JSW Steel Limited

Josh of a Billion Dreams

THE CHALLENGERS

July 01, 2009

Group Overview

O.P. Jindal Group and JSW Group – Overview

- Established for over 3 decades
- Revenues of over USD 8 billion
- Engaged in core sectors

O.P. Jindal Group

- **P R Jindal** → Jindal Saw
- **Sajjan Jindal** → JSW
- **Ratan Jindal** → Jindal Stainless
- **Naveen Jindal** → Jindal Steel & Power Ltd.

JSW

- **Power**: JSW Energy Limited
- **Steel**: JSW Steel Limited
- **Infrastructure**: South West Port Limited
- **Others**: Jindal Praxair Oxygen Co. Pvt. Limited; Vijayanagar Minerals Pvt. Limited




JSW Steel at a Glance

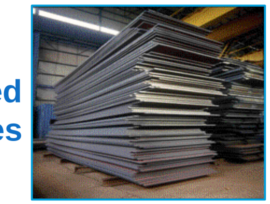
- Flagship company of JSW Group
- One of the leading steel company with consolidated sales of Rs. 16,105 Cr. / $3,161 million in FY2009
  - Integrated steel producer in South India
  - Focused steel manufacturer with integration across the value chain from iron ore to galvanized and colour coated products
  - One of the largest galvanizing capacity in the country and one of the largest Indian exporter of galvanized products with presence in over 100 countries
- Annual capacity of 7.8 million tonne per annum ("MTPA") with manufacturing facilities located at Vasind and Tarapur in Maharashtra, Vijayanagar in Karnataka and Salem in Tamil Nadu

Pellets

Slabs

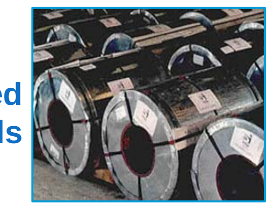
HR Coils

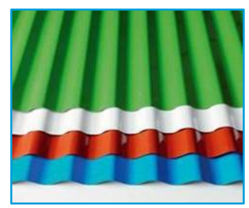
Hot Rolled Plates



CR Coils

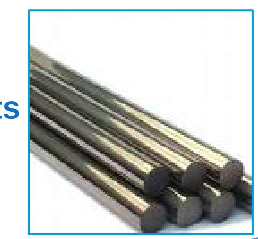
Galvanized Coils





Colour Coated Products

Long Products



Creating Value Through Continuous Growth

1997
- Commissioning of HSM

1999
- Commissioning of Steel Plant – capacity 0.8 MTPA

2002
- Achieved integration from HRC to Pellets – capacity 1.6 MTPA

2005
- Enhanced steel making capacity to 2.5 MTPA.
- Commissioning of Colour Coating Line at Tarapur

2006
- Enhanced Capacity to 3.8 MTPA

2007
- Commissioning of CRM of 1.0 MTPA
- Acquisition of Plate & Pipe Mill in the U.S.
- Acquisition of 1.0 MTPA long products unit in Tamil Nadu
- Acquisition of Coal Mines in Mozambique

2008
- Iron Ore mines acquired in Chile
- Galvalume line set up

2009
- Enhanced steel making capacity to 7.8 MTPA

1997 1999 2002 2004 2005 2006 2007 2008 2009

Key Investment Highlights

JSW Steel: Competitive Advantages

1. Location Advantage
2. Flexible Product Mix
3. Low Conversion Cost
4. Customer Loyalty
5. Low Specific Investment Cost

Location Advantage

Proximity to suppliers, ports and well connected road and rail network enable cost and time optimization for raw materials and finished goods.

- Vijayanagar plant is located close to the iron ore rich belt of the Bellary – Hospet region
- Iron ore from VMPL and NMDC, within 20-40 km radius, resulting in significant cost advantage
- Easy access to ports on both west and east coast
- Integrated steel producer in South India
- Multiple sites for its production, mitigating single site risk

Diversified Product Range: Product-Mix Leverage

Installed Capacity – Mar-09

Flat
5.3 mtpa
(68%)

7.8 Mtpa

Long
2.5 mtpa
(32%)

FLAT

- Plain/Pre-painted Galvalume
- Plain/Pre-painted Galvanized
- Cold Rolled Closed Annealed/Full Hard
- HR Pickled & Oil /Skin Passed
- Plates
- Hot Rolled
- Slab

