

JSW BUILDS

on
technology
environment
sustainable practices
customers



Analyst Meet Presentation
Quarter Ended March 31, 2012

Business
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Business
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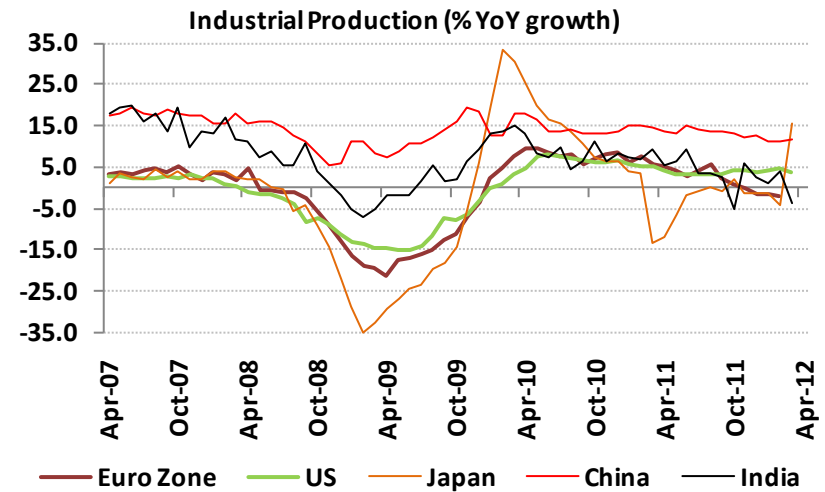
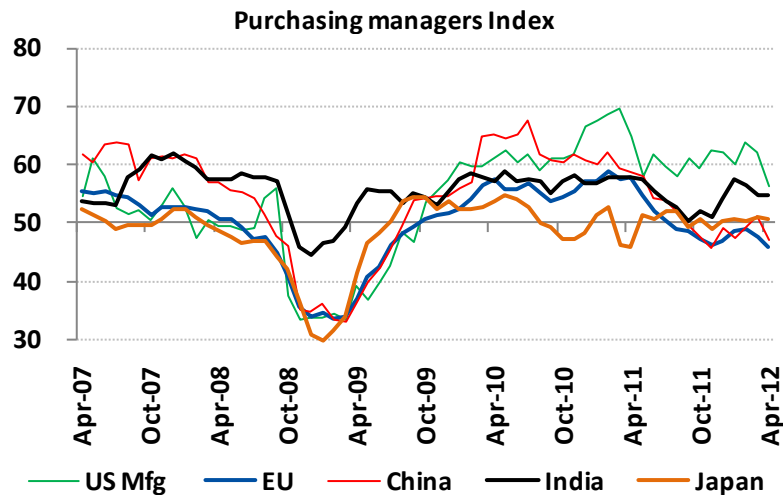
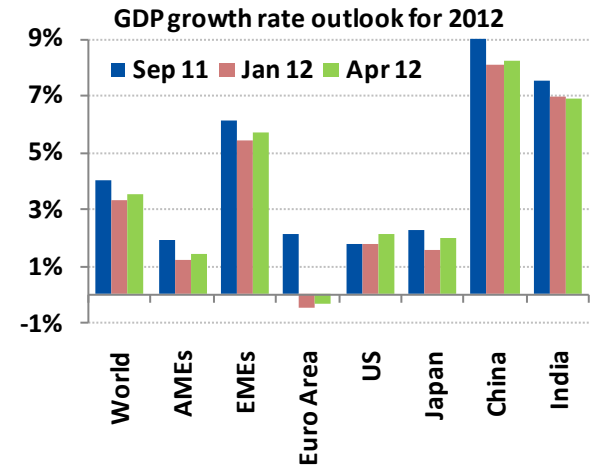
Financial
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Global economy: a multi-speed world



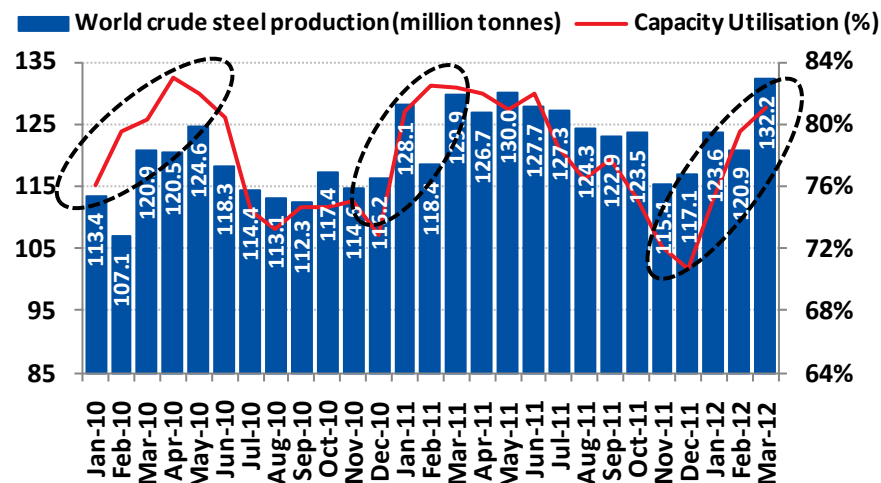
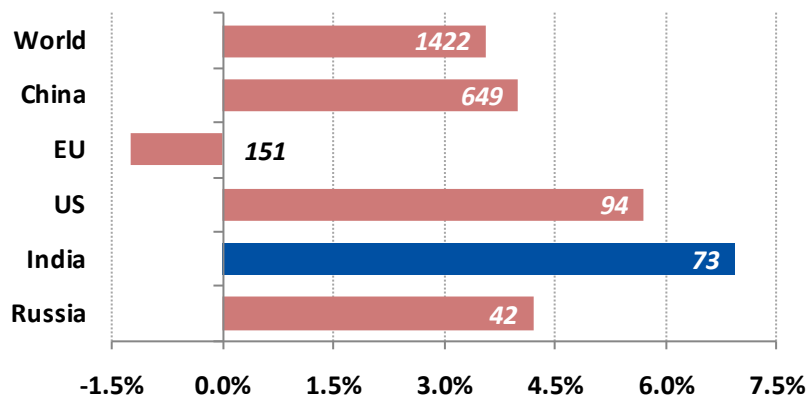
- US continues to recover albeit slowly
- EU is in mild recession with re-emergence of sovereign debt issues
- China growth has slowed down to 8.1% in Jan-Mar 2012
- Asia is exposed to downside risk with weak external demand
- Purchasing manager's index and Industrial production data lack clear indication



2012 growth outlook is cautiously optimistic

- World steel demand is expected to grow by 3.6% in CY2012 vs. 5.5% in CY2011
- Mar 2012 crude steel production rose to 132.2 million tonnes reflecting seasonal strength
- However Jan-Mar 2012 crude steel production grew by only 0.1% YoY to 376.7 million tonnes

Finished Steel Demand Outlook - CY2012 (Bar size shows % YoY growth whereas figures in bars shows demand in million tonnes)

