

PRESS RELEASE

FINANCIAL RESULTS FOR FIRST QUARTER - FY16

Enhanced capacities – Pushing up Production & Sales Volumes

JSPL Standalone 1QFY16 Performance :

- Crude Steel Production: 0.86 million tonnes
- Steel Sales: 0.85 million tonnes
- Gross Turnover: Rs. 3134 Cr
- Operating EBITDA: Rs. 710 Cr (EBITDA margin 23%)
- Capex: Rs. 544 Cr

JSPL Consolidated 1QFY16 Performance:

- Crude Steel Production: 1.10 million tonnes
- Steel Sales: 1.10 million tonnes
- Gross Turnover: Rs. 4,426 Cr
- Operating EBITDA: Rs. 1018 Cr (EBITDA margin 23%)
- Capex: Rs. 1087 Cr

A. Steel – JSPL Standalone & Consolidated

In Q1 FY16, Steel production grew by 37% y-o-y. This was possible due to enhanced capacity utilization of Angul and Oman Steel plants. JSPL sold 1.1 MT of steel in Q1 FY 16 thus registering a growth of 39 % y-o-y. In spite of higher sales volumes, turnover of JSPL standalone declined by 6 % y-o-y from 3324 Cr to Rs. 3134 Cr due to decline in Net Sales Realization (NSR). NSR continues to be under pressure due to unabated import of steel from China, Korea and other countries.

JSPL standalone EBITDA on a y-o-y basis decreased from 1192 Cr to 710 Cr due to higher raw material cost and declining NSR. However, Standalone EBITDA compared to Q4 FY15 to Q1 FY16 increased by 14% from 622 Cr to Rs.710 Cr and increased by 29% on a consolidated basis from 790 Cr to 1018 Cr on account of better product mix, enhanced operational efficiency and robust performance in overseas operations (Oman and Australia). Consolidated PBT and PAT continues to be impacted due to higher Depreciation (Rs. 747 Cr) and Finance cost of (Rs 852 Cr).

Steel (incl Oman)

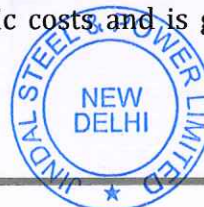
Particulars (in MT)	1Q FY16	YoY (%)	4Q FY15	QoQ (%)	FY15
Production: Crude Steel	1.10	37%	1.01	9%	3.62
Steel Sales	1.10	39%	0.95	16%	3.38

A. Jindal Power Ltd (JPL)

In Q1 FY16, Lack of captive coal (as coal mines were de-allocated on 31st March, 2015) and lower merchant prices impacted PLF. EBITDA for Q1 FY16 was 170 Cr compared to 389 Cr in Q1 of FY15. EBITDA declined due to lower utilization of plant and higher coal costs. Coal availability through E-auction has now improved and JPL is able to procure coal at competitive prices. This should help in progressive improvement in PLFs of JPL in FY16.

B. Global Ventures

- a) **Oman:** The plant continued its robust performance in Q1 FY16. Billet and rounds production increased to 0.25MT. Similarly, Sales and EBITDA on YoY basis grew by 6% and 9% respectively. Rolling mill project with a capacity of 1.4 MTPA Rebar is progressing well and the cold trial is expected in October, 2015. The mill will be commissioned in Q4 FY16.
- b) **Wollongong Coal Limited, Australia:** Long wall 6 mine at Russell Vale commenced production in May 2015 at the approved 365m mining area extension. Development for the quarter has focussed on further continuation of opening up the main gate and tail gate entries for long wall 9 and gate road development has commenced. Wongawilli colliery continues to be under care and maintenance. Some of its equipment is being recovered to support the Russell Vale operation. During Q1 FY16, 0.22 MT of coking coal was produced thus registering a 4.65 times increase y-o-y.
- c) **South Africa**
ROM coal production in Q1 FY 16 more than doubled on y o y basis. Sales increased by 8%. The mine registered a modest PAT.
- d) **Mozambique**
ROM coal production during Q1 FY 16 was 0.21 MT. The mine continues to focus on reduction of mining and logistic costs and is gearing itself for better performance in FY16.



C. New Projects

The Company is presently working on the following projects:

- a) 1.4 MTPA Rebar mill in Angul, expected to be commissioned by March, 2016.
- b) 1.4 MTPA Rebar mill in Oman , expected to be completed in Q4 FY16.

