



Tata Motors

Q2/H1 FY08 Results Review

31st October, 2007



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

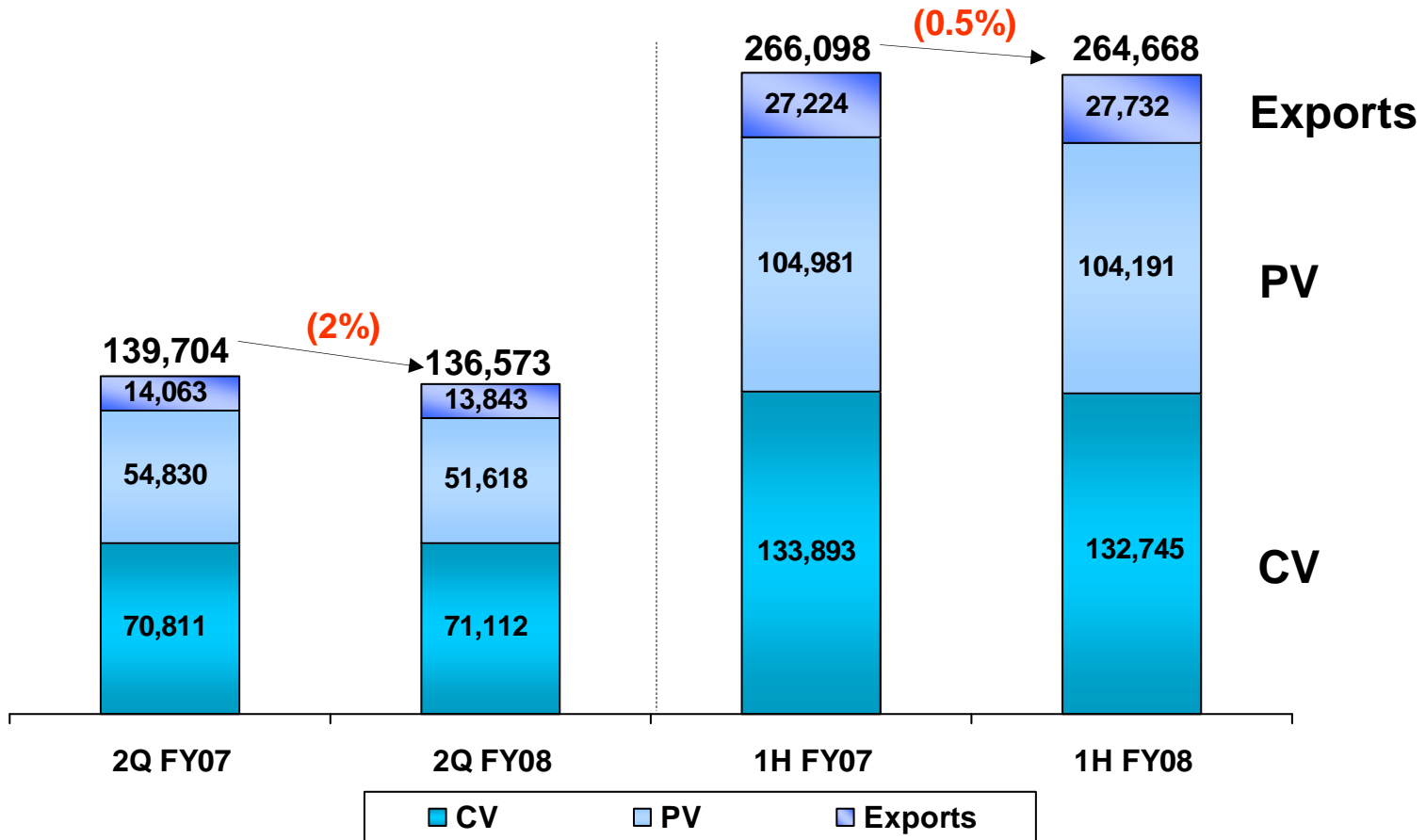


Agenda

- **Business Performance**

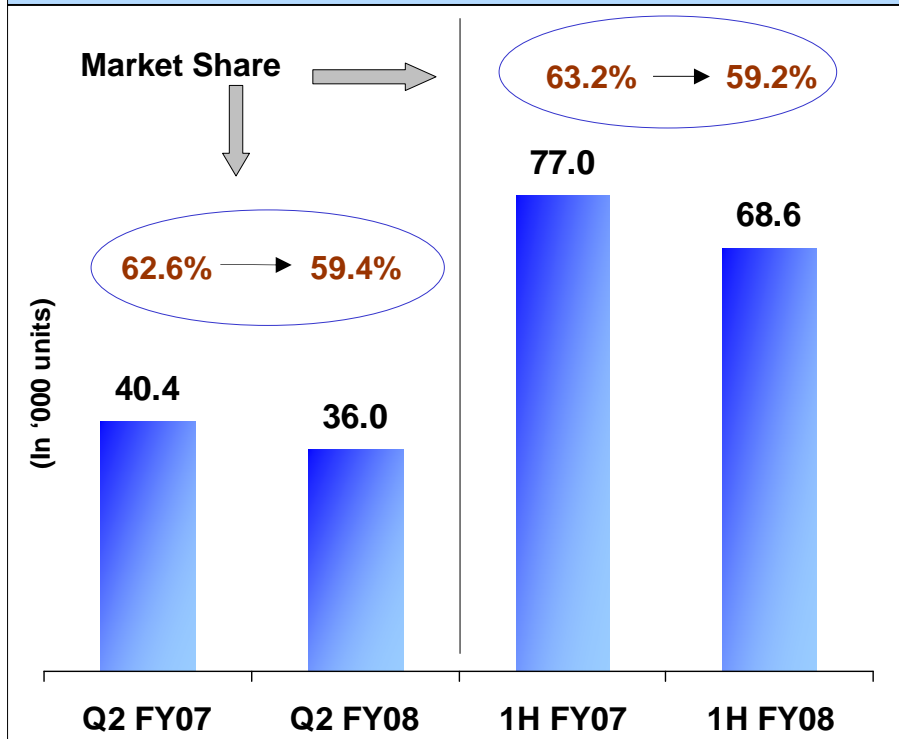
- Financial Performance
- Subsidiary Performance

