

ADAPTING TO **CHANGE**

Agenda

Global Economy

Steel Scenario

Performance highlights

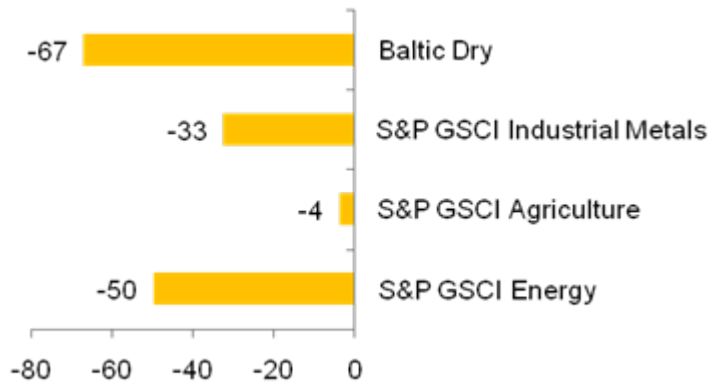
Project status

Way forward

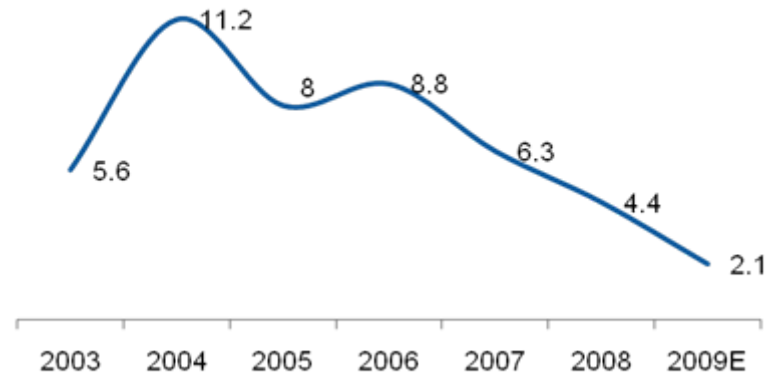
Global Outlook



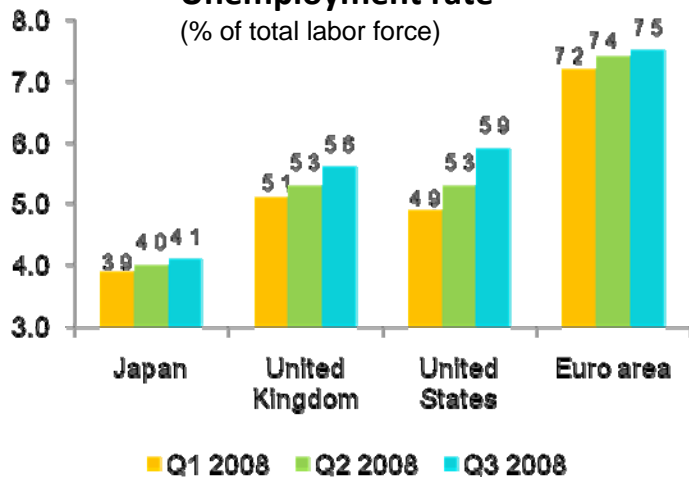
% Fall in Baltic dry and Commodity Indices (Oct-Dec 08)



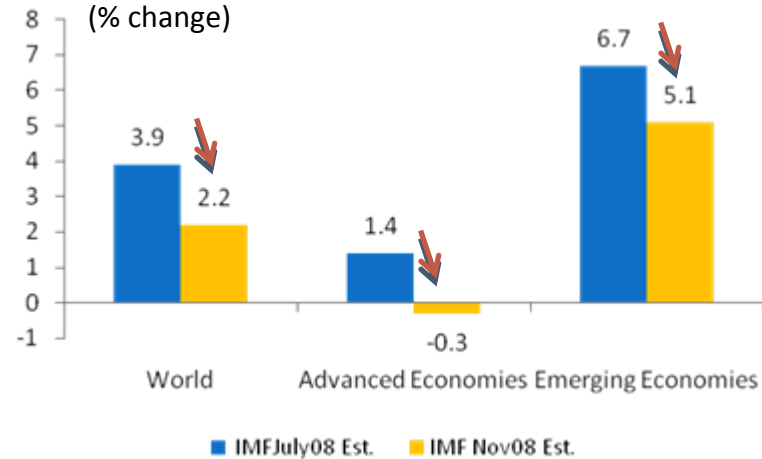
World Trade Growth YoY (%)



Unemployment rate (% of total labor force)



GDP Growth Est. for 2009 (% change)

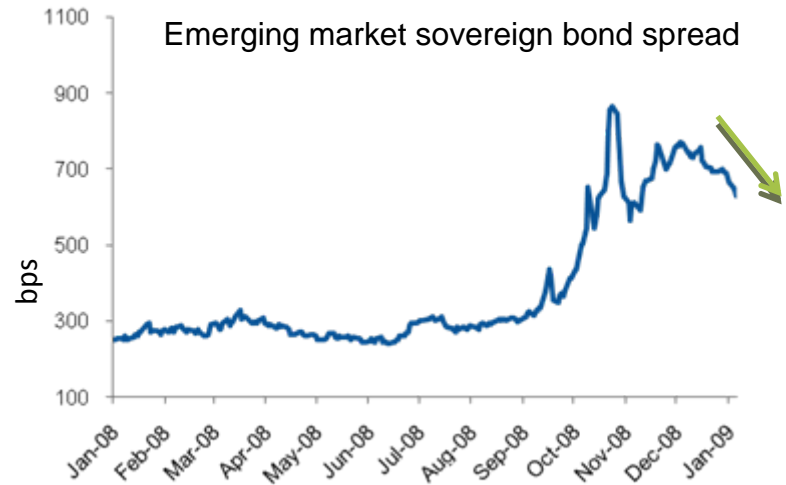


2009 to be a year of Challenges

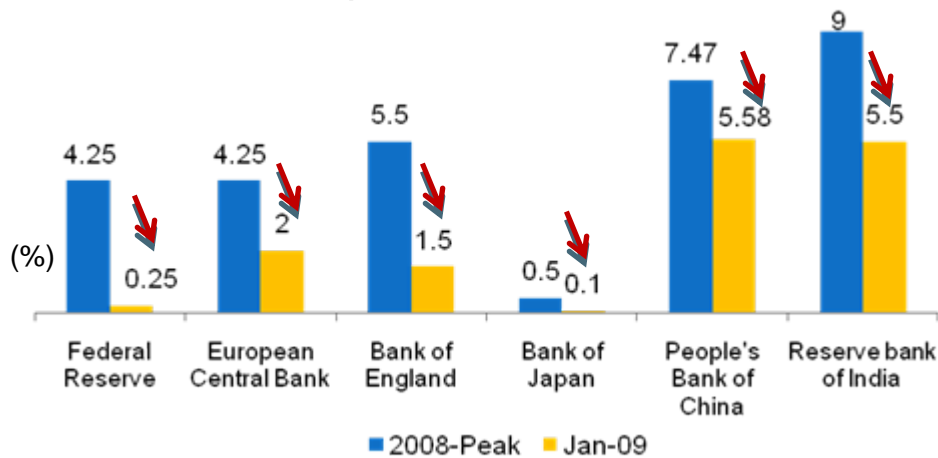
Global Economy



TED spread is the difference between the interest rates on interbank loans and short term U.S. government debt ("T-bills").

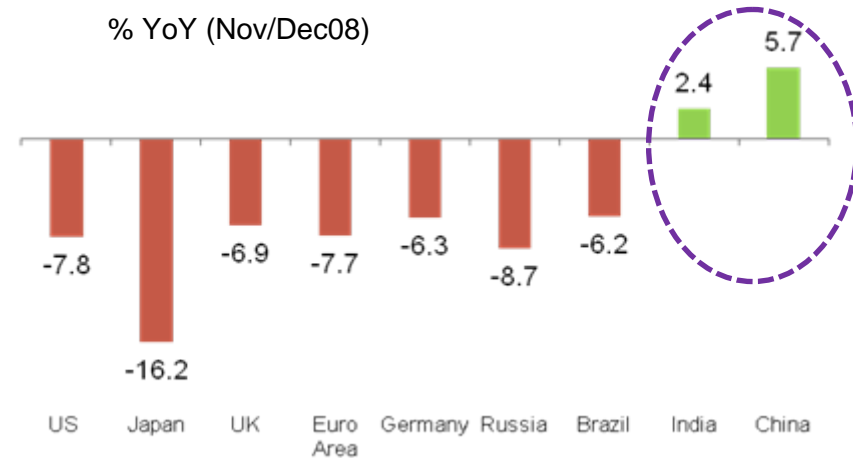


Central Banks Have Responded With Coordinated Global Rate Cuts



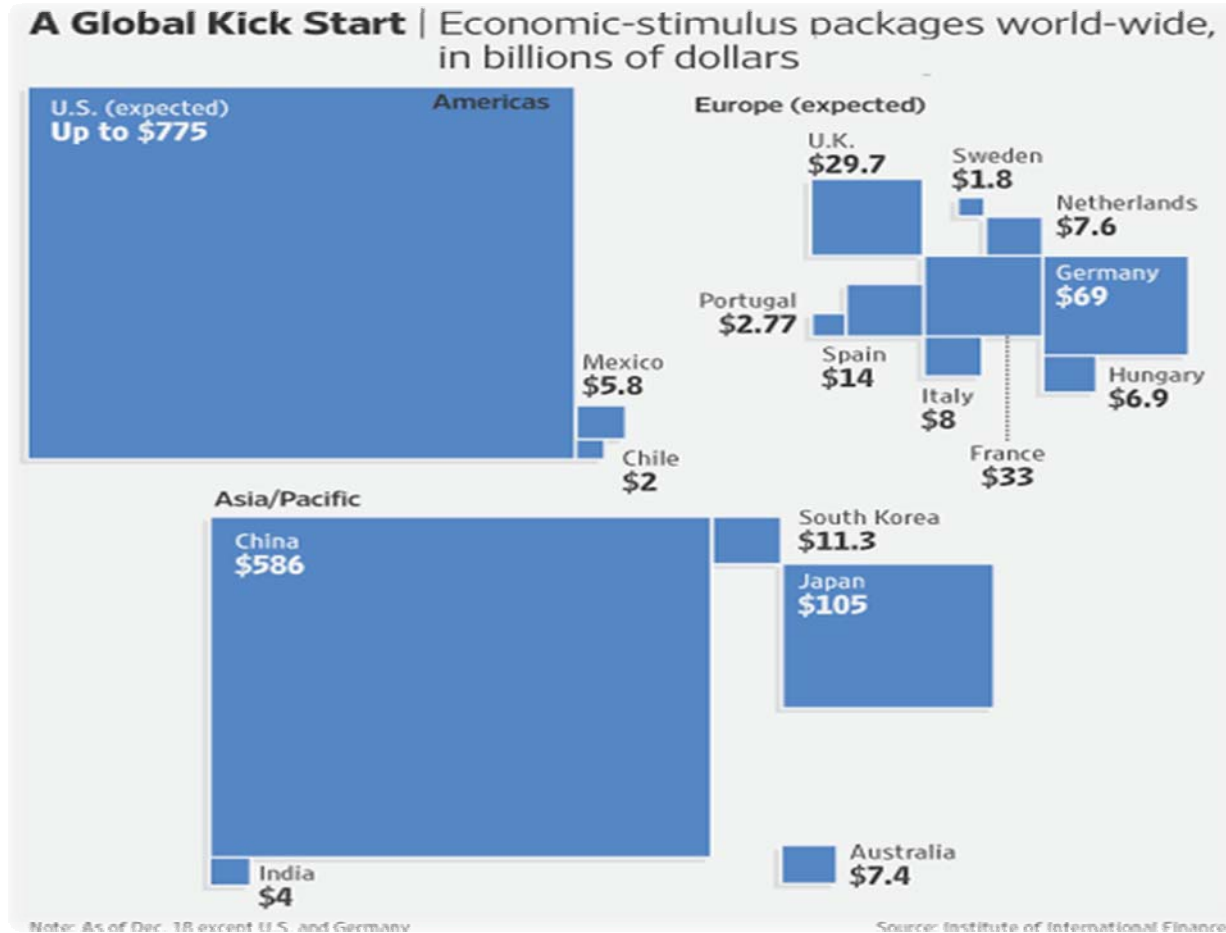
IIP growth still positive for India and China

