

Q2 FY'17

Industry Update & Key Performance Highlights



JINDAL
STEEL & POWER

8th December,
2016

This presentation may contain certain forward looking statements concerning JSPL's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

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Q2 FY'17

OUTLOOK

INDUSTRY
DEVELOPMENTS

BRIEF BACKGROUND

OPERATIONAL
PERFORMANCE

FINANCIAL
PERFORMANCE



STEEL OUTLOOK

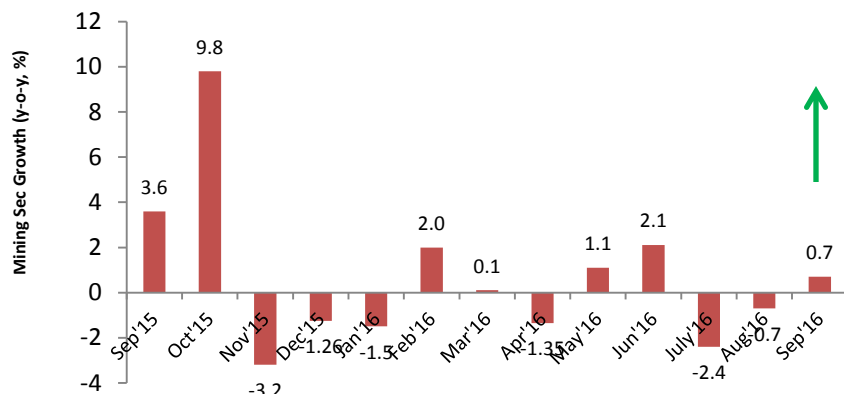


World Crude Steel Production recovered in Oct '16

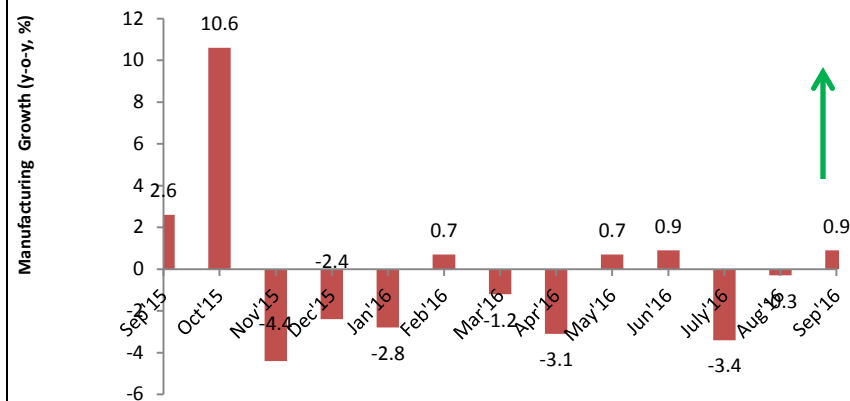


The Industrial Health

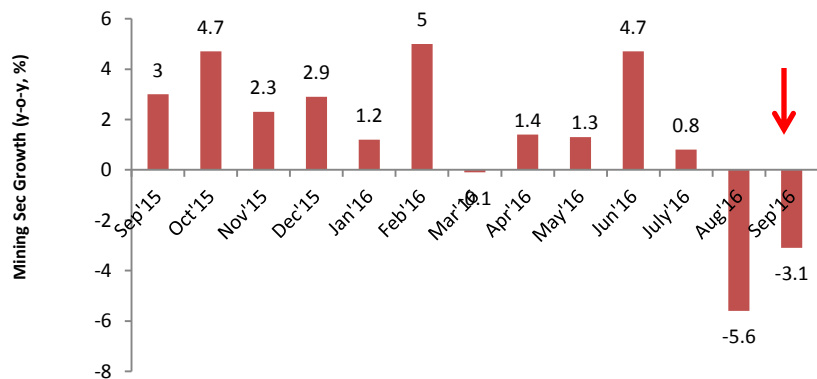
Overall IIP Trend



Manufacturing

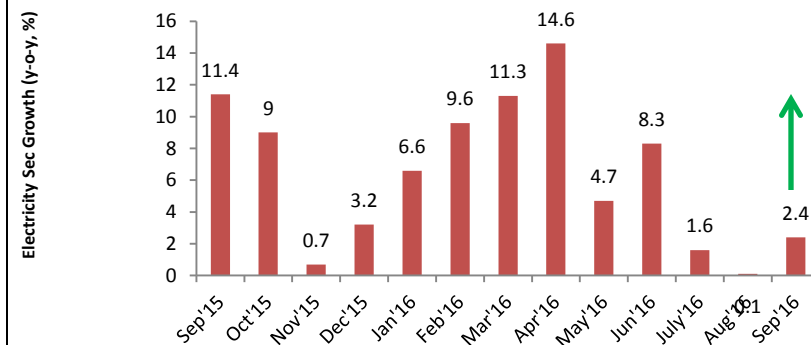


Mining



Electricity

Electricity Sector's IIP



Indian Steel Scenario :

(Qty : Mt)

Crude Steel Production

Finished Steel (Non Alloy+Alloy)

Import

Export

Real Consumption (Demand)

FY '16	
Qty	change (y-o-y)
89.8	0.9%

11.7	25.7%
4.08	(27)%
80.5	4.6%

April- Oct'16	
Qty	change (y-o-y)
56.25	8 %
4.13	(40)%
3.57	42.2 %
48.12	2.9 %

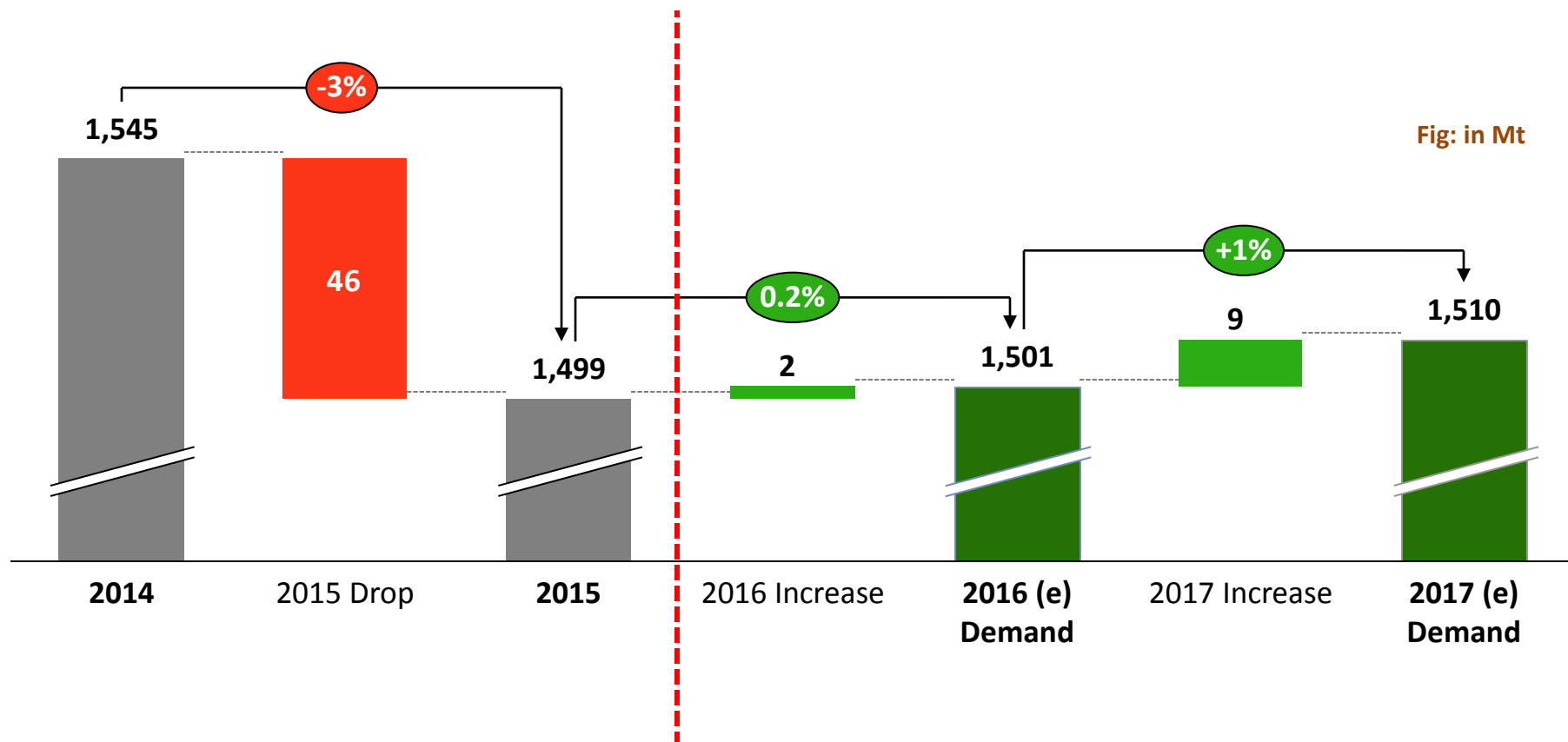


During April - Oct '16 (y-o-y)

- Crude Steel Production increased by 8%
- Finished Steel Demand :
 - India's Consumption of finished steel grow by 2.9 % (y-o-y).
- Imports :
 - Decreased by 40 % (y-o-y),
- Exports :
 - Increased by 42 % (y-o-y),

World Finished Steel Demand Outlook (CY 16 & CY 17):

.....World will likely to witness a muted finished steel demand growth



2016: Global steel demand will increase by 0.2% to 1,501 Mt in 2016, following a contraction of -3.0% in 2015.

2017: Global steel demand will grow by 0.5% and will reach 1,510 Mt.

