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

- Ratan Jindal
  - Jindal Stainless

Naveen Jindal

- Jindal Steel & Power Ltd.

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
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

- **2004**

- **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

- **2009**
  - Iron Ore mines acquired in Chile
  - Galvalume line set up
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

Steel plants - Competitors
Steel plants - JSW
Diversified Product Range: Product-Mix Leverage

Installed Capacity – Mar-09

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

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

**Product-Mix**
- **Flat**
  - 5.3 mtpa (68%)
- **Long**
  - 2.5 mtpa (32%)

**Value-Addition**
- 7.8 Mtpa
Diversified Sales Mix By Product and End Use

Product Mix By Type – FY09 Volume

- Galvalume: 2%
- PPGI & PPGL: 3%
- CR/Crca: 9%
- GP/Gc: 17%
- Semis-Billets: 8%
- Semis-Slabs: 9%
- HRC: 45%
- HRP: 7%

Product Mix By End Use – FY09 Volume

- Manufacturing: 30%
- Auto: 10%
- Infrastructure & Construction: 58%
- Others: 2%

Product Mix By Type – FY09 Volume

- Infrastructure & Construction: 58%
- Manufacturing: 30%
- Auto: 10%
- Others: 2%
Ranked 8th among top 32 “World Class” Steelmakers

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

Efficient & low conversion cost

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

Strong Customer Base

Domestic Sales Network

- 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

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

FY 2010

Vasind & Tarapur

- 30 MW Power Plant

FY 2010

Salem Works

- Blooming Mill

FY 2010
Overseas Presence

**Steel Operations**

- Plate and Pipe Mill in USA (currently working at low capacity utilization level)
- Service Centre in UK

**Mining Assets**

- Coal mines in Mozambique
- Iron Ore mines in Chile

**Asset**

**Strategic Fit**

- Utilization of slabs produced in India
- Outlet for selling products from India in European markets
- Provide forward integration of coal
- Provide forward integration of Iron Ore
## Financial Summary

Rs. Cr. / USD Million

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

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

- FY 07-08: Crude Steel, 3.627
- FY 08-09: Crude Steel, 3.724

3% Y-o-Y %

Saleable Steel Sales

Million Tonnes

- FY 07-08:
  - HR Coils & Plates: 0.861
  - Rolled: Long: 0.291
  - Semis: 0.291
  - Value Added (CR/GI/PPGI): 1.962
  - Total: 3.405

- FY 08-09:
  - HR Coils & Plates: 0.994
  - Rolled: Long: 0.542
  - Semis: 0.293
  - Value Added (CR/GI/PPGI): 1.599
  - Total: 3.428

1% Y-o-Y %
# EBITDA Analysis

**Rs. Cr. / USD Million**

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY08</th>
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</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>3,092.7</td>
<td>3,506.9</td>
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<tr>
<td></td>
<td>$607.0</td>
<td>$688.3</td>
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<tr>
<td>EBITDA Margin</td>
<td>21.8%</td>
<td>30.3%</td>
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<tr>
<td>Less: CER Income</td>
<td>(48.6)</td>
<td>(111.1)</td>
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<tr>
<td></td>
<td>$(9.5)</td>
<td>$(21.8)</td>
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<tr>
<td>Less: FCCB Gain &amp; Others</td>
<td>(102.4)</td>
<td>(5.6)</td>
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<tr>
<td></td>
<td>$(20.1)</td>
<td>$(1.1)</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>2,941.7</td>
<td>3,390.1</td>
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<tr>
<td></td>
<td>$577.4</td>
<td>$665.4</td>
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<tr>
<td>Adjusted EBITDA Margin</td>
<td>20.8%</td>
<td>29.6%</td>
</tr>
</tbody>
</table>

*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)**

- Adj LT Debt: Rs. 10,047 Cr. / $1,1972
- Networth: Rs. 678 Cr. / $133
- FCL: Rs. 3,828 Cr. / $751
- RTL: Rs. 5,542 Cr. / $1,006
- FX Loss: Rs. 7,959 Cr. / $1,562

**Consolidated (FY09)**

- Adj LT Debt: Rs. 14,631 Cr. / $2,872
- Networth: Rs. 1,628 Cr. / $320
- FCL: Rs. 7,376 Cr. / $1,448
- RTL: Rs. 5,627 Cr. / $1,108
- FX Loss: Rs. 8,077 Cr. / $1,585

<table>
<thead>
<tr>
<th>Metric</th>
<th>Standalone</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wt Avg. Cost of Debt (%)</td>
<td>8.22</td>
<td>7.16</td>
</tr>
<tr>
<td>Adj. L.T. Debt/Equity</td>
<td>1.24</td>
<td>1.79</td>
</tr>
<tr>
<td>Adj. L.T. Debt/EBITDA</td>
<td>3.3</td>
<td>4.57</td>
</tr>
<tr>
<td>FD &amp; MF</td>
<td>Rs.190 Cr. / $37 million</td>
<td></td>
</tr>
</tbody>
</table>

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

Sustainable GROWTH...
...Creating VALUE

- Consolidate position in domestic steel industry with focus on enhancing capacities at competitive cost
- Maintain leading position in domestic market
- Expand global presence with value addition closer to market
- Raw material Integration to protect from cost fluctuations
- Strong financials to support growth
- Raw Material Integration
- Diversified Product Profile
- market Share
- Strong Financials
- Global Presence

Way Forward

Consolidate position in domestic steel industry with focus on enhancing capacities at competitive cost

32 MTPA by 2020
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

Steel Price Movement

USD / tonne

Shredded / Rotterdam export FOB $/t

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.