

Tata Motors

3Q FY06 Results Review

9th February, 2006

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

- **Financial Results**

- Operational Highlights
- Subsidiary Performance

3Q FY06 Financial Performance (Unconsolidated)

Rs crores	3QFY06	3QFY05	% change
Gross Revenue	5903.6	5091.1	16.0%
Net Revenue	5074.6	4362.8	16.3%
EBITDA	623.1	581.1	7.2%
<i>EBITDA Margin</i>	12.28%	13.32%	-104bps
Other Income	168.4	24.7	581.8%
Net Interest	60.1	41.4	45.2%
Dep. & Amortisation	130.8	100.8	29.8%
Prod. Dev. Exp.	7.7	6.2	24.2%
PBT before Extra-ord. Items	592.8	457.4	29.6%
Extra-ord. Items	-1.0	-1.0	0.0%
PBT	591.8	456.3	29.7%
Tax	131.5	140.1	-6.1%
Profit after Tax	460.2	316.2	45.5%
Basic EPS (Rs) (Non- Annualised)	12.2	8.8	38.6%

- **At 111,228, sales volumes**
 **12.7%**
- **Net Revenue Rs 5074.6 Cr.**
 **16.3%**
- **EBITDA at Rs 623.1 Cr**
 **7.2%**
 - Other expenses includes Forex losses
- **PBT at Rs 591.8 Cr.**
 **29.7%.**
 - Other income includes profit on sale of investments, dividends from long-term investments and income from investible surplus
- **PAT at Rs 460.2 Cr**
 **45.5%**
- **EPS at Rs 12.2**
 **39.0%**

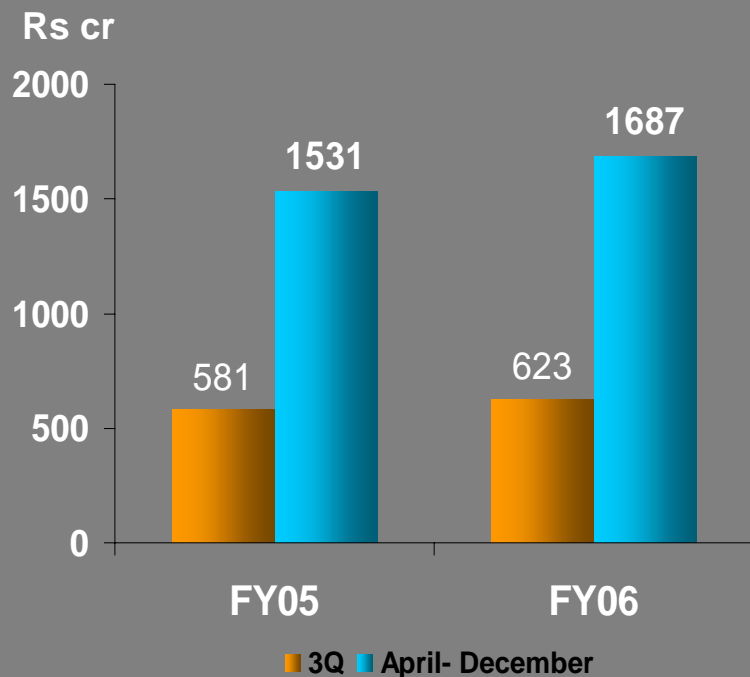
April- December'05 Financial Performance (Unconsolidated)

Rs crores	Apr-Dec FY06	Apr-Dec FY05	% change
Gross Revenue	16,024.9	14,220.2	12.7%
Net Revenue	13,719.5	12,080.3	13.6%
EBITDA	1,686.9	1,530.5	10.2%
EBITDA Margin	12.30%	12.70%	-40bps
Other Income	284.7	136.5	108.6%
Net Interest	157.2	122.8	28.0%
Dep. & Amortisation	384.7	305.9	25.8%
Prod. Dev. Exp.	20.9	48.6	-57.0%
PBT before Extra-ord. Items	1,408.8	1,189.7	18.4%
Extra-ord. Items	(3.0)	(3.1)	3.2%
PBT	1,405.8	1,186.6	18.5%
Tax	335.0	337.8	-0.8%
Profit after Tax	1,070.8	848.8	26.2%
Basic EPS (Rs) (Non- Annualised)	28.5	23.6	20.8%

