DELIVERING THROUGH THE CYCLE

Investor Update Presentation
30 June 2009

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DELIVERING THROUGH THE CYCLE

Investment Highlights

Sterlite Overview

Zinc - Lead

- Largest integrated zinc producer globally
- Zinc-lead capacity: Current - 754 ktpa; Increasing to 1,065 ktpa by mid-2010
- Lowest quartile cost producer[1]
- 19 year average mine life[2]

Aluminium

- Economically fully integrated aluminium producer, including power[3]
- Current capacity : 319 ktpa[3]; Increasing to 1.1 mtpa[4] (including Sterlite's economic interest in VAL) by 2013
- Lowest quartile costs[1]

Copper

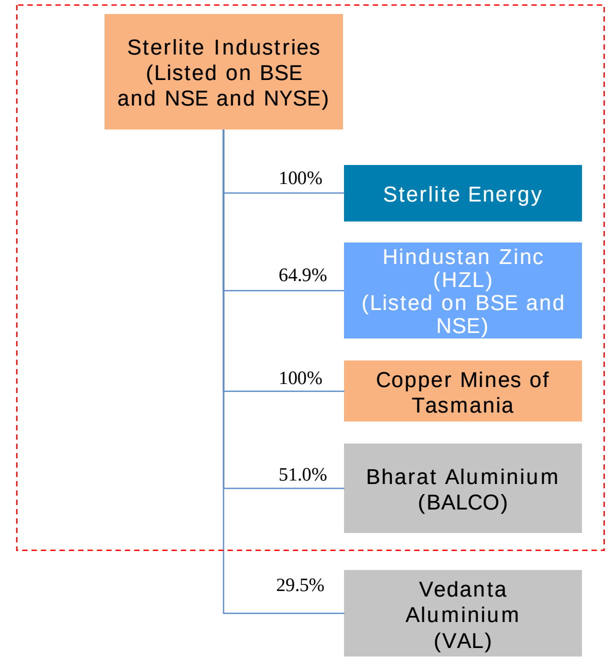
- Amongst the largest copper custom smelters globally
- Current capacity of 400 ktpa
- Value accretive by-product management

Power

- Strong track record of building and operating power projects
- Capacity[3] (including Sterlite's economic interest in VAL):
  - Current - 1,550 MW
  - Under construction 3,985 MW
- Significant growth opportunities

Silver

- Co-product of Zinc-Lead
- No additional processing costs, Revenues = Segment Profit
- Planned capacity increase to 16.0 mn oz from 4.8 mn oz



Vedanta Group has 61.5% economic ownership in Sterlite and 70.5% ownership in VAL

Zinc Copper Aluminum Power

Sterlite Consolidated Group

1. Source: Brook Hunt
2. Based on FY2009 zinc and lead production and total proven and probable reserves as at 31 March 2009
3. Including Sterlite's 29.5% equity interest in VAL
4. Increase in capacity comprises 325ktpa increase at BALCO and 29.5% of the 1,750 ktpa increase at VAL, representing Sterlite's 29.5% equity interest in VAL

Sterlite is Uniquely Positioned . . .

- World class asset base and high quality zinc, bauxite, coal and silver reserves[1]
- Low cost of production[2]
- High level of integration including power and coal
- Abundant skilled manpower
- Demonstrated project execution skills – ahead of time and on budget
- Strong portfolio of greenfield and brownfield projects
- Power – proven experience in building and operating plants
- Demonstrated turnaround skills
- Strong balance sheet with cash and short term investments of $3.8 bn

1. Considering Sterlite's 29.5% equity interest in VAL
2. Source: Brook Hunt

. . . to benefit from India's Growth Story

- Strong GDP growth rate
  - FY2009 – 6.7%, FY2010E – 7.0%[1]
  - Exports account for only 23% of GDP[2]
- Coalition government decisively re-elected in May 2009
  - Renewed focus on reforms and reviving growth across sectors
  - Potential divestment to reduce fiscal deficit
- In five years to 2012, Government plans $514 bn of infrastructure investment, $167 bn on power[3]
  - Expected to result in strong long-term metal consumption growth
- Excellent reserves positions
  - World's fourth largest recoverable coal resources – 264.5 billion tonnes[4]
  - World's seventh largest bauxite reserves – 2.2 billion tonnes[5]

1. Source: Government of India, Economic Survey 2008-2009
2. Source: Ministry of Statistics and Programme Implementation, Government of India
3. Source: 11th Five Year Plan (2007-2012), Planning Commission, Government of India based on RS. 40 = $1 exchange rate
4. Source: Geological Survey of India
5. Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2009

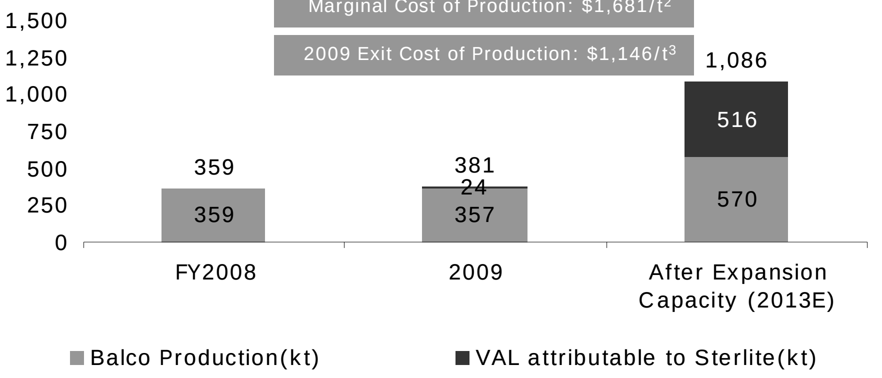
Strong Growth Pipeline

Aluminium

LME Aluminium Cash Price: $1,616/t[1]

Marginal Cost of Production: $1,681/t[2]

2009 Exit Cost of Production: $1,146/t[3]

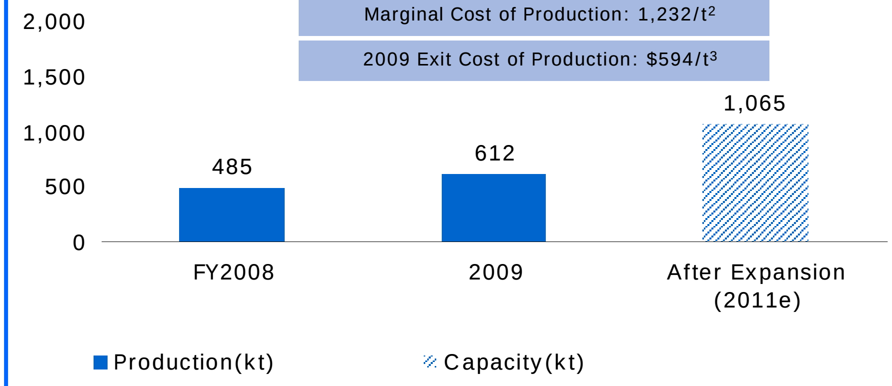


Zinc-Lead

LME Zinc Cash Price: $1,554/t[1]

