

Tata Motors Limited

Investor Presentation

September 2009



**Business
Highlights**

**Financial
Highlights**

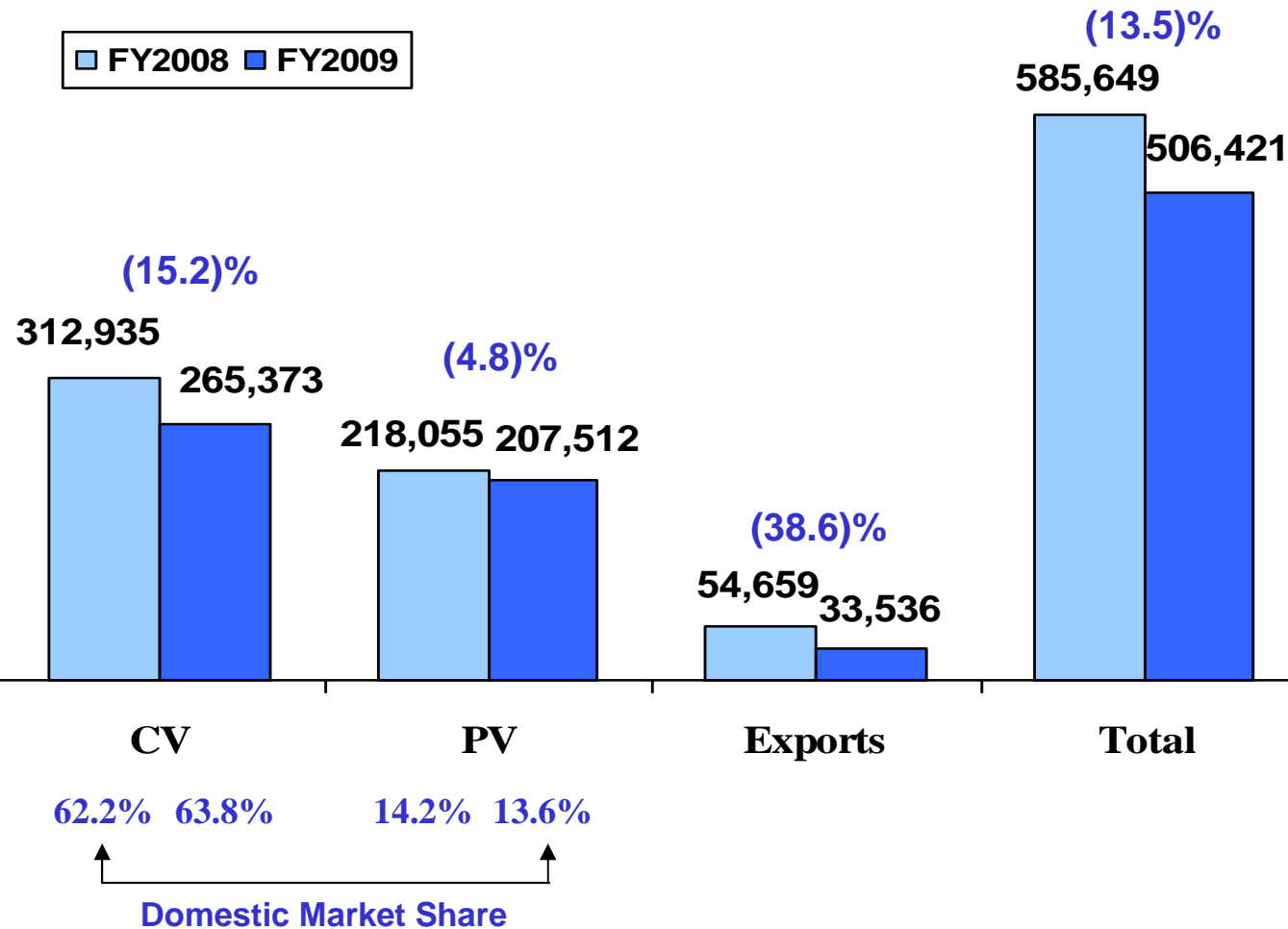
Subsidiaries

Way Forward

- **FY 2009**
- **Q1 FY 2010**

TML recorded market share gains, despite a challenging environment in FY09....

