



An Update

on Financial Performance of

Qtr I FY'09

Highlights – Consolidated Production Growth by Volume



Billets
up 8%



Rolled Products
down 4%



Bright Bars
up 6%



Wire & Strand
down 10%



Wire Ropes
up 10%



Financials Highlights

Y o Y

Growth

Stand
alone

Consol
idated

Sales

32%

39%

PBDIT

60%

59%

PBT

79%

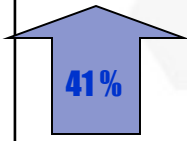
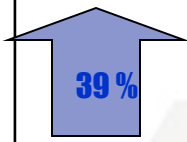
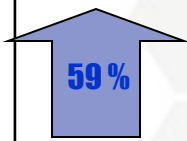
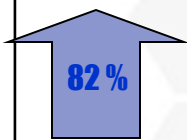
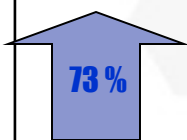
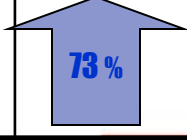
82%

PAT

76%

73%

Financial Highlights Consolidated

Particulars	Qtr - I FY 09	Qtr - I FY 08	QoQ	FY 08
Gross Sales (incl inter unit/co)	1104.40	785.19	 41%	3,460.18
Net Sales	698.69	503.76	 39%	2,308.77
PBDIT <i>% of Sales</i>	160.04 22.91%	100.40 19.93 %	 59%	444.96 19.27 %
PBT <i>% of Sales</i>	100.83 14.43%	55.28 10.97 %	 82%	246.84 10.69 %
Net Profit <i>% of Sales</i>	65.08 9.31%	37.68 7.48 %	 73%	175.38 7.60 %
EPS - Diluted	2.60	1.51	 73%	7.01

Financial Highlights Stand Alone

Particulars	Qtr - I FY 09	Qtr - I FY 08	QoQ	FY 08
Gross Sales (incl inter unit/co)	755.70	553.91	↑ 36%	2,392.28
Net Sales	490.40	370.98	↑ 32%	1,655.90
PBDIT <i>% of Sales</i>	133.92 27.31%	83.51 22.51 %	↑ 60%	357.02 21.56 %
PBT <i>% of Sales</i>	85.23 17.38%	47.52 12.81 %	↑ 79%	200.72 12.12 %
Net Profit <i>% of Sales</i>	56.70 11.56%	32.22 8.68 %	↑ 76%	144.84 8.75 %
EPS - Diluted	2.27	1.29	↑ 76%	5.79

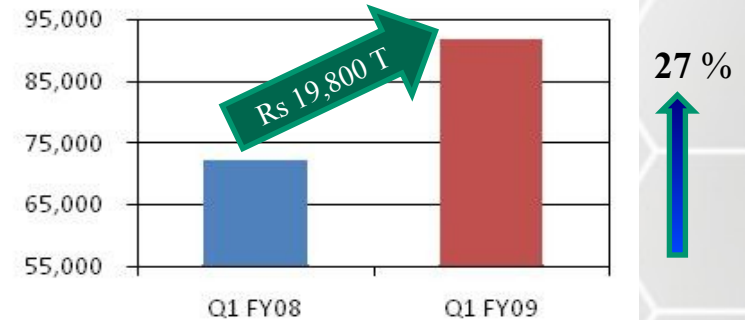
Particulars	Stand Alone		Consolidated	
	June – 08	Mar – 08	June – 08	Mar – 08
ROCE (Incl CWIP)	18.8%	14.1%	19.6%	15.3%
ROCE (Excl CWIP)	27.2%	18.9%	27.1%	19.7%
RONW	25.3%	19.1%	26.9%	21.6%
Debt Equity	1.37	1.05	1.44	1.18
Gross Profit/Debt	40.8%	37.9%	42.4%	39.1%
EPS Diluted – FV Re 1 (As per AS)	8.96	5.76	10.28	6.97
Interest Cover	4.7	4.4	4.8	4.4

Sales Realisation Y o Y (Standalone)

