

Tata Motors Ltd.

Investor Presentation

November'06

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

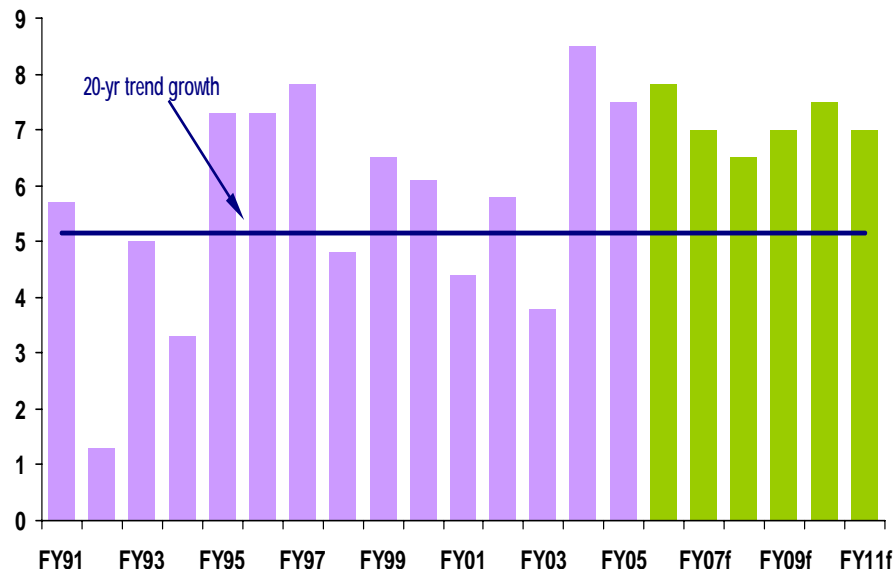
Economic and Industry
Overview

Business Overview
& Future Plans

Business Results

India - A Convincing Growth Story

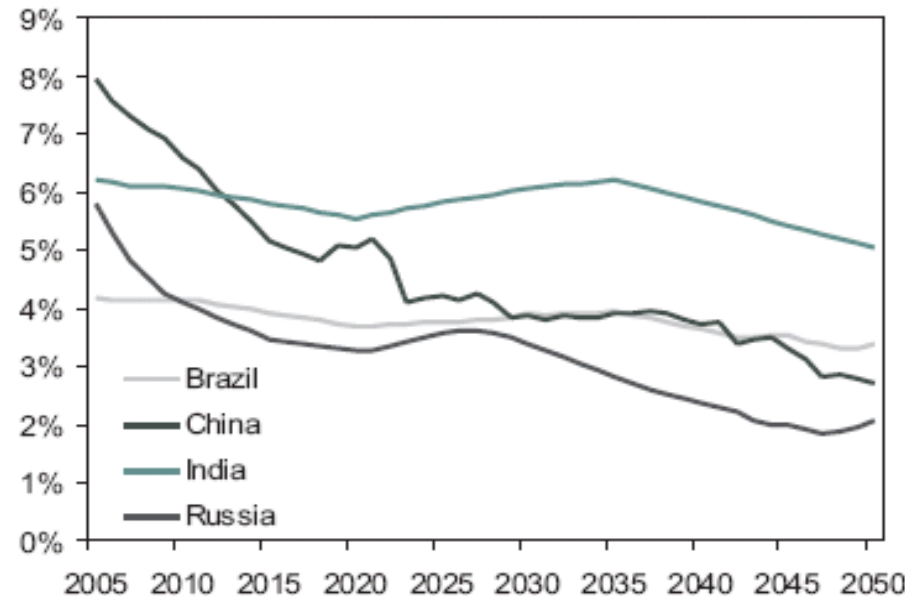
GDP Growth (%)



Source: Central Statistical Organization (CSO), SCB Global Research

India has potential for most rapid growth amongst BRIC countries in the long term

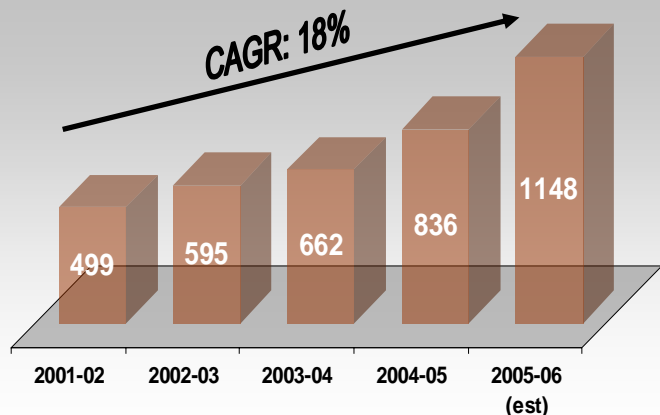
- **Current GDP growth rate at 8%**
- **The government has set a growth target of 9% during the eleventh five year plan, with double digit (10%) GDP growth expected to propel the Indian economy during the final years of the plan**
- **As per Goldman Sachs Brics Report GDP of India is expected to grow at 6% in the long term**



Source : Goldman Sachs Brics Report

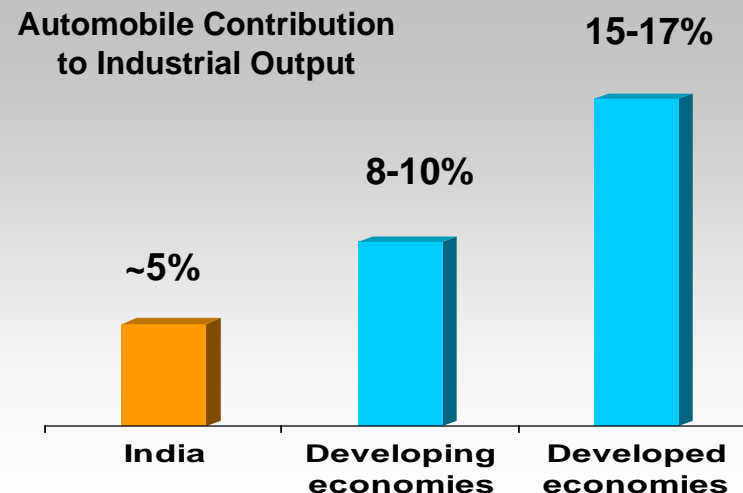
Indian Automobile Industry – Also On a Growth trajectory

Turnover of Automobile Manufacturers (Rs. BI)



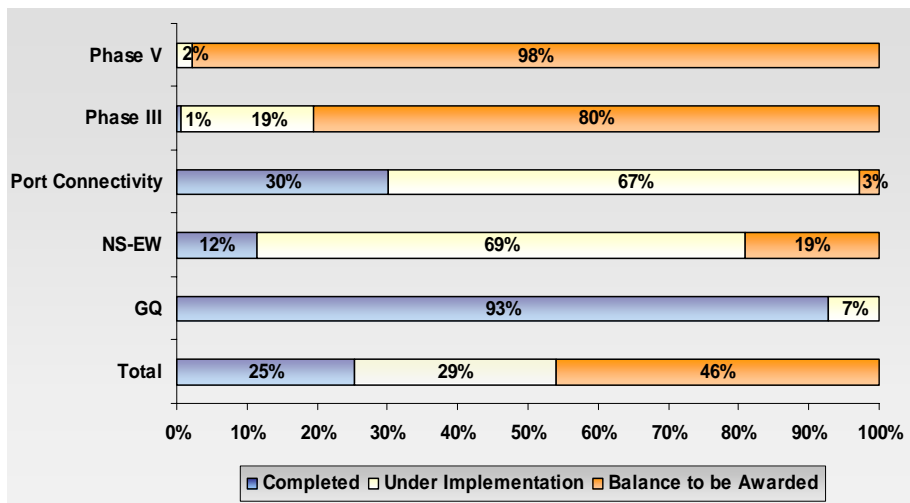
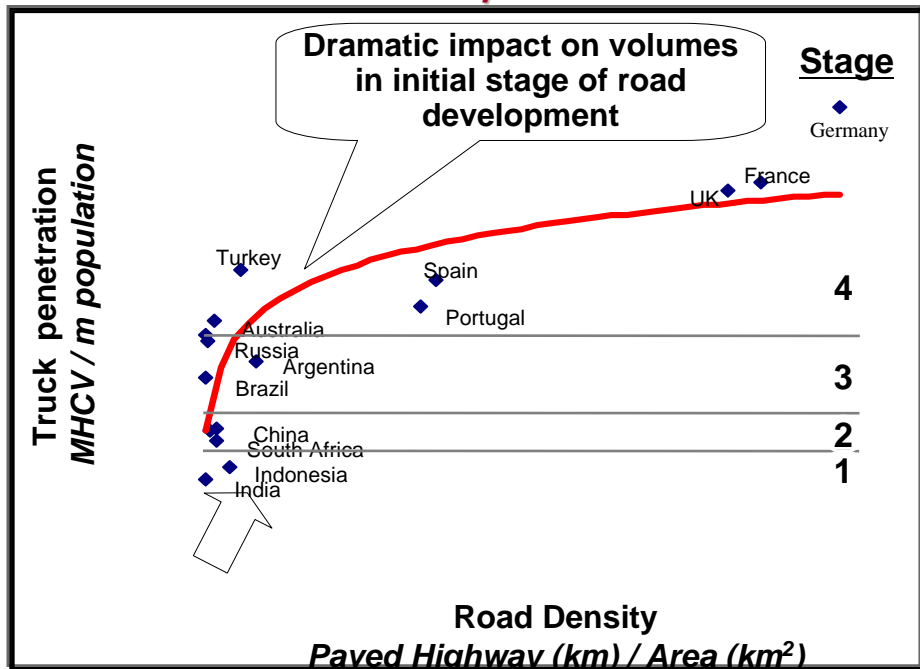
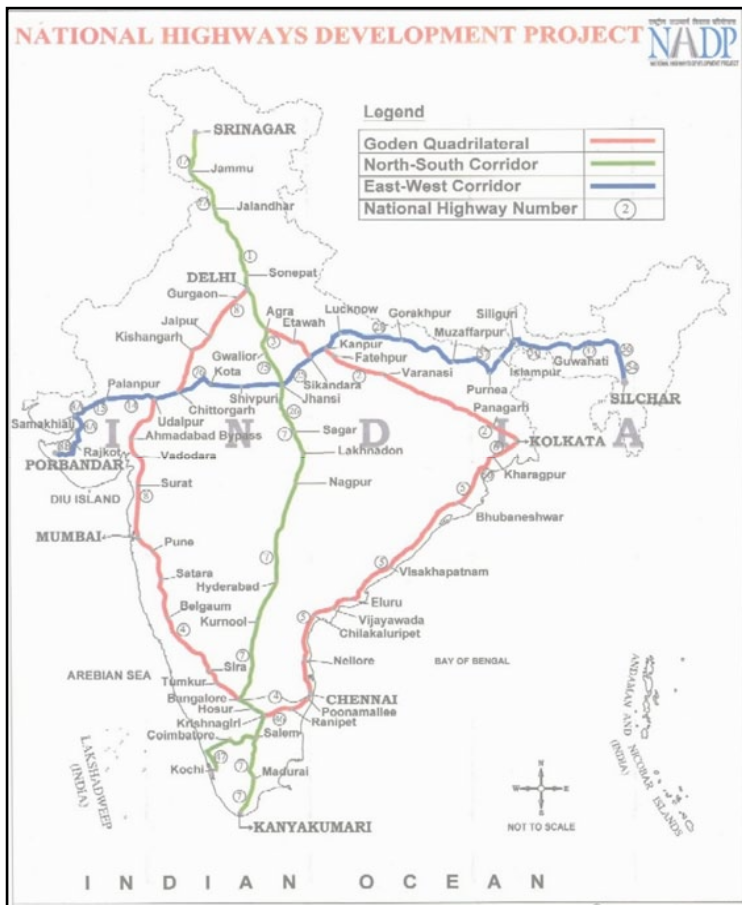
source : SIAM