High level of interest rate continues to impact demand

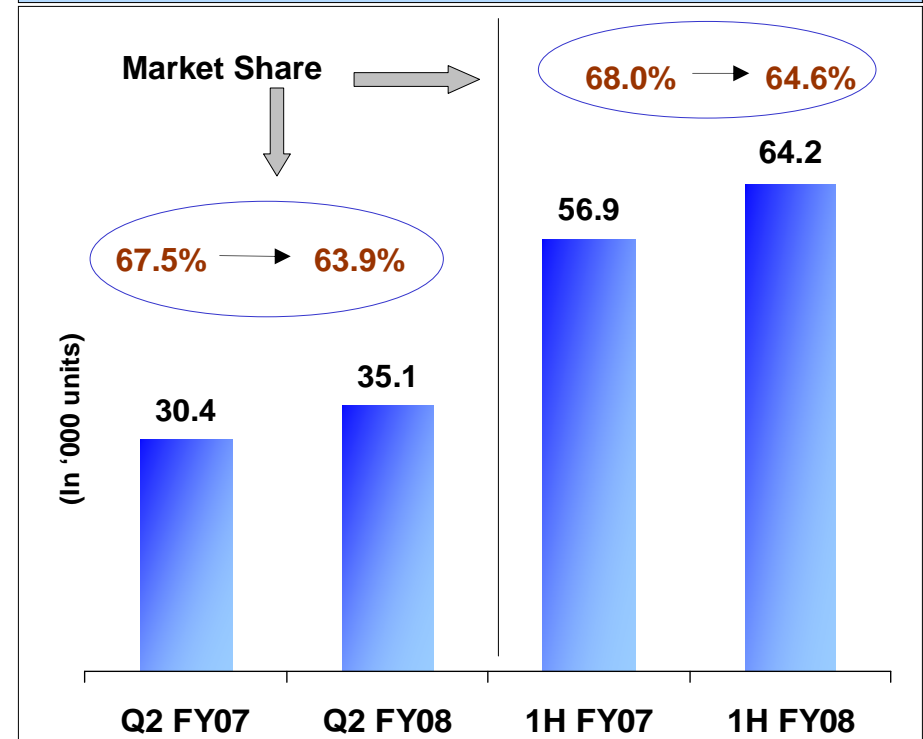


* PV sales includes sale of Fiat vehicles

Medium & Heavy Commercial Vehicles



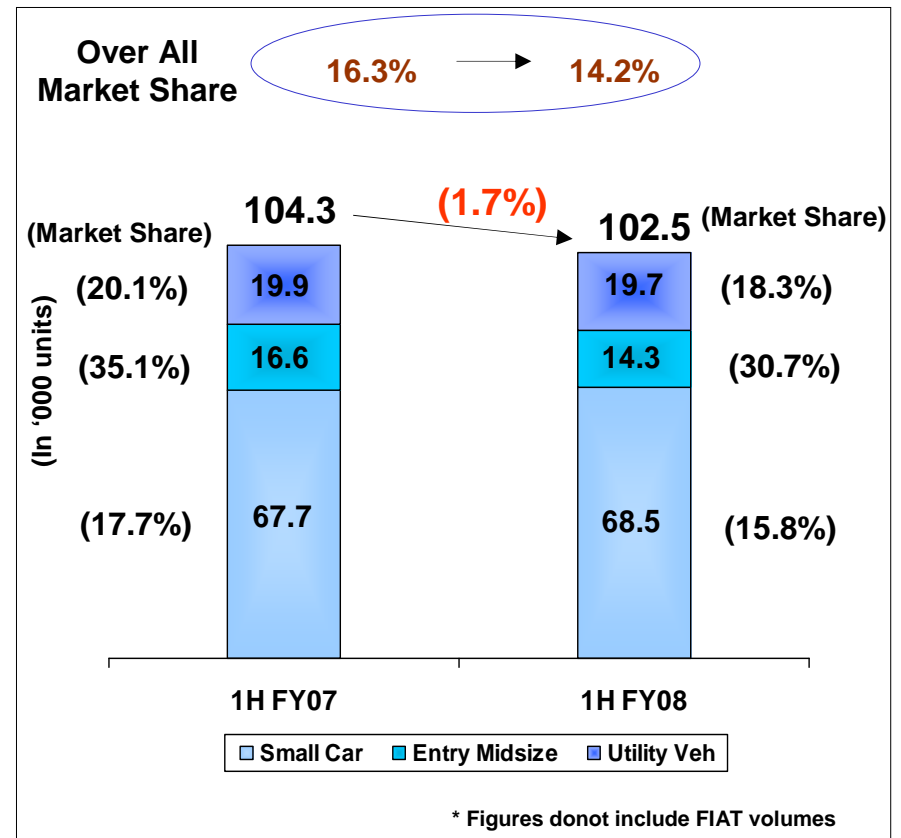
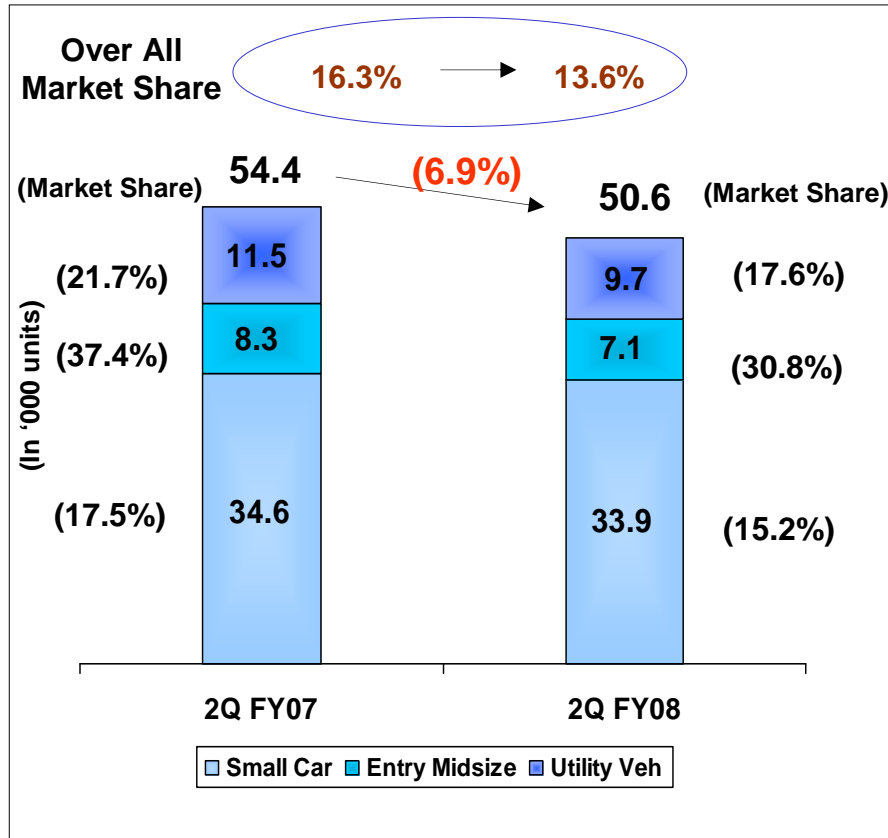
Light Commercial Vehicles



