

Tata Motors

2Q FY06 Results Review

25th October, 2005







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

Agenda

- **2Q FY06 Results**
- Operational Highlights
- Subsidiary Performance


2Q FY06 Financial Performance (Unconsolidated)

Rs crores	2QFY06	2QFY05	% change
Total Volume (units)	107,066	95,576	12.0%
Gross Revenue	5,568.1	4,886.1	14.0%
Net Revenue	4,781.3	4,145.4	15.3%
EBITDA	576.0	520.0	10.8%
EBITDA Margin	12.05%	12.50%	-45bps
Other Income	58.0	70.6	-17.8%
Net Interest	46.1	39.8	15.8%
Dep. & Amortisation	127.2	106.8	19.1%
Prod. Dev. Exp.	5.8	15.7	-63.1%
PBT before Extra-ord. Items	455.1	428.2	6.3%
Extra-ord. Items	(1.0)	(1.0)	-
PBT	454.0	427.2	6.3%
Tax	116.1	118.0	-1.6%
Profit after Tax	337.9	309.2	9.3%
Basic EPS (Rs) (Non-Annualised)	8.98	8.63	4.1%


- At 107,066, sales volumes  12.0%
- Net Revenues - Rs 4781.3 Cr.  15.3%
- EBITDA at Rs 576.0 Cr  11.2%
- PBT at Rs 454.0 Cr.  6.7%;
- PAT at Rs 337.9 Cr  9.3%
- EPS at Rs 9.0  4.1%


1H FY06 Financial Performance (Unconsolidated)


Rs crores	1HFY06	1HFY05	% change
Total Volume (units)	194,558	180,494	7.8%
Gross Revenue	10,121.3	9,129.1	10.9%
Net Revenue	8,644.9	7,717.4	12.0%
EBITDA	1,063.8	949.4	12.0%
EBITDA Margin	12.31%	12.30%	
Other Income	116.3	111.8	4.0%
Net Interest	97.1	81.4	19.3%
Dep. & Amortisation	253.9	205.2	23.7%
Prod. Dev. Exp.	13.2	42.3	-68.9%
PBT before Extra-ord.	816.0	732.4	11.4%
Extra-ord. Items	(2.0)	(2.1)	-2.9%
PBT	814.0	730.3	11.5%
Tax	203.5	197.7	2.9%
Profit after Tax	610.5	532.6	14.6%
Basic EPS (Rs) (Non-Annualised)	16.23	14.90	8.9%


➤ At 194,558, sales volumes
 7.8%

➤ Net Revenues - Rs10,121.3 Cr
 12.0%

➤ EBITDA at Rs1,063.8 Cr
 12.0%

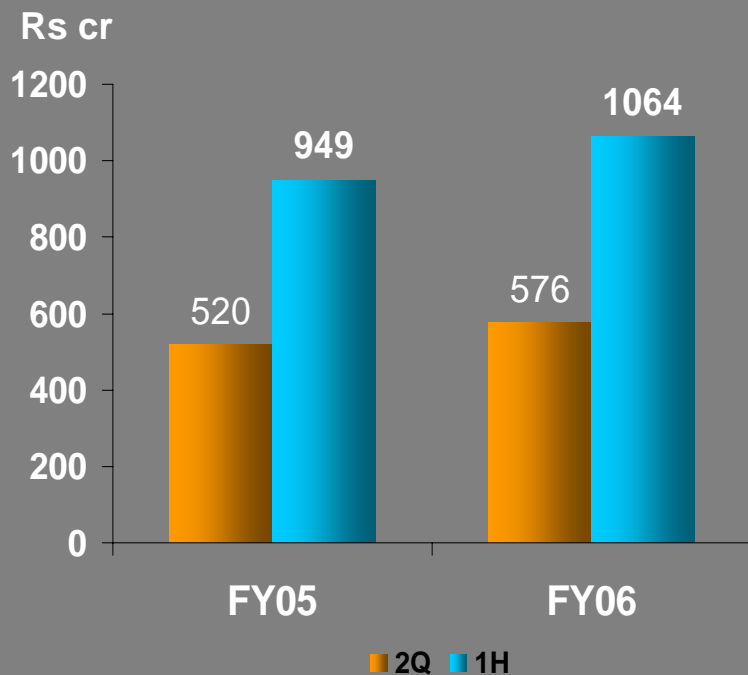
➤ PBT at Rs814.0 Cr.
 11.5%;

