

Spreading **Josh** across the Globe



Agenda



- **Steel Scenario**
- **Project updates**
- **Performance Highlights**
- **Quarterly Developments**
- **Way Forward**

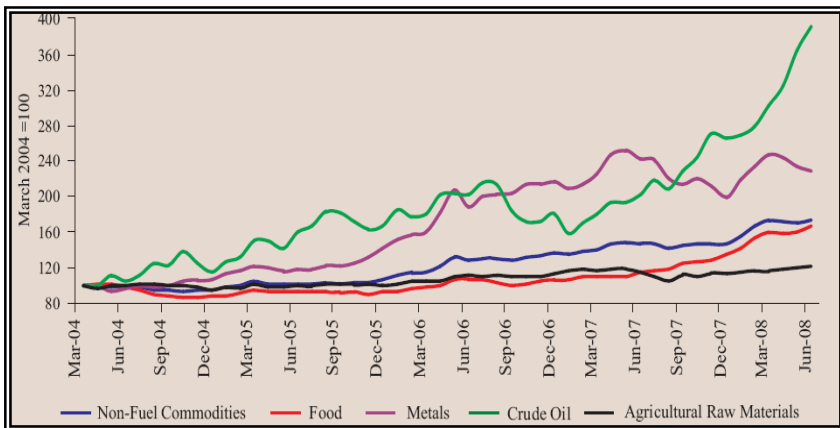


Steel Scenario...

Global Slowdown & Rising Inflation

The slowdown in the global growth is expected to continue in 2008. The pace of decline abates in 2009.

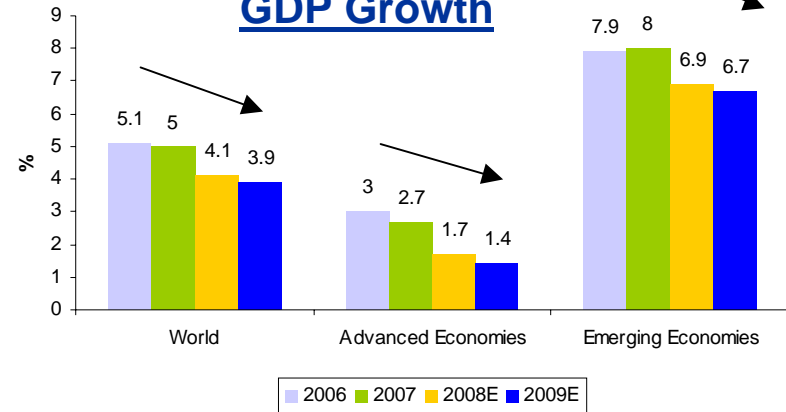
International Commodity Prices



Increased inflationary pressures driven by rising food and energy prices, and persisting global imbalances

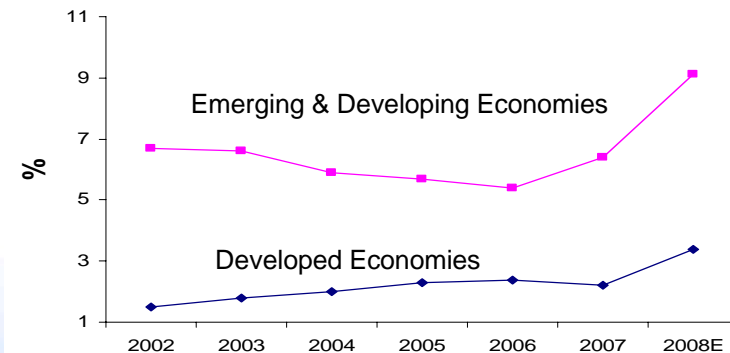
Source: IMF/ RBI

GDP Growth



Global Commodity prices firmed up further during the first quarter of 2008-2009 led by sharp increase in Crude oil prices and US dollar weakening.

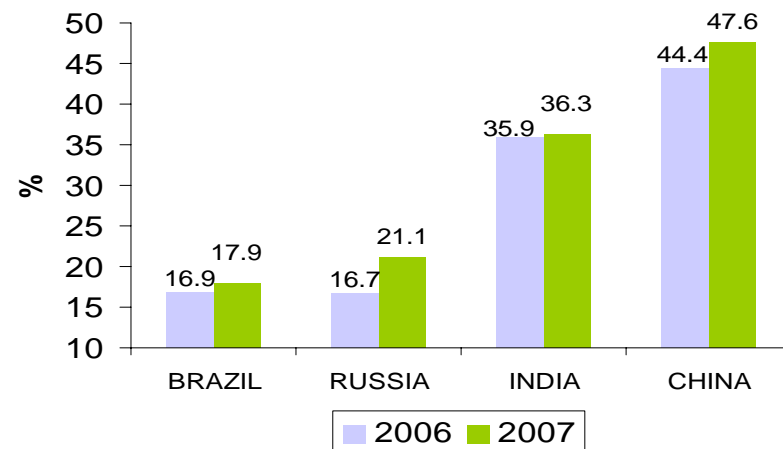
CPI Inflation



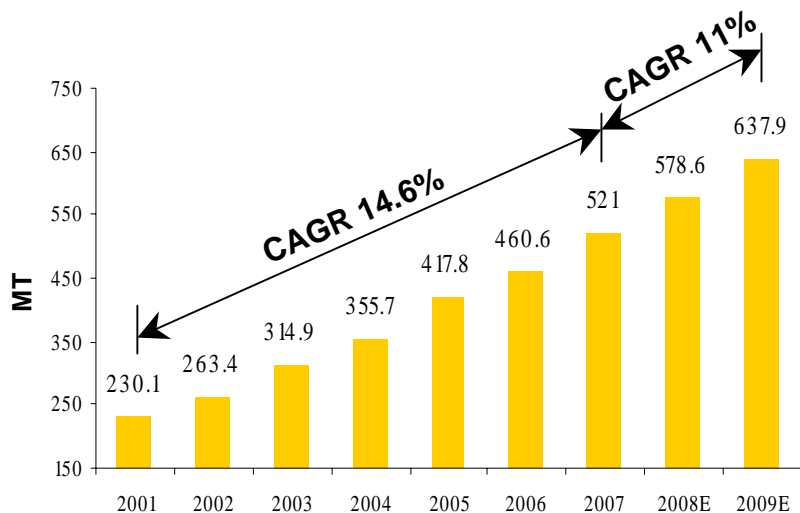
Demand for Steel to Sustain

As per WSD, 80% of the FAI gets invested into Infrastructure, Construction and Capital goods.

FAI/GDP



App. Steel consumption- BRIC

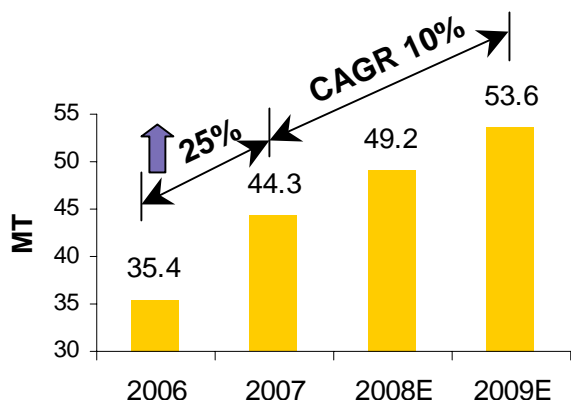


BRIC's apparent consumption of steel is est. to grow at a CAGR of 11% between 2007 and 2009

Consumption Drivers:
infrastructure spending, Construction, growing Industrial Sector, Auto & Capital Goods.

Demand for Steel to Sustain Contd...

App. Steel consumption- Middle East



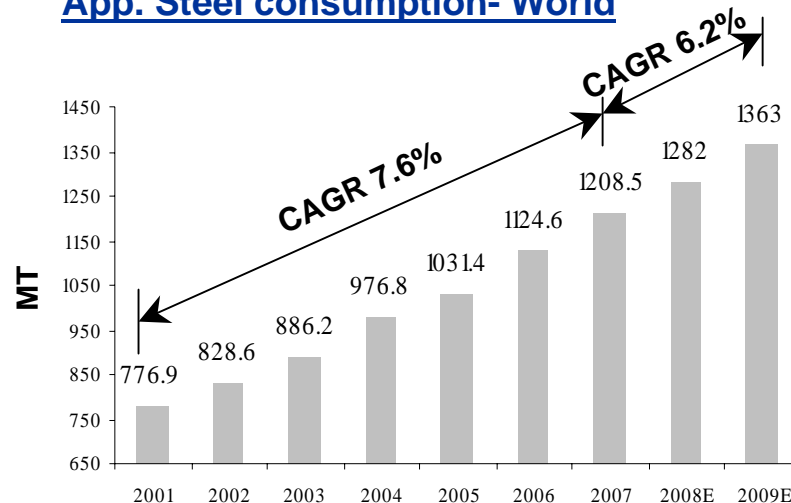
In M.E. apparent consumption of steel is est. to grow at a CAGR of 10% between 2007 and 2009.

Steel consumption has grown at whopping 25% for the year 2007.

Consumption Drivers: Oil & Gas, expanding construction activities.

World app. steel consumption is est. to grow at a CAGR of 6.2% between 2007 and 2009, with strong demand from emerging economies.

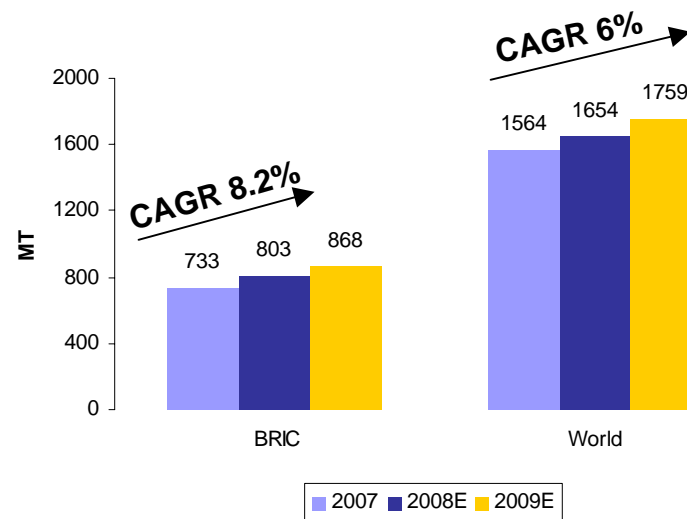
App. Steel consumption- World



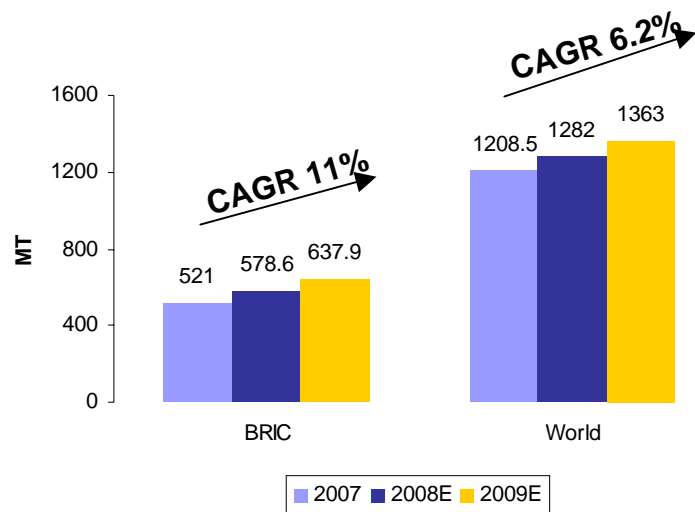
Capacity addition not in pace

Capacity addition between 2007 and 2009 is est. to grow at a CAGR of 8.2% for BRIC and 6 % for World.

