



TATA MOTORS

‘India Corporate Day’

Citigroup Conference

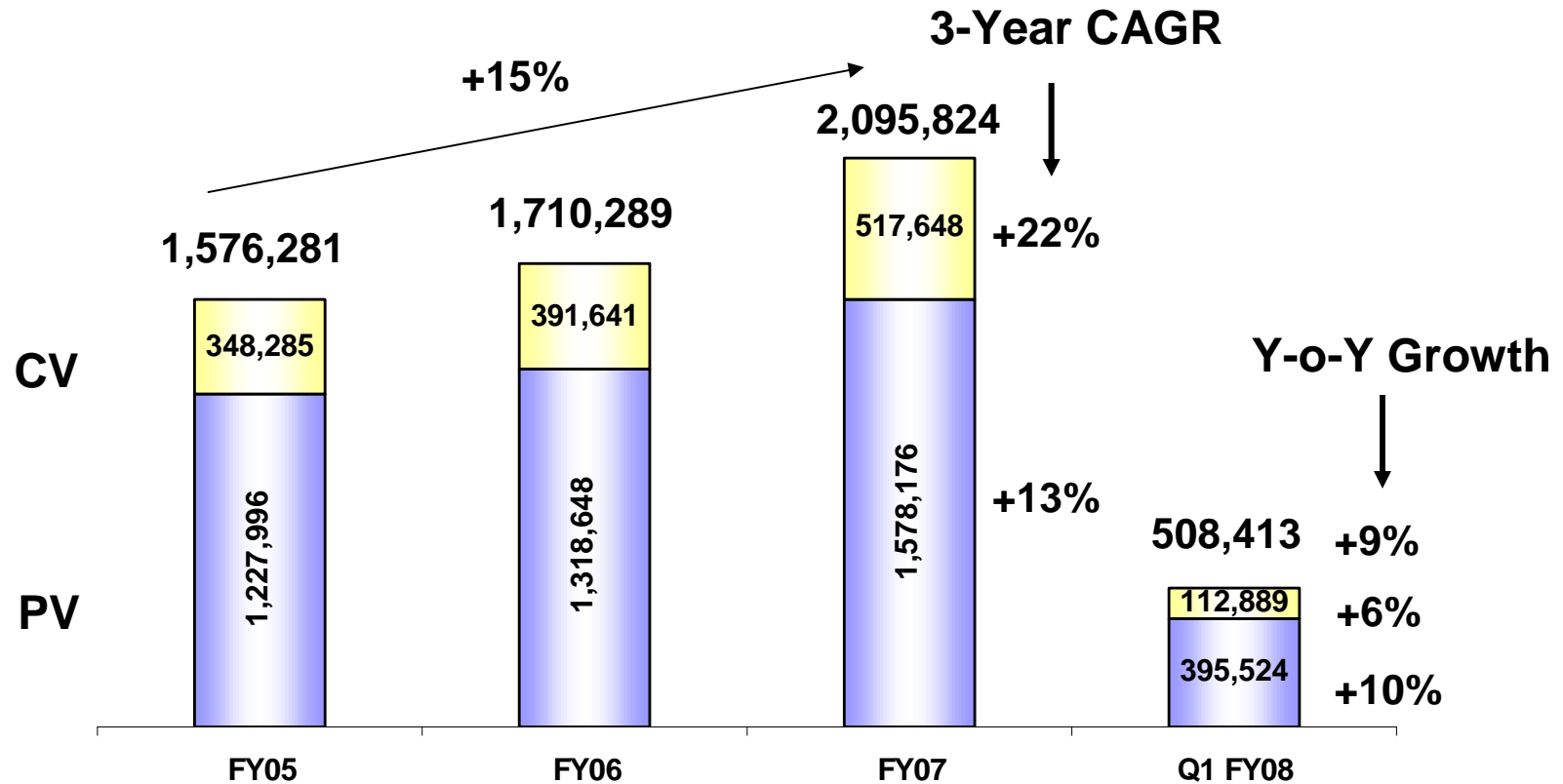
6th – 7th September 2007

Business
Overview

Financial
Performance

Outlook

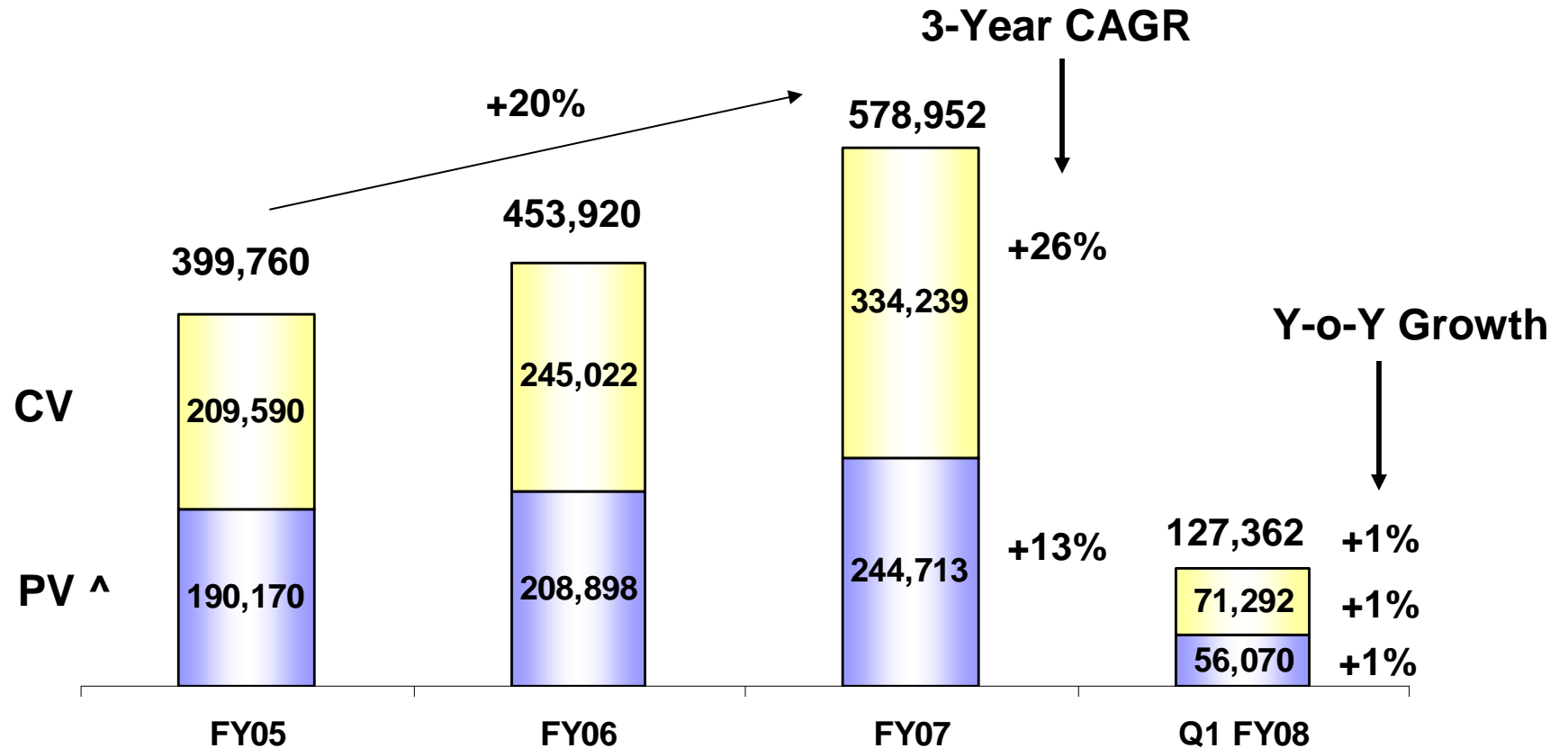
Steep hike in Interest rates moderates the Indian four wheel auto industry growth



- Robust GDP and IIP growth, strict implementation of the overloading ban and reduction in excise duties favoring 'small car' segment were the main growth drivers for the last 3 years.
- However, sharp interest rate hike towards the end of FY07 adversely impacted demand in the Q1 FY08.



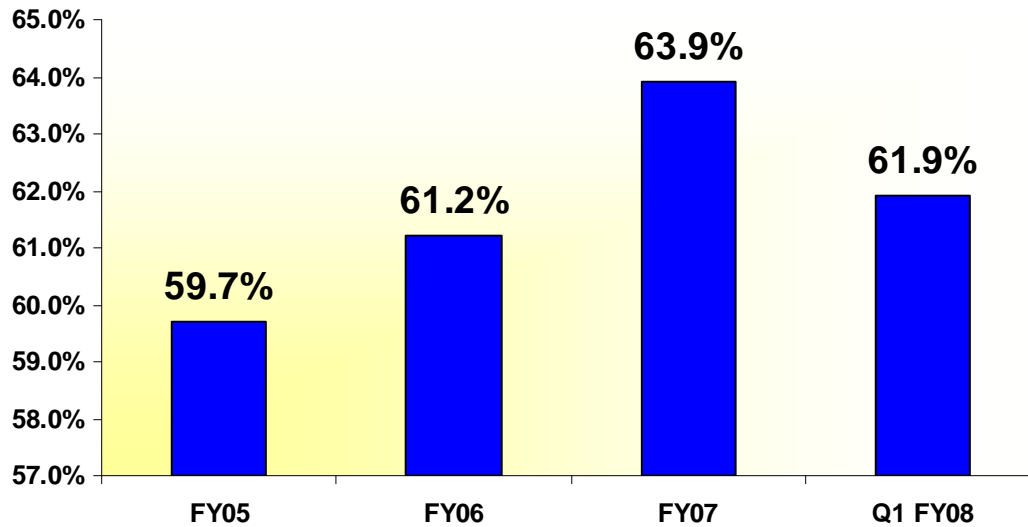
Tata Motors' volumes in Q1 FY08 also impacted by steep hike in Interest rates



