

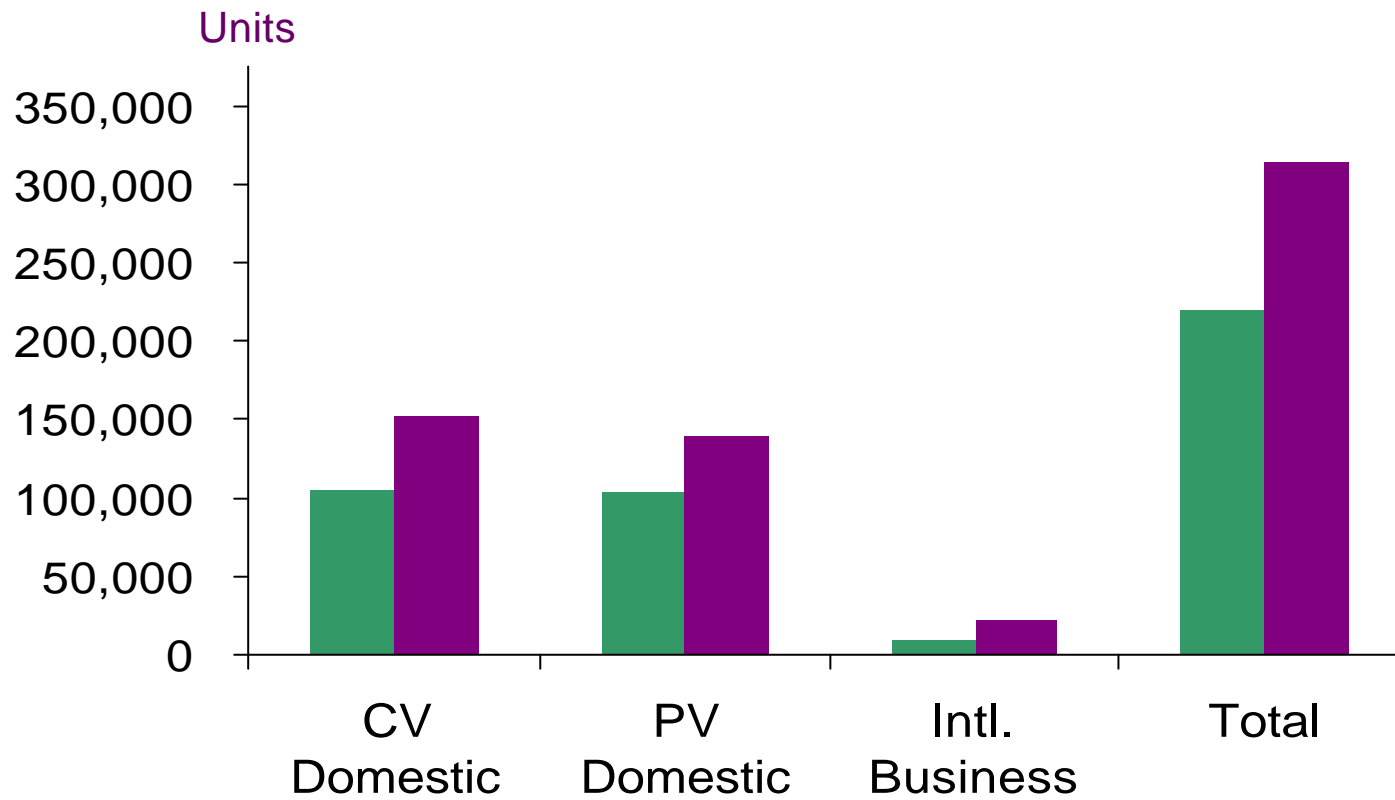


Leading the Future



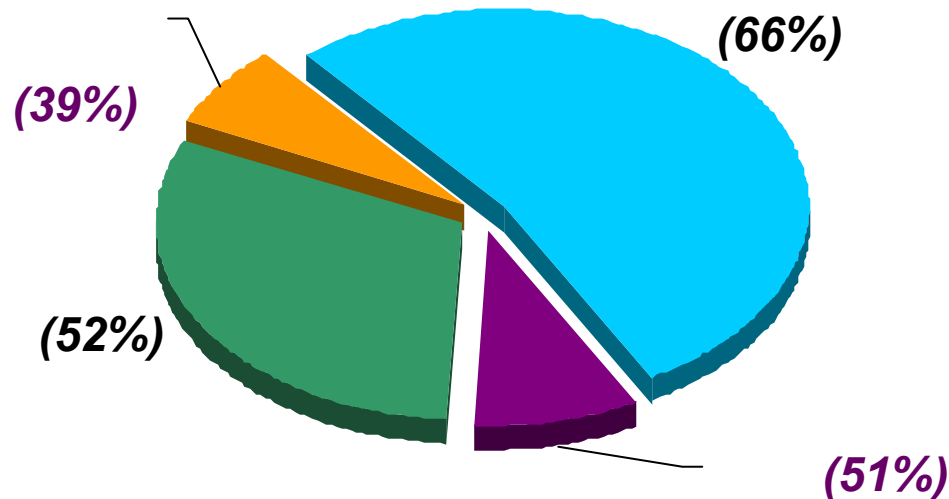
- Tata Motors – FY04 Performance

- Growth – Objectives
- Growth Strategy



Highest ever volumes for Tata Motors

Indian Commercial Vehicle Market and Tata Motors' position



Market share Gains

-
- MHCVs +0.5%
- LCVs +6.2%

Sections of the pies represent the category size for the total market
 Figures in parenthesis indicate Tata Motors' Market share in FY04

