An Integrated Speciality Steel

&

Global Wire Rope Company

STRENGTH THROUGH INTEGRATION

Business Profile H1' FY 11

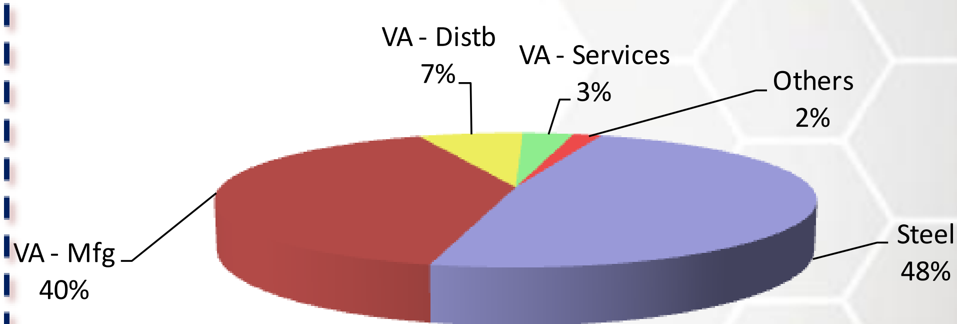
Global Turnover
Rs 2,097 Crs
(USD 457 Mn)

Value Added Products
Rs 1,047 Crs
(USD 228 Mn)

- **Manufacturing**
  Rs 837 Crs
  (USD 182 Mn)
- **Distribution**
  Rs 141 Crs
  (USD 31 Mn)
- **Services**
  Rs 69 Crs
  (USD 15 Mn)

Steel
Rs 1,012 Crs
(USD 220 Mn)

Others
Rs 38 Crs
(USD 9 Mn)



Net Turnover	
Stand Alone	**Consolidated**
Rs 1,190 Crs	**Rs 1,437 Crs**
(USD 259 Mn)	**(USD 313 Mn)**

Note: Turnover reported above represents Gross level of activities and are without adjusting inter unit/company sales

