

Hindustan Zinc Limited

Production Release for the Second Quarter and Half Year Ended 30 September 2015

Udaipur, October 9, 2015: Hindustan Zinc Limited today announced its production for the second quarter and half year ended September 30, 2015.

Highlight

- Mined metal production up 13% y-o-y in Q2 and 26% y-o-y in H1 FY 2016
- Highest ever integrated saleable lead and silver production during the quarter

Operational Performance

Mined metal production in Q2 was up 13% from a year ago and 3% from previous quarter at 240kt. In H1, mined metal output was significantly higher at 472kt as compared with 376kt in corresponding prior period. The increase was driven by higher ore production across all mines.

Refined metal production during the quarter was higher than mined metal production primarily on account of enhanced smelter efficiency and conversion of WIP inventory. Integrated saleable zinc, lead and silver metal production during the quarter increased by 22%, 53% and 64% respectively compared to previous year. Silver production benefited from higher ore grade and volume from Sindesar Khurd mine.

During the quarter, Government of India notified the contribution towards District Mineral Foundation (DMF), which has been set at 30% of royalty for mining leases granted prior to January 12, 2015 (date of notification of the MMDR Amendment Act 2015) and to be paid w.e.f. January 12, 2015.

The cost of production of zinc excluding royalty during the quarter was lower at Rs. 50,236 (\$771) per MT compared with Rs. 54,732 (\$903) per MT in corresponding period of prior year, in line with increased production volumes and cost reduction measures undertaken during the quarter.

Production Summary (Unaudited)

(In '000 MT, except as stated)

Particulars	Q2			Q1	H1		
	2016	2015	Change	2015	2016	2015	Change
Mined Metal Production ('000 MT)	240	213	13%	232	472	376	26%
Refined Metal Production ('000 MT)							
Total Refined Zinc	211	181	17%	187	398	321	24%
- Refined Zinc – Integrated	211	174	22%	187	398	312	28%
Total Saleable Refined Lead¹	40	30	34%	31	71	61	17%
- Saleable Lead – Integrated	39	26	53%	27	67	47	41%
Total Refined Saleable Silver^{2,3} (in MT)	112	80	39%	75	187	162	15%
- Saleable Silver – Integrated	110	67	64%	74	184	123	50%
Wind Power (in million units)	159	170	-6%	127	286	316	-9%

(1) Excluding captive consumption of 1,514 MT in Q2 FY2016 and 3,698 MT in H1 FY2016 as compared with 1,762 MT and 3,451 MT in respective corresponding prior period.

(2) Excluding captive consumption of 7.8 MT in Q2 FY2016 and 19.1 MT in H1 FY2016 as compared with 9.1 MT and 17.8 MT in respective corresponding prior period.

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

Note: Numbers may not add up due to rounding off.

Hindustan Zinc Limited

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About Hindustan Zinc

Hindustan Zinc (NSE & BSE: HINDZINC) is the one of the largest integrated producers of zinc-lead with a capacity of 1.0 million MT per annum and a leading producer of silver. The Company is headquartered in Udaipur, Rajasthan in India and has zinc-lead mines at Rampura Agucha, Sindesar Khurd, Rajpura Dariba, Zawar and Kayad; primary smelter operations at Chanderiya, Dariba and Debari, all in the state of Rajasthan; and finished product facilities in the state of Uttarakhand.

Hindustan Zinc has a world-class resource base with total reserve & resource of 375.1 million MT and average zinc-lead reserve grade of 11.5%. The Company has a track record of consistently growing its reserve & resource base since 2003 and currently has a mine life of over 25 years.

The Company is self-sufficient in power with an installed base of 474 MW coal-based captive power plants. Additionally, it has green power capacity of 309 MW including 274 MW of wind power and 35 MW of waste heat power. The Company has an operating workforce of over 18,000 including contract workforce.

Hindustan Zinc is a subsidiary of the BSE and NSE listed Vedanta Limited (formerly known as Sesa Sterlite Limited; ADRs listed on the NYSE), a part of London listed Vedanta Resources plc, a global diversified natural resources company.

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 behaviour 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.