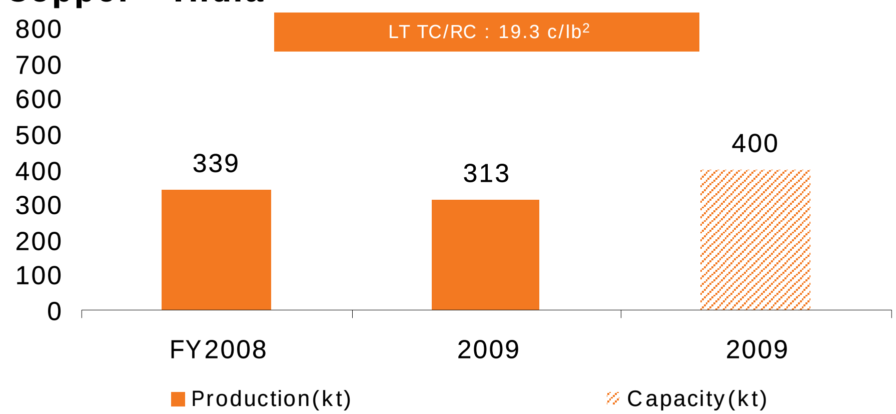
Marginal Cost of Production: 1,232/t[2]

2009 Exit Cost of Production: $594/t[3]

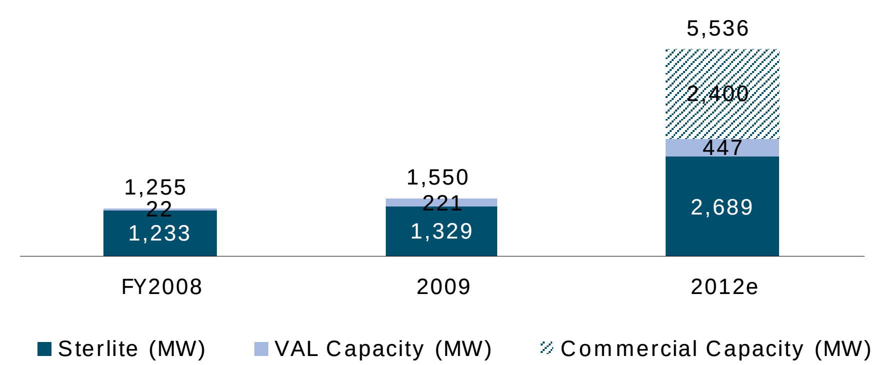


Copper - India

LT TC/RC : 19.3 c/lb[2]



Power[4,5]



Plus Silver and Phosphoric acid

1. Based on LME prices for 30 June 2009
2. Represents cost of production at the 85th percentile of worldwide production for CY2009 according to Brook Hunt. LT TC/RC is Japanese long-term TC/RC settlements for CY2009, according to Brook Hunt
3. Exit cost of production represents cost of production for month of March 2009. Zinc costs are without royalties
4. Represents Sterlite's equity interest in VAL Jharsuguda project through Sterlite's 29.5% interest in VAL
5. Excludes Talwandi Sabo project (1,980 MW)

Strong Track Record of Prudent, Profitable Growth & Returns

Decisive action taken in response to market conditions	■ Marginal aluminium production shut down (BALCO I smelter) ■ Sale of surplus power ■ Working capital management ■ Cost reduction in aluminium operations ■ Reduction / deferral of capital expenditure
Strong financial results	■ Consolidated revenues of US$4,244 mn ■ Consolidated Segment Profit[1] of US$987 mn; margin of 23.3% ■ Net Income of US$581 mn
Increasing returns to shareholders	■ ROCE[2] of 22.7% despite major capital investment programme ■ FY2009 dividend – 7 US cents per share
Strong balance sheet	■ Cash and short term investments of $3.8 bn ■ Well-funded organic growth programme ■ Access to domestic non-recourse project finance ■ Successfully secured $3.7 billion[3] in project financing in last six months

1. Segment profit is calculated by adjusting operating income for depreciation, depletion and amortization, voluntary retirement scheme expenses, impairment of assets and guarantees, impairment of investments and loans and gain on sale of real estate, as applicable. Segment profit is not a recognized measurement under US GAAP. Segment Profit Margins equals Segment Profits divided by Net Sales
2. This is calculated using FY2009 operating income (less extraordinary items) less tax expense, which is then divided by shareholders' equity plus net debt plus minority interest
3. Comprises $1.3 bn for Sterlite Energy projects plus $2.4 bn for VAL projects (subject to final documentation). Sterlite has a 29.5% equity interest in VAL

Delivering on our Strategy

Increasing Capacity	■ Aluminium to 1.1 mtpa[1] ■ Zinc / Lead to 1.0 mtpa ■ Power to over 5,500 Mw[1] ■ Silver to 16.0 mn oz
Focus on asset optimisation and reducing CoP	■ 387MU[2] of surplus power sales in FY2009 ■ 31% increase in Silver production in FY2009 to 3.4 moz ■ Significant reserves upgrade at Hindustan Zinc, +27.8 mt, represents 4.2 times FY2009 mined output
Consolidating minorities	■ BALCO arbitration progressing ■ Intention to exercise HZL call option[3]
Seeking further growth	■ Opportunities in commercial energy ■ Proposed acquisition of Asarco assets

1. Including 29.5% of VAL's production/capacity representing Sterlite's 29.5% equity interest in VAL
2. MU = million units, where units = kwh
3. Intention to exercise call option to acquire Government of India's remaining 29.5% interest. The percentage we may acquire is subject to the Government of India (i) exercising in full its right to sell 3.5% to HZL employees and (ii) selling its remaining interest pursuant to a public sale before Sterlite can exercise its call option. In addition, it has been reported in the media that the Government of India is considering asserting that our subsidiary, SOVL, has breached a covenant under the shareholders' agreement between the Government of India and SOVL with respect to HZL, and therefore may assert a put or call right with respect to the shares of HZL. If the Government of India makes such assertion we intend to contest it vigorously and believe we have meritorious defences.

