

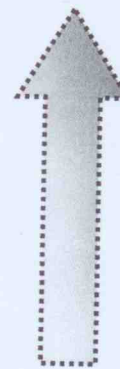


Highest ever quarterly Production, Sales, Turnover, EBIDTA and Net profit for Q4 2010-11 (Standalone)

JSW Steel reported highest ever quarterly Crude steel production, Sales, Turnover, EBIDTA and Net profit in fourth quarter of FY 2010-11.

The key performance highlights are as under:

	Q4 FY 11 v/s Q4 FY 10
➤ Volume growth (Crude Steel Production 1.647 MnT excludes 0.079 MnT from trial run)	: 3%
➤ Saleable Steel sold (1.733 MnT)	: 14%
➤ Turnover (₹ 7,615 crores)	: 37%
➤ EBIDTA (₹ 1,658 crores)	: 16%
➤ Profit after tax (₹ 833 crores)	: 16%
➤ Net Debt gearing (Standalone)	: 0.57
➤ Net Debt gearing (Consolidated)	: 0.84



Operational Performance:

The Break-up of production and sales volumes are as under:

	(Million tones)		(Million tones)		Growth %	
	Q4 FY11	Q4 FY10	FY11	FY10	Q4	Annual
Production:						
- Crude Steel	1.647*	1.600	6.427*	5.987	3%	7%
Sales:						
- Semis	0.074	0.261	0.344	1.249	-72%	-72%
- Rolled: Flat	1.387	0.963	4.700	3.597	44%	31%
- Rolled: Long	0.272	0.295	1.055	0.874	-8%	21%
Total Saleable Steel	1.733	1.519	6.099	5.720	14%	7%

* excluding Trial-run production of 0.079 Million tones during Q4 FY 11

The Company has achieved highest ever quarterly production of Crude steel of 1.647 million tons. The volume of production of Rolled flat products stood at 1.327 million tons, mainly due to additional production from the Phase I (3.5 MTPA) of the state-of-the-art largest and widest new Hot Strip Mill at Vijayanagar, which commenced commercial production from April 10, 2010. The company also achieved highest ever quarterly total sales of 1.733 million tons including rolled flat products 1.386 million tons on robust domestic demand and continuous focus on retail sales.

For the financial year 2010-11, the company achieved crude steel production and total sales volume of 6.427 million tons and 6.099 million tons respectively, which showed a growth of 7% over last year. Retail sales through Shoppe accounted for 23% of domestic sales excluding semis.

Financial Performance:

The turnover and net sales for the quarter registered at ₹ 7,614.85 Crores and ₹ 7,032.07 Crores, respectively, showing a growth of 37% and 36% over the corresponding quarter of previous year, mainly driven by better product-mix and volumes. The EBIDTA for the quarter was ₹ 1,658.09 Crores, showing growth of 16% and the EBIDTA margin for the quarter was 23.3%. The Company posted a Profit after Tax of ₹ 832.66 Crores.

The turnover and net sales for the financial year 2010-11 stood at ₹ 25,130.76 Crores and ₹ 23,163.24 Crores, respectively, showing a growth of 29% and 27% over previous year. The EBIDTA for the year was ₹ 4,856.17 Crores and the EBIDTA margin was 20.8%. The Company posted annual Profit after Tax of ₹ 2,010.67 Crores.

The Company's total net debt gearing was at 0.57 (1.14 as of 31st March 2010) and the weighted average interest cost of Debt was lower at 7.58% (8.08% as of 31st March 2010).

The Company's net finance cost for FY 2010-11 is lower by Rs. 163.74 crs, mainly due to pre-payment of loans by Rs. 2,739 crs and interest income on investment of surplus funds.



Subsidiaries / Associates performance :

Chile Iron-ore mines :

During the financial year 2010-11, the contract mining activity through dry process route with a capacity of 1 MTPA commenced. The first shipment of Iron ore concentrate was made in April 2011.

US Coal mines :

The Company sold 0.036 million tons of coal during FY 2010-11. For other mines, process of getting permits / statutory clearance is under way. Subject to receipt of necessary permits, it is expected to produce approx. 0.75 million tons of Coal in the first year which can be ramped up to 3 million tons in 3 years.

US Plate and Pipe Mill operation :

During the financial year 2010-11, the performance of Plate and Pipe Mill in USA continued to be impacted due to sluggish economic environment resulting in lower capacity utilization. For the year 2010-11, the Subsidiary Company produced 0.12 million tons of Plates and 0.04 million tons of Pipes. The Company put in place new management team and the Unit is expected to report gradual improvement in FY 2011-12.

Ispat Industries Ltd. (IIL) :

IIL re-started its operations in December 2010. It produced 0.729 million tons of HR Coils during the Quarter January to March 2011, and capacity utilization achieved was 88%. The volumes of sales including downstream products improved to 0.712 million tons with an EBIDTA of Rs.407 crores. Reflecting the synergies of acquisition, IIL turned in to profit making Company reporting a net profit of Rs.70 crores

Consolidated Financial Performance:

The Company reported highest ever quarterly Consolidated Turnover, EBIDTA and Profit after Tax of ₹ 7,792.17 Crores, ₹ 1,661.99 Crores and ₹ 793.63 Crores, after incorporating the financials of subsidiaries, joint ventures and associates.

Consolidated Turnover, EBIDTA and Profit after Tax for FY 2010-11 stood at ₹25,867.80 Crores, ₹ 4,946.77 Crores and ₹ 1,753.98 Crores.

