JSW Steel Limited

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JSWSL: SECT: MUM: SE: 2015-16
February 1, 2016

1.	**National Stock Exchange of India Ltd.** Exchange Plaza Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 **NSE Symbol: JSWSTEEL** ***Kind Attn.: Mr. Hari K, President (Listing)***	**2.**	**BSE Limited** Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. **Scrip Code No.500228** ***Kind Attn: The General Manager (CRD).***

Sub: **Investor/Analyst Presentation - Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations 2015")**

Dear Sir,

Pursuant to Regulation 30 of the Listing Regulations 2015, we enclose herewith for your information a copy of the presentation made to Analysts for the 3rd Quarter ended on 31.12.2015.

This is for the information of your members and all concerned.

Thanking you,

Yours faithfully,
For **JSW STEEL LIMITED**

Lancy Varghese
Company Secretary

JSW Steel Limited

3QFY16 Results Presentation

January 29, 2016

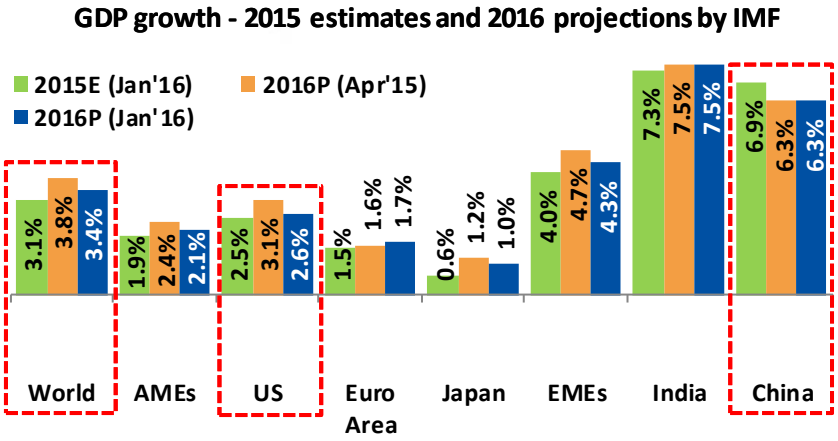
Key highlights – 3QFY16

Standalone performance	✓ Crude Steel production: 2.70 million tonnes ✓ Saleable Steel sales: 2.55 million tonnes ✓ Gross Turnover: ₹8,076crore ✓ Net Sales: ₹7,207 crore ✓ Operating EBITDA: ₹878crore ✓ Net Debt to Equity: 1.48x and Net Debt to EBITDA: 5.67x
Consolidated performance	✓ Gross Turnover: ₹9,562crore ✓ Net Sales: ₹8,621 crore ✓ Operating EBITDA: ₹892 crore ✓ Net Debt to Equity: 1.83x and Net Debt to EBITDA: 6.66x

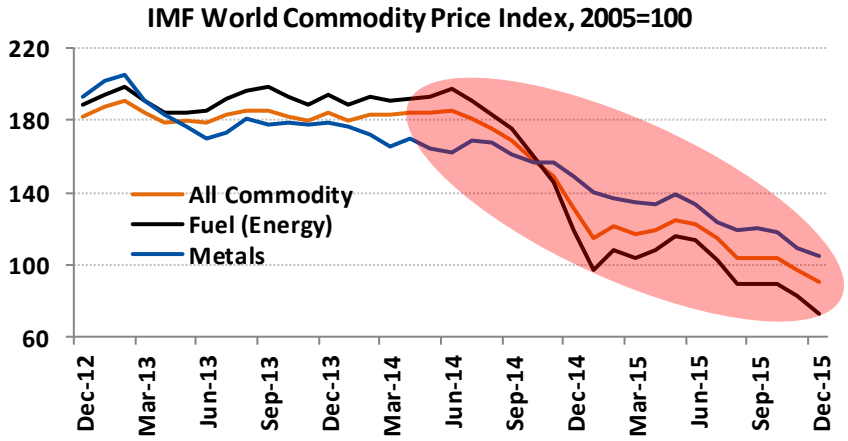
Agenda

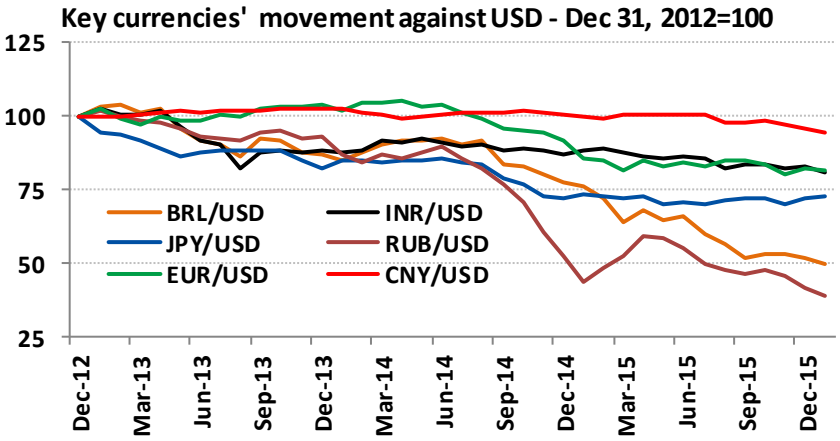
Business Environment	Operational Performance	Financial Performance	Projects Update

Global economy



- Global economic outlook remains fragile, IMF revises down 2016 global GDP growth yet again to 3.4%.
- Downside risk persists with 1) slowdown and rebalancing in China, 2) global trade imbalances driven by a sharp drop in commodity prices as well as weakening currencies, 3) limited room for further monetary stimulus, and 4) uncertainty around monetray tightening by US