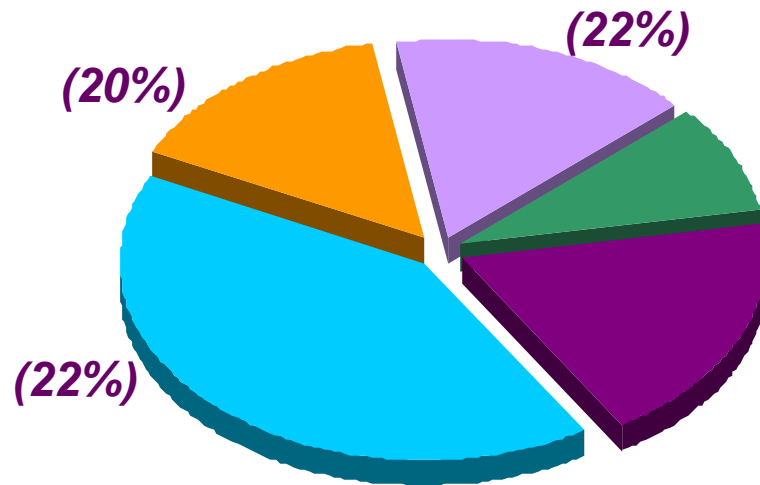
CV Market size

FY04: 260,000 units, +37% YoY

Tata Motors Market share: 59%

Tata Motors - #1 in domestic CV market

Indian Passenger Vehicle Market and Tata Motors' position



Market share Gains

- - Passenger Cars +1.0%
 - MUVs +0.2%

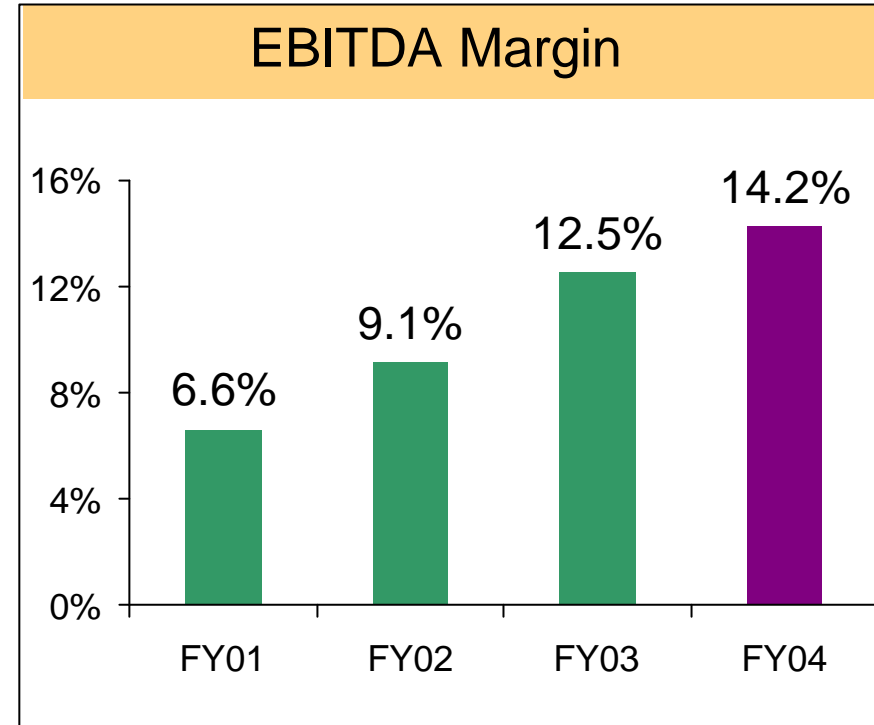
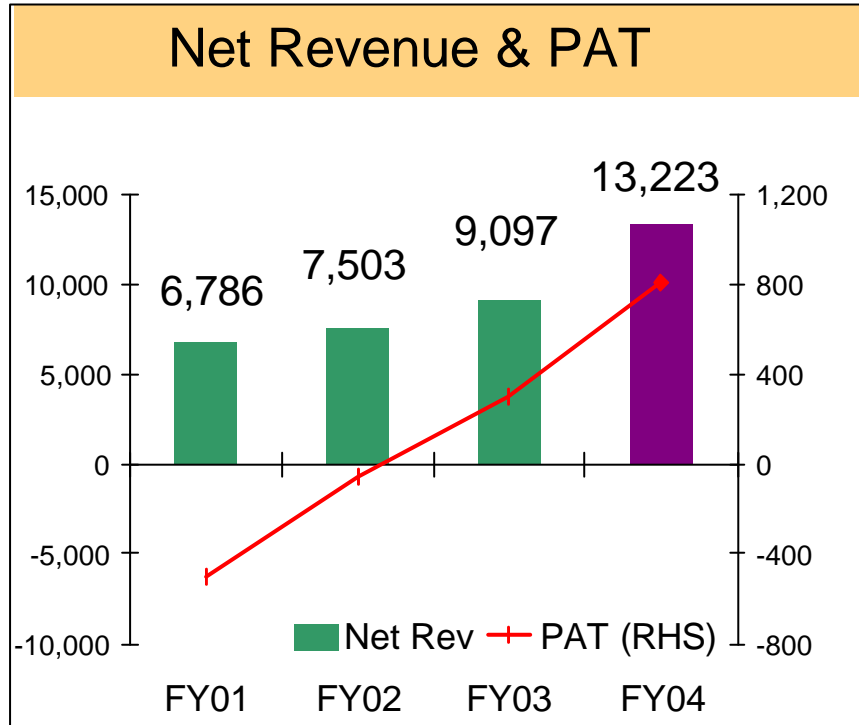
Sections of the pies represent the category size for the total market
 Figures in parenthesis indicate Tata Motors' Market share in FY04

