Tata Motors (NYSE :TTM)

3Q FY05 Result Review

January 31, 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

Presentation Outline

- **3Q and YTD FY05 Results**
- 3Q Operational Highlights

3Q FY05 Financial Performance (Unconsolidated)

	3Q FY04 (Rs cr)	3Q FY05 (Rs cr)
Net Revenue	3,399.6	4,364.9
EBITDA	490.2	581.1
Other Income	16.7	24.7
Net Interest	47.4	41.4
Dep. & Amortisation	94.2	100.8
Prod. Dev. Exp.	0.9	6.2
PBT before Extra-ord. Items	364.4	457.3
Extra-ord. Items	(2.6)	(1.0)
PBT	361.7	456.3
Tax	150.9	140.1
Net Profit	210.9	316.2
Basic EPS (Rs) (non-annualised)	6.5	8.8

- *Volume growth of 26% to 98,662 units*
- *Net Revenues up 28%*
- *EBITDA up 19%*
- *PBT up 26%*
- *PAT up 50%*
- *Basic EPS (non-annualised) up 35 %*

3Q FY05 Performance (Unconsolidated)

- Input cost pressure remains an area of high concern
  - Mitigated to certain extent by vehicle realisation increases and cost reduction

- Balance sheet size of Rs 7,559 cr (including surplus cash of around Rs 2,980 cr)

- The Company carried out the final round of conversion of outstanding warrants (from Rights Issue in FY02) during the quarter. The warrants were converted at a premium of Rs 110 per share. The Company's paid-up capital increased to Rs 361.8 cr as on Dec 31, 2004

- Focus on reducing the working capital requirements.
  - Reduced Debtor days
  - Negative working capital position maintained

- Gross Debt of Rs 2,516 cr as on Dec 31, 2004.

- Net Debt remained negative Rs 470 cr

April- Dec FY05 Financial Performance (Unconsolidated)

Apr-Dec	FY04 (Rs cr)	FY05 (Rs cr)
Net Revenue	9,079.8	12,086.1
EBITDA	1,260.6	1,530.5
Other Income	49.9	136.5
Net Interest	127.2	122.8
Dep. & Amortisation	283.9	305.9
Prod. Dev. Exp.	20.0	48.6
PBT before Extra-ord. Items	879.5	1,189.7
Extra-ord. Items	(25.6)	(3.1)
PBT	853.9	1,186.6
Tax	336.1	337.8
Net Profit	517.9	848.8
Basic EPS (Rs) (non-annualised)	16.1	23.6

- *Volume growth of 29% to 279,156 units.*
- *Net Revenues up 33%*
- *EBITDA up 21%*
- *PBT up 39%; PAT up 64%*
- *Basic EPS (non-annualised) +47%*

Financial Performance (Consolidated)

