



*Presentation to Analysts
& Investors*

Q1, FY 2008

(24th July 2007)



Agenda

- **Steel Scenario**
- **JSW Today.....**
- **Financials**
- **Expansions-Project status**
- **Quarterly Developments**
- **Way forward...**



Steel Scenario

Global Steel Scenario

Growth in Global Crude Steel production H-1, 2007

1. World +8.4%
2. China +17.8%
3. Rest of World + 3.6%

Visible Slow down in US Economy (Q-1, 2007 GDP : +0.7% v/s 5.6% Y-o-Y)

1. Decelerating construction / Rising housing inventory (May-07 : +23.5%)
2. Lower Auto production. (May-07 : -1.6%)
3. Rise in demand for Plates and Pipes driven by booming Oil and Gas industry

- Depreciating US\$ => Pressure on Domestic prices across all products
- Monsoon in Asia ... Slowdown in construction activities
- Increase in M & A activity

Year 2007

- It is Information revolution taking place in the World.
- Higher need of Fixed Asset Investment in the world as the World economy is expanding .
- 40% of Global Steel demand ties up to capital spending and 40% to construction activity.



Growing Steel Demand

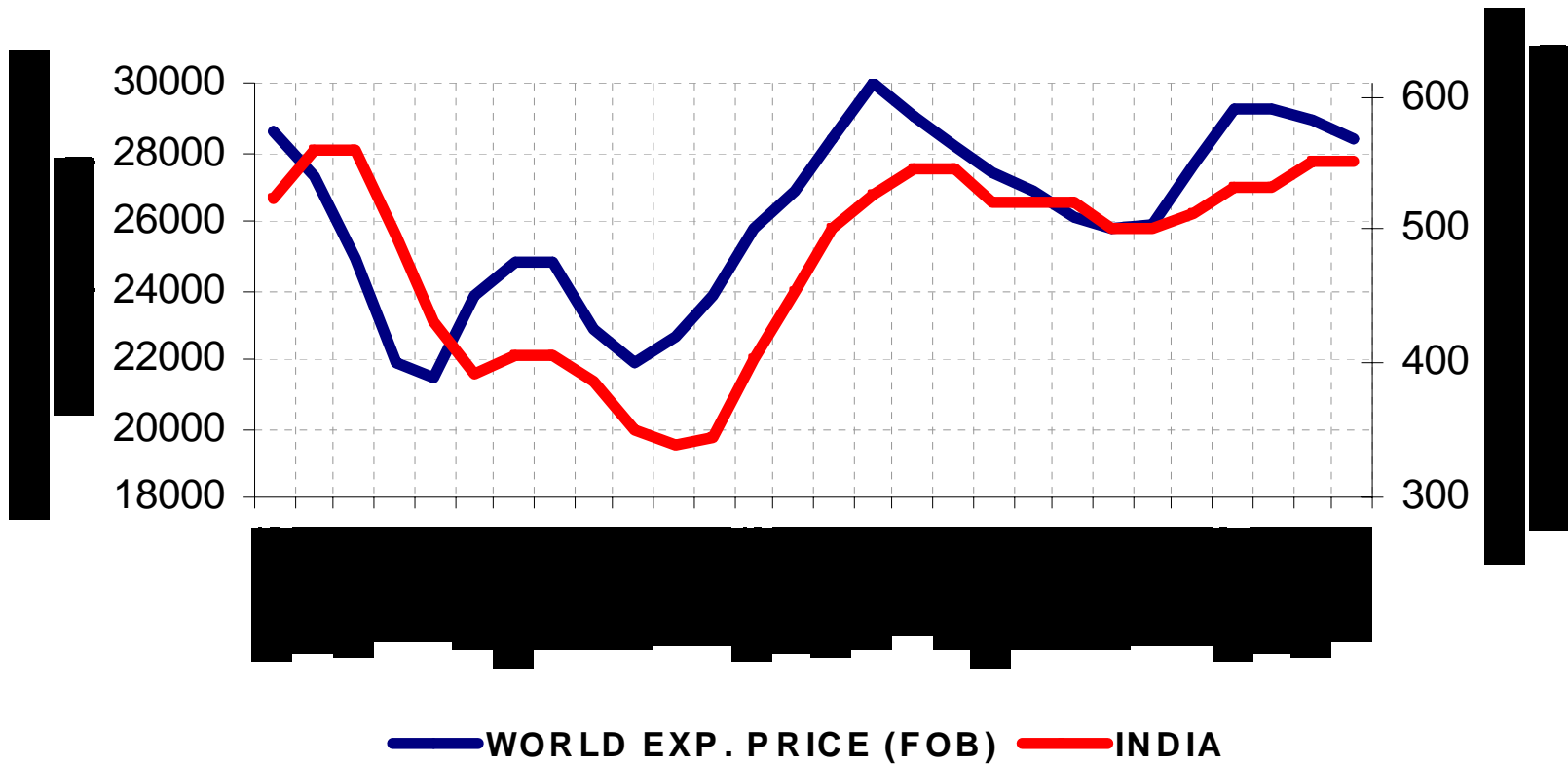
China Developments

- Chinese exports higher in first six months at 35 Mn T. Net Exports at 25 Mn T.
- Production at 237.5 Mn (H1 2007). Growth from H1 2006 by 18 %
- The Chinese government actions to restrain steel exports – including introducing export taxes, licensing and withdrawal of rebates, are expected to slow down Chinese steel product's exports.
- Robust growth of Chinese GDP at 11.5% in H1 2007.
- Chinese steel demand expected to rise by 13% in the second half of 2007(WSD Estimates).



