

Tata Motors (NYSE : TTM)

FY 11 Review

SNAPSHOT

Standalone FY11 Financials (Indian GAAP)

Tata Motors Sales volume over 8 lakhs;

Turnover ~ Rs 48,000 crores and PBT crosses Rs 2,000 crores

	FY11	FY10	Change	FY11 (*)	FY10 (**)
	Rs crores	Rs crores	(%)	US\$ mn	US\$ mn
Revenue (Net of excise)	48,040.5	35,593.1	35.0%	10,540.4	7,505.2
EBITDA	4,771.3	4,178.3	14.2%	1,046.9	881.0
EBITDA %	9.9%	11.7%	(180 bps)	9.9%	11.7%
Other Income	183.3	1,853.5	(90.1%)	40.2	390.83
Profit before Tax	2,196.5	2,829.5	NM	481.9	596.6
Net Profit	1,811.8	2,420.1	NM	397.5	510.3
Basic EPS - Ordinary Shares	30.28	42.37		0.66	0.89
Basic EPS - 'A' Ordinary shares	30.78	42.87		0.68	0.90

In Oct 2010, funds of USD 750 mio were raised via QIP of Ordinary & DVR shares as part of de-leveraging initiative. The Company allotted 32,165,000 'A' Ordinary Shares and 8,320,300 Ordinary Shares

FCCBs of ~ USD 326 mio equivalent were converted to equity during the year and 23,570,426 Shares were allotted against the conversion.

(*) Average Conversion rate for FY11: 1US\$ = Rs 45.5773

(**) Average conversion rate for FY10: 1US\$ = Rs 47.4249

Note: Revenue and EBITDA excludes Other Income;

Rs 1 crore = Rs 10 million

Consolidated FY11 Financials (Indian GAAP)

Tata Motors Group Global sales volume crosses 1 million ;

Turnover crosses Rs 1 lakh crores and PBT crosses Rs 10,000 crores

	FY11	FY10	Change	FY11 (*)	FY10 (**)
	Rs crores	Rs crores	(%)	US\$ mn	US\$ mn
Revenue (Net of excise)	123,133.3	92,519.3	33.1%	27,016.4	19,508.6
EBITDA	17,780.0	8,614.2	106.4%	3,901.1	1,816.4
EBITDA %	14.4%	9.3%	510 bps	14.4%	9.3%
Other Income	89.6	1,793.1	(95.0%)	19.7	378.1
Profit before Tax	10,437.2	3,522.6	196.3%	2,290.0	742.8
Net Profit	9,273.6	2,571.1	260.7%	2,034.7	542.1
Basic EPS - Ordinary Shares	155.17	48.64		3.40	1.03
Basic EPS - 'A' Ordinary shares	155.67	49.14		3.42	1.04

(*)Average Conversion rate for FY11: 1US\$ = Rs 45.5773

(**) Average conversion rate for FY10: 1US\$ = Rs 47.4249

Note: Revenue and EBITDA excludes Other Income;

Rs 1 crore = Rs 10 million

Tata Motors Ltd - CREDIT RATINGS

Credit Rating Agency	Rating as on March 31, 2011
Moody's	Ba3
S&P	BB (-)
Crisil	AA (-)
ICRA	LAA (-)
CARE	AA (-)

ECONOMIC SCENARIO

Key Highlights of FY10-11

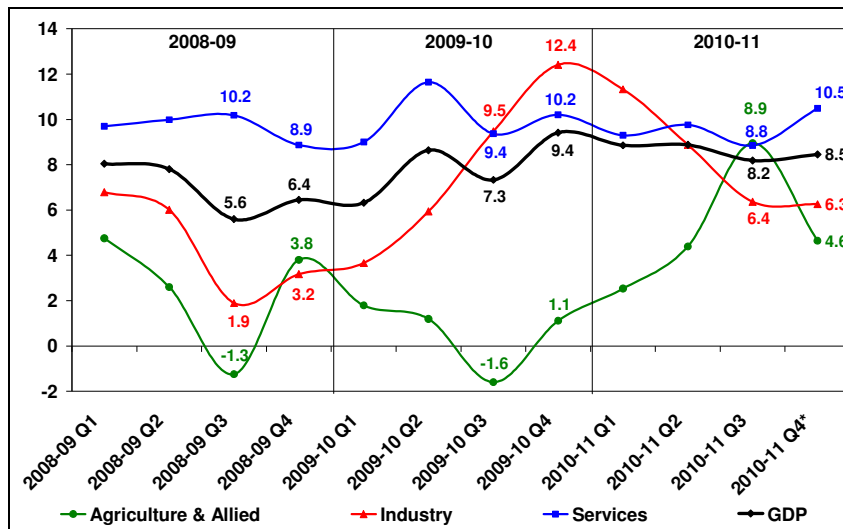
1. GDP Growth

Sectors	Estimated % Growth in '10- '11	Period	% GDP Growth
Agriculture	5.4	Q4 2010-11	8.5 (expected)
Industry	8.1	Q3 2010-11	8.2
Services	9.6	Q2 2010-11	8.9
GDP	8.6	Q1 2010-11	8.9

Source: Tata Services Ltd - Department of Economics and Statistics

GDP growth for 2010-11 is estimated at around 8.6%, higher than 8.0% achieved in 2009-10. GDP growth stood at 8.2% in Q3 2010-11 as compared to 8.9% in first half of 2010-11. The lower Q3 growth was a result of low growth in Industry (6.4%). Nevertheless, Services and Agriculture posted 8.8% and 8.9% growth respectively in Q3 2010-11. Downside risks to growth in Q4 2010-11 and beyond are posed by slowing industrial growth, higher cost of borrowing and high oil & commodity prices. India's GDP in current market prices was around US\$ 1.7 trillion in 2010-11.

GDP Growth (% , y-o-y)



Source: MoSPI

*Advance Estimate

Growth in 2011-12 can be expected to be around 8.5%, based on the assumption of 3% - 3.5% growth in Agriculture & Allied sector, 8.0% - 9% growth in Industrial sector, and 10% growth in Services sector. The main downside risks to this scenario emerge from low industrial growth due to high input costs and postponement of investment decisions because of rising interest rates during 2010-11 and beyond.

