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Hindustan Zinc Limited

Results for the Fourth Quarter and Year Ended 31 March 2008

Highlights

- Strong operating performance - highest ever quarterly and annual zinc metal production
- Chanderiya Hydro II zinc smelter achieves rated capacity in the very first quarter after commissioning
- Exploration success - increase in reserve and resources by 28.7 million tonnes containing 4.0 million tonnes of zinc - lead metal, prior to depletion
- LME registration of zinc metal from the Chanderiya Hydro I smelter

Mumbai: Hindustan Zinc Limited (“HZL” or the “Company”) today announced its audited results for the fourth quarter (“Q4”) and year ended 31 March 2008 (“FY2008”).

Audited Financial Summary

(in Rs crore, except as stated)

	Quarter ended 31 March		Change %	Year ended 31 March		Change %
	2008	2007		2008	2007	
Net Sales/Income from operations	2,266	2,021	12%	7,878	8,560	-8%
Cash Profit (PBDT)	1,802	1,472	22%	6,207	6,610	-6%
Net Profit	1,278	935	37%	4,396	4,442	-1%
Earnings Per Share (Rs.)	30.25	22.12	-	104.04	105.12	
Production - Mined Metal (tonnes)						
Zinc	137,846	121,423	14%	551,295	504,956	9%
Lead	21,020	17,562	20%	77,724	67,364	15%
Production - Refined Metal (tonnes)						
Zinc	135,491	94,856	43%	426,323	348,316	22%
Lead	16,989	12,599	35%	58,247	44,552	31%

The company achieved record zinc and lead metal production in FY2008 of 426,323 tonnes and 58,247 tonnes respectively, an increase of 22% and 31% compared with the previous year. The increase in production was primarily on account of the production from the newly commissioned Hydro II smelter and the improved performance from the existing smelters. The Hydro II smelter was commissioned in a record time of 20 months from ground-breaking, setting a new world record and also achieved its rated capacity in the very first quarter after its commissioning.

Total mined metal production during FY2008 was 629,019 tonnes, an increase of 10% compared with the corresponding previous year.

Sales were augmented by the sale of surplus zinc and lead concentrate of 75,455 dry metric tonnes during Q4 and 297,214 dry metric tonnes in FY2008.

The positive impact of higher volumes on sales and PBDT in FY2008 was offset by adverse impact on account of a decline in zinc LME prices by 17% and the appreciation of the Indian rupee vis-à-vis the US dollar by 11%.

During the quarter, HZL obtained LME registration for zinc ingots produced from the Chanderiya Hydro I Smelter. The company has also received permission to fully convert the Hydro I smelter to a 100% Export Oriented Unit.

Progress on Ongoing Projects

The 88,000 tonnes debottlenecking project is progressing well and is expected to be completed shortly, ahead of schedule.

As part of our commitment to green energy, out of a total planned capacity of 124 MW of wind power, 107 MW has been successfully commissioned as of 31 March 2008 and work on the remaining 17 MW is expected to be commissioned by June 2008.

Exploration Success

The company is pleased to announce that its ongoing exploration activities have yielded significant success with an increase of 28.7 million tonnes to its reserves and resources, prior to a depletion of 5.8 million tonnes, in FY 2008. Contained zinc-lead metal has increased by 4.0 million tonnes, prior to a depletion of 0.6 million tonnes, during the same period. Total reserves and resources at 31 March 2008 were 232.3 million tonnes containing a total of 27.5 million tonnes of zinc-lead metal. The reserves and resources position has been independently reviewed and certified as per JORC standard. The success of exploration has primarily been in the Sindesar Khurd and Rampura Agucha mines.

Dividend

The board of directors has recommended a final dividend of 25 % i.e. Rs. 2.50 per equity share of Rs.10/- each for the current year. The total dividend for the year, including interim dividend, is 50% i.e. Rs 5.00 per equity share.

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About Hindustan Zinc

HZL is India's only integrated producer of zinc and lead and among the world's leading integrated producers. Its metal production capacity is nearly 670,000 tpa with its smelter operations situated in Chanderiya, Debari and Visakhapatnam. HZL has zinc-lead mines in Dariba, Rampura Agucha, Sindesar Khurd and Zawar. 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 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.