Positive to Steel Prices

Global HRC Prices



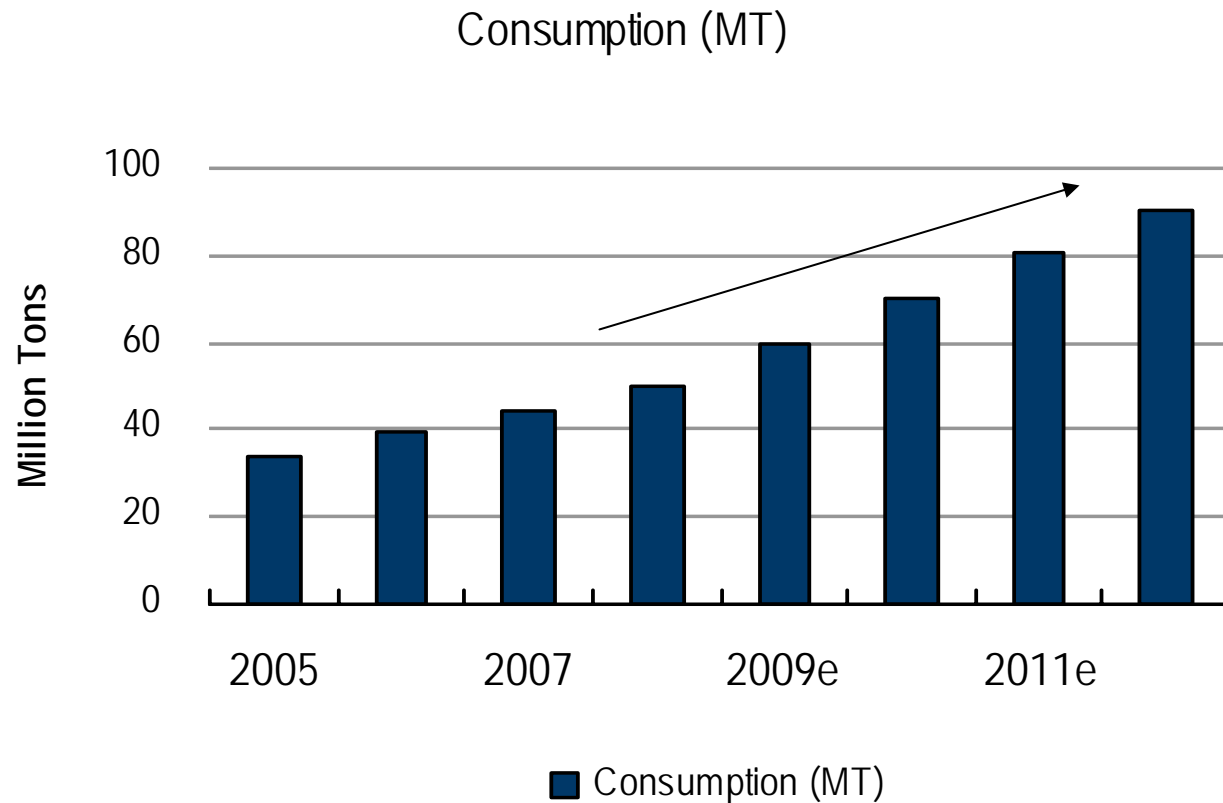
Steel: Domestic Scene

- Indian Steel Demand Growth is fuelled by the strong wave of Economic Development : Indian GDP growth rate in FY 2007 is 9.4% .
- Industrial production growth rate at 11.7 %(April 06–May 07) from 10.8% (April 05-May 06)
- DEPB rates increased by 3% to ease the impact of Rupee Appreciation.
- Rupee appreciation coupled with correction in international prices have resulted in price adjustment of Rs. 600 to Rs. 800 per ton from 1st July 2007.
- Falling Inflation is expected to bring down interest rate which is positive in creating demand in Retail & Automobile Sector.



Robust Steel Demand in India growing over 10%

India's Steel Consumption



Estimated Consumption to grow to 85 million tons by 2012



JSW Steel Today....



Performance highlights...

Key Highlights ...

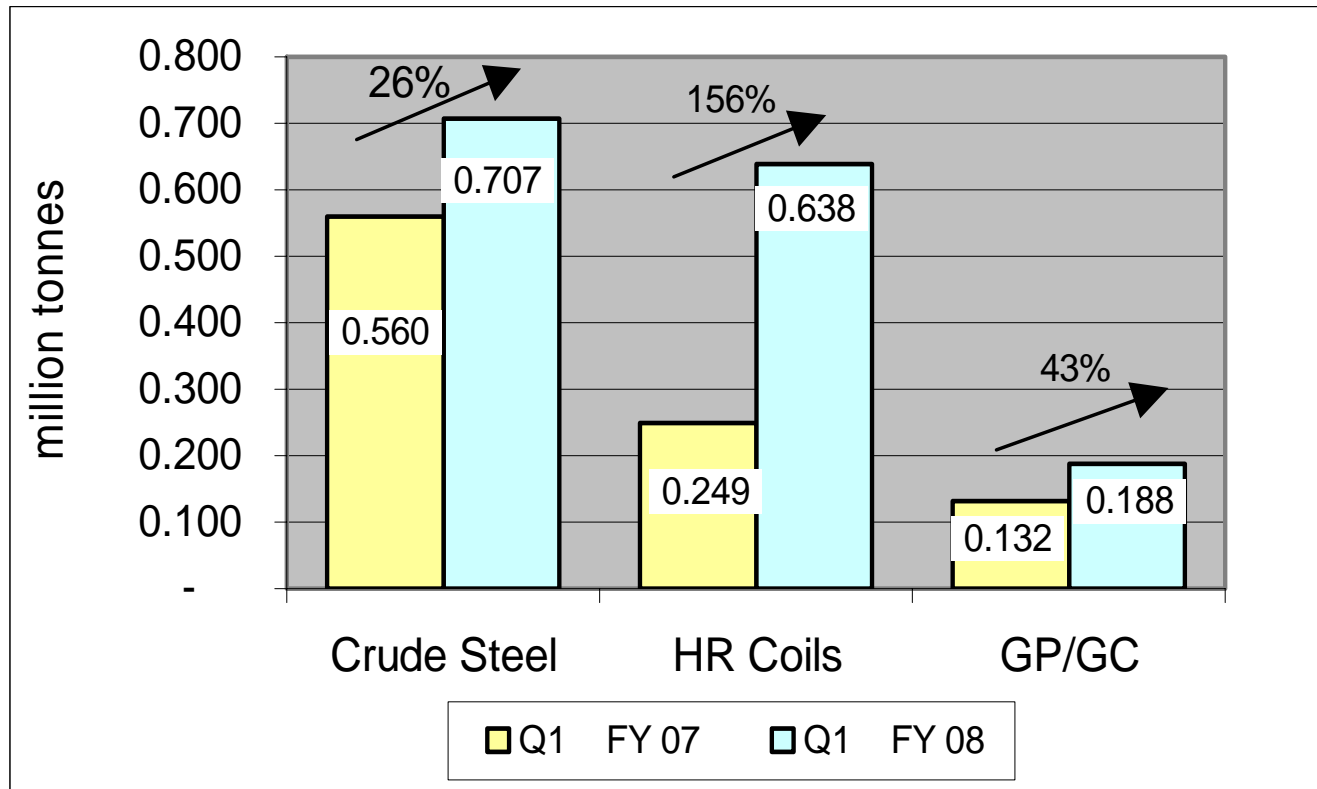
Q1 07 v/s Q1 08

(Growth)