STEEL DEMAND, FINISHED STEEL

Mt = million tonnes
y-o-y growth rate is expressed in %

NAFTA
2016 2017
133.6 Mt 137.4 Mt

+2.9%
-0.1%

EU-28

2016 2017
155.8 Mt 156.9 Mt

+0.8% +1.4%

Other Europe

2016 2017
42.1 Mt 43.7 Mt

+4.1% +3.7%

CIS

2016 2017
49.6 Mt 50.7 Mt

-1.6% +2.1%

Central & South America

2016 2017
40.8 Mt 42.5 Mt

+4.1%
-10.4%

Africa

2016 2017
39.5 Mt 41.1 Mt

+2.2% +3.9%

Middle East

2016 2017
53.0 Mt 53.1 Mt

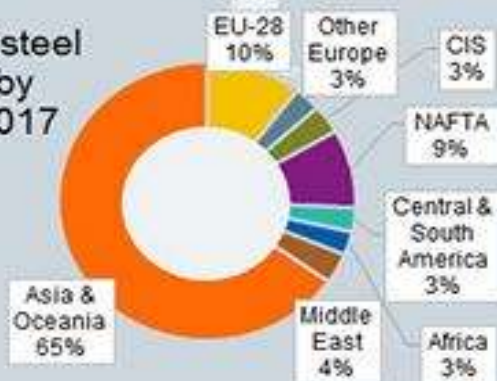
+0.3% +0.1%

Asia & Oceania

2016 2017
987.9 Mt 984.3 Mt

+0.5% -0.4%

Share of steel demand by region, 2017



World

2016 2017
1,501.3 Mt 1,509.6 Mt

+0.2% +0.5%

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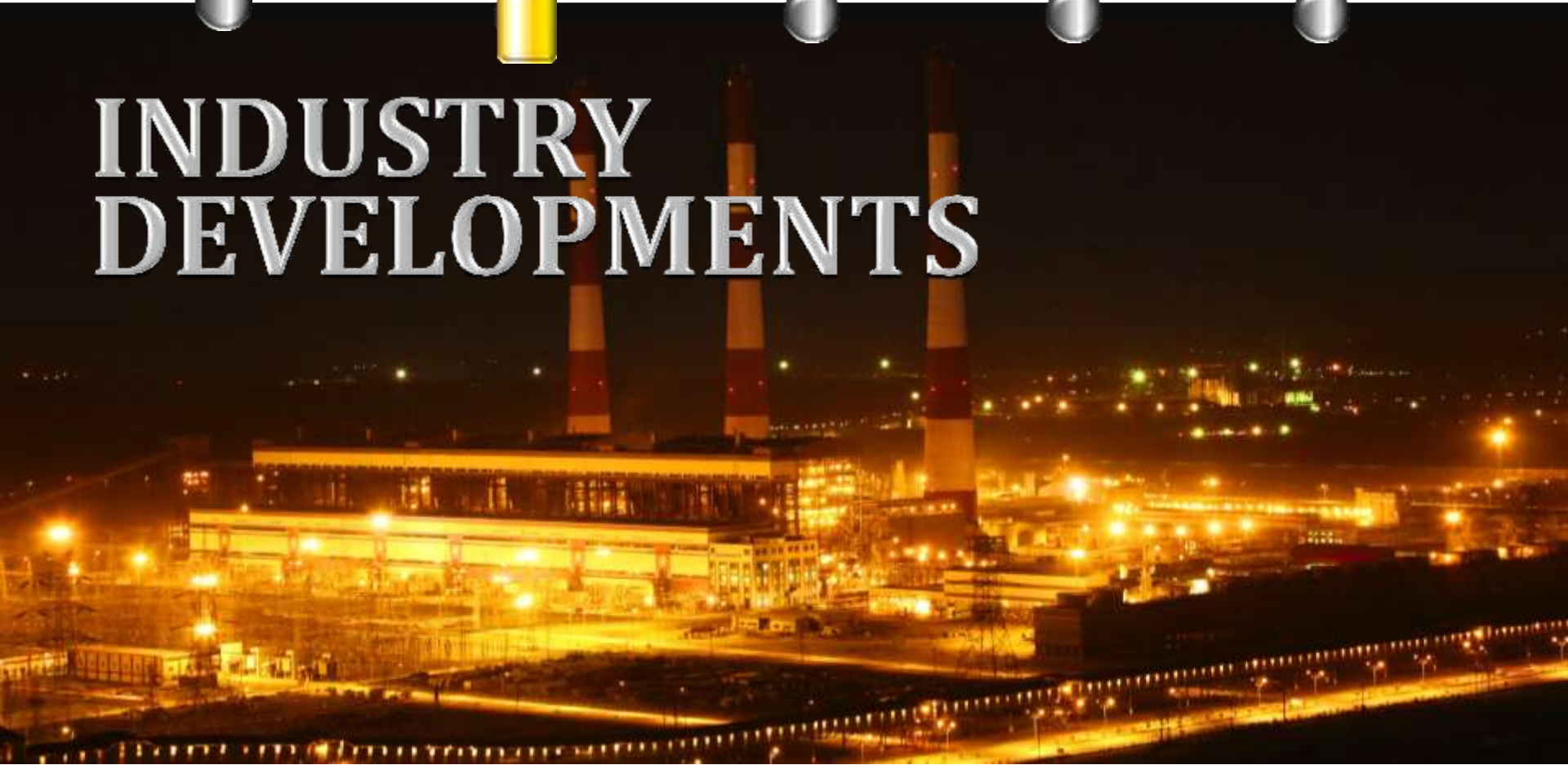
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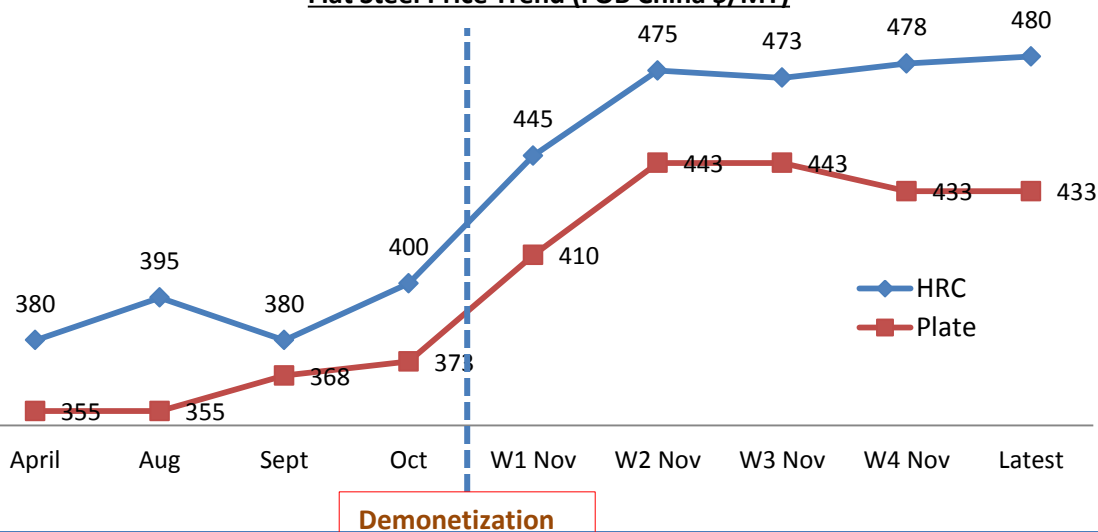
INDUSTRY DEVELOPMENTS



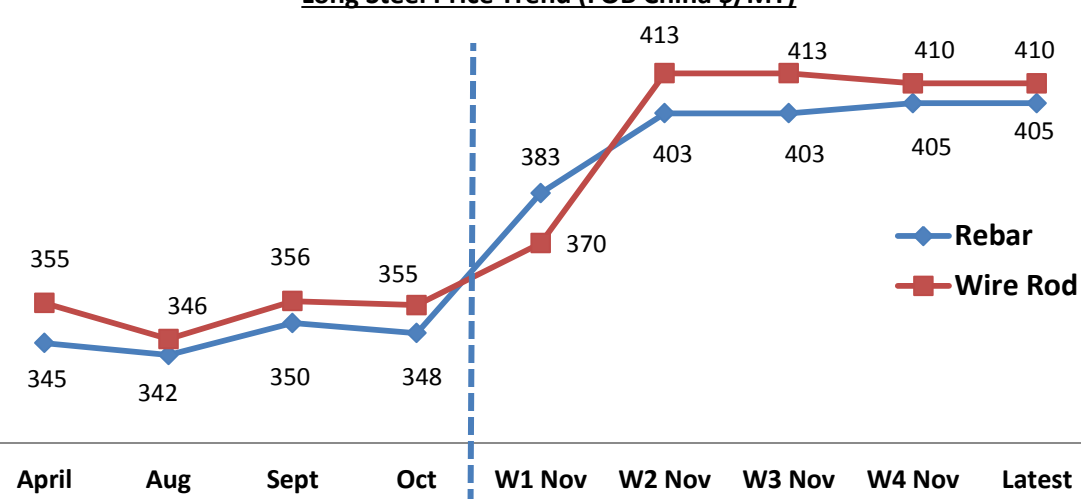
INDUSTRY UPDATE STEEL SECTOR

Global Finished Steel price trend

Flat Steel Price Trend (FOB China \$/MT)

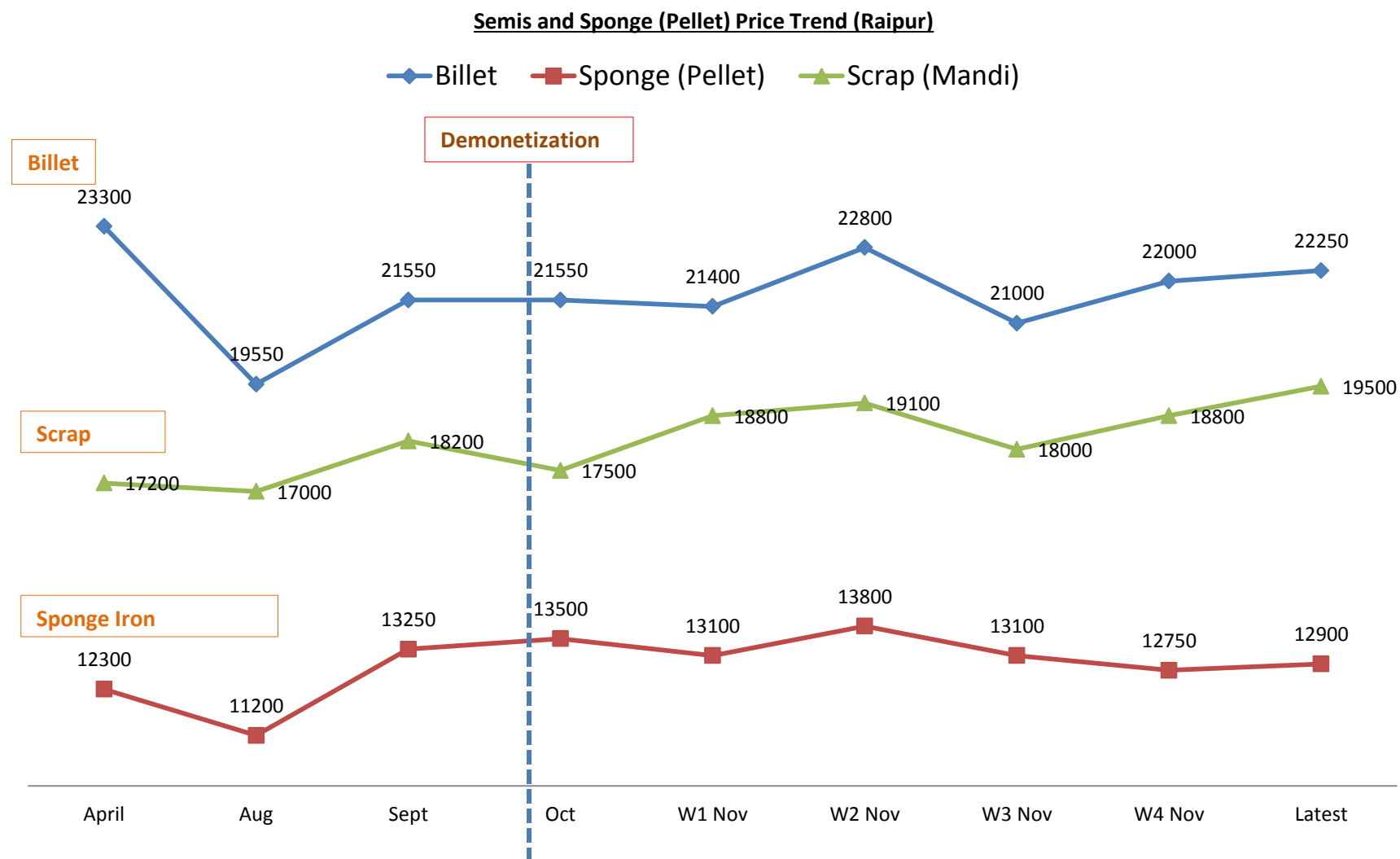


Long Steel Price Trend (FOB China \$/MT)



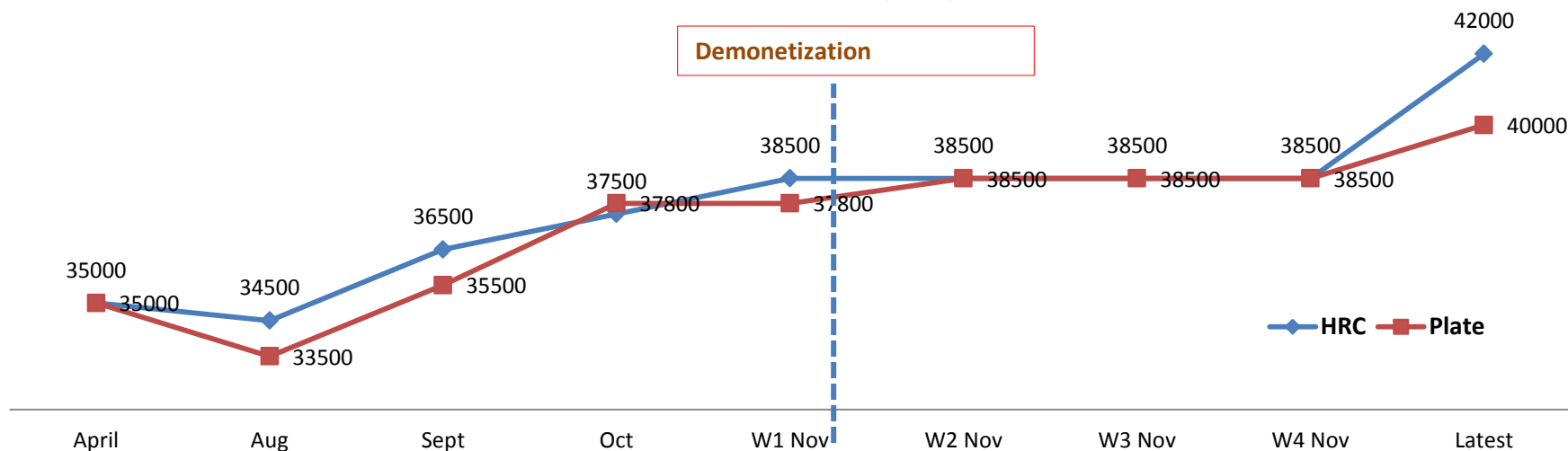
- Global Steel prices continuously rising since beginning of the year
- From April to till date:
 - HRC (FOB China) : up by ~ \$100/MT
 - Plate (FOB China) : up by ~ \$78/MT
 - Wire Rod (FOB China): up by \$55/MT
 - Rebar P (FOB China): up by \$60/MT

