

**Tata Motors Limited: Q2FY12 REVIEW**

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I] SNAPSHOT OF FINANCIALS

Y-O-Y for the Quarter	NET REVENUE *		Change (%)	PAT		Change (%)
	Q2FY12	Q2FY11		Q2FY12	Q2FY11	
TML Consolidated (Rs Crores)#	36,197.5	28,519.2	26.9%	1,877.3	2,223.0	-15.5%
TML Standalone (Rs Crores)	12,953.8	11,248.9	15.2%	102.0	432.7	-76.4%
Jaguar LandRover PLC (GBP Million)	2,928.5	2,247.1	30.3%	237.5	243.3	-2.4%
Tata Daewoo, Korea (TDCV) (Rs. Crores)	901.8	588.6	53.2%	2.6	6.6	-60.6%
Tata Motors Finance (TMFL) (Rs. Crores)	471.3	341.4	38.1%	52.4	44.9	16.7%
Tata Technologies Ltd Consolidated (TTL) (Rs Crores)	371.6	295.1	25.9%	48.4	36.6	32.1%
TML Drivelines (Rs. Crores)^	165.4	-	-	54.9	-	-

Y-O-Y for the Half Year	NET REVENUE *		Change (%)	PAT		Change (%)
	H1FY12	H1FY11		H1FY12	H1FY11	
TML Consolidated (Rs Crores)#	69,486.3	55,399.3	25.4%	3,877.0	4,211.7	-7.9%
TML Standalone (Rs Crores)	24,577.9	21,483.0	14.4%	503.3	828.4	-39.2%
Jaguar LandRover PLC (GBP Million)	5,640.5	4,509.2	25.1%	456.4	469.2	-2.7%
Tata Daewoo, Korea (TDCV) (Rs. Crores)	1782.3	1464.8	21.7%	18.3	43.4	-57.9%
Tata Motors Finance (TMFL) (Rs. Crores)	880.3	661.5	33.1%	100.9	68.4	47.5%
Tata Technologies Consolidated (TTL) (Rs Crores)	706.7	592.8	19.2%	88.0	63.3	38.9%
TML Drivelines (Rs. Crores)^	333.1	-	-	112.2	-	-

**Notes:**

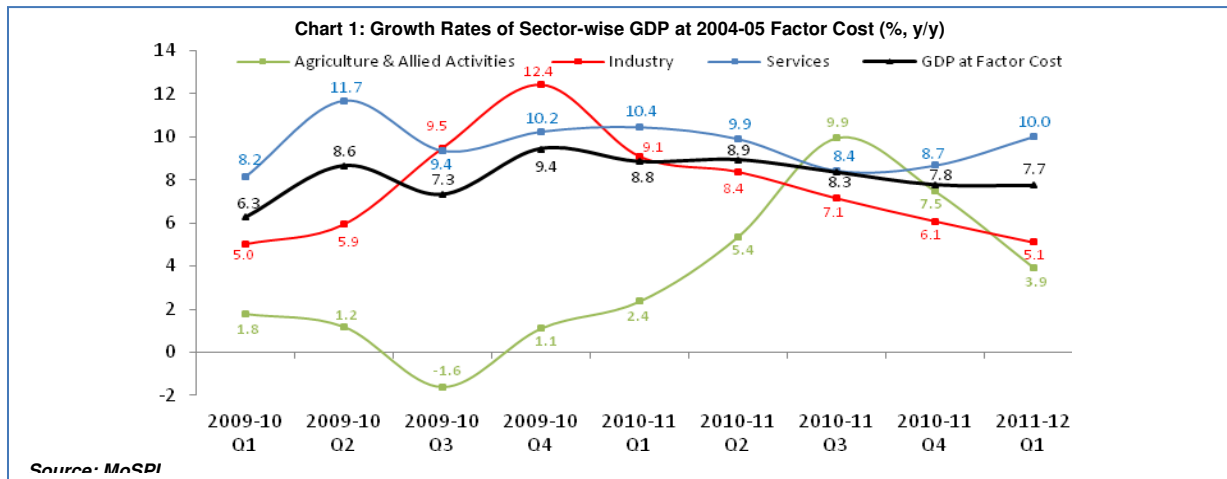
\* Net Revenue excludes other income

# PAT is after Minority Interest and share of Profit/(loss) in respect of associate companies

^ In terms of the Scheme of Amalgamation HV Transmission Limited has been amalgamated with HV Axles. The name has been subsequently changed to TML Drivelines Ltd. Q2 FY12 &amp; H1 FY12 is not comparable with the corresponding period of the previous year on account of the amalgamation.

**II] INDIAN ECONOMIC SCENARIO: KEY HIGHLIGHTS OF H1FY12**
*Source: Tata Department of Economics and Statistics (Tata DES)*
**1. GDP Growth**

**Gross Domestic Product (GDP) growth** stood at 8.5% in 2010-11 and has been projected to be around 7.5% in 2011-12. The Prime Minister’s Economic Advisory Council (PMEAC) has forecasted 2011-12 growth at 8.2%, with 3.0% growth in the Agriculture & Allied sector, 7.1% in Industrial sector (Manufacturing- 7.0%, Construction-7.5%), and 10.0% in Services sector; the RBI has projected 2011-12 growth at around 8.0%, with downside risks emanating from global financial and economic conditions and domestic price instability. Thus, the Industrial sector is expected to experience lower growth in 2011-12 compared to the 8% average of 2009-10 & 2010-11. Initially, robust Services sector growth along with a normal monsoon and good crop acreage were expected to support overall GDP growth. However now it appears that tough domestic and international environment can bring about some moderation in services sector growth.



GDP growth in **Apr-Jun’11 quarter (Q1 2011-12)** was 7.7% as compared to 7.8% in Q4 2010-11 and 8.8% in Q1 2010-11; the lower growth vis-à-vis Q4 2010-11 was on account of lower Industrial and Agricultural sector growth. Poor Industrial sector performance was due to low growth in Construction (1.2%; likely to have been a result of the transmission of higher interest rates to EMIs causing a postponement in loan financed purchases/construction) and Mining (1.8%) sectors. Growth in Manufacturing sector showed an upside at 7.2%, but is unlikely to be sustained during Jul-Sep’11 as growth in industrial output has been volatile and displaying a lack of momentum. Services sector growth recovered from a low of 8.4% in Q3 2010-11 to 10.0% in Q1 2011-12, thereby sustaining the level of growth in overall GDP. On the expenditure side, the combination of monetary tightening and high inflation have taken a toll on **Private sector spending**, which grew by 6.3% in real terms during Q1 2011-12, as compared to 8.0% in Q4 2010-11 and 9.5% in Q1 2010-11.

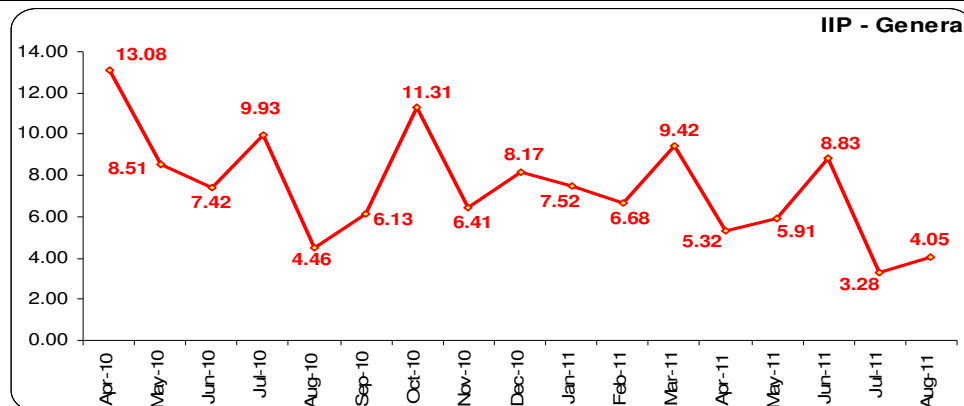
While **Gross Fixed Capital Formation** registered a high growth of 7.9% in Q1 2011-12 (as compared to 0.4% in Q4 2010-11 and 7.8% in Q3 2010-11), it is expected to remain subdued going forward owing to suppressed demand conditions, rising cost of funds, and regulatory/infrastructure bottlenecks. Gross Capital Formation as a proportion of GDP rose to 35.7% in Q1 2011-12 from 34.6% in Q4 2010-11 and 35.0% in Q1 2010-11, indicating a robust *level of Investments* for future growth of the economy.