^ PV volumes does not include sale of FIAT vehicles

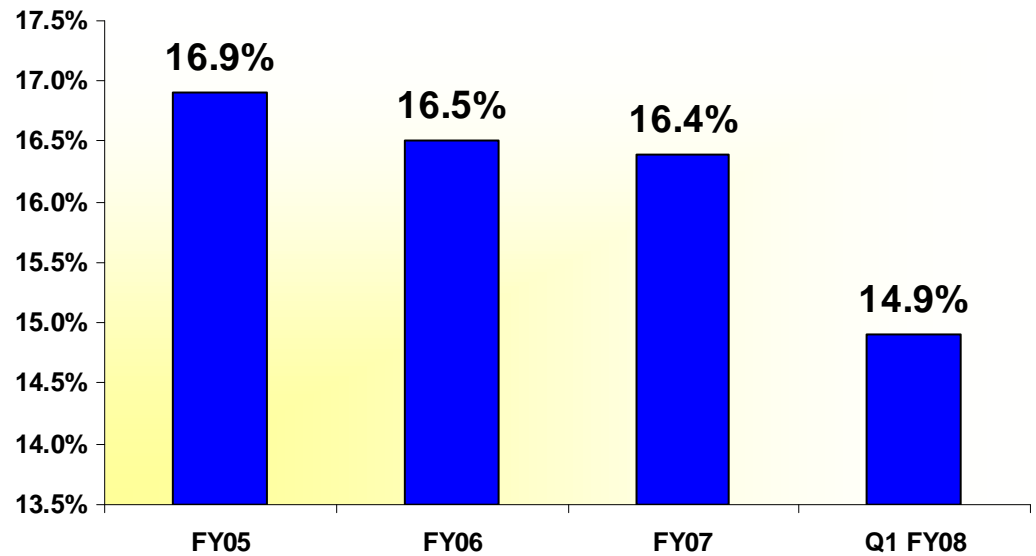
While Tata Motors outperformed the Auto 4-wheeler industry with 20% CAGR in the last 3 years, its volumes in the Q1 FY08 were significantly impacted by steep rise in interest rates.

Tata Motors controls 25.3% of the Indian Auto 4-Wheel market...



Tata Motors' CV Market Shares

Tata Motors' PV Market Shares

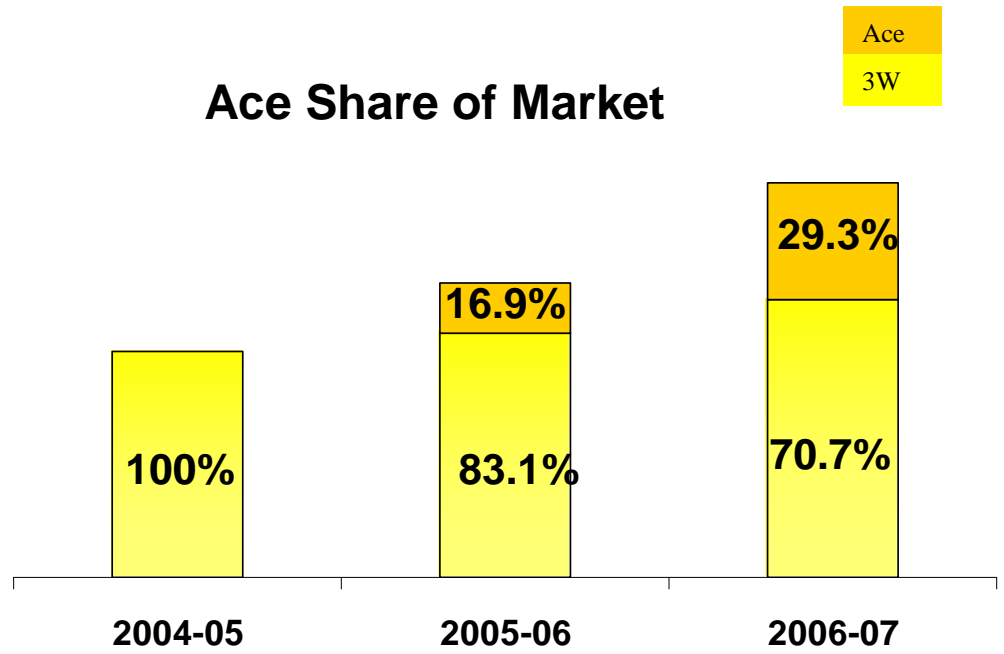


Tata Ace has expanded opportunities in the last mile distribution in the country



Tata Ace takes away market share from 3 - Wheelers

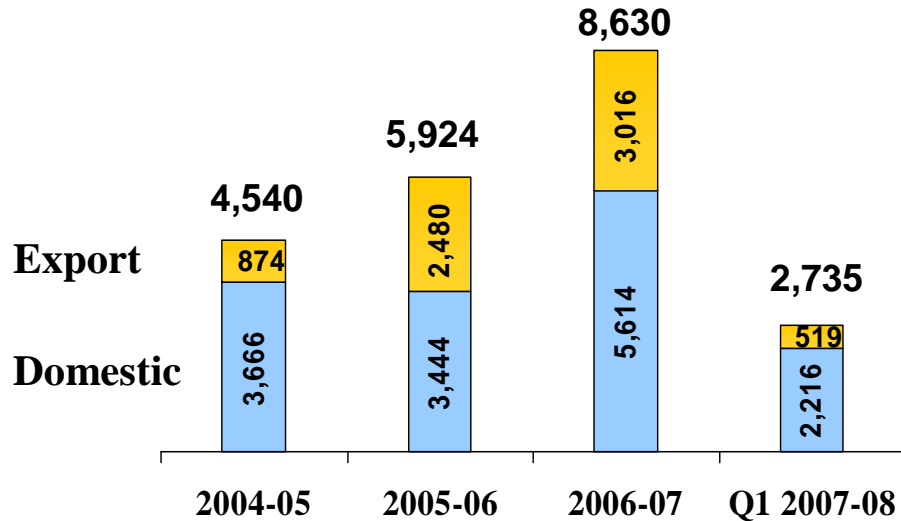
Ace Share of Market



- **100,000th unit of Tata Ace rolled out during 2006-07.**
- **Commercial production of Tata Ace started in green field facility at Pantnagar.**

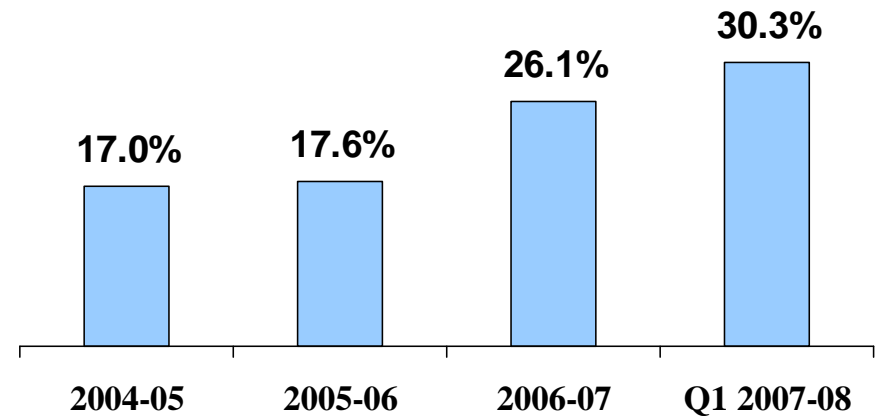
Tata Daewoo Commercial Vehicles

Total Volume Sales



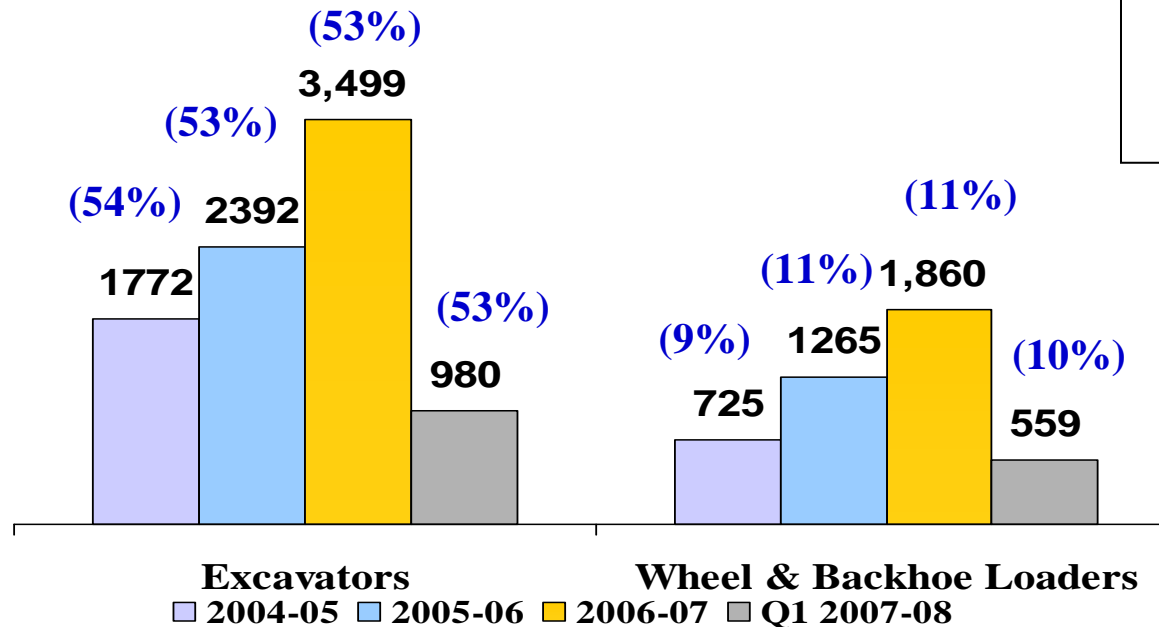
Total M&HCV Truck

Market Shares (Domestic)



- HCV Industry in S Korea grew by 18% y-o-y in Q1 FY08 after being almost stagnant with 0.8% growth registered in FY07 a negative growth of 8% in FY06.
- Capacity Utilisation consistently improved from 25% in FY05 to 28.2% in FY06, 42.7% in FY07 and further to 54.3% in Q1 FY08.
- TDCV exports 2/3rd of S. Korea's total HCV export volumes
- Assembly operations set up in Pakistan during FY07.

