PRESS RELEASE

FINANCIAL RESULTS FOR FOURTH QUARTER & FINANCIAL YEAR 2015-16

JSPL Hits Record Production & Sales; Profitability improves

- *JSPL Standalone EBITDA up 59% QoQ*
- *JSPL Consolidated EBITDA up 63% QoQ*
- Pellet sales in 4QFY16 four times YoY
- Oman 1.4 MT rebar mill commissioned
- 1.2 MTPA Plate mill in Raigarh upgraded

JSPL Standalone 4QFY16 Performance:

- Crude Steel Production: 0.97 million tonnes ↑24% QoQ
- Steel Sales: 1.0 million tonnes ↑37% QoQ
- Turnover: Rs. 3,462 Cr ↑18% QoQ
- Operating EBITDA: Rs. 673 Cr (EBITDA margin 19%) ↑59% QoQ

JSPL Consolidated 4QFY16 Performance:

- Crude Steel Production: 1.3 million tonnes ↑24% QoQ
- Steel Sales: 1.4 million tonnes ↑44% QoQ
- Turnover: Rs. 4,874 Cr ↑12% QoQ
- Operating EBITDA: Rs. 896 Cr (EBITDA margin 18%) ↑63% QoQ

A. Steel – Standalone and Consolidated

The quarter ending March 31' 2016 saw good recovery of steel prices in the domestic market, which for the past 18 months had slumped to an all time low. Introduction of MIP in the first week of February'16 also helped to curb the rapidly growing imports at predatory prices.

JSPL implemented new organization structure consisting of 17 Strategic Business Unit (SBUs), each mandated to function as independent Profit & Loss centre. The new focused organization and commissioning of upgraded plate mill in Raigarh saw JSPL Steel Sales exceed One Million mark in domestic as well as consolidated volumes.

During the quarter ended March'16, our steel sales in JSPL Standalone stood at 1.0 MT (up 37%

since last quarter) while our domestic steel production stood at 0.97MT (vs. 0.78MT in 3QFY16). Sales were at 0.78MT and production at 0.88MT last year during the same period.

JSPL Standalone Steel Sales for FY16 stood at 3.3MT up 15% YoY (2.9MT in FY14-15) while Production reached a new high of 3.5MT up 10% YoY (3.2MT in FY14-15). The Consolidated Steel Sales for FY15-16 climbed to 4.4MT up 30% YoY (3.4MT in FY14-15) while Production stood at 4.5MT up 24% YoY (3.7MT in FY14-15). Pellet production in 4QFY16 increased 108% YoY while external sales volume of pellets more than Quadrupled since last year.

Standalone turnover of JSPL in 4QFY16 was Rs. 3,462 Cr compared to Rs. 2,944 Cr in 3QFY16 (a rise of 18% q-o-q) on account of higher sales volumes, muted by lower average realizations. JSPL standalone EBITDA in 4QFY16 is at Rs.673 Cr vs Rs. 423 Cr in 3QFY16.

The higher revenues in our Standalone operations also pushed up our Consolidated turnover in 4QFY16, which stood at Rs. 4,874 Cr, compared to Rs. 4,362 Cr in 3QFY16 (up 12% QoQ). On back of higher sales and ongoing cost reductions, JSPL Consolidated EBITDA in 4QFY16 grew to Rs. 896 Cr, up 63% over last quarter.

During this quarter, apart from numerous accolades & appreciations for quality of its products, JSPL also bagged the order to supply steel for the World's Highest Bridge (359 mts above MSL) across River Chenab in Jammu & Kashmir and a new order for supply of 105,000 MT from GMR for the DFCC contract.

JSPL is confident of increasing its Steel Production and Sales volumes with each consecutive quarter going forward, in the endeavor to fully sweat its assets.

B. Jindal Power Ltd (JPL)

During the fourth quarter, power demand and merchant rates continued to remain weak similar to previous quarter. JPL generated 2,358 MU in 4QFY16 as compared to 2,580 MU in 3QFY16 (down by 9% QoQ).