## 2. Industrial Growth

The **Index of Industrial Production (IIP)** with base as 2004-05 grew at 4.1% y/y in Aug'11, up from 3.3% in Jul'11 and 4.5% in Aug'10. The growth in Aug'11 was due to better growth in Basic goods (5.4%; 3.8% in Aug'10). On a cumulative basis during April-August 2011-12, IIP index grew at 5.5%, down from 8.6% in the corresponding period of 2010-11. This was due to low growth in Capital goods (6.9%; 18.9% in April-August 2010-11) and Intermediate goods (0.97%; 9.2% in April-August 2010-11) production respectively. Low growth in production of **Intermediate goods** indicates subdued demand from other sectors.

**Macro Economic Indicators**

	Categories	Apr-Aug'11	Apr-Aug'10	Growth (%)
IIP	General	166.3	157.7	5.46
Sectoral	Mining	125.4	125.0	0.28
	Mfg.	176.3	166.7	5.75
	Electricity	149.0	136.1	9.45
Use-based	Basic	146.6	136.4	7.46
	Capital	268.5	251.3	6.86
	Intermediate	144.3	143.0	0.97
	Consumer			
	- Consumer Durables	286.8	275.0	4.26
	- Consumer Non-Durables	134.4	128.7	4.48



Source: CSO

**IIP growth across sectors**

Y-o-Y growth,%	Mining	Manufacturing	Elect.	General
Jul-10	8.70	10.82	3.67	9.93
Aug-10	5.93	4.66	1.03	4.46
Sep-10	4.33	6.85	1.77	6.13
Oct-10	6.09	12.37	8.76	11.31
Nov-10	6.92	6.53	4.61	6.41
Dec-10	5.93	8.72	5.97	8.17
Jan-11	1.69	8.09	10.49	7.52
Feb-11	1.16	7.48	6.76	6.68
Mar-11	0.36	11.04	7.18	9.42
Apr-11	1.57	5.72	6.44	5.32
May-11	1.30	6.08	10.31	5.91
Jun-11	-1.05	10.33	7.95	8.83
Jul-11	2.82	2.30	13.10	3.28
Aug-11	-3.36	4.46	9.50	4.05

**3. Infrastructure Index**
**Table 4: Performance of Core industries**

Sector-wise Growth Rate (%) in Production					
Sector	Weight (%)	September 2011	September 2010	April-September 2011-12	April-September 2010-11
Overall Index	37.903	2.3	3.3	4.9	5.6
Coal	4.379	-17.8	-1.8	-4.8	0.2
Crude Oil	5.216	0.1	12.5	5.1	0.2
Natural Gas	1.708	-6.4	12.6	-8.5	25.2
Refinery Products	5.939	4.4	-10.2	4.7	2.6
Fertilizers	1.254	-2.1	0.3	0.6	-2.3
Steel	6.684	6.6	11.7	9.5	7.4
Cement	2.406	0.9	5.2	2.5	4.7
Electricity	10.316	8.9	2.1	9.3	4.1

(Source: GOI- MINISTRY OF COMMERCE INDUSTRY)

The **Eight core infrastructure industries**<sup>1</sup> with base as 2004-05 registered an output growth of 2.3% in September, lower than the 3.3% growth witnessed in the corresponding period last year. For the April-September 2011 period, the eight core industries recorded 4.9% growth against 5.6% during the

<sup>1</sup> Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel, Cement, and Electricity

corresponding period in 2010. The slow growth was on account of coal production (-17.8%; -1.8% in Sept'10), Crude oil (0.1%; 12.5% in Sept'10), Fertilizers (-2.1%; 0.3% in Sept'10) and Natural Gas (-6.4%; 12.6% in Sept'10). There was a deceleration in steel and cement production too. Growth in steel production came down (6.6%; 11.7% in Sept'10) and cement production also came down (0.9%; 5.2% in Sept'10). **Electricity production** has shown a high growth (8.9%; 2.1% in Sept'10) due to capacity additions by producers.

Given the disappointing growth performance of the Construction sector in Q1 2011-12 (1.2% y/y) and **low Automobile sector growth<sup>2</sup>** in Apr-Sept'11, combined with **expectations of suppressed demand for these sectors going forward** due to rising interest rates, the **output of Steel and Cement sectors is expected to be subdued in coming months due to low demand.**

#### 4. Inflation

**Wholesale Price inflation continues to remain sticky at 9% plus levels since the beginning of this fiscal year. Wholesale Price Index Inflation (WPI) for Sept'11 stood at 9.72% (9.0% in Sept'10) and average WPI for Apr-Sept'11 stood at 9.6% (-5.0% in Apr-Sept'10).** Food inflation remains high, especially for high protein items and perishables, highlighting the inadequacy of supply responses. Hike in petrol prices further contributed to rising inflation. Inflation problem could be aggravated further as rupee is depreciating which makes imports costlier.

In order to tackle the high rate of inflation in the economy, RBI began the **monetary tightening** process by hiking the policy (i.e. repo and reverse repo) rates in Mar'10. On a cumulative basis, between Mar'10 and Oct'11, the policy rates have been hiked by 375 and 425 basis points respectively in order to suppress **excess demand** in the economy. The impact of this policy on consumption spending has been largely felt in certain interest rate or EMI sensitive sectors (as mentioned previously), while investment spending has been discouraged. The policy has also been relatively ineffective because it is meant to address 'generalized' inflation, while WPI inflation since Mar'10 has been relatively higher in certain sectors indicative of a structural nature. Furthermore, **inflation projections** for 2011-12 showing that inflation will remain at a high level (above 8%) at least until Dec'11 have been **built into inflationary expectations** of price setters as well as consumers. The recent hikes in the **controlled fuel prices** will also increase inflationary expectations and adversely affect consumers' budgets.

Finally, due to the increased openness of the Indian economy **international primary commodity prices** also play an important role in the domestic price scenario.