Capacity



Apparent Steel Consumption

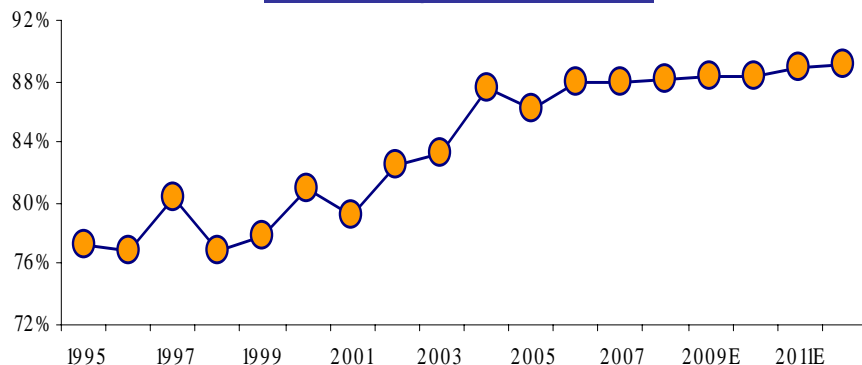


App. Steel Consumption between 2007 & 2009 is est. to grow at a CAGR of 11% for BRIC and 6.2 % for world

Growth in Demand outpacing growth in Capacity addition

Capacity addition not in pace Contd...

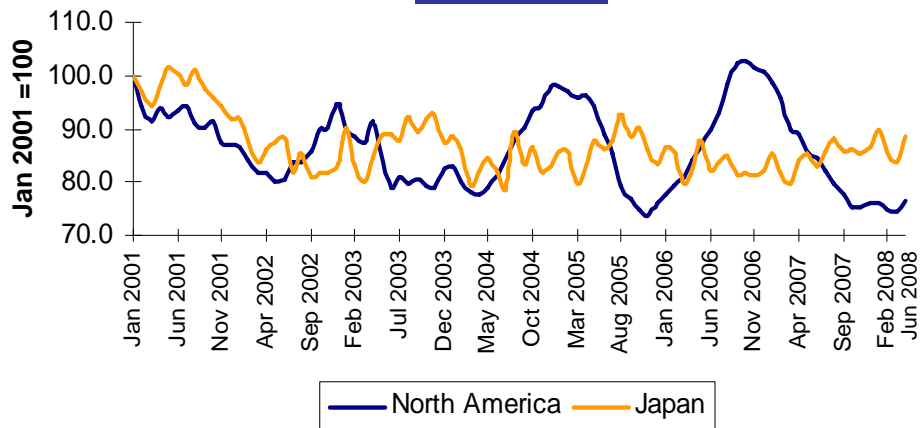
Capacity utilization



High capacity utilization on account of high finished steel prices and low inventory level

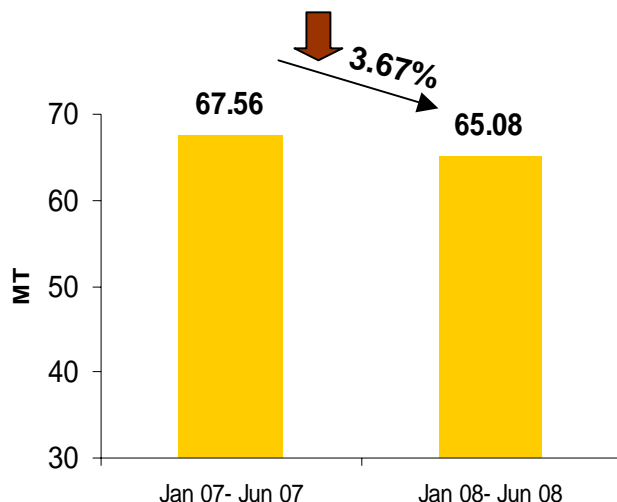
Low Inventory level on account of supply shortage

Inventory



Tight Supply of Raw Materials

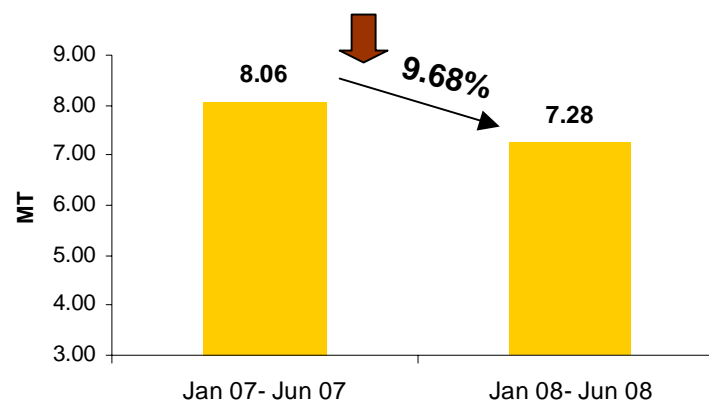
Australia- Coal Export



11Mt of Metallurgical coal was lost due to Queensland floods

China's Export quota for coke reduced to 12.01 Mt for 2008 against 14mt in 2007 on account of tight supply of Coal and pollution issue.

China-Coke Export



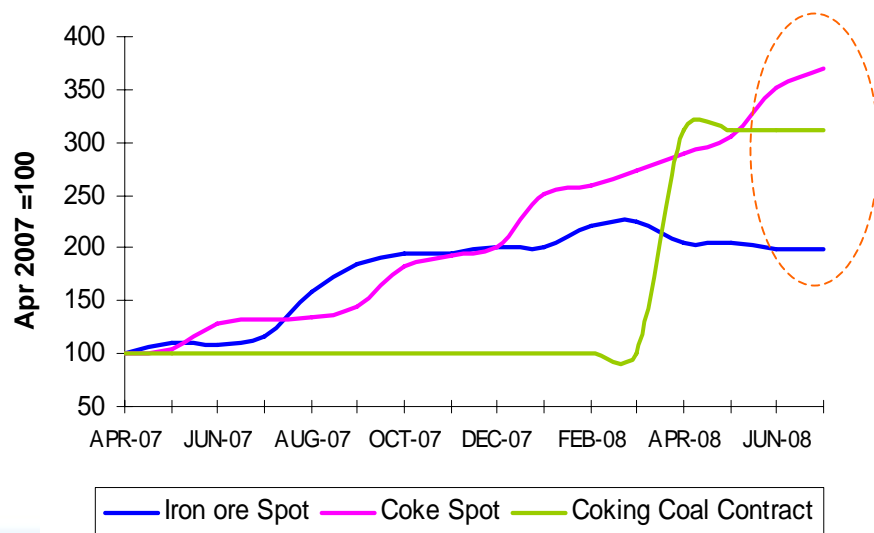
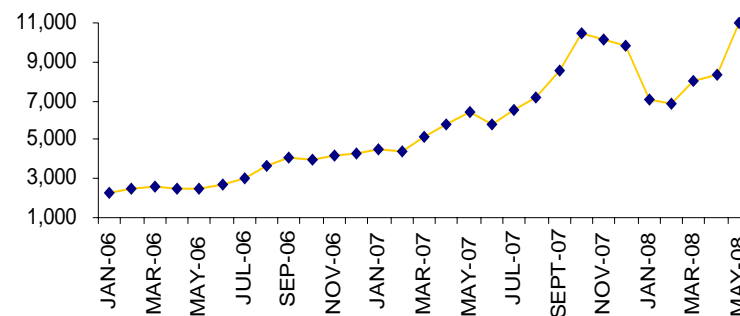
Tight Supply of Raw Materials

Contd...

Freight rate at record high

Spot freight rates for iron ore from Brazil to China reported as high as \$108/tonne. W. Australia-China spot rates at \$ 45-46/t.