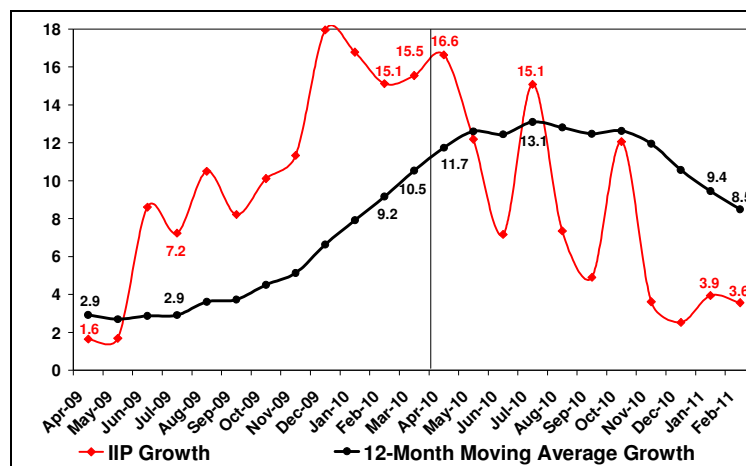
The RBI has projected baseline GDP growth of 8.0% in 2011-12, which is based on an average of US\$ 110 price of crude oil and a normal monsoon. The projections most likely also take into account the further policy rate hikes to be undertaken during 2011-12.

2. Industrial Growth

Index of Industrial Production (IIP) growth stood at 7.83% in Apr'10-Feb'11 as compared to 10.02% in Apr'09-Feb'10, and showed high volatility (the range of IIP growth was 16.64% in Apr'10 to 2.53% in Dec'10). Although highly volatile, overall IIP growth had been gradually losing momentum since the second half of 2010-11, which is illustrated by the growth rate of its 12-month trailing average, shown in the chart below.

Tightening of monetary policy conditions (RBI has hiked the repo & reverse repo rates 9 times since Mar'10 in order to control inflation) has led to hikes in the lending rates of major Banks (the Base rates of SBI, ICICI and Standard Chartered have been increased three times since Jun'10 by 75 to 125 basis points), which has discouraged investment by industry as reflected in the average 15.48% decline in production of Capital goods between Dec'10-Feb'11. Costs of raw materials and energy for the Industrial sector have also been high during 2010-11, which put pressure on margins as the sector is not able to pass through rising input costs.

IIP Growth & Growth of 12-Month IIP Moving Average (% , y-o-y)



Source: MoSPI

It can be seen that while the Manufacturing industry continued to perform well in 2010-11 even over a high base, growth of output of the Mining and Electricity generation industries lagged behind. In the Mining industry, this is likely to have been a result of high base and hurdles in

expansion of mining activities due to delays in securing environmental clearances and acquisition of required land. Although the growth in Electricity generation was low during FY 2010-11, the power deficit in India declined from 10.1% of demand in FY 2009-10 to 8.1% during FY 2010-11 due to weak demand growth of 3.84% over 5.70% growth in supply.

In terms of the Use-based classification of industries, the growth in output of Basic goods (discussed in the next section) as well as Consumer goods remained subdued. The low growth in Consumer goods was on account of poor growth in Consumer non-durables production even over a low base. This is likely to have been a result of the high food inflation of 11.26% (14.24% in Apr'09-Feb'10) during Apr'10-Feb'11, leading to depressed spending on non-food items by households¹. Production of Consumer durables, on the other hand, showed robust growth due to easy loan availability and a rising per capita income. Production of intermediate goods showed high growth during FY 2010-11, indicating robust demand from the manufacturing sector.

Index of Industrial Production Growth Rate (% , y-o-y)

Industry	Weight	Apr'09-Feb'10	Apr'10-Feb'11
General	1000.00	10.02	7.83
Sectoral Classification			
Mining	104.73	9.61	6.50
Manufacturing	793.58	10.44	8.14
Electricity	101.69	5.81	5.44
Use-based Classification			
Basic ²	355.65	6.82	6.47
Capital ³	92.57	18.98	8.71
Intermediate ⁴	265.14	13.66	9.14
Consumer	286.64	5.94	7.49
<i>Durables</i>	53.65	23.77	21.78
<i>Non-Durables</i>	232.99	0.28	1.87

Source: MoSPI; (Green indicates industries which outperformed overall infrastructure growth and Red indicates those that did not.)

¹ According to the NSSO 63rd round household expenditure survey & 2001 Census, 49% of the average Indian household consumption goes towards purchase of food items.

² Main items: minerals, electricity, steel, cement, and nitrogenous fertilizers which account together account for 28% weight in the IIP

³ Main items: diesel engines, well/offshore platforms, industrial machinery, tractors, and scientific instruments

⁴ Main items: cotton yarn, filament yarn, plywood chemicals, PVC pipes & tubes, and particle boards

3. Infrastructure Index

Growth in output of infrastructure industries (% , y-o-y)

	Apr'09-Feb'10	Apr'10-Feb'11
Overall	5.4	5.7
Crude Oil	0.3	11.9
Petroleum Refinery Products	-0.4	2.5
Coal	7.9	0.1
Electricity	6.0	5.4
Cement	10.8	4.3
Finished steel (carbon)	5.2	8.1

Source: MoSPI

The infrastructural bottleneck for industrial activity can also be illustrated by comparing the growth in the 12-month moving averages of the index of output for the six infrastructure industries and that of general IIP.

Growth in bank credit to infrastructure was 38.63% during Apr'10-Mar'11, down from 40.71% in Apr'09-Mar'11. Furthermore, credit growth to infrastructure during FY 2010-11 was concentrated in the Telecom sector (due to 3G spectrum auctions), while Power, Roads, and Other infrastructure industries witnessed a slowdown in credit growth over FY 2009-10.

Low growth in the production of these essential inputs/raw materials like coal & steel can be attributed to regulatory constraints related to land acquisitions, environmental clearances and governance related issues.