Indian Automobile Industry has Tremendous Potential to Grow

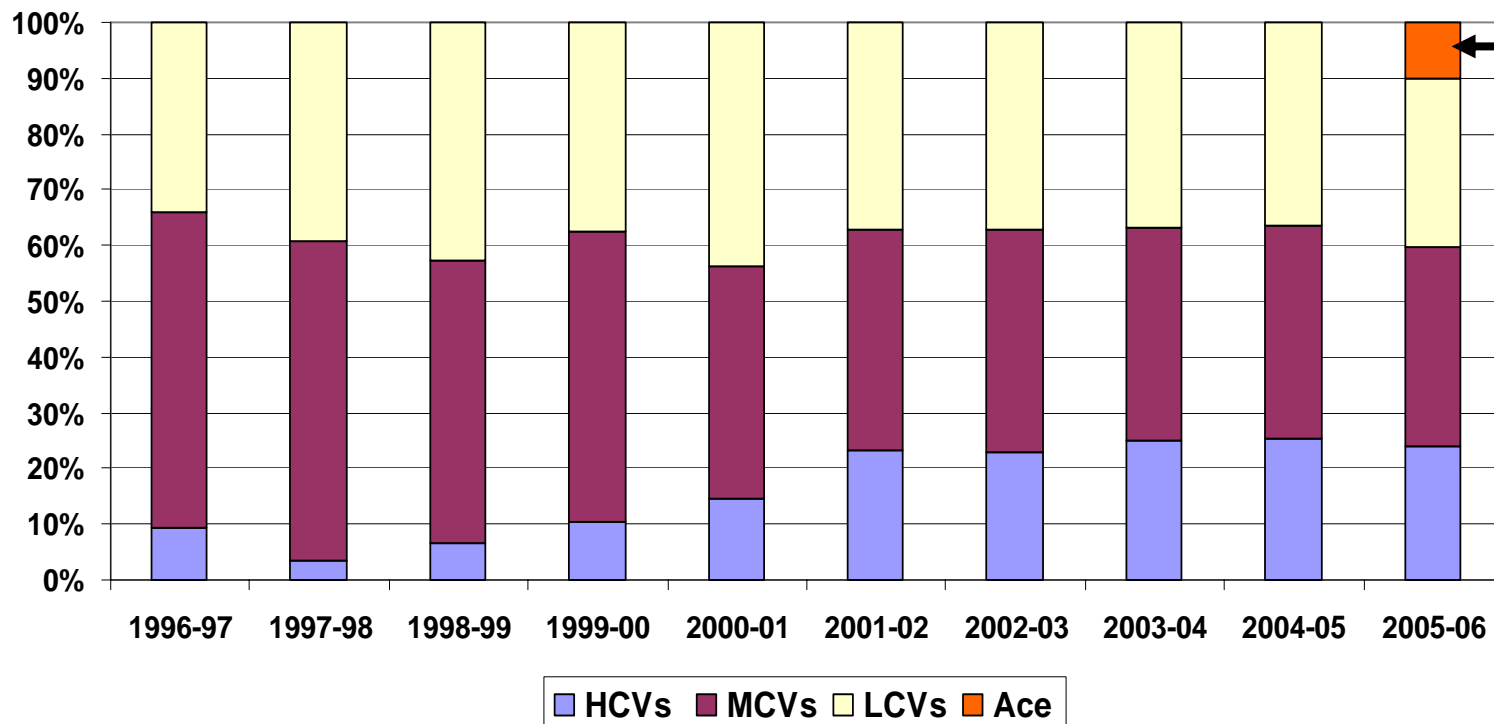


- Emergence of India as a manufacturing and design hub for Automotive Industry
- Investment in the industry expected to reach Rs 800 bn by the end of FY07
(source : Economic Survey : 2005-06)
- Automobile Industry contribution to GDP expected to increase to 10% by 2016 from the current 5% level (source : Draft Automotive Mission Plan)
- Presently provides direct and indirect employment to 10.1 million people in the country. Expected to employ 25 million people by 2016 (source : Draft Automotive Mission Plan)

Road Development Program, Industrial and Infrastructure Development to drive the growth of Indian CV Industry



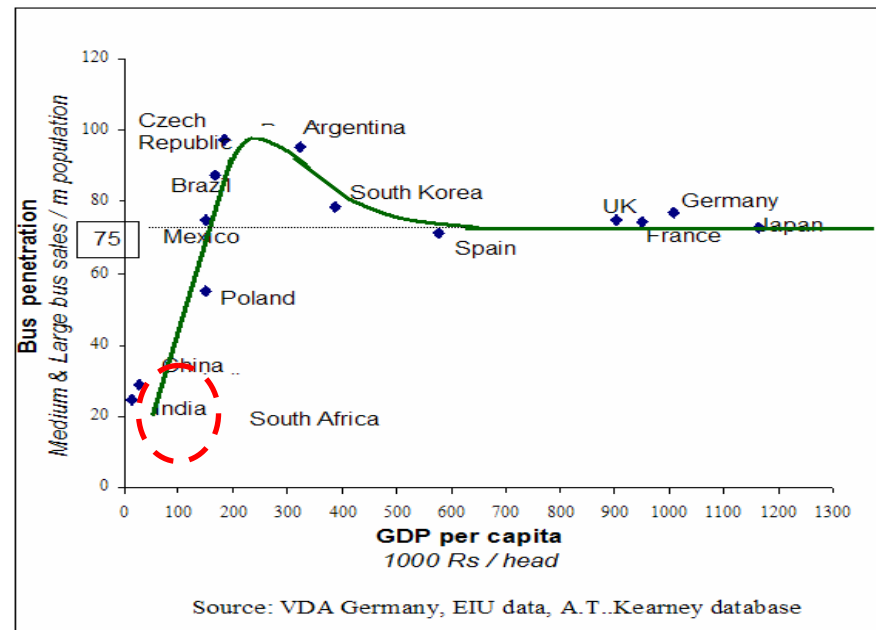
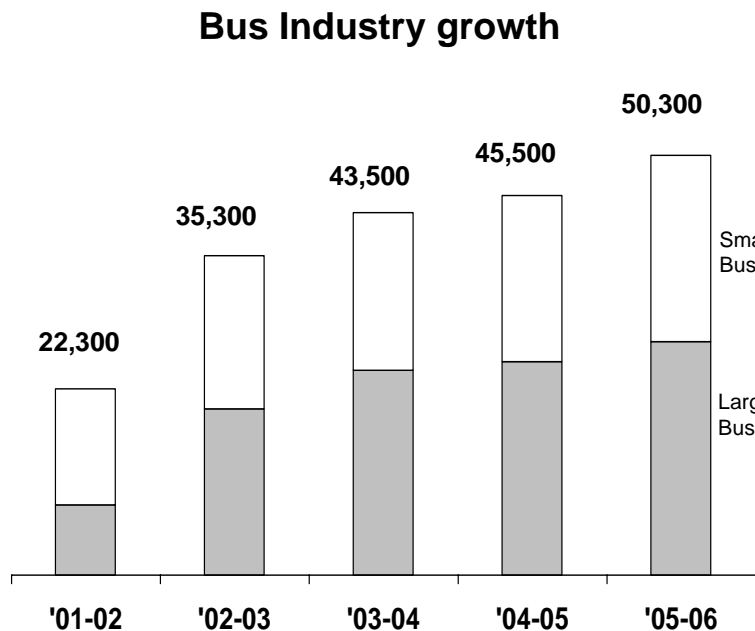
Structural changes in CV Industry



Tata Ace created a new segment at the lower end of the CV market

With better roads and new technology, hub and spoke model is expected to emerge in the Indian Commercial Vehicle Industry in the near future

