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Hindustan Zinc Limited Results for the First Quarter Ended 30 June 2013

“Continued profit growth on higher metal production; Mined metal production up 27%”

Highlights for the quarter

- Mined metal production up 27%
- Integrated zinc metal production up 10%
- EBITDA up 6% to Rs 1,506 Crore

Mumbai: Hindustan Zinc Limited (“HZL” or the “Company”) today announced its results for the first quarter ended 30 June 2013.

Mr. Agnivesh Agarwal (Chairman, Hindustan Zinc) - “We delivered growth on all fronts in the quarter and are committed to consistently deliver superior performance and maintain our leadership position.”

Financial Summary

(In Rs Crore, except as stated)

*financial and production numbers are rounded-off;

Particulars	Q1			Q4
	2014	2013	Change	2013
Net Sales/Income from Operations				
Zinc¹	1,986	1,816	9%	2,655
Lead	402	342	18%	443
Silver	408	388	5%	611
Others	143	167	-14%	141
Total	2,939	2,713	8%	3,850
EBITDA	1,506	1,426	6%	2,127
Profit After Taxes	1,660	1,581	5%	2,166
Earnings per Share (Rs)	3.93	3.74	5%	5.13
Mined Metal Production ('000 MT)	238	187	27%	260
Refined Metal Production ('000 MT)				
Total Refined Zinc	174	161	8%	182
- Refined Zinc - Integrated	173	157	10%	181
Total Refined Lead ²	33	31	5%	35
- Refined Lead - Integrated	29	29	1%	32
Total Refined Saleable Silver ³ (in MT)	96	73	31%	108
- Refined Saleable Silver - Integrated	77	71	9%	91
Wind Power (in million units)	162	182	-11%	79
Zinc CoP without Royalty (Rs / MT)	46,765	45,759	2%	44,901
Zinc CoP without Royalty (\$ / MT)	836	844	-1%	829
Zinc LME (\$ / MT)	1,840	1,928	-5%	2,033
Lead LME (\$ / MT)	2,049	1,974	4%	2,301
Silver LBMA (\$ / oz.)	23.1	28.3	-18%	30.1
USD-INR	55.9	54.2	3%	54.2

- (1) Including Zinc concentrate sale of nil in Q1 FY 2014 as compared to nil in corresponding prior quarter and 61,097 MT MIC in Q4 FY 2013
- (2) Including captive consumption of 1,644 MT in Q1, as compared with 1,641 MT in corresponding prior quarter and 1,777 MT in Q4 FY 2013
- (3) Excluding captive consumption of 8.8 MT in Q1, as compared with 8.6 MT in corresponding prior quarter and 9.2 MT in Q4 FY 2013

Operational Performance

Mined metal production was 237,825 MT in Q1, as compared with 186,642 MT in the corresponding prior period. The increase was in line with our plan to deliver 1.0 million MT mined metal production for the year.

Integrated production of refined zinc was up 10% y-o-y to 173,000 MT in Q1 on higher smelter utilization rate. Integrated production of refined lead was flat at 29,110 MT. Integrated saleable silver production was up 9% to 77 MT in Q1 on higher contribution from Sindesar Khurd and Zawar mines.

Financial Performance

Revenues were up 8% to Rs. 2,939 Crore, compared with the corresponding prior quarter. The increase was driven by higher sales volume and rupee depreciation, partially offset by lower metal prices. EBITDA for the quarter was Rs 1,506 Crore, up 6% on higher sales, partially offset by higher operating costs. Net profit for the quarter was up by 5% to Rs. 1,660 Crore.

The zinc metal cost of production before royalty during the quarter was Rs. 46,800 per MT (\$836), 2% higher in Rupee and 1% lower in USD terms from a year ago. The increase was primarily due to lower sulphuric acid credits and higher excavation costs, partially offset by lower coal price, lower specific coal consumption and benefits of higher volume.

Liquidity and investment

The Company follows a conservative Investment Policy and invests in high quality debt instruments & debt mutual funds and fixed deposit with banks. As on 30 June 2013, the Company had cash and cash equivalents of Rs. 22,365 Crore, out of which Rs. 14,743 Crore was invested in debt mutual funds, Rs. 2,217 Crore in bonds and Rs 5,398 Crore were in fixed deposits with banks.

For further information, please contact:

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About Hindustan Zinc

HZL is the world's largest integrated producer of Zinc-Lead. It has a metal production capacity of over 1.0 million MT per annum with its primary smelter operations situated in Chanderiya, Debari and Dariba. HZL has Lead-Zinc mines in Rampura Agucha, Sindesar Khurd, Rajpura Dariba and Zawar, all in Rajasthan. The Company is a subsidiary of the NYSE listed, Sterlite Industries (India) Limited (NYSE: SLT) and London listed FTSE 100 diversified metals and mining major, Vedanta Resources plc.

Disclaimer

This press release contains "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behavior of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.