MAXIMISING
Value-Addition

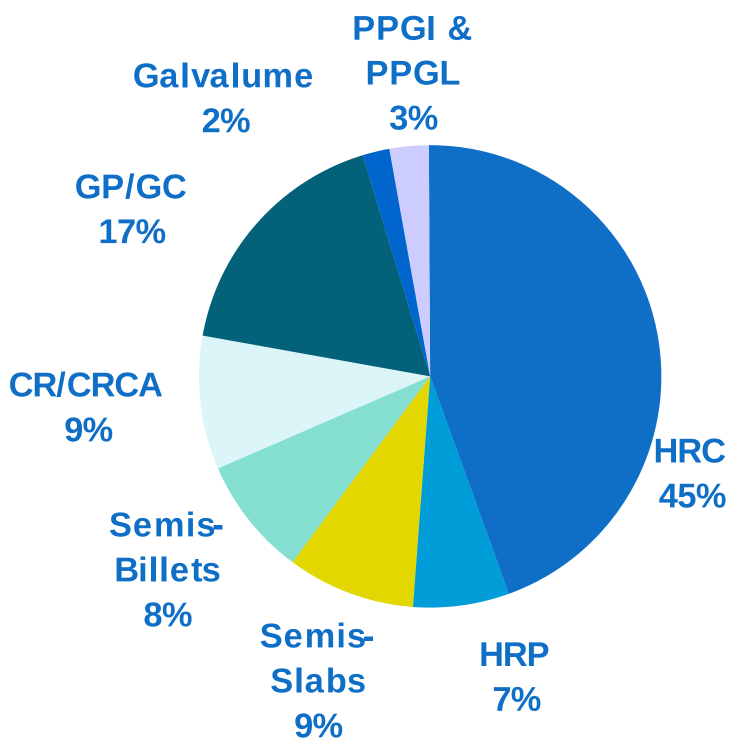
DIVERSIFIED
Product-Mix

LONG

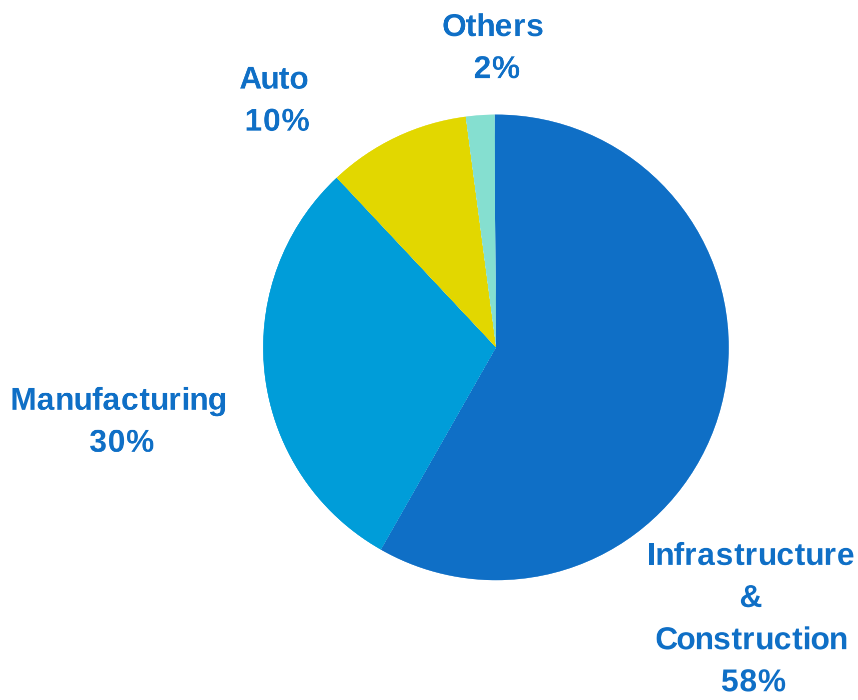
- Alloy Steel
- Spring Steel Flat
- Round Bars
- Wire Rod
- Rebar
- Billet / Bloom

