



Ref: JSWSL: SECT: MUM: SE: 2015-16
29 January 2016

To,

1. National Stock Exchange of India Ltd. Exchange Plaza Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 Fax No.: 2659 8237-38 Email: cmlist@nse.co.in Kind Attn.: Mr. Hari K, President (Listing)	2. Bombay Stock Exchange Limited Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. Fax No. 2272 2037/2039/ 2041/ 20 61 Email: corp.relations@bseindia.com Ref: Company Code No.500228. Kind Attn: The General Manager (CRD).
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Sub: JSW Steel reports Standalone and Consolidated Financial Results for the quarter and nine months ended December 31,2015 .

Enclosed herewith is a press release dated 29.01.2016 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

1. Central Depository Services (India) Ltd. Phiroze Jeejeebhoy Tower, Dalal Street, 28 th Floor, Mumbai.- 400 023. Fax No.: 2272 3199	2. National Securities Depository Ltd. Trade World, 4 th Floor Kamala Mill Compound, Senapati Bapat Marg, Lower Parel Mumbai - 400 013. Fax No.: 24972993/24976351
3. The Calcutta Stock Exchange Association Ltd., 7 Lyons, Range, Kolkata – 700 001. FaxNo.033-22102210	

JSW Steel reports Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2015

Mumbai, India: JSW Steel Limited ("JSW Steel" or the "Company") today reported its results for the Third Quarter ("3Q FY2016" or the "Quarter") and the Nine month ended December 31, 2015 ("9M FY2016" or the "9 Month").

Key highlights of the quarter:

Standalone Performance:

- Crude Steel production: 2.70 million tonnes
- Saleable Steel sales: 2.55 million tones.
- Gross Turnover: ₹8,076 crores
- Operating EBITDA: ₹878 crores

Consolidated Performance:

- Gross Turnover: ₹9,562 crores
- Operating EBITDA: ₹892 crores

Operational Performance:

The current quarter was marked by planned shutdowns of Blast Furnaces towards relining/modification and capacity expansion at all three upstream steel making locations viz. Vijayanagar, Dolvi and Salem units of the Company. As a result, the Company reported Crude Steel production for the quarter of 2.70 million tonnes while Saleable Steel sales volume stood at 2.55 million tonnes. On completion of these low cost and returns accretive projects, the installed capacity of the Company will increase by about 25% from 14.3 million tonnes per annum to 18 million tonnes per annum.

Despite lower volumes due to planned shutdowns, the Company strategically reduced share of exports to 12% of total sales (from 29% in the same period last year), and domestic sales volumes grew 8% YoY during the quarter. Increase in Retail sales (which grew 82% YoY) enabled by strategic expansion of distribution footprint and influencer engagement programmes helped achieve this. More importantly, the product mix was enriched with value added products accounting for 36% of total sales during the quarter.

The details of production and sales volumes are as under:

Particulars	(Million tonnes)					
	3Q FY2016	3Q FY2015	YoY growth	9M FY2016	9M FY2015	YoY Growth
Production: Crude Steel	2.70	3.17	-15%	9.36	9.57	-2%
Sales:						
- Rolled: Flat	1.86	2.44		6.77	7.22	
- Rolled: Long	0.66	0.47		1.93	1.43	
- Semis	0.03	0.12		0.15	0.32	
Total Saleable Steel	2.55	3.03	-16%	8.84	8.97	-1%

Standalone Financial Performance:

JSW Steel recorded Gross Turnover and Net Sales for the quarter of ₹8,076 crores and ₹7,207 crores respectively. Topline was impacted by both lower volumes (due to planned shutdowns) as

well as lower steel pricing, which, in turn, was exacerbated by a surge in imports at predatory prices. While the company benefited to some extent on account of lower raw material costs, the savings from this were offset to some extent by the negative operating leverage due to planned shutdowns. Consequently, Operating EBITDA came in at ₹878 crores with EBITDA margin of 12.1%.

Provision for diminution in value of investments and loans and advances

Global commodity prices have been on a downward spiral and seen a sharp correction on the back of weakening demand and supply glut conditions. The seaborne prices of iron ore and coal have dropped by 40% and 31% respectively during CY2015. JSW Steel's subsidiary, JSW Steel (USA) Inc's operations of the Plate and Pipe Mill have continued to suffer losses during the last few years. In view of the lower long-term commodity prices forecasts and continuing losses at the US plate and pipe mill operation, the Company has made a total provision of ₹ 5596 crores for diminution in value of investments, other than temporary, in the value of certain overseas investments, loans and advances and towards certain guarantees for borrowing by the subsidiaries which has been disclosed as exceptional items in the results and includes:

- ₹ 3436 crore for the quarter in JSW Steel (USA) Inc, a subsidiary company.
- ₹ 1156 crore for the quarter in JSW Panama (Holding) Corporation and its subsidiaries.
- ₹ 348 crore for the quarter in Periana Holding LLC and its subsidiaries.
- ₹ 656 crore for the quarter in JSW Steel (Netherlands) BV.

After providing for these exceptional items towards diminution in value of investments, the net loss after tax stood at ₹4,142 crores for the quarter.

Gross Turnover and Net Sales for the 9 month stood at ₹29,923 crores and ₹26,841 crores respectively. The Operating EBITDA for the 9 month was ₹3,948 crores. The company posted a Net loss of ₹ 3,871 crores for the 9 month ended December 2015.

The net gearing stood at 1.48x as on 31st December 2015 (as against 1.22x as on 30th Sept 2015) and Net Debt to EBITDA stood at 5.67x (as against 4.55x as on 30th Sept 2015).