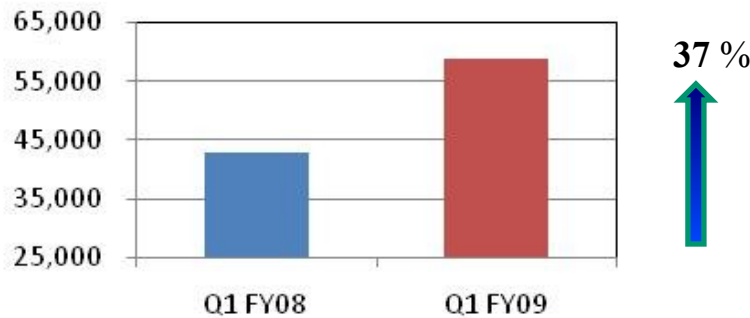
Rs per Mt



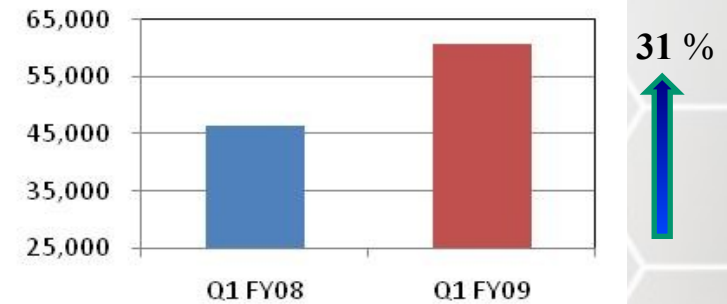
Wire Rods & Bar (40%)



Wire Ropes (32%)



Wire & Strand (23%)



Bright Bar (5%)

Outlook for the FY 09

- **Gross sales to cross Rs 4,500 Cr (towards 5,000 Cr) against Rs 3,460 Cr**
- **Improvement in operating margin from QIV – from current 23% to above 25%**
- **Product prices to remain firm**
- **Coal mine activities started ; supply to start from Q III to reduce cost**
- **Steel capacity increase to 0.7 MT by QIV**



WAY FORWARD

□ Steel Capacity Expansion

- Steel capacity expansion to 0.7 MT by Q4 FY '09 and a million ton by FY'11.
- Full integration of iron ore and coal
- Power capacity enhancement to 120 MW

□ Value Added Products – Maintain share at 50%+

- Increasing Wire rope , LRPC and Bright bar production significantly
- Speciality OT wire JV project with Joh Pengg of Austria commissioned in Feb'08 with a capacity of 3,600 TPA
- Strengthening global operation

Architecture of Integrated Business By March '11

Mineral Resource

Captive Iron Ore Mine
Estimated Reserve 80-100 MT
with Crushing & Screening

Captive Coal Block
Estimated Reserve 40 MT

Beneficiation Plant

Power Module

25 MW
Thermal

3.3 MW
MBF Gas base

15 MW
WHRB

20 MW
Thermal
Ranchi

25 MW
WHRB

30 MW
Thermal

Total 118.3 MW

Iron Making Module

Blast Furnace
200 KT

DRI
133 KT

380 CUM
400 KT

Additional Kilns
400 KT

Sinter
Plant
800 KT

Pallet
1000 KT

Coke
Oven
400 KT

Distribution Marketing & Service Module

Singapore	Rotterdam
Bangkok	Glasgow
Indonesia	Houston
Vietnam	Canada
Bangladesh	EMMC
Australia	Aberdeen
New Zealand	Baku
Dubai	Norway
Saudi Arabia	

Value Addition Module

Overseas
Acquisition

Cord
5 KT

Ranchi 164 KT
North Wire 54 KT
Jams'pur 30 KT
Bangkok 48 KT
BS, UK 10 KT
BWWR 15 KT

Bright Bar

Ranchi
30 KT

Chennai 30
KT

BS, USA 6 KT

OT Wire 6 KT

Steel Making Module

SMS EAF 40 T,
LF & VD
150 x 150 Caster

SMS EAF 70 T,
LF & VD
360 X 360
Bloom Caster

1,100 KT Billets

Wire Rod Mill
400 KT

Blooming Mill
275 KT

Section Mill
50 KT

TMT Bars
50 KT

Combination Mill
275 KT

Under Consideration

Ongoing Capex Plan

Existing Capacity Up gradation



 **usha martin**
STRENGTH THROUGH INTEGRATION