Source: Concerned Ministries/Departments/Organization(s)

4. Inflation

Inflation as measured by the Wholesale Price Index (WPI) for Apr'10-Mar'11 at 9.39% (3.57% in Apr'09-Mar'10). During 2010-11, overall WPI inflation declined steadily from 10.62% in Q1 to 9.25% and 8.87% in Q2 and Q3 respectively, but persisted at an elevated level of 8.88% in Q4.

During Apr'10-Mar'11, non-manufacturing WPI inflation was 15.14% (5.35% in Apr'09-Mar'10), while manufacturing WPI inflation stood at 5.43% (1.80% in Apr'09-Mar'10), indicating limited pass-through of rising inputs by the manufacturers as a result of competition, both domestic and foreign (prices of imported goods act as a ceiling beyond which domestic prices of manufactured products cannot be increased).

The RBI has projected WPI inflation during 2011-12 to remain around 9% upto Sep'11, and decline thereafter to 6% by Mar'12. This is based on expectations of strong inflationary pressures emanating

from high global commodity prices, as well as domestic price pressures and demand-supply mismatches. Given these projections, further hikes in repo and reverse repo rates by RBI are to be expected in 2011-12, even at the cost of lower growth.

Wholesale Price Inflation (WPI) according to category (% , y-o-y)

	Weight	Apr'09-Mar'10	Apr'10-Mar'11
All Commodities	100.00	3.57	9.39
Primary Articles	20.12	12.66	17.61
<i>Food Articles</i>	14.34	15.28	15.57
<i>Non-Food Articles</i>	4.26	5.47	21.80
Minerals	1.52	8.79	24.45
Fuel & Power	14.91	-2.11	12.24
<i>Coal</i>	2.09	3.43	5.57
<i>Mineral Oils</i>	9.36	-4.29	15.97
<i>Electricity</i>	3.45	0.96	5.38
Manufactured Products	64.97	1.80	5.43
<i>Food Products (manufactured/processed)</i>	9.97	13.50	3.69
<i>Non-Food manufactures</i>	55.00	2.62	4.83

Source: Office of Economic Advisor

5. Interest rates

In its latest Annual policy review on 03rd May'11, the Reserve Bank of India (RBI) hiked the key 'Repo' rate by 50 bps from 6.75% earlier to 7.25% and the 'Reverse Repo' rate by 50 bps from 5.75% earlier to 6.25%. With these hikes, the RBI has raised, in total, the 'Repo' rate by 250 bps and the 'Reverse Repo' rate by 300 bps since Mar'10 when it began the tightening process.

RBI kept Repo rate as the only single independently varying policy rate and pegged the reverse repo rate at a fixed 100 basis point below repo rate. Hence, reverse repo rate will no longer be independent rate. A new Marginal Standing Facility (MSF) is introduced in which SCBs can borrow overnight up to 1% of their respective NDTL from RBI at a rate 100 basis point above repo rate i.e. 8.25%. Higher rates will translate into higher cost of funds for banks and therefore base rate (the minimum rate at which funds are made available by banks) is likely to increase which would increase borrowing costs for corporate sector.

RBI has clearly shown an anti-inflationary stance in its latest review of monetary policy in order to contain inflation by reining in demand side pressures and anchor inflationary expectations. It is noteworthy that RBI has increased the policy rates nine times so far since it started with the monetary tightening process in Mar'10. In a trade-off between inflation and growth, RBI has clearly chosen inflation targeting as the top most priority even at the cost of some growth and

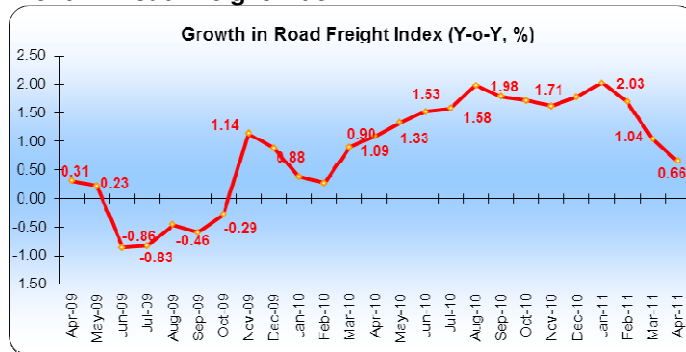
investment in short-run. Growth in medium term would be sustainable if inflation is moderated in short-run.

There seems to be a vicious cycle. RBI is raising interest cost which is feeding into cost push expectations. However given the nature of competition, the increased cost pass through is becoming difficult. Consequently margins are coming down and investments are getting postponed. Growth in profitability of corporate sector in Q4 2010-11 so far has not been encouraging.

Also in response to RBI rate hikes, all major banks have increased their lending and deposit rates. The issue of maintaining an environment where the cost and availability of credit is supportive of growth momentum, while ensuring that inflation falls back to more comfortable target levels, would be at the centre stage of policy consideration in the near term.

6. Freight Rates

Trend in Road Freight Index



As on 30th April 2011, freight rate index stood at 173.95. On an average, freight rate index in the fourth quarter was higher by 1.58% than in the same quarter of previous year. Average freight index stood at 174.30 in the month of April, 2011 which was lower than 174.81 in the month of March, 2011. The growth in road freight

index has declined due restricted movements of cargo against adequate availability of trucks.

7. National Highway Development Project (NHDP)

The NHDP projects are divided into seven phases. However the ones being implemented are in four phases, i.e. I, II, III and V. Projects implemented in phase IV and VII are only a small percentage of the total length in respective phases. There has been no progress on projects in phase VI. (Phases IV, VI and VII are excluded from the table below).

46.3% of the national highway development and other road projects under NHAI were completed as on 31st March 2011. In NHDP, 637 kms of 4-laned roads were added and the projects under implementation increased by 168 kms in the period Jan-Mar 2010-11. In other words, only 7.1 kms of roads per day were added in Q4 of 2010-11 as against the target of 20 kms a day.