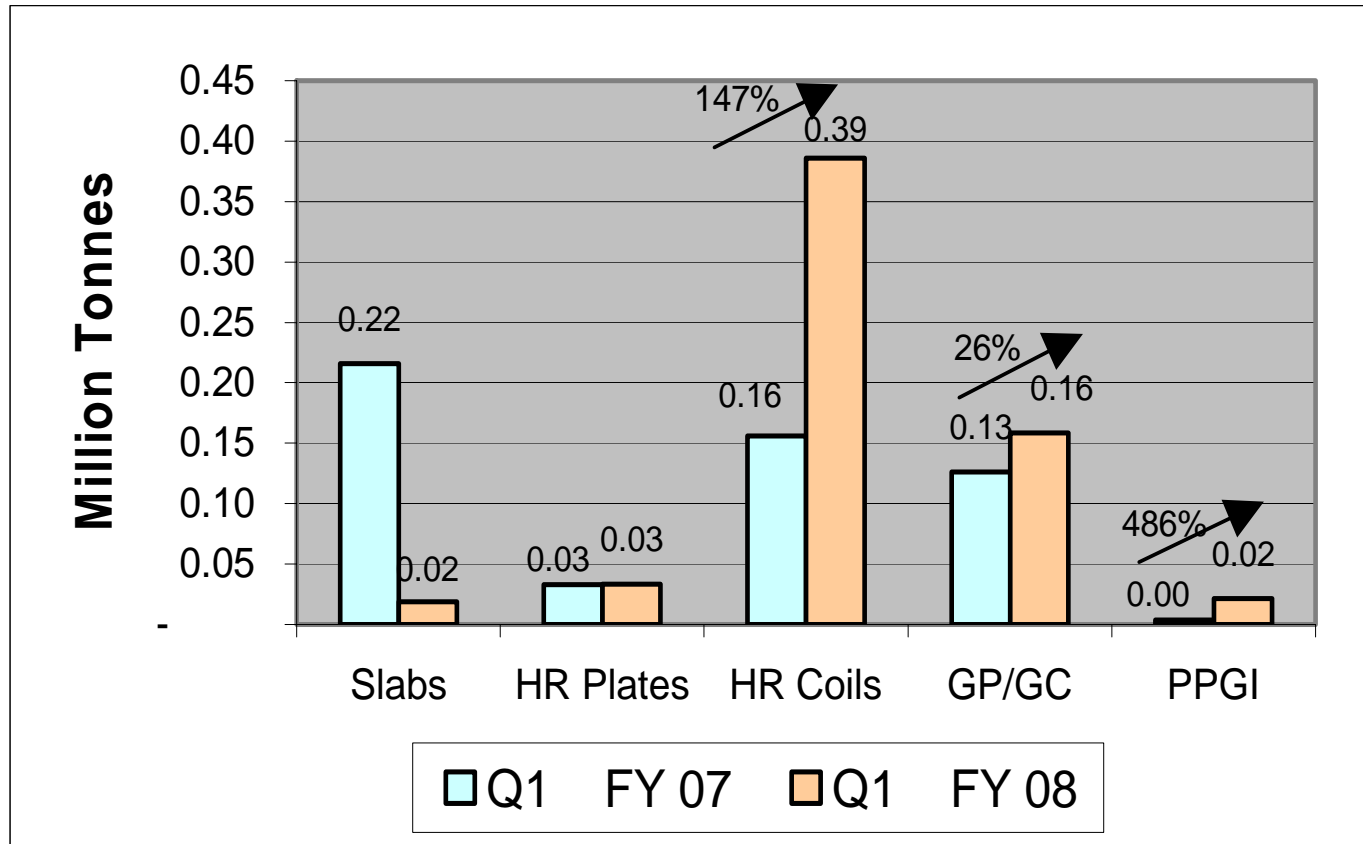
• Crude Steel production	↑	26%
• Saleable steel sold	↑	16%
• Net Sales	↑	37%
• EBIDTA *	↑	68%
• Net Profit *	↑	121%
• Diluted EPS *	↑	112%

