



# Acquisition of Anglo American Zinc

May 10, 2010



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# Transaction Highlights

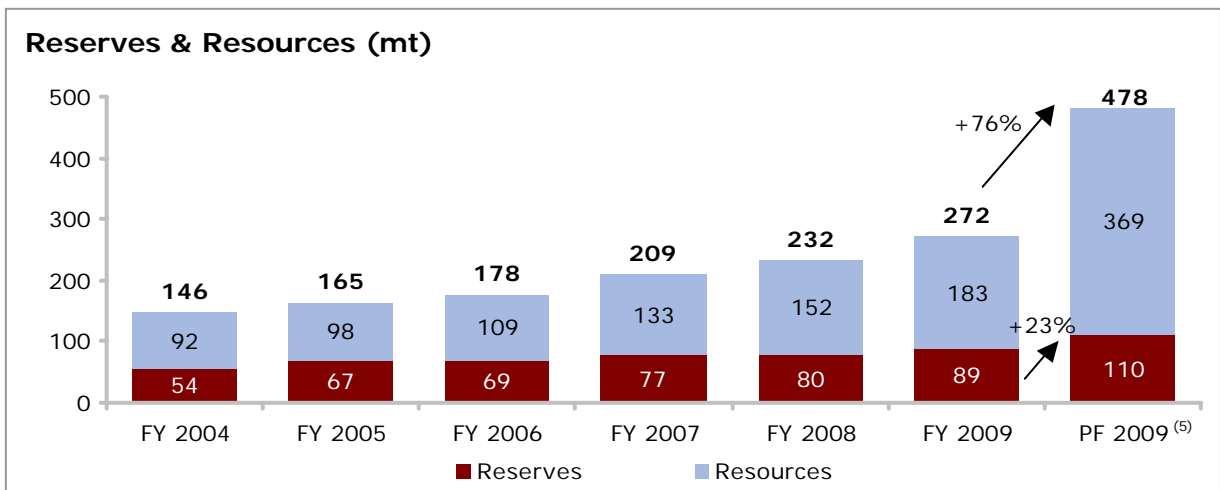
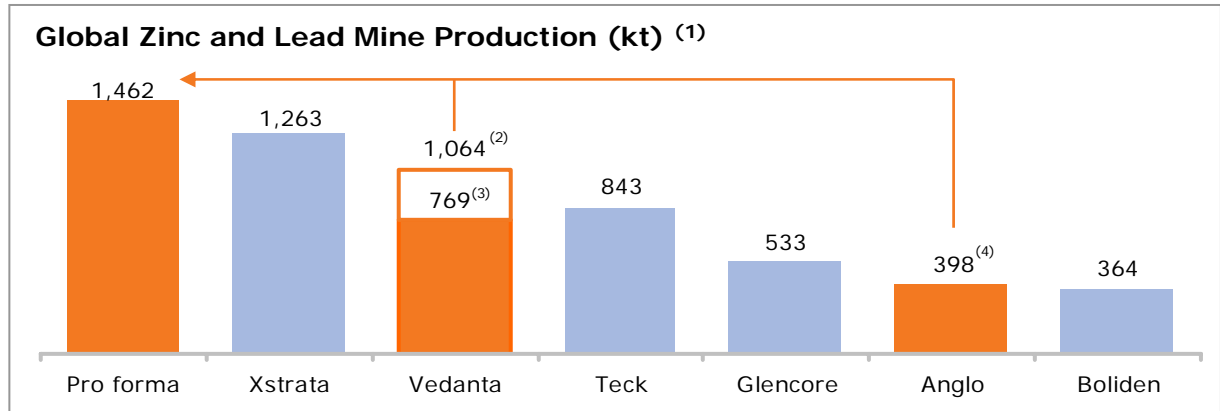
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- On 10 May 2010 Vedanta announced it will acquire Anglo American's portfolio of zinc assets ("Anglo American Zinc") for an enterprise value US\$1,338m as at 1 January 2010
- Portfolio of assets:
  - Lisheen mine in Ireland - 100% acquired
  - Skorpion mine in Namibia - 100% acquired
  - Interest in Gergarub project in Namibia –co-exploration agreement with Rosh Pinah
  - Black Mountain Mining, comprising the Black Mountain mine and including the Gamsberg project, both in South Africa - 74% acquired, remaining 26% stake is held by Exxaro
- Anglo American Zinc has significant growth upside that will benefit Vedanta's shareholders
- Fund transaction from existing cash resources of \$7.2bn as at 31 March 2010
- Acquisition intended to be undertaken by Hindustan Zinc Limited
- Transaction subject to regulatory approvals and expected to complete within 12 months

