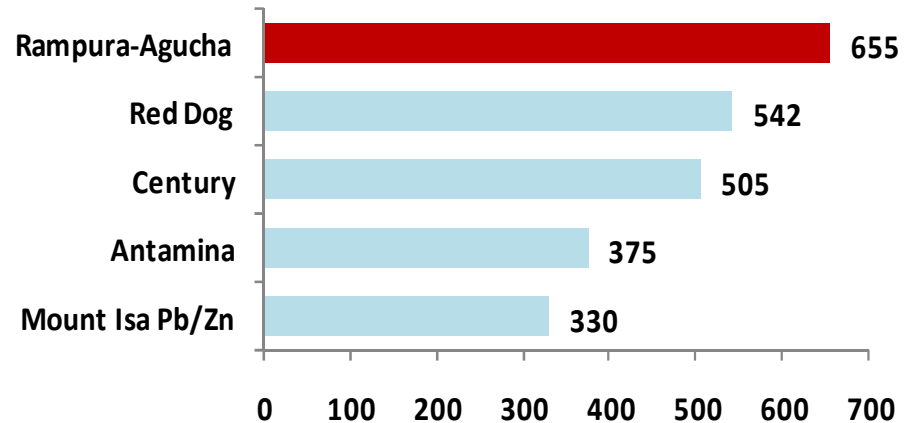
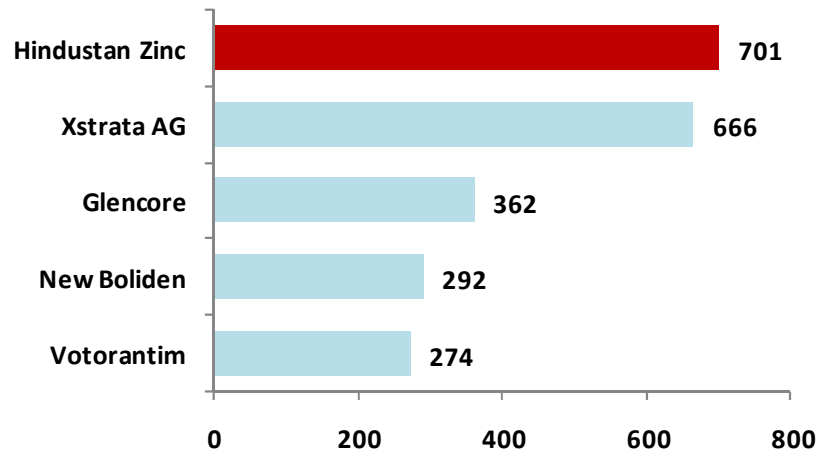




# HINDUSTAN ZINC LIMITED

March 02, 2011

# Global leader – metals & mining



Company-wise Integrated Zn Production ('000 tonnes) – BrookHunt Q4 2010

Mine-wise Zn Production ('000 tonnes) – BrookHunt Q4 2010

## Operational transformation since acquisition

- Zinc-Lead metal production capacity – ~ 5 folds
- Silver production capacity - ~ 7 folds by FY12
- Captive Power generation-
  - Thermal Power generation capacity- 474MW

## Robust financial growth since acquisition

- EBITDA - more than 25 times
- Project investment of over Rs. 8,000 Crore
- One of the lowest cost producers in the world
- Strong & Liquid balance sheet

**Addition to Reserves & Resources - 5 times more than mined out – mine life of over 25 years**

# Overview



**Revenue** FY 10           \$ 1.69 billion  
**PBDIT**     FY 10           \$ 1.14 billion

**Nine Months ended 31/12/2010 -**

**Revenue**                   \$ 1.48 billion  
**PBDIT**                     \$ 0.80 billion  
**Mined metal**             609 kt  
**Saleable Metal**         560 kt

**Current Market Cap**     ~ \$ 12 billion

Listing: BSE & NSE

**Net Cash (31/12/2010):** ~ \$ 3 billion

**Metal production capacity in FY 2011 -**

1,064 ktpa

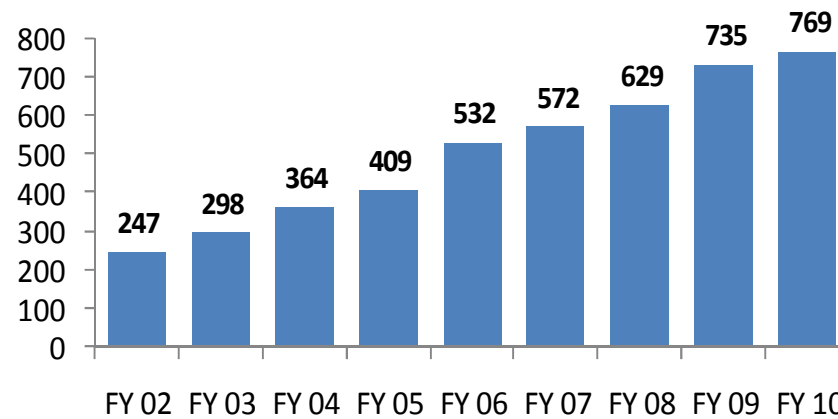
**Ore Reserves & Resources (31/03/10):**

