

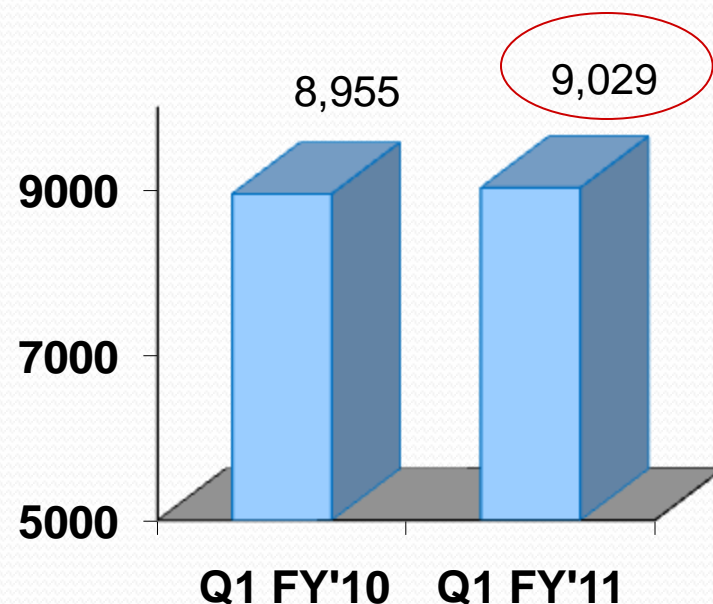
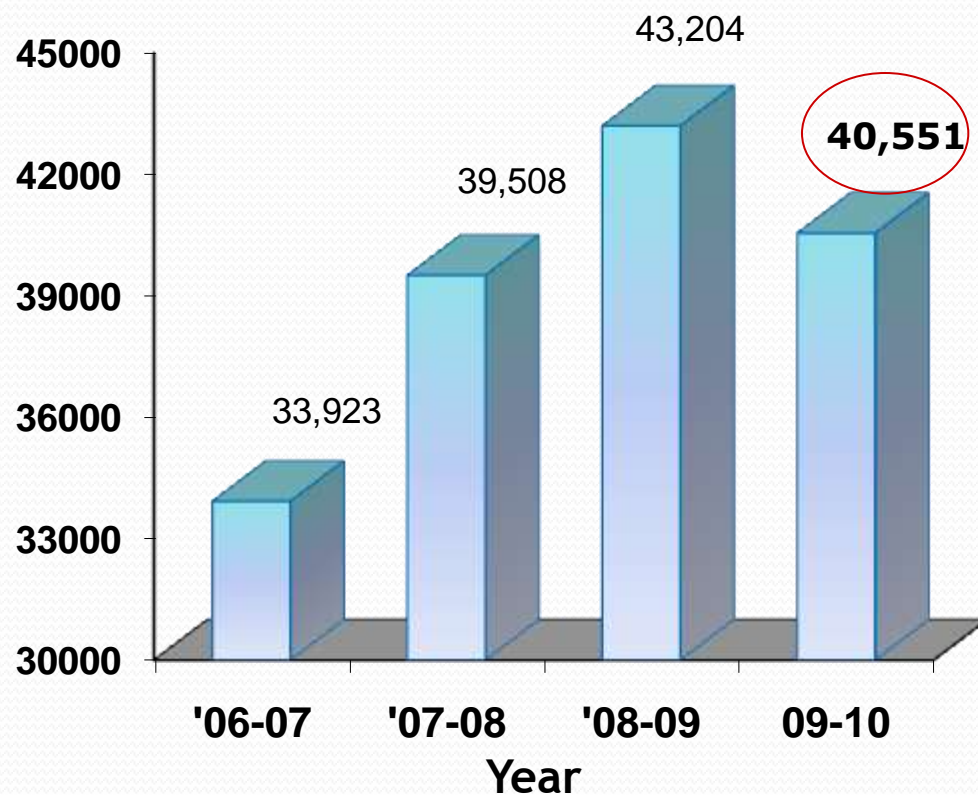
**STEEL AUTHORITY
OF INDIA LIMITED
PERFORMANCE
HIGHLIGHTS
Q1 FY-11**

Contents

- ✓ Performance
- ✓ SAIL's Expansion Plan
- ✓ CSR & Environment Management
- ✓ Awards & Accolades

Net Sales

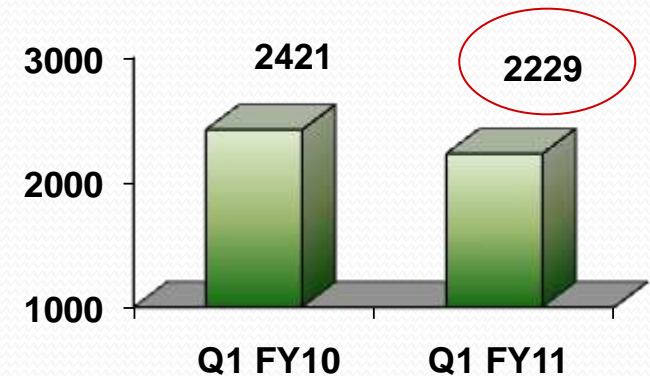
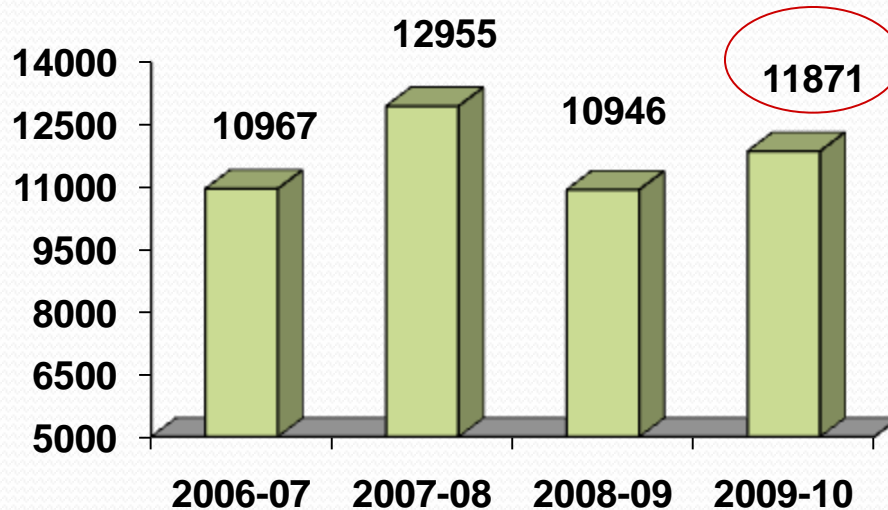
Unit : Rs Crore



➤ Q1 FY11 Net sales of Rs 9029 crore, marginal increase over CPLY

Earning Before Interest Depreciation and Tax

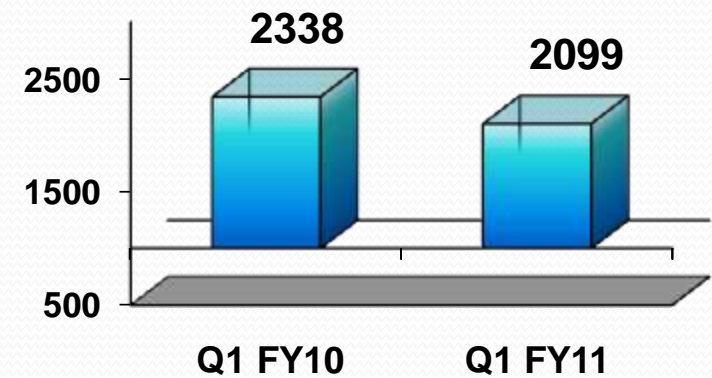
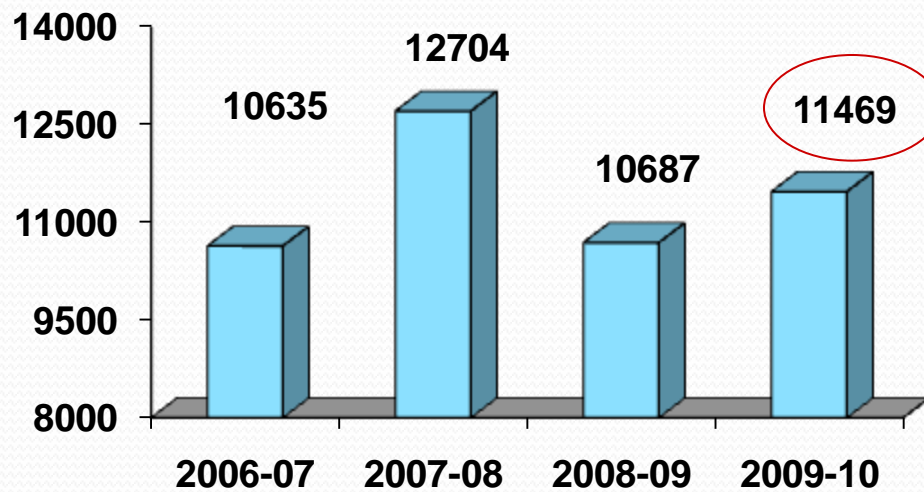
Unit : Rs Crore



- EBIDTA of Rs.2229 crore for Q1 FY11.
- Decrease of 7.9% over CPLY.
- Decrease in EBIDTA to Net Sales to 24.7%.
- Decrease of over 2.4% CPLY.

Cash Profits

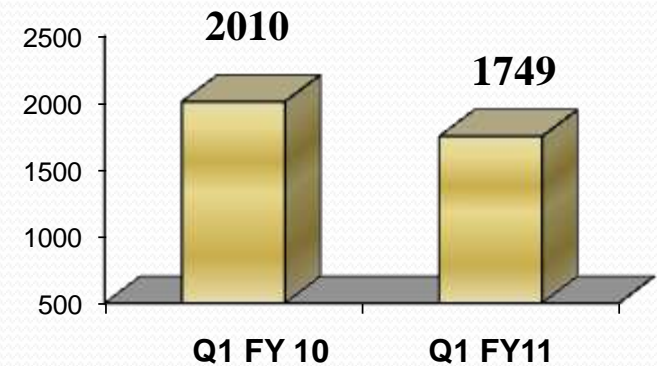
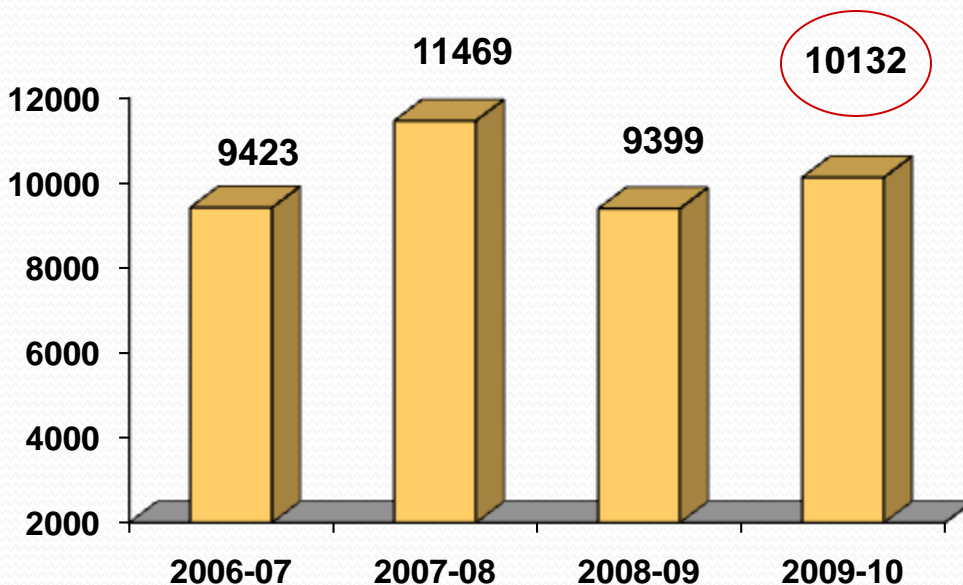
Unit : Rs Crore



- Cash profit for Q1 FY11 Rs. 2099 cr.
- Decrease of 10% over CPLY.

Financial Performance

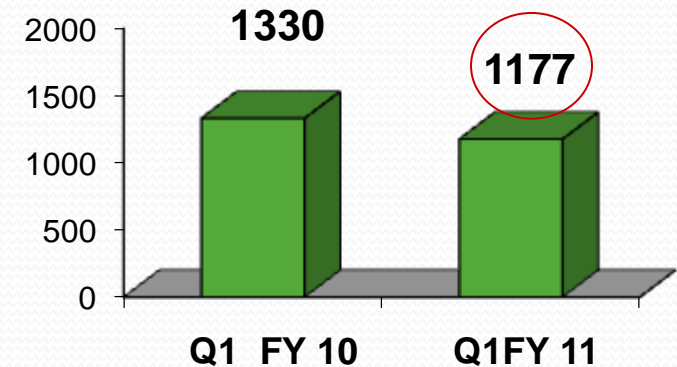
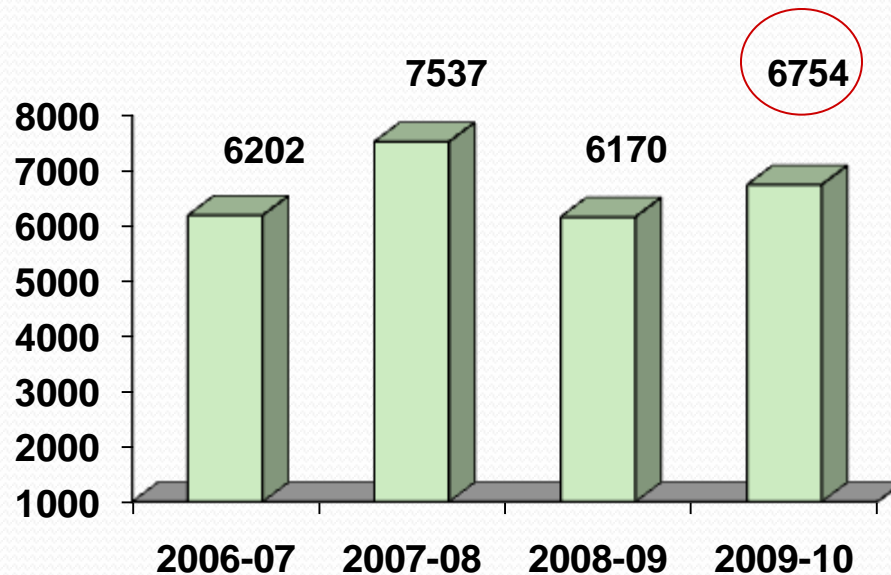
Profit Before Tax (Amount in Rs. Cr.)



