

# GLOSSARY AND DEFINITIONS

## 5S

A Japanese concept laying emphasis on housekeeping and occupational safety in a sequential series of steps as Sort (Seiri); Set in Order (Seiton); Shine (Selso); Standardise (Seiketsu); and Sustain (Shitsuke)

## ADAPTED COMPARATOR GROUP

The new comparator group of companies used for the purpose of comparing TSR performance in relation to the LTIP, adopted by the Remuneration Committee on 1 February 2006 and replacing the previous comparator group comprising companies constituting the FTSE Worldwide Mining Index (excluding precious metals)

## AGM OR ANNUAL GENERAL MEETING

The Annual General Meeting of the Company which is scheduled to be held on Thursday 31 July 2008 at 3.00pm, UK time, at The Institution of Civil Engineers, One Great George Street, Westminster, London SW1P 3AA

## AE

Anode effects

## AGRC

Ararat Gold Recovery Company incorporated in Armenia, engaged in gold mining and processing

## AIDS

Acquired immune deficiency syndrome

## ALUMINIUM BUSINESS

The aluminium business of the Group, comprising its fully-integrated bauxite mining, alumina refining and aluminium smelting operations in India, and trading through the Bharat Aluminium Company Limited and The Madras Aluminium Company Limited, companies incorporated in India

## ARTICLES OF ASSOCIATION

The articles of association of Vedanta Resources plc

## ATTRIBUTABLE PROFIT

Profit for the financial year before dividends attributable to the equity shareholders of Vedanta Resources plc

## BALCO

Bharat Aluminium Company Limited, a company incorporated in India

## BOARD OR VEDANTA BOARD

The Board of Directors of the Company

## BOARD COMMITTEES

The committees reporting to the Board: Executive, Audit, Remuneration, Nominations, and Health, Safety and Environment, each with its own terms of reference

## BUSINESSES

The Aluminium business, the Copper business and the Zinc business together

## CAPITAL EMPLOYED

Net assets before Net (Debt)/Cash

## CAPEX

Capital expenditure

## CASH TAX RATE

Current taxation as a percentage of profit before taxation

## CEO

Chief executive officer

## CII

Confederation of Indian Industries

## CLZS

Chanderiya lead and zinc smelter

# GLOSSARY AND DEFINITIONS CONTINUED

## **CO<sub>2</sub>**

Carbon dioxide

## **CMT**

Copper Mines of Tasmania Pty Limited, a company incorporated in Australia

## **COMBINED CODE OR THE CODE**

The Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2006.

## **COMPANY OR VEDANTA**

Vedanta Resources plc

## **COMPANY FINANCIAL STATEMENTS**

The audited financial statements for the Company for the year ended 31 March 2008 as defined in the Independent Auditors' Report on the individual Company Financial Statements to the members of Vedanta Resources plc

## **CONVERTIBLE BONDS**

\$725 million 4.60% guaranteed convertible bonds due 2026, issued by a wholly-owned subsidiary of the Company, Vedanta Finance (Jersey) Limited ('VFJL'), and guaranteed by the Company, the proceeds of which are to be applied towards re-financing subsidiary indebtedness, the Company's capital expenditure programme including the Jharasaguda aluminium smelter project and other general corporate purposes

## **COPPER BUSINESS**

The Copper business of the Group, comprising:

- a copper smelter, two refineries and two copper rod plants in India, trading through Sterlite Industries (India) Limited, a company incorporated in India;
- one copper mine in Australia, trading through Copper Mines of Tasmania Pty Limited, a company incorporated in Australia; and
- an integrated operation in Zambia consisting of three mines, a leaching plant and a smelter, trading through Konkola Copper Mines PLC, a company incorporated in Zambia

## **CREP**

Corporate responsibility for environmental protection

## **CENTS/LB**

US cents per pound

## **CRRI**

Central Road Research Institute

## **CSR**

Corporate social responsibility

## **CTC**

Cost to company, the basic remuneration of executives in India, which represents an aggregate figure encompassing basic pay, pension contributions and allowances

## **CY**

Calendar year

## **DEFERRED SHARES**

Deferred shares of £1.00 each in the Company

## **DGMS**

Director General of Mine Safety in the Government of India

## **DIRECTORS**

The Directors of the Company

## **DOLLAR OR \$**

US dollars, the currency of the United States of America

**DRS**

Depository receipts of 10 US cents, issuable in relation to the \$725 million 4.6% guaranteed convertible bonds due 2026

**EBITDA**

Earnings before interest, taxation, depreciation, goodwill amortisation/impairment and special items

**EBITDA MARGIN**

EBITDA as a percentage of turnover

**ECONOMIC HOLDINGS OR ECONOMIC INTEREST**

The economic holdings/interest are derived by combining the Group's direct and indirect shareholdings in the operating companies. The Group's Economic Holdings/Interest is the basis on which the Attributable Profit and net assets are determined in the consolidated accounts

