for our employees and contractors.
- Continue to undertake Social and Community-based Initiatives so that we can increase the contribution we make to our neighbouring communities
- Manage our Footprint by continuing to focus on water, energy and land management to minimise our negative impacts
- Engage our Stakeholders by continuously interacting with them in order to discuss, understand and help address the most pressing needs of our society and the planet.





Corporate Social Responsibility

Case Study: Health Update

General Health Outreach

- 55,419 people benefited through 28 company run hospitals
- 47,828 people reached by mobile health units
- 293,197 people benefited through 1883 health awareness camps
- 1,236 patients screened and benefited by Vedanta Cancer Hospital outreach

Nutrition

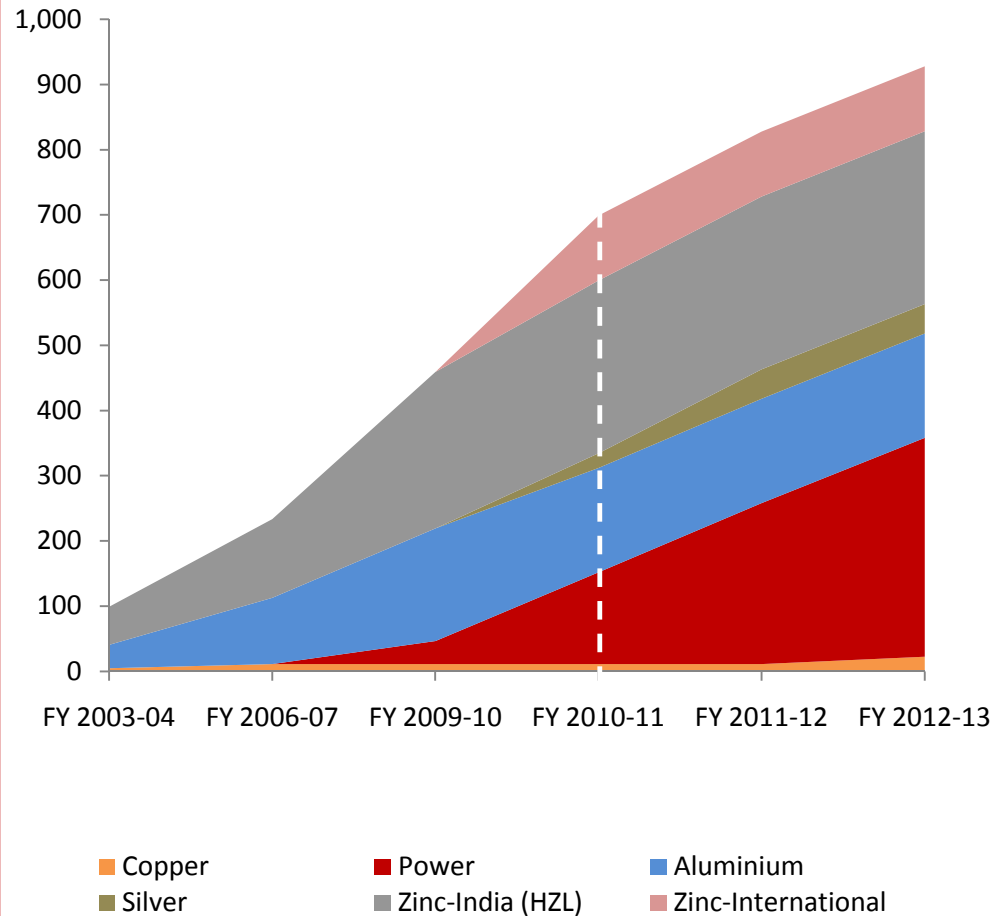
- 230,000 children at 2,232 government schools benefited through 8 mid-day meal kitchens
- 136,707 children covered through 2,546 pre-school centres under the Vedanta Bal Chetna Anganwadi programme

Impact

- 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
- 6,652 farmers, 1470 acres covered under the agriculture and watershed program
- 81 NGO partners, 77 CSR personnel and 199 extension workers

Summary

Copper Equivalent Capacity (kt)



Largest diversified non ferrous metals and mining player in India

- Portfolio of world-class assets in India, Australia, Africa and Ireland
- Structural low-cost advantage



Robust financial profile

- Strong balance sheet and liquidity
- Strong free cash flow generation





Appendix

Zinc-International: Financial Highlights

Skorpion		
	CY 2009	CY 2010
EBITDA (\$mn)	100	165
CoP (c/lb)	41	46
Depreciation (\$mn)	57	62
Tax rate (%)	1-5%	1-5%

Black Mountain		
	CY 2009	CY 2010
EBITDA (\$ mn)	55	73
CoP (c/lb)	56	69
Depreciation (\$mn)	1	1
Tax rate (%)	28%	27%

Lisheen		
	CY 2009	CY 2010
EBITDA (\$mn)	72	115
CoP (c/lb)	58	58
Depreciation (\$mn)	1	4
Tax rate (%)	7%	13%