usha martin

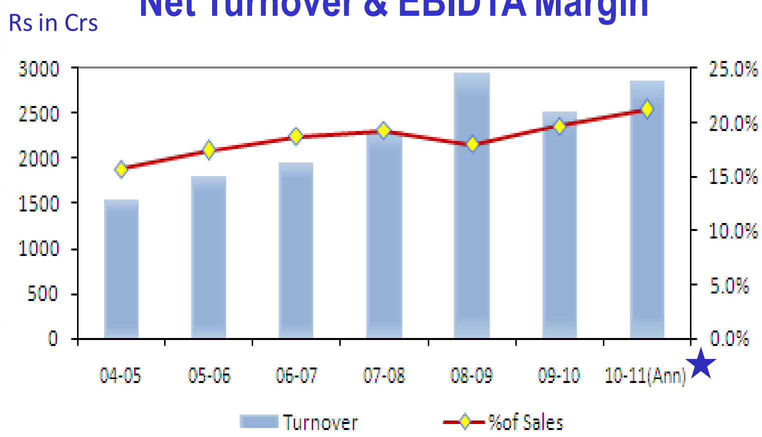
Consolidated Key Financials

Rs in Crs

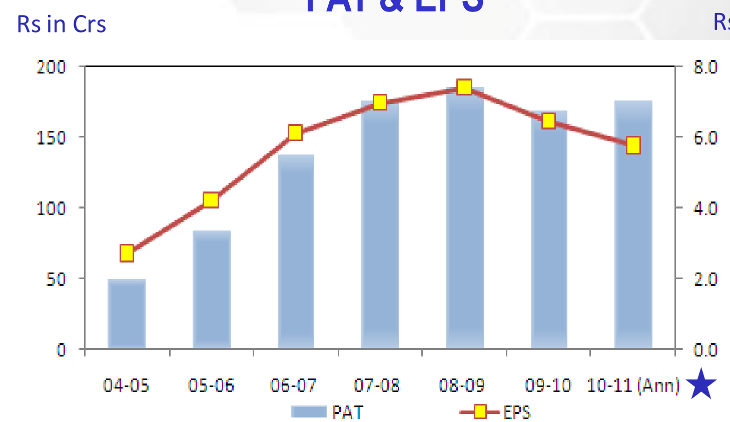
Particulars		04-05(A)	05-06(A)	06-07(A)	07-08(A)	08-09 (A)	09-10 (A)	CAGR %	H1 10-11
Gross Turnover		1,648	1,969	2,148	2,528	3,147	2,630	9.8%	1,539
Net Turnover		1,550	1,802	1,965	2,309	2,950	2,514	10.2%	1,437
PBDIT		244	313	368	445	531	495	15.2%	305
PBT		71	126	183	247	281	240	27.7%	129
PAT		50	84	137	175	185	169	27.5%	88
ROCE	(%)	10.2%	14.1%	16.9%	20.1%	24.1%	18.2%		14.9%
RONW	(%)	13.1%	20.3%	22.3%	21.6%	19.2%	13.7%		10.4%
EPS (FV Rs 1/-)	(Rs)	2.7	4.2	6.1	7.0	7.4	6.5	19.0%	2.88
Debt Equity Ratio	(x)	2.5	1.4	1.2	1.3	2.00	1.02		1.20
Debt / EBIDTA Ratio	(x)	4.3	2.8	2.6	2.8	4.3	3.5		3.5
Interest Cover	(x)	2.8	3.4	4.0	4.4	3.7	3.9		3.7

Financial Trends

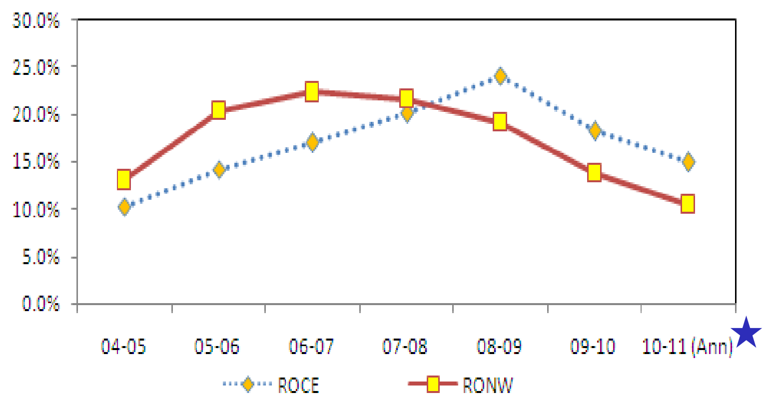
Net Turnover & EBIDTA Margin



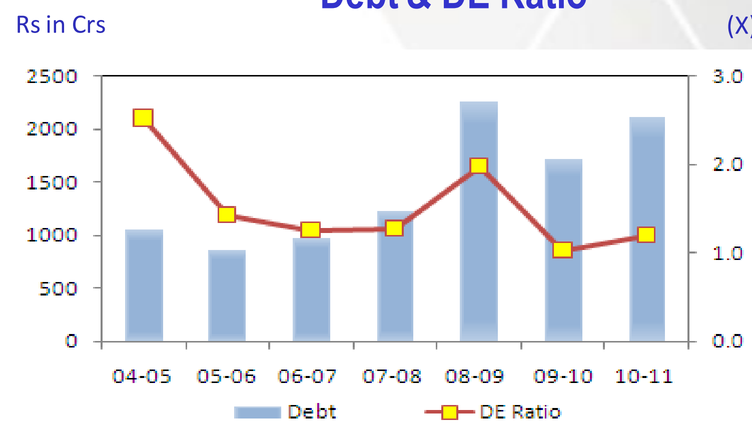
PAT & EPS



ROCE & RONW



Debt & DE Ratio



★ Figures annualised based upon H1 numbers

usha martin

Global Footprint

Manufacturing Facilities
Sales Office
Distribution Centers
Service Centers
Corporate Office

