

Tata Motors (NYSE : TTM)

FY10 Review

Snapshot

Standalone FY10 Financials (Indian GAAP)

	FY09	FY10	Change	FY09 (**)	FY10 (*)
	(Rs mn)	(Rs mn)	(%)	(US\$ mn)	(US\$ mn)
Revenue (Net of excise)	256,297	355,931	39%	5,515	7,454
EBITDA	17,524	41,783	138%	377	875
EBITDA %	6.84%	11.74%	490 bps	6.84%	11.74%
Profit before Tax	10,138	28,295	179%	218	593
Net Profit	10,013	22,401	124%	216	469
Basic EPS - Ordinary Shares	23.20	42.37		0.50	0.89
Basic EPS - 'A' Ordinary Shares	21.33	42.87		0.46	0.90

(*)Average Conversion rate for FY10: 1US\$ = Rs 47.75

(**) Average conversion rate for FY09: 1US\$ = Rs 46.47

Consolidated FY10 Financials (Indian GAAP)

	FY09	FY10	Change	FY09 (**)	FY10 (*)
	(Rs mn)	(Rs mn)	(%)	(US\$ mn)	(US\$ mn)
Revenue (Net of excise)	708,810	925,193	30.5%	15,253	19,376
EBITDA	21,965	86,142	292.2%	473	1,804
EBITDA %	3.10%	9.3%	620 bps	3.10%	9.3%
Profit before Tax	(21,293)	35,227	NA	(458)	738
Net Profit	(25,053)	25,169	NA	(539)	527
Basic EPS - Ordinary Shares	(56.9)	48.64		(1.22)	1.02
Basic EPS - 'A' Ordinary Shares	(56.9)	49.14		(1.22)	1.03

(*)Average Conversion rate for FY10: 1US\$ = Rs 47.75

(**) Average conversion rate for FY09: 1US\$ = Rs 46.47

Business Review

Consolidated FY10 Financials (Audited)

- Tata Motor's consolidated Net Revenue for FY10 was Rs 925 bn up by 30% Y-o-Y.
- Facilitated by improvement in global economic environment, low interest rates, lower commodity prices the consolidated EBITDA increased by 620 bps in FY10 to Rs 86.1 bn . EBITDA margin stood at 9.3%.
- The Company posted a profit after tax of Rs. 25 bn, compared with Rs -(25) bn in FY09
- Company's Net Automotive debt stood at Rs 18.8 bn as on March'10 compared to Rs 23.75 bn as on March'09. Consequently, Company's debt to equity reduced to 2.05 from 4.0.
- The Board of Directors has recommended a dividend of Rs.15/- per Ordinary share and Rs.15.5/- per 'A' Ordinary share each for the financial year 2009-10

TML Credit Ratings:

	Lowest Rating in FY10	Current Rating
Moody's	B3 (Negative Outlook)	B2 (Positive Outlook)
S&P	B (Negative Outlook)	B (Positive Outlook)

Standalone FY10 Financials (Audited)

- Tata Motor's standalone Net Revenue for FY10 was Rs 355 bn up by 39% Y-o-Y basis.
- Improved economic condition, strong growth in industrial production coupled with Government stimulus helped Company's standalone EBITDA to increase by 490 bps in FY10 to Rs 41.78 bn. EBITDA margin stood at 11.74%.
- Company posted a profit after tax of Rs. 22.4 bn, compared with Rs 10.01 bn in FY09
- The Gross automotive debt (inc. FCCNs) stood at Rs 166 bn as on 31st March'10. Standalone debt to Equity ratio stood at 0.97 as of March'10.