298.6 mt (34.1 mt zinc and Lead)

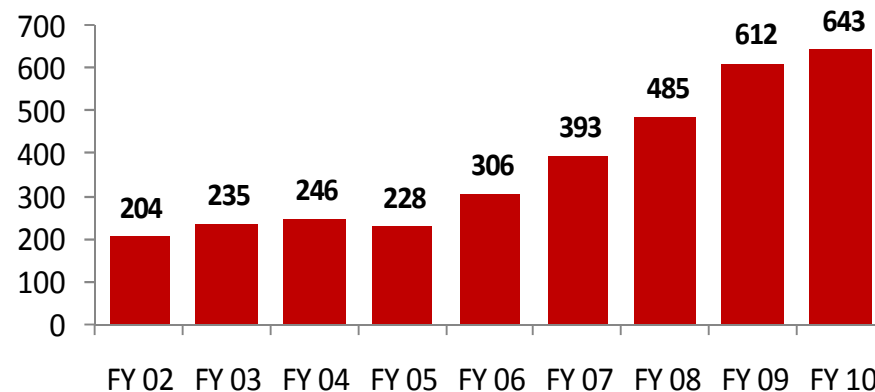
**Mine Life** – over 25 years

**Employees:** around 7,000

**Zinc-Lead Mined metal production ('000 tonnes)**