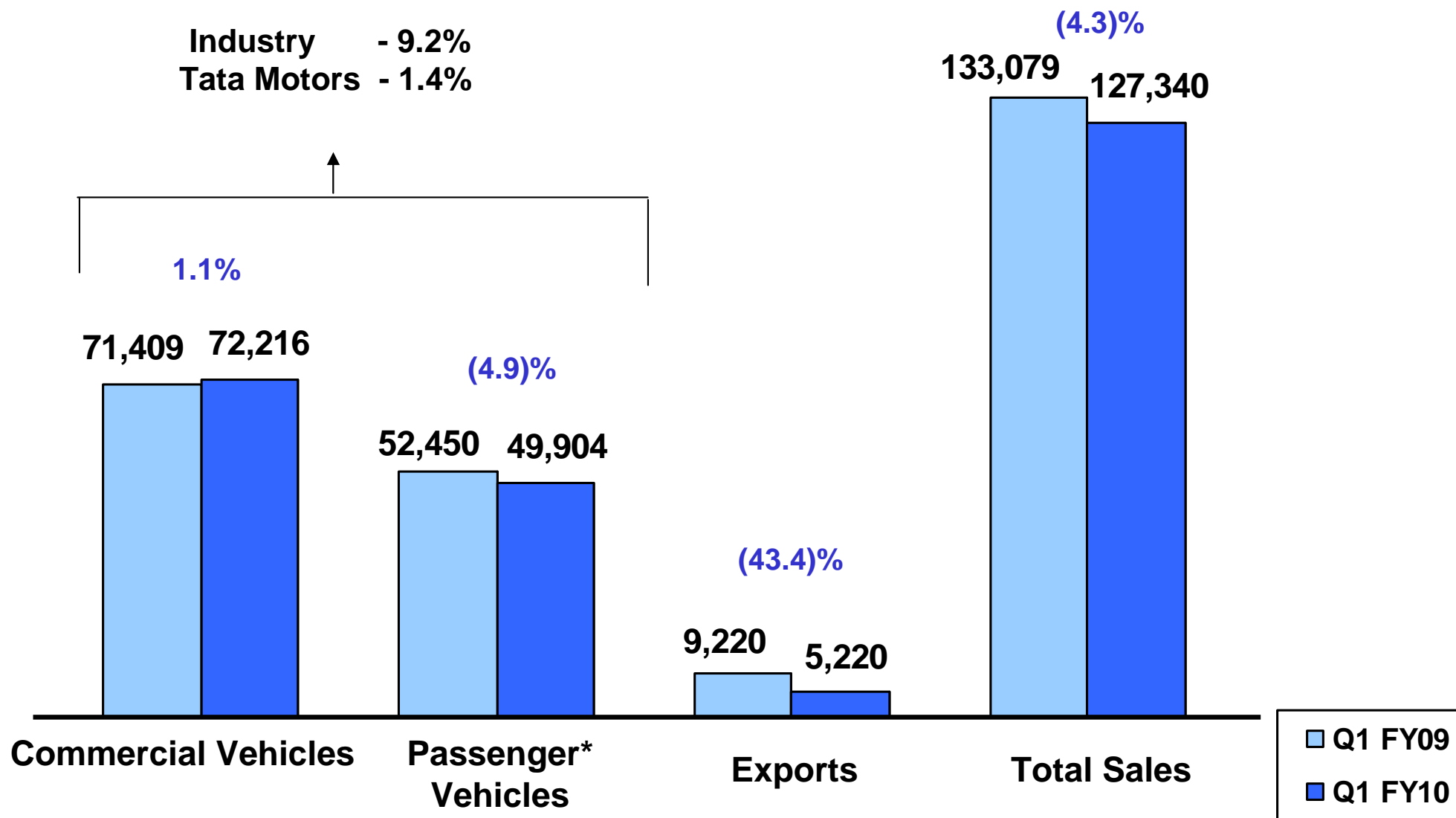
■ FY2008
 ■ FY2009



Quick Actions by the company helped to tide through the slowdown

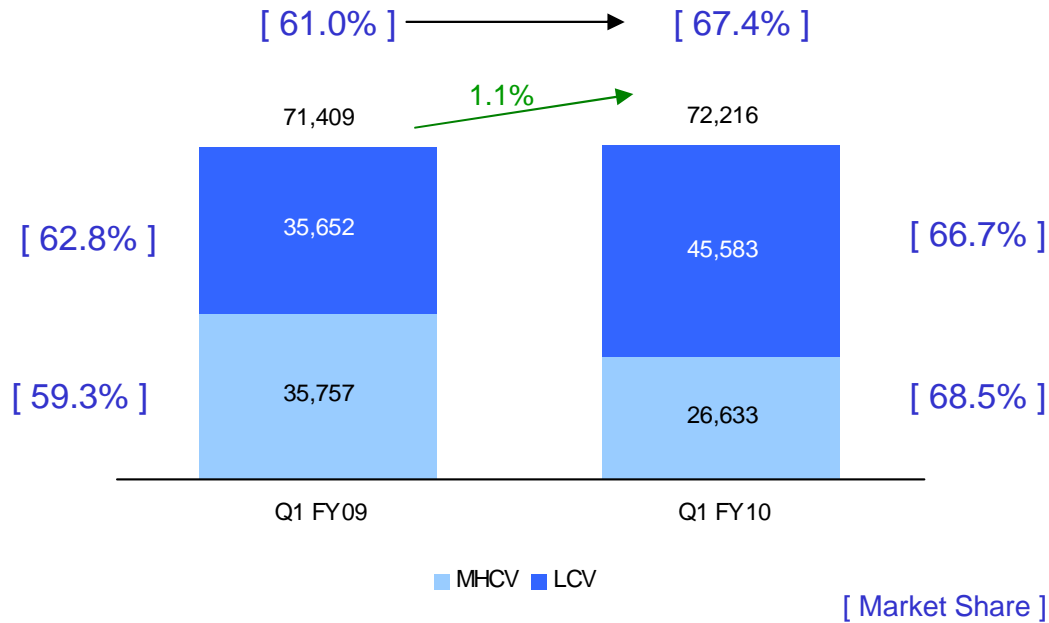
- Tight Control on Inventory
- Block closures at Plants to align production with demand
- Cost Reduction efforts accelerated for material costs
- Reduction in Fixed and variable costs
- Prioritization of Investments

Domestic volumes are showing initial signs of stability in Q1 FY10...