Buses Can Prove To Be A Key Growth Driver For Commercial Vehicles

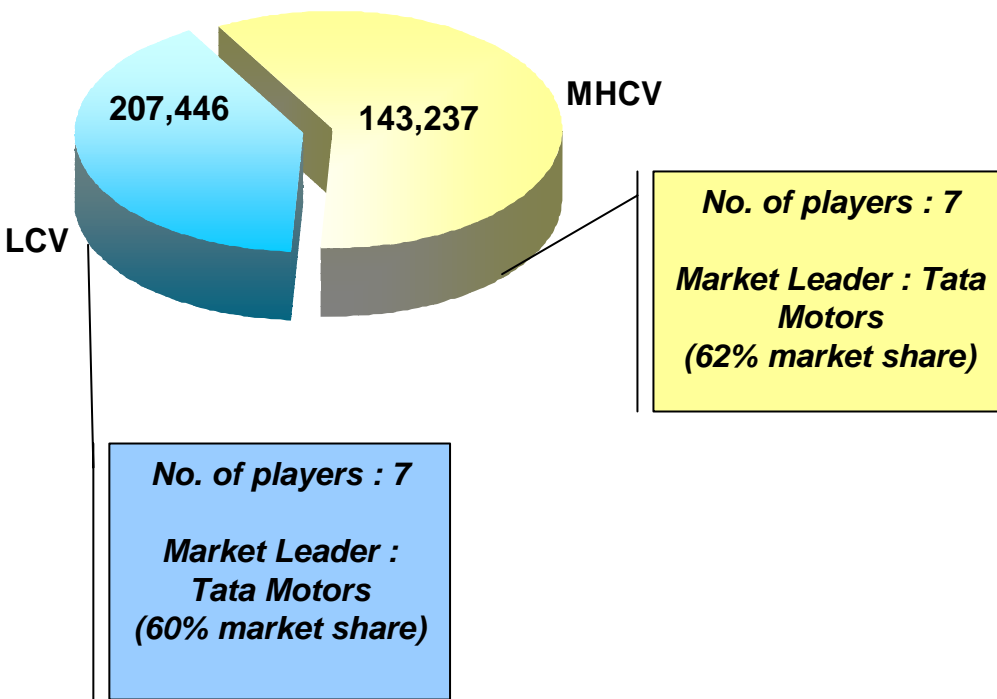


Buses as a % of CV in Russia & China is 40%-50% but only 13% in India

Strong growth potential for Tata Motors

Indian Commercial Vehicles Industry

Developments expected in near future



New joint ventures

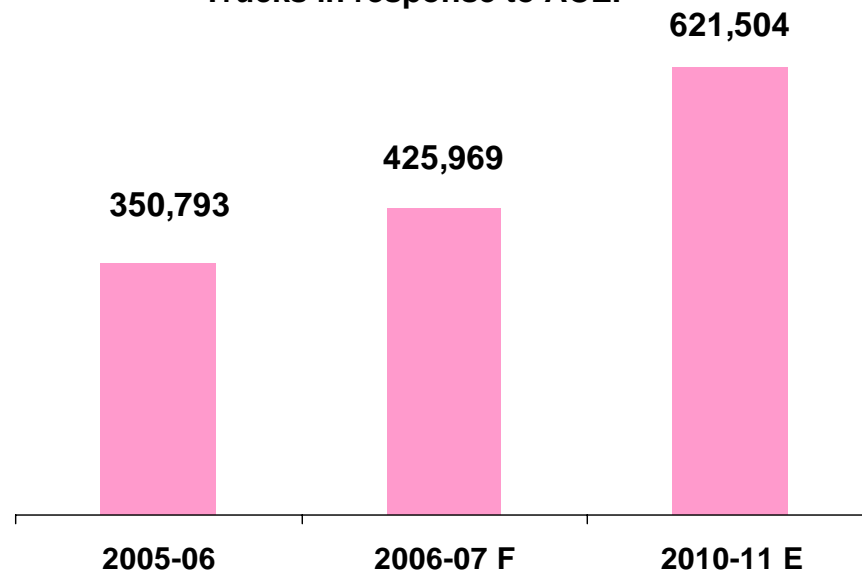
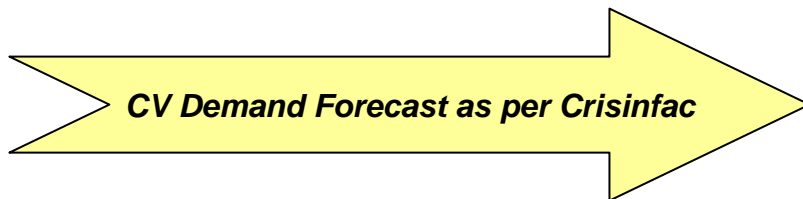
- Scania, Man and International Truck & Engine Corp. to produce commercial vehicles.

New players

- DaimlerChrysler and Tatra Vectra introduce off-road commercial vehicles.

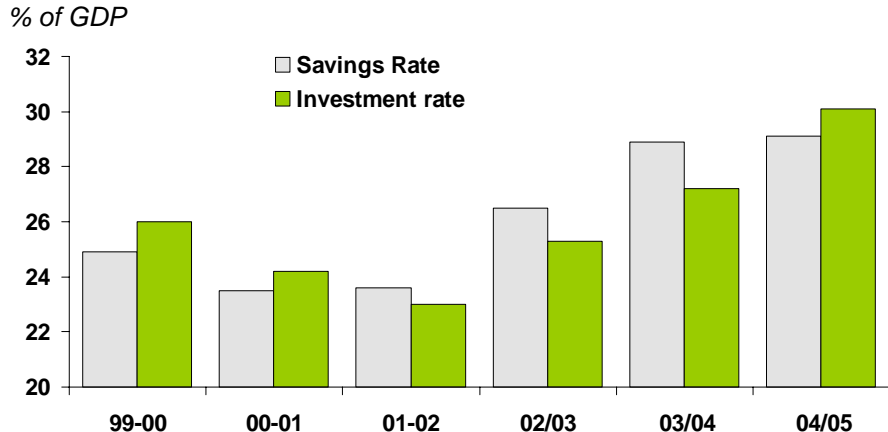
Existing Players

- Competitors are expected to launch Mini Trucks in response to ACE.



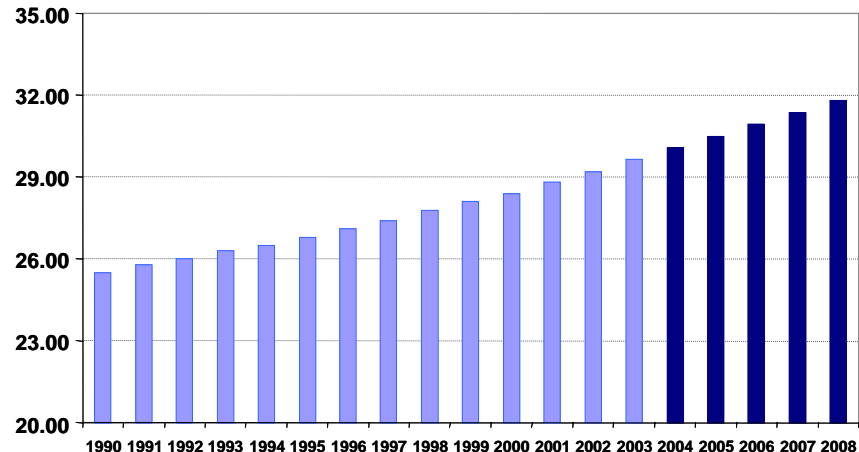
Increasing income, urbanization, aspiration and wider product choice to drive growth in Indian P V Industry

Saving-investment rates are high and improving

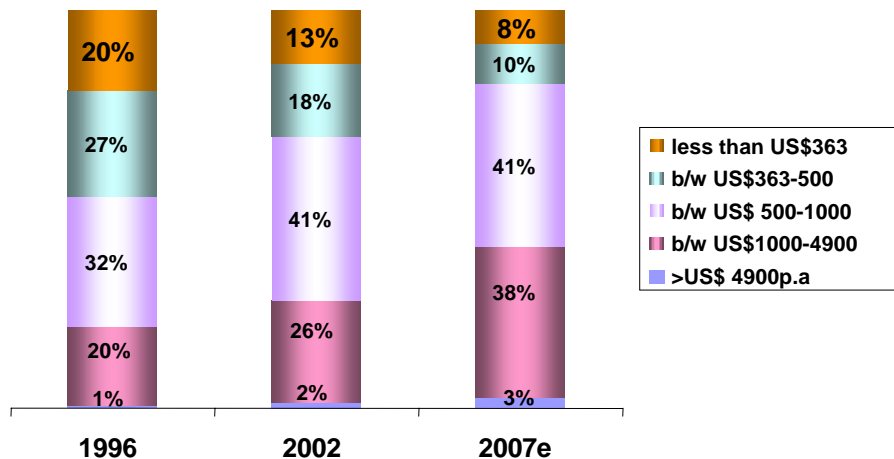


Source: Economic Survey of India 2005/06, RBI

India: Urban Population as % of Total Population

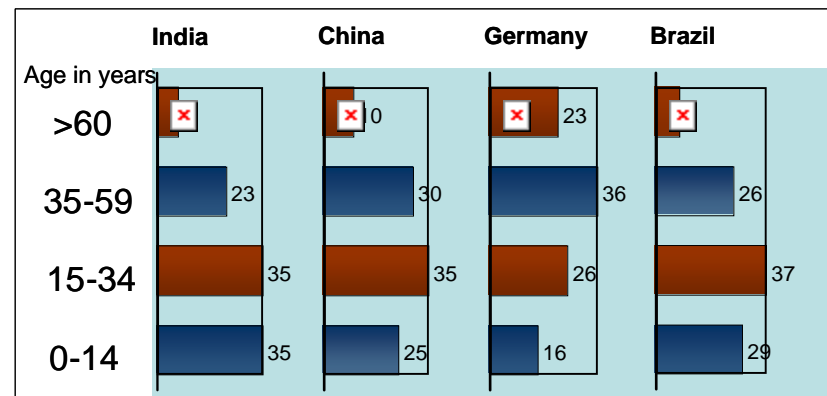


Increasing Proportion of Middle Income Class



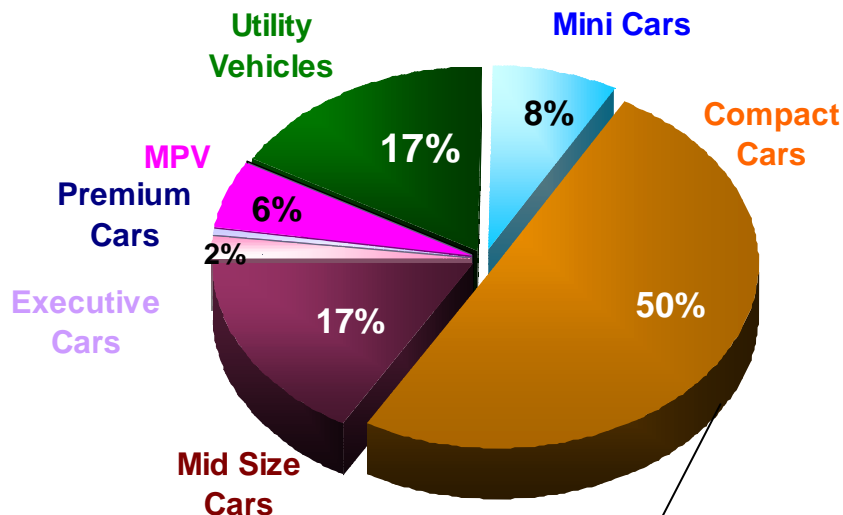
Source: Economic Survey of India 2005/06, RBI

Per cent of population, 2003



Highest proportion of population below 35 years (70%) in India...