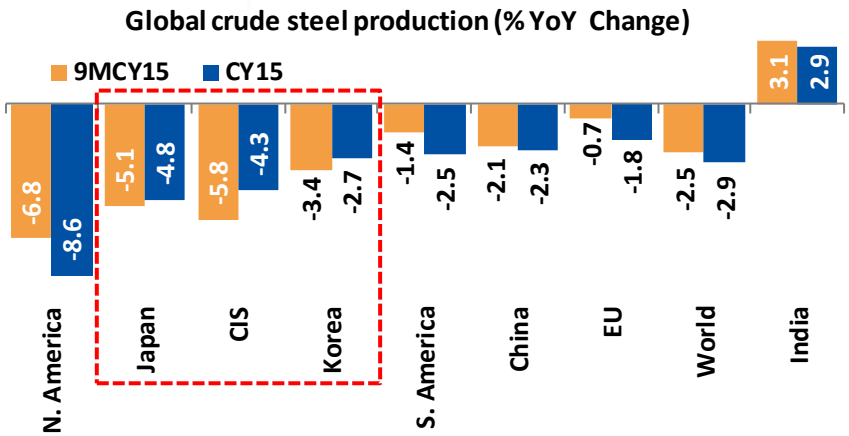


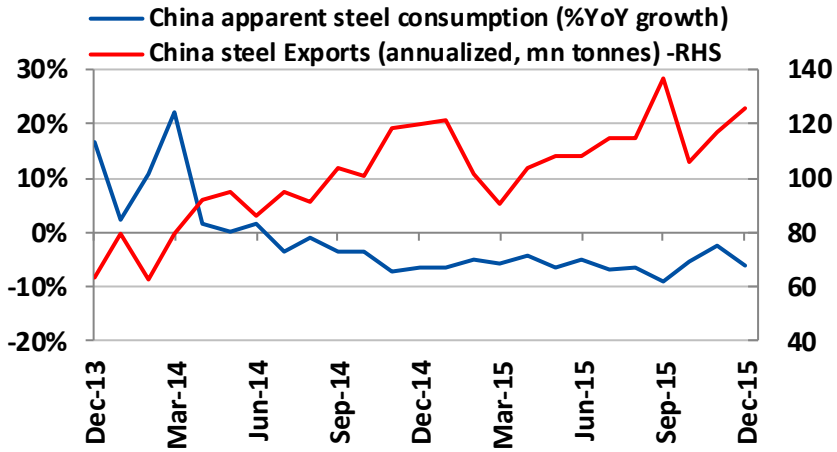


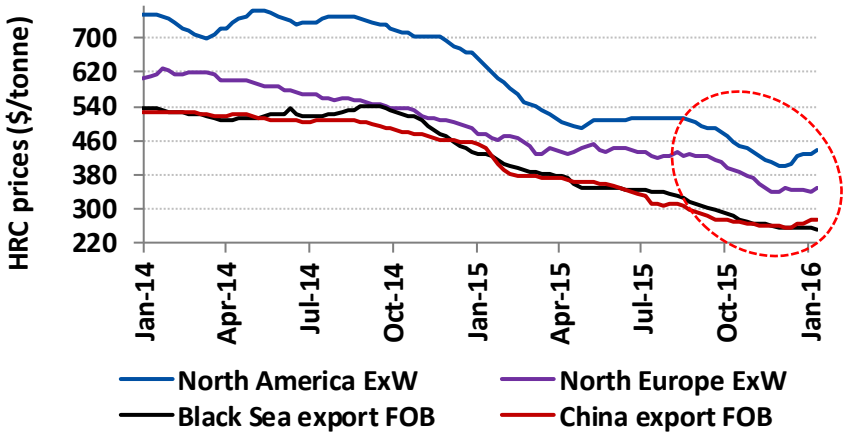
Expectations of a pick-up in global growth momentum is waning

