



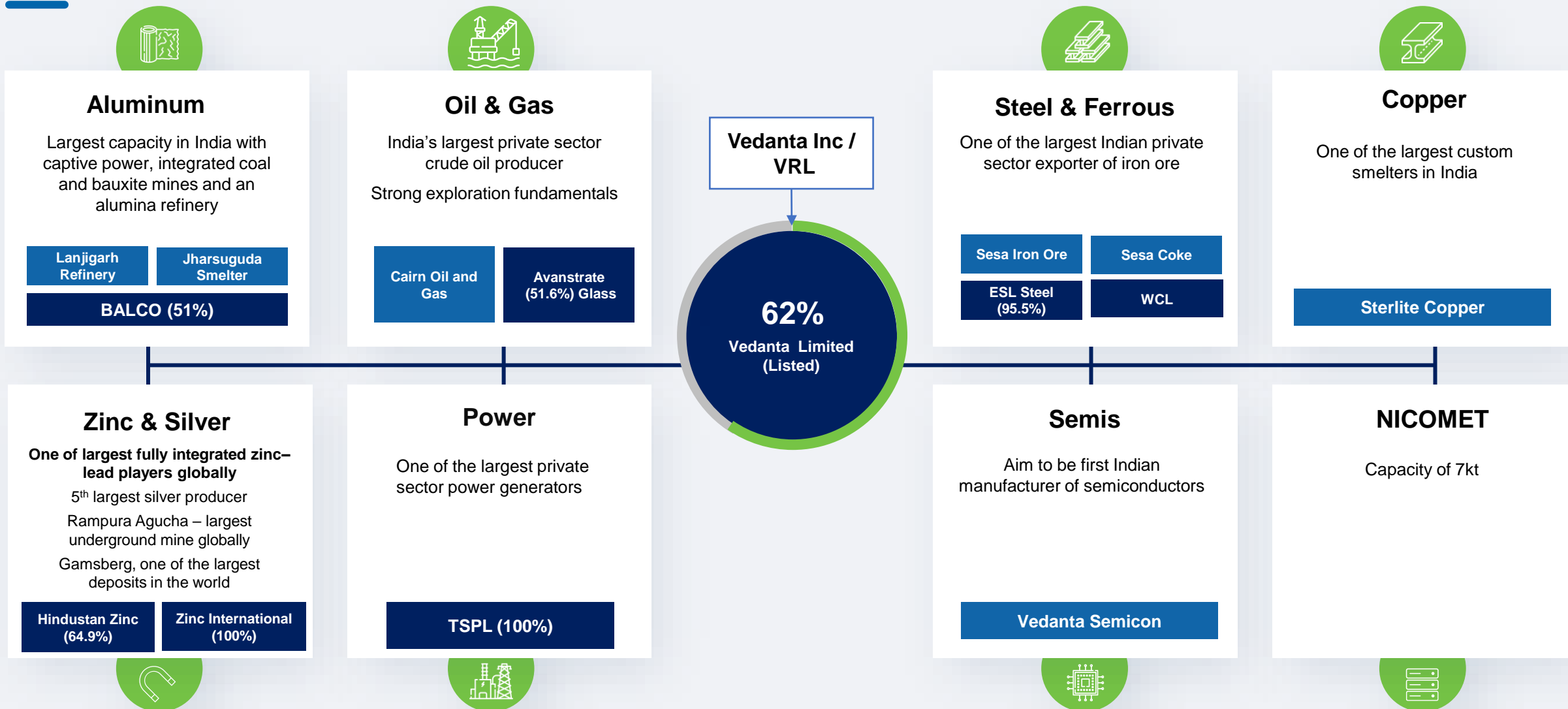
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# Demerger Shaping our portfolio for the future