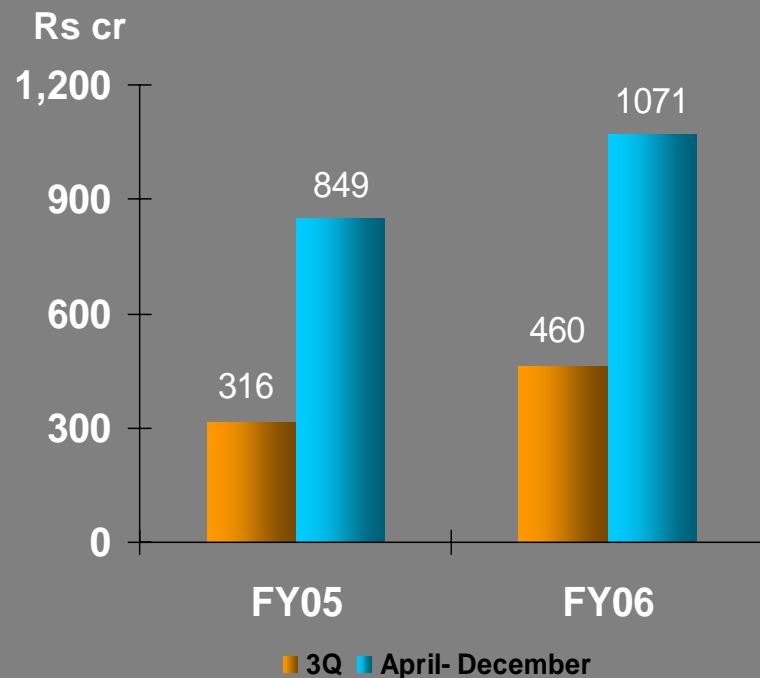
- **At 305,786, sales volumes**
↑ 9.5%
- **Net Revenue: Rs13,719.5 Cr**
↑ 13.6%
- **EBITDA at Rs1,686.9 Cr**
↑ 10.2%
- **PBT at Rs1,405.8 Cr.**
↑ 18.5%;
- **PAT at Rs 1,070.8 Cr**
↑ 26.2%
- **EPS at Rs 28.5**
↑ 20.8%

