



**BMO Global Metals & Mining Conference**  
**J.P. Morgan Global Emerging Markets Corporate Conference**  
**February 2015**

The views expressed here may contain information derived from publicly available sources that have not been independently verified.

No representation or warranty is made as to the accuracy, completeness, reasonableness or reliability of this information. Any forward looking information in this presentation including, without limitation, any tables, charts and/or graphs, has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Vedanta Resources plc ("Vedanta"). Past performance of Vedanta cannot be relied upon as a guide to future performance.

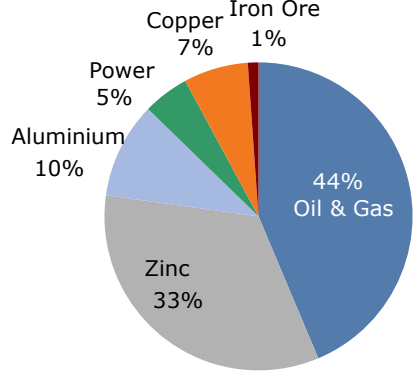
This presentation contains 'forward-looking statements' – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will.' Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a environmental, climatic, natural, political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

This presentation is not intended, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in Vedanta or any of its subsidiary undertakings or any other invitation or inducement to engage in investment activities, nor shall this presentation (or any part of it) nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

- LSE listed with portfolio of large, long-life, well-invested assets
- Operations across India, Africa, Australia and Europe
- FY2014 EBITDA of \$4.5 billion
- Strong cost position
  - Oil & Gas and Zinc in lowest quartile
  - Aluminium in lower half, without raw material linkage
- Focus on disciplined capital allocation and balance sheet management
- Reviewing opex and capex across businesses

## Diversified Business Model – 9M FY2015 EBITDA

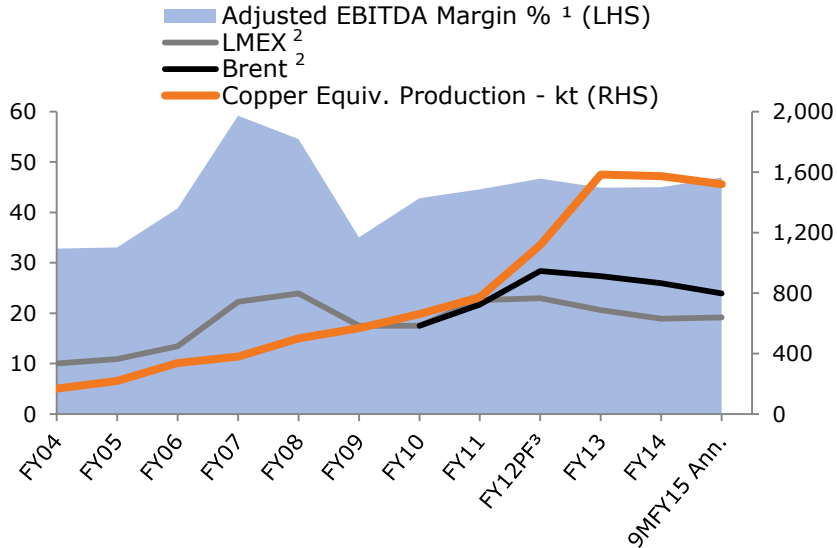
### Mix



### Margins

|                                    |            |
|------------------------------------|------------|
| Oil & Gas                          | 69%        |
| Zinc India                         | 55%        |
| Zinc Intl                          | 32%        |
| Aluminium                          | 20%        |
| Power                              | 31%        |
| Copper Zambia                      | 1%         |
| Iron Ore/Pig Iron                  | 13%        |
| <b>Group Adjusted <sup>1</sup></b> | <b>43%</b> |

## Consistent Margins and Growth



Note: 1. Excludes custom smelting at Copper and Zinc-India operations  
 2. LME\$ and Brent rebased  
 3. PF refers to proforma for Cairn India acquisition

# Tier-1 Asset Portfolio

| Positioning   | R&R Life <sup>1</sup> | FY2014 Production  | Capacity <sup>2</sup>    |
|---|-----------------------|--------------------|--------------------------|
| <b>Oil &amp; Gas (Cairn India)</b><br>Top 20 global independent E&P; Platts 2013: Fastest growing energy company globally | 15                    | 218kboepd          | 225+ <sup>3</sup> kboepd |
| <b>Zinc India (HZL)</b><br>2 <sup>nd</sup> largest integrated zinc producer globally                                      | 25+                   | 880kt              | 1.2mtpa                  |
| <b>Silver (HZL)</b><br>One of the largest silver producers globally   | 25+                   | 11.2moz            | 16mozpa                  |
| <b>Zinc International</b><br>One of the largest undeveloped zinc deposits   | 20+                   | 364kt              | 400ktpa                  |
| <b>Iron Ore<sup>4</sup></b><br>Operations in Goa and Karnataka; Large deposit in Liberia                                  | 20+                   | 1.5mt <sup>5</sup> | 16.8mtpa                 |
| <b>Copper Zambia</b><br>World class resource  | 25+                   | 124kt <sup>6</sup> | 400ktpa <sup>7</sup>     |
| <b>Aluminium</b><br>Strategically located large-scale assets with integrated power  |                       | 794kt              | 2.3mtpa                  |

## Notes

1. Based on FY2014 production and R&R as at 31 March 2014; Iron ore is based on existing capacity; Zinc International includes Gamsberg deposit in R&R
2. Includes announced expansions; Iron ore shown at existing EC capacity of 14.5mt in Goa and 2.3mt provisional capacity in Karnataka. Recent SC judgement has imposed an interim state-wide cap of 20 mtpa at Goa.
3. Expected capacity for currently producing assets
4. Numbers excluding Liberia
5. Iron Ore operations affected by mining restrictions in Karnataka and Goa
6. Integrated Production
7. Shaft capacity, subject to review

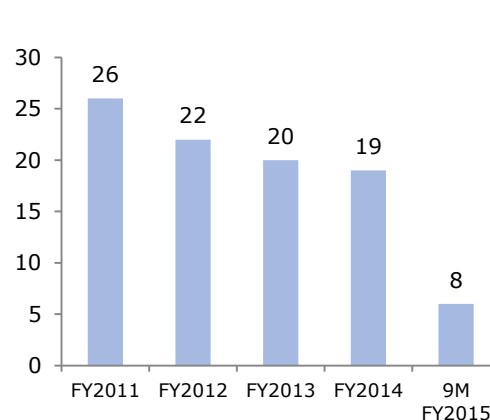
**Large, long-life, low-cost, scalable assets**