- Q1 FY11 PBT of Rs. 1749 crore
- Decrease of 13% over CPL

Financial Performance

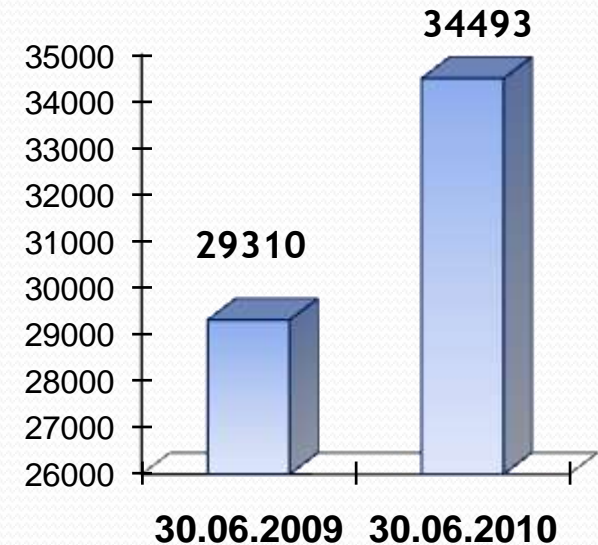
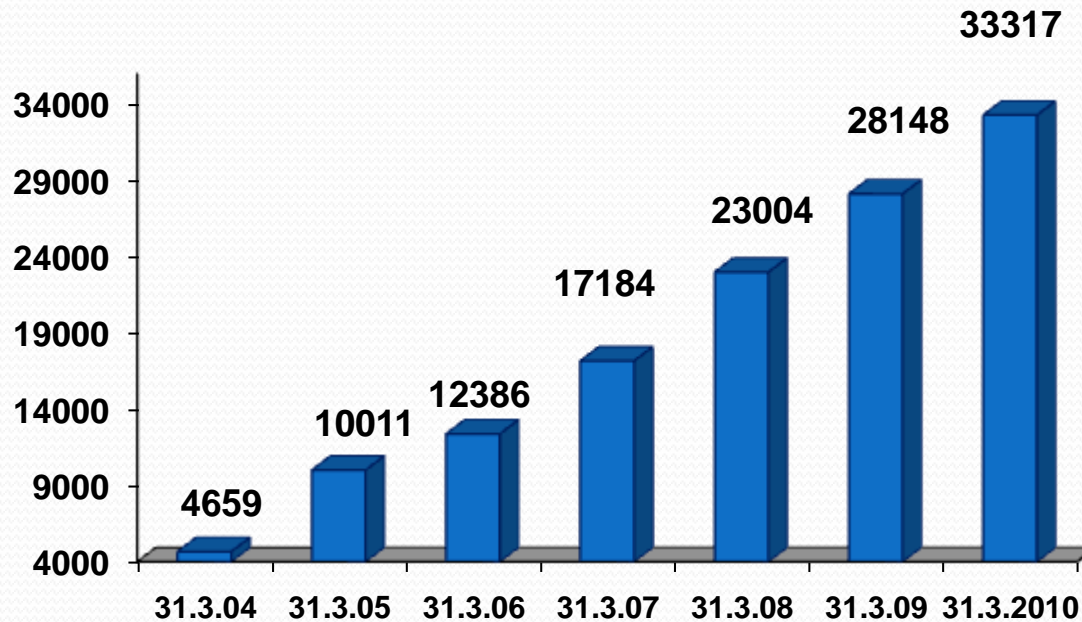
Profit After Tax (Amount in Rs. Cr.)



- Q1 FY11 PAT of Rs. 1177 crore
- Decrease of 12% over CPL

Net Worth

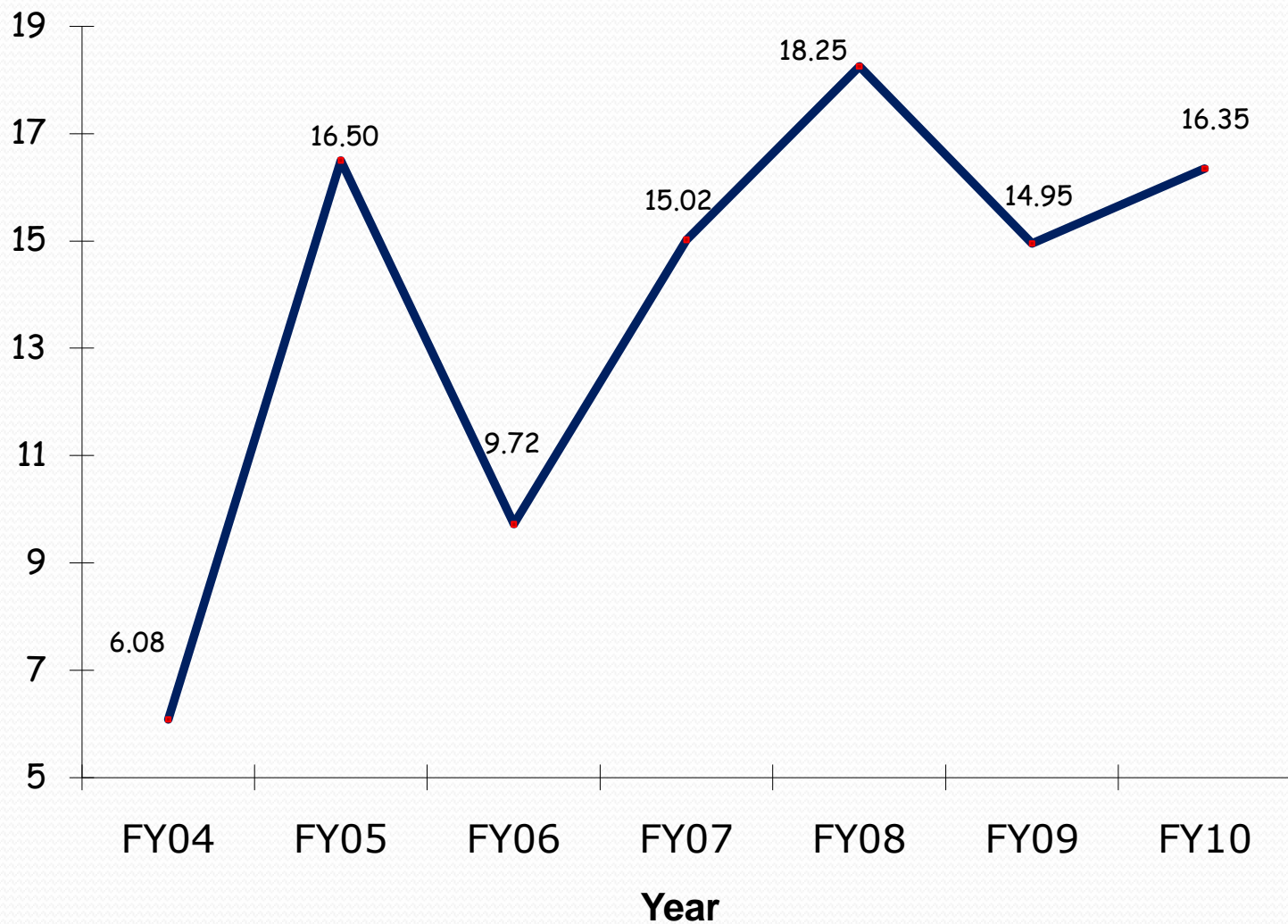
Unit : Rs Crore



- Net Worth increase in Q1FY 11 by over Rs. 1,176 crore over Q4 FY 10
- Net Worth increase by over Rs. 5,000 crore in one year.

Earning per Share

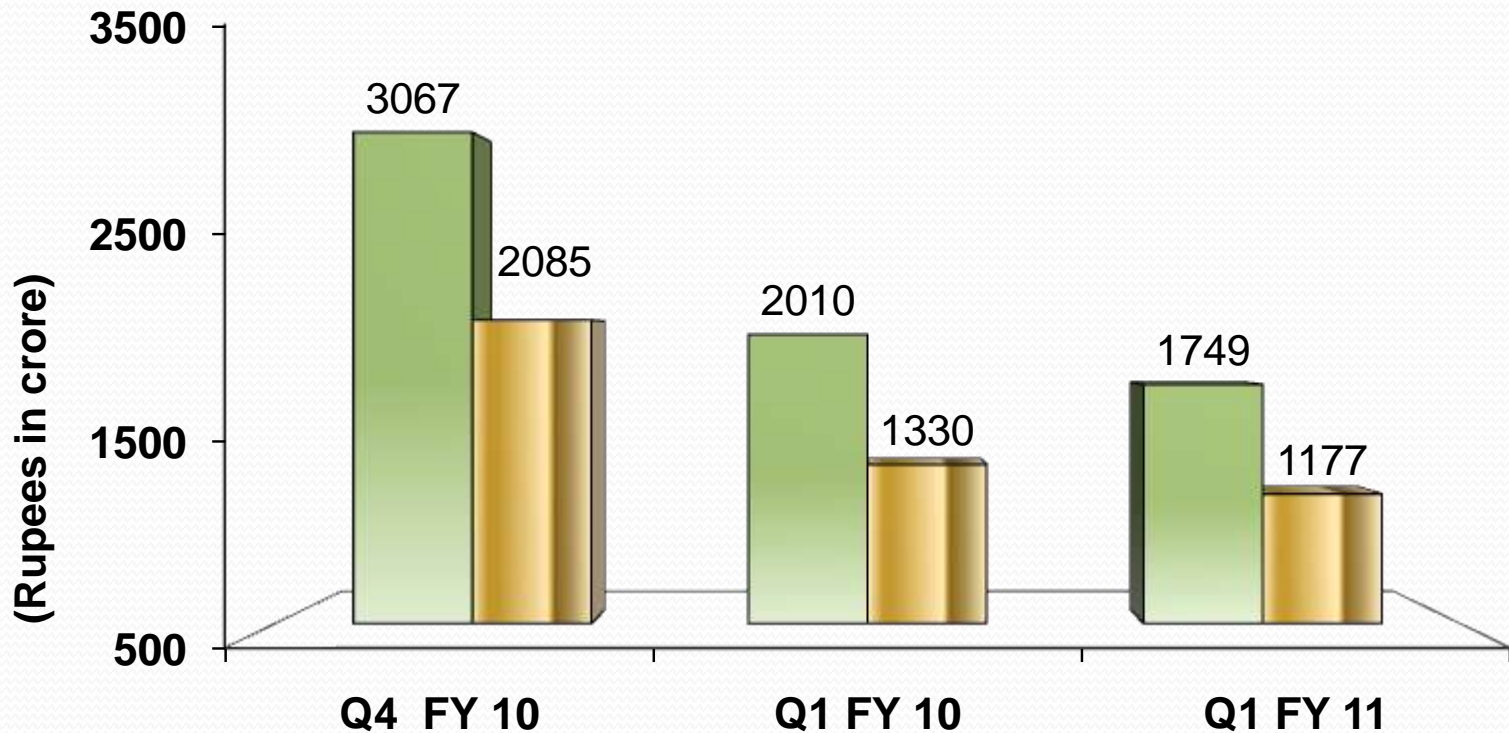
Amount in Rupees



Quarter-wise Profit

PBT

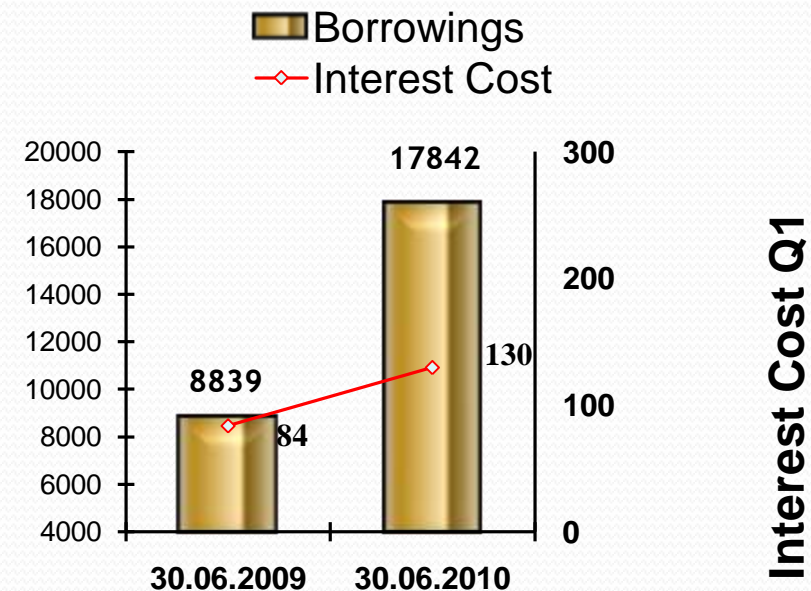
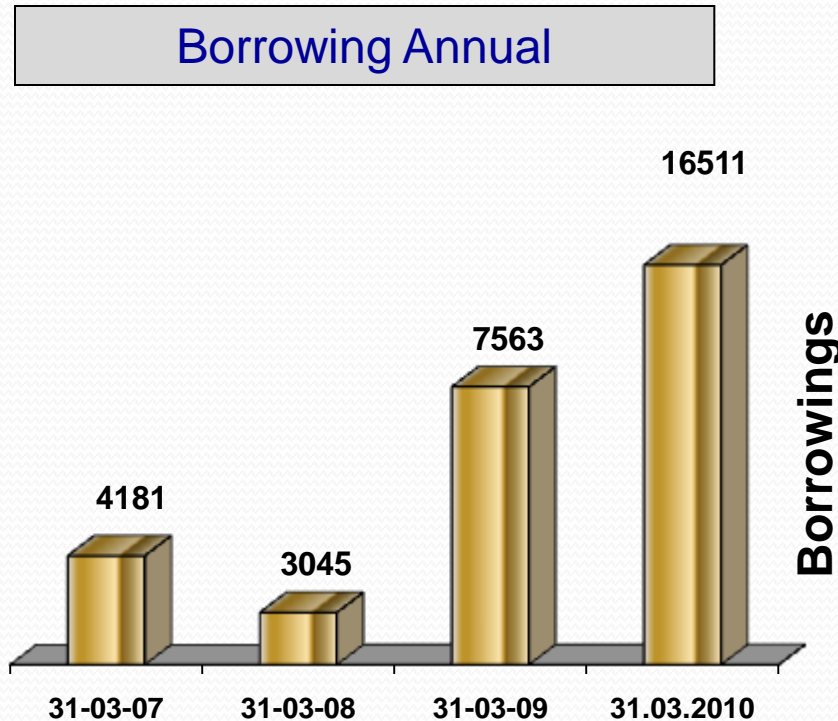
PAT



- Profit Before Tax of Rs.1749 crore in Q1FY11 was lower by 13% over CPLY.
- Profit After Tax of Rs. 1177 crore in Q1 FY11 was lower by 12% over CPLY.

