



JSW Steel
Bringing alive a billion dreams



JSW Builds



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Results Presentation
Quarter Ended Dec 31, 2012

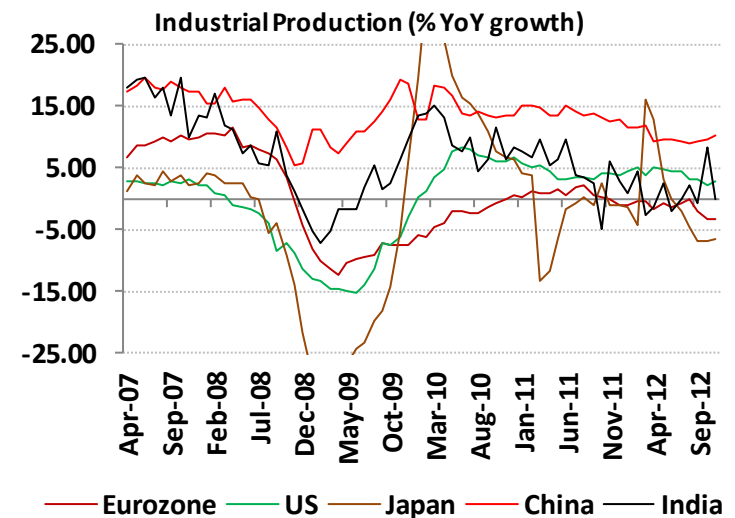
Business
Environment

Projects Update

Operational
Performance

Financial
Performance

- Global economic condition appears to have bottomed out, Nov 2012 IP data has turned positive
- US – Despite uncertainties on resolution of fiscal cliff and front-loaded tax increases, economy continues to grow
- Europe – Economic weakness continues but risk associated to possibility of EU break-up has receded
- Japan – Outlook improves with recent fiscal and monetary policy measures
- China – Economic stabilization is in progress, GDP grew by 7.9% YoY in Oct-Dec 2012
- Policy actions and external trade rebalancing to drive varied pace of growth across markets

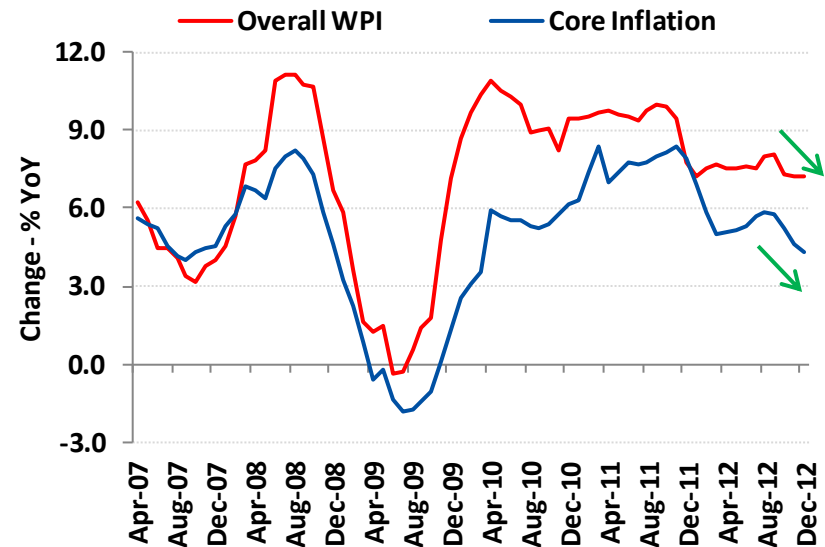
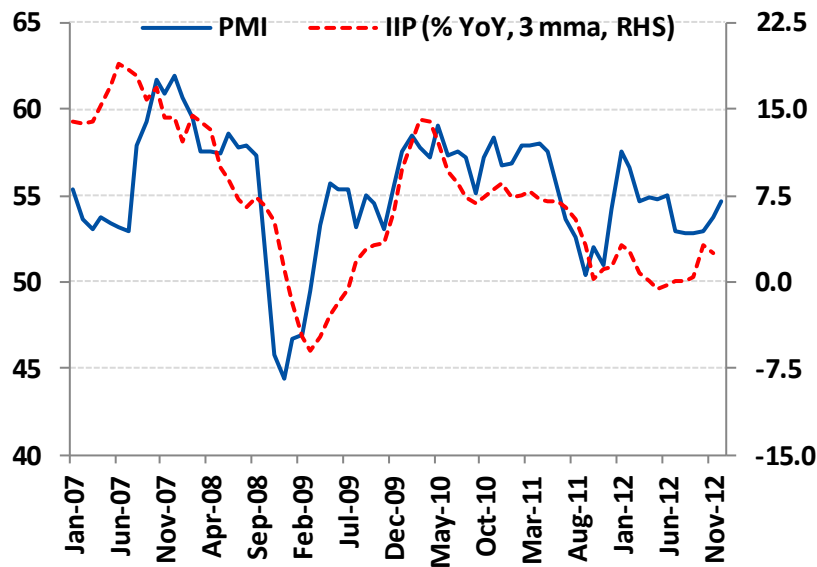


Global economy is expected to grow by 3.5%* in 2013

Indian economy



- Business sentiment has improved on the back of policy reforms/growth inducing measures by GOI
- However, measures to contain the twin deficits would be key in the forthcoming budget
- Overall WPI has fallen for third successive month; core inflation is below 4.5%
- Expectations are ripe for a possible rate cut by the RBI