Update on Forest Development Tax matter

The Hon'ble High Court of Karnataka has granted partial relief by a judgement dated December 3, 2015 delivered in response to a petition filed by mine owners and purchasers of iron ore, including the Company, contesting levy of Forest Development Tax (FDT) by the State of Karnataka. Pending certain clarifications on the levy of FDT from the Monitoring Committee, the Company has not written back the FDT expenses recognized till date.

Subsidiaries Performance:

JSW Steel Coated Products:

During the quarter, JSW Steel Coated Products registered production (Galvanised/Galvalume products) volume of 0.33 Million Tons and sales volume of 0.34 million tonnes. The Gross Turnover and Net Sales for the quarter stood at ₹1,629 crores and ₹1,506 crores, respectively. It recorded an Operating EBITDA of ₹38 crores and a Net loss after Tax of ₹22 crores for the quarter.

Chile Iron ore Mines:

The Chile operations remain under care and maintenance from end April 2015. The Company reported an EBITDA loss of \$0.32 million for the quarter.

US Plate and Pipe Mill:

The US based Plate and Pipe Mill facility produced 0.049 million net tonnes of Plates and 0.013 million net tonnes of Pipes, reporting a capacity utilization of 20% and 10%, respectively, during the quarter. Sales volumes for the quarter stood at 0.036 million net tonnes of Plates and 0.012 million net tonnes of Pipes. It reported an EBITDA Loss of \$4.9 million for the quarter.

Consolidated Financial Performance:

The Company recorded Gross Turnover and Net Sales of ₹9,562 crores and ₹8,621 crores, respectively, for the quarter, and an operating EBITDA of ₹892 crores.

During the quarter, the Company recorded impairment charges of ₹ 2121 crores towards fixed assets, goodwill and other assets comprising of ₹ 905 crores for its US operations of plate and pipe mill, ₹ 172 crores for its coal mines operations in US and ₹ 1045 crores for its iron ore mines operation in Chile, leading to a downward revision of the carrying value. The Net loss after Tax for the quarter was ₹923 crores, after incorporating the financials of subsidiaries, joint ventures and associates.

Gross Turnover and Net Sales for the 9 month stood at ₹34,045 crores and ₹30,746 crores respectively. The Operating EBITDA was ₹4,248 crores and the Net loss was ₹913 crores for the 9 month ended December 15.

The net gearing at consolidated level was 1.83x at the end of the quarter (as against 1.72x as on 30th Sept 2015), Net debt to EBITDA at consolidated level is 6.66x (as against 5.32x as on 30th Sept 2015) and the weighted average interest cost of debt was at 7.11% (vis-a-vis 7.15% as on 30th Sept 2015).

Projects Update:

The Blast Furnace at Vijayanagar which underwent a planned shutdown for relining and modification from August 2015 onwards is expected to get commission in 4QFY2016. The Blast Furnace at Dolvi and one of the Blast Furnaces at Salem too went under shutdown for capacity expansion during the quarter and are likely to get commissioned in 4QFY2016. Other ongoing projects are progressing satisfactorily and are likely to complete as per schedule.

Outlook:

Global economic outlook remains fragile. The International Monetary Fund (IMF) has revised down its projections for CY2016 World Economic Growth yet again to 3.4%. The expectations of a pick-up in global growth momentum continue to wane as downside risks to the growth outlook persists - with issues related to slowdown and rebalancing in China, global trade imbalances driven by a sharp drop in commodity prices as well as weakening currencies, limited room for further monetary stimulus, and uncertainty around monetary tightening by the US Fed.

The global steel demand continues to weaken with lower investment activities and weak manufacturing across most regions. The world Crude Steel production in CY2015 fell by 2.9% as capacity utilization in December 2015 dropped below 65% – and most regions continue to witness a decline. Steel exports from steel-surplus countries (as domestic demand falls faster than production cuts) are at elevated levels. Predatory prices of exports continue to intensify trade remedial measures across most regions.

In India, overall consumer discretionary spending, public Capex (highways, ports, power transmission, etc.) and foreign direct investment have continued to improve, supporting a gradual growth recovery. However, weaker exports and pick up in private Capex have been a drag.

India is the only major steel consuming market globally which is still witnessing an increasing demand environment. Progress on policy reforms, coupled with government's measures to pump prime the economy bode well for steel demand over the medium term. However, this also makes India an attractive export destination for steel surplus countries.

Domestic steel industry continues to suffer from rising imports – especially from China, Japan, and Korea. During the first nine month of FY2016, consumption of domestically produced steel fell by 1.2%YoY as total steel imports surged by 29%YoY. Finished steel exports also decreased by 30%YoY in 9MFY16. Indian steel industry is grappling with headwinds of an insipid demand, excess supply and pricing pressure driven by a surge in imports at predatory pricing. This necessitates urgent and adequate measures to check unbridled and unfair imports of steel.

JSW Steel is a part of the diversified \$11 billion JSW Group, which has presence in Steel, Energy, Infrastructure, Cement, and JSW Ventures. JSW Steel is the leading integrated steel company in India with an installed steel-making capacity of 14.3 MTPA. JSW Steel's plant at Vijayanagar is one the largest single location steel producing facility in the country with a capacity of 10 MTPA. JSW Steel has a strong product assortment covering the entire gamut of flat and long steel products manufactured through technology in the form of Corex and Blast furnaces.

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.

Media Contacts:

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