Diversified Sales Mix By Product and End Use

Product Mix By Type – FY09 Volume

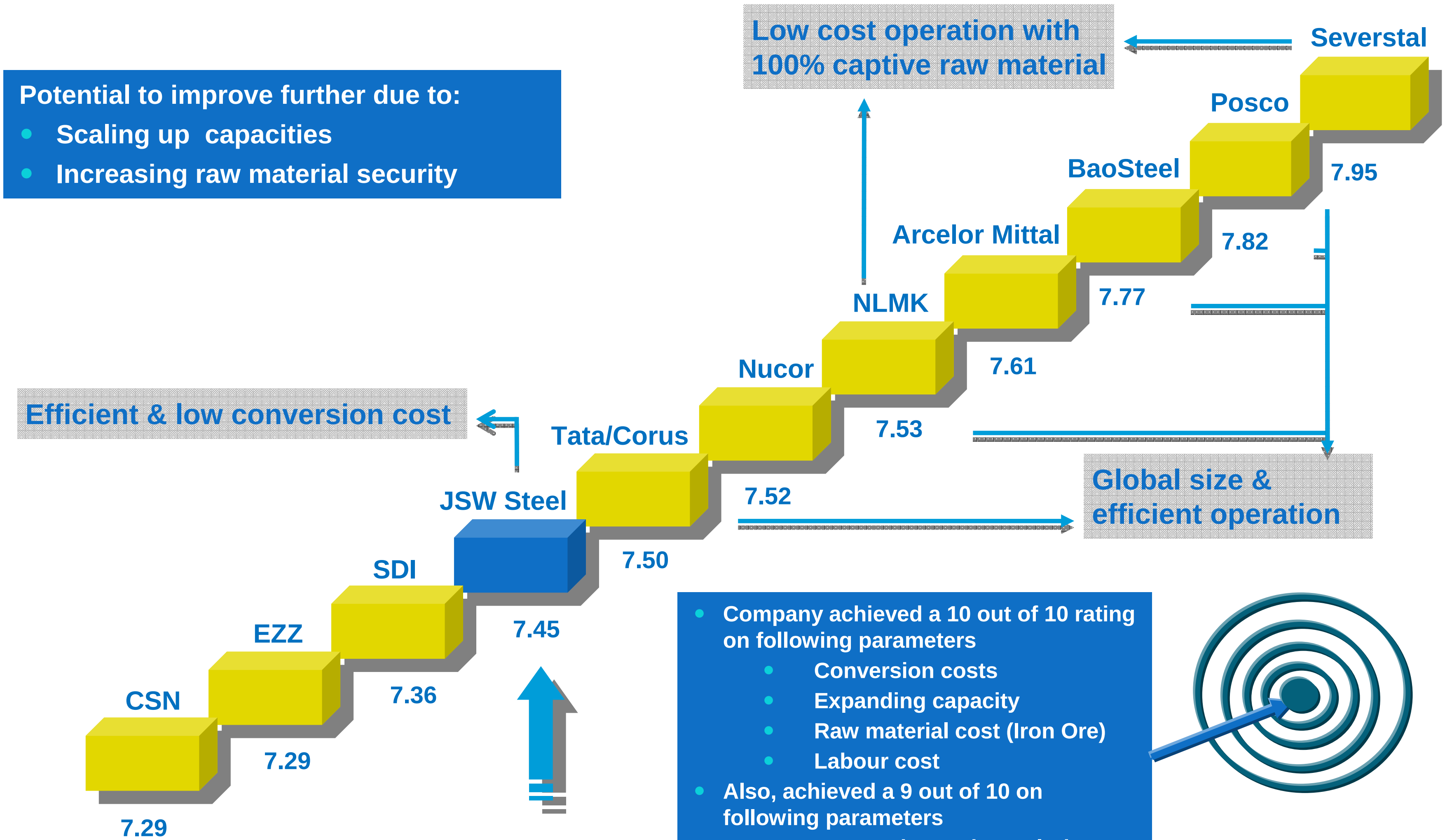


Product Mix By End Use – FY09 Volume



Ranked 8th among top 32 "World Class" Steelmakers

Potential to improve further due to:
- Scaling up capacities
- Increasing raw material security



- Company achieved a 10 out of 10 rating on following parameters
  - Conversion costs
  - Expanding capacity
  - Raw material cost (Iron Ore)
  - Labour cost
- Also, achieved a 9 out of 10 on following parameters
  - Harnessing tech revolution
  - Environment and safety
  - Profitability
  - Balance sheet

Source: WSD – Ranking as on January 2009.

Strong Customer Base

Domestic Sales Network

Pan India Presence

- JSW Shoppe (67)
- Own Stock Yards (23)
- Dealer Tie-Up (161)
- Consignment Agents (7)
- Service Centre

- 2/3rd of Domestic sales to Direct Manufacturers and balance through Trade Segment
- Expanding customer base by new addition of plate & pipe manufacturers and converters
- Long standing relationships with key customers in India
- Prestigious projects include: Commonwealth Games, International Airports, Defense, Power Projects, PEB and Refineries

Export Sales Network

- Through leading international customers and trade partners across the world
- Exporting to about 100 countries meeting customized requirements
- Growing focus for exports to newer markets like Asia, Africa and South America

Major Projects Commissioning Schedule

Vijayanagar Works

- FY 2010
  - New Hot Strip Mill (Phase I)
  - Beneficiation (Phase I)
- FY 2011
  - 3.2 MTPA Expansion
  - Beneficiation (Phase II)
  - 300 MW Power Plant

Vasind & Tarapur

- FY 2010
  - 30 MW Power Plant

Salem Works

- FY 2010
  - Blooming Mill

Overseas Presence

	Asset	Strategic Fit
Steel Operations	• Plate and Pipe Mill in USA (currently working at low capacity utilization level)	• Utilization of slabs produced in India
	• Service Centre in UK	• Outlet for selling products from India in European markets
Mining Assets	• Coal mines in Mozambique	• Provide forward integration of coal
	• Iron Ore mines in Chile	• Provide forward integration of Iron Ore