% YoY (Nov/Dec08)



Glimmers of Hope: Improving liquidity, risk appetite, reduced interest rates and +ve IIP growth for Chindia

Economic Stimulus package - Worldwide



Total Stimulus Package amounts to ~ 2.6% of World GDP & more tranches could follow

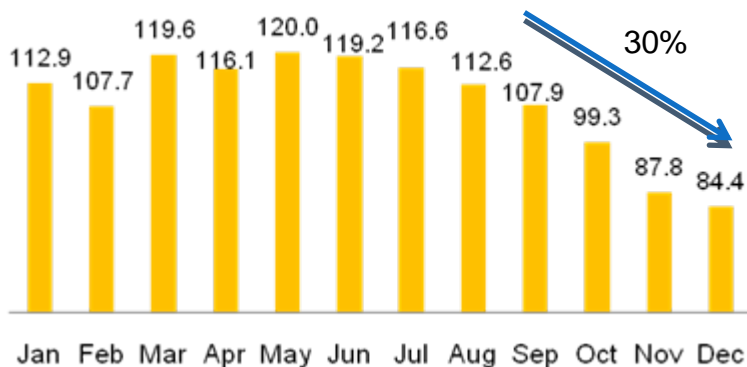
Steel Scenario

Apparent steel demand to recover



Supply side Correction

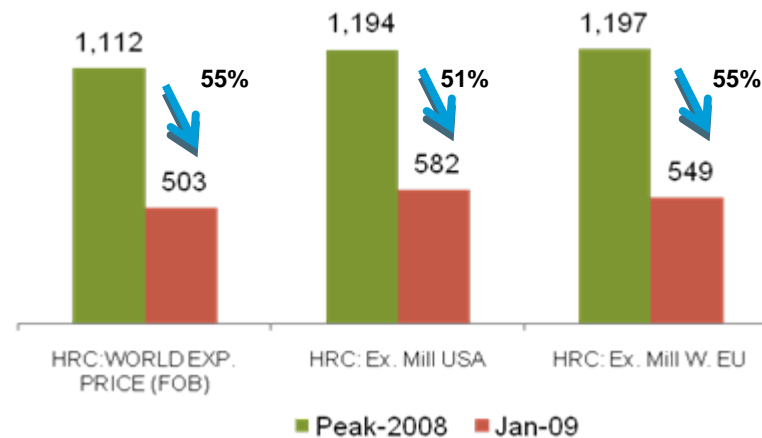
30% fall from the peak level



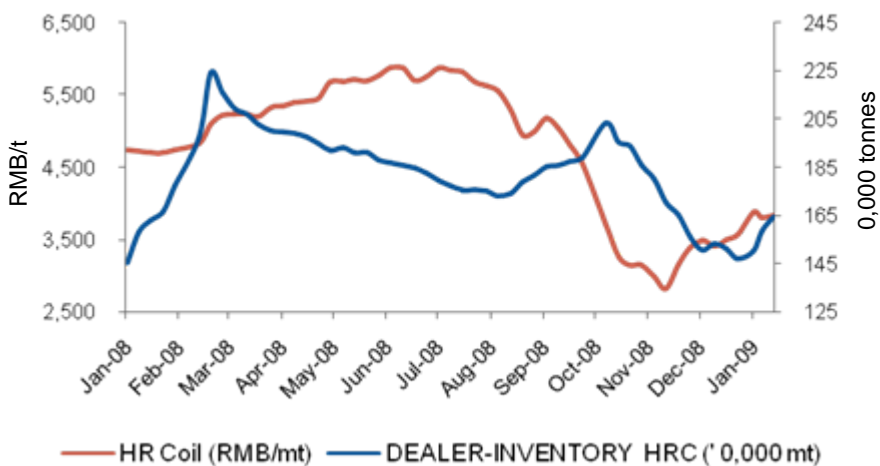
World crude steel production 2008 (MnT)

Fall in Steel Prices

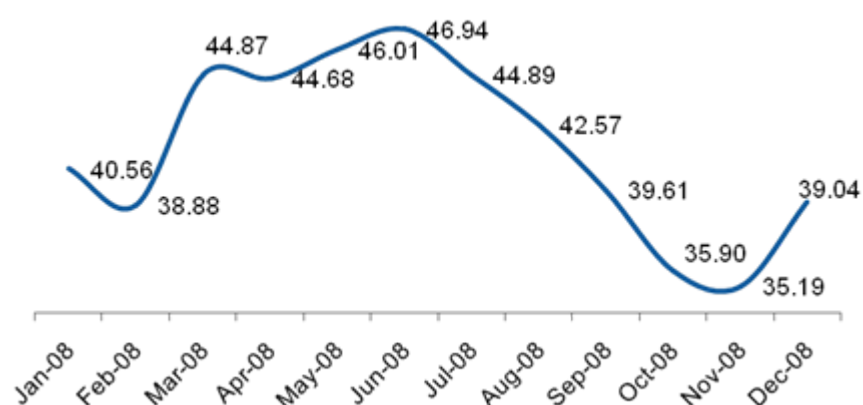
> 50% from the peak level (\$/ton)



China : Dealer Inventories and HRC Prices



Demand seems to recover in China



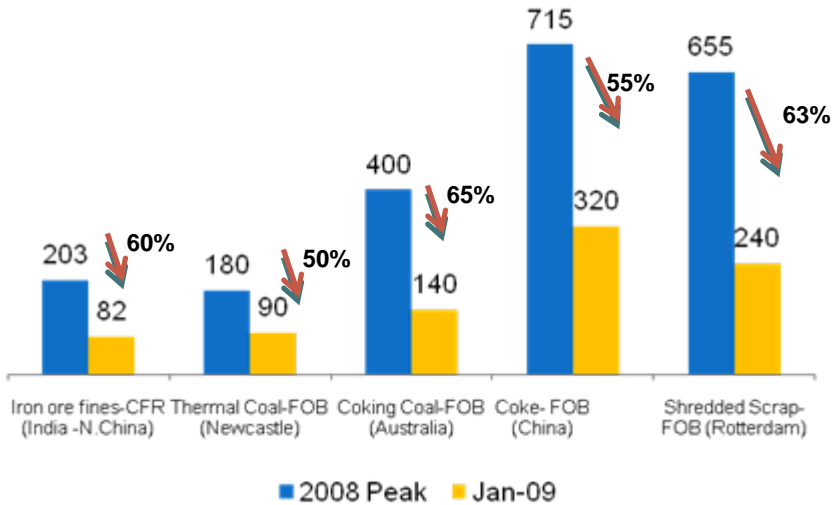
China: Crude steel production (Mnt)

Supply side measures, Steel price correction & bottoming out inventory set the stage for demand improvement

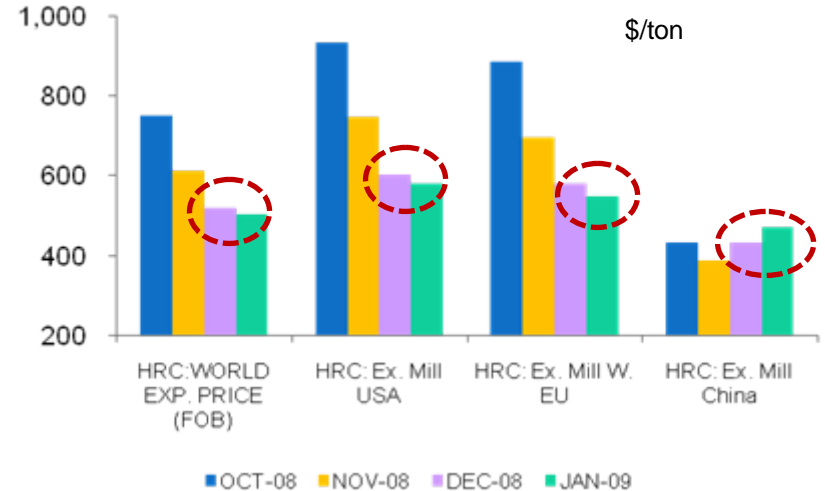
Margins poised to improve



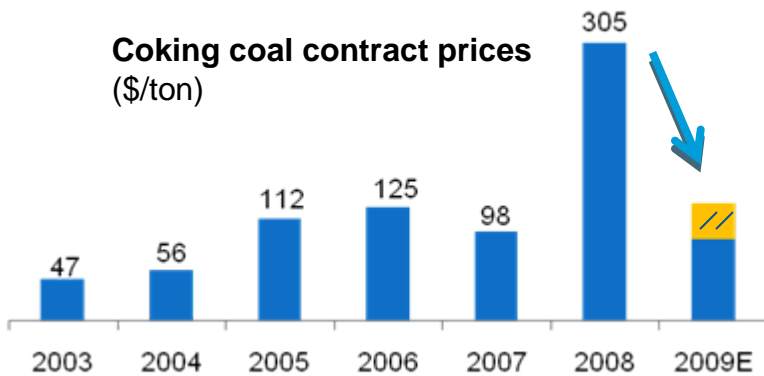
Raw Material spot prices
(\$/ton)



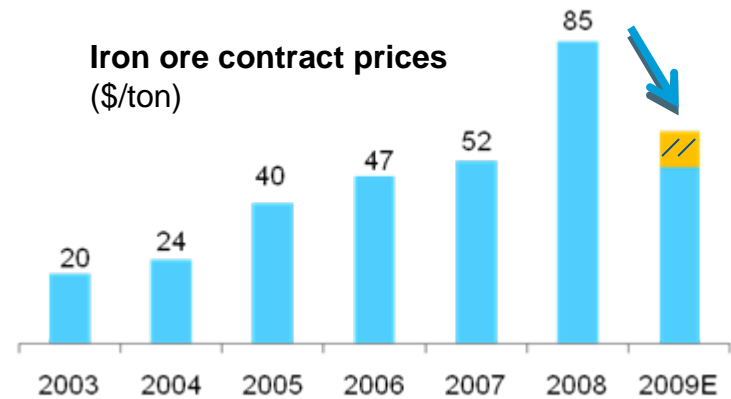
Price fall arrested



Coking coal contract prices
(\$/ton)



Iron ore contract prices
(\$/ton)



Fall in spot raw material prices, expected correction in contract prices & arrest of finished steel price decline to improve margins for steel companies.