* *Excluding non recurring Income*

Production – Q1'07 v/s Q1'08

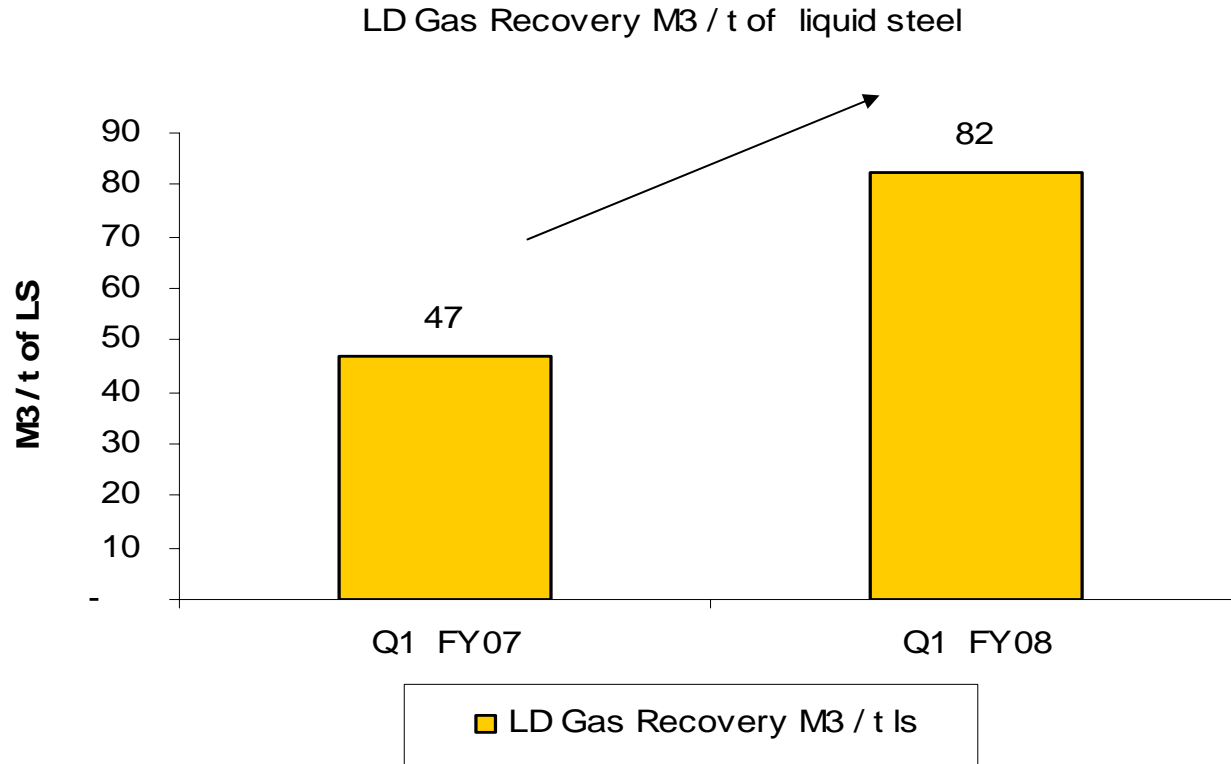


Sales – Q1'07 v/s Q1'08



Blended Sales 0.635 Million Tonnes : Up by 16%

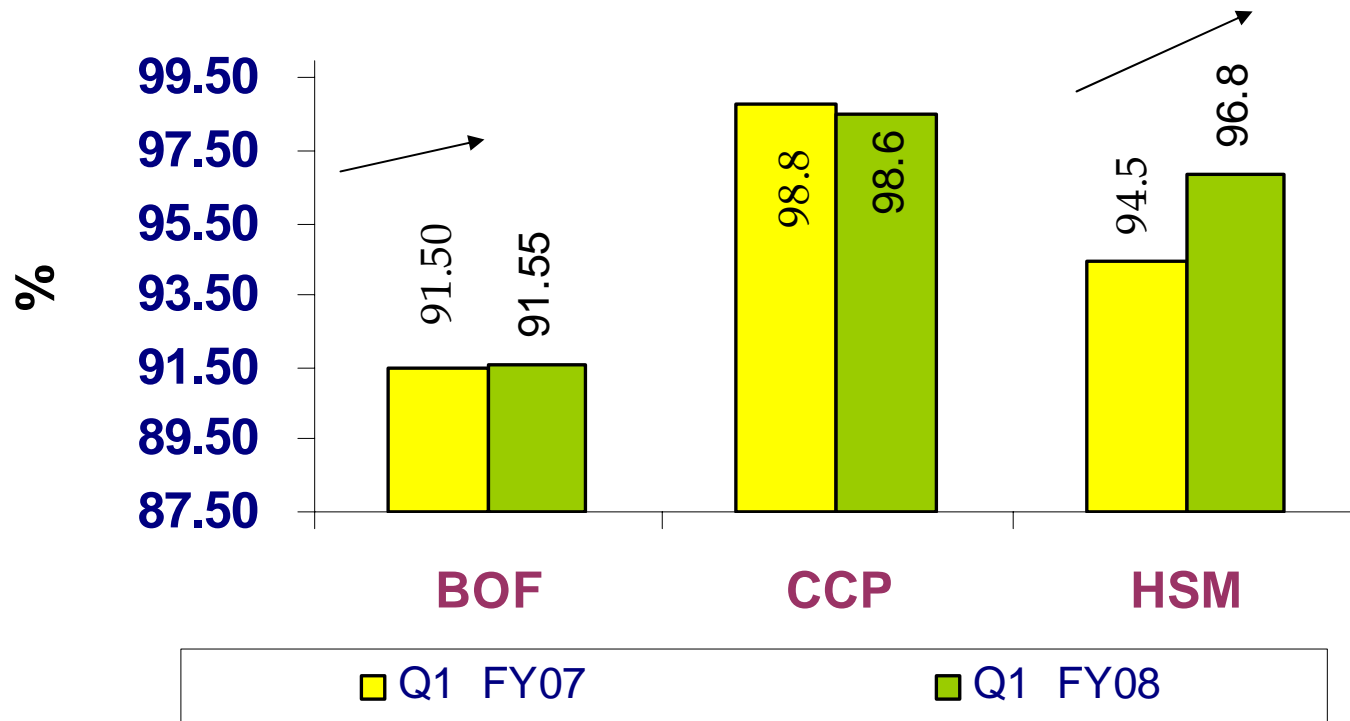
LD Gas Recovery



LD gas Recovery ↑ by 74%

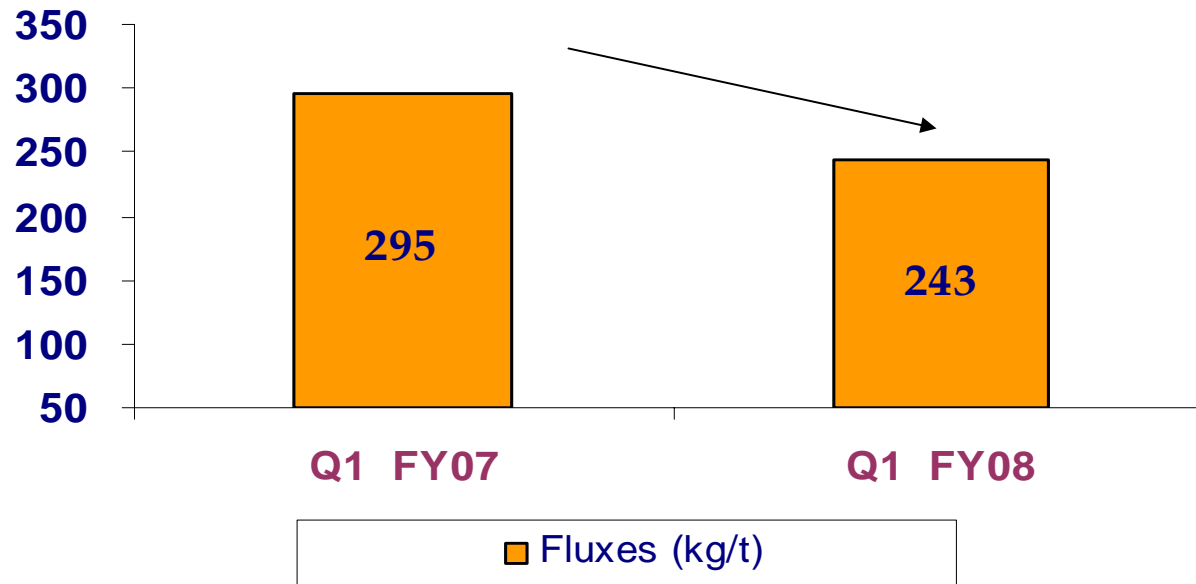
Yields Improvement

Yield (%)



