



JSW ENERGY LTD

The Board of JSW Energy Ltd at its meeting held today at Mumbai approved the Results of Quarter ended December 31, 2010 (Q3 FY 2011).

Key highlights for Q3' FY 2011

- Achieved commercial operation date for :
 - 135 MW – 2nd Unit at Barmer on October 4, 2010.
 - 300 MW – 2nd Unit at Ratnagiri on December 30, 2010.
- Refinanced Rs. 1,769 crores during the quarter, resulting in reduction in cost of 1.59% p.a.
- Achieved highest ever quarter net generation of 2396 million units, a growth of 45% over previous corresponding period.

Key highlights for the nine month period ended December 31, 2010

- Achieved highest ever net generation of 6,003 million units, a growth of 78% over previous corresponding period
- Profit after tax at Rs. 636 crores, up 35% over previous corresponding period

Operational Performance

The installed capacity was enhanced by 435 MW to 1,730 MW during the quarter upon achieving commercial operation of the units at Ratnagiri & Barmer.

The PLF achieved by the different units during Q3, FY 2011 were as under:

- Vijayanagar: The units achieved PLF of 93.99 %, up by 3.09 % over the previous corresponding period.



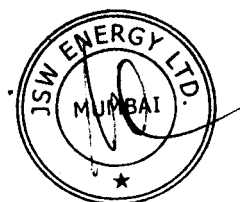
- Ratnagiri - The unit operated at a PLF of 72.97% achieving stabilised operations as the quarter progressed. The PLF during the quarter was primarily impacted due to back down of the unit sought by procurers as also initial difficulties for unit stabilisation.
- Barmer - The units operated at a PLF of 61.46 % showing marked improvement in operations since the unit commissioning. The PLF during the quarter was impacted primarily due to breakdown of peripheral equipment & certain hindrances in logistical movements of coal in November. The units achieved PLF of 81.19% during the month of December 2010.

The company achieved short term sales of 1,596 million units (67% of consolidated net generation) during the quarter ended December 31, 2010, a growth of 33% over previous corresponding period. The balance 799 million units were sold under long term PPAs.

The net generation from the different units were as under:

(figures in million units)

	Q3, FY 2011	9M, FY 2011
Vijayanagar	1,651	4,973
Ratnagiri	438	562
Barmer	307	468
Total	2,396	6,003



Fuel

The rising price of imported coal has impacted the margin as majority of the fuel requirement is procured at prices linked to index. The company is evaluating and pursuing efforts to enhance its fuel security in the short to medium term.

The developments on some of the initiatives are as under:

South African Coal Mining Holding (Pty) Ltd:

The Company (through its wholly owned overseas stepdown subsidiary - JSW Energy Natural Resources South Africa (JSWENRSA)) had acquired 49.8% stake in Royal Bafokeng Capital who holds 58% in SACMH. In addition, JSWENRSA has directly acquired about 35% stake in SACMH through the on-going open offer. JSWENRSA may acquire further stake through the open offer that is scheduled to close on February 18, 2011.

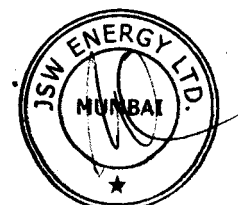
SACMH has commenced the production & has mined 89075 tons of raw coal till December 2010. The upgradation & improvement in the processing facilities are also being tended to achieve higher production rates.

CIC Energy Corp (CIC)

The company has entered into an amendment to the acquisition agreement facilitating the completion of transaction based on merger route which will enable the company to acquire 100% equity share holding of CIC without going through the open offer route. The CIC Share Holders' meeting for approval of the Merger is scheduled on January 21, 2011.

Financial Performance

While the company achieved growth during the quarter in Total Income by 53% over the previous corresponding period at Rs. 1,076.54 crores, the EBITDA at Rs. 312.94 crores and Profit after Tax at Rs. 152.84 crores declined by 2.13% and



25.40% respectively over the previous corresponding quarter, primarily due to increase in the fuel prices and one-time write-off of refinancing related cost of Rs. 29 crores.

The company refinanced debt aggregating to Rs. 1,769 crores during the quarter by placement of Non-Convertible debenture for tenure of upto 12 year with moratorium of 2 years resulting in reduction in the interest cost by about 1.59% . During the current fiscal till December 31, 2010 the company has refinanced an aggregate debt of Rs. 2,772 crores.

The consolidated net worth and consolidated debt as at December 31, 2010 was at Rs. 5,668 crores and Rs. 9,349 crores respectively resulting in a consolidated debt equity ratio of 1.65:1.

Key Developments

JSW Green Energy Ltd.

