



Vedanta Resources plc
HZL announces Results for the Third Quarter Ended 31 December 2014

The following release was issued today by Vedanta Resources Plc's subsidiary Hindustan Zinc Limited.

Hindustan Zinc Limited
 Results for the Third Quarter Ended December 31, 2014

"Mined metal increases 10%, EBITDA up 14%"

Highlights for the quarter

- Mined metal production up 10%
- EBITDA up 14%
- Highest ever Net Profit, up 38%

Mumbai, January 19, 2015: Hindustan Zinc Limited today announced its results for the third quarter ended December 31, 2014.

Financial Summary

(In Rs. Crore, except as stated)

Particulars	Q3			Q2	Nine months ended 31 December		
	2015	2014	Change	2015	2015	2014	Change
Net Sales/Income from Operations							
Zinc	2,994	2,650	13%	2,839	7,890	7,206	9%
Lead	419	352	19%	443	1,314	1,207	9%
Silver	283	332	-15%	313	914	1,128	-19%
Others	108	76	42%	154	398	329	21%
Total	3,804	3,410	12%	3,749	10,516	9,870	7%
EBITDA	2,089	1,828	14%	2,000	5,441	5,238	4%

Profit After Taxes	2,379	1,723	38%	2,184	6,181	5,023	23%
Earnings per Share (Rs.)	5.63	4.08	38%	5.17	14.63	11.89	23%
Mined Metal Production ('000 MT)	242	220	10%	213	618	680	-9%
Refined Metal Production ('000 MT)							
Total Refined Zinc	196	196	0%	181	517	567	-9%
- Refined Zinc - Integrated	192	196	-2%	174	504	564	-11%
Total Saleable Refined Lead ¹	30	25	19%	30	91	86	5%
- Saleable Lead - Integrated	25	25	0%	26	72	81	-12%
Total Refined Saleable Silver ^{2,3} (in MT)	85	73	17%	80	247	259	-5%
- Saleable Silver - Integrated	70	72	-4%	67	192	233	-17%
Wind Power (in million units)	55	59	-7%	170	371	372	0%
Zinc CoP without Royalty (Rs. / MT)	50,534	52,014	-3%	55,154	54,696	49,727	10%
Zinc CoP without Royalty (\$ / MT)	817	840	-3%	911	900	828	9%
Zinc LME (\$ / MT)	2,235	1,907	17%	2,311	2,209	1,869	18%
Lead LME (\$ / MT)	2,000	2,111	-5%	2,181	2,093	2,088	0%
Silver LBMA (\$ / oz.)	16.5	20.8	-21%	19.8	18.6	21.7	-14%
USD-INR	62.0	62.0	0%	60.6	60.8	60.1	1%

(1) Excluding captive consumption of 2394 MT in Q3 FY 2015 as compared with 1927 MT respectively in corresponding prior period.

(2) Excluding captive consumption of 12.5 MT in Q3 FY 2015 as compared with 10.1 MT in 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.

Mr. Agnivesh Agarwal, Chairman - *"We continued to deliver solid performance in the third quarter. Zinc market fundamentals are favourable and we remain committed to increasing production and controlling costs to drive profitability of our operations. Looking ahead, we believe that opportunities lie in our ability to execute against our long-term strategic priorities, which will continue to differentiate Hindustan Zinc and drive shareholder value."*

Operational Performance

Mined metal production in Q3 FY 2015 was up by 14% sequentially and 10% y-o-y at 242,417 MT, as compared with 212,575 MT in previous quarter and 220,126 MT a year ago. The increase was as per the mine plan and driven by higher production from Rampura Agucha mine and better ore grades. For nine month period, mined metal production was 618,123 MT as compared to 679,597 MT in FY 2014. The shortfall will be made up in Q4, in-line with the mine plan and guidance of marginal growth in mined metal for the full year.

Integrated refined zinc production was up by 11% sequentially on account of higher mined metal production. However, it was marginally down by 2% at 191,785 MT on y-o-y basis due to higher cathode stock, even as total refined zinc production was flat from a year ago.

Production of integrated refined lead was marginally down from previous quarter at 24,890 MT and flat from corresponding period of last year. Integrated saleable silver production was up 3% sequentially and down 4% y-o-y to 70 MT. The y-o-y decline was due to accretion to WIP even as the grades from Sindesar Khurd were higher. Integrated silver production in Q4 will be better than Q3 and full year production will be close to last year.

The zinc metal cost of production before royalty during the quarter was Rs. 50,534 (\$817), which is lower by 8% (10% in USD terms) sequentially and 3% lower from a year ago. The y-o-y decrease in cost was due to higher mined metal production, lower diesel cost and higher acid credits, partly offset by lower linkage coal and increased employee expense on account of long-term wage agreement.

Financial Performance

Revenues were up 12% to Rs. 3,804 Crore in Q3 FY 2015 from a year ago. The increase was driven by higher zinc LME and lead & silver metal volumes, partly offset by lower silver price and refined zinc volume.

EBITDA was up by 14% to Rs. 2,089 Crore for the quarter as compared to previous year as a result of better revenues and lower cost of production. Net profit increased by 38% to Rs. 2,379 Crore in Q3 FY 2015 as compared Rs. 1,723 in corresponding prior quarter.

Expansion Projects

Sindesar Khurd mine expansion is proceeding better than planned, although Rampura Agucha underground shaft project is behind schedule.

The Board has approved deepening of the open cast mine by 50 metres which will extend mine life to FY 2019-20 and ensure a stable transition from open pit to underground at Rampura Agucha. The pre-stripping work will start in the current quarter.

Liquidity and investment

The Company's cash and cash equivalents increased by 5% from the end of Q2 FY 2015 and 20% from a year ago. As on December 31, 2014, cash and cash equivalents were Rs. 28,980 Crore, out of which Rs. 26,687 Crore was invested in mutual funds and Rs. 2,283 Crore in bonds. The Company follows a conservative investment policy and invests in high quality debt instruments.

Earnings Call on Wednesday, January 21, 2015 at 11:00 am (IST)

The Company will hold an earnings conference call on Wednesday, January 21, 2015 at 11:00 am IST, where Hindustan Zinc's senior management will discuss the Company's results and performance. The dial-in numbers for the call are as below:

Primary Number: +91 22 6746 5962

Secondary Number: +91 22 3960 0762

For further information, please contact:

Communications

Roma Balwani
President -Group Communications, Sustainability
and CSR
Tel: +91 22 6646 1000
gc@vedanta.co.in

Finsbury

Gordon Simpson
Tel: +44 20 7251 3801

Investors

Ashwin Bajaj
Director - Investor Relations

Tel: +91 22 6646 1531
ir@vedanta.co.in

Radhika Arora
Associate General Manager - Investor Relations

Samuel Betha
Manager - Investor Relations

About Vedanta Resources

Vedanta Resources Plc ("Vedanta") is a London-listed diversified global resources company. The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas and commercial energy. Vedanta has operations in India, Zambia, Namibia, South Africa, Ireland, Liberia, Australia and Sri Lanka. With an empowered talent pool globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of entrepreneurship, excellence, trust, inclusiveness and growth. For more information, please visit www.vedantaresources.com.

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