Table 1: Volume Summary

	FY09	FY10	Change	Q4FY09	Q4FY10	change
Total CVs	265,373	373,842	40.87%	70,181	118,451	69%
Total PVs*	207,512	260,020	25.30%	65,006	87,607	35%
Total Domestic Sales	472,885	633,862	34.04%	135,186	206,058	52%
Exports	33,536	34,109	1.71%	4,359	10,588	143%
Total Volumes	506,421	667,971	31.90%	139,545	216,646	55%

* include sales of FIAT vehicles & JLR

- After a sharp decline in sales volume in 2008-09, the commercial Vehicle industry recovered with a strong sales growth in 2009-10. Recovery in CV industry was mainly on account of improving economic activity as reflected by improvement in industry production, favourable impact of Government supported stimulus package and overall improvement in the financing environment. Following the severe demand contraction in Q3FY09 triggered by the liquidity crisis and weakness of economic activity, especially in the MHCV category, the auto industry recovered substantially in FY10 and grew robustly at 40.2% over previous year. Robust growth was seen in third and fourth quarter as sales volumes grew at 97.11% and 84.39% y-o-y respectively. In the recent months, the growth has also been stronger supported by some pre-buying ahead of the expected change in emission norms. Growth in the bus segment has been supported by Government's increasing focus on JNNURM.
- Parallel to the industry, TML's Commercial vehicle business grew 41.0%, driven strongly by 43.1% and 55.3% y-o-y growth in the MHCV and LCV bus segment respectively. Strong growth in the MHCV truck segment was due to pick up in growth in the higher tonnage segment. LCV continued to show traction on the back of continued response to ACE truck and its variants. TML gained market share in MHCV segment but lost a marginal market-share in the LCV segment mainly due to loss of market-share in the ACE truck segment on account of new products launched by the competitors which led to expansion of the market.
- The passenger vehicle industry increased by 24.8% facilitated by increased consumer confidence, new product launches and low interest rate, TML's Passenger vehicle business grew slower than the industry and grew by 17.7%. Growth came from both small car and entry midsize segment due to continued overwhelming response to Indica Vista and newly launched Indigo Manza, coupled with the ramp up in Nano deliveries. However, TML Utility Vehicle segment de-grew by 14.3% mainly on account of a fairly mature portfolio although launch of Sumo Grande MK-II helped partially to offset the decline in performance in Q4. Launch of Crossover in FY11 is expected to arrest the decline in volumes and consequently boost TML's market-share.
- The export volumes of the Company registered marginal increase of 1.7% during FY10, although there has been a recovery in the Global Economy it was not robust as one witnessed in the domestic market.

Significant events:

Tata Motors Limited raised US\$ 750 million through issue of Global Depository Shares (GDSs) and Convertible Notes (Notes)

On 9th October, 2009 Tata Motors Limited issued 29,904,306 new equity shares in the form of Global Depository Shares ("GDSs"), at a price of US\$12.54 per GDS, aggregating US\$375 million and 3,750, 4% coupon convertible notes ("Notes") due 2014 at a price of \$100,000 per Note, aggregating US\$375 million (together, the "Offering"). These GDSs and Notes, together aggregating US\$750mn, will be listed on the Luxembourg Stock Exchange.

The Offering was successfully executed against the backdrop of volatile equity market conditions with strong investor interest resulting in the book being closed in less than an hour from launch generating a demand of US\$1.25 billion from 40 investors. The deal size was upsized from a base \$600mn to \$750mn. The GDS pricing represents a tight 1.5% discount to the closing price on Oct 8, 2009 of Rs. 589.25, while the Notes were issued at a 7.5% conversion premium over the GDR price with a yield to maturity of 5.5%.

Tata Motors intended to use the net proceeds from this offering for repayment of debt incurred in connection with the acquisition of Jaguar Land Rover, the outstanding of which stands at US\$ 700 million and for other purposes such as capital expenditure, working capital and other general corporate purposes.

Tata Motors appointed Mr. Carl-Peter Forster as Group CEO

On 15th February 2010, Tata Motors appointed Mr. Carl-Peter Forster as the Group Chief Executive Officer of the company. He will have the overall responsibility of Tata Motors Operations globally, including Jaguar Land Rover.

