



# SUSTAINABLE GROWTH

Analyst Meet Presentation  
Q4 FY10

# Agenda

Economic Scenario

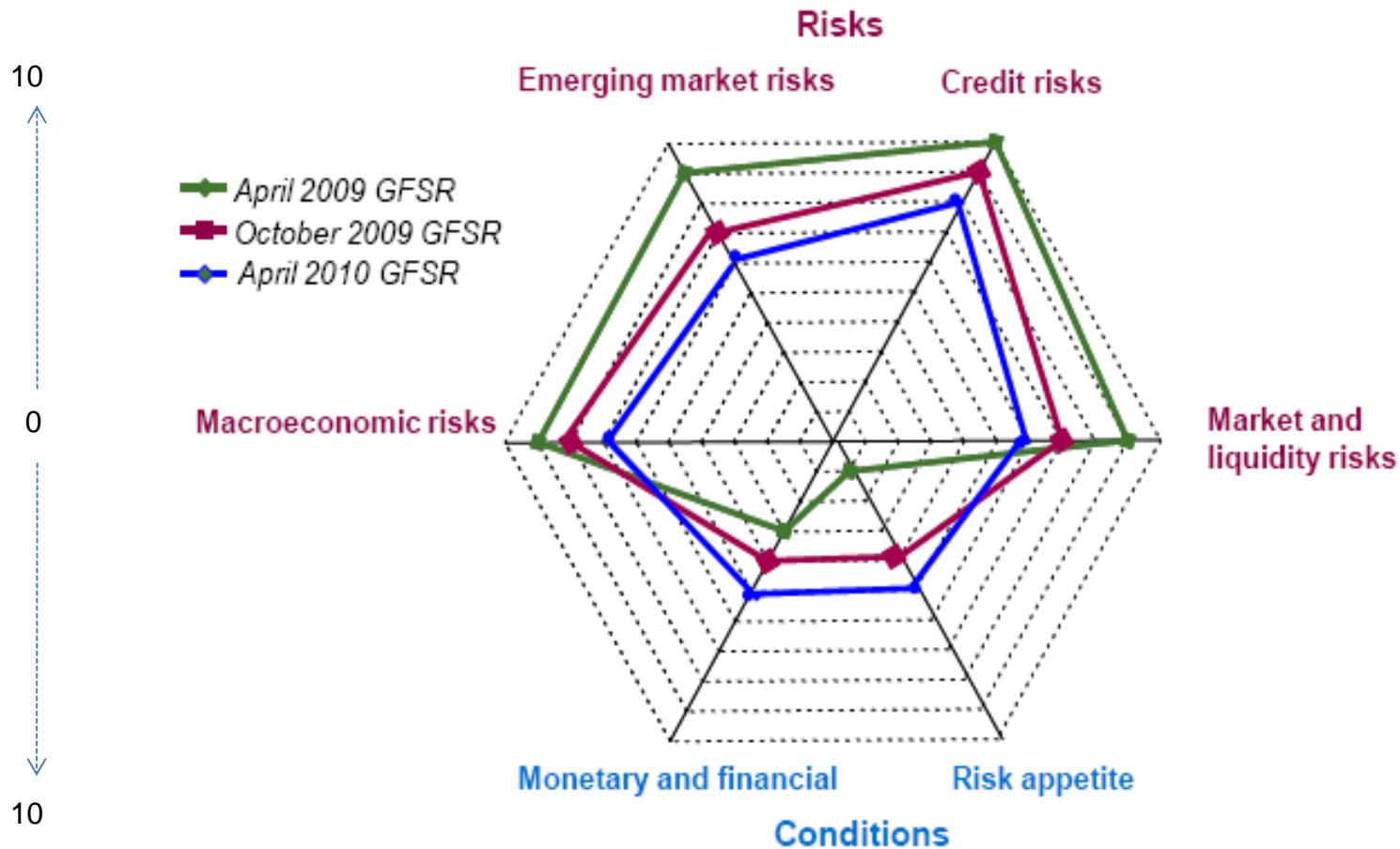
Steel Scenario

Operating Highlights

Project Progress

Financial Performance

# Improving Global Outlook



Centre depicts zero and periphery depicts ten on scale of zero to ten

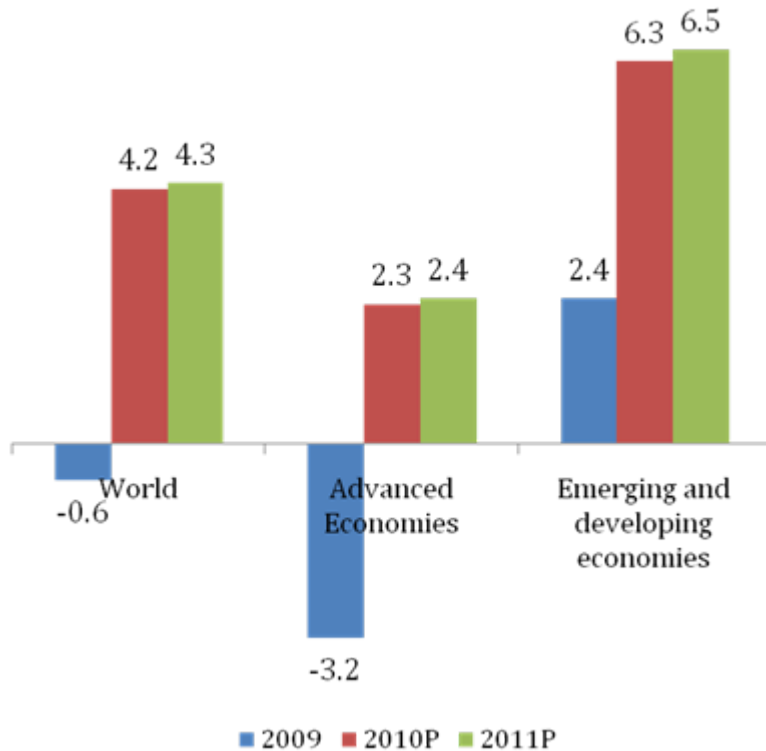
Note: Closer to center signifies less risk, tighter monetary and financial conditions, or reduced risk appetite.

GFSR : Global Financial Stability report

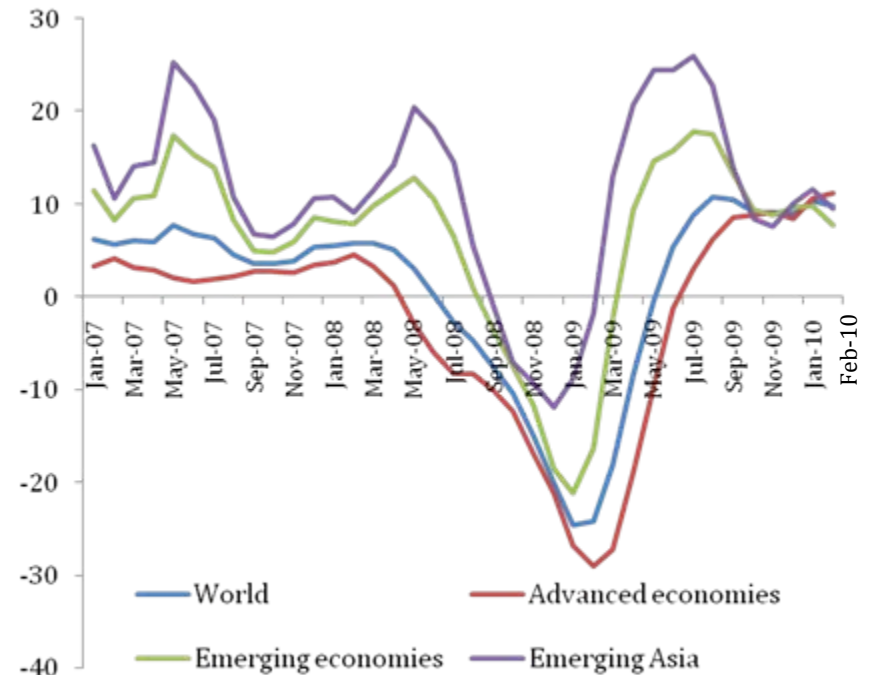
Source: IMF

# Recovery on fast track

Real GDP Growth (%)

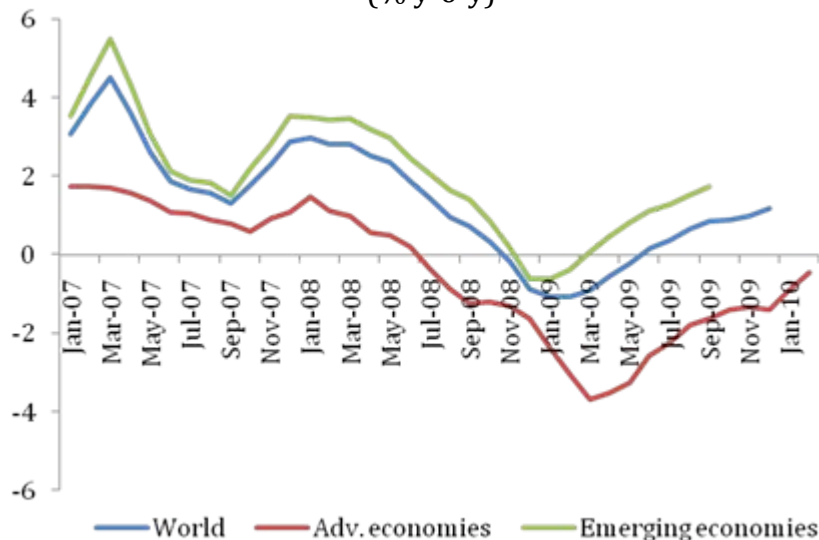


Industrial Production (% y-o-y)

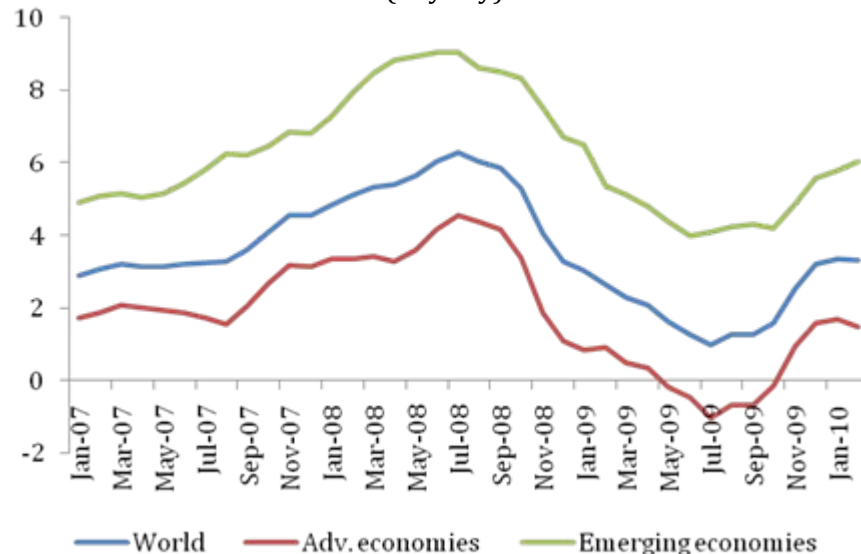


# Economic indicators on positive trend

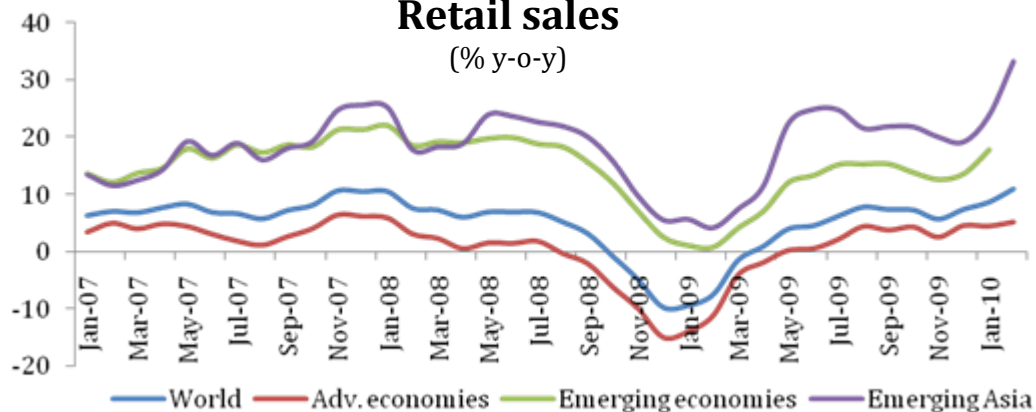
## Employment (% y-o-y)



