

PRESS RELEASE

FINANCIAL RESULTS FOR FOURTH QUARTER & FULL YEAR FY2016-17

JSPL achieves several firsts & new highs in Q4

- *Sinter plant & Coke Oven batteries of 4MT expansion of Angul Steel Plant commissioned*
- *FY 17- Highest ever revenue of Rs. 22,696 Cr*
- *FY 17 -Consolidated EBITDA rises by 36% YoY*
- *Steel Exports increase by 175%*
- *Becomes India's largest exporter of pellets*

JSPL Standalone 4QFY17 Performance (YoY):

- Turnover : Rs. 4,545 Cr; increased by 13%
- EBITDA: Rs. 914 Cr; increased by 34%
- EBITDA Margin: 20%
- Pellet Sales (External + Captive) : 1.70 million tonnes; increased by 33%
- Steel Exports : 210,000 MT; increased by 300%
- Working Capital : Reduction of Rs. 575 Cr in 4QFY17
- Crude Steel Production: 0.91 million tonnes
- Steel Sales: 0.92 million tonnes

JSPL Consolidated 4QFY17 Performance (YoY):

- Turnover : Rs. 6,756 Cr; increased by 24%
- EBITDA : Rs. 1,552 Cr; increased by 73%
- EBITDA Margin: 23%
- EBITDA – Oman : US\$ 32mn ; increased by 90%
- Crude Steel Production: 1.30 million tonnes
- Steel Sales: 1.31 million tonnes

JPL 4QFY17 Performance (YoY):

- Turnover : Rs. 863 Cr
- EBITDA : Rs. 382 Cr
- EBITDA Margin: 44%
- Cash Profit: Rs. 241 Cr

JSPL which started its performance recovery in 3QFY17 continued its momentum for an all round improvement of its performance through 4QFY17. Although market for raw materials and finished products were quite volatile, the company managed the uncertainties quite well and achieved performance level which were superior not only compared to FY16 but also Q3

results of FY17. The Government support to domestic steel and power industry has been unequivocal not only by the way of protection against dumping of foreign supplies but also by giving stimulus to local demand by way of enhanced investment in infrastructure. Indian Steel Industry, now the second largest in the world, is well poised for recovery and stable performance.

1. JSPL Standalone Performance

1.1. Fourth Quarter FY17 Performance

JSPL sales during 4Q increased by 13% and 17% compared to 4QFY16 and 3QFY17 respectively. EBITDA for the same period increased by 34% and 17% respectively. EBITDA margin in the reported quarter stood at 20% compared to 17% in 4QFY16. The Profit Before Tax (PBT) in 4QFY17 improved 83% and 73% compared to 4QFY16 & 3QFY17 respectively.

1.2. Full Year FY17 Performance

On a full year basis, JSPL standalone Sales turnover in FY17 rose by 5% while EBITDA at Rs. 2,858 Cr increased by 17% compared to the previous year.

1.3. Pellet Business Unit

The Pellet unit of JSPL achieved an unprecedented performance both in production and sales of pellets. During 4QFY17, sale of pellets increased by 33% to reach a level of 1.70 million tonnes. While the production of pellets in FY17 increased by 41%, 6.5 million tonnes Vs. 4.6 million tonnes, the external dispatch to customers in domestic and export markets increased by 3 times in FY17 compared to FY16. JSPL during FY17 emerged as the largest exporter of pellets, with total export volumes of 2.33 million tonnes.

1.4. Export Performance

JSPL's export of steel during 4QFY17 rose by 195% while on QoQ basis increased by 20%. For the year as a whole, steel exports in value terms increased by 175%.

The combined export of steel & pellets during FY17 increased to Rs, 3,138 Cr compared to a mere Rs. 708 Cr in FY16, which is 340% increase. JSPL exported its steel to Europe, Middle East, Africa and North America. Pellets were exported to China, Egypt, Oman and Turkey.

2. JSPL Consolidated Performance

2.1. Fourth Quarter FY17 Performance

The Consolidated Sales for the quarter ended March'17 were this far its highest in any quarter. The 4QFY17 sales were about 24% higher while the EBITDA for the same period (YoY) increased by 73%. 4QFY17 EBITDA, in absolute terms, increased to 23% from 16% in the same quarter of FY16. The overall PBT and PAT for 4QFY17 also improved by 94% and 85% YoY respectively.

Even when compared to 3QFY17, the sales of 4QFY17 improved by 17%, thus confirming the continued improvement trend. Overall EBITDA in 4QFY17 increased by 22% over 3QFY17.

2.2. Full Year FY17 Performance

JSPL achieved its highest ever-annual revenue of Rs. 22,696 Cr, which is 11% higher than previous year. The aggregate EBITDA rose by 36% compared to previous year FY16. The overall EBITDA for FY17 stood at 21% vs. 17% for FY16.

The Company achieved a Consolidated Steel Sales of 1.31 million tonnes in 4QFY17 and 4.7 million tonnes for the twelve months ended March'17.

As of year ended 31st March'2017, JSPL consolidated net debt was Rs. 45,490 Cr.

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 and 31st March' 2017 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, 31st December'2015 and 31st March' 2016 have been restated to comply with Ind-As to make them comparable.

3. Jindal Power Ltd (JPL)

3.1. Fourth Quarter FY17

The Company with intense focus on “Operational Excellence” posted an all round improvement in its performance during 4QFY17. The revenue for 4QFY17 increased by 28% compared to the same quarter in FY16. EBITDA for the quarter ending March'17 recorded an impressive improvement of 263% compared to 4QFY16 and it reached a level of 44%.

Although both PBT & PAT improved by as much as 71% and 79% over 4QFY16 respectively, the overall PAT was still at a loss of Rs. 84 Cr. This is caused due to continued low PLF and burden of depreciation and interest on the operating performance. This business segment, however, achieved a net positive cash flow of Rs. 241 Cr in 4QFY17.

3.2. Full Year FY17

On an annual basis, JPL revenues increased by 4% but EBITDA rose by 65% for the year FY17. The EBITDA margin for FY17 stood at 34% compared to 21% for FY16. JPL also achieved a net cash profit of Rs. 656 Cr.

As a result of the various initiatives taken during the year to bring down costs, the Company successfully managed to decrease its fuel costs by more than 10% YoY. Similarly, the efficiency of the plants also increased with the auxiliary coming down by 10% of the consumption recorded in the same quarter last year.

Complimenting the Government's efforts to manage grade slippages and by using the scheme to secure credits against any such slippages, institutionalized by Coal India, JPL became the first company to receive such Credit Notes from Coal India.

4. Global Ventures

4.1. Oman: During the quarter ended 31st Mar'2017, Jindal Shadeed produced 0.39 million tonnes of crude steel (as against 0.35 million tonnes in 4QFY16). The rebar mill at Oman is progressively ramping up production and achieved its highest production of 0.18 million tonnes this quarter. Overall EBITDA for 4QFY17 stood at US\$32 mn vs. US\$17 mn in 4QFY16.

4.2. Mozambique: Coal production in Mozambique which was resumed in early October has increased steadily to a level of 125KT/month by the end of Mar'17 and produced 0.29 million tonnes ROM. The Company is fully geared to achieve the targets of 200-250KT/month. EBITDA for the Company's operations in Mozambique stood at US\$ 4.9mn for 4QFY17.

4.3. Australia: The production of Wongawillias hampered by incessant rains during the latter half of the quarter and the mine produced an aggregate volume of 0.12 million tonnes. The Company's Australian operations achieved an EBITDA of AUD 30.1mn in the quarter ending Mar'17. The Company has reversed an impairment charge of Rs.253 Crores in the March'17 quarter on account of better coking coal prices.

5. Overview and Outlook: -

Steel

Though the domestic consumption grew at 2.6%, carbon steel demand grew at 4% - a combination of rising exports, which were up 102% YoY and declining imports, which were down 38% YoY, led to a higher utilization rate for the Steel sector on the whole in FY16-17. Domestic Crude Steel production was up 8.5% in FY17. The overall domestic consumption in India could strengthen to 6-7% growth in FY18 as domestic demand picks up, given the Government's push on infrastructure. Any start of capex by the private sector, which has been dormant over the past couple of years, could further amplify this demand.

With the Angul Blast Furnace commissioning, the Company is looking to not only ramp up production steadily from its Angul complex but also better costs of production. The Company

will be commissioning the Basic Oxygen Furnace (2.5 MTPA) by Oct'17, which will enhance the capacity of the Steel melting Shop at Angul to 5 MTPA from the current 2.5 MTPA.

JSPL is aiming to increase its production by nearly 50% during FY18. Besides launching a major marketing thrust in the domestic market, it is also targeting to export over a million tonne of steel and 2.0 million tonnes of pellets during the new financial year.

Power

Early summers in FY18 bear well for the power sector with both Demand & Exchange rates inching up. With UDAY progressing well, more Power Purchase Agreements by distribution companies are expected to come up for bidding in FY18 as compared to the previous financial year. Government's recently announced GST rates would help in reducing the fuel cost as GST on coal is 5% compared to the present total tax rate of 11%.

Global Ventures

Despite the volatility in Coking Coal over the past few quarters and in recent times, the Company has been steadily ramping up production in Mozambique, Australia & South Africa and would continue to produce in the coming quarters. The steady & efficient ramp up has made it possible for the Company to keep production up even during the quarters when prices fell with a steady contribution to the Consolidated EBITDA.

STANDALONE FINANCIAL RESULTS

Year on Year

Parameter (in Crores of INR)	Quarter 4		Change (%)
	2016-17	2015-16	
Turnover	4,545	4,033	+13%
EBITDA	914	681	+34%
EBITDA %	20%	17%	
Depreciation + Amortization	489	531	-8%
Interest	515	641	-20%
PBT	(81)	(491)	+83%
PAT	(116)	(218)	+47%
Cash Profit	408	41	895%

Year on Year

Parameter (in Crores of INR)	Full Year		Change (%)
	2016-17	2015-16	
Turnover	15,494	14,693	+5%
EBITDA	2,858	2,441	+17%
EBITDA %	18%	17%	
Depreciation + Amortization	2,044	2,148	-5%
Interest	2,280	2,646	-14%
PBT	(1457)	(2330)	+37%
PAT	(986)	(1419)	+30%
Cash Profit	587	(182)	423%

Quarter on Quarter

Parameter (in Crores of INR)	FY 16-17		Change (%)
	Q4	Q3	
Turnover	4,545	3,898	+17%
EBITDA	914	779	+17%
EBITDA %	20%	20%	
Depreciation + Amortization	489	542	-10%
Interest	515	535	-4%
PBT	(81)	(298)	+73%
PAT	(116)	(187)	+38%
Cash Profit	408	244	67%

CONSOLIDATED FINANCIAL RESULTS

Year on Year

Parameter (in Crores of INR)	Quarter 4		Change (%)
	2016-17	2015-16	
Turnover	6,756	5,442	+24%
EBITDA	1,552	898	+73%
EBITDA %	23%	16%	
Depreciation + Amortization	1,006	1,232	-18%
Interest	864	853	+1%
PBT Before Exceptional	(309)	(1,080)	+71%
Exceptional Item	(253)	(113)	
PBT	(56)	(967)	+94%
PAT	(98)	(637)	+85%
Cash Profit	950	264	260%

Year on Year

Parameter (in Crores of INR)	Full Year		Change (%)
	2016-17	2015-16	
Turnover	22,696	20,368	+11%
EBITDA	4,658	3,437	+36%
EBITDA %	21%	17%	
Depreciation + Amortization	3,949	4,068	-3%
Interest	3,390	3,254	+4%
PBT Before Exceptional	(2,671)	(3,728)	+28%
Exceptional Item	372	236	
PBT	(3043)	(3,964)	+23%
PAT	(2,540)	(3,086)	+18%
Cash Profit	905	104	770%

Quarter on Quarter

Parameter (in Crores of INR)	FY 16-17		Change (%)
	Q4	Q3	
Turnover	6,756	5,787	+17%
EBITDA	1,552	1,269	+22%
EBITDA %	23%	22%	
Depreciation + Amortization	1,006	1,027	-2%
Interest	864	828	+4%
PBT Before Exceptional	(309)	(586)	+47%
Exceptional Item	(253)	-	
PBT	(56)	(586)	+90%
PAT	(98)	(455)	+78%
Cash Profit	950	442	115%

PRODUCTION (Consolidated)

Year on Year

Product (Million Tonnes)	Quarter 4		Change (%)
	2016-17	2015-16	
Steel*	1.30	1.32	-1%
Pellets	1.59	1.34	+19%

Full Year

Product (Million Tonnes)	Full Year		Change (%)
	2016-17	2015-16	
Steel*	4.80	4.52	+6%
Pellets	6.45	4.59	+41%

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

SALES (Consolidated)

Year on Year

Product (Million Tonnes)	Quarter 4		Change (%)
	2016-17	2015-16	
Steel Products*	1.31	1.40	-7%
Pellets (External sales)	0.77	0.29	+164%

Full Year

Product (Million Tonnes)	Full Year		Change (%)
	2016-17	2015-16	
Steel Products*	4.66	4.37	+7%
Pellets (External sales)	3.27	0.96	+239%

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

JINDAL POWER LIMITED (JPL)

(ASUBSIDIARY OF JSPL)

Year on Year

Particulars (in Crores of INR)	Quarter 4		Change (%)
	2016-17	2015-16	
Turnover	863	674	+28%
EBITDA	382	105	+263%
EBITDA%	44%	16%	
Depreciation + Amortization	376	647	-42%
Interest	235	133	+77%
PBT	(134)	(471)	+71%
PAT	(84)	(406)	+79%
Cash Profit	241	210	+15%
Generation (million units)	2,336	2,357	-1%

Year on Year

Particulars (in Crores of INR)	Full Year		Change (%)
	2016-17	2015-16	
Turnover	3,119	2,997	+4%
EBITDA	1,048	635	+65%
EBITDA%	34%	21%	
Depreciation + Amortization	1,436	1,514	-5%
Interest	789	451	+75%
PBT	(780)	(820)	+5%
PAT	(668)	(766)	+13%
Cash Profit	656	706	-7%
Generation (million units)	9,176	9,542	-4%

Quarter on Quarter

Particulars (in Crores of INR)	2016-17		Change (%)
	Q4	Q3	
Turnover	863	854	+1%
EBITDA	382	302	+27%
EBITDA%	44%	35%	
Depreciation + Amortization	376	385	-2%
Interest	235	200	+18%
PBT	(134)	(182)	+26%
PAT	(84)	(162)	+48%
Cash Profit	241	203	+19%
Generation (million units)	2,336	2,356	-1%

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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.