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## Hindustan Zinc Limited Results for the First Quarter ended 30 June 2008

### Highlights

- Refined zinc and lead production at 128,000 tonnes and 17,000 tonnes, an increase of 38% and 27% respectively
- 88,000 tpa zinc debottlenecking project successfully completed
- Margins impacted adversely by decline in zinc LME prices
- Rampura Agucha Mine received the overall excellence award from the Federation of Indian Mineral Industries (FIMI)

**Mumbai, 24 July 2008:** Hindustan Zinc Limited (“HZZ” or the “Company”) today announced its results for the first quarter ended 30 June 2008 (“Q1”). Revenues and net profit for Q1 were Rs 1,644 crore and Rs 848 crore respectively.

### Unaudited Financial Summary

*(in Rs crore, except as stated)*

	Q1		
	FY 2008-09	FY 2007-08	% Change
Net Sales/Income from operations	1,644	1,970	- 17%
Cash Profit (PBDT)	1,180	1,725	-32%
Net Profit After Taxes	848	1,211	-30%
Earnings Per Share (Rs.)	20.07	28.67	
Production - Mined Metal (MT)			
Zinc	138,278	134,339	3%
Lead	19,584	19,442	1%
Production - Saleable Metal (MT)			
Zinc	127,889	92,631	38%
Lead	17,298	13,651	27%

During Q1, HZZ produced 127,889 tonnes of zinc and 17,298 tonnes of lead, an increase of 38% and 27% respectively compared with the corresponding prior quarter. The mined zinc metal and lead metal production was marginally up at 138,278 tonnes and 17,298 tonnes respectively.

During the quarter, the sale of zinc and lead concentrate was lower at 10,507 dry metric tonnes as compared to 54,385 dry metric tonnes in the corresponding prior quarter. This was primarily on account of higher smelter production, leading to a decrease in the surplus concentrate available for sale.

The positive impact of higher volumes on sales and PBDT in Q1 was offset by the adverse impact on account of a decline in zinc LME prices (from US \$3,667 in Q1 FY 2008 to US \$2,115 in Q1 FY 2009) by 42%.

During Q1, the Company was able to achieve significant reduction in the operating cost on the back of increased volumes, improved operational efficiencies and higher byproduct credits.

## Progress of Projects

In Q1, the Company successfully commissioned 88,000 tpa zinc debottlenecking project at Chanderiya and Debari.

With the commissioning of 16 MW wind power generation capacities, HZL has successfully completed its ongoing wind energy project and now has capacity of 123.2 MW wind power.

During the quarter, HZL announced expansion projects that will take its total integrated zinc-lead capacity to 1,065,000 tonnes per annum with fully integrated mining, smelting and captive power generation capacities; making HZL the world's largest integrated zinc-lead producer by 2010. The total investment in these projects is estimated at Rs. 3,600 crore.

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## About Hindustan Zinc

HZL is India's leading integrated producer of zinc 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 Rajpura Dariba, Rampura Agucha, Sindesar Khurd and Zawar. HZL has approximately 6,400 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.