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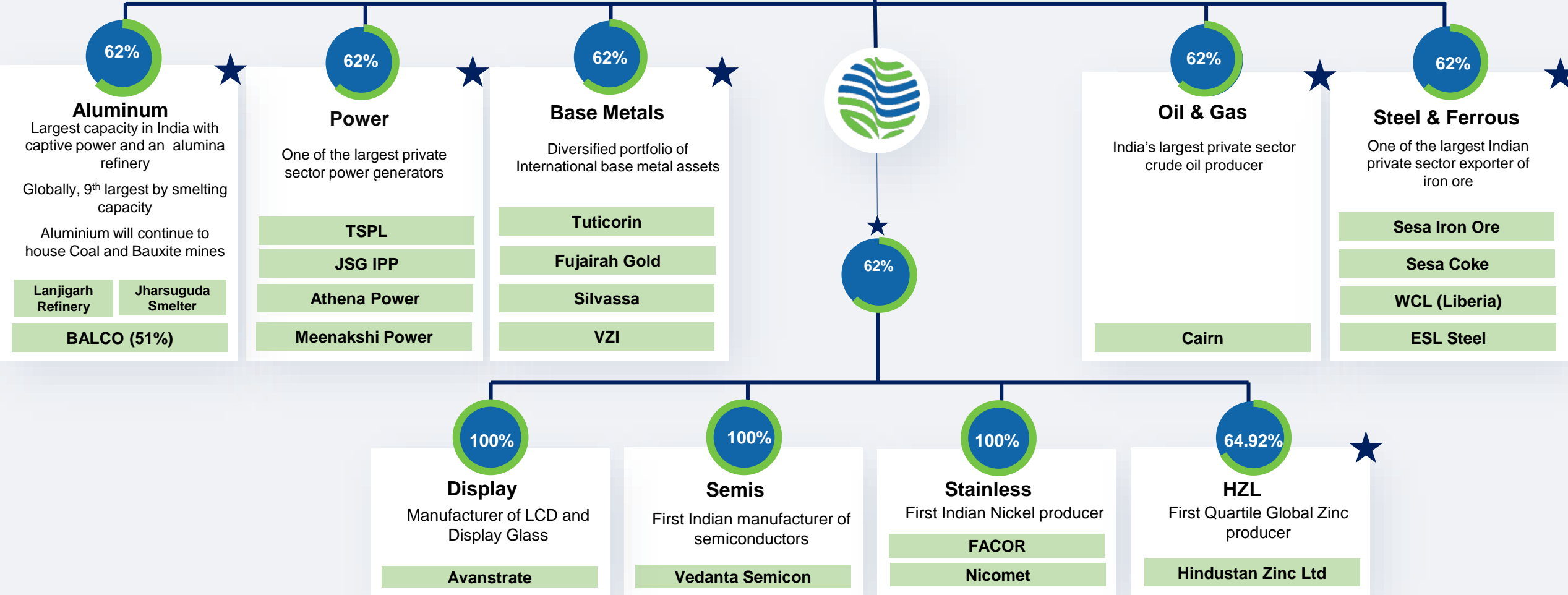
**Ajay Agarwal**  
President Finance