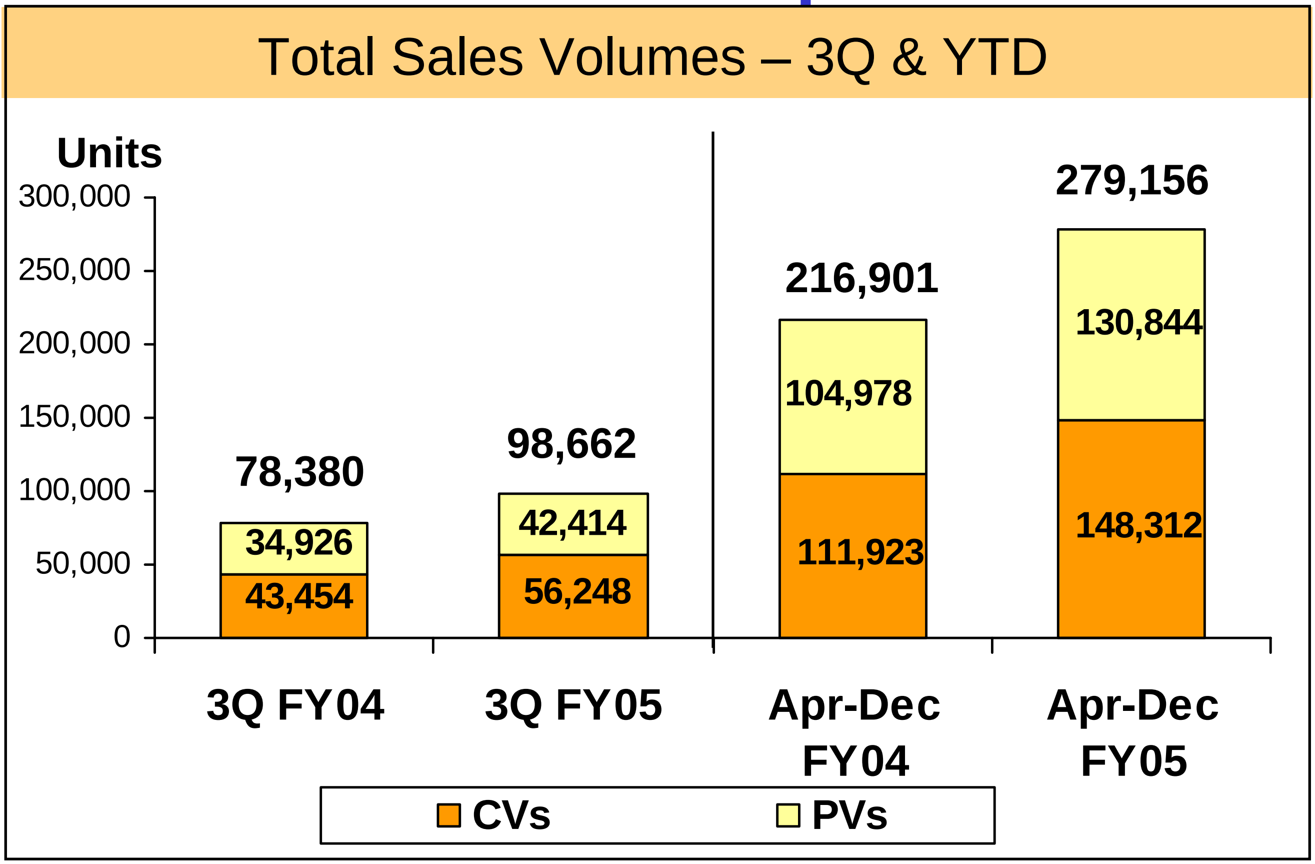
	Apr-Dec FY05 (9 months) (Rs cr)	FY04 (12 months) (Rs cr)
Net Revenue	13,614.3	13,924.7
EBITDA	1,748.9	2,078.3
Other Income	101.1	56.2
Net Interest	135.7	193.8
Dep. & Amortisation	372.4	437.2
Prod. Dev. Exp.	48.6	51.6
PBT before Extra-ord. Items	1,293.3	1,451.8
Extra-ord. Items	(4.0)	(7.0)
PBT	1,289.3	1,444.9
Tax	393.1	530.8
Profit after Tax	896.2	914.1
Share in Profit of Associates	27.0	18.1
Minority Interest	(5.0)	(4.4)
Other Adjustments		(12.4)
Net Profit	918.3	915.3
Basic EPS (Rs) (non-annualised)	25.6	27.9