Source: Bloomberg, IMF and JSW Steel

Global steel scenario





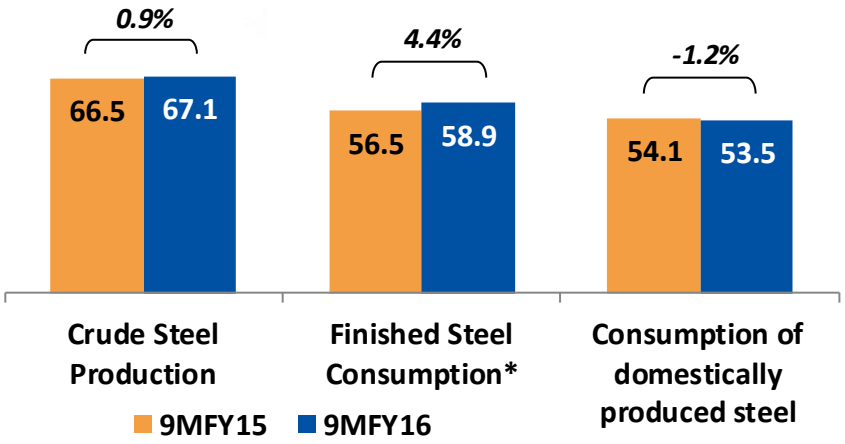


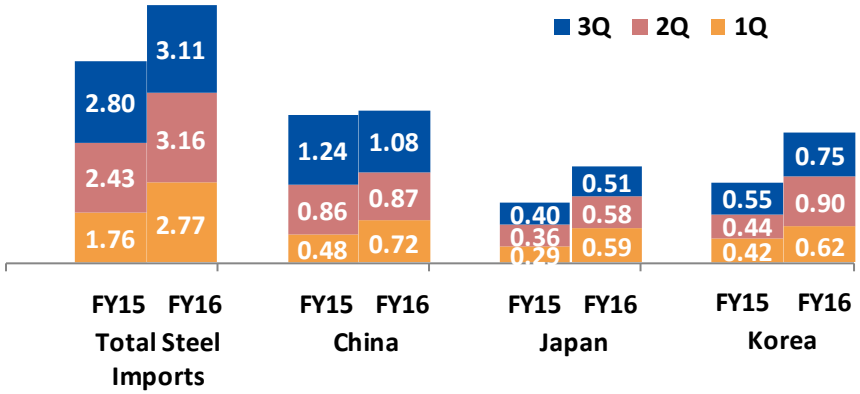
- World Crude Steel production in CY2015 fell by 2.9%, as capacity utilization in Dec'15 dropped below 65% – most regions continue to witness a decline
- Global steel demand continues to weaken with lower investment activities
- Steel exports from steel-surplus countries (as domestic demand falls faster than production cuts) are at elevated levels

Predatory pricing is intensifying trade measures to check surging imports and pricing pressure

Source: World Steel Association, World Steel Dynamics, Bloomberg and JSW Steel

Indian economy and steel industry





- Consumption of domestically produced steel fell by 1.2%YoY in 9MFY16 as total steel imports surged by 29%YoY
- 9MFY16 Finished steel exports fell by 30%YoY.
- Steel industry is grappling with headwinds of insipid demand, excess supply and pricing pressure driven by surge in imports at predatory pricing
- Consumer discretionary spending, public capex (highways, ports, power transmission, etc.) and foreign direct investment have continued to improve, supporting a gradual growth recovery
- However, weaker exports and private capex have been a drag
- Progress on policy reforms coupled with government's measures to pump prime the economy bode well for steel demand over the medium term

Adequate measures urgently required to check unbridled and unfair imports of steel

Source: JPC and JSW Steel

*All figures are in million tonnes, * Apparent finished steel consumption net of double counting effect*

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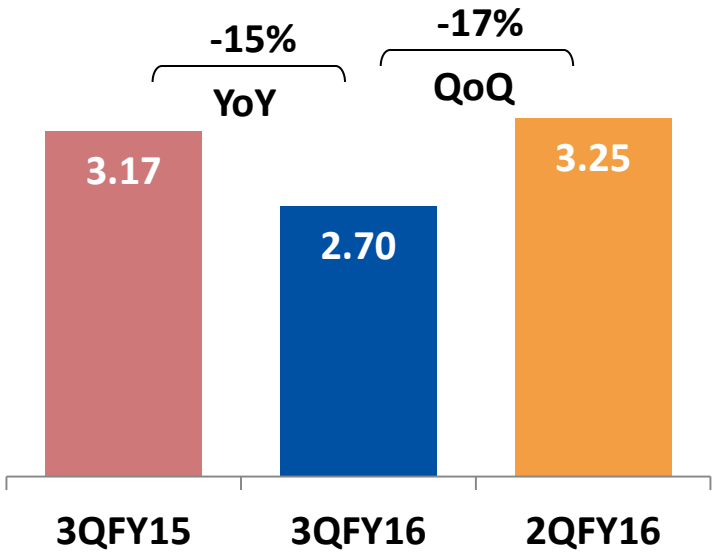
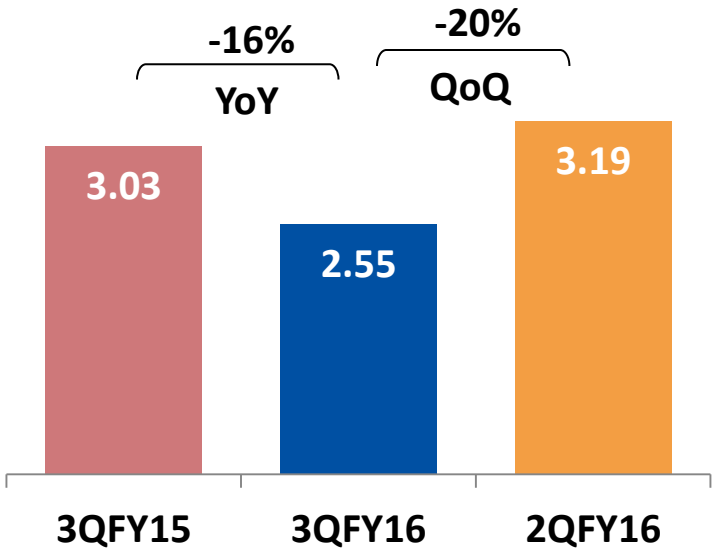
Quarterly volumes – standalone