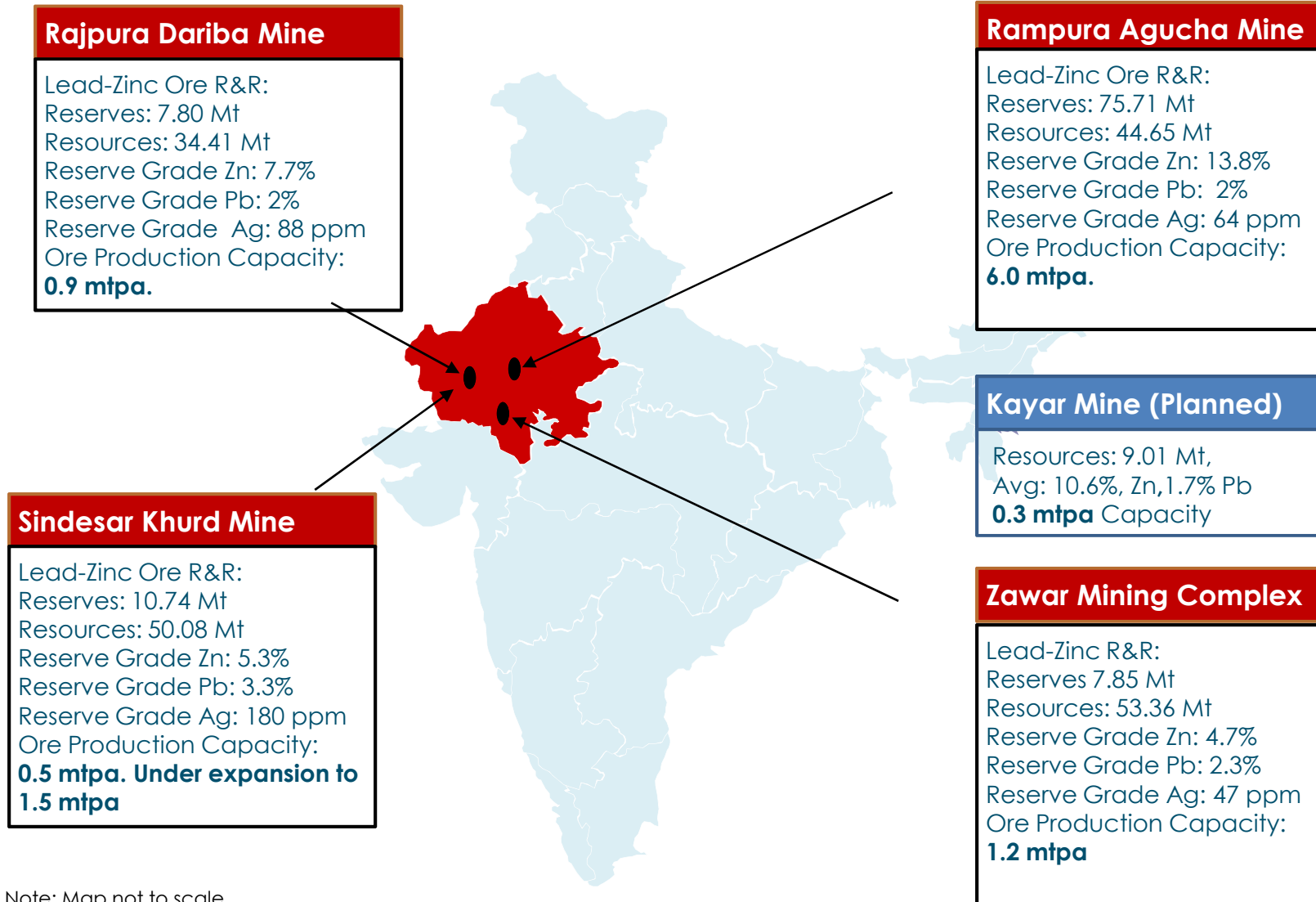


**Zinc-Lead Saleable metal production ('000 tonnes)**



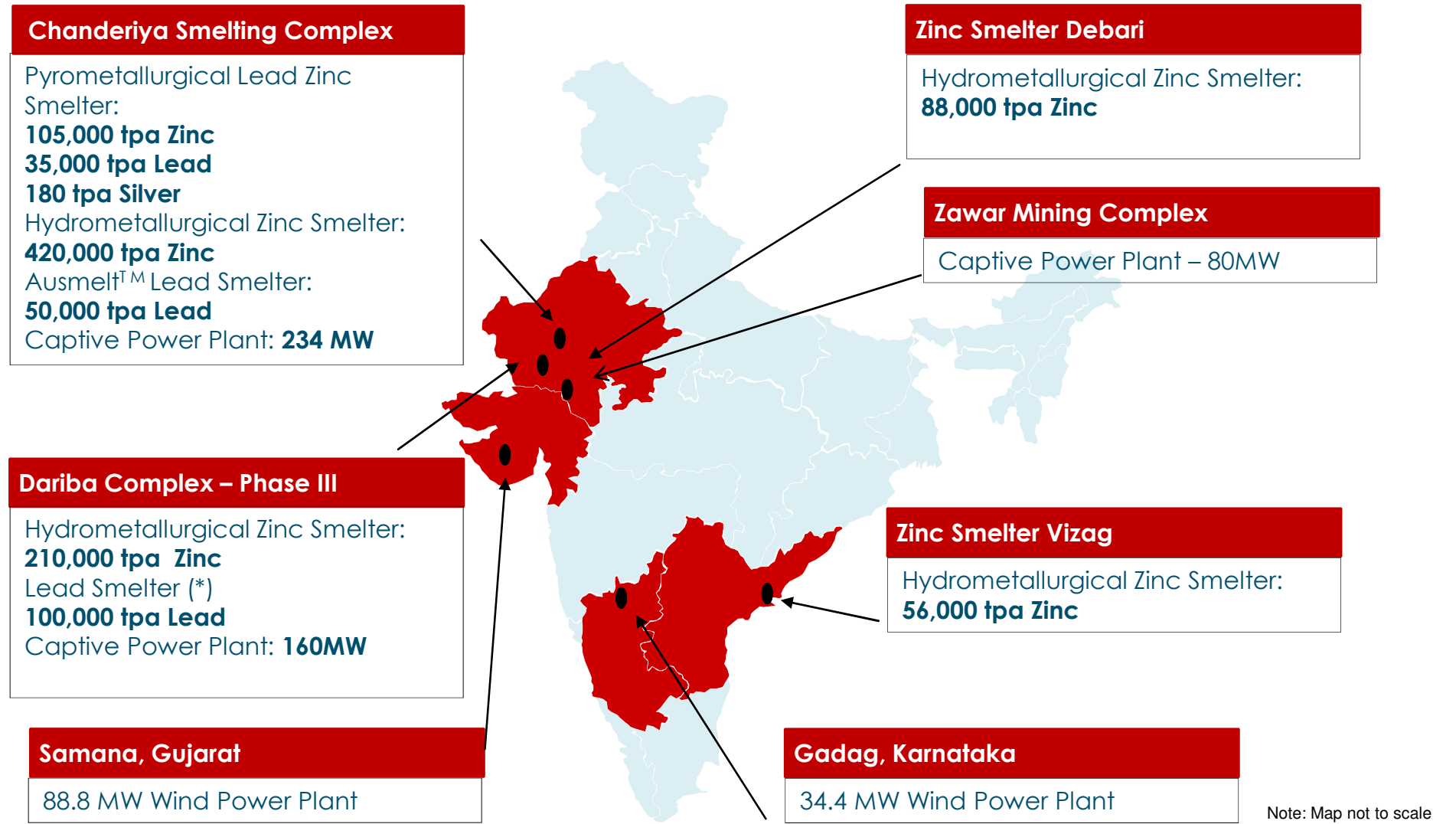
\* Saleable Metal excludes concentrate sales & captive consumption.