INDIA: Govt. Measures (Oct-Dec08)



Export duty

- Export duty on steel products withdrawn (except melting scrap)

Import duty

- Import duty on steel products re-imposed at 5%

Countervailing Duty

- CVD reintroduced on certain products

DEPB

- DEPB on steel items reintroduced

Import Restriction

- Import of certain steel products on restricted list

Antidumping

- Antidumping enquiry initiated

Govt. takes proactive measures to support steel industry

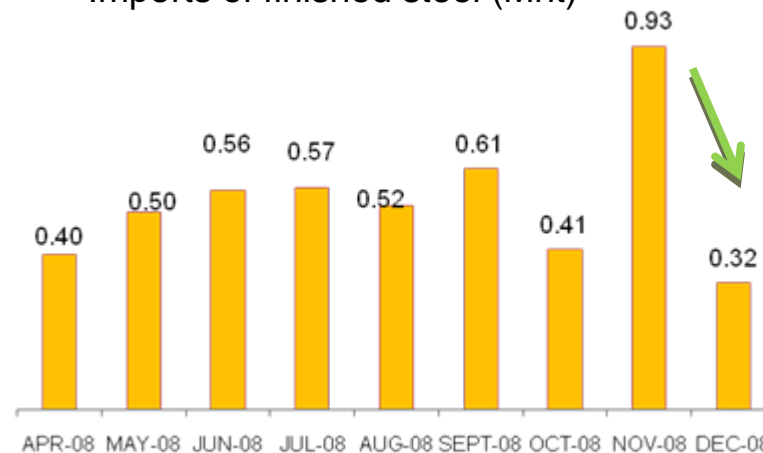
India: Steel Demand-Supply Scenario



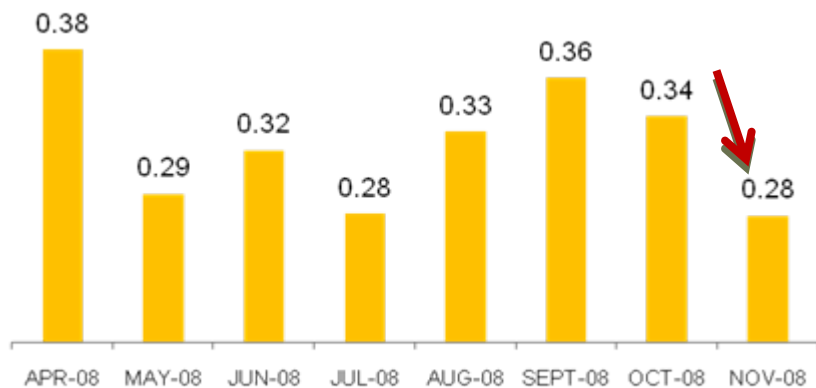
Crude Steel Production (MnT)



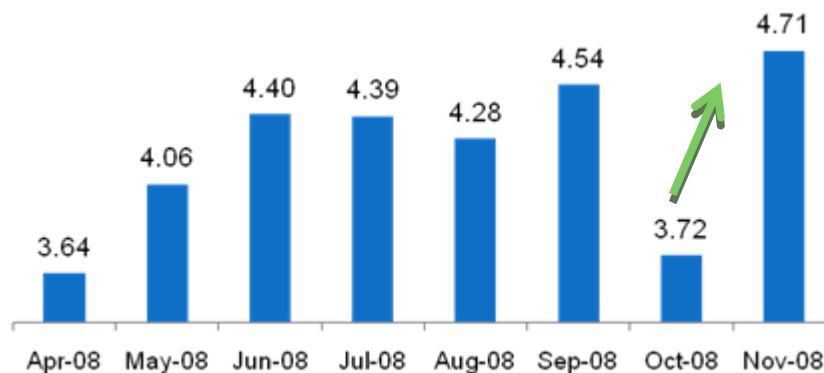
Imports of finished steel (Mnt)



Exports of finished steel (Mnt)



Apparent Finished Steel Consumption (Mnt)



Declining attractiveness of import will lead to higher demand for Indigenous steel

Performance highlights...



Highlights – Q3 FY09



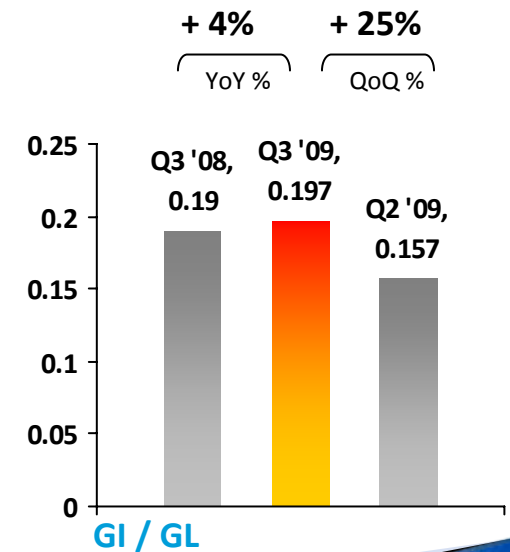
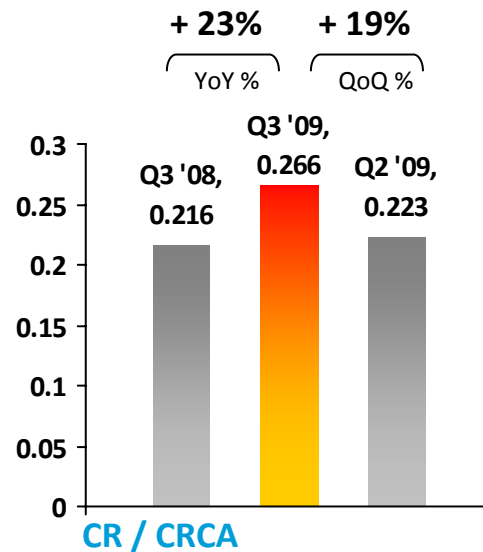
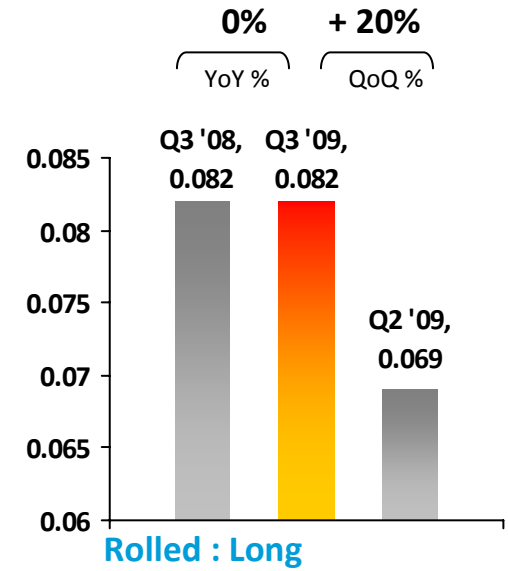
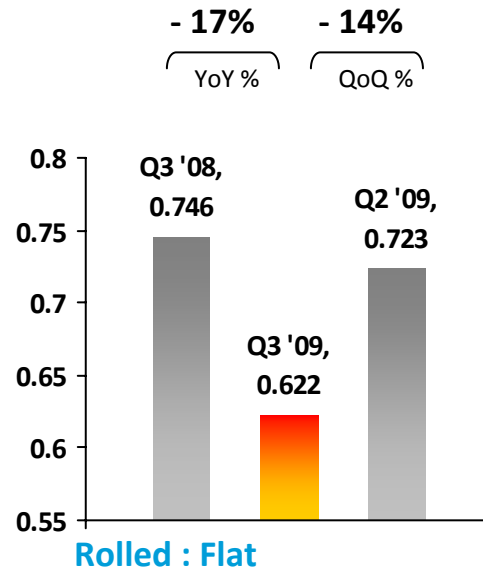
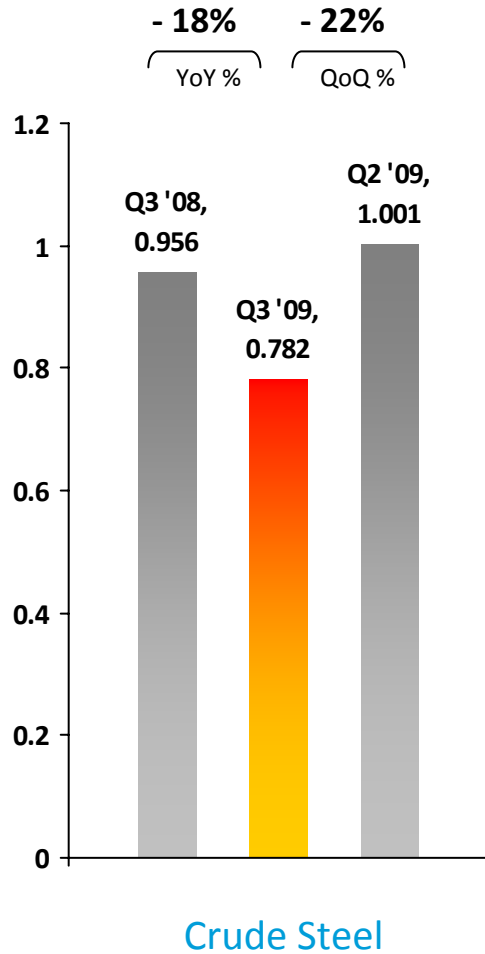
(YoY)

Particulars		Q3
Volume	: Crude Steel Production	- 18 %
	: Saleable Steel	- 18 %
Net Sales		- 1 %
Blended	: Sales Realisation	16 %
	: Cost of Production	51 %

EBITDA Margin	15.3 %
EBITDA before exceptional items	Rs. 433 Cr.
Forex Loss	Rs. (177) Cr.
Net Profit / (Loss)	Rs. (128) Cr.

