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## **Hindustan Zinc Limited Results for the First Quarter Ended 30 June 2012**

### **Net Profit up 6%; Lead-Silver deliver strong gains**

**Mumbai:** Hindustan Zinc Limited (“HZL” or the “Company”) today announced results for the first quarter (“Q1”) ended 30 June 2012.

#### **Highlights for the quarter**

- Net profit up 6% to Rs. 1,581 Crore or Rs. 3.74 per share
- Refined Lead and Silver production up 91% and 75% respectively
- Cash and cash equivalents of Rs. 19,404 Crore, as at 30 June 2012

“During the first quarter of FY 2013, we ramped up Sindesar Khurd mine (SKM) resulting in a strong 70%+ increase in integrated Lead and Silver production. Ore production at SKM has increased to more than 1.5 times from a year ago. SKM’s steady ramp-up and low cost of production reflect high mechanisation of our operations, which will be emulated at all our future underground mining projects”, said Mr. Agnivesh Agarwal, Chairman of Hindustan Zinc.

## Unaudited Financial Summary

(in Rs. Crore, except as stated)

	Quarter Ended		
	30 June		
	2,012	2,011	Change %
<b>Net Sales/Income from operations</b>			
Zinc	1,816	2,104	-14%
Lead	342	255	34%
Silver	388	309	26%
Others	167	153	9%
<b>Total</b>	<b>2,713</b>	<b>2,821</b>	<b>-4%</b>
<b>Cash Profit (Net Profit + Depreciation)</b>	<b>1,755</b>	<b>1,629</b>	<b>8%</b>
<b>Profit After Taxes</b>	<b>1,581</b>	<b>1,495</b>	<b>6%</b>
<b>Earnings Per Share (Rs.)</b>	<b>3.74</b>	<b>3.54</b>	<b>6%</b>
<b>Production - Mined Metal ('000 tonnes)</b>			
Zinc & Lead	187	188	-1%
<b>Production - Refined Metal ('000 tonnes)</b>			
Total Zinc	161	193	-16%
- Fully integrated Zinc	157	191	-18%
Total Lead (1)	31	16	91%
- Fully integrated Lead	29	16	79%
Total Silver (tonnes) (2)	82	47	75%
- Fully integrated Silver (tonnes)	79	47	70%
<b>Metal Prices and Exchange Rate</b>			
Zinc LME (USD/MT)	1928	2250	-14%
Lead LME (USD/MT)	1974	2550	-23%
Silver LBMA (USD / oz)	28.3	38	-26%
INR / USD	54.2	44.7	21%

(1) Including captive consumption of 1,641 tonnes in Q1 FY2013 vs. 1,391 tonnes in Q1 FY2012

(2) Including captive consumption of 8,643 kg in Q1 FY2013 vs. 7,196 kg in Q1 FY2012

(3) Silver occurs in Lead & Zinc ore and is recovered in the smelting and silver-refining processes

## Operational Performance

Mined metal production during the quarter was in line with current year's mine plan at 187,000 tonnes, compared to 188,000 tonnes in the corresponding prior quarter. Mined metal output at Sindesar Khurd mine increased by around 60% from a year ago, offsetting lower output from Rampura Agucha mine. In line with the mine plan and as announced earlier, production in H1 FY2013 is expected to be marginally lower than H1 FY2012, but will be more than made up in H2 FY2013.

Refined Lead production and refined Silver production in Q1 FY2013 increased by 91% and 75% from a year ago, to 31,000 tonnes and 82 tonnes respectively. The increase was primarily due to ramp-up of SK mine and stabilization of the new Lead & Silver refining capacities. Refined Zinc production was 161,000 tonnes, in line with the anticipated mine production and our guidance.

### **Financial Performance**

Revenues for Q1 FY2013 were Rs. 2,713 Crore, down 4% compared to the corresponding prior quarter. During the quarter, the positive impact of higher Lead-Silver volumes and Rupee depreciation was offset by lower Zinc volume, LME prices of Zinc & Lead and LBMA price of Silver. Net profit for the quarter was up 6% at Rs. 1,581 Crore, compared to the corresponding prior quarter.

The Zinc COP, excluding royalty, during the quarter was Rs. 45,759 per MT (\$844), compared to Rs. 39,117 (\$874) in the corresponding prior quarter. The increase was due to higher prices of consumables due to Rupee depreciation and lower metal production.

### **Expansion Projects**

During the first quarter of FY 2013 we continued to invest in our mining assets achieving significant progress in the underground mine development at Rampura Agucha and are progressing well in Kayar mine development. We expect developmental ore from RA underground mine and Kayar mine in the second half of FY2013. Commercial production from both these mines will start next year. We are in the final stages of developing technical feasibility of our next phase of expansions.

### **Liquidity and investment**

As at 30 June 2012, the Company had cash and cash equivalents of Rs. 19,404 Crore. This includes Rs. 10,540 Crore in debt mutual funds, Rs. 1,540 in bonds and Rs. 7,310 Crore in fixed deposits with banks. The Company follows a conservative investment policy and invests in high quality debt instruments. All mutual fund investments are based on advice from CRISIL.

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**About Hindustan Zinc**

HZL is one of the world's largest integrated producers of Zinc-Lead and a leading producer of Silver globally. It has a metal production capacity of over one million tonnes per annum with its key Lead-Zinc mines in Rampura Agucha and Sindesar Khurd; and modern smelting complexes in Chanderiya and Dariba. HZL is focused on growth and long-term term sustainability on the back of its high-quality assets, long mine life of over 25 years and low cost base. 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.