

INVESTOR BRIEF

MARCH 2019

HSE MILESTONES

Safety and health

- Three months (December 2018 to February 2019) without a fatality. This is a significant achievement for which our management teams and employees deserve credit and reflects our ever-increasing focus on Zero Harm.
- Lanjigarh achieved 28 million hours without a lost time injury (LTI) over a period of 41 months.
- Cairn Midstream Pipeline Operations achieved 20 million hours LTI-free over a period of five years.

Environment

- Hindustan Zinc commissioned a 22MW solar plant at Agucha.

OIL & GAS GROWTH PROJECTS ON TRACK

Three additional rigs deployed in January – 10 rigs now in Rajasthan, one in KG.

19 more wells drilled, five new wells hooked up, four wells fracked.

Using 'new age' technology and processes – Higher Density Multi Stage Fracturing in transverse horizontal wells – a first in India. More than 2 million pounds of proppant pumped in 16 Hydraulic Fracture Stages.

Gas discovery in KG offshore basin encouraging; second well being drilled.

PRESIDENT RAMAPHOSA OPENS GAMSBERG

- On 28 February 2018, President Cyril Ramaphosa officially opened Vedanta Zinc International's Gamsberg mine in South Africa.
- Milestone in South Africa – first new large-scale mine to open in more than a decade.
- President Ramaphosa said: "We welcome this substantial investment by Vedanta, which not only deepens South Africa's relationship with India but also signals Vedanta's confidence in the future of South Africa's mining industry."
- Gamsberg – one of the largest zinc deposits in the world.
- Reserve and resources of +214Mt and life of mine (LoM) of 30+ years.
- In Phase 1 (LoM of 13 years) – 4Mtpa of ore 250,000tpa of concentrate. Phase 1 of investment (\$400m) complete.
- Phase 2 – investment of further \$350m-\$400m – increase to production to 8Mtpa; zinc-in-concentrate of 450,000tpa in a modular fashion ultimately, to 600,000tpa in phase 3.
- At full development with its future phases of growth, it will be one of the world's top five zinc mines.

CUTTING COSTS IN THE ALUMINIUM BUSINESS

- **Costs of ~\$1,800/t in February, cost reduction continues as guided in Q3 earnings call.**
- **Structural cost adjustment driven by a sharp reduction in captive Alumina cost with increased bauxite feed and coal linkages.**
- **Lanjigarh – highest-ever production (~145kt), at consistent annual rate of more than 1.7mtpa.**
- **Lanjigarh now demonstrates 2.0 mtpa capability.**
- **Lowest-ever Alumina cost of production: \$262/t.**
- **Highest-ever dispatch of Odisha Bauxite of 311kt in February, sufficient for 70% of Lanjigarh's consumption requirements.**

APPOINTMENT OF CEO: ALUMINIUM AND POWER

- Mr Ajay Kapur appointed Chief Executive Officer: Aluminium & Power Business from 4 March 2019.
- Economics graduate – St Xavier's College, Mumbai; MBA – KJ Somaiya Institute; Advanced Management Programme - Wharton Business School.
- Previously Managing Director and Chief Executive Officer of Ambuja Cements in India.
- More than 30 years experience across Ambuja, Citibank and the Taj Group.

UPDATE FROM THE CEO

Dear shareholders and stakeholders,

With Vedanta's diverse and large footprint spanning Zinc, Lead, Silver, Copper, Iron ore, Steel, Aluminum, power generation and Oil and Gas, there are a multitude of developments and milestones we achieve every month, if not every week.

This is not only on the operational front, but more so because of the Group's significant and unparalleled organic project pipeline. Many of these developments and milestones are discussed in our quarterly earnings calls. But, there are so many events and achievements that these calls simply cannot do them the justice they deserve.

With the publication of this Investor Brief, we want to take a step forward in the standards we have set ourselves for the timely and transparent updates to our investors. I trust that this maiden edition of the Investor Brief will be welcome, and we would welcome any suggestions and feedback that you may have. Feel free to reach out to our investor relations contacts.

To begin with, our operating mantra remains true: We focus on safety and sustainability, increasing volumes, being the lowest cost producer, improving margins and growing the company.

Vedanta remains uniquely positioned to grow in commodities that have rising demand, especially in India. And our enviable growth pipeline is being brought to fruition in a disciplined manner. It fills me with pride that any opportunity that demands capital is always evaluated on two measures: for financial value and returns;

and whether it meets our principles as a company on sustainability and ethics. And, even beyond the business of extraction, we are also engaged in truly important sustainability work, across a broad front, that is designed to improve – in a tangible way – the lives of the people, particularly women and children, in the communities which host our operations;

Some of the key developments since our last earnings call are discussed below:

- On the safety front we have seen a consistent improvement in performance, with new milestones having been reached by a number of our business units. The group has as a whole worked without a fatality for three months now, making us believe that our vision of Zero Harm is indeed achievable.
- Our base metals business continues to set benchmarks for the industry at a global level. Within six months of acquisition, Electrosteel has turned around to achieve a run rate of 1.5 Mtpa with healthy EBITDA margins, largely as a result of cost and volume improvements. Hindustan Zinc is on track to achieve a design capacity of 1.2 Mtpa MIC by commissioning a new concentrator and pastefill plants and ramping up development.
- Zinc International's Gamsberg Mine was formally inaugurated by the President of South Africa last week. Commissioning is underway, with a focus on the stabilising the performance of the plant.
- Development projects in the Oil & Gas business are progressing well, with this highly ambitious expansion programme on track. Additional rigs have been deployed and more wells have been drilled and hooked up. Our business uses new age technology and processes and we are proud of the ABH well production result using multi-stage fracturing in transverse horizontal wells, which has been a first in India. The gas discovery at KG offshore basin was encouraging, and we are progressing this find with a second well being drilled there.

- In the Alumina business, we have seen increases in volumes, decreases in costs and margin improvements as a result. In fact, several new performance records have been set.
- And, at Sterlite Copper, legal processes are underway through the State Courts to re-open this plant. Comprehensive CSR and stakeholder outreach programmes continue.

As the eyes of the world have turned to Brumadinah in Brazil, where the failure of a tailings management facility (TMF) has resulted in tragic deaths of employees and community members, we – at Vedanta – offer our condolences and sympathies to those affected by the tragedy. It is at times like these that the industry must undertake intense introspection, and leave no stone unturned in ensuring that tragedies like this do not strike again. For our part, at Vedanta we undertook a thorough review of our TMFs after the 2015 Brazilian incident, bringing in the support of international and independent experts. They have continued to support us, both in the development of an internal group standard, as well as in auditing our operations against this standard. Even though this is the case, we have reviewed and intensified our efforts in recent weeks.

Finally, it gives me great pleasure to announce the appointment of Mr Ajay Kapur as Chief Executive Officer – Aluminium & Power Business from 4 March 2019, based in Delhi. Ajay brings a wealth of experience in the industry and has a natural passion for safety and sustainability. We are proud to have Ajay join our leadership team. In this role, Ajay will be a member of Group Executive Committee.

Best regards

Srinivasan (Venkat) Venkatakrishnan,
CEO