PRESS RELEASE

FINANCIAL RESULTS FOR THIRD QUARTER & NINE MONTHS FY 2018-19

JSPL continues to report Profits

Records Highest ever Production runrate in India of over 6MTPA in Jan'19

- 3QFY19 Standalone PAT Rs. 177 Cr
- 3QFY19 Consolidated PBT Rs. 14 Cr
- 3QFY19 Standalone EBITDA up 61% YoY
- 3QFY19 Consolidated EBITDA up 29% YoY

JSPL Standalone 3QFY19 Performance (YoY):

- Turnover: Rs. 6,745 Cr; increased by 58%
- EBITDA: Rs. 1,480 Cr; increased by 61%
- EBITDA Margin: 22%
- Crude Steel Production: 1.22 million tonnes
- Steel Sales: 1.20 million tonnes

JSPL Consolidated 3QFY19 Performance (YoY):

- Turnover: Rs. 9,580 Cr; increased by 37%
- EBITDA: Rs. 2,077 Cr; increased by 29%
- EBITDA Margin: 22%
- EBITDA – Oman: US$ 32 mn
- Crude Steel Production: 1.68 million tonnes
- Steel Sales: 1.65 million tonnes

JPL 3QFY19 Performance (YoY):

- Turnover: Rs. 1,004 Cr
- EBITDA: Rs. 273 Cr
- EBITDA Margin: 27%

1. JSPL Standalone Performance

JSPL Standalone Steel production rose 26% YoY to 1.22 million tonnes (0.97 million tonnes in 3QFY18) while Standalone Steel sales during 3QFY19 increased to 1.20 million tonnes (up 28% YoY) on the back of steady ramp up at Angul. **On back of Angul ramp up, JSPL India clocked its**

ever-highest Steel production run rate of over 6MTPA in the month of Jan'19.

The quarter ended December' 2018 saw Steel sector grappling with falling prices and decline in Sales volumes. With rhetoric on prices in China falling, there was reluctance in the consumers to build any inventory during the last month. Volumes were also impacted by a short period of stocking in the last few weeks of the previous quarter, which saw an upsurge in prices that was short-lived.

The revenues for JSPL Standalone came in at Rs. 6,745 Cr (up 58% YoY) supported by higher realizations. Aided by higher efficiency and better product mix strategy against increasing raw material costs, JSPL Standalone maintained EBITDA margins of 22%, similar to previous quarter even in a price fall environment. JSPL Standalone reported EBITDA of Rs. 1,480 Cr (Up 61% YoY) and Profit After Tax of Rs. 177 Cr as compared to a loss of Rs. 74 Cr in 3QFY18.

2. Jindal Power Ltd (JPL)

Non- availability of coal remains to be the biggest challenge for independent power producers, including JPL, in ramping up production. The Company generated 2,609 units in 3QFY19 as compared to 2,427 units in 2QFY19 (8% QoQ increase).

Despite higher volumes, rising coal costs (up 13% QoQ) led to a compression of margins for the Company's power assets. JPL reported EBITDA of Rs. 273 Cr (as compared to Rs. 302 Cr in 2QFY19). JPL continues to generate cash profits at Rs. 131 Cr in the reported quarter.

3. Global Ventures

3.1. Oman: During 3QFY19, Jindal Shadeed recorded production of 0.46 million tonnes of crude steel (as against 0.42 million tonnes in 3QFY18). The impact of falling global steel prices directly impacted sales & margins at the Jindal Shadeed plant with EBITDA for 3QFY19 at US$32mn (vs. 63mn in 3QFY18).

3.2. Mozambique: Mines at Mozambique produced 0.45 million tonnes ROM in 3QFY19 and generated EBITDA of US$ 4mn for the reported quarter.

3.3. Australia: During 3QFY19, the Company undertook repair & overhaul of equipment at the

Wongawilli mines and produced approx. 86KT (vs 30KT in 3QFY18). The application for approval for starting the Russel Vale mines progressed well during the quarter.