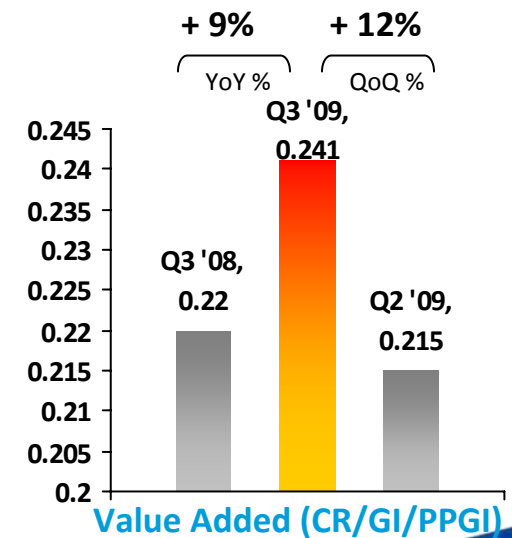
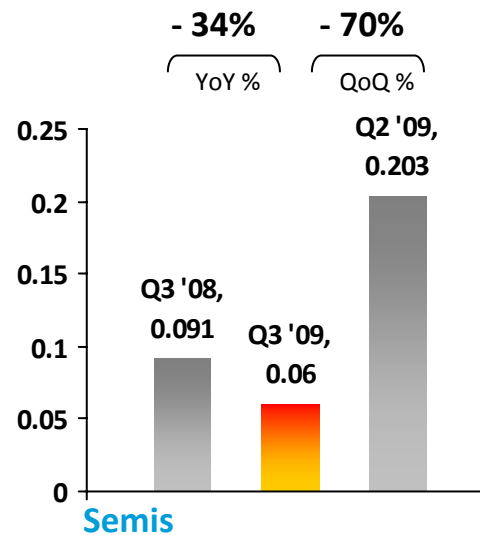
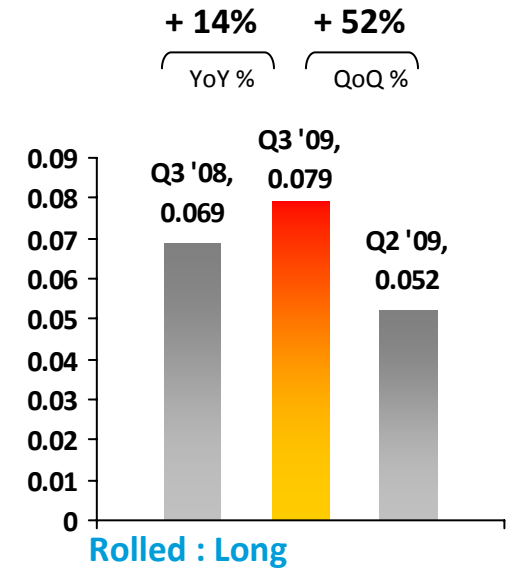
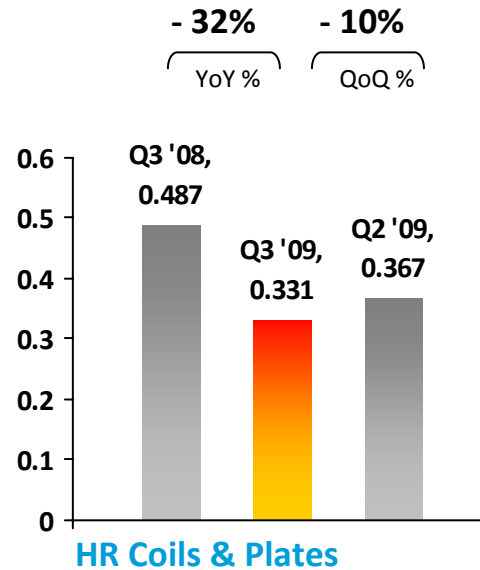
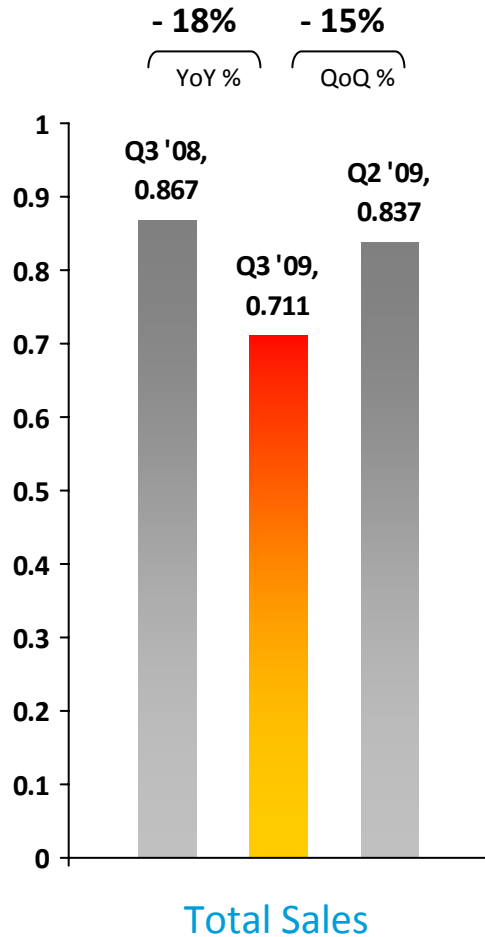
Weighted Avg. Cost of Borrowing 8.29%

Production – Q3 FY09



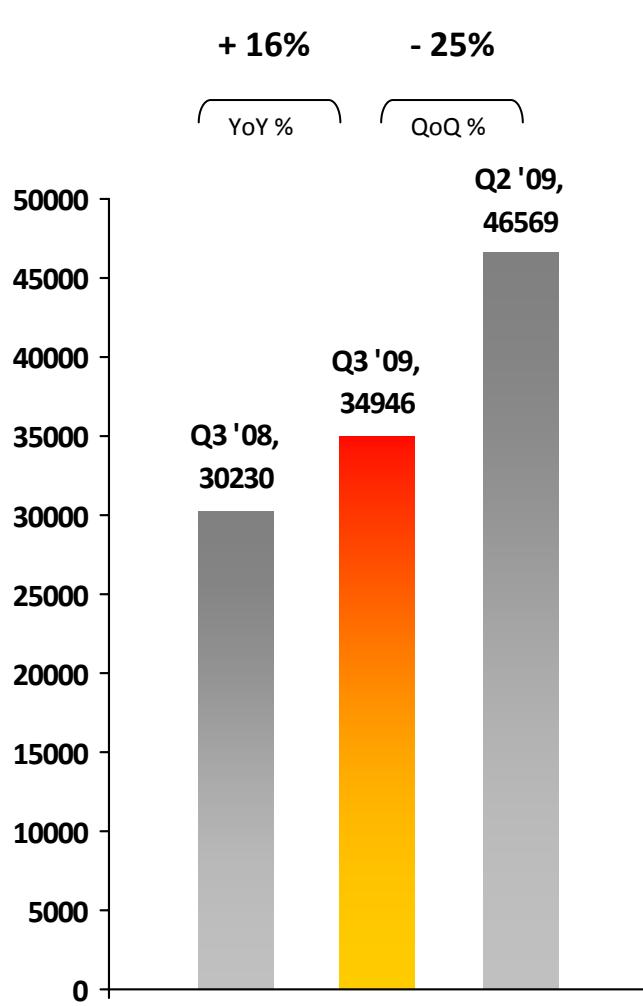
All fig. in Million Tonnes

Saleable Steel Sales – Q3 FY09

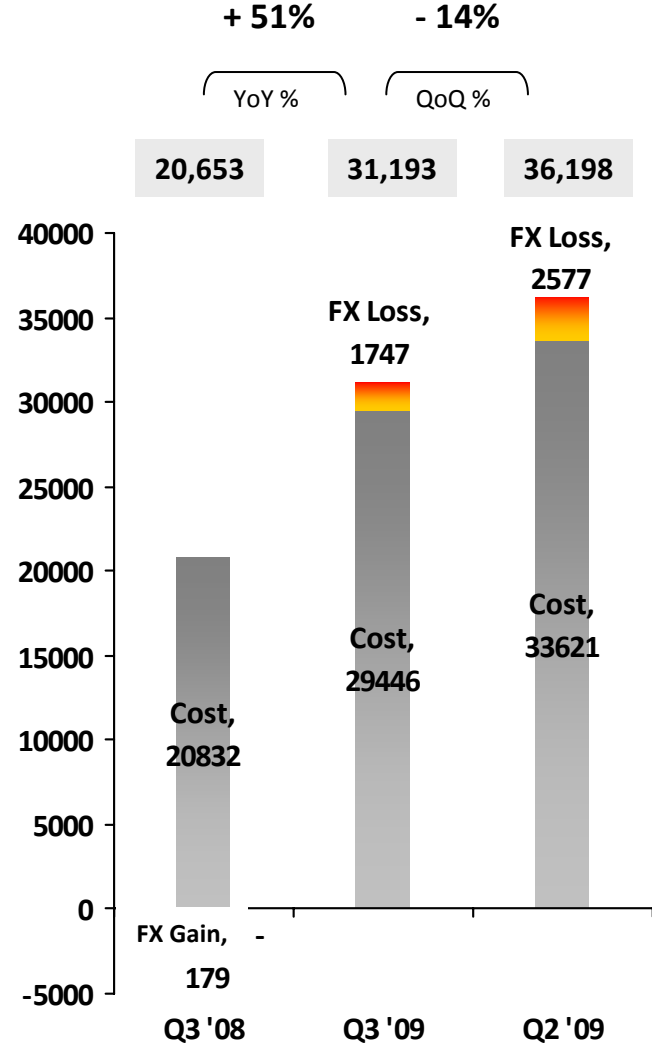


All fig. in Million Tonnes

Sales Realisation v/s Cost of Production – Q3 FY09

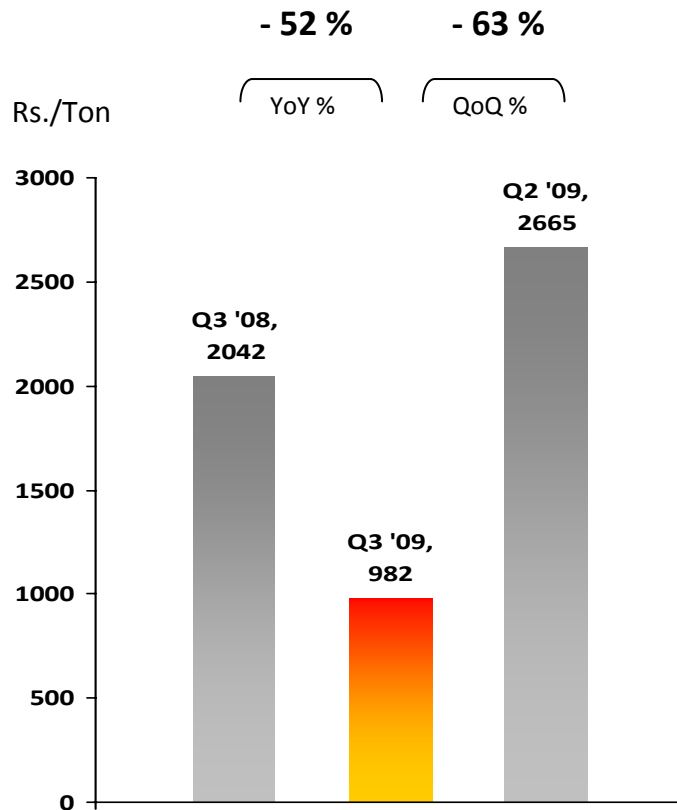


Blended Realisation (Rs. / t)



