

**MAKING
OBSTACLES
OBSOLETE**

**Analyst Meet Presentation
Q2 FY11**

Key Developments

**Economic and Steel
Scenario**

Performance Highlights

Projects Update

Highest ever quarterly sales – by volume (1.583mnt) and value (₹ 6,184 crores)

FCD of ₹ 4800 Crores issued to JFE converted to 32mn equity shares

- ❖ Debt prepayment of ₹ 2,603 crores
- ❖ ₹ 2,197 crores currently invested in MFs/FDs will be used in lieu of tied up loans draw down for Capex

Coke Oven 4 (Battery A) commissioned on 4th Oct 2010

Generation from 300 MW captive power plant started

Consolidated total net debt - equity ratio has improved to 0.80 at Sep' 2010 end from 1.60 at Jun' 2010 end

Consolidated weighted average debt cost has come down by 58bps to 6.13% during Q2 FY11

Potential Equity Infusion of ₹ 2,488 Crores over 21 months


- ❖ ₹ 1,588 Crores – Promoters warrants
- ❖ ₹ 600 crores – 3mn GDRs plus 1mn shares to JFE
- ❖ ₹ 300 crores – 2mn shares to JFE on conversion of outstanding FCCBs

Impact of FCCBs conversion


- ❖ Outstanding FCCBs – ₹ 1,230 crores, if converted will simultaneously increase equity and reduce debt.



Fastest Growing Steel Company *from ASAPP Media Information Group*



Global HR Excellence Awards – organisation with innovative practices *from APHC*



Star Performer 2008-09 – Basic Iron and Steel Large Enterprise *from EEPC*

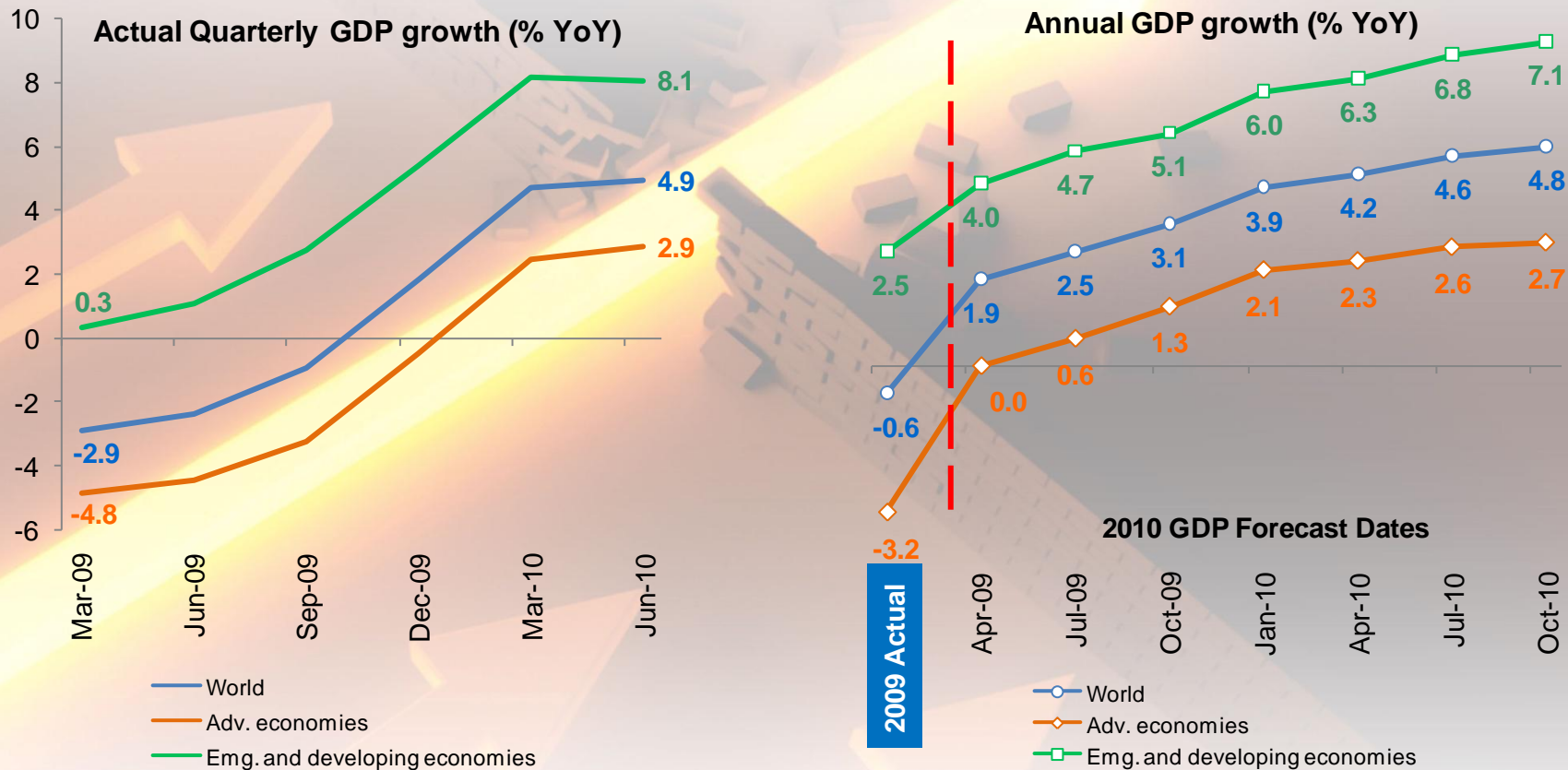


Regional Award 2007-08 Gold Trophy –Large Enterprise Top Exporter *from EEPC*

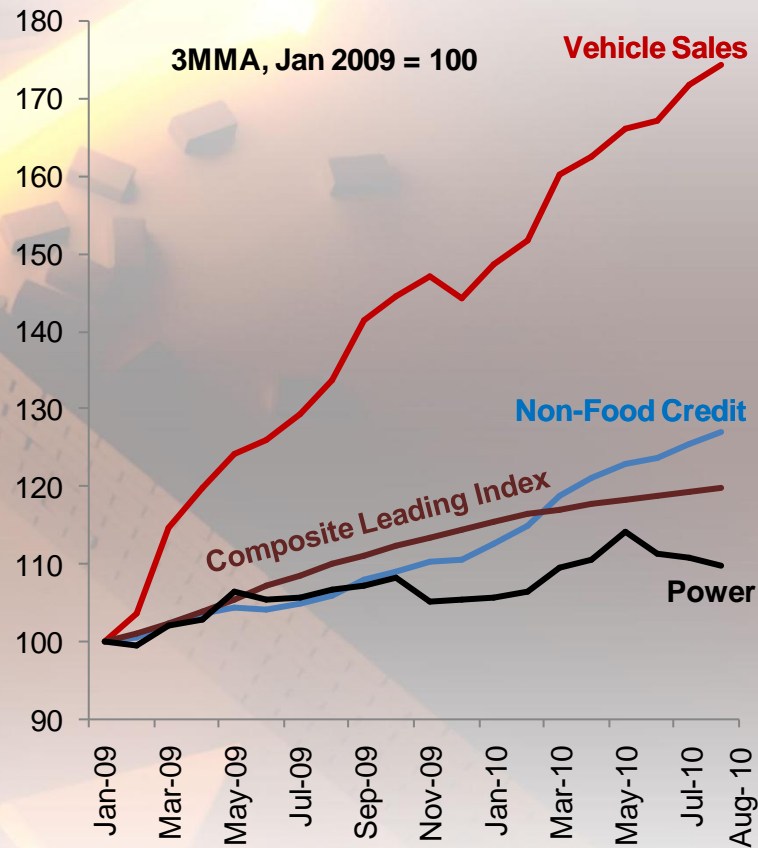
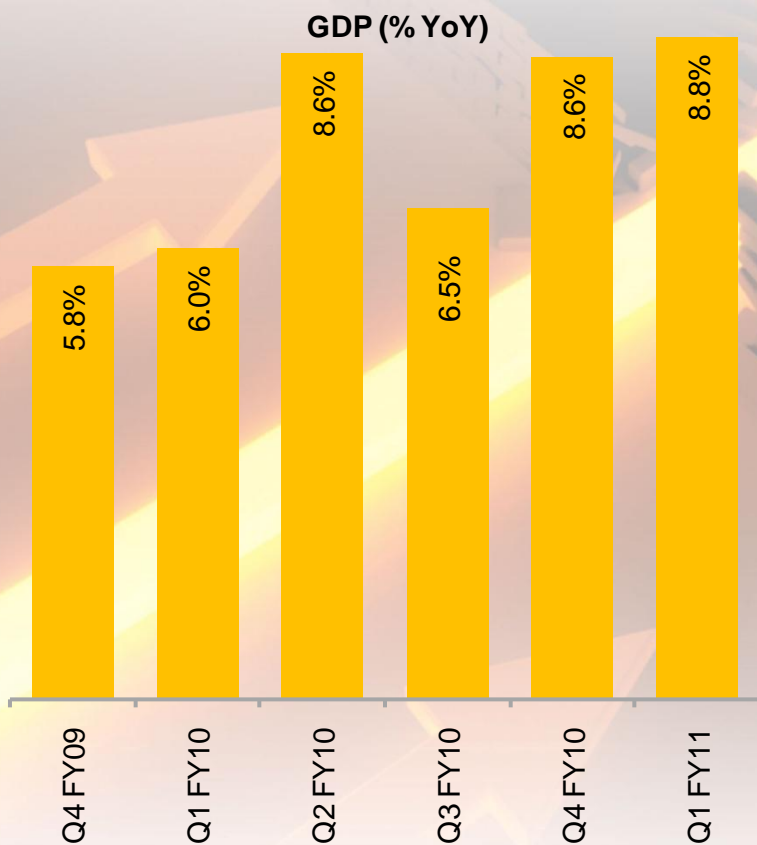
The background of the slide features a 3D perspective view of a grid of squares. Several arrows are overlaid on the grid, pointing in various directions. One prominent arrow is bright yellow and points towards the top right. Other arrows are in shades of orange and red, pointing in different directions. The overall lighting is bright and futuristic.