Indian P V Industry



Total Market Size in FY06: 1,143,037
Source: SIAM

- **Largest and fastest growing Segment**
- **Most Competitive segment with 7 players and 14 brands**
- **Maruti Suzuki, Tata Motors and Hyundai**

Developments expected in near future

- **India expected to emerge as a hub for small car manufacturing**
 - Suzuki and Hyundai
- **Almost all players looking at expanding capacities**
- **Competition in diesel car segment to intensify**
 - New diesel vehicle launches by Hyundai and Maruti
- **Tata Motors to launch small car**
- **New entrants**
 - Renault Logan through JV with Mahindra
 - Nissan, Volkswagon

Passenger car and UV demand growth

(units)	2004-05	2009-10 P	CAGR (5 year) (per cent)
Mini, A1 (length upto 3,400 mm)	116,262	270,438	18.4
Compact, A2 (length of 3,401-4,000 mm)	496,219	985,937	14.7
Mid-size, A3 (length of 4,001-4,500 mm)	178,605	398,943	17.4
A4-A6	28,602	81,605	23.3
Total passenger cars (domestic)	819,688	1,736,923	16.2
Utility vehicles (domestic)	243,875	399,956	10.4
Total cars and UVs (domestic)	1,063,563	2,136,879	15.0
Exports (cars and UVs)	166,410	412,169	19.9
Total	1,229,973	2,549,048	15.7

P: Projected

Note

A4 segment: Cars having length of 4,501-4,700 mm

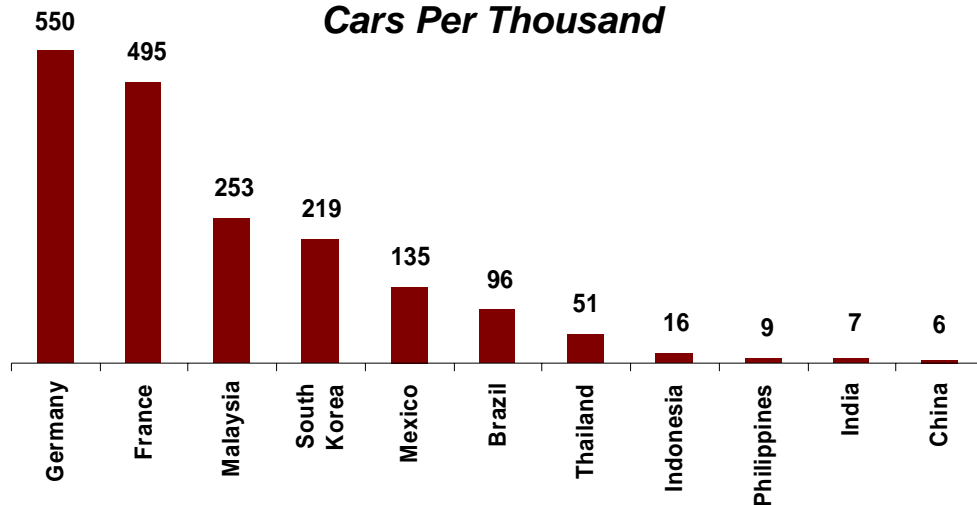
A5 segment: Cars having length of 4,701-5,000 mm

A6 segment: Cars having length of more than 5,001 mm

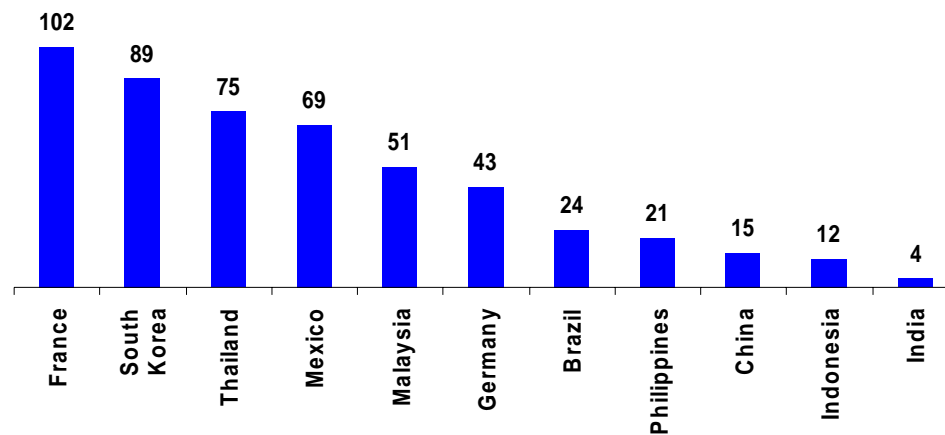
Source: CRIS INFAC

Growth Potential Available for Indian Automobile Industry

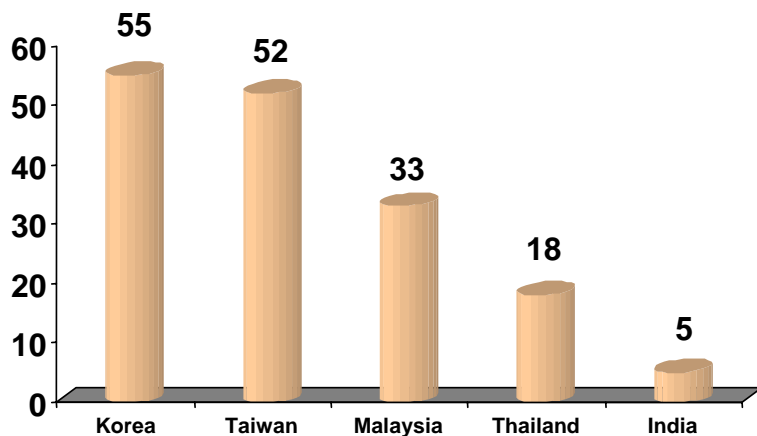
Cars Per Thousand



CVs Per Thousand



Consumer Loans / GDP (%)



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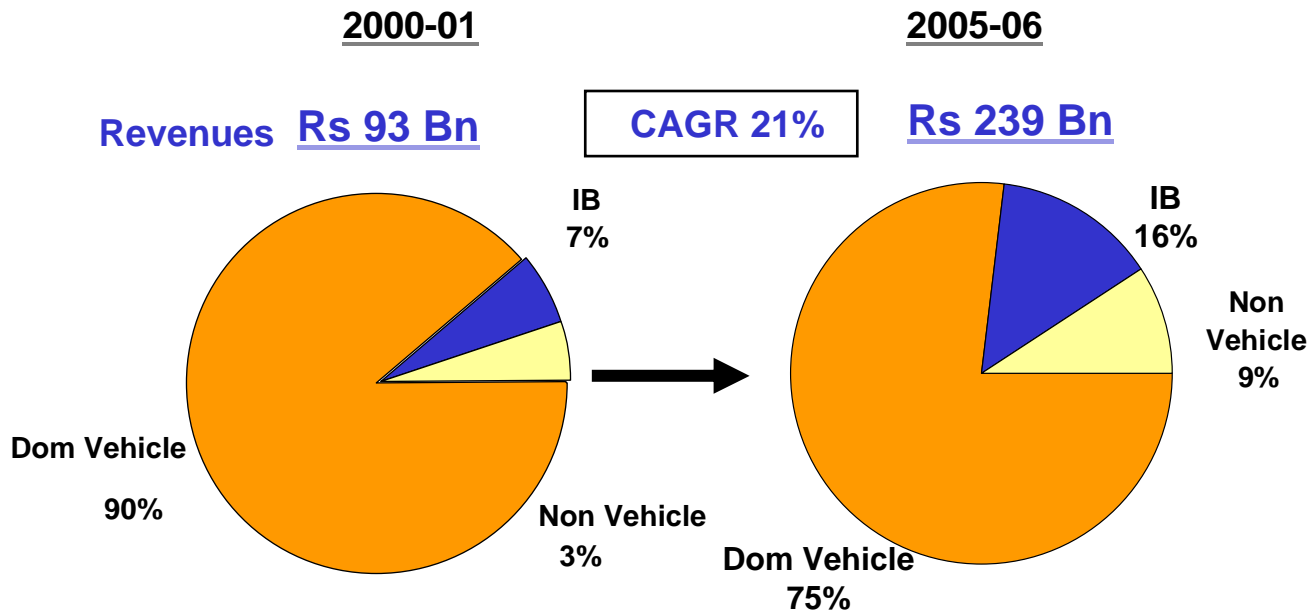
Business Results