Domestic Semis and steel Intermediary price trend

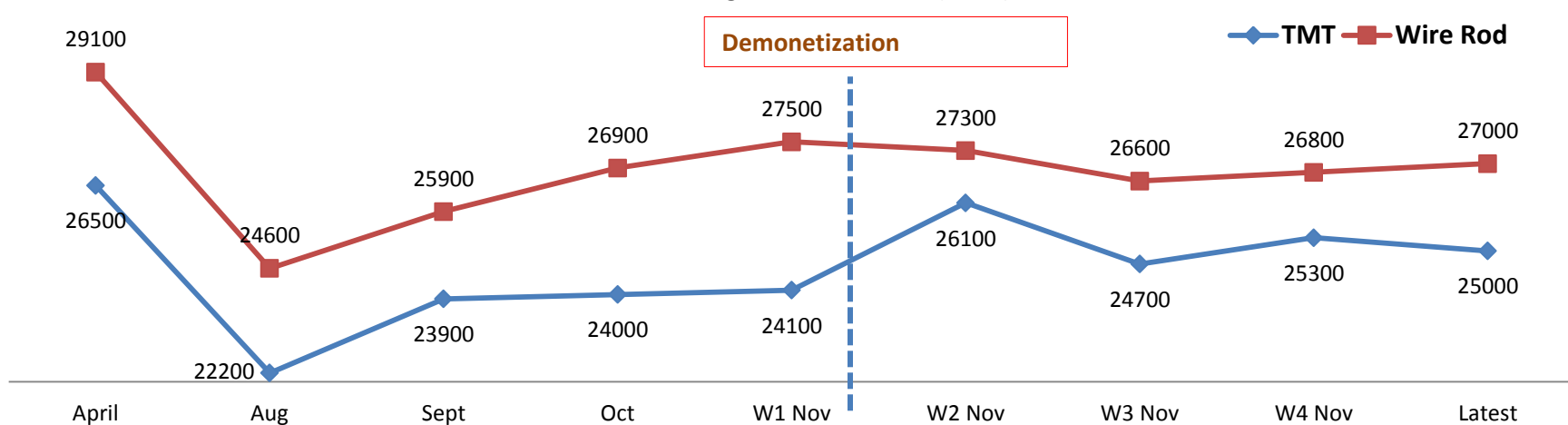


Domestic Finished steel price trend

Flat Steel Price Trend (Delhi)



Trade Long Steel Price Trend (Delhi)



Domestic Iron Ore prices on the upswing

Iron Ore Lump Prices

Odisha's iron ore lumps prices increased by

- **12.5% over last 4 months**

Chhattisgarh's iron ore lumps prices increased by

- **23.5% since Apr'15**



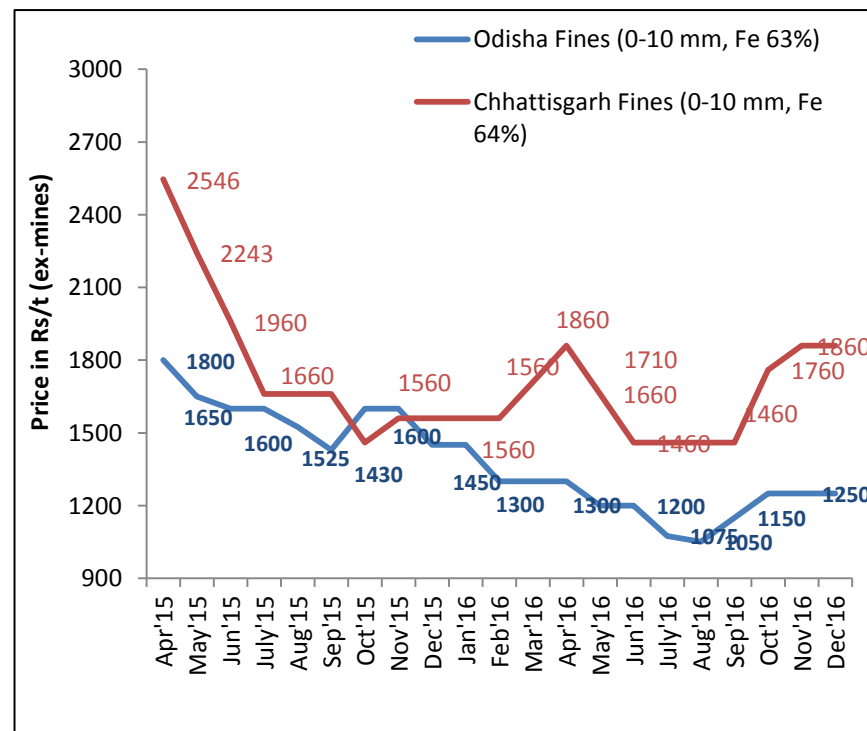
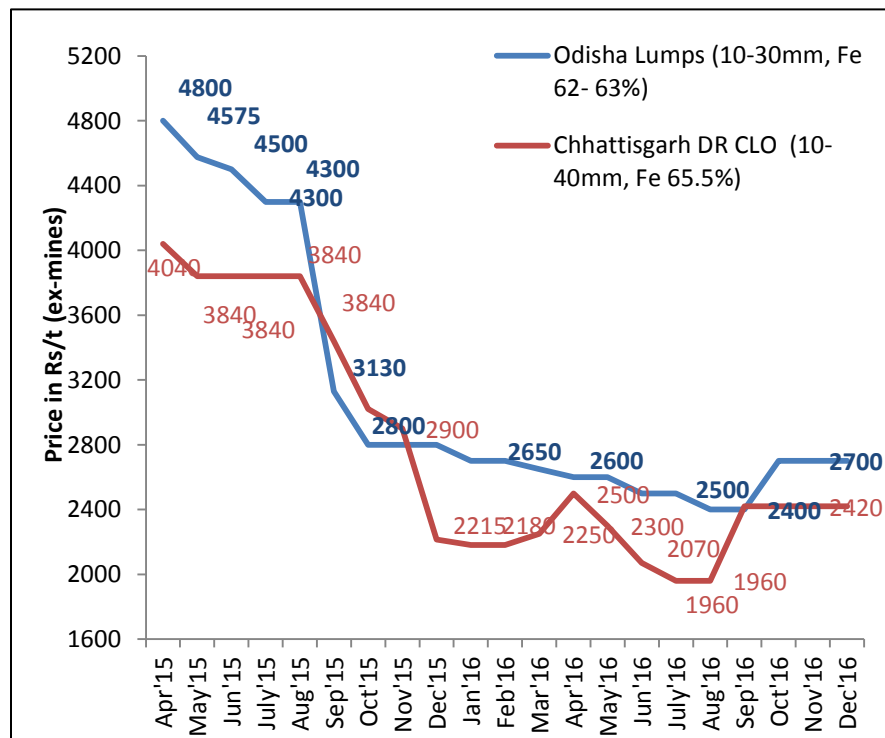
Iron Ore Fines Prices

Odisha's iron ore fines prices increased by

- **19.0% over last 4 months**

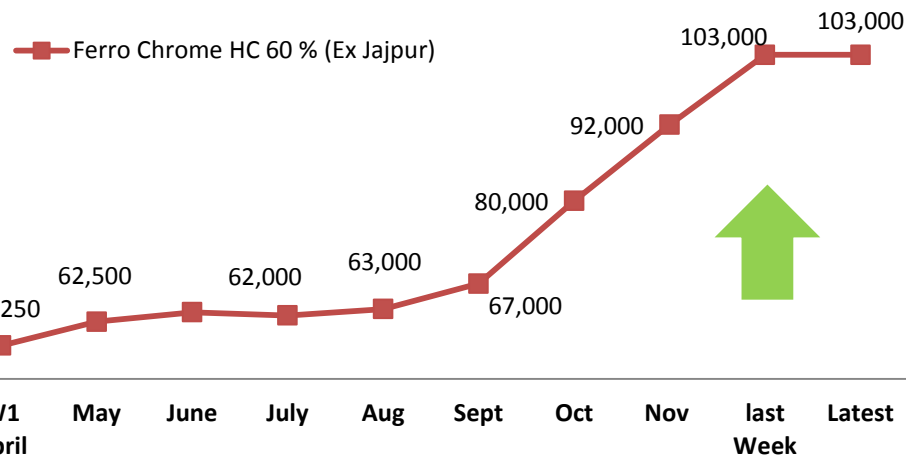
Chhattisgarh's iron ore fines prices increased by

- **27.3% over last 4 months**



Domestic Ferro Alloy and other ore price firmed up:

Price Trend: Ferro Alloy

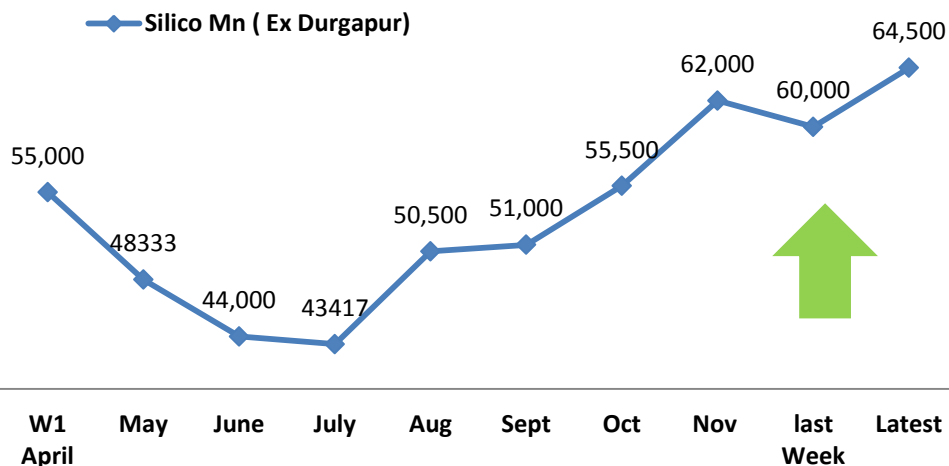


Since April '16 - till date:

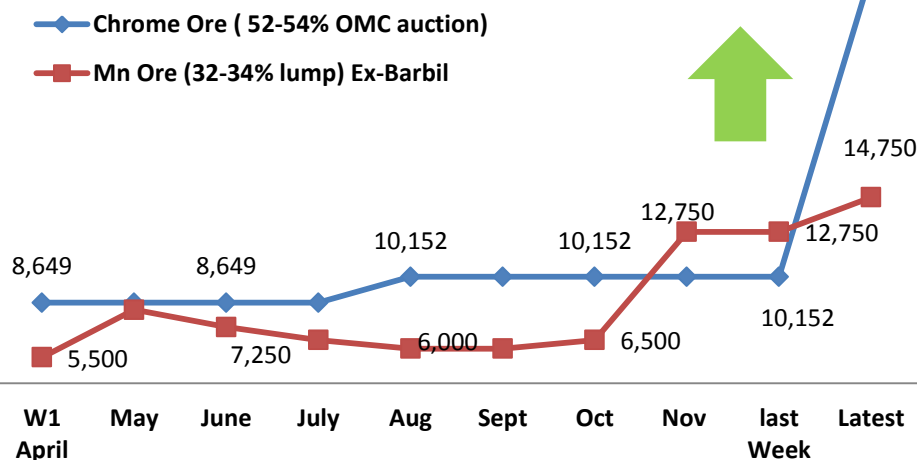
Some benchmark prices follow the following trend:

- Ferro Silicon : Up by 5%
- Ferro Chrome : Up by 80%
- Silico Mn : Up by 17%
- Mn Ore : Up by 168%
- Chrome Ore : Up by 220%