**E&OHSAS**

Environment and occupational health and safety assessment standards

**E&OHSMS**

Environment and occupational health and safety management system

**EPS**

Earnings per ordinary share

**ESOP**

Employee share option plan

**ESP**

Electrostatic precipitator

**EXECUTIVE COMMITTEE**

The Executive Committee to whom the Board delegates operational management and comprising the Executive Directors and the senior management within the Group

**EXECUTIVE DIRECTORS**

The Executive Directors of the Company

**EXPANSION CAPITAL EXPENDITURE**

Capital expenditure that increases the Group's operating capacity

**FINANCIAL STATEMENTS OR GROUP FINANCIAL STATEMENTS**

The consolidated financial statements for the Company and the Group for the year ended 31 March 2008 as defined in the Independent Auditors' Report to the members of Vedanta Resources plc

**FREE CASH FLOW**

Cash flow arising from EBITDA after net interest (including gains on liquid investments and adjusted for net interest capitalised), taxation, Sustaining Capital Expenditure and working capital movements

**FY**

Financial year

**GAAP, INCLUDING UK GAAP AND INDIAN GAAP**

Generally Accepted Accounting Principles, the common set of accounting principles, standards and procedures that companies use to compile their financial statements in their respective local territories

**GDP**

Gross domestic product

**GEARING**

Net Debt as a percentage of Capital Employed

**GJ**

Giga joules

# GLOSSARY AND DEFINITIONS CONTINUED

## **GOVERNMENT OR INDIAN GOVERNMENT**

The Government of the Republic of India

## **GRATUITY**

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

## **GROUP**

The Company and its subsidiary undertakings and, where appropriate, its associate undertaking

## **HSE**

Health, safety and environment

## **HZL**

Hindustan Zinc Limited, a company incorporated in India

## **IAS**

International Accounting Standards

## **ICMM**

International Council on Mining and Metals

## **IFL**

India Foils Limited, a company incorporated in India

## **IFRIC**

International Financial Reporting Interpretations Committee

## **IFRS**

International Financial Reporting Standards

## **INR**

Indian Rupees

## **INTEREST COVER**

EBITDA divided by finance costs

## **ISO 9001**

An international quality management system standard published by the International Organisation for Standardisation

## **ISO 14001**

An international environmental management system standard published by the International Organisation for Standardisation

## **KCM OR KONKOLA COPPER MINES**

Konkola Copper Mines PLC, a company incorporated in Zambia

## **KDMP**

Konkola deep mining project

## **KEY RESULT AREAS OR KRAS**

For the purpose of the remuneration report, specific personal targets set as an incentive to achieve short-term goals for the purpose of awarding bonuses, thereby linking individual performance to corporate performance

## **KLD**

Kilo litres per day

## **KPIS**

Key performance indicators

## **KWH**

Kilo-watt hour

## **KWH/D**

Kilo-watt hour per day

**LIBOR**

London inter bank offered rate

**LISTING OR IPO (INITIAL PUBLIC OFFERING)**

The listing of the Company's ordinary shares on the London Stock Exchange on 10 December 2003

**LISTING PARTICULARS**

The listing particulars dated 5 December 2003 issued by the Company in connection with its Listing

**LISTING RULES**

The listing rules of the Financial Services Authority, with which companies with securities that are listed in the UK must comply

**LME**

London Metals Exchange

**LONDON STOCK EXCHANGE**

London Stock Exchange plc

**LOST TIME INJURY**

An accident/injury forcing the employee/contractor to remain away from his/her work beyond the day of the accident

**LTIFR**

Lost time injury frequency rate: the number of lost time injuries per million man hours worked

**LTIP**

The Vedanta Resources Long-Term Incentive Plan or Long-Term Incentive Plan

**MALCO**

The Madras Aluminium Company Limited, a company incorporated in India

**MANAGEMENT ASSURANCE SERVICES**

The function through which the Group's internal audit activities are managed

**MAT**

Minimum alternative tax

**MIS**

Management information system

**MOEF**

The Ministry of Environment & Forests of the Government of the Republic of India

**MT OR TONNES**

Metric tonnes

**MW**

Megawatts of electrical power

**NCCBM**

National Council of Cement and Building Materials

**NET (DEBT)/CASH**

Total debt after fair value adjustments under IAS 32 and 39, cash and cash equivalents and liquid investments

**NGO**

Non-governmental organisation

**NIHL**

Noise induced hearing loss

**NON-EXECUTIVE DIRECTORS**

The Non-Executive Directors of the Company

# GLOSSARY AND DEFINITIONS CONTINUED

**OHSAS 18001**

Occupational Health and Safety Assessment Series (standards for occupational health and safety management systems)

**ORDINARY SHARES**

Ordinary shares of 10 US cents each in the Company

**PBT**

Profit before tax

**PFC**

Per fluorocarbons

**PHC**

Primary health centre

**PPE**

Personal protective equipment

**PROVIDENT FUND**

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

**RECYCLED WATER**

Water released during mining or processing and then used in operational activities