Construction Equipment Business



(Mkt Shares)
&
Volume

Co-operation with Hitachi

New Products launched in Indian Market

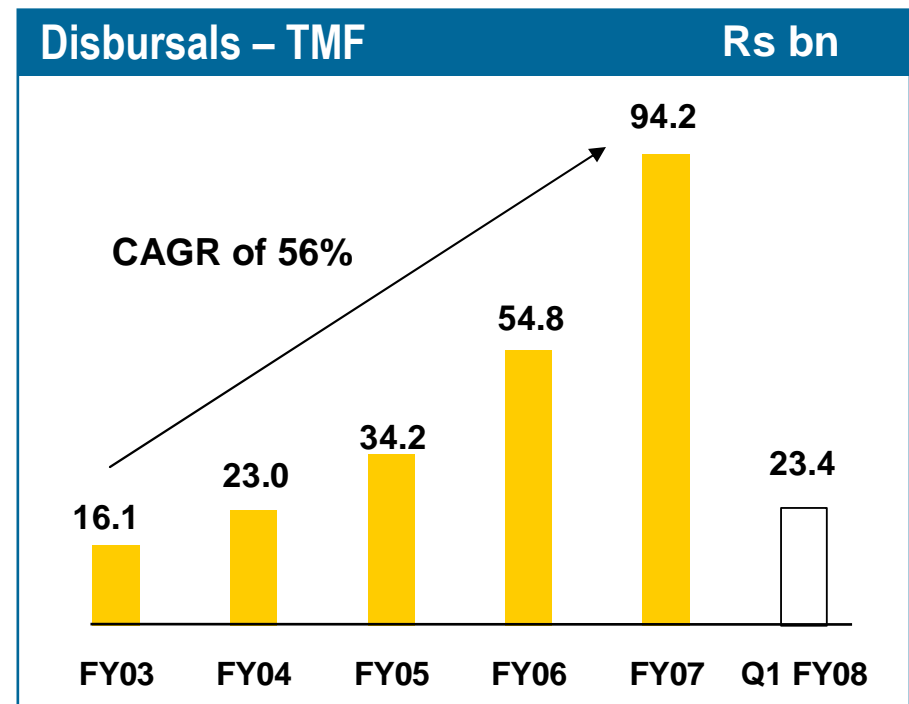
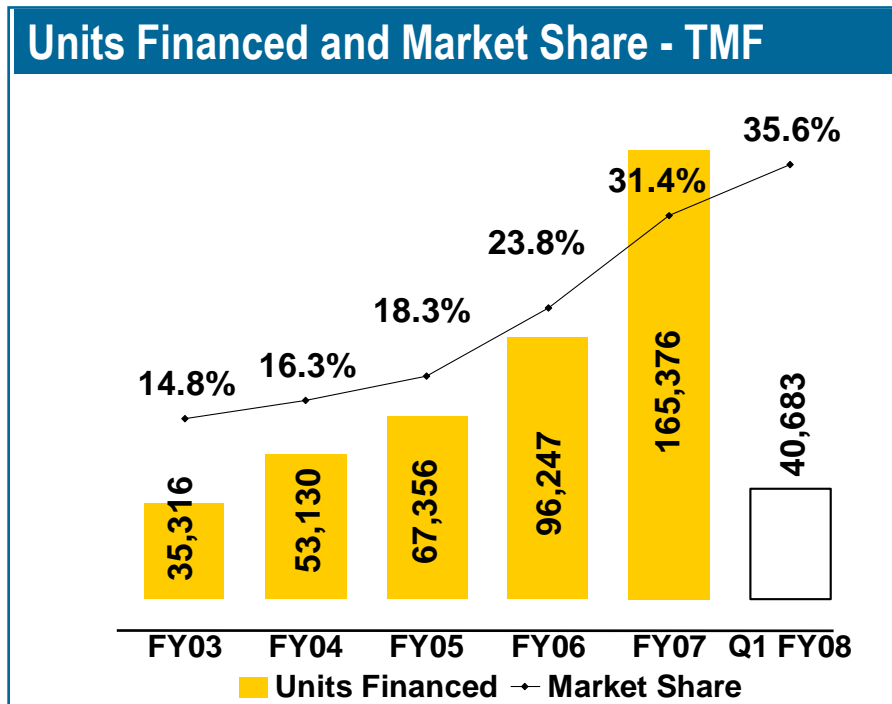
- Large Zaxis Hydraulic Excavators (e.g ZX 370, ZX 470, ZX 650)
- Agreement with Hitachi Sumitomo Crane Co. Ltd., Japan for manufacturing of Crawler mounted hydraulic cranes in India.

Joint Development teams formed for various business initiatives

- Establishing an R&D Center in India
- Deployment of Telcon Service Engineers in Hitachi's International Support Network
- Sourcing of Components & Machines for Hitachi's International Network
- Commitment to make Kharagpur Plant a world class facility

Vehicle Financing Business

- TMF – 2nd largest player in the Indian auto financing market
- TMLFSL created as subsidiary in Sept'06
- Book size of Rs.96.06 Bn as on 30th June'07.
- NIM of vehicle financing business was in the range of 4.5 - 5.5%



TATA Technologies, HVAL & HVTL

TTL

- ▶ Revenue of Rs 9.61 bn in FY07 (Rs 5.45 bn in FY06); up 76%. Revenues in Q1 FY08 came in at Rs.2.66 bn, up by 18% y-o-y.
- ▶ Early signs of the accrual of the integration benefits with INCAT were visible as Q1 FY08 PAT increased by 3 times y-o-y.
- ▶ Business structuring initiated during the year to facilitate leveraging of offshore capabilities
 - ▶ IKS brand to be leveraged for Product Marketing
 - ▶ Services to be marketed under INCAT brand

HVAL & HVTL

- ▶ 120,575 units of axle sets processed by HVAL during FY07; growth of 55%
- ▶ 125,556 units of gearboxes processed by HVTL during FY07; growth of 47%
- ▶ However, in Q1 FY08, performance of HVAL & HVTL adversely impacted by the weakness in the Indian CV industry.

Business
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Consolidated Financial Performance of TATA Motors

Annual
Performance

Rs bn	FY05	FY06	FY07	CAGR
Net Revenue	195.3	237.7	323.6	28.7%
EBITDA	26.3	30.5	41.2	25.1%
EBITDA Margin	13.5%	12.8%	12.7%	
PBT	18.5	23.5	30.9	29.2%
Tax	4.9	6.4	8.8	34.3%
Net Profit	13.9	17.3	21.7	24.9%
Basic EPS (Rs)	38.50	45.86	56.43	21.1%

Q1 FY08
Performance

Rs bn	Q1 FY07	Q1 FY08	Growth
Net Revenue	67.3	76.3	13.3%
EBITDA	7.7	10.7	37.9%
EBITDA Margin	11.5%	14.0%	
PBT	5.4	7.1	32.6%
Tax	1.6	2.0	25.1%
Net Profit	3.8	5.0	30.3%
Basic EPS (Rs)	9.97	12.90	29.4%