Economic & Steel Scenario

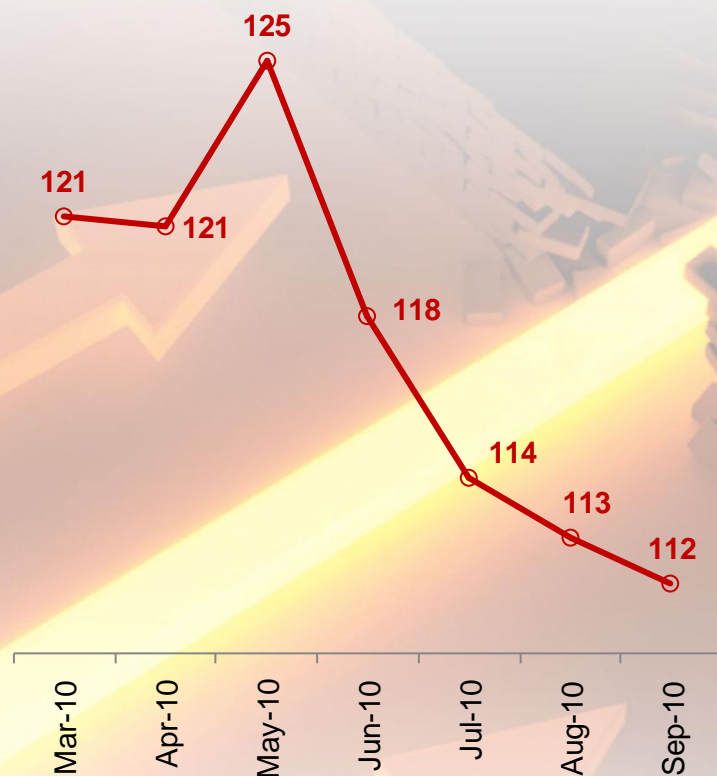
Global economy remains on recovery path, GDP forecast for 2010 continuously upgraded



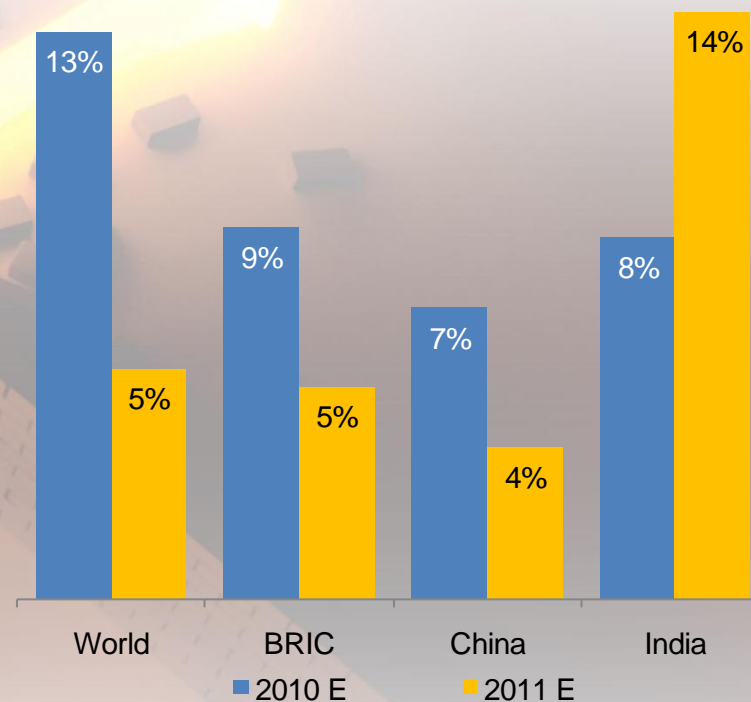
GDP growth remains robust and domestic consumption growth is intact



Crude Steel Production (mnt)



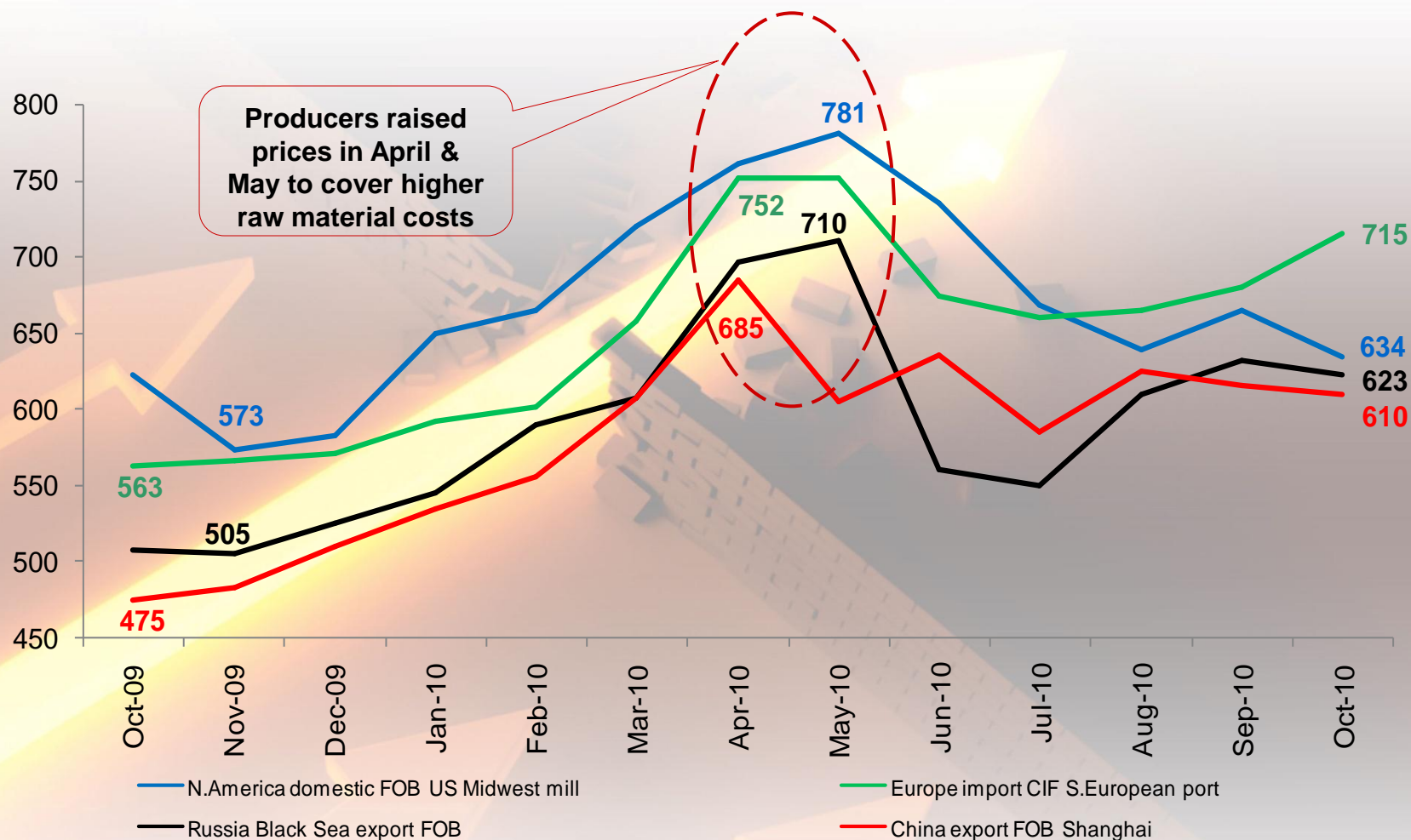
Steel Demand (% YoY growth)



Global Steel Demand (mnt)				
Year	World	BRIC	China	India
2009	1125	641	542	55
2010 E	1272	696	579	60
2011 E	1340	730	599	68

