

Tata Motors Limited: Q2 FY 13 REVIEW

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**I] SNAPSHOT OF FINANCIALS**

Particulars	NET REVENUE *			PAT		
	Q2 FY13	Q2 FY12	Y-o-Y change	Q2 FY13	Q2 FY12	Y-o-Y change
TML Consolidated (Rs Crores)#	43,402.9	36,197.5	19.9%	2,074.7	1,877.3	10.5%
TML Standalone (Rs Crores)	12,481.4	12,953.8	-3.6%	867.1	102.0	NM
Jaguar LandRover PLC (IFRS) (GBP Million)	3,288.3	2,914.9	12.8%	305.2	172.3	77.1%
Tata Motors Finance Ltd. (TMFL) (Rs Crores)	677.9	494.4	37.1%	68.8	52.4	31.4%
Tata Technologies Ltd. Consolidated (TTL) (Rs Crores)	468.6	378.0	24.0%	68.3	48.4	41.1%
Tata Daewoo, Korea (TDCV) (KRW Billion)	205.4	213.4	-3.7%	1.5	0.6	150.0%
TML Drivelines Ltd. (Rs Crores)	125.0	166.0	-24.7%	32.8	54.5	-39.9%

Particulars	NET REVENUE *			PAT		
	H1 FY13	H1 FY 12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
TML Consolidated (Rs Crores)#	86,726.5	69,486.3	24.8%	4,319.6	3,877.0	11.4%
TML Standalone (Rs Crores)	23,067.8	24,577.9	-6.1%	1,072.5	503.3	113.1%
Jaguar LandRover PLC (IFRS) (GBP Million)	6,926.5	5,618.4	23.3%	541.1	392.1	38.0%
Tata Motors Finance Ltd. (TMFL) (Rs Crores)	1,327.2	929.2	42.8%	141.5	100.9	40.3%
Tata Technologies Ltd. Consolidated (TTL) (Rs Crores)	926.9	714.3	29.8%	143.2	87.9	62.8%
Tata Daewoo, Korea (TDCV) (KRW Billion)	422.3	426.4	-1.0%	4.3	4.4	-2.2%
TML Drivelines Ltd. (Rs Crores)	222.7	334.1	-33.3%	56.4	112.2	-49.7%

\* Net Revenue excludes other income except for Tata Motors Finance Ltd.;

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

SNAPSHOT OF FINANCIALS contd.

<i>USD Million@</i>						
Particulars	NET REVENUE *			PAT		
	Q2 FY13	Q2 FY12	Y-o-Y change	Q2 FY13	Q2 FY12	Y-o-Y change
TML Consolidated#	8,210.9	6,847.8	19.9%	392.5	355.2	10.5%
TML Standalone	2,361.2	2,450.6	-3.6%	164.0	19.3	NM
Jaguar LandRover PLC	5,316.2	4,712.5	12.8%	493.4	278.6	77.1%
Tata Motors Finance Ltd. (TMFL)	128.2	93.5	37.1%	13.0	9.9	31.4%
Tata Technologies Ltd. Consolidated (TTL)	88.7	71.5	24.0%	12.9	9.2	41.1%
Tata Daewoo, Korea (TDCV)	184.9	192.0	-3.7%	1.3	0.5	150.0%
TML Drivelines Ltd.	23.7	31.4	-24.7%	6.2	10.3	-39.9%

<i>USD Million@</i>						
Particulars	NET REVENUE *			PAT		
	H1 FY13	H1 FY 12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
TML Consolidated#	16,406.8	13,145.4	24.8%	817.2	733.4	11.4%
TML Standalone	4,364.0	4,649.6	-6.1%	202.9	95.2	113.1%
Jaguar LandRover PLC	11,198.1	9,083.3	23.3%	874.8	633.9	38.0%
Tata Motors Finance Ltd. (TMFL)	251.1	175.8	42.8%	26.8	19.1	40.3%
Tata Technologies Ltd. Consolidated (TTL)	175.3	135.1	29.8%	27.1	16.6	62.8%
Tata Daewoo, Korea (TDCV)	380.1	383.8	-1.0%	3.9	4.0	-2.2%
TML Drivelines Ltd.	42.1	63.2	-33.3%	10.7	21.2	-49.7%

\* Net Revenue excludes other income except for Tata Motors Finance Ltd.;

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

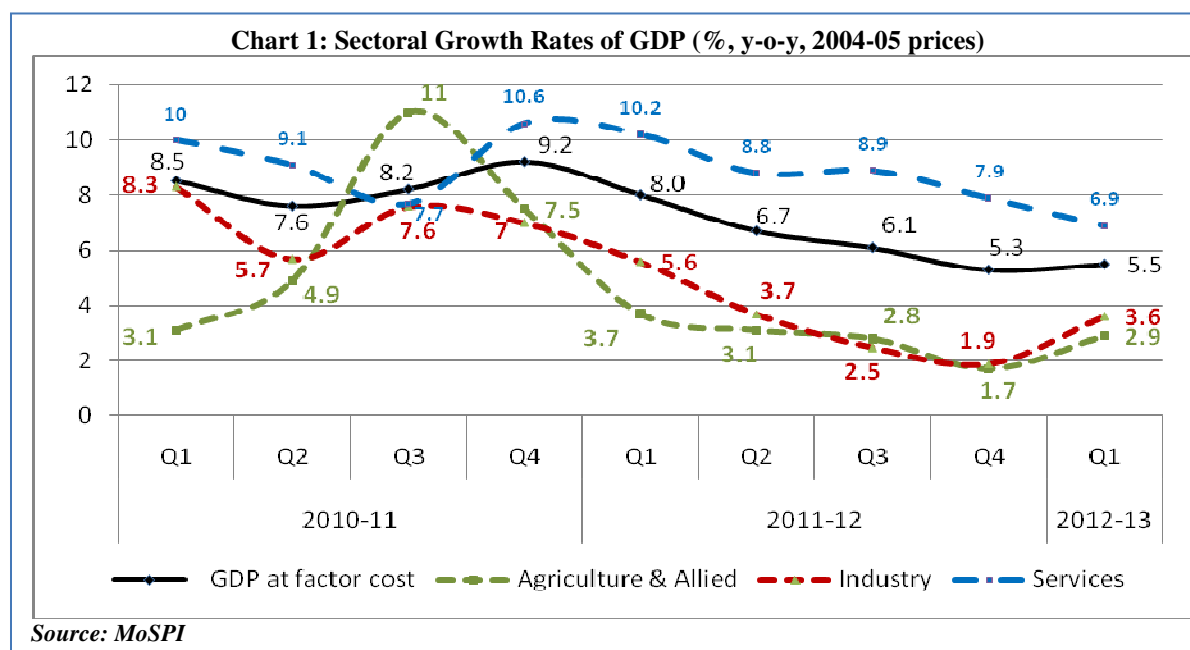
@ At conversion rate of 1 USD = 52.86 INR; 1 GBP = 1.6167 USD; 1 USD = 1111 KRW for reference only

**II] INDIAN ECONOMIC SCENARIO: KEY HIGHLIGHTS OF Q2 FY13**

Source: Tata Department of Economics and Statistics (Tata DES)

**1. GDP Growth**

India's real GDP growth for FY 2011-12 stood at 6.5% as compared to 8.4% in the previous two financial years and lower than 6.8% during the crisis year FY 2008-09. Quarter-wise real GDP growth<sup>1</sup> decelerated for four consecutive quarters beginning in Q1 2011-12 (Apr-Jun'11), reaching 5.3% in Q4 2011-12. On a quarterly basis, real GDP growth improved to 5.5% in Q1 2012-13, driven by improvement in agriculture and industrial sector growth rates.



