



Tata Motors (NYSE :TTM) **2Q FY05 Result Review**

October 29 , 2004



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



Presentation Outline

- **2Q FY05 Results**
- Operational Highlights
- Subsidiary Performance

2Q FY05 Financial Performance (Unconsolidated)

	2Q FY04 (Rs cr)	2Q FY05 (Rs cr)
Revenue (Net of excise)	3,177.7	4,147.1
EBITDA	438.9	520.0
Other Income	22.8	70.6
Net Interest	26.0	39.8
Cash Profit	435.7	550.8
Product Dev. Expenses	9.9	15.7
Depreciation & Amortisation	94.4	106.8
Profit bef. exceptional items & Extra-ordinary Items	331.4	428.2
Profit before tax	328.5	427.2
Current Tax & Deferred Tax	121.8	118.0
Profit after Tax	206.7	309.2
<i>Basic EPS (not annualised)</i>	Rs. 6.5	Rs. 8.6

- Volume growth of 22% to 95,576 units.
- Net Revenues up 31 %
- EBITDA up 18%
- Cash Profit up 26%
- PBT up 30 %; PAT up 50%
- Basic EPS (non-annualised) up 33%

2Q FY05 Performance

- Input cost pressure remains an area of high concern
- Balance sheet size of Rs 7,537 cr with surplus cash / investments of around Rs 3,503 cr
- 88.6% of the outstanding warrants converted till Sep. 30, 2004 at a premium of Rs 110 per share. The Company's paid-up capital increased to Rs 359cr as on Sep. 30, 2004.
- Focus on reducing the working capital requirements.
 - Reduced Debtor days and Inventory days
- Gross Debt of Rs 2,863 cr as on Sep. 30, 2004. Net Debt of negative Rs 640 cr
- During the quarter, the Company listed on the NYSE through conversion of its outstanding GDSs into ADSs. This was a Level II listing without any concurrent fund raising

1H FY05 Financial Performance (Unconsolidated)

	1H FY04	1H FY05	
	(Rs cr)	(Rs cr)	
Revenue (Net of excise)	5,680.2	7,721.1	
EBITDA	770.4	949.4	
Other Income	33.3	111.8	➤ Volume growth of 30 % to 1,80,494 units.
Net Interest	79.8	81.4	➤ Net Revenues up 36%
Cash Profit	723.9	979.8	➤ EBITDA up 23%
Product Dev. Expenses	21.3	42.3	➤ Cash Profit up 35%
Depreciation & Amortisation	187.4	205.2	➤ PBT up 48 %; PAT up 73%
Profit bef. exceptional items & Extra-ordinary Items	515.2	732.4	➤ Basic EPS (non-annualised) +55%
	(23.0)	(2.1)	
Profit before tax	492.2	730.3	
Current Tax & Deferred Tax	185.2	197.7	
Profit after Tax	307.0	532.6	
<i>Basic EPS (not annualised)</i>	Rs 9.6	Rs 14.9	