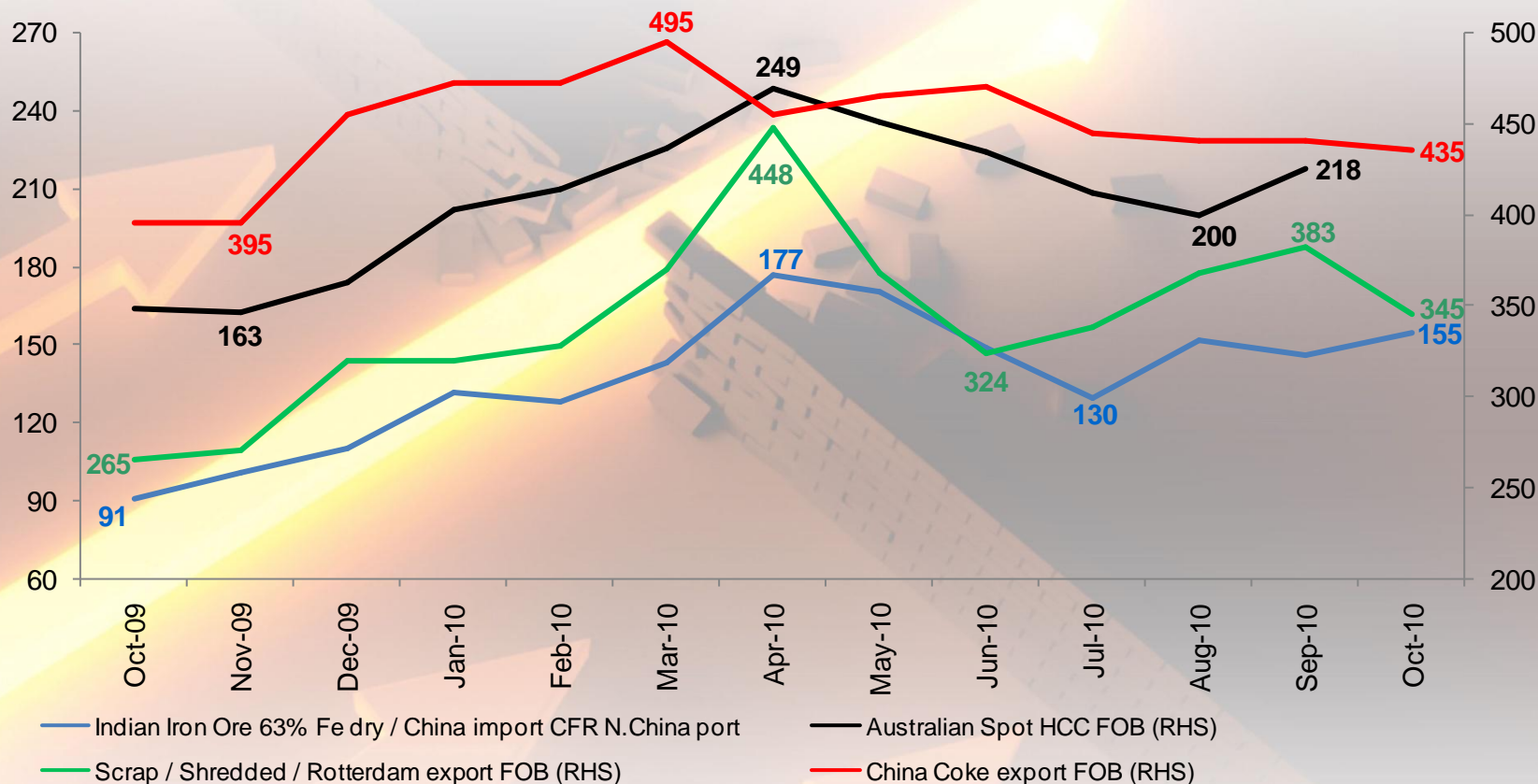
Source: WSA

HRC Prices



Source: SBB (All figures are in USD/ton)

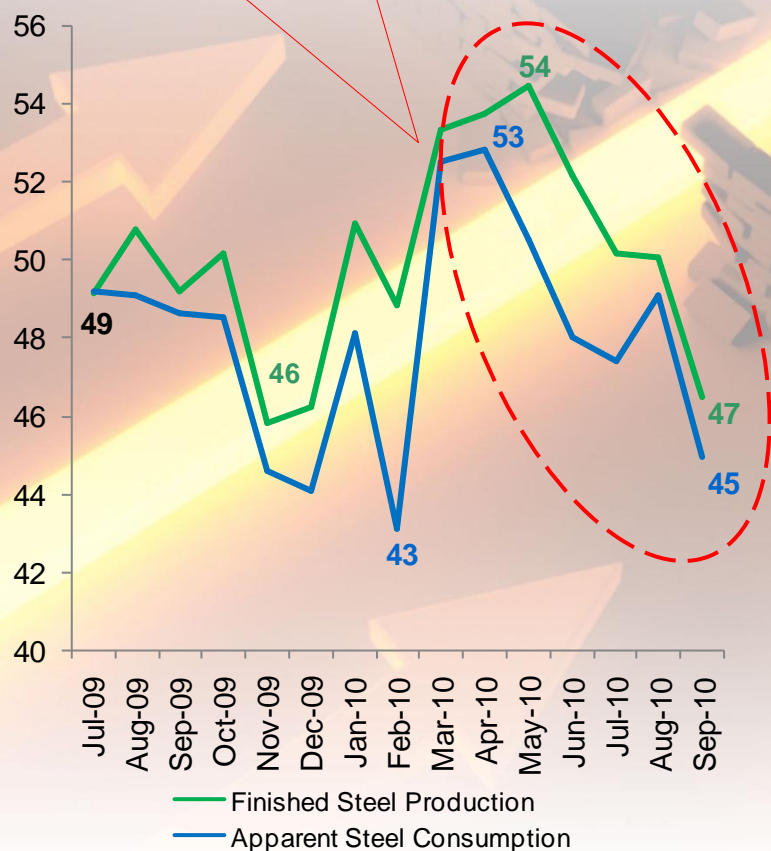
Raw Material Prices



Source: SBB , Macquarie Research (All figures are in USD/ton)

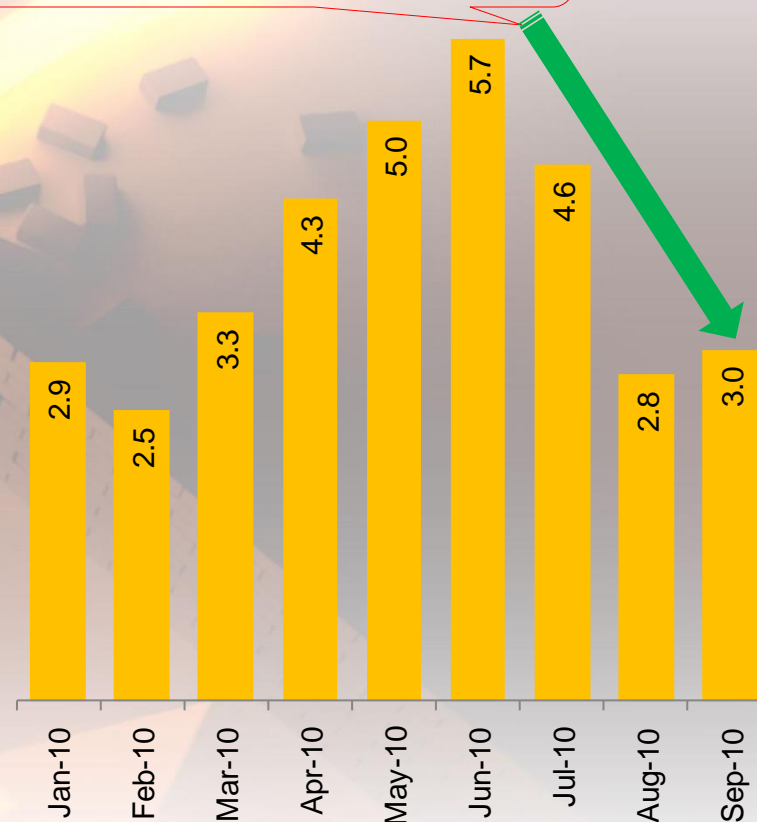
Production vs. consumption (mnt)

Monthly finished steel production reduced to 46.5mnt in Sep' 10 from 54.5mnt in May' 10



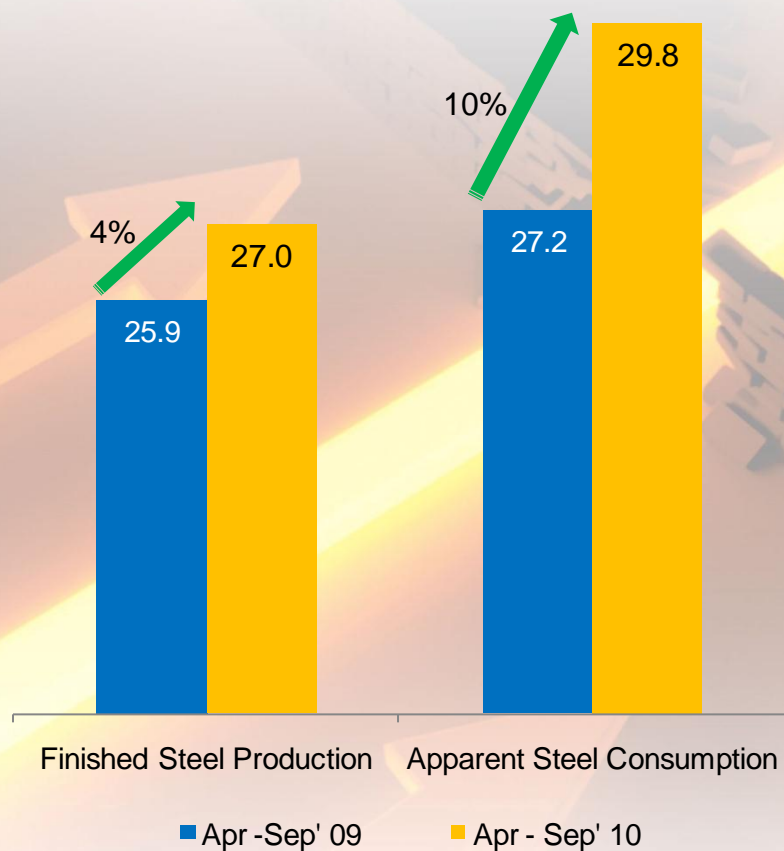
Monthly Exports (mnt)