The agricultural sector posted a growth of 2.9% during Q1 2012-13, lower than the growth of 3.7% during Q1 2011-12. However, as compared to previous quarter, i.e. Q4 2011-12, the performance of agricultural sector was slightly better. The uneven rains this monsoon would make the situation quite difficult for the economy in the present fiscal year (2012-13) given the importance of the sector for aggregate demand as well as food prices. Deficient rainfall would not only have an impact on food economy but would also affect hydel power generation as water levels in the reservoirs would be less. As of 8<sup>th</sup> Aug'12, the **South-West monsoon** was 17% below normal, with deficient and scanty rainfall respectively in 13 and 5 regional sub-divisions out of 36. A worrying development is scanty rainfall (66 to 81% below normal) in Punjab, Haryana, Western Rajasthan and Gujarat which is likely to affect *kharif* 2012-13 production of foodgrains. Low production levels may lead to upward pressure on the prices of pulses, oilseeds, and coarse cereals as well as animal feed, thereby transmitting into livestock product prices and overall food inflation.

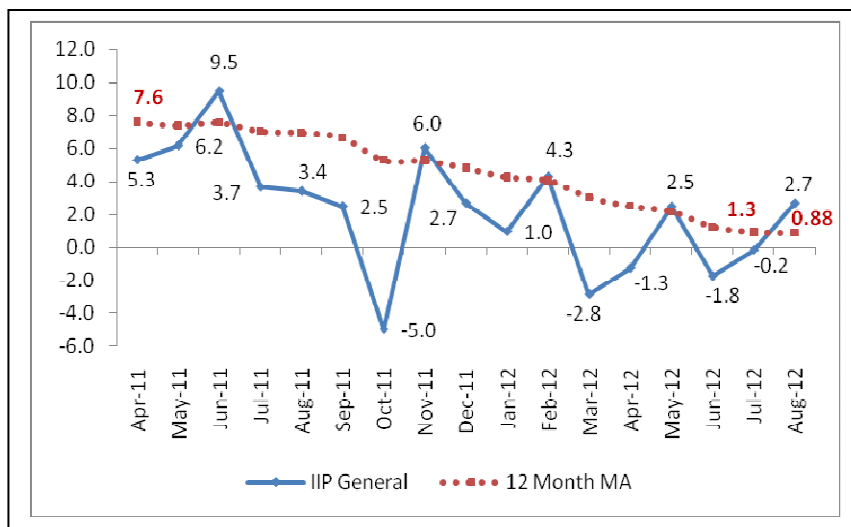
**Industrial sector** growth averaged 3.6% during Q1 2012-13, lower than 5.6% growth achieved during Q1 2011-12, but higher than 1.9% growth during Q4 2011-12. The lower growth of the industrial sector was caused by weak output in the mining sector at 0.1% and a sharp deceleration in manufacturing activity (0.2% growth in Q1 2012-13). While the weak mining sector output was mainly on account of regulatory and governance

<sup>1</sup> Growth rates given in this section are year-on-year (y-o-y) unless stated otherwise

issues, manufacturing activity was subdued due to monetary tightening, weak external demand, and a lack of investment activity because of regulatory issues affecting projects and business expectations/outcomes.

The **services sector** growth continues to be on a downward trend. In Q1 2012-13, it posted a growth of 6.9%, significantly lower than 10.2% growth in Q1 2011-12 and 7.9% growth in Q4 2011-12. Although **services sector** growth continues to bolster overall GDP growth, it has been affected by the slowdown in economic activity and pessimistic business sentiments at home and abroad. This is highlighted by the fact that the growth in commercial services (trade, hotels, transport & communications) declined to 4.0% in Q1 2012-13 as compared to 13.8% growth in Q1 2011-12 and 7.0% growth in Q4 2011-12.

## 2. Industrial Growth



During 2012-13 (April-August), IIP growth stood at 0.4% as compared to 5.6% in Apr-Aug'11. Thus, so far there is no evidence of an industrial sector recovery. A look at the growth of the **12-monthly moving average** of the IIP highlights the continuous and sustained decline in industrial momentum. The 12 monthly moving average growth has come down to 0.88% in Aug'12 from 0.94% in Jul'12.

	Categories	Apr'12-Aug'12	Apr'11-Aug'11	Growth (%)
<b>IIP</b>	General	167.1	166.5	0.4
<b>Sectoral</b>	Mining	123.6	124.4	-0.6
	Mfg.	176.7	176.7	0.0
	Electricity	156.1	149.0	4.8
<b>Use-based</b>	Basic	151.0	146.9	2.8
	Capital	232.6	269.7	-13.8
	Intermediate	145.0	144.2	0.6
	Consumer	183.9	177.7	3.5
	- Consumer Durables	303.9	287.5	5.7
	- Consumer Non-Durables	136.3	134.2	1.6

Source: CSO

In terms of use-based classification, the capital goods segment continues to be weak. During 2012-13 (April-August), it posted a y-o-y growth of -13.8%. **Capital goods** production continues to *decline* due to the adverse investment environment in the country.

It had declined by 4% during 2011-12, and is unlikely to improve much in the current fiscal year (in Q1 2012-13, the output of capital goods was 20.2% lower than the in Q1 2011-12) due to hindrances in the implementation of capital projects<sup>9</sup> and subdued external demand. On the other hand, production of consumer goods grew by 3.5% during 2012-13 (April-August) as compared to a growth of 4.4% in the corresponding period of previous fiscal year.

#### IIP growth across sectors

	Mining	Manufacturing	Electricity	General
Aug-11	-5.5	3.9	9.5	3.4
Sep-11	-7.5	3.1	9.0	2.5
Oct-11	-5.9	-6.0	5.6	-5.0
Nov-11	-3.5	6.6	14.6	6.0
Dec-11	-3.3	2.8	9.1	2.7
Jan-12	-2.1	1.1	3.2	1.0
Feb-12	2.3	4.1	8.0	4.3
Mar-12	-1.1	-3.6	2.7	-2.8
Apr-12	-2.8	-1.8	4.6	-1.3
May-12	-0.7	2.6	5.9	2.5
Jun-12	0.2	-3.1	8.8	-1.8
Jul-12	-1.6	-0.4	2.8	-0.2
Aug-12	2.0	2.9	1.9	2.7

It is unlikely that the recovery in **consumer durables** production could be sustained going ahead given sticky levels of retail inflation (driven by fuel prices), high interest rates, and low disposable income growth leading to pressure on households' discretionary spending ability. Low levels of production growth in the consumer goods and capital goods sectors have led to low growth in demand for the **intermediate goods** sector's output. Growth of intermediate goods sector continues to be weak as it grew by only by 0.6% during 2012-13 (Apr-Aug).

The weak cumulative growth of IIP during 2012-13 (April-August) is on account of still weak mining and manufacturing sectors. Mining sector posted a y-o-y growth of -0.6% whereas growth of manufacturing remained flat at 0.0% during this period.

**Regulatory issues**, especially related to land acquisition and environmental clearances would continue to dampen mining output in the near term. Electricity generation which had shown a good performance in April and May 2012 also witnessed a weak output due to poor hydroelectricity generation as a result of lesser rainfall and hence low water levels in the catchment area. During 2012-13 (April-August), growth of electricity generation stood at 4.8% as compared to 9.5% in Apr-Aug'11.

