



# TATA MOTORS

Q2/H1 FY09 Results Review

31<sup>th</sup> October, 2008



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

**Business  
Highlights**

**Financial  
Highlights**

**Key  
Subsidiaries**

**Significant  
Events**

- ✓ **Commercial Vehicles**
- ✓ **Passenger Vehicles**
- ✓ **International Business**
- ✓ **Vehicle Financing**

## **Q2/H1 FY09 Results Review**

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## Indian Auto Industry impacted by macro-economic factors

RBI's Anti – Inflationary measures over the last few quarters has resulted in :

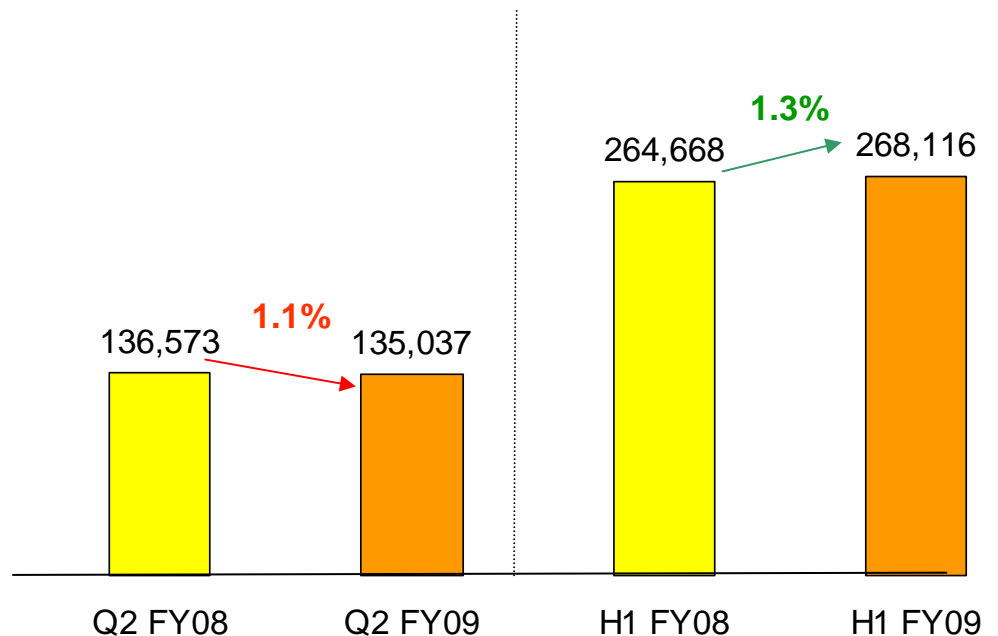
- High Interest rates
- Reduced Liquidity
- Tightening of Vehicle financing

Additionally, Global Financial Market

Crisis has created

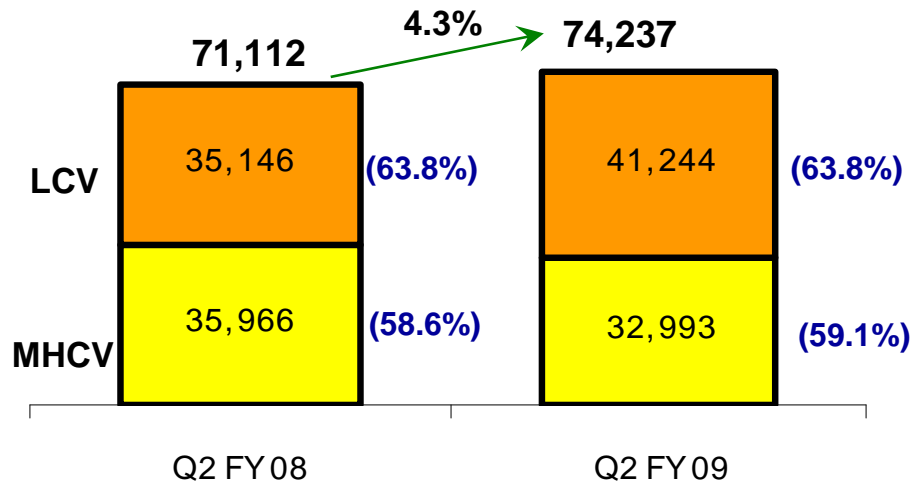
- Volatility in stocks and exchange rates
- Aggravated the lack of liquidity