**Unique opportunity to acquire high quality assets with significant expansion potential**

# Transforming Transaction

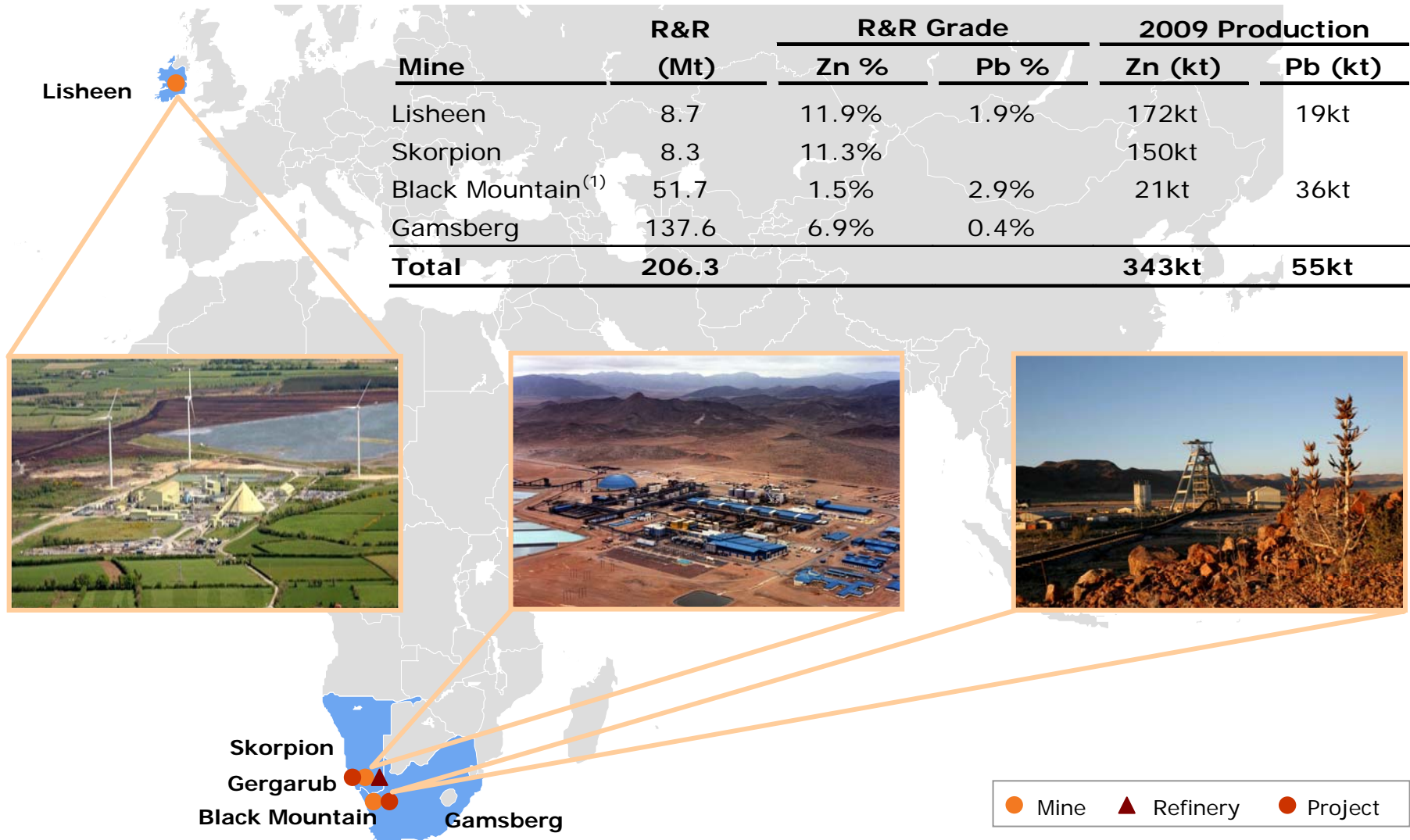
- Consolidates Vedanta's position as the world's largest integrated zinc producer
- 37% increase in overall zinc and lead production capacity
- 23% increase in reserves and 76% increase in total reserves and resources
- Future growth through Gamsberg and Gergarub, with Vedanta's proven track record to deliver projects at benchmark cost and time lines