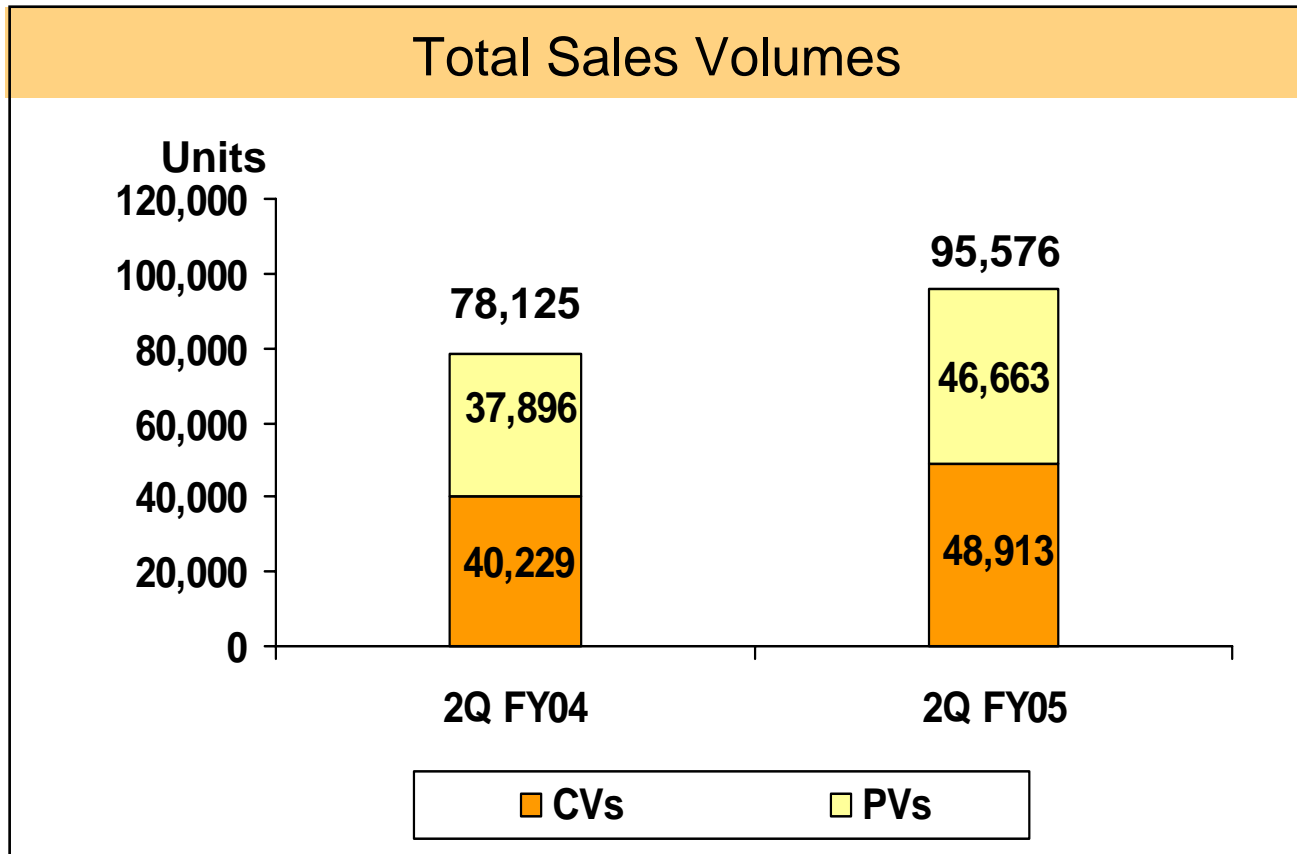
Presentation Outline

- 2Q FY05 results

- **Operational Highlights**

- Subsidiary Performance

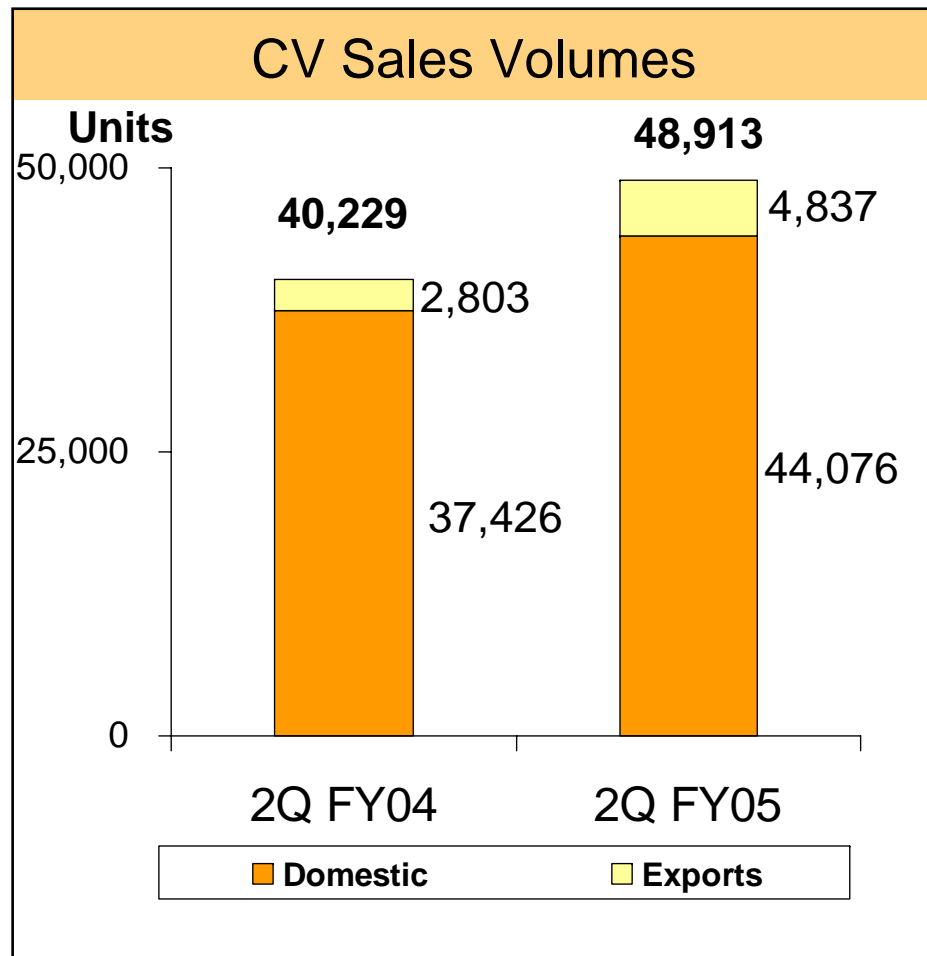