### 3. Infrastructure Index

#### Performance of Core industries

Sector-wise Growth Rate (%) in Production					
Sector	Weight (%)	Aug'12	Aug'11	Apr- Aug 2012-13	Apr- Aug 2011-12
Overall Index	37.903	2.1	3.8	2.8	5.5
Coal	4.379	11.0	-15.2	6.3	-2.3
Crude Oil	5.216	-0.6	1.6	-0.6	6.1
Natural Gas	1.708	-13.5	-5.3	-12.1	-8.9
Refinery Products	5.939	8.4	3.8	4.3	4.7
Fertilizers	1.254	-2.1	4.3	-7.9	1.2
Steel	6.684	1.8	7.9	2.7	9.9
Cement	2.406	-2.4	8.4	5.4	4.1
Electricity	10.316	1.7	9.4	4.9	9.4

(Source: GOI- MINISTRY OF COMMERCE INDUSTRY)

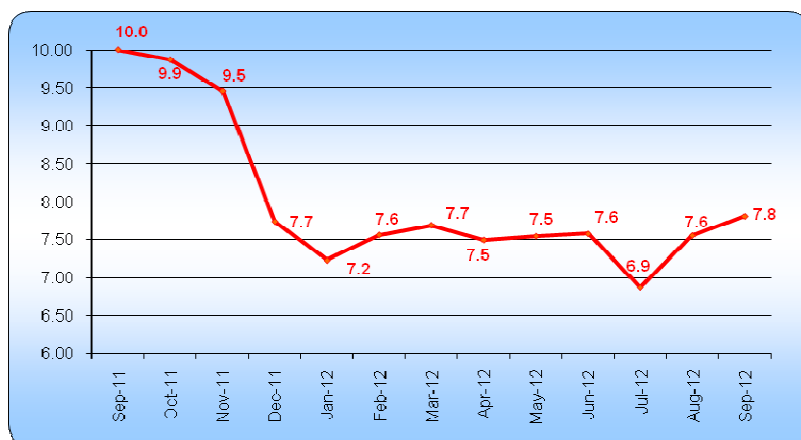
The **Eight core infrastructure industries<sup>2</sup>** with base as 2004-05 registered an output growth of 2.1% in Aug'12, lower than 3.8% growth witnessed in the corresponding period last year. For the Apr-Aug 2012-13 period, the eight core industries recorded 2.8% growth against 5.5% during the corresponding period in 2011. The slow growth was on account of decline in the output of natural gas (-12.1%; -8.9% in Apr-Aug

<sup>2</sup> Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel, Cement, and Electricity

2011-12), fertilizers (-7.9%; 1.2% in Apr-Aug 2011-12) and crude oil (-0.6%; 6.1% in Apr-Aug 2011-12). Growth of coal production improved to 6.3% during 2012-13 (Apr-Aug) as compared to a growth of -2.3% witnessed in the same period of previous year. Growth in electricity generation posted a lower growth of 4.9% during Apr-Aug 2012-13 as compared to 9.4% growth during Apr-Aug 2011-12. Growth in electricity production has been on a declining trajectory since 2011 due to problems in securing coal supply for domestic producers, combined with the financial problems of State Electricity Boards (SEBs) which are presently the largest purchasers of power.

#### 4. Inflation

**Year on Year growth rate of Wholesale Price Index**



**Wholesale Price inflation** in Q2 2012-13 stood at 7.6% (9.7% in Q2 2011-12). It has significantly moderated since Dec'11. However, WPI inflation rose to 7.8% in Sept'12 (10.0% in Sept'11), higher than 7.6% in Aug'12 driven mainly by high fuel prices. Fuel inflation increased by 11.9% in Sept'12 reaching double digits as compared to 8.3% in Aug'12, driven by hike in diesel prices. Inflation related to primary food items considerably declined to 7.9% in Sept'12 from 9.1% in Aug'12. This happened on account of reduction in prices of pulses and vegetables.

Inflation currently remains elevated due to **supply side and exogenous (i.e. non-core) factors** in the following sectors: a) Food, especially cereals; b) Non-food agricultural items such as oilseeds, guar seeds; c) Minerals such as iron ore.

Containing inflation in these 'non-core' commodity groups would require **concerted efforts on part of the administrative machinery** to create incentives to boost production and to remove any bottlenecks and inefficiencies in the entire **value chain infrastructure**. Given that demand for some of these items is likely to be inelastic to income, the **tight monetary stance has been unable to tackle the problem of sticky and structurally high inflation in the country**.

Softening of **international commodity prices** has not translated into lower prices of imported items due to the continued depreciation of the Indian rupee. Domestic prices (fuel) are still 27% lower than the international prices. Going ahead the domestic inflation scenario could benefit from the softness in international commodity prices if the rupee appreciates from its current levels.

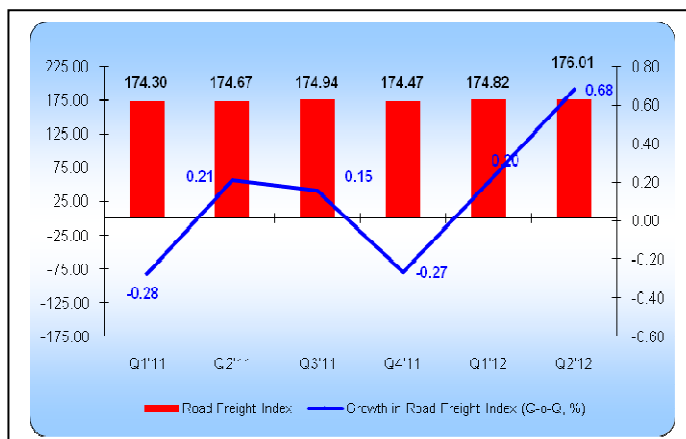
**5. Interest rates**
**Movement in Key Policy Rates (%)**

	Reverse Repo Rate	Repo Rate	Cash Reserve Ratio
19-Mar-10	3.50 (+0.25)	5.00 (+0.25)	5.75
2010-11	5.75(+2.25)	6.75(+1.75)	6(+0.25)
03-May-11	6.25(+0.5)	7.25(+0.5)	6
16-Jun-11	6.50(+0.25)	7.50(+0.25)	6
26-July-11	7.00(+0.50)	8.00(+0.50)	6
16-Sept-11	7.25(+0.25)	8.25(+0.25)	6.00
25-Oct-2011	7.50(+0.25)	8.50(+0.25)	6.00
16-Dec-2011	7.50(0.00)	8.50(0.00)	6.00
24-Jan-2012	7.50(0.00)	8.50(0.00)	5.50(-0.50)
10-Mar-2012	7.50(0.00)	8.50 (0.00)	4.75 (-0.75)
17-04-2012	7.00 (-0.50)	8.00 (-0.50)	4.75
18-06-2012	7.00 (0.00)	8.00 (0.00)	4.75 (0.00)
31-07-2012	7.00 (0.00)	8.00 (0.00)	4.75 (0.00)
17-09-2012	7.00 (0.00)	8.00 (0.00)	4.50 (-0.25)
30-10-2012	7.00 (0.00)	8.00 (0.00)	4.25 (-0.25)
Cumulative	+375 bps	+325 bps	-150 bps

**Note:**

1. Reverse Repo indicates absorption of liquidity and repo indicates injection of liquidity.
2. Figures in parantheses indicate change in policy rates in per cent.

On 17th Sept'12, in the Mid-Quarter Monetary Policy Review, RBI reduced the Cash Reserve Ratio from 4.75% earlier to 4.50% effective fortnight beginning 22nd Sept'12 to inject liquidity into the banking system. Further, it reduced the CRR again by 25 basis points on 30<sup>th</sup> Oct'12 to 4.25% from 4.50%. As result of this reduction in the CRR, around Rs. 175 billion of primary liquidity will be injected into the banking system. However, it kept the Repo Rate unchanged at 8.00%. Money supply (M3) that showed some acceleration in Jul'12 as it grew by 14.3% y-o-y has again come down to 13.7% in Sept'12 and further to 13.5% in Oct'12. However, any significant growth in Money supply is unlikely. It would be around 15% in FY 2012-13 as deposit growth is not expected to improve much and capital flows are also likely to remain muted due to continued uncertainty in global economy. After marginally increasing by 17.4% in Jul'12, Bank credit growth again came down to 16.8% in Sept'12.

**6. Freight Rates**


Average road freight rate index for Q2 (Jul-Aug) 2012-13 grew by 0.68% on a q-o-q basis, higher than 0.20% growth in Q1 (Apr-Jun) 2012-13.

Growth in road freight index has remained almost flat in the last few months. The current fiscal year has not been good for the transportation industry with truck rentals falling as economic acitivity has been sluggish. Truck rentals were volatile in Sept'12, first going up following diesel price hike and then coming down due to low cargo offtake.

**National Highway Development Project (NHDP)**

As elucidated in the table below, 55.58% of the national highway development and other road projects under NHA were completed as on 30<sup>th</sup> Sept'12. Substantial amount of work (84.5%) was completed on NS-EW corridor.