Architecture of Integrated Business

Mineral Resource

- Iron Ore Mine
  Est. Reserve 80 MnT
  Crushing & Screening
- Coal Block – "A- C" grade
  Est. Reserve 40 MT
- Washing Plant
- Beneficiation Plant

Power Module

- 18.3 MW WHRB
- 55 MW Thermal JSR
- 51 MW WHRB
- 9 MW Thermal
- 20 MW Thermal Ranchi
- Total - 153.3 MW

Iron Making Module

- Blast Furnace 600 KT
- DRI 300 KT
- 200 KT
- Sinter Plant 800 KT
- O_2 & Lime Kiln Plant
- Coke Oven 400 KT
- Pellet Plant 1200 KT

Distribution Marketing & Service Module

Singapore	Netherland
Bangkok	South Africa
Indonesia	Glasgow (UK)
Vietnam	Houston/ (USA)
Bangladesh	California (USA)
Australia	Canada
Dubai	Aberdeen (UK)
	Norway

Value Addition Module

- Bright Bar 26 KT
- 10 KT
- Cord 4 KT
- OT Wire 6 KT

Ranchi	174 KT
Hoshiarpur	48 KT
Jamshedpur	30 KT
Bangkok	44 KT
Notti'shire,	10 KT
Dubai	16 KT

- VA Products – 50 KT

Steel Making Module

- SMS I & II
  EAF 35 T & 40 T
  LF & VD
  150 x 150 &
  110x110 Caster
- SMS III
  EAF 70 T
  LF & VD
  360 X 300
  Bloom Caster
- 1,000 KT Billets
- Wire Rod Mill 400 KT
- Blooming & Section Mill 275 KT
- Section Bar Mill 50 KT
- TMT Bars 72 KT

Proposed Capex Plan

Ongoing Capex Plan

usha martin

Performance Update

Q2 & H1 FY'11

usha martin

Operation & Financial Highlights

- Blast Furnace II & Sinter plant have commenced normal operation
- Lower availability of DRI, due to planned shutdown, impacted performance
- Growth in EBITDA margin from 17.3% to 21.2% on consolidated basis and from 17.4% to 21.3% on Stand Alone basis
- Forex gain contributed Rs 19.36 Crs & Rs 5.39 Crs in Q2 & H1 respectively on Stand Alone basis
- Seasonal factors affected production of Iron Ore and Coal, Production of Coal at 42,013 MT in Q2 against 120,072 MT in Q1
- International subsidiaries continued to do well though volatile condition affected operation
- Market prices were lower by 8 % in integrated business over Q1 on Stand Alone basis

usha martin

Production Volume Growth Consolidated

				
Billets	**Rolled Products**	**Bright Bars**	**Wires & Strands**	**Wire Ropes**

	Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
Q o Q	129,265 MT ▲ 68 %	120,623 MT ▲ 38 %	5,235 MT ▲ 59 %	33,226 MT ▲ 15 %	25,131 MT ▼ 2 %
H1 o H1	250,216 MT ▲ 52 %	238,765 MT ▲ 53 %	9,653 MT ▲ 50 %	69,140 MT ▲ 22 %	47,724 MT ▲ 1 %

