

ONE GIANT LEAP

**JSW – JFE Partnership
Press Meet Presentation**

Game Changer for JSW

- ❖ Access To Cutting Edge Technologies
- ❖ Access To Fast-Growing Automotive Market
- ❖ Lower Cost Of Production By Operational Excellence
- ❖ Deleveraged Balance Sheet To Fuel Next Phase Of Growth

At Over \$1 bn, Transaction Is One Of The Largest

- ❖ FDI In The Indian Metals And Mining Space
- ❖ Japan-India Strategic Transactions
- ❖ Preferential Allotments By An Indian Company

Strategic Intent



India's Largest Private Sector Steel Maker with 11 MTPA Capacity By FY2011

World's Fifth* Largest Steel Maker With ~30 MTPA Capacity

Achieved CAGR Of 39% (Last 5 Years) in Production

Operational Excellence With State-of-the-Art Technology

Aggressive Expansion Plans in India

Presence in Fast-Growing Indian Market

Optimize Capital Structure Through Deleveraging

Future Growth through Equity Participation in India

Technology For Operational Excellence and Production Of Automotive Steel Products

Strategic Production Base In India for Existing Automobile Customers

Value Creation for Both Partners

Next Phase of Collaboration



Strategic Collaboration Agreement - Nov 2009



Subscription Agreement

Foreign Collaboration Agreement

Automotive Technical Assistance Agreement

Substrate Supply Agreement

**General Technical Assistance Agreement for
Plant Performance Improvement**

Giant Leap Towards Global Leadership

Automotive Technology Agreements



- Project Consultancy to Build Modern CRM2

- Technology to Manufacture Substrate at Vijaynagar

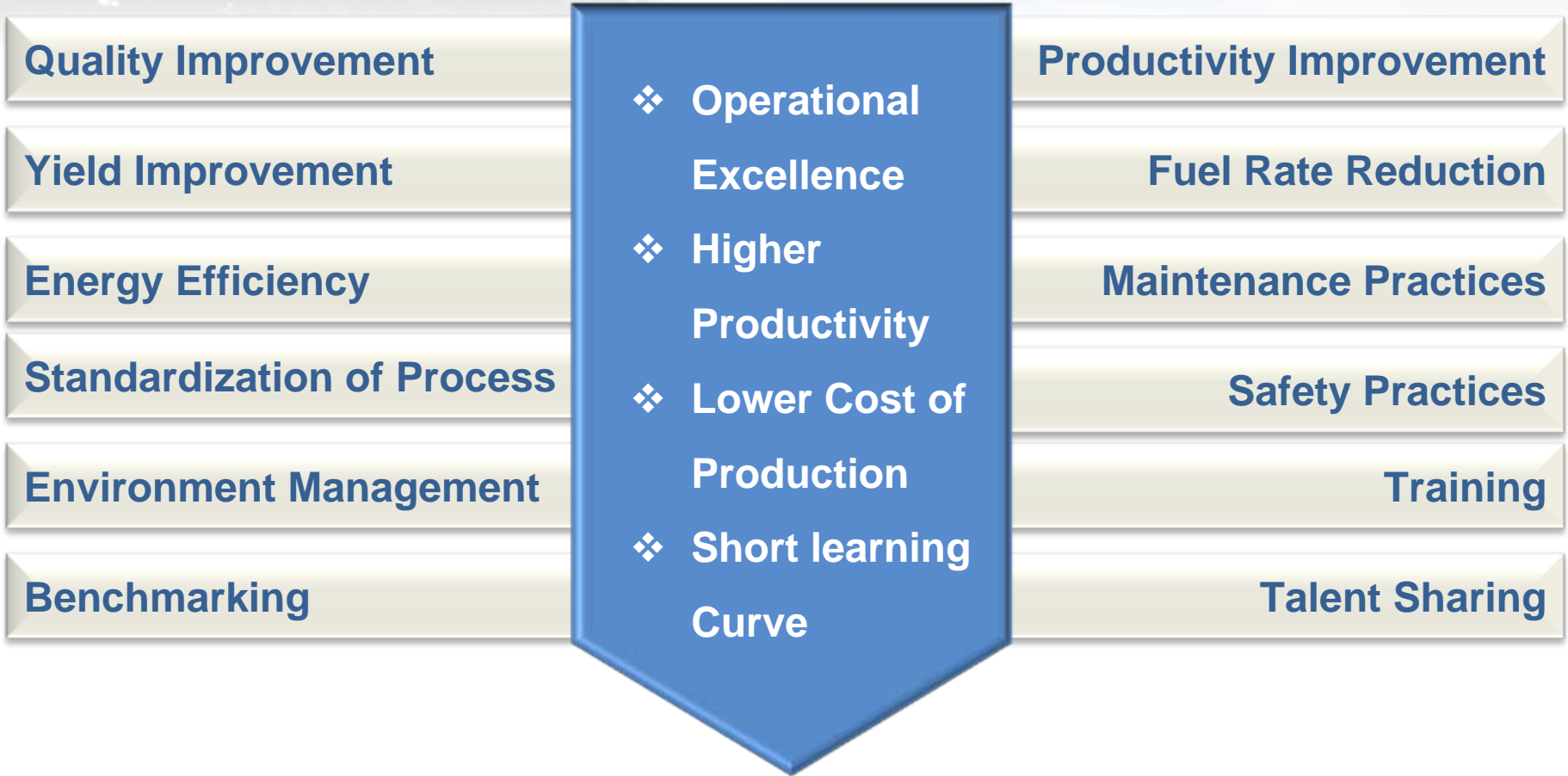
- Technology for Automotive Steel in CRM-1
- Substrate from JFE