Profitability

EBDITA



Profit after Tax



EBIDTA up 7.2% in 3QFY06

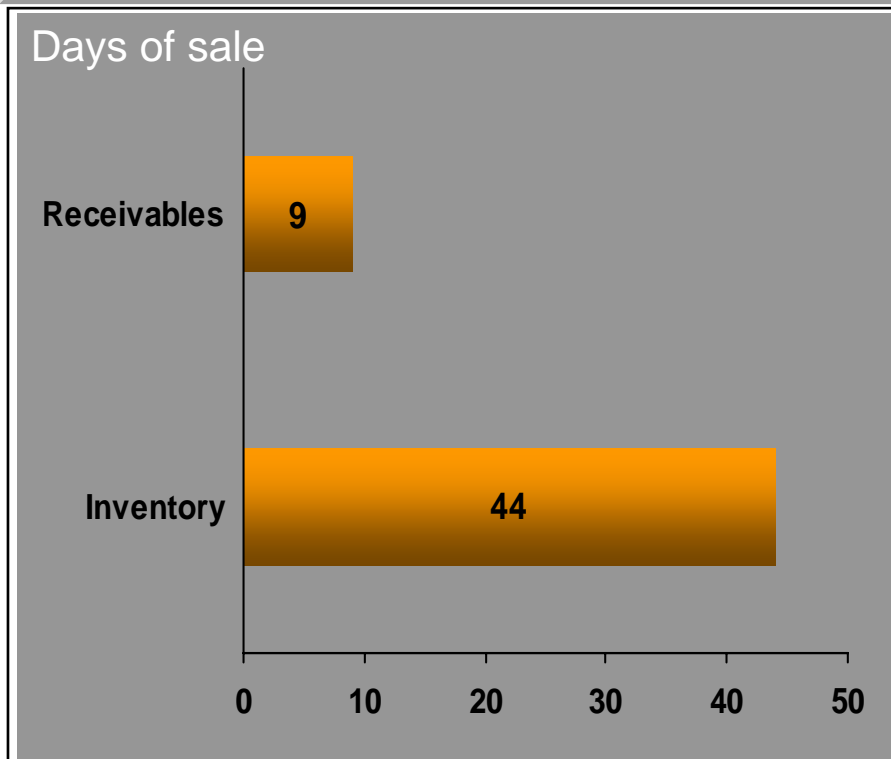
EBIDTA up 10.2% in April- December 2005

PAT up 46.5% in 3QFY06

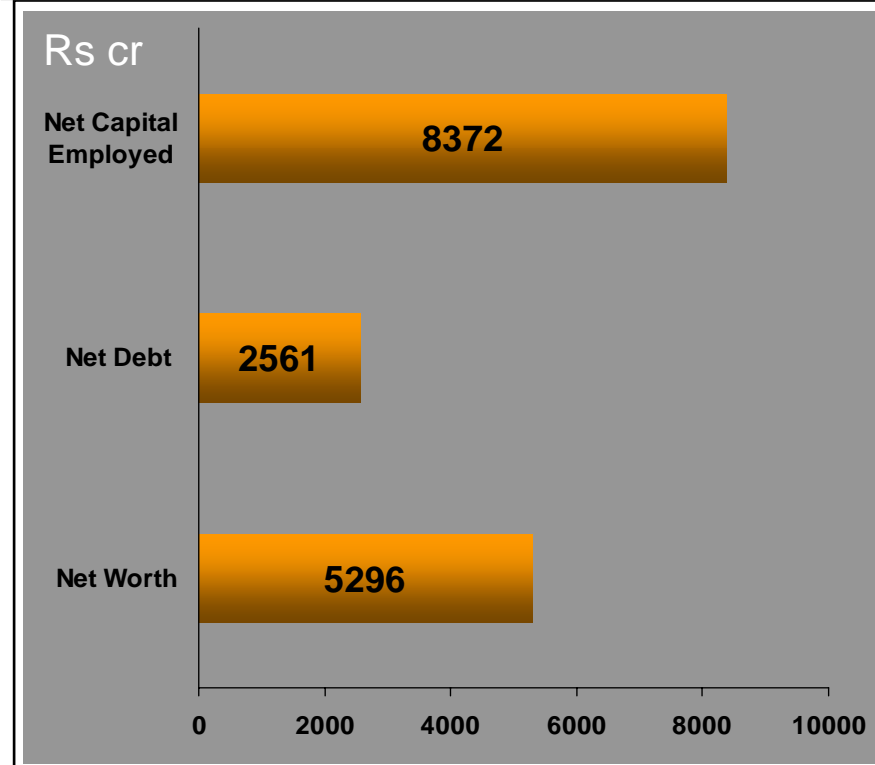
PAT up 26.5% in April- December 2005

Working Capital and Capital Structure

Working Capital as on 31st Dec'05



Capital Structure as on 31st Dec'05



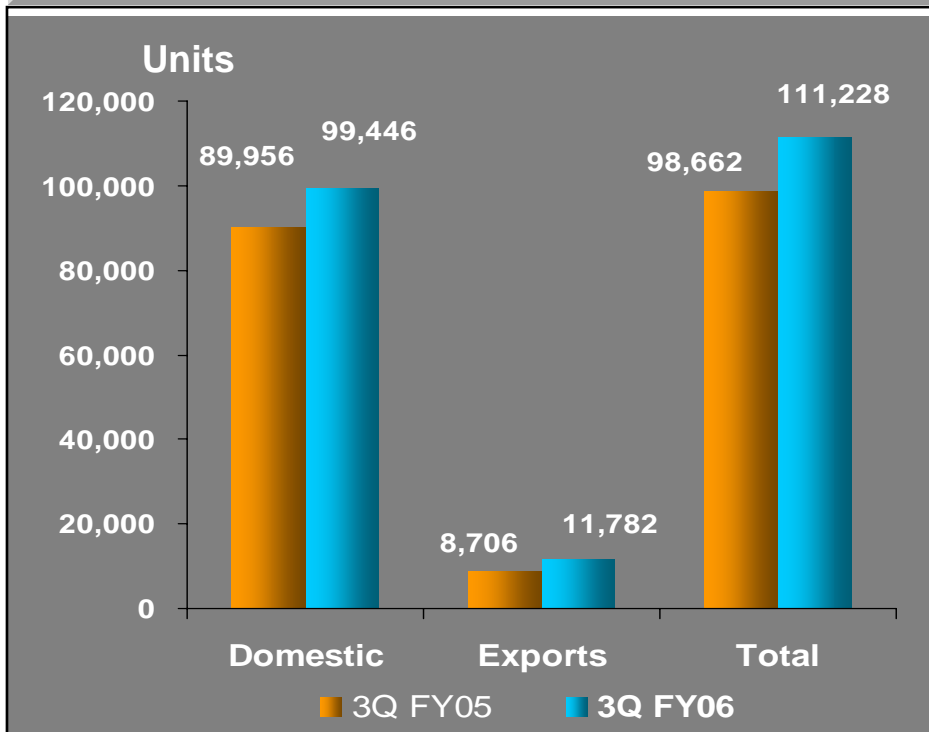
Net Debt includes loans and receivables of vehicle financing business

Agenda

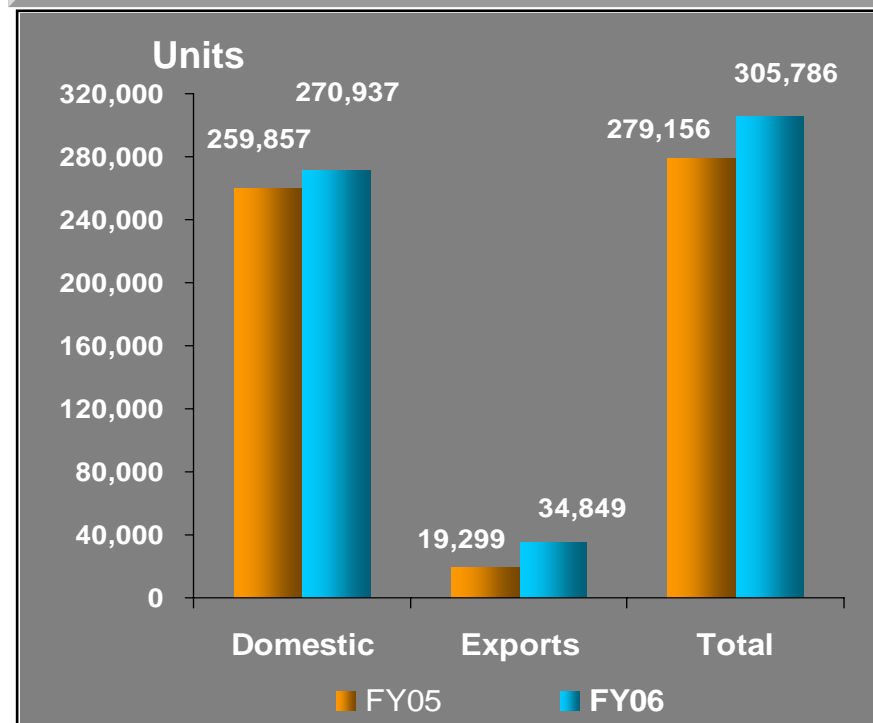
- **Financial Results**
- Operational Highlights
- Subsidiary Performance