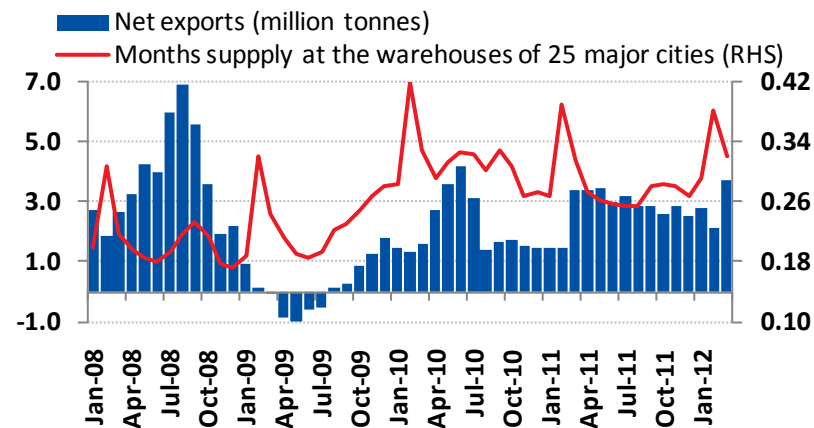
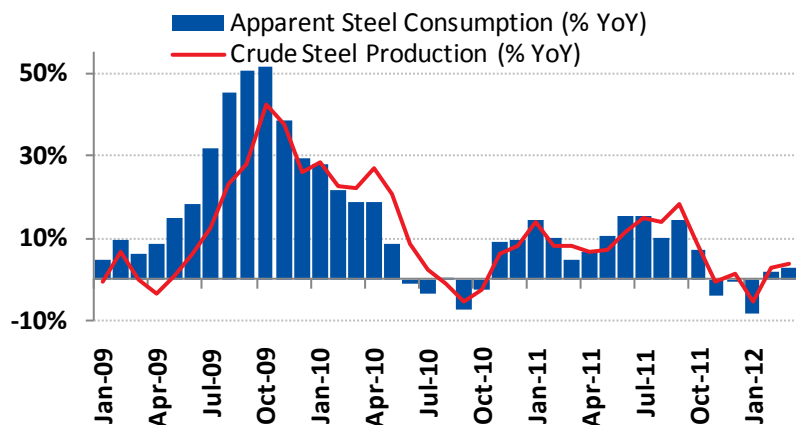
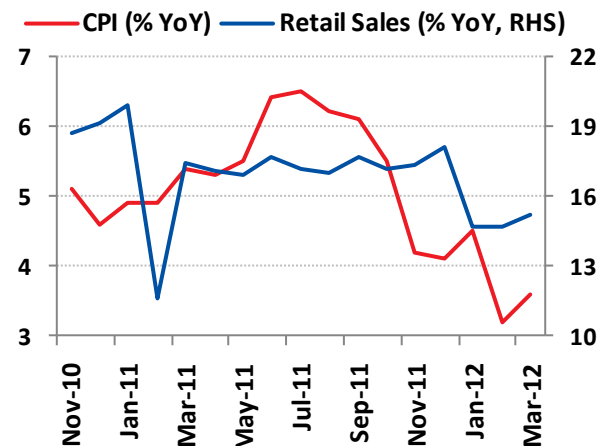


Steel demand continues to grow but at slower rate

China: shifting focus towards domestic consumption

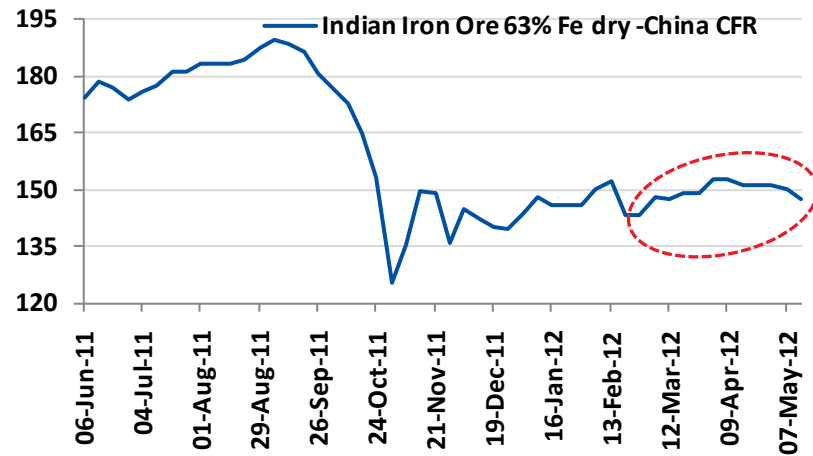
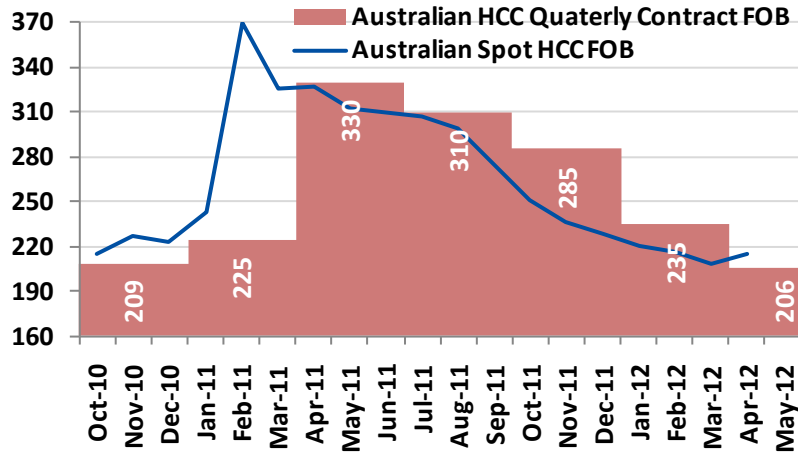


- ❖ GDP growth slowed down to 8.1% in Jan-Mar 2012 due to weaker external demand, and slowing FAI and real estate market
- ❖ Retail sales marginally picked up to 15.2% in Mar 2012, Consumer price index is much lower than peak of 6.5% in Jul 2011
- ❖ Public housing, gradual policy loosening and shift of focus towards domestic consumption to ensure economic growth rate at +8%
- ❖ In Mar 2012, finished Steel production grew by 3.6% whereas apparent consumption increase by a 2.7%
- ❖ Warehouse inventories have fallen in Mar 2012



Chinese economy likely to grow at 8%+ in 2012

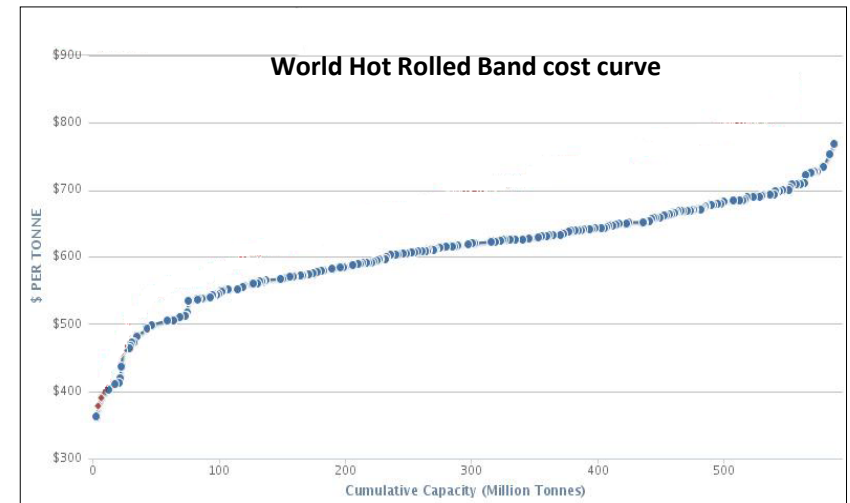
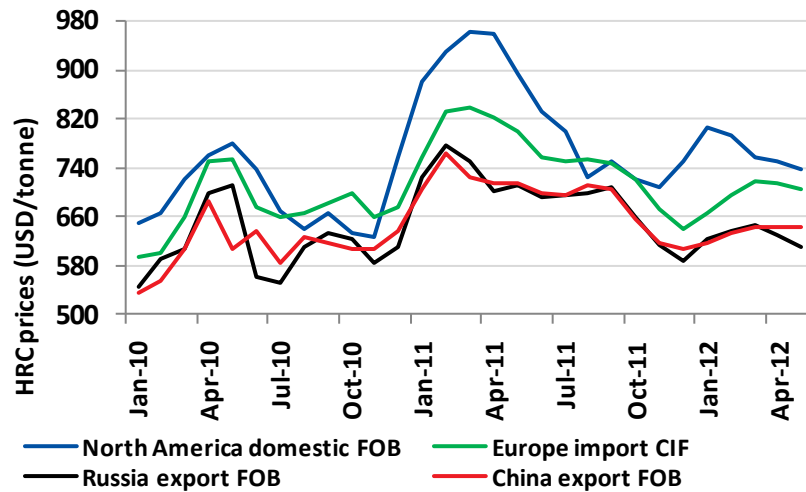
Raw materials: prices dropped



- ❖ Supply of coking coal from new (Mozambique and Mongolia) and un-conventional (US and Canada) sources has quickly found acceptance among steel producers
- ❖ Lower demand growth outlook and absence of any natural calamity has lead to improvement in supply-demand scenario
- ❖ HCC contract price have come down to ~\$205-210/t for 1QFY12
- ❖ HCC spot prices dropped below \$210/t in Mar 2012 but has seen a marginal increase since than with BMA's Force Majeure and seasonal demand expectations from China
- ❖ Iron ore prices are range bound

Raw materials prices looks to be range bound

- HRC prices in Europe and Asia increased in Jan-Mar 2012 after correcting in Oct- Dec 2011
- Inter -regional price spreads are now at sustainable level with recent correction in US market
- Steel inventories are at reasonable levels
- March 2012 world HRB cost curve supports current steel prices