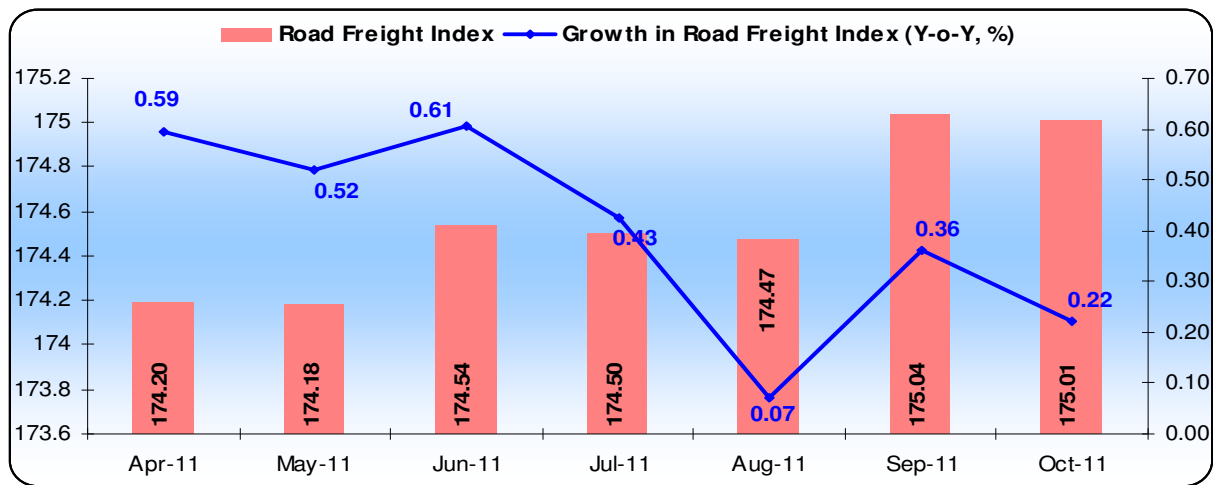
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<sup>2</sup> During Apr-Sept'11, Automobiles Production and Sales witnessed 16.62% and 14.36% y/y growth respectively, as compared with 30.94% and 27.10% respectively in the same period of the Financial Year 2010-11

## 5. Interest rates

Inflationary pressures are not showing signs of easing. WPI inflation in the month of Sept'11 stood at 9.72%. In response to the inflationary pressures, RBI has increased policy rates Repo and Reverse Repo twelve times since March 2010 when it began the tightening process, but it has failed to contain inflationary pressures. Repo and Reverse Repo rates now stand at 8.50% and 7.50% respectively. In response to the hike in policy rates by RBI, banks have increased their base rates in the range of 10.00-10.75%. Higher base rates have translated into higher lending rates (11.5-12%) for the first class corporates and (13-14%) for SMEs which has effectively reduced credit off take from the banks. New investments by the corporates have slowed down due to an increase in interest rates. New investment announcements in Q2 2011-12 have declined to Rs. 2,59,707 crore from Rs. 3,68,942 crore in Q2 2010-11 (-29.6%, Y-o-Y). GDP growth declined to 7.7% in Q1 2011-12 (economy registered fourth consecutive decline in GDP on quarterly basis). A slowdown in investments can also be inferred from a slowdown in IIP.

## 6. Freight Rates



Average road freight rate index for Q2 (Jul-Sept) FY 2011-12 stood at 174.67 increasing at the rate of 0.21% as compared to the previous quarter (Apr-Jun'11). On a y-o-y basis, freight rates have increased by 0.29%. In Oct'11, growth in road freight index was 0.22% compared with 0.36% growth in Sept'11. Freight rates declined on the Mumbai-Hyderabad route because of overcapacity of vehicles. Rates also came down on the Ex Chennai route on account of less cargo demand. Movement in road freight rate impacts the profitability of transport operators. More than 50% of transporter's profitability constitute of fuel costs. Hence any increase in diesel prices would reduce their operating margins in a situation where freight index is not moving up commensurately. Higher interest costs and an increase in EMI outgoings lead to postponement of truck purchases which may further lead to increase in freight rates.

## 7. National Highway Development Project (NHDP)

As elucidated in the table below, 48.07% of the national highway development and other road projects under NHAI were completed as on 31<sup>st</sup> August 2011. Substantial amount of work (79.58%) was completed on NS-EW corridor. There has been a slight progress on NHDP phase III as projects under implementation improved to 51% by August 2011 from 47.9% in April 2011

### Status of NHDP (As on 31<sup>st</sup> August 2011)

The NHDP projects are divided into seven phases. However the ones being implemented are in four phases, i.e. I, II, III and V.

	Total length (kms)	Completed	Under Implementation	Balance to be awarded
GQ	5846	99.69%	0.31%	0%
NS - EW Ph I & II	7300	79.58%	12.49%	5.75%
NHDP Phase III	12109	21.10%	50.98%	27.91%
NHDP Phase V	6500	10.03%	30.53%	59.43%
Port Connectivity & Others	1770	71.86%	27.00%	1.12%
<b>Total</b>	<b>33525</b>	<b>48.07%</b>	<b>28.53%</b>	<b>22.91%</b>

Source - National Highway Authority of India

### Outlook by Tata DES (Tata Department of Economics and Statistics)

- GDP growth declined to 7.7% (y-o-y). It is expected to moderate further in Q2 2011-12 and pick up thereafter in the next two quarters. Projected GDP growth in FY 2011-12 is expected to be between 7.0-7.5 % with moderate downside risk.
- WPI inflation is expected to remain at around 9% till Dec'11 and moderate thereafter.
- High interest rates have adversely affected demand for EMI sensitive sectors especially automobiles and housing (and thereby steel). Weak demand in these sectors is likely to persist in Q3 2011-12.
- Credit growth is likely to remain weak and remain in the range of 18-19% in FY 2011-12 as the cost of borrowing continues to remain very high. Non-bank source of financing remains the preferred mode of credit off-take.
- Exports continue to be on a high growth trajectory. But this growth may not be sustainable due to the worsening global economic conditions. Also the replacement of old DEPB (Duty Entitlement Passbook Scheme) by a new Duty Drawback Scheme would reduce exporters'

benefits by up to 3% of the FOB value of their exports. The sectors which would mainly be impacted are Chemical, Auto and Engineering.

- Imports growth has surged in the last few months leading to the worsening of trade balance. Recent sharp depreciation in rupee is going to further make imports costlier. This could lead to worsening of current account and CAD may again go up to 3% of GDP.
- In the wake of global uncertainties, capital flows would remain volatile and rupee would be under pressure.

#### 8. Update on Pradhan Mantri Gram Sadak Yojana (PMGSY)

##### Status of Pradhan Mantri Gram Sadak Yojana (PMGSY) as on 04th Nov.'11

<b>PMGSY for New Connectivity</b>		
	<b>Nos.</b>	<b>Length (Kms)</b>
Road Works Sanctioned	71443	258157
Completed Works	52233	167185
% of sanctioned works completed	73.1	64.8
Ongoing Works	19210	12707

<b>PMGSY for Upgraded Connectivity</b>		
	<b>Nos.</b>	<b>Length (Kms)</b>
Road Works Sanctioned	32707	154693
Completed Works	28023	119514
% of sanctioned works completed	85.7	77.3
Ongoing Works	4684	8260

<b>PMGSY - Cost Estimated (Rs. Cr.)</b>	
Sanctioned Amount	115246
Value of work done	79113
% of sanctioned amount utilised	68.6

III] TML STANDALONE

## A] FINANCIALS

<u>Rs. Crores</u>	Q2FY12	Q2FY11	Change %	H1FY12	H1FY11	Change %
Total Volumes: CV+PC+Exports (Nos.)	2,11,400	2,07,645	1.8%	4,09,006	3,97,949	2.8%
Net Revenue#	12,953.8	11,248.9	15.2%	24,577.9	21,483.0	14.4%
EBITDA#	933.1	1,127.4	-17.2%	1,953.4	2,311.2	-15.5%
EBITDA Margin@@	7.2%	10.0%	(280 bps)	7.9%	10.8%	(290 bps)
Other Income	56.8	77.5	-26.7%	172.3	146.8	17.4%
Profit before exceptional items and tax	330.7	533.4	-38.0%	794.5	1,137.0	-30.1%
Exceptional Item ##	-294.2	3.8	NM	-291.8	-62.2	369.1%
Profit before Tax	36.5	537.2	-93.2%	502.8	1,074.8	-53.2%
Net Profit (PAT)	102.0	432.7	-76.4%	503.3	828.4	-39.2%
Basic EPS - Ordinary Shares	0.31	1.51	-79.5%	1.57	2.89	-45.7%
Basic EPS - 'A' Ordinary shares	0.41	1.61	-74.5%	1.67	2.99	-44.1%
Gross Debt*	19,631.6	19,986.1	-1.8%	19,631.6	19,986.1	-1.8%
Net Debt*	15,549.0	18,243.3	-14.8%	15,549.0	18,243.3	-14.8%
Net Debt / Equity*	0.76	1.17	-35.0%	0.76	1.17	-35.0%
Inventory Days*	35	34		35	34	
Receivable Days*	18	22		18	22	

