Non-Ferrous Metals Conference
Aluminium in India – The Growth Story

Pramod Suri, CEO &
Whole Time Director
Bharat Aluminium Co

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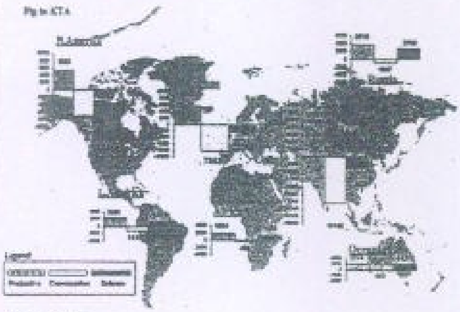
Cautionary Statement and Disclaimer

The Global Aluminium Scenario (2006)

Fig in KTA



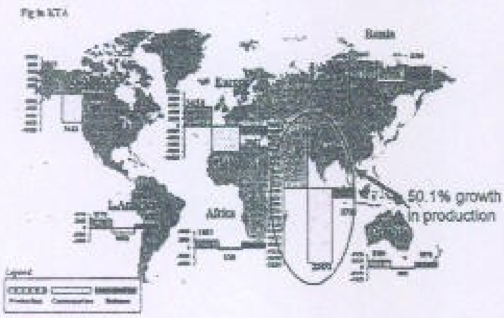
Global Market Scenario

Fig in KT	Prodn	Demand	Delta
2006	33,965	34,652	(687)
2007	38,284	37,366	918
2008	41,089	40,054	1035
2009	42,289	42,164	125

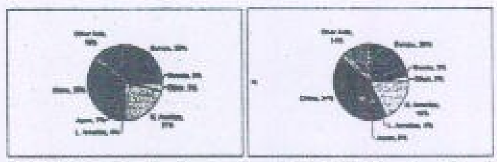
- Prodn growth at a CAGR of 8% p.a. (2006-09)
- Demand growth at a CAGR of 6.8% p.a. (2006-09)
- Market has moved to surplus in 2007 from deficit in 2006
- Market is expected to be in surplus from 2007 onwards till 2009

Global Aluminium Scenario – Forecast for 2009

Fig in KTA



The big picture : The world on a demand upswing



Total in 2006 : 34.7 million MT — Total in 2009 : 42.1 million MT

- Highest demand growth is forecast in Asia (CAGR - 12%) mainly in China followed by Russia and L.America
- Highest production growth is also forecast in Asia
- World aluminium demand growing at a CAGR of 6.8% in 2005 – 2009

Source: Brook Hunt, Vedanta Internal Research

Asia - Aluminium Market Potential

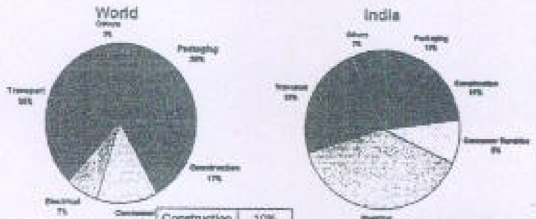
- Asia is the largest Aluminium consuming region in the World, which is in deficit – opportunity
- Consumption growth forecast at close to 12% pa, led by China
- Key players in the region: DUBAL, ALBA, CHINALCO, VEDANTA,HINDALCO
- China is emerging as the World's largest producer of semi-fabricated rolled products
- Middle East is emerging as a preferred smelting base
- Strong case to expand Aluminium smelting capacity in India:
  - Rich reserves of Bauxite
  - Large reserves of thermal coal and our ability to put up and generate power at competitive cost

The Indian Demand Supply Scenario

Domestic Market	FY04	FY05	FY06	FY07
Primary Producer Sales	631	703	809	886
Non Scrap Imports	77	112	192	189
Scrap Imports	108	132	234	244
Total Domestic Market	816	947	1235	1319
Primary Production	827	902	1005	1162
Deficit	11	(45)	(230)	(157)

- Aluminum production set to outstrip demand for primary aluminum
- Healthy growth in demand
- Demand to grow at 7-8 % pa till 2009-10