PV Market size

FY04: 903,000 units, +27% YoY

Tata Motors Market share: 15.5%

Tata Motors - #2 in domestic PV market



1 Automotive Company in India

Highest ever

● *Net Revenues (up 45% YoY)*

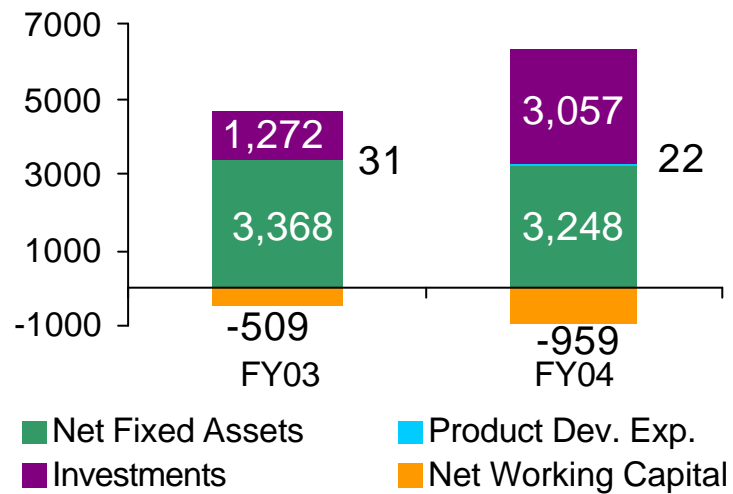
● *EBITDA (up 65% YoY)*

● *PAT up (170% YoY)*

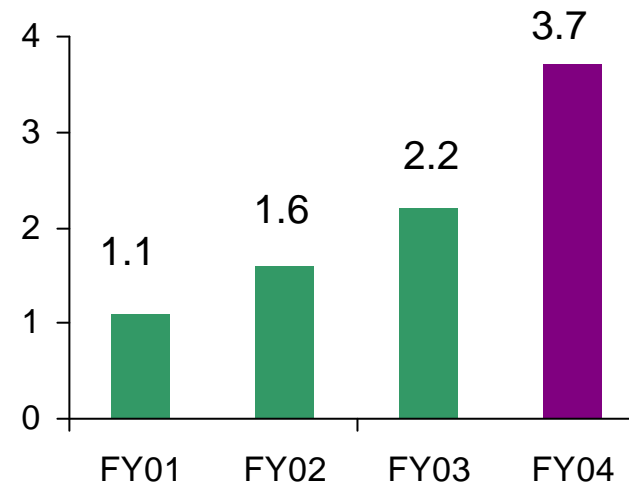


	FY04	FY03	
	(Rs cr)	(Rs cr)	
Gross Revenue	15,494	10,841	
Revenue (Net of excise)	13,223	9,097	▲ Highest ever PBT, up 153%
EBITDA	1,882	1,139	
EBITDA Margin	14.2%	12.5%	▲ Interest cost down 42%
Other Income	59	18	
Net Interest	(161)	(279)	
Depreciation & Amortisation	(383)	(362)	▲ Pre-tax Cash Profit doubled
Product Dev. Exp.	(52)	—	
PBT before extra-ordinary items	1,345	516	▲ Total Dividend (inc. Interim) of Rs 8 per share
Extra-ordinary Items	(53)	(6)	
PBT after extra-ordinary items	1,292	510	
Current Tax & Deferred Tax	(482)	(210)	
Net Profit / (Loss)	810	300	▲ Basic EPS up 163%
Basic EPS (Rs)	24.7	9.4	

Balance Sheet size

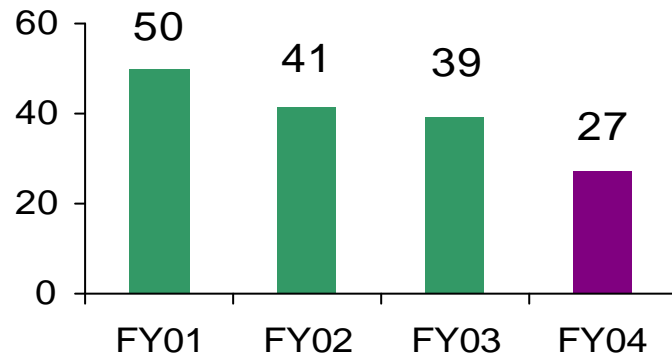


Asset turnover

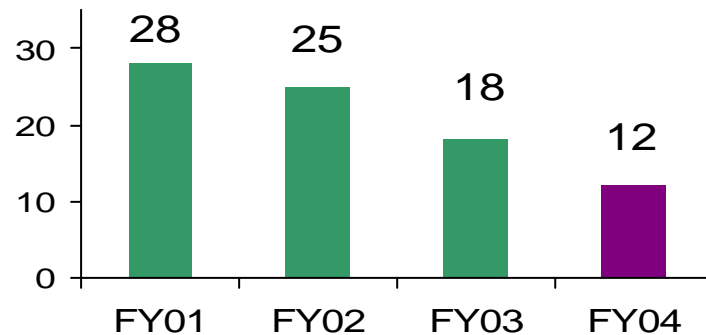


Note : Capital Employed excludes Investible Surplus for Asset Turnover and ROCE calculation

