

# INVESTMENT CASE

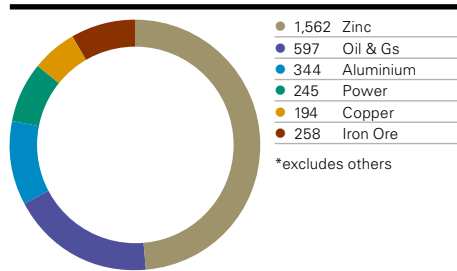
Our strategy is focused on delivering sustainable long-term returns to our shareholders. This is demonstrated by our strong shareholder returns. We have returned c. \$2 billion to shareholders since the IPO in 2003.

## 1 LARGE, LOW COST AND DIVERSIFIED ASSET BASE

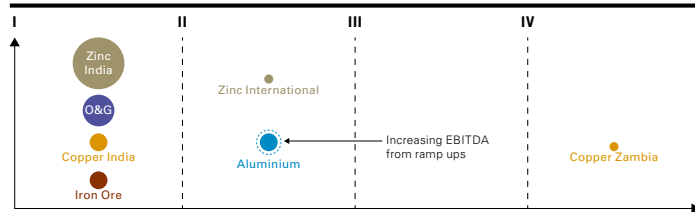
A low cost production profile, in the lowest quartile at our major assets, enables the Company to generate positive free cash flow even at low commodity prices.

Our competitive cost base combined with our portfolio of large, high quality, diversified assets enables us to deliver value throughout the commodity cycle.

**GROUP EBITDA MIX\***  
(%)



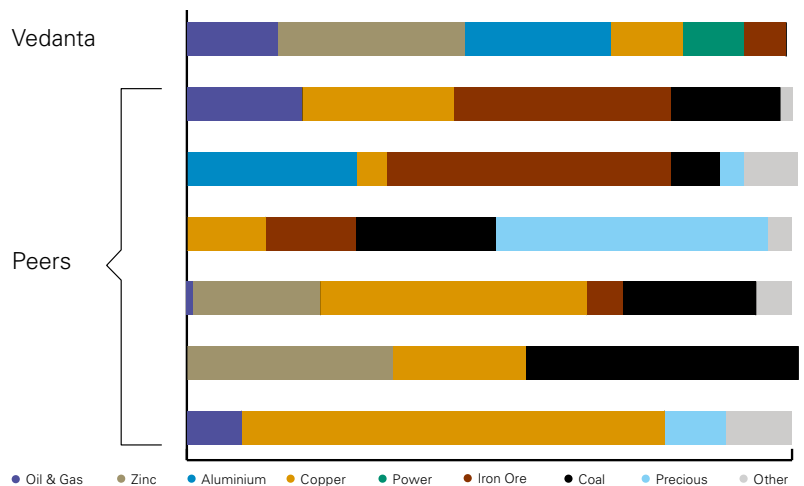
**ATTRACTIVE COST POSITION**



## 2 ATTRACTIVE COMMODITY MIX

Vedanta's operations cover a range of attractive commodities with strong fundamentals and this has enabled the Company to deliver strong margins through the commodity cycle. This year, markets have seen an upturn driven by improved demand and supply side constraints, which has benefited the commodities sector, particularly zinc, and we expect to see a continuing upward trend going forward.

**COMMODITY DIVERSIFICATION**  
(% REVENUE CY 2016)

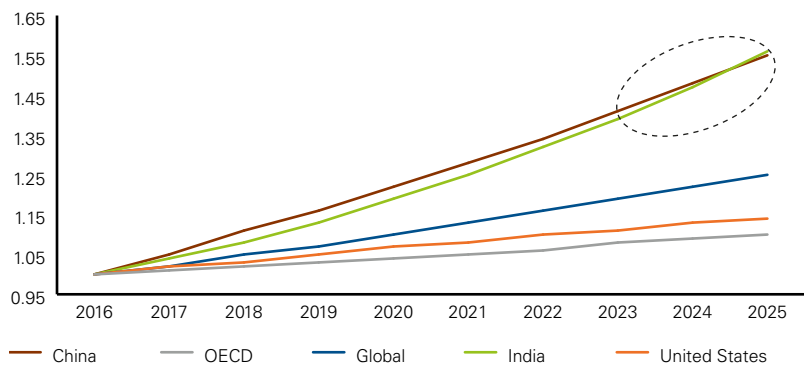


## 3 IDEALLY POSITIONED TO CAPITALISE ON INDIA'S GROWTH POTENTIAL

India is Vedanta's main market and one which has huge growth potential. Urbanisation and industrialisation supported by government initiatives on infrastructure and housing are driving economic growth and demand for natural resources. We are strongly and uniquely positioned to benefit from this growth due to our:

- › established operations and experience in India;
- › strong market position across our commodity basket;
- › operating team with a strong track record of executing growth in India;
- › being India's largest base metals producer, and largest private sector oil producer.

