



JSW Steel
Bringing alive a billion dreams



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Results Presentation
Quarter Ended Sep 30, 2012

Business
Environment

Operational
Performance

Financial
Performance

Projects Update

Business
Environment

Operational
Performance

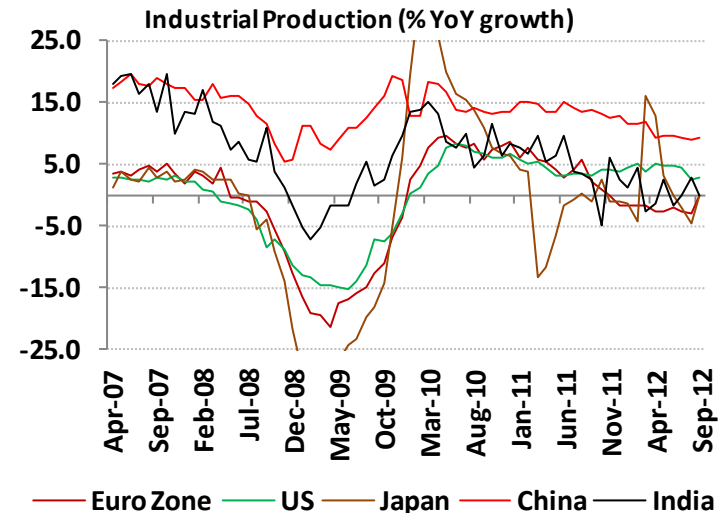
Financial
Performance

Projects Update

- Global economic condition remained fragile, manufacturing was further slowed down
- United States – recovery has been subpar
- Euro Area – economic weakness continued with sovereign debt issue
- China – GDP growth slowed down to 7.4% YoY in Jun-Sep 2012

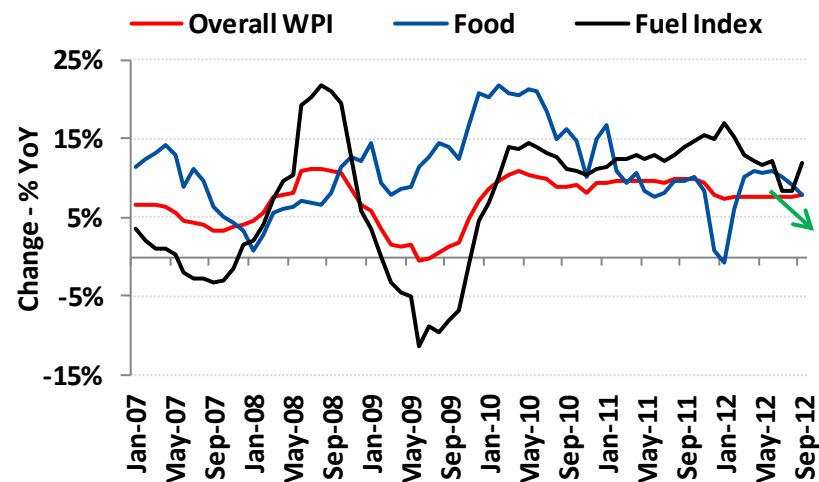
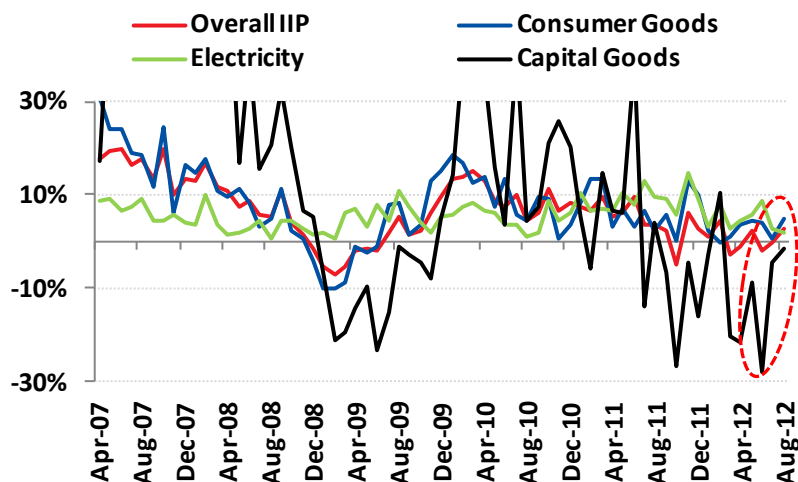
However:

- Fed's open-ended bond-buying program should strengthen US growth
- ECB's bond market intervention program has reduced risks of a near-term break-up of the euro area
- Better-than-expected Sep 2012 data suggest stabilizing economic condition in China



Global economy is expected to grow at 3.3%

- GDP growth at 5.5% during Q1FY13, economic conditions remained on edge in Q2FY13
- August IIP has shown an uptick after 2 months, rapid fall in Capital Goods seems over, Consumer Goods demand to improve in festive season
- Overall WPI Inflation at 7.81% hit a 10 month high but food inflation has come down to 7.9%.
- Growth inducing measures from Gol are encouraging

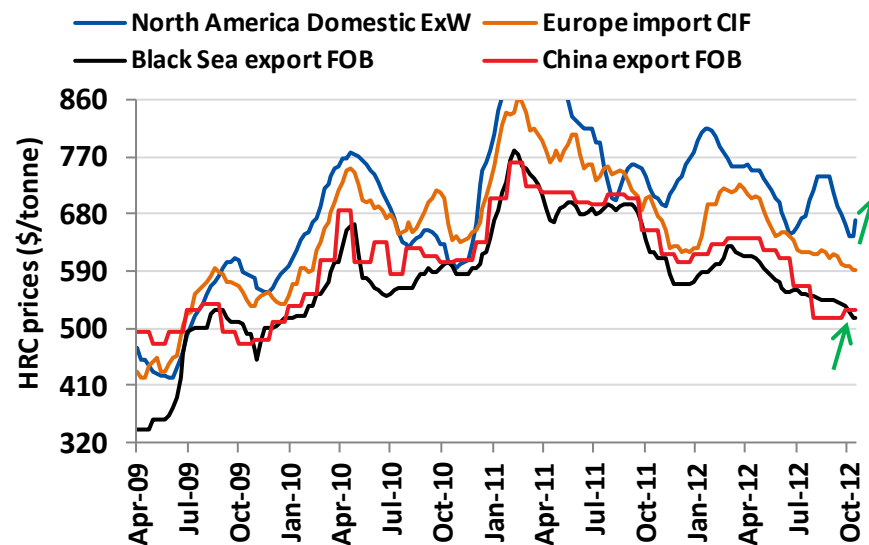
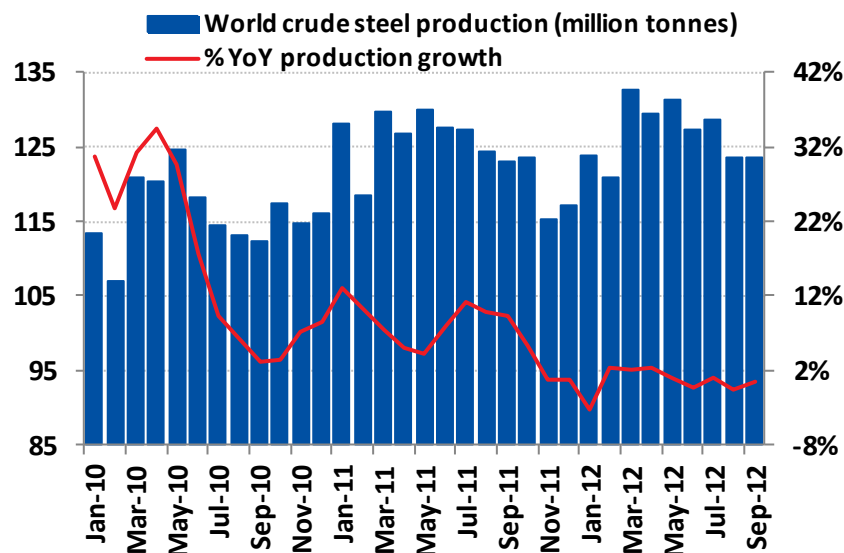