Fluxes Consumption

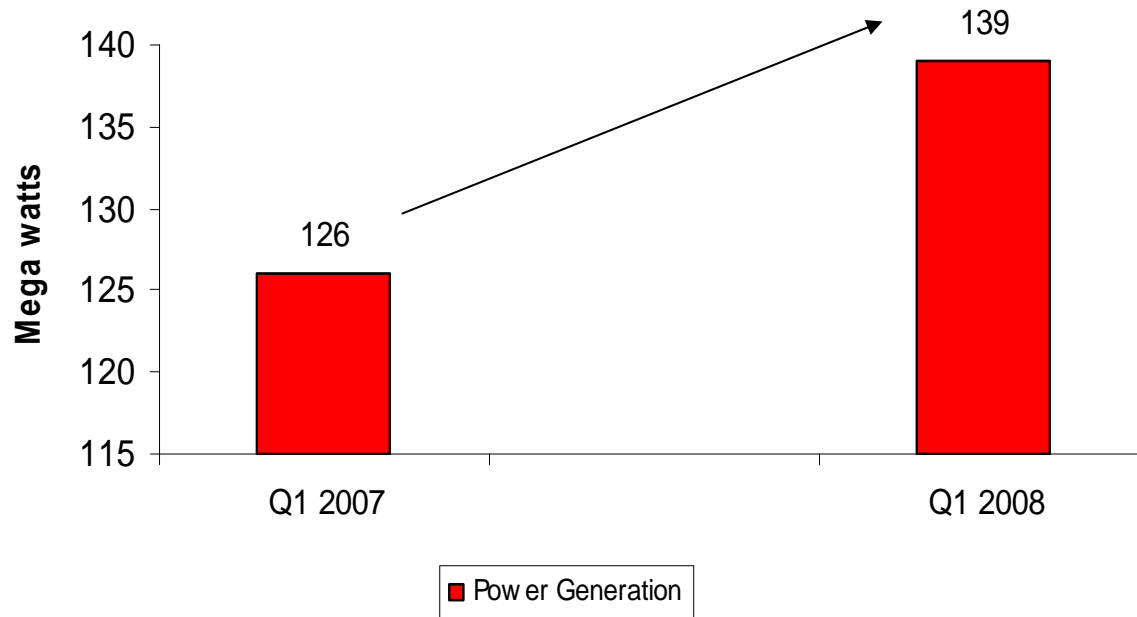
Fluxes Consumption



Fluxes consumption has decreased by 18% in Q1 y-o-y

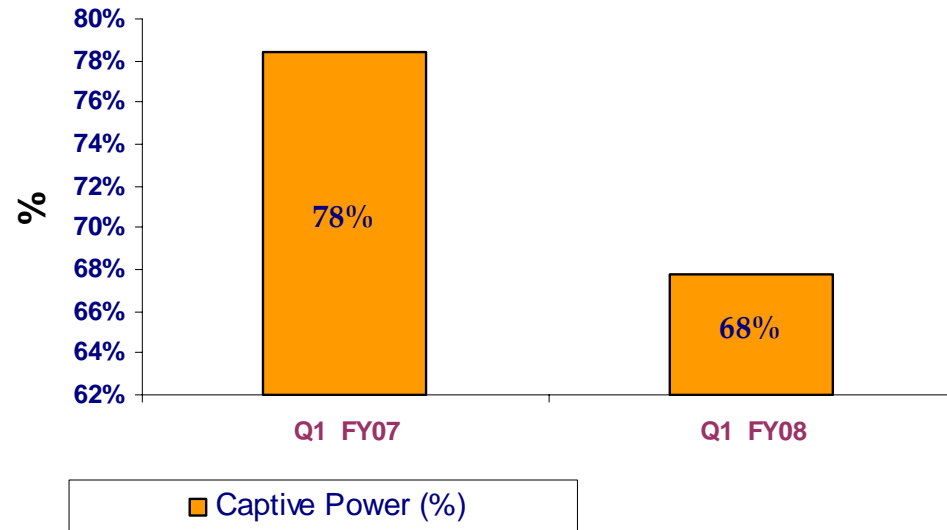
Captive Power Generation

Captive Power Generation increased by 10 %y-o-y



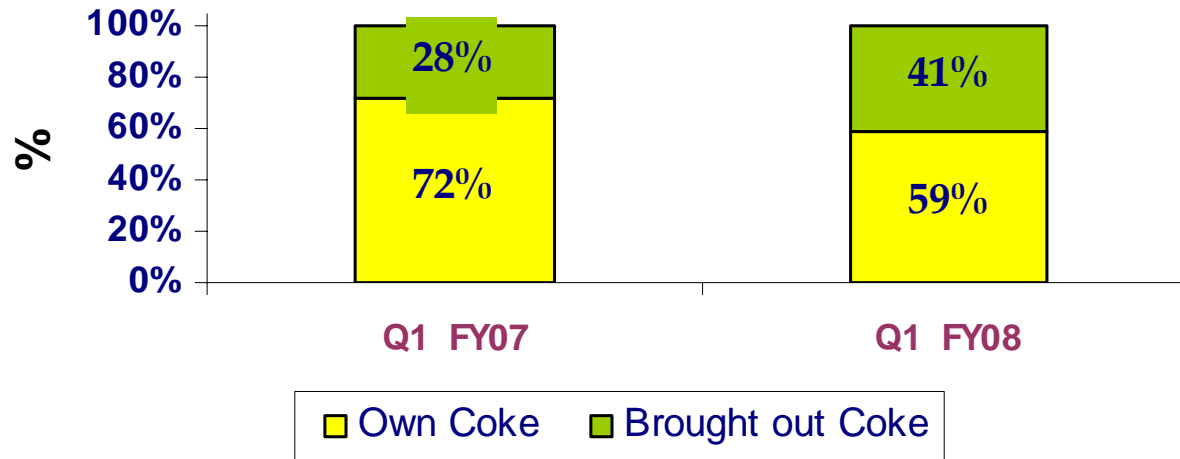
Captive Power Consumption

Captive power consumption decreased by 10% y-o-y



Analysis		
Captive Power		Decrease
Q1 2007	Q1 2008	
78%	68.00%	-10.00%

Own Coke production to Total Consumption

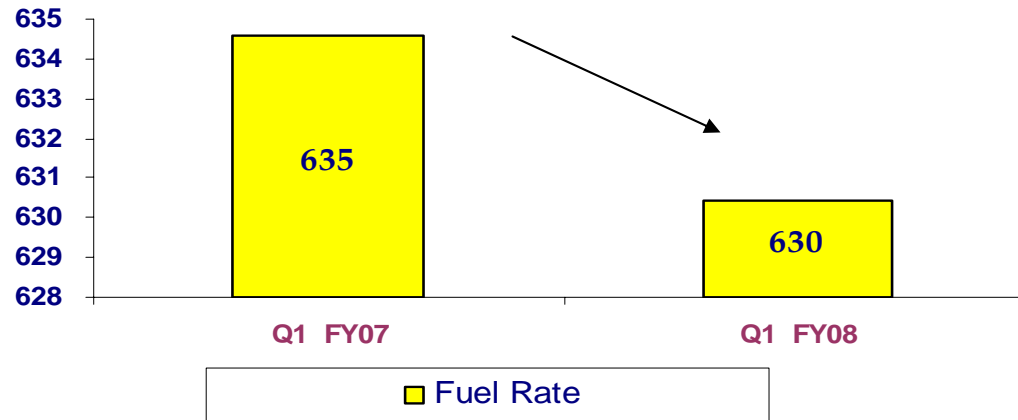


Analysis		
Captive Coke		Decrease
Q1 2007	Q1 2008	
72%	59.00%	-13.00%

Fuel Consumption

Fuel consumption has ↓ by 0.79 % from Q1 07

Fuel Consumption - Blast furnace



Analysis		
Fuel Consumption		Decrease
Q1 2007	Q1 2008	
635	630	-0.79%

Financial Highlights

- Debt repayment of 234 crores
- The Weighted Avg.rate of Interest at 7.86% (8.06% without FCCB)
- Adjusted Debt Equity ratio at 0.69
- Adjusted Long Term Debt to EBITDA at 1.14

Financials

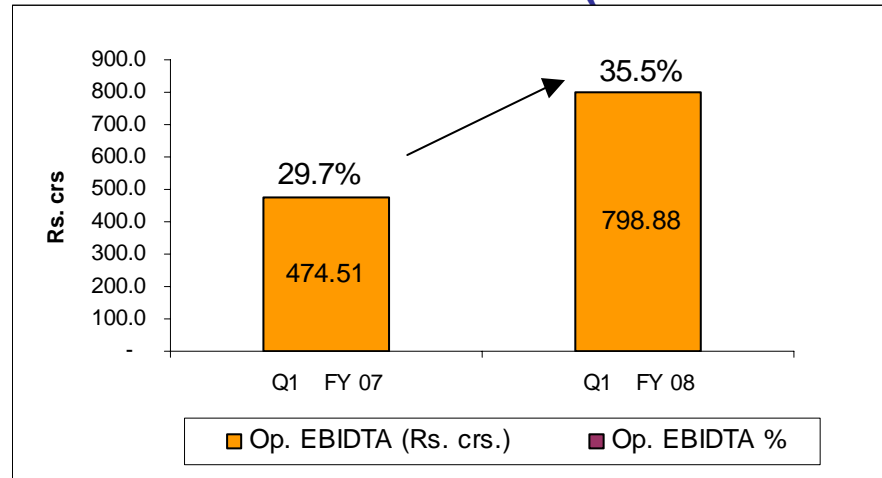
(Rs. In Crores)

Particulars	Q1 2007	Q1 2008	Growth %
Gross sales	1710.21	2418.76	41%
Net Sales	1596.33	2190.72	37%
EBITDA*	474.51	877.77	85%
Interest	90.51	85.99	-5%
Depreciation	102.52	132.19	29%
Profit Before tax	266.38	613.22	130%
PAT	170.30	427.78	151%