Withdrawal of export rebate in July coupled with reduced production resulted in lower exports

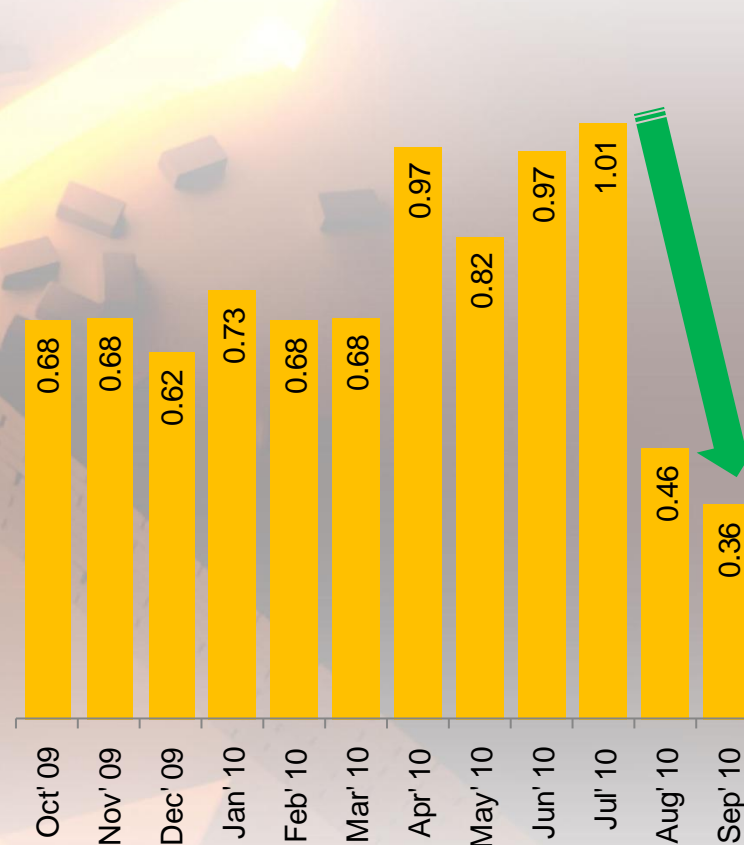


Source: Mysteel, WSA (All figures are in million tons)

H1 Production vs. Consumption (mnt)



Monthly Imports (mnt)



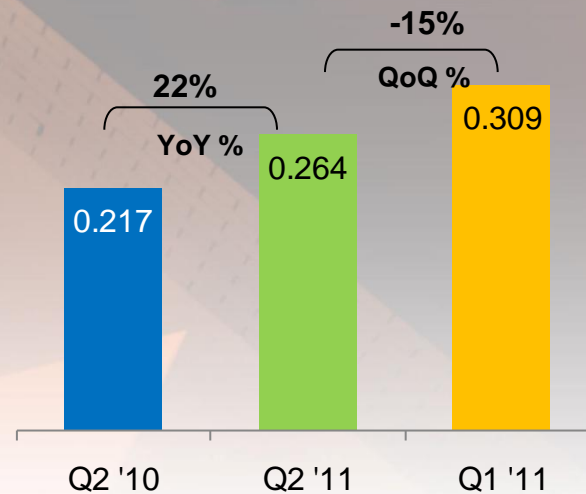
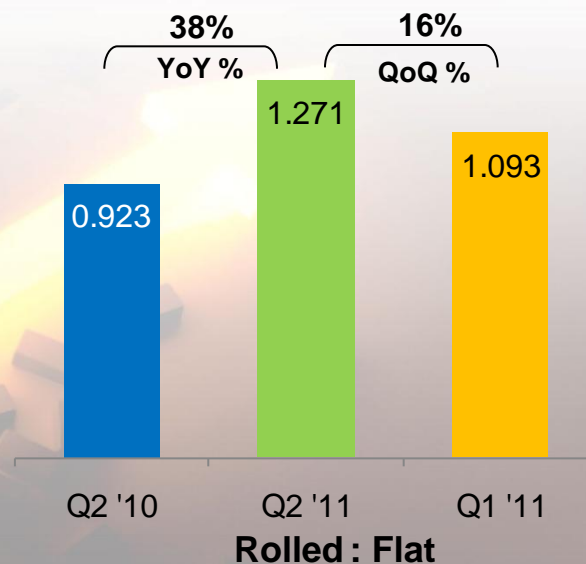
Source: JPC (All figures are in million tons)

*Production and consumption figures netted off for double counting effect

The background of the slide features a 3D-rendered grid of light blue squares. Several large, semi-transparent arrows are scattered across the grid, pointing in various directions. A prominent, bright yellow arrow points diagonally upwards from the bottom left towards the top right. The overall color palette is a mix of light blues, greys, and warm oranges/browns at the top and bottom edges.