Sector-Wise Aluminium Consumption WORLD and INDIA



Construction	10%
Transport	18%
Electrical	11%
Packaging	9%
Consumer . Durables	11%

Source: AFP - Oct 2006

Per capita consumption

Per Capita consumption of Al in kg	
Developed Countries (UK, Japan, USA, Germany, France, etc)	16 to 30
Developing countries (Argentina, Cameroon, Mexico, Turkey, etc)	1 to 6.6
Venezuela	6.4
Thailand	4
Malaysia	4
Brazil	3
China	5.31
India	0.85

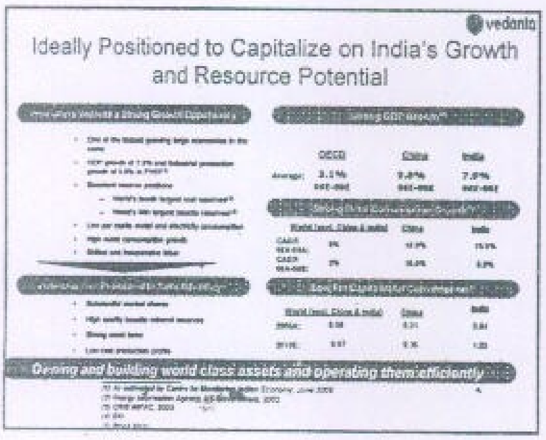
With India's Aluminium consumption at 0.85 kg/person, there exists a huge potential for growth

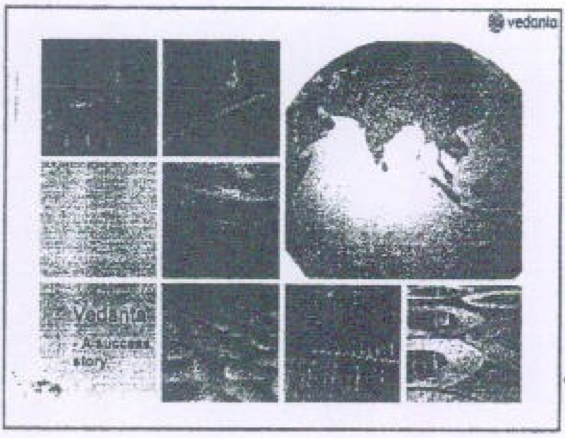
Drivers of Aluminium demand in India

- Low per capita consumption indicating strong growth potential
- Rapid growth in generation and distribution of electricity in India is the biggest driver of growth for aluminum consumption
- Transport sector is growing the fastest amongst all significant aluminum consuming sectors in India.
- Packaging, Railway wagon building & aerospace alloys are potential sectors which can drive demand in the time to come in India
- Aluminum demand in India is expected to grow at the rate of 7 – 8% pa up to 2009 – 2010

Indian Aluminium Industry – way forward

- Cost reduction and productivity growth , with continuous increase in volumes to leverage
  - ✓ Presence in the fastest growing aluminum region in the world
  - ✓ 4th largest coal reserves in the world
  - ✓ 5th largest bauxite reserves in the world
  - ✓ Availability of skilled human resource
- New products and develop more end uses to increase per capita consumption
- More investment in Process Improvements and R&D
- Set a world benchmark in environment engineering
- Further strengthen efforts towards fostering development in local communities and areas