The consolidated net total debt gearing was at 0.84 (as against 1.65 as of 31st March 2010).

Projects:

3.2 mtpa expansion project at Vijaynagar :

During the quarter the company has commenced operation of its Sinter plant, two blocks out of four blocks of Coke Oven, Converter, Caster and captive power plant (300 MW) as part of 3.2 MTPA expansion project at Vijayanagar Works. Balance units along with Blast furnace-4 are expected to be commissioned in Q1, FY 2011-12.

Cold Rolling Mill - 2 at Vijaynagar :

The Company has placed orders for all major equipment like Pickling cum coupled tandem cold rolling mill, Continuous Annealing line, Continuous Galvanising Line and Acid Re-generation Plant. Civil works order is finalized, excavation work started at site and 15% work is already completed. The first phase of this project will be completed by Q1 FY 2013.

Other projects :

The implementation of another 300 MW Captive Power Plant (CPP4), Pellet Plant 2, Second Phase of Beneficiation Plant and Phase II of HSM-2 at Vijayanagar Works, Second Phase of Blooming Mill at Salem Works, Railway Siding, Gas Line at Vasind / Tarapur Works is progressing satisfactorily, to be commissioned in FY 2012.

New Projects :

Augmenting crude steel capacity from 10 MTPA to 12 MTPA at Vijayanagar works:

The Company has made assessment of the existing facilities at Vijayanagar Works and based on the findings, it is decided to increase the capacity by additional 2 MTPA.

The proposed project cost is about ₹ 2,695 Crores and is to be financed out of cash accruals of Rs. 945 crores and the balance by debt.

Key developments :

Status on acquisition of Ispat Industries Ltd. (IIL) :

In accordance with the Subscription cum Shareholders Agreement dated December 20, 2010, the Company had acquired 108,66,49,874 equity shares of Ispat Industries Ltd. (IIL) on January 24, 2011 (aggregating to 45.53% of the equity share capital of IIL as on that date).

Subsequently, the Company also made a mandatory open offer of 20% of the Fully Diluted Equity Share Capital of IIL ("Open Offer") under Regulations 10 and 12 of the Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 ("Takeover Regulations"). The open offer was at a final price of Rs. 22.25 (Rupees twenty two and paise twenty five only) per fully paid up equity share and the Company acquired additional shares of 899,40,890.

Following the acquisition of additional shares in open offer, the Company holds 117,65,90,764 shares representing 49.30% of the Total Paid-up Capital of Ispat Industries Limited as on that date.

Dividend

The Board has, subject to the approval of the Members at the ensuing Annual General Meeting, recommended dividend of Rs.1 per share on 27,90,34,907, 10% cumulative redeemable preference shares of Rs.10 each, for the year ended 31.03.2011.

The Board has also, considering the Company's performance and financial position for the year under review, recommended dividend at ₹12.25 per equity share on the 22,31,17,200 equity shares of Rs. 10 each for the year ended 31.03.2011, subject to the approval of the members at the ensuing Annual General Meeting.

Together with the corporate tax on dividend, the total outflow on account of equity dividend is ₹ 317.66 crores, vis-à-vis Rs. 207.21 crores paid for fiscal 2009-10.



Outlook

Global economy is growing at about 4.4%, but recovery is still sluggish. IMF has moderated world GDP forecast at 4.4% for 2012 from earlier estimate. US has shown signs of recovery and Europe is a mixed basket. China's growth is impacted by high inflation and high interest rates where as Japan is facing the challenges of massive reconstruction post earthquake. The Purchasing Managers' Indices in global economies continue to remain above 50, except Japan. Some Indian economic indices show signs of slow down due to high Inflation and raising interest rates. GDP growth is estimated between 8% to 8.5% with support from private consumption and increasing purchasing power in Rural sector.

World Steel Association has projected the World Steel Demand is expected to grow by 6% to 1360 Mt. by 2011. China is expected to continue its leadership position with a share of @ 44%. The demand in Advanced and Emerging economies are slated to grow 5.3% and 6.3% respectively.

Indian Steel canvas is expected to see capacity additions to meet the accelerating domestic demand led by rising investments and consumption supplemented by growing export opportunities for value added engineering products. As per the projection of world steel, Indian steel demand is estimated to grow on a strong footage @ 13.3% in CY 2011, having recorded a growth of 10.6% to 66-Mn T in FY 2010-11.

Guidance

The Company targets to produce the following volumes for FY 2011-12.

(Million tons)

Products	FY 10-11 Actual	FY 11-12 Estimates	Growth
Production :			
Cast Products	6.43	8.75	36%
Saleable Steel			
Semis	0.34	0.88	156%
Rolled – Long	1.06	1.54	45%
Rolled- Flat	4.70	6.58	40%
Total	6.10	9.00	48%

About JSW Steel Limited

JSW Steel Ltd., belonging to JSW group, part of the O P Jindal Group, is one of the lowest cost steel producers in the world. The group has diversified interest in mining, carbon steel, power, industrial gases, port facilities, Aluminium, Cement and Information Technology. JSW Steel Limited is engaged in manufacture of flat and long products viz. H R Coils, C R Coils, Galvanised products, Galvalume products, auto grade / white goods grade CRCA Steel, Bars and Rods. Incorporated in 1994, it has grown to US \$ 7 billion in little over fifteen years. JSW Steel Limited has the largest galvanizing and colour coating production capacity in the country and is the largest exporter of galvanized products with presence in over 100 countries across five continents.

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.