## Headline Inflation (% y-o-y)



## Retail sales (% y-o-y)



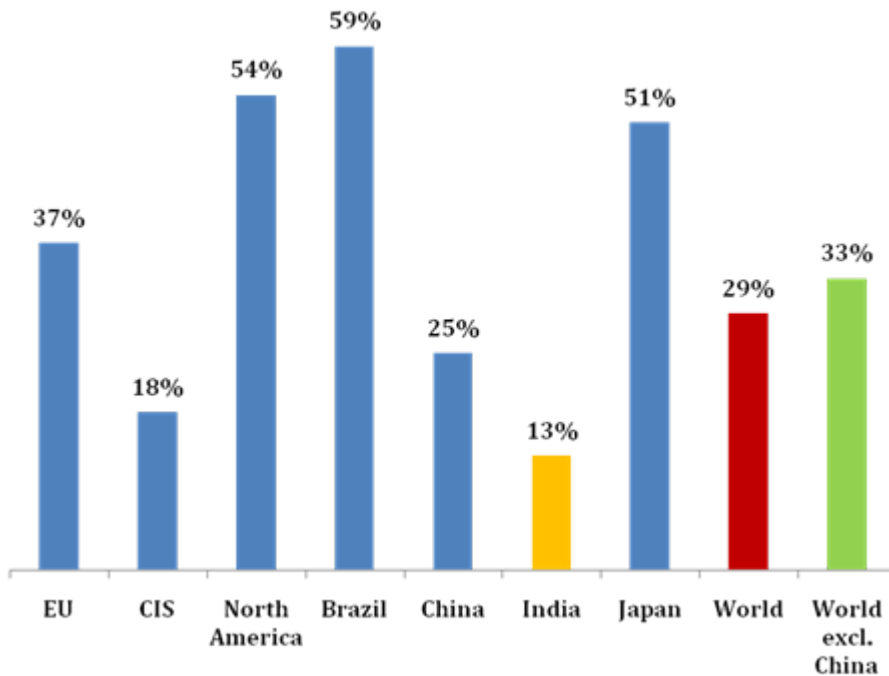
# Steel Scenario



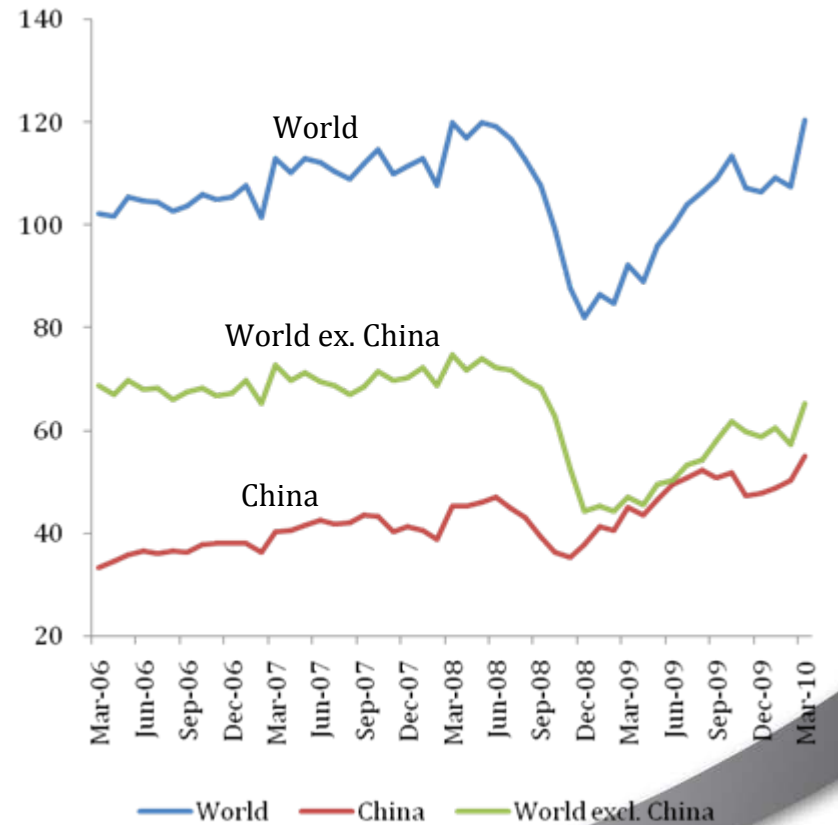
# Strong Recovery in Global Crude Steel Production in 1Q' CY 2010... ...with Global steel production approaching 2008 peak

## % y-o-y change in Crude Steel Production

Jan-Mar 09 Vs. Jan- Mar 10



## Monthly Crude steel Production (MnT)

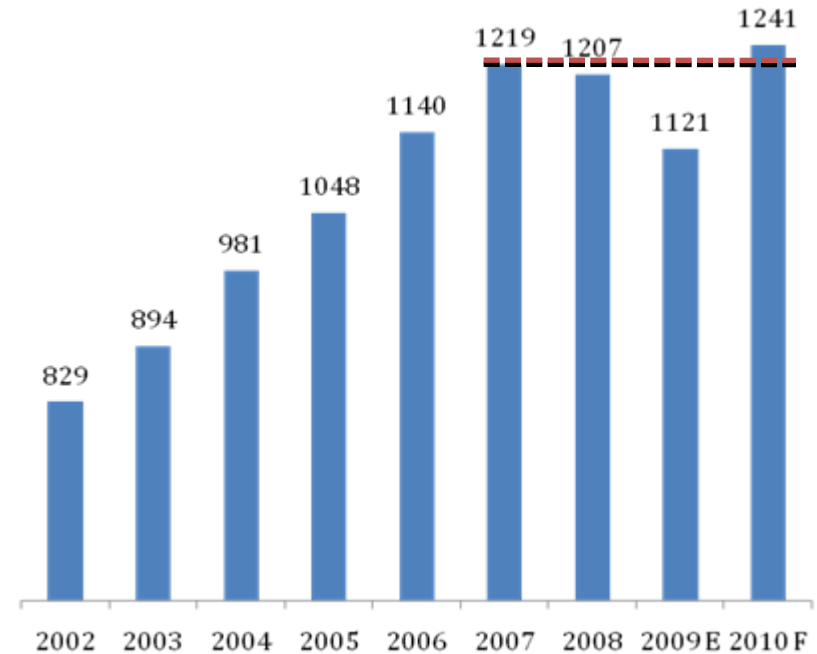


# World Steel Demand rapidly returning to pre crisis level

**World steel apparent demand**  
(MnT, annualised)



**Apparent Steel Use**  
(MnT)

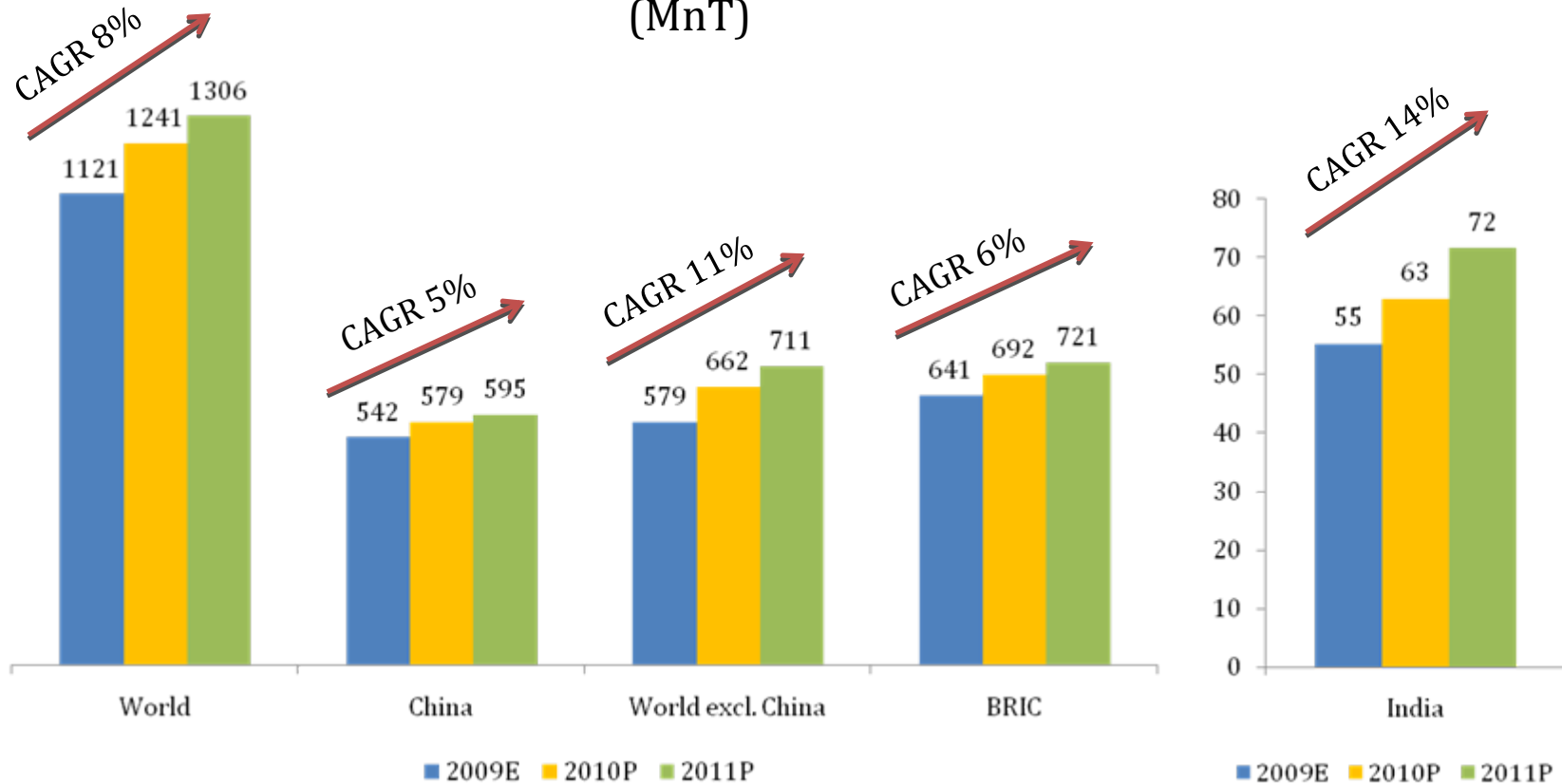


**Steel demand is actually running above early 2008 levels in early 2010**



# Strong growth in Steel consumption ahead

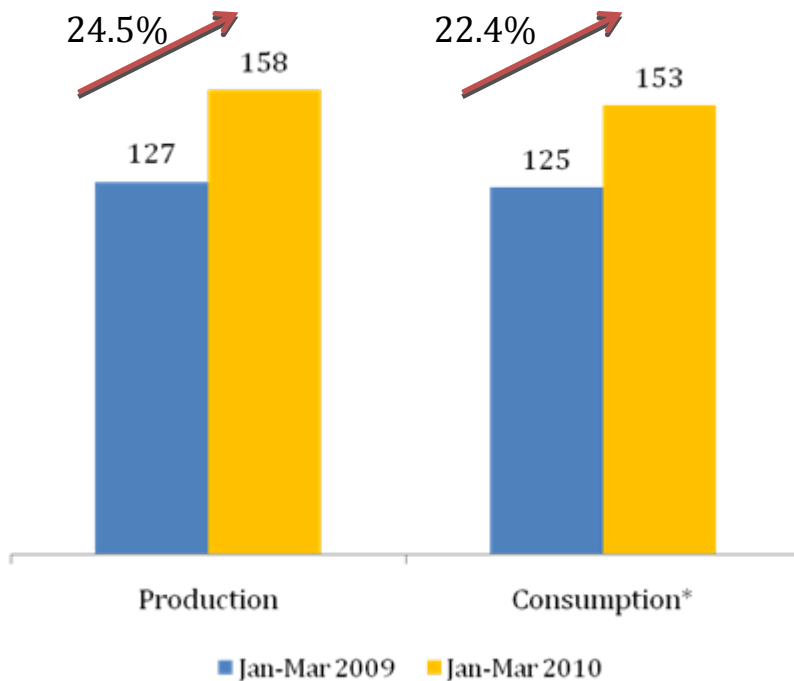
Apparent Steel Use  
(MnT)