<u>USD Million</u>	Q2FY12	Q2FY11	Change %	H1FY12	H1FY11	Change %
Total Volumes: CV+PC+Exports (Nos.)	2,11,400	2,07,645	1.8%	4,09,006	3,97,949	2.8%
Net Revenue#	2,644.7	2,296.6	15.2%	5,018.0	4,386.1	14.3%
EBITDA#	190.5	230.2	-17.2%	398.8	471.9	-15.5%
EBITDA Margin	7.2%	10.0%	(280 bps)	7.9%	10.8%	(290 bps)
Other Income	11.6	15.8	-26.7%	35.2	30.0	17.4%
Profit before exceptional items and tax	67.5	108.9	-38.0%	162.2	232.1	-30.1%
Exceptional Item##	-60.1	0.8	NM	-59.6	-12.7	369.1%
Profit before Tax	7.5	109.7	-93.2%	102.7	219.4	-53.2%
Net Profit (PAT)	20.8	88.3	-76.4%	102.8	169.1	-39.2%
Basic EPS - Ordinary Shares	0.1	0.3	-79.5%	0.3	0.6	-45.7%
Basic EPS - 'A' Ordinary shares	0.1	0.3	-74.5%	0.3	0.6	-44.1%
Gross Debt*	4,008.1	4,080.5	-1.8%	4,008.1	4,080.5	-1.8%
Net Debt*	3,174.6	3,724.6	-14.8%	3,174.6	3,724.6	-14.8%
Net Debt / Equity*	0.2	0.2	-35.0%	0.2	0.2	-35.0%
Inventory Days*	35	34		35	34	
Receivable Days*	18	22		18	22	

**Notes:** #Excludes Other Income;

@ At conversion rate of USD 1 = 48.98 INR for reference only

\* As on 30<sup>th</sup> September

## Due to sudden depreciation of USD/INR in the later part of Q2 by ~ 11%, exchange loss on revaluation of outstanding foreign currency borrowings as on Sep 30 2011 is Rs 294.2 crores.

EPS reported in the tables above is not annualized

@@ Lower volumes and higher marketing spends in the passenger car business and overall cost pressures, including commodity costs impacted EBITDA margins

**TATA MOTORS STANDALONE BALANCE SHEET (AUDITED)**
*RS CRORES*

In Rs crores	Sep-11	Sep-10	Mar-11
<b>Sources of funds</b>			
Shareholder Funds	20,416	15,747	20,013
Loan Funds	19,632	19,879	15,899
Deferred Tax Liability (Net)	2,011	1,753	2,023
<b>Total Funds Employed</b>	<b>42,059</b>	<b>37,379</b>	<b>37,935</b>
<b>Application of funds</b>			
Fixed Assets (Net)	18,178	16,818	17,476
Investments	20,289	22,280	22,624
Foreign Currency Monetary Item Translation Difference Account (Net)	200	82	-
Net Current Assets	3,392	(1,800)	(2,165)
<b>Total Funds Utilised</b>	<b>42,059</b>	<b>37,379</b>	<b>37,935</b>

**HIGHLIGHT**

- Raised ECB USD 500 million in September 2011.

**B] COMMERCIAL VEHICLES BUSINESS**
**VOLUMES**

	Q2FY12 Volumes	Q2FY11 Volumes	Y-o-Y change	H1FY12 Volumes	H1FY11 Volumes	Y-o-Y change
M/HCV	50,716	48,106	5.4%	96,286	91,356	5.4%
LCV	79,410	62,497	27.1%	147,026	119,433	23.1%
Total CV	130,126	110,603	17.7%	243,312	210,789	15.4%

**Note: LCV Includes Ace Magic and Winger**

**Source: SIAM Industry Data and Company analysis**

**HIGHLIGHTS**

- Tata Motors CV sales grew 15% y-o-y in H1 FY12 ;
  - MHCV grew at ~ 5% ; LCV at ~ 23%
- High interest rates, fuel price hikes and slowdown in economic activity moderate growth in MHCV segment . Ban on mining activity in Karnataka has impacted the heavy duty trucks and tippers used in mining.
- Strong consumption demand continues to drive growth in the LCV segment.
- Slowdown in the Bus market follows the fulfillment of orders received under JNNURM scheme.
- Our outperformance in the MHCV/ICV truck segment has led to increased market share of 63% in H1 FY12.
- Both, ACE family and Pickup trucks demonstrated strong growth leading to market share of 59.7% in the LCV truck segment.
- Strong demand and improved production of Ace/Magic expected to provide impetus to volume growth. Ramp up at Dharwad plant on track.
- Average Price increases taken in Q2 FY 12 is ~ 1%
- Tata Motors Commercial Vehicles H1 FY12 Market share stood at 59.5%

**C] PASSENGER VEHICLES BUSINESS**
**VOLUMES**

Period/ Segments	Q2FY12	Q2FY11	Y-O-Y change	H1FY12	H1FY11	Y-O-Y change
Micro	7,402	22,624	-67.3%	29,381	37,404	-21.4%
Compact	39,061	38,867	0.5%	70,654	78,395	-9.9%
Midsize	5,202	9,211	-43.5%	8,937	20,563	-56.5%
Executive	1,117	2,214	-49.5%	2,232	4,656	-52.1%
Premium/Luxury	194	67	189.6%	320	90	255.6%
Utility Vehicles	10,126	9,556	6.0%	19,559	19,289	1.4%
Vans	1,980	52	3707.7%	3,528	52	6684.6%
<b>TOTAL</b>	<b>65,082</b>	<b>82,591</b>	<b>-21.2%</b>	<b>134,611</b>	<b>160,449</b>	<b>-16.1%</b>

**Source: SIAM Industry Data and Company analysis**

*Note: For the analysis -*

*'Micro' comprises of Nano*

*'Compact' comprises of Indica group, Indigo CS, Fiat Palio, Fiat Grande Punto, Fiat 500*

*'Midsize' comprises of Indigo XL, Indigo Manza and Marina*

*'Executive' comprises of Fiat Linea;*

*'Premium/Luxury' includes Jaguar vehicles sold in India*

*'Utility Vehicles' comprises of Safari, Sumo group, Xenon, Aria and Land Rover Vehicles*

*'Vans' comprises of Tata Venture vehicles*

**HIGHLIGHTS**

- Domestic Passenger vehicle sales were impacted by rising interest rates, fuel price hikes, inflationary pressures and intense competition.
- Domestic Passenger car industry de-grew 1.3% y-o-y in H1 FY 12 (de-growth of 8.7% in Q2 FY 12) owing to lower sales in the small car segment.
- Our recent launches - Indica eV2, Indigo eCS, Venture & Aria has continued to receive a positive response.
- Focused initiatives in specific locations and introduction of various schemes for dealers and customers have positively influenced retails.
- Improvement in retails coupled with planned reduction in offtake has resulted in stock reduction at dealerships by more than 50% during H1 FY12.
- Market Share for Passenger vehicles in H1 FY 12 stood at 11.6%

**LAUNCHES IN Q2FY12**

- In August 2011, Tata Motors launched Tata Aria 4x2, a luxurious creation with the finesse of a sedan and the muscle of an SUV all combined in one car with 4x2 option. The Tata Aria is already available in four-wheel drive, launched in October 2010. The Tata Aria 4x2 extends the range to new segments and redefines several benchmarks with its design and technologies, offering class leading features that take comfort, and convenience to a new height.
  
