

PRESS RELEASE

FINANCIAL RESULTS FOR FIRST QUARTER FY 2017-18

JSPL: Quarter of New Beginnings

- *India's largest Blast Furnace commissioned at Angul*
- *Consolidated Revenues up 20% YoY*
- *Consolidated EBITDA up 33% YoY*
- *Standalone Cash Profit up 276% YoY*
- *JPL EBITDA up 157% YoY*

JSPL Standalone 1QFY18 Performance (YoY):

- Turnover : Rs. 3,832 Cr; increased by 8%
- EBITDA: Rs. 750 Cr; increased by 14%
- EBITDA Margin: 20%
- Pellet Sales (External + Captive) : 1.64 million tonnes
- Crude Steel Production: 0.90 million tonnes
- Steel Sales: 0.81 million tonnes

JSPL Consolidated 1QFY18 Performance (YoY):

- Turnover : Rs. 6,127 Cr; increased by 20%
- EBITDA : Rs. 1,353 Cr; increased by 33%
- EBITDA Margin: 22%
- EBITDA – Oman : US\$ 32mn
- Crude Steel Production: 1.26 million tonnes
- Steel Sales: 1.15 million tonnes

JPL 1QFY18 Performance (YoY):

- Turnover : Rs. 1,079 Cr
- EBITDA : Rs. 468 Cr
- EBITDA Margin: 43%
- Cash Profit: Rs. 310 Cr

1. JSPL Standalone Performance

1.1. First Quarter FY18 Performance

JSPL Steel production rose 7% in the quarter ended June'2017 to 0.90 million tonnes (0.84 million tonnes in 1QFY17) while Standalone Steel sales during 1QFY18 increased to

0.81million tonnes (up 4% YoY).

EBITDA for the same period increased by 14% YoY to Rs.750 Cr. EBITDA margin in the reported quarter stood at 20% same as in 4QFY17. The Profit before Tax (PBT) in 1QFY18 improved 39% YoY while Profit before Tax (PAT) improved 36% YoY.

During the quarter, JSPL secured further coal linkages of 0.511Million MT for its captive power plants, which would lead to further security of coal supply as well as reduction of power costs.

1.2. Pellet Business Unit

The Pellet unit of JSPL continued its robust performance both in production and sales of pellets. During 1QFY18, production of pellets increased by 8% YoY and 6% QoQ to reach a level of 1.69 million tonnes. Although JSPL's own consumption of pellets increased by 25% YoY, the company achieved external sales of 0.61 MT during 1QFY18.

2. JSPL Consolidated Performance

JSPL produced 1.26 million tonnes on the Consolidated level (as compared to 1.19 million tonnes in 1QFY17) and sold 1.15 million tonnes (vs. 1.11 million tonnes in 1QFY17).

Consolidated EBITDA for the reported quarter, in absolute terms, increased to Rs.1,353 Cr from Rs. 1,015 Cr in the same quarter last year (up 33% YoY). The overall PBT and PAT for 1QFY18 also improved by 63% and 66% YoY respectively. As of quarter ended 30th June'18, JSPL consolidated net debt was maintained at the same level as last quarter.

3. Jindal Power Ltd (JPL)

The Company with intense focus on "Operational Excellence" posted an all round improvement in its performance during 1QFY18. JPL generated 3,186 units in the reported June quarter as compared to 2,171 units in 1QFY17 (rise of 47%). During 1QFY18, the station PLF increased to

43% compared to 36% in 1QFY17.

The revenue for 1QFY18 increased by 62% compared to the same quarter in FY17. EBITDA for the quarter ending June'18 recorded an impressive improvement of 157% compared to 1QFY17 and it reached a level of 468Cr (as compared to 182 Cr in 1QFY17). JPL generated cash profits of Rs. 310 Cr in 1QFY18.

The Company continued with its initiatives on further reduction of operating costs in curtailing the fuel & O&M costs by nearly 20% YoY. Firm steps were taken to prevent coal grade slippages and further reduction of auxiliary power consumption.

4. Global Ventures

4.1. Oman: During the quarter ended 30th June'2018, Jindal Shadeed produced 0.36 million tonnes of crude steel (as against 0.35 million tonnes in 1QFY17). The rebar mill at Oman achieved its highest production of 0.22 million tonnes this quarter. Overall EBITDA for 1QFY18 was maintained at US\$32 mn (vs. US\$32mn in 4QFY17). Jindal Shadeed now has the largest share of Oman rebar market and is also amongst the top suppliers in other GEC markets.

4.2. Mozambique: Operations in Mozambique produced 0.4 million tonnes of ROM during quarter and is now all set to double its production during the next six months. The Company is planning to augment the capacity of the existing coal washery and increase the number of shifts to enhance production of coking coal from the Chirodzi mines.

4.3. Australia: During 1QFY18, the operation in Wongawilli mines had to be discontinued due to its mining contractor's insolvency. The operations are all set for resumption from the middle of August'2017.

5. Overview and Outlook

5.1. Steel - Market Outlook

CY 17 started off well for the global steel industry with steel demand during the first half of the year increasing by 4.5% in the current year compared to 0.8% in CY 16. Major countries including US, Europe, China and Japan- all witnessed good growth of their production and consumption during first half of CY17. China continues to shut a part of their capacity- largely old and polluting units. For India, the imports have continued to decline by 7% during the first 3 months of FY18 while the exports during the same period have increased by 66%, making India the net exporter of steel. The overall production and consumption during 1QFY18 have risen by 3.5% and 4.6% respectively. The overall outlook remains promising with demand of HR coils, plates and structures posting higher growth rates while the demand for TMT rebar and Wire rod still remain tepid. With the increasing activity level of irrigation and water distribution sectors, infrastructure including ports, air ports, bridges and roads/flyovers, the steel demand is expected to grow @ 5-6% during FY18. Housing and commercial sectors, which slowed down following demonetization and implementation of the new Goods & Services Tax (GST) regime, are expected to pick up during Q3 and Q4 of FY18.

The market for coking coal and pellets also appear promising, with upticks in demand seen during July and August. The production of iron ore has increased substantially during Q1, FY18 leading to softening of iron ore and fines prices, which would have positive impact for the steel and pellet producers.

5.2. JSPL Outlook

5.2.1. Steel

JSPL have commissioned their 4 MT Blast Furnace into services during Q2, FY 18. Its production will gradually ramp up and is expected to reach its full potential by the end of the current financial year. Consequently, the volume of steel produced and delivered

by JSPL is expected to double its volume of Q1 by the end of this year. FY18, therefore, is expected to emerge as a turning point for JSPL Steel business. The prices in the domestic market complemented by upswing in the export volumes are expected to increase moderately.

JSPL's working capital, which increased marginally during the last 15 days of Q1 due to GST, related suspension of deliveries by customers is normalized and company's efforts to reduce it further will continue.

JSPL has embarked upon a major project from the start of Q2 for "Total Improvement" of company's operations covering all functions and processes. The implementations of multiple measures initiated under this project are expected to shore up company's performance to a new high.

5.2.2. Power

Power demand in the country has remained range bound and could increase manifold once the State Distribution companies begin buying more. A lot of this demand has already started to be visible in the short-term markets with spot rates being better than last year. The Company is looking to tie up as much capacity in long term, short term and bilateral contracts. Any uptick in the industrial production post monsoons should further propel the power demand in the country.

5.2.3. Global Ventures

The Company believes with stabilizing coking coal prices, the operations in Australia, Mozambique and South Africa will gradually ramp up and generate steady revenues. The Company is focused on reducing costs in all the mining processes and implementing various initiatives, which could increase the operating margins in all the overseas mining entities. Oman continues to generate unswerving operating profits, which shall expand as the rebar mill ramps up.

STANDALONE FINANCIAL RESULTS

Year on Year

| Parameter (in Crores of INR) | Quarter 1 | | Change (%) |
|------------------------------|-----------|---------|------------|
| | 2017-18 | 2016-17 | |
| Turnover | 3,832 | 3,562 | +8% |
| EBITDA | 750 | 659 | +14% |
| EBITDA % | 20% | 19% | |
| Depreciation + Amortization | 481 | 489 | -2% |
| Interest | 532 | 601 | -11% |
| PBT | (263) | (431) | +39% |
| PAT | (178) | (277) | +36% |
| Cash Profit | 218 | 58 | +276% |

CONSOLIDATED FINANCIAL RESULTS

Year on Year

| Parameter | Quarter 1 | | Change (%) |
|-----------------------------|-----------|---------|------------|
| | 2017-18 | 2016-17 | |
| Turnover | 6,127 | 5,125 | +20% |
| EBITDA | 1,353 | 1,015 | +33% |
| EBITDA % | 22% | 20% | |
| Depreciation + Amortization | 962 | 917 | +5% |
| Interest | 901 | 853 | +6% |
| PBT | (510) | (1,381) | +63% |
| PAT | (421) | (1,240) | +66% |
| Cash Profit | 453 | (463) | +198% |

PRODUCTION (Consolidated)

Year on Year

| Product (Million Tonnes) | Quarter 1 | | Change (%) |
|--------------------------|-----------|---------|------------|
| | 2017-18 | 2016-17 | |
| Steel* | 1.26 | 1.19 | +6% |
| Pellets | 1.69 | 1.56 | +8% |

Quarter on Quarter

| Product (Million Tonnes) | Q1 FY 17-18 | Q4 FY 16-17 | Change (%) |
|--------------------------|-------------|-------------|------------|
| Steel* | 1.26 | 1.30 | -3% |
| Pellets | 1.69 | 1.59 | +6% |

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

SALES (Consolidated)

Year on Year

| Product (Million Tonnes) | Quarter 1 | | Change (%) |
|--------------------------|-----------|---------|------------|
| | 2017-18 | 2016-17 | |
| Steel Products* | 1.15 | 1.11 | +4% |
| Pellets (External sales) | 0.61 | 0.70 | -13% |

Quarter on Quarter

| Product (Million Tonnes) | Q1 FY 17-18 | Q4 FY 16-17 | Change (%) |
|--------------------------|-------------|-------------|------------|
| Steel Products* | 1.15 | 1.31 | -12% |
| Pellets (External sales) | 0.61 | 0.77 | -21% |

*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 <i>(in Crores of INR)</i> | Quarter 1 | | Change (%) |
|---------------------------------------|-----------|---------|------------|
| | 2017-18 | 2016-17 | |
| Turnover | 1079 | 668 | +62% |
| EBITDA | 468 | 182 | +157% |
| EBITDA% | 43% | 27% | |
| Depreciation + Amortization | 373 | 322 | +16% |
| Interest | 227 | 176 | +29% |
| PBT | (62) | (217) | +71% |
| PAT | (32) | (217) | +85% |
| Cash Profit | 310 | 104 | +198% |
| Generation (million units) | 3,186 | 2,171 | +47% |

Quarter on Quarter

| Particulars <i>(in Crores of INR)</i> | Q1 FY 17-18 | Q4 FY 16-17 | Change (%) |
|---------------------------------------|-------------|-------------|------------|
| Turnover | 1079 | 863 | +25% |
| EBITDA | 468 | 382 | +23% |
| EBITDA% | 43% | 44% | |
| Depreciation + Amortization | 373 | 376 | -1% |
| Interest | 227 | 235 | -3% |
| PBT | (62) | (134) | +54% |
| PAT | (32) | (84) | +62% |
| Cash Profit | 310 | 241 | +29% |
| Generation (million units) | 3,186 | 2,336 | +36% |

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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.