# Chinese production and consumption setting a new high

## Steel Production Vs. Consumption

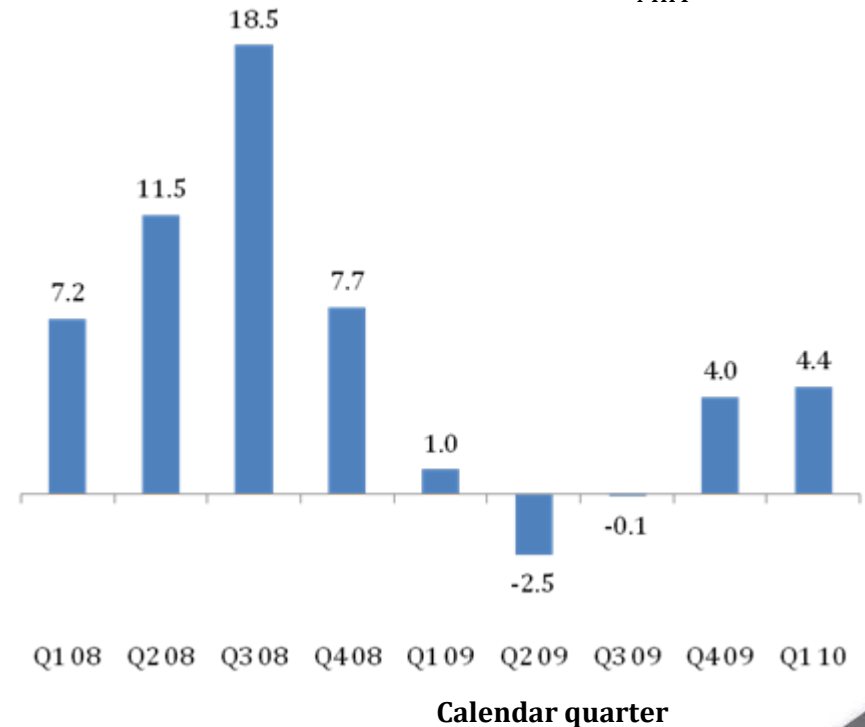
MnT



\* Crude steel equivalent

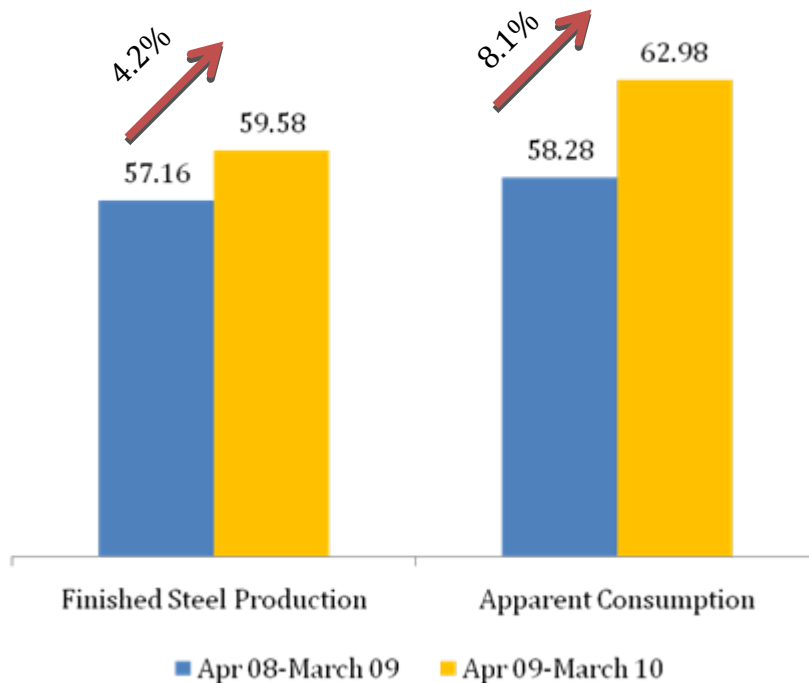
## Chinese net export

MnT

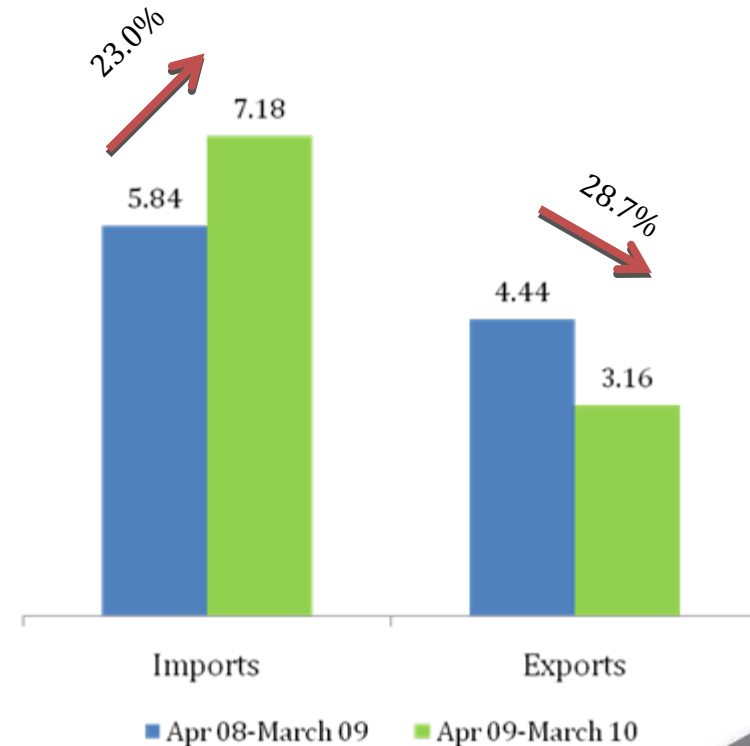


# India: Strong domestic consumption leading to higher imports of steel

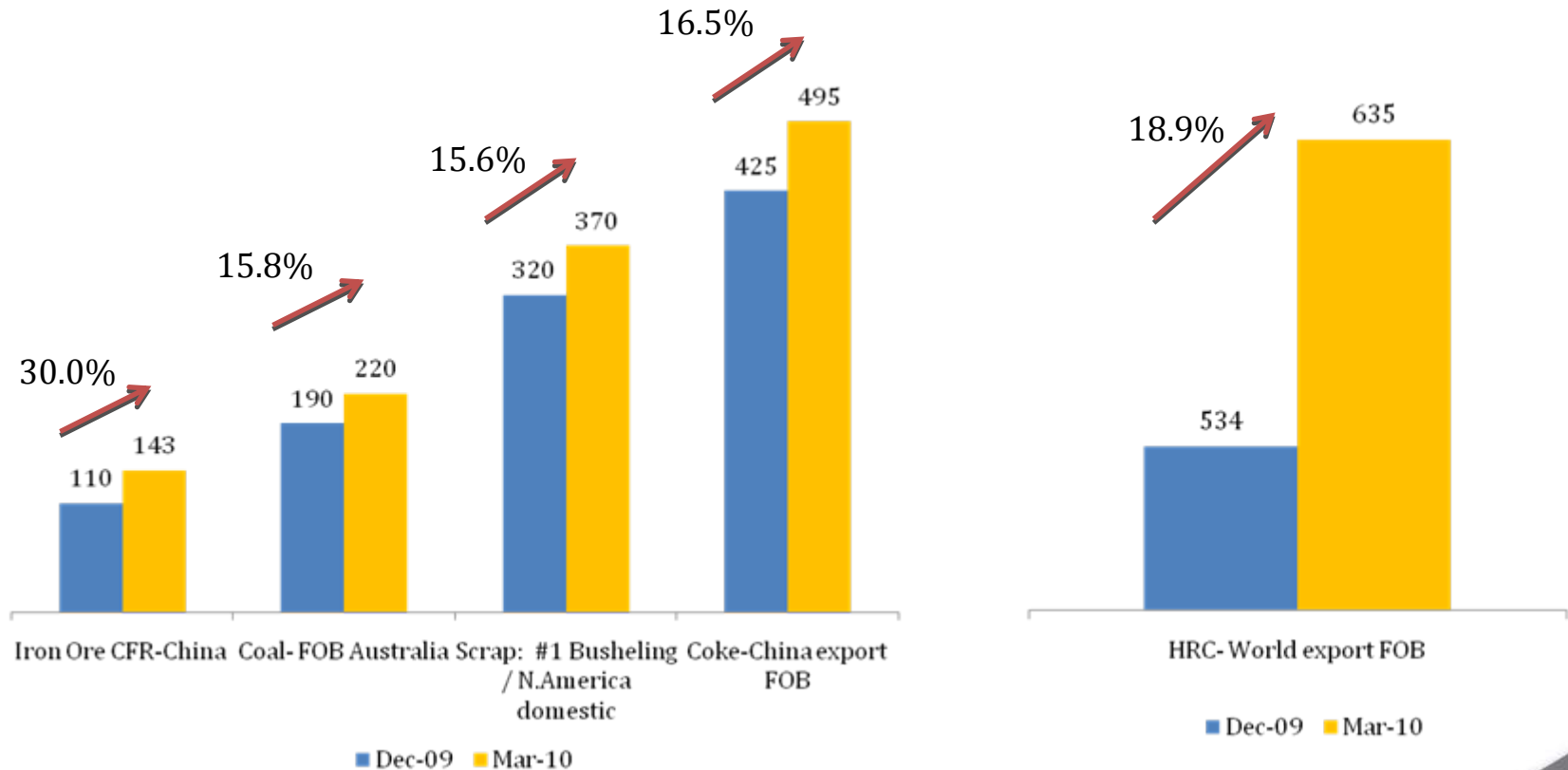
**Finished Steel Production Vs. Apparent Consumption (MnT)**