➤ PAT at Rs 610.5 Cr
 14.6%

➤ EPS at Rs 16.2
 8.9%

Profitability

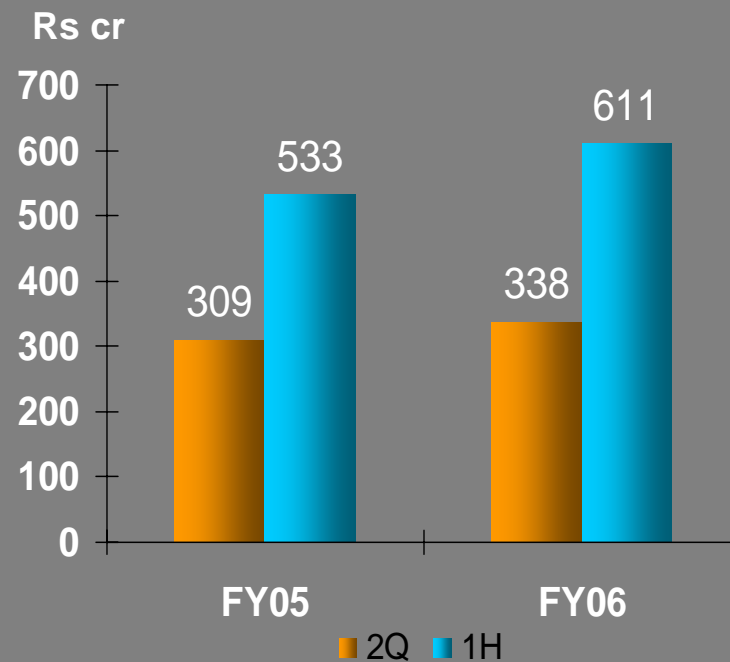
EBDITA



EBIDTA up 10.8% in 2QFY06

EBIDTA up 12.1% in 1HFY06

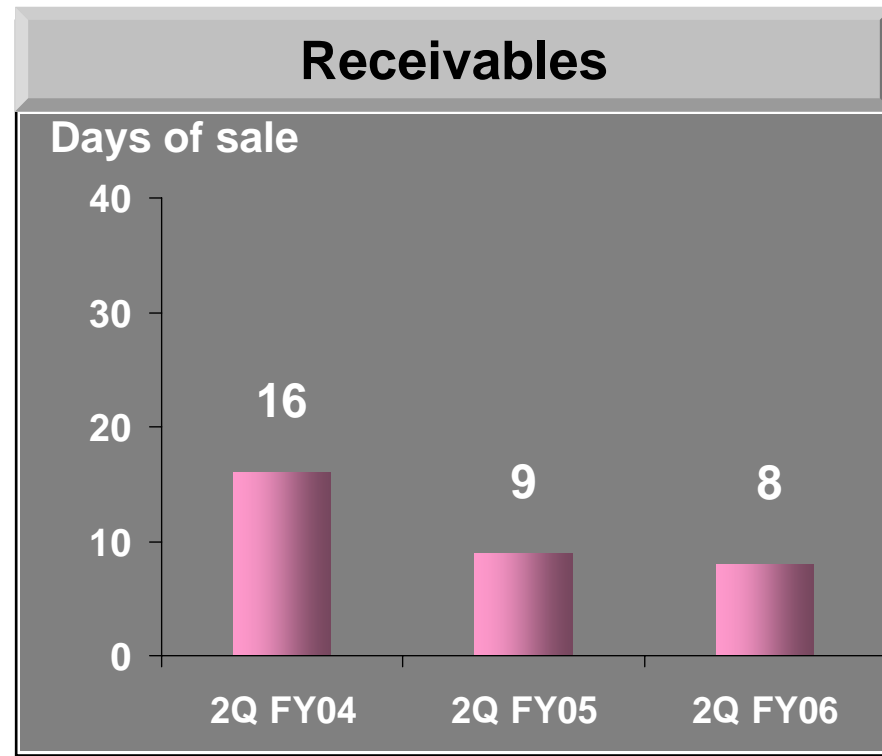
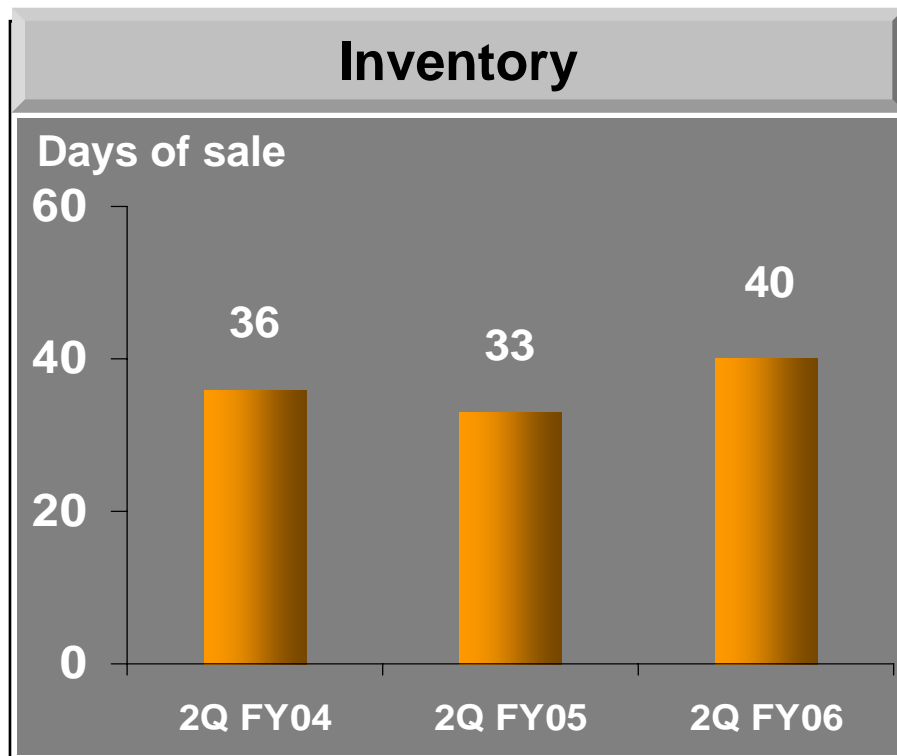
Profit after Tax