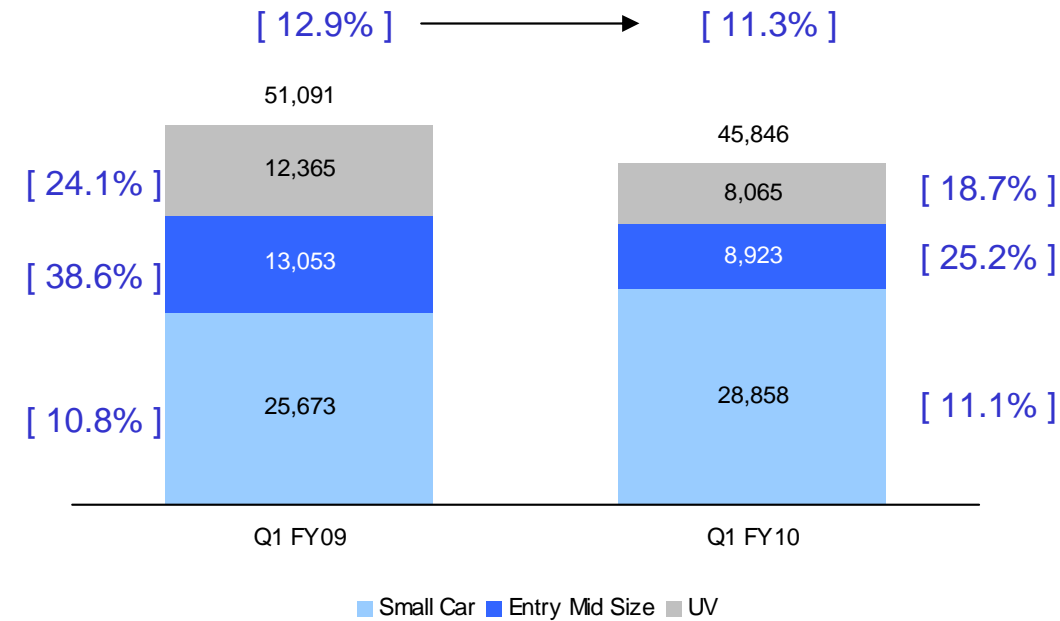


Note*: Includes sale of FIAT vehicles

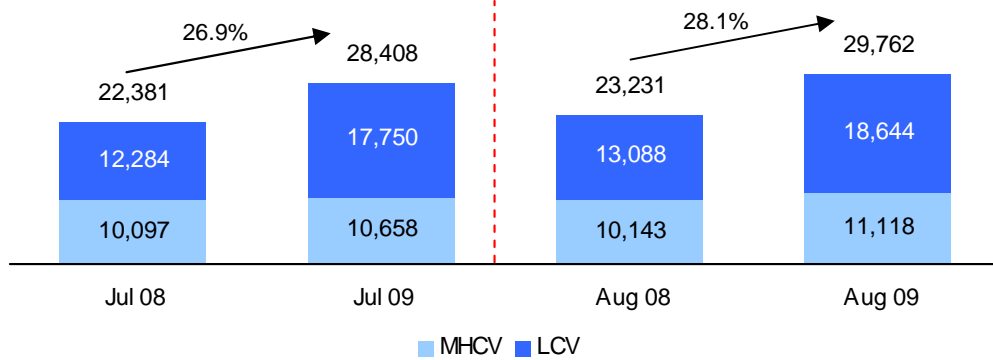
...with continuing market share gains in CVs



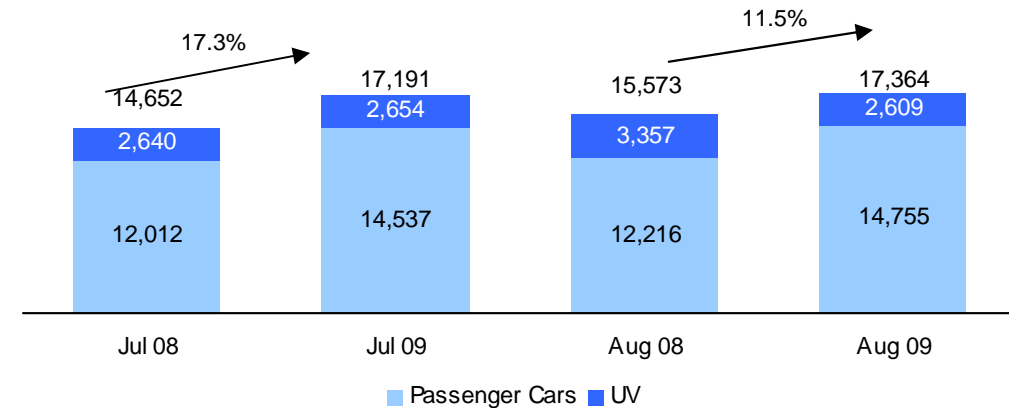
... as Vista drives market share in PVs in the backdrop of increased competition