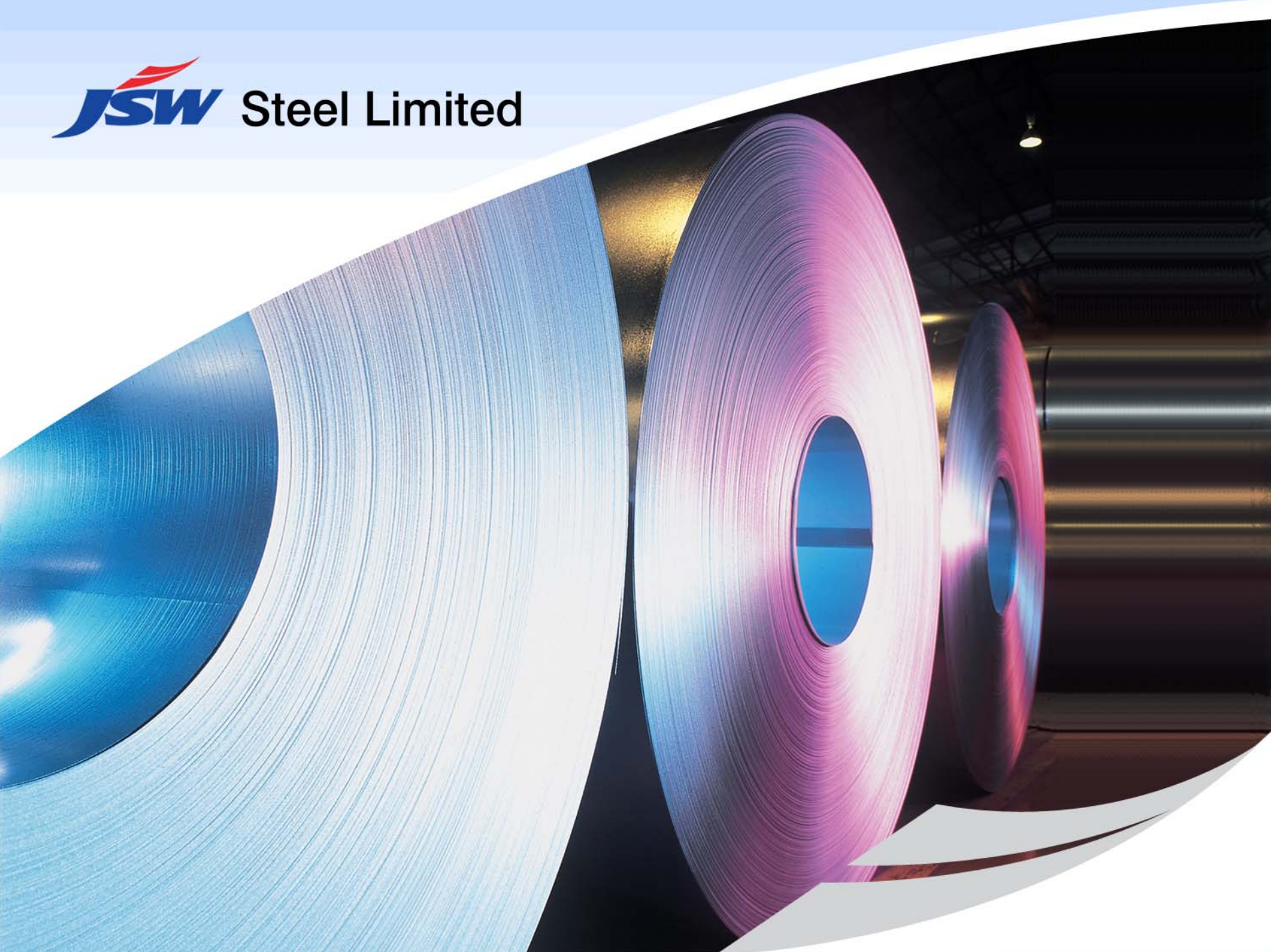
Baltic Dry Index



Resulting Raw material super Cost Push.

Current spot prices are up by 371% for Coke, 311% for Coal and 137% for iron ore from April 2007 level.

JSW Steel Limited



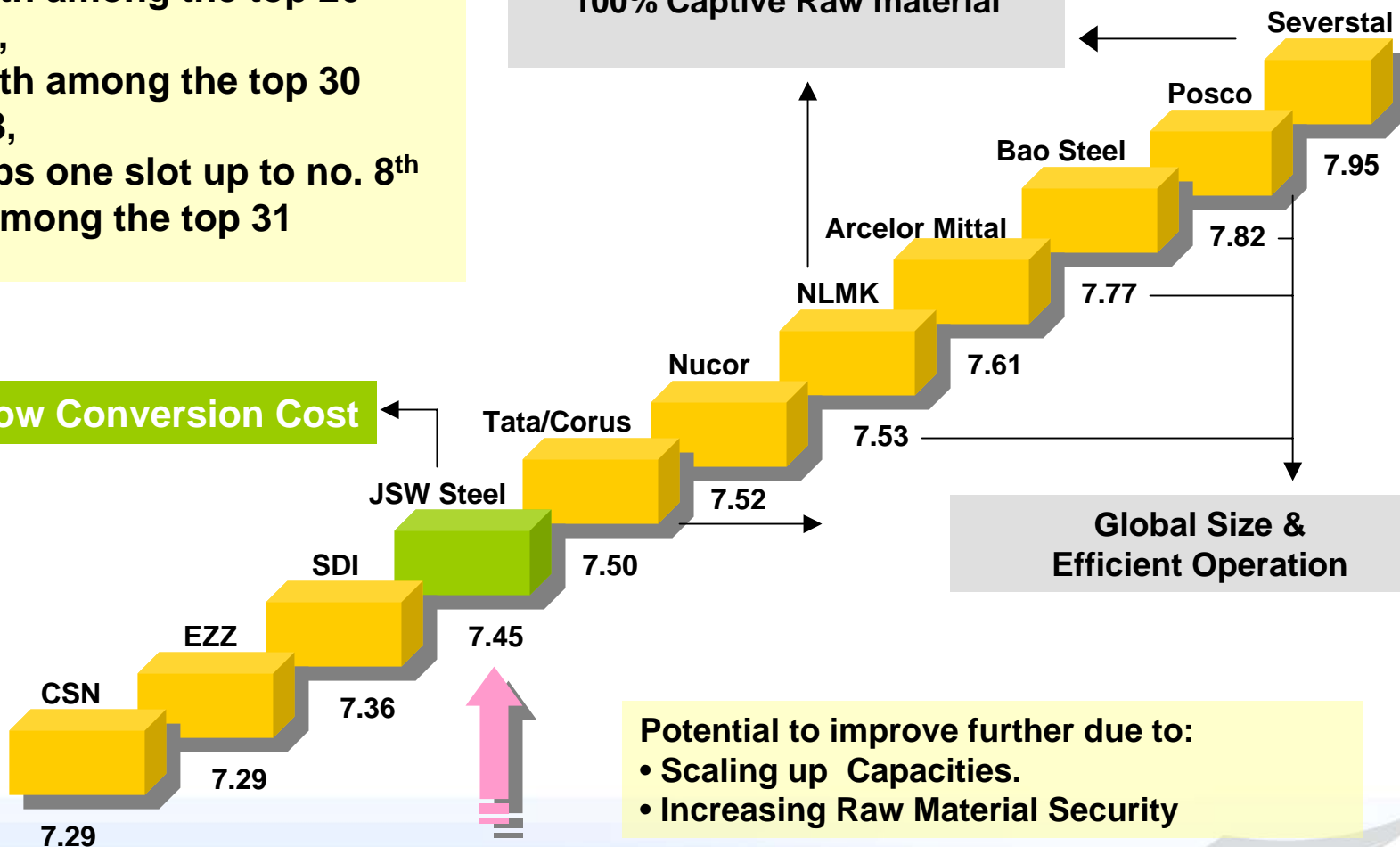
Ranked 8th among top 31 “World-Class” Steelmakers

- June 2007, Ranked 8th among the top 26
- Dec 2007, Ranked 9th among the top 30
- June 2008, JSW Jumps one slot up to no. 8th position among the top 31

Low Cost Operation with 100% Captive Raw material

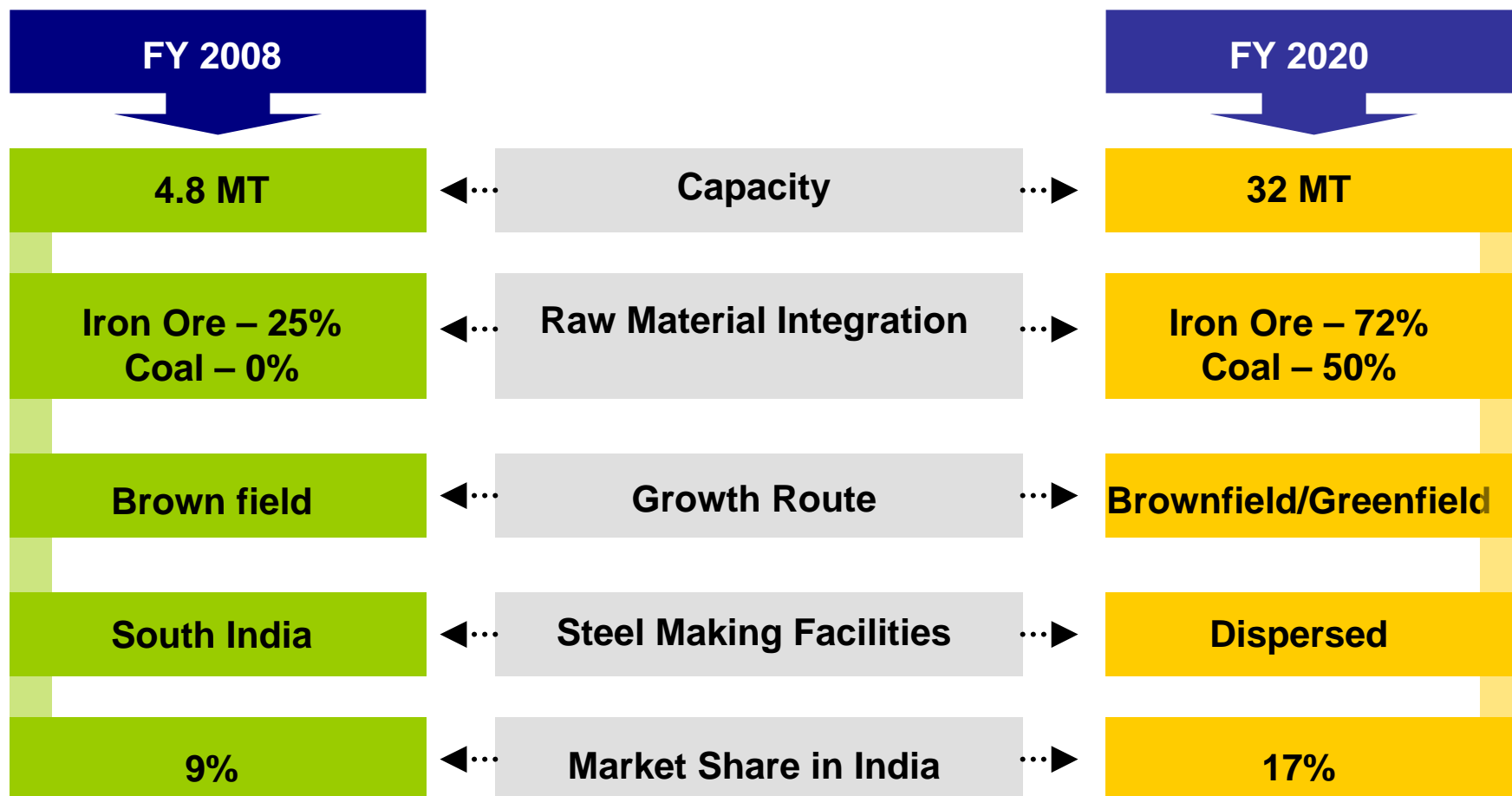
Efficient & Low Conversion Cost

Global Size & Efficient Operation



- Potential to improve further due to:
- Scaling up Capacities.
 - Increasing Raw Material Security

Emerging as a Global Player



Raw material Integration



Iron Ore Mine :South America

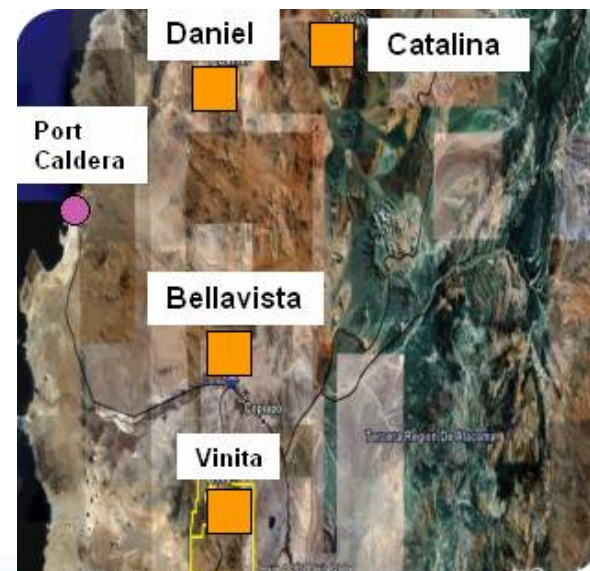
Location : Chile
Total Area : 26,245 Ha
Cost of Acquisition : USD 252 Mio
Output/Year : 20MTPA
(Capacity: 6 MT – FY 2010, ramp up to 20 Mtpa)
Port : Right to use existing Caldera port.

