



Vedanta Resources plc

AGM - Chairman's Statement

Anil Agarwal, Chairman of Vedanta Resources plc, delivered the following statement at the Annual General Meeting, which was held on 01 August 2014.

Since our listing on the London Stock Exchange ten years ago, Vedanta Resources has grown rapidly. With listed companies namely Sesa Sterlite, Cairn India and Hindustan Zinc, we have a combined market capitalisation of over \$30 billion making us, in total, one of the ten largest resources companies in the world.

We have achieved compound annual growth of 14% in dividends, 12% in total shareholder return and have returned over \$1.4 billion of capital to shareholders since IPO.

Since 2004, we have bought some high quality assets including KCM, Sesa Goa, Liberia Iron Ore and Cairn India.

Our acquisition of Cairn India has been a particular success with daily production growing from 125,000 barrels at acquisition to over 180,000 barrels in 2014.

In the same ten year period, we have invested over \$20 billion in projects including mines and other facilities, growing the total output by a factor of ten in copper equivalent terms.

Today Vedanta Resources has world-class operations in South Africa, Namibia, Zambia, Ireland, Liberia and Australia, and also in India.

India is richly-endowed with the untapped resources that will fuel its future growth and raise the living standards of its population of a 1.3 billion people. We are working with our employees, communities and regulators to help unlock the resources potential of this great country. This will also give the young population in India a whole host of new employment opportunities.

We see a very forward-looking new government in India which is looking favourably at developing the natural resources sector to leverage its potential with stable and simple policy frameworks. There is significant potential for growth in India and Vedanta is a vehicle for these new potential investment opportunities.

We have had positive engagement with government on core issues across our businesses, and we see an encouraging recognition that we can help to address key issues around job creation, economic growth, and energy security.

In India, we are a critical contributor to the country's growth. We are amongst the largest contributors to the exchequer in India. Vedanta makes important, long-term contributions to local and regional economies, paying \$15bn in taxes, royalties and other payments in total over the last 3 years alone.

Vedanta's operations make a valuable contribution to the communities in which we operate. With nearly 90,000 employees, last year alone we invested \$50 million in community programmes. Now over four million people in communities near our operations benefit through our food, health, education and clean water initiatives.

Working effectively and sustainably with civil society is an absolute priority. You would have seen that we have made a commitment not to mine the bauxite in the Niyamgiri Hills without the express consent of the local communities.

We've also set out our long-term commitment to Africa - we've been in Africa for ten years and we have a fifty year vision for our future here. In the nine years of ownership by Vedanta Resources, KCM has made nearly \$3 billion of capital investment into Zambia and reinvested all our returns. In our efforts to increase returns, we have invested heavily, extending the mine life, creating jobs and investing in the community. We are now Zambia's largest private sector employer and second largest taxpayer.

Remarks I made in a motivational speech at a young entrepreneur's conference some time back were recently taken out of context - I can assure you we have paid our fair share of taxes in Zambia (and around the world) and we welcome any scrutiny of that.

In Africa as a whole, we have over 19,000 direct and indirect employees and 150,000 people benefiting from our community programmes across four African countries. As such, we see Zambia and KCM as our copper and cobalt anchor for future African growth.

In April this year, the Board appointed Tom Albanese as our new Chief Executive. Tom, who is sitting here with me today, is a highly experienced mining executive. He has worked on projects across the globe and brings many years of valuable insight to your company. We are truly delighted that he has joined us and he is already demonstrating his considerable value to Vedanta.

I've asked Tom to focus his efforts particularly on operational excellence and efficient cost management and the safety of our people and the environment. He also has a very important role in Sustainable Development and directing the way we engage with civil society. He will tell you more about that in a moment.

We are also delighted that Katya Zotova will be joining our Board as a non-executive director. She brings a wealth of both sector and commercial experience to Vedanta.

I look at the Group's future with great excitement. Vedanta, as India's only true natural resources champion, has an important role to play in the economic advancement and employment generation of this country. In Africa, where we have been involved for more than a decade, I am positive about the future of our assets and also the wider mining sector across Africa. As we start our second decade since IPO, core to what we do will be continuing to support developing economies in realising their full capability and ensuring resource security for future generations.

I am delighted with what Vedanta has achieved so far and feel very optimistic about what we can achieve in the next decade.

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