Operating & Financial Highlights

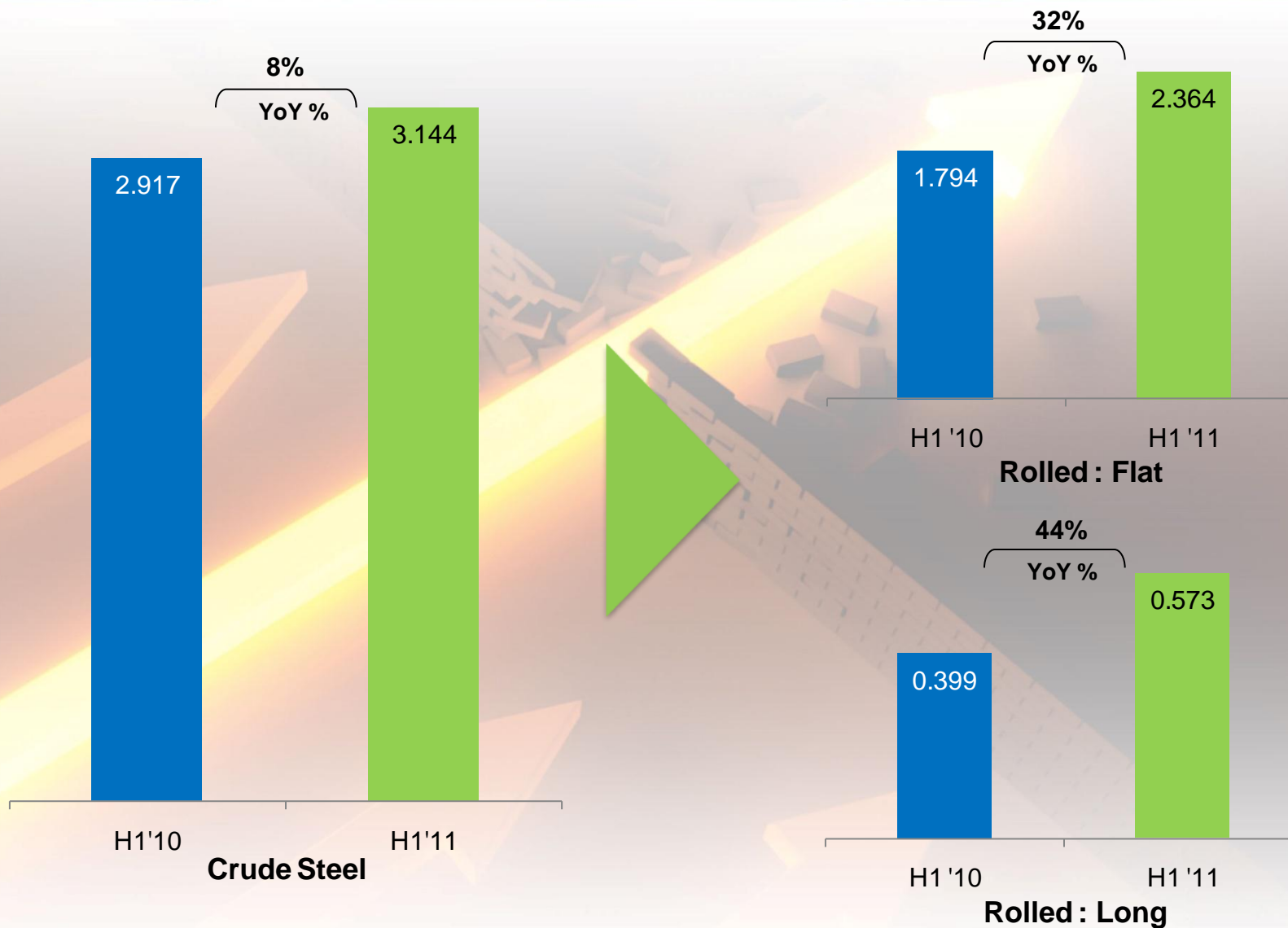
Production – Q2 FY 11



All numbers are in million tons

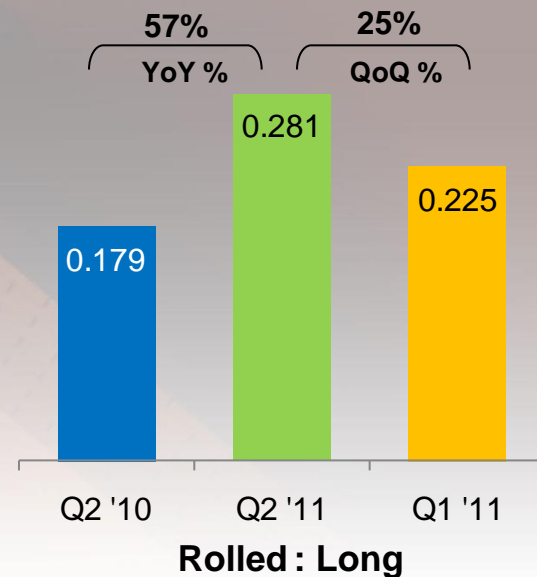
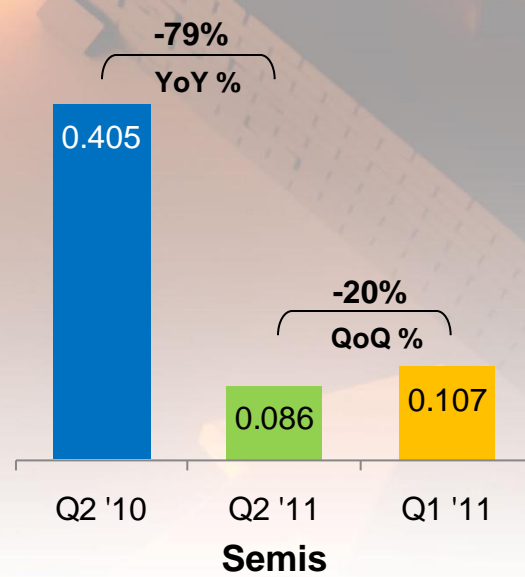
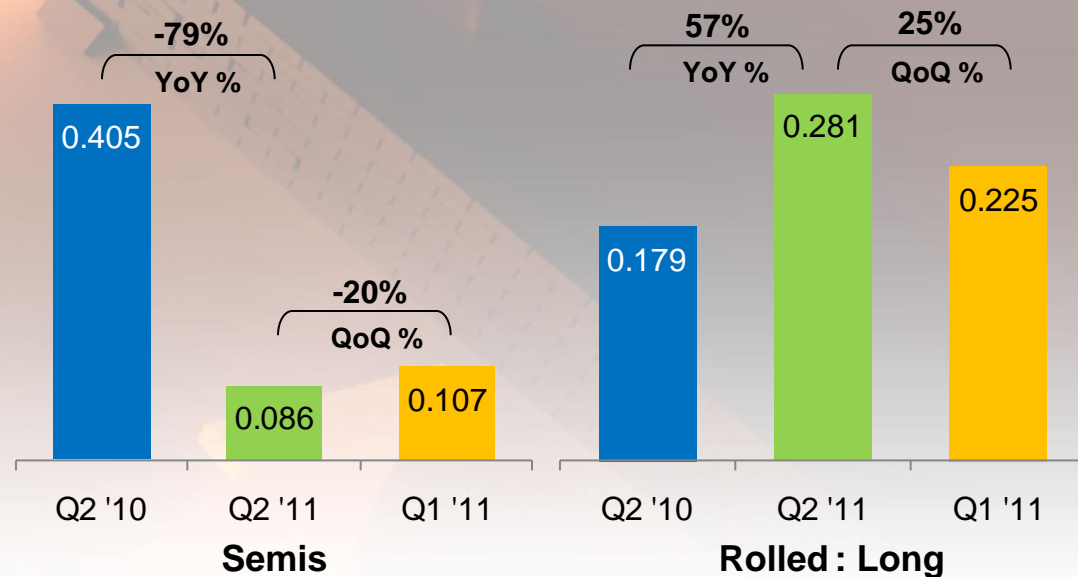
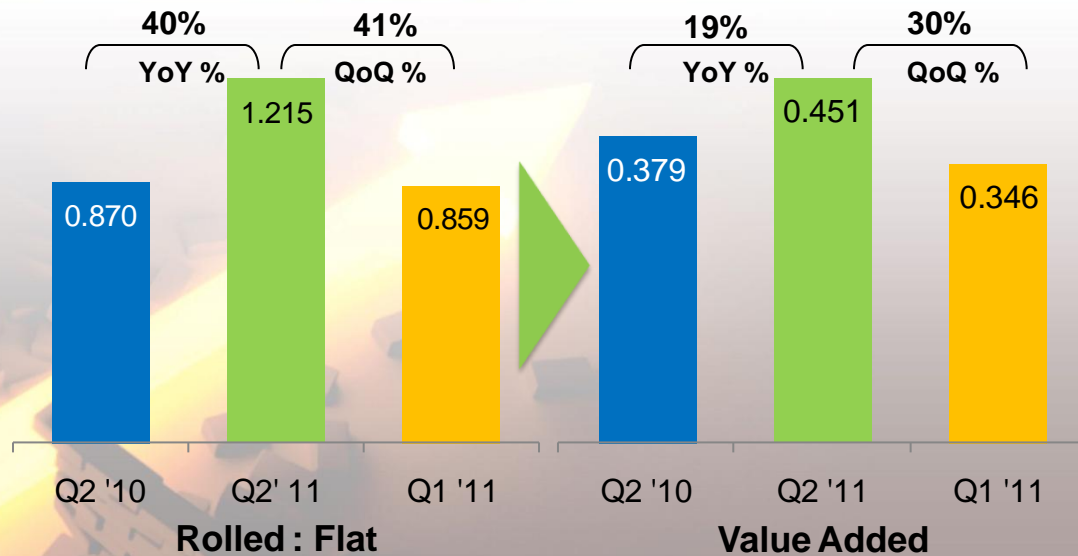
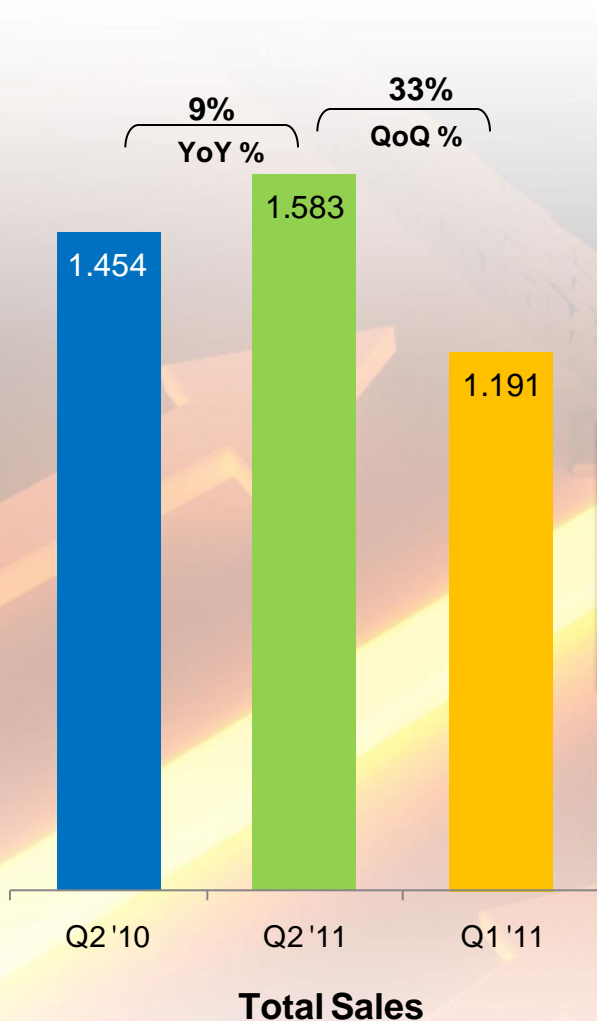
Rolled: Long