Blended Cost (Rs. / t)

Iron Ore Price Movements – Q3 FY09



	QoQ	YoY
Rs / t cs	3,693	1,705
Total (Rs Cr)	212	133

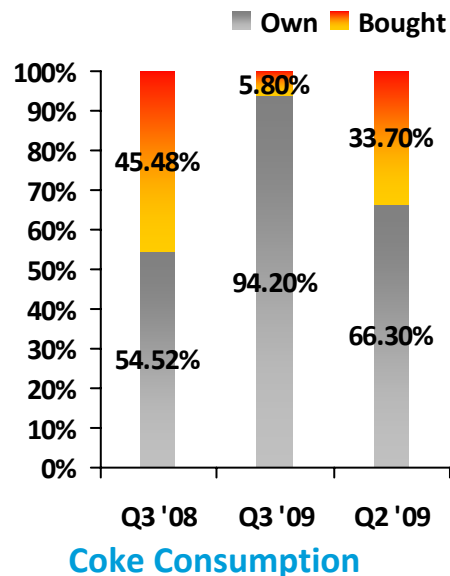
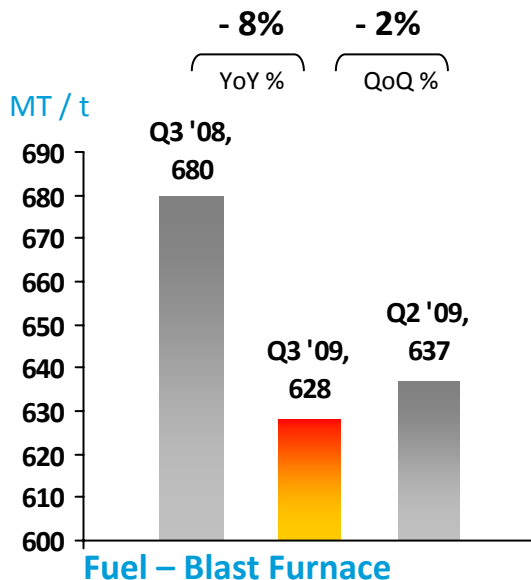
	Q3 '08	Q3 '09	Q2 '09
China FOB (\$)	185	75	159
% Change	- 59 %		- 53 %

Operating Parameters (Vijayanagar) – Q3 FY09



Cost Impact

	QoQ	YoY
Rs per t cs	527	1,006
Total (Rs Cr)	35.20	67.20

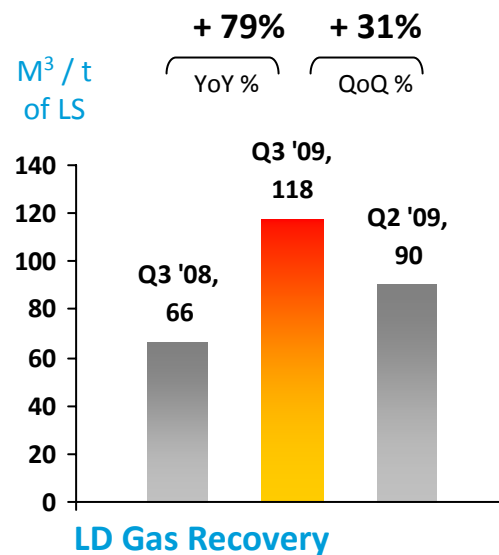
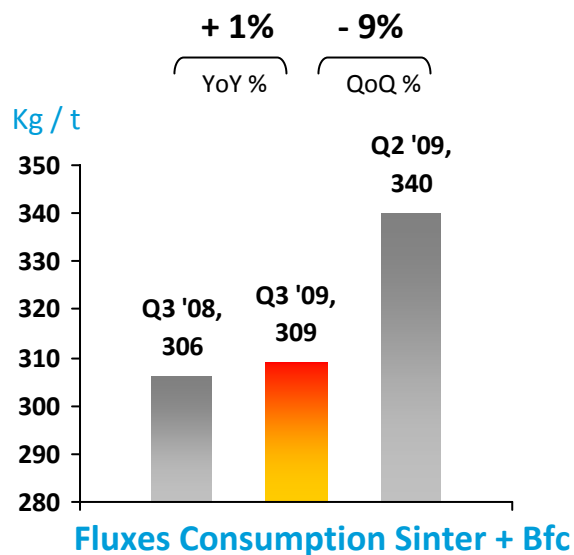


Cost Impact

	QoQ	YoY
Rs per t cs	1,368	1,816
Total (Rs Cr)	91.38	121.3

Cost Impact

	QoQ	YoY
Rs per t cs	8	(1)
Total (Rs Cr)	0.53	(0.07)



Cost Impact

	QoQ	YoY
Rs per t cs	59	49
Total (Rs Cr)	3.94	3.27

Standalone Financials – Q3 FY09

Rs. Cr.

	Q3 FY 09	Q3 FY 08
Turnover	3,055.34	3,108.43
EBITDA before exceptional items	433.48	817.43
EBITDA Margin	15.3 %	29.0 %
EBITDA	256.65	831.39
Cash Profit	200.18	700.94
Profit Before Tax	(190.72)	510.82
Net Profit	(127.50)	355.37
EPS : Diluted	(8.93)	18.53

Subsidiary Performance

Operational Performance - USA

	PRODUCTION (NT)		SALES (NT)	
	Q3 FY 09	YTD Dec'08	Q3 FY 09	YTD Dec'08
Plate Mill	47,487	299,630	27,660	172,875
Pipe Mill	27,198	128,560	28,550	133,566

Financial Performance - USA

\$ Mio

Particulars	Q3 FY 09	YTD Dec'08
Turnover	87.93	470.61
EBITDA + Other Income	14.89	89.51
	16.93 %	19.02 %
Cash Profit	3.13	56.48
Profit Before Tax	(5.18)	31.94
Profit After Tax	(2.78)	24.14

Financials Q3 FY 09

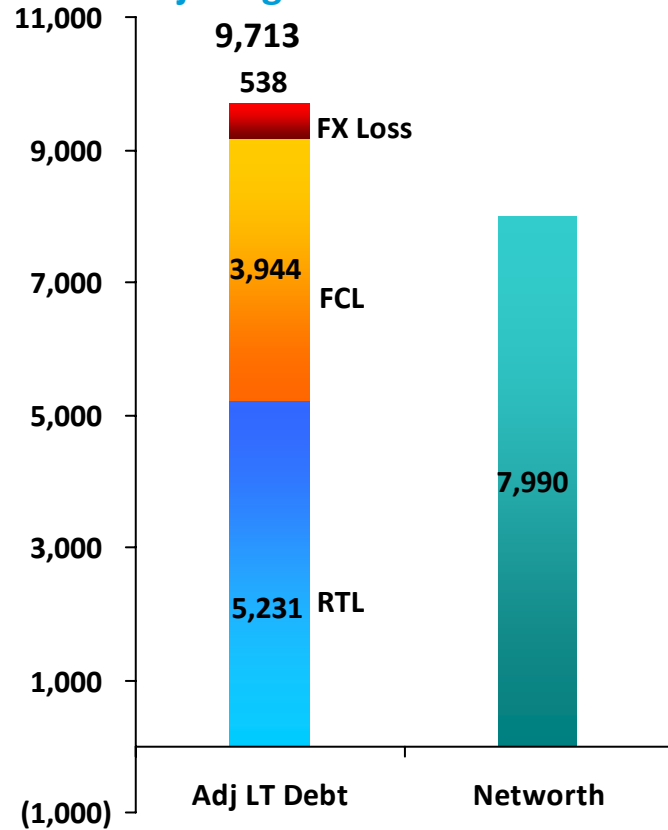
Rs. Cr.

Particulars	JSW Steel Ltd (Standalone)	JSW Steel Ltd (Consolidated)
Total Income	2,826.74	3,319.11
EBITDA before exceptional items	433.48	505.45
Cash Profit	200.18	175.26
Profit Before Tax	(190.72)	(265.30)
Profit After Tax	(127.50)	(187.83)