## Tata Motors volume decline contained at 1%, despite challenging environment



## Market Position Strengthened in Commercial Vehicles

Market share: 61.1% → 61.6%



|                   | H1 FY08            | H1 FY09            | change |
|-------------------|--------------------|--------------------|--------|
| <b>MHCV</b>       | 68,558<br>(58.6%)  | 68,781<br>(59.6%)  | 0.30%  |
| <b>LCV</b>        | 64,187<br>(64.5%)  | 76,865<br>(63.4%)  | 19.80% |
| <b>Total CV's</b> | 132,745<br>(61.4%) | 145,646<br>(61.5%) | 9.70%  |

Figs in brackets denotes market share,  
Note: LCV includes sales of Magic and Winger

➤ Industry registered a volume growth of 3.4%, impacted by low finance availability and high interest rates.

- MHCV decline by 9.5% and
- LCV clocked a robust 17.9% growth.

➤ TML market share in CV segment stood at 61.6%,

- MHCV increased to 59.1% from 58.6%.
- LCV market share maintained at 63.8%.

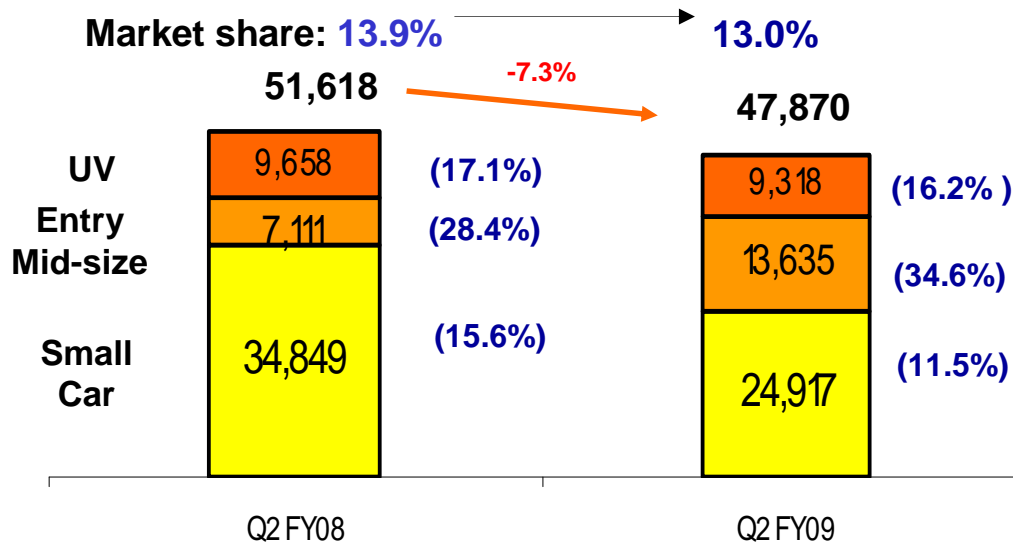
➤ TML's market share in MHCV truck market increased to 64.5% in Q2 FY09 from 62.8% in Q2 FY08

➤ TML market-share in passenger carrier segment increased from and from 52% in Q2FY08 to 60% in Q2FY09

➤ LCV volume of Tata Motors increased by 17.8% in Q2FY09,

- ACE Truck, Magic and Winger continue to receive strong market response.
- Market share in LCV passenger carrier increased from 65.1% to 75.8%
- Uttarakhand ramping up production.