4. JSPL Consolidated Performance

JSPL produced 1.68 million tonnes on the Consolidated level (up 21% from 1.39 million tonnes in 3QFY19) and sold 1.65 million tonnes (up 21% from 1.36 million tonnes in 3QFY18).

JSPL reported Consolidated Revenues of Rs. 9,580 Cr (up 37% YoY) while Consolidated EBITDA increased to Rs. 2,077 Cr from Rs. 1,607 Cr (in 3QFY18), up 29% YoY. JSPL Consolidated Profits before Tax jumped from a loss of Rs. 323 Cr in 3QFY18 to a profit before tax of Rs. 14 Cr this quarter.

Net Debt to EBITDA (Trailing) at the end of 3QFY19 stood at 4.85x as compared to 6.6x as of March'2018. JSPL reported consolidated net debt of Rs. 39,197 (net of foreign currency exchange translation) in 3QFY19.

5. Overview and Outlook:

5.1. Steel:

Following a good demand cycle in CY17, production ramp-up became global phenomena in Steel. The finished steel supply gradually outpaced, otherwise healthy demand, amidst already existing downtrend in trade on the back of US section 232, leading to softening in steel prices. On the raw material side, fairly stable prices give an indication that the steel cycle might be range-bound over the medium term though there could be mini cycles with shorter peak-trough duration. Major steel producing nation, China in particular is further expected to adjust its production to more sustainable levels.

Though prices have fallen in recent months, it is neither the structural demand collapse like 2009 nor the huge supply glut in the seaborne market like 2015-16. And could possibly only be normalization from the stimulus-fuelled growth, which began pushing prices in the December quarter a year before amplified by inventory liquidation in China during the winter months. In the coming months, the outlook for Steel could be a binary outcome largely dependent on supply adjustment and any stimulus coming in China, especially in the Real Estate sector. After a period of price reduction, the Global steel prices seem to have largely found stability at the current levels; a fact supported by the recent uptick in prices further supported by a surge in iron ore prices.

India demand growth continues at ~8% in the 9MFY19 and World Steel Association expects it to grow at 7.3% in CY19. With a possible lull in demand during the general election, the growth is expected to return to its upward trajectory sequentially. Construction sector is likely to maintain current momentum with gradual revival in private investment. Government driven infrastructure program is driving majority of the growth, with projects like Sagarmala, etc further fuelling steel demand. On-going freight corridor and metro rail projects will continue to support the steel demand from the railway sector while rising urbanization and middle class incomes should continue to boost the demand for white goods.

The Company has been able to successfully align its product mix to niche products including but not limited to specialized application alloy/non-alloy heat-treated plates, wide sized plates, Long & Head Hardened Rails, Heavy structures, specialized application wire rods & rounds for O&G application, to successfully maintain its sales growth trajectory and operating level contribution along with the steady ramp up of Steel plants in Angul & Raigarh.

5.2. Power:

Expected fresh round of mid-term and short-term power purchase tenders by State Distribution companies and Government of India intent to allow thermal power plants to sell power in short term (including power exchanges) using FSA coal are likely to brighten up the outlook of power sector.

The country is expected to achieve 100 per cent household electrification by the end of January 2019 under SAUBHAGYA scheme; which will boost the power demand in rural areas. The recent short-term power tenders by Discoms have received high bids as generators expect coal shortages to continue and future tenders to see higher rates backed by higher demand for electricity from State Discoms. Government's proposal to introduce coal swapping arrangement among power producers, who are importing coal or have domestic supply linkages, will further ease supply constraints in view of reduced coal transportation costs and time. With coal production expected to reach its maximum during the last quarter of the financial year, better coal supply could be expected in the coming months.

The Company is focused on mitigating these key challenges by expeditious implementation of coal tolling with State Governments and coal swapping arrangements with other generators. In the long term, introduction of commercial mining for the private sector as initiated by Govt. of India is expected to lessen coal woes for thermal power generators.