Mr. Forster, 55 years, has twenty-four years of international experience in the automobile industry. Most recently he was the head of General Motors, Europe, where he looked after Opel/Vauxhall, Saab and the European activities of Chevrolet. Before joining General Motors in 2001, Mr. Forster has had 13 years of experience in BMW where he held various positions including that of Managing Director of BMW South Africa and was also on the Managing Board of BMW responsible for manufacturing.

Jaguar Land Rover announces Dr Ralf Speth as Chief Executive Officer

On 18th February 2010, Jaguar Land Rover announced the appointment of Dr. Ralf Speth as the Chief Executive Officer with overall responsibility for the Company's operations. He will report to Mr Carl-Peter Forster, the recently appointed Group Chief Executive Officer of Tata Motors.

Dr. Speth, 54 years, has over 22 years experience in the European auto industry, most of which was at BMW where his last appointment was Vice President, Land Rover. Later he was Director Production, Quality and Product Planning at Premier Automotive Group of Ford Ltd. After that, Dr. Speth has been with the Linde Group where he was the Head of Global Operations reporting to the Chairman.

Tata Motors divests 20% stake in Telcon in favour of Hitachi Construction Machinery Company Ltd, Japan

On 30th March 2010, Tata Motors, Hitachi Construction Machinery Co. Ltd. (Hitachi) and Telco Construction Equipment Company Limited (Telcon), a 60:40 joint venture company between Tata Motors and Hitachi, signed an agreement under which Tata Motors sold a further 20% stake in Telcon in favour of Hitachi for a consideration of Rs.1159 crores. Consequently Telcon will be owned 60% by Hitachi and 40% by Tata Motors.

Tata Motors' bond conversion offer successfully completed

Tata Motors offered bondholders of 0% JPY 11,760 million and 1% USD 300 million Convertible Bonds an option to convert their bonds into Ordinary Shares during a 5-day period from March 23 to March 29, 2010. In this period, bondholders could opt to receive a higher number of shares per bond.

The offer was met with great success with bondholders representing 93% of the JPY bonds and 76% of USD series bonds respectively, opting to convert their bonds into Ordinary Shares. The company was able repay debt worth USD 345 million.

As a result of the above offer, the company allotted 26.64 million equity shares to the bondholders, who exercised the option to convert these bonds into Ordinary Shares during the offer period. Bondholders, who did not participate, would continue with all the terms of their bonds prior to this one-off offer.

Commercial Vehicle Segment

Highlights

- CV market share increased by 40 basis point to 64.2% for the FY10; from 63.8% in FY09.
- Facilitated by recovery in economic growth, availability of finance, easing interest rates and increased freight availability CV domestic sales volumes increased substantially by 40.9% to 373,842 in FY10 from 265,373 in FY09.

Company Performance in Domestic CV Segment

Table 4: CV Domestic Sales Volumes

	FY09	FY10	Change	Q4FY09	Q4FY10	change
M/HCVs	113,695	155,142	36.5%	26,991	53,997	100.1%
LCVs	151,678	218,700	44.2%	43,190	64,454	49.2%
Total CVs	265,373	373,842	40.9%	70,181	118,451	68.8%

Table 5: CV Market Shares

	FY09	FY10	Q4FY09	Q4FY10
M/HCVs	61.9%	63.3%	65.6%	60.9%
LCVs	65.4%	64.8%	67.5%	61.7%
Total CVs	63.8%	64.2%	66.8%	61.3%