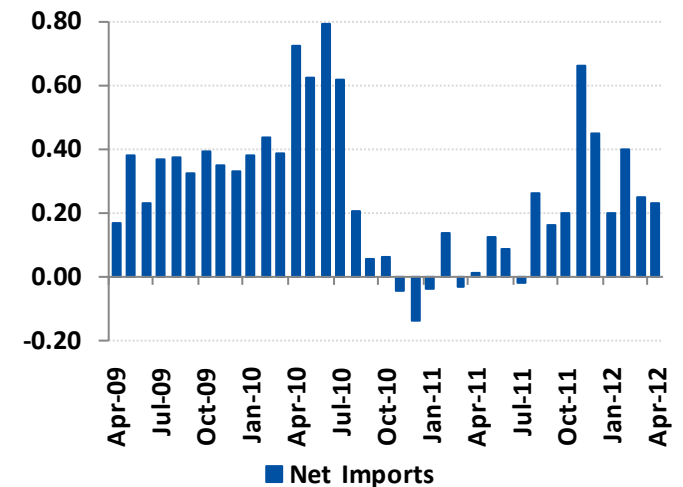
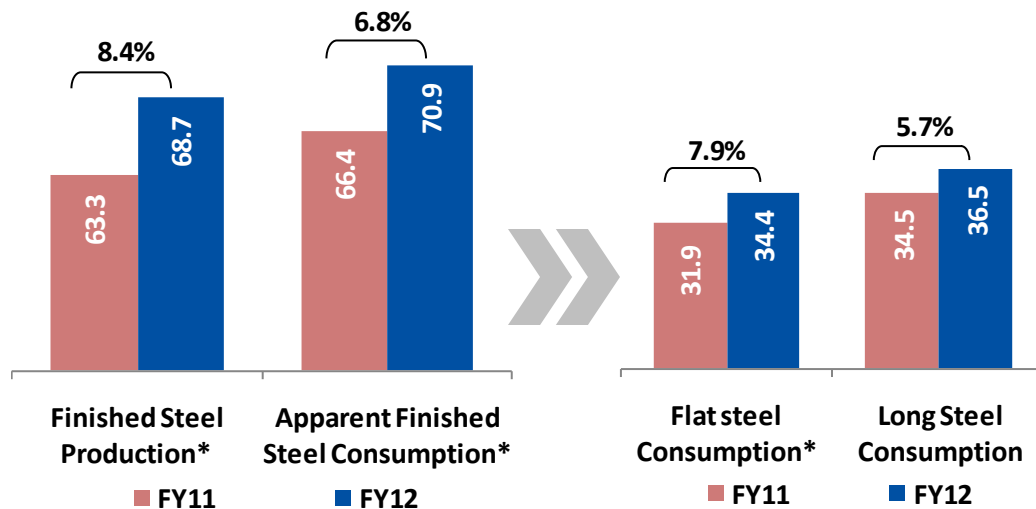


Steel prices should remain at current levels

India steel scenario



- Apparent finished steel consumption grew by 6.8% in FY12, despite very low demand in 1HFY12
- Flat steel consumption growth remained higher than long steel consumption growth
- FY12 steel imports grew by 2.4% to 6.83 million tonnes whereas steel exports increased by 11.1% to 4.04 million tonnes



Indian steel demand growth is expected to track GDP growth

Source: Joint plant Committee JSW Steel (All figures are in million tonnes)

*Netted off for double counting effect

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Key highlights



Production /sales

- Highest ever crude steel production: 2.07 million tonnes
- Highest ever sales volume in a quarter: 2.31 million tonnes
- Highest ever gross turnover in a quarter: ₹ 10,291 crores

New product approvals

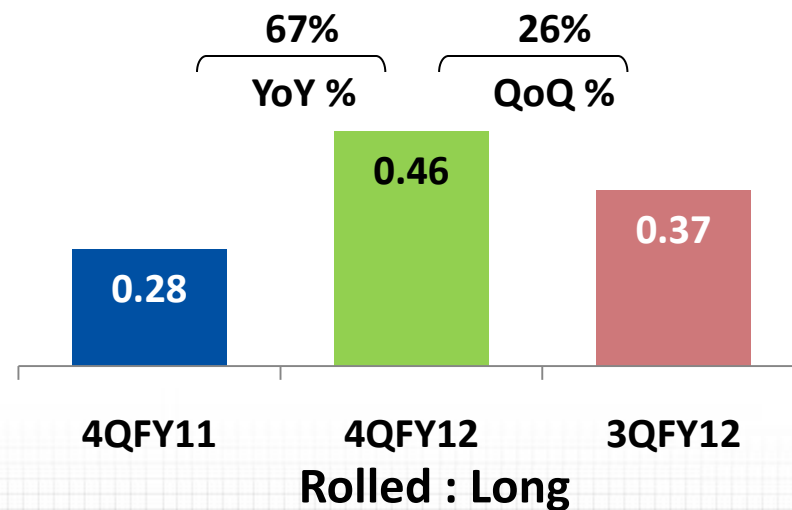
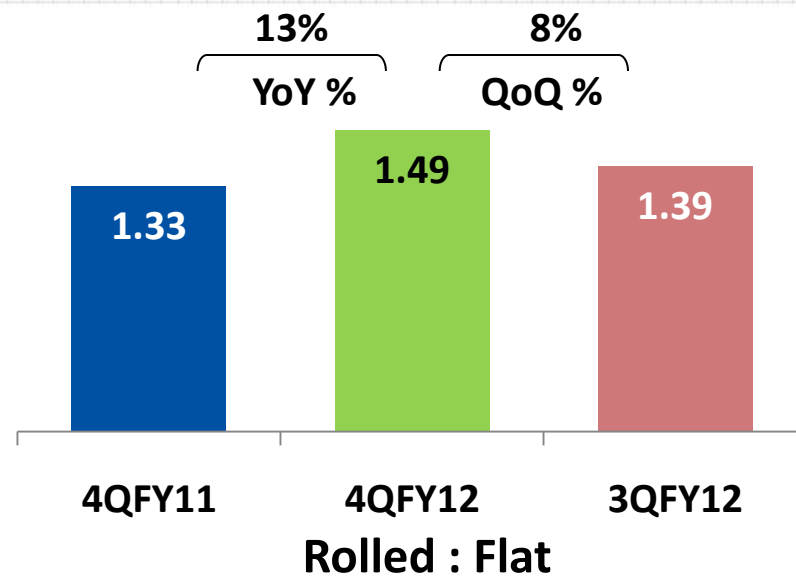
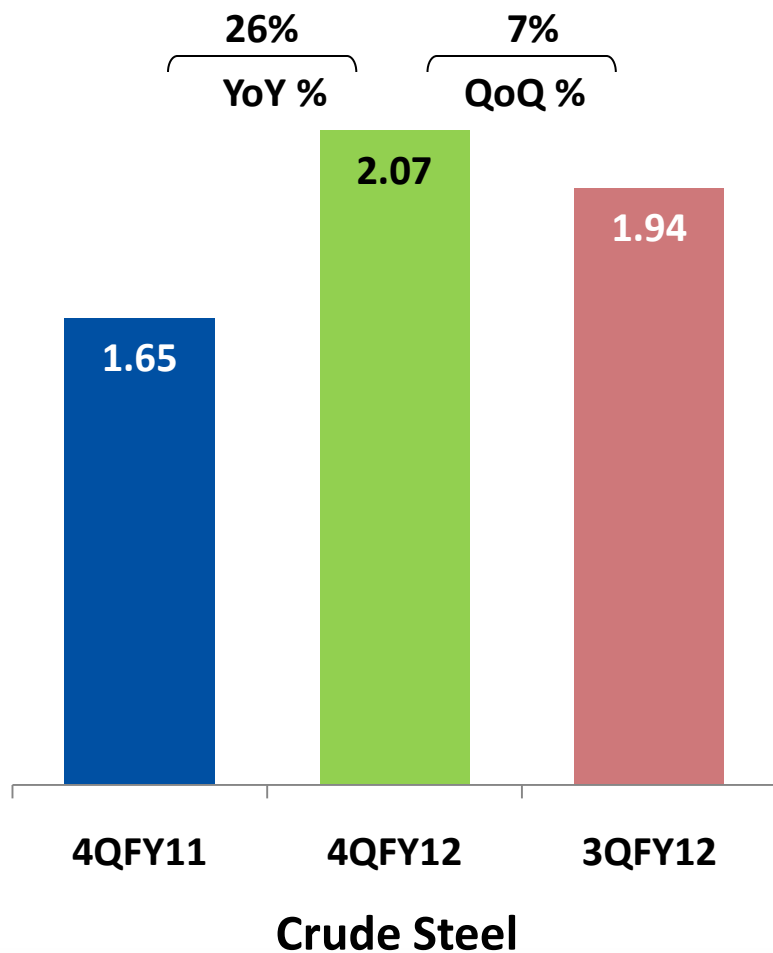
- Steel for Rear axle shaft & stub axles for MCV & HCV
- Steel for Crank Shafts for MCV & HCV
- C-Mn Steel for load bearing inner components
- Bake Hardened Steel for three wheelers
- High Strength Steel for wheel rim applications