- Note – These two periods are not comparable

Presentation Outline

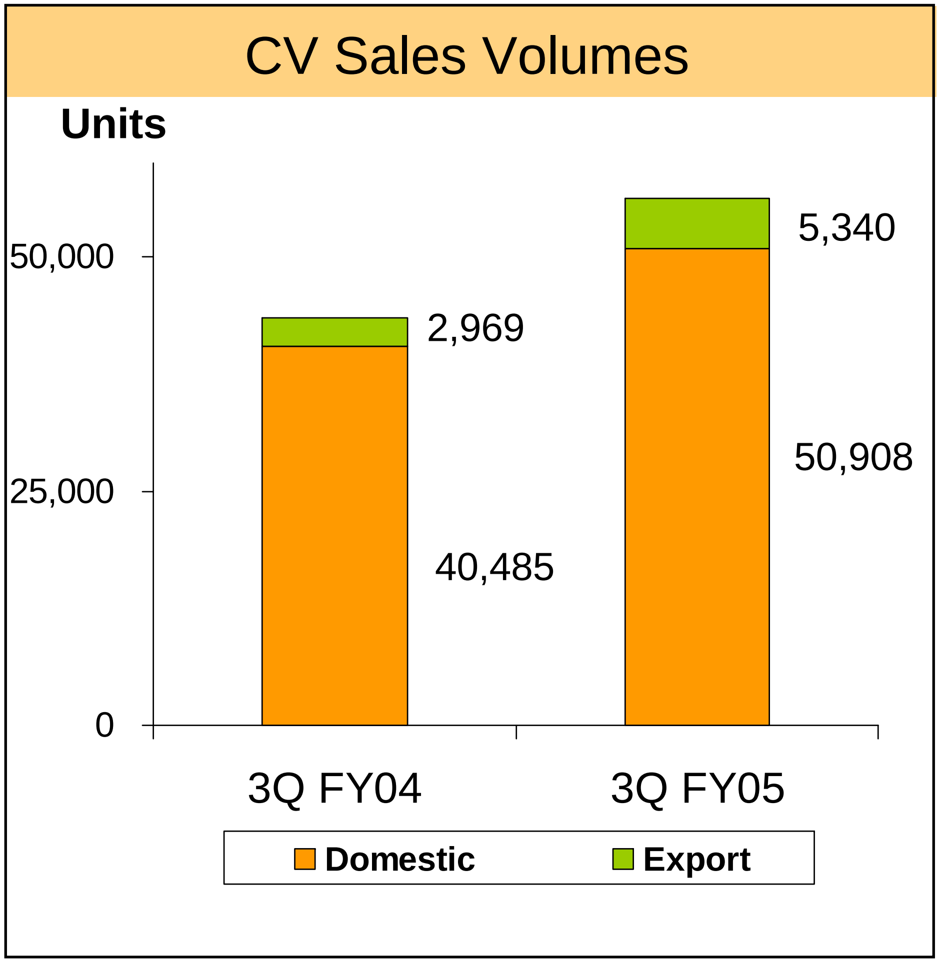
- 3Q and YTD FY05 Results
- **3Q Operational Highlights**

Tata Motors – Sales performance



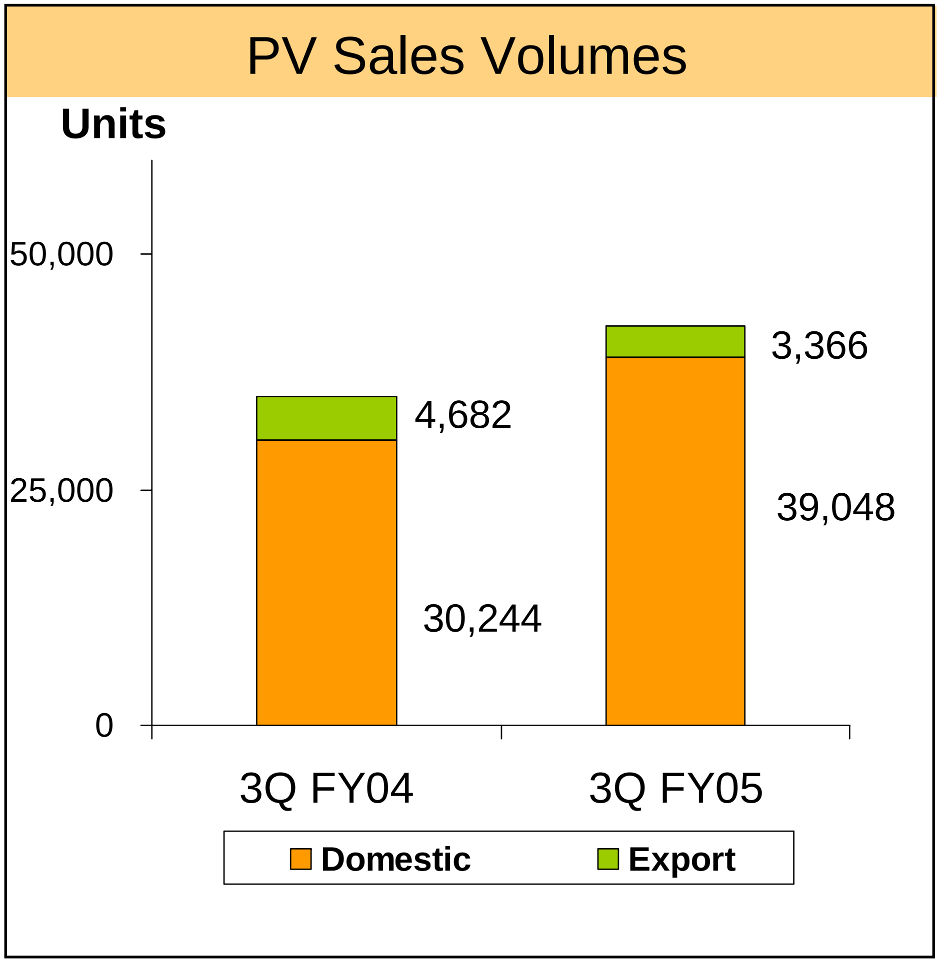
- **3Q Volume growth of 26%**
  - Domestic volumes up 27%
  - Exports volumes up 14%
- **YTD Volume growth of 29%**
  - Domestic volumes up 29%
  - Exports volumes up 28%