vedanta
Ideally Positioned to Capitalize on India's Growth and Resource Potential
OECD
China
India
Owning and building world class assets and operating them efficiently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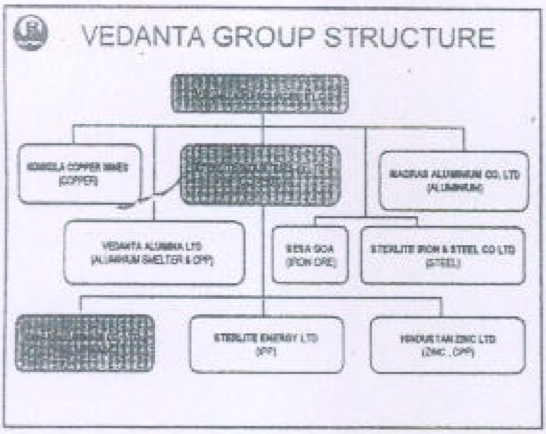
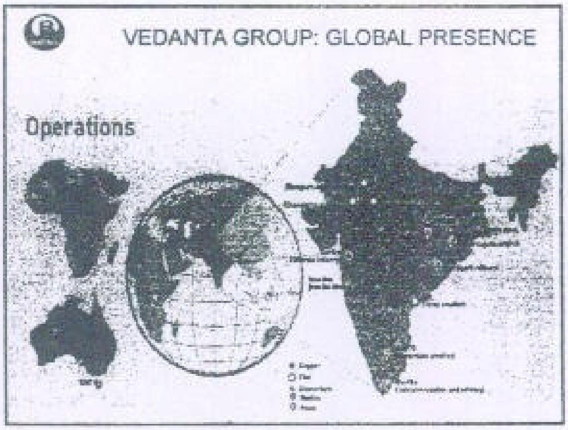
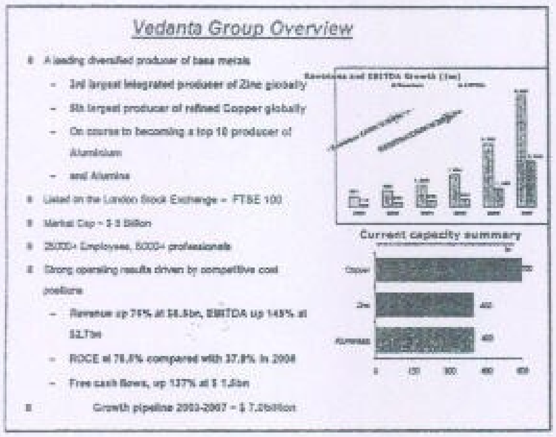
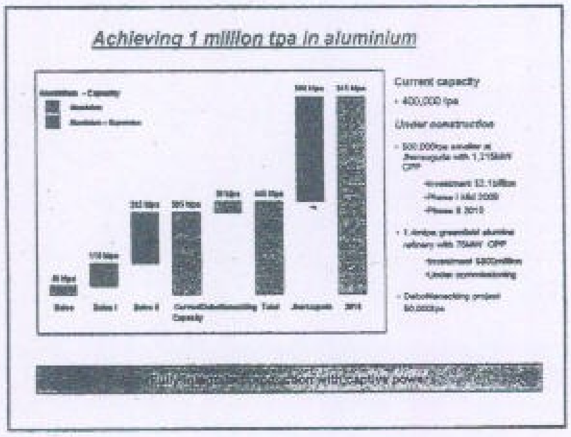
Vedanta
- A success story

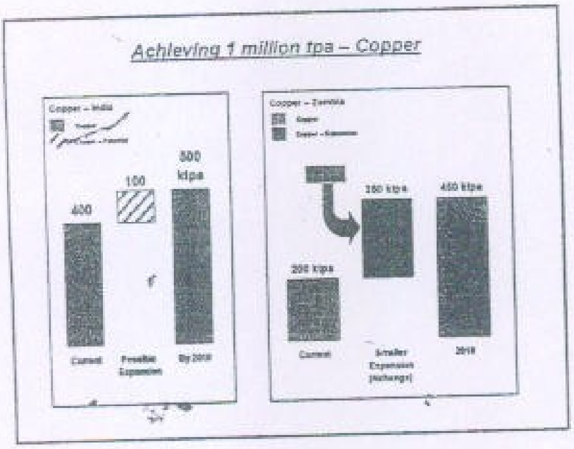

VEDANTA GROUP STRUCTURE
KONKOLA COPPER MINES (COPPER)
MADRAS ALUMINIUM CO. LTD (ALUMINIUM)
VEDANTA ALUMINA LTD (ALUMINIUM SMELTER & CPP)
SESA GOA (IRON ORE)
STERLITE IRON & STEEL CO LTD (STEEL)
STERLITE ENERGY LTD (IPP)
HINDUSTAN ZINC LTD (ZINC , CPP)

