Highlights of Unaudited financial and operational performance (stand alone) for the 2nd Quarter ended September 30, 2010

November 8, 2010

Particulars	**Q2 FY 2010**	**Q3 FY 2009**	**Q1 FY 2010**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
	Rs/ Mio	**Rs/ Mio**	**Rs/ Mio**
Quarter ended as at	**Sep 30, 2010**	**Sep 30, 2009**	**June 30, 2010**
Gross Turnover	8,265.90	14,062.80	11,668
Less: Excise Duty	257.00	358.30	318
Net Turnover	**8,008.90**	**13,710.40**	**11,350**
Total Expenditure:			
(Increase)/Decrease in Stock in trade and WIP	(2,458.10)	1,912.60	1,473
Consumption of Raw Material and Purchase of traded goods	6,842.60	6,632.20	5,237
Total Raw Material Cost	**4384.50**	**8,544.80**	**6,710**
Staff Cost	442.20	377.40	423
Other Expenditure	1,335.60	2,255.50	1,700
EBITDA	**1,846.60**	**2,526.80**	**2,517**
Other Income	103.60	34.70	100
Financial Charges	271.10	365.70	276
Depreciation	339.90	264.6	337
PBT	**1,339.20**	**1,931.20**	**2,004**
Provision for Tax	317.70	466.90	493
PAT	**1,021.50**	**1,464.30**	**1,511**
EPS (Rs.)- Basic (FV- Rs2)	3.64	5.52	5.40
EPS (Rs.)- FD (FV- Rs 2)	3.57	5.38	5.15
Blended EBITDA- Rs/ MT	**13,621**	**15,040**	**12,160**
RATIOS			
EBITDA to Net Sales	23.06%	18.44%	22.18%
RM to Net Sales	54.75%	62.35%	59.12%
Finance cost to Net Sales	3.38%	2.67%	2.43%
PBT to Net Sales	16.72%	14.09%	17.66%
PAT to Net Sales	12.75%	10.68%	13.31%

Notes:

a) Blended EBITDA, for the Second quarter ended 30th Sep 2010, is app. Rs 13,621 PMT of total pipes sold as against blended EBITDA, for the previous quarter ended 30th June 2010, of Rs 12,160 PMT. The EBITDA margin was marginally higher for Sep 2010 quarter at 23.06% as compared to 22.18% for the previous quarter ended June 2010 as there was insignificant operations in HSAW product.

b) The net finance charges include app. Rs 190 million on account of settlements of outstanding foreign currency derivative trades/ payment against settlement of forward contracts etc.

EBITDA Margin

The Company has been able to maintain EBITDA margins in the 2nd Quarter ended September 30, 2010 closer to the margins earned the quarter ended June 2010. However the same is lower than the EBITDA margin earned in the quarter ended September 2009 which was Rs 15,040 PMT (18.44%).

It is important to note that the government grants available to the company' unit in Gujarat were available till March 31 2010 and the period thereafter does not included the positive benefit of the same. In view of the same, the profitability in Sep 2010 was comparatively better then the same quarter in the previous year.

Company has not executed any significant Helical Pipe (H SAW) order in quarter ended Sep 30, 2010 and hence the blended margins are comparatively better then the margins achieved in June 2010 quarter.

OPERATIONAL & FINANCIAL HIGHLIGHTS

For the 2nd Quarter ended Sep 30, 2010, the sales break up was as under:

Products	Quantity Sold (MT)- app.	Value (Rs/ Mio)	%
Indian Operations			
- Large Dia Pipes	43,000	2,972	37%
- Ductile Iron Pipes	63,000	3,020	38%
- Seamless Tubes	29,000	2,017	25%
Total	**135,000**	**8,009**	

Geographical Break up

- Sale in India - 66%
- Sale outside India - 34%

Order Book Position

- As at October 31, 2010, the order book is app. US$ 780 million, the break up is as under:
  - Large Diameter Pipes – US$ 535 Mio
  - Ductile Iron Pipes – US$ 220Mio
  - Seamless Pipes – US$ 25 Mio
- The above orders are slated to be executed by end of June 2011. The company has participated in various bids and likely to get some orders in next few months. The current order book includes export orders of app.40%. The major exports are in Middle East, Gulf region and South East Asia.

Operational performance for the quarter

Sep 2010 quarter witnessed lower production and sales especially for Large Diameter pipe (L SAW and HSAW pipes). The company produced and sold app. 3000 MT of HSAW pipe as the major orders for this product were received in September 2010 for which production will commence in December 2010 quarter. Some of the dispatches in Sep 2010 quarter were withheld due to heavy rains in North India which leads to increase in stocks. Subsequent quarters are expected to perform better than quarter ended 30th September 2010.