# World Class Mining Assets



High quality Mining assets - over 25 years Mine life

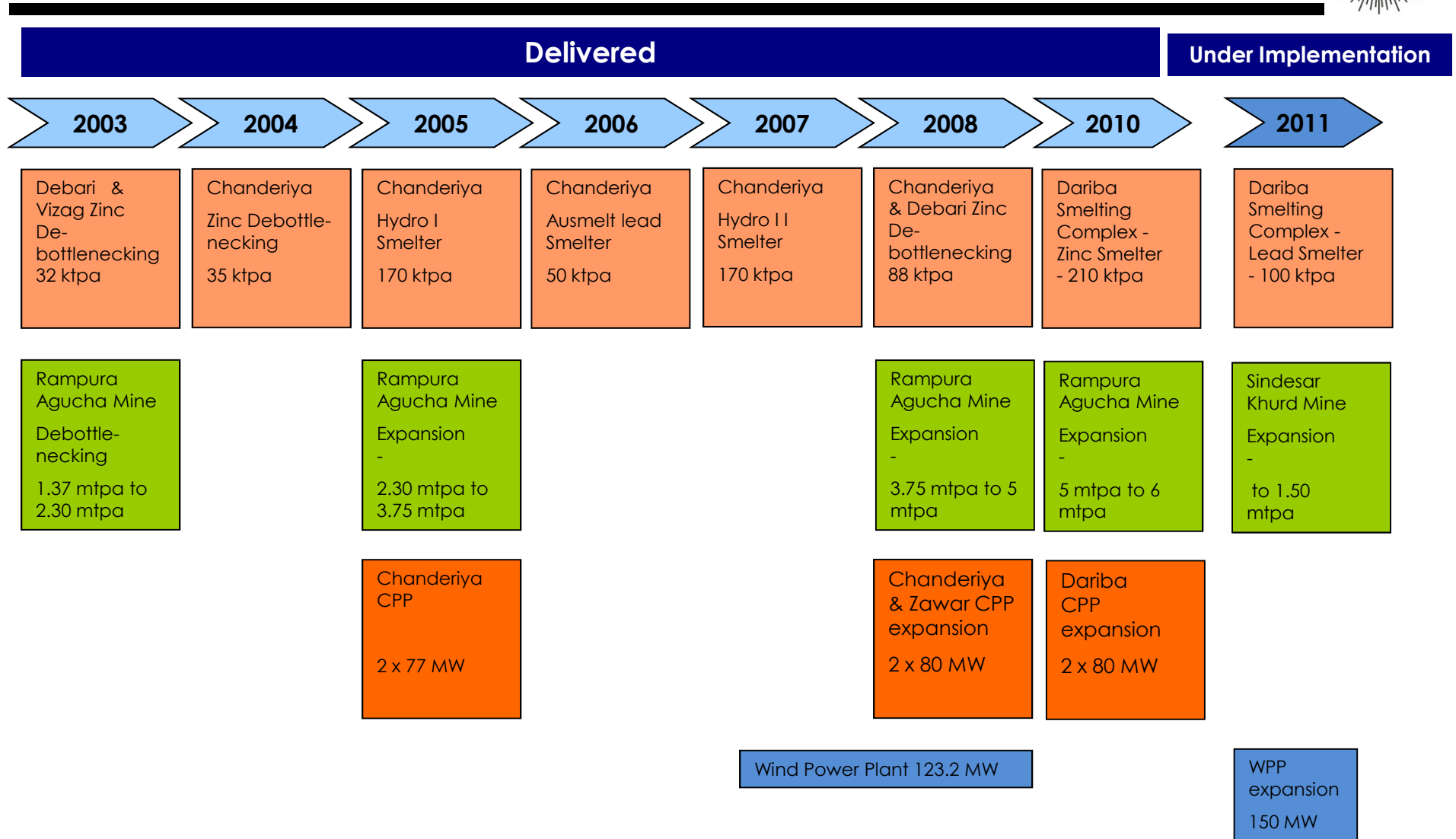
# World Class Smelting and Power Assets



Note: Map not to scale  
(\*) Under implementation

**Fully Integrated operations**

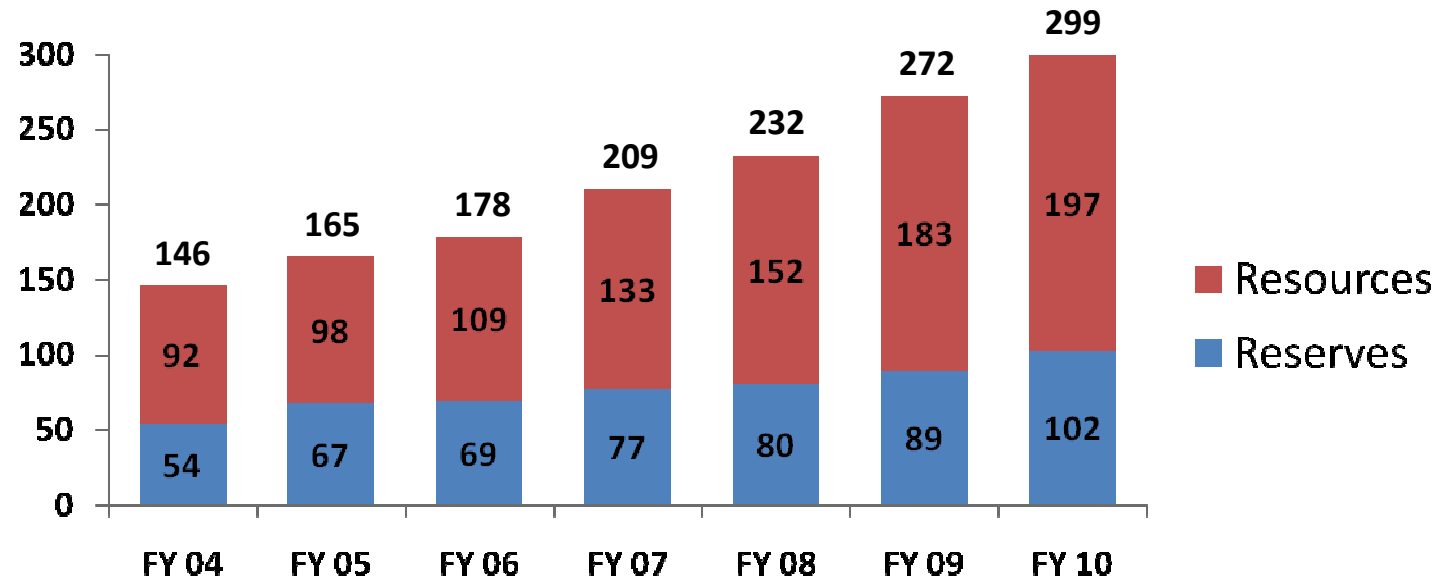
# Milestones



Note: The year mentioned is Calendar Year

**Exemplary project execution track record**

# Exploration



*Addition of 185.8 million tonnes of reserves and resources in the period from April 2004 to March 2010, including depletion of 33.4 million tonnes*

- Use of latest and best available technology & expertise
- Pioneered to bring Deep Earth Imaging (Titan) technology in India to locate concealed opportunities
- Engaged best available high speed drilling rigs & deployed Australian drilling contractor
- Around 70,000 meters of drilling is carried out every year
- Team of 46 geologists lead by best in class professionals - Continuous inputs/review by subject specialists.



# Silver-rich Sindesar Khurd Mine



- Reserves & Resources (31.03.2010) – 60.82 mt supporting current Mine Life of over 30 years
- Reserve Grade Zn: 5.3% - Pb: 3.3%. Average Silver grade – 180 ppm
- Mine Access - Two Ramps (5.5m wide x5.0m Height) and (4.3m wide x3.0m Height)
- Method of working - Blast hole open stoping with Paste filling
- Ore haulage - Up to a depth of 400/450m through ramps & below that through shaft
- Accelerated ramp up – one year ahead of schedule
- Commissioned new 1.50 mtpa concentrator dedicated to SK ore
  - Already achieved production level equal to around 80% of the capacity