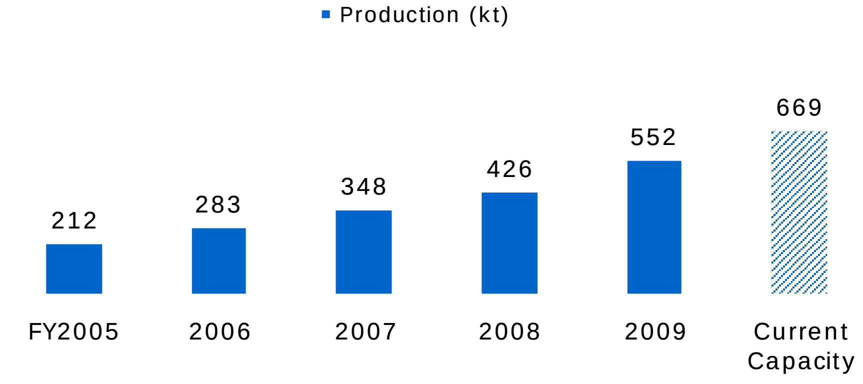
DELIVERING THROUGH THE CYCLE

Operational Review

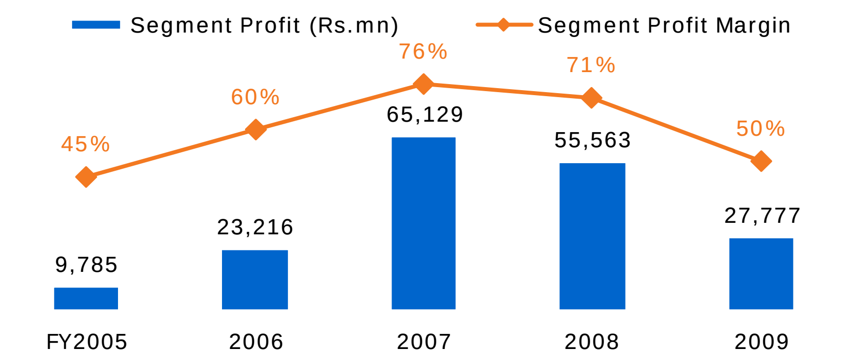
Zinc

- Record annual production of zinc, lead and silver
- 50% segment profit margin[1] despite significant fall in LME prices
- Underlying costs held flat
- FY2009 silver revenues of $45 mn
  - Increase in silver feed grade
- Exploration success
  - Total reserves of 88.9 mt with 11.8 mt contained metal; 27.8 mt of reserves (4.3 mt contained metal) added in FY 2009
  - 19 year average mine life[2]
  - Exploration continues

Zinc production



Segment Profit[1]



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2. Based on FY2009 zinc and lead production and total proven and probable reserves as at 31 March 2009

Zinc-Lead Expansion Projects

Current capacity of 754 ktpa increasing to 1,065 ktpa

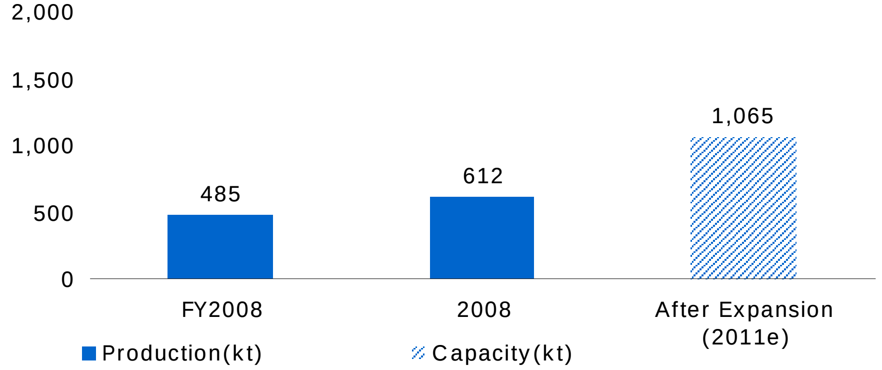
Smelter and CPP expansion

- 210ktpa zinc smelter, 100ktpa lead smelter and 160Mw CPP project
- Smelter projects to be completed by mid 2010

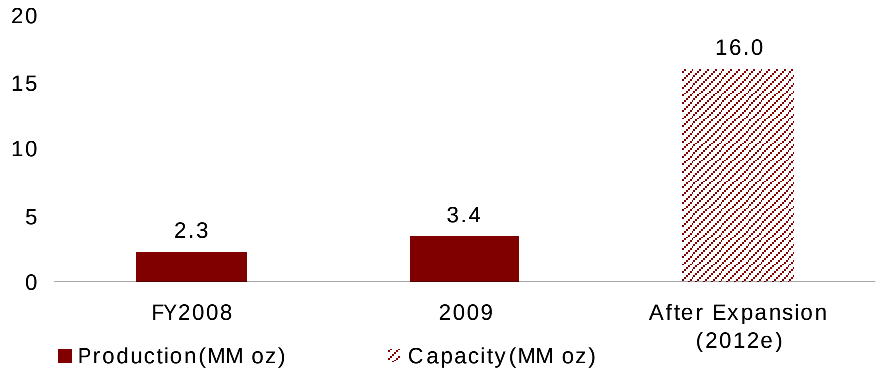
Mine expansions

- Rampura Agucha (from 5.0mtpa to 6.0mtpa)
  - Major ordering completed
  - Scheduled for completion in mid 2010
- Sindesar Khurd (from 0.3mtpa to 1.5mtpa)
  - Ramp portal completed
  - Resources mobilised to achieve accelerated mine development
  - Progressive commissioning from mid 2010
- Annual silver capacity planned to increase to 16.0 mn oz from 4.8 mn oz

Zinc-Lead



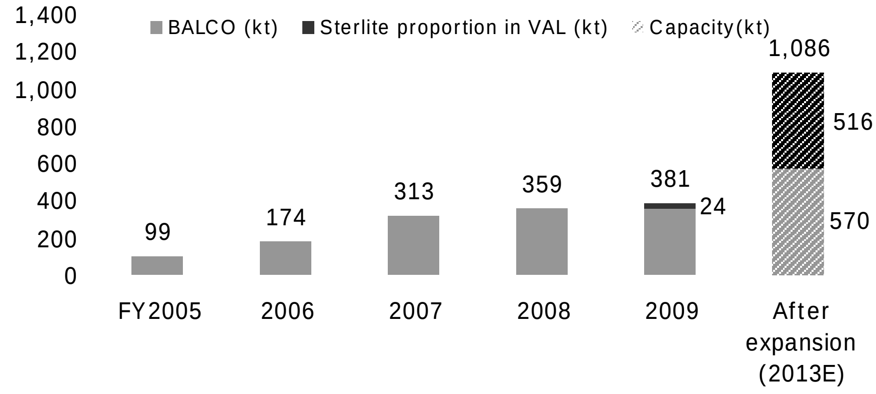
Silver



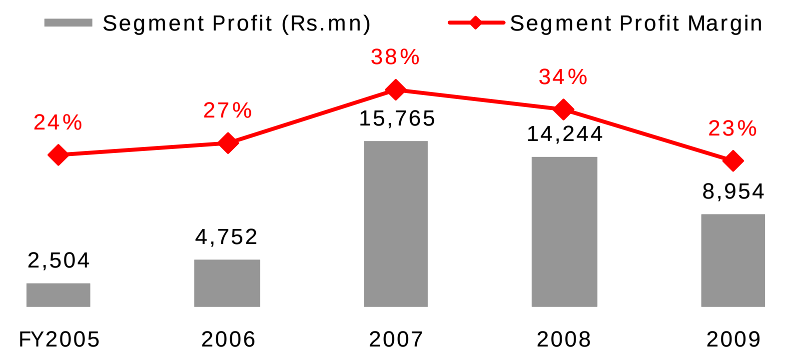
Aluminium

- Record annual production, up 6%[1]
  - 24kt[2] from new VAL Jharsuguda smelter
- Stream 1 from VAL Lanjigarh alumina refinery attained full capacity
- Significant fall in LME prices
  - Shut down of production at BALCO I in response to market conditions
  - Sale of surplus power to optimise returns
- H2 FY2009 reduction in CoP: BALCO II exit CoP of $1,146/t