Status of NHDP as on 31st March 2011

NHDP & Other NHAI Projects (Status :31st March 2011)							
	Total Length (Km)	Already 4-Laned (Km)	% Completion	Under Implementation (Km.)	% Implementation	Balance length to be awarded (Km)	Balance length to be awarded (%)
GQ	5,846	5,824	99.6%	22	0.4%	-	0%
NS - EW Ph. I & II	7,300	5,622	77.0%	1,099	15.1%	421	5.8%
NHDP Phase III	12,109	2,242	18.5%	5,769	47.6%	4,098	33.8%
NHDP Phase V	6,500	582	9.0%	1,830	28.2%	4,088	62.9%
NHDP Phase VI	1000	-	0%	-	0%	1000	100.0%
NHDP Phase VII	700	-	0%	41	5.9%	659	94.1%
SARDP -NE	388	-	0%	112	28.9%	276	71.1%
NHDP Phase IV	14799	-	0%	765	5.2%	14,034	94.8%
NHDP Total	48,642	14,270	29.3%	9,638	19.8%	24,576	50.5%
Port Connectivity	380	312	82.1%	68	17.9%	0	0.0%
Others	1383	935	67.6%	428	30.9%	20	1.4%
Total by NHAI	50,405	15,517	30.8%	10,134	20.1%	24,596	48.8%

Source- NHAI

8 Pradhan Mantri Gram Sadak Yojana (PMGSY)

The latest update on the progress of the initiative is as below:

PMGSY for New connectivity	
New Habitations - target (nos.)	166,938
New Habitations - achieved (nos.)	74,493
Achievement (%)	45%
Total length planned - New (kms)	368,000
Total sanctioned till dated - New (kms)	297,112
Total completed - New (kms)	162,133
% of sanctioned new length completed	68%

PMGSY for Upgraded connectivity	
Habitations for upgradation - target (nos.)	186,240
Habitations for upgradation - achieved (nos.)	75,651
Achievement (%)	41%
Total length planned - Upgradation (kms)	370,000
Total sanctioned till dated - Upgradation (kms)	154,290
Total completed - Upgradation (kms)	114,217
% of sanctioned upgraded length completed	74%

PMGSY - Cost estimated (Rs.cr.) - revised in 2010 by NRRDA*	
Total Estimated costs (Rs.cr.)	250,000 (US\$ 52 bn)
Sanctioned amount till date (Rs.cr.)	104,966
Value of work done till date (Rs.cr.)	75,786
% of sanctioned amount utilised	72%

*NRRDA refers to National Rural Road Development Agency,

Source: PMGSY website. www.umms.nic.in

BUSINESS REVIEW

Standalone FY11 Financials (Audited)

- Tata Motor's Net Revenue for FY11 was Rs. 48,041 crores ; increase of 35.0% Y-o-Y on account of strong volume.
- Consequently, Company's operating profit (EBITDA) increased by 14.2% to Rs.4,771 crores. Operating margin stood at 9.9% (FY10: 11.7%)
- Depreciation and product development expenditure for the year stood at Rs 1,467 crores
- Net Interest & discounting charges for the year stood at Rs 1,144 crs
- Profit before tax for the financial year was Rs. 2,197 crores, as compared to Rs 2,830 crores in FY10.
- The Gross total debt (inc. FCCNs) stood Rs 15,899 crores as on 31st March' 11 as compared to Rs. 16,595 crores as on 31st March' 10. The Company's Net Debt (Net of the surplus investible funds) stood at Rs 13,385 crores as on 31st March' 11 as compared to Rs. 14,321 as on 31st March' 10.
- During the quarter ended December 31, '10, the Company issued shares aggregating US\$ 750 Million, comprising 'A' Ordinary Shares aggregating US\$ 550 million and Ordinary Shares aggregating US\$ 200 million through Qualified Institutional Placement (QIP). Consequently, the Company has allotted 32,165,000 'A' Ordinary Shares at a price of Rs. 764 per 'A' Ordinary Shares (including a premium of Rs.754 per 'A' Ordinary Shares) and 8,320,300 Ordinary Shares at a price of Rs.1,074 per Ordinary Share (Including premium of Rs. 1064 per Ordinary Shares) aggregating to a total issue size of Rs. 3,351.01 Cr.
- Foreign Currency convertible notes of ~ USD 326 mn equivalent were converted to equity and accordingly 23,570,426 ordinary shares were allotted during the year.

Current Assets (Standalone)

No. of Days of Sales	31 st March' 11	31 st Dec' 10
Inventory	30	33
Receivables	20	20

Volume Summary

	FY11	FY10	Y-o-Y change
Total CVs	458,828	373,842	22.7%
Total PVs*	319,712	260,020	23.0%
Total Domestic Sales	778,540	633,862	22.8%
Exports	58,089	34,109	70.3%
Total Volumes	836,629	667,971	25.2%

* Includes sales of FIAT vehicles and JLR vehicles

Commercial Vehicle Segment

The CV industry grew by ~ 27% in 2010-11 over the same period last year. The growth was supported by sustained economic growth leading to significant revival in Exim trade, infrastructure development, pickup in mining & construction activities, favorable financing environment, healthy freight availability.

However, in recent months there have been developments which have the potential of adversely impacting growth in CV market. These include slow-down in industrial sector and high inflation which has necessitated rise in interest rates. However the overall 'India Story' remains intact due to robust economic performance propelled by high growth in agriculture sector. Competitive intensity expected to increase, but Company well placed with a wide and compelling product portfolio and customer support

CV Domestic Sales Volumes

	FY11 Volumes	FY10 Volumes	Change in volumes over previous year	FY11 Market share	FY10 Market share
M/HCVs	196,651	155,161	26.7%	60.1%	63.3%
LCVs	262,177	218,681	19.9%	63.2%	64.7%
Total CVs	458,828	373,842	22.7%	61.8%	64.1%

Source: SIAM Industry Data and Company analysis

- The company's commercial vehicles volumes registered a growth of 22.7% y-o-y compared to Industry growth of ~27%.
- H1 of FY 11 was characterized with high growth rates due to a low base effect. H2 FY 11 continued growth path.