Financing and Liquidity

a) As at Sep 30, 2010, gross debt in the Company (standalone) was app. Rs 5350 mio (app. USD 120 mio) including FCCB/ long term loans and fund based working capital and other unsecured loans. As at the end of Sep 2010, there was a cash balance of app. Rs 2900 million (USD 65 mio).

b) During the quarter ended September 2010, Company has redeemed the followings debt obligations:

    a. Prepayment of its entire preference share capital of Rs 1000 million which was redeemable in 3 installments till 2012

    b. ECB of app. USD 40 Mio

    c. Repayment of installments of term loans aggregating to app. Rs 400 million

c) Debt in Jindal ITF is app. Rs 3750 mio.

d) Jindal Saw contribution to Jindal ITF Limited is app. Rs 4100 mio.

Foreign Exchange Transactions

The Company has outstanding foreign currency related derivative contracts in form of swap/options etc. for hedging its business related exposure which are not speculative in nature. The contracts have long dated tenor with multiple contingent/ uncertain events. As such, ascertainment of fair value of these contracts is not feasible, however as at Sep 30, 2010, banks estimate the mark to market (MTM) of all outstanding contracts at app. USD 132 million. The Company intends to adopt AS30 in due course and pending adoption of AS 30, the MTM is neither charged to Profit and Loss Account nor considered in the Balance Sheet. However, the gain /loss are being accounted for on settlement.

Demerger of the Investment Undertaking of the Company

Currently, the business of the Company is being carried out in three distinct undertakings:

(a) Pipe manufacturing business undertaking - engaged in the business of manufacturing of L Saw & H Saw Pipes and coating of pipes, seamless tubes, and DI (Ductile Iron) pipes.

(b) Infrastructure Management and Allied Businesses undertaking – engaged in the business of water, waste water and solid waste management, domestic transportation and logistics and transportation equipment fabrication as well as steel strip rolling business.

(c) Investment business undertaking ("**Investment Undertaking**") – engaged in the investment business that includes investment in shares and other securities of group companies and granting of loans and advances to group companies.

The business activities are either carried out directly and / or through the Company's subsidiaries. Each of these activities is distinct and diverse in its business characteristics, growth trajectories; risk profiles and require entirely different approaches. The Board of Directors of the Company ("**Board**") is of the view that the Investment Undertaking of the Company shall be transferred and vested into a wholly owned subsidiary of the Company ("**Transferee**") by way of demerger. This will help in unlocking the shareholders value; improve the strategic focus and managing the growth needs. The demerger of Investment Undertaking would result in issuance of equity shares to the shareholders of the Company by the Transferee, thereby, resulting in unlocking and maximizing shareholder value. Further, pursuant to the scheme, shares of Transferee will get listed on the Bombay Stock Exchange and National Stock Exchange.

Allotment Ratio

The Board of Directors also approved allotment ratio of 1 share (FV of Rs 2/- each) of the Transferee company for every 5 (five shares) of Jindal Saw Limited (FV of Rs 2/- each).

STATUS OF NEW PROJECTS/ CAPITAL EXPENDITURES

Following major initiatives are under implementation:

a) Ductile Iron Plant with additional waste heat recovery based power project and coke oven plant. This expansion will provide additional 200,000 MTPA ductile pipe with wider range of sizes etc. The project, with a capital outlay of app. Rs 3500 million, is expected to commence operations in accounting year 2011-12

b) Greenfield Ductile Iron pipe facility in United Arab Emirates through a joint venture company with majority stake with Jindal Saw Limited. The plant shall have a capacity of 300,000 MTPA and the operations are expected to commence in accounting year 2011-12. The estimated cost outlay for this facility has been estimated at app. USD 60 million.

Jindal ITF – targeting India's infrastructure needs

Through its wholly owned subsidiary, Jindal ITF Ltd, the company has ventured into businesses like water and waste water management, urban waste management, coastal and inland water transport, and rail wagon manufacturing.

Of these businesses, water/waste water management and costal/inland water transport have started generating revenue. Operation in urban waste management (waste to power) would commence in June 2011 quarter. Jindal Rail Infrastructure would commission its manufacturing plant in December 2010.

OUTLOOK

In the last two years the demand of energy witnessed weak trends as the economies were fighting with recessionary conditions. This has also impacted the demand of pipe lines. The medium to long term visibility of the pipe sector has started improving with the demand expected from new gas fields, replacement as well as fresh demand from MENA region. This will have a direct impact on the company' LSAW and HSAW portfolio.

We expect that seamless pipes demand will also increase gradually with the increase in drilling activities as well as industrial capex including power sector and automobiles. The Company is now able to produce high quality pipes and thus making efforts to increase its presence in various parts of globe to sell these pipes.

Ductile Iron pipe demand will be a function of water related infrastructure investments. Government of India has laid specific focus on the urbanization of the country which includes the significant investment in water and sewage**.** Considering the increasing competition in domestic market, the company is setting up Ductile Iron pipe project in UAE.

Forward Looking Statements

This document contains statements that constitute "forward looking statements" including, without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that we have indicated could adversely affect our business and financial performance. Jindal Saw undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.