Borrowings

Unit : Rs Crore

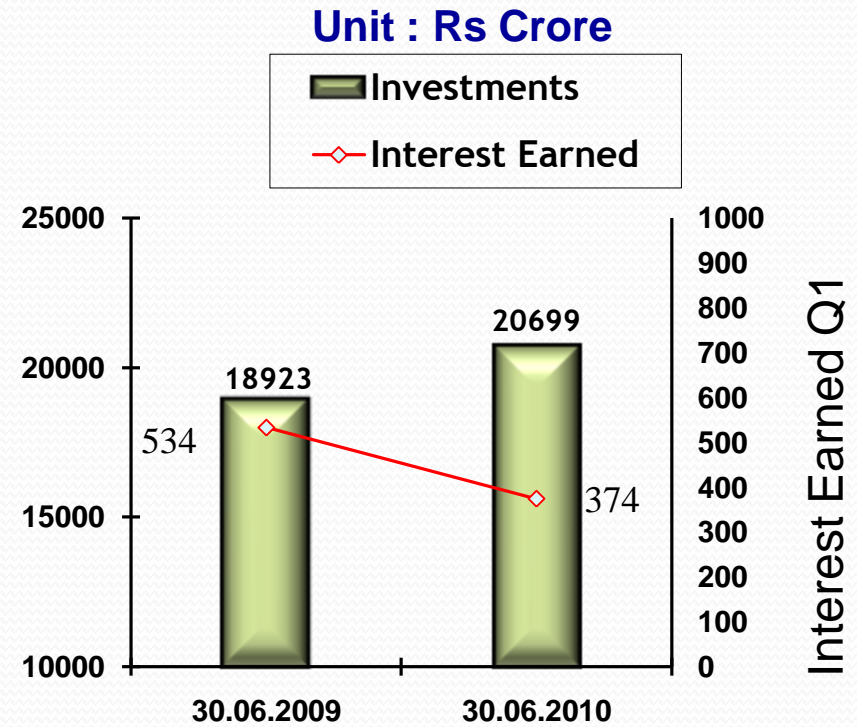
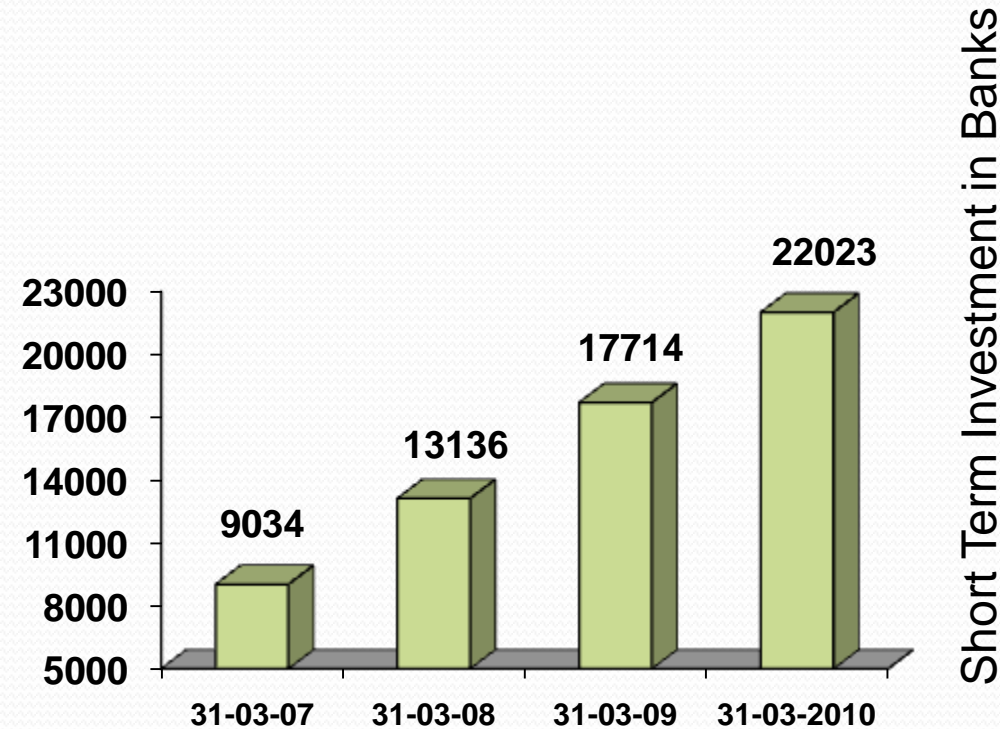


➤ The ongoing capex is being financed through debt-equity ratio of 1:1

Year	31-03-2010	30-06-2009	30-06-2010
D/E Ratio	0.50	0.30	0.52

Investments

Investments Annual



Investment in short term deposits with Banks as on 30-06-2010 Rs.20,699crore

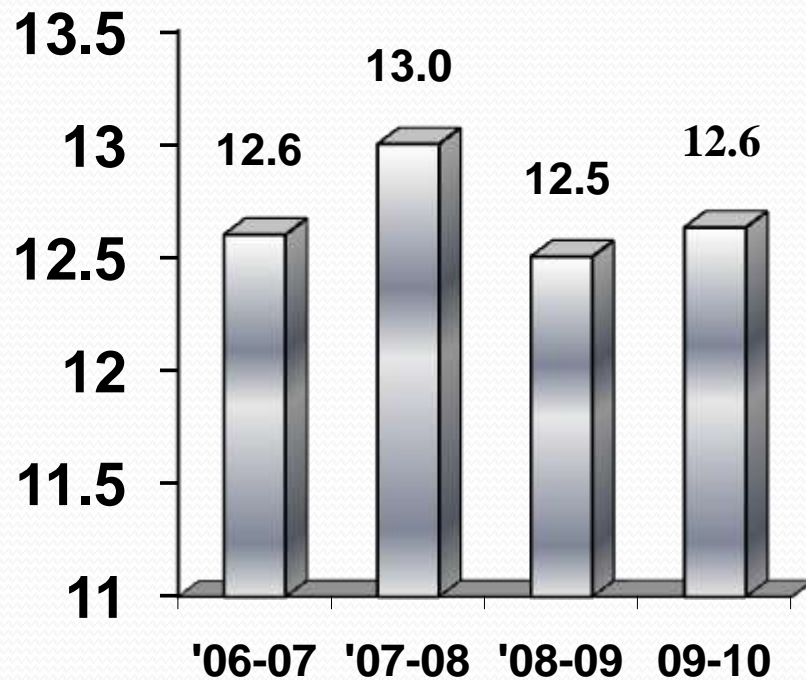
Performance Highlights – Q1 2010-11

- ✓ Crude steel production of 3.34 million tones: growth of 2% as compared to last year.
- ✓ Production through Concast 2.23million tones: growth of 1% as compared to last year (CPLY).
- ✓ Avg. Capacity utilisation (Saleable Steel): 110%
- ✓ Avg. Capacity utilisation (Hot Metal): 105%
- ✓ Avg. Capacity utilisation (Concast Production):128%
- ✓ Blast Furnace Productivity of 1.56 t/m³/day: marginally higher as compared to CPLY.

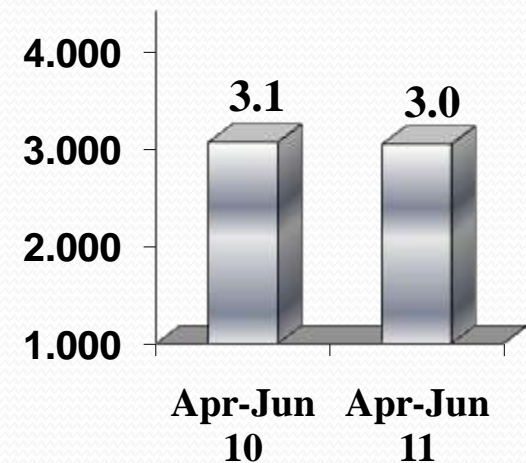
Production

Including Special Steels Plants

Saleable Steel (in Million Tons)



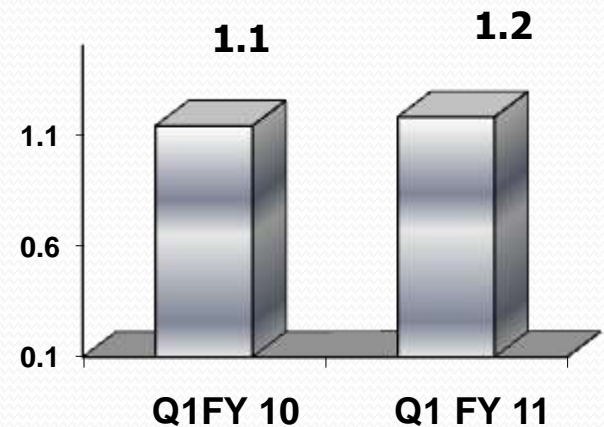
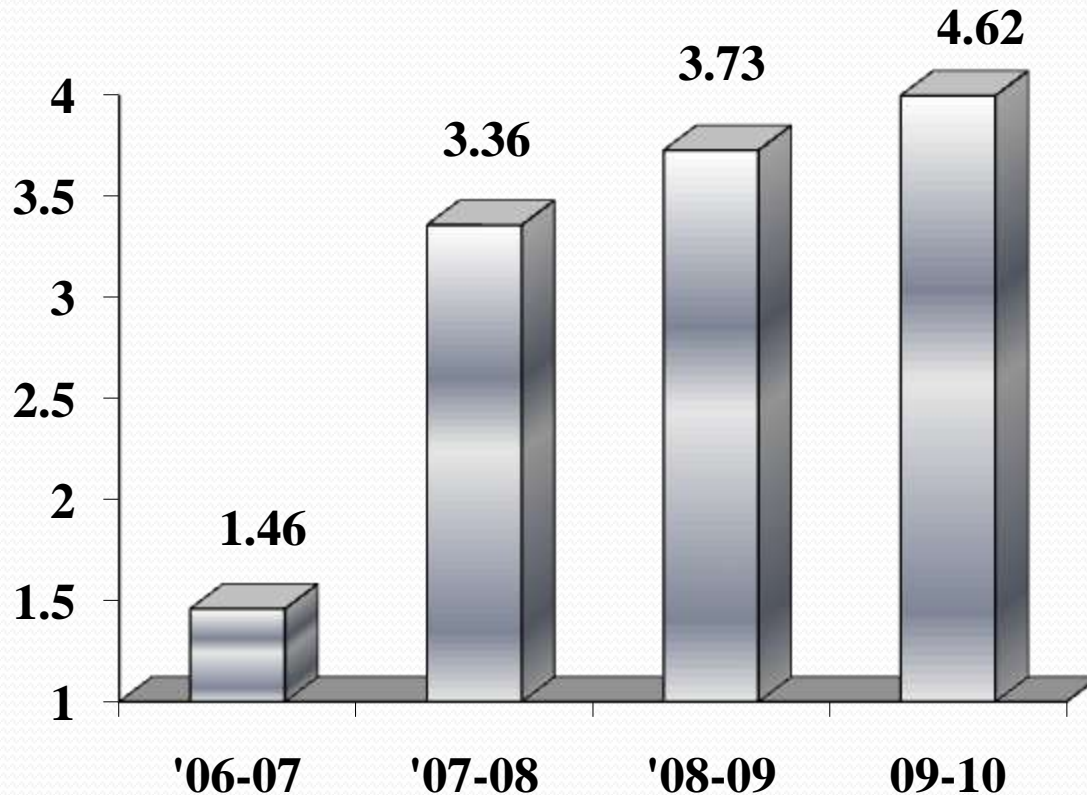
Q1 FY 10 vs Q1 FY11



Special Steel Production

(in Million Tonnes)

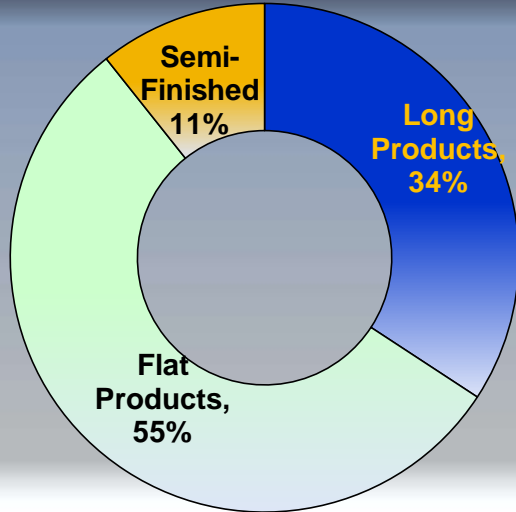
Production of Value added products of 5 ISPs



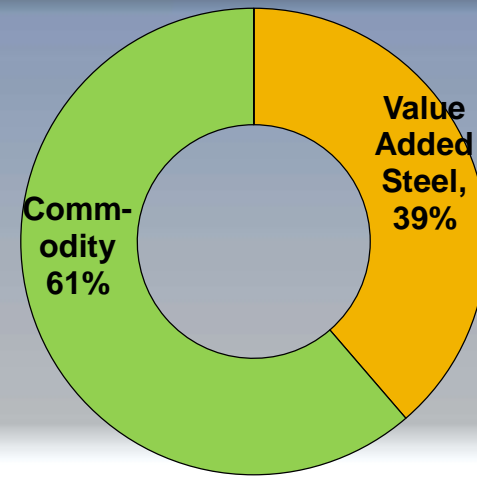
Special Steel Production constitutes 39% of Total Production, up by 3% over CPLY.