- M&HCV Domestic sales decreased by 11% in 1HFY07; industry declines by 5%
- M&HCV Goods segment continues to be impacted by high interest rates
- Domestic sales of buses shows positive momentum; growth of 21% in H1FY08

- LCV Domestic sales increased 12.5% in H1FY08; industry growth at 18%
- New launches – Magic and Winger receive encouraging response
- Average Ace sales of over 6500 pm for the period Apr – Sept '07

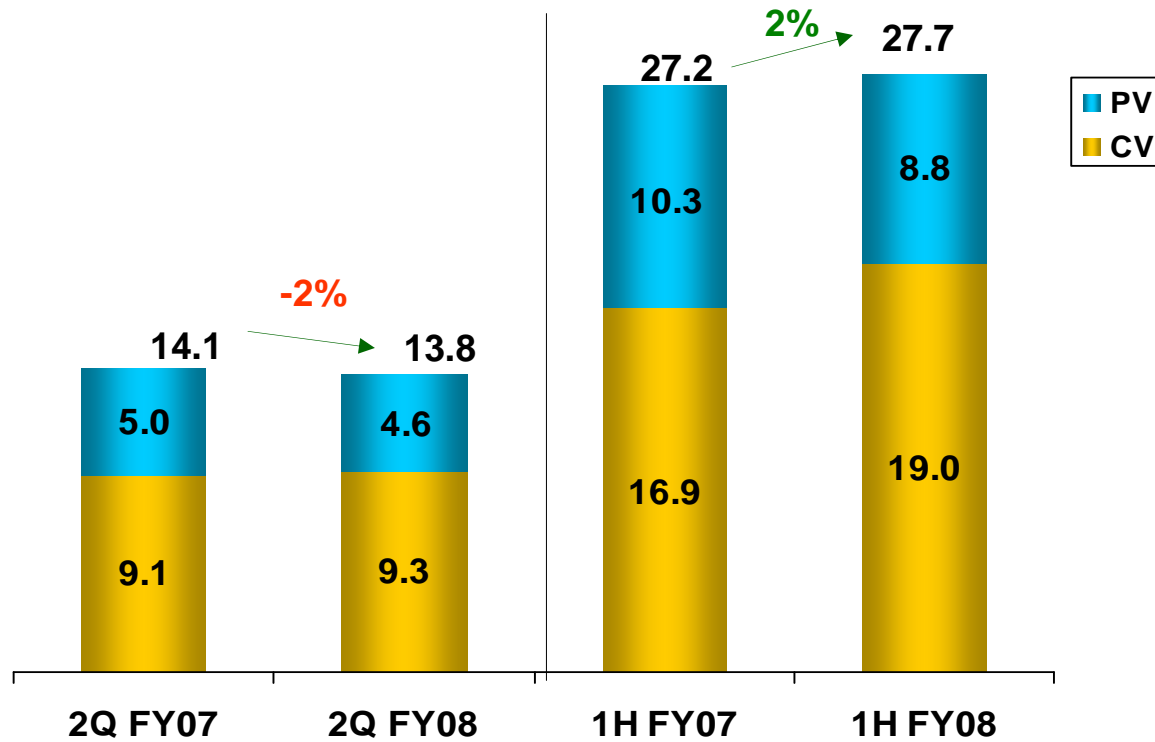
Passenger Vehicle Volumes and Market Share



- Industry volumes led by new launches, without which growth of 12.4% is a decline of 3.5%
- Company performance marginally impacted by virtue of a mature product portfolio growing against the high base effect of last year in a high interest rate driven, softening market this year
- Company's products have shown amongst the least decline in market share in the wake of new products
- New Safari range with 2.2 litre Common Rail Diesel engine, Sumo Victa with DI engine and New Indica V2 Turbo with ABS and Airbags launched in October to encouraging market response.