Crude Steel Production



	3QFY15	3QFY16	2QFY16
Flat	2.56	1.87	2.57
Long	0.50	0.63	0.64

Saleable Steel Sales

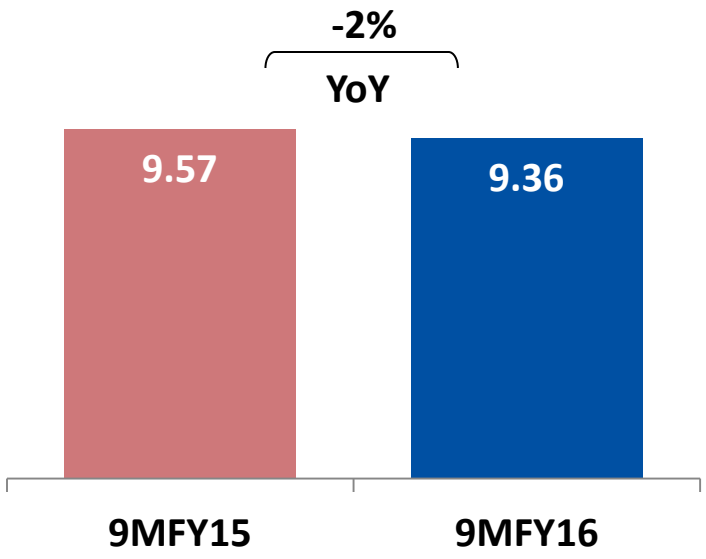


	3QFY15	3QFY16	2QFY16
Flat	2.44	1.86	2.50
Long	0.47	0.66	0.65
Semis	0.01	0.03	0.03

