



# TATA MOTORS

Tata Motors AGM

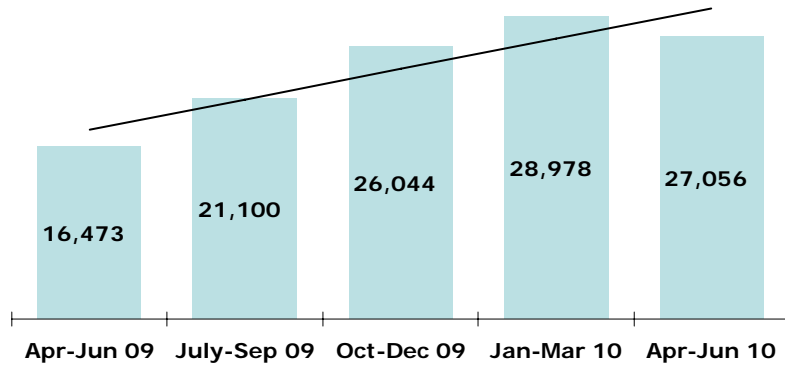
1<sup>st</sup> September 2010



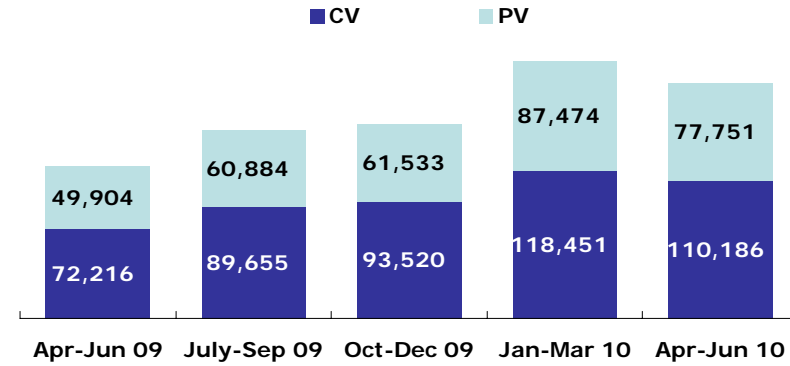
Statements in this presentation describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that 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

## Tata Motors: Robust financial performance

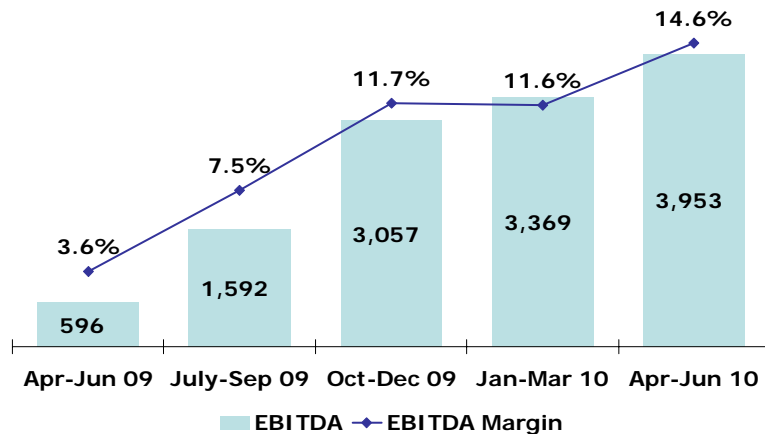
Consolidated Revenues (Rs. Crores)



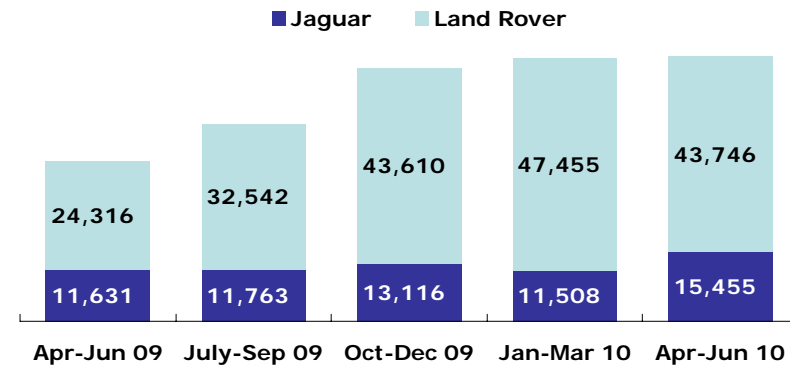
India Business – Domestic Volumes



Consolidated EBITDA (Rs. Crores)



Jaguar Land Rover – Wholesale Volumes





While revenues track an upward trend line, EBITDA margins have improved

## Higher demand and better cost control leading to strong performance

### Consolidated

<b>Rs Crores</b>	<b>FY09</b>	<b>FY10</b>	<b>% change</b>	<b>Q1FY10</b>	<b>Q1FY11</b>	<b>% change</b>
Net Revenue	70,881	92,519	30.5%	16,473	27,056	64%
EBITDA	2,196	8,614	292%	596	3,953	563%
EBITDA margin	3.1%	9.3%	620 bps	3.6%	14.6%	1100 bps
PBT	(2,129)	3,523	NM	(270)	2,275	NM
PAT	(2,505)	2,571	NM	(329)	1,989	NM
Cash Profit <sup>(1)</sup>	1,065	8,168	667%	333	3,426	929%