Monthly Volumes



Monthly Volumes



Note: LCV includes sales of Magic and Winger

Source: SIAM and company analysis

Note: Figures exclude FIAT sales

Significant Developments to date



1

- Completed rights issue of Rs. 4200 crore in November 2008, repaying ~US\$1 billion of the JLR acquisition debt

2

- Launch of several new models and variants - Ace CNG (CV), Marcopolo buses, Indica Vista (PV), Fiat Linea rollout

3

- Highly successful Nano launch. Initiated relocation of Nano project to Sanand, Gujarat with a capacity to produce 250,000 vehicles

4

- Launch of the pioneering World Truck series, which will set new benchmarks for industry with respect to power, speed, carrying capacity and operating economy

5

- Successfully completed refinancing of acquisition facility through issue of ~US\$840 million in credit enhanced rupee bonds and extended the tenure of the balance US\$1 bn facility by 18 months

New Product Launches

Tata Nano Update: Deliveries from July'09



- Tata Nano was launched in Mumbai on March 23rd to unprecedented media attention
 - Over 60 million hits on the Tata Nano website
 - Tata Nano received 'Wall Street Journal Technology innovation Award'
- Received Rs.25 Bn from the booking process ; More than 6 lakh forms were sold and over 2 lakh bookings were received
 - First lot of 100,000 vehicles delivery commenced from July'09
- Initial production in Pantnagar has started
 - Work at Sanand (capacity : 250,000 units) for the new plant underway, expected to commence production in Q1 CY10
- Tata Nano Europa for future launch displayed in the 79th Geneva Motor Show

World Truck – A global range, unveiled in India



- Gross capacities ranging from 10T to 75T
- Solutions for varied applications such as Tractor-trailers, multi-axle trucks, rigid trucks, tippers, mixers as well as special application such as reefers, tip trailers, bulkers
 - 200+ variants to be launched in a phased manner
 - Range of air-conditioned cabins, wide and narrow with three lengths & three heights
 - Range of power train options from 150 HP to 560 HP, with option of automated transmission fitment
- Euro III & IV compliant & Euro V ready
- Conforming to motor vehicle rules, crash & safety norms

Short Term Business Outlook

- Current Business conditions remain uncertain; however expect Indian economic growth to revive earlier than world economy



- **Commercial vehicles sales to be driven by**
 - New products : World Truck, Ace variants
 - Bus demand from JNNURM scheme
 - Improved penetration of LCV Passenger carriers
 - Truck demand on the back of renewed economic activities
 - Emission change effective Apr 2010



- **Passenger Vehicle sales to be driven by**
 - Full year availability of Indica Vista
 - New sales of Nano and launch of New Indigo, Fiat Linea, Grande Punto
- **Jaguar and Landrover introduced in India from June**

**Business
Highlights**

**Financial
Highlights**

Subsidiaries

Way Forward

- **FY 2009**
- **Q1 FY 2010**
- **Debt position and profile**

Consolidated P&L : Highlights

Generated Consolidated Cash profit at Rs.1065 Crs despite impact of severe economic slowdown

Rs Crs	FY08	FY09	% change
Gross Revenue	40341	74151	83.8%
Net Revenue	35660	70939	98.9%
EBITDA	4249	2197	-48.3%
EBITDA Margin	11.9%	3.1%	(880) bps
Other Income	267	799	199.3%
Net Interest	743	1931	159.9%
Cash Profit	3773	1065	(71.6) %
Dep. & Amortisation	782	2507	220.6%
Prod. Dev. Exp.	66	348	427.3%
Notional Forex gain / (loss)	161	(339)	(310.5)%
PBT	3086	(2129)	(168.9)%
Net Profit *	2168	(2505)	(198.2)%

* Net profit is after share of minority interest and profit/(loss) in respect of investment in associate companies

The financial results for the year ended March 31, 2009 include the results of the operation of Jaguar Land Rover businesses for the period June 02, 2008 to March 31, 2009, Serviplem S.A. from April 2, 2008 to December 31, 2008, Comoplesa Lebrero S.A. from April 9, 2008 to December 31, 2008 and Miljobil Grenland AS for the period October 06, 2008 to March 31, 2009. The financial results for the year ended March 31, 2009 are not comparable to this extent with the previous year.

