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**Hindustan Zinc Limited  
Results for the Third Quarter and Nine Months  
Ended 31 December 2012**

*Next phase of growth announced; Record mined metal production; Net profit increased by 27%*

**Q3 Highlights**

**Operational Performance -**

- Mined metal production up 11% at a record 233kt
- Lead production up 11% at 32kt
- Silver production up 103% at 117t

**Financial Performance -**

- Revenue up 14% at Rs. 3,140 Crore
- Net Profit up 27% at Rs. 1,613 Crore
- Strong balance sheet with cash and cash equivalents of Rs. 19,282 Crore

**Expansion Projects -**

- Board of Directors approves next phase of growth plan to increase mined metal production capacity to 1.2 mtpa

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**Mr. Agnivesh Agarwal (Chairman, Hindustan Zinc) -** "I am pleased to announce that the Board of Directors has approved the next phase of growth projects, which will deliver superior performance in future and create long-term value for stakeholders".

**Mumbai:** Hindustan Zinc Limited ("HZL" or the "Company") today announced its unaudited results for the third quarter ("Q3") and nine months ("nine months period") ended 31 December 2012.

## Unaudited Financial Summary

(In Rs Crore, except as stated)

	Quarter Ended			Nine-month Ended		
	31st December			31st December		
	2012	2011	Change	2012	2011	Change
<b>Net Sales/Income from Operations</b>						
Zinc	1,975	2,004	-1%	5,634	6,144	-8%
Lead	371	308	20%	1,054	726	45%
Silver	645	257	151%	1,482	823	80%
Others	149	178	-16%	505	469	8%
<b>Total</b>	<b>3,140</b>	<b>2,747</b>	<b>14%</b>	<b>8,675</b>	<b>8,162</b>	<b>6%</b>
<b>Cash Profit (Net Profit + Depreciation)</b>	<b>1,790</b>	<b>1,436</b>	<b>25%</b>	<b>5,259</b>	<b>4,557</b>	<b>15%</b>
<b>Profit After Taxes</b>	<b>1,613</b>	<b>1,274</b>	<b>27%</b>	<b>4,734</b>	<b>4,113</b>	<b>15%</b>
<b>Earnings Per Share (Rs.)</b>	<b>3.82</b>	<b>3.01</b>	<b>27%</b>	<b>11.20</b>	<b>9.73</b>	<b>15%</b>
<b>Production - Mined Metal ('000 tonnes)</b>	<b>233</b>	<b>209</b>	<b>11%</b>	<b>610</b>	<b>607</b>	<b>0%</b>
Zinc & Lead						
<b>Production - Refined Metal ('000 tonnes)</b>						
Total Zinc	171	191	-10%	495	569	-13%
- Fully integrated Zinc	168	188	-10%	479	563	-15%
Total Lead <sup>1</sup>	32	29	11%	90	62	45%
- Fully integrated Lead	22	25	-11%	75	58	29%
Total Silver <sup>2</sup> (tonnes)	117	58	103%	290	154	89%
- Fully integrated Silver	62	58	8%	222	154	44%
<b>Metal Prices and Exchange Rate</b>						
Zinc LME (USD/MT)	1,947	1,897	3%	1,920	2,123	-10%
Lead LME (USD/MT)	2,199	1,983	11%	2,051	2,328	-12%
Silver LBMA (USD / oz)	32.7	31.9	3%	30.7	36.2	-15%
INR / USD	54.1	51.0	6%	54.5	47.2	16%

(1) Includes captive consumption of 1,647 tonnes in Q3 FY2013 vs. 1,730 tonnes in Q3 FY2012, and 4,723 tonnes in 'nine months period' FY2013 vs. 4,469 tonnes in 'nine months period' FY2012.

(2) Includes captive consumption of 8,440 Kgs. in Q3 FY2013 vs. 9,182 Kgs. in Q3 FY2012, and 24,606 Kgs. in 'nine months period' FY2013 vs. 23,572 Kgs. in 'nine months period' FY2012.

## **Operational Performance**

Mined metal production in Q3 was up 11% at an all time high of 233kt, compared with the corresponding prior quarter. This was 22% higher sequentially and we expect to close the year ahead of last year's production, in accordance with our earlier guidance.

Refined Lead production in Q3 was 32kt up 11% and Refined Silver production was 117t up 103%, as compared with the corresponding prior quarter. This was mainly attributable to higher volume of custom production, as the mined metal production improved progressively during the quarter.

Refined Zinc production in Q3 was down 10% at 171kt, as compared with the corresponding prior quarter. It improved 5% on a sequential basis and we expect higher volumes in Q4.

## **Financial Performance**

Revenues for Q3 were up 14% at Rs. 3,140 Crore, compared with the corresponding prior quarter. The increase was primarily due to higher Lead-Silver volumes, further supported by improved LME/LBMA prices & INR depreciation. Net profit for the quarter was higher by 27% at Rs. 1,613 Crore.

The Zinc metal cost, without royalty, during the quarter was Rs. 44,900 per MT (\$829), 11% higher in INR and 6% in USD, compared with the corresponding prior quarter. The positive impact of operational efficiencies and lower coal prices was more than offset by increase in commodity prices, higher excavation & lower by-product credits.

## **Expansion Projects**

The Board of Directors has approved the next phase of growth plan. HZL has been actively conducting exploration, which increased net Reserve and Resource across all mines to 332.3 million tonnes in FY2012. Based on long-term evaluation of assets and in consultation with mining experts, the Company has finalised the next phase of growth plan, which will involve sinking of underground shafts and developing underground mines. The plan comprises of developing a 3.75 mtpa underground mine at Rampura Agucha and expanding Sindesar Khurd mine from 2.0 mtpa to 3.75 mtpa, Zawar mines from 1.2 mtpa to 5.0 mtpa, Rajpura Dariba mine to 1.2 mtpa and Kayad mine to 1.0 mtpa. It will also involve opening up of a small new mine at Bamnia Kalan in Rajpura Dariba belt. The growth plan will increase mined metal (MIC) production capacity to 1.2 mtpa.

The mines will be developed using best-in-class technology and equipment and in consultation with leading global mine experts, ensuring highest level of productivity. The projects will be completed in six years and benefit of growth projects will start flowing in from third year, even as projects will continue till FY18-19. Annual capital expenditures for these projects will average USD 250 million a year over next six years.

## **Liquidity and investment**

Company follows conservative Investment Policy and invests in high quality debt instruments. As on 31 December 2012, the Company had cash and cash equivalents of Rs. 19,282 Crore, out of which Rs. 10,626 Crore was invested in debt mutual funds, Rs. 1,712 in bonds and Rs. 6,923 Crore were in fixed deposits with scheduled banks.

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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. 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 that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.