Price Trend: Silico Mn

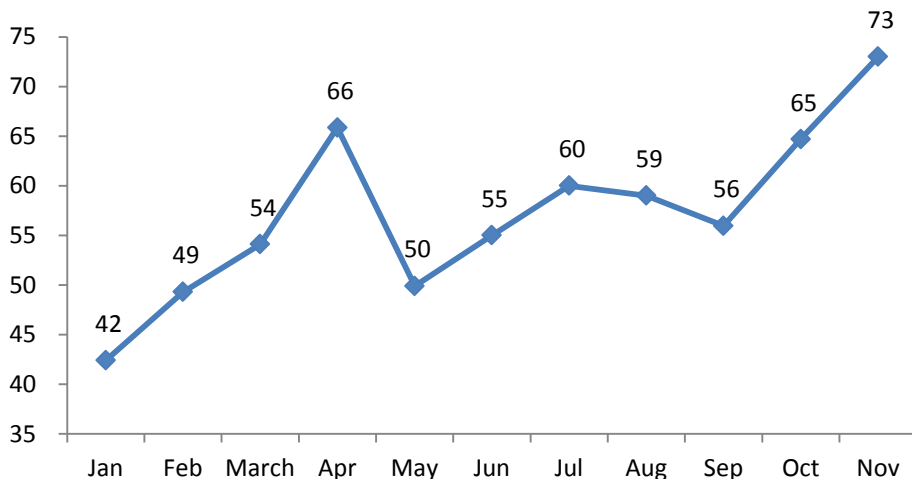


Price Trend: Cr & Mn Ore



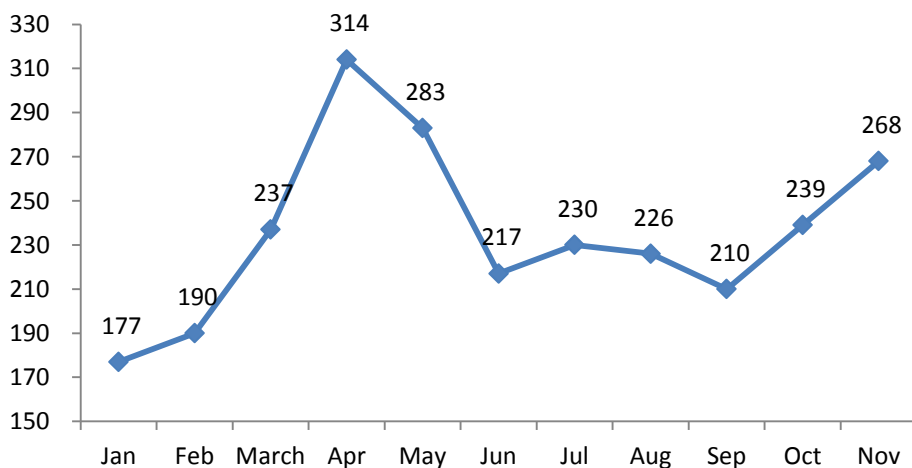
International Raw Material Price movement

Iron Ore (CFR China \$ / MT)

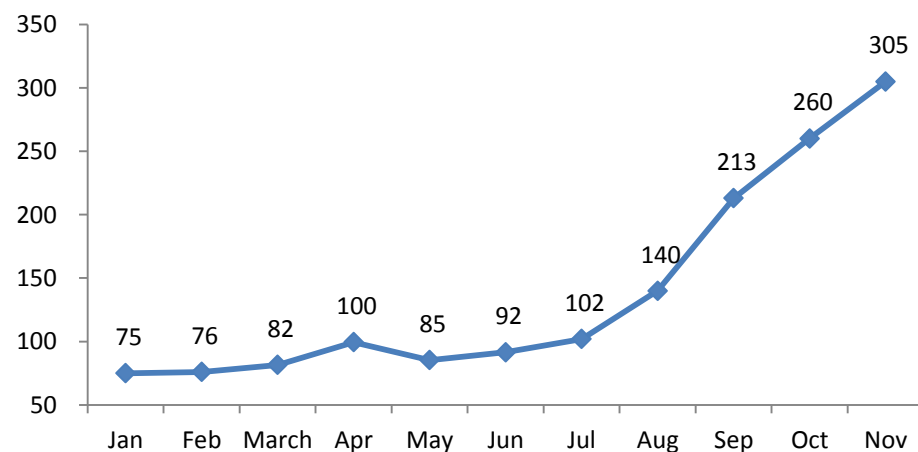


- Iron ore has increased 72% from January
- Coking coal has increased 300% from January
- Scrap has increased 51% from January

Scrap (CFR Turkey \$ / MT)

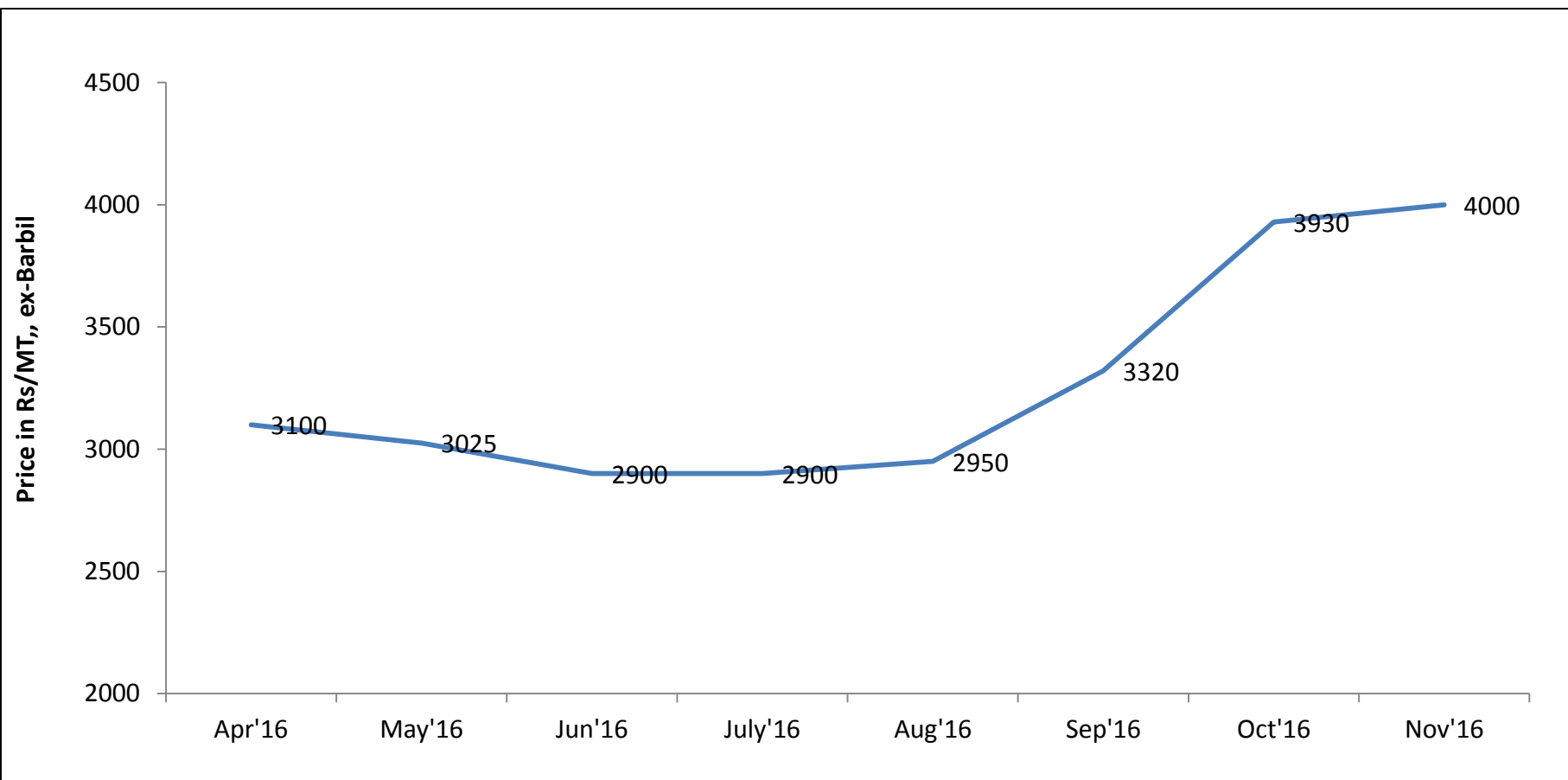


Coking Coal FOB Aus (\$ / MT)



Increasing Pellet Prices (Domestic)

With the pellet exports picking up, the domestic Pellet prices in Barbil region saw an increase of around 36% in the last four months



International Iron Ore & Pellet Prices trend (CFR China - \$/MT)

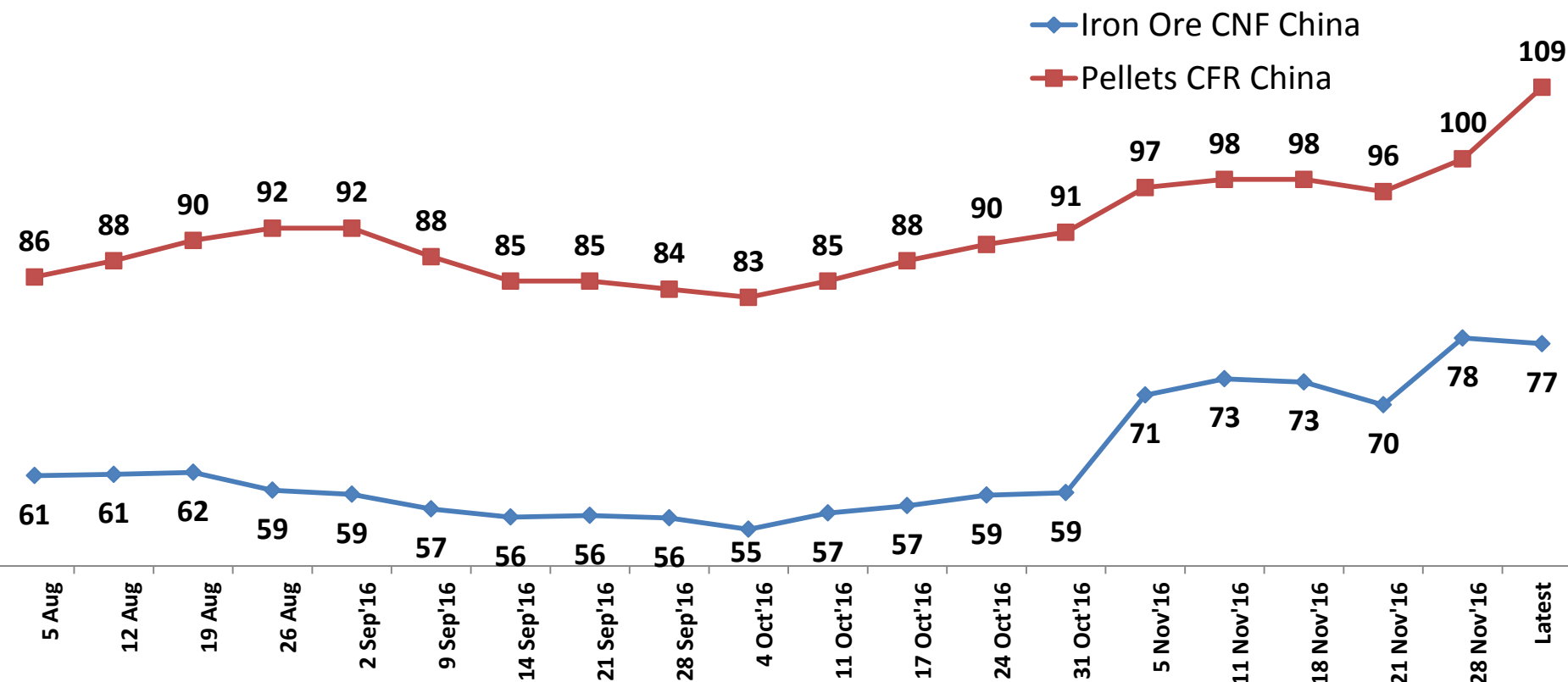
International Pellet Prices:

- increase by 27.5%
(Aug to till date)