International Business Volumes

(In '000 units)



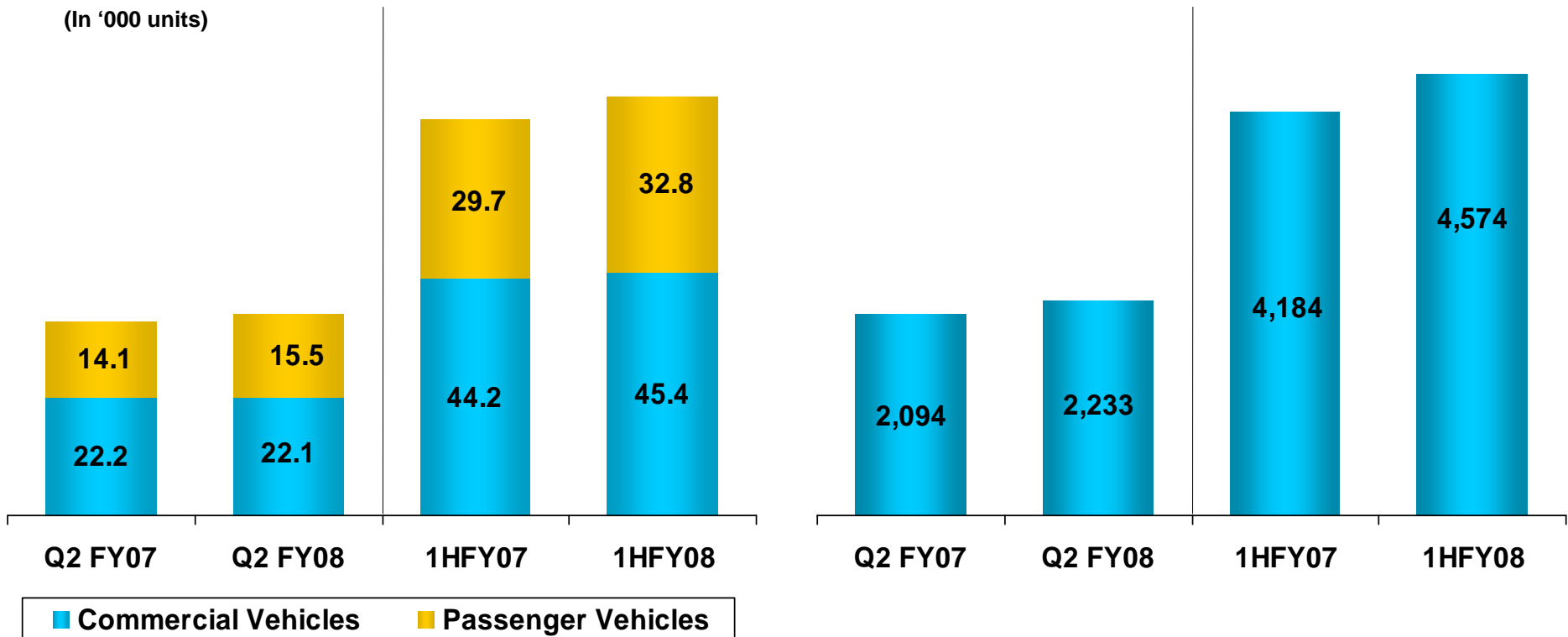
- Revenues from international business formed around 20% of the consolidated revenues.
- Exports were impacted due to strengthening rupee.
- Key export destinations were South Africa, South Asia, Middle East and parts of Europe.

Vehicle Financing

No. of Vehicles Financed

Disbursals (Rs. Cr)

(In '000 units)



TMF Market Share of Tata Motors vehicles stood at 33.2% as on 30th September'07 as compared to 31% as on 30th September'06



Agenda

- Business Performance

- **Financial Performance**

- Subsidiary Performance

Q2 FY08 Financial Performance (Consolidated)

Rs crores	Q2 FY08	Q2 FY07	% change
Gross Revenue	9274.42	8787.38	5.5%
Net Revenue	8205.23	7724.71	6.2%
EBITDA	1082.99	921.93	17.5%
EBITDA Margin	13.20%	11.93%	+126 bps
Other Income	75.05	95.05	-21.0%
Net Interest	214.26	100.87	112.4%
Dep. & Amortisation	188.37	169.3	11.3%
Prod. Dev. Exp.	18.79	17.52	7.2%
PBT	736.62	729.29	1.0%
Net Profit	570.71	536.44	6.4%
Basic EPS (Rs)	14.81	13.95	6.2%

⊕ **Net Revenues ↑ 6%**

⊕ **EBITDA ↑ 17.5%**

⊕ **PBT ↑ 1%;**

⊕ **Net Profit ↑ 6%**

⊕ **EPS of Rs.14.81; ↑ 6%**

Q2 FY08 Financial Performance (Standalone)

Rs crores	Q2 FY08	Q2 FY07	% change
Gross Revenue	7,668.21	7,600.80	0.9%
Net Revenue	6,672.65	6,585.20	1.3%
EBITDA	825.55	758.15	8.9%
EBITDA Margin	12.37%	11.51%	+86 bps
Other Income	70.66	84.83	-16.7%
Net Interest	96.49	95.58	1.0%
Dep. & Amortisation	159.74	143.49	11.3%
Prod. Dev. Exp.	18.79	17.52	7.2%
PBT	621.19	586.39	5.9%
Profit after Tax	526.84	441.72	19.3%
Basic EPS (Rs)	13.67	11.48	19.1%