Data has been re-grouped where necessary

Standalone Financial Performance of TATA Motors

Annual
Performance

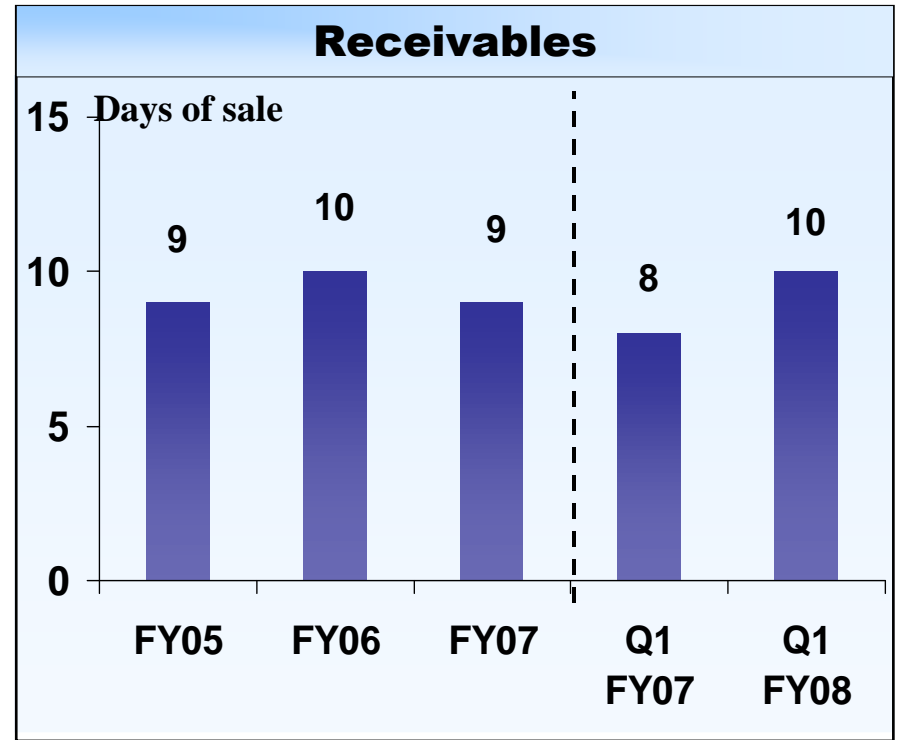
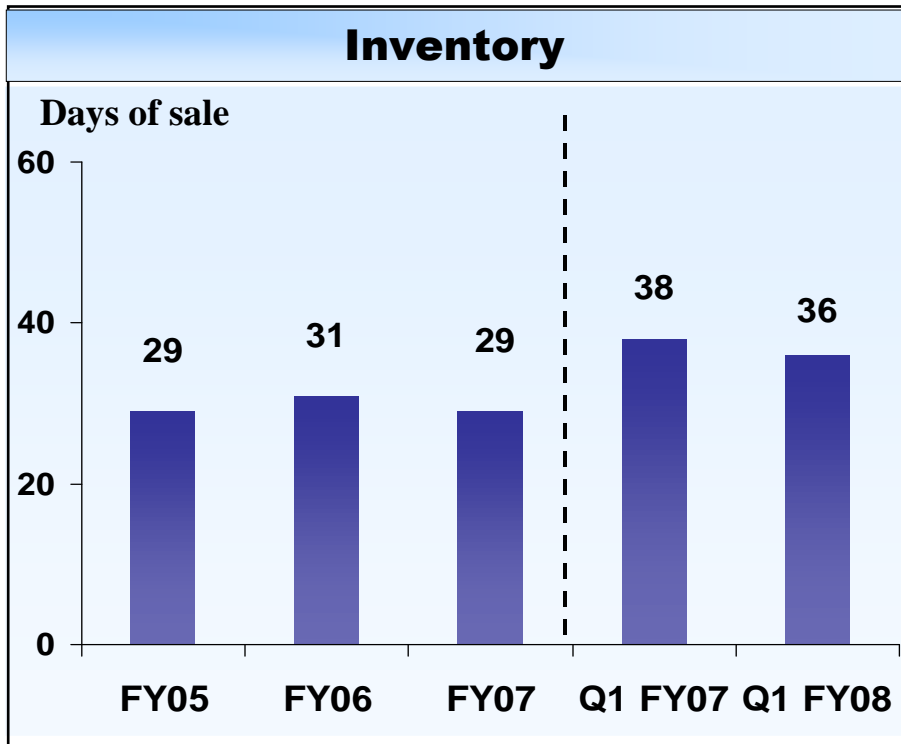
Rs bn	FY05	FY06	FY07	CAGR
Net Revenue	174.2	206.5	274.7	25.6%
EBITDA	21.7	25.8	33.1	23.5%
EBITDA Margin	12.5%	12.5%	12.1%	
PBT	16.5	20.5	25.7	24.8%
Tax	4.1	5.2	6.6	26.1%
Profit after Tax	12.4	15.3	19.1	24.4%
Basic EPS (Rs)	34.38	40.57	49.76	20.3%

Q1 FY08
Performance

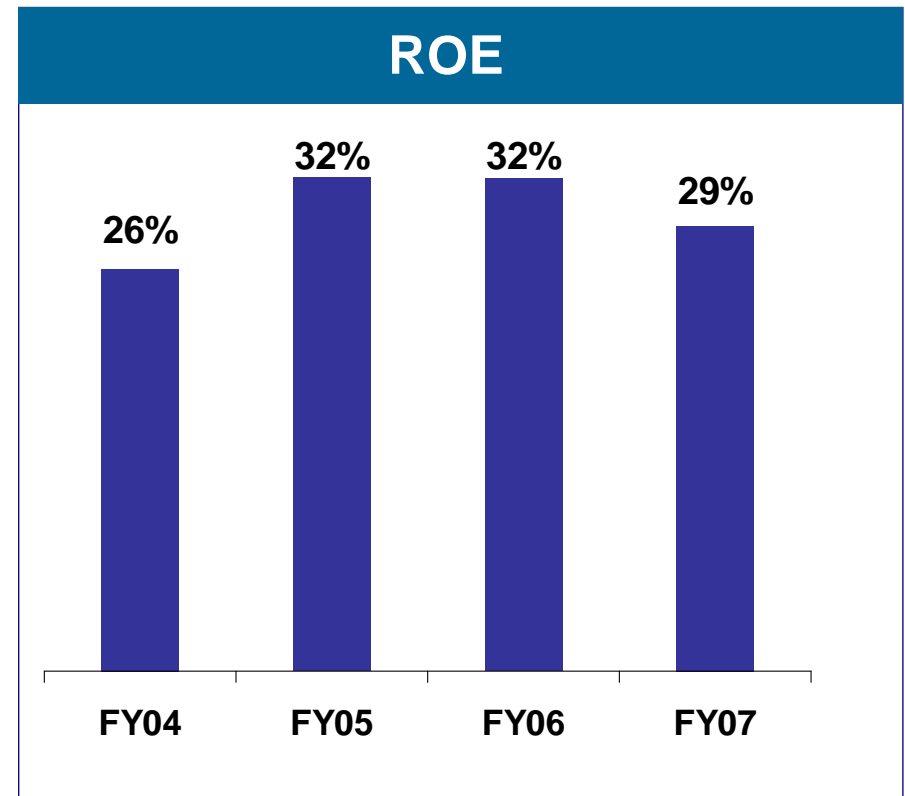
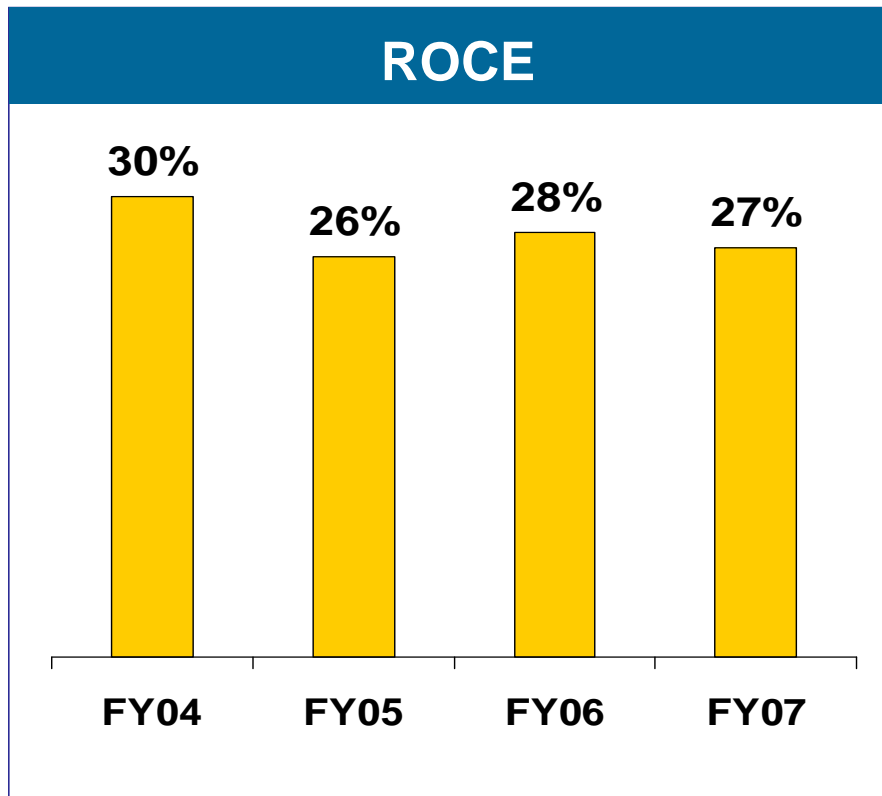
Rs bn	Q1 FY07	Q1 FY08	Growth
Net Revenue	57.5	60.6	5.3%
EBITDA	6.4	7.5	18.2%
EBITDA Margin	11.1%	12.4%	
PBT	5.0	5.9	18.8%
Tax	1.2	1.3	7.7%
Net Profit	3.8	4.7	22.2%
Basic EPS (Rs)	9.97	12.11	21.5%