Production by Process and Sales Mix: Q1 FY11

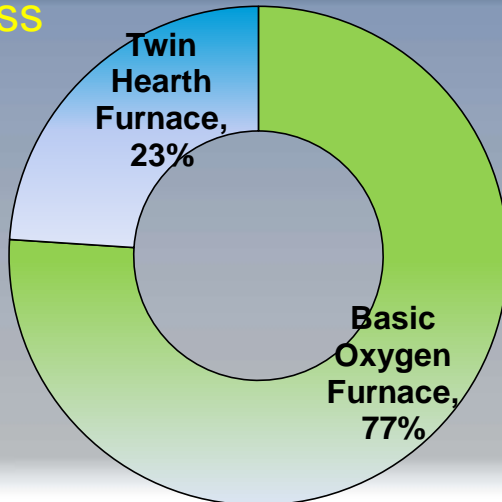
Sales of Saleable Steel



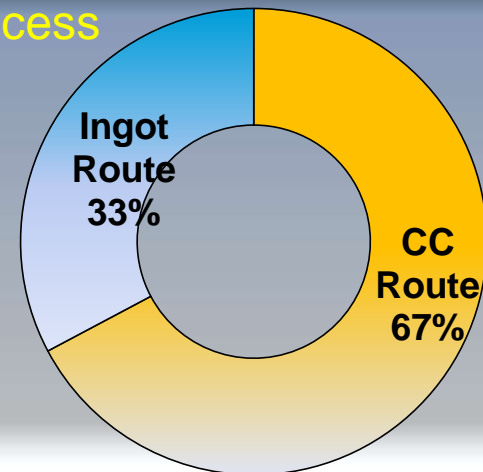
Production of Value Added Steel



Crude Steel Production by Process

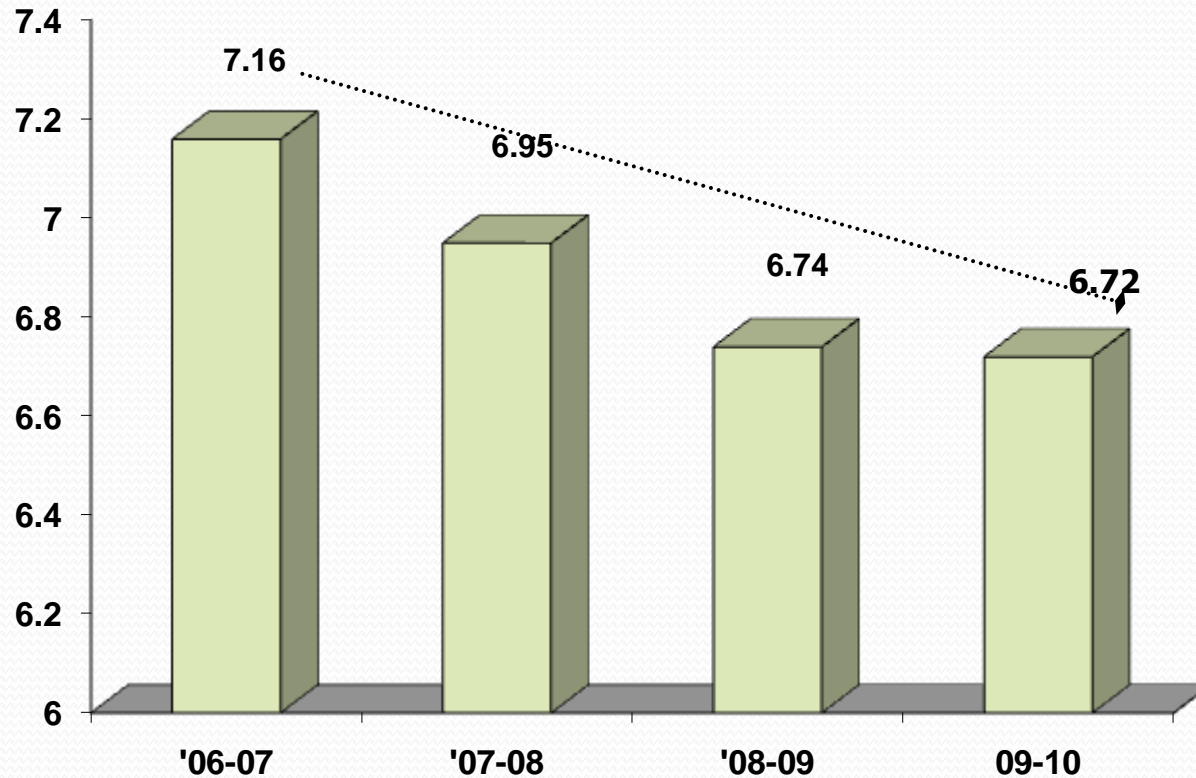


Saleable Steel Production by Process



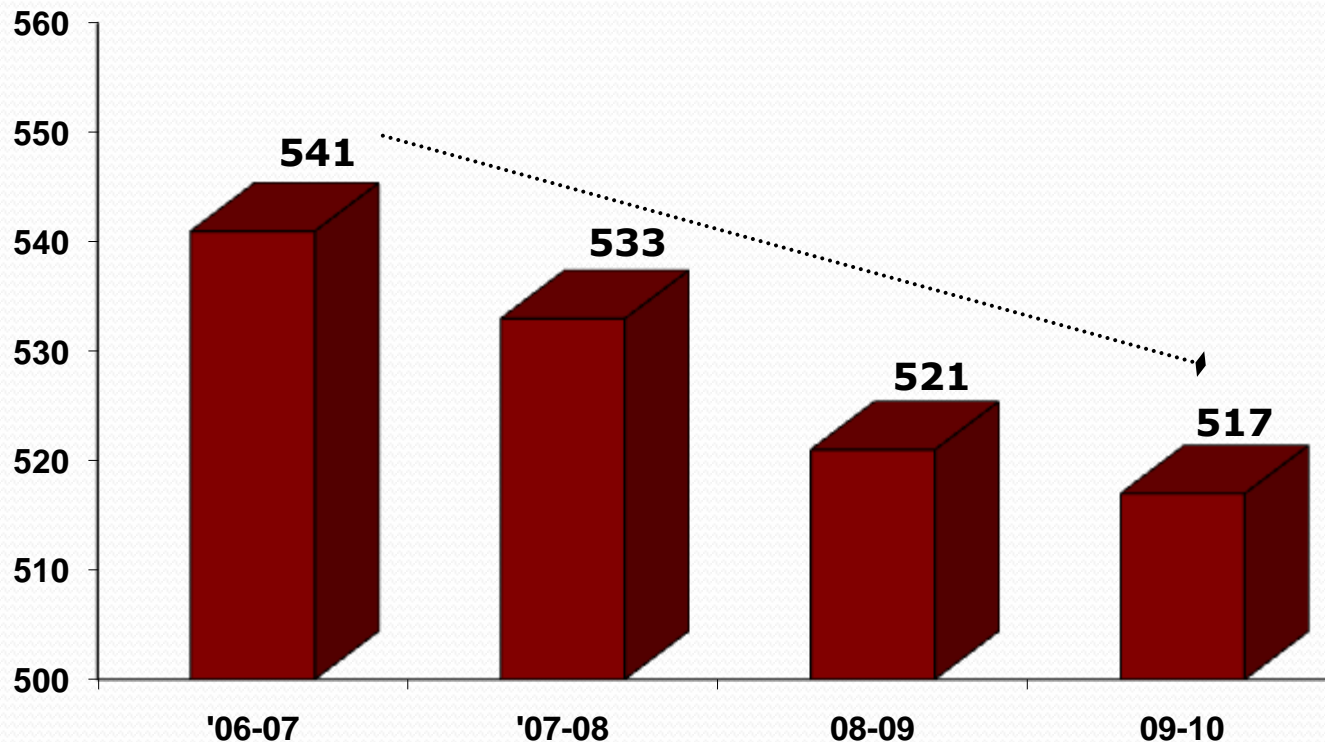
TE Parameters

Specific Energy Consumption (Gcal/TCS)



TE Parameters

Coke Rate (kg/thm)

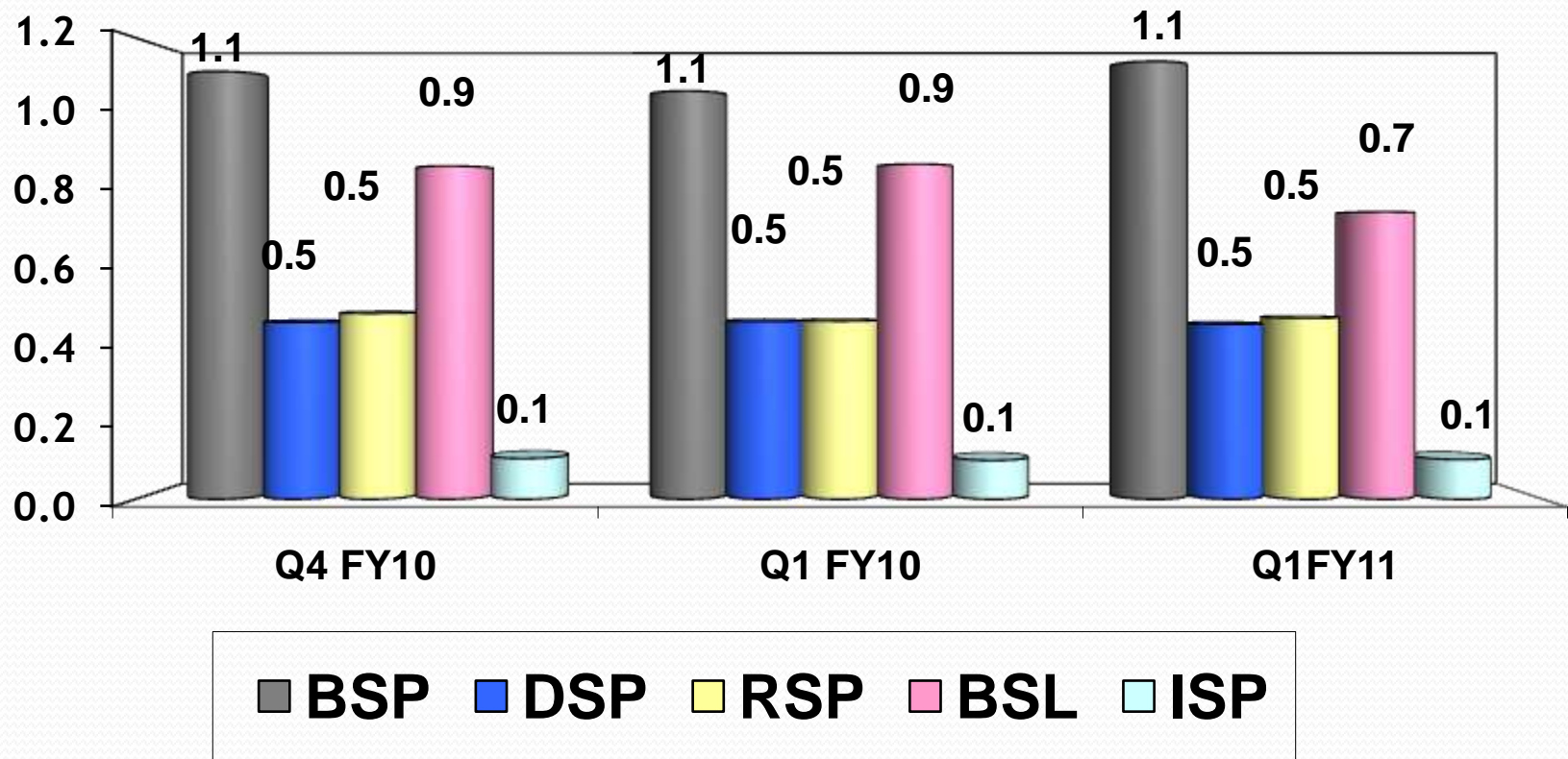


- Continuous efforts to contain coke rate
- Coke Rate at 517kg/thm: lower by 1% over CPLY

Saleable Steel Production

Five Integrated Steel Plants

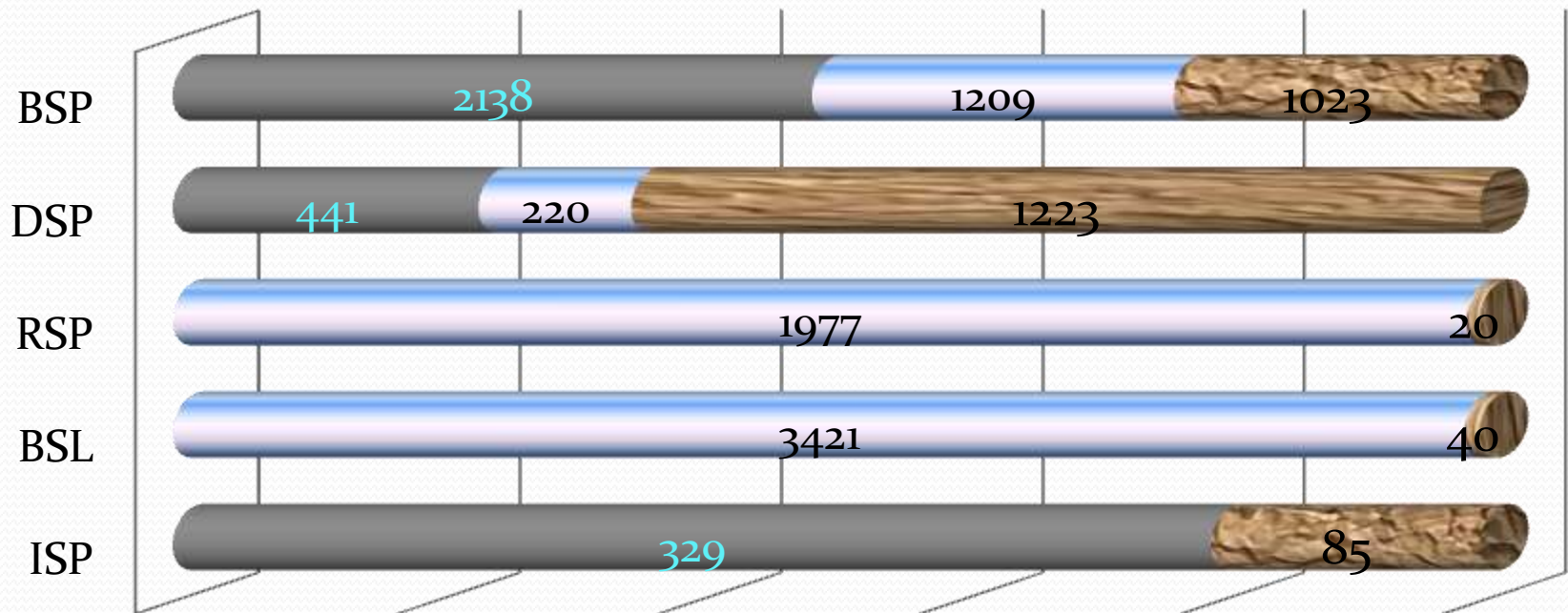
Plant-Wise, Quarter-Wise
(in million Tonne)