**Steel Imports Vs. Exports (MnT)**



# Rise in Steel prices in line with hike in Raw material prices

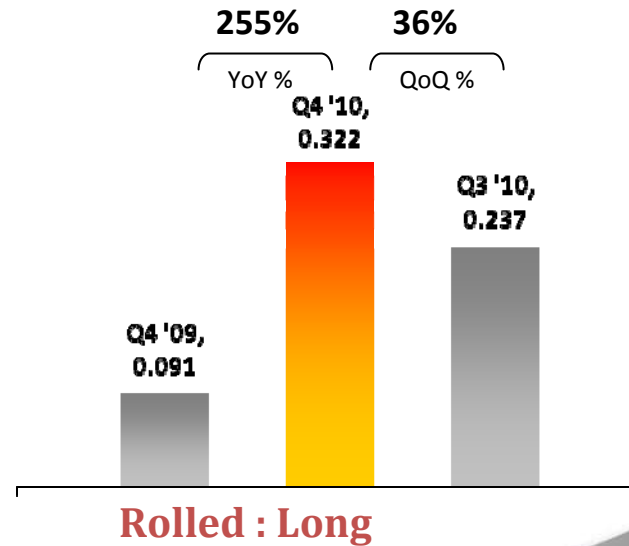
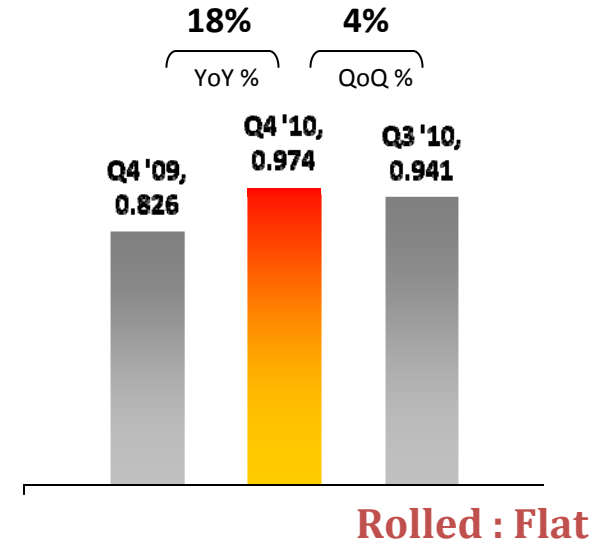
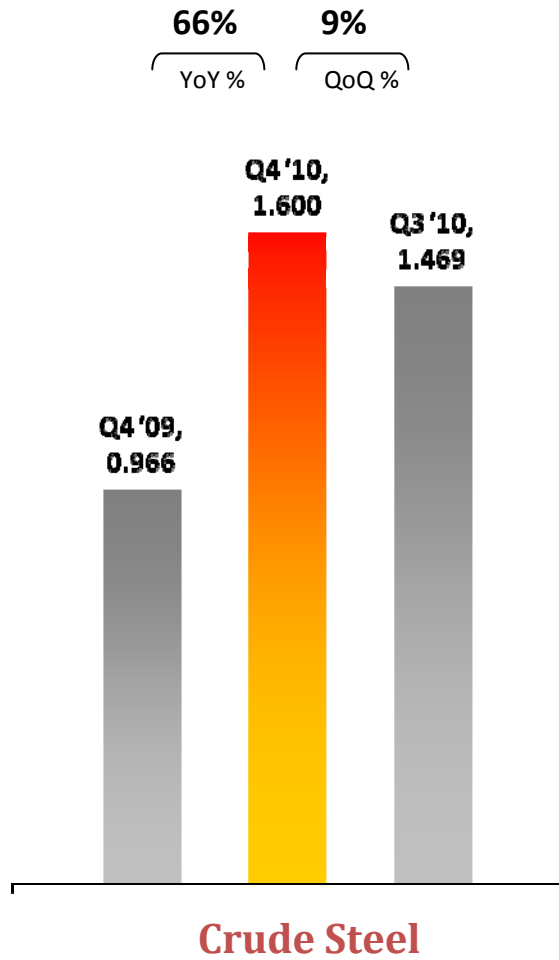


Source: SBB/WSD

# Operating Highlights

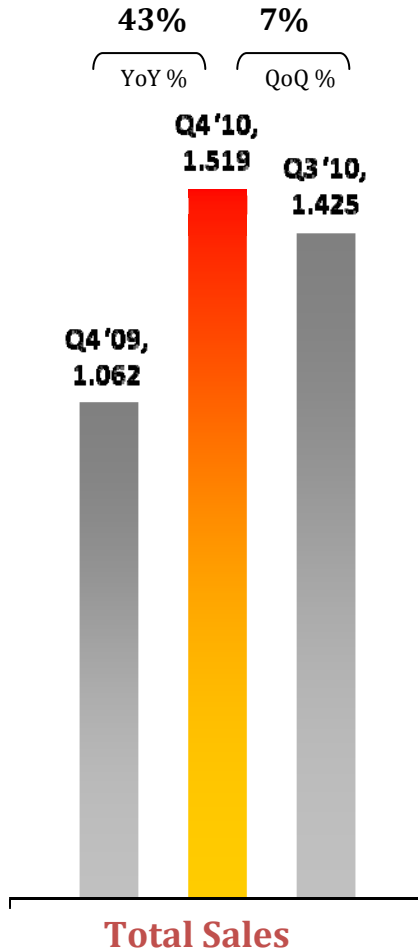


# Production - Q4 FY 10

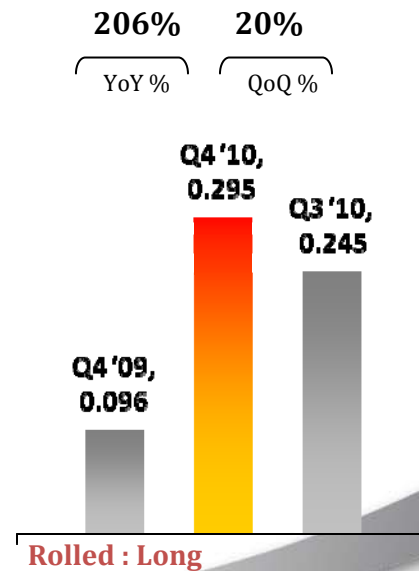
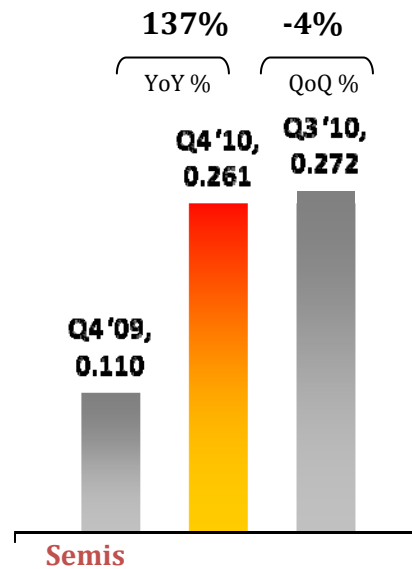
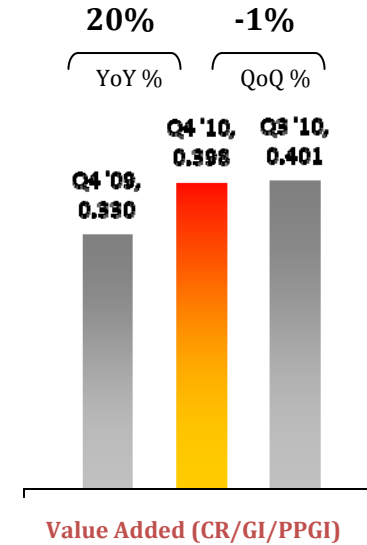
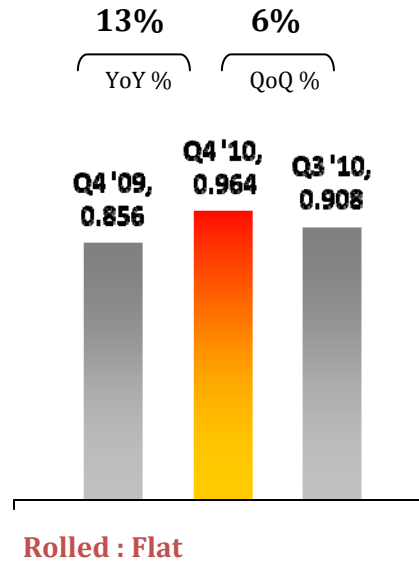


All No are in Mn Tonnes

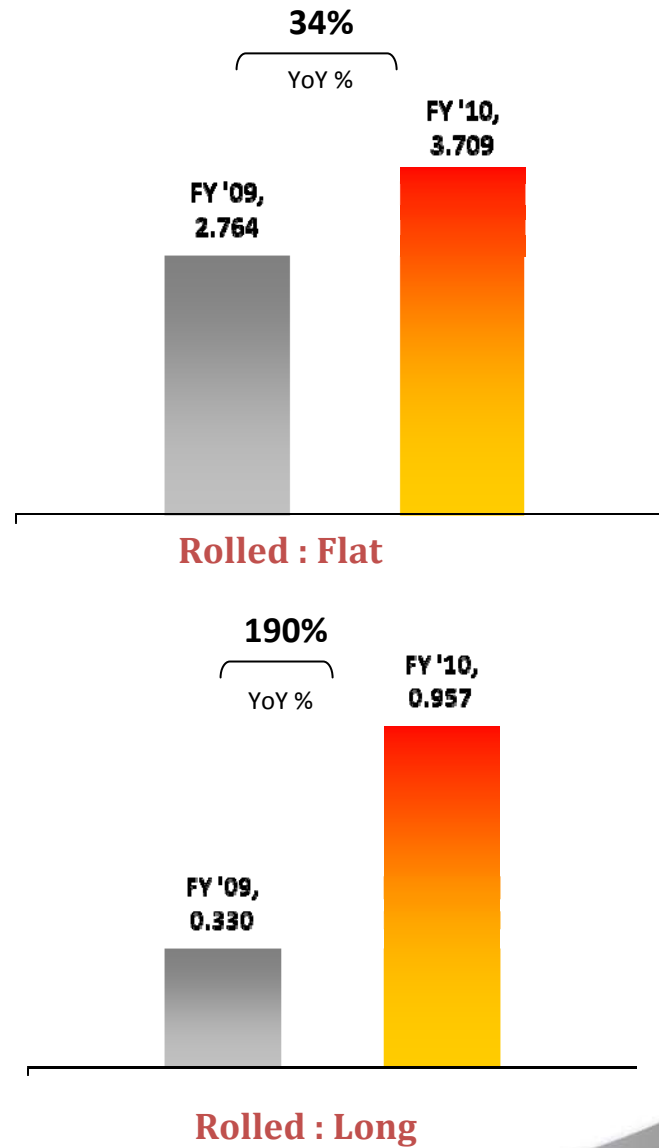
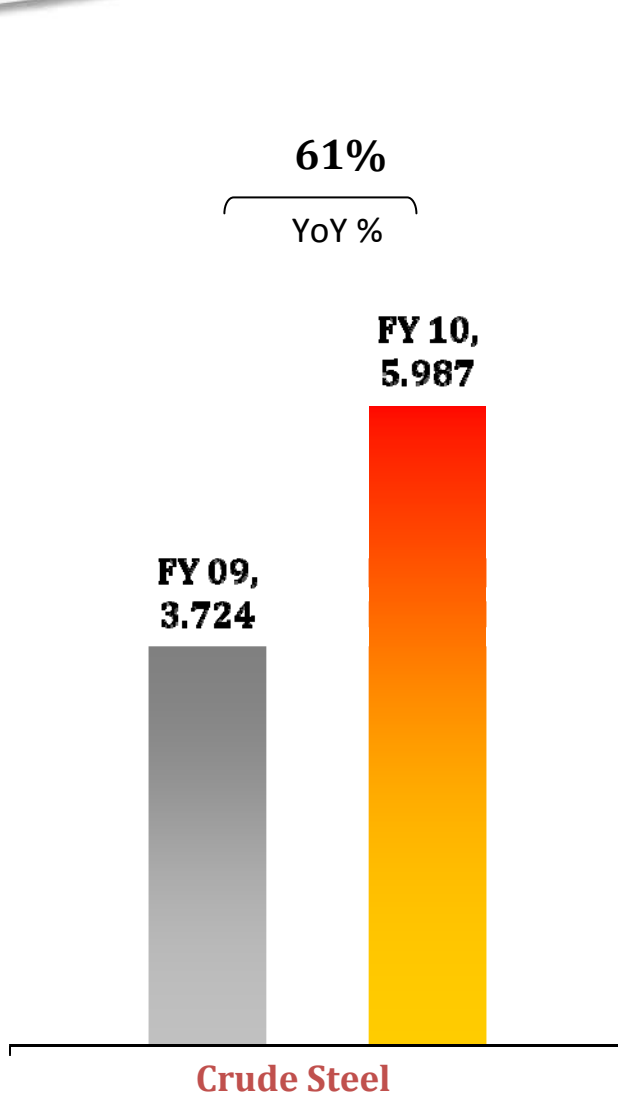
# Saleable Steel Sales – Q4 FY 10