Aluminium production[1]



Segment Profit[3]



1. Including Sterlite's 29.5% equity interest in VAL
2. Represents Sterlite's equity interest in Vedanta Aluminium's Jharsuguda project through Sterlite's 29.5% interest in VAL
3. Segment profit is calculated by adjusting operating income for depreciation, depletion and amortization, voluntary retirement scheme expenses, impairment of assets and guarantees, impairment of investments and loans and gain on sale of real estate, as applicable. Segment profit is not a recognized measurement under US GAAP. Segment Profit Margins equals Segment Profits divided by Net Sales

Aluminium Expansion Projects

BALCO

Korba: 325 ktpa smelter & 1,200 MW CPP

- Construction commenced
- First metal tapping from October 2010, full commissioning by September 2011

Vedanta Aluminium Limited[2]

Lanjigarh 1.4mtpa alumina refinery

- Stream I has attained full capacity
- Stream II recently commissioned
- Niyamgiri bauxite by conveyor – mid FY2010

Lanjigarh 3.6mtpa expansion

- 600ktpa debottlenecking progressing well and to be completed by March 2010
- 3 mpta major orders placed, commissioning of all three lines by mid 2011

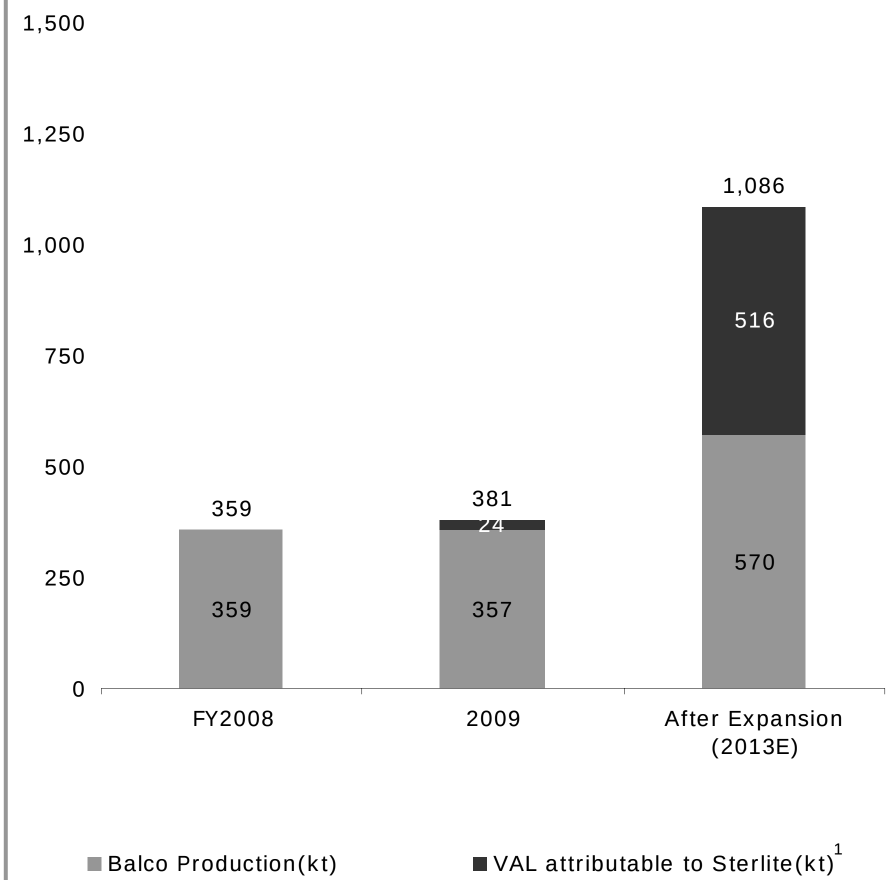
Jharsuguda I: 500 ktpa smelter and 1,215Mw CPP

- Phase I: 250 ktpa fully commissioned, six months ahead of schedule
- Phase 2: Phased commissioning by June 2009 through to end of FY2010

Jharsuguda II: 1.25mtpa smelter (4 lines)

- Phased commissioning from March 2010, full commissioning of three Lines by September 2011, Line 4 by September 2012

Aluminium production and proposed capacity

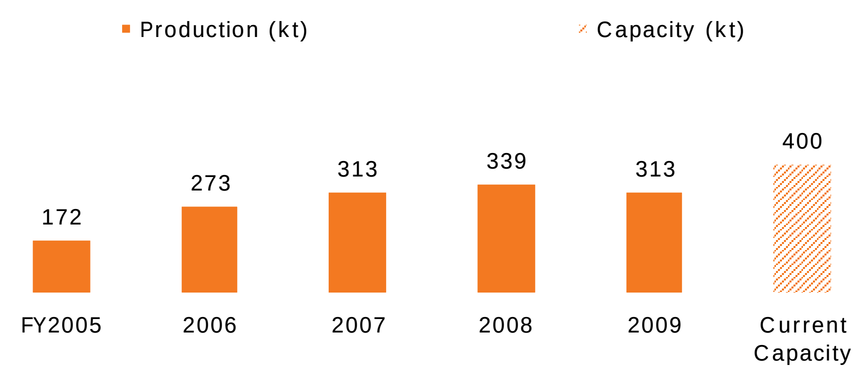


1. Represents Sterlite's 29.5% equity interest in Vedanta Aluminium's Jharsuguda projects
2. On a 100% basis. Sterlite owns 29.5% of Vedanta Aluminium, with the remaining 70.5% owned indirectly by other parties in the Vedanta Group