# Today - Operating Companies with “Asset Managers”



# Tomorrow - Streamlined pure-play “Asset Owner” model

Vedanta Inc / VRL



★ Business to be listed after Demerger

# Rationale for “A Simpler Vedanta”

**Valuation:** Capital markets perceive a capital allocation risk which results in a discount to intrinsic fair value



1

**Liquidity and growth capital:** Saturated debt limit; equity capital market access is relatively restricted



2

**Investor Universe:** Investors presented with a diverse portfolio of non-synergistic assets

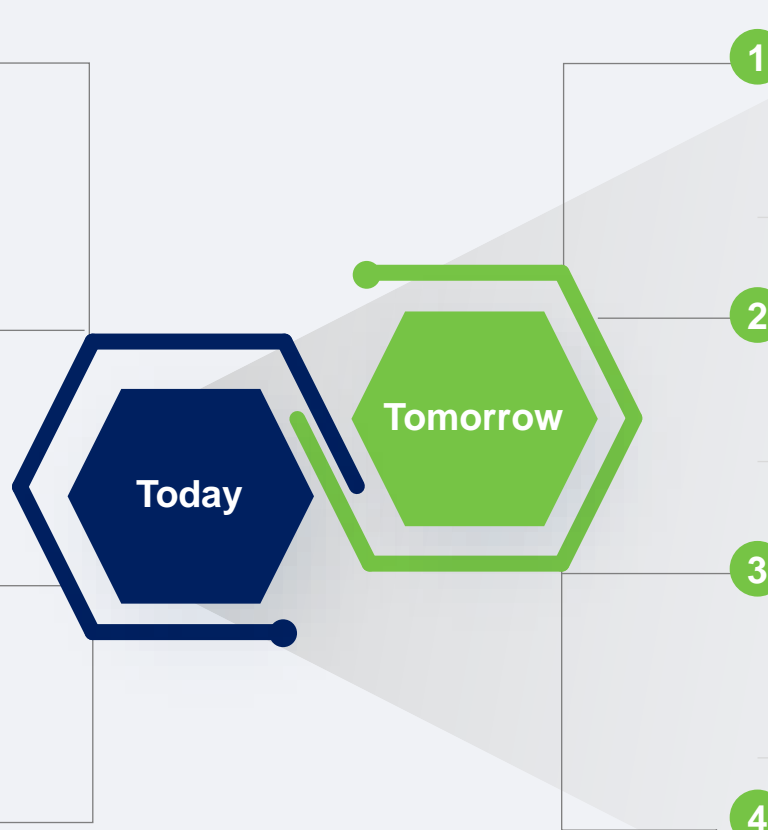


3

**Management:** Centralized management with different financial profile and businesses competing for capital investments



4



1



**6 pure-play businesses** with a high degree of homogeneity. World-class assets with global scale and best-in-class cost positions

2



Entities created will have **independent capital structures** and the **ability to attract direct investment** for their funding requirements

3



Each entity will attract an appropriate universe of **investors and strategic partners**. Enables better understanding of each vertical by the analyst and investor communities

4



Independent, skilled management incentivized with equity exposure

# Capital Structure Formulation

Allocation of the current debt at VEDL standalone level to the resulting entities is a key consideration



Debt split is going to be only for standalone debt, debt at subsidiaries will continue as is



Debt allocation will be done as per income tax act



Debt allocation exercise will be in line with the above objective



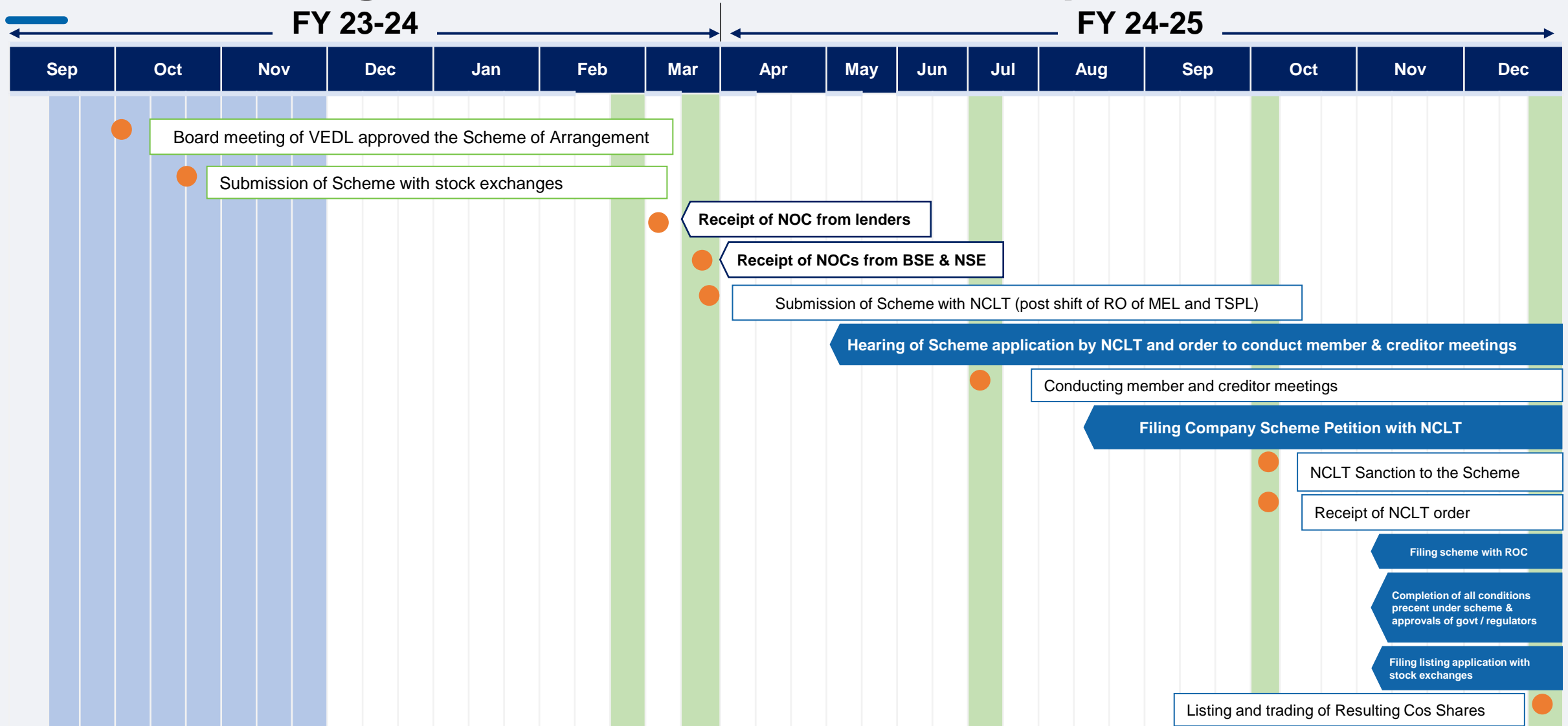
Objective of the demerger is to create pure play businesses with optimal capital structure and high credit rating