Benefits to JSW

- Access to Fast Growing Auto Market
- Short Learning Curve
- Application Engineering
- New Product Development
- Benchmarking and Training of Personnel

Access To The Cutting Edge Technologies

General Technical Assistance Agreements



Sustainable Business Operations

Investment Structure



Initial Subscription Amount: ₹4800 crores

Instrument Determination Event

7 days prior to closing

CP \geq ₹1,365

CP $<$ ₹1,365

Fully Convertible Debenture

Trigger Event

18 Months

32mn shares @ ₹1,500

CP \geq ₹1,365

CP $<$ ₹1,365

Tranche I

Tranche II

JFE holding 14.99%

1mn shares + 3 mn GDRs
Min. proceeds of ₹600 cr

On maturity, 36mn shares @ ₹1,331

Tranche III

JFE holding 14.99%

Up to 2mn shares on conversion of current o/s FCCBs into shares
Min. proceeds of ₹300 cr

Potential Equity Infusion ₹ 5700 crores

* "CP" means Avg closing price in 2 consecutive weeks/10 days or closing price during 5 consecutive days

Terms of the Securities



Tranche I - ₹ 4,800 Cr

FCD: Terms

- Tenure: 18 months
- Compulsorily Convertible into equity shares on occurrence of the Trigger Event or maturity
- Further, JFE has option to convert at any time @ ₹ 1500/ share
- Interest of 4.5% pa payable in arrears on conversion date
- Non-transferable and not listed

Tranche II - ₹ 600 Cr

- Equity Shares and GDRs issued at Higher of ₹ 1500 per share/GDR or 10% premium to SEBI floor price

GDR Terms

- Non Voting Rights, Non-transferable and not listed
- Fungible into equity shares on conversion of Promoter Warrants

Tranche III - ₹ 300 Cr

- Equity shares issued on conversion of outstanding FCCBs into equity shares at higher of ₹ 1,500 per share or 10% premium to SEBI floor price