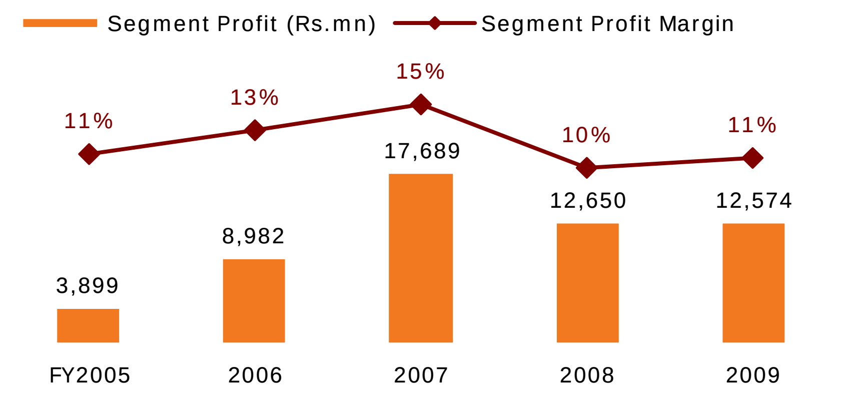
Copper: India and Australia

- Amongst the top 15 largest copper custom smelters globally[1]
- Stable operating cost performance
- Improved segment profit margins[2,3]
- Improved production volumes of Phosphoric acid[3]
- Lower FY2009 volumes on account of shutdowns
- TC/RCs
  - FY2009: down 25% at 12 USc
  - Expect improvement in 2010
- Copper Australia: Stable operations

Copper-India production



Segment Profit[2]



1. Based on production volume. Source: Brook Hunt
2. Segment profit is calculated by adjusting operating income for depreciation, depletion and amortization, voluntary retirement scheme expenses, impairment of assets and guarantees, impairment of investments and loans and gain on sale of real estate, as applicable. Segment profit is not a recognized measurement under US GAAP. Segment Profit Margins equals Segment Profits divided by Net Sales
3. In FY2009 as compared to FY2008

Copper: Proposed acquisition of Asarco

- Agreement for Sterlite to buy substantially all of the operating assets of Asarco
- Asarco is the 3rd largest copper producer in the US
  - 241 kt of refined copper production in 2008
  - Total refining capacity of c.450 ktpa
  - Estimated reserves of 5.2 mn tons of contained copper[1]
  - 2008 revenues of US$1.9 bn and profit before tax of US$393 mn
  - Leverages Sterlite's operational and project execution skills to develop and optimize Asarco's mines and plants
  - Provides diversification into the North American market
- Agreed offer price of US$1.87 bn
  - US$1.1 bn in cash
  - US$770 mn as a secured non-recourse non-interest bearing promissory note payable over a period of 9 years, linked to movement in copper prices
- Asarco plan of reorganization, sponsored by Sterlite, subject to approval of US Bankruptcy Court
  - Decision expected after mid-August 2009
  - Two other potential acquirers have submitted competing proposals

1. As of January 2008

DELIVERING THROUGH THE CYCLE

Power

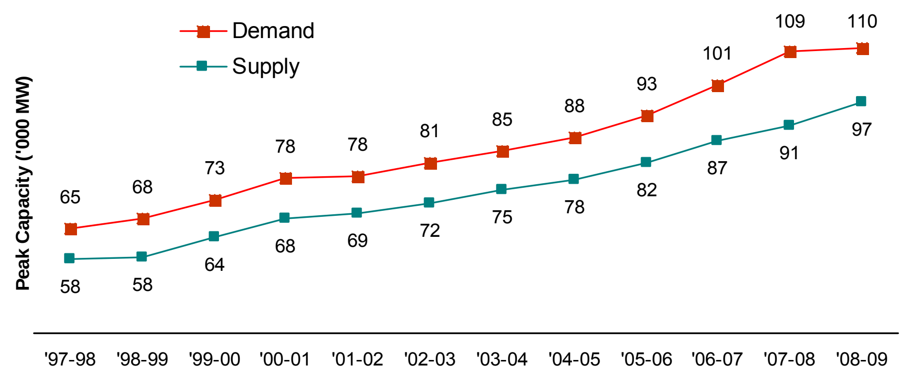
Strategic Rationale

Why Power?	Why Sterlite?
Supply-demand deficit of power in India	Proven management track record
Significant additional capacity requirement in the next few years	Strong execution skills with experience in building & managing large power projects
Policy changes transforming the Indian power sector	One of India's largest private sector power producers
Trend towards rise in traded volumes and tariffs	Demonstrated mining expertise
Attractive fundamentals of coal based power in India	Secured fuel linkages for low cost production

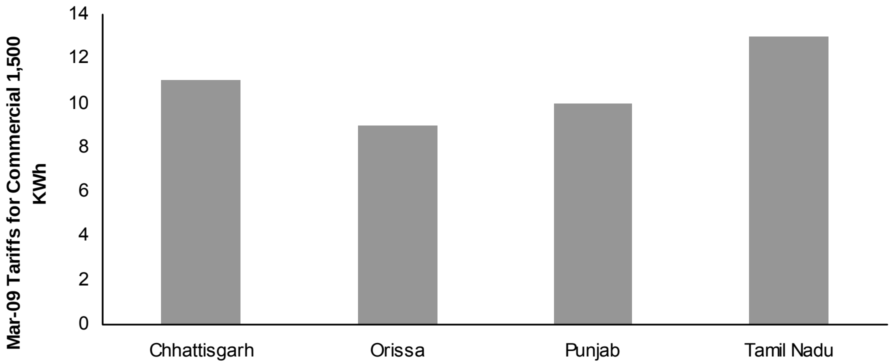
Commercial Power in India: A Significant Growth Sector

- Supply shortages—average peak deficits of 10 - 12%
- Low per capita consumption (India: 503kwh, China 2,040 kwh, OECD 8,381kwh and World: 2,659kwh)[1]
- Demand driven by GDP growth
- Government priority to promote investment
  - Sector de-regulated
  - Regional market deficits
  - Target increase in capacity from 2007 to 2012: 100,000 MW
  - UMPP opportunities
- Abundance of cheap coal (264.5 bn of coal resources)[4]

Consistent Supply Shortage[2]