Note: 1. Based on production of zinc metal contained in concentrate.  
 2. Targeted production capacity on 100% basis  
 3. Actual production as of year end March 2010 on 100% basis  
 4. Attributable, adjusted for 26% ownership of Exarro in Black Mountain Mining  
 5. Anglo American Zinc contribution is on attributable basis, adjusted for 26% ownership of Exarro in Black Mountain Mining

Source: Brook Hunt and company reports

# Anglo American Zinc: World Class Zinc Portfolio



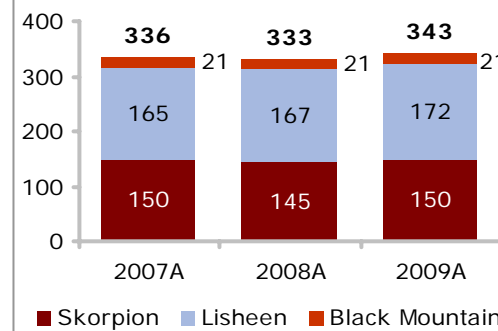
Notes: 1. Attributable, adjusted for 26% ownership of Exxaro in Black Mountain Mining

# Asset Overview

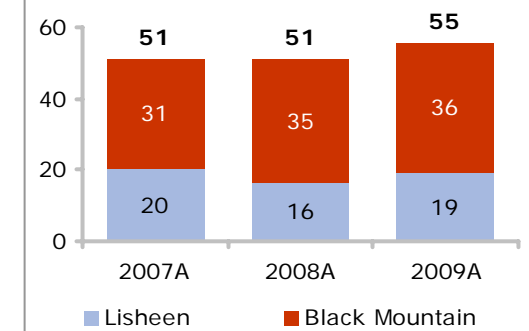
Asset	Description
<b>Skorpion, Namibia (100%)</b>	<ul style="list-style-type: none"> <li>One of the world's largest open cast and integrated zinc refining facilities</li> <li>Unique technology to extract zinc metal from zinc oxide ore</li> <li>Production commenced in 2003</li> </ul>
<b>Gergarub, Namibia (co-exploration agreement with Rosh Pinah)</b>	<ul style="list-style-type: none"> <li>Zinc-lead sulphide deposit</li> <li>Discovered in 2008</li> </ul>
<b>Black Mountain, South Africa (74%)<sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>Underground mine producing zinc, lead and copper concentrate</li> <li>Mine life extension past 2020 possible</li> <li>New mining infrastructure related to deep shaft coming online mid-2010</li> </ul>
<b>Gamsberg, South Africa (74%)<sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>One of the world's largest undeveloped zinc deposits, located near the Black Mountain mine</li> <li>Total resources of 186mt, located in two ore bodies</li> <li>Potential to produce 400 ktpa of zinc</li> </ul>
<b>Lisheen, Ireland (100%)</b>	<ul style="list-style-type: none"> <li>Underground mine producing high-quality zinc and lead</li> <li>Production commenced in 1999</li> </ul>

■ Mines ■ Projects

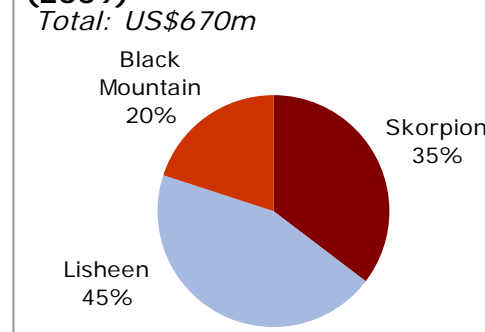
**Historical Zinc Production (kt) <sup>(2)</sup>**



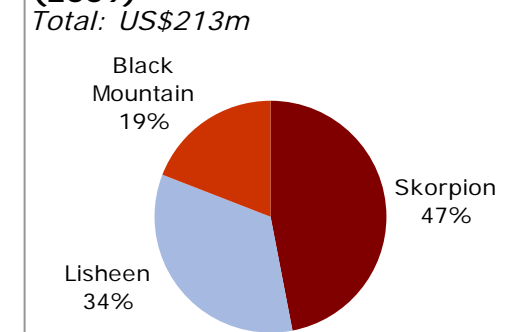
**Historical Lead Production (kt) <sup>(2)</sup>**



**Gross Revenue Contribution (2) (2009)**



**EBITDA Contribution (2) (2009)**



Notes: 1. Exxaro Resources owns the remaining 26% of Black Mountain and Gamsberg  
 2. Attributable, adjusted for 26% ownership of Exxaro in Black Mountain Mining

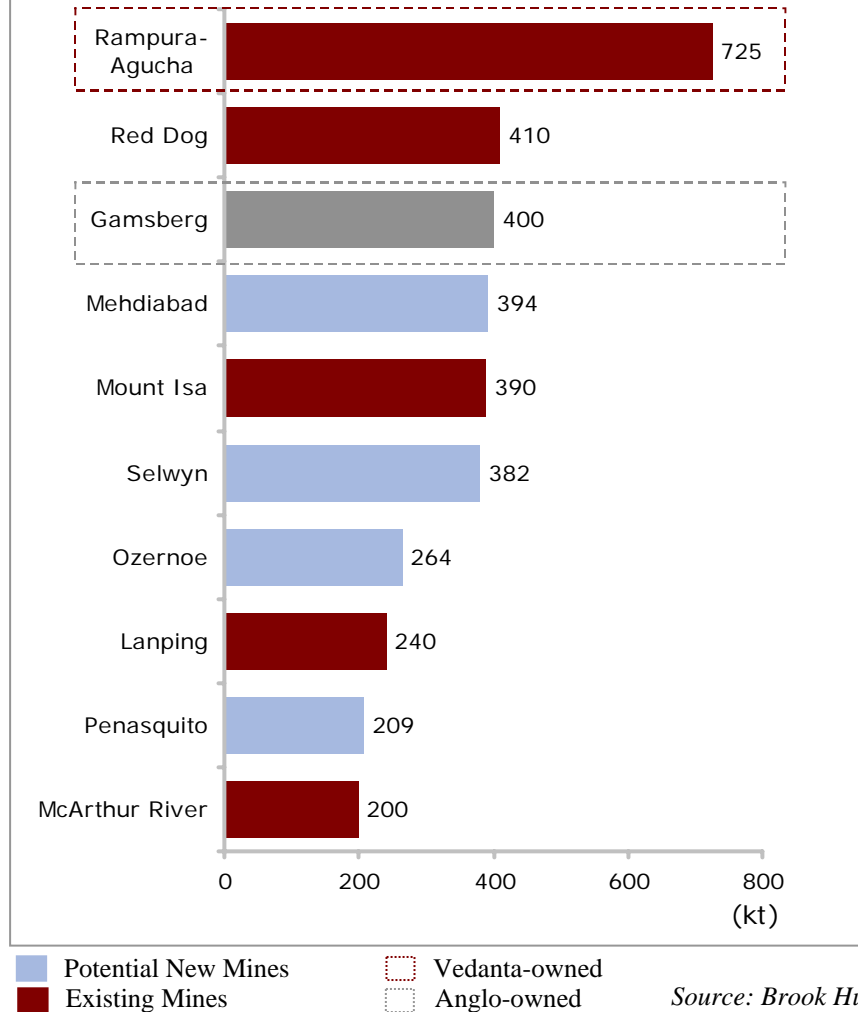
# Significant Growth from Gamsberg

- Gamsberg is one of the largest undeveloped zinc deposits in the world
- Total resources of 186 mt within 2 ore bodies <sup>(1)</sup>
  - 154 mt at Gamsberg North at 6.3% Zn <sup>(1)</sup>
  - 32 mt at Gamsberg East at 9.8% Zn <sup>(1)</sup>
- Potential to produce up to 400 ktpa zinc at Gamsberg North
  - implies a mine life of over 20 years
  - potential to expand production to 530ktpa through development of Gamsberg East
- Project is at a well developed stage
  - pre-feasibility completed
  - technology finalised
  - environment clearance obtained<sup>(2)</sup>
- Intend to commence development upon completion of transaction

**Vedanta committed to developing one of the world's largest, high quality, zinc assets**

Notes: 1. Stated on a 100% basis  
2. Up to concentrate stage

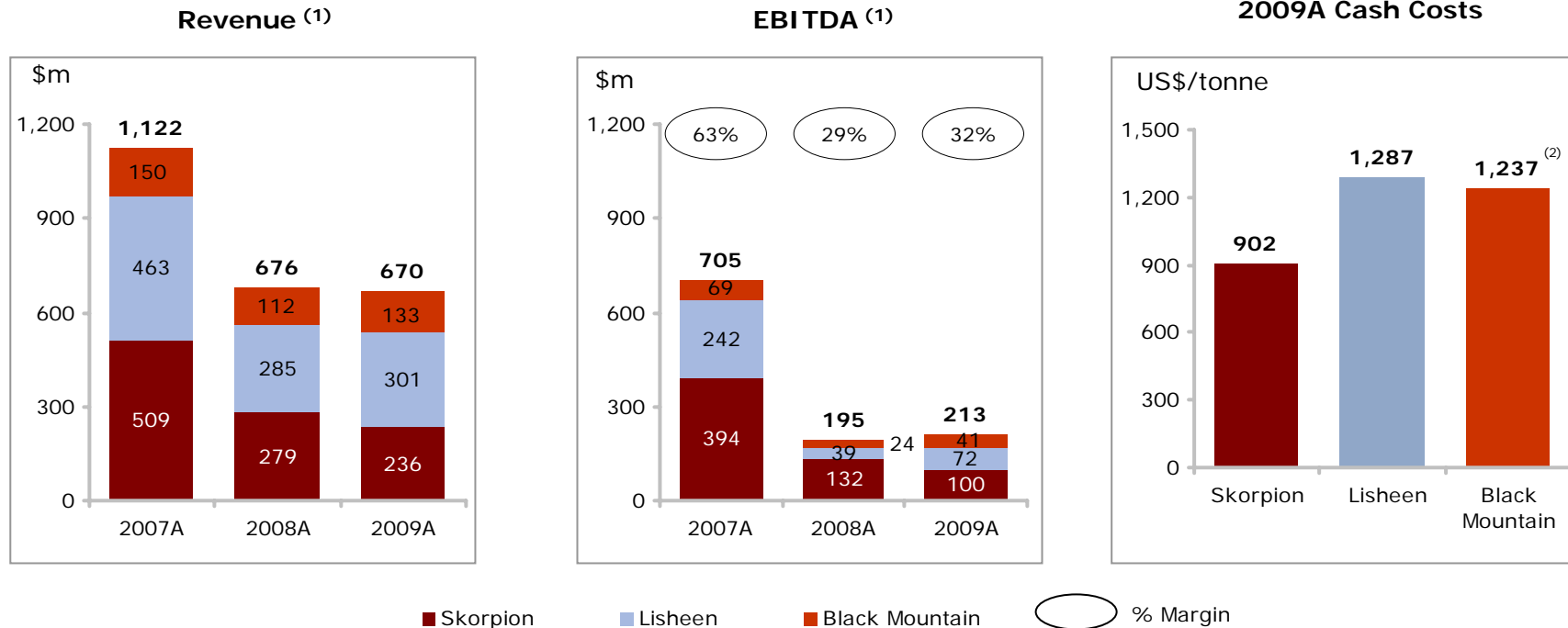
**2020E Zinc Industry Production <sup>(2)</sup>**



Source: Brook Hunt

# Financial Performance of Anglo American Zinc

- Anglo American Zinc assets have been consistently profitable with robust margins



**Profitability of Anglo American Zinc assets ensure the combination with Vedanta will be immediately earnings accretive**

Notes: 1. Attributable, adjusted for 26% ownership of Exxaro in Black Mountain Mining  
 2. Black Mountain cash costs calculated on a zinc equivalent basis



# Vedanta's Commitment to HSE and Sustainable Development

- Vedanta is committed to sustainable development and all operational sites in India and Zambia have OHSAS 18001 certification and the majority of its sites are ISO 14001 certified
- High quality management team, employees and local community relations is a key part of the success of Anglo American Zinc
- Vedanta and Anglo American have a shared approach to best practice in health, safety, environmental and corporate social responsibility
- Vedanta has a track record of successfully integrating and investing in acquired assets
- Commitment to continuing the strong relationships with all stakeholders going forward



- Strong operational and strategic fit
- Strengthens global leadership position in zinc and lead
- Growth potential from Gamsberg, Gergarub and Black Mountain Deeps
- Vedanta proven track record of integrating acquisitions and developing assets
- Immediately earnings accretive



**Creating significant long term value for shareholders**