Iron ore e-auction update

- Total 18.6 million tonnes of iron ore was sold, out of 25 million tonnes inventory and NMDC production, through e-auctions till Mar 2012 end
- The company purchased 10.7 million tonnes of iron ore in e-auctions and received 75% of it till Mar 2012 end

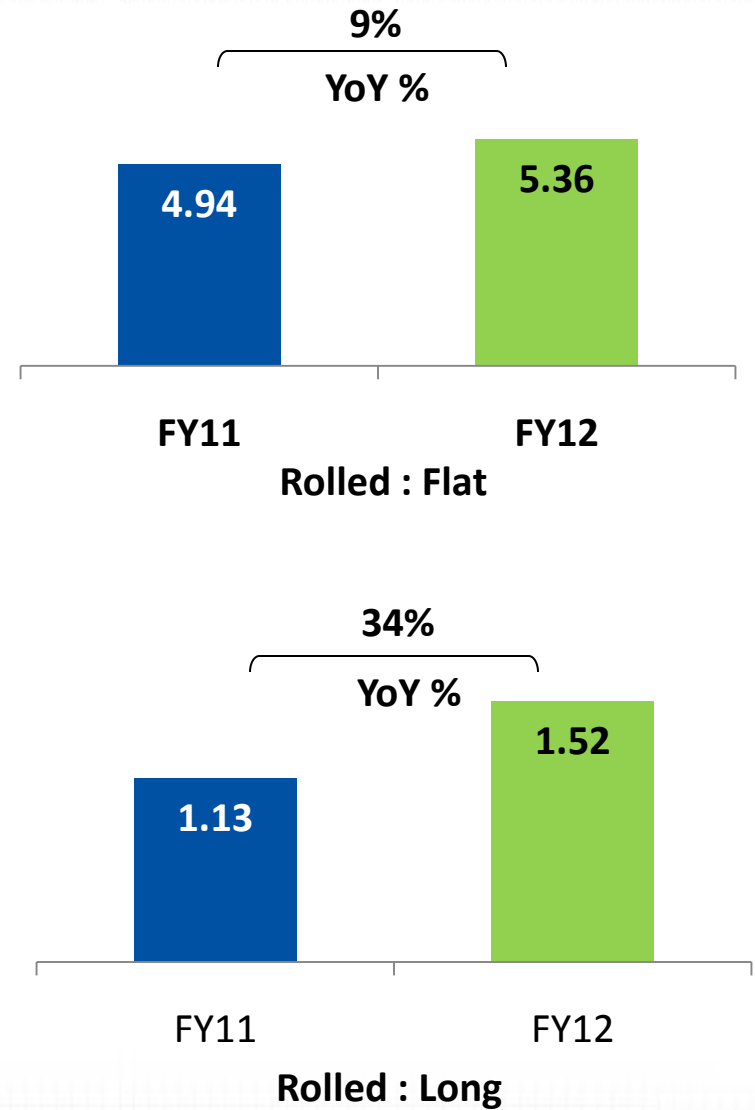
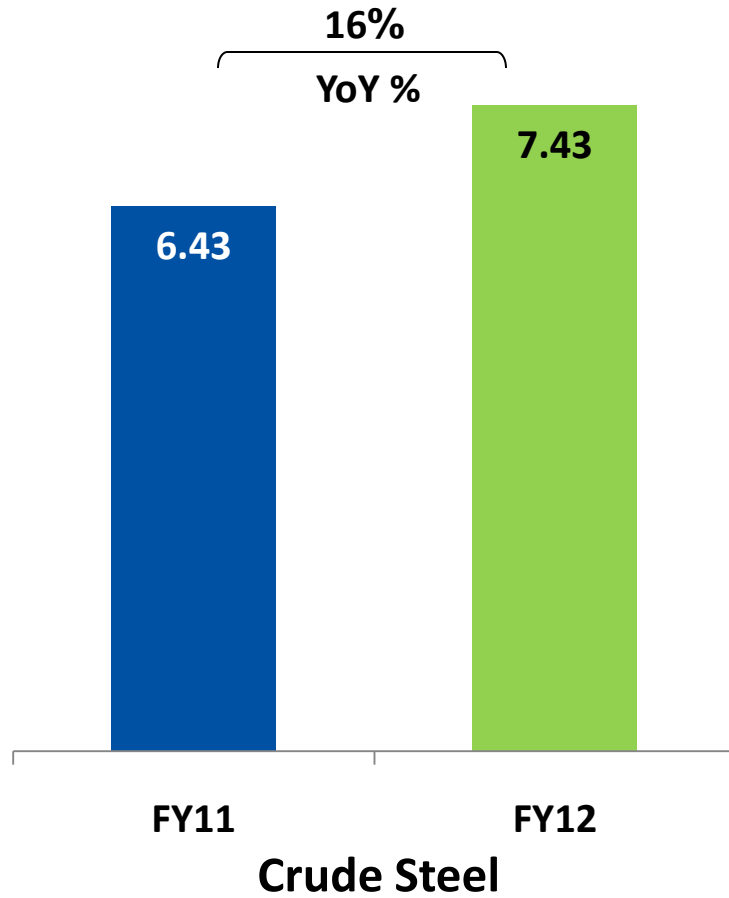
- The Central Empowered Committee (CEC) classified iron ore mining leases into three categories viz. 'A', 'B' and 'C'
- The CEC recommended opening of category 'A' and 'B' mines
- The Hon'ble Supreme Court accepted CEC recommendation for opening category 'A' mines with certain conditions
- Category 'B' mines as recommended by CEC, if approved by the Hon'ble Supreme Court, and Category 'A' mines together on commencement of operation are expected to improve availability of iron ore