Data has been re-grouped where necessary

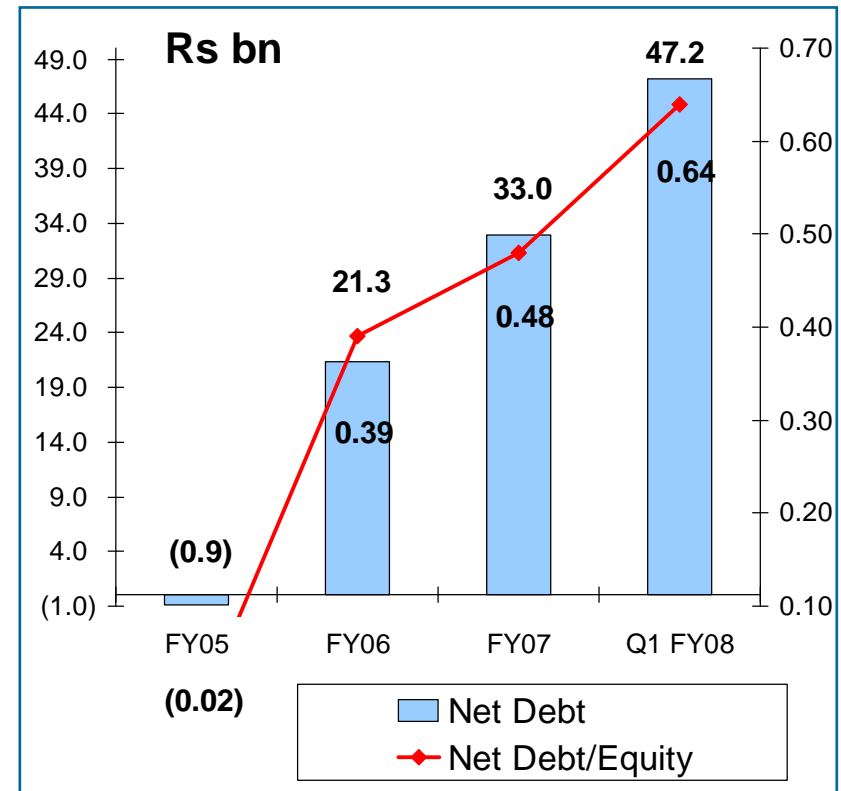
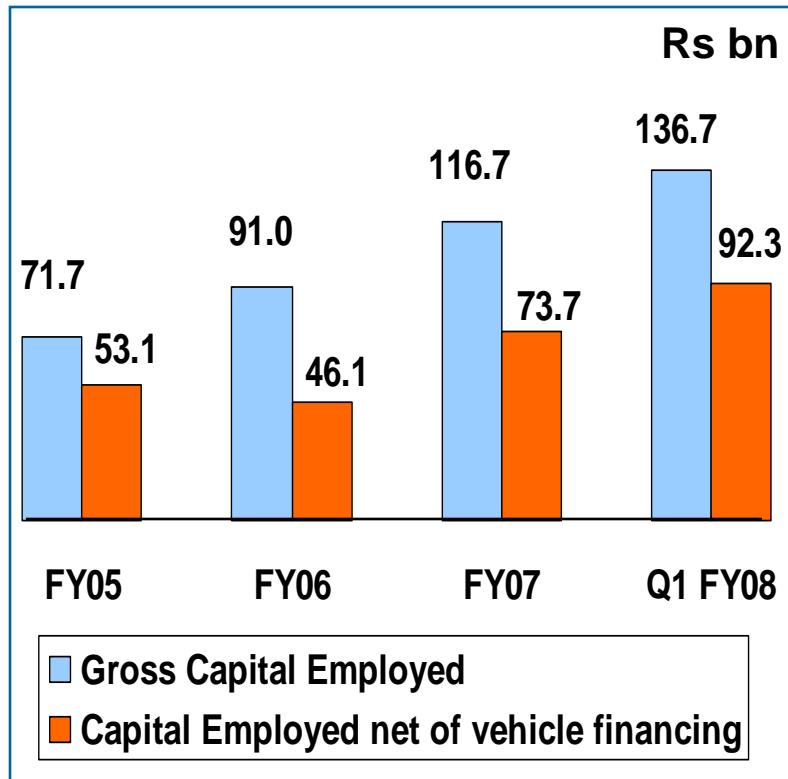
Working Capital



Optimizing Returns on Capital

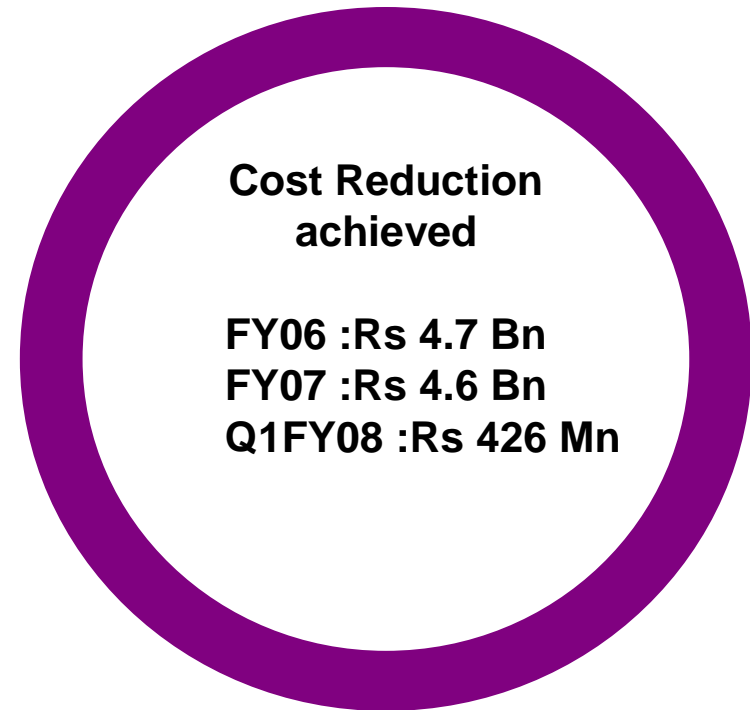
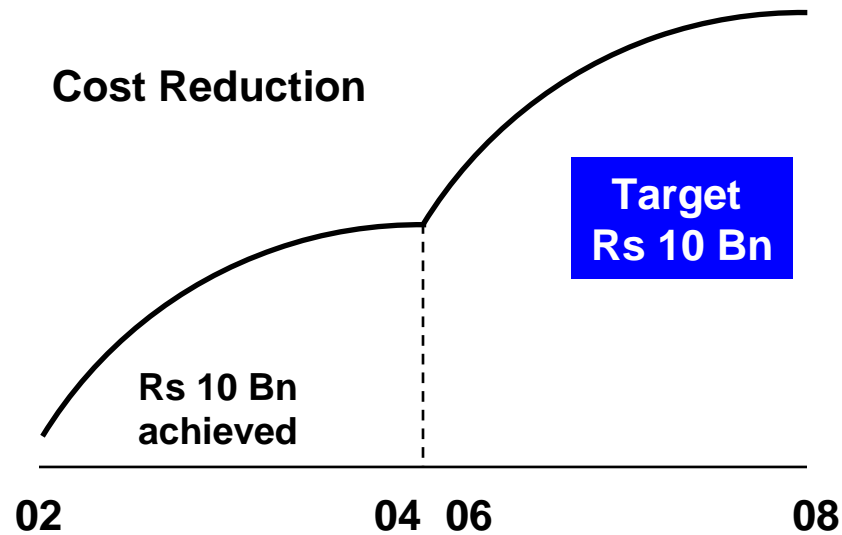


Balance Sheet Size



As on 30th June '07, we have financing loans and receivables to the extent of Rs.44.4 bn sitting in the Gross Capital Employed.

TATA Motors aggressively pursuing its Cost reduction efforts



Outsourcing

Value Engineering

Target Costing

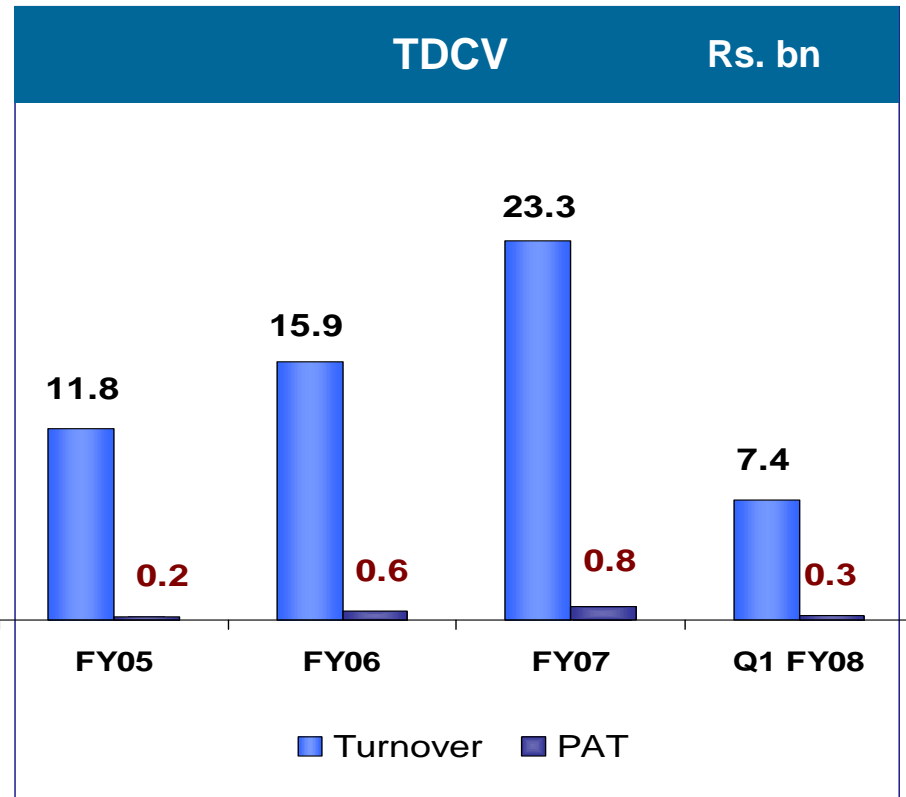
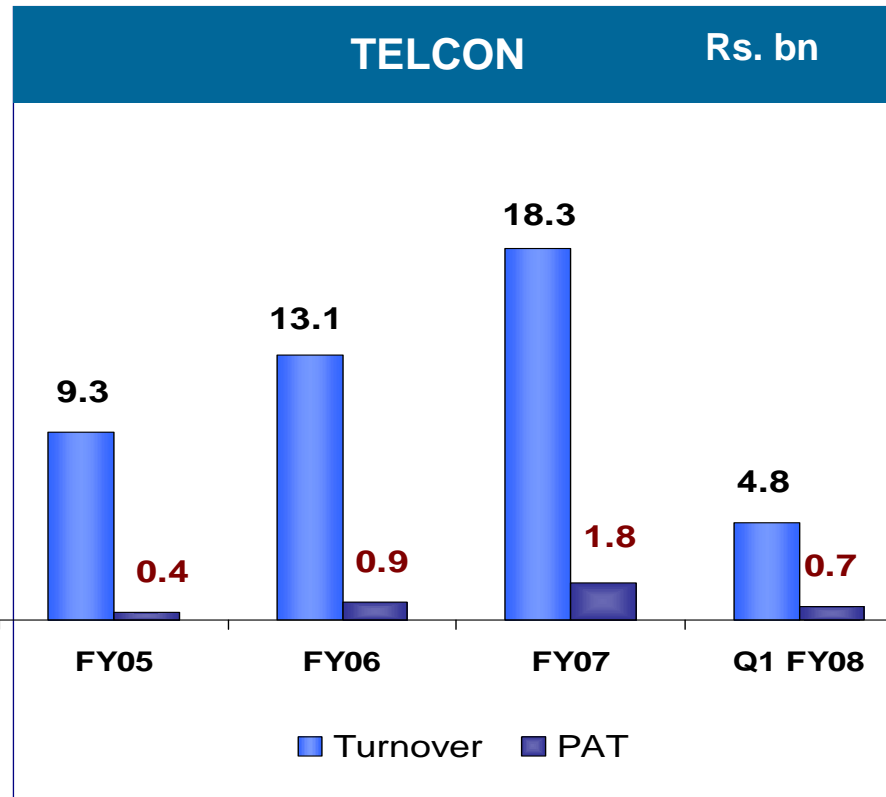
E sourcing and Global Sourcing