STANDALONE FINANCIAL RESULTS

Year on Year (Quarter)

Parameter	Quarter 3		Change (%)
	2018-19	2017-18	
Turnover	6,745	4,272	*58%*
EBITDA	1,480	921	*61%*
EBITDA %	*22%*	*22%*	
Depreciation + Amortization	572	465	*23%*
Interest	635	594	*7%*
PBT (Before Exceptional)	287	(138)	
Exceptional	-	-	
PBT	287	(138)	
PAT	177	(74)	

Quarter on Quarter

Parameter	Q3 FY 18-19	Q2 FY 18-19	Change (%)
Turnover	6,745	6,849	*-2%*
EBITDA	1,480	1,452	*3%*
EBITDA %	*22%*	*21%*	
Depreciation + Amortization	572	583	*-2%*
Interest	635	676	*-6%*
PBT (Before Exceptional)	287	194	*48%*
Exceptional	-	(255)	
PBT	287	449	
PAT	177	383	

CONSOLIDATED FINANCIAL RESULTS

Year on Year (Quarter)

Parameter	Quarter 3		Change (%)
	2018-19	2017-18	
Turnover	9,580	6,994	37%
EBITDA	2,077	1,607	29%
EBITDA %	*22%*	*23%*	
Depreciation + Amortization	1,036	963	8%
Interest	1,042	967	8%
PBT Before Exceptional	14	(323)	
Exceptional Item	-	-	
PBT	14	(323)	
PAT	(87)	(277)	

Quarter on Quarter

Parameter	Q3 FY 18-19	Q2 FY 18-19	Change (%)
Turnover	9,580	9,982	-4%
EBITDA	2,077	2,207	-6%
EBITDA %	*22%*	22%	
Depreciation + Amortization	1,036	1,031	-
Interest	1,042	1,086	-4%
PBT Before Exceptional	14	91	
Exceptional Item	-	(255)	
PBT	14	347	
PAT	(87)	279	

PRODUCTION (Consolidated)

Year on Year

Product (MT)	Quarter 3		Change (%)
	2018-19	**2017-18**	
Steel*	1.68	1.39	21%
Pellets	1.90	1.76	8%

Quarter on Quarter

Product (Million Tonnes)	**Q3 FY 18-19**	**Q2 FY 18-19**	**Change (%)**
Steel*	1.68	1.67	0.5%
Pellets	1.90	1.62	17%

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

SALES (Consolidated)

Year on Year

Product (Million Tonnes)	Quarter 3		Change (%)
	2018-19	**2017-18**	
Steel Products*	1.65	1.36	21%
Pellets (External sales)	0.58	0.87	-33%

Quarter on Quarter

Product (Million Tonnes)	**Q2 FY 18-19**	**Q1 FY 18-19**	Change (%)
Steel Products*	1.65	1.75	-6%
Pellets (External sales)	0.58	0.74	-22%

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

JINDAL POWER LIMITED (JPL)

(A SUBSIDIARY OF JSPL)

Year on Year (Quarter)

Particulars (in Crores of INR)	**Quarter 3**		Change (%)
	2018-19	**2017-18**	
Turnover	1,004	1,172	-14%
EBITDA	273	356	-23%
EBITDA%	27%	30%	
Depreciation + Amortization	334	381	-12%
Interest	219	244	-10%
PBT	(202)	(198)	-2%
PAT	(160)	(173)	7%
Cash Profit	131	186	-29%
Generation (million units)	2,609	2,982	-12%

Quarter on Quarter

Particulars (in Crores of INR)	**Q3 FY 18-19**	**Q2 FY 18-19**	Change (%)
Turnover	1,004	911	10%
EBITDA	273	302	-10%
EBITDA%	27%	33%	
Depreciation + Amortization	334	333	
Interest	219	222	-1%
PBT	(202)	(183)	-11%
PAT	(160)	(153)	-5%
Cash Profit	131	150	-12%
Generation (million units)	2,609	2,427	8%

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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. The numbers & statements in this release are provisional in nature and could materially change in future, based on any restatements or regrouping of items etc.