Sales Performance

3Q Sales Volumes

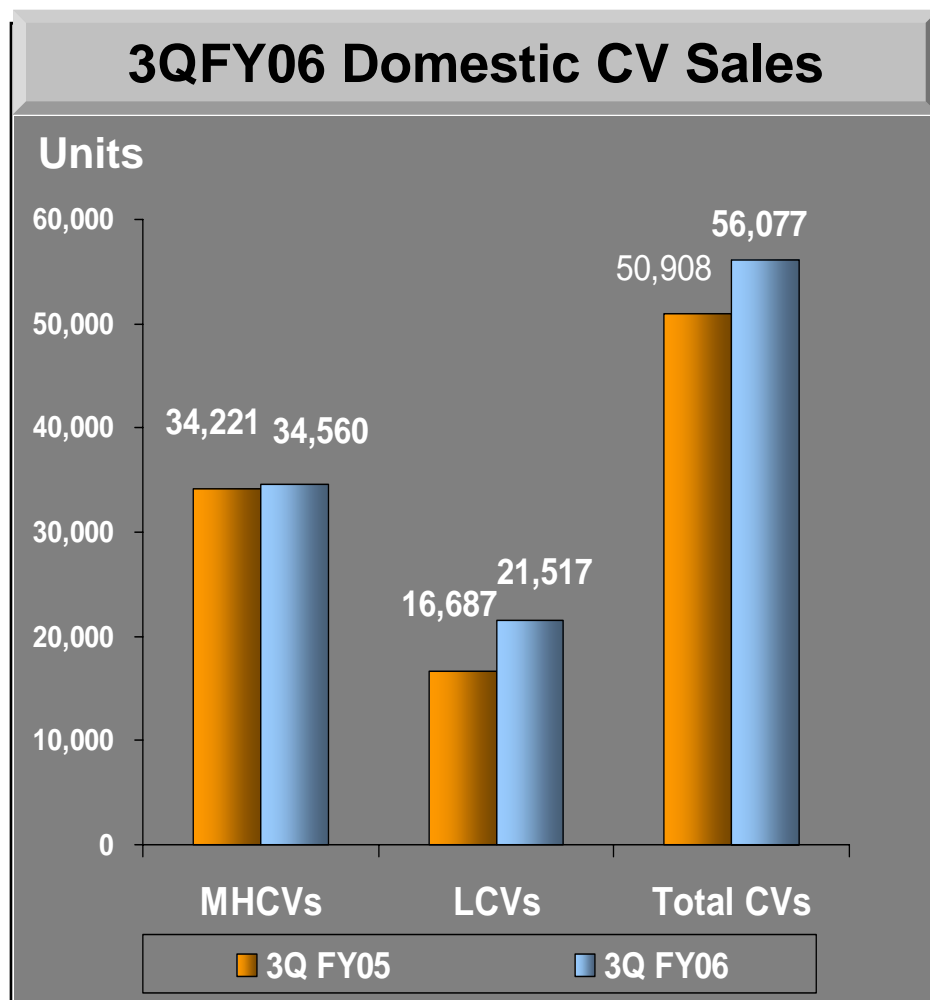


April – Dec'05 Sales Volumes



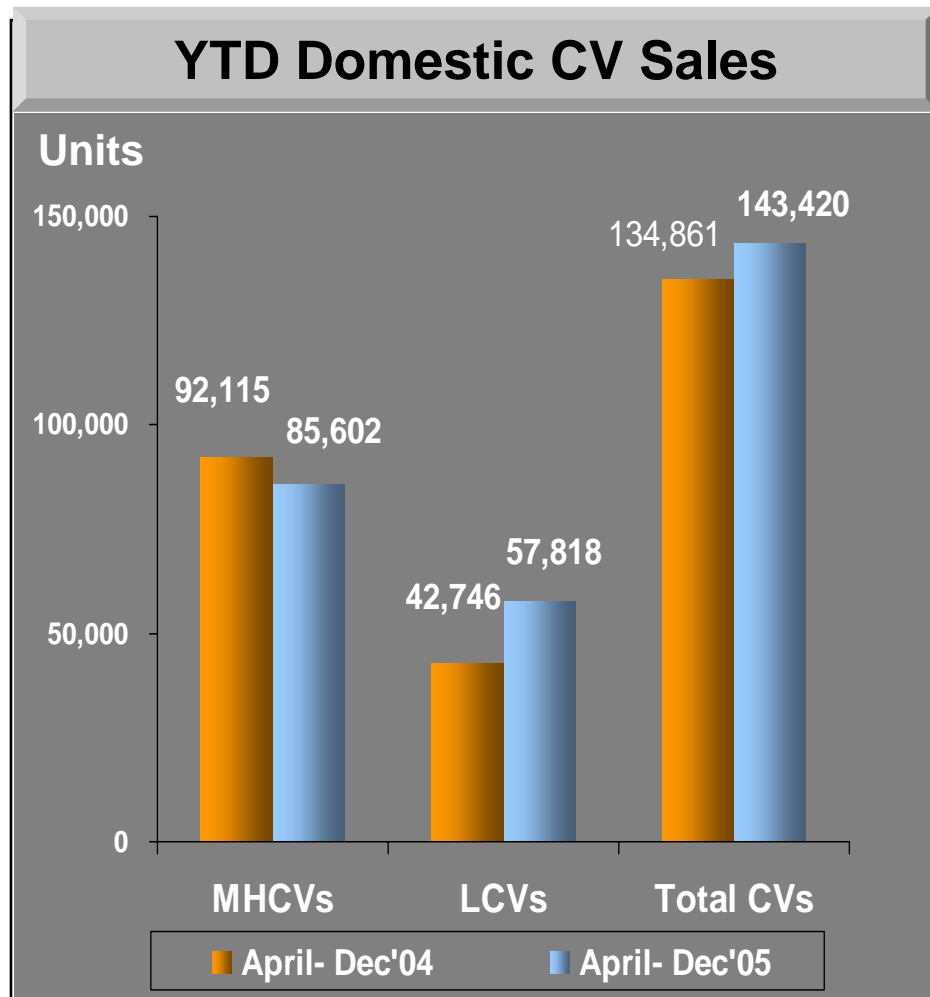
- Total Volume growth of 13% in 3QFY06 and 10% in April- December'05
- Total Domestic volumes up 11% in 3QFY06 and 4% in April – December'05
- Export volumes up 35% in 3QFY06 and 81% in April- December'05

Commercial Vehicle Sales - 3QFY06



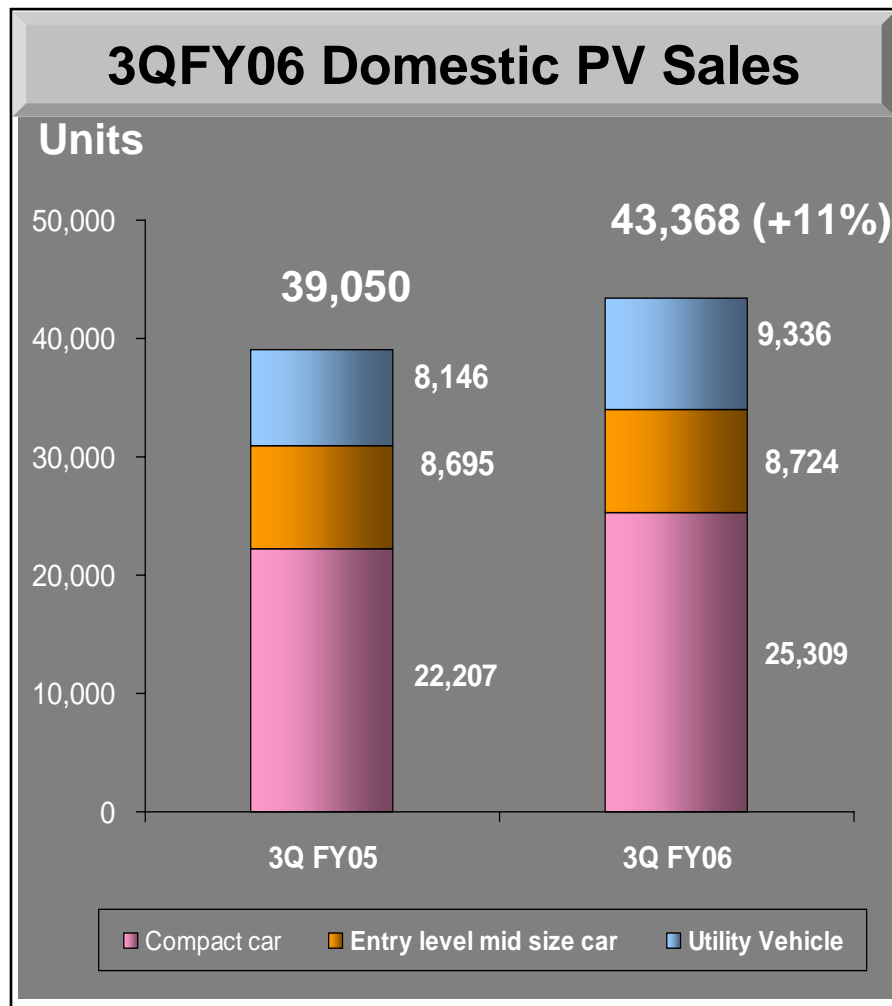
- Industry volumes in the CV segment grew by 5.7% in 3QFY06.
- CV domestic Volumes of the Company were up 10% y-o-y to 56,077 in 3QFY06 from 50,908 in 3QFY05.
 - M/HCVs at 34,560, up 1% y-o-y
 - LCVs at 21,517, up 29% y-o-y
- CV Market share at 61.6% in 3QFY06
 - M/HCV market share at 66.4% in 3QFY06 against 66.6% in 3QFY05
 - LCV market share at 61.5% in 3QFY06 against 53.3% in 3QFY05
- An average of 2,800 units of Ace sold in 3QFY06
- Tata Novus launched in India in December 2005
- Tata TL 4X4 launched during 3QFY06