Source: SIAM Industry Data and Company analysis

- The Commercial Vehicles industry recovered in 2009-10, with sales volume growing at 40.2%. Growth in IIP, increase in transporters profitability and improved liquidity activity helped the industry to regain sales volume. The CV's continued their strong growth and grew by 97.1% and 84.4% in the Q3FY10 and Q4FY10 respectively despite the expiry of the depreciation benefits package in September'09 and partial roll back of the excise duties by 2% during the Union Budget of 2010-11.
- An upward trend was witnessed with in the truck market where volumes in the MHCV truck segment increased by 35.9% y-o-y, After a sharp decline of 19.7% in H1, M&HCV truck market rebounded strongly in H2 and industry sales more than doubled over last year to record a hefty y-o-y growth of 136.3% in H2FY10. mainly led by following factors: i) y-o-y growth in industrial output improved progressively (16.7% in January 2010, 15.1% in February 2010 and 13.5% in March 2010) – which increased freight availability in the system, and boosted freight rates; ii) growth in core sector in general, and cement production in particular, increased iii) liquidity in the system improved, accompanied by a drop in interest rates. These factors, together with low-base in H2 of 2008-09, significantly bolstered overall growth in truck market in second half of the financial year.
- Industry LCV truck segment increased by 45% y-o-y during FY10. Industry LCV bus segment grew by 46.8% higher than the LCV truck segment.
- TML's volume in MHCV segment increased by 36.5% during FY10 compared to the previous year. Also, TML's market share in the MHCV segment increased significantly from 61.9% in FY09 to 63.3% in FY10. TML's volume in MHCV truck segment increased by 35.4% and in bus segment by 43.1% which was higher than the industry bus segment which grew by 23.5%. Sales to both STUs and Private operators have grown over last year though, as expected. On the back of innovative marketing and product strategies TML substantially improved its market share in MHCV bus market – from 44.3% in 2008-09 to 51.3% in 2009-10.

- The LCV passenger carrier market witnessed incredible growth of 55.3% in FY10 compared to corresponding period last year driven primarily by the success of Tata-Marcopolo sales in 7-tonne LCV segment, ACE Magic and Winger (4 – tonne segment). Tata Motors' market share in LCV passenger carrier segment increased substantially from 77.6% in FY09 to 82.1% in FY10.
- Towards the end of 2009-10 there was some tightening of liquidity, as also an increase in diesel price; however it has not yet had a perceptible impact on demand for commercial vehicles. In the expanding CV market, launch of new vehicles and inventive marketing strategies have enabled the Company to strengthen its presence, and increase its market share from 63.8% in 2008-09 to 64.2% in 2009-10.
- In the Commercial Vehicle segment pre-buying was witnessed in Q4FY10 in anticipation of the change in emission norms effective from April'10.
- Going forward TML plans to launch newer variants of the Ace platforms and new vehicles will be rolled out of the newly established world Truck platform.

Passenger Vehicle Segment

Highlights

- Domestic passenger vehicle sales stood at 259,588 (including 24,884 Fiat vehicles) during FY10; up by 25.1% y-o-y.
- Market share of Tata Motors vehicles stood at 12.4% in FY10.

Table 7: PV Domestic Sales Volumes

	FY09	FY10	Change	Q4FY09	Q4FY10	change
Small Car	111,664	144,775	29.7%	36,836	47,383	28.6%
Entry Mid-size Car	49,188	56,422	14.7%	12,735	22,163	74.0%
UV	39,295	33,507	-14.7%	11,474	11,436	-0.3%
Fiat	7,365	24,884	237.9%	3,961	6,492	63.9%
Total PV	207,512	259,795	25.1%	65,006	87,474	34.6%

Table 8: PV Market Shares (including Fiat volume)

	FY09	FY10	Q4FY09	Q4FY10
Small Car	12.3%	13.3%	13.6%	14.5%
Mid-size Car	21.5%	23.7%	22.1%	28.3%
UV	17.6%	12.4%	18.5%	14.4%
Total PV	13.6%	13.7%	14.8%	15.4%