PAT up 9.3% in 2QFY06

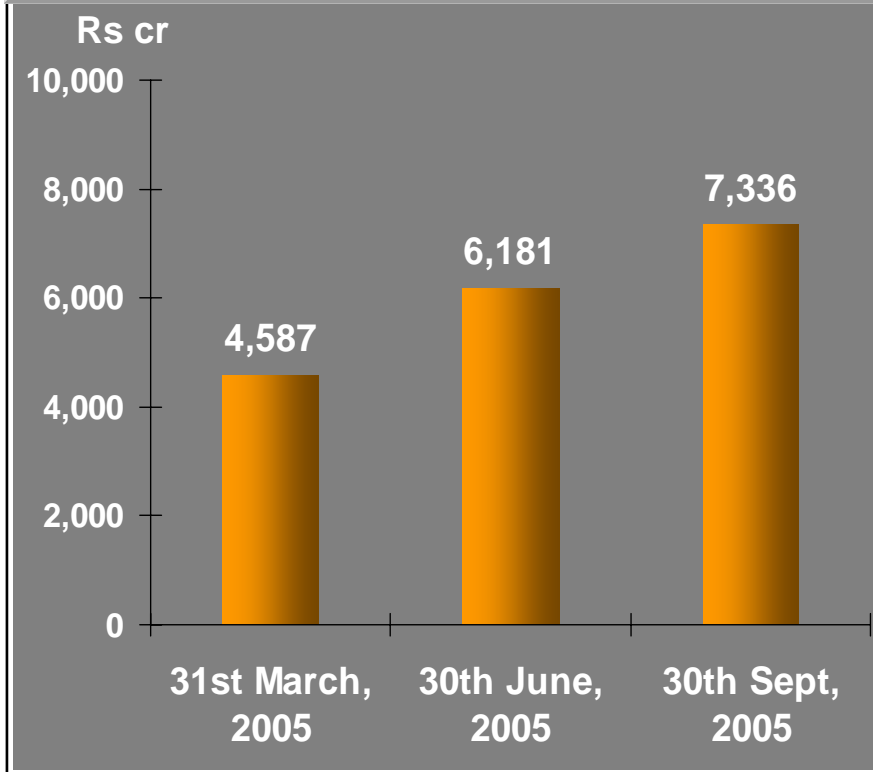
PAT up 14.6% in 1HFY06

Working Capital Management

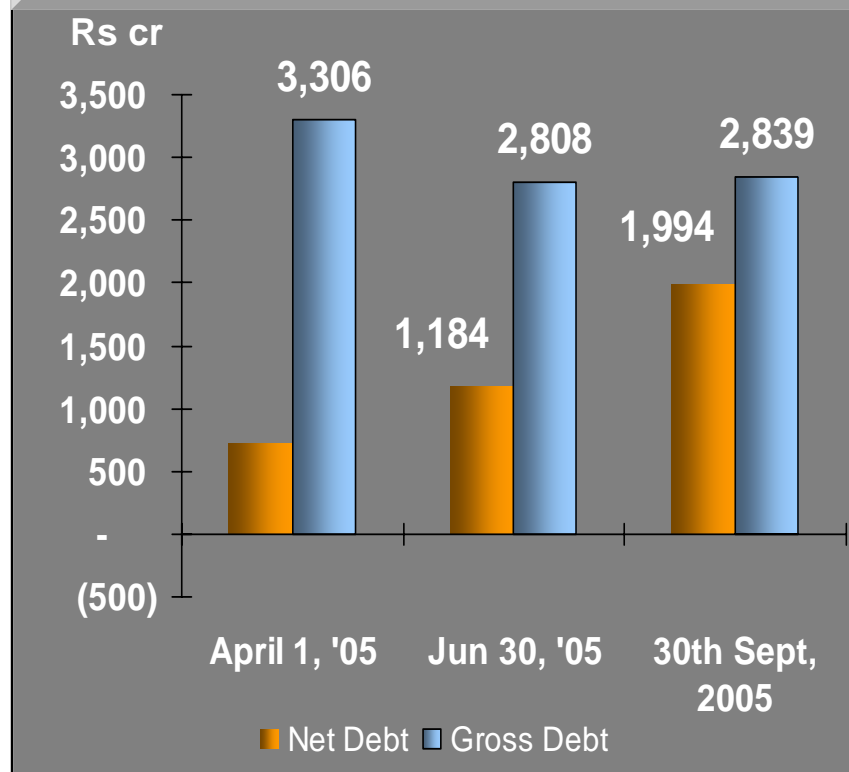


Balance Sheet Size

Net Capital Employed



Gross and Net Debt



(Capital Employed and Debt have been adjusted for Investible Surplus)