Consolidated vs. Standalone: FY09 P&L Highlights

Rs Crs	Consolidated	Standalone
Gross Revenue	74151	28599
Net Revenue	70939	25661
EBITDA	2197	1752
Cash Profit	1065	2004
PBT	(2129)	1014
Net Profit	(2505)*	1001

* Net profit is after share of minority interest and profit/(loss) in respect of investment in associate companies

Consolidated P&L : Highlights

Rs Crs	Q1FY09	Q1FY10	% change
Gross Revenue	15496	16954	9.4%
Net Revenue	14490	16397	13.2%
EBITDA	1697	596	(64.9)%
EBITDA Margin	11.7%	3.6%	(810) bps
Other Income	251	321	28.2%
Net Interest	324	584	79.9%
Cash Profit	1624	333	(79.5)%
Dep. & Amortisation	359	844	135%
Prod. Dev. Exp.	14	93	559%
Notional Forex (gain) / loss	395	(334)	NM
PBT	855	(270)	NM
Net Profit (after Minority interest)	720	(329)	NM

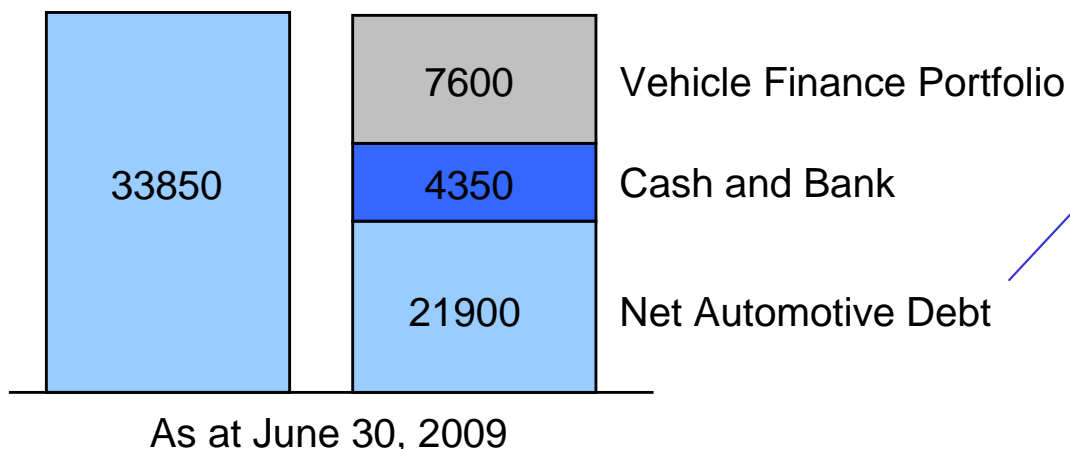
Includes Jaguar Land Rover
financials for the period June 2nd –
30th 2008

Consolidated vs. Standalone: Q1 FY10 P&L Highlights

Rs Crs	Consolidated	Standalone
Gross Revenue	16954	6931
Net Revenue	16397	6405
EBITDA	596	728
Cash Profit	333	794
PBT	(270)	548
Net Profit	(329)	514

Consolidated Borrowing Position

Rs Crs

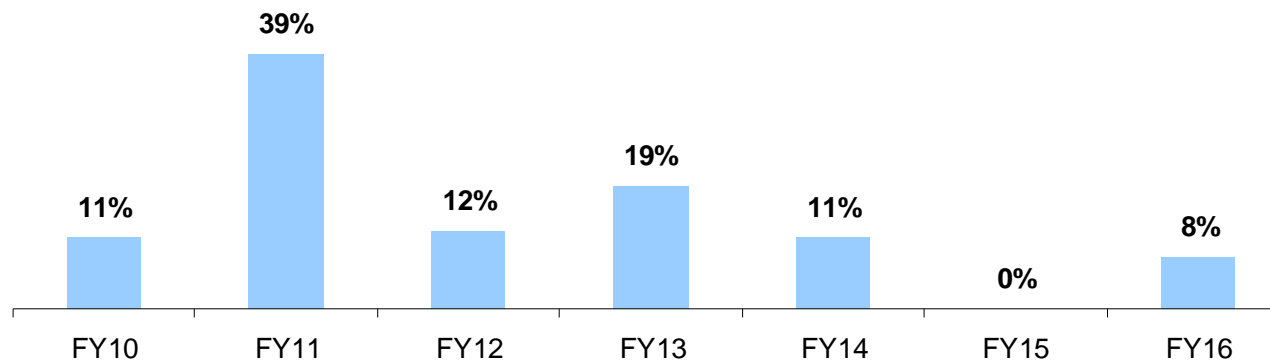


Target to reduce debt – equity ratio through

- Divestments
- Capital Raising
- Internal Accruals

Post Refinancing Long Term Debt Repayment Profile

(Proforma)



* includes repayment of outstanding FCCBs and CARs

(% of long term debt repayment)