Operating and Financial Performance

Financial Summary

Rs. Cr. / USD Million

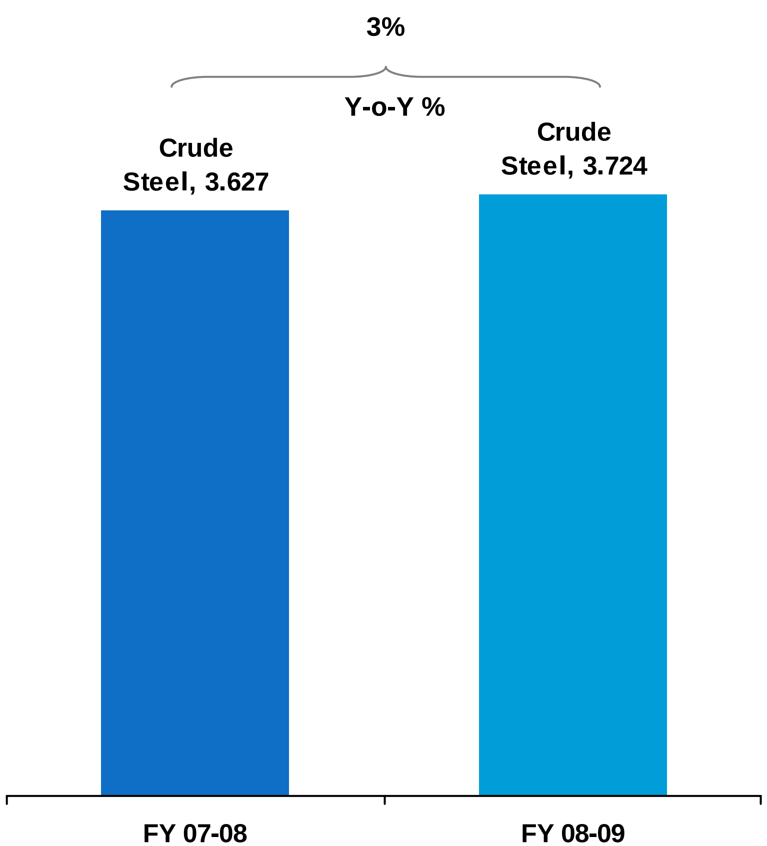
Particulars	Consolidated		Standalone	
	FY 09	FY 08	FY 09	FY 08
Total Income	16,104.71 $3,160.9	12,605.23 $2,474.0	14,158.42 $2,778.9	11,566.61 $2,270.2
EBITDA	3,253.50 $638.6	3,631.74 $712.8	3,092.67 $ 607.0	3,506.85 $688.3
Cash Profit	2,097.88 $411.8	3,058.74 $600.3	2,295.42 $ 450.5	3,066.41 $601.9
Profit Before Tax	315.33 $61.9	2,424.25 $475.8	677.63 $ 133.0	2,484.12 $487.6
Profit After Tax	274.91 $53.9	1,640.04 $321.9	458.50 $ 89.9	1,728.19 $339.2

Convenient conversion rate of Rs./USD = 50.95 (Source: RBI Reference Rate as of March 31, 2009)