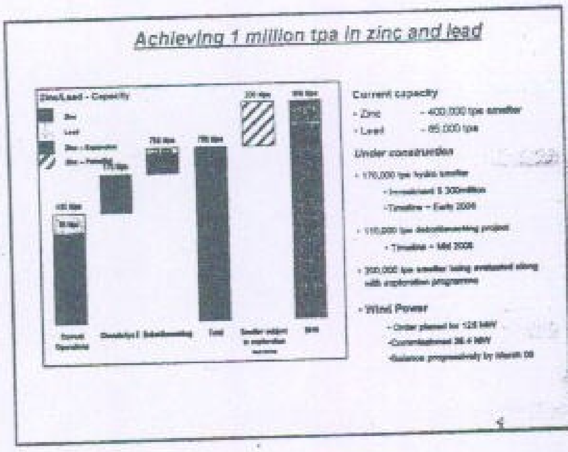

VEDANTA GROUP: GLOBAL PRESENCE
Operations

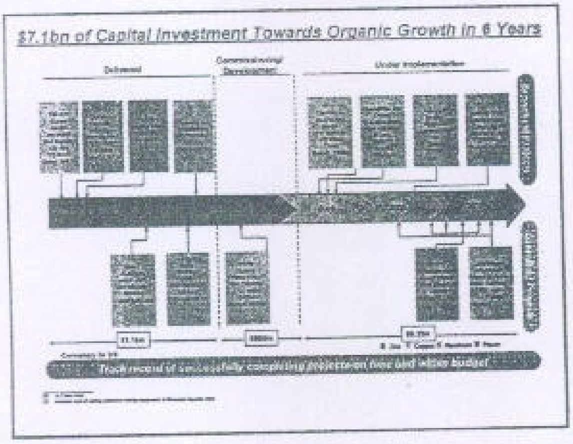

Vedanta Group Overview
A leading diversified producer of base metals
3rd largest integrated producer of Zinc globally
On course to becoming a top 10 producer of Aluminium
and Alumina
Listed on the London Stock Exchange – FTSE 100
Current capacity summary

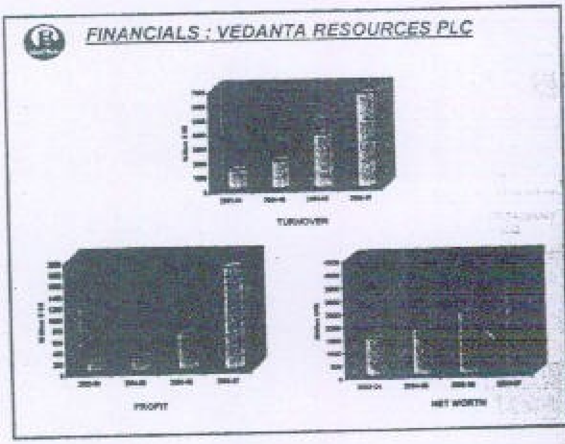

Achieving 1 million tpa in aluminium
Current capacity
400,000 tpa
Under construction

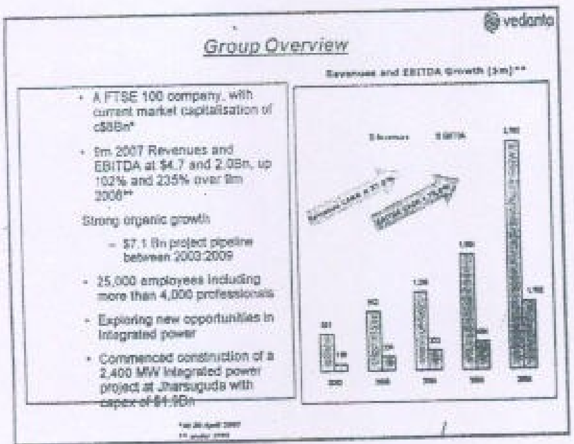
3


Achieving 1 million tpa – Copper
Copper – India
400
100
500
ktpa
Copper – Zambia
350 ktpa
450 ktpa
200 ktpa
Current
Smelter
Expansion
2010


Achieving 1 million tpa in zinc and lead
Current capacity
• Zinc - 400,000 tpa smelter
• Lead - 85,000 tpa
Under construction
Wind Power