Management Structure:

Mining Rights with JV Company, of which 70% stake is held by JSWSL. (Share of output to JSWSL 100% at L.T. reference price)

Present Status:

- Mine development Capex of USD 130 Mio tied up.
- Drilling in progress.
- Environmental Clearance for opening Bellavista mine awaited.
- Basic Engineering for Beneficiation plant in progress.
- Beneficiation Plant ordered.
- Mining Plan at final stage.
- Feasibility study for construction of new port under progress.



Coal Block: Mozambique

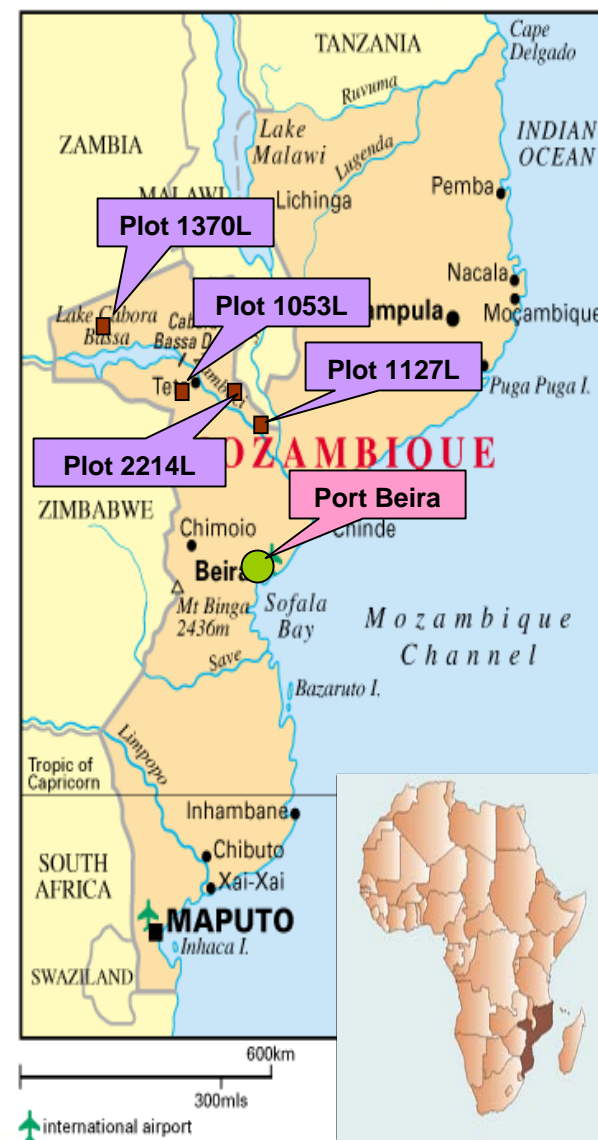
Location : Mozambique-Coal Block : PLOT-1127 L
Plot -2214 L,1053 L & 1370 L

Total Area : 45,460 Ha

Expected Reserve: 188.6 Mt for Plot -1127L , reserves for remaining plots is yet to be established.

Present Status:

- Company continues to work on obtaining various approvals
- Railway construction from port to mine is under progress.



Coal Block: Jharkhand

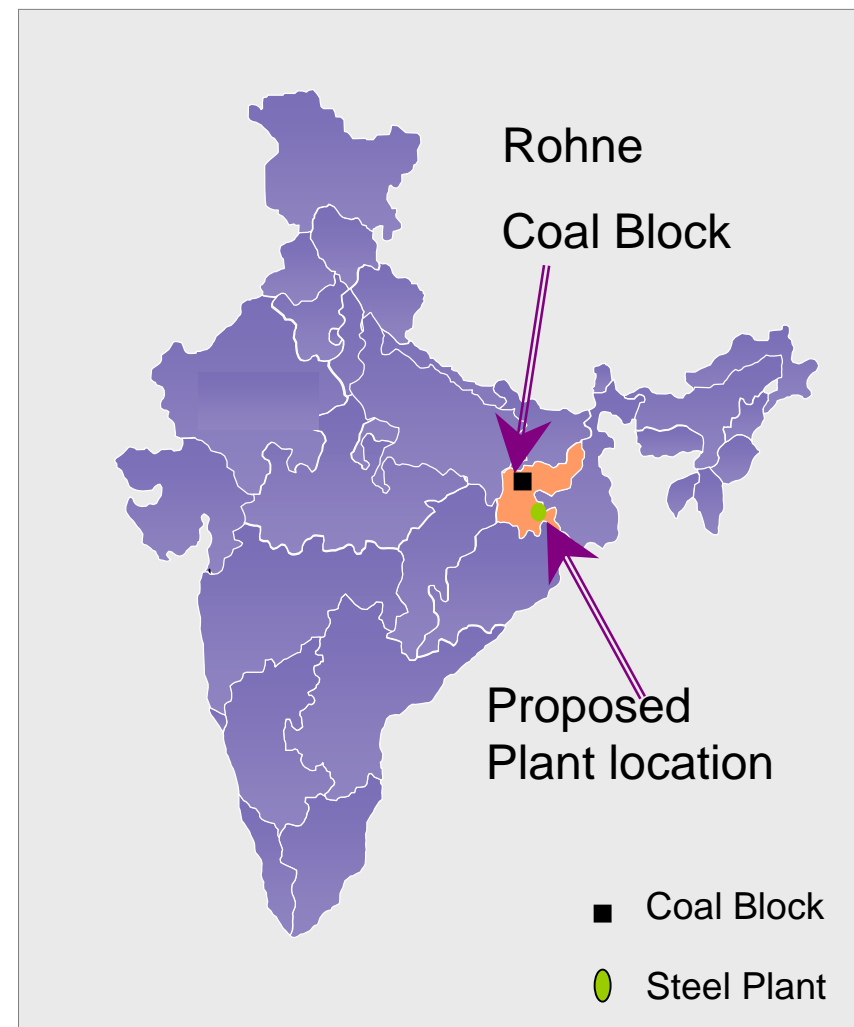
Location	: Rohne
Total Area	: 1,254 Ha
Mine Type	: Open Cast
Exploration Status	: Fully Explored
Expected Resources	: 410 Mt
Mineable Reserve	: 250 Mt
Output/Year	: 8 MTPA

Management Structure:

Allotted to JV Company of which 69% of output accrues to JSW.

Present Status:

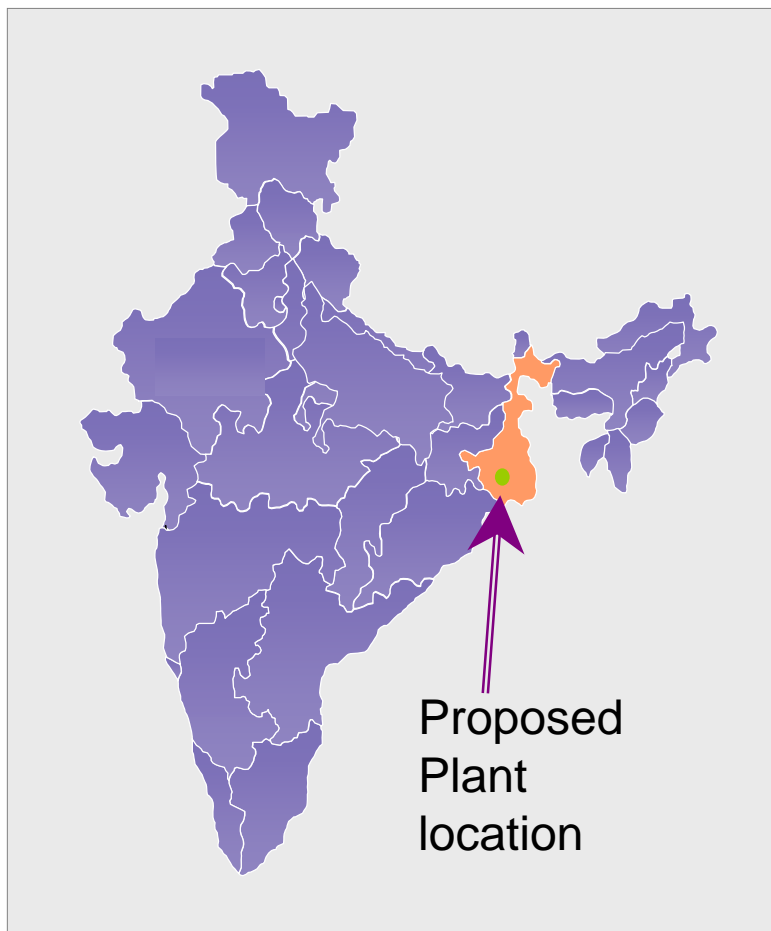
- The Coal Block has been fully explored.
- MOC has allocated the coal block to JV Co.
- Mining plan preparation is under progress.
- Application for TOR (terms of Reference) submitted.



West Bengal

Project update

West Bengal Project update



Project Details:

Location: Salboni, West Bengal

Distance from Port: 140 Km from Haldia port &
120 Km from kolkata airport.

Capacity : 6 MTPA (Steel plant)

Phase 1A : Beneficiation plant 8 MTPA

Pellet Plant 6 MTPA (part of steel plant)

Tax Benefit: The project will be eligible for tax benefit on approval as SEZ unit.

Phase 1A :

Project cost : Rs. 4000 Cr. (incl. 800 Cr. in coal mining & development)

Equity : Rs. 1333 Cr.

Debt : Rs. 2667 Cr.

Present Status:

Land Acquisition completed.

- MOEF clearance received from Central Govt.
- Rail Transport clearance has been obtained.
- Construction of boundary wall under progress
- Iron Ore supply agreement signed.