Commercial Vehicles – 3Q Highlights



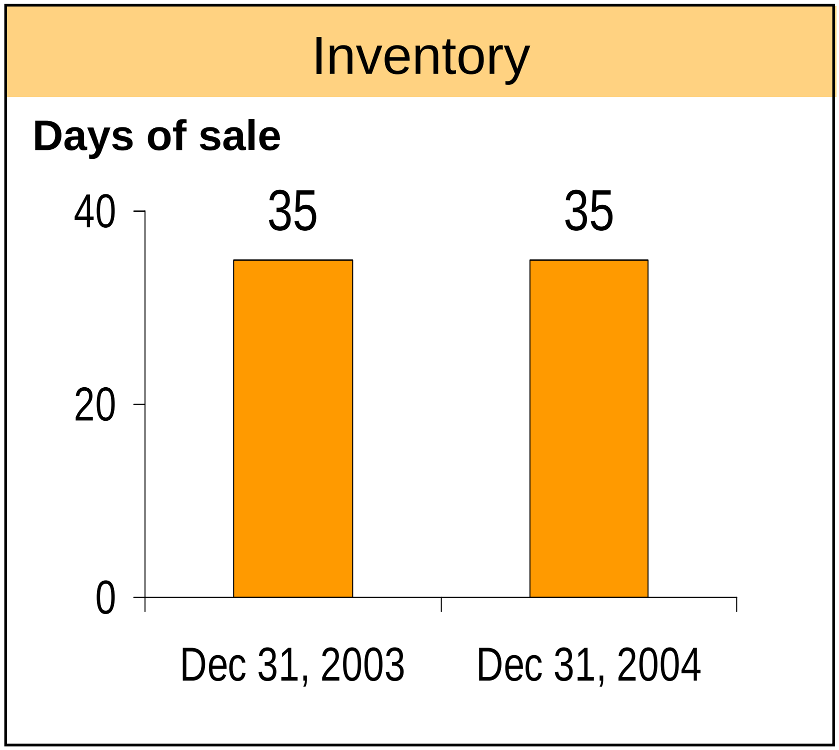
- Domestic CV Volume growth of 26%
  - M/HCVs +22%
  - LCVs +34%
- Exports up by 80% - entering new markets and consolidating presence in existing markets
- CV market share up to 61.6% from 59.1% last year
  - M/HCVs : 66.6% (+130 bps)
  - LCVS : 53.3% (+450 bps)
- Inc. in market share across all M/HCV truck categories
  - ICV - 40.6% from 30.6% last year.
  - HCV - 64.5% from 61.7% last year
- 8% gain in LCV bus market share
- Significant gain in Pick-up market share (42% in 3Q FY05 - highest ever achieved)