**Equity Infusion In Tranche II & III At Premium
To SEBI Price With A Floor Price Of ₹ 1,500**

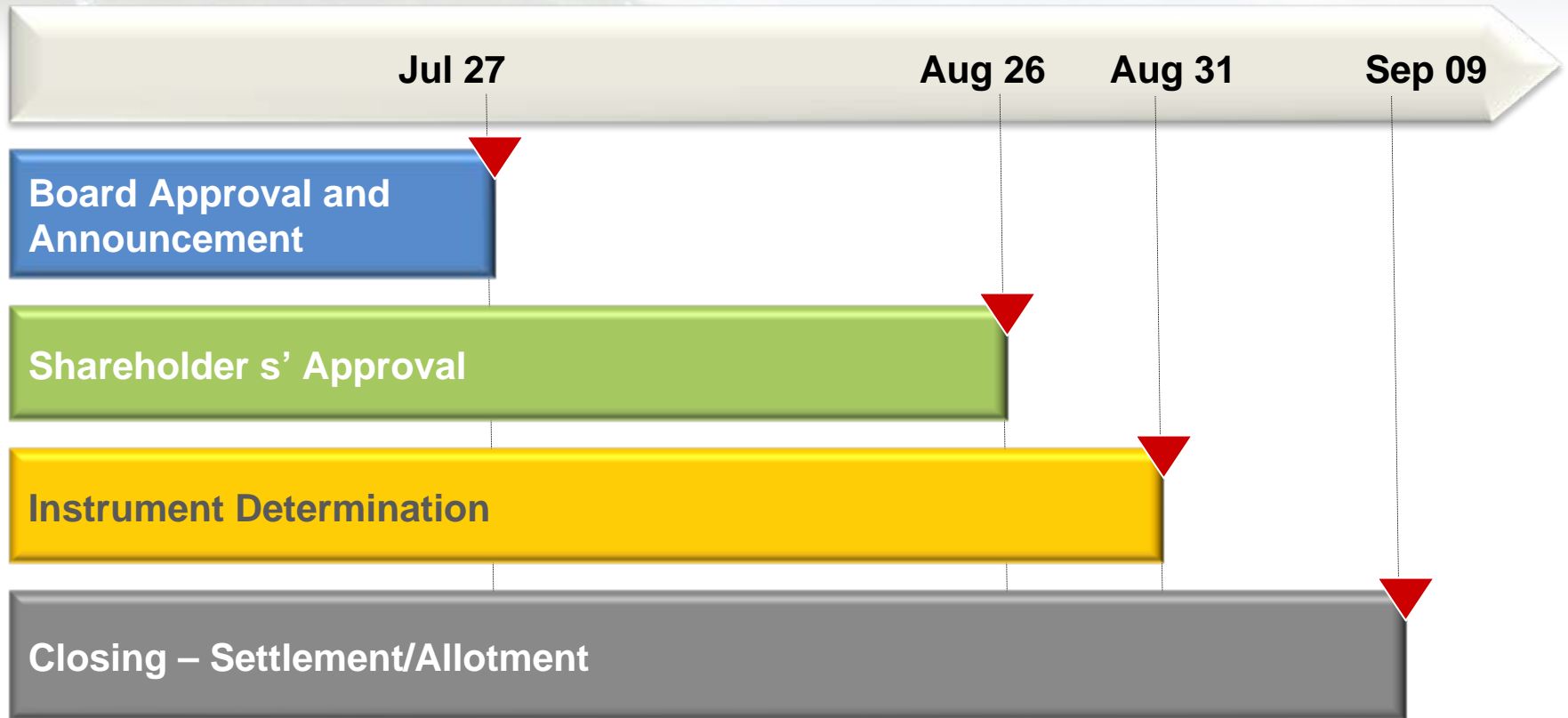
Nominee Director

- Right to nominate JFE nominee on the Board of JSW

Anti Dilution Right

- Right to maintain upto 14.99% share or prevailing shareholding, if shareholding falls below 14.99%
- Price: Issuance Price / 10% premium in case of issuance to promoters

Process and Timeline



Q & A Session



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