

Strategic Framework

Vision

To be a world class, diversified resources company providing superior returns to our shareholders, with high quality assets, low-cost operations and sustainable development.

Strategy

To deliver growth, long-term value and sustainable development through our diversified portfolio of large, long-life, low-cost assets.

Growth

Organic growth

We focus primarily on extending our resource base and growing our assets organically, investing in projects that expand our capacity and increase production volumes.

Selective and value accretive M&A

In addition to organic growth, we look to acquire large proven assets where we can add significant value with our strategic capabilities.

Long-term value

Optimise returns

We aim to optimise our cost and operational performance through a culture of continuous improvement to achieve and maintain a low cost position in all our businesses.

Reserves and resources

We aim to continue to add to our Reserves and Resources ('R&R') at a faster rate than we deplete them through a continued focus on exploration.

Group structure

Consolidation and simplification of our Group structure remains a strategic objective as we seek to drive synergies from integrating the Group and build long-term value.

Sustainability

Responsible stewardship

We are committed to providing a safe, secure and healthy workplace for all employees by optimising our specific consumption of inputs and minimising our environmental footprint.

Building strong relationships

We aim to forge strong partnerships by engaging with our key stakeholders including shareholders and lenders, suppliers and contractors, customers, employees, governments, communities and civil society.

Adding and sharing value

We aim to create and sustain policies and processes that will contribute to the well-being and development of our employees and deliver sustainable benefits to the local communities where we operate.

What we said we would do

- Ramp-up of oil production at Rajasthan field to 240kbopd by CY 2013 (basin potential of 300kbopd)
- Recover iron ore volumes and ramp up at Konkola mine and Power operations
- Focus on future drivers of growth: Liberia, Gamsberg, Zinc India

- Continue to add R&R in oil & gas, iron ore and zinc
- Reduce gearing through strong free cash flow
- Continued focus on securing coal and bauxite
- Complete simplification of the Group structure

- Continue to improve our safety performance
- Continue to improve our stakeholder engagement
- Improve process of identifying issues that are material to our stakeholders and to the business
- Expand our structured educational, healthcare and community programmes

How we performed

- 32% ramp up to 170kbopd of oil & gas production with ramp-up continuing
- Record production at Zinc India
- Integrated copper production up 16% driven by ramp up at Konkola and total power sales up 36%. Iron ore volumes depressed by impact of mining restrictions
- Feasibility study underway for 186mt in Gamsberg deposit

- Mine extensions delivered in our Zinc, Copper and Iron Ore operations
- JORC confirmation of initial exploration R&R of 966mt in Liberia
- Net gearing reduced from 35% to 31%
- Group simplification approval received from High Court of Bombay in Goa and Madras High Court order awaited

- LTIFR halved from 1.91 to 0.72 over the last five years
- Over 4,700 stakeholder engagement meetings took place and over 250 partnerships are now in place
- Undertook a focused materiality assessment with priority findings presented to management
- 27 of the 29 recommendations made by the Scott Wilson review have now been completed and closed off. (Final Sign-Off Audit and a recommendation relating to the on-hold Lanjigarh expansion project remain)
- US\$47 million invested in community programmes during the year, reaching 3.7 million people

Future priorities

- Achieve growth to 1.2mtpa mined zinc lead metal
- Achieve exit production rate of 200,000–215,000 bopd of oil & gas in FY 2014
- Feasibility study of Gamsberg
- Ramp up mine development at Konkola to realise its full potential
- Phased development of Liberia mining project

- Unlock value of proven Rajasthan oil & gas block: exploration to achieve basin potential of 300kbopd
- Deleverage balance sheet with increase in free cash flow after project capex
- Continued focus on securing coal and bauxite
- Complete simplification of Group structure

- Target to further reduce LTIFR to 0.50 by 2015 (0.70 by 2014)
- All sites to upgrade their existing Stakeholder Engagement Plans as per sustainability framework
- Closure of all 29 recommendations
- Structured community development programmes to continue