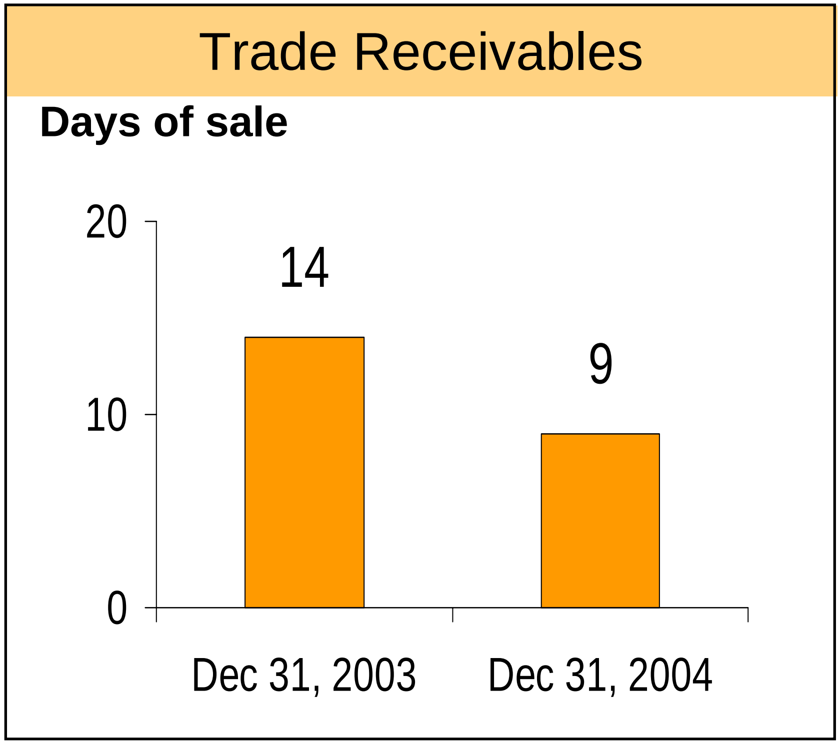
Passenger Vehicles – 3Q Highlights



- Total PV volume growth of 21%
- Domestic PV Volume growth of 29% against industry growth of 24%
- Indigo maintains its market leadership in entry-level Sedan segment.
- Good customer response to Indigo Marina and Sumo Victa
- Indica adjudged the "Best Diesel Small Car' for the second consecutive year
- Exports of MUVs up 184%
- Tata-branded passenger vehicle exports up 52%
- Indica & Indigo launched in S. Africa