Automotive Net Debt	23,750	19,080	
Automotive D / E	4.00	2.33	

	19,983	
	1.96	

Notes:

1. Cash Profit = EBITDA + Other Income – Net Interest

## India Business shows robust growth and strong operating profitability...

### India Business

<b>Rs Crores</b>	<b>FY09</b>	<b>FY10</b>	<b>% change</b>	<b>Q1FY10</b>	<b>Q1FY11</b>	<b>% change</b>
Net Revenue	25,630	35,593	38.9%	6,404	10,416	63%
EBITDA	1,752	4,178	138%	728	1,175	61%
EBITDA margin	6.84%	11.74%	490 bps	11.4%	11.3%	(10) bps
PBT	1,014	2,830 <sup>(1)</sup>	179%	548 <sup>(2)</sup>	538	(2)%
PAT	1,001	2,240 <sup>(1)</sup>	124%	514 <sup>(2)</sup>	396	(23)%
Cash Profit <sup>(3)</sup>	2,005	4,928 <sup>(1)</sup>	146%	794 <sup>(2)</sup>	930	17%

Notes:

1. Includes gain on sale of controlling stake (20%) in Telco Construction Equipment Company Ltd of Rs. 1,057.9 crores as other income and loss on redemption of preference shares in TML Holdings Pte Ltd of Rs. 850.9 crores as an exceptional item
2. Includes gain on sale of investments of Rs. 318.9 crores, which were not liable to tax
3. Cash Profit = EBITDA + Other Income – Net Interest

... together with significant rebound in the JLR business

### Jaguar Land Rover

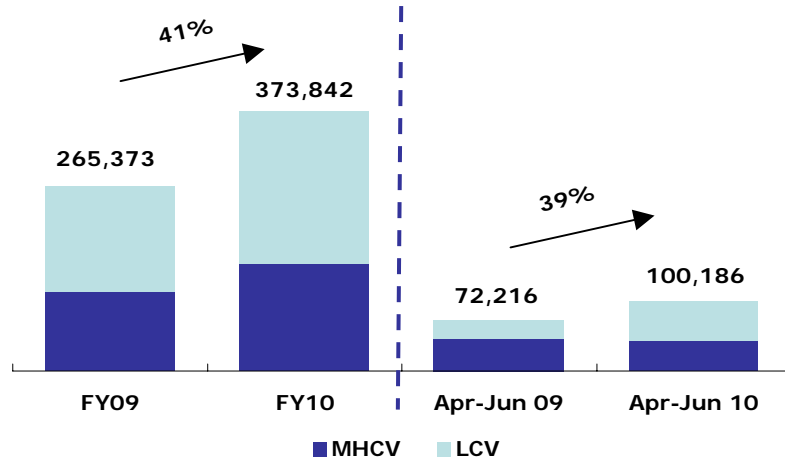
<b>GBP million</b>	<b>Jun'08 – Mar'09</b>	<b>FY10</b>	<b>Q1FY10</b>	<b>Q1FY11</b>
Net Revenue	4,974	6,554	1,125	2,262
EBITDA	(41)	432	(34)	350
EBITDA margin	(0.8%)	6.6%	(3.0%)	15.5%
PBT	(281)	32	(62)	234
PAT	(306)	3	(64)	221
Cash Profit <sup>(1)</sup>	(72)	379	(47)	333

Notes:

1. Cash Profit = EBITDA + Other Income – Net Interest

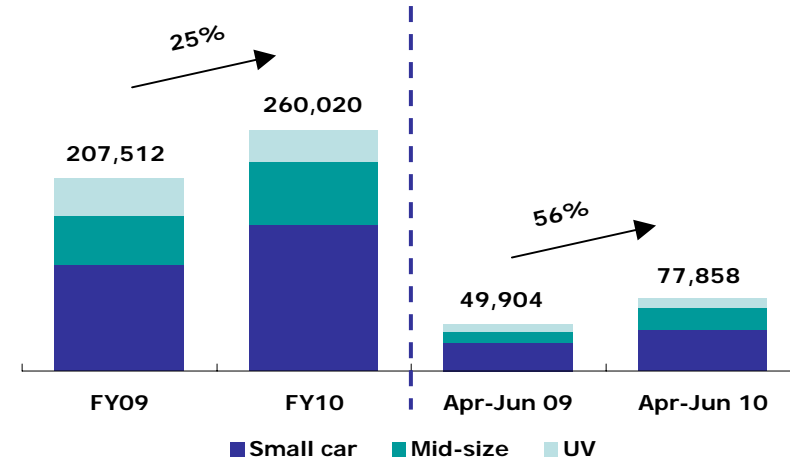
# India Business

## Robust growth across commercial and passenger vehicles



	FY 09	FY 10	Q1FY10	Q1FY11
MHCV	113,743	169,202	26,633	43,250
LCV	151,631	204,640	45,583	56,936
<b>Total</b>	<b>265,374</b>	<b>373,842</b>	<b>72,216</b>	<b>100,186</b>
<b>Market share</b>	<b>63.8%</b>	<b>64.2%</b>	<b>67.3%</b>	<b>61.0%</b>