Tata Motors' Profile

- ✓ **Tata Motors with consolidated FY06 net revenue of US\$ 5.4 billion is the largest company of the Tata Group. Tata Motors is the second largest manufacturing company and the largest automobile company in India by revenue.**
- ✓ **As at 31st March 2006, Tata Motors market cap of over US\$ 8 billion constitutes 16% of Tata Group's market cap.**
- ✓ **Tata Motors is the only Indian automobile company listed on NYSE. The company's bonds are also listed in Singapore and Luxembourg.**
- ✓ **Tata Motors is the only range automobile player and is India's largest manufacturer of commercial vehicles and 2nd largest manufacturer of passenger vehicles.**
- ✓ **Extensive nationwide dealership, sales and service network comprising of more than 2,000 locations.**
- ✓ **Tata Motors has low cost product development and manufacturing capabilities**
- ✓ **Has developed India's first and only indigenous car**
- ✓ **Has improved its International presence through organic and inorganic growth**

Tata Motors' Strategy for Growth

1. Increasing Domestic Vehicle Business
2. Growing International Business
3. Growing Non-Vehicle business
 - Construction Equipment
 - Engineering Design and Services
 - Vehicle Financing



Growth Strategy for TML

- New Products
- New Markets
- Alliances
- Cost Reduction
- Improve quality and efficiency
- Customer Satisfaction

Commercial Vehicles Growth Strategy



- **Opening up of new segments**
 - *Panel Van, Microbus, Novus etc*
- **Deeper penetration in existing markets**
- **Proposed Launches in Commercial Vehicle Segment in the next five years**
 - *World Truck*
 - *World Pickup*
 - *World LCV*
 - *New bus*
- **Setting up new facilities in domestic and international markets**
- **Buses can prove to be a Key Driver of Commercial Vehicle Growth**
 - *Acquired 21% stake in Hispano Carrocera, Spain in FY06*
 - *Entered in to JV with Marcopolo, Brazil*



Passenger Vehicles Growth Strategy

- New Platforms to be launched in the next three years
 - *Indica Platform*
 - *New Utility Vehicle Platform*
 - *Small car platform*
- New variants to be launched till the launch of new platforms
- Tata Motors will strengthen alliance with FIAT and explore new areas of collaboration

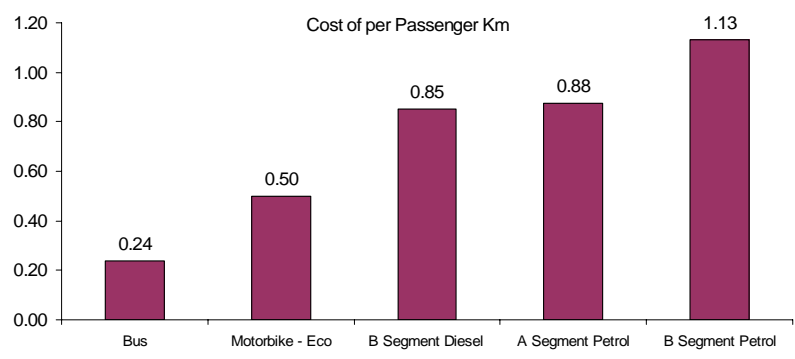
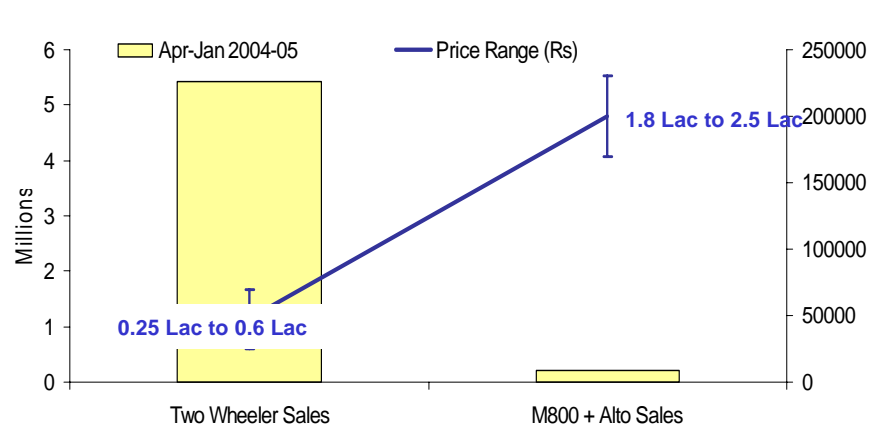
Small Car Project

- 4 door, 5 Seater,
- >30 HP Rear Engine
- Continuous Variable Transmission
- Price Rs. 1 Lakh (~\$2,000) – Global first
- Launch expected towards end of calendar year 2008
- Initial production of 300 K units per year; mature market potential estimated at 1 million units per annum



Rationale for the Small Car Project

There is a demand gap for low cost and safe transportation

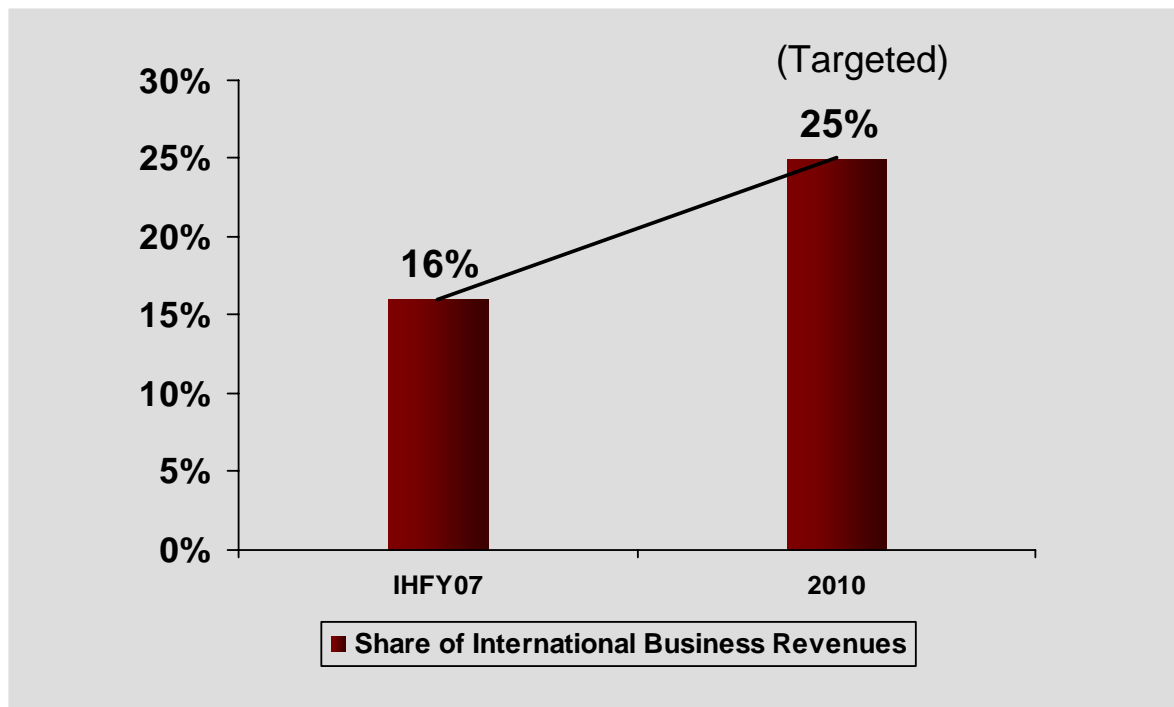


- Assumptions –
- Calculation does not include maintenance cost
 - Petrol @ Rs 50 & Diesel @ Rs 40
 - Distance traveled 200000 km.



Price and operating economics gap between 2 wheelers and A segment cars provides a strong case for a development of a safe and affordable transportation solution for the country

Increasing Share of International Business



- Entry into new markets
- Launch of new products
- Increased penetration into existing markets

Tata Daewoo Commercial Vehicles (Korea)

Rs mn	1HFY06	1HFY07	Growth
Turnover	6843	10,322	+51%
PBT	279	610	+119%
PAT	211	444	+110%



- Around 24% HCV Market Share in Korean market
- Exports : 1,394 units (up 136% y-o-y); forming over 2/3rd of Korea's Heavy Truck exports
- Entered MCV segment in Jan'06. Achieved 25% Market Share in MCV in first 9 months of launch
- Successful integration with TML for product design and development

TELCON

Rs mn	1HFY06	1HFY07	Growth
Turnover	5,669	7652	+35%
PBT	439	1044	+138%
PAT	278	682	+145%

- Continued dominance in excavator segment with market share of 53%
- Presently, market share in wheel loader is at 18% and in backhoe loaders is at 10%

- Construction equipment industry expanding at 30-35% CAGR
- Telcon getting integrated into the global Manufacturing and Marketing Network of HCM
- HCM to outsource Machines and components from Telcon for its global network.
- HCM and Telcon to set up a joint product development facility in India.
- New facility to be set up at Khargapur



Tata Technologies

Rs mn	1HFY06	1HFY07	Growth
Turnover	1081	4695	+334%
PBT	64	53	-17%
PAT	45	41	-9%

- Tata Technologies now well poised in Engineering design and PLM space with the right onsite - offshore mix.
- Access to a broader customer base in the automotive, aerospace and manufacturing industries
- Wider presence in all major geographies and markets in North America, Europe and Asia Pacific
- Access to INCAT's high end consulting skills and project management capabilities

Auto Components

HVTL

Rs mn	1HFY06	1HFY07	Growth
Turnover	574	779	+36%
PBT	195	295	+51%
PAT	127	193	+52%

HVAL

Rs mn	1HFY06	1HFY07	Growth
Turnover	347	443	+28%
PBT	158	178	+13%
PAT	108	125	+16%

- Plans to unlock value
- HVAL/HVTL will support Tata motors in its advanced power train implementation strategy
- Investments planned for capacity expansion, productivity, quality improvement.
- To expand its operations to other automotive companies