Financial Highlights
Consolidated

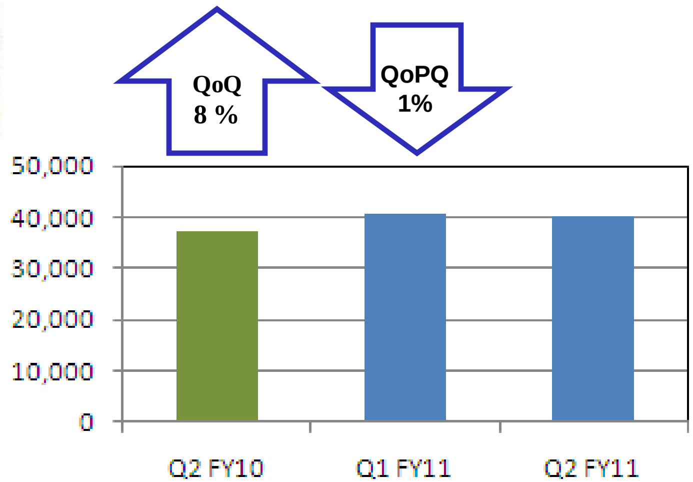
Growth	Net Sales	PBDIT	PBT	PAT
Qtr II QoQ	14%	43%	20%	41%
H1 YoY	12%	38%	21%	36%

usha martin

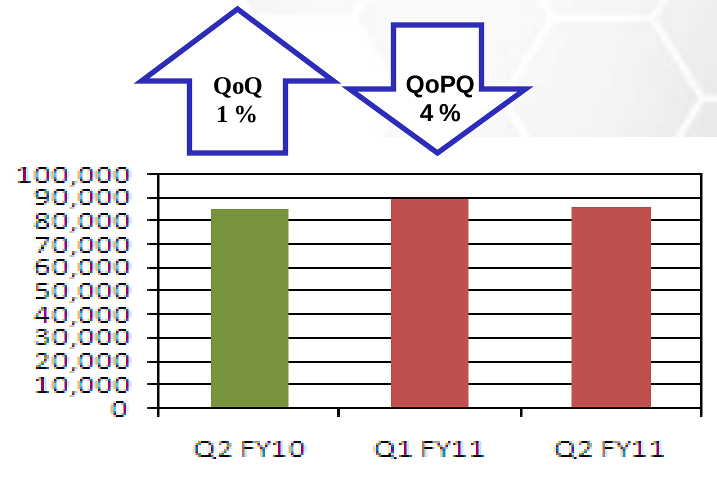
Financial Performance
Consolidated

Particulars	Qtr II FY 11	QoQ	H 1 FY 11	YoY
Gross Sales	820.06	18 %	1,538.71	15 %
Net Sales	763.55	14 %	1,436.70	12 %
PBDIT *% of Sales*	159.42 *20.9 %*	42 %	305.12 *21.2 %*	38 %
PBT	68.33	20 %	129.13	21 %
Net Profit	45.92	41 %	87.78	36 %
EPS	1.51	16 %	2.88	12 %

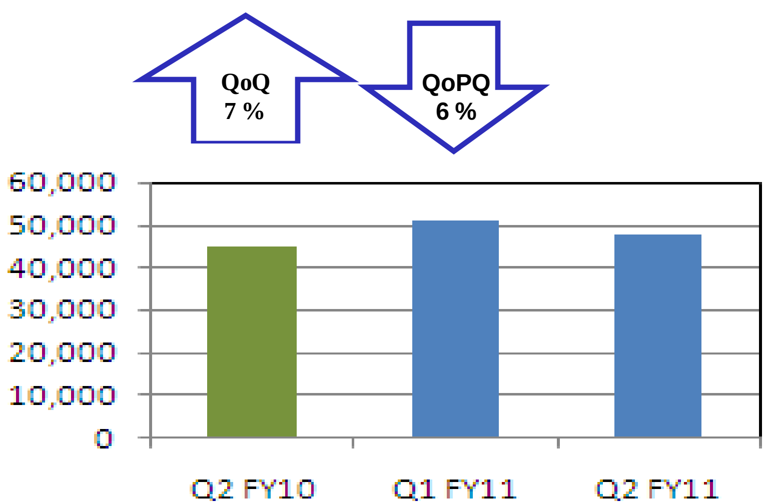
Sales Realisation - Rs per MT (Standalone)