- Stable economic environment, robust IIP, liquidity, availability of financing were the main drivers of growth in the domestic CV market
- Small Commercial Vehicles-Ace trucks, Ace Magic and Winger continue to post robust growth
- Launch of Prima – the World Truck platform in Korea and India













\* Includes FIAT cars and sale of JLR vehicles in India

	FY 09	FY 10	Q1FY10	Q1FY11
Small car	115,161	158,093	30,449	44,361
Entry midsize	53,057	68,195	11,390	23,741
UV	39,295	33,507	8,065	9,649
JLR (India sales)	-	225	-	107
<b>Total</b>	<b>207,513</b>	<b>260,020</b>	<b>49,904</b>	<b>77,858</b>
<b>Market share</b>	<b>13.6%</b>	<b>13.7%</b>	<b>13.2%</b>	<b>14.3%</b>

- Growth driven by new launches and relatively young product portfolio
- Overwhelming response to Nano's launch; expect ramp-up of production from new Sanand plant in the coming quarter
- TML market-share in the entry-midsize segment increased substantially in Q1FY11 driven by overwhelming response to Indigo Manza

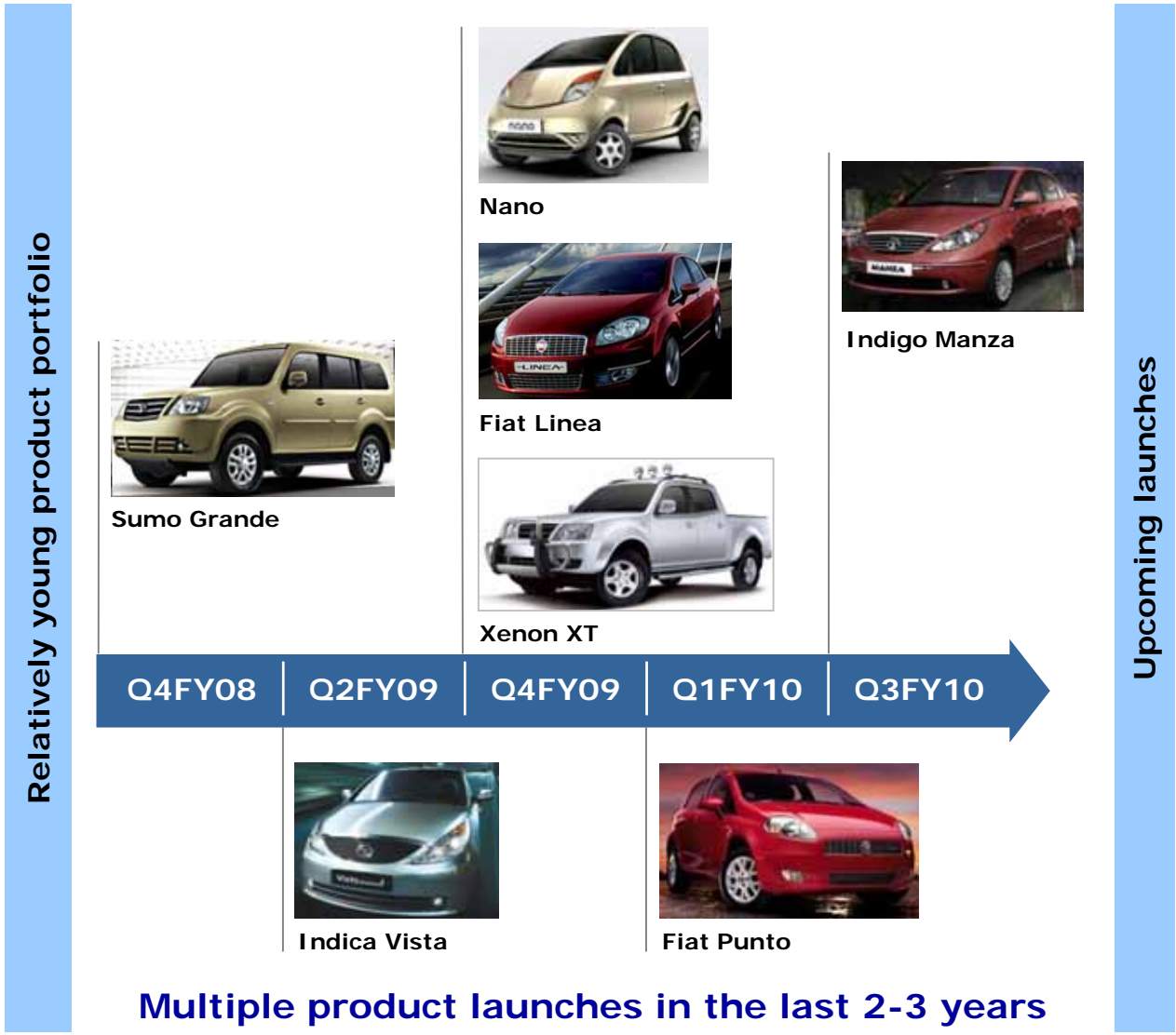
## Continue transformation and strengthening of product portfolio