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Subsidiaries

Way Forward

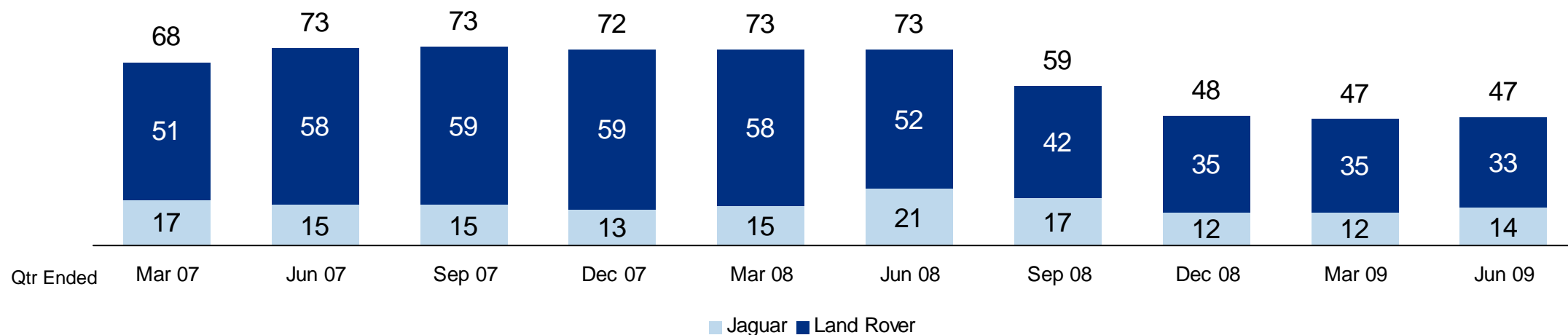
- **JLR Overview**
- **Other Key Subsidiaries**

Jaguar LandRover Executive summary

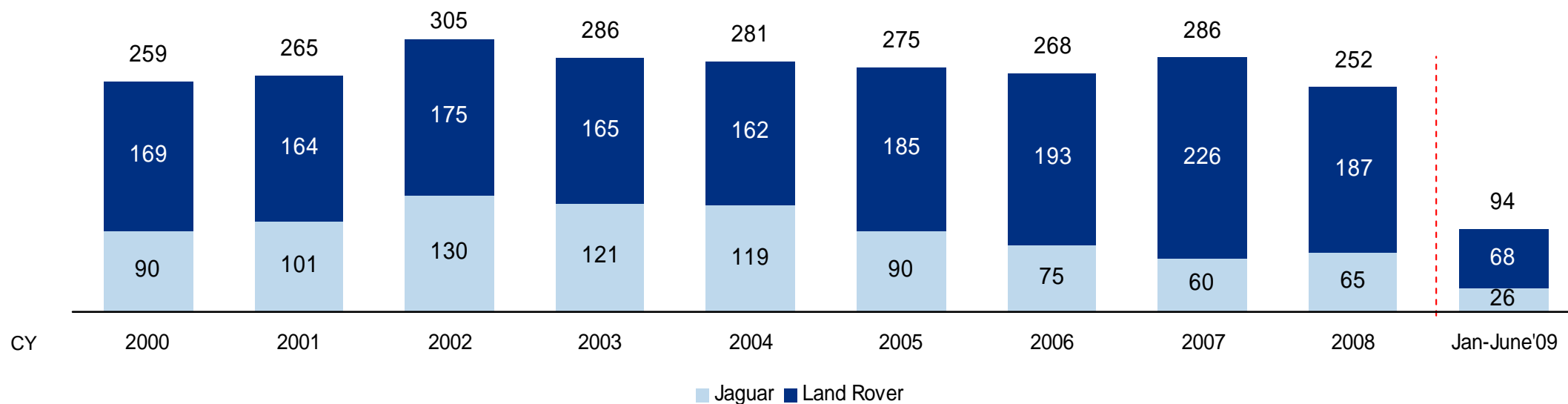
- Deteriorating market conditions since the acquisition had an adverse impact on volumes
 - In response Jaguar Land Rover have focused on aligning production with demand, reducing costs and working capital requirements where possible
 - For the ten month period ending March 31 2009 Jaguar and Land Rover reported a loss before tax of £(281)mn
- Despite the economic climate Jaguar Land Rover has successfully launched product upgrades including:
 - New XF and XKR including new powertrains in January 2009
 - All new XFR from January 2009
 - A new Freelander with stop-start technology in Sept 2008
 - April 2009 comprehensive upgrades to the Range Rover, Range Rover Sport and Discovery 4 (LR4)
 - July 2009 new Jaguar XJ revealed to media acclaim with customer deliveries due in early 2010.
 - May 2009 Sales of Freelander 2 TD4_e, with intelligent stop-start, first vehicle to incorporate TERRAIN TECHNOLOGIES
 - New Gen II and Gen III petrol and diesel engines launched for 10MY all deliver more power and more performance with comparable or better fuel economy and emissions than the engines they supersede
 - April 2009 Defender 110 – new 5 seat commercial vehicle & June 2009 Defender ‘Fire and Ice’ special edition
- Jaguar Land Rover remains committed to reductions in CO2 and continue to invest in development of future products
- Opened first Indian dealership in Mumbai in June 2009

Jaguar Land Rover Worldwide Volumes (Retail)

Quarterly Volumes ('000s)



Annual Volumes ('000s)



