



# VEDANTA RESOURCES PLC

## Corporate Presentation

Investing in Africa Mining Indaba  
5 February 2014

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LSE-listed global diversified natural resources major

Portfolio of large, long life, low cost, scalable assets

Commodities: oil & gas, zinc, lead, copper, iron ore, aluminium, precious metals and power

Geographies: India, Middle East, Africa, Europe, Australia

Well invested asset base delivering strong free cash flows

Invested over \$4bn in Africa since 2005

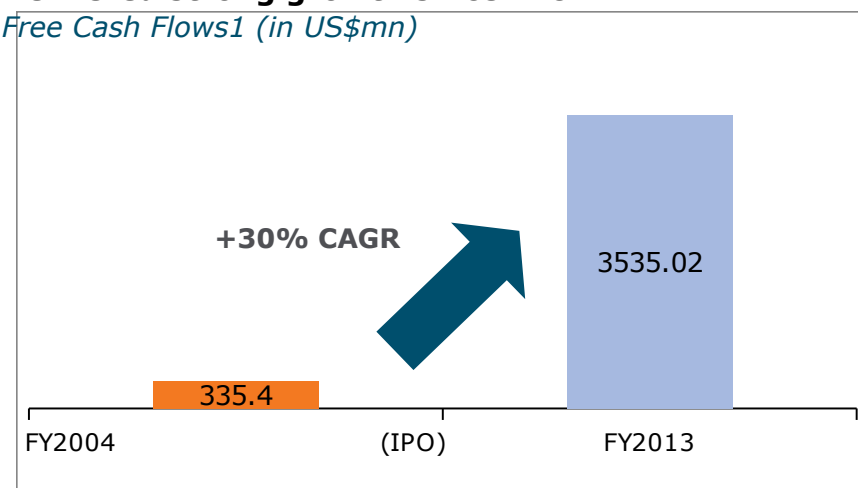
Sustainable development an integral part of the business

## Financial Snapshot (in US\$bn or as stated)

	FY2013
<b>Revenues</b>	<b>15.0</b>
<b>EBITDA</b>	<b>4.9</b>
<b>Free Cash Flow<sup>1</sup></b>	<b>3.5</b>
Net Debt	8.6
Gearing (%)	31.4

## Delivered strong growth since IPO

Free Cash Flows<sup>1</sup> (in US\$mn)



Note: 1. Free Cash Flow before Growth Capex

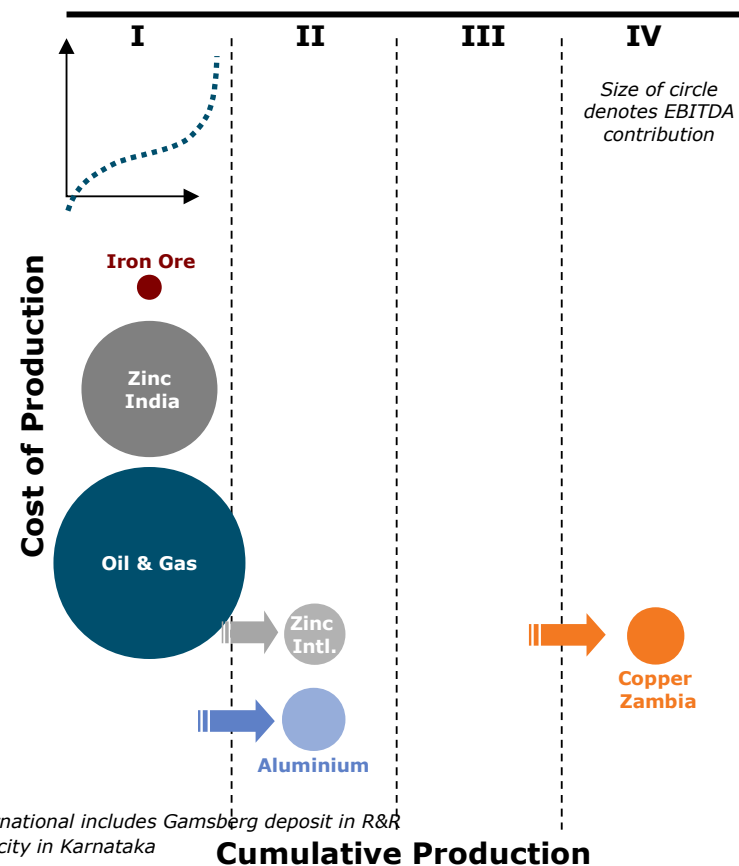
# Tier-1 Asset Portfolio

Positioning	R&R Life1	FY2013 Production	Capacity2
<b>Oil &amp; Gas</b> India's largest private-sector crude oil producer	15	205kboepd	225+ 3 kboepd
<b>Zinc India</b> Largest integrated zinc producer	25+	802kt	1.2mtpa
<b>*Zinc Intl.</b> One of the largest undeveloped zinc deposits	20+	426kt	400ktpa
<b>Silver</b> One of the largest silver producers	25+	13.1moz	16mozpa
<b>*Iron Ore4</b> Largest private sector exporter in India, Large deposit in Liberia	20+	3.1mt 5	16.8mtpa
<b>*Copper Zambia</b> World class resource potential	25+	160kt 6	400ktpa
<b>Aluminium</b> Strategically located large-scale assets with integrated power		774kt	2.3mtpa