**Status of NHDP (As on 30<sup>th</sup> September 2012)**

The NHDP projects are divided into seven phases. However the ones being implemented are in four phases, i.e. I, II, III and V. There is no progress on the other phases.

Status of NHDP	Total length (kms)	Completed	Under Implementation	Balance to be awarded
GQ	5846	99.97%	0.03%	0%
NS - EW Ph I & II	7142	84.50%	10.36%	5.14%
NHDP Phase III	12109	34.80%	50.56%	14.64%
NHDP Phase V	6500	17.32%	45.45%	37.23%
Port Connectivity & Others	1770	74.92%	23.95%	1.13%
Total	33367	55.58%	30.40%	13.73%

Source - National Highway Authority of India

As of Q2 2012-13, the progress on the work completed as well as the projects under implementation under NHDP phase III and phase V is very slow as compared to Q1 2012-13. The factors responsible for slow progress of National Highway (NH) projects include delay in land acquisition, shifting of utilities, obtaining environment, forest clearances and railway approvals, poor performance of contractors and law & order problems in some States, etc.

**7. Update on Pradhan Mantri Gram Sadak Yojana (PMGSY), as on 6<sup>th</sup> November 2012**

PMGSY for New Connectivity		
Particulars	Nos.	Length (Kms)
Road Works Sanctioned	78,010	283,014
Completed Works	57,140	197,913
% of sanctioned works completed	73.2	69.9
Ongoing Works	20,870	12,360

PMGSY for Upgraded Connectivity		
Particulars	Nos.	Length (Kms)
Road Works Sanctioned	33,306	156,411
Completed Works	30,512	133,927
% of sanctioned works completed	91.6	85.6
Ongoing Works	2,794	3,498

PMGSY - Cost Estimated	
Particulars	Rs. Crores
Sanctioned Amount	126,439
Value of work done	91,121
% of sanctioned amount utilised	72.1

**Outlook by Tata DES (Tata Department of Economics and Statistics), 2012-13**

- GDP growth at 5.5-6.0%
- Interest rate likely to soften gradually during next two quarters. Currently, 10-yr G-Sec is 8.17%.
- Currently, Inflation is 7.8%. It could remain around 7%+ level till the festival season gets over.
- Money supply growth, non-food credit growth and deposit growth are projected at 15%, 17-18% and 14-15% respectively in FY 2012-13.
- During Q1 2012-13 CAD was 3.86% of GDP, lower than 4.5% in Q4 2011-12. The CAD in FY 2012-13 is expected to come down (mainly because of drop in gold imports) to 3-3.5% which will still be higher than the sustainable gap of 2.5% of GDP.
- Inflows led to strengthening of rupee and certain degree of firmness in capital market.

**III] TML STANDALONE**
**A] FINANCIALS**

<u>Rs. Crores</u>	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
Total Volumes: CV+PC+Exports (Units)	223,665	211,400	5.8%	414,148	409,006	1.3%
CV (Units)	136,353	130,126	4.8%	251,063	243,312	3.2%
PC (Units)	72,603	65,082	11.6%	135,222	134,611	0.5%
Exports (Units)	14,709	16,192	-9.2%	27,863	31,083	-10.4%
Net Revenue#	12,481.4	12,953.8	-3.6%	23,067.8	24,577.9	-6.1%
EBITDA#	733.5	933.1	-21.4%	1,507.9	1,953.4	-22.8%
EBITDA Margin	5.9%	7.2%	(130 bps)	6.5%	7.9%	(140 bps)
Other Income	1,439.3	129.8	NM	1,886.4	307.2	NM
Profit before exceptional items and tax	1,279.0	330.7	NM	1,677.3	794.5	NM
Exceptional Item	(254.9)	(294.2)	13.4%	(415.8)	(291.8)	-42.5%
Profit before Tax	1,024.1	36.5	NM	1,261.5	502.8	NM
Net Profit (PAT)	867.1	102.0	NM	1,072.5	503.3	NM
Basic EPS - Ordinary Shares	2.70	0.31		3.35	1.57	
Basic EPS- 'A' Ordinary shares	2.80	0.41		3.45	1.67	
Gross Debt	17,245.2	19,631.6		17,245.2	19,631.6	
Net Debt	16,038.6	15,549.0		16,038.6	15,549.0	
Net Debt / Equity	0.77	0.74		0.77	0.74	
Inventory Days	40	33		44	35	
Receivable Days	22	17		23	18	

#Excludes Other Income; EPS reported in the tables above for Q2 FY 13, Q2 FY 12, H1 FY 13 and H1 FY 12 are not annualized ;

**A] TML STANDALONE FINANCIALS IN USD MILLION**

<i>USD Million@</i>	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
Total Volumes: CV+PC+Exports (Units)	223,665	211,400	5.8%	414,148	409,006	1.3%
CV (Units)	136,353	130,126	4.8%	251,063	243,312	3.2%
PC (Units)	72,603	65,082	11.6%	135,222	134,611	0.5%
Exports (Units)	14,709	16,192	-9.2%	27,863	31,083	-10.4%
Net Revenue#	2,361.2	2,450.6	-3.6%	4,364.0	4,649.6	-6.1%
EBITDA#	138.8	176.5	-21.4%	285.3	369.5	-22.8%
EBITDA Margin	5.9%	7.2%	(130 bps)	6.5%	7.9%	(140 bps)
Other Income	272.3	24.6	NM	356.9	58.1	NM
Profit before exceptional items and tax	242.0	62.6	NM	317.3	150.3	NM
Exceptional Item	(48.2)	(55.7)	13.4%	(78.7)	(55.2)	-42.5%
Profit before Tax	193.7	6.9	NM	238.6	95.1	NM
Net Profit (PAT)	164.0	19.3	NM	202.9	95.2	NM
Basic EPS - Ordinary Shares	0.05	0.01		0.06	0.03	
Basic EPS- 'A' Ordinary shares	0.53	0.08		0.65	0.32	
Gross Debt	3,262.4	3,713.9		3,262.4	3,713.9	
Net Debt	3,034.2	2,941.5		3,034.2	2,941.5	
Net Debt / Equity	0.77	0.74		0.77	0.74	
Inventory Days	40	33		44	35	
Receivable Days	22	17		23	18	

#Excludes Other Income; EPS reported in the tables above for Q2 FY 13, Q2 FY 12, H1 FY 13 and H1 FY 12 are not annualized ;

@ At conversion rate of USD 1 = 52.86 INR for reference only

**FINANCIAL HIGHLIGHTS**

- Operating profit impacted by weak macro economic outlook, sluggish industrial demand, weaker product mix and marketing cost pressures.
- Overall PAT including dividend from subsidiaries significantly higher
- Cash and bank balances (including Mutual Fund Investments) stood at Rs. 1,206 crores as on 30.09.2012
- H1 FY 13 Capex spend stood at Rs.1,480 crores

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

Period/ Segments	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
M/HCV	42,948	50,716	-15.3%	77,503	96,286	-19.5%
LCV	93,405	79,410	17.6%	173,560	147,026	18.0%
Total CV	136,353	130,126	4.8%	251,063	243,312	3.2%

*Source: SIAM Industry Data and Company analysis*

*Note: For the analysis- LCV Includes Ace, Magic and Winger*

**HIGHLIGHTS :**
**LCVs continue to drive growth in Commercial Vehicles**

- Our CV Market Share improved sequentially during Q2 FY 13. For the quarter, market share stood at 59.7%
- LCVs drive YTD volume growth with continuing strong demand for the “Ace” family
- Weak macro-economic outlook, sluggish industrial demand coupled with diesel price increases, has impacted MHCV while overall CV sales were supported by strong demand in the LCV segment.
- Strong demand of our Ace family has led to expansion of our market share in the segment.
- We announced 6 new Heavy trucks across the traditional, Prima & Construck range focusing on ‘best in class profitability’.
- “Tata FleetMan Telematic Services”, an intelligent vehicle and driver management solution was introduced
- During September, we also launched the Tata Xenon Pick-up to an encouraging response.
- We continue to focus on enabling operating efficiencies and profitability for end customers with our products and value added services