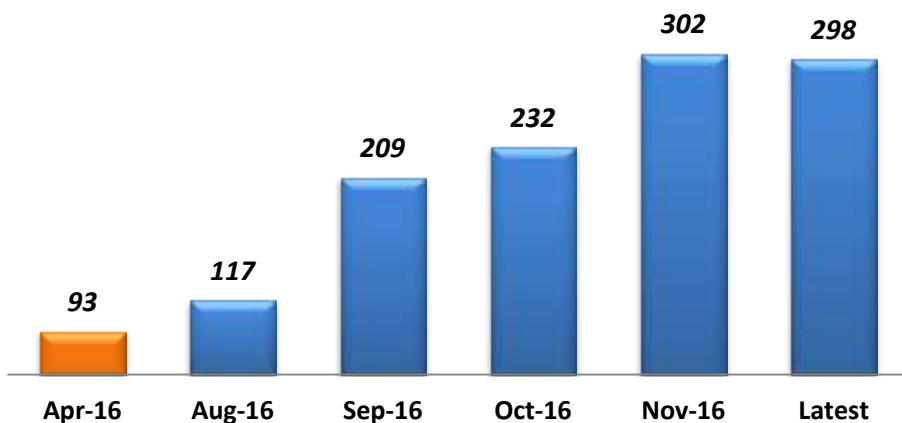
International Iron Ore Fines (Fe 62%)

- Increase by 26.5 %
(Aug to till date)

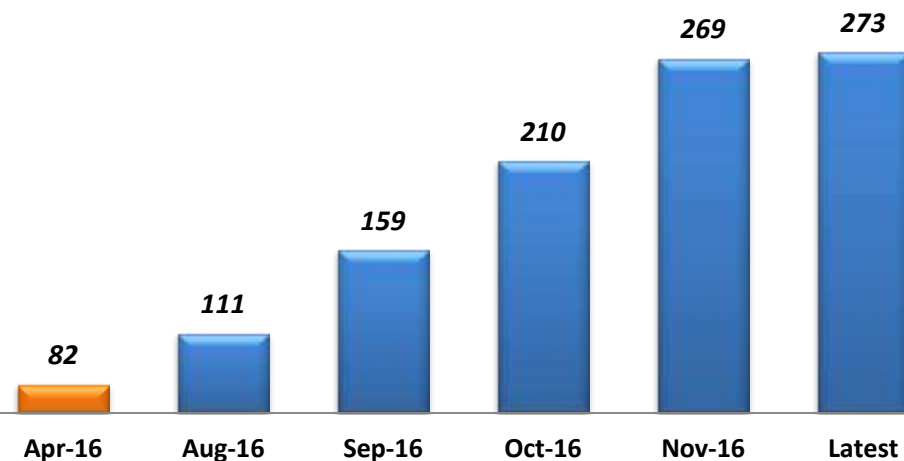


International Coal : Price Trend

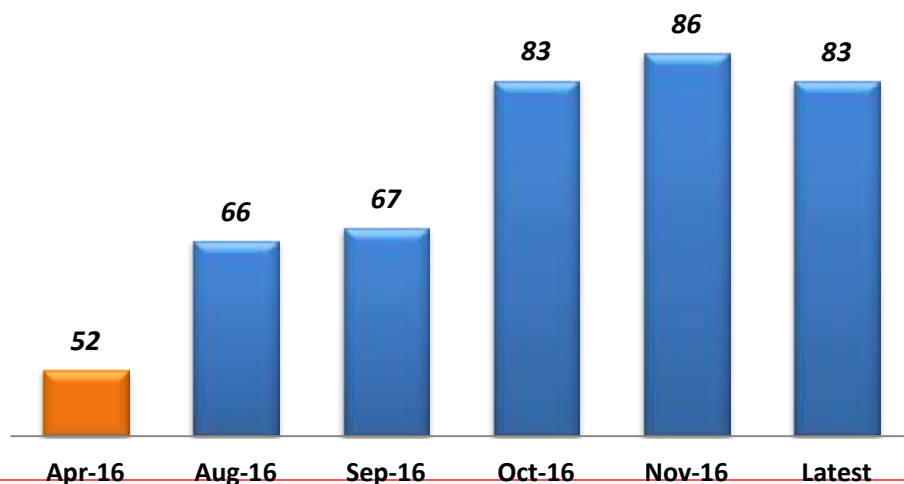
Prime Hard Coking Coal (\$/MT FOB Australia)



Semi Hard Coking Coal (\$/MT FOB Australia)



Steam Coal RB1 (\$/MT FOB S Africa)



International Coal Prices firming day by day : (From April '16 till date:)

- Prime Hard Coking Coal: Up by \$205/MT (FOB Australia)
- Semi Hard Coking Coal : Up by \$191/MT (FOB Australia)
- Steam Coal RB1 Coal : Up by \$31/MT (FOB S. Africa)

Global Coal prices on the rise too..

Coking Coal Prices

Australian Coking Coal prices increased by
- **195% over last 4 months**



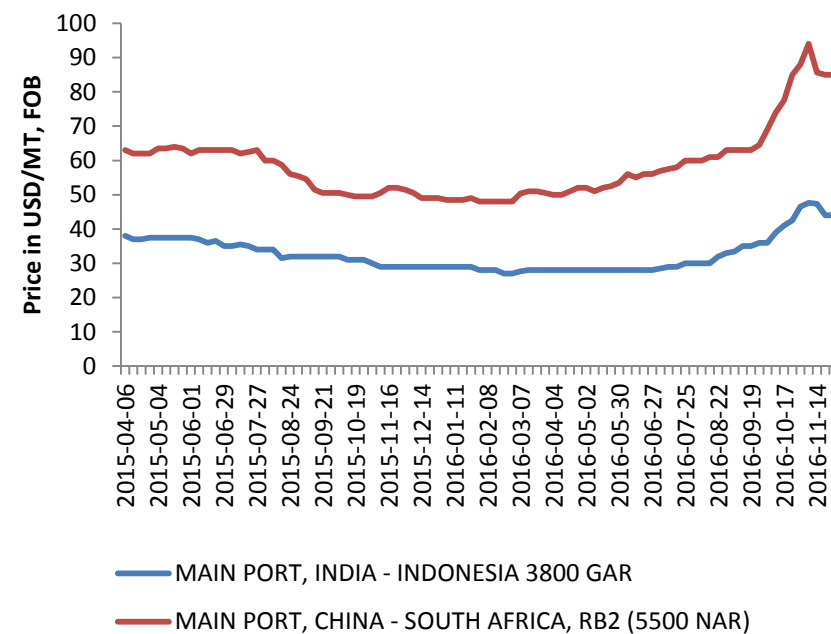
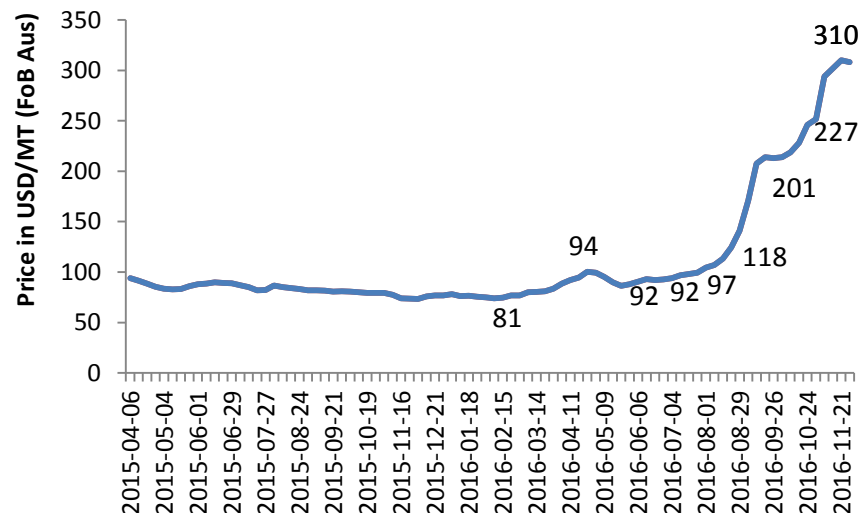
Thermal Coal Prices

Indonesian Thermal Coal prices increased by

- **47% over last 4 months**

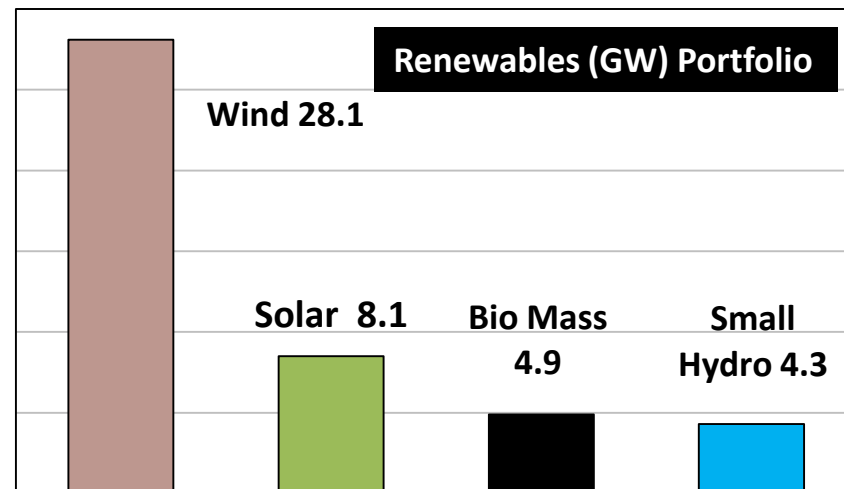
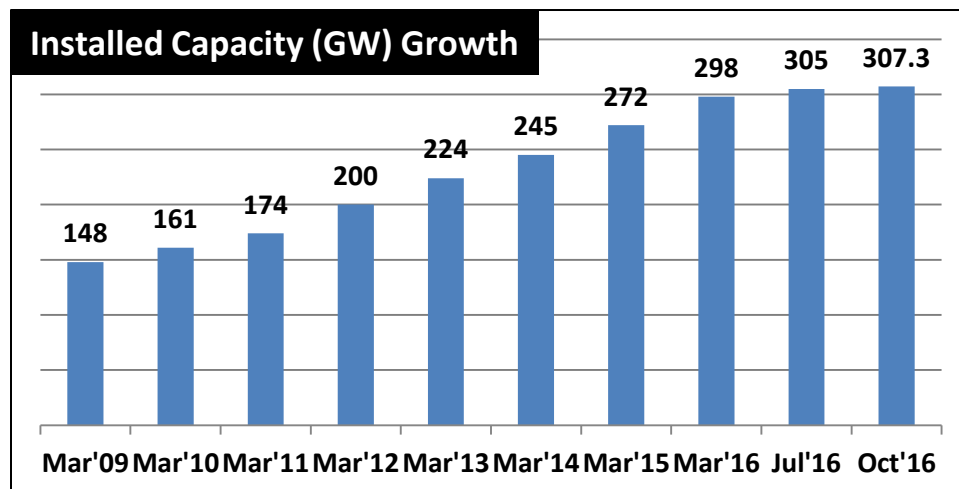
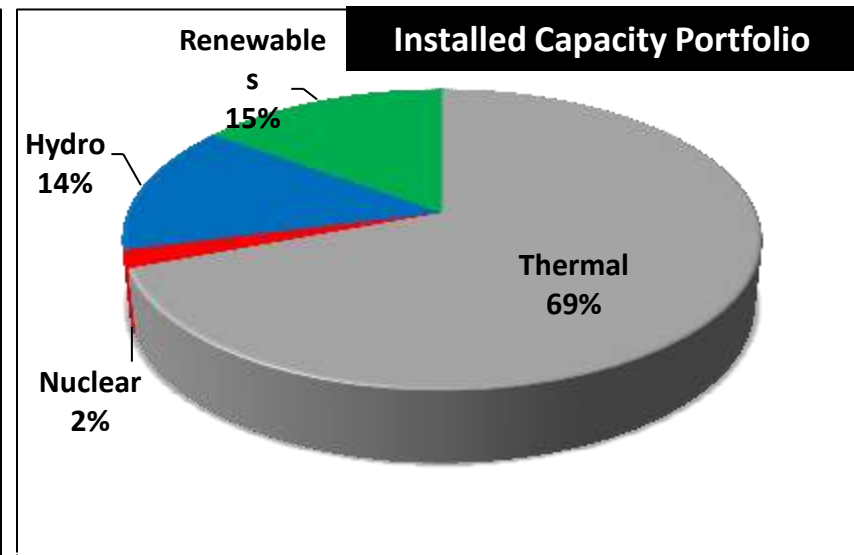
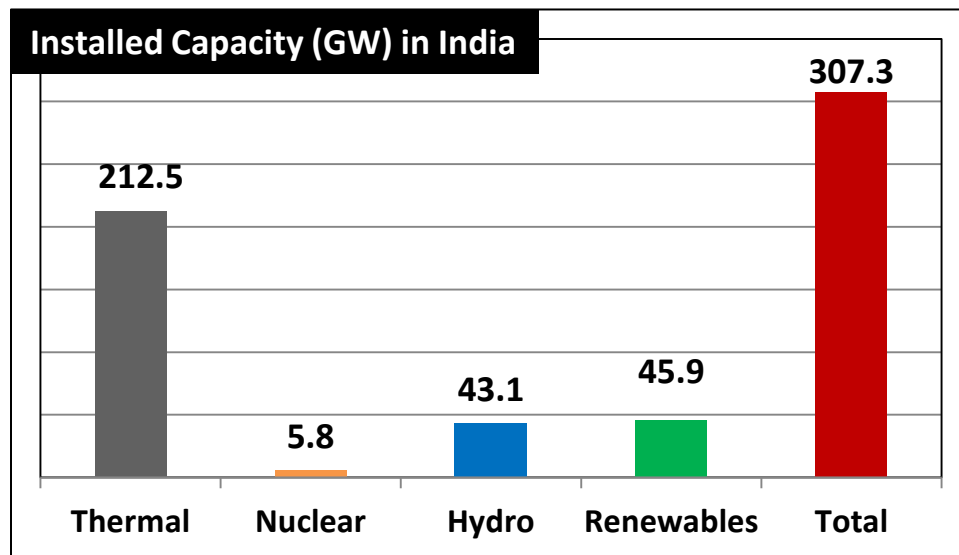
South African RB2 Coal prices increased by