All No are in Mn Tonnes



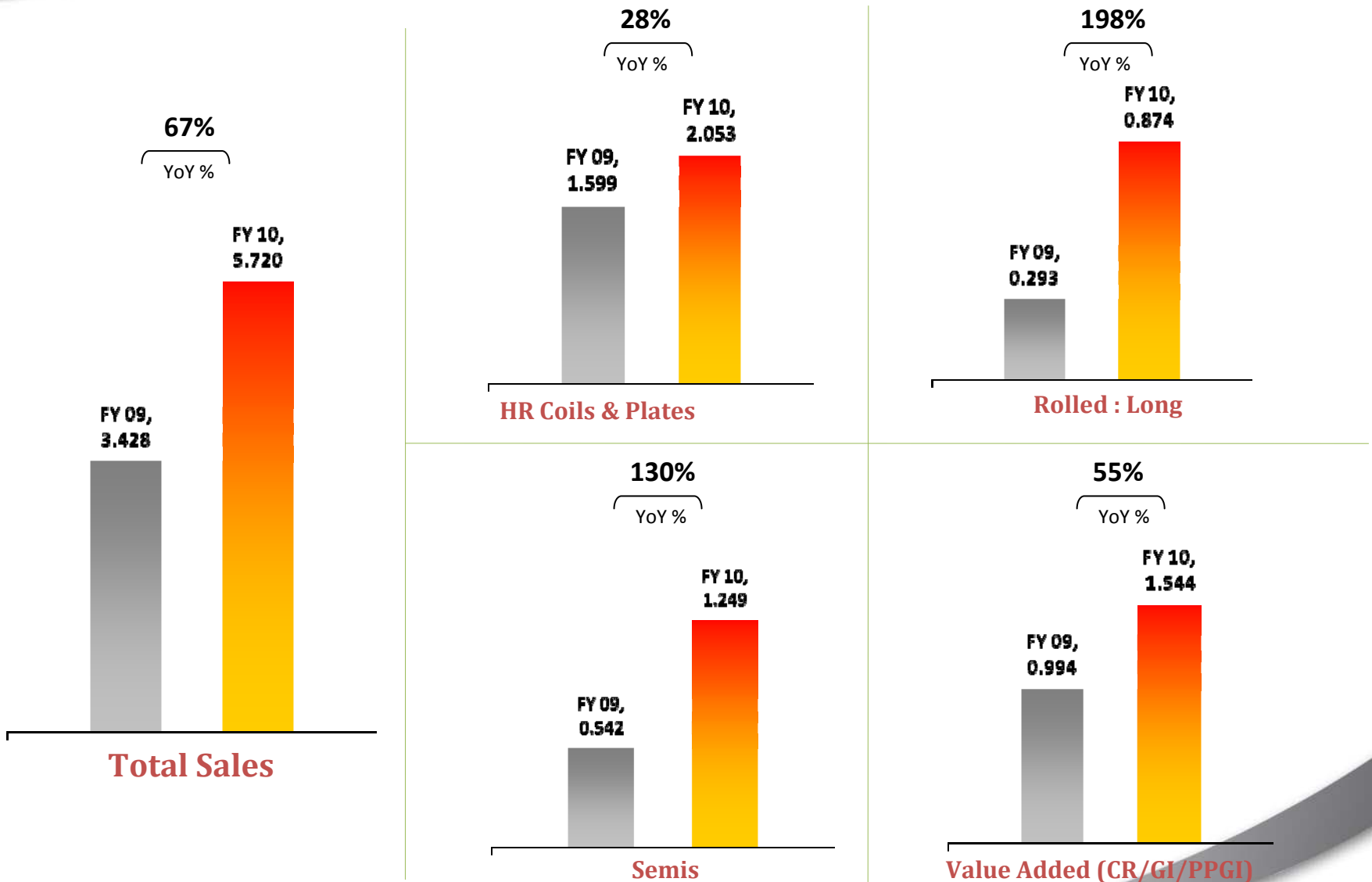
# Production – FY 10



All No are in Mn Tonnes



# Saleable Steel Sales – FY 10

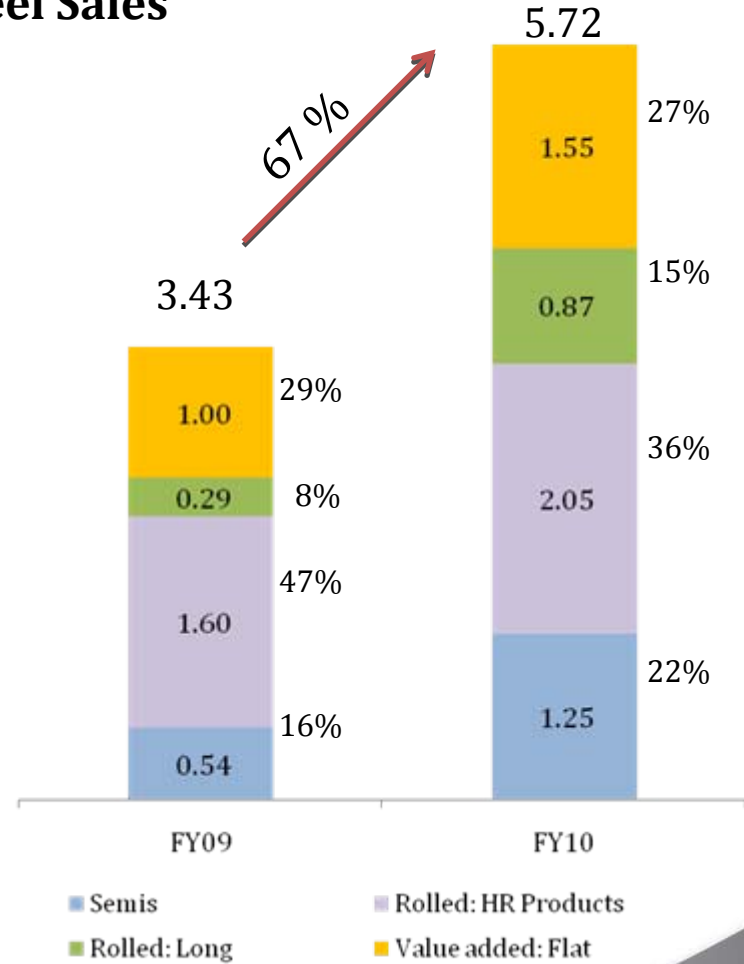
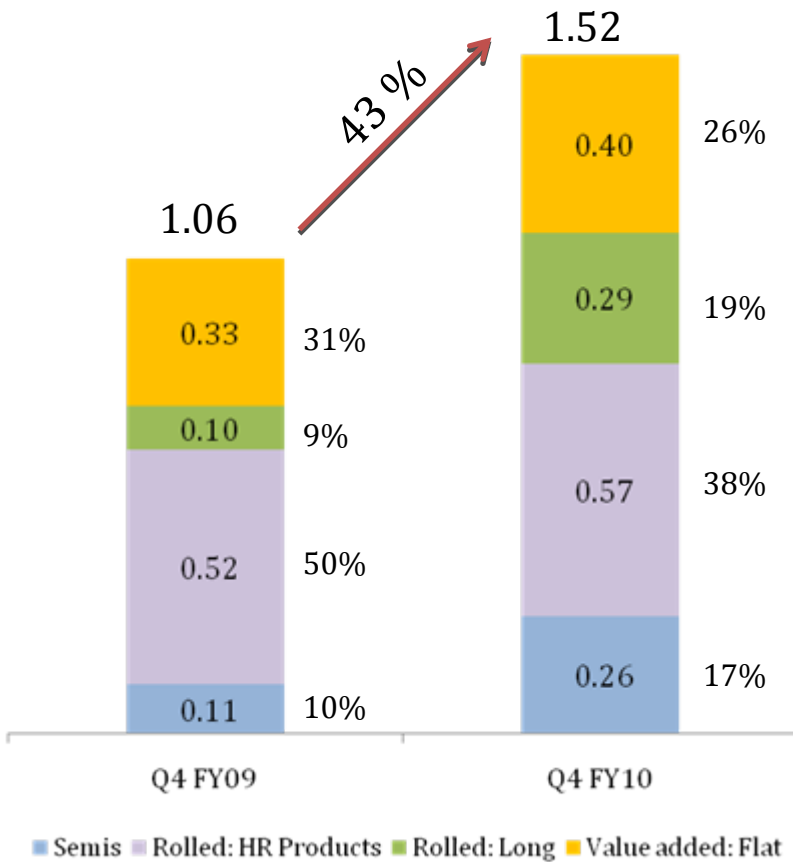


All No are in Mn Tonnes

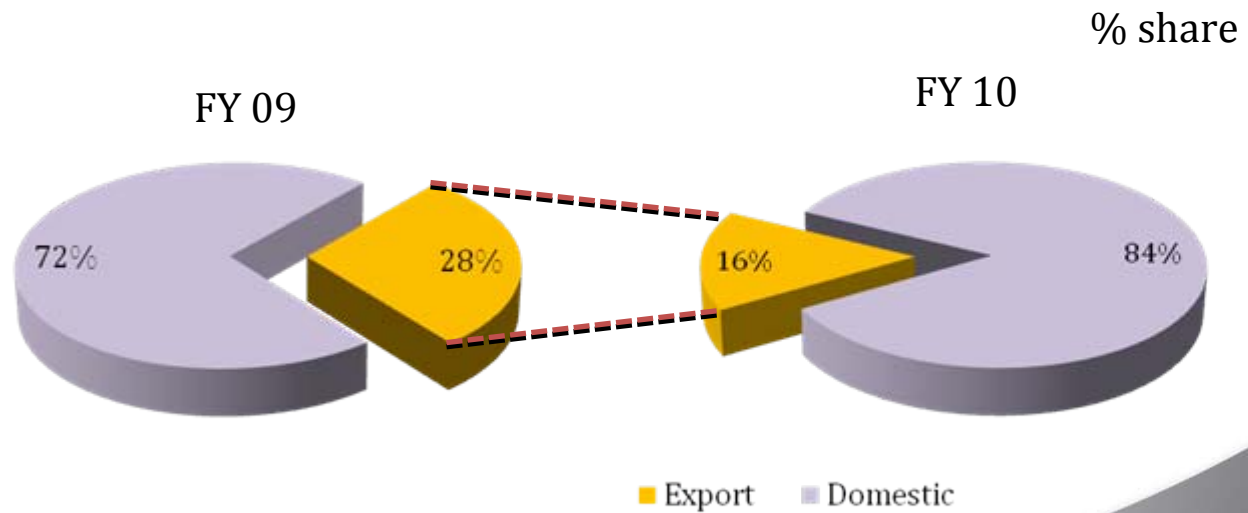
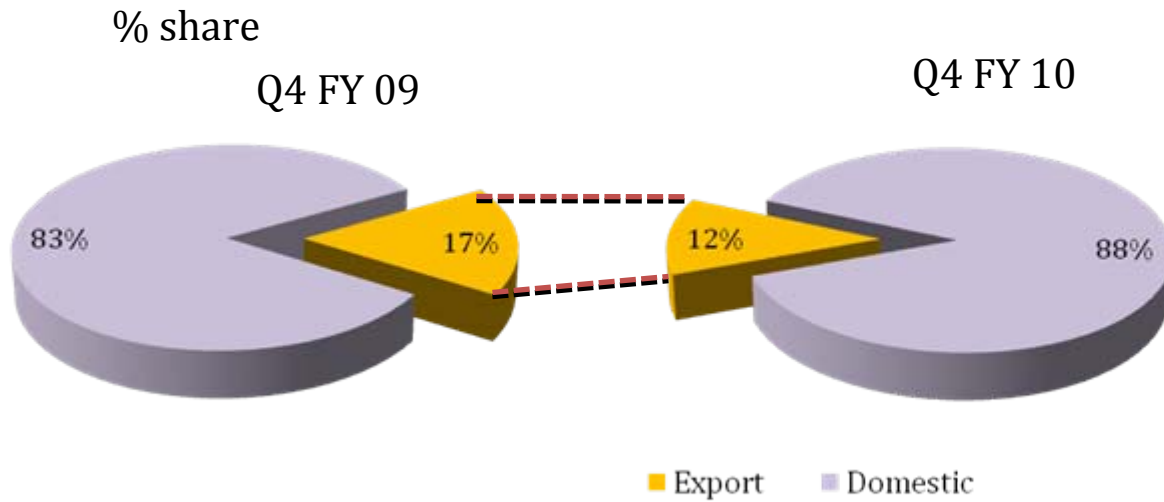
# Product Mix- Q4 and FY10