Production – 4QFY12



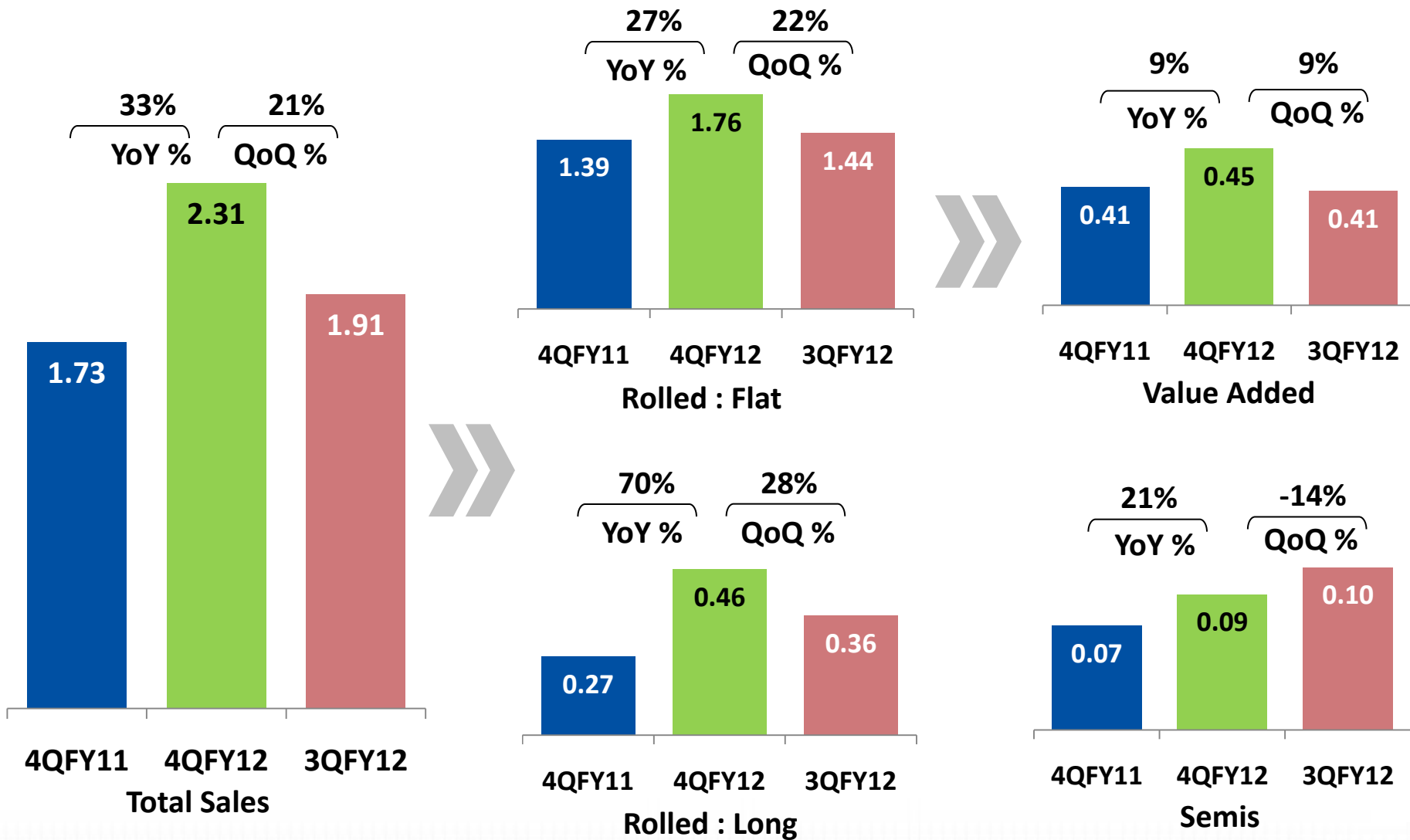
All figures are in million tonnes

Production – FY12



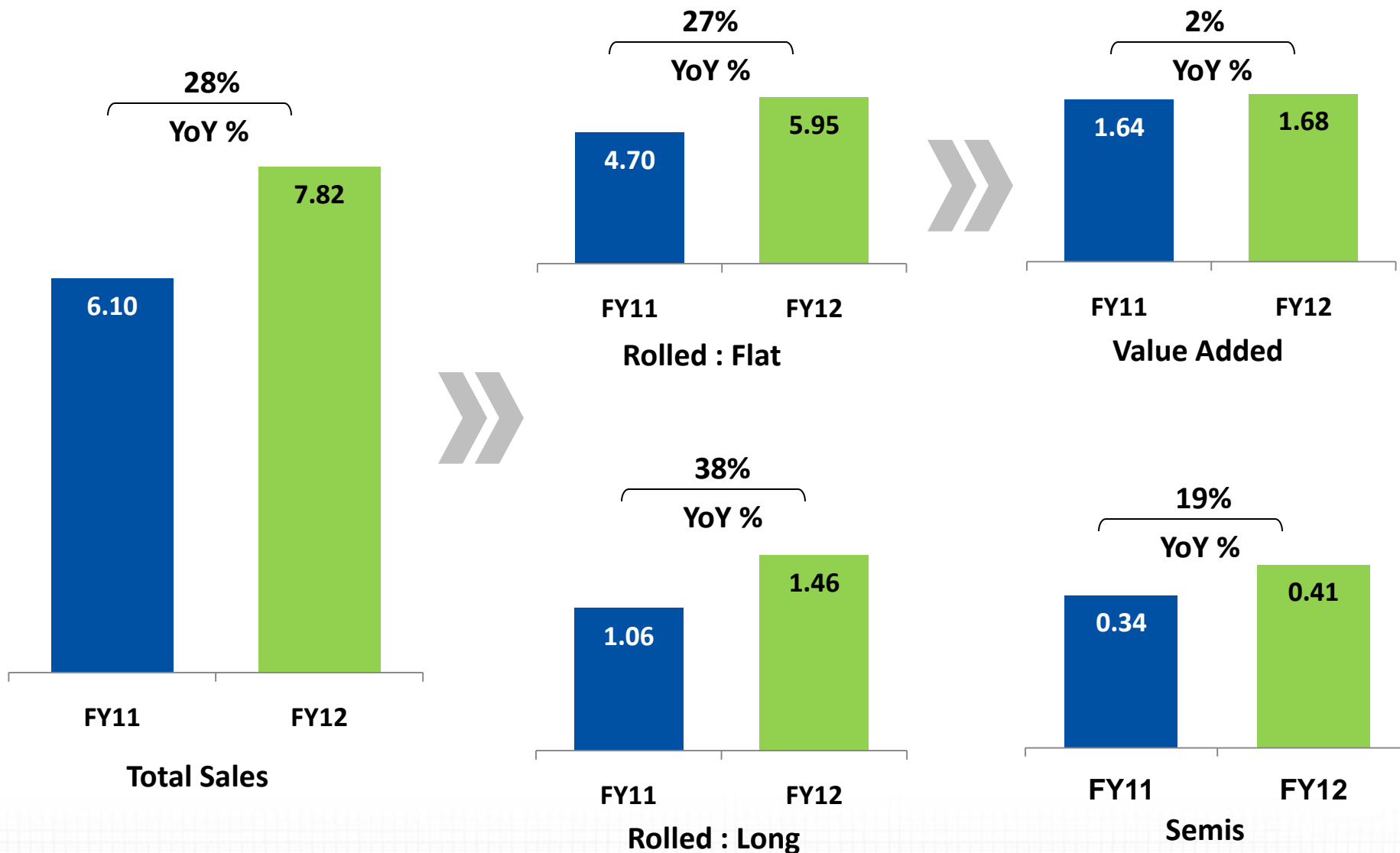
All figures are in million tonnes

Saleable steel sales – 4QFY12

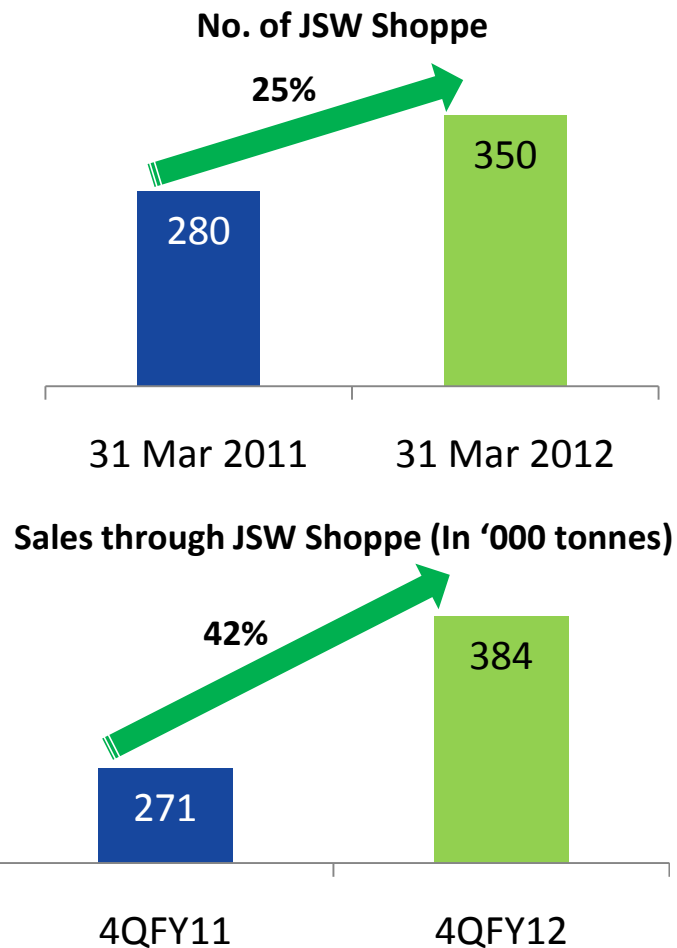


All figures are in million tonnes

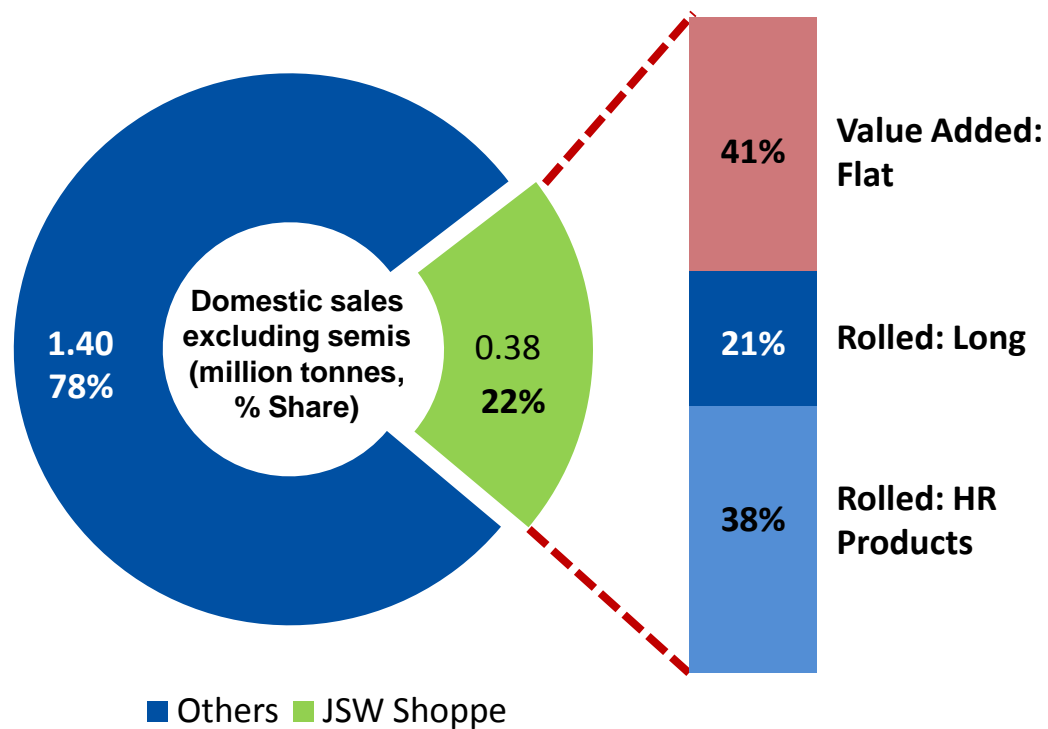
Saleable Steel Sales – FY12



All figures are in million tonnes



% Share through JSW Shoppe – 4QFY12



JSW Shoppe has expanded its footprint to 152 districts

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Environment

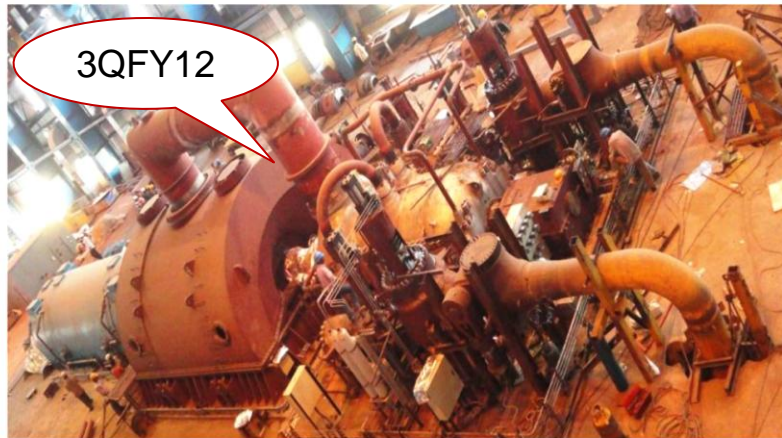
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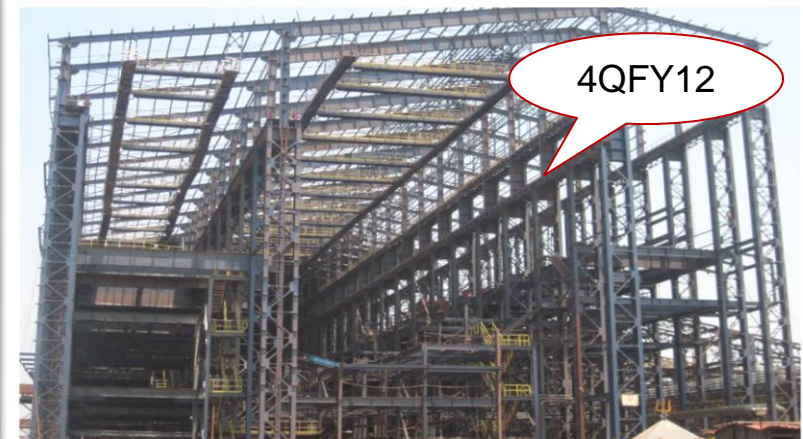
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CPP -IV (300 MW): commissioned at Vijayanagar in Mar 2012

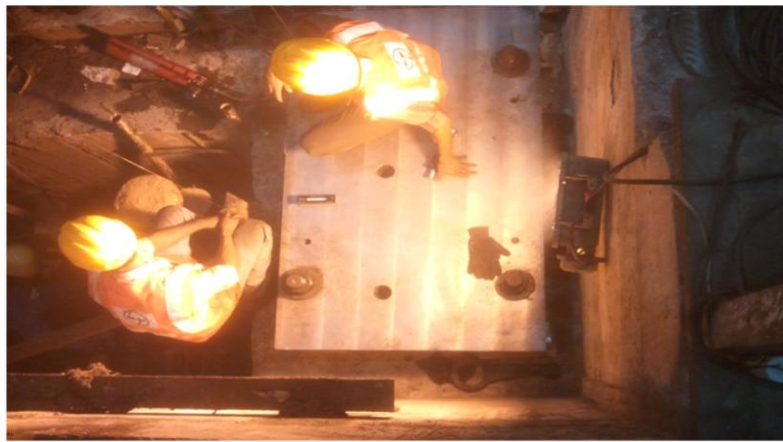


Beneficiation Plant – 2 (Phase II): will be commissioned in FY13 in phased manner



Projects' progress contd..