Reforms/policy actions to provide impetus to investment cycle

Global steel scenario



- World crude steel production grew by just ~0.6% in Jan-Sep 2012 compared with demand growth outlook* of 2.1% in CY12
- Capacity utilization has dropped below 80%
- HRC prices continued to fall during Aug-Sep 2012, after remaining range bound in Jul 2012, due to lower demand amidst fragile economic conditions
- However prices have improved both in US and China during the last fortnight

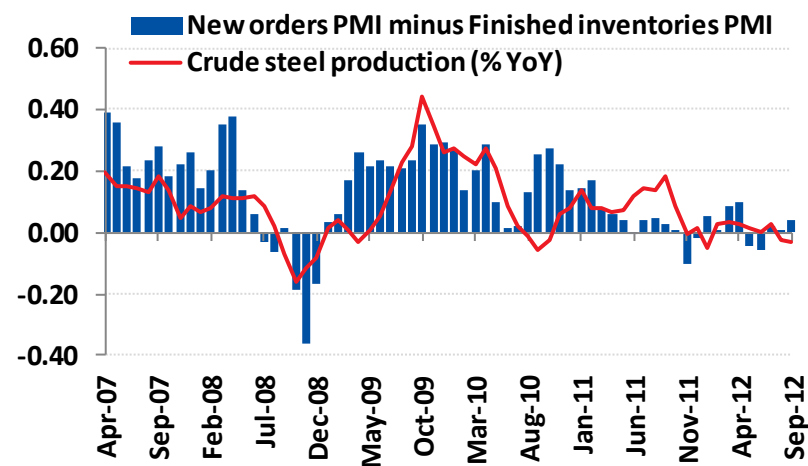
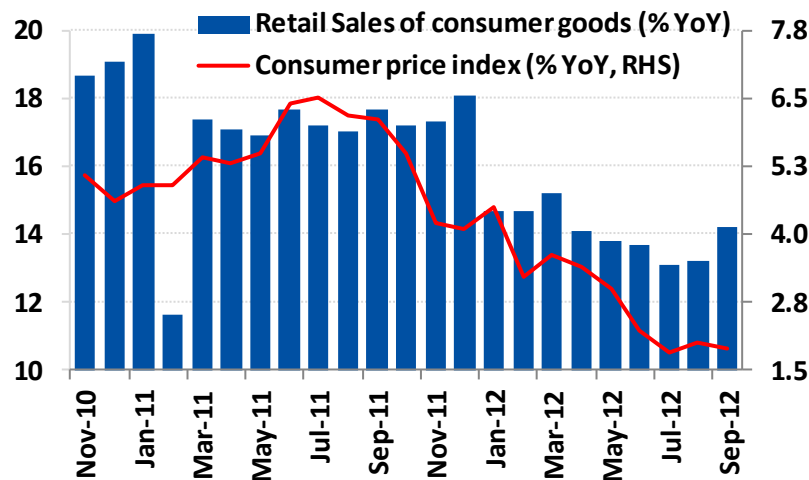


Supply side responds to fragile demand

Source: World Steel Association, Steel Business Briefing

* Demand growth outlook by World Steel Association

- GDP growth slowed down to 7.4% YoY during Jul-Sep 2012
- Improved trade and other economic data in Sep 2012 indicates economic stabilization is on track
- Retail sales, Industrial production have improved, Urban FAI and real estate investment growth are stabilizing, and Inflation is below 2%
- However, jury is still out – this momentum needs to be sustained
- Crude Steel production is up just 1.3% in 9M CY12, warehouse inventories to finished steel consumption ratio is low

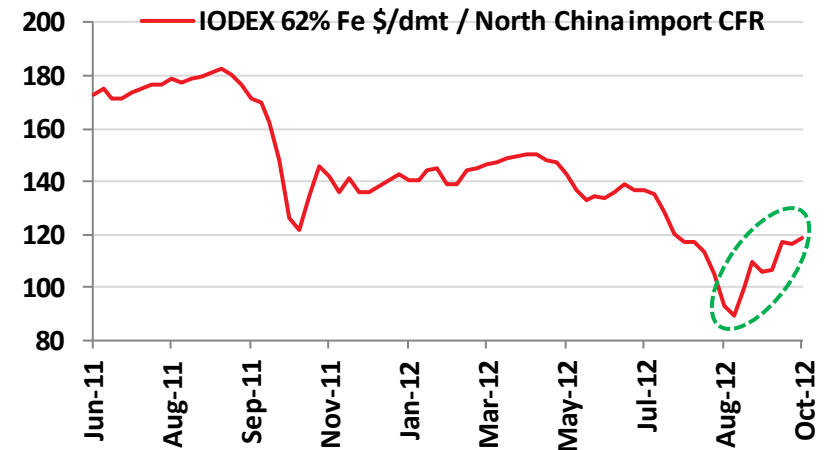
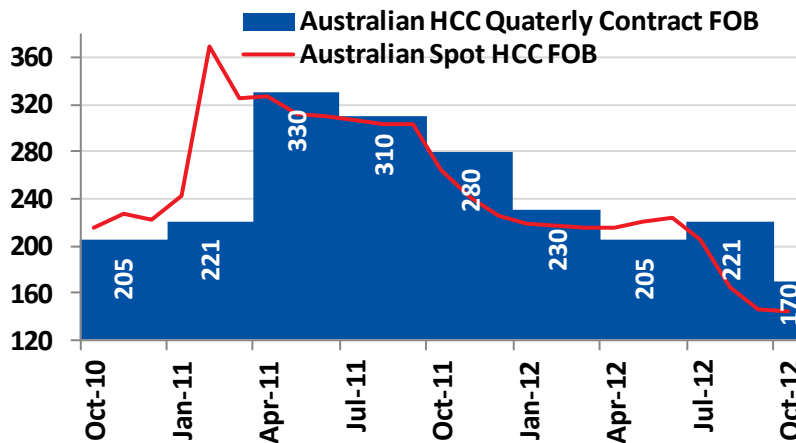


Moving towards Economic stabilization?