Production – H1 FY 11



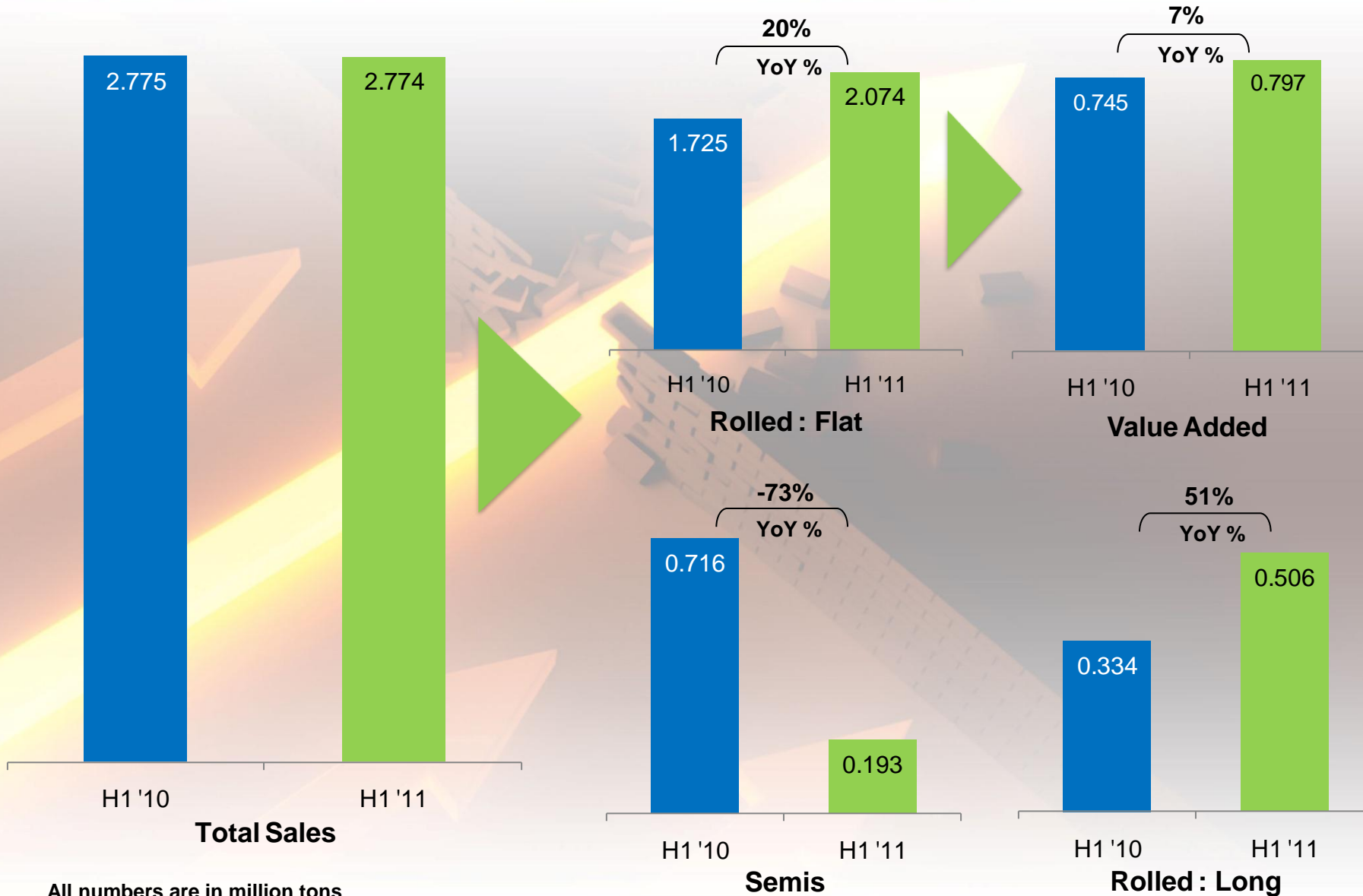
All numbers are in million tons

Saleable Steel Sales – Q2 FY 11



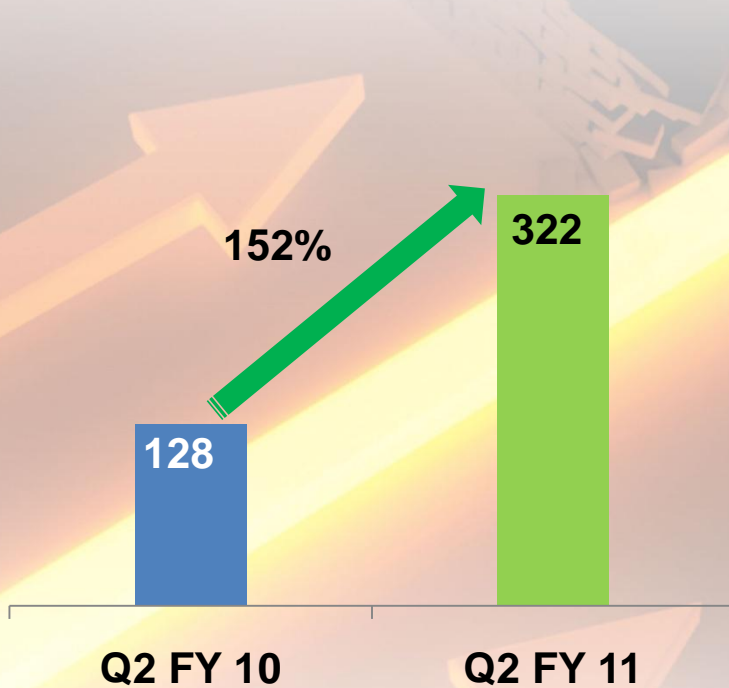
All numbers are in million tons

Saleable Steel Sales – H1 FY 11

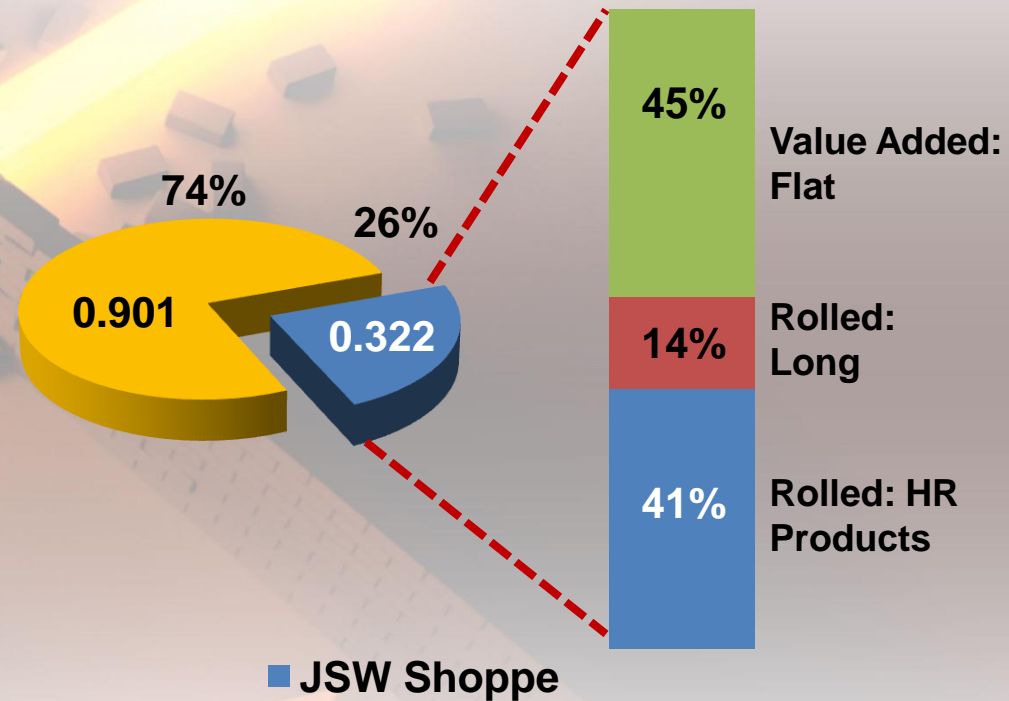


All numbers are in million tons

Sales through JSW Shoppe-Q2 FY 11
(In '000 tons)



% Share through JSW Shoppe-Q2 FY 11
(Excluding Semis) MnT, % Share



Financials – Q2 FY11 (Standalone)