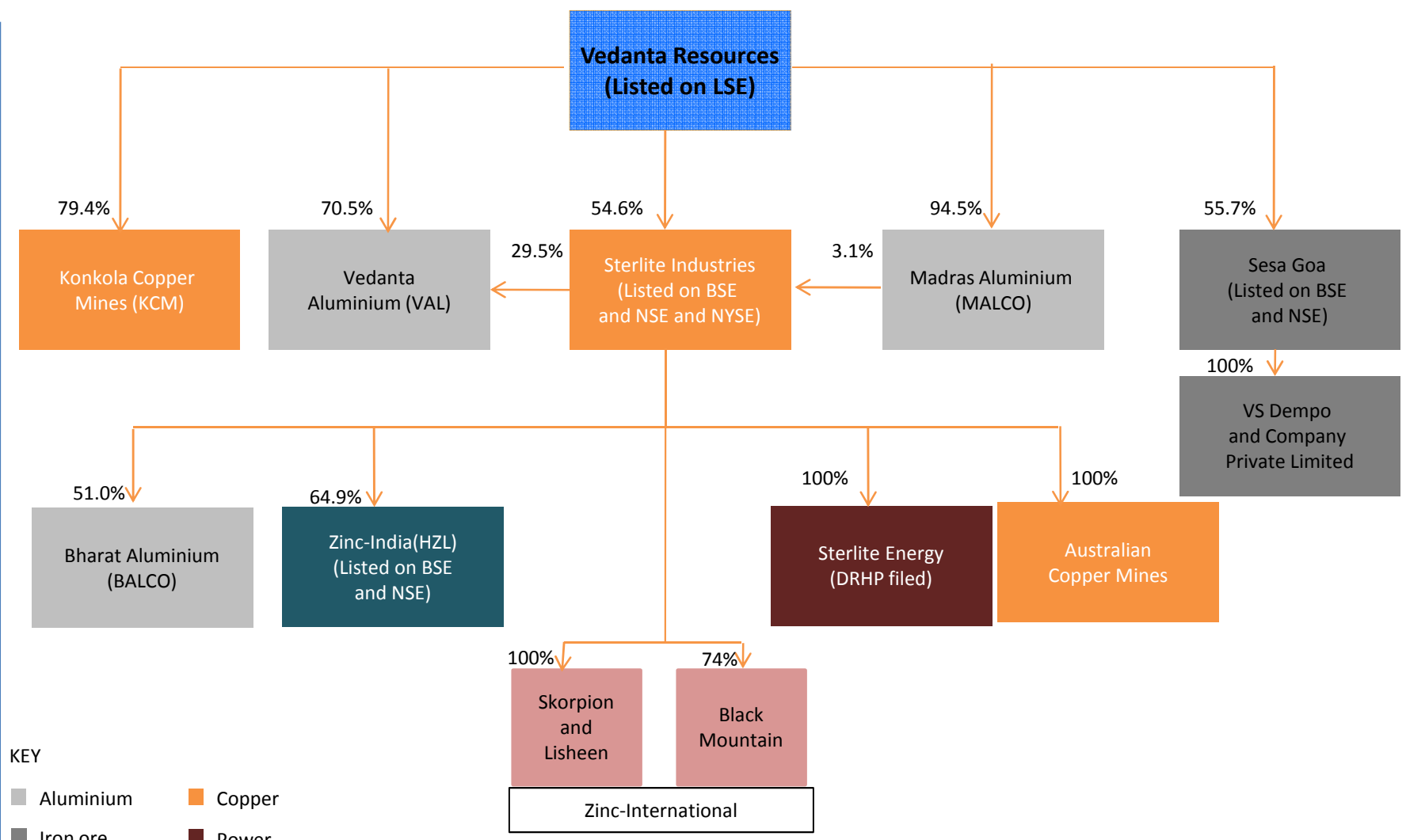
Zinc-International: Consideration Paid

Particulars	Skorpion (\$mn)	Black Mountain (\$mn)	Lisheen (\$mn)	Total (\$mn)
Debt-Cash free acquisition price announced on 10 May 2010	698	332	308	1,338
Add: Opening Net Cash / (Net Debt)	46	(100)	209	155
Share Value	744	232	517	1,493
Add: Accrued Interest on Share Value from the period of announcement of acquisition up to completion	51	29	29	109
Less: Dividend and Others	(88)	(1)	-	(89)
Share Value as at acquisition completion	707	260	546	1,513
Add: Settlement of loans as at closing of acquisition	-	88	-	88
Cash paid on closing	707	348	546	1,601

Note: Economic ownership, including profits and cash flows passing to Sterlite with effect from of 1 January 2010.



Vedanta Group Structure



- KEY
- Aluminium
 - Iron ore
 - Zinc-India (HZL)
 - Copper
 - Power
 - Zinc-International



Sterlite Industries (India) Limited

Structure as at 30 September 2010. Zinc-International acquisition completed – February 2011