	<u>Current Range</u>	<u>New Range</u>	<u>Key Drivers</u>
<p><b>SCVs</b> (&lt;1 ton)</p>	 <b>Ace</b>	 <b>Super Ace</b> <b>Ace 0.5 ton</b>	<ul style="list-style-type: none"> <li>Widest product range in the sub 1 ton payload segment</li> <li>Best-in-class operating economics</li> </ul>
<p><b>Pickups</b> (1-1.5 ton)</p>	 <b>RX Pickup</b>	 <b>Xenon Pickup</b>	<ul style="list-style-type: none"> <li>Sturdy, powerful Pick-ups with contemporary styling and features</li> <li>CNG variants available</li> </ul>
<p><b>LCV/ ICV</b> (2.25-7.5 ton)</p>	 <b>407</b>  <b>1109</b>	<b>World LCV</b> <b>World ICV</b>	<ul style="list-style-type: none"> <li>Over 40 variants</li> <li>Traditional range targeting price sensitive customers</li> <li>High-performance LCV and ICV from the world truck range</li> </ul>
<p><b>MHCVs</b> (15-42 ton)</p>	 <b>LP and Novus range</b> 	 <b>PRIMA Trucks, Tippers and Tractor</b> 	<ul style="list-style-type: none"> <li>Traditional range to target price sensitive customers</li> <li>World class PRIMA range with improved performance, reliability and cabin comfort targeting performance sensitive customers</li> </ul>

## Continue transformation and strengthening of product portfolio (cont'd)

	<u>Current Range</u>	<u>New Range</u>	<u>Key Drivers</u>
<b>SCVs</b> (3-6 seats)	 <b>Tata Magic</b>	 <b>Magic Iris</b>	<ul style="list-style-type: none"> <li>Creating a new segment currently served by 3 wheelers</li> <li>Primary demand in rural and semi urban markets</li> </ul>
<b>UVs</b> (7-12 seats)	 <b>Winger</b>	  <b>Venture</b> <b>Winger Platinum</b>	<ul style="list-style-type: none"> <li>New segment for Tata Motors</li> <li>Targeting fleet customers</li> </ul>
<b>Buses</b> (16-54 seats)	  <b>Globus</b> <b>Starbus</b>	  <b>Hispano</b> <b>Marcopolo Buses</b>	<ul style="list-style-type: none"> <li>Widest range of buses</li> <li>World class manufacturing facility with Marcopolo and Hispano</li> </ul>

