

22 July 2009

Hindustan Zinc Limited

Results for the First Quarter Ended 30 June 2009

Highlights

- Mined zinc production increased by 17% to 162,241 tonnes
- Refined zinc production increased by 9% to 139,315 tonnes
- Silver production increased by 25% to 29,527 kilograms
- Expansion projects on track to make HZL the world's largest integrated zinc - lead producer at 1,065 kt
- Revenues and net profit for Q1 were Rs 1,512 crores and Rs 719 crores, despite fall in zinc LME prices by 30% and lead LME prices by 35% compared with the corresponding prior quarter

Mumbai: Hindustan Zinc Limited ("HZL" or the "Company") today announced its results for the first quarter ("Q1") ended 30 June 2009

Unaudited Financial Summary

(in Rs crores, except as stated)

	Quarter Ended		Change %
	30 June 2009	2008	
Net Sales/Income from operations	1,512	1,644	-8%
Profit After Taxes	719	848	-15%
Earnings Per Share (Rs.)	17.01	20.07	
Production - Mined Metal (Tonnes)			
Zinc	162,241	138,278	17%
Lead	20,601	19,584	5%
Production - Saleable Metal (Tonnes)			
Zinc	139,315	127,889	9%
Lead	15,218	17,298	-12%
Silver (in Kgs)	29,527	23,565	25%

Operational Performance

During Q1 the company produced 162,241 tonnes of zinc mined metal and 20,601 tonnes of lead mined metal, an increase of 17% and 5% respectively, compared with the corresponding prior quarter.

During Q1 the company produced 139,315 tonnes of refined zinc, an increase of 9% compared with the corresponding prior quarter. The refined zinc production in Q1 was lower than the production in Q4 FY2009, primarily on account of operational factors during the current quarter at our hydro smelters at Chanderiya. Sales during Q1 were augmented by the sale of 73,962 dry metric tonnes of surplus zinc concentrate.

During the quarter, saleable silver production was 29,527 kilograms, an increase of 25% compared with the corresponding prior quarter. The increase in production was primarily on account of higher silver content in the mined ore.

Financial Performance

Revenues and net profit for Q1 were Rs 1,512 crores and Rs 719 crores respectively. During the quarter, the positive impact of higher volumes and rupee depreciation on sales and net profit was more than offset by the sharp decline in the zinc and lead LME prices and lower by-product realisation. However, the revenues and net profit during Q1 improved by 20% and 30% respectively, compared with Q4 FY2009.

During Q1, average zinc and lead LME prices were Rs \$1,476 per tonne and \$1,506 per tonne respectively, compared with \$2,115 per tonne and \$2,316 per tonne in the corresponding prior quarter.

Expansion Projects

The work at the 210,000 tpa zinc smelter and the 100,000 tpa lead smelter project site at Rajpura Dariba are progressing well and are on schedule for completion by mid-2010. Work at the mining projects at Rampura Agucha, Sindesar Khurd and Kayar are also on schedule for progressive commissioning from mid-2010 onwards.

Liquidity and investment

As at 30 June 2009, the Company had cash and cash equivalents of Rs. 10,100 crores. This includes Rs. 7,900 crores in debt mutual funds and Rs. 2,200 crores in fixed deposits with banks. The Company follows conservative investment policy and invests in high quality debt instruments. All mutual fund investments are based on advice from CRISIL.

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About Hindustan Zinc

HZL is India's leading integrated producer of zinc & lead and is among the world's leading integrated producers. It has a metal production capacity of 754,000 tonnes per annum with its smelter operations situated in Chanderiya, Debari and Visakhapatnam. HZL has lead-zinc mines in Rampura Agucha, Sindesar Khurd, Rajpura Dariba and Zawar. HZL has over 6,600 employees. 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.