



Delivering  
Growth  
Long-term value  
Sustainability

# Our Values

## Our Vision

To create a world class, diversified resources company with high quality assets, low cost production, providing superior returns to our shareholders.

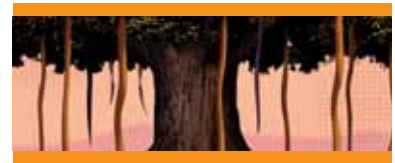
### Entrepreneurship

We foster an entrepreneurial spirit throughout our businesses and value the ability to foresee business opportunities early in the cycle and act on them swiftly. Whether it be developing organic growth projects, making strategic acquisitions or creating entrepreneurs from within, we ensure an entrepreneurial spirit at the heart of our workplace.



### Growth

We continue to deliver growth and generate significant value for our shareholders. Moreover, our organic growth pipeline is strong as we seek to continue to deliver significant growth for shareholders in the future. We have pursued growth across all our businesses and into new areas, always on the basis that value must be delivered.



### Excellence

Achieving excellence in all that we do is our way of life. We strive to consistently deliver projects ahead of time at industry-leading costs of construction and within budget. We are constantly focused on achieving a top decile cost of production in each of our businesses. To achieve this, we follow a culture of best practice benchmarking.



### Trust

The trust that our stakeholders place in us is key to our success. We recognise that we must responsibly deliver on the promises we make to earn that trust. We constantly strive to meet stakeholder expectations of us and deliver ahead of expectations.



### Sustainability

We practise sustainability within the framework of well-defined governance structures and policies and with the demonstrated commitment of our management and employees. We aim that our projects make a net positive impact on the environment, wherever we work.



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## Highlights

### Financials

- Consolidated turnover for the financial year 2010-11 ` 30,248 Crore up by 23%
- PBIDT of ` 10,522 Crore up by 32%
- PAT of ` 7,322 Crore up by 35%
- Attributable Profit of ` 5,043 Crore up by 35%
- Consolidated EPS ` 15/- post share split and bonus issue
- ` 1.1/- dividend per equity share of ` 1 each (110%) on increased capital following 1:1 bonus issue for the financial year 2010-11

### Market Capitalisation

- ` 58,283 Crore Sterlite's market capitalisation as on 31 March 2011

### Copper

- Cathode production 303,991 MT
- Highest ever domestic sales of 2,06,653 MT
- 160 MW captive power plant construction work progressing well

### Zinc-Lead Indian Operations:

- Highest ever zinc and lead mined metal production of 840,000 MT
- Refined zinc metal production of 712,000 MT and 174,000 kg of silver
- Accelerated ramp up at silver rich Sindesar Khurd mine - successfully commissioned the 1.50 million tonne per annum concentrator
- New 160 MW captive power plant commissioned at Dariba, India

### Zinc-Lead International Acquisition & Operations:

- The acquisition of Skorpion Zinc, Namibia was completed in December 2010
- The acquisitions of Black Mountain Mines in South Africa and Lisheen Mines in Ireland were completed in February 2011

### Aluminium

- Highest ever hot metal production of 2,55,298 MT

- Highest ever production of Rods – 1,60,665 MT and Rolled Products – 66,706 MT
- Construction of 1,200 MW CPP at BALCO is progressing well for commissioning of First unit by Q2 FY 2011-12

### Power

- Record sales of 2,035 million units, up 44% from previous year
- First 600 MW unit of the 2,400 MW (600 MW x 4) Independent Power Plant (IPP) at Jharsuguda commissioned and the Second unit under trial
- Addition of 48 MW Wind Power Plant at HZL making total green power to 171 MW

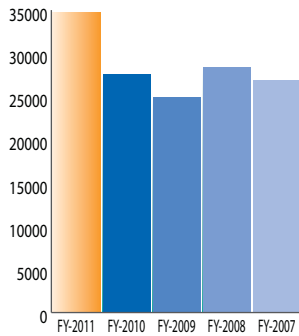
### Port & Infrastructure Project

- Successful entry into the growing port sector in India.
- Successful tender to construct a coal berth of ` 675 Crore at Vizag for scheduled completion by mid 2012