**INDUSTRIAL PRODUCTION GROWTH RATES**

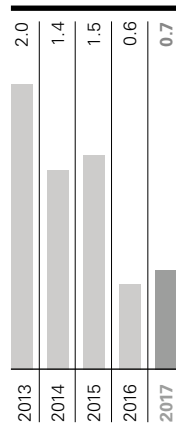


Source: Wood Mackenzie

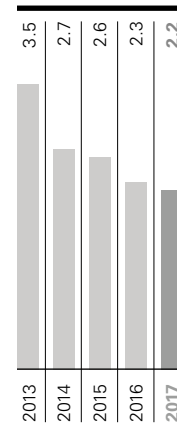
## 4 WELL-INVESTED ASSETS ARE DRIVING CASH FLOW GROWTH

With a significant amount of our capital investment programme completed, we are now ramping up and have commenced reaping benefits of those investments. We will be able to reach our full capacities with only limited capex spend and consequently, our cash flows are poised for a significant increase.

**GROWTH CAPEX**  
(US\$ BILLION)



**FCF PRE CAPEX**  
(US\$ BILLION)

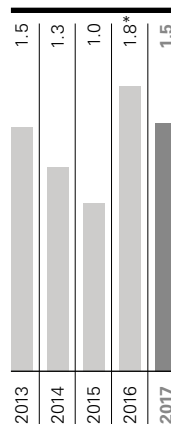


## 5 STRONG FINANCIAL PROFILE

Our strong operational and cost performance coupled with a strong focus on proactive balance sheet management has helped strengthen the financial profile. The financial profile is supported by:

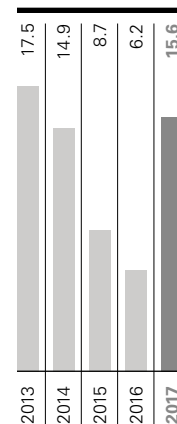
- › Solid revenues (US\$11.5 billion in FY2017) and EBITDA performance (US\$3.2 billion in FY2017).
- › Strong and growing free cash flow post growth capex of US\$1.5 billion in FY2017.
- › Our cost saving programme which is currently underway, achieving US\$814 million to date, ahead of our plan to deliver US\$1.3 billion by FY2019.
- › Deleveraging and extending debt maturities.
- › Cash and liquid investments of \$9.7 billion.

**FCF POST CAPEX**  
(US\$ BILLION)



\* Restated

**ROCE**  
(%)

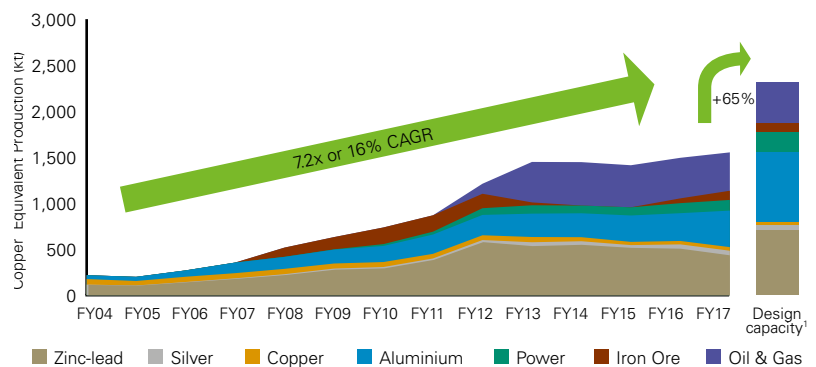


## 6 PROVEN TRACK RECORD

We have a proven management team with a diverse and extensive range of sector and global experience who ensure that operations are run efficiently and responsibly. We have taken a disciplined approach to development, growing our production steadily with an ongoing focus on operational efficiency and cost savings.

Since our listing in 2003, our assets have delivered 16% annualised growth in copper equivalent terms.

**TOTAL PRODUCTION (COPPER EQUIVALENT KT)**



1 All commodity and power capacities rebased to copper equivalent capacity (defined as production x commodity price/copper price) using average commodity prices for FY16. Power rebased using FY16 realisations, copper custom smelting production rebased at TC/RC for FY16, iron ore volumes refers to sales, with prices rebased at average 58% FOB prices for FY16. Iron ore assumed at FY2017 production of 10.2mt.