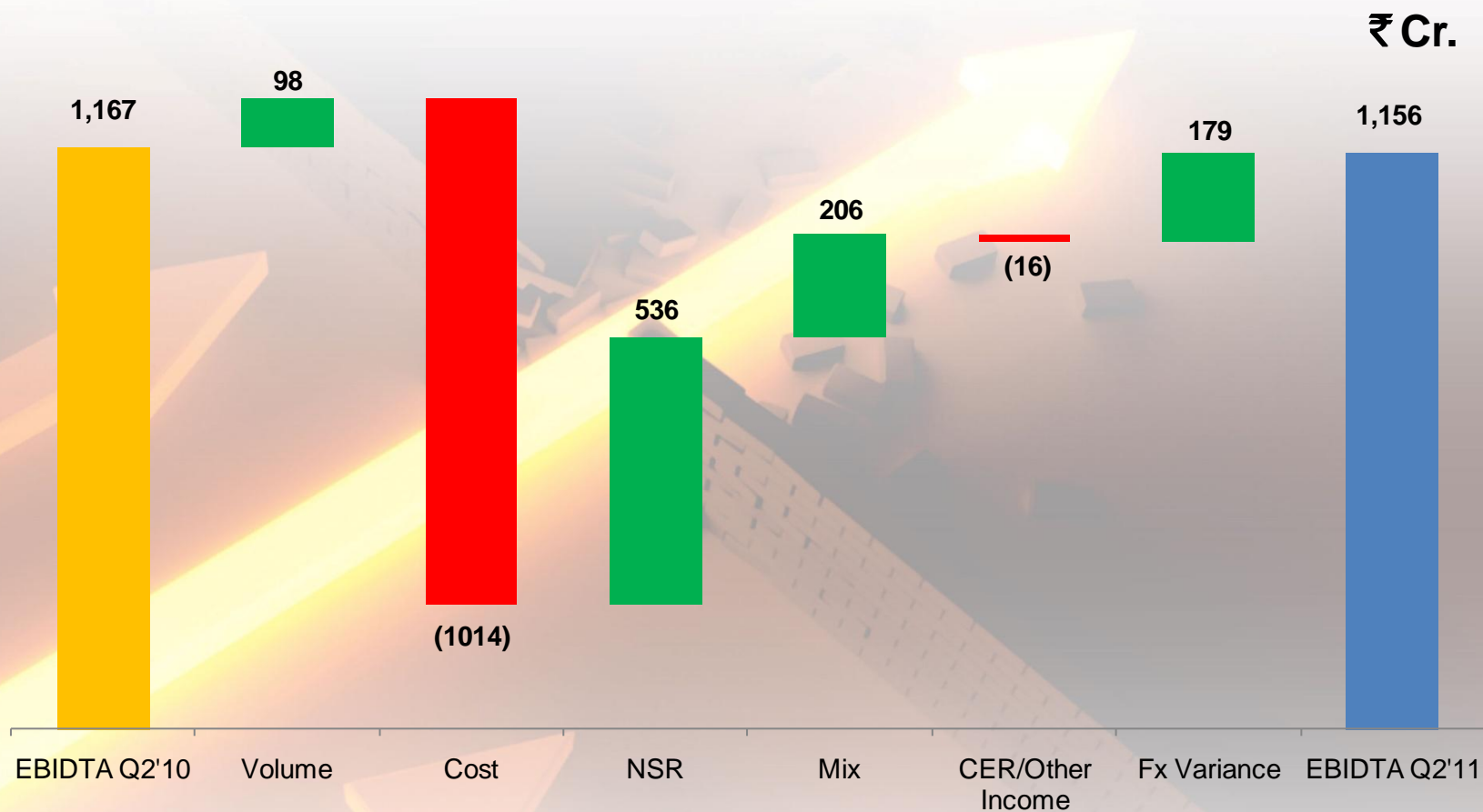
Particulars	Q2 FY 11	Q2 FY 10	Growth
	₹ Cr.	₹ Cr.	%
Net Sales	5,713	4,554	25%
Op. EBITDA (excl. Fx Variance)	998	1,189	-16%
Op. EBITDA Margin (excl. Fx Variance)	17.3%	26.0%	
EBITDA	1,156	1,167	-1%
EBITDA Margin	20.0%	25.5%	
Less: Net Finance Charges	199	228	-13%
Less: Depreciation	332	281	19%
Profit Before Tax	624	658	-5%
Profit after Tax	445	452	-1%

Financials – H1 FY11 (Standalone)



Particulars	H1 FY 11	H1 FY 10	Growth
	₹ Cr.	₹ Cr.	%
Total Income	10,360	8,448	23%
Op. EBITDA (Excl. Fx Variance)	2,130	1,940	10%
Op. EBITDA Margin (Excl. Fx Variance)	20.4%	22.8%	
EBITDA	2,190	2,154	2%
EBITDA Margin	20.9%	25.4%	
Less: Net Finance Charges	410	448	-8%
Less :Depreciation	650	552	18%
Profit Before Tax	1,130	1,154	-2%
Profit After Tax	796	792	1%

EBITDA MOVEMENT – Q2 FY 11 (Standalone)



Production (NT)	Q2 FY 11	Q2 FY 10	Growth
Plate Mill	37,699	48,895	-23%
Pipe Mill	9,495	16,845	-44%

Sales (NT)	Q2 FY 11	Q2 FY 10	Growth
Plate Mill	23,040	38,689	-40%
Pipe Mill	11,970	17,822	-33%

USD Mn

Particulars	Q2 FY 11	Q2 FY 10
Turnover	36.40	41.49
EBITDA + Other Income	0.85	(21.03)
Profit After Tax	(13.14)	(25.13)

Financials Q2 FY 11 (Consolidated)



Particulars	Q2 FY 11	Q2 FY 10	Growth
	₹ Cr.	₹ Cr.	%
Total Income	5,972	4,757	26%
EBITDA	1,186	1,075	10%
Less: Net Finance Charges	261	301	-13%
Less :Depreciation	379	326	16%
Profit Before Tax	546	449	21%
Profit After Tax	373	323	16%

Financials – H1 FY11 (Consolidated)

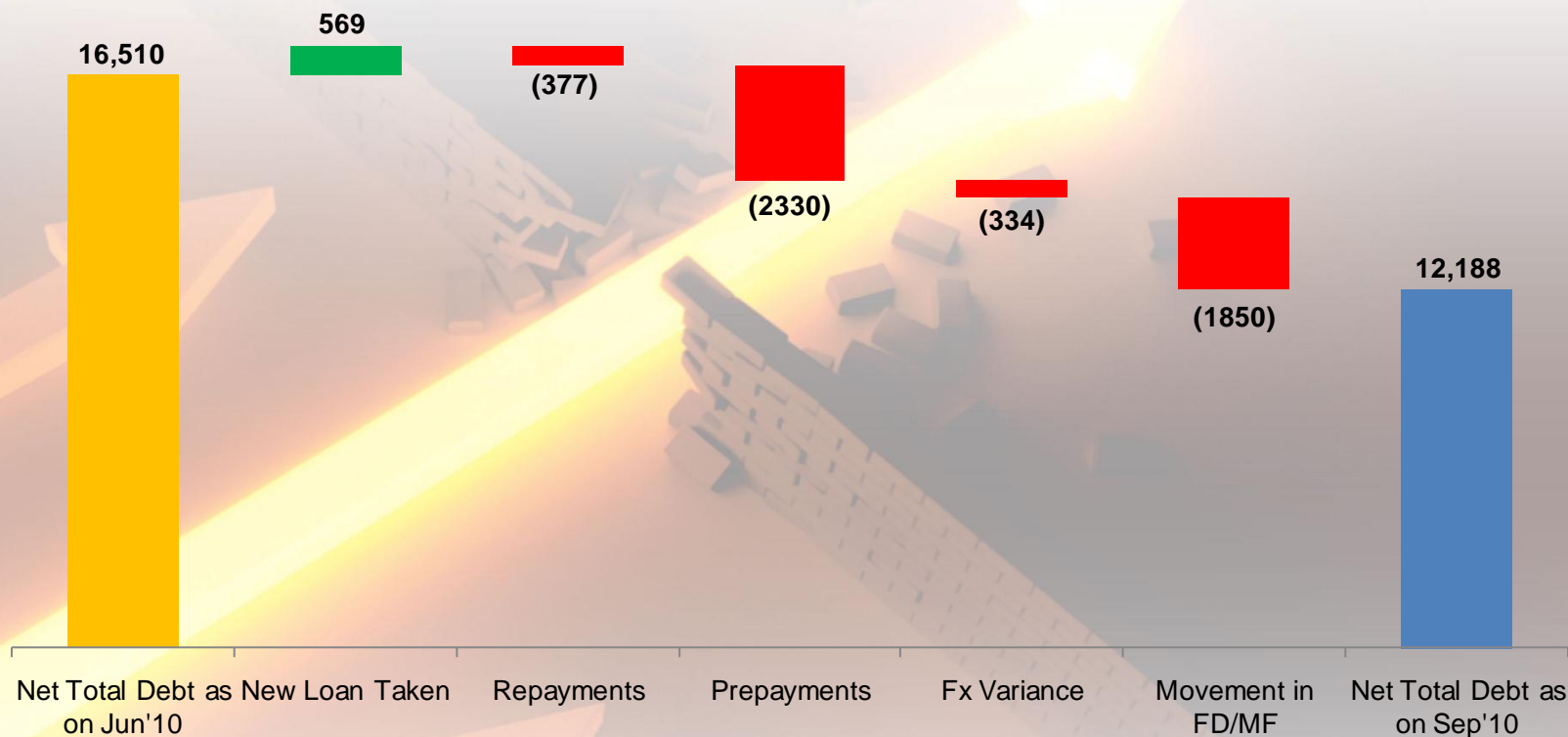


Particulars	H1 FY 11	H1 FY 10	Growth
	₹ Cr.	₹ Cr.	%
Total Income	10,830	8,770	23%
EBITDA	2,265	2,003	13%
Less: Net Finance Charges	531	598	-11%
Less :Depreciation	740	642	15%
Profit Before Tax	993	762	30%
Profit After Tax	669	557	20%

Net Total Debt Movement (Consolidated)



₹ Cr.



Cash and Cash equivalent - ₹ 544 Crs.
FD/Mutual Fund - ₹ 2,477 Crs.