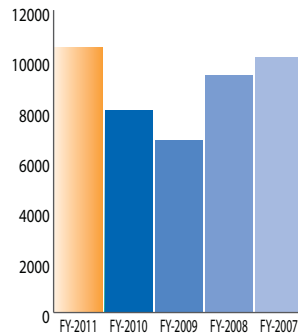


## Consolidated Performance

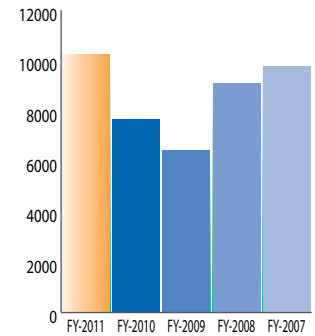
**Sales & Services ` Crore**



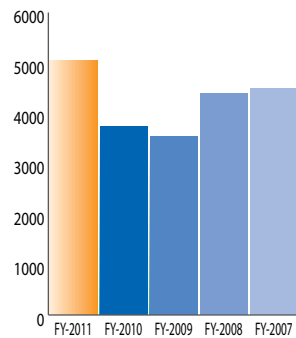
**Gross Profit (PBDIT) ` Crore**



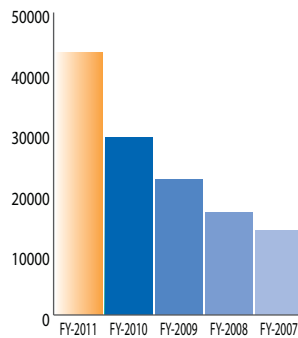
**Cash Profit (PBDT) ` Crore**



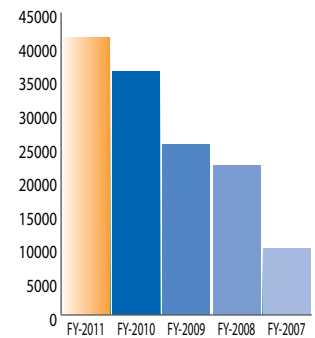
**Attributable Profit ` Crore**



**Gross Fixed Asset ` Crore**

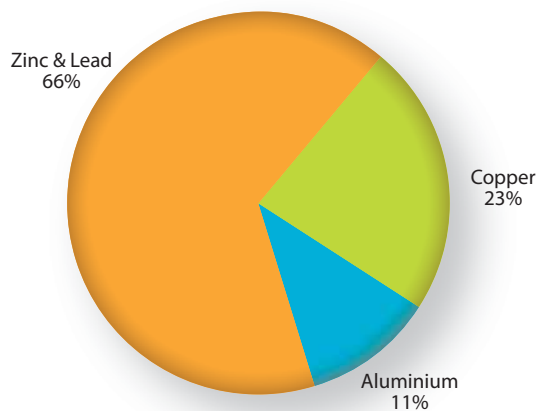


**Net Worth ` Crore**

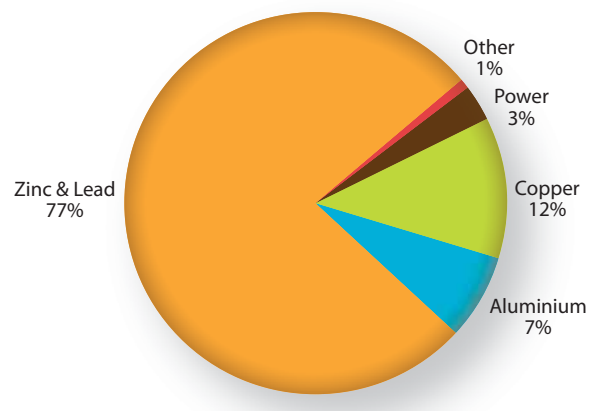


## Segment Contribution

**2005-06 (PBIT)**



**2010-11 (PBIT)**



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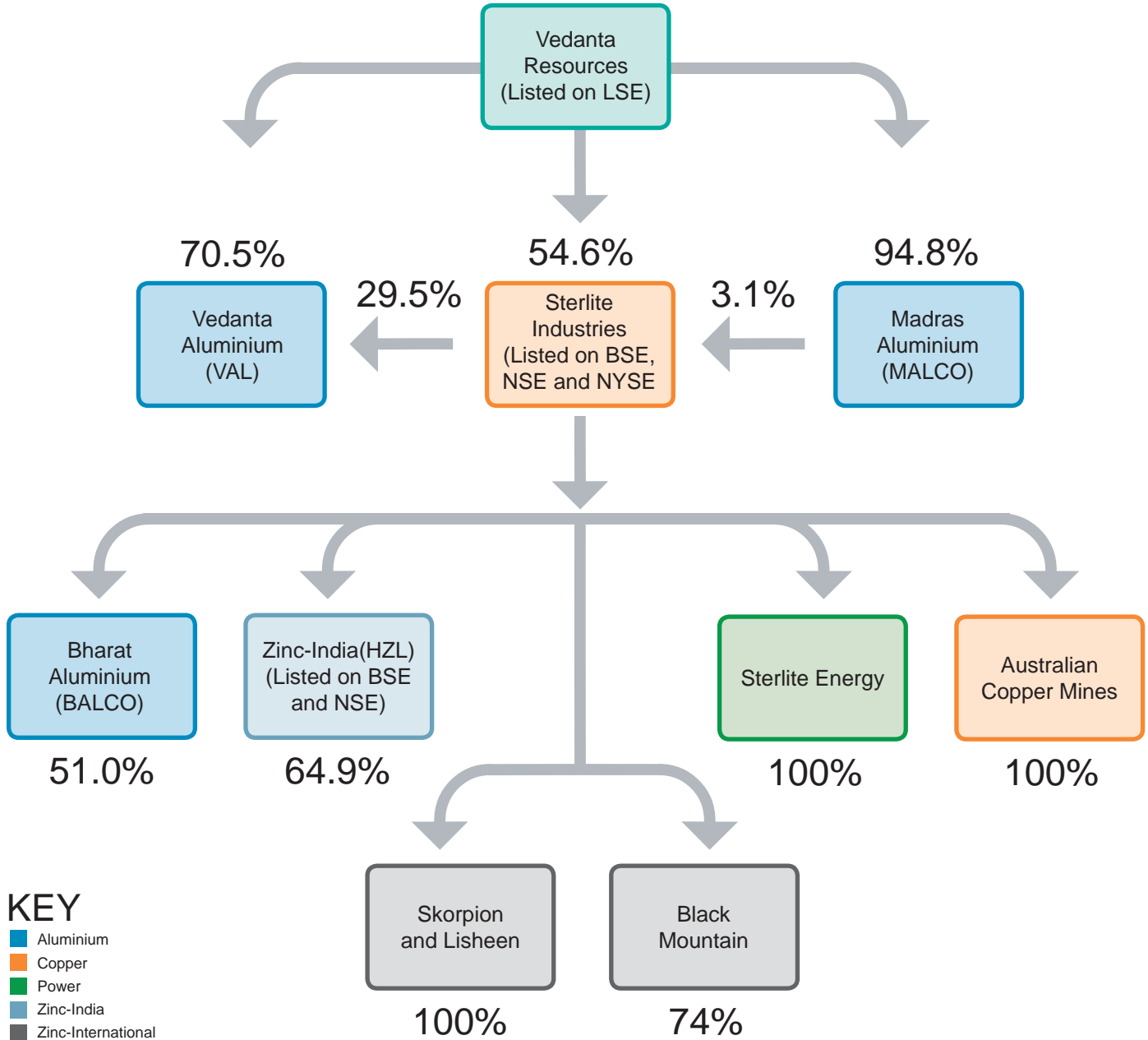
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## Sterlite at a Glance

Our principal operations are located in India, where we have a substantial market share in each of our main metal: aluminium, copper, zinc and lead and also operate a copper mine in Australia. In the year 2010-11, we acquired zinc assets in Namibia, South Africa and Ireland, thus spreading our global presence.

### Group Structure



Percentage Shareholding as of March 31, 2011



India



- Aluminium
  - Copper
  - Zinc
  - Power
  - ⚙ Projects under development
  - ⚡ Captive Power Plant
01. Debari Smelter
  02. Chanderiya Smelters
  03. Rampura Agucha Mine
  04. Rajpura Dariba and Sindesar Khurd Mine
  05. Zawar Mine
  06. Silvassa Refinery
  07. Tutircorin Smelter and Refinery
  08. Vizag Smelter
  09. Lanjigarh Mine and Refinery (VAL)
  10. Jharsuguda Aluminium (VAL) and Commercial Power project
  11. Korba Smelter
  12. Mt. Lyell Mine
  13. Talwandi Sabo Power Limited
  14. Skorpion Mine
  15. Black Mountain Mine
  16. Lisheen Mine

Australia



Namibia



