



Press Release

For Immediate Publication

JSW Steel US operations

Mumbai, May 12, 2009: Mr.Seshagiri Rao – JMD & Group CFO, JSW Steel has denied sale of US operations strongly in the present context.

US economy is in deep recession and all the sectors including steel have been severely impacted due to rapid demand contraction. The capacity utilisation for the steel sector in US is below 50%. Following the acquisition of the Plate and Pipe mills in November 2007, JSW turnaround these units and reported a EBIDTA of USD 46 million in the first 5 months of operations upto 31st March 2008. The company has reported further EBIDTA of USD 75 million during the first 6 months of the fiscal year 08-09. This acquisition is a strategic fit to JSW's long term objectives of forward integration.

The severity of the downturn particularly in US has forced the user industries to delay the projects in oil & gas sector or to postpone the new projects. In view of these exceptional circumstances, the US operations in line with the industry trend is operating at low capacity utilisation of 10 – 15%.

We expect that the recovery will start in the next few quarters following the massive stimulative package announced by US administration and US operations are expected to pick up soon.

JSW Steel India reported a 60% growth in Crude Steel production for April 2009 compared to that of corresponding month in the last fiscal year and gave guidance of 72% growth for the fiscal year. Considering the robust domestic demand, JSW Steel is well positioned to benefit with significant volume growth and falling input prices.

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