



**JSW Steel reports consolidated results for Q2 FY 2011-12**

**Consolidated Financial Performance:**

The Turnover and Net Sales for the quarter stood at Rs. 8,751.79 crores and Rs. 8,133.93 crores, showing a growth of 37% & 38% respectively, over the corresponding quarter of previous year, mainly due to higher volume and improved sales realization. The EBIDTA for the quarter was Rs.1,430.11 Crores up by 21% over the corresponding quarter of previous year. The Company posted a Net profit after Tax and before share of Minority & Associates of Rs.90.20 Crores after considering exceptional item (Foreign exchange loss) of Rs.514.04 crores.

The reported net loss for the Q2 FY 2011-12 of Rs.669.32 crores (after considering loss of Rs. 754.70 Crores of Associate including exceptional item 661.70 Crores) was mainly due to loss attributable to JSW Ispat Steel Ltd for the Quarter ended 30<sup>th</sup> June 2011 and 30<sup>th</sup> September 2011.

The Company's net total debt gearing stood at 0.99 (as against 0.89, as on 30.06.2011) and the weighted average interest cost of debt is at 6.57% (vis-à-vis 6.86%, as on 30.06.2011).

**Subsidiaries / Associates performance :**

**Chile Iron-ore mines :**

During the quarter Company made shipment of 0.15 Million tons of Iron ore concentrate and earned EBIDTA of \$ 7.22 mio.

**US Plate and Pipe Mill operation:**

The Subsidiary Company produced 0.101 million net tons of Plates (37% capacity utilization) and 0.017 million net tons of Pipes (12% Capacity utilization) and sold 0.069 million net tons of Plates and 0.016 million net tons of Pipes. The Company earned EBIDTA of \$ 6.44 million during Q2 FY 2011-12.

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**JSW Ispat Steel Ltd. (JSWISL) :**

JSWISL made a provision of Rs. 1247.06 Crores for the quarter ended 30<sup>th</sup> June 2011 towards diminution in value of investments, doubtful overdue advances and debtors and long pending material in transit due to which the JSWISL reported a Consolidated Net Loss of Rs.1201.58 Crores for the quarter ended 30<sup>th</sup> June 2011.

JSWISL produced 0.61 million tons of HR Coils during the Q2 FY 2011-12, and capacity utilization achieved was 74%. The volume of sales including downstream products was 0.71 million tons with an EBIDTA of Rs.166 crores. The Net Loss for the quarter ended 30<sup>th</sup> September 2011 was Rs. 345.30 Crores including Exceptional forex translation loss of Rs.95.23 Crores.

Refinancing of debt, repayment to CDR lenders and redemption of 10 % & 12 % CRPS has been completed before 30th September 2011. The company has complied with all the conditions stipulated by CDR Empowered Group to enable the company to exit from CDR purview.

**Key Developments :****JSW MI Steel Service Center Private Limited (MISI JV)**

JSW MI Steel Service Center Private Limited (MISI JV) has been incorporated on 19th September 2011 with the main object of setting up a Steel Service Centre in Northern India in a phased manner. It's a 50:50 Joint Venture (JV) between JSW Steel Ltd, India and Marubeni- Itochu, Japan (MISI). This service centre is expected to operate with the main purpose of promoting JSW Products throughout India by utilizing MISI's global operational know-how to achieve world class quality and efficiency. The share holding pattern of the MISI JV is : JSW Steel Ltd: 50%, Marubeni-Itochu Steel Inc., Japan: 25%, Marubeni-Itochu Steel Pte. Ltd, Singapore: 25%.

The Service Centre is expected to operate on both tolling and own sales model. The project cost for the first phase having a capacity of 180,000 tons per annum is estimated at Rs. 122 crores to be funded by a debt equity ratio of 1:1.

Expected date of commencement of production under the first phase is Q4 FY 2013

**About JSW Steel Limited**

JSW Steel Ltd., belonging to JSW group, part of the O P Jindal Group, is one of the lowest cost steel producers in the world. The group has diversified interest in mining, carbon steel, power, industrial gases, port facilities, Aluminium, Cement

and Information Technology. JSW Steel Limited is engaged in manufacture of flat and long products viz. H R Coils, C R Coils, Galvanised products, Galvalume products, auto grade / white goods grade CRCA Steel, Bars and Rods. Incorporated in 1994, it has grown to US \$ 9 billion in little over fifteen years. JSW Steel Limited has the largest galvanizing and colour coating production capacity in the country and is the largest exporter of galvanized products with presence in over 100 countries across five continents.

**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, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. 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.*

