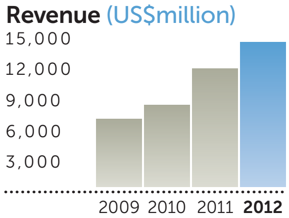
Key Performance Indicators

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 and are set out opposite.

GROWTH

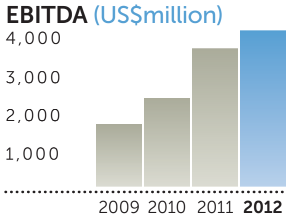
Revenue (US$million)



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

Commentary
Revenues grew by 22.6% to US$14.0 billion, due to higher volumes at most businesses with production ramping up as our growth projects were completed. Revenue also increased due to the acquisition of Cairn India and incremental revenue from full year consolidation of the Zinc-International operations acquired last year.

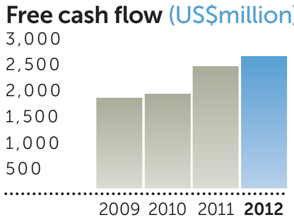
EBITDA (US$million)



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 was 12.9% higher reflecting increased volumes, diversification into the high margin oil & gas sector and full year consolidation of the Zinc-International operations acquired last year. The impact of inflationary cost pressures, particularly the cost of raw materials, were partially offset by improved operational performances.

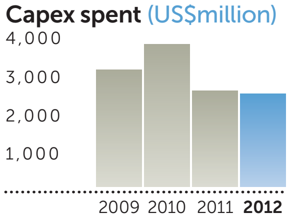
Free cash flow (US$million)



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
We generated strong free cash flow of US$2.5 billion, representing a 62.9% conversion of EBITDA to free cash flow, marginally lower than the 65.8% conversion in FY 2011. This reduction is mainly attributable to higher interest on borrowing for the Cairn India acquisition and increased sustaining capital expenditure.

Capex spent (US$million)

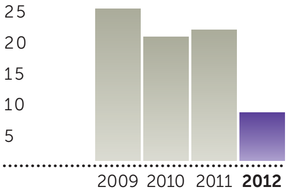


Description
This represents the amount invested in our organic growth programme during the year.

Commentary
We invested US$2.4 billion in expansion capital expenditure to increase the scale of our operations. We spent US$386.2 million on sustaining capital expenditure to modernise our plant and equipment, and to continually optimise and improve operational standards.

LONG-TERM VALUE

ROCE[1] (%)

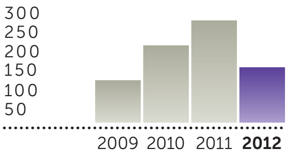


1 Excluding work in progress.

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. 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 in FY 2011–12 was 7.7% as compared to 21.0% in the previous year as a result of higher depreciation and amortisation, interest expense and mark-to-market losses on foreign currency borrowings.

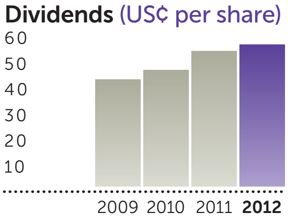
Underlying EPS (US¢ per share)



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$1.42 per share was lower compared to the previous year of US$2.63 per share. This was due to a fall in attributable profit affected by increased amortisation and depreciation charges, interest expenses related to funding for the Cairn India acquisition and losses at VAL.

Dividends (US¢ per share)

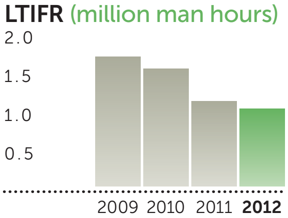


Description
Dividend per share ('DPS') is the total of final dividend recommended by the Board in relation to the year and interim dividend paid out during the year.

Commentary
We have been able to maintain our commitment to a progressive dividend policy, raising the total dividend to 55 US cents per share this year, up 5%.

SUSTAINABILITY

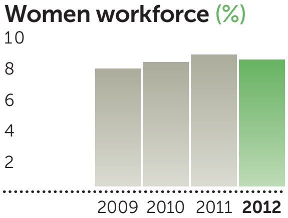
LTIFR (million man hours)



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 reduction in LTIFR with a 41% fall over the last four years. Additionally, we have initiated structured programmes to review and remove any unsafe conditions at our plants. Our LTIFR targets are 0.80 and 0.50 for FY 2013 and FY 2016 respectively.

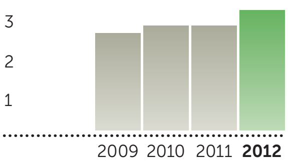
Women workforce (%)



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, women employees comprised 8.16% of our employees. We initiated special recruitment drives for providing career advancement to women, like planned rotation through corporate functions.

CSR footprint (million beneficiaries)



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

Commentary
We benefitted over 3 million people this year through our continuous efforts in the community development projects comprising community health, nutrition , education, water and sanitation, sustainable livelihood, women empowerment and bio-investment.