Income statement



	Jun'08 to Mar'09	Apr'09 to Jun'09
	(£ mils)	(£ mils)
INCOME		
Sale of products and other income from operations	4,974	1,125
EXPENDITURE		
Purchase of products for sale and raw materials and components	3,296	814
Payments and provision for employees	569	176
Manufacturing costs and other expenses (net of transfer to capital account)	1,151	170
Total expenditure	5,016	1,159
PROFIT/(LOSS) BEFORE DEPRECIATION, INTEREST, AMORTISATION, AND TAX	(42)	(34)
Product development costs	39	11
Depreciation of fixed assets	170	69
Interest and discounting charges	31	13
PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS	(282)	(127)
Notional Exchange (Loss)/Gain (net) on revaluation of foreign currency borrowings	1	65
PROFIT/ (LOSS) BEFORE TAX	(281)	(62)
Income tax charge	25	2
LOSS FOR THE FINANCIAL PERIOD	(306)	(64)

Note: Proforma Management Accounts of Jaguar and Land Rover operating companies excluding UK holding company (JaguarLandRover Ltd.)

Cash Conservation at JLR

- Alignment of production with demand:
 - Single shifts and down time at all three UK assembly plants
- Actions to reduce working capital (June 2008 – March 2009):
 - Supplier payment terms extended from 45 to 60 days in line with industry standard
 - Receivables reduced by £133 million from 38 to 27 days
 - Inventory reduced by £217m between June 2008 and March 2009 from 70 to 50 days
- Cost reduction implemented across all areas of the business:
 - Labour actions – targeting 2,000 agency and permanent reductions between May 2008 – December 2009
 - Cessation of X-Type production at Halewood by year end to result in a reduction of up to 300 heads by voluntary means
 - Agreement with Unions to implement pay freeze and longer working hours, which together with the labour actions above is equivalent to approximately 20% reduction in labour costs
 - Engineering and capital spending efficiencies
 - Fixed marketing and selling costs reduced in line with sales volume
 - Reduction in all other non-personnel related overhead costs

Pensions revaluation

- The initial results of the revaluation as at April 2009 are expected to be available in September 2009 post which a revised contribution pattern would be discussed with the pension Trustees
- The legislation requires the valuation process, including agreement on a revised contribution pattern, to be completed by early July 2010
- As per audited financial statements as of March 31, 2009, the UK Jaguar and LandRover pension schemes have a projected benefit obligation of about £3 bn and Fair Value of Plan Assets of about £3.1bn

Funding arrangements

- Since March 2009 Jaguar Land Rover have secured, or have credit approval, for further financing facilities, which together with those already in place, enable the present forecast requirements to be met
- Included within these facilities is the European Investment Bank approved funding of £340 mn. It is anticipated that access to this can be secured in the near future through appropriate commercial arrangements
- Given the above together with the positive trend in the external environment in financial markets and improvement in general liquidity, these arrangements have been and are expected to be concluded without necessitating guarantees from the UK Government, for which discussions had been ongoing for some time

Successful transition from Ford



- National sales companies
 - JLR is currently in the process of establishing operations in markets where they have previously operated as part of Ford legal entities
 - This transition is progressing to plan with 15 markets successfully being transitioned since acquisition. All markets except Singapore have now transitioned. Major markets transitioned include USA, Canada, South Africa, France, Brazil, China and Russia
 - All markets are due to be transitioned by November 30th, 2009
- Ford Credit
 - Ford Credit provided dealer / customer financing support for the first 12 months following acquisition
 - Jaguar Land Rover has now transitioned to financing arrangements with FGA Capital (JV between Fiat Auto and Credit Agricole) in the UK and Europe and Chase Auto Finance in the US and local providers in certain other key markets
- IT and related infrastructure
 - JLR continues to work with Ford to separate its IT infrastructure and support systems

Vision – The Transformation Plan

2009 - Stabilise

- Stabilise, drive cost, launch new product and initiate transformation.

2010-12 - Transform

- Drive transformation to profitable business – simpler, more flexible with a lower cost base and lower breakeven
- Create the cash to invest

Stabilise & Transform

Achieve cash self sufficiency
AND generate profits to invest

2009 to 2012

2013

Complete transformation

Achieve Potential

Achieve competitive potential

2013

Sustainable Growth

2014 Onwards

- Deliver key growth market and brand portfolio extension opportunities
- Optimise the manufacturing footprint and supply chain for the business
- Full global business synergies with TML
- Strong technology strategy for low carbon world

Sustained and steady growth

2014 onwards

Strategic priorities and actions

Regional, Brand and Product Strategies

- JLR has the best model range in its history – focus now is on increasing share/retail performance
- There are many opportunities to extend the portfolio on modular architecture for all brands to achieve scale
- JLR is accelerating efforts to lower emissions and CAFE responding to regulators and consumers
 - Lightweight architecture, low emission & low fuel consumption powertrains