- In August 2011, Tata Motors launched the new version of its premium hatchback, the Tata Vista. The new Tata Vista delivers a sedan-like experience, with its powerful engine options, stunning new look, state-of-the-art features and segment leading interior space which has always been its signature. The new range will be available at Tata Motors dealerships from September 1, 2011.
  
- In September 2011, Tata Motors launched the Tata Indigo e-CS VX, the most fuel-efficient sedan in the country, with a mileage of 25 kmpl, certified by the Automotive Research Association of India (ARAI). With a host of other exciting features in the car, the Tata Indigo e-CS VX is a new trim in the Tata Indigo e-CS range.

**D] EXPORTS**
**VOLUMES**

Business Unit	Q2FY12	Q2FY11	Y-o-Y Change	H1FY12	H1FY11	Y-o-Y Change
Commercial Vehicles	14,388	11,948	20.4%	27,171	21,673	25.4%
Passenger Vehicles	1,804	2,503	-27.9%	3,912	5,038	-22.4%
Total Exports	16,192	14,451	12.1%	31,083	26,711	16.4%

**HIGHLIGHTS**

- Robust Growth in the SAARC region especially in Sri Lanka and Bhutan.
- Africa has strong demand for vehicles with good potential for institutional orders for buses, pickups and SCV's. Tata Motors set up a new assembly plant in South Africa in July 2011.

**E] WAY FORWARD**

- Slowing MHCV growth rates are prompted by increase in interest rates, fuel prices and expectation of lower industrial growth. On the other hand, LCV / SCV continues to show robust growth. Freight rate index remained range bound through H1 FY12. Credit availability continues to be adequate.
- Increase in infrastructure spending could propel demand for MHCV trucks. Services and agriculture sector along with rural connectivity, proliferation of hub & spoke model and demand of passenger applications is expected to drive growth in LCV/SCV segment
- Competitive intensity in CVs expected to increase, but Company well placed with a wide and compelling product portfolio and customer support
- Proposed ramp up of ACE family production via additional capacity in Dharwad on schedule
- Competitive intensity and increasing costs in the passenger vehicle segment poses risk to demand along with higher inflation, interest costs, fuel price increases.
- Future products in pipeline for FY 12 - Variants from Prima range, World LCV range, Nano variants, Vista variants, Manza Limited edition, New Safari on schedule.
- Further expand sales and service network in India and enhanced customer care. Extend export potential

**F] OTHER SIGNIFICANT EVENTS DURING THE QUARTER**

- In July 2011, **Tata Motors (SA) (Proprietary) Ltd.**, Tata Motors' joint venture with Tata Africa Holding (Pty) Ltd., formally unveiled its assembly plant in South Africa at Rosslyn, north of Pretoria, in the Gauteng province of South Africa. The establishment of the plant is a major step towards bolstering the operations and presence of the Tata Group in South Africa.
- In August 2011, The Board of Tata Motors approved September 13, 2011 as the Record Date, for the purpose of Sub-Division of the Ordinary Shares and 'A' Ordinary Shares (collectively 'the Shares'), both having face value of Rs. 10/- into 5 Shares having face value of Rs. 2/- each.

**G] CREDIT RATING**

Credit Rating Agency	Rating as on date
Moody's	Ba3
S&P	BB-
CRISIL	AA-
ICRA	LAA-

IV] TML CONSOLIDATED FINANCIALS Q2FY12 (UNAUDITED)

<u>Rs. Crores</u>	Q2FY12	Q2FY11	Change %	H1FY12	H1FY11	Change %
Net Revenue#	36,197.5	28,519.2	26.9%	69,486.3	55,399.3	25.4%
EBITDA#	4,815.4	4,193.7	14.8%	9,298.7	8,156.1	14.0%
EBITDA Margin	13.3%	14.7%	(140) bps	13.4%	14.7%	(130) bps
Other Income	60.8	19.5	211.8%	136.9	54.1	153.0%
Profit before exceptional items and tax	2,708.9	2,395.1	13.1%	5,111.7	4,711.9	8.5%
Exceptional Items	-439.0	127.6	NM	-496.0	86.3	NM
Profit before Tax	2,270.0	2,522.7	-10.0%	4,615.8	4,798.1	-3.8%
Net Profit (PAT) ^	1,877.3	2,223.0	-15.6%	3,877.0	4,211.7	-7.9%
Basic EPS - Ordinary Shares	5.9	7.8	-24.2%	12.2	14.8	-17.3%
Basic EPS - 'A' Ordinary shares	6.0	7.9	-23.9%	12.3	14.9	-17.2%
Gross Debt*	43,973.3	36,564.8	20.3%	43,973.3	36,564.8	20.3%
Net Automotive Debt*	16,233.7	21,633.0	-25.0%	16,233.7	21,633.0	-25.0%
Net Automotive Debt / Equity*	0.7	1.7	-59.0%	0.7	1.7	-59.0%
Inventory Days*	45	43		45	43	
Receivable Days*	18	22		18	22	

<u>USD Million</u>	Q2FY12	Q2FY11	Change %	H1FY12	H1FY11	Change %
Net Revenue#	7,390.3	5,822.6	26.9%	14,186.7	11,310.6	25.4%
EBITDA#	983.1	856.2	14.8%	1,898.5	1,665.2	14.0%
EBITDA Margin	13.3%	14.7%	(140) bps	13.4%	14.7%	(130) bps
Other Income	12.4	4.0	211.8%	28.0	11.0	153.0%
Profit before exceptional items and tax	553.1	489.0	13.1%	1,043.6	962.0	8.5%
Exceptional Items	-89.6	26.1	NM	-101.3	17.6	NM
Profit before Tax	463.5	515.0	-10.0%	942.4	979.6	-3.8%
Net Profit (PAT) ^	383.3	453.9	-15.6%	791.5	859.9	-7.9%
Basic EPS - Ordinary Shares	1.2	1.6	-24.2%	2.5	3.0	-17.3%
Basic EPS - 'A' Ordinary shares	1.2	1.6	-23.9%	2.5	3.0	-17.2%
Gross Debt*	8,977.8	7,465.3	20.3%	8,977.8	7,465.3	20.3%
Net Automotive Debt*	3,314.4	4,416.7	-25.0%	3,314.4	4,416.7	-25.0%
Net Automotive Debt / Equity*	0.1	0.4	-59.0%	0.1	0.4	-59.0%
Inventory Days*	45	43		45	43	
Receivable Days*	18	22		18	22	

**Notes:**

# Excludes Other Income;

^ PAT is after Minority Interest and share of Profit/(Loss) in respect of associate companies

EPS reported in the tables above is not annualized

@ At conversion rate of USD 1 = 48.98 INR for reference only

\* As on 30<sup>th</sup> September

**TATA MOTORS CONSOLIDATED BALANCE SHEET (UNAUDITED)**
*RS CRORES*

In Rs crores	Sep-11	Sep-10	Mar-11
<b>Sources of funds</b>			
Shareholder Funds	23,097	12,472	19,171
Minority Interest	375	228	247
Loan Funds	43,973	36,435	32,791
Foreign Currency Monetary Item Translation Difference Account (Net)	-	164	-
Deferred Tax Liability (Net)	2,066	1,821	2,096
<b>Total Funds Employed</b>	<b>69,512</b>	<b>51,120</b>	<b>54,306</b>
<b>Application of funds</b>			
Fixed Assets (Net)	49,877	40,815	43,493
Goodwill (on consolidation)	3,826	3,522	3,585
Investments	4,051	1,472	2,544
Deferred Tax Assets (Net)	1,060	507	632
Foreign Currency Monetary Item Translation Difference Account (Net)	738	-	-
Net Current Assets	9,960	4,804	4,051
<b>Total Funds Utilised</b>	<b>69,512</b>	<b>51,120</b>	<b>54,306</b>