⊕ **Net Revenues ↑ 1%**

⊕ **EBITDA ↑ 9%**

⊕ **PBT ↑ 6%;**

⊕ **PAT ↑ 19%**

⊕ **EPS of Rs.13.67; ↑ 19%**

H1 FY08 Financial Performance (Consolidated)

Rs crores	H1 FY08	H1 FY07	% change
Gross Revenue	17908.52	16480.4	8.7%
Net Revenue	15836.51	14454.26	9.6%
EBITDA	2151.69	1695.37	26.9%
EBITDA Margin	13.59%	11.73%	+186 bps
Other Income	88.64	112.36	-21.1%
Net Interest	390.46	179.31	117.8%
Dep. & Amortisation	363.61	334.78	8.6%
Prod. Dev. Exp.	38.12	27.84	36.9%
PBT	1448.14	1265.8	14.4%
Net Profit	1067.93	918.11	16.3%
Basic EPS (Rs)	27.71	23.92	15.8%

⊕ **Net Revenues ↑ 10%**

⊕ **EBITDA ↑ 27%**

⊕ **PBT ↑ 14%;**

⊕ **Net Profit ↑ 16%**

⊕ **EPS of Rs.27.71; ↑ 16%**

H1 FY08 Financial Performance (Standalone)

Rs crores	H1 FY08	H1 FY07	% change
Gross Revenue	14,661.23	14,271.77	2.7%
Net Revenue	12,729.47	12,334.76	3.2%
EBITDA	1,577.72	1,394.41	13.1%
EBITDA Margin	12.39%	11.30%	+109 bps
Other Income	156.98	170.74	-8.1%
Net Interest	178.05	168.13	5.9%
Dep. & Amortisation	307.21	284.54	8.0%
Prod. Dev. Exp.	38.12	27.84	36.9%
PBT	1,213.32	1,084.64	11.9%
Profit after Tax	993.60	823.57	20.6%
Basic EPS (Rs)	25.78	21.46	20.1%

⊕ **Net Revenues ↑ 3%**

⊕ **EBITDA ↑ 13%**

⊕ **PBT ↑ 12%;**

⊕ **PAT ↑ 21%**

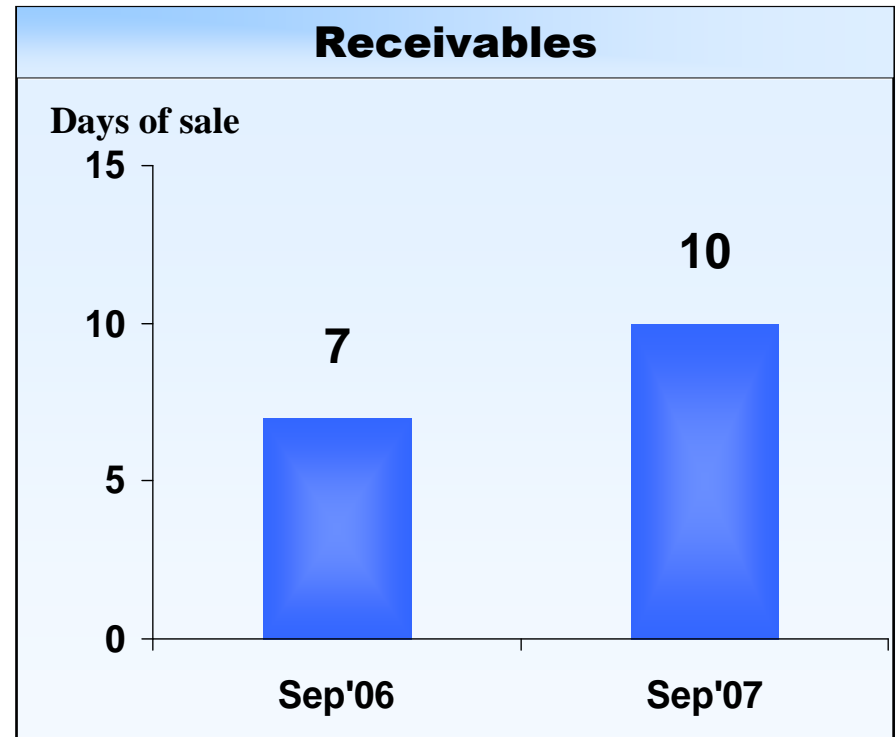
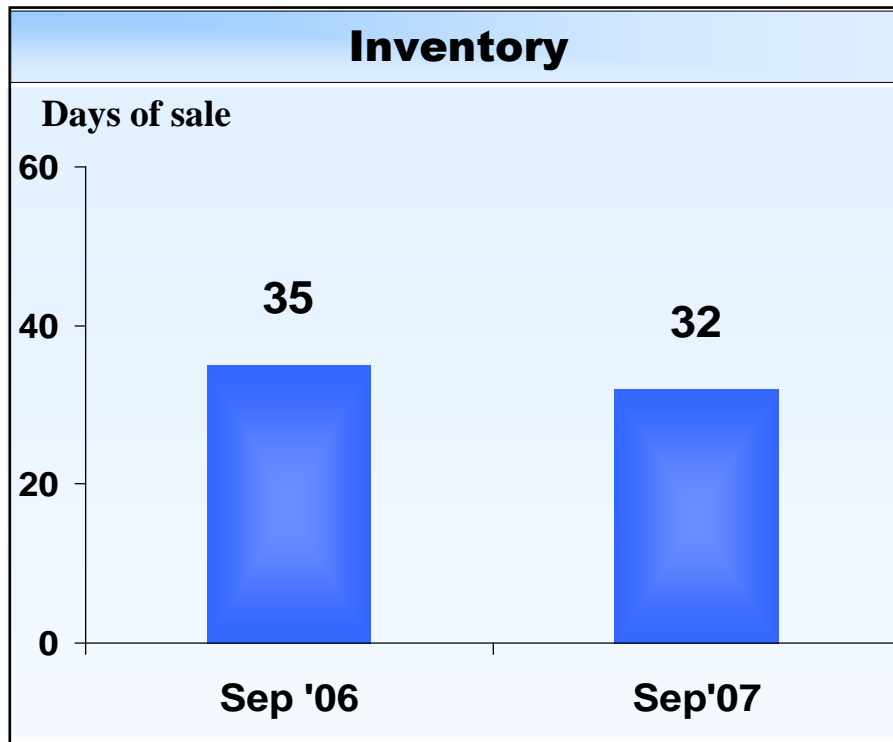
⊕ **EPS of Rs.25.78; ↑ 20%**