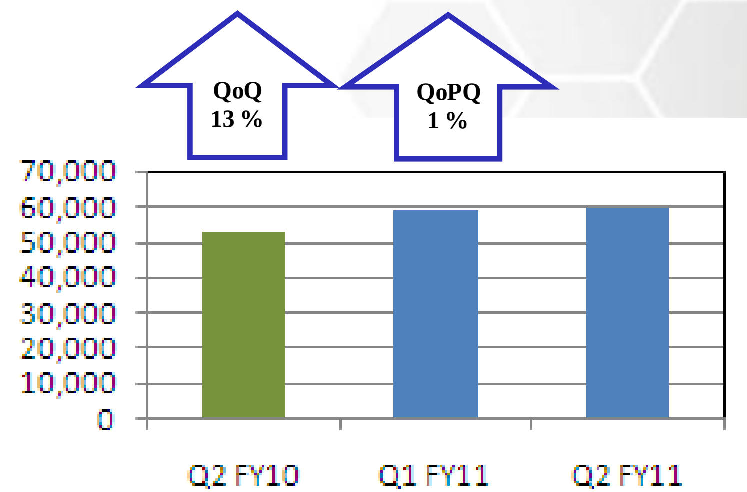
Wire Rods & Bar (46%)



Wire Ropes (27%)



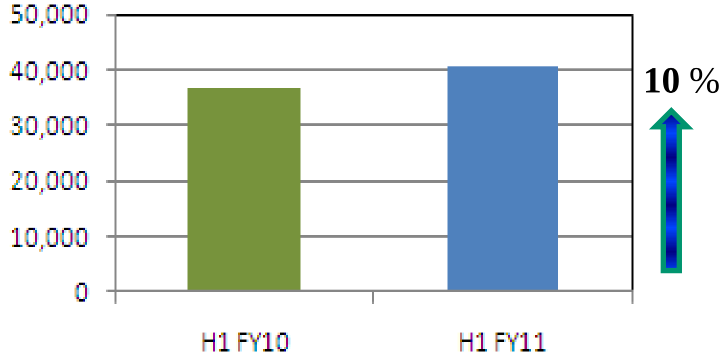
Wire & Strand (25%)



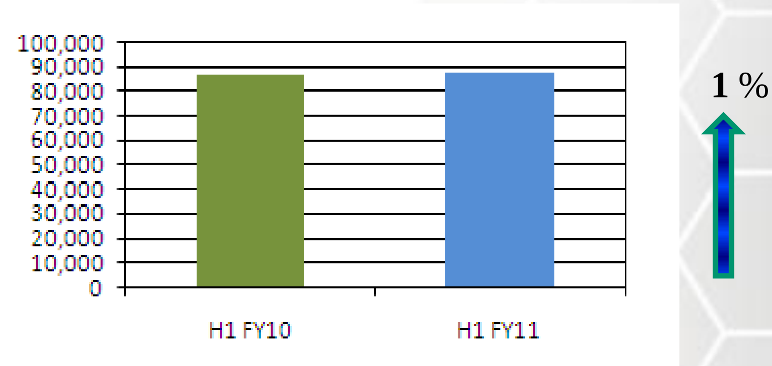
Bright Bar (2%)

Sales Realisation
Y o Y (Standalone)