Raw material prices



- ❖ HCC quarterly contract prices are settled at ~\$165-170/t for 3QFY12
- ❖ HCC spot prices fell to ~\$140/t by mid Sep 2012 due to lower demand with steel prices bottoming in Aug 2012
- ❖ Since then HCC spot prices have gradually moved up to \$148/t with improved Chinese steel prices and demand after Chinese holidays
- ❖ Iron ore prices too now range bound at \$110-120/t after touching ~\$85-90/t in Aug-Sep 2012



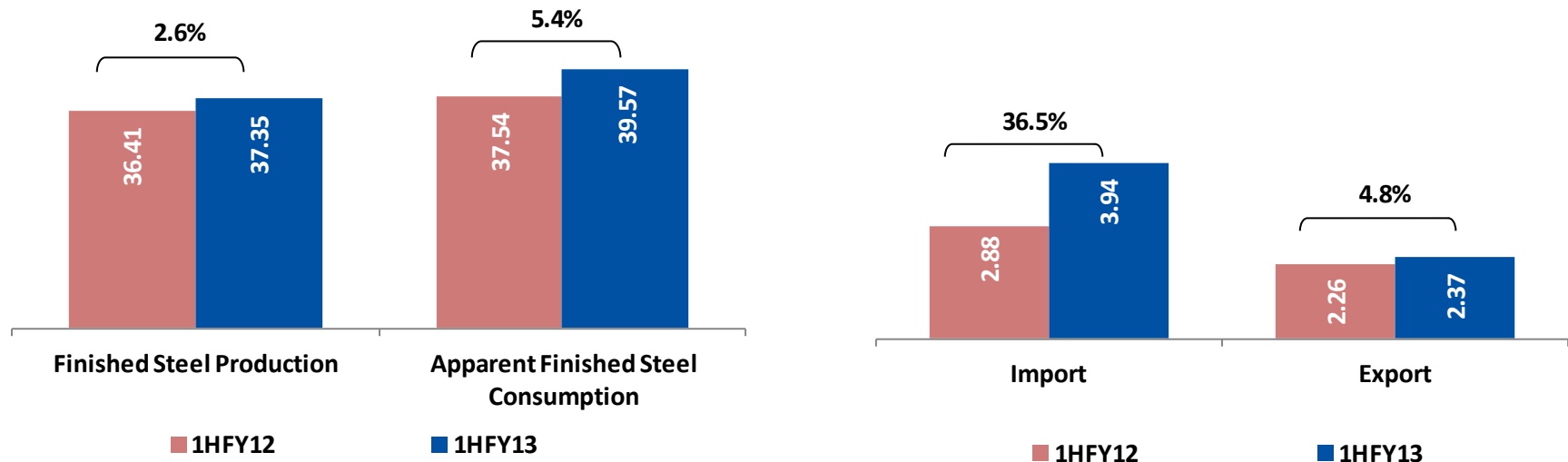
Raw material prices to remain range bound

Source: Steel Business Briefing, Platt's, Industry data, JSW Steel
(All figures are in USD/tonne)

India steel scenario



- Apparent finished steel consumption grew by 5.4% in 1HFY13
- Finished steel production grew by 2.6% in 1HFY13
- 1HFY13 steel imports jumped by 36.5% to 3.94 million tonnes whereas steel exports marginally increased by 4.8% to 2.37 million tonnes
- Imports have surged from countries under FTA like South Korea and Japan



Consumption continues to be encouraging, imports are a concern

Source: Joint Plant Committee (All figures are in million tonnes)

Business
Environment

Operational
Performance

Financial
Performance

Projects Update

Key highlights



Operational / financial

- Highest ever crude steel production: 2.17 million tonnes
- Saleable steel sales: 2.17 million tonnes
- Net turnover*: ₹ 8,834 crores (16% YoY)
- Operating EBIDTA*: ₹ 1,525 crores (18% YoY)
- PAT*: ₹ 822 crores