Source: SIAM Industry Data and Company analysis

- The passenger vehicle industry registered a substantial volume growth of 24.8% during FY10, driven mainly by increased consumer confidence, new product launches, availability of finance, and low interest rates.
- On the back of Nano deliveries and continued positive response to Indica Vista, TML small car segment full year volumes increased by 30.1% higher than the industry volume which grew by 27.4%, Consequently TML market share in small car market improved from 12.3% to 13.3% y-o-y.
- The entry-mid size car segment continued to clock a healthy growth on the back of the good sales number reported by Indigo Manza launched on 14th October 2009 which boosted growth of the Indigo family and grew at 15.2 %. TML maintained its strong market share of 32.1% due to continued positive response to Indigo Manza. On the back of strong growth, TML's market-share in the entry midsize segment was 35.8% and 39.2% in Q3FY10 and Q4FY10 compared to 25.2% and 23.9% in Q1FY10 and Q2FY10. Going forward growing customer interest in Indigo Manza will drive substantial growth for TML in the entry mid-size segment.
- In the Utility Vehicle segment, Tata Motors market share declined from 17.6% in FY09 to 12.4% in FY10 due to competitive pressures and new launches by the competition. Although newly launched Sumo Grande MK-II continued to receive overwhelming response. Launch of the new products is expected to increase TML's performance in the UV segment.
- Fiat volumes for FY10 were 24,884 an unprecedented growth of about 238% over the previous year. Growth was driven by good sales number reported by FIAT Linea and FIAT Grande Punto. Combined Tata-Fiat market share in the overall PV industry stood at 13.7% for FY10.

Exports from India

Highlights

- The Company's export volumes increased marginally by 1.7%% y-o-y during FY10.

Company Performance in International Business

Table 10: Exports Volumes

Business Unit	FY09	FY10	Change	Q4FY09	Q4FY10	change
Commercial Vehicles	26,620	27,881	4.7%	3,571	8,985	152%
Passenger Vehicles	6,916	6,231	-9.9%	788	1,603	103%
Total Exports	33,536	34,112	1.7%	4,359	10,588	143%

- Exports volume increased marginally by 1.7% during FY10, as the limps back to the recovery.
- Passenger vehicles volumes declined by 9.9% mainly due to decline in sales in Poland .
- However, Commercial vehicles saw a 4.7% increase in volumes due to in sales in markets like Nepal, Bangladesh and Sri Lanka.

Finance (Tata Motors Standalone)

- Full year FY10 volumes increased by 32% causing Net Revenues to increase to Rs 355 Bn, an increase of 39%. Average realization grew 5.3% aided by pricing actions undertaken by the company during the year.
- Company's material cost decreased significantly during the year mainly on account of softening in the commodity prices during the first half of the year. While RM as a % of Net revenues declined from 72.6% in FY09 to 68.3% in FY10, commodity prices began to stiffen in the second half of the year. Commodity prices are expected to be volatile in the near future thus exerting pressure on margins. While manufacturing and selling related costs witnessed growth in line with strong volume growth especially in H2.
- Consequently, EBITDA for FY10 stood at Rs 41.7 bn, a growth of 138% over last year. EBITDA margins saw a significant rebound to a double digit level of 11.74% in FY10 from 6.84% in FY09. However strengthening commodities impacted sequential margins in H2 compared to H1.
- During the year ended March 31, 2010, the Company divested 20% stake in Telcon and sold its investment in shares of Tata Steel Ltd. The resultant profit of Rs. 18,011 mn is included in other income.
- Borrowings made during the year to support company's operations and prepayment of bridge loan caused interest costs to increase by over 60% on a year on year basis. However the financial cost came in at 3.1% of Net Revenues, a 50 bps increase from 2.6% of last year.
- During the quarter ended March 31, 2010, TML Holdings Pte Ltd, Singapore, a wholly owned subsidiary of the Company, has redeemed preference shares of the face value of USD 195.1 million at a discount of USD 189.2 million. Consequent to the redemption, the Company has recognized a loss of Rs. 8,508 mn as reflected under exceptional item.
- Consequent to an effective tax rate of about 16%, Net Profit for FY10 stood at 22.40 bn as compared to Rs.10.01 bn in FY09.
- As on March 31,2010, the balance sheet size of the Company was Rs. 340 bn as compared to Rs 264 bn as on 31st Mar'09.
- As on 31st March'10, 506.38 mn ordinary shares (Face value Rs.10) and 64.2 mn 'A' ordinary shares (Face value Rs.10) were outstanding on the balance sheet of Tata Motors. The increase in share capital from FY09 was on account of allotment of 26.64 million equity shares to the bondholders, who exercised the option to convert the 0% JPY 11,760 million and 1% USD 300 million Convertible Bonds into Ordinary Shares under the enhanced conversion offer provided by the Company. Consequently the company was able to extinguish debt worth USD 345 million of these bonds.
- The Gross Automotive debt (inc. FCCNs) stood Rs 166 bn as on 31st March'10. The increase was mainly due to continued positive response to the company's Fixed deposit program and funds raised through issue of Rs.42 bn Non Convertible Debenture and USD 375 mn FCCB by the company to prepay the bridge loan. The Company's Net Debt (Net of investible surplus) stood at Rs 153 bn while the Company's net debt to equity ratio stood at 0.97.