- **42% over last 4 months**

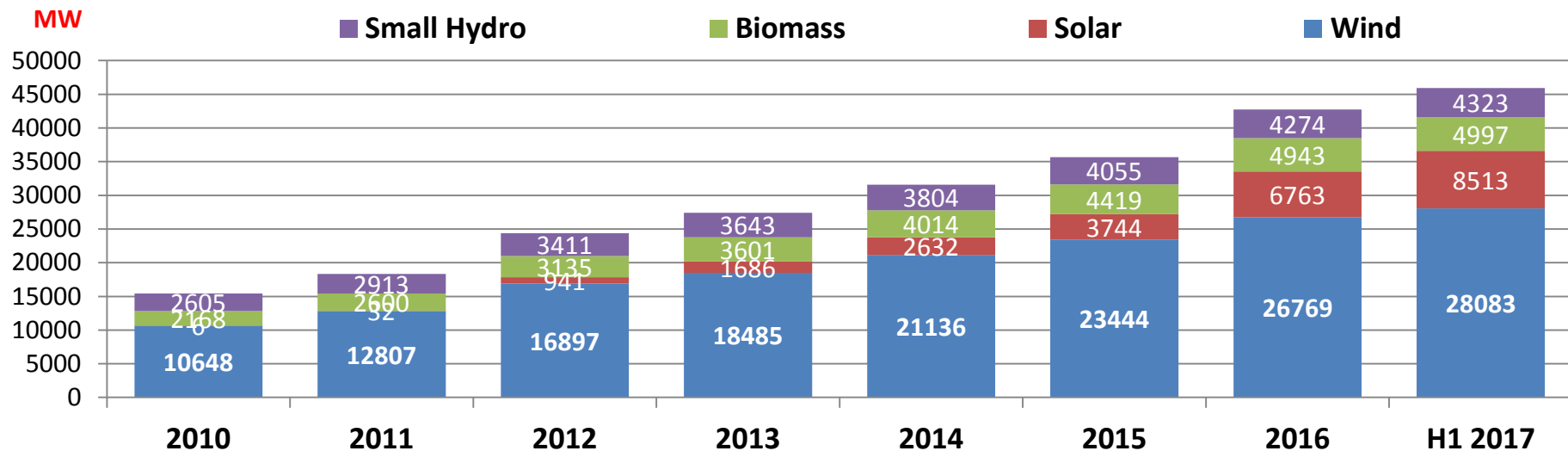


INDUSTRY UPDATE POWER SECTOR

Installed Capacity in India (Oct 2016)



Growth of Renewables



RES Type	% CAGR since 2012
WIND	15.62 %
SOLAR	87.62 %
BIOMASS	13.61 %
SMALL HYDRO	7.00 %

Target for 2022

Target for
FY 17

Additions in
Apr-Sep'16

WIND

60 GW

4 GW

1.3 GW

SOLAR

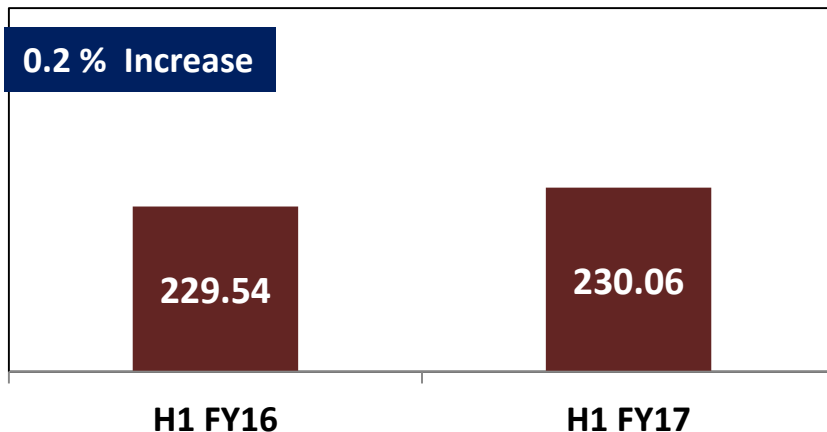
100 GW

12 GW

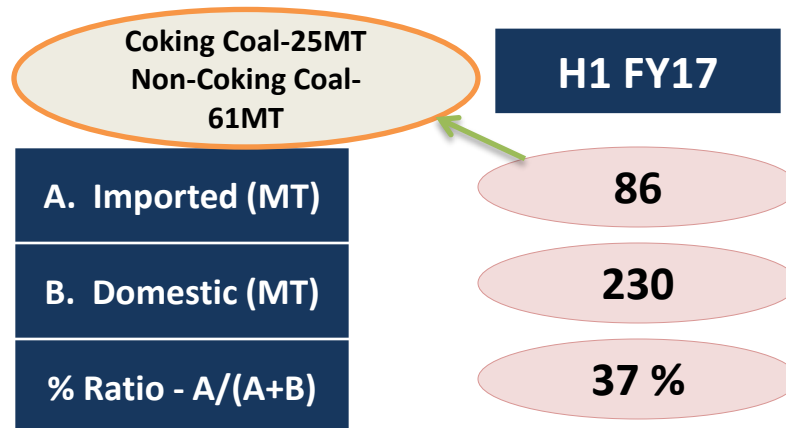
1.75 GW

Major Highlights (Sep 2016)

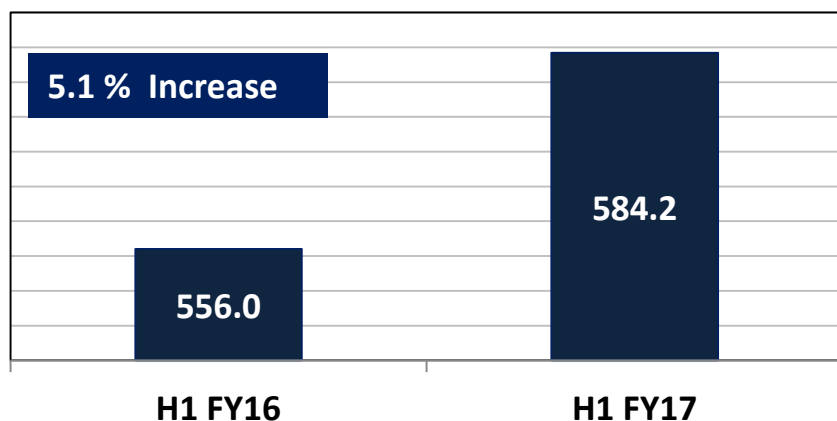
CIL Production in Million Tonnes



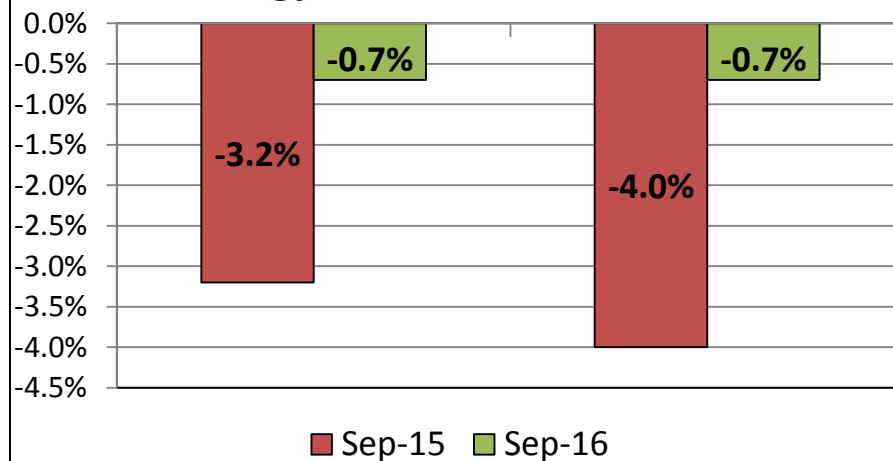
Imported Coal as % of Total Requirement



Electricity Generation in BUs



Energy Deficit



PRESENTATION OUTLINE

Q2'FY17

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**BRIEF
BACKGROUND**

Steel

Power

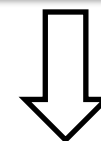
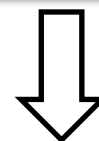
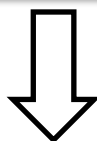
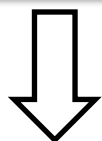
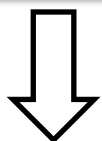
Mines & Minerals

Global Ventures

Construction Material & Solution



Current Capacities – Domestic & Global



5.1 MTPA Steel*

IPP – 3400** MW
CPP – 1634 MW
Renewable – 24 MW

3.11 MTPA*

2 MTPA Steel
6.25 MTPA Mines

Cement
Road solutions
LGS

*Domestic

**Includes 600 MW - synchronized & will be commissioned in FY17

Steel Capacities across Life Cycle

Iron Making (6.75 MTPA)

DRI 3.12 MTPA

BF 2.13 MTPA

HBI 1.50 MTPA

Liquid Steel (7.10 MTPA)

SMS 7.10 MTPA

Finished Steel (6.55 MTPA)

WRM 0.60 MTPA

RUBM 0.75 MTPA

MLSM 0.60 MTPA

Plate Mill 2.20 MTPA

BRM 2.4 MTPA

BRM in Angul 1.4* - Commissioning in FY17

— Effective Finished Steel 7.95 MTPA

Detailed plant wise capacities

Raigarh (Chhattisgarh)	Angul (Odisha)	Barbil (Odisha)	Patratu (Jharkhand)	Oman	JPL	Mining
BF 2.125 MTPA	CGP 225,000 Nm3/Hr					
DRI 1.32 MTPA						
SMS 3.6MTPA	DRI 1.8 MTPA			SMS 2.0 MTPA	Tamnar 2800 MW	Iron Ore 3.11 MTPA
Plate Mill 1.00 MTPA	SMS 1.5 MTPA	Pellet Plant 9 MTPA	WRM 0.60 MTPA	HBI 1.5 MTPA		
RUBM 0.75 MTPA						
MLSM 0.60 MTPA	Plate Mill 1.2 MTPA		Rebar Mill 1.0 MTPA	BRM 1.4 MTPA	600 MW*	Coal Overseas 6.20 MTPA
CPP 839 MW	CPP 810 MW					

Power
 Hot Metal
 Liquid Steel
 Finished Steel

** To be commissioned

Steel

Insights into few products...

India's first manufacturer of Parallel Flange Beams

- 0.75 MTPA Rail & Universal Beam mill
- Dual Hot Saws
- Variable pitch for controlled residual stress removal



Plates – Making Steel Stronger

- 1.2 MTPA 5m wide Plate Mill in Angul
- India's widest Plate Mill
- Can roll up to 5m wide Plates
- 1.4 KM long shop



Plates – Making Steel Stronger

Development of Import Substitutes



160mm S355 J2 + N grade for high strength Structure for Cranes



API grades upto X80 for Line Pipes



Boiler Quality plates upto 150mm



High strength 690 QL grade Quenched & Tempered for Mining / Construction / High Temperature



ASTM 537 classII upto 120mm for HYDRO Projects

Plates for Defence Application



Plates for Naval application



Armour plate for battle guns



Plates for battle tanks

550 MPA strength steel for construction application

Making Steel - Lean & Clean...