Iron ore e-auction update

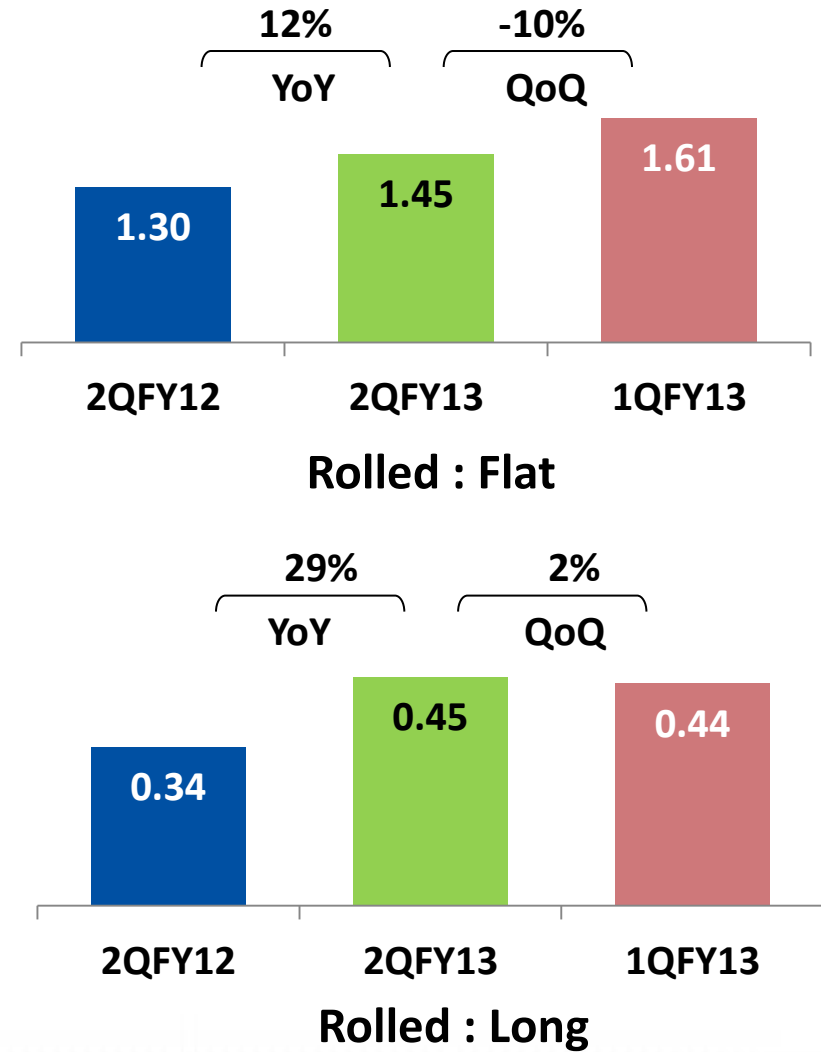
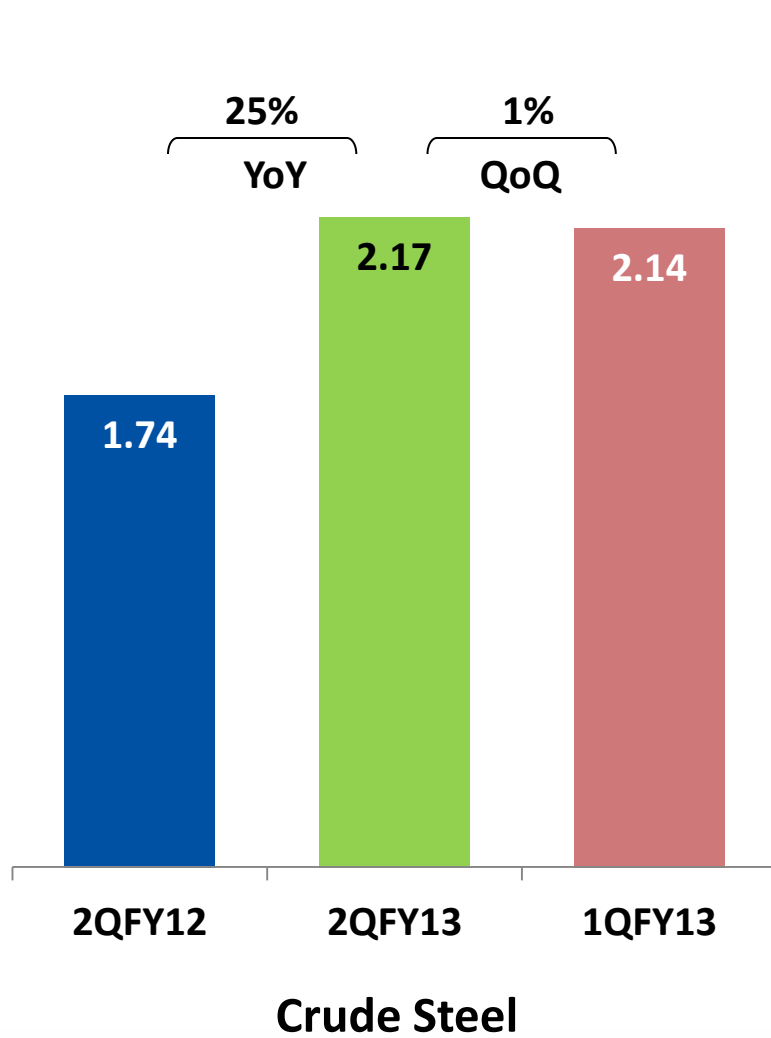
- Total 33.3 million tonnes of iron ore was sold through e-auctions till Oct 19, 2012
- The company purchased 19.8 million tonnes of iron ore in e-auctions and received ~92% of it till Oct 19, 2012

New product approvals

- High Coated Galvanized steel for solar panel modules.
- 2H Pencil hard pre-painted steel for Whirlpool
- Steel for transmission components for tractors of John Deere
- Steel for Tubes & Hub bearing for FAG India Bearings
- Hot & Cold Rolled C-Mn steel for structural members for PV's of Hyundai & Toyota

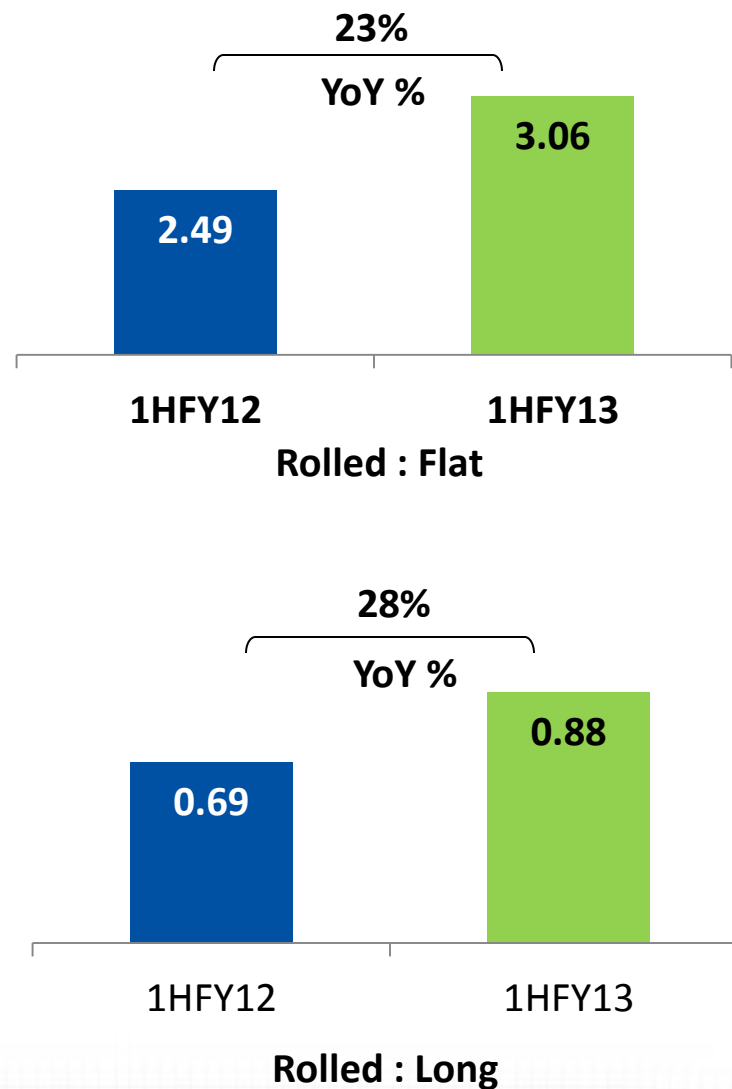
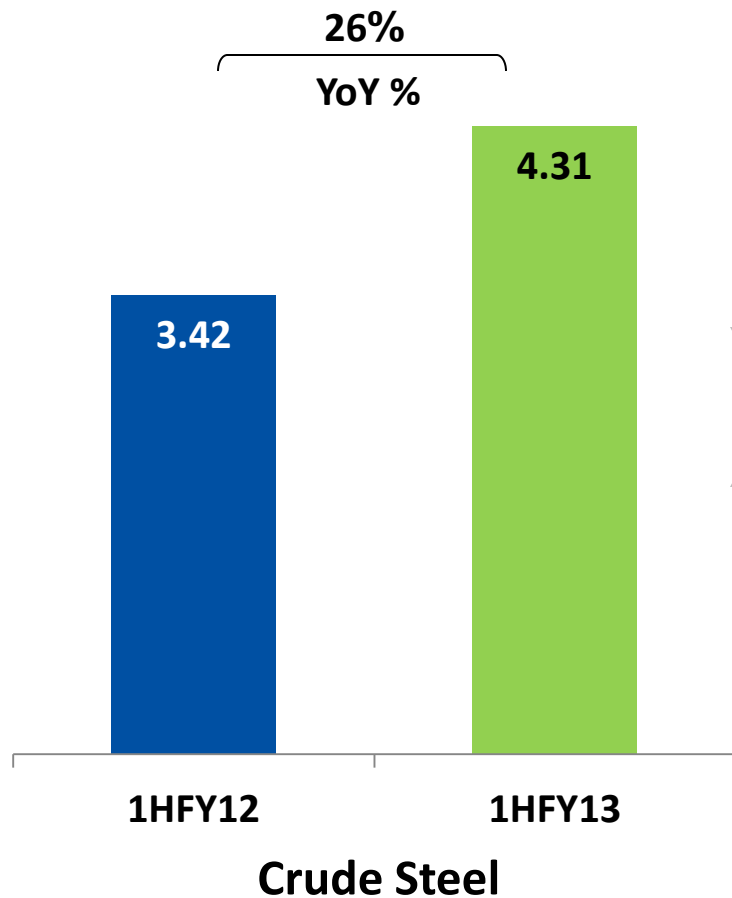
* Standalone basis