Increase in Balance Sheet Size on account of loans and receivables of vehicle financing business

Inspite of Rs.807 Cr added to gross debt as on 1st April, 2005, the gross debt has gone down by Rs.463 Cr as on Sept 30, 2005

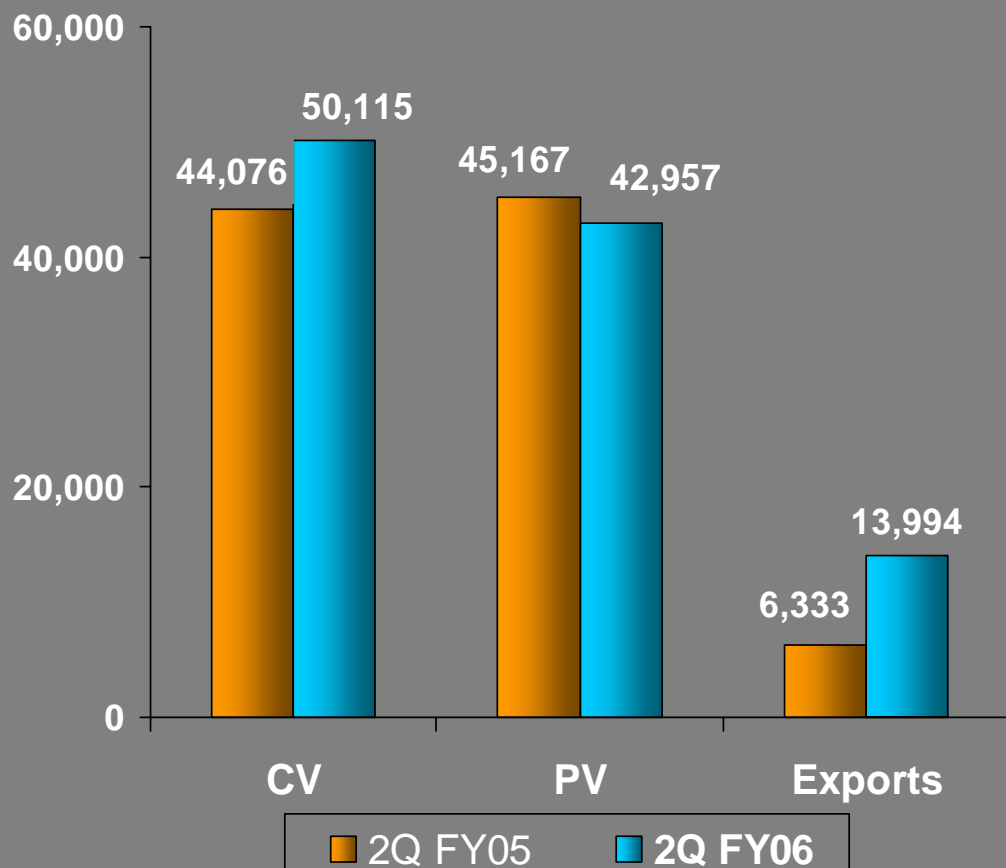
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Sales Performance