Notes:  
 1. Based on FY2013 production and R&R as at 31 March 2013; 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

3. Expected capacity for currently producing assets, subject to approvals  
 4. Numbers excluding Liberia  
 5. Iron Ore operations affected by mining restrictions in Karnataka and Goa  
 6. Integrated Production  
 \* Assets in Africa

## Competitive Position on Cost Curve Quartiles



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

# Long-term Commitment to Africa

Africa	
<b>Operations</b>	<ul style="list-style-type: none"> <li>✓ Diverse portfolio: zinc, lead, copper/cobalt, iron ore and oil &amp; gas</li> <li>✓ Focus on local beneficiation</li> </ul>
<b>Capital Investment</b>	<ul style="list-style-type: none"> <li>✓ \$2.8bn invested in Zambia, projects in feasibility in South Africa &amp; Namibia</li> <li>✓ Large resource base allowing for phased growth</li> </ul>
<b>Contribution to Group</b>	<ul style="list-style-type: none"> <li>✓ African operations currently constitute 10% of Group EBITDA (H1 FY2014)</li> <li>✓ Significant growth potential</li> </ul>
<b>Contribution to Society</b>	<ul style="list-style-type: none"> <li>✓ \$23m contribution to CSR, Health &amp; Education projects in FY2013</li> <li>✓ Community programmes benefiting c.150,000 people across 4 countries</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>✓ c.19,000 employees across 4 countries</li> </ul>





# Copper – Konkola Copper Mines

## BACKGROUND

- World class resource in terms of grade and size
  - One of the highest grade Tier-1 Copper resources in the world with R&R of 767mt at 2.8%1
  - Legacy asset now in transition to mechanised mine
- Significant resource provides growth optionality
- Capital programme completed in 2013
  - Focus is now on mine development to support production ramp-up



## OVERCOMING CHALLENGES

- Sinking of the 1.5km main shaft was the largest shaft sinking project in Zambia since Independence
- Wettest mining operation in the world - 450,000 cubic meters per day
  - Installed 24MW emergency diesel generator system

## STAKEHOLDER RELATIONS

- We have engaged positively with the Govt. of Zambia to address challenges faced at KCM
  - Largest FDI in Zambia (\$2.8bn investment)
- Shared commitment to develop KCM for the benefit of all stakeholders
  - KCM has a sizeable social footprint through its support for education, healthcare provision and sustainable livelihood programmes

**KCM is a major employer in Zambia and key contributor to the Zambian economy**

*Note 1: Resources & Reserves as at 31 March 2013*

# KCM Turnaround Strategy

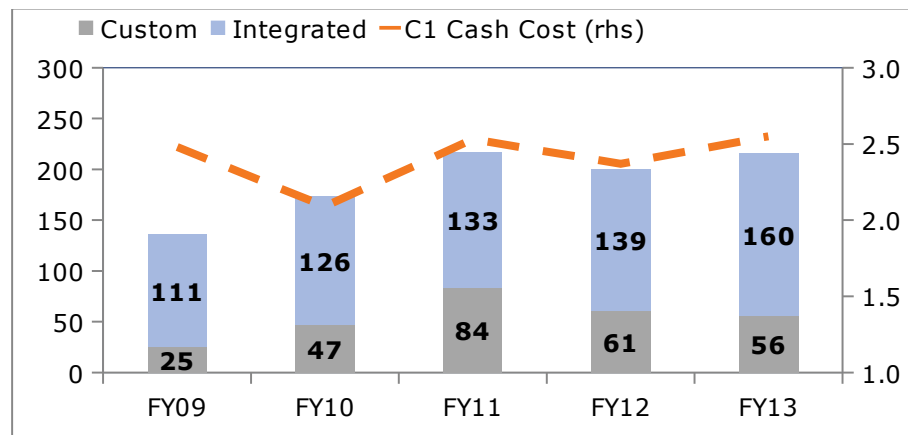
## OPERATIONAL PERFORMANCE

- Costs contained despite lower production volumes
  - Cost control initiatives taking effect
  - High cost production (Chingola Open Pits F&D) curtailed
  - Improving recoveries

