

PRESS RELEASE

FINANCIAL RESULTS FOR THIRD QUARTER & NINE MONTHS FY 2016-17

JSPL: On Way To Turnaround - Big Strides Ahead; Rise in Volumes & Profits

- *136% rise in Consolidated EBITDA YoY*
- *18% rise in Steel Sales YoY*
- *3X rise in Pellet Sales YoY*
- *66% rise in JPL EBITDA YoY*
- *Australia & Mozambique coal mines ramping up production steadily*

JSPL Standalone 3QFY17 Performance:

- Crude Steel Production: 0.84 million tonnes
- Steel Sales: 0.84 million tonnes
- Turnover: Rs. 3,519 Cr
- EBITDA: Rs. 784 Cr (margin 22%)

JSPL Consolidated 3QFY17 Performance:

- Crude Steel Production: 1.15 million tonnes
- Steel Sales: 1.16 million tonnes
- Turnover: Rs. 5,408 Cr
- EBITDA: Rs. 1,277 Cr (margin 24%)

A. Steel – Standalone and Consolidated

Despite a sluggish growth of domestic demand caused due to market uncertainties and liquidity concerns after demonetization, JSPL continued on their endeavor to increase steel production, sales volumes and realized prices which together resulted in a major improvement of their operating profits in 3QFY17.

JSPL Standalone

During the quarter, JSPL sold 0.84 million tonnes (0.74 million tonnes in 3QFY16) and produced 0.84 million tonnes (0.78 million tonnes in 3QFY16) of Steel on Standalone basis.

Sales during 3QFY17 increased by 21% to Rs. 3,519 Cr from Rs. 2,919 Cr in 3QFY16. The

EBITDA margin in this quarter increased to 22% from 14% in 3QFY16. EBITDA for 3QFY17 rose 87% to Rs. 784 Cr from Rs. 419 Cr in 3QFY16.

The momentum in pellet sales from previous quarter continued during this quarter as well with the Company increasing pellet sales by 298% YoY. Pellet production stood at 1.69 million tonnes in 3QFY17 (0.88 million tonnes in 3QFY16). External sales for pellet, including both domestic and exports were 0.71 million tonnes. JSPL continues to be the largest exporter of pellets from India and reported better EBITDA margins in 3QFY17, both on QoQ & YoY basis for the pellet business.

JSPL Consolidated

Consolidated Steel production stood at 1.15 million tonnes (up 7% YoY) and Consolidated Steel Sales were at 1.16 million tonnes (up 18% YoY).

Consolidated 3QFY17 sales in value terms rose by 25% to Rs. 5,408 Cr from Rs. 4,336 Cr in 3QFY16. Sales grew by 16% QoQ.

The Company's consolidated net debt as on 31st Dec' 2016 was maintained at similar levels as in previous quarter. JSPL remains committed to meet all its debt commitments and the Company is aiming to bring down the annual cash outflow in terms of repayments and interest by utilizing various schemes provided by the government, including but not limited to 5/25 and S4A. For its overseas debt, the Company is in constant discussions with its lenders to restructure and refinance its loans.

With effect from 1st April, 2016, the Company has adopted the Indian Accounting Standard (Ind-As) and the financial results for the quarter ended 30th June' 2016, 30th Sept' 2016 & 31st December' 2016 have been prepared in accordance with the recognition and measurement principles laid down in the Ind-As 34 Interim Financial Reporting (prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereafter). The results for the quarter ended 30th June 2015, 30th Sept' 2015 and 31st December'2015 have been restated to comply with Ind-As to make them comparable.

B. Jindal Power Ltd (JPL)

Although a large part of the JPL capacity remained unutilized, the Company took multiple steps to improve its operational performance including reduction of fuel cost, auxiliary consumption and selective sale of power to National Exchange to improve its financial performance. As a result of these measures, the EBITDA margin of JPL improved to 35% in 3QFY17 from 22% in 3QFY16. The PLF and capacity utilization of JPL is expected to improve in 4QFY17 as more PPA based loads come into effect.

