

PRESS RELEASE

**FINANCIAL RESULTS FOR Q4 & FULL YEAR 14 -15**

**NAVIGATING THROUGH CHALLENGING TIMES**

**JSPL Standalone 4QFY15 Performance :**

- Crude Steel Production: 0.81 million tonnes
- Steel Sales: 0.79 million tonnes
- Gross Turnover: Rs. 3,329 Cr
- Operating EBITDA: Rs. 622 Cr
- Capex: Rs. 806 Cr
- Net debt to Equity: 2.17x

**JSPL Consolidated 4QFY15 Performance:**

- Crude Steel Production: 1.0 million tonnes
- Steel Sales: 0.95 million tonnes
- Gross Turnover: Rs. 4,526 Cr
- Operating EBITDA: Rs. 789 Cr
- Capex: Rs. 1,865 Cr
- Net debt to Equity: 2.22x

**A. Steel – JSPL Standalone & Consolidated**

Q4'FY15 saw several adverse factors come together and negatively impact the Company's financial performance. Continued subdued demand for steel and unabated import of steel from China, Korea and other countries saw net sales realization (NSR) plummet by more than 7% y-o-y and a proportional drop in the sales turnover. Contrary to the Global trend, the iron ore due to closure of mines in Odisha remained scarce and witnessed an unprecedented rise in its price. The prices of semi and fully finished steel touched all time low levels in both the domestic and international markets. Sharply low prices had an inevitable impact on the volume of exports which for FY15 dropped by 18% compared to FY 14. JSPL's financial performance was further impacted due to expense of additional levy of Rs 1912 Cr in accordance with the judgement of Hon'ble Supreme Court.

Although JSPL's consolidated steel production increased by 45% to reach 1.0 million tonnes during Q4'FY15, the steel sales in value terms grew by 23%. On an annualized basis, the production and sale volume of steel grew by 25% and 15 % respectively. Due



to lower NSR and higher material cost, Q4'FY15 EBITDA for JSPL Standalone and Consolidated level dropped to Rs 622 Cr and Rs 790 Cr respectively compared to Rs 972 Cr and Rs 1314 Cr for Q4'FY14. Due to commissioning of Angul Steel plant, a new 4.5 MTPA pellet plant in Barbil and upgradation of Raigarh plant to 3.6 MTPA capacity, the combined burden of Depreciation and Financing cost on Standalone during Q4'FY15 increased by Rs 151 Cr ( 48% ) and Rs 237 ( 59%) respectively. As a consequence of all these factors, the Standalone PBT without exceptional items of additional levy resulted in a loss of Rs. 459 Cr.

All the steel plants, delivered a stable performance and the new units got over with their teething issues. Pellet plant in Barbil could be run only at part capacity due to limited availability of iron ore fines.

#### **Steel (incl Oman)**

<b>Particulars (in MT)</b>	<b><u>4Q FY2015</u></b>	<b><u>YoY Growth</u></b>	<b><u>FY2015</u></b>	<b><u>YoY Growth</u></b>
<b>Production: Crude Steel</b>	1.01	45%	3.62	25%
<b>Production: DRI (Sponge Iron / HBI)</b>	0.87	18%	3.08	10%
<b>Steel Sales</b>	0.95	23%	3.23	15%

#### **B. Jindal Power Ltd (JPL)**

All 4 units of 600 MW were successfully synchronized and 3 units were commissioned. However, due to shortage of coal and non-availability of PPAs, the Phase-II 4x600 MW plant was operated only at part capacity. The Tamnar Phase-I 4x250 MW was operated at a PLF of 93% during FY15. While the revenues of Q4 FY15 and FY 15 grew by 43% and 31% respectively, EBITDA grew by 20% and 9% for the same time frames. As a result of additional levy for coal, the net profit fell by 55% and 115% for Q4 FY15 and FY15 respectively.