Production and Sales

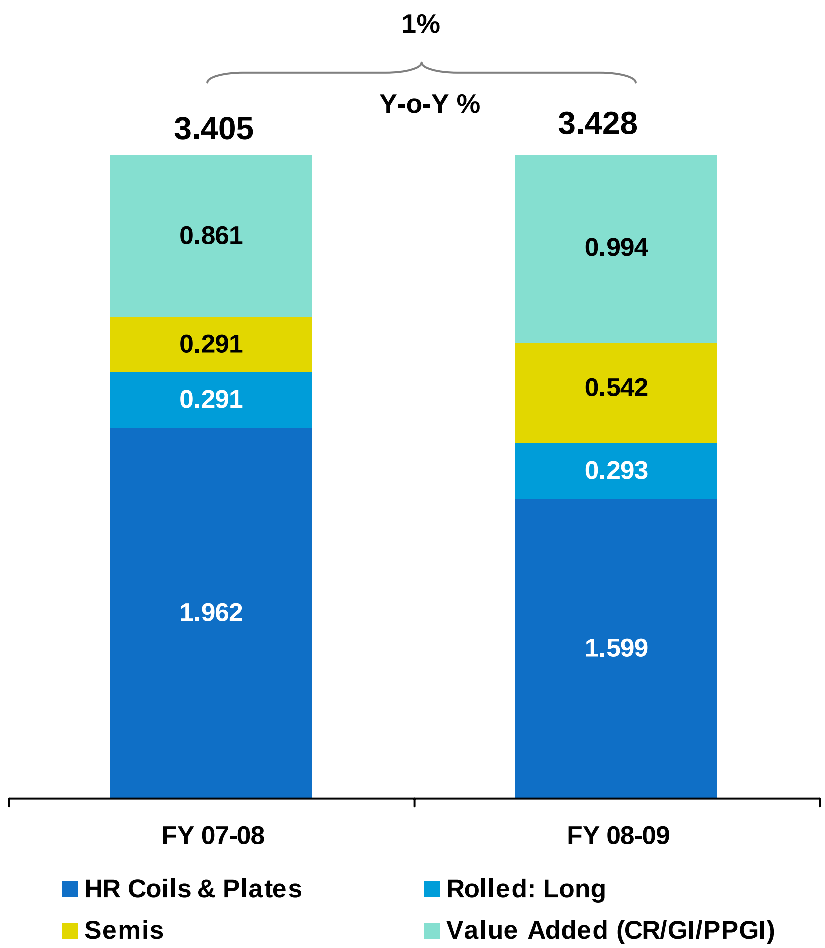
Crude Steel Production

Million Tonnes



Saleable Steel Sales

Million Tonnes



EBITDA Analysis

Rs. Cr. / USD Million

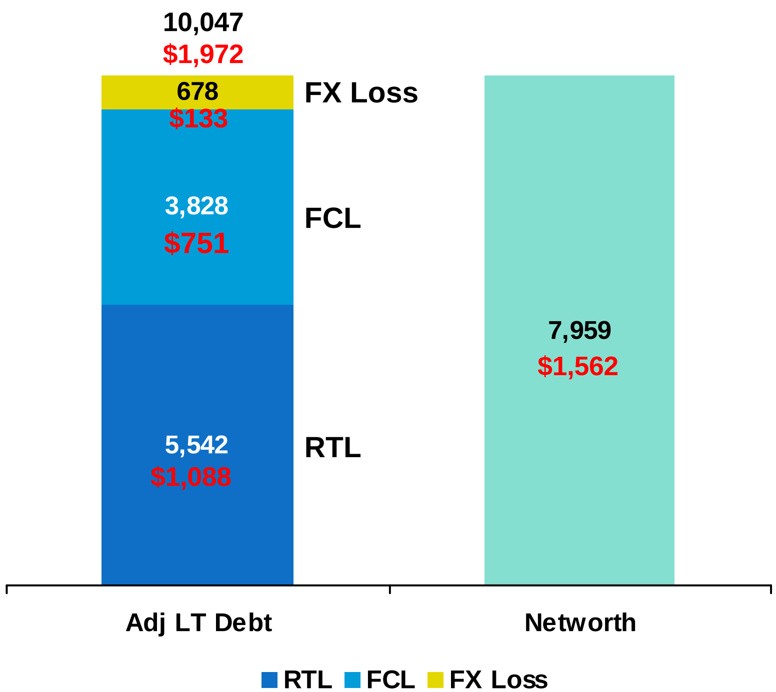
	FY09	FY08
EBITDA	3,092.7 $607.0	3,506.9 $ 688.3
EBITDA Margin	21.8%	30.3%
Less: CER Income	(48.6) $(9.5)	(111.1) $(21.8)
Less: FCCB Gain & Others	(102.4) $(20.1)	(5.6) $(1.1)
Adjusted EBITDA	2,941.7 $577.4	3,390.1 $665.4
Adjusted EBITDA Margin	20.8%	29.6%

Convenient conversion rate of Rs./USD = 50.95 (Source: RBI Reference Rate as of March 31, 2009)

Adj. Long-term Debt Gearing and Networth

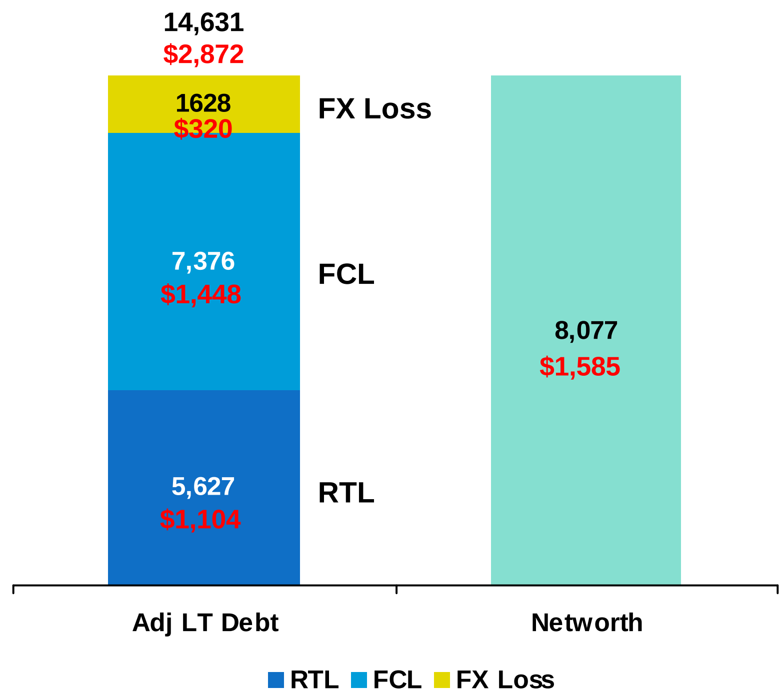
Standalone (FY09)

Rs. Cr. / USD Million



Consolidated (FY09)