Production – 2QFY13



All figures are in million tonnes

Production – 1HFY13



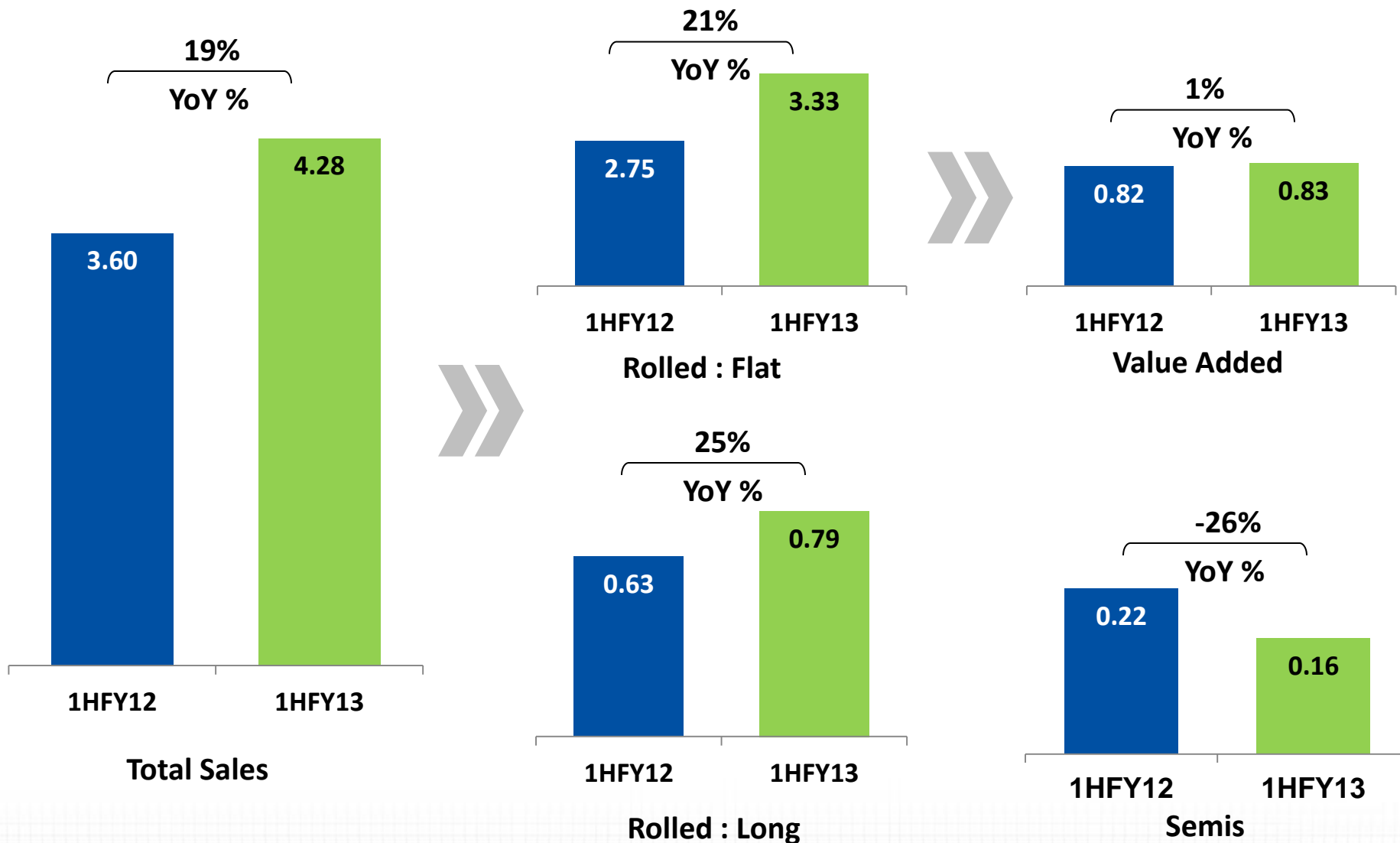
All figures are in million tonnes

Saleable steel sales – 2QFY13



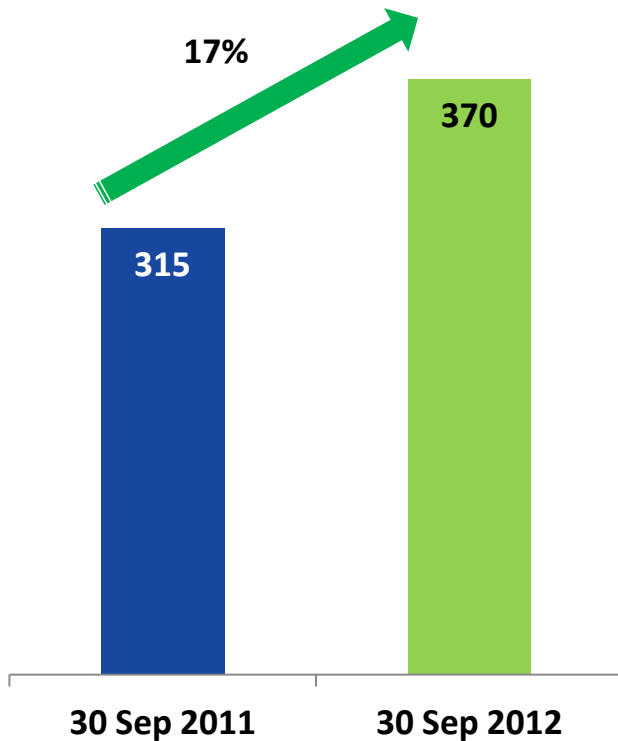
All figures are in million tonnes

Saleable Steel Sales – 1HFY13

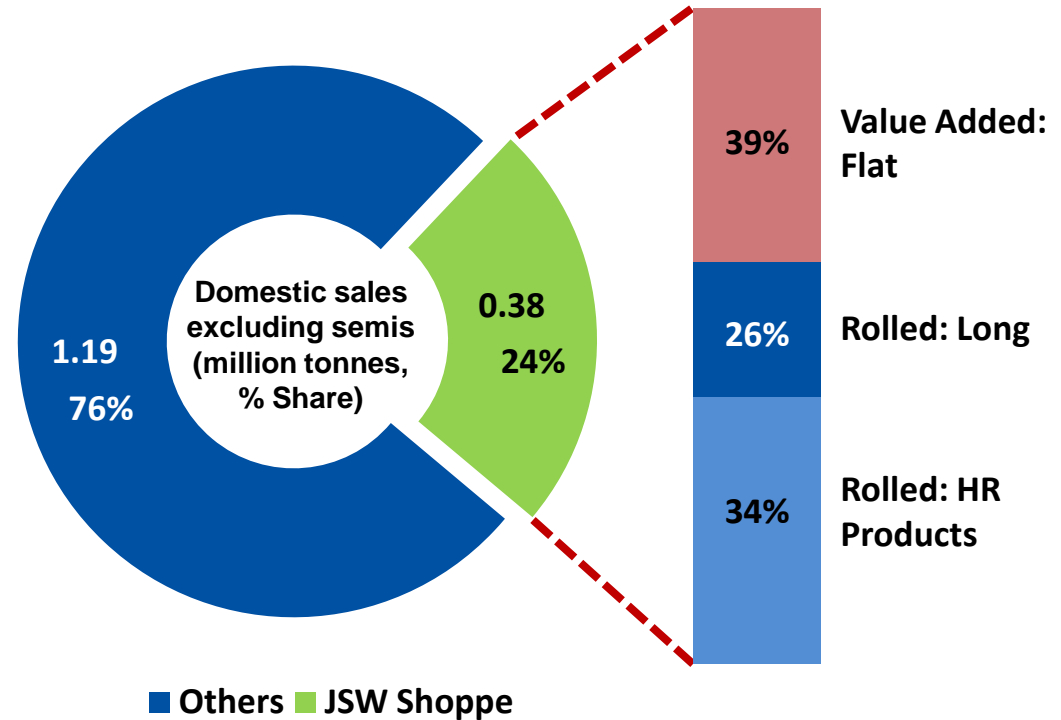


All figures are in million tonnes

No. of JSW Shoppe



% Share through JSW Shoppe – 2QFY13



JSW Shoppe has expanded footprint to 157 districts

Business
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Operational
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Projects Update

