

21 April 2010

Hindustan Zinc Limited

Results for the Fourth Quarter and Year Ended 31 March 2010

Highlights

- **The 210 ktpa zinc smelter at Dariba and 1 mtpa concentrator at Rampura Agucha successfully commissioned, ahead of schedule.**
- **Strong operating performance, record annual production**
 - Mined metal production at 768,620 tonnes
 - Refined metal production at 650,038 tonnes
 - Silver production at 176,381 kilograms
- **Robust financial performance**
 - Q4 and FY2010 revenue up 98% and 41%
 - Net Profit for Q4 and FY 2010 up 125% and 48%

Mumbai: Hindustan Zinc Limited (“HZL” or the “Company”) today announced its results for the fourth quarter (“Q4”) and year ended 31 March 2010 (“FY 2010”).

Unaudited Financial Summary

(In Rs Crore, except as stated)

	Quarter Ended		Change %	Year Ended		Change %
	31 March 2010	2009		31 March 2010	2009	
Net Sales/Income from operations	2,498	1,263	98%	8,017	5,680	41%
Profit before depreciation & tax (PBDT)	1,655	771	115%	5,348	3,644	47%
Profit After Taxes	1,239	551	125%	4,041	2,728	48%
Earnings Per Share (Rs.)	29.33	13.05		95.65	64.55	
Production - Mined Metal (Tonnes)						
Zinc & Lead	193,532	197,704	(2.1%)	768,620	735,296	4.5%
Production - Refined Metal (Tonnes)						
Zinc & Lead ⁽¹⁾	170,255	168,536	1.0%	650,038	617,056	5.3%
Silver (in Kgs) ⁽²⁾	51,409	47,377	8.5%	176,381	131,739	33.9%
(1) Including captive use - lead (MT)						
	1,601	2,302		7,308	5,010	
(2) Including captive use - Silver (in kgs)						
	8,343	12,201		37,831	26,684	

Operational Performance

Mined metal production, during Q4 and FY2010, was 193,532 tonnes and 768,620 tonnes respectively. During the year, the company recorded its highest ever mined metal production, close to the rated capacity. During the same period, refined metal production was at 170,255 tonnes and 650,038 tonne respectively. The company achieved its highest ever refined metal production during the year, primarily on account of improved operational efficiencies.

Sales during the quarter were augmented by the sale of around 86,000 dry metric tonnes of surplus zinc concentrate and 10,000 dry metric tonnes of surplus lead concentrate. For the full year, concentrate sales were 223,500 dry metric tonnes of surplus zinc concentrate and 30,900 dry metric tonnes of surplus lead concentrate.

During Q4 and FY 2010, HZL achieved its highest ever saleable silver production of 51,409 kilograms and 176,381 kilograms, an increase of 9% and 34% respectively, compared with the corresponding prior periods. The increase in production was primarily on account of higher silver content in the mined ore and improved metal recovery due to higher plant efficiencies.

Financial Performance

Revenues and net profit for Q4 were Rs 2,498 crore and Rs 1,239 crore, an increase of 98% and 125% respectively, compared with the corresponding prior quarter. For FY 2010, revenues and net profit were Rs 8,017 crore and Rs 4,041 crore, an increase of 41% and 48% respectively, compared with the previous year.

Cash profit for the Q4 and FY 2010 was Rs 1,655 crore and Rs 5,348 crore respectively, an increase of 115% and 47% compared with the corresponding prior periods. The increase in profitability was primarily on account of increased volumes, operational efficiencies and higher zinc and lead LME prices.

During Q4, average zinc and lead LME increased to \$2,288 per tonnes and \$2,219 per tonne compared with \$1,174 and \$1,160 per tonne respectively, in the corresponding prior period. For FY2010, average zinc and lead LME increased to \$1,936 per tonne and \$1,990 per tonne, compared with \$1,563 per tonne and \$1,660 per tonne in the corresponding prior period.

Expansion Projects

The 210 ktpa Hydro zinc smelter at Dariba and the 1 mtpa zinc concentrator at Rampura Agucha were successfully commissioned during the end of the quarter, around three months ahead of schedule. Consequently, the total zinc and lead smelting capacity has increased to 964 ktpa.

The 100 ktpa lead smelter project alongwith 160MW CPP at Dariba is progressing well for scheduled completion in Q2 FY2011. The Sindesar Khurd mine project is on schedule for progressive commissioning from Q1 FY 2011.

Post completion of these projects, HZL will be the world's largest integrated zinc-lead producer with a total smelting capacity of 1.064 mtpa.

Liquidity and investment

As at 31 March 2010, the Company had cash and cash equivalents of around Rs. 11,900 Crore. This includes around Rs. 11,000 Crore in debt mutual funds and Rs. 900 Crore in fixed deposits with banks. The Company follows a conservative investment policy and invests in high quality debt instruments. All mutual fund investments are based on advice from CRISIL.

Dividend

The board of directors has recommended a dividend of 60% i.e. Rs 6.00 per equity share of Rs.10.00 for the current year.

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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 964,000 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 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 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.