## Indigo CS, Sumo Grande , Indica Vista cushion volume and Market Share fall; Strong Product Pipeline Ahead;

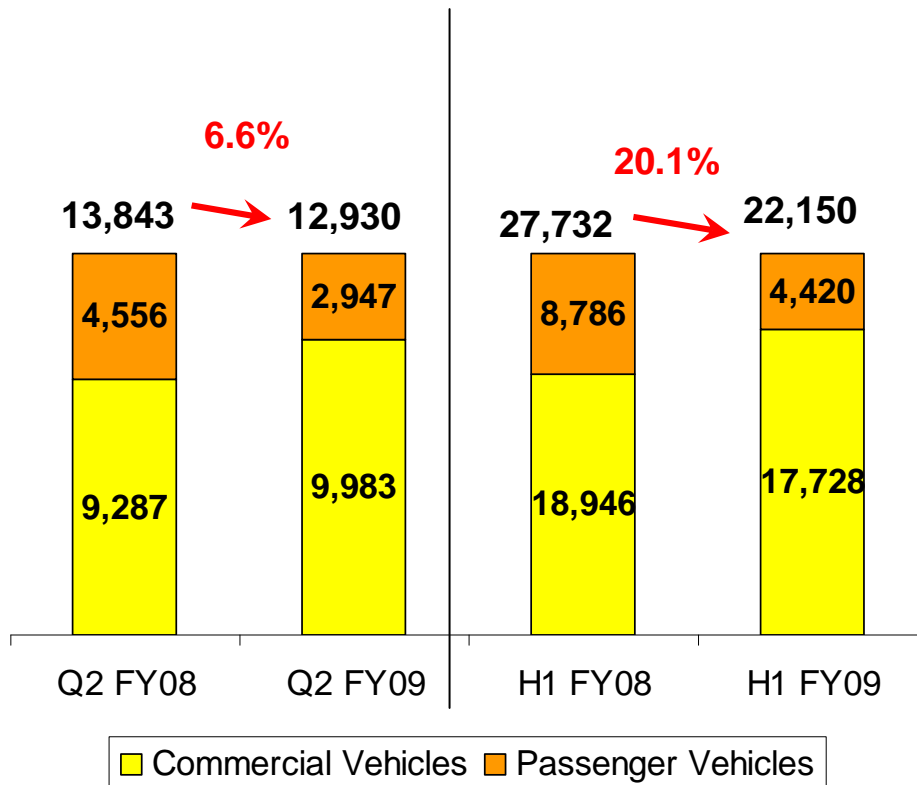


- PV industry declined by 1%, primarily due to high interest rates and tightening of finance availability
- Phasing out of the Old Indica affected volumes and market share among hatchbacks; Poised to pick up in the 3<sup>rd</sup> and 4<sup>th</sup> Quarters on the back of strong response for the next generation Indica Vista and production ramp up
- Strong market response to Indigo CS launched in Q4FY08 increased TML's market share in entry mid-size segment from 28.4% to 34.6% y-o-y
- Utility Vehicle volumes grew 10% in H1 aided by new Sumo Grande Volumes
- Company Volumes picked up from 14,655 units in July to 16,585 in Sep – Indica Vista impact limited to September sales
- During H1 FY09 the Company sold 2393 Fiat vehicles, a growth of 39.7%
- Strong product portfolio ahead makes Company well positioned to tackle adverse market conditions

|                    | H1FY08                     | H1FY09                     | change        |
|--------------------|----------------------------|----------------------------|---------------|
| Small Car          | 70,180<br>(16.2%)          | 51,949<br>(11.4%)          | -27.62%       |
| Entry Mid-size     | 14,313<br>(30.7%)          | 26,688<br>(36.5%)          | 86.46%        |
| UV                 | 19,698<br>(18.0%)          | 21,683<br>(17.7%)          | 10.08%        |
| <b>Tata + FIAT</b> | <b>104,191<br/>(14.5%)</b> | <b>100,320<br/>(13.1%)</b> | <b>-3.72%</b> |

*Figs in brackets denotes market share*

## Volume decline in prime markets affects International performance



➤ Key export markets impacted due to economic conditions, high fuel prices and high interest rates.