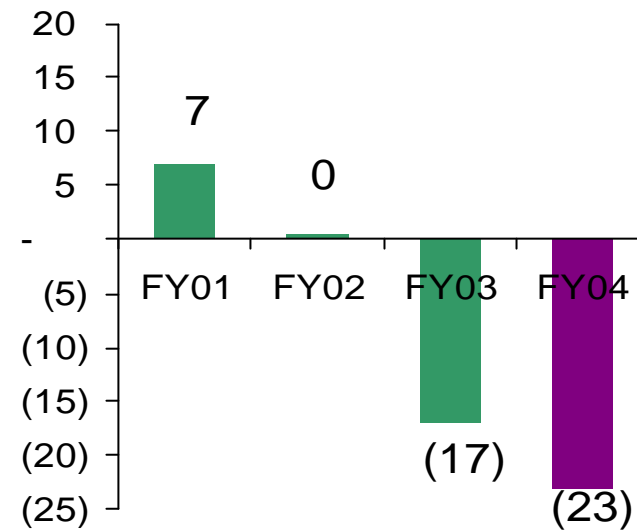
Inventory



Receivables (non-HP)



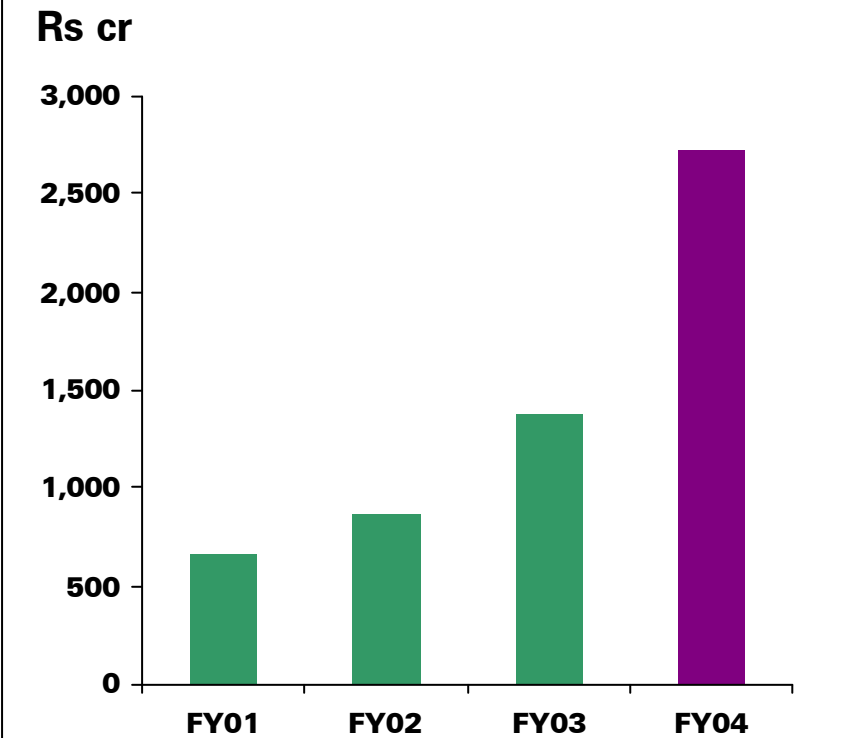
Net Working Capital



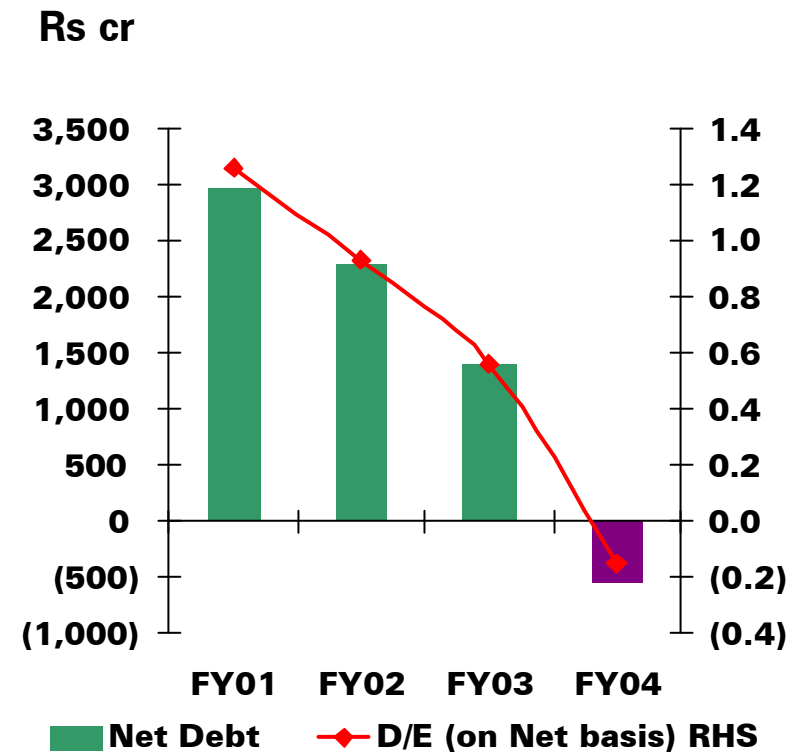
Negative Working Capital maintained for the second consecutive year