Margin Pressure

Pressure on profitability due to

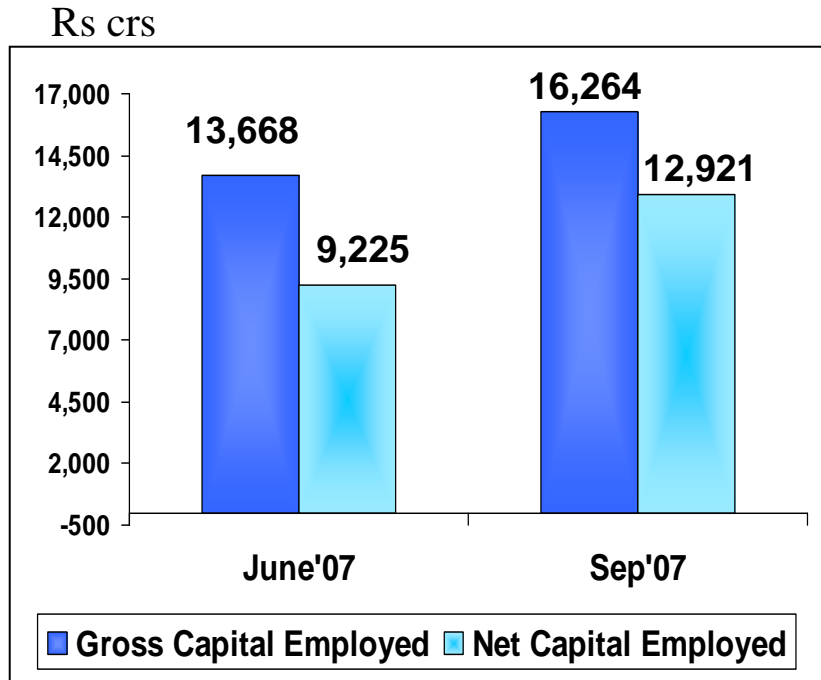
- ⊕ Relatively Weak Demand**
- ⊕ New launches in the Passenger vehicle industry**
- ⊕ Hardening of Interest rates**
- ⊕ Increasing Commodity prices**
- ⊕ Increasing Crude Oil Price**
- ⊕ Hardening Rupee**

Working Capital



Tight control on Working Capital continues

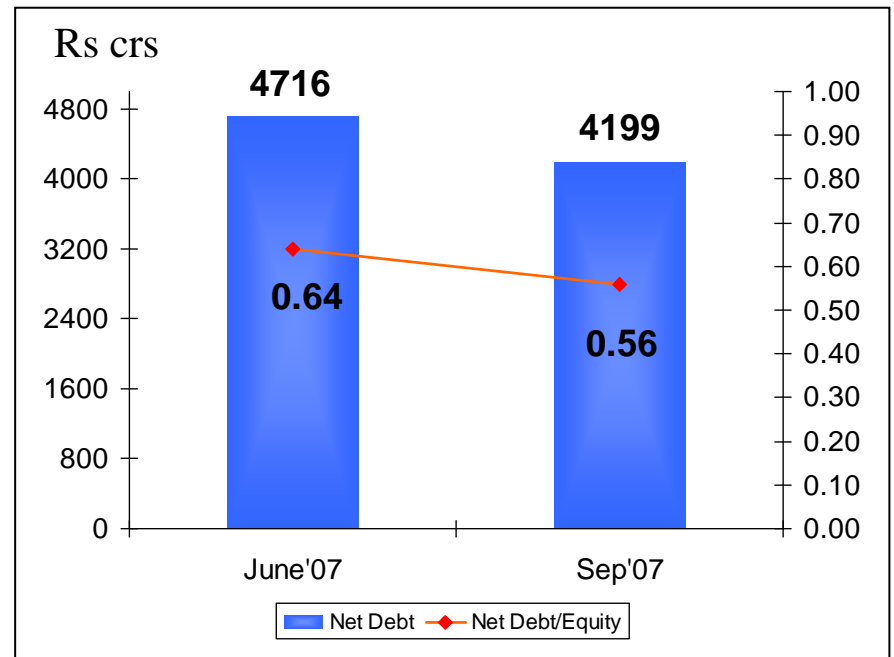
Balance Sheet Size



We have financing loans and receivables to the extent of Rs. 3343 crs as on 30th Sep'07