## WAY FORWARD

- Transition to a higher degree of mechanised mining
  - Improve volumes, productivity and cost
- Underground mining team strengthened
- Complete trial of new mechanized mining method and implement across Nchanga Upper Orebody
- Implement the Mimbula II Open Pit Project
- Increased custom smelting volumes at the Nchanga Smelter since December to fill spare capacity
- Optimised the blend and throughput of the feed to the Tailings Leach Plant for higher production

## Finished Production and C1 Cash Costs (kt and US\$/lb)



**Leverage off KCM sizeable resource to realise cost efficiencies**

## BACKGROUND

- BMM has been in production for over three decades
  - Efficient underground zinc-lead mine with copper and silver by-products
  - Dedicated mine town & supporting infrastructure established and managed by BMM
- Focus on preservation of the Northern Cape's biodiversity by maintaining 90% of the mining property as a conservation area

## PRIORITIES

- Future options for growth at BMM
- Swartberg, a brownfield project with the resource potential to extend LoM by 15+ years
- Gamsberg, a sizeable greenfield project with potential to triple BMM's output
  - Both projects in advanced feasibility study
  - Regulatory approvals and permitting well-advanced

## Black Mountain Mine, Northern Cape, South Africa



## ZINC MARKET

- Positive fundamental outlook for zinc in the medium- to long-term
- Consensus view is of impending structural deficit in zinc supply in light of looming mine closures
  - This coupled with expected growth in demand, should provide a platform for rising prices
  - Downside risks remain if too many projects are brought on stream globally

**Focus on project right-sizing and phased ramp-up**



## BACKGROUND

- Open cast zinc oxide and hydromet refinery producing 140ktpa of Special High Grade Zinc ingots in a safe & sustainable way
  - Zero-discharge plant to protect ecologically sensitive area
- Significant contributor to the Namibian economy
  - Largest zinc refinery complex in Africa



## PRIORITIES

- Increase mine life through in pit and near pit drilling
  - Extended LoM by 2 years since acquisition in 2010
- Invest in regional exploration
  - Gergarub discovery (JV with RPZC)
- Feasibility study for Refinery conversion to co-treat sulphides
  - Addition of a roasting circuit
- Strong partnership with the Govt. of Namibia for exploration and new mine development

## CHAMPIONING BENEFICIATION

- Key enablers in the establishment of the refinery
  - Active support of Govt. of Namibia
  - Reliable infrastructure and power supply
  - Skilled and motivated workforce
- Conversion to co-treat sulphides will extend the life of the smelter by 10 years
  - Critical to secure energy supply
  - Securing concentrate supply

# Iron Ore and Oil & Gas

## IRON ORE

### Western Cluster Project – Liberia

- In excess of 1bn tonnes iron ore resource
- Working with the Govt of Liberia on longer term plans aligned with their vision for infrastructure in North Liberia

## UPDATE

- Drilling completed on Bomi Hills Concession, with a total of ~56,000m drilled across the other two concessions
- Feasibility study for the Bomi Concession approved by the Ministry in January 2014
  - Phased approach to project development being assessed in order to get to market as early as possible
- Scoping and feasibility studies of facilities at Monrovia Port

## OIL & GAS

### South Africa (Block 1)

- Cairn India signed a farm-in agreement with PetroSA in 2012
- Crude oil & natural gas exploration in the offshore Block 1 in the Orange Basin on the west coast of South Africa
  - Cairn India to hold a 60% interest in the block and will be Operator, with PetroSA holding the remaining interest
  - On trend with the Kudu and Ibhubesi gas fields

## UPDATE

- 3D seismic survey completed in 2013 – interpretation has commenced
  - Further acquisition of approximately 3,000 line-km of 2D seismic data will commence in Q4 FY14
- Multiple plays have been identified

# Building Social and Community Partnerships

We focus on partnering with communities and government departments and NGOs

Free medical services for people living remote villages in Bomi County, Liberia

Free cataract surgeries in the Northern Cape Province, South Africa

Support and sponsorships for local businesses and sport teams

## SUSTAINABLE LIVELIHOOD



## EDUCATION



## HEALTHCARE



**Partnerships enable us to have a greater positive impact on our communities**

# Key Strategic Priorities

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

- Disciplined capital allocation and project selection
- Projects optimally sized and developed in phases
- Sustained operational excellence and focus on realising cost efficiencies
- Positive engagement with Governments

Increasing free cash flow  
used to **reduce gearing**  
and **re-invest**

- Production ramp-up from well-invested assets
- Generate positive free cash flow from all businesses
- Increase contribution to Group from African operations

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

- Focus on increasing the mine life of all assets through in pit and near pit drilling and exploration
- Regional exploration around our operations
- Identify appropriate M&A opportunities

**Integrating &  
unlocking synergies**  
across African operations

- Focus on strengthening management capacity and experience
- Focus on asset optimisation and driving higher returns
- Partnerships that have a lasting positive impact on communities

Growth 

Long-term  
Value 

Sustainability 