Detailed credit analysis being undertaken with lenders to identify most optimal debt allocation across resulting entities



# Vedanta Demerger – Indicative Timeline for Implementation



COMPLETED

IN PROGRESS

Key milestones

(C4)



# Best in Class Leadership



## John Slaven

### CEO Aluminum

Harvard Business School, MBA  
Exp: 37 years  
Alcoa, BCG, BHP, De Beers



## Vibhav Agarwal

### CEO Power

MBA - NITIE,  
B.Tech. – IIM Mumbai  
Exp: 24 years



## Arun Mishra

### CEO Vedanta Limited Executive Director

35+ years of experience of leading  
in various strategic positions



## Chris Griffith

### CEO Base Metals

30+ years exp; Extensive  
Mining experience



## Navin Jaju

### CEO – Sesa Goa Iron Ore

B.Com., C.A.  
Exp: 27 years



## Steve Moore

### Deputy CEO

37 years exp; Global Oil & Gas  
specialist  
Energear, Shell, Maersk, Mubadala



## CEO and Management teams

- Fully independent and empowered CEOs
- End-to-end responsibility for the business including raising capital, brand management, legal & government affairs, people, investors, banks, expansion etc.

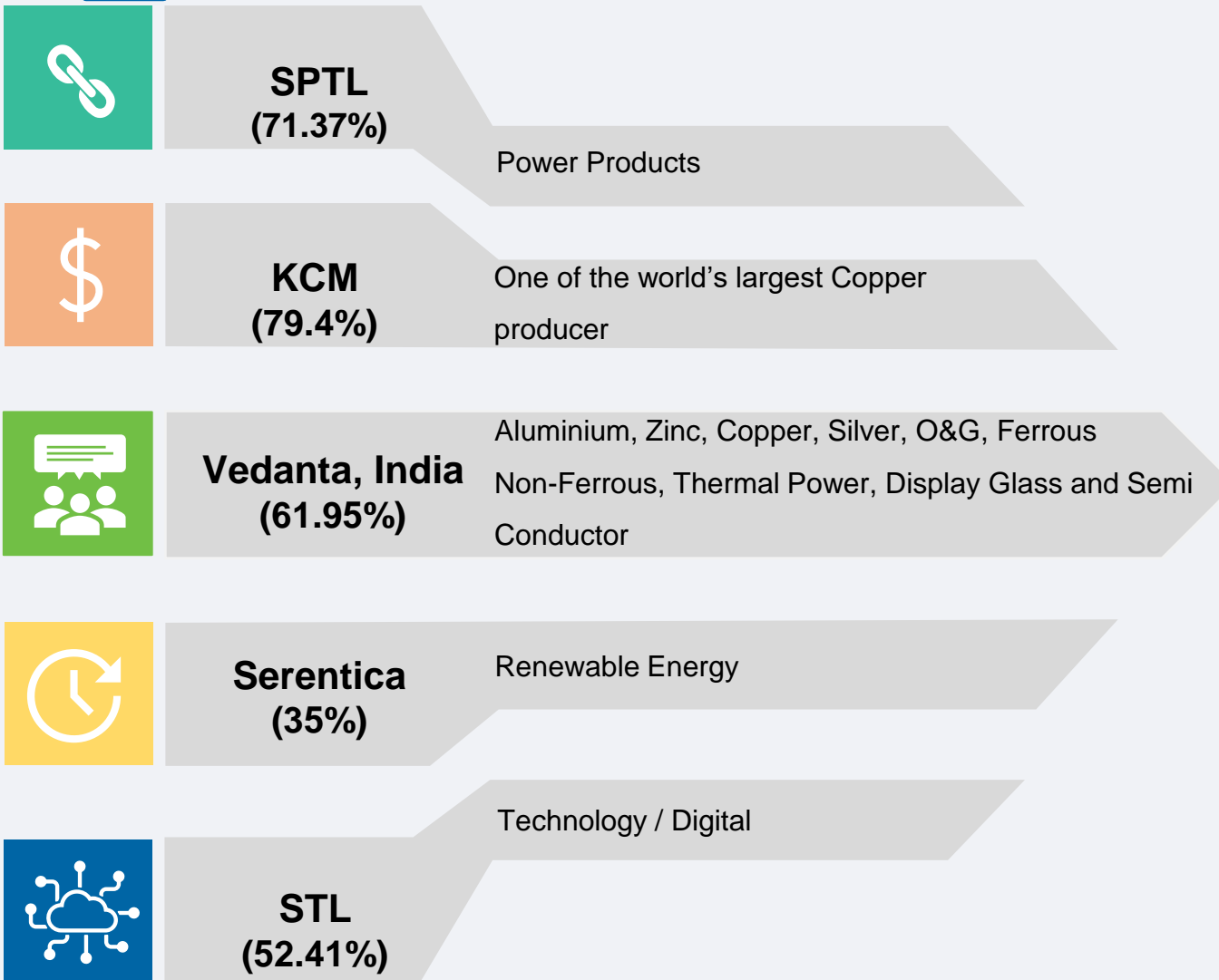
## Equity schemes with ‘skin in the game’

- Wealth creation opportunity with equity stake in their company

## Board of Directors

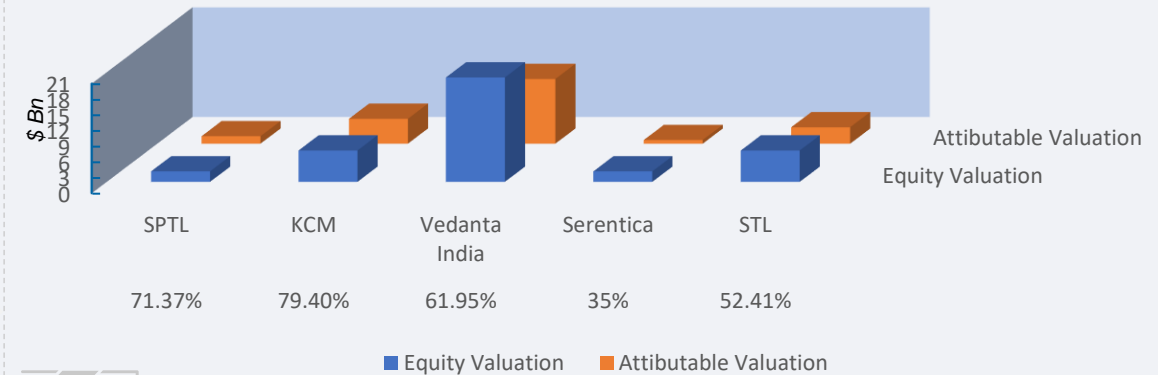
- Each company will have its own Board with reputed Directors
- The Directors will bring technical experience, commercial acumen, brand and capital markets experience and play a key role in supporting the CEO and team in unlocking value

# Vedanta Inc – A bouquet of world class diversified assets



## Indicative combined near term valuation

**Total combined valuation ~ \$ 40 - 43Bn**  
**Attributable Valuation ~ \$ 25 - 30 Bn**



## Outcome of VRL's balanced business decisions

- Potential for strong Return on Capital
- Comfortable level of Debt to Security / Asset coverage (~ 5X)
- Recent realignment of debt demonstrates confidence of lenders in the portfolio of assets
- VRL's debt incentivised investments in 'value-enhancing' futuristic assets leading to **investment efficiency**