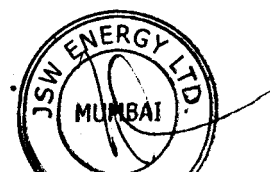
As part of the foray in renewable energy generation, the company has formed a 100% subsidiary JSW Green Energy Ltd., which will drive the Solar power initiative involving tie-up with manufacturers of solar panels & setting up of solar based power projects.

Projects Update:

a) Status of projects under Construction and Implementation

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

The work on both third and fourth units were affected due to acute shortage of sand procurement pursuant to a High Court Order in end September 2010, restricting the extraction of sand. The problem is since resolved and work is now progressing satisfactorily and these units are now expected to be commissioned in next



3 months. The total project cost is estimated at Rs. 5,650 Crores and project expenditure spent till December 31, 2010 is Rs. 4,445 crores.

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

The delay in acquisition of land for Jalipa mine is a great cause of concern since the logistical arrangements for import of coal are not presently designed to operate all the units on bought out coal. However, efforts are being made to ensure that impact on project is minimised from these concerns. The 3rd & 4th Unit are expected to be commissioned in March / April 2011. The remaining 4 Units are expected to be commissioned in next 6 months thereafter in FY 2011 / 12. The total project cost is estimated at Rs. 6,085 Crores and project expenditure spent till December 31, 2010 is Rs. 4,958 crores.

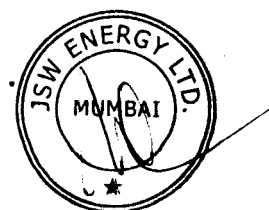
The approval from Government of Rajasthan expansion projects of (2 x 135) 270MW at Barmer is awaited.

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

The Project has received Techno-Economic Clearance from Central Electricity Authority (CEA) in August, 2010. The Environment and Forest approvals are awaited. Preliminary work for commencement of 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 December 31, 2010 is Rs. 92 crores.

Jaigad Power Transco Ltd.

The work on 110 KM Jaigad – Karad transmission line has been affected due to delay in getting forest approvals. The Transmission line is expected to be commissioned by end April 2011. Efforts are being made to ensure that the transmission line is charged to align with the schedule commissioning of 3rd and 4th Units at Ratnagiri. The Project Cost is appraised at Rs. 580 crores and as at December 31, 2010 an amount of Rs. 377 crores have been spent.



Barmer Lignite Mining Co. Ltd.

Mine development activity has commenced at Kapurdi mines and the lignite is expected to be extracted shortly. The Government of Rajasthan has since finalised the acquisition of land acquisition of Jalipa Mines and the land acquisition is expected to be completed in Q4' FY 2011.

(b) Projects under Development

1320 MW Chattisgarh Project

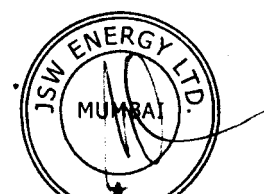
The public hearing for the project was successfully completed in August 2010 and application is being submitted to seek MOEF approval. The company has already acquired approx 250 Acres land for the Project and has initiated the process of acquisition of balance land through the Chhattisgarh Industrial Development Corporation due to longer than expected time expected for land acquisition. PPA has been executed with Chhattisgarh State Power Trading Company Limited on January 5, 2011 for 35% of the power to be generated from the power station for a period of 20 years.

1620 MW West Bengal Project

The first phase is being proposed to be of 300 MW and the initial ground work is expected to be commenced shortly. The PPA has been executed with West Bengal State Electricity Distribution Company Limited to sell power from the 1,320 MW phase 2 of the power plant for a minimum of 25% capacity for a period of 25 years.

Outlook

Domestically, while the overall optimism of consumption led growth continues, spurt in inflation primarily related to food articles besides rising fuel prices have subdued growth momentum as action on monetary tightening is anticipated from the Central Bank. Though, the short term prices for power remain under pressure due to deferment of power procurement lead primarily by fiscal related issues in the last quarter, the prices are expected to move with an upward bias. Due to global climatic conditions, there has been a sudden & unexpected increase in coal prices by over



30% in a short period of about 8 weeks, putting pressure on the margins. With the improvement in weather conditions in Australia, the coal prices are expected to correct in time to come.

About JSW Energy Ltd

JSW Energy Limited, part of the JSW Group, is a growing energy company. The Group has diversified interest in mining, carbon steel, power, industrial gases, port facilities, aluminium, cement and information technology. JSW Energy is working on power solutions in the states of Karnataka, Maharashtra, Rajasthan and Himachal Pradesh. The Company has the operational capacity of 1,730 MW, apart from 1,410 MW of generating capacity under construction. By 2016, the Company aims to generate 12,070 MW. The Company is an early entrant in the Power Trading Business and plans to enter in the power transmission business, 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 full service integrated energy business.

Forward looking and Cautionary Statement

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 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 immigration, 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 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