**V] JAGUAR LAND ROVER PLC**
**A] FINANCIALS**

	Q2FY12	Q2FY11	Change	H1FY12	H1FY11	Change
	GBP Million	GBP Million	(%)	GBP Million	GBP Million	(%)
Net Revenue	2,928.50	2,247.10	30.3%	5,640.50	4,509.20	25.1%
EBITDA	437	372.2	17.4%	858.5	721.6	19.0%
EBITDA Margin	14.90%	16.60%	(170 bps)	15.20%	16.00%	(80 bps)
Profit before Tax	286.7	264.4	8.4%	535.2	503.5	6.3%
Net Profit (PAT)	237.5	243.3	-2.4%	456.4	469.2	-2.7%
Gross Debt*	1,416.00	1,028.50	37.7%	1,416.00	1,028.50	37.7%
Net Debt*	75.2	298.9	-74.8%	75.2	298.9	-74.8%
Net Debt / Equity*	0.04	0.16	-75.0%	0.04	0.16	-75.0%
Inventory Days*	44	43		44	43	
Receivable Days*	19	23		19	23	

Notes: \*As on 30<sup>th</sup> September

**EBITDA margins impacted by unfavourable exchange rates and cost pressures. However, product mix and regional mix continue to be strong.**

**B] EXTERNAL ENVIRONMENT**

During the quarter to 30<sup>th</sup> September 2011 economic conditions and financial markets within the UK and euro zone have remained volatile. Economic indicators reflect continuing uncertainty and inflation remains above target within these regions. During this period, interest rates have remained constant. The potential to use interest rates to stimulate growth is limited due to current rates being close to historical lows. The Bank of England announced a further £75 billion of quantitative easing in October 2011.

Greece remains a major concern within the euro zone; however, more recently concerns around Spain and Italy have heightened leading to a downgrade to the Italian credit rating.

In the US, whilst there has been growth, unemployment levels have increased to near 9%. The recently announced financial package known as 'Operation Twist' has provided some support but the overall

impact is yet to be determined. Whilst the debt ceiling has been increased in the US concerns over the level of frugal growth remain, with annualised growth being reported at 1.5%.

Growth within the matured western markets remains slow and future growth predictions have softened over the last few weeks with the risk of a double dip recession or a sustained period of benign growth increasing.

The company continues to benefit from increased growth in Chinese and Russian markets, where GDP and vehicle volume growth in the SUV and luxury model segments is significantly higher than the mature markets. GDP in China for the equivalent quarter was recorded in excess of 9%,

Economic uncertainty in mature western markets has led to a fall in oil prices whilst energy prices continue to increase. Raw material commodity rates have been volatile during the quarter. However, there has been a reduction in the latter part of the period compared to the previous quarter.

Exchange rates continued to fluctuate, throughout the period. Compared to the prior quarter the British pound has strengthened against the euro at 1.152, but weakened against the US dollar at 1.557 at the end of September reversing last quarter's trend. The US dollar appears to be reverting to its historical position of being a safe haven, though volatility is such that this role has yet to be established with certainty.

The company continues to monitor relevant economic and volume indicators in order to manage production and vehicle distribution as well as hedging against currency risks (and material prices to the extent possible).

**C] CREDIT RATING**

Credit Rating Agency	Rating as on date
Moody's	B1
S&P	B+
Fitch	BB-

**D] PRODUCTS AND REGIONAL PERFORMANCE**
**VOLUMES: PRODUCTWISE**
**For the Quarter**

	Retail		
Jaguar	Q2FY12	Q2FY11	% Change
Prior XJ	0	25	-100.0%
New XJ	3,636	3,916	-7.2%
XF	8,350	8,621	-3.1%
X-Type	0	49	-100.0%
XK	1,247	1507	-17.3%
<b>Total Jaguar</b>	<b>13,233</b>	<b>14,118</b>	<b>-6.3%</b>

	Wholesale		
	Q2FY12	Q2FY11	% Change
	0	16	-100.0%
	3,441	4,249	-19.0%
	8,567	8,360	2.5%
	4	31	-87.1%
	1,294	1669	-22.5%
<b>Total</b>	<b>13,306</b>	<b>14,325</b>	<b>-7.1%</b>

	Retail		
Land Rover	Q2FY12	Q2FY11	% Change
Defender	5,114	4,253	20.2%
Discovery 3 / 4	10,982	8,883	23.6%
Range Rover Sport	13,210	10,209	29.4%
Range Rover	7,009	5,308	32.0%
Freelander 2	13,038	13,649	-4.5%
RR Evoque	3,096	0	NM
<b>Total Land Rover</b>	<b>52,449</b>	<b>42,302</b>	<b>24.0%</b>

	Wholesale		
	Q2FY12	Q2FY11	% Change
	5,116	3,766	35.8%
	10,679	8,785	21.6%
	12,273	9,921	23.7%
	6,558	5,215	25.8%
	12,296	13,122	-6.3%
	7,772	0	NM
<b>Total</b>	<b>54,694</b>	<b>40,809</b>	<b>34.0%</b>

**For the Half-Year**

	Retail		
Jaguar	H1FY12	H1FY11	% Change
Prior XJ	0	104	-100.0%
New XJ	8,003	6,293	27.2%
XF	15,082	18,249	-17.4%
X-Type	4	307	-98.7%
XK	2,701	3059	-11.7%
<b>Total Jaguar</b>	<b>25,790</b>	<b>28,012</b>	<b>-7.9%</b>

	Wholesale		
	H1FY12	H1FY11	% Change
	0	55	-100.0%
	7,167	8,709	-17.7%
	15,016	17,889	-16.1%
	11	83	-86.7%
	2,455	3044	-19.3%
<b>Total</b>	<b>24,649</b>	<b>29,780</b>	<b>-17.2%</b>

	Retail		
Land Rover	H1FY12	H1FY11	% Change
Defender	9,926	8,762	13.3%
Discovery 3 / 4	22,496	18,866	19.2%
Range Rover Sport	27,064	22,059	22.7%
Range Rover	14,563	10,968	32.8%
Freelander 2	26,023	26,841	-3.0%
RR Evoque	3,096	0	NM
<b>Total Land Rover</b>	<b>103,168</b>	<b>87,496</b>	<b>17.9%</b>

	Wholesale		
	H1FY12	H1FY11	% Change
	9,799	8,136	20.4%
	22,119	18,193	21.6%
	26,640	21,609	23.3%
	14,493	10,656	36.0%
	24,616	25,961	-5.2%
	7,774	0	NM
<b>Total</b>	<b>105,441</b>	<b>84,555</b>	<b>24.7%</b>

**VOLUMES: REGIONWISE**
**For the Quarter**

Jaguar	Retail		
	Q2FY12	Q2FY11	% Change
North America	3,096	4,117	-24.8%
UK	4,361	4,624	-5.7%
Europe (excl. Russia)	2,331	2,725	-14.5%
Russia	278	261	6.5%
China	1,634	634	157.7%
Rest of the World	1,533	1,757	-12.7%
<b>Total Jaguar</b>	<b>13,233</b>	<b>14,118</b>	<b>-6.3%</b>

Wholesale		
Q2FY12	Q2FY11	% Change
2,780	5,145	-46.0%
4,232	4,156	1.8%
2,447	2,502	-2.2%
275	245	12.2%
1,705	418	307.9%
1,867	1,859	0.4%
<b>13,306</b>	<b>14,325</b>	<b>-7.1%</b>