Financials – standalone



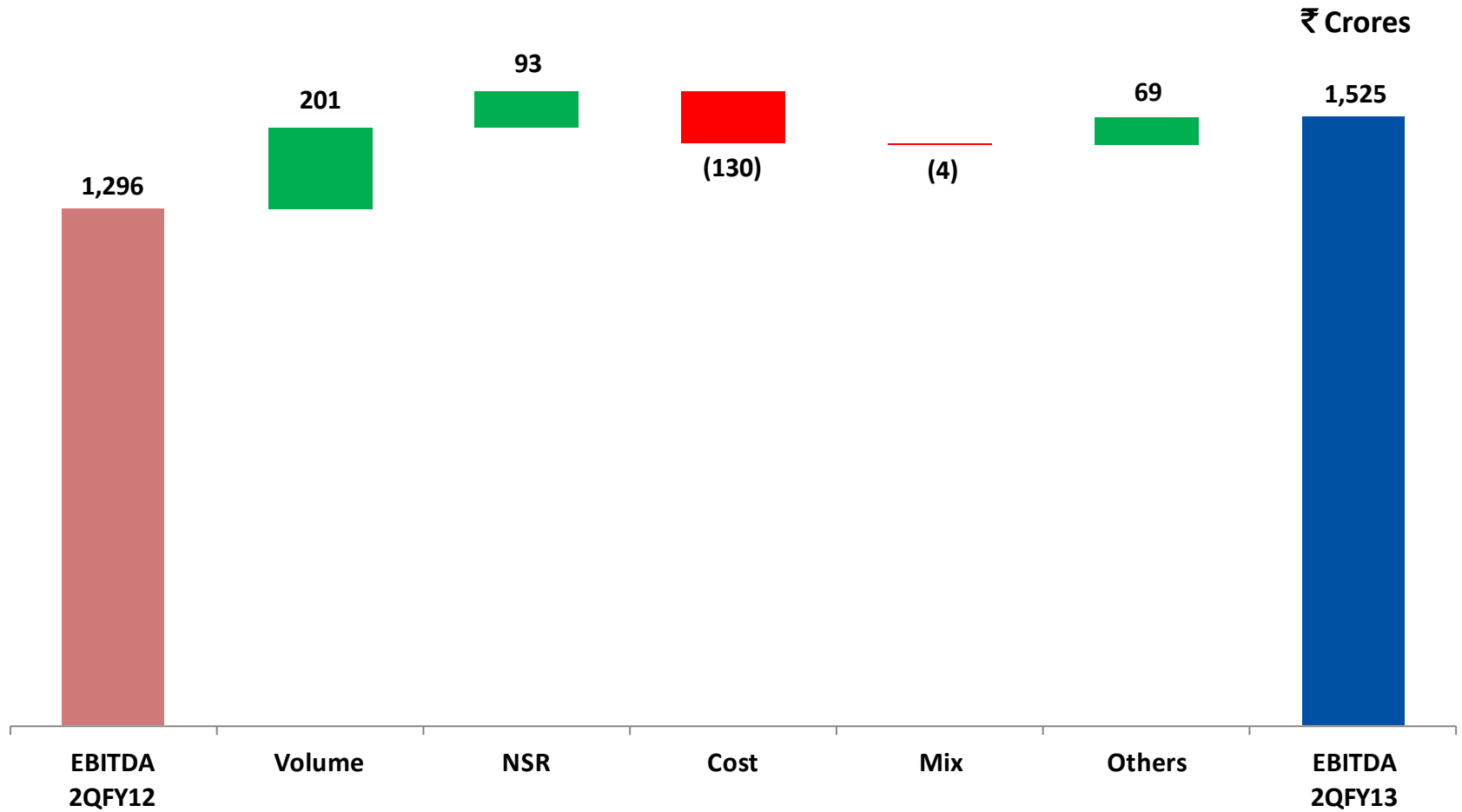
₹ Crores

Particulars	2QFY13	2QFY12	Growth	1HFY13	1HFY12	Growth
Gross Turnover	9,657	8,243	17%	19,567	15,869	23%
Net Sales	8,834	7,625	16%	17,864	14,690	22%
Operating EBITDA	1,525	1,296	18%	3,298	2,726	21%
Other Income	78	38	108%	151	85	76%
Finance Cost	421	263	60%	827	491	68%
Depreciation	481	404	19%	949	792	20%
Exceptional Items*	422	(485)		(170)	(520)	
Profit Before Tax	1,124	182	518%	1,502	1,008	49%
Tax	302	55	453%	411	303	36%
Profit after Tax	822	127	547%	1,091	705	55%
Diluted EPS (₹)**	36.49	5.33		48.18	30.89	