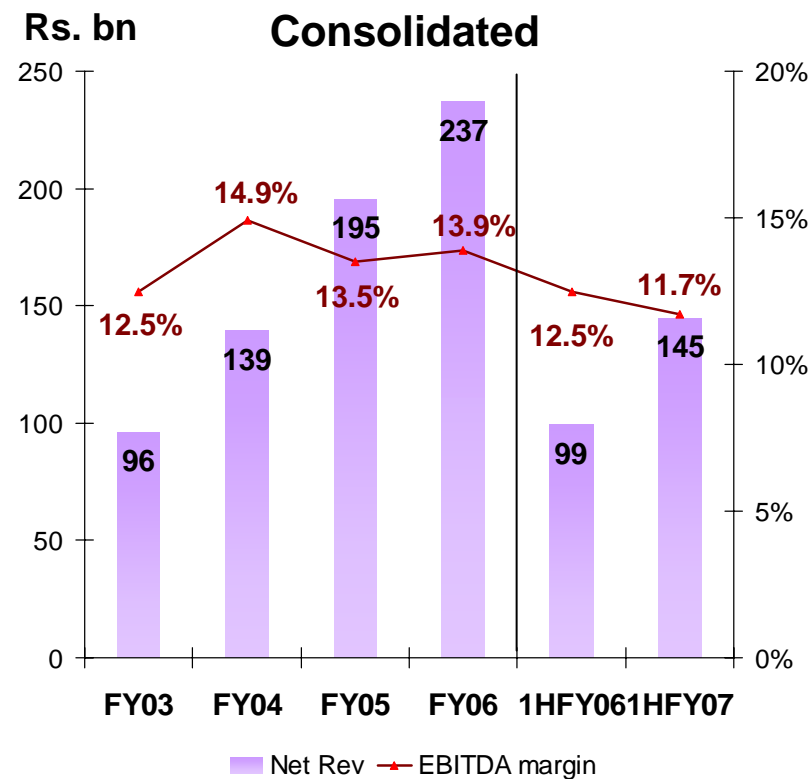
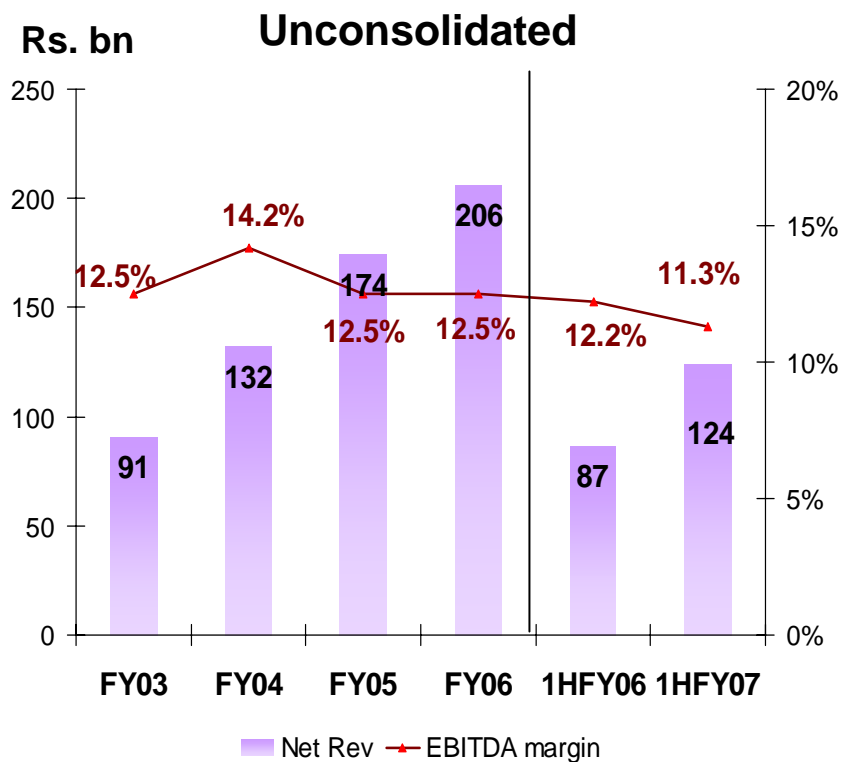


Economic and Industry
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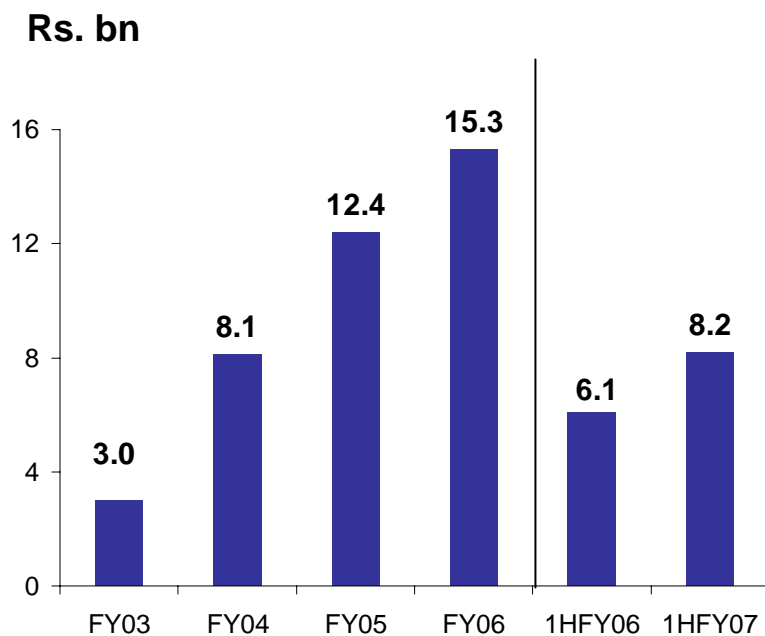
Business Results

Net Revenue and Operating Margin – Annual Trend

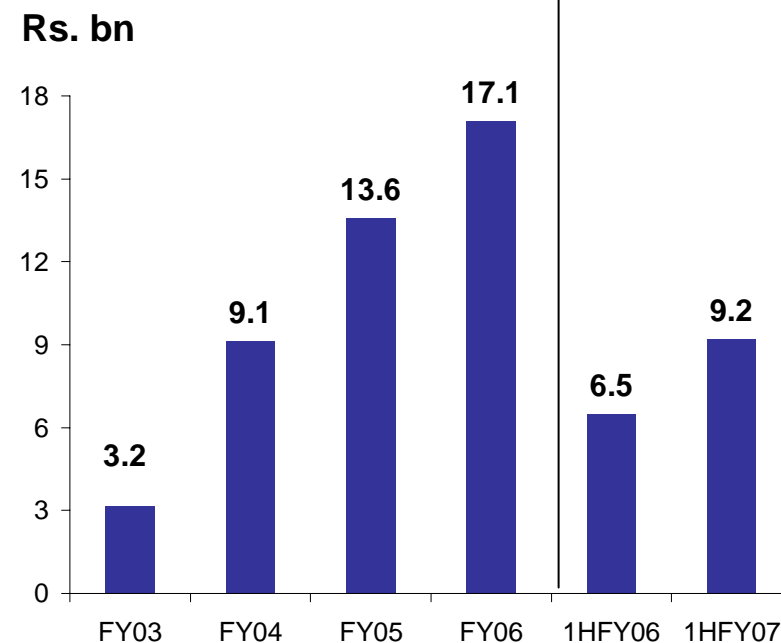


Profit after Tax – Annual Trend

Unconsolidated

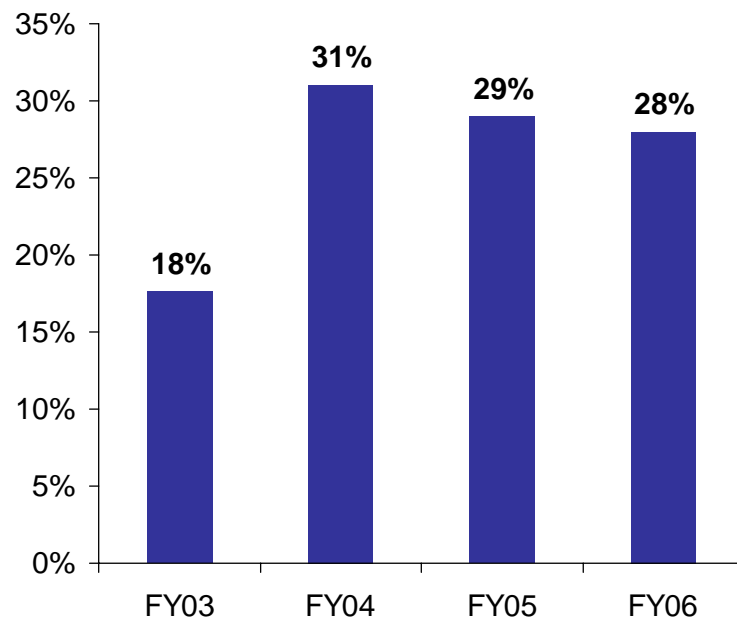


Consolidated

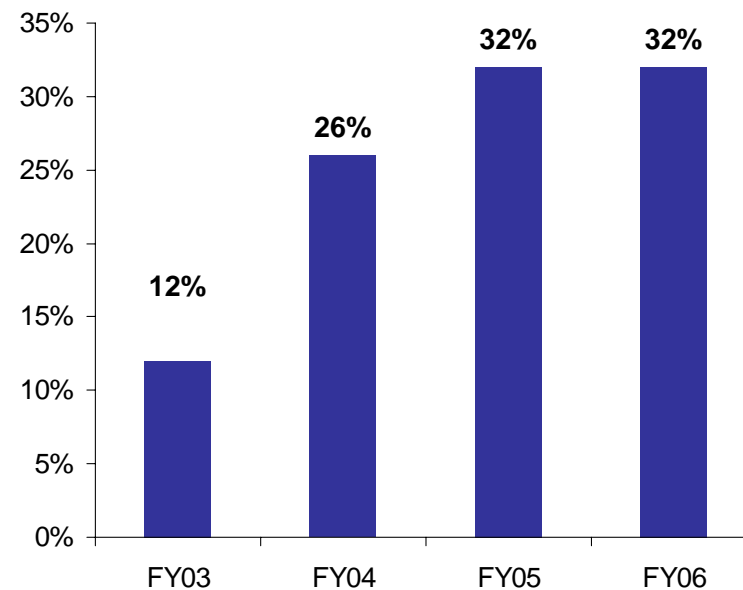


Optimizing Returns on Capital – Annual Trend

ROCE



ROE



Financial Performance (Consolidated) - 2Q FY07

Rs mm	2Q FY06	2Q FY07
Gross Revenue	62,437.4	86,762.3
Net Revenue	54,288.8	77,026.6
EBITDA	6,806.1	9,221.9
EBITDA Margin	12.54%	11.97%
Other Income	592.5	950.5
Net Interest	495.2	1,008.7
Dep. & Amortisation	1,489.6	1,693.0
Prod. Dev. Exp.	58.1	175.2
PBT	5355.7	7293.2
Net Profit	3,933.1	5,364.4
Basic EPS (Rs) (Non Annualised)	10.45	13.95