➤ The following table shows the days of sales of inventory and receivables of the company

Table 11: Current Assets

No. of Days	31th Mar'09	30th June'09	30th Sep'09	31th Dec'09	31th Mar'10
Inventory	28	32	33	34	28
Receivables (excl veh financing)	18	23	21	21	23

Performance of Key subsidiaries

Table 12: Key Subsidiary Financials

Subsidiary	Net Revenue		Change (%)	PAT		Change (%)
	FY09	FY10		FY09	FY10	
Jaguar LandRover Ltd (GBP Million)	4974#	6555	31.68%	(306)#	3	NM
Tata Daewoo CV Ltd., Korea (TDCV) # (Rs mn)	26,437	26,789	1.33%	1,125	816	-27.47%
Tata Technologies Ltd consolidated (TTL) (Rs mn)	12024.3	10703.8	(10.98)%	658.7	910.0	38.15%
HV Transmissions Ltd (HVTL) (Rs mn)	1,422	2,099	47.61%	198	527	166.16%
HV Axles Ltd (HVAL) (Rs mn)	1,546	2,401	55.30%	278	639	129.86%
Tata Motors Finance Limited (TMFL) (Rs mn)	7879	11320	43.67%	(2022)	446	N.A

Figures are for period Jun'08 to Mar'09

Highlights of Key Subsidiaries

	10 months Jun 08 – Mar 09	Full year Apr 09 – Mar 10
Retail volumes		
Jaguar	48,878	51,020
Land Rover	128,544	157,177
Total	177,422	208,197
Regional volumes		
North America	34,184	41,720
Europe excl. Russia	45,938	50,584
UK	40,547	57,056
Russia	15,758	8,831
China	8,821	17,004
RoW	32,174	33,002

Retail volumes for the full year ending March 2010 are shown in the table above. The prior reporting period only covered ten months and this therefore not directly comparable, however the overall trend shows an improvement.

External Environment

For the early part of the financial year many of the markets in which Jaguar Land Rover operates experienced negative GDP growth. All major markets returned to positive GDP growth in Q3 and Q4 2009/10. Strong growth continues in many emerging markets especially China, India and South America.

During 2009/10 the automotive sector in the UK, Europe and the USA, benefited from a variety of vehicle scrappage schemes. Many of these schemes have now ceased. The scrappage schemes resulted in some Jaguar Land Rover sales however the impact on the premium car and 4x4/ SUV segments has been minimal and Jaguar Land Rover didn't benefit significantly from the presence of these schemes.

Confidence within financial markets has been adversely affected by concerns over public sector debt, recently heightened by events such as the downgrading of Greek and Mexican sovereign debt ratings. However despite these concerns Jaguar Land Rover has successfully obtained financing to meet its requirements from a variety of commercial sources.

Exchange rate volatility over the past year has been particularly marked as economies emerged from the global financial crisis.