HSM – 2 (Phase II): will be commissioned by Sep 2012



Projects' progress contd..



Cold Rolling Mill -2: will be commissioned by FY14 end

3QFY12



4QFY12



Coke oven plant (at Dolvi for JSW Ispat): will be commissioned by FY14 end

3QFY12



4QFY12



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Financials (standalone)



₹ Crores

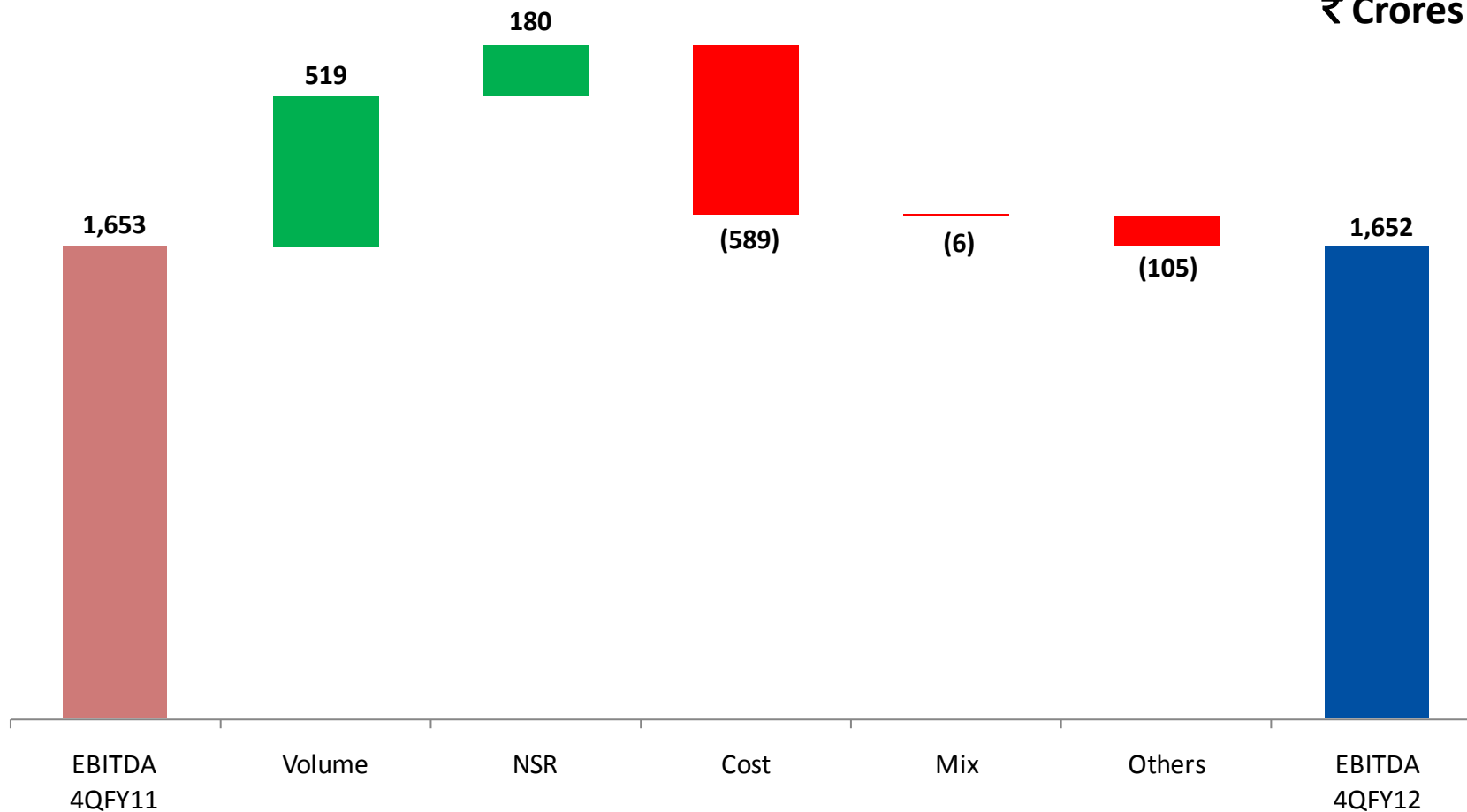
Particulars	4QFY12	4QFY11	Growth	FY12	FY11	Growth
Gross Turnover	10,291	7,615	35%	34,658	25,092	38%
Net Sales	9,511	7,032	35%	32,060	23,125	39%
Operating EBITDA	1,652	1,653	-	5,631	4,777	18%
EBITDA (₹ per tonne)	7,149	9,539		7,205	7,832	
Other Income	48	61	-20%	179	235	-24%
Finance Cost	368	212	73%	1,186	854	39%
Depreciation	472	383	23%	1,708	1,379	24%
Exceptional Items	199	-		(821)	-	
Profit Before Tax	1,060	1,119	-5%	2,095	2,779	-25%
Tax	307	286	7%	469	768	-39%
Profit after Tax	752	833	-10%	1,626	2,011	-19%
Diluted EPS (₹)	33.35*	36.67*		71.42	96.33	
ROCE	13.4%	17.9%		11.9%	13.3%	