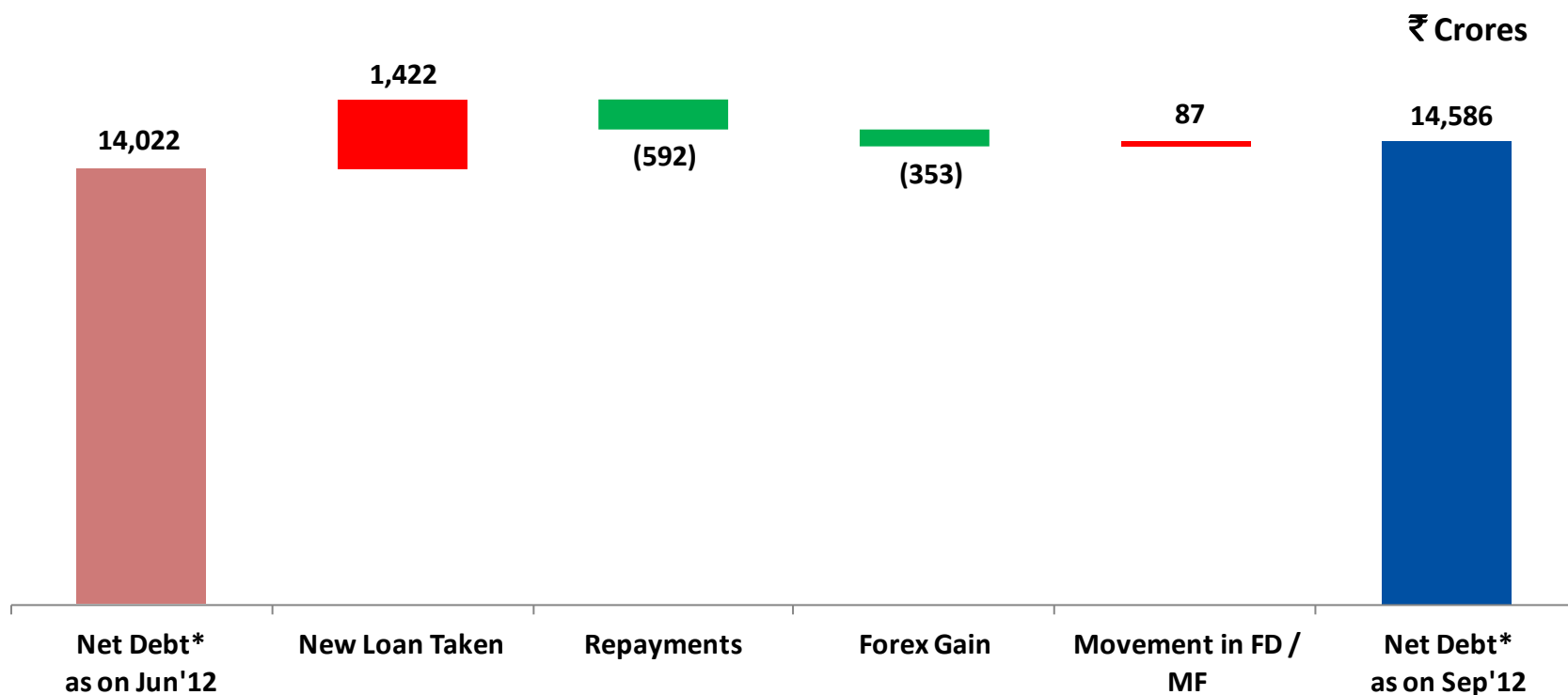
*Forex gain/(loss)

** Not Annualized

Operating EBITDA movement – standalone



Net debt movement – standalone



Particulars	30.09.2012	30.06.2012
Cash & cash equivalent (₹ Crores)	2,338	2,424
Net Debt/Equity (x)	0.75	0.75
Net Debt/EBITDA (x)	2.35	2.35

* Net Debt excludes Acceptances

Operational performance – JSW Ispat Steel Ltd



Production (million tonnes)	Jul-Sep'12	Jul-Sep'11	Apr-Sep'12	Apr-Sep'11
HR Coils	0.64	0.61	1.33	1.21
Downstream products*	0.09	0.10	0.18	0.17

Sales (million tonnes)	Jul-Sep'12	Jul-Sep'11	Apr-Sep'12	Apr-Sep'11
HR Coils	0.59	0.62	1.24	1.20
Downstream products	0.08	0.09	0.16	0.16

₹ Crores

Particulars	Jul-Sep'12	Jul-Sep'11	Apr-Sep'12	Apr-Sep'11
Income from operations	2,640	2,636	5,614	5,100
EBITDA (Including VAT benefits)	205	182	659	586
Net profit After Tax	122	(345)	601	(1,480)

* Saleable production

Operational performance – US Plate & Pipe Mill



Production (net tonnes)	2QFY13	2QFY12	1HFY13	1HFY12
Plate Mill	79,172	100,811	177,185	157,625
Utilization (%)	31%	37%	35%	30%
Pipe Mill	29,479	16,855	51,490	25,841
Utilization (%)	21%	12%	19%	9%

Sales (net tonnes)	2QFY13	2QFY12	1HFY13	1HFY12
Plate Mill	53,875	68,818	122,616	115,692
Pipe Mill	24,590	16,369	46,669	26,085

USD mn

Particulars	2QFY13	2QFY12	1HFY13	1HFY12
Turnover	87.76	100.51	191.43	162.46
EBITDA + Other Income	2.89	6.46	9.28	10.13
Profit After Tax	(13.39)	(7.62)	(21.55)	(16.98)

Net tonnes = 0.907 metric tonnes

Operational performance – Chile



USD mn

Particulars	2QFY13	2QFY12	1HFY13	1HFY12
Production (Tonnes)	170,744	202,507	365,630	379,366
Sales (Tonnes)	147,734	147,807	490,983	342,154
Turnover	16.31	25.56	61.06	59.85
EBIDTA	(0.07)	8.41	8.41	19.94
Profit after Tax	(1.63)	4.57	3.64	12.50