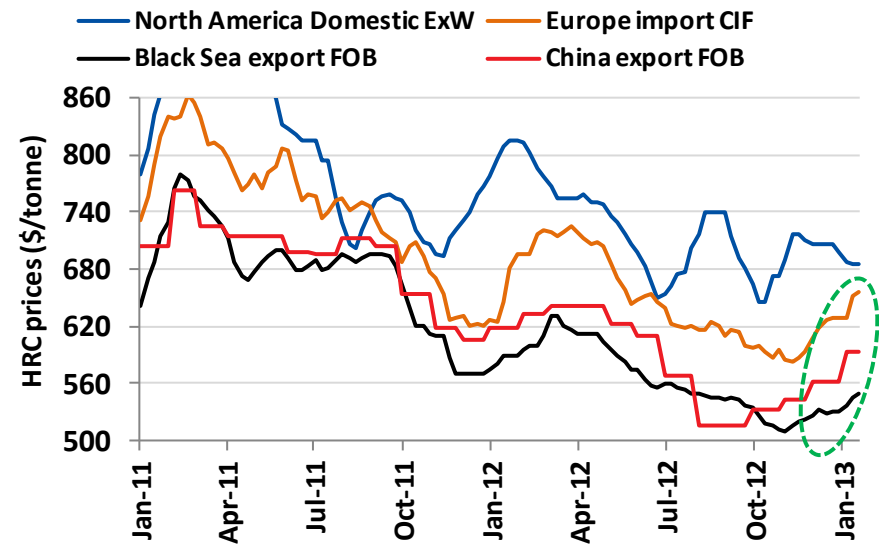
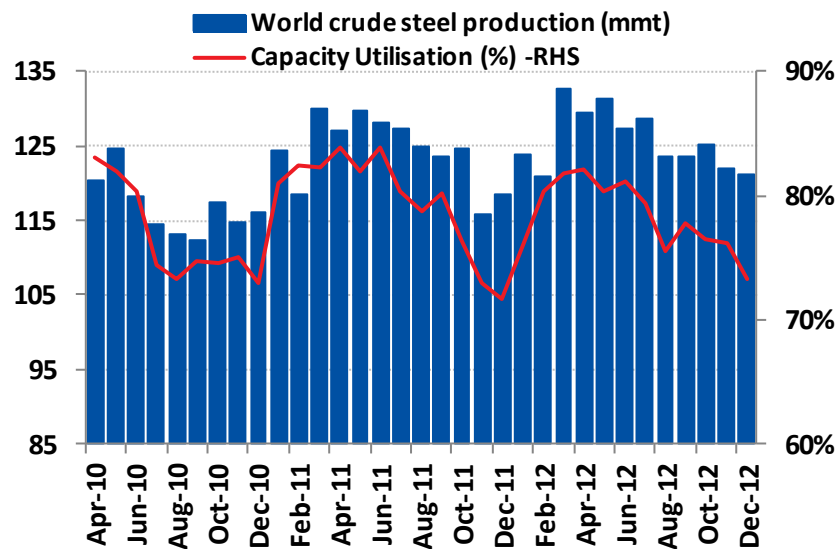
GDP growth is expected to be ~6% in FY14

Source: Central Statistical Organisation, Bloomberg, Reuters, JSW Steel

Global steel scenario



- World crude steel production grew by just ~1.2% in 2012 vs. demand growth estimate of 2.1%*
- Capacity utilization has dropped below 75%
- Finished steel inventories are low in most of the key markets
- During Oct–Dec 2012, average HRC prices fell up to 5% QoQ across key markets (except China)

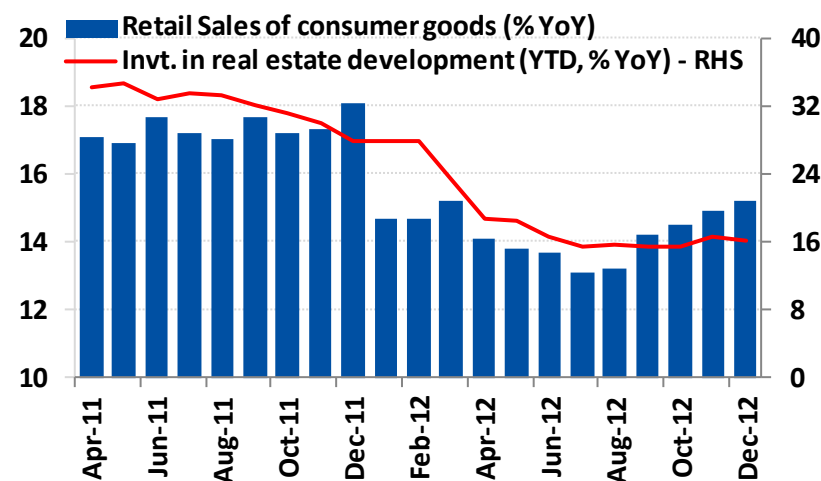
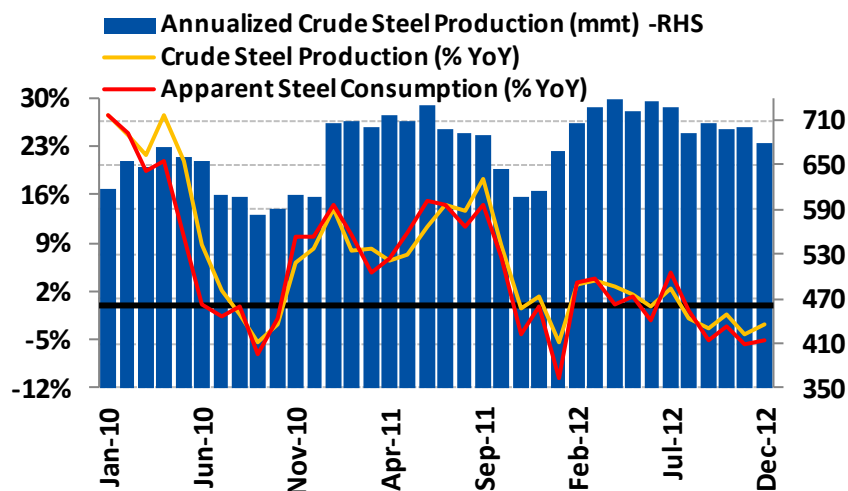


Global steel demand is expected to improve in 2013

Source: World Steel Association, Steel Business Briefing

* Demand growth outlook by World Steel Association

- GDP grew by 7.9% YoY during Oct-Dec 2012 vs. 7.4% YoY during Jul-Sep 2012
- Both sentiment and economic data have started to improve in China
- Retail sales, Industrial production continues to uptrend
- PMI, Urban FAI and real estate investment remains steady
- Crude Steel production is up 3.1% in 2012, warehouse inventories to finished steel consumption ratio is low