#### **Power (JPL)**

<b>Particulars</b>	<b><u>4Q FY2015</u></b>	<b><u>YoY Growth</u></b>	<b><u>FY2015</u></b>	<b><u>YoY Growth</u></b>
<b>No. of Units Sold</b>	2,463	46%	9,685	29%
<b>PLF (%) - 4X250 MW</b>	82%		93%	
<b>PLF (%) - 3X600 MW</b>	24%		21%	
<b>Sales Turnover (in Rs. Cr)</b>	774	43%	3,228	31%
<b>EBITDA (in Rs. Cr)</b>	335	20%	1,653	9%
<b>Debt - Equity</b>	0.50		0.50	



### C. Global Ventures

- a) **Oman:** The HBI plant continued its robust performance during 2014 - 15 and produced 1.42 million tonne (1.47 million tonne in 2013-14) despite the Govt. of Oman reducing the gas availability to 90% due to certain constraints in gas production. 100% of gas availability has been restored since December 2014. The HBI plant achieved highest plant and operational availability – 99.9% and 98.5% - best for Midrex plant of this size. Two MTPA Steel Melt Shop was commissioned in April 2014, achieved target of 27 heats per day & the production of Billets and Rounds during the year was 0.53 million tonne. On the financial side, the EBIDTA for 2014-15 was up 36% at USD 119 Million (EBIDTA% was 23.3% during 2014-15 up from 16.6% in 2013-14) & EBIT was up 34% at USD 86 Million & PAT was up 17% at USD 52.2 Million. Rolling mill project with a capacity of 1.4 MTPA Rebar is progressing & is expected to be commissioned by January 2015. Debt of USD 725 Mn was refinanced by Omani and Middle East banks at an extremely competitive interest rate of L+3% and the loan maturity was elongated to 12 years.
- b) **Wollongong Coal Limited, Australia:** The coal production during the year 2014-15 was 175,585 MT (397,272 MT in 2013-14). Wongawilli mine was put in care and maintenance and the entire manpower (160 persons) was made redundant. The existing agreement with the labour union has been terminated paving the way for much cost effective contract based mining. Russelvale mine received permission for partial extraction of longwall 6 and main gate development of longwall 7 and consequently the mining has commenced in longwall 6 and the longwall 7 development has also been started. Main gate development approval for longwall 7 was quite key to ensure the continuity on coal mining since in the absence of that, the coal mining operations had to be discontinued pending development of main gate 7 which can now be developed contemporaneously with the longwall 6. Another significant achievement is conceptualization of de-shaling plant without going through the rigorous process of environment approvals which will reduce the ROM ash by 7-8%. The manpower cost has also been substantially rationalized and a total of 265 persons have been reduced since take over in Nov. 2013 and currently, the manpower strength is 180. Existing Debt of USD 430 Mn is being refinanced at much competitive interest rate of L+3% (against L+5% presently) and the loan maturity is being elongated to 10 years. This apart, additional debt of USD 200 mn is being arranged.
- c) **South Africa**  
ROM coal production during the 2014-15 was substantially lower at 0.50 million tonne (0.85 million tonne in 2013-14 & washed coal output was down at 0.38 million tonne (0.73 million tonne in 2013-14). This was largely due to the



general labour unrest in South Africa resulting in mine shut down and poor performance of the contractors who had to be terminated and the mining operations were taken over. As a result of take-over of mining operations, certain equipment had to be ordered and the production suffered due to non-availability of the equipment.

**d) Mozambique**

ROM coal production during the 2014-15 was 1.31 million tonne (1.37 million tonne in 2013-14) & coking coal output was 0.32 million tonne (0.35 million tonne in 2013-14). Substantial cost savings were achieved by (a) Switching from contract based mining to owner driven mining which resulted in mining cost reduction from USD 3.10 / bcm to USD 1.4/bcm (including depreciation and interest cost for the investment made in mining equipments). (b) Commissioning of floatation plant resulting in increase in coking coal yield by 5%; and (c) Return load tie up of 0.2 MTPA for cement plant which reduced the logistic costs substantially.