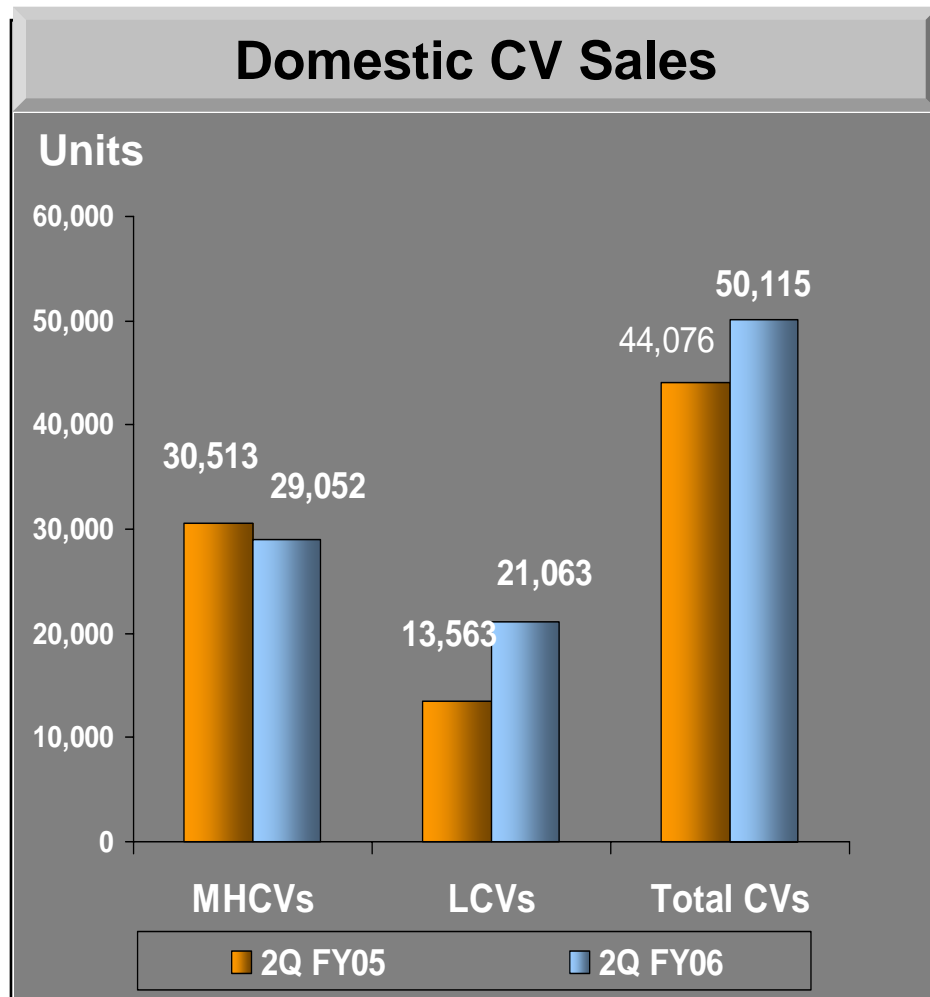
Total Sales Volumes

Units



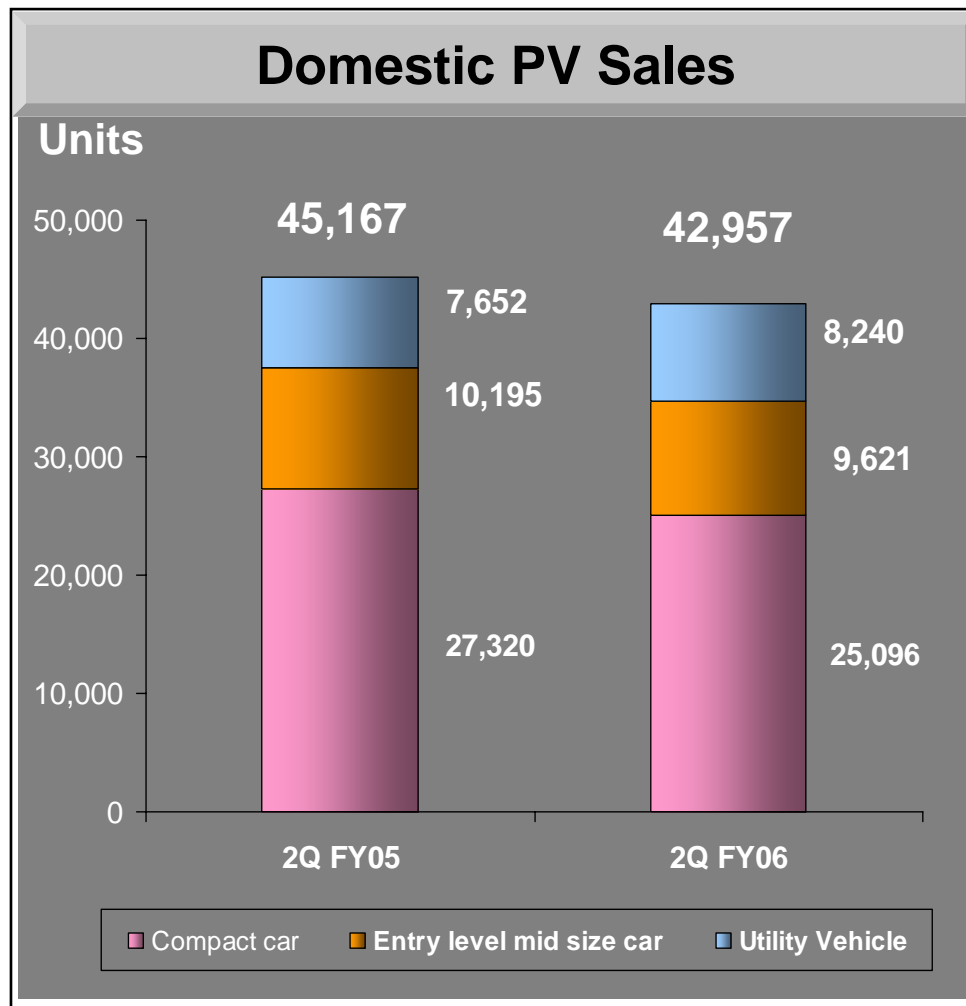
- **Total Volume growth of 12%**
- Total Domestic volumes at 93,072 units up 4%
- Exports volumes +121%
- International Business revenues (incl. TDCV) were nearly 18% of the total consolidated revenues.

Commercial Vehicles



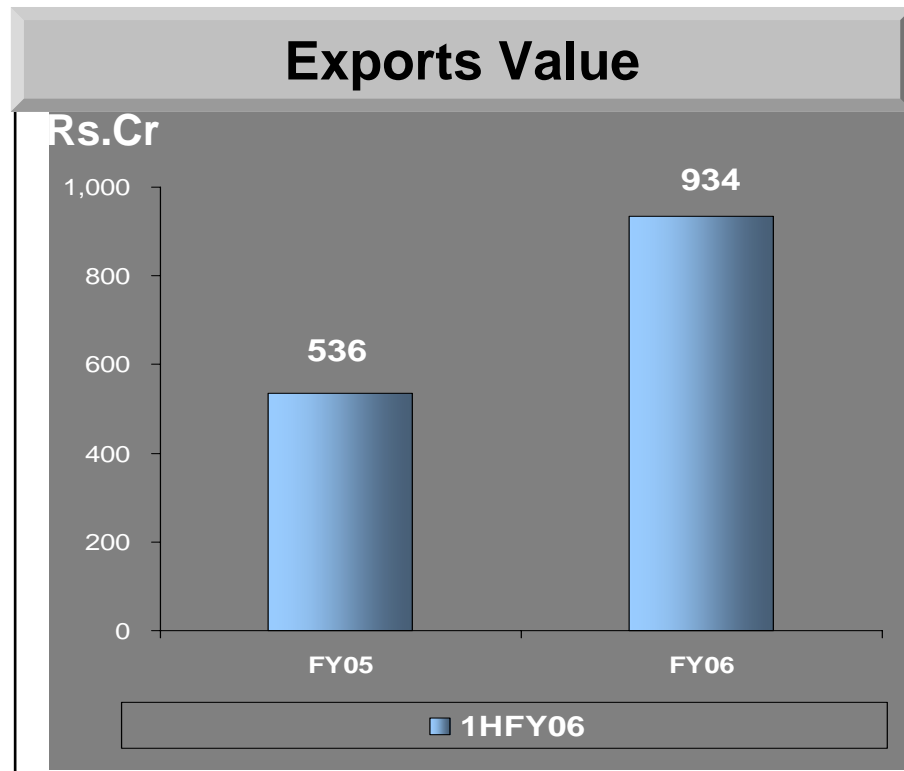