Over the last twelve months many of the raw materials used by Jaguar Land Rover in the manufacture of its vehicles have experienced an increase in price. The increase in price has been particularly marked with regards to oil, aluminum and platinum which have all approximately doubled in price since March 2009. This increase in commodity and energy prices has added cost pressure to the business.

Jaguar overview

Jaguar's principle products are:

- XK sports car (coupe and convertible)
- XF saloon
- XJ saloon

During 2009 Jaguar launched its 10MY products including the introduction of a new normally aspirated and supercharged 5.0 litre petrol engine for the XF, XK and XKR and the all new XFR, along with an acclaimed new 3.0 litre diesel engine in the XF giving significantly improved performance and fuel economy. Jaguar's 10MY product actions continue to deliver positive sales performance. XF were up 30% in quarter 4 versus the same period last year.

The new Jaguar XJ was unveiled in London in July 2009 and had its public début at the Frankfurt International Motor show in September 2009. The vehicle has received significant media acclaim ahead of customer deliveries commencing in the fiscal year 2010/11. This is an important new model which has replaced the previous generation XJ. The new model features the next generation of Jaguar's aerospace-inspired aluminium body architecture, a choice of standard or long wheelbase models, enhanced power trains with all of Jaguar's new ultra-efficient Gen III 5.0 litre petrol and 3.0 diesel engines available, together with the highest standards of personal luxury and specification. Among the product innovations are an instrument cluster where traditional physical instruments have been replaced by a 12" thin film transistor (TFT) screen.

Jaguar continues to win awards; those particularly worthy of note include:

- XF in the UK – voted best executive car in 2010 by What Car?
- XJ in the UK – voted best interior in 2010 by Top Gear
- XF in Germany – voted best import by Auto Motor und Sport
- XF in the USA – awarded an All Star award in 2010 (second year running) by Automobile magazine

Land Rover overview

Land Rover's principle products are:

Defender
Freelander 2 / LR2
Discovery 4 / LR4
Range Rover Sport
Range Rover

Land Rover UK, the company's largest market, recorded its best-ever monthly sales in March 2010. Sales were up 64% on the same month in 2009, with more than 11,300 vehicles sold and recording the highest monthly total in the UK in the company's 62 year history. Consecutive monthly sales growth for Land Rover is driven by the launch of its 10MY product line-up including the Freelander 2 TD4_e Stop/Start, Discovery 4/LR4, 2010 Range Rover Sport and 2010 Range Rover.

The new LR-V8 5.0 supercharged petrol and LR-TDV6 3.0 diesel engines introduced in the 2010 model year vehicles deliver significant improvements in performance, fuel economy and emissions. 2010 MY Range Rover was available for sale from July 2009 with 2010 MY Range Rover Sport and Discovery 4/LR4 being available from September 2009. Fuel consumption in the Range Rover LR-V8 5.0 supercharged is reduced by 7.3 per cent and CO₂ emissions reduced by 7.4 per cent. The LR-TDV6 3.0 diesel reduces fuel consumption by 8.9 per cent and CO₂ emissions by 8.3 per cent in the Range Rover Sport and 9.7 per cent and 9.6 per cent respectively in Discovery 4/LR4 (on EU combined cycle).

In addition to the exterior enhancements, the interiors have been significantly upgraded, specifically in Discovery 4/LR4 and Range Rover Sport. Major innovations for Range Rover include the world's first automotive application of dual-view touch-screen display, allowing the driver and passenger to view different images simultaneously. The physical instrument cluster is replaced with a 12-inch thin film transistor (TFT) screen. The vehicles can also be specified with Surround Camera Systems, to aid parking and off-road manoeuvring and the patented Towing Assist function.