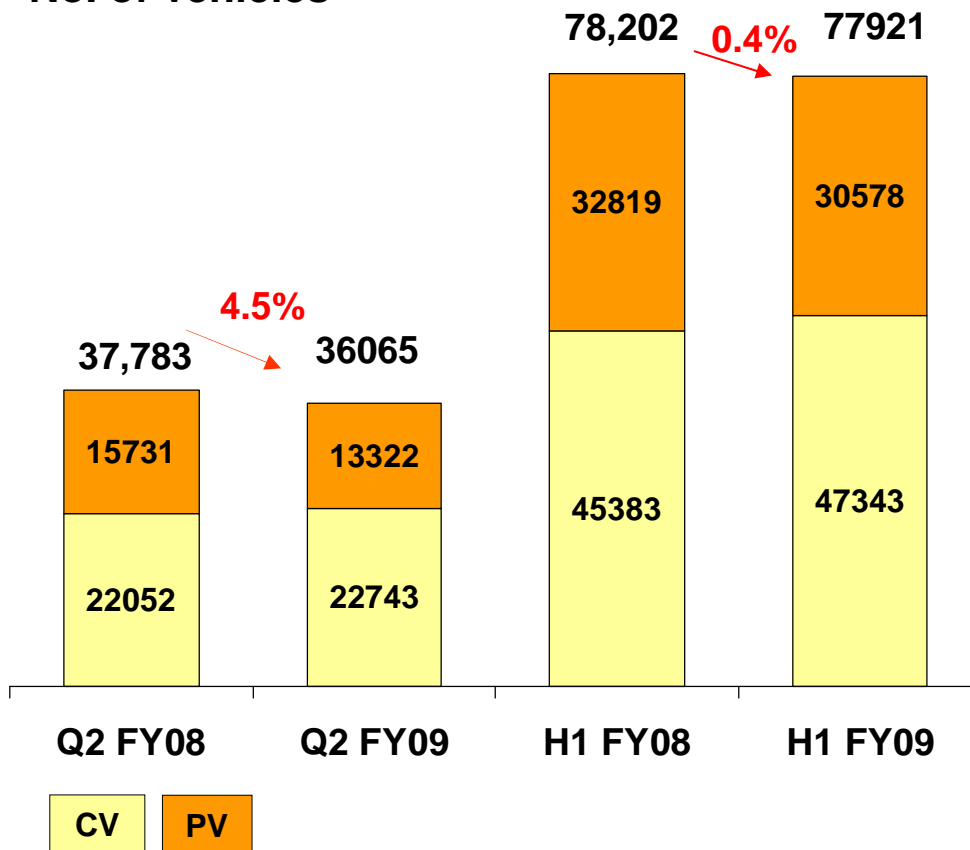
➤ New markets partly mitigate contraction in traditional prime markets

➤ Export of CVs improved due to increased sales in Ukraine and Russia

## Captive Vehicle Financing continues to be critical support to core business

### Vehicles Financed

No. of vehicles



- YTD combined disbursements was Rs.3,884 crs a growth of 8.5% from Rs 3,579 cr in H1 FY08;
- Market Share of TATA Motors vehicles stood at 32% in H1 FY09
- Net interest margin stood at 4.8% in Q2FY09
- Book Size stood at Rs.8575 cr
  - On Tata Motors books – Rs.3299 cr
  - On TMFL books – Rs.5276 cr

**Business  
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**Financial  
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**Key  
Subsidiaries**

**Significant  
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- ✓ **Stand-Alone Financials**
- ✓ **Working Capital**
- ✓ **Balance Sheet**