$7.1bn of Capital Investment Towards Organic Growth in 6 Years


FINANCIALS : VEDANTA RESOURCES PLC
TURNOVER
PROFIT
NET WORTH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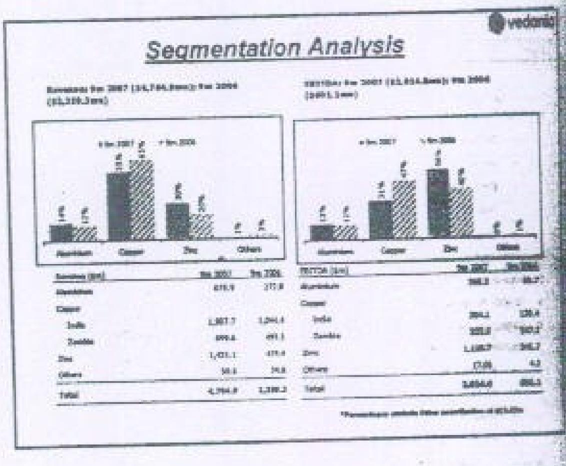
Group Overview
• A FTSE 100 company, with current market capitalisation of c$8Bn*
• fm 2007 Revenues and EBITDA at $4.7 and 2.0Bn, up 102% and 235% over fm 2006**
Strong organic growth
– $7.1 Bn project pipeline between 2003-2009
• 25,000 employees including more than 4,000 professionals
• Exploring new opportunities in integrated power
• Commenced construction of a 2,400 MW integrated power project at Jharsuguda with capex of $1.9Bn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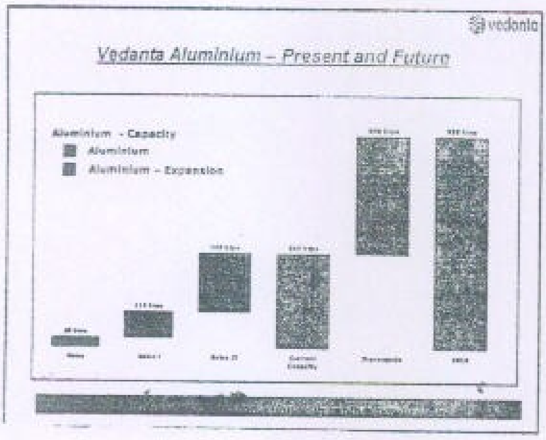
Segmentation Analysis
Aluminium
Copper
Zinc
Others
India
Zambia
Total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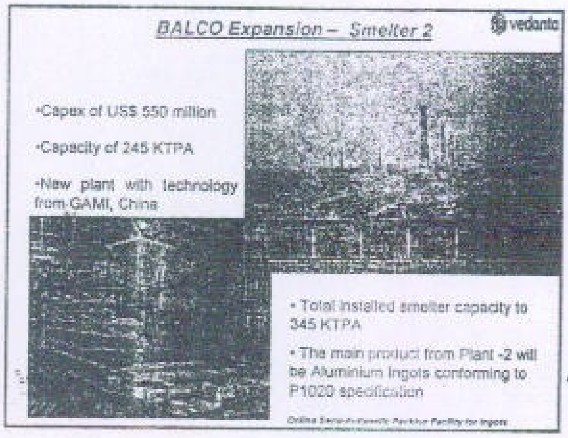
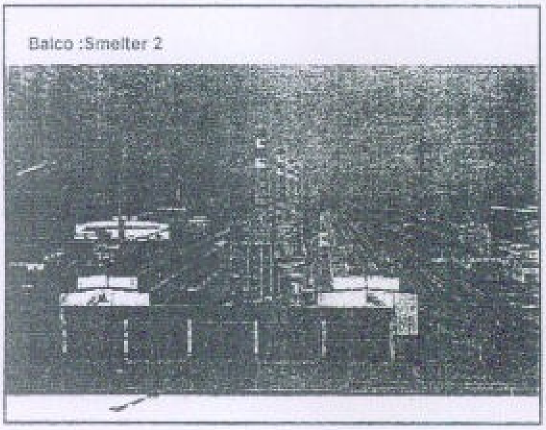
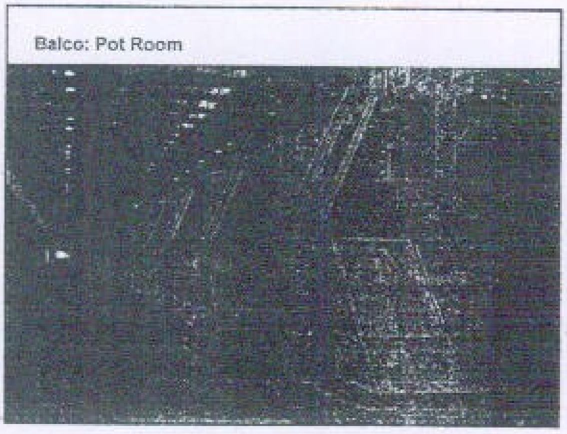
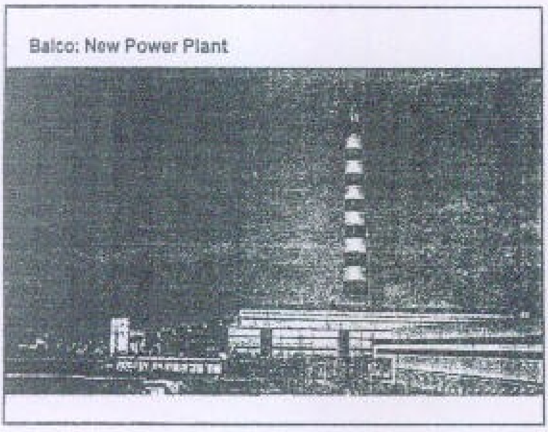
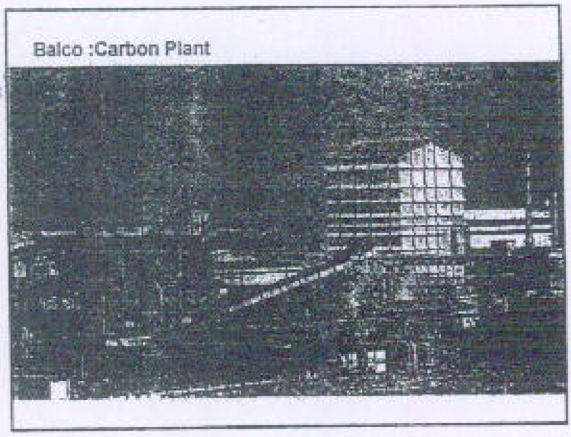
Vedanta Aluminium – Present and Future
Aluminium - Capacity
Aluminium
Aluminium - Expansion