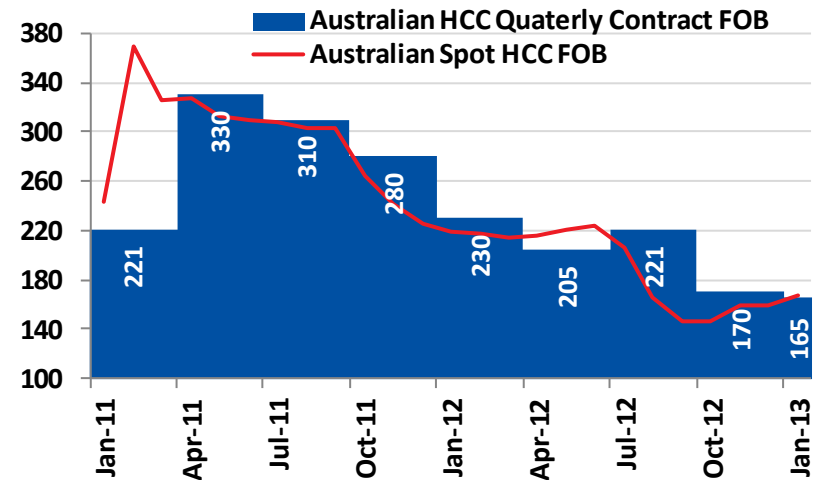
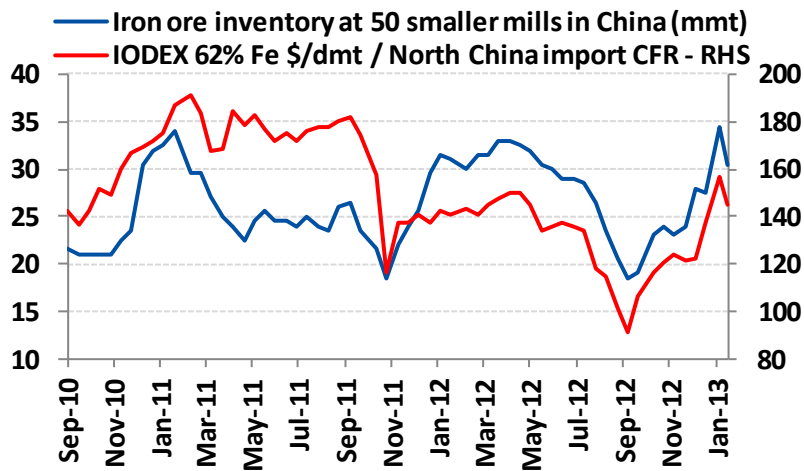


Economic stabilization is in progress

Raw material prices



- Iron ore prices surged to ~\$159/t with restocking demand in China before holidays; however it has started falling and expected to be in \$120-130/t range in 2013
- HCC spot prices have improved to ~\$165/t and is expected to be in \$160-170/t range in 2013
- HCC quarterly contract prices are settled at ~\$160-165/t for Jan-Mar 2013



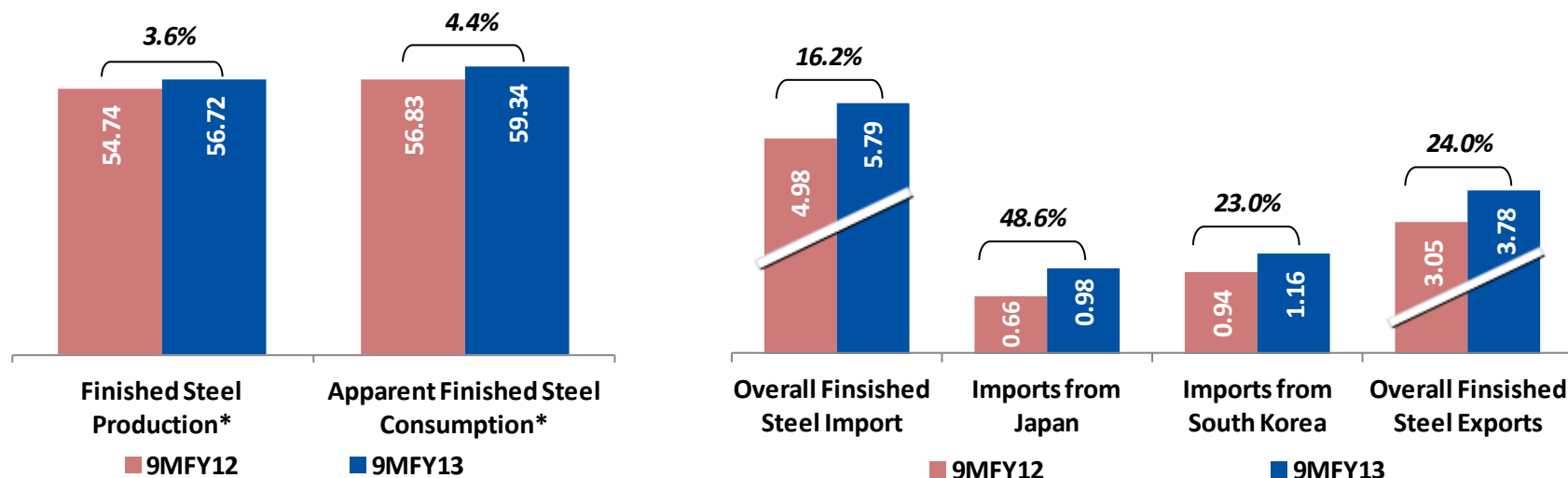
Raw material prices to be less volatile in 2013

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

India steel scenario



- Apparent finished steel consumption grew by 4.4% in 9MFY13
- Finished steel production increased by 3.6% in 9MFY13
- 9MFY13 finished steel imports increased by 16.2% to 5.79 million tonnes whereas steel exports grew by 24% to 3.78 million tonnes
- Imports from countries under FTA (South Korea and Japan) continues to be higher



FY14 – demand to improve on the back of reforms, imports are a concern

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

*Gross of double counting

Category 'A'

- On approval of Reclamation & Rehabilitation (R&R) plans by CEC, 6 mines (capacity of ~3.3 MTPA) have resumed operations
- These mines have produced ~0.71 million tonnes till Dec 31, 2012 (yet to be put for auction)
- Another 4 mines (capacity of ~1.8 MTPA) are in various stages of approvals and expected to commence production by Mar 2013

Category 'B'

- R&R plans are approved for 20 mines and are under preparation for rest of the mines
- 12 mines have accepted all the conditions stipulated by the Hon'ble Supreme Court to consider re-commencement of mining

Business
Environment

Projects Update

Operational
Performance

Financial
Performance

- Corex-II: was shut down for capital repairs and capacity enhancement, has resumed production on Jan 15, 2013
- CGL-1 at Vasind: was shut down for adding online skin pass facility to cater appliance grade products, has recommenced operations on Jan 1, 2013
- Value added flat steel projects:
 - Coated product capacity enhancement at downstream facilities (Vasind and Tarapur) from 0.925 MTPA to 1.2 MTPA
 - New Cold Roll Mill of 2.3 MTPA at Vijayanagar
 - Non-Grain Oriented Electrical Steel facility of 0.2 MTPA at Vijayanagar
 - Above projects to take share of value added products portfolio to 40-50% of overall capacities over next two years

Corex-II: Resumed operations on Jan 15, 2013 post capital repairs and capacity enhancement



Projects' progress

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

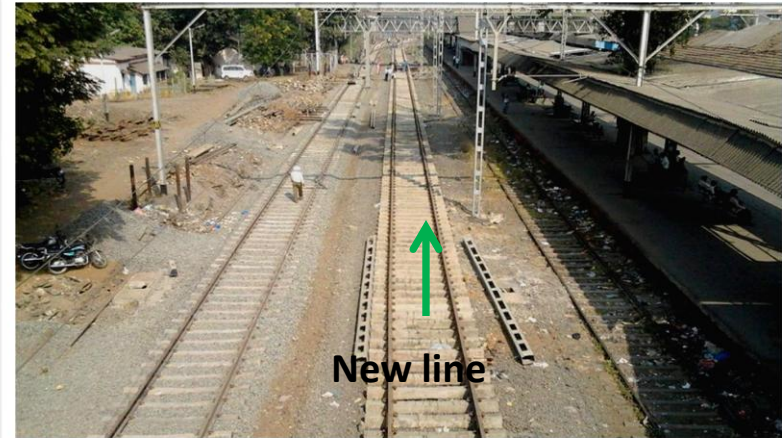


Projects' progress contd..