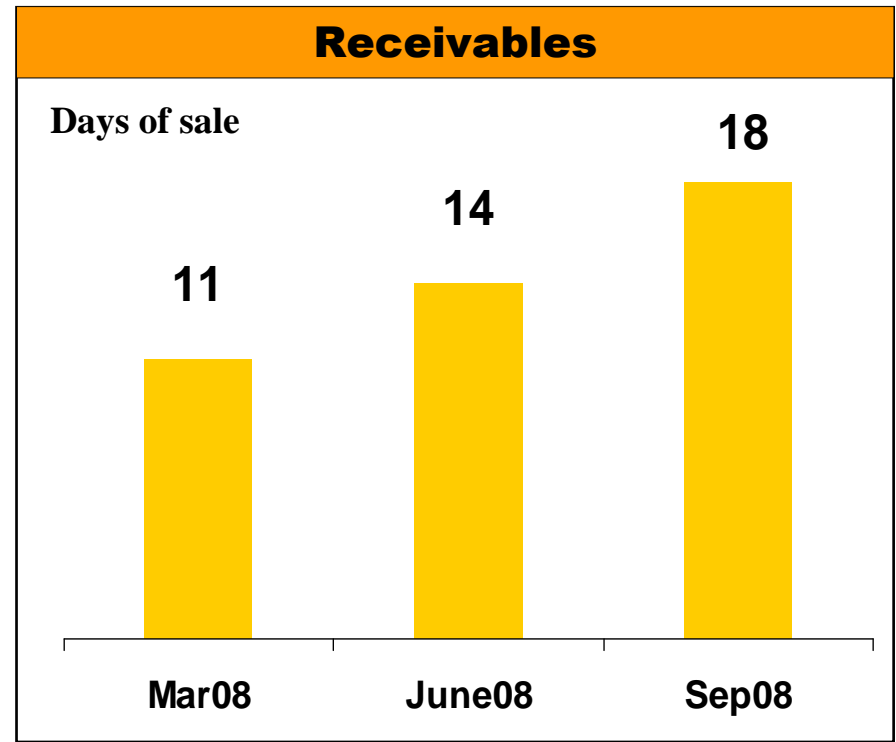
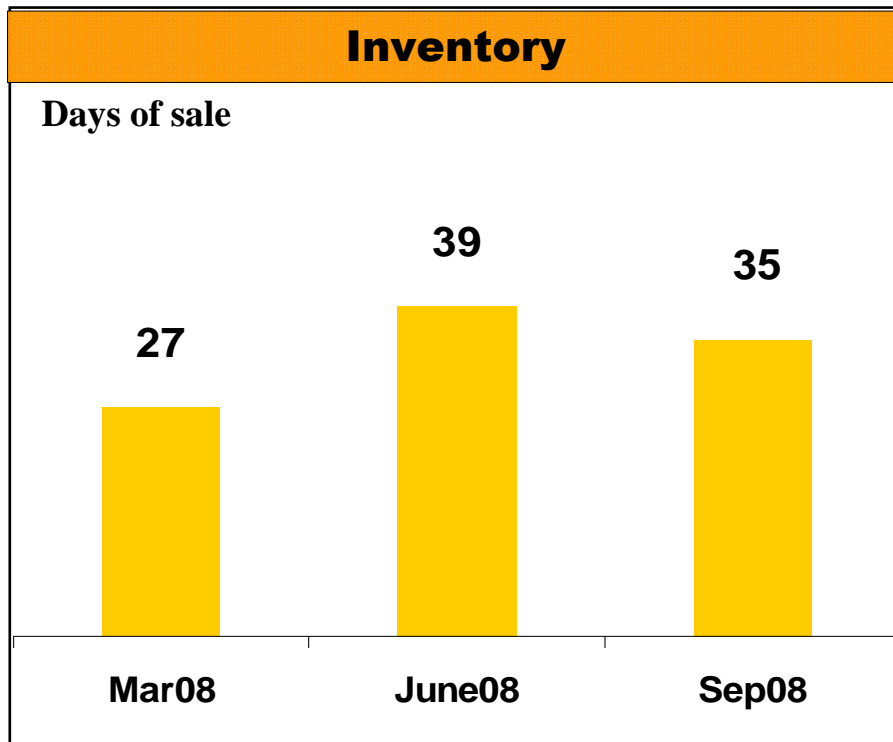
## **Q2/H1 FY09 Results Review**

