

**22 October 2009**

## Hindustan Zinc Limited

### Results for the Second Quarter and Half Year Ended 30 September 2009

#### Highlights for the Quarter

- Zinc and lead mined metal production operating at rated capacity
- Refined zinc production up 16% at 140,661 tonnes
- Silver production up 40% at 30,324 kilograms
- Expansion projects on track to make HZL the world's largest integrated zinc - lead producer at 10.65 lakh per annum
- PBDT up 6% to Rs. 1,224 crores compared with corresponding prior quarter, primarily on account of higher sales volume and improved operational efficiencies

**Mumbai:** Hindustan Zinc Limited ("HZL" or the "Company") today announced its results for the second quarter ("Q2") and half year ("H1") ended 30 September 2009.

#### Unaudited Financial Summary

*(in Rs crore, except as stated)*

	Quarter ended		Change	Six months ended		Change
	30 September			30 September		
	2009	2008	%	2009	2008	%
Net Sales/Income from operations	1,790	1,744	3%	3,302	3,388	(3%)
Profit before depreciation and tax (PBDT)	1,224	1,156	6%	2,183	2,336	(7%)
Profit After Taxes	935	960	(3%)	1,654	1,807	(8%)
Earnings Per Share (Rs.)	22.13	22.70		39.14	42.77	
<b>Production - Mined Metal (Tonnes)</b>						
Zinc and Lead	192,517	188,046	2%	375,359	345,908	9%
<b>Production - Saleable Metal (Tonnes)</b>						
Zinc	140,661	121,556	16%	279,976	249,445	12%
Lead	11,565	12,530	(8%)	26,783	29,828	(10%)
Silver (in Kgs)	30,324	21,592	40%	59,851	45,157	33%

#### Operational Performance

During Q2, zinc and lead mined metal production was 192,517 tonnes, in line with the rated capacity. During the same period, zinc and lead refined metal production was 152,226 tonnes, an increase of 14% compared with the corresponding prior quarter.

Sales during the quarter were augmented by the sale of 22,359 dry metric tonnes of surplus zinc and 21,000 dry metric tonnes of surplus lead concentrate.

Saleable silver production during Q2 was 30,324 kilograms, an increase of 40% compared with the corresponding prior quarter. The increase in production was primarily on account of higher silver content in the mined ore and higher recovery.

## **Financial Performance**

Revenues and net profit for Q2 was Rs 1,790 crore and Rs 935 crores compared with Rs. 1,744 crore and Rs. 960 crore in the corresponding prior quarter. The positive impact of higher volume, operational efficiencies, lower input cost and rupee depreciation on net profit was more than offset by the sharp decline in the by-product credit realisations.

## **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 30th September 2009, the Company had cash and cash equivalents of Rs. 10,200 crores. This includes Rs. 8,800 crores in debt mutual funds and Rs. 1,400 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.

### **For further information, please contact:**

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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 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.