## Transformation and strengthening of the existing product portfolio



Upcoming launches

**ARIA**

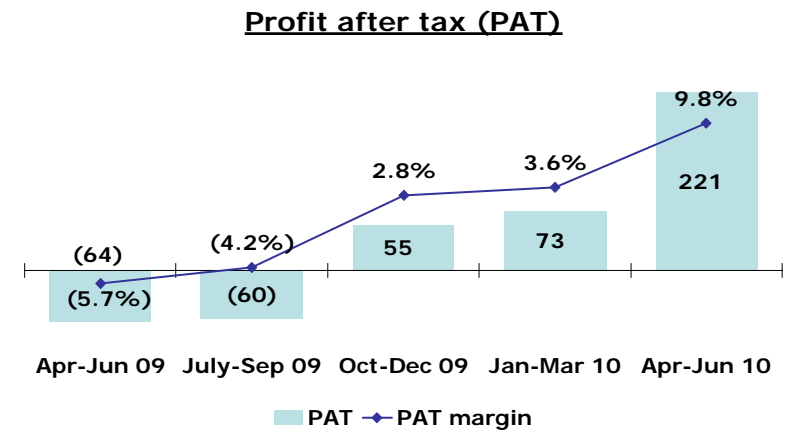
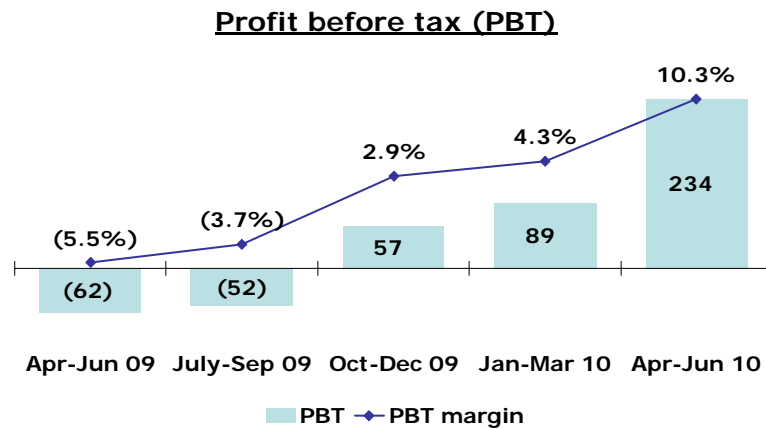
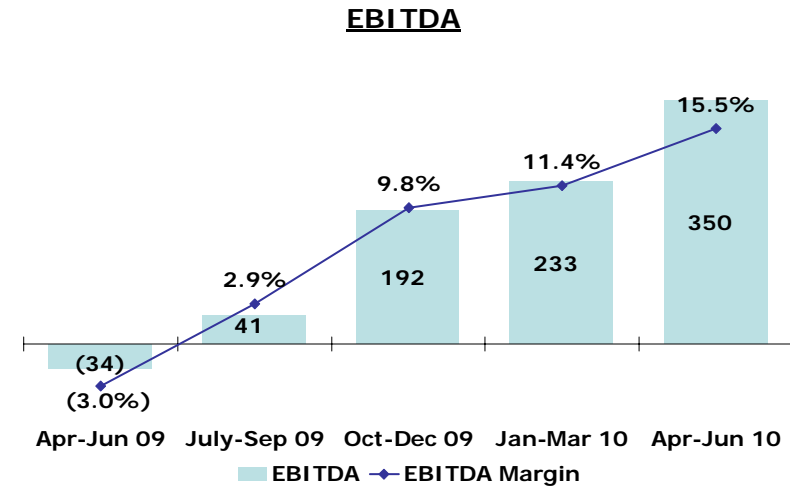
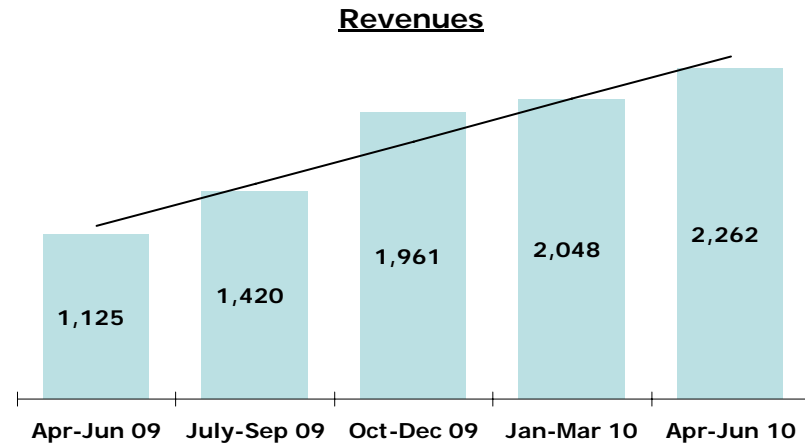
**VENTURE**