- Net Revenues ↑ 42%
- EBITDA ↑ 36%
- PBT ↑ 36%;
- PAT ↑ 36%
- EPS of Rs.13.95 ; ↑ 34%

Financial Performance (Consolidated) - IH FY07

Rs mm	1HFY06	1H FY07
Gross Revenue	114,125.4	165,054.7
Net Revenue	99,069.0	144,736.0
EBITDA	12,387.1	16,962.0
EBITDA Margin	12.50%	11.72%
Other Income	695.4	1,123.6
Net Interest	1,033.3	1,793.1
Dep. & Amortisation	2,970.9	3,347.8
Prod. Dev. Exp.	131.7	278.4
PBT	8,946.6	12,658.7
Net Profit	6,548.2	9,181.1
Basic EPS (Rs) (Non Annualised)	17.40	23.92

- **Net Revenues ↑ 46%**
- **EBITDA ↑ 37%**
- **PBT ↑ 42%;**
- **PAT ↑ 40%**
- **EPS of Rs.23.9 ; ↑ 38%**

Financial Performance (Standalone) - 2Q FY07

Rs mn	2Q FY06	2Q FY07
Gross Revenue	55680.7	75892.9
Net Revenue	47813.1	65717.9
EBITDA	5760.4	7583.2
<i>EBITDA Margin</i>	<i>12.0%</i>	<i>11.5%</i>
Other Income	580.4	848.3
Net Interest	460.6	955.8
Dep. & Amortisation	1272	1434.9
Prod. Dev. Exp.	58.1	175.2
PBT	4540	5863.9
Profit after Tax	3378.7	4417.2
Basic EPS (Rs) (Non Annualised)	8.98	11.48

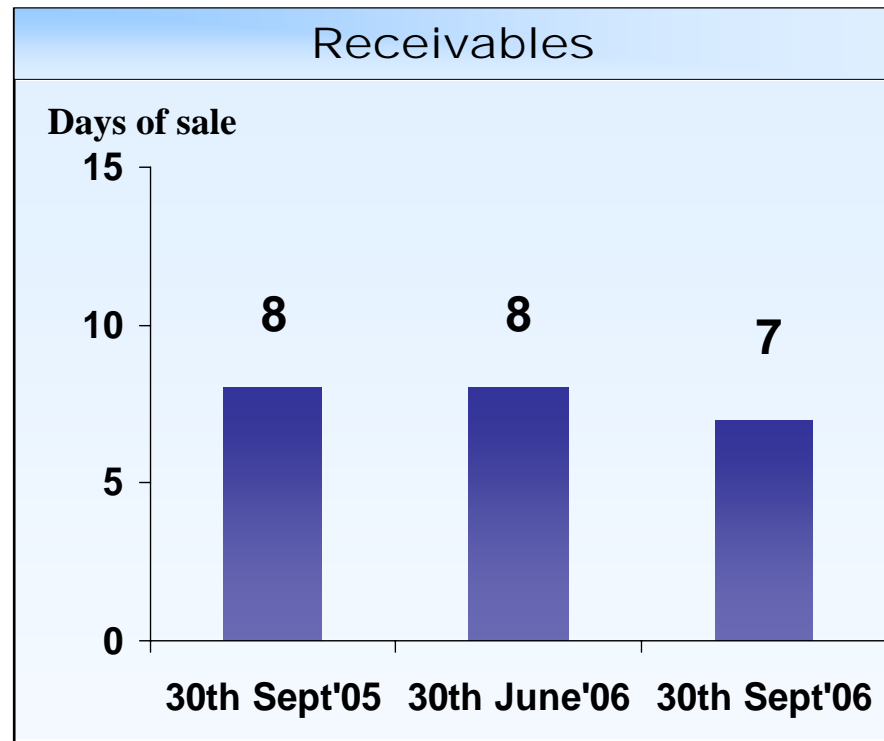
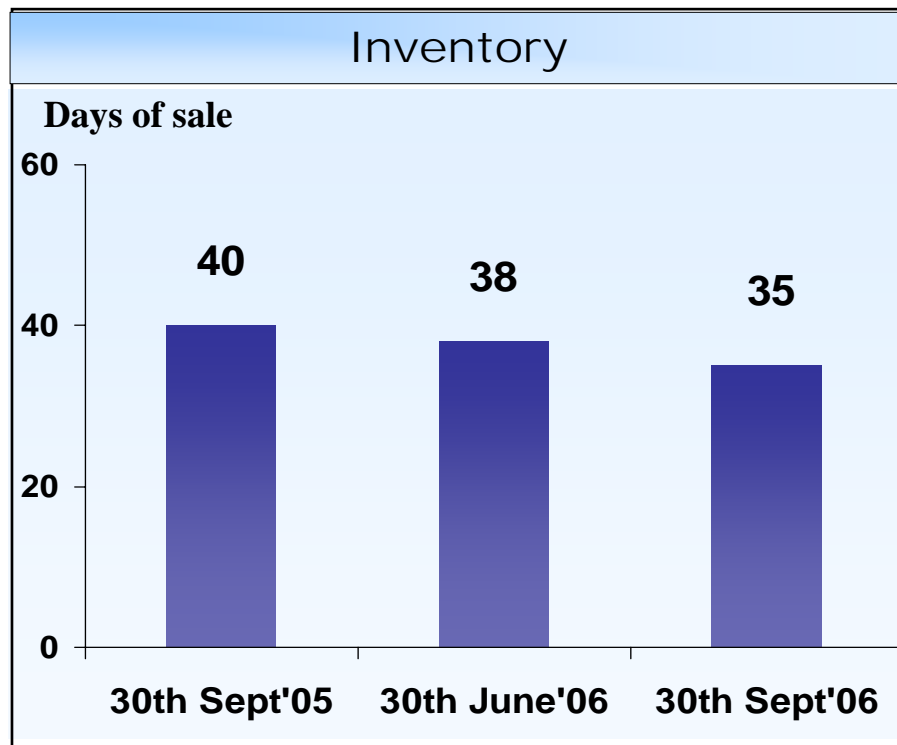
- Net Revenues ↑ 37%
- EBITDA ↑ 32%
- PBT ↑ 29%;
- PAT ↑ 31%;
- EPS of Rs.11.48 ; ↑ 28%
- Continued input cost pressures resulting in lower margins

Financial Performance (Standalone) - 1H FY07

Rs mn	1HFY06	1H FY07
Gross Revenue	101,212.8	142,979.4
Net Revenue	86,811.8	123,552.0
EBITDA	10,617.7	13,949.6
<i>EBITDA Margin</i>	<i>12.2%</i>	<i>11.3%</i>
Other Income	1,163.3	1,707.4
Net Interest	970.7	1,681.3
Dep. & Amortisation	2,538.6	2,845.4
Prod. Dev. Exp.	131.7	278.4
PBT	8,140.0	10,846.4
Profit after Tax	6,105.4	8,235.7
Basic EPS (Rs) (Non Annualised)	16.23	21.46

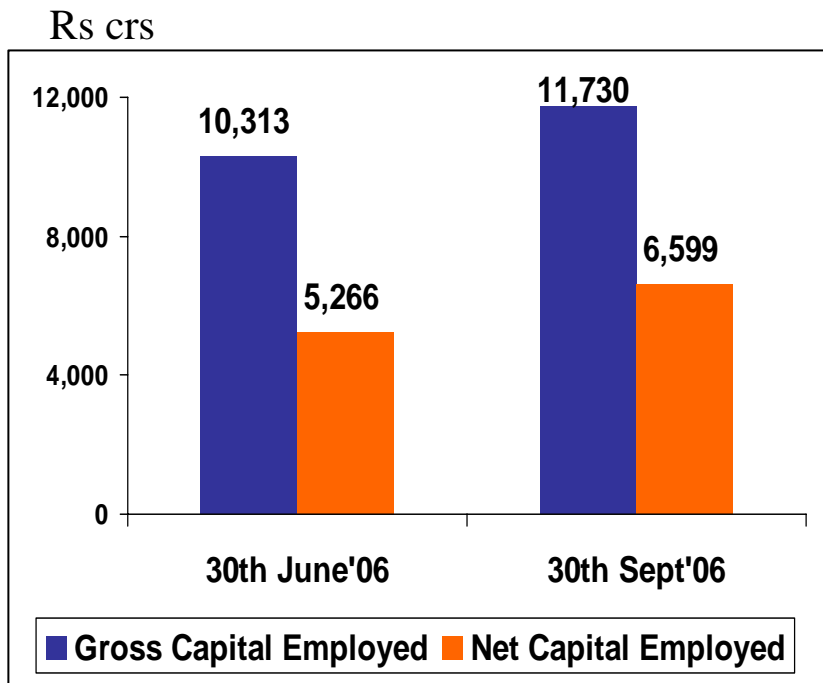
- Net Revenues ↑ 42%
- EBITDA ↑ 31%
- PBT ↑ 33%;
- PAT ↑ 35%
- EPS of Rs.21.46; ↑ 32%