Productivity Improvement

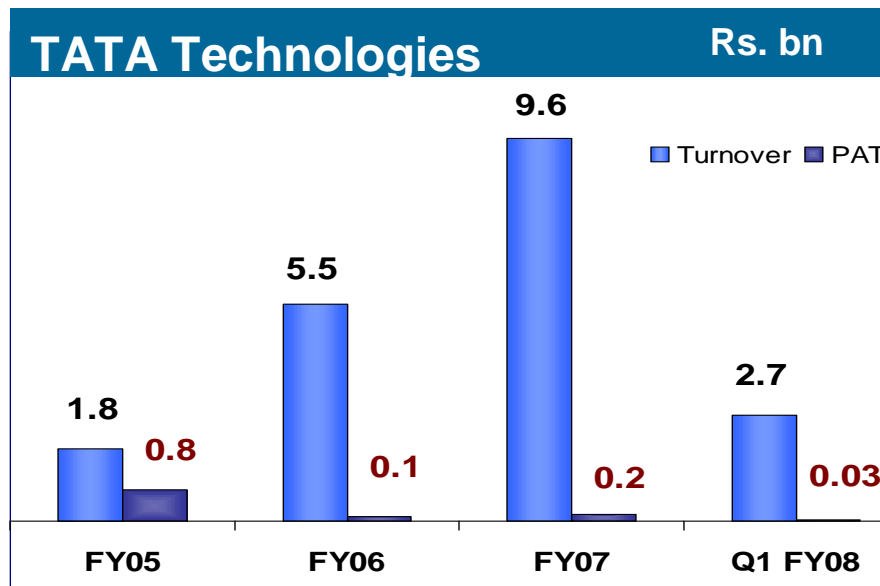
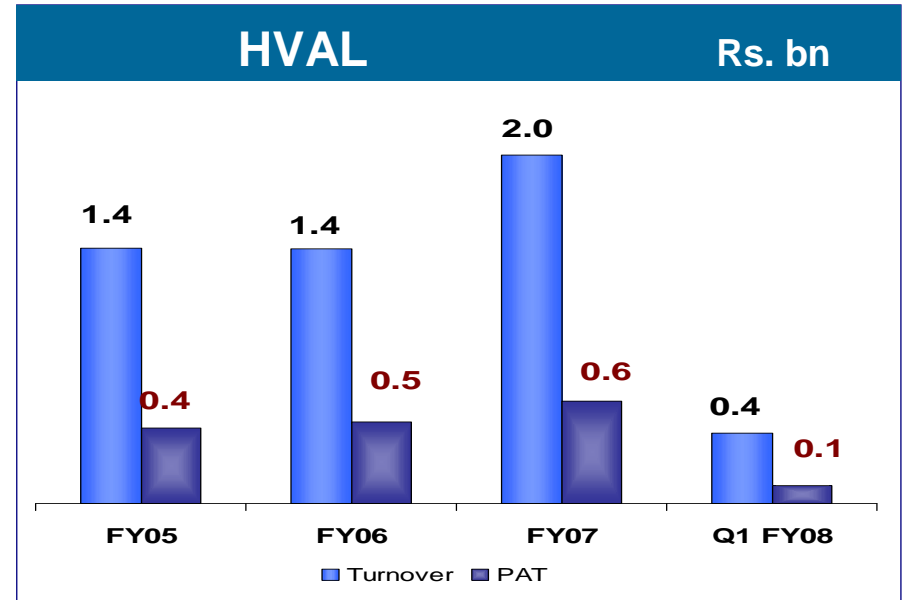
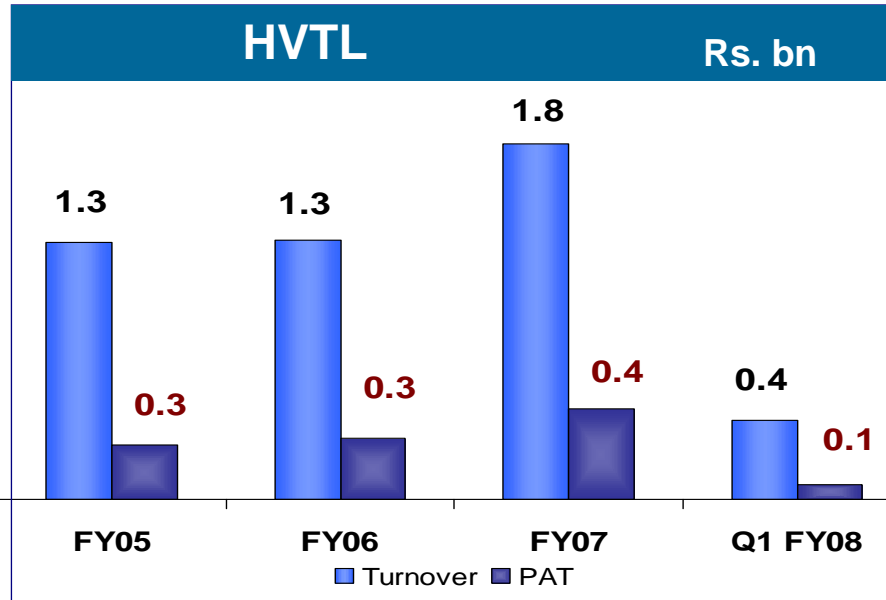
Process Improvement

Supplier base Rationalization

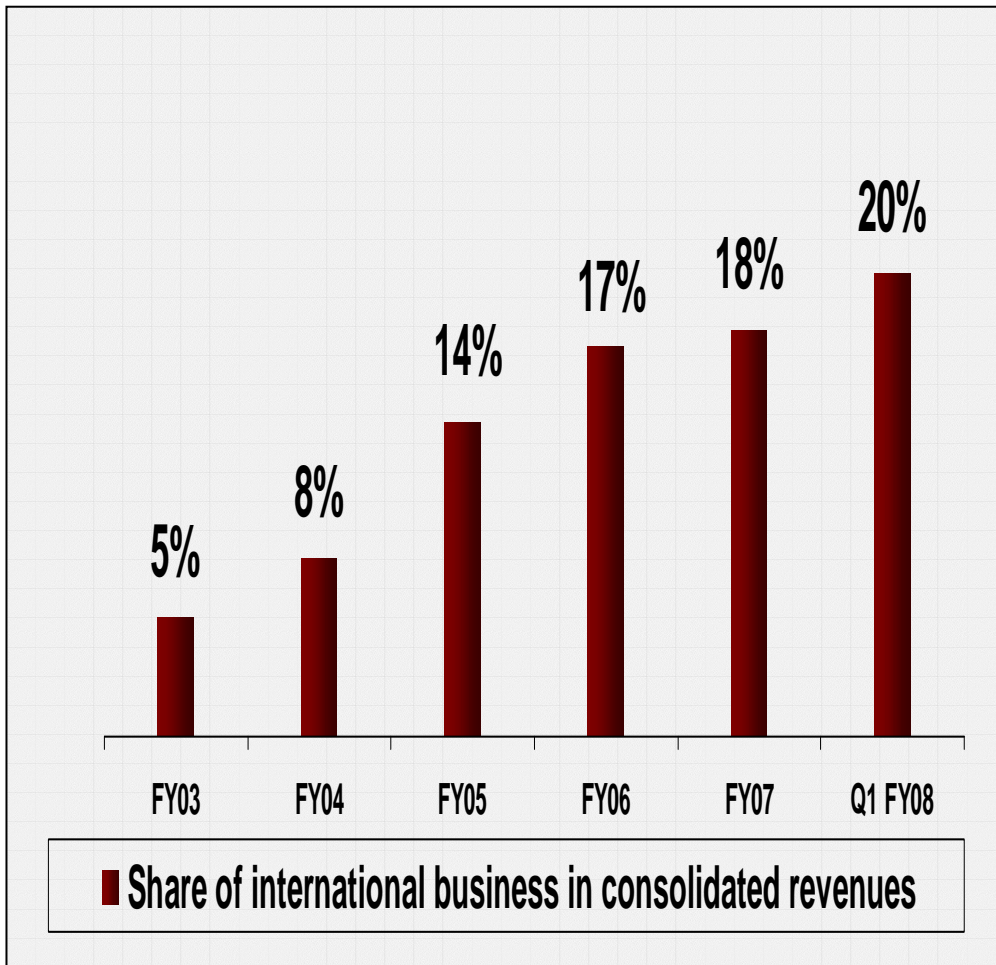
Subsidiary Annual Performance



Subsidiary Annual Performance



International Business continues to make strides



Strengthening position in existing Markets

- *New Products*
- *Deeper penetration*

Exploring New Geographies

- *LATAM*
- *Russia*
- *Thailand*

International Alliances

- *Thonburi JV in Thailand*
- *Licencing of Pick up technology to Fiat*
- *Marcopolo JV in India*
- *Stake in Hispano Carrocera, Spain*
- *Acquisition of INCAT, UK*
- *Acquisition of TDCV, Daewoo*