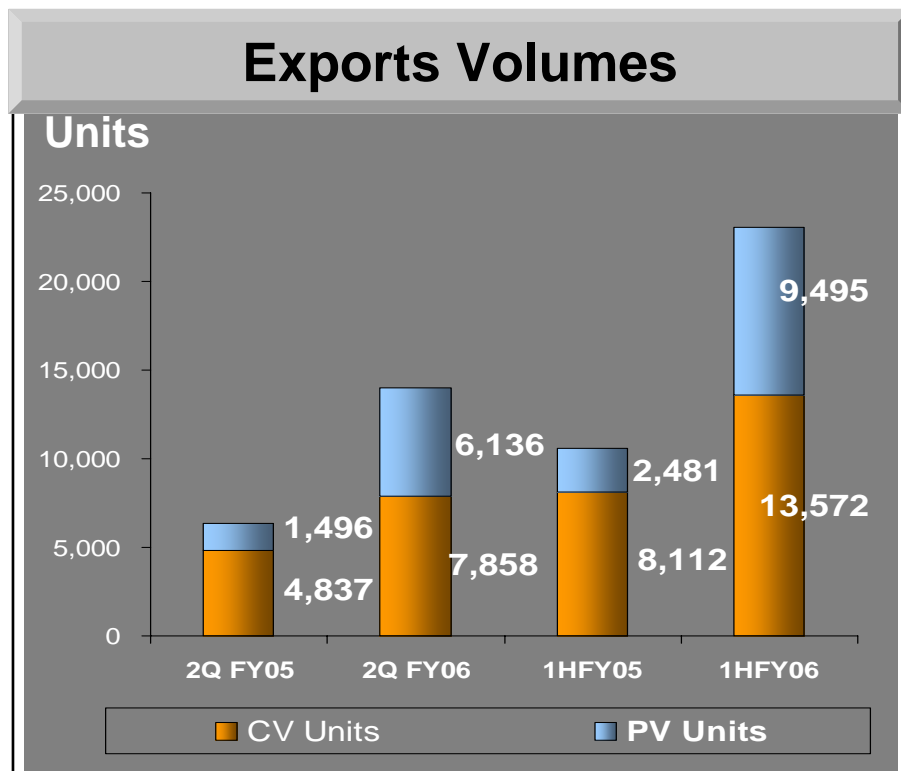
- **CV domestic Volumes at 50,115, up 14% yoy in 2QFY06**
 - M/HCVs at 29,052, down 5%,
 - LCVs at 21,063, up 55%
- **Market share in the total CV segment :**
 - April'05 : 49.6%
 - June'05 : 57.4%
 - September : 61.0%
- **Market leader in all truck categories of M/HCV segment**
- **An average of 2,200 units of Ace sold in 2QFY06**