Tata Motors – Sales performance



➤ **Volume growth of 22%**

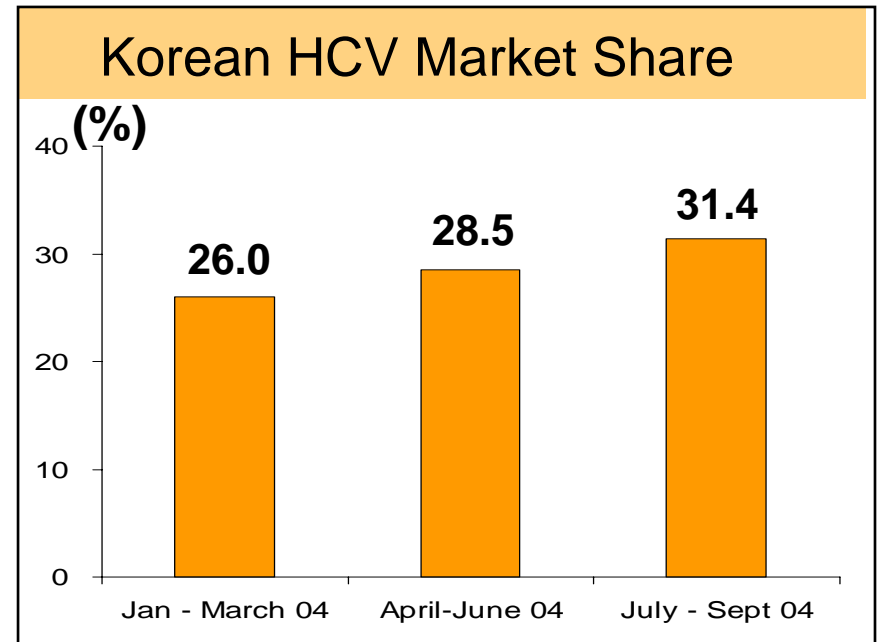
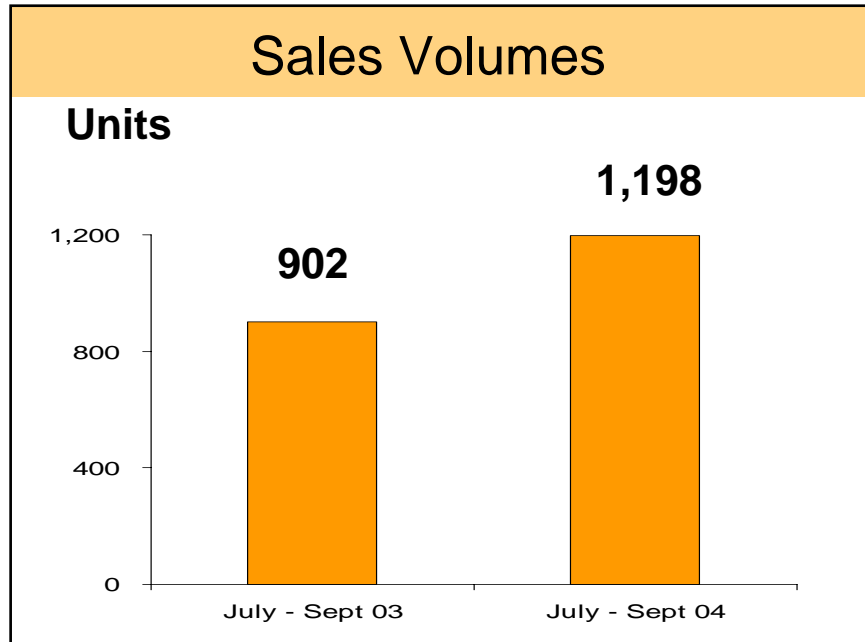
- Domestic volumes up 20%
- Exports volumes up 65%