Prefabricated Steel – India's biggest & most versatile prefab facility

- **230 Acres facility**
- **2 lakh MT per annum capacity**

Segments Served



Power plant



High rise Buildings



Bridges

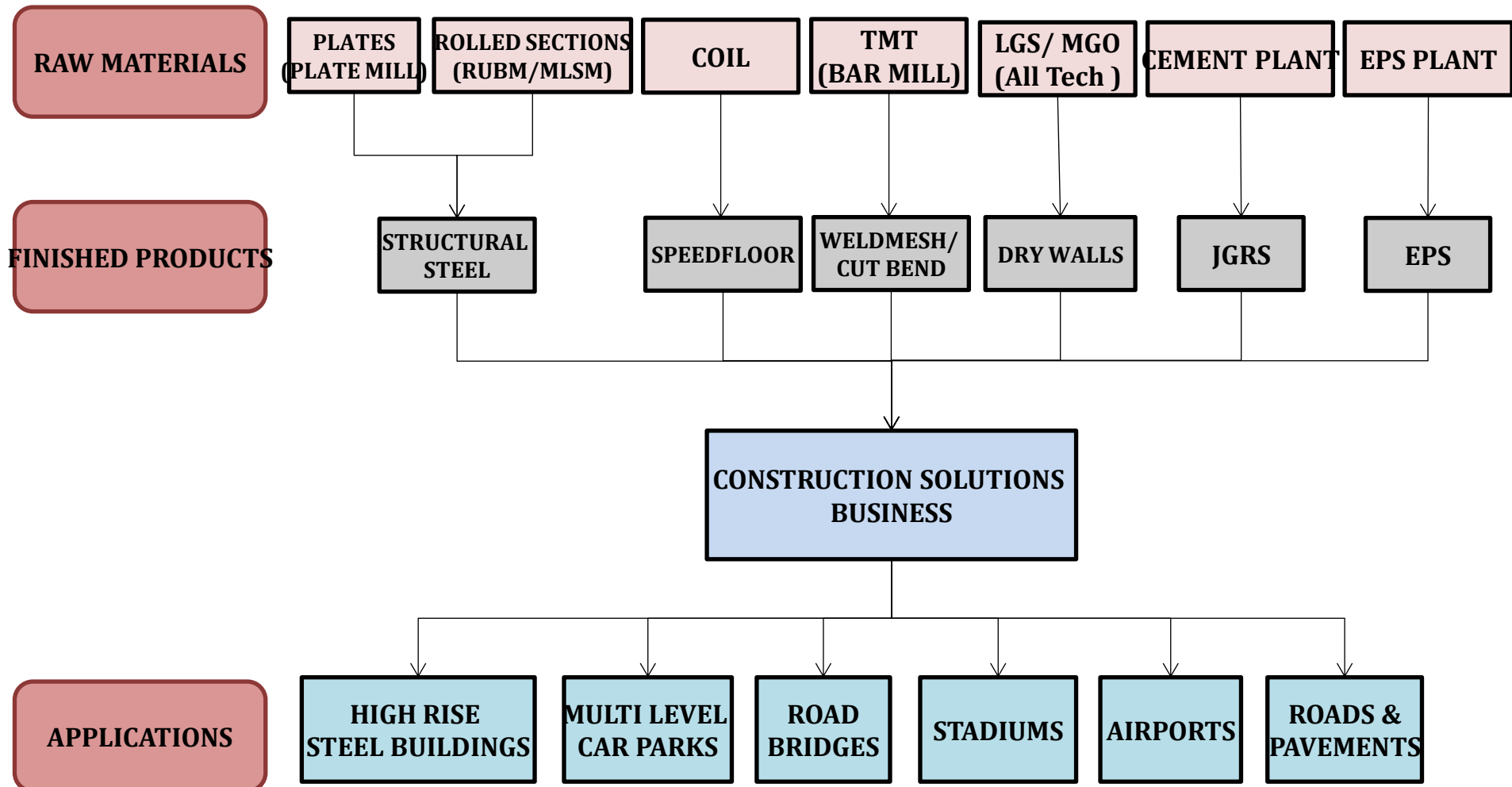


Stadiums / Airports



Industrial Buildings

CSB offers solution package of all JSPL's products to various target markets



Ready to Use Steel

- Facilities located at Faridabad, Patratu, Angul and Raigarh

Products

Cut & Bend

Stirrup

Cut Straight

Weldmesh

Advantages

Cost effective

Zero wastage

Minimum storage

Reduced dependency on manpower

Simple and safe

Instant usability

Faster completion of work

JSPL - Power Capacities



Independent Power Projects (IPP)

Project	Capacity (MW)	Fuel	Configuration	Status
Tamnar 1(a)*	1,000	Coal	4x250 MW	Operational
Tamnar 2(a)	2,400	Coal	4x600 MW	1,800 MW operational, balance 600 MW synchronized
Satar (b)*	24	Wind	18x1.5 MW	Operational

Captive power projects (within JSPL)

Project	Capacity (MW)	Fuel	Configuration	Status
DCPP, Raigarh	540	Coal	4x135 MW	Operational
JSPL, Raigarh	284	Coal & waste heat	2x25 MW & 40 MW (Waste heat) 2x55 MW 3x25 MW 24 MW	Operational
Angul, Odisha	810	Coal	6 x135 MW	Operational

One of the largest thermal portfolios in India

96.43% subsidiary of JSPL



EUP -I

1000MW (4 X 250)

EUP -II

1200MW (2 X 600)

EUP -III

1200MW (2 X 600*)

***600 MW Synchronized, Await Commissioning**

PPA Arrangements

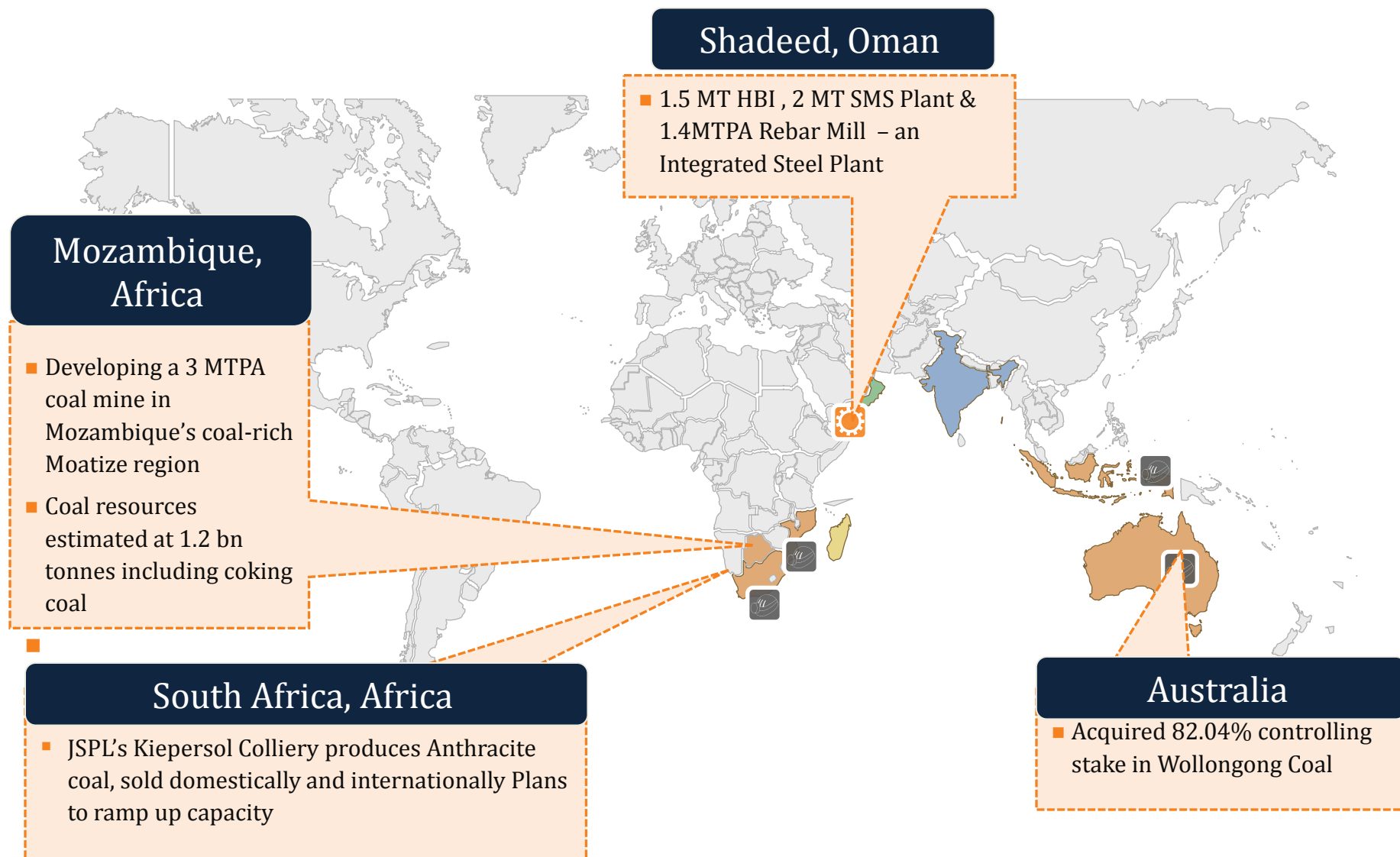
Project	Buyer	Type	Period		Quantum (MW)
			From	To	
Tamnar II (Phase 1)	Tamil Nadu	Long Term	Feb-14	Sep-28	400
Tamnar II (Phase 1)	KSEB	Long Term	Jun-16	May-41	200
Tamnar II (Phase 1)		Long Term	Oct-17	Sep-42	150
Tamnar II (Phase 1)	Chhattisgarh	Long Term	After commercial operation of Unit and for complete life of plant		60
Tamnar II (Phase 2)		Long Term	After commercial operation of Unit and for complete life of plant		60

Over 30% of total capacity tied up *

Key Contractual Arrangements for JPL

		Tamnar-I, 1,000 MW (EUP I)	Tamnar-II - 1,200 MW (EUP II)	Tamnar-II - 1,200 MW (EUP III)
FSA		- Awaiting clarity on Tara Coal Block - In the interim, coal sourced through – market purchase and e-auction	Long term linkage from Mahanadi Coal Limited (MCL) and South Eastern Coalfields Limited (SECL)	- Awaiting clarity on Gare Palma IV/2 & 3 Coal mine - Market purchase and e-auction
PPA		Bilateral/short term/merchant	- TNEB – 400MW - CSEB – 60MW - KSEB – 200MW - KSEB – 150MW	CSEB – 60MW
Evacuation		258km transmission line from plant to national grid	Full Open access for 400MW TNEB PPA commenced from Oct 2015	Open access to be finalised against PPAs

Raw materials, transmission & PPAs in place for achieving higher PLF



Holding structure for global operations

Jindal Steel & Power Ltd

Listed Operating Entity in India

Jindal Steel & Power (Mauritius) Ltd

Holding company for overseas business

Oman

2 MTPA Steel plant

Australia

Coking Coal

South Africa

Anthracite Coal

Mozambique

Thermal/ Coking Coal

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OPERATIONAL
PERFORMANCE

Performance highlights

JSPL's Consolidated Steel Sales for Q2FY16-17 were 1.08MT up 12% YoY (0.97MT in Q2FY15-16)

JSPL's Consolidated Steel Production for Q2FY16-17 was 1.16MT up 13% YoY (1.03MT in Q2FY15-16)

1.4 MTPA Angul Rebar mill stabilized and all sections produced.

JPL EBITDA increases by 8% YoY.