Working Capital

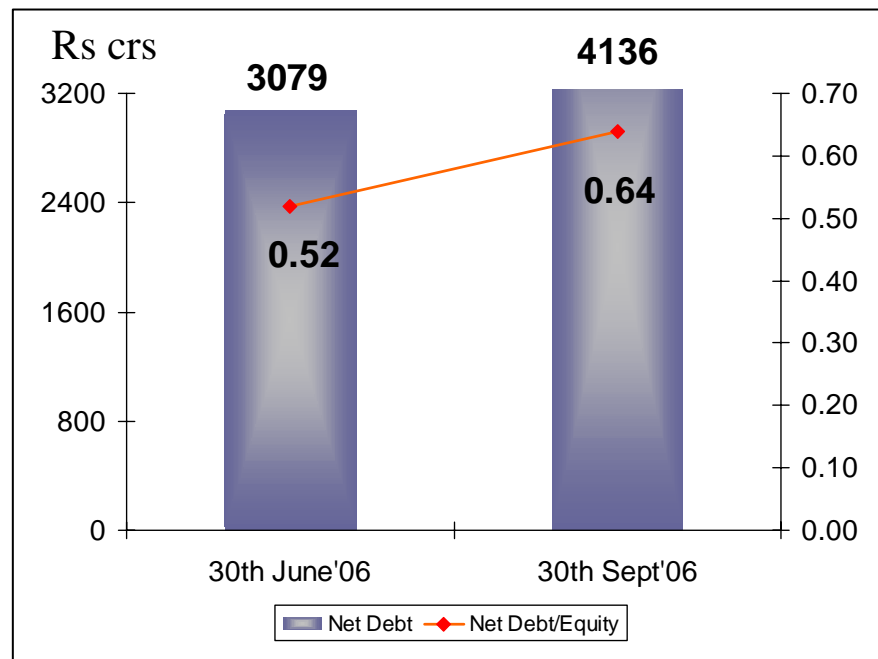


Working Capital still continues to be tightly managed

Balance Sheet Size

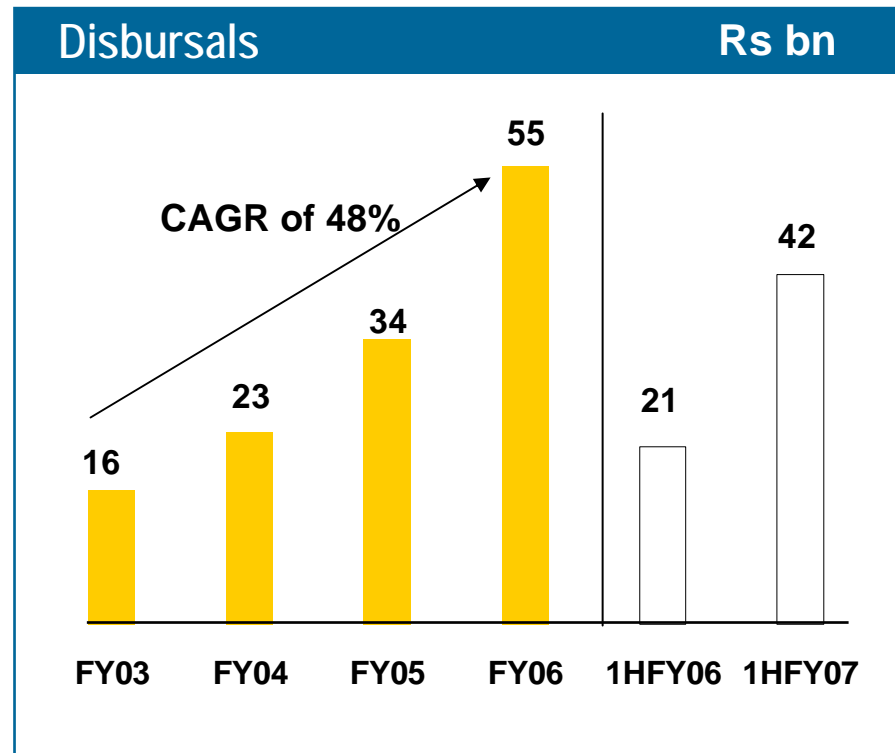
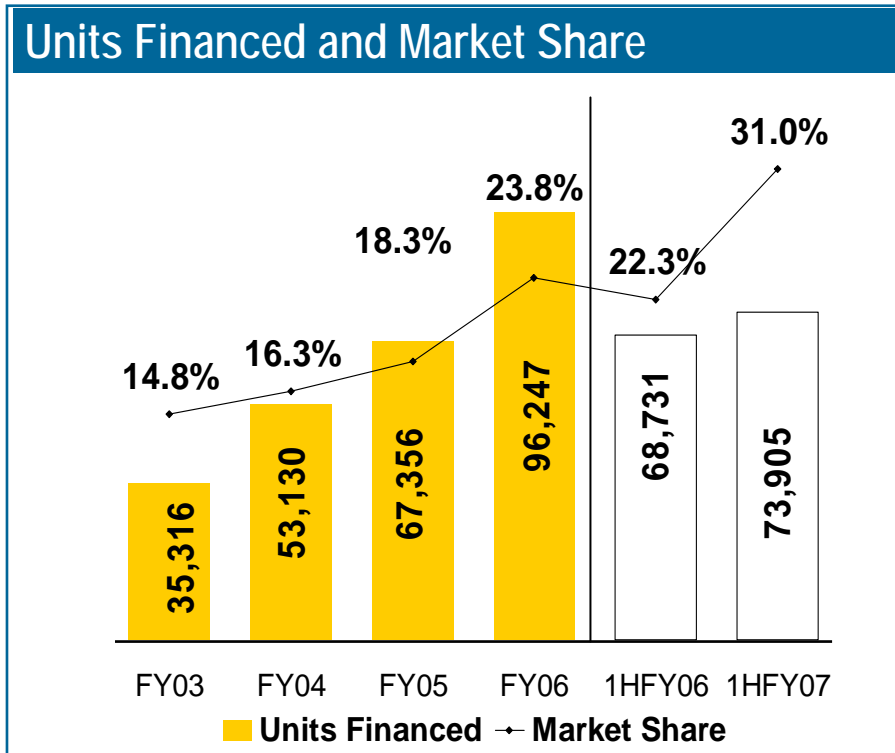


We have financing loans and receivables to the extent of Rs. 5,131 crs as on 30th Sept '06

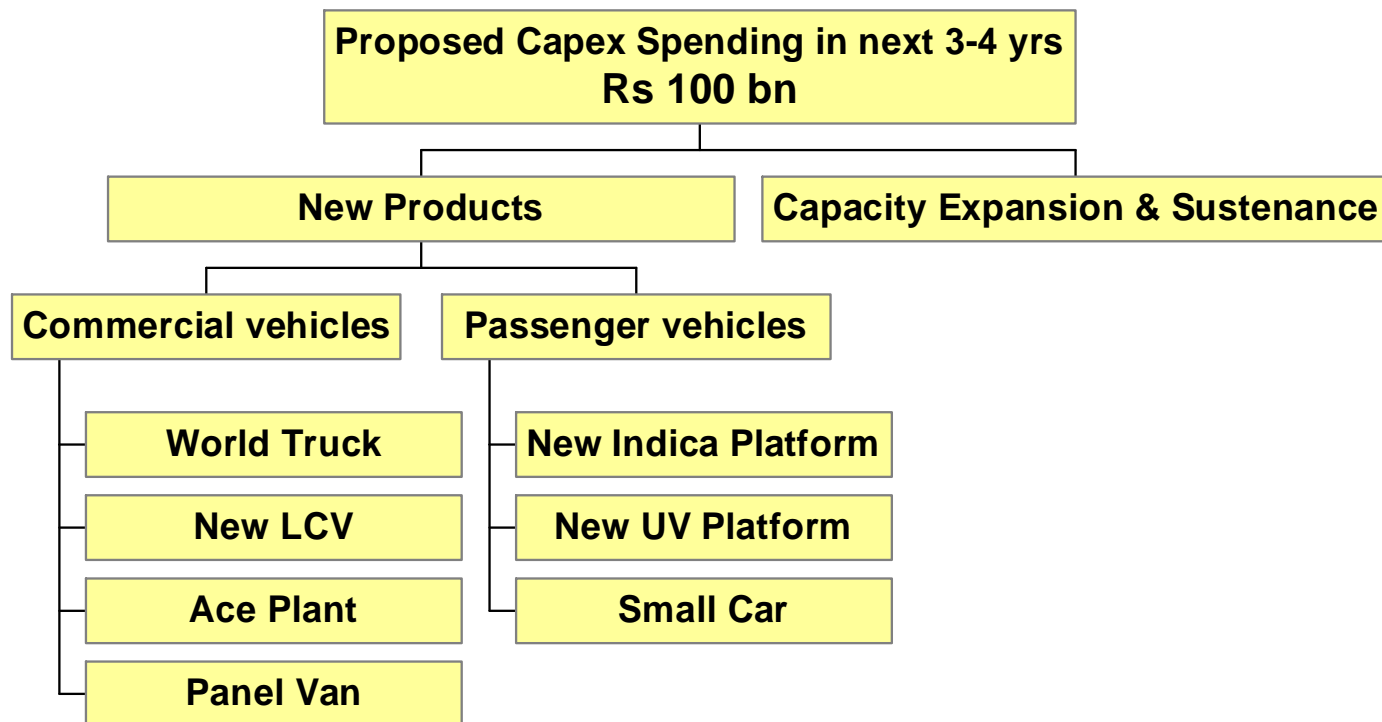


Net Capital employed is net of Vehicle Financing loans & receivables

Performance Highlights of Tata Motor Finance



Capex Plans



The Company proposes to fund the capex through internal accruals and borrowings

The six months ahead.....

- **Overall commodity prices expected to remain high due to continued demand – supply gap.**
- **The buoyant domestic growth and increased raw material costs will continue to maintain an upward pressure on inflation.**
- **Infrastructure development and growth in Industrial production likely to be the key drivers for Commercial Vehicle demand in the country. However growth rate expected to be moderate in the second-half of the fiscal year due the base-effect.**
- **Increasing choice for the customer and easy availability of financing would serve as significant driver of passenger vehicle growth.**
- **Close watch on the direction of crude oil price.**

Thank You

www.tatamotors.com