BALCO Expansion – Smelter 2
vedanta
•Capex of US$ 550 million
•Capacity of 245 KTPA
•New plant with technology from GAMI, China
• Total installed smelter capacity to 345 KTPA
• The main product from Plant -2 will be Aluminium Ingots conforming to P1020 specification


Balco :Smelter 2


Balco: Pot Room


Balco: New Power Plant


Balco :Carbon Plant

Jharsuguda Aluminium Smelter Project

- 500,000 tpa aluminum smelter project together with an associated 1,215 MW captive thermal power plant in Jharsuguda, Orissa in India
- Upon completion, this will increase Vedanta's total aluminum smelting capacity to 900,000 tpa, placing it among the largest integrated producers of aluminum worldwide
- The Jharsuguda project will comprise two pot lines each containing 288 cells. It will be implemented in two phases of 250,000 tpa each and is expected to be commissioned in early 2009.
- The total investment in the Jharsuguda project is based on the green-field nature of the project and is estimated at US$2.1 billion, to be phased over five years

Sustainable Development (Interface with Local Communities)

Corporate Social Responsibility initiatives in local communities

Provision of safe water supply – manage waste water and solid waste systems

- Infrastructure development – roads, parks, forestry, housing
- Crisis counselling (Drugs, Alcohol, etc)
- Schools, Scholarships and youth support programs
- Vaccination and mosquito management
- AIDS Prevention & Care
- Vocational Training and Livelihood