Major Events in recent past

- Inaugurated the Tata-Fiat's industrial JV's new facility in Ranjangaon. Simultaneously launched the Fiat Palio Stile in the Indian market.
- Bagged a prestigious order from the Delhi Transport Corporation (DTC) for 500 non-AC state of the art low-floor, CNG propelled buses. The company won this order by participating in a global tender floated by DTC.
- Launched Tata Ace in Nepal, its second international market launch after Sri Lanka.
- Launched an upgraded Entry Level Utility Vehicle Range, the 'Tata Spacio Gold Plus' with an aim to increase its penetration in the rapidly growing personal/family vehicle segment in the semi-urban market.
- Introduced Common Rail Diesel (DICOR) engine in its entry level sedan Indigo LS version.
- Tata Motors introduced Ace Magic & Winger – to create new segments in urban & rural passenger transportation.

Ace Magic



**4 to 7 passenger
seating capacity**

Winger



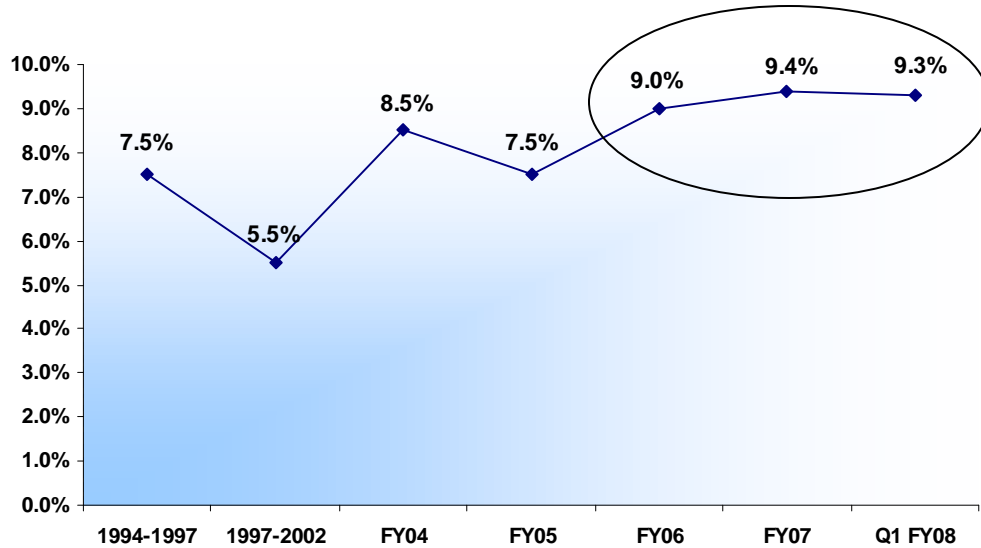
**9 to 13 passenger
seating capacity**

Business
Overview

Financial
Performance

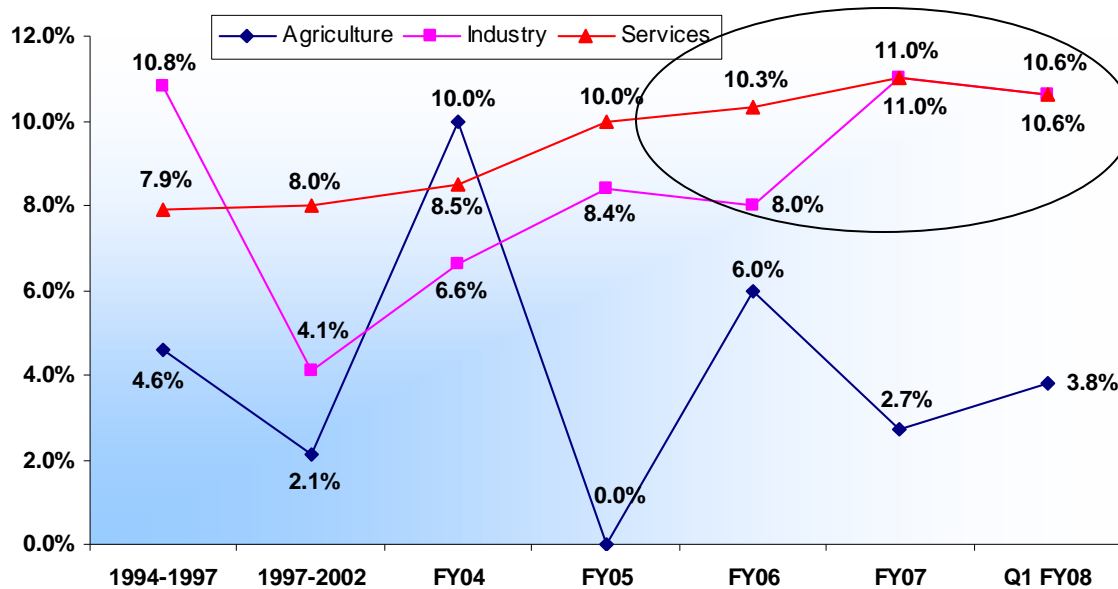
Outlook

India enters a higher growth phase with a 9%+ GDP growth...



➤ Structural shift seen in the India's GDP growth as it propels to a new higher growth trajectory.

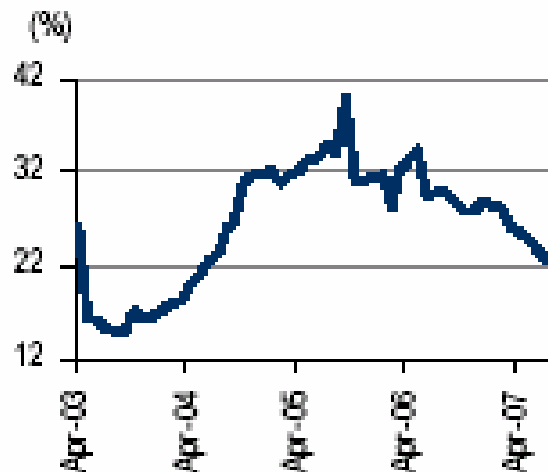
➤ High growth phase mainly driven by consistent double digit growth in Industry & Services for the last 3 years.



➤ Industry growth is mainly propelled by Manufacturing sector which has a 80% weight in the Industry segment. Whereas, Services growth is mainly led by Trade, Hotels, transport, storage and communication categories.

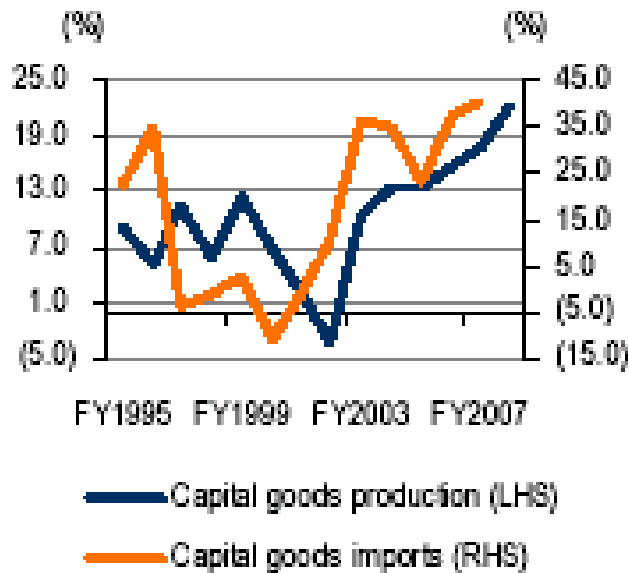
Lead indicators continue to indicate resilience in the Indian Economy...

Normalization of Credit



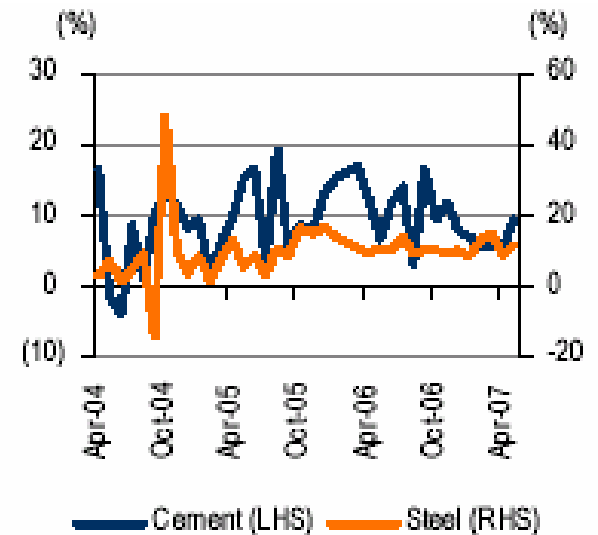
Source: RBI

Capex continues to ease capacity constraints



Source: CSO, DGCI&S

Weaker but healthy Construction Indicators



Source: Ministry of Industry.