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

Period/ Segments	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
Micro	17,483	7,402	136.2%	39,621	29,381	34.9%
Compact	38,498	39,061	-1.4%	64,660	70,654	-8.5%
Midsize	1,520	5,202	-70.8%	4,190	8,937	-53.1%
Executive	305	1,117	-72.7%	742	2,232	-66.8%
Premium/ Luxury	151	194	-22.2%	307	320	-4.1%
Utility Vehicles	13,845	10,126	36.7%	23,708	19,559	21.2%
Vans	801	1,980	-59.5%	1,994	3,528	-43.5%
Total PC	72,603	65,082	11.6%	135,222	134,611	0.5%

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

*Note: For the analysis -*

*'Micro' comprises of Nano*

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

*'Midsize' comprises of Indigo XL, 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**
**Selective growth in Passenger Vehicles' segments**

- Our Passenger Vehicles Market Share in Q2 FY13 grew to 12.3% with improved market share, especially in the Compact & UV segments
- New variants, product refreshes supported growth in Q2 FY 13
- Domestic Passenger industry grew 3% in Q2 FY 13 While the overall growth was subdued mainly due to high cost of ownership and weak sentiments, industry segments like UVs and Micro (i.e. Nano) showed robust growth. Pressures on marketing costs continued
- We continued to focus on building on the brand strengths, market penetration, product refreshes, marketing initiatives, network actions and sales and service process
- Recent launches like Sumo Gold, Nano 2012 and the new Vista drove volume growth in the quarter.

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

Period/ Segments	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
Commercial Vehicles	12,489	14,388	-13.2%	23,908	27,171	-12.0%
Passenger Vehicles	2,220	1,804	23.1%	3,955	3,912	1.1%
Total Exports	14,709	16,192	-9.2%	27,863	31,083	-10.4%

**HIGHLIGHTS**
**Exports Lower Following Weakness In Our Large Markets**

- During the period, sales in our largest export markets - Sri Lanka & Bangladesh declined
- However, demand was supported by growth in markets like Nepal, Afghanistan, Thailand, South Africa and certain MENA countries

**E] WAY FORWARD**

- Sluggish economic activity, uneven monsoons, weak external environment, excise duty and fuel price increases have impacted the overall demand. Freight rates have been under pressure and operator profitability has been adversely impacted and levels of marketing costs and publicity are higher. While interest costs remain elevated, finance availability is adequate in the system.
- Demand pressure mainly in MHCV owing to macro factors. However, within the segment, our ICV trucks & buses are expected to support volumes. Any improvement of the customer sentiment with the upcoming festive season could aid demand in H2 FY12.
- Our LCV / SCV continues to grow strongly, in both, the haulage and passenger applications.
- Our strong understanding of the domestic market along with a wide, and compelling product portfolio & customer support is expected to enable us to grow the market and our position.
- Competitive intensity poses significant challenge to the passenger vehicle industry, with higher inflation, interest costs, fuel price increases dampening the demand. Customer preference expected to continue to tend towards diesel vehicles
- Several initiatives under aggressive implementation in the passenger car business to achieve performance improvement
  - Regular product refresh plans in pipeline
  - Promoting the brand
  - Distribution expansion and improving effectiveness

- Cost effectiveness and quality enhancement initiatives
- Recent launches of Safari Storme, Vista Sedan class, New Indica ev2, Manza Club class to enable volume growth
- Future Products in pipeline during FY13 - Variants from Prima range, Ultra range of LCV, ACE variants, Nano CNG, refreshed car models
- Extend export potential for our products
- For overall industry, RM and component prices are expected to be under control. For the Company, cost and expense optimization focus will continue

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

- In August 2012, **Tata Motors appointed Mr. Karl Slym as the Managing Director**. He succeeded Mr. PM Telang who superannuated from the Company in June this year. Mr. Slym leads all operations of Tata Motors in India and international markets including South Korea, Thailand, Spain, Indonesia, South Africa. Jaguar Land Rover would continue to be managed independently.

Mr. Slym has been the Executive Vice President & Board Member, SGMW Motors, China. (a GM Joint Venture). Prior to this, he was President, Managing Director and Board Member of GM in India. He has had a 17 year career in General Motors in various positions in various geographies. He took over his responsibilities from October 1<sup>st</sup>, 2012. Mr. Slym is an alumnus of Stanford University and a Sloan Fellow.

- In September 2012, **Tata Motors appointed Mr. Ranjit Yadav as President of the company's Passenger Car Business Unit (PCBU)**. The company has also appointed Mr. Neeraj Garg as Vice President - Commercial for PCBU. The company also announced the movement of the incumbent Vice President - Commercial, PCBU, Mr. R. Ramakrishnan, to a corresponding role for its Commercial Vehicles Business Unit (CVBU).

Before joining Tata Motors, Mr. Yadav was Country Head (India) for the Mobile & IT Businesses of Samsung India Electronics Ltd. He was previously with Hewlett - Packard Asia Pacific, Philips Electronics and Pond's India Limited. Mr. Garg joins the company from Volkswagen, where he was the Director Sales & Marketing (Volkswagen brand). He has earlier worked with Nissan Motor India Pvt. Ltd. and Honda Siel Cars India Ltd. Mr. R Ramakrishnan has been with Tata Motors since he joined as a Graduate Engineer Trainee in 1985.

- In September 2012, Tata Motors launched 6 first-of-its-kind Heavy Trucks & Tata FleetMan Fleet Telematics Services. Among the launches are:
  - The first 37 tonne, 5-axle rigid truck in the country, the Tata LPT 3723, in the 10x4 configuration.
  - The top-of-line Tata PRIMA range has now been further extended with the launch of two new engine capacities of 380HP & 230HP. In the 380HP range, two new models have been launched - PRIMA 4938 tractor and PRIMA 3138K tipper. The new 230HP LX range has two new products - PRIMA 4923 & PRIMA 4023 tractors.
  - The Tata Motors Construck range has been further fortified with the launch of the versatile Tata LPK 3118 tipper.

All these 6 trucks have been designed and built specifically to offer the lowest TCO (Total Cost of Ownership), best-in-class fuel efficiency; longer service runs and enhanced levels of driver comfort, resulting in best-in-class profitability and lowest payback period for the fleet operator.

The company also introduced a Telematics & Fleet Management Service, branded Tata FleetMan. Targeted at commercial vehicle fleet owners and large consigners of goods, the service offers advanced Telematics solutions, which will help in increasing productivity and profitability. Tata FleetMan will initially be introduced on new tractor-trailers, but will be available on the entire Tata Motors Medium & Heavy Commercial Vehicle range in the coming months. The service will also be extended to existing vehicles, through aftermarket fitments.

- In September 2012, Tata Motors introduced the Tata Xenon, a rugged and stylish Pick-up with **lowest-in-class operating cost** and thus expanded its footprint in the Pick-up portfolio. The offering is available in single & dual cab, and is suitable for a wide range of applications and has best-in-class looks, operating economics & fuel efficiency. It is available in 3L Common Rail & Turbo engine options.