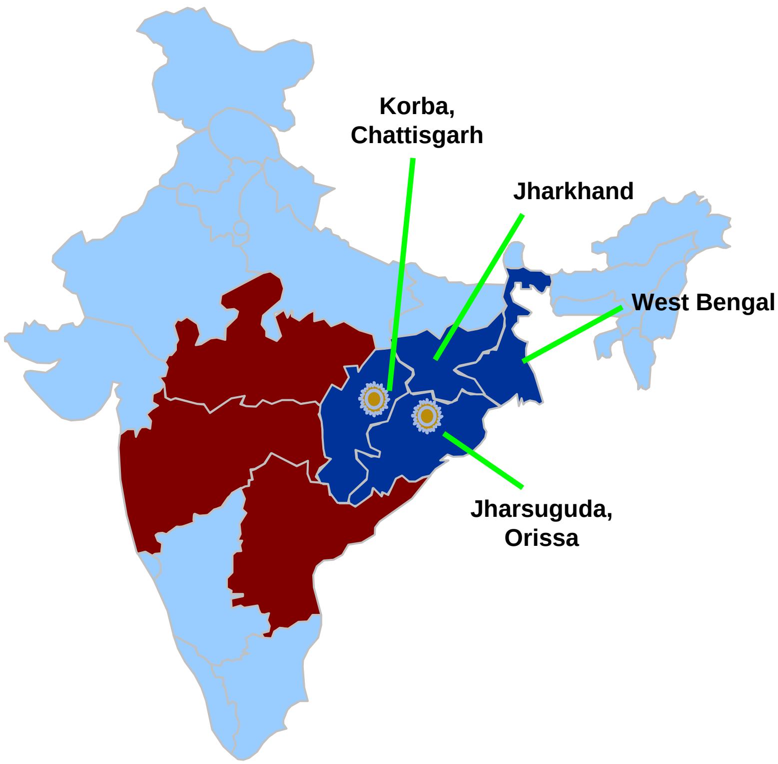


Tariffs[3]
(USc/kwh)



1. Source: International Energy Agency, Key World Energy Statistics 2008 (2006 data)
2. Source: Ministry of Power
3. Source: Infraline
4. Source: Geological Survey of India

Strategically Located in Coal Rich Parts of India



States with > 25 billion tons coal reserves

States with > 8 billion tons coal reserves

Power plants fired by Coal

Located in Close Proximity to Coal Mines

Significant Group Presence in Region

Region Accounts for over 80% of India's Coal Reserves [1]

States	Total Coal Reserves (Bn Tonnes) [1]
Jharkhand	73.9
Orissa	62
Chattisgarh	41.4
West Bengal	27.8

1. Source: Ministry of Coal

Attractive Portfolio of Power Projects

Under Construction

- SEL Jharsuguda 2,400 Mw (4 * 600 MW)
  - Coal-based, subcritical
  - Commercial power generation
  - First unit to be commissioned in Q3 FY2010, full completion by Q2FY2011
  - 112 mn tonnes of coal blocks allotted
  - Total Capital expenditure of $1.9 bn

Opportunities

- SEL Talwandi Sabo 1,980 MW power plant in Punjab, India
  - Commercial PPA signed for 100% capacity
  - Approvals in place
  - Capital cost of c.US$2.1 bn
  - Attractive opportunity in a power deficit state
- VAL 1,980 MW CPP in Jharsuguda
  - Capital cost of US$2.0 bn
  - Will feed energy requirements for 1.25 mtpa aluminium smelter

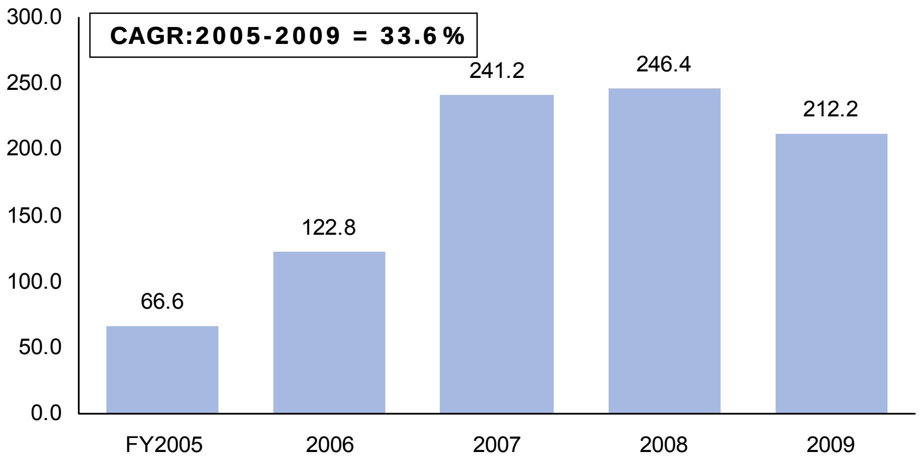
DELIVERING THROUGH THE CYCLE

Financial Review

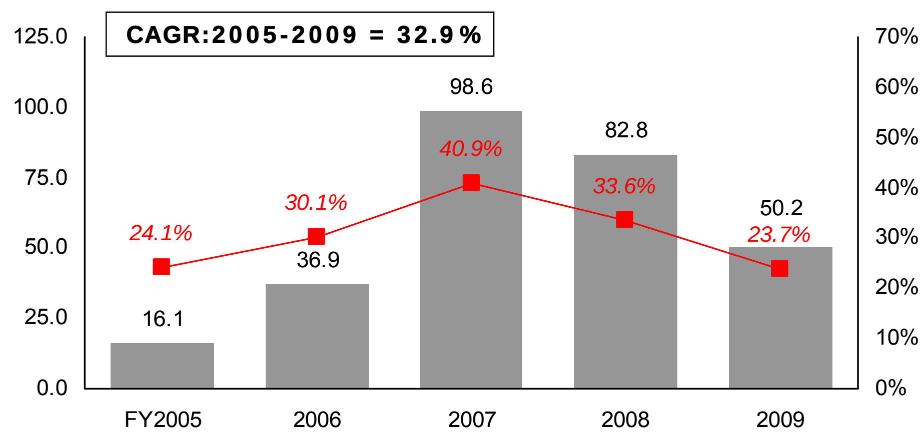
Financial Overview

Margin

Net Sales (Rs. mn)



Segment Profit (Rs. mn)[1]