Due to lower generation & lower realizations in 4QFY16, the Turnover was lower than 3QFY16 by 14% and EBITDA margins also got impacted.

Due to declining PLFs in FY16 compared to FY15, JPL turnover fell to Rs. 3,015 Cr vs. Rs.3,228 Cr in FY15.

The company is investing in ways to increase the capacity utilization as also to decrease the costs and thus improve JPL margins.

C. Global Ventures

The Global Ventures vertical consists mostly of mines & minerals business in Australia, Mozambique and South Africa , and an Integrated Steel plant at Oman. Beginning of FY15-16, with the downturn in the Global commodity cycle, JSPL undertook a massive cost reduction program across all its global sites which continued through 4QFY16.

Supported by these efforts, in the concluded March'16 quarter, the Global Ventures cumulatively have been able to improve EBITDA margins significantly as compared to the previous quarter.

a) **Oman:** Jindal Shadeed continued to ramp up its production, with crude steel production in 4QFY16 increasing by 22% compared to the previous quarter. With increasing global steel prices and increase in production volumes. Jindal Shadeed operations generated an EBITDA of Rs. 95 Cr as compared to Rs. 54 Cr last quarter. The 1.4 MTPA rebar was also commissioned end of March'16 and is expected to start commercial production this quarter.

b) **Wollongong Coal Limited, Australia:** Our Australian operations remained under care & maintenance in 4QFY16, both at Russell Vale & Wongawilli. The company is planning to recommence mining operations at Wongawilli in 1QFY17.

c) **South Africa :** FY15-16 marked a turnaround in our South Africa operations with EBITDA turning positive from an EBITDA loss in FY14-15. Further ramp up in production will further increase the operating profits in FY17.

d) **Mozambique :** In view of the subdued coal prices globally, to curtail losses in Mozambique operations, the company has decided to substantially scale down its operations in 4QFY16 and thus has successfully reduced EBITDA losses.

D. Key Initiatives : -

1) **Angul Operations –** The ramp-up in Angul operations is steadily progressing with CGP clocking the highest annual production of Syn Gas in FY16. During the fourth quarter of the just concluded financial year, Angul plant doubled its production over previous year to produce 0.9MT of crude steel. The 1.4MTPA rebar mill is in final stages of completion and would be commissioned in the first half of this year.

2) **Panther TMT Rebars** - TMT rebar sales in 4QFY16 under the brand "Panther" grew by 38% over 3QFY16 and crossed 0.27MT mark in 4QFY16.

3) **Machinery Division –** JSPL's machinery division at Raipur has gradually created a niche for itself in building heavy machinery for industrial clientage. In FY15-16, the machinery division produced machinery for both domestic consumers and even exported equipment to countries including Argentina, Bangladesh, United States, UAE & Oman. The division has also secured export orders for pressure vessels from Dangote, Nigeria.

4) **Construction & Solutions Business –** JSPL's Construction & Solutions Business continues to grow the fastest among the Strategic Business Units. Apart from bagging new projects across India, the unit has already begun completing & delivering projects taken up in previous couple of quarters. The segment is working on projects in the Commercial & Residential Real Estate, Sports, Transportation & Aviation infrastructure space.

5) **Logistics –** With the aim to optimize costs, bring operational efficiency and generate additional earnings, the company has carved out its logistics business into a separate subsidiary named "Panther Transfreight". The new subsidiary has been entrusted with the task of achieving operational excellence in JSPL's inbound and outbound logistics.

The new company would aim to bring in IT enabled Integrated Logistics Services and provide best in class customer service for Steel, Cement, Infrastructure and Bulk Commodities Industries.

6) **Innovation in Operations –**

   a. **MLSM, Raigarh –** By making innovative modifications, the mill reduced the section changing time by nearly half, which has helped the company to enhance production considerably and also provide a wider variety of products to the market.

   b. **Vendor Managed Inventory -** With a continous focus on reducing working capital, the company achieved a major reduction in its working capital by over 2000 Cr.