Product Mix: Five Integrated Steel Plants

2009-10

In thousand tonne



■ Long Product

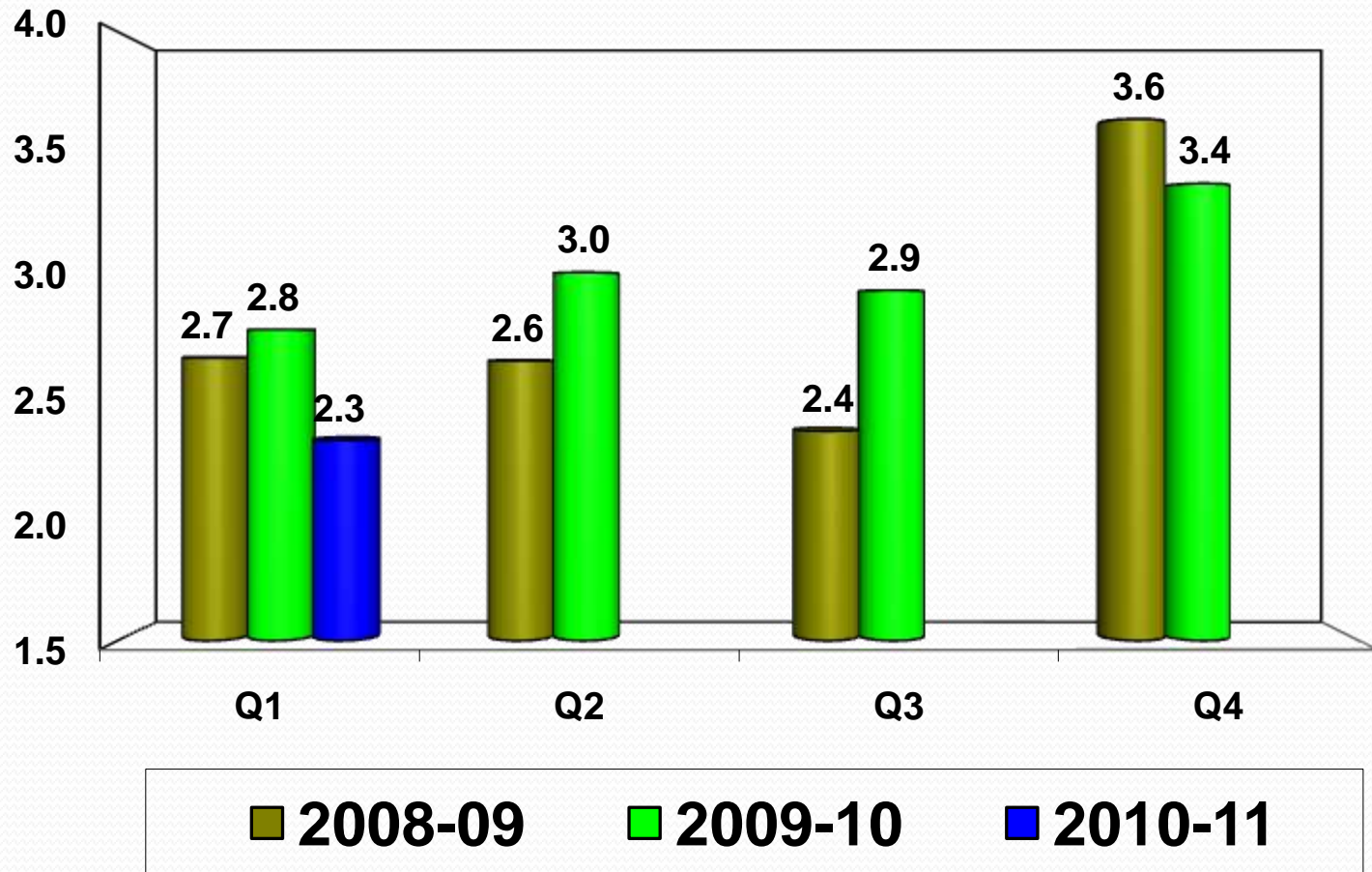
■ Flat Product

■ Semis

Saleable Steel Sales Volume

Including Special Steel Plants

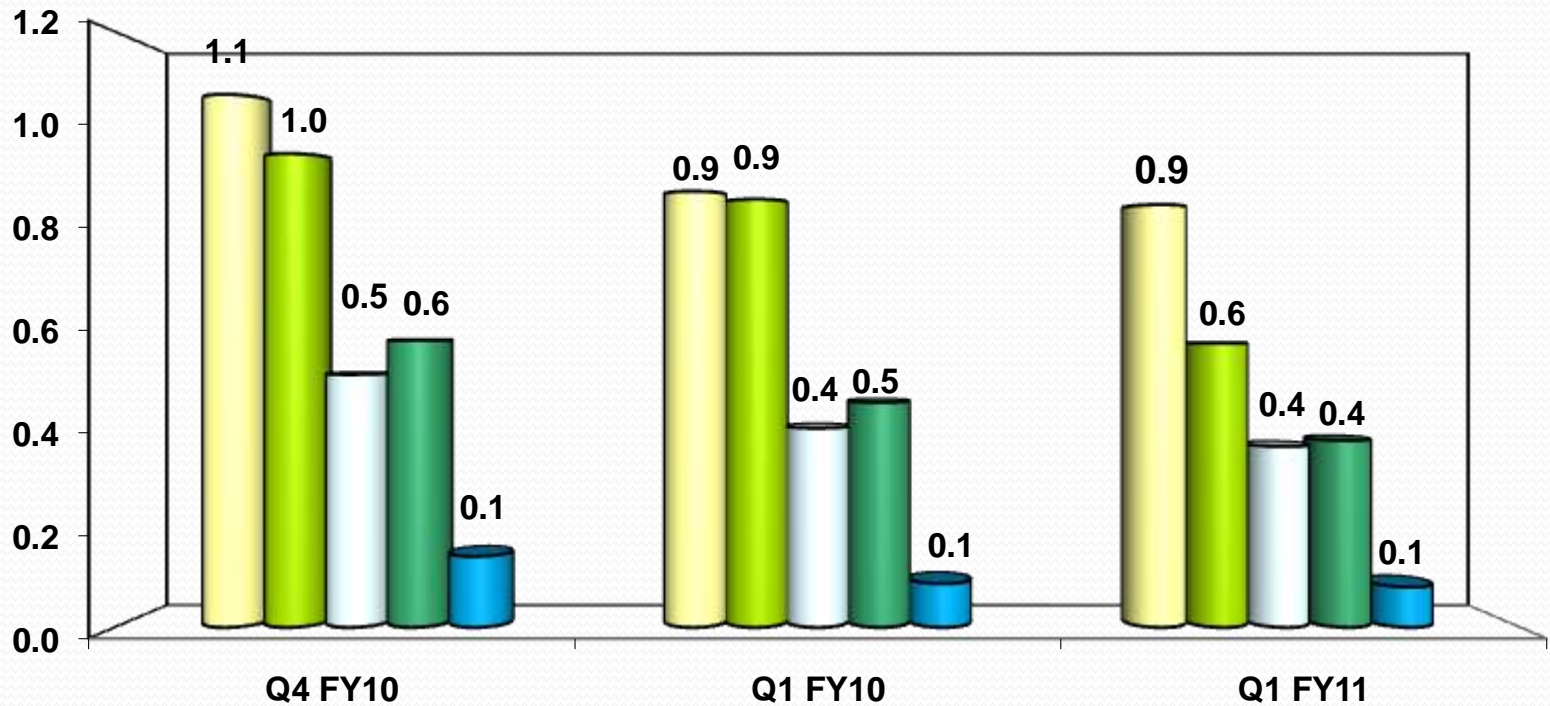
(In Million Tonne)



Saleable Steel Sales Volume

(In million tonne)

Plant-wise -Five Integrated Steel Plants

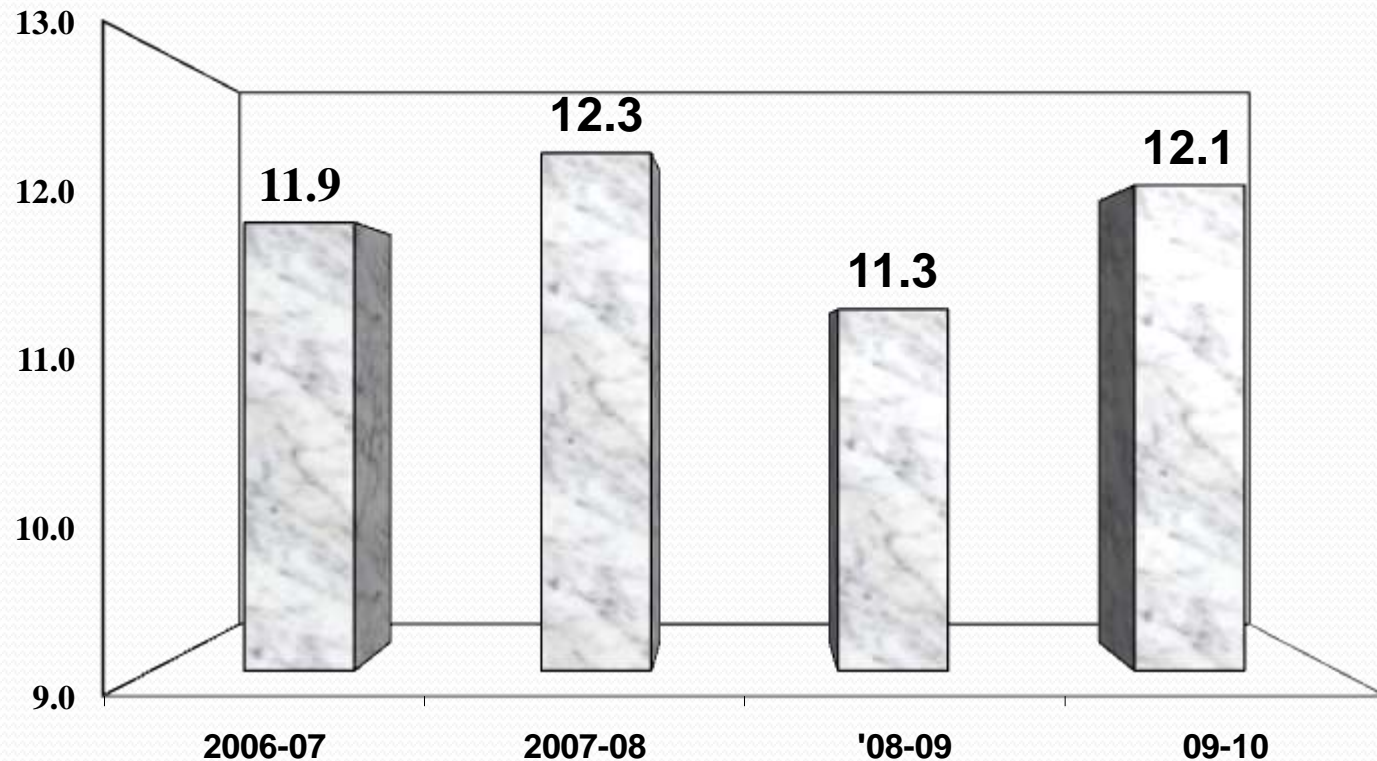


■ BSP ■ BSL ■ DSP ■ RSP ■ ISP

Saleable Steel Sales Volume

Including Special Steel Plants

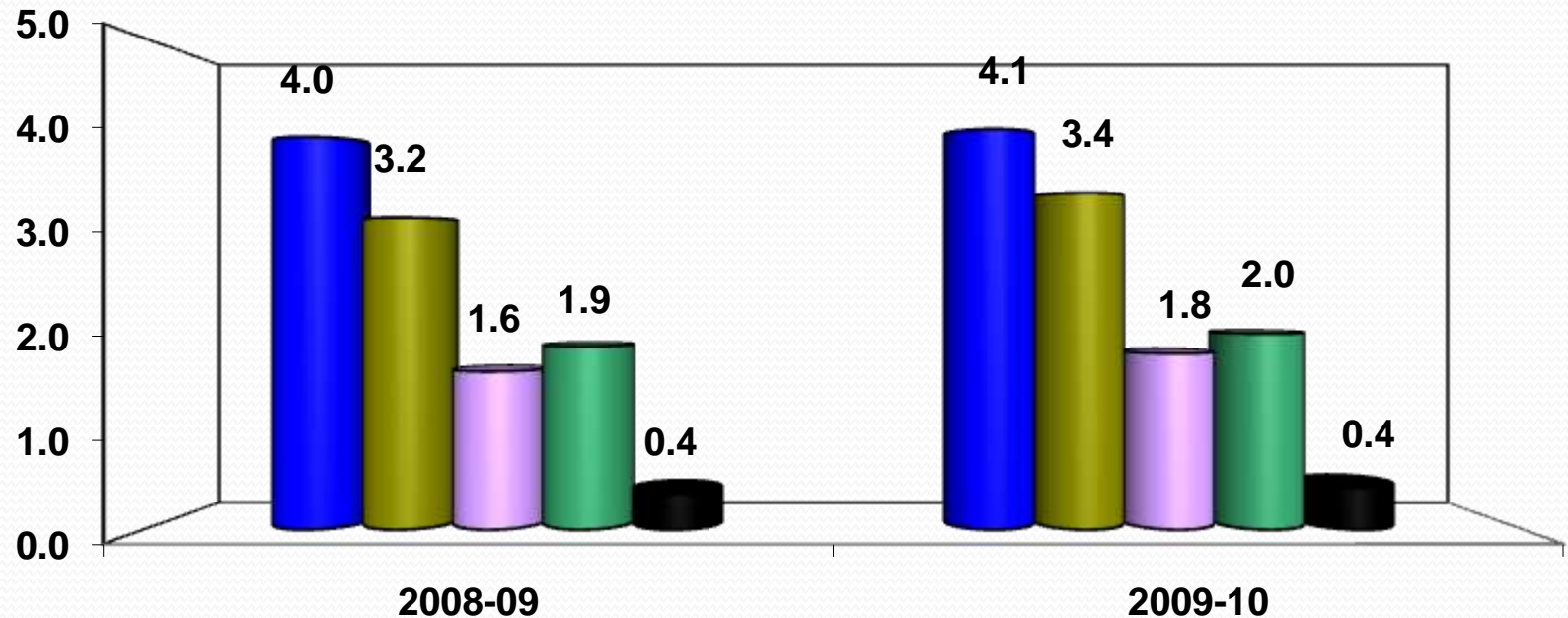
(in million tonne)



Saleable Steel Sales Volume

Plant-wise

(In Million Tonnes)