**G] TML CORPORATE CREDIT RATING**

Credit Rating Agency	Long Term Rating as on 30 <sup>th</sup> Sep 2012
Moody's	Ba3 / Stable
S&P	BB / Positive
CRISIL	AA- / Positive
ICRA	AA- / Positive
CARE	AA / Stable

**IV] TML CONSOLIDATED FINANCIALS Q2 FY 13 (UNAUDITED) IN RS. CRORES**

<u>Rs. Crores</u>	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
Net Revenue#	43,402.9	36,197.5	19.9%	86,726.5	69,486.3	24.8%
EBITDA#	5,861.1	4,815.4	21.7%	12,095.7	9,298.7	30.1%
EBITDA Margin	13.5%	13.3%	20 bps	13.9%	13.4%	50 bps
Other Income	206.8	169.9	21.7%	445.4	335.7	32.7%
Profit before exceptional items and tax	3,098.7	2,708.9	14.4%	6,721.9	5,111.7	31.5%
Exceptional Items	(10.1)	(439.0)	NM	(450.6)	(496.0)	9.1%
Profit before Tax	3,088.6	2,269.9	36.1%	6,271.3	4,615.8	35.9%
Net Profit (PAT) ^	2,074.7	1,877.3	10.5%	4,319.6	3,877.0	11.4%
Basic EPS - Ordinary Shares	6.49	5.90		13.54	12.20	
Basic EPS - 'A' Ordinary shares	6.59	6.00		13.64	12.30	
Gross Debt	50,187.4	43,973.3		50,187.4	43,973.3	
Net Automotive Debt	11,662.6	16,233.7		11,662.6	16,233.7	
Net Automotive Debt / Equity	0.29	0.70		0.29	0.70	
Inventory Days	46	43		46	45	
Receivable Days	16	18		16	18	

**TML CONSOLIDATED FINANCIALS Q2 FY 13 (UNAUDITED) IN USD MILLION**

<b><u>USD Million@</u></b>	<b>Q2 FY13</b>	<b>Q2 FY12</b>	<b>Y-o-Y change</b>	<b>H1 FY13</b>	<b>H1 FY 12</b>	<b>Y-o-Y change</b>
Net Revenue#	8,210.9	6,847.8	19.9%	16,406.8	13,145.4	24.8%
EBITDA#	1,108.8	911.0	21.7%	2,288.2	1,759.1	30.1%
EBITDA Margin	13.5%	13.3%	20 bps	13.9%	13.4%	50 bps
Other Income	39.1	32.1	21.7%	84.3	63.5	32.7%
Profit before exceptional items and tax	586.2	512.5	14.4%	1,271.6	967.0	31.5%
Exceptional Items	(1.9)	(83.0)	NM	(85.2)	(93.8)	9.1%
Profit before Tax	584.3	429.4	36.1%	1,186.4	873.2	35.9%
Net Profit (PAT) ^	392.5	355.2	10.5%	817.2	733.4	11.4%
Basic EPS - Ordinary Shares	0.12	0.11		0.26	0.23	
Basic EPS - 'A' Ordinary shares	0.12	0.11		0.26	0.23	
Gross Debt	9,494.4	8,318.8		9,494.4	8,318.8	
Net Automotive Debt	2,206.3	3,071.1		2,206.3	3,071.1	
Net Automotive Debt / Equity	0.29	0.70		0.29	0.70	
Inventory Days	46	43		46	45	
Receivable Days	16	18		16	18	

# 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 = 52.86 INR for reference only

**FINANCIAL HIGHLIGHTS**

- Net revenue up 19.9% for Q2 FY 13 y-o-y
- PBT higher by 36.1% for Q2 FY 13 y-o-y
- PAT higher by 10.5% for Q2 FY 13 y-o-y
- Increase in Net worth Rs 7,203 crores
- Cash and bank balances (including Mutual Fund Investments) of Rs 17,992 crores (JLR GBP 2.2 billion, TML - Rs. 1,206 crores) as on 30.09.2012

**V] JAGUAR LAND ROVER PLC**
**A] FINANCIALS**
**(i) IFRS AS APPROVED IN THE EU (UNAUDITED)**

<u>GBP Million</u>	IFRS					
	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
JLR Wholesales	77,442	68,000	13.9%	160,894	130,090	23.7%
Jaguar Wholesales	9,832	13,306	-26.1%	21,606	24,649	-12.3%
Land Rover Wholesales	67,610	54,694	23.6%	139,288	105,441	32.1%
Net Revenue	3,288.3	2,914.9	12.8%	6,926.5	5,618.4	23.3%
EBITDA#	486.2	420.0	15.8%	1,012.5	782.1	29.5%
EBITDA Margin	14.8%	14.4%	40 bps	14.6%	13.9%	70 bps
Profit before Tax	430.6	215.8	99.5%	763.3	467.4	63.3%
Net Profit (PAT)	305.2	172.3	77.1%	541.1	392.1	38.0%
Gross Debt	1,739.2	1,542.1		1,739.2	1,542.1	
Net Debt	(437.3)	201.6		(437.3)	201.6	
Net Debt / Equity	(0.13)	0.12		(0.13)	0.12	
Inventory Days	46	28		44	44	
Receivable Days	15	18		14	19	

# EBITDA is after Product Development expenses (to the extent not capitalized);

**FINANCIAL HIGHLIGHTS**

- Net revenue up 12.8% for Q2 FY 13 y-o-y
- For Q2 FY 13, EBITDA margin at 14.8%, includes impact of favourable market mix, exchange rate environment and is partially offset with product mix.
- Cash and financial deposits stood at GBP 2,176 m as on 30.09.2012
- H1 FY 13 capex and product development spend GBP 912 m
- Positive free cash flow of GBP 222 m during H1 FY 13 post above spend

**(ii) JLR FINANCIALS UNDER IGAAP (UNAUDITED)**

<u>GBP Million</u>	IGAAP					
	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
JLR Wholesales	77,442	68,000	13.9%	160,894	130,090	23.7%
Jaguar Wholesales	9,832	13,306	-26.1%	21,606	24,649	-12.3%
Land Rover Wholesales	67,610	54,694	23.6%	139,288	105,441	32.1%
Net Revenue	3,288.3	2,913.6	12.9%	6,926.5	5,617.0	23.3%
EBITDA	452.0	425.4	6.3%	1,011.6	824.5	22.7%
EBITDA Margin	13.7%	14.6%	(90 bps)	14.6%	14.7%	(10 bps)
Profit before Tax	338.4	286.9	17.9%	733.9	535.4	37.1%
Net Profit (PAT)	250.6	237.4	5.5%	559.2	456.3	22.5%
Gross Debt	1,767.0	1,416.0		1,767.0	1,416.0	
Net Debt	(602.8)	75.2		(602.8)	75.2	
Net Debt / Equity	(0.17)	0.04		(0.17)	0.04	
Inventory Days	46	43		44	44	
Receivable Days	15	18		14	19	

**C] EXTERNAL ENVIRONMENT**

European market conditions have been difficult, with continuing concern around the financial situation and the position of the Euro, particularly acute in Italy and Spain. Whilst overall volumes in Europe are up from Q2 FY12, excluding the Range Rover Evoque and Range Rover Sport, volumes were down.

Strong growth has continued in China and this, alongside difficult markets in Europe, has combined to make China our 2nd largest retail market and our largest wholesale market in the quarter. China is our largest market for H1 FY13. The increase in China volumes has helped increase our EBITDA margins to 14.8%, broadly the level seen in over the last 3 quarters and marginally up compared to Q2 FY12.

The market turmoil in Europe has had a significant impact on exchange rates, with average GBP/Euro rates going from 1.12 in Q2 FY12 to 1.25 in the current quarter. On the other hand, the USD has strengthened since Q2 FY12 caused by signs of economic recovery in the region. The weakening Euro and strengthening USD have had a beneficial impact on the company EBITDA in the period.

The company has also benefitted from lower commodity prices in the quarter compared to FY12. Commodity prices continue to be volatile in line with global economic uncertainty. However, since Q1 FY13, both oil and aluminium prices have increased.