**RELATIONSHIP AGREEMENT**

The agreement dated 5 December 2003 between the Company, Volcan Investments Limited and members of the Agarwal family that regulates the ongoing relationship between them, the principal purpose of which is to ensure that the Group is capable of carrying on business independently of Volcan, the Agarwal family and their associates

**RETURN ON CAPITAL EMPLOYED OR ROCE**

Profit before interest, taxation, special items, tax effected at the Group's effective tax rate as a percentage of Capital Employed

**THE REWARD PLAN**

The Vedanta Resources Share Reward Plan, a closed plan approved by shareholders on Listing in December 2003 and adopted for the purpose of rewarding employees who contributed to the Company's development and growth over the period leading up to Listing in December 2003

**RO**

Reverse osmosis

**SA 8000**

Standard for Social Accountability based on international workplace norms in the International Labour Organisation ('ILO') conventions and the UN's Universal Declaration of Human Rights and the Convention on Rights of the Child

**SENIOR MANAGEMENT GROUP**

For the purpose of the Remuneration Report, the key operational and functional heads within the Group

**SESA GOA**

Sesa Goa Limited, a company incorporated in India engaged in the business of mining iron ore

**SEWT**

Sterlite Employee Welfare Trust, a long-term investment plan for Sterlite senior management

**THE SHARE OPTION PLAN**

The Vedanta Resources Share Option Plan, a closed plan approved by shareholders on Listing in December 2003 and adopted to provide maximum flexibility in the design of incentive arrangements over the long-term

**SHGS**

Self-help groups

**SID**

Senior Independent Director

**SO<sub>2</sub>**  
Sulphur dioxide

**SBU**  
Strategic Business Unit

**SOTL**  
Sterlite Optical Technologies Limited, a company incorporated in India

**SOVL**  
Sterlite Opportunities and Ventures Limited, a company incorporated in India

**SPECIAL ITEMS**  
Items which derive from events and transactions that need to be disclosed separately by virtue of their size or nature

**SPM**  
Suspended particulate matter. Fine dust particles suspended in air

**STERLING, GBP OR £**  
The currency of the United Kingdom

**STERLITE**  
Sterlite Industries (India) Limited, a company incorporated in India

**STERLITE ENERGY LIMITED (SEL)**  
Sterlite Energy Limited, a company incorporated in India

**STERLITE GOLD**  
Sterlite Gold Limited, a company incorporated in Canada which has its main subsidiary in Armenia

**SUPERANNUATION FUND**  
A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

**SUSTAINING CAPITAL EXPENDITURE**  
Capital expenditure to maintain the Group's operating capacity

**TCM**  
Thalanga Copper Mines Pty Limited, a company incorporated in Australia

**TC/RC**  
Treatment charge/refining charge being the terms used to set the smelting and refining costs

**TGS**  
Tail gas scrubber

**TGT**  
Tail gas treatment

**TPA**  
Metric tonnes per annum

**TPM**  
Tonne per month

**TSR**  
Total shareholder return, being the movement in the Company's share price plus reinvested dividends

**TURNBULL GUIDANCE**  
The revised guidance on internal control for directors on the Combined Code issued by the Turnbull Review Group in October 2005

# GLOSSARY AND DEFINITIONS CONTINUED

**TWIN STAR**

Twin Star Holdings Limited, a company incorporated in Mauritius

**TWIN STAR HOLDINGS GROUP**

Twin Star and its subsidiaries and associated undertaking

**UITF**

Urgent Issues Task Force

**UNDERLYING EPS**

Underlying earnings per ordinary share

**UNDERLYING PROFIT**

Profit for the year after adding back special items and their resultant tax and minority interest effects

**US CENTS**

United States cents

**VAL**

Vedanta Aluminium Limited, a company incorporated in India

**VFD**

Variable frequency drive

**VFJL**

Vedanta Finance (Jersey) Limited, a company incorporated in Jersey

**VFL**

Visible felt leadership

**VOLCAN**

Volcan Investments Limited, a company incorporated in the Bahamas

**VRCL**

Vedanta Resources Cyprus Limited, a company incorporated in Cyprus

**VRFL**

Vedanta Resources Finance Limited, a company incorporated in the United Kingdom

**VRHL**

Vedanta Resources Holdings Limited, a company incorporated in the United Kingdom

**VSS**

Vertical Stud Söderberg

**WATER USED FOR PRIMARY ACTIVITIES**

Total new or make-up water entering the operation and used for the operation's primary activities; primary activities are those in which the operation engages to produce its product

**WBCSD**

World Business Council for Sustainable Development

**ZCI**

Zambia Copper Investment Limited, a company incorporated in Bermuda

**ZCCM**

ZCCM Investments Holdings plc, a company incorporated in Zambia

**ZINC BUSINESS**

The Zinc-Lead business of the Group, comprising its fully-integrated zinc-lead mining and smelting operations in India, and trading through the Hindustan Zinc Limited, a company incorporated in India