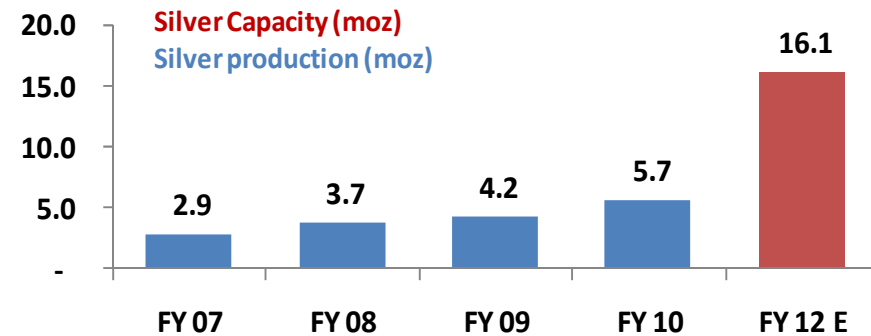


# Silver – significant value creation

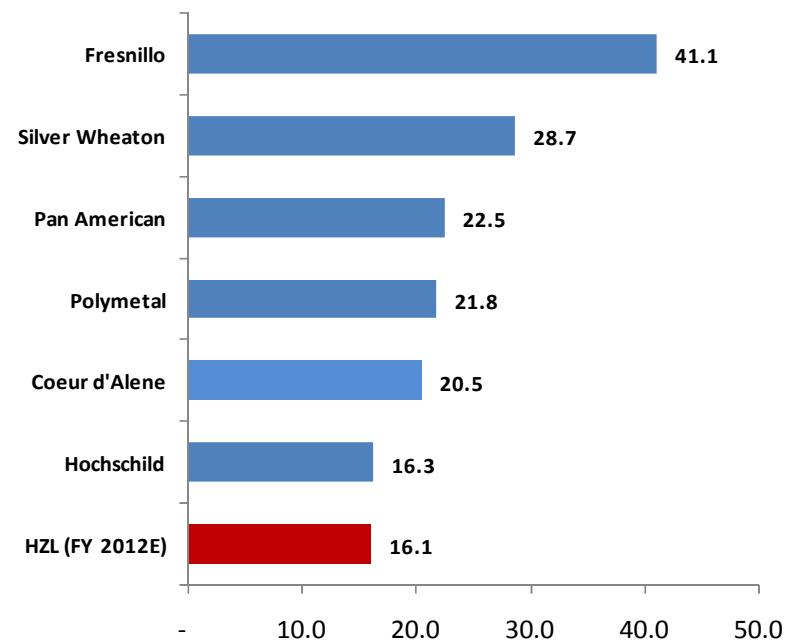


- On track to become one of the world's top Silver producers at 16moz
- Sindesar Khurd mine – ramp up one year ahead of schedule - full capacity available in FY 2011-12
- Silver is treated as co-product in COP computation, i.e, Silver Revenue = Additional EBITDA
- Revenue of over \$450 mn at current Silver prices
- Increased silver production is attributable to-
  - Increase in SK Mine production from 0.44 mt in FY2009-10 to 1.50 mt in FY 2011-12
  - Overall increase in mine production including at Rampura Agucha
  - Lead Smelter Commissioning
  - Improvement in Silver Recovery
- 25+ years mine life, along with Zinc-Lead

Silver – volume growth



Largest Pure-play silver producers (moz)



Source: Peer production – CY11E, Broker reports, Company Estimates

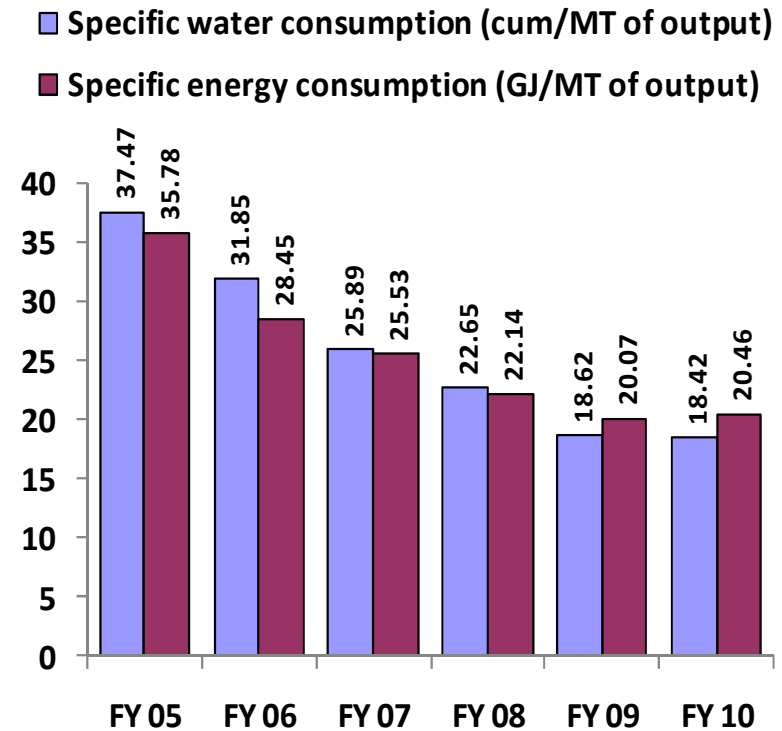
## SUSTAINABLE DEVELOPMENT



# Environmental Focus



- 123.2 MW Wind power projects accruing 22,122,000 CERs.
- Additional 150 MW Wind power with a CER potential of approx. 270,000 per annum
- 20.2 MW of waste heat energy, 9.4 MW approved by UNFCCC, approval for the remaining in process.
- World's largest and latest generation roasters
- Latest Jarofix technology to eliminate hazardous waste generation
- Reduced specific energy consumption by ~42% to 20.46 GJ/MT of output, in last 5 years
- Reduced specific water consumption by ~51% to 18.42 cum/MT of output, in last 5 years
- Efficient byproduct recoveries.