**Next Gen UV Platform**

# Jaguar Land Rover

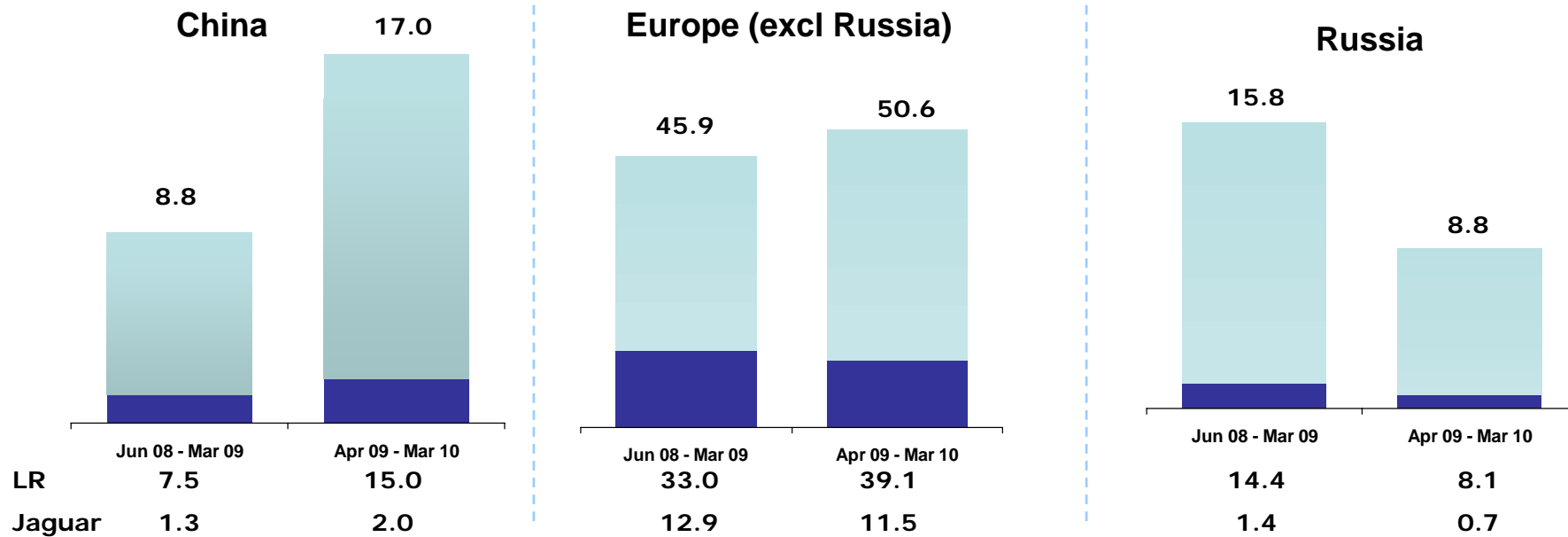
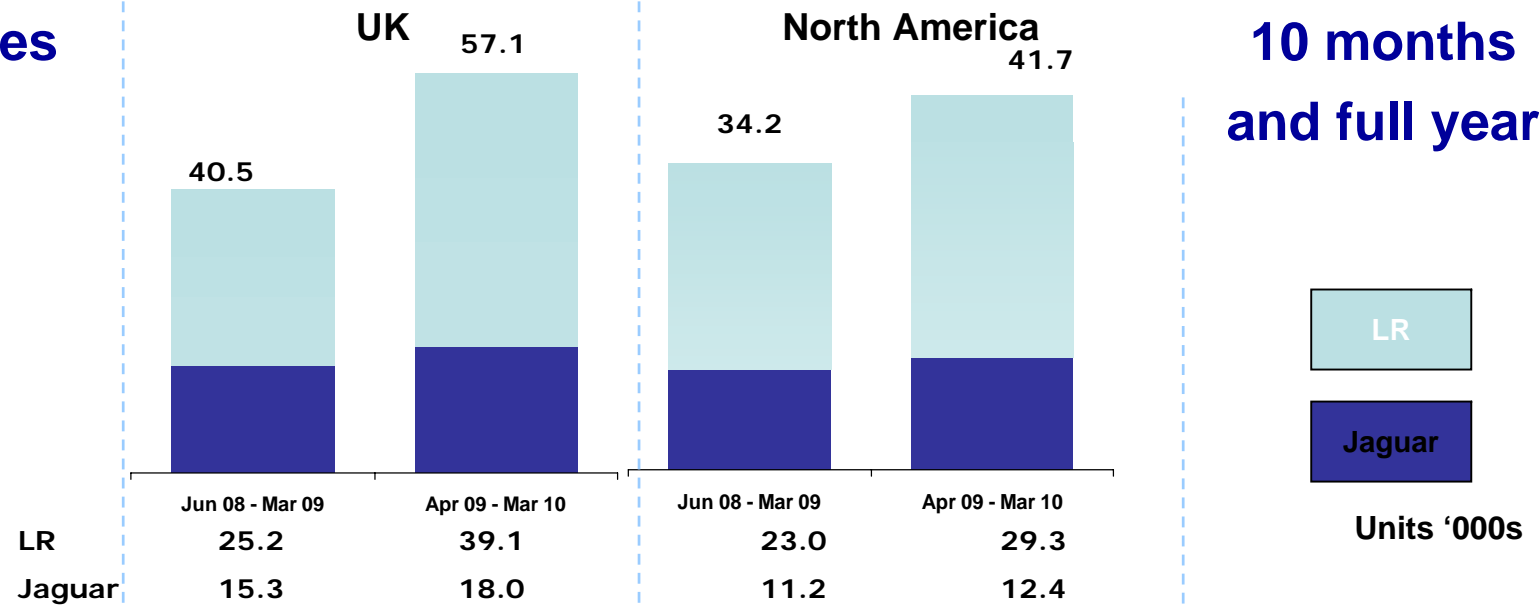
## JLR business shows significant rebound

(GBP million)



