

22 January 2010

Hindustan Zinc Limited

Results for the Third Quarter and Nine Months Ended 31 December 2009

Highlights for the quarter

- **Strong operating performance**
 - Highest ever Zinc and Lead mined metal production at 199,729 tonnes
 - Highest ever Silver production at 35,633 kilograms
- **Robust financial performance**
 - Net sales up 115% and PAT up 211% compared with corresponding prior quarter
- **Expansion projects on track to make HZL the world's largest integrated zinc - lead producer at 10.64 lakh per annum**
- **HZL awarded the "Ramakrishna Bajaj National Quality Award 2009" and "CII National Award for Excellence in water Management 2009"**

Mumbai: Hindustan Zinc Limited ("HZL" or the "Company") today announced its results for the third quarter ("Q3") and nine months ("nine months period") ended 31 December 2009.

Unaudited Financial Summary

(in Rs crore, except as stated)

	Quarter ended 31 December			Nine months ended 31 December		
	2009	2008	Change %	2009	2008	Change %
Net Sales/Income from operations	2,217	1,031	115%	5,519	4,418	25%
Profit before depreciation & tax (PBDT)	1,510	537	181%	3,693	2,873	29%
Profit After Taxes	1,149	369	211%	2,802	2,176	29%
Earnings Per Share (Rs.)	27.18	8.73		66.32	51.50	
Production - Mined Metal (Tonnes)						
Zinc and Lead	199,729	191,684	4%	575,088	537,592	7%
Production - Saleable Metal (Tonnes)						
Zinc	148,126	151,735	(2%)	428,102	401,180	7%
Lead	19,191	14,804	30%	45,974	44,632	3%
Silver (in kgs)	35,633	24,722	44%	95,484	69,879	37%

Operational Performance

During Q3, the company achieved highest ever zinc and lead mined metal production of 199,729 tonnes. During the same period, refined zinc and lead metal production was 167,000 tonnes.

Sales during the quarter were augmented by sales of 40,972 dry metric tonnes of surplus zinc concentrate.

During Q3, the company recorded its highest ever saleable silver production at 35,633 kilograms, an increase of 44% compared with the corresponding prior quarter. The increase in production was primarily on account of higher silver content in the mined ore and better recoveries.

Financial Performance

Revenues and net profit for Q3 were Rs 2,217 crore and Rs 1,149 crore, compared with Rs. 1,031 crore and Rs. 369 crore in the corresponding prior quarter. The positive impact of higher LME, volume and operational efficiencies on net profit was partially offset by the substantial decline in the by-product credit realization and impact of long term settlement of wage agreement effective from 1 July 2007, with the HZL union.

Expansion Projects

The construction work for the 210,000 tonnes of zinc and 100,000 tonnes of lead smelter at Rajpura Dariba with 160 MW associated captive power plant alongwith Rampura Agucha Mine expansion is progressing well and is on schedule for completion by mid-2010, as announced earlier. Work at the other mining projects at Sindesar Khurd and kayar are also progressing as per schedule for progressive commissioning by early 2012.

Post completion of these projects, HZL will be the world's largest integrated zinc-lead producer with a total smelting capacity of 1,064,000 tonnes.

Liquidity and investment

As at 31st December 2009, the Company had cash and cash equivalents of Rs. 10,700 crore. This includes Rs. 10,200 crore in debt mutual funds and Rs. 500 crore 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:

Ashwin Bajaj

Vice President – Investor Relations
Vedanta Resources Plc

ashwin.bajaj@vedanta.co.in

Tel: +91 22 6646 1531

Samir Bahl

Vice President – Finance
Hindustan Zinc Limited

samir.bahl@vedanta.co.in

Tel: +91 294 242 7675

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 6,900 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 than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.