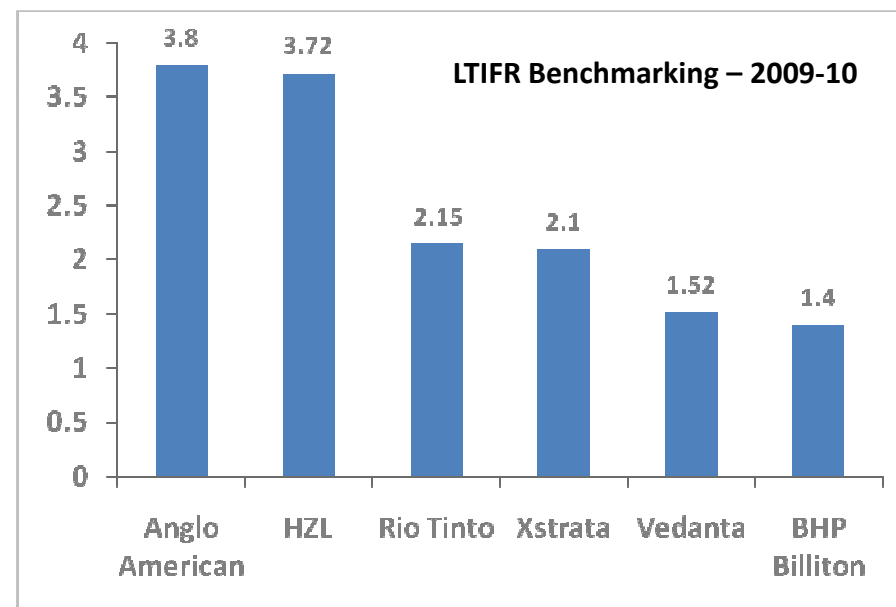
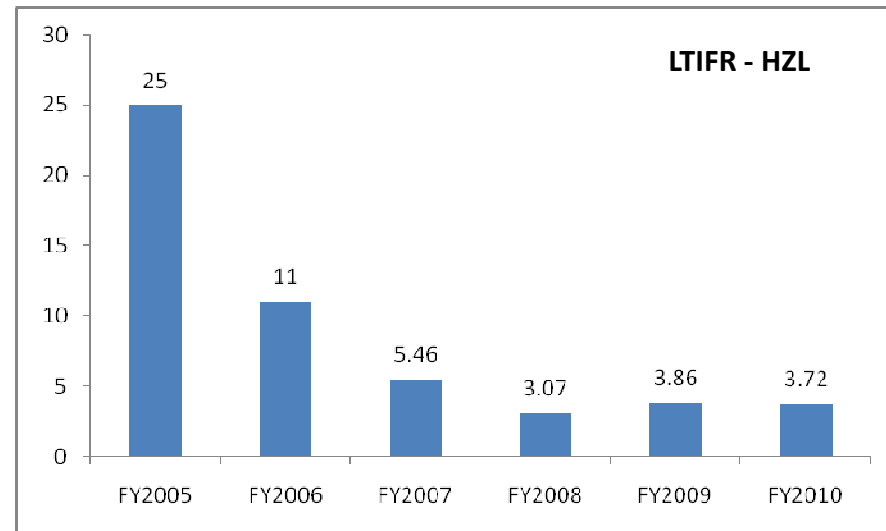


**Significant reduction in specific Water and Energy Consumption**

# Focus on Safety



- Robust safety policy & practices
- Management commitment, involvement and leadership
- Well-defined roles, responsibilities and accountabilities of each employee form part of the job description
- Safety performance forms part of Annual appraisal of the employees.
- Implementation of Cardinal rules
- Full time trainers & training schools at all locations.
- Prompt investigation of all incidents / accidents
- External HSE audits by agencies of international repute – PwC, E&Y, B.S.C
- Proactive actions like analysis of near miss incidences, periodic independent reviews, regular training etc.
- No cases of occupational health diseases