■ BSP

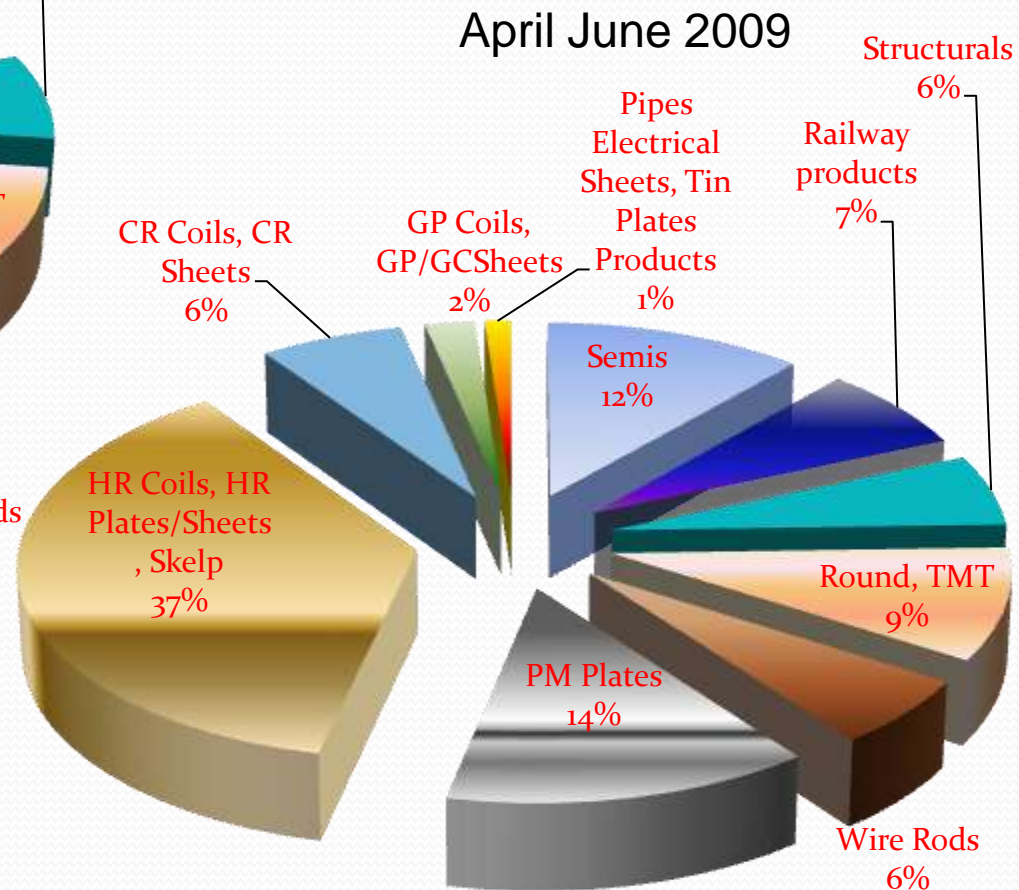
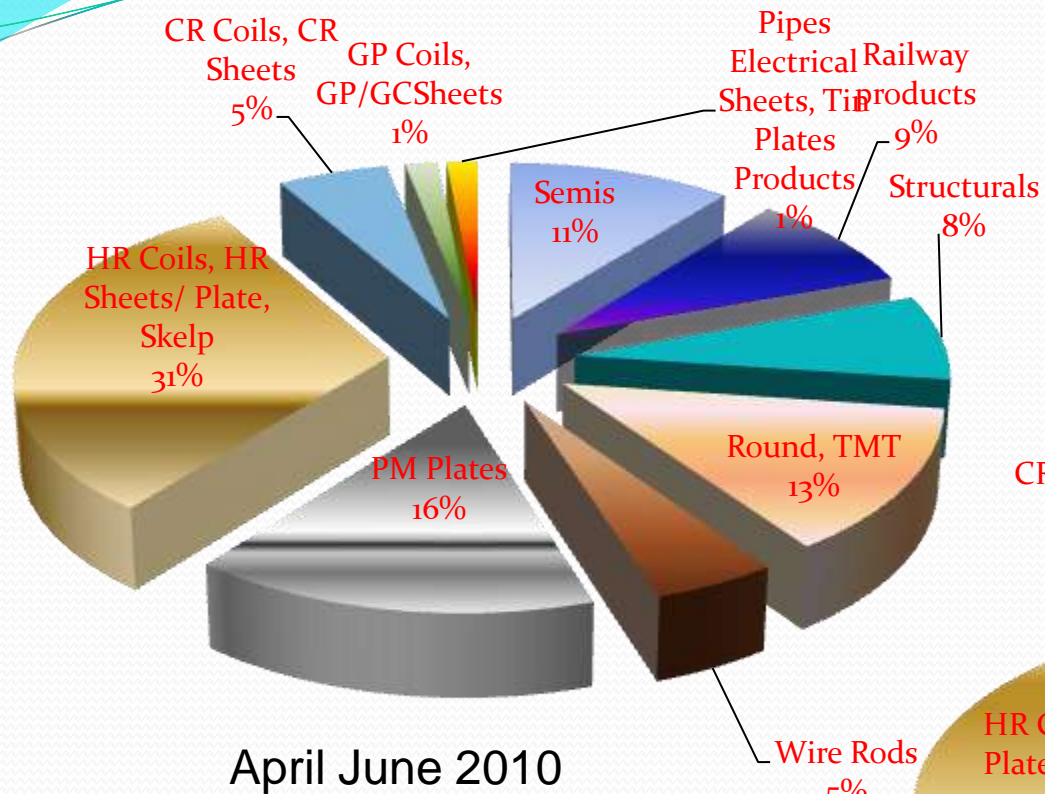
■ BSL

■ DSP

■ RSP

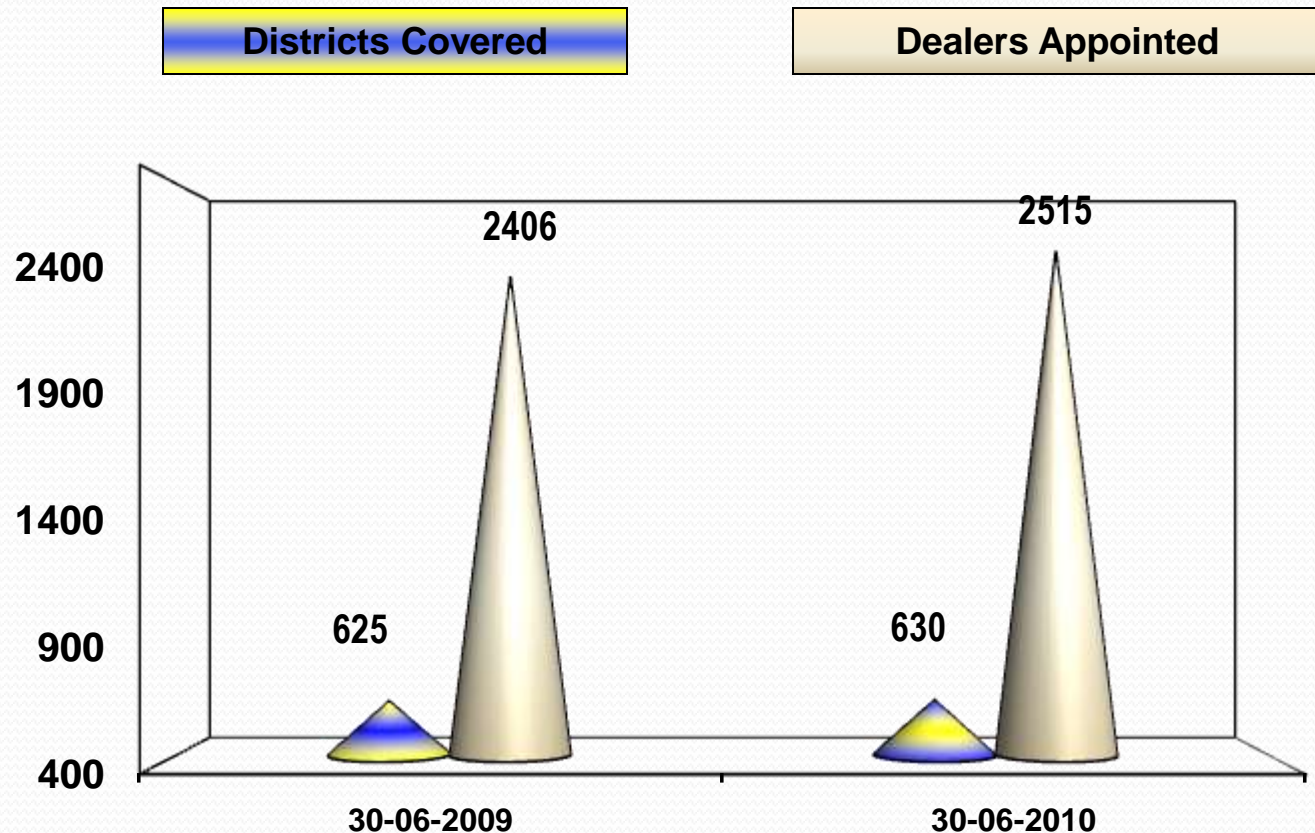
■ ISP

CATEGORY WISE SALES VOLUME (%)



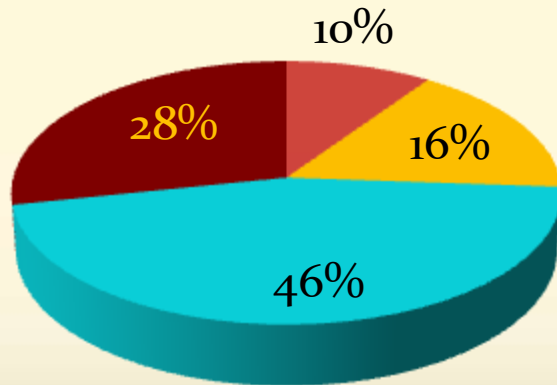
Sales through Dealers Network

No. of Dealers and Districts Covered



➤ Sales through dealer's network during Q1 FY11 : 1.02 lakh tonne

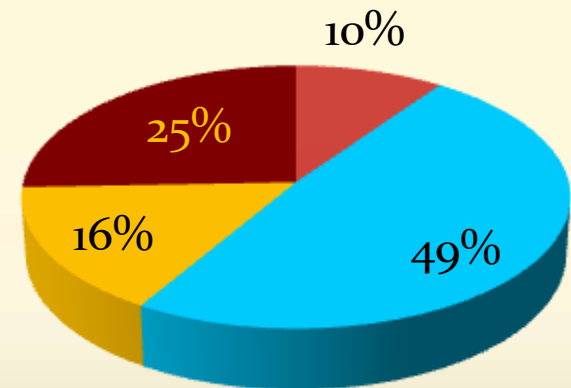
Captive Power Generation and drawal from Grid



■ Own CPP ■ PP₃ ■ JV CPP ■ Drawal from Grid

Q1 FY-2011

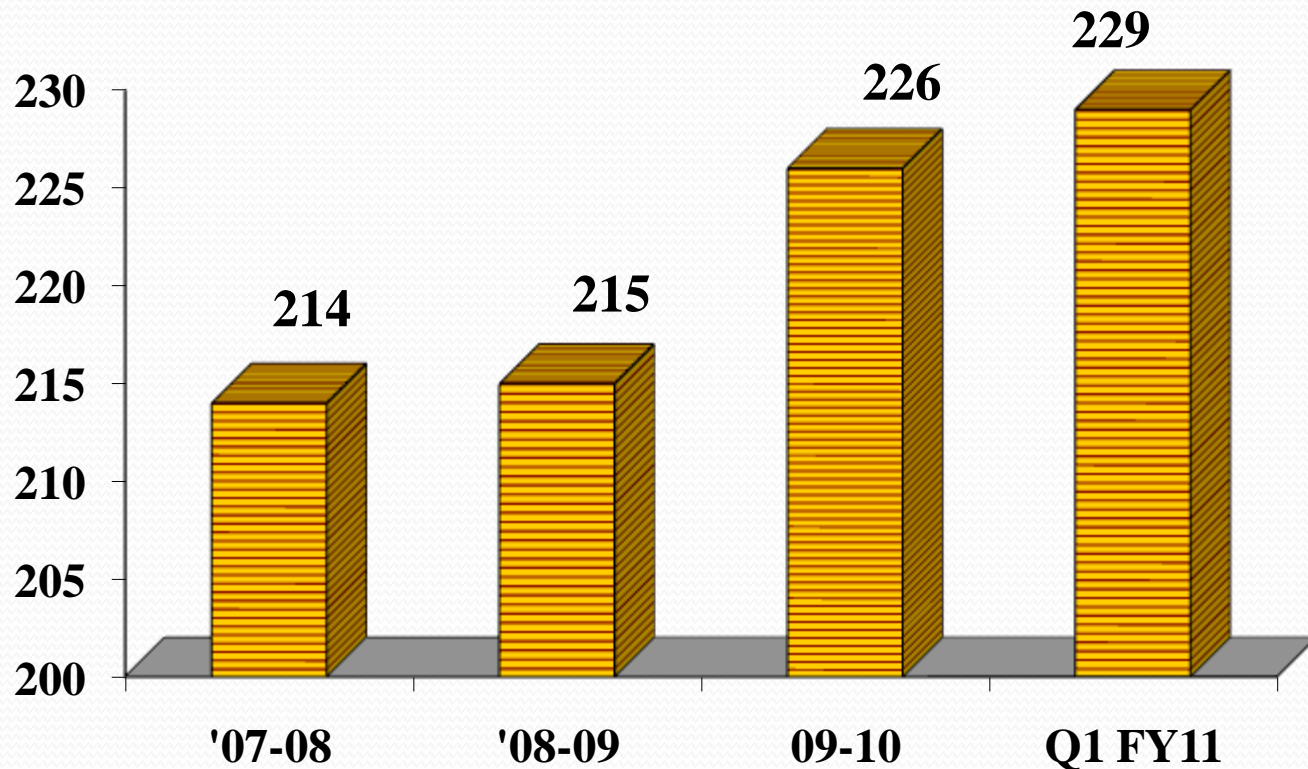
2009-10



■ Own CPP ■ JV CPP ■ PP-3 BSP ■ Drawal from Grid

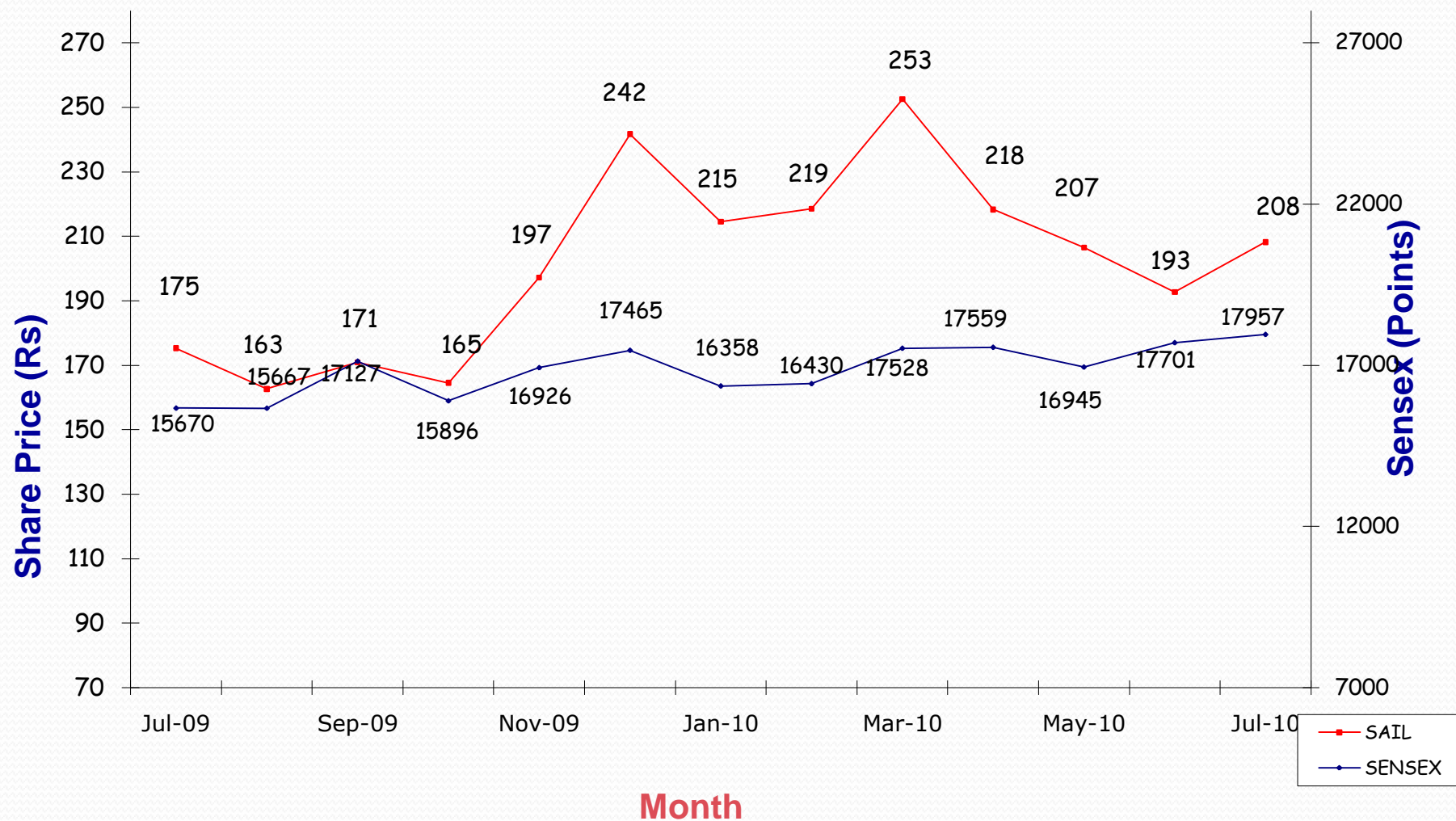
Labour Productivity

Tonne Crude Steel /man / year



- Net Manpower reduction 3457 over CPLY.
- Current manpower :1.16 lakh as on 30.06.2010.