- Growth in MHCV segment has been accompanied by a structural alignment and shift in favor of higher tonnage trucks
- Capacity expansion at Uttaranchal in place towards the end of the year.
- Various new products in FY 11 include new launches from the Tata Prima Construck range, variants in the MHCV segment including expansion of tractor trailer range, passenger applications from the Tata Winger platform.
- Shortage of bought out components in certain months which adversely impacted company sales and market share mostly addressed.
- We took cumulative price increases of 5.3% in FY 11 along with cost reduction initiatives to counter higher input costs.

Launches in FY 11 - CV

- On 17th September 2010, Tata Motors CNG-Electric Hybrid Bus - Tata Motors presented to the Delhi Transport Corporation (DTC) CNG-Electric Hybrid Low-floor Starbuses, India's first such vehicle.
- On 8th December 2010, the Tata Winger Platinum - a new offering in the Winger range was launched. It is a luxurious 7 seater, designed to provide an enhanced on-road experience with a perfect blend of comfort and space. The Tata Winger Platinum has been specifically designed to fulfill the needs of passengers who look for carriers but have to depend on Utility vehicles. The Tata Winger Platinum comes in two colour options - Pearl White and Cycus Grey. It is backed with a 1.5 lakh km / 18-month warranty. The Tata Winger Platinum BS IV would be available at a price of Rs. 739724 lakhs (ex-showroom, Mumbai without Octroi). It was launched on 8th December 2010.
- On 5th Jan 2011, Tata Prima Construck range comprising of 2528.K and 3128.K have been launched and have generated a high degree of customer interest.
- Other initiatives in M&HCV truck market include : a) launch of LPT 1109 EX2 with higher GVW of 12.9 tonnes which has helped the Company strengthen its presence in ICV truck segment; b) launch of LPK 909 with the futuristic Y1 axle, c) growing demand for LPK 1616, which is gaining increasing acceptance in market place.

Passenger Vehicle Segment

The PV industry continued to grow at ~ 30% YOY in FY 11 with better economic outlook, rise in disposable incomes, several new offerings, higher discounts to mitigate intensifying competition, availability of financing alternatives, increased rural penetration.

Competitive intensity and increasing costs in the passenger vehicle segment could pose a risk to operating margins. While disposable incomes and consumption has risen, higher inflation, interest costs, fuel price increases have the potential to impact demand

PV Domestic Sales Volumes

	FY11 Volumes	FY10 Volumes	Change in volumes over previous year	FY11 Market share	FY10 Market share
Small Car	180,091	158,093	13.9%	11.6%	13.3%
Mid-size Car	96,455	68,195	41.4%	25.7%	23.7%
UV	42,277	33,507	26.2%	13.1%	12.4%
Total PV*	319,712	260,020	23.0%	13.0%	13.7%

**Inclusive of Fiat & JLR*

Source: SIAM Industry Data and Company analysis

- The company's passenger vehicles volumes registered a growth of 23.0% y-o-y
- Market share of Tata Motors (including Fiat & JLR) vehicles stood at 13.0% for FY10-11.
- The small car segment grew by 13.9% this year over last year's volumes driven mostly by Nano sales. On 3rd January 2011, Tata Nano open sales was extended across India. The company continues to undertake focused marketing initiatives to increase the sales of the Nano, including, customer meets, tailored finance offers, and various ad campaigns & consumer initiatives.
- The "Midsize" segment grew by ~ 31% Y-o-Y while the sales of the Tata passenger cars in the segment grew substantially by 56% driven by the sales of Manza.
- Sales of Utility Vehicles showed a healthy growth of ~ 26% Y-o-Y with improved sales of Sumo, Safari and the new launches in the segment like Aria and Venture.
- New products launched in FY 11 - Indigo CS e-series, Aria, Venture, Vista 90, Indica eV2, Manza Elan
- We took price increases of ~ 4-6% on Tata Passenger cars

Launches in FY 11 - PV

- On 30th April 2010, the Indica Vista Drivetech4 was launched with a host of new features and a thrilling driving experience, to take the encouraging market response to the company's new generation car to a new high. The BS-4 compliant Indica Vista Drivetech4 has a specially designed Eurotech gearbox perfectly mated to the Vista Drivetech4 Quadrajet diesel and Safire petrol engines. It ensures higher torque at low RPMs, minimal vibration, precise gear shifting, longer engine life and cooled exhaust gas recirculation for lower emissions. The Indica Vista Drivetech4 series, though in the premium B segment, was competitively priced, starting respectively from Rs.3.57 lakhs for the Safire petrol range and from Rs. 4.4 lakhs for the Quadrajet diesel range (ex-showroom, Delhi).
- On 19th May 2010, new Tata Indigo e-CS, the most fuel-efficient sedan in the country, was launched with a host of exciting features. Built on the existing Tata Indigo platform, the Tata Indigo e-CS succeeds the highly successful Tata Indigo CS, the most compact sedan in the world, which became a best seller in the first year of its launch in 2008, and opened up a completely new market for upwardly mobile young professionals. Sporting an all new 1.4 litre CR4 Common Rail Diesel engine, the e-CS offers an ARAI approved mileage of 23.03 kmpl, which is the highest for any sedan currently available in the country. It is also available with the 1.2 litre MPFI petrol engine to provide customers with a wider choice. Both these engines are compliant with BS4 emission norms currently applicable in 13 cities in India. The Indigo e-CS also gets a fresh new look on the exteriors with a new satin finish front grill, new headlamps, and ORVM with blinkers. This coupled with body coloured bumpers and chrome inserts on the rub rails endows the e-CS with head turning looks.
- On 11th October 2010, Tata Aria, the first Indian four-wheel drive Crossover - a luxurious creation with the finesse of a sedan and the muscle of an SUV all blended in one car was launched. The Aria's stylish design is inlaid with the DNA of an SUV, manifested in its stance, power, driveability and safety. Its 2.2 litre Direct Injection Common Rail (DICOR) engine, with variable turbine technology and 32-bit ECU delivers 140 PS power and 320 Nm torque. The Tata Aria was launched in three trim levels, all with 4x4 - the Aria Pride at the top end, the Aria Prestige and the Aria Pleasure, each in eight colour options. While the Aria Pride is fully loaded, features will vary in the Aria Prestige and the Aria Pleasure (details in www.tataaria.com). The Tata Aria is being made available, to begin with, in 25 cities through 69 dealerships.
- On 7th February 2011, Tata Motors introduced the new Tata Manza. With a fresh new look of premium dual tone interiors and an exterior make-over, the new Tata Manza delivers a driving experience which is a class apart in the sedan market. The top end variant of the new Tata Manza series, the Tata Manza Elan, comes with a host of premium features like

dual tone alloy wheels, burgundy & beige interiors, chrome garnished bottom weather strip, fog lamps, and an all new premium and exclusive Tyrian wine color.