Land Rover	Retail		
	Q2FY12	Q2FY11	% Change
North America	9,010	7,951	13.3%
UK	10,635	10,182	4.4%
Europe (excl. Russia)	10,127	9,108	11.2%
Russia	3,091	2,909	6.3%
China	9,235	5,167	78.7%
Rest of the World	10,351	6,985	48.2%
<b>Total Land Rover</b>	<b>52,449</b>	<b>42,302</b>	<b>24.0%</b>

Wholesale		
Q2FY12	Q2FY11	% Change
8,948	8,193	9.2%
10,848	9,882	9.8%
13,102	8,068	62.4%
3,154	2,985	5.7%
9,175	4,947	85.5%
9,467	6,734	40.6%
<b>54,694</b>	<b>40,809</b>	<b>34.0%</b>

**For the Half-Year**

Jaguar	Retail		
	H1FY12	H1FY11	% Change
North America	7,239	7,841	-7.7%
UK	7,299	8,798	-17.0%
Europe (excl. Russia)	4,562	6,060	-24.7%
Russia	561	507	10.7%
China	3,000	1,564	91.8%
Rest of the World	3,129	3,242	-3.5%
<b>Total Jaguar</b>	<b>25,790</b>	<b>28,012</b>	<b>-7.9%</b>

Wholesale		
H1FY12	H1FY11	% Change
5,701	10,101	-43.6%
7,613	8,941	-14.9%
4,598	6,065	-24.2%
551	451	22.2%
2,940	797	268.9%
3,246	3,425	-5.2%
<b>24,649</b>	<b>29,780</b>	<b>-17.2%</b>

Land Rover	Retail		
	H1FY12	H1FY11	% Change
North America	18,785	16,863	11.4%
UK	18,364	19,236	-4.5%
Europe (excl. Russia)	21,709	20,634	5.2%
Russia	6,398	4,986	28.3%
China	17,812	10,954	62.6%
Rest of the World	20,100	14,823	35.6%
<b>Total Land Rover</b>	<b>103,168</b>	<b>87,496</b>	<b>17.9%</b>

Wholesale		
H1FY12	H1FY11	% Change
19,073	16,635	14.7%
19,533	19,636	-0.5%
23,601	19,217	22.8%
6,164	4,788	28.7%
17,465	9,699	80.1%
19,605	14,580	34.5%
<b>105,441</b>	<b>84,555</b>	<b>24.7%</b>

## **JAGUAR OVERVIEW**

Jaguar C-X16 concept debut at Frankfurt Motor Show. The C-X16 takes the traditional front-engined, rear-wheel-drive formula that Jaguar defined over the decades and reinvents it for the 21<sup>st</sup> century in a performance-oriented hybrid drivetrain. Jaguar's two-seat concept is a new breed of Jaguar sports car that aims to set a new class benchmark for design, vehicle dynamics and technology.

XK - There is an updated look for the XK range which was released for sale in September 2011, embracing both external and internal enhancements. The new XKR-S revealed at the Geneva Motor Show will be the most powerful car built by Jaguar. Its 5.0 litre V8 supercharged engine produces 550PS and is capable of 300kph, whilst CO2 emissions are below 300g/km.

XF - The new 12 model year XF was revealed at the New York Auto Show in April 2011 and was launched in September 2011. The introduction of a new four-cylinder 2.2-litre diesel version of the XF with Intelligent Stop-Start technology has recently completed an 816 mile trip from the production plant at Castle Bromwich to Munich on a single tank of fuel, whilst only producing CO2 emissions of 149g/km. The 12 model year also sees the introduction of an 8 speed automatic for the 3.0 litre diesel vehicles which has assisted in reducing CO2 emissions from 179g/km to 169g/km.

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

- Jaguar - XF awarded 'Car of the Decade' by Auto Express magazine
- Jaguar C-X16 production concept wins Autoweek 'Best in Show' award at Frankfurt Motor show

## **LAND ROVER OVERVIEW**

Land Rover Defender DC100 and DC100 Sport concepts debut at Frankfurt Motor Show; these concepts investigate the potential design direction of the iconic Defender, capturing the flexibility, adaptability and configurability that have always been key attributes of Land Rover.

Defender - The 12 model year update sees the introduction of a 2.2 diesel engine to replace the outgoing 2.4 litre to ensure compliance with EU legislation and will be on sale in November 2011.

Freelander 2 - A 2.0 litre GTDi will be made available for specific markets, which will also embrace minor changes to the lower front grille. Minor modifications are also planned for interior seating and these enhancements will be available in December 2011.

Discovery 4 - The improvements for the 12 model year car include the introduction of an 8 speed automatic in the 3.0TDV6 for the EU5 markets, which will reduce CO2 emissions from 244g/km to 230g/km. Further enhancements to the Discovery 4 are in infotainment. The Land Rover Discovery 4 has retained its position as Diesel Car magazines's 'Best 4x4' for the second consecutive year.

Range Rover Sport - The 12 model year enhancements include front and rear refreshing and a new power tailgate as well as improved infotainment. The 8 speed transmission will also be introduced for EU5 markets, with CO2 emission being reduced to 224g/km and will be on sale from October 2011.

Range Rover - The flagship of the brand will have feature packs as part of the 12 model year offering for the Vogue and Autobiography models. The Ultimate Range Rover has been revealed and will be available to customers in March 2012.

The Range Rover Evoque was launched on 4 July 2011 and has been released to customers in September 2011.

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

- Land Rover -Range Rover Evoque awarded 'Car of the Year' by Auto Express magazine New Car Awards.
- Discovery awarded 'Best Large SUV' by Auto Express magazine,
- MSN Poll of 40,000 people in UK Land Rover wins 'Who makes the best 4x4?'
- Land Rover DC100 Sport awarded Autoweek 'Best Concept' award at Frankfurt Motor show

## **REGIONAL PERFORMANCE**

### **United States**

The US premium car segment volumes increased by 8.3% in the second quarter, compared to the same quarter in 2010, with Jaguar down (25)%.

US premium SUV segment volumes were up 2.7% compared to the same quarter in 2010 with Land Rover up 14.1%.

US retail volumes for the quarter ending 30 September 2011 for the combined brands were 11,263 units. Jaguar retail volumes for the quarter fell by (25)% compared to the same quarter in 2010, and resulted in a decline in market share by (2.4) percentage points to 5.4%. Land Rover retail volumes for

the quarter ending 30 September 2011 increased by 14.1% compared to the same quarter in 2010, leading to market share growing from 5.3% to 5.9%.

## **UK**

UK premium car segment volumes increased by 5.8% in the second quarter ending 30<sup>th</sup> September 2011, compared to the same quarter in 2010, with Jaguar volumes down by (5.7)% for the quarter.

The UK premium SUV segment volumes increased by 16.4% in the second quarter compared to the same quarter last year, with Land Rover up 4.4% for the quarter.

Jaguar and Land Rover combined retailed 14,996 units in the quarter ending 30 September 2011. Jaguar retail volumes for the quarter decreased by (5.7%) and its market share declined by (1.8) percentage points to 16.8%. The XF 2012 Model Year, including the 2.2 diesel engine, was launched at the end of the second quarter. Land Rover retail volumes for the quarter were up by 4.4% compared to the same quarter in 2010, with market share down by (1.9) percentage points to 12.8%, reflecting constrained supply in 2011.

## **Europe (excl. Russia)**

Retail volumes for Jaguar Land Rover combined in the quarter for the Europe region were 12,458, an increase of 5.3% compared to the same quarter in 2010.

In the second quarter, the German premium car segment volumes increased by 28.6% compared to the same quarter in 2010, and the German premium SUV segment volumes increased by 10.2%.