# Focus on Safety – Key to Operational Excellence

## Safety

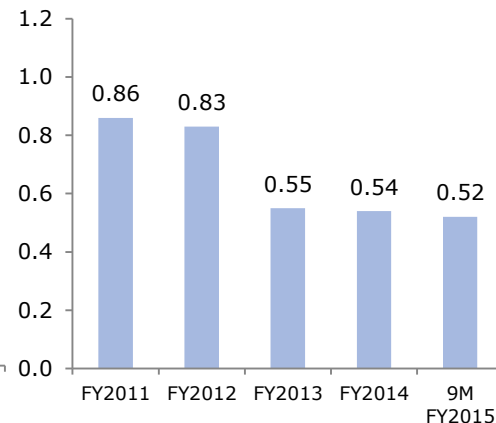
- Fatal accidents and injury rates have declined
- Implementing programs to eliminate fatalities and control injuries:
  - Leadership focused on a zero-harm culture across the organization
  - Consistent application of “Life-Saving” performance standards
  - Quantitative risk assessments for all the critical areas
  - Formal identification of process safety risks and focusing on the management of controls
  - Improved safety investigations and follow-up
  - Building internal capacity to deliver and drive our programs.
  - Review of safety incident at Board, Business and Operational level

**Fatal incidents**



**LTIFR**

(per million man-hours worked)



## Strategic Advantages

- Diversified, low-cost portfolio delivering cash flows through the cycle
- Well-invested asset base
- Well-positioned to capitalise on India's growth and natural resource opportunity

## Strategic Priorities

- Production Growth & Operational Excellence
- Reduce gearing
- Add Reserves & Resources
- Simplify Group Structure
- License to Operate

## ***Disciplined Capital Allocation***

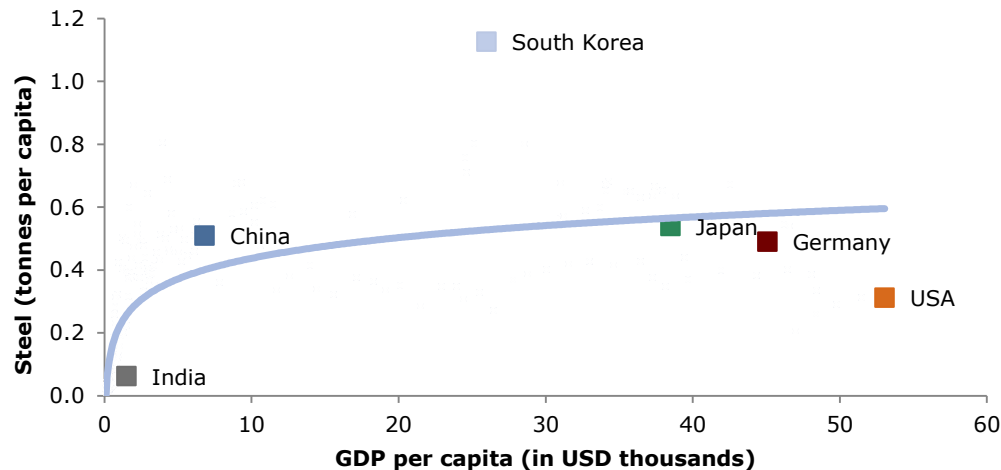
**Deliver superior long-term returns to shareholders**  
*Committed to Progressive Dividends*

**We are building momentum on delivering our Strategic Priorities**

# India: Attractive Fundamentals

## Steel Consumption Intensity: High growth phase

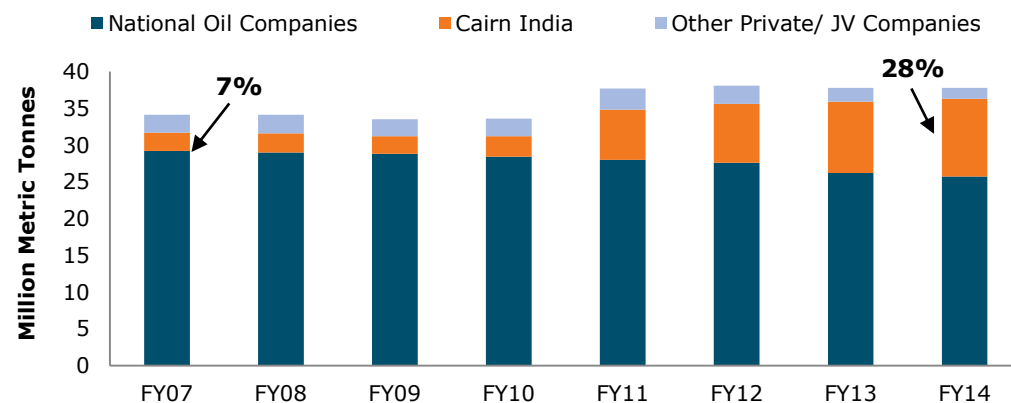
Steel consumption per capita (in tonnes) vs. GDP per capita (in USD thousands)



## Indian economy: Key differentiators

- Domestic-demand driven: lesser effect of global economic slowdowns on output
- Commodity importer: benefits from lower commodity prices, especially crude oil
  - \$1/bbl decline in oil price reduces India's current account deficit by \$1bn
  - Lower inflation expected

## India's Crude Oil production



## India: Oil & Gas Exploration Upside

- ✓ FY 2014 import bill of **over \$120bn**
- ✓ **32%** basins yet to be offered for exploration
- ✓ **78%** of offered basins yet to be well explored
- ✓ **c.130bn boe** of resources in 'yet to find' category

Sources: EIA, Wood Mackenzie, BP Statistical Report, Global Insight

## Oil & Gas

- Government prioritizing energy security
  - Gas pricing policy announced
  - New incentive regime - evaluating revenue sharing models
  - Uniform licensing policy for hydrocarbon reserves
- Development approvals received
- Working with government on RJ PSC extension

"We want to increase ease of doing business in India. Bottlenecks have to be removed, red-tapism cut and investors given confidence so that they can come and invest in oil and gas exploration and production"

*Dharmendra Pradhan*

*Minister of State for Petroleum and Natural Gas (Oct 2014)*

## Aluminium-Power

- Government actively looking at policy framework to address country-wide coal issue
  - Focus on raising domestic production
  - Coal block auctions underway
- Engaged with Odisha state for Refinery feed
- Approval to start BALCO 1,200 MW power plant received

"[The Prime Minister] has already asked us to delete the word delay... We are here to facilitate. The government's role is not to create roadblocks for the industry. I believe our job is to give impetus to entrepreneurship"

*Prakash Javadekar,*

*Minister of Environment, Forests & Climate Change (Jul 2014)*

## Iron Ore

- Iron Ore mining leases renewed at Goa and Karnataka

## Mining Regulation

- Mines and Mineral Development Regulation ordinance issued in Jan 2015
  - Provides for auction of natural resources

"Unless government gets revenue, it cannot build infrastructure and service the welfare schemes... By being pro-business and pro-poor, I am not contradicting but both have to exist at the same time"