- On 10th March 2011, Tata Motors launched the Tata Indica eV2, the most fuel efficient car in India with a mileage of 25 kmpl, certified by the Automotive Research Association of India (ARAI) for the CR4 diesel engine. Some of the features of the vehicle include: 32% increase in power and 46% increase in fuel efficiency, new Interiors and class defining features. Built on the Tata Indica platform, the Tata Indica eV2 succeeds the highly successful Tata Indica, India's favourite hatchback.

International Business

Highlights

- The Company's export volumes increased substantially by 70.3% in 2010-11 over last year.

Company Performance in International Business

Exports Volumes

Business Unit	FY11	FY10	Change
Commercial Vehicles	50,244	27,878	80.2%
Passenger Vehicles	7,845	6,231	25.8%
Total Exports	58,089	34,109	70.3%

- Tata brand exports to Bangladesh, Sri Lanka & Bhutan continued to grow, both, over the previous quarters as well as on a y-o-y basis. Poland and MENA countries showed much better volumes over prior year. However, certain MENA countries showed subdued sales in Q4FY11 due to the lingering political crisis.

Other Significant events during the year

Tata Motors acquires 80% stake in Trilix Srl., Italy

Tata Motors has acquired 80% stake in Trilix Srl., Turin (Italy), a design and engineering company, for a consideration of €1.85 million. The remaining 20% stake is equally held by its promoters, Mr. Bryn Jones, Mr. Federico Muzio and Mr. Justyn Norek. The acquisition is in line with the company's objective to enhance its styling/design capabilities to global standards.

Trilix offers design and engineering services in the automotive sector, specifically styling, architecture, packaging, surfacing, macro and micro feasibility, detailed engineering development.

Other services include physical models (styling, surface sign-off, etc.), CAE and manufacturing process feasibility. Trilix has over the years developed a strong understanding of the Tata brand and excellent working relationships with the company in several projects. In 2009, Trilix had a turnover of € 4 million with an EBITDA of € 540,000 and PAT of € 250,000.

Boards of HV Transmissions and HV Axles propose amalgamation

The Boards of HV Transmissions Limited (HVTL) and HV Axles Limited (HVAL) have decided to amalgamate HVTL into HVAL to harness synergies and graduate the two entities as a total driveline solutions provider, backed with appropriate skills and expertise. With the pooling and more efficient utilization of resources, the amalgamated company, proposed to be renamed 'TML Drivelines Limited', will emerge as a stronger company. Subject to approvals of shareholders (Tata Motors and Tata Capital respectively hold 85% and 15% equity each in the two companies) and statutory approvals, the amalgamation will be effective from April 1, 2011.

The facilities of the two companies are located in Tata Motors' Jamshedpur plant complex, and they already function with great degree of commonalities. The amalgamation will ensure complete harmony, optimal utilisation of resources and integrated R&D base to create new products to respond to emerging market opportunities. The new entity will operate with two business verticals, Transmissions and Axles, with common corporate functions.

Consolidated FY11 Financials (Audited)

- The company registered consolidated revenue (net of excise) of Rs. 123,133 crores, posting a growth of 33.1% over Rs. 92,519 crores in the corresponding previous year on account of strong volume, product and market mix.
- Consequently, Company's operating profit (EBITDA) on consolidated basis improved substantially by 106.4% to Rs.17,780 crores. Operating margin stood at 14.4% (FY10: 9.3%)
- Depreciation and product development expenditure for the year stood at Rs. 5,618 crores
- Net Interest and Discounting charges for the year stood at Rs 2,045 crores
- Profit before tax for the financial year was Rs. 10,437 crores, as compared to Rs 3,527 crores in FY10.
- The Gross total debt stood Rs 32,791 crores as on 31st March' 11 as compared to Rs. 35,108 crores as on 31st March' 10. The Company's Net Debt (Net of the surplus investible funds) stood at Rs 20,721 crores as on 31st March' 11 as compared to Rs. 25,301 crores as on 31st March' 10

- The following table shows the days of sales of inventory and receivables of the standalone business of the Company.

Current Assets (Consolidated)

No. of Days of Sales	31 st March' 11	31 st Dec' 10
Inventory	42	39
Receivables	20	20

Key Subsidiary Financials

Subsidiary	Net Revenue		Change (%)	PAT		Change (%)
	FY11	FY10		FY11	FY10	
Jaguar LandRover Ltd (GBP Million)	9,905.1	6,554.8	51.0%	1,042.5	(14.2)	NM
Tata Daewoo CV Ltd.,Korea (TDCV) (Rs cr)	2,881.1	2,728.7	5.6%	73.0	81.6	(10.6)%
Tata Motors Finance Limited (TMFL) (Rs cr)	1,366.6	1,132.0	20.7%	127.1	44.2	187.8%
Tata Technologies Ltd consolidated (TTL) (Rs cr)	1,249.3	1,070.4	16.7%	139.0	91.0	52.8%
HV Axles Ltd (HVAL) (Rs cr)	312.1	238.7	30.7%	94.2	63.8	47.5%
HV Transmissions Ltd (HVTL) (Rs cr)	294.4	209.8	40.3%	90.8	52.6	72.4%

Highlights of Key Subsidiaries

Jaguar Land Rover

FINANCIAL HIGHLIGHTS

GBP Million	FY11	FY10	% change
Net Revenue	9,905.1	6,554.8	51.1%
EBITDA	1,618.6	392.7	312.2%
PBT	1,125.6	14.6	NM
PAT	1,042.5	(14.2)	NM

The financial results for the year ending March 2011 summarised above illustrate a significant improvement over the previous year. Continuing stronger demand for the latest MY product portfolio, improved product and market mix, favorable exchange rates, internal actions and supported by relatively better general economic conditions contributed substantially for the encouraging operational and financial performance during the year. The company will continue to focus on profitable volume growth, managing costs and improving efficiencies to sustain the momentum.