Passenger Vehicles



- Domestic PV Volume Sales down 5%
- Utility Vehicle volumes at 8,240 units, up 8%
- PV domestic market share at 15.6%; down 160bps
 - Continues to be second-largest player
- Indigo SX, a luxury variant of Tata Indigo launched
- Safari Dicor, a variant of Tata Safari fitted with Direct Injection Common Rail engine launched
- Both the products have received an overwhelming response

Exports



- Key countries of Export were South Africa, Turkey, South East Asia, Middle East and Europe
 - Export Sales at 13,994 in 2QFY06; up 121% y-o-y,
 - Export sales 23,067 for 1HFY06, up 118% y-o-y
 - Exports value in 1HFY06 at Rs.934 Crs, up 74.3% y-o-y
 - CV exports at 7,858, up 62% in 2QFY06
 - PV exports at 6,136, up 310% in 2QFY06

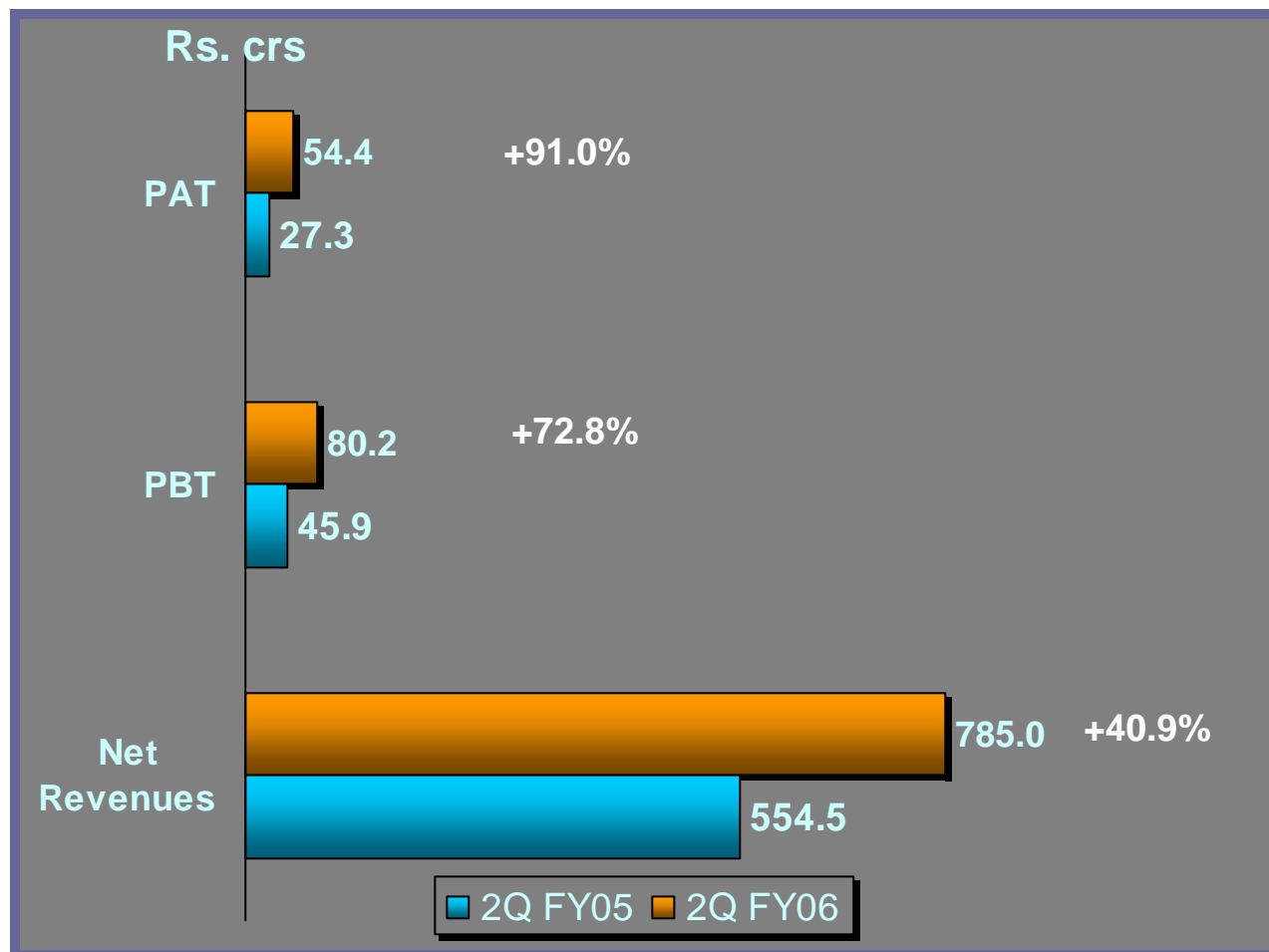
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Key Subsidiary Financials

Subsidiary	Revenues (Rs mn)		Change (%)	PBT (Rs mn)		Change (%)	PAT (Rs mn)		Change (%)
	2Q FY06	2Q FY05		2Q FY06	2Q FY05		2Q FY06	2Q FY05	
Tata Daewoo CV Ltd., Korea (TDWCV)	3,537	2,383	48.5%	213	29	625.8%	159	22	636.7%
Telco Construction Equipment Co. Ltd (Telcon)	2,801	1,874	49.5%	282	110	157.3%	181	67	169.2%
Tata Technologies Ltd (TTL)	592	484	22.4%	38	68	-43.7%	26	38	-32.4%
HV Transmissions Ltd (HVTL)	312	295	5.7%	111	100	10.7%	72	55	31.2%