Commercial Vehicle Sales – April- December 2005



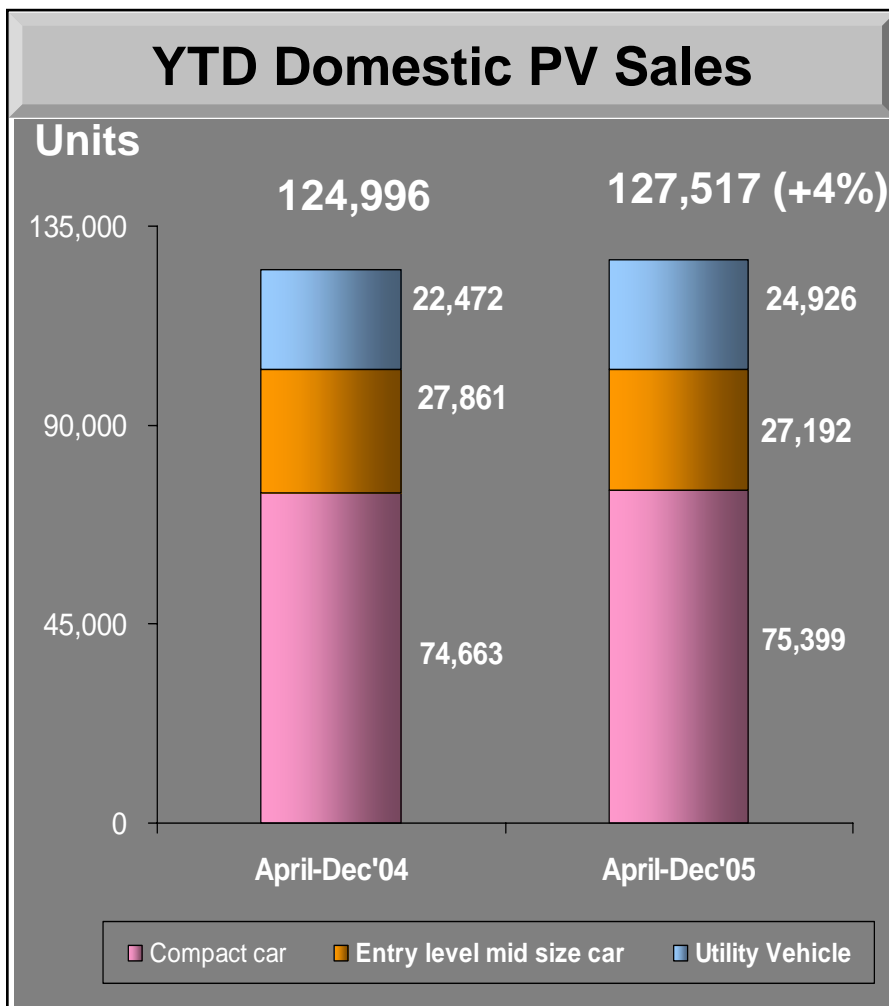
- Industry volumes in the CV segment grew 6.6% during April- Dec'05
- CV domestic Volumes of the Company were up 6.4% during April- Dec'05
 - M/HCVs at 85,602; down 7% y-o-y
 - LCVs at 57,818, up 35% y-o-y
- CV Market share at 60.3% during April- Dec'05 compared to 60.4% during April- Dec'04 :
 - M/HCV YTD market share at 61.7% against 66.7%
 - LCV YTD market share at 58.4% against 50.2%