Transformation and Breakeven

- JLR have had significant challenges in 2008 and 2009
- JLR is reducing fixed costs and breakeven volume to ensure greater resilience through the cycle
- Business is overly complex due to prior ownership driving commonality within parent rather than JLR. Plans to address this include:
 - Platform, architecture strategy (PLA);
 - Capacity and footprint rationalisation; Leaner operational governance
- JLR is increasing margin on every car sold
 - Pricing, specification change and reduction of material and warranty cost per vehicle

Global Footprint and Partnerships

- Develop a globally competitive footprint
- Investigate opportunities for partnerships to further unlock potential
- Exploit critical scale and synergy opportunities with Tata Motors

Overview of Other Key Subsidiaries

US/Rs.= 49.2	TML Ownership	Q1 FY10 (US\$ Million)	FY 09 (US\$ Million)	Business Description
	60%	<ul style="list-style-type: none"> Revenues: 79.3 PAT : (0.1) 	<ul style="list-style-type: none"> Revenues: 436.2 PAT : 9.1 	<ul style="list-style-type: none"> 60:40 joint venture with Hitachi Construction Machinery, Japan Market Leader in construction equipment with facilities in India at Dharwad, Karnataka and Jamshedpur, Jharkhand Plans on to commission new manufacturing facility at Kharagpur in October 2009
	100%	<ul style="list-style-type: none"> Revenues: 135.6 PAT : 3.7 	<ul style="list-style-type: none"> Revenues: 516.5 PAT : 22.6 	<ul style="list-style-type: none"> Second largest heavy duty commercial vehicle manufacturer in Korea Production capacity of 20,000 medium and heavy trucks Market share increased from 25% to 28% with aggressive marketing
	100%	<ul style="list-style-type: none"> Revenues: 43.5 PAT : (7.5) 	<ul style="list-style-type: none"> Revenues: 165.7 PAT : (24.6) 	<ul style="list-style-type: none"> Non Banking Financial Company (NBFC) and captive financing arm Over 109 branches, Book size of Rs. 5800 crore as at end of June 30
	81.7%	<ul style="list-style-type: none"> Revenues: 50.0 PAT : 1.0 	<ul style="list-style-type: none"> Revenues: 244.3 PAT : 13.4 	<ul style="list-style-type: none"> Specialized engineering and design services to automotive, aerospace, engineering and consumer durable industries Operations in 45 cities across 12 countries Doubled PAT on account of growth in offshore business and tight control on costs
	85%	<ul style="list-style-type: none"> Revenues: 8.9 PAT : 2.0 	<ul style="list-style-type: none"> Revenues: 31.5 PAT : 5.7 	<ul style="list-style-type: none"> Captive manufacturer of axles for MHCVs produced by TML Manufacturing facility at Jamshedpur with installed capacity of 0.36 m axles/annum Significant reduction in variable costs to combat slowdown
	85%	<ul style="list-style-type: none"> Revenues: 7.9 PAT : 1.4 	<ul style="list-style-type: none"> Revenues: 29.1 PAT : 3.9 	<ul style="list-style-type: none"> Captive manufacturer of automotive transmissions, components & engineering applications for MHCVs produced by TML Manufacturing facility at Jamshedpur with installed capacity of 0.15 m gearboxes per year Significant reduction in variable costs to combat slowdown

Joint Venture Update

- **Fiat India JV (Ranjangaon)**
 - Fully operational production facilities with capacity of 200,000 cars for both Tata and Fiat
 - Access to World Class Engine Technology with capacity to manufacture 350,000 units of power trains
 - Fiat 500 and Linea have been launched and have been received well in the market. Grand Punto expected to be launched soon
 - All India Dealer network under establishment and 450 sales manpower added

- **Marcopolo JV (Dharwad)**
 - 16 – 54 seater world class standard and luxury buses
 - World's Largest Bus Manufacturing facility at Dharwad with capacity of 30,000 per annum
 - Beneficiary of recent JNNURM bus orders

- **Thonburi JV (Thailand)**
 - Capacity to manufacture 12,500 units per annum in Phase 1
 - 3 products launched in less than a year. Launch of Xenon in Thailand has received encouraging response
 - Eco car project has been approved by Thailand Government
 - Established distribution network of 33 dealerships and additional 45 service network across the nation

- **South Africa Project**
 - Plans to have manufacturing foot print in South Africa for Commercial vehicles and Passenger vehicles



**Business
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Subsidiaries

Way Forward

- **Business and Financing Strategy**

Reaffirming Business and Financing strategy

- Economic revival and liquidity condition key to short term growth
- Reduction of operating costs
- Cash flow focused short term business plans
- Pursue long term plans
 - Prioritize R&D, focus on new products
 - Full availability of Nano capacity
 - Strict control of capital expenditure
- De-leverage auto business
 - Divestments
 - Capital raising at appropriate time
 - Seek to improve Debt- Maturity profile
- Jaguar Land Rover
 - Funding requirements expect to be concluded shortly, including the EIB loan
 - Focused efforts on cost management and achieving profitability
 - Volumes to stabilize/improve in 2010 and beyond
 - Focus on new products and 'green' technologies

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