Colour coating line at Vasind



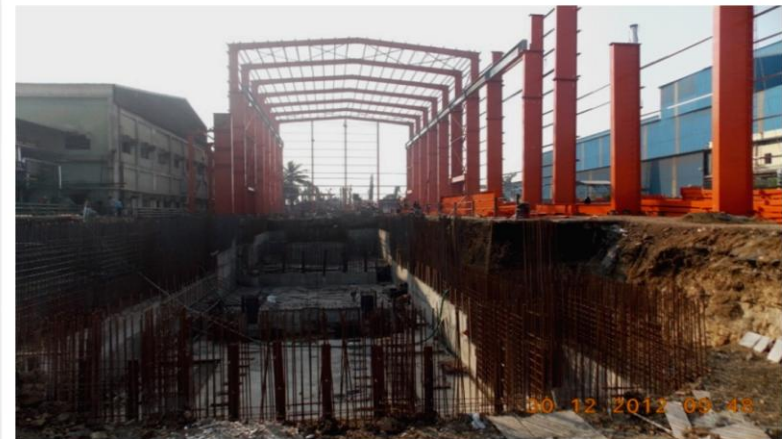
Railway Siding Project at Vasind



New Galvanizing line at Tarapur



Up-gradation of Colour coating line at Tarapur



Projects' progress contd..

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



1 MTPA Coke Oven (at Dolvi for JSW Ispat): will be commissioned in FY14



Business
Environment

Projects Update

Operational
Performance

Financial
Performance

Operational / financial

- Crude steel production: 2.09 million tonnes (8% YoY)
- Saleable steel sales: 2.17 million tonnes (14% YoY)
- Net Sales: ₹ 8,275 crores (5% YoY)
- Operating EBIDTA: ₹ 1,314 crores (5% YoY)
- PAT: ₹ 137 crores
- Inferior quality of iron ore with low Fe, high alumina and manganese impacting productivity by 20 percent

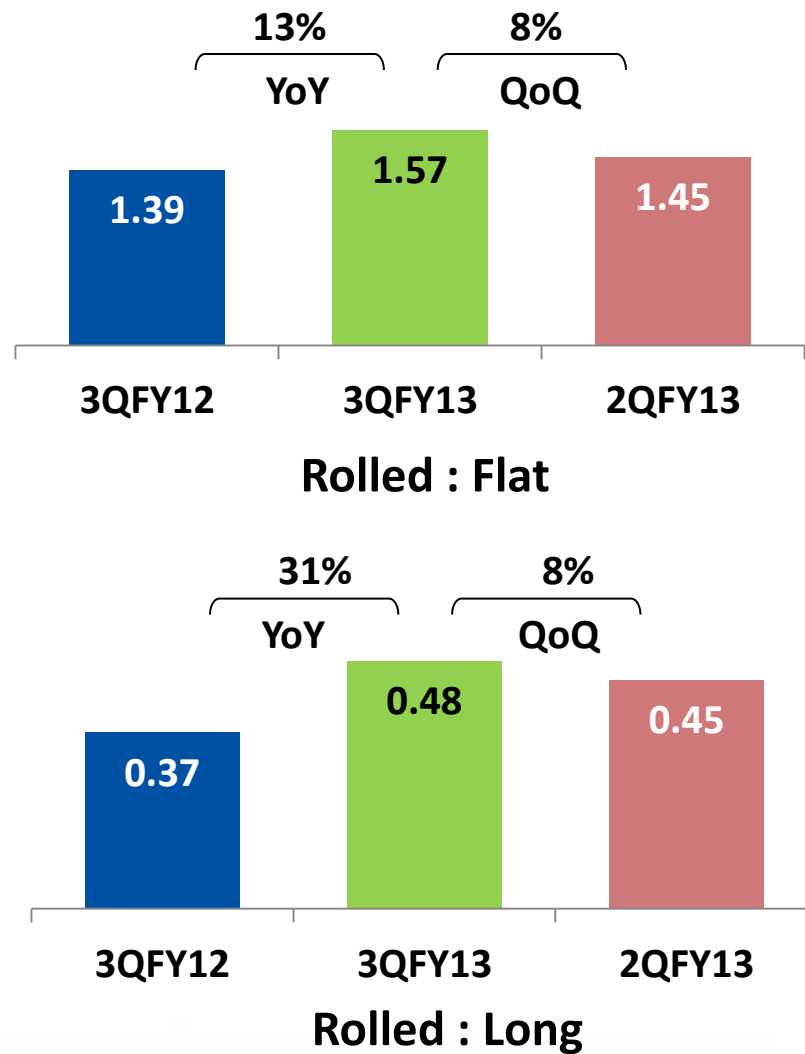
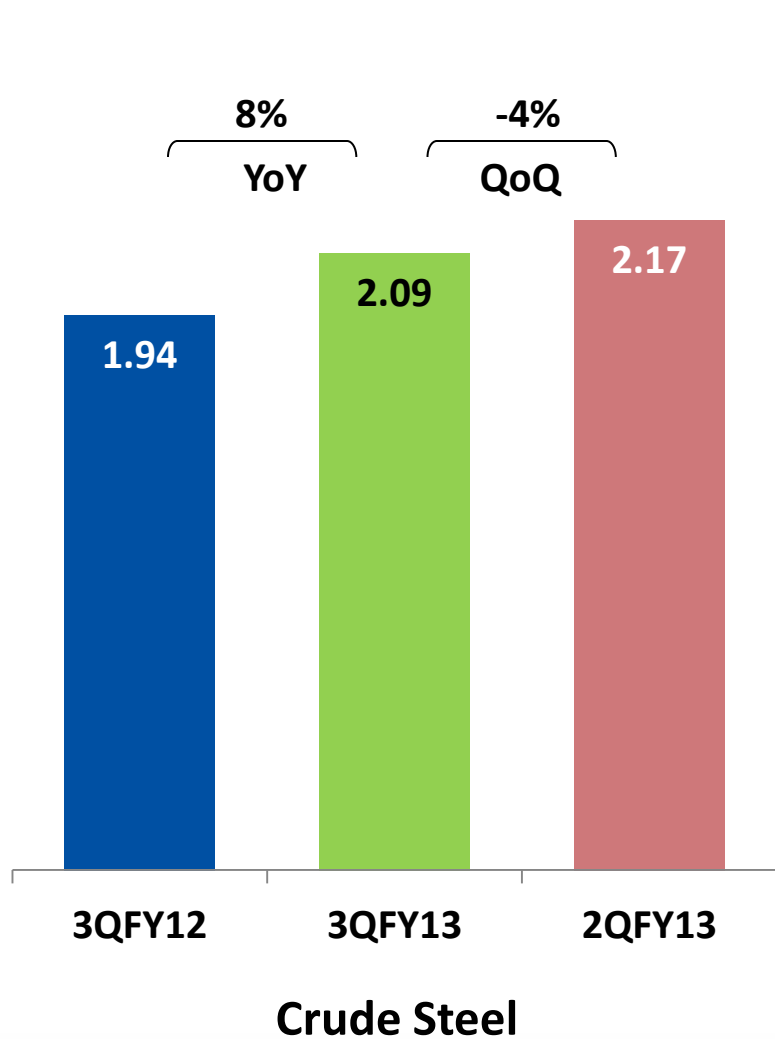
JSW Steel – JSW Ispat merger update