Passenger Vehicle Sales - 3QFY06



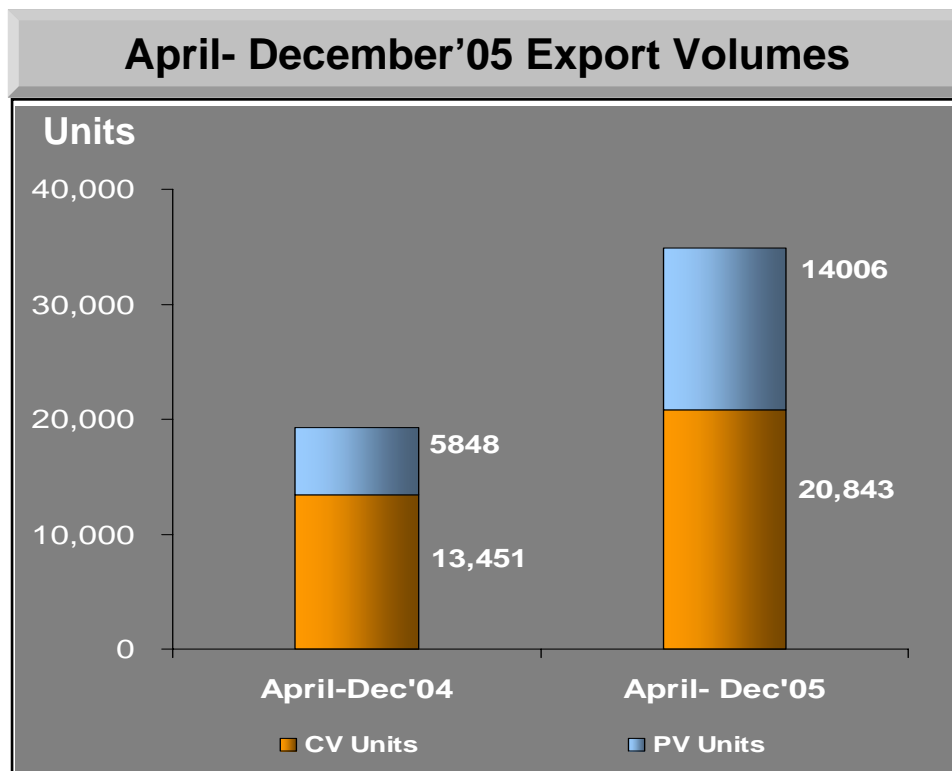
- **Domestic PV Volume Sales up 11% y-o-y**
 - Total passenger car volumes at 34,033 units during 3QFY06; up 10.1% y-o-y
 - UV volumes at 9,336 units during 3QFY06; up 15% y-o-y
- **At 15.6%, 100bps y-o-y increase in PV domestic market share in 3QFY06**
 - Indica market share at 17.6% in 3QFY06 against 17.9% in 3QFY05
 - Indigo market share at 33.3% in 3QFY06 in entry level mid size segment against 25.9% in 3QFY05
 - MUV market share in 3QFY06 at 19.5% as compared to 17.6% in 3QFY05
- **Indica V2 Turbo Diesel launched during 3QFY06 – has received an enthusiastic response from the market**
- **Commencement of Tata – Fiat relationship**

Passenger Vehicle Sales – April- December 2005



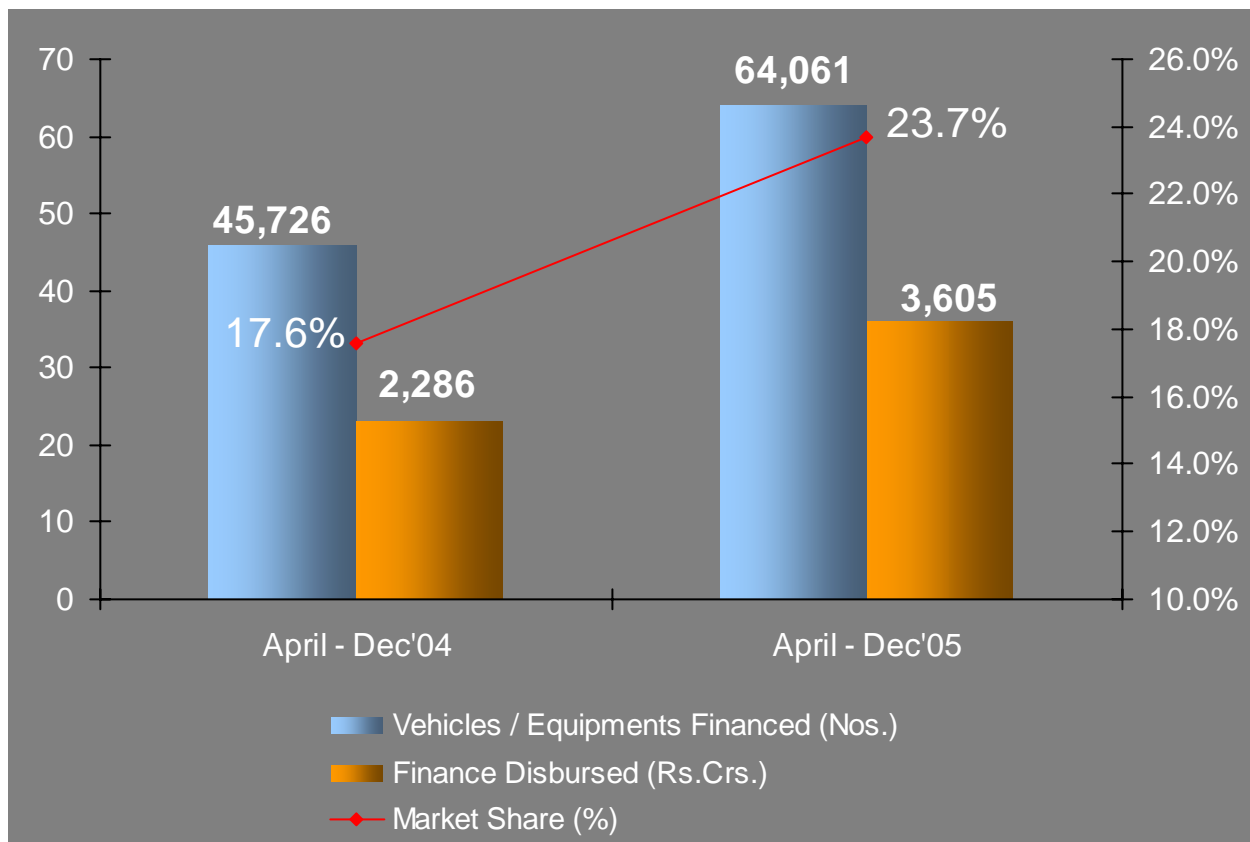
- Passenger Vehicle industry registered 5.9% volume growth during April-December'05
- Domestic PV Volume Sales of the Company grew by 2% April- December'05;
 - Market share at 15.8% against 16.4% last year
- Compact Car YTD volumes increased 1%;
 - Market share at 18.4% compared to 21.1% last year.
- Entry level mid size car YTD volumes declined 2%;
 - Market share at 31.3% against 30.8% last year
- 11% volume growth in YTD UV volumes;
 - Market share at 18.2% against 17.9% last year

