



The Board of JSW Energy Ltd (JSWEL) in its meeting held today at Mumbai approved the Results of quarter ended September 30, 2010 (Q2 FY2011).

Key highlights for Q2' FY 2011

- Achieved Commercial Operation Date (COD) of the First Unit of 300 MW at Ratnagiri
- Achieved COD of Jaigad – New Koyana 400 KV Double Circuit (Quad) Transmission line
- Refinanced high cost debt of Rs.1,003 Crores achieving a reduction of 1.47%p.a. in interest cost
- Net generation of 1.78 billion kwh, up 47% from previous corresponding period
- Total Income of Rs. 846 crores, up 50% from previous corresponding period
- Consolidated net profit of Rs 185 crores, up 6% from previous corresponding period
- Awarded NDTV Profit Business Leadership Award in Power Sector for 2010.

Key highlights for half year ended September 30, 2010 (H1- FY 2011)

The company declared a consolidated net profit of Rs 483 crores, highest ever net generation of 3.61 billion kwh, highest ever Total Income of Rs. 1,779 crores for H1FY2011, that are higher than that for the corresponding period of the pervious year by 81%, 108% and 106% respectively

The performance highlights on consolidated basis:

	UOM	Q2 FY 2011	Growth over Q2 FY 2010	H1 FY 2011	Growth over H1 FY 2010
Net Generation	Million kwh	1781.33	47.13%	3607.88	108.38%
Sales & other Operating Income	Rs Crs	846.17	50.45%	1778.56	105.95%
EBITDA	Rs Crs	373.99	15.26%	856.81	70.44%
PAT	Rs Crs	184.56	6.09%	483.20	80.58%



Operational Performance

The PLF achieved by the company's power plant for Q2 FY 2011 is as under:

- Vijayanagar unit (860 MW) demonstrated their consistent high level performance with PLF of 91%, despite taking shutdown for the annual maintenance in July 2010 (130 MW) & Sept 2010 (300 MW). The average PLF for H1 FY2011 was 95%.
- The Ratnagiri Unit operated at PLF of 63%, after achieving COD on September 1, 2010. This is due to line tripping & teething troubles in stabilization of auxiliary facilities.
- Barmer unit was under annual maintenance and other repairs from June 27, 2010 to August 23, 2010. After resuming generation, the unit is operating at nearly 100% capacity.

The company achieved consolidated net generation of 1,781 million units for the Q2 FY 2011, of which 1,141 million units (64%) were sold in short term and the balance 640 million units were sold under long term PPAs.

The net generation (million units) across the different Plants was as under:

	<u>Q2, FY11</u>	<u>H1FY11</u>
- Vijayanagar	1,595	3,323
- Barmer	63	161
- Ratnagiri	<u>123</u>	<u>123</u>
	<u>1,781</u>	<u>3,607</u>

Fuel

During Q2 FY2011, the company sourced the fuel primarily through imported coal from South Africa, resulting in an increase in fuel costs over the corresponding quarter of the previous year. This impacted the operating margins as the prices of thermal coal firmed up during the beginning of Q2FY2011. The Company expects increased supply of coal from Indonesia and commencement of supplies from South African Coal Minings Holding (SACMH) from the end of Q3'FY 11, which is expected to rein in the fuel costs. Further, the company is working towards securing its fuel supplies on long term basis to insulate itself from volatility in the fuel prices.



Financial Performance

The company has refinanced part of the debt aggregating to Rs. 1,003 crores as at September 30, 2010. The refinancing of debt provides the company moratorium for repayment of debt and increased tenure for repayment besides reduction in the interest rates of approx 1.47%

The Consolidated Net Worth and the consolidated total debt as at September 30, 2010 were Rs. 5,264 crores and Rs. 8,634 crores respectively, indicating a debt to equity ratio of 1.64:1.

Key Developments

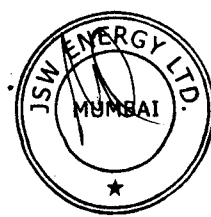
A) The Board had approved the merger of 1200 MW power plant of JSWERL (JSW Energy Ratnagiri Limited) with the company under section 391-394 of the Companies Act, 1956 subject to approval from lenders, statutory authorities and Hon. High Courts. The Mumbai High Court has approved the merger vide its order dated September 24, 2010 with appointed date as April 1, 2010.

B) 660 MW Expansion project at Vijayanagar:

The Board has approved setting up of a 660 MW super critical technology based power plant at Vijayanagar. The expansion project will be set up adjacent to the existing facility of 860MW. The company is in the process of obtaining necessary statutory consents / approvals.

The project will be based on imported coal and will be designed to also use domestic coal, for which allotment linkage is being sought. The existing infrastructural facilities will be adequate to meet the enhanced fuel handling & water requirements for the proposed expansion.

The project cost is estimated at Rs. 3,300 crores, to be financed with a debt equity mix of 3:1. The zero date for the project is envisaged to be April 2011 & the project is expected to be completed in about 42 months.