Commercial Vehicles



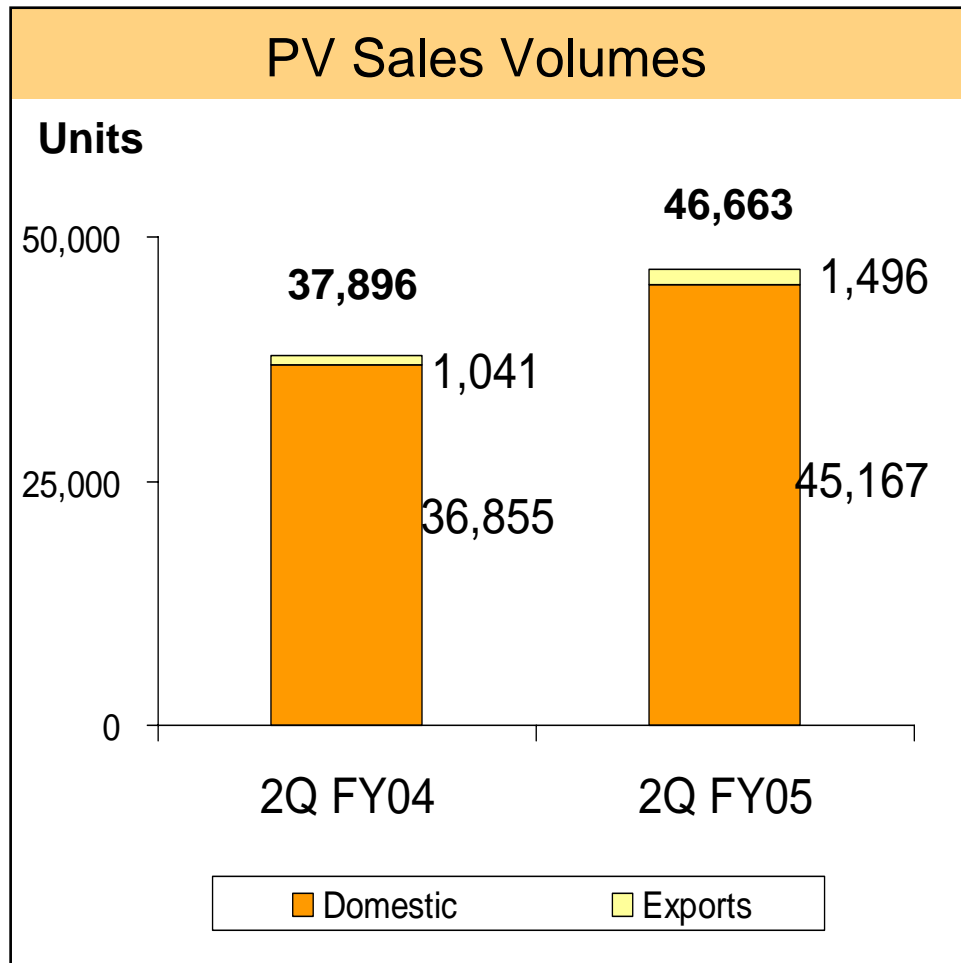
- Total CV Volume growth of 22%
 - Domestic volumes up 18% YoY in 2Q FY05
 - M/HCVs +22%, LCVs +10%
 - Exports up by 73%, driven mainly by Pick-ups
- CV market share up to 59.8%
 - Increase in market share across all M/HCV truck categories
 - HCV market share up to 68.5% compared to 61.1% last year
 - Improvement in LCV bus market share

