



Strategy in Action

Long Term Value

Optimising Returns

We aim to optimise our costs through a culture of continuous improvement and maintain our position as a low cost producer in all our businesses. During the year, we maintained our low cost base across our portfolio.

Reserves and Resources

During FY 2011–12, our exploration activities resulted in the successful addition of Reserves and Resources in Zinc-India, prior to depletion of 0.8mt, which was around 1.75 times more than we mined during the year.

Key Achievements

- > 1.4mt contained metal added to Reserves and Resources in Zinc-India, prior to depletion of 0.8mt, which was around 1.75 times more than we mined during the year.
- > Cairn India's exploration programme in Sri Lanka yielded successful results, with two out of three exploration wells resulting in gas discoveries. Cairn India has now entered the second stage of exploration in Sri Lanka. The other exploration success at Cairn India came from the second successive discovery Nagayalanka-SE-1 in the KG-ONN-2003/1 block.



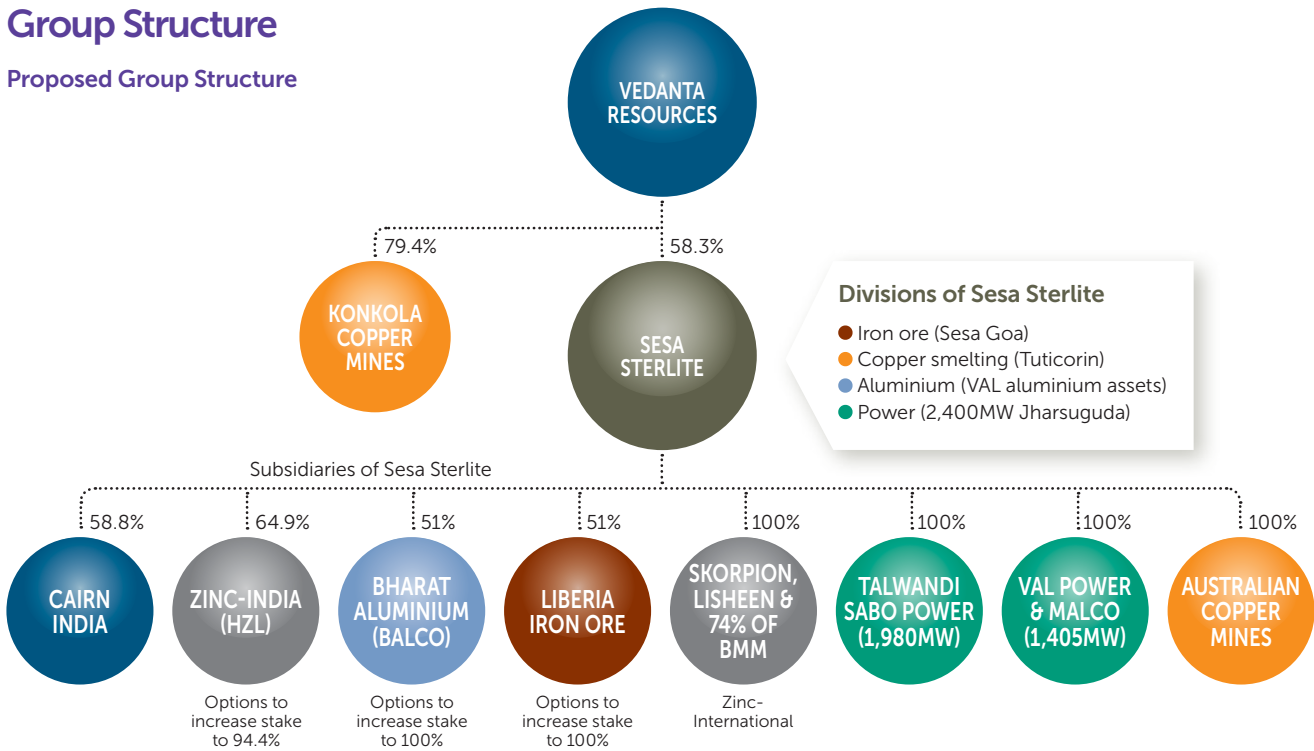
This is the largest onshore discovery in the KG basin to date and has helped establish a resource of around 550mmboe.

- > Significant exploration success in the iron ore business, with the net addition of 68mt to Reserves and Resources, extending the mine life to 18 years.

Main image: Aerial view of Skorpion Mines.
Above left: Cast bar in copper rod plant, Sterlite Tuticorin.

Group Structure

Proposed Group Structure



This has been an important year for Vedanta in creating long-term value for shareholders. In line with our stated strategy to unlock value for shareholders by simplifying our Group structure, in February 2012 we announced a consolidation and simplification of the Group. As part of this consolidation, Sesa Goa and Sterlite will merge to form a new company to be called Sesa Sterlite Ltd.

Additionally, Vedanta Resources' stake in Vedanta Aluminium and Cairn India will move to Sesa Sterlite, and MALCO will merge into Sesa Sterlite. The new entity, Sesa Sterlite, will be one of the world's largest diversified natural resources companies, with exposure to base metals, bulk commodities and oil and gas.

This consolidation will remove all cross-holdings within the Group, create a more efficient capital structure by better aligning assets and liabilities, enhance visibility of earnings and cash flows, and generate capital, tax and operational synergies. We believe the simplified and more efficient structure will unlock and create significant value for shareholders. The transaction is expected to be completed in CY 2012, and is subject to regulatory and shareholder approvals.

Current Group Structure