South Africa



Ireland



The maps are not to scale.

## Chairman's Communique

Against a background of robust demand for commodities, we have delivered an exceptional financial performance, achieving record levels of production and record sales of power. Our industry-leading organic growth programme, supplemented by strategic acquisitions, places Sterlite in a strong position to capitalise on the growing demand for commodities, and will underpin our objective to deliver growth and long-term value for our shareholders.”



Dear Shareholders,

It gives me great pleasure to share the performance and highlights of the year 2010-11. It has been a fulfilling year for Sterlite, with achieved record levels of production, record sales of power, and an impressive 32% increase in PBDIT, as we continue our focus on delivering growth and creating long-term value for our shareholders.

Our extensive investment in organic growth projects continues, driving strong PBDIT and cash flow growth. During the year we acquired the zinc assets of Anglo-American Plc. there by expanding our zinc business geographical footprint.

### Financial Performance

Against a background of recovering economic conditions in the developed world and a continued strong demand from emerging economies, we have

delivered a robust financial performance. Strengthening prices, increased volumes and a continued strong focus on operational efficiency have contributed to a substantial growth in Net Sales of ₹ 30,248 Crore, a 23.4% increase compared to last year and a record PBDIT of ₹ 10,522 Crore. EPS increased by 28% during the year. We continue to deliver volume growth, with significant increases achieved in zinc-lead and commercial energy businesses.

