

24 July 2010

Hindustan Zinc Limited

Results for the First Quarter Ended 30 June 2010

Highlights

- **Operating Performance**
 - Refined metal production up 15% at 180,000 tonnes
 - Silver production up 5% at 43,000 kilograms
- **Financial Performance**
 - Q1 revenues up 29% at Rs 1,951 crore
 - Q1 net profit up 24% at Rs 891 crore
- **Strong balance sheet with cash and cash equivalents of Rs. 12,300 crores.**

Mumbai: Hindustan Zinc Limited (“HZL” or the “Company”) today announced its results for the first quarter (“Q1”) ended 30 June 2010.

Unaudited Financial Summary

(in Rs crore, except as stated)

| | Quarter ended 30 June | | Change |
|--|-----------------------|---------|----------|
| | 2010 | 2009 | % |
| Net Sales/Income from operations | 1,951 | 1,512 | 29.0% |
| Profit before depreciation & tax (PBDT) | 1,174 | 959 | 22.4% |
| Profit After Taxes | 891 | 719 | 23.9% |
| Earnings Per Share (Rs.) | 21.09 | 17.01 | |
| Production - Mined Metal (Tonnes) | | | |
| Zinc and Lead | 181,930 | 182,842 | (0.5%) |
| Production - Refined Metal (Tonnes) | | | |
| Zinc | 164,519 | 139,315 | 18.1% |
| Lead ¹ | 15,310 | 17,530 | (12.7 %) |
| Silver (in kgs) ² | 43,309 | 41,460 | 4.5% |

(1) Including captive consumption of 1,166 tonnes in Q1 FY2011 vs 2,312 tonnes in Q1 FY2010.

(2) Including captive consumption of 6,133Kgs in Q1 FY 2011 vs 11,933 Kgs in Q1 FY 2010

Operational Performance

During Q1, the Company produced 182,000 tonnes of Mined metal, inline with the production in the corresponding prior quarter. During the quarter, production from the Rampura Agucha mine was impacted by lower grades and repair and maintenance of one of the mills.

Refined zinc production during the quarter was 165,000 tonnes, an increase of 18% compared with the corresponding prior quarter. The 210 ktpa Zinc smelter at Rajpura Dariba commissioned in Q4 FY2010 is ramping up well and contributed 33,000 tonnes in Q1. The production at the existing plants was impacted due to a temporary water shortage, which is expected to normalize with the onset of monsoon.

Refined silver production during Q1 was 43,000 kilograms, an increase of 5%, compared with the corresponding prior quarter. The increase in production was primarily on account of higher silver content in the mined ore and improved plant efficiencies.

Financial Performance

Revenues and net profit for Q1 were Rs 1,951 crore and Rs 891 crore, an increase of 29% and 24% respectively, compared with the corresponding prior quarter. The positive impact of improved LME prices and improved by-product realization on profitability was partly offset by the impact of the additional gratuity provisions due to change in the limit of salary in the payment of Gratuity Act, full impact of long term settlement of wage agreement, higher stripping cost at mines and increase in coal, and coke costs.

During Q1, average zinc and lead LME prices were \$2,018 per tonne and \$1,944 per tonne respectively, compared with \$1,476 per tonne and \$1,506 per tonne, in the corresponding prior quarter.

Expansion Projects

Construction activity at the 100 ktpa lead smelter at Rajpura Dariba is progressing as planned, and is on schedule for completion by Q2 FY2011. Of the 160MW captive power plant, one unit of 80 MW CPP was synchronized in June 2010 and the second unit is expected to be synchronized in September 2010.

Primary mine development activity at Sindesar Khurd mine project is on schedule, with production expected to commence from Q2 FY 2011

Liquidity and investment

Company follows conservative Investment Policy and invests in high quality Debt instruments in Mutual Fund and Fixed Deposit with Bank. As on 30 June, 2010, the Company had cash and cash equivalents of Rs. 12,323 crore, out of which Rs. 7,048 crore was invested in debt mutual funds and Rs. 5,275 crore were in fixed deposits with Banks.

For further information, please contact:

Ashwin Bajaj
Vice President - Investor Relations
Sterlite Industries (India) Limited

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

Sheetal Khanduja
Associate General Manager - Investor Relations
Sterlite Industries (India) Limited

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

About Hindustan Zinc

HZL is India's largest integrated producer of zinc & lead and is among the world's leading integrated producers. It has a metal production capacity of 964,000 tonnes per annum with its smelter operations situated in Chanderiya, Debari, Dariba and Visakhapatnam. HZL has lead-zinc mines in Rampura Agucha, Sindesar Khurd, Rajpura Dariba and Zawar. HZL has around 7,000 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 behavior 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.