Adj Long Term Debt Gearing - Standalone

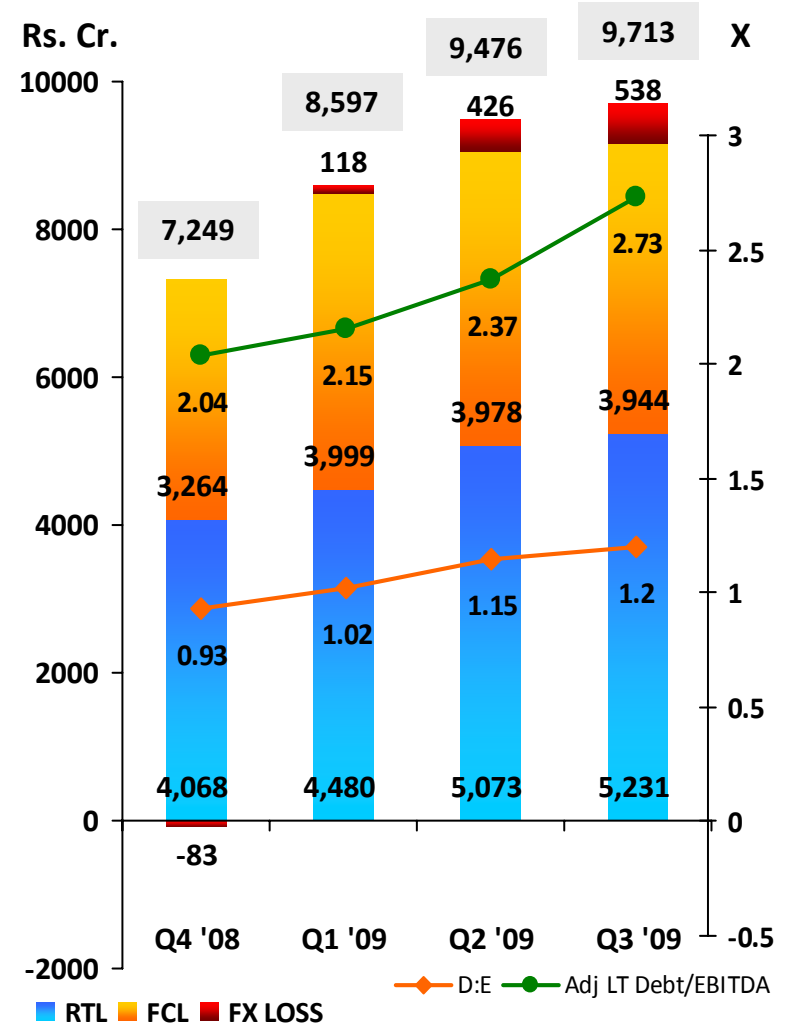


Rs. Cr. **Adj Long Term Debt & Network**



Standalone Gearing of 1.20

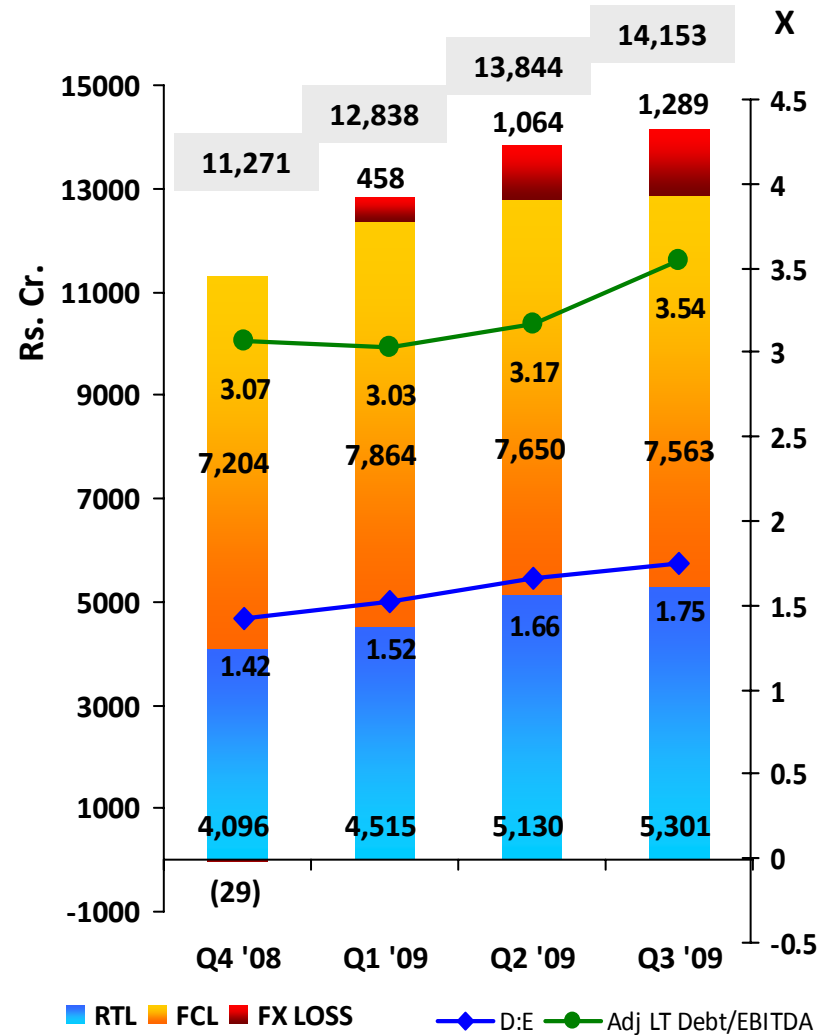
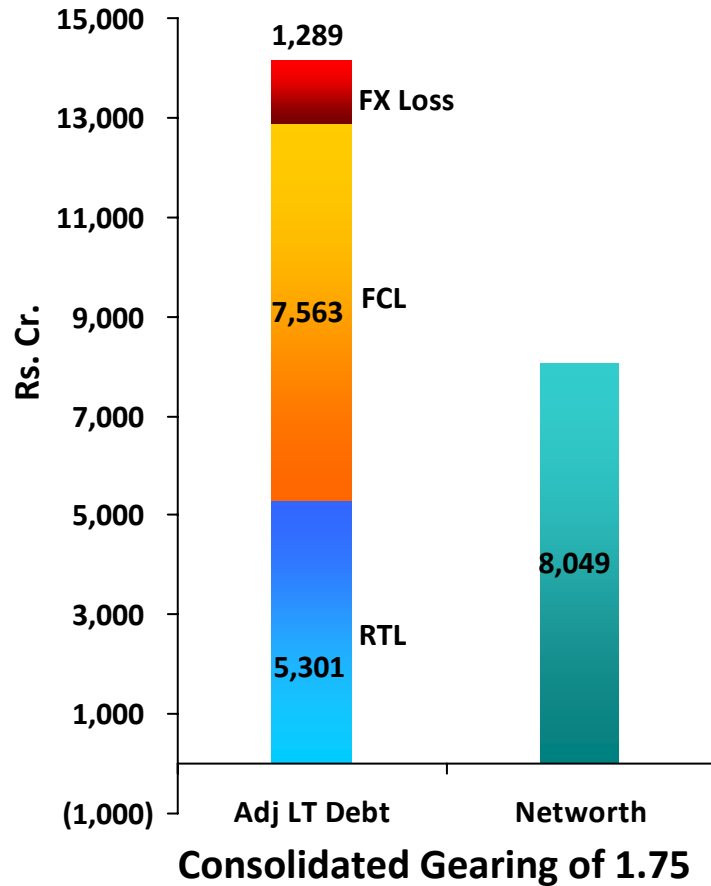
	Q4 '08	Q1 '09	Q2 '09	Q3 '09
Wt Avg Cost of Debt (%)	7.59	7.63	8.35	8.29
FD & MF (Rs. Cr.)	106	635	206	90



Adj Long Term Debt Gearing - Consolidated

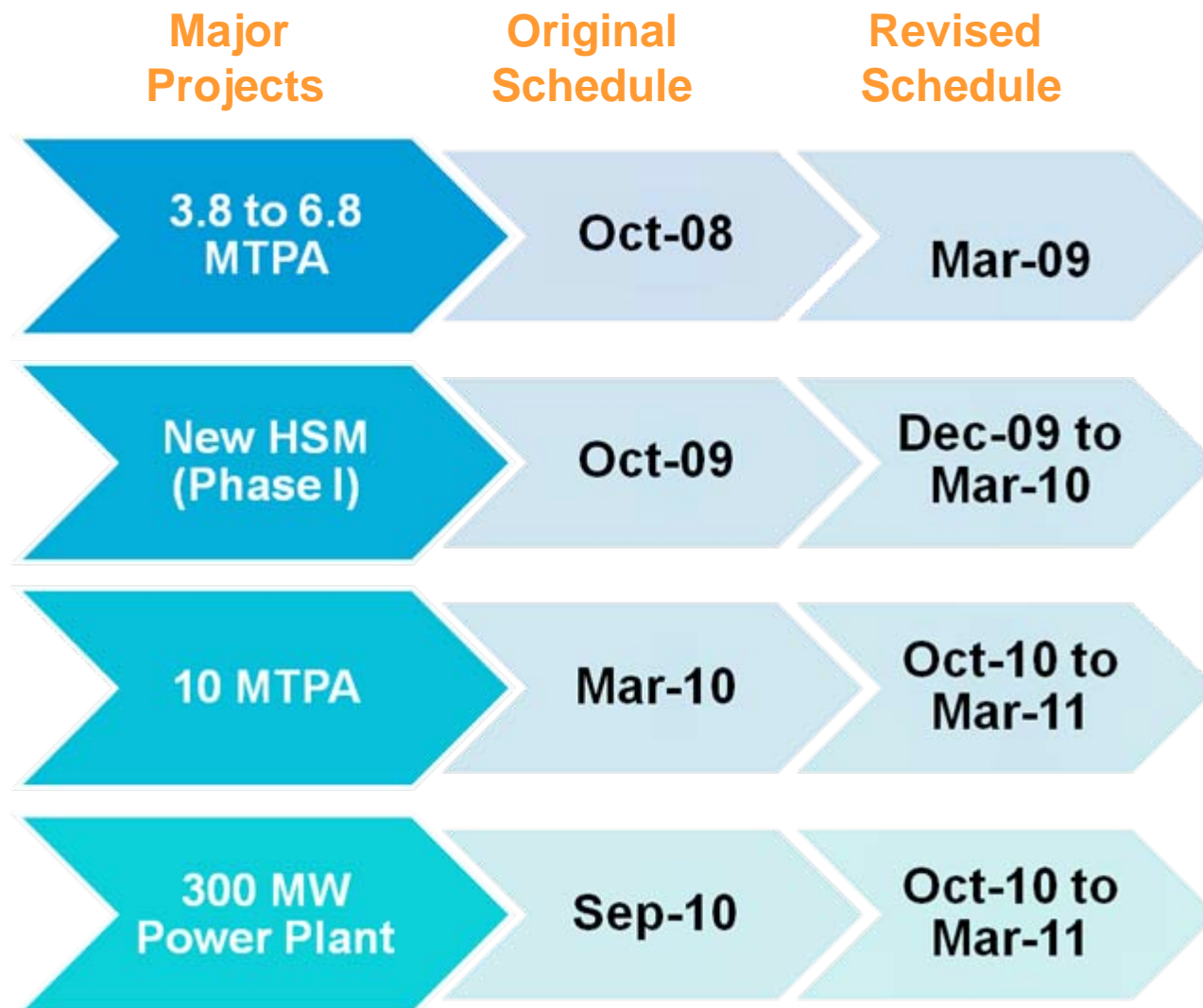


Adj Long Term Debt & Network



	Q4 '08	Q1 '09	Q2 '09	Q3 '09
Wt Avg Cost of Debt (%)	7.02	7.03	7.42	7.42
FD & MF (Rs. Cr.)	106	635	206	90