**D. New Projects**

The Company is presently working on the following projects:

- a) 1.4 MTPA Rebar mill in Angul, expected to be commissioned by December 2015
- b) 1.4 MTPA Rebar mill in Oman which is also expected to be completed by November 2015

**E. Outlook FY16**

The Company with its new acquired capacity is targeting to increase its production of steel substantially during FY16. This is however subject to market demand conditions as well as price levels which remained very low during FY15. Indian economy and Steel demand are expected to gather momentum from the start of Q3. On an annual basis, the steel demand is forecast to grow by 6% which together with protection against reckless dumping of steel will help Indian Steel Industry recover. The reopening of mines in Odisha and Karnataka is expected to ease the availability of iron ore and its prices. Subject to favourable economic conditions, JSPL is targeting to produce over 5 million tonne steel during FY16, which would be about 50% higher than FY15.

Jindal Power Ltd. subject to availability of coal and PPAs plans to operate its both Phase I and Phase II of Tamnar Power plant. The company is working to secure coal blocks / linkages for 2200 MW out of an aggregate capacity of 3400 MW. In parallel with efforts to augment production of both Steel and Power, JSPL will continue to focus on multiple cost reduction, energy saving and capital efficiency initiatives. The Company also plans to divest non-core and non-performing assets during FY16.



## CONSOLIDATED FINANCIAL SUMMARY ANNUAL

(Figures in Rs Cr except EPS)

Parameter	Financial Year		Growth (%)
	2014-15	2013-14	
Turnover	19,401	19,286	1%
EBITDA	5,483	5,776	-5%
EBITDA %	28%	30%	-
Depreciation + Amortization	2,733	1,829	49%
Interest	2,607	1,501	74%
PBT (Before Exceptional Item)	369	2,512	-85%
Exceptional Item	1,912	-	
PBT after Exceptional Item	(1,543)	2,512	
PAT	(1,278)	1,910	
Cash Profit before Exceptional item	3,976	3,876	3%
Cash Profit	2,064	3,876	
EPS	(14)	21	

## STANDALONE FINANCIAL SUMMARY ANNUAL

(Figures in Rs Cr except EPS)

Parameter	Financial Year		Growth (%)
	2014-15	2013-14	
Turnover	13,390	13,826	-3%
EBITDA	3,943	4,012	-2%
EBITDA %	29%	29%	-
Depreciation + Amortization	1,786	1,221	46%
Interest	2,072	1,337	55%
PBT (Before Exceptional Item)	168	1,601	-90%
Exceptional Item	808	-	
PBT after Exceptional Item	(639)	1,601	
PAT	(311)	1,292	
Cash Profit before Exceptional item	2,652	2,644	0%
Cash Profit	1,844	2,644	
EPS	(3)	14	

## CONSOLIDATED FINANCIAL SUMMARY Q4 – YEAR ON YEAR

(Figures in Rs Cr except EPS)

Parameter	Quarter 4		Growth (%)
	2014-15	2013-14	
Turnover	4,526	4,898	-8%
EBITDA	789	1,314	-40%
EBITDA %	17%	27%	-
Depreciation + Amortization	701	514	36%
Interest	771	423	82%
PBT (Before Exceptional Item)	(621)	396	-257%
Exceptional Item	56	-	
PBT after Exceptional Item	(678)	396	
PAT	(519)	403	
Cash Profit before Exceptional item	573	947	-39%
Cash Profit	517	947	
EPS	(5.7)	4.3	

## STANDALONE FINANCIAL SUMMARY Q4– YEAR ON YEAR

(Figures in Rs. Cr except EPS)

Parameter	Quarter 4		Growth (%)
	2014-15	2013-14	
Turnover	3329	3,482	-4%
EBITDA	622	972	-36%
EBITDA %	19%	28%	-
Depreciation + Amortization	467	316	48%
Interest	642	405	59%
PBT (Before Exceptional Item)	(459)	385	-219%
Exceptional Item	21	-	
PBT	(479)	385	
PAT	(235)	431	
Cash Profit before Exceptional item	440	777	-43%
Cash Profit	419	777	
EPS	(2.56)	4.63	