All figures are in million tonnes

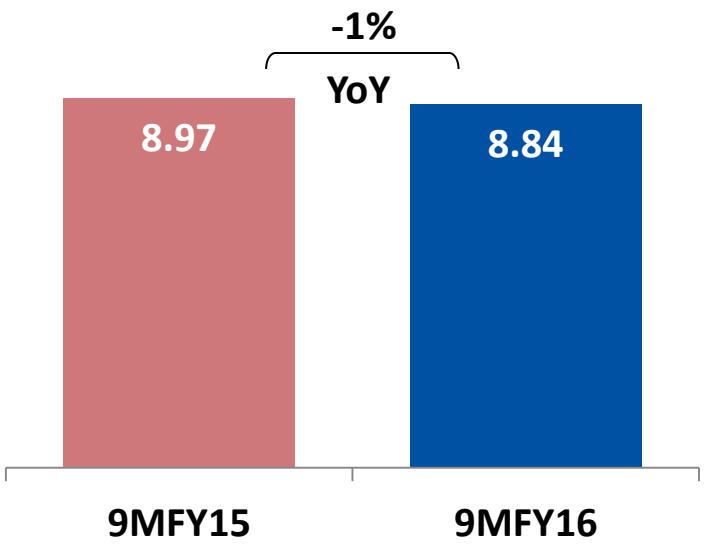
9M volumes – standalone

Crude Steel Production



	9MFY15	9MFY16
Flat	7.60	6.94
Long	1.58	1.96

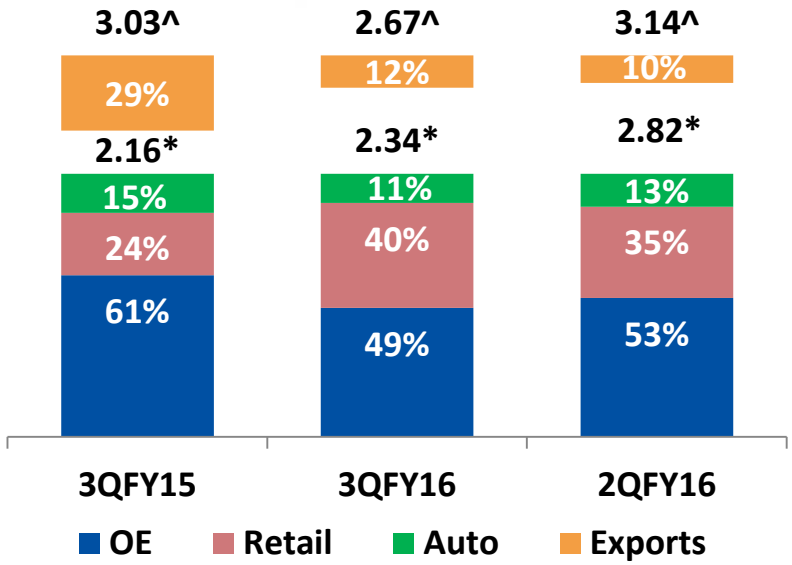
Saleable Steel Sales

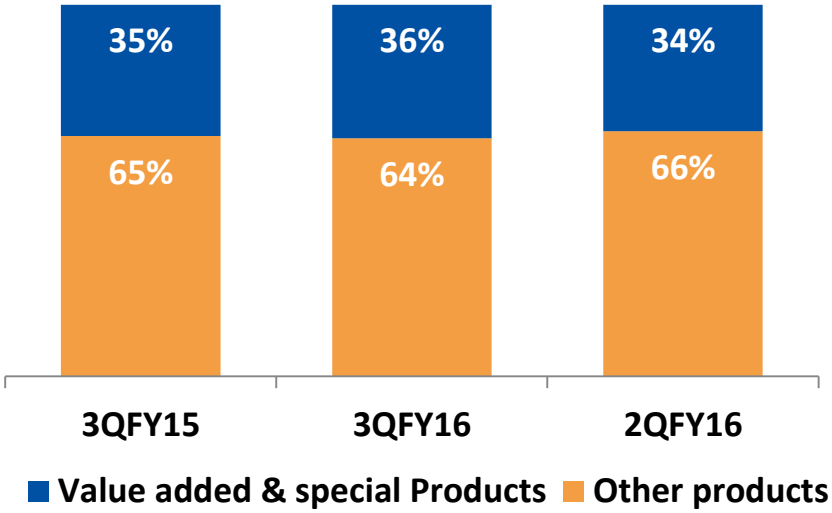


	9MFY15	9MFY16
Flat	7.22	6.77
Long	1.43	1.93
Semis	0.32	0.15

All figures are in million tonnes

Quarterly sales highlights – consolidated



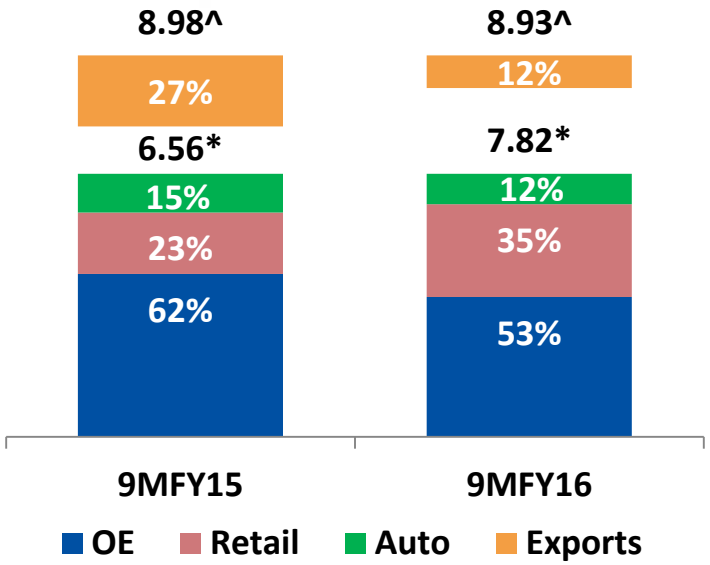


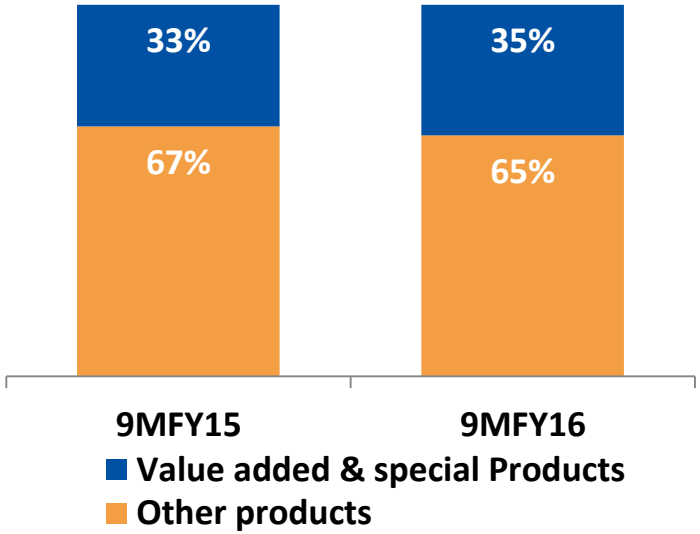
- ✓ Increase in Retail sales by 82%YoY helped overall domestic sales to grow by 8%YoY despite the planned shut downs at all upstream locations
- ✓ Product mix improved with value added products sales reaching 36% of total sales despite lower exports
- ✓ TMT sales grew 107%YoY and CRCA sales grew 18%YoY

*Source: JPC and JSW Steel, * Domestic sales in million tonnes*

^ Total sales in million tonnes – JSW Steel Standalone + JSW Steel Coated Products (net-off inter-company sales)

9M sales highlights – consolidated



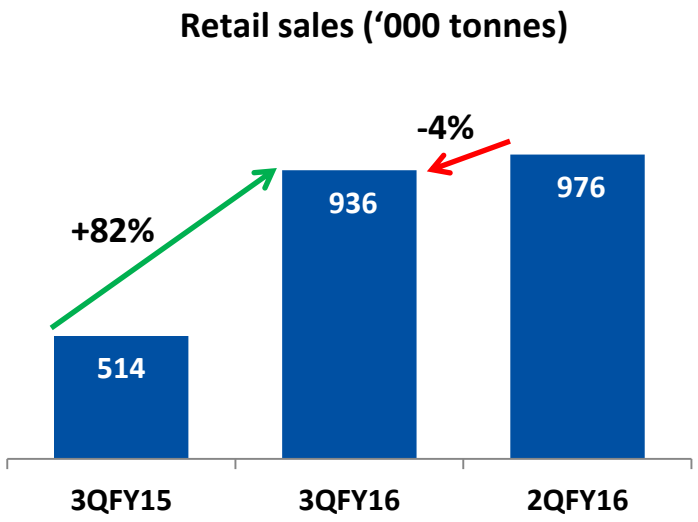


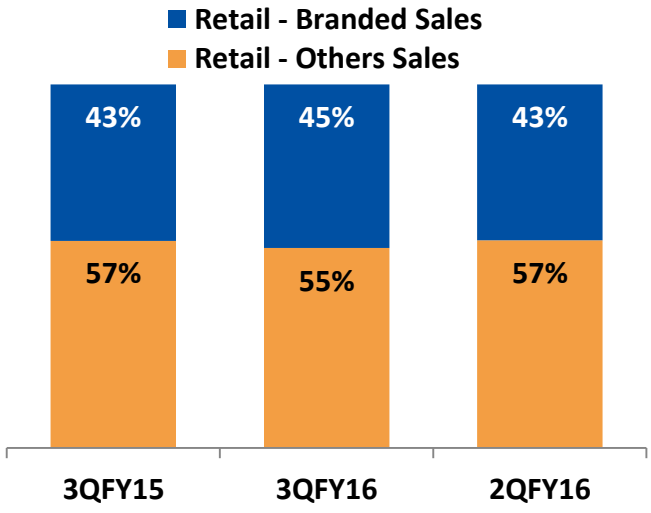
- ✓ Increase in Retail sales by 80%YoY helped overall domestic sales to grow by 19%YoY despite the planned shut downs in 3QFY16 at all upstream loactions and lower exports
- ✓ Product mix improved with value added products sales reaching 35% of total sales

