

19 January 2011

**Hindustan Zinc Limited
Results for the Third Quarter and Nine Months
Ended 31 December 2010**

Highlights for the quarter

Operational Performance -

- Record Mined metal production at 222,250 tonnes.
- Record Refined Zinc metal production at 178,250 tonnes.

Financial Performance -

- Revenue up 17.4% at Rs. 2,601 Crore
- PBDT up 13.5% at Rs. 1,714 Crore

- Issue of bonus share in the ratio of 1:1
- Subdivision of existing equity share of Rs. 10 each into 5 no. of shares of Rs.2 each

Strong balance sheet with cash and cash equivalents of more than Rs. 13,000 Crore

Expanding wind power capacity by 150 MW

Awards received during the quarter

- IMC Ramakrishna Bajaj National Quality Award - 'Performance Excellence Trophy' (RBNQA - 2010) - Chanderiya Smelting Complex
- CII - National Water Management Award - Chanderiya Smelting Complex
- CII - National Water Management Award - Zawar Mines

Mumbai: Hindustan Zinc Limited (“HZL” or the “Company”) today announced its unaudited results for the third quarter (“Q3”) and nine months (“nine months period”) ended 31 December 2010.

Unaudited Financial Summary

(In Rs Crore, except as stated)

	Quarter Ended		Change %	Nine months ended		Change %
	31 December 2010	2009		31 December 2010	2009	
Net Sales/Income from operations	2,601	2,217	17.4%	6,715	5,519	21.7 %
Cash Profit (PBDT)	1,714	1,510	13.5 %	4,177	3,693	13.1 %
Profit After Taxes	1,290	1,149	12.3 %	3,129	2,802	11.7 %
Earnings Per Share (Rs.)	30.52	27.18		74.06	66.32	
Production - Mined Metal (Tonnes)						
Zinc & Lead	222,249	199,728		609,015	575,087	
Production - Refined Metal (Tonnes)						
Zinc	178,254	148,126		519,012	428,102	
Lead (1)	14,267	20,641		45,744	51,681	
Silver (in Kgs.) (2)	42,013	43,042		129,275	124,973	

(1) Including captive consumption of 1,746 tonnes in Q3 FY2011 vs. 1,450 tonnes in Q3 FY2010, and 4,558 tonnes in ‘nine months period’ FY2011 vs. 5,707 tonnes in ‘nine months period’ FY2010.

(2) Including captive consumption of 9,237 Kgs. in Q3 FY2011 vs. 7,410 Kgs. in Q3 FY2010, and 23,982 Kgs. in ‘nine months period’ FY2011 vs. 29,489 Kgs. in ‘nine months period’ FY2010.

Mr. Agnivesh Agarwal, Chairman said, “The Company has witnessed significant growth in revenues, profits and volumes during the quarter. With the commencement of trial production at our new 1.50 million tonnes per annum (mtpa) mill at Sindesar Khurd at the end of the quarter, we will exit FY 2012 with Silver production capacity of 500 tonnes (16 million oz) making HZL one of the world’s top silver producers.”

Operational Performance

During Q3, the Company achieved its highest ever Zinc and Lead Mined metal production of 222,250 tonnes, up 11% compared with the corresponding prior quarter, primarily on account of enhanced contribution from the stream IV concentrator at Rampura Agucha.

During the same period, the Company also achieved its highest ever zinc refined metal production at around 178,250 tonnes, up around 20% compared with the corresponding prior quarter. The increase in production is largely attributable to increased contribution from Dariba Hydro Zinc smelter, which contributed around 46,500 tonnes during the quarter.

Refined Lead metal production of 14,267 tonnes during the quarter is lower compared with the corresponding prior quarter, due to the maintenance shutdown at the Ausmelt and ISF smelters. Sales during the quarter were augmented by sales of 36,000 dry metric tonnes (DMT) of surplus zinc concentrate and 12,800 DMT of surplus Lead concentrate.

Refined silver production of around 42,000 kilograms during the quarter is largely in line with the corresponding prior quarter.

Financial Performance

Revenues and net profit for Q3 were Rs 2,601 Crore and Rs 1,290 Crore, an increase of 17% and 12% respectively, compared with the corresponding prior quarter. The increase was primarily on account of higher volumes, operational efficiencies and improved LME prices; partly offset by appreciation of the Indian rupee against the US dollar and increase in the cost of production. The net Zinc metal cost, without royalty, during the quarter increased 5% to Rs. 35,500 per MT (\$ 792), compared with the corresponding prior quarter. The increase in costs was on account of increase in raw material costs and higher stripping cost at mines.

During Q3, average Zinc and Lead LME prices were \$2,315 per tonne and \$2,390 per tonne respectively, compared with \$2,211 per tonne and \$2,292 per tonne, in the corresponding prior quarter.

Expansion Projects

During the quarter, the Company decided to add 150MW capacity to its existing wind power generation capacity of 123.2 MW. The Project will be completed in two phases. The first phase of 50MW will be completed by the end of Q4 FY 2011. The second phase of 100MW will be completed by the end of Q2 FY 2012. Post the expansion, the Company's wind power generation capacity will increase to 273.2 MW making it the second largest wind power producer in India.

The new 1.50 mtpa mill at our Silver-rich Sindesar Khurd mine has commenced trial run towards the end of the quarter. With our accelerated capacity ramp up at Sindesar Khurd mine, we are poised to exit FY 2012 with Silver production capacity of 500 tonnes (16 million oz).

Of the 160MW Captive Power Plant at Dariba Smelting Complex, one unit of 80MW was synchronized in June 2010 and the second 80MW unit has commenced trial runs in Q3 FY 2011. The 100 ktpa Lead smelter at Dariba Smelting Complex is expected to commission in Q4 FY2011.

Corporate Actions

In order to improve the liquidity of our share, the Board of Directors has approved subdivision of existing equity share of Rs. 10 each into 5 no. of shares of Rs. 2 each and issue of bonus shares in the ratio of 1:1.

Liquidity and investment

The Company follows a conservative Investment Policy and invests in high quality Debt instruments in Mutual Fund and Fixed Deposit with Bank. As at 31 December 2010, the Company had cash and cash equivalents of Rs. 13,092 Crore, out of which Rs. 6,592 Crore was invested in debt mutual funds and Rs. 6,500 Crore were in fixed deposits with Banks.

For further information, please contact:

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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 that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.