- The scheme of merger has been approved by:
 - the Competition Commission of India,
 - NSE and BSE
- Court convened meetings of equity and preference shareholders of both the companies to be held on January 30, 2013

New product approvals

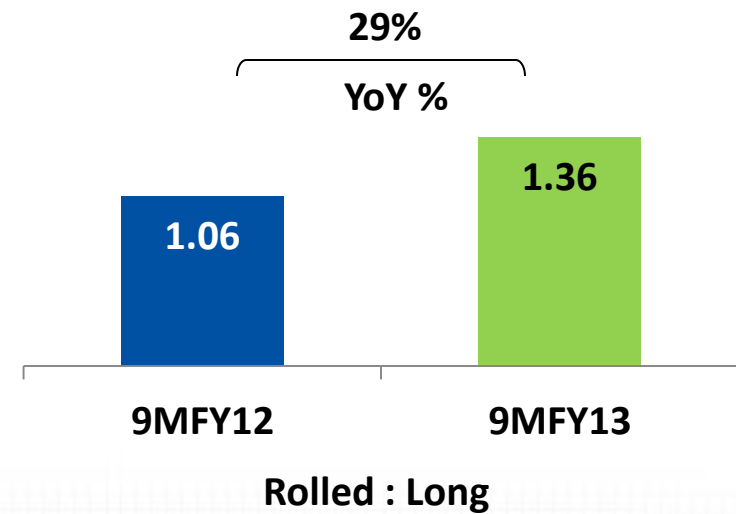
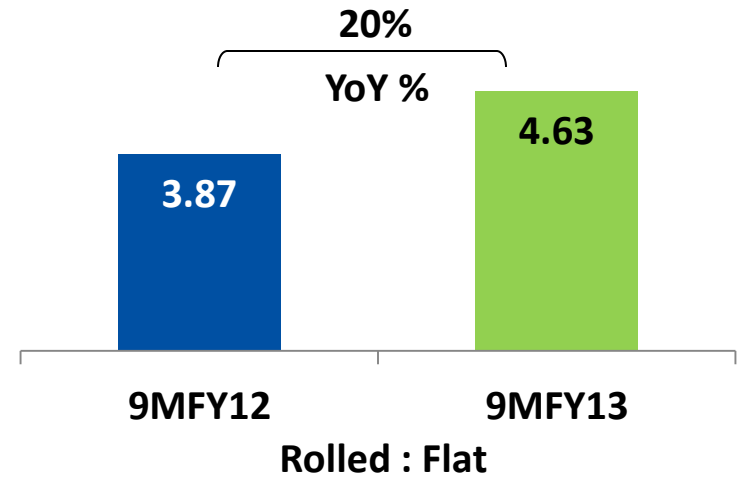
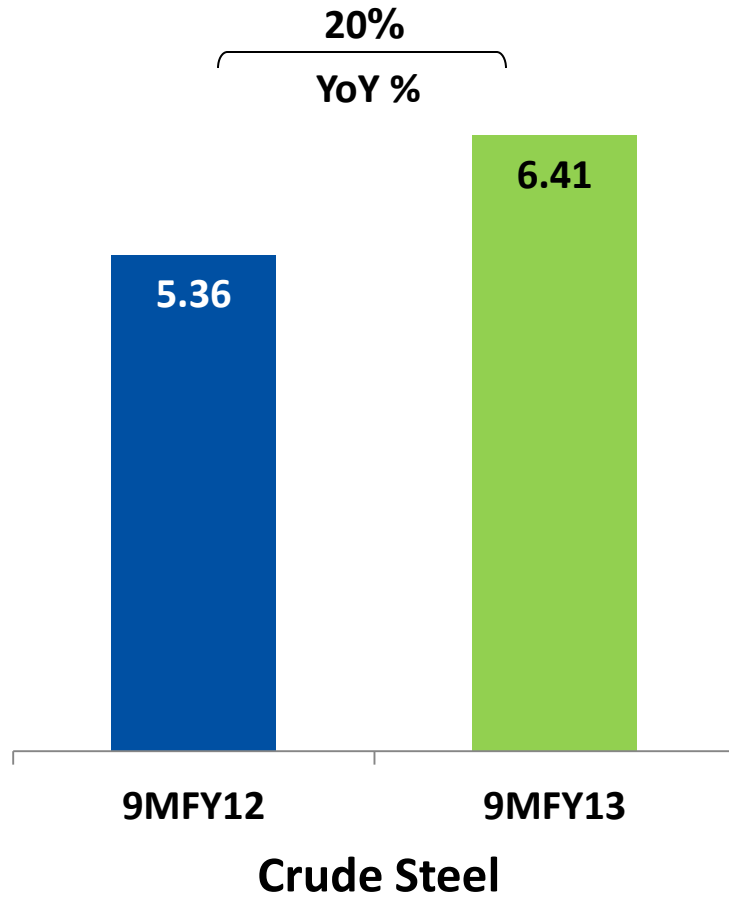
- Steel for Steering Knuckle, Front Axle Beam and Axle Hub
- Steel for High Pressure Boiler Application
- Cold Rolled Low Carbon EDD steel for PV exposed panel
- Cold rolled High Strength steel for PV structural and safety applications
- Cold Rolled Low carbon Bake Hardened Steel for 3 wheelers