*Arun Jaitley,*

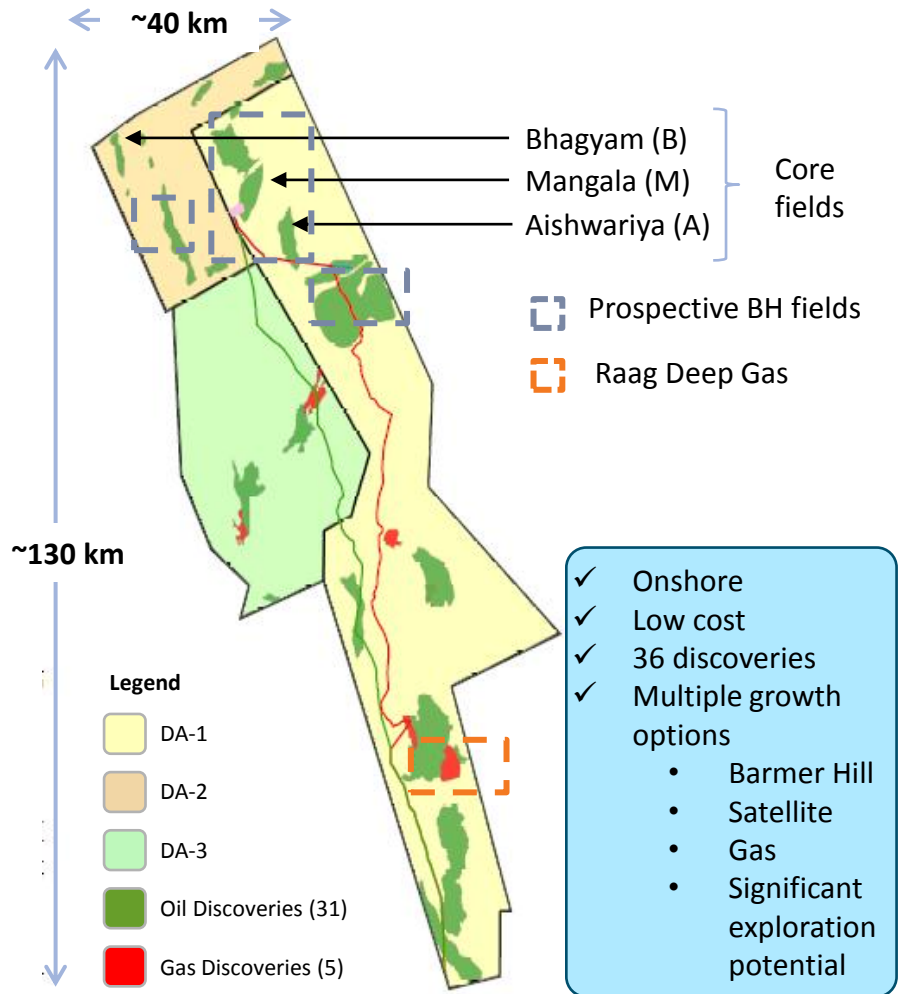
*Finance Minister (Aug 2014)*

## Minority Buyouts

- Government approved divestment in HZL and BALCO
  - Government-appointed valuers have visited plants

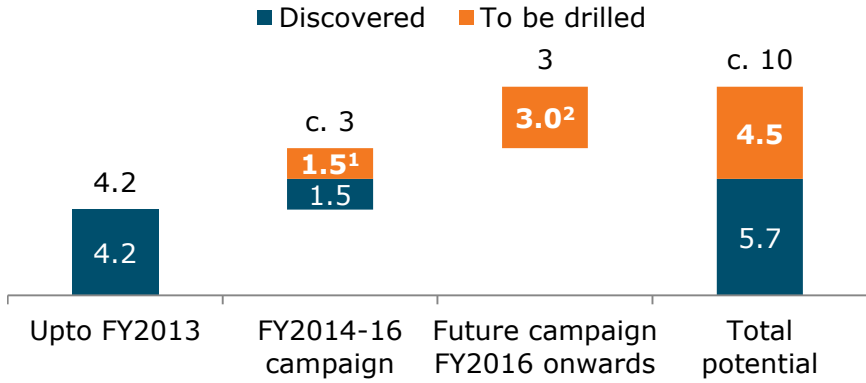


## Rajasthan Onshore Block (36 discoveries)



- Currently producing 180 kboepd (>95% oil) at Rajasthan at an opex of \$5.7/bbl
- Lowest quartile cost
- Significant gas potential of 1-3 Tcf
- Successfully initiated Polymer EOR programme at Mangala in Oct 2014
- Driving operational efficiencies and reviewing all aspects of capital spending in the current oil price scenario