## Saleable Steel Sales

(MnT, % share)

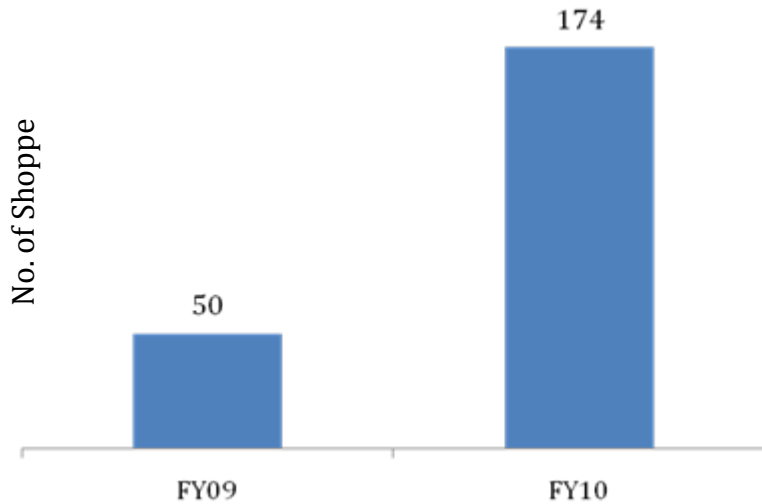


# Domestic and Export Mix



# Retail Sales (Domestic)

## JSW Shoppe

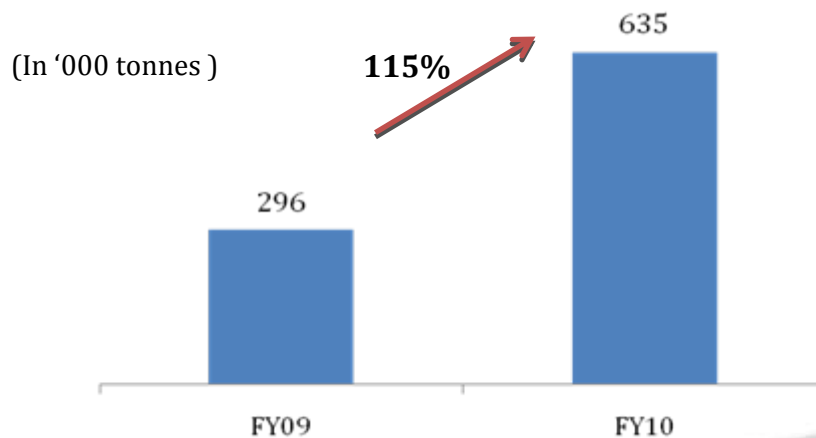


## % Share through JSW Shoppe – FY10

(Excl. Semis) (MnT, %Share)



## Sales through JSW Shoppe



# Projects Progress



# New HSM : Phase I commissioned



New HSM Phase I commissioned on 28.03.2010

# **Project Progress**

## **3.2 MTPA**



# COKE OVEN

As on Dec 09



As on Mar 10



| Progress till Mar"10   | % Progress      |
|------------------------|-----------------|
| Civil                  | 64%             |
| Structural Fabrication | 43%             |
| Structural Erection    | 26%             |
| Equipments             | 8%              |
| Technological supplier | M/s MECC, China |



# SINTER PLANT

As on Dec 09

As on Mar 10

| Progress till Mar"10   | % Progress           |
|------------------------|----------------------|
| Civil                  | 78%                  |
| Structural Fabrication | 37%                  |
| Structural Erection    | 28%                  |
| Equipments             | 5%                   |
| Technological supplier | M/s OUTOTEC, Germany |

# STEEL MELTING SHOP

As on Dec 09



As on Mar 10



| Progress till Mar"10   | % Progress          |
|------------------------|---------------------|
| Civil                  | 50%                 |
| Structural Fabrication | 83%                 |
| Structural Erection    | 67%                 |
| Equipments             | 2%                  |
| Technological supplier | M/s SIEMAG, Germany |

# BLAST FURNACE

As on Dec 09



As on Mar 10



| Progress till Mar'10   | % Progress         |
|------------------------|--------------------|
| Civil                  | 63%                |
| Structural Fabrication | 42%                |
| Structural Erection    | 19%                |
| Technological supplier | M/s SEIMENS VAI,UK |

# RAW MATERIAL HANDLING SYSTEM

As on Dec 09



As on Mar 10



| Progress till Mar"10   | % Progress      |
|------------------------|-----------------|
| Civil                  | 32%             |
| Structural Fabrication | 13%             |
| Structural Erection    | 4%              |
| Technological supplier | M/s CSIT, China |

# Other Projects



# New HSM: Phase II



| Progress till Mar'10   | % Progress (Incl. Phase II) |
|------------------------|-----------------------------|
| Civil                  | 100%                        |
| Structural Fabrication | 89%                         |
| Structural Erection    | 86%                         |
| Equipments             | 76%                         |
| Technological supplier | M/s Mitsubishi, Hitachi     |

# BENEFICIATION PLANT

As on Dec 09

As on Mar 10

| Progress till Mar"10   | % Progress                                 |
|------------------------|--|
| Civil                  | 80%  |
| Structural Fabrication | 90%  |
| Structural Erection    | 72%  |
| Equipments             | 59%  |
| Technological supplier | M/s CSIT China, M/s SLON China & M/s METSO |

# PELLET PLANT

As on Dec 09



As on Mar 10



| Progress till Mar'10   | % Progress              |
|------------------------|-------------------------|
| Civil                  | 16%                     |
| Structural Fabrication | 29%                     |
| Structural Erection    | 9%                      |
| Technological supplier | M/s AKER Solutions, USA |



# BLOOMING MILL - SALEM WORKS



| Progress till Mar'10   | % Progress |
|------------------------|------------|
| Civil                  | 96%        |
| Structural Fabrication | 99%        |
| Structural Erection    | 98%        |

# Financial Performance



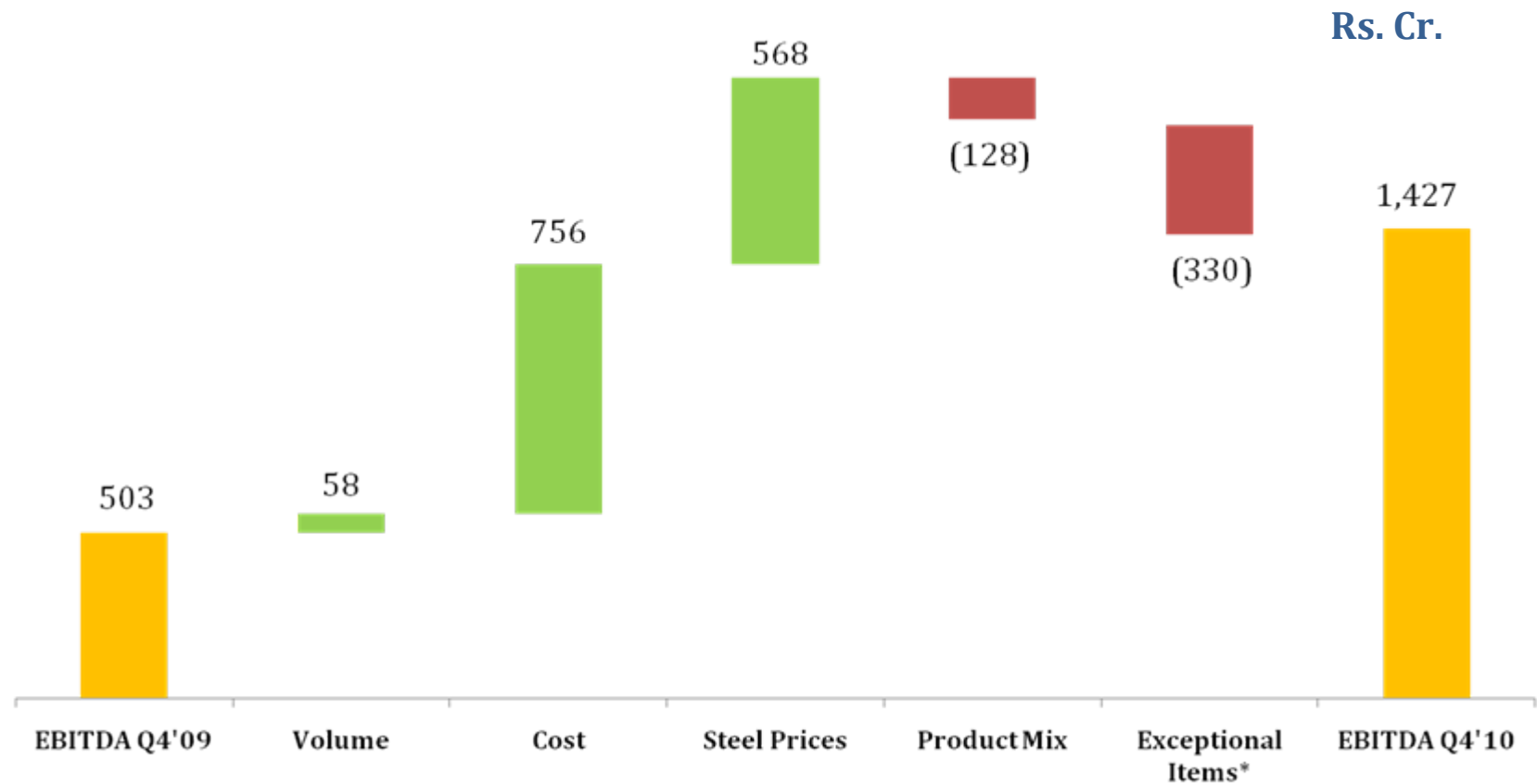
# Financials – Q4 FY 10

Rs. Cr.

|                                       | Q4 FY 10 | Q4 FY 09 | Growth |
|---------------------------------------|----------|----------|--------|
| Net Sales                             | 5,167    | 3,275    | 58%    |
| EBITDA                                | 1,427    | 503      | 183%   |
| EBITDA Margin                         | 27.4%    | 15.1%    | -      |
| Exceptional Items – Forex gain/(loss) | -        | 18       | -      |
| Less: Interest                        | 194      | 215      | -10%   |
| Less: Depreciation                    | 285      | 231      | 23%    |
| Profit Before Tax                     | 948      | 75       | 1,155% |
| Tax                                   | 231      | 26       | 788%   |
| Profit after Tax                      | 717      | 49       | 1,357% |