Performance of SAIL Share price vis-à-vis Sensex



Closing Share Price & Sensex as on the last day of the month except on July 28,2010

Dividend

Amount in Rs. Crore

	Interim %	Final %	Total %	Dividend	Dividend Tax
2009-10	16%	17% Proposed	33% Proposed	1363	228
2008-09	13.0	13.0	26.0	1074	181
2007-08	19.0	18.04	37.0	1528	259
2006-07	16.0	15.0	31.0	1280	197

EXPANSION AND MODERNISATION PLAN



SAIL's Expansion Plan

Particulars	Million Tonne	
	2009-10	After Expansion
Hot metal	14.5	26.2 (23.5)
Crude Steel	13.5	24.6 (21.4)
Saleable Steel	12.6	23.1 (20.2)

Figures in bracket indicate capacity after Implementation of ongoing phase of modernisation and expansion to be completed by 2012

Expansion Plan : Technological Shift

Technology	Current Status	After Expansion
BOF Steel making	77%	100%
CC Route	67%	100%
Pelletisation Plant	No	Yes
Coke Dry Quenching	No	Yes
Top Pressure Recovery Turbine	No	Yes
Auxiliary Fuel Injection in BF	Partial coverage	Full coverage
Desulphurization of Hot Metal	Partly	100%
Thin Slab Casting - Compact Strip Mill	No	Yes
Beam Blank Casting	No	Yes
Coupled Pickling & Tandem Mill	No	Yes
Beneficiation Plant	Partial	Full

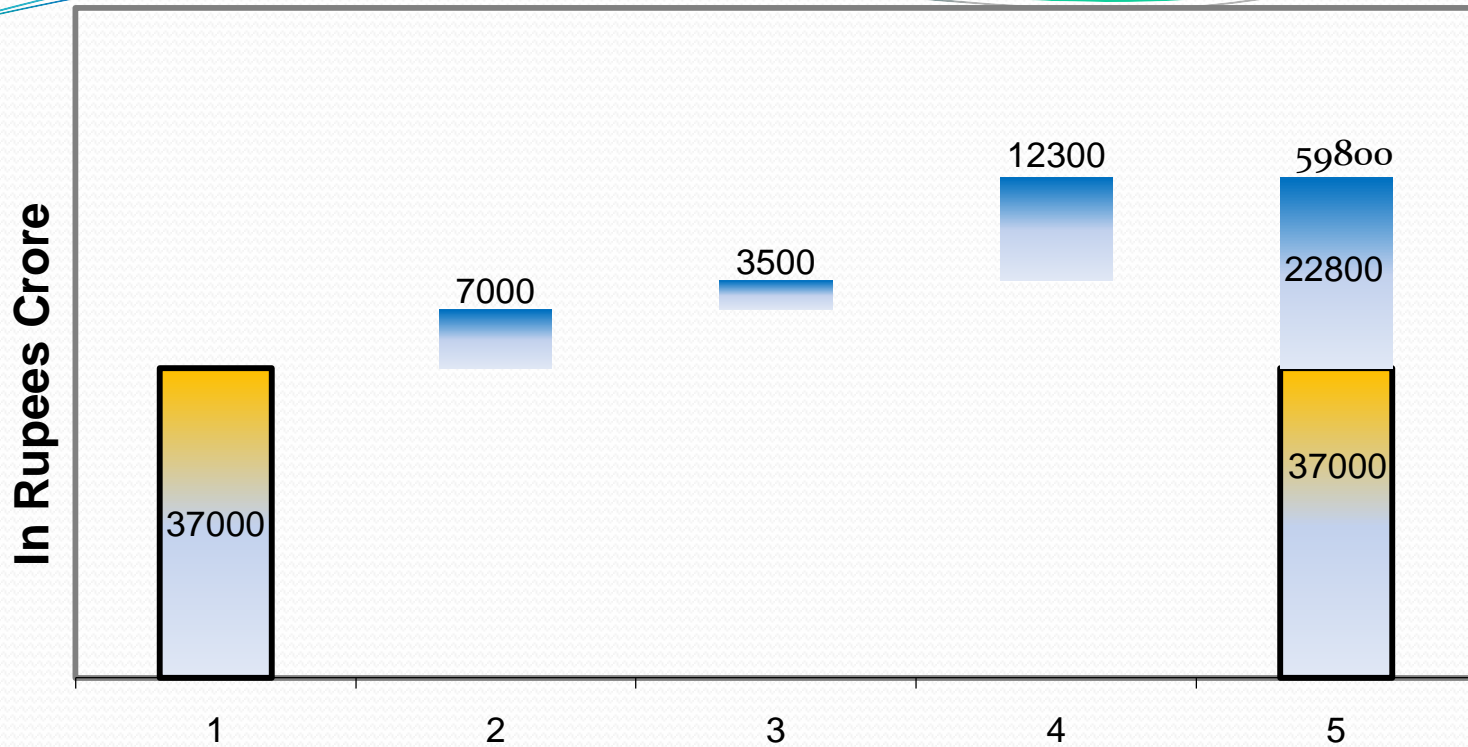
Ongoing Projects

- ✓ The ongoing expansion has been planned to achieve saleable steel production of 20.23 million tonne, at a cost of Rs. 37,000 crore (USD 8 billion) approximately.
- ✓ In addition, following capex has also been planned for schemes, as given hereunder:

Scheme	Estimated cost
Value Addition/ Product-mix Improvement	Rs. 7,000 crore (USD 1.5 billion)
Technological Upgradation/ Moderanisation	Rs. 3,500 crore (USD 0.8 billion)
Sustenance including debottlenecking, AMR and Environment	Rs. 12,300 crore (USD 2.6 billion)
Augmenting Raw Material from existing Mines & Development of new mines	Rs.10,000 crore (USD2.2 billion)

- ✓ The above details of capex includes an amount of Rs. 18020 crore, including Rs. 12056 crore for expansion and Rs. 5964 for other schemes, already spent during 2007-08 to 2009-10.
- ✓ During Q1 FY11, an amount of Rs. 2810 cr. has been spent towards capital expenditure.

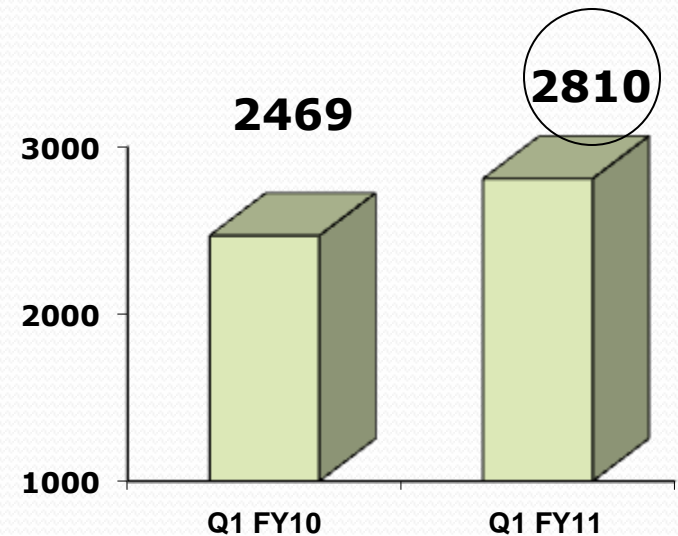
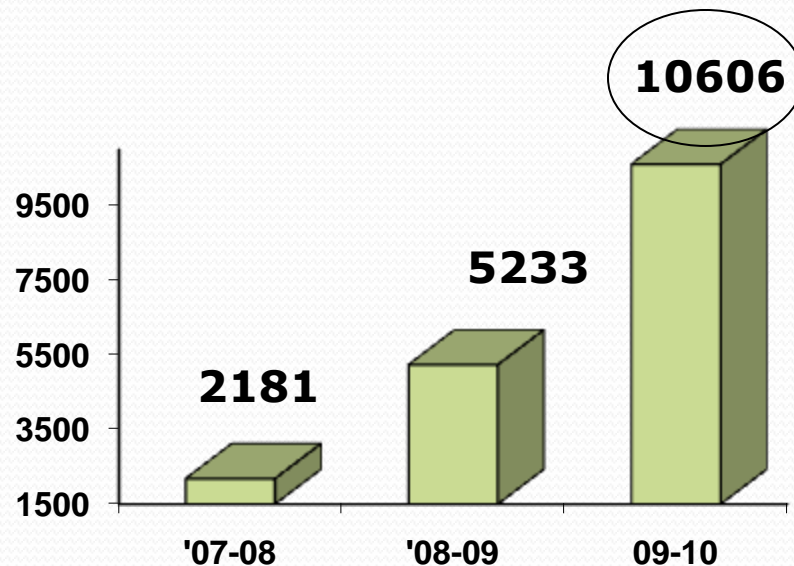
Ongoing Projects



1	Expansion of Existing capacity
2	Value Addition/ Product-mix Improvement
3	Technological Upgradation/ Moderanisation
4	Sustenance including debottlenecking, AMR and Environment
5	Total estimated cost

Capital Expenditure on Expansion and Moderanisation

Amount in Rs. Crore



- ✓ Capex Plan for 2010-11 is Rs.12,254 crore approximately.
- ✓ During Q1 FY11, an amount of Rs. 2810 cr. has been spent towards capital expenditure.

Ongoing Projects

- ✓ Orders for Rs.44,000 crore approximately have already been placed for various Modernisation / Expansion Projects/ Sustenance Schemes.
- ✓ Various options for raising fund to finance the capex plan are being explored.
- ✓ To facilitate the expenditure of expansion and modernisation, SAIL Board has taken a decision to raise a part of its cost through Follow on Public Offer (FPO).
 - ✓ 10% of prepaid-up equity capital shall be issued in the market as FPO, in two tranches of 5% each.
 - ✓ GoI also proposes to divest shares equal to 10% of prepaid-up capital, in two tranches, along with above FPO.
 - ✓ The Empowered Group of Ministers shall consider the economic environment before approving the time and price of issue.

Ongoing Projects

Expected Outcome

- ✓ Enhancement of **Production Capacity and Market Share**
- ✓ **World Class Technology and Products**
- ✓ **Improved Product mix/ proportion of value added products to increase**
- ✓ Complete elimination of **Semi-finished steel**
- ✓ Enhanced **Pollution control** measures, with **environmental conservation**
- ✓ **Captive Power** generation capacity to increase from 872 MW to 1922 MW

Ongoing Projects

The Products to be added:

- ✓ Auto grade CR Products, Galvanealed Coils/ Sheets
- ✓ Plates/ Pipes to meet up to API 100 Grade specification
- ✓ Universal Beams/ Heavy Beams in the sizes up to 1100 mm to support increasing Infrastructural requirements
- ✓ Rails for Metro-Railways
- ✓ Increased production of Rails and wheels to meet the increasing requirements of Indian Railways
- ✓ Quantum jump in Rounds and Structural production leading to elimination of entire semi-finished steel
- ✓ Wider Plates in the size of 4300 mm

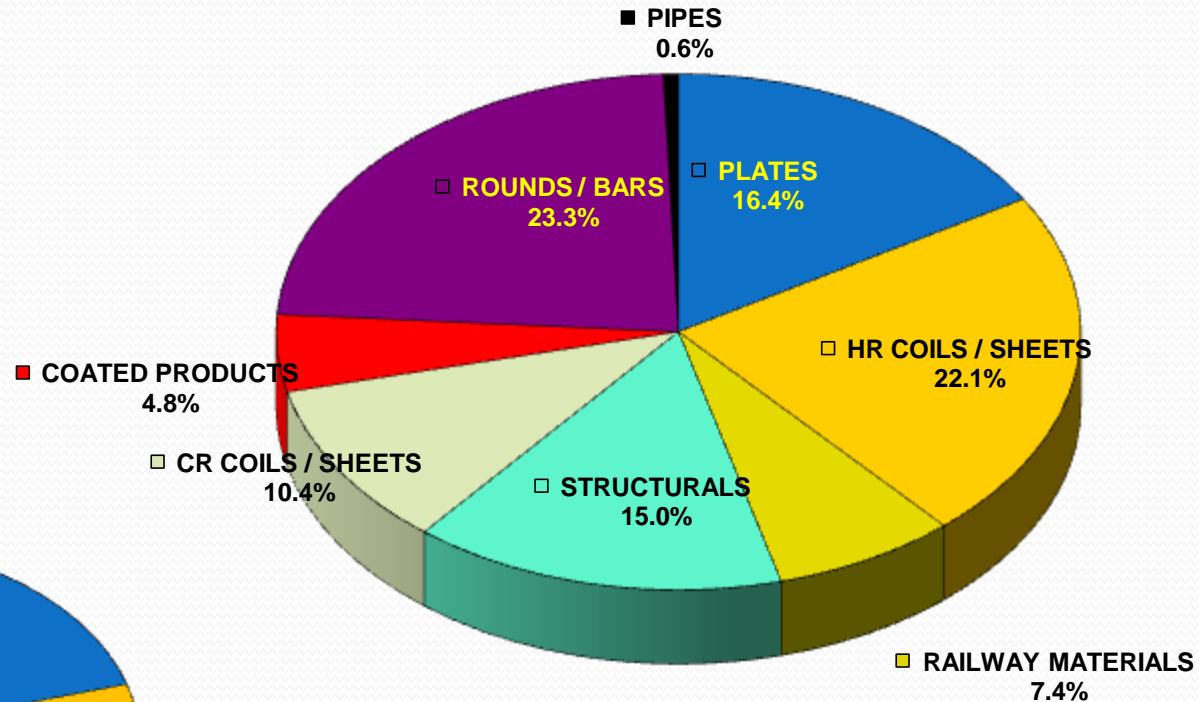
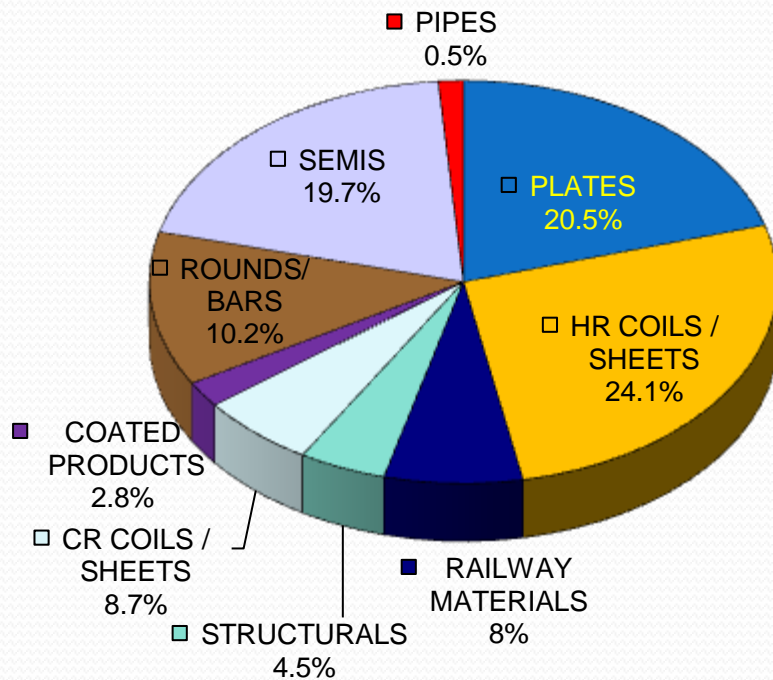
Capacity increase after Expansion