Strong Cash Position

Net Cash from Operating Activities



Net Debt & D/E (on Net basis)





	FY04	FY03	
	(Rs cr)	(Rs cr)	
Gross Revenue	16,285	11,429	
Revenue (Net of excise)	13,925	9,612	▲ Net Revenue up 45%
EBITDA	2,078	1,252	
EBITDA Margin	14.9%	13.0%	▲ EBITDA Margin +190 bps
Other Income	56	19	
Net Interest	(194)	(325)	
Depreciation & Amortisation	(437)	(422)	
Product Dev. Exp.	(52)	–	▲ PBT higher by 166%
PBT before extra-ordinary item	1452	524	
Extra-ordinary Items	(7)	20	
PBT after extra-ordinary items	1,445	544	▲ PAT up 188%
Current Tax & Deferred Tax	(531)	(226)	
Net Profit / (Loss)	914	317	
Basic EPS (Rs)	27.9	9.3	▲ Basic EPS tripled

FY04 Net Profit of Rs. 915 Crore (+208%)

After adjustments relating to Minority Interest & Associate Companies

- Acquisition of Daewoo Commercial Vehicle Co. (DWCV), Korea
 - First overseas acquisition
 - 100% subsidiary from March 30, 2004
 - Significant addition to product range and revenues
 - Synergies from the acquisition
 - A step towards expanding international presence

- Raised US\$ 500 mn through two FCCB issues

- US\$ 100 mn in July 2003

- US\$ 400 mn in April 2004

- Largest FCCB issue out of India
- Innovative – twin tranches
- Structuring with a view to keep equity dilution to a minimum

- Tata Motors – FY04 Performance
- Growth – Objectives
- Growth Strategy

- Strengthen leadership position in the domestic market

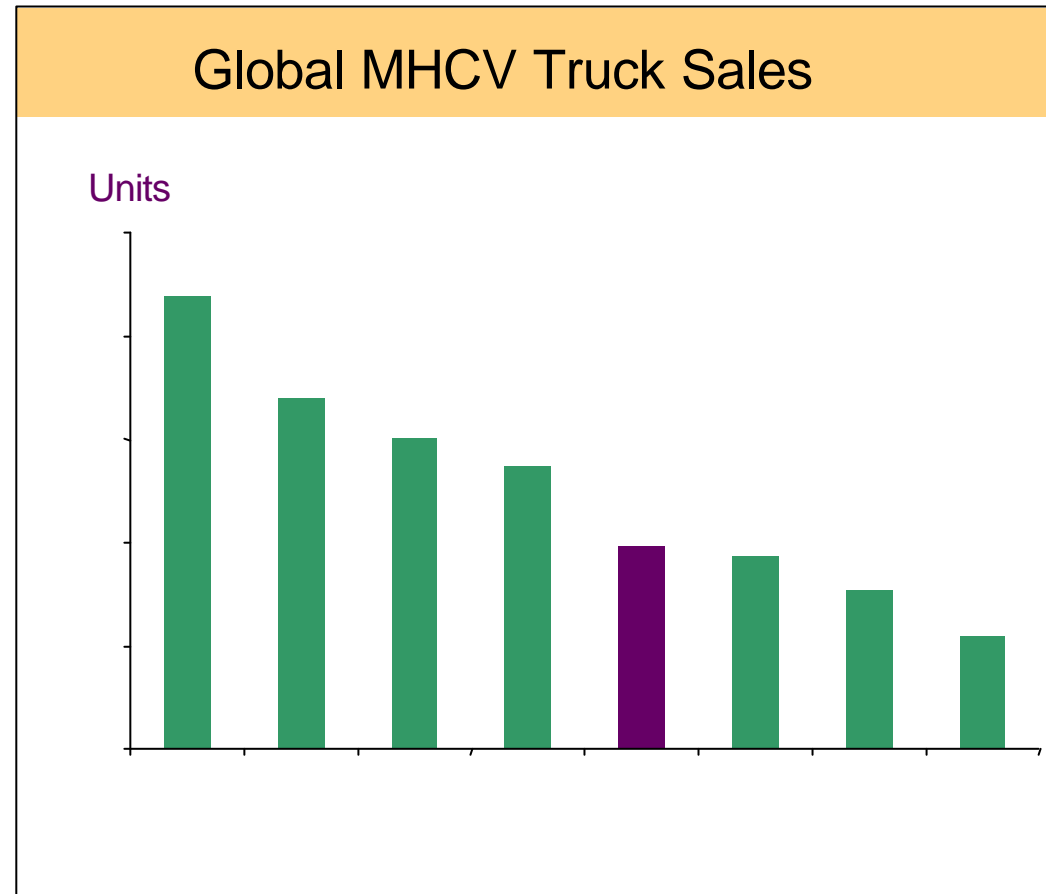
- Demand growth due to tailwind of structural changes in the economy
- New Products / Segments / Solutions
- Expanding Markets & Revenue opportunities