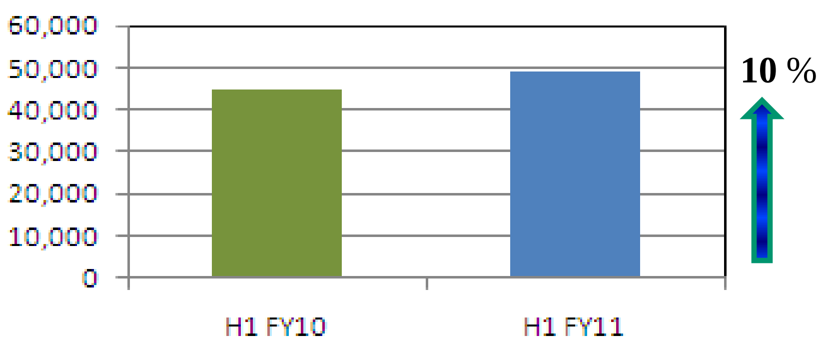
Rs per Mt



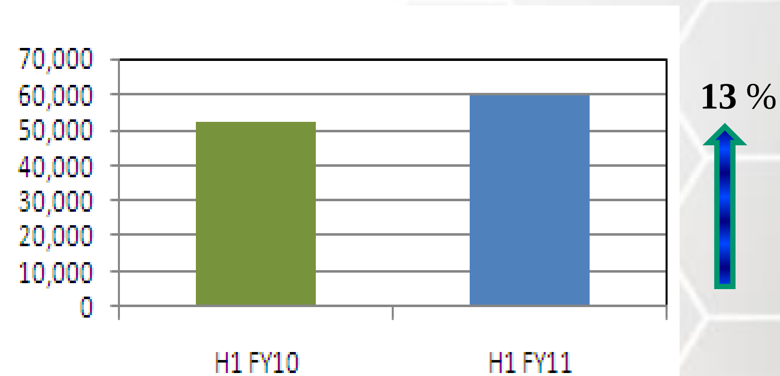
Wire Rods & Bar (38%)



Wire Ropes (35%)



Wire & Strand (23%)



Bright Bar (4%)

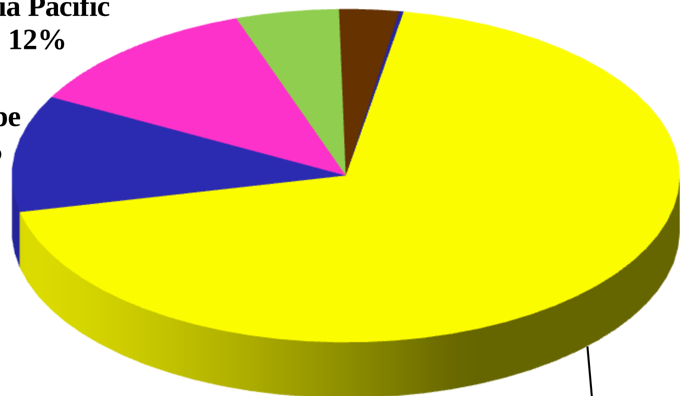
Financial Ratios Consolidated

Particulars		Sep - 10	Mar – 10
ROCE	(%)	14.9%	18.2%
RONW	(%)	10.4%	13.7%
EPS - Annualised	(Rs)	5.8	6.5
Debt Equity Ratio ★	(x)	1.2	1.0
Debt / EBITDA Ratio ★	(x)	3.5	3.6
Interest Cover	(x)	3.7	3.9

★ Including capex L/C's

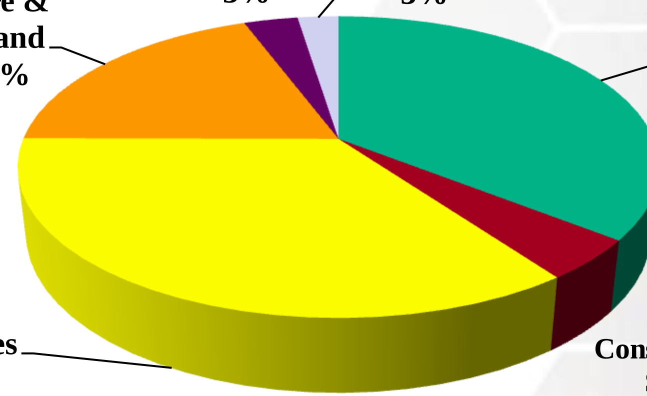
usha martin

Revenue Distribution H1 FY 11



By Geographies
(Integrated Business)

By Products



Financial Discussions

- **Cost optimisation projects for Rs 1200 Crores under implementation**
- **Financial closure of projects being achieved**
- **Moderation of Inventory levels is in process**
- **Hardening in rates impacted finance cost**
- **Weighted average rate of interest at 7.40 %**

usha martin

STRENGTH THROUGH INTEGRATION