Financials – consolidated



₹ Crores

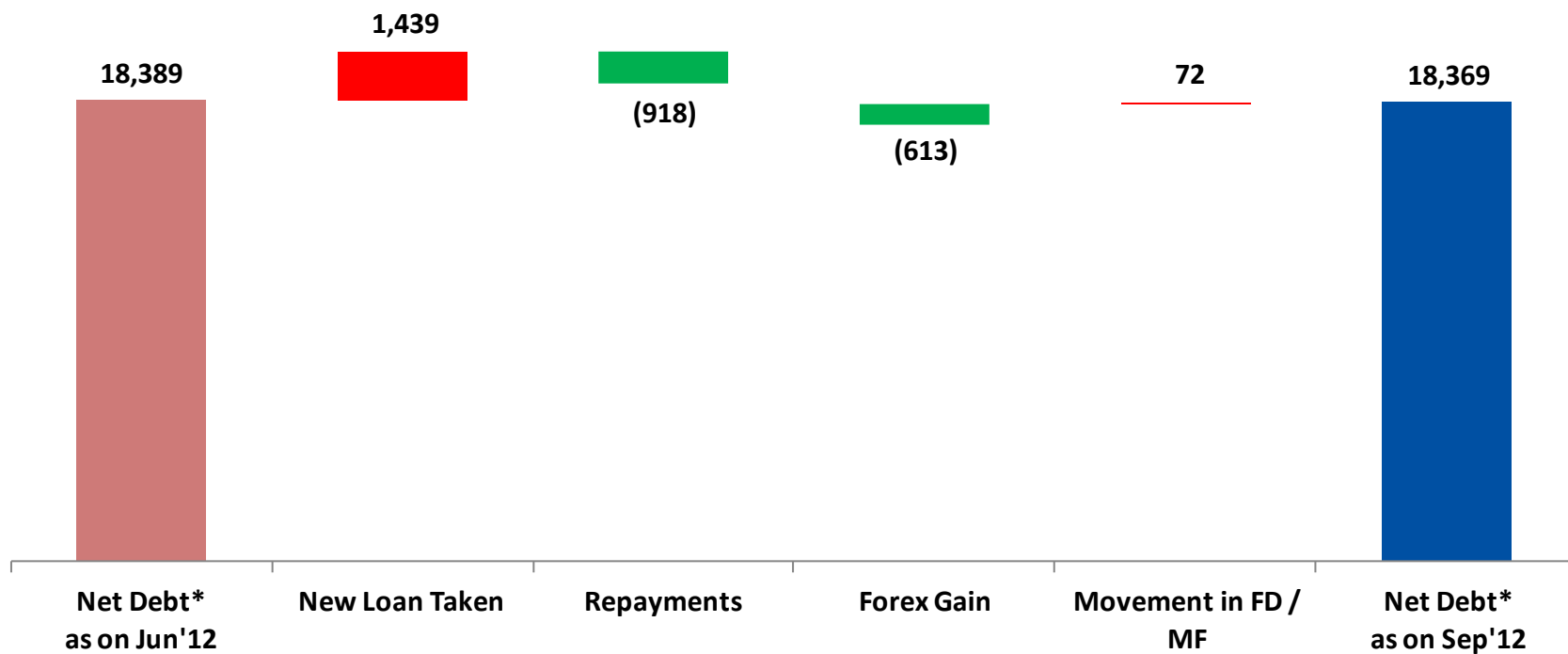
Particulars	2QFY13	2QFY12	Growth	1HFY13	1HFY12	Growth
Gross Turnover	10,297	8,752	18%	21,078	16,747	26%
Net Sales	9,475	8,134	16%	19,377	15,566	24%
Operating EBIDTA	1,531	1,399	9%	3,440	2,891	19%
Other Income	28	15	89%	59	30	96%
Finance Cost	483	315	53%	943	593	59%
Depreciation	547	460	19%	1,080	904	20%
Exceptional Items*	424	(486)		(171)	(521)	
Profit Before Tax	953	153	523%	1,304	903	44%
Tax	336	63	434%	486	321	52%
Share of Associates and Minority Interest	74	(760)		(77)	(766)	
Profit after Tax	691	(669)	-ve to +ve	741	(184)	-ve to +ve

*Forex gain/(loss)

Net debt movement – consolidated



₹ Crores



Particulars	30.09.2012	30.06.2012
Cash & cash equivalent (₹ Crores)	2,467	2,539
Net Debt/Equity (x)	1.04	1.09
Net Debt/EBITDA (x)	2.75	2.81

* Net Debt excludes Acceptances

- On approval of Reclamation & Rehabilitation (R & R) plans by CEC, 3 mines in category 'A' (capacity of 1.4 MTPA) have restarted production. Balance 8 mines (capacity of 3.3 MTPA) are in various stages of approval and expected to commence production during Oct-Dec quarter.
- The R&R plans for 3 mines in category 'B' are approved. The R&R plans are under preparation for remaining mines in this category. However, the Hon'ble Supreme Court has stipulated certain conditions for category 'B' mines to consider re-commencement of mining.
- The CEC has recommended to cancel Category 'C' mines and auction them to end users.

Business
Environment

Operational
Performance

Financial
Performance

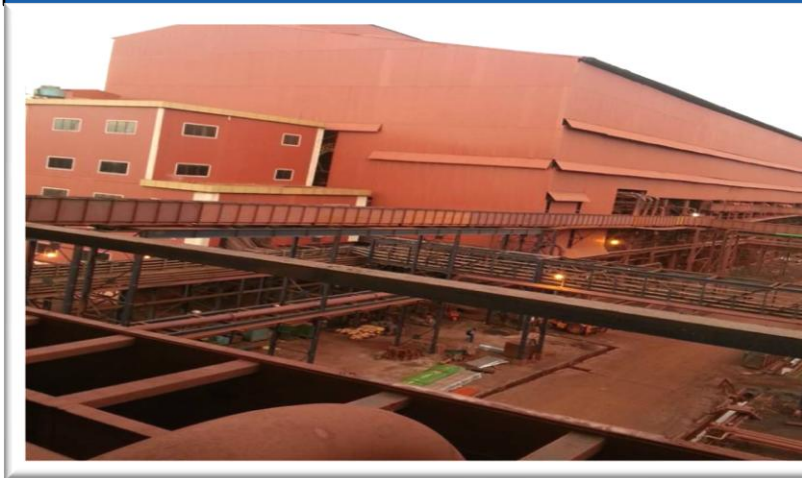
Projects Update

HSM – 2 (Phase II): Commissioned on Oct 14, 2012



Projects' progress contd..

Beneficiation Plant – 2 (Phase II): 6 (out of 7) modules have been commissioned by Sep 2012



Projects' progress contd..

Cold Rolling Mill -2: Phase I will be commissioned by FY14 and Phase II by FY15



Projects' progress contd..

4th Stove both at Blast Furnace 3 & 4 : will be commissioned by 3QFY13



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



Projects' progress contd..

Pellet plant (at Dolvi for JSW Ispat): will be commissioned in FY14



Colour coating line at Vasind



Auto inspection line Phase 2 at Salem



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