**31<sup>th</sup> October, 2008**

## Standalone Financial Performance – EBITDA Margin 8.13% (9.2% in Q2FY08)

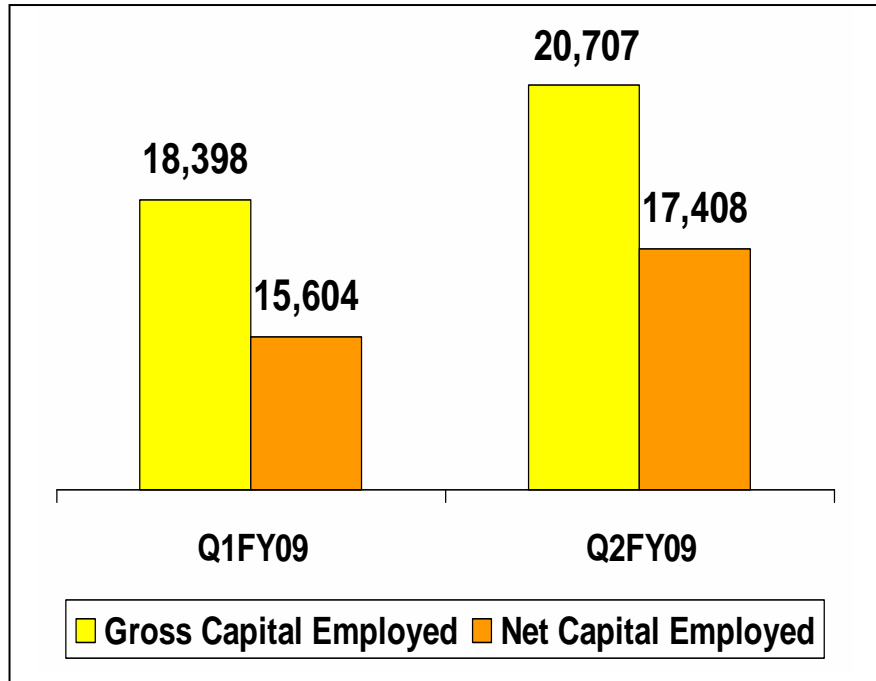
| Rs Crs   | Q2 FY08       | Q2 FY09       | %change          | H1FY08         | H1FY09         | %change          |
|--|---------------|---------------|------------------|----------------|----------------|------------------|
| <b>Net Revenue</b>   | <b>6672.7</b> | <b>7078.9</b> | <b>6.1%</b>      | <b>12729.5</b> | <b>14007.3</b> | <b>10.0%</b>     |
| PAT  | 526.8         | 346.9         | (34.1)%          | 993.6          | 673.1          | (32.3)%          |
| PBT  | 621.2         | 358.0         | (42.4)%          | 1213.3         | 703.0          | (42.1)%          |
| <b>Less :</b>  |               |               |                  |                |                |                  |
| (1) Notional exchange loss/ (gain) on revaluation of foreign currency borrowings | (30.85)       | 285.02        |                  | (236.7)        | 484.9          |                  |
| (2) Other Income   | 70.5          | 429.3         |                  | 158.8          | 744.9          |                  |
| <b>Add:</b>  |               |               |                  |                |                |                  |
| (1) Depreciation, PDE and net interest   | 275           | 361.6         |                  | 523.4          | 662.7          |                  |
| 2) Income from sale of IPR and CEQ activity                                      | 199           | -             |                  | 199            | -              |                  |
| <b>EBITDA</b>  | <b>595.3</b>  | <b>575.4</b>  | <b>(3.3)%</b>    | <b>1141.6</b>  | <b>1105.8</b>  | <b>(3.1)%</b>    |
| <b>EBITDA Margin</b>   | <b>9.2%</b>   | <b>8.13%</b>  | <b>(107) bps</b> | <b>9.11%</b>   | <b>7.89%</b>   | <b>(122) bps</b> |