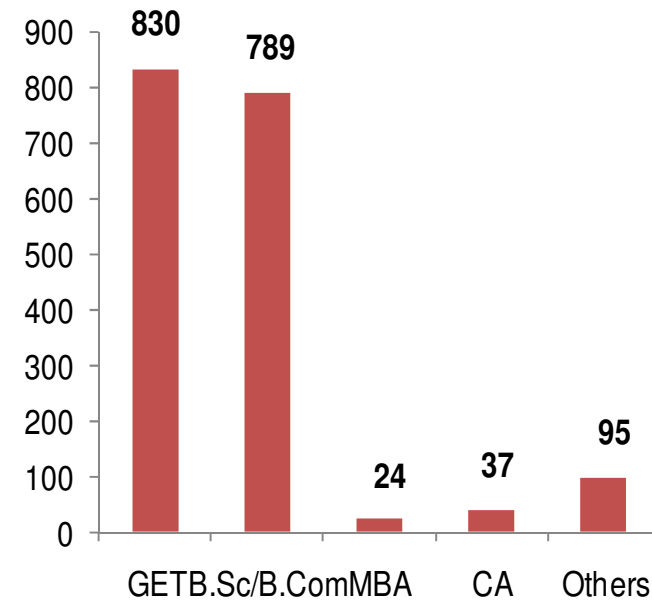
\*Lost Time Injury Frequency Rate

# Human Resources

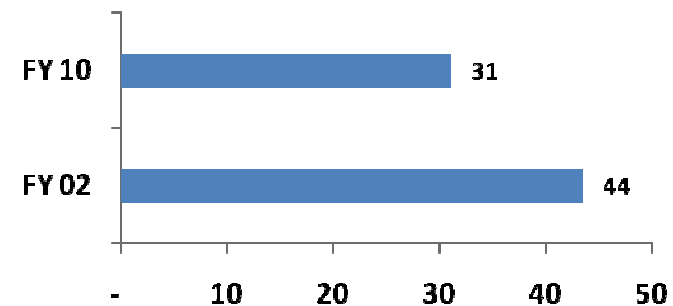


- **Organization Structure enhancing performance**
  - Empowered SBU work culture
  - Leadership development for succession planning
  - Talent identification, positioning and rewards
  - Performance oriented online appraisal
  
- **Competence Building**
  - Over 1,000 employees have undergone specially designed general management & technical training programs.
  - Accelerated development of executives through specialized programs at best institutions - IIM / IIT / ISM / BITS
  - Exposure to several world-class operations
  
- Attract best talent at induction level
- Minimum qualification at induction level – First Class Graduate
- High level of talent retention
- Cutting edge combination of experienced and young engineers in expertise & energy levels
- Tremendous focus on quality of life

Fresher Hiring (2002-2010)



Average age of Executives



**Ranked # 2 Best Employer in India & Amongst Top 25 Best Employer in Asia in 2009 – Hewitt Associates**

# Community Engagement



- Education – Vocational trainings - Sustainable Livelihood - Integrated Village development – Infrastructure development – Social Mobilization - Women Empowerment - Health & Hygiene - Agriculture & Animal Husbandry
- Fostering self-reliance through education, livelihood interventions and vocational trainings.
- Impacting over 5 million lives through persistent community efforts.
- Integrated Development Approach for holistic transformation of 101 poverty stricken villages
- Catering to 180,000 school students in over 2,000 rural schools through 6 Hi-tech kitchens.
- Benefitting over 50,000 children through 1,500 'Vedanta Bal Chetna Anganwadi Centers'
- Providing Computer Literacy to 68,000 rural students
- Post Graduate Girls College in Ringus serving around 900 girl students coming from rural areas



# Awards & Recognition

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## Operational Excellence

- IMC Ramakrishna Bajaj National Quality Award – ‘Performance Excellence Trophy’ (RBNQA – 2009 and 2010) – Chanderiya Smelting Complex

## Human Resources

- Ranked # 2 Best Employer in India and amongst the Top 25 Best Employers in Asia in 2009 -By Hewitt Associate

## Health, Safety & Environment

- RoSPA gold award 2009 from Royal Society for Prevention of Accidents, UK - Debari Zinc Smelter.
- CII – National Water Management Award - Chanderiya Smelting Complex & Zawar Mines
- CII-ITC Sustainability Award (Commendation for Strong Commitment towards sustainability)
- Golden Peacock Occupational Health & Safety Award to Debari Zinc Smelter, 2009.
- CII- National Award for Excellence in water Management to Rampura Agucha Mine, 2009.
- CII-Leadership & Excellence Award in Environment, Health & Safety -Vizag Zinc Smelter, 2009.
- International Safety Award 2008 from the British Safety Council - Debari Zinc Smelter.
- Golden Peacock Environment Management Award 2009 from World Environment Foundation (WEF), in association with Institute of Directors - Rampura Agucha Mine.

# Outlook

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**10 million tonnes ore mining capacity commissioned**



**S K Mine to reach its rated capacity**



**Silver production ramp up – backed by SK Mine & Lead Smelter**



**Operating performance of smelters moving close to rated capacity**



**Overall improvement in recovery efficiency at mines & smelters**



**Benefits of Volume growth in Cost efficiency**



**Buoyant Commodity price environment**



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**THANK YOU**