*Source: JPC and JSW Steel, * Domestic sales in million tonnes*

^ Total sales in million tonnes – JSW Steel Standalone + JSW Steel Coated Products (net-off inter-company sales)

Quarterly retail sales highlights – consolidated





- ✓ Branded steel product's sale grew 4% YoY to 45% of total Retail sales
- ✓ TMT sale grew 220%YoY – Individual residential, real estate, commercial were major contibutors
- ✓ HR CTL sale grew 60%YoY; Coated Steel sale grew 38%YoY – General engineering, construction and individual residential projects were major contibutors
- ✓ Increased retailer network by 1,083 to 5,783 during the quarter

Retail sales grew by 82%YoY

Automotive and appliance grade approvals

Applications	Components	Grades Approved					
Automotive	Hood	270F	340P	270F	340P		
	Roof	270F	590R				
	Doors	270F	270F				
	Body side outer	270F	270F				
	BIW (Inner)	980Y	590R	440W			
	Floor	270F					
	Structural	980Y	590Y	590R			
	Reinf. Pillar	980Y					
	Wheels	SPFH440	SPFH590	SAPH 590	HR 750		
	Engine	SCM435	S36CV	86B45	SAE1070	SAE4140	
	Transmission	16MnCr5	SAE4124	SAE8822	SAE5160	SAE4145	20MnCr5Ni
	Suspension	51CrMoVn					
Appliance	Front Panel	EDD	IF				
	Side Panel	D	DD				

Cold Rolled **Coated** **HRPO**

Hot Rolled **Alloy Steel Longs**

Above mentioned approved grades are the highest among the specific product/grade-group; the lower grades upto the highest grades are also approved.

Agenda

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Exceptional items related to overseas assets

A provision for diminution in value of investments and loans and advances of ₹5,596crore (at standalone level) and ₹2,121crore (at consolidated level) related to overseas assets has been made during the quarter

USD mn

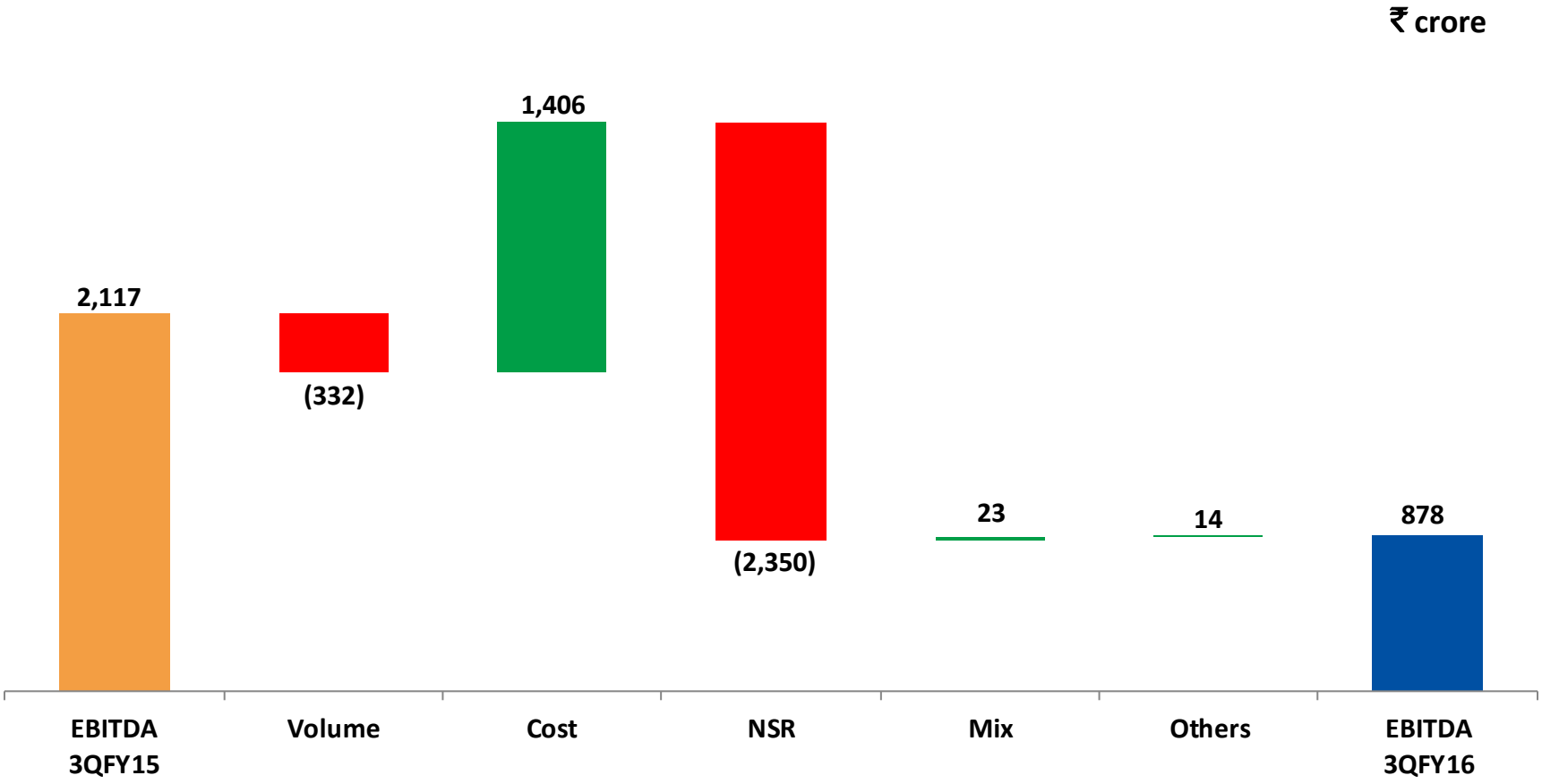
Particulars	Standalone	Consolidated
JSW Steel (USA) Inc - US Plate & Pipe Mill	537	140
Periama Holding LLC and its subsidiaries – US Coal	53	27
JSW Panama (Holding) Corporation and its subsidiaries - Chile	183	161
JSW Steel (Netherlands) BV	99	0
Total	**871**	**327**
Rs. Crores Equivalent	5,596	2,121