Rs. Cr. / USD Million



	Standalone	Consolidated
Wt Avg. Cost of Debt (%)	8.22	7.16
Adj. L.T. Debt/Equity	1.24	1.79
Adj. L.T. Debt/EBITDA	3.3	4.57
FD & MF	Rs.190 Cr. / $37 million	

Convenient conversion rate of Rs./USD = 50.95 (Source: RBI Reference Rate as of March 31, 2009)

Strategy

Way Forward …

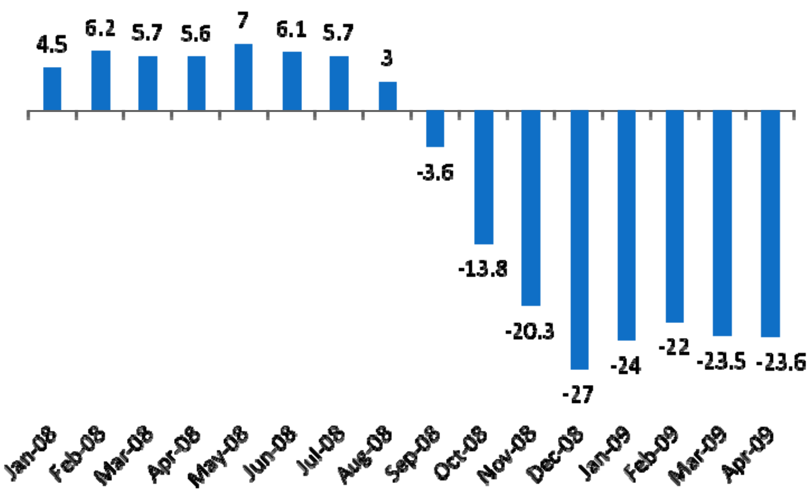
Sustainable GROWTH…
...Creating VALUE

Global Development and Steel Scenario

Quick Supply Side Corrections Ensure no Glut in Market

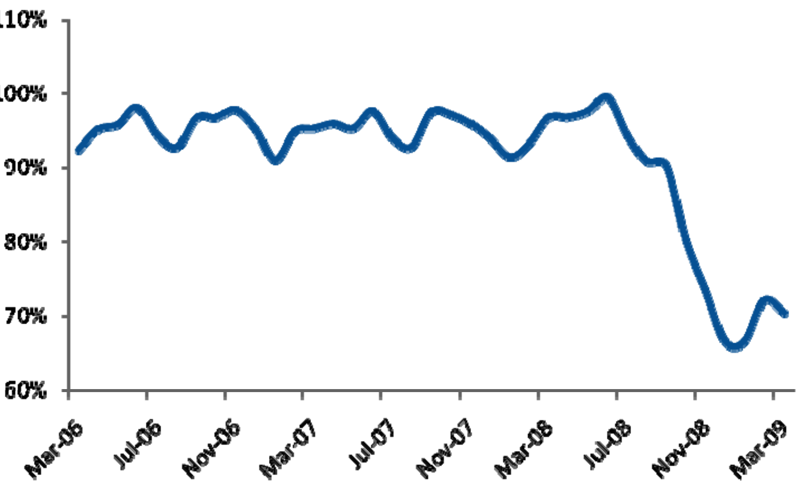
World Monthly Crude Steel Production

(Y-o-Y % Change)



Global Steel: Capacity Utilization

(%)