# Retail volumes

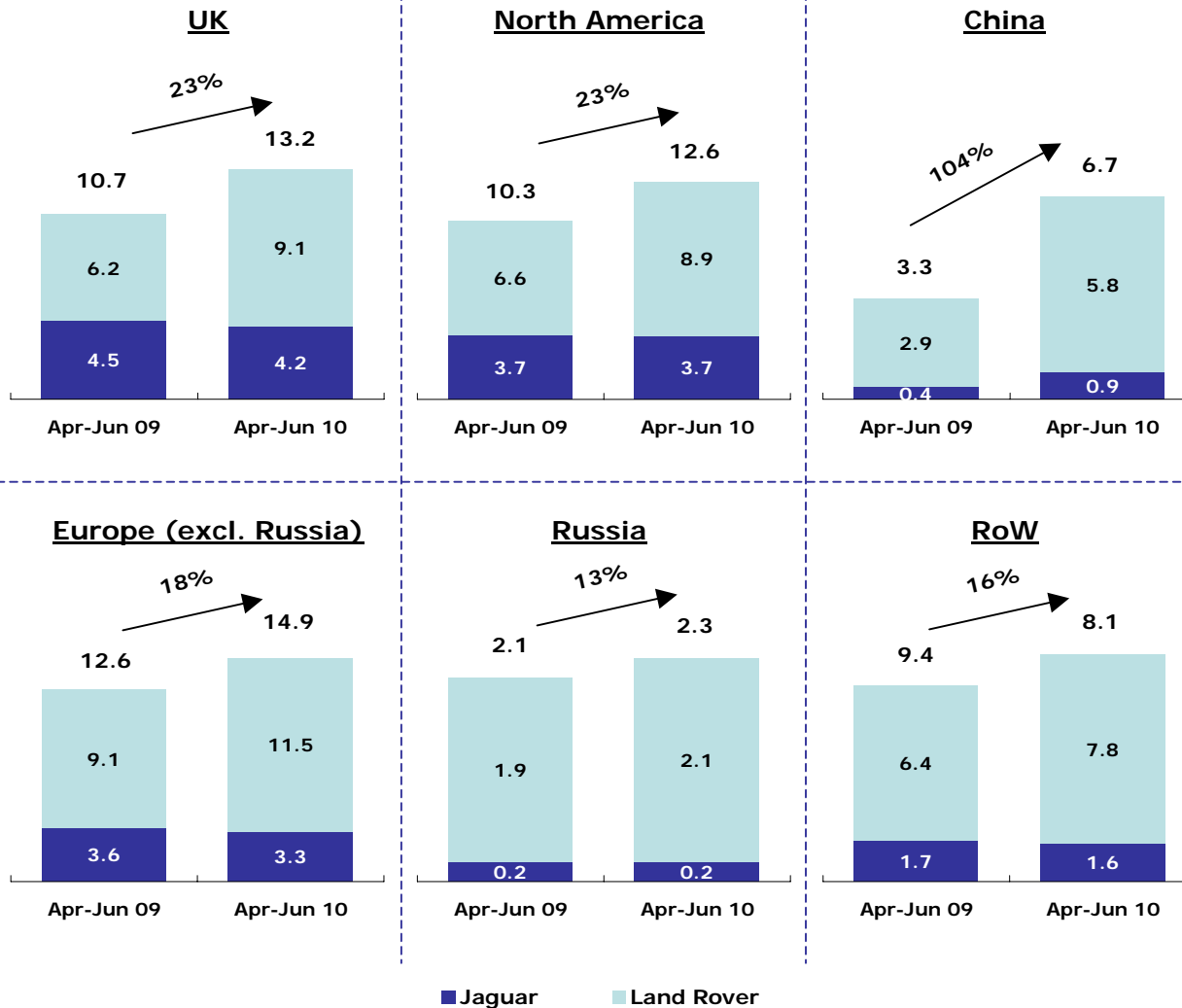
# 10 months and full year



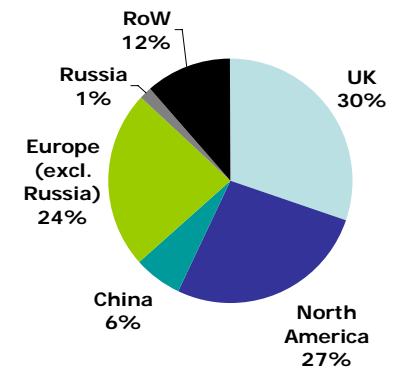
## Retail volumes

## Quarter over Quarter

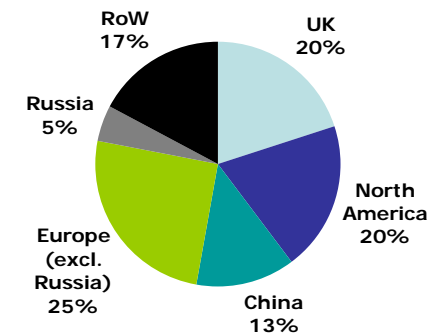
(Volume in '000)



### Jaguar (Apr-Jun 10)



### Land Rover (Apr-Jun 10)



## Strategy to reduce break even point - JLR

### Material cost and manufacturing

- Gap closure to best in class
- Increase sourcing of materials from low cost countries
- Increase commonality and reduce number of suppliers for better cost control and leverage with suppliers
- Introduction of PLA would enable improvement in manufacturing efficiencies

### Warranties

- Reduce expenses equal to best in class
- Actions initiated include reducing fault clearance times, goodwill reduction, supplier recoveries, campaign prevention

### S&A Expenses

- Consolidation of back office's of national sales companies, SAP implementation, off-shoring in finance / IT

### Product Development Expenditure

- Maximize number of product offerings and deliver CO2 action plan.
- Integrate product development activities between Gaydon and Whitley
- Commenced reduction in number of platforms, reduction in engineering change costs, increased commonality, increased use of off-shoring

### Manpower Management

- Defined benefit pension schemes closed to new starters; replaced by defined contribution scheme with lower cost
- Developed a High Performance Framework to enhance agility and encourage continuous improvement

## New products

2010 model year XK and New XJ



2011 model year Range Rover EVOQUE



- 2010: Retail Sale of XJ
- 2011: Launch of Range Rover EVOQUE
- The next 3 year planning cycle to witness several new models and refreshments for Jaguar and Land Rover