Net Capital employed is net of Vehicle Financing loans & receivables



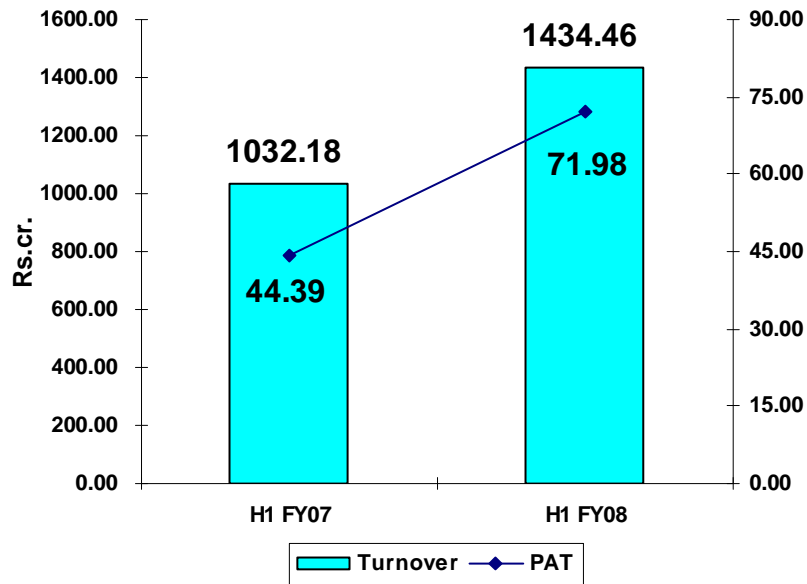


Agenda

- Business Performance
- Financial Performance
- **Subsidiary Performance**

Subsidiaries Financials

TDCV

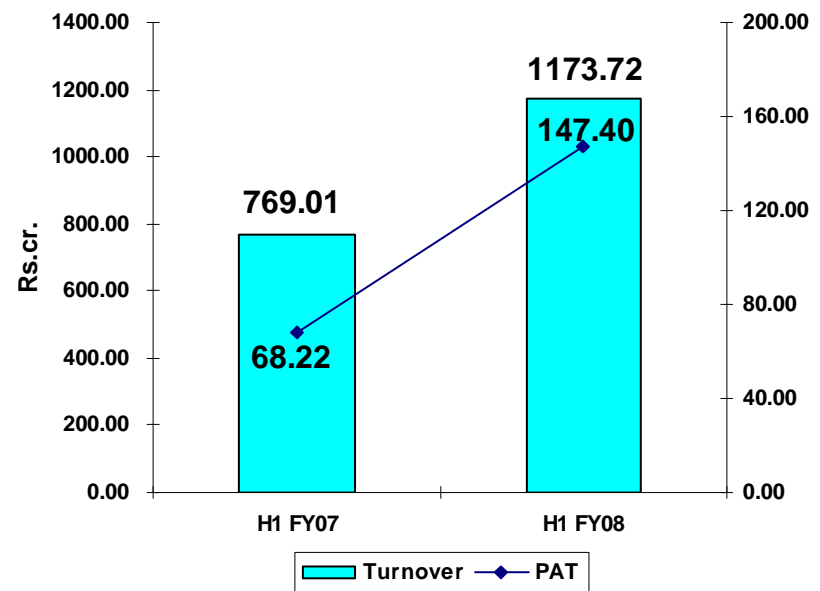


Total sales volume of 5542 units during H1 FY08; up 147% y-o-y.

Of the above, 4,320 units were sold in the domestic market, up by 186% y-o-y in H1 FY08.

Domestic market share of TDCV as on 30th Sep'07 stood at 33.3%, up from 24.3% as on 30th Sep, '06.

Telcon



Volume sales at 3345 units in H1 FY08; up 46% y-o-y

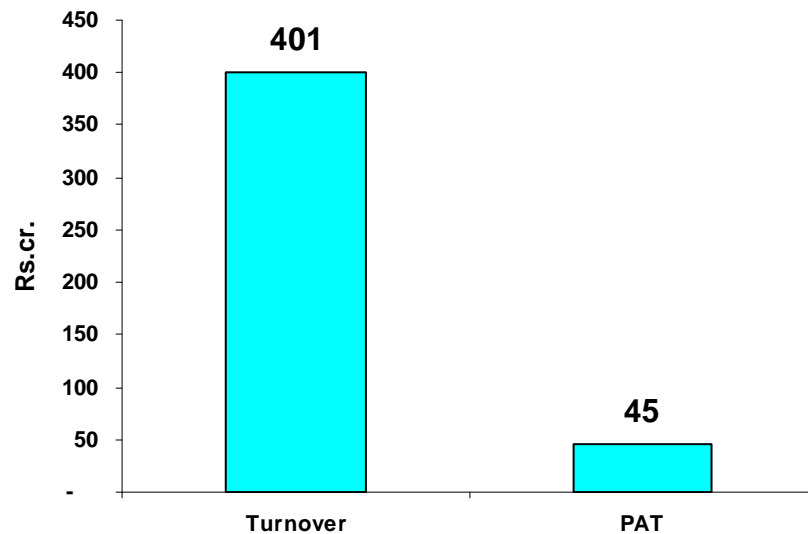
Continues to be the market leader in excavator segment with a share of 53%

Market share in wheel loaders backhoe loaders at 10% in H1 FY08.