Commercial Vehicles - TDWCV



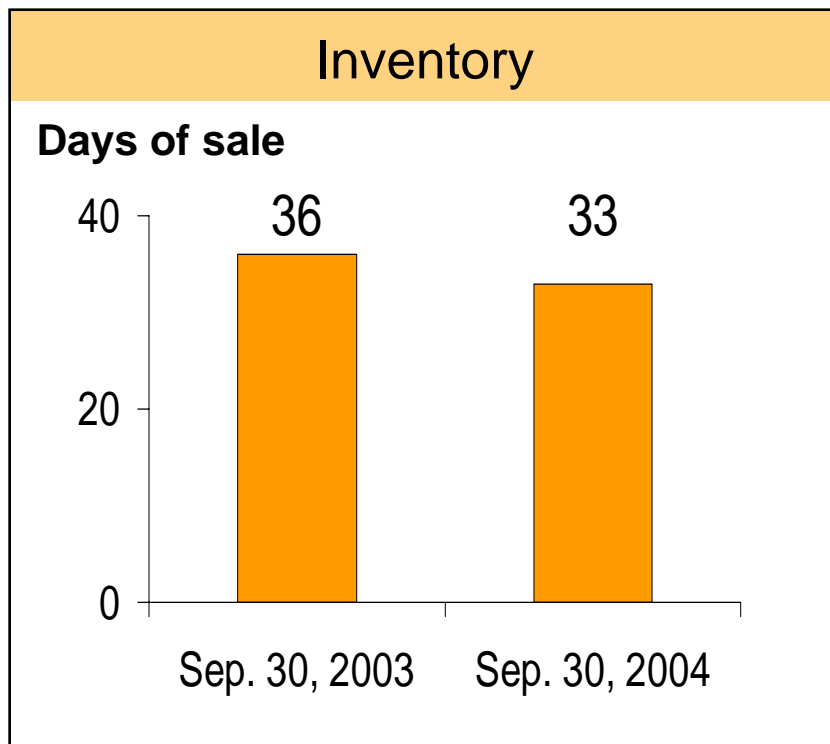
- Steady improvement in market share
- Technology leadership with the launch of NOVUS