## Working Capital



## Balance Sheet Size

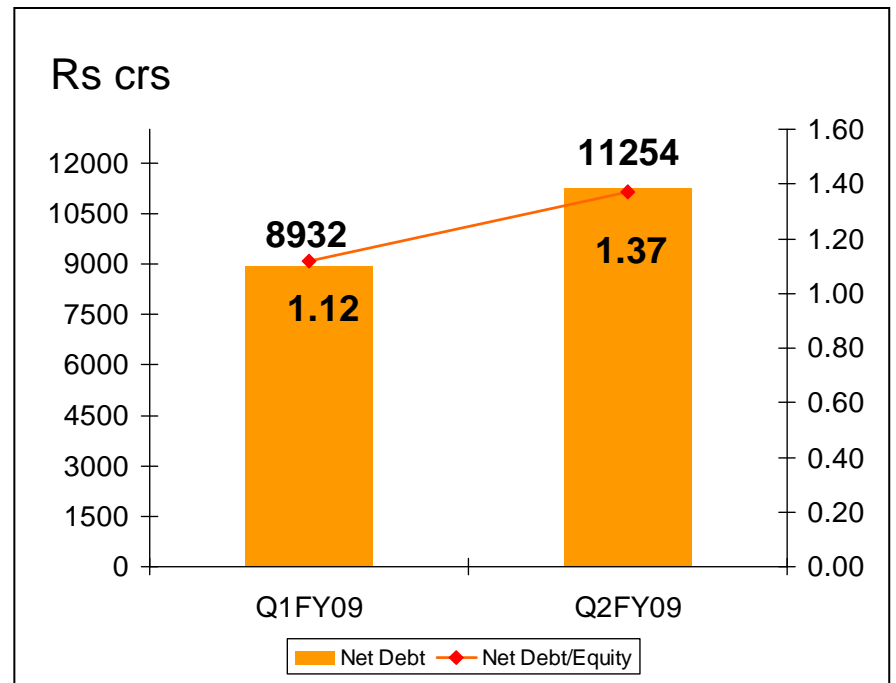
Rs crs



We have financing loans and receivables to the extent of Rs. 3,299 crs as on 30<sup>th</sup> Sep'08