VOLUME SUMMARY

Wholesale Volumes Regionwise						
Jaguar	Q1	Q2	Q3	Q4	FY11	FY10
North America	4,956	5,145	3,696	1,960	15757	10806
UK	4,785	4,156	3,677	3,332	15950	17900
Europe (excl. Russia)	3,563	2,502	2,614	2,195	10874	9901
Russia	206	245	216	192	859	609
China	379	418	976	405	2178	2505
Other	1,566	1,859	1,993	1,957	7375	5697
Total Jaguar	15,455	14,325	13,172	10,041	52993	47418
Land Rover	Q1	Q2	Q3	Q4	FY11	FY10
North America	8,442	8,193	10,663	9,468	36766	26739
UK	9,754	9,882	8,275	14,697	42608	37170
Europe (excl. Russia)	11,149	8,068	12,827	11,615	43659	34758
Russia	1,803	2,985	3,164	2,917	10869	7634
China	4,752	4,947	7,220	7,817	24736	16224
Other	7,846	6,734	7,834	9,576	31990	24039
Total Land Rover	43,746	40,809	49,983	56,090	190628	146564

BUSINESS REVIEW

- Improved macroeconomic conditions, strong demand for products across markets and internal actions improved profitability over prior year.
- Other highlights for the year include:
 - Significant volume & mix growth over the previous year
 - Product highlights: Jaguar XJ , Jaguar XKR-75, Land Rover 11MY Freelander incl. 2.2l turbo diesel engine , Range Rover Ultimate Edition & Discovery Landmark Limited edition
 - Exchange rates continue to be a positive factor

Company overview - significant events

Jaguar Land Rover will assemble Freelander CKD in Pune, India, for sale within the Indian market. The facility is formally opened with an inaugural ceremony on 27th May 2011.

Jaguar Land Rover has completed a £1 billion equivalent 7 and 10 year bond offering in the capital markets to refinance existing debt and for general corporate purposes.

£2bn Range Rover Evoque supply contracts placed within UK

Jaguar Land Rover announced more than £2 billion worth of supply contracts for the Range Rover Evoque, awarded to more than 40 companies in the UK. The contracts follow the completion of a global competitive tendering exercise on component-sourcing for the vehicle, which will arrive in dealerships this year.

Jaguar overview

Jaguar launched the XKR-S at the Geneva Motor Show

This model will significantly broaden the appeal of the XK range, with an updated supercharged V8 engine, overhauled suspension and a new aerodynamically-driven design. The XKR-S is the ultimate expression of Jaguar's long held duality of purpose: GT luxury with incredible performance. It exploits the XK's strong, lightweight aluminium body architecture to maximise both handling and economy. The XKR-S is the only car in its class that emits less than 300g/km CO₂.

XF 2.2l diesel

Jaguar has unveiled its most efficient car yet in the form of a new 2.2 litre diesel unit capable of returning 52.3 mpg on the combined cycle while emitting 149 g/km of CO₂. The inclusion of the Stop-Start function is estimated to increase overall fuel efficiency between five and seven per cent.

50 Years of E-Type

Jaguar has celebrated 50 years of the E-Type with events worldwide. The E-Type is now a permanent exhibit in New York's Museum of Modern Art.

C-X75 Hybrid Supercar

Jaguar confirmed on 6th May, 2011 that it will launch the C-X75 concept car as an exclusive hybrid supercar.

Jaguar C-X75 will become Jaguar's most advanced model to date. It will offer performance on a par with the fastest production cars on the market, while adopting cutting-edge technology that offers remarkably economical running. Jaguar expects this hybrid supercar to deliver incredibly low CO₂ emissions of less than 99g/km while being able to achieve in excess of 200mph.

The Jaguar C-X75 will be developed in association with Williams F1 who will provide their engineering expertise in areas including aerodynamics, carbon composite manufacture and hybrid technologies. This association will be at the leading edge of British automotive engineering and innovation.

It also marks a new milestone in both companies' histories as Jaguar Land Rover and Williams collaborate for the first time to produce one of the world's highest performance and environmentally sustainable supercars. The production of Jaguar C-X75 will create more than one hundred highly-skilled jobs in the UK with 250 Jaguar C-X75 to be built

Jaguar continues to develop the use of the micro-turbine technology that was showcased in the original concept C-X75. Jaguar's parent company Tata has taken a significant stake in Bladon Jets, and will develop this very advanced technology as a medium-term aspiration that will play a part in Jaguars of the future.

Jaguar models continue to win awards, those particularly worthy of note include:

- XJ - Top Gear - "Luxury Car of the Year" (UK)
- XF - What Car? - "Best Executive Car" (UK) - fourth successive year
- XK Coupe - CarBuyer - "Most Stylish Car"
- Jaguar - Top in 2010 Sales Satisfaction Index (SSI) Study (Luxury Brands) - J.D. Power and Associates (US)
- Jaguar - 3rd in 2011 Vehicle Dependability Study (VDS)- J.D. Power and Associates (US)
- Jaguar C-X75 - Louis Vuitton - "Classic Concept Award 2010" (France)
- Jaguar E-Type - Autocar - "Greatest Ever Road Test" (UK)

Land Rover overview

Range Rover Autobiography Ultimate Edition,

The new Range Rover Ultimate Edition made its debut at the 2011 Geneva Motor Show. The flagship model adds a handcrafted luxury interior to an interior renowned for being one of the finest in the automotive world. The rear passengers will now experience first-class-style accommodation with two stand alone electric rear seats enhance space and comfort for the rear passengers including a machined aluminium laptop table and drinks chiller, and two Apple iPads as standard (the first car to do so). The luxury theme extends to the rear load space, with a super yacht inspired teak floor

with metal and leather detailing. Range Rover Ultimate Edition comes with Land Rover's award-winning Terrain Response™ system with five different settings to suit different terrains including new Hill Start Assist and Gradient Acceleration Control.