**C] PRODUCTS AND REGIONAL PERFORMANCE**
**JAGUAR WHOLESALE VOLUMES BY CAR-LINE**

Jaguar Wholesales	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
XF	6,671	8,567	-22.1%	14,059	15,016	-6.4%
New XJ	2,090	3,441	-39.3%	5,675	7,167	-20.8%
XK	1,071	1,294	-17.2%	1,871	2,455	-23.8%
Others	-	4	NM	1	11	NM
<b>Total Jaguar</b>	<b>9,832</b>	<b>13,306</b>	<b>-26.1%</b>	<b>21,606</b>	<b>24,649</b>	<b>-12.3%</b>

**JAGUAR RETAIL VOLUMES BY CAR-LINE**

Jaguar Retails	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
XF	8,352	8,350	0.0%	16,588	15,082	10.0%
New XJ	3,382	3,636	-7.0%	7,844	8,003	-2.0%
XK	1,064	1,247	-14.7%	2,004	2,701	-25.8%
Others	-	-	NM	-	4	NM
<b>Total Jaguar</b>	<b>12,798</b>	<b>13,233</b>	<b>-3.3%</b>	<b>26,436</b>	<b>25,790</b>	<b>2.5%</b>

**LAND ROVER WHOLESALE VOLUMES BY CAR-LINE**

Land Rover Wholesales	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
Defender	3,601	5,116	-29.6%	6,990	9,799	-28.7%
Discovery	10,869	10,679	1.8%	20,916	22,119	-5.4%
Freelander	10,401	12,296	-15.4%	21,644	24,616	-12.1%
Range Rover	4,422	6,558	-32.6%	11,800	14,493	-18.6%
Range Rover Evoque	23,340	7,772	NM	50,547	7,774	NM
Range Rover Sport	14,963	12,273	21.9%	27,377	26,640	2.8%
New Range Rover	14	-	NA	14	-	NA
<b>Total Land Rover</b>	<b>67,610</b>	<b>54,694</b>	<b>23.6%</b>	<b>139,288</b>	<b>105,441</b>	<b>32.1%</b>

**LAND ROVER RETAIL VOLUMES BY CAR-LINE**

Land Rover Retails	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
Defender	3,813	5,114	-25.4%	7,242	9,926	-27.0%
Discovery	10,864	10,982	-1.1%	21,530	22,496	-4.3%
Freelander	12,368	13,038	-5.1%	24,109	26,023	-7.4%
Range Rover	6,325	7,009	-9.8%	13,005	14,563	-10.7%
Range Rover Evoque	24,442	3,096	NM	51,388	3,096	NM
Range Rover Sport	14,026	13,210	6.2%	26,684	27,064	-1.4%
New Range Rover	113	-	NA	113	-	NA
<b>Total Land Rover</b>	<b>71,951</b>	<b>52,449</b>	<b>37.2%</b>	<b>144,071</b>	<b>103,168</b>	<b>39.6%</b>

**JAGUAR WHOLESALE VOLUMES REGION- WISE**

Jaguar Wholesales	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
Asia Pacific	832	726	14.6%	1,716	1,433	19.7%
China Region	961	1,765	-45.6%	2,890	3,053	-5.3%
Europe	1,457	2,447	-40.5%	3,636	4,598	-20.9%
North America	2,352	2,780	-15.4%	4,675	5,701	-18.0%
UK	3,234	4,232	-23.6%	5,994	7,613	-21.3%
Rest of the world	996	1,356	-26.5%	2,695	2,251	19.7%
<b>Total Jaguar</b>	<b>9,832</b>	<b>13,306</b>	<b>-26.1%</b>	<b>21,606</b>	<b>24,649</b>	<b>-12.3%</b>

**JAGUAR RETAIL VOLUMES REGION- WISE**

Jaguar Retails	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
Asia Pacific	914	769	18.9%	1,763	1,593	10.7%
China Region	1,363	1,634	-16.6%	3,543	3,000	18.1%
Europe	2,001	2,331	-14.2%	4,699	4,562	3.0%
North America	3,198	3,096	3.3%	6,582	7,239	-9.1%
UK	4,022	4,361	-7.8%	7,106	7,299	-2.6%
Rest of the world	1,300	1,042	24.8%	2,743	2,097	30.8%
<b>Total Jaguar</b>	<b>12,798</b>	<b>13,233</b>	<b>-3.3%</b>	<b>26,436</b>	<b>25,790</b>	<b>2.5%</b>

**LAND ROVER WHOLESALE VOLUMES REGION- WISE**

Land Rover Wholesales	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
Asia Pacific	3,115	2,226	39.9%	5,952	4,839	23.0%
China Region	15,413	9,352	64.8%	32,048	17,792	80.1%
Europe	13,202	13,102	0.8%	29,113	23,601	23.4%
North America	10,805	8,948	20.8%	23,292	19,073	22.1%
UK	12,127	10,848	11.8%	22,307	19,533	14.2%
Rest of the world	12,948	10,218	26.7%	26,576	20,603	29.0%
<b>Total Land Rover</b>	<b>67,610</b>	<b>54,694</b>	<b>23.6%</b>	<b>139,288</b>	<b>105,441</b>	<b>32.1%</b>

**LAND ROVER RETAIL VOLUMES REGION- WISE**

Land Rover Retails	Q2 FY13 Volumes	Q2 FY12 Volumes	Y-o-Y change	H1 FY13 Volumes	H1 FY 12 Volumes	Y-o-Y change
Asia Pacific	3,145	1,967	59.9%	6,248	4,100	52.4%
China Region	15,789	9,235	71.0%	32,074	17,812	80.1%
Europe	14,024	10,127	38.5%	30,704	21,709	41.4%
North America	11,622	9,010	29.0%	23,027	18,785	22.6%
UK	14,093	10,635	32.5%	25,492	18,364	38.8%
Rest of the world	13,278	11,475	15.7%	26,526	22,398	18.4%
<b>Total Land Rover</b>	<b>71,951</b>	<b>52,449</b>	<b>37.2%</b>	<b>144,071</b>	<b>103,168</b>	<b>39.6%</b>

**REGIONAL PERFORMANCE**

**Performance in key geographical markets on retail basis**

**United States**

The US economic situation is still showing signs of recovery in the current quarter, but uncertainty remains in an election year. The US premium car segment volumes remained broadly flat in the last 12 months, with Jaguar's share also holding up while the market environment continues to be competitive with a trend towards smaller engines.

The 13 model year line-up of JLR products includes a number of smaller engine derivatives, as well as the Sport brake and AWD version. The US premium SUV segment volumes were up 11.4% in the last 12 months, with Land Rover participating in this growth, increasing its market share 0.6%.

US combined total retail volumes for the quarter were 14,820 units, up 22% compared to Q2 FY12. Jaguar retail volumes for the quarter grew by 3% compared to Q2 FY12, mainly due to growth in XJ sales, despite a fall in the XJ segment. Land Rover retail volumes for the quarter increased by 29% compared to Q2 FY12, mainly driven by the Range Rover Evoque and Range Rover Sport.

### UK

The UK economy has continued to be challenging with GDP remaining flat over the past 12 months. The outlook for the UK is uncertain, with potentially significant downside risks relating to the Euro crisis.

The UK premium car segment volumes increased by 9.2% in the last 12 months. Jaguar shares are down by 2.3%, due to a trend towards smaller and more fuel efficient diesel engines and significant financial support offered by competitors. The smaller Jaguar engines have only been in place for 9 months and the 13 model year line-up includes enhanced CO2 efficiency models and a new Sportbrake XF.

The UK premium SUV segment volumes increased by 11.8% in the last 12 months, with the Land Rover market share up 4.4%, primarily reflecting the Range Rover Evoque but also supported by the Land Rover Discovery. Jaguar and Land Rover combined retails were 18,115 units in the quarter, up 21% compared to Q2 FY12. Jaguar retail volumes for the quarter decreased by 339 units. Land Rover retail volumes for the quarter were up by 33% compared to Q2 FY12, with market share in the current quarter increasing by 4.4%.

### Europe (excl. Russia and UK)

The Euro crisis is continuing to put pressure on European markets, with recession in a number of countries and a slowdown in Germany and France. Credit rating agencies continue to be negative about Euro area prospects, and the European car industry is expected to have reduced volumes in the current year.

Combined total retail volumes in the quarter for the Europe region were 16,025, an increase of 29% compared to Q2 FY12. The increase reflects growth in the Range Rover Evoque with other model volumes down somewhat.