Barbil records 83% growth in Market sale of pellets (0.73 million in Q2 FY17 vs 0.4 million in Q2FY16)

RDSO certification received for Jindal Panther TMT rebars;

JSPL becomes India's biggest Pellet exporter in Q2, FY 2016

Performance Highlights

Oman

- 60% growth in Steel production (280,000 MT in Q2 FY 17 vs 174,000 MT in Q2 FY16)
- 45% growth in Steel sales (269,000 MT in Q2 FY 17vs 180,000 MT in Q2FY16)
- Received UK Cares approval (for selling TMT in Oman), SASO approval (for selling in Saudi Arabia) and DCL approval (for selling in UAE)

Raipur Machinery Division

- *Secured Approval for supply of various castings & heavy fabricated items*
- Dispatched 2 nos of IBR approved U-Stamp Pressure Vessels which are highest pressure rated vessel supplied by JSPL Machinery Division, Raipur

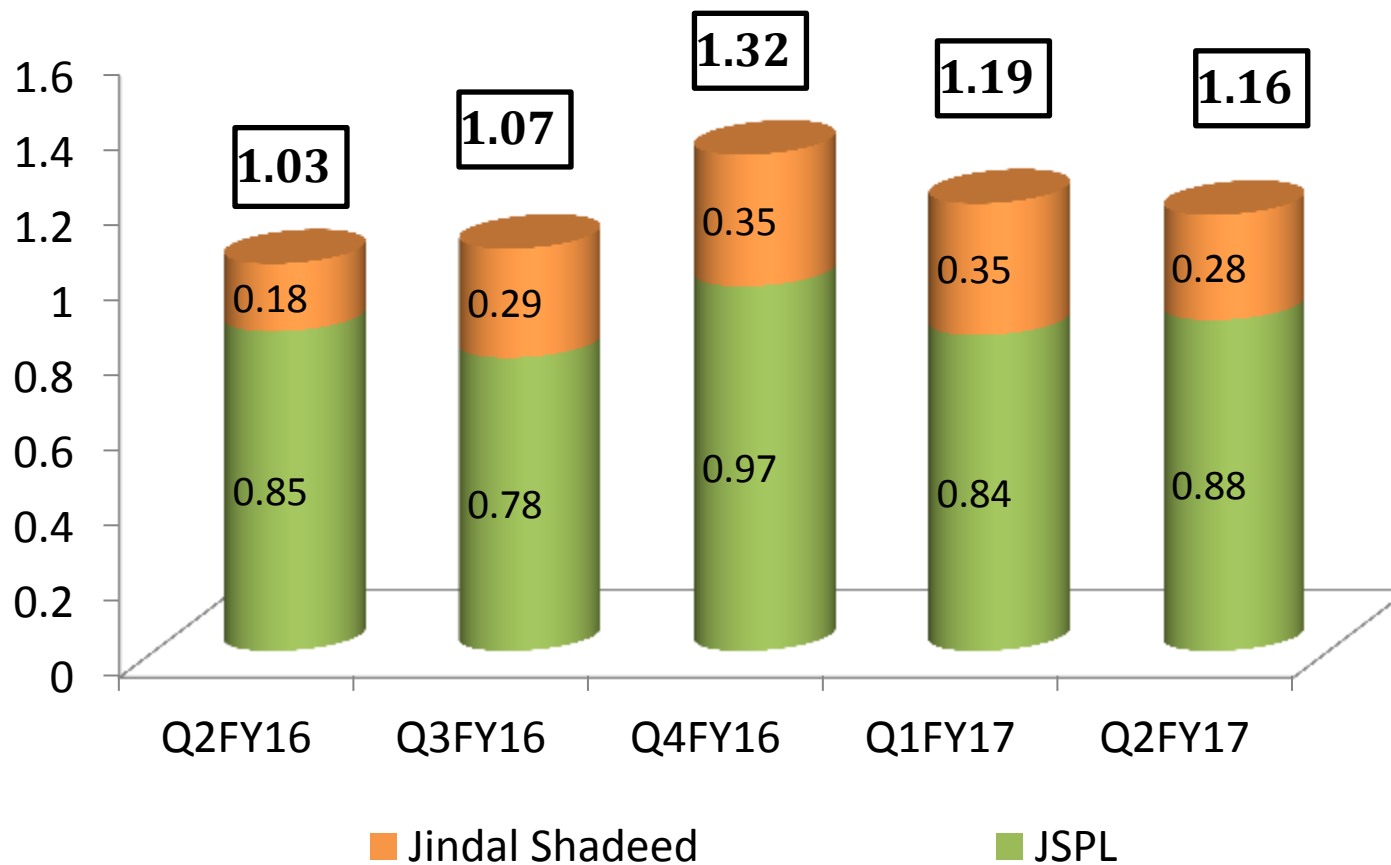
Construction Solution

- Break through orders for the supply of structures to the Building Segment
- Secured prestigious G+31 storied project of NCR for supply of structures
- Secured Raigarh - Pathalgaon Road project

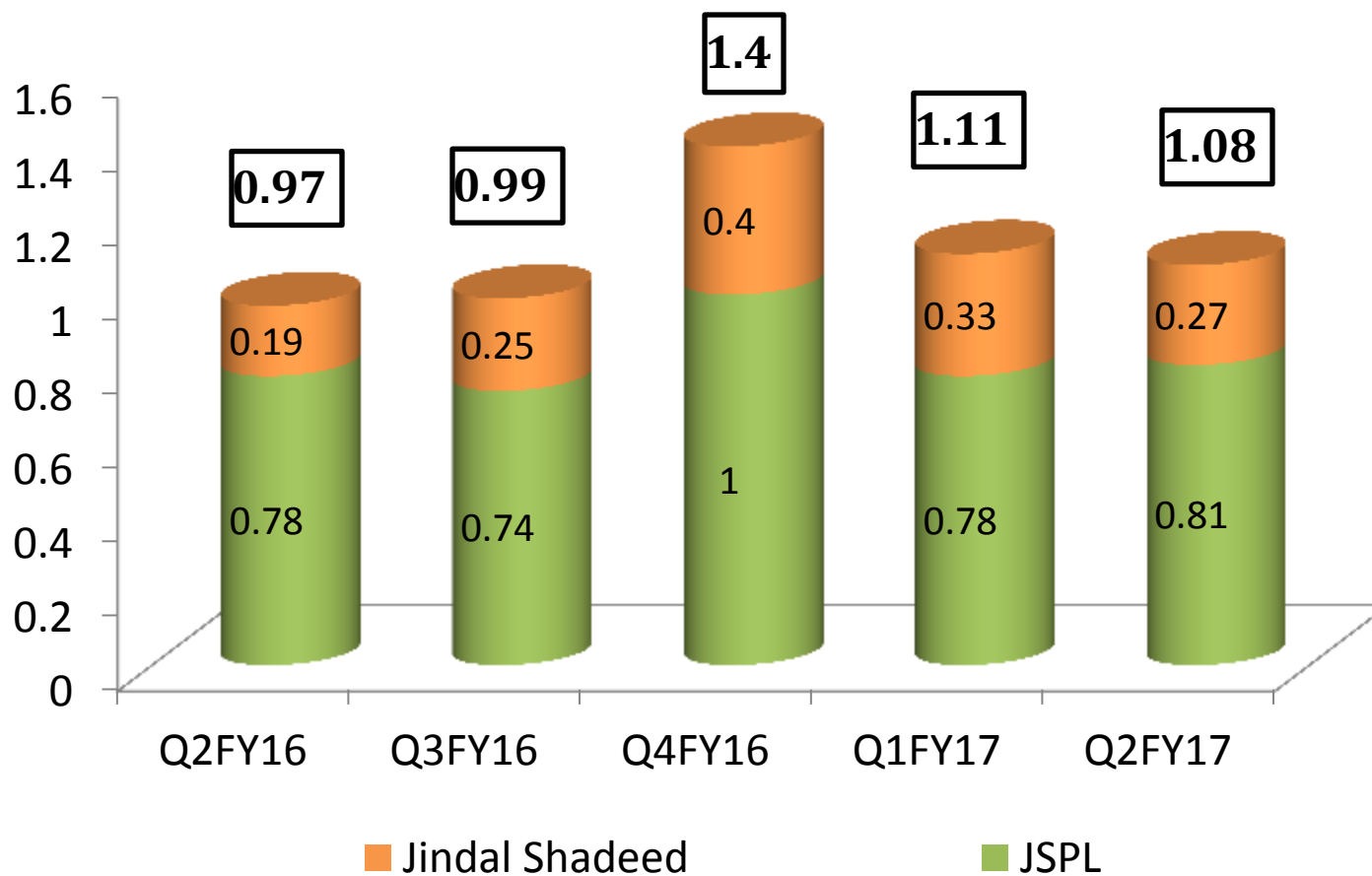
SSD Punjipatra

- Post plant approval from RDSO, Successfully executed the first Railway Overbridged (ROB) in record time.
- CE Certification of Plant – Now we can export fabricated steel structures to Europe

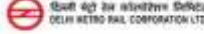
Consolidated Steel Production



Consolidated Steel Sales Volumes



PRESENTATION OUTLINE

Q2 FY'17

OUTLOOK

INDUSTRY
DEVELOPMENTS

BRIEF BACKGROUND

OPERATIONAL
PERFORMANCE

FINANCIAL
PERFORMANCE

FINANCIAL PERFORMANCE



Standalone Q2 FY 17 –Snapshot of Key Financials

Particulars	Q2FY17	Q2FY16	Q1FY17	%YoY	%QoQ
Total Revenue	3,126	3,175	3,124	-2%	--
EBITDA	531	636	659	-17%	-19%
EBITDA %	17%	20%	21%		
Depreciation	524	411	489	27%	7%
Finance Cost	654	674	601	-3%	9%
Profit/(Loss) Before Tax	(647)	(448)	(431)	-44%	-50%
Tax	(240)	(138)	(154)		
Profit/(Loss) After Tax	(407)	(310)	(277)	-31%	-47%

Particulars	H1FY17	H1FY16	%YoY
Total Revenue	6,249	6,315	-1%
EBITDA	1,190	1,356	-12%
EBITDA %	19%	21%	
Depreciation	1,013	1,047	-3%
Finance Cost	1,255	1,364	-8%
Profit/(Loss) Before Tax	(1,078)	(1,032)	4%
Tax	(394)	(350)	
Profit/(Loss) After Tax	(684)	(682)	--

Consolidated Q2 FY 17 –Snapshot of Key Financials

Particulars	Q2FY17	Q2FY16	Q1FY17	%YoY	%QoQ
Total Revenue	4,666	4,736	4,687	-1%	--
EBITDA	848	1,002	1,015	-15%	-16%
EBITDA %	18%	21%	22%		
Depreciation	999	844	917	18%	9%
Finance Cost	872	765	853	14%	2%
Exceptional Items	--	(439)	(626)		
Profit/(Loss) Before Tax	(1,021)	(1,045)	(1,381)	2%	26%
Tax	(274)	(59)	(141)		
Profit/(Loss) After Tax	(747)	(986)	(1,240)	24%	40%

Particulars	H1FY17	H1FY16	%YoY
Total Revenue	9,352	9,189	2%
EBITDA	1,864	2,046	-9%
EBITDA %	20%	22%	
Depreciation	1,916	1,840	4%
Finance Cost	1,725	1,616	7%
Exceptional Items	(626)	(439)	
Profit/(Loss) Before Tax	(2,402)	(1,832)	-31%
Tax	(415)	(265)	
Profit/(Loss) After Tax	(1,987)	(1,567)	-27%

JPL – Snapshot of Key Financials

Particulars	Q2FY17	Q2FY16	Q1FY17	%YoY	%QoQ
Net Sales	734	893	668	-18%	10%
EBITDA	182	168	182	8%	--
EBITDA %	25%	19%	27%		
Profit/(Loss) Before Tax	(246)	(160)	(217)	-54%	-13%
Profit/(Loss) After Tax	(205)	(153)	(217)	-34%	6%
Depreciation + Amortization	354	312	322	13%	10%
Cash Profit	107	142	104	-25%	3%
Generation (MU)	2,313	2,728	2,171	-15%	7%
PLF(%) - 4X250 MW	51%	60%	51%		
PLF(%) - 3X600 MW	30%	35%	27%		

Future focus

- **Improvement of NSR and EBITDA.**
- **Continued cost & working capital reduction campaign**
- **Completion of Angul Phase 1B**
- **Sweat the Assets – Achieve 100% Capacity utilization**
- **Reduce Debt**
- **Secure PPA for entire JPL Capacity**
- **Increase market penetration for RUBM & MLSM**
- **Foray in Building & Rail infra segment; Defence segment**
- **Efforts to Ramp up monthly rail production.**
- **Focus on “Value Added Products”**

For any information please contact: -

Mr. Nishant Baranwal – Head, Investor Relations

Tel : +91 11-41462198

Mobile:+91 8800690255

Email: - nishant.baranwal@jindalsteel.com

THANK YOU