Project Commissioning Schedule



Focus : Rural-Market ... Coated Products

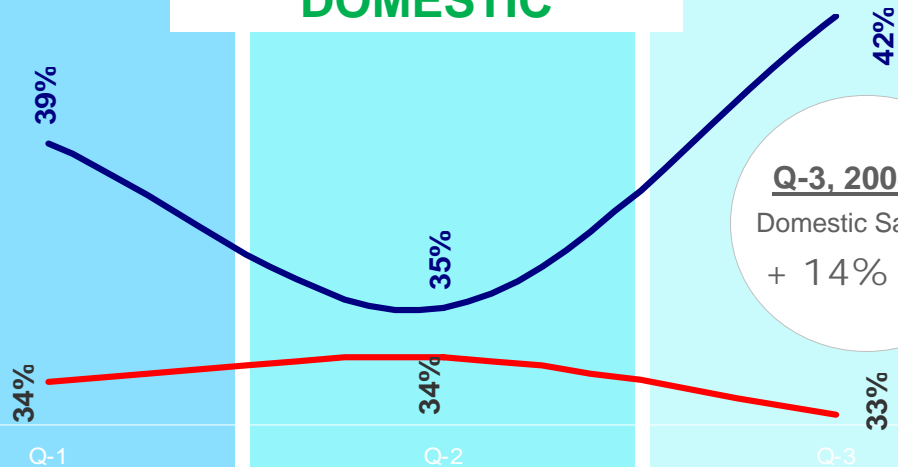


Q-1

Q-2

Q-3

DOMESTIC



Green-Revolution ~ Rural prosperity



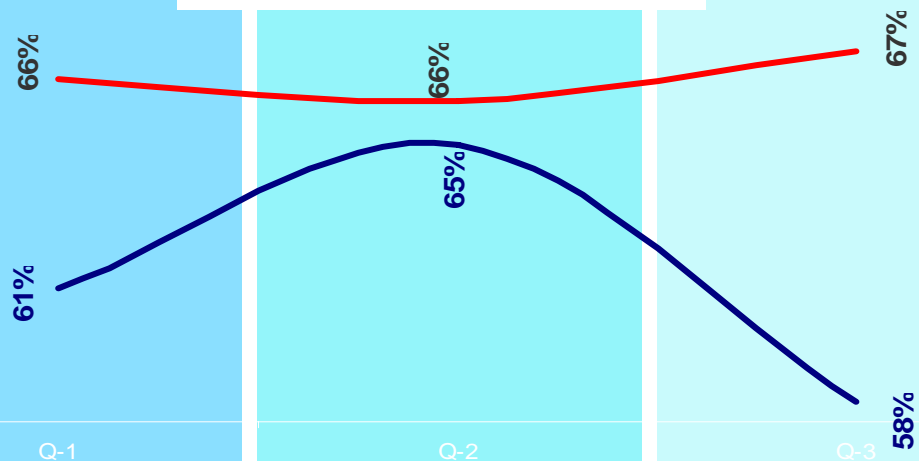
FOCUS

Rural-Marketing

F.Y. 2007-08

F.Y. 2008-09

EXPORTS



Global-Integration ~ Exports



FOCUS

Strategic

JSW Steel - Marketing Strategy : Today



Credit Squeeze (+) High Borrowing Cost (+) Income Insecurity

Automobile

High Cost Housing
& Real Est.

Capital Expenditure
Pvt. Spending

Govt. / Public Spending (+) Agriculture Sector

Capital Expenditure
Govt. / Public Spending

Rural Demand

Low & Middle Income
Housing

Exports
Currency Depreciation

- **Import substitution**
- **Maximising sales of Value-Added products**
- **Capitalising Rural demand**
- **Focus on bulk project orders**
- **Expanding exports across geographies**

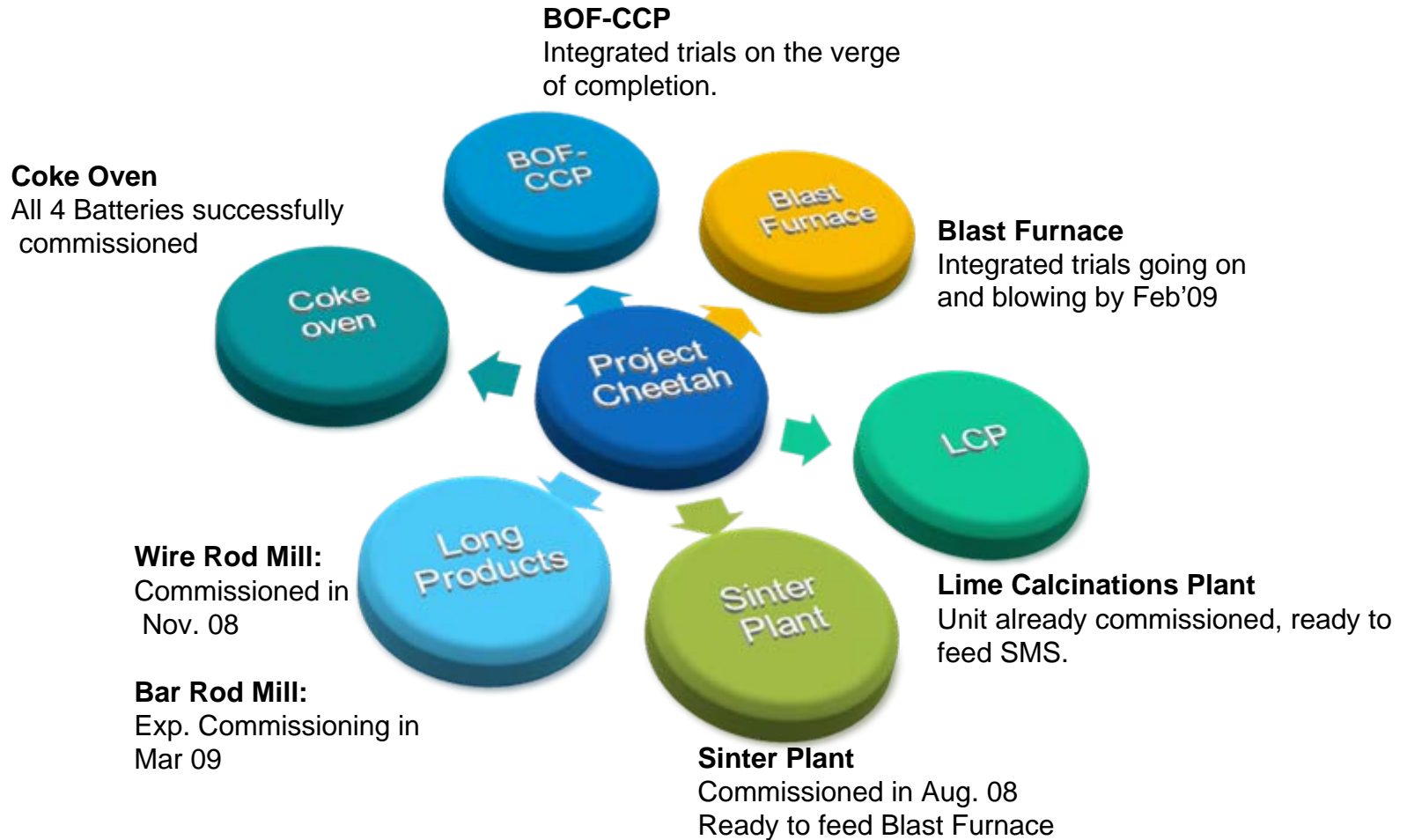
PROJECT UPDATES



3 MTPA Expansion: Project Status



Expected commissioning in Feb/March 2009



BLAST FURNACE



- **Largest Furnace in India**
- **Volume = 4019 m³**
- **Capacity of 2.8 MTPA.**
- **Technology supplier : Siemens VAI,UK.**
- **Furnace Proper completion has taken 540 days to complete Refractory and other Testing jobs.**

BLAST FURNACE : FURNACE TUYERE PLATFORM



- The 2.8 MTPA furnace has 36 Tuyeres Blowing
- Staves are CI & Copper
- The SGP is RASA type

BLAST FURNACE: CONTROL ROOM



SMS : Converter 1



- **Supplier :**
SMS DEMAG / SMS MEVAC
- **Capacity : 2.81 MTPA**
- **2 * 175 Tons Converter**

BILLET CASTER- RUNOUT



- **Supplier : SMS Demag**
- **Capacity : 1.7 MTPA**
- **Type : 8 Strand**
- **Max Speed : 3.2 m/s**

SLAB CASTER- RUNOUT



- **Technology : SMS Demag / Concast AG**
- **Capacity : 1.6 MTPA**
- **Max Speed : 2.5 m/s**
- **Slab Size : 2200 mm Wide/ 300 mm Thick**

LCP : KILN



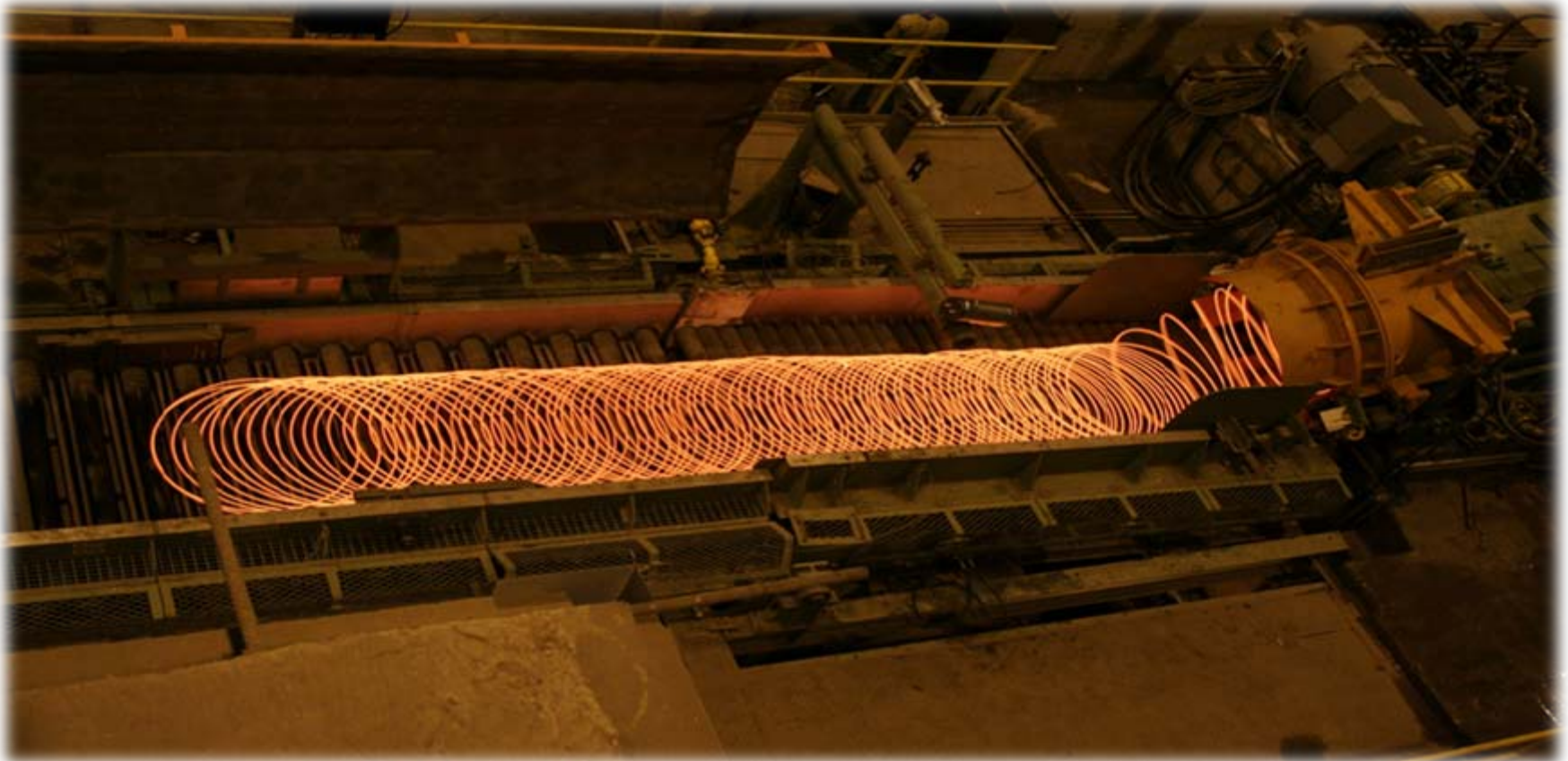
- **Supplier : Cimprogetti**
- **Capacity : 300 TPD**