Passenger Vehicles



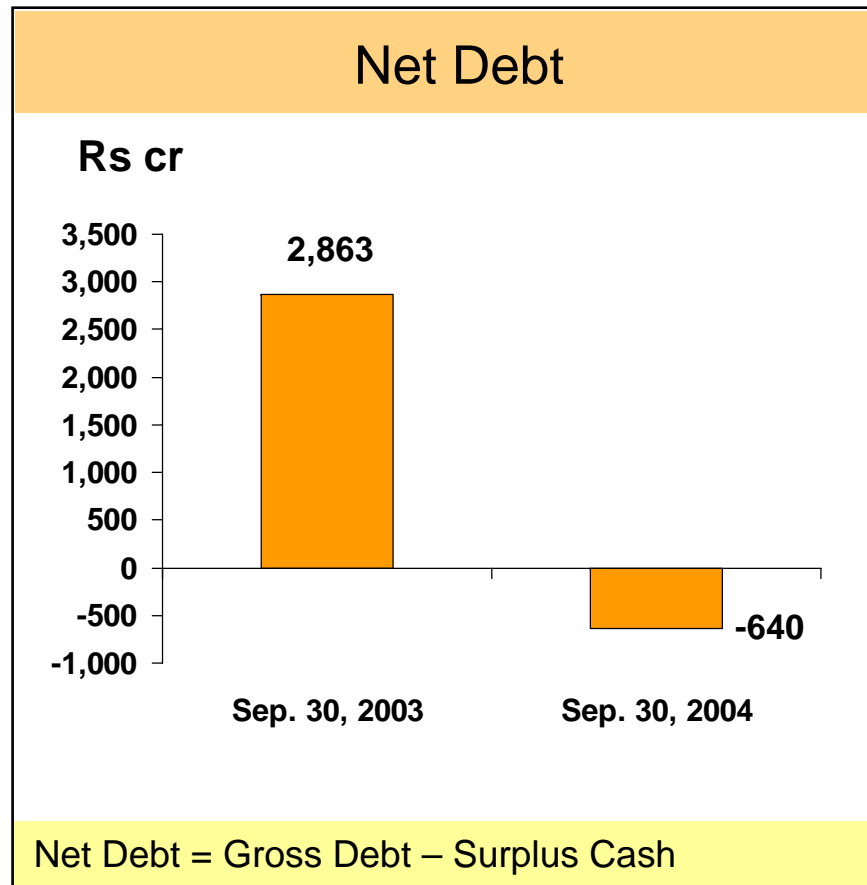
- Total PV Volume growth of 23%, highest ever quarterly sales
 - Domestic volumes +23% YoY
 - Exports volumes +44% YoY
- PV domestic market share of 17.2% against 16.7% last year
 - Second-largest player in PVs
- Indigo Marina launched in Sep. 2004.
- Indigo range maintains its leadership position in the entry-level Mid-size car segment.
 - Market share up from 27.3% to 30.9%
 - Crosses 50,000 unit cumulative mark since launch
- Sumo volumes grow by 39% YoY in 2Q FY05 following the launch of Sumo Victa.

Working Capital Management



Focus on Reducing Working Capital Requirements

Negative Net Debt Position



Going forward....

- Continuing input cost pressure
- Inflation, fuel prices and interest rates need to be watched closely.
- Introduction of new emission norms to result in increased cost and shift in demand patterns in the last quarter of this fiscal.



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- **Subsidiary Performance**

Performance of Key Subsidiaries

- The combined turnover of the key six subsidiaries stood at Rs 592.2 cr as compared to Rs 238.5 cr in 2Q FY04 due to inclusion of TDWCV and improvement in the performance of other subsidiaries.
- The key subsidiaries posted a combined PBT of Rs 48.4 cr as against Rs 10.7 cr last year.
- TDWCV : Turnover of Rs 300 cr and PBT of Rs 6.7 cr during July – September 2004.
- TAL has continued its turnaround performance in 2Q FY05.

Performance of Key Subsidiaries

Subsidiary	Revenues (Rs cr)		Change (%)	PBT (Rs cr)		Change (%)
	2Q FY05	2Q FY04		2Q FY05	2Q FY04	
Tata Daewoo CV Ltd., Korea (TDWCV)	299.8			6.7		
Telco Construction Equipment Co. Ltd (Telcon)	164.9	131.7	25%	11.7	7.2	64%
Tata Technologies Ltd (TTL)	48.4	34.9	39%	6.8	2.0	234%
HV Transmissions Ltd (HVTL)	29.5	27.6	7%	10.0	5.4	85%
HV Axles Ltd (HVAL)	32.2	29.0	11%	12.7	8.7	47%
TAL Mfg Solutions Ltd (TAL)	17.4	15.3	14%	0.4	(12.6)	n.m.



Thank You

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