This Ultimate Edition was designed, engineered and manufactured in the UK and exclusivity is assured as each vehicle will be built to customer order only. 500 units will be produced and sold in over 20 markets globally.

2011 Defender X-Tech Limited Edition

The Defender X-Tech Limited Edition was previewed at the Brussels Motor Show in January and went on sale in March 2011. Defender X-Tech is available in the 90 Hard Top Commercial derivatives, with the full range of accessories also available to enhance capability and individuality. Powered by the 2.4 litre common-rail diesel engine, this Defender boasts fuel efficiency and performance with 360Nm torque for effortless towing and enhanced on-road performance.

Environmental Technologies - Electric Range_e

Land Rover continues to recognise the need to work on all aspects of its vehicle CO₂ footprint such as reducing weight, reducing mechanical losses and increasing powertrain efficiency and our hybrid technology represents one part of the research and development journey.

Land Rover presented the Range_e at the Geneva Motor Show in March 2011. This development model is equipped with an advanced plug-in hybrid diesel-electric powertrain that Land Rover expects to make available in future production models, following the scheduled launch of its first hybrid in 2013.

Overall CO₂ emissions of the Range_e development model are just 89g/km, yet Range_e has a maximum system output of 339PS and a top speed of around 120mph (193kph), delivering a fuel economy of 85mpg (3.36 l/100km). Improved fuel efficiency from the hybrid system makes 690 miles (1,112km) possible on a full tank of fuel.

Jaguar Land Rover is committed to investment on environmental technologies and has targeted a 25 per cent reduction in its fleet average CO₂ emissions between 2008 and 2012.

Land Rover in Partnership with CABLED

The Range_e is one of a number of Land Rover projects supported by the UK Government's Technology Strategy Board and five prototype models are currently engaged in a test programme with Land Rover's fellow members of the CABLED - Coventry and Birmingham Low Emissions Demonstrators - consortium. Land Rover anticipates its plug-in hybrid system will be brought to market in the near future, following on from the debut of its first standard diesel-electric hybrid models from 2013.

The Land Rover range of models continues to receive accolades from around the world. Highlights include:

- Discovery 4 - What Car? - "4 x 4 of the Year" (UK) - seventh successive year
- Discovery 4 - CarBuyer - "Best Luxury 4 x 4" (UK)

- Freelander 2 - Parkers New Car Awards 2011 - "Winner 4 x 4 category" (UK)

And the first awards for the new Range Rover Evoque:

- Range Rover Evoque - What Car? Reader award - "Most exciting Car of 2011" (UK)
- Range Rover Evoque - Car Design News - "Best Production Car in 2010" Car Design of the Year Awards" (UK)

Strategy and future plans

- Successful launch of the Range Rover Evoque that is on public sale from September 2011.
- Introduction of 12MY Jaguar and Land Rover vehicles
- Further growth and market share expansion in a number of markets including: US, Germany, China Russia, India and Brazil. Such expansion will also benefit the company with additional natural hedging.
- Work will continue on profitable volume growth, managing costs and improving efficiencies to sustain the growth momentum.
- The business also continues to face a number of risks with respect to geopolitical environment which the company will work to mitigate.

Senior Personnel Changes

Wolfram Liedtke appointed Jaguar Land Rover Director, Quality and the Automotive Safety Office effective 1st March 2011.

TDCV

- FY 11 Market share stood at 23.2 % vs 26.1 % over FY 10
- Functioning of our sales company (100% subsidiary of TDCV) launched in July 2010 in the domestic market has now stabilized.
- Been able to improve our market share sequentially on a quarter on quarter basis in FY 10-11
- EBITDA and PAT margins have declined marginally due to lower volumes

TMFL

- Total vehicle financing disbursals (TMF) for FY11 were Rs. 7,908 Crs, an increase of 18% from Rs 6,697 Crs in FY10.
- The book size at the end of March 11 for TMFL and TML (Vehicle Financing) stood at Rs 9,878 Cr and Rs. 247 Cr respectively.
- TMF market-share for FY11 stood at 21.4%. NIM of vehicle financing business (TMF) for FY11 was 10.1%.
- TMF issued Unsecured Non-Convertible, Subordinated, Perpetual Debentures of Rs 150 crores towards Tier 1 capital

TTL

- Increased operational efficiency and cost reduction measures continue to improve EBITDA margins to 14.4%
- Business traction and subsidiaries profitability led to best FY performance of the Company from PAT perspective
- Diversified customer base and key marquee clients in automotive & aerospace businesses
- Primary issue of shares of ~ USD 30 mio issued to Private equity in April 2011

HVAL and HVTL

- Sales Revenue continued to increase on the back of growth in domestic CV market
- While overall cost pressures increased, EBITDA margins were supported by improved volumes and cost control initiatives
- Wef 1 April 2011, HV Axles & HV Transmissions to be amalgamated subject to regulatory approvals and proposed to be renamed as TML Drivelines Limited

SHAREHOLDING PATTERN

Shareholding Pattern as on March 31st, 2011

Ordinary Shares	%
Tata Companies	34.83
Indian Financial Institutions / MFs / Banks	12.48
ADR/GDR Holders / Foreign holders-DR status	20.39
Foreign Institutional Investors	23.60
Others	8.70
Total	100.0

'A' Ordinary Shares	%
Tata Companies	18.90
Indian Financial Institutions / MFs / Banks	30.25
Foreign Institutional Investors	40.12
Others	10.73
Total	100.0

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- FY 11 represents the period from 1st April 2010 to 31st March 2011

- FY 10 represents the period from 1st April 2009 to 31st March 2010

- Financials contained in the presentation are in Indian GAAP