## PRODUCTION

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

Product (MT)	Financial Year		Growth (%)
	2014-15	2013-14	
Sponge Iron	16,60,913	13,19,985	26%
Pig Iron & Hot Metal	15,63,942	16,69,799	-6%
Steel*	36,16,613	28,85,779	25%
Pellets	32,18,677	41,48,974	-22%
HBI	14,19,671	14,68,463	-3%
Power (million kWh) (Exc. JPL)	7,340	5,644	30%

*\*Only Slab/Round/Bloom/Beam Blank (includes Oman)*

FOR THE QUARTER ENDED MARCH 31, 2015

Product (MT)	Quarter 4		Growth (%)
	2014-15	2013-14	
Sponge Iron	5,04,219	3,41,807	48%
Pig Iron & Hot Metal	2,72,841	3,41,910	-20%
Steel*	10,01,030	6,87,299	46%
Pellets	6,45,320	10,31,746	-37%
HBI	3,68,690	3,97,623	-7%
Power (million kWh) (Exc. JPL)	1,937	1,458	33%

*\*Only Slab/Round/Bloom/Beam Blank (includes Oman)*

## SALES

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

Product (MT)	Financial Year		Growth (%)
	2014-15	2013-14	
Steel Products*	32,29,572	28,00,819	15%
HBI**	7,83,324	14,76,789	-47%
Power (million kWh) (Exc. JPL)	2,793	1,890	48%

\*Slabs/Bloom/Billets/Structural's & Rails/Universal Plate/Coil/Converted Angle/Channel/ Wire Rod/TMT/Fabricated Beams/Plates

\*\*External sale was lower due to requirement in the newly commissioned SMS shop

FOR THE QUARTER ENDED MARCH 31, 2015

Product (MT)	Quarter 4		Growth (%)
	2014-15	2013-14	
Steel Products*	9,45,410	7,66,272	23%
HBI**	1,22,513	3,63,813	-66%
Power (million kWh) (Exc. JPL)	672	284	137%

\*Slabs/Bloom/Billets/Structural's & Rails/Universal Plate/Coil/Converted Angle/Channel/ Wire Rod /TMT/Fabricated Beams/Plates (Includes Oman)

\*\*External sale was lower due to requirement in the newly commissioned SMS shop



## JINDAL POWER LIMITED (JPL)

CONSOLIDATED FINANCIAL RESULTS INCLUDE RESULTS OF JINDAL POWER LIMITED  
(A SUBSIDIARY OF JSPL).

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

Particulars	Financial Year		Growth (%)
	2014-15	2013-14	
Turnover	3,228	2,457	31%
EBITDA	1,653	1,511	9%
EBITDA%	51%	62%	
Profit before Tax & Exceptional Item	1106	1407	-21%
PBT	2	1407	
Profit/(Loss) after Tax	(171)	1107	
Depreciation + Amortization	521	274	90%
Cash Profit	543	1411	-62%
Generation (million units)	10,636	8,282	28%
PLF (%) - 4X250 MW	93%	94%	--
PLF (%) - 3X600 MW	21%	NA	--

### FOR THE QUARTER ENDED MARCH 31, 2015

Particulars	Quarter 4		Growth (%)
	2014-15	2013-14	
Turnover	774	539	43%
EBITDA	335	280	20%
EBITDA%	43%	52%	
Profit before Tax & Exceptional Item	213	275	-22%
PBT	178	275	
Profit/(Loss) after Tax	97	218	
Depreciation + Amortization	131	74	78%
Cash Profit	313	299	5%
Generation (million units)	2692	1882	43%
PLF (%) - 4X250 MW	82%	85%	
PLF (%) - 3X600 MW	24%	NA	

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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