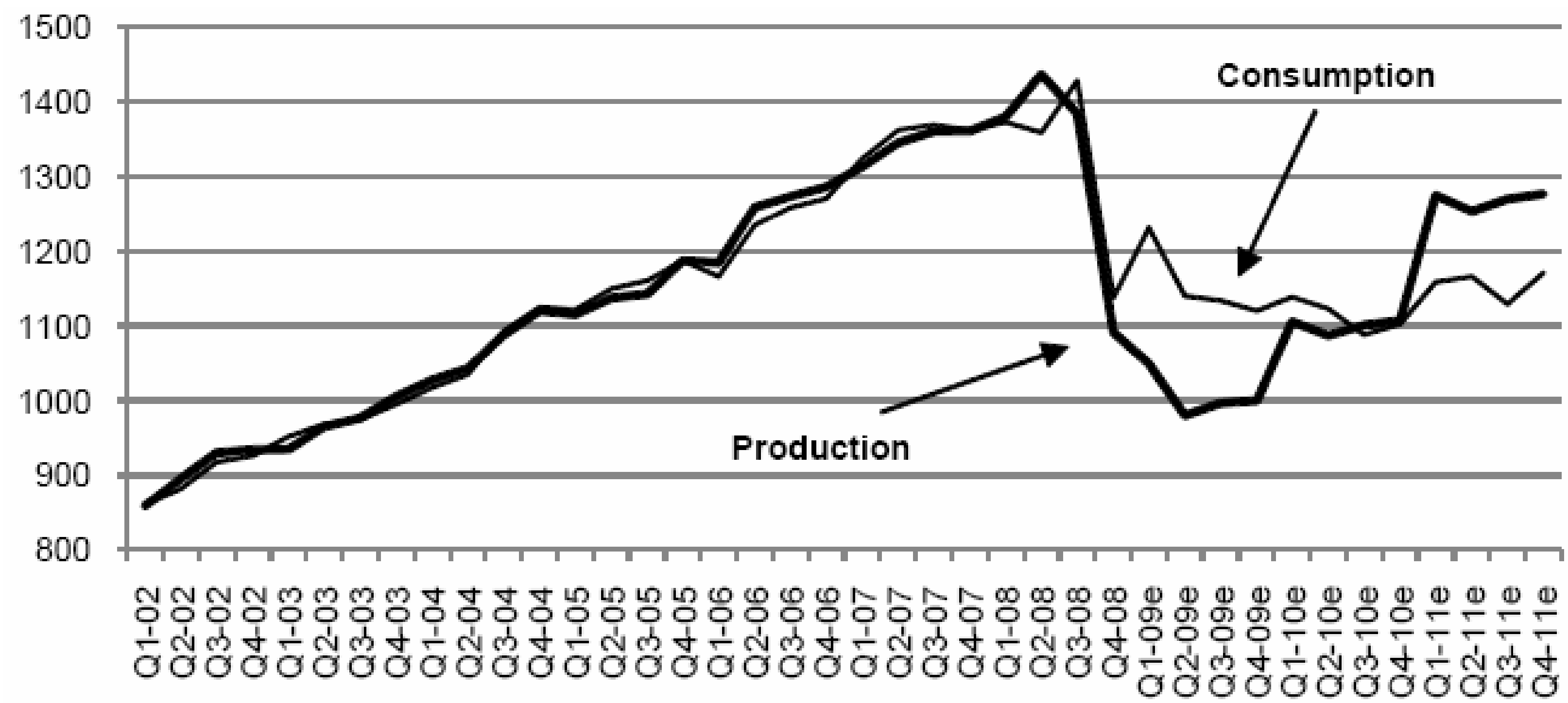


Source: Worldsteel/WSD.

Widened Spread Between Production and Apparent Consumption … Indicating Destocking of Inventory

Crude Steel Production vs. Apparent Consumption

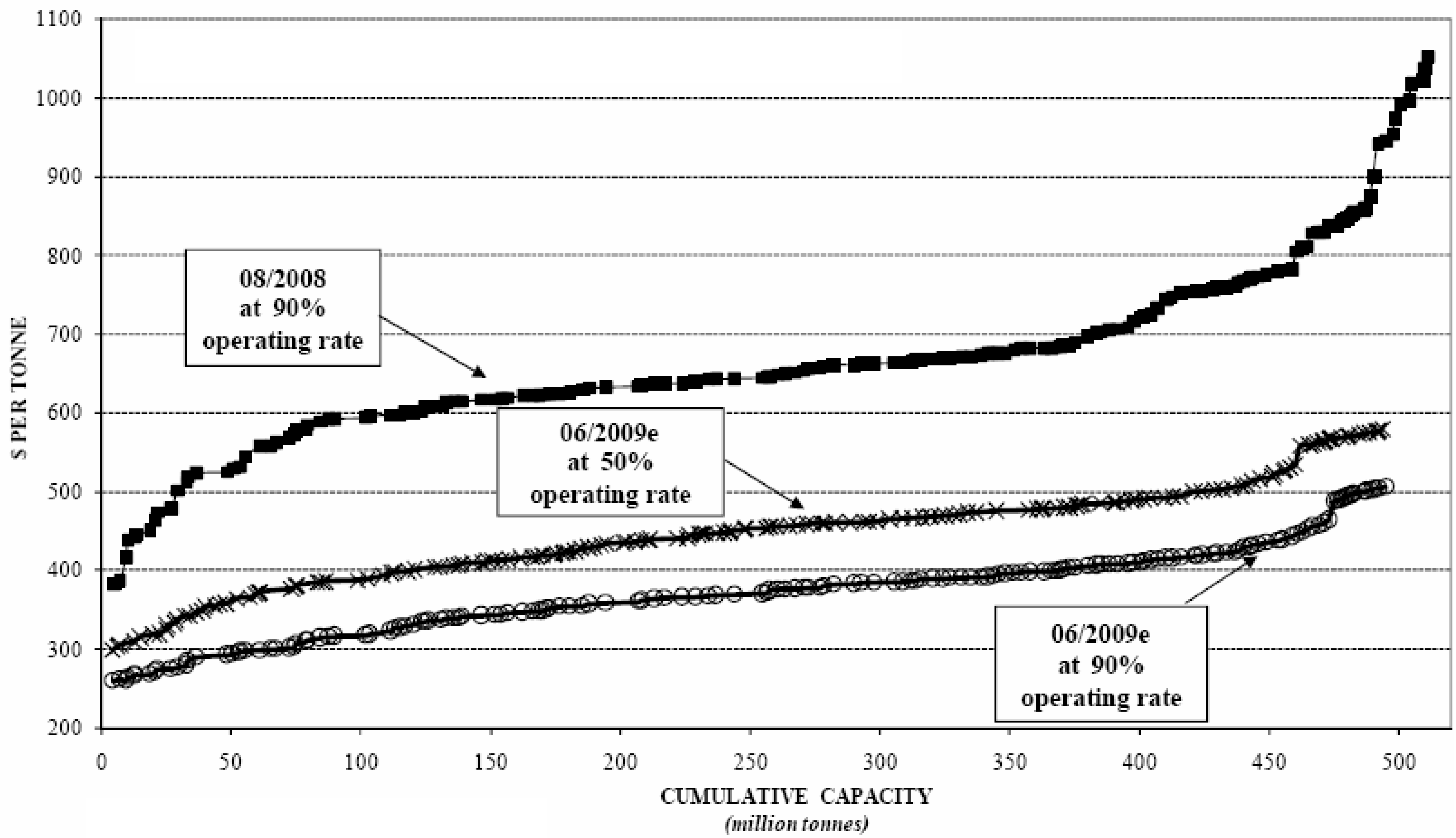
(Million Tonne)