International Business



- **Key countries of Export were South Africa, Turkey, South Asia and parts of Europe**
- **TML Export Volumes up 81% during April- December'05**
- **Total international business revenues were 16% of consolidated revenues during April- December'05**

Vehicle Financing (Tata Motors Finance)



	April - Dec'05	April - Dec'04	Growth
Vehicles / Equipments Finances	64,061	45,726	40.1%
Finance Disbursed (Rs. Crs)	3,605	2,286	57.7%
Market Share (%)	23.7	17.6	+610 bps

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- **Financial Results**
- Operational Highlights
- **Subsidiary Performance**

Key Subsidiary Financials

Subsidiary	Turnover (Rs Cr)		Change (%)	PBT (Rs Cr)		Change (%)	PAT (Rs Cr)		Change (%)
	Apr-Dec 05	Apr-Dec 04		Apr-Dec 05	Apr-Dec 04		Apr-Dec 05	Apr-Dec 04	
Tata Daewoo CV Ltd., Korea (TDCV)	1,109.2	878.6	26%	61.2	22.5	172%	45.8	16.7	175%
Telco Construction Equipment Co. Ltd (Telcon)	793.3	572.9	38%	81.4	38.1	114%	52.1	24.1	116%
Tata Technologies Ltd (TTL)*	329.3	130.0	153%	20.5	6.6	211%	14.6	4.1	253%
HV Transmissions Ltd (HVTL)	90.4	90.9	-1%	31.8	31.4	1%	20.9	17.4	20%
HV Axles Ltd (HVAL)	102.0	104.0	-2%	45.6	43.3	5%	30.4	27.2	12%
TAL Mfg Solutions Ltd (TAL)	67.1	55.0	22%	0.5	0.9	-37%	0.3	0.9	-69%

* Includes INCAT financials

Operational Highlights of Subsidiaries

TDCV

- TDCV registered total sales volume of 3,907 units during April – December'05 against 3,541 units during April – December'04, up 10.3 % y-o-y.
- While the domestic market share of TDCV stood at 27.7% during April – December 2005, the exports registered a y-o-y growth of three times during the period.
- TDCV launched MCV trucks in the Korean market during the quarter in the 4.5, 5 and 7-tonne categories

TTL

- Acquisition of INCAT International Plc was completed on 3rd Oct 2005 and the Company was delisted from LSE with effect from 4th November 2005.
- Post acquisition integration process is in progress.
- The combined entity will now focus on auto, aerospace and other engineering market segments in the areas of Engineering Automatics and Enterprise Solutions.

Operational Highlights of Subsidiaries...contd.

TELCON

- Tata Motors sold another 20% of its stake in Telcon to Hitachi during the quarter, thereby reducing its total stake to 60% from 80% held earlier.
- Registered 45% growth in volume sales; 2,504 units in April – December'05 from 1,727 units in April December'04.
- Continued to be market leader in excavators during the April-December, 2005 with 51% market share.
- During April- December 2005, market share in wheel loaders and backhoe loaders sustained at 22% and 9% respectively.

TAL

- Performance highlights during April – December'05; Revenues at Rs. 67.1cr, up 22% y-o-y , PBT at Rs.0.5 Cr - down 37% y-o-y, PAT at Rs.0.3 Cr – down 69%.
- Strong order book position, cost reduction and restructuring of operations to contribute to growth in future.

HVAL & HVTL

- Continued initiatives in increasing productivity and reducing costs.
- Efforts on towards strategic initiative of getting technology partners for the subsidiaries.

Going forward....

- Economic growth, industrial production and infrastructure development expected to continue to boost the economic development
- Further increase in interest rates movement is likely to put a pressure on interest cost
- While steel prices have stabilised, increase in the prices of other key commodities like aluminium, rubber, copper etc is expected to continue to put pressure on the input costs

Thank You