During the quarter, JPL was conferred the 1st Runner up (2nd Rank) award amidst the top 25 'Best in industry' companies in the prestigious Dale Carnegie Global Leadership Awards.

C. Global Ventures

- a) **Oman:** During the quarter ended 31st Dec'2016, Jindal Shadeed produced 0.31 million tonnes of crude steel (as against 0.29 million tonnes in 3QFY16). The rebar mill at Oman is progressively ramping up production and achieved its highest production of 0.14 million tonnes this quarter. Overall EBITDA for 3QFY17 stood at US\$21.1 mn vs. US\$6.7 mn in 3QFY16.
- b) **Mozambique and South Africa:** Coal production in Mozambique which was resumed in early October has increased steadily to a level of 1.2MTPA by the end of Dec'16. It is expected to reach a level of 3MTPA by the end of 4QFY17. Coal production in South Africa stood at 0.15 million tonnes for the quarter. Mozambique and South Africa saw their combined EBITDA grow upto a level of US\$7.1mn for 3QFY17. Mozambique mines are producing "Chirodzi" grade of coking coal as well as a wide range of thermal coal with encouraging demand from the market.
- c) **Australia:** The production of Wongawilli has steadily increased during 3QFY17 and produced an aggregate volume of 0.1 million tonnes with a value of AUD 18.8mn. Wollongong Coal Ltd. from its operations achieved an EBITDA of AUD 4.8mn in the Quarter ending Dec'16. The Wongawilli is all set to achieve a volume of 200 KT during 4QFY17. The Russell Vale mine continues to remain under care & maintenance.

D. Updates

- 1) Angul Phase 1B Completion** – The 3.2 MTPA blast furnace being built at Angul is set to be the biggest in the country. The Company is aiming to start production of hot metal from the Blast furnace by end of the current financial year. The 4.0 MTPA sinter plant would also be completed at the same time as the Blast Furnace.

- 2) Rail Universal Beam Mill** – The Rail Universal Beam Mill situated at Raigarh achieved its highest production of rails in the reported quarter. JSPL is currently supplying both conventional as well as head hardened rails to customers within & outside India. JSPL's rail business is gaining volumes and is helping the Company improve on its product mix and margins.

- 3) Jindal Power Limited** – The Company commissioned its fourth and the last unit of 600 MW of Tamnar Phase-II on 12th Dec'2016. With this, JPL has now completed the commissioning of all units of Phase-II expansion.

E. Overview and Outlook: -

Steel

As per the World Steel Association (WSA), Global Steel demand should see a growth of 0.5% in CY2017. Developed economies are likely to witness a modest growth of 1.1% (CY2017) in steel demand while steel demand in Emerging and Developing economies (excluding China) is expected to grow 4.0% in CY2017. WSA projects steel demand in China to decline by 2.0% in CY2017.

India clocked the highest growth of 7.4% in production amongst the top 10 steel producing nations in CY2016 and is expected to remain one of the fastest growing amongst the global steel markets.

Government reforms, large increase in investments for housing and proposed infrastructure in the budget should augur well for the long products demand in the country. Any rate cut by the

Reserve Bank of India could further enhance these growth estimates with increased investments from the private sector.

Steel prices across various products rose with increase in prices of raw materials in the reported quarter. Recent softening of coking coal prices could see some weakening in prices but should remain largely range bound.

Going forward, the Company will continue to focus on increased volumes of steel, improve product mix with a higher focus on high yield products, improve its product mix and increased production in all mines both in India and abroad which would enhance the revenues as well as the operating margins in the coming quarters. Addition of the Blast Furnace to Angul operations will further augment the volumes and bring the overall costs down significantly.

Power

Power sector continues to wait for announcement of more PPAs by the State Electricity Boards and with the government aiming for full electrification by 2018; more demand is expected to come online. Any increase in industrial production would also bear well for the merchant demand in the country.

Global Ventures

JSPL's overseas operations contributed significantly to the Consolidated EBITDA of the Company and with further ramp up in the mining operations and rebar mill at Oman, this contribution is set to rise.

STANDALONE FINANCIAL RESULTS

(Figures in Rs. Cr.)

Year on Year

Parameter	Quarter 3		Change (%)
	2016-17	2015-16	
Turnover	3,519	2,919	+21% ↑
EBITDA	784	419	+87% ↑
EBITDA %	22%	14%	
Depreciation + Amortization	542	570	
Interest	540	657	
PBT	(298)	(807)	+63% ↑
PAT	(187)	(519)	+64% ↑

Quarter on Quarter

Parameter	FY 16-17		Change (%)
	Q3	Q2	
Turnover	3,519	3,126	+13% ↑
EBITDA	784	531	+48% ↑
EBITDA %	22%	17%	
Depreciation + Amortization	542	524	
Interest	540	654	
PBT	(298)	(647)	+54% ↑
PAT	(187)	(407)	+54% ↑

CONSOLIDATED FINANCIAL RESULTS

(Figures in Rs. Cr.)

Year on Year



Parameter	Quarter 3		Change (%)
	2016-17	2015-16	
Turnover	5,408	4,336	+25% ↑
EBITDA	1,277	542	+136% ↑
EBITDA %	24%	12%	
Depreciation + Amortization	1,027	995	
Interest	835	806	
PBT Before Exceptional	(586)	(1,255)	+53% ↑
Exceptional Item	-	91	
PBT	(586)	(1,164)	+50% ↑
PAT	(455)	(882)	+48% ↑

Quarter on Quarter



Parameter	FY 16-17		Change (%)
	Q3	Q2	
Turnover	5,408	4,666	+16% ↑
EBITDA	1,277	848	+51% ↑
EBITDA %	24%	18%	
Depreciation + Amortization	1,027	999	
Interest	835	872	
PBT	(586)	(1,021)	+43% ↑
PAT	(455)	(747)	+39% ↑

PRODUCTION (Consolidated)

Year on Year

Product (Million Tonnes)	Quarter 3		Change (%)
	2016-17	2015-16	
Steel*	1.15	1.07	+7% 
Pellets	1.69	0.88	+92% 



Nine Months

Product (Million Tonnes)	9 Months		Change (%)
	2016-17	2015-16	
Steel*	3.50	3.20	+9% 
Pellets	4.86	3.22	+51% 



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

SALES (Consolidated)

Year on Year

Product (Million Tonnes)	Quarter 3		Change (%)
	2016-17	2015-16	
Steel Products*	1.16	0.99	+18% 
Pellets (External sales) (excl. Oman)	0.71	0.18	+298% 

Nine Months



Product (Million Tonnes)	9 Months		Change (%)
	2016-17	2015-16	
Steel Products*	3.35	2.97	+13% 
Pellets (External sales) (excl. Oman)	2.14	0.67	+219% 

*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 3		Change (%)
	2016-17	2015-16	
Turnover	854	815	+5% 
EBITDA	302	182	+66% 
EBITDA%	35%	22%	
PBT	(182)	(135)	
PAT	(162)	(140)	
Depreciation + Amortization	385	312	
Cash Profit	203	169	
Generation (million units)	2,356	2,580	
PLF (%) - 4X250 MW	52%	70%	
PLF (%) - 3X600 MW	28%	26%	

Quarter on Quarter

Particulars	2016-17		Change (%)
	Q3	Q2	
Turnover	854	734	+16% 
EBITDA	302	182	+66% 
EBITDA%	35%	25%	
PBT	(182)	(246)	
PAT	(162)	(205)	
Depreciation + Amortization	385	354	
Cash Profit	203	107	
Generation (million units)	2,356	2,313	
PLF (%) - 4X250 MW	52%	51%	
PLF (%) - 3X600 MW	28%	30%	

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.