Exp. Commissioning: FY 2012



**Performance
Highlights...**

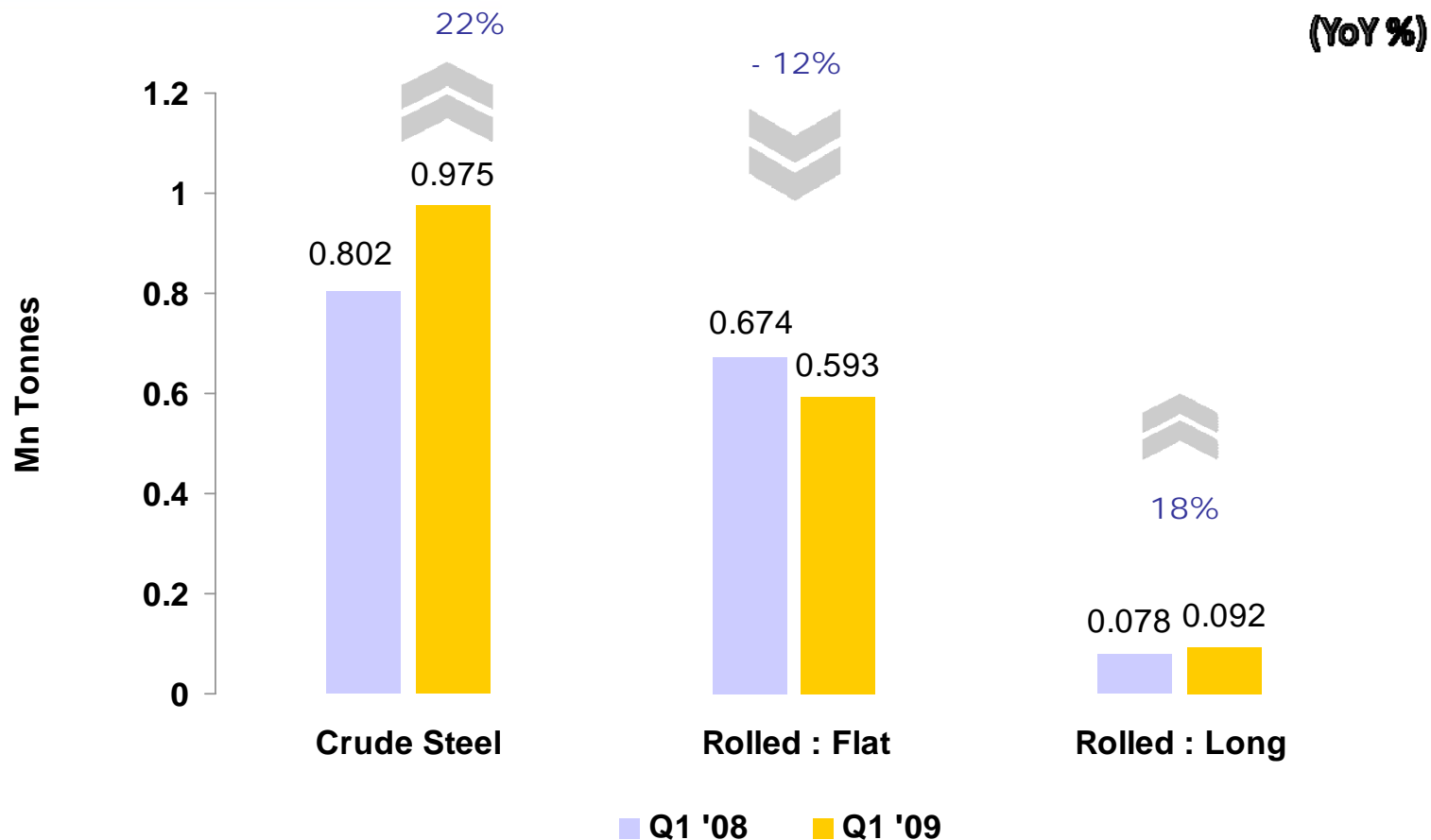
Highlights – Q1 FY09

<u>Particular</u>	<u>Growth</u>
Volume : Crude Steel Production	22 %
: Saleable Steel	13 %
Net Sales	54 %
Blended : Sales Realisation	35 %
: Cost of Production	61 %
Adj. EBIDTA Margin	22.7 %
EBIDTA	Rs. 660Cr.
Net Profit	Rs. 219 Cr.



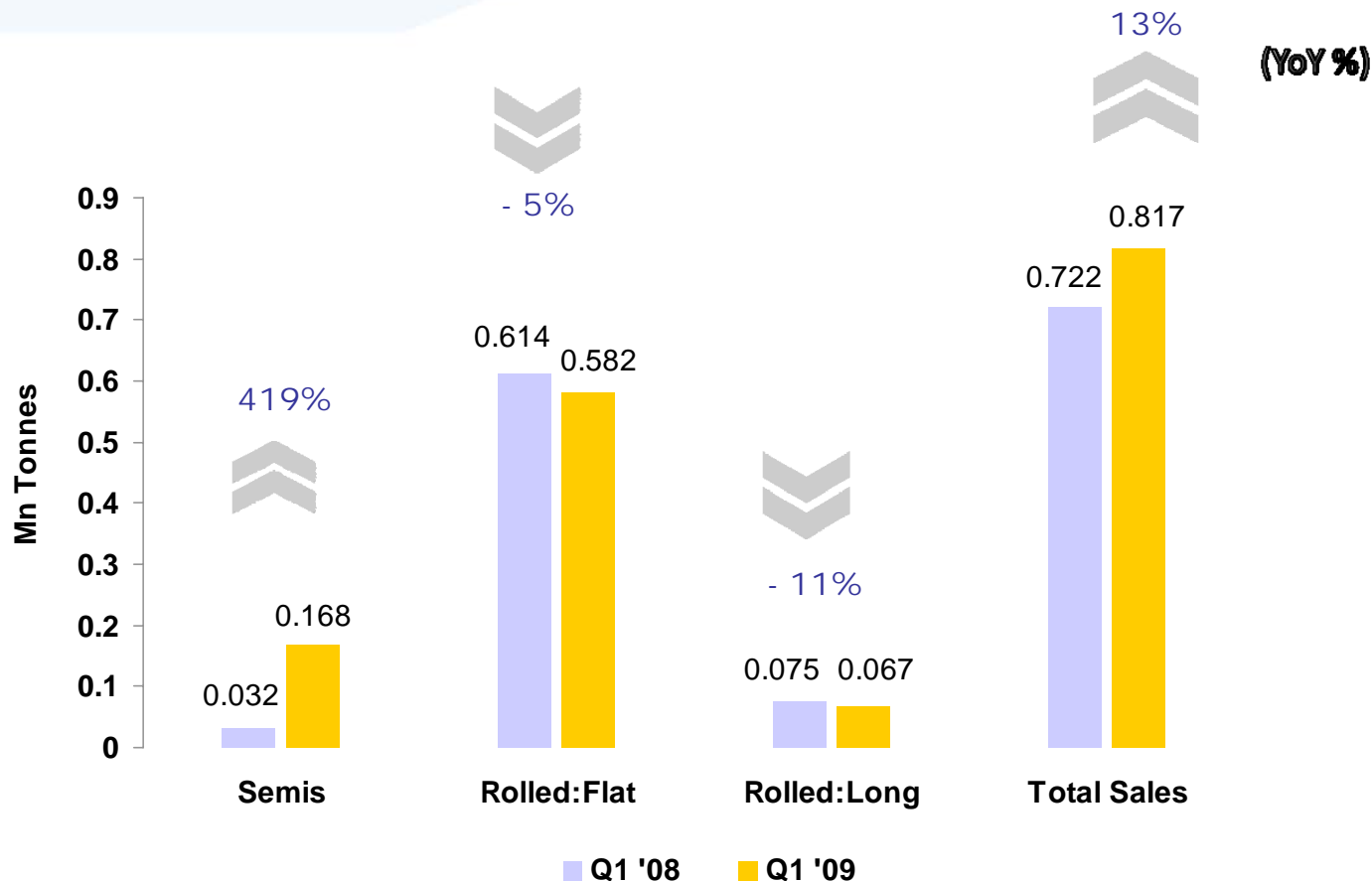
Weighted Average Cost of Borrowings 7.63 %

Production – Q1 FY09



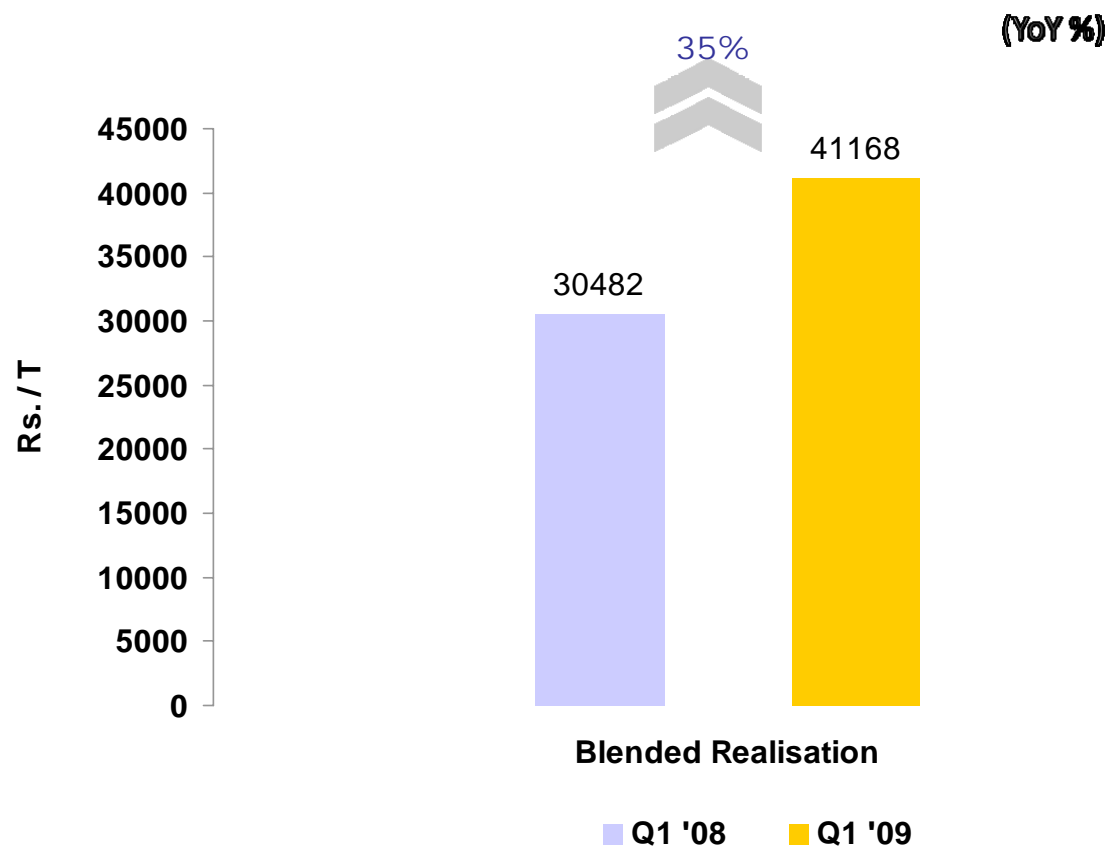
HSM shutdown of 17 days for modernisation restricted output of Rolled flat products.