- Existing capabilities to move up in Global Auto arena

- Accelerate Growth
- Economies of scale
- Products of Global Standards for domestic market
- Mitigate domestic cyclicalities

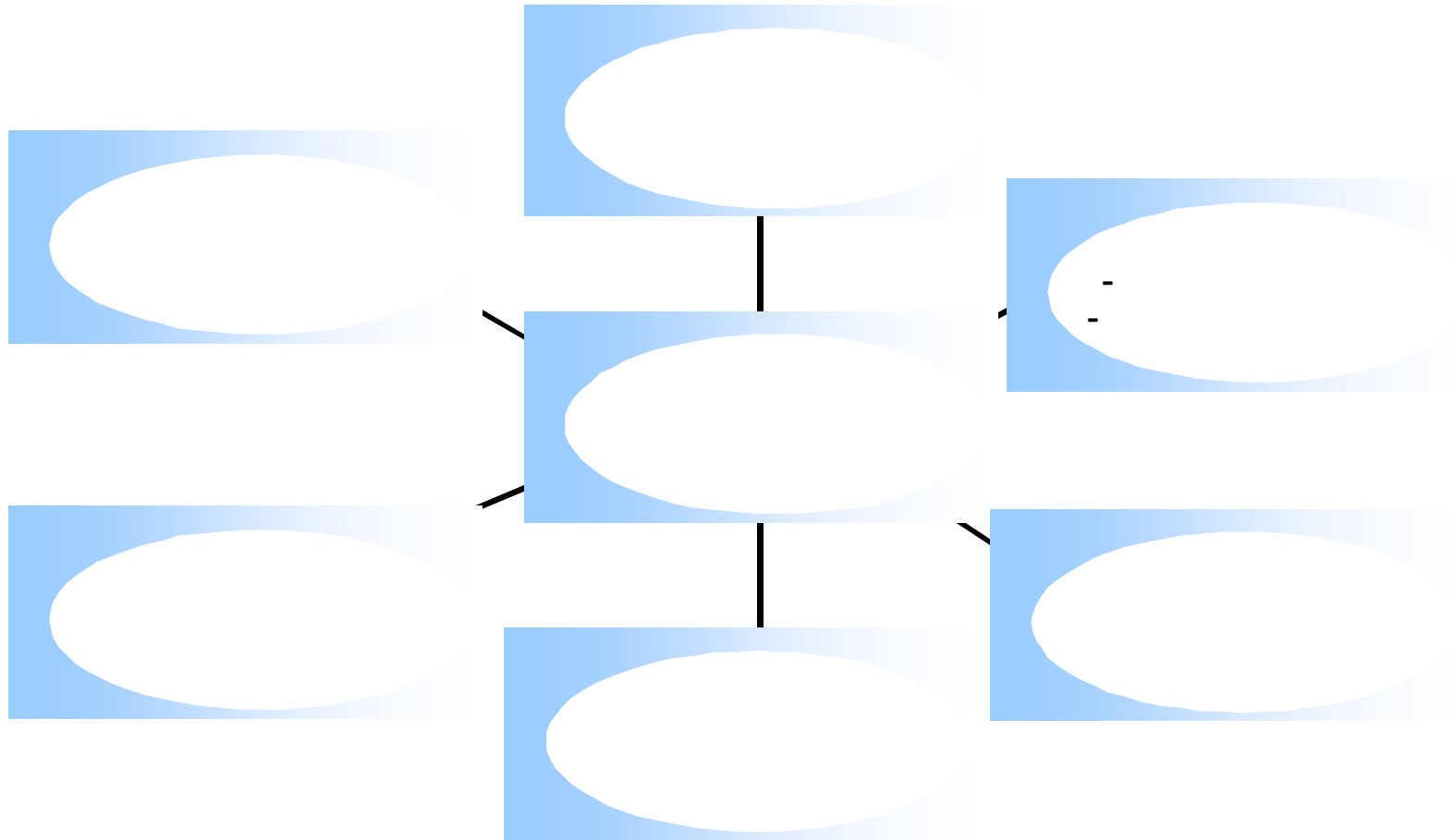
Combine domestic economies of scale and global opportunities

- Medium and Heavy trucks
 - Be among top global manufacturers
- Pickups
 - Establish presence in the global Pick-up segment coupled with high domestic demand potential
- Compact Cars
 - Target the niche global markets in Compact Car segment



Source: Industry

- Tata Motors – FY04 Performance
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Backed by strong Brand Value