Some of the concerns of an adverse impact on the growth of the Indian economy due to steep rise in interest rates seem to have withered away as the lead indicators point to a soft landing.

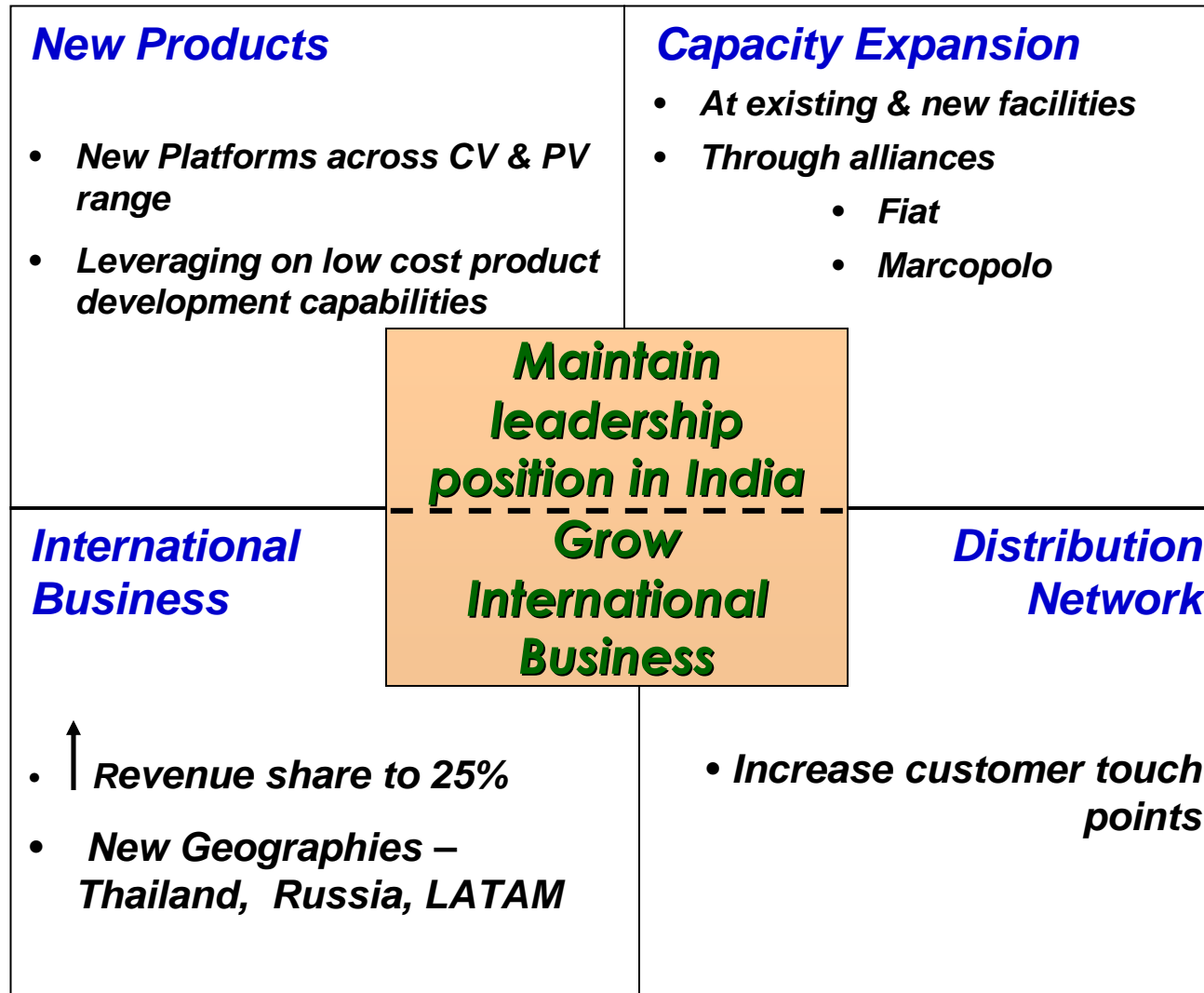
Demand drivers for the Auto Industry remain strong despite recent monetary tightening...

- ✓ ***CV growth to be driven by high tonnage and last mile distribution vehicles***
- ✓ ***Profitable growth prospects attracts New Players.***
- ✓ ***Passenger Transportation is also expected to benefit significantly from Expansion in Road Network in the Country***

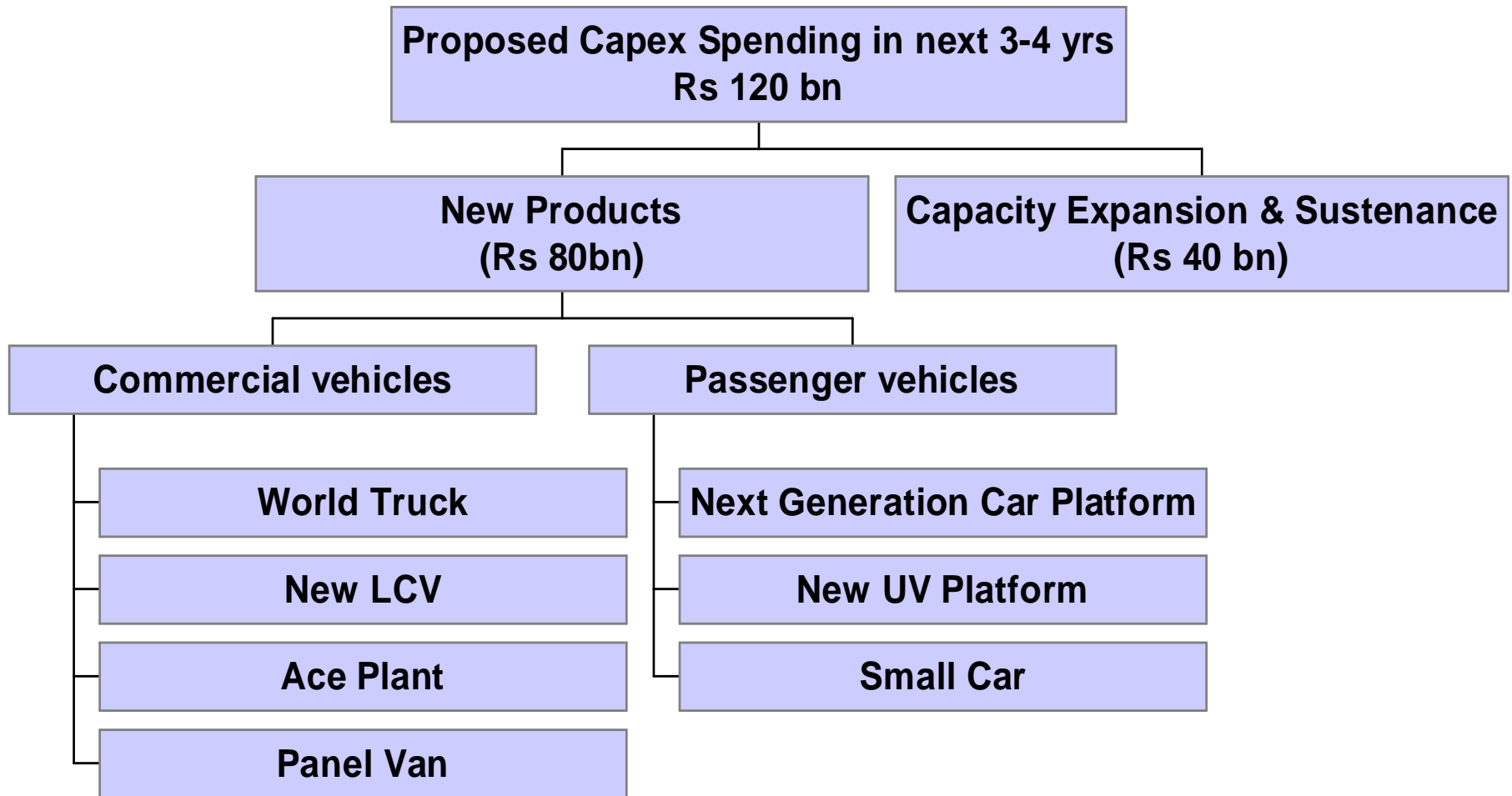
On Going Massive Road Network Development

- ***USD 40 bn earmarked for development of 51,000 kms of roads by NHAI***
- ***In addition, USD 30 bn Rural connectivity program called Pradhan Mantri Gram Sadak Yojana (PMGSY) is also underway***
- ✓ ***India expected to emerge as a hub for small car manufacturing***
- ✓ ***New entrants to increase competition***
- ✓ ***Industry capacity to expand – supported by higher Industrial & Infrastructural growth.***

TATA Motors' Strategic Goal



New Product Introduction Plan



*Challenging
Market
Environment for
Auto OEMs*

- ☛ *Growing Customer Awareness*
- ☛ *Increased Competition*
- ☛ *Shorter product life-cycle*
- ☛ *Cost Pressures*
- ☛ *Increasing interest rate scenario*
- ☛ *Tightening Regulations*



Thank You

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