Net Capital employed is net of Vehicle Financing loans & receivables



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✓ **Key Highlights**

## Q2/H1 FY09 Results Review

31<sup>th</sup> October, 2008

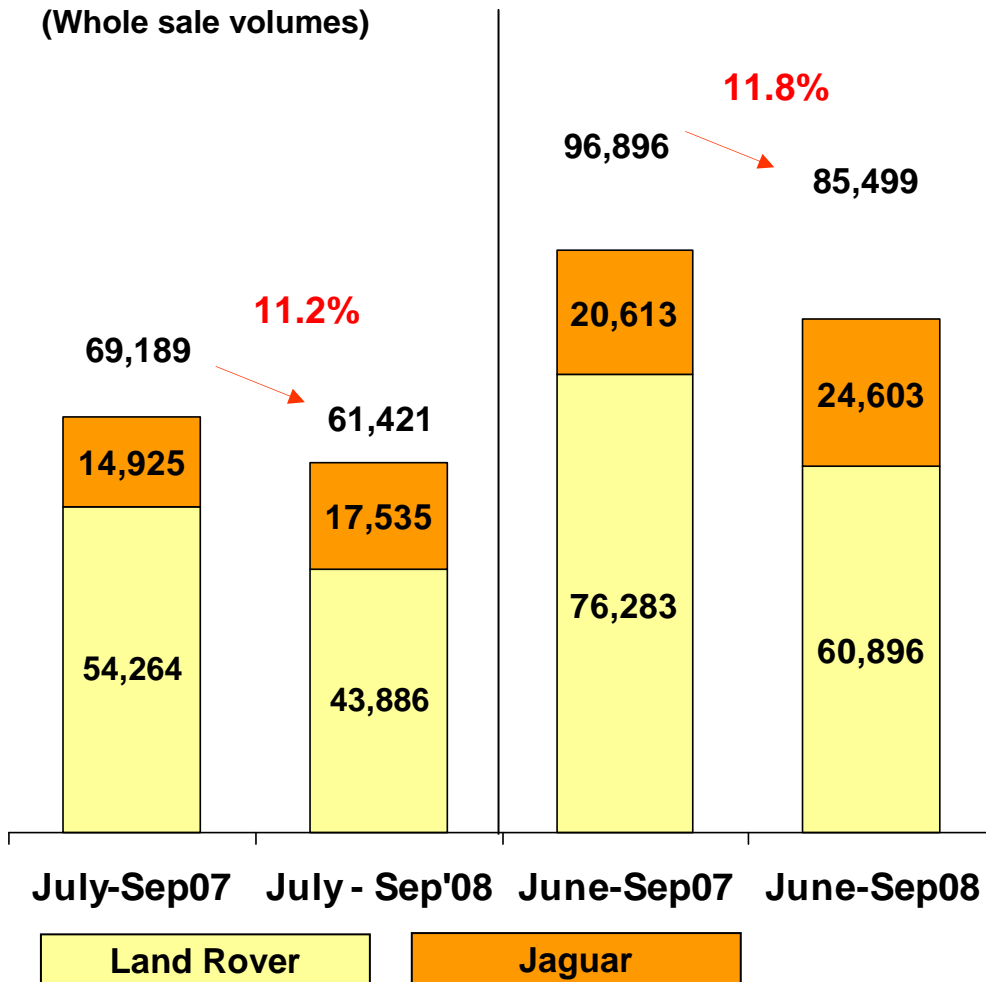


## Subsidiaries Financials

| (Rs.cr)   | Turnover |        |          | PAT    |        |          |
|---|----------|--------|----------|--------|--------|----------|
|   | Q2FY08   | Q2FY09 | % Change | Q2FY08 | Q2FY09 | % Change |
|    | 698.9    | 782.5  | 12%      | 41.0   | 22.3   | (45.7)%  |
|    | 696.0    | 764.3  | 9.8%     | 81.4   | 41.8   | (48.6)%  |
|    | 259.5    | 323.9  | 24.8%    | 7.7    | 15.4   | 99.7%    |
|  | 236.8    | 199.8  | (15.6)%  | 35.0   | (12.5) | NM       |
|  | 42.2     | 38.4   | (9.1)%   | 9.6    | 3.8    | (60.6)%  |
|  | 43.5     | 41.7   | (4.1)%   | 12.6   | 4.2    | (66.4)%  |

## Jaguar Land Rover Performance

(Whole sale volumes)



- The new Jaguar XF launched in January 2008 continues to witness strong demand.
- JLR continues to expand in emerging markets such as Russia, Brazil and China
- JLR focuses on Cost reduction, review of capital expenditure, increase operational efficiency and maintain vehicle quality.
- Cross-functional teams between Tata Motors and Jaguar Land Rover already engaged in actioning various joint efficiency opportunities in Engineering, Sourcing, IT and other areas

\* Jaguar Land Rover business owned by Tata Motors from June 2, 2008.

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- ✓ **New Product Launch**
- ✓ **Nano Plant**
- ✓ **New Subsidiary**

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## Significant Events

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- Tata Motors launched the next generation Indica Vista
- The Manufacturing facility of Tata Nano to be relocated from Singur to Sanand. The integrated project to manufacture the Nano will have an initial capacity of 250,000 cars per annum.
- TML Distribution Company Limited (TDCL) wholly-owned subsidiary of the Company, for logistics and distribution support for Tata Motors products in India, commenced operations from August 2008.



**Thank You**