E. Divestment of 1000 MW Power Unit

JSPL has been looking to generate cash flows from select divestments to be in much stronger position to meet all its liabilities and emerge as financially strong and sustainable company in FY16-17.

Subject to customary regulatory approvals and other condition precedent(s), the Board has approved the divestment of 1000 MW Power unit of Jindal Power Limited, located in Chhattisgarh into a special purpose vehicle (SPV), for the purposes of transferring the same to JSW Energy Limited through sale of the entire share capital and other securities of the aforesaid entity in terms of the share purchase agreement for an enterprise value of Rs 6,500 Crore plus the value of Net Current Assets as on the Closing Date. The valuation may vary based upon the achievement of PPAs as prescribed in the Agreement subject to minimum of Rs.4000 Crore plus the value of Net Current Assets as on the Closing Date.

F. Overview and Outlook: -

JSPL's endeavor for the year FY17 would be to fully utilize its consolidated capacities of 6.75MTPA in Steel. With Steel prices looking up in recent times on the back of rise in Global Steel prices and Government support through Minimum Import Price (MIP), the company is looking to improve its net sales realization (NSR) substantially during the year and generate higher EBITDA. Ramp up of Oman rebar mill and commissioning of Angul rebar mill should further help increase these realizations.

In power business, the company expects the demand to pick up, both in short term & long term markets. With the summer setting in, the demand and the exchange prices should move higher; helping the company generate higher revenues. Also, the company believes the UDAY scheme by the Government (Govt.) of India is a commendable scheme, which could catalyze the PPA markets in the coming year. JPL is well placed to make competitive bids whence the PPAs began to come up and would look to tie up as much capacity.

Supported by Govt's novel initiatives like Make-in-India campaign, 24X7 power, Housing for All, Dedicated Freight Corridors, Smart City Initiative, JSPL envisages the demand for steel & power to increase in near future and help JSPL sweat its assets to generate additional revenues and higher operating profits in FY17 and beyond.

STANDALONE FINANCIAL RESULTS

(Figures in Rs Cr.)

Year on Year

Parameter	Quarter 4		
	2015-16	2014-15	Growth (%)
Turnover	3,462	3,354	3%
EBITDA	673	648	4%
EBITDA %	*19%*	*19%*	
Depreciation + Amortization	348	467	
Interest	646	642	
Profit before Tax & Exceptional Item	(321)	(459)	30%
Exceptional Item	0	(21)	
PBT	(321)	(479)	33%
PAT	(146)	(235)	38%

Year on Year

Parameter	Full Year		
	2015-16	2014-15	Growth (%)
Turnover	12,735	13,471	-5%
EBITDA	2,461	4,023	-39%
EBITDA %	*19%*	*30%*	
Depreciation + Amortization	1,492	1,786	
Interest	2,671	2,072	
Profit before Tax & Exceptional Item	(1,660)	168	
Exceptional Item	-	(808)	
PBT	(1,660)	(639)	-160%
PAT	(1,019)	(311)	-228%

Quarter on Quarter

Parameter	FY 15-16		
	Q4	Q3	Growth (%)
Turnover	3,462	2,944	18%
EBITDA	673	423	59%
EBITDA %	*19%*	*14%*	
Depreciation + Amortization	348	394	
Interest	646	658	
PBT	(321)	(628)	49%
PAT	(146)	(402)	64%

CONSOLIDATED FINANCIAL RESULTS

(Figures in Rs Cr.)