* Not Annualized

EBITDA movement – standalone



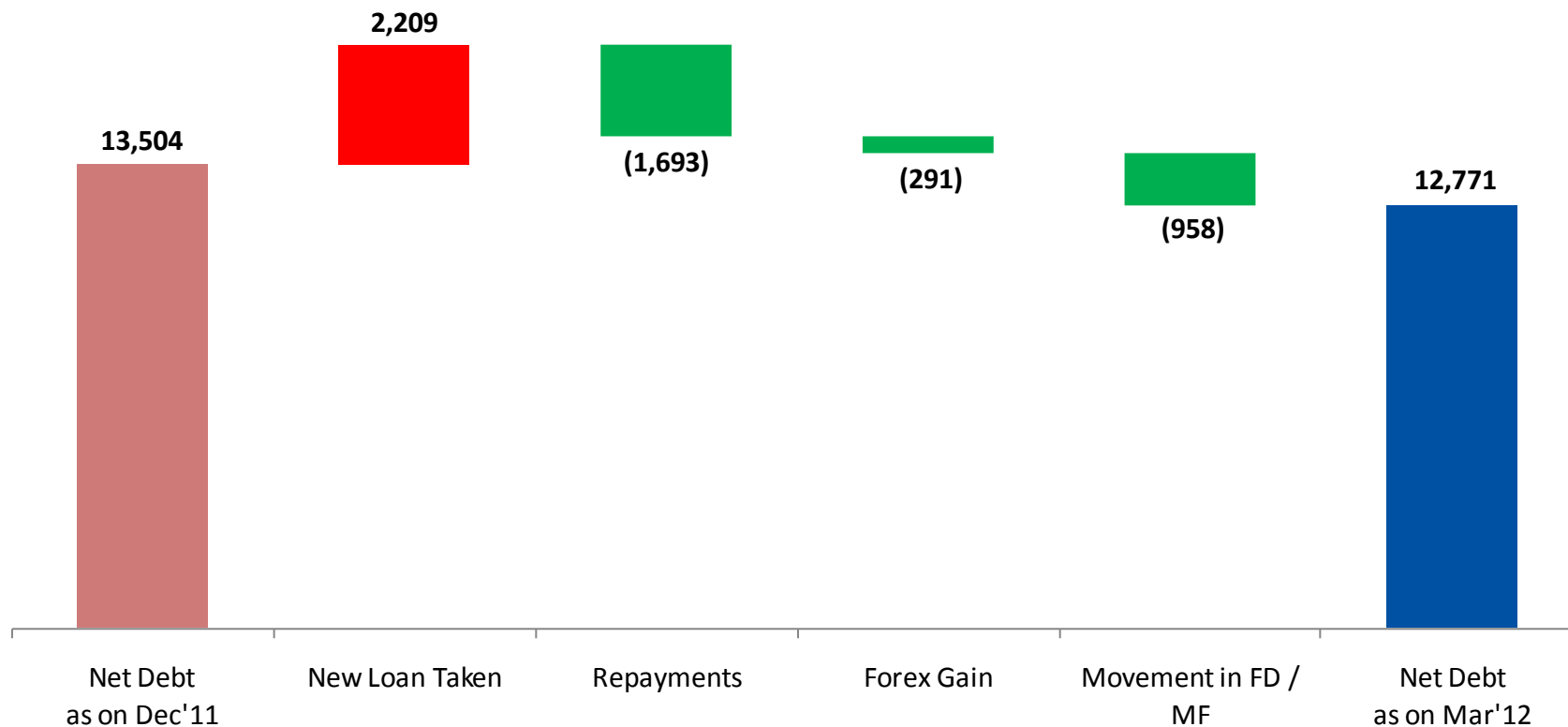
₹ Crores



Net debt movement – standalone



₹ Crores



Particulars	31.03.2012	31.12.2011
Cash & cash equivalent (₹ Crores)	3,159	2,201
Net Debt/Equity (x)	0.69	0.75
Net Debt/EBITDA (x)	2.27	2.41

Operational performance – JSW Ispat Steel Ltd



Production (million tonnes)	Jan-Mar'12	Jan-Mar'11	Sep-Dec'11
HR Coils	0.59	0.73	0.59
Downstream products	0.10	0.05	0.08

Sales (million tonnes)	Jan-Mar'12	Jan-Mar'11	Sep-Dec'11
HR Coils	0.61	0.67	0.60
Downstream products	0.10	0.04	0.08

₹ Crores

Particulars	Jan-Mar'12	Jan-Mar'11	Sep-Dec'11
Net Sales	2,783	2,648	2,668
EBITDA	294	406	246
Net profit After Tax	(141)	70	(309)

Operational performance – US Plate & Pipe Mill



Production (NT)	4QFY12	4QFY11	3QFY12
Plate Mill	108,183	12,197	65,956
Utilization (%)	44%	5%	28%
Pipe Mill	22,541	4,776	17,785
Utilization (%)	16%	3%	13%

Sales (NT)	4QFY12	4QFY11	3QFY12
Plate Mill	65,795	27,627	66,309
Pipe Mill	24,482	4,875	17,443

USD mn

Particulars	4QFY12	4QFY11	3QFY12
Turnover	105.24	27.75	94.04
EBITDA + Other Income	42.56	4.57	3.59
Profit After Tax	27.66	(16.25)	(10.06)

Operational performance – Chile



USD mn

Particulars	4QFY12	3QFY12
Production (Tonnes)	172,580	191,432
Sales (Tonnes)	101,199	148,040
Turnover	13.58	20.09
EBIDTA	0.89	4.06
Profit Before Tax	(1.33)	2.09
Profit after Tax	(0.85)	0.89

