



Ref: JSWSL: SEC: MUM:SE: 2017-18

March 30, 2018

<b>1. National Stock Exchange of India Ltd.</b> Exchange Plaza Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 <b>NSE Symbol: JSWSTEEL</b>  <b>Kind Attn.: Mr. Hari K, President (Listing)</b>	<b>2. BSE Limited</b> Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. <b>Scrip Code No.500228</b>  <b>Kind Attn: The General Manager (CRD).</b>
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**Sub: JSW STEEL ENTERS INTO AGREEMENT TO ACQUIRE ACERO JUNCTION HOLDINGS INC.**

Dear Sirs,

Enclosed herewith is a press release dated 30.03.2018 on the above subject, which is self-explanatory.

This is for your information and in compliance with applicable Regulation of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,  
**For JSW STEEL LIMITED**

**Lancy Varghese**  
Company Secretary

<b>CC. Singapore Exchange Securities Trading Limited</b> 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589 Hotline: (65) 6236 8863 Fax: (65) 6535 0775
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## **JSW STEEL ENTERS INTO AGREEMENT TO ACQUIRE** **ACERO JUNCTION HOLDINGS INC.**

JSW Steel Limited has entered into a Stock Purchase Agreement dated March 28, 2018 with JSM International Limited, Acero Junction Holdings Inc. and Acero Junction Inc. for acquisition of 100% shares of Acero Junction Holdings Inc., a Delaware Corporation, for a cash consideration of USD 80.85 million.

The transaction is subject to fulfilment of conditions precedent and other terms as per the Stock Purchase Agreement, with a long stop date of 31st May, 2018.

Acero Junction Holdings Inc. owns 100% of the shareholding of Acero Junction Inc., which is a steel manufacturing mill that uses the electric arc furnace route to produce hot rolled coils. The facilities at Acero Junction Inc., include a 1.5 MTPA Electric Arc Furnace (EAF), a 35 MVA Ladle Metallurgy Furnace (LMF), a 2.80 MTPA, 1 x 2 strand slab continuous casting machine and a 3.0 MTPA Hot Strip Mill (HSM). The HSM is capable of producing a wide range of steel grades in widths upto 2,000 mm wide and from thicknesses in the range of 1.5mm – 10 mm. The company had undertaken an investment program to complete backward integration project to restart the EAF and Caster, which will need an additional investment of upto USD 50 million. On completion of the capex, estimated in about 6 months from completion of the transaction, there shall be a 1.5 MTPA fully integrated steel making facility, with excess HSM rolling capacity upto 3 MTPA. JSW Steel can potentially utilise the excess rolling capacity through bought out slabs, or, evaluate further investments to complete backward integration opportunities, subject to market dynamics.

The total Enterprise Value of the transaction is about USD 180.35 million, with equity value of USD 80.85 million and liabilities of USD 99.5 million, subject to closing adjustments. The acquisition shall be funded by way of a combination of internal accruals from JSW and debt to be raised at Acero Junction Inc.

Located on a bank of the Ohio River, about 50 miles southwest of Pittsburgh, the facilities at Acero Junction Inc., can serve the regional demand for hot rolled coils and deliver to more distant customers via the Ohio River system. Thus, the plant is well located with easy access to rail, road,

and river water logistics. It also provides potential synergies with JSW Steel's existing US operations in Baytown, Texas.

The acquisition provides a unique opportunity for JSW Steel to establish its presence in Ohio, United States and gain deeper access to the North American market. Favourable market dynamics for steel manufacturing in the USA, coupled with the growing demand in the USA which is currently a net importer of steel, particularly flat products, provides an opportune time for JSW Steel to enhance its presence in this geography. Given the availability of key inputs like slab as well as a robust demand for hot rolled coils in the vicinity of this facility, at a low specific investment cost, this will be a value accretive transaction for the shareholders of JSW Steel Limited.

**About JSW Steel:** JSW Steel is a part of the diversified US\$ 12 billion JSW Group, which has a presence in Steel, Energy, Infrastructure, Cement, Ventures and Sports. JSW Steel is the leading integrated steel company in India with an installed steel-making capacity of 18 MTPA. JSW Steel's plant at Vijayanagar in Karnataka, is the largest single location steel producing facility in the country with a capacity of 12 MTPA. JSW Steel (USA) Inc is a subsidiary of JSW Steel Ltd.

#### **For Further Information, Please Contact**

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