* Includes Non Recurring Item of Rs. 78.89 crores in Q1 2008

EBITDA Analysis

(Rs. In Crores)



	Q1 FY 07	Q1 FY 08
EBIDTA (Rs. crs.)	474.51	877.77
FX translation gain on capital A/c		60.14
Insurance Claim		18.75
Op. EBIDTA (Rs. crs.)	474.51	798.88
Op. EBIDTA %	29.7%	35.5%



68.3%

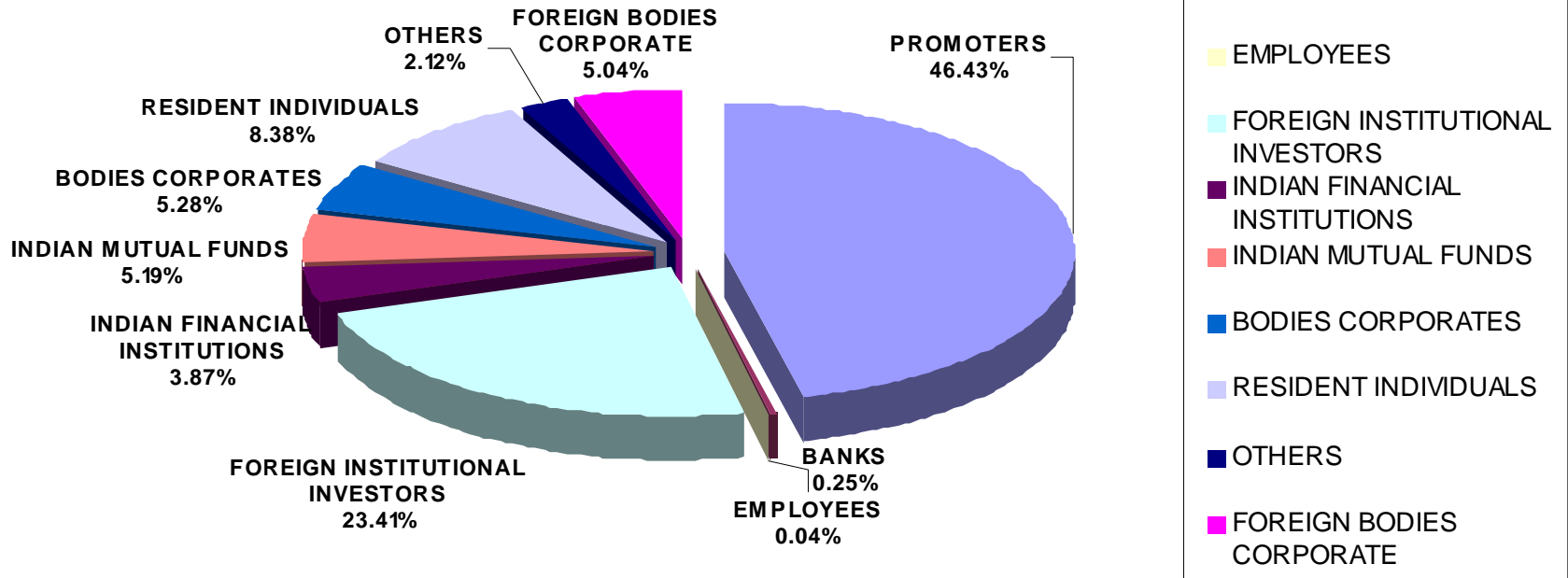
5.8%

Financials – Key Ratios

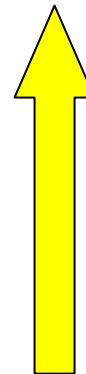
Key Ratios	UOM	Q1 2008	FY 2007
ROCE	%	24.47	23.77
ROE	%	31.45	28.32
Book value per share	Rs.	340	312
Market price per share	Rs.	611	493
EPS (Diluted)	Rs.	25.01	78.88
P/E	times	6.11	6.26
EV/EBITDA	times	4.46	4.24

JSW Owned by...

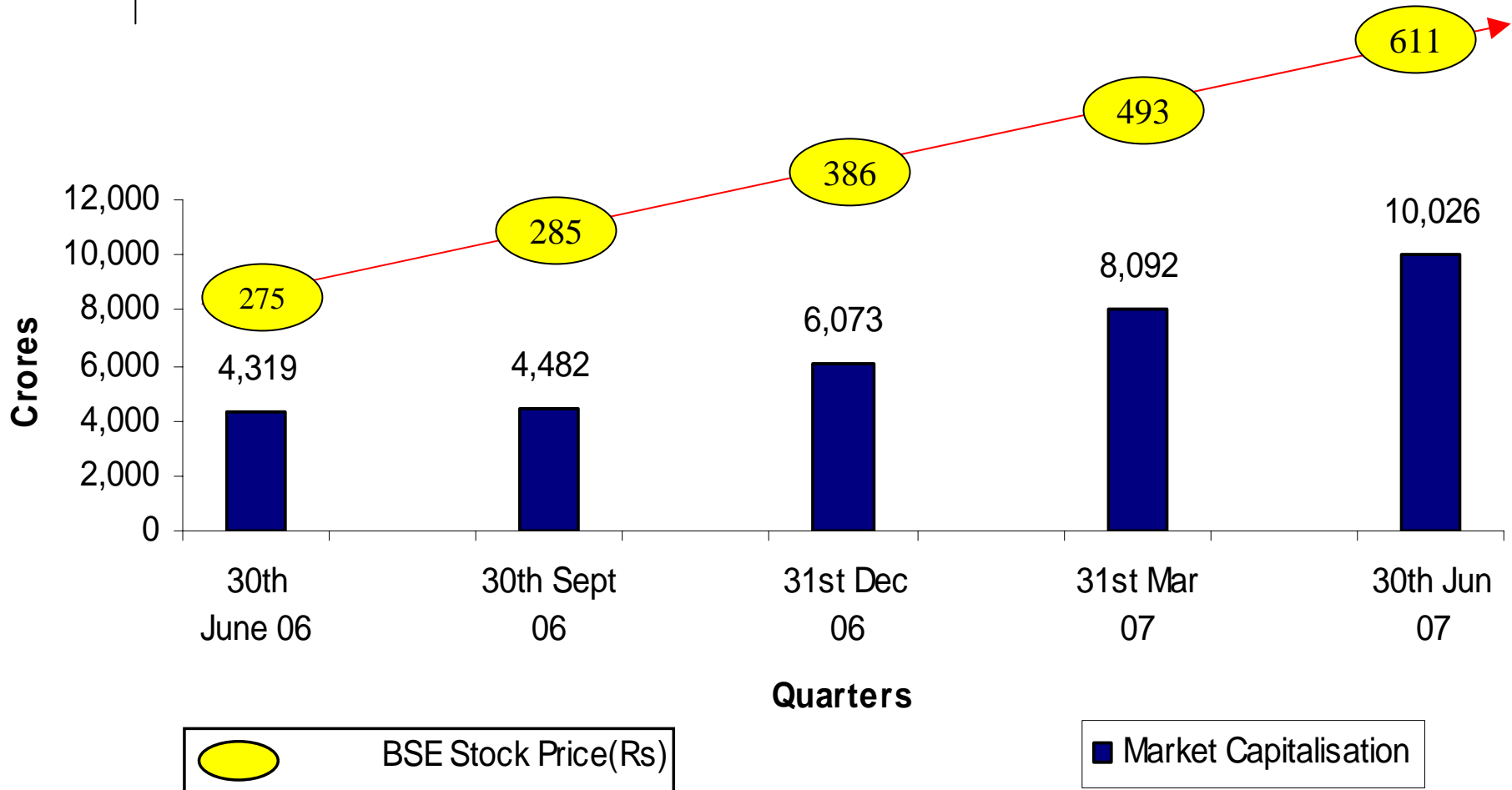
Shareholding Pattern as on 30th June 2007