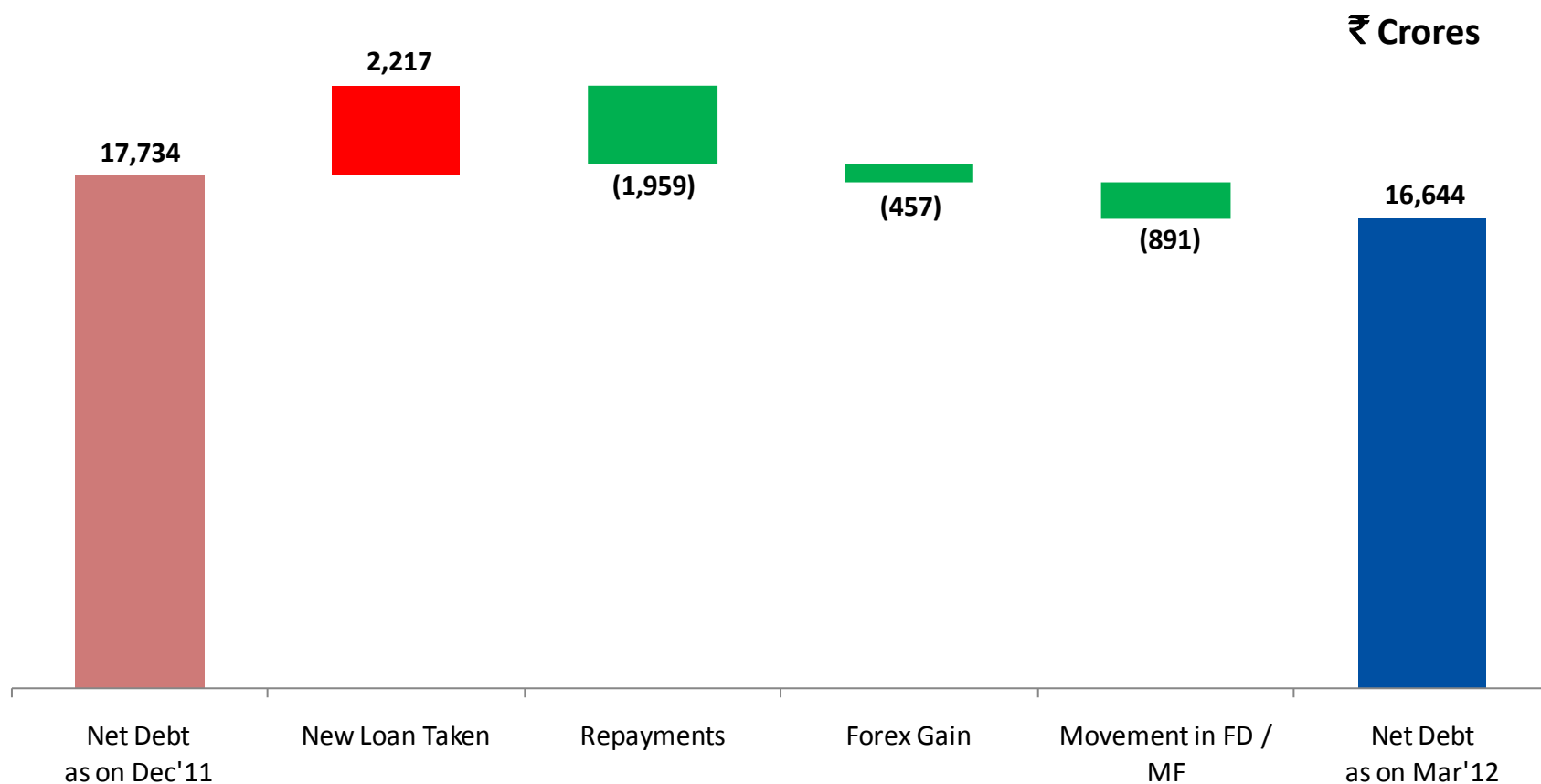
Consolidated financials



₹ Crores

Particulars	4QFY12	4QFY11	Growth	FY12	FY11	Growth
Gross Turnover	10,930	7,792	40%	36,720	25,829	42%
Net Sales	10,153	7,209	41%	34,124	23,862	43%
EBITDA	1,887	1,653	14%	6,102	4,868	25%
Other Income	24	47	-48%	77	190	-60%
Finance Cost	455	259	76%	1,427	1,060	35%
Depreciation	528	429	23%	1,933	1,560	24%
Exceptional Items	200	-	-	(825)	-	-
Profit Before Tax	1,129	1,012	12%	1,993	2,438	-18%
Tax	310	288	7%	500	779	-36%
Share of Associates and Minority Interest	(50)	70		(956)	95	
Profit after Tax	770	794	-3%	538	1,754	-69%

Net debt movement – consolidated



Particulars	31.03.2012	31.12.2011
Cash & cash equivalent (₹ Crores)	3,265	2,374
Net Debt/Equity (x)	0.98	1.08
Net Debt/EBITDA (x)	2.73	3.05

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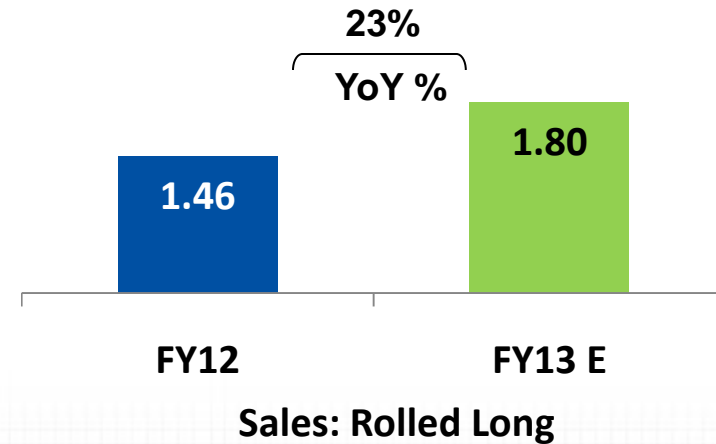
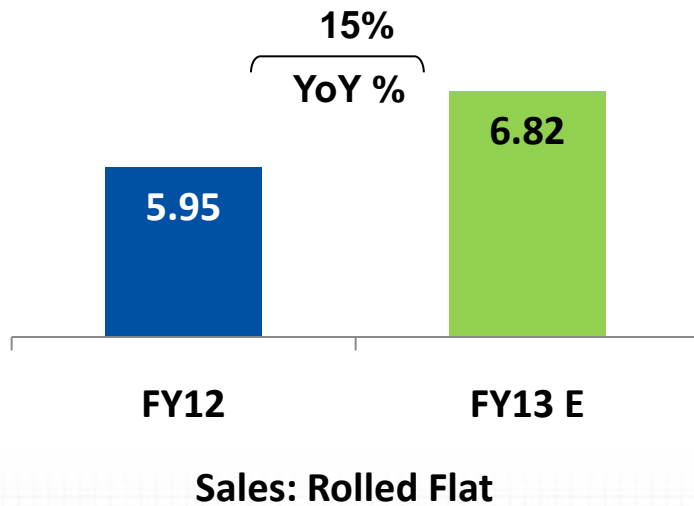
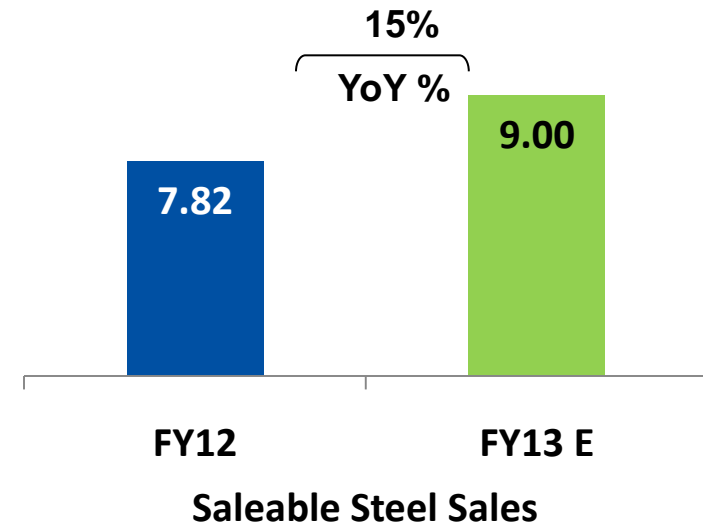
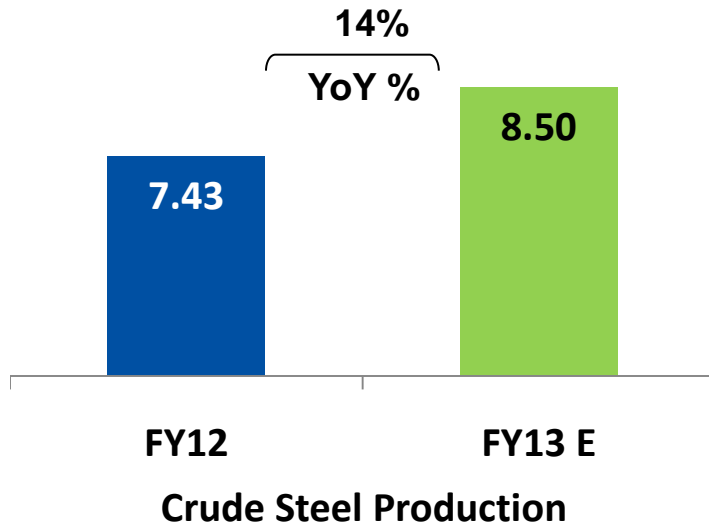
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Guidance for FY13



All figures are in million tonnes

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.

Thank you