HV Axles Ltd (HVAL)	352	336	4.9%	158	148	6.8%	106	91	16.4%
TAL Mfg Solutions Ltd (TAL)	216	174	24.1%	-9	4		-10	7	

Performance of Key Subsidiaries



The following subsidiaries are considered:

- TDCV
- TELCON
- TTL
- HVAL/HVTL
- TAL

Operational Highlights of Subsidiaries

TDCV

- TDCV registered total volume sales of 1,256 units during 2QFY06, up 5% y-o-y .
- At 318 units, the exports increased by 23% during 2QFY06 .

TTL

- TTL acquired 99.4% stake in INCAT, a UK based PLM service provider, through its subsidiary TTUS at total value of Rs. 4,114 mn (GBP 53.4 mn).

TELCON

- Registered 48.5% growth in volume sales, from 1,064 units in 2QFY05 to 1,580 units in 2QFY06.
- Maintained its market leadership in excavators with 52% market share.
- Market share in wheel loaders and backhoe loaders at 22% and 9% respectively during 1HFY05.

HVAL & HVTL

- Marginal increase in revenue in view of marginal sales growth in HCV segment of Tata Motors.
- Increased focus on improving the non-TML share of revenues.

Going forward....

- Industrial production and infrastructure development expected to boost the economic development.
- Continuing input cost pressure
- Uncertainty in trends of Global Crude Oil prices and steel prices
- Interest rates movement needs to be watched closely

Thank You