SINTER PLANT: SINTER MACHINE



- **Supplier : Outokumpu, Germany**
- **Capacity : 2.3 MTPA**
- **Area : 204 m²**

WIRE ROD MILL



- **Supplier : MORGAN**
- **Capacity : 0.6 MTPA**
- **Product Mix : Plain Rod : 5.5 – 22 mm**
Rebar : 6,8 & 10 mm

COKE OVEN : COKE PRODUCT



- **Supplier : MECC ,China**
- **Capacity : 1.5 MTPA (Largest in its kind)**
- **Type : Recovery / Stamp Charged**
- **4 Batteries (4 * 56 ovens)**

HSM 3.5 MTPA: FINISHING MILL FOUNDATION



- **Supplier : MHI, Japan**
- **Capacity (Phase 1) : 3.5 MTPA**
- **Size : L = 4.6 to 11 m**
W= 900 to 2150 mm
T = 220 to 260 mm Thick
- **Slab Wt Max : 36 T**

HSM 3.5 MTPA : FURNACE AREA



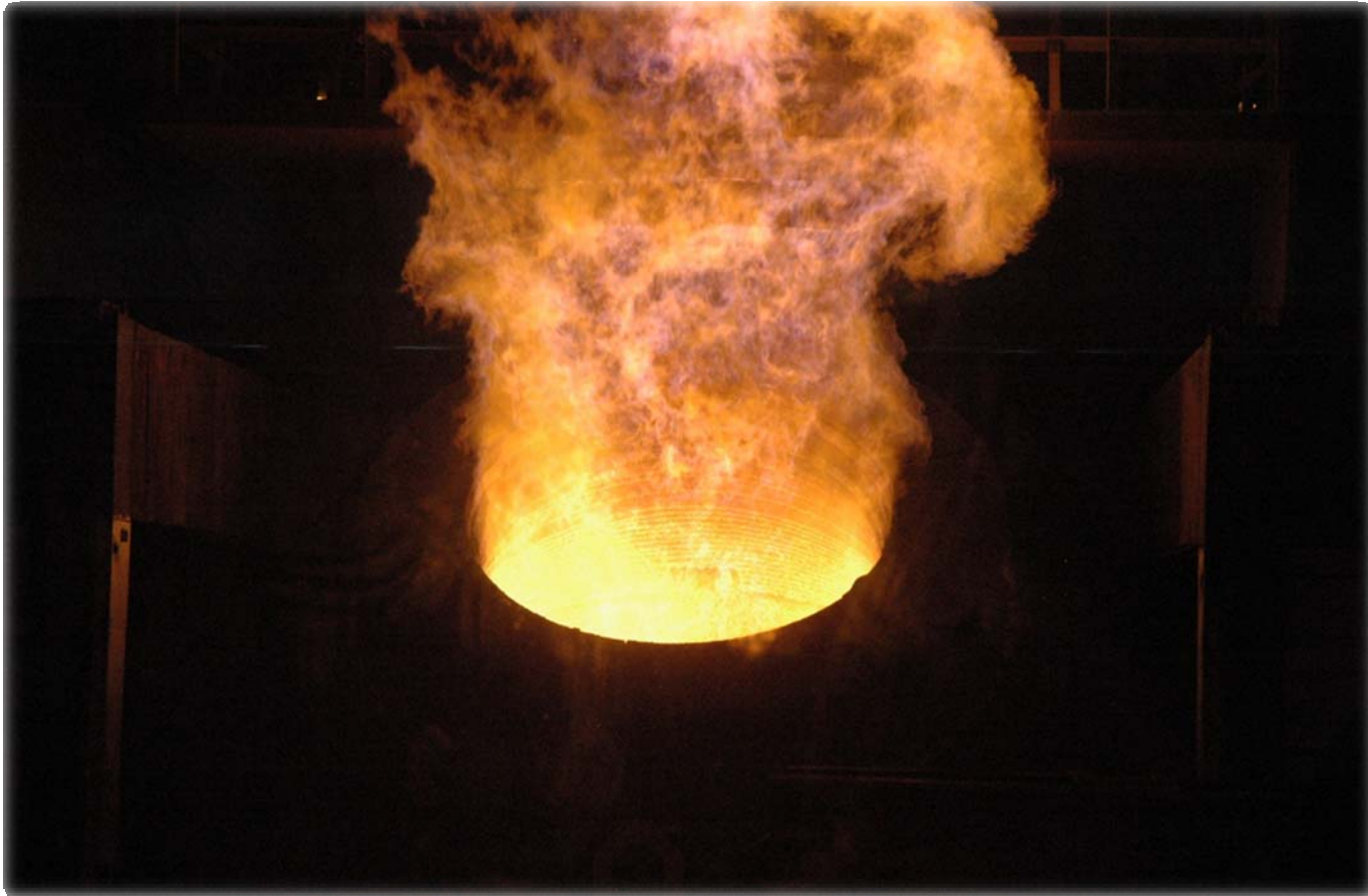
Pouring of hot metal



Hot Metal in Converter



Hot Metal in Converter



Project Progress: Downstream



30 MW Power Project : Expected commissioning by March 2009

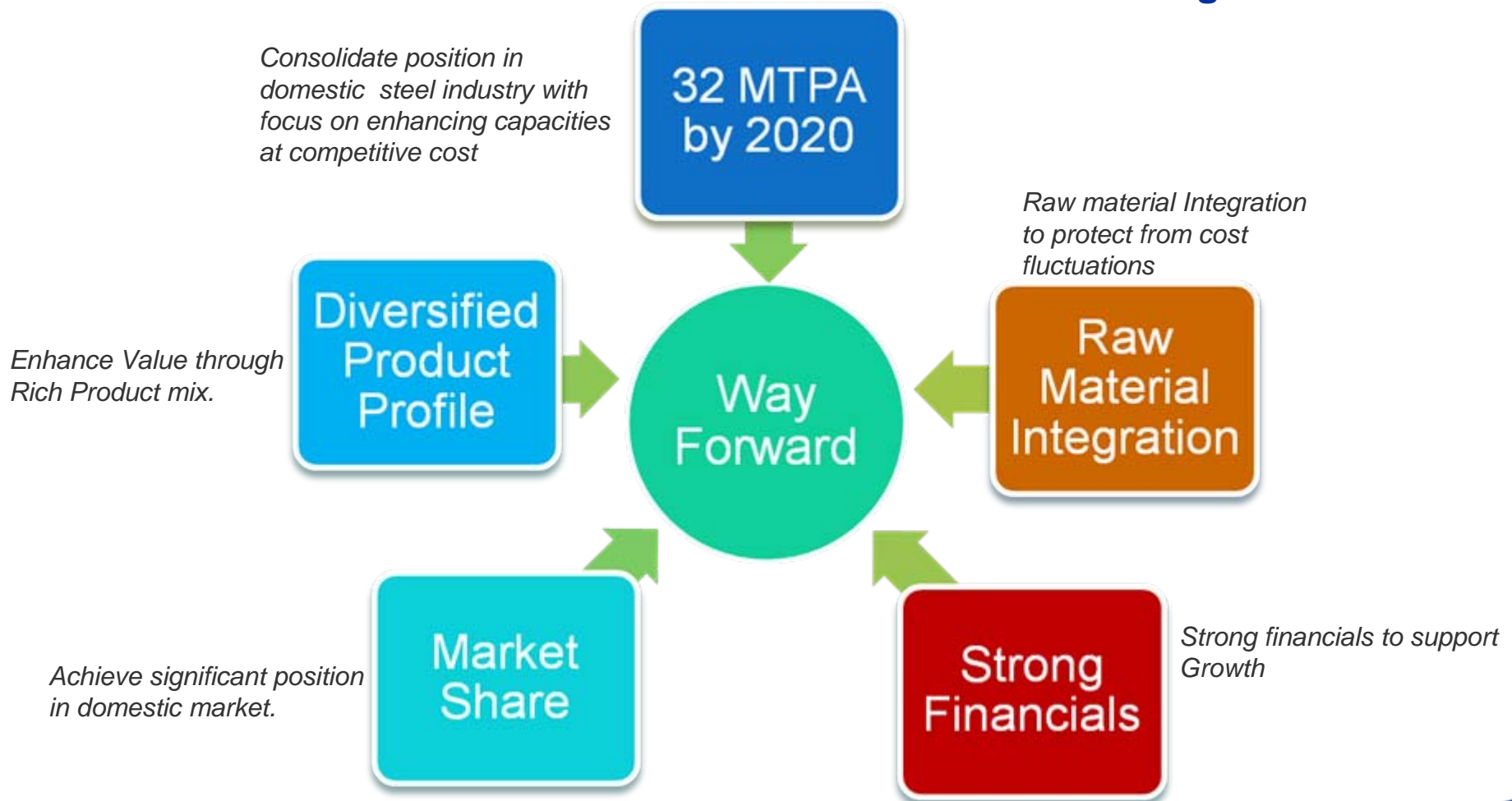


Railway Siding: Expected commissioning by FY 2011

Way Forward...



Sustainable **GROWTH**...
...Creating **VALUE**



Q & A



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, our ability to commission mines within contemplated time and costs, our ability to raise the finance within time and cost 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.