D. Outlook FY16

The Company with its newly expanded capacity is targeting to increase its production of steel substantially during FY16. The Indian economy is in need of a major growth push, which clearly has to be led by the steel Industry. Steel is critical for the growth of infrastructure, manufacturing and other core industries. Sustained growth of developed nations has been on the back of their robust steel industries. Going forward, steel Industry will have to play a major role in the Growth of our country. "Make in India" campaign would be a catalyst in this direction. However, Domestic steel manufacturers continue to face pressure from falling steel prices due to Imports from China, Korea and other countries. It is imperative that Government supports Indian Steel Manufacturers by initiating anti-dumping duties on these countries to make a level playing field - the sooner the better. Currently, the domestic industry is also grappling with far higher input, logistic and steep interest costs.

Availability of Coal and Iron ore is improving. Auctioning of Iron ore mines this year by Odisha Govt will further ease the availability of iron ore. We expect Iron ore prices to correct from here on. This will help JSPL to further reduce its manufacturing cost. Subject to favourable economic conditions, JSPL is targeting to produce over 5 million tonne steel during FY16, which would be about 50% higher than FY15.

Jindal Power Ltd. would focus on higher PLFs. Transmission of power to southern states has started to improve progressively during FY16. This will enable JPL to push more power to the southern states and utilize its existing PPAs fully. Overseas mining operations are gaining traction and with renewed focus on cost reduction in mining operations and logistic costs, they are expected to post better results in FY16. In parallel with efforts to augment production of both Steel and Power, JSPL will continue to focus on multiple cost reduction, energy saving and capital efficiency initiatives. The company is also in the midst of taking concrete steps to reduce its working capital and strengthen its financials by exploring various avenues to reduce its Debt. Sale of Non Core Assets and listing of subsidiaries are few of the options which the company is vigorously pursuing to reduce debt in FY16.



CONSOLIDATED FINANCIAL SUMMARY Q1 FY16 – YEAR ON YEAR

(Figures in Rs Cr)

Parameter	Quarter 1	
	2015-16	2014-15
Turnover	4,426	4,687
EBITDA	1,018	1,629
EBITDA %	23%	35%
Depreciation + Amortization	747	667
Interest	852	535
PBT	(506)	517
PAT	(355)	402
Cash Profit	250	1,149

STANDALONE FINANCIAL SUMMARY Q1 FY 16– YEAR ON YEAR

(Figures in Rs. Cr)

Parameter	Quarter 1	
	2015-16	2014-15
Turnover	3134	3,324
EBITDA	710	1,192
EBITDA %	23%	36%
Depreciation + Amortization	501	415
Interest	691	428
PBT	(428)	370
PAT	(267)	306
Cash Profit	73	786



PRODUCTION

FOR THE QUARTER ENDED JUNE 30, 2015

Product (MT)	Quarter 1		Growth (%)
	2015-16	2014-15	
Sponge Iron	515,184	337,623	53%
Pig Iron & Hot Metal	485,765	397,797	22%
Steel*	1,098,194	800,522	37%
Pellets	1,088,370	911,430	19%
Power (million kWh) (Exc. JPL)	1,792	1,682	7%

*only Slab/Round/Bloom/Beam Blank (includes Oman)

SALES

FOR THE QUARTER ENDED JUNE 30, 2015

Product (MT)	Quarter 1		Growth (%)
	2015-16	2014-15	
Steel Products*	1,068,458	767,494	39%
Pellets (External sales)	94,280	118,405	-20%
Power (million kWh) (Exc. JPL)	1,034	1,006	3%

*Slabs/Bloom/Billets/Structural's & Rails/Universal Plate/Coil/Converted Angle/Channel/ Wire Rod /TMT/Fabricated Beams/Plates (Includes Oman)



JINDAL POWER LIMITED (JPL)

**CONSOLIDATED FINANCIAL RESULTS INCLUDE RESULTS OF JINDAL POWER LIMITED
(A SUBSIDIARY OF JSPL).**

FOR THE QUARTER ENDED JUNE 30, 2015

Particulars	Quarter 1		
	2015-16	2014-15	
Net Sales	610	702	
EBITDA	170	389	
EBITDA%	28%	55%	
PBT	36	246	
Profit/(Loss) after Tax	26	195	
Depreciation + Amortization	129	130	
Cash Profit	157	328	
Generation (million units)	1875	2446	
PLF (%) - 4X250 MW	45%	98%	
PLF (%) - 2X600 MW	34%	12%	



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Forward looking and Cautionary Statements: -

Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to , risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within steel industry including those factors which may affect our cost advantage , time and cost overruns on fixed – price, our ability to manage our operations, reduced demand for steel , power etc., The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.