Particulars	Q2 FY 11	Q2 FY 10
EBITDA Margin	20.0%	25.5%
PAT Margin	7.7%	9.9%
Diluted EPS (₹) -Standalone*	23.13	23.69
ROCE	12.1%	16.3%

Particulars	30.9.2010	30.06.2010
Net Total Debt/Equity (x)	0.48	1.15
Net Total Debt/EBITDA (x)	1.64	2.59
Net Total Debt/Equity-Consolidated (x)	0.80	1.60
Net Total Debt/EBITDA-Consolidated (x)	2.65	3.61

* Not Annualized

The background of the slide features a 3D perspective view of a grid of squares. Several large, glowing arrows in shades of orange and yellow point upwards and to the right, creating a sense of growth and progress. The text 'Projects Update' is centered over this graphic.

Projects Update

West Bengal Projects – overview



Projects	Zero date	Implementation period
4.5 mtpa Greenfield HRC plant	Apr 2011	36 months
660 MW power plant (26% stake in SPV)	Apr 2011	36 months
2.4 mtpa Kulti Sitarampur coking coal mines development	Jan 2011	39 months
2.6 mtpa Ichhapur thermal coal mines development (26% stake in SPV)	Jan 2011	39 months

West Bengal Projects – financing



Investments	₹ crores
Steel Project cost (Debt to Equity – 2:1)	15,350
Equity stake in Power plant SPV - project cost ₹ 3,300 crores (Debt to Equity – 3:1)	215
Equity stake in coking coal mines SPV - project cost ₹ 1,350 crores (Debt to Equity – 3:1)	337
Equity stake in thermal coal mines SPV - project cost ₹ 1,500 crores (Debt to Equity – 3:1)	98
Total	16,000

Means of Financing	₹ crores
Equity	
JSWSL/Strategic Partners/IPO	5,327
WBIDC/WBMDTC	6
Debt - RTL/FCL/ECB*	10,667
Total	16,000

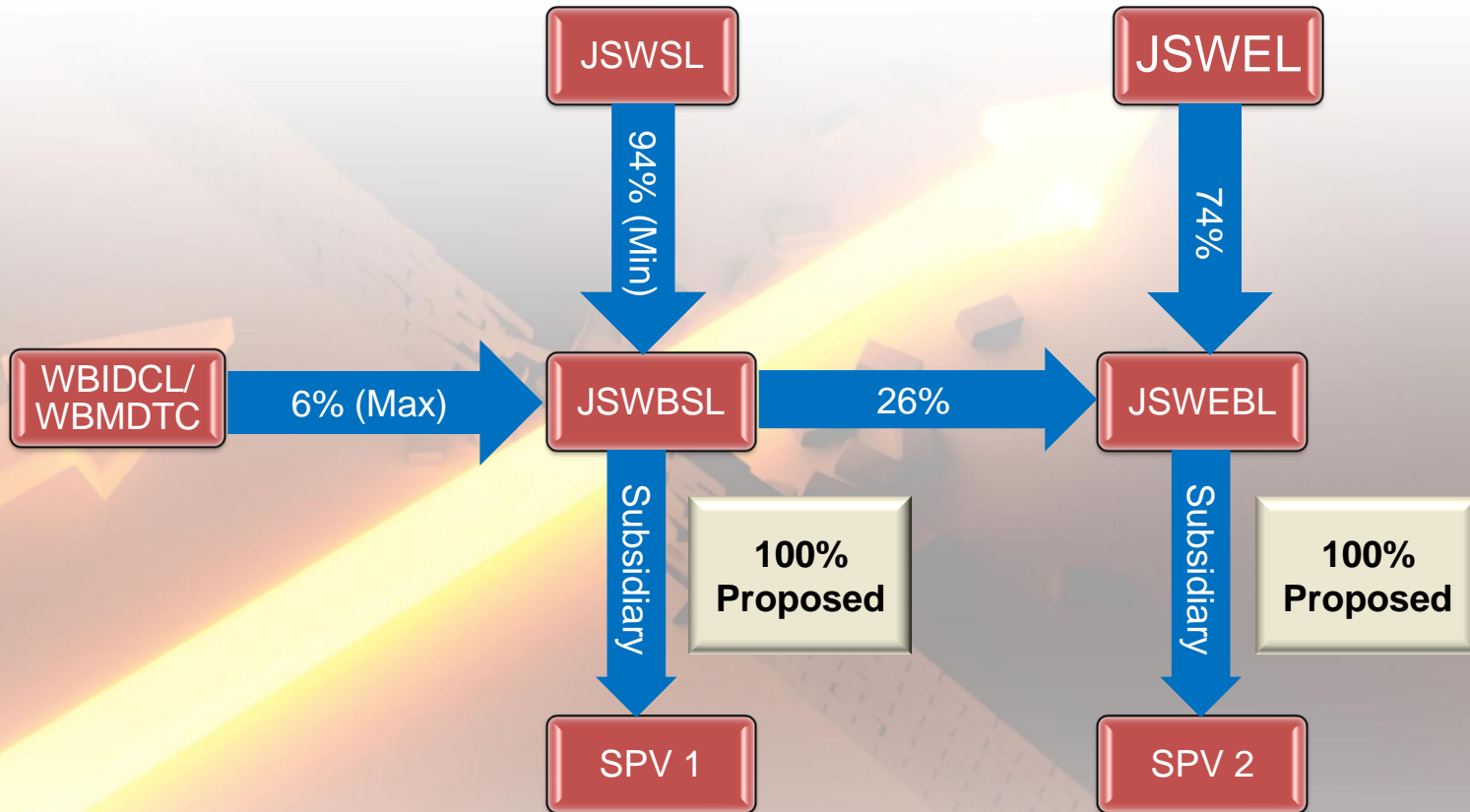
JSWSL - JSW Steel Limited

WBIDC - West Bengal Industrial development corporation limited/

WBMDTC - West Bengal mineral development and trading corporation limited

RTL - Rupee term loan, FCL –Foreign currency loans, ECB – External commercial borrowing

West Bengal Projects: structure



JSWSL – JSW Steel Ltd.

JSWEL – JSW Energy Ltd.

WBIDCL – West Bengal Industrial development corporation limited

WBMDTC – West Bengal mineral development and trading corporation limited

JSWBSL – JSW Bengal Steel Ltd. (implementing steel project)

JSWEBL – JSW Energy (Bengal) Ltd. (implementing power project)

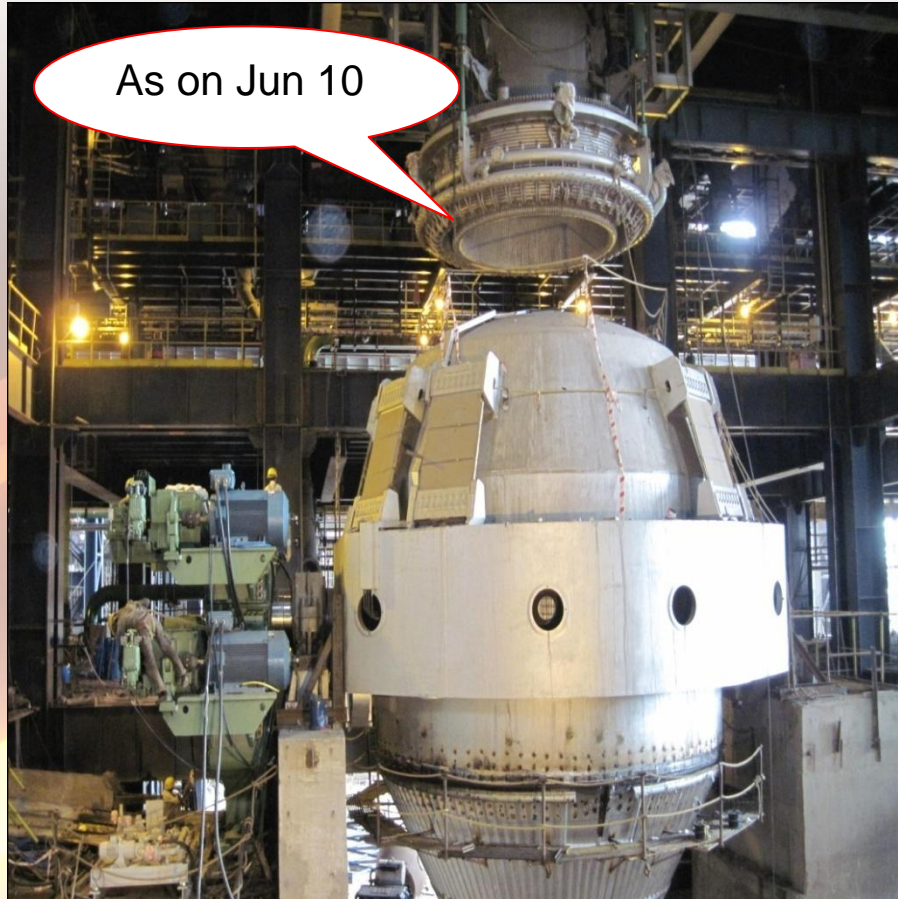
SPV 1 – Implementing development of coking coal mines

SPV2 – Implementing development of thermal coal mines

Blast Furnace



SMS (Phase II)



Beneficiation Plant







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.

The background of the slide features a 3D perspective of a grid of white cubes. A prominent, glowing yellow arrow points from the bottom left towards the top right. Several other semi-transparent, light orange arrows point in various directions across the grid. The overall lighting is bright and ethereal, with a gradient from light blue to white.

Thank you