Source: WSD.

Global Steel Industry Tumbling Down the Cost Curve … Due to Fall in raw Material Prices

World Cost Curve for Hot Rolled Band

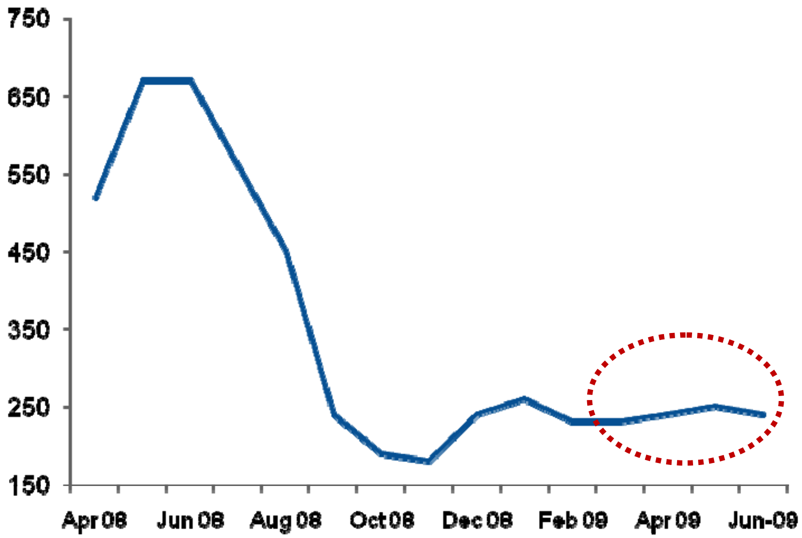


Source: WSD.

… Steel Prices Seem to Have Bottomed Out.

Scrap Price Movement …

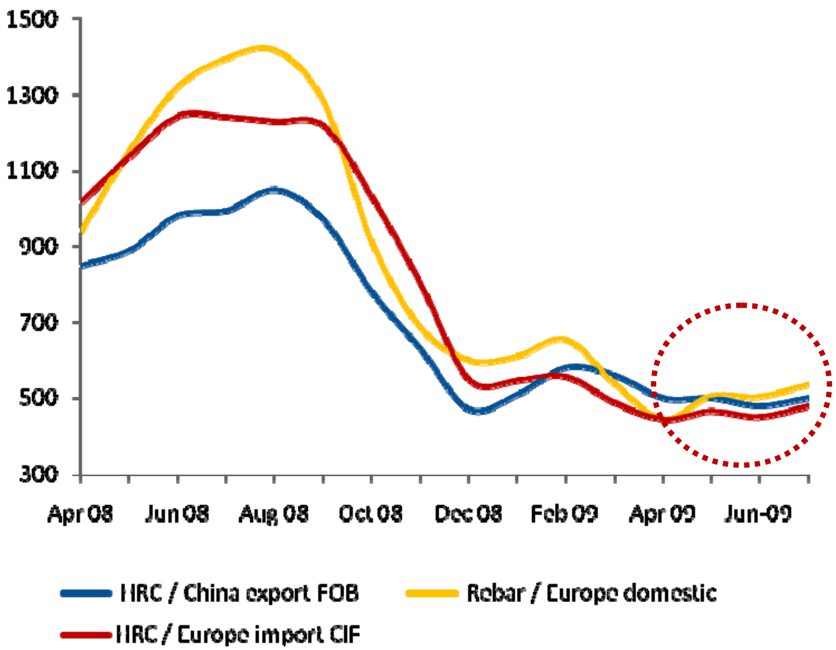
USD / tonne



Shredded / Rotterdam export FOB $/t

Steel Price Movement

USD / tonne



Source: Worldsteel.

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.