Resilient Financial Performance despite weak operating environment in 2009

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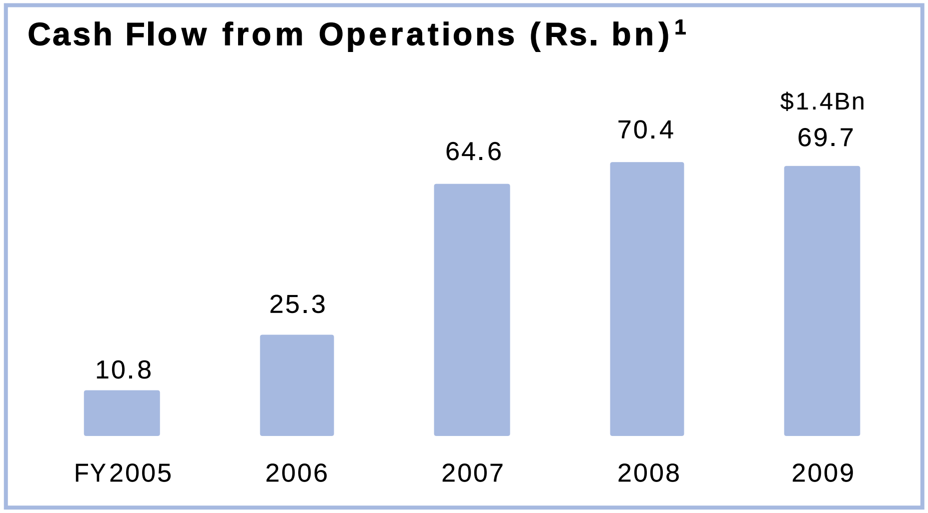
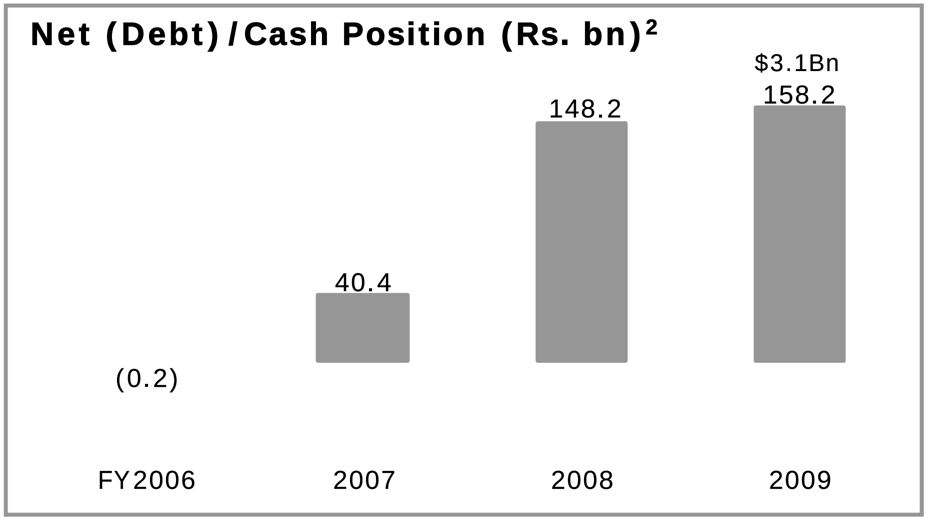
Strong Financial Position and Cash Flow Generation Capability





Capital requirements		**$ bn**
ASARCO Acquisition		1.1
BALCO	1.8	
Less : Spent to date	(0.3)	1.5
Buy out of minorities		1.7
Sterlite Energy	1.9	
Less : Funding in place	(1.9)	-
Sterlite's share of contribution to VAL equity	1.4	
Less : Contributed so far	(1.0)	0.4
Less : Existing Cash and Short Term Investments[3]		(1.6)
Total		**3.1**

1. Cash from operations before investment in short-term investments
2. Cash + restricted cash + short term investments – long term debt – short term debt
3. Cash and short term investments of Sterlite Industries (India) Limited unconsolidated with its subsidiaries

DELIVERING THROUGH THE CYCLE

Conclusion

Delivering Through the Cycle . . .

- Demonstrated project execution skills in India, including in energy
- High level of integration including power and coal
- Ideally positioned to capitalise on India's natural resources
  - World class asset base and high quality zinc, bauxite, coal and silver reserves[1]
- Low cost of production
  - Top quartile zinc producer[2]
  - Top quartile aluminium producer[2]
- Strong balance sheet with cash and short term investments of $3.8 bn
  - Investment Grade Rating (AA) by CRISIL[3]
- Opportunities in power

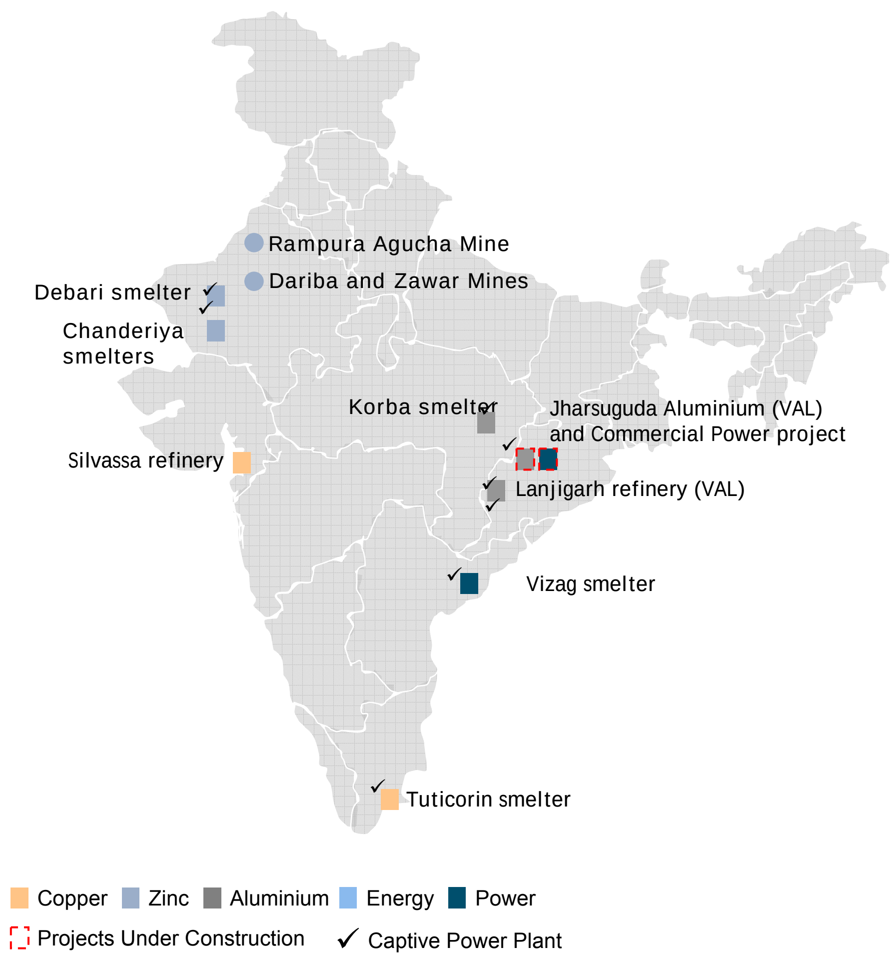
1. Considering Sterlite's 29.5% equity interest in VAL
2. Source: Brook Hunt
3. CRISIL, a Standard and Poors company

DELIVERING THROUGH THE CYCLE

Appendix

World Class Assets

India



Australia

Sensitivities

Currency sensitivities on Operating Income

Impact on Group of a 10% movement in currency	Operating Income ($ mn)
INR / USD	$161.3
AUS$ / USD	$13.3

Commodity price sensitivities on Operating Income

Impact on Group of a $100 movement in LME price	Operating Income ($ mn)
Copper Price	$3.1
Aluminium Price	$37.1
Zinc Price	$58.0

