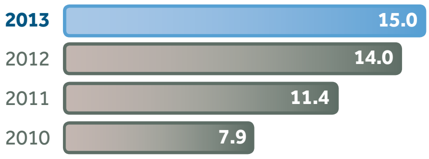
Key Performance Indicators

Vedanta has identified the key performance indicators that it believes are useful in assessing how well the Group is performing against its strategic aims.

They encompass both financial and non-financial measures.

Growth

Revenue (US$bn)



Description
Revenue represents the value of goods and services provided to third parties during the year.

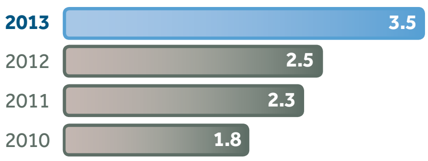
Commentary
Revenues increased to US$14,990 million, up 7.0% following Cairn India's contribution of US$3,223 million to our revenue in its first full year of operations. Despite our major businesses delivering higher volume growth, with the exception of iron ore, weak commodity prices lowered revenues. Revenue was also impacted by the suspension of iron ore mining in Goa from September 2012 and the continued mining restriction in Karnataka.

EBITDA (US$bn)

Description
Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA') is a factor of volumes, prices and cost of production. This measure is calculated by adjusting operating profit for special items, and adding depreciation and amortisation.

Commentary
EBITDA increased by 21.4% to US$4,888 million including a full year of operating results from Cairn India which contributed US$2,440 million. This demonstrates the resilience of our diversified business portfolio which helped insulate our EBITDA performance from lower commodity prices and the disruption of iron ore operations during the year.

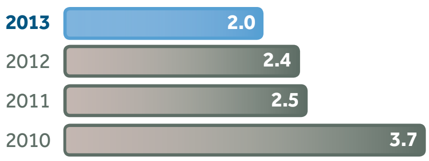
Free cash flow (US$bn)



Description
This represents net cash flows before financing activities, investing activities in expansion projects and dividends paid out by Vedanta. This measure ensures that the profit generated by our assets is reflected by cash flow in order to fund future growth.

Commentary
Free cash flow in FY 2012–13 was US$3,535 million as compared to US$2,534 million in FY 2011–12, up by 39.5%. EBITDA conversion to free cash flow was 72.3% as compared to EBITDA conversion to free cash flow of 62.9% in FY 2011–12 and cash flow generation after expansion capex was US$1,516 million, significantly higher than the previous year.

Capex spent (US$bn)

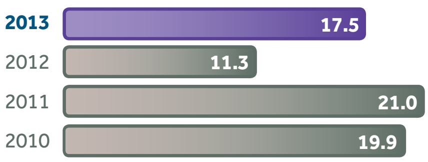


Description
This represents the amount invested in our organic growth programme during the year.

Commentary
Expansion capital expenditure during the year was US$2,019 million as compared to US$2,398 million in the previous year, lower by US$379 million. The Company's capital expenditure programme has begun to taper off, reflecting the Company's prudent approach to capital allocation.

Long-term value

ROCE[1] (%)

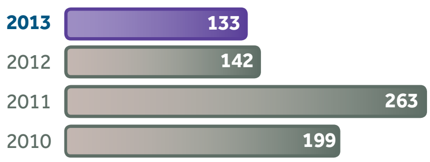


1 Excluding capital work in progress.

Description
This is calculated on the basis of operating profit before special items and net of tax as a ratio of capital invested in operations as at the balance sheet date, and excludes investment in project capital work in progress and exploration assets. The objective is to consistently earn a post-tax return above the weighted average cost of capital.

Commentary
ROCE without project capital work in progress and exploration assets in FY 2012–13 increased to 17.5% as compared to 11.3% in the previous year.

Underlying EPS (US cents)



Description
This represents net profit attributable to equity shareholders and is stated before special items and their attributable tax and minority interest impacts. By producing a stream of profits and EPS we will be able to pay a progressive dividend to our shareholders.

Commentary
Underlying EPS at US$1.33 per share was lower compared to the previous year of US$1.42 per share. The increase in attributable profit resulting from the full year operations of Cairn India and better operational efficiency of our other businesses was more than offset by the mining restriction in iron ore and lower metal prices across all metals and higher operating costs at KCM.

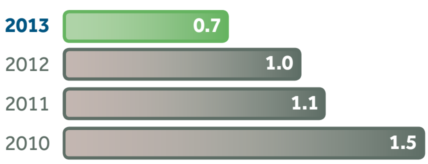
Dividend per share (US cents)

Description
Dividend per share ('DPS') is the total of final dividend recommended by the Board in relation to the year and interim dividend paid out during the year.

Commentary
We have been able to maintain our commitment to a progressive dividend policy, raising the total dividend to 58 US cents per share this year, up 5.5%.

Sustainability

LTIFR (million man hours)



Description
The Lost Time Injury Frequency Rate ('LTIFR') is the number of lost-time injuries per million man-hours worked. This includes our employees and contractors working in our operations but not incidents in our projects.

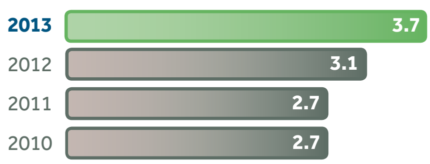
Commentary
We have been able to sustain the reduction in LTIFR with a 62% decrease during the last five years. Additionally, we have initiated structured programmes to review and remove any unsafe conditions at our plants.

Women in workforce (%)

Description
The percentage of women in the total permanent employee workforce.

Commentary
We nurture young, enthusiastic talent and provide equal opportunities to men and women. During FY 2012–13, women employees comprised 8.1% of our employees. We initiated several initiatives aimed at providing career advancement to women, for example planned rotation through corporate functions.

CSR footprint (million beneficiaries)



Description
Total number of beneficiaries through our community development programmes across all our operations.

Commentary
Over 3.7 million people benefited this year through our continuing engagement in community development projects comprising community health, nutrition, education, water and sanitation, sustainable livelihood, women empowerment and bio-investment.