Production – 3QFY13



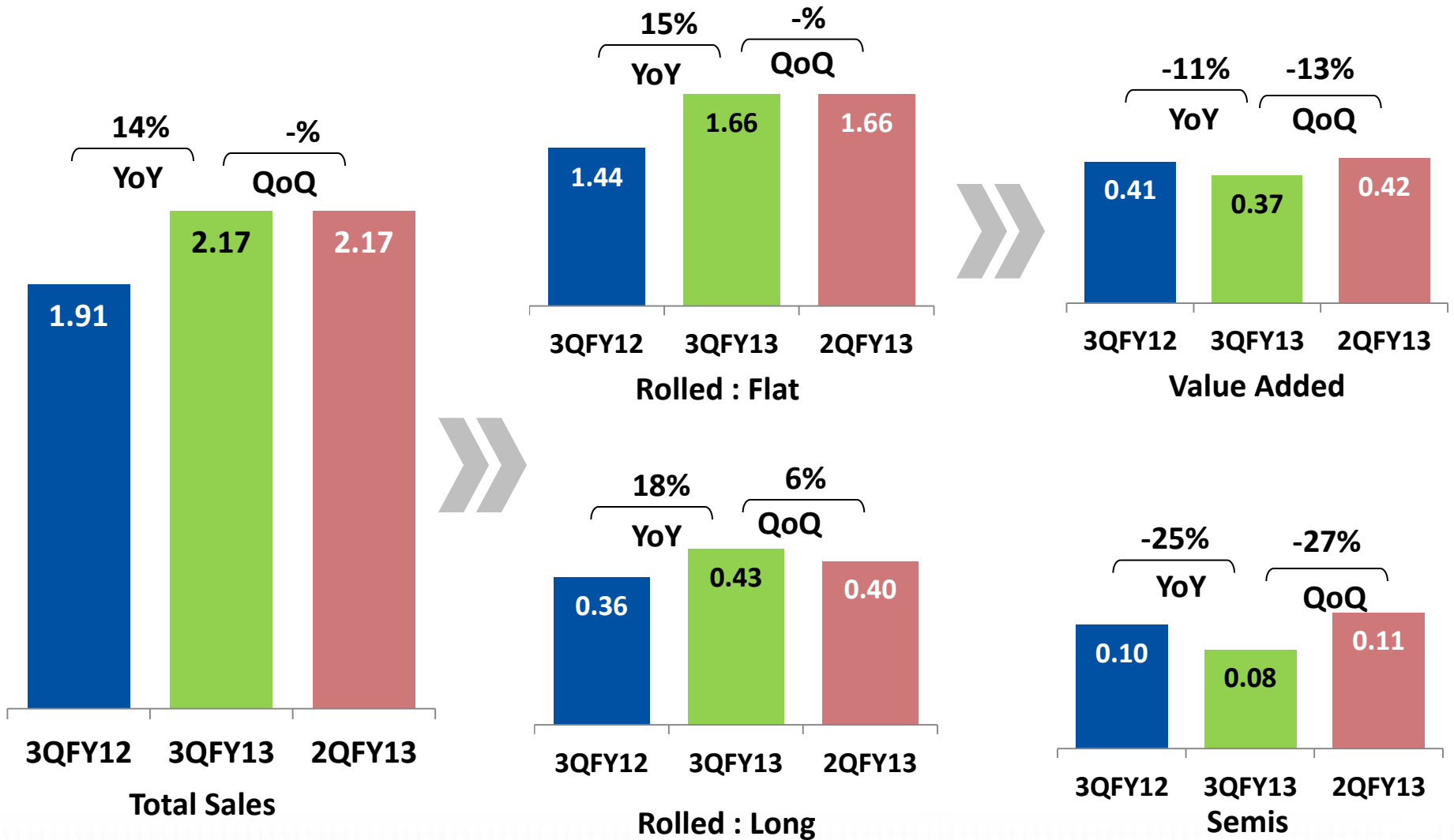
All figures are in million tonnes

Production – 9MFY13



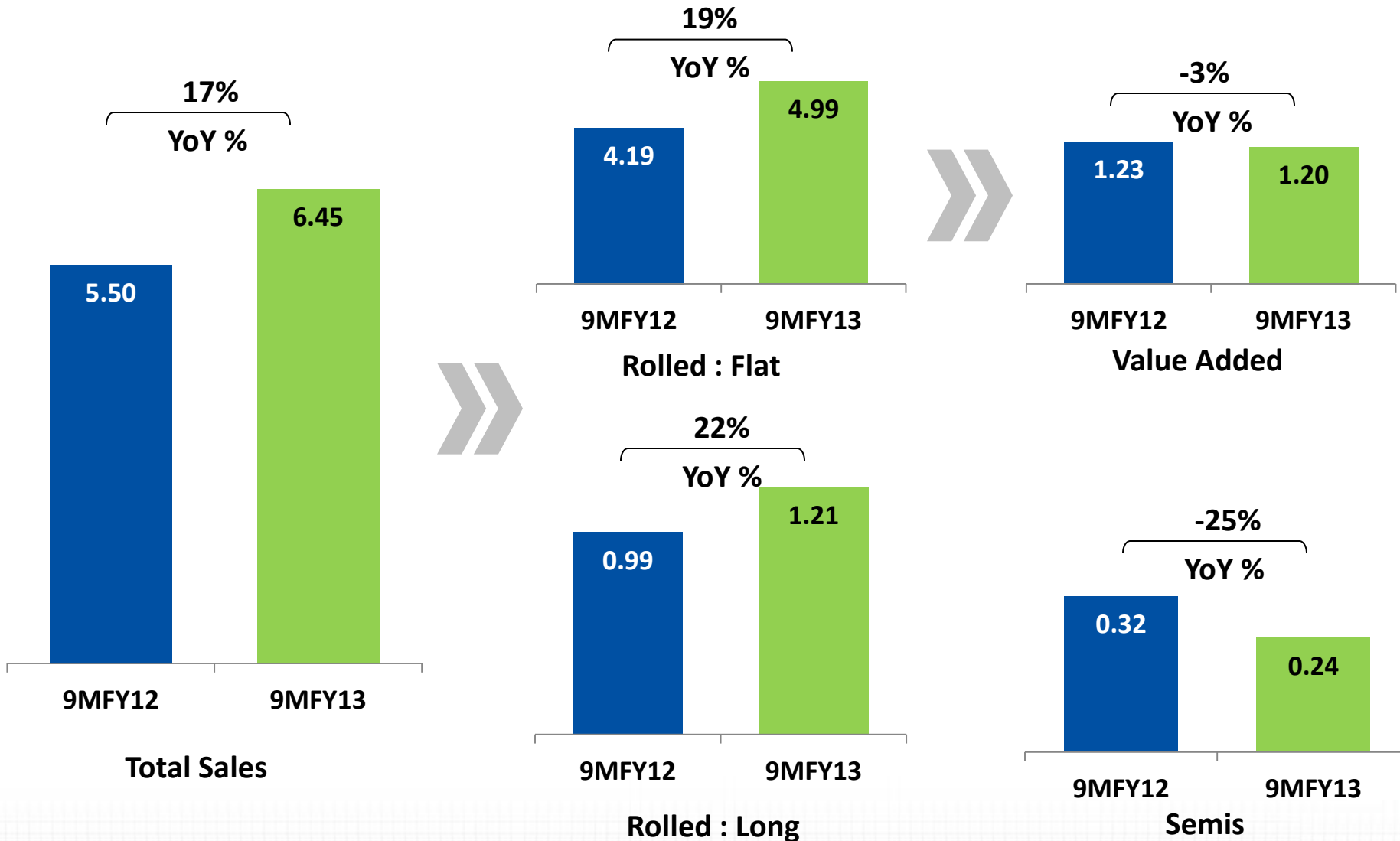
All figures are in million tonnes

Saleable steel sales – 3QFY13



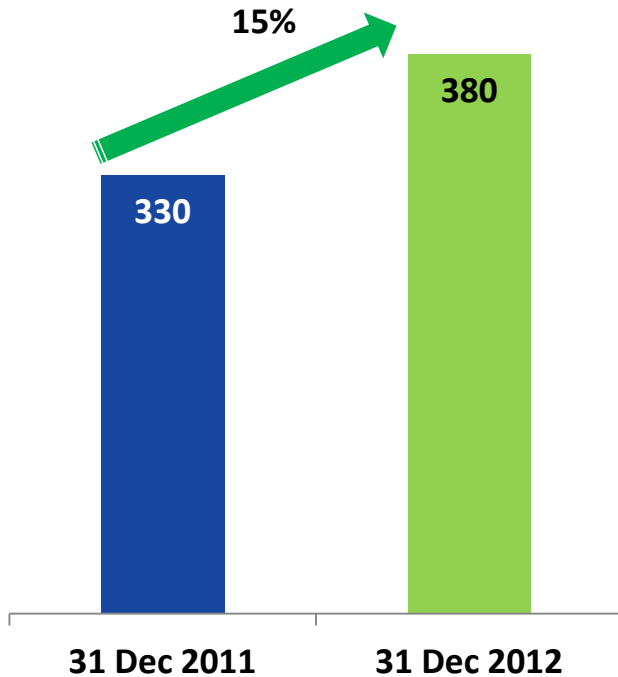
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Saleable Steel Sales – 9MFY13