Project Capital Expenditure

	Revised Cost (US$ mn)	Spent to 31-Mar-09	Committed but not yet spent	Status
Hindustan Zinc				
Chanderiya smelter (zinc)	306.5	304.8	1.7	In Progress
Wind energy	141.0	141.0	—	Completed
Zinc-lead debottlenecking	148.5	146.7	1.8	Completed
Dariba smelting project (zinc)	720.0	244.3	279.2	In Progress
Sterlite Energy				
Commercial energy	1,900.0	882.2	533.1	In Progress
BALCO				
Korba III smelter (Aluminium)	1,820.0	297.3	415.6	In Progress
Vedanta Aluminium[1]				
Lanjigarh I refinery (Alumina)	1,015.3	932.0	83.3	Stream I Completed
Jharsuguda I smelter (Aluminium)	2,112.8	2,009.7	103.1	Stream II nearing completion
Jharsuguda II smelter (Aluminium)	2,920.0	375.1	1,286.5	In Progress
Lanjigarh II refinery (Alumina)	1,720.0	88.5	700.5	In Progress

1. Of which Sterlite's equity interest in Vedanta Aluminium is 29.5%

Key Income Statement Items

Rs. in mn – As of March 31	2007	2008	2009	2009 $ mn
Net Sales	**241,246**	**246,414**	**212,192**	**4,171.3**
Other operating revenue	2,251	2,616	3,683	72.4
Total revenue	**243,497**	**249,030**	**215,875**	**4,243.7**
Cost of Sales	(144,798)	(164,869)	(164,566)	(3,235.1)
Selling and distribution expenses	(3,444)	(3,808)	(3,847)	(75.6)
General and administration expenses	(2,633)	(4,572)	(5,078)	(99.8)
Other income/expense	889	(628)	(137)	(2.7)
Operating Income	**93,511**	**75,153**	**42,247**	**830.5**
Interest and other	23	7,673	12,108	238.0
Income before income taxes, minority interests and equity in net / (loss) / income of associate	**93,534**	**82,826**	**54,355**	**1,068.5**
Income taxes	(25,159)	(21,624)	(6,446)	(126.7)
Income after income taxes, minority interests and equity in net / (loss) / income of associate	**68,375**	**61,202**	**47,909**	**941.8**
Minority Interests	(21,053)	(19,093)	(12,346)	(242.7)
Equity in net (loss)/income associate, net of taxes	24	491	(6,001)	(118.0)
Net income from continuing operations	**47,346**	**42,600**	**29,562**	**581.1**
Income from divested business, net of tax	86	0	0	0
Net Income	**47,432**	**42,600**	**29,562**	**581.1**

Key Balance Sheet Items

Rs. in mn – As of March 31	2007	2008	2009	2009 $ mn
Assets				
Cash & cash equivalents	9,436	12,363	2,701	53.1
Restricted cash	1,093	1,659	3,776	74.2
Short-term investments and deposits	51,325	154,364	186,302	3,662.3
Accounts receivable, net	15,769	13,340	7,639	150.2
Inventories	28,645	33,358	24,622	484.0
Other current assets	12,923	16,871	26,972	530.2
Total Current Assets	**119,191**	**231,955**	**252,012**	**4,954.0**
Long term investments	1,139	1,123	1,044	20.5
Property, plant and equipment, net	99,513	121,582	164,243	3,228.7
Other long term assets	6,038	21,519	25,787	507.0
Total non Current Assets	**106,690**	**144,224**	**191,074**	**3,756.2**
Total Assets	**225,881**	**376,179**	**443,086**	**8,710.2**
Liabilities				
Short -term plus current portion of long term debt	8,353	9,909	19,351	380.4
Short - term Loan from related parties	-	281	851	16.7
Accounts payable	35,336	43,865	54,636	1,074.1
Other current liabilities	14,235	12,004	14,923	293.3
Current Liabilities	**57,924**	**66,059**	**89,761**	**1,764.5**
Long term debt, net of current portion	13,128	9,949	14,384	282.8
Other non current liabilities	18,179	20,950	22,199	436.4
Total non current liabilities	**31,307**	**30,899**	**36,583**	**719.2**
Total liabilities	**89,231**	**96,958**	**126,344**	**2,483.7**
Minority interest	39,690	58,098	69,877	1,373.6
Total shareholders' equity	**96,960**	**221,123**	**246,865**	**4,852.9**
Total liabilities and shareholders' equity	**225,881**	**376,179**	**443,086**	**8,710.2**

Key Cash Flow Items

Rs. in mn – As of March 31	2007	2008	2009	2009 $ mn
Cash Flow From Operating activities				
Net income	47,432	42,600	29,562	581.1
Depreciation, depletion and amortization	5,970	7,060	7,845	154.2
Net realized and unrealized investment gains	(2,280)	(4,511)	(2,254)	(44.3)
Deferred income taxes	1,967	3,214	(1,595)	(31.4)
Equity in net loss/(income) of associate	(24)	(491)	6,001	118.0
Minority interests	21,053	19,093	12,346	242.7
Other	(950)	620	(1,407)	(27.7)
Change in assets and liabilities	(32,750)	(85,179)	27,706	544.7
Net cash provided by/(used in) operating activities	**40,418**	**(17,594)**	**78,204**	**1,537.3**
Cash Flow From investing activities				
Purchases of property, plant and equipment (net)	(24,191)	(25,406)	(31,375)	(616.8)
Investment in/Loan to associate	(1,315)	(19,890)	(11,450)	(225.1)
Other	1,500	(11,108)	(42,969)	(844.6)
Net cash used in investing activities	**(24,006)**	**(56,404)**	**(85,794)**	**(1,686.5)**
Cash Flow From Financing activities				
Proceeds from issuance of equity shares	-	80,506	-	-
Net changes in restricted cash	(9)	34	(2)	(0)
Proceeds from/(repayment of) short-term debt	(11,451)	(2,928)	2,136	41.9
Payment of dividends, including dividend tax	(4,450)	(1,030)	(3,812)	(74.9)
Net cash (used in)/provided by financing activities	**(15,910)**	**76,582**	**(1,678)**	**(33.0)**
Effect of exchange rate changes on cash and cash equivalents	(324)	343	(394)	(7.7)
Net increase in cash and cash equivalents	**178**	**2,927**	**(9,662)**	**(189.9)**

Policy Changes Transforming the Indian Power Sector

Regulations/ Guidelines	Provisions	Impact
Electricity Act, 2003	– Allows electricity trading – Allows open access to transmission – De-licenses generation	– Facilitates direct sale of power by IPPs to consumers – Increased trading volumes and tariffs for electricity
National Tariff Policy (Issued following the tariff order for 2004 - 09)	– Tariffs to be based on competitive bidding – Transmission tariffs to be set based on distance, direction and quantum of power	– IPPs can retain efficiency gains, leads to higher returns even for regulated PPAs – More investment to come into transmission sector, facilitates evacuation of power
Expert Committee on Coal Sector, 2004	– Allocation of coal blocks to power sector	– Improved fuel linkages for the power companies