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

- UK - Range Rover voted Autocar's Car of the Decade
- UK - Discovery 4 voted Scottish Car of the Year
- China - Range Rover voted Luxury car of the Year by Car and Driver
- US - Range Rover awarded Best Luxury SUV in the US by Polk Automotive Loyalty Awards

Financial and other highlights for the year ending March 2010 :

- Net Revenues came in at GBP 6550 mn with Per unit revenue improvements
- Following net loss in H1, the business turned profitable in the third quarter with PAT of GBP 55 mn followed by a PAT of GBP 73 mn in Q4. Consequently full year Profit After Tax came was GBP 3 mn.
- The business continued to focus on reducing working capital including tight inventory control
- In September 2009, Jaguar Land Rover announced a Strategic Business Review. The implementation of this multi-faceted strategy, which was the outcome of a full review of the Jaguar Land Rover business, is on-going. Part of the review included closing the Jaguar Land Rover defined benefit pension plan to new joiners, which came into effect on April 2010.

- Since December 2009, Jaguar Land Rover has completed guarantee arrangements to allow the drawdown of a £340m EIB loan, agreed a syndication of an inventory financing facility to increase the available funding, negotiated renewal of a \$200m loan for another year and repaid about £220m short term borrowing.
- Land Rover confirmed that a production version of its exciting LRX concept car will be built. The new vehicle will debut in 2010 and join the Range Rover line-up in 2011 and will be the smallest, lightest, most efficient Range Rover ever.
- Jaguar Land Rover completed the process of separating operations in markets where it previously operated as part of Ford legal entities. In addition Jaguar Land Rover continues to work with Ford to separate its IT infrastructure and support systems that should be completed shortly.

TDCV

- Volumes declined by 4.03% in FY10 and stood at 8,769 units, mainly on account of decline in exports resulting out of global slowdown
- However, in Q4FY10 volumes increased substantially by ~65% over Q4FY09 on the back of good exports recovery.
- During the year TDCV launched 'Prima 10*4' cargo, Prima HCV 8*4 cargo/dump/mixer and HCV 6*4 cargo.
- The Prima range is expected to improve positioning in international market.
- Net Revenue for FY10 increased 1.3% from Rs 26,437 mn to Rs 26,789 mn; Net Profit for the year decreased from Rs 1125 mn to Rs 816 mn.

TTL

- Cost savings plan undertaken during the year helped containing the impact of recession on earnings & margins.
- Company continues to improve its operational efficiency across Tata Technologies with project profitability & shared services.
- TTL is accelerating its efforts to diversify in Global Services and PLM Solutions.
- Net Revenue for FY10 decreased 10.98% from Rs 12,024 mn to Rs 10,703 mn; However, Net Profit for the year increased from Rs 658.7 mn to Rs 910 mn.

TMFL

- Combined disbursements (TMF) for FY10 were Rs. 6,698 Cr a decline of 2.1% from Rs 6,841 Cr in FY09.
- The book size at the end of March'10 for TMFL and TML (Vehicle Financing) stood at Rs 6,704 Cr and Rs.924 Cr respectively.
- NIM of vehicle financing business (TMF) for FY10 was 10.5% and for Q4FY10 was 8.1%
- TMF market-share for FY10 was 23.8%

- NPA performance improved significantly aided by improved economic activity and collection efficiency
- Net Revenue for FY10 increased by 43.67% from Rs 7,879 mn to Rs 11,320 mn; Consequently, Net Profit for the year increased from Rs (2,022) mn to Rs 446 mn.

HVTL and HVAL

- HVTL Sales Revenue increased 36% to 2,099 mn on the back of growth in domestic CV market.
- HVAL Sales Revenue increased 55% to 2,401 mn on the back of growth in domestic CV market.
- Cost reduction was achieved by reduction in variable conversion cost and direct material cost

Shareholding Pattern

Table 13: Shareholding Pattern for Ordinary shares as on March 31st, 2010

	%
Tata Group	37.0
Indian Financial Institutions / MFs / Banks	15.30
ADR/GDR Holders / Foreign holders-DR status	11.89
Foreign Institutional Investors	17.83
Others	17.98
Total	100.00

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