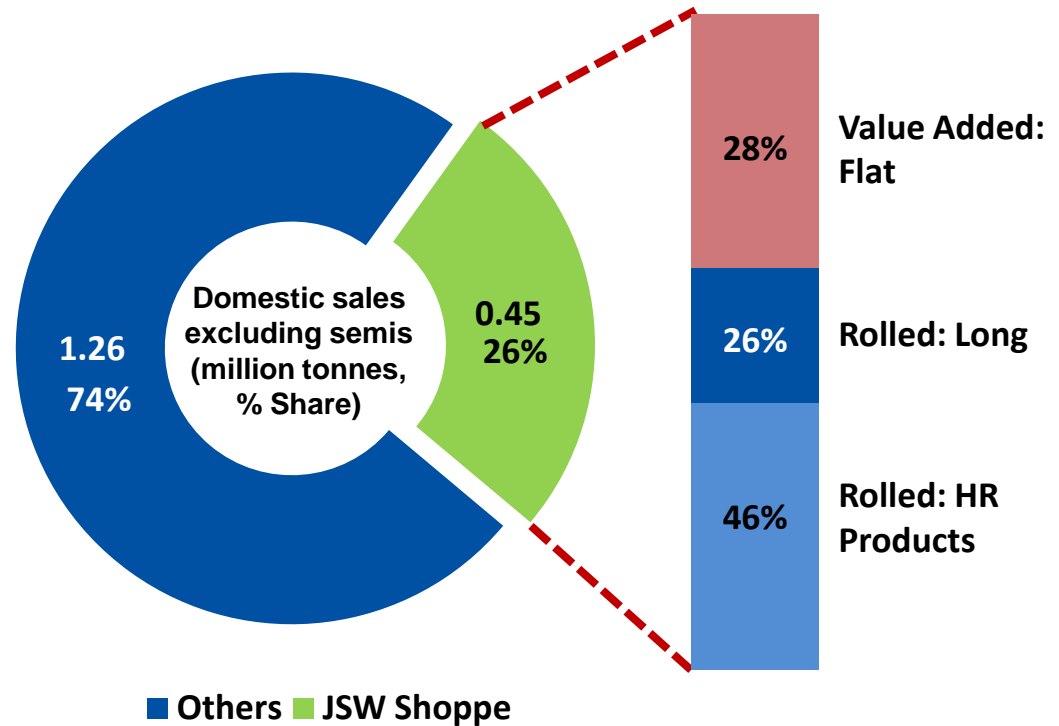


All figures are in million tonnes

No. of JSW Shoppe



% Share through JSW Shoppe – 3QFY13



JSW Shoppe: A unique retail marketing model for steel*

*It is a subject of case study at various global B- Schools

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Financials – standalone

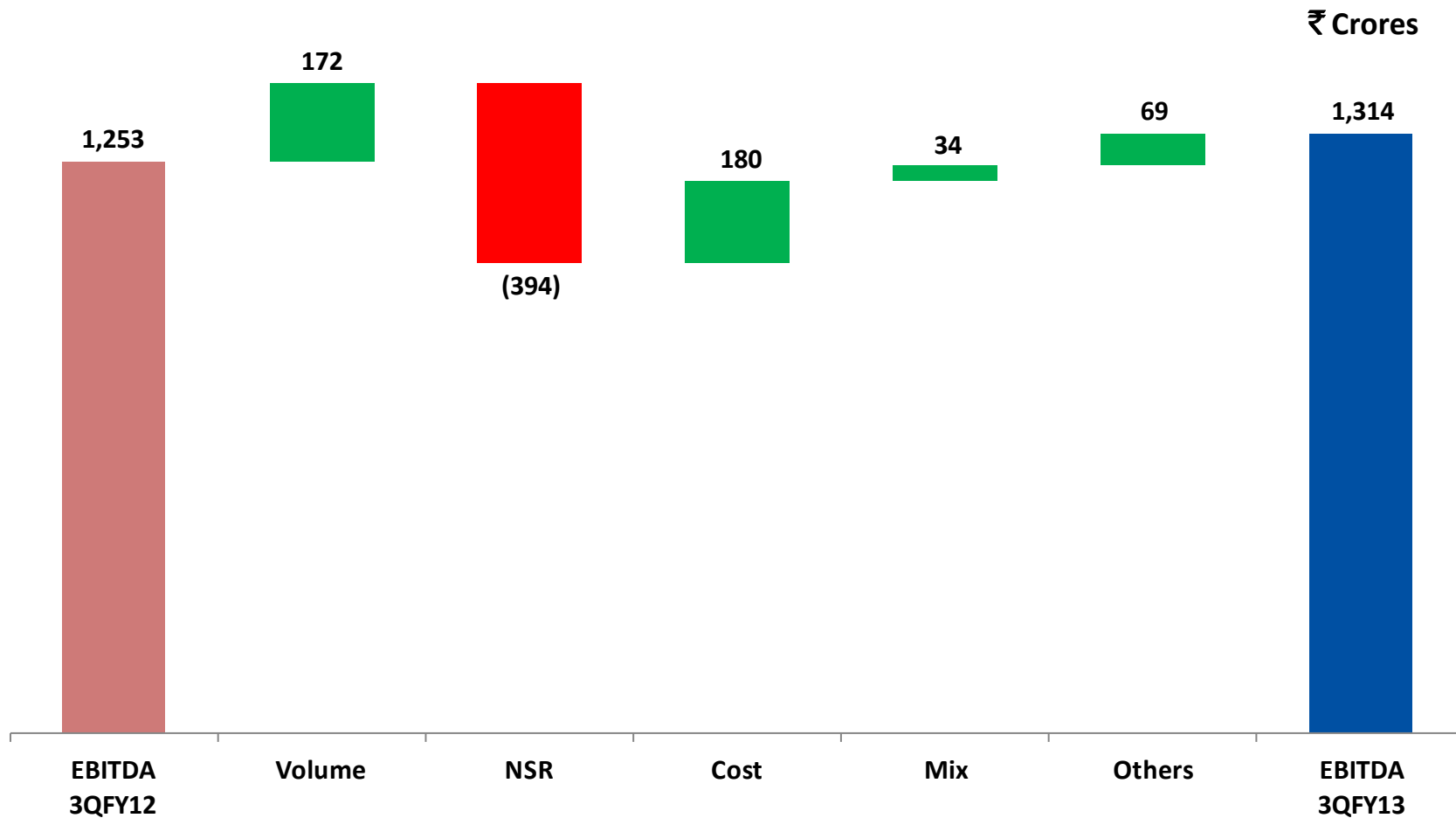


₹ Crores

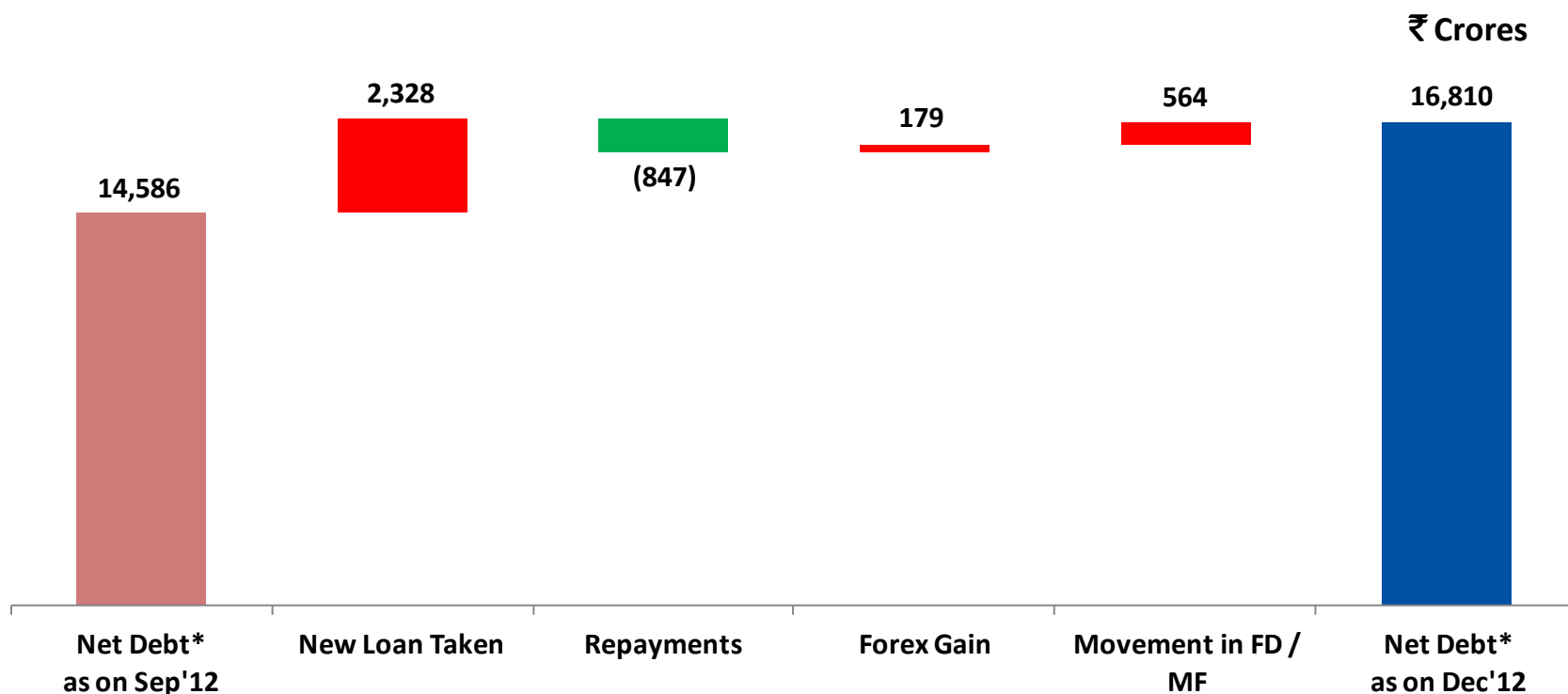
Particulars	3QFY13	3QFY12	Growth	9MFY13	9MFY12	Growth
Gross Turnover	9,121	8,498	7%	28,688	24,367	18%
Net Sales	8,275	7,860	5%	26,139	22,549	16%
Operating EBITDA	1,314	1,253	5%	4,612	3,979	16%
Other Income	57	46	24%	207	131	58%
Finance Cost	455	327	39%	1,282	819	57%
Depreciation	498	444	12%	1,446	1,236	17%
Exceptional Items	(327)	(500)		(497)	(1,020)	
Profit Before Tax	91	27	236%	1,593	1,035	54%
Tax	(46)	(141)		365	161	
Profit after Tax	137	168	-19%	1,228	874	41%
Diluted EPS (₹)*	5.76	7.18		53.95	38.07	

* Not Annualized

Operating EBITDA movement – standalone



Net debt movement – standalone



Particulars	31.12.2012	30.09.2012
Cash & cash equivalent (₹ Crores)	1,774	2,338
Net Debt/Equity (x)	0.86	0.75
Net Debt/EBITDA (x)	2.68	2.35

* Net Debt excludes Acceptances

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