Jaguar retail volumes for the Europe region for the quarter decreased by (14.5)%, whilst in Germany, market share declined by 0.3 percentage points to 1.6%. Land Rover retail volumes for the Europe region for the quarter increased by 11.2%, whilst in Germany its market share declined by (0.4) percentage points to 1.7%.

Trading within certain European markets remained challenging throughout the quarter, Turkey and other smaller Importer markets experiencing reduced levels of consumer demand.

## **Russia**

Russia's premium car segment volumes increased by 40.8% in the second quarter, compared to the same quarter in 2010, with Jaguar up 6.6%.

The Russian premium SUV segment volumes were up 25.8% compared to the same quarter in 2010 with Land Rover up 6.3%.

Russian retail volumes for the quarter ending 30 September 2011 for the combined brands were 3,369 units. Jaguar retail volumes for the quarter increased by 6.6% compared to the same quarter in 2010, whilst market share decreased by (1.2) percentage points to 3.6%. Land Rover retail volumes for the quarter ending 30 September 2011 increased by 6.3% compared to the same quarter in 2010, but its market share fell (0.5) percentage points to 2.9%.

### China

China's premium car segment volumes (imports) increased by 18.1% for the second quarter of 2011, compared to the same quarter in 2010, with Jaguar volumes up 158% for the same quarter-to-quarter comparison. This improvement is largely driven by strong demand for the XJ 3.0 petrol model, introduced to the market in March 2011. The premium SUV segment (imports) increased in the second quarter by 56%, when compared to the same quarter in 2010.

Jaguar and Land Rover combined retailed 10,869 units in the second quarter of 2011. Jaguar retails in the quarter were up 158% compared to the same quarter in 2010, and its market share increased by 0.9 percentage points to 1.6%. Land Rover retails in the quarter were up 79% compared to the same quarter in 2010, whilst its market share increased by 1.5 percentage points to 11.9%.

China remains on track to become the 2<sup>nd</sup> and 3<sup>rd</sup> largest market for Land Rover and Jaguar respectively during the 2011-12 fiscal year.

### E] WAY FORWARD

- Continue to work on profitable volume growth, managing costs and improving efficiencies to sustain the growth momentum
- Continue with planned investments in future new products and technologies to enable profitable growth and meet customer and regulatory CO2 requirements
- New Jaguar and Land Rover 12MY products
- Continue to increase sales across all markets with new and refreshed products, increasing share of sales in China and other growth markets.
- External geopolitical and economic factors including exchange rate, could impact volumes and profitability
- Further steps to improve the capital structure - debt profile under way.

**F] OTHER SIGNIFICANT EVENTS**

- JLR announced a £355 million investment in a new facility to manufacture all-new, advanced technology, low-emission engines in the UK. The new advanced engine facility will be built at i54 a business park near Wolverhampton. A record intake of 336 graduates who were recruited, started work at JLR in September 2011.
- Jaguar Land Rover was honoured by Business in the Community with a gold rating in the Corporate Responsibility Index 2011 and a Big Tick Award for its Environmental Innovation Programme.

**Senior Personnel Changes**

Mr. Carl-Peter Forster resigned from the Board of Directors of Jaguar Land Rover plc with immediate effect on the 9<sup>th</sup> of September. However, at the request of the Board, Mr. Forster will continue to serve the Board of Tata Motors Limited as a non-executive member. Dr. Ralf Speth, CEO of Jaguar Land Rover, will represent JLR operations on the Board.

**VI] HIGHLIGHTS OF OTHER KEY SUBSIDIARIES****A] TATA DAEWOO CV LIMITED, KOREA (TDCV)**

- Sales volumes supported by stabilization of business at Sales Company (Tata Daewoo Sales Co - TDSC). Growth in Volumes in Q2 FY12 on lower base last year.
- EBITDA and PAT margins impacted wit product mix in domestic markets, lower exports and exchange impact on realizations.

**B] TATA MOTORS FINANCE (TMFL)**

- Total vehicle financing disbursals (TMF) for Q2FY12 were Rs. 2,200 Cr, an increase of 25% from Rs 1,766 Cr in Q2 FY11.
- The book size at the end of Sep. '11 for TMFL and TML (Vehicle Financing) stood at Rs 12,256 Cr and Rs. 143 Cr respectively.
- TMF market-share for H1 FY12 stood at 24%.
- NIM of vehicle financing business (TMF ) for Q2FY12 was 8.6%.

**C] TATA TECHNOLOGIES LIMITED (TTL)**

- Business traction and subsidiaries profitability led to y-o-y revenue increase of 25.9% and PAT increase of 32.1%, Offshore revenue growth at 51%
- Strong Cash balances - Rs 427 crs as at September 30, 2011
- Started Operations in SEZ at Pune, New Centre opened in Bangalore, Employee count crosses 5000
- Salary increases in India impacted the EBITDA margins, Operational efficiency measures continue to improve performance.

**D] TML DRIVELINES (After the Amalgamation of HVTL with HVAL)**

- In terms of the Scheme of Amalgamation HV Transmission Limited has been amalgamated with HV Axles. The name has been subsequently changed to TML Drivelines Ltd.
- Sales Revenue increased on the back of growth in domestic CV market
- While overall cost pressures remains, EBITDA margins were supported by cost control initiatives

**VII] SHAREHOLDING PATTERN**
**Shareholding Pattern as on September 30<sup>th</sup>, 2011**

Ordinary Shares	%
Tata Companies	35.06
Indian Financial Institutions / MFs / Banks	14.75
ADR/GDR Holders / Foreign holders-DR status	18.48
Foreign Institutional Investors	21.88
Others	9.83
<b>Total</b>	<b>100.0</b>

'A' Ordinary Shares	%
Tata Companies	9.10
Indian Financial Institutions / MFs / Banks	48.14
Foreign Institutional Investors	27.04
Others	15.72
<b>Total</b>	<b>100.0</b>

**Investor Relations Contacts****Mr. Vijay B Somaiya**

Head (Treasury &amp; Investor Relations)

3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Fort,  
Mumbai - 400 001, India

Phone: 91-22-6665 7217

Fax: 91-22-6665 7788

Email: ir\_tml@tatamotors.com

**Mrs. Namrata Divekar**

Assistant General Manager (Treasury &amp; Investor Relations)

3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Fort,  
Mumbai - 400 001, India

Phone: 91-22-6665 7817

Fax: 91-22-6665 7788

Email: ir\_tml@tatamotors.com

**Mr. Prakash Pandey**

Sr. Manager (Treasury &amp; Investor Relations)

3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Fort,  
Mumbai - 400 001, India

Phone: 91-22-6665 7908

Fax: 91-22-6665 7788

Email: ir\_tml@tatamotors.com

**Mr. Bikash Dugar**

Manager (Treasury &amp; Investor Relations)

3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Fort,  
Mumbai - 400 001, India

Phone: 91-22-6665 7241

Fax: 91-22-6665 7788

Email: ir\_tml@tatamotors.com

**Ms. Ashwini Menon**

Manager (Treasury &amp; Investor Relations)

3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Fort,  
Mumbai - 400 001, India

Phone: 91-22-6665 7322

Fax: 91-22-6665 7788

Email: ir\_tml@tatamotors.com

**Disclaimers & statements**

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Q2FY 12 represents the period from 1st July 2011 to 30<sup>th</sup> September 2011;

Q2FY 11 represents the period from 1st July 2010 to 30<sup>th</sup> September 2010;

H1FY 12 represents the period from 1st April 2011 to 30<sup>th</sup> September 2011;

H1FY 11 represents the period from 1st April 2010 to 30<sup>th</sup> September 2010.