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Hindustan Zinc Limited

Results for the Second Quarter and Half Year Ended 30 September 2011

Q2 Highlights

Operational Performance -

- Refined Zinc-Lead metal production up 5% at 201,821 tonnes
- Refined Silver production up 12% at 49,274 kg
- Commissioned the 100ktpa Lead smelter at Dariba - taking total Zinc & Lead capacity to 1.064mtpa

Financial Performance -

- Revenue up 20% at Rs. 2,593 Crore
- PAT up 42% at Rs. 1,345 Crore

Interim Dividend -

- Interim dividend of Rs. 1.50 per share, the highest ever

Strong balance sheet with cash and cash equivalents of Rs. 16,229 Crore

Mr. Agnivesh Agarwal (Chairman, Hindustan Zinc) - "Hindustan Zinc is currently the world's largest integrated Zinc-Lead producer and among the lowest cost producers of Zinc-Lead in the world. We are consistently evaluating opportunities for further growth, on the back of our large reserves & resources base, strong liquidity position & cash flow generation, and low cost operations."

Mumbai: Hindustan Zinc Limited (“HZL” or the “Company”) today announced its results for the second quarter (“Q2”) and half year (“H1”) ended 30 September 2011.

Unaudited Financial Summary

(In Rs Crore, except as stated)

	Quarter Ended		Change %	Half Year Ended		Change %
	30 September 2011	2010		30 September 2011	2010	
Net Sales/Income from operations						
Refined Zinc & concentrate	2,034	1,786	14%	4,140	3,397	22%
Refined Lead & concentrate	174	172	1%	418	316	32%
Refined Silver	239	108	121%	467	209	123%
Payable Silver in concentrate	8	12	-33%	99	11	800%
Others	138	85	62%	291	181	61%
Total	2,593	2,163	20%	5,415	4,114	32%
Cash Profit (PBDT)	1,816	1,289	41%	3,752	2,462	52%
Profit After Taxes	1,345	949	42%	2,840	1,840	54%
Earnings Per Share (Rs.)	3.18	2.25	42%	6.72	4.35	54%
Production - Mined Metal (Tonnes)						
Zinc & Lead	209,676	204,836	2%	398,079	386,766	3%
Production - Refined Metal (Tonnes)						
Zinc	184,816	176,239	5%	377,796	340,758	11%
Lead (1)	17,005	16,167	5%	33,196	31,477	5%
Silver (in kg) (2)	49,274	43,953	12%	96,056	87,262	10%

(1) Includes captive consumption of 1,348 tonnes and 2,739 tonnes in Q2 FY2012 and H1 FY2012, as compared with 1,646 tonnes and 2,812 tonnes in corresponding prior periods, respectively.

(2) Includes captive consumption of 7,193 kg and 14,389 kg in Q2 FY2012 and H1 FY2012, as compared with 8,612 kg and 14,745 kg in corresponding prior periods, respectively.

Operational Performance

Mined metal production in Q2 was 209,676 tonnes, up 2% as compared with the corresponding prior quarter.

Refined Zinc production in Q2 was 184,816 tonnes, up 5% as compared with the corresponding prior quarter, primarily on account of improved operational performance at our hydro smelters.

Refined Lead production in Q2 was 17,005 tonnes, up 5% as compared with the corresponding prior quarter. This was primarily due to volume contribution from the new 100kt Dariba Lead smelter which was commissioned and capitalized during the quarter.

Refined Silver production in Q2 was 49,274 kg, up 12% as compared with the corresponding prior quarter. The increase in production was mainly attributable to higher silver content in the mined ore and improved plant efficiencies.

Financial Performance

Revenues and net profits for Q2 were Rs. 2,593 Crore and Rs. 1,345 Crore respectively, an increase of 20% and 42%, compared with the corresponding prior quarter. The increase was primarily on account of increased volumes and improved Zinc-Lead LME and Silver prices.

The Zinc metal cost, without royalty, during the quarter was Rs. 38,800 per MT (\$847), marginally higher compared with the corresponding prior quarter. The positive impact of operational efficiencies was more than offset by the impact of increase in commodity prices.

During Q2, average Zinc and Lead LME prices were \$2,224 per tonne and \$2,459 per tonne respectively, compared with \$2,013 per tonne and \$2,032 per tonne, in the corresponding prior quarter.

The average Silver Cash Settlement Price per London Bullion Market Association increased to \$38.80/oz in Q2 FY2012 from \$18.97/oz in the corresponding prior quarter.

Interim Dividend

HZL's Board of Directors has recommended an interim dividend of 75% i.e. Rs. 1.50 per share on equity share of Rs 2.00 each. This is the highest ever dividend proposed by the company. The record date for the payment of interim dividend is 28th October 2011.

Exploration

We continue to maintain our focus on mine exploration, which will be the key driver of our future growth. In the last 7 years, exploration activities have added 167 mt, net of depletions, to our reserve & resource base. We are currently exploring over 6,200 sq km area in 10 'Reconnaissance Permits' (RPs). Our total reserves & resources base as of 31st March 2011 is 313.2 mt containing 34.7 mt of Zinc-Lead metal and 885 million ounces of Silver, ensuring long mine life of 25+ years.

Expansion Projects

Ramp-up of the Sindesar Khurd mine is on track to achieve its targeted 2.0mtpa capacity by the end of the year. The 100ktpa Dariba Lead smelter was commissioned during the quarter, taking the total refining capacity for Lead to 185ktpa. The new Silver refinery of 350tpa is scheduled to be commissioned in Q3 FY2012. The mining work at underground Kayar mine has commenced and we expect it to start first ore production in 2013-14.

We have commissioned 105MW of the 150MW expansion in wind power generation capacity announced in January 2011. The balance capacity is expected to be commissioned in Q3 FY2012. Post the expansion, the Company's wind power generation capacity will increase to 273MW

Liquidity and investment

Company follows conservative Investment Policy and invests in high quality Debt instruments in Mutual Fund and Fixed Deposit with Bank. As on 30 September 2011, the Company had cash and cash equivalents of Rs. 16,229 Crore, out of which Rs. 10,324 Crore was invested in debt mutual funds and Rs. 5,905 Crore were in fixed deposits with Banks.

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About Hindustan Zinc

HZL is the world's largest integrated producer of Zinc-Lead. It has a metal production capacity of 1,064,000 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 over 6,500 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 than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.