Financials – standalone

₹ crore

Particulars	3QFY16	3QFY15	9MFY16	9MFY15
Gross Turnover	8,076	12,368	29,923	37,765
Net Sales	7,207	11,310	26,841	34,566
Operating EBITDA	878	2,117	3,948	7,198
Other Income	96	88	294	306
Finance Cost	663	781	1,991	2,224
Depreciation	642	712	1,904	2,075
Exceptional Items	(5,597)	(102)	(5859)	(291)
Profit Before Tax	(5,928)	611	(5,511)	2,914
Tax	(1,786)	196	(1,641)	936
Profit after Tax	(4,142)	415	(3,870)	1,978

Operating EBITDA movement – standalone



Operational performance – JSW Steel Coated Products

Million tonnes

Volumes	3QFY16	3QFY15	9MFY16	9MFY15
Production*	0.33	0.36	1.11	1.17
Sales	0.34	0.37	1.14	1.18

₹ crore

Key P&L data	3QFY16	3QFY15	9MFY16	9MFY15
Turnover	1,629	2,270	5,687	5,042
Operating EBITDA	38	65	250	268
Profit after Tax	(22)	(18)	26	1

*Including Job Work

Operational performance – US Plate & Pipe Mill

Production (net tonnes)	3QFY16	3QFY15	9MFY16	9MFY15
Plate Mill	48,547	83,601	1,64,978	2,89,043
Utilization (%)	20%	34%	23%	39%
Pipe Mill	13,217	18,898	42,800	38,780
Utilization (%)	10%	14%	10%	9%

Sales (net tonnes)	3QFY16	3QFY15	9MFY16	9MFY15
Plate Mill	36,192	63,822	1,26,215	2,45,413
Pipe Mill	12,421	18,101	47,175	43,972

USD mn

Key P&L data	3QFY16	3QFY15	9MFY16	9MFY15
Turnover	39.58	79.81	145.45	267.72
EBITDA + Other Income	(4.89)	(0.46)	(17.38)	6.10
Profit after Tax	(15.37)	(16.09)	(60.09)	(39.19)

Net tonnes = 0.907 metric tonnes

Operational performance – Chile

USD mn

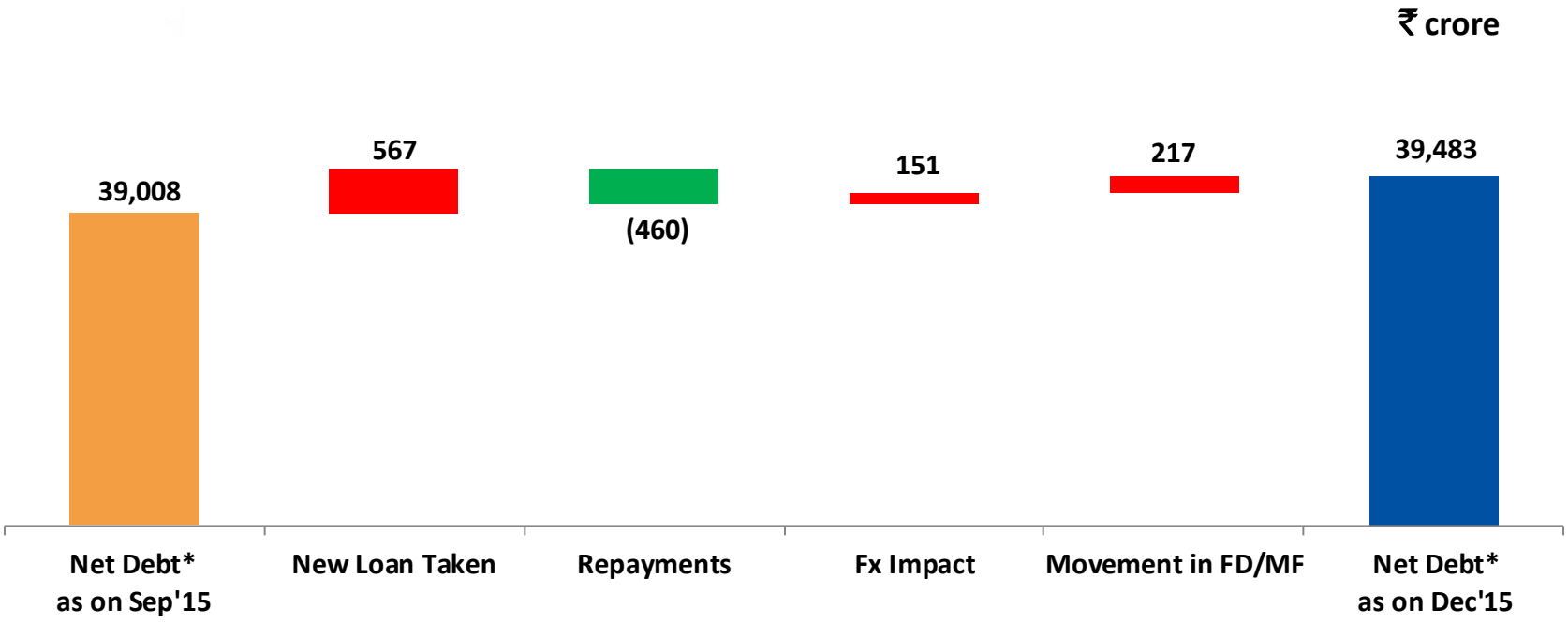
Particulars	3QFY16	3QFY15	9MFY16	9MFY15
Production (Tonnes)	-	2,18,515	83,774	6,63,638
Sales (Tonnes)	-	2,24,123	1,60,667	7,70,670
Turnover	-	14.20	8.60	64.51
Operating EBITDA	(0.32)	(6.45)	(0.12)	(8.56)
Profit after Tax	(0.63)	(6.38)	(3.92)	(13.04)