% of FII holdings

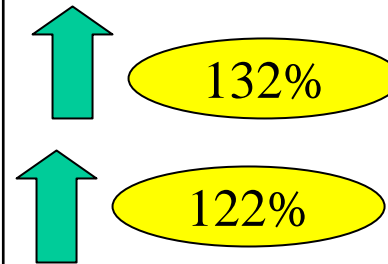


Share Price Trend and Market Cap.

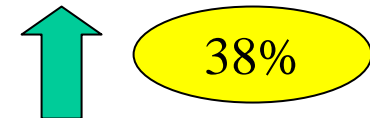


Share Price Trend and Market Cap.

JSW Steel	Q1 07	Q1 08
Market Capitalisation (Crores.)	4319	10026
Share Price(Rs.)	275	611

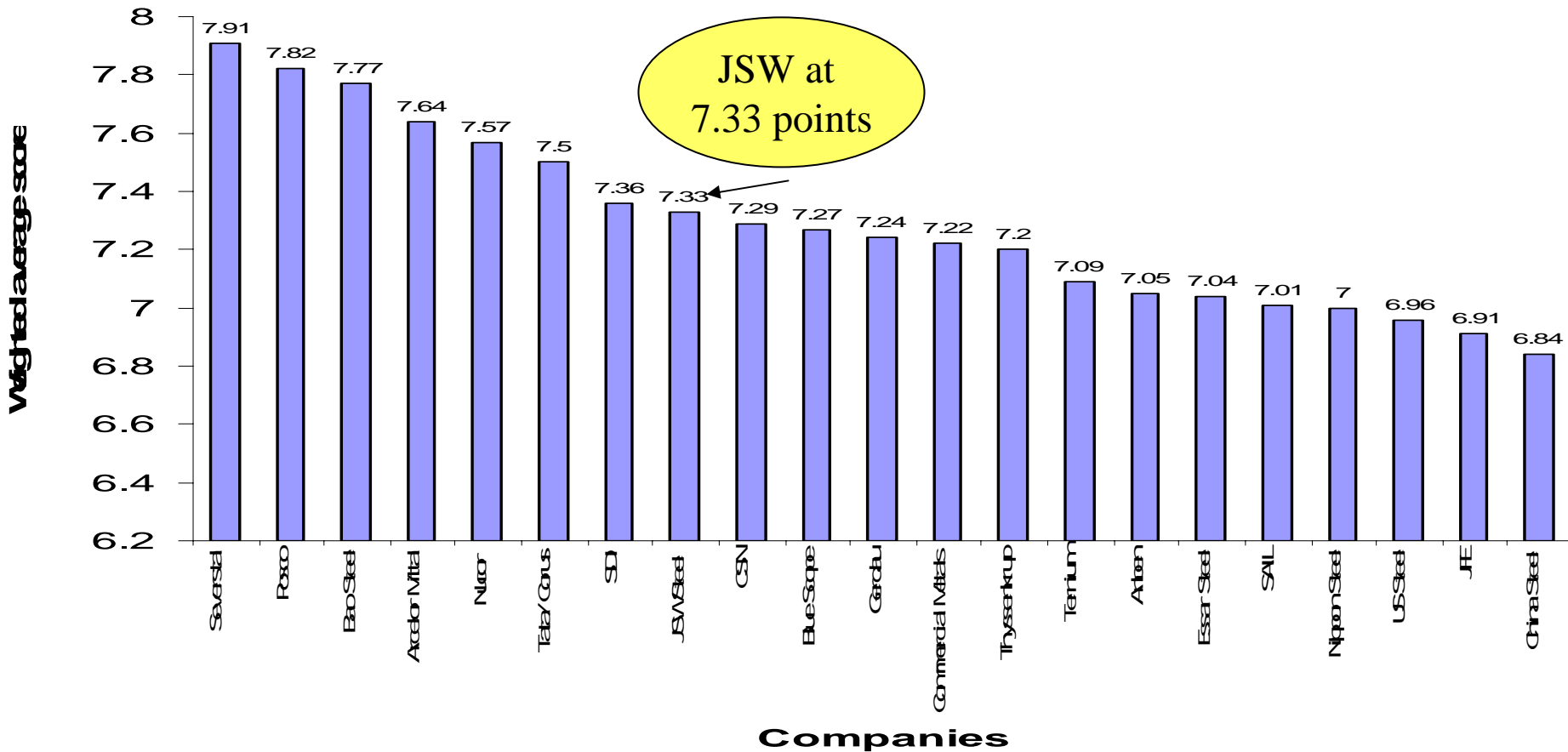


BSE Index (Sensex)	10609.25	14650.51
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- Market Capitalisation increased by 24% in Q1 08 from Q4 07 and 132% from Q1 07.
- Outperformed the BSE Sensex which increased by 12% from Q4 07 and 38% from Q1 07 .

WSD Rankings...



WSD ranked JSW Steel at 8th position among 24 World Class Steel makers



Expansion - Projects Status...

Project Status

Projects	Prodn. Capacity	Exp. Date of Completion	Progress
CRM Complex	(mtpa) 1	Q2 2008	Expected to commence the production in Sept 2007
2.8 mtpa Expansion	2.8	1st April 2009	Civil Works completed -38% Structural works completed-34% Major and critical Equipments orders placed. Other Infrastructure facilities are progressing as per schedule
New HSM	2	1st Oct. 2009	Implementation of the project commenced. Main Package has been finalised. Site leveling & excavation works are in progress.

Project Status (Contd...)

Projects	Prodn. Capacity	Exp. Date of Completion	Progress
BF-1 Modification	(mtpa) 0.3	FY 2009	Discussions are in progress with VAI Siemens for supply of Technology
HSM Modernisation-Phase 2	2	Sept. 2008	Technical discussions have been completed . Orders placed with VAI, Siemens and others.

Project Status (Contd...)

10 MTPA Expansion

Blast Furnace 4: Order placed with Siemens VAI .

Sinter Plant #3 : In advanced stage of negotiation.

Coke oven #4 : Order placed.

Slab Casters : Orders placed.

Project is expected to commission by 2010

Project Status (Contd...)

Cost reduction, Quality and productivity improvements projects :

➤ **Coal Drying Plant (CDP) :**

- Expected to be commissioned by 1st week of August' 07.

➤ **RH Degaser and HMPT project :**

- Expected to be commissioned September' 07.