Highest ever Profit after Tax

# EBIDTA Bridge - Q4 FY 10



\* Exceptional item (Forex Gain/loss) and one time/other income

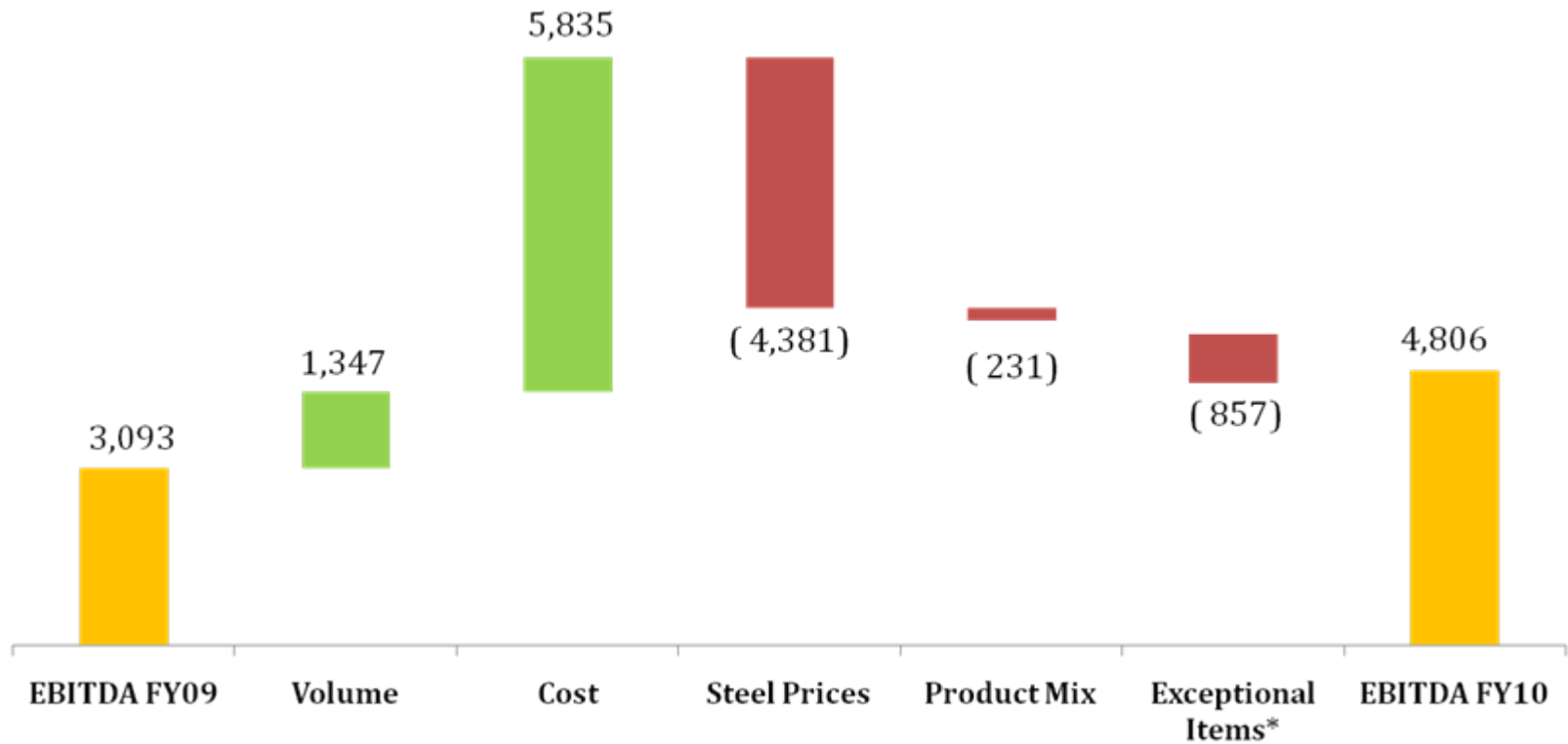
# Financials – FY10

Rs. Cr.

|                                       | FY 10  | FY 09  | Growth |
|---------------------------------------|--------|--------|--------|
| Net Sales                             | 18,202 | 14,001 | 30%    |
| EBITDA                                | 4,806  | 3,093  | 55%    |
| EBITDA Margin                         | 26.2%  | 21.8%  | -      |
| Exceptional Items – Forex gain/(loss) | -      | (790)  | -      |
| Less: Interest                        | 863    | 797    | 8%     |
| Less: Depreciation                    | 1,123  | 828    | 36%    |
| Profit Before Tax                     | 2,820  | 678    | 316%   |
| Tax                                   | 797    | 219    | 264%   |
| Profit after Tax                      | 2,023  | 459    | 341%   |
| EPS : Diluted (Rs.)                   | 105.94 | 22.70  | 367%   |

# EBIDTA Bridge - FY 10

Rs. Cr.



\* Exceptional items (Forex Gain/loss) and one time/other income

# Operational Performance - USA

| PRODUCTION (NT)      | Q4 FY 10 | Q4 FY 09 | Growth (%) | FY10    | FY09    | Growth (%) |
|----------------------|----------|----------|------------|---------|---------|------------|
| Plate Mill           | 69,444   | 44,061   | 58%        | 195,275 | 343,691 | -43%       |
| Capacity Utilization | 28%      | 18%      |            | 19%     | 35%     |            |
| Pipe Mill            | 23,788   | 9,065    | 162%       | 73,969  | 137,626 | -46%       |
| Capacity Utilization | 17%      | 7%       |            | 13%     | 25%     |            |

| SALES (NT) | Q4 FY 10 | Q4 FY 09 | Growth (%) | FY10    | FY09    | Growth (%) |
|------------|----------|----------|------------|---------|---------|------------|
| Plate Mill | 42,297   | 26,986   | 57%        | 119,614 | 199,861 | -40%       |
| Pipe Mill  | 25,917   | 9,942    | 161%       | 72,508  | 143,608 | -49%       |

# Financial Performance - USA

USD Mio

| Particulars             | Q4 FY 10 | Q4 FY 09 | FY 10   | FY 09   |
|-------------------------|----------|----------|---------|---------|
| Turnover                | 56.83    | 30.31    | 159.87  | 500.92  |
| EBITDA + Other Income   | 2.25     | (18.93)  | (40.92) | 70.58   |
| Write down of inventory | -        | (58.35)  | -       | (58.35) |
| Profit After Tax        | (12.90)  | (61.1)   | (70.03) | (36.97) |



# Consolidated Financials – Q4 FY 10

Rs. Cr.

|                                       | Q4 FY 10 | Q4 FY 09 | Growth |
|---------------------------------------|----------|----------|--------|
| Total Income                          | 5,481    | 3,622    | 51%    |
| EBITDA                                | 1,420    | 333      | 326%   |
| Exceptional Items – Forex gain/(loss) | -        | 20       | -      |
| Interest                              | 249      | 312      | (20%)  |
| Depreciation                          | 327      | 272      | 20%    |
| Profit Before Tax                     | 844      | (230)    | -      |
| Profit after Tax                      | 611      | (40)     | -      |

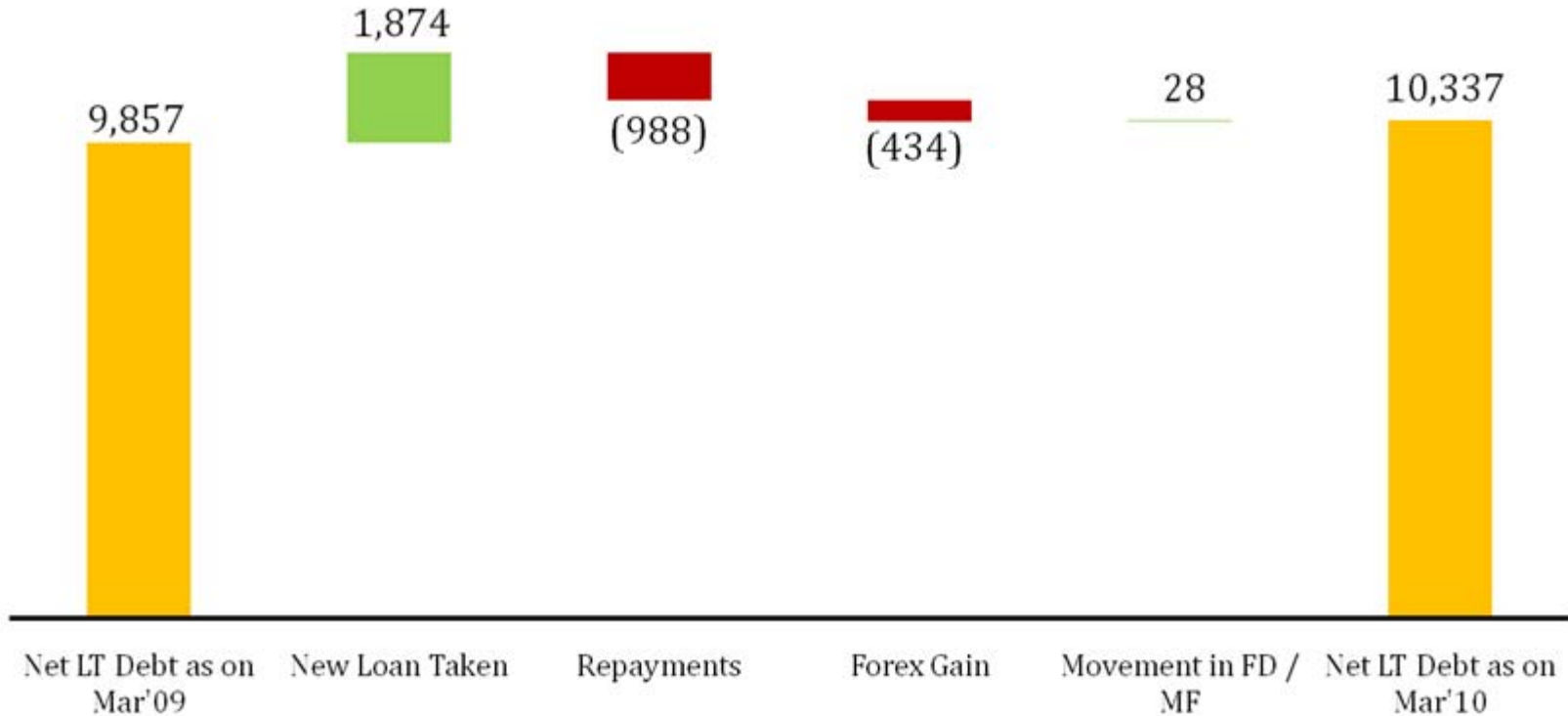
# Consolidated Financials FY 10

Rs. Cr.

|  | FY 10  | FY 09  | Growth |
|--|--------|--------|--------|
| Total Income                           | 19,074 | 16,105 | 18%    |
| EBITDA                                 | 4,607  | 3,254  | 42%    |
| Exceptional Items – Forex gain /(loss) | -      | (795)  | -      |
| Interest                               | 1,108  | 1,156  | -4%    |
| Depreciation                           | 1,299  | 988    | 31%    |
| Profit Before Tax                      | 2,200  | 315    | 598%   |
| Profit after Tax                       | 1,598  | 275    | 481%   |