Launched
in Aug
2002
Significant
market
expansion



Launched in end FY03





TATA MOTORS



Market leader since
launch in Dec 2002

Launched in
Jan 2004
Consolidating
Brand Equity



Launched in July 2003
Strong volume growth

Launched in
Sep 2003
Premium
Petrol SUV







- New generation products

- Truck of the Future

- Inter-city & Intra-city buses

- Small LCV

- New UV platform

- New generation Car platform

- New engine offerings across the product range

- Other opportunities - small car segment - currently at an exploratory stage

Supported by Strong Distribution & Service Network



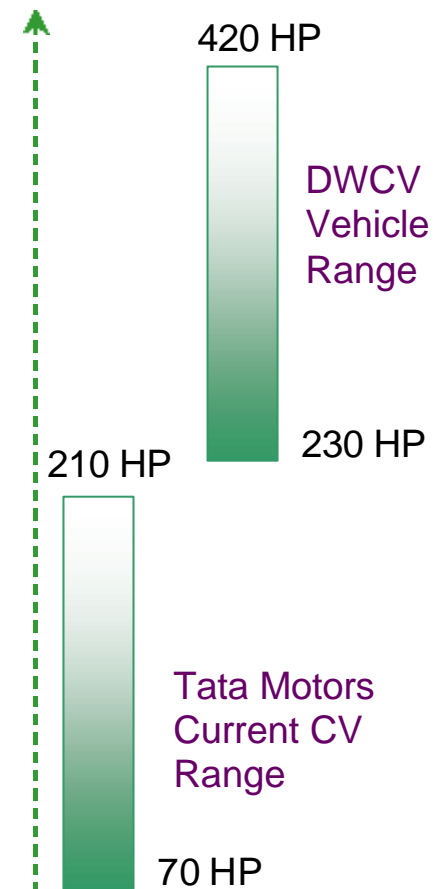
- Volumes up 125% in FY04 to 22,046 units
- Proportion of volumes from top 10 markets: 84% in FY04 vs 75% in FY03
- Consolidating presence in existing markets
 - Bangladesh, Sri Lanka and Europe
- Entering niche markets for Passenger Cars
 - Agreement with MG Rover
 - Other markets being explored
- Distribution of Safari in UK & Ireland through Phoenix Venture Holdings
- Strengthening position in new markets
 - Senegal, Russia and CIS countries
 - Exploring opportunities in China
- Assembly units in key markets



- *Cargo Truck*
- *Dumper*
- *Mixer*
- *Refuse Collector*
- *Tractor (for trailer)*
- *Lorries*
- *Others*



- Complementary product range
- Access assembly technology for high end trucks
- Lead the domestic market change : Advance Truck of the Future introduction in Indian market.
- Access to S.Korea market for MCVs and ICVs
- Impact
 - Addition annual capacity of 20,000 units
 - Market share of 25% in S. Korea HCV market
 - A profitable venture (PAT of USD 5.4 mn on a turnover of USD 222 mn in FY03) on 21% capacity utilisation



***International Business - Proportion of Net Revenues
5.2% in FY03, 7.6% in FY04. To increase to ~ 20% by FY06***



- Customer finance

- Through Tata Motor Finance – combined marketing for Tata Motors' BHPC and Tata Finance (Auto Financing)