Year on Year

Parameter	Quarter 4		
	2015-16	2014-15	Growth (%)
Turnover	4,874	4,558	7%
EBITDA	896	822	9%
EBITDA %	*18%*	*18%*	
Depreciation + Amortization	935	701	33%
Interest	858	771	11%
Profit Before Tax & Exceptional Item	(792)	(621)	28%
Exceptional Item	113	(56)	
PBT	(679)	(678)	0%
PAT	(363)	(581)	38%

Year on Year

Parameter	Full Year		
	2015-16	2014-15	Growth (%)
Turnover	18,412	19,584	-6%
EBITDA	3,483	5,667	-39%
EBITDA %	*19%*	*29%*	
Depreciation + Amortization	2,819	2,733	3%
Interest	3,280	2,607	26%
Profit Before Tax & Exceptional Item	(2,439)	369	-761%
Exceptional Item	(236)	(1,912)	-88%
PBT	(2,675)	(1,543)	73%
PAT	(1,999)	(1,455)	-37%

Quarter on Quarter

Parameter	FY 15-16		
	Q4	Q3	Growth (%)
Turnover	4,874	4,362	12%
EBITDA	896	550	63%
EBITDA %	18%	*13%*	
Depreciation + Amortization	935	638	46%
Interest	858	806	6%
Profit Before Tax & Exceptional Item	(792)	(889)	-11%
Exceptional Item	113	(91)	-224%
PBT	(679)	(798)	15%
PAT	(363)	(586)	38%

PRODUCTION (Consolidated)

Year on Year

Product (MT)	Quarter 4		Growth (%)
	2015-16	2014-15	
Pig Iron & Hot Metal	5,27,067	2,72,841	93%
HBI	4,00,605	3,68,690	9%
Steel*	13,17,877	10,72,551	23%
Pellets	13,41,685	6,45,320	108%
Power (million kWh) (Exc. JPL)	1,652	1,937	-15%

Year on Year

Product (MT)	Full Year		Growth (%)
	2015-16	2014-15	
Pig Iron & Hot Metal	20,43,462	15,63,942	31%
HBI	15,09,130	14,19,671	6%
Steel*	45,19,066	36,60,001	23%
Pellets	45,88,957	32,18,677	43%
Power (million kWh) (Exc. JPL)	6,790	7,340	-8%

Quarter on Quarter

Product (MT)	2015-16		Growth (%)
	Q4	Q3	
Pig Iron & Hot Metal	5,27,067	5,06,547	4%
HBI	4,00,605	3,90,450	3%
Steel*	13,17,877	10,68,968	23%
Pellets	13,41,685	8,80,470	52%
Power (million kWh) (Exc. JPL)	1,652	1,466	13%

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

SALES (Consolidated)

Year on Year

Product (MT)	Quarter 4		Growth (%)
	2015-16	2014-15	
Steel*	13,99,693	9,45,410	48%
Pellets (External Sales)	2,89,917	51,485	463%

Year on Year

Product (MT)	Full Year		Growth (%)
	2015-16	2014-15	
Steel*	43,66,628	33,62,206	30%
Pellets (External Sales)	9,62,079	6,03,606	59%

Quarter on Quarter

Product (MT)	2015-16		Growth (%)
	Q4	Q3	
Steel Products*	13,99,693	9,87,295	42%
Pellets (External Sales)	2,89,917	1,79,436	62%

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

Particulars	Quarter 4	
	2015-16	2014-15
Turnover	701	774
EBITDA	136	335
EBITDA%	19%	43%
PBT	(351)	178
PAT	(212)	97
Depreciation + Amortization	532	131
Cash Profit	212	313
Generation (million units)	2358	2692

Year on Year

Particulars	Full Year	
	2015-16	2014-15
Turnover	3,015	3,228
EBITDA	670	1,653
EBITDA%	22%	51%
PBT	(204)	2
PAT	(102)	(171)
Depreciation + Amortization	921	521
Cash Profit	718	543
Generation (million units)	9,542	10,636

Quarter on Quarter

Particulars	2015-16	
	Q4	Q3
Turnover	701	815
EBITDA	136	186
EBITDA%	*19%*	*23%*
PBT	(351)	51
PAT	(212)	38
Depreciation + Amortization	532	130
Cash Profit	212	171
Generation (million units)	2,358	2,580

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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.