



JSW Steel reports highest ever quarterly Crude Steel Production and Turnover for Q1 FY 2011-12

JSW Steel Limited reported a higher net profit of Rs.578.32 Crores in first quarter FY12, on stand alone basis, vis-a-vis Rs. 350.27 Crores in corresponding quarter of previous year showing a growth of 65%.

During the current quarter, the Company achieved highest ever quarterly production of Crude Steel of 1.684 million tons. Production volume grew by 7% in crude steel, 9% in rolled flat products and 11% in rolled long products relative to that of corresponding quarter of previous year.

The Company achieved a significant volume growth of 44% in sales volume and 52% in Net sales value, compared to that of corresponding quarter of the previous year.

The key performance highlights are as under:

		Q1 FY 12 Vs Q1 FY 11
➤ Volume growth (Crude Steel production)	:	7%
➤ Saleable Steel Sold	:	44%
➤ Net sales	:	52%
➤ EBIDTA	:	36%
➤ Profit after tax	:	65%
➤ EPS (Diluted)	:	41%
➤ Net Total Debt gearing (Standalone)	:	0.64
➤ Net Total Debt gearing (Consolidated)	:	0.89



Operational Performance:

The Break-up of sales and production volumes are as under:

Products	(Million tons)		Growth
	Q1 FY 12	Q1 FY 11	
Production:			
- Crude Steel	1.684*	1.574	7%
Sales:			
- Semis	0.139	0.107	30%
- Rolled: Flat	1.283	0.859	49%
- Rolled: Long	0.292	0.225	30%
Total Saleable Steel	1.714	1.191	44%

* excluding Trial-run production of 0.03 Million tons during Q1 FY 12

The retail sales through Shoppe contributed 0.331 million tons during the quarter, accounted for 25% of domestic sales excluding semis.

Financial Performance:

The Turnover and Net Sales for the quarter stood at Rs. 7,626.91 crores and Rs. 7,064.57 crores, respectively, showing a growth of 51% and 52% over the corresponding quarter of previous year, mainly due to higher volume and improved sales realization. The EBIDTA for the quarter is Rs.1,410.77 Crores, up 36% over the corresponding quarter of previous year and the Company posted a Net Profit after Tax of Rs. 578.32 crores, up 65% over the corresponding quarter.

The Company's net total debt gearing stood at 0.64 (as against 0.57, as on 31.03.2011) and the weighted average interest cost of debt is at 7.81% (vis-à-vis 7.58%, as on 31.03.2011).

Subsidiaries / Associates performance :

Chile Iron-ore mines :

During the quarter Company made shipment of 0.19 Million tons of Iron ore concentrate and earned EBIDTA of \$ 11.53 mio.

US Coal mines :

During this Quarter, the Company got the statutory DEP (Department of Environmental Protection) permit for commencing mining. DEP permit applications

for other mines are being pursued. The Company sold 9,000 net tons of coal during Q1 FY 2011-12.

US Plate and Pipe Mill operation:

The Subsidiary Company produced 0.057 million net tons of Plates and 0.009 million net tons of Pipes and sold 0.047 million net tons of Plates and 0.010 million net tons of Pipes. The Company earned EBIDTA of \$ 3.45 million during Q1 FY 2011-12.

JSW Ispat Steel Ltd.:

Consolidated financial results for the quarter do not include the results of JSW Ispat Steel Limited & its subsidiaries as its financials are not presently available.

Consolidated Financial Performance:

The Company reported a consolidated Turnover, EBIDTA and Net Profit after Tax of Rs.7,994.78 crores, Rs.1,451.81 crores and Rs.485.16 crores, respectively, after incorporating financials of subsidiaries, joint ventures & associate.

The net total debt gearing at consolidated level was 0.89 (as against 0.84, as on 31.3.2011).

Projects:

3.2 mtpa expansion project at Vijayanagar:

The Company has commenced its Blast Furnace-4 and Sinter Plant-4 as a part of 3.2 MTPA expansion project at Vijayanagar Works on 20th July 2011 and is under trial run. With this all the major facilities under the project have started.

Other projects:

Pellet plant-2 of 4.2 MTPA at Vijayanagar works has commenced on 15th July 2011 and is under trial run.

The implementation of another 300 MW Captive Power Plant (CPP4), Second Phase of Beneficiation Plant and Phase II of HSM-2 at Vijayanagar Works and Second Phase of Blooming Mill at Salem Works is progressing satisfactorily, to be commissioned in FY 2012.

Outlook

Global recovery continues to be fragile in the shadow of Eurozone crisis, US unemployment, Japan restructuring and China slowdown, IMF has estimated world



GDP growth at 4.3% for FY12. Amidst inflation & tightening of monetary policies in Emerging markets, commodity prices continue to remain firm.

Latest economic data points indicate a slowdown in economic activity mostly attributed to tightening of monetary policy with the objective of continuing surging inflation, however, the structural growth story of India is intact due to expected good monsoon, under robust domestic consumption. Though there is temporary pause in growth momentum, the GDP growth is still expected to be in the range of 8% in the current financial year. In spite of steel consumption growth during current quarter is at 1.5%, it is expected to pickup momentum in the following quarters backed by strong fundamentals.

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.