2010 Model  
year Land Rover  
products



## Other Key Subsidiaries

# Tata Daewoo

Rs. in Crores	FY09	FY10	% Change	Q1FY10	Q1FY11	% Change
Sales (Units)	9137	8769	(4%)	2286	2764	21%
Net Revenues*	2,541	2,679	5%	669	853	28%
EBITDA	222	195	(12)%	40	74	84%
EBITDA Margin	8.7%	7.3%	(60)bps	6.0%	8.6%	260 bps
Net Profit	111	82	(26)%	18	36	100%

Note: \* Excludes Other Income

- While FY10 volumes declined by 4% mainly on account of global slowdown, Q1FY11 volumes increased by 21% owing to strong exports backed by global recovery
- Margins declined on account of currency volatility and competitive pressures during FY10. However in Q1FY11 margin expanded on account of better realizations and prudent cost control measures effected.
- A new distribution company (100% subsidiary of TDCV) was launched in July 2010 to be able to enhance the value chain and market share in Korea.
- In line with the new emission norms coming into effect from 1st October 2010, TDCV will launch vehicles compliant with Euro V emission norms as per required schedule.

# Tata Motor Finance

Rs. in Crores	FY09	FY10	% Change	Q1FY10	Q1FY11	% Change
Disbursal (Nos)	6841	6698	(2)%	1382	1630	18%
Net Revenues*	788	1,132	44%	210	320	52%
Operating Income #	(259)	(5)	NM	(74)	27	NM
Operating Margin	(32.9)%	(0.4)%	NM	(35.2%)	8.4%	NM
Net Profit	(202)	45	NM	(37)	24	NM

*Note: \* Excludes Other Income  
# After deducting Net interest*

- Total vehicle financing disbursals (TMF) for FY10 saw a decline as compared to figures in FY09, mainly on account of liquidity constraint in H1FY10. In Q1FY11 total vehicle financing disbursals rose by 18% as compared to Q1FY10, mainly on account of substantial volume traction in the domestic four wheel industry.
- The book size at the end of March'10 for TMFL and TML (Vehicle Financing) stood at Rs 6704 Cr and Rs.924 Cr respectively. The figures for June'10 for TMFL and TML (Vehicle Financing) stood at Rs 7,436 Cr and Rs.554 Cr respectively.
- TMF market-share for FY10 was 23.8% while in Q1FY11 the market share was 20.68%
- NIM of vehicle financing business (TMF ) for FY10 was 10.5% and for Q1FY11 was 10.0%.
- In FY10, NPA performance improved significantly aided by improved economic activity and collection efficiency.

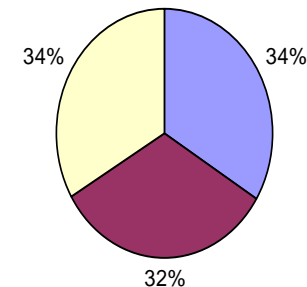
# Tata Technologies

Rs. in Crores	FY09	FY10	% Change	Q1FY10	Q1FY11	% Change
Net Revenues*	1,202	1,070	(11)%	246	298	21%
EBITDA *	81	126	56%	14	42	200%
EBITDA Margin	6.8%	11.8%	500 bps	5.7%	14.1%	840 bps
Net Profit	66	91	38%	5	27	440%

*Note: \* Excludes Other Income*

- Recession has an impact on FY10 earnings & margins of the company
- Improved operational efficiency and cost reduction measures implemented in FY10 results in expansion of margins in Q1FY11
- All three regions viz North America, Europe and APAC continue to show strong growth
- Company possesses a diversified customer base and key marquee clients in automotive & aerospace businesses

Revenue Breakup FY10



■ North America ■ Europe □ APAC ( Including india)

# HVTL & HVAL

## HVTL

Rs. in Crores	FY09	FY10	% Change	Q1FY10	Q1FY11	% Change
Net Revenues*	143	210	36%	39	62	59%
EBITDA *	60	114	52%	19	35	84%
EBITDA Margin	42.0%	54.5%	1250 bps	48.7%	56.4%	770 bps
Net Profit	19	53	89%	7	17	143%

*Note: \* Excludes Other Income*

## HVAL

Rs. in Crores	FY09	FY10	% Change	Q1FY10	Q1FY11	% Change
Net Revenues*	155	240	55%	44	73	66%
EBITDA *	75	139	85%	25	45	80%
EBITDA Margin	48.4%	57.7%	930 bps	56.8%	61.6%	480 bps
Net Profit	28	64	129%	10	22	120%

*Note: \* Excludes Other Income*

- Sales Revenue increased on the back of growth in domestic CV market
- Increased profitability on account of cost reduction initiatives and high level of operating leverage

# Way Forward

## **Tata Motors**

- Continued strong industry growth and market share gains
- New product pipeline: Aria, Magic Iris, Venture, Prima Range
- Change in Emission norms from Oct'10 will encourage pre-buying
- Increased commodity prices likely to exert some cost pressures
- Increases in interest rate could impact liquidity and availability of financing
- De-leveraging through divestments, internal accruals and equity raising at appropriate time

## **Jaguar Land Rover**

- Cost reduction initiatives well underway
- Thrust on new product and technology continues
- Selective hiring in order to support growing volumes
- Exchange rates could impact profitability



**THANK YOU**