- Financed value of Rs 2,300 cr in FY04; 16% of Tata Motors domestic volumes

- Benefits

- Leveraging different channels of financing

- Provide vehicle sales support to Tata Motors

- Capture greater share of life-cycle revenues

- Lower costs of Financing operations

- Spares

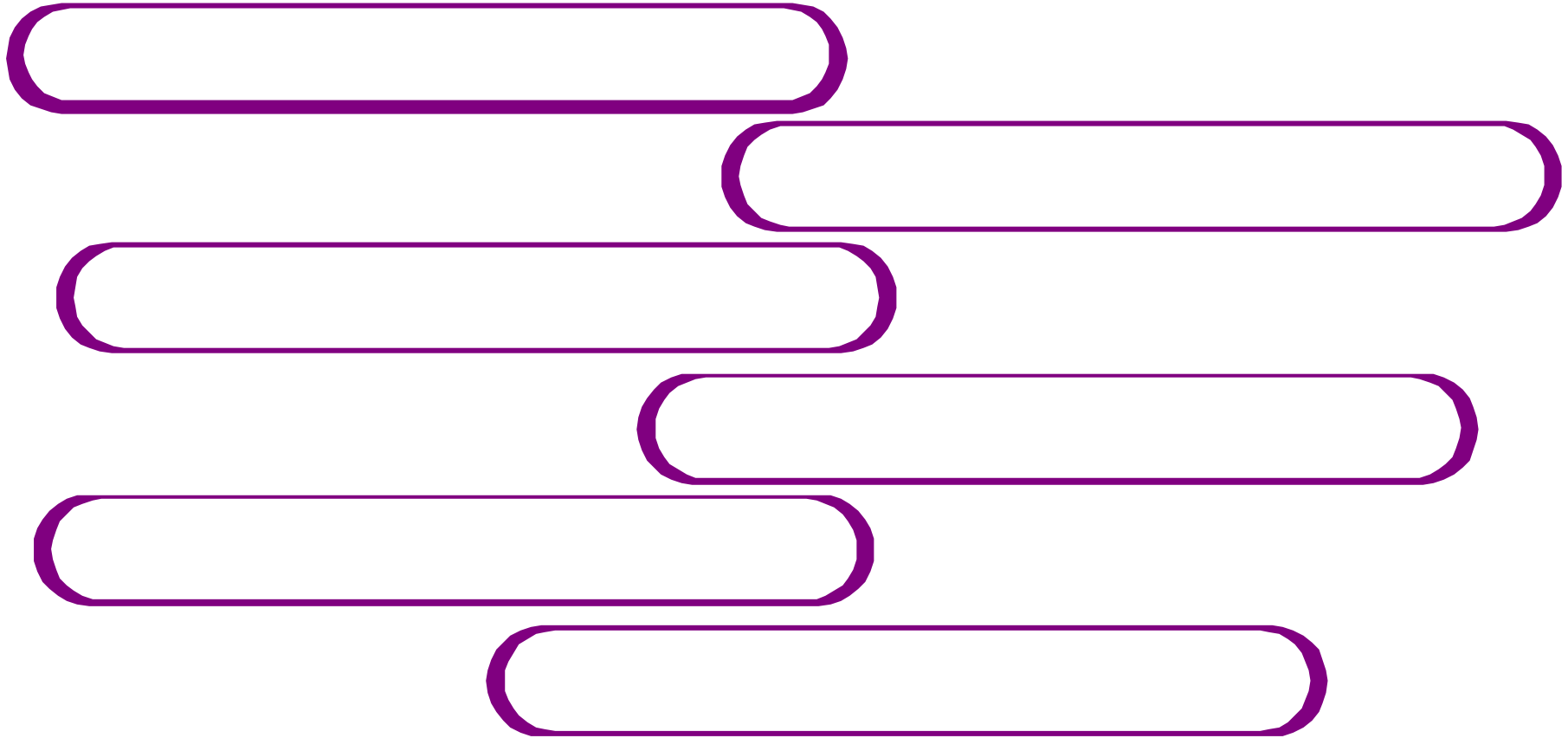
- Vehicle Insurance

- Used / Reconditioned Vehicles

- Annual Maintenance Contracts

- Industrial / Marine engines

Revenue growth of 20% in FY04



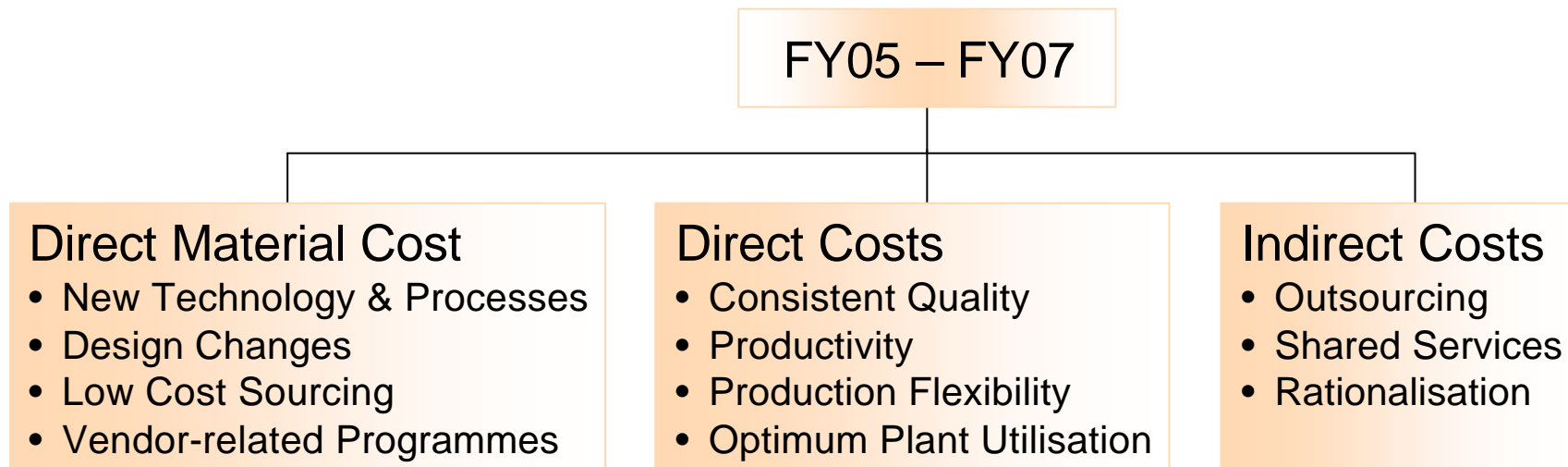
- Factors affecting Global Auto Industry costs

- Increasing commodity prices
- Inflation and increasing interest rates
- Rising fuel prices
- Higher sales incentives

- Cost Pressures for Indian Auto Industry

- Sharp increase in input prices - Steel & Rubber
- Global competition
- Regulation compliance costs
- New Products
- New Markets

- Cost reduction of Rs 950 cr from FY01 to FY03
- FY04 – cost containment due to steep input price increases
- Roadmap for further cost reduction





- Capacity expansion

- Car (X1) Platform : increase by 50% in FY05
- New products

- Product development

- Small LCV
- New UV Platform
- Truck of the Future
- New Generation Car (X1) platform

- Technology

- Direct Injection Common Rail (DICR)
- R&D Capabilities at ERC
- BS III & IV Emission standards

- Expansion in international markets

- Sustenance capex

- Building Brand Equity

Capex to average Rs 1,200 cr annually for next 5 years

- Financial Resources

- Strong cash balances
- Backed by good cash flows

- Human Resources

- Create change agents - Identify and develop high talent resource pool
- Sensitise to global environment
- Enable cultural shift

Challenges Ahead

- Sustaining margins in increasing cost environment

- Cyclical nature of Automotive demand

- Execution challenge of growth & globalisation



Growth opportunity ahead

- Structural changes in Domestic economy
- International business
 - Organic and Inorganic

Tata Motors poised to capture growth

- Product & Marketing initiatives
- Building economies of scale
- Leveraging cost competitiveness
- Enhancing capabilities

Tata Motors Leading the Future



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Thank You

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