Plant	Hot Metal (Mtpa)		Saleable Steel (Mtpa)	
	2009-10 Actual	After Expansion	2009-10 Actual	After Expansion (2012)
BSP	5.4	7.5(7.5)	4.4	6.5 (6.5)
DSP	2.2	3.5(2.5)	1.9	2.8 (2.1)
RSP	2.3	4.5(4.5)	2.0	4.0 (4.0)
BSL	4.1	7.4(5.8)	3.5	6.5 (4.2)
ISP	0.5	2.9(2.9)	0.4	2.4 (2.4)
VISL	0.1	0.3 (0.3)	0.1	0.2 (0.2)
ASP	-	-	0.2	0.4 (0.4)
SSP	-	-	0.2	0.3 (0.3)
Total	14.54	26.2(23.5)	12.6	23.1 (20.2)

Figures in brackets indicate capacity after implementation of on going phase of modernisation and expansion to be completed by 2012.

Product Mix - Saleable Steel Production

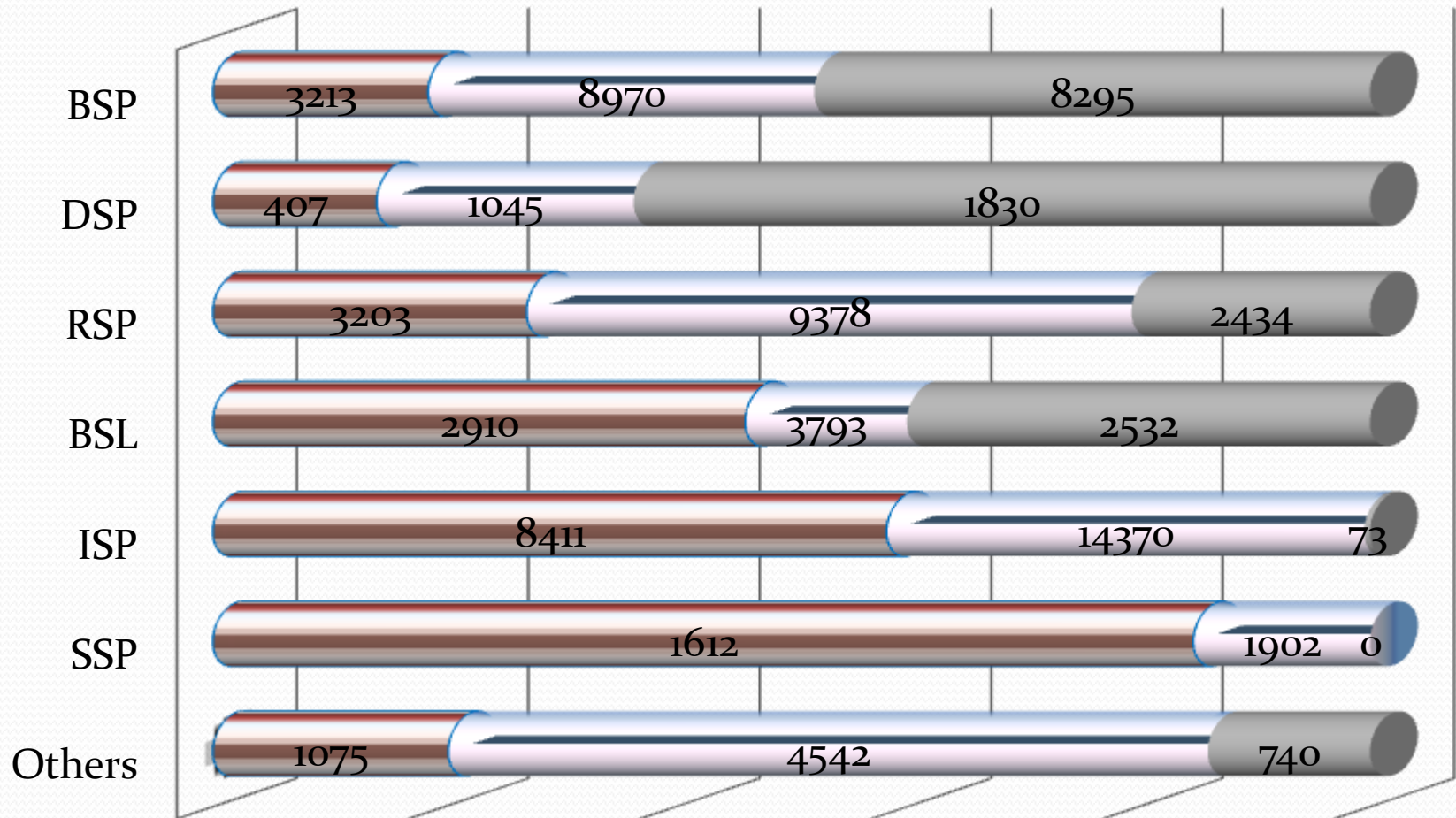
FY2009-10



After Expansion

Capex Status as on 30-06-2010

Amount in Rs. crore



Actual Expenses Orders Placed To be ordered

Raw Materials

IRON ORE LINKAGES

Mtpa

Year	Hot Metal Production	Iron Ore Consumption	Linkages of Iron Ore
2009-10	14.5	23	Existing Mines
Post Expansion	26	43	<p>The capacity of existing mines at Kiriburu, Meghataburu, Bolani ,Gua & Barsua are being ramped up to meet the requirement of Iron Ore for post ongoing phase of expansion.</p> <p>New Pellet plant of 4 mtpa capacity has being planned for better utilisation of Iron Ore fines.</p>
2020	60	100	In addition to the above, iron ore shall be mined from new mines at Rowghat, Chiria and Taldih.

Raw Materials

COAL LINKAGES Mtpa

Year	Hot Metal Production	Coking Coal Requirement	Linkages for Coking Coal
2009-10	14.5	13.8	<p>Import Component - 70%</p> <p>Over 90% of imported coal is sourced from Australia.</p> <p>Indigenous : 30%</p> <p>Domestic coal is largely sourced from Coal India Ltd.</p> <p>SAIL has existing captive coking coal production of near 0.5 mtpa.</p>
Post Expansion	26	23	<p>Long term /Quarterly contracts to cover 95% of Import requirements, w.e.f. FY11</p> <p>Tasra captive coal block is being developed to produce 4 mtpa of ROM (2 mtpa washed coal)</p>
2020	~ 60	50	<p>Sitanala coal block shall also be developed for production of 0.75 mtpa of ROM(0.4 mtpa of washed coal)</p> <p>New alliances/ linkages/ acquisitions are being explored</p>

New Strategic Initiatives

- SAIL has engaged a consultant of global repute For preparation of detailed project report for development of 7mtpa mechanised mines at Chiria in the first phase.
- In principal approval for setting up of a wagon manufacturing unit at West Bengal, in joint venture with M/s RITES ltd. has been accorded by SAIL Board.
- The approval of transfer of refractory unit of Burn Standard Company Limited at Salem to SAIL has been accorded by Cabinet Committee on Economic Affairs.
- Modified Re-habilitation Scheme for revival of Steel Complex Limited , Calicut, Kerala has been sanctioned by BIFR. The final approval of Government of Kerala is likely to be issued soon.

New Strategic Initiatives

- The production of 10,000 tpm has started at Tasra collieries. Appointment of Mine Developer Cum Operator is in process.
- Ministry of Company Affairs has issued directions for convening the Equity Shareholders Meeting of SAIL and Maharashtra Electros melt Limited (MEL) for merger of MEL with SAIL. SAIL's equity share holders meeting for this purpose is scheduled on 14th September 2010.
- Joint Venture Company 'SAIL SCI Shipping Pvt. Ltd.' has been incorporated on 19th May 2010 to cater to SAIL requirements of shipping imports of coal.
- Proposal for owning a port / joint ownership in a port venture at Orissa is under active consideration .

New Strategic Initiatives

- SAIL and POSCO are jointly conducting feasibility study for utilising FINEX technology. Feasibility study for setting up CRNO production facility jointly with POSCO is also being conducted.
 - Joint groups have been formed for overseeing the progress and to guide the Consultant appointed for the purpose.
- MOU has been signed with Kobe Steel, Japan for exploring feasibility of ITmk3 technology for use of lean iron ore fines and non coking coal.
- Possibilities of joint collaboration with M/s Nippon Steel in the iron and steel area are being explored.

SAIL: Corporate Social Responsibility



✓ An amount equivalent to 2% of distributable surplus is earmarked for CSR.

Performance Highlights – SAIL CSR

- 79 villages have been adopted by SAIL as Model Steel Villages across 8 states for development of Medical facilities, Education, Roads, Sanitation, Community Centre, livelihood generation & sports facilities in a phased manner.
- During 2009-10, 57 villages have been completed as Model steel Village.
- SAIL has established 61 Primary Health Centres, 8 Reproductive and Child Health Centres, 18 Hospitals and 6 Super Specialty Hospitals to provide specialized healthcare to almost 26.7 million people.
- More than 3800 medical camps have been organised in FY10 benefitting about 2.3 lakh people providing free health check-up, path lab treatment, medicine, immunization, etc. To help the poor and downtrodden, 9 member of Mobile Medical Units/Ambulances provided to various NGOs.

Performance Highlights – SAIL CSR

- It has opened about 138 school in the steel townships to provide modern education to about 74,000 children. Besides adopting & providing education & facilities to Tribal children, SAIL has provided assistance to over 260 schools with more than 55000 students of villages surrounding its units.
- In this Endeavour, SAIL has achieved a Girl:Boy ratio of 1:1 for all levels of education and a survival rate i.e. rate of retaining enrolled students of 90% in SAIL secondary schools.
- SAIL is providing access to around 56 lakh people across 435 villages since inception by constructing & repairing roads.
- By installing 4714 water sources provided water access to around 37 lakh people living in far flung areas.
- Akshay Patra Foundation : Mid-day meals being provided daily to more than 22000 children in schools in and around Bhilai.
- SAIL has set up a residential Archery Academy at Kiriburu Mines.

Accolades

- SAIL received Maharatna Status vide circular dated 19th May 2010 from DPE. This has granted more delegation to SAIL Board for investment in Joint Ventures.



Shri C S Verma, Chairman, SAIL (extreme right) visiting SAIL's modernized stockyard at Faridabad.



Mr. C.S. Verma, Chairman, SAIL unveiling the plaque commemorating the inauguration. On his left are Mr. V.K. Gulhati, Director (Technical) and Mr. V.K. Srivastava, Bokaro Managing Director.



Mr. C.S. Verma, Chairman, SAIL, Mr. V.K. Gulhati, Director (Technical), Mr. V.K. Srivastava, Managing Director, Bokaro and other senior SAIL officials after inauguration of the upgraded Blast Furnace-2 at Bokaro



Chairman, SAIL meet with Hon'ble Governor of Jharkhand- 20.7.2010



Secretary (Steel) Mr. Atul Chaturvedi, SAIL Chairman Mr. C.S. Verma and Managing Director of Rourkela Steel Plant Mr. S.N. Singh at Jagdishpur for foundation stone laying ceremony



Mr. C.S.Verma, SAIL Chairman, Mr. Atul Chaturvedi, Secretary (Steel), Shri Shob Ahmed, Director (Commercial) and Mr. S.N. Singh, Managing Director Rourkela Steel Plant at foundation stone laying ceremony at Jagdishpur SAIL Unit

Abbreviations used

✓ ASP	Alloy Steels Plant
✓ BF	Blast Furnace
✓ BOF	Basic Oxygen Furnace
✓ BPL	Below Poverty Line
✓ BSL	Bokaro Steel Limited
✓ BSP	Bhilai Steel Plant
✓ CS	Crude Steel
✓ CPLY	Corresponding Period Last Year
✓ DSP	Durgapur Steel Plant
✓ EBIDTA	Earnings Before Interest Depreciation ,Taxes & Ammortization.
✓ G.Cal/tcs	Giga Calories per tonne of Crude Steel
✓ Gol	Government of India
✓ IISI	International Iron & Steel Institute
✓ ISP	IISCO Steel Plant

Abbreviations used

✓ JPC	Joint Plant Committee
✓ Kg/thm	Kilo Gram Per Tonne of Hot Metal
✓ MEL	Maharashtra Elektros melt Limited
✓ MT	Million Tonne
✓ Mtpa	Million Tonne Per Annum
✓ PAT	Profit After Tax
✓ PBT	Profit Before Tax
✓ RDCIS	Research & Development Centre for Iron & Steel
✓ RINL	Rashtriya Ispat Nigam Limited
✓ RSP	Rourkela Steel Plant
✓ SSP	Salem Steel Plant
✓ VISL	Visvesvaraya Iron & Steel Plant
✓ TFS	Total finished Steel

Disclaimer

Statements / Data which do not relate to SAIL and are used / made in this presentation are from sources which are considered reliable and Company cannot be held for its authenticity.

Further, statement describing the Company's projections, estimates, expectations are "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed depending on the circumstances / situations.

Major factors that could affect the Company's operations include, among others, economic conditions affecting demand / supply and prices in the domestic and global markets in which the Company operates, changes in Government regulations, tax laws and other statutes etc.