Saleable Steel Sales – Q1 FY09

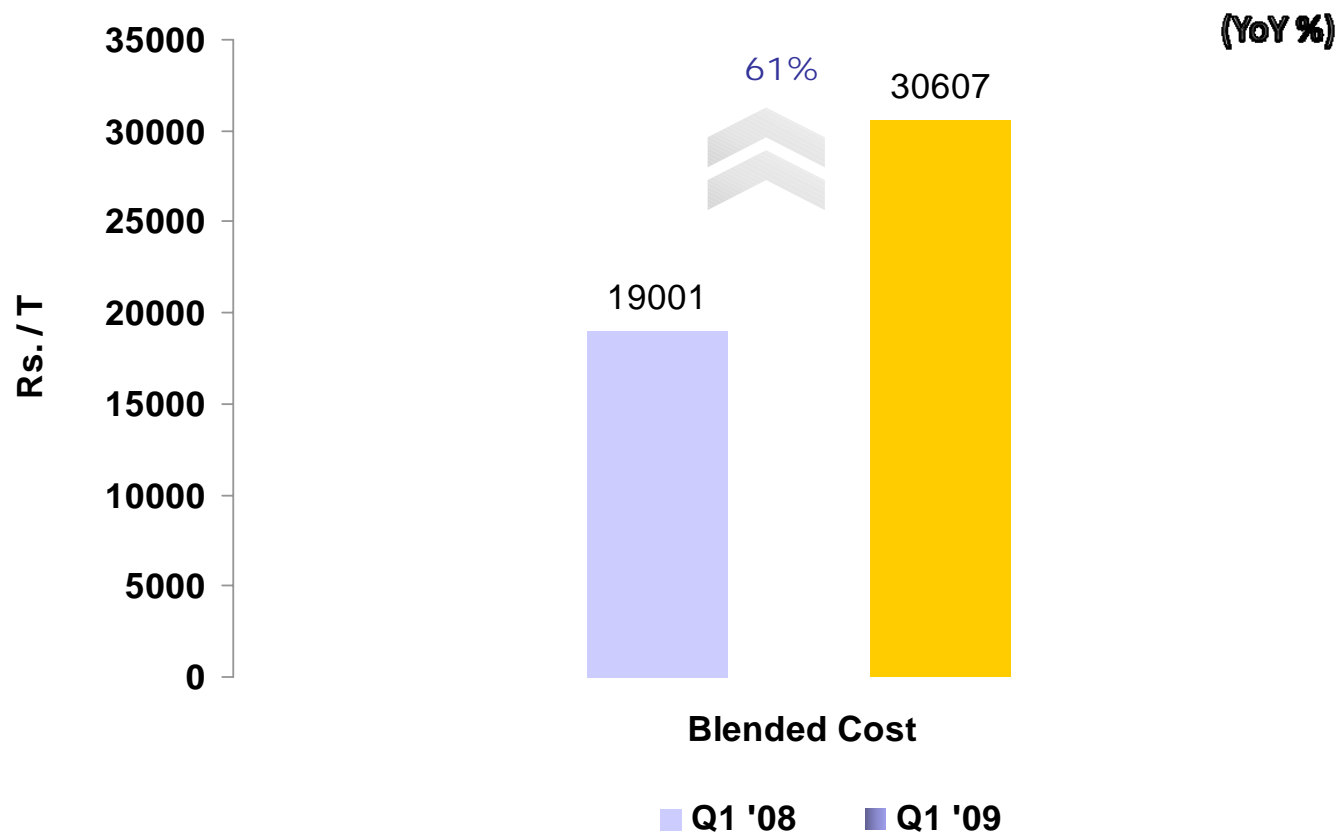


Excess slabs available for sale due to HSM shutdown for modernisation

Sales Realisation – Q1 FY09

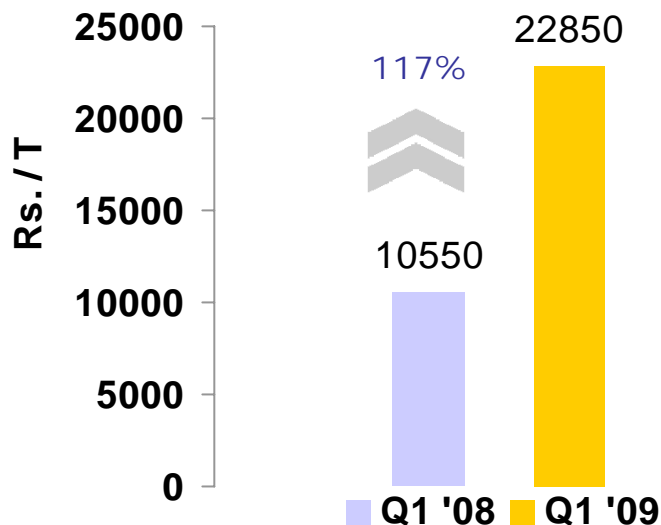


Cost of Production – Q1 FY09



Raw Material Price Movements

Imported Coke (Vijaynagar Works)



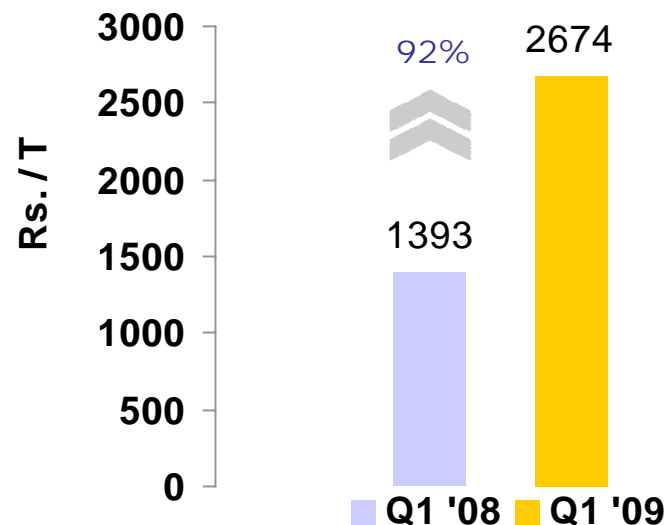
Impact on Cost : Rs. 2,676 / t CS

: Rs. 215 Cr.

- ve

China FOB \$ 212 / t to \$ 605 / t up by 185 %

Iron Ore fines (Vijaynagar Works)



Impact on Cost : Rs. 2,318 / t CS

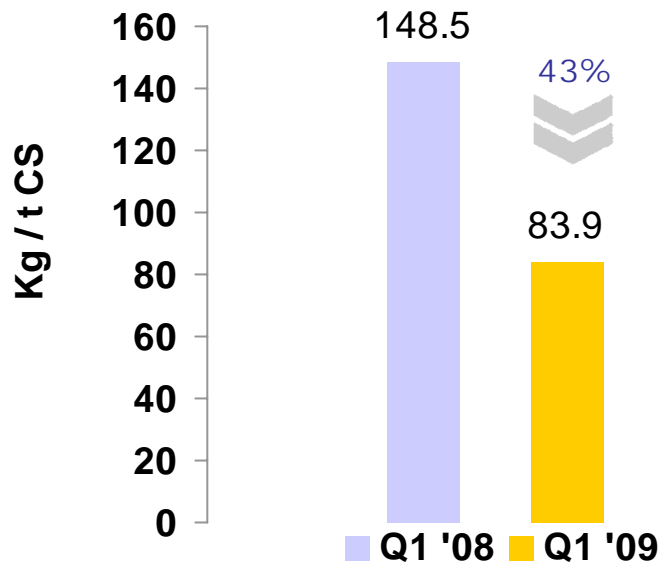
: Rs. 187 Cr.

- ve

CIF China \$ 100 / t to \$ 186 / t up by 86 %

Operating Parameters

Fluxes Consumption - BF (Vijaynagar Works)

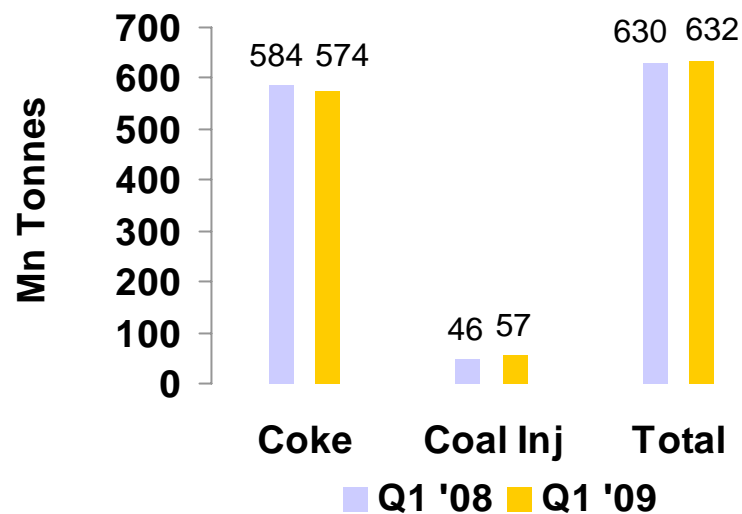


Impact on Cost : Rs. 17 / t CS

+ ve

: Rs. 13.7 Cr.

Fuel Consumption - BF (Vijaynagar Works)



Increase in Coal Injection over Coke

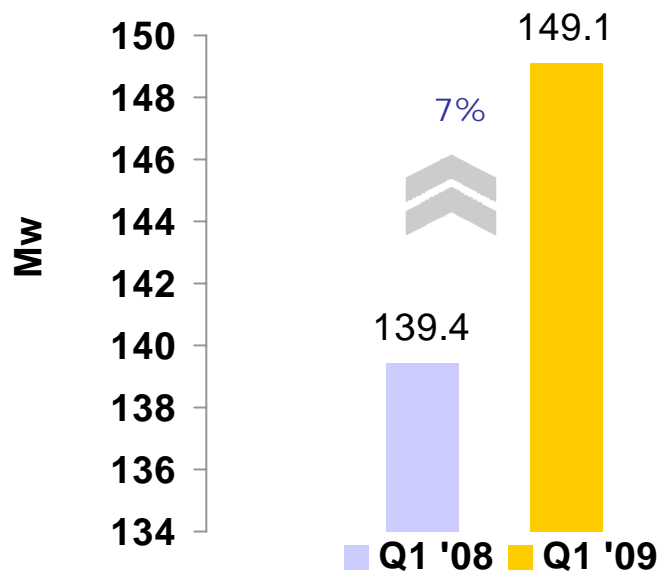
Impact on Cost : Rs. 27 / t CS

+ ve

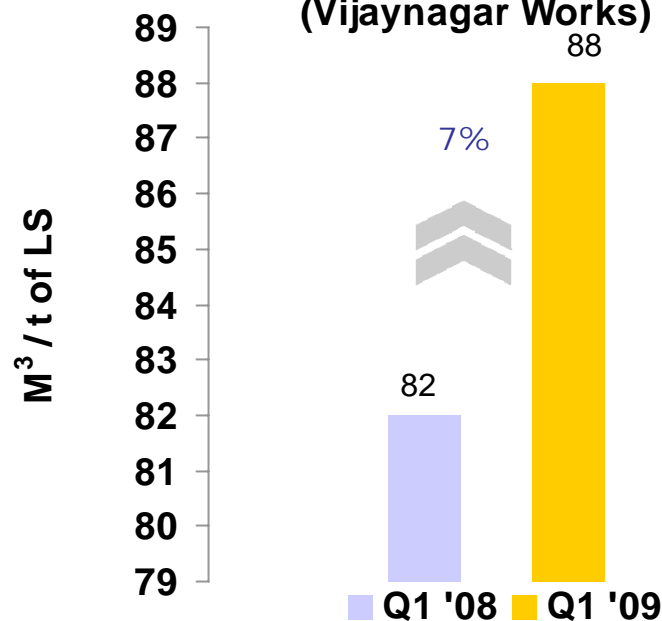
: Rs. 21.8 Cr.