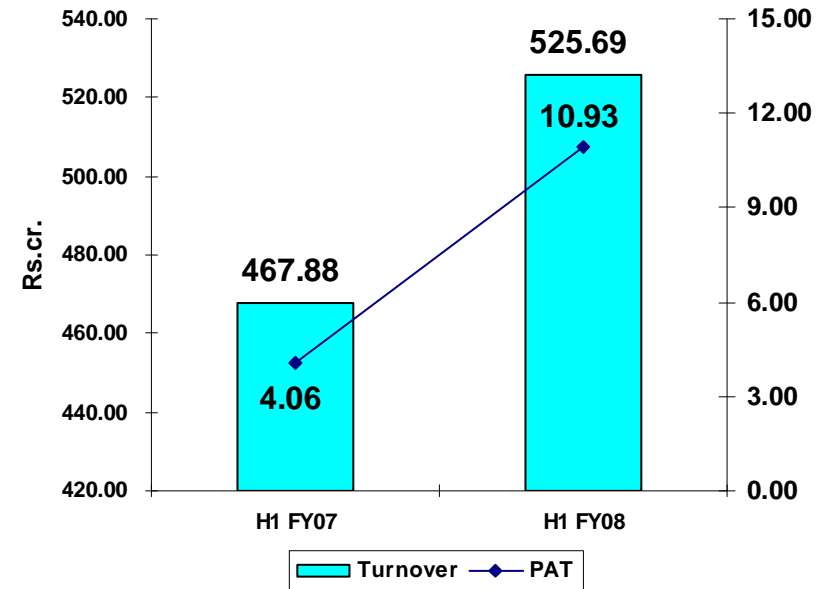
New Products launched in various segments.

Subsidiaries Financials

Tata Motor Finance Ltd



TTL (consolidated)



Name of the Subsidiary changed to Tata Motors Finance Limited

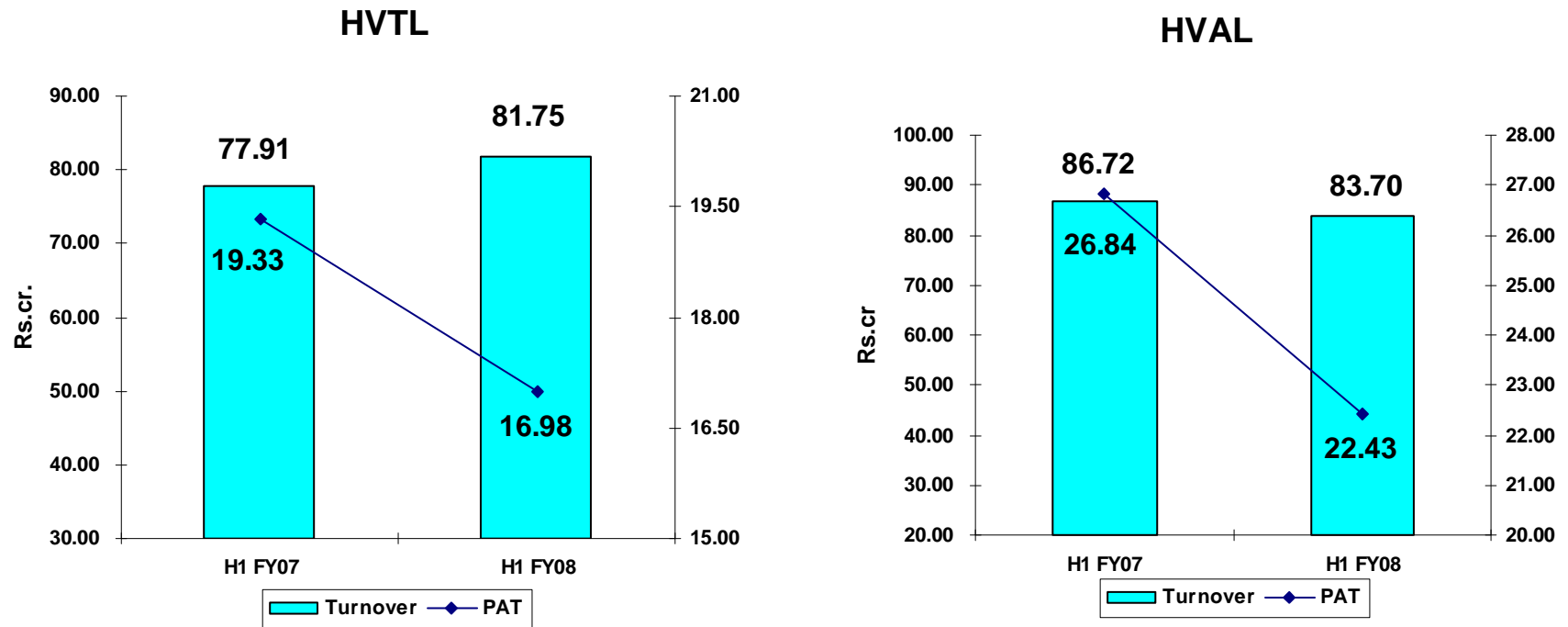
TMF increased market share in Tata Motors vehicles from 31% in H1 FY07 to 33.2% in H1 FY08.

TMF market share in CV financing went up by 130 bps y-o-y to 34.2% in H1 FY08, market share in Passenger vehicles came in at 32%.

Early signs of the accrual of integration benefits with INCAT are visible as PAT increased by 2.5 times in H1 FY08 as compared to H1 of last year.

America was the largest geographical segment in terms of share of Revenues, followed by Asia Pacific and Europe.

Subsidiaries Financials



Performance of HVTL and HVAL is adversely impacted by the weakness in the Commercial Vehicle Industry.

The six months ahead.....

- **Overall commodity prices expected to remain firm**
- **Infrastructure development , growth in Industrial production and softening of interest rates 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 high interest rate levels and base-effect.**
- **Increasing choice for the customer and softening of interest rates would serve as significant driver of passenger vehicle growth.**
- **Close watch on the direction of crude oil price.**



Thank You