JSW Steel Limited

PRESS RELEASE

19.02.2011

STEEL PRICE VOLATILITY LED BY DEMAND AND COST PUSH

The global steel demand has seen a growth in excess of 13% in the year 2010.

The revival in the advanced economies and the consumption levels across all continents in the world is propelling the demand for steel worldwide.

The Indian manufacturing growth remains positive driven by the demand from key consumption sectors such as infrastructure, automotive, consumer goods and housing, to name a few.

The demand for steel in India has seen a robust growth in excess of 9-10% over the year 2009-10.

Rapid urbanization and spending on infrastructure within India is certain to drive steel demand and in the year 2011 – 12, it is estimated demand is likely to grow between 12–14%.

The international market also has seen a steady rise in steel demand and prices, and the global supply of finished steel also remains well balanced.

The deluge in the Australian coal mines coupled with low supplies of iron ore from India is resulting in a price volatility pushing up input raw material prices and compelling the steel manufacturers to increase steel prices.

Going forward, due to this cost push of the input raw materials, steel prices are likely to see further increase in the coming months.

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.

For more information, please contact:

Sharmila Banerjee – VP, Corporate Communications, JSW Group

Deputy Managers - Rouhan Sharma, Mithun Roy, JSW Group.

Mobile numbers: +91 9867490361, +91 9819000967.