Financials – consolidated

₹ crore

Particulars	3QFY16	3QFY15	9MFY16	9MFY15
Gross Turnover	9,562	14,026	34,045	43,038
Net Sales	8,621	12,927	30,746	39,686
Operating EBITDA	892	2,296	4,248	7,720
Other Income	23	13	87	93
Finance Cost	811	937	2,469	2,635
Depreciation	773	890	2,394	2,536
Exceptional Items	(2,122)	-	(2,124)	(21)
Profit Before Tax	(2,792)	482	(2,652)	2,620
Tax	(1,810)	175	(1,651)	932
Share of Associates and Minority Interest	58	22	88	46
Profit after Tax	(923)	329	(913)	1,734

Net debt movement – consolidated



Particulars	31.12.2015	30.09.2015
Cash & cash equivalent (₹ crore)	1,161	1,378
Net Debt/Equity (x)	1.83	1.72
Net Debt/EBITDA (x)	6.66	5.32

**Net Debt excludes Acceptances*

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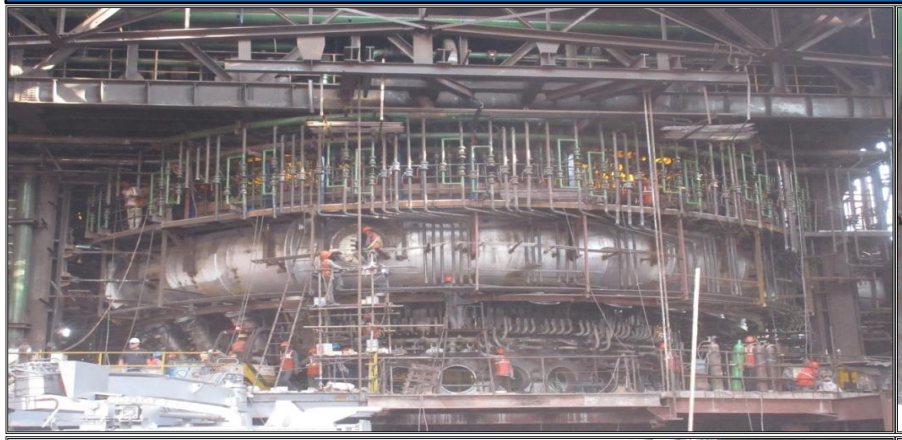
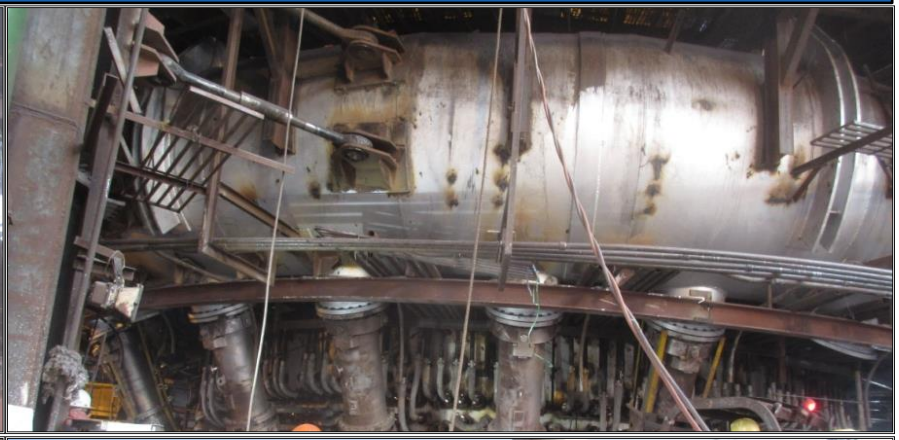
Projects' update

Blast Furnace -1 reconstruction at Vijayanagar: expected to be commissioned in 4QFY16





Projects' update contd. …

Blast Furnace reconstruction at Salem: expected to be commissioned in 4QFY16

Projects' update contd. …

Blast Furnace Modification at Dolvi: expected to be commissioned in 4QFY16

New sinter plant (2.5 MTPA) at Dolvi: expected to be commissioned in 4QFY16

Projects' update contd. …

New Billet Caster (1.5 MTPA) at Dolvi: expected to be commissioned in 4QFY16

New Bar Mill (1.4 MTPA) at Dolvi: expected to be commissioned in 4QFY16

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