➤ **Power Plant Boiler :**

- Expected to generate additional 40 MW power, likely to be commissioned by FY 2008-09.

➤ **Galvalume :**

- Major orders for long delivery items finalised.

➤ **30 MW Power Project :**

- Awaiting approval from owner of Land for acquisition

➤ **Railway Siding :**

- In –principle approval obtained from Railways.
- Acquisition of land from different land owners is under progress and is expected to be completed by July 2007.



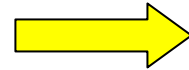
Quarterly Developments...

1.FCCB

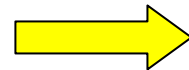
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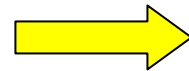
USD 325 Million



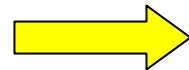
Conversion Price: Rs. 953.40



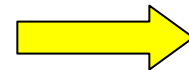
Coupon: 0%



Tenure:5 years 1 day

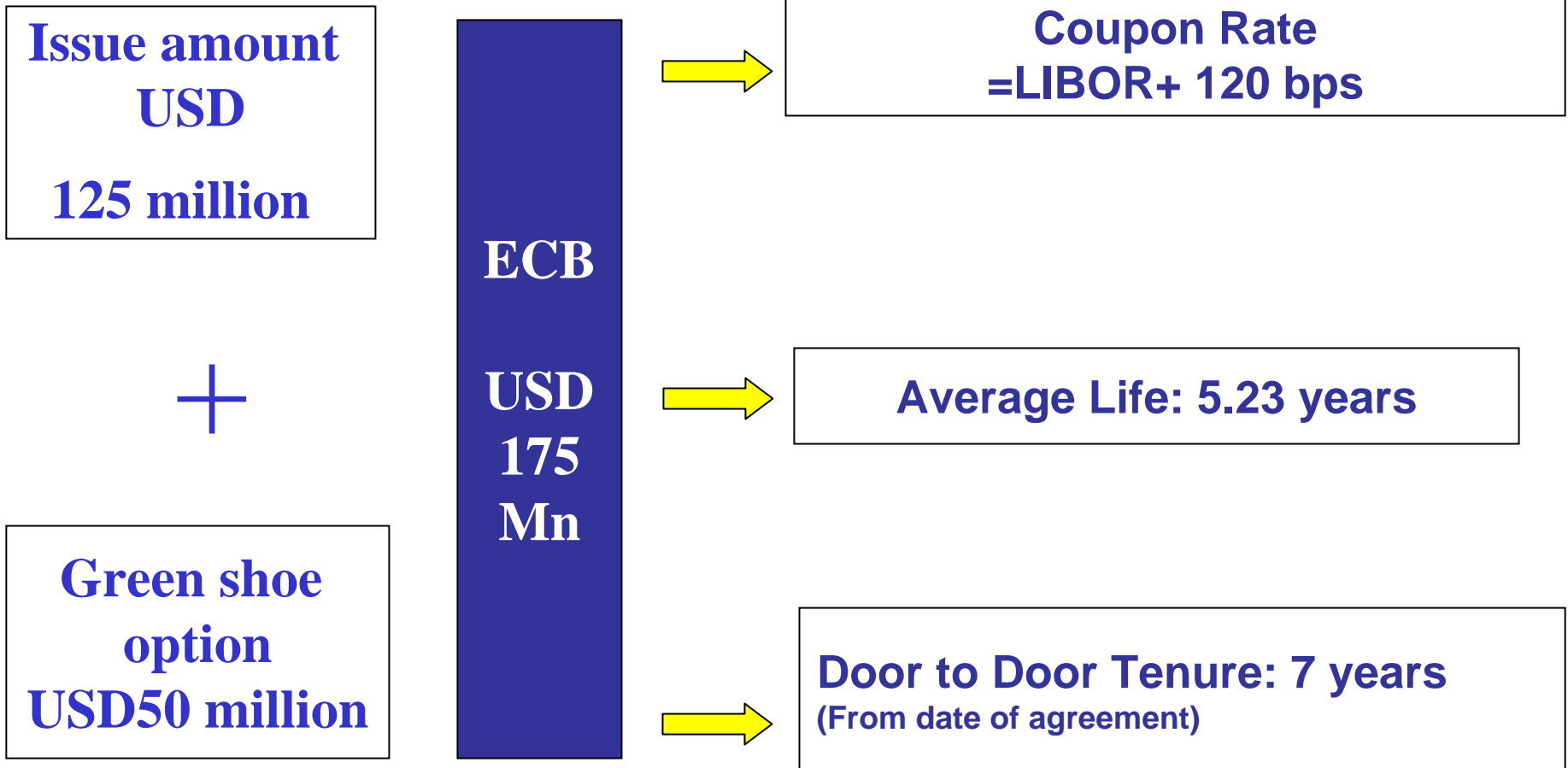


YTM : 7.25% p.a



Listing: Singapore Stock Exchange

2.ECB



3. Proposed Acquisition of Power Plant

Proposed acquisition: Power plant including certain common facilities from JWSEVL
Capacity: 300 MW
Location: Toranagallu –Bellary (Karnataka)

Rationale for Acquisition:

- Integration of operations with steel plant for better control and management of *power requirements*
- Improvement in operational *efficiency*
- *Potential savings* due to tax concessions exemptions available for the power sector under section 80 (IA) of the Income Tax Act, 1961.

Status of acquisition:

Independent consultant valuer has been appointed to value and recommend efficient mode of acquisition

Other Developments

4.Acquisition:

The Company has completed acquisition of UK based Service center Argent Independent Steel (Holdings) Limited

5.Certified Emission Reduction (CERs):

- CDM Executive Board approved the issuance of 1.36 million CERs on 25th June 2007 towards waste gases recovery CDM project.
- Issuance is for the period April 05 - Dec 06.

6.JSW ranked 8th

JSW Steel was placed at the 8th position amongst the top 24 World Class Steel Makers by World Steel Dynamics as of June 2007

7. Acquisition of Cold Rolling Mill Facility

Acquired cold rolling mill facility of 0.23 mtpa from Jindal Steel & alloys(JSAL)



Way Forward

Way Forward

➤ Grow market share (maintain low specific investment cost)	<ul style="list-style-type: none">• Crude Steel capacity 6.8 mtpa by March 2009.• 10 mtpa at existing location by 2010.• Evaluate opportunities for organic / inorganic growth.
➤ Reduce Cost	<ul style="list-style-type: none">• Setting up captive Power plant - 30 MW• Increase in captive Iron ore reserves• Acquisition of Coal mine
➤ Improve realisation	<ul style="list-style-type: none">• Setting up 1 mtpa CRM complex• 1.5 mtpa long product facility• 2 mtpa New Hot Strip Mill• Establishment of galvalume facility
➤ Maintain healthy financial profile	<ul style="list-style-type: none">• Maintain gearing below 1• Strategic mix of foreign & domestic debt• Reduce interest cost

Aim to create a world class facility to produce diverse quality products creating value to all stakeholders.

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 manager 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, 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, 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.
- These materials are not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The proposed offering of U.S.\$325,000,000 Zero Coupon Convertible Bonds due 2012 (the “Bonds”) have not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”).
- The Bonds may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.