Operating Parameters

Power Generation (Vijaynagar Works)



LD Gas Recovery (Vijaynagar Works)



Impact on Cost : Rs. 8 / t CS

+ ve

: Rs. 6.5 Cr.

Impact on Cost : Rs. 5 / t CS

+ ve

: Rs. 4.0 Cr.

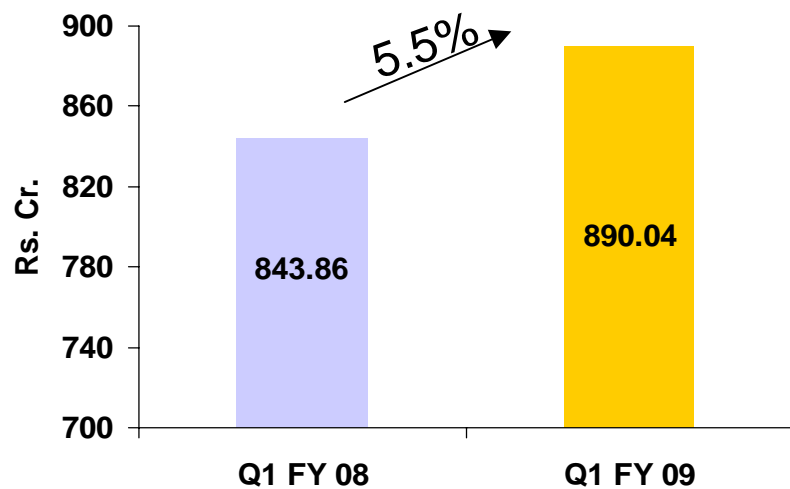
Financials – Q1 FY09



Rs. Cr.

	Q1 FY 09	Q1 FY 08	Variance	Growth
Turnover	3,983.79	2,646.07	1,337.72	51 %
EBIDTA	660.09	922.76	(262.67)	- 28 %
Profit Before Tax	321.74	673.35	(351.61)	- 52 %
Net Profit	219.35	468.45	(249.10)	- 53 %
EPS : Diluted	11.27	25.16	(13.89)	- 55 %

Operating EBITDA Analysis



	Q1 FY 08	Q1 FY 09
EBIDTA (Rs. Cr.)	922.76	660.09
Forex Gain	(60.15)	
Forex Loss		229.95
LOP Claim	(18.75)	
Op. EBIDTA (Rs. Cr.)	843.86	890.04
Op. EBIDTA (%)	34.4%	22.7%

Operational Performance - USA



	Plate Mill		Pipe Mill	
	FY 09 (Apr – Jun)	FY 08 (Jan – Mar)	FY 09 (Apr – Jun)	FY 08 (Jan – Mar)
Production (NT)	143,077	140,238	66,431	70,961
Capacity Utilisation	57.87 %	57.79 %	48.31 %	51.75 %
Yield	82.41 %	81.11 %	98.52 %	98.20 %
Sales (NT)	75,762	76,823	65,026	79,717

Financial Performance - USA



	Q1 FY 09	Q4 FY 08
	(Apr – Jun)	(Jan – Mar)
	\$ mio	\$ mio
a) Turnover	217.50	209.13
b) EBIDTA	44.92	30.10
	20.65 %	14.16%
e) Profit Before Tax	25.63	9.00
f) Profit After Tax	17.68	7.46

Financial Summary- Consolidated



Rs. Cr.

	Q1 FY 09 (Consolidated)	Q1 FY 08 (Consolidated)
Net Sales	4,456.15	2,397.10
EBIDTA	843.62	922.49
Profit Before Tax	388.85	672.54
Profit After Tax	250.23	469.80
Net Worth	8,026.54	6,448.97
Adjusted Debt	13,238.04	5,314.33
Adj. Debt : Equity Ratio (x)*	1.65	0.82

Unrealised contribution on incremental inventory : Rs. 19 Cr.
for Q1 09 and Nil in Q1 08

Quarterly Developments



Quarterly developments – Q1 FY09

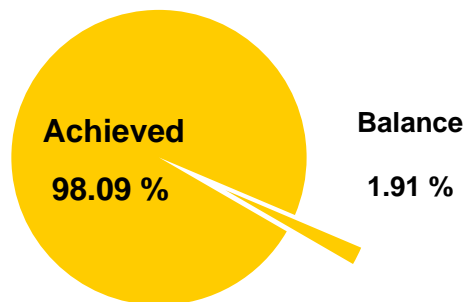
- **Successfully completed modernization of Hot Strip Mill with increase in HR Coil manufacturing capacity from 2.5 MTPA to 3.2 MTPA.**
- **Commissioned 1st block of Coke Ovens (56 ovens) on 27th June'08.**
- **Expansion project to increase the capacity to 6.8 MTPA at Vijayanagar is progressing satisfactorily and is expected to be on stream September 2008.**
- **New HSM #2 (Phase I- 3.5 Mtpa) :Major and Long delivery packages finalised, Civil and Structural work is ahead of schedule. Exp. Commissioning by Oct 2009.**
- **Colour Coating Line-2 (0.1 Mtpa) : Cold trial is expected in Aug-08.**
- **30 MW Power Plant: Major Order placed, Boiler & Chimney erection work under progress. Exp. Commissioning by Oct 2008.**

Awards & Recognitions

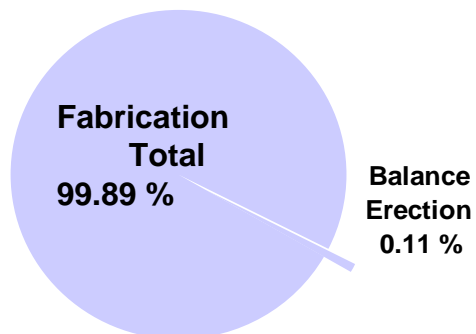
- **Greentech Safety Award 2007:**
Gold Award in Metal and Mining Sector for Outstanding Achievement in Safety Management by Greentech Foundation (10th April 2008, Mumbai).
- **G3 Awards for Good Green Governance 2007:**
JSW Steel received winners trophy in the manufacturing category by SRISHTI, New Delhi (22nd April 2008).
- **TERI Environment Award 2008:**
Certificate of appreciation in recognition of efforts towards environmental management and innovative initiatives (June 2008).

PROJECT CHEETAH : Bird's Eye View

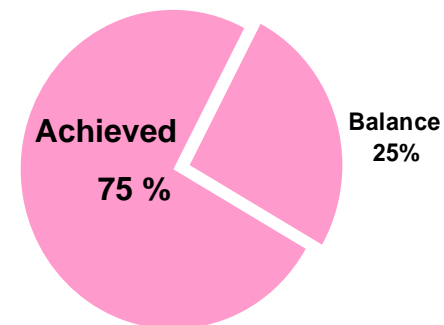
CIVIL



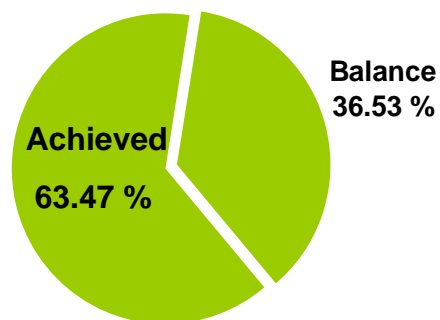
STRUCTURAL



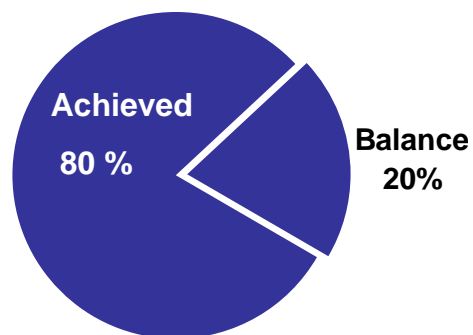
EQUIPMENT



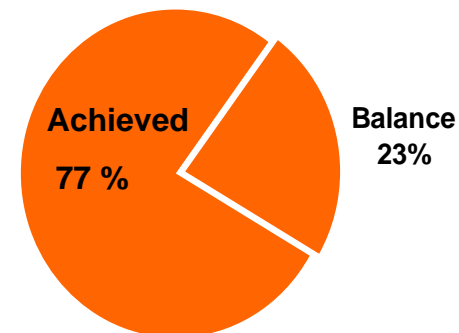
CABLING



REFRACTORY



PIPING

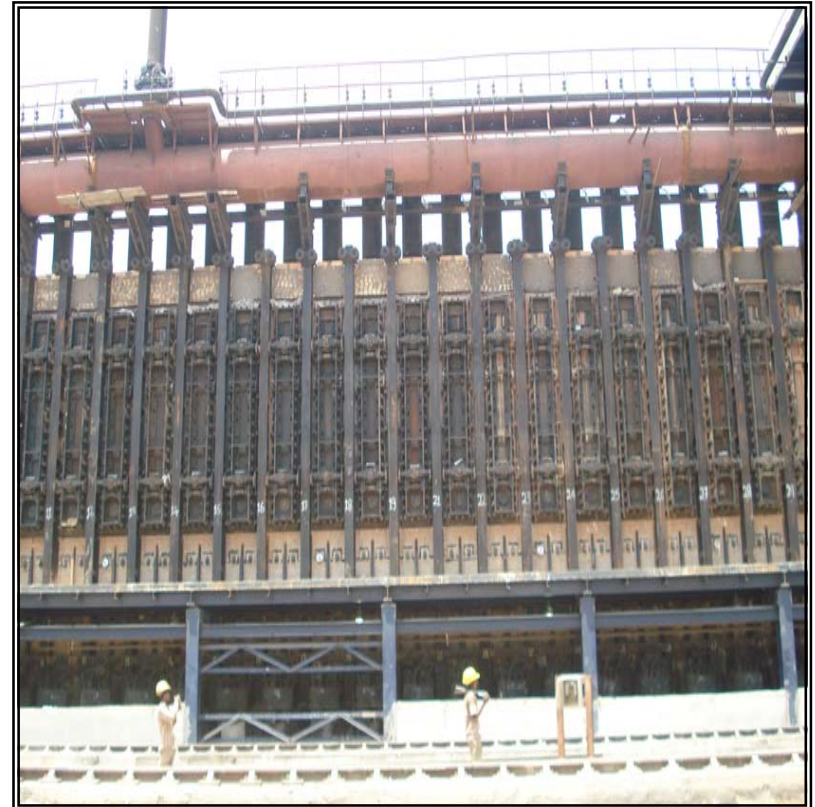


COKE OVEN # 3 : BATTERY

July' 07



July' 08



COKE OVEN # 3:

DESULFURISATION & REGENERATION TOWERS

July' 07



July' 08



COKE OVEN # 3: GAS HOLDER

July' 07



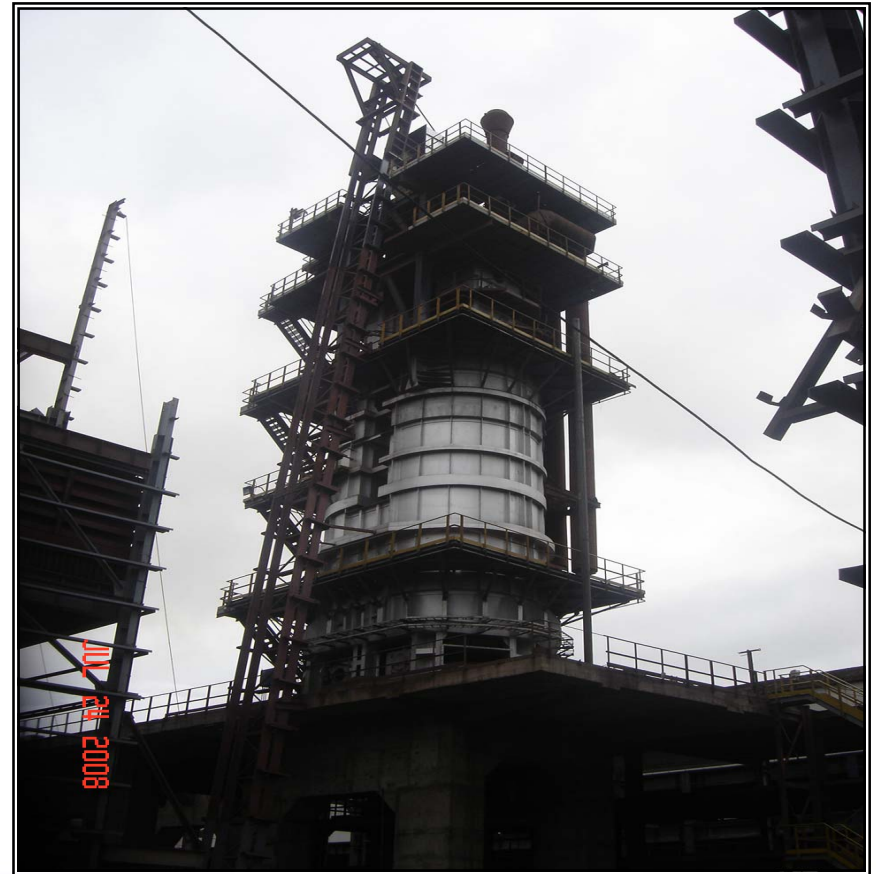
July' 08



Sept '07



July '08



BF # 3 : Over All view

May'07



July'08



BOF : CONVERTER # 1

May 2007



July 2008



BOF : SECONDARY DEDUSTING

June 2007



July 2008

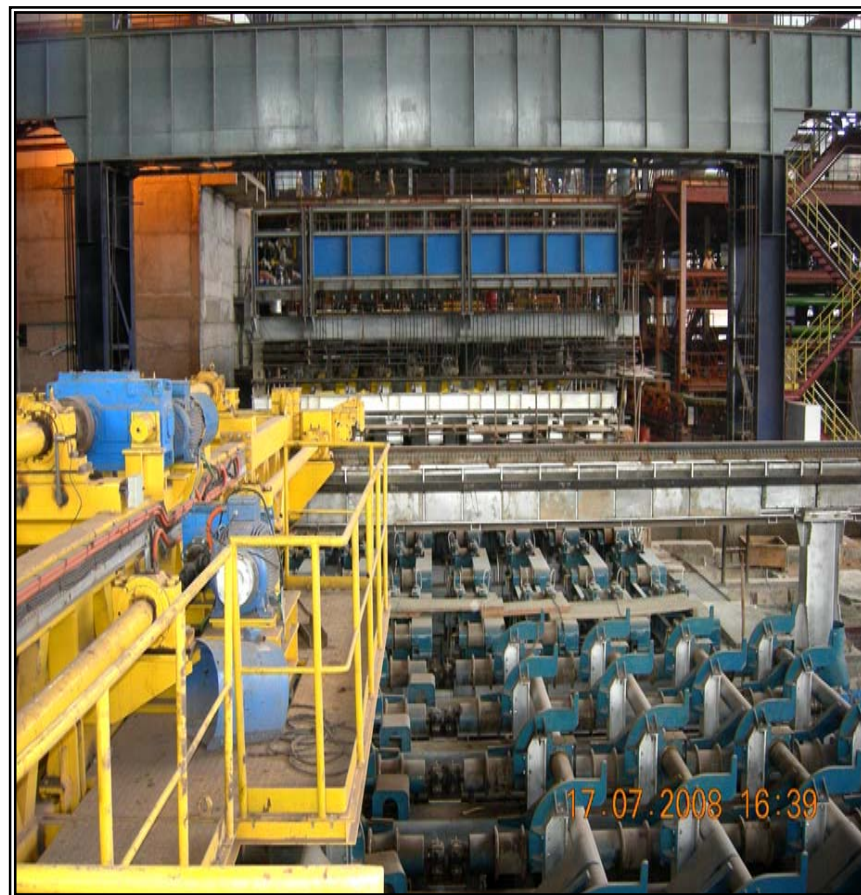


CCP: BILLET CASTER

July 2007



July 2008



WRM MILL AND STELMOR AREA

July ' 07



July ' 08



R.S.M



N.T.M.



STELMOR

BAR MILL COOLING BED

July '07

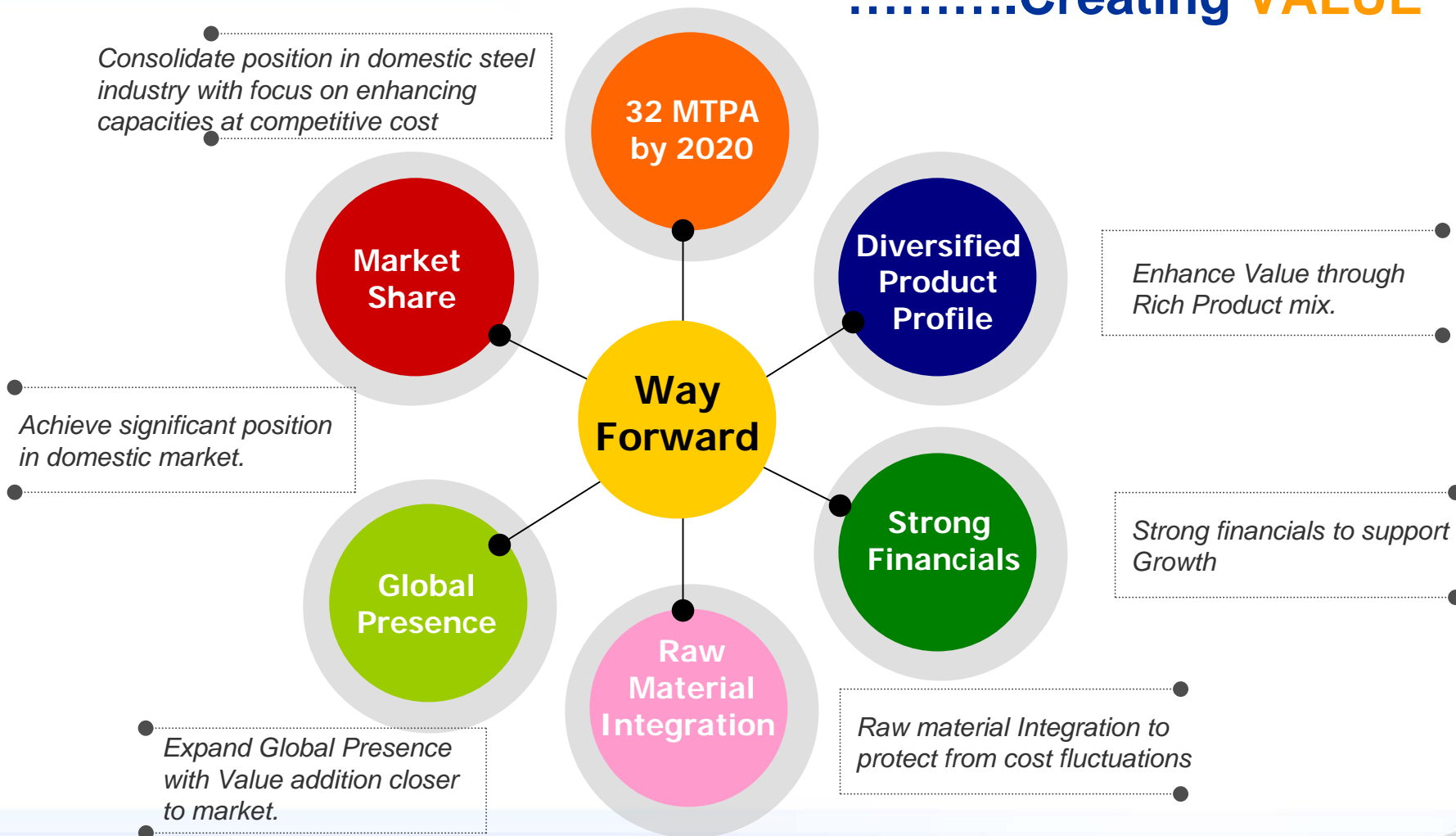


July '08



Way Forward...

Sustainable GROWTH.....Creating VALUE



Q & A Session...



Forward Looking and Cautionary Statement

Certain statements in this report 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 risk 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 the Company has made strategic investments, withdrawal of fiscal/governmental incentives, impact of regulatory measures, 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.