The balance sheet remained strong with cash and liquid investments of ₹ 22,617 Crore.

### Operational Performance

The ramp up of our various expansion projects contributed to record production volumes in the year.

Zinc production at our operations in India rose significantly as the 210 kt per annum

smelter at Dariba commissioned at the end of the financial year 2009-10 ramped up. We are also well on our way to becoming one of the world's largest integrated silver producers, as we ramp up production at the Sindesar Khurd (SK) mine. Once the SK mine reaches full capacity in FY 2012, we will have a capacity of 16 million ounces of refined silver per annum.

We started two 600 MW units of the 2,400 MW power plant at Jharsuguda and also announced the addition of a fourth 660 MW unit at the Talwandi Sabo Power Limited (TSPL) project in Punjab, taking the total capacity of TSPL to 2640 MW. The power generated by this new unit will be largely sold in the merchant market, significantly enhancing the overall return of this project. The first phase of our 150 MW wind power expansion project has been commissioned: when complete, this project will make us one of the largest wind power producers in India with a capacity of 273 MW.





We remain committed to an integrated aluminium strategy, and we continue to engage in discussions with the Government of Orissa regarding access to alternative sources of bauxite for VAL.

## Acquisitions

We completed the acquisition of the zinc assets of Anglo-American in the second half of the financial year, increasing our zinc-lead capacity to 1.5 million tonnes per annum. This acquisition makes us the largest producer in the world and extends our zinc footprint in Africa and Ireland.

## Reserves and Resources

Exploration continues to be a major focus, and this year too, we have successfully added reserves and resources of 22.1 million tonnes in our Zinc-India business, increasing the life of our mines. The additional zinc reserves from the promising Gamsberg project acquired from Anglo-American Plc. Group further reinforce this firm foundation.

## Markets

Commodity prices began rising again in the second half of the year, as euro - zone debt fears receded and developed economies stabilised. Demand from the Asian economies remained robust, although Chinese markets cooled, and the on-going Indian growth story remains a key contributor to our success. The long term trend of urbanisation and accelerated infrastructure development will continue to drive strong demand for our products.

## Strong Financial position

Over the years, we have consistently generated strong free cash flow. The net cash as at 31 March 2011 was ₹ 22,617 Crore.

## Sustainability

We remain committed to sustainable development, focusing on the priorities of

good governance, environmental footprint reduction and creating value for all our stakeholders. The international consulting firm, Scott Wilson, was engaged by our parent Vedanta Resources Plc. last year to review our sustainability practices. Some of its key recommendations were to deliver an improved Code of Conduct and Practices, to widen the remit of the Health, Safety and Environment Committee and reconstitute it as the "Sustainability Committee" and to enhance the scope of Environmental Impact Assessments (EIAs) for large new projects in line with international best practice. We are progressing well on implementing their recommendations while retaining our focus on continuing to improve our safety performance; contributing further to local communities; continuing to manage and minimise our impact on air, water and land; and maintaining a dialogue with stakeholders on an ongoing basis.

## Dividend

The Board of Directors has recommended a dividend @ ₹ 1.1/- per equity share on face value of ₹ 1/- each (i.e.110%) for the financial year 2010-11 on increased capital base subsequent to 1:1 bonus issue.

## People

We believe that the people are the vital force of the organization. The HR philosophy is to recruit fresh, young and talented people and nurture them to become the future leaders and entrepreneurs. Your Company encourages employees to come up with innovative ideas and projects to show case their entrepreneurial skills. The Company encourages a culture of ownership in everything we do and same is reflected the fact that many of our employees have become shareholders. Your Company is an equal opportunity employer and encourages more and more

woman employees to join us and take leadership position.

The Company's dedicated and talented workforce of more than 15,000 people has assisted in driving our achievements and success. We remain committed to continuing to provide a challenging and rewarding work environment to all our employees.

On behalf of the Board, I am thankful to all of them for their continuing support. The Company continued to enjoy cordial industrial relations.

I would like to thank all my fellow directors for their invaluable contribution, support and guidance. I take this opportunity to express my gratitude to all our stakeholders who have reposed trust in our abilities and extended support to us.

## Outlook

Looking forward, we anticipate continued growth in metal consumption lead by India and China, with tight supply in specific markets – particularly for copper and zinc. The financial year 2011-12 is an important year for Sterlite, with significant growth in our production capacities as we ramp up many of our organic expansion projects. Higher commodity prices are driving up input costs in our industry; we believe that our structurally low-cost assets, combined with our continuous improvement culture, will enable us to mitigate the effects of this phenomenon.

With our industry leading organic growth programme and the successful integration of our recent strategic acquisitions, Sterlite is very well placed to capitalise on the positive outlook for commodities demand and to continue to deliver growth and long-term value for our shareholders.

**Anil Agarwal,**  
Chairman

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# Company Overview