# Long term Debt Movement - Standalone

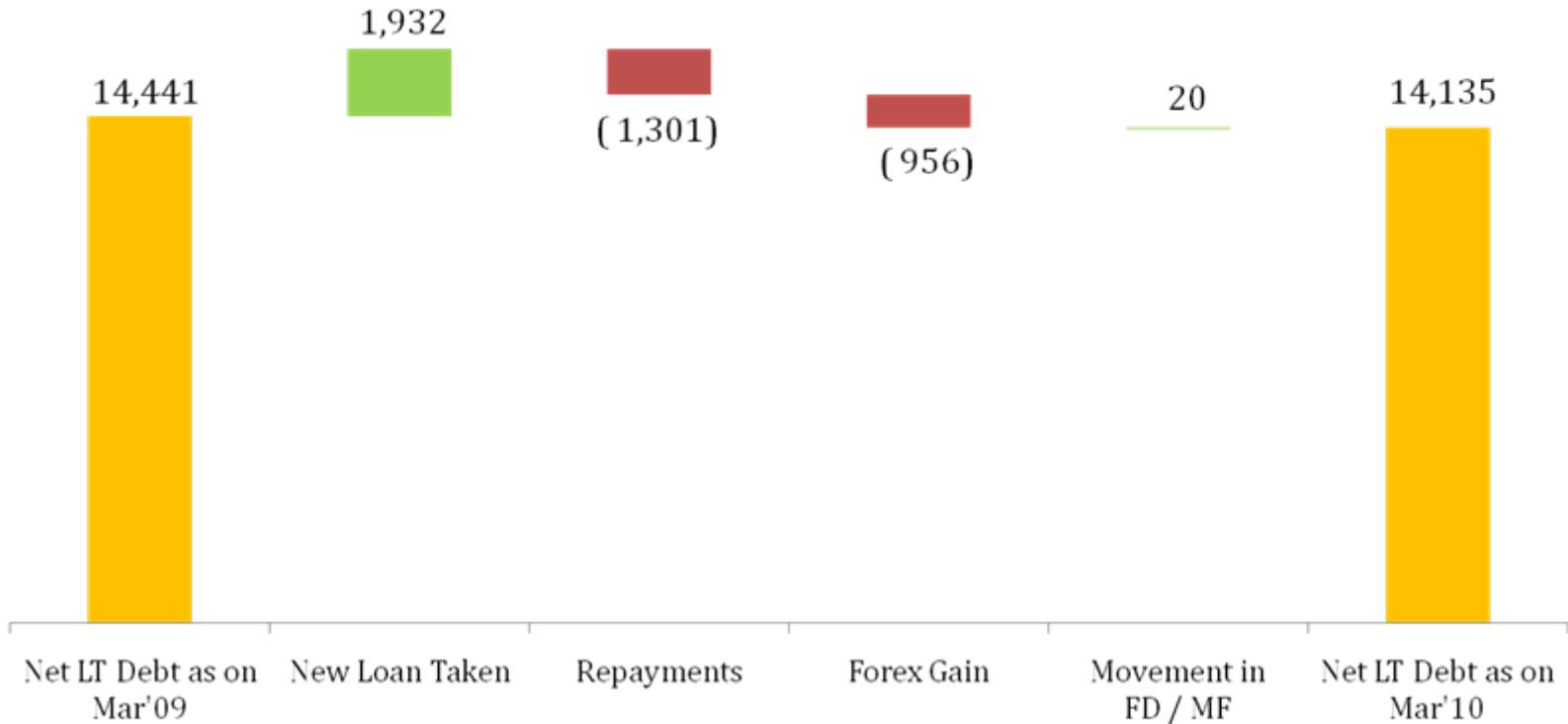
Rs. Cr.



Working Capital loan - Rs. 1,086 cr.  
 FD and MF – Rs. 162 cr.  
 Cash and Bank Balance – Rs. 332 cr.

# Long term Debt Movement - Consolidated

Rs. Cr.



Working Capital loan - Rs. 1,868 cr.  
 FD and MF – Rs. 169 cr.  
 Cash and Bank Balance – Rs. 348 cr.

# Ratios

|                   | Q4 FY10 | Q4 FY09 | FY10   | FY09   |
|-------------------|---------|---------|--------|--------|
| EBITDA Margin     | 27.3%   | 14.7%   | 26.2%  | 21.8%  |
| PAT Margin        | 13.7%   | 1.4%    | 11.0%  | 3.2%   |
| Diluted EPS (Rs.) | 37.75*  | 2.13*   | 105.94 | 22.70  |
| ROCE              | 19.55%  | 5.30%   | 16.68% | 12.20% |

|  | 31.03.2010 | 31.03.2009 |
|--|------------|------------|
| Net L.T. Debt/ Equity (x)                | 1.07       | 1.24       |
| Net L.T. Debt/ EBITDA (x)                | 2.36       | 3.30       |
| Net L.T. Debt/ Equity – Consolidated (x) | 1.49       | 1.79       |
| Net L.T. Debt/ EBITDA – Consolidated (x) | 3.38       | 4.57       |
| Market Capitalisation (Rs. Cr.)          | 23,117     | 4,337      |

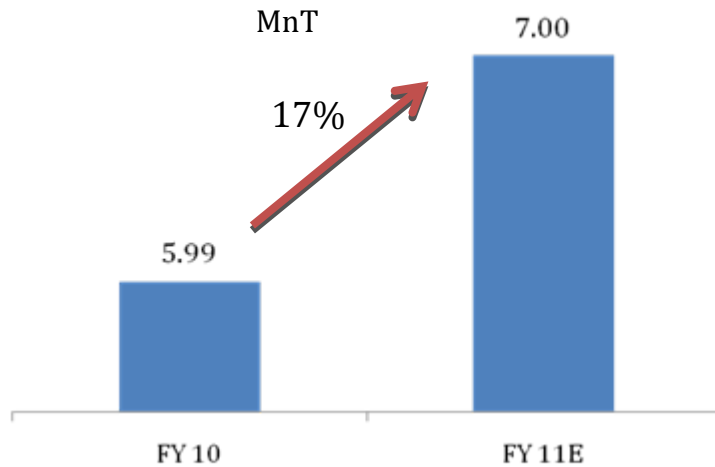
\* Not Annualised

# Guidance

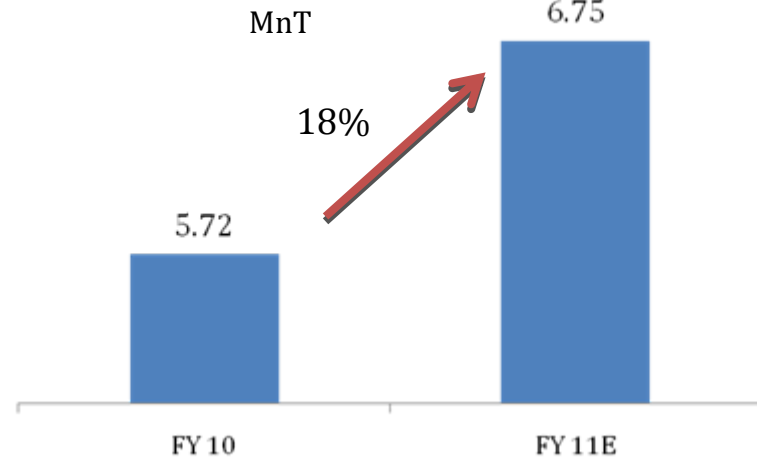


# Guidance for FY11

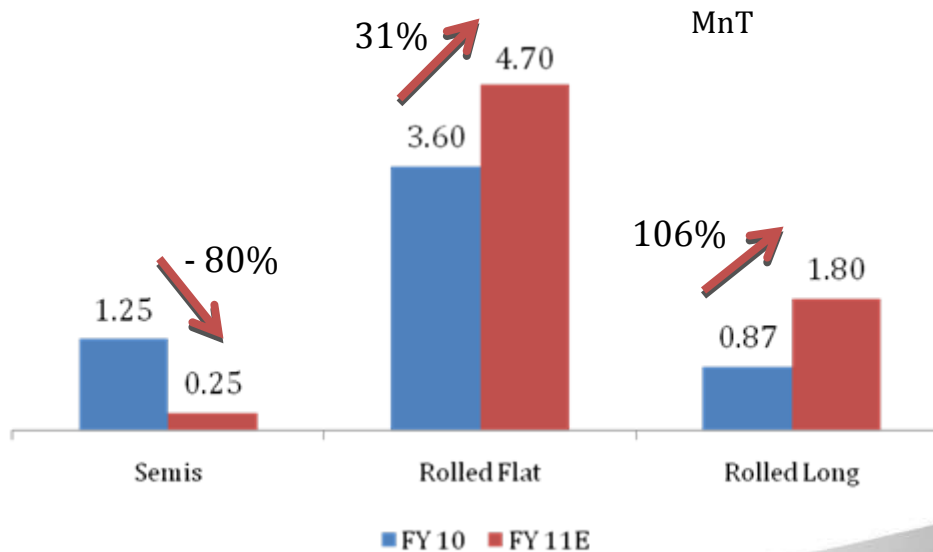
## Production



## Saleable Steel Sales



## Saleable Steel Product wise

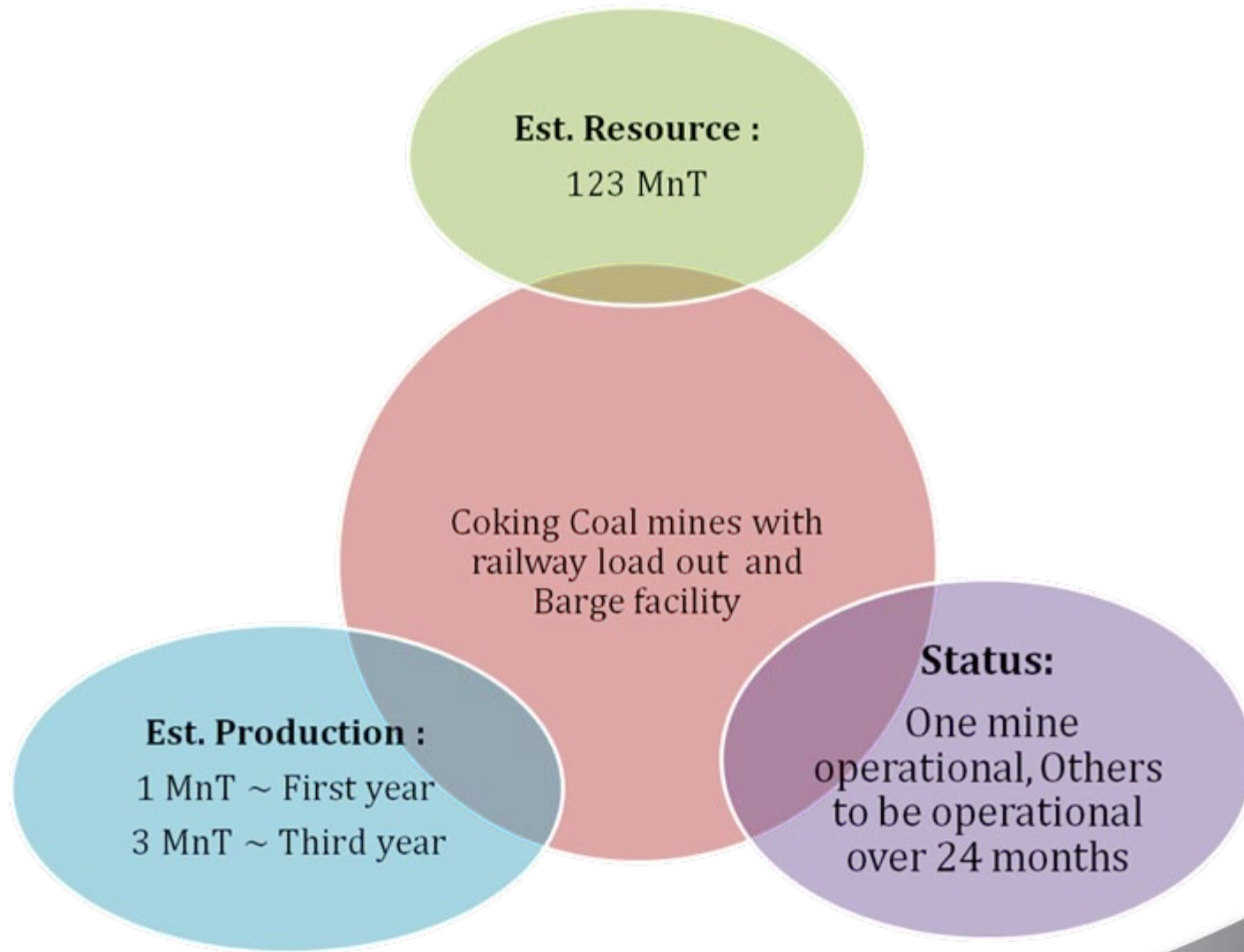


# M & A





# Acquisition of Coking Coal Mines in USA



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.*