Working Capital Management



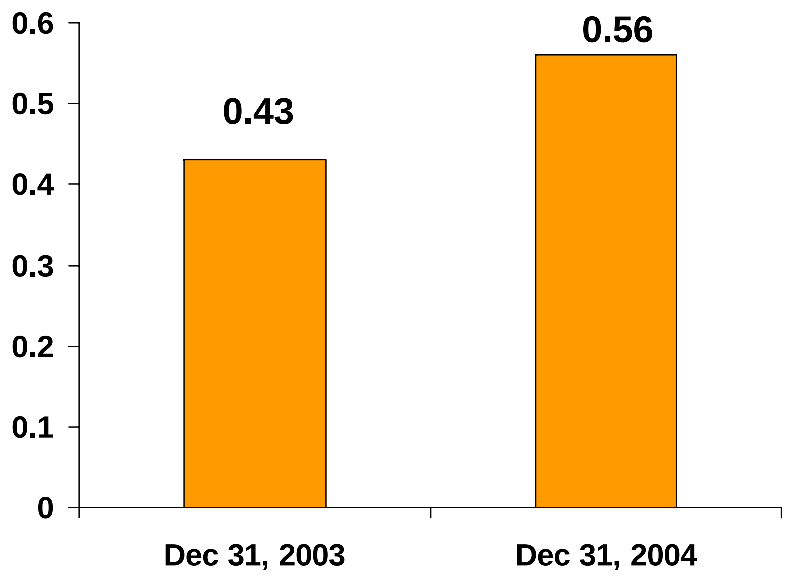


Focus on Reducing Working Capital Requirements

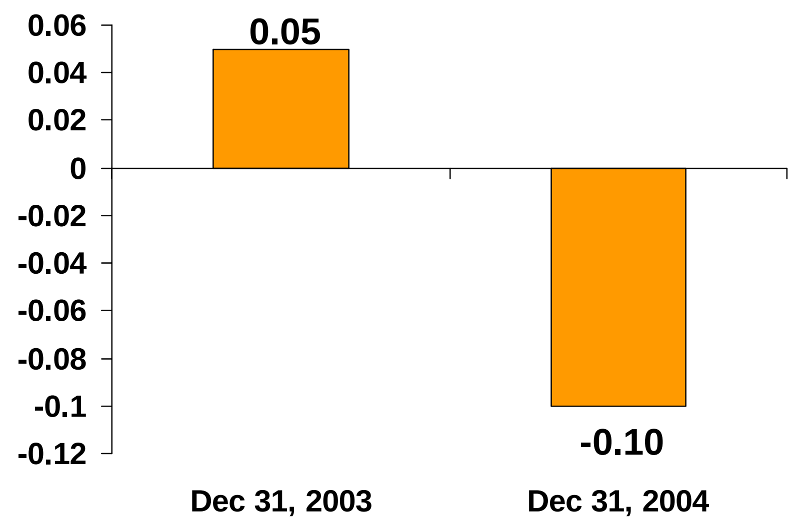
Note – These figures are as per Tata Motors Indian GAAP Unconsolidated Financials

Negative Net Debt Position

Gross Debt / Equity Ratio



Net Debt / Equity Ratio



Net Debt = Gross Debt – Surplus Cash

- Note – These figures are as per Tata Motors Indian GAAP Unconsolidated Financials

Subsidiaries - Operational highlights

- **HVAL**
  - 31% increase in YTD Volumes
  - Capacity Utilisation at 142%
  - Productivity Improvement of 32%
  - Nil Debt as on Dec. 31, 2004
- **HVTL**
  - 26% increase in YTD volumes
  - Capacity utilisation at 108%
  - Interest cost down 67% YoY
    - Borrowings reduced by 62% from March 2004- proposes to be a zero debt company by the end of this fiscal
- **Telcon**
  - Market leaders in excavators with 55% market share
  - Volume Increase of 27%YTD
  - Capacity utilisation at 87% YTD FY05 from 67% YTD FY04.
  - 50% reduction in interest cost

Subsidiaries - Operational highlights

- **Tata Technologies (TTIL)**
  - Provides wide ranging services e.g., IT services, BPO, infrastructure and E&D services
  - Engineering and Design services provider directly to the global OEMs
    - General Motors, Ford, DaimlerChrysler, Toyota, Volkswagen, Honda, Nissan, Fiat, Boeing and Airbus
  - Non-TML business contributes to 40% of revenues

- **TAL**
  - Provides a range of products and services in the area of manufacturing solutions and factory automation
  - Turnaround performance through the following performance drivers
    - Improved order position
    - Firm offer funnel > 5 times (Rs. 1,500 mn) of Order plan (Rs. 290 mn)
    - Improved Working Capital Management
    - Manpower right sizing

Tata Finance Merger with Tata Motors

- Merger of Tata Finance Ltd. with Tata Motors was approved by the Board of Directors of both the Companies on 10th January, 2005
  - Appointed date of merger : April 01, 2005
  - Scheme of merger : 8 ordinary shares of Tata Motors Ltd. for every 100 equity shares of Tata Finance Ltd
  - Tata Motors' equity base to expand by 15.9 million shares (in scenario of non-cancellation of cross-holdings) implying 4% equity dilution for the Company.

Challenges Ahead….

- Steel price increases
- Impact of Emission compliance measures
  - Cost implications of this may lead to advancement of demand in 4Q FY05 leading to sluggish demand conditions in FY06
- Increasing inflation
- Fuel price increases

Thank You

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