Jaguar retail volumes in the Europe region for the quarter fell by 330 units reflecting softer industry volumes, partially offset by a 0.3% increase in market share. Land Rover retail volumes for the Europe region for the quarter increased by 38% to 14,024. In Germany, Land Rover market share increased by 1.2%, whilst Jaguar fell by 0.3%.

### China

The Chinese economy continues to grow strongly, although expectations on future GDP growth have been reduced to 7.6% for 2012. China's premium car segment volumes increased by 2% in the last 6 months, with Jaguar volumes down 271 units. This was due to 12 model year run-out on XF and XJ.

The premium SUV segment increased by 19% in the last 12 months, with Land Rover's share increasing 4% due to the introduction of the Range Rover Evoque, alongside growth in other models. Total retail volumes were 17,152 units in the quarter. China was the 2nd largest retail market and largest wholesale market for the company in the period, and largest market for the 6 months to September 2012.

### Asia Pacific

Continued growth has been seen in Asia Pacific, with growth of 23% in Australia. Total Asia Pacific retail volumes for the quarter were 4,059 units, up 48%. Jaguar retail volumes for the quarter increased by 19% compared to Q2 FY12, mainly due to XF demand Land Rover retail volumes for the quarter increased by 60% compared to Q2 FY12, to 3,145.

### JLR HIGHLIGHTS

- Y-o-Y Revenue growth of 13% with continued strong demand from China.
- EBITDA margin at 14.8% grew y-o-y, reflective of improved volumes, favorable geographic mix, exchange rate, lower commodity costs and offset partially by product mix, increased employee costs.
- Operating cash flow for the current quarter is £106m, post capex and product development spend of £488m
- During Q2 FY13, an amount of £150m of equity dividend was paid to Tata Motors
- Cash, bank balances and liquid mutual funds - £2.2 billion; Undrawn committed facilities of £1.2 billion as on September 30, 2012
- Launched the new Range Rover, the world's first SUV with a lightweight all-aluminum body, with great acclaim
- The new Jaguar F-TYPE sports car was revealed at the Paris motor show
- In Q3 FY13, we will start retailing the 13 MY XF and XJ, including a Sportbrake, an AWD version and smaller engine variants

### D] WAY FORWARD

- Focus on growing the momentum with sales of New Range Rover, Jaguar F-Type, Sportbrake, AWD and other smaller engine variants
- Continuing focus on both refreshed and new Jaguar and Land Rover products
- Continue to focus on profitable volume growth, managing costs and improving efficiencies to sustain the growth momentum
- Planned investments in future new products and technologies to meet customer aspirations and regulatory environmental standards

- With Strong operating cash flows, we continue to target funding capex out of operating cash flow
- Continue flexibility and agility in pursuing business plans
- Continue to monitor economic and sales trends closely to balance sales and production

**E] JLR CORPORATE CREDIT RATING**

Credit Rating Agency	Long Term Rating as on 30 <sup>th</sup> Sep 2012
Moody's	Ba3 / Stable
S&P	BB- / Positive
Fitch	BB- / Stable

**VI] HIGHLIGHTS OF OTHER KEY SUBSIDIARIES**
**A] TATA MOTORS FINANCE**

Particulars	<i>Rs. Crores</i>					
	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
Net Revenue *	677.9	494.4	37.1%	1,327.2	929.2	42.8%
Operating Income (post Net interest charges) *	105.0	79.3	32.4%	215.2	152.7	40.9%
Operating Margin	15.5%	16.0%	(50 bps)	16.2%	16.4%	(20 bps)
PAT	68.8	52.4	31.4%	141.5	100.9	40.3%

\* Includes 'Other Income'

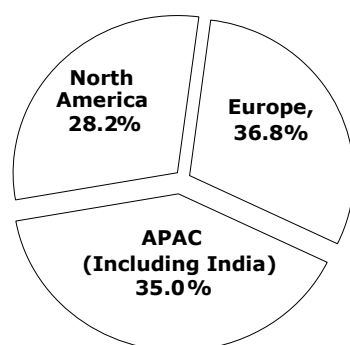
**HIGHLIGHTS**

- Finance disbursed during Q2 FY 13 stood at Rs. 2,197 Cr.
- The book size as on September 30, 2012 for TMFL stood at Rs 18,191 Cr.
- Q2 FY 13 market share stood at 24.2%.
- NIM of vehicle financing business for Q2 FY 13 was 6.6%

**B] TATA TECHNOLOGIES**

Particulars	<i>Rs. Crores</i>					
	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
Net Revenue *	468.6	378.0	24.0%	926.9	714.3	29.8%
EBITDA *	77.2	60.4	27.8%	167.7	115.5	45.1%
% of Revenue	16.5%	16.0%	50 bps	18.1%	16.2%	190 bps
PAT	68.3	48.4	41.1%	143.2	87.9	62.8%

\* Excludes 'Other Income'

**Revenue Break - up of H1 FY 13**

**HIGHLIGHTS**

- Revenue continued upward trend with robust margin.
- Offshore revenue in INR grew y-o-y by 46%
- Cash & Cash equivalent of Rs 647 crs as on September 30, 2012
- Well diversified customer base in the Auto & Aviation space

**C] TATA DAEWOO**

Particulars	<i>KRW Billion</i>					
	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
Sales (Units)	2,577	2,760	-6.6%	5,309	5,548	-4.3%
Net Revenue *	205.4	213.4	-3.7%	422.3	426.4	-1.0%
EBITDA *	9.6	6.9	39.1%	22.3	19.3	15.2%
% of Revenue	4.7%	3.3%	140 bps	5.3%	4.5%	80 bps
PAT	1.5	0.6	NM	4.3	4.4	-2.2%

\* Excludes 'Other Income'

**HIGHLIGHTS**

- Demand in domestic markets continued to be weak. However during Q2 FY 13, our exports growth significantly supported revenues and margins.
- New launches in domestic market, Improving after sales network, innovative incentive schemes etc will help us to arrest the fall in volume due to moderation in growth predicted for the domestic market in FY 13.
- Continuing cost reduction efforts to support margins

**DJ] TML DRIVELINES LTD**

Particulars	<i>Rs. Crores</i>					
	Q2 FY13	Q2 FY12	Y-o-Y change	H1 FY13	H1 FY 12	Y-o-Y change
Net Revenue *	125.0	166.0	-24.7%	222.7	334.1	-33.3%
EBITDA *	61.9	98.1	-36.9%	99.0	202.2	-51.0%
% of Revenue	49.5%	59.1%	(960 bps)	44.5%	60.5%	(1600 bps)
PAT	32.8	54.5	-39.9%	56.4	112.2	-49.7%

\* Excludes 'Other Income'

**HIGHLIGHTS**

- Domestic MHCV market declined impacting revenue and profitability
- Cost control initiatives continue to be pursued to support pressures on costs owing to lower volumes

**VII] SHAREHOLDING PATTERN**

Shareholding Pattern as on September 30<sup>th</sup>, 2012

Ordinary Shares	%
Tata Companies	34.74
Indian Financial Institutions / MFs / Banks	11.77
ADR/GDR Holders / Foreign holders-DR status	16.41
Foreign Institutional Investors	28.46
Others	8.62
<b>Total</b>	<b>100%</b>

'A' Ordinary Shares	%
Tata Companies	1.70
Indian Financial Institutions / MFs / Banks	44.56
Foreign Institutional Investors	28.27
Others	25.47
<b>Total</b>	<b>100%</b>

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**Disclaimers & statements**

Statements in this review describing the objectives, projections, estimates and expectations of the Company i.e. Tata Motors Ltd and its direct and indirect subsidiaries and its associates may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and incidental factors.

Q2 FY 13 represents the period from 1st July 2012 to 30th September 2012; Q2 FY 12 represents the period from 1st July 2011 to 30th September 2011; H1 FY 13 represents the period from 1st April 2012 to 30th September 2012; H1 FY 12 represents the period from 1st April 2011 to 30th September 2011;

JLR Financials contained in the review are as per IFRS as approved in the EU as well as in IGAAP, Unaudited  
All other subsidiaries’ financials are in IGAAP