### Gross Hydrocarbons In-Place potential in RJ (billion boe)

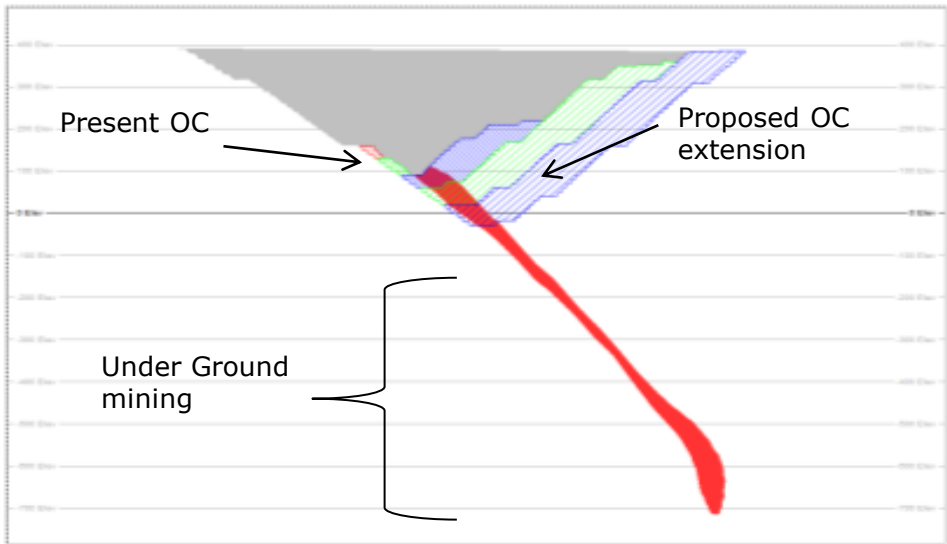


1. c.0.6bn boe under evaluation,  
2. Unrisked prospect inventory

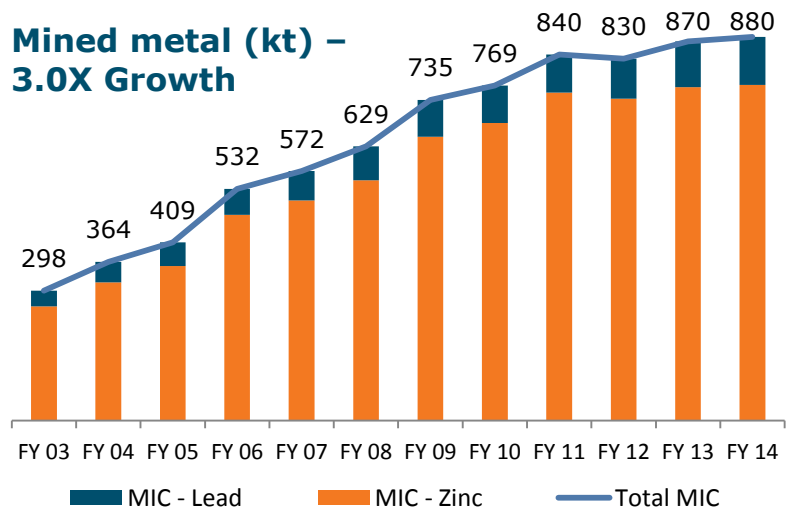
# Zinc India

- Strong volumes; on track to meet full year volume guidance
- Lowest quartile costs
- 16 moz silver capacity
- Brownfield expansion to 1.2mtpa mined metal
  - Sindesar Khurd mine expansion to 3.75mtpa progressing well
  - RAM U/G shaft project slower than expected; deepening and extending the RAM open pit to FY2020 to smoothen transition to U/G

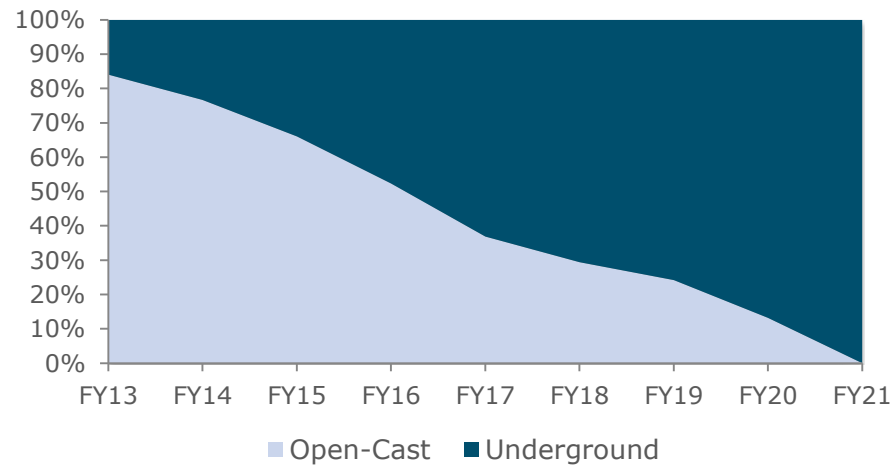
## Rampura Agucha Ore body



### Mined metal (kt) – 3.0X Growth



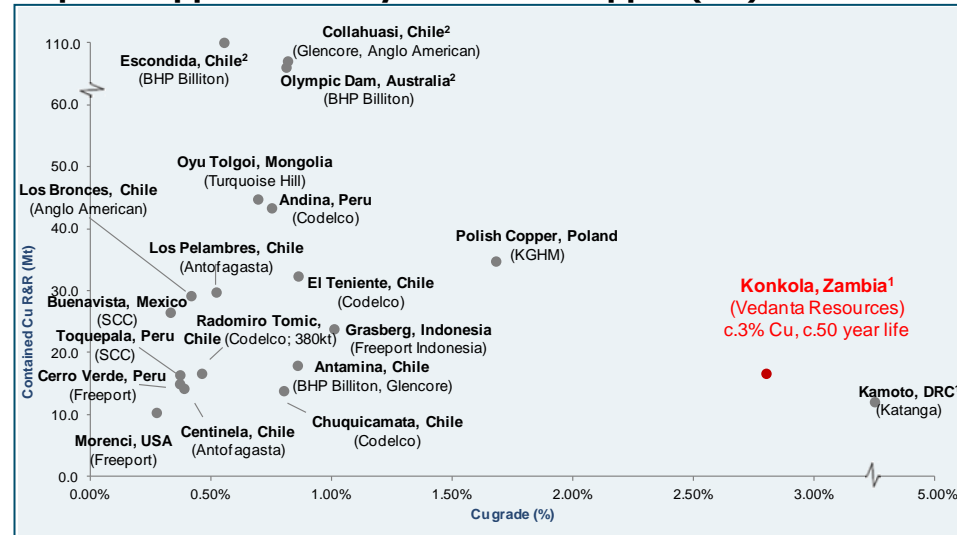
### Transition to underground mining (% share in MIC)



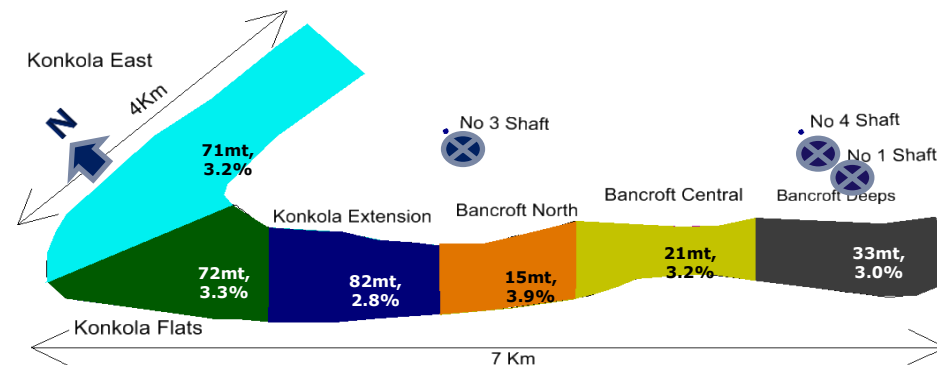
# Copper Zambia

- High quality asset, significantly invested
  - ~\$ 3bn of capital invested since acquisition
  - Increased life of mine from 10 years to +30 years; constructed a world class smelter
- Reviewing operations and engaging with all stakeholders in light of current challenges
  - Declining grades and high strip ratios leading to high costs
  - Dispute over VAT refunds
  - New Mineral Royalty Tax regime
- Pivot strategy being implemented at Konkola
  - Focus on three profitable sections for production
  - Shaft 1 to begin hoisting again in March 2015; shaft 4 expected to be completed by Q3 FY2016
  - Introduction of experienced operators into critical positions
  - Equipment availability
- Vedanta committed to improving operating performance

## Top 20 copper mines by contained copper (mt)



## Pivot Initiatives at Konkola Mine



Note: Top right chart: Data set only includes producing mines. Production for Escondida, Olympic Dam, Antamina and Konkola is as of 2014 March year end.

1. Konkola has Cu grade of 2.80%; Kamoto has Cu grade of 4.70%

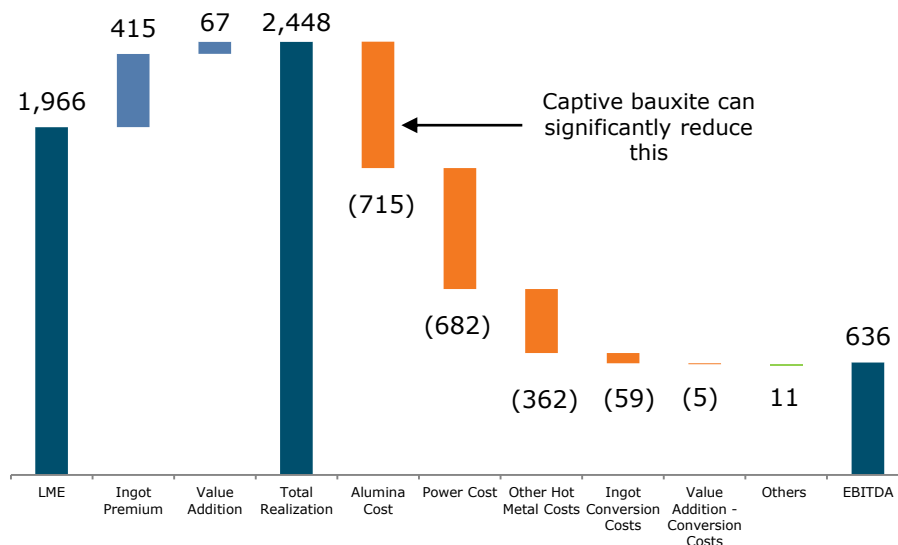
2. Escondida, Collahuasi and Olympic Dam have contained Cu R&R of 101.2mt, 79.8m

# Aluminium & Power

- Receipt of approvals and ramping up capacity at Aluminium and power businesses
  - Start up of c.1 million tonne additional smelting capacity by FY2016; fully integrated with captive power
- Costs in lower half of global cost curve without captive bauxite
- Improving coal scenario in India
  - Participating in coal auctions
- Working with Government on allocation of bauxite
  - Production from Laterite deposits in FY 2016
- MMDR bill to facilitate Bauxite auctions
- Commercial Power: TSPL 1,980 MW (3\*660 MW)
  - First unit operational and balance two units by FY2016; expected margin of INR 1/unit

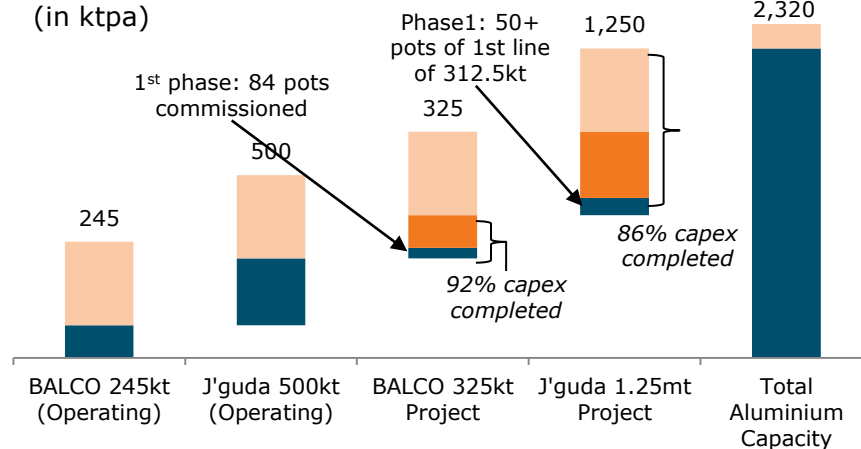
## Aluminium Costs and Margins

(in \$/t, for Q3FY2015)



## Roadmap to 2.3mtpa Aluminium Capacity

(in ktpa)



# Other Businesses

## COPPER - INDIA

- One of the most efficient custom smelters globally
- Smelter operating at benchmark parameters
  - High copper recoveries
  - Low energy consumption
- CY 16 annual TCRC settlements higher at +Usc 25/lb

## IRON ORE

- Mining leases renewed at Goa and Karnataka
  - Karnataka: Expect to commence mining in Karnataka shortly
  - Goa: Awaiting other approvals to start mining gradually from early Q1
- Continued engagement with Government on removal of export duty
- Consolidation in Indian Iron Ore industry under the new MMDR provisions

Tuticorin Copper Smelter



Goa Iron Ore Mines – Proximity to Coast



## Strategic Priority

## What we Achieved

## Focus Areas

**Production growth** across portfolio with a focus on returns

- Approvals and **start-up** of Aluminium and Power capacities
- **Gamsberg zinc project approved** – low risk, phased approach

- Oil & Gas: RJ ramp up
- Zinc India: Zinc and Silver ramp up
- Iron Ore: Resuming operations
- KCM: Delivering operational turnaround
- Aluminium & Power: Ramp up, feed security

**Reduce gearing** from increasing free cash flow

- Free cash flow of **US\$0.9 billion** in 9M FY2015

- Volume Ramp-up to drive free cash flows
- Optimising capex across businesses
- Achieve 25% net gearing in the medium term

**Continue to add R&R** in our existing portfolio of assets to drive long-term value

- Achieved **100% reserve replacement** at Oil & Gas and Zinc India in FY2014

- Optimising exploration spend across operations

Consolidation and Simplification of the **Group structure**

- Achieved **synergies** from Sesa Sterlite merger

- Realise full synergies from Sesa Sterlite merger
- Completion of minority buyouts

Protect and preserve our **License to Operate**

- Decline in fatal accidents and LTIFR
- Vedanta and its operations signed WBCSD pledge
- 4.1 mn beneficiaries of our community initiatives

- Focus on eliminating fatalities
- Focus on local consent prior to accessing resources
- Structured community development programs to continue



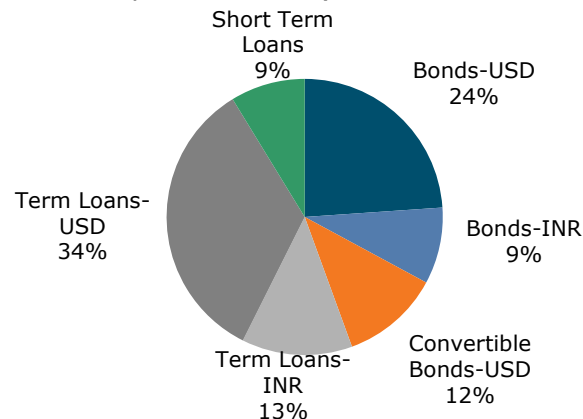
## Appendix

# Strong Financial Profile

- Credit rating of BB/Ba3<sup>1</sup>
- Cash and Liquid Investments of \$8 bn, additional \$0.9bn undrawn committed lines of credit
- Gross debt reduced by \$400 mn and net debt reduced by \$200 mn in Q3 FY2015

## Diversified Funding Sources

(as of 30 September 2014)



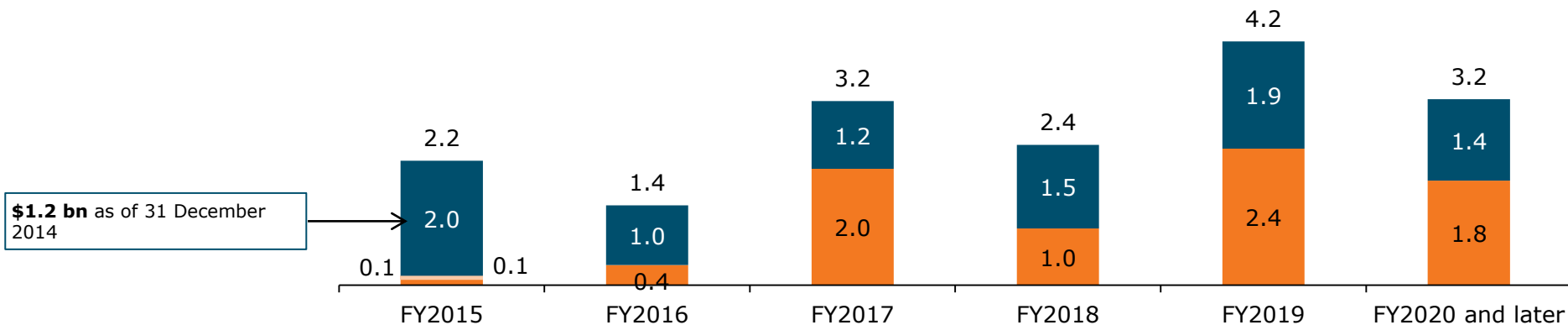
## Term Debt Maturity Profile

(as of 30 September 2014<sup>2</sup>)

■ Debt at VED Plc

■ Convertibles at put date

■ Term Debt at Subsidiaries



Notes: 1. Issue Credit rating of BB(Negative Watch) by S&P and Ba3(Negative) by Moody's.

2. Debt numbers shown at face value, excludes one-year rolling working capital facilities of \$834mn due in FY 2015.

\$810mn of the \$883mn convertible at Vedanta plc due in FY2017 was put in March 2013 and was paid in April 2013. The balance \$73mn is shown at the next put date of 30 March 2015.



# Entity Wise Cash and Debt

## Net Debt Summary (\$mn)

| Company                          | 30 Sep 2013   |              |                          | 31 Mar 2014   |              |                          | 30 Sep 2014   |              |                          |
|----------------------------------|---------------|--------------|--------------------------|---------------|--------------|--------------------------|---------------|--------------|--------------------------|
|                                  | Debt          | Cash & LI    | Net Debt                 | Debt          | Cash & LI    | Net Debt                 | Debt          | Cash & LI    | Net Debt                 |
| Vedanta plc <sup>1</sup>         | 8,090         | 85           | 8,005                    | 8,323         | 16           | 8,307                    | 7,532         | 59           | 7,473                    |
| KCM                              | 743           | 32           | 711                      | 733           | 10           | 723                      | 813           | 0            | 813                      |
| Sesa Sterlite Standalone         | 5,116         | 598          | 4,518                    | 5,011         | 427          | 4,585                    | 5,407         | 519          | 4,889                    |
| Zinc International               | -             | 188          | (188)                    | -             | 169          | (169)                    | -             | 189          | (189)                    |
| Zinc India                       | -             | 3,886        | (3,886)                  | -             | 4,345        | (4,345)                  | -             | 4,478        | (4,478)                  |
| Cairn India                      | -             | 3,299        | (3,299)                  | -             | 3,912        | (3,912)                  | -             | 2,732        | (2,732)                  |
| BALCO                            | 633           | 14           | 619                      | 679           | 0            | 679                      | 739           | 5            | 734                      |
| Talwandi Sabo                    | 723           | 2            | 721                      | 835           | 4            | 831                      | 940           | 2            | 939                      |
| TSMHL <sup>2</sup>               | 1,188         | 15           | 1,173                    | 1,190         | 8            | 1,181                    | 1,680         | 166          | 1,514                    |
| Others <sup>3</sup>              | 113           | 16           | 97                       | 100           | 47           | 53                       | 123           | 23           | 100                      |
| Sesa Sterlite Consolidated       | 7,773         | 8,018        | (245)                    | 7,815         | 8,912        | (1,097)                  | 8,889         | 8,112        | 777                      |
| <b>Total (in \$mn)</b>           | <b>16,605</b> | <b>8,135</b> | <b>8,463<sup>4</sup></b> | <b>16,871</b> | <b>8,938</b> | <b>7,920<sup>5</sup></b> | <b>17,234</b> | <b>8,171</b> | <b>9,055<sup>6</sup></b> |
| <b>As of 31 Dec 2014 (\$ bn)</b> |               |              |                          |               |              |                          | <b>16.8</b>   | <b>8.0</b>   | <b>8.8</b>               |

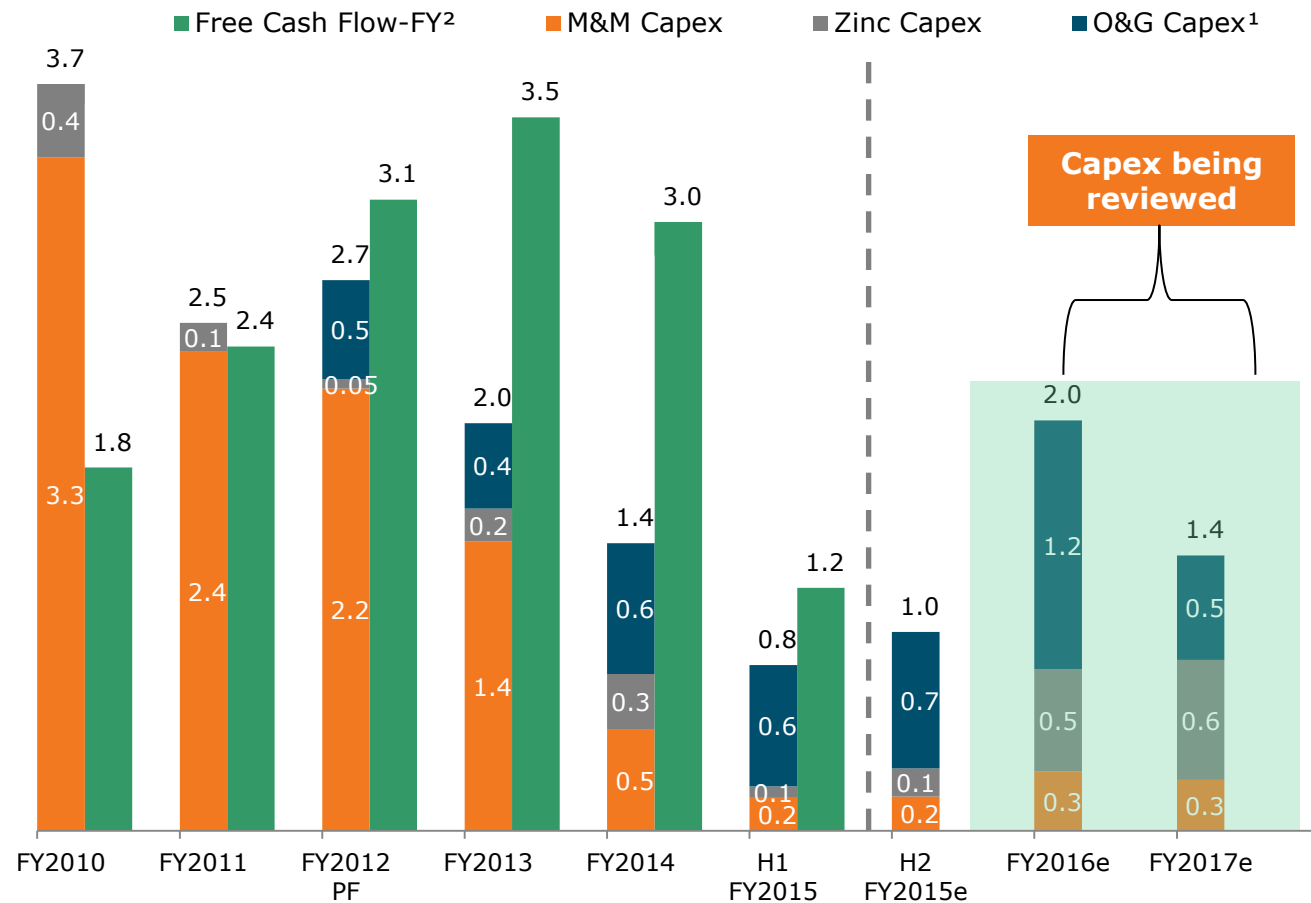
Notes: Debt numbers at Book Values, as of 30 September 2014. Since the table above shows only external debt, it does not include the following:

- \$2.7bn inter-company receivable at Vedanta plc from TSMHL. There was an accrued interest of \$18mn on the inter-company receivable, as of 30 September 2014.
  - \$1.25bn two-year intercompany facility from Cairn India Limited to a wholly owned overseas subsidiary of Sesa Sterlite Ltd. in Q1 FY2015, which was fully disbursed during H1 at arm's length terms and conditions with an annual interest rate of LIBOR+300bps. The wholly owned overseas subsidiary has used the proceeds of \$1.25bn to pay \$450mn accrued interest and \$800mn of the principal of the separate intercompany debt extended from VED plc to SSLT.
  - \$110mn receivable at plc from KCM
1. Includes Investment Companies.
  2. Twin Star Mauritius Holdings Limited (SPV holding the 39.4% stake in Cairn India as on 30 Sep 2014).
  3. Others include: CMT, Fujairah Gold, MALCO (MEL), Sesa Resources Ltd, VGCB, and Sesa Sterlite Investment companies.
  4. Includes \$8mn debt related derivative asset.
  5. Includes \$14mn debt related derivative asset.
  6. Includes \$8mn debt related derivative asset.

# Well-Invested Assets Driving Cash Flow Growth

- Continued growth in Free Cash Flow with production ramp-up
  - \$0.4bn free cash flow (post growth capex) in H1FY2015
- Prioritizing capital to high-return, low-risk projects. Capex up to FY2017:
  - Oil & Gas: c.\$2.4bn<sup>1</sup>
    - Proven and high-margin Rajasthan block: \$2.1bn
  - Zinc India: \$0.6bn for brownfield expansion
  - Zinc International: \$0.8bn for Gamsberg-Skorpion zinc project
    - Considering project financing for 60% of capex
- Other: \$0.7bn<sup>3</sup> on Talwandi Sabo, Aluminium smelters and refinery, and other ongoing projects

**Cash Flow and Growth Capex Profile - \$bn**  
(as of 30 September 2014)



Notes: M&M refers to Metals and Mining excluding Zinc, O&G refers to Oil & Gas.

1. Capex net to Cairn India; subject to Government of India approval.

2. Free cash flow after sustaining capex but before growth capex.

3. Excludes flexible capex of a further 1.1bn (Lanjigarh Refinery, Tuticorin Smelter and others): Awaiting regulatory approvals and subject to review.

## Reviewing capex across businesses to maximise cash flows

|  | LTM H1 FY2014 | LTM H1 FY2015 | Covenant |
|--|---------------|---------------|----------|
| Net Debt/EBITDA                          | 1.9x          | 2.1x          | < 2.75x  |
| EBITDA/Net Interest Expense <sup>1</sup> | 7.9x          | 9.2x          | > 4.0x   |
| Net Assets/Debt                          | 2.31x         | 2.28x         | > 1.75x  |
| Gearing <sup>2</sup>                     | 33.3%         | 34.9%         |          |

Notes: 1. Interest includes Capitalized Interest.

2. Gearing is calculated as Net Debt divided by the sum of Net Debt and Equity.

## During H1 FY2015

- Cairn India lent \$1.25bn to a wholly owned overseas subsidiary of Sesa Sterlite Ltd
- Sesa Sterlite paid \$800mn towards principal payable to Vedanta plc, and \$450mn towards related accrued interest

## Debt Service Liability

(in \$mn)

| Vedanta Resources plc                             | 31 March 2014 | 30 September 2014 | Annualized Interest Cost |
|---|---------------|-------------------|--------------------------|
| Gross External Debt                               | 8,511         | 7,697             | 465                      |
| Intercompany Receivable at Plc from Sesa Sterlite | (3,894)       | (2,680)           | (200)                    |
| <b>Debt Service Liability</b>                     | <b>4,617</b>  | <b>5,017</b>      | <b>265</b>               |

| Sesa Sterlite Ltd.<br>(excluding Cairn India) | 31 March 2014 | 30 September 2014 | Annualized Interest Cost |
|---|---------------|-------------------|--------------------------|
| Gross External Debt                           | 7,919         | 8,959             | 748                      |
| Intercompany Payable to Vedanta               | 3,894         | 2,680             | 200                      |
| Intercompany Payable to Cairn India           | -             | 1,250             | 40                       |
| <b>Debt Service Liability</b>                 | <b>11,813</b> | <b>12,889</b>     | <b>988</b>               |

| Cairn India Ltd.  | 31 March 2014 | 30 September 2014 | Annualized Interest Cost |
|---|---------------|-------------------|--------------------------|
| Intercompany Receivable at Cairn India from Sesa Sterlite | -             | (1,250)           | 40                       |

Notes: Debt numbers at Face Values. Annualized interest cost represents an approximate annual interest cost based on debt levels as of 30 September 2014, and excludes accretive interest on convertible bonds and amortisation of borrowing costs.

## Foreign Currency - Impact of a 10% depreciation in FX Rate

| Currency | H1 FY2015<br>Average FX rate | H1 FY2015<br>EBITDA (\$mn) |
|----------|------------------------------|----------------------------|
| INR/USD  | 60.1911                      | 204.8                      |

## Commodity prices – Impact of a 10% increase in Commodity Prices

| Commodity        | H1 FY2015<br>Average price | H1 FY2015<br>EBITDA (\$mn) |
|------------------|----------------------------|----------------------------|
| Oil (\$/bbl)     | 106                        | 115.0                      |
| Zinc (\$/t)      | 2,196                      | 91.0                       |
| Aluminium (\$/t) | 1,896                      | 63.9                       |
| Copper (\$/t)    | 6,894                      | 53.6                       |
| Lead (\$/t)      | 2,140                      | 13.7                       |
| Silver (\$/oz)   | 19.7                       | 8.7                        |

**World class assets and operational excellence to deliver strong, stable and sustainable cash flows**

**Improve Capacity Utilization**  
*(Aluminium, Iron Ore and Copper Zambia)*

### **Strong Shareholder Returns since IPO**

- Maintained Progressive Dividend
  - \$1.4bn returned to shareholders
  - c.130% TSR (8% per annum)

### **Strengthen Balance Sheet**

- Debt Reduction
  - Enhance cash fungibility
  - Achieve Investment Grade credit rating over time

### **Enhance Asset Portfolio**

- Optimising capex across businesses
- Robust approach to investment decisions to achieve hurdle rate of return

## Mines and Minerals Development Regulation (MMDR) Ordinance, 2015

- Ordinance issued in Jan 2015
- Resources to be auctioned; provides growth opportunities for our iron ore and zinc businesses
- Access to domestic bauxite will become easier
- Seamless transfer from PL to ML to cut delays
- Lease transfer provisions allow opportunities for consolidation in the sector

## Coal Scenario and Coal Block Auctions

### Coal Scenario

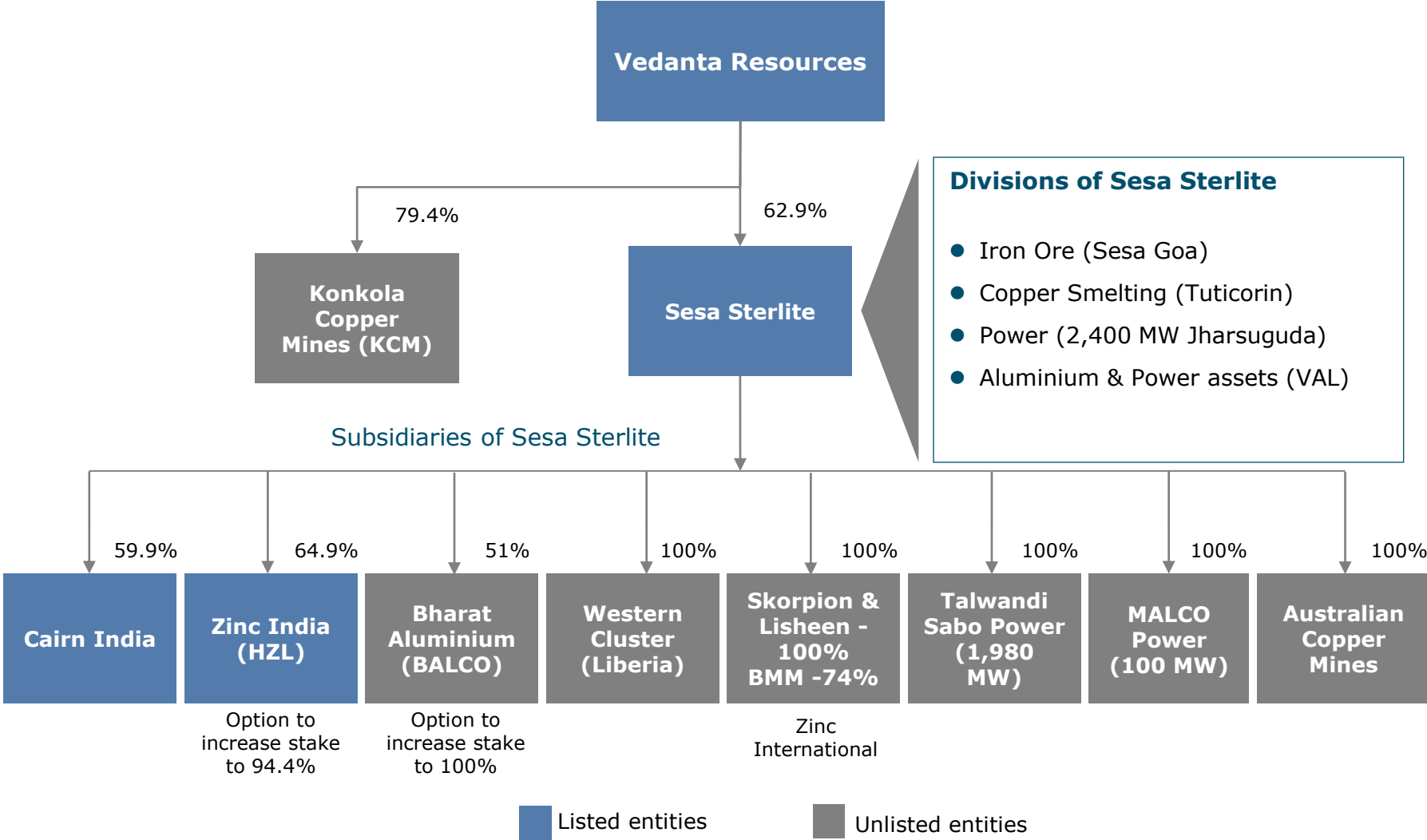
- Government focussed on improving coal situation
- Coal India FY14 production: 462 MT vs.482 MT target
- Rising trend in Coal imports: 23.3 MT in 2003 to 168.4 MT in 2014

### Coal Auction

- Phase I: auction process started for 46 coal blocks
- Submitted bids for coal blocks

### Key Dates for Phase I auctions

- Schedule 2 auctions (23 blocks): tech bid 3 Feb, e-auction: 14-21 Feb, block allocation by 23 Mar
- Schedule 3 auctions (23 blocks): tech bid 14 Feb; e-auction 25 Feb - 5 Mar; block allocation by 2 Apr



Note: Shareholding based on basic shares outstanding as on 31 December 2014