C) Employee Stock Option Scheme (ESOS), 2010:

The Board has approved an ESOS, subject to approval of shareholders through postal ballot, for issue of upto 2,00,00,000 stock options, convertible into equal number of Equity shares to the present and future employees of the company and its subsidiaries and also to eligible Directors of the company.

Projects Update:

a) Status of projects under Construction and Implementation

(4 X 300) 1,200 MW – at Ratnagiri, Maharashtra

The second unit of 300 MW is expected to be commissioned in November, 2010 and the progress for commissioning the third and fourth units in the current financial year is progressing satisfactorily. The total Project cost is estimated at Rs 5,650 crores, including the cost of Flue Gas Desulphuriser Unit being installed as per requirement of MOEF approval. Project expenditure spent till September 30, 2010 is Rs. 4,056 crores.

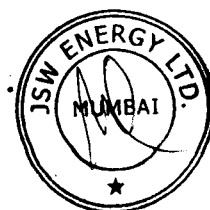
(8 X 135) 1,080 MW – at Barmer, Rajasthan

The work on the other six units is progressing satisfactorily, keeping in view the difficult site conditions the company is targeting to achieve commissioning of the balance units by July, 2011. Total Project cost is estimated at Rs 6,085 crores, including costs of increase in unit size and elongated implementation period resulting in higher IDC. Project expenditure spent till September 30, 2010 is Rs. 4,790 crores.

The approval for expansion projects of (2 x 135) 270MW at Barmer is awaited.

(3 X 80) 240 MW – at Kutehr, Himachal Pradesh

The Project received Techno-Economic Clearance from Central Electricity Authority (CEA) in August, 2010. The public hearing for environmental clearance has already been held successfully and pre qualification of vendors completed for main civil works. Land acquisition is under progress. Total Project cost is approved by CEA at Rs 1,798 crores (excluding cost of transmission line & premium payable to state government). Project expenditure (including premium paid to state government) spent till September 30, 2010 is Rs. 91 crores.



Jaigad Power Transco Ltd.

The work on 112 Km Transmission Line from Jaigad to Karad is expected to be completed by February, 2011. The Project Cost is appraised at Rs. 580 crores and as at September 30, 2010, an amount of Rs. 337 crores has been spent.

Barmer Lignite Mining Co. Ltd.

Mine development activity has commenced at Kapurdi mines and the first lignite is expected to be extracted in the 4th quarter of FY2011. The approval of land acquisition rates for the Jalipa Mines from Government of Rajasthan (GoR) is awaited and the acquisition is expected to be completed by December, 2010.

(b) Projects under Development

A 1320 MW Chattisgarh Project

The public hearing for the project was successfully completed in August 2010 and application is being submitted to seek MOEF approval. Land acquisition activity is progressing satisfactorily.

B 1620 MW West Bengal Project

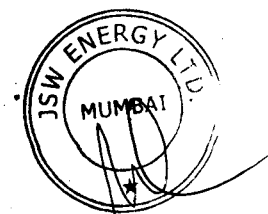
JSW Energy Bengal Ltd, a SPV formed as 74:26 joint venture between JSWEL and JSW Bengal Steel Ltd. is planning to implement 660MW Power plant under Phase-1, subject to receipt of necessary approvals.

The key features are as under:

- 650 acres of land to be leased from JSWBSL
- Atleast 51% of the power from the project will be sold to JSWBSL and the remaining power will be available for sale.
- Thermal coal from Ichhapur mines, to be developed by JSW Natural Resources Bengal Ltd., will be available as primary fuel for the plant.
- The power project is estimated to cost Rs. 3,300 crores, while the mining project is expected to cost Rs. 1,500 crores.
- The entire project cost of 4,800 is to be financed with a debt equity rates of 3:1.
- Investment of Rs. 888 crores estimated by JSWEL.

C 3200 MW Ratnagiri Project, Maharashtra

Land acquisition activity is progressing satisfactorily.



Outlook:

The domestic growth continues to be robust, driven by strong consumption led growth on the back of good monsoon, while the global recovery continues to be tepid. The domestic consumption led growth is expected to increase the demand for power, even as capacity additions gather pace with the participation of private sector. With incremental generation capacities expected to come on stream, the outlook on availability of incremental domestic fuel is not encouraging, necessitating increased import of thermal coal. Long term fuel security is necessary to insulate against increase in the imported coal prices which may put pressure on the margins.

About JSW Energy Ltd.:

JSW Energy Ltd, part of the JSW Group is a growing energy company. The Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities, aluminum, cement and information technology. JSW Energy is working on power solutions in the states of Karnataka, Maharashtra, Rajasthan and Himachal Pradesh. The company has operational capacity of 1430 MW and 1710 MW of generating capacity under construction. By 2015, the company aims to reach a generation capacity of 10,450 MW. The company is an early entrant in power trading & transmission business and plans to enter in power distribution business, generation through non conventional energy sources and tie-ups with well known equipment manufacturers and suppliers. It is working towards building a fully integrated energy solution business.

Forward looking and Cautionary Statements:

Certain Statements in this release concerning our future growth prospectus 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 Power 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 immigrations, our ability to manage our internal operations, reduced demand for Power, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the company in which we make 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.

