



Hindustan Zinc Limited

Production Release for the Second Quarter and Half Year Ended 30 September 2016

Udaipur, October 10, 2016: Hindustan Zinc Limited today announced its production for the second quarter and half year ended September 30, 2016.

Highlights

- Mined metal production up 51% q-o-q and silver production up 21% q-o-q
- H2 production expected to be significantly higher than H1 as per mine plan

Operational Performance

Mined metal production during the quarter increased by 51% q-o-q, in line with mine plan. The increase was driven by higher ore production across all mines, especially Rampura Agucha open cast where there was high waste excavation during Q1 in accordance with the waste-ore sequence; this increase is despite heavy rains during the quarter. On y-o-y basis, mined metal production was lower by 20% due to lower production from Rampura Agucha mine.

In H1, mined metal output was at 318kt as compared with 472kt in corresponding prior period, in line with mine plan. During this period, the cumulative production from underground mines increased by 83% y-o-y, as Rampura Agucha mine accelerated production from underground mine. For the full year period, guidance is re-iterated for mined metal production to be higher than FY 2016 with second half being substantially higher.

Integrated zinc metal production during the quarter was at 149kt, up 47% q-o-q and down 30% y-o-y, in line with mined metal production. In H1, integrated zinc metal production decreased by 37% y-o-y in line with mined metal production.

Integrated lead and silver metal production during the quarter increased by 25% at 31kt and 21% at 107 MT respectively compared to previous quarter. On y-o-y basis, integrated lead production was down 22% in line with mined metal production while integrated silver production was down 3%. In H1, integrated lead production was lower by 17% from corresponding prior period, in line with mined metal availability. Integrated silver production was up 6% y-o-y in H1 despite lower mined metal, on account of significantly higher production from Sindesar Khurd mine, partly offset by lower volumes from Rampura Agucha open cast. For the full year, integrated silver production will be higher than FY 2016.

Production Summary (Unaudited)

(In '000 MT, except as stated)

Particulars	Q2			Q1		Half Year		
	2017	2016	Change	2017	Change	2017	2016	Change
Mined Metal Production ('000 MT)	192	240	-20%	127	51%	318	472	-33%
Refined Metal Production ('000 MT)								
Integrated Refined Metal								
Zinc	149	211	-30%	101	47%	250	398	-37%
Saleable Lead ¹	31	39	-22%	25	25%	55	67	-17%
Zinc & Lead	179	250	-28%	126	43%	305	465	-34%
Saleable Silver ^{2,3} (in MT)	107	110	-3%	89	21%	196	184	6%
Total Refined Metal								
Zinc	150	211	-29%	102	47%	252	398	-37%
Saleable Lead ¹	31	40	-24%	25	25%	55	71	-22%
Zinc & Lead	181	252	-28%	127	43%	307	469	-35%
Saleable Silver ^{2,3} (in MT)	107	112	-4%	89	21%	196	187	5%
Wind Power (in million units)	172	159	8%	148	16%	320	286	12%

(1) Excluding captive consumption of 837 MT in Q2 FY2017 and 1,921 MT in H1 FY2017 as compared with 1,514 MT and 3,698 MT in respective corresponding prior period.

(2) Excluding captive consumption of 4.3 MT in Q2 FY2017 and 9.8 MT in H1 FY2016 as compared with 7.8 MT and 19.